

**ONE Bank Limited and its Subsidiary**  
**Consolidated Balance Sheet**  
**As at 31 December 2012**

<b>PROPERTY AND ASSETS</b>	<b>Note</b>	<b>2012 Taka</b>	<b>2011 Taka</b>
<b>Cash</b>	<b>3 (a)</b>		
Cash in hand ( including foreign currencies)		696,450,690	560,776,431
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		6,873,381,835	4,274,432,178
		<b>7,569,832,525</b>	<b>4,835,208,609</b>
<b>Balance with other banks and financial institutions</b>	<b>4 (a)</b>		
In Bangladesh		2,202,700,116	2,035,720,515
Outside Bangladesh		919,272,647	605,761,279
		<b>3,121,972,763</b>	<b>2,641,481,794</b>
<b>Money at call and short notice</b>	<b>5</b>	<b>380,000,000</b>	<b>650,000,000</b>
<b>Investments</b>	<b>6 (a)</b>		
Government		7,862,102,278	6,400,820,027
Others		3,729,545,331	3,184,877,033
		<b>11,591,647,609</b>	<b>9,585,697,060</b>
<b>Loans and Advances</b>	<b>7 (a)</b>		
Loans, cash credit, overdraft etc.		55,879,114,910	44,245,392,046
Bills purchased and discounted		3,989,561,263	3,681,291,692
		<b>59,868,676,173</b>	<b>47,926,683,737</b>
<b>Fixed Assets including premises, furnitures &amp; fixtures</b>	<b>8 (a)</b>	<b>1,098,456,133</b>	<b>831,149,119</b>
<b>Other Assets</b>	<b>9 (a)</b>	<b>677,835,960</b>	<b>886,773,313</b>
<b>Non-banking Assets</b>	<b>10</b>	<b>283,786,525</b>	<b>283,786,525</b>
<b>Total Property and Assets</b>		<b>84,592,207,688</b>	<b>67,640,780,157</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	<b>11 (a)</b>	<b>120,367,972</b>	<b>659,601,547</b>
<b>Deposits and other accounts</b>	<b>12 (a)</b>		
Current accounts and other accounts		8,470,623,423	7,331,951,747
Bills payable		2,302,009,790	662,657,287
Savings deposits		5,011,914,509	4,038,063,127
Term deposits		57,271,226,432	45,207,482,651
		<b>73,055,774,154</b>	<b>57,240,154,812</b>
<b>Other Liabilities</b>	<b>13 (a)</b>	<b>4,089,819,756</b>	<b>3,571,163,405</b>
<b>Total Liabilities</b>		<b>77,265,961,882</b>	<b>61,470,919,764</b>
<b>Capital/Shareholders' equity</b>			
Paid-up Capital	<b>14</b>	4,145,278,280	3,188,675,600
Statutory Reserve	<b>15</b>	2,310,094,082	1,898,008,348
Surplus in Profit & Loss Account		802,036,413	1,051,126,818
Revaluation Reserve for Securities		55,320,615	19,181,383
<b>Total Shareholders' equity</b>		<b>7,312,729,390</b>	<b>6,156,992,149</b>
Non-Controlling Interest		13,516,416	12,868,244
<b>Total Liability and Shareholders' equity</b>		<b>84,592,207,688</b>	<b>67,640,780,157</b>

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
<b>OFF BALANCE SHEET ITEMS</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		12,907,241,049	13,745,464,945
Letters of Guarantee	46	8,330,678,563	8,207,446,708
Irrevocable Letters of Credit		10,153,759,783	8,460,225,427
Bills for Collection		1,277,258,448	46,212,560
		<u>32,668,937,843</u>	<u>30,459,349,641</u>
<b>Other Contingent Liabilities</b>			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
<b>Total Contingent Liabilities</b>		<u>32,668,937,843</u>	<u>30,459,349,641</u>
<b>Other Commitments:</b>			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Indrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total other commitments</b>		<u>-</u>	<u>-</u>
<b>Total off-Balance Sheet items including contingent liabilities</b>		<u>32,668,937,843</u>	<u>30,459,349,641</u>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants

**ONE Bank Limited and its Subsidiary**  
**Consolidated Profit & Loss Account**  
**For the year ended 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
Interest income	17 (a)	8,552,053,996	6,527,862,108
Interest paid on deposits & borrowings etc.	18 (a)	(5,812,417,438)	(4,559,226,967)
<b>Net interest income (A)</b>		<b>2,739,636,558</b>	<b>1,968,635,141</b>
Investment Income	19 (a)	552,388,074	1,441,430,733
Commission, Exchange and Brokerage	20 (a)	1,016,382,075	981,376,292
Other operating income	21 (a)	297,973,758	229,372,810
<b>Total operating income</b>		<b>4,606,380,466</b>	<b>4,620,814,977</b>
Salaries and allowances	22	1,401,097,651	1,029,695,931
Rent, taxes, insurance, electricity etc.	23	237,405,563	187,011,334
Legal expenses	24 (a)	4,118,915	7,883,041
Postage, stamps, telecommunication etc.	25	49,119,905	48,593,498
Directors' fees	26	890,000	940,000
Auditor's fee		175,000	145,000
Stationery, Printings, advertisements etc.	27 (a)	108,387,446	88,625,370
Managing Director's salary and allowances	28	11,925,444	10,950,406
Depreciation, leasing expense and repair of bank's assets	29 (a)	238,508,348	190,548,371
Other expenses	30 (a)	234,785,118	202,306,368
<b>Total operating expenses (B)</b>		<b>2,286,413,390</b>	<b>1,766,699,320</b>
<b>Profit / (loss) before provision and tax (C=A-B)</b>		<b>2,319,967,076</b>	<b>2,854,115,656</b>
Provision for loans and advances			
Specific provision	13.4	572,303,512	130,852,894
General provision	13.5	(323,135,567)	462,119,047
		<b>249,167,945</b>	<b>592,971,941</b>
Provision for off-balance sheet items	13.8	22,229,987	81,800,812
Provision for diminution value of share	13.10.a	(80,240,700)	113,430,700
Other Provision	13.7	3,560,962	-
<b>Total Provision (D)</b>		<b>194,718,194</b>	<b>788,203,453</b>
<b>Profit / (loss) before taxes (C-D)</b>		<b>2,125,248,882</b>	<b>2,065,912,203</b>
Current tax expense	32 (a)	985,253,260	859,645,312
Deferred tax (expense)/ income	32 (a)	19,749,440	(65,490,720)
<b>Net profit after taxation</b>		<b>1,120,246,182</b>	<b>1,271,757,611</b>
<b>Attributable to:</b>			
Shareholders of the ONE Bank Ltd		<b>1,119,598,009</b>	<b>1,273,525,667</b>
Non-Controlling Interest		<b>648,172</b>	<b>(1,768,056)</b>
		<b>1,120,246,182</b>	<b>1,271,757,611</b>
Retained Surplus brought forward	16.1(a)	94,524,138	225,613,949
		<b>1,214,122,147</b>	<b>1,499,139,617</b>
<b>Appropriations:</b>			
Statutory Reserve	15	412,085,734	448,012,798
General reserve		-	-
		<b>412,085,734</b>	<b>448,012,798</b>
<b>Retained Surplus</b>		<b>802,036,413</b>	<b>1,051,126,819</b>
<b>Earning per share (EPS)</b>	47 (a)	<b>2.70</b>	<b>3.07</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants

**ONE Bank Limited and its Subsidiary**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
<b>Cash flow from operating activities</b>			
Interest receipts	33 (a)	9,046,287,448	6,951,430,873
Interest payments	34	(5,453,761,803)	(4,331,541,363)
Dividend receipts	19	23,876,433	26,257,678
Fee and commission receipts	35	642,022,718	562,141,198
Cash payments to employees	36	(1,199,023,095)	(1,014,646,337)
Cash payments to suppliers	37	(212,467,441)	(175,011,266)
Income Taxes paid		(1,033,574,877)	(1,010,510,058)
Receipts from other operating activities	38	685,947,651	1,646,019,234
Payment for other operating activities	39 (a)	(428,011,977)	(443,317,319)
Operating profit before changes in current assets and liabilities		<b>2,071,295,055</b>	<b>2,210,822,640</b>
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(10,549,612,241)	(5,647,387,140)
Other current assets	40 (a)	191,238,135	520,413,179
Borrowing from other banking companies, agencies etc.	11	(539,233,575)	447,592,796
Deposits from banks	41	(21,864,993)	(426,939,001)
Deposits from customers	42	14,701,890,230	7,282,159,896
Other liabilities	43	178,863,927	24,048,107
A Net cash flow from operating activities		<b>6,032,576,538</b>	<b>4,410,710,476</b>
<b>Cash flow from investing activities</b>			
Payments for purchase of securities	44 (a)	(11,009,942,384)	(11,186,241,697)
Receipts from sale of securities	45	8,596,597,722	8,879,460,276
Membership at cost for OSL		(320,200,000)	(280,000,000)
Preliminary expenses for OSL		-	(2,182,236)
Net Purchase/sale of fixed assets		(352,645,890)	(314,508,334)
B Net cash used for investing activities		<b>(3,086,190,552)</b>	<b>(2,903,471,991)</b>
<b>Cash flow from financial activities</b>			
Receipts against minority shareholder of OSL		-	14,636,300
Dividend paid		-	-
C Net cash used for financial activities		-	<b>14,636,300</b>
D Net increase in cash and cash equivalent (A+B+C)		<b>2,946,385,985</b>	<b>1,521,874,786</b>
E Opening cash and cash equivalent		<b>8,128,707,503</b>	<b>6,606,832,717</b>
F Closing cash and cash equivalent (D+E)		<b>11,075,093,488</b>	<b>8,128,707,503</b>
<b>Closing cash and cash equivalent</b>			
Cash in hand	3 (a)	696,450,690	560,776,431
Cash with Bangladesh Bank & its agent(s)	3 (a)	6,873,381,835	4,274,432,178
Cash with other banks and financial institutions	4 (a)	3,121,972,763	2,641,481,794
Money at call and short notice	5	380,000,000	650,000,000
Prize bonds	6	3,288,200	2,017,100
		<b>11,075,093,488</b>	<b>8,128,707,503</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: April 09, 2013

**ONE Bank Limited and its Subsidiary**  
**Consolidated Statement of changes in Equity**  
**For the year ended 31 December 2012**

**Amount in Taka**

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders equity
<b>Balance on January 1, 2012</b>	<b>3,188,675,600</b>	<b>1,898,008,348</b>	<b>19,181,383</b>	<b>1,051,126,818</b>	<b>6,156,992,149</b>
Issue of Bonus Share for the year 2011 (Transferred to Paid-up Capital)	956,602,680	-	-	(956,602,680)	-
Surplus of Revaluation of Reserve for HTM Securities			55,320,615		55,320,615
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(19,181,383)	-	(19,181,383)
Net Profit after Tax for the year	-	-	-	1,119,598,009	1,119,598,009
Profit transferred to Statutory Reserve	-	412,085,734	-	(412,085,734)	-
<b>Balance at 31 December 2012</b>	<b>4,145,278,280</b>	<b>2,310,094,082</b>	<b>55,320,615</b>	<b>802,036,413</b>	<b>7,312,729,390</b>
<b>Balance at 31 December 2011</b>	<b>3,188,675,600</b>	<b>1,898,008,348</b>	<b>19,181,383</b>	<b>1,051,126,818</b>	<b>6,156,992,149</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: April 09, 2013

**ONE Bank Limited**  
**Balance Sheet**  
**As at 31 December 2012**

<b>PROPERTY AND ASSETS</b>	<b>Note</b>	<b>2012 Taka</b>	<b>2011 Taka</b>
<b>Cash</b>			
Cash in hand ( including foreign currencies)	3.1	696,450,690	560,776,431
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2	6,873,381,835	4,274,432,178
		<b>7,569,832,525</b>	<b>4,835,208,609</b>
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	4.1	2,193,726,085	2,025,286,901
Outside Bangladesh	4.2	919,272,647	605,761,279
		<b>3,112,998,732</b>	<b>2,631,048,180</b>
<b>Money at call and short notice</b>	5	<b>380,000,000</b>	<b>650,000,000</b>
<b>Investments</b>	6		
Government		7,862,102,278	6,400,820,027
Others		1,929,784,831	1,727,316,533
		<b>9,791,887,109</b>	<b>8,128,136,560</b>
<b>Loans and Advances</b>	7		
Loans, cash credit, overdraft etc.		56,226,568,039	44,245,392,046
Bills purchased and discounted		3,989,561,263	3,681,291,692
		<b>60,216,129,302</b>	<b>47,926,683,737</b>
<b>Fixed Assets including premises, furnitures &amp; fixtures</b>	8	<b>1,098,456,133</b>	<b>831,149,119</b>
<b>Other Assets</b>	9	<b>2,132,793,491</b>	<b>2,333,031,315</b>
<b>Non-banking Assets</b>	10	<b>283,786,525</b>	<b>283,786,525</b>
<b>Total Property and Assets</b>		<b>84,585,883,816</b>	<b>67,619,044,045</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	11	<b>120,367,972</b>	<b>659,601,547</b>
<b>Deposits and other accounts</b>	12		
Current accounts and other accounts		8,470,623,423	7,331,951,747
Bills payable		2,302,009,790	662,657,287
Savings deposits		5,011,914,509	4,038,063,127
Term deposits		57,271,226,432	45,207,482,651
		<b>73,055,774,154</b>	<b>57,240,154,812</b>
<b>Other Liabilities</b>	13	<b>3,986,143,314</b>	<b>3,387,257,213</b>
<b>Total Liabilities</b>		<b>77,162,285,440</b>	<b>61,287,013,572</b>
<b>Capital/Shareholders' equity</b>			
Paid-up Capital	14	4,145,278,280	3,188,675,600
Statutory Reserve	15	2,310,094,082	1,898,008,348
Surplus in Profit & Loss Account	16	912,905,399	1,226,165,142
Revaluation Reserve for Securities		55,320,615	19,181,383
<b>Total Shareholders' equity</b>		<b>7,423,598,376</b>	<b>6,332,030,473</b>
<b>Total Liability and Shareholders' equity</b>		<b>84,585,883,816</b>	<b>67,619,044,045</b>

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
<b>OFF BALANCE SHEET ITEMS</b>			
<b>CONTINGENT LIABILITIES</b>			
Acceptances and Endorsements		12,907,241,049	13,745,464,945
Letters of Guarantee	46	8,330,678,563	8,207,446,708
Irrevocable Letters of Credit		10,153,759,783	8,460,225,427
Bills for Collection		1,277,258,448	46,212,560
		<u>32,668,937,843</u>	<u>30,459,349,641</u>
<b>Other Contingent Liabilities</b>			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
<b>Total Contingent Liabilities</b>		<u>32,668,937,843</u>	<u>30,459,349,641</u>
<b>Other Commitments:</b>			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Indrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total other commitments</b>		<u>-</u>	<u>-</u>
<b>Total off-Balance Sheet items including contingent liabilities</b>		<u>32,668,937,843</u>	<u>30,459,349,641</u>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants

