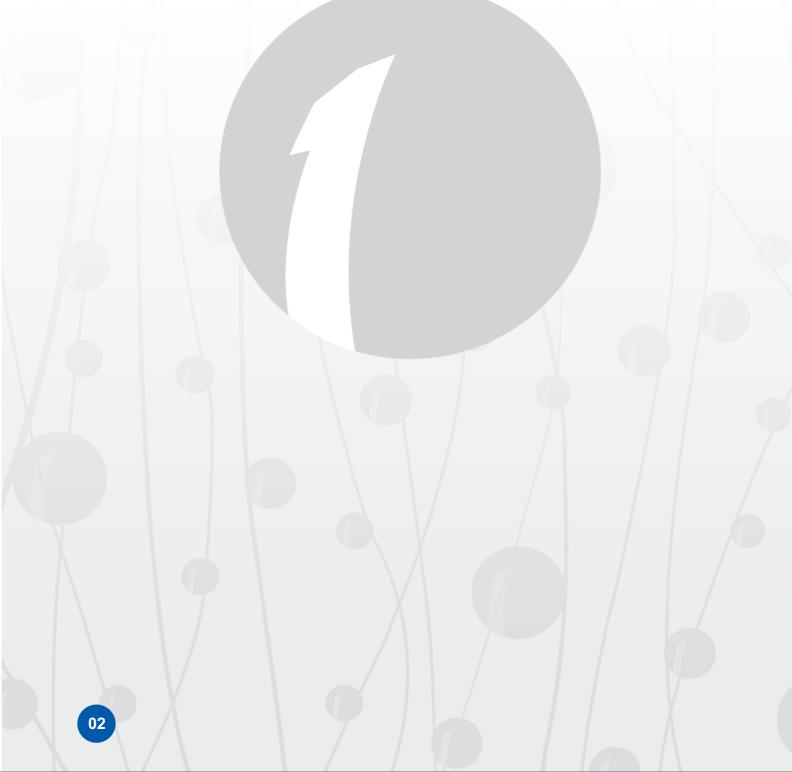


ANNUAL REPORT 2013



...We Make Things Happen





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Corporate

Information

Name of the Company

ONE Bank Limited

Chairman

Mr. Sayeed Hossain Chowdhury

Vice Chairman

Mr. Asoke Das Gupta

Managing Director

Mr. M. Fakhrul Alam

Company Secretary

Mr. John Sarkar

Legal Status

Public Limited Company

Line of Business

Banking

SWIFT

ONEBBDDH

Date of Incorporation

May 12, 1999

Telephone

88 02 9118161

Website

www.onebank.com.bd

Registered Office

2/F HRC Bhaban 46, Kawran Bazar C.A. Dhaka-1215.

Telefax

88 02 9134794







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

> নগদ টাকার দিন শেষ এবার **OK** বাংলাদেশ



Mr. Sayeed H. Chowdhury

Chairmar



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 Business Award (2004)
- Rafiqul Islam Foundation Banking Award (2004) the best Bank Chairman.
- Financial Mirror Export Award (2007)
- Michael Madhusudhan Dutt Award (2007)—for Upliftment of Education and Social Welfare
- Atish Depankar Gold Medal Award (2009)—for outstanding contribution in Commerce and Industry.

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



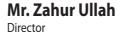






Mr. Asoke Das Gupta Vice Chairman

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. Zahur 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. Zahur Ullah is the Chairman of LL Group and is involved in the buying, manufacturing, and exporting of readymade 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

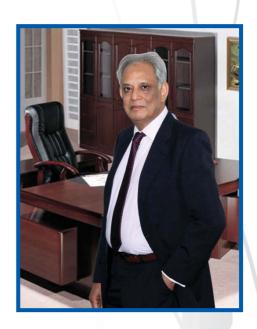
Director

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. M. 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. Rafiqul Islam

Mr. John Sarkar

Mr. Mahmudul Khalegue

Mr. Shabbir Ahmed

Mr. Md. Aftab Uddin Khan

Mr. Md. Fazlur Rahman Chowdhury

Executive Vice President

Mr Adil Raihan

Mr. Shafiuzzaman

Mr. Noor Mohammed

Legal Retainer

Barrister Shafiqul Kabir Khan

Senior Vice President

Mr. Md. Mostaque Hossain

Mr. Md. Rafiqul Islam

Mr. M. Ahsan Habib

Mr. Asif Mahmud Khan

Mr. S. M. Hafizur Rahman

Mr. Md. Monzurul Alam Chowdhury

Mr. Shibly Nasimul Hug

Mr. Amirul Islam

Mr. Mirza Ashraf Ahmad

Mr. Md. Abu Saleh

Mr. Md. Fazle Rahman Chowdhury

Mr. Ashraf Uddin Chowdhury

Mr. Md. Mazharul Islam Chowdhury

Mr. Md. Nazrul Islam Bhuiyan

Mr. Gazi Yar Mohammed

Mr. Md. Belayet Hossain

Mr. Sadat Ahmad Khan

Vice President

Mr. Iftekhar Uddin Ahmed

Mr. Shahabuddin Ahmed

Mr Moin Uddin Ahmed

Mr. Tarigul Islam

Mr Kazi Md Amzad Hossain

Ms. Shirin Mullick

Mr. Khondaker Abdul Mazid

Mr. Mohammed Mostafa

Mr M Mostak Hossain

Mr. Md. Abdul Quyum

Mr. Kh. Rashed Akhtar Zaman

Mr. Ishtiaq Ahmed

Mr. Md. Bahar Mahmud

Mr. Md. Golam Rabbani

Mr. Md. Zahid-Ul-Islam

Ms Mallika Nabi

Mr. Mohammad Farhad Hossen Khan

Ms. Shaila Yeasmeen Beauty

Ms. Jahanara Begum

Mr. Mohammad Quasem

Mr. Newaz Khalid Ahmed

Mr S M A Moktadir

Mr. Md. Shafiur Rahman Sikder

Mr. Md. Abdur Rab

Mr. Md. Borhan Uddin

Mr. Syed Maruf Ali

Mr. Md. Alauddin

Senior Assistant Vice President

Mr. Nirmalananda Chowdhury

Mr Md Farooque

Mr. Qamrul Chowdhury

Ms. Nasima Ashraf

Mr. Khandaker Liakat Ali

Mr. Taufig Ahmed

Mr. Hahihul Islam

Mr. Kazi Moeenur Rahman Chowdhury

Mr. Mohammad Abdul Azim

Mr. Nitya Narayan Choudhury

Mr. Faisal Adil

Mr. S. M. Showkat Hossain

Mr. Md. Kawsaruzzaman Chowdhury

Mr. Sk. Wahidul Hossain

Mr. Mujtaba Masroor Kazmi

Mr. A. T. M. Shahidullah

Mr. Md. Obavdul Islam

Mr. Mohammad Masrur Majid

Mr. Khaled Mahmud

Mr. Mohd. Masudur Rahman

Mr. Md. Abdul Wadud

Mr. Syed Rezaul Karim Chowdhury

Mr. R. M. Sariful Islam

Mr. Shubir Mitra

Mr. Dilip Pius Rozario

Mr. Mohammad Kabir Hossain

Mr. Hasnain Ahmed

Mr. Kutub Uddin Ahmad

Mr. Ashraful Haq Amin Mr. Md. Nazir Hossain

Mr. Md. Mahedi Hasan

First Assistant Vice President

Mr. Abul Masud Khan Chowdhury

Mr. Moonir Sadiq

Mr. Abdullah Al Mamun Zahangir

Mr. Bimalendu Chowdhury

Mr. Jashim Uddin

Mr. Md. Mominul Haque

Mr. Md. Jashim Uddin Mr Md Aman Ullah

Mr. Md. Rafe Shafquat

Mr Md Zahidul Islam

Mr. Md. Yusuf

Ms. Anjima Begum

Mr. Aminul Islam

Mr. Mohammad Mahfuzul Alim

Mr. Md. Masumul Goni

Ms. Asma Nooriahan

Mr. Md. Nur Un Nobi

Mr. Mahtab Ibna Mannan Sarker

Mr. Mohammad Manzur Mahbub

Mr Md Mohasherul Hague

Mr Md Motaher Hossain

Mr. Md. Oliur Rahman

Mr. Md. Kazi Mohibur Rahman

Mr. Asirul Hague

Md. Azharul Islam Khan

Mr. Md. Zahidul Islam

Mr. Syed Fazle Elahi

Mr. Md. Abir Rahman

Ms. Taniiba Sultana Mr. Md. Muyeed Hasnayen

Assistant Vice President

Mr. Md. Rizwan Ali Khan

Ms. Kazi Fauzia Yasmin

Ms. Rehena Yasmin

Mr. Biplab Banik

Ms. Sultana Jushia

Mr. Md. Sharifur Rahman

Mr. Mohammad Zakir Hossain Mr. Md. Monowar Hossain Khan

Mr. Muhammad Zakir Hussain

Mr. Joarder Alimuzzaman Rabby

Mr. Aksirul Haque Bhuiyan

Mr. Miah Mohammad Mehedi Hasan

Mr. Abu Sayed Md. Abdul Mannaf Mr. Md. Rafigul Islam Bhuiyan

Mr. Md. Rashid Ul Alam

Mr. Mohammad Moyaz Uddin Sharif

Mr. A. S. M. Abu Bokor Siddique

Mr. Md. Shah Alam Mollah

Mr. Md. Faizul Mobin Mr Md Salimullah

Mr Md Shahidur Rahman

Mr Md Kamrul Hassan Mr Md Mahbubur Rahman

Mr. Anisur Rahman Majumder

Ms. Farzana Sultana Ms. Sultana Farah Chowdhury

Mr. Anamul Hoque Mr. Md. Rezaul Karim

Mr. Md. Fazle Mahmud

Mr. Md. Mostafizur Rahman Mr. Md. Shoronul Islam

Mr. Md. Khurshid Khan Ms. Sanzida Ahmed

Mr. Debasish Das

Ms. Sajeda Khatun

Mr. Md. Waliul Islam

Mr. Muhammad Shahidul Islam

Mr. M. M. Rashidul Kabir Chowdhury

Mr. Mohammad Mehboob Ali

Mr. Mehbub Rana

Mr. A. F. Gazi Alauddin Ahmed

Mr. Shahid Emdadul Islam Mr. Md. Tanvir Alam Khan

Mr. Md. Mahbubul Alam

Mr. Md. Ferdous ul Amin Mr. Md. Shahidul Islam

Ms Nilufar Panna

Mr. Khuda Baksh Tawhid

Mr Mohammad Rafi Uddin

Mr S M Shariful Islam

Mr. Jamal Uddin Ahmed

Mr. Shaikh Babul Hossain

Mr. Sved Shahidul Hague Mr. Md. Maksudul Alam

Mr A H M Al-Ahasan Mr. Ahmad Ullah

Mr S M Salahuddin

Mr. Kazi Md. Eleas Kanchan

Mr. Muhammad Mostafigur Rahman

Mr. Mohammed Rafiul Islam Mr. Kazi Mahmudur Rahman

Mr Md Monirul Alam Romel

Mr. Mohammad Munir Chowdhury

Ms. Shimul Jahan

Mr Md Samso Uddin

Mr. Choudhury Maksudul Haq Mr. Mohammad Shafiul Azam

Mr. A.K.K.M. Zahidul Mannan

Ms. Sabrina Khan

Mr. Abu Naser Mohammad Faysal Haider

Mr. Md. Muntasir Wahid

Ms. Laila Nasrin

Mr. Muhammad Shah

Mr. Jamshed Ahmed Chowdhury Mr. Mohammad Fouad Chowdhury

Ms. Romana Jahan

Mr. Fayzur Rahman Khan Mr. Khaled Al Fesani

Mr. Md. Nizam Uddin

Mr Md Salah Uddin Mr. Mohammad Moniruzzaman

Mr. Md. Khorshed Anwar Mr. Syed Azgaar Nabi

Mr. Rashed-Us-Sattar



Registered Office/

Auditors / Legal Advisers

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.

Dhaka March 25, 2014 By order of the Board,

lan Larka

John Sarkar SEVP & Company Secretary

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/CMRRCD/2009-193/154 dated October 24, 2013.



Company Milestones

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

• Launched Bank Led Mobile Financial Services 'OK Banking'

September 5, 2013





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.





ONE Bank Limited Five Years' Financial Highlights

As at 31 December 2013

(Figures in Million Taka)

Sl No	Particulars	2013	2012	2011	2010	2009
1	Authorized Capital	10,000	10,000	4,150	4,150	4,150
2	Paid up Capital	4,767	4,145	3,189	2,057	1,558
3	Statutory Reserve	2,665	2,310	1,898	1,450	914
4	Capital	12,070	8,438	7,700	5,956	3,573
5	Total Deposits	86,568	73,056	57,240	50,734	39,365
6	Total Loans & Advances	76,573	60,216	47,927	42,190	32,533
7	Investment	10,292	9,792	8,128	7,491	6,789
8	Import business handled	74,857	57,686	53,831	51,781	34,442
9	Export business handled	58,711	50,930	45,897	35,432	25,561
10	Guarantee business handled	8,036	11,976	12,941	7,999	5,075
11	Total Income	12,501	10,410	9,170	7,662	5,824
12	Total expenditure	10,041	8,074	6,323	4,641	4,145
13	Net Interest Income	3,048	2,753	1,959	1,862	1,035
14	Operating Profit	2,460	2,335	2,847	3,020	1,679
15	Operating Expenses	2,992	2,284	1,764	1,447	950
16	Profit after Tax & provisions	1,349	1,055	1,449	1,887	727
17	Total Assets	102,691	85,618	67,619	58,736	45,163
18	Number of Correspondents	364	358	346	311	300
19	Number of employees	1,810	1,608	1,472	1,247	1,039
20	Number of Branches	70	64	54	50	39
21	Loan Deposit Ratio	88.45%	82.42%	83.73%	83.16%	82.64%
22	Capital Adequacy Ratio	12.09%	10.46%	11.24%	9.69%	10.90%
23	Tier - 1 (Capital)	8.53%	9.13%	9.22%	7.91%	9.08%
24	Return on Asset	1.43%	1.38%	2.29%	3.63%	1.89%
25	Earnings per Share	2.83	2.21	3.49	5.92	3.53
26	Dividend			\ \		
	Cash	9%	5%	-	-	- /
	Bonus Share	10%	15%	30%	55%	32%
27	Net Asset Value (Book Value/ Shareholders' equity per share)	17.99	17.91	19.86	23.64	19.69

^{*} 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





Chairman's Address

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 overemphasised. 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, Banglalink 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 Natore, 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



CELEBRATING 14 YEARS IN BANKING SERVICES





... your very own internet banking



ONE Bank

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.



Launching Ceremony of ONE Bank Mobile Banking Services





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.



An OBL Financed Paper Mill at Bogra

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 subsectors 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.



An OBL Financed Soft Drinks Factory



nauguration of OBL Card Division

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 nonfood 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 stateowned 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



An OBL Financed Automated Sweaters Manufacturing Factory



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,



An OBL Financed Pipe & Plastic Factory



Signing Ceremony with MRP / MRV for the Online Fee Collection

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.



One of the two OBL Financed Dressers manufactured for supplying to Bangladesh Water Development Board (BWDB)



To expedite our clients' business growth, we provide complete range of solutions to meet Corporate Customers' requirement. Our Corporate Banking solutions include extensive range of products and services backed by modern technologies. Products and services for corporate are Working Capital Finance, Project Finance, Trade Finance, Lease Finance, Syndication Finance, Mezzanine Finance, Off-shore Finance etc.

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.



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,



Inauguration of OBL Hathazari Branch at Chittagong



An OBL Financed Steel Mill

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



Signing ceremony between ONE Bank Limited and Lanka Bangla Finance Ltd.

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.



 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 Hajj 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



An OBL Financed Jute Mill under construction



Inauguration of OBL Jessore Branch at the new premises

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 exports 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 fagend 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.



An OBL Financed Ceramic Factory



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,

ONE Bank

Directors' Report



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

An OBL Financed Textile Mill at Ishwardi EPZ under construction

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.



The branches are located at:

■ Dhaka Zone:

Dilkusha (Principal), Banani, Banasree, Bangshal, Basabo, Dhanmondi, Elephant Road, Gulshan, Imamganj, Jagannathpur (Nadda), Jatrabari, Kakrail, Kawran 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: Chandragani, Chowmuhuni, Dagon Bhuiyan, Feni, Maijdee Court, Raipur, Ramgani, Mandari Bazar Comilla: Comilla, Laksam, Brahman Baria: 29 branches

- Khulna Zone: Khulna, Jessore, Satkhira, Kushtia: 4 branches
- Rajshahi Zone: Rajshahi, Bogra, Shahjadpur, Sirajgonj: 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, Chandragani, Dagon Bhuiyan, Raipur, Ramgani, 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



An OBL Financed IPP Project in Progress



of OBL Parbatipur

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.



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



OBL Financed Salt extraction Project



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:



- Board Audit Committee headed by an independent director is responsible for overall risk governance of the Bank.
- Bank Risk Management Committee (BRMC) is the apex forum that consists of Senior Management.
- ALCO, RMD, Investment Committee and other risk committees.

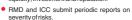




 Risk Management Policies and Procedures for major risk areas like Credit, Market, Operation and Investment are in place and reviewed periodically.











Bank has independent audit and compliance functions.



An OBL Financed Manufactured Ship

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:

Risk Management Division: Risk Management Division of OBL monitors bank wide risk exposure. It prepares Risk Management Paper on monthly basis and Stress Testing Report on quarterly basis and submits it to Bank Risk Management Committee (BRMC).

ONE Bank LIMITED ...We Make Thinas Harpeen

Directors' Report



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 quidance from the Board.

Credit Risk Management

Credit Risk is 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-payment of capital and/or interest within the agreed period, at the agreed rate of interest and in the agreed currency due to

An OBL Financed Re-rolling Mill

unwillingness of the counter party 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 quarantees.

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





OBL Basel II Committee

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 Subdelegation 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



An OBL Financed Super Petrochemical Project

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



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 customerdriven 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



OBL Integrity Committee (IC)



JBL Loan Review Commit

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 frame work 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



Inauguration of OBL Cox's Bazar ATM Booth



A partial view of the Annual Mezban by OBL at Chittagong

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



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



Signing of the 2013 Financial Statements



Inauguration of OBL Khulna ATM Bo

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.



An OBL Financed Spinning Mill under construction



Signing Ceremony with the Registrar of Joint Stock Companies & Firms (RJSC)

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.





A partial view of Milad Mahfil on the Occasion of Opening of OBL Tipu Sultan Road Branch. Dhak

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.



OBL's Chairman Mr. Sayeed H. Chowdhury handing over warm clothes to a destitute in Noakhali region

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



OBL Risk Management Committee (RMC)



Signing Ceremony with Dhaka Power Distribution Company Limited (DPDC) for Online Fee Collection

- 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: **NiI**

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



Chowdhury, Chairman of ONE Bank Limited is one of the owners of M/s. HRC Bangladesh Limited.

- 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



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



Signing Ceremony with e-GP portal between Central Procurement Technical Unit (CPTU), IMED, Ministry of Planning and ONE Bank Limited

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/CMRRCD/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;



An OBL Financed Fishing Vessel





OBL's Vice Chairman Mr. Asoke Das Gupta handing over a Cheque to the Honourable Prime Minister Sheikh Hasina towards Prime Minister's Relief Fund for the victims of Savar tragedy

- 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.



Five years Financial Highlights as at December 31, 2013

(Figures in Million Taka)

SI					, ,	,
No	Particulars	2013	2012	2011	2010	2009
1	Authorized Capital	10,000	10,000	4,150	4,150	4,150
2	Paid up Capital	4,767	4,145	3,189	2,057	1,558
3	Statutory Reserve	2,665	2,310	1,898	1,450	914
4	Capital	12,070	8,438	7,700	5,956	3,573
5	Total Deposits	86,568	73,056	57,240	50,734	39,365
6	Total Loans & Advances	76,573	60,216	47,927	42,190	32,533
7	Investment	10,292	9,792	8,128	7,491	6,789
8	Import business handled	74,857	57,686	53,831	51,781	34,442
9	Export business handled	58,711	50,930	45,897	35,432	25,561
10	Guarantee business handled	8,036	11,976	12,941	7,999	5,075
11	Total Income	12,501	10,410	9,170	7,662	5,824
12	Total expenditure	10,041	8,074	6,323	4,641	4,145
13	Net Interest Income	3,048	2,753	1,959	1,862	1,035
14	Operating Profit	2,460	2,335	2,847	3,020	1,679
15	Operating Expenses	2,992	2,284	1,764	1,447	950
16	Profit after Tax & provisions	1,349	1,055	1,449	1,887	727
17	Total Assets	102,691	85,618	67,619	58,736	45,163
18	Number of Correspondents	364	358	346	311	300
19	Number of employees	1,810	1,608	1,472	1,247	1,039
20	Number of Branches	70	64	54	50	39
21	Loan Deposit Ratio	88.45%	82.42%	83.73%	83.16%	82.64%
22	Capital Adequecy Ratio	12.09%	10.46%	11.24%	9.69%	10.90%
23	Tier - 1 (Capital)	8.53%	9.13%	9.22%	7.91%	9.08%
24	Return on Asset	1.43%	1.38%	2.29%	3.63%	1.89%
25	Earnings per Share	2.83	2.21	3.49	5.92	3.53
26	Dividend					
	Cash	9%	5%	-	-	-
	Bonus Share	10%	15%	30%	55%	32%
27	Net Asset Value (Book value/ Shareholders' equity per share)	17.99	17.91	19.86	23.64	19.69

^{*} 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

		Meetings						
SL	Name of Directors	В	oard	E	CC	Audit C	ommittee	Remarks
		Held	Attended	Held	Attended	Held	Attended	
1	Mr. Sayeed H. Chowdhury	17	16	11	11	-	-	Continuing
2	Mr. Asoke Das Gupta	17	16	11	10	-	-	Continuing
3	Mr. Zahur Ullah	17	14	11	11	-	-	Continuing
4	Mr. A. S. M. Shahidullah Khan	17	17	-	-	5	4	Continuing
5	Mr. Kazi Rukunuddin Ahmed	17	15	-	-	-	-	Continuing
6	Mr. Shawket Jaman	17	17	-	-	5	5	Continuing
7	Mr. Salahuddin Ahmed	17	12	-	-	-	-	Continuing
8	Mr. Syed Nurul Amin	17	15	11	7	5	5	Continuing
9	Mr. M. Fakhrul Alam	10	10	5	5	3	3	Appointed on July 09, 2013
10	Mr. Farman R Chowdhury	7	7	6	6	2	2	Contract expired on July 09, 2013



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:

SI	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Sayeed Hossain Chowdhury	Chairman	18,890,012	Ms. Farzana Chowdhury	22,492,977
2	Mr. Asoke Das Gupta	Vice Chairman	9,574,751	Ms. Rakhi Das Gupta	1,024,410
3	Mr. Zahur Ullah	Director	14,890,591	Ms. Salma Zahur Lamisa Lamiya	13,698,546 Nil
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing KSC Securities Ltd.	9,534,487	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing Irfan International Ltd.	9,534,507	Mrs. Dilruba Ahmed	Nil
		Director, Representing		Mrs. Shuraya Akther	Nil
6	6 Mr. Shawket Jaman	M. R. Holdings and	9,560,190	Afra Asika	Nil
		Securities Ltd.		Afra Atika	Nil
7	Mr. Salahuddin Ahmed	Depositor Director	Nil	Mrs. Kashefa Ahmed	Nil
8	Mr. Syed Nurul Amin	Independent Director	Nil	Ms. Nurunnahar Begum	Nil
9	Mr. M. Fakhrul Alam	Managing Director	Nil	Mrs. Selina Alam	Nil
				Ms. Josephine Sarkar	Nil
10	Mr. John Sarkar	SEVP & Company Secretary	26,500	Hubert Glen Sarkar	Nil
		,	20,300	Timothy Carol Sarkar	Nil
11	Mr. Md. Aftab Uddin Khan	SEVP & CFO	Nil	Mrs. Sourab Akter Kumkum	Nil
				Mrs. Senora Nashid	Nil
12	Mr. Kutub Uddin Ahmad	Incharge, Internal Audit	Nil	Ahmad Samin Yasar	Nil
12	vir. Kutub Oddin Aninad — Incharge, Internal Audit	1411	Manha Junaira Ahmad	Nil	

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

Sl.	Name	Status	No. of Shares
1	Ms. Johora Bebe	Deputy Managing Director	Nil
2	Mr. Wakar Hasan	Deputy Managing Director	Nil
3	Ms. Rozina Aliya Ahmed	ADMD & Head of Marketing	1,891
4	Mr. M. Rafiqul Islam	SEVP, Legal Affairs & Recovery Division	Nil
5	Mr. Shabbir Ahmed	SEVP & Head of Corp. Asset Marketing (North)	299

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:

SI. No.	Name	Status with The Board	Status with The Committee
01.	Mr. Syed Nurul Amin	Independent Director	Chairman
02.	Mr. A. S. M. Shahidullah Khan	Director	Member
03.	Mr. Shawket Jaman	Director	Member

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.
- 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.
- 7. Management Report on Accounts of the Bank for the year ended on 31.12.12.
- 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.
- 11. Risk Management Procedure of the Bank.
- 12. Reconciliation status of Inter Branch Transactions and Nostro Accounts.
- 13. Status of the Anti Money Laundering activities.
- 14. Tax Management status.
- 15. Progress of Credit Rating Status of OBL and ratings of the clients.
- 16. Capital Adequacy Status.
- 17. Status of Investment in Capital Market and operating performance of ONE Securities Ltd.



