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**Corporate Information**

<table>
<thead>
<tr>
<th>Name of the Company</th>
<th>ONE Bank Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Mr. Sayeed Hossain Chowdhury</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td>Mr. Asoke Das Gupta</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Mr. M. Fakhrul Alam</td>
</tr>
<tr>
<td>Company Secretary</td>
<td>Mr. John Sarkar</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Status</th>
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</thead>
<tbody>
<tr>
<td>Date of Incorporation</td>
<td>May 12, 1999</td>
</tr>
<tr>
<td>Registered Office</td>
<td>2/F HRC Bhaban 46, Kawran Bazar C.A. Dhaka-1215</td>
</tr>
<tr>
<td>Line of Business</td>
<td>Banking</td>
</tr>
<tr>
<td>Telephone</td>
<td>88 02 9118161</td>
</tr>
<tr>
<td>Telefax</td>
<td>88 02 9134794</td>
</tr>
<tr>
<td>SWIFT</td>
<td>ONEBBDDH</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.onebank.com.bd">www.onebank.com.bd</a></td>
</tr>
</tbody>
</table>
মোবাইল OK ব্যাংকিং

আপনার বাড়ির পাশের বাজারে, হাটে কিংবা ইউনিয়ন সদরে রয়েছে ওয়ান ব্যাংক মোবাইল ব্যাংকিং এর এজেন্ট।

নগদ ঢাকার দিন শেষ
এবার OK বাংলাদেশ
Mr. Sayeed H. Chowdhury
Chairman

After completing his higher education in London – UK, Mr. Sayeed H. Chowdhury joined the family business in 1981 and was based in the Sultanate of Oman until 1987, looking after its business interest in the Gulf region. Returned home to work for the family company “Karnaphuli Group” as its Director Finance and Planning. In March 1991, Mr. Chowdhury founded the HRC Group, the much acclaimed and multi faceted blue chip business house of Bangladesh. Initially starting as a shipping agency, the group is now a leading conglomerate of Bangladesh consisting of nineteen member companies with diverse interest which includes but is not limited to ship owning, chartering and agency, tea estate and rubber plantation, blending and packaging of tea for local market and export, real estate, print media, GLS-bulb manufacturing, distribution, insurance, housing finance, merchant banking, information technology, etc. Export performance of HRC in the tea sector has earned Mr. Chowdhury the Government CIP honour for twelve (12) consecutive years. He is the Founder, Chairman and CEO of HRC family of companies. Mr. Chowdhury is also Chairman of Media New Age Limited and Information Services Network Limited. He is the Chairman of the Editorial Board of the Bangla National daily Jaijaidin. A Director of Holiday Publications Limited and a Sponsor Shareholder of Bangladesh General Insurance Co. Ltd. Mr. Chowdhury is the Ex-President of Bangladesh Oceangoing Shipowners’ Association (BOGSOA). He is also a member of the British Institute of Management.

Recognitions:

National
- Industry Business Award (2003)
- Financial Mirror Export Award (2007)

International
- CPBU Business Entrepreneur of the Year 2007 – United Kingdom.
- Queen’s Special Award 2007 - The Ede and Ravenscroft, United Kingdom

Fellowship
- Honorary Fellowship of the Corporation of Executives Administrators (CEA) – United Kingdom
Mr. Asoke Das Gupta
Vice Chairman

Mr. Asoke Das Gupta is a reputed businessman of the country. He is the Chief Executive of IMTREX and the Managing Director of Uniroyal Trade Ltd. and he is also the Chairman of Uniroyal Securities Ltd. which is a member of the Dhaka and the Chittagong Stock Exchanges Ltd.

Mr. Zahir Ullah
Director

Mr. Zahir Ullah, Director of ONE Bank Limited is a prominent business person in the country. He graduated in Finance from University of Dhaka. He is also the Managing Director of GTEX Ltd. He is one of the Directors of Holiday Publications Ltd. Mr. Zahir Ullah is the Chairman of LL Group and is involved in the buying, manufacturing, and exporting of ready made garments and allied products.

Mr. A.S.M. Shahidullah Khan
Director

Mr. A.S.M. Shahidullah Khan is one of the Directors of ONE Bank Limited, representing KSC Securities Limited. He participated in the liberation war as a freedom fighter. Presently, he is the Managing Director of Media New Age, publisher of national English Daily The New Age.
Mr. Kazi Rukunuddin Ahmed  
Director

Mr. Kazi Rukunuddin Ahmed, one of the Directors of ONE Bank Limited, representing Irfan International Limited is a highly regarded B.Sc. Engineer.

Mr. Shawket Jaman  
Director

Mr. Shawket Jaman is a Director of ONE Bank Limited, representing M R Holdings & Securities Limited.

Mr. Salahuddin Ahmed  
Depositor Director

Mr. Salahuddin Ahmed, Depositor Director of ONE Bank Limited is a renowned Management Consultant. He obtained his Master’s Degree from Dhaka University. He is experienced in Project Development, Cost Control, Procurement Management and Contract Administration. He is also the Managing Director of Consolidated Services Limited (CSL).
Mr. Syed Nurul Amin
Independent Director

Mr. Syed Nurul Amin, Independent Director of ONE Bank Limited is a seasoned banker. He served in different capacities in different banks for more than four (4) decades. He retired as Managing Director. Mr. Amin was also a nominated Director on the Boards of Directors of IDLC and IIDFC.

Mr. M. Fakhrul Alam
Managing Director

Mr. M. Fakhrul Alam has been appointed as Managing Director of ONE Bank Limited for a tenure of 3 (three) years with effect from October 8, 2013. He was the Additional Managing Director of the Bank prior to that. Before joining ONE Bank Limited, he had served with Eastern Bank Limited as Deputy Managing Director and Head of Corporate Banking, Treasury & Investment Banking. Over the last 29 years, Mr. Alam’s career evolved as a well rounded banker with adequate exposure in Corporate, Treasury and Investment Banking in various capacities in different banks and other financial institutions. He started his career at Agrani Bank Limited as a Senior Officer in 1983, and later served different organizations at home & abroad including IFIC Bank Limited and Bank of Credit & Commerce International (Overseas) Ltd. Besides distinctive academic records, he is also an MBA from IBA, Dhaka University.
The Board

and its Committees

BOARD OF DIRECTORS

Chairman
Mr. Sayeed Hossain Chowdhury

Vice Chairman
Mr. Asoke Das Gupta

Directors
Mr. Zahur Ullah
Mr. A.S.M. Shahidullah Khan
Mr. Kazi Rukunuddin Ahmed
Mr. Shawket Jaman
Mr. Salahuddin Ahmed, Depositor Director
Mr. Syed Nurul Amin, Independent Director
Mr. M. Fakhrul Alam, Managing Director

AUDIT COMMITTEE

Chairman
Mr. Syed Nurul Amin

Members
Mr. A.S.M. Shahidullah Khan
Mr. Shawket Jaman

EXECUTIVE COMMITTEE

Chairman
Mr. Zahur Ullah

Members
Mr. Sayeed Hossain Chowdhury
Mr. Asoke Das Gupta
Mr. Syed Nurul Amin

COMPANY SECRETARY

Mr. John Sarkar
Key Personnel

Managing Director
Mr. Md. Fakhrul Alam

Deputy Managing Director
Ms. Johora Bebe
Mr. Wakar Hasan

Additional Deputy Managing Director
Ms. Rozina Aliya Ahmed
Mr. A. B. M. Saif Sarwar

Senior Executive Vice President
Mr. M. Rafique Islam
Mr. John Sarkar
Mr. Mahmudul Khaleque
Mr. Shaibul Ahmed
Mr. Md. Afzal Uddin Khan
Mr. Md. Fazlur Rahman Chowdhury

Executive Vice President
Mr. Adil Rahsan
Mr. Shafuzzaman
Mr. Noor Mohammed

Legal Retainer
Barrister Shafiqul Kabir Khan

Senior Vice President
Mr. Md. Mostaque Hossain
Mr. Md. Rafique Islam
Mr. M. Ahsan Habib
Mr. Md. Fazlur Rahman Chowdhury
Mr. Md. Aftab Uddin Khan
Mr. Shabbir Ahmed
Mr. Mahmudul Khaleque
Mr. John Sarkar
Mr. M. Rafique Islam

Senior Assistant Vice President
Mr. Md. Naimul Islam Chowdhury
Mr. Md. Farzad Raqeeb
Mr. Md. Khorshed Anwar
Mr. Md. Salah Uddin

Assistant Vice President
Mr. Md. Iftikhar Uddin Ahmed
Mr. Shahabuddin Ahmed
Mr. Md. Muyeed Hasan
Mr. Md. Alauddin

Vice President
Mr. Md. Mostaque Hossain
Mr. Md. Rafique Islam
Mr. Md. Ahsan Habib
Mr. Md. Mostaque Hossain
Mr. Md. Md. Shorinar Islam
Mr. Md. Md. Rashidul Islam
Mr. Md. Md. Mostaque Hossain
Mr. Md. Md. Mostaque Hossain

First Assistant Vice President
Mr. Md. Masud Khan Chowdhury
Mr. Md. Nazrul Islam Bhuiyan
Mr. Md. Md. Mostaque Hossain
Mr. Md. Md. Mostaque Hossain
Mr. Md. Md. Mostaque Hossain
Mr. Md. Md. Mostaque Hossain

Ms. Sanzida Ahmed
REGISTERED OFFICE

ONE Bank Limited
2/F HRC Bhaban
46 Kawran Bazar C.A.
Dhaka 1215, Bangladesh
Phone: 88 02 9118161
Fax: 88 02 9134794
E-mail: obl@onebank.com.bd
Website: www.onebank.com.bd

AUDITORS

ACNABIN
Chartered Accountants
BDBL Bhaban (13th Floor)
12 Kawran Bazar C. A.
Dhaka- 1215, Bangladesh

LEGAL SERVICES RENDERED BY

ABDUR RAZZAQUE & ASSOCIATES
Barristers & Associates
City Heart, Suit # 5/1
67, Naya Paltan (4th floor)
Dhaka -1000.
Tel: 9359998
E-mail: arazzaque@citech.net

Khan & Partners
Barristers & Advocates
3 New Baily Road, Dhaka-1000, Bangladesh
Tel: 9330647; Fax: 88 02 8313439
E-mail: kpartners@dhaka.net

MR. ALI ASGHAR CHOWDHURY
Advocate
Supreme Court of Bangladesh
High Court Division & Judge’s Court, Chittagong.
Chamber: Chittagong Bar Association Building
Room No.15, Court Hill, Chittagong
Phone: (88-03) 637022
Notice of

THE 15TH ANNUAL GENERAL MEETING

Notice is hereby given to all Members of ONE Bank Limited (the “Company”) that the 15th Annual General Meeting of the Members of the Company will be held on Thursday, May 15, 2014 at 11.00 a.m. at Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000 to transact the following business and adopt necessary resolutions:

AGENDA:

1. To confirm the minutes of the 14th Annual General Meeting held on June 13, 2013.
2. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
3. To declare dividend out of the profits for the year ended December 31, 2013.
4. To elect Directors in place of those who shall retire in accordance with the provisions of law and the Articles of Association of the Company.
5. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To transact any other business with permission of the chair.

By order of the Board,

John Sarkar
SEVP & Company Secretary

Dhaka
March 25, 2014

NOTES:

a. The ‘Record Date’ shall be April 7, 2014.
b. The Shareholders whose names appear in the Register of Members of the Company as at the close of the business on April 7, 2014 will only be entitled to the dividend declared in the AGM, if any.
c. 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.
d. The instrument appointing proxy duly signed by the Member and stamped must be submitted at the Registered Office of the Company at least 48 hours before the Meeting.
e. Members are requested to notify change of address, if any, to the related Depository Participant before April 7, 2014.

N.B. No benefit or gift in cash or kind shall be given to the shareholders for attending the 15th Annual General Meeting as per Bangladesh Securities and Exchange Commission’s Circular No. SEC/CMRCD/2009-193/154 dated October 24, 2013.
### Company Milestones

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<th>HALLMARKS</th>
<th>DATES</th>
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<tr>
<td>● Memorandum and Articles of Association signed by the Sponsors</td>
<td>May 4, 1999</td>
</tr>
<tr>
<td>● Incorporation of the Company</td>
<td>May 12, 1999</td>
</tr>
<tr>
<td>● Certificate of Commencement of Business</td>
<td>May 12, 1999</td>
</tr>
<tr>
<td>● License issued by Bangladesh Bank</td>
<td>June 2, 1999</td>
</tr>
<tr>
<td>● License issued for opening the first branch-Principal Branch, Dhaka</td>
<td>June 17, 1999</td>
</tr>
<tr>
<td>● Formal launching of the Bank</td>
<td>July 14, 1999</td>
</tr>
<tr>
<td>● Commencement of business from the Principal Branch, Dhaka</td>
<td>July 14, 1999</td>
</tr>
<tr>
<td>● Sponsored Industrial and Infrastructure Development Finance Company Limited (IIDFC) as Promoter Shareholder</td>
<td>June 25, 2001</td>
</tr>
<tr>
<td>● Floatation of Initial Public Offering (IPO):</td>
<td></td>
</tr>
<tr>
<td>Publication of Prospectus</td>
<td>June 29, 2003</td>
</tr>
<tr>
<td>Subscription opened</td>
<td>August 11, 2003</td>
</tr>
<tr>
<td>Subscription closed</td>
<td>August 12, 2003</td>
</tr>
<tr>
<td>● Lottery held for Allotment of oversubscribed Shares</td>
<td>August 31, 2003</td>
</tr>
<tr>
<td>● Trading of Shares at Dhaka Stock Exchange Limited</td>
<td>December 6, 2003</td>
</tr>
<tr>
<td>● Trading of Shares at Chittagong Stock Exchange Limited</td>
<td>December 6, 2003</td>
</tr>
<tr>
<td>● Sponsor Shares acquisition of VANIK Bangladesh Limited (now LankaBangla Finance Limited)</td>
<td>June 5, 2004</td>
</tr>
<tr>
<td>● Dividend declared in the 5th AGM (first ever after the IPO)</td>
<td>June 7, 2004</td>
</tr>
<tr>
<td>● Commencement of trading of the Bank’s Shares in dematerialized form on Central Depository System(CDS) of Central Depository Bangladesh Limited (CDBL)</td>
<td>December 22, 2004</td>
</tr>
<tr>
<td>● Launched ONE Bank MasterCard (Credit Cards)</td>
<td>July 14, 2005</td>
</tr>
<tr>
<td>● Installed Automated Teller Machines (ATM)</td>
<td>July 14, 2006</td>
</tr>
<tr>
<td>● Inaugurated its 50th Branch</td>
<td>December 29, 2010</td>
</tr>
<tr>
<td>● Incorporation of Subsidiary Company ONE Securities Limited</td>
<td>May 4, 2011</td>
</tr>
<tr>
<td>● Obtained Chittagong Stock Exchange (CSE) Membership</td>
<td>May 8, 2011</td>
</tr>
<tr>
<td>● Change of Face Value and Market Lot of Shares</td>
<td>December 4, 2011</td>
</tr>
<tr>
<td>● New CBS Software (ORACLE Flexcube-11.2) live operation</td>
<td>January 1, 2012</td>
</tr>
<tr>
<td>● Launching of Internet Banking</td>
<td>March 23, 2012</td>
</tr>
<tr>
<td>● Enhancement of Authorised Capital (from Tk 415 crore to Tk 1,000 crore)</td>
<td>March 29, 2012</td>
</tr>
<tr>
<td>● Obtained Dhaka Stock Exchange (DSE) Membership</td>
<td>December 6, 2012</td>
</tr>
<tr>
<td>● Joined Q-Cash, DBBL , BRAC and VISA Networks</td>
<td>March 13, 2013</td>
</tr>
<tr>
<td>● Launched Multi Currency VISA Debit , Prepaid &amp; Credit Cards as a Principal Member of VISA Worldwide Pte. Ltd.</td>
<td>August 29, 2013</td>
</tr>
<tr>
<td>● Launched Bank Led Mobile Financial Services ‘OK Banking’</td>
<td>September 5, 2013</td>
</tr>
</tbody>
</table>
OUR VISION

To establish ONE Bank Limited as a Role Model in the Banking Sector of Bangladesh.

To meet the needs of our Customers, provide fulfillment for our People and create Shareholder Value.

OUR MISSION

To constantly seek ways to better serve our Customers.

Be proactive in fulfilling our Social Responsibilities.

To review all business lines regularly and develop the Best Practices in the industry.

Working environment to be supportive of teamwork, enabling the employees to perform to the very best of their abilities.
# Five Years’ Financial Highlights

**As at 31 December 2013**

(Figures in Million Taka)

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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Authorized Capital</td>
<td>10,000</td>
<td>10,000</td>
<td>4,150</td>
<td>4,150</td>
<td>4,150</td>
</tr>
<tr>
<td>2</td>
<td>Paid up Capital</td>
<td>4,767</td>
<td>4,145</td>
<td>3,189</td>
<td>2,057</td>
<td>1,558</td>
</tr>
<tr>
<td>3</td>
<td>Statutory Reserve</td>
<td>2,665</td>
<td>2,310</td>
<td>1,898</td>
<td>1,450</td>
<td>914</td>
</tr>
<tr>
<td>4</td>
<td>Capital</td>
<td>12,070</td>
<td>8,438</td>
<td>7,700</td>
<td>5,956</td>
<td>3,573</td>
</tr>
<tr>
<td>5</td>
<td>Total Deposits</td>
<td>86,568</td>
<td>73,056</td>
<td>57,240</td>
<td>50,734</td>
<td>39,365</td>
</tr>
<tr>
<td>6</td>
<td>Total Loans &amp; Advances</td>
<td>76,573</td>
<td>60,216</td>
<td>47,927</td>
<td>42,190</td>
<td>32,533</td>
</tr>
<tr>
<td>7</td>
<td>Investment</td>
<td>10,292</td>
<td>9,792</td>
<td>8,128</td>
<td>7,491</td>
<td>6,789</td>
</tr>
<tr>
<td>8</td>
<td>Import business handled</td>
<td>74,857</td>
<td>57,686</td>
<td>53,831</td>
<td>51,781</td>
<td>34,442</td>
</tr>
<tr>
<td>9</td>
<td>Export business handled</td>
<td>58,711</td>
<td>50,930</td>
<td>45,897</td>
<td>35,432</td>
<td>25,561</td>
</tr>
<tr>
<td>10</td>
<td>Guarantee business handled</td>
<td>8,036</td>
<td>11,976</td>
<td>12,941</td>
<td>7,999</td>
<td>5,075</td>
</tr>
<tr>
<td>11</td>
<td>Total Income</td>
<td>12,501</td>
<td>10,410</td>
<td>9,170</td>
<td>7,662</td>
<td>5,824</td>
</tr>
<tr>
<td>12</td>
<td>Total expenditure</td>
<td>10,041</td>
<td>8,074</td>
<td>6,323</td>
<td>4,641</td>
<td>4,145</td>
</tr>
<tr>
<td>13</td>
<td>Net Interest Income</td>
<td>3,048</td>
<td>2,753</td>
<td>1,959</td>
<td>1,862</td>
<td>1,035</td>
</tr>
<tr>
<td>14</td>
<td>Operating Profit</td>
<td>2,460</td>
<td>2,335</td>
<td>2,847</td>
<td>3,020</td>
<td>1,679</td>
</tr>
<tr>
<td>15</td>
<td>Operating Expenses</td>
<td>2,992</td>
<td>2,284</td>
<td>1,764</td>
<td>1,447</td>
<td>950</td>
</tr>
<tr>
<td>16</td>
<td>Profit after Tax &amp; provisions</td>
<td>1,349</td>
<td>1,055</td>
<td>1,449</td>
<td>1,887</td>
<td>727</td>
</tr>
<tr>
<td>17</td>
<td>Total Assets</td>
<td>102,691</td>
<td>85,618</td>
<td>67,619</td>
<td>58,736</td>
<td>45,163</td>
</tr>
<tr>
<td>18</td>
<td>Number of Correspondents</td>
<td>364</td>
<td>358</td>
<td>346</td>
<td>311</td>
<td>300</td>
</tr>
<tr>
<td>19</td>
<td>Number of employees</td>
<td>1,810</td>
<td>1,608</td>
<td>1,472</td>
<td>1,247</td>
<td>1,039</td>
</tr>
<tr>
<td>20</td>
<td>Number of Branches</td>
<td>70</td>
<td>64</td>
<td>54</td>
<td>50</td>
<td>39</td>
</tr>
<tr>
<td>21</td>
<td>Loan Deposit Ratio</td>
<td>88.45%</td>
<td>82.42%</td>
<td>83.73%</td>
<td>83.16%</td>
<td>82.64%</td>
</tr>
<tr>
<td>22</td>
<td>Capital Adequacy Ratio</td>
<td>12.09%</td>
<td>10.46%</td>
<td>11.24%</td>
<td>9.69%</td>
<td>10.90%</td>
</tr>
<tr>
<td>23</td>
<td>Tier - I (Capital)</td>
<td>8.53%</td>
<td>9.13%</td>
<td>9.22%</td>
<td>7.91%</td>
<td>9.08%</td>
</tr>
<tr>
<td>24</td>
<td>Return on Asset</td>
<td>1.43%</td>
<td>1.38%</td>
<td>2.29%</td>
<td>3.63%</td>
<td>1.89%</td>
</tr>
<tr>
<td>25</td>
<td>Earnings per Share</td>
<td>2.83</td>
<td>2.21</td>
<td>3.49</td>
<td>5.92</td>
<td>3.53</td>
</tr>
<tr>
<td>26</td>
<td>Dividend</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>9%</td>
<td>5%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bonus Share</td>
<td>10%</td>
<td>15%</td>
<td>30%</td>
<td>55%</td>
<td>32%</td>
</tr>
<tr>
<td>27</td>
<td>Net Asset Value (Book Value/</td>
<td>17.99</td>
<td>17.91</td>
<td>19.86</td>
<td>23.64</td>
<td>19.69</td>
</tr>
<tr>
<td></td>
<td>Shareholders’ equity per share)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The figures in the year of 2012 under serial no 11, 12 and 17 have been restated due to the rearrangement of figures in the year 2013 as disclosed in the notes to the accounts of 2.24.*
SME LOAN

... the magic-wand to your success

OBL ROMONI
In the name of the Almighty Allah

Dear Shareholders,

The year 2013 was an eventful year that presented us with challenges on several fronts. The most formidable hurdle we faced was the political instability and adverse economic climate. ONE Bank’s performance in 2013 was reassuringly sound across our main business areas and we were able to grow our revenues in the face of regulatory, legal and other headwinds.

Despite being a challenging year, I believe we remain in good shape to support our clients and customers, and the growth opportunities for the business remain compelling. We will continue to support the growth of trade and wealth across our markets, and drive value for our shareholders, making use of our competitive strengths and the opportunities we see in markets we know well. At the same time, we have intensified our focus on conduct. We expect the right behaviours at all times, therefore confident that we are well positioned to drive further value for our shareholders.

The Board of Directors of ONE Bank Limited has recommended a dividend of 19 percent for the financial year ending December 31, 2013, of which 9 percent is to be in cash and 10 percent in the form of Bonus Shares. This is slightly less than 20 percent declared for the year 2012. If compared with dividends declared by other banks vis-à-vis ONE Bank Limited, the dividend of 19 percent is a respectable figure. A component of 9 percent Cash Dividend has been recommended considering the Shareholders’ demand. While recommending Stock Dividend, despite our strong Capital adequacy, we have kept the future growth of the Bank and corresponding increase of Mandatory Capital Requirements in focus.

We have various stakeholders – not only a shareholder, but also clients, employees, local communities and society at large. We are constantly balancing the interests of, and working to add value for, all of our stakeholders. First of all, we want to be a trusted partner for our clients both in personal finance and in business.

Banks have been so much ingrained in the economic activities of the country that their role in economy can never be over-emphasised. Last year we told you that the country needed banks that were properly capitalized, strongly liquid and well managed to do what they do best. This year, as we, in Bangladesh, focus on addressing the domestic issues at hand, we must not lose sight of the transformational changes taking place globally and the opportunities they create for us. These changes are being driven by technology, which has already (in just the last decade) changed the way we live and work. We are now heading for financial inclusion - inclusion of the unbanked population to ensure a pervasive growth. The increasing computer power and lower costs of mobile devices and expanding access to affordable bandwidth, means that a growing number of people have in their hands a device with great functionality that they can use to access and share information as well as transact business. Keeping all these in view, your Bank has launched a full fledged Mobile Banking services under the name and style of “OK Banking”.

During 2013 your Bank on one hand focused on further consolidation of its position and on the other hand expanded Bank’s networking, introduced more advanced technology
Chairman’s Address

-driven facilities to provide more comfort, security and feel good factors to its valued customers of all strata. The Bank added 6 (six) branches (at Dhaka - Tipu Sultan Road, at Chittagong - Hathazari, Anderkilla, Mithachara & Anowara and at Kushtia – N S Road) to its network. Towards that end, the Bank floated Sub-ordinate Floating Rate Bond for Tk. 220 crores to strengthen Bank’s Capital Base and centralized its Trade Finance services to extend more accurate and prompt services to the clients. ATM network of the Bank was expanded by joining hands with Q-cash, Dutch Bangla Bank and BRAC Bank ATM networks. The Bank introduced Mobile Financial Services with the support partnership of Grameenphone, Bangalink and Citycell, the three highly reputed mobile operators in the country. The Bank obtained Principal Membership of Visa Card and launched Platinum, Gold, Silver, Prepaid and Debit Visa cards including dual currency cards.

These new initiatives and strategic alliances will boost Bank’s image and value as well as lower marginal operational cost and enhance total returns. With the expanded network and new additions of services, the Bank will be able to provide the services par excellence and better contribute towards community development and welfare.

We cannot survive in the absence of the community. A community is the crux of a bank. As such, the community’s welfare is our prime focal point. ONE Bank since its inception has kept the community in focus and undertaken various CSR activities to help the community as and when such situation had arisen.

This year ONE Bank extended Scholarship to the poor meritorious students, distributed warm clothes among the distressed people in the winter, built a school building at Fulbaria Model High School, at Nature, continued to pay doctor(s) for extending medical services to the poor and needy. We also donated a substantial amount to PM’s Relief Fund for the victims of Savar Tragedy.

Our subsidiary ONE Securities Limited has already started to function. Stock Broking and Dealing licenses for DSE and CSE are already at hand. We have also obtained custodial license. A team of highly experienced and motivated employees drawn from the Stock Exchanges and other renowned security houses have been rendering services to the full satisfaction of our clients. We expect to gradually increase our participation in capital market activities and thereby enhance bank’s profitability phase by phase.

A rigorous focus on the fundamentals of risk management is critical for the success of any financial institution. Those who get it right succeed and those who do not, falter or fail. Hence, risk management at ONE Bank now stresses accountability and includes the full involvement of our MD and the senior executive team.

A strong culture begins with a foundation of good values. Decisions are rarely black or white; they are what I call “in the grey”. When there is no clear answer, we rely on our values to guide us to the right decisions. It is incumbent upon every leader in our Bank to model the right values and to lead by example. This is an important component of our focus on leadership to ensure the right behaviour continues for the years to come.

Going forward your Bank shall continue to focus on building the right client base: those institutions and consumers who best fit our business model and for whom we can create the most value. We’ll streamline and rationalize our systems and processes, striking the right balance between efficiency-boosting standardization and the flexibility and empowerment necessary for our people to best serve our clients. And we’ll look to save time and money by consolidating our operations in every city, minimizing costly fragmentation. Much of the resources we save will be reinvested in our business where the greatest returns can be generated – and, in particular, will be dedicated towards improving our technology and digital presence.

Finally, what we have achieved in 2013 and what we plan to do rests upon the dedication and commitment of our employees, the continuing support of our customers, counterparties and shareholders, the trust of our regulators and public confidence more generally. I want to take this opportunity to express my gratitude to the Board of Directors, thank our staff for all their efforts and their continuing loyalty to ONE Bank, and to commit to those we serve and those who regulate us that we are focused on continuing to earn their trust and deserve their confidence in ONE Bank.

I am pleased to take this opportunity to invite you to our 2014 Annual General Meeting and looking forward to seeing you there.

May the Almighty Allah bless us in all our future endeavors.

Sayeed Hossain Chowdhury
Chairman
OBL Internet Banking

... your very own internet banking
Directors’ Report

The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors’ report in this 15th Annual General Meeting before you along with the Audited Financial Statements for the year 2013. Also a brief overview of Global and Bangladesh Economy, Bank’s performance and other matters relating to compliance of directives issued by Regulatory Authorities have been incorporated in this report. A review of this report will reveal the Bank’s overall standing, its strength and growth trend in the prevailing competitive market.

The year 2013 was quite challenging for the banking industry of Bangladesh considering the hurdles encountered resulting from slow global economic recovery as well as the extremely adverse political situation that prevailed in the country. However, ONE Bank Limited ably handled the challenges and in comparison to the other private sector commercial banks of the country fared quite well during the year. The Bank maintained its growth momentum and marked its success in almost every aspect of the banking activities starting from efficient utilization of funds and cost efficiency and ending with effective collection measures; thus fostering a growth in the operating profit.

GLOBAL ECONOMY

The global economy in 2013 remained suspended between the poles of hope and uncertainty. Underperformance in the world economy was observed across almost all regions and major economic groups. Most developed economies continued struggling in an uphill battle against the lingering effects of the financial crisis, grappling in particular with the challenges of taking appropriate fiscal and monetary policy actions. A number of emerging economies, which had already experienced a notable slowdown in the past two years, encountered new headwinds during 2013 on both international and domestic fronts.

The pace of growth of the global economy was slower than anticipated, and growth was projected to remain subdued at 2.9 percent in 2013 as per World Economic Outlook (WEO) Update published by IMF in October, 2013 compared to its earlier projections of 3.1 percent projected in July 2013. The growth in advanced economies was expected to pick up gradually following a weak 1.2 percent growth in 2013. In emerging market and developing economies, the growth rate was expected to slow to 4.5 percent in 2013. However, global activity was expected to strengthen moderately, but downside risks to global growth prospects continued to dominate the outlook.

The reason behind the loss of pace in the Global Economy was contributed by a slower growth in China and in a growing number of emerging market economies, for both cyclical and structural reasons. In emerging market economies, the reasons for weaker growth included tightening capacity constraints, stabilizing or falling commodity prices, less policy support, and slowing credit.
The forecast for growth rate for China was reduced to 7.6 percent in 2013, which would affect commodity exporters among the emerging market and developing economies. Growth rate of the United States was projected to decline from 2.8 percent in 2012 to 1.6 percent in 2013. However, activity in the US was regaining pace, helped by a recovering real estate sector, higher household wealth, easier bank lending conditions, and more borrowing. In Japan, growth was projected to pick up at 2.0 percent in 2013, the same as in 2012, in response to the Bank of Japan’s Quantitative and Qualitative Monetary easing and the government’s fiscal stimulus. In the euro area, economic growth was expected to contract by 0.4 percent in 2013, dampened by tightening credit conditions in the periphery.

In advanced economies, consumer prices were anticipated to ease from 2.0 percent in 2012 to 1.4 percent in 2013. In the United States, the CPI inflation was projected to fall from 2.1 percent in 2012 to 1.4 percent in 2013. Moreover, in the euro area, inflation was projected to fall from 2.5 percent in 2012 to 1.5 percent in 2013. In emerging and developing economies, inflation was projected to increase slightly from 6.1 percent in 2012 to 6.2 percent in 2013.

The growth rate of world trade volume was projected to rise from 2.7 percent in 2012 to 2.9 percent in 2013. The growth rates of exports and imports for the advanced economies were expected to increase to 2.7 and 1.5 percent in 2013 from 2.0 and 1.0 percent in 2012 respectively. However, the projected growth rates of exports and imports for emerging market and developing economies were expected to decline to 3.5 and 5.0 percent in 2013 from 4.2 and 5.5 percent in 2012 respectively.

According to the IMF Global Financial Stability Report published in October 2013, financial stability risks were broadly under control. Accommodative monetary policies and precautionary policy measures have eased monetary and financial conditions and reduced near-term stability risks. Overall, financial market conditions had improved and were benefiting the broader economy; however, the transmission was slow and incomplete.

The global growth is projected to recover from slightly below 3.0 percent in 2013 to 3.6 percent in 2014. The key advanced economies should maintain a supportive macroeconomic policy mix, anchored by credible plans for medium term public debt sustainability to attain the projected recovery. Still the possibility of a longer growth slowdown in emerging market economies, especially given risks of lower potential growth, slowing credit and weak external conditions remains.

BANGLADESH ECONOMY

Macroeconomic situation in Bangladesh has been quite stable for a considerable period of time in recent years and proved resilient to global financial crisis posting GDP growth rate averaging 6.2 percent during the past five years. Using the 1995-96 base year, the Bangladesh economy achieved
GDP growth of 6.0 percent in 2013, and 6.2 percent using the 2005-06 base. Substantial remittance inflows and export activities helped to achieve this solid economic growth rate.

The expansion of the economy during 2013 was broad based, registering positive growth by all sectors and sub-sectors of the economy. GDP growth during the year was based on 9.0 percent growth in the industry sector, 5.7 percent growth in the services sector and 2.2 percent moderate growth in the agriculture sector. In the overall GDP growth of 6.0 percent in 2013, the services and industry sectors contributed equally (weighted share in growth rate) i.e., 2.8 percentage points while agriculture contributed 0.4 percentage point.

Industry sector grew slightly more at 9.0 percent in 2013 compared to 8.9 percent in 2012 driven in large part by faster growth in mining and quarrying, construction and small scale industries. Mining and quarrying sub-sectors grew strongly by 11.1 percent in 2013 compared with 7.8 percent in 2012. Power, gas and water supply subsector demonstrated a lower growth of 8.6 percent in 2013 compared with 12.0 percent in 2012; however, the growth in 2013 remained above the long run trend.

Services sector growth moderated to 5.7 percent in 2013 compared to 6.0 percent in 2012 affected mainly by lower growth of wholesale and retail trade sub-sector. Wholesale and retail trade sub-sector, the major services sub-sector, declined to 4.7 percent in 2013 from 5.6 percent in 2012 reflecting weaker domestic demand. Growth rates of hotel and restaurants, transport, storage and communication, real estate, renting and other business activities, community, social and personal services subsectors increased slightly in 2013. On the other hand, growth rates of financial intermediation, public administration defense, health and social works sub-sectors edged down during the period. Education subsector grew strongly from 7.2 percent in 2012 to 9.7 percent in 2013.

Growth in agriculture sector declined from 3.1 percent in 2012 to 2.2 percent in 2013. Growth in crops and horticulture sub-sector slid to 0.2 percent in 2013 from 2.0 percent in 2012, though growth in animal farming and forest and related services subsectors increased slightly during the period. Fishing sub-sector grew above 5.0 percent in 2013.

The average inflation rate, using the 2005-06 new base, moderated to 6.8 percent at the end of 2013 from 8.7 percent at the end of 2012. Over this period, food and non-food inflation both decreased from 7.7 to 5.2 percent and from 10.2 to 9.2 percent respectively. The decrease in average inflation during 2013 was driven mainly by a gradual fall of food inflation until January 2013 when food inflation bottomed out at 3.2 percent. A steady decline in non-food inflation during the second half of 2013 also contributed to fall in average inflation. Though average inflation went down, point-to-point inflation increased to 8.1 percent in 2013 from 5.6 percent in 2012.

The export earnings, expressed as a percent of GDP, decreased from 20.7 percent in 2012 to 20.5 percent in 2013. The growth rate of exports earning increased from 6.2 percent to 10.7 percent during this period. While leather, jute goods, knitwear and woven garments experienced a positive growth, some of the export items like fish, shrimps, raw jute, tea, home textile and engineering products experienced a negative growth. 1.22 Import payments, as a percent of GDP, decreased from 28.7 in 2012 to 25.9 in 2013.

Imports grew at a rate of 0.8 percent in 2013 compared to 2.4 percent growth in 2012. This lower growth of import payments resulted mainly from negative growth in imports of food grains, edible oil, sugar, POL (Petroleum, Oil and Lubricants), fertilizer, and capital machinery. However, imports of pulses, chemicals, textile & textile articles thereof and iron, steel & other base metals showed positive growth in 2013.
The rate of growth of workers' remittance inflows increased by 12.6 percent in 2013 playing an important role in strengthening the current account balance of the country.

In order to achieve Bangladesh Bank’s monetary policy goal and to avoid undue volatility in the foreign exchange market, Bangladesh Bank remained vigilant by closely monitoring the exchange rate movements, and buying and selling of foreign exchanges. In 2013, Bangladesh Taka experienced appreciation of 5.2 percent against US dollar mainly due to strong growth in the flow of inward remittances, increase in export earnings and sluggish import payments. BB purchased USD 4539.0 million in order to mop up excess liquidity in the local foreign exchange market.

**BANKING SECTOR**

The financial sector has been stressed with deteriorating fundamentals of the banking sector exacerbated by rise in default risk across the board due to losses inflicted by prolonged disruption in production and trade. The state-owned banks were already negatively impacted by the earlier financial scams. The growing nonperforming loans of private commercial banks had also been a matter of concern.

For the banking industry in Bangladesh, 2013 was one of the worst years in recent past in terms of credit growth and maintenance of portfolio health. Earnings and profitability showed a mixed result: Return on Asset (ROA) and Return on Equity (ROE) of SCBs turned positive in 2013 from red whereas PCBs continued to show positive ROA and ROE although lower than those of 2012. The net aggregate profits of banks have shrunk mainly due to fall in interest income and difficulties in repayments of loan installments by the clients, amid disrupted economic activities during the last few months of 2013. Among the profitability measures, Return on Asset (ROA) in the banking sector declined marginally from 0.64 percent at the end of December 2012 to 0.61 percent at the end of June 2013 primarily due to the higher interest expenditure than interest income. However, Return on Equity (ROE) of the banking industry remained virtually unchanged at 8.2 percent at the end of December 2012 and 8.21 percent at the end of June 2013.

Maintenance of asset quality was the major challenge during 2013. Non-Performing Loan (NPL) rose to 12.8% in September 2013 which was 4.05% higher than the corresponding period of last year. Public and Private Commercial Banks have suffered from increase in Non-Performing Loans due to deteriorating economic condition, exposure to the stock market and strengthening of provisioning requirements by Bangladesh Bank. Since December 2011, the health of Public Sector Banks has deteriorated at a faster rate compared to the Private Sector Banks. The situation has deteriorated further by end-December 2013 due to the impact of political turbulence on business borrowers and the response to call for relief from the business community.

The Capital-to-Asset Ratio dropped for the State owned Commercial Banks from 11.68 percent in December 2011 to 8.13 percent in December 2012, and thereafter to almost zero by March 2013. This is attributable primarily to their Gross Non-Performing Loan (NPL) Ratio, which deteriorated at a much faster rate than the overall banking sector NPL ratio, increasing from 11.27 percent in December 2011 to almost 28 percent in March 2013. The Capital to Asset Ratio for the state owned banks is likely to have improved at end-December 2013 due to Tk. 41 billion capital injection from the government budget. However, this injection is unlikely to have met even nearly the entire capital shortfall of the state-owned banks.

Weak demand for credit is reflected in Loan to Deposit Ratio being well below historical norms, leading to ample liquidity. Call money rates have declined from their 20 percent peak in early 2012 to around 7 percent in June 2013. They have since been stable in the 7-8 percent range. Both deposit and lending rates fell in the second half of 2013. Average
lending rates declined from 13.67 percent in June 2013 to 13.45 percent in December while average deposit rate declined from 8.54 percent to 8.39 percent during the same period. Fall in domestic lending rates is attributable to weak demand for credit, lower cost of funds and increased competition from overseas lenders.

Most market participants and analysts have been concerned about the sharp fall in daily turnover to less than Tk. 2 billion in April 2013 compared with the all-time peak of Tk. 30 billion in late 2010. Several steps were taken during the year to increase market discipline and strengthen market monitoring by the Bangladesh Securities and Exchange Commission (BSEC). BSEC enhanced surveillance on the brokerage houses and merchant banks for compliance to BSEC rules. The behavior of Bangladesh capital market has been in line with many of its much more dynamic regional markets.

However, a series of remedial measures have been taken by the government and Bangladesh Bank to improve control practices, risk management and corporate governance of the banks. These include amendment of Bank Company Act 1991 (through inclusion of some new sections and changing of provisions of some existing sections), issuance of new corporate governance guidelines for Board of Directors, Chief Executive Officers and Advisors of bank companies, implementation of credit and risk management training and a number of reform measures at the administrative level.

**ECONOMY AND BANKING INDUSTRY OUTLOOK 2014**

The outlook for the Bangladesh economy is favorable over the medium term in the light of a growing working age population and likely continued global demand for Bangladeshi products. With the global recovery taking hold, led by advanced economies, there are hopes for greater exports from the developing countries and Bangladesh holds a great prospect in this. However, the main drivers of export performance and overall economic growth in Bangladesh will depend on its overall domestic stability, progress in developing trade related infrastructure, entering and maintaining preferential trade agreements and managing the new compliance regime.

Asian Development Bank (ADB) in its Asian Development Outlook – 2014 suggested that Bangladesh needs to boost investment in infrastructure and skills development to raise the economy’s productive capacity if it hopes to upgrade economic growth to a 7% - 8% trajectory. Investment in the economy needs to be significantly raised. More public resources should be mobilized to finance large infrastructure investment requirements in electric power, gas, ports, railways, roads, and urban services, and to enhance the skills base to strengthen the garment industry, help diversify the economy and raise global competitiveness and growth.

Bangladesh Bank’s projections suggest that the GDP growth outlook for 2014 is unlikely to deviate significantly from the last 10 years’ average of 6.2 percent. This is based on current and projected trends of a number of variables including global growth, exports, investments, imports, remittances etc. Bangladesh Bank’s second half yearly (H2, FY 2014) monetary policy stance takes the recent economic and financial sector developments into account and targeted a monetary growth path aiming to bring down average inflation to 7%, while ensuring that credit growth is sufficient to stimulate inclusive economic growth. This would require a monetary program framework that limits Reserve Money Growth to 16.2% and Broad Money Growth to 17% by June 2014. The ceiling for private sector credit growth of 16.5% has been kept well in line with economic growth targets. This level is sufficient to accommodate any substantial rise in investment and trade-finance over the next six months.

It is expected that various initiatives taken recently to support economic growth will continue in second half of FY 2014. To alleviate and compensate the impact of recent domestic disruptions on businesses, Bangladesh Bank has taken a number of important policy steps which include broadening the scope of the Export Development Fund, and
reducing the borrowing costs, as well as instructing banks to offer loan rescheduling facilities to genuine borrowers facing cash flow difficulties, especially SMEs, who are temporarily affected by the recent strikes and disruptions. The monetary policy stance also aims to preserve the country’s external sector stability. It is anticipated that Bangladesh Bank foreign currency reserves will increase further in 2014 though at a more moderate pace than 2013. While the projected decline in remittances will not adversely affect external stability in 2014, it is imperative that manpower exports resume its growth, and opportunities such as investments in government securities are marketed to NRBs, so that remittances can remain an important part of medium-term external balance. It is expected that Bangladesh Bank will continue to support a market-based exchange rate while seeking to avoid excessive foreign exchange rate volatility. Finally, the relative stagnation in economic activities observed during the first half of FY2014 may improve in second half of FY2014 if the political environment becomes favorable for undertaking economic activities.

**OBL’S PERFORMANCE**

During the year 2013, the Bank had maintained satisfactory growth of asset and liabilities. Throughout the period, the Bank, on one hand focused on further consolidation of Bank’s position and on the other hand expanded Bank’s networking, introduced more advanced technology driven facilities to provide more comfort and security and feel good factors to its valued customers.

**Corporate Financing**

OBL offers a wide range of advisory, financing and operational services to its corporate clients through extensive branch network all over the country and specialized dedicated units at Corporate Headquarters. Our experienced officers have competent managerial skill and in-depth professional knowledge of corporate & institutional business environment.

**Lease Financing**

OBL extends customized lease finance facility to Corporate Business Units and SME in the manufacturing and service industries sectors. The Bank offers asset backed financing against industrial machinery, commercial equipment, office equipment, generator, vehicle, sea or river vessel, construction equipment, Agriculture equipment etc.

At the end of 2013, OBL’s net Lease Finance portfolio stands at Tk. 2,228.00 million.

**Syndication Financing**

Syndication allows any of the lenders to provide large loans, while maintaining prudent and manageable risk exposure. Syndicated finance diversifies the risk of a bank on a single borrower and increases the quality of loan through collective judgment and monitoring of different banks / financial institutions.

ONE Bank has an extensive and successful track record acting as both lead bank and partner in loan syndication for long-term, large-scale projects. To raise and meet huge credit need of leading corporate houses, OBL has been raising fund from the banking sector on behalf of the customers through syndication arrangement.

During the year 2013, OBL has engaged itself as Lead Arranger for arranging 03 (three) syndicated loans for total Tk. 6,730.00 million. Participation in the syndication, arranged by OBL and other Banks, has been approved for total Tk. 2,000.00 million.
Directors’ Report

Project Financing
The industrial sector has historically been the sector that has driven growth as countries have moved from low to middle-income status. This is because industry can provide high-wage employment for larger numbers of workers and can raise social productivity by producing high-value goods on a mass scale. Project finance/Industrial credit is the long-term financing of infrastructure and industrial projects based upon the projected cash flows of the project.

