

ONE Bank Limited and its Subsidiary
Consolidated Balance Sheet
As at 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3 (a)		
Cash in hand (including foreign currencies)		1,187,048,352	812,064,082
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		11,028,251,491	8,193,901,158
		12,215,299,843	9,005,965,240
Balance with other banks and financial institutions	4 (a)		
In Bangladesh		842,380,689	707,953,962
Outside Bangladesh		930,383,782	870,788,660
		1,772,764,471	1,578,742,622
Money at call on short notice	5	2,600,000,000	150,000,000
Investments	6 (a)		
Government		19,529,306,175	13,092,499,305
Others		5,172,815,953	3,432,875,749
		24,702,122,128	16,525,375,054
Loans and Advances	7 (a)		
Loans, cash credit, overdraft etc.		105,155,550,140	87,678,512,427
Bills purchased and discounted		1,641,728,564	2,345,518,678
		106,797,278,704	90,024,031,105
Fixed Assets including premises, furnitures & fixtures	8 (a)	1,512,158,972	1,399,382,714
Other Assets	9 (a)	4,243,209,517	2,745,212,430
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		154,126,620,161	121,712,495,690
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11 (a)	88,076,612	1,317,260,683
Deposits and other accounts	12(a)		
Current accounts and other accounts		18,980,750,703	13,279,372,176
Bills payable		2,407,671,898	2,525,148,799
Savings bank deposits		12,314,846,918	9,777,300,687
Term deposits		97,548,551,969	74,713,237,249
		131,251,821,488	100,295,058,911
Other Liabilities	13 (a)	9,688,549,237	8,308,655,150
Subordinated -Debt		2,200,000,000	2,200,000,000
Total Liabilities		143,228,447,336	112,120,974,744
Capital/Shareholders' Equity			
Paid-up Capital	15	5,899,249,140	5,243,777,020
Statutory Reserve	16	3,845,644,373	3,305,962,560
Surplus in Profit & Loss Account		1,004,913,204	985,135,415
Revaluation Reserve for Securities		135,375,982	48,491,839
Total Shareholders' Equity		10,885,182,699	9,583,366,834
Non-Controlling Interest		12,990,126	8,154,112
Total Liability and Shareholders' Equity		154,126,620,161	121,712,495,690

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		30,095,289,307	20,262,626,353
Letters of Guarantee	47	10,728,246,661	10,878,319,164
Irrevocable Letters of Credit		17,712,419,636	16,384,817,490
Bills for Collection		2,907,675,142	2,261,309,221
		<u>61,443,630,745</u>	<u>49,787,072,228</u>
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		<u>61,443,630,745</u>	<u>49,787,072,228</u>
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		<u>-</u>	<u>-</u>
Total off-Balance Sheet items including contingent liabilities		<u>61,443,630,745</u>	<u>49,787,072,228</u>
Net Asset Value Per Share		18.45	16.25

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

M. Fakhurul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

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

Dhaka: 25 February 2016

ATA KHAN & CO.
Chartered Accountants

ONE Bank Limited and its Subsidiary
Consolidated Profit & Loss Account
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Interest income	18 (a)	11,959,810,657	11,211,459,633
Interest paid on deposits and borrowings etc.	19 (a)	(7,406,160,710)	(6,879,060,025)
Net interest income		4,553,649,947	4,332,399,607
Investment Income	20 (a)	1,513,091,386	1,154,436,041
Commission, Exchange and Brokerage	21 (a)	1,173,823,475	1,247,667,927
Other operating income	22 (a)	445,466,721	388,241,759
Total operating income (A)		7,686,031,530	7,122,745,335
Salaries and allowances	23 (a)	1,953,832,461	1,813,547,044
Rent, taxes, insurance, electricity etc.	24	410,619,921	355,645,152
Legal expenses	25 (a)	22,275,090	22,000,289
Postage, stamps, telecommunication etc.	26	58,040,460	51,278,918
Directors' fees	27 (a)	1,083,000	902,500
Auditors' fee		225,000	225,000
Stationery, Printings, advertisements etc.	28 (a)	124,590,221	138,030,517
Managing Director's salary and allowances	29	13,106,662	13,106,662
Depreciation, leasing expense and repair of bank's assets	30 (a)	487,561,507	437,861,962
Other expenses	31 (a)	440,323,379	439,541,093
Total operating expenses (B)		3,511,657,700	3,272,139,136
Profit/ (loss) before provision and tax (C=A-B)		4,174,373,829	3,850,606,198
Provision for loans and advances			
Specific provision	13.4	1,457,825,889	(86,901,058)
General provision	13.5	(140,681,643)	743,670,249
		1,317,144,246	656,769,191
Provision for off-balance sheet items	13.8	116,565,585	50,238,375
Provision for diminution in value of share	33	103,677,593	406,240,662
Provision for other	34	(8,865,356)	(618,125)
Total Provision (D)		1,528,522,068	1,112,630,103
Profit/(loss) before taxes (E=C-D)		2,645,851,762	2,737,976,096
Provision for taxation			
Current tax expense	35 (a)	786,098,258	1,068,147,240
Deferred tax expense /(income)	35 (a)	(10,122,759)	38,612,103
		775,975,500	1,106,759,343
Net Profit after taxation		1,869,876,262	1,631,216,753
Attributable to:			
Shareholders of the ONE Bank Ltd		1,870,403,848	1,635,865,332
Non-Controlling Interest		(527,586)	(4,648,579)
		1,869,876,262	1,631,216,753
Retained Surplus brought forward	17.1(a)	(325,808,832)	(10,177,335)
		1,544,595,016	1,625,687,996
Appropriations:			
Statutory Reserve	16	539,681,812	640,552,582
General Reserve		-	-
		539,681,812	640,552,582
Retained Surplus		1,004,913,204	985,135,415
Earnings per share (EPS)	48 (a)	3.17	2.77

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

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

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

ONE Bank Limited and its Subsidiary
Consolidated Cash Flow Statement
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	36(a)	12,566,708,301	11,755,234,948
Interest payments	37(a)	(6,972,716,752)	(6,857,230,716)
Dividend receipts		80,118,323	39,457,363
Fee and commission receipts in cash	38(a)	634,173,410	657,819,019
Cash payments to employees		(1,930,596,330)	(1,870,543,020)
Cash payments to suppliers		(377,989,658)	(374,061,293)
Income Taxes paid		(1,095,334,197)	(930,909,763)
Receipts from other operating activities	41(a)	984,905,036	978,302,304
Payment for other operating activities	42(a)	(940,424,966)	(917,291,363)
Cash generated from operating activities before changes in operating assets and liabilities		2,948,843,167	2,480,777,479
Increase/(decrease) in operating assets and liabilities			
Purchase of trading securities		(8,617,600,239)	(5,521,541,454)
Sale of trading securities		6,426,452,239	4,810,872,871
Loans and advances to customers		(17,546,118,121)	(13,924,705,268)
Other current assets	43(a)	(359,365,799)	10,720,283
Borrowing from other banking companies, agencies etc.		(1,229,184,071)	1,172,194,151
Deposits from other banks		(5,200,002,841)	9,399,996,736
Deposits from customers		36,236,210,730	3,975,269,137
Other liabilities	46(a)	597,390,960	748,464,010
A Net cash used in/ from operating activities		13,256,626,026	3,152,047,944
Cash flows from investing activities			
Proceeds from sale of securities		3,491,148,334	7,859,458,689
Payments for purchase of securities		(9,921,984,308)	(10,582,805,003)
Purchase of property, plant & equipment		(332,256,039)	(395,948,428)
Sale of property, plant & equipment		300,100	280,976
B Net cash used in investing activities		(6,762,791,913)	(3,119,013,766)
Cash flows from financing activities			
Receipts from issue of ordinary shares		5,363,600	-
Dividend paid		(650,220,203)	(429,036,302)
C Net cash used for financial activities		(644,856,603)	(429,036,302)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		5,848,977,509	(396,002,124)
E Effects of exchange rate changes on cash and cash-equivalent		4,664,642	1,518,067
F Opening cash and cash equivalent		10,736,172,762	11,130,656,818
G Closing cash and cash equivalents (D+E+F)		16,589,814,914	10,736,172,762
Closing cash and cash equivalents			
Cash in hand	3(a)	1,187,048,352	812,064,082
Cash with Bangladesh Bank & its agent(s)	3(a)	11,028,251,491	8,193,901,158
Cash with other banks and financial institutions	4(a)	1,772,764,470	1,578,742,622
Money at call on short notice	5	2,600,000,000	150,000,000
Prize bonds	6	1,750,600	1,464,900
		16,589,814,914	10,736,172,762
Net Operating Cash Flow Per Share		22.47	5.34

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

M. Fakhurul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

Dhaka: 25 February 2016

**ONE Bank Limited and its Subsidiary
Consolidated Statement of Changes in Equity
For the year ended 31 December 2015**

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non-Controlling Interest	Total
Balance as at 01 January 2015	5,243,777,020	3,305,962,560	48,491,839	985,135,415	9,583,366,834	8,154,112	9,591,520,946
Changes in accounting policy	-	-	-	-	-	-	
Restated balance	5,243,777,020	3,305,962,560	48,491,839	985,135,415	9,583,366,834	8,154,112	9,591,520,946
Issue of Bonus Share for the year 2014 (Transferred to Paid-up Capital)	655,472,120	-	-	(655,472,120)	-	-	-
Cash Dividend Paid	-	-	-	(655,472,128)	(655,472,128)	-	(655,472,128)
Share Transferred	-	-	-	-	-	5,363,600	5,363,600
Surplus of Revaluation of Reserve for HTM Securities	-	-	-	-	-	-	-
Adjustment of Revaluation of Reserve for HTM Securities	-	-	86,884,143	-	86,884,143	-	86,884,143
Net Profit after Tax for the year	-	-	-	1,870,403,848	1,870,403,848	(527,586)	1,869,876,262
Profit transferred to Statutory Reserve	-	539,681,812	-	(539,681,812)	-	-	-
Balance as at 31 December 2015	5,899,249,140	3,845,644,372	135,375,982	1,004,913,203	10,885,182,699	12,990,126	10,898,172,825
Balance as at 31 December 2014	5,243,777,020	3,305,962,560	48,491,839	985,135,415	9,583,366,834	8,154,112	9,591,520,946

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

M. Fakhru Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

Dhaka: 25 February 2016

ONE Bank Limited
Balance Sheet
As at 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		1,187,043,986	812,047,402
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		11,028,251,491	8,193,901,158
		12,215,295,477	9,005,948,560
Balance with other banks and financial institutions	4		
In Bangladesh		783,622,747	692,281,209
Outside Bangladesh		930,383,782	870,788,660
		1,714,006,528	1,563,069,869
Money at call on short notice	5	2,600,000,000	150,000,000
Investments	6		
Government		19,529,306,175	13,092,499,305
Others		3,370,401,326	1,631,365,227
		22,899,707,501	14,723,864,532
Loans and Advances	7		
Loans, cash credit, overdraft etc.		105,106,790,529	88,153,494,077
Bills purchased and discounted		1,641,728,564	2,345,518,678
		106,748,519,093	90,499,012,755
Fixed Assets including premises, furnitures & fixtures	8	1,498,749,163	1,395,509,199
Other Assets	9	6,232,785,799	4,198,748,913
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		154,192,850,086	121,819,940,353
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	88,076,612	1,317,260,683
Deposits and other accounts	12		
Current accounts and other accounts		18,980,750,703	13,279,372,176
Bills payable		2,407,671,898	2,525,148,799
Savings bank deposits		12,314,846,918	9,777,300,687
Term deposits		97,548,551,969	74,713,237,249
		131,251,821,488	100,295,058,911
Other Liabilities	13	9,073,746,928	7,782,460,725
Subordinated Debt	14	2,200,000,000	2,200,000,000
Total Liabilities		142,613,645,027	111,594,780,320
Capital/Shareholders' Equity			
Paid-up Capital	15	5,899,249,140	5,243,777,020
Statutory Reserve	16	3,845,644,373	3,305,962,560
Surplus in Profit & Loss Account	17	1,698,935,564	1,626,928,614
Revaluation Reserve for HTM Securities		135,375,982	48,491,839
Total Shareholders' Equity		11,579,205,059	10,225,160,033
Total Liability and Shareholders' Equity		154,192,850,086	121,819,940,353

OFF BALANCE SHEET ITEMS	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Contingent Liabilities			
Acceptances and Endorsements		30,095,289,307	20,262,626,353
Letters of Guarantee	47	10,728,246,661	10,878,319,164
Irrevocable Letters of Credit		17,712,419,636	16,384,817,490
Bills for Collection		2,907,675,142	2,261,309,221
		61,443,630,745	49,787,072,228
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		61,443,630,745	49,787,072,228
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		61,443,630,745	49,787,072,228
Net Asset Value Per Share		19.63	17.33

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

M. Fakhru Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

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

Dhaka: 25 February 2016

ATA KHAN & CO.
Chartered Accountants

ONE Bank Limited
Profit & Loss Account
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Interest income	18	11,969,311,749	11,275,606,273
Interest paid on deposits and borrowings etc.	19	(7,406,160,710)	(6,879,060,025)
Net interest income		4,563,151,039	4,396,546,247
Investment Income	20	1,477,980,402	1,146,033,093
Commission, Exchange and Brokerage	21	1,153,530,424	1,242,236,426
Other operating income	22	444,872,828	387,692,566
Total operating income (A)		7,639,534,694	7,172,508,333
Salaries and allowances	23	1,944,660,968	1,808,277,993
Rent, taxes, insurance, electricity etc.	24	410,619,921	355,645,152
Legal expenses	25	22,275,090	22,000,289
Postage, stamps, telecommunication etc.	26	58,040,460	51,278,918
Directors' fees	27	998,000	830,000
Auditors' fee		200,000	200,000
Stationery, Printings, advertisements etc.	28	124,451,266	137,658,514
Managing Director's salary and allowances	29	13,106,662	13,106,662
Depreciation, leasing expense and repair of bank's assets	30	485,430,302	436,756,584
Other expenses	31	431,822,022	437,601,873
Total operating expenses (B)		3,491,604,691	3,263,355,985
Profit/ (loss) before provision and tax (C=A-B)		4,147,930,003	3,909,152,348
Provision for loans and advances			
Specific provision	13.4	1,457,825,889	(86,901,058)
General provision	13.5	(140,681,643)	743,670,249
		1,317,144,246	656,769,191
Provision for off-balance sheet items	13.8	116,565,585	50,238,375
Provision for diminution in value of share	13.10	24,676,466	-
Provision for other	13.7 & 13.11	(8,865,356)	(618,125)
Total Provision (D)		1,449,520,941	706,389,441
Profit/ (loss) before taxes (E=C-D)		2,698,409,062	3,202,762,908
Provision for taxation			
Current tax expense	35	785,898,811	1,068,099,523
Deffered tax expense/ (income)	35	(10,122,759)	38,612,103
		775,776,053	1,106,711,626
Net Profit after taxation		1,922,633,009	2,096,051,282
Retained Surplus brought forward	17.1	315,984,367	171,429,914
		2,238,617,376	2,267,481,196
Appropriations:			
Statutory Reserve	16	539,681,812	640,552,582
General Reserve		-	-
		539,681,812	640,552,582
Retained Surplus		1,698,935,564	1,626,928,614
Earnings per share (EPS)	48	3.26	3.55

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

M. Fakhurul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

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

ONE Bank Limited
Cash Flow Statement
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	36	12,576,209,393	11,755,415,397
Interest payments	37	(6,972,716,752)	(6,857,230,716)
Dividend receipts	20	45,007,339	32,724,215
Fee and commission receipts in cash	38	613,880,360	652,371,370
Cash payments to employees	39	(1,930,596,330)	(1,870,543,020)
Cash payments to suppliers	40	(377,989,658)	(374,061,293)
Income taxes paid	9.2	(1,086,225,486)	(930,154,293)
Receipts from other operating activities	41	984,311,143	977,753,122
Payment for other operating activities	42	(927,200,414)	(915,642,114)
Cash generated from operating activities before changes in operating assets and liabilities		2,924,679,595	2,470,632,668
Increase/(decrease) in operating assets and liabilities			
Purchase of trading securities		(8,617,600,239)	(5,521,541,454)
Sale of trading securities		6,426,452,239	4,810,872,871
Loans and advances to customers		(17,023,014,104)	(13,925,667,665)
Other current assets	43	(360,055,392)	11,751,306
Borrowing from other banking companies, agencies etc.		(1,229,184,071)	1,172,194,151
Deposits from other banks	44	(5,200,002,841)	9,399,996,736
Deposits from customers	45	36,236,210,730	3,975,269,137
Other liabilities	46	588,311,859	742,731,143
A Net cash used in/ from operating activities		13,745,797,775	3,136,238,892
Cash flow from investing activities			
Proceeds from sale of securities		3,491,148,334	7,859,458,689
Payments for purchase of securities		(9,921,080,203)	(10,581,054,981)
Payment for investment in subsidiary		(531,000,100)	-
Purchase of property, plant & equipment		(329,041,069)	(392,950,967)
Sale of property, plant & equipment		300,100	280,976
B Net cash used in investing activities		(7,289,672,938)	(3,114,266,283)
Cash flow from financing activities			
Receipts from issue of ordinary shares		-	-
Dividend paid		(650,220,203)	(429,036,302)
C Net cash from financing activities		(650,220,203)	(429,036,302)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		5,805,904,634	(407,063,693)
E Effects of exchange rate changes on cash and cash-equivalent		4,664,642	1,518,067
F Opening cash and cash equivalent		10,720,483,329	11,126,028,955
G Closing cash and cash equivalents (D+E+F)		16,531,052,605	10,720,483,329
Closing cash and cash equivalents			
Cash in hand	3.1	1,187,043,986	812,047,402
Cash with Bangladesh Bank & its agent(s)	3.2	11,028,251,491	8,193,901,158
Cash with other banks and financial institutions	4	1,714,006,528	1,563,069,869
Money at call and short notice	5	2,600,000,000	150,000,000
Prize bonds	6	1,750,600	1,464,900
		16,531,052,605	10,720,483,329
Net Operating Cash Flow Per Share		23.30	5.32