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



CORPORATE GOVERNANCE

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 guidlines 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



ONE Bank Limited

Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations For the Year ended January-December'2013

Condition No.			nce Status in the te column)	Remarks (If any)
Security Ex	change Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 20	12		
		Complied	Not Complied	
1 1	Board Size 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	V		
1.2	Independent Director			
1.2 (i)	Independent Director: At least 1/5th		٧	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.)
	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	V		
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		
	An Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	V		
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	V		
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	V		
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)	V		
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 (iii)	Appointment of the Independent Director shall be approved by the shareholders in the Annual General Meeting (AGM)	٧		Appointment of Independent Director Mr. Syed Nurul Amin was approved in the 14 th AGM on June 13, 2013. Approval of appointment of 2nd Independent Director Mr. Salahuddin Ahmed will be placed in the 15 th 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	√		
10(.)	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	V		
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.	V		
1.3	Qualification of Independent Director			
1.3 (i)	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.			



ONE Bank Limited

Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations For the Year ended January-December 2013

Condition No.	on Title		nce Status in the te column)	Remarks (If any)
1.3 (ii)	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 & Management Accountants, Chartered Secretaries. He/she must have at least 12 (twelve) years of	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			Not Applicable
	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.	V		
1.5	Directors Report to Shareholders shall include following additional statements		T	
1.5 (i)	Industry outlook and possible future developments in the industry.	V		1
1.5 (ii)	Segment-wise or product-wise performance.	√		1
1.5 (iii)	Risks and concerns.	1		\ \
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	V		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	V		
(= ()	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	V		
1.5 (viii)	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.			Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
1.5 (x)	Remuneration to Directors including Independent Directors.	V		
1.5 (xi)	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.	V		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	V		
1 = (v:::)	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.	V		
1.5 (xiv)	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.	V		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	V	\	
1.5 (xvi)	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.	V		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	V		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			Not Applicable
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	$\sqrt{}$		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	V		/ \
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	V	\	Λ \
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	V		\
1.5 (xxi) (c)	Executives	V		
4.5.4.3.4.0	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.	V		



ONE Bank Limited

Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations
For the Year ended January-December'2013

	For the Year ended January-December'2013				
Condition			ice Status		
No.	Title	,	in the	Remarks (If any)	
1 = (W ()			te column)		
	A brief resume of the Director;	√			
1.5 (XXII) (b)	Nature of his/her expertise in specific functional areas;	√			
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	$\sqrt{}$			
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)				
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS).	1			
	The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	V			
2.2	Requirement to attend the Board Meetings Attendance of CFO and the company secretary at Board of Directors' meeting	$\sqrt{}$			
3.0	Audit Committee				
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√			
	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.	√			
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	$\sqrt{}$			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	1			
3.1 (ii)	Constitution of Committee with Board members including one Independent Director	1			
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	$\sqrt{}$			
3.1 (iv)	Filing of casual vacancy in committee	1			
3.1 (v)	The company secretary shall act as the secretary of the Committee.	1			
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	$\sqrt{}$			
3.2	Chairman of Audit Committee				
3.2 (i)	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.	V			
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	1			
3.3 (i)	Oversee the financial reporting process.	V			
3.3 (ii)	Monitor choice of accounting policies and principles.	1			
3.3 (iii)	Monitor Internal Control Risk management process.	V			
3.3 (iv)	Oversee hiring and performance of external auditors.	1			
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	V			
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	V			
	Review the adequacy of internal audit function.	√			
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	1			
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√			
	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				
3.3 (x)	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	V			
	those stated in the offer document/prospectus.				
3.4	Reporting of Audit Committee	1			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	V			
1	Reporting of conflict of Interest to the Board of Directors	٧		Such situation did not arise	
3.4.1 (ii) (h)	Reporting of any fraud or irregularity to the Board of Directors	1			
	Reporting of violation of laws to the Board of Directors	1			
	Reporting of any other matter to the Board of Directors	1			
1/ (~/		, ,			



ONE Bank Limited

Bangladesh Securities and Exchange Commission compliance issues- Status and Recommendations

For the Year ended January-December'2013				
Condition No.	Title	(Put ∖	in the te column)	Remarks (If any)
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.	٧		
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.	V		
4.0	External/Statutory Auditors The issuer company should not engage its external / statutory auditors to perform the following services of the company; namely:	V		
4. (i)	Appraisal or valuation services or fairness opinions.	√		
4. (ii)	Financial information systems design and implementation.	1		
4. (iii)	Book-keeping or other services related to the accounting records or financial statements.	1		
4. (iv)	Broker-dealer services.	1		
4. (v)	Actuarial services.	1		
4. (vi)	Internal audit services.	V		
4. (vii)	Any other service that the Audit Committee determines.	V		
4. (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.	V		
5.0	Subsidiary Company			
5 (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.	$\sqrt{}$		
5 (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.	$\sqrt{}$		
5 (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.	√		
5 (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.	$\sqrt{}$		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	V		
6.0	The CEO and CFO shall certify to the Board that			
6 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	$\sqrt{}$		
6 (i) (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.	$\sqrt{}$) X
6 (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.	$\sqrt{}$	T	
7.0	Reporting and Compliance of Corporate Governance			
7. (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.	V		
7. (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.	V		\ \



Declaration of MD/CFO

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

Marray

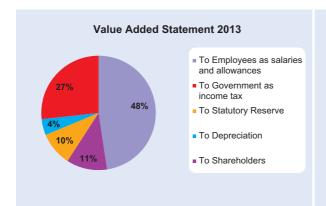
M. Fakhrul Alam Managing Director

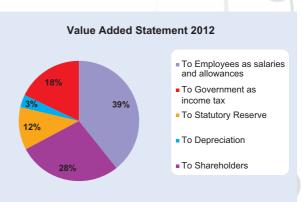


Value Added STATEMENT

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

Particulars	2013 <u>Taka</u>	2012 Taka
Income from banking Service	12,501,067,496	10,418,271,127
Less: Cost of services and supplies	(8,104,692,511)	(6,546,471,990)
	4,396,374,985	3,871,799,137
Loan loss provision and other provisions	(683,109,907)	(274,958,894)
Total Value Added	3,713,265,078	3,596,840,243





	2013 (Taka)	%	2012 (Taka)	%
Distribution of added value				
To Employees as salaries and allowances	1,768,175,154	48%	1,413,023,095	39%
To Government as income tax	427,940,118	11%	1,005,000,000	28%
To Statutory Reserve	355,315,897	10%	412,085,734	12%
To Depreciation	168,510,441	4%	123,388,476	3%
To Shareholders	993,323,468	27%	643,342,938	18%
Total	3,713,265,078	100%	3,596,840,243	100%



Credit Rating Report

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:

Year - 2012 (ECRL)	Year - 2013 (ECRL)	Definition
Long Term:	Long Term:	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.
Short Term: ECRL-2	Short Term: ECRL-2	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.
Date of	Rating	April 23, 2014







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**.





Independent Auditor's Report to the Shareholders of ONE Bank Limited

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

		2013	2012
PROPERTY AND ASSETS	Notes	<u>Taka</u>	<u>Taka</u>
Cash	3 (a)		
Cash in hand (including foreign currencies) Balance with Bangladesh Bank and its agent bank(s)		1,099,408,003	696,450,690
(including foreign currencies)		7,723,234,121	6,873,381,835
	•	8,822,642,124	7,569,832,525
Balance with other banks and financial institutions	4 (a)		
In Bangladesh		1,117,932,445	2,202,700,116
Outside Bangladesh		516,875,249	919,272,647
Money at call an shout notice	-	1,634,807,694	3,121,972,763
Money at call on short notice Investments	5	670,000,000	380,000,000
Government	6 (a)	8,853,247,269	7,862,102,278
Others		3,238,836,864	3,729,545,331
oners	<u> </u>	12,092,084,133	11,591,647,609
Loans and Advances	7 (a)	12,072,001,100	11,001,017,000
Loans, Cash Credit, Overdraft etc.	(4)	72,398,260,508	55,879,114,910
Bills purchased and discounted		3,771,431,210	3,989,561,263
•		76,169,691,718	59,868,676,173
Fixed Assets including premises, furnitures & fixtures	8 (a)	1,205,627,611	1,098,456,133
Other Assets	9 (a)	1,757,311,103	1,709,698,919
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		102,635,950,909	85,624,070,647
LIABILITIES AND CAPITAL			
Liabilities Borrowings from other banks, financial institutions			
and agents	11 (a)	145,066,532	120,367,972
Deposits and other accounts	12 (a)		
Current accounts and other accounts		15,564,521,251	8,470,623,423
Bills payable		1,372,962,253	2,302,009,790
Savings bank deposits		7,012,233,334	5,011,914,509
Term deposits		62,618,626,263	57,271,226,432
Other Liabilities	13 (a)	86,568,343,101 5,315,685,363	73,055,774,154 5,121,682,715
Subordinated -Debt	13 (a) 14	2,200,000,000	5,121,002,715
Subol dinated -Debt	14	2,200,000,000	-
Total Liabilities		94,229,094,996	78,297,824,841
Capital/Shareholders' Equity		, , ,	, , ,
Paid-up Capital	15	4,767,070,020	4,145,278,280
Statutory Reserve	16	2,665,409,979	2,310,094,082
Surplus in Profit and Loss Account		895,565,966	802,036,413
Revaluation Reserve for Securities		66,008,056	55,320,615
Total Shareholders' Equity	•	8,394,054,021	7,312,729,390
Non-Controlling Interest		12,801,891	13,516,416
Total Liabilities and Shareholders' Equity		102,635,950,909	85,624,070,647





ONE Bank Limited and its Subsidiary Consolidated Balance Sheet

As at 31 December 2013

	Notes	2013 <u>Taka</u>	2012 <u>Taka</u>
OFF BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances & Endorsements		18,378,551,803	12,907,241,049
Letters of Guarantee	47	11,358,740,591	8,330,678,563
Irrevocable Letters of Credit		11,663,384,421	10,153,759,783
Bills for Collection		2,782,357,930	1,277,258,448
		44,183,034,745	32,668,937,843
Other Contingent Liabilities Claims lodged with but not recognized by the Bank Other exchange contract Total Contingent Liabilities Other Commitments:	=	44,183,034,745	32,668,937,843
Documentary Credits and short term trade-related to		-	-
Forward assets purchased and forward deposits place		-	-
Undrawn note issuance and revolving underwriting		-	-
Undrawn formal standby facilities, credit lines and	other	-	-
commitments		-	-
Total other commitments			
Total off-Balance Sheet items including contingen	nt		
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

Interest income			2013	2012
Net interest paid on deposits and borrowings etc. 19 (a) (7,049,617,618) (5,789,982,065,58) Net interest income 20 (a) 1,018,659,255 552,388,074 Commission, exchange and brokerage 21 (a) 1,061,004,499 1,016,382,075 Other operating income 22 (a) 323,650,263 297,973,788 Total operating income (A) 5,391,981,330 4,606,380,466 Salaries and allowances 23 (a) 1,757,527,242 1,401,097,651 Legal expenses 25 (a) 4,277,000 4,118,915 Dostage, stamps, telecommunication etc. 26 49,528,550 49,119,905 Directors' fees 27 735,000 890,000 Auditor's fee 215,000 175,000 Stationery, Printings, advertisements etc. 28 (a) 143,946,616 108,387,446 Managing Director's salary and fees 29 12,010,041 11,925,444 Managing Director's salary and		Notes	<u>Taka</u>	<u>Taka</u>
Not interest income		18 (a)	10,038,284,892	8,529,618,623
Newstment income		19 (a)	(7,049,617,618)	(5,789,982,065)
Commission, exchange and brokerage			2,988,667,274	2,739,636,558
Total operating income 22 (a) 323,650,263 297,973,788 Total operating income (A) 5,391,981,330 4,606,380,466 Salaries and allowances 23(a) 1,757,527,242 1,401,097,651 Rent, taxes, insurance, electricity etc. 24 288,022,767 237,405,63 Legal expenses 25 (a) 4,277,000 4118,915 Postage, stamps, telecommunication etc. 26 49,528,550 49,119,905 Director's fees 27 735,000 890,000 Auditor's fee 215,000 175,000 890,000 Stationery, Printings, advertisements etc. 28 (a) 143,946,616 108,387,446 Managing Director's salary and fees 29 12,010,041 11,925,444 Depreciation, leasing expense and repair of bank's assets 30 (a) 369,136,470 238,271,901 Other expenses 31 (a) 368,344,677 235,221,565 Total operating expenses (B) 2,993,743,343 2,286,413,399 Profit / (loss) before provision and tax (C=A-B) 13.4 410,813,252 572,303,512 General provision for		20 (a)	1,018,659,295	552,388,074
Total operating income (A)			, , , , , , , , , , , , , , , , , , ,	1,016,382,075
Salaries and allowances 23(a) 1,757,527,242 1,401,097,651 Rent, taxes, insurance, electricity etc. 24 288,022,767 237,405,563 Legal expenses 25 (a) 4,277,000 4,118,915 Postage, stamps, telecommunication etc. 26 49,528,550 49,119,905 Directors' fees 27 735,000 890,000 Auditor's fee 215,000 175,000 Stationery, Printings, advertisements etc. 28 (a) 143,946,616 108,387,446 Managing Director's salary and fees 29 12,010,041 11,225,446 Depreciation, leasing expense and repair of bank's assets 30 (a) 369,136,470 238,071,901 Other expenses 31 (a) 368,344,677 238,071,901 Total operating expenses (B) 2,398,237,967 2,319,967,076 Provision for loans and advances 13.4 410,813,252 325,221,565 Specific provision 13.5 139,323,435 (323,135,567) General provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in		22 (a)		
Rent, taxes, insurance, electricity etc. 24 288,022,767 237,405,563 Legal expenses 25 (a) 4,277,000 4,118,915 Postage, stamps, telecommunication etc. 26 49,528,550 49,119,905 Directors' fees 27 735,000 890,000 Auditor's fee 215,000 175,000 Stationery, Printings, advertisements etc. 28 (a) 143,946,616 108,387,446 Managing Director's salary and fees 29 12,010,041 11,925,444 Depreciation, leasing expense and repair of bank's assets 30 (a) 369,136,470 238,071,901 Other expenses 31 (a) 368,344,677 238,071,901 Other expenses B) 2,993,743,363 2,286,413,390 Provision for loans and advances 2398,237,967 2319,967,076 Provision for off-balance sheet items 13.4 410,813,252 572,303,512 General provision 13.5 120,808,864 22,229,987 Provision for off-balance sheet items 13.6 120,808,864 22,229,987 Provision for off-balance sheet items	1 0 1			
Legal expenses				
Postage, stamps, telecommunication etc. 26	· · · · · · · · · · · · · · · · · · ·	24		
Directors' fees				, , , , , , , , , , , , , , , , , , ,
Auditor's fee				· · · · · · · · · · · · · · · · · · ·
Stationery, Printings, advertisements etc. 28 (a) 143,946,616 108,387,446 Managing Director's salary and fees 29 12,010,041 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,444 11,925,8		27		′ '
Managing Director's salary and fees 29 12,010,041 11,925,444 Depreciation, leasing expense and repair of bank's assets 30 (a) 369,136,470 238,071,901 Other expenses (B) 2,993,743,363 2,286,413,390 Profit / (loss) before provision and tax (C=A-B) 2,398,237,967 2,319,967,076 Provision for loans and advances 5pecific provision 13.4 410,813,252 572,303,512 General provision 13.5 139,323,435 (323,135,567) Provision for off-balance sheet items 13.8 12,080,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Provision for taxation 1,705,128,060 2,125,248,882 Provision for taxation 2,125,248,882 Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/ (income) 33 (a) 5,457,518 19,749,440 Attributable to: 1,277,186,579				′ ′
Depreciation, leasing expense and repair of bank's assets 30 (a) 369,136,470 238,071,901 368,344,677 235,221,565 100		` '	/ /	
Other expenses 31 (a) 368,344,677 235,221,565 Total operating expenses (B) 2,993,743,363 2,286,413,390 Profit / (loss) before provision and tax (C=A-B) 2,398,237,967 2,319,967,076 Provision for loans and advances 31.4 410,813,252 572,303,512 572,303,512 572,303,512 372,303			′ ′ ′	
Total operating expenses (B)				
Profit / (loss) before provision and tax (C=A-B) 2,398,237,967 2,319,967,076 Provision for loans and advances 31.4 410,813,252 572,303,512 Specific provision 13.5 139,323,435 (323,135,567) General provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 2,125,248,882 Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,186,579 1,120,246,182 Shareholders of the ONE Bank Ltd 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138	1	31 (a)		
Provision for loans and advances Specific provision 13.4 410,813,252 572,303,512 General provision 13.5 139,323,435 (323,135,567) 550,136,687 249,167,945 Provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 242,483,963 985,253,260 Deferred tax expense 33 (a) 422,483,963 985,253,260 247,941,481 1,005,002,700 Net profit after taxation 427,941,481 1,005,002,700 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,186,579 1,120,246,182 Attributable to: 1,277,186,579 1,120,246,182 Attributable to: 1,277,186,579 1,120,246,182 Appropriations: 1,277,186,579 1,120,246,182 Appropriations: 1,250,881,863 1,214,122,148 Appropriations: 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Appropriations: 355,315,897 412,085,734 Appropriations:				
Specific provision 13.4 410,813,252 572,303,512 General provision 13.5 139,323,435 (323,135,567) Provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 0 422,483,963 985,253,260 Deferred tax expense /(income) 33 (a) 422,483,963 985,253,260 Deferred tax expense /(income) 33 (a) 5,457,518 19,749,440 Attributable to: 1,277,186,579 1,120,246,182 Shareholders of the ONE Bank Ltd 1,277,186,579 1,120,246,182 Non-Controlling Interest 1,277,186,579 1,120,246,182 Appropriations: 1,250,881,863 1,214,122,148 Appropriations: 355,315,897 412,085,734 General reserve 1			2,398,237,967	2,319,967,076
General provision 13.5 139,323,435 (323,135,567) Provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 0 2,427,943 985,253,260 Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Shareholders of the ONE Bank Ltd 1,277,186,579 1,120,246,182 Net ained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General r			410.012.252	572 202 512
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Provision for off-balance sheet items 13.8 120,808,864 22,229,987 Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 33 (a) 422,483,963 985,253,260 Deferred tax expense (income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Shareholders of the ONE Bank Ltd 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413	General provision	13.5		
Provision for diminution in value of share 13.10.a 10,000,000 (80,240,700) Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 427,941,481 1,005,002,700 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: Shareholders of the ONE Bank Ltd 1,277,901,104 (714,525) 648,172 (714,525) 648,172 (714,525) 1,120,246,182 (719,241) 94,524,138 (719,241) 94,524,138 (719,241) (7	Di.i	12.0		
Other provisions 13.7 12,164,356 3,560,962 Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 33 (a) 422,483,963 985,253,260 Deferred tax expense (income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Shareholders of the ONE Bank Ltd 1,277,186,579 1,120,246,182 Non-Controlling Interest 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413				
Total Provision (D) 693,109,907 194,718,194 Profit / (loss) before taxes (C-D) 1,705,128,060 2,125,248,882 Provision for taxation 33 (a) 422,483,963 985,253,260 Deferred tax expense / (income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 427,941,481 1,005,002,700 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: (714,525) 648,172 Shareholders of the ONE Bank Ltd 1,277,901,104 1,119,598,009 Non-Controlling Interest 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413				
Profit / (loss) before taxes (C-D) Provision for taxation 1,705,128,060 2,125,248,882 Provision for taxation Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 422,483,963 985,253,260 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Non-Controlling Interest 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413		13.7		
Provision for taxation Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Shareholders of the ONE Bank Ltd 1,277,186,579 1,119,598,009 Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413				
Current tax expense 33 (a) 422,483,963 985,253,260 Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: 1,277,901,104 1,119,598,009 Shareholders of the ONE Bank Ltd (714,525) 648,172 Non-Controlling Interest (714,525) 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve - - - Retained Surplus 895,565,966 802,036,413			1,705,128,000	2,125,248,882
Deferred tax expense/(income) 33 (a) 5,457,518 19,749,440 Net profit after taxation 1,277,186,579 1,120,246,182 Attributable to: Shareholders of the ONE Bank Ltd 1,277,901,104 1,119,598,009 Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413		22 (-)	422 492 062	095 252 260
Net profit after taxation 427,941,481 1,005,002,700 Attributable to: 1,277,186,579 1,120,246,182 Shareholders of the ONE Bank Ltd 1,277,901,104 1,119,598,009 Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve - - - Retained Surplus 895,565,966 802,036,413		` '	/ /	
Net profit after taxation Attributable to: 1,277,186,579 1,120,246,182 Shareholders of the ONE Bank Ltd Non-Controlling Interest 1,277,901,104 (714,525) 1,119,598,009 (648,172) Retained Surplus brought forward 17.1(a) (27,019,241) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve General reserve 16 355,315,897 (412,085,734) 412,085,734 (412,085,734) Retained Surplus 895,565,966 (802,036,413)	Deferred tax expense/(income)	33 (a)		
Attributable to: Shareholders of the ONE Bank Ltd 1,277,901,104 1,119,598,009 Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413	Not profit after taxation			
Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve General reserve 16 355,315,897 412,085,734 Retained Surplus 355,315,897 412,085,734 895,565,966 802,036,413			1,2//,100,3/9	1,120,240,162
Non-Controlling Interest (714,525) 648,172 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve General reserve 16 355,315,897 412,085,734 Retained Surplus 355,315,897 412,085,734 895,565,966 802,036,413	Shareholders of the ONE Bank Ltd		1,277,901,104	1,119,598,009
Retained Surplus brought forward 1,277,186,579 1,120,246,182 Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 1,250,881,863 1,214,122,148 Statutory Reserve 16 355,315,897 412,085,734 General reserve 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413				
Retained Surplus brought forward 17.1(a) (27,019,241) 94,524,138 Appropriations: Statutory Reserve General reserve 16 355,315,897 412,085,734 Retained Surplus 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413	and the grant gran			
Appropriations: 1,250,881,863 1,214,122,148 Statutory Reserve General reserve 16 355,315,897 412,085,734 Retained Surplus 355,315,897 412,085,734 895,565,966 802,036,413	Retained Surplus brought forward	17.1(a)		
Statutory Reserve 16 355,315,897 412,085,734 General reserve - - - Retained Surplus 895,565,966 802,036,413			1,250,881,863	1,214,122,148
General reserve - - 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413	Appropriations:			
General reserve - - 355,315,897 412,085,734 Retained Surplus 895,565,966 802,036,413	Statutory Reserve	16	355,315,897	412,085,734
Retained Surplus 895,565,966 802,036,413			- 1	_ ´ - ´
Retained Surplus 895,565,966 802,036,413			355,315,897	412,085,734
Earning per share (EPS) 48 (a) 2.68 2.35	Retained Surplus			
	Earning per share (EPS)	48 (a)	2.68	2.35