**ONE Bank Limited**  
**Profit & Loss Account**  
**For the year ended 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
Interest income	17	8,551,518,645	6,517,900,015
Interest paid on deposits & borrowings etc.	18	(5,798,664,309)	(4,559,226,967)
<b>Net interest income</b>		<b>2,752,854,336</b>	<b>1,958,673,048</b>
Investment Income	19	552,388,074	1,441,430,733
Commission, Exchange and Brokerage	20	1,016,390,649	981,376,292
Other operating income	21	297,973,758	229,372,810
<b>Total operating income (A)</b>		<b>4,619,606,818</b>	<b>4,610,852,883</b>
Salaries and allowances	22	1,401,097,651	1,029,695,931
Rent, taxes, insurance, electricity etc.	23	237,405,563	187,011,334
Legal expenses	24	4,088,915	7,872,041
Postage, stamps, telecommunication etc.	25	49,119,905	48,593,498
Directors' fees	26	890,000	940,000
Auditor's fee		155,000	125,000
Stationery, Printings, advertisements etc.	27	108,257,760	88,625,370
Managing Director's salary and allowances	28	11,925,444	10,950,406
Depreciation, leasing expense and repair of bank's assets	29	238,071,901	190,111,924
Other expenses	30	233,207,113	199,890,634
<b>Total operating expenses (B)</b>		<b>2,284,219,252</b>	<b>1,763,816,139</b>
<b>Profit / (loss) before provision and tax (C=A-B)</b>		<b>2,335,387,566</b>	<b>2,847,036,744</b>
Provision for loans and advances			
Specific provision	13.4	572,303,512	130,852,894
General provision	13.5	(323,135,567)	462,119,047
		<b>249,167,945</b>	<b>592,971,941</b>
Provision for off-balance sheet items	13.8	22,229,987	81,800,812
Provision for diminution value of share	13.10	-	(67,800,000)
Other Provision	13.7	3,560,962	-
<b>Total Provision (D)</b>		<b>274,958,894</b>	<b>606,972,753</b>
<b>Profit / (loss) before taxes (C-D)</b>		<b>2,060,428,672</b>	<b>2,240,063,991</b>
Current tax expense	13.1	985,250,560	856,990,720
Deferred tax (expense)/income	13.2	19,749,440	(65,490,720)
<b>Net profit after taxation</b>		<b>1,055,428,672</b>	<b>1,448,563,991</b>
Retained Surplus brought forward	16.1	269,562,462	225,613,949
		<b>1,324,991,134</b>	<b>1,674,177,940</b>
<b>Appropriations:</b>			
Statutory Reserve	15	412,085,734	448,012,798
General reserve		-	-
		<b>412,085,734</b>	<b>448,012,798</b>
<b>Retained Surplus</b>		<b>912,905,400</b>	<b>1,226,165,142</b>
<b>Earning per share (EPS)</b>	47	<b>2.55</b>	<b>3.49</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants



**ONE Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>Taka</u>	<u>2011</u> <u>Taka</u>
<b>Cash flow from operating activities</b>			
Interest receipts	33	9,045,752,097	6,941,468,780
Interest payments	34	(5,453,761,803)	(4,331,541,363)
Dividend receipts	19	23,876,433	26,257,678
Fee and commission receipts	35	642,022,718	562,141,198
Cash payments to employees	36	(1,199,023,095)	(1,014,646,337)
Cash payments to suppliers	37	(212,467,441)	(175,011,266)
Income Taxes paid	13.1	(1,031,862,959)	(1,009,513,849)
Receipts from other operating activities	38	685,947,651	1,646,019,234
Payment for other operating activities	39	(426,247,711)	(440,891,484)
Operating profit before changes in current assets and liabilities		<u>2,074,235,889</u>	<u>2,204,282,590</u>
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(10,893,312,241)	(5,647,387,140)
Other current assets	40	191,263,135	520,413,179
Borrowing from other banking companies, agencies etc.	11	(539,233,575)	447,592,796
Deposits from banks	41	(21,864,993)	(426,939,001)
Deposits from customers	42	14,701,890,230	7,282,159,896
Other liabilities	43	178,857,677	24,048,107
A Net cash flow from operating activities		<u>5,691,836,121</u>	<u>4,404,170,427</u>
<b>Cash flow from investing activities</b>			
Payments for purchase of securities	44	(10,987,942,384)	(10,008,681,197)
Receipts from sale of securities	45	8,596,597,722	8,879,460,276
Payment for investment in Subsidiary		-	(1,449,000,000)
Net Purchase/sale of fixed assets		(352,645,890)	(314,508,334)
B Net cash used for investing activities		<u>(2,743,990,552)</u>	<u>(2,892,729,255)</u>
<b>Cash flow from financial activities</b>			
Receipts from issue of ordinary shares		-	-
Dividend paid		-	-
C Net cash used for financial activities		-	-
D Net increase in cash and cash equivalent (A+B+C)		<u>2,947,845,569</u>	<u>1,511,441,172</u>
E Opening cash and cash equivalent		<u>8,118,273,889</u>	<u>6,606,832,717</u>
F Closing cash and cash equivalent (D+E)		<u>11,066,119,458</u>	<u>8,118,273,889</u>
<b>Closing cash and cash equivalent</b>			
Cash in hand	3.1	696,450,690	560,776,431
Cash with Bangladesh Bank & its agent(s)	3.2	6,873,381,835	4,274,432,178
Cash with other banks and financial institutions	4.1 & 4.2	3,112,998,732	2,631,048,180
Money at call and short notice	5	380,000,000	650,000,000
Prize bonds	6	3,288,200	2,017,100
		<u>11,066,119,457</u>	<u>8,118,273,889</u>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: April 09, 2013

**ONE Bank Limited**  
**Statement of changes in Equity**  
**For the year ended 31 December 2012**

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders equity
<b>Balance on January 1, 2012</b>	<b>3,188,675,600</b>	<b>1,898,008,348</b>	<b>19,181,383</b>	<b>1,226,165,142</b>	<b>6,332,030,473</b>
Issue of Bonus Share for the year 2011 (Transferred to Paid-up Capital)	956,602,680	-	-	(956,602,680)	-
Surplus of Revaluation of Reserve for HTM Securities			55,320,615		55,320,615
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(19,181,383)	-	(19,181,383)
Net Profit after Tax for the year	-	-	-	1,055,428,672	1,055,428,672
Profit transferred to Statutory Reserve	-	412,085,734	-	(412,085,734)	-
<b>Balance at 31 December 2012</b>	<b>4,145,278,280</b>	<b>2,310,094,082</b>	<b>55,320,615</b>	<b>912,905,399</b>	<b>7,423,598,376</b>
<b>Balance at 31 December 2011</b>	<b>3,188,675,600</b>	<b>1,898,008,348</b>	<b>19,181,383</b>	<b>1,226,165,142</b>	<b>6,332,030,473</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

Dhaka: April 09, 2013

**ONE Bank Limited**  
**Liquidity Statement**  
**(Assets & Liabilities Maturity Statement)**  
**As at 31 December 2012**

**Amount in Taka**

	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
Cash	7,569,832,525	-	-	-	-	7,569,832,525
Balance with other banks and financial institutions	2,868,005,732	119,999,875	124,993,125	-	-	3,112,998,732
Money at call and short notice	380,000,000	-	-	-	-	380,000,000
Investment	393,501,364	1,340,504,162	4,927,979,156	1,713,799,433	1,416,102,994	9,791,887,109
Loans & Advances	6,615,283,749	18,876,907,489	20,957,308,518	4,817,290,344	8,949,339,202	60,216,129,302
Fixed Assets	-	-	-	-	1,098,456,133	1,098,456,133
Other Assets	145,498,552	-	218,098,964	281,274,767	1,487,921,208	2,132,793,491
Non-Banking Assets	-	-	-	-	283,786,525	283,786,525
<b>Total Assets</b>	<b>17,972,121,922</b>	<b>20,337,411,526</b>	<b>26,228,379,763</b>	<b>6,812,364,544</b>	<b>13,235,606,062</b>	<b>84,585,883,816</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	19,294,986	16,794,943	45,388,355	38,889,688	-	120,367,972
Deposits and Other Accounts	17,445,980,000	19,684,400,000	25,123,394,154	9,077,500,000	1,724,500,000	73,055,774,154
Other Liabilities	402,396,986	1,615,273,712	1,299,264,303	669,208,313	-	3,986,143,314
<b>Total Liabilities</b>	<b>17,867,671,972</b>	<b>21,316,468,655</b>	<b>26,468,046,812</b>	<b>9,785,598,001</b>	<b>1,724,500,000</b>	<b>77,162,285,440</b>
<b>Net Liquidity Gap</b>	<b>104,449,949</b>	<b>(979,057,129)</b>	<b>(239,667,049)</b>	<b>(2,973,233,457)</b>	<b>11,511,106,062</b>	<b>7,423,598,377</b>

**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 50.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman

**ONE Bank Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2012**

## **1.0 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 licence from the Bangladesh Bank on 02 July 1999 under section 31 of the Bank Company Act 1991. As per the provisions of Bangladesh Bank licence, 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 sixty four (64)and the number of booths was nine (9)as on 31 December 2012.

### **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 obtained the Off-shore Banking unit permission vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated May 26, 2010. The Bank commenced the operation of its Off-shore Banking Unit from December 12, 2010. At present the Bank has 2 (two) 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 was incorporated on the 4<sup>th</sup> May, 2011 under the Companies Act (Act XVIII) 1994 vide certificate of incorporation no. C-92511/11 as a private company limited by shares. The principal activities of the company are to sell and deal in shares, stocks, debentures and other securities and undertake all the functions of a Stock Exchange member. Auditor’s report and Financial Statements are shown in **Annexure-G**.

### **1.3 International Banking**

The focus of International Division with its expertise caters mainly to the banking needs related to import and export affairs. The department establishes correspondent relationships with the foreign banks in consultation with the respective senior management.

### **1.4 Treasury**

The principal responsibilities of the Treasury Department includes management of liquidity and exposure to market risks, mobilization of resources from domestic as well as international institutions and 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 Department was 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.

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 commercial institutions, banks too constantly look at ways of expanding their operations by acquiring property, opening branches, mobilizing deposits, providing loans and investing in other assets. Regulatory capital requirements are therefore necessary to prevent banks from expanding beyond their ability to manage (over trading), to improve the quality of bank’s assets, to control the ability of the banks to leverage their growth and to lead to higher earnings to assets, leading to peace of mind of all the stakeholders. The Bank keeps a careful check on its Capital Adequacy Ratios.

### **1.5 Information Technology**

The Bank has established an appropriate Information Technology Department (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 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.

## **1.6 Strategic Direction and the Challenges**

The strategic direction of the Bank is reviewed periodically by the Marketing Division as well as senior Management. At the time of preparing deposit procurement, financing plan and the Budget, priority is given on bottom up information sharing process. The Board of Directors approves the Budget at the Board Meeting and evaluates monthly performance in the Board Meeting for ensuring proper Budgetary Control and provides guidelines to the Management for overcoming lapses identified. 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 Corporate Plan and the Budget. The Corporate Plan and Budget of the Bank, prepared each year on a rolling basis, spell out the goals and objectives for each major strategic business unit of the Bank such as Corporate Banking, Treasury, General Banking, Retail Banking etc. and the detailed action plans for the achievement thereof along with specific time frame is evaluated in the weekly marketing meeting.

## **1.7 Staff Training**

The Bank always keeps in mind the development of staff skill and knowledge through training. The staff training is presently limited to participation in trainings conducted by the outside Organizations, Bangladesh Bank and inside trainings are organized for specific purposes only.

## **1.8 Resource Efficiency**

Deposits and Shareholders' Equity represented the two biggest resources of funds for the Bank. As at December 31, 2012, the deposit to third parties liability ratio is **94.68%** and Equity to third parties liability ratio is **9.62%**. The Bank tries to mobilize deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

Through careful planning, a prudent dividend policy and expenditure on capital items and investments, the Bank ensured optimization of the Shareholders' Equity.

## **1.9 Corporate Governance**

### **1.9.1 Board of Directors**

#### **a) Members of the Board**

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 conducts the Board Meetings and ensures effective participation of all Directors, heeding to their concerns and maintaining the 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 relating to matters referred to the Members of the Board are made available to them well in advance. Whenever the Board finds that the information sent to them is insufficient, they call for additional information and the Chairman ensures that all Directors are properly briefed on the matters deliberated on at the meetings.

#### **d) Board performance**

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
- 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 Company, provisions of Bank Companies Act 1991 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 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 Companies 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 and the guidelines of Bangladesh Bank.

### **1.9.4 Accountability**

#### **a) Communicating Performance**

Bank Attaches high priority to timely publication of annual, half-yearly and quarterly accounts with comprehensive details of the statutory requirements, enabling both existing and prospective shareholders to make a timely and fair assessment of the Bank's performance. Media of publication includes printed materials, newspapers and the website of the Bank.

## **2.0 Significant Accounting Policies and Basis of Preparation of Financial Statements**

### **2.1 Basis of Accounting**

The Financial Statements of the Bank have been prepared under the historical cost convention in accordance with "First Schedule" of the Bank Company Act 1991, the provisions of Bangladesh Bank Circulars, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Securities and Exchange Rules 1987 and other rules and regulations applicable in Bangladesh.

### **2.2 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 "Cash Flow Statements", along with the guidelines, forms and formats provided by the Bangladesh Bank through BRPD circular No. 14 dated 25 June 2003.

### **2.3 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.

## 2.4 Basis of Consolidation:

The consolidation 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 27: Consolidated and separate Financial Statements. The consolidated financial statements are prepared to common financial year ending December 31, 2012.

## 2.5 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
- (c) The value of investments has been enumerated as per following basis:

<u>Investment Items</u>	<u>Application of Accounting</u>
i) Government Treasury Bills and Bonds (HTM)	At Amortized cost
ii) Government Treasury Bills and Bonds (HFT)	Marked to market basis
iii) Prize Bond	At cost price
iv) Shares	At cost price

### 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.

## 2.6 Assets and the basis of their valuation

### 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.

## 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 of instructions contained in Bangladesh Bank BCD Circular No. 34 dated 16 November 1989, BCD Circular No. 20 dated 27 December 1994, BCD Circular No. 12 dated 04 September 1995, BRPD Circular No. 16 dated 06 December 1998, BRPD Circular No. 09 dated 14 May 2001, BRPD Circular Letter No. 08 dated 16 October 2005, BRPD Circular No 05 dated 05 June 2006, BRPD Circular No. 05 dated 29 April 2008 and BRPD Circular No 32 dated October 27, 2010 and BRPD Circular No. 14 dated September 23, 2012 and the instructions by Bangladesh Bank. The classification rates are given below:.

Category/status of loans and advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
<b>General provisions for unclassified loans and advances:</b>		
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	5%	5%
Loans to BHs/MBs/SDs against Shares	2%	2%
<b>Specific provision for classified loans and advances:</b>		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%

## Investments

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

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account.

Investment in unlisted securities is reported at cost under cost method.

## 2.7 Capital Expenditure Commitment

There was no capital expenditure on contingent contract or commitment as at December 31, 2012.

## 2.8 Non Current Assets

### 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 building, where straight line method is followed.

<u>Category of fixed assets</u>	<u>Rate of depreciation</u>
Furniture and fixtures	10%
Office Equipment	18%
Motor Vehicles	20%
Building	2.50%

## **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.

## **Basis for accounting of provisions**

### **2.9 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”.

### **2.10 Foreign currency transactions / translations**

- Foreign currency transactions are converted into equivalent Taka currency using the exchange rates on the date of such transactions.
- Assets and liabilities in foreign currencies are converted into Taka currency by marking to market rate as of 31 December 2012.

### **2.11 Retirement Benefits**

Provident fund benefits are given to the eligible staffs of the Bank in accordance with the rules of Provident Fund constituted under an irrevocable trust. The Bank has a funded Gratuity Fund.

### **2.12 Taxation**

#### **2.12(a) Current Tax**

As per the Income Tax Ordinance 1984, provision for income tax has been made by applying required rates.

#### **2.12(b) 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.

### **2.13 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.

### **2.14 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:

- Balance with other banks and financial institutions, money at call and 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.

### **2.15 Events after the Balance Sheet Date**

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.

### **2.16 Earnings per Share**

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2012 as per BAS – 33 “Earnings Per Share”. Diluted earning per share was not required to calculate, as there is no dilution possibilities occurred during the year.

### **2.17 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.

### **2.18 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
- 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:

#### **2.18.1 Credit Risk Management**

Credit Risk is most simply defined as the potential that a bank's borrower or counter party will fail to meet its obligations in accordance with agreed terms. This includes non-repayment of capital and/or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. The goal of credit risk management at the ONE Bank Ltd. is to maximize the bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

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

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

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

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

#### **2.18.2 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 are done on monthly basis and reviewed outstanding entries beyond 30 days by the Management for its settlement.

#### **2.18.3 Asset Liability Risk Management**

The Bank 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.

#### **2.18.4 Prevention of money laundering**

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks the Bank has a designated Chief Compliance Officer at Corporate HQ and compliance officers at branches, who independently review the transactions of the accounts to verify suspicious transactions.