ONE Bank has been financing Term Loan (Industrial) facility for establishing new project and/or expansion of various projects in the sectors viz. Textile, Spinning, RMG, Power, Steel, Telecom, Pharmaceuticals, Food Processing, Packaging, Fast Moving Consumer Goods (FMCG), Health etc.

SME Banking
Small and Medium Enterprises (SMEs) play the pivotal role in paving the way for sustainable economic development of a country in terms of balanced and sustainable growth, employment generation, development of entrepreneurial skill and contribution to export earnings. SMEs are now globally recognized as important vehicles for creating employment opportunities and social cohesion particularly for developing countries. Bangladesh economy is characterized by low per capita income, high level of unemployment, mass poverty and social deprivation. In these circumstances, higher growth of SMEs can reduce poverty to a satisfactory level by creating jobs for the skilled and un-skilled manpower in this sector. Most of the SMEs assist in regional and local development since they accelerate rural industrialization by linking it with the more organized urban sector. SMEs use a combination of innovation, improvisation to develop local products and services for local needs using local resources. It has been tested and found that lack of access to external finance is a key obstacle for SMEs growth. SMEs face several difficulties in obtaining finance from the formal sector. Most of the problems are from demand side. On the other hand, collateral requirements, weak credit skills and practices, cumbersome loan processing and documentation are the major supply side problems.

ONE Bank is rapidly progressing in SME financing in line with the changes in the global environment, local arena and regulatory requirement for SME financing. In order to increase focus on SME Financing, ONE Bank Ltd has separated 43 Branches out of its 73 Branches as fully dedicated for SME Financing. Other Branches are also extending SME financing along with Corporate financing. In all the Branches, the Bank has established dedicated SME desks. In the year 2013, OBL has financed Tk. 8,997.30 million which is a 19.38% growth compared to that of the previous year 2012. Total number of SME borrowers of the Bank was 3,102 as on December 31, 2013.

ONE Bank has special concentration on SME financing. The Bank has already identified different business clusters like Light Engineering at Bogra, Power Loom at Madhabdi, Stone Crushing at Sylhet, Fish Processing at Cox’s Bazar. Besides, the Bank has two products namely “OBL Shubidha” and “OBL Romoni” dedicated toward the potential small clients along with women Entrepreneurs.

Financing women entrepreneurs under SME
Another notable idea in SME financing is the development of women entrepreneurs. In the new framework of SME, OBL is giving top priority in developing and harnessing women entrepreneurs. OBL has “Dedicated Desks” and nominated “Focal Person” for Women Entrepreneurs. During the year 2013, the Bank has financed Tk. 151.50 million to women entrepreneurs.

Agriculture financing
Agriculture contributes around 19% of GDP and absorbs about half of the total labor force of the country. Around 72% of the country’s population lives in the rural areas. Agricultural and rural credit plays a pivotal role in modernization of agriculture and commercialization of rural economy.
Because of seasonal variations in farmers’ returns and a changing trend from subsistence to commercial farming, agricultural sector depends more on easy availability of credit. It is difficult for farmers to reap good harvest even from modern hybrid crops without necessary working capital for irrigation, fertilizer, pesticides and the knowledge for their balanced application.

Bangladesh Bank has made agriculture lending mandatory for all commercial banks which has expanded the scope of inclusive banking. To broaden the scope, banks are also allowed to use nongovernmental organizations (NGOs) and Micro Finance Institutions (MFI) linkage for disbursement of farm credit. OBL also continued its proactive policy and program support to boost up agriculture financing in line with Government’s efforts as well as Bangladesh Bank guidelines.

In order to give priority in Agriculture Sector, Bangladesh Bank has given special emphasis by way of fixing targets for all commercial banks of the country to disburse Agriculture/ Rural Credit. As a part of this program, OBL disbursed Agricultural/Rural Loan of Tk. 954.90 million against Target of Tk. 950.00 million during the FY 2012-2013 and received Letter of Appreciation from the Governor of Bangladesh Bank.

Among others, financing in Solar Home System, Solar Irrigation System and Bio-Gas are being encouraged by Bangladesh Bank through availability of refinance scheme and are considered as agricultural credit. To spread the use of renewable energy, OBL has also been financing in solar home systems and Bio-Gas under agricultural credit scheme. OBL shall continue its efforts to strengthen the country’s economy by way of disbursement of agricultural and rural credit to enhance food security and availability of clean energy alongside creation of employment through income generating activities.

Retail Banking
ONE Bank aims to increase its share in the financial services sector by continuing efforts to build a strong retail bank blended with unique value propositions. The segment continues to be one of the key drivers of the Bank’s growth strategy, encompassing a wide range of products delivered through multiple channels to customers. The Bank offers a complete suite of retail products across deposits, loans, payments and cards and is committed to developing long-term relationships with its customers by providing high-quality services. Key Highlights of 2013 in regards to the Bank’s Retail Banking activities are as below:

- ONE Bank pursues an effective customer segmentation strategy, the success of which is reflected in the improvement of Savings Deposit Growth. During 2013, savings deposits posted a growth of Tk. 2,000 million which is 40% higher than that of 2012.
- Retail Loan of Tk. 360 million was disbursed during 2013 and home loan contribution in the total disbursement was 72%. Overall Retail Loan growth was not inspiring due to difficult market situation.
Directors’ Report

• The Bank under its Retail Banking umbrella led a significantly successful staff-get-client savings campaign with the name of “Catch Your Flight” for mobilizing low cost deposits. The 3-months long campaign helped the Bank’s Savings balance grow by Tk. 1,290 million with 15,000 plus accounts.

The quality of the Retail Banking environment in the coming days will be enhanced through service & technology initiatives, re-design, innovation and a comprehensive focus on superior client services.

Cards

During the year 2013, ONE Bank launched VISA - branded Cards which are a secure and reliable way to pay for anything a person needs, anywhere in the world. Different types of Visa branded cards like Debit, Prepaid, Silver, Gold and Platinum are offered for a range of needs - from general everyday spending to specific payments or uses. Some of the key features of the cards include Dual Currency, Free Supplementary Card, 24/7 Cash withdrawal Facility, Insurance Scheme, Lower Interest Rate, Reward Point etc.

ONE Bank has issued more than 11,000 Debit Cards in 2013. This figure excludes 27,997 ATM Cards that is yet to be migrated to Visa Debit Cards.

ONE Bank introduced “Versatile Card” for the students and professionals that can make their life simpler. Students and professionals can pay their tuition fees, registration, examination (TOEFL, IELTS, GRE and subscription fees etc.) in connection with admission into foreign educational institutions via internet with ONE Bank Versatile Card. Moreover, people will have the option to purchase through web locally using Versatile Card.

In 2013, ONE Bank has also introduced Hajj Card for HAAB (Hajj Agencies Association of Bangladesh) Agents and Haj Pilgrims carrying their day to day expenditure in one simple plastic card - makes their life total hassle free.

SafetyONE insurance program has also been introduced through which Card Members will get triple benefit program insurance coverage: Credit Life, Accidental Death Benefit (ADB) and Permanent Total Disability (PTD). As a part of value added service, the Bank is on the process of introducing Zero Interest EMI scheme, SMS alert Service, Discount Program, Reward Point, Balance Transfer etc.

Centralized Loan Administration

The function of Centralized Loan Administration Department is basically to support and control extension and utilization of credit. Its main functions are to centrally load the credit limit and security documents as per terms and conditions of sanction letters, checking of major security documents, working with CIB & other regulatory report, monitoring Past Due and SMA loans. As the Bank is growing in terms of number and size of loans, diverse products and clients, complex process and procedures for compliance requirements by the regulator, the role of Loan Administration Department is challenging and crucial.

Foreign Exchange & Foreign Trade

ONE Bank succeeded to stay on the path of continued growth despite the unfavorable economic scenario of the country. OBL experienced growth in both its import and export business. Total import business handled during the year was Tk.74, 857 million as compared to Tk. 57,686 million last year, recording an impressive growth of 29.76%. The main import items included Industrial Raw Materials, Food Commodity, Scrap Vessel, Machinery and spare parts, Raw Cotton, Fabrics, Yarn and accessories, BP Sheet, Scrap, Round Log etc.

Total export business handled by the Bank was Tk. 58,711 million as against Tk. 50,930 million of last year; recording a significant growth of 15.28%. Planned and calculated thrust to finance the leading RMG units, Jute, Sea Fish etc. contributed towards improving the Bank’s performance in the export sector. The satisfactory performances in Foreign Trade and Foreign Exchange sector enabled the Bank to substantially increase its fee-based income.
Treasury
The Bank’s Treasury function continued to concentrate on local money market operations, which included primarily term placement of surplus funds and interbank lending and borrowing at call. Treasury Department also performed Investments related to SLR requirements and participation in tenders for purchase of Government Treasury Bills.

The Bank’s foreign currency dealings were necessitated by customer-driven transactions, mainly LC payments and negotiation of Export Bills. Special care was taken so as to ensure that the Bank always remained within the Open Position Limit prescribed by Bangladesh Bank. Dealing in foreign currency has potentials to increase the earnings of the Treasury Department. The Bank intends to commence proper dealing operation in foreign currency as soon as it acquires the required capability.

Foreign Remittance
In 2013, unsettled political condition of the country adversely affected the inward foreign remittance business at the fag-end of the year. However, OBL managed to concede only a 6.11 percent negative growth with total inward foreign remittance of Tk. 933 million in 2013 as against Tk. 990 million for the year 2012.

Correspondent Relationship
The Bank operated its global export/import trade through a total of 364 (Foreign 317, Local 47) Correspondent Relationships during 2013. New correspondent relationships from important business hubs of the globe were added in the list of correspondent banks during the year. OBL’s correspondent banking is spread world over at important financial centers and business hubs, and have contributed towards expansion of Bank’s foreign trade business. OBL is currently operating its remittance business through 9 (nine) Remittance Agency partnerships to facilitate inflow of foreign exchange remittances from the Non-resident Bangladeshis. Efforts are now ongoing to enhance the number of such relationships, with the objective to substantially increase the flow of inward remittance through this channel.

Information Technology
Information Technology is the backbone of any organization in modern times. Especially in banking sector, IT has tremendous impact in respect to faster business growth, diversified productivity, accuracy, security and management information system. OBL is already on the verge of achieving operational excellence in regards to Information Technology infrastructure development. It has the flavor of introducing one of the world class Core Banking Solutions, FLEXCUBE UBS 11.2 in recent years. Being the technology savvy bank, ONE Bank Limited had a glorious journey in the financial year 2013. During the year, it has come up with some important IT based services like Mobile Banking Services (ONE Bank OK Banking), Mobile SMS Alerts, introduction of VISA Cards (Debit, Credit and Prepaid) and Connectivity with Q-Cash ATM Network. To enhance the working performance of staff members and to enable some automated service and information, the Bank has launched an in-house developed system solution namely “OBL Connect” (Intranet Site for Officials). The Bank has also upgraded its internal mailing system IBM Lotus Domino. ONE Bank also connected itself with the various online services introduced by Bangladesh Bank. In addition to the ATMs connected under Q-Cash shared Network, the Bank also added significant number of new own ATMs at various strategic locations all over the country.

Mobile Financial Services - OK Banking
OBL has launched Mobile Financial Services by the name of “OK Banking” during the year 2013. This initiative of enabling banking services to customers via a mobile phone at affordable costs will go a long way in increasing access to financial services in line with broader national objective. The bank offers absolute mobile financial services to both unbanked and banked population of Bangladesh through widespread community-based agent’s network all over the country. After the launching, the Bank has already achieved some notable milestones in regards to customer acquisition,
ecosystem development, network partnership development with Grameen Phone, Citycell, Robi and strategic partnership development with Access to Information (A2I) and Mobicash.

**Offshore Banking Unit (OBU)**
OBL has been offering Offshore Banking facilities through 02 (two) Offshore Banking Units (OBU) located in Gulshan, Dhaka and Agrabad, Chittagong. The total loans and advances of the OBU reached to USD 21.83 million equivalent to Tk.1698 million as on December 31, 2013 compared to USD 3.03 million equivalent to Tk. 241.80 million as on December 30, 2012 recording a stunning growth of 620.46 percent.

However, in the year 2013, OBU made operating profit of USD 0.391 million equivalents to Tk.30.41 million as against USD 0.192 million equivalent to Tk. 15.40 million in 2012 with a growth of 97.40 percent.

**Human Resources**
Total full time regular employee strength increased to 1,810 by the year-end 2013 from 1,608 of the preceding year. Excepting for the new inductees, the remaining employees are all tenured banking professionals with varying degree of experience and exposure, recruited from the leading local and foreign banks. The Bank has a strong focus on imparting training towards enhancement of the skills and competencies of the employees. The Bank has embarked on Strategic Human Resource Management i.e. aligning human resource with the businesses of the Bank. During the year, a total of 121 (one hundred twenty one) employees attended trainings arranged by Bangladesh Bank Training Academy, BIBM and other external agencies.

OBL has a Training Institute of its own to update and upgrade the employees for better services to the clients and to face the new challenges ably. Management of the Bank on a continuous basis undertakes in house training and exposure initiatives towards raising awareness among the Bank employees with respect to Bank’s policies, instructions, Banking laws and practices and directives of the various regulators so as to ensure that the employees are well informed and empowered towards providing customer services within the framework of laid down regulatory requirements, and 891 (eight hundred ninety one) employees were trained during the year. Central Compliance Unit (CCU) in cooperation with Resource Personnel from Bangladesh Bank provided training to 349 (three hundred forty nine) on Anti Money Laundering.

The Bank's training efforts are concerned with improving employees' performance in their present posts and future needs and towards recognizing and developing potential of the employees for advancement. The role of the Human Resources Division is primarily to meet needs of the home to increase competence and enhance current performance.

**Branch Network**
As on December 31, 2013, the Bank had successfully established a network of 70 branches, including 23 in rural areas and 3 SME/Agriculture branch.
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The branches are located at:

- **Dhaka Zone:**
  Dilkusha (Principal), Banani, Banasree, Bangshal, Basabo, Dhanmondi, Elephant Road, Gulshan, Imamganj, Jagannathpur (Nadda), Jatrabari, Kakrail, Kawan Bazar, Mirpur, Moghbazar, Motijheel, Progoti Sharani, Uttara, Tongi, Narayanganj, Ganakbari, Joypara, Madhabdi, Nawabganj, Ring Road, Lalbagh, Tipu Sultan Road: 27 branches

- **Chittagong Zone:**
  Agrabad, CDA Avenue, Jubilee Road, Khatunganj, Sitakunda, Cox’s Bazar, Nanupur Bazar, Rangamati, Raozan, Ranirhut, Chandgaon, Dovashi Bazar, Halishahar, Boalkhali, Hathazari, Mithachara, Anderkilla, Anowara. Noakhali: Chandraganj, Chowmuhuni, Dagon Bhuian, Feni, Majidtee Court, Raipur, Ramganj, Mandari Bazar Comilla: Comilla, Laksam, Brahman Baria: 29 branches

- **Khulna Zone:** Khulna, Jessore, Satkhira, Kushtia: 4 branches

- **Rajshahi Zone:** Rajshahi, Bogra, Shahjadpur, Siraigonj: 4 branches

- **Sylhet Zone:** Sylhet, Islampur, Sherpur, Laldighirpar: 4 branches

- **Rangpur Zone:** Rangpur: 1 Branch

- **Barisal Zone:** Barisal: 1 Branch

Amongst these, followings are the 23 (twenty three) designated “Rural branches” as per Bangladesh Bank approved conditions:

Ganakbari, Joypara, Nawabganj, Banasree, Jagannathpur, Madhabdi, Nanupur, Sitakunda, Chandraganj, Dagon Bhuian, Raipur, Ramganj, Laksham, Islampur, Sherpur, Raozan, Ranirhut, Dovashi Bazar, Boalkhali, Mandari Bazar, Hathazari, Mithachara, Anowara.

The SME/Agriculture branches are located at Shahjadpur, Tongi and Brahman Baria. OBL continues to enjoy the distinction of being a private sector bank operating three 24 hour booths within the Chittagong Port premises, where we serve our customers by collecting Port and other dues. In addition, the Bank also has six (06) more collection booths providing personalized service to valued customers.

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank’s 36 (thirty six) ATMs located around the country, the ATM network of the Bank was expanded by joining hands with Q-cash, Dutch Bangla Bank and BRAC Bank ATM networks so that the customers now have access to 24 hour banking service. The objective of such major investment is to create yet another Customer convenience. Bank’s activities are expected to considerably enhance and intensify with the opening of the proposed branches and are indicative of our commitment to serve our clientele both in urban and rural areas.

Online banking service covers the entire network of branches, which ensures technology based enhanced delivery systems and provides the necessary competitive edge. The Bank continues to extend its service arms towards facilitating the collection of various utility bills, thus earning customer appreciation. The Bank also provides Locker Services at select branches, with the objective of providing value added personalized banking services to our clients.

**ONE Securities Limited**

ONE Securities Limited was incorporated on May 4, 2011 with an Authorised Capital of Tk. 4,000 million as a Subsidiary Company of OBL. Paid up Capital of the Company is Tk. 1,463.60 million. The objective of formation of such a company is to actively participate in the Capital Market Operations of Stock Broking and Stock Dealing. ONE Securities Ltd is the TREC holder of DSE & CSE and going to start its commercial operation from the first quarter of 2014.
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Green Banking
We, at ONE Bank, are responsible corporate citizens. We believe that every small ‘GREEN’ step taken today would go a long way in building a greener future and that each one of us can work towards a better global environment.

Environmental concern is at the centre of the Green Banking strategy. An increasing number of banks are strengthening green banking activities by launching environment friendly initiatives and providing innovative green products.

As an environmentally responsible Bank, some of our Green Banking Initiatives are as follows:
- Initiating In-house Environment Management
- Training & Environment friendly activities for employees to make them environmentally concerned.
- Adherence to Environmental Risk Management guidelines.
- Introduction of green banking products & services.
- Financing green projects.
- Building awareness & providing support to customers to be more environmentally responsible.
- Supporting the environment friendly initiatives as a part of CSR activities.
- Forming alliance with NGOs or other environment focused organizations for our green banking activities.

Corporate Social Responsibility (CSR)
CSR is taking into account the economic, social and environmental impacts of a business, basically to mitigate the negative impacts and bolstering the benign effects and taking up action programs & community investments to reduce social exclusion and inequality and to address the key sustainable development challenges.

The benefits of CSR for companies, including increased profits, customer loyalty, trust, positive brand attitude and combating negative publicity, are well-documented. In the light of these known positive effects, CSR strategies have been embraced by the banking community. Bangladesh is also gradually becoming proactive on Corporate Social Responsibility.

The Bank has been keeping watch on the environmental and social impacts of proposed undertakings and their implementation of equity of rights irrespective of gender, creed, and color etc. policies. The Bank strives to convince the clients to pursue environment friendly and socially proactive & mitigating policies for sustainable development.

To streamline the CSR activities of the Bank, ONE Bank Limited has adopted a Social Responsibility (CSR) Policy during 2013, which acts as a guide towards planning and executing the Bank’s CSR activities. The Bank has spent a total of Tk. 34.55 million for CSR activities. Details of CSR activities undertaken by the Bank during the year 2013 are as below:
- Donation of Tk. 20.00 million to Prime Minister’s Relief Fund to help the victims of Savar tragedy;
- Contribution of Tk. 2.47 million for construction of a building of Fulbaria Model High School, Natore;
- Payment of Tk. 8.37 million to 683 poor but meritorious students as a part of Scholarship Program;
- Contribution of Tk. 3.48 million for distribution of blankets among destitute people across the country;
- Payment of remuneration of Tk. 20,000/- (Twenty thousand only) per month to a doctor for extending medical service to the poor of Joypara, Dohar, Dhaka as a part of Bank’s CSR activities.
RISKS & CONCERNS

Banks are in the business of taking risk and devising risk mitigates for survival and growth in order to ensure safety and adequate return for all stake holders viz. share holders, depositors, borrowers, employees etc.

OBL strongly believes that risk management is crucial and bank management is ultimately risk management. But at the same time, OBL focuses its risk management as a tool for ensuring continuous and sustainable growth of business and profit through better trade-off between risk and return.

Our main risk arises from credit extension to the borrowers. Besides, other types of risks are also there such as operational, market, concentration, liquidity, legal, reputational, cross country etc. Considering all these, OBL risk management system is designed to maximize risk adjusted returns while keeping in view that any viable business opportunity is not missed out.

The Risk Management framework of OBL has been established on the basis of guidelines given by Bangladesh Bank vide DOS circular # 02 dated 15th February 2012. The key elements of a Risk Management System are enumerated below:

- Risk management structure with Board and Senior Management
- Organizational policies, procedures and limits that have been developed and implemented
- Adequate risk identification, measurement, monitoring, control and management information systems that are in place to support all business operations
- Established internal controls and the performance of comprehensive audits to detect any deficiencies in the internal control environment in a timely fashion
- Bank has independent audit and compliance functions.

Risk Management Structure

The Bank’s overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO) of the Bank. CRO is supported by Risk Management Division, Asset Liability Committee (ALCO), Banks Operational Risk Committee (BORC) etc. as under:

Asset Liability Committee: Asset Liability Committee (ALCO) regularly monitors market conditions. It meets at least once in a month to review the liquidity and market risks and submit report to BRMC.

Banks Operational Risk Committee: Banks Operational Risk Committee (BORC) monitor the operational risks like risks related to branch operation, IT Risks, Trade Finance Risks, Legal Risks, internal and external fraud, etc and submits report to BRMC.

Bank Risk Management Committee (BRMC), which is headed by Chief Risk Officer (CRO) of the Bank, review the reports received from the above committee and place report to the Managing Director with required suggestions/mitigating measures. The Report is subsequently placed to the Board and the suggestions are implemented with due guidance from the Board.

Credit Risk Management

Credit Risk is simply defined as the potential that a bank’s borrower or counterparty will fail to meet its obligations in accordance with agreed terms. This includes non-payment of capital and/or interest within the agreed period, at the agreed rate of interest and in the agreed currency due to unwillingness of the counterparty or decline in his/her financial abilities resulting from adverse environment. Credit risk could stem from both on and off-balance sheet transactions. A banking institution is also exposed to credit risk from diverse financial instruments such as trade finance products and acceptances, foreign exchange, financial futures, swaps, bonds, options, commitments and guarantees.

The goal of Credit Risk Management of ONE Bank Ltd. is to maximize the Bank’s risk adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Board of Directors is the apex body for the credit approval process at the Bank. However, they have delegated approval authority to the Managing Director (MD) and others individual executives for operational efficiency. OBL has a Credit Policy, duly approved by the Board, which laid down clear outlines for managing credit risks of the Bank. It gives organization structure, defines roles and responsibilities of credit handling officials and processes to identify, quantify and manage credit risk.

Credit Risk Management system of the Bank clearly defines the roles and responsibilities of the Marketing Division, CRM Division & Centralized Loan Administration Department. Marketing Division is responsible for Business Solicitation / Relationship Management. CRM Division has been vested with the responsibilities relating to credit approval, credit review, risk grading, credit MIS. The Bank has setup Project Appraisal & Monitoring [PAM] Department under CRM Division manned with qualified Engineers for pre-sanction project appraisal & monitoring of post-disbursement project implementation. Special Asset Management Department also reports to Head of CRM Division relating to the management of impaired assets. Centralized Loan Administration Department has been entrusted with completion of documentation formalities, loading of credit.
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An OBL Financed Super Petrochemical Project

limits in the system, monitoring of account movements & repayments.

The policy covers a structured and standardized credit approval process including a comprehensive credit appraisal procedure. In order to assess the credit risk associated with any financing proposal, the Bank assesses a variety of risks relating to the borrower and the relevant industry. Credit Risk Management Policy of the bank rests on its sound and prudent bank management culture and complies largely with industry standard.

The Bank manages its credit risk through continuous measuring and monitoring of risks at each obligor (borrower) and portfolio level. ONE Bank is also considering credit ratings of the client assessed by ECAIs while initiating any credit decision. A well structured Delegation and Sub-delegation of Credit Approval Authority is also prevailing for ensuring good governance and better control in credit approval and monitoring.

In determining Single Borrower Exposure/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at periodic intervals to ensure compliance of rules and procedures of the Bank and Regulators. Loans are classified as per Bangladesh Bank’s guidelines. Interest accrued on classified loan is suspended and adequate provision is maintained there-against as per Bangladesh Bank’s Guidelines.

Market Risk Management

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stemming from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and/or commodity prices. Market risk can be subdivided into following three categories:

- Interest Rate Risk
- Foreign Exchange Risk
- Equity Price risk

Interest Rate Risk: Interest rate risk is the potential impact on a Bank’s earnings and net asset values due to changes in market interest rates. Interest rate risk arises when a Bank’s principal and interest cash flows (including final maturities), both on and off-balance sheet, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. Bank’s lending, funding and investment activities give rise to interest rate risk. There are many types of interest rate risk which faced by the bank. These are as follows:

- Re-Pricing risk
- Yield curve risk
- Basis risk

To manage the interest rate risk OBL ALCO regularly monitors money market condition as well as the bank’s interest rate on both deposit and lending. However, the bank has been identifying both the interest rate sensitive assets and liabilities and classified them into different time bucket
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to find the assets/liability mismatch. The Duration Gap analysis is also being done on quarterly basis. The Duration Gap indicates how the market value of equity (MVE) of the bank will change with a certain change in interest rate. In the year 2012 the duration Gap found positive in OBL which indicates that the assets are relatively more interest rate sensitive than liabilities.

Foreign Exchange Risk: Foreign exchange risk is the current or prospective risks to earnings and capital arising out of adverse movements in currency exchange rates. The foreign exchange risk arises from the following activities:

i. trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer-driven foreign exchange transactions;

ii. holding foreign currency positions in the banking book (e.g. in the form of loans, bonds, deposits or cross-border investments); or

iii. engaging in derivative transactions that are denominated in foreign currency for trading or hedging purposes.

iv. banks also face the risk of default of the counter parties or settlement risk. Thus, banks may incur replacement cost, which depends upon the currency rate movements.

OBL uses different tools to mitigate foreign exchange risks. The bank has a strong Treasury Back office and Mid office which are totally separate and strongly monitor the operations of Treasury Front Office. The unit checks the dealing limits, counter party limits, settlement risk and handle other compliance issues as per regulatory requirement.

Equity Price Risk: Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank’s subsidiary; changes in the value of listed shares used as collateral for loans from a bank or a subsidiary, whether or not the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Equity price risk associated with equities could be systematic or unsystematic. The former refers to sensitivity of portfolio’s value to changes in overall level of equity prices, while the latter is associated with price volatility that is determined by firm specific characteristics.

We manage the risk by keeping its exposure within the regulatory limits. Effective information systems are also developed and used to appropriately record, regularly monitor and evaluate the securities portfolio.

Liquidity Risk Management

Liquidity risk arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Accordingly, a bank short of liquidity may have to undertake transactions at heavy cost resulting in a loss of earnings or, in a worst case scenario, the liquidity risk could result in liquidation of the bank, if it is unable to undertake transactions even at current market prices.

Banks with large off-balance sheet exposures or those rely heavily on large corporate deposits have relatively high level of liquidity risk. Further, banks experiencing a rapid growth in assets should have major concerns for liquidity.

Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, interest rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in interest rate can adversely impact a bank’s liquidity position.

ALCO meets at least once in every month to manage and control the liquidity risks. ALM desk of the treasury closely monitors and controls the liquidity requirement on a daily basis by appropriate co-ordination of funding activities.
Treasury determines the adequacy of the liquidity position by doing analysis based on the following factors:

i. Historical funding requirement
ii. Current liquidity position
iii. Anticipated loan disbursement
iv. Anticipated future funding needs
v. Present and future earnings capacity
vi. Present and anticipated asset quality
vii. Sources of funds,
viii. Socio economic perspective of present and near future
ix. Regulatory guidelines
x. Capital planning
xi. GAP analysis
xii. Stress Testing with minor and major shock showing absorbing capacity.

Regulatory framework of the bank’s liquidity management has been formulated in compliance with BB core risk management guidelines and these include among others maintenance of SLR which in 19% of total demand and time liabilities at present. Bank maintains adequate SLR on regular basis throughout the year. ALCO has been monitoring liquidity risk regularly.

**Operational Risk Management**

Operational risk is defined as the risk of unexpected losses due to physical catastrophe, technical failure and human error in the operation of a bank, including fraud, failure of management, internal process errors and unforeseeable external events. As per Basel II recommendations following activities are included in operational risks:

- Internal fraud
- External fraud
- Employment Practices and Workplace Safety
- Clients, Products, and Business Practices
- Damage to Physical Assets
- Business Disruption and System Failure
- Execution, Delivery, and Process Management

Operational risk differs from other risks in that it is typically not directly taken in return for an expected reward, but exists in the natural course of corporate activity, and that this affects the risk management process. At the same time, failure to properly manage operational risk can result in a misstatement of a bank's risk profile and expose the bank to significant losses.

Bank is managing these risks through written procedures, regular training and awareness programs. Quarterly Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank’s business and operations. Surprise Inspections are also made on a regular basis to make sure that all control tools are functioning properly.

**Prevention of Money Laundering**

In ordinary terms Money Laundering is often described as “the turning of dirty or black money into clean or white money.” The comprehensive meaning of Money Laundering has been described in the section 2 (v) of Money Laundering Prevention Act 2012.

Money laundering allows criminals to legitimate illegally acquired money by mingling it with legally acquired money. This allows them to ultimately provide a legitimate cover to the source of their illegal income. It has potentially devastating economic, security and social consequences. It provides impetus to drug dealers, smugglers, terrorists, illegal arms dealers, corrupt public officials and others to operate and expand their criminal enterprises. Money Launderers always try to convert their illegal proceeds earned through predicate offence (s) to legitimate money by placing, layering and integrating in the financial system for which any bank is vulnerable. The amount of money laundered each year poses a significant policy concern for the government.

For prevention of Money Laundering and Terrorist Financing, Bangladesh Financial Intelligence UNIT (BFIU) generally expects a risk management practice to address
Directors’ Report

two main risks: business risks and regulatory risks. Business risks are related to customer, product or service, business practices and / or delivery methods and country or jurisdictions. This risk is mainly related to the maintenance of proper KYC and its reviewing process. Regulatory risk is associated with not compliance of regulatory requirements and /or unable or inappropriately verifies customers and lacking of AML and CFT program. Regulatory risk also involves with the possibility of lawsuits which may adversely affect the operation and reputation of the Bank.

For mitigating above risks, ONE Bank Limited has been constantly active in keeping the employees aware of Money Laundering activities and the tools available to prevent them. A Central Compliance Unit (CCU) headed by a Chief Anti Money Laundering Compliance Officer (CAMLCO) and assisted by two Deputy CAMLCOs at CHQ and one Branch Anti Money Laundering Compliance Officer (BAMLCO) at the every branch is constantly updating the employees on new developments as well as ensuring compliance of rules and regulations related to prevention of Money Laundering. Any suspicious activity should be immediately be notified to the Compliance Officers, Management and Bangladesh Bank as per guidelines of Bangladesh Bank.

The Bank developed a manual for prevention of money laundering in 2002 and lastly revised in 2012. Training has been continuously given to all the level of officers and executives for updating awareness and skill for identifying suspicious activities and reporting properly.

ICT Security

ICT Security is a systematic approach to policies required to be formulated for ensuring security of Information and Information Systems. ICT Security Management deals with ICT Security Policy Documentation, Internal Information System Audit, Training and Insurance. OBL has an ‘ICT Security Policy’ formulated in compliance of ICT Security Guideline as framed by Bangladesh Bank and approved by the Board of Directors of the Bank. All activities and operations are required to ensure data security including facility design, physical security, network security, disaster recovery and business continuity planning, use of hardware and software, data disposal, and protection of copyrights and other intellectual property rights. The policy is updated regularly to cope with the evolving changes in the ICT environment both within the Bank and overall industry.

BASEL II

The BASEL II framework was introduced to ensure that financial institutions maintain capital to cover all types of risks not just Credit Risk as required in BASEL I. BASEL II accord dictates that banks should maintain capital to cover Credit Risk, Market Risk and Operational Risk. Besides capital adequacy, BASEL II also requires banks to enhance their Supervisory Review process as well as Market Discipline through Disclosures to Public and Regulatory bodies. Combined they are more popularly known as the 3 Pillars of BASEL II.

Bangladesh Bank adopted the BASEL II framework and an Implementation Road Map was circulated to all commercial banks in Bangladesh with a target to replace BASEL I framework with effect from January 01, 2010.

In line with Bangladesh Bank directives, the OBL BASEL II Committee was formed in September 2006. The Committee comprises all the Divisional Heads of the Bank as well as related operational department heads. In addition, BASEL II Sub-committees were formed for implementation of the different segments of the accord.

In order to strengthen the Supervisory Review process, a separate Risk Management Division was formed. The existing Compliance Department of the Bank has also been further strengthened. Furthermore, a separate MIS (Management Information Systems) department was also formed to ensure timely and accurate flow of information to the Risk Management Division as well as Senior Management.
OBL has met all the milestones set in the Bangladesh Bank Road Map and was one of the first Banks to submit the BASEL II Capital Adequacy Report in 2009. As per the regulatory road map, OBL commenced observing the BASEL II requirements with effect from January 2010. Since then we have been implementing the BASEL II standards for our Capital, Supervisory Review and Disclosures. OBL is now a fully BASEL II Compliant Bank.

ONE Bank is applying the following methodology of BASEL II for calculating credit, market and operational risks:

i. Standardized method for credit and market risks and
ii. Basic indicator approach for operational risk.

ONE Bank Ltd has formed BASEL II implementation team to ensure proper implementation of the three pillars of BASEL II.

INCOME DETAILS

Interest Income
Interest Income of the Bank grew by 18.20% to Tk.10,097.75 million during 2013 compared to Tk. 8,542.84 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 7,049.62 million in 2013 as compared to Tk. 5,789.98 million for 2012 thus increased by 21.76%. Interests paid on deposits, particularly Term Deposits exhibited an upward turn due to increase in deposits.

The Net Interest Income increased by 10.73% to Tk.3,048.13 million during 2013 as against Tk. 2,752.85 million during 2012.

Towards providing for Statutory Liquidity requirements, the Bank continued to invest in Government Treasury Bills. In addition, the Bank has also invested in shares of other legal entities. Income from such Investment was Tk. 1,018.66 million during the year as against Tk. 552.39 million during 2012.

Commission, Exchange and Brokerage Income
Earnings from Commission, Exchange and Brokerage increased by 4.39% to Tk. 1,061.01 million compared to Tk.1,016.39 million in 2012, reflecting the Bank’s increased focus on non-funded business.

Other Operating Income
Other operating income increased to Tk. 323.65 million during 2013 as compared to Tk. 297.97 million for the previous year.

Total Operating Income
The total operating income stands at Tk.5,451.45 million for 2013 as compared to Tk. 4,619.61 million for the previous year.

Operating Expenses
Total operating expenses was Tk. 2,991.76 million for the current year compared to Tk. 2,284.22 million for previous year.

Operating Profit
The Bank has earned an operating profit of Tk. 2,459.69 million in 2013 compared to Tk. 2,335.39 million in the year 2012. The operating income has risen from Tk. 4,619.61 million in 2012 to Tk. 5,451.45 million during 2013.

Provisioning against Loans & Advances
The Bank’s loan portfolio remained under periodic review and classification measures were adopted as and when necessary. Classified loans represent 4.89% of the Bank’s total Loans and Advances as against 5.52% of the previous year.

Net Profit
After providing for provision and taxes, the Net Profit of the Bank for the year 2013 was Tk. 1,348.64 million, compared to Tk. 1,055.43 million in the previous year recording a growth of 27.78 percent.
Directors’ Report

Dividend
The Net Profit of the Bank stood at Tk. 1,348.64 million as on December 31, 2013. After transfer of Tk. 355.32 million to Statutory Reserve, the amount available for distribution was Tk. 993.32 million. The capital of the Bank was 12.09% of the Risk Weighted Asset at the year end. Thus, together with previous year’s retained earnings of Tk. 83.85 million, total amount available for distribution to Shareholders was Tk. 1,077.17 million. The Board of Directors recommended 19% Dividend (10% Stock and 9% Cash Dividend) for the year 2013. Accordingly, there will remain an amount of Tk.171.43 million in the form of Retained Earnings.

Balance Sheet
As on December 31, 2013 total Assets of the Bank (excluding contingent) was Tk. 102,690.97 million compared to Tk. 85,617.75 million of 2012. The growth thus recorded was 19.94%. Major Asset components were Loans and Advances (74.57%) followed by Investments (10.02%). Deposits constituted the major portion of the Bank’s liability (91.98%). Contingent Liabilities were Tk. 44,183.03 million against Tk. 32,668.94 million for the previous year.

Equity
The equity of the Bank increased to Tk. 8,575.66 million from Tk. 7,423.60 million registering an increase of 15.52%. The percentage of Core Capital to Risk Weighted Asset is 8.53% against a requirement of 5%.

Deposits
Deposits of the Bank grew by 18.50% during the year and stood at Tk. 86,568.34 million as at December 31, 2013 as against Tk. 73,055.77 million as at December 31, 2012. The continuing growth of customers’ confidence in ONE Bank helped the necessary broadening of customer base that spanned private individuals, corporate bodies, multinational concerns and financial institutions. The average cost of deposit for the year 2013 was 9.04%.

Cash and Balances with Banks and Financial Institutions
Cash and Balances with Bangladesh Bank was Tk. 8,822.64 million as against Tk. 7,569.83 million in 2012, representing an increase of 16.55%. These funds are maintained to meet the Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) of the Bank. Due to quantum increase in Deposits, the CRR and SLR of the Bank have correspondingly increased and such requirements were properly and adequately maintained.

Surplus funds after meeting the CRR & SLR requirements were placed as short-term deposits with several commercial banks and financial institutions. Outstanding in such accounts in Bangladesh was Tk. 1,113.30 million as at December 31, 2013.

The Bank maintained sufficient balances equivalent to Tk.516.88 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.
Investments
Investment activities by the Bank included meeting the SLR requirements and were mostly in the form of Government Treasury Bills with varying dates of maturity.

The Bank had a total investment of Tk. 8,853.25 million in Government Treasury Bills and Treasury Bonds. In addition, the Bank had substantial investment in terms of shares purchased in other legal entities.

Loans and Advances
The Bank’s total Loans and Advances stood at Tk. 76,573.35 million as on December 31, 2013 as against Tk. 60,216.13 million of 2012 showing a growth of 27.16% over the previous year. The portfolio was under continuous review and was further diversified to avoid risk of single industry concentration and within the purview of the Bank’s credit norms relating to risk quality, yield, exposure, tenor and collateral arrangements. Bank’s clientele base continued to comprise corporate bodies engaged in such vital economic sectors as Trade finance, Steel re-rolling, Readymade Garments, Textile, Ship scrapping, Edible oil, Cement, Transport, Construction/Engineering, Pharmaceuticals, Real-estate, Cargo & Travel services, Paper and packaging, Agro based industry etc.

Continuity of any Extra-Ordinary Gain or Loss
There was no extra-ordinary Gain or Loss.

Related Party Discloser of the Bank Transactions
i. Name of the directors together with a list of entities in which they have interest (provided under Annexure E)

ii. Significant contracts where Bank is a party and wherein Directors have interest during the year 2013: Nil

iii. Shares issued to Directors and Executives without consideration or exercisable at discount: Nil

iv. Lending policies in respect of related party:
   a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2013: Nil
   b) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2013: Nil
   c) Amount of transactions regarding principal items of deposits, expenses and commission: Nil
   d) Amount of provision against loans and advances given to related party: Nil
   e) Amount of guarantees and commitments arising from other off-balance sheet exposures: Nil

v. Disclosure of transaction regarding Directors and their related concerns: Nil

vi.
   a) As on Balance Sheet date, the total receivable amount stands at Tk. 11,288,213.00 from ONE Securities Limited
   b) As on Balance Sheet date, the lending amount stands at Tk. 403,653,372.00 to ONE Securities Limited

vii. Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991:
    a) Lease Agreement made with the Directors:
       • The Bank has hired a space of 35,000 sqft. from M/s. HRC Bangladesh Limited for garage and storage purposes at a rent of Tk. 0.53 million per month against which the Bank has advanced Tk. 7.88 million (Balance as on December 31, 2013). Mr. Sayeed Hossain
Directors’ Report

OBL employees initiated a program to distribute blankets to the regular, contractual and outsource Sub-ordinate Staff of the Bank.

- The Bank has hired a space of 6,731 sqft. from M/s. Shamah Enterprise Ltd. for storage facilities at a rent of Tk. 0.20 million per month against which the Bank has advanced Tk. 8.99 million (Balance as on December 31, 2013). Mr. Zahur Ullah, Director of ONE Bank Limited is one of the owners of M/s. Shamah Enterprise Ltd.

- The Bank has hired floor spaces of 5,392 sqft. and 23,232 sqft. from M/s. Hamid Properties Ltd. for Kawran Bazar Branch and its Corporate HQ respectively at a rent of Tk. 2.81 million against which the Bank has advanced Tk. 98.91 million (Balance as on December 31, 2013). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the owners of M/s. Hamid Properties Limited.

- The Bank has hired floor spaces of 7,294 sqft. from M/s. HRC Properties Limited for its Centralized Trade Processing Centre (CTPC) and Centralized Loan Administration Department (CLAD) at Chittagong at a rent of Tk. 0.58 million per month against which the Bank has advanced Tk. 21.01 million (Balance as on December 31, 2013). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the owners of M/s. HRC Properties Ltd.

b) Investment in securities of Directors and their related concern: Nil

Utilization of Proceeds from Public Issues, Rights Issues and/or through any other Instruments

The Bank floated shares through Initial Public Offering in 2003. The proceeds of the same was utilized in the manner disclosed in the Prospectus and subsequently published in

Annual Report of the Bank in the following years. During 2013, ONE Bank Limited issued Unsecured Non-convertible Subordinated Bond of Tk. 2,200 million after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission. The Subordinated Bond is counted towards Tier-II Capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin.

The financial results after the Company went for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc.

The Bank has been constantly growing since inception, then since IPO and then since issuance of Subordinated Bond. No adverse situation has arisen to date.

Significant variance between Quarterly Financial performance and Annual Financial Statements

The Bank has faced a little variance between Quarterly Financial performance and Annual Financial Statements. No significant variance occurred in spite of greater volatility in the financial sectors.

Remuneration to Directors including Independent Directors

As per BRPD Circular No. 3 dated January 18, 2010, the Directors including Independent Directors are paid Tk.5,000.00 per person per meeting attended as remuneration.
Preparation of Financial Statements by the Management

The financial statements prepared by the Management have presented fairly its state of affairs, the result of its operations, cash flows and changes in equity. Balance Sheet, Income Statement, Statement of Changes of Equity and Cash Flow Statement etc. are presented in Annual Report under respective heads.

Maintenance of Books of Accounts

OBL is fully complied in keeping the proper books of accounts with the International Accounting Standard (IAS), Bangladesh Accounting Standard (BAS), International Financial Reporting Standard (IFRS) and Bangladesh Financial Reporting Standard (BFRS).

Accounting Policies

In preparation of Financial Statements, External Auditors are allowed absolute freedom and support in order to ensure that the Financial Statements are drawn up as per Bangladesh Bank’s Guidelines, BSEC Rules, Generally Accepted Accounting Principles (GAAP), and International Accounting Standards as adopted in Bangladesh.

Financial Reporting Standard and Corporate Governance Guideline

The Financial Statements of the Bank have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank’s affairs as at 31 December 2012 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations. The issue is better described in the opinion of the Auditors published in this report. The Bank has also complied with almost all the issues stated in the BSEC Notification No: SEC/CMMRCD/2006-158/134/Admin/44 issued on August 07, 2012.

Internal Control and Compliance

Effective Information System – the key component of an effective Internal Control Mechanism is already in place, which is being periodically reviewed towards making it still effective. In addition, the Bank has established the following internal control measures:

• Strengthened the Internal Control and Compliance Department to ensure comprehensive audit of the branches and Corporate HQ at periodic intervals;

• Review of the Bank’s performance on a monthly and quarterly basis at Board level;
o • Established authority limits for transactions and expenses;
• Review of Bangladesh Bank’s audit report and Management’s compliance thereof at regular intervals;
• Ensuring strict compliance to all regulatory requirements, both existing and new.

**Going Concern**

The going concern assumption is a fundamental principle in the preparation of financial statements. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, Assets and Liabilities are recorded on the basis that the entity will be able to realize its Assets and discharge its Liabilities in the normal course of business.

In assessing the company’s ability as going concern business, we have taken into consideration the quality of assets in the loan portfolio, quality of other assets, investment in the primary and secondary market, investment in the Government Securities, liquidity profile of the company, ability to meet the possible claim of short term depositors, possible impact of the changes of the Companies Act, cash flow position, possible loss of a member(s) of the key management without replacement, loss of hot deposit. In this connection by applying stress testing, the company reviews the possible impact on capital of the bank under a set of probable but plausible negative assumption. Upon Difference Analysis, there is no doubt on the continuation of the business for the foreseeable future and there is no intention to liquidate or cease its business.