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

Asoke Das Gupta Vice Chairman

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

ACNABIN

Chartered Accountants





ONE Bank Limited and Its Subsidiary Consolidated Cash Flow Statement

For the year ended 31 December 2013

		Notes	2013 <u>Taka</u>	2012 Taka
	Cash flows from operating activities			
	Interest receipts in cash	34 (a)	10,942,137,391	9,046,287,449
	Interest payments	35 (a)	(7,201,308,535)	(5,453,761,803)
	Dividend receipts	20	24,011,509	23,876,433
	Fee and commission receipts in cash	36	603,517,744	642,022,718
	Cash payments to employees	37	(1,768,175,154)	(1,199,023,095)
	Cash payments to suppliers Income taxes paid	38	(349,728,672)	(212,467,440)
	Receipts from other operating activities	39	(925,592,410) 778,118,918	(1,033,574,877) 685,947,651
	Payment for other operating activities	39 40 (a)	(616,215,234)	(428,011,977)
	Cash generated from operating activities before changes in	40 (a)	(010,213,231)	(120,011,777)
	operating assets and liabilities		1,486,765,558	2,071,295,055
	Increase/(decrease) in operating assets and liabilities			
	Loans and advances to customers		(16,735,086,190)	(10,549,612,241)
	Other current assets	41 (a)	(129,565,780)	191,238,135
	Borrowing from other banking companies, agencies etc.	11	24,698,561	(539,233,575)
	Deposits from other banks	42	(7,227)	(21,864,993)
	Deposits from customers	43	13,309,005,958	14,701,890,230
	Other liabilities	44 (a)	263,314,733	178,863,927
A	Net cash used in /from operating activities Cash flows from investing activities		(1,780,874,388)	6,032,576,538
	Payments for purchase of securities	45 (a)	(13,073,837,042)	(11,009,942,384)
	Receipts from sale of securities	43 (a) 46	13,192,781,300	8,596,597,722
	Membership at cost for OSL		-	(320,200,000)
	Net Purchase/sale of fixed assets		(264,743,125)	(352,645,890)
В	Net cash used in investing activities Cash flows from financing activities		(145,798,868)	(3,086,190,552)
	Receipts from issue of ordinary shares			_
	Receipts from issue of Subordinated Debt		2,200,000,000	-
	Dividend paid		(207,263,914)	-
C	Net cash from financing activities		1,992,736,086	-
	Net increase/(decrease) in cash and cash equivalent (A+B+C)		66,062,830	2,946,385,985
	Effects of exchange rate changes on cash and cash-equivalent		(10,499,500)	-
	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
	Closing cash and cash equivalents			
	Cash in hand	3 (a)	1,099,408,003	696,450,690
	Cash with Bangladesh Bank & its agent(s)	3 (a)	7,723,234,121	6,873,381,835
	Cash with other banks and financial institutions Money at call on short notice	4 (a) 5	1,634,807,694	3,121,972,763
	Prize bonds	6	670,000,000 3,207,000	380,000,000 3,288,200
	1 HZC DONGS	U		11,075,093,488
			11,130,656,818	11,0/3,093,488

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

Asoke Das Gupta
Vice Chairman





Consolidated Statement of changes in Equity **ONE Bank Limited and Its Subsidiary**

For the year ended 31 December 2013

ONE

Bank

•							Amount in Taka
Particulars	Paid-up Capital	Statutory Reserve	Reserve for Securities	Profit and Loss Account	Total	Non- Controlling Interest	Total
Balance as at 01 January 2013	4,145,278,280	2,310,094,082	55,320,615	802,036,413	7,312,729,390	13,516,416	7,326,245,806
Changes in accounting policy	1		1	1	1	ı	
Restated balance	4,145,278,280	2,310,094,082	55,320,615	802,036,413	7,312,729,390	13,516,416	7,326,245,806
Issue of Bonus Share for the year 2012 (Transferred to Paid-up Capital)	621,791,740	1	-	(621,791,740)	-	-	
Cash Dividend Paid	-	-	-	(207,263,914)	(207,263,914)	-	(207,263,914)
Surplus of Revaluation Reserve for HTM Securities	ı	1	66,008,056	1	66,008,056	-	66,008,056
Adjustment of Revaluation Reserve for HTM Securities	ı	-	(55,320,615)	1	(55,320,615)	-	(55,320,615)
Net Profit after Tax for the year	-	-	1	1,277,901,104	1,277,901,104	(714,525)	1,277,186,579
Profit transferred to Statutory Reserve	-	355,315,897	I	(355,315,897)	1	1	-
Balance as at 31 December 2013	4,767,070,020	2,665,409,979	66,008,056	895,565,966	8,394,054,021	12,801,891	8,406,855,912
Balance as at 31 December 2012	4,145,278,280	2,310,094,082	55,320,615	802,036,413	7,312,729,390	13,516,416	7,326,245,806

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 Amount



ONE Bank Limited Balance Sheet

As at 31 December 2013

		2013	2012
PROPERTY AND ASSETS	Notes	<u>Taka</u>	<u>Taka</u>
Cash	3		
Cash in hand (including foreign currencies)		1,099,408,003	696,450,690
Balance with Bangladesh Bank and its agent bank(s)			
(including foreign currencies)		7,723,234,121	6,873,381,835
		8,822,642,124	7,569,832,525
Balance with other banks and financial institutions	4		
In Bangladesh	ſ	1,113,304,583	2,193,726,085
Outside Bangladesh		516,875,249	919,272,647
•		1,630,179,832	3,112,998,732
Money at call on short notice	5	670,000,000	380,000,000
Investments	6		
Government		8,853,247,269	7,862,102,278
Others		1,439,076,364	1,929,784,831
		10,292,323,633	9,791,887,109
Loans and Advances	7	., . ,,	.,,,
Loans, Cash Credit, Overdraft etc.	1	72,801,913,880	56,226,568,039
Bills purchased and discounted		3,771,431,210	3,989,561,263
r	·	76,573,345,090	60,216,129,302
Fixed Assets including premises, furnitures & fixtures	8	1,205,627,611	1,098,456,133
Other Assets	9	3,213,066,030	3,164,656,450
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		102,690,970,846	85,617,746,775
LIABILITIES AND CAPITAL	•	, , ,	
Liabilities			
Borrowings from other banks, financial institutions			
and agents	11	145,066,532	120,367,972
Deposits and other accounts	12	110,000,002	120,507,572
Current accounts and other accounts		15,564,521,251	8,470,623,423
Bills payable		1,372,962,253	2,302,009,790
Savings bank deposits		7,012,233,334	5,011,914,509
Term deposits		62,618,626,263	57,271,226,432
Term deposits	L	86,568,343,101	73,055,774,154
Other Liabilities	13	5,201,899,942	5,018,006,273
Subordinated Debt	14	2,200,000,000	3,010,000,273
Total Liabilities	17	94,115,309,575	78,194,148,399
Capital/Shareholders' Equity		74,113,307,373	/0,174,140,377
Paid-up Capital	15	4,767,070,020	4,145,278,280
Statutory Reserve	16	2,665,409,979	2,310,094,082
Surplus in Profit and Loss Account	17	1,077,173,215	912,905,400
Revaluation Reserve for Securities	1/	66,008,056	55,320,615
Total Shareholders' Equity	Į.	8,575,661,271	7,423,598,377
Total Shareholders' Equity Total Liabilities and Shareholders' Equity	•	102,690,970,846	85,617,746,775
Total Elabinites and Shareholders Equity		102,070,770,040	03,017,770,773





ONE Bank Limited Balance Sheet

As at 31 December 2013

	Notes	2013 <u>Taka</u>	2012 <u>Taka</u>
OFF BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances & Endorsements		18,378,551,803	12,907,241,049
Letters of Guarantee	47	11,358,740,591	8,330,678,563
Irrevocable Letters of Credit		11,663,384,421	10,153,759,783
Bills for Collection		2,782,357,930	1,277,258,448
		44,183,034,745	32,668,937,843
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 tra	nsactions	-	-
Forward assets purchased and forward deposits place	ed	-	-
Undrawn note issuance and revolving underwriting f		-	-
Undrawn formal standby facilities, credit lines and or	ther	-	-
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

soke 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 Profit & Loss Account

For the year ended 31 December 2013

		2013	2012
	Notes	<u>Taka</u>	<u>Taka</u>
Interest income	18	10,097,751,642	8,542,836,401
Interest paid on deposits and borrowings etc.	19	(7,049,617,618)	(5,789,982,065)
Net interest income		3,048,134,024	2,752,854,336
Investment income	20	1,018,659,295	552,388,074
Commission, exchange and brokerage	21	1,061,006,297	1,016,390,649
Other operating income	22	323,650,263	297,973,758
Total operating income (A)		5,451,449,878	4,619,606,818
Salaries and allowances	23	1,756,165,113	1,401,097,651
Rent, taxes, insurance, electricity etc.	24	288,022,767	237,405,563
Legal expenses	25	4,277,000	4,088,915
Postage, stamps, telecommunication etc.	26	49,528,550	49,119,905
Directors'fees	27	735,000	890,000
Auditor's fee		190,000	155,000
Stationery, Printings, advertisements etc.	28	143,944,001	111,254,339
Managing Director's salary and fees	29	12,010,041	11,925,444
Depreciation, leasing expense and repair of bank's assets	30	369,136,470	238,071,901
Other expenses	31	367,751,545	230,210,534
Total operating expenses (B)		2,991,760,488	2,284,219,252
Profit / (loss) before provision and tax (C=A-B)		2,459,689,390	2,335,387,566
Provision for loans and advances			
Specific provision	13.4	410,813,252	572,303,512
General provision	13.5	139,323,435	(323,135,567)
•		550,136,687	249,167,945
Provision for off-balance sheet items	13.8	120,808,864	22,229,987
Provision for diminution in value of share	13.10	- ·	· -
Other provisions	13.7	12,164,356	3,560,962
Total Provision (D)		683,109,907	274,958,894
Profit / (loss) before taxes (C-D)		1,776,579,484	2,060,428,672
Provision for taxation			
Current tax expense	33	422,482,600	985,250,560
Deferred tax expense/(income)	33	5,457,518	19,749,440
		427,940,118	1,005,000,000
Net profit after taxation		1,348,639,366	1,055,428,672
Retained Surplus brought forward	17.1	83,849,746	269,562,462
		1,432,489,112	1,324,991,134
Appropriations:		, , ,	, , ,
Statutory Reserve	16	355,315,897	412,085,734
General reserve		_	_
		355,315,897	412,085,734
Retained Surplus		1,077,173,216	912,905,400
Earning per share (EPS)	48	2.83	2.21
Earning per share (E1 S)	40	2.03	2,21

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

M. Fakhrul Alam Managing Director

Dhaka: 25 March 2014

Salahuddin Ahmed Director Syed Nurul Amin Director Asoke Das Gupta
Vice Chairman

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

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ACNABIN Chartered Accountants





ONE Bank Limited Cash Flow Statement

For the year ended 31 December 2013

Totale your chaca of Becomber 2010		2013	2012
	Notes	<u>Taka</u>	<u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	34	10,996,703,897	9,045,752,098
Interest payments	35	(7,201,308,535)	(5,453,761,803)
Dividend receipts	20	24,011,509	23,876,433
Fee and commission receipts in cash	36	603,517,744	642,022,718
Cash payments to employees	37	(1,768,175,154)	(1,199,023,095)
Cash payments to suppliers	38	(349,728,672)	(212,467,440)
Income taxes paid	13.1	(925,565,145)	(1,031,862,959)
Receipts from other operating activities	39	778,118,918	685,947,651
Payment for other operating activities	40	(616,081,236)	(426,247,711)
Cash generated from operating activities before changes in			
operating assets and libilities		1,541,493,327	2,074,235,889
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(16,786,386,190)	(10,893,312,241)
Other current assets	41	(128,665,780)	191,263,135
Borrowing from other banking companies, agencies etc.	11	24,698,561	(539,233,575)
Deposits from other banks	42	(7,227)	(21,864,993)
Deposits from customers	43	13,309,005,958	14,701,890,230
Other liabilities	44	263,333,132	178,857,676
A Net cash used in /from operating activities Cash flows from investing activities		(1,776,528,219)	5,691,836,121
Payments for purchase of securities	45	(13,073,837,042)	(10,987,942,384)
Receipts from sale of securities	46	13,192,781,300	8,596,597,722
Net Purchase/sale of fixed assets		(264,743,125)	(352,645,890)
B Net cash used in investing activities Cash flows from financing activities		(145,798,868)	(2,743,990,552)
Receipts from issue of ordinary shares		_	-
Receipts from issue of Subordinated Debt		2,200,000,000	-
Dividend paid		(207,263,914)	-
C Net cash from financing activities		1,992,736,086	-
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		70,408,998	2,947,845,569
E Effects of exchange rate changes on cash and cash-equivalent		(10,499,500)	-
F Opening cash and cash equivalents		11,066,119,457	8,118,273,889
G Closing cash and cash equivalents (D+E+F)		11,126,028,956	11,066,119,457
Closing cash and cash equivalents			
Cash in hand	3.1	1,099,408,003	696,450,690
Cash with Bangladesh Bank & its agent(s)	3.2	7,723,234,121	6,873,381,835
Cash with other banks and financial institutions	4	1,630,179,831	3,112,998,732
Money at call on short notice	5	670,000,000	380,000,000
Prize bonds	6	3,207,000	3,288,200
		11,126,028,956	11,066,119,457

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





Statement of changes in Equity **ONE Bank Limited**

For the year ended 31 December 2013

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit and Loss Account	Total Shareholders equity
Balance as at 01 January 2013	4,145,278,280	2,310,094,082	55,320,615	912,905,400	7,423,598,377
Changes in accounting policy	-	-	-	-	
Restated balance	4,145,278,280	2,310,094,082	55,320,615	912,905,400	7,423,598,377
Issue of Bonus Share for the year 2012 (Transferred to Paid-up Capital)	621,791,740	1	-	(621,791,740)	-
Cash Dividend Paid				(207,263,914)	(207,263,914)
Surplus of Revaluation Reserve for HTM Securities			66,008,056		66,008,056
Adjustment of Revaluation Reserve for HTM Securities	-	1	(55,320,615)	-	(55,320,615)
Net Profit after Tax for the year	-	-	-	1,348,639,366	1,348,639,366
Profit transferred to Statutory Reserve	-	355,315,897	1	(355,315,897)	
Balance as at 31 December 2013	4,767,070,020	2,665,409,979	66,008,056	1,077,173,215	8,575,661,271
Balance as at 31 December 2012	4,145,278,280	2,310,094,082	55,320,615	912,905,400	7,423,598,377

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

Wall assa M. Fakhrul Alam Managing Director

Salahuddin Ahmed Director

Syed Murul Amin Director

Asoke Das Gupta Vice Chairman

Dhaka: 25 March 2014



(Assets & Liabilities Maturity Analysis) **Liquidity Statement ONE Bank Limited**

As at 31 December 2013

Amount in Taka

	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	8,822,642,124				ı	8,822,642,124
Balance with other banks and financial institutions	1,142,085,870	258,396,804	204,197,474	25,499,684		1,630,179,832
Money at call on short notice	670,000,000		ı	1	ı	670,000,000
Investment	1,302,977,672	670,588,509	4,288,626,511	1,862,968,077	2,167,162,864	10,292,323,633
Loans and Advances	9,611,811,829	20,285,410,076	22,204,611,030	20,041,909,955	4,429,602,200	76,573,345,090
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	1,205,627,611	1,205,627,611
Other Assets	150,248,699		1,153,201,393	379,393,748	1,530,222,190	3,213,066,030
Non-banking Assets					283,786,525	283,786,525
Total Assets	21,699,766,194	21,214,395,389	27,850,636,408	22,309,771,464	9,616,401,390	102,690,970,846
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial						
institutions and agents	23,210,645	20,367,341	54,574,029	46,914,517	-	145,066,532
Deposits and Other Accounts	24,664,845,639	27,667,080,340	22,590,556,590	9,251,959,528	2,393,901,004	86,568,343,101
Other Liabilities	400,803,294	1,885,994,808	2,207,580,141	707,521,699	-	5,201,899,942
Subordinated Debt	-	-	-	-	2,200,000,000	2,200,000,000
Total Liabilities	25,088,859,578	29,573,442,489	24,852,710,760	10,006,395,744	4,593,901,004	94,115,309,575
Net Liquidity Gap	(3,389,093,383)	(8,359,047,100)	2,997,925,648	12,303,375,720	5,022,500,386	8,575,661,271

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.

Salahuddin Ahmed Director

M. Fakhrul Alam Managing Director

Syed Nurul Amin Director

Asoke Das Gupta Vice Chairman

Dhaka: 25 March 2014





ONE Bank Limited Notes to the Financial Statements

For the year ended 31 December 2013

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 up graded 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.





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

Notice is given to the shareholders in terms of the provisions of the Companies Act 1994, Securities and Exchange Commission Act 1993, and the guidelines of Bangladesh Bank.

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 sales 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 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

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

As per BRPD Circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991.

2.03.11 Cash Flow Statement

As per the requirement of BAS 7, The Statement of Cash Flows can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

As per BRPD Circular no. 14 dated 25 June 2003 Cash Flow Statement is the mixture of direct and indirect methods.

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 no. 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 no 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 no. 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 no. 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.

Provision for Loans and Advances is made on the basis of year-end review by the Management and instructions contained in Bangladesh Bank BCD Circular No. 34 dated 16 November 1989, BCD Circular No. 20 dated 27 December 1994, BCD Circular No. 12 dated 04 September 1995, BRPD Circular No. 16 dated 06 December 1998, BRPD Circular No. 09 dated 14 May 2001, BRPD Circular Letter No. 08 dated 16 October 2005, BRPD Circular No 05 dated 05 June 2006, BRPD Circular No. 05 dated 29 April 2008 and BRPD Circular No 32 dated 27 October 2010, BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012 and BRPD Circular No. 5 dated 29 May 2013 respectively at the following rates:

	Rate	es
Category/status of Loans and Advances	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (Other than housing finance and loans for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans for professionals set up)	2%	2%
Special mention account	0.25% to 5%	0.25% to 5%
Loans to BHs/MBs/SDs against Shares	2%	2%
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%

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:

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

- 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.





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:

Category of Fixed Assets	Rate of Depreciation
Furniture and Fixtures	10%
Office Equipment	18%
Motor Vehicles	20%
Building	2.50%

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 amortistion. 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:

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

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/CI/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'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:

Category/status of Off-balance sheet exposures	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for off-balance sheet exposures	1%	1%





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.





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 monthly installments.

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.

1) 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)

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





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

N/A = Not Applicable.

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:



^{*} 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.



2.21.1 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:

- a. The Bank Company Act, 1991 (amendment in 2013).
- b. The Companies Act, 1994.
- c. Rules and Regulations issued by Bangladesh Bank.
- d. The Securities and Exchange Rules 1987, The Securities and Exchange Ordinance 1969, The Securities and Exchange Commission Act 1993.
- e. The Income Tax Ordinance, 1984.
- f. The VAT Act, 1991.

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:

Stocks of Items	2013 Taka	2012 Taka
Bangladesh Shanchaya Patras	921,314,904	878,730,885
US\$ Investment Bonds	20,975,000	146,724,191
US\$ Premium Bonds	2,791,875	146,324,942
Wage Earners Development Bond	23,700,000	23,700,000
Total	968,781,779	1,195,480,018

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:

Sl No.	Committee Members	Status with the Bank	Position in the Committee	Educational Qualification
1	Mr. Syed Nurul Amin	Director	Chairman	B. Com
2	Mr. A. S. M. Shahidullah Khan	Director	Member	B. Sc (Hons)
3	Mr. Shawket Jaman	Director	Member	B. Com

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.





Cash		2013 <u>Taka</u>	2012 <u>Taka</u>
	ash in hand (note-3.1)	1,099,408,003	696,450,690
	alance with Bangladesh Bank and its agent's bank (note-3.2)	7,723,234,121	6,873,381,835
		8,822,642,124	7,569,832,525
3.1 Ca	ash in hand (including foreign currencies)		
In	local currency	1,089,421,687	693,544,537
In	foreign currencies	9,986,316	2,906,153
		1,099,408,003	696,450,690
O	ff-shore banking unit	-	-
		1,099,408,003	696,450,690
3.2 Ba	alance with Bangladesh Bank and its agent's bank		
	ncluding foreign currencies) angladesh Bank		
In	local currency *	5,162,510,000	4,032,029,602
In	foreign currencies	2,155,936,685	2,416,506,565
		7,318,446,685	6,448,536,167
Ba	alance with Sonali Bank being an agent of Bangladesh Bank	404,787,435	424,845,668
		7,723,234,121	6,873,381,835
O	ff-shore banking unit		
		7,723,234,121	6,873,381,835

^{*} Reconciliation statements regarding Bangladesh Bank balance are given Annexure-B

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and MPD Circular No. 02 dated 10 December 2013 issued by Bangladesh Bank.