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

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

Dhaka: 25 February 2016

ONE Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2015

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
Balance as at 01 January 2015	5,243,777,020	3,305,962,560	48,491,839	1,626,928,614	10,225,160,033
Changes in accounting policy	-	-	-	-	-
Restated balance	5,243,777,020	3,305,962,560	48,491,839	1,626,928,614	10,225,160,033
Issue of Bonus Share for the year 2014 (Transferred to Paid-up Capital)	655,472,120	-	-	(655,472,120)	-
Cash Dividend Paid	-	-	-	(655,472,128)	(655,472,128)
Surplus of Revaluation of Reserve for HTM Securities	-	-	-	-	-
Adjustment of Revaluation of Reserve for HTM Securities	-	-	86,884,143	-	86,884,143
Net Profit after Tax for the year	-	-	-	1,922,633,009	1,922,633,009
Profit transferred to Statutory Reserve	-	539,681,812	-	(539,681,812)	-
Balance as at 31 December 2015	5,899,249,140	3,845,644,373	135,375,982	1,698,935,563	11,579,205,059
Balance as at 31 December 2014	5,243,777,020	3,305,962,560	48,491,839	1,626,928,614	10,225,160,033

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

M. Fakhurul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

Dhaka: 25 February 2016

ONE Bank Limited
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at 31 December 2015

Amount in Taka

	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	12,215,295,477	-	-	-	-	12,215,295,477
Balance with other banks and financial institutions	916,891,010	465,191,891	310,814,945	21,108,682	-	1,714,006,528
Money at call on short notice	2,600,000,000	-	-	-	-	2,600,000,000
Investment	2,494,438,048	2,595,934,194	9,635,820,948	2,511,526,539	5,661,987,771	22,899,707,501
Loans and Advances	8,524,233,662	27,291,424,457	40,062,143,031	21,624,174,000	9,246,543,942	106,748,519,093
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	1,498,749,163	1,498,749,163
Other Assets	411,126,913	-	616,690,370	1,027,817,283	4,177,151,232	6,232,785,799
Non-banking Assets	-	-	-	-	283,786,525	283,786,525
Total Assets	27,161,985,111	30,352,550,542	50,625,469,295	25,184,626,505	20,868,218,633	154,192,850,085
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	14,092,258	12,365,956	33,134,421	28,483,976	-	88,076,612
Deposits and Other Accounts	28,499,257,439	43,879,277,370	28,933,954,087	15,622,664,620	14,316,667,971	131,251,821,488
Other Liabilities	927,374,693	3,709,498,771	3,045,811,425	1,391,062,039	-	9,073,746,928
Subordinated Debt	-	-	440,000,000	1,760,000,000	-	2,200,000,000
Total Liabilities	29,440,724,389	47,601,142,098	32,452,899,933	18,802,210,635	14,316,667,971	142,613,645,027
Net Liquidity Gap	(2,278,739,279)	(17,248,591,556)	18,172,569,361	6,382,415,869	6,551,550,662	11,579,205,059

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.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

Dhaka: 25 February 2016

ONE Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2015

1. Background of the Bank

1.1 Status of the Bank

ONE Bank Ltd. (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 amended in 2013). 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 eighty five (85) and the number of booths was fifteen (15) as on 31 December 2015.

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-F**.

1.2.2 ONE Securities Limited

ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on 24 December 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at 45, Dilkusha C.A (4th Floor), Dhaka-1000.

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 include 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 2015.

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 31 December 2015, the amount of deposit was 85.12% of total liability and shareholders' equity & the amount of shareholders' equity was 7.51% of total liability and shareholders' equity. 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 are included in the annual report.

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 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 (as amended 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. Managing Director's performance is assessed by the Chairman annually.

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

2.1 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.

2.2 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”.

2.3 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 (as amended 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, 2003, other Bangladesh Bank Circulars and other prevailing laws and rules applicable in Bangladesh.

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

2.3.1 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.

2.3.2 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 no.-05, dated May 26, 2008 and subsequent clarification in DOS Circular no-05, 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.

2.3.3 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, BRPD circular No 05 dated 29 May 2013 and BRPD circular No. 8 dated 02 August 2015, 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.

2.3.4 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.

2.3.5 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.

2.3.6 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.

2.3.7 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.

2.3.8 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.

2.3.9 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.

2.3.10 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 exists a face item named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991 (as amended in 2013).

2.3.11 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.

2.3.12 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.

2.3.13 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.

2.3.14 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.

2.3.15 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.

2.4 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.

2.5 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 2015 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.

2.6 Assets and the basis of their valuation

2.6.1 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.

2.6.2 Loans and Advances

- Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.
- 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 BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 5 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014 and BRPD Circular No. 8 dated 02 August 2015 respectively at the following rates:

Category/status of Loans and Advances	Rates	
	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%
Loan to Short-term Agricultural and Micro-Credits	2.5%	2.5%
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	5%	5%

Doubtful	5%	5%
Bad/Loss	100%	100%

- c) Loans and Advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) 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.

2.6.3 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 are intended to be held to maturity are classified as “Held to Maturity”. These are measured at amortized cost at every year end by taking into account any discount or premium on acquisition. Amortized amount of such premium is booked into profit and loss statement or discount is booked to equity until 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
Subordinated Bond	Face Value	At Redemption Value	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.
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- 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.

2.6.4 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:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
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 amortisation. 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.

2.6.5 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	Provision		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.
2	Litigation / Legal Expenses			
	(a) related to unsettled cases	50%		
	(b) unadjusted expenses related to settled cases		100%	
3	Protested Bill / Fraud / Forgery/ Fund Embezzlement			
	(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

2.6.6 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 2.6.2

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 per 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.

2.6.7 Capital and Shareholders' Equity

2.6.7 (1) 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 long term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior Management develops the capital strategy and oversees the capital Management Planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in

implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measure and internal matrix.

a) Paid up Share Capital

Paid up share capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

b) Statutory Reserve

Transfer to the statutory reserve has been maintained @ 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (as amended in 2013). 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 and subsequent clarification in DOS Circular no-05, dated January 28, 2009.

2.7 Off-Balance Sheet Exposures

In compliance with the instruction of BRPD Circular No. 10 dated 18 September 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	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for off-balance sheet exposures	1%	1%

2.8 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.

2.9 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 2014 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 2014 have been authorized for issue in accordance with a resolution of the Board of Directors on 25 February 2016.

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 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.18 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2015.

2.19. Number of Employees

The number of employees employed in the Bank as on 31 December 2015 was 1976 of which 1566 were male and 410 were female. The number of employees per branch was 16.22 (1379/85) excluding 597 employees in the Head Office of the Bank.

2.20. Employee Benefits

a) Provident Fund (Defined Contribution Plan)

"Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution to 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) employees 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) employees 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) employees of the Bank.

d) Death cum Survival Superannuation Fund

The objective of the ONE Bank Ltd. 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) employees of the Bank.

e) Maternity Allowance

1. AO to SEVP: Tk. 10,000/- twice during entire period of service of an employee in the Bank.
2. Guard, Electrician, Driver, Messenger & Mali: Tk. 5,000/- 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:

1. Part-I of Bangladesh Institute of Bankers Tk. 5,000/- (plus fees incurred by the incumbent)
2. Part-II of Bangladesh Institute of Bankers Tk. 7,500/- (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:

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

l) Incentive Bonus

Employees who have completed at least six months continuous service with the Bank as on December 31 of the FY 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 FY 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.

n) Day Care Center Facilities for the children of OBL Employees:

ONE Bank Limited (OBL), in association with other Banks having Head Offices located at Gulshan, Dhaka, has made an agreement with a Day Care Center namely "Wee Learn Day Care" and booked 02 (two) seats for the children of OBL employees and has been paying for those 02 (two) seats since September 2014.

o) Furniture & Fixture Facility Scheme:

The executives of the Bank are entitled to a specific amount to meet the cost of furnishing of residence with furniture and fixture for a period of 05 years (amortization by 60 months), and after every five years subject to full amortization of existing facility, executives are entitled to avail a new facility under the scheme as applicable to respective designation.

2.21 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 International 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
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A

N/A = Not Applicable.

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

2.22 BASEL III Implementation

After successful implementation of BASEL II, ONE Bank Limited has entered into the arena of BASEL III implementation process under the Guideline of Bangladesh Bank. Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014 issued Guidelines on Risk Based Capital Adequacy [revised regularity capital framework for Banks in line with BASEL III] and introduced Action Plan/Roadmap for implementation of BASEL III framework for Bank Companies as follows:

Issuance of Guidelines on Risk Based Capital Adequacy	:	December 2014
Commencement of Basel III Implementation process	:	January 2015
Capacity Building of Bank and BB officials	:	Jan 2015 to Dec 2019

The Full implementation of Basel III will be effective from January 01, 2020.

Accordingly, ONE Bank limited has already taken initiatives to implement BASEL III framework in accordance with the Bangladesh Bank declared Action Plan from January 01, 2015. OBL Has already reconstituted BASEL Committee under the light of BB Letter [Ref: Ref: DOS(CAMS) 1 I 5710 I (ID-A -2015-9344 Date:25 June,2015)]

Under the Basel III frame work, Minimum capital requirement of 10% of Risk Weighted Assets has been changed phase by Phase as follows:

Particulars	2015	2016	2017	2018	2019
Minimum Capital including Capital Conservation Buffer	10%	10.62 5%	11.25 %	11.87 5%	12.50 %
Minimum Tier-1 Capital Ratio	5.5%	5.5%	6 %	6 %	6 %

Along with other requirements under Basel III frame work, Leverage Ratio @ 3% to be maintained meticulously.

ONE Bank limited has successfully started BAEL III implementation process by maintaining required Regularity Capital in accordance with the Bangladesh Bank declared Action Plan.

2.23 Risk Management

ONE Bank Ltd 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 Ltd is capital structure, complexity of functions, level of technical expertise, quality of MIS, etc. and it is structured to address the total risk, i.e. both banking as well as non-banking risks. It also covers both on-balance sheet and off-balance sheet exposures. The prime objective of this risk management system is to ensure that the Bank takes

well-calculated business risks while safeguarding the Bank's capital, its financial resources, profitability from various risks and the reputation.

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

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

In light of the Risk Management, Bank takes well calculative business risks for safeguarding its capital, financial resources, and profitability. In this context, the Bank took steps to implement the guidelines of Bangladesh Bank as under:

2.23.1 Credit Risk Management

Credit risk is the potential that a Bank Borrower or Counterparty fails to meet its obligation in accordance with agreed term. This includes non-repayment of principal and / or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. This may happen due to impairment in Client's ability to pay and or willingness to pay. The goal of credit risk management at the ONE Bank Ltd. is to maximize the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

Uncertainties or risks associated in credit activities need to be understood, evaluated and managed in a structured way to ensure growth and stability of the Bank. Thus, the Bank needs to have a robust credit risk management frame work as well as a culture for maintaining and reinforcing its credit standards.

Towards ensuring transparency and accountability, entire credit related activities in ONE Bank Ltd. have been segregated into different segments. A separate Credit Risk Management Division has been established at Corporate Headquarters, which is entrusted with the responsibilities of managing all approval issues upon imparting due diligence and rigorous risk analysis, devising mitigates thereto and formulating policy/strategy for lending operations. 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. OBL meticulously addresses environmental risk issues in compliance with Bangladesh Bank Guideline. Compliance of upcoming Environmental and Social Risk Management issues are in the card as well.

Credit approval authority has been delegated to the individual executives. Credit limits 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. Other units namely (a) Credit Risk Management Unit, (b) Credit Administration Unit, (c) Credit Monitoring and Recovery Unit are in place towards ensuring proper security documentation and maintaining asset quality.

2.23.2 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.

2.23.3 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.

2.23.4 Prevention of Money Laundering and Combating Financing of Terrorism

Considering Money laundering (ML) and Terrorist Financing (TF) as one of the major threats to the stability and the integrity of financial system, and in response to national and international initiatives, ONE Bank Limited has firm commitment not to let the criminals to use the Bank to launder their ill-gotten money or conduct their illegal activities. In line with the spirit of “Money Laundering and Terrorist Financing Risk Management Guidelines” issued by BFIU of Bangladesh Bank in 2015, Money Laundering Prevention Act, 2012 & Anti Terrorism Act, 2009 including all amendments and considering overall risk management strategy of the Bank, it has developed its own “Money Laundering and Terrorist Financing Risk Management Policy Guidelines” which was lastly reviewed in the year of 2015. The Bank also devised “Money Laundering and Terrorist Financing Risk Assessment Policy Guidelines” in the year of 2015.

For mitigating the risks, the Bank has a Central Compliance Unit (CCU) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of Deputy Managing Director and two other Deputy Chief Anti Money Laundering Compliance officers at Corporate HQ. A Branch Anti Money Laundering compliance officers (BAMLCO) is assigned in every branch of the Bank to discharge the responsibilities related to AML & CFT activities.

The Bank introduced KYC program since its inception and apply Customer Due Diligence and Enhanced Due Diligence in applicable cases. The Bank has started a process to identify the accounts/transactions related with the “Sanction list” issued by United Nation and other regulatory authorities (both International & Local).

Besides, training on AML & CFT has been continuously arranged for all officers and executives of the Bank as it builds mass awareness and make it easier to implement AML & CFT program.

2.23.5 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 Management Committee and Audit Committee of the Board have 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.

2.23.6 Information Technology

ONE Bank Limited follows the “Guideline on ICT Security For Banks and Non-Bank Financial Institutions - 2015” issued through BRPD circular no. 09 dated September 17, 2015. ONE Bank IT management deals with IT operation, policy documentation, IT risk and security compliance, IT awareness and 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. Besides managing and operating various application software and developing in-house software, ONE Bank IT also extends its support and services to Alternate Delivery Channels (ADC) including ATM, POS, Mobile Financial Service, Internet Banking, Call Center, third party integration etc. ONE Bank Data Centre (DC) and Disaster Recovery Site (DRS) are equipped with state of the art technology in order to provide smooth and uninterrupted service continuation.

2.24 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 2015, 2 (Two) cases of such fraud and forgeries were identified. Total embezzled amount involved in the fraud case was Tk. 3,48,000.00 (Taka three lac forty eight thousand) (Tk. 2,98,000.00 + Tk. 50,000.00) only. In both the cases, the embezzled amounts have been realized in full.

The embezzled amount of Tk. 2,98,000.00 (Taka two lac ninety eight thousand) has been realized in full from the officers who failed to demonstrate enough vigilance. A note of caution has been issued to the responsible officers as they failed to demonstrate enough alertness and due diligence in handling the BACH function properly during presenting the cheque to BACH. For embezzling of Tk. 50,000.00 (Taka fifty thousand), the delinquent officer has already been dismissed from the services as per rules of the Bank after recovering the defalcated money.

Thereafter, HQ Operations reported the same to Bangladesh Bank in compliance with the Department of Banking Inspection Instruction No. DBI-1 (Nothi)/1025/2012-41 dated February 07, 2012 and the Department of Off-site Supervision (DOS) Circular Letter No. 17 dated November 07, 2012 of Bangladesh Bank.

2.25 Regulatory Compliance

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

- a. The Bank Company Act, 1991 (as amended 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.

2.26 Rearrangement

Last year figures of Notes Number 7.6, 26 & 41(a) in the Financial Statements and payments for purchase of securities & receipts from sale of securities in the cash flow statement have been rearranged to confirm the current year's presentation.

2.27 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	2015 Taka	2014 Taka
Bangladesh Shanchaya Patras	2,570,625,251	2,641,088,849
US\$ Investment Bonds	1,275,000	-
US\$ Premium Bonds	25,634,000	18,707,856
Wage Earners Development Bond	412,115,000	30,000,000
Total	3,009,649,251	2,689,796,705

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

2.28 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. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 223rd Board Meeting held on April 30, 2015 constituted the Audit Committee as under:

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

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 4 (four) meetings from 01 January to 31 December, 2015.

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.

After last AGM, Mr. Syed Nurul Amin, Independent Director was elected as Chairman of the Audit Committee of the Board of Directors.