**Deviations from the last year’s Operating Results**

There is no significant deviation noted from the last year’s operating results of the Bank.
### Directors’ Report

**Five years Financial Highlights as at December 31, 2013**

(Figures in Million Taka)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Authorized Capital</td>
<td>10,000</td>
<td>10,000</td>
<td>4,150</td>
<td>4,150</td>
<td>4,150</td>
</tr>
<tr>
<td>2</td>
<td>Paid up Capital</td>
<td>4,767</td>
<td>4,145</td>
<td>3,189</td>
<td>2,057</td>
<td>1,558</td>
</tr>
<tr>
<td>3</td>
<td>Statutory Reserve</td>
<td>2,665</td>
<td>2,310</td>
<td>1,898</td>
<td>1,450</td>
<td>914</td>
</tr>
<tr>
<td>4</td>
<td>Capital</td>
<td>12,070</td>
<td>8,438</td>
<td>7,700</td>
<td>5,956</td>
<td>3,573</td>
</tr>
<tr>
<td>5</td>
<td>Total Deposits</td>
<td>86,568</td>
<td>73,056</td>
<td>57,240</td>
<td>50,734</td>
<td>39,365</td>
</tr>
<tr>
<td>6</td>
<td>Total Loans &amp; Advances</td>
<td>76,573</td>
<td>60,216</td>
<td>47,927</td>
<td>42,190</td>
<td>32,533</td>
</tr>
<tr>
<td>7</td>
<td>Investment</td>
<td>10,292</td>
<td>9,792</td>
<td>8,128</td>
<td>7,491</td>
<td>6,789</td>
</tr>
<tr>
<td>8</td>
<td>Import business handled</td>
<td>74,857</td>
<td>57,686</td>
<td>53,831</td>
<td>51,781</td>
<td>34,442</td>
</tr>
<tr>
<td>9</td>
<td>Export business handled</td>
<td>58,711</td>
<td>50,930</td>
<td>45,897</td>
<td>35,432</td>
<td>25,561</td>
</tr>
<tr>
<td>10</td>
<td>Guarantee business handled</td>
<td>8,036</td>
<td>11,976</td>
<td>12,941</td>
<td>7,999</td>
<td>5,075</td>
</tr>
<tr>
<td>11</td>
<td>Total Income</td>
<td>12,501</td>
<td>10,410</td>
<td>9,170</td>
<td>7,662</td>
<td>5,824</td>
</tr>
<tr>
<td>12</td>
<td>Total expenditure</td>
<td>10,041</td>
<td>8,074</td>
<td>6,323</td>
<td>4,641</td>
<td>4,145</td>
</tr>
<tr>
<td>13</td>
<td>Net Interest Income</td>
<td>3,048</td>
<td>2,753</td>
<td>1,959</td>
<td>1,862</td>
<td>1,035</td>
</tr>
<tr>
<td>14</td>
<td>Operating Profit</td>
<td>2,460</td>
<td>2,335</td>
<td>2,847</td>
<td>3,020</td>
<td>1,679</td>
</tr>
<tr>
<td>15</td>
<td>Operating Expenses</td>
<td>2,992</td>
<td>2,284</td>
<td>1,764</td>
<td>1,447</td>
<td>950</td>
</tr>
<tr>
<td>16</td>
<td>Profit after Tax &amp; provisions</td>
<td>1,349</td>
<td>1,055</td>
<td>1,449</td>
<td>1,887</td>
<td>727</td>
</tr>
<tr>
<td>17</td>
<td>Total Assets</td>
<td>102,691</td>
<td>85,618</td>
<td>67,619</td>
<td>58,736</td>
<td>45,163</td>
</tr>
<tr>
<td>18</td>
<td>Number of Correspondents</td>
<td>364</td>
<td>358</td>
<td>346</td>
<td>311</td>
<td>300</td>
</tr>
<tr>
<td>19</td>
<td>Number of employees</td>
<td>1,810</td>
<td>1,608</td>
<td>1,472</td>
<td>1,247</td>
<td>1,039</td>
</tr>
<tr>
<td>20</td>
<td>Number of Branches</td>
<td>70</td>
<td>64</td>
<td>54</td>
<td>50</td>
<td>39</td>
</tr>
<tr>
<td>21</td>
<td>Loan Deposit Ratio</td>
<td>88.45%</td>
<td>82.42%</td>
<td>83.73%</td>
<td>83.16%</td>
<td>82.64%</td>
</tr>
<tr>
<td>22</td>
<td>Capital Adequacy Ratio</td>
<td>12.09%</td>
<td>10.46%</td>
<td>11.24%</td>
<td>9.69%</td>
<td>10.90%</td>
</tr>
<tr>
<td>23</td>
<td>Tier - 1 (Capital)</td>
<td>8.53%</td>
<td>9.13%</td>
<td>9.22%</td>
<td>7.91%</td>
<td>9.08%</td>
</tr>
<tr>
<td>24</td>
<td>Return on Asset</td>
<td>1.43%</td>
<td>1.38%</td>
<td>2.29%</td>
<td>3.63%</td>
<td>1.89%</td>
</tr>
<tr>
<td>25</td>
<td>Earnings per Share</td>
<td>2.83</td>
<td>2.21</td>
<td>3.49</td>
<td>5.92</td>
<td>3.53</td>
</tr>
<tr>
<td>26</td>
<td>Dividend</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>9%</td>
<td>5%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bonus Share</td>
<td>10%</td>
<td>15%</td>
<td>30%</td>
<td>55%</td>
<td>32%</td>
</tr>
<tr>
<td>27</td>
<td>Net Asset Value (Book value/ Shareholders' equity per share)</td>
<td>17.99</td>
<td>17.91</td>
<td>19.86</td>
<td>23.64</td>
<td>19.69</td>
</tr>
</tbody>
</table>

* The figures in the year of 2012 under serial no 11, 12 and 17 has been restated due to the rearrangement of figures in the year 2013 as disclosed in the notes to the accounts of 2.24.

**Declaration of Dividends**

The Bank declared 19% Dividend (10% Stock & 9% Cash) for the year 2013.
The number of Board Meetings held during the year and attendance by each Director

<table>
<thead>
<tr>
<th>SL</th>
<th>Name of Directors</th>
<th>Meetings</th>
<th>Remarks</th>
</tr>
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<tr>
<td></td>
<td></td>
<td>Board</td>
<td>EC</td>
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<tr>
<td></td>
<td></td>
<td>Held</td>
<td>Attended</td>
</tr>
<tr>
<td>1</td>
<td>Mr. Sayeed H. Chowdhury</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Asoke Das Gupta</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Zahur Ullah</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Mr. A. S. M. Shahidullah Khan</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Kazi Rukunuddin Ahmed</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Shawket Jaman</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Salahuddin Ahmed</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>8</td>
<td>Mr. Syed Nurul Amin</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>9</td>
<td>Mr. M. Fakhrul Alam</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Mr. Farman R Chowdhury</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>
Directors’ Report

Shareholding Pattern
The Pattern of Shareholding along with name wise details of [1.4.k]:
I. Parent/Subsidiary/Associated companies and other related parties: ONE Securities Limited
II. Shareholding of Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

<table>
<thead>
<tr>
<th>Sl</th>
<th>Name</th>
<th>Status</th>
<th>No. of Shares</th>
<th>Spouse &amp; Minor Children</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Sayeed Hossain Chowdhury</td>
<td>Chairman</td>
<td>18,890,012</td>
<td>Ms. Farzana Chowdhury</td>
<td>22,492,977</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Asoke Das Gupta</td>
<td>Vice Chairman</td>
<td>9,574,751</td>
<td>Ms. Rakhi Das Gupta</td>
<td>1,024,410</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Zahur Ullah</td>
<td>Director</td>
<td>14,890,591</td>
<td>Ms. Salma Zahur</td>
<td>13,698,546</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Abu Saleh Mohammad Shahidullah Khan</td>
<td>Director, Representing KSC Securities Ltd.</td>
<td>9,534,487</td>
<td>Dr. Naila Khan</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Kazi Rukunuddin Ahmed</td>
<td>Director, Representing Irfan International Ltd.</td>
<td>9,534,507</td>
<td>Mrs. Dilruba Ahmed</td>
<td>Nil</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Shawket Jaman</td>
<td>Director, Representing M. R. Holdings and Securities Ltd.</td>
<td>9,560,190</td>
<td>Mrs. Shuraya Aktfer</td>
<td>Nil</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Salahuddin Ahmed</td>
<td>Depositor Director</td>
<td>Nil</td>
<td>Mrs. Kashefa Ahmed</td>
<td>Nil</td>
</tr>
<tr>
<td>8</td>
<td>Mr. Syed Nurul Amin</td>
<td>Independent Director</td>
<td>Nil</td>
<td>Ms. Nurunnahar Begun</td>
<td>Nil</td>
</tr>
<tr>
<td>9</td>
<td>Mr. M. Fakhrul Alam</td>
<td>Managing Director</td>
<td>Nil</td>
<td>Mrs. Selina Alam</td>
<td>Nil</td>
</tr>
<tr>
<td>10</td>
<td>Mr. John Sarkar</td>
<td>SEVP &amp; Company Secretary</td>
<td>26,500</td>
<td>Ms. Josephine Sarkar</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Hubert Glen Sarkar</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Timothy Carol Sarkar</td>
<td>Nil</td>
</tr>
<tr>
<td>11</td>
<td>Mr. Md. Aftab Uddin Khan</td>
<td>SEVP &amp; CFO</td>
<td>Nil</td>
<td>Mrs. Sourab Akter Kumkum</td>
<td>Nil</td>
</tr>
<tr>
<td>12</td>
<td>Mr. Kutub Uddin Ahmad</td>
<td>Incharge, Internal Audit</td>
<td>Nil</td>
<td>Mrs. Senora Rashid</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Ahmad Samin Yasir</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Manha Junaira Ahmad</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Executives [top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit].

<table>
<thead>
<tr>
<th>Sl</th>
<th>Name</th>
<th>Status</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ms. Kohora Bebe</td>
<td>Deputy Managing Director</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Wakar Hasan</td>
<td>Deputy Managing Director</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>Ms. Rozina Aliya Ahmed</td>
<td>ADMD &amp; Head of Marketing</td>
<td>1,891</td>
</tr>
<tr>
<td>4</td>
<td>Mr. M. Rafiqul Islam</td>
<td>SEVP, Legal Affairs &amp; Recovery Division</td>
<td>Nil</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Shabbir Ahmed</td>
<td>SEVP &amp; Head of Corp. Asset Marketing (North)</td>
<td>299</td>
</tr>
</tbody>
</table>

III. Shareholders holding ten percent (10%) or more voting interest in the company: Nil

Appointment/Re-appointment of Directors
The issue is discussed in the Directors’ Profile.
Audit Committee’s Report

The first Audit Committee of the Bank was constituted by its Board of Directors in its 60th Meeting held on March 01, 2003 in accordance with the Bangladesh Bank’s directives vide BRPD Circular # 12 dated December 23, 2002. The present Audit Committee was reconstituted by the Board in its 194th Meeting held on June 13, 2013 consisting of the following members:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name</th>
<th>Status with The Board</th>
<th>Status with The Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Mr. Syed Nurul Amin</td>
<td>Independent Director</td>
<td>Chairman</td>
</tr>
<tr>
<td>02</td>
<td>Mr. A. S. M. Shahidullah Khan</td>
<td>Director</td>
<td>Member</td>
</tr>
<tr>
<td>03</td>
<td>Mr. Shawket Jaman</td>
<td>Director</td>
<td>Member</td>
</tr>
</tbody>
</table>

The Company Secretary acts as the Secretary of the Committee.

During the year 2013, the Audit Committee held 5 (five) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made there in.
2. Bangladesh Bank comprehensive Inspection Report and the recommendation made there in.
3. Audit & Inspection reports on the Branches and departments of the Corporate Office issued by the Internal Control & Compliance Division of the Bank.
4. Actions Taken by the Management as regards to the fraud & forgery and irregularities detected by the Internal Audit Team of the Bank.
5. The corrective measures taken by the Management as regards to the Internal Audit Reports, reports relating to deficiencies in Internal Control or other issues detected by Internal and External Auditors and Inspectors of the regulatory authorities.
6. The compliance status of the deficiencies identified and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Bank’s Internal Auditors in their reports.
8. Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
9. The status of recovery of classified loan and providing necessary instruction to the Management.
10. Yearly Audit Plan of Internal Control & Compliance Division.
12. Reconciliation status of Inter Branch Transactions and Nostro Accounts.
15. Progress of Credit Rating Status of OBL and ratings of the clients.
The Audit Committee has further satisfied itself that:

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank’s own policy guidelines approved by the Board of Directors of the Bank are duly complied with.

- Internal Control & Security measures are being adequately undertaken by the Bank in facilitating Information Technology (IT) based/computerized banking including appropriate Management Information System (MIS).

- The Bank’s system of Internal Control and its processes are strengthened including ensuring right man in right place towards creation of a compliance culture in the Bank.

- The assets of the Bank are safeguarded and the creation of liabilities and commitments are made transparent.

- The Financial Statements of the Bank has been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

Reporting

Throughout the year the committee has taken a particular note of the fraud and forgery and irregularities detected by the Internal Audit Team and the actions taken by the Management, classified loans situations, initiated measures to minimize it, instituted recovery mechanism, credit administration and thoroughly reviewed the internal control system and mechanism, including IT operation to protect the Bank from errors and omissions, fraud and forgeries and other irregularities as detected by the Internal and External Auditors.

The Minutes of the Audit Committee Meetings with the observations and the recommendations of the Audit Committee were circulated among the Members of the Committee and to the Board of Directors of the Bank for their information and necessary action.

The Audit Committee expresses thanks to the stakeholders of ONE Bank Limited for their relentless support for doing things in a compliant way towards its journey to success.

Syed Nurul Amin
Chairman
Audit Committee of the Board
Certificate on 
Compliance with conditions of Corporate Governance Guidelines 
to the Shareholders of ONE Bank Limited

We were engaged by ONE Bank Limited (the "Company") to provide Certification whether the Company has complied with the conditions of corporate Governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the “Conditions of Corporate Governance Guidelines”) for the year ended 31 December 2013.

The Company’s Responsibilities
Those charged with governance and management of the Company are responsible for complying with the conditions of Corporate Governance Guidelines as stated in the aforesaid notifications. Those charged with governance and management of the Company are also responsible for stating in the Directors’ Report whether the Company has complied with the conditions of Corporate Governance Guidelines.

Our Responsibilities
Our Responsibilities is to examine the Company’s status of compliance with the conditions of Corporate Governance Guidelines and to certify thereon in the form of an independent assurance conclusion based on evidence obtained. For the purpose of the engagement, we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain assurance whether the company has complied with the conditions of Corporate Governance Guidelines.

To the best of the information and according to the explanations given to us, we certify that, except the observation on appointment of Independent Directors, the Company has complied with the conditions of Corporate Governance stipulated in the above mentioned Bangladesh Securities and Exchange Commission (BSEC) notifications dated 7 August 2012 & 21 July 2013.

Date: Dhaka
10 April 2014
ATA KHAN & CO.
Chartered Accountants
## Corporate Governance

### ONE Bank Limited

**Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations**

For the Year ended January-December’2013

<table>
<thead>
<tr>
<th>Condition No.</th>
<th>Title</th>
<th>Compliance Status</th>
<th>Remarks (If any)</th>
</tr>
</thead>
</table>
| 1:1           | Board Size                                                            | Complied          | 1. Board members should not be less than 5 (five) and not more than 20 (twenty)  
2. For bank company there shall be no director more than 13 (thirteen) except 2 (two) directors appointed among the Depositors | √ |
| 1.2           | Independent Director                                                  |                   | One Independent Director out of total eight Directors (Subsequently Board and Bangladesh Security Exchange Commission have approved appointment of 2nd Independent Director Mr. Salahuddin Ahmed.) |
|               | 1.2 (i) Independent Director: At least 1/5th                         | Complied          |                                                                                                                                                   |
|               | 1.2 (ii) a) An Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company | √                  |                                                                                                                                                   |
|               | 1.2 (ii) b) An Independent Director is not a sponsor of the company and is not connected with the company’s any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company | √                  |                                                                                                                                                   |
|               | 1.2 (ii) c) An Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies | √                  |                                                                                                                                                   |
|               | 1.2 (ii) d) An Independent Director is not a member, Director or officer of any stock exchange | √                  |                                                                                                                                                   |
|               | 1.2 (ii) e) An Independent Director is not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market | √                  |                                                                                                                                                   |
|               | 1.2 (ii) f) An Independent Director is not a partner or an executive or was not a partner or an executive during the preceding three years of the concerned company’s statutory audit firm | √                  |                                                                                                                                                   |
|               | 1.2 (ii) g) An Independent Director shall not be an independent Director in more than 3 (three) listed companies | √                  |                                                                                                                                                   |
|               | 1.2 (ii) h) An Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI) | √                  |                                                                                                                                                   |
|               | 1.2 (ii) i) An Independent Director has not been convicted for a criminal offence involving moral turpitude | √                  |                                                                                                                                                   |
|               | 1.2 (ii) j) The Independent Director(s) shall be appointed by the Board of Directors | √                  |                                                                                                                                                   |
|               | 1.2 (ii) Appointment of the Independent Director shall be approved by the shareholders in the Annual General Meeting (AGM) | √                  | Appointment of Independent Director Mr. Syed Nurul Amin was approved in the 14th AGM on June 13, 2013. Approval of appointment of 2nd Independent Director Mr. Salahuddin Ahmed will be placed in the 15th AGM to be held on May 15, 2014. |
|               | 1.2 (iv) The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days | √                  |                                                                                                                                                   |
|               | 1.2 (v) The Board shall lay down a code of conduct of all Board members and annual compliance of the code of conduct of the Board of Director to be recorded | √                  |                                                                                                                                                   |
|               | 1.2 (vi) The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | √                  |                                                                                                                                                   |

### Condition 1.3

#### 1.3 (i) Qualification of Independent Director

Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. √
### Corporate Governance

**ONE Bank Limited**

**Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations**

For the Year ended January-December 2013

<table>
<thead>
<tr>
<th>Condition No.</th>
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<th>Remarks (If any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 (ii)</td>
<td>He/ She should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost &amp; Management Accountants, Chartered Secretaries. He/she must have at least 12 (twelve) years of</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.3 (iii)</td>
<td>In special cases the above qualifications may be relaxed subject to prior approval of the Commission</td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1.4</td>
<td>Chairman of the Board and Chief Executive Officer: The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company and The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Directors Report to Shareholders shall include following additional statements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5 (i)</td>
<td>Industry outlook and possible future developments in the industry.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (ii)</td>
<td>Segment-wise or product-wise performance.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (iii)</td>
<td>Risks and concerns.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (iv)</td>
<td>A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (v)</td>
<td>Discussion on continuity of any Extra-Ordinary gain or loss.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (vi)</td>
<td>Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (vii)</td>
<td>Utilization of proceeds from public issues, rights issues and/or through any others instruments.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (viii)</td>
<td>An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.</td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1.5 (ix)</td>
<td>If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.</td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1.5 (x)</td>
<td>Remuneration to Directors including Independent Directors.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xi)</td>
<td>The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xii)</td>
<td>Proper books of account of the issuer company have been maintained.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xiii)</td>
<td>Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xiv)</td>
<td>International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xv)</td>
<td>The system of internal control is sound in design and has been effectively implemented and monitored.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xvi)</td>
<td>There are no significant doubts upon the issuer company’s ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xvii)</td>
<td>Significant deviations from the last year’s operating results of the issuer company shall be highlighted and the reasons thereof should be explained.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xviii)</td>
<td>Key operating and financial data of at least preceding 5 (five) years shall be summarized.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xix)</td>
<td>If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.</td>
<td></td>
<td>Not Applicable</td>
</tr>
<tr>
<td>1.5 (xx)</td>
<td>The number of Board meetings held during the year and attendance by each Director shall be disclosed.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xxi)</td>
<td>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xxii)</td>
<td>Parent/Subsidiary/Associated Companies and other related parties (name wise details);</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xxiii)</td>
<td>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xxiv)</td>
<td>Executives</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.5 (xxv)</td>
<td>Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). Explanation: For the purpose of this clause, the expression “executive” means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
### Corporate Governance

**ONE Bank Limited**

**Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations**

For the Year ended January-December’2013

<table>
<thead>
<tr>
<th>Condition No.</th>
<th>Title</th>
<th>Compliance Status (Put √ in the appropriate column)</th>
<th>Remarks (If any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5 (xiii) (a)</td>
<td>A brief resume of the Director;</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>1.5 (xiii) (b)</td>
<td>Nature of his/her expertise in specific functional areas;</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>1.5 (xiii) (c)</td>
<td>Names of companies in which the person also holds the directorship and the membership of committees of the board.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>2.0</td>
<td>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS).</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Requirement to attend the Board Meetings</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.0</td>
<td>The company shall have an Audit Committee as a sub-committee of the Board of Directors.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3 (i)</td>
<td>The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3 (ii)</td>
<td>The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (i)</td>
<td>The Audit Committee shall be composed of at least 3 (three) members.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (ii)</td>
<td>Constitution of Committee with Board members including one Independent Director</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (iii)</td>
<td>All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (iv)</td>
<td>Filing of casual vacancy in committee</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (v)</td>
<td>The company secretary shall act as the secretary of the Committee.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.1 (vi)</td>
<td>The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.2</td>
<td>The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an Independent Director.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.2 (i)</td>
<td>Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (i)</td>
<td>Oversee the financial reporting process.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (ii)</td>
<td>Monitor choice of accounting policies and principles.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (iii)</td>
<td>Monitor Internal Control Risk management process.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (iv)</td>
<td>Oversee hiring and performance of external auditors.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (v)</td>
<td>Review along with the management, the annual financial statements before submission to the board for approval.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (vi)</td>
<td>Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (vii)</td>
<td>Review the adequacy of internal audit function.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (viii)</td>
<td>Review statement of significant related party transactions submitted by the management.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (ix)</td>
<td>Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.3 (x)</td>
<td>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. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.4</td>
<td>Reporting of Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4.1 (i)</td>
<td>The Audit Committee shall report on its activities to the Board of Directors.</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.4.1 (ii) (a)</td>
<td>Reporting of conflict of Interest to the Board of Directors</td>
<td>Such situation did not arise</td>
<td></td>
</tr>
<tr>
<td>3.4.1 (ii) (b)</td>
<td>Reporting of any fraud or irregularity to the Board of Directors</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.4.1 (ii) (c)</td>
<td>Reporting of violation of laws to the Board of Directors</td>
<td>√</td>
<td></td>
</tr>
<tr>
<td>3.4.1 (ii) (d)</td>
<td>Reporting of any other matter to the Board of Directors</td>
<td>√</td>
<td></td>
</tr>
</tbody>
</table>
### Condition 3.4.2 Reporting to the Authorities

If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

### Condition 3.5 Reporting to Shareholders and General Investors

Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.

### Condition 4.0 External/Statutory Auditors

The issuer company should not engage its external / statutory auditors to perform the following services of the company; namely:

- (i) Appraisal or valuation services or fairness opinions.
- (ii) Financial information systems design and implementation.
- (iii) Book-keeping or other services related to the accounting records or financial statements.
- (iv) Broker-dealer services.
- (v) Actuarial services.
- (vi) Internal audit services.
- (vii) Any other service that the Audit Committee determines.
- (viii) No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.

### Condition 5.0 Subsidiary Company

- (i) Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.
- (ii) At least 1 (one) Independent Director on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.
- (iii) The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.
- (iv) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.
- (v) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.

### Condition 6.0 The CEO and CFO shall certify to the Board that

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (b) These statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company’s code of conduct.

### Condition 7.0 Reporting and Compliance of Corporate Governance

- (i) The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.
- (ii) The Directors of the company shall state, in accordance with the Annexure attached, in the Directors’ report whether the company has complied with these conditions.
March 25, 2014

Board of Directors
ONE Bank Limited
HRC Bhaban
46, Kawranbazar
Dhaka - 1215

SUB: MD/CFO DECLARATION TO THE BOARD

The following is provided to the Board of Directors of ONE Bank Limited in our capacity as the persons responsible for performing the functions of Managing Director and Chief Financial Officer of the Bank.

In accordance with the notification of Bangladesh Securities & Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012, we declare that for the financial year ended 31 December, 2013:

i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) These statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards and applicable laws.

ii) There are, to the best of knowledge and belief, no transaction entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank’s code of conduct.

Md. Aftab Uddin Khan
SEVP & Chief Financial Officer

M. Fakhrul Alam
Managing Director
The Value Added Statement of ONE Bank Limited shows how the value is created and distributed to the different stakeholders of the Bank.

### Value Added Statement

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from banking Service</td>
<td>12,501,067,496</td>
<td>10,418,271,127</td>
</tr>
<tr>
<td>Less: Cost of services and supplies</td>
<td>(8,104,692,511)</td>
<td>(6,546,471,990)</td>
</tr>
<tr>
<td>Loan loss provision and other provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Value Added</td>
<td>4,396,374,985</td>
<td>3,871,799,137</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Particulars</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
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<tr>
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<tr>
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</tr>
<tr>
<td>Loan loss provision and other provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Value Added</td>
<td>4,396,374,985</td>
<td>3,871,799,137</td>
</tr>
</tbody>
</table>

#### Distribution of added value

<table>
<thead>
<tr>
<th>Distribution of added value</th>
<th>2013 (Taka)</th>
<th>%</th>
<th>2012 (Taka)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Employees as salaries and allowances</td>
<td>1,768,175,154</td>
<td>48%</td>
<td>1,413,023,095</td>
<td>39%</td>
</tr>
<tr>
<td>To Government as income tax</td>
<td>427,940,118</td>
<td>11%</td>
<td>1,005,000,000</td>
<td>28%</td>
</tr>
<tr>
<td>To Statutory Reserve</td>
<td>355,315,897</td>
<td>10%</td>
<td>412,085,734</td>
<td>12%</td>
</tr>
<tr>
<td>To Depreciation</td>
<td>168,510,441</td>
<td>4%</td>
<td>123,388,476</td>
<td>3%</td>
</tr>
<tr>
<td>To Shareholders</td>
<td>993,323,468</td>
<td>27%</td>
<td>643,342,938</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td>3,713,265,078</td>
<td>100%</td>
<td>3,596,840,243</td>
<td>100%</td>
</tr>
</tbody>
</table>
ONE Bank Limited has been rated by the Emerging Credit Rating Limited (ECRL) on the basis of Financial Statements for the year ended on December 31, 2013. The summary of the rating is presented below:

<table>
<thead>
<tr>
<th>Year - 2012 (ECRL)</th>
<th>Year - 2013 (ECRL)</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term:</td>
<td>Long Term:</td>
<td></td>
</tr>
<tr>
<td>AA–</td>
<td>AA–</td>
<td>Commercial Banks rated AA- have very strong capacity to meet their financial commitments and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.</td>
</tr>
<tr>
<td>Short Term:</td>
<td>Short Term:</td>
<td></td>
</tr>
<tr>
<td>ECRL-2</td>
<td>ECRL-2</td>
<td>Commercial Banks rated in this category are considered to have strong capacity to meet its financial commitments in a timely manner. However, it is somewhat susceptible to adverse development in the economy, and in business and other external conditions.</td>
</tr>
<tr>
<td>Date of Rating</td>
<td>April 23, 2014</td>
<td></td>
</tr>
</tbody>
</table>
ONE BANK VISA SILVER CARD

...get the card that turns you on
Independent Auditor’s Report
to the Shareholders of ONE Bank Limited

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of ONE Bank Limited and its subsidiaries (the “Group”) as well as the separate financial statements of ONE Bank Limited (the “Bank”), which comprise the consolidated 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 statements 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 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 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.

Auditor’s 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 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 the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and 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 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 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 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.
Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, [Securities and Exchange Rules 1987], the Bank Company Act, 1991 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 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# 2.21 of the financial statements, appeared to be materially adequate;

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# 2.22 of these financial statements;

(c) financial statements of a subsidiary, ONE Securities Limited of the Bank has been audited by ACNABIN, Chartered Accountants based on the information shown in the accounting records and on the information supplied and explanations given by the directors and 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 accounting standards as well as with related guidance issued by Bangladesh Bank;

(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 3350 person hours for the audit of the books and accounts of the Bank.

Dated, Dhaka
25 March 2014

ACNABIN
Chartered Accountants
# ONE Bank Limited and its Subsidiary
## Consolidated Balance Sheet
### As at 31 December 2013

### PROPERTY AND ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand (including foreign currencies)</td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
<tr>
<td><strong>Balance with other banks and financial institutions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Bangladesh</td>
<td>1,117,932,445</td>
<td>2,202,700,116</td>
</tr>
<tr>
<td>Outside Bangladesh</td>
<td>516,875,249</td>
<td>919,272,647</td>
</tr>
<tr>
<td><strong>Total Balance with other banks and financial institutions</strong></td>
<td>1,634,807,694</td>
<td>3,121,972,763</td>
</tr>
<tr>
<td><strong>Money at call on short notice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>670,000,000</td>
<td>380,000,000</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>8,853,247,269</td>
<td>7,862,102,278</td>
</tr>
<tr>
<td>Others</td>
<td>3,238,836,864</td>
<td>3,729,545,331</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td>12,092,084,133</td>
<td>11,591,647,609</td>
</tr>
<tr>
<td><strong>Loans and Advances</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Cash Credit, Overdraft etc.</td>
<td>72,398,260,508</td>
<td>55,879,114,910</td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>3,771,431,210</td>
<td>3,989,561,263</td>
</tr>
<tr>
<td><strong>Total Loans and Advances</strong></td>
<td>76,169,691,718</td>
<td>59,868,676,173</td>
</tr>
<tr>
<td><strong>Fixed Assets including premises, furniture &amp; fixtures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 (a)</td>
<td>1,205,627,611</td>
<td>1,098,456,133</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 (a)</td>
<td>1,757,311,103</td>
<td>1,709,698,919</td>
</tr>
<tr>
<td><strong>Non-banking Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>283,786,525</td>
<td>283,786,525</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>102,635,950,909</td>
<td>85,624,070,647</td>
</tr>
</tbody>
</table>

### LIABILITIES AND CAPITAL

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from other banks, financial institutions and agents</td>
<td>11 (a)</td>
<td>145,066,532</td>
</tr>
<tr>
<td><strong>Deposits and other accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts and other accounts</td>
<td>15,564,521,251</td>
<td>8,470,623,423</td>
</tr>
<tr>
<td>Bills payable</td>
<td>1,372,962,253</td>
<td>2,302,009,790</td>
</tr>
<tr>
<td>Savings bank deposits</td>
<td>7,012,233,334</td>
<td>5,011,914,509</td>
</tr>
<tr>
<td>Term deposits</td>
<td>62,618,626,263</td>
<td>57,271,226,432</td>
</tr>
<tr>
<td><strong>Total Deposits and other accounts</strong></td>
<td>86,568,343,101</td>
<td>73,055,774,154</td>
</tr>
<tr>
<td><strong>Other Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 (a)</td>
<td>5,315,685,363</td>
<td>5,121,682,715</td>
</tr>
<tr>
<td><strong>Subordinated -Debt</strong></td>
<td>14</td>
<td>2,200,000,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>94,229,094,996</td>
<td>78,297,824,841</td>
</tr>
<tr>
<td><strong>Capital/Shareholders' Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-up Capital</td>
<td>4,767,070,020</td>
<td>4,145,278,280</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>2,665,409,979</td>
<td>2,310,094,082</td>
</tr>
<tr>
<td>Surplus in Profit and Loss Account</td>
<td>895,565,966</td>
<td>802,036,413</td>
</tr>
<tr>
<td>Revaluation Reserve for Securities</td>
<td>66,008,056</td>
<td>55,320,615</td>
</tr>
<tr>
<td><strong>Total Shareholders' Equity</strong></td>
<td>8,394,054,021</td>
<td>7,312,729,390</td>
</tr>
<tr>
<td><strong>Total Liabilities and Shareholders' Equity</strong></td>
<td>102,635,950,909</td>
<td>85,624,070,647</td>
</tr>
</tbody>
</table>
### OFF BALANCE SHEET ITEMS

#### CONTINGENT LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptances &amp; Endorsements</td>
<td>18,378,551,803</td>
<td>12,907,241,049</td>
</tr>
<tr>
<td>Letters of Guarantee</td>
<td>11,358,740,591</td>
<td>8,330,678,563</td>
</tr>
<tr>
<td>Irrevocable Letters of Credit</td>
<td>11,663,384,421</td>
<td>10,153,759,783</td>
</tr>
<tr>
<td>Bills for Collection</td>
<td>2,782,357,930</td>
<td>1,277,258,448</td>
</tr>
<tr>
<td><strong>Total CONTINGENT LIABILITIES</strong></td>
<td><strong>44,183,034,745</strong></td>
<td><strong>32,668,937,843</strong></td>
</tr>
</tbody>
</table>

#### Other Contingent Liabilities

- Claims lodged with but not recognized by the Bank: -
- Other exchange contract: -

| **Total Contingent Liabilities** | 44,183,034,745 | 32,668,937,843 |

#### Other Commitments:

- Documentary Credits and short term trade-related transactions: -
- Forward assets purchased and forward deposits placed: -
- Undrawn note issuance and revolving underwriting facilities: -
- Undrawn formal standby facilities, credit lines and other commitments: -

| **Total other commitments** | - | - |

| **Total off-Balance Sheet items including contingent liabilities** | 44,183,034,745 | 32,668,937,843 |

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Vice Chairman

See annexed auditor's report to the Shareholders of the date.

Dhaka: 25 March 2014

ACNABIN
Chartered Accountants
## ONE Bank Limited and Its Subsidiary
### Consolidated Profit & Loss Account
For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Interest income</td>
<td>10,038,284,892</td>
<td>8,529,618,623</td>
</tr>
<tr>
<td>Interest paid on deposits and borrowings etc.</td>
<td>7,049,617,618</td>
<td>(5,789,982,065)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>2,988,667,274</td>
<td>2,739,636,588</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,018,659,295</td>
<td>552,388,074</td>
</tr>
<tr>
<td>Commission, exchange and brokerage</td>
<td>1,061,004,499</td>
<td>1,016,382,075</td>
</tr>
<tr>
<td>Other operating income</td>
<td>323,650,263</td>
<td>297,973,758</td>
</tr>
<tr>
<td><strong>Total operating income (A)</strong></td>
<td>5,391,981,330</td>
<td>4,606,380,466</td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>1,757,527,242</td>
<td>1,401,097,651</td>
</tr>
<tr>
<td>Rent, taxes, insurance, electricity etc.</td>
<td>288,022,767</td>
<td>237,405,563</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>4,277,000</td>
<td>4,118,915</td>
</tr>
<tr>
<td>Postage, stamps, telecommunication etc.</td>
<td>49,528,550</td>
<td>49,119,905</td>
</tr>
<tr>
<td>Directors' fees</td>
<td>735,000</td>
<td>890,000</td>
</tr>
<tr>
<td>Auditor's fee</td>
<td>215,000</td>
<td>175,000</td>
</tr>
<tr>
<td>Stationery, Printings, advertisements etc.</td>
<td>143,946,616</td>
<td>108,387,446</td>
</tr>
<tr>
<td>Managing Director's salary and fees</td>
<td>12,010,041</td>
<td>11,925,444</td>
</tr>
<tr>
<td>Depreciation, leasing expense and repair of bank's assets</td>
<td>369,136,470</td>
<td>238,071,901</td>
</tr>
<tr>
<td>Other expenses</td>
<td>368,344,677</td>
<td>235,221,565</td>
</tr>
<tr>
<td><strong>Total operating expenses (B)</strong></td>
<td>2,993,743,363</td>
<td>2,286,413,390</td>
</tr>
<tr>
<td><strong>Profit / (loss) before provision and tax (C=A-B)</strong></td>
<td>2,398,237,967</td>
<td>2,319,967,076</td>
</tr>
<tr>
<td>Provision for loans and advances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specific provision</td>
<td>410,813,252</td>
<td>572,303,512</td>
</tr>
<tr>
<td>General provision</td>
<td>139,323,435</td>
<td>(323,135,567)</td>
</tr>
<tr>
<td><strong>Total Provision (D)</strong></td>
<td>550,136,687</td>
<td>249,167,945</td>
</tr>
<tr>
<td><strong>Profit / (loss) before taxes (C-D)</strong></td>
<td>1,705,128,060</td>
<td>2,070,809,131</td>
</tr>
<tr>
<td>Provision for taxation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current tax expense</td>
<td>422,483,963</td>
<td>985,253,260</td>
</tr>
<tr>
<td>Deferred tax expense/( income)</td>
<td>5,457,518</td>
<td>19,749,440</td>
</tr>
<tr>
<td><strong>Net profit after taxation</strong></td>
<td>1,277,186,579</td>
<td>1,120,248,882</td>
</tr>
<tr>
<td><strong>Attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders of the ONE Bank Ltd</td>
<td>1,277,901,104</td>
<td>1,119,598,009</td>
</tr>
<tr>
<td>Non-Controlling Interest</td>
<td>(714,525)</td>
<td>648,162</td>
</tr>
<tr>
<td>Retained Surplus brought forward</td>
<td>1,277,186,579</td>
<td>1,120,246,182</td>
</tr>
<tr>
<td>Appropriations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>355,315,897</td>
<td>412,085,734</td>
</tr>
<tr>
<td>General reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retained Surplus</strong></td>
<td>895,565,966</td>
<td>802,036,413</td>
</tr>
<tr>
<td><strong>Earning per share (EPS)</strong></td>
<td>2.68</td>
<td>2.35</td>
</tr>
</tbody>
</table>

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director  
Salahuddin Ahmed  
Director  
Syed Nurul Amin  
Director  
Asoke Das Gupta  
Vice Chairman

See annexed auditor's report to the Shareholders of the date.

Dhaka: 25 March 2014

ACNABIN  
Chartered Accountants
## Consolidated Cash Flow Statement

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receipts in cash</td>
<td>34(a)</td>
<td>10,942,137,391</td>
<td>9,046,287,449</td>
</tr>
<tr>
<td>Interest payments</td>
<td>35(a)</td>
<td>(7,201,308,535)</td>
<td>(5,453,761,803)</td>
</tr>
<tr>
<td>Dividend receipts</td>
<td>20</td>
<td>24,011,509</td>
<td>23,876,433</td>
</tr>
<tr>
<td>Fee and commission receipts in cash</td>
<td>36</td>
<td>603,517,744</td>
<td>642,022,718</td>
</tr>
<tr>
<td>Cash payments to employees</td>
<td>37</td>
<td>(1,768,175,154)</td>
<td>(1,199,023,095)</td>
</tr>
<tr>
<td>Cash payments to suppliers</td>
<td>38</td>
<td>(349,728,672)</td>
<td>(212,467,440)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td></td>
<td>(925,592,410)</td>
<td>(1,033,574,877)</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>39</td>
<td>778,118,918</td>
<td>685,947,651</td>
</tr>
<tr>
<td>Payment for other operating activities</td>
<td>40(a)</td>
<td>(616,215,234)</td>
<td>(428,011,977)</td>
</tr>
</tbody>
</table>

**Cash generated from operating activities before changes in operating assets and liabilities**

1,486,765,558 2,071,295,055

<table>
<thead>
<tr>
<th>Increase/(decrease) in operating assets and liabilities</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td>41(a)</td>
<td>(16,735,086,190)</td>
<td>(10,549,612,241)</td>
</tr>
<tr>
<td>Other current assets</td>
<td></td>
<td>129,565,780</td>
<td>191,238,135</td>
</tr>
<tr>
<td>Borrowing from other banking companies, agencies etc.</td>
<td>11</td>
<td>24,698,561</td>
<td>(539,233,575)</td>
</tr>
<tr>
<td>Deposits from other banks</td>
<td>42</td>
<td>(7,227)</td>
<td>(21,864,993)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>43</td>
<td>13,309,005,958</td>
<td>14,701,890,230</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>44(a)</td>
<td>263,314,733</td>
<td>178,863,927</td>
</tr>
</tbody>
</table>

**A Net cash used in/from operating activities**

(1,780,874,388) 6,032,576,538

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for purchase of securities</td>
<td>45(a)</td>
<td>(13,073,837,042)</td>
<td>(11,009,942,384)</td>
</tr>
<tr>
<td>Receipts from sale of securities</td>
<td>46</td>
<td>13,192,781,300</td>
<td>8,596,597,722</td>
</tr>
<tr>
<td>Membership at cost for OSL</td>
<td></td>
<td></td>
<td>(320,200,000)</td>
</tr>
<tr>
<td>Net Purchase/sale of fixed assets</td>
<td></td>
<td>(264,743,125)</td>
<td>(352,645,890)</td>
</tr>
</tbody>
</table>

**B Net cash used in investing activities**

(145,798,868) (3,086,190,552)

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from issue of ordinary shares</td>
<td></td>
<td>2,200,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from issue of Subordinated Debt</td>
<td></td>
<td>(207,263,914)</td>
<td>-</td>
</tr>
</tbody>
</table>

**C Net cash from financing activities**

1,992,736,086 -

<table>
<thead>
<tr>
<th>D Net increase/(decrease) in cash and cash equivalent (A+B+C)</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>66,062,830</td>
<td>2,946,385,985</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(10,499,500)</td>
<td>-</td>
</tr>
</tbody>
</table>

**E Effects of exchange rate changes on cash and cash-equivalent | Notes | 2013 Taka | 2012 Taka |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(10,499,500)</td>
<td>-</td>
</tr>
</tbody>
</table>

**F Opening cash and cash equivalents**

11,075,093,488 8,128,707,503

**G Closing cash and cash equivalents (D+E+F)**

11,130,656,818 11,075,093,488

<table>
<thead>
<tr>
<th>Closing cash and cash equivalents</th>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>3(a)</td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td>Cash with Bangladesh Bank &amp; its agent(s)</td>
<td>3(a)</td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
<tr>
<td>Cash with other banks and financial institutions</td>
<td>4(a)</td>
<td>1,634,807,694</td>
<td>3,121,972,763</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>5</td>
<td>670,000,000</td>
<td>380,000,000</td>
</tr>
<tr>
<td>Prize bonds</td>
<td>6</td>
<td>3,207,000</td>
<td>3,288,200</td>
</tr>
</tbody>
</table>

11,130,656,818 11,075,093,488

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: 25 March 2014
## ONE Bank Limited and Its Subsidiary
### Consolidated Statement of changes in Equity

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Paid-up Capital</th>
<th>Statutory Reserve</th>
<th>Revaluation Reserve for Securities</th>
<th>Profit and Loss Account</th>
<th>Total</th>
<th>Non-Controlling Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 01 January 2013</strong></td>
<td>4,145,278,280</td>
<td>2,310,094,082</td>
<td>55,320,615</td>
<td>802,036,413</td>
<td>7,312,729,390</td>
<td>13,516,416</td>
<td>7,326,245,806</td>
</tr>
<tr>
<td>Changes in accounting policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Restated balance</strong></td>
<td>4,145,278,280</td>
<td>2,310,094,082</td>
<td>55,320,615</td>
<td>802,036,413</td>
<td>7,312,729,390</td>
<td>13,516,416</td>
<td>7,326,245,806</td>
</tr>
<tr>
<td>Cash Dividend Paid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit after Tax for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit transferred to Statutory Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2013</strong></td>
<td>4,767,070,020</td>
<td>2,665,409,979</td>
<td>66,008,056</td>
<td>895,565,966</td>
<td>8,394,054,021</td>
<td>12,801,891</td>
<td>8,406,855,912</td>
</tr>
<tr>
<td>Balance as at 31 December 2012</td>
<td>4,145,278,280</td>
<td>2,310,094,082</td>
<td>55,320,615</td>
<td>802,036,413</td>
<td>7,312,729,390</td>
<td>13,516,416</td>
<td>7,326,245,806</td>
</tr>
</tbody>
</table>

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director

Salahuddin Ahmed  
Director

Syed Nyrul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: 25 March 2014
### PROPERTY AND ASSETS

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand (including foreign currencies)</td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
<tr>
<td><strong>Balance with other banks and financial institutions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Bangladesh</td>
<td>1,113,304,583</td>
<td>2,193,726,085</td>
</tr>
<tr>
<td>Outside Bangladesh</td>
<td>516,875,249</td>
<td>919,272,647</td>
</tr>
<tr>
<td><strong>Money at call on short notice</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>8,853,247,269</td>
<td>7,862,102,278</td>
</tr>
<tr>
<td>Others</td>
<td>1,439,076,364</td>
<td>1,929,784,831</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Cash Credit, Overdraft etc.</td>
<td>72,801,913,880</td>
<td>56,226,568,039</td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>3,771,431,210</td>
<td>3,989,561,263</td>
</tr>
<tr>
<td><strong>Fixed Assets including premises, furnitures &amp; fixtures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,205,627,611</td>
<td>1,098,456,133</td>
</tr>
<tr>
<td><strong>Non-banking Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subordinated Debt</td>
<td>283,786,525</td>
<td>283,786,525</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>102,690,970,846</td>
<td>85,617,746,775</td>
</tr>
</tbody>
</table>

### LIABILITIES AND CAPITAL

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings from other banks, financial institutions and agents</td>
<td>145,066,532</td>
<td>120,367,972</td>
</tr>
<tr>
<td><strong>Deposits and other accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current accounts and other accounts</td>
<td>15,564,521,251</td>
<td>8,470,623,423</td>
</tr>
<tr>
<td>Bills payable</td>
<td>1,372,962,253</td>
<td>2,302,009,790</td>
</tr>
<tr>
<td>Savings bank deposits</td>
<td>7,012,233,334</td>
<td>5,011,914,509</td>
</tr>
<tr>
<td>Term deposits</td>
<td>62,618,626,263</td>
<td>57,271,226,432</td>
</tr>
<tr>
<td><strong>Other Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>5,201,899,942</td>
<td>5,018,006,273</td>
</tr>
<tr>
<td><strong>Subordinated Debt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subordinated Debt</td>
<td>2,200,000,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>94,115,309,575</td>
<td>78,194,148,399</td>
</tr>
<tr>
<td><strong>Capital/Shareholders' Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-up Capital</td>
<td>4,767,070,020</td>
<td>4,145,278,280</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>2,665,409,979</td>
<td>2,310,094,082</td>
</tr>
<tr>
<td>Surplus in Profit and Loss Account</td>
<td>1,077,173,215</td>
<td>912,905,400</td>
</tr>
<tr>
<td>Revaluation Reserve for Securities</td>
<td>66,008,056</td>
<td>55,320,615</td>
</tr>
<tr>
<td><strong>Total Shareholders' Equity</strong></td>
<td>8,575,661,271</td>
<td>7,423,598,377</td>
</tr>
<tr>
<td><strong>Total Liabilities and Shareholders' Equity</strong></td>
<td>102,690,970,846</td>
<td>85,617,746,775</td>
</tr>
</tbody>
</table>
### OFF BALANCE SHEET ITEMS

#### CONTINGENT LIABILITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptances &amp; Endorsements</td>
<td>18,378,551,803</td>
<td>12,907,241,049</td>
</tr>
<tr>
<td>Letters of Guarantee</td>
<td>11,358,740,591</td>
<td>8,330,678,563</td>
</tr>
<tr>
<td>Irrevocable Letters of Credit</td>
<td>11,663,384,421</td>
<td>10,153,759,783</td>
</tr>
<tr>
<td>Bills for Collection</td>
<td>2,782,357,930</td>
<td>1,277,258,448</td>
</tr>
<tr>
<td><strong>Total Contingent Liabilities</strong></td>
<td><strong>44,183,034,745</strong></td>
<td><strong>32,668,937,843</strong></td>
</tr>
</tbody>
</table>

Other Contingent Liabilities:
- Claims lodged with but not recognized by the Bank: -
- Other exchange contract: -

**Total Contingent Liabilities**: 44,183,034,745

Other Commitments:
- Documentary Credits and short term trade-related transactions: -
- Forward assets purchased and forward deposits placed: -
- Undrawn note issuance and revolving underwriting facilities: -
- Undrawn formal standby facilities, credit lines and other commitments: -

**Total other commitments**: -

**Total off-Balance Sheet items including contingent liabilities**: 44,183,034,745

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

See annexed auditor's report to the Shareholders of the date.