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

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

Required reserve	15,879,273	,218 12,730,734,065
Reserve held (a.1)	15,879,298	,903 13,064,226,298
	Surplus 25.	,685 333,492,233
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
	15,879,298	,903 13,064,226,298
b) Cash Reserve Requirement (CRR): 6% of average Demand and T	Time Liabilities	
Average Demand and Time Liabilities	83,575,122	,200 67,003,863,500
Required reserve	5,014,507	,332 4,020,231,810
Balance with Bangladesh Bank	5,162,510,	,000 4,032,029,602
Amount in reconciliation (Net)**	6,357.	,195 52,086,261
Reserve held with Bangladesh Bank in local currencies	5,168,867.	,196 4,084,115,863
Surplus/(S	Shortage) 154,359.	,864 63,884,053

^{**} 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:

	Surplus/(Shortage)	25,685	269,608,180
Reserve held (c.1)		10,864,791,571	8,980,110,435
Required reserve		10,864,765,886	8,710,502,255





	2013 Taka	2012 Taka
c.1 Reserve held (Other than CRR):		
Cash in hand including foreign currency	1,099,408,003	696,450,690
Balance with Bangladesh Bank in foreign currency	356,196,000	-
Balance with Sonali Bank being an agent of Bangladesh Bank	404,787,435	424,845,668
Bangladesh Bank bill	649,757,142	239,233,143
Reverse Repo	430,000,000	-
Treasury Bills	3,523,112,632	4,709,793,578
Treasury Bonds	4,247,170,494	2,909,787,356
Sub Total	10,710,431,707	8,980,110,435
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	154,359,864	
Total	10,864,791,571	8,980,110,435
3 (a) Consolidated Cash		
i Cash in hand	1 000 409 002	(0(450 (00
ONE Bank Limited	1,099,408,003	696,450,690
ONE Securities Limited	1,099,408,003	696,450,690
" Polones with Pongladesh Ponk and its agentle hank	1,099,400,003	090,430,090
ii Balance with Bangladesh Bank and its agent's bank ONE Bank Limited	7 722 224 121	6 972 291 925
ONE Securities Limited	7,723,234,121	6,873,381,835
ONE Securities Emilied	7,723,234,121	6,873,381,835
4 Balance with Other Banks and Financial Institutions	7,723,234,121	0,075,501,055
In Bangladesh (note-4.1)	1,113,304,583	2,193,726,085
Outside Bangladesh (note-4.2)	516,875,249	919,272,647
Oublie Builgludesh (Note 112)	1,630,179,831	3,112,998,732
		-,,,
4.1 In Bangladesh		
In current accounts (note-4.3)	55,204,192	131,792,900
Other deposit accounts [note-4.3(a)]	1,058,100,391	2,061,933,185
4.2 Outside Benededeek	1,113,304,583	2,193,726,085
4.2 Outside Bangladesh In current accounts (note-4.4)	516,875,249	520,023,147
Other deposit accounts	310,873,249	320,023,147
Other deposit accounts	516,875,249	520,023,147
Off-shore Banking Unit	-	399,249,500
on shore banking out	516,875,249	919,272,647
A2 C (A A A. (G. D L. L.)		
4.3 Current Accounts (In Bangladesh)	10 527 576	16 (17 560
AB Bank Limited BRAC Bank Limited	10,527,576 294,805	16,617,569 296,305
Sonali Bank Limited	42,252,360	,
Trust Bank Limited	1,565,368	114,679,026 200,000
Standard Chartered Bank	564,083	200,000
Standard Charleted Bank	55,204,192	131,792,900
4.3(a) Other Deposit Accounts (In Bangladesh)		101,772,700
(Name of the banks and financial institutions)		
Lanka Bangla Finance Limited	_	235,000,000
ICB Islamic Bank Limited	74,919,000	75,319,000
BD. Industrial Finance Com. Limited	-	50,000,000
IDLC Finance Limited	25,500,000	25,500,000
Bank Asia Limited	600,000,000	-
Bank Al-Falah Limited	150,000,000	-
PFI Securities Limited	=	500,000,000
Lanka Bangla Securities Limited	-	800,000,000
United Commercial Bank Limited	4,241,354	19,031,617
AB Bank Limited	1,580,139	145,100
Eastern Bank Limited	3,742,948	3,560,398
Uttara Bank Limited	198,050,158	343,972,780
Jamuna Bank Limited	726	18,231
Prime Bank Limited	66,066	9,386,058
	1,058,100,391	2,061,933,185





		2013	2012
4	4 Current Accounts (Outside Bangladesh)	Taka	Taka
	(Name of the banks and financial institutions)	Ium	<u> 14144</u>
	Nepal Bangladesh Bank Limited	1,270,321	1,304,630
	Standard Chartered Bank	110,523,641	125,394,375
	Unicredit Bank	8,341,355	12,176,892
	Commerzbank AG Frankfurt	8,008,873	11,572,960
	Union De Banques Arabes Et Françaises	-	19,968,901
	Habib Bank Limited	100,940,290	
	Mashreq Bank Psc	(27,809,610)	23,700,808
	Arab Bangladesh Bank, Mumbai	54,208,745	32,333,701
	Citibank NA, New York	2,646,437	2,717,913
	SEYLON Bank Limited	3,656,861	1,208,675
	The Hongkong and Shanghai Banking Corporation Ltd.	71,669,152	108,621,754
	ICICI Bank Limited	6,231,232	35,248,911
	Wells Fargo Bank N.A	169,071,539	140,921,414
	Westpac Banking Corporation	1,260,128	2,673,894
	Bank of Nova Scotia	6,856,287	2,178,321
		516,875,249	520,023,147
(For	details of foreign currency amount and rate thereof see "Annexure - C")		
(1.01	details of foreign currency amount and rate thereof see Annexure - C		
4.5	Maturity of balances with other banks and financial institutions		
4.3	Up to 1 month	1,142,085,870	2,868,005,732
	More than 1 months to 3 months	258,396,803	119,999,875
	More than 3 months to 1 year	204,197,474	124,993,125
	More than 1 year to 5 years	25,499,684	124,993,123
	More than 5 years	23,499,084	-
	Wore than 5 years	1,630,179,831	3,112,998,732
4 (a) Consolidated Balance with Other Banks and Financial Institutions In Bangladesh	1 112 204 502	2 102 727 005
	ONE Bank Limited	1,113,304,583	2,193,726,085
	ONE Securities Limited	4,627,862	8,974,031
	O ASSERTANCE AND A SECOND	1,117,932,445	2,202,700,116
	Outside Bangladesh	£16 97£ 240	010 272 647
	ONE Bank Limited ONE Securities Limited	516,875,249	919,272,647
	ONE Securities Limited	516,875,249	919,272,647
		1,634,807,694	3,121,972,763
5 Mon	ey at call on short notice	1,034,807,094	3,121,972,703
3 141011	Southeast Bank limited	500,000,000	30,000,000
	Lanka Bangla Finance Limited	170,000,000	50,000,000
	Mercantile Bank Limited	-	100,000,000
	Uttara Bank Limited	_	150,000,000
	Mutual Trust Bank Limited	_	100,000,000
		670,000,000	380,000,000
	stments	070,000,000	200,000,000
In Go	overment securities		
	Treasury bills (note-6.1)	3,523,112,632	4,709,793,578
	Bangladesh Bank bill (note-6.2)	649,757,142	239,233,143
	Treasury bonds (note-6.3)	4,247,170,494	2,909,787,356
	Reverse Repo (note-6.4)	430,000,000	-
	Prize Bonds	3,207,000	3,288,200
		8,853,247,269	7,862,102,278
Othe	r Investment		
	Shares (Quoted and Unquoted) (note-6.5)	1,279,076,364	1,709,784,831
	NBL Subordinated bond	80,000,000	100,000,000
	Orascom bond	80,000,000	120,000,000
		1,439,076,364	1,929,784,831
	Off-shore Banking Units	<u> </u>	
		1,439,076,364	1,929,784,831
		10,292,323,633	9,791,887,109





Treasury Bills (HTM) (note-6.1(a) Treasury Bills (HTM) (note-6.1(b) Treasury Bills (HTM) (note-6.1(b) Treasury Bills (HTM) (note-6.1(b) 1.256.811,776 3.146,730.460 3.523.112.632 4.709,793.578 3.146,730.460 3.523.112.632 4.709,793.578 3.614,673.04.60 3.523.112.632 4.709,793.578 3.614,673.04.60 3.623.112.632 3.614,730.460 3.623.112.632 3.614,730.460 3.623.118 3.624 3.						
Treasury Bills (HTM) (note-6.1(a) Treasury Bills (HTM) (note-6.1(b) 1.256,381,776 3.146,730,460 3.523,112,632 3.770,3578 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.523,112,632 3.127 3.146,730,460 3.150,000,000 3.599,400,000					2013	2012
Treasury Bills (HTM) (note-6.1(a) 1.563,063,118 1.256,317,76 3.145,730,460 3.523,112,632 4.709,793,578					<u>Taka</u>	<u>Taka</u>
Treasury Bills (HFT) [note-6.1(b)	6.1					
Amortized Cost (Book Value)						
Amortized Cost (Book Value) Face value		Treasury Bills (HFT) [(note-6.1(b)]		_		
Amortized Cost Bank Bills Cast Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast				=	3,323,112,032	4,702,773,370
Amortized Cost Bank Bills Cast Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast						
Amortized Cost Bank Bills Cast Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast Bangladesh Bank Bills Cast		6.1(a) Treasury Bills (HTM)				
Taka			Amortized Cost	(Book Value)	Face va	ılue
364 days Treasury Bills						
182 days Treasury Bills			<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
182 days Treasury Bills		264 days Trassury Bills	1 679 509 227	1 562 062 119	1 722 600 000	1 500 400 000
104,197,034		•		1,303,003,118		1,399,400,000
Care				-		_
Marked To market Value Book Value Face				1,563,063,118		1,599,400,000
2013 2012 Taka		6.1(b) Treasury Bills (HFT)				
Taka						
1,002,993,826						
182 days Treasury Bills			Taka	Tuku	Taka	Taka
182 days Treasury Bills		364 days Treasury Bills	1,002,993,826	1,673,614,880	1,031,700,000	1,815,500,000
1,256,831,776 3,146,730,460 1,286,900,000 3,330,800,000			' ' ' ' II			
Bangladesh Bank Bills HTM		91 days Treasury Bills	-		-	
Bangladesh Bank Bills (HTM) [note-6.2(a)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT)			1,256,831,776	3,146,730,460	1,286,900,000	3,330,800,000
Bangladesh Bank Bills (HTM) [note-6.2(a)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT)						
Bangladesh Bank Bills (HTM) [note-6.2(a)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT) [note-6.2(b)] Cappaigladesh Bank Bills (HFT)	6.2	Bangladesh Bank Bills				
6.2(a) Bangladesh Bank Bills (HTM) Amortized Cost (Book Value) Pace Value 2013 2012 Taka Taka Taka Taka 30 days Bangladesh Bank Bills (HFT) 6.2(B) Bangladesh Bank Bills (HFT) Marked To market Value (Book Value) 2013 2012 Taka Taka Taka Taka 30 days Bangladesh Bank Bills (HFT) Marked To market Value (Book Value) 2013 2012 Taka Taka Taka Taka Taka Taka 30 days Bangladesh Bank Bills - 2013 2012 Taka Taka Taka Taka 239,233,143 - 240,000,000 Treasury Bonds Treasury Bonds (HTM) [(note-6.3(a)] Treasury Bonds (HFT) [(note-6.3(b)] Treasury Bonds (HFT) [(note-6.3(b)] Treasury Bonds (HTM) Amortized Cost (Book Value) 2013 2014 240,000,000 240,000 240,000,		_	-6.2(a)]		649,757,142	-
Amortized Cost (Book Value) Face value 2013 2012		Bangladesh Bank Bills (HFT) [note-0	6.2(b)]	<u>_</u>		239,233,143
Amortized Cost (Book Value) Face Value Cost (Book Value)				=	649,757,142	239,233,143
2013 Taka		6.2(a) Bangladesh Bank Bills (HTM)	A 4' . 1 C 4	(D1 V.1 .)	F	
Taka Taka Continue Contin						
6.2(B) Bangladesh Bank Bills (HFT) Marked To market Value (Book Value) Face value						
Marked To market Value (Book Value) Face value Fac		30 days Bangladesh Bank Bills	649,757,142	<u> </u>	650,000,000	
Marked To market Value (Book Value) Face value Fac						
Marked To market Value (Book Value) Face value Fac		6.2(B) Bangladesh Bank Bills (HFT)				
2013 2012 Taka		0.2(D) Bungladesh Bunk Bins (III 1)	Marked To market V	alue (Book Value)	Face va	ilue
30 days Bangladesh Bank Bills						
6.3 Treasury Bonds (HTM) [(note-6.3(a)] Treasury Bonds (HFT) [(note-6.3(b)] 6.3 (a) Treasury Bonds (HTM) Amortized Cost (Book Value) 2013			<u>Taka</u>		<u>Taka</u>	
Taka Taka Treasury Bonds Treasury Bonds (HTM) [(note-6.3(a)] Treasury Bonds (HFT) [(note-6.3(b)] 3,260,448,498 1,949,531,649 960,255,707 4,247,170,494 2,909,787,356 6.3 (a) Treasury Bonds (HTM) Amortized Cost (Book Value) Face value 2013 2012 2013 2012 Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 176,000,000 170,000,000		30 days Bangladesh Bank Bills		239,233,143	-:17	
Continue						
Treasury Bonds (HTM) [(note-6.3(a)] 3,260,448,498 1,949,531,649 986,721,996 960,255,707 4,247,170,494 2,909,787,356	6.3	Treasury Ronds			Така	Така
Treasury Bondss (HFT) [(note-6.3(b)] 986,721,996 960,255,707 4,247,170,494 2,909,787,356	0.0)]		3,260,448,498	1,949,531,649
6.3 (a) Treasury Bonds (HTM) Amortized Cost (Book Value) Face value 2013 2012 2013 2012 Taka Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000				_		
Amortized Cost (Book Value) Face value 2013 2012 2013 2012 Taka Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000				_	4,247,170,494	2,909,787,356
Amortized Cost (Book Value) Face value 2013 2012 2013 2012 Taka Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000		(4())				
Z013 Z012 Z013 Z012 Taka Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000		6.3 (a) Treasury Bonds (HTM)	Amortized Cest	(Rook Volue)	Face ve	alue
Taka Taka Taka Taka Taka 5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000				·		
5 Years Treasury Bonds (Premium) 450,536,388 276,008,866 450,000,000 275,100,000 10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000						
10 Years Treasury Bonds (Premium) 102,184,101 102,470,301 100,000,000 100,000,000 15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000						
15 Years Treasury Bonds (Premium) 9,112,148 9,112,463 9,100,000 9,100,000					′ ′ ′ II	
		• • • • • • • • • • • • • • • • • • • •			′ ′ ′ III	· · · ·
Sud-total 501,832,03/ 38/,391,030 539,100,000 384,200,000						
		Sub-total	501,832,03/	30/,371,030	559,100,000	304,200,000







2 Years Treasury Bonds (Discount)	128,345,273	_	128,500,000	_
5 Years Treasury Bonds (Discount)	357,475,675	42,868,788	358,000,000	42,900,000
10 Years Treasury Bonds (Discount)	843,336,188	463,121,456	845,100,000	463,400,000
15 Years Treasury Bonds (Discount)	86,288,196	9,680,034	86,600,000	9,700,000
20 Years Treasury Bonds (Discount)	61,170,529	15,369,741	61,400,000	15,400,000
Sub-total	1,476,615,861	531,040,019	1,479,600,000	531,400,000
_				
5 Years Treasury Bonds (At par)	527,800,000	447,300,000	527,800,000	447,300,000
10 Years Treasury Bonds (At par)	592,700,000	490,300,000	592,700,000	490,300,000
15 Years Treasury Bonds (At par)	44,300,000	36,100,000	44,300,000	36,100,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
Sub-total	1,222,000,000	1,030,900,000	1,222,000,000	1,030,900,000
	3,260,448,498	1,949,531,649	3,260,700,000	1,946,500,000

6.3 (b) Treasury Bonds (HFT)

	Marked To market Value (Book Value)		Face value	
	2013 <u>Taka</u>	2012 <u>Taka</u>	2013 <u>Taka</u>	2012 <u>Taka</u>
5 Years Treasury Bonds	719,106,817	696,009,285	758,400,000	758,400,000
10 Years Treasury Bonds	267,615,178	264,246,422	308,000,000	308,000,000
	986,721,996	960,255,707	1,066,400,000	1,066,400,000

Investments in securities which are Held To Maturity (HTM) are incorporated at their amortized cost and investment held for trading (HFT) at their marked to market basis according to DOS Circular Letter No.05 dated 26 May of 2008.

6.4 Disclosure regarding outstanding repo as on 31 December 2013

SL no	Counter party name	Agreement Date	Reversal Date	Amount
1	Bangladesh Bank	30/12/2013	01/01/2014	430,000,000
Other Investments			2013	2012
In shares (quoted a	nd unquoted)		<u>Taka</u>	<u>Taka</u>
Quoted:				
The City Bank Limit	ed		147,995,755	147,995,755
Prime Bank Limited			140,673,639	140,673,639
IFIC Bank Limited			170,983,059	170,983,059
ACI Limited			199,422,237	199,422,237
Lanka Bangla Financ	ee Limited		80,000,000	80,000,000
Jamuna Oil Company	y Limited		-	44,673,400
Heidelburg Cement I	Limited		-	199,325,390
Titas Gas Transmisit	ion and Distribution Co. Ltd		-	45,748,800
Summit Alliance Por	t Ltd.		5,945	-
BRAC Bank Limited			138,897,107	138,897,107
Ocean Containers Li	mited		-	5,945
R A K Ceramics			5,664	5,664
Khulna Power Comp	any Limited		14,897,834	14,897,834
Phoenix Finance 1st	Mutual Fund		43,700,613	43,700,613
Apex Tannery			1,450,000	1,450,000
Eastern Bank Limite	d		1,983,900	1,983,900
MI Cement Factory I	Limited		5,533	5,533
MJL BD Limited			61,074,190	61,074,190
Islami Bank BD Lim	ited		27,726,980	27,726,980
Bank Asia Limited			107,000,000	107,000,000
Apex Adelchi Footw	ear Limited		-	15,159,555
Square Pharmaceutic	als Ltd.		638	105,485,780
			1,135,823,094	1,546,215,381
Unquoted:				
Khulna Power Comp	any Limited		40,000,000	80,000,000
	ppment Finance Company		29,683,820	10,000,000
Central Depository E	2		1,569,450	1,569,450
Lanka Bangla Securi	ties Limited		72,000,000	72,000,000
			143,253,270	163,569,450
			1,279,076,364	1,709,784,831





6.5(a) Comparison between cost and market price of quoted shares as on 31 December 2013

i	No. of shares including bonus shares	Market price per share	Market value at 31-12-2013	Cost at 31-12-2013	Surplus/ Deficiency
Lanka Bangla Finance Ltd.	10,120,000	66.50	672,980,000	80,000,000	592,980,000
The City Bank Ltd.	8,061,872	20.20	162,849,814	147,995,755	14,854,060
IFIC Bank Ltd. *	3,108,740	34.30	106,629,782	170,980,700	(64,350,918)
ACI Ltd	578,721	171.50	99,250,652	199,422,237	(100,171,585)
BRAC Bank Ltd.	3,091,200	32.60	100,773,120	138,897,107	(38,123,987)
Summit Alliance Port Ltd.	82	30.30	2,485	5,945	(3,460)
RAK Ceramics	155	53.30	8,262	5,664	2,598
Khulna Power	211,917	49.10	10,405,125	14,897,834	(4,492,710)
Square Pharma	5	190.20	951	638	313
Apex Tannery	10,000	124.60	1,246,000	1,450,000	(204,000)
Prime Bank Ltd.	3,257,210	25.90	84,361,739	140,673,639	(56,311,900)
MI Cement Factory Ltd	56	78.20	4,379	5,533	(1,154)
MJL BD Limited	575,080	75.10	43,188,508	61,074,190	(17,885,682)
Islami Bank BD Ltd.	731,250	34.60	25,301,250	27,726,980	(2,425,730)
Bank Asia Ltd.	3,300,000	23.00	75,900,000	107,000,000	(31,100,000)
Eastern Bank Ltd.	40,500	29.10	1,178,550	1,983,900	(805,350)
Phonix Finance 1st Mutual	Fund 2,847,500	5.40	15,376,500	43,700,613	(28,324,113)
IFIC Bank Ltd.	40	34.30	1,372	2,359	(987)
		Total	1,399,458,488	1,135,823,094	263,635,394

^{*} 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 Supreem 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.

The total market value of 29,118,718 shares of IFIC Bank Limited as of 31 December 2013 was Tk 998,772,027 exceeding the original investment by Tk.827,791,327.

6.6 Residual Maturity of Investments

	10.292,323,633	9,791,887,109
Above 5 years	2,167,162,864	1,416,102,994
Above 1 year to 5 years	1,862,968,077	1,713,799,433
Above 3 months to 1 year	4,288,626,511	4,927,979,156
Up to 3 months	670,588,509	1,340,504,162
Payable on demand	1,302,977,672	393,501,364

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

6 (a) Consolidated Investments

In Goverment	securities
--------------	------------

ONE Bank Limited	8,853,247,269	7,862,102,278
ONE Securities Limited		
	8,853,247,269	7,862,102,278
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
	12 092 084 133	11 591 647 609

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
Lease finance (note-7.2)
Cash Credit
Overdraft
Off-shore Banking Unit

55,804,875,168	
2,227,625,481	2,309,313,606
129,936,840	28,944,194
13,034,813,810	11,293,359,094
71,197,251,298	56,154,103,632
1,604,662,582	72,464,407
72,801,913,880	56,226,568,039







	2013	2012
	<u>Taka</u>	<u>Taka</u>
Bills purchased and discounted	2 629 051 202	2 920 220 076
*	3,638,051,203	3,820,220,976
Off-shore Banking Unit	133,380,007	169,340,287
	3,771,431,210	3,989,561,263
Outside Bangladesh		
-	76,573,345,090	60,216,129,302
7.2 Lease finance		
· · · · · · · · · · · · · · · · · · ·	141 702 272	10 224 705
Lease rental receivable within 1 year	141,792,372	19,234,795
Lease rental receivable within 5 years	2,467,095,189	2,525,270,358
Lease rental receivable after 5 years	-	252,827,564
Total lease receivable	2,608,887,561	2,797,332,718
Less: Unearned interest income	381,262,081	488,019,111
Net Lease Finance	2,227,625,481	2,309,313,606
7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted		
Payable on demand	9,611,811,829	6,615,283,749
Up to 3 months	20,285,410,076	18,876,907,489
Above 3 months to 1 year	22,204,611,030	20,957,308,518
Above 1 year to 5 years	20,041,909,955	4,817,290,344
Above 5 years	4,429,602,200	8,949,339,202
Above 5 years	76,573,345,090	60,216,129,302
	70,373,343,070	00,210,129,302
7.4 Loans and Advances on the basis of significant concentration i. Advance to Directors		
	-	1.40.200.001
ii. Advance to Managing Director & Senior Executives	262,618,428	140,209,881
iii. Advance to Customer's group:		-
Commercial lending	34,944,010,384	31,346,220,977
Agricultural loan	1,187,600,000	1,308,997,543
Export financing	3,926,315,222	4,768,407,167
Consumer credit scheme	756,880,754	1,237,975,153
Small and medium enterprise financing	7,807,529,926	5,868,591,694
Staff loan (except Sl. No. ii)	120,195,362	75,682,008
House building loan (other than the employees)	1,816,566,092	1,451,508,541
Others	25,751,628,921	14,018,536,338
Onicis	76,573,345,090	60,216,129,302
=	70,575,545,070	00,210,127,302
7.5 Industry-wise outstanding of loans & advances		
Trade finance	11,833,098,685	12,378,355,817
Steel Re-Rolling	1,541,198,583	1,222,246,597
Readymade Garments	10,041,968,398	8,803,412,461
Textiles	4,647,224,415	4,515,319,940
Edible oil, Rice, Flour etc.	423,814,524	311,295,588
Power	1,542,600,000	1,407,877,700
Transport	1,687,664,182	735,172,691
Construction/Engineering	1,611,358,532	3,164,205,166
Personal	2,330,604,943	3,663,616,578
Pharmaceuticals	2,023,106,270	2,094,449,640
Real Estate	3,444,911,046	2,872,222,088
Cargo and Travel Services	227,936,463	114,470,084
Paper & Packaging	1,874,437,440	1,780,128,765
Agro based industry/Dairy products	579,225,175	553,939,408
Others	32,764,196,433	16,599,416,779
- Callers	76,573,345,090	60,216,129,302
·	70,575,515,070	00,210,12>,502
7.6 Geographical Location-wise Loans and advances		
Dhaka Division	53,601,872,926	42,742,730,506
Chittagong Division	19,423,405,892	14,546,025,202
Rajshahi Division	891,836,968	803,253,314
Khulna Division	1,567,728,146	1,194,234,473
Sylhet Division	907,471,082	830,127,444
Rangpur Division	168,124,323	99,758,363
Barisal Division	12,905,753	-
Darioai Divisiuli	76,573,345,090	60,216,129,302
<u>-</u>	10,313,343,070	00,410,147,304





	2013 <u>Taka</u>	2012 <u>Taka</u>
7.7 Classification of loans and advances		
Unclassified (including Staff Loan)	71,057,464,090	55,979,470,748
Unclassified (Special Mention Account)	1,775,129,000	913,777,831
Substandard	522,436,000	741,771,660
Doubtful	305,684,000	490,709,403
Bad & Loss	2,912,632,000	2,090,399,661
	76,573,345,090	60,216,129,302

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).

Number of clients (Annexure-D)		13	33
Amount of outstanding loans & advances	Tk.	23,505,300,000	26,528,700,000
Amount of classified loans and advances	Tk.	-	-
7.9 Bills purchased and discounted			
Payable in Bangladesh		3,323,526,852	3,679,550,377
Payable outside Bangladesh		447,904,358	310,010,886
·		3,771,431,210	3,989,561,263
7.10 Maturity of Bills purchased and discounted	-	<u> </u>	
Upto 1 month		499,424,158	463,013,108
Above 1 month but less than 3 months		1,517,846,079	2,022,089,312
Above 3 months but less than 6 months		1,640,076,003	1,289,573,872
6 months or more		114,084,970	214,884,971
	_	3,771,431,210	3,989,561,263

7.11 Particulars of provision for Loans and Advances

		Base for Provision	Total Provision
_	Rate (%)	Taka	Taka
Standard (excluding Staff Loan)	1%	55,138,578,166	551,385,782
Small Enterprise Financing	0.25%	8,093,408,265	20,233,521
Consumer Financing (House Financing & Loans for			
Professionals)	2%	1,775,402,055	35,508,041
Consumer Financing (Other than House Financing & Loans			
for Professionals)	5%	415,279,356	20,763,968
Special Mention Account	0.25%-5%	1,783,069,013	71,322,761
Short Term Agriculture Loan	5%	782,453,660	39,122,683
Loan to brokerage houses, merchant banks/stock dealers			
against shares etc.	2%	4,516,935,666	90,338,713
Substandard	20%	212,216,830	162,338,619
Doubtful	50%	177,654,123	88,827,061
Bad & Loss	100%	1,367,256,121	1,537,256,121
Required provision for loans and advances			2,617,097,271
Total provision maintained			2,617,097,271
Excess/ (Short) provision at 31 December			

Based on the qualitative assessment, the Bank is satisfied that required provision on loans and advance is adequate.