3 Cash

	2015	2014
	<u>Taka</u>	<u>Taka</u>
Cash in hand (note-3.1)	1,187,043,986	812,047,402
Balance with Bangladesh Bank and its agent bank (note-3.2)	11,028,251,491	8,193,901,158
	12,215,295,477	9,005,948,560
3.1 Cash in hand (including foreign currencies)		
In local currency	1,184,296,571	805,278,076
In foreign currencies	2,747,415	6,769,325
	1,187,043,986	812,047,402
3.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bangladesh Bank		
In local currency	8,473,194,364	6,831,079,184
In foreign currencies	1,559,164,199	702,567,785
	10,032,358,564	7,533,646,969
Balance with Sonali Bank being an agent of Bangladesh Bank	995,892,927	660,254,189
	11,028,251,491	8,193,901,158

Reconciliation statements regarding Bangladesh Bank balance are given in 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 (as amendment in 2013) and MPD Circular No. 01 dated 23 June 2014 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6.50% has been calculated and maintained with Bangladesh Bank in current account and 13.00% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of treasury bills, bonds, Foreign Currency & excess reserve of the Taka current account with Bangladesh Bank. Both the reserves maintained by the Bank are shown below:

a) Cash Reserve Requirement (CRR) : 6.50% of average Demand and Time Liabilities

Average Demand and Time Liabilities	115,620,235,600	94,131,265,600
Required reserve	7,515,315,314	6,118,532,264
Balance with Bangladesh Bank	8,473,194,364	6,831,079,184
Amount in reconciliation (Net)*	(38,998,134)	6,502,833
Reserve held with Bangladesh Bank in local currencies	8,434,196,230	6,837,582,018
Surplus/(Shortage)	918,880,916	719,049,754
Maintained	7.29%	7.26%

* The balance of local currency account was duly reconciled as of 31 December 2015 and the above amount was matched accordingly.

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

Required reserve	15,030,630,628	12,237,064,528
Reserve held (b.1)	22,629,373,404	15,282,385,750
Surplus/(Shortage)	7,598,742,776	3,045,321,222
Maintained	19.57%	16.24%

	2015	2014
	<u>Taka</u>	<u>Taka</u>
b.1 Reserve held in SLR :		
Cash in hand including foreign currency	1,187,043,986	812,047,402
Balance with Sonali Bank being an agent of Bangladesh Bank	995,892,927	660,254,189
Reverse Repo	-	700,000,000
Bangladesh Bank bill	1,995,260,027	-
Treasury Bills	11,270,695,631	5,807,652,283
Treasury Bonds	6,261,599,916	6,583,382,121
Sub Total	21,710,492,488	14,563,335,996
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	918,880,916	719,049,754
Total	22,629,373,404	15,282,385,750
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	1,187,043,986	812,047,402
ONE Securities Limited	4,367	16,680
	1,187,048,352	812,064,082
ii Balance with Bangladesh Bank and its agent bank		
ONE Bank Limited	11,028,251,491	8,193,901,158
ONE Securities Limited	-	-
	11,028,251,491	8,193,901,158
4 Balance with Other Banks and Financial Institutions		
In Bangladesh (note-4.1)	783,622,747	692,281,209
Outside Bangladesh (note-4.2)	930,383,782	870,788,660
	1,714,006,528	1,563,069,869
4.1 In Bangladesh		
In current accounts (note-4.3)	47,195,225	83,007,258
Other deposit accounts (note-4.4)	736,427,521	609,273,951
	783,622,747	692,281,209
4.2 Outside Bangladesh		
In current accounts (note-4.5)	930,383,782	870,788,660
Other deposit accounts	-	-
	930,383,782	870,788,660
4.3 Current Accounts (In Bangladesh)		
AB Bank Limited	7,777,285	4,667,730
Sonali Bank Limited	24,039,951	55,159,025
Trust Bank Limited-Q Cash Settlement Account	7,081,268	9,327,942
Standard Chartered Bank	8,296,721	13,852,562
	47,195,225	83,007,258
4.4 Other Deposit Accounts (In Bangladesh)		
(Name of the banks and financial institutions)		
ICB Islamic Bank Limited	67,719,000	73,719,000
IDLC Finance Limited	31,608,682	25,500,000
United Commercial Bank Limited	2,066,705	54,203
AB Bank Limited	24,510,180	41,479,476
Eastern Bank Limited	694,219	3,912,031
Uttara Bank Limited	472,485,047	399,969,973
Jamuna Bank Limited	-	3
Rupali Bank Limited	-	27,850,000
Prime Bank Limited	137,343,689	36,789,264
	736,427,521	609,273,951

	2015	2014
	<u>Taka</u>	<u>Taka</u>
4.5 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	261,172,857	349,450,687
Standard Chartered Bank, London	25,169,437	6,129,215
Standard Chartered Bank, Pakistan	44,014,473	28,587,787
Standard Chartered Bank, Mumbai	66,592,585	56,302,424
Standard Chartered Bank, Tokyo	4,859,065	5,024,502
Standard Chartered Bank, Frankfurt	17,783,820	17,852,339
HSBC Bank , New York, USA	-	(2,871,367)
ICICI Bank Limited, Hong Kong	3,545,631	13,844,659
ICICI Bank Limited, Mumbai (ACUD)	70,125,035	59,840,581
ICICI Bank Limited, Mumbai (EURO)	14,690,044	1,245,849
Commerzbank AG, Frankfurt (USD)	85,052,912	29,944,842
Commerzbank AG, Frankfurt (CAD)	400,929	5,236,982
Commerzbank AG, Frankfurt (EURO)	20,508,535	9,819,146
Mashreqbank Psc, New York	118,149,315	37,268,451
Wells Fargo Bank N.A, New York	116,289,216	213,368,366
AB Bank Ltd, Mumbai	14,990,836	2,417,067
Habib Bank Limited , Karachi	27,825,459	12,841,006
Habib Bank AG Zurich, Switzerland	3,636,359	4,229,442
Nepal Bangladesh Bank Ltd, Kathmandu	5,430,562	3,242,509
Seylen Bank PLC, Colombo	3,511,884	5,483,156
Unicredit Bank, AG	-	6,471,023
United Bank of India, Kolkata	6,967,611	-
Bank Al-Jazira, Saudi Arabia	6,430,500	-
Westpac Banking Corporation, Sydney	13,236,715	5,059,993
	<u>930,383,782</u>	<u>870,788,660</u>
(For details of foreign currency amount and rate thereof see "Annexure - C")		
4.6 Maturity of balances with other banks and financial institutions		
Up to 1 month	916,891,010	810,758,990
More than 1 months to 3 months	465,191,891	435,394,553
More than 3 months to 1 year	310,814,945	306,416,322
More than 1 year to 5 years	21,108,682	10,500,005
More than 5 years	-	-
	<u>1,714,006,528</u>	<u>1,563,069,870</u>
4 (a) Consolidated Balance with Other Banks and Financial Institutions		
In Bangladesh		
ONE Bank Limited	783,622,747	692,281,209
ONE Securities Limited	58,757,942	15,672,753
	<u>842,380,689</u>	<u>707,953,962</u>
Outside Bangladesh		
ONE Bank Limited	930,383,782	870,788,660
ONE Securities Limited	-	-
	<u>930,383,782</u>	<u>870,788,660</u>
	<u>1,772,764,471</u>	<u>1,578,742,622</u>
5 Money at call on short notice		
Lanka Bangla Finance Limited	-	50,000,000
The City Bank Limited	1,000,000,000	-
International Leasing Company Ltd	90,000,000	-
AB Bank Limited	300,000,000	-
NRB Bank Limited	250,000,000	-
Bank Al-Falah Limited	160,000,000	-
BRAC Bank Limited	350,000,000	-
National Bank of Pakistan	200,000,000	-
Habib Bank Limited	80,000,000	-
Premier Leasing and Finance Ltd	100,000,000	-
Delta Brac Finance	70,000,000	100,000,000
	<u>2,600,000,000</u>	<u>150,000,000</u>

6 Investments

In Government securities

	2015	2014
	<u>Taka</u>	<u>Taka</u>
Treasury bills (note- 6.1)	11,270,695,631	5,807,652,283
Treasury bonds (note-6.2)	6,261,599,916	6,583,382,121
Bangladesh Bank bill (note-6.3)	1,995,260,027	-
Reverse Repo	-	700,000,000
Prize Bonds	1,750,600	1,464,900
	19,529,306,175	13,092,499,305

Other Investment

Shares (Quoted and Unquoted) (note-6.4)	1,019,201,326	1,067,365,227
National Bank Limited Subordinated Bond	51,200,000	64,000,000
Mercantile Bank Limited Subordinated Bond	500,000,000	500,000,000
Bank Asia Limited Subordinated Bond	600,000,000	-
Prime Bank Limited Subordinated Bond	600,000,000	-
Eastern Bank Limited Subordinated Bond	600,000,000	-
	3,370,401,326	1,631,365,227
	22,899,707,501	14,723,864,532

6.1 Treasury Bills

Treasury Bills (HTM) [(note-6.1(a))]	7,595,823,732	2,811,249,472
Treasury Bills (HFT) [(note-6.1(b))]	3,674,871,898	2,996,402,811
	11,270,695,631	5,807,652,283

6.1(a) Treasury Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	6,313,233,925	2,561,843,657	6,497,000,000	2,685,000,000
182 days Treasury Bills	1,282,589,807	249,405,815	1,300,000,000	250,000,000
	7,595,823,732	2,811,249,472	7,797,000,000	2,935,000,000

6.1(b) Treasury Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	1,481,824,064	1,618,160,569	1,500,000,000	1,668,900,000
182 days Treasury Bills	-	1,208,659,703	-	1,244,400,000
91 days Treasury Bills	2,193,047,834	169,582,539	2,200,000,000	171,800,000
	3,674,871,898	2,996,402,811	3,700,000,000	3,085,100,000

6.2 Treasury Bonds

Treasury Bonds (HTM) [(note-6.2(a))]	5,412,931,094	5,532,566,891
Treasury Bonds (HFT) [(note-6.2(b))]	848,668,822	1,050,815,230
	6,261,599,916	6,583,382,121

6.2 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
2 Years Treasury Bonds (Premium)	38,606,311	38,612,932	38,600,000	38,600,000
5 Years Treasury Bonds (Premium)	286,638,028	286,685,795	286,500,000	286,500,000
10 Years Treasury Bonds (Premium)	1,611,016,610	1,611,993,933	1,600,000,000	1,600,000,000
15 Years Treasury Bonds (Premium)	9,111,401	9,111,796	9,100,000	9,100,000
Sub-total	1,945,372,350	1,946,404,456	1,934,200,000	1,934,200,000

	Amortized Cost (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
2 Years Treasury Bonds (Discount)	9,595,765	128,442,572	9,600,000	128,500,000
5 Years Treasury Bonds (Discount)	389,034,788	388,929,074	389,400,000	389,400,000
10 Years Treasury Bonds (Discount)	843,558,070	843,440,799	845,100,000	845,100,000
15 Years Treasury Bonds (Discount)	117,644,081	117,630,589	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,826,040	108,819,401	109,300,000	109,300,000
Sub-total	1,468,658,744	1,587,262,435	1,471,500,000	1,590,400,000
5 Years Treasury Bonds (At par)	420,000,000	420,000,000	420,000,000	420,000,000
10 Years Treasury Bonds (At par)	1,077,400,000	1,077,400,000	1,077,400,000	1,077,400,000
15 Years Treasury Bonds (At par)	444,300,000	444,300,000	444,300,000	444,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
Sub-total	1,998,900,000	1,998,900,000	1,998,900,000	1,998,900,000
Total	5,412,931,094	5,532,566,891	5,404,600,000	5,523,500,000

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
5 Years Treasury Bonds	503,932,566	755,768,379	500,000,000	758,400,000
10 Years Treasury Bonds	344,736,256	295,046,851	308,000,000	308,000,000
	848,668,822	1,050,815,230	808,000,000	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 and subsequent clarification in DOS Circular no-05, dated 28 January 2009..

6.3 Bangladesh Bank Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	2015	2014	2015	2014
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
30 days Bangladesh Bank Bills	1,995,260,027	-	2,000,000,000	-

6.4 Other Investments -Shares

In shares (quoted and unquoted)

Quoted:

The City Bank Limited	147,995,755	147,995,755
Prime Bank Limited	140,673,639	140,673,639
IFIC Bank Limited	170,983,059	170,983,059
Lanka Bangla Finance Limited	80,000,000	80,000,000
Summit Alliance Port Ltd.	5,945	5,945
BRAC Bank Limited	138,912,107	169,809,107
R A K Ceramics	5,664	5,664
Khulna Power Company Limited	9,391,866	14,897,834
Phoenix Finance 1st Mutual Fund	43,700,613	43,700,613
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533
MJL BD Limited	47,562,357	59,323,290
Islami Bank BD Limited	27,726,980	27,726,980
Bank Asia Limited	107,000,000	107,000,000
Square Pharmaceuticals Ltd.	638	638
	915,948,056	964,111,957

Unquoted:

Infrastructure Development Finance Company	29,683,820	29,683,820
Central Depository Bangladesh Limited	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
	103,253,270	103,253,270
	1,019,201,326	1,067,365,227

6.4 (a) Comparison between cost and market price of quoted shares as on 31 December 2015

Particulars	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2015	Cost 31-12-2015	Surplus/(Deficiency)
Lanka Bangla Finance Ltd.	11,688,600	29.00	338,969,400.00	80,000,000	258,969,400
The City Bank Limited	10,157,958	20.40	207,222,343.20	147,995,755	59,226,588
IFIC Bank Limited *	3,108,740	21.20	65,905,288.00	170,980,700	(105,075,412)
BRAC Bank Limited	4,045,920	48.70	197,036,304.00	138,912,107	58,124,197
Summit Alliance Port Ltd	86	60.30	5,185.80	5,945	(759)
RAK Ceramics	170	66.90	11,373.00	5,664	5,709
Khulna Power Company Ltd	140,272	74.90	10,506,372.80	9,391,866	1,114,507
Square Pharmaceuticals Ltd.	5	253.70	1,268.50	638	631
Prime Bank Limited	3,257,210	18.10	58,955,501.00	140,673,639	(81,718,138)
MI Cement Factory Ltd	56	84.40	4,726.40	5,533	(807)
MJL BD Limited	516,400	94.30	48,696,520.00	47,562,357	1,134,163
Islami Bank BD Limited	804,375	27.80	22,361,625.00	27,726,980	(5,365,355)
Bank Asia Limited	3,993,000	16.50	65,884,500.00	107,000,000	(41,115,500)
Eastern Bank Limited	40,500	28.60	1,158,300.00	1,983,900	(825,600)
Phonix Finance 1st M. Fund	2,847,500	4.20	11,959,500.00	43,700,613	(31,741,113)
IFIC Bank Limited	52	21.20	1,102.40	2,359	(1,257)
Total			1,028,679,310	915,948,056	112,731,254

*ONE Bank Limited acquired 3,108,740 no. of shares of IFIC Bank Limited under a Sale and Buy Back Agreement dated August 10, 2006. The Buy Back Guarantors failed to exercise the purchasing option within the tenure of the Agreement and upon expiry, ONE Bank Limited placed the shares to IFIC Bank Limited for transfer to ONE Bank's name. As the IFIC Bank was delaying transfer of the shares, ONE Bank Limited filed a suit before the Honorable High Court Division of the Supreme Court of Bangladesh for transfer of the shares in favor of ONE Bank Ltd. 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 38,509,503 shares including 5,022,978 Bonus Shares declared for the year 2014 against the original 3,108,740 no. of shares.

The total market value of 38,509,503 shares of IFIC Bank Limited as of 31 December 2015 was Tk 816,401,464 exceeding the original investment by Tk.645,420,764.

In addition to the above Bonus Shares, the Bank has also become entitled to receiving Cash Dividend of Tk. 10,588,625 as declared by the IFIC Bank Limited for the year 2011.