Dhaka: 25 March 2014

ACNABIN  
Chartered Accountants
### Profit & Loss Account

**For the year ended 31 December 2013**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>10,097,751,642</td>
<td>8,542,836,401</td>
</tr>
<tr>
<td>19</td>
<td>(7,049,617,618)</td>
<td>(5,789,982,065)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>3,048,134,024</strong></td>
<td><strong>2,752,854,336</strong></td>
</tr>
<tr>
<td>20</td>
<td>1,018,659,295</td>
<td>552,388,074</td>
</tr>
<tr>
<td>21</td>
<td>1,061,006,297</td>
<td>1,016,390,649</td>
</tr>
<tr>
<td>22</td>
<td>323,650,263</td>
<td>297,973,758</td>
</tr>
<tr>
<td><strong>Total operating income (A)</strong></td>
<td><strong>5,451,449,878</strong></td>
<td><strong>4,619,606,818</strong></td>
</tr>
<tr>
<td>23</td>
<td>1,756,165,113</td>
<td>1,401,097,651</td>
</tr>
<tr>
<td>24</td>
<td>288,022,767</td>
<td>237,405,563</td>
</tr>
<tr>
<td>25</td>
<td>4,277,000</td>
<td>4,089,915</td>
</tr>
<tr>
<td>26</td>
<td>49,528,550</td>
<td>49,119,905</td>
</tr>
<tr>
<td>27</td>
<td>735,000</td>
<td>890,000</td>
</tr>
<tr>
<td>28</td>
<td>143,944,001</td>
<td>111,254,339</td>
</tr>
<tr>
<td>29</td>
<td>12,010,041</td>
<td>11,925,444</td>
</tr>
<tr>
<td>30</td>
<td>369,136,470</td>
<td>238,071,901</td>
</tr>
<tr>
<td>31</td>
<td>367,751,545</td>
<td>230,210,534</td>
</tr>
<tr>
<td><strong>Total operating expenses (B)</strong></td>
<td><strong>2,991,760,488</strong></td>
<td><strong>2,284,219,252</strong></td>
</tr>
<tr>
<td><strong>Profit / (loss) before provision and tax (C=A-B)</strong></td>
<td><strong>2,459,689,390</strong></td>
<td><strong>2,335,387,566</strong></td>
</tr>
<tr>
<td>13.4</td>
<td>410,813,252</td>
<td>572,303,512</td>
</tr>
<tr>
<td>13.5</td>
<td>139,323,435</td>
<td>(323,135,567)</td>
</tr>
<tr>
<td><strong>Total provision (D)</strong></td>
<td><strong>683,109,907</strong></td>
<td><strong>274,958,894</strong></td>
</tr>
<tr>
<td><strong>Profit / (loss) before taxes (C-D)</strong></td>
<td><strong>1,776,579,484</strong></td>
<td><strong>2,060,428,672</strong></td>
</tr>
<tr>
<td>13.8</td>
<td>120,808,864</td>
<td>22,229,987</td>
</tr>
<tr>
<td>13.10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>13.7</td>
<td>12,164,356</td>
<td>3,560,962</td>
</tr>
<tr>
<td><strong>Net profit after taxation</strong></td>
<td><strong>1,348,639,366</strong></td>
<td><strong>1,055,428,672</strong></td>
</tr>
<tr>
<td><strong>Retained Surplus brought forward</strong></td>
<td><strong>83,849,746</strong></td>
<td><strong>269,562,462</strong></td>
</tr>
<tr>
<td>17.1</td>
<td>355,315,897</td>
<td>412,085,734</td>
</tr>
<tr>
<td><strong>Retained Surplus</strong></td>
<td><strong>1,077,173,216</strong></td>
<td><strong>912,905,400</strong></td>
</tr>
<tr>
<td><strong>Earning per share (EPS)</strong></td>
<td><strong>2.83</strong></td>
<td><strong>2.21</strong></td>
</tr>
</tbody>
</table>

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

See annexed auditor’s report to the Shareholders of the date.

Dhaka: 25 March 2014

ACNABIN  
Chartered Accountants
## ONE Bank Limited
### Cash Flow Statement
#### For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013 (Taka)</th>
<th>2012 (Taka)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest receipts in cash</td>
<td>34</td>
<td>10,996,703,897</td>
</tr>
<tr>
<td>Interest payments</td>
<td>35</td>
<td>(7,201,308,535)</td>
</tr>
<tr>
<td>Dividend receipts</td>
<td>20</td>
<td>24,011,509</td>
</tr>
<tr>
<td>Fee and commission receipts in cash</td>
<td>36</td>
<td>603,517,744</td>
</tr>
<tr>
<td>Cash payments to employees</td>
<td>37</td>
<td>(1,768,175,154)</td>
</tr>
<tr>
<td>Cash payments to suppliers</td>
<td>38</td>
<td>(349,728,672)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>13.1</td>
<td>(925,565,145)</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>39</td>
<td>778,118,918</td>
</tr>
<tr>
<td>Payment for other operating activities</td>
<td>40</td>
<td>(616,081,236)</td>
</tr>
<tr>
<td><strong>Cash generated from operating activities before changes in operating assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,541,493,327</td>
</tr>
<tr>
<td><strong>Increase/(decrease) in operating assets and liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and advances to customers</td>
<td></td>
<td>(16,786,386,190)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>41</td>
<td>(128,665,780)</td>
</tr>
<tr>
<td>Borrowing from other banking companies, agencies etc.</td>
<td>11</td>
<td>24,698,561</td>
</tr>
<tr>
<td>Deposits from other banks</td>
<td>42</td>
<td>(7,227)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>43</td>
<td>13,309,005,958</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>44</td>
<td>263,333,132</td>
</tr>
<tr>
<td><strong>A Net cash used in /from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for purchase of securities</td>
<td>45</td>
<td>(13,073,837,042)</td>
</tr>
<tr>
<td>Receipts from sale of securities</td>
<td>46</td>
<td>13,192,781,300</td>
</tr>
<tr>
<td>Net Purchase/sale of fixed assets</td>
<td></td>
<td>(264,743,125)</td>
</tr>
<tr>
<td><strong>B Net cash used in investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from issue of ordinary shares</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Receipts from issue of Subordinated Debt</td>
<td></td>
<td>2,200,000,000</td>
</tr>
<tr>
<td>Dividend paid</td>
<td></td>
<td>(207,263,914)</td>
</tr>
<tr>
<td><strong>C Net cash from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D Net increase/(decrease) in cash and cash equivalent (A+B+C)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E Effects of exchange rate changes on cash and cash-equivalent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>F Opening cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>G Closing cash and cash equivalents (D+E+F)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand</td>
<td>3.1</td>
<td>1,099,408,003</td>
</tr>
<tr>
<td>Cash with Bangladesh Bank &amp; its agent(s)</td>
<td>3.2</td>
<td>7,723,234,121</td>
</tr>
<tr>
<td>Cash with other banks and financial institutions</td>
<td>4</td>
<td>1,630,179,831</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>5</td>
<td>670,000,000</td>
</tr>
<tr>
<td>Prize bonds</td>
<td>6</td>
<td>3,207,000</td>
</tr>
<tr>
<td><strong>11,126,028,956</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

M. Fakhrul Alam  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: 25 March 2014
ONE Bank Limited  
Statement of changes in Equity  
For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-up Capital</td>
<td>4,145,278,280</td>
</tr>
<tr>
<td>Statutory Reserve</td>
<td>2,310,094,082</td>
</tr>
<tr>
<td>Revaluation Reserve for Securities</td>
<td>55,320,615</td>
</tr>
<tr>
<td>Profit and Loss Account</td>
<td>912,905,400</td>
</tr>
<tr>
<td>Total Shareholders equity</td>
<td>7,423,598,377</td>
</tr>
</tbody>
</table>

| Balance as at 01 January 2013                    | 7,423,598,377 |
| Changes in accounting policy                     | -             |
| Restated balance                                 | 4,145,278,280 |
| Issue of Bonus Share for the year 2012 (Transferred to Paid-up Capital) | 621,791,740 |
| Cash Dividend Paid                              | (207,263,914) |
| Surplus of Revaluation Reserve for HTM Securities | 66,008,056   |
| Adjustment of Revaluation Reserve for HTM Securities | (55,320,615) |
| Net Profit after Tax for the year                | 1,348,639,366 |
| Profit transferred to Statutory Reserve          | 1,348,639,366 |
| Balance as at 31 December 2013                   | 8,575,661,271 |
| Balance as at 31 December 2012                   | 7,423,598,377 |

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

Dhaka: 25 March 2014
### ONE Bank Limited

**Liquidity Statement**

*(Assets & Liabilities Maturity Analysis)*

**As at 31 December 2013**

<table>
<thead>
<tr>
<th>Assets:</th>
<th>Up to 1 month</th>
<th>1-3 months</th>
<th>3-12 months</th>
<th>1-5 years</th>
<th>Above 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>8,822,642,124</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,822,642,124</td>
</tr>
<tr>
<td>Balance with other banks and financial institutions</td>
<td>1,142,085,870</td>
<td>204,197,474</td>
<td>25,499,684</td>
<td>-</td>
<td></td>
<td>1,630,179,332</td>
</tr>
<tr>
<td>Money at call on short notice</td>
<td>670,000,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>670,000,000</td>
</tr>
<tr>
<td>Investment</td>
<td>1,302,977,672</td>
<td>4,288,626,511</td>
<td>1,862,968,077</td>
<td>4,429,602,200</td>
<td></td>
<td>10,292,323,633</td>
</tr>
<tr>
<td>Loans and Advances</td>
<td>9,611,811,829</td>
<td>22,041,909,955</td>
<td>4,229,602,200</td>
<td>-</td>
<td></td>
<td>76,573,345,090</td>
</tr>
<tr>
<td>Fixed Assets including premises, furnitures &amp; fixtures</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
<td>150,248,699</td>
<td>1,153,201,393</td>
<td>379,393,748</td>
<td>1,530,222,190</td>
<td>3,213,066,030</td>
<td></td>
</tr>
<tr>
<td>Non-banking Assets</td>
<td>-</td>
<td>283,786,525</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>283,786,525</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>21,699,766,194</td>
<td>27,850,636,408</td>
<td>22,309,711,464</td>
<td>9,616,401,390</td>
<td>102,690,970,846</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing from Bangladesh Bank, other banks, financial institutions and agents</td>
<td>23,210,645</td>
<td>54,574,029</td>
<td>46,914,517</td>
<td>-</td>
<td>145,066,532</td>
<td></td>
</tr>
<tr>
<td>Deposits and Other Accounts</td>
<td>24,664,845,639</td>
<td>22,590,556,909</td>
<td>9,251,959,528</td>
<td>2,393,901,004</td>
<td>86,568,343,101</td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>400,803,294</td>
<td>2,207,580,141</td>
<td>707,521,699</td>
<td>-</td>
<td>5,201,899,942</td>
<td></td>
</tr>
<tr>
<td>Subordinated Debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,200,000,000</td>
<td>2,200,000,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>25,088,859,578</td>
<td>24,852,710,760</td>
<td>10,006,395,744</td>
<td>4,593,901,004</td>
<td>94,115,309,575</td>
<td></td>
</tr>
<tr>
<td><strong>Net Liquidity Gap</strong></td>
<td>(3,389,093,383)</td>
<td>(8,359,047,100)</td>
<td>2,997,925,648</td>
<td>12,303,375,720</td>
<td>5,022,500,386</td>
<td>8,575,661,271</td>
</tr>
</tbody>
</table>

**Amount in Taka**

**Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank**

These Financial Statements should be read in conjunction with the annexed notes 1 to 51.

Dhaka: 25 March 2014
1.0 Background of the Bank

1.1 Status of the Bank

ONE Bank Limited, (the “Bank”) is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 July 1999 under section 31 of the Bank Company Act 1991. As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches of the Bank was seventy (70) and the number of booths was nine (9) as on 31 December 2013.

1.2 Nature of the business

The Bank carries on, undertakes and transacts all kinds of banking activities with its customers in Bangladesh and abroad.

1.2.1 Off-Shore Banking Unit

The Bank has obtained the permission for Off-shore Banking business vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated 26 May 2010. The Bank commenced the operation of its Off-shore Banking Unit from 12 December 2010. At present the Bank has 2 (two) Off-shore Banking units one in Dhaka and another in Chittagong. The principal activities of the units are to provide all kinds of commercial banking services in foreign currency. Financial Statements of Off-shore Banking Unit are shown in Annexure-G.

1.2.2 ONE Securities Limited

ONE Securities Limited, a Subsidiary Company, was incorporated as a private company limited by shares on the 4 May 2011 under the Companies Act (Act XVIII) 1994 vide certificate of incorporation no. C-92511/11. The principal activities of the company are to sell and deal in shares, stocks, debentures and other securities and undertake all the functions of a member(s) of Stock Exchange. Auditor’s report and Financial Statements are shown in Annexure-H.

1.3 International Banking

International Banking has been running through International Division with its expertise caters mainly to the banking needs for import and export affairs. The Division establishes correspondent relationships with the foreign banks with prior consent of Management of the Bank.

1.4 Treasury Functions

The Treasury Division has been discharging the principal responsibilities of the Treasury functions which includes management of liquidity and market risks, mobilization of resources from domestic as well as from foreign banks. Further, it leveraged strong relationships with financial sector players to provide a wide range of banking services in addition to Bank’s liability products.

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2013.

Capital Adequacy symbolizes the financial strength and stability of a bank. It limits the extent up to which banks can expand their business in terms of risk-weighted assets. Like all other commercial institutions, constantly looks the ways of expanding its operations by opening branches, mobilizing deposits, providing loans and investing in Capital Market. The Bank always keeps a careful check on its Capital Adequacy Ratios.

1.5 Information Technology

The Bank has established an appropriate Information Technology Division (ITD) by placing officials with adequate knowledge and skills to play a major role in the Bank for smooth running of online Banking System and delivery of its service to all the branches and units of the Bank for operations of necessary hardware and software. The branch network is upgraded to high speed, which provides better information sharing management at the branch as well as at the Corporate HQ with enough security measures.

1.6 Strategic Direction and Challenges

The strategic directions of the Bank are provided and reviewed periodically by the Marketing Division in consultation with the senior Management. At the time of planning deposit mobilization strategies, financing plan and the budget, priority is given on the bottom up information sharing process. The Board of Directors approves the Budget and evaluates monthly performance in the Board Meeting for ensuring proper Budgetary Control and maximization of operating profit and optimization of business outcomes and provides guidelines to the Management for overcoming lapses, if identifies. In keeping with the Vision and Mission of the Bank, the strategic direction of the Bank has been clearly identified and laid down in the Long Term Corporate Plan and the Budget. Budget is prepared for each year by spell out the goals and objectives for each major strategic business unit such as Corporate Banking, SME Banking, Retail Banking, Treasury, General Banking, etc. and the detailed action plans for the achievement thereof along with specific time frame are set out and evaluates in the marketing meeting.

1.7 Staff Training

The Bank always keeps in mind for the development of staff skill and knowledge through training. The staff training is presently pertaining through the outside Organizations, Bangladesh Bank and from Bank’s own training Academy.

1.8 Resource Efficiency

Deposits and Shareholders’ Equity represented the two biggest sources of funds. As at December 31, 2013, the amount of deposit was 91.98% of total liability and the amount of Equity to total liability was 9.12%. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.
Notes to the Financial Statements

Through careful planning, the management of Bank ensured a prudent dividend policy and investment portfolio and optimized Shareholders’ Equity.

1.9 Corporate Governance

1.9.1 Board of Directors

a) Members of the Board
The Board of Directors of the Bank is constituted by 8 (Eight) numbers of Directors and all of the Directors except Managing Director are Non-Executive Directors. Particulars of Directors is shown in Annexure-E.

b) Board Meeting
The Chairman of the Board conducts the Board Meetings and ensures effective participation of all Directors, heeding to their concerns and maintained balance of power. The Board is in full control of its affairs.

c) Information sharing system
A well-streamlined Management Information System is in place. Accurate and relevant information on the matters referred to the Board are made available in advance. Whenever the Board finds that the information sent to them is insufficient, they call for additional information and the Chairman ensures that all Directors are properly briefed on the matters deliberated on at the meetings.

d) Performance of Board
The Board has implemented a self-assessment exercise covering key functions under the following activities to assess the performance of the Board and carries out the evaluations annually.
- Discharge of Statutory /Regulatory duties and Board responsibilities;
- Corporate Governance and Risk Management monitoring;
- Seeking and contributing views and opinions on strategic decision making;
- Leveraging the skills, expertise, contacts of individual Board Members in furtherance of business;
- Understanding and formulating the succession plans to ensure talent availability and address expectations of high potential and high quality staffs, and
- Overall view of management of the business by the Management.

1.9.2 Appointment of Directors and Managing Director

a) Director
The Members of the Board are appointed in accordance with the provisions of the Companies Act 1994, the Memorandum and the Articles of Association of the Bank, provisions of the Bank Company Act 1991 (amendment in 2013) and Bangladesh Bank’s Circulars issued from time to time. The Board believes that the combined knowledge and experience of the Board matches the strategic demands required for the Bank.

b) Managing Director
The Managing Director (As CEO) is appointed by the Board on contractual basis with a provision of renewals according to the guidelines provided by the Bangladesh Bank and the provisions of the Bank Company Act. The Board sets financial and non-financial goals and objectives for the CEO in line with the short, medium and long-term goals of the Bank. The Managing Director is entrusted with the management of the Bank’s operations and he is ultimately accountable to the Board.

1.9.3 General Meeting

a) Shareholders Suggestions
The Bank always welcomes active participation of the shareholders at the General Meetings and solicits their views at all times, thus promoting a healthy dialogue. Whenever possible, the Bank implements their suggestions.

b) Notice of the General Meeting

1.9.4 Accountability

a) Communicating Performance
Bank gives high priority to timely preparation and publication of annual, half-yearly and quarterly Financial Statements with comprehensive details of the statutory requirements, enabling both existing and prospective shareholders to make a timely and fair assessment of the Bank’s performance. Media of publication includes printed materials, newspapers and the website of the Bank.

2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements and Others

2.01 Presentation of Financial Statement
The financial statements are presented in compliance with the provisions of the Bangladesh Accounting Standards BAS 1 “Presentation of Financial Statements”, BAS 7 “Statement of Cash Flows”.

As per BRPD circular No. 14 dated 25 June 2003, Bangladesh Bank provides guidelines, forms and formats for the presentation of Financial Statements.
2.02 Basis of Consolidation

The Consolidated Financial Statements include the financial statements of ONE Bank Limited and ONE Securities Limited made up to the end of financial year.

The Consolidated Financial Statements have been prepared in accordance with Bangladesh Accounting Standard BAS 27 “Consolidated and separate Financial Statements”.

2.03 Statement of Compliance

The Financial Statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh accounting Standards (BAS) and the requirements of the Bank Company Act 1991 (amendment in 2013), the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, BRPD Circular # 14 dated 25 June, 2013, other Bangladesh Bank Circulars and other prevailing laws and rules applicable in Bangladesh.

In case any requirement of the Bank Company Act 1991 (amendment in 2013) and provisions and circulars issued by Bangladesh Bank differ with those of BFRS and BAS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

2.03.1 Investment in Shares and Securities

As per requirement 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.

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

2.03.2 Revaluation gains/losses on Government Securities

As per the requirement of BAS 39, where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized in the profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method using effective interest rate and interest income is recognised through the profit and loss account.

As per the DOS Circular 5, dated January 28, 2009 HFT securities are revalued on the basis of marking 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.

2.03.3 Provision on Loans and Advances / Investments

As per the requirement of 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 that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

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 has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, 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 status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012. These provisions are not specifically in line with those prescribed by BAS 39.

2.03.4 Recognition of Interest in Suspense

As per the requirement of BAS 39, Loans and Advances to customers are generally classified as ‘loans and receivables’ 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.

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 interest suspense account which is presented as liability in the balance.

2.03.5 Other Comprehensive Income

As per the requirement of BAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

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 as a component of financial statements. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

2.03.6 Financial Instruments – Presentation and Disclosure

In several cases Bangladesh Bank issues guidelines to categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such, full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.
2.03.7 Financial Guarantees
As per the requirement of 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 recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised 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.

As per the requirement of BRPD circular 14 dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

2.03.8 Repo Transaction
As per the requirement of BAS 39, when an entity sells a financial asset and simultaneously enters into agreement to repurchase the assets (or a similar asset) at a fixed price on 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 the selling price and repurchase price will be treated as interest expenses.

As per DOS Circular Letter No 2 dated 23 January 2013 and DOS Circular Letter No 6 dated 15 July 2010, when a bank sells a financial assets and simultaneously enters into agreement to repurchase the assets (or a similar asset) at a fixed price on future date (Repo or stock lending), the arrangement is accounted for as normal sales transactions.

2.03.9 Cash and Cash Equivalent
As per the requirement of BAS 7, Cash and cash equivalent items should be reported as cash item.

As per BRPD Circular 14 dated 25 June 2003, few highly liquid assets such as Money at call on Short Notice, Treasury Bills, Bangladesh Bank Bills and Prize Bond are not shown as cash and cash equivalents items in the Balance Sheet rather these are shown in the face of the balance sheet as separate items. However in the cash flow statement, these items are shown as cash equivalents besides cash in hand, balance with BB and other banks.

2.03.10 Non-Banking Asset
As per the requirement of BAS 7, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

As per BRPD Circular 14 dated 25 June 2003, loans and advances/investments are presented net of provision.

2.03.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)
As per the requirement of BAS 7, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

As per BRPD Circular 14 dated 25 June 2003, Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.03.13 Presentation of Intangible Asset
As per the requirement of BAS 38, an intangible asset must be identified and recognised, and the disclosure must be given in the Financial Statements.

As per BRPD Circular 14 dated 25 June 2003, there is no regulation for treatment of intangible assets.

2.03.14 Off-Balance Sheet Items
There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

As per BRPD Circular 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.03.15 Loans and Advances / Investments Net of Provision
Loans and advances/investments should be presented net of provision.

As per BRPD Circular 14 dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

2.04 Use of Estimates and Judgments
The preparation of financial statements requires management’s judgments, estimates and assumptions for which the application of accounting policies and the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates. The most significant areas where estimates and judgments have been made are on provisions for loans and advances.

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

i. Functional and presentational currency

Financial statements of the Bank are presented in Taka, which is the Bank’s functional and presentational currency.

ii. Foreign currency translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective dates of such transactions as per BAS 21 “The effects of Changes in Foreign Exchange Rates”.

Assets and liabilities in foreign currencies at 31 December 2013 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting / crediting exchange gain or loss account.

iii. Commitment

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.06 Assets and the basis of their valuation

2.06.1 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank Management for its short-term commitments.

2.06.2 Loans and Advances

a) Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.

b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.


<table>
<thead>
<tr>
<th>Category/status of Loans and Advances</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>category/status of Loans and Advances</td>
<td>Bangladesh Bank’s Requirement</td>
</tr>
<tr>
<td>General provisions for unclassified loans and advances:</td>
<td>1%</td>
</tr>
<tr>
<td>All unclassified loans (Other than loans under small and medium enterprise</td>
<td>0.25%</td>
</tr>
<tr>
<td>and consumer financing, special mention account and staff loans)</td>
<td></td>
</tr>
<tr>
<td>Small and medium enterprise financing</td>
<td>5%</td>
</tr>
<tr>
<td>Consumer financing (Other than housing finance and loans for professionals</td>
<td>2%</td>
</tr>
<tr>
<td>under consumer financing scheme)</td>
<td></td>
</tr>
<tr>
<td>Consumer financing (For Housing Finance &amp; Loans for professionals set up)</td>
<td></td>
</tr>
<tr>
<td>Special mention account</td>
<td>0.25% to 5%</td>
</tr>
<tr>
<td>Loans to BHs/MBs/SDs against Shares</td>
<td>2%</td>
</tr>
<tr>
<td>Specific provision for classified loans and advances:</td>
<td></td>
</tr>
<tr>
<td>Substandard</td>
<td>20%</td>
</tr>
<tr>
<td>Doubtful</td>
<td>50%</td>
</tr>
<tr>
<td>Bad/Loss</td>
<td>100%</td>
</tr>
</tbody>
</table>

c) Loans and Advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are pending for more than five years as per guidelines of Bangladesh Bank. These write offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.
2.06.3 Investments

All investments in shares are initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment.

The valuation method of investments

a) Held to Maturity (HTM): Investments which have ‘fixed or determinable payments’, and are intended to be ‘held to maturity’, other than those that meet the definition of ‘held at amortized cost-others’ are classified as held to maturity.

b) Held for Trading (HFT): Investments 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. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as follows:

<table>
<thead>
<tr>
<th>Investment Class</th>
<th>Initial Recognition</th>
<th>Measurement after Recognition</th>
<th>Recording of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Treasury Bills (HFT)</td>
<td>Cost</td>
<td>Marked to Market/ fair value</td>
<td>Loss to Profit and Loss A/C, gain to revaluation reserve through Profit and Loss Account</td>
</tr>
<tr>
<td>Government Treasury Bills (HTM)</td>
<td>Cost</td>
<td>Amortized cost</td>
<td>Increased or decreased in value to equity.</td>
</tr>
<tr>
<td>Government Treasury Bonds (HFT)</td>
<td>Cost</td>
<td>Marked to Market/ fair value</td>
<td>Loss to Profit and Loss A/C, gain to revaluation reserve through Profit and Loss Account</td>
</tr>
<tr>
<td>Government Treasury Bonds (HTM)</td>
<td>Cost</td>
<td>Amortized cost</td>
<td>Amortized gain/loss to revaluation Reserve</td>
</tr>
<tr>
<td>Bangladesh Bank Bill (HFT)</td>
<td>Cost</td>
<td>Marked to Market/ fair value</td>
<td>Loss to Profit and Loss A/C, gain to revaluation reserve through Profit and Loss Account</td>
</tr>
<tr>
<td>Bangladesh Bank Bill (HTM)</td>
<td></td>
<td>Amortized cost</td>
<td>Amortized gain/loss to revaluation Reserve</td>
</tr>
<tr>
<td>Zero Coupon Bond</td>
<td>Cost</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Prize Bond &amp; Other Bond</td>
<td>Cost</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Un quoted Shares (ordinary)</td>
<td>Cost</td>
<td>Cost</td>
<td>None</td>
</tr>
<tr>
<td>Quoted shares (ordinary)</td>
<td>Cost</td>
<td>Lower of cost or market price at balance sheet date</td>
<td>Loss to Profit and Loss A/C but no unrealized gain recorded.</td>
</tr>
</tbody>
</table>

c) Investment in Quoted Securities: These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline.

d) Investment in Unquoted Securities: Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

e) Investments in Subsidiary: Investment in subsidiaries is accounted for under the cost method of accounting in the Bank’s Financial Statements in accordance with the Bangladesh Accounting Standard 28. Accordingly, investments in subsidiaries are stated in the Bank’s balance sheet at cost, less impairment losses if any.

2.06.4 Non Current Assets

a) Property, Plant and Equipment

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 “Property, Plant and Equipment”. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non refundable taxes.

For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.
Notes to the Financial Statements

Depreciation
Depreciation on fixed assets is charged for the year at the following annual rates on a reducing balance method on all fixed assets except on Land:

<table>
<thead>
<tr>
<th>Category of Fixed Assets</th>
<th>Rate of Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Fixtures</td>
<td>10%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>18%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>20%</td>
</tr>
<tr>
<td>Building</td>
<td>2.50%</td>
</tr>
</tbody>
</table>

b) Intangible Assets
All intangible assets which have probable future inflows are stated as cost less the accumulated amortization. The intangible assets are amortized using estimated useful lives of five years.

c) Software
Software acquired by the bank is stated at cost less accumulated amortization. Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in specific assets to which it relates. Amortisation is recognized in profit and loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life of software is five years. Useful life, residual value and impairment of status are reviewed at each financial year end and adjusted if applicable.

d) Leasehold Assets
Leasehold properties are recorded at present value of minimum lease payments or fair market value, whichever is lower as per the provisions of BAS-17. The carrying value of leasehold properties is amortized over the remaining lease term or useful of leasehold property, whichever is lower.

2.06.5 Other Assets
As per BRPD circular 14 dated 25 June 2001 Provision is to be maintained against other assets considering the recovery status thereof. The following assets are marked as other assets for maintaining provision:

<table>
<thead>
<tr>
<th>SL</th>
<th>Category of Assets</th>
<th>% Provision</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Unadjusted Expenses [Business development expenses, Travelling expenses, Entertainment expenses, Salary expenses, Advertisement expenses, and Miscellaneous expenses]</td>
<td>100</td>
<td>Unadjusted on or over 1 (One) year from the date of origination.</td>
</tr>
<tr>
<td>2</td>
<td>Litigation / Legal Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) related to unsettled cases</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) unadjusted expenses related to settled cases</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Protested Bill / Fraud / Forgery/ Fund Embezzlement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) for doubtful</td>
<td>50</td>
<td>If there is any possibility of recovery.</td>
</tr>
<tr>
<td></td>
<td>(b) for bad/loss</td>
<td>100</td>
<td>If there is no possibility of recovery.</td>
</tr>
<tr>
<td>4</td>
<td>Miscellaneous</td>
<td>100</td>
<td>Considering Loss category</td>
</tr>
</tbody>
</table>

2.06.6 Liabilities and Provisions
a) Borrowings from Other Banks, Financial Institutions and Agents
Borrowed funds include call money deposits, borrowings, refinance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the Profit and Loss Account.

b) Deposits and Other Accounts
Deposits by customers and banks are recognised when the Bank enters into contractual agreement with the counterparties which is generally on the trade date and initially measured at the consideration received.

c) Other Liabilities
Other liability comprise items such as Provision for Loans and Advanced, Provision for Taxes, Interest Suspense, Provision for Other Assets and Accrued Expenses. Other liability is recognized in the Balance Sheet according to the guidelines of Bangladesh Bank, Income Tax
Ordinance 1984 and Internal Policies of the Bank. Provisions and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligation and reliable estimate can be made of the amount of obligation.

d) Provision for Liabilities
Provision in respect of liability is recognized in the financial statements when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation, in accordance with the BAS 37 “Provision, Contingent Liabilities and Contingent Assets”.

e) Provision for Loans and Advances: Stated in Para 2.06.2

f) Taxation

f.1 Current Tax
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rates.

f.2 Deferred Tax
Deferred tax is made as the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The Bank has made adequate provision for deferred tax.

g) Subordinated Bond
ONE Bank Limited issued unsecured non-convertible subordinated bond on 26 December 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P)/2013-1869, dated 28 November 2013 and SEC/C/CPLC-159/2002/2714, dated 8 October 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin.

2.06.7 Capital and Shareholders’ Equity

2.06.8 Capital Management
The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank’s shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior Management develops the capital strategy and oversees the capital Management Planning of the Bank. The Bank’s Finance, Treasury and Risk Management department are key in implementing the Bank’s capital strategy and managing capital. Capital is managed using both regulatory capital measure and internal matrix.

a) Paid up Share Capital
Paid up share 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 Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

b) Statutory Reserve
Transfer to the statutory reserve has been maintained @ 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after this it is optional.

c) Revaluation Reserve
Revaluation reserve represents revaluation on Treasury bond (HFT & HTM) in accordance with the DOS Circular no.-05, dated May 26, 2008.

2.07 Off-Balance Sheet Exposures
In compliance with the instruction of BRPD Circular No. 10 dated September 18, 2007 issued by the Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as follows:

<table>
<thead>
<tr>
<th>Category/status of Off-balance sheet exposures</th>
<th>Bangladesh Bank’s Requirement</th>
<th>Maintained by the Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>General provisions for off-balance sheet exposures</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

2.08 Revenue Recognition
The revenue of the year is recognized in compliance with the provisions of BAS-18 “Revenue”.

a) Interest Income
In compliance to the provisions of the Bangladesh Accounting Standards (BAS) – 18 “Revenue”, the interest is recognized on accrual basis, but necessary information of cash movement related to those accruals are reported separately in the notes. Interest is calculated on daily product basis on loans and advances but charged on a quarterly basis. Interest on classified loans and advances were not taken into income until such advances were declassified / regularized. Interest is charged on classified loans and advances as per Bangladesh Bank’s BCD and BRPD circulars. Moreover, interest on classified advances is accounted for when it realized in cash.

b) Investment Income
Income on investment is recognized on accrual basis. The current provision for income tax and the taxable income of the year is calculated on the basis of interest receivable on the securities i.e. after deduction of accrued interest related to the Treasury Bills and other securities. Investment income has been constituted by income from Treasury Bills, interest on Securities and Dividend income from share.

(a) Income on Investments other than dividend on shares is accounted for on an accrual basis
(b) Dividend income on shares is accounted for on cash receipt basis except for preference share. Dividend income on preference shares is accounted for on accrual basis.

c) Fees, Commission and Other Income
Fees and Commission income arises from services provided by the Bank for DD, TT, and LBP etc. and recognized on receipt basis. Commission charged on Letters of Credit (LC) and Letters of Guarantee (LG) are credited to income at the time of effecting the transactions. The advance payment of tax on LC commission is duly deposited to the Tax Authority. Similarly, Income Tax and VAT is deducted and deposited to the Tax Authority as per their circulars.

d) Interest and Other Expenses
In terms of the provision of the Bangladesh Accounting Standard (BAS) –1 “Presentation of Financial Statements”, accrual basis is followed for interest payment and other expenses. The necessary disclosures are given in the notes in compliance with the provisions of BRPD Circular No. 14 dated 25 June 2003.

2.09 Cash Flow Statement
The Cash Flow Statement is presented by using the “Direct Method” of preparing cash flows in compliance with the provisions of the Bangladesh Accounting Standard (BAS) - 7 and format provided by the Bangladesh Bank vide BRPD Circular No. 14 dated 25 June 2003 as applicable for preparation of Cash Flow Statements. To make the Cash Flow Statement more understandable and user friendly about the constitution of figures inserted into the Cash Flow Statement, a number of notes have been given in the notes to the accounts.

2.10 Liquidity Statement
The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

a. Balance with other banks and financial institutions, money at call on short notice etc. are on the basis of their maturity term.
b. Investments are on the basis of their maturity.
c. Loans and advances are on the basis of their repayment/maturity schedule.
d. Fixed assets are on the basis of their useful life.
e. Other assets are on the basis of their realization/adjustment.
f. Borrowing from other banks, financial institutions and agents as per their maturity/repayment term.
g. Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
h. Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.11 Statement of Changes in Equity
Statement of changes in equity is prepared in accordance with BAS-1” Presentation of Financial Statements” and under the guidelines of BRPD circular no.14 dated 25 June 2003.

2.12 Events after Reporting Period
All known material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements where necessary up to the date of preparation of Financial Statements as per BAS-10.

2.13 Earnings per Share
Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2013 as per BAS– 33 “Earnings per Share”. Diluted earnings per share was not required to calculate as there is no dilution possibilities occurred during the year.

2.14 Reconciliation of Books of Account
Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled and found no material differences which may affect the Financial Statements significantly.
Notes to the Financial Statements

2.15 Authorization of Financial Statements
The financial statements for the year ended 31 December 2013 have been authorized for issue in accordance with a resolution of the Board of Directors on 25 March 2014.

2.16 Materiality and Aggregation
Each material item as considered significant by the Management has been presented separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis when permitted by the relevant accounting standards.

2.17 Number of Employees
The number of employees employed in the Bank as on 31 December 2013 was 1,810 of which 1,439 were male and 371 were female. The number of employees per branch was 18 excluding 520 employees in the Head Office of the Bank. During the year 2013, the Bank paid remuneration up to Tk. 36,000 per employee per month to 788 persons and exceeding Tk. 36,000 per employee per month to 1,022 persons.

2.18 Employee Benefits

a) Provident Fund (Defined Contribution Plan)
"Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Provident fund benefits are given to the staff of the Bank in accordance with the Provident fund rules. The commissioner of Income Tax 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 recognition took effect from 27 February 2001. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as contribution to the fund. The Bank also contributes equal amount of the employees’ contribution to the fund. Interest earned from the investments is credited to the members’ account on yearly basis. Members are eligible to get both the contributions after 03 (Three) years of continuous service from the date of their Joining the Bank.

b) Gratuity Fund (Defined Benefit Plan)
Gratuity fund benefits are given to the staff of the bank in accordance with the approved Gratuity fund rules. National Board of Revenue approved the Gratuity fund as a recognized Gratuity fund on 28 February 2012. The fund is operated by a Board of Trustees consisting of 5 (Five) members of the Bank. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of service in the Company. The Gratuity is calculated on the basis of Last Drawn Basic Pay and is payable at the rate of one month's Last Drawn Basic Pay for every completed year of service and six months and above but less than one year will be counted as one year.

c) Benevolent Fund
The objective of the fund is to provide financial assistance to all the employees of the Bank for treatment (medical/surgical, physical/other disability, etc) of the employees and or his/her dependent(s); damage or loss of his/her homestead by natural disaster/calamities. The Fund consists of monthly contributions by all the employees of the Bank and from other sources acceptable to the fund management. The fund is operated by a Board of Trustees consisting of 7 (Seven) members of the Bank.

d) Death cum Survival Superannuation Fund
The objective of the ONE Bank Limited Employees' Death cum Survival Superannuation Fund is to provide superannuation and other benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit by the Trustees as per Board’s approved policy. This Fund consists of annual contributions of Tk.71 lac by the Bank as well as benefits earned from the investment of the fund. The Income Tax Authority approved the Fund as a recognized fund on 19 April 2012 as per the provisions of part - A of the First Schedule of Income Tax Ordinance 1984. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank.

e) Maternity Allowance
Tk. 10,000/- twice during entire period of service of an employee in the Bank.

f) Annual Leave Fare Assistance
The provision for Leave Fare Assistance (LFA) represents the current outstanding liability to employees at the Balance Sheet date. Leave Fare Assistance is a non-recurring benefit for all permanent employees of the Bank who are entitled to annual leave. According to Bangladesh Bank policy, all permanent employees have to avail 15 days annual leave at a stretch on mandatory basis and LFA is given on approval of the leave.

g) Staff Loan at Bank Rate
To assist the employees at emergency needs, the Board has introduced Staff Loan to the tune of maximum three months' Basic Pay at Bank Rate for the permanent employees repayable by 24 monthlyinstallments.

h) Staff House Building Loan
A permanent staff equivalent to the rank of Principal Officer or above, after completion of 5 (Five) years of service, can avail of a House Building Loan at Bank Rate as per Board’s approved policy and approval from the appropriate Authority.

i) Staff Car Loan Scheme
All staff at job grades from AVP and above can avail of Car Loan under Staff Car Loan Scheme as per Board’s approved policy and approval from the competent Authority.
j) Honorarium for Banking Diploma Part I & Part II

On successful completion of part-I & part-II of Banking Diploma examination of the Institute of Bankers, Bangladesh or any other Institute of Bankers recognised by the Bank, an employee is entitled to the following honorarium:

Part-I of Bangladesh Institute of Bankers Tk. 5,000.00 (plus fees incurred by the incumbent)
Part-II of Bangladesh Institute of Bankers Tk. 7,500.00 (plus fees incurred by the incumbent)

k) Festival Bonus

Employees who have completed at least 6 (six) months’ service with the Bank as on the date of disbursement of Bonus, is entitled to the Festival Bonus on the following basis:

a) All regular Staff including Staff on Contract and Probationary Officers having break-up of salary @ one month’s Basic Pay.
b) TAO/Casual/Contractual Staff on consolidated pay @ 50% of Consolidated Pay.
c) The Officers who have joined OBL from other Banks and Financial Institutions but have not yet completed six months service with OBL @ one month’s Basic Pay.

l) Incentive Bonus

Employees who have completed at least six months continuous service with the Bank as on December 31 of the Financial Year and are on the payroll on the date of disbursement, is entitled to the incentive Bonus on the basis of Basic Pay of 31st December of the Financial Year and Appraisal Rating

m) Un-availed Earned Leave Encashment

Maximum 15 (fifteen) days un-availed earned leave can be encashed by an employee. The encashment is calculated on the basis of Last Drawn Basic Pay and is payable at the rate of one month’s Last Drawn Basic Pay/30 X No. of encashable Earned Leave.

2.19 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

<table>
<thead>
<tr>
<th>Name of BASs</th>
<th>BAS No.</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation of Financial Statements</td>
<td>1</td>
<td>Applied *</td>
</tr>
<tr>
<td>Inventories</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>7</td>
<td>Applied</td>
</tr>
<tr>
<td>Accounting Policies, Changes in Accounting Estimates and Errors</td>
<td>8</td>
<td>Applied</td>
</tr>
<tr>
<td>Events after the Reporting Period</td>
<td>10</td>
<td>Applied</td>
</tr>
<tr>
<td>Construction Contracts</td>
<td>11</td>
<td>N/A</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>12</td>
<td>Applied</td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>16</td>
<td>Applied</td>
</tr>
<tr>
<td>Leases</td>
<td>17</td>
<td>Applied</td>
</tr>
<tr>
<td>Revenues</td>
<td>18</td>
<td>Applied</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>19</td>
<td>Applied</td>
</tr>
<tr>
<td>Accounting for Government Grants and Disclosure of Government Assistance</td>
<td>20</td>
<td>N/A</td>
</tr>
<tr>
<td>The Effects of Changes in Foreign Exchange Rates</td>
<td>21</td>
<td>Applied</td>
</tr>
<tr>
<td>Borrowing Costs</td>
<td>23</td>
<td>Applied</td>
</tr>
<tr>
<td>Related Party Disclosures</td>
<td>24</td>
<td>Applied</td>
</tr>
<tr>
<td>Accounting and Reporting by Retirement Benefit Plans</td>
<td>26</td>
<td>N/A</td>
</tr>
<tr>
<td>Consolidated and Separate Financial Statements</td>
<td>27</td>
<td>Applied</td>
</tr>
<tr>
<td>Investment in Associates</td>
<td>28</td>
<td>N/A</td>
</tr>
<tr>
<td>Financial Instruments: Presentation</td>
<td>32</td>
<td>Applied *</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>33</td>
<td>Applied</td>
</tr>
<tr>
<td>Interim Financial Reporting</td>
<td>34</td>
<td>Applied</td>
</tr>
<tr>
<td>Impairment of Assets</td>
<td>36</td>
<td>Applied</td>
</tr>
<tr>
<td>Provisions, Contingent Liabilities and Contingent Assets</td>
<td>37</td>
<td>Applied</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>38</td>
<td>Applied</td>
</tr>
<tr>
<td>Financial Instruments: Recognition and Measurement</td>
<td>39</td>
<td>Applied *</td>
</tr>
<tr>
<td>Investment Property</td>
<td>40</td>
<td>N/A</td>
</tr>
<tr>
<td>Agriculture</td>
<td>41</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

<table>
<thead>
<tr>
<th>Name of BFRSs</th>
<th>BFRS No.</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-time Adoption of Bangladesh Financial Reporting Standards</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Share-based Payment</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Business Combinations</td>
<td>3</td>
<td>N/A</td>
</tr>
<tr>
<td>Insurance Contracts</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td>Non-current Assets Held for Sale and Discontinued Operations</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Exploration for and Evaluation of Mineral Resources</td>
<td>6</td>
<td>N/A</td>
</tr>
<tr>
<td>Financial Instruments: Disclosures</td>
<td>7</td>
<td>Applied*</td>
</tr>
<tr>
<td>Operating Segments</td>
<td>8</td>
<td>Applied</td>
</tr>
<tr>
<td>Disclosure of Interests in other Entities</td>
<td>12</td>
<td>Applied</td>
</tr>
<tr>
<td>Fare Value Measurement</td>
<td>13</td>
<td></td>
</tr>
</tbody>
</table>

N/A = Not Applicable.