2013 <u>Taka</u>	2012 <u>Taka</u>
63,054,289,256	43,383,208,396
6,077,335,680	14,966,102,375
7,441,720,155	1,866,818,531
	-
76,573,345,090	60,216,129,302
382,813,791	216,333,357
	Taka 63,054,289,256 6,077,335,680 7,441,720,155 - 76,573,345,090





	2013 <u>Taka</u>	2012 <u>Taka</u>
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	-	-
vii) 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		
=	382,813,791	216,333,357
viii) Maximum total amount of advances, including temporary advances granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as members		
=		
ix) Due from other banking companies (Bills purchased and discounted)	3,771,431,210	3,989,561,262
x) Classified loans and advances		
 a) Classified loans and advances on which interest has not been charged to income (Note-7.7) 	3,740,752,000	3,322,880,724
b Provision on classified loans and advances (Note-13.4)	1,788,421,802	1,555,438,573
c) Provision kept against loans and advances classified as bad debts	1,537,256,121	1,311,885,678
d Interest credited to Interest Suspense Account (Note-13.9)	876,721,731	606,963,533
xi) Cumulative amount of written off loans and advances		
Opening balance	84,288,731	84,288,731
Written off during the year Closing balance	210,824,611 295,113,342	84,288,731
Amount realised against loans previously written off	-	-
The amount of written off/classified loans for which law suits have been filed	295,113,342	84,288,731
7.13 Details of pledged collaterals received against Loans and Advances		
Collateral of movable /immovable assets	54,703,524,596	39,309,118,321
Local banks and financial institutions guarantee	1,727,324,275	1,038,758,126
Government guarantee	-	-
Foreign banks guarantee	16,175,956	23,320,685
Export documents Fixed deposit receipts (FDR)	1,854,591,345	3,618,956,442
FDR of other banks	1,920,822,417	1,601,990,936 106,668,118
Government bonds	461,973,408 8,005,576	1,097,536
Personal guarantee	5,936,489,426	1,248,188,760
Other securities	9,944,438,090	13,268,030,378
	76,573,345,090	60,216,129,302
7 (a) Consolidated Loans and Advances		, , , , ,
ONE Bank Limited ONE Securities Limited	72,801,913,880	56,226,568,039
Loan to ONE Securities Ltd by ONE Bank Limited	(403,653,372) 72,398,260,508	(347,453,129) 55,879,114,910
Consolidated Bills purchased and discounted		, , , r -
ONE Bank Limited	3,771,431,210	3,989,561,263
ONE Securities Limited	<u> </u>	<u> </u>
_	3,771,431,210	3,989,561,263
=	76,169,691,718	59,868,676,173





1,758,594,571 1,524,63 Leased Assets 25,044,000 25,04 Intangible Assets 131,028,337 100,24 Less: Accumulated depreciation 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure-A) 8 (a) Consolidated Fixed Assets including premises, furniture & fixtures ONE Bank Limited 1,205,627,611 1,098,45 ONE Securities Limited - ONE Securities Limited 1,205,627,611 1,098,45 ONE Assets 1,205,627,611 1,098,45 Income generating 1,000,000 Investment in shares of subsidiary companies 1,000,000 Interval 1,000,000 Interval	7,947
Furniture & Fixtures	7,947
Office equipment 599,702,532 508,05 Motor Vehicles 207,162,063 177,55 Building 118,999,192 118,99 Land 17,700,000 17,70 Leased Assets 25,044,000 25,04 Intangible Assets 131,028,337 100,24 Intangible Assets 709,039,297 551,46 Closing balance on 31 December 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure-A) 1,205,627,611 1,098,45 9 Other Assets 1,205,627,611 1,098,45 1 Income generating 1,205,627,611 1,098,45 1 Income generating 1,205,627,611 1,098,45	7,947
Motor Vehicles	
Building	8.941
Land 17,700,000 17,70 Leased Assets 1,758,594,571 1,524,63 Leased Assets 25,044,000 25,04 Intangible Assets 131,028,337 100,24 Less: Accumulated depreciation 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure- A) 0NE Bank Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 Income generating 1,205,627,611 1,098,45 Income generating Investment in shares of subsidiary companies 1,205,627,611 1,098,45	
1,758,594,571 1,524,63 Leased Assets 25,044,000 25,04 Intangible Assets 131,028,337 100,24 Less: Accumulated depreciation 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure- A) 8 (a) Consolidated Fixed Assets including premises, furniture & fixtures ONE Bank Limited 1,205,627,611 1,098,45 ONE Securities Limited - ONE Securities Limited 1,205,627,611 1,098,45 ONE Assets 1,205,627,611 1,098,45 Income generating 1,000,000 Income generating	00,000
Leased Assets 25,044,000 25,04 Intangible Assets 131,028,337 100,24 1,914,666,908 1,649,92 Less: Accumulated depreciation 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure- A) 0NE Bank Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 ONE Securities Limited - - 1 Income generating 1,205,627,611 1,098,45 Investment in shares of subsidiary companies 1,098,45	
Intangible Assets 131,028,337 100,24	4,000
1,914,666,908 1,649,928 1,649,929 1,649,929 1,649,929 1,649,929 1,649,929 1,649,929 1,649,929 1,205,627,611 1,098,45 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,627,611 1,205,6	
Less: Accumulated depreciation 709,039,297 551,46 Closing balance on 31 December 1,205,627,611 1,098,45 (For details please refer to Annexure-A) 8 (a) Consolidated Fixed Assets including premises, furniture & fixtures ONE Bank Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 Income generating Investment in shares of subsidiary companies	
Closing balance on 31 December (For details please refer to Annexure- A) 8 (a) Consolidated Fixed Assets including premises, furniture & fixtures ONE Bank Limited ONE Securities Limited 1,205,627,611 1,098,45 ONE Securities Limited 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,205,627,611 1,098,45	
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures ONE Bank Limited ONE Securities Limited 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,205,627,611 1,098,45 1,1098,45 1,100me generating Investment in shares of subsidiary companies	
ONE Bank Limited ONE Securities Limited ONE Securities Limited 9 Other Assets I Income generating Investment in shares of subsidiary companies	
ONE Securities Limited 9 Other Assets i Income generating Investment in shares of subsidiary companies	
9 Other Assets i Income generating Investment in shares of subsidiary companies	6,133
9 Other Assets i Income generating Investment in shares of subsidiary companies	6 122
Investment in shares of subsidiary companies	0,133
1. In Rangladesh 1.449.000.000 1.449.00	
1. III Dangiadesii	00,000
2. Outside Bangladesh -	-
ii Non- income generating	
Stock of stationery 32,994,653 28,58	3,220
	3,410
	9,215
Advance rent for office premises 410,469,694 289,46	2,139
Prepayments 66,808,274 71,34	6,148
Decoration & Construction work of rented premises for new Branches 56,591,198 18,46	2,625
Suspense account 40,495,844 8,16	4,790
Receivable from Bangladesh Bank 50,012,589 72,40	2,206
Interest receivable 145,877,280 111,74	5,516
	1,216
Advance Income Tax (note-9.2) 925,565,145 1,031,86	
	0,610
	7,713
	0,000
	1,337
,	3,347
3,213,066,030 3,164,65	
Off-shore Banking Unit -	6,450
3,213,066,030 3,164,65	6,450

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:

	Number of Unresponded entries		Unresponded entries (Amount in Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	19	4	924,899	111,102
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	<u> </u>			-
	19	4	924,899	111,102
	Branch Adjustme	ent Account (Net)	813,798	





	2013 <u>Taka</u>	2012 <u>Taka</u>
9.2 Advance income tax		
Opening balance on 1 January	1,031,862,959	3,048,619,800
Add: Tax paid as advance	925,565,145	1,031,862,959
Less: Advance income tax adjusted during the year	(1,031,862,959)	(3,048,619,800)
Balance on 31 December	925,565,145	1,031,862,959
9.3 Deferred tax assets:		
Opening balance	28,150,610	28,150,610
Addition during the year	(11,671,577)	-
Closing balance	16,479,033	28,150,610
differences in the carrying amount with tax base. 9 (a) Consolidated Other Assets		
ONE Bank Limited	3,213,066,030	3,164,656,450
ONE Securities Limited	4,533,286	4,042,468
Investment in ONE Securities Ltd by ONE Bank Limited	(1,449,000,000)	(1,449,000,000)
Receivable by ONE Bank Limited from ONE Securities Ltd	(11,288,213)	(10,000,000)
	1,757,311,103	1,709,698,919
10 Non Banking Assets		
Land & Building	83,866,820	83,866,820
Plant and Machinery	84,250,630	84,250,630
Pre-fabricated Structure	8,990,000	8,990,000
Stock	106,679,075	106,679,075
	283,786,525	283,786,525

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 1) 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	-	-
ii) Borrowings without security (Re-financed Term loan from Bangladesh Bank)	145,066,532	120,367,972
	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
	145,066,532	120,367,972



120 267 072

145 066 522



	2013 <u>Taka</u>	2012 <u>Taka</u>
11 (a) Consolidated Borrowings from other banks, financial institutions and Agents. ONE Bank Limited	145,066,532	120,367,972
ONE Securities Limited		-
=	145,066,532	120,367,972
12 Deposits and other accounts	15 500 000 000	0.411.007.710
i Current account and other account (OBL)	15,539,238,323	8,411,826,618
Off-shore Banking Unit	25,282,929 15,564,521,251	58,796,805 8,470,623,423
ii Bills payable	13,304,321,231	0,470,023,423
Payment Order (Issued)	1,372,175,398	2,301,222,935
Demand Draft	786,855	786,855
	1,372,962,253	2,302,009,790
iii Savings accounts	7,012,233,334	5,011,914,509
iv Term deposits	.,,	- y - y - y
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
	62,618,626,263	57,271,226,432
	86,568,343,101	73,055,774,154
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
	15,564,521,251	8,470,623,423
Bills payable	1,372,962,253	2,302,009,790
Savings Deposits	631,101,000	451,072,306
	17,568,584,505	11,223,705,519
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	17,568,584,505	11,223,705,519
Deposits from banks		
Short Term Deposits :		
Uttara Bank Limited	1,305	2,382
AB Bank Limited	439,262	-
-	440,567	2,382
Other than banks	68,999,318,029	61,832,066,253
<u> </u>	68,999,758,596	61,832,068,635
Total deposits $[12.2(a) + 12.2(b)]$	86,568,343,101	73,055,774,154
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
=	86,568,343,101	73,055,774,154
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		
	15,564,521,251	8,470,623,423





		2013 Taka	2012 Taka
Dille		Taka	<u> 1aka</u>
Bills payable ONE Bank Limited		1,372,962,253	2,302,009,790
ONE Securities Limited		1,372,902,233	2,302,009,790
ONE Securities Limited	=	1,372,962,253	2,302,009,790
Savings accounts	-	1,372,702,233	2,302,000,700
ONE Bank Limited		7,012,233,334	5,011,914,509
ONE Securities Limited		7,012,233,334	3,011,714,307
ONE Securities Elimited	-	7,012,233,334	5,011,914,509
Term deposits	-	7,012,233,331	2,011,511,505
ONE Bank Limited		62,618,626,263	57,271,226,432
ONE Securities Limited		-	-
	-	62,618,626,263	57,271,226,432
	-	86,568,343,101	73,055,774,154
	=		
13 Other liabilities			
Interest on bills discounted		50,824	55,752
Provision for Income Tax (note-13.1)		822,305,193	1,431,685,552
Deferred tax liability (note-13.2)		79,648,035	77,962,681
Provision for gratuity (note-13.3)		-	-
Provision for performance bonus		210,000,000	220,000,000
Provision for loans and advances (note-13.4 & 13.5)		2,617,097,271	2,244,790,607
Risk fund of Consumer Credit and Rider		473,512	473,512
Provision for other assets (note-13.7)		17,843,530	5,679,674
Provision for off balance sheet items (note-13.8)		447,632,347	326,823,483
Provision for diminuation value of share (note-13.10)		-	-
Interest suspense account (note-13.9)		876,721,731	606,963,533
Sinking fund		23,870	15,270
Lease Obligation		15,050,997	21,471,134
Interest Payable on Subordinated Debt		5,243,836	-
Other payable		22,709,228	36,008,563
Revaluation reserve held for trading	L	87,099,569	46,076,512
40.4 %	=	5,201,899,942	5,018,006,273
13.1 Provision for current income tax			
Opening balance on 1 January		1,431,685,552	3,495,054,792
Less: Provision adjusted during the year	-	(1,031,862,959)	(3,048,619,800)
		399,822,593	446,434,992
Add: Provision made during the year		422,482,600	985,250,560
	Balance on 31 December	822,305,193	1,431,685,552

The amount of provision for income tax has been reduced this year for treating the loan loss provisions as an admissible expenses. The High Court has given order in our favour on our Reference cases for the assessment year 2000-01, 2005-06, 2006-2007, 2007-2008, 2008-09 and 2009-10 where the DCT disallowed loan loss provision as an inadmissible expenses. The Bank has also lodged Reference case before the High Court against the disallowance of DCT on the assessment year 2010-11 and appeal to the Taxes Appellate Tribunal on the assessment year 2011-12 and 2012-13 where the maximum claims were ordered in favour of the Bank in the earlier Reference case.

13.2 Deferred tax liability

Opening balance		37,073,531	17,324,091
Addition during the year		(6,214,059)	19,749,440
Closing balance		30,859,472	37,073,531
Provision against revaluation reserve for security			
Opening balance		40,889,150	14,177,544
Addition during the year		7,899,413	26,711,606
Closing balance		48,788,563	40,889,150
	Total	79,648,035	77,962,681

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.





	2013 <u>Taka</u>	2012 <u>Taka</u>
13.3 Provision for gratuity		
Opening balance on 1 January	-	14,715,321
Provision made during the year	82,818,493	99,850,540
Transferred/Payment made during the year	(82,818,493)	(114,565,861)
Balance on 31 December	<u>-</u>	-
13.4 Specific provision against loans and advances		
Opening balance on 1 January	1,555,438,573	983,135,060
Provision written off	177,830,023	, <u>, , , , , , , , , , , , , , , , , , </u>
Provision after written off	1,377,608,550	983,135,060
Specific provision made during the year	591,030,074	629,201,410
Provision recovered	-	-
Provisions recovered and no longer required written back	(180,216,821)	(56,897,898)
Net charge to profit & loss account	410,813,252	572,303,512
Balance on 31 December	1,788,421,802	1,555,438,573
13.5 General provision against loans and advances		
Opening balance on 1 January	689,352,034	1,012,487,601
Provision made during the year	11	
Unclassified Loans & Advances	120,969,371	(331,544,338)
Consumer credit & Small enterprise financing	(49,030,430)	(40,697,111)
Special mention account	25,633,869	26,307,054
Loans against shares Net charge to profit & loss account	41,750,624 139,323,435	(323,135,567)
Net charge to profit & loss account	828,675,469	689,352,034
Balance on 31 December	2,617,097,271	2,244,790,607
	, , , , , , , , , , , , , , , , , , , ,	, ,,
13.6 Specific provision as per classification of loans	162 220 610	52 440 602
Substandard	162,338,619	53,448,682
Doubtful Bad/Loss	88,827,061 1,537,256,121	189,776,317 1,311,885,678
Balance on 31 December	1,788,421,802	1,555,110,677
13.7 Provision for other asset	1,700,121,002	1,000,110,077
Balance on 1 January	5,679,175	2,118,213
Provision made during the year (note-13.7 a, 13.7 b and 13.7 c)	12,164,356	3,560,962
Balance on 31 December	17,843,530	5,679,175
13.7.a Provision for protested bill		
Balance on 1 January	2,727,713	2,118,213
Provision made during the year	618,125	609,500
=	3,345,838	2,727,713
13.7.b Provision for nostro Accounts	2.051.462	
Balance on 1 January	2,951,462	- 2.051.462
Provision made during the year	6,863,894 9,815,356	2,951,462 2,951,462
=	9,013,330	2,931,402
As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 of Exchange Policy Department of Bangladesh Bank, Bank is required to make probalance of nostro account as at balance sheet date. Adequate provision has been material for more than 3 months.	ovision regarding the	un-reconciled debit
13.7.c Provision for legal expenses and others Balance on 1 January	-	-
Provision made during the year	4,682,337	
	4,682,337	
13.8 Provision for off balance sheet items		
Balance on 1 January	326,823,483	304,593,496
Provision made during the year	120,808,864	22,229,987
Balance on 31 December	447,632,347	326,823,483





	2013 <u>Taka</u>	2012 <u>Taka</u>
13.9 Interest suspense account		
Balance on 1 January	606,963,533	398,602,390
Interest suspense charged during the year	692,444,376	450,383,309
Interest realized during the year	(392,191,593)	(236,119,963)
Interest written off / waiver	(30,494,585)	(5,902,203)
Balance on 31 December	876,721,731	606,963,533
13.10 Provision for diminuation value of share		
Balance on 1 January	-	-
Provision made during the year	_	-
Balance on 31 December	-	-
13.10.a Consolidated Provision made for diminuation value of share		
ONE Bank Limited	-	-
ONE Secutities Limited:	10,000,000	(80,240,700)
	10,000,000	(80,240,700)
13 (a) Consolidated Other liabilities	·	
ONE Bank Limited	5,201,899,942	5,018,006,273
ONE Securities Limited	113,785,421	103,676,442
	5,315,685,363	5,121,682,715
14 Subordinated Debt =	2,200,000,000	-

ONE Bank Limited issued unsecured non-convertible subordinated bond on 26 December 2013 after obtained approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P0/2013-1869, dated 28 November 2013 and SEC/CI/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:

medites of the Bonds	
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:

Name of the Investor	No. of Bonds	Taka
Janata Bank Limited	500	500,000,000
Agrani Bank Limited	500	500,000,000
Rupali Bank Limited	500	500,000,000
Bangladesh Development Bank Limited	200	200,000,000
Saudi Bangladesh Industrial & Agricultural Investment Company Limited	200	200,000,000
Pubali Bank Limited	100	100,000,000
Bangladesh Commerce Bank Limited	100	100,000,000
Uttara Bank Limited	100	100,000,000

15. Share Capital		2013 <u>Taka</u>	2012 <u>Taka</u>
15.1 Authorized Capital 1,000,000,000 (2012:1,000,000,000) ordinar	y shares of Tk 10 each	10,000,000,000	10,000,000,000
15.2 Issued, Subscribed and fully paid-up Cap 476,707,002 (2012: 414,527,828) ordinary s		4,767,070,020	4,145,278,280
	Sponsors General Public	31.06% 68.94%	33.18% 66.82%
	Total	100.00%	100.00%





The issued, subscribed and fully paid up capital of the Bank is as follows:

Shareholders	No. of Shareholders	No. of Shares	2013 Taka	2012 Taka
Sponsors	16	148,086,793	1,480,867,930	1,375,363,480
General Public	43,381	328,620,209	3,286,202,090	2,769,914,800
Total	43,397	476,707,002	4,767,070,020	4,145,278,280

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

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

- 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

	2013 Taka	2012 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash : 422,925,782 bonus shares of Tk. 10 each	4,229,257,820	3,607,466,080
	4,767,070,020	4,145,278,280

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:





			2013 Taka	2012 Taka
Paid-up capital (note-15.2)		Actual capital held:	<u>Iuku</u>	Iunu
Statutory Keerve (note-16)		Core Capital (Tier-1)		
Profit & Loss Accout (note-17)			4,767,070,020	
Supplementary Capital (Tier-2) General provision on Unclassified Loan & Advances (note-13.5) 82.8,675,469 689,352,034 Provision for Off Balance Sheet Items (note-13.8) 447,632,347 326,823,8034 Provision for Off Balance Sheet Items (note-13.8) 447,632,347 326,823,8034 477,632,347 326,823,8034 477,632,347 326,823,8034 477,632,347 326,823,8034 477,632,347 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,8034 326,823,803 326,82				
Supplementary Capital (Tier-2) General provision on Unclassified Loan & Advances (note-13.5) 828,675,460 689,352,048 Provision for Off Balance Sheet liems (note-13.8) 447,632,347 326,823,483 Revaluation Reserve for HTM Securities up to 50% 57,398,310 48,104,883 53,602,977 Subordinated Debt (note-14) 2,200,000,000		Profit & Loss Accout (note-17)		
General provision for Ord Balance Short Loan & Advances (note-13.5) \$82,675.44 \$326,833.43 \$326,833.48 \$82,075 \$1,398,310 \$48,104.883 \$82,075 \$1,398,310 \$48,104.883 \$82,075 \$1,200,000,000 \$2,000,000,000 \$2,000,000,000 \$3,560,066.65 \$1,060,643,377 \$1,000,643,377			8,509,653,215	7,368,277,762
Provision for Off Balance Sheet lenss (note-13.8) Revaluation Reserve for HTM Securities up to 50% 57.398.310 326,833.483 82.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000,000 57.398.310 32.000,000 32.			828 675 469	689 352 034
Revaluation Reserve for HTM Securities up to 50%		* '		
Surplus value of equity instruments up to 10% 2,363,635 3,362,977 3,362,977 2,200,000,000 3,260,665 1,069,643,377 2,200,000,000 3,260,669,665 1,069,643,377 2,200,000,665 1,069,643,377 2,200,000,665 1,069,643,377 3,200,675 3,20				
Subordinated Debt (note-14) 3,560,009,005 1,069,643,377				
				-
Notal Capital 1.069,722,886 8.437,921,136 1.069,722,88			3,560,069,665	1,069,643,377
Total Capital Total Assets including Off Balance Sheet items				
Total Assets including Off Balance Sheet items			-	-
B Total Risk Weighted Assets 99,807,400,000 80,706,081,485 C Required capital based on risk weighted assets (10% on B) 9,807,400,000 8,070,6081,495 10,000 10,000,000				
C) Required capital based on risk weighted assets (10% on B) 9,980,740,000 3,070,691,49 7,088,982,880 367,312,991				
Percentage of Capital on Risk Weighted Assets:				
Percentage of Capital on Risk Weighted Assets:				
No. Core Capital (minimum required 50% of CAR and MCR; 2012; 50%) 8.53% 9.13% 0.0 Supplementary Capital 3.57% 1.33% 1.33% 0.0 Total Capital (minimum requireed rate is 10%; 2011; 10%) 12.00% 10.46% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 10.46% 12.00% 14.796,620 96,209,765 48,788,563) 40,889,150 66,008,056 55,320,615 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. 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 Salance on 31 December 3.55,315,897 412,085,734 412,085		D) Surpius (A-C)	2,000,702,000	307,312,991
No. Supplementary Capital On Total Capital (minimum requireed rate is 10%; 2011: 10%) 12.09% 10.46% 10.		Percentage of Capital on Risk Weighted Assets:		
No. Supplementary Capital On Total Capital (minimum requireed rate is 10%; 2011: 10%) 12.09% 10.46% 10.		On Core Capital (minimum required 50% of CAR and MCR; 2012: 50%)	8.53%	9.13%
15.3(a) Revaluation Reserve for Securities 114,796,620 96,209,765 (48,788,563) (40,889,150) (40,889,150) (60,008,056 55,320,615 (40,889,150) (40,889,		On Supplementary Capital	3.57%	1.33%
Revaluation Reserve for Securities 114,796,620 46,8788,563 40,889,150 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 70,008,056 70,		On Total Capital (minimum required rate is 10%; 2011: 10%)	12.09%	10.46%
Revaluation Reserve for Securities 114,796,620 46,8788,563 40,889,150 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 66,008,056 55,320,615 70,008,056 70,		15 2(a) Paralystian Pagawa for Sagurities		
Less: Deferred Tax			114 706 620	06 200 765
15.4 As per the directives of the Bangladesh Bank, the Bank has made disclosures a required under Base! II- Pillar III, market discipline as part of the Annexure- F. 16.				
Statutory Reserve				
Balance brought forward from previous year 2,310,094,082 1,898,008,348 Reserve made during the year 355,315,897 412,085,734 Balance on 31 December 2,665,409,979 2,310,094,082 17 Retained earnings/ movement of profit and loss account Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 883,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740		The per the directives of the Bunghadesh Bunn, the Bunn has made discreti	es as required under Basel	II- Pillar III, market
Balance brought forward from previous year 2,310,094,082 1,898,008,348 Reserve made during the year 355,315,897 412,085,734 Balance on 31 December 2,665,409,979 2,310,094,082 17 Retained earnings/ movement of profit and loss account Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 883,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740	16	Statutory Reserve		
Reserve made during the year Balance on 31 December 355,315,897 412,085,734 17 Retained earnings/ movement of profit and loss account Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734 Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained Earnings brought forward from previous year 81,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (621,791,740) (956,602,680)			2,310,094,082	1,898,008,348
Retained earnings movement of profit and loss account Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		Reserve made during the year	355,315,897	412,085,734
Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		Balance on 31 December	2,665,409,979	2,310,094,082
Balance on 1 January 912,905,400 1,226,165,142 Addition during the year 1,348,639,366 1,055,428,672 Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -	17	Retained earnings/ movement of profit and loss account		
Transfer to statutory reserve (355,315,897) (412,085,734) Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -			912,905,400	1,226,165,142
Issue of Bonus Share (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward from previous year 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		Addition during the year	1,348,639,366	1,055,428,672
Cash Dividend Paid Balance at 31 December (207,263,914) - 17.1 Retained earnings brought forward from previous year 8012,905,400 1,226,165,142 Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		Transfer to statutory reserve	(355,315,897)	(412,085,734)
Balance at 31 December 1,077,173,216 912,905,400 17.1 Retained earnings brought forward from previous year 812,905,400 1,226,165,142 Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -				(956,602,680)
17.1 Retained earnings brought forward from previous year Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -				012.005.400
Retained Earning of Prior Year 912,905,400 1,226,165,142 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		Balance at 31 December	1,0//,1/3,216	912,905,400
Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) - Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -				
Cash Dividend Paid Retained Earnings brought forward (207,263,914) - 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued Cash Dividend Paid (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		· · · · · · · · · · · · · · · · · · ·		
Retained Earnings brought forward 83,849,746 269,562,462 17.1(a) Consoliadated retained earnings brought forward from previous year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -				(956,602,680)
17.1(a) Consoliadated retained earnings brought forward from previous year Retained Earning of Prior Year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -				269 562 462
Retained Earning of Prior Year 802,036,413 1,051,126,818 Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -			03,047,740	207,302,402
Bonus share issued (621,791,740) (956,602,680) Cash Dividend Paid (207,263,914) -		• • • • • • • • • • • • • • • • • • • •	002.026.412	1.051.106.010
Cash Dividend Paid (207,263,914)		· · · · · · · · · · · · · · · · · · ·		
				(930,002,080)
		Retained Earnings brought forward		94,524,138