The Bank developed a manual for prevention of money laundering activities in 2002 and revised in 2004 and introduced KYC program since its inception. Training has been continuously given to all the category of officers and executives for developing awareness and skill for identifying suspicious activities.

Market risk is the risk of loss resulting from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices. ONE Bank's Ltd exposure to market risk is a function of its trading and asset and liability management activities and its role as a financial intermediary in customer related transactions. The objective of market risk management is to minimize the impact of losses due to market risks on earnings and equity.

Business Volume risk is defined as the volatility in revenue and profitability arising from adverse fluctuations from business volume. Business volumes may adversely fluctuate due to competitor activities, new entrants, competition from substitute financial products and services, changes in banking preferences of the customers resulting in the importance of the process of financial intermediation being reduced, natural disasters, etc.

This is the potential damage to the reputation and image of the Bank, emanating from events such as drop in performance levels or service quality, compliance, corporate governance and management failures and deviations from business ethics, etc.

### 2.18.5 Internal Control System

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 compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines. The Audit Committee has been reviewing the performances reporting and apprising the Board as and when necessary.

The Management fully 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.

### 2.18.6 Information and Technology

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

### 2.19 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Date	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue	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
Interest in Joint Ventures	31	N/A
Financial Instruments: Disclosure and 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 BFRS	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	Applied
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied

N/A = Not Applicable.

\* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

## 2.20 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.

## 2.21 Regulatory Compliance

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

- The Bank Company Act, 1991.
- The Companies Act, 1994.
- Rules and Regulations issued by Bangladesh Bank.
- The Securities and Exchange Rules 1987, The Securities and Exchange Ordinance 1969, The Securities and Exchange Commission Act 1993.
- The Income Tax Ordinance, 1984.
- The VAT Act, 1991.

## 2.22 Off-balance sheet exposures

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

Category/status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
<b>General provisions for off-balance sheet exposures</b>		
All types of Off-balance sheet exposures	1%	1%

## 2.23 General

- Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- Memorandum items like Stock of Travelers' Cheques, Shanchayapatras, 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:

	<b>2012</b> <b>Taka</b>	<b>2011</b> <b>Taka</b>
Bangladesh Shanchayapatras	878,730,885	1,127,812,162
US\$ Investment Bonds	146,724,191	104,362,448
US\$ Premium Bonds	146,324,942	103,953,183
Wage Earners Development Bond	<u>23,700,000</u>	<u>23,700,000</u>
	1,195,480,018	1,359,827,793
	=====	=====

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

## 2.24 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 of December 23, 2002. The Board of Directors at its 174<sup>th</sup> Board Meeting held on March 29, 2012 reconstituted the committee as under:

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

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

The Audit Committee of the Board conducted 4 (four) meetings from 1 January to 31 December 2012.

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. Sayeed Hossain Chowdhury was elected as Chairman and Mr. Asoke Das Gupta was elected as Vice Chairman of the Board of Directors, while Mr. Zahur Ullah was elected as Chairman of the Executive Committee. Mr. Syed Nurul Amin, Independent Director elected as Chairman of the Audit Committee of the Board of Directors.

**2.25 Name of the Directors and the entities in which they have interest as on 31 December 2012**

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 etc	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 Beverages Ltd. 13 HRC Media Ltd. 14 HRC Motors Ltd. 15 Hamid Properties Ltd. 16 Arakan Express Ltd. 17 Information Services Network Ltd. 18 Bangladesh General Insurance Co. Ltd. 19 HRC Freight Ltd. 20 HRC Airways Ltd. 21 Jajaidin Publications Ltd.	60.00 60.00 49.00 93.00 99.00 47.00 45.00 63.79 80.00 56.00 80.00 90.00 99.50 90.00 10.00 21.00 9.27 3.37 80.00 18.00 84.69	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd. 2 Uniroyal Trade Ltd. 3 IMTREX 4 Ocnova 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 Everest Embroidery Ltd. 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Apparel Fair (Pvt.) ltd. 7 Holiday Publications Ltd. 8 Buttons & Trims Ltd 9 Shamah Enterprises Ltd 10 Lamisa Food Products Ltd. 11 NTC Housing Ltd.	33.33 53.33 70.00 60.00 60.00 20.00 10.00 70.00 40.00 70.00 12.50	
4.	KSC Securities Limited	Director	1 NTC Housing Ltd.	12.50	Represented by Mr. A.S.M Shahidullah Khan
5.	Irfan International Limited	Director	1 NTC Housing Ltd.	12.50	Represented by Mr. Kazi Rukunuddin Ahmed
6.	M. R. Holdings & Securities Limited	Director	1 NTC Housing Ltd.	12.50	Represented by Mr. Shawket Jaman
7.	Mr. Syed Nurul Amin	Independent Director	-		
8.	Mr. Salahuddin Ahmed	Depositor Director	1 Consolidated Services Limited	33.33	

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>3 Cash</b>		
<b>3.1 Cash in hand (including foreign currencies)</b>		
In local currency	693,544,537	553,761,053
In foreign currencies	2,906,153	7,015,378
	696,450,690	560,776,431
Off-shore banking unit	-	-
	<u>696,450,690</u>	<u>560,776,431</u>
<b>3.2 Balance with Bangladesh Bank and its agent's bank (Including foreign currencies)</b>		
Bangladesh Bank:		
In local currency *	4,032,029,602	3,403,507,076
In foreign currencies	2,416,506,565	215,961,152
	6,448,536,167	3,619,468,228
Balance with Sonali Bank being an agent of Bangladesh Bank	424,845,668	654,963,950
	6,873,381,835	4,274,432,178
Off-shore banking unit	-	-
	<u>6,873,381,835</u>	<u>4,274,432,178</u>
	<b><u>7,569,832,525</u></b>	<b><u>4,835,208,609</u></b>

\* Reconciliation statements regarding Bangladesh Bank balance are given Annexure-B

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and subsequent BCD Circular No. 13 dated 24 May 1992; BRPD Circular No. 12 dated 20 September 1999 ; BRPD Circular No. 22 dated 06 November 2003; BRPD Circular No.11 dated 25 August 2005, BRPD Circular No.12 dated 25 August 2005, BRPD Circular No. 15 dated 31 October 2005, BRPD Circular No. 01 dated 12 January 2009 and MPD Circular No. 4 & 5 dated 01 December 2010 issued by Bangladesh Bank.

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

##### Liabilities:

Required reserve	12,730,734,065	10,397,295,663
Reserve held (a.1)	13,064,226,298	11,032,747,165
	<u>333,492,233</u>	<u>635,451,502</u>
<b>Surplus</b>		

##### a.1 Reserve held :

Cash Reserve Ratio (CRR)	4,084,115,863	3,418,203,856
Statutory Liquidity Ratio (SLR)	8,980,110,435	7,614,543,308
	<u>13,064,226,298</u>	<u>11,032,747,164</u>

#### b) Cash Reserve Ratio (CRR) : 6% of average Demand and Time Liabilities:

<b>Average Demand and Time Liabilities</b>	<b><u>67,003,863,500</u></b>	<b><u>54,722,608,750</u></b>
Required reserve	4,020,231,810	3,283,356,525
Balance with Bangladesh Bank	4,032,029,602	3,403,507,076
Amount in reconciliation (Net)**	52,086,261	14,696,780
Reserve held with Bangladesh Bank in local currencies	4,084,115,863	3,418,203,856
<b>Surplus/(Shortage)</b>	<b><u>63,884,053</u></b>	<b><u>134,847,331</u></b>

\*\* The balance of local currency account was duly reconciled as of December 31, 2012 and the above amount was matched accordingly.

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

Required reserve	8,710,502,255	7,113,939,138
Reserve held (c.1)	8,980,110,435	7,614,543,308
<b>Surplus/(Shortage)</b>	<b><u>269,608,180</u></b>	<b><u>500,604,171</u></b>

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

Cash in hand including foreign currency	696,450,690	560,776,431
Balance with Sonali Bank being an agent of Bangladesh Bank	424,845,668	654,963,950
Bangladesh Bank bill-HFT	239,233,143	-
Treasury Bills	4,709,793,578	4,280,607,911
Treasury Bonds	2,909,787,356	2,118,195,016
	<b><u>8,980,110,435</u></b>	<b><u>7,614,543,308</u></b>



	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>3 (a) Consolidated Cash</b>		
<b>i Cash in hand</b>		
ONE Bank Limited	696,450,690	560,776,431
ONE Securities Limited	-	-
	<b>696,450,690</b>	<b>560,776,431</b>
<b>ii Balance with Bangladesh Bank and its agent's bank</b>		
ONE Bank Limited	6,873,381,835	4,274,432,178
ONE Securities Limited	-	-
	<b>6,873,381,835</b>	<b>4,274,432,178</b>
<b>4 Balance with Other Banks and Financial Institutions</b>		
<b>4.1 In Bangladesh</b>		
In current accounts (note-4.3)	131,792,900	75,538,728
Other deposit accounts {note-4.3(a)}	2,061,933,185	1,949,748,172
	2,193,726,085	2,025,286,901
<b>4.2 Outside Bangladesh</b>		
In current accounts (note-4.4)	520,023,147	605,633,587
Other deposit accounts	-	-
	520,023,147	605,633,587
Off-shore Banking Unit	399,249,500	127,691
	919,272,647	605,761,279
	<b>3,112,998,732</b>	<b>2,631,048,180</b>
<b>4.3 Current Accounts (In Bangladesh)</b>		
AB Bank Limited	16,617,569	6,696,360
BRAC Bank Limited	296,305	297,805
Sonal Bank Limited	114,679,026	68,544,564
Trust Bank Limited	200,000	-
	<b>131,792,900</b>	<b>75,538,728</b>
<b>4.3(a) Other Deposit Accounts (In Bangladesh)</b>		
(Name of the banks and financial institutions)		
Lanka Bangla Finance Limited	235,000,000	535,000,000
ICB Islamic Bank Limited	75,319,000	75,719,000
BD. Industrial Finance Com. Limited	50,000,000	100,000,000
IDLC Finance Limited	25,500,000	10,500,000
PFI Securities Limited	500,000,000	500,000,000
Lanka Bangla Securities Limited	800,000,000	500,000,000
United Commercial Bank Limited	19,031,617	4,557,500
AB Bank Limited	145,100	10,049,268
Eastern Bank Limited	3,560,398	3,381,748
Uttara Bank Limited	343,972,780	210,179,423
Jamuna Bank Limited	18,231	19,922
Prime Bank Limited	9,386,058	341,311
	<b>2,061,933,185</b>	<b>1,949,748,172</b>
<b>4.4 Current Accounts (Outside Bangladesh)</b>		
(Name of the banks and financial institutions)		
Nepal Bangladesh Bank Limited, Kathmandu	1,304,630	1,280,059
Standard Chartered Bank	125,394,375	331,068,701
Unicredit Bank, London	12,176,892	3,829,207
Commerzbank AG Frankfurt	11,572,960	3,354,837
Union De Banques Arabes Et Francaises	19,968,901	379,408
Mashreq Bank Psc, New York	23,700,808	29,986,913
Arab Bangladesh Bank, Mumbai	32,333,701	13,209,933
Citibank NA, New York	2,717,913	71,184,692
SEYLON Bank Limited, Colombo	1,208,675	4,400,860
The Hongkong and Shanghai Banking Corporation Ltd.	108,621,754	122,100,960
ICICI Bank Limited, Mumbai	35,248,911	5,947,817
Wells Fargo Bank N.A	140,921,414	14,838,450
Westpac Banking Corporation	2,673,894	3,623,599
Bank of Nova Scotia	2,178,321	428,153
	<b>520,023,147</b>	<b>605,633,587</b>

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

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>4.5 Maturity of balances with other banks and financial institutions</b>		
Up to 1 month	2,868,005,732	1,355,000,000
More than 1 months to 3 months	119,999,875	1,079,829,180
More than 3 months to 1 year	124,993,125	196,219,000
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<b><u>3,112,998,732</u></b>	<b><u>2,631,048,180</u></b>

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

**In Bangladesh**

ONE Bank Limited	2,193,726,085	2,025,286,901
ONE Securities Limited	8,974,031	10,433,614
	<b><u>2,202,700,116</u></b>	<b><u>2,035,720,515</u></b>

**Outside Bangladesh**

ONE Bank Limited	919,272,647	605,761,279
ONE Securities Limited	-	-
	<b><u>919,272,647</u></b>	<b><u>605,761,279</u></b>
	<b><u>3,121,972,763</u></b>	<b><u>2,641,481,794</u></b>

**5 Money at call on short notice**

Mercantile Bank Limited	100,000,000	-
Southeast Bank limited	30,000,000	-
Eastern Bank Limited	-	50,000,000
Uttara Bank Limited	150,000,000	200,000,000
Mutual Trust Bank Limited	100,000,000	400,000,000
	<b><u>380,000,000</u></b>	<b><u>650,000,000</u></b>

**6 Investments**

**In Government securities**

Treasury bills (note-6.1)	4,709,793,578	4,280,607,911
Treasury bonds (note-6.2)	2,909,787,356	2,118,195,016
Bangladesh Bank bill-HFT {(note-6.1(C))}	239,233,143	-
Prize Bonds	3,288,200	2,017,100
	<b><u>7,862,102,278</u></b>	<b><u>6,400,820,027</u></b>

**Other Investment**

Shares (Quoted and Unquoted) (note-6.3)	1,709,784,831	1,467,316,533
NBL Subordinated bond	100,000,000	100,000,000
Orascom bond	120,000,000	160,000,000
	<b><u>1,929,784,831</u></b>	<b><u>1,727,316,533</u></b>
Off-shore Banking Units	-	-
	<b><u>1,929,784,831</u></b>	<b><u>1,727,316,533</u></b>
	<b><u>9,791,887,109</u></b>	<b><u>8,128,136,560</u></b>

**6.1 Treasury bills**

Treasury bills (HTM) {(note-6.1(a))}	1,563,063,118	2,567,197,285
Treasury bills (HFT) {(note-6.1(b))}	3,146,730,460	1,713,410,626
	<b><u>4,709,793,578</u></b>	<b><u>4,280,607,911</u></b>

**6.1(a) Treasury bills (HTM)**

	Amortized Cost (Book Value)		Face value	
	2012 <u>Taka</u>	2011 <u>Taka</u>	2012 <u>Taka</u>	2011 <u>Taka</u>
364 days Treasury Bills	1,563,063,118	1,308,869,357	1,599,400,000	1,369,100,000
182 days Treasury Bills	-	494,037,763	-	504,000,000
91 days Treasury Bills	-	764,290,165	-	771,400,000
	<b><u>1,563,063,118</u></b>	<b><u>2,567,197,285</u></b>	<b><u>1,599,400,000</u></b>	<b><u>2,644,500,000</u></b>

**6.1(b) Treasury bills (HFT)**

	Marked To market Value (Book Value)		Face value	
	2012 <u>Taka</u>	2011 <u>Taka</u>	2012 <u>Taka</u>	2011 <u>Taka</u>
364 days Treasury Bills	1,673,614,880	1,488,038,247	1,815,500,000	1,500,000,000
182 days Treasury Bills	1,359,776,505	225,372,379	1,399,600,000	227,000,000
91 days Treasury Bills	113,339,075	-	115,700,000	-
	<b>3,146,730,460</b>	<b>1,713,410,626</b>	<b>3,330,800,000</b>	<b>1,727,000,000</b>

**6.1(C) Bangladesh Bank Bills (HFT)**

	Marked To market Value (Book Value)		Face value	
	2012 <u>Taka</u>	2011 <u>Taka</u>	2012 <u>Taka</u>	2011 <u>Taka</u>
30 days Bangladesh Bank Bills	239,233,143	-	240,000,000	-

**6.2 Treasury bonds**

Treasury bonds (HTM) {(note-6.2(a))}  
Treasury bondss (HFT) {(note-6.2(b))}

2012 <u>Taka</u>	2011 <u>Taka</u>
1,949,531,649	1,063,972,797
960,255,707	1,054,222,219
<b>2,909,787,356</b>	<b>2,118,195,016</b>

**6.2 (a) Treasury bonds (HTM)**

	Amortized Cost (Book Value)		Face value	
	2012 <u>Taka</u>	2011 <u>Taka</u>	2012 <u>Taka</u>	2011 <u>Taka</u>
5 Years Treasury Bonds (Premium)	276,008,866	201,264,754	275,100,000	200,000,000
10 Years Treasury Bonds (Premium)	102,470,301	102,734,689	100,000,000	100,000,000
15 Years Treasury Bonds (Premium)	9,112,463	-	9,100,000	-
<b>Sub-total</b>	<b>387,591,630</b>	<b>303,999,443</b>	<b>384,200,000</b>	<b>300,000,000</b>
5 Years Treasury Bonds (Discount)	42,868,788	-	42,900,000	-
10 Years Treasury Bonds (Discount)	463,121,456	279,973,354	463,400,000	280,000,000
15 Years Treasury Bonds (Discount)	9,680,034	-	9,700,000	-
20 Years Treasury Bonds (Discount)	15,369,741	-	15,400,000	-
<b>Sub-total</b>	<b>531,040,019</b>	<b>279,973,354</b>	<b>531,400,000</b>	<b>280,000,000</b>
5 Years Treasury Bonds (At par)	447,300,000	200,000,000	447,300,000	200,000,000
10 Years Treasury Bonds (At par)	490,300,000	280,000,000	490,300,000	280,000,000
15 Years Treasury Bonds (At par)	36,100,000	-	36,100,000	-
20 Years Treasury Bonds (At par)	57,200,000	-	57,200,000	-
<b>Sub-total</b>	<b>1,030,900,000</b>	<b>480,000,000</b>	<b>1,030,900,000</b>	<b>480,000,000</b>
<b>Total</b>	<b>1,949,531,649</b>	<b>1,063,972,797</b>	<b>1,946,500,000</b>	<b>1,060,000,000</b>

**6.2 (b) Treasury bonds (HFT)**

	Marked To market Value (Book Value)		Face value	
	2012 <u>Taka</u>	2011 <u>Taka</u>	2012 <u>Taka</u>	2011 <u>Taka</u>
5 Years Treasury Bonds	696,009,285	754,369,397	758,400,000	758,400,000
10 Years Treasury Bonds	264,246,422	299,852,822	308,000,000	308,000,000
	<b>960,255,707</b>	<b>1,054,222,219</b>	<b>1,066,400,000</b>	<b>1,066,400,000</b>

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 May 26 of 2008.