* In order to comply with certain specific rules and regulations of the local Regulatory Authorities which are different to BASs/BFRSs, some of the requirements specified in these BASs/BFRSs are not applied.

2.20 BASEL II Implementation

The BASEL Committee on Banking Supervision has published a new framework for calculating minimum capital requirement, known as ‘BASEL II’. The new guideline is structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of BASEL II framework in Bangladesh will integrate the risk management process of the Bank and its capital adequacy requirement. Bangladesh Bank has formed a National Steering Committee and Coordination Committee for implementation of BASEL II in Bangladesh. As per the Committee decision BASEL II has been fully implemented in Bangladesh from January 2011. The National Steering Committee has indicated that following methodology of BASEL II would be followed in Bangladesh:

i. Standardized method for credit and market risk.
ii. Basic indicator approach for operational risk.
iii. Internal Ratings Based for credit risk may be applied from 2012 where prior permission from Bangladesh Bank would be required.

The National Steering Committee has suggested for continuous training of the officers and employees of the banks for capacity building and formation of an implementation team. Implementation team would remain responsible for overall supervision of BASEL II implementation in their banks. It has also suggested that the board of directors should also remain updated on the issue.

Accordingly, the Bank has formed BASEL II implementation team and is providing training to senior management, credit officers and managers of the Bank. BASEL II implementation team has been regularly monitoring and to give various suggestion/instruction regarding implementation of the above three pillars.

2.21 Risk Management

ONE Bank Limited aims at the delivery of superior shareholder value by achieving the optimum trade-off between risk and return. Our risk management strategy is based on a clear understanding of various risks taken, well-developed risk-assessment and measurement procedures, effective risk-preventing/ minimizing, measures and continuous monitoring of the entire process at the very top level. The policies and procedures established for this purpose are being continuously improved to be in line with international best practices.

The ingredients of the risk management system at ONE Bank Limited is capital structure, complexity of functions, level of technical expertise, quality of MIS, etc. and it is structured to address the total risk, i.e. both banking as well as non-banking risks. It also covers both on-balance sheet and off-balance sheet exposures. The prime objective of this risk management system is to ensure that the Bank takes well-calculated business risks while safeguarding the Bank's capital, its financial resources, profitability from various risks and the reputation.

The risks are defined as the possibility of losses, financial or otherwise. The Risk Management of the Bank covers 6 (Six) Core Risk Areas of banking as defined by the Bangladesh Bank. The Areas are as follows:

1) Credit Risk Management;
2) Foreign Exchange Risk Management;
3) Asset Liability Management;
4) Prevention of Money Laundering;
5) Internal Control & Compliance; and
6) Information Technology.

In light of the Risk Management, Bank takes well calculative business risks for safeguarding its capital, financial resources, and profitability. In this context, the Bank took steps to implement the guidelines of Bangladesh Bank as under:
2.21.1 Credit Risk Management
Credit Risk is most simply defined as the potential that a bank's borrower or counter party will fail to meet its obligations in accordance with agreed terms. This includes non-repayment of capital and/or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. The goal of credit risk management at the ONE Bank Limited. is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

The Bank has designed Credit Risk Management activities by addressing major risks. Credit Risk is one of the major risks, which can be assumed as potential loss arising from the failure of a counter party to perform contractual responsibility. This may happen due to unwillingness of the counter party or declining his / her financial abilities for adverse environment.

The officers/ executives involved in credit related activities including credit approval, administration; monitoring and recovery functions have been segregated. A separate Credit Division has been established at Corporate Head-quarters, which is entrusted with the responsibilities of maintaining effective relationship with customers, making of credit products, exploring new business opportunities. For this purpose, three separate units (a) Credit Risk Management Unit, (b) Credit Administration Unit, (c) Credit Monitoring and Recovery Unit have been formed within Credit Division. These units are entrusted with the duties of maintaining asset quality, assessing risk in lending to a particular customer, sanctioning credit, formulating policy/strategy for lending operation etc.

An effective assessment is done before sanction of any credit facility at Credit Risk Management Unit, which includes borrower risk analysis, historical performance of the customer, security of the proposed credit facility etc. The process starts by a Relationship Manager and approved/discharged by the competent authority. Credit approval authority has been delegated to the individual executives. Proposal beyond their delegation are approved /declined by the Executive Committee and the Management.

In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed.

2.21.2 Foreign Exchange Risk Management
Foreign Exchange Risk is defined as the potential change in earnings arising due to change in market prices. The front office of the Treasury Department of the Bank independently conducts the transactions and the back office is responsible of verification for the deals and passing of their entries in books of accounts. All foreign exchange transactions are revalued at Market rate as determined by Bangladesh Bank at the month end. The reconciliation of Nostro Accounts is done on monthly basis and reviewed outstanding entries beyond 30 days by the Management for its settlement.

2.21.3 Asset Liability Risk Management
The Bank has formed an Asset Liability Committee (ALCO) for monitoring Balance Sheet risk and Liquidity risk of the Bank. The Balance Sheet risk is defined as potential change in earnings due to change in rate of interest, foreign exchange rates which are not of trading nature. ALCO reviews Liquidity requirement of the bank, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

2.21.4 Prevention of Money Laundering
Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a Central Compliance Unit (CCU) where designated Chief Anti Money Laundering Compliance Officer (CAMLCO) and two other Deputy Chief Compliance officers at Corporate HQ. A Branch Anti Money Laundering compliance officers (BAMLCO) is assigned in every branch of the Bank who independently review the transactions of the accounts to verify suspicious transactions. The Bank has a Guideline Manual for prevention of money laundering and introduced KYC program since its inception. Training has been continuously given to all the category of officers and executives for developing awareness and skill for identifying suspicious activities.

2.21.5 Internal Control System
Internal Control is a control mechanism establishes in the operation and management of the Bank by introducing required policies for comply the tasks appropriately.

The Management established a professional and efficient working environment within the Bank by creating and maintaining adequate and effective internal control systems. Internal audit have been conducted on periodical interval to ensure appropriate compliance of Bank’s and Regulatory policies. Loans are classified as per Bangladesh Bank’s guidelines. The Audit Committee of the Board has been reviewing the performances of the internal control system and apprising the Board as and when necessary.

The Management recognizes and appreciates the value and significance of internal controls and ensures the presence of an efficient and effective control system by identifying control objectives, devising pertinent policies/ procedures and establishing relevant control procedures covering all areas of activities, after approval of the competent authority.

2.21.6 Information and Technology
ONE Bank Limited follows the guideline stated in BRPD circular no. 14 dated 23 October 2005 regarding “Guideline on Information and Communication Technology” for scheduled Banks. IT management deals with IT policy documentation, internal IT audit, training etc. The objective of IT management is to achieve the highest levels of technology service quality by minimum operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Data centre has been set up and disaster recovery plan has been formulated as part of Business Continuity Planning (BCP).
2.22 Disclosure on fraud and forgeries committed by bank employees:

At OBL, we follow a stringent screening process while we recruit officers and staff. The prospective employee’s family background / employment history/association is checked/cross checked in terms of integrity, attitude and behavioral pattern. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, our Internal Control and Compliance Division has been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in ONE Bank Limited.

Further after taking appropriate measures against delinquent officers, if such occasion arises, we circulate it to all our employees with an objective to caution them from taking part in any fraudulent transaction. Consequently, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year-2013, total 3 cases of such fraud and forgeries were identified and thereafter reported to Bangladesh Bank in compliance with the Department of Banking Inspection instruction no. DBI-1 (Niti)/1025/2012-41 dated 07 February 2012 and the Department of Off-site Supervision (DOS) circular letter no. 17 dated 07 November 2012 of Bangladesh Bank. Total embezzled amount involves with the 3 fraud cases is Tk. 31,36,147.00 ( Taka thirty one lac thirty six thousand one hundred forty seven) only. In all the three cases, the embezzled amounts have been realized in full and the responsible officers have been dismissed from the services of the Bank.

2.23 Regulatory Compliance

The Bank complied with the requirements of following regulatory and legal authorities:


c. Rules and Regulations issued by Bangladesh Bank.


2.24 Rearrangement

Last year figures of Notes Number 9, 13, 18, 19, 22 and 31 in the Financial Statements have been rearranged to confirm the current year’s presentation.

2.25 General

a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.

b) Memorandum items like Stock of Travelers’ Cheques, Shanchaya Patras, Investment bonds and Premium bonds are not reflected as off balance sheet items in the Financial Statements.

However, the stocks of such items are stated below:

<table>
<thead>
<tr>
<th>Stocks of Items</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Shanchaya Patras</td>
<td>921,314,904</td>
<td>878,730,885</td>
</tr>
<tr>
<td>USS Investment Bonds</td>
<td>20,975,000</td>
<td>146,724,191</td>
</tr>
<tr>
<td>USS Premium Bonds</td>
<td>2,791,875</td>
<td>146,324,942</td>
</tr>
<tr>
<td>Wage Earners Development Bond</td>
<td>23,700,000</td>
<td>23,700,000</td>
</tr>
<tr>
<td>Total</td>
<td>968,781,779</td>
<td>1,195,480,018</td>
</tr>
</tbody>
</table>

Wherever considered necessary, previous year’s figures have been rearranged to conform to current year’s presentation and for the purpose of comparison.

2.26 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank’s BRPD Circular No 12 dated 23 December 2002. The Board of Directors at its 194th Board Meeting held on 13 June 2013 reconstituted the committee as under:

<table>
<thead>
<tr>
<th>SI No.</th>
<th>Committee Members</th>
<th>Status with the Bank</th>
<th>Position in the Committee</th>
<th>Educational Qualification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Syed Nurul Amin</td>
<td>Director</td>
<td>Chairman</td>
<td>B. Com</td>
</tr>
<tr>
<td>2</td>
<td>Mr. A. S. M. Shahidullah Khan</td>
<td>Director</td>
<td>Member</td>
<td>B. Sc (Hons)</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Shawket Jaman</td>
<td>Director</td>
<td>Member</td>
<td>B. Com</td>
</tr>
</tbody>
</table>

As per the above Circular of Bangladesh Bank, the Company Secretary of the Bank is the Secretary of the Audit Committee.

The Audit Committee of the Board conducted 5 (five) meetings from January 1 to December 31, 2013.

The Committee reviewed the inspection reports of Bangladesh Bank, Internal Audit Department and compliance thereof by the Management of the Bank. They have also reviewed the draft Financial Statements of the Bank audited by the External Auditors.

In the Last AGM, Mr. Syed Nurul Amin, Independent Director elected as Chairman of the Audit Committee of the Board of Directors.
### 3. Cash

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash in hand</strong></td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td><strong>Balance with BD Bank and its agent’s bank</strong></td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td>8,822,642,124</td>
<td>7,569,832,525</td>
</tr>
</tbody>
</table>

#### 3.1 Cash in hand (including foreign currencies)

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In local currency</strong></td>
<td>1,089,421,687</td>
<td>693,544,537</td>
</tr>
<tr>
<td><strong>In foreign currencies</strong></td>
<td>9,986,316</td>
<td>2,906,153</td>
</tr>
<tr>
<td><strong>Total Cash in hand</strong></td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
</tbody>
</table>

#### 3.2 Balance with BD Bank and its agent’s bank (including foreign currencies)

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bangladesh Bank</strong></td>
<td>5,162,510,000</td>
<td>4,032,029,602</td>
</tr>
<tr>
<td><strong>In local currency</strong></td>
<td>2,155,936,685</td>
<td>2,416,506,565</td>
</tr>
<tr>
<td><strong>Total Balance with BD Bank</strong></td>
<td>7,318,446,685</td>
<td>6,448,536,167</td>
</tr>
<tr>
<td><strong>Balance with Sonali Bank</strong></td>
<td>404,787,435</td>
<td>424,845,668</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
</tbody>
</table>

#### 3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

**a) Statutory Liquidity Ratio (SLR): 19% of Average Demand and Time Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required reserve</strong></td>
<td>15,879,273,218</td>
<td>12,730,734,065</td>
</tr>
<tr>
<td><strong>Reserve held (a.1)</strong></td>
<td>15,879,298,903</td>
<td>13,064,226,298</td>
</tr>
<tr>
<td><strong>Surplus</strong></td>
<td>25,685</td>
<td>333,492,233</td>
</tr>
</tbody>
</table>

**a.1 Reserve held:**

- Cash Reserve Requirement (CRR): 5,168,867,196 4,084,115,863
- Statutory Liquidity Ratio (Excluding surplus amount of CRR): 10,710,431,707 8,980,110,435

**b) Cash Reserve Requirement (CRR): 6% of average Demand and Time Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Demand and Time Liabilities</strong></td>
<td>83,575,122,200</td>
<td>67,003,863,500</td>
</tr>
<tr>
<td><strong>Required reserve</strong></td>
<td>5,014,507,332</td>
<td>4,020,231,810</td>
</tr>
<tr>
<td><strong>Balance with BD Bank</strong></td>
<td>5,162,510,000</td>
<td>4,032,029,602</td>
</tr>
<tr>
<td><strong>Amount in reconciliation (Net)</strong> **</td>
<td>6,357,195</td>
<td>52,086,261</td>
</tr>
<tr>
<td><strong>Reserve held with BD Bank in local currencies</strong></td>
<td>5,168,867,196</td>
<td>4,084,115,863</td>
</tr>
<tr>
<td><strong>Surplus/(Shortage)</strong></td>
<td>154,359,864</td>
<td>63,884,053</td>
</tr>
</tbody>
</table>

**Note:** The balance of local currency account was duly reconciled as of 31 December 2013 and the above amount was matched accordingly.

**c) Statutory Liquidity Ratio (Other than CRR): 13% of Average Demand and Time Liabilities:**

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required reserve</strong></td>
<td>10,864,765,886</td>
<td>8,710,502,255</td>
</tr>
<tr>
<td><strong>Reserve held (c.1)</strong></td>
<td>10,864,791,571</td>
<td>8,980,110,435</td>
</tr>
<tr>
<td><strong>Surplus/(Shortage)</strong></td>
<td>25,685</td>
<td>269,608,180</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements

#### c.1 Reserve held (Other than CRR):

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand including foreign currency</td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank in foreign currency</td>
<td>356,196,000</td>
<td>-</td>
</tr>
<tr>
<td>Balance with Sonali Bank being an agent of Bangladesh Bank</td>
<td>404,787,435</td>
<td>424,845,668</td>
</tr>
<tr>
<td>Bangladesh Bank bill</td>
<td>649,757,142</td>
<td>239,233,143</td>
</tr>
<tr>
<td>Reverse Repo</td>
<td>430,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>3,523,112,632</td>
<td>4,709,793,578</td>
</tr>
<tr>
<td>Treasury Bonds</td>
<td>4,247,170,494</td>
<td>2,909,787,356</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>10,710,431,707</strong></td>
<td><strong>8,980,110,435</strong></td>
</tr>
<tr>
<td>Balance with Bangladesh Bank -local currency (Surplus amount of CRR)</td>
<td>154,359,864</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,864,791,571</strong></td>
<td><strong>8,980,110,435</strong></td>
</tr>
</tbody>
</table>

#### 3 (a) Consolidated Cash

##### i Cash in hand

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>1,099,408,003</td>
<td>696,450,690</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,099,408,003</strong></td>
<td><strong>696,450,690</strong></td>
</tr>
</tbody>
</table>

##### ii Balance with Bangladesh Bank and its agent's bank

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>7,723,234,121</td>
<td>6,873,381,835</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,723,234,121</strong></td>
<td><strong>6,873,381,835</strong></td>
</tr>
</tbody>
</table>

#### 4 Balance with Other Banks and Financial Institutions

##### In Bangladesh (note-4.1)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>In current accounts</td>
<td>1,113,304,583</td>
<td>2,193,726,085</td>
</tr>
<tr>
<td>Other deposit accounts [note-4.3(a)]</td>
<td>1,058,100,391</td>
<td>2,061,933,185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,113,304,583</strong></td>
<td><strong>2,193,726,085</strong></td>
</tr>
</tbody>
</table>

##### Outside Bangladesh (note-4.2)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>In current accounts</td>
<td>516,875,249</td>
<td>919,272,647</td>
</tr>
<tr>
<td>Other deposit accounts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Off-shore Banking Unit</td>
<td>-</td>
<td>399,249,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>516,875,249</strong></td>
<td><strong>919,272,647</strong></td>
</tr>
</tbody>
</table>

#### 4.1 In Bangladesh

##### In current accounts (note-4.3)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other deposit accounts</td>
<td>1,058,100,391</td>
<td>2,061,933,185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,058,100,391</strong></td>
<td><strong>2,061,933,185</strong></td>
</tr>
</tbody>
</table>

#### 4.2 Outside Bangladesh

##### In current accounts (note-4.4)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other deposit accounts</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>516,875,249</strong></td>
<td><strong>520,023,147</strong></td>
</tr>
</tbody>
</table>

#### 4.3 Current Accounts (In Bangladesh)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB Bank Limited</td>
<td>10,527,576</td>
<td>16,617,569</td>
</tr>
<tr>
<td>BRAC Bank Limited</td>
<td>294,805</td>
<td>296,305</td>
</tr>
<tr>
<td>Sonali Bank Limited</td>
<td>42,252,360</td>
<td>114,679,026</td>
</tr>
<tr>
<td>Trust Bank Limited</td>
<td>1,565,368</td>
<td>200,000</td>
</tr>
<tr>
<td>Standard Chartered Bank</td>
<td>564,083</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55,204,192</strong></td>
<td><strong>131,792,900</strong></td>
</tr>
</tbody>
</table>

#### 4.3(a) Other Deposit Accounts (In Bangladesh)

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanka Bangla Finance Limited</td>
<td>-</td>
<td>235,000,000</td>
</tr>
<tr>
<td>ICB Islamic Bank Limited</td>
<td>74,919,000</td>
<td>75,319,000</td>
</tr>
<tr>
<td>BD. Industrial Finance Com. Limited</td>
<td>-</td>
<td>50,000,000</td>
</tr>
<tr>
<td>IDLC Finance Limited</td>
<td>25,500,000</td>
<td>25,500,000</td>
</tr>
<tr>
<td>Bank Asia Limited</td>
<td>600,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Bank Al-Falah Limited</td>
<td>150,000,000</td>
<td>-</td>
</tr>
<tr>
<td>PFI Securities Limited</td>
<td>-</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Lanka Bangla Securities Limited</td>
<td>-</td>
<td>800,000,000</td>
</tr>
<tr>
<td>United Commercial Bank Limited</td>
<td>4,241,354</td>
<td>19,031,617</td>
</tr>
<tr>
<td>AB Bank Limited</td>
<td>1,580,139</td>
<td>145,100</td>
</tr>
<tr>
<td>Eastern Bank Limited</td>
<td>3,742,948</td>
<td>3,560,398</td>
</tr>
<tr>
<td>Uttara Bank Limited</td>
<td>198,050,158</td>
<td>343,972,780</td>
</tr>
<tr>
<td>Jamuna Bank Limited</td>
<td>726</td>
<td>18,231</td>
</tr>
<tr>
<td>Prime Bank Limited</td>
<td>66,066</td>
<td>9,386,058</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,058,100,391</strong></td>
<td><strong>2,061,933,185</strong></td>
</tr>
</tbody>
</table>
### 4.4 Current Accounts (Outside Bangladesh)

<table>
<thead>
<tr>
<th>Name of the banks and financial institutions</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal Bangladesh Bank Limited</td>
<td>1,270,321</td>
<td>1,304,630</td>
</tr>
<tr>
<td>Standard Chartered Bank</td>
<td>110,523,641</td>
<td>125,394,375</td>
</tr>
<tr>
<td>Unicredit Bank</td>
<td>8,341,355</td>
<td>12,176,892</td>
</tr>
<tr>
<td>Commerzbank AG Frankfurt</td>
<td>8,008,873</td>
<td>11,572,960</td>
</tr>
<tr>
<td>Union De Banques Arabes Et Francaises</td>
<td>-</td>
<td>19,968,901</td>
</tr>
<tr>
<td>Habib Bank Limited</td>
<td>100,940,290</td>
<td>-</td>
</tr>
<tr>
<td>Mashreq Bank Psc</td>
<td>(27,809,610)</td>
<td>23,700,808</td>
</tr>
<tr>
<td>Arab Bangladesh Bank, Mumbai</td>
<td>54,208,745</td>
<td>32,333,701</td>
</tr>
<tr>
<td>Citibank NA, New York</td>
<td>2,646,437</td>
<td>2,717,913</td>
</tr>
<tr>
<td>SEYLN Bank Limited</td>
<td>3,656,861</td>
<td>1,208,675</td>
</tr>
<tr>
<td>The Hongkong and Shanghai Banking Corporation Ltd.</td>
<td>71,669,152</td>
<td>108,621,754</td>
</tr>
<tr>
<td>ICICI Bank Limited</td>
<td>6,231,232</td>
<td>35,248,911</td>
</tr>
<tr>
<td>Wells Fargo Bank N.A</td>
<td>169,071,539</td>
<td>140,921,414</td>
</tr>
<tr>
<td>Westpac Banking Corporation</td>
<td>1,260,128</td>
<td>2,673,894</td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>6,856,287</td>
<td>2,178,321</td>
</tr>
<tr>
<td></td>
<td>516,875,249</td>
<td>520,023,147</td>
</tr>
</tbody>
</table>

(For details of foreign currency amount and rate thereof see "Annexure - C")

### 4.5 Maturity of balances with other banks and financial institutions

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1 month</td>
<td>1,142,085,870</td>
<td>2,868,005,732</td>
</tr>
<tr>
<td>More than 1 months to 3 months</td>
<td>258,396,803</td>
<td>119,999,875</td>
</tr>
<tr>
<td>More than 3 months to 1 year</td>
<td>204,197,474</td>
<td>124,993,125</td>
</tr>
<tr>
<td>More than 1 year to 5 years</td>
<td>25,499,684</td>
<td>-</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 4 (a) Consolidated Balance with Other Banks and Financial Institutions

#### In Bangladesh

| ONE Bank Limited               | 1,113,304,583 | 2,193,726,085 |
| ONE Securities Limited         | 4,627,862     | 8,974,031     |
| **Total**                      | **1,117,932,445** | **2,202,700,116** |

#### Outside Bangladesh

| ONE Bank Limited               | 516,875,249   | 919,272,647   |
| ONE Securities Limited         | -             | -             |
| **Total**                      | **516,875,249** | **919,272,647** |

### 5 Money at call on short notice

<table>
<thead>
<tr>
<th>Bank</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southeast Bank limited</td>
<td>500,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Lanka Bangla Finance Limited</td>
<td>170,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Mercantile Bank Limited</td>
<td>-</td>
<td>150,000,000</td>
</tr>
<tr>
<td>Uttara Bank Limited</td>
<td>-</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Mutual Trust Bank Limited</td>
<td>-</td>
<td>100,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>670,000,000</strong></td>
<td><strong>380,000,000</strong></td>
</tr>
</tbody>
</table>

### 6 Investments

#### In Government securities

<table>
<thead>
<tr>
<th>Description (note)</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury bills</td>
<td>3,523,112,632</td>
<td>4,709,793,578</td>
</tr>
<tr>
<td>Bangladesh Bank bill</td>
<td>649,757,142</td>
<td>239,233,143</td>
</tr>
<tr>
<td>Treasury bonds (note-6.3)</td>
<td>4,247,170,494</td>
<td>2,909,787,356</td>
</tr>
<tr>
<td>Reverse Repo (note-6.4)</td>
<td>430,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Prize Bonds</td>
<td>3,207,000</td>
<td>3,288,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,878,472,699</strong></td>
<td><strong>7,862,102,278</strong></td>
</tr>
</tbody>
</table>

#### Other Investment

<table>
<thead>
<tr>
<th>Description (note)</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares (Quoted and Unquoted)</td>
<td>1,279,076,364</td>
<td>1,709,784,831</td>
</tr>
<tr>
<td>NBL Subordinated bond</td>
<td>80,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Orascom bond</td>
<td>80,000,000</td>
<td>120,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,359,076,364</strong></td>
<td><strong>1,929,784,831</strong></td>
</tr>
</tbody>
</table>

#### Off-shore Banking Units

<table>
<thead>
<tr>
<th>Description</th>
<th>Taka 2013</th>
<th>Taka 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,292,323,633</strong></td>
<td><strong>9,791,887,109</strong></td>
</tr>
</tbody>
</table>
### 6.1 Treasury Bills

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Bills (HTM)</td>
<td>2,266,280,856</td>
<td>1,563,063,118</td>
</tr>
<tr>
<td>Treasury Bills (HFT)</td>
<td>1,256,831,776</td>
<td>3,146,730,460</td>
</tr>
</tbody>
</table>

**6.1(a) Treasury Bills (HTM)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>364 days</td>
<td>1,678,598,337</td>
<td>1,563,063,118</td>
</tr>
<tr>
<td>182 days</td>
<td>483,485,485</td>
<td>-</td>
</tr>
<tr>
<td>91 days</td>
<td>104,197,034</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>2,266,280,856</strong></td>
<td><strong>1,563,063,118</strong></td>
</tr>
</tbody>
</table>

**6.1(b) Treasury Bills (HFT)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>364 days</td>
<td>1,002,993,826</td>
<td>1,673,614,880</td>
</tr>
<tr>
<td>182 days</td>
<td>253,837,950</td>
<td>1,359,776,505</td>
</tr>
<tr>
<td>91 days</td>
<td>-</td>
<td>113,339,075</td>
</tr>
<tr>
<td></td>
<td><strong>1,256,831,776</strong></td>
<td><strong>3,146,730,460</strong></td>
</tr>
</tbody>
</table>

### 6.2 Bangladesh Bank Bills

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh Bank Bills (HTM) [note-6.2(a)]</td>
<td>649,757,142</td>
<td>-</td>
</tr>
<tr>
<td>Bangladesh Bank Bills (HFT) [note-6.2(b)]</td>
<td>-</td>
<td>239,233,143</td>
</tr>
</tbody>
</table>

**6.2(a) Bangladesh Bank Bills (HTM)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 days</td>
<td>649,757,142</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>649,757,142</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**6.2(B) Bangladesh Bank Bills (HFT)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 days</td>
<td>-</td>
<td>239,233,143</td>
</tr>
<tr>
<td></td>
<td><strong>-</strong></td>
<td><strong>240,000,000</strong></td>
</tr>
</tbody>
</table>

### 6.3 Treasury Bonds

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury Bonds (HTM) [note-6.3(a)]</td>
<td>3,260,448,498</td>
<td>1,949,531,649</td>
</tr>
<tr>
<td>Treasury Bonds (HFT) [note-6.3(b)]</td>
<td>986,721,996</td>
<td>960,255,707</td>
</tr>
<tr>
<td></td>
<td><strong>4,247,170,494</strong></td>
<td><strong>2,909,787,356</strong></td>
</tr>
</tbody>
</table>

**6.3 (a) Treasury Bonds (HTM)**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Years</td>
<td>450,536,388</td>
<td>276,008,866</td>
</tr>
<tr>
<td>10 Years</td>
<td>102,184,101</td>
<td>102,470,301</td>
</tr>
<tr>
<td>15 Years</td>
<td>9,112,148</td>
<td>9,112,463</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>561,832,637</strong></td>
<td><strong>387,591,630</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Years</td>
<td>450,000,000</td>
<td>275,100,000</td>
</tr>
<tr>
<td>10 Years</td>
<td>100,000,000</td>
<td>100,000,000</td>
</tr>
<tr>
<td>15 Years</td>
<td>9,100,000</td>
<td>9,100,000</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>559,100,000</strong></td>
<td><strong>384,200,000</strong></td>
</tr>
</tbody>
</table>
### 6.4 Disclosure regarding outstanding repo as on 31 December 2013

<table>
<thead>
<tr>
<th>SL no</th>
<th>Counter party name</th>
<th>Agreement Date</th>
<th>Reversal Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bangladesh Bank</td>
<td>30/12/2013</td>
<td>01/01/2014</td>
<td>430,000,000</td>
</tr>
</tbody>
</table>

### 6.5 Other Investments -Shares

#### Quoted:
- Lanka Bangla Finance Limited: 80,000,000 Taka (2013), 80,000,000 Taka (2012)
- Summit Alliance Port Ltd.: 5,945 Taka (2013), 5,945 Taka (2012)
- Ocean Containers Limited: 14,897,834 Taka (2013), 14,897,834 Taka (2012)
- Khulna Power Company Limited: 14,897,834 Taka (2013), 14,897,834 Taka (2012)
- Apex Tannery: 1,450,000 Taka (2013), 1,450,000 Taka (2012)
- MJL BD Limited: 107,000,000 Taka (2013), 107,000,000 Taka (2012)

#### Unquoted:
- Khulna Power Company Limited: 80,000,000 Taka (2013), 80,000,000 Taka (2012)
- Infrastructure Development Finance Company: 10,000,000 Taka (2013), 10,000,000 Taka (2012)
- Central Depository Bangladesh Limited: 1,569,450 Taka (2013), 1,569,450 Taka (2012)
- Lanka Bangla Securities Limited: 72,000,000 Taka (2013), 72,000,000 Taka (2012)

**Total:** 1,135,823,094 Taka, 1,546,215,381 Taka
6.5(a) Comparison between cost and market price of quoted shares as on 31 December 2013

<table>
<thead>
<tr>
<th>No. of shares including bonus shares</th>
<th>Market price per share</th>
<th>Market value at 31-12-2013</th>
<th>Cost at 31-12-2013</th>
<th>Surplus/Deficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanka Bangla Finance Ltd. 10,120,000</td>
<td>66.50</td>
<td>672,980,000</td>
<td>80,000,000</td>
<td>592,980,000</td>
</tr>
<tr>
<td>The City Bank Ltd. 8,061,872</td>
<td>20.20</td>
<td>162,849,814</td>
<td>147,995,755</td>
<td>14,854,060</td>
</tr>
<tr>
<td>IFIC Bank Ltd. * 3,108,740</td>
<td>34.30</td>
<td>106,629,782</td>
<td>170,980,700</td>
<td>(64,350,918)</td>
</tr>
<tr>
<td>ACI Ltd 578,721</td>
<td>171.50</td>
<td>99,250,652</td>
<td>199,422,257</td>
<td>(100,171,585)</td>
</tr>
<tr>
<td>BRAC Bank Ltd. 3,091,200</td>
<td>32.60</td>
<td>100,773,120</td>
<td>138,897,107</td>
<td>(38,123,987)</td>
</tr>
<tr>
<td>Summit Alliance Port Ltd. 82</td>
<td>30.30</td>
<td>2,485</td>
<td>5,945</td>
<td>(3,460)</td>
</tr>
<tr>
<td>RAK Ceramics 155</td>
<td>8.262</td>
<td>14,854,060</td>
<td>14,854,060</td>
<td>0</td>
</tr>
<tr>
<td>Khulna Power 211,917</td>
<td>10,405,125</td>
<td>138,897,107</td>
<td>(4,492,710)</td>
<td></td>
</tr>
<tr>
<td>Square Pharma 5</td>
<td>190.20</td>
<td>951</td>
<td>638</td>
<td>313</td>
</tr>
<tr>
<td>Apex Tannery 10,000</td>
<td>124.60</td>
<td>1,246,000</td>
<td>1,450,000</td>
<td>(204,000)</td>
</tr>
<tr>
<td>Prime Bank Ltd. 3,257,210</td>
<td>25.90</td>
<td>84,361,739</td>
<td>140,673,639</td>
<td>(56,311,900)</td>
</tr>
<tr>
<td>MI Cement Factory Ltd 56</td>
<td>4.379</td>
<td>2,347</td>
<td>5,533</td>
<td>(1,154)</td>
</tr>
<tr>
<td>MJL BD Limited 575,080</td>
<td>75.10</td>
<td>43,188,508</td>
<td>61,074,190</td>
<td>(17,885,682)</td>
</tr>
<tr>
<td>Islami Bank BD Ltd. 731,250</td>
<td>34.60</td>
<td>25,301,250</td>
<td>27,726,980</td>
<td>(2,425,730)</td>
</tr>
<tr>
<td>Bank Asia Ltd. 3,300,000</td>
<td>23.00</td>
<td>75,900,000</td>
<td>107,000,000</td>
<td>(31,100,000)</td>
</tr>
<tr>
<td>Eastern Bank Ltd. 40,500</td>
<td>29.10</td>
<td>1,178,550</td>
<td>1,983,900</td>
<td>(805,350)</td>
</tr>
<tr>
<td>Phoinix Finance 1st Mutual Fund 2,847,500</td>
<td>5.40</td>
<td>15,376,500</td>
<td>43,700,613</td>
<td>(28,324,113)</td>
</tr>
<tr>
<td>IFIC Bank Ltd. 40</td>
<td>34.30</td>
<td>1,372</td>
<td>2,359</td>
<td>(987)</td>
</tr>
<tr>
<td>Total 1,399,458,488</td>
<td></td>
<td>1,135,823,094</td>
<td>263,635,394</td>
<td></td>
</tr>
</tbody>
</table>

* ONE Bank Limited acquired 3,108,740 no. of shares of IFIC Bank Limited under a Sale and Buy Back Agreement dated August 10, 2006. The Buy Back Guarantors failed to exercise the purchasing option within the tenure of the Agreement and upon expiry, ONE Bank Limited placed the shares to IFIC Bank Limited for transfer to ONE Bank's name. As the IFIC Bank was delaying transfer of the shares, ONE Bank Limited filed a suit before the Honorable High Court Division of the Supreme Court of Bangladesh for transfer of the shares in favor of ONE Bank Limited. Subsequently, the Court directed IFIC Bank to transfer the said shares including Bonus Shares in the name of ONE Bank Ltd. Now the matter is lying in the Appellate Division for hearing, relating to transfer of 29,118,718 shares including 26,009,978 Bonus Shares declared for the years from 2003 to 2012 against the original 3,108,740 no. of shares.

6.6 Residual Maturity of Investments

Payable on demand 1,302,977,672 393,501,364
Up to 3 months 670,588,509 1,340,504,162
Above 3 months to 1 year 4,288,626,511 4,927,979,156
Above 1 year to 5 years 1,862,968,077 1,713,799,433
Above 5 years 2,167,162,864 1,416,102,994

The above amount includes investment in the Government securities as well as other investment.

6 (a) Consolidated Investments

In Government securities
ONE Bank Limited 8,853,247,269 7,862,102,278
ONE Securities Limited - -

Other Investment
ONE Bank Limited 1,439,076,364 1,929,784,831
ONE Securities Limited 1,799,760,500 1,799,760,500

3,238,836,864 3,729,545,331

7 Loans and Advances

Loans, Cash Credit, Overdraft etc.

7.1 Loans and Advances including bills purchased and discounted classified into the following broad categories:

i) In Bangladesh

Loans 55,804,875,168 42,522,486,739
Lease finance (note-7.2) 2,227,625,481 2,309,513,606
Cash Credit 129,936,840 28,944,194
Overdraft 13,034,813,810 11,293,359,094

71,197,251,298 56,154,103,632

Off-shore Banking Unit 1,604,662,582 72,464,407

72,801,913,880 56,226,568,039
Bills purchased and discounted

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Off-shore Banking Unit</td>
<td>3,638,051,203</td>
<td>3,820,220,976</td>
</tr>
<tr>
<td></td>
<td>133,380,007</td>
<td>169,340,287</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,771,431,210</strong></td>
<td><strong>3,989,561,263</strong></td>
</tr>
</tbody>
</table>

Outside Bangladesh

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76,573,345,090</strong></td>
<td><strong>60,216,129,302</strong></td>
</tr>
</tbody>
</table>

7.2 Lease finance

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Lease rental receivable within 1 year</td>
<td>141,792,372</td>
<td>19,234,795</td>
</tr>
<tr>
<td>Lease rental receivable within 5 years</td>
<td>2,467,095,189</td>
<td>2,525,270,358</td>
</tr>
<tr>
<td>Lease rental receivable after 5 years</td>
<td>-</td>
<td>252,827,564</td>
</tr>
<tr>
<td><strong>Total lease receivable</strong></td>
<td><strong>2,608,887,561</strong></td>
<td><strong>2,797,332,718</strong></td>
</tr>
<tr>
<td>Less: Unearned interest income</td>
<td>381,262,081</td>
<td>488,019,111</td>
</tr>
<tr>
<td><strong>Net Lease Finance</strong></td>
<td><strong>2,227,625,481</strong></td>
<td><strong>2,309,313,606</strong></td>
</tr>
</tbody>
</table>

7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Payable on demand</td>
<td>9,611,811,829</td>
<td>6,615,283,749</td>
</tr>
<tr>
<td>Up to 3 months</td>
<td>20,285,410,076</td>
<td>18,876,907,489</td>
</tr>
<tr>
<td>Above 3 months to 1 year</td>
<td>22,204,611,030</td>
<td>20,957,308,518</td>
</tr>
<tr>
<td>Above 1 year to 5 years</td>
<td>20,041,909,955</td>
<td>4,817,290,344</td>
</tr>
<tr>
<td>Above 5 years</td>
<td>4,429,602,200</td>
<td>8,949,339,202</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>76,573,345,090</strong></td>
<td><strong>60,216,129,302</strong></td>
</tr>
</tbody>
</table>

7.4 Loans and Advances on the basis of significant concentration

i. Advance to Directors: -
ii. Advance to Managing Director & Senior Executives: 262,618,428 Taka, 140,209,881 Taka

iii. Advance to Customer's group:
  - Commercial lending: 34,944,010,384 Taka, 31,346,220,977 Taka
  - Agricultural loan: 1,187,600,000 Taka, 1,308,997,543 Taka
  - Export financing: 3,926,315,222 Taka, 4,768,407,167 Taka
  - Consumer credit scheme: 756,880,754 Taka, 1,237,975,153 Taka
  - Small and medium enterprise financing: 7,807,529,926 Taka, 5,868,591,694 Taka
  - Staff loan (except Sl. No. ii): 120,195,362 Taka, 75,682,008 Taka
  - House building loan (other than the employees): 1,816,566,092 Taka, 1,451,508,541 Taka
  - Others: 25,751,628,921 Taka, 14,018,536,338 Taka

7.5 Industry-wise outstanding of loans & advances

<table>
<thead>
<tr>
<th>Industry</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade finance</td>
<td>11,833,098,685</td>
<td>12,378,355,817</td>
</tr>
<tr>
<td>Steel Re-Rolling</td>
<td>1,541,198,583</td>
<td>1,222,246,597</td>
</tr>
<tr>
<td>Readymade Garments</td>
<td>10,041,968,398</td>
<td>8,803,412,461</td>
</tr>
<tr>
<td>Textiles</td>
<td>4,647,224,415</td>
<td>4,515,319,940</td>
</tr>
<tr>
<td>Edible oil, Rice, Flour etc.</td>
<td>423,814,524</td>
<td>311,295,588</td>
</tr>
<tr>
<td>Power</td>
<td>1,542,600,000</td>
<td>1,407,877,700</td>
</tr>
<tr>
<td>Transport</td>
<td>1,687,664,182</td>
<td>735,172,691</td>
</tr>
<tr>
<td>Construction/Engineering</td>
<td>1,611,358,532</td>
<td>3,164,205,166</td>
</tr>
<tr>
<td>Personal</td>
<td>2,330,604,943</td>
<td>3,663,616,578</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>2,023,106,270</td>
<td>2,094,449,640</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3,444,911,046</td>
<td>2,872,222,088</td>
</tr>
<tr>
<td>Cargo and Travel Services</td>
<td>227,936,463</td>
<td>114,470,084</td>
</tr>
<tr>
<td>Paper &amp; Packaging</td>
<td>1,874,437,440</td>
<td>1,780,128,765</td>
</tr>
<tr>
<td>Agro based industry/Dairy products</td>
<td>579,225,175</td>
<td>553,939,408</td>
</tr>
<tr>
<td>Others</td>
<td>32,764,196,433</td>
<td>16,599,416,779</td>
</tr>
</tbody>
</table>

7.6 Geographical Location-wise Loans and advances

<table>
<thead>
<tr>
<th>Division</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dhaka Division</td>
<td>53,601,872,926</td>
<td>42,742,730,506</td>
</tr>
<tr>
<td>Chittagong Division</td>
<td>19,423,405,892</td>
<td>14,546,025,202</td>
</tr>
<tr>
<td>Rajshahi Division</td>
<td>891,836,968</td>
<td>803,253,314</td>
</tr>
<tr>
<td>Khulna Division</td>
<td>1,567,728,146</td>
<td>1,194,234,473</td>
</tr>
<tr>
<td>Sylhet Division</td>
<td>907,471,082</td>
<td>830,127,444</td>
</tr>
<tr>
<td>Rangpur Division</td>
<td>168,124,323</td>
<td>99,758,363</td>
</tr>
<tr>
<td>Barisal Division</td>
<td>12,905,753</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** | 76,573,345,090 | 60,216,129,302
7.7 Classification of loans and advances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclassified (including Staff Loan)</td>
<td>71,057,464,090</td>
<td>55,979,470,748</td>
</tr>
<tr>
<td>Unclassified (Special Mention Account)</td>
<td>1,775,129,000</td>
<td>913,777,831</td>
</tr>
<tr>
<td>Substandard</td>
<td>522,436,000</td>
<td>741,771,660</td>
</tr>
<tr>
<td>Doubtful</td>
<td>305,684,000</td>
<td>490,709,403</td>
</tr>
<tr>
<td>Bad &amp; Loss</td>
<td>2,912,632,000</td>
<td>2,090,399,661</td>
</tr>
<tr>
<td></td>
<td><strong>76,573,345,090</strong></td>
<td><strong>60,216,129,302</strong></td>
</tr>
</tbody>
</table>

7.8 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 12,069.72 million as at 31 December 2013 (Tk 8,437.92 million in 2012).