6.5 Residual Maturity of Investments

Payable on demand	2,494,438,048	745,368,940
Up to 3 months	2,595,934,194	853,935,055
Above 3 months to 1 year	9,635,820,948	6,259,822,425
Above 1 year to 5 years	2,511,526,539	2,198,369,037
Above 5 years	5,661,987,771	4,666,369,075
	22,899,707,501	14,723,864,532

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

6 (a) Consolidated Investments

In Government securities

ONE Bank Limited	19,529,306,175	13,092,499,305
ONE Securities Limited	-	-
	19,529,306,175	13,092,499,305

Other Investment

ONE Bank Limited	3,370,401,326	1,631,365,227
ONE Securities Limited	1,802,414,627	1,801,510,522
	5,172,815,953	3,432,875,749
	24,702,122,128	16,525,375,054

	2015	2014
	<u>Taka</u>	<u>Taka</u>
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	81,188,182,398	67,795,008,063
Lease finance (note-7.2)	3,571,358,992	3,004,795,830
Cash Credit	-	89,902,701
Overdraft	17,774,823,920	15,011,769,697
	102,534,365,310	85,901,476,291
Off-shore Banking Unit	2,572,425,219	2,252,017,786
	105,106,790,529	88,153,494,077
Bills purchased and discounted		
Bills purchased and discounted-OBL	1,612,592,243	2,324,732,852
Bills purchased and discounted-OBU	29,136,321	20,785,826
	1,641,728,564	2,345,518,678
	106,748,519,093	90,499,012,755
ii) Outside Bangladesh	-	-
	106,748,519,093	90,499,012,755
7.2 Lease finance		
Lease rental receivable within 1 year	918,613,782	94,720,456
Lease rental receivable within 5 years	3,290,004,680	3,593,481,703
Lease rental receivable after 5 years	-	-
Total lease receivable	4,208,618,462	3,688,202,159
Less: Unearned interest income	637,259,470	683,406,329
Net Lease Finance	3,571,358,992	3,004,795,830
7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted		
Payable on demand	8,524,233,662	11,243,678,208
Up to 3 months	27,291,424,457	24,435,570,044
Above 3 months to 1 year	40,062,143,031	36,243,214,679
Above 1 year to 5 years	21,624,174,000	15,364,542,629
Above 5 years	9,246,543,942	3,212,007,195
	106,748,519,093	90,499,012,755
7.4 Loans and Advances on the basis of significant concentration		
i. Advance to Directors	-	-
ii. Advance to Managing Director & Senior Executives	225,091,407	142,807,159
iii. Advance to Customer's group:		
Commercial lending	12,930,900,000	8,165,725,004
Agricultural loan	1,135,526,067	927,331,945
Export financing	3,056,944,304	2,116,838,143
Consumer credit scheme	773,063,427	514,734,664
Small and medium enterprise financing	12,557,160,757	9,338,625,572
Staff loan (except Sl. No. ii)	356,945,164	362,793,421
House building loan (other than the employees)	2,055,279,836	1,705,599,051
Others	73,657,608,130	67,224,557,796
	106,748,519,093	90,499,012,755

	2015	2014
	<u>Taka</u>	<u>Taka</u>
7.5 Industry-wise outstanding of loans & advances		
Trade finance	15,867,785,545	10,528,323,507
Steel Re-Rolling	10,229,000,000	5,325,640,862
Readymade Garments	13,449,095,497	10,912,892,348
Textiles	6,696,100,051	5,843,136,301
Edible oil, Rice, Flour etc.	2,942,956,639	2,224,929,879
Power	3,658,470,100	2,204,978,767
Transport	1,701,524,075	1,059,672,575
Construction/Engineering	2,220,328,453	2,542,848,186
Personal	4,799,947,390	4,936,785,168
Pharmaceuticals	2,283,800,000	2,362,257,283
Real Estate	3,492,864,020	4,149,016,251
Cargo and Travel Services	95,913,429	47,865,859
Paper & Packaging	1,519,225,822	1,809,323,332
Agro based industry/Dairy products	565,400,000	146,779,269
Others	37,226,108,073	36,404,563,167
	<u>106,748,519,093</u>	<u>90,499,012,755</u>

7.6 Geographical Location-wise Loans and advances

Dhaka Division	70,456,252,795	60,972,022,071
Chittagong Division	30,772,531,591	24,890,191,859
Rajshahi Division	1,650,118,204	952,105,712
Khulna Division	2,324,689,994	2,435,824,021
Sylhet Division	1,067,696,155	871,236,009
Rangpur Division	256,336,244	310,851,958
Barisal Division	220,894,110	66,781,125
	<u>106,748,519,093</u>	<u>90,499,012,755</u>

7.7 Classification of loans and advances

Unclassified	99,160,906,418	85,277,427,709
Unclassified (Special Mention Account)	3,767,480,356	948,240,089
Substandard	296,180,525	398,623,463
Doubtful	320,849,708	234,425,328
Bad & Loss	3,203,102,086	3,640,296,166
	<u>106,748,519,093</u>	<u>90,499,012,755</u>

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 14,759.13 million as at 31 December 2015 (Tk 14,511.05 million in 2014).

Number of clients (Annexure-D)	<u>19</u>	<u>15</u>
Amount of outstanding loans & advances	Tk. <u>49,371,800,000</u>	<u>32,438,268,339</u>
Amount of classified loans and advances	Tk. <u>-</u>	<u>-</u>
Measures taken for recovery	Not Applicable	Not Applicable

The amount represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2015.

7.9 Bills purchased and discounted

Payable in Bangladesh	1,433,474,253	2,138,234,444
Payable outside Bangladesh	208,254,311	207,284,233
	<u>1,641,728,564</u>	<u>2,345,518,678</u>

7.10 Maturity of Bills purchased and discounted

Upto 1 month	581,924,585	422,775,423
Above 1 month but less than 3 months	518,727,672	775,438,583
Above 3 months but less than 6 months	540,695,092	1,076,306,271
6 months or more	381,214	70,998,402
	<u>1,641,728,564</u>	<u>2,345,518,678</u>

7.11 Particulars of provision for Loans and Advances

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	81,626,812,525	1,216,268,125
Small Enterprise Financing	0.25%	10,771,295,750	26,928,239
Consumer Financing (House Financing & Loans for Professionals)	2%	2,375,270,674	47,505,413
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	746,987,535	37,349,377
Special Mention Account	0.25%-5%	3,767,480,356	37,182,463
Short Term Agriculture Loan	2.50%	1,052,077,882	26,301,947
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	2,006,425,482	40,128,510
Substandard	5% & 20%	121,871,170	22,341,337
Doubtful	5% & 50%	73,684,369	102,081,673
Bad & Loss	100%	1,381,032,918	1,381,032,918
Required provision for loans and advances			2,937,120,002
Total provision maintained			2,937,120,002
Excess/ (Short) provision at 31 December			-

7.12 Particulars of Loans and Advances

i)	Loans considered good in respect of which the bank is fully secured	71,174,968,659	76,200,725,611
ii)	Loans considered good against which the bank holds no security other than the debtor's personal guarantee	18,131,871,051	1,483,200,473
iii)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	17,441,679,382	12,815,086,671
iv)	Loans adversely classified; provision not maintained there against	-	-
		106,748,519,093	90,499,012,755
v)	Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	582,036,572	505,600,580
vi)	Loans due from companies or firms in which the directors of the bank have interest 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 year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons	582,036,572	505,600,580
viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or, in case of private companies as members	-	-
ix)	Due from other banking companies (Bills purchased and discounted)	1,641,728,564	2,345,518,678
x)	Classified loans and advances		
a)	Classified loans and advances on which interest has not been charged to income (Note-7.7)	3,820,132,319	4,273,344,957
b)	Provision on classified loans and advances (Note-13.4)	1,505,455,928	1,701,520,744
c)	Provision kept against loans and advances classified as bad debts	1,381,032,918	1,591,728,895
d)	Interest credited to Interest Suspense Account (Note-13.9)	2,215,999,657	1,622,403,054

	2015	2014
	<u>Taka</u>	<u>Taka</u>
xi) Cumulative amount of written off loans and advances		
Opening balance	295,113,342	295,113,342
Written off during the year	1,948,339,835	-
Closing balance	<u>2,243,453,177</u>	<u>295,113,342</u>
Amount realised against loans previously written off	<u>-</u>	<u>-</u>
The amount of written off/classified loans for which law suits have been filed	<u>2,243,453,177</u>	<u>295,113,342</u>

7.13 Details of pledged collaterals received against Loans and Advances

Collateral of movable /immovable assets	72,639,551,484	61,196,573,869
Local banks and financial institutions guarantee	358,525,182	1,051,888,570
Government guarantee	-	-
Foreign banks guarantee	11,097,634	59,148,596
Export documents	2,475,671,505	3,694,533,568
Fixed Deposit Receipts (FDR)	2,196,858,166	1,454,562,521
FDR of other banks	60,923,414	71,658,036
Government bonds	56,880	10,103,555
Personal guarantee	13,127,265,309	6,889,096,756
Other securities	15,878,569,519	16,071,447,283
	<u>106,748,519,093</u>	<u>90,499,012,755</u>

7.14 Restructure of large loan

There was no restructure of large loan occurred during the year 2015 (large loan defined in BRPD-04/2015 and BRPD-02/2014).

7 (a) Consolidated Loans and Advances

ONE Bank Limited	105,106,790,529	88,153,494,077
ONE Securities Limited	48,759,610	15,044,724
Loan to ONE Securities Ltd by ONE Bank Limited	-	(490,026,374)
	<u>105,155,550,140</u>	<u>87,678,512,427</u>

Consolidated Bills purchased and discounted

ONE Bank Limited	1,641,728,564	2,345,518,678
ONE Securities Limited	-	-
	<u>1,641,728,564</u>	<u>2,345,518,678</u>
	<u>106,797,278,704</u>	<u>90,024,031,105</u>

8 Fixed Assets including premises, furniture & fixtures

Furniture & Fixtures	1,173,568,859	1,032,958,836
Office equipment	882,500,715	757,855,731
Motor Vehicles	241,318,876	223,750,803
Building	118,999,192	118,999,192
Land	17,700,000	17,700,000
	2,434,087,642	2,151,264,562
Leased Assets	25,044,000	25,044,000
Intangible Assets	170,034,131	131,028,337
	<u>2,629,165,773</u>	<u>2,307,336,899</u>
Less: Accumulated depreciation	1,130,416,609	911,827,700
Balance on 31 December	<u>1,498,749,163</u>	<u>1,395,509,199</u>

(For details please refer to Annexure- A)

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

ONE Bank Limited	1,498,749,163	1,395,509,199
ONE Securities Limited	13,409,809	3,873,515
	<u>1,512,158,972</u>	<u>1,399,382,714</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
9 Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
In Bangladesh	1,979,999,300	1,448,999,200
Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	34,440,638	35,221,089
Stock of stamps	2,768,680	2,512,142
Security deposits	3,888,295	2,538,295
Advance rent for office premises	510,875,757	444,055,293
Prepayments	146,860,818	65,890,760
Decoration & Construction work of rented premises for new Branches	4,114,091	1,337,135
Suspense account (note-9.4)	83,706,111	13,035,799
Receivable from Bangladesh Bank	205,312,982	81,502,632
Interest receivable	279,402,746	210,760,496
Commission receivable	310,250	98,500
Advance Income Tax (note-9.2)	2,941,944,924	1,855,719,438
Deferred Tax Assets (note-9.3)	4,859,874	16,434,054
Protested bill	2,727,713	2,727,713
Receivable from ONE Securities Ltd	25,765,707	16,413,348
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account (note-9.1)	5,786,576	1,481,683
	6,232,785,799	4,198,748,913
Off-shore Banking Unit	-	-
	6,232,785,799	4,198,748,913

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 non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2015 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	28	10,717,618	12	4,931,042
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	28	10,717,618	12	4,931,042
Branch Adjustment Account (Net)			5,786,576	

9.2 Advance income tax

Opening balance on 1 January	1,855,719,438	925,565,145
Add: Tax paid as advance	1,086,225,486	930,154,293
Less: Advance income tax adjusted during the year	-	-
Balance on 31 December	2,941,944,924	1,855,719,438

9.3 Deferred tax assets:

Opening balance	16,434,054	16,479,033
Addition/(reverse) during the year	(11,574,180)	(44,979)
Closing balance	4,859,874	16,434,054

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

9.4 Suspense account includes advance against TA/DA, advance against petty cash, Legal expense and suspense others etc.

9.5 Particulars of required provision for other assets

	Taka	Rate	Taka
Legal Expenses	194,290	50%	97,145
Protested bill	2,727,713	100%	2,727,713
Others	1,204,487	100%	1,204,487
Required provision for other assets			4,029,344
Total provision maintained (note-13.7)			4,065,532
Excess/(short) provision as on 31, December 2015			36,188

	2015 Taka	2014 Taka
9 (a) Consolidated Other Assets		
ONE Bank Limited	6,232,785,799	4,198,748,913
ONE Securities Limited	16,188,725	11,876,065
Investment in ONE Securities Ltd by ONE Bank Limited	(1,979,999,300)	(1,448,999,200)
Receivable by ONE Bank Limited from ONE Securities Ltd	(25,765,706)	(16,413,348)
	4,243,209,517	2,745,212,430

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-realizability 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.

The Bank sought permission from the Central Bank for transferring the said asset to the Bank's assets and obtained approval on said transfer vide their letter ref: BRPD(R-2)651/9(26)cha/2015-18138; Dated December 29,2015.

11 Borrowings from other Banks, financial institutions and Agents.

11.1 i) Borrowings inside Bangladesh	88,076,612	1,317,260,683
ii) Borrowings outside Bangladesh	-	-
	88,076,612	1,317,260,683
11.2 i) Borrowings with security	-	-
ii) Borrowings without security	88,076,612	1,317,260,683
	88,076,612	1,317,260,683
11.3 i) Borrowings payable on demand:		
Agrani Bank Limited	-	200,000,000
Sonali Bank Limited	-	800,000,000
Uttara Bank Limited	-	150,000,000
State Bank of India	-	70,000,000
	-	1,220,000,000
ii) Borrowings others (Term) Refinanced Term loan from Bangladesh Bank	88,076,612	97,260,683
	88,076,612	1,317,260,683

11 (a) Consolidated Borrowings from other banks, financial institutions and Agents.

ONE Bank Limited	88,076,612	1,317,260,683
ONE Securities Limited	-	-
	88,076,612	1,317,260,683

	2015	2014
	<u>Taka</u>	<u>Taka</u>
12 Deposits and other accounts		
i Current account and other account (OBL)	18,980,345,360	13,263,850,922
Off-shore Banking Unit	405,343	15,521,255
	18,980,750,703	13,279,372,177
ii Bills payable		
Payment Order (Issued)	2,406,885,043	2,524,361,944
Demand Draft	786,855	786,855
	2,407,671,898	2,525,148,799
iii Savings accounts	12,314,846,918	9,777,300,687
iv Term deposits		
Fixed deposit receipts	62,128,191,292	53,197,668,331
Short Notice deposits	25,852,732,600	15,379,850,811
Scheme deposits	7,872,610,021	6,133,978,640
Non-resident Foreign Currency Deposits	125,018,057	1,739,467
	95,978,551,969	74,713,237,249
Off-shore Banking Unit	1,570,000,000	-
	97,548,551,969	74,713,237,249
	131,251,821,488	100,295,058,912
12.1 Payable on demands		
Current deposits	11,192,865,284	4,920,848,457
Privilege creditor	390,246,552	250,300,719
Foreign Currency Deposits	2,821,505,409	2,625,384,316
Sundry Deposits	2,721,650,175	3,996,259,165
Interest Payable on deposits	1,505,015,918	1,071,571,960
Other accrued expense	349,467,364	415,007,560
	18,980,750,703	13,279,372,177
Bills payable	2,407,671,898	2,525,148,799
Savings Deposits	1,108,336,223	879,957,062
	22,496,758,823	16,684,478,038
12.2 Sub-break down of deposits and other accounts		
12.2 (a) Payable on demand		
i Deposits from banks	1,186,810	1,189,460
ii Other than banks	22,495,572,013	16,683,288,578
	22,496,758,823	16,684,478,038
12.2 (b) Other Deposits		
Deposits from banks		
Short Term Deposits :		
Uttara Bank Limited	-	191
Fixed Deposit		
Mercantile Bank Limited	400,000,000	-
Mutual Trust Bank Limited	400,000,000	-
United Commercial Bank Limited	1,000,000,000	-
Prime Bank Limited	400,000,000	-
National Credit and Commerce Bank Limited	1,000,000,000	-
Basic Bank Limited	1,000,000,000	-
Premier Bank Limited	-	400,000,000
Eastern Bank Limited	-	1,000,000,000
Rupali Bank Limited	-	3,000,000,000
Sonal Bank Limited	-	2,000,000,000
BRAC Bank Limited	-	2,500,000,000
Janata Bank limited	-	500,000,000
	4,200,000,000	9,400,000,000
Other than banks	104,555,062,665	74,210,580,683
	108,755,062,665	83,610,580,874
Total deposits [12.2(a) + 12.2(b)]	131,251,821,488	100,295,058,912

	2015	2014
	<u>Taka</u>	<u>Taka</u>
12.3 Remaining maturity grouping of deposits		
Payable on demand	28,499,257,439	23,208,322,049
Up to 3 month	43,879,277,370	37,440,740,718
Over 3 months to 1 year	28,933,954,087	24,445,267,342
Over 1 year to 5 years	15,622,664,620	10,831,369,756
Over 5 years	14,316,667,971	4,369,359,049
	<u>131,251,821,488</u>	<u>100,295,058,912</u>
12 (a) Consolidated Deposits and other accounts		
Current account and other account		
ONE Bank Limited	18,980,750,703	13,279,372,176
ONE Securities Limited	-	-
	<u>18,980,750,703</u>	<u>13,279,372,176</u>
Bills payable		
ONE Bank Limited	2,407,671,898	2,525,148,799
ONE Securities Limited	-	-
	<u>2,407,671,898</u>	<u>2,525,148,799</u>
Savings accounts		
ONE Bank Limited	12,314,846,918	9,777,300,687
ONE Securities Limited	-	-
	<u>12,314,846,918</u>	<u>9,777,300,687</u>
Term deposits		
ONE Bank Limited	97,548,551,969	74,713,237,249
ONE Securities Limited	-	-
	<u>97,548,551,969</u>	<u>74,713,237,249</u>
	<u>131,251,821,488</u>	<u>100,295,058,912</u>
	Total Consolidated Deposit	
13 Other liabilities		
Provision for Income Tax (note-13.1)	2,676,303,527	1,890,404,716
Deferred tax liability (note-13.2)	137,980,312	105,268,390
Provision for gratuity (note-13.3)	-	-
Provision for performance bonus	160,000,001	199,044,608
Provision for loans and advances (note-13.4 & 13.5)	2,937,120,002	3,273,866,462
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other (note-13.7)	4,065,532	3,115,532
Provision for off balance sheet items (note-13.8)	614,436,307	497,870,722
Provision for diminution value of share (note-13.10)	24,676,466	-
Provision for nostro Accounts (note-13.11)	-	9,815,356
Interest suspense account (note-13.9)	2,215,999,657	1,622,403,054
Sinking fund	60,272,872	12,068,305
Lease Obligation for Vehicles	2,466,897	7,751,616
Interest Payable on Subordinated Debt	4,400,000	4,400,000
Other payable	7,817,386	775,014
Revaluation reserve held for trading securities	219,546,922	155,203,440
	<u>9,065,559,393</u>	<u>7,782,460,725</u>
Off-shore Banking Unit	8,187,535	-
	<u>9,073,746,928</u>	<u>7,782,460,725</u>
13.1 Provision for current income tax		
Opening balance on 1 January	1,890,404,716	822,305,193
Less: Provision adjusted during the year	-	-
	<u>1,890,404,716</u>	<u>822,305,193</u>
Add: Provision made during the year	785,898,811	1,068,099,523
Balance on 31 December	<u>2,676,303,527</u>	<u>1,890,404,716</u>

The amount of current tax provision has been determined by following the provisions of Income Tax Ordinance 1984. However, The said tax provision has been reduced by Tk.661,556,282 for effecting the treatment of written off loans.