**6.3 Other Investments -Shares**  
**In shares (quoted and unquoted)**

**Quoted:**

	<b>2012</b> <b>Taka</b>	<b>2011</b> <b>Taka</b>
The City Bank Limited	147,995,755	147,995,755
Prime Bank Limited	140,673,639	136,773,639
IFIC Bank Limited	170,983,059	170,983,059
ACI Limited	199,422,237	199,422,237
Lanka Bangla Finance Limited	80,000,000	40,000,000
Jamuna Oil Company Limited	44,673,400	-
Heidelberg Cement Limited	199,325,390	199,325,390
Titas Gas Transmission and Distribution Co. Ltd	45,748,800	-
BRAC Bank Limited	138,897,107	138,897,107
Ocean Containers Limited	5,945	5,945
R A K Ceramics	5,664	5,664
Khulna Power Company Limited	14,897,834	14,897,834
Phoenix Finance 1st Mutual Fund	43,700,613	43,700,613
Apex Tannery	1,450,000	1,450,000
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533
MJL BD Limited	61,074,190	7,020
Islami Bank BD Limited	27,726,980	27,726,980
Bank Asia Limited	107,000,000	107,000,000
Apex Adelchi Footwear Limited	15,159,555	15,159,555
Square Pharmaceuticals Ltd.	105,485,780	90,976,302
	<b>1,546,215,381</b>	<b>1,336,316,533</b>

**Unquoted:**

Khulna Power Company Limited	80,000,000	120,000,000
Infrastructure Development Finance Company	10,000,000	10,000,000
Central Depository Bangladesh Limited	1,569,450	1,000,000
Lanka Bangla Securities Limited	72,000,000	-
	<b>163,569,450</b>	<b>131,000,000</b>
	<b>1,709,784,831</b>	<b>1,467,316,533</b>

**6.3(a) Comparison between cost and market price of quoted shares as on 31-12-2012**

	No. of shares including bonus shares	Market price per share	Market value at 31-12-2012	Cost at 31-12-2012	Surplus/ Deficiency
The City Bank Ltd.	7,328,975	26.80	196,416,530	147,995,755	48,420,775
*IFIC Bank Ltd.	3,108,740	36.20	112,536,388	170,980,700	(58,444,312)
Lanka Bangla Finance Ltd	9,200,000	59.00	542,800,000	80,000,000	462,800,000
RAK Ceramics	141	56.80	8,009	5,664	2,345
MI Cement Factory Ltd	51	82.90	4,228	5,533	(1,305)
ACI Ltd	482,268	141.20	68,096,242	199,422,237	(131,325,995)
BRAC Bank Ltd	2,688,000	34.80	93,542,400	138,897,107	(45,354,707)
Prime Bank Ltd.	2,961,100	37.00	109,560,700	140,673,639	(31,112,939)
Phonix Finance 1st Mutual	2,847,500	7.30	20,786,750	43,700,613	(22,913,863)
Eastern Bank Ltd	40,500	31.70	1,283,850	1,983,900	(700,050)
Square Pharmaceuticals Ltc	578,144	168.60	97,475,078	105,485,780	(8,010,702)
Apex Tannery	10,000	74.70	747,000	1,450,000	(703,000)
Heidelberg Cement Ltd	500,000	264.70	132,350,000	199,325,390	(66,975,390)
MJL BD Ltd	575,080	79.70	45,833,876	61,074,190	(15,240,314)
Islami Bank BD Ltd	625,000	42.80	26,750,000	27,726,980	(976,980)
Bank Asia Ltd	3,000,000	21.50	64,500,000	107,000,000	(42,500,000)
IFIC Bank Ltd.	37	36.20	1,339	2,359	(1,020)
Khulna Power	188,372	49.80	9,380,926	14,897,834	(5,516,909)
Apex Adelchi Footwear Ltc	43,400	231.10	10,029,740	15,159,555	(5,129,815)
Jamuna Oil Company Ltd	160,000	178.50	28,560,000	44,673,400	(16,113,400)
Titas Gas Trans. & Dist. Co. I	600,000	65.30	39,180,000	45,748,800	(6,568,800)
Ocean Containers Ltd	70	29.90	2,093	5,945	(3,852)
			<b>Total</b>	<b>1,546,215,381</b>	<b>53,629,767</b>
			<b>1,599,845,149</b>	<b>1,546,215,381</b>	<b>53,629,767</b>

ONE Bank Limited acquired 3,108,740 no. of shares of IFIC Bank Limited under a Sale and Buy Back Agreement dated August 10, 2006. The Buy Back Guarantors failed to exercise the purchasing option within the tenure of the Agreement and upon expiry, ONE Bank Limited placed the shares to IFIC Bank Limited for transfer to ONE Bank's name. As the IFIC Bank was delaying transfer of the shares, ONE Bank Limited filed a suit before the Honorable High Court Division of the Supreme Court of Bangladesh for transfer of the shares in favor of ONE Bank Limited. Subsequently, the Court directed IFIC Bank to transfer the said shares including Bonus Shares in the name of ONE Bank Ltd. Now the matter is lying in the Appellate Division for hearing, relating to transfer of 26,471,562 shares including 23,362,822 Bonus Shares declared for the years from 2003 to 2011 against the original 3,108,740 no. of shares.

The total market value of 26,471,562 shares of IFIC Bank Limited as of December 31, 2012 was Tk 958,270,544 exceeding the original investment by Tk. 787,289,844.

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>6.4 Residual Maturity of Investments</b>		
Payable on demand	393,501,364	2,017,100
Up to 3 months	1,340,504,162	-
Above 3 months to 1 year	4,927,979,156	1,467,316,533
Above 1 year to 5 years	1,713,799,433	160,000,000
Above 5 years	1,416,102,994	6,498,802,927
	<b><u>9,791,887,109</u></b>	<b><u>8,128,136,560</u></b>

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

**6 (a) Consolidated Investments**

**In Government securities**

ONE Bank Limited	7,862,102,278	6,400,820,027
ONE Securities Limited	-	-
	<b><u>7,862,102,278</u></b>	<b><u>6,400,820,027</u></b>

**Other Investment**

ONE Bank Limited	1,929,784,831	1,727,316,533
ONE Securities Limited	1,799,760,500	1,457,560,500
	<b><u>3,729,545,331</u></b>	<b><u>3,184,877,033</u></b>
	<b><u>11,591,647,609</u></b>	<b><u>9,585,697,060</u></b>

**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	42,522,486,739	33,450,692,887
Lease finance (note-7.2)	2,309,313,606	1,306,495,175
Cash Credit	28,944,194	22,419,506
Overdraft	11,293,359,094	9,336,389,602
	56,154,103,632	44,115,997,170
Off-shore Banking Unit	72,464,407	129,394,876
	<b><u>56,226,568,039</u></b>	<b><u>44,245,392,046</u></b>
	3,820,220,976	3,478,255,097
Bills purchased and discounted	169,340,287	203,036,595
Off-shore Banking Unit	<b><u>3,989,561,263</u></b>	<b><u>3,681,291,692</u></b>
	-	-
<b>Outside Bangladesh</b>	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>

**7.2 Lease finance**

Lease rental receivable within 1 year	19,234,795	130,057,696
Lease rental receivable within 5 years	2,525,270,358	1,309,649,583
Lease rental receivable after 5 years	252,827,564	70,150,694
<b>Total lease receivable</b>	<b><u>2,797,332,718</u></b>	<b><u>1,509,857,973</u></b>
Less: Unearned interest income	488,019,111	203,362,798
Net Lease Finance	<b><u>2,309,313,606</u></b>	<b><u>1,306,495,175</u></b>

	<b>2012</b> <b><u>Taka</u></b>	<b>2011</b> <b><u>Taka</u></b>
<b>7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted</b>		
Payable on demand	6,615,283,749	8,435,162,269
Up to 3 months	18,876,907,489	12,711,500,000
Above 3 months to 1 year	20,957,308,518	12,914,639,317
Above 1 year to 5 years	4,817,290,344	9,608,463,894
Above 5 years	8,949,339,202	4,256,918,257
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>
<b>7.4 Loans and Advances on the basis of significant concentration</b>		
i. Advance to Directors	-	-
ii. Advance to Managing Director & Senior Executives	140,209,881	114,499,880
iii. Advance to Customer's group:	-	-
Commercial lending	31,346,220,977	25,647,040,821
Agricultural loan	1,308,997,543	864,909,001
Export financing	4,768,407,167	4,401,246,047
Consumer credit scheme	1,237,975,153	1,707,671,643
Small and medium enterprise financing	5,868,591,694	2,992,633,776
Staff loan (except Sl. No. ii)	75,682,008	42,462,320
House building loan (other than the employees)	1,451,508,541	843,033,293
Others	14,018,536,338	11,313,186,955
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>
<b>7.5 Industry-wise outstanding of loans &amp; advances</b>		
Trade finance	12,378,355,817	12,534,300,000
Steel Re-Rolling	1,222,246,597	1,195,741,358
Readymade Garments	8,803,412,461	5,494,600,000
Textiles	4,515,319,940	3,877,900,000
Edible oil, Rice, Flour etc.	311,295,588	227,542,929
Power	1,407,877,700	924,800,000
Transport	735,172,691	2,307,500,000
Construction/Engineering	3,164,205,166	1,598,800,000
Personal	3,663,616,578	3,217,188,713
Pharmaceuticals	2,094,449,640	1,258,400,000
Real Estate	2,872,222,088	3,105,119,000
Cargo and Travel Services	114,470,084	322,227,288
Paper & Packaging	1,780,128,765	3,053,100,000
Agro based industry/Dairy products	553,939,408	675,257,311
Others	16,599,416,779	8,134,207,139
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>
<b>7.6 Geographical Location-wise Loans and advances</b>		
Dhaka Division	42,742,730,506	34,332,667,322
Chittagong Division	14,546,025,202	12,039,638,258
Rajshahi Division	803,253,314	695,043,068
Khulna Division	1,194,234,473	472,336,976
Sylhet Division	830,127,444	380,220,380
Rangpur	99,758,363	6,777,733
Barisal Division	-	-
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>
<b>7.7 Classification of loans and advances</b>		
Unclassified (including Staff Loan)	55,979,470,748	45,388,583,728
Unclassified (Special Mention Account)	913,777,831	400,904,199
Substandard	741,771,660	668,617,842
Doubtful	490,709,403	92,931,837
Bad & Loss	2,090,399,661	1,375,646,131
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>

**2012**                      **2011**  
**Taka**                              **Taka**

**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 8,437.92 million as at 31 December 2012 (Tk 7,700.16 million in 2011).**

Number of clients (Annexure-D)	<b>33</b>	<b>28</b>
Amount of outstanding loans & advances	Tk. <u>26,528,700,000</u>	<u>21,832,600,000</u>
Amount of classified loans and advances	Tk. <u>-</u>	<u>-</u>

**7.9 Bills purchased and discounted**

Payable in Bangladesh	3,679,550,377	3,328,103,036
Payable outside Bangladesh	310,010,886	353,188,656
	<b><u>3,989,561,263</u></b>	<b><u>3,681,291,692</u></b>

**7.10 Maturity of Bills purchased and discounted**

Upto 1 month	463,013,108	516,083,371
Above 1 month but less than 3 months	2,022,089,312	1,471,516,936
Above 3 months but less than 6 months	1,289,573,872	1,692,321,893
6 months or more	214,884,971	1,369,492
	<b><u>3,989,561,263</u></b>	<b><u>3,681,291,692</u></b>

**7.11 Particulars of provision for Loans and Advances**

	<b>Rate (%)</b>	<b>Base for Provision Taka</b>	<b>Total Provision Taka</b>
Standard (excluding Staff Loan)	1%	42,565,843,719	425,658,437
Small Enterprise Financing	0.25%	6,568,266,394	16,420,666
Consumer Financing (House Financing & Loans for Professionals)	2%	1,899,508,720	37,990,174
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	1,422,501,445	71,125,072
Special Mention Account	5%	913,777,831	45,688,892
Short Term Agriculture Loan	5%	877,612,627	43,880,631
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	2,429,404,485	48,588,090
Substandard	20%	388,258,687	53,448,682
Doubtful	50%	334,352,634	189,776,317
Bad & Loss	100%	1,311,885,678	1,311,885,678
Required provision for loans and advances			<b><u>2,244,462,639</u></b>
Total provision maintained			<b><u>2,244,790,607</u></b>
Excess/ (Short) provision at 31 December			<b><u>327,968</u></b>

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

**7.12 Particulars of loans and advances**

i) Debts considered good in respect of which the bank is fully secured	43,383,208,396	42,268,051,651
ii) Debts considered good for which the bank holds no other security than the debtor's personal guarantee	14,966,102,375	2,274,448,573
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	1,866,818,531	3,384,183,514
iv) Loans adversely classified; provision not maintained there against	-	-
	<b><u>60,216,129,302</u></b>	<b><u>47,926,683,737</u></b>
v) Debts due by directors or executives or any of them either jointly or separately with any other persons	216,333,357	166,994,801
vi) Debts due by companies or firms in which the directors of the bank are interested as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either separately or jointly with any other persons	216,333,357	166,994,801

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
viii) Maximum total amount of advances, including temporary advances granted during the period to the companies or firms in which the directors of the bank are interested as directors, partners or managing agents or, in case of private companies as members	-	-
ix) Due from other banking companies (Bills purchased and discounted)	3,989,561,263	3,681,291,692
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.7)	3,322,880,724	2,137,195,810
b) Provision on classified loans and advances (Note-13.4)	1,555,438,573	983,135,060
c) Provision kept against loans and advances classified as bad debts	1,311,885,678	857,814,404
d) Interest credited to Interest Suspense Account (Note-13.9)	606,963,533	398,602,390
xi) Cumulative amount of written off loans and advances		
Opening balance	84,288,731	84,288,731
Written off during the year	-	-
Closing balance	84,288,731	84,288,731
Amount realised against loans previously written off	-	-
The amount of written off/classified loans for which law suits have been filed	84,288,731	84,288,731