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Tk.</th>
<th>2012 Tk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of clients (Annexure-D)</td>
<td>13</td>
<td>33</td>
</tr>
<tr>
<td>Amount of outstanding loans &amp; advances</td>
<td>23,505,300,000</td>
<td>26,528,700,000</td>
</tr>
<tr>
<td>Amount of classified loans and advances</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

7.9 Bills purchased and discounted

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Tk.</th>
<th>2012 Tk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable in Bangladesh</td>
<td>3,323,526,852</td>
<td>3,679,550,377</td>
</tr>
<tr>
<td>Payable outside Bangladesh</td>
<td>447,904,358</td>
<td>310,010,886</td>
</tr>
<tr>
<td></td>
<td><strong>3,771,431,210</strong></td>
<td><strong>3,989,561,263</strong></td>
</tr>
</tbody>
</table>

7.10 Maturity of Bills purchased and discounted

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Tk.</th>
<th>2012 Tk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 1 month</td>
<td>499,424,158</td>
<td>463,013,108</td>
</tr>
<tr>
<td>Above 1 month but less than 3 months</td>
<td>1,517,846,079</td>
<td>2,022,089,312</td>
</tr>
<tr>
<td>Above 3 months but less than 6 months</td>
<td>1,640,076,003</td>
<td>1,289,573,872</td>
</tr>
<tr>
<td>6 months or more</td>
<td>114,084,970</td>
<td>214,884,971</td>
</tr>
<tr>
<td></td>
<td><strong>3,771,431,210</strong></td>
<td><strong>3,989,561,263</strong></td>
</tr>
</tbody>
</table>

7.11 Particulars of provision for Loans and Advances

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate (%)</th>
<th>Base for Provision Taka</th>
<th>Total Provision Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard (excluding Staff Loan)</td>
<td>1%</td>
<td>55,138,578,166</td>
<td>551,385,782</td>
</tr>
<tr>
<td>Small Enterprise Financing</td>
<td>0.25%</td>
<td>8,093,408,265</td>
<td>20,233,521</td>
</tr>
<tr>
<td>Consumer Financing (House Financing &amp; Loans for Professionals)</td>
<td>2%</td>
<td>1,775,402,055</td>
<td>35,508,041</td>
</tr>
<tr>
<td>Consumer Financing (Other than House Financing &amp; Loans for Professionals)</td>
<td>5%</td>
<td>415,279,356</td>
<td>20,763,968</td>
</tr>
<tr>
<td>Special Mention Account</td>
<td>0.25%-5%</td>
<td>1,783,069,013</td>
<td>71,322,761</td>
</tr>
<tr>
<td>Short Term Agriculture Loan</td>
<td>5%</td>
<td>782,453,660</td>
<td>39,122,683</td>
</tr>
<tr>
<td>Loan to brokerage houses, merchant banks/stock dealers against shares etc.</td>
<td>2%</td>
<td>4,516,935,666</td>
<td>90,338,713</td>
</tr>
<tr>
<td>Substandard</td>
<td>20%</td>
<td>212,216,830</td>
<td>162,338,619</td>
</tr>
<tr>
<td>Doubtful</td>
<td>50%</td>
<td>177,654,123</td>
<td>88,827,061</td>
</tr>
<tr>
<td>Bad &amp; Loss</td>
<td>100%</td>
<td>1,367,256,121</td>
<td>1,537,256,121</td>
</tr>
<tr>
<td>Required provision for loans and advances</td>
<td></td>
<td><strong>2,617,097,271</strong></td>
<td><strong>2,617,097,271</strong></td>
</tr>
<tr>
<td>Excess/ (Short) provision maintained</td>
<td></td>
<td><strong>2,617,097,271</strong></td>
<td><strong>2,617,097,271</strong></td>
</tr>
<tr>
<td>Based on the qualitative assessment, the Bank is satisfied that required provision on loans and advance is adequate.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7.12 Particulars of Loans and Advances

i) Debts considered good in respect of which the bank is fully secured        | 2013 Tk. | 2012 Tk. |
ii) Debts considered good for which the bank holds no other security than the debtor's personal guarantee | 63,054,289,256 | 43,383,208,396 |
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors | 6,077,335,680 | 14,966,102,375 |
iv) Loans adversely classified; provision not maintained there against       |          |          |
v) Debts due by directors or executives or any of them either jointly or separately with any other persons | 382,813,791 | 216,333,357 |
vi) Debts due by 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

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>vii)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>382,813,791</td>
<td>216,333,357</td>
</tr>
</tbody>
</table>

viii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either separately or jointly with any other persons

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>x)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ix) Due from other banking companies (Bills purchased and discounted)

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,771,431,210</td>
<td>3,989,561,262</td>
</tr>
</tbody>
</table>

x) Classified loans and advances

<table>
<thead>
<tr>
<th>a) Classified loans and advances on which interest has not been charged to income (Note-7.7)</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,740,752,000</td>
<td>3,322,880,724</td>
</tr>
</tbody>
</table>

b) Provision on classified loans and advances (Note-13.4)

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,788,421,802</td>
<td>1,555,438,573</td>
</tr>
</tbody>
</table>

c) Provision kept against loans and advances classified as bad debts

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,537,256,121</td>
<td>1,311,885,678</td>
</tr>
</tbody>
</table>

d) Interest credited to Interest Suspense Account (Note-13.9)

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>876,721,731</td>
<td>606,963,533</td>
</tr>
</tbody>
</table>

xi) Cumulative amount of written off loans and advances

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>84,288,731</td>
<td>84,288,731</td>
</tr>
<tr>
<td>Written off during the year</td>
<td>210,824,611</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>295,113,342</td>
<td>84,288,731</td>
</tr>
</tbody>
</table>

Amount realised against loans previously written off

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The amount of written off/classified loans for which law suits have been filed

<table>
<thead>
<tr>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>295,113,342</td>
<td>84,288,731</td>
</tr>
</tbody>
</table>

7.13 Details of pledged collaterals received against Loans and Advances

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral of movable /immovable assets</td>
<td>54,703,524,596</td>
<td>39,309,118,321</td>
</tr>
<tr>
<td>Local banks and financial institutions guarantee</td>
<td>1,727,324,275</td>
<td>1,038,758,126</td>
</tr>
<tr>
<td>Government guarantee</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign banks guarantee</td>
<td>16,175,956</td>
<td>23,320,685</td>
</tr>
<tr>
<td>Export documents</td>
<td>1,854,591,345</td>
<td>3,618,956,442</td>
</tr>
<tr>
<td>Fixed deposit receipts (FDR)</td>
<td>1,920,822,417</td>
<td>3,618,956,442</td>
</tr>
<tr>
<td>FDR of other banks</td>
<td>461,973,408</td>
<td>106,668,118</td>
</tr>
<tr>
<td>Government bonds</td>
<td>8,005,576</td>
<td>1,097,536</td>
</tr>
<tr>
<td>Personal guarantee</td>
<td>9,944,438,090</td>
<td>13,268,030,378</td>
</tr>
<tr>
<td>Other securities</td>
<td>76,573,345,090</td>
<td>60,216,129,302</td>
</tr>
</tbody>
</table>

7 (a) Consolidated Loans and Advances

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>72,801,913,880</td>
<td>56,226,568,039</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loan to ONE Securities Ltd by ONE Bank Limited</td>
<td>(403,653,372)</td>
<td>(347,453,129)</td>
</tr>
<tr>
<td></td>
<td>72,398,260,508</td>
<td>55,879,114,910</td>
</tr>
</tbody>
</table>

Consolidated Bills purchased and discounted

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>3,771,431,210</td>
<td>3,989,561,263</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,771,431,210</td>
<td>3,989,561,263</td>
</tr>
<tr>
<td></td>
<td>76,169,691,718</td>
<td>59,868,676,173</td>
</tr>
</tbody>
</table>
8 Fixed Assets including premises, furniture & fixtures

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>815,030,784</td>
<td>702,275,365</td>
</tr>
<tr>
<td>Office equipment</td>
<td>599,702,532</td>
<td>508,057,947</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>207,162,063</td>
<td>177,598,941</td>
</tr>
<tr>
<td>Building</td>
<td>118,999,192</td>
<td>118,999,192</td>
</tr>
<tr>
<td>Land</td>
<td>17,700,000</td>
<td>17,700,000</td>
</tr>
<tr>
<td>Leased Assets</td>
<td>25,044,000</td>
<td>25,044,000</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>131,028,337</td>
<td>100,248,337</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,758,594,571</strong></td>
<td><strong>1,524,631,446</strong></td>
</tr>
<tr>
<td><strong>Less: Accumulated depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Closing balance on 31 December</strong></td>
<td><strong>1,205,627,611</strong></td>
<td><strong>1,098,456,133</strong></td>
</tr>
</tbody>
</table>

(For details please refer to Annexure- A)

8 (a) Consolidated Fixed Assets including premises, furniture & fixtures

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>1,205,627,611</td>
<td>1,098,456,133</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,205,627,611</strong></td>
<td><strong>1,098,456,133</strong></td>
</tr>
</tbody>
</table>

9 Other Assets

i Income generating
Investment in shares of subsidiary companies
1. In Bangladesh                      1,449,000,000        | 1,449,000,000
2. Outside Bangladesh                 -                     | -

ii Non-income generating
Stock of stationery                    32,994,653           | 28,583,220
Stock of stamps                        2,100,619            | 1,353,410
Security deposits                      908,515              | 909,215
Advance rent for office premises      410,469,694          | 289,462,139
Prepayments                            66,808,274           | 71,346,148
Decoration & Construction work of rented premises for new Branches 56,591,198 | 18,462,625
Suspense account                       40,495,844           | 8,164,790
Receivable from Bangladesh Bank       50,012,589           | 72,402,206
Interest receivable                   145,877,280          | 111,745,516
Commission receivable                 294,000              | 1,871,216
Advance Income Tax (note-9.2)         925,565,145          | 1,031,862,959
Deferred Tax Assets (note-9.3)        16,479,033           | 28,150,610
Prepaid expenses                      3,345,838            | 2,727,713
Receivable from ONE Securities Ltd    11,288,213           | 10,000,000
Inter Branch Account USD              813,798               | 21,337
Branch adjustment Account (note-9.1)  813,798               | 38,593,347

Off-shore Banking Unit                -                     | -

**Total**                              **3,213,066,030**    | **3,164,656,450**

9.1 Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no entry pending non-responded maximum for more than 10 days. The status of unresponded entries of 31 December 2013 are given below:

<table>
<thead>
<tr>
<th>Number of Unresponded entries</th>
<th>Unresponded entries (Amount in Taka)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>Cr</td>
</tr>
<tr>
<td>Up to 3 months</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>924,899</td>
</tr>
<tr>
<td>Over 3 months but within 6 months</td>
<td>-</td>
</tr>
<tr>
<td>Over 6 months but within 1 year</td>
<td>-</td>
</tr>
<tr>
<td>Over 1 year but within 5 years</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>924,899</td>
</tr>
</tbody>
</table>

Branch Adjustment Account (Net) 813,798
9.2 Advance income tax

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance on 1 January</td>
<td>1,031,862,959</td>
<td>3,048,619,800</td>
</tr>
<tr>
<td>Add: Tax paid as advance</td>
<td>925,565,145</td>
<td>1,031,862,959</td>
</tr>
<tr>
<td>Less: Advance income tax adjusted during the year</td>
<td>(1,031,862,959)</td>
<td>(3,048,619,800)</td>
</tr>
<tr>
<td>Balance on 31 December</td>
<td>925,565,145</td>
<td>1,031,862,959</td>
</tr>
</tbody>
</table>

9.3 Deferred tax assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>28,150,610</td>
<td>28,150,610</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>(11,671,577)</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>16,479,033</td>
<td>28,150,610</td>
</tr>
</tbody>
</table>

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences in the carrying amount with tax base.

9 (a) Consolidated Other Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>3,213,066,030</td>
<td>3,164,656,450</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>4,533,286</td>
<td>4,042,468</td>
</tr>
<tr>
<td>Investment in ONE Securities Ltd by ONE Bank Limited</td>
<td>(1,449,000,000)</td>
<td>(1,449,000,000)</td>
</tr>
<tr>
<td>Receivable by ONE Bank Limited from ONE Securities Ltd</td>
<td>(11,288,213)</td>
<td>(10,000,000)</td>
</tr>
<tr>
<td></td>
<td>1,757,311,103</td>
<td>1,709,698,919</td>
</tr>
</tbody>
</table>

10 Non Banking Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Building</td>
<td>83,866,820</td>
<td>83,866,820</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>84,250,630</td>
<td>84,250,630</td>
</tr>
<tr>
<td>Pre-fabricated Structure</td>
<td>8,990,000</td>
<td>8,990,000</td>
</tr>
<tr>
<td>Stock</td>
<td>106,679,075</td>
<td>106,679,075</td>
</tr>
<tr>
<td></td>
<td>283,786,525</td>
<td>283,786,525</td>
</tr>
</tbody>
</table>

The amount of Non-Banking assets was included in the books of accounts after receiving the verdict of the Court in favor of the Bank in accordance with the section 33(5) & 33(7) of ARAA-2003 for force adjustment of default loan.

The value of these assets was determined on the basis of third party valuation of M/s Jorip O Poridarshan Co. and Geodetic Survey. The action of the Bank and the verdict of the court are supported by the section 33(6) of ARAA-2003 by which the Bank is empowered to sell the said assets and adjust the sale proceeds with the default loan and lodging further suit for recovery of shortfall, if any, after adjusting sale proceeds.

Non-Banking assets include stock of raw materials and finished goods worth Tk. 106,679,075 of defaulter loanee but there could be a possibility of non-realisability of the full amount of stock of raw and finished goods. The Bank believes that there is also the possibility of gaining significant value due to price appreciation from the disposal of other fixed assets of said non-banking assets. Accordingly to the latest third party valuation made on 06 September 2010, the value of above Land, Building and Machinery only was Tk. 28.88 crore.

Non-Banking assets is in the process of selling and there is a scope of lodging suit for recovery u/s 33(6) of ARAA-2003, for shortfall of claim after the adjustment of the disposed value of said non-banking assets. In case of any shortfall/surplus received after taking all measures that if any will be accounted for in the year of final settlement.

The Bank has obtained necessary permission from the Central Bank for holding the said asset for onward disposal.

11 Borrowings from other Banks, financial institutions and Agents.

11.1 i) Borrowings inside Bangladesh | 145,066,532 | 120,367,972 |
| ii) Borrowings outside Bangladesh | 145,066,532 | 120,367,972 |

11.2 i) Borrowings with security | 145,066,532 | 120,367,972 |
| ii) Borrowings without security (Re-financed Term loan from Bangladesh Bank) | 145,066,532 | 120,367,972 |

11.3 i) Borrowings payable on demand: | - | - |
| ii) Borrowings others (Term) Refinanced Term loan from Bangladesh Bank | 145,066,532 | 120,367,972 |

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences in the carrying amount with tax base.
### Notes to the Financial Statements

<table>
<thead>
<tr>
<th>11 (a) Consolidated Borrowings from other banks, financial institutions and Agents.</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>145,066,532</td>
<td>120,367,972</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145,066,532</strong></td>
<td><strong>120,367,972</strong></td>
</tr>
</tbody>
</table>

### 12 Deposits and other accounts

#### i Current account and other account (OBL) Off-shore Banking Unit
- Current account and other account (OBL)  
  15,539,238,323 8,411,826,618
- Off-shore Banking Unit  
  25,282,929 58,796,805

#### ii Bills payable
- Payment Order (Issued)  
  1,372,175,398 2,301,222,935
- Demand Draft  
  786,855 786,855

#### iii Savings accounts
- Savings accounts  
  7,012,233,334 5,011,914,509

#### iv Term deposits
- Fixed deposit receipts  
  41,528,752,337 44,152,344,800
- Short Notice deposits  
  16,436,085,814 9,465,126,419
- Scheme deposits  
  4,652,202,535 3,652,249,417
- Non-resident Foreign Currency Deposits  
  1,585,576 1,505,796

#### 12.1 Payable on demands
- Current deposits  
  4,326,238,930 3,331,874,485
- Privilege creditor  
  373,680,205 240,280,567
- Foreign Currency Deposits  
  2,773,737,340 2,441,113,437
- Sundry Deposits  
  6,795,684,496 1,104,817,319
- Interest Payable on deposits  
  1,049,742,651 1,201,433,568
- Other accrued expense  
  245,437,630 151,104,048

#### 12.2 Sub-break down of deposits and other accounts

#### 12.2 (a) Payable on demand
- i Deposits from banks  
  1,191,610 1,197,760
- ii Other than banks  
  17,567,392,895 11,222,507,759

#### 12.2 (b) Other Deposits
- Deposits from banks
  - Short Term Deposits:
    - Uttara Bank Limited  
      1,305 2,382
    - AB Bank Limited  
      439,262 -
- Other than banks  
  68,999,318,029 61,832,066,253

#### 12.3 Remaining maturity grouping of deposits
- Payable on demand  
  24,664,845,639 17,445,980,000
- Up to 3 month  
  27,667,080,340 19,684,400,000
- Over 3 months to 1 year  
  22,590,556,590 25,123,394,154
- Over 1 year to 5 years  
  9,251,959,528 9,077,500,000
- Over 5 years  
  2,393,901,004 1,724,500,000

#### 12 (a) Consolidated Deposits and other accounts

#### Current account and other account
- ONE Bank Limited  
  15,564,521,251 8,470,623,423
- ONE Securities Limited  
  - -

#### Total deposits [12.2(a) + 12.2(b)]
- **86,568,343,101** 73,055,774,154
Notes to the Financial Statements

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bills payable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONE Bank Limited</td>
<td>1,372,962,253</td>
<td>2,302,009,790</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,372,962,253</td>
<td>2,302,009,790</td>
</tr>
<tr>
<td><strong>Savings accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONE Bank Limited</td>
<td>7,012,233,334</td>
<td>5,011,914,509</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,012,233,334</td>
<td>5,011,914,509</td>
</tr>
<tr>
<td><strong>Term deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONE Bank Limited</td>
<td>62,618,626,263</td>
<td>57,271,226,432</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>62,618,626,263</td>
<td>57,271,226,432</td>
</tr>
<tr>
<td><strong>13 Other liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on bills discounted</td>
<td>50,824</td>
<td>55,752</td>
</tr>
<tr>
<td>Provision for Income Tax (note-13.1)</td>
<td>822,305,193</td>
<td>1,431,685,552</td>
</tr>
<tr>
<td>Deferred tax liability (note-13.2)</td>
<td>79,648,035</td>
<td>77,962,681</td>
</tr>
<tr>
<td>Provision for gratuity (note-13.3)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for performance bonus</td>
<td>210,000,000</td>
<td>220,000,000</td>
</tr>
<tr>
<td>Provision for loans and advances (note-13.4 &amp; 13.5)</td>
<td>2,617,097,271</td>
<td>2,244,790,607</td>
</tr>
<tr>
<td>Risk fund of Consumer Credit and Rider</td>
<td>473,512</td>
<td>473,512</td>
</tr>
<tr>
<td>Provision for other assets (note-13.7)</td>
<td>17,843,530</td>
<td>5,679,674</td>
</tr>
<tr>
<td>Provision for off balance sheet items (note-13.8)</td>
<td>447,632,347</td>
<td>326,823,483</td>
</tr>
<tr>
<td>Provision for diminuation value of share (note-13.10)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest suspense account (note-13.9)</td>
<td>876,721,731</td>
<td>606,963,533</td>
</tr>
<tr>
<td>Sinking fund</td>
<td>23,870</td>
<td>15,270</td>
</tr>
<tr>
<td>Lease Obligation</td>
<td>15,050,999</td>
<td>21,471,134</td>
</tr>
<tr>
<td>Interest Payable on Subordinated Debt</td>
<td>5,243,836</td>
<td>-</td>
</tr>
<tr>
<td>Other payable</td>
<td>22,709,228</td>
<td>36,008,563</td>
</tr>
<tr>
<td>Revaluation reserve held for trading</td>
<td>87,099,569</td>
<td>46,076,512</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,201,899,942</td>
<td>5,018,006,273</td>
</tr>
<tr>
<td><strong>Deferred tax liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance on 1 January</td>
<td>1,431,685,552</td>
<td>3,495,054,792</td>
</tr>
<tr>
<td>Less: Provision adjusted during the year</td>
<td>(1,031,862,959)</td>
<td>(3,048,619,800)</td>
</tr>
<tr>
<td>Add: Provision made during the year</td>
<td>399,822,593</td>
<td>446,434,992</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>822,305,193</td>
<td>1,431,685,552</td>
</tr>
<tr>
<td><strong>Deferred tax liability</strong></td>
<td>822,305,193</td>
<td>1,431,685,552</td>
</tr>
<tr>
<td><strong>Provision against revaluation reserve for security</strong></td>
<td>40,889,150</td>
<td>14,177,544</td>
</tr>
<tr>
<td>Opening balance</td>
<td>40,889,150</td>
<td>14,177,544</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>7,899,413</td>
<td>26,711,606</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>48,788,563</td>
<td>40,889,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>79,648,035</td>
<td>77,962,681</td>
</tr>
</tbody>
</table>

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences in the carrying amount with tax base.
### Notes to the Financial Statements

#### 13.3 Provision for Gratuity

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance on 1 January</td>
<td>-</td>
<td>14,715,321</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>82,818,493</td>
<td>99,850,540</td>
</tr>
<tr>
<td>Transferred/Payment made during the year</td>
<td>(82,818,493)</td>
<td>(114,565,861)</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 13.4 Specific Provision against Loans and Advances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance on 1 January</td>
<td>1,555,438,573</td>
<td>983,135,060</td>
</tr>
<tr>
<td>Provision written off</td>
<td>177,830,023</td>
<td>-</td>
</tr>
<tr>
<td>Provision after written off</td>
<td>1,377,608,550</td>
<td>983,135,060</td>
</tr>
<tr>
<td>Specific provision made during the year</td>
<td>591,030,074</td>
<td>629,201,410</td>
</tr>
<tr>
<td>Provision recovered</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provisions recovered and no longer required written back</td>
<td>(180,216,821)</td>
<td>(56,897,898)</td>
</tr>
<tr>
<td>Net charge to profit &amp; loss account</td>
<td>410,813,252</td>
<td>572,303,512</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>1,788,421,802</td>
<td>1,555,438,573</td>
</tr>
</tbody>
</table>

#### 13.5 General Provision against Loans and Advances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance on 1 January</td>
<td>689,352,034</td>
<td>1,012,487,601</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>120,969,371</td>
<td>(331,544,338)</td>
</tr>
<tr>
<td>Unclassified Loans &amp; Advances</td>
<td>(49,030,430)</td>
<td>(40,697,111)</td>
</tr>
<tr>
<td>Consumer credit &amp; Small enterprise financing</td>
<td>25,633,869</td>
<td>26,307,054</td>
</tr>
<tr>
<td>Special mention account</td>
<td>41,750,624</td>
<td>22,798,828</td>
</tr>
<tr>
<td>Loans against shares</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net charge to profit &amp; loss account</td>
<td>139,323,435</td>
<td>(323,135,567)</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>2,617,097,271</td>
<td>2,244,790,607</td>
</tr>
</tbody>
</table>

#### 13.6 Specific Provision as per Classification of Loans

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Substandard</td>
<td>162,338,619</td>
<td>53,448,682</td>
</tr>
<tr>
<td>Doubtful</td>
<td>88,827,061</td>
<td>189,776,317</td>
</tr>
<tr>
<td>Bad/Loss</td>
<td>1,537,256,121</td>
<td>1,311,885,678</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>1,788,421,802</td>
<td>1,555,110,677</td>
</tr>
</tbody>
</table>

#### 13.7 Provision for Other Asset

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>5,679,175</td>
<td>2,118,213</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>12,164,356</td>
<td>3,560,962</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>17,843,530</td>
<td>5,679,175</td>
</tr>
</tbody>
</table>

##### 13.7.a Provision for Protested Bill

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>2,727,713</td>
<td>2,118,213</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>618,125</td>
<td>609,500</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>3,345,838</td>
<td>2,727,713</td>
</tr>
</tbody>
</table>

##### 13.7.b Provision for Nostro Accounts

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>2,951,462</td>
<td>-</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>6,863,894</td>
<td>2,951,462</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>9,815,356</td>
<td>2,951,462</td>
</tr>
</tbody>
</table>

As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months.

#### 13.7.c Provision for Legal Expenses and Others

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>4,682,337</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>4,682,337</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 13.8 Provision for Off Balance Sheet Items

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>326,823,483</td>
<td>304,593,496</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>120,808,864</td>
<td>22,229,987</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>447,632,347</td>
<td>326,823,483</td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements

#### 13.9 Interest suspense account

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>606,963,533</td>
<td>398,602,390</td>
</tr>
<tr>
<td>Interest suspense charged during the year</td>
<td>692,444,376</td>
<td>450,383,309</td>
</tr>
<tr>
<td>Interest realized during the year</td>
<td>(392,191,593)</td>
<td>(236,119,963)</td>
</tr>
<tr>
<td>Interest written off / waiver</td>
<td>(30,494,585)</td>
<td>(5,902,203)</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td><strong>876,721,731</strong></td>
<td><strong>606,963,533</strong></td>
</tr>
</tbody>
</table>

#### 13.10 Provision for diminuation value of share

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance on 31 December</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 13.10.a Consolidated Provision made for diminuation value of share

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>-</td>
<td>(80,240,700)</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>10,000,000</td>
<td>(80,240,700)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,000,000</td>
<td><strong>80,240,700</strong></td>
</tr>
</tbody>
</table>

#### 13 (a) Consolidated Other liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>5,201,899,942</td>
<td>5,018,006,273</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>113,785,421</td>
<td>103,676,442</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,315,685,363</td>
<td>5,121,682,715</td>
</tr>
</tbody>
</table>

#### 14 Subordinated Debt

ONE Bank Limited issued unsecured non-convertible subordinated bond on 26 December 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P)/2013-1869, dated 28 November 2013 and SEC/C1/CPLC-159/2002/2714, dated 08 October 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin. Benchmark rate will be average of most recent month's published Fixed Deposit Interest Rate for 6 months tenor of private commercial banks (excluding Islamic banks) in Bangladesh Banks website. As of Balance Sheet date interest rate is applicable @ 14.50%.

**Main Features of the Bond:**

- **Issuer:** ONE Bank Limited
- **Trustee:** Bangladesh General Insurance Company Limited.
- **Lead Arranger:** Standard Chartered Bank
- **Tenor:** 7 Years
- **Total Face Value:** BDT 2,200 Million
- **Number of Bonds:** 2,200

**List of Investors:**

<table>
<thead>
<tr>
<th>Name of the Investor</th>
<th>No. of Bonds</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janata Bank Limited</td>
<td>500</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Agrani Bank Limited</td>
<td>500</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Rupali Bank Limited</td>
<td>500</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Bangladesh Development Bank Limited</td>
<td>200</td>
<td>200,000,000</td>
</tr>
<tr>
<td>Saudi Bangladesh Industrial &amp; Agricultural Investment Company Limited</td>
<td>200</td>
<td>200,000,000</td>
</tr>
<tr>
<td>Pubali Bank Limited</td>
<td>100</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Bangladesh Commerce Bank Limited</td>
<td>100</td>
<td>100,000,000</td>
</tr>
<tr>
<td>Uttara Bank Limited</td>
<td>100</td>
<td>100,000,000</td>
</tr>
</tbody>
</table>

#### 15. Share Capital

**15.1 Authorized Capital**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000,000,000 (2012: 1,000,000,000) ordinary shares of Tk 10 each</td>
<td>10,000,000,000</td>
<td>10,000,000,000</td>
</tr>
</tbody>
</table>

**15.2 Issued, Subscribed and fully paid-up Capital**

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>476,707,002 (2012: 414,527,828) ordinary shares of Tk 10 each</td>
<td>4,767,070,020</td>
<td>4,145,278,280</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsors</td>
<td>31.06%</td>
<td>33.18%</td>
</tr>
<tr>
<td>General Public</td>
<td>68.94%</td>
<td>66.82%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>
The issued, subscribed and fully paid up capital of the Bank is as follows:

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>No. of Shareholders</th>
<th>No. of Shares 2013 Taka</th>
<th>No. of Shares 2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsors</td>
<td>16</td>
<td>148,086,793</td>
<td>1,480,867,930</td>
</tr>
<tr>
<td>General Public</td>
<td>43,381</td>
<td>328,620,209</td>
<td>3,286,202,090</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,397</strong></td>
<td><strong>476,707,002</strong></td>
<td><strong>4,767,070,020</strong></td>
</tr>
</tbody>
</table>

Shareholding structure of the Bank as at 31-12-2013 is given below:

<table>
<thead>
<tr>
<th>Range of Holdings</th>
<th>Number of Shareholders</th>
<th>No. of Shares</th>
<th>% of holding of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 500</td>
<td>15,330</td>
<td>2,846,182</td>
<td>0.60</td>
</tr>
<tr>
<td>501 to 5,000</td>
<td>21,317</td>
<td>39,878,717</td>
<td>8.37</td>
</tr>
<tr>
<td>5,001 to 10,000</td>
<td>3,172</td>
<td>22,868,542</td>
<td>4.80</td>
</tr>
<tr>
<td>10,001 to 20,000</td>
<td>1,836</td>
<td>25,683,666</td>
<td>5.39</td>
</tr>
<tr>
<td>20,001 to 30,000</td>
<td>624</td>
<td>15,305,654</td>
<td>3.21</td>
</tr>
<tr>
<td>30,001 to 40,000</td>
<td>267</td>
<td>9,234,407</td>
<td>1.94</td>
</tr>
<tr>
<td>40,001 to 50,000</td>
<td>189</td>
<td>8,635,185</td>
<td>1.81</td>
</tr>
<tr>
<td>50,001 to 100,000</td>
<td>302</td>
<td>21,463,495</td>
<td>4.50</td>
</tr>
<tr>
<td>100,001 to 1,000,000</td>
<td>304</td>
<td>72,744,769</td>
<td>15.26</td>
</tr>
<tr>
<td>Over 1,000,000</td>
<td>56</td>
<td>258,046,385</td>
<td>54.13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,397</strong></td>
<td><strong>476,707,002</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:

b) 62,179,174 Bonus shares of Tk. 10 each valued at Tk. 621,791,740 for the year 2012 has been transferred to Paid-up capital account during the year 2013:

The shares of the company are listed at Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.

Issued, Subscribed & fully Paid up Capital

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issued for cash</strong></td>
<td>537,812,200</td>
<td>537,812,200</td>
</tr>
<tr>
<td><strong>Issued other than cash</strong>: 422,925,782 bonus shares of Tk. 10 each</td>
<td>4,229,257,820</td>
<td>3,607,466,080</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,767,070,020</strong></td>
<td><strong>4,145,278,280</strong></td>
</tr>
</tbody>
</table>

15.3 Capital Adequacy Ratio:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 10 dated 25 November 2002, BRPD Circular No. 3 dated 9 May 2004, BRPD Circular No. 1 dated 19 February 2007, BRPD Circular No. 5 dated 14 May 2007, BRPD Circular No. 3 dated 12 March 2008, BRPD Circular No. 6 dated 21 May 2008, BRPD Circular No.10 dated 10 March 2010, BRPD circular no. 35 dated December 29, 2010 and BRPD Circular letter no. 08 dated July 23, 2012 the required capital of the Bank at the close of business on 31 December 2013 was Taka 9,980,740,000 as against core capital of Taka 8,509,653,215 and supplementary capital of Taka 3,560,069,665 making a total capital of Taka 12,069,722,880 thereby showing a surplus capital/equity of Taka 2,088,982,880 at the date. Details are shown below:
## Notes to the Financial Statements

### Actual capital held:

**Core Capital (Tier-1)**
- Paid-up capital (note-15.2)  
  2013: 4,767,070,020  
  2012: 4,145,278,280
- Statutory Reserve (note-16)  
  2013: 2,665,409,979  
  2012: 2,310,094,082
- Profit & Loss Accout (note-17)  
  2013: 1,077,173,216  
  2012: 912,905,400

**Supplementary Capital (Tier-2)**
- General provision on Unclassified Loan & Advances (note-13.5)  
  2013: 828,675,469  
  2012: 689,352,034
- Provision for Off Balance Sheet Items (note-13.8)  
  2013: 447,632,347  
  2012: 326,823,483
- Revaluation Reserve for HTM Securities up to 50%  
  2013: 57,398,310  
  2012: 48,104,883
- Surplus value of equity instruments up to 10%  
  2013: 26,363,539  
  2012: 5,362,977
- Subordinated Debt (note-14)  
  2013: 2,200,000,000  
  2012: -

**Eligible for market risk only (Tier-3)**
- Short-term subordinated debt  
  2013: -  
  2012: -

**A) Total Capital**  
2013: 12,069,722,880  
2012: 8,437,921,139

**B) Total Assets including Off Balance Sheet items**  
2013: 146,874,005,591  
2012: 118,286,684,618

**C) Total Risk Weighted Assets**  
2013: 99,807,400,000  
2012: 80,706,081,485

**D) Surplus (A-C)**  
2013: 2,088,982,880  
2012: 367,312,991

### Percentage of Capital on Risk Weighted Assets:

- On Core Capital (minimum required 50% of CAR and MCR; 2012: 50%)  
  2013: 8.53%  
  2012: 9.13%
- On Supplementary Capital  
  2013: 3.57%  
  2012: 1.33%
- On Total Capital (minimum required rate is 10%; 2011: 10%)  
  2013: 12.09%  
  2012: 10.46%

### 15.3(a) Revaluation Reserve for Securities

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revaluation Reserve for Securities</td>
<td>114,796,620</td>
<td>96,209,765</td>
</tr>
<tr>
<td>Less: Deferred Tax</td>
<td>(48,788,563)</td>
<td>(40,889,150)</td>
</tr>
<tr>
<td></td>
<td>66,008,056</td>
<td>55,320,615</td>
</tr>
</tbody>
</table>

### 15.4 As per the directives of the Bangladesh Bank, the Bank has made disclosures as required under Basel II- Pillar III, market discipline as part of the **Annexure- F**.

### 16 Statutory Reserve

- Balance brought forward from previous year  
  2013: 2,310,094,082  
  2012: 1,898,008,348
- Reserve made during the year  
  2013: 355,315,897  
  2012: 412,085,734
- Balance on 31 December  
  2013: 2,665,409,979  
  2012: 2,310,094,082

### 17 Retained earnings/ movement of profit and loss account

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance on 1 January</td>
<td>912,905,400</td>
<td>1,226,165,142</td>
</tr>
<tr>
<td>Addition during the year</td>
<td>1,348,632,347</td>
<td>1,055,428,672</td>
</tr>
<tr>
<td>Transfer to statutory reserve</td>
<td>(355,315,897)</td>
<td>(412,085,734)</td>
</tr>
<tr>
<td>Issue of Bonus Share</td>
<td>(621,791,740)</td>
<td>(956,602,680)</td>
</tr>
<tr>
<td>Cash Dividend Paid</td>
<td>(207,263,914)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at 31 December</td>
<td>1,077,173,216</td>
<td>912,905,400</td>
</tr>
</tbody>
</table>

### 17.1 Retained earnings brought forward from previous year

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earning of Prior Year</td>
<td>912,905,400</td>
<td>1,226,165,142</td>
</tr>
<tr>
<td>Bonus share issued</td>
<td>(621,791,740)</td>
<td>(956,602,680)</td>
</tr>
<tr>
<td>Cash Dividend Paid</td>
<td>(207,263,914)</td>
<td>-</td>
</tr>
<tr>
<td>Retained Earnings brought forward</td>
<td>83,849,746</td>
<td>269,526,462</td>
</tr>
</tbody>
</table>

### 17.1(a) Consolidated retained earnings brought forward from previous year

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained Earning of Prior Year</td>
<td>802,036,413</td>
<td>1,051,126,818</td>
</tr>
<tr>
<td>Bonus share issued</td>
<td>(621,791,740)</td>
<td>(956,602,680)</td>
</tr>
<tr>
<td>Cash Dividend Paid</td>
<td>(207,263,914)</td>
<td>-</td>
</tr>
<tr>
<td>Retained Earnings brought forward</td>
<td>(27,019,241)</td>
<td>94,524,138</td>
</tr>
</tbody>
</table>
### 18 Interest and discount income

- From clients against loans and advances: 9,043,256,684, 7,489,637,939
- Lease finance: 393,165,163, 302,737,456
- Discount from bills purchased & discounted: 516,137,968, 556,760,034
- From banks and financial institutions in Bangladesh: 59,333,592, 146,020,767
- From foreign banks: 33,580,751, 28,731,706

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10,045,474,158</td>
<td>8,523,887,901</td>
</tr>
<tr>
<td>Off-shore Banking Unit</td>
<td>52,277,484</td>
<td>18,948,500</td>
</tr>
</tbody>
</table>

#### 18 (a) Consolidated Interest and discount income

- **ONE Bank Limited**: 10,097,751,642, 8,542,836,401
- **ONE Securities Limited**: 272,645, 535,351
- **Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited**: (59,739,395), (13,753,129)

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>10,038,284,892</td>
<td>8,529,618,623</td>
</tr>
<tr>
<td>Off-shore Banking Unit</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### 19 Interest paid on deposits and borrowings

- Short term deposits: 986,918,663, 734,605,585
- Savings deposits: 286,055,757, 197,648,746
- Term deposits: 5,300,020,638, 4,473,208,560
- Scheme deposits: 410,452,027, 327,262,485
- Borrowings from banks and financial institutions: 60,926,696, 57,256,690
- Interest on Subordinated Debt: 5,243,836

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,049,617,618</td>
<td>5,789,982,065</td>
</tr>
<tr>
<td>Off-shore Banking Unit</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### 19 (a) Consolidated Interest paid on deposits and borrowings

- **ONE Bank Limited**: 7,049,617,618, 5,789,982,065
- **ONE Securities Limited**: -

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,049,617,618</td>
<td>5,789,982,065</td>
</tr>
</tbody>
</table>

### 20 Income from Investments

- Interest on treasury bills: 525,446,430, 413,614,698
- Interest on treasury bond (Net): 354,867,327, 76,590,761
- Interest on Bangladesh Bank Bill: 27,643,595, 982,117
- Dividend on Investment: 24,011,509, 23,876,433
- Gain on sale of Shares: 61,451,766, 6,432,400
- Interest on Bond: 25,126,667, 30,891,666

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,018,659,295</td>
<td>552,388,074</td>
</tr>
</tbody>
</table>

#### 20 (a) Consolidated Income from Investments

- **ONE Bank Limited**: 1,018,659,295, 552,388,074
- **ONE Securities Limited**: -

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,018,659,295</td>
<td>552,388,074</td>
</tr>
</tbody>
</table>

### 21 Commission, exchange and brokerage

- Letter of guarantees: 105,405,642, 177,831,184
- Acceptances: 150,402,857, 121,481,238
- Local bills purchased: 20,550, 66,063
- Foreign bills: 590,792, 676,221
- Bills for collection: 11,045,596, 7,448,877
- Remittances (PO, DD, TT, Travelers' Cheque etc.): 5,704,415, 4,347,587
- Export bills: 33,406,441, 33,373,439
- Others: 35,746,674, 54,632,211

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>602,671,186</td>
<td>634,187,141</td>
</tr>
</tbody>
</table>

Less: Commission charges:
- Bank charge: 5,998,928, 3,451,629
- Seal Commission to the Stock Brokers: -
- Underwriting Commission: -
- Others: 70,495, 56,800

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6,069,423</td>
<td>3,508,429</td>
</tr>
</tbody>
</table>

**Profit on exchange trading**: 459,065,769, 381,595,805

Less: Loss on exchange trading: 1,190, 54,312

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>459,065,769</td>
<td>381,541,492</td>
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</tbody>
</table>

**Off-shore Banking Unit**: 5,338,764, 4,170,444

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5,344,106</td>
<td>4,124,944</td>
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</table>

**Profit on exchange trading**: 1,061,006,297, 1,016,890,049

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,061,006,297</td>
<td>1,016,890,049</td>
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</tbody>
</table>
### 21 (a) Consolidated Commission, exchange and brokerage

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>1,061,006,297</td>
<td>1,016,390,649</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>(1,798)</td>
<td>(8,574)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,061,004,499</strong></td>
<td><strong>1,016,382,075</strong></td>
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</tbody>
</table>

### 22 Other operating income

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan processing and service charge</td>
<td>147,483,099</td>
<td>146,079,178</td>
</tr>
<tr>
<td>Miscellaneous Credit Card Fee</td>
<td>3,363,686</td>
<td>672,094</td>
</tr>
<tr>
<td>Recoveries of postage, telex, telephone, fax etc</td>
<td>35,513,332</td>
<td>29,410,270</td>
</tr>
<tr>
<td>Letter of Credit miscellaneous charges</td>
<td>116,935,164</td>
<td>104,301,168</td>
</tr>
<tr>
<td>General Banking miscellaneous charges</td>
<td>4,231,252</td>
<td>1,925,300</td>
</tr>
<tr>
<td>Miscellaneous (note-22.1)</td>
<td>8,335,333</td>
<td>11,338,149</td>
</tr>
<tr>
<td>Rent on locker</td>
<td>1,331,700</td>
<td>966,700</td>
</tr>
<tr>
<td>Gain on sale of fixed assets</td>
<td>4,597,114</td>
<td>2,249,530</td>
</tr>
<tr>
<td><strong>Off-shore Banking Units</strong></td>
<td>321,790,680</td>
<td>297,042,389</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>323,650,263</strong></td>
<td><strong>297,973,758</strong></td>
</tr>
</tbody>
</table>

#### 22.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees etc.

### 22 (a) Consolidated Other operating income

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>323,650,263</td>
<td>297,973,758</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>323,650,263</strong></td>
<td><strong>297,973,758</strong></td>
</tr>
</tbody>
</table>

### 23 Salary & Allowances

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Allowances</td>
<td>1,264,126,693</td>
<td>930,953,219</td>
</tr>
<tr>
<td>Provident Fund Contribution</td>
<td>71,230,574</td>
<td>48,191,409</td>
</tr>
<tr>
<td>Gratuity</td>
<td>82,818,493</td>
<td>99,850,540</td>
</tr>
<tr>
<td>Superannuation fund</td>
<td>7,000,000</td>
<td>7,100,000</td>
</tr>
<tr>
<td>Bonus</td>
<td>330,989,353</td>
<td>313,913,000</td>
</tr>
<tr>
<td><strong>Off-shore Banking Units</strong></td>
<td>-</td>
<td>1,089,482</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,756,165,113</strong></td>
<td><strong>1,401,097,651</strong></td>
</tr>
</tbody>
</table>

### 23(a) Consolidated Salary & Allowances

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>1,756,165,113</td>
<td>1,401,097,651</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>1,362,129</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,757,527,242</strong></td>
<td><strong>1,401,097,651</strong></td>
</tr>
</tbody>
</table>

### 24 Rent, taxes, insurance, electricity etc.

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>161,383,318</td>
<td>137,832,285</td>
</tr>
<tr>
<td>Taxes</td>
<td>395,014</td>
<td>160,546</td>
</tr>
<tr>
<td>Electricity</td>
<td>33,792,533</td>
<td>28,946,876</td>
</tr>
<tr>
<td>Utilities</td>
<td>13,702,323</td>
<td>24,745,352</td>
</tr>
<tr>
<td>Insurance</td>
<td>78,749,580</td>
<td>45,720,505</td>
</tr>
<tr>
<td><strong>Off-shore Banking Units</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>288,022,767</strong></td>
<td><strong>237,405,563</strong></td>
</tr>
</tbody>
</table>

### 25 Legal expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional fees</td>
<td>4,138,512</td>
<td>4,055,345</td>
</tr>
<tr>
<td>Fees, Court fees &amp; stamps</td>
<td>138,488</td>
<td>33,570</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,277,000</strong></td>
<td><strong>4,088,915</strong></td>
</tr>
</tbody>
</table>

### 25 (a) Consolidated Legal expenses/professional expenses

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>4,277,000</td>
<td>4,088,915</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,277,000</strong></td>
<td><strong>4,118,915</strong></td>
</tr>
</tbody>
</table>
## Notes to the Financial Statements

### 26 Postage, stamps, telecommunication etc.

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telex/Swift</td>
<td>23,280,355</td>
<td>20,315,212</td>
</tr>
<tr>
<td>Telephone/Fax etc</td>
<td>6,642,545</td>
<td>7,125,062</td>
</tr>
<tr>
<td>Courier/postage</td>
<td>11,310,421</td>
<td>9,449,433</td>
</tr>
<tr>
<td>Radio Link</td>
<td>6,089,384</td>
<td>9,999,396</td>
</tr>
<tr>
<td>Reuter</td>
<td>2,205,845</td>
<td>2,230,803</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>49,528,550</strong></td>
<td><strong>49,119,905</strong></td>
</tr>
</tbody>
</table>

### 27 Directors’ Fees

For attending the meeting of the Board and other committee meetings @ Tk. 5,000 per attendance per person

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>735,000</td>
<td>890,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>735,000</strong></td>
<td><strong>890,000</strong></td>
</tr>
</tbody>
</table>

### 28 Stationery, Printing, advertisement etc.

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printed and security stationery</td>
<td>21,559,022</td>
<td>13,255,501</td>
</tr>
<tr>
<td>Stationery</td>
<td>55,159,081</td>
<td>42,619,264</td>
</tr>
<tr>
<td>Advertisement</td>
<td>67,225,898</td>
<td>55,379,575</td>
</tr>
<tr>
<td>Off-shore Banking Units</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>143,944,001</strong></td>
<td><strong>111,254,339</strong></td>
</tr>
</tbody>
</table>

### 28 (a) Consolidated Stationery, Printing, advertisement etc.

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>143,944,001</td>
<td>108,257,760</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>2,615</td>
<td>129,686</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>143,946,616</strong></td>
<td><strong>108,387,446</strong></td>
</tr>
</tbody>
</table>

### 29 Managing Director’s Salary & Allowances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Allowances</td>
<td>8,592,878</td>
<td>8,432,069</td>
</tr>
<tr>
<td>House rent</td>
<td>175,645</td>
<td>180,000</td>
</tr>
<tr>
<td>Provident Fund Contribution</td>
<td>856,852</td>
<td>841,208</td>
</tr>
<tr>
<td>Bonus</td>
<td>2,384,666</td>
<td>2,472,167</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,010,041</strong></td>
<td><strong>11,925,444</strong></td>
</tr>
</tbody>
</table>

### 30 Depreciation, leasing expense and repair of bank’s assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation (Annexure - A)</td>
<td>168,510,441</td>
<td>129,242,501</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>200,626,029</td>
<td>108,829,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>369,136,470</strong></td>
<td><strong>238,071,901</strong></td>
</tr>
</tbody>
</table>

### 30 (a) Consolidated Depreciation, leasing expense and repair of bank’s assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>369,136,470</td>
<td>233,207,113</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>593,132</td>
<td>2,014,452</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>369,136,470</strong></td>
<td><strong>235,221,565</strong></td>
</tr>
</tbody>
</table>

### 31 Other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entertainment</td>
<td>48,953,638</td>
<td>31,993,599</td>
</tr>
<tr>
<td>Car expenses</td>
<td>88,725,945</td>
<td>72,045,339</td>
</tr>
<tr>
<td>Subscription</td>
<td>42,431,559</td>
<td>19,554,842</td>
</tr>
<tr>
<td>Traveling</td>
<td>103,641,088</td>
<td>70,641,579</td>
</tr>
<tr>
<td>Computer &amp; Printer maintenance expenses</td>
<td>16,277,607</td>
<td>20,534,269</td>
</tr>
<tr>
<td>Finance charge-against leased assets</td>
<td>2,675,402</td>
<td>2,297,326</td>
</tr>
<tr>
<td>Staff training</td>
<td>3,213,904</td>
<td>9,447,667</td>
</tr>
<tr>
<td>VISA Card Expenses</td>
<td>8,132,850</td>
<td>1,425,076</td>
</tr>
<tr>
<td>Sales Team fees</td>
<td>1,674,714</td>
<td>1,815,414</td>
</tr>
<tr>
<td>Miscellaneous (note-31.1)</td>
<td>3,924,698</td>
<td>455,423</td>
</tr>
<tr>
<td>Issuance cost of Sub-Ordinated Bond</td>
<td>8,900,000</td>
<td>-</td>
</tr>
<tr>
<td>Mobile Financial Services</td>
<td>19,510,097</td>
<td>-</td>
</tr>
<tr>
<td>Loss from sale/ write off of assets</td>
<td>39,043</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>367,751,545</strong></td>
<td><strong>230,210,534</strong></td>
</tr>
</tbody>
</table>