	2013	2012
	<u>Taka</u>	<u>Taka</u>
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
	10,045,474,158	8,523,887,901
Off-shore Banking Unit	52,277,484	18,948,500
40() 6	10,097,751,642	8,542,836,401
18 (a) Consolidated Interest and discount income	10 007 751 642	0.540.006.401
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)
	10,038,284,892	8,529,618,623
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	
	7,049,617,618	5,789,982,065
Off-shore Banking Unit	<u> </u>	
	7,049,617,618	5,789,982,065
19 (a) Consolidated Interest paid on deposits and borrowings		_
ONE Bank Limited	7,049,617,618	5,789,982,065
ONE Securities Limited		-
	7,049,617,618	5,789,982,065
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	61,563,766	6,432,400
Interest on Bond	25,126,667	30,891,666
interest on Bond	1,018,659,295	552,388,074
20 (a) Consolidated Income from Investments		
ONE Bank Limited	1,018,659,295	552,388,074
ONE Securities Limited		- 1
	1,018,659,295	552,388,074
21 Commission, exchange and brokerage		
Letters of credit (Issue & advising)	260 348 220	234,330,321
Letter of guarantees	260,348,220 105,405,642	
e e e e e e e e e e e e e e e e e e e		177,831,184 121,481,238
Acceptances	150,402,857	
Local bills purchased	20,550 590,792	66,063 676,221
Foreign bills Bills for collection	·	7,448,877
	11,045,596	
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,704,415	4,347,587
Export bills Others	33,406,441	33,373,439
Others	35,746,674	54,632,211
Loggi Commission shorossi	602,671,186	634,187,141
Less: Commission charges: Bank charge	5,998,928	3,451,629
Seal Commission to the Stock Brokers	3,998,928	3,431,029
	_	-
Underwriting Commission	70.405	56 800
Others	70,495 6,069,423	56,800 3,508,429
Durafit an avalance trading	596,601,763	630,678,713
Profit on exchange trading	459,066,960	381,595,805
Less: Loss on exchange trading	1,190	54,312
	459,065,769	381,541,492
Off share Donking Unit	1,055,667,533	1,012,220,205
Off-shore Banking Unit	5,338,764	4,170,444
	1,061,006,297	1,016,390,649





	2013	2012
	<u>Taka</u>	<u>Taka</u>
21 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,061,006,297	1,016,390,649
ONE Securities Limited	(1,798)	(8,574)
	1,061,004,499	1,016,382,075
22 Other operating income		
Loan processing and service charge	147,483,099	146,079,178
Miscellaneous Credit Card Fee	3,363,686	672,094
Recoveries of postage, telex, telephone, fax etc	35,513,332	29,410,270
Letter of Credit miscellaneous charges	116,935,164	104,301,168
General Banking miscellaneous charges	4,231,252	1,925,300
Miscellaneous (note-22.1)	8,335,333	11,338,149
Rent on locker	1,331,700	966,700
Gain on sale of fixed assets	4,597,114	2,349,530
Off share Double - Units	321,790,680	297,042,389
Off-shore Banking Units	1,859,583 323,650,263	931,369 297,973,758
		291,913,130
22.1 Miscellaneous income include commission on sanchyapatras, passport endors	sement fees etc.	
22 (a) Consolidated Other operating income		
ONE Bank Limited	323,650,263	297,973,758
ONE Securities Limited		-
	323,650,263	297,973,758
23 Salary & Allowances		
Salary & Allowances	1,264,126,693	930,953,219
Provident Fund Contribution	71,230,574	48,191,409
Gratuity	82,818,493	99,850,540
Superannuation fund	7,000,000	7,100,000
Bonus	330,989,353	313,913,000
	1,756,165,113	1,400,008,168
Off-shore Banking Units	1,756,165,113	1,089,482 1,401,097,651
	1,730,103,113	1,401,077,031
23(a) Consolidated Salary & Allowances		
ONE Bank Limited	1,756,165,113	1,401,097,651
ONE Securities Limited	1,362,129	
	1,757,527,242	1,401,097,651
24 Rent, taxes, insurance, electricity etc.		
Rent	161,383,318	137,832,285
Taxes	395,014	160,546
Electricity	33,792,533	28,946,876
Utilities	13,702,323	24,745,352
Insurance	78,749,580	45,720,505
	288,022,767	237,405,563
Off-shore Banking Units	<u> </u>	<u> </u>
	288,022,767	237,405,563
25 Legal expenses		
Professional fees	4,138,512	4,055,345
Fees, Court fees & stamps	138,488	33,570
	4,277,000	4,088,915
25 (a) Consolidated Legal expenses/professional expenses	4.000.000	4.000.01#
ONE Samulting Limited	4,277,000	4,088,915
ONE Securities Limited	4,277,000	30,000 4,118,915
	4,477,000	7,110,713





		2013	2012
		<u>Taka</u>	<u>Taka</u>
26	Postage, stamps, telecommunication etc.		
20	Telex/Swift	23,280,355	20,315,212
	Telephone/Fax etc	6,642,545	7,125,062
	Courier/postage	11,310,421	9,449,433
	Radio Link	6,089,384	9,999,396
	Reuter	2,205,845	2,230,803
		49,528,550	49,119,905
27	Directors' Fees		
	For attending the meeting of the Board and other committee meetings @ Tk. 5,000		
р	per attendance per person	735,000	890,000
	=	735,000	890,000
20	Chatianama Duintina advantiamant ata		
28	Stationery, Printing, advertisement etc.	21 550 022	12 255 501
	Printed and security stationery Stationery	21,559,022 55,159,081	13,255,501 42,619,264
	Advertisement	67,225,898	55,379,575
	Advertisement	143,944,001	111,254,339
	Off-shore Banking Units	-	-
		143,944,001	111,254,339
	28 (a) Consolidated Stationery, Printing, advertisement etc.		
	ONE Bank Limited	143,944,001	108,257,760
	ONE Securities Limited	2,615	129,686
	=	143,946,616	108,387,446
29	Managing Director's Salary & Allowances		
	Salary & Allowances	8,592,878	8,432,069
	House rent	175,645	180,000
	Provident Fund Contribution	856,852	841,208
	Bonus	2,384,666 12,010,041	2,472,167
20	Depreciation, leasing expense and repair of bank's assets	12,010,041	11,925,444
30	Depreciation (Annexure - A)	168,510,441	129,242,501
	Repairs & Maintenance	200,626,029	108,829,400
		369,136,470	238,071,901
	_		
	30 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
	ONE Bank Limited	369,136,470	238,071,901
	ONE Securities Limited		
	=	369,136,470	238,071,901
31	Other expenses		
	Entertainment	48,953,638	31,993,599
	Car expenses	88,725,945	72,045,339
	Subscription	42,431,559	19,554,842
	Traveling	103,641,088	70,641,579
	Computer & Printer maintenance expenses	16,277,607	20,534,269
	Finance charge-against leased assets	2,675,402	2,297,326
	Staff training	3,213,904	9,447,667
	VISA Card Expenses	8,132,850	1,425,076
	Sales Team fees	1,674,714	1,815,414
	Miscellaneous (note-31.1)	3,924,698	455,423
	Issuance cost of Sub-Ordinated Bond	28,500,000	-
	Mobile Financial Services	19,510,097	-
	Loss from sale/ write off of assets	90,043 367,751,545	230,210,534
	31.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		230,210,334
	31 (a) Consolidated Other expenses	•	
	ONE Bank Limited	367,751,545	233,207,113
	ONE Securities Limited	593,132	2,014,452
	One decurred diffice	368,344,677	235,221,565





	2013	2012
22 D	<u>Taka</u>	<u>Taka</u>
32 Provision for loans, investment & off balance sheet exposure Provision for bad and doubtful loans and advances	410 012 252	572 202 512
Provision for unclassified loans and advances	410,813,252 139,323,435	572,303,512 (323,135,567)
Provision for off-balance sheet exposure	120,808,864	22,229,987
Provision for diminution in value of investment	-	-
Provision for other assets	12,164,356	3,560,962
	683,109,907	274,958,894
33 Tax Expenses		
Current Tax	422,482,600	985,250,560
Deferred tax	5,457,518	19,749,440
	427,940,118	1,005,000,000
33 (a) Consolidated Tax Expenses		
Current Tax	100 100 500	005.050.540
ONE Bank Limited	422,482,600	985,250,560
ONE Securities Limited	1,363 422,483,963	2,700
Deferred Tax	422,483,903	985,253,260
ONE Bank Limited	5,457,518	19,749,440
ONE Securities Limited	-	-
ONE Securities Emilied	5,457,518	19,749,440
	427,941,481	1,005,002,700
34 Interest receipts		
Interest income on loans & advances	10,097,751,642	8,551,518,645
Interest on Treasury Bills and Bonds	933,084,019	522,079,241
	11,030,835,661	9,073,597,887
(Increase)/ Decrease in interest receivable others	(34,131,764)	(27,845,789)
	10,996,703,897	9,045,752,098
34 (a) Consolidated Interest receipts		
ONE Bank Limited	10,996,703,897	9,045,752,098
ONE Securities Limited	272,645	535,351
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(54,839,151)	- 0.046.207.440
25 Interest	10,942,137,391	9,046,287,449
35 Interest payments Total interest expenses	7 040 617 619	5 709 664 200
Add: Opening balance of interest payable	7,049,617,618 1,201,433,568	5,798,664,309 856,531,061
Less: Closing balance of interest payable	(1,049,742,651)	(1,201,433,568)
Ecss. Crossing balance of interest payable	7,201,308,535	5,453,761,803
	.,,,	-,,
35 (a) Consolidated Interest Payment		
ONE Bank Limited	7,201,308,535	5,453,761,803
ONE Securities Limited		
	7,201,308,535	5,453,761,803
36 Fee and commission receipts in cash	(01.040.520	(24.949.157
Commission, exchange and brokerage	601,940,528	634,849,157
Less: (Increase) / decrease in Com. receivable	1,577,216 603,517,744	7,173,561 642,022,718
AT 0 1	003,317,744	042,022,710
37 Cash payments to employees	1.75(1(5.11)	1 401 007 (51
Salaries and allowances	1,756,165,113	1,401,097,651 11,925,444
Managing Director's salary and allowances	12,010,041 1,768,175,154	1,413,023,095
Less: Payable to employees	(380,000,000)	(380,000,000)
Add: Opening Payable	380,000,000)	166,000,000
Add. Opening I ayable	1,768,175,154	1,199,023,095
38 Cash payment to suppliers	1,700,175,151	1,177,023,073
Printing, stationery and advertisement etc.	143,944,001	108,257,760
Repair & Maintenance	200,626,029	108,829,400
Add: closing stock of stationery and stamps	35,095,272	29,936,630
5	379,665,302	247,023,789
Less: opening stock of stationery and stamps	(29,936,630)	(34,556,349)
- X	349,728,672	212,467,440





20 Cash receipts from other operating activities Scheme Schange carnings Scheme Schem		2013 Taka	2012 Taka
Exchange camings	39 Cash receipts from other operating activities		
	1 0		
Cash payments for other operating activities Rent, taxes, insurance and electricity etc. 288,022,767 237,405,563 Legal expenses 4,277,000 4,088,915 Postage, stamps, telecommunication etc. 49,528,550 49,119,905 Directors fee 755,000 890,000 155,000 20,000 155,000 20,	Exchange earnings		
Rent, taxes, insurance and electricity etc.		//8,118,918	085,947,051
Legal expenses			
Postage, stamps, telecommunication etc.	· · · · · · · · · · · · · · · · · · ·		
Directors fees			
Additore fee			
Other expenses 337,661,502 233,207,113 Add: Outstanding in payable - Opening balance 1710,414,819 524,866,496 Less: Outstanding in payable - Closing balance (245,437,630) (151,104,048) 400; Consolidated Cash payments for other operating activities 0016,081,236 426,247,711 ONE Bank Limited 616,081,236 426,247,711 ONE Securities Limited 616,215,234 428,011,977 41 (Increase)/decrease of other assets 5133,998 1,764,267 Closing balance: 500,815 909,215 Advance rent 410,460,694 289,462,139 Prepayments 66,808,274 1,134,614 Renovation work of rented premises 56,591,198 18,462,625 Suspense account 40,495,844 8,164,790 Receivable from Bangladesh Bank 50,012,589 72,402,206 Receivable from ONE Securities Ltd 11,288,213 10,000,000 Protested bill 3,345,838 2,727,713 Inter Branch (net balance) 813,798 33,893,347 Less: Opening balance: 289,462,139 265,057,488 <td></td> <td>,</td> <td></td>		,	
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Cess: Opening balance: Security deposits	Off-shore banking unit	<u> </u>	<u> </u>
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ONE Securities Limited (900,000) (25,000) 42 Deposits from banks 191,238,135 Closing Balance : Payment on demand 1,191,610 1,197,760 Short Term Deposit 1,305 2,382 Fixed Deposit - - Less : Opening balance (1,200,142) (23,065,135)		(120 (65 700)	101 262 125
(129,565,780) 191,238,135 42 Deposits from banks Closing Balance : Payment on demand 1,191,610 1,197,760 Short Term Deposit 1,305 2,382 Fixed Deposit - - Less : Opening balance (1,200,142) (23,065,135)			
42 Deposits from banks Closing Balance : 1,191,610 1,197,760 Payment on demand 1,305 2,382 Fixed Deposit - - Less : Opening balance (1,200,142) (23,065,135)	ONE Securities Limited		
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Payment on demand 1,191,610 1,197,760 Short Term Deposit 1,305 2,382 Fixed Deposit - - 1,192,915 1,200,142 Less : Opening balance (1,200,142) (23,065,135)	•		
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Fixed Deposit			
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Less : Opening balance (1,200,142) (23,065,135)	Fixed Deposit		
	Less : Opening halance		
	2000 . Opening outdinee	$\frac{(1,200,142)}{(7,227)}$	(21,864,993)





			2013 Taka	2012 Taka
43	Deposits from customers		<u>Iaka</u>	<u> 14K4</u>
	Closing balance of Deposits			
	Payable on demand		17,397,392,895	10,530,434,946
	Other deposits	G 1 1 -	68,216,756,928	61,832,066,252
	Lance On the halo and CD and the	Sub total	85,614,149,823	72,362,501,198
	Less: Opening balance of Deposits Payable on demand	Г	10,530,434,946	8,354,973,001
	Other deposits		61,832,066,252	48,862,116,677
	Other deposits	Sub total	72,362,501,198	57,217,089,677
		Deposit increased during the year	13,251,648,624	15,145,411,521
	Add: Total interest on deposit		, , ,	, , ,
	On demand deposits		1,201,433,568	856,531,061
	On other deposits	<u>-</u>	151,104,048	52,485,262
		Sub total	1,352,537,615	909,016,323
	Less: Closing balance of interest			
	On demand deposits		(1,049,742,651)	(1,201,433,568)
	On other deposits		(245,437,630)	(151,104,048)
		Sub total _	(1,295,180,281) 13,309,005,958	(1,352,537,615)
		=	13,309,003,936	14,701,890,230
44	Increase/(decrease) of other liabilities			
	Closing balance:	Г	70.024	
	Interest on bills discounted		50,824	55,752
	Lease Obligation Risk fund of Consumer Credit and Rider		15,050,997	21,471,134
			473,512	473,512 606,963,533
	Interest suspense	L	876,721,731 892,297,064	628,963,932
	Off-shore banking unit		072,277,004	020,703,732
	on shore banking and	-	892,297,064	628,963,932
	Less: Opening balance:	-		
	Interest on bills discounted		55,752	14,843,911
	Provision for gratuity		-	14,715,321
	Lease Obligation		21,471,134	21,471,134
	Risk fund of Consumer Credit and Rider		473,512	473,500
	Interest suspense	L	606,963,533	398,602,390
		-	628,963,932	450,106,255
		=	263,333,132	178,857,677
	44 (a) Consolidated (Increase)/decrease of other	r liabilities		
	ONE Bank Limited		263,333,132	178,857,677
	ONE Securities Limited	-	(18,400)	6,250
		=	263,314,733	178,863,927
15	Payment for purchase of securities			
43	a) Treasury Bills		11,718,646,281	9,905,884,024
	b) Treasury Bond		1,315,317,929	791,592,340
	b) Heastiy Bona	-	13,033,964,210	10,697,476,364
	c) Others- Shares		10,000,00,210	10,007,170,00
	Closing balance		1,279,076,364	1,709,784,831
	Add: Sale during the year		470,581,300	47,997,722
	Less: Opening balance		(1,709,784,831)	(1,467,316,533)
		<u>-</u>	39,872,832	290,466,020
		=	13,073,837,042	10,987,942,384
	45 (a) Consolidated Payment for purchase of se	curities	12.072.027.042	10.007.042.204
	ONE Bank Limited ONE Securities Limited		13,073,837,042	10,987,942,384
	LUNE Securities I imited		-	22,000,000
	ONE Securities Emitted	-	13,073,837,042	11,009,942,384





	2013 Taka	2012 Taka
	<u> 1aka</u>	<u>14K4</u>
46 Receipts from sale of securities		
a) Treasury Bills	12,722,200,000	8,548,600,000
b) Others- Shares	470,581,300	47,997,722
	13,192,781,300	8,596,597,722
47 Letters of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of		
guarantee given favoring:		
Directors	-	-
Government	1,521,763,941	679,202,775
Banks and other financial institutions	319,742,178	451,660,440
Others	9,517,234,472	7,199,815,349
	11,358,740,591	8,330,678,563
Total (i and ii)	11,358,740,591	8,330,678,563
48 Basic Earnings Per Share		
Attributable profit for the year	1,348,639,366	1,055,428,672
Weighted average number of outstanding Shares for the year:		
Opening balance	414,527,828	414,527,828
Bonus Share Issued during the year 2012	62,179,174	62,179,174
	476,707,002	476,707,002
Basic Earnings Per Share	2.83	2.21

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

Attributable to holding company
Weighted average number of outstanding Shares for the year:
Opening balance
Bonus Share Issued in the year 2012

414,527,828	414,527,828
62,179,174	62,179,174
476,707,002	476,707,002

1,119,598,009

1,277,901,104

Basic Earnings Per Share

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- 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
- $\boldsymbol{iv})$ 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
- $\boldsymbol{v)} \quad \text{Disclosure of transaction regarding Directors and their related concerns: } \boldsymbol{Nil}$
- 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:

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease agreement	Corporate Head Quarters, ONE Bank LTD,46, Kawranbazar, Dhaka.	Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited	Expiry date of lease 31.10.2023
Lease agreement	Off Site Stationeries Store at Tejgaon, Plot # 26 Tejgaon Industrial Area, Dhaka.	Mr. Zahur Ullah, owner of M/s. Shamah Enterprises Limited	Expiry date of lease 31.05.2021
Lease agreement	Central Maintenance Unit and Off Site Stationeries Store 14- 17A Sagshad Avenue, Tejgaon, Dhaka	Mr. Sayeed H. Chowdhury, owner of M/S. HRC Bangladesh Limited	Expiry date of lease 13.07.2016
Lease agreement	ONE Bank Ltd, Kawran Bazar Branch, HRC Bhaban 46, Kawranbazar, Dhaka	Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited	Expiry date of lease 31.06.2023
Lease agreement	Centralised Tarde Processing Center & Centralised Loan Admin Department HRC Bhaban 64-66,, Agrabad C/A, Chitagong	Mr. Sayeed H. Chowdhury, owner of M/S. HRC Properties Limited	Expiry date of lease 29.02.2024

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.