### 7.13 Details of pledged collaterals received against Loans and Advances

Collateral of movable /immovable assets	39,309,118,321	32,126,530,513
Local banks and financial institutions guarantee	1,038,758,126	744,533,415
Government guarantee	-	-
Foreign banks guarantee	23,320,685	8,274,164
Export documents	3,618,956,442	1,901,931,200
Fixed deposit receipts (FDR)	1,601,990,936	1,549,420,888
FDR of other banks	106,668,118	53,057,299
Government bonds	1,097,536	10,579,554
Personal guarantee	1,248,188,760	1,792,592,045
Other securities	13,268,030,378	9,739,764,659
	<b>60,216,129,302</b>	<b>47,926,683,738</b>

### 7 (a) Consolidated Loans and Advances

ONE Bank Limited	56,226,568,039	44,245,392,046
ONE Securities Limited	-	-
Loan to ONE Securities Ltd by ONE Bank Limited	(347,453,129)	-
	<b>55,879,114,910</b>	<b>44,245,392,046</b>
<b>Consolidated Bills purchased and discounted</b>		
ONE Bank Limited	3,989,561,263	3,681,291,692
ONE Securities Limited	-	-
	<b>3,989,561,263</b>	<b>3,681,291,692</b>
	<b>59,868,676,173</b>	<b>47,926,683,737</b>



	<b>2012</b>	<b>2011</b>
	<b>Taka</b>	<b>Taka</b>
<b>8 Fixed Assets including premises, furniture &amp; fixtures</b>		
Furniture & Fixtures	702,275,365	573,493,499
Office equipment	508,057,947	433,503,616
Motor Vehicles	177,598,941	155,107,338
Building	118,999,192	95,675,187
Land	17,700,000	-
<b>Sub-Total</b>	<b>1,524,631,446</b>	<b>1,257,779,640</b>
<b>Leased Assets</b>	<b>25,044,000</b>	<b>-</b>
<b>Total</b>	<b>1,549,675,446</b>	<b>1,257,779,640</b>
Less: Accumulated depreciation	<b>545,613,625</b>	<b>426,630,522</b>
	<b>1,004,061,821</b>	<b>831,149,119</b>
<b>Intangible Assets</b>	100,248,337	-
Less: Accumulated Amortization	5,854,025	-
	<b>94,394,312</b>	<b>-</b>
Closing balance on 31 December	<b>1,098,456,133</b>	<b>831,149,119</b>
<b>(For details please refer to Annexure- A)</b>		
<b>8 (a) Consolidated Fixed Assets including premises, furniture &amp; fixtures</b>		
ONE Bank Limited	1,098,456,133	831,149,119
ONE Securities Limited	-	-
	<b>1,098,456,133</b>	<b>831,149,119</b>
<b>9 Other Assets</b>		
<b>i Income generating</b>		
Investment in shares of subsidiary companies		
1 In Bangladesh	1,449,000,000	1,449,000,000
2 Outside Bangladesh	-	-
<b>ii Non- income generating</b>		
Stock of stationery	28,583,220	33,260,213
Stock of stamps	1,353,410	1,296,136
Security deposits	909,215	1,246,095
Advance rent for office premises	257,415,639	265,057,488
Prepayments	113,392,648	151,697,623
Renovation work of rented premises	18,462,625	57,716,420
Suspense account	8,164,790	11,517,427
Receivable from Bangladesh Bank	72,402,206	25,048,535
Prepaid for floor purchase and branch renovation	-	39,977,500
Interest receivable-others	111,745,516	83,899,727
Commission receivable	1,871,216	9,044,777
Deferred Tax Assets ( <b>note-13.2</b> )	28,150,610	28,150,610
Bangladesh Bank- EDF	-	162,193,893
Protested bill	2,727,713	2,727,713
Inter Branch Account USD	21,337	-
Branch Adjustment Account ( <b>note-9.1</b> )	38,593,347	11,197,159
	<b>2,132,793,491</b>	<b>2,333,031,315</b>
Off-shore Banking Unit	-	-
	<b>2,132,793,491</b>	<b>2,333,031,315</b>

### 9.1

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no entry pending non-responded maximum for more than 10 days. The status of unresponded entries of December 31, 2012 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	41	29	57,372,098	18,778,752
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<b>41</b>	<b>29</b>	<b>57,372,098</b>	<b>18,778,752</b>
Branch Adjustment Account (Net)			<b>38,593,347</b>	

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>9 (a) Consolidated Other Assets</b>		
ONE Bank Limited	2,132,793,491	2,333,031,315
ONE Securities Limited	4,042,468	2,741,998
Investment in ONE Securities Ltd by ONE Bank Limited	(1,449,000,000)	(1,449,000,000)
Receivable by ONE Bank from ONE Securities Ltd	(10,000,000)	-
	<b><u>677,835,960</u></b>	<b><u>886,773,313</u></b>
<b>10 Non Banking Assets</b>		
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
	<b><u>283,786,525</u></b>	<b><u>283,786,525</u></b>

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 September 06, 2010, the value of above Land, Building and Machinery only was Tk. 28.88 crore.

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

#### **11 Borrowings from other banks, financial institutions and Agents.**

<b>11.1 i) Borrowings inside Bangladesh</b>	120,367,972	659,601,547
ii) Borrowings outside Bangladesh	-	-
	<b><u>120,367,972</u></b>	<b><u>659,601,547</u></b>
<b>11.2 i) Borrowings with security</b>	-	-
ii) Borrowings without security (Re-financed Term loan from Bangladesh Bank)	120,367,972	659,601,547
	<b><u>120,367,972</u></b>	<b><u>659,601,547</u></b>
<b>11.3 i) Borrowings payable on demand:</b>		
Pubali Bank Limited	-	100,000,000
United Commercial Bank Ltd	-	300,000,000
	-	<b><u>400,000,000</u></b>
ii) Borrowings others (Term) Refinanced Term loan from		
Bangladesh Bank	120,367,972	97,407,654
EDF- Borrowing from Bangladesh Bank	-	162,193,893
	<b><u>120,367,972</u></b>	<b><u>259,601,547</u></b>
	<b><u>120,367,972</u></b>	<b><u>659,601,547</u></b>
<b>11 (a) Consolidated Borrowings from other banks, financial institutions and Agents.</b>		
ONE Bank Limited	120,367,972	659,601,547
ONE Securities Limited	-	-
	<b><u>120,367,972</u></b>	<b><u>659,601,547</u></b>

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>12 Deposits and other accounts</b>		
<b>i Current account and other account</b>	<b>8,470,623,423</b>	<b>7,331,951,747</b>
<b>ii Bills payable</b>		
Payment Order (Issued)	2,301,222,935	661,781,012
Demand Draft	786,855	876,275
	<b>2,302,009,790</b>	<b>662,657,287</b>
<b>iii Savings accounts</b>	<b>5,011,914,509</b>	<b>4,038,063,127</b>
<b>iv Term deposits</b>		
Fixed deposit receipts	44,152,344,800	30,296,360,017
Short term deposits	9,465,126,419	9,766,739,766
Scheme deposits	3,652,249,417	5,137,333,822
Non-resident Foreign Currency Deposits	1,505,796	7,049,046
	<b>57,271,226,432</b>	<b>45,207,482,651</b>
Off-shore Banking Unit (Current account)	<b>58,796,805</b>	<b>13,796,244</b>
	<b>73,055,774,154</b>	<b>57,240,154,812</b>
<b>12.1 Payable on demands</b>		
Current deposits	3,331,874,485	3,294,089,407
Privilege creditor	240,280,567	198,109,236
Foreign Currency Deposits	2,441,113,437	1,719,024,614
Sundry Deposits	1,104,817,319	1,211,712,167
Interest Payable on deposits	1,201,433,568	856,531,061
Other accrued expense	151,104,048	52,485,262
	<b>8,470,623,423</b>	<b>7,331,951,747</b>
Bills payable	2,302,009,790	662,657,287
Savings Deposits	451,072,306	363,425,681
	<b>11,223,705,518</b>	<b>8,358,034,716</b>
<b>12.2 Sub-break down of deposits and other accounts</b>		
<b>12.2 (a) Payable on demand</b>		
i Deposits from banks	1,197,760	3,061,715
ii Other than banks	11,222,507,758	8,354,973,001
	<b>11,223,705,518</b>	<b>8,358,034,716</b>
<b>12.2 (b) Other Deposits</b>		
<b>Deposits from banks</b>		
<b>Short Term Deposits :</b>		
Uttara Bank Ltd	2,382	3,420
<b>Fixed Deposits :</b>		
Bangladesh Development Bank	-	20,000,000
	<b>2,382</b>	<b>20,003,420</b>
<b>Other than banks</b>	<b>61,832,066,254</b>	<b>48,862,116,677</b>
	<b>61,832,068,636</b>	<b>48,882,120,096</b>
<b>Total deposits [12.2(a) + 12.2(b)]</b>	<b>73,055,774,154</b>	<b>57,240,154,812</b>
<b>12.3 Remaining maturity grouping of deposits</b>		
Payable on demand	17,445,980,000	9,722,910,583
Up to 3 month	19,684,400,000	15,402,250,293
Over 3 months to 1 year	25,123,394,154	13,533,980,091
Over 1 year to 5 years	9,077,500,000	7,694,739,569
Over 5 years	1,724,500,000	10,886,274,276
	<b>73,055,774,154</b>	<b>57,240,154,812</b>

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>12 (a) Consolidated Deposits and other accounts</b>		
<b>Current account and other account</b>		
ONE Bank Limited	8,470,623,423	7,331,951,747
ONE Securities Limited	-	-
	<b>8,470,623,423</b>	<b>7,331,951,747</b>
<b>Bills payable</b>		
ONE Bank Limited	2,302,009,790	662,657,287
ONE Securities Limited	-	-
	<b>2,302,009,790</b>	<b>662,657,287</b>
<b>Savings accounts</b>		
ONE Bank Limited	5,011,914,509	4,038,063,127
ONE Securities Limited	-	-
	<b>5,011,914,509</b>	<b>4,038,063,127</b>
<b>Term deposits</b>		
ONE Bank Limited	57,271,226,432	45,207,482,651
ONE Securities Limited	-	-
	<b>57,271,226,432</b>	<b>45,207,482,651</b>
	<b>73,055,774,154</b>	<b>57,240,154,812</b>
<b>13 Other liabilities</b>		
Interest on bills discounted	55,752	14,843,911
Current tax liability ( <b>note-13.1</b> )	399,822,593	446,434,992
Deferred tax liability ( <b>note-13.2</b> )	77,962,681	31,501,635
Provision for gratuity ( <b>note-13.3</b> )	-	14,715,321
Provision for performance bonus	220,000,000	166,000,000
Provision for loans and advances ( <b>note-13.4 &amp; 13.5</b> )	2,244,790,607	1,995,622,661
Risk fund of Consumer Credit and Rider	473,512	473,500
Provision for other assets ( <b>note-13.7</b> )	5,679,674	2,118,213
Provision for off balance sheet items ( <b>note-13.8</b> )	326,823,483	304,593,496
Provision for diminution value of share ( <b>note-13.10</b> )	-	-
Interest suspense account ( <b>note-13.9</b> )	606,963,533	398,602,390
Sinking fund	15,270	-
Lease Obligation	21,471,134	-
Other payable	36,008,563	-
Revaluation reserve held for trading	46,076,512	12,351,095
	<b>3,986,143,314</b>	<b>3,387,257,213</b>
<b>13.1 Provision for current income tax (net of advance tax paid):</b>		
Provision for income tax		
Opening balance on 1 January	3,495,054,792	2,638,064,072
Add: Provision made during the year	985,250,560	856,990,720
Less: Provision adjusted during the year	(3,048,619,800)	-
Balance on 31 December	1,431,685,552	3,495,054,792
Advance income tax paid:		
Opening balance on 1 January	3,048,619,800	2,039,105,951
Add: Advance income tax paid during the year	1,031,862,959	1,009,513,849
Less: Advance income tax adjusted during the year	(3,048,619,800)	-
Balance on 31 December	1,031,862,959	3,048,619,800
<b>Net balance at 31 December</b>	<b>399,822,593</b>	<b>446,434,992</b>
<b>13.2 Deferred tax assets/liability</b>		
<b>Deferred tax liability:</b>		
Opening balance	31,501,635	86,075,464
Additional provision against revaluation reserve for security {(note-14.3(a)}	26,711,606	14,177,544
Addition provision during the year	19,749,440	(68,751,373)
Closing balance	77,962,681	31,501,635
<b>Deferred tax assets:</b>		
Opening balance	28,150,610	31,411,263
Addition during the year	-	(3,260,653)
Closing balance	28,150,610	28,150,610

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.

	<b>2012 Taka</b>	<b>2011 Taka</b>
<b>13.2 (a) Deferred Tax Liability against Revaluation Reserve for Security</b>		
Opening balance on 1 January	14,177,544	-
Addition during the year	26,711,606	14,177,544
	<b>40,889,150</b>	<b>14,177,544</b>
<b>13.3 Provision for gratuity</b>		
Opening balance on 1 January	14,715,321	111,003,615
Provision made during the year	99,850,540	40,438,638
Payment made during the year	(114,565,861)	(136,726,932)
Balance on 31 December	<b>-</b>	<b>14,715,321</b>
<b>13.4 Specific provision against loans and advances</b>		
Opening balance on 1 January	983,135,060	852,282,167
Provision written off	-	-
Provision after written off	983,135,060	852,282,167
Specific provision made during the year	629,201,410	294,833,292
Provision recovered	-	-
Provisions no longer required written back	(56,897,898)	(163,980,397)
Net charge to profit & loss account	572,303,512	130,852,894
Balance on 31 December	<b>1,555,438,573</b>	<b>983,135,060</b>
<b>13.5 General provision against loans and advances</b>		
Opening balance on 1 January	1,012,487,601	550,368,554
Provision made during the year:		
Unclassified Loans & Advances	(331,544,338)	447,635,288
Consumer credit & Small enterprise financing	(40,697,111)	17,833,145
Special mention account	26,307,054	(11,540,287)
Loans against shares	22,798,828	8,190,900
Net charge to profit & loss account	(323,135,567)	462,119,047
	689,352,034	1,012,487,601
Balance on 31 December	<b>2,244,790,607</b>	<b>1,995,622,661</b>
<b>13.6 Specific provision as per classification of loans</b>		
Substandard	53,448,682	110,674,475
Doubtful	189,776,317	14,646,182
Bad/Loss	1,311,885,678	857,814,404
Balance on 31 December	<b>1,555,110,677</b>	<b>983,135,062</b>
<b>13.7 Provision for other asset</b>		
Balance on 1 January	2,118,213	2,118,213
Provision made during the year {(note-13.7 (a) & (b))}	3,560,962	-
Balance on 31 December	<b>5,679,674</b>	<b>2,118,213</b>
<b>13.7.a Provision for protested bill</b>		
Balance on 1 January	2,118,213	2,118,213
Provision made during the year	609,500	-
	<b>2,727,713</b>	<b>2,118,213</b>
<b>13.7.b Provision for nostro Accounts</b>		
Balance on 1 January	-	-
Provision made during the year	2,951,462	-
	<b>2,951,462</b>	<b>-</b>
As per instructions contained in the circular letter no. FEPD (FEMO)/01/2005-677 dated September 13, 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account as at balance sheet date. Adequate provision has been made for debit entries which are outstanding for more than 3 months.		
<b>13.8 Provision for off balance sheet items</b>		
Balance on 1 January	304,593,496	222,792,684
Provision made during the year	22,229,987	81,800,812
Balance on 31 December	<b>326,823,483</b>	<b>304,593,496</b>
<b>13.9 Interest suspense account</b>		
Balance on 1 January	398,602,390	278,751,927
Interest suspense charged during the year	450,383,309	261,303,254
Interest realized during the year	(236,119,963)	(135,815,122)
Interest written off / waiver	(5,902,203)	(5,637,669)
Balance on 31 December	<b>606,963,533</b>	<b>398,602,390</b>