#### 31.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.

### 31 (a) Consolidated Other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>367,751,545</td>
<td>233,207,113</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>593,132</td>
<td>2,014,452</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>368,344,677</strong></td>
<td><strong>235,221,565</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Statements

#### 32 Provision for loans, investment & off balance sheet exposure

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for bad and doubtful loans and advances</td>
<td>410,813,252</td>
<td>572,303,512</td>
</tr>
<tr>
<td>Provision for unclassified loans and advances</td>
<td>139,323,435</td>
<td>(323,135,567)</td>
</tr>
<tr>
<td>Provision for off-balance sheet exposure</td>
<td>120,808,864</td>
<td>22,229,987</td>
</tr>
<tr>
<td>Provision for diminution in value of investment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Provision for other assets</td>
<td>12,164,356</td>
<td>3,560,962</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>683,109,907</strong></td>
<td><strong>274,958,894</strong></td>
</tr>
</tbody>
</table>

#### 33 Tax Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax</td>
<td>422,482,600</td>
<td>985,250,560</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>5,457,518</td>
<td>19,749,440</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>427,940,118</strong></td>
<td><strong>1,005,000,000</strong></td>
</tr>
</tbody>
</table>

#### 33 (a) Consolidated Tax Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax ONE Bank Limited</td>
<td>422,482,600</td>
<td>985,250,560</td>
</tr>
<tr>
<td></td>
<td>1,363</td>
<td>2,700</td>
</tr>
<tr>
<td><strong>Total</strong> ONE Bank Limited</td>
<td><strong>422,483,963</strong></td>
<td><strong>985,253,260</strong></td>
</tr>
<tr>
<td>Deferred Tax ONE Bank Limited</td>
<td>5,457,518</td>
<td>19,749,440</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong> Deferred Tax ONE Bank Limited</td>
<td><strong>5,457,518</strong></td>
<td><strong>19,749,440</strong></td>
</tr>
<tr>
<td><strong>Total</strong> ONE Bank Limited</td>
<td><strong>427,941,481</strong></td>
<td><strong>1,005,002,700</strong></td>
</tr>
</tbody>
</table>

#### 34 Interest receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income on loans &amp; advances</td>
<td>10,097,751,642</td>
<td>8,551,518,645</td>
</tr>
<tr>
<td>Interest on Treasury Bills and Bonds</td>
<td>933,084,019</td>
<td>522,079,241</td>
</tr>
<tr>
<td>(Increase)/ Decrease in interest receivable others</td>
<td>(34,131,764)</td>
<td>(27,845,789)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,960,697,907</strong></td>
<td><strong>9,045,572,098</strong></td>
</tr>
</tbody>
</table>

#### 34 (a) Consolidated Interest receipts

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>10,996,703,897</td>
<td>9,045,752,098</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>272,645</td>
<td>535,351</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,942,137,391</strong></td>
<td><strong>9,046,287,449</strong></td>
</tr>
</tbody>
</table>

#### 35 Interest payments

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total interest expenses</td>
<td>7,049,617,618</td>
<td>5,798,664,309</td>
</tr>
<tr>
<td>Add : Opening balance of interest payable</td>
<td>1,201,433,568</td>
<td>856,531,061</td>
</tr>
<tr>
<td>Less : Closing balance of interest payable</td>
<td>(1,049,742,651)</td>
<td>(1,201,433,568)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,201,308,535</strong></td>
<td><strong>5,453,761,803</strong></td>
</tr>
</tbody>
</table>

#### 35 (a) Consolidated Interest Payment

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>7,201,308,535</td>
<td>5,453,761,803</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,201,308,535</strong></td>
<td><strong>5,453,761,803</strong></td>
</tr>
</tbody>
</table>

#### 36 Fee and commission receipts in cash

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission, exchange and brokerage</td>
<td>601,940,528</td>
<td>634,849,157</td>
</tr>
<tr>
<td>Less : (Increase) / decrease in Com. receivable</td>
<td>1,577,216</td>
<td>7,173,561</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>603,517,744</strong></td>
<td><strong>642,022,718</strong></td>
</tr>
</tbody>
</table>

#### 37 Cash payments to employees

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and allowances</td>
<td>1,756,165,113</td>
<td>1,401,097,651</td>
</tr>
<tr>
<td>Managing Director's salary and allowances</td>
<td>12,010,041</td>
<td>11,925,444</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,768,175,154</strong></td>
<td><strong>1,412,523,095</strong></td>
</tr>
<tr>
<td>Less: Payable to employees</td>
<td>(380,000,000)</td>
<td>(380,000,000)</td>
</tr>
<tr>
<td>Add: Opening Payable</td>
<td>380,000,000</td>
<td>166,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,768,175,154</strong></td>
<td><strong>1,578,023,095</strong></td>
</tr>
</tbody>
</table>

#### 38 Cash payment to suppliers

<table>
<thead>
<tr>
<th>Description</th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing, stationery and advertisement etc.</td>
<td>143,944,001</td>
<td>108,257,760</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
<td>200,626,029</td>
<td>108,829,400</td>
</tr>
<tr>
<td>Add: closing stock of stationery and stamps</td>
<td>35,095,272</td>
<td>29,936,630</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>379,665,302</strong></td>
<td><strong>247,023,789</strong></td>
</tr>
<tr>
<td>Less: opening stock of stationery and stamps</td>
<td>(29,936,630)</td>
<td>(34,556,349)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>349,728,672</strong></td>
<td><strong>212,467,440</strong></td>
</tr>
</tbody>
</table>
## Notes to the Financial Statements

### 39 Cash receipts from other operating activities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating income</td>
<td>319,053,149</td>
<td>304,406,158</td>
</tr>
<tr>
<td>Exchange earnings</td>
<td>459,065,769</td>
<td>381,541,492</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>778,118,918</strong></td>
<td><strong>685,947,651</strong></td>
</tr>
</tbody>
</table>

### 40 Cash payments for other operating activities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent, taxes, insurance and electricity etc.</td>
<td>288,022,767</td>
<td>237,405,563</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>4,277,000</td>
<td>4,088,915</td>
</tr>
<tr>
<td>Postage, stamps, telecommunication etc.</td>
<td>49,528,550</td>
<td>49,119,905</td>
</tr>
<tr>
<td>Directors fees</td>
<td>735,000</td>
<td>890,000</td>
</tr>
<tr>
<td>Auditors’ fee</td>
<td>190,000</td>
<td>155,000</td>
</tr>
<tr>
<td>Other expenses</td>
<td>367,661,502</td>
<td>233,207,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>710,414,819</strong></td>
<td><strong>524,866,496</strong></td>
</tr>
</tbody>
</table>

Add: Outstanding in payable - Opening balance

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Outstanding in payable - Opening balance</td>
<td>151,104,048</td>
<td>52,485,263</td>
</tr>
<tr>
<td>Less: Outstanding in payable - Closing balance</td>
<td>(245,437,630)</td>
<td>(151,104,048)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>616,081,236</strong></td>
<td><strong>426,247,711</strong></td>
</tr>
</tbody>
</table>

#### 40 (a) Consolidated Cash payments for other operating activities

<table>
<thead>
<tr>
<th></th>
<th>ONE Bank Limited</th>
<th>ONE Securities Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>616,081,236</strong></td>
<td><strong>426,247,711</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>616,215,234</strong></td>
<td><strong>428,011,977</strong></td>
</tr>
</tbody>
</table>

### 41 (Increase)/decrease of other assets

#### Closing balance:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security deposits</td>
<td>908,515</td>
<td>909,215</td>
</tr>
<tr>
<td>Advance rent</td>
<td>410,469,694</td>
<td>289,462,139</td>
</tr>
<tr>
<td>Prepayments</td>
<td>66,808,274</td>
<td>71,346,148</td>
</tr>
<tr>
<td>Renovation work of rented premises</td>
<td>56,591,198</td>
<td>18,462,625</td>
</tr>
<tr>
<td>Suspense account</td>
<td>40,495,844</td>
<td>8,164,790</td>
</tr>
<tr>
<td>Receivable from Bangladesh Bank</td>
<td>50,012,589</td>
<td>72,402,206</td>
</tr>
<tr>
<td>Receivable from ONE Securities Ltd</td>
<td>11,288,213</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Protested bill</td>
<td>3,345,838</td>
<td>2,727,713</td>
</tr>
<tr>
<td>Inter Branch (net balance)</td>
<td>813,798</td>
<td>38,593,347</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>640,733,963</strong></td>
<td><strong>512,068,183</strong></td>
</tr>
</tbody>
</table>

#### Less: Opening balance:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security deposits</td>
<td>909,215</td>
<td>1,246,095</td>
</tr>
<tr>
<td>Advance rent</td>
<td>289,462,139</td>
<td>265,057,488</td>
</tr>
<tr>
<td>Prepayments</td>
<td>71,346,148</td>
<td>151,697,623</td>
</tr>
<tr>
<td>Renovation work of rented premises</td>
<td>18,462,625</td>
<td>57,716,420</td>
</tr>
<tr>
<td>Suspense account</td>
<td>8,164,790</td>
<td>11,517,427</td>
</tr>
<tr>
<td>Receivable from Bangladesh Bank</td>
<td>10,000,000</td>
<td>25,048,535</td>
</tr>
<tr>
<td>Prepaid for floor purchase</td>
<td>-</td>
<td>39,977,500</td>
</tr>
<tr>
<td>Bangladesh Bank- EDF</td>
<td>-</td>
<td>162,193,893</td>
</tr>
<tr>
<td>Receivable from ONE Securities Ltd</td>
<td>-</td>
<td>39,977,500</td>
</tr>
<tr>
<td>Protested bill</td>
<td>2,727,713</td>
<td>2,727,713</td>
</tr>
<tr>
<td>Inter Branch (net balance)</td>
<td>38,593,347</td>
<td>11,197,159</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>512,068,183</strong></td>
<td><strong>703,331,318</strong></td>
</tr>
</tbody>
</table>

#### 41 (a) Consolidated (Increase)/decrease of other assets

<table>
<thead>
<tr>
<th></th>
<th>ONE Bank Limited</th>
<th>ONE Securities Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>512,068,183</strong></td>
<td><strong>703,331,318</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>128,665,780</strong></td>
<td><strong>191,263,135</strong></td>
</tr>
</tbody>
</table>

### 42 Deposits from banks

#### Closing Balance : Payable:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment on demand</td>
<td>1,191,610</td>
<td>1,197,760</td>
</tr>
<tr>
<td>Short Term Deposit</td>
<td>1,305</td>
<td>2,382</td>
</tr>
<tr>
<td>Fixed Deposit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,192,915</td>
<td>1,200,142</td>
</tr>
</tbody>
</table>

Less : Opening balance

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>(7,227)</strong></td>
<td><strong>(21,864,993)</strong></td>
</tr>
</tbody>
</table>
### 43 Deposits from customers

#### Closing balance of Deposits

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable on demand</td>
<td>17,397,392,895</td>
<td>10,530,434,946</td>
</tr>
<tr>
<td>Other deposits</td>
<td>68,216,756,928</td>
<td>61,832,066,252</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>85,614,149,823</strong></td>
<td><strong>72,362,501,198</strong></td>
</tr>
</tbody>
</table>

#### Less: Opening balance of Deposits

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable on demand</td>
<td>10,530,434,946</td>
<td>8,354,973,001</td>
</tr>
<tr>
<td>Other deposits</td>
<td>61,832,066,252</td>
<td>48,862,116,677</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>72,362,501,198</strong></td>
<td><strong>57,217,089,677</strong></td>
</tr>
</tbody>
</table>

#### Deposit increased during the year

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,251,648,624</td>
<td>15,145,411,521</td>
</tr>
</tbody>
</table>

Add: Total interest on deposit

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>On demand deposits</td>
<td>1,201,433,568</td>
<td>856,531,061</td>
</tr>
<tr>
<td>On other deposits</td>
<td>151,104,048</td>
<td>52,485,262</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>1,352,537,615</strong></td>
<td><strong>909,016,323</strong></td>
</tr>
</tbody>
</table>

Less: Closing balance of interest

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>On demand deposits</td>
<td>(1,049,742,651)</td>
<td>(1,201,433,568)</td>
</tr>
<tr>
<td>On other deposits</td>
<td>(245,437,630)</td>
<td>(151,104,048)</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>(1,295,180,281)</strong></td>
<td><strong>(1,352,537,615)</strong></td>
</tr>
</tbody>
</table>

#### 44 Increase/(decrease) of other liabilities

#### Closing balance:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on bills discounted</td>
<td>50,824</td>
<td>55,752</td>
</tr>
<tr>
<td>Lease Obligation</td>
<td>15,050,997</td>
<td>21,471,134</td>
</tr>
<tr>
<td>Risk fund of Consumer Credit and Rider</td>
<td>473,512</td>
<td>473,512</td>
</tr>
<tr>
<td>Interest suspense</td>
<td>876,721,731</td>
<td>606,963,533</td>
</tr>
<tr>
<td>Off-shore banking unit</td>
<td>892,297,064</td>
<td>628,963,932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-shore banking unit</td>
<td>892,297,064</td>
<td>628,963,932</td>
</tr>
</tbody>
</table>

#### Less: Opening balance:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on bills discounted</td>
<td>55,752</td>
<td>14,843,911</td>
</tr>
<tr>
<td>Provision for gratuity</td>
<td>-</td>
<td>14,715,321</td>
</tr>
<tr>
<td>Lease Obligation</td>
<td>21,471,134</td>
<td>21,471,134</td>
</tr>
<tr>
<td>Risk fund of Consumer Credit and Rider</td>
<td>473,512</td>
<td>473,512</td>
</tr>
<tr>
<td>Interest suspense</td>
<td>606,963,533</td>
<td>450,106,255</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>628,963,932</strong></td>
<td><strong>450,106,255</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>263,333,132</strong></td>
<td><strong>178,857,677</strong></td>
</tr>
</tbody>
</table>

#### 44 (a) Consolidated (Increase)/decrease of other liabilities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>263,333,132</td>
<td>178,857,677</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>(18,400)</td>
<td>6,250</td>
</tr>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>263,314,733</strong></td>
<td><strong>178,863,927</strong></td>
</tr>
</tbody>
</table>

### 45 Payment for purchase of securities

#### a) Treasury Bills

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,718,646,281</td>
<td>9,905,884,024</td>
</tr>
</tbody>
</table>

#### b) Treasury Bond

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,315,317,929</td>
<td>791,592,340</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>13,033,964,210</strong></td>
<td><strong>10,697,476,364</strong></td>
</tr>
</tbody>
</table>

#### c) Others- Shares

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing balance</td>
<td>1,279,076,364</td>
<td>1,709,784,831</td>
</tr>
<tr>
<td>Add: Sale during the year</td>
<td>470,581,300</td>
<td>47,997,722</td>
</tr>
<tr>
<td>Less: Opening balance</td>
<td>(1,709,784,831)</td>
<td>(1,467,316,533)</td>
</tr>
<tr>
<td></td>
<td>39,872,832</td>
<td>290,466,020</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>13,073,837,042</strong></td>
<td><strong>10,987,942,384</strong></td>
</tr>
</tbody>
</table>

#### 45 (a) Consolidated Payment for purchase of securities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>13,073,837,042</td>
<td>10,987,942,384</td>
</tr>
<tr>
<td>ONE Securities Limited</td>
<td>-</td>
<td>22,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub total</strong></td>
<td><strong>13,073,837,042</strong></td>
<td><strong>11,009,942,384</strong></td>
</tr>
</tbody>
</table>
46 Receipts from sale of securities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Treasury Bills</td>
<td>12,722,200,000</td>
<td>8,548,600,000</td>
</tr>
<tr>
<td>b) Others- Shares</td>
<td>470,581,300</td>
<td>47,997,722</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13,192,781,300</strong></td>
<td><strong>8,596,597,722</strong></td>
</tr>
</tbody>
</table>

47 Letters of Guarantee

i) Claims against the Bank not acknowledged as debts

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government</td>
<td>1,521,763,941</td>
<td>679,202,775</td>
</tr>
<tr>
<td>Banks and other financial institutions</td>
<td>319,742,178</td>
<td>451,660,440</td>
</tr>
<tr>
<td>Others</td>
<td>9,517,234,472</td>
<td>7,199,815,349</td>
</tr>
<tr>
<td><strong>Total (i and ii)</strong></td>
<td><strong>11,358,740,591</strong></td>
<td><strong>8,330,678,563</strong></td>
</tr>
</tbody>
</table>

48 Basic Earnings Per Share

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attributable profit for the year</td>
<td>1,348,639,366</td>
<td>1,055,428,672</td>
</tr>
<tr>
<td>Weighted average number of outstanding Shares for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>414,527,828</td>
<td>414,527,828</td>
</tr>
<tr>
<td>Bonus Share Issued during the year 2012</td>
<td>62,179,174</td>
<td>62,179,174</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>476,707,002</strong></td>
<td><strong>476,707,002</strong></td>
</tr>
<tr>
<td>Basic Earnings Per Share</td>
<td>2.83</td>
<td>2.21</td>
</tr>
</tbody>
</table>

Earnings per share has been calculated in accordance with BAS-33: “Earnings Per Share (EPS)”. Previous year’s figures have been restated for the issue of bonus shares during the year.

48 (a) Basic Earnings Per Share Consolidated

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attributable to holding company</td>
<td>1,277,901,104</td>
<td>1,119,598,009</td>
</tr>
<tr>
<td>Weighted average number of outstanding Shares for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>414,527,828</td>
<td>414,527,828</td>
</tr>
<tr>
<td>Bonus Share Issued in the year 2012</td>
<td>62,179,174</td>
<td>62,179,174</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>476,707,002</strong></td>
<td><strong>476,707,002</strong></td>
</tr>
<tr>
<td>Basic Earnings Per Share</td>
<td>2.68</td>
<td>2.35</td>
</tr>
</tbody>
</table>

Earnings per share has been calculated in accordance with BAS-33: “Earnings Per Share (EPS)”. Previous year’s figures have been restated for the issue of bonus shares during the year.

49 Related Party Disclosures of the Bank

i) Name of the directors together with a list of entities in which they have interest- Appendix-E
ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2013: Nil
iii) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
iv) Lending policies in respect of related party:
   a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2013: Nil
   b) Amount of transactions regarding principal items of deposits, expenses and commission: Nil
   c) Amount of provision against loans and advances given to related party: Nil
   d) Amount of guarantees and commitments arising from other off-balance sheet exposures: Nil
v) Disclosure of transaction regarding Directors and their related concerns: Nil
vi) a) As on Balance Sheet date, the total receivable amount of Tk.11,288,213 from ONE Securities Limited.
    b) As on Balance Sheet date, the lending amount of Tk. 403,653,372 to ONE Securities Limited.
vii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act, 1991

a) Lease agreement made with the Director:

<table>
<thead>
<tr>
<th>Nature of the contract</th>
<th>Branch / Office / Location</th>
<th>Name of Director and related by</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease agreement</td>
<td>Corporate Head Quarters, ONE Bank LTD, 46, Kawranbazar, Dhaka.</td>
<td>Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited</td>
<td>Expiry date of lease 31.10.2023</td>
</tr>
<tr>
<td>Lease agreement</td>
<td>Off Site Stationeries Store at Tejgaon, Plot # 26 Tejgaon Industrial Area, Dhaka.</td>
<td>Mr. Zahir Ullah, owner of M/s. Shamah Enterprises Limited</td>
<td>Expiry date of lease 31.05.2021</td>
</tr>
<tr>
<td>Lease agreement</td>
<td>Central Maintenance Unit and Off Site Stationeries Store 14-17A Sagshad Avenue, Tejgaon, Dhaka</td>
<td>Mr. Sayeed H. Chowdhury, owner of M/S. HRC Bangladesh Limited</td>
<td>Expiry date of lease 13.07.2016</td>
</tr>
<tr>
<td>Lease agreement</td>
<td>ONE Bank Ltd, Kawran Bazar Branch, HRC Bhaban 46, Kawranbazar, Dhaka</td>
<td>Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited</td>
<td>Expiry date of lease 31.06.2023</td>
</tr>
<tr>
<td>Lease agreement</td>
<td>Centralised Tarde Processing Center &amp; Centralised Loan Admin Department HRC Bhaban 64-66, Agrabad C/A, Chitagong</td>
<td>Mr. Sayeed H. Chowdhury, owner of M/S. HRC Properties Limited</td>
<td>Expiry date of lease 29.02.2024</td>
</tr>
</tbody>
</table>

viii) Investments in the Securities of Directors and their related concern: Nil

50 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 1,810.

51 Events after the balance sheet date

The Board of Directors in its 207th meeting held on 25 March 2014 has recommended stock dividend @10% and cash dividend @ 9% subject to the approval of the Shareholders at the next Annual General Meeting.
# Financial Highlights on the overall activities of the Bank

As at 31 December 2013

<table>
<thead>
<tr>
<th>Sl No</th>
<th>Particulars</th>
<th>2013 (Taka)</th>
<th>2012 (Taka)</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Paid up Capital</td>
<td>4,767,070,020</td>
<td>4,145,278,280</td>
<td>15.00</td>
</tr>
<tr>
<td>2</td>
<td>Total Capital</td>
<td>12,069,722,880</td>
<td>8,437,921,139</td>
<td>43.04</td>
</tr>
<tr>
<td>3</td>
<td>Capital Surplus</td>
<td>2,088,982,880</td>
<td>367,312,991</td>
<td>468.72</td>
</tr>
<tr>
<td>4</td>
<td>Total Assets</td>
<td>102,690,970,846</td>
<td>85,617,746,775</td>
<td>19.94</td>
</tr>
<tr>
<td>5</td>
<td>Total Deposits</td>
<td>86,568,343,101</td>
<td>73,055,774,154</td>
<td>18.50</td>
</tr>
<tr>
<td>6</td>
<td>Total Loans and Advances</td>
<td>76,573,345,090</td>
<td>60,216,129,302</td>
<td>27.16</td>
</tr>
<tr>
<td>7</td>
<td>Total Contingent Liabilities</td>
<td>44,183,034,745</td>
<td>32,668,937,843</td>
<td>35.24</td>
</tr>
<tr>
<td>8</td>
<td>Credit Deposit ratio (%)</td>
<td>88.45%</td>
<td>82.42%</td>
<td>7.31</td>
</tr>
<tr>
<td>9</td>
<td>Percentage of Classified Loans against total loans and advances</td>
<td>4.89%</td>
<td>5.52%</td>
<td>(11.50)</td>
</tr>
<tr>
<td>10</td>
<td>Profit after tax and provisions</td>
<td>1,348,639,366</td>
<td>1,055,428,672</td>
<td>27.78</td>
</tr>
<tr>
<td>11</td>
<td>Amount of classified loans during the year</td>
<td>3,740,752,000</td>
<td>3,322,880,724</td>
<td>12.58</td>
</tr>
<tr>
<td>12</td>
<td>Provision kept against classified loans</td>
<td>1,788,421,802</td>
<td>1,555,438,573</td>
<td>14.98</td>
</tr>
<tr>
<td>13</td>
<td>Provision surplus/ (shortage)</td>
<td>-</td>
<td>327,968</td>
<td>(100.00)</td>
</tr>
<tr>
<td>14</td>
<td>Cost of fund</td>
<td>9.04%</td>
<td>9.05%</td>
<td>(0.11)</td>
</tr>
<tr>
<td>15</td>
<td>Interest earning Assets</td>
<td>91,726,572,675</td>
<td>76,342,367,376</td>
<td>20.15</td>
</tr>
<tr>
<td>16</td>
<td>Non-interest earning assets</td>
<td>10,964,398,170</td>
<td>8,243,516,440</td>
<td>33.01</td>
</tr>
<tr>
<td>17</td>
<td>Return on investment (ROI)</td>
<td>14.08%</td>
<td>14.31%</td>
<td>(1.64)</td>
</tr>
<tr>
<td>18</td>
<td>Return on Assets (ROA)</td>
<td>1.43%</td>
<td>1.38%</td>
<td>3.98</td>
</tr>
<tr>
<td>19</td>
<td>Income from Investment</td>
<td>1,018,659,295</td>
<td>552,388,074</td>
<td>84.41</td>
</tr>
<tr>
<td>20</td>
<td>Earning per Share</td>
<td>2.83</td>
<td>2.21</td>
<td>27.78</td>
</tr>
<tr>
<td>21</td>
<td>Net Income per share</td>
<td>2.83</td>
<td>2.21</td>
<td>27.78</td>
</tr>
<tr>
<td>22</td>
<td>Price Earning Ratio</td>
<td>5.58</td>
<td>10.30</td>
<td>(45.77)</td>
</tr>
</tbody>
</table>
### ONE Bank Limited

#### Schedule of Fixed Assets

As at 31 December 2013

[Referred to Note 8 of these Financial Statements]

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Balance on 1 January</th>
<th>Additions during the year</th>
<th>Disposal during the year</th>
<th>Balance at 31 December</th>
<th>Balance on 1 January</th>
<th>Charge for the year</th>
<th>Adjusted on disposal during the year</th>
<th>Balance at 31 December</th>
<th>Net book value at 31 December</th>
<th>Rate of depreciation per annum (Reducing Balance Method)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Furniture and Fixtures</strong></td>
<td>702,275,365</td>
<td>113,878,519</td>
<td>1,123,100</td>
<td>815,030,784</td>
<td>233,600,561</td>
<td>54,789,879</td>
<td>861,854</td>
<td>287,528,586</td>
<td>527,502,198</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Office Equipment</strong></td>
<td>508,057,947</td>
<td>92,644,585</td>
<td>1,000,000</td>
<td>599,702,532</td>
<td>230,209,769</td>
<td>61,424,606</td>
<td>800,820</td>
<td>290,833,555</td>
<td>308,868,977</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Motor Vehicles</strong></td>
<td>177,598,941</td>
<td>41,700,814</td>
<td>12,137,692</td>
<td>207,162,063</td>
<td>73,907,476</td>
<td>25,587,289</td>
<td>92,766,120</td>
<td>90,218,645</td>
<td>116,943,418</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Building</strong></td>
<td>118,999,192</td>
<td>-</td>
<td>-</td>
<td>118,999,192</td>
<td>4,357,018</td>
<td>3,417,480</td>
<td>-</td>
<td>7,774,498</td>
<td>111,224,694</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Land</strong></td>
<td>17,700,000</td>
<td>-</td>
<td>-</td>
<td>17,700,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,700,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>1,524,631,446</td>
<td>248,223,917</td>
<td>14,260,792</td>
<td>1,758,594,571</td>
<td>542,074,825</td>
<td>145,219,254</td>
<td>10,938,794</td>
<td>676,355,285</td>
<td>1,082,239,286</td>
<td>-</td>
</tr>
<tr>
<td><strong>Leased Assets</strong></td>
<td>25,044,000</td>
<td>-</td>
<td>-</td>
<td>25,044,000</td>
<td>3,538,800</td>
<td>5,095,556</td>
<td>-</td>
<td>8,634,356</td>
<td>16,409,644</td>
<td>-</td>
</tr>
<tr>
<td><strong>Intangibles Assets</strong></td>
<td>1,549,675,446</td>
<td>248,223,917</td>
<td>14,260,792</td>
<td>1,783,638,571</td>
<td>545,613,625</td>
<td>150,314,810</td>
<td>10,938,794</td>
<td>684,989,641</td>
<td>1,098,648,930</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,554,720,446</td>
<td>248,223,917</td>
<td>14,260,792</td>
<td>1,783,638,571</td>
<td>545,613,625</td>
<td>150,314,810</td>
<td>10,938,794</td>
<td>684,989,641</td>
<td>1,098,648,930</td>
<td>-</td>
</tr>
</tbody>
</table>

**2013**

<table>
<thead>
<tr>
<th>Cost (Taka)</th>
<th>Depreciation (Taka)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,649,923,783</td>
<td>551,467,650</td>
</tr>
<tr>
<td>397,390,984</td>
<td>150,314,810</td>
</tr>
<tr>
<td>426,630,521</td>
<td>10,938,794</td>
</tr>
</tbody>
</table>

**2012**

<table>
<thead>
<tr>
<th>Cost (Taka)</th>
<th>Depreciation (Taka)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,577,779,640</td>
<td>426,630,521</td>
</tr>
<tr>
<td>397,390,984</td>
<td>10,938,794</td>
</tr>
<tr>
<td>1,400,390,656</td>
<td>246,630,521</td>
</tr>
</tbody>
</table>
### Annexure-B

1) **Balance with Bangladesh Bank-Taka account**

<table>
<thead>
<tr>
<th>Detail</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as per Bank ledger</strong></td>
<td>5,162,510,000</td>
</tr>
<tr>
<td><strong>Unrespond debit entries in:</strong></td>
<td></td>
</tr>
<tr>
<td>Bangladesh Bank Statement</td>
<td>699,110</td>
</tr>
<tr>
<td>ONE Bank's ledger</td>
<td>696,676</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,395,786</td>
</tr>
<tr>
<td><strong>Balance as per Bangladesh Bank Statement</strong></td>
<td>5,161,114,215</td>
</tr>
</tbody>
</table>

2) **Balance with Bangladesh Bank-Foreign currency**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td></td>
</tr>
<tr>
<td>EURO</td>
<td></td>
</tr>
<tr>
<td>GBP</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

#### A) Balance as per Bank ledger

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>2,147,136,136</td>
</tr>
<tr>
<td>EURO</td>
<td>6,697,551</td>
</tr>
<tr>
<td>GBP</td>
<td>2,102,998</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,155,936,685</td>
</tr>
</tbody>
</table>

#### B) Unrespond debit entries in:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>90,792,129</td>
</tr>
<tr>
<td>EURO</td>
<td>-</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>90,792,129</td>
</tr>
</tbody>
</table>

#### C) Unrespond credit entries in:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>99,778,004</td>
</tr>
<tr>
<td>EURO</td>
<td>-</td>
</tr>
<tr>
<td>GBP</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>99,778,004</td>
</tr>
</tbody>
</table>

#### Balance as per Bangladesh Bank Statement (A-B+C)

<table>
<thead>
<tr>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,513,103,621</td>
</tr>
<tr>
<td>6,697,551</td>
</tr>
<tr>
<td>2,102,998</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>
### Annexure-C

#### Balance with other banks in foreign currency

[Referred to Note 4.4 of these financial statements]

<table>
<thead>
<tr>
<th>Name of the Banks</th>
<th>Currency Name</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount in Foreign Currency</td>
<td>Conversion rate per unit F.C.</td>
</tr>
<tr>
<td>Citibank NA, New York</td>
<td>USD</td>
<td>34,037.77</td>
<td>77.7500</td>
</tr>
<tr>
<td>Standard Chartered Bank, New York</td>
<td>USD</td>
<td>(213,750.84)</td>
<td>77.7500</td>
</tr>
<tr>
<td>Union De Banques Arabes Et Francaises, Singapore</td>
<td>USD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HSBC Bank, New York, USA</td>
<td>USD</td>
<td>864,642.10</td>
<td>77.7500</td>
</tr>
<tr>
<td>Mashreqbank Psc, New York</td>
<td>USD</td>
<td>(357,679.87)</td>
<td>77.7500</td>
</tr>
<tr>
<td>ICICI Bank Limited, Hong Kong</td>
<td>USD</td>
<td>(221,727.09)</td>
<td>77.7500</td>
</tr>
<tr>
<td>Wells Fargo Bank N.A</td>
<td>USD</td>
<td>2,174,553.55</td>
<td>77.7500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,280,075.62</td>
<td></td>
</tr>
<tr>
<td>Standard Chartered Bank, London</td>
<td>GBP</td>
<td>242,929.03</td>
<td>128.0776</td>
</tr>
<tr>
<td>Arab Bangladesh Bank Ltd, Mumbai</td>
<td>ACUD</td>
<td>697,218.58</td>
<td>77.7500</td>
</tr>
<tr>
<td>Habib Bank Limited</td>
<td>ACUD</td>
<td>1,298,267.39</td>
<td>77.7500</td>
</tr>
<tr>
<td>Standard Chartered Bank, Pakistan</td>
<td>ACUD</td>
<td>1,128,847.30</td>
<td>77.7500</td>
</tr>
<tr>
<td>Nepal Bangladesh Bank Ltd, Kathmandu</td>
<td>ACUD</td>
<td>16,338.53</td>
<td>77.7500</td>
</tr>
<tr>
<td>SEYLAN Bank Ltd, Colombo</td>
<td>ACUD</td>
<td>47,033.58</td>
<td>77.7500</td>
</tr>
<tr>
<td>HSBC Bank, Karachi, Pakistan</td>
<td>ACUD</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HSBC Bank, Mumbai</td>
<td>ACUD</td>
<td>57,147.63</td>
<td>77.7500</td>
</tr>
<tr>
<td>ICICI Bank Limited, Mumbai</td>
<td>ACUD</td>
<td>273,237.56</td>
<td>77.7500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,518,090.57</td>
<td></td>
</tr>
<tr>
<td>Standard Chartered Bank, Tokyo</td>
<td>JP YEN</td>
<td>1,456,349.00</td>
<td>0.7393</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,456,349.00</td>
<td></td>
</tr>
<tr>
<td>Unicredit Bank, AG</td>
<td>EURO</td>
<td>78,087.44</td>
<td>106.8207</td>
</tr>
<tr>
<td>Standard Chartered Bank, Frankfurt</td>
<td>EURO</td>
<td>67,257.05</td>
<td>106.8207</td>
</tr>
<tr>
<td>Commerzbank AG Frankfurt</td>
<td>EURO</td>
<td>74,974.92</td>
<td>106.8207</td>
</tr>
<tr>
<td>ICICI Mumbai</td>
<td>EURO</td>
<td>20,841.40</td>
<td>106.8207</td>
</tr>
<tr>
<td></td>
<td></td>
<td>241,160.81</td>
<td></td>
</tr>
<tr>
<td>Westpac Banking Corporation</td>
<td>AUD</td>
<td>18,282.49</td>
<td>68.9254</td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>CAD</td>
<td>94,435.96</td>
<td>72.6025</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>516,875,249</td>
<td></td>
</tr>
</tbody>
</table>
### ONE Bank Limited

**Details of Large Loan**

As at 31 December 2013

<table>
<thead>
<tr>
<th>SL No</th>
<th>Group/Client Name</th>
<th>Funded</th>
<th>Non-Funded</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bangladesh Petroleum Corporation</td>
<td>-</td>
<td>502.14</td>
<td>502.14</td>
</tr>
<tr>
<td>2</td>
<td>Medlar Group</td>
<td>121.32</td>
<td>87.15</td>
<td>208.47</td>
</tr>
<tr>
<td>3</td>
<td>Zahintex Industries Ltd</td>
<td>86.5</td>
<td>116.05</td>
<td>202.55</td>
</tr>
<tr>
<td>4</td>
<td>Kalyar Replica Ltd.</td>
<td>99.05</td>
<td>70.54</td>
<td>169.59</td>
</tr>
<tr>
<td>5</td>
<td>Ananda Ship</td>
<td>65.57</td>
<td>103.65</td>
<td>169.22</td>
</tr>
<tr>
<td>6</td>
<td>Argon Denims Ltd.</td>
<td>101.42</td>
<td>60.24</td>
<td>161.66</td>
</tr>
<tr>
<td>7</td>
<td>ORASCOM Telecom BD Ltd.</td>
<td>40.00</td>
<td>104.58</td>
<td>144.58</td>
</tr>
<tr>
<td>8</td>
<td>Harvest Rich Group</td>
<td>135.86</td>
<td>2.92</td>
<td>138.78</td>
</tr>
<tr>
<td>9</td>
<td>Aman Group</td>
<td>95.91</td>
<td>41.17</td>
<td>137.08</td>
</tr>
<tr>
<td>10</td>
<td>Lanka Bangla Securities Ltd.</td>
<td>136.59</td>
<td>-</td>
<td>136.59</td>
</tr>
<tr>
<td>11</td>
<td>HABIB GROUP</td>
<td>84.48</td>
<td>44.50</td>
<td>128.98</td>
</tr>
<tr>
<td>12</td>
<td>Polmal Group</td>
<td>36.77</td>
<td>89.82</td>
<td>126.59</td>
</tr>
<tr>
<td>13</td>
<td>Clifton Group</td>
<td>80.13</td>
<td>44.17</td>
<td>124.30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,083.60</strong></td>
<td><strong>1,266.93</strong></td>
<td><strong>2,350.53</strong></td>
</tr>
</tbody>
</table>
### Name of the Directors and the entities in which they have interest as on 31 December 2013

<table>
<thead>
<tr>
<th>SL No</th>
<th>Name of the Director</th>
<th>Status with the Bank</th>
<th>Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent, Guarantor, Employee etc</th>
<th>Percentage (%) of holding in the company</th>
<th>Remarks</th>
</tr>
</thead>
</table>
| 1.    | Mr. Sayeed Hossain Chowdhury                 | Chairman             | 1 Bangladesh Shipping Lines Ltd.  
2 Baridhi Shipping Lines Ltd.  
3 Bangladesh Land Ltd.  
4 HRC Syndicate Ltd.  
5 HRC Travels Ltd.  
6 HRC Lighting Ltd.  
7 HRC Properties Ltd.  
8 HRC Shipping Ltd.  
9 HRC Agrocom Ltd.  
10 HRC Bangladesh Ltd.  
11 HRC Products Ltd.  
12 HRC Beverages Ltd.  
13 HRC Media Ltd.  
14 HRC Motors Ltd.  
15 Hamid Properties Ltd.  
16 Arakan Express Ltd.  
17 Information Services Network Ltd.  
18 Bangladesh General Insurance Co. Ltd.  
19 HRC Freight Ltd.  
20 HRC Airways Ltd.  
21 Jaijaidin Publications Ltd. | 60.00                             |                       |
| 2.    | Mr. Asoke Das Gupta                          | Vice-Chairman        | 1 Uniroyal Securities Ltd.  
2 Uniroyal Trade Ltd.  
3 IMTREX  
4 Ocunova Eye Hospital  
5 NTC Housing Ltd | 55.00                             |                       |
| 3.    | Mr. Zahur Ullah                              | Director             | 1 Gtex Ltd.  
2 Everest Embroidery Ltd.  
3 Lables & Trims Ltd.  
4 Lamisa Ltd.  
5 L-2 Knitting Ltd.  
6 Apparel Fair (Pvt.) ltd.  
7 Holiday Publications Ltd.  
8 Buttons & Trims Ltd  
9 Shamah Enterprises Ltd  
10 Lamisa Food Products Ltd.  
11 NTC Housing Ltd. | 33.33                             |                       |
| 4.    | KSC Securities Limited                       | Director             | 1 NTC Housing Ltd. | 12.50 | Represented by Mr. A.S.M Shahidullah Khan |
| 5.    | Irfin International Limited                  | Director             | 1 NTC Housing Ltd. | 12.50 | Represented by Mr. Kazi Rukunuddin Ahmed |
| 6.    | M. R. Holdings & Securities Limited       | Director             | 1 NTC Housing Ltd. | 12.50 | Represented by Mr. Shawket Jaman |
| 7.    | Mr. Syed Nurul Amin                         | Independent Director  | -                  | -     | - |
| 8.    | Mr. Salahuddin Ahmed                        | Depositor Director   | 1 Consolidated Services Limited | 33.33 | - |
Disclosures on Risk Based Capital (BASEL II)
For the year ended 31 December 2013

Introduction
In accordance to Pillar III of the revised Framework for International Convergence of Capital Measurement and Capital Standards (BASEL II) and adopted under the Bangladesh Bank rules and regulations on risk based capital adequacy (issued through Revised RBCA Guidelines, dated December 29, 2010), we are now required to make more in-depth and expanded public disclosure regarding our risk profile (capital structure capital adequacy, risk management and measurement).

Disclosure Policy
The Bank calculates Risk Weighted Assets (RWA) as per BASEL-II guidelines (BRPD circular no.09 dated December 31, 2008) under:
- a) Standardized approach for credit risk,
- b) Standardized approach for market risk and
- c) Basic indicator approach for operational risk.

Scope of Application
The Risk Based Capital Adequacy framework applies to all banks on Solo and consolidated basis, where ‘Solo’ basis refers to all positions of the bank and ‘Consolidated’ basis includes subsidiary company of ONE Securities Limited.

Components of Disclosure Framework
1. Capital Structure
2. Capital Adequacy
3. Credit Risk
4. Market Risk
5. Operational Risk

1. Capital Structure

Qualitative Disclosure:
The terms and conditions of the main features of all capital instruments have been segregated in terms of eligibility criteria (BRPD) circular no. 35 dated December 29, 2010 and other instructions given by Bangladesh Bank).

Core Capital (Tier-1) comprises of paid up capital, statutory reserve, retained earnings and minority interest in subsidiaries.

Supplementary Capital (Tier-2) comprises of general provision (unclassified loans and off-balance sheet exposure), revaluation reserve for HTM securities up to 50%, surplus value of equity instruments up to 10% and Subordinated Debt as approved by Bangladesh Bank and Securities and Exchange Commission.

Quantitative Disclosure:

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Particulars</th>
<th>Solo</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Amount of Tier-1 Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fully Paid-up Capital</td>
<td>476.71</td>
<td>476.71</td>
</tr>
<tr>
<td></td>
<td>Statutory Reserve</td>
<td>266.54</td>
<td>266.54</td>
</tr>
<tr>
<td></td>
<td>Retained Earnings</td>
<td>107.72</td>
<td>89.56</td>
</tr>
<tr>
<td></td>
<td>Minority interest in subsidiaries</td>
<td>-</td>
<td>1.28</td>
</tr>
<tr>
<td></td>
<td>Total Tier -1 Capital (A)</td>
<td>850.97</td>
<td>834.09</td>
</tr>
<tr>
<td>2.</td>
<td>Amount of Tier-2 capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>General Provision</td>
<td>127.63</td>
<td>127.63</td>
</tr>
<tr>
<td></td>
<td>Revaluation Reserve for HTM Securities up to (50%)</td>
<td>5.74</td>
<td>5.74</td>
</tr>
<tr>
<td></td>
<td>Revaluation Reserves for equity instruments up to (10%)</td>
<td>2.64</td>
<td>2.64</td>
</tr>
<tr>
<td></td>
<td>Subordinated Debt</td>
<td>220.00</td>
<td>220.00</td>
</tr>
<tr>
<td></td>
<td>Total Tier -2 Capital (B)</td>
<td>356.01</td>
<td>356.01</td>
</tr>
<tr>
<td></td>
<td>Total Capital (A+B)</td>
<td>1,206.98</td>
<td>1,190.10</td>
</tr>
</tbody>
</table>
2. Capital Adequacy

**Qualitative Disclosure:**
The bank strictly follows the guidelines of Bangladesh Bank regarding capital adequacy.

**Quantitative Disclosure:**

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Particulars</th>
<th>Solo</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Capital requirement for Credit Risk</td>
<td>8,905.80</td>
<td>8,785.11</td>
</tr>
<tr>
<td></td>
<td>Capital requirement for Market Risk</td>
<td>325.80</td>
<td>465.50</td>
</tr>
<tr>
<td></td>
<td>Capital requirement for Operational Risk</td>
<td>749.14</td>
<td>748.97</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>9,980.74</strong></td>
<td><strong>9,999.58</strong></td>
</tr>
<tr>
<td>2.</td>
<td>Total Capital Ratio</td>
<td>12.09%</td>
<td>11.90%</td>
</tr>
<tr>
<td></td>
<td>Total Tier-1 Capital Ratio</td>
<td>8.53%</td>
<td>8.34%</td>
</tr>
</tbody>
</table>

3. Credit Risk

**Qualitative Disclosure:**
Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Credit risk arises from the bank’s dealings with or lending to corporate, individuals and other banks or financial institutions. ONE Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

3.1 Definitions of past due and impaired
ONE Bank Limited follows the Bangladesh Bank guidelines and definitions of past due and impaired loans as below:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Default</th>
<th>Classified / Impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Past due</td>
<td>Special Mention</td>
</tr>
<tr>
<td>Continuous Loan</td>
<td>If not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank is treated as past due/overdue from the following day of the expiry date.</td>
<td>A continuous Credit, Demand Loan or a Term Loan which will remain overdue for a period of 02 (two) months or more will be treated as Special Mention Account (SMA).</td>
</tr>
<tr>
<td></td>
<td>SS</td>
<td>DF</td>
</tr>
<tr>
<td></td>
<td>If it remains past due/overdue for 3 months or beyond but less than 6 months</td>
<td>If it remains past due/overdue for 6 months or beyond but less than 9 months</td>
</tr>
<tr>
<td></td>
<td>BL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If it remains past due/overdue for 9 months or beyond.</td>
<td>If it remains past due/overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of the forced loan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Default</th>
<th>Classified / Impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand Loan</td>
<td>If not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue/overdue from the following day of the expiry date.</td>
<td>If it remains past due/overdue for 3 months or beyond but not over 6 months from the date of expiry/claim by the bank or from the date of creation of the forced loan</td>
</tr>
<tr>
<td></td>
<td>SS</td>
<td>DF</td>
</tr>
<tr>
<td></td>
<td>If it remains past due/overdue for 3 months or beyond but not over 6 months from the date of claim by the bank or from the date of creation of the forced loan</td>
<td>If it remains past due/overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of the forced loan</td>
</tr>
<tr>
<td></td>
<td>BL</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If it remains past due/overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of the forced loan</td>
<td></td>
</tr>
</tbody>
</table>
### Disclosures on Risk Based Capital (BASEL II)

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Default</th>
<th>Classified / Impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Past due</td>
<td>Special Mention</td>
</tr>
<tr>
<td><strong>Term Loan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>upto Tk.10.00 lac</td>
<td>In case any installment (s) or part of installment (s) of a Fixed Term Loan upto Tk.10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date</td>
<td>If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will be classified as &quot;Sub-standard&quot;.</td>
</tr>
<tr>
<td><strong>Term Loan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>above Tk.10.00 lac</td>
<td>In case any installment (s) or part of installment (s) of a Fixed Term Loan above Tk. 10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date</td>
<td>If the amount of past due installment is equal to or more than the amount of installment (s) due within 3 months, the entire loan will be classified as &quot;Sub-standard&quot;.</td>
</tr>
<tr>
<td><strong>Short-term Agricultural and Micro - Credit</strong></td>
<td>If not repaid within the fixed expiry date for repayment will be considered past due / overdue after six months of the expiry date.</td>
<td>If irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, after a period of 36 months, after a period of 60 months</td>
</tr>
</tbody>
</table>

**3.2 Description of approaches followed for specific and general allowances**

ONE Bank Limited follows the General and Specific Provision requirement as prescribed by Bangladesh Bank time to time.