	2015	2014
	<u>Taka</u>	<u>Taka</u>
13.2 Deferred tax liability		
Opening balance	69,426,596	30,859,472
Addition during the year	(21,696,939)	38,567,124
Closing balance	<u>47,729,657</u>	<u>69,426,596</u>
Provision against revaluation reserve for security		
Opening balance	35,841,794	48,788,563
Addition during the year	54,408,861	(12,946,769)
Closing balance	<u>90,250,655</u>	<u>35,841,794</u>
Total	<u>137,980,312</u>	<u>105,268,390</u>

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.

13.3 Provision for gratuity

Opening balance on 1 January	-	-
Provision made during the year	125,582,689	103,584,006
Transferred/Payment made during the year	(125,582,689)	(103,584,006)
Balance on 31 December	<u>-</u>	<u>-</u>

13.4 Specific provision against loans and advances

Opening balance on 1 January	1,701,520,744	1,788,421,802
Provision written off	(1,653,890,704)	-
Provision after written off	47,630,040	1,788,421,802
Specific provision made during the year	1,692,077,441	706,700,935
Provisions recovered and no longer required written back	(234,251,551)	(793,601,993)
Net charge to profit & loss account	1,457,825,889	(86,901,058)
Balance on 31 December	<u>1,505,455,928</u>	<u>1,701,520,744</u>

13.5 General provision against loans and advances

Opening balance on 1 January	1,572,345,717	828,675,469
Provision made during the year:		
Unclassified Loans & Advances	(175,935,650)	831,208,569
Consumer credit & Small enterprise financing	32,909,632	1,433,730
Special mention account	18,323,601	(54,741,072)
Loans against shares	(15,979,226)	(34,230,978)
Net charge to profit & loss account	(140,681,643)	743,670,249
Balance on 31 December	<u>1,431,664,074</u>	<u>1,572,345,717</u>
Total Specific and General Provision	<u>2,937,120,002</u>	<u>3,273,866,462</u>

13.6 Specific provision as per classification of loans

Substandard	22,341,337	51,881,650
Doubtful	102,081,673	57,910,199
Bad/Loss	1,381,032,918	1,591,728,895
Balance on 31 December	<u>1,505,455,928</u>	<u>1,701,520,744</u>

13.7 Provision for Other

Balance on 1 January	3,115,532	8,028,175
Adjusted with recoverable legal expenses	-	(4,294,518)
Provision made during the year/(recovery) (note-13.7 a and 13.7 b)	950,000	(618,125)
Balance on 31 December	<u>4,065,532</u>	<u>3,115,532</u>

13.7.a Provision for protested bill

Balance on 1 January	2,727,713	3,345,838
Provision made during the year/(recovery)	-	(618,125)
Balance on 31 December	<u>2,727,713</u>	<u>2,727,713</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
13.7.b Provision for legal expenses and others		
Balance on 1 January	387,819	4,682,337
Adjusted with recoverable legal expenses	-	(4,294,518)
Provision made during the year	950,000	-
Balance on 31 December	<u>1,337,819</u>	<u>387,819</u>
13.8 Provision for off balance sheet items		
Balance on 1 January	497,870,722	447,632,347
Provision made during the year	116,565,585	50,238,375
Balance on 31 December	<u>614,436,307</u>	<u>497,870,722</u>
13.9 Interest suspense account		
Balance on 1 January	1,622,403,054	876,721,731
Interest suspense charged during the year	2,487,238,167	1,499,497,995
Interest suspense realized during the year	(1,595,960,495)	(739,081,490)
Amount written off during the year	(294,449,131)	-
Amount waiver during the year	(3,231,939)	(14,735,181)
Balance on 31 December	<u>2,215,999,657</u>	<u>1,622,403,054</u>
13.10 Provision for diminution value of share		
Balance on 1 January	-	-
Provision made during the year	24,676,466	-
Balance on 31 December	<u>24,676,466</u>	<u>-</u>
13.10.a Consolidated Provision made for diminution value of share		
ONE Bank Limited	24,676,466	-
ONE Securities Limited:	596,231,789	517,230,662
	<u>620,908,255</u>	<u>517,230,662</u>
13.11 Provision for nostro Accounts		
Balance on 1 January	9,815,356	9,815,356
Provision made during the year/(recovery)	(9,815,356)	-
Balance on 31 December	<u>-</u>	<u>9,815,356</u>
13 (a) Consolidated Other liabilities		
ONE Bank Limited	9,073,746,928	7,782,460,725
ONE Securities Limited	614,802,309	526,194,424
	<u>9,688,549,237</u>	<u>8,308,655,150</u>
14 Subordinated Debt	<u>2,200,000,000</u>	<u>2,200,000,000</u>

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 @ 12.00%.

Main Features of the Bond:

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

List of Investors:

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

	2015	2014
	<u>Taka</u>	<u>Taka</u>
15. Share Capital		
15.1 Authorized Capital	10,000,000,000	10,000,000,000
1,000,000,000 (2014:1,000,000,000) ordinary shares of Tk 10 each		
15.2 Issued, Subscribed and fully paid-up Capital	5,899,249,140	5,243,777,020
589,924,914 (2014: 524,377,702) ordinary shares of Tk 10 each		
Sponsors	30.36%	30.34%
General Public	69.64%	69.66%
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	2015 Taka	2014 Taka
Sponsors	16	179,126,952	1,791,269,520	1,590,954,650
General Public	29,309	410,797,962	4,107,979,620	3,652,822,370
Total	29,325	589,924,914	5,899,249,140	5,243,777,020

Shareholding structure of the Bank as at 31-12-2015 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Less than 500	9,071	1,653,296	0.28
501 to 5,000	14,389	27,602,391	4.68
5,001 to 10,000	2,634	18,759,074	3.18
10,001 to 20,000	1,517	21,575,579	3.66
20,001 to 30,000	581	14,560,816	2.47
30,001 to 40,000	257	8,988,421	1.52
40,001 to 50,000	158	7,327,372	1.24
50,001 to 100,000	304	21,745,044	3.69
100,001 to 1,000,000	343	86,434,028	14.65
Over 1,000,000	71	381,278,893	64.63
Total	29,325	589,924,914	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) 65,547,212 Bonus shares of Tk. 10 each valued at Tk. 655,472,120 for the year 2014 has been transferred to Paid-up capital account during the year 2015:

The shares of the company are listed at Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.
 Issued, Subscribed & fully Paid up Capital

Particulars	2015 Taka	2014 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash: 536,143,694 bonus shares of Tk. 10 each	5,361,436,940	4,705,964,820
	5,899,249,140	5,243,777,020

15.3 Capital Adequacy Ratio:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank (Consolidated) at the close of business on 31 December 2015 was Taka 13,430,090,749 as against core capital of Taka 10,744,077,428 and supplementary capital of Taka 3,311,218,376 making a total capital of Taka 14,055,295,804 thereby showing a surplus capital/equity of Taka 625,205,056 at the date. Details are shown below:

	31 December 2015 <u>Taka</u> <u>Basel-III</u>	31 December 2014 <u>Taka</u> <u>Basel-II</u>
Consolidated Basis:		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	5,899,249,140	5,243,777,020
Statutory Reserve	3,845,644,373	3,305,962,560
Retained Earnings	1,004,913,204	985,135,415
Minority Interest in Subsidiaries	12,990,126	8,154,112
	10,762,796,842	9,543,029,107
Regulatory Adjustments:		
Deferred Tax Assets	4,859,874	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	13,859,540	-
	18,719,414	-
Total Common Equity Tier-1 Capital	10,744,077,428	9,543,029,107
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision (Eligible for inclusion in Tier-2 will be limited to a maximum 1.25 percentage points of credit risk weighted assets calculated under the standardized approach)	1,499,858,376	2,070,216,439
Subordinated debt	1,760,000,000	2,200,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,166,227
	3,324,058,376	4,334,382,666
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	12,840,000	-
Total Tier-2 Capital Available	3,311,218,376	4,334,382,666
A Total Regulatory Capital	14,055,295,804	13,877,411,773
Total Assets including Off Balance Sheet items	215,570,250,906	171,499,567,918
B Total Risk Weighted Assets	134,300,907,485	107,874,380,820
C Required capital based on risk weighted assets (10% on B)	13,430,090,749	10,787,438,082
D Surplus (A-C)	625,205,056	3,089,973,691
Percentage of Capital to Risk Weighted Assets:	10.47%	12.86%

	31 December 2015	31 December 2014
	<u>Taka</u> <u>Basel-III</u>	<u>Taka</u> <u>Basel-II</u>
<u>Solo Basis:</u>		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	5,899,249,140	5,243,777,020
Statutory Reserve	3,845,644,373	3,305,962,560
Retained Earnings	1,698,935,564	1,626,928,614
	11,443,829,077	10,176,668,194
Regulatory Adjustments:		
Deferred Tax Assets	4,859,874	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	13,859,540	-
	18,719,414	-
Total Common Equity Tier-1 Capital	11,425,109,663	10,176,668,194
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision (Eligible for inclusion in Tier-2 will be limited to a maximum 1.25 percentage points of credit risk weighted assets calculated under the standardized approach)	1,522,662,814	2,070,216,439
Subordinated debt	1,760,000,000	2,200,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,166,227
	3,346,862,814	4,334,382,666
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	12,840,000	-
Total Tier-2 Capital Available	3,334,022,814	4,334,382,666
Total Regulatory Capital	14,759,132,477	14,511,050,860
Total Assets including Off Balance Sheet items	215,636,480,831	171,607,012,581
Total Risk Weighted Assets	134,972,996,872	107,713,600,000
Required capital based on risk weighted assets (10% on B)	13,497,299,687	10,771,360,000
Surplus (A-C)	1,261,832,790	3,739,690,860
Percentage of Capital to Risk Weighted Assets:	10.93%	13.47%