	<b><u>2012</u></b>	<b><u>2011</u></b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>13.10 Provision for diminuation value of share</b>		
Balance on 1 January	-	67,800,000
Provision made during the year	-	(67,800,000)
Balance on 31 December	<u>-</u>	<u>-</u>
<b>13.10.a Consolidated Provision made for diminuation value of share</b>		
ONE Bank Limited	-	(67,800,000)
ONE Secutities Limited:	80,240,700	181,230,700
	<u><b>80,240,700</b></u>	<u><b>113,430,700</b></u>
<b>13 (a) Consolidated Other liabilities</b>		
ONE Bank Limited	3,986,143,314	3,387,257,213
ONE Securities Limited	103,676,442	183,906,192
	<u><b>4,089,819,756</b></u>	<u><b>3,571,163,405</b></u>

<b>14. Share Capital</b>	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>14.1 Authorized Capital</b>	10,000,000,000	4,150,000,000
1,000,000,000 (2011:415,000,000) ordinary shares of Tk 10 each		
<b>14.2 Issued, Subscribed and fully paid-up Capital</b>	4,145,278,280	3,188,675,600
414,527,828 (2011: 318,867,560) ordinary shares of Tk 10 each		
Sponsors	33.18%	40.29%
General Public	66.82%	59.71%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

<b>Shareholders</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>2012 Taka</b>	<b>2011 Taka</b>
Sponsors	16	137,536,348	1,375,363,480	1,284,729,600
General Public	36,369	276,991,480	2,769,914,800	1,903,946,000
<b>Total</b>	<b>36,385</b>	<b>414,527,828</b>	<b>4,145,278,280</b>	<b>3,188,675,600</b>

Shareholding structure of the Bank as at 31-12-2012 is given below:

<b>Range of Holdings</b>	<b>Number of Shareholders</b>	<b>No. of Shares</b>	<b>% of holding of shares</b>
Less than 500	11,622	2,458,124	0.59
501 to 5,000	19,315	36,162,695	8.72
5,001 to 10,000	2,700	19,364,135	4.67
10,001 to 20,000	1,432	19,902,973	4.80
20,001 to 30,000	485	11,588,032	2.80
30,001 to 40,000	201	7,082,370	1.71
40,001 to 50,000	143	6,433,976	1.55
50,001 to 100,000	208	15,142,327	3.65
100,001 to 1,000,000	228	59,877,322	14.44
Over 1,000,000	51	236,515,874	57.06
<b>Total</b>	<b>36,385</b>	<b>414,527,828</b>	<b>100.00</b>

- 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) 95,660,268 Bonus shares of Tk. 10 each valued at Tk. 956,602,680 for the year 2011 has been transferred to Paid-up capital account during the year 2012:

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

Issued, Subscribed & fully Paid up Capital

	<b>2012</b>	<b>2011</b>
	<b>Taka</b>	<b>Taka</b>
<b>Issued for cash</b> : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
<b>Issued other than cash</b> : 360,746,608 bonus shares of Tk. 10 each	3,607,466,080	2,650,863,400
	<b>4,145,278,280</b>	<b>3,188,675,600</b>

### 14.3 Capital Adequacy Ratio:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 10 dated 25 November 2002, BRPD Circular No. 3 dated 9 May 2004, BRPD Circular No. 1 dated 19 February 2007, BRPD Circular No. 5 dated 14 May 2007, BRPD Circular No. 3 dated 12 March 2008, BRPD Circular No. 6 dated 21 May 2008, BRPD Circular No.10 dated 10 March 2010, BRPD circular no. 35 dated December 29, 2010 and BRPD Circular letter no. 08 dated July 23, 2012 the required capital of the Bank at the close of business on 31 December 2012 was Taka 8,070,608,149 as against core capital of Taka 7,368,277,762 and supplementary capital of Taka 1,069,643,377 making a total capital of Taka 8,437,921,139 thereby showing a surplus capital/equity of Taka 367,312,990 at the date. Details are shown below:

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>Actual capital held:</b>		
<b><u>Core Capital (Tier-1)</u></b>		
Paid-up capital (note-14.2)	4,145,278,280	3,188,675,600
Statutory Reserve (note-15)	2,310,094,082	1,898,008,348
Profit & Loss Account (note-16)	912,905,400	1,226,165,142
	<u>7,368,277,762</u>	<u>6,312,849,090</u>
<b><u>Supplementary Capital (Tier-2)</u></b>		
General provision on Unclassified Loan & Advances (note-13.5)	689,352,034	1,012,487,601
Provision for Off Balance Sheet Items (note-13.8)	326,823,483	304,593,496
Revaluation Reserve for HTM Securities up to 50%	48,104,883	16,679,464
Surplus value of equity instruments up to 10%	5,362,977	53,549,281
	<u>1,069,643,377</u>	<u>1,387,309,841</u>
<b><u>Eligible for market risk only (Tier-3)</u></b>		
Short-term subordinated debt	-	-
<b>A) Total Capital</b>	<b><u>8,437,921,139</u></b>	<b><u>7,700,158,932</u></b>
<b>Total Assets including Off Balance Sheet items</b>	<b><u>117,254,821,659</u></b>	<b><u>98,078,393,686</u></b>
<b>B) Total Risk Weighted Assets</b>	<b><u>80,706,081,485</u></b>	<b><u>68,494,997,644</u></b>
<b>C) Required capital based on risk weighted assets (10% on B)</b>	<b><u>8,070,608,149</u></b>	<b><u>6,849,499,764</u></b>
<b>D) Surplus (A-C)</b>	<b><u>367,312,990</u></b>	<b><u>850,659,168</u></b>
<b>Percentage of Capital on Risk Weighted Assets:</b>		
On Core Capital (minimum required 50% of CAR and MCR; 2011: 50%)	9.13%	9.22%
On Supplementary Capital	1.33%	2.03%
On Total Capital (minimum required rate is 10%; 2011: 10%)	10.46%	11.24%

#### 14.3(a) Revaluation Reserve for Securities

Revaluation Reserve for Securities	96,209,765	33,358,927
Less: Deferred Tax	(40,889,150)	(14,177,544)
	<b><u>55,320,615</u></b>	<b><u>19,181,383</u></b>

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



	<u>Taka</u>	<u>Taka</u>
<b>15 Statutory Reserve</b>		
Balance brought forward from previous year	1,898,008,348	1,449,995,550
Reserve made during the year	412,085,734	448,012,798
Balance on 31 December	<b>2,310,094,082</b>	<b>1,898,008,348</b>
<b>16 Retained earnings/ movement of profit and loss account</b>		
Balance on 1 January	1,226,165,142	1,357,079,449
Addition during the year	1,055,428,672	1,448,563,991
Transfer to statutory reserve	(412,085,734)	(448,012,798)
Issue of Bonus Share	(956,602,680)	(1,131,465,500)
Balance at 31 December	<b>912,905,400</b>	<b>1,226,165,142</b>
<b>16.1 Retained earnings brought forward from previous year</b>		
Balance on 1 January	1,226,165,142	1,357,079,449
Bonus shares issued	(956,602,680)	(1,131,465,500)
Balance at 31 December	<b>269,562,462</b>	<b>225,613,949</b>
<b>16.1(a) Consolidated retained earnings brought forward from previous year</b>		
Balance on 1 January	1,051,126,819	1,357,079,449
Bonus shares issued	(956,602,680)	(1,131,465,500)
Balance at 31 December	<b>94,524,139</b>	<b>225,613,949</b>
<b>17 Interest and discount income</b>		
From clients against loans and advances	7,498,320,183	5,974,553,027
Lease finance	302,737,456	153,757,795
Discount from bills purchased & discounted	556,760,034	233,484,817
From banks and financial institutions in Bangladesh	146,020,767	123,377,135
From foreign banks	28,731,706	22,395,472
	<b>8,532,570,145</b>	<b>6,507,568,246</b>
Off-shore Banking Unit	<b>18,948,500</b>	<b>10,331,769</b>
	<b>8,551,518,645</b>	<b>6,517,900,015</b>
<b>17 (a) Consolidated Interest and discount income</b>		
ONE Bank Limited	8,551,518,645	6,517,900,015
ONE Securities Limited	535,351	9,962,093
	<b>8,552,053,996</b>	<b>6,527,862,108</b>
<b>18 Interest paid on deposits and borrowings</b>		
Short term deposits	734,605,585	696,316,522
Savings deposits	197,648,746	152,030,998
Term deposits	4,473,208,560	3,038,339,471
Scheme deposits	327,262,485	601,639,851
Margin Deposits	-	-
Borrowings from banks and financial institutions	57,256,690	64,864,936
	<b>5,789,982,065</b>	<b>4,553,191,779</b>
Off-shore Banking Unit	<b>8,682,244</b>	<b>6,035,188</b>
	<b>5,798,664,309</b>	<b>4,559,226,967</b>
<b>18 (a) Consolidated Interest paid on deposits and borrowings</b>		
ONE Bank Limited	5,798,664,309	4,559,226,967
ONE Securities Limited	13,753,129	-
	<b>5,812,417,438</b>	<b>4,559,226,967</b>
<b>19 Income from Investments</b>		
Interest on treasury bills	413,614,698	217,434,665
Interest on treasury bond	76,590,761	167,400,053
Interest on Bangladesh Bank Bill	982,117	-
Dividend on Investment	23,876,433	26,257,678
Gain on sale of Shares	6,432,400	994,020,731
Interest on Orascom Bond	30,891,666	36,317,606
	<b>552,388,074</b>	<b>1,441,430,733</b>
<b>19 (a) Consolidated Income from Investments</b>		
ONE Bank Limited	552,388,074	1,441,430,733
ONE Securities Limited	-	-
	<b>552,388,074</b>	<b>1,441,430,733</b>
	<b>2012</b>	<b>2011</b>

	<u>Taka</u>	<u>Taka</u>
<b>20 Commission, exchange and brokerage</b>		
Letters of credit (Issue & advising)	234,330,321	221,315,725
Letter of guarantees	177,831,184	97,654,736
Acceptances	121,481,238	107,383,660
Local bills purchased	66,063	1,920,655
Foreign bills	676,221	13,781
Bills for collection	7,448,877	18,128,179
Remittances (PO, DD, TT, Travelers' Cheque etc.)	4,347,587	7,164,751
Export bills	33,373,439	21,862,806
Others	54,632,211	73,716,998
	<u>634,187,141</u>	<u>549,161,290</u>
Less: Commission charges:		
Bank charge	3,451,629	5,357,265
Seal Commission to the Stock Brokers	-	-
Underwriting Commission	-	-
Others	56,800	675,776
	<u>3,508,429</u>	<u>6,033,042</u>
	<b>630,678,713</b>	<b>543,128,248</b>
Profit on exchange trading	381,541,492	434,945,657
Less: Loss on exchange trading	-	-
	<u>381,541,492</u>	<u>434,945,657</u>
	<b>1,012,220,205</b>	<b>978,073,906</b>
Off-shore Banking Unit	4,170,444	3,302,386
	<u>1,016,390,649</u>	<u>981,376,292</u>

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

#### 20 (a) Consolidated Commission, exchange and brokerage

ONE Bank Limited	1,016,390,649	981,376,292
ONE Securities Limited	(8,574)	-
	<u>1,016,382,075</u>	<u>981,376,292</u>

#### 21 Other operating income

Loan processing and service charge	133,432,943	125,510,278
Miscellaneous Credit Card Fee	672,094	664,945
Recoveries of postage, telex, telephone, fax etc	29,410,270	25,333,976
Miscellaneous	130,210,852	76,684,529
Rent on locker	966,700	506,400
Gain on sale of fixed assets	2,349,530	155,290
	<u>297,042,389</u>	<u>228,855,418</u>
Off-shore Banking Units	931,369	517,392
	<u>297,973,758</u>	<u>229,372,810</u>

Figures of previous year have been rearranged, wherever considered necessary, to conform the current year's presentation.

#### 21 (a) Consolidated Other operating income

ONE Bank Limited	297,973,758	229,372,810
ONE Securities Limited	-	-
	<u>297,973,758</u>	<u>229,372,810</u>

#### 22 Salary & Allowances

Salary & Allowances	930,953,219	707,572,391
Provident Fund Contribution	48,191,409	39,030,887
Gratuity	99,850,540	40,438,638
Superannuation fund	7,100,000	7,100,000
Bonus	313,913,000	235,069,327
	<u>1,400,008,168</u>	<u>1,029,211,243</u>
Off-shore Banking Units	1,089,482	484,688
	<u>1,401,097,651</u>	<u>1,029,695,931</u>

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>23 Rent, taxes, insurance, electricity etc.</b>		
Rent	137,832,285	109,268,481
Taxes	160,546	188,643
Electricity	28,946,876	17,321,680
Utilities	24,745,352	19,084,934
Insurance	45,720,505	41,146,396
	<b>237,405,563</b>	<b>187,010,134</b>
Off-shore Banking Units	-	1,200
	<b>237,405,563</b>	<b>187,011,334</b>
<b>24 Legal expenses</b>		
Professional fees	4,055,345	7,804,266
Fees, Court fees & stamps	33,570	67,775
	<b>4,088,915</b>	<b>7,872,041</b>
<b>24 (a) Consolidated Legal expenses/professional expenses</b>		
ONE Bank Limited	4,088,915	7,872,041
ONE Securities Limited	30,000	11,000
	<b>4,118,915</b>	<b>7,883,041</b>
<b>25 Postage, stamps, telecommunication etc.</b>		
Telex/Swift	20,315,212	13,229,206
Telephone/Fax etc	7,125,062	3,832,382
Courier/postage	9,449,433	9,906,211
Radio Link	9,999,396	19,642,120
Reuter	2,230,803	1,983,580
	<b>49,119,905</b>	<b>48,593,498</b>
<b>26 Directors' Fees</b>		
For attending the meeting of the Board and other committee meetings @ Tk. 5,000 per attendance per person	890,000	940,000
	<b>890,000</b>	<b>940,000</b>
<b>27 Stationery, Printing, advertisement etc.</b>		
Printed and security stationery	13,255,501	12,955,122
Stationery	42,619,264	32,455,249
Advertisement	52,382,996	43,213,999
	<b>108,257,760</b>	<b>88,624,370</b>
Off-shore Banking Units	-	1,000
	<b>108,257,760</b>	<b>88,625,370</b>
<b>27 (a) Consolidated Stationery, Printing, advertisement etc.</b>		
ONE Bank Limited	108,257,760	88,625,370
ONE Securities Limited	129,686	-
	<b>108,387,446</b>	<b>88,625,370</b>
<b>28 Managing Director's Salary &amp; Allowances</b>		
Salary	8,412,077	7,647,345
House rent	180,000	180,000
Provident Fund Contribution	841,208	764,735
Bonus	2,492,159	2,358,326
	<b>11,925,444</b>	<b>10,950,406</b>
<b>29 Depreciation, leasing expense and repair of bank's assets</b>		
Depreciation (Annexure - A)	123,388,476	102,813,944
Amortization of Intangible Assets	5,854,025	
Repairs & Maintenance	108,829,400	87,297,980
	<b>238,071,901</b>	<b>190,111,924</b>
<b>29 (a) Consolidated Depreciation, leasing expense and repair of bank's assets</b>		
ONE Bank Limited	238,071,901	190,111,924
ONE Securities Limited	436,447	436,447
	<b>238,508,348</b>	<b>190,548,371</b>