M. Fakhrul Alam Managing Director

Salahuddin Ahmed Director Syed Nurul Amin Director Asoke Das Gupta
Vice Chairman



ONE Bank Limited Financial Highlights on the overall activities of the Bank As at 31 December 2013

SI	Particulars	2013	2012	Change in %
No	Tarticulars	(Taka)	(Taka)	Change in 70
1	Paid up Capital	4,767,070,020	4,145,278,280	15.00
2	Total Capital	12,069,722,880	8,437,921,139	43.04
3	Capital Surplus	2,088,982,880	367,312,991	468.72
4	Total Assets	102,690,970,846	85,617,746,775	19.94
5	Total Deposits	86,568,343,101	73,055,774,154	18.50
6	Total Loans and Advances	76,573,345,090	60,216,129,302	27.16
7	Total Contingent Liabilities	44,183,034,745	32,668,937,843	35.24
8	Credit Deposit ratio (%)	88.45%	82.42%	7.31
9	Percentage of Classified Loans against total loans and advances	4.89%	5.52%	(11.50)
10	Profit after tax and provisions	1,348,639,366	1,055,428,672	27.78
11	Amount of classified loans during the year	3,740,752,000	3,322,880,724	12.58
12	Provision kept against classified loans	1,788,421,802	1,555,438,573	14.98
13	Provision surplus/ (shortage)	-	327,968	(100.00)
14	Cost of fund	9.04%	9.05%	(0.11)
15	Interest earning Assets	91,726,572,675	76,342,367,376	20.15
16	Non-interest earning assets	10,964,398,170	8,243,516,440	33.01
17	Return on investment (ROI)	14.08%	14.31%	(1.64)
18	Return on Assets (ROA)	1.43%	1.38%	3.98
19	Income from Investment	1,018,659,295	552,388,074	84.41
20	Earning per Share	2.83	2.21	27.78
21	Net Income per share	2.83	2.21	27.78
22	Price Earning Ratio	5.58	10.30	(45.77)





Annexure-A

ONE Bank Limited Schedule of Fixed Assets As at 31 December 2013

[Referred to Note 8 of these Financial Statements]

Rate of	depreciation per	annum (Reducing	Balance Method)		<u>%</u>	10	18	20	2.5					20		
Ra	depreci	annum (Balance		J									1		ī
	Net book	value at	31 December			527,502,198	308,868,977	116,943,418	111,224,694	17,700,000	1,082,239,286	16,409,644	1,098,648,930	106,978,681	1,205,627,611	1,098,456,133
		Balance at	31 December			287,528,586	290,833,555	90,218,645	7,774,498	1	676,355,285	8,634,356	684,989,641	24,049,656	709,039,297	551,467,650
on (Taka)	Adjusted	on disposal	during the year			861,854	800,820	9,276,120	1	ı	10,938,794	•	10,938,794	1	10,938,794	4,405,372
Depreciation (Taka)		Charge for	the year			54,789,879	61,424,606	25,587,289	3,417,480		145,219,254	5,095,556	150,314,810	18,195,631	168,510,441	129,242,501
		Balance on	1 January			233,600,561	230,209,769	73,907,476	4,357,018	ı	542,074,825	3,538,800	545,613,625	5,854,025	551,467,650	426,630,521
		Balance at	31 December			815,030,784	599,702,532	207,162,063	118,999,192	17,700,000	1,758,594,571	25,044,000	1,783,638,571	131,028,337	1,914,666,908	1,649,923,783
Cost (Taka)	Disposal	during the year				1,123,100	1,000,000	12,137,692	1	1	14,260,792		14,260,792	1	14,260,792	5,246,842
Cost	Additions	during the	year			113,878,519	92,644,585	41,700,814	1	•	248,223,917		248,223,917	30,780,000	279,003,917	397,390,984
		Balance on	1 January			702,275,365	508,057,947	177,598,941	118,999,192	17,700,000	1,524,631,446	25,044,000	1,549,675,446	100,248,337	1,649,923,783	1,257,779,640
Particulars						Furniture and Fixtures	Office Equipment	Motor Vehicles	Building	Land	Sub-Total	Leased Assets	Total	Intangibles Assets	2013	2012





Annexure-B

1)	Balance	with	Bangla	idesh I	Bank-T	`aka	account

		Amount in Taka
	Detail	Total
Balance as per Bank ledger		5,162,510,000
Unrespond debit entries in:		
Bangladesh Bank Statement	699,110	
ONE Bank's ledger	696,676	1,395,786
		5,161,114,215
Unrespond credit entries in:		
Bangladesh Bank statement	3,548,266	
ONE Bank's ledger	4,204,715	7,752,981
Balance as per Bangladesh Bank Statement		5,168,867,196

2) Balance with Bangladesh Bank-Foreign currency

Amount	in	Taka
--------	----	------

	USD	EURO	GBP	Total
A) Balance as per Bank ledger	2,147,136,136	6,697,551	2,102,998	2,155,936,685
B) Unrespond debit entries in:				
Bangladesh Bank Statement	90,792,129	-	-	90,792,129
ONE Bank's ledger	193,135	-	-	193,135
	90,985,264	-	-	90,985,264
C) Unrespond credit entries in:				
Bangladesh Bank statement	99,778,004	-	-	99,778,004
ONE Bank's ledger	357,174,746	-	-	357,174,746
	456,952,750	-	-	456,952,750
Balance as per Bangladesh Bank				
Statement (A-B+C)	2,513,103,621	6,697,551	2,102,998	2,521,904,171





ONE Bank Limited

Financial Statements for the year ended 31 December 2013 **Balance with other banks in foreign currency**

[Referred to Note 4.4 of these financial statements]

			2013			2012	
			CT07			7107	
Name of the Banks	Currency	Amount in	Conversion	Amount in	Amount in	Conversion	Amount in
	Name	roreign Currency	rate per unit F.C.	BDT.	r oreign Currency	rate per unit F.C.	BDT.
Citibank NA, New York	OSD	34,037.77	77.7500	2,646,436.62	34,037.77	79.8499	2,717,912.53
Standard Chartered Bank, New York	OSD	(213,750.84)	77.7500	(16,619,127.81)	650,844.16	79.8499	51,969,841.09
Union De Banques Arabes Et Francaises, Singapore	OSD	1		-	250,080.47	79.8499	19,968,900.52
HSBC Bank, New York, USA	OSD	864,642.10	77.7500	67,225,923.28	1,149,882.30	79.8499	91,817,986.67
Mashreqbank Psc, New York	OSD	(357,679.87)	77.7500	(27,809,609.89)	296,817.00	79.8499	23,700,807.77
ICICI Bank Limited, Hong Kong	OSD	(221,727.09)	77.7500	(17,239,281.25)	42,655.86	79.8499	3,406,066.16
Wells Fargo Bank N.A	USD	2,174,553.55	77.7500	169,071,538.51	1,764,828.93	79.8499	140,921,413.58
		2,280,075.62		177,275,879.46	4,189,146.49		334,502,928.32
Standard Chartered Bank, London	GBP	242,929.03	128.0776	31,113,767.13	476,215.93	129.1013	61,480,095.64
Arab Bangladesh Bank Ltd, Mumbai	ACUD	697,218.58	77.7500	54,208,744.60	404,931.02	79.8499	32,333,701.45
Habib Bank Limited	ACUD	1,298,267.39	77.7500	100,940,289.57	•		1
Standard Chartered Bank, Pakistan	ACUD	1,128,847.30	77.7500	87,767,877.58	•		1
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	16,338.53	77.7500	1,270,320.71	16,338.53	79.8499	1,304,629.99
SEYLAN Bank Ltd, Colombo	ACUD	47,033.58	77.7500	3,656,860.85	15,136.84	79.8499	1,208,675.16
HSBC Bank, Karachi, Pakistan	ACUD	-		-	21,697.64	79.8499	1,732,554.38
HSBC Bank, Mumbai	ACUD	57,147.63	77.7500	4,443,228.23	188,744.29	79.8499	15,071,212.68
ICICI Bank Limited, Mumbai	ACUD	273,237.56	77.7500	21,244,220.29	391,003.74	79.8499	31,221,609.54
		3,518,090.57		273,531,541.83	1,037,852.06		82,872,383.20
Standard Chartered Bank, Tokyo	JP YEN	1,456,349.00	0.7393	1,076,678.82	9,389,347.00	0.9278	8,711,436.15
		1,456,349.00		1,076,678.82	9,389,347.00		8,711,436.15
Unicredit Bank, AG	EURO	78,087.44	106.8207	8,341,355.00	115,344.68	105.5696	12,176,891.73
Standard Chartered Bank, Frankfurt	EURO	67,257.05	106.8207	7,184,445.16	30,624.37	105.5696	3,233,002.49
Commerzbank AG Frankfurt	EURO	74,974.92	106.8207	8,008,873.44	109,623.98	105.5696	11,572,959.72
ICICI Mumbai	EURO	20,841.40	106.8207	2,226,292.94	5,884.60	105.5696	621,234.87
		241,160.81		25,760,966.54	261,477.63		27,604,088.81
Westpac Banking Corporation	AUD	18,282.49	68.9254	1,260,127.94	32,301.05	82.7804	2,673,893.84
Bank of Nova Scotia	CAD	94,435.96	72.6025	6,856,286.79	27,181.99	80.1384	2,178,321.19
Total				516,875,249			520,023,147



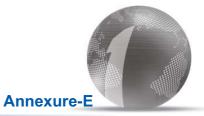
Annexure-D

ONE Bank Limited Details of Large Loan

As at 31 December 2013

CI N	G /GP /N	Outst	tanding (Taka in c	rore)
SL No	Group/ Client Name	Funded	Non-Funded	Total
1	Bangladesh Petroleum Corporation	-	502.14	502.14
2	Medlar Group	121.32	87.15	208.47
3	Zahintex Industries Ltd	86.5	116.05	202.55
4	Kalyar Replica Ltd.	99.05	70.54	169.59
5	Ananda Ship	65.57	103.65	169.22
6	Argon Denims Ltd.	101.42	60.24	161.66
7	ORASCOM Telecom BD Ltd.	40.00	104.58	144.58
8	Harvest Rich Group	135.86	2.92	138.78
9	Aman Group	95.91	41.17	137.08
10	Lanka Bangla Securities Ltd.	136.59	-	136.59
11	HABIB GROUP	84.48	44.50	128.98
12	Polmal Group	36.77	89.82	126.59
13	Clifton Group	80.13	44.17	124.30
	Total	1,083.60	1,266.93	2,350.53





Name of the Directors and the entities in which they have interest as on 31 December 2013

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent,	(%) of holding in	Remarks
1.	Mr. Sayeed Hossain Chowdhury	Chairman	Guarantor, Employee etc 1 Bangladesh Shipping Lines Ltd.	the company 60.00	
1.	Wir. Sayeed Hossain Chowdhury	Chairman	2 Baridhi Shipping Lines Ltd.	60.00	
			3 Bangladesh Land Ltd.	49.00	
			4 HRC Syndicate Ltd.	93.00	
			5 HRC Travels Ltd.	99.00	
			6 HRC Lighting Ltd.	47.00	
			7 HRC Properties Ltd.	45.00	
			8 HRC Shipping Ltd.	63.79	
			9 HRC Agrocom Ltd.	80.00	
			10 HRC Bangladesh Ltd.	56.00	
			11 HRC Products Ltd.	80.00	
			12 HRC Beverages Ltd.	90.00	
			13 HRC Media Ltd.	99.50	
			14 HRC Motors Ltd.	90.00	
			15 Hamid Properties Ltd.	10.00	
			16 Arakan Express Ltd.	21.00	
			17 Information Services Network Ltd.	8.17	
			18 Bangladesh General Insurance Co. Ltd.	2.07	
			19 HRC Freight Ltd.	80.00	
			20 HRC Airways Ltd.	18.00	
			21 Jaijaidin Publications Ltd.	84.69	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd.	55.00	
			2 Uniroyal Trade Ltd.	60.00	
			3 IMTREX	100.00	
			4 Ocunova Eye Hospital	5.00	
			5 NTC Housing Ltd	12.50	
3.	Mr. Zahur Ullah	Director	1 Gtex Ltd.	33.33	
			2 Everest Embroidery Ltd.	53.33	
			3 Lables & Trims Ltd.	70.00	
			4 Lamisa Ltd.	60.00	
			5 L-2 Knitting Ltd.	60.00	
			6 Apparel Fair (Pvt.) ltd.	20.00	
			7 Holiday Publications Ltd.	10.00	
			8 Buttons & Trims Ltd	70.00	
			9 Shamah Enterprises Ltd	40.00	
			10 Lamisa Food Products Ltd.	70.00	
			11 NTC Housing Ltd.	12.50	
4.	KSC Securities Limited	Director	1 NTC Housing Ltd.	12.50	Represented by
					Mr. A.S.M
-			1.3700	46	Shahidullah Khan
5.	Irfan International Limited	Director	1 NTC Housing Ltd.	12.50	Represented by
					Mr. Kazi
					Rukunuddin
6	M. R. Holdings & Securities	Director:	1 NTC Housing Ltd	12.50	Ahmed Parragantad by
6.	_	Director	1 NTC Housing Ltd.	12.50	Represented by
	Limited				Mr. Shawket
	N G 1N 1: :	Independent			Jaman
7.	Mr. Syed Nurul Amin	Director	-	-	-
8.	Mr. Salahuddin Ahmed	Depositor	Consolidated Services Limited	33.33	_
٥.		Director	- I Shortanea Services Elimited	23.33	
	<u>i</u>				





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:

Amount in crore

SL No.	Particulars	Solo	Consolidated
1.	Amount of Tier-1 capital		
	Fully Paid-up Capital	476.71	476.71
	Statutory Reserve	266.54	266.54
	Retained Earnings	107.72	89.56
	Minority interest in subsidiaries	-	1.28
	Total Tier -1 Capital (A)	850.97	834.09
2.	Amount of Tier-2 capital		
	General Provision	127.63	127.63
	Revaluation Reserve for HTM Securities up to (50%)	5.74	5.74
	Revaluation Reserves for equity instruments up to (10%	2.64	2.64
	Subordinated Debt	220.00	220.00
	Total Tier -2 Capital (B)	356.01	356.01
	Total Capital (A+B)	1,206.98	1,190.10





2. Capital Adequacy

Qualitative Disclosure:

The bank strictly follows the guidelines of Bangladesh Bank regarding capital adequacy.

Quantitative Disclosure:

Amount in crore

SL No.	Particulars	Solo	Consolidated
1.	Capital requirement for Credit Risk Capital requirement for Market Risk Capital requirement for Operational Risk	8,905.80 325.80 749.14	8,785.11 465.50 748.97
	Total	9,980.74	9,999.58
2.	Total Capital Ratio Total Tier-1 Capital Ratio	12.09% 8.53%	11.90% 8.34%

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:

	Defau	lt	(Classified / Impai	red
Loan Type	Past due	Special Mention	SS	DF	BL
Continuous Loan	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.	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	If it remains past due /overdue for 3 months or beyond but less than 6 months	If it remains past due /overdue for 6 months or beyond but less than 9 months	If it remains past due /overdue for 9 months or beyond.
Demand Loan	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.	treated as Special Mention Account (SMA).	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	over 9 months from the date of claim by the bank or from the date of creation of the	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





	Defaul	lt	(Classified / Impai	red
Loan Type	Past due	Special Mention	SS	DF	BL
Term Loan upto Tk.10.00 lac	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		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 "Substandard".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Doubtful.	If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 months, the entire loan will be classified as "Bad/Loss"
Term Loan above Tk.10.00 lac	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		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 "Substandard".	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 "Doubtful.	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Bad /Loss"
Short-term Agricultura I and Micro - Credit	If not repaid within the for repayment will be co / overdue after six mor date.	onsidered past due	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

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 (ECAIs) 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'.





OBL also uses the Credit Risk Grading System prepared by Bangladesh Bank before taking any exposure on Corporate and Medium clients.

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.





Quantitative Disclosure:

Amount in crore

Dantianlana	Cala	Carralidated
Particulars Particulars	Solo	Consolidated
Total gross credit risk	8,905.80	8,785.11
Funded Domestic	7,597.42	7,476.73
Non-Funded Domestic	1,308.38	1,308.38
Geographical distribution of exposures		
Domestic	8,905.80	8,785.11
Overseas	-	-
Cash and Cash equivalents		
Claims on Bangladesh Government and Bangladesh Bank		
Claims on Banks & NBFI:	165.59	165.82
Claims on Corporate	5,493.63	5,493.63
Claims included in retail portfolio & Small Enterprise	140.00	140.00
Claims on Consumer Loan	62.98	62.98
Claims Fully secured by residential property	162.77	162.77
Claims Fully secured by commercial real estate	3.35	3.35
Past due claims	246.04	246.04
Other categories	1,306.51	1,185.59
Credit Risk Mitigation	16.55	16.55
Risk weighted assets for On-balance sheet items	7,597.42	7,476.73
Claims secured by financial collateral		
Risk weighted assets for Off-balance sheet exposure	1,308.38	1,308.38
Gross Non Performing Assets (NPAs)	368.54	368.54
Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.89%	4.89%
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 fach 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/polices 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:

Amount in crore
C1:1-4-4

SL No.	Particulars	Solo	Consolidated
1.	The capital requirements for:		
	Interest Rate Risk	2.41	2.41
	Equity Position risk	27.99	41.96
	Foreign Exchange Risk	2.18	2.18
	Commodity Risk	-	-
			ļ
	Total	32.58	46.55

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:

A -				~	
ΑI	пυ	unt	ш	cre	re

SL No.	Particulars	Solo	Consolidated
1.	The capital requirements for: Operational Risk	74.91	74.90





ONE Bank Limited Off-Shore Banking Unit Balance Sheet

As at 31 December 2013

Annexure-G

	I	20	013	2012	
PROPERTY AND ASSETS	Notes	USD	Taka	USD	Taka
CASH Cash in hand (including foreign currency)	[-	-	-	-
Balance with Bangladesh Bank and its agent					
bank (including foreign currency)	l	- <u> </u>	-	- -	-
Balance with other Banks and Financial		-	-	-	-
Institutions In Bangladach	3				
In Bangladesh Outside Bangladesh		-	-	5,000,000	399,249,500
-	•	-	-	5,000,000	399,249,500
Money at Call on Short Notice		-	-	-	-
Investment Loans and Advances:	4	-	-	-	-
Loans, Cash Credits, Overdrafts, etc.	. [20,638,747	1,604,662,582	907,508	72,464,407
Bills purchased and discounted	Į	1,715,498 22,354,246	133,380,007 1,738,042,589	2,120,733	169,340,287 241,804,694
Fixed Assets		-	1,/30,042,369	3,028,240	241,804,094
Other Assets		-	-	-	-
Non Banking Assets		-	-	-	-
Total Assets	:	22,354,246	1,738,042,589	8,028,240	641,054,194
LIABILITIES AND CAPITAL					
Borrowing from other Banks, Financial					
Institutions and Agents Deposits and other Accounts:	5	-	-	-	-
Current Account and Other account	, [324,751	25,282,929	736,342	58,796,805
Bills Payable		-	-	-	-
Saving bank deposit Term deposits		-	-	-	
	ı	324,751	25,282,929	736,342	58,796,805
Other Liabilities	6	21,830,366	1,697,277,387	7,106,140	567,424,591
Total Liabilities		22,155,117	1,722,560,316	7,842,482	626,221,395
Capital/Shareholders' Equity					
Profit and Loss Account		199,129	15,482,273	185,759	14,832,798
Total Liabilites and Shareholders' Equity		22,354,246	1,738,042,589	8,028,240	641,054,194
Off Balance Sheet Items	·				
Contingent Liabilites:					
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		-	-	-	-
Other Commitments	•	1,636,488	127,236,938	1,634,962	130,551,523
Documentry Credit and short term trade related trans	sactions	-	-	-	-
Forward assets purchased and forward deposits place	ed	-	-	-	-
Undrawn note issuance and revolving undertaking fa Undrawn formal standby facilities, credit lies and otl		-	-	-	-
commitments			-	-	-
Total Off Balance Sheet Items		1,636,488	127,236,938	1,634,962	130,551,523
Total Oil Dalance Short Items	:	1,030,700	12192309730	1,037,702	100,001,020





ONE Bank Limited Off-Shore Banking Unit Profit & Loss Account

For the year ended 31 December 2013

		2013		2012	
	Notes	USD	Taka	USD	Taka
	_				
Interest Income	8	672,379	52,277,484	237,301	18,948,500
Interest paid on deposits and borrowings	9	373,818	29,064,325	108,732	8,682,244
Net Interest Income		298,562	23,213,159	128,569	10,266,256
Commission Exchange and Brokerage	10	68,666	5,338,764	52,229	4,170,444
Other Income	11 _	23,917	1,859,583	11,664	931,369
Total Operating Income (A)	_	391,145	30,411,506	192,462	15,368,070
Salaries and allowances	12		_	13,644	1,089,482
Rent, taxes, insurance, electricity etc.		_	_	-	-
Legal expenses		_	_	_	_
Postage, stamps, telecommunication etc.		-	-	-	-
Stationery, printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of ba	ank's assets	-	-	-	-
Other expenses		-	-	-	-
Total operating expenses (B)	-	-	-	13,644	1,089,482
Profit before provision (C=A-B)	_	391,145	30,411,506	178,818	14,278,587
Provision for loans and advances	_				
Specific provision		-	-	-	-
General provision		(192,442)	(14,962,379)	(10,861)	(867,259)
		(192,442)	(14,962,379)	(10,861)	(867,259)
Provision for off-balance sheet items		426	33,146	3,920	313,048
Other provision	_				-
Total Provision (D)	_	(192,016)	(14,929,233)	(6,941)	(554,211)
Profit/(loss) before taxes (C-D)		199,129	15,482,273	185,759	14,832,798
Current tax expense		-	-	-	-
Deferred tax (expense)/income	_				-
Net profit after taxation	_	199,129	15,482,273	185,759	14,832,798





ONE Bank Limited Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2013

	2013		2012	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	672,379	52,277,484	237,301	18,948,500
Interest payments	(373,818)	(29,064,325)	(108,732)	(8,682,244)
Dividend receipts	-	-	-	-
Fee and commission receipts	68,666	5,338,764	52,229	4,170,444
Cash payments to employees	-	-	(13,644)	(1,089,482)
Cash payments to suppliers	-	-	-	-
Income Taxes paid	-	-	-	-
Receipts from other operating activities	23,917	1,859,583	11,664	931,369
Payment for other operating activities	-	-	-	-
Operating profit before changes in current assets and				
liabilities	391,145	30,411,506	178,818	14,278,587
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(19,326,005)	(1,502,596,897)	999,080	79,776,468
Other assets	-	-	-	-
Borrowing from other banking companies, agencies etc.	-	-	-	-
Deposits from banks	-	-	-	-
Deposits from customers	(411,591)	(32,001,178)	567,792	45,338,165
Other liabilities	14,346,451	1,115,436,570	3,252,749	259,731,714
	(5,000,000)	(388,750,000)	4,998,440	399,124,933
A Net cash flows from operating activities	(5,000,000)	(388,750,000)	4,998,440	399,124,933
Cash flows from investing activities				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
B Net cash used in investing activities	-	-	-	-
Cash flows from financial activities				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid		-	-	-
C Net cash used in financing activities	-	-	-	-
D Net increase in cash and cash equivalents (A+B+C)	(5,000,000)	(388,750,000)	4,998,440	399,124,933
Effect of exchange rate changes on cash and cash equivalents	-	(10,499,500)	-	-
E Opening cash and cash equivalents	5,000,000	399,249,500	1,560	124,567
F Closing cash and cash equivalents (D+E)	-	-	5,000,000	399,249,500
Closing cash and cash equivalents				
Cash in hand	-	-	5,000,000	399,249,500
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	-	-	-	-
Money at call on short notice	-	-		
	-	-	5,000,000	399,249,500







For the year ended 31 December 2013

1.1 Status of the units

Off-Shore Banking Unit is a seperate 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 gurantee 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 recommanded 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.

Category of fixed assets	Rate
Furniture and fixtures	10%
Office equipment	18%
Vehicle	20%

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 Decemer 2013).





			013	20	
		USD	Taka	USD	Taka
3	Balance with other Banks and Financial Inst	itutions			
	In Bangladesh	-			200 240 500
	Outside Bangladesh (note-3.1)	-	-	5,000,000 5,000,000	399,249,500
3.1	Outside Bangladesh (Nostro accounts)			5,000,000	399,249,500
3.1	Current account				
	Citibank N.A., New York, USA	_	-	5,000,000	399,249,500
4	Loans and advances			- , - , , , , , , , , , , , - , -	, , , , , , , , , , , , , , , , , , , ,
4	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
		20,638,747	1,604,662,582	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
		1,715,498	133,380,007	2,120,733	169,340,287
		22,354,246	1,738,042,589	3,028,240	241,804,694
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
		324,751	25,282,929	736,342	58,796,805
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
		21,830,366	1,697,277,387	7,106,140	567,424,591
7	Contingent liabilities				
	Letters of credits				
	Letters of credits	-	-	-	-
	Acceptance and endorsments	1,636,488	127,236,938	1,634,962	130,551,523
	Back to Back letter of credit		-	-	-
		1,636,488	127,236,938	1,634,962	130,551,523
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			-	-
	Interest on loans and advances	672,379	52,277,484	237,301	18,948,500
	Interest received from HO Total Interest income	672,379	52,277,484	237,301	18,948,500
	Total Interest income	0/2,3/9	52,277,464	237,301	18,948,500
9	Interest on deposits, borrowings,				
	Interest paid to HO	373,818	29,064,325	108,732	8,682,244
	*	373,818	29,064,325	108,732	8,682,244
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
		68,666	5,338,764	42,360	3,382,416
11	Other operating income		7.7		
	L/C advice charge	8,685	675,259	4,242	338,723
	Export Bill Handling Charge	11,423	888,174	9,869	788,028
	Postage	3,389	263,495	2,537	202,579
	Others	420	32,655	4,885	390,067
		23,917	1,859,583	21,533	1,719,398
10	Caladan and all.	Г	 11	12.544	1,000,400
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.