	2015	2014
	<u>Taka</u>	<u>Taka</u>
16 Statutory Reserve		
Balance brought forward from previous year	3,305,962,560	2,665,409,979
Reserve made during the year	539,681,812	640,552,581
Balance on 31 December	<u>3,845,644,373</u>	<u>3,305,962,560</u>
17 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,626,928,614	1,077,173,216
Addition during the year	1,922,633,009	2,096,051,282
Transfer to statutory reserve	(539,681,812)	(640,552,581)
Issue of Bonus Share	(655,472,120)	(476,707,000)
Cash Dividend Paid	(655,472,128)	(429,036,302)
Balance on 31 December	<u>1,698,935,564</u>	<u>1,626,928,614</u>
17.1 Retained earnings brought forward from previous year		
Retained Earning of previous Year	1,626,928,614	1,077,173,216
Bonus share issued	(655,472,120)	(476,707,000)
Cash Dividend Paid	(655,472,128)	(429,036,302)
Retained Earnings brought forward	<u>315,984,367</u>	<u>171,429,914</u>
17.1(a) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	985,135,415	895,565,966
Bonus share issued	(655,472,120)	(476,707,000)
Cash Dividend Paid	(655,472,128)	(429,036,302)
Retained Earnings brought forward	<u>(325,808,832)</u>	<u>(10,177,335)</u>
18 Interest and discount income		
From clients against loans and advances	10,993,699,452	10,171,115,500
Lease finance	493,385,797	421,303,560
Discount from bills purchased & discounted	249,374,496	399,419,712
From banks and financial institutions in Bangladesh	126,633,072	83,140,399
From foreign banks	34,347,176	44,506,417
	<u>11,897,439,993</u>	<u>11,119,485,588</u>
Off-shore Banking Unit	71,871,756	156,120,685
	<u>11,969,311,749</u>	<u>11,275,606,273</u>
18 (a) Consolidated Interest and discount income		
ONE Bank Limited	11,969,311,749	11,275,606,273
ONE Securities Limited	10,484,420	1,505,886
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(19,985,512)	(65,652,526)
	<u>11,959,810,657</u>	<u>11,211,459,633</u>
19 Interest paid on deposits and borrowings		
Short term deposits	1,277,983,655	1,148,426,451
Savings deposits	446,849,073	399,109,087
Term deposits	4,657,982,998	4,389,254,834
Scheme deposits	715,190,120	560,343,850
Borrowings from banks and financial institutions	36,102,073	80,178,698
Interest on Subordinated- Debt	264,000,000	301,656,164
	7,398,107,917	6,878,969,084
Off-shore Banking Unit	8,052,792	90,941
	<u>7,406,160,710</u>	<u>6,879,060,025</u>
19 (a) Consolidated Interest paid on deposits and borrowings		
ONE Bank Limited	7,406,160,710	6,879,060,025
ONE Securities Limited	-	-
	<u>7,406,160,710</u>	<u>6,879,060,025</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
20 Income from Investments		
Interest on treasury bills	474,096,363	396,621,227
Interest on treasury bond (Net)	677,208,487	606,121,116
Interest on Bangladesh Bank Bill	7,922,879	19,489,339
Interest from reverse repo	17,706,884	3,998,630
Dividend on Investment	45,007,339	32,724,215
Gain on sale of Shares	9,051,469	40,659,122
Interest on Bond	246,986,981	46,419,444
	<u>1,477,980,402</u>	<u>1,146,033,093</u>
20 (a) Consolidated Income from Investments		
ONE Bank Limited	1,477,980,402	1,146,033,093
ONE Securities Limited	35,110,984	8,402,948
	<u>1,513,091,386</u>	<u>1,154,436,041</u>
21 Commission, exchange and brokerage		
Letters of credit (Issue & advising)	304,469,315	305,794,692
Letter of guarantees	73,269,938	89,203,592
Acceptances	178,436,479	184,936,095
Local bills purchased	75,000	20,240
Foreign bills	29,812	1,792
Bills for collection	5,351,778	7,279,434
Remittances (PO, DD, TT, Travelers' Cheque etc.)	7,359,549	8,623,608
Export bills	31,942,069	31,721,410
Others	12,740,081	23,300,882
	<u>613,674,021</u>	<u>650,881,745</u>
Profit on exchange trading	539,438,944	591,172,515
Less: Loss on exchange trading	629	1,111,959
	<u>539,438,315</u>	<u>590,060,556</u>
	<u>1,153,112,336</u>	<u>1,240,942,301</u>
Off-shore Banking Unit	418,089	1,294,125
	<u>1,153,530,424</u>	<u>1,242,236,426</u>
21 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,153,530,424	1,242,236,426
ONE Securities Limited	20,293,050	5,431,501
	<u>1,173,823,475</u>	<u>1,247,667,927</u>
22 Other operating income		
Loan processing fees and other charges	149,257,702	133,063,840
Miscellaneous Credit Card Fee	29,904,307	14,743,193
Recoveries of postage, telex, telephone, fax etc	34,771,314	33,393,526
Letter of Credit miscellaneous charges	141,907,197	133,507,160
General Banking miscellaneous charges	33,457,401	14,121,940
Miscellaneous (Note-22.1)	51,353,494	56,966,525
Rent on locker	1,884,400	1,422,500
	<u>442,535,816</u>	<u>387,218,685</u>
Off-shore Banking Unit	2,337,012	473,882
	<u>444,872,828</u>	<u>387,692,566</u>
22.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, VAT rebate etc.		
22 (a) Consolidated Other operating income		
ONE Bank Limited	444,872,828	387,692,566
ONE Securities Limited	593,893	549,192
	<u>445,466,721</u>	<u>388,241,759</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
23 Salary & Allowances		
Salary & Allowances	1,375,666,028	1,374,802,340
Provident Fund Contribution	94,178,757	86,393,835
Gratuity	125,582,689	103,584,006
Superannuation fund	7,000,000	7,000,000
Bonus	342,233,494	236,497,812
	<u>1,944,660,968</u>	<u>1,808,277,993</u>
23(a) Consolidated Salary & Allowances		
ONE Bank Limited	1,944,660,968	1,808,277,993
ONE Securities Limited	9,171,493	5,269,051
	<u>1,953,832,461</u>	<u>1,813,547,044</u>
24 Rent, taxes, insurance, electricity etc.		
Rent	273,793,003	224,282,063
Taxes	1,237,087	1,223,255
Electricity	49,765,677	48,351,436
Utilities	7,284,897	6,507,719
Insurance	78,539,256	75,280,680
	<u>410,619,921</u>	<u>355,645,152</u>
25 Legal expenses		
Professional fees	18,486,466	21,823,525
Fees, Court fees & stamps	256,124	176,764
	<u>18,742,590</u>	<u>22,000,289</u>
Off-shore Banking Unit	3,532,500	-
	<u>22,275,090</u>	<u>22,000,289</u>
25 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	22,275,090	22,000,289
ONE Securities Limited	-	-
	<u>22,275,090</u>	<u>22,000,289</u>
26 Postage, stamps, telecommunication etc.		
Telex/Telephone/Fax etc	15,624,182	18,009,130
Courier/postage	10,513,447	10,127,611
Radio Link	28,845,585	20,350,801
Reuter	3,057,246	2,791,376
	<u>58,040,460</u>	<u>51,278,918</u>
27 Directors' Fees	<u>998,000</u>	<u>830,000</u>
For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person with effective from 04 October 2015 (From 01 January 2015 to 04 October 2015 it was Tk. 5,000 per attendance per person).		
27 (a) Consolidated Director's Fees		
ONE Bank Limited	998,000	830,000
ONE Securities Limited	85,000	72,500
	<u>1,083,000</u>	<u>902,500</u>
28 Stationery, Printing, advertisement etc.		
Printed and security stationery	23,721,978	30,628,939
Stationery	36,048,887	37,333,472
Advertisement	64,680,401	69,696,102
	<u>124,451,266</u>	<u>137,658,514</u>
28 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	124,451,266	137,658,514
ONE Securities Limited	138,955	372,003
	<u>124,590,221</u>	<u>138,030,517</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
29 Managing Director's Salary & Allowances		
Salary & Allowances	9,420,000	9,420,000
House rent	180,000	180,000
Provident Fund Contribution	939,996	939,996
Festival Bonus	1,566,666	1,566,666
Incentive Bonus	1,000,000	1,000,000
	<u>13,106,662</u>	<u>13,106,662</u>
30 Depreciation, leasing expense and repair of bank's assets		
Depreciation (Annexure - A)	223,880,394	202,991,763
Repairs & Maintenance	261,549,908	233,764,821
	<u>485,430,302</u>	<u>436,756,584</u>
30 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	485,430,302	436,756,584
ONE Securities Limited	2,131,205	1,105,378
	<u>487,561,507</u>	<u>437,861,962</u>
31 Other expenses		
Entertainment	27,630,696	29,691,552
Car expenses	122,613,894	103,692,186
Donation and Subscription	33,049,467	30,411,721
Traveling	122,717,650	107,188,240
Computer & Printer maintenance expenses	18,134,968	16,886,967
Finance charge-against leased assets	675,142	1,709,403
Staff training	3,969,013	4,854,525
VISA Card Expenses	13,937,664	16,252,596
Sales Team fees	2,858,101	989,315
Bank charges and commission paid	6,651,249	6,593,092
Miscellaneous (Note-31.1)	2,580,886	2,775,044
ATM Booth Expenses	3,638,971	-
Call center operating expense	1,311,994	-
Issuance cost of Sub-Ordinated Bond	-	115,000
Mobile Financial Services	70,677,238	116,389,655
Loss from sale/ write off of assets	1,375,090	52,577
	<u>431,822,022</u>	<u>437,601,873</u>
31.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		
31 (a) Consolidated Other expenses		
ONE Bank Limited	431,822,022	437,601,873
ONE Securities Limited	8,501,357	1,939,220
	<u>440,323,379</u>	<u>439,541,093</u>
32 Provision for loans, off balance sheet exposure, investment & other for the year		
Provision for bad and doubtful loans and advances	1,457,825,889	(86,901,058)
Provision for unclassified loans and advances	(140,681,643)	743,670,249
Provision for off-balance sheet exposure	116,565,585	50,238,375
Provision for diminution in value of share	24,676,466	-
Provision for other	(8,865,356)	(618,125)
	<u>1,449,520,941</u>	<u>706,389,441</u>
33 Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	24,676,466	-
ONE Securities Limited	79,001,127	406,240,662
	<u>103,677,593</u>	<u>406,240,662</u>
34 Consolidated provision for other for the year		
ONE Bank Limited	(8,865,356)	(618,125)
ONE Securities Limited	-	-
	<u>(8,865,356)</u>	<u>(618,125)</u>
35 Tax Expenses for the year		
Current Tax	785,898,811	1,068,099,523
Deferred tax	(10,122,759)	38,612,103
	<u>775,776,053</u>	<u>1,106,711,626</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
35 (a) Consolidated Tax Expenses for the year		
Current Tax		
ONE Bank Limited	785,898,811	1,068,099,523
ONE Securities Limited	199,447	47,717
	786,098,258	1,068,147,240
Deferred Tax		
ONE Bank Limited	(10,122,759)	38,612,103
ONE Securities Limited	-	-
	(10,122,759)	38,612,103
	775,975,500	1,106,759,343
36 Interest receipts in cash		
Interest income on loans & advances	11,969,311,749	11,275,606,273
Interest on Treasury Bills and Bonds	1,423,921,594	1,072,649,757
	13,393,233,343	12,348,256,029
(Increase)/ Decrease in interest receivable on loans & advances	(748,381,699)	(527,957,417)
(Increase)/ Decrease in interest receivable others	(68,642,250)	(64,883,216)
	12,576,209,393	11,755,415,397
36 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	12,576,209,393	11,755,415,397
ONE Securities Limited	10,484,420	1,498,751
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(19,985,512)	(1,679,200)
	12,566,708,301	11,755,234,948
37 Interest payments		
Total interest expenses	7,406,160,710	6,879,060,025
Add : Opening balance of interest payable	1,071,571,960	1,049,742,651
Less: Closing balance of interest payable	(1,505,015,918)	(1,071,571,960)
	6,972,716,752	6,857,230,716
37 (a) Consolidated Interest Payment		
ONE Bank Limited	6,972,716,752	6,857,230,716
ONE Securities Limited	-	-
	6,972,716,752	6,857,230,716
38 Fee and commission receipts in cash		
Commission, exchange and brokerage	614,092,110	652,175,870
Less : (Increase) / decrease in Commission receivable	(211,750)	195,500
	613,880,360	652,371,370
38 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	613,880,360	652,371,370
ONE Securities Limited	20,293,050	5,447,649
	634,173,410	657,819,019
39 Cash payments to employees		
Salaries and allowances	1,944,660,968	1,722,968,050
Managing Director's salary and allowances	13,106,662	13,106,662
	1,957,767,630	1,736,074,712
Less: Payable to employees	(320,320,704)	(293,149,405)
Add: Opening Payable	293,149,405	427,617,713
	1,930,596,330	1,870,543,020
40 Cash payment to suppliers		
Printing, stationery and advertisement etc.	124,451,266	137,658,514
Repair & Maintenance	254,062,304	233,764,821
Add: closing stock of stationery and stamps	37,209,318	37,733,230
	415,722,889	409,156,564
Less: opening stock of stationery and stamps	(37,733,230)	(35,095,272)
	377,989,658	374,061,293

	2015	2014
	<u>Taka</u>	<u>Taka</u>
41 Cash receipts from other operating activities		
Other operating income	444,872,828	387,692,566
Exchange earnings	539,438,315	590,060,556
	984,311,143	977,753,122
41 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	984,311,143	977,753,122
ONE Securities Limited	593,893	549,182
	984,905,036	978,302,304
42 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	410,619,921	355,645,152
Legal expenses	18,742,590	22,000,289
Postage, stamps, telecommunication etc.	58,040,460	51,278,918
Directors fees	998,000	830,000
Auditors' fee	200,000	200,000
Other expenses	430,446,932	437,549,296
	919,047,903	867,503,655
Add: Outstanding in payable - Opening balance	197,299,171	245,437,630
Less: Outstanding in payable - Closing balance	(189,146,660)	(197,299,171)
	927,200,414	915,642,114
42 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	927,200,414	915,642,114
ONE Securities Limited	13,224,552	1,649,249
	940,424,966	917,291,363
43 (Increase)/decrease of other assets		
Closing balance:		
Security deposits	3,888,295	2,538,295
Advance rent	510,875,757	444,055,293
Prepayments	146,860,818	65,890,760
Renovation work of rented premises	4,114,091	1,337,135
Suspense account	83,706,111	13,035,799
Receivable from Bangladesh Bank	205,312,982	81,502,632
Receivable from ONE Securities Ltd	25,765,707	16,413,348
Protested bill	2,727,713	2,727,713
Branch Adjustment Account	5,786,576	1,481,683
	989,038,049	628,982,657
Off-shore banking unit	-	-
	989,038,049	628,982,657
Less: Opening balance:		
Security deposits	2,538,295	908,515
Advance rent	444,055,293	410,469,694
Prepayments	65,890,760	66,808,274
Renovation work of rented premises	1,337,135	56,591,198
Suspense account	13,035,799	40,495,844
Receivable from Bangladesh Bank	81,502,632	50,012,589
Receivable from ONE Securities Ltd	16,413,348	11,288,213
Protested bill	2,727,713	3,345,838
Branch Adjustment Account	1,481,683	813,798
	628,982,657	640,733,963
Off-shore banking unit	-	-
	628,982,657	640,733,963
	(360,055,392)	11,751,306

	2015	2014
	<u>Taka</u>	<u>Taka</u>
43 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	(360,055,392)	11,751,306
ONE Securities Limited	689,593	(1,031,023)
	<u>(359,365,799)</u>	<u>10,720,283</u>
44 Deposits from banks		
Closing Balance :		
Payment on demand	1,186,810	1,189,460
Short Term Deposit	-	191
Fixed Deposit	4,200,000,000	9,400,000,000
	4,201,186,810	9,401,189,651
Less : Opening balance	(9,401,189,651)	(1,192,915)
	<u>(5,200,002,841)</u>	<u>9,399,996,736</u>
45 Deposits from customers		
Closing balance of Deposits		
Payable on demand	22,495,572,013	16,683,288,578
Other deposits	103,889,360,679	73,097,529,621
	126,384,932,692	89,780,818,199
Less: Opening balance of Deposits		
Payable on demand	16,683,288,578	17,397,392,895
Other deposits	73,097,529,621	68,216,756,928
	89,780,818,199	85,614,149,823
Deposit increased during the year	36,604,114,493	4,166,668,376
Add: Total interest on deposit		
On demand deposits	1,071,571,960	1,049,742,651
On other deposits	415,007,560	245,437,630
	1,486,579,520	1,295,180,281
Less: Closing balance of interest		
On demand deposits	(1,505,015,918)	(1,071,571,960)
On other deposits	(349,467,364)	(415,007,560)
	(1,854,483,283)	(1,486,579,520)
	<u>36,236,210,730</u>	<u>3,975,269,137</u>
46 Increase/(decrease) of other liabilities		
Closing balance:		
Lease Obligation	2,466,897	7,751,641
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	4,400,000	4,400,000
Interest suspense	2,215,999,657	1,622,403,054
	2,223,340,065	1,635,028,207
Off-shore banking unit	-	-
	<u>2,223,340,065</u>	<u>1,635,028,207</u>
Less: Opening balance:		
Interest on bills discounted	-	50,824
Lease Obligation	7,751,641	15,050,997
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	4,400,000	-
Interest suspense	1,622,403,054	876,721,731
	1,635,028,207	892,297,064
	<u>588,311,859</u>	<u>742,731,143</u>
46 (a) Consolidated (Increase)/decrease of other liabilities		
ONE Bank Limited	588,311,859	742,731,143
ONE Securities Limited	9,079,101	5,732,867
	<u>597,390,960</u>	<u>748,464,010</u>

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
Banks and other financial institutions
Others

Total (i and ii)

	2015	2014
	<u>Taka</u>	<u>Taka</u>
	-	-
	-	-
	603,553,381	1,417,078,579
	2,322,211,298	2,590,942,665
	7,802,481,981	6,870,297,920
	10,728,246,661	10,878,319,164
	10,728,246,661	10,878,319,164

48 Basic Earnings Per Share

- Attributable profit for the year
Weighted average number of outstanding Shares for the year:
Opening balance
Bonus Share Issued during the year 2014

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.

	1,922,633,009	2,096,051,282
	524,377,702	524,377,702
	65,547,212	65,547,212
	589,924,914	589,924,914
	3.26	3.55

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 during the year 2014

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.

	1,870,403,848	1,635,865,332
	524,377,702	524,377,702
	65,547,212	65,547,212
	589,924,914	589,924,914
	3.17	2.77

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 2015: **Nil**
iii) Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**
iv) Nature, type and elements of transactions with the related party: **Nil**
V) Lending policies in respect of related party:
a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2015:
Guarantee amounting to Tk. 3,407,278 and Tk. 16,300 have been provided in favour of COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd against 100% Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said COSCO (Bangladesh) Shipping Lines Ltd & Baridhi Shipping Lines Ltd.
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**
vi) Disclosure of transaction regarding Directors and their related concerns: **Nil**
vii) As on Balance Sheet date, the total receivable amount of Tk.25,765,706 from ONE Securities Limited.
viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):
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 Kawran Bazar, Dhaka.	Mr. Sayeed H. Chowdhury, Director M/S. Hamid Properties Limited	Expiry Date of Lease 31.10.2023

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease Agreement	Off Site Stationeries Store at Tejgaon, Plot # 26 Tejgaon Industrial Area, Dhaka.	Mr. Zahur Ullah, Director 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, Director M/S. HRC Bangladesh Limited	Expiry Date of Lease 30.06.2016
Lease Agreement	ONE Bank Ltd, Kawran Bazar Branch, HRC Bhaban 46, Kawran Bazar, Dhaka	Mr. Sayeed H. Chowdhury, Director M/S. Hamid Properties Limited	Expiry Date of Lease 30.06.2023
Lease Agreement	Centralised Trade Processing Center & Centralised Loan Admin Department HRC Bhaban 64-66, Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Director M/S. HRC Properties Limited	Expiry Date of Lease 29.02.2024
Lease Agreement	Agrabad Branch, Centralised Trade Processing-Ctg., Centralised Loan Admin-Ctg. And ONE Securities Limited	Mr. Sayeed H. Chowdhury, Director M/S. HRC Properties Limited	Expiry Date of Lease 28.02.2025

ix) 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 1,976 (2014:1,861).

51 Events after the balance sheet date

The Board of Directors in its 236 th meeting held on 25 February 2016 has recommended stock dividend @ 12.50% and cash dividend @ 12.50% subject to the approval of the Shareholders at the next Annual General Meeting.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Asoke Das Gupta
Vice-Chairman

ONE Bank Limited
Financial Highlights on the overall activities of the Bank
As at 31 December 2015

Solo Basis

SI No	Particulars	2015 Taka	2014 Taka
1	Paid up Capital	5,899,249,140	5,243,777,020
2	Total Capital	14,759,132,477	14,511,050,860
3	Capital Surplus/(deficit)	1,261,832,790	3,739,690,860
4	Total Assets	154,192,850,086	121,819,940,353
5	Total Deposits	131,251,821,488	100,295,058,911
6	Total Loans and Advances	106,748,519,093	90,499,012,755
7	Total Contingent Liabilities and Commitments	61,443,630,745	49,787,072,228
8	Credit Deposit ratio (%)	81.33%	90.23%
9	Percentage of Classified Loans against total loans and advances	3.58%	4.72%
10	Profit after tax and provisions	1,922,633,009	2,096,051,282
11	Amount of classified loans during the year	3,820,132,319	4,273,344,957
12	Provision kept against classified loans	1,505,455,928	1,701,520,744
13	Provision surplus/(deficit)	-	-
14	Cost of fund	9.44%	10.97%
15	Interest earning Assets	137,454,201,396	109,004,506,882
16	Non-interest earning assets	16,738,648,690	12,815,433,471
17	Return on investment-ROI	11.32%	12.88%
18	Return on Assets-ROA (Net profit after taxation/average assets)	1.39%	1.87%
19	Income from Investment	1,477,980,402	1,146,033,093
20	Earnings per Share	3.26	3.55
21	Net Income per share	3.26	3.55
22	Price Earning Ratio (Times)	4.69	4.45

Consolidated Basis

1	Paid up Capital	5,899,249,140	5,243,777,020
2	Total Capital	14,055,295,804	13,877,411,773
3	Capital Surplus	625,205,056	3,089,973,691
4	Total Assets	154,126,620,161	121,712,495,690
5	Total Deposits	131,251,821,488	100,295,058,911
6	Total Loans and Advances	106,797,278,704	90,024,031,105
7	Credit Deposit ratio (%)	81.37%	89.76%
8	Profit after tax and provisions	1,869,876,262	1,631,216,753
9	Earnings per Share	3.17	2.77
10	Net Income per share	3.17	2.77