	<b>2012</b>	<b>2011</b>
	<b>Taka</b>	<b>Taka</b>
<b>30 Other expenses</b>		
Entertainment	31,993,599	33,539,124
Car expenses	72,045,339	46,663,543
Subscription	19,554,842	10,236,477
Traveling	70,641,579	54,035,147
Computer expenses	20,534,269	16,717,126
Finance Chage-against leased assets	2,297,326	-
Staff training	9,447,667	3,147,454
Miscellaneous	6,692,492	18,464,977
Loss from sale/ write off of assets ( <b>note-30.1</b> )	-	17,086,786
	<b>233,207,113</b>	<b>199,890,634</b>
<b>30.1 Loss from sale/ write off of assets</b>		
Non-Banking assets	-	17,006,108
Other assets	-	80,678
	<b>-</b>	<b>17,086,786</b>
<b>30 (a) Consolidated Other expenses</b>		
ONE Bank Limited	233,207,113	199,890,634
ONE Securities Limited	1,578,005	2,415,734
	<b>234,785,118</b>	<b>202,306,368</b>
<b>31 Provision for loans, investment &amp; off balance sheet exposure</b>		
Provision for bad and doubtful loans and advances	572,303,512	130,852,894
Provision for unclassified loans and advances	(323,135,567)	462,119,047
Provision for off-balance sheet exposure	22,229,987	81,800,812
Provision for diminution in value of investment	-	(67,800,000)
Provision for other assets	3,560,962	-
	<b>274,958,894</b>	<b>606,972,753</b>
<b>32 Tax Expenses</b>		
Current Tax	985,250,560	856,990,720
Deferred tax	19,749,440	(65,490,720)
	<b>1,005,000,000</b>	<b>791,500,000</b>
<b>32 (a) Consolidated Tax Expenses</b>		
Current Tax		
ONE Bank Limited	985,250,560	856,990,720
ONE Securities Limited	2,700	2,654,592
	<b>985,253,260</b>	<b>859,645,312</b>
Deferred Tax		
ONE Bank Limited	19,749,440	(65,490,720)
ONE Securities Limited	-	-
	<b>19,749,440</b>	<b>(65,490,720)</b>
	<b>1,005,002,700</b>	<b>794,154,592</b>
<b>33 Interest receipts</b>		
Interest income on loans & advances	8,551,518,645	6,517,900,015
Interest on Treasury Bills	522,079,241	421,152,324
	9,073,597,887	6,939,052,339
(Incr.)/Decr. in int. receivable on loans & adv.	-	-
(Increase)/ Decrease in interest receivable others	(27,845,789)	2,416,441
	<b>9,045,752,097</b>	<b>6,941,468,780</b>
<b>33 (a) Consolidated Interest receipts</b>		
ONE Bank Limited	9,045,752,097	6,941,468,780
ONE Securities Limited	535,351	9,962,093
	<b>9,046,287,448</b>	<b>6,951,430,873</b>
<b>34 Interest payments</b>		
Total interest expenses	5,798,664,309	4,559,226,967
Add : Opening balance of interest payable	856,531,061	628,845,458
Less: Closing balance of interest payable	(1,201,433,568)	(856,531,061)
	<b>5,453,761,803</b>	<b>4,331,541,363</b>
<b>35 Fee and commission receipts in cash</b>		
Commission, exchange and brokerage	634,849,157	558,750,599
Less : (Increase) / decrease in Com. receivable	7,173,561	3,390,599
	<b>642,022,718</b>	<b>562,141,198</b>

	<b>2012 Taka</b>	<b>2011 Taka</b>
<b>36 Cash payments to employees</b>		
Salaries and allowances	1,401,097,651	1,029,695,931
Managing Director's salary and allowances	11,925,444	10,950,406
	<u>1,413,023,095</u>	<u>1,040,646,337</u>
Less: Payable to employees	(380,000,000)	(166,000,000)
Add: Opening Payable	166,000,000	140,000,000
	<b><u>1,199,023,095</u></b>	<b><u>1,014,646,337</u></b>
<b>37 Cash payment to suppliers</b>		
Printing, stationery and advertisement etc.	108,257,760	88,625,370
Repair & Maintenance	108,829,400	87,297,980
Add: closing stock of stationery and stamps	29,936,630	34,556,349
	<u>247,023,789</u>	<u>210,479,699</u>
Less: opening stock of stationery and stamps	(34,556,349)	(35,468,433)
	<b><u>212,467,441</u></b>	<b><u>175,011,266</u></b>
<b>38 Cash receipts from other operating activities</b>		
Other operating income	297,973,758	217,052,845
Exchange earnings	381,541,492	434,945,657
Profit on sale of shares	6,432,400	994,020,731
	<b><u>685,947,651</u></b>	<b><u>1,646,019,234</u></b>
<b>39 Cash payments for other operating activities</b>		
Rent, taxes, insurance and electricity etc.	237,405,563	187,011,334
Legal expenses	4,088,915	7,872,041
Postage, stamps, telecommunication etc.	49,119,905	48,593,498
Directors fees	890,000	940,000
Auditors' fee	155,000	125,000
Other expenses	233,207,113	199,890,634
	<u>524,866,496</u>	<u>444,432,508</u>
Add: Outstanding in payable - Opening balance	52,485,262	48,944,239
Less: Outstanding in payable - Closing balance	(151,104,048)	(52,485,262)
	<b><u>426,247,711</u></b>	<b><u>440,891,484</u></b>
<b>39 (a) Consolidated Cash payments for other operating activities</b>		
ONE Bank Limited	426,247,711	440,891,484
ONE Securities Limited	1,764,267	2,425,835
	<b><u>428,011,977</u></b>	<b><u>443,317,319</u></b>
<b>40 (Increase)/decrease of other assets</b>		
<b>Closing balance:</b>		
Security deposits	909,215	1,246,095
Advance rent	257,415,639	265,057,488
Prepayments	113,392,648	151,697,623
Renovation work of rented premises	18,462,625	57,716,420
Suspense account	8,164,790	11,517,427
Receivable from Bangladesh Bank	72,402,206	25,048,535
Prepaid for floor purchase and branch renovation	-	39,977,500
Bangladesh Bank- EDF	-	162,193,893
Protested bill	2,727,713	2,727,713
Inter Branch (net balance)	38,593,347	11,197,159
	<b><u>512,068,183</u></b>	<b><u>728,379,853</u></b>
Off-shore banking unit	-	-
	<b><u>512,068,183</u></b>	<b><u>728,379,853</u></b>
<b>Less: Opening balance:</b>		
Security deposits	1,246,095	954,420
Advance rent	265,057,488	183,353,298
Prepayments	151,697,623	212,536,003
Renovation work of rented premises	57,716,420	83,120,389
Suspense account	11,517,427	395,131,774
Prepaid for floor purchase and branch renovation	39,977,500	45,129
Bangladesh Bank- EDF	162,193,893	102,336,902
Protested bill	2,727,713	7,118,213
Inter Branch (net balance)	11,197,159	264,196,904
	<b><u>703,331,318</u></b>	<b><u>1,248,793,032</u></b>
Off-shore banking unit	-	-
	<b><u>703,331,318</u></b>	<b><u>1,248,793,032</u></b>
	<b><u>191,263,135</u></b>	<b><u>520,413,179</u></b>

	<b>2012</b> <b>Taka</b>	<b>2011</b> <b>Taka</b>
<b>40 (a) Consolidated Cash payments for other operating activities</b>		
ONE Bank Limited	191,263,135	520,413,179
ONE Securities Limited	(25,000)	-
	<b>191,238,135</b>	<b>520,413,179</b>
<b>41 Deposits from banks</b>		
Closing Balance		
Payment on demand	1,197,760	3,061,715
Short Term Deposit	2,382	3,420
Fixed Deposit	-	20,000,000
	1,200,142	23,065,135
Less : Opening balance	(23,065,135)	(450,004,136)
	<b>(21,864,993)</b>	<b>(426,939,001)</b>
<b>42 Deposits from customers</b>		
<b>Closing balance of Deposits</b>		
Payable on demand	10,530,434,945	8,354,973,001
Other deposits	61,832,066,254	48,862,116,677
Sub total	72,362,501,199	57,217,089,677
<b>Less: Opening balance of Deposits</b>		
Payable on demand	8,354,973,001	6,605,401,170
Other deposits	48,862,116,677	43,098,301,985
Sub total	57,217,089,677	49,703,703,155
Deposit increased during the year	15,145,411,521	7,513,386,522
<b>Add: Total interest on deposit</b>		
On demand deposits	856,531,061	628,845,458
On other deposits	52,485,262	48,944,239
Sub total	909,016,323	677,789,697
<b>Less: Closing balance of interest</b>		
On demand deposits	(1,201,433,568)	(856,531,061)
On other deposits	(151,104,048)	(52,485,262)
Sub total	(1,352,537,615)	(909,016,323)
	<b>14,701,890,230</b>	<b>7,282,159,896</b>
<b>43 Increase/(decrease) of other liabilities</b>		
<b>Closing balance:</b>		
Interest on bills discounted	55,752	14,843,911
Provision for gratuity	-	14,715,321
Risk fund of Consumer Credit and Rider	473,512	473,500
Interest suspense	606,963,533	398,602,390
Off-shore banking unit	607,492,798	428,635,121
	<b>607,492,798</b>	<b>428,635,121</b>
<b>Less: Opening balance:</b>		
Interest on bills discounted	14,843,911	7,257,972
Provision for gratuity	14,715,321	111,003,615
Provision for superannuation fund	-	7,100,000
Risk fund of Consumer Credit and Rider	473,500	473,500
Interest suspense	398,602,390	278,751,927
	428,635,121	404,587,014
	<b>178,857,677</b>	<b>24,048,107</b>
<b>44 Payment for purchase of securities</b>		
<b>a) Treasury Bills</b>	9,905,884,024	8,151,084,528
<b>b) Treasury Bond</b>	791,592,340	499,725,900
	10,697,476,364	8,650,810,428
<b>c) Others- Shares</b>		
Closing balance	1,709,784,831	1,467,316,533
Add: Sale during the year	47,997,722	1,304,460,276
Less: Opening balance	(1,467,316,533)	(1,413,906,040)
	290,466,020	1,357,870,769
	<b>10,987,942,384</b>	<b>10,008,681,197</b>

	<b>2012</b>	<b>2011</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>44 (a) Consolidated Payment for purchase of securities</b>		
ONE Bank Limited	10,987,942,384	10,008,681,197
ONE Securities Limited	22,000,000	1,177,560,500
	<b><u>11,009,942,384</u></b>	<b><u>11,186,241,697</u></b>
<b>45 Receipts from sale of securities</b>		
a) Treasury Bills	8,548,600,000	7,575,000,000
b) Others- Shares	47,997,722	1,304,460,276
	<b><u>8,596,597,722</u></b>	<b><u>8,879,460,276</u></b>
<b>46 Letters of Guarantee</b>		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:		
Government	679,202,775	839,624,082
Banks and other financial institutions	451,660,440	187,351,908
Others	7,199,815,349	7,180,470,719
	<b><u>8,330,678,563</u></b>	<b><u>8,207,446,708</u></b>
<b>47 Basic Earnings Per Share</b>		
Attributable profit for the year	<b><u>1,055,428,672</u></b>	<b><u>1,448,563,991</u></b>
Weighted average number of outstanding Shares for the year:		
Opening balance	318,867,560	318,867,560
Bonus Share Issued in the year 2011	95,660,268	95,660,268
	<b><u>414,527,828</u></b>	<b><u>414,527,828</u></b>
<b>Basic Earnings Per Share</b>	<b><u>2.55</u></b>	<b><u>3.49</u></b>
<b>47 (a) Basic Earnings Per Share Consolidated</b>		
Attributable to holding company	<b><u>1,119,598,009</u></b>	<b><u>1,273,525,667</u></b>
Weighted average number of outstanding Shares for the year:		
Opening balance	318,867,560	318,867,560
Bonus Share Issued in the year 2011	95,660,268	95,660,268
	<b><u>414,527,828</u></b>	<b><u>414,527,828</u></b>
<b>Basic Earnings Per Share</b>	<b><u>2.70</u></b>	<b><u>3.07</u></b>

Earnings per share (EPS) for the previous year has been restated as per BAS 33: "Earnings per share". Since the bonus issue is an issue without consideration of cash, it is treated as if it had occurred prior to the beginning of 2011, the earliest period reported. Actual EPS for 2011 was Tk. 4.54 before considering restated.

#### 48 Related Party Transactions

- i) As on the Balance Sheet date, the total receivable amount of Tk.10,000,000 from ONE Securities Limited.
- ii) Significant contracts where Bank is a party and wherein Directors have interest: **Nil**
- iii) Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**
- iv) Lending policies to related parties:  
Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act-1991: **Nil**
- v) Loan and advances to Directors and their related concern: **Nil**
- vi) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991: **Nil**
- vii) Investments in the Securities of Directors and their related concern: **Nil**

#### **49 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 1,608.

#### **50 Events after the balance sheet date**

The Board of Directors in its 190th meeting held on April 09, 2013 has recommended stock dividend @15% and cash dividend @5% subject to the approval of the Shareholders at the next Annual General Meeting.

Farman R. Chowdhury  
Managing Director

Salahuddin Ahmed  
Director

Syed Nurul Amin  
Director

Asoke Das Gupta  
Vice Chairman



**ONE Bank Limited**  
**Schedule of Fixed Assets as at 31 December 2012**

[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	573,493,499	128,781,866	-	702,275,365	186,941,643	46,658,919	-	233,600,561	468,674,804	%
Office Equipment	433,503,616	74,554,331	-	508,057,947	180,695,203	49,514,567	-	230,209,769	277,848,178	10
Motor Vehicles	155,107,338	27,738,445	5,246,842	177,598,941	57,522,528	20,790,321	4,405,372	73,907,476	103,691,465	18
Building	80,675,187	38,324,005	-	118,999,192	1,471,148	2,885,870	-	4,357,018	114,642,174	20
Land	15,000,000	2,700,000	-	17,700,000	-	-	-	-	17,700,000	2.5
<b>Sub-Total</b>	<b>1,257,779,640</b>	<b>272,098,647</b>	<b>5,246,842</b>	<b>1,524,631,446</b>	<b>426,630,521</b>	<b>119,849,676</b>	<b>4,405,372</b>	<b>542,074,825</b>	<b>982,556,621</b>	
<b>Leased Assets</b>	-	25,044,000	-	25,044,000	-	3,538,800	-	3,538,800	21,505,200	
<b>Total</b>	<b>1,257,779,640</b>	<b>297,142,647</b>	<b>5,246,842</b>	<b>1,549,675,446</b>	<b>426,630,521</b>	<b>123,388,476</b>	<b>4,405,372</b>	<b>545,613,625</b>	<b>1,004,061,821</b>	
<b>Intangibles Assets</b>	-	100,248,337	-	100,248,337	-	5,854,025	-	5,854,025	94,394,312	20
<b>2012</b>	<b>1,257,779,640</b>	<b>397,390,984</b>	<b>5,246,842</b>	<b>1,649,923,783</b>	<b>426,630,521</b>	<b>129,242,501</b>	<b>4,405,372</b>	<b>551,467,650</b>	<b>1,098,456,133</b>	
<b>2011</b>	<b>945,558,967</b>	<b>314,508,334</b>	<b>2,287,660</b>	<b>1,257,779,640</b>	<b>325,607,350</b>	<b>102,813,944</b>	<b>1,790,772</b>	<b>426,630,521</b>	<b>831,149,119</b>	

## Annexure- B

### 1) Balance with Bangladesh Bank-Taka account

	Amount in Taka	
	Detail	Total
<b>Balance as per Bank ledger</b>		4,032,029,602
<b>Unrespond debit entries in:</b>		
Bangladesh Bank Statement	3,218,659	
ONE Bank's ledger	227,003	3,445,662
		4,028,583,940
<b>Unrespond credit entries in:</b>		
Bangladesh Bank statement	31,290,733	
ONE Bank's ledger	24,241,190	55,531,923
<b>Balance as per Bangladesh Bank Statement</b>		<b>4,084,115,863</b>

### 2) Balance with Bangladesh Bank-Foreign currency

	Amount in Taka			
	USD	EURO	GBP	Total
<b>A) Balance as per Bank ledger</b>	2,405,977,569	8,555,502	1,973,494	2,416,506,565
<b>B) Unrespond debit entries in:</b>				
Bangladesh Bank Statement	37,990	-	-	37,990
ONE Bank's ledger	2,837,826	-	-	2,837,826
	2,875,817	-	-	2,875,817
<b>C) Unrespond credit entries in:</b>				
Bangladesh Bank statement	60,780,882	-	-	60,780,882
ONE Bank's ledger	186,078,516	-	-	186,078,516
	246,859,398	-	-	246,859,398
<b>Balance as per Bangladesh Bank Statement (A-B+C)</b>	<b>2,649,961,151</b>	<b>8,555,502</b>	<b>1,973,494</b>	<b>2,660,490,147</b>