Auditor's Report to the shareholders of ONE Securities Limited

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





ONE Securities Limited Statement of Financial Position

as at 31 December 2013

	Notes	2013 Taka	2012 Taka
SOURCE OF FUND			
Shareholders' Equity Paid-up Capital	3	1,463,636,300	1,463,636,300
Retained Earnings	3	(183,441,658)	(111,988,871)
Total Source of fund	L	1,280,194,642	1,351,647,429
APPLICATION OF FUND			
Non Current Assets (A)			
Membership at cost	4	-	600,200,000
Investment in DSE and CSE Shares	5	600,200,000	-
Preliminary expenses	7	872,894	1,309,342
Other Assets	8	200,000	-
	_	601,272,894	601,509,342
Current Assets (B)			
Advance deposit and prepayments	9	725,000	25,000
Advance income tax paid	10	2,735,392	2,708,127
Investment in Shares	6	1,199,560,500	1,199,560,500
Cash at Bank	11	4,627,862	8,974,031
		1,207,648,754	1,211,267,658
Current Liabilities (C)	-		
Short Term Borrowing	12	403,653,372	347,453,129
Other liabilities	13	113,648,655	103,647,292
Audit Fee Payable	14	25,000	20,000
Other payable	15	11,399,979	10,009,150
		528,727,006	461,129,571
Net Current Assets (D=B-C)		678,921,747	750,138,087
Total Application of Fund (A+D)	=	1,280,194,642	1,351,647,429

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 Comprehensive Income

for the year ended 31 December 2013

	Notes	2013 <u>Taka</u>	2012 <u>Taka</u>
Operating Income (A)			
Interest on Bank Deposit		272,645	535,351
	-	272,645	535,351
Operating Expenses (B)			
Interest paid on Time Loan		59,739,395	13,753,129
Bank charges		1,798	8,574
Salary & Allowances	16	1,362,129	-
Audit Fees	14	25,000	20,000
Professional fees		-	30,000
Amortization of preliminary expenses	7	436,447	436,447
Printing & Stationary		2,615	6,250
Advertisement expenses		-	123,436
Fees and other expenses	17	142,505	1,575,005
Others	18	14,180	3,000
Total	_	61,724,069	15,955,842
Net profit before provision and tax (A-B)		(61,451,424)	(15,420,491)
Provision for diminution in value of share	13.1	10,000,000	(80,240,700)
Provision for income tax	13.2	1,363	2,700
Net profit/(Loss) after provision		(71,452,787)	64,817,510
Retained surplus brought forward	_	(111,988,871)	(176,806,380)
Retained surplus carried forward	=	(183,441,658)	(111,988,871)
Earning per Share		(4.88)	4.43

The annexed notes 1-18 form an integral part of the financial statements.

A.S.M. Salahuddin Director

Dhaka: 24 March 2014

Syed Nurul Amir Director

Zahur Ullah Chairman

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

ACNABIN Chartered Accountants





ONE Securities Limited Statement of Cash Flows

for the year ended 31 December 2013

	2013 <u>Taka</u>	2012 <u>Taka</u>
Cash Flows from Operating Activities		
Interest Receipts in cash	272,645	535,351
Interest Payments	(54,839,151)	-
Income Taxes paid	(27,265)	(1,711,918)
Advance Deposit and Prepayment	(700,000)	(25,000)
Payment as Security Deposit	(200,000)	-
Other Payable	(9,150)	-
Payment to employees	(9,250)	-
Operating Expenses	(133,998)	(1,758,016)
A) Net Cash used in Operating Activities	(55,646,169)	(2,959,583)
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

Amount in Taka

Particulars	Paid-up Capital	Retained Earnings	Total
Balance as on January 01, 2013	1,463,636,300	(111,988,871)	1,351,647,429
Net profit / (loss) during the period	-	(71,452,787)	(71,452,787)
Balance as on December 31, 2013	1,463,636,300	(183,441,658)	1,280,194,642
Balance as on December 31, 2012	1,463,636,300	(111,988,871)	1,351,647,429

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 Notes to the Financial Statements

for the period ended 31 December 2013

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.
- b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

Category of Fixed Assets	Rate
Furniture and Fixtures	10%
Office Equipment	18%
Vehicle	20%

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 are 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 this 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 Financeial 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.





ONE Securities Limited Notes to the Financial Statements

for the period ended 31 December 2013

2013	2012
<u>Taka</u>	<u>Taka</u>

3 Share Capital

3.1 Authorized Capital

3.2 Issued, Subscribed and Paid-up Capital

1,46,36,363 ordinary shares of Taka 100/- each fully paid.

1,463,636,300 1,463,636,300

3.3 Shareholding position of the company

Name of Shareholders	Number of Shares	Amount in Taka
ONE Bank Limited	14,490,000	1,449,000,000
NTC Housing Limited	146,363	14,636,300
	14,636,363	1,463,636,300

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. A 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_	
	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

Name of Company	Number of shares	Market price	Market Value at 31-12-2013	Cost per unit	Cost	Surplus/ (Deficiency)
LankaBangla Finance Ltd	5,566,000	66.50	370,139,000	90.20	502,040,000	(131,901,000)
City Bank Ltd	16,256,625	20.20	328,383,825	42.91	697,520,500	(369,136,675)
-			698,522,825		1,199,560,500	(501,037,675)





7 Preliminary expenses	2013 <u>Taka</u>	2012 <u>Taka</u>
CSE Tender Schedule Purchase	15,000	15,000
SEC Capital Raising Consent Application	5,000	5,000
SEC Capital Raising Formal Approval Fee	332,751	332,751
RJSC Registration Fee	1,814,485	1,814,485
RJSC Legal Fee	15,000	15,000
	2,182,236	2,182,236
Less: Accumulated Amortised		
Opening balance	872,895	436,447
During the year	436,447	436,447
Closing balance	1,309,342	872,894
	872,894	1,309,342
8 Other Asset		
Secuirity 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	25,000
Advance payment of Software installation for Back Office	700,000	-
	725,000	25,000
10 Advance income tax		
Opening balance	2,708,127	996,209
Advance Income Tax U/S-74		1,658,383
Tax deducted at source	27,265	53,534.65
Closing balance	2,735,392	2,708,127
11 Cash at Bank		
ONE Bank Limited, Kawran Bazar Branch:		
Short Notice Deposit	4,627,862	8,974,031
12 Short Term Borrowing		
Time loan from ONE Bank Ltd *	403,653,372	347,453,129
* The above Time loan was taken from ONE Bank ltd, Kawran Bazar Branch bea quarterly basis vide reference no. OBL/KBB/CREDIT/058/2012 dated 07 October 201/2013 dated 10 October 2013.		
13 Other liabilities		
Provision for diminution in value of investment in shares (note-13.1)	110,990,000	100,990,000
Provision for Income Tax (note-13.2)	2,658,655	2,657,292
,	113,648,655	103,647,292
13.1 Provision for diminution in value of investment in shares		
Opening balane	100,990,000	181,230,700
Provision for the year	10,000,000	(80,240,700)
	,	

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

Closing balance

Opening balane Provision for the year * Closing balance

2,657,292	2,654,592
1,363	2,700
2,658,655	2,657,292

100,990,000

110,990,000



^{*} 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.



	2013 <u>Taka</u>	2012 <u>Taka</u>
14 Audit Fee		
Opening balance	20,000	20,000
Charge during the year	25,000	20,000
Paid during the year	(20,000)	(20,000)
Closing balance	25,000	20,000
15 Other Payable		
Payable to ONE Bank Ltd.	11,288,213	10,000,000
Tax on salary and LFA	108,016	
VAT on audit fees-2013	3,750	-
VAT on audit fees-2012	-	3,900
TDS from Audit fee	-	2,000
TDS from Professional Fees	-	3,000
TDS from Advertising Firm	-	250
	11,399,979	10,009,150
16 Salary and Allowances		
Salary & Allowances	1,217,563	-
Bonus	144,566	
	1,362,129	-
17 Fees and other expenses		
Application Fee (BSEC)	10,000	-
Documentation fee for Depository Participant (CDBL)	2,500	-
Authorized representative application fee	2,000	-
Renewal fee of DP Registration CDBL-DP-393	4,000	-
Renewal fee of Stock Broker and Dealer Registration	20,000	-
Govt. Excise Duty	21,000	-
DSE Membership fee	4,700	-
CSE Membership Fee	5,000	5,000
Trade License Fee	33,305	17,005
Registration fee for Stock Dealer	20,000	20,000
Registration fee for Stock Broker	20,000	20,000
Information Networking Service Fee	-	13,000
DSE Entrance Fee	-	1,000,000
Membership fee (DSE Members Club)	-	500,000
	142,505.00	1,575,005.00
18 Others		
VAT on audit fee	6,750	3,000
Promotional exp	3,580	-
Non judicial Stamp	3,850	-
	14,180	3,000





Our Network of Branches & Booths



2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215, Bangladesh Tel: + 88 02 9118161, Fax: 88 02 9134794, Website: www.onebank.com.bd, SWIFT: ONEBBDDH000

Dhaka Zone

Principal Branch

45, Dilkusha C.A., Dhaka, Bangladesh Tel: 880 2 9564249 Fax: 880 2 9561960

E-mail: manager.principal@onebank.com.bd SWIFT: ONEBBDDH001

Dhanmondi Branch

Dhaintionur Jariati House No. 21, Road No. 8 Dhainmondi R. A., Dhaka, Bangladesh Tel : 880 2 9143924, 9120790, 8120672 Fax : 880 2 9143965 E-mail : manager.dhainmondi@onebank.com.bd SWIFT : ONEBBDDH013

Mirpur Branch

Mirpur Branch
Plot No. 2, Road No. 11, Section No. 6
Block No. C, Mirpur-11, Dhaka, Bangladesh
Tel : 880 2 8035232, 8031406, 9012969
Fax : 880 2 9016165

E-mail: manager.mirpur@onebank.com.bd SWIFT: ONEBBDDH011

Banani Branch

Banani Branch Plot No. 158, Block No. E Banani R. A. Dhaka, Bangladesh Tel : 880 2 8824423, 8823427 Fax : 880 2 8824561 E-mail : manager, banani@onebar

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Fax : 880 2 7316499
Famil: managar imamponiflopedagic com bd

E-mail: manager.imamgonj@onebank.com.bd SWIFT: ONEBBDDH008

Motijheel Branch

Sharif Mansion 56-57, Motijheel C. A., Dhaka, Bangladesh Tel : 880 2 9564191, 9566896, 9570544 Fax : 880 2 9563746

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FAX: 880 2 9351260
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SWIFT: ONEBBDDH022

Elephant Road Branch

Elephant Koad Braileri Globe Centre 216, Elephant Road, New Market Dhaka, Bangladesh Tel : 880 2 8626524, 8626525, 8626526 Fax : 880 2 8626527 E-mail : manager.elephantroad@onebank.com.bd

Bangshal Branch

22, Bangshal Road Bangshal, Dhaka, Bangladesh Tel : 880 2 7111677 Fax : 880 2 9567925 E-mail : manager.bangshal@onebank.com.bd

Banasree Branch

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E-mail: manager.banasree@onebank.com.bd

Jagannathpur Branch Ka-43, Jagannathpur, Nadda Dhaka, Bangladesh Tel : 880 2 8415612-14

Fax : 880 2 8415615 E-mail : manager.jagannathpur@onebank.com.bd

Gulshan Branch
97, Gulshan Avenue, Dhaka, Bangladesh
Tel : 880 2 9890138-40
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Faxell : Property Sulphan@openhark.com h

E-mail: manager.gulshan@onebank.com.bd SWIFT: ONEBBDDH003

Kawran Bazar Branch

HRC Bhaban 46, Kawran Bazar C. A., Dhaka, Bangladesh Tel :880 2 8156054, 8155158, 9128584 Fax :880 2 8155158 E-mail: manager.kawranbazar@onebank.com.bd SWIFT: ONEBBDDH012

Uttara Branch

House No.14, Road No.14B, Sector No. 4
Uttara Model Town, Dhaka, Bangladesh
Tel : 880 2 8951447-50
Fax : 880 2 8924261

E-mail: manager.uttara@onebank.com.bd SWIFT: ONEBBDDH006

Ganakbari (EPZ) Branch

Somser Plaza Ganakbari Savar, Dhaka, Bangladesh : 880 2 7789653-4

: 880 2 7789654 E-mail: manager.ganakbariepz@onebank.com.bd SWIFT: ONEBBDDH005

Jatrabari Branch

Mansur Complex

Variation Complete 249/B/2, South Jatrabari, Dhaka, Bangladesh Tel : 880 2 7554800-2 Fax : 880 2 7554803

E-mail : manager.jatrabari@onebank.com.bd

Joypara Branch

Monowara Mansion Joypara Bazar Latakhola, Raipara, Dohar, Dhaka, Bangladesh Tel: 880 2 7768161

E-mail : manager.joypara@onebank.com.bd

Narayangonj Branch

Haque Plaza Plot No. 05, B. B. Road, Chashara C. A.,

Narayangonj, Bangladesh Tel : 880 2 7648572-3 Fax : 880 2 7635242

E-mail: manager.narayangonj@onebank.com.bd SWIFT: ONEBBDDH017

Tongi SME/Agriculture Branch

Shahjalal Shopping Complex, 1/1-A Sahajuddin Sarkar Road, Tongi Gazipur, Bangladesh Tel : 880 2 9817407-9 : 880 2 9817410

E-mail: manager.tongi@onebank.com.bd

Progoti Sharani Branch

Ridge Dale Cha – 75/2, Uttar Badda

Nawabgonj Branch

Sikder Plaza Bagmara Bazar, Nawabgonj Dhaka, Bangladesh Mobile: 01730082799

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Madhabdi Branch

355, Madhabdi Bazar (Bottola) Narsingdi, Bangladesh Tel : 880 2 9446885-7 : 880 2 9446888 E-mail : manager.madhabdi@onebank.com.bd

Basabo Branch Dhaka Complex Pvt. Ltd. 1/Ga, Central Basabo, Sabujbagh

Dhaka, Bangladesh Tel: 880 2 7811336 -38

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Moghbazar Branch

MOGIDAZAF BYARCH Erra Tower, 1/B, Outer Circular Road Moghbazar Wireless, Ramna Dhaka, Bangladesh Tel : 880 2 8319562, 8319570, 8319584 Fax : 880 2 9336674

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Ring Road Branch

Shampa Super Market 6/7 Adarsha Chayaneer Ring Road, Shamoli, Dhaka, Bangladesh

: 880 2 9104551, 9104552, 9104553 : 880 2 9104554

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Lalbagh Branch 47. Horonath Gosh Road

Lalbagh, Dhaka

Tel : 880 2 9668939, 9672748, 9672713 Fax : 880 2 9668795 E-mail : manager.lalbagh@onebank.com.bd

Tipu Sultan Road Branch

50, Tipu Sultan Road, Nawabpur, Dhaka Tel : 880 2 9537845 - 47 Fax : 880 2 9591844

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Chittagong Zone

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635645, 635526 : 880 31 624454 E-mail: manager.khatungonj@onebank.com.bd SWIFT: ONEBBDDH004

Jubilee Road Branch

Jubilee Road Brancıı
Kader Tower
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FAX : 880 31 2853116
E-mail : manager.jubileeroad@onebank.cor
SWIFT : ONEBBDDH023

road@onebank.com.bd

Cox's Bazar Branch

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CDA Avenue Branch

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Nanupur Bazar Branch

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Sitakunda Branch BBC Steel Bhaban, South Shitalpur, Sitakunda, Chittagong, Bangladesh Tel : 880 31-2780961-3 E-mail : manager.sitakunda@onebank.com.bd

Rangamati Branch H. B. Plaza 72/Ma, Banarupa Bazaar Rangamati, Bangladesh Tel :880 351 617/01-2, 61741 Fax :880 351 617/42 E-mail : manager.rangamati@onei

Boalkhali Branch Gomdondi, Boalkhali Sadar

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Fax : 880 31 260/2003 - 5
Fax : 880 31 260/2006
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Anderkilla Branch

Mithachara Branch
Mithachara Isania Fazil Madrasa Market
Mithachara Isazar, Mirsaria, Chittagong
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Fax : 880 3024 56052
E-mail : manager.mithachara@onebank.com.bd

Anowara Branch

Anowara Branch
Mohsen Awlia Shopping Complex
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F.xx : 880 3029 56141
F.mail : manager.anowara@onebank.com.bd

D. B. Road, Railgate Chowmuhuni, Noakhali, Bangladesh

880 321 53043

E-mail: manager.chowmuhuni@onebank.com.bo

Chandragonj Bazar Lakshmipur, Bangladesh Mobile: 01713045518, 01713045519

Zulfikar Chamber

Dagon Bhuiyan Branch Khair Shopping Complex

Fazilaer Ghat Road, Dagon Bhuiyan, Feni, Bangladesh Tel : 880 3323 79097-8

: 880 3323 79099 E-mail: manager.dagonbhuiyan@onebank.com.bd

Ramgonj Branch 378/1, Uttar Bazar, Main Road Ramgonj, Lakshmipur, Bangladesh

: 880 3824-75041 880 3824 75181

manager.ramgoni@o

Maiidee Court Branch 1241 & 1459, Main Road, Maijdee Court Noakhali, Bangladesh

: 880 321 71255 : 880 321 71266

E-mail : manager.n urt@onebank.com.bd

Mandari Bazar Branch

Bank Road, Mandari Bazar Lakshmipur

Phone: 880 381 55012, 55013, 55779 : 880 381 55790

E-mail : manager.mandaribazar@onebank.com.bd

Raipur Branch Sattar Complex Sattar Complex
187, Thana Council Road
Raipur, Lakshmipur, Bangladesh
Tel : 880 3822-56479, 56489
Fax : 880 3822-56479, ex-115
E-mail : manager.raipur@onebank.com.bd

K Jahan Centre

N Janari Ceritie 106, Sadar Road, Kotwali, Barisal Tel : 880 431 64537, 64538, 2177568 Fax : 880 431 2177569

Raozan Branch

Chandgaon Branch

Dovashi Bazar Branch Tavabia Madrasa Market

Tayabia Madrasa Market Chandraghona, Rangunia Chittagong Mobile : 07155594073 E-mail : manager.dovashibazar@onebank.com.bd

hahar@onebank.com.bd

RAC Chamber
37 Raja Pukur Lane, Kotwali, Chittagong
Tel : 880 31 285 1612 -14
Fax : 880 31 285 1611
Mobile : 01766667014
E-mail : manager.anderkilla@onebank.com.bd

Chowmuhuni Branch

Bhuivan Market

: 880 321 52098

Chandragonj Branch

E-mail : manager.chandragonj@onebank.com.bd

244, Islampur Road, Feni, Bangladesh Tel : 880 331 62362, 62267, 62367 Fax : 880 331 62261

E-mail: manager.feni@onebank.com.bd

Barisal Zone

Barisal Branch

E-mail: manager.barisal@onebank.com.bd

Our Network of Branches & Booths



Rajshahi Zone

Raishahi Branch

40 Malopara, Emaduddin Road Rajshahi, Bangladesh Tel: 880 721 770495 Fax : 880 721 770496 E-mail : manager.rajshahi@onebank.com.bd

Bogra Branch

T39IA, Rabu Tower
Bogra-Rangpur Sarak,Borogola
Bogra, Bangladesh
Tel : 880 51 69850, 69860
Fax : 880 51 69870
E-mail : manager.bogra@onebank.com.bd

Sirajgonj Branch

Mostofa Plaza 104, S. S. Road, Sirajgonj Sadar Sirajgonj, Bangladesh Tel : 880 751 62291-2 Faxa : 880 751 62280

Fax : 880 751 62280 E-mail : manager.sirajgonj@onebank.com.bd

Shahjadpur SME/Agriculture Branch

Mawlana Saifuddin Yahia Super Market Nawiana Sainduni Talia Super Market 138, Monirampur Bazar, Shahjadpur Sirajgonj, Bangladesh Tel : 880 7527-64045-46 Fax : 880 7527-64047 E-mail : manager.shahjadpur@onebank.com.bd

Rangpur Branch

Shah Bari Tower
286, Station Road, Guptapara
Rangpur, Bangladesh
Tel : 880 521 55081, 55082, 55083
Fax : 880 521 55084

E-mail: manager.rangpur@onebank.com.bd

Sylhet Zone

Sylhet Branch

Firoz Centre 891/KA, Chouhatta, Sylhet, Bangladesh Tel : 880 821 725093-94, 725472, 810381 Fax : 880 821 725094 E-mail : manager.sylhet@onebank.com.bd

Islampur Branch

Kayum Complex
Islampur Bazar, Sylhet, Bangladesh
Tel : 880 821 761725, 761670
E-mail : manager.islampur@onebank.com.bd

Laldighirpar Branch

Sherpur Branch

Royel Market Sherpur Chowmuhuni, Moulvi Bazar Bangladesh Mobile : 01713458183 E-mail : manager.sherpur@onebank.com.bd

Sylhet, Bangladesh
Tel : 880 821 716209, 712778, 714284
Fax: : 880 821 711154 E-mail: manager.laldighirpar@onebank.com.bd SWIFT: ONEBBDDH051

Khulna Zone

Khulna Branch

J.K Tower, 79 Khan – A – Sabur Road Picture Palace, Khulna, Bangladesh Tel : 880 41 813339, 813351, 813378

Fax : 880 41 813409 E-mail : manager.khulna@onebank.com.bd

Jessore Branch

M. S. Orchid Centre 44, M. K. Road, Jessore, Bangladesh

44, M. K. Road, Jessore, Bangladesh Tel : 880 421 68046-48 Fax : 880 421 68049 E-mail : manager.jessore@onebank.com.bd SWIFT : ONEBBDDH014

Satkhira Branch Mehedi Super Market 480. Boro Bazar Sarak, Pransaver

Factor of the state of the stat

Kushtia Branch Khushi Plaza, 0258 NS Road Kushtia Sadar, Kushtia Tel : 880 71 61711, 61712, 61822 Fax : 880 71 61877 E-mail : manager.kushtia@onebank.com.bd

Comilla Zone

Comilla Branch

Habiba Mansion

358, Monoharpur, Comilla, Bangladesh Tel : 880 81 63001, 63004 Fax : 880 81 63007 E-mail : manager.comilla@onebank.com.bd

Laksham Branch

Mojumder Complex 972, Doulatgonj Bazar, Laksham Comilla, Bangladesh Tel : 880 8032 51970, 51971 Fax : 880 8032 51972 E-mail : manager.laksham@onebank.com.bd

Brahmanbaria SME/Agriculture Branch

Bhuivan Mansion

Booth

Chittagong Port Booth

Terminal Bhaban (MPB) Chittagong Port Authority Chittagong, Bangladesh Tel: 880 31 800570

AUST Booth

141-142, Love Road Tejgaon Industrial area Tejgaon, Dhaka, Bangladesh

Custom House Booth

Lab Bhaban Custom House, Chittagong Bangladesh

DPDC Booth

27, Alibahor, Shampur Bazar, Shampur, Jatrabari Dhaka, Bangladesh

One Stop Service Centre

Chittagong Port Authority Chittagong, Bangladesh Tel: 880 4434 301051

DTM Operations Office

General Cargo Berth Area Chittagong Port Authority Chittagong, Bangladesh Tel : 880 4433 324280

Baghabari Booth

Aziz Mansion Shaktola, Baghabari Ghat Shahjadpur, Sirajgonj, Bangladesh Mobile : 01730703591

DSE Booth

9/E, Mothijheel Dhaka, Bangladesh Mobile : 01755541819

Grihayan Bhaban Booth

National Housing Authority 82, Segunbagicha Dhaka -1000

Parbatipur Depot (BPC) Booth

Parbatipur, Dinajpur







PROXY FORM

I/We		
of (Address)		
	entitled to vote, hereby appoint Mr./Mrs./Ms/Miss	
Proxy to attend and vote on my/our behalf at ti	he 15th AGM of the Company to be held on Thursday, N	May 15, 2014 or at any adjournment thereof.
Signed thisday of	,2014.	Revenue Stamp Tk. 20/-
Signature of Proxy		1 K. 2U/-
Signature of Member		
Folio/BONo		
No. of Shares held		
not signed and stamped as explained al	Registered Office of the Company at least 48 (forty eighoove.	
	ONE Bank	
	Corporate HQ (Registered Office): 2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215	
	ATTENDANCE SLIP	
hereby record my attendance at the 15th A0 at 11:00 a.m. in the Police Convention Hall, E	GM of the Company being held on Thursday, May 15, 2 skaton Garden Road, Ramna, Dhaka-1000	2014
Name of Member/Proxy (In Block Letters)		
Folio/BONo		
No. of Shares held		
Signature of the Member/Proxy		



- 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 $accompanying \, the \, Members \, or \, Proxy \, cannot \, be \, allowed \, in \, the \, Meeting.$





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