**3.3 Methods used to measure credit risk**

In compliance with Risk Based Capital Adequacy, OBL, as per BASEL-II Guideline, uses ratings assigned by External Credit Assessment Agencies (ECAs) approved by Bangladesh Bank. The rating is used for both fund based and Non-fund based exposure for corporate borrowers. Corporate, which are yet to get the ratings from these rating agencies, are treated as 'Unrated'.
3.4 Credit Risk Management System

Credit Risk Management includes a host of management techniques, which help the banks in mitigating the adverse impacts of credit risk. The objective of the Credit Risk Management is to identify, measure, monitor, and control credit risk by adopting suitable methodology.

OBL Credit Policy laid down clear outlines from managing credit risk of the Bank. It gives organization structure, defines role and responsibilities of credit handling officials and processes to identify, quantify and manage credit risk.

Credit Risk management system of the Bank clearly defines the roles and responsibilities of the Marketing Division, CRM Division & Credit Administration Department. Marketing division is responsible for Business Solicitation / Relationship Management. CRM Division has been vested with the responsibilities relating to credit approval, credit review, risk grading, credit MIS. The Bank has setup Project Appraisal & Monitoring [PAM] Department under CRM Division manned with qualified Engineers for pre-sanction project appraisal & monitoring of post-disbursement project implementation. Special Asset Management Department also reports to Head of CRM Division relating to the management of impaired assets. Credit Administration Division has been entrusted with completion of documentation formalities, loading of credit limits in the system, monitoring of account movements & repayments.

The policy covers a structured and standardized credit approval process including a comprehensive credit appraisal procedure. In order to assess the credit risk associated with any financing proposal, the Bank assesses a variety of risks relating to the borrower and the relevant industry. The Bank evaluates borrower risk by focusing:

- Borrower’s standing
- Borrower’s business and market position
- Financial position of the borrower by analyzing the financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy.

The Board of Directors of the Bank has delegated Business Approval Power to the Head Of CRM and Managing Director. Credit facilities beyond the delegation are approved by the EC and / or Board.

The Bank manages its credit risk through continuous measuring and monitoring of risks at each obligor (borrower) and portfolio level. One Bank is also considering credit ratings of the client assessed by ECAIs while initiating any credit decision. A well structured Delegation and Sub-delegation of Credit Approval Authority is prevailing at One Bank Limited for ensuring goods governance and better control in credit approval and monitoring.

3.5 Credit Risk Mitigation

Banks, for mitigating credit risks, usually accepts collaterals viz. cash and cash equivalents, registered mortgage on land and building and hypothecation of inventory, receivables and machinery, motor vehicles, aircraft etc. Housing loans are secured by the property/asset being financed.

However, in compliance with Risk Based Capital Adequacy as prescribed by Bangladesh Bank OBL only considers eligible financial collateral for risk mitigation as per Basel II guidelines.

The Bank accepts guarantees from individuals with considerable net worth and the Corporate, besides guarantee issued by Government, other Commercial banks in line with present BASEL-II guidelines.

3.6 Policies and Processes for Collateral Valuation and Management

OBL has specific stipulations about acceptability, eligibility and mode of valuation of real estate collaterals whereby independent qualified surveyors have been enlisted to perform the valuation job. Apart from professional valuation, RMs and credit officers at Branch level physically verify the collateral offered and cross check the professional valuation. Subsequently entire chain documents of the collateral are checked and vetted both by OBL enlisted Panel Lawyers and Head Office Loan Administration Division so as to ensure clean title and enforceability of the collateral.
Disclosures on Risk Based Capital (BASEL II)

Quantitative Disclosure:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Solo</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gross credit risk</td>
<td>8,905.80</td>
<td>8,785.11</td>
</tr>
<tr>
<td>Funded Domestic</td>
<td>7,597.42</td>
<td>7,476.73</td>
</tr>
<tr>
<td>Non-Funded Domestic</td>
<td>1,308.38</td>
<td>1,308.38</td>
</tr>
<tr>
<td>Geographical distribution of exposures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td>8,905.80</td>
<td>8,785.11</td>
</tr>
<tr>
<td>Overseas</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims on Bangladesh Government and Bangladesh Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims on Banks &amp; NBFI:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims on Corporate</td>
<td>165.59</td>
<td>165.82</td>
</tr>
<tr>
<td>Claims included in retail portfolio &amp; Small Enterprise</td>
<td>5,493.63</td>
<td>5,493.63</td>
</tr>
<tr>
<td>Claims on Consumer Loan</td>
<td>140.00</td>
<td>140.00</td>
</tr>
<tr>
<td>Claims Fully secured by residential property</td>
<td>62.98</td>
<td>62.98</td>
</tr>
<tr>
<td>Claims Fully secured by commercial real estate</td>
<td>3.35</td>
<td>3.35</td>
</tr>
<tr>
<td>Past due claims</td>
<td>246.04</td>
<td>246.04</td>
</tr>
<tr>
<td>Other categories</td>
<td>1,306.51</td>
<td>1,185.59</td>
</tr>
<tr>
<td>Credit Risk Mitigation</td>
<td>16.55</td>
<td>16.55</td>
</tr>
<tr>
<td>Risk weighted assets for On-balance sheet items</td>
<td>7,597.42</td>
<td>7,476.73</td>
</tr>
<tr>
<td>Claims secured by financial collateral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk weighted assets for Off-balance sheet exposure</td>
<td>1,308.38</td>
<td>1,308.38</td>
</tr>
<tr>
<td>Gross Non Performing Assets (NPAs)</td>
<td>368.54</td>
<td>368.54</td>
</tr>
<tr>
<td>Non Performing Assets (NPAs) to Outstanding Loans &amp; Advances</td>
<td>4.89%</td>
<td>4.89%</td>
</tr>
</tbody>
</table>

Movement of Non-Performing Assets (NPAs)

| Opening Balance | 332.29 | 332.29 |
| Additions | 246.99 | 246.99 |
| Reductions | 205.20 | 205.20 |
| Closing Balance | 374.08 | 374.08 |

Movement of specific provisions for NPAs

| Opening Balance | 153.28 | 153.28 |
| Provision made during the period | 55.35 | 55.35 |
| written off | 21.08 | 21.08 |
| Write back of excess provision | 8.71 | 8.71 |
| Closing balance | 178.84 | 178.84 |

4. Market Risk

Qualitative Disclosure:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

The Bank’s Investment during the year 2012 was Tk. 979.19 crore. Investment was mostly in long term Government Securities which stood at Tk. 786.21 crore. The Government Treasury Bonds were purchased at higher rate of interest to cover the increased SLR arising from the growth of deposit liabilities.
4.1 Methods Used to Measure Market Risk

To measure of market risk the Bank uses – Value-at-Risk (VaR).

4.2 Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various fac of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in trading book of the bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counterparties, industries and countries are monitored and the risks are controlled through Trigger Point, Stop Loss limits, Overnight limit, Daylight limit, Dealers limit, Dealing Room limit, Counter Party limit, Aggregate Gap limit, Value at Risk (VAR), Inter-bank dealing limit and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM)

Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management, framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

4.3 Market Risk in Trading Book

Market risk regulatory capital requirements are computed based on the standardized approach prescribed by BB.

Quantitative Disclosure:

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Particulars</th>
<th>Solo</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The capital requirements for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interest Rate Risk</td>
<td>2.41</td>
<td>2.41</td>
</tr>
<tr>
<td></td>
<td>Equity Position risk</td>
<td>27.99</td>
<td>41.96</td>
</tr>
<tr>
<td></td>
<td>Foreign Exchange Risk</td>
<td>2.18</td>
<td>2.18</td>
</tr>
<tr>
<td></td>
<td>Commodity Risk</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32.58</td>
<td>46.55</td>
</tr>
</tbody>
</table>

5. Operational Risk

Qualitative Disclosure:

5.1 Views of BOD on system to reduce Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems (for example failed IT system, or fraud perpetrated by a OBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank’s activities. Operational risks are monitored and, to the extent possible, controlled and mitigated.

The Bank’s approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.
The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability.

5.2 Potential External Events

The bank invests heavily in IT Infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid system failure.

5.3 Approach for Calculating Capital Charges for Operational Risk

For local regulatory capital measurement purposes, the Bank follows the Basic Indicator Approach.

Quantitative Disclosure:

<table>
<thead>
<tr>
<th>SL No.</th>
<th>Particulars</th>
<th>Amount in crore</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The capital requirements for:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operational Risk</td>
<td>74.91</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74.90</td>
</tr>
</tbody>
</table>
# One Bank Limited
## Off-Shore Banking Unit
### Balance Sheet
#### As at 31 December 2013

<table>
<thead>
<tr>
<th>PROPERTY AND ASSETS</th>
<th>Notes</th>
<th>2013 USD</th>
<th>2013 Taka</th>
<th>2012 USD</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash in hand (including foreign currency)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance with Bangladesh Bank and its agent bank (including foreign currency)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance with other Banks and Financial Institutions</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>In Bangladesh</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outside Bangladesh</td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>399,249,500</td>
<td>-</td>
</tr>
<tr>
<td>Money at Call on Short Notice</td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>399,249,500</td>
<td>-</td>
</tr>
<tr>
<td>Investment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans and Advances:</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Cash Credits, Overdrafts, etc.</td>
<td>20,638,747</td>
<td>1,604,662,582</td>
<td>907,508</td>
<td>72,464,040</td>
<td></td>
</tr>
<tr>
<td>Bills purchased and discounted</td>
<td>1,715,498</td>
<td>133,380,007</td>
<td>2,120,733</td>
<td>169,340,287</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>22,354,246</td>
<td>1,738,042,589</td>
<td>3,028,240</td>
<td>241,804,694</td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Non Banking Assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Assets</td>
<td>22,354,246</td>
<td>1,738,042,589</td>
<td>8,028,240</td>
<td>641,054,194</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND CAPITAL</th>
<th></th>
<th>2013 USD</th>
<th>2013 Taka</th>
<th>2012 USD</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing from other Banks, Financial Institutions and Agents</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits and other Accounts:</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Account and Other account</td>
<td>324,751</td>
<td>25,282,929</td>
<td>736,342</td>
<td>58,796,805</td>
<td></td>
</tr>
<tr>
<td>Bills Payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Saving bank deposit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>324,751</td>
<td>25,282,929</td>
<td>736,342</td>
<td>58,796,805</td>
<td></td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>6</td>
<td>21,830,366</td>
<td>1,697,277,387</td>
<td>7,106,140</td>
<td>567,424,591</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>22,155,117</td>
<td>1,722,560,316</td>
<td>7,842,482</td>
<td>626,221,395</td>
<td></td>
</tr>
<tr>
<td>Capital/Shareholders' Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and Loss Account</td>
<td>199,129</td>
<td>15,482,273</td>
<td>185,759</td>
<td>14,832,798</td>
<td></td>
</tr>
<tr>
<td>Total Liabilities and Shareholders' Equity</td>
<td>22,354,246</td>
<td>1,738,042,589</td>
<td>8,028,240</td>
<td>641,054,194</td>
<td></td>
</tr>
</tbody>
</table>

### Off Balance Sheet Items
#### Contingent Liabilities:
- Acceptance and endorsements | 7 | 1,636,488 | 127,236,938 | 1,634,962 | 130,551,523 |
- Letter of Guarantee | - | - | - | - | - |
- Irrevocable Letters of Credit | - | - | - | - | - |
- Bills for Collection | - | - | - | - | - |
| Total | 1,636,488 | 127,236,938 | 1,634,962 | 130,551,523 |

#### Other Commitments:
- Documentary Credit and short term trade related transactions | - | - | - | - | - |
- Forward assets purchased and forward deposits placed | - | - | - | - | - |
- Undrawn note issuance and revolving undertaking facilities | - | - | - | - | - |
- Undrawn formal standby facilities, credit lines and other commitments | - | - | - | - | - |
| Total Off Balance Sheet Items | 1,636,488 | 127,236,938 | 1,634,962 | 130,551,523 |
## ONE Bank Limited
### Off-Shore Banking Unit
### Profit & Loss Account
For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>USD</td>
<td>Taka</td>
</tr>
<tr>
<td>Interest Income</td>
<td>8</td>
<td>672,379</td>
</tr>
<tr>
<td>Interest paid on deposits and borrowings</td>
<td>9</td>
<td>373,818</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td></td>
<td>298,562</td>
</tr>
<tr>
<td>Commission Exchange and Brokerage</td>
<td>10</td>
<td>68,666</td>
</tr>
<tr>
<td>Other Income</td>
<td>11</td>
<td>23,917</td>
</tr>
<tr>
<td><strong>Total Operating Income (A)</strong></td>
<td></td>
<td>391,145</td>
</tr>
<tr>
<td>Salaries and allowances</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Rent, taxes, insurance, electricity etc.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Postage, stamps, telecommunication etc.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stationery, printings, advertisements etc.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation, leasing expense and repair of bank's assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses (B)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit before provision (C=A-B)</strong></td>
<td>391,145</td>
<td>30,411,506</td>
</tr>
<tr>
<td>Provision for loans and advances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Specific provision</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General provision</td>
<td>(192,442)</td>
<td>(14,962,379)</td>
</tr>
<tr>
<td><strong>Provision for off-balance sheet items</strong></td>
<td>(192,442)</td>
<td>(14,962,379)</td>
</tr>
<tr>
<td>Other provision</td>
<td>426</td>
<td>33,146</td>
</tr>
<tr>
<td><strong>Total Provision (D)</strong></td>
<td>(192,016)</td>
<td>(14,929,233)</td>
</tr>
<tr>
<td><strong>Profit/(loss) before taxes (C-D)</strong></td>
<td>199,129</td>
<td>15,482,273</td>
</tr>
<tr>
<td>Current tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax (expense)/income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit after taxation</strong></td>
<td>199,129</td>
<td>15,482,273</td>
</tr>
</tbody>
</table>
# Cash Flow Statement

For the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2013 USD</th>
<th>2013 Taka</th>
<th>2012 USD</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receipts in cash</td>
<td>672,379</td>
<td>52,277,484</td>
<td>237,301</td>
<td>18,948,500</td>
</tr>
<tr>
<td>Interest payments</td>
<td>(373,818)</td>
<td>(29,064,325)</td>
<td>(108,732)</td>
<td>(8,682,244)</td>
</tr>
<tr>
<td>Dividend receipts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fee and commission receipts</td>
<td>68,666</td>
<td>5,338,764</td>
<td>52,229</td>
<td>4,170,444</td>
</tr>
<tr>
<td>Cash payments to employees</td>
<td>-</td>
<td>-</td>
<td>(13,644)</td>
<td>(1,089,482)</td>
</tr>
<tr>
<td>Cash payments to suppliers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income Taxes paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receipts from other operating activities</td>
<td>23,917</td>
<td>1,859,583</td>
<td>11,664</td>
<td>931,369</td>
</tr>
<tr>
<td>Payment for other operating activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>391,145</td>
<td>30,411,506</td>
<td>178,818</td>
<td>14,278,587</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase/(decrease) in operating assets and liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td>(19,326,005)</td>
<td>(1,502,596,897)</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowing from other banking companies, agencies etc.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits from banks</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>(411,591)</td>
<td>(32,001,178)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>14,346,451</td>
<td>1,115,436,570</td>
</tr>
<tr>
<td><strong>Net cash flows from investing activities</strong></td>
<td>(5,000,000)</td>
<td>(388,750,000)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash flows from financial activities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents (A+B+C)</strong></td>
<td>(5,000,000)</td>
<td>(388,750,000)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>-</td>
<td>(10,499,500)</td>
</tr>
<tr>
<td><strong>Opening cash and cash equivalents</strong></td>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
<tr>
<td><strong>Closing cash and cash equivalents (D+E)</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Operating profit before changes in current assets and liabilities

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>391,145</td>
<td>30,411,506</td>
</tr>
<tr>
<td>178,818</td>
<td>14,278,587</td>
</tr>
</tbody>
</table>

## Effect of exchange rate changes on cash and cash equivalents

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Opening cash and cash equivalents

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
</tbody>
</table>

## Closing cash and cash equivalents

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
</tbody>
</table>
1.1 Status of the units

Off-Shore Banking Unit is a separate business unit of ONE Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-Shore Banking Unit permission vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated 26 May 2010. The Bank commenced the operation of its Off-Shore Banking Unit from 12 December 2010. At present, the Bank has 2 (Two) units one in Dhaka and another in Chittagong.

1.1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its Off-Shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgements

The preparation of financial statements 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.

1.2.3 Foreign currency transaction

a) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

Commitments for outstanding forward foreign exchange contracts disclosed in these financial statements are translated at contracted rates. Contingent liabilities / commitments for letter of credit and letter of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance date.

1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from 01 January 2013 to 31 December 2013.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit management for its short-term commitments.
1.3.2 Loans and advances / investments

a) Loans and advances of Off-Shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

1.3.3 Fixed assets and depreciation

a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

<table>
<thead>
<tr>
<th>Category of fixed assets</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>10%</td>
</tr>
<tr>
<td>Office equipment</td>
<td>18%</td>
</tr>
<tr>
<td>Vehicle</td>
<td>20%</td>
</tr>
</tbody>
</table>

c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

1.4 Basis for valuation of liabilities and provisions

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.5 Revenue recognition

1.5.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

1.5.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

1.5.3 Interest paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2 General

a) Items included in the financial statements of the Unit are measured using the currency of primary economic environment in which the entity operates (functional currency). These financial statements are presented in US Dollar (USD) and Taka, where US Dollar is the functional currency and US Dollar (USD) and Taka are the Unit's presentation currency.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US$1 = Taka 77.75 (average rate as at 31 December 2013).
### Notes to the Financial Statements

#### 3 Balance with other Banks and Financial Institutions

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Bangladesh</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outside Bangladesh (note-3.1)</td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
</tbody>
</table>

#### 3.1 Outside Bangladesh (Nostro accounts)

**Current account**
- Citibank N.A., New York, USA

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>5,000,000</td>
<td>399,249,500</td>
</tr>
</tbody>
</table>

#### 4 Loans and advances

**i) Loans, cash credits, overdrafts, etc.**
- Loan (General)
  - 20,320,457 1,579,915,531 - -
- Cash Credit
  - - - -
- Overdraft
  - - - -
- Loan against Trust Receipt
  - 318,290 24,747,051 907,508 72,464,407

**ii) Bills purchased and discounted**
- Inland bills purchased - - - -
- Foreign bills purchased and discounted
  - 1,715,498 133,380,007 2,120,733 169,340,287

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,638,747</td>
<td>1,604,662,582</td>
<td>907,508</td>
<td>72,464,407</td>
</tr>
</tbody>
</table>

#### 5 Deposits and other accounts

**Current deposits**
- 4,551 387,396 240,213 19,180,953
- Foreign currency deposits - - - -
- Security deposits receipts - - - -
- Sundry deposits
  - 320,200 24,895,533 496,129 39,615,852

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>324,751</td>
<td>25,282,929</td>
<td>736,342</td>
<td>58,796,805</td>
</tr>
</tbody>
</table>

#### 6 Other liabilities

**Due to Head Office**
- 21,590,458 1,678,624,592 7,059,508 563,701,029
- General Provision (Unclassified Loan) 1%
  - 239,907 18,652,795 46,632 3,723,562

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21,830,366</td>
<td>1,697,277,387</td>
<td>7,106,140</td>
<td>567,424,591</td>
</tr>
</tbody>
</table>

#### 7 Contingent liabilities

**Letters of credits**
- Letters of credits - - - -
- Acceptance and endorsements
  - 1,636,488 127,236,938 1,634,962 130,551,523
- Back to Back letter of credit - - - -

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,636,488</td>
<td>127,236,938</td>
<td>1,634,962</td>
<td>130,551,523</td>
</tr>
</tbody>
</table>

**Interest on loans and advances**
- 672,379 52,277,484 237,301 18,948,500

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>672,379</td>
<td>52,277,484</td>
<td>237,301</td>
<td>18,948,500</td>
</tr>
</tbody>
</table>

#### 8 Interest income

**LTR loan**
- 32,092 2,495,186 100,617 8,034,297
- Foreign Documentary bills purchased
  - 135,300 10,519,563 136,684 10,914,204
- Short Term Loan
  - 504,987 39,262,735 - -
- Others - - - -

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>807,666</td>
<td>5,338,764</td>
<td>42,360</td>
<td>3,382,416</td>
</tr>
</tbody>
</table>

**Interest on deposits, borrowings,**
- Interest paid to HO
  - 373,818 29,064,325 108,732 8,682,244

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>373,818</td>
<td>29,064,325</td>
<td>108,732</td>
<td>8,682,244</td>
</tr>
</tbody>
</table>

#### 10 Commission, exchange and brokerage

**Commission on L/Cs**
- 25,364 1,972,044 18,068 1,442,745
- Commission on Acceptance
  - 27,535 2,140,835 11,089 885,461
- Other commission
  - 15,767 1,225,885 13,202 1,054,210

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68,666</td>
<td>5,338,764</td>
<td>42,360</td>
<td>3,382,416</td>
</tr>
</tbody>
</table>

#### 11 Other operating income

<table>
<thead>
<tr>
<th></th>
<th>USD</th>
<th>Taka</th>
<th>USD</th>
<th>Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23,917</td>
<td>1,859,583</td>
<td>21,533</td>
<td>1,719,398</td>
</tr>
</tbody>
</table>

#### 12 Salaries and allowances
- 13,644 1,089,482
ONE Securities Limited was incorporated on May 4, 2011 with an Authorised Capital of Tk. 400 crore as a Subsidiary Company of ONE Bank Limited. Paid up Capital of the company is Tk. 146.36 crore. The objective of formation of such company is to actively participate in the Capital Market Operations of Stock Broking and Stock Dealing.
We have audited the accompanying financial statements of ONE Securities Limited (OSL) which comprise the statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-18 to the financial statements.

Management’s Responsibility for the Financial Statements
Management of OSL is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 risks 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 opinion.

Opinion
In our opinion, financial statements which have been prepared in accordance with Bangladesh Financial Reporting Standards give a true and fair view of the state of affairs of the company as at 31 December 2013 and of its financial performance and cash flows for the year then ended and comply with applicable laws and regulations.

Report on Other Legal and Regulatory Requirements
We also report that:

(a) We have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

(b) 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

(c) The Company’s financial position and financial performance dealt with by the report are in agreement with the books of account.

Dated, Dhaka
24 March 2014

ACNABIN
Chartered Accountants
# Statement of Financial Position

**as at 31 December 2013**

## SOURCE OF FUND

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Shareholders' Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid-up Capital</td>
<td>1,463,636,300</td>
<td>1,463,636,300</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(183,441,658)</td>
<td>(111,988,871)</td>
</tr>
<tr>
<td><strong>Total Source of fund</strong></td>
<td><strong>1,280,194,642</strong></td>
<td><strong>1,351,647,429</strong></td>
</tr>
</tbody>
</table>

## APPLICATION OF FUND

### Non Current Assets (A)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Membership at cost</td>
<td>-</td>
<td>600,200,000</td>
</tr>
<tr>
<td>Investment in DSE and CSE Shares</td>
<td>600,200,000</td>
<td>-</td>
</tr>
<tr>
<td>Preliminary expenses</td>
<td>872,894</td>
<td>1,309,342</td>
</tr>
<tr>
<td>Other Assets</td>
<td>200,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td><strong>601,272,894</strong></td>
<td><strong>601,509,342</strong></td>
</tr>
</tbody>
</table>

### Current Assets (B)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Advance deposit and prepayments</td>
<td>725,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Advance income tax paid</td>
<td>2,735,392</td>
<td>2,708,127</td>
</tr>
<tr>
<td>Investment in Shares</td>
<td>1,199,560,500</td>
<td>1,199,560,500</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>4,627,862</td>
<td>8,974,031</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>1,207,648,754</strong></td>
<td><strong>1,211,267,658</strong></td>
</tr>
</tbody>
</table>

### Current Liabilities (C)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td>Short Term Borrowing</td>
<td>403,653,372</td>
<td>347,453,129</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>113,648,655</td>
<td>103,647,292</td>
</tr>
<tr>
<td>Audit Fee Payable</td>
<td>25,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Other payable</td>
<td>11,399,979</td>
<td>10,009,150</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>528,727,006</strong></td>
<td><strong>461,129,571</strong></td>
</tr>
</tbody>
</table>

### Net Current Assets (D=B-C)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>678,921,747</td>
<td>750,138,087</td>
</tr>
</tbody>
</table>

### Total Application of Fund (A+D)

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td></td>
<td><strong>1,280,194,642</strong></td>
<td><strong>1,351,647,429</strong></td>
</tr>
</tbody>
</table>

The annexed notes 1-18 form an integral part of the financial statements.

**A.S.M. Salahuddin**  
Director

**Syed Nurul Amin**  
Director

**Zahur Ullah**  
Chairman

See annexed auditor's report to the Shareholders of the date.

Dhaka: 24 March 2014
ONE Securities Limited  
Statement of Comprehensive Income  
for the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Notes</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Taka</td>
<td>Taka</td>
</tr>
<tr>
<td><strong>Operating Income (A)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Bank Deposit</td>
<td>272,645</td>
<td>535,351</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>272,645</td>
<td>535,351</td>
</tr>
<tr>
<td><strong>Operating Expenses (B)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid on Time Loan</td>
<td>59,739,395</td>
<td>13,753,129</td>
</tr>
<tr>
<td>Bank charges</td>
<td>1,798</td>
<td>8,574</td>
</tr>
<tr>
<td>Salary &amp; Allowances</td>
<td>1,362,129</td>
<td>-</td>
</tr>
<tr>
<td>Audit Fees</td>
<td>25,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Professional fees</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Amortization of preliminary expenses</td>
<td>436,447</td>
<td>436,447</td>
</tr>
<tr>
<td>Printing &amp; Stationary</td>
<td>2,615</td>
<td>6,250</td>
</tr>
<tr>
<td>Advertisement expenses</td>
<td>-</td>
<td>123,436</td>
</tr>
<tr>
<td>Fees and other expenses</td>
<td>142,505</td>
<td>1,575,005</td>
</tr>
<tr>
<td>Others</td>
<td>14,180</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61,724,069</td>
<td>15,955,842</td>
</tr>
<tr>
<td><strong>Net profit before provision and tax (A-B)</strong></td>
<td>(61,451,424)</td>
<td>(15,420,491)</td>
</tr>
<tr>
<td>Provision for diminution in value of share</td>
<td>10,000,000</td>
<td>(80,240,700)</td>
</tr>
<tr>
<td>Provision for income tax</td>
<td>1,363</td>
<td>2,700</td>
</tr>
<tr>
<td><strong>Net profit/(Loss) after provision</strong></td>
<td>(71,452,787)</td>
<td>64,817,510</td>
</tr>
<tr>
<td>Retained surplus brought forward</td>
<td>(111,988,871)</td>
<td>(176,806,380)</td>
</tr>
<tr>
<td><strong>Retained surplus carried forward</strong></td>
<td>(183,441,658)</td>
<td>(111,988,871)</td>
</tr>
<tr>
<td><strong>Earning per Share</strong></td>
<td>(4.88)</td>
<td>4.43</td>
</tr>
</tbody>
</table>

The annexed notes 1-18 form an integral part of the financial statements.

A.S.M. Salahuddin  
Director

Syed Nurul Amin  
Director

Zahur Ullah  
Chairman

See annexed auditor's report to the Shareholders of the date

Dhaka: 24 March 2014

ACNABIN  
Chartered Accountants
ONE Securities Limited  
Statement of Cash Flows  
for the year ended 31 December 2013

<table>
<thead>
<tr>
<th></th>
<th>2013 Taka</th>
<th>2012 Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Receipts in cash</td>
<td>272,645</td>
<td>535,351</td>
</tr>
<tr>
<td>Interest Payments</td>
<td>(54,839,151)</td>
<td>-</td>
</tr>
<tr>
<td>Income Taxes paid</td>
<td>(27,265)</td>
<td>(1,711,918)</td>
</tr>
<tr>
<td>Advance Deposit and Prepayment</td>
<td>(700,000)</td>
<td>(25,000)</td>
</tr>
<tr>
<td>Payment as Security Deposit</td>
<td>(200,000)</td>
<td>-</td>
</tr>
<tr>
<td>Other Payable</td>
<td>(9,150)</td>
<td>-</td>
</tr>
<tr>
<td>Payment to employees</td>
<td>(9,250)</td>
<td>-</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(133,998)</td>
<td>(1,758,016)</td>
</tr>
<tr>
<td><strong>A) Net Cash used in Operating Activities</strong></td>
<td>(55,646,169)</td>
<td>(2,959,583)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities** |           |           |
| Payments for purchase of securities | -         | (22,000,000) |
| Membership at cost                  | -         | (320,200,000) |
| Preliminary expenses                | -         | -         |
| **B) Net Cash used in Investing Activities** | -         | (342,200,000) |

| **Cash Flows from Financing Activities** |           |           |
| Receipts from issue of shares       | -         | -         |
| Short term borrowing                | 51,300,000 | 343,700,000 |
| **C) Net Cash from Financing Activities** | 51,300,000 | 343,700,000 |

| D) Net increase/ (decrease) in cash and cash equivalent (A+B+C) | (4,346,169) | (1,459,583) |
| Opening Cash and cash equivalents  | 8,974,031   | 10,433,614   |
| **Closing cash and cash equivalents** | 4,627,862   | 8,974,031    |

The annexed notes 1-18 form an integral part of the financial statements.

A.S.M. Salahuddin  
Director  
Syed Nurul Amin  
Director  
Zahur Ullah  
Chairman

Dhaka: 24 March 2014
ONE Securities Limited
Statement of Changes in Equity
for the year ended 31 December 2013

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Paid-up Capital</th>
<th>Retained Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as on January 01, 2013</td>
<td>1,463,636,300</td>
<td>(111,988,871)</td>
<td>1,351,647,429</td>
</tr>
<tr>
<td>Net profit / (loss) during the period</td>
<td>-</td>
<td>(71,452,787)</td>
<td>(71,452,787)</td>
</tr>
<tr>
<td>Balance as on December 31, 2013</td>
<td>1,463,636,300</td>
<td>(183,441,658)</td>
<td>1,280,194,642</td>
</tr>
<tr>
<td>Balance as on December 31, 2012</td>
<td>1,463,636,300</td>
<td>(111,988,871)</td>
<td>1,351,647,429</td>
</tr>
</tbody>
</table>

The annexed notes 1-18 form an integral part of the financial statements.

A.S.M. Salahuddin  
Director

Syed Nusrul Amin  
Director

Zahur Ullah Amin  
Chairman

Dhaka: 24 March 2014
1 Status of the Company

1.1 Legal Form of the Company
ONE Securities Limited (OSL) was incorporated on the May 04, 2011 under the Companies Act (Act XVIII) of 1994 as a Private company limited by shares. It is a subsidiary company of ONE Bank Limited. The Registered Office of the Company is situated at 2/F HRC Bhaban, 46 Kawran Bazar Commercial Area Dhaka-1215, Bangladesh.

1.2 Nature of Business Activities:
The principal activities of the company are to sell and deal in shares, stocks, debentures and other securities and undertake all the functions of a Stock Exchange member.

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of Accounting:
These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of the Stock Exchanges and other laws and rules applicable to securities company.

2.2 Statement of Cash flow
Statement of cash flows is prepared in accordance with the Bangladesh Accounting Standard-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method.

2.3 Fixed assets and depreciation
a) All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.

<table>
<thead>
<tr>
<th>Category of Fixed Assets</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and Fixtures</td>
<td>10%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>18%</td>
</tr>
<tr>
<td>Vehicle</td>
<td>20%</td>
</tr>
</tbody>
</table>

c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

2.4 Investment in Membership
Investment in memberships is stated at cost. The cost of acquisition of a membership comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of stamp duty and non-refundable taxes, etc. This year Investment in Membership at cost has been restated as Investment in DSE and CSE Shares.

2.5 Investment in securities
Investment in marketable and non-marketable ordinary shares has been shown at cost. Provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.6 Preliminary and pre-operating expenses
These are recognized as an asset if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably. These are amortised over 5 years.

2.7 Cash and cash equivalents
Cash and cash equivalents include notes and coins in hand, unrestricted balances held with banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the company management for its short-term commitments.

2.8 Provision for taxation
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying required rate.

2.9 Interest paid and other expenses
In terms of the provision of BAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.10 Share capital
Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.11 Reporting period
These financial statements cover period from January 01, 2013 to December 31, 2013.

2.12 Reporting Currency
The amount shown in these financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

2.13 Related party transaction
Related party transaction is a transfer of resources, services or obligation between related parties and here the related party transactions are the loan taken from ONE Bank Limited and a payable amounting to Tk.11,288,213 to ONE Bank Limited.

2.14 Directors' responsibility on Financial Statements
The board of directors of the company is responsible for the preparation and presentation of these Financial Statements.

2.15 Events after reporting period
All known material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements, where necessary up to the date of preparation of Financial Statements as per BSA-10 "Events After the Reporting Period".

2.16 Earnings per Share
Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December 31, 2013 as per BAS-33 "Earnings Per Share".

2.17 General
Previous year figures have been rearranged wherever considered necessary to conform to current years presentation.
3 Share Capital

3.1 Authorized Capital

4,00,00,000 Ordinary Shares of Taka 100/- each.

\[
\begin{array}{|c|c|}
\hline
\text{Taka} & \text{Taka} \\
4,00,00,000 & 4,00,00,000 \\
\hline
\end{array}
\]

3.2 Issued, Subscribed and Paid-up Capital

1,46,36,363 ordinary shares of Taka 100/- each fully paid.

\[
\begin{array}{|c|c|}
\hline
\text{Taka} & \text{Taka} \\
1,463,636,300 & 1,463,636,300 \\
\hline
\end{array}
\]

3.3 Shareholding position of the company

<table>
<thead>
<tr>
<th>Name of Shareholders</th>
<th>Number of Shares</th>
<th>Amount in Taka</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONE Bank Limited</td>
<td>14,490,000</td>
<td>1,449,000,000</td>
</tr>
<tr>
<td>NTC Housing Limited</td>
<td>146,363</td>
<td>14,636,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,636,363</strong></td>
<td><strong>1,463,636,300</strong></td>
</tr>
</tbody>
</table>

4 Membership at cost

Purchase of DSE Membership 320,200,000
Purchase of CSE Membership 280,000,000
Total 600,200,000

The comparative figure of 2012 represents the amount paid for purchasing memberships of Dhaka Stock Exchange Limited (DSE) and of Chittagong Stock Exchange Limited (CSE) including stamp duty for transferring shares. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares and a Trading Right Entitlement Certificate (TREC), and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares and a Trading Right Entitlement Certificate (TREC) in favor of the company against the membership of DSE and CSE respectively.

Out of the above, DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares at face value of Tk.10.00 each directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013.

The total allotted shares are shown at cost under the head “Investment in DSE and CSE Shares” (Note# 5). As the TREC is not a commonly tradable instrument and no purchase/ sale transaction has yet occured after demutualization, no value has been assigned to, and recorded against, these two TRECs.

5 Investment in DSE and CSE Shares

| Shares in DSE * | 320,200,000 |
| Shares in CSE * | 280,000,000 |
| **Total**       | **600,200,000** |

* This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the membership of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for shares DSE and CSE, we have shown the value at original cost of our investment.

6 Investment in Shares

| The City Bank Limited 697,520,500 | 697,520,500 |
| Lanka Bangla Finance Limited 502,040,000 | 502,040,000 |
| **Total cost price** 1,199,560,500 | 1,199,560,500 |

6.1 Comparison between cost and market price of Shares as on December 31, 2013

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Number of shares</th>
<th>Market price</th>
<th>Market Value at 31-12-2013</th>
<th>Cost per unit</th>
<th>Cost</th>
<th>Surplus/ (Deficiency)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lankabanga Finance Ltd</td>
<td>5,566,000</td>
<td>66.50</td>
<td>370,139,000</td>
<td>90.20</td>
<td>502,040,000</td>
<td>(131,901,000)</td>
</tr>
<tr>
<td>City Bank Ltd</td>
<td>16,256,625</td>
<td>20.20</td>
<td>328,383,825</td>
<td>42.91</td>
<td>697,520,500</td>
<td>(369,136,675)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>698,522,825</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,199,560,500</strong></td>
<td>(501,037,675)</td>
</tr>
</tbody>
</table>
## Notes to the Financial Statements

### 7 Preliminary expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSE Tender Schedule Purchase</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>SEC Capital Raising Consent Application</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>SEC Capital Raising Formal Approval Fee</td>
<td>332,751</td>
<td>332,751</td>
</tr>
<tr>
<td>RJSC Registration Fee</td>
<td>1,814,485</td>
<td>1,814,485</td>
</tr>
<tr>
<td>RJSC Legal Fee</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Less: Accumulated Amortised</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>872,895</td>
<td>436,447</td>
</tr>
<tr>
<td>During the year</td>
<td>436,447</td>
<td>436,447</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1,309,342</td>
<td>872,894</td>
</tr>
<tr>
<td><strong>Total Preliminary expenses</strong></td>
<td>2,182,236</td>
<td>2,182,236</td>
</tr>
</tbody>
</table>

### 8 Other asset

- Security Deposit to CDBL for depositary participant: 200,000

### 9 Advance deposit and prepayment

- Amount paid to Chittagong Stock Exchange as deposit for clearing house: 25,000
- Advance payment of Software installation for Back Office: 700,000

**Total Advance deposit and prepayment:** 725,000

### 10 Advance income tax

- Opening balance: 2,708,127
- Advance Income Tax U/S-74: 996,209
- Tax deducted at source: 27,265

**Closing balance:** 2,735,392

### 11 Cash at Bank

- ONE Bank Limited, Kawran Bazar Branch: 4,627,862

**Total Cash at Bank:** 4,627,862

### 12 Short Term Borrowing

- Time loan from ONE Bank Ltd: 403,653,372

**Total Short Term Borrowing:** 403,653,372

*The above Time loan was taken from ONE Bank Ltd, Kawran Bazar Branch bearing interest @ 15.50% per annum of quarterly basis vide reference no. OBL/KBB/CREDIT/058/2012 dated 07 October 2012 and OBL/KBB/CREDIT/058/ AD-1/2013 dated 10 October 2013.*

### 13 Other liabilities

- Provision for diminution in value of investment in shares (note-13.1): 110,990,000

**Total Other liabilities:** 113,648,655

#### 13.1 Provision for diminution in value of investment in shares

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>100,990,000</td>
<td>181,230,700</td>
</tr>
<tr>
<td>Provision for the year</td>
<td>10,000,000</td>
<td>(80,240,700)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>110,990,000</td>
<td>100,990,000</td>
</tr>
</tbody>
</table>

As per BSEC instruction circular reference # SEC/CMRRCD/2009-193/155 dated December 09, 2013, ONE Securities Limited has the option to maintain 20% of total unrealized loss arising from diminution in value of investments as provision as at December 31, 2013. The total unrealized loss amounted to Tk. 501,037,675 whereas the required 20% provision amounts to Tk.100,207,535 as per the above instruction. We have maintained provision amounting to Tk. 110,990,000 which is 22% of total unrealized loss arising from diminution in value of investments as at December 31, 2013. The instruction prohibits payment of cash dividend if the company makes less than 100% provision on such unrealized loss.

#### 13.2 Provision for Income Tax

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>2,657,292</td>
<td>2,654,592</td>
</tr>
<tr>
<td>Provision for the year</td>
<td>1,363</td>
<td>2,700</td>
</tr>
<tr>
<td>Closing balance</td>
<td>2,658,655</td>
<td>2,657,292</td>
</tr>
</tbody>
</table>

*Net loss before provision and tax for the year ended 31 December, 2013 is Tk. 61,451,424, So the company will not be required to make provision against tax. But as per Income Tax Ordinance 1984 under Section 16CCC minimum tax @ 0.50% on the gross receipts is required to pay. Accordingly we have made a provision of Tk.1,363 on the gross receipts of Tk. 272,645.*
### Notes to the Financial Statements

#### 14 Audit Fee

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Charge during the year</td>
<td>25,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Paid during the year</td>
<td>(20,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>25,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

#### 15 Other Payable

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to ONE Bank Ltd.</td>
<td>11,288,213</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Tax on salary and LFA</td>
<td>108,016</td>
<td>-</td>
</tr>
<tr>
<td>VAT on audit fees-2013</td>
<td>3,750</td>
<td>-</td>
</tr>
<tr>
<td>VAT on audit fees-2012</td>
<td>-</td>
<td>3,900</td>
</tr>
<tr>
<td>TDS from Audit fee</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>TDS from Professional Fees</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>TDS from Advertising Firm</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,399,979</strong></td>
<td><strong>10,009,150</strong></td>
</tr>
</tbody>
</table>

#### 16 Salary and Allowances

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary &amp; Allowances</td>
<td>1,217,563</td>
<td>-</td>
</tr>
<tr>
<td>Bonus</td>
<td>144,566</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,362,129</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### 17 Fees and other expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fee (BSEC)</td>
<td>10,000</td>
<td>-</td>
</tr>
<tr>
<td>Documentation fee for Depository Participant (CDBL)</td>
<td>2,500</td>
<td>-</td>
</tr>
<tr>
<td>Authorized representative application fee</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Renewal fee of DP Registration CDBL-DP-393</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Renewal fee of Stock Broker and Dealer Registration</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Govt. Excise Duty</td>
<td>21,000</td>
<td>-</td>
</tr>
<tr>
<td>DSE Membership fee</td>
<td>4,700</td>
<td>-</td>
</tr>
<tr>
<td>CSE Membership Fee</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Trade License Fee</td>
<td>33,305</td>
<td>17,005</td>
</tr>
<tr>
<td>Registration fee for Stock Dealer</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Registration fee for Stock Broker</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Information Networking Service Fee</td>
<td>-</td>
<td>13,000</td>
</tr>
<tr>
<td>DSE Entrance Fee</td>
<td>-</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Membership fee (DSE Members Club)</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142,505.00</strong></td>
<td><strong>1,575,005.00</strong></td>
</tr>
</tbody>
</table>

#### 18 Others

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT on audit fee</td>
<td>6,750</td>
<td>3,000</td>
</tr>
<tr>
<td>Promotional exp</td>
<td>3,580</td>
<td>-</td>
</tr>
<tr>
<td>Non judicial Stamp</td>
<td>3,850</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,180</strong></td>
<td><strong>3,000</strong></td>
</tr>
</tbody>
</table>
PROXY FORM

I/We .................................................................................................................................................................................................................................................

of (Address) ..................................................................................................................................................................................................................................

being a Member(s) of ONE Bank Limited and entitled to vote, hereby appoint Mr./Mrs./Ms/Miss ....................................................................................

..........................................................................................................................................................................................................................................................

................................................................................................................................................................................................................ as my/our Proxy to attend and vote on my/our behalf at the 15th AGM of the Company to be held on Thursday, May 15, 2014 or at any adjournment thereof.

Signed this ........................................... day of ........................................... ,2014.

.........................................................Signature of Proxy

....................................................Signature of Member

Folio / BO No. ...................................................................................................

No. of Shares held ...........................................................................................

Name of Member/ Proxy (In Block Letters) ..................................................................................................................................................................................

Folio / BO No. .................................................................

No. of Shares held ..................................................

Signature of the Member/ Proxy ...................................

Date ..................................................

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank/CDBL), must be deposited at the Registered Office of the Company at least 48 (forty eight) hours before the Meeting. Proxy is invalid if not signed and stamped as explained above.

ATTENDANCE SLIP

I hereby record my attendance at the 15th AGM of the Company being held on Thursday, May 15, 2014 at 11:00 a.m. in the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000

Name of Member/Proxy (In Block Letters) ..................................................................................................................................................................................

Folio / BO No. .................................................................

No. of Shares held ...........................................................................................

Signature of the Member/ Proxy ..........................................

Date ..................................................

N.B: 1. Members attending the Meeting in person or by proxy are requested to complete the Attendance Slip and deposit the same at the registration counter on the day of the Meeting.

2. Please note that AGM can be attended only by the Members or properly constituted Proxy. Therefore, any friend or children accompanying the Members or Proxy cannot be allowed in the Meeting.