Annexure-A

ONE Bank Limited
Schedule of Fixed Assets as at 31 December 2015

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation (Taka)				Net book value at 31 December	Rate of depreciation per annum (Reducing Balance Method)
	Balance on 1 January	Additions during the year	Disposal during the year	Balance at 31 December	Balance on 1 January	Charge for the year	Adjusted on disposal during the year	Balance at 31 December		
Furniture and Fixtures	1,032,958,836	143,579,718	2,969,695	1,173,568,859	351,937,655	72,845,416	1,741,145	423,041,926	750,526,933	%
Office Equipment	757,855,731	126,687,484	2,042,500	882,500,715	361,035,151	81,394,442	1,757,887	440,671,706	441,829,009	10
Motor Vehicles	223,750,803	19,768,073	2,200,000	241,318,876	114,144,815	23,345,886	1,792,453	135,698,248	105,620,628	18
Building	118,999,192	-	-	118,999,192	10,997,611	3,142,536	-	14,140,147	104,859,045	20
Land	17,700,000	-	-	17,700,000	-	-	-	-	17,700,000	2.5
Sub-Total	2,151,264,562	290,035,275	7,212,195	2,434,087,642	838,115,232	180,728,280	5,291,485	1,013,552,027	1,420,535,615	
Leased Assets	25,044,000	-	-	25,044,000	13,643,156	5,008,800	-	18,651,956	6,392,044	20
Intangibles Assets	131,028,337	39,005,794	-	170,034,131	60,069,312	38,143,314	-	98,212,626	71,821,505	20
Total 2015	2,307,336,899	329,041,069	7,212,195	2,629,165,773	911,827,700	223,880,394	5,291,485	1,130,416,609	1,498,749,163	
Total 2014	1,914,666,908	392,950,967	280,976	2,307,336,899	709,039,296	202,991,763	203,359	911,827,700	1,395,509,199	

Annexure- B

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

	Amount in Taka	
	Detail	Total
Balance as per Bank ledger		8,473,194,364
Unrespond debit entries in:		
Bangladesh Bank Statement	43,464,886	
ONE Bank's ledger	102,217	43,567,103
		<u>8,429,627,261</u>
Unrespond credit entries in:		
Bangladesh Bank statement	2,455,155	
ONE Bank's ledger	2,113,813	4,568,968
Balance as per Bangladesh Bank Statement		<u>8,434,196,230</u>

2) Balance with Bangladesh Bank-Foreign currency

	Amount in Taka			
	USD	EURO	GBP	Total
A) Balance as per Bank ledger	1,544,825,726	12,416,287	1,922,187	1,559,164,199
B) Unrespond debit entries in:				
Bangladesh Bank Statement	66,918,889	-	-	66,918,889
ONE Bank's ledger	-	-	-	-
	<u>66,918,889</u>	<u>-</u>	<u>-</u>	<u>66,918,889</u>
C) Unrespond credit entries in:				
Bangladesh Bank statement	36,095,191	-	686	36,095,877
ONE Bank's ledger	201,716,147	-	-	201,716,147
	<u>237,811,338</u>	<u>-</u>	<u>686</u>	<u>237,812,024</u>
Balance as per Bangladesh Bank Statement (A-B+C)	<u>1,715,718,174</u>	<u>12,416,287</u>	<u>1,922,873</u>	<u>1,730,057,334</u>

Annexure-C

ONE Bank Limited
Financial Statements for the year ended 31 December 2015
Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2015			2014		
		Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
Standard Chartered Bank, New York	USD	3,327,030.05	78.5003	261,172,857.03	4,483,045.25	77.9494	349,450,687.41
Commerzbank AG, Frankfurt	USD	1,083,472.44	78.5003	85,052,911.58	384,157.44	77.95	29,944,841.95
HSBC Bank , New York, USA	USD	-	-	-	(36,836.29)	77.9494	(2,871,366.70)
Mashreqbank Psc, New York	USD	1,505,081.06	78.5003	118,149,314.73	478,110.81	77.9494	37,268,450.77
ICICI Bank Limited, Hong Kong	USD	45,167.10	78.5003	3,545,630.90	177,610.85	77.9494	13,844,659.19
Wells Fargo Bank N.A, New York	USD	1,481,385.63	78.5003	116,289,216.37	2,737,267.58	77.9494	213,368,365.50
		7,442,136.28		584,209,930.61	8,223,355.64		641,005,638.12
Standard Chartered Bank, London	GBP	216,480.00	116.2668	25,169,436.86	50,690.24	120.9151	6,129,215.44
AB Bank Ltd, Mumbai	ACUD	190,965.34	78.5003	14,990,836.48	31,008.16	77.9494	2,417,067.47
Habib Bank Limited, Karachi	ACUD	354,463.09	78.5003	27,825,458.90	164,735.15	77.9494	12,841,006.10
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	560,691.78	78.5003	44,014,472.94	366,748.00	77.9494	28,587,786.55
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	69,178.87	78.5003	5,430,562.05	41,597.61	77.9494	3,242,508.74
Seylan Bank PLC, Colombo	ACUD	44,737.20	78.5003	3,511,883.62	70,342.51	77.9494	5,483,156.45
Standard Chartered Bank, Mumbai	ACUD	848,309.94	78.5003	66,592,584.78	722,294.51	77.95	56,302,423.68
United Bank of India, Kolkata	ACUD	88,759.04	78.5003	6,967,611.27	-	0.0000	-
ICICI Bank Limited, Mumbai	ACUD	893,309.14	78.5003	70,125,035.48	767,684.95	77.9494	59,840,581.24
		3,050,414.40		239,458,445.52	2,164,410.89		168,714,530.23
Standard Chartered Bank, Tokyo	JP YEN	7,460,564.00	0.6513	4,859,065.33	7,779,071.00	0.6459	5,024,501.96
Unicredit Bank, AG	EURO	-	-	-	68,331.31	94.7007	6,471,022.89
Standard Chartered Bank, Frankfurt	EURO	207,268.70	85.8008	17,783,820.27	188,513.27	94.7007	17,852,338.63
Commerzbank AG, Frankfurt	EURO	239,024.99	85.8008	20,508,535.36	103,686.10	94.7007	9,819,146.25
ICICI Bank Limited, Mumbai	EURO	171,211.04	85.8008	14,690,044.20	13,155.65	94.7007	1,245,849.26
		617,504.73		52,982,399.83	373,686.33		35,388,357.03
Westpac Banking Corporation, Sydney	AUD	231,430.12	57.1953	13,236,715.14	79,834.92	63.3807	5,059,993.11
Commerzbank AG, Frankfurt	CAD	7,092.59	56.5279	400,929.22	78,229.53	66.94	5,236,982.01
Habib Bank AG Zurich, Switzerland	CHF	45,706.79	79.5584	3,636,359.08	51,746.80	81.73	4,229,441.90
Bank Al-Jazira, Saudi Arabia	SAR	300,000.00	21.4350	6,430,500.00			
Total				930,383,782			870,788,660

ONE Bank Limited
Statement of large loan
As at 31 December 2015

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Bangladesh Petroleum Corporation	-	952.36	952.36
2	Medlar Group	228.36	135.49	363.85
3	Mahmud Group	172.64	146.96	319.60
4	Abul Khair Group	205.51	89.02	294.53
5	City Group	220.28	45.40	265.68
6	Airtel Bangladesh Limited	206.96	50.00	256.96
7	Habib Group	150.82	94.66	245.48
8	Sylhet Gas Fields Limited	-	232.92	232.92
9	Argon Group	99.51	124.77	224.28
10	Sitalpur Steel	124.46	87.43	211.89
11	Ananda Group	129.32	75.79	205.11
12	Harvest Group	198.12	0.60	198.72
13	Max Infrastructure Ltd	26.69	167.00	193.69
14	H. Akbar Ali Group	165.85	12.39	178.24
15	Mohammadi Group (Desh Energy Ltd)	67.70	104.53	172.23
16	Arunima Group	53.73	103.90	157.63
17	Anwer Khan Modern Hospital	156.03	0.17	156.20
18	Asian & DAF Group	107.96	48.16	156.12
19	Fair Distribution Ltd	99.32	52.37	151.69
	Total	2,413.26	2,523.92	4,937.18

Note: More than 10% of the regulatory Capital and outstanding balance of the client.

Annexure-E

Name of the Directors and the entities in which they have interest as on 31 December, 2015

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, Guarantor, Employee	Percentage (%) of holding in the company	Remarks
1.	Mr. Sayeed Hossain Chowdhury	Chairman	1 Bangladesh Shipping Lines Ltd. 2 Baridhi Shipping Lines Ltd. 3 Bangladesh Land Ltd. 4 HRC Syndicate Ltd. 5 HRC Travels Ltd. 6 HRC Lighting Ltd. 7 HRC Properties Ltd. 8 HRC Shipping Ltd. 9 HRC Agrocom Ltd. 10 HRC Bangladesh Ltd. 11 HRC Products Ltd. 12 HRC Lamps Ltd 13 HRC Media Ltd. 14 Hamid Properties Ltd. 15 Arakan Express Ltd. 16 Information Services Network Ltd. 17 Bangladesh General Insurance Co. Ltd 18 HRC Freight Ltd 19 Jaijaidin Publications Ltd. 20 Travelwise Ltd	60.00 60.00 49.00 93.00 99.00 47.00 45.00 63.79 80.00 56.00 80.00 80.00 99.50 10.00 21.00 8.17 2.07 80.00 84.69 15.00	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd. 2 Uniroyal Trade Ltd. 3 IMTREX 4 OcuNova Eye Hospital 5 NTC Housing Ltd	55.00 60.00 100.00 5.00 12.50	
3.	Mr. Zahur Ullah	Director	1 Gtex Ltd. 2 Buttons & Trims Ltd 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Shamah Enterprises Ltd 7 Holiday Publications Ltd. 8 Lamisa Food Products Ltd. 9 NTC Housing Ltd. 10 Everest Embroidery Ltd. 11 Apparel Fair (Pvt.) Ltd.	33.33 70.00 70.00 60.00 60.00 40.00 10.00 70.00 12.50 53.33 20.00	
4.	KSC Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. A.S.M Shahidullah Khan
5.	Irfan International Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Kazi Rukunuddin Ahmed
6.	M. R. Holdings & Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Shawket Jaman
7.	Mr. Syed Nurul Amin	Independent Director	-	-	-
8.	Mr. Salahuddin Ahmed	Independent Director	Consolidated Services Limited	25.00	-

Annexure-F

ONE Bank Limited
Off Shore Banking Unit
Balance Sheet
As at 31 December 2015

	Notes	2015		2014	
		USD	TAKA	USD	TAKA
PROPERTY AND ASSETS					
CASH					
Cash in hand (including foreign currencies)		-	-	-	-
Cash with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
Balance with other Banks and Financial Institutions					
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
Money at Call on Short Notice		-	-	-	-
Investment					
Government		-	-	-	-
Others		-	-	-	-
Loan and Advances:					
Loans, cash credit, overdraft etc.	3	32,769,748	2,572,425,219	28,890,765	2,252,017,786
Bills purchased and discounted		371,163	29,136,321	266,658	20,785,826
		33,140,911	2,601,561,540	29,157,423	2,272,803,612
Fixed Assets		-	-	-	-
Other Assets		-	-	-	-
Non Banking Assets		-	-	-	-
Total Assets		33,140,911	2,601,561,540	29,157,423	2,272,803,612
LIABILITIES AND CAPITAL					
Borrowings from other banks, financial institutions and agents		-	-	-	-
Deposit and other Accounts	4				
Current accounts and other accounts		5,164	405,343	199,120	15,521,255
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		20,000,000	1,570,000,000	-	-
		20,005,164	1,570,405,343	199,120	15,521,255
Other Liabilities	5	12,374,550	971,402,213	28,071,086	2,188,124,334
Total Liabilities		32,379,714	2,541,807,556	28,270,206	2,203,645,588
Capital/Shareholders' Equity					
Profit and Loss Account		761,197	59,753,984	887,217	69,158,024
Total Liabilities and Shareholders' Equity		33,140,911	2,601,561,540	29,157,423	2,272,803,612

Notes	2015		2014	
	USD	TAKA	USD	TAKA

Off Balance Sheet Items

Contingent Liabilities:

Acceptance and endorsements
Letter of Guarantee
Irrevocable Letters of Credit
Bills for Collection

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Other Contingent Liabilities

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

-	-	-	-
-	-	-	-

Total Contingent Liabilities

-	-	-	-
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Other Commitments

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

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Total other commitments

-	-	-	-
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Total off-Balance Sheet items including contingent Liabilities

-	-	-	-
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ONE Bank Limited
Off Shore Banking Unit
Profit & Loss Account
For the year ended 31 December 2015

Notes	2015		2014		
	USD	TAKA	USD	TAKA	
Interest income	6	1,990,820	156,279,403	2,002,847	156,120,685
Interest paid on deposits & borrowings	7	(1,177,840)	(92,460,439)	(1,086,031)	(84,655,427)
Net interest income		812,980	63,818,963	916,816	71,465,258
Income from investments		-	-	-	-
Commission, Exchange and Brokerage	8	5,326	418,089	16,602	1,294,125
Other operating income	9	29,771	2,337,012	6,079	473,882
Total operating income (A)		848,077	66,574,064	939,497	73,233,265
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		45,000	3,532,500	-	-
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, Printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses (B)		45,000	3,532,500	-	-
Profit before provision and tax (C=A-B)		803,077	63,041,564	939,497	73,233,265
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		41,880	3,287,579	-	-
		41,880	3,287,579	-	-
Provision for off-balance sheet items		-	-	-	-
Other Provision		-	-	-	-
Total Provision		41,880	3,287,579	-	-
Profit/(loss) before tax (C-D)		761,197	59,753,984	939,497	73,233,265
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		-	-	-	-
Net profit after taxation		761,197	59,753,984	939,497	73,233,265

ONE Bank Limited
Off-Shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2015

	2015		2014	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	1,990,820	156,279,403	2,002,847	156,120,685
Interest payments	(1,177,840)	(92,460,439)	(1,086,031)	(84,655,427)
Fee and commission receipts	6,154	483,107	16,602	1,294,125
Legal expenses	(45,000)	(3,532,500)	-	-
Receipts from other operating activities	28,943	2,271,993	6,079	473,882
Operating profit before changes in current assets and liabilities	803,077	63,041,564	939,497	73,233,265
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(3,983,489)	(312,703,851)	(6,803,177)	(530,303,586)
Deposits from banks	20,000,000	1,570,000,000	-	-
Deposits from customers	(193,956)	(15,225,547)	(125,631)	(9,792,883)
Other liabilities	(16,625,633)	(1,305,112,166)	5,989,311	466,863,205
	(803,077)	(63,041,564)	(939,497)	(73,233,265)
A Net cash flows from operating activities	-	-	-	-
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)	-	-	-	-
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
E Opening cash and cash equivalents	-	-	-	-
F Closing cash and cash equivalents (D+E)	-	-	-	-
Closing cash and cash equivalents				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	-	-	-	-
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	-	-	-	-

ONE Bank Ltd
Off-Shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2015

1.1 Status of the units

Off-Shore Banking Unit is a separate business unit of ONE Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-Shore Banking Unit permission vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated 26 May 2010. The Bank commenced the operation of its Off-Shore Banking Unit from 12 December 2010. At Present the Bank has 2 (Two) units one in Dhaka and another in Chittagong.

1.1.1 Principal activities

The principal activities of the units are to provide all kinds of commercial banking services to its customers through its Off-Shore Banking Units in Bangladesh.

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

1.2.3 Foreign currency transaction

a) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

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

1.2.4 Cash flow statement

Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard-7 "Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.2.5 Reporting period

These financial statements cover from 01 January 2015 to 31 December 2015.

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) These financial statements are presented in Taka, Which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 78.50, EURO1=Taka 85.4865 and CHF1= Taka 77.3323 (Mid rate as at 31 December 2015).

ONE Bank Limited
Off-Shore Banking Unit
Notes to The Financial Statements

	2015		2014	
	USD	TAKA	USD	TAKA
3 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)	32,769,748	2,572,425,219	28,890,765	2,252,017,786
Cash Credit	-	-	-	-
Overdraft	-	-	-	-
Loan against Trust Receipt	-	-	-	-
	32,769,748	2,572,425,219	28,890,765	2,252,017,786
ii) Bills purchased and discounted				
Payable Inside Bangladesh	371,163	29,136,321	-	-
Foreign bills purchased and discounted	-	-	266,658	20,785,826
	371,163	29,136,321	266,658	20,785,826
	33,140,911	2,601,561,540	29,157,423	2,272,803,612
4 Deposits and other accounts				
Current deposits	4,905	385,047	55	4,318
Foreign currency deposits	-	-	-	-
Deposits from Banks- Local	20,000,000	1,570,000,000	-	-
Sundry deposits	259	20,295	199,064	15,516,937
	20,005,164	1,570,405,343	199,120	15,521,255
5 Other liabilities				
Due From Head Office	11,938,842	937,199,063	27,779,512	2,165,396,298
Accrued Interest	102,583	8,052,792	-	-
Income tax Export	78	6,136	-	-
Others	1,638	128,606	-	-
General Provision (Unclassified Loan) 1%	331,409	26,015,615	291,574	22,728,036
	12,374,550	971,402,213	28,071,086	2,188,124,334
6 Interest income				
LTR loan	-	-	4,622	360,308
Bills purchased and discounted	32,470	2,548,866	35,960	2,803,081
Short Term Loan	1,940,433	152,323,956	1,867,594	145,577,861
Others	17,918	1,406,580	94,670	7,379,435
Interest on loans and advances	1,990,820	156,279,403	2,002,847	156,120,685
Interest received from HO	-	-	-	-
Total Interest income	1,990,820	156,279,403	2,002,847	156,120,685
7 Interest on deposits, borrowings,				
Interest paid to HO	1,075,257	84,407,647	1,084,864	84,564,486
Interest expenses against nostro account	-	-	1,167	90,941
Interest expenses for other bank- Local	102,583	8,052,792	-	-
	1,177,840	92,460,439	1,086,031	84,655,427

	2015		2014	
	USD	TAKA	USD	TAKA
8 Commission, exchange and brokerage				
Commission on L/C	-	-	-	-
Other commission	5,326	418,089	16,602	1,294,125
	5,326	418,089	16,602	1,294,125
9 Other operating income				
L/C advice Charge	-	-	3,450	268,925
Export Bill Handling Charge	828	65,018	1,743	135,893
EXP Issuing Charge	28,847	2,264,457	712	55,500
Postage	96	7,536	174	13,563
	29,771	2,337,012	6,079	473,882

ONE Securities Limited
Statement of Financial Position
As at 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
SOURCE OF FUND			
Shareholders' Equity			
Paid-up Capital	3	2,000,000,000	1,463,636,300
Retained Earnings		(701,032,935)	(648,276,188)
Total Source of fund		1,298,967,065	815,360,112
APPLICATION OF FUND			
Non Current Assets (A)			
Investment in DSE and CSE Shares	4	600,200,000	600,200,000
Preliminary expenses	6	-	436,447
Fixed Assets	7	13,409,809	3,873,515
		613,609,809	604,509,962
Current Assets (B)			
Advance deposit and prepayments	8	316,085	5,100,303
Advance income tax	9	15,724,181	5,333,292
Investment in Shares	5	1,202,214,627	1,201,310,522
Margin loan to clients	10	48,759,610	15,044,724
Accounts receivable	11	148,458	1,006,023
Cash and cash equivalents	12	58,762,309	15,689,433
		1,325,925,271	1,243,484,297
Current Liabilities -C			
Short Term Borrowing	13	-	490,026,374
Other liabilities	14	599,137,607	519,937,034
Audit Fee Payable	15	50,000	25,000
Other payable	16	41,380,408	22,645,739
		640,568,015	1,032,634,147
Net Current Assets (D=B-C)		685,357,256	210,850,150
Total Application of Fund (A+D)		1,298,967,065	815,360,112

These Financial Statements should be read in conjunction with the annexed notes 1 to 24.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

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

Dhaka: 23 February 2016

ATA KHAN & CO.
Chartered Accountants

ONE Securities Limited
Statement of Comprehensive Income
For the year ended 31 December 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Operating Income (A)			
Commission and Brokerage Income	17	20,293,050	5,447,649
Interest Income	18	10,484,420	1,505,886
Investment Income	19	35,110,984	8,402,948
Other Operating Income	20	593,893	549,192
		66,482,348	15,905,675
Operating Expenses (B)			
Interest paid on short term loan		19,985,512	65,652,526
Bank charges		6,565	16,149
Salary & Allowances	21	9,171,493	5,269,051
Auditors' fee		25,000	25,000
Directors' fees		85,000	72,500
Amortization of preliminary expenses		436,447	436,447
Printing & Stationary		138,955	307,503
Repairs and Maintenance		6,300	27,235
Advertisement expenses		-	64,500
Depreciation		1,688,458	641,696
Fees and renewal	22	2,281,859	1,003,231
Direct expenses	23	1,328,583	325,430
Others expenses	24	4,884,350	610,560
Total		40,038,522	74,451,826
Net profit before provision and tax (A-B)		26,443,826	(58,546,151)
Provision for diminution in value of share	14.1	79,001,127	406,240,662
Provision for income tax	14.2	199,447	47,717
Net profit/(Loss) after provision		(52,756,747)	(464,834,530)
Retained surplus brought forward		(648,276,188)	(183,441,659)
Retained surplus carried forward		(701,032,935)	(648,276,188)
Earnings per Share (EPS)		(0.26)	(2.32)

These Financial Statements should be read in conjunction with the annexed notes 1 to 24.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

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

Dhaka: 23 February 2016

ATA KHAN & CO.
Chartered Accountants

ONE Securities Limited
Statement of Cash Flows
For the year ended 31 December 2015

	<u>2015</u>	<u>2014</u>
	<u>Taka</u>	<u>Taka</u>
Cash Flows from Operating Activities		
Interest Receipts in cash	10,484,420	1,498,751
Commission and Brokerage receipts in cash	20,293,050	5,447,649
Interest Payments	(19,985,512)	(1,679,200)
Dividend receipts	35,110,984	6,733,148
Income Taxes paid	(9,108,711)	(755,470)
Advance Deposit and Prepayment	(167,972)	(25,000)
Other Payable	9,079,101	5,732,867
Other Receivable	857,565	(1,006,023)
Loan to Clients	(33,714,886)	(15,037,603)
Receipts from other operating activities	593,893	549,182
Operating Expenses	(13,224,552)	(1,649,249)
A) Net Cash used in Operating Activities	<u>217,381</u>	<u>(190,948)</u>
Cash Flows from Investing Activities		
Payments for purchase of securities	(904,105)	(1,750,022)
Net Purchase/Sale of fixed assets	(3,214,970)	(2,997,461)
B) Net Cash used in Investing Activities	<u>(4,119,075)</u>	<u>(4,747,483)</u>
Cash Flows from Financing Activities		
Receipts from issue of shares	536,363,700	-
Short term borrowing	(489,389,130)	16,000,000
C) Net Cash from Financing Activities	<u>46,974,570</u>	<u>16,000,000</u>
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	43,072,876	11,061,571
Opening Cash and cash equivalents	15,689,433	4,627,862
Closing cash and cash equivalents	<u>58,762,309</u>	<u>15,689,433</u>

These Financial Statements should be read in conjunction with the annexed notes 1 to 24.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

Dhaka: 23 February 2016

ONE Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2015

Particulars	Amount in Taka		
	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2015	1,463,636,300	(648,276,188)	815,360,112
Share issued during he year	536,363,700	-	536,363,700
Net profit / (loss) during the period	-	(52,756,747)	(52,756,747)
Balance as at 31 December 2015	2,000,000,000	(701,032,935)	1,298,967,065
Balance as at 31 December 2014	1,463,636,300	(648,276,188)	815,360,112

These Financial Statements should be read in conjunction with the annexed notes 1 to 24.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

Dhaka: 23 February 2016

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2015

1 Status of the Company

1.1 Legal Form of the Company

ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act (Act XVIII), of 1994 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on December 24, 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at 45, Dilkusha C.A (4th Floor), Dhaka-1000

1.2 Nature of Business Activities:

The principal activities of the company are to buy and sell and deal in shares, stocks, debentures and other securities and undertake all the functions as a TREC Holder of Stock Exchanges.

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 flows

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%

c) Software acquired by the company is stated at cost less accumulated amortisation. 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) 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 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.
- 2.5 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.
- 2.6 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.
- 2.7 Provision for taxation**
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying required rate.
- 2.8 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.
- 2.9 Share capital**
Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.
- 2.10 Reporting period**
These financial statements cover period from January 01, 2015 to December 31, 2015.
- 2.11 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.
- 2.12 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.25,765,706 to ONE Bank Limited.
- 2.13 Directors' responsibility on Financial Statements**
The Board of Directors of the company is responsible for the preparation and presentation of these Financial Statements.
- 2.14 Events after reporting period**
All known material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements, where necessary up to the date of preparation of Financial Statements as per BSA-10 " Events After the Reporting Period".
- 2.15 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, 2015 as per BAS-33 " Earnings Per Share".
- 2.16 General**
Previous year figures have been rearranged wherever considered necessary to conform to current years presentation.

ONE Securities Limited
Notes to the Financial Statements

	<u>2015</u>	<u>2014</u>
	<u>Taka</u>	<u>Taka</u>
3 Share Capital		
3.1 Authorized Capital		
40,00,00,000 Ordinary Shares of Taka 10/- each.	<u>4,000,000,000</u>	<u>4,000,000,000</u>
3.2 Issued, Subscribed and Paid-up Capital		
20,00,00,000 ordinary shares of Taka 10/- each fully paid.	<u>2,000,000,000</u>	<u>1,463,636,300</u>
3.3 Shareholding position of the company		
<u>Name of Shareholders</u>	<u>Number of Shares</u>	<u>Amount in Taka</u>
ONE Bank Limited	197,999,930	1,979,999,300
NTC Housing Limited	1,999,990	19,999,900
Mr. Zahur Ullah	10	100
Mr. Asoke Das Gupta	10	100
Mrs. Farzana Chowdhury	10	100
KHH Holdings Limited	10	100
M R Holdings & Securities Limited	10	100
Irfan International Limited	10	100
KSC Securities Limited	10	100
Master Holdings Limited	10	100
	<u>200,000,000</u>	<u>2,000,000,000</u>
4 Investment in DSE and CSE Shares		
Shares in DSE	320,200,000	320,200,000
Shares in CSE	280,000,000	280,000,000
	<u>600,200,000</u>	<u>600,200,000</u>

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 Securities and Exchange Commission's (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 ownership as a TREC Holder 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 transaction the shares of DSE and CSE, we have shown the value at original cost of our investment.

5 Investment in Shares

Lanka Bangla Finance Limited	502,040,000	502,040,000
The City Bank Limited	697,520,500	697,520,500
Meghna Petroleum Limited	683,724	475,896
Titas Gas Transmission & Distribution Company Limited	1,970,403	1,274,126
Total cost price	<u>1,202,214,627</u>	<u>1,201,310,522</u>

5.1 Comparison between cost and market price of Shares as on 31 December 2015

Name of Company	Number of shares	Market price	Market Value at 31-12-2015	Cost per unit	Cost	Surplus/ (Deficiency)
Lanka Bangla Finance Ltd.	6,428,730	29.00	186,433,170	78.09	502,040,000	(315,606,830)
The City Bank Limited	20,483,347	20.40	417,860,279	34.05	697,520,500	(279,660,221)
Meghna Petroleum Limited	3,150	152.60	480,690	217.06	683,724	(203,034)
Titas Gas Trans & Dist. Com.	25,500	47.40	1,208,700	77.27	1,970,403	(761,703)
			<u>605,982,839</u>		<u>1,202,214,627</u>	<u>(596,231,789)</u>

	2015	2014
	<u>Taka</u>	<u>Taka</u>
6 Preliminary expenses		
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	1,745,789	1,309,342
During the period	436,447	436,447
Closing balance	2,182,236	1,745,789
	-	436,447
7 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	7,804,738	126,500
Office equipment	6,208,804	2,988,711
	14,013,542	3,115,211
Intangible Assets	1,660,000	1,400,000
	15,673,542	4,515,211
Less: Accumulated depreciation	2,263,734	641,696
Closing balance	13,409,809	3,873,515
(For details please refer to Annexure-A)		
8 Advance deposit and prepayment		
Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	50,000
Security Deposit to CDBL for depositary participant	200,000	200,000
Advance payment for Office Decoration	-	4,668,303
Prepaid Insurance Premium	66,085	-
Advance payment of Software installation	-	182,000
	316,085	5,100,303
9 Advance income tax		
Opening balance	5,333,292	2,735,392
Addition during the period (note-9.1)	10,390,889	2,597,900
Closing balance	15,724,181	5,333,292
9.1 Addition during the year		
Advance tax paid with Appeal to Appellate Tribunal	112,368	172,630
Advance income tax deducted on Dividend	7,022,195	1,669,800
Advance income tax deducted by DSE on transaction	2,633,006	668,254
Advance income tax deducted by DSE on transaction for Dealer	269	1,483
Advance income tax deducted by CSE on transaction for Dealer	181	370
Advance income tax deducted by CSE on transaction	24,199	12,144
Advance income tax deducted by Bank on Deposit	587,028	62,241
Advance income tax deducted by Bank on Deposit Dealer	11,643	10,978
	10,390,889	2,597,900
10 Margin Loan to clients	48,759,610	15,044,724
This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan.		
11 Accounts Receivable		
Receivable from DSE	-	1,006,023
Receivable from CSE	148,458	-
	148,458	1,006,023
	2015	2014

	<u>Taka</u>	<u>Taka</u>
12 Cash and Cash Equivalent		
Cash in Hand	4,367	16,680
ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C	12,083,758	451,524
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C	44,045,242	10,938,356
ONE Bank Limited, Principal Branch (IPO Account)	14,658	366,500
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	550	-
ONE Bank Limited, Principal Branch (SND)- Dealer	2,613,733	3,916,373
	58,762,309	15,689,433
13 Short Term Borrowing		
Time loan from ONE Bank Ltd	-	490,026,374
14 Other liabilities		
Provision for diminution in value of investment in shares (note-14.1)	596,231,789	517,230,662
Provision for Income Tax (note-14.2)	2,905,819	2,706,372
	599,137,607	519,937,034
14.1 Provision for diminution in value of investment in shares		
Opening balance	517,230,662	110,990,000
Provision for the year	79,001,127	406,240,662
Closing balance	596,231,789	517,230,662
14.2 Provision for Income Tax		
Opening balance	2,706,372	2,658,655
Provision for the year	199,447	47,717
Closing balance	2,905,819	2,706,372
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rate		
15 Audit Fee		
Opening balance	25,000	25,000
Charge during the year	25,000	25,000
Paid during the year	-	(25,000)
Closing balance	50,000	25,000
16 Other Payable		
Payable to ONE Bank Ltd.	25,765,706	16,413,348
Leave Fare Assistance	327,900	381,598
VAT on audit fees	7,500	3,750
Payable to Clients	5,071,819	4,826,064
Payable to Telnet Communication Limited	12,000	12,000
Marketing Expenses Payable	395,976	47,689
Payable to Service Outsourcing	46,422	46,422
IPO Application Money A/C	-	364,000
Payable to Dhaka Stock Exchanges	9,727,564	6,086
Payable to Chittagong Stock Exchanges-Dealer	-	503,608
Payable to Chittagong Stock Exchanges	121	33,109
Payable to CDBL	937	8,065
Payable To Link3 Technologies Ltd.	12,000	-
Sundry Liabilities	12,463	-
	41,380,408	22,645,739
17 Commission and Brokerage Income		
Commission income from Broker	20,289,445	5,432,825
Commission income from Dealer	3,605	14,824
	20,293,050	5,447,649
18 Interest Income		
Interest income from Margin Loan	4,497,713	775,006
Interest on Bank Deposit	5,986,707	730,880
	10,484,420	1,505,886
	2015	2014
	Taka	Taka

19 Investment Income		
Dividend Income	35,110,984	8,349,000
Capital Gain	-	53,948
	35,110,984	8,402,948
20 Other Operation Income		
BO Accounts Opening Fees	132,000	209,200
BO Account Maintenance fee	198,500	37,000
Documentation Fees for Margin Loan	16,800	28,800
Transfer/Transmission In/Out Charges	44,737	99,516
Cheque Dishonour	47,000	20,000
Management Fees- Margin Accounts	38,001	24,000
Miscellaneous	116,856	130,676
	593,893	549,192
21 Salary and Allowances		
Salary & Allowances	7,910,241	4,709,787
Bonus	1,261,252	559,264
	9,171,493	5,269,051
22 Fees and renewal		
License and renewal fee	268,911	170,100
RJSC expenses	140,167	29,700
Authorized representative application fee	5,000	8,300
CDBL Charges	1,071,870	480,286
Legal Expenses	468,754	-
Training Expenses	-	36,500
Trading Work Station Charge	20,000	25,000
DSE Membership fee	-	4,700
BSEC Fees for raising Paid Up Capital	147,273	5,000
Govt. Excise Duty	25,850	11,000
Back Office Software maintenance Charges	134,034	-
Internet Line Charges	-	232,645
	2,281,859	1,003,231
23 Direct Expenses		
Howla Charges-DSE	-	47,526
Howla Charges-DSE-Dealer	16	38
Howla Charges-CSE-Dealer	-	22
Transaction Fee -DSE	1,316,504	271,098
Transaction Fee-DSE-Dealer	135	593
Transaction Fee-CSE-Dealer	65	132
Howla Charges-CSE	3,152	1,756
Transaction Fee-CSE	8,712	4,264
	1,328,583	325,430
24 Others expenses		
Messenger Service	123,912	87,503
Security Guard expenses	283,608	212,706
Entertainment	114,912	98,084
Conveyance	37,490	2,780
Postage, Stamp & Telecommunication	483,002	-
Sundry Expenses	79,425	41,513
VAT on Audit fee	3,750	3,750
Loss on sales of Fixed Assets	50,580	-
Cleaning Service	159,294	116,535
Board Meeting Expenses	20,125	-
Marketing Expenses	3,528,252	47,689
	4,884,350	610,560

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

Annexure-A

ONE Securities Limited
Schedule of Fixed Assets
As at 31 December 2015

[Referred to Note 7 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation (Taka)				Net book value at 31 December	Rate of depreciation per annum (Reducing %)
	Balance on 1 January	Additions during the year	Disposal during the year	Balance at 31 December	Balance on 1 January	Charge for the year	Adjusted on disposal during the year	Balance at 31 December		
Furniture and Fixtures	126,500	7,678,238	-	7,804,738	8,433	331,733	-	340,167	7,464,572	10
Office Equipment	2,988,711	3,712,093	492,000	6,208,804	423,263	1,007,224	66,420	1,364,067	4,844,737	18
Sub-Total	3,115,211	11,390,331	492,000	14,013,542	431,696	1,338,958	66,420	1,704,234	12,309,309	
Intangibles Assets	1,400,000	260,000	-	1,660,000	210,000	349,500	-	559,500	1,100,500	20
Total 2015	4,515,211	11,650,331	492,000	15,673,542	641,696	1,688,458	66,420	2,263,734	13,409,809	
Total 2014	-	4,515,211	-	4,515,211	-	641,696	-	641,696	3,873,515	