**ONE Bank Limited**  
**Financial Statements for the year ended 31 December 2012**  
**Balance with other banks in foreign currency**

[Referred to Note 4.4 of these financial statements]

Name of the Banks	Currency Name	2012			2011		
		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.
Citibank NA, New York	USD	34,037.77	79.8499	2,717,912.53	869,666.09	81.8529	71,184,691.50
Standard Chartered Bank, New York	USD	650,844.16	79.8499	51,969,841.09	3,503,362.34	81.8529	286,760,367.28
Union De Banques Arabes Et Francaises, Singapore	USD	250,080.47	79.8499	19,968,900.52	4635.24	81.8529	379,407.84
HSBC Bank , New York, USA	USD	1,149,882.30	79.8499	91,817,986.67	758,917.33	81.8529	62,119,584.32
Mashreqbank Psc, New York	USD	296,817.00	79.8499	23,700,807.77	366,351.26	81.8529	29,986,913.05
ICICI Bank Limited, Hong Kong	USD	42,655.86	79.8499	3,406,066.16	(11,300.87)	81.8529	(925,008.98)
Wells Fargo Bank N.A	USD	1,764,828.93	79.8499	140,921,413.58	181,281.91	81.8529	14,838,450.05
		<b>4,189,146.49</b>		<b>334,502,928.32</b>	<b>5,672,913.30</b>		<b>464,344,405.06</b>
Standard Chartered Bank, London	GBP	<b>476,215.93</b>	129.1013	<b>61,480,095.64</b>	<b>45,760.61</b>	<b>126.4627</b>	<b>5,787,010.29</b>
Arab Bangladesh Bank Ltd, Mumbai	ACUD	404,931.02	79.8499	32,333,701.45	161,386.25	81.8529	13,209,932.58
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	16,338.53	79.8499	1,304,629.99	15,638.53	81.8529	1,280,059.03
SEYLAN Bank Ltd, Colombo	ACUD	15,136.84	79.8499	1,208,675.16	53,765.47	81.8529	4,400,859.64
HSBC Bank , Karachi, Pakistan	ACUD	21,697.64	79.8499	1,732,554.38	643,305.30	81.8529	52,656,404.39
HSBC Bank , Mumbai	ACUD	188,744.29	79.8499	15,071,212.68	89,489.45	81.8529	7,324,971.00
ICICI Bank Limited, Mumbai	ACUD	391,003.74	79.8499	31,221,609.54	67,580.24	81.8529	5,531,638.63
		<b>1,037,852.06</b>		<b>82,872,383.20</b>	<b>1,031,165.24</b>		<b>84,403,865.27</b>
Standard Chartered Bank, Tokyo	JP YEN	9,389,347.00	0.9278	8,711,436.15	13,461,444.00	1.0503	14,138,554.63
		<b>9,389,347.00</b>		<b>8,711,436.15</b>	<b>13,461,444.00</b>		<b>14,138,554.63</b>
Unicredit Bank, AG	EURO	115,344.68	105.5696	12,176,891.73	36,155.46	105.9095	3,829,206.69
Standard Chartered Bank, Frankfurt	EURO	30,624.37	105.5696	3,233,002.49	230,222.68	105.9095	24,382,768.93
Commerzbank AG Frankfurt	EURO	109,623.98	105.5696	11,572,959.72	31,676.45	105.9095	3,354,836.98
ICICI Mumbai	EURO	5,884.60	105.5696	621,234.87	12,663.52	105.9095	1,341,187.07
		<b>261,477.63</b>		<b>27,604,088.81</b>	<b>310,718.11</b>		<b>32,907,999.67</b>
Westpac Banking Corporation	AUD	32,301.05	82.7804	2,673,893.84	43,853.05	82.6305	3,623,599.45
Bank of Nova Scotia	CAD	27,181.99	80.1384	2,178,321.19	5,356.82	79.9267	428,152.95
<b>Total</b>				<b>520,023,147</b>			<b>605,633,587</b>

**Annexure-D**

**ONE Bank Limited  
Details of large loan  
As at 31 December 2012**

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Medlar Group	128.30	146.28	274.58
2	Habib Group	86.71	81.07	167.78
3	Shun Shing Group	75.89	7.88	83.77
4	Polmal Group	46.07	108.13	154.20
5	Clifton Group	46.20	58.34	104.54
6	Argon Denims Ltd.	89.84	71.54	161.38
7	Lanka Bangla Securities Ltd.	52.06	-	52.06
8	Jahangir Group	46.29	19.87	66.16
9	Noman Group	48.77	20.78	69.55
10	Jalal Ahmed Spinning Mills Ltd.	63.78	1.15	64.93
11	Harvest Rich Group	98.18	44.40	142.58
12	Zahintex Industries Ltd.	63.57	15.67	79.24
13	Chunji Group	21.58	40.69	62.27
14	Sunman Industrial Corporation ltd.	9.28	-	9.28
15	Data Edge Ltd.	7.83	11.40	19.23
16	PFI Securities Ltd.	41.14	35.00	76.14
17	Divine Textile Ltd.	33.04	35.99	69.03
18	Fakir Fashions Ltd.	36.16	21.15	57.31
19	Kalyar Replica Ltd.	68.99	1.15	70.14
20	ACI Ltd	68.14	0.31	68.45
21	Onus group.	12.75	70.37	83.12
22	Bastu Shilpi Group	13.33	64.21	77.54
23	KDS Group	44.15	40.89	85.04
24	Panwin Group	24.66	66.58	91.24
25	H. Akbar Ali Group	18.34	4.46	22.80
26	Bay Development Ltd	61.59	-	61.59
27	Well Group	22.03	28.05	50.08
28	Pran-RFL Group	17.27	-	17.27
29	Orascom Telecom BD Ltd.	35.00	10.55	45.55
30	Abdul Monem Sugar Refinery Ltd.	72.28	-	72.28
31	Base Textile Ltd.	29.65	54.78	84.43
32	Wings Group.	15.29	21.98	37.27
33	Musa & Issa Brothers and Zuma Enterprise	1.85	70.19	72.04
<b>Total</b>		<b>1,500.01</b>	<b>1,152.86</b>	<b>2,652.87</b>

**ONE Bank Limited**  
**Financial Highlights on the overall activities of the Bank**  
**As at 31 December 2012**

Sl No	Particulars	2012 (Taka)	2011 (Taka)	Change in %
1	Paid up Capital	4,145,278,280	3,188,675,600	30.00
2	Total Capital	8,437,921,139	7,700,158,932	9.58
3	Capital Surplus	367,312,990	850,659,168	(56.82)
4	Total Assets	84,585,883,816	67,619,044,045	25.09
5	Total Deposits	73,055,774,154	57,240,154,812	27.63
6	Total Loans and Advances	60,216,129,302	47,926,683,737	25.64
7	Total Contingent Liabilities	32,668,937,843	30,459,349,641	7.25
8	Credit Deposit ratio (%)	82.42%	83.73%	(1.56)
9	Percentage of Classified Loans against total loans and advances	5.52%	4.47%	23.45
10	Profit after tax and provisions	1,055,428,672	1,448,563,991	(27.14)
11	Amount of classified loans during the year	3,322,880,724	2,137,195,810	55.48
12	Provision kept against classified loans	1,555,438,573	983,135,060	58.21
13	Provision surplus/ (shortage)	327,968	160,000,000	(99.80)
14	Cost of fund	9.54%	8.94%	6.71
15	Interest earning Assets	76,342,367,376	60,094,194,183	27.04
16	Non-interest earning assets	8,243,516,440	7,524,849,863	9.55
17	Return on investment (ROI)	14.33%	14.94%	(4.11)
18	Return on Assets (ROA)	1.39%	2.29%	(39.44)
19	Income from Investment	552,388,074	1,441,430,733	(61.68)
20	Earning per Share	2.55	4.54	(43.92)
21	Net Income per share	2.55	4.54	(43.92)
22	Price Earning Ratio	8.95	10.50	(14.72)

## Disclosures on Risk Based Capital (Basel II)

For the year ended 31 December 2012

### 1. Capital Structure

#### Qualitative Disclosure:

The capital of ONE Bank Limited is segregated into Tier-1 & Tier-2 capital as per the guideline of the Bangladesh Bank. Tier-1 capital is 87% of total capital and comprises of 56% Paid up capital, 31% Statutory Reserve & 13% Retained earnings. Tier-2 capital is 13% of total capital and comprises of 95% General Provision & 4% Revaluation Reserve for equity. Tier-2 Capital is 15% of Tier-1 capital.

#### Quantitative Disclosure:

SL No.	Particulars	Amount Tk. (Crore)
1.	<b>Amount of Tier-1 capital</b>	
	Fully Paid-up Capital	414.53
	Statutory Reserve	231.00
	Retained Earnings	91.29
	<b>Total Tier -1 Capital (A)</b>	<b>736.82</b>
2.	<b>Amount of Tier-2 capital</b>	
	General Provision	101.62
	Revaluation Reserve for HTM & HFT Securities (50%)	4.81
	Revaluation Reserves for equity instruments up to (10%)	0.54
	<b>Total Tier -2 Capital (B)</b>	<b>106.97</b>
	<b>Total Capital (A+B)</b>	<b>843.79</b>

### 2. Capital Adequacy

#### Qualitative Disclosure:

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

#### Quantitative Disclosure:

SL No.	Particulars	Amount Tk. (Crore)
1.	Capital requirement for Credit Risk	701.51
	Capital requirement for Market Risk	42.46
	Capital requirement for Operational Risk	63.09
	<b>Total</b>	<b>807.06</b>
2.	Total Capital Ratio	10.46%
	Total Tier-1 Capital Ratio	9.13%

### 3. Credit Risk

#### Qualitative Disclosure:

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Credit risk arises from the bank's dealings with or lending to corporate, individuals and other banks or financial institutions. ONE Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

#### 3.1 Definitions of past due and impaired

ONE Bank Limited follows the Bangladesh Bank guidelines and definitions of past due and impaired loans as below:

Loan Type	Default		Classified / Impaired		
	Past due	Special Mention	SS	DF	BL
Continuous Loan	If not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank is treated as past due/overdue from the following day of the expiry date.	A continuous Credit, Demand Loan or a Term Loan which will remain overdue for a period of 02 (two) months or more will be treated as Special Mention Account (SMA).	If it remains past due /overdue for 3 months or beyond but less than 6 months	If it remains past due /overdue for 6 months or beyond but less than 9 months	If it remains past due /overdue for 9 months or beyond.
Demand Loan	If not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue/ overdue from the following day of the expiry date.		If it remains past due/overdue for 3 months or beyond but not over 6 months from the date of expiry / claim by the bank or from the date of creation of the forced loan	If it remains past due / overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of the forced loan	If it remains past due / overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of the forced loan
Term Loan upto Tk.10.00 lac	In case any installment (s) or part of installment (s) of a Fixed Term Loan upto Tk.10.00 lac is not repaid within the due date, the amount of		If the amount of past due installment is equal to or more than the amount of installment (s)	If the amount of past due installment is equal to or more than the amount of installment (s)	If the amount of past due installment is equal to or more than the amount of installment (s) due within

	unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		due within 6 months, the entire loan will be classified as "Sub-standard".	due within 9 months, the entire loan will be classified as "Doubtful.	12 months, the entire loan will be classified as "Bad /Loss"
Term Loan above Tk.10.00 lac	In case any installment (s) or part of installment (s) of a Fixed Term Loan above Tk. 10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		If the amount of past due installment is equal to or more than the amount of installment (s) due within 3 months, the entire loan will be classified as "Sub-standard".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will be classified as "Doubtful.	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Bad /Loss"
Short-term Agricultural and Micro - Credit	If not repaid within the fixed expiry date for repayment will be considered past due / overdue after six months of the expiry date.		If irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months,	after a period of 36 months	after a period of 60 months

### 3.2 Description of approaches followed for specific and general allowances

ONE Bank Limited follows the General and Specific Provision requirement as prescribed by Bangladesh Bank time to time.

### 3.3 Methods used to measure credit risk

In compliance with Risk Based Capital Adequacy, OBL, as per BASEL-II Guideline, uses ratings assigned by External Credit Assessment Agencies (ECAIs) approved by Bangladesh Bank. The rating is used for both fund based and Non-fund based exposure for corporate borrowers. Corporate, which are yet to get the ratings from these rating agencies, are treated as 'Unrated'.

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



### **3.4 Credit Risk Management System**

Credit Risk Management includes a host of management techniques, which help the banks in mitigating the adverse impacts of credit risk. The objective of the Credit Risk Management is to identify, measure, monitor and control credit risk by adopting suitable methodology.

OBL Credit Policy laid down clear outlines from managing credit risk of the Bank. It gives organization structure, defines role and responsibilities of credit handling officials and processes to identify, quantify and manage credit risk.

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

The policy covers a structured and standardized credit approval process including a comprehensive credit appraisal procedure. In order to assess the credit risk associated with any financing proposal, the Bank assesses a variety of risks relating to the borrower and the relevant industry. The Bank evaluates borrower risk by focusing:

- Borrower's standing
- Borrower's business and market position
- Financial position of the borrower by analyzing the financial statements, its past financial performance, its financial flexibility in terms of ability to raise capital and its cash flow adequacy.

The Board of Directors of the Bank has delegated Business Approval Power to the Head Of CRM and Managing Director. Credit facilities beyond the delegation are approved by the EC and / or Board.

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

### **3.5 Credit Risk Mitigation**

Banks, for mitigating credit risks, usually accepts collaterals viz. cash and cash equivalents, registered mortgage on land and building and hypothecation of inventory, receivables and machinery, motor vehicles, aircraft etc. Housing loans are secured by the property/ asset being financed.

However, in compliance with Risk Based Capital Adequacy as prescribed by Bangladesh Bank OBL only considers eligible financial collateral for risk mitigation as per Basel II guidelines.

The Bank accepts guarantees from individuals with considerable net worth and the Corporate, besides guarantee issued by Government, other Commercial banks in line with present BASEL-II guidelines.

### 3.6 Policies and Processes for Collateral Valuation and Management

OBL has specific stipulations about acceptability, eligibility and mode of valuation of real estate collaterals whereby independent qualified surveyors have been enlisted to perform the valuation job. Apart from professional valuation, RMs and credit officers at Branch level physically verify the collateral offered and cross check the professional valuation. Subsequently entire chain documents of the collateral are checked and vetted both by OBL enlisted Panel Lawyers and Head Office Loan Administration Division so as to ensure clean title and enforceability of the collateral.

#### Quantitative Disclosure:

Particulars	Amount Tk. (Crore)
<b>Total gross credit risk</b>	7,015.07
Funded Domestic	6,012.60
Non-Funded Domestic	1,002.47
Geographical distribution of exposures	
Domestic	7,015.07
Overseas	
Cash and Cash equivalents	
Claims on Bangladesh Government and Bangladesh Bank	
Claims on Banks & NBFI:	193.06
Claims on Corporate	4,654.05
Claims included in retail portfolio & Small Enterprise	165.22
Claims on Consumer Loan	160.00
Claims Fully secured by residential property	131.82
Claims Fully secured by commercial real estate	15.61
Past due claims	216.12
Other categories	456.71
Credit Risk Mitigation	20.01
Risk weighted assets for On-balance sheet items	6,012.60
Claims secured by financial collateral	
<b>Risk weighted assets for Off-balance sheet exposure</b>	1,002.47
Gross Non Performing Assets (NPAs)	332.29
Non Performing Assets (NPAs) to Outstanding Loans & Advances	5.52%
<b>Movement of Non-Performing Assets (NPAs)</b>	
Opening Balance	213.72
Additions	169.46
Reductions	50.89
Closing Balance	332.29
<b>Movement of specific provisions for NPAs</b>	
Opening Balance	98.31
Provision made during the period	92.80
written off	-
Write back of excess provision	37.83
Closing balance	153.28

## **4. Market Risk**

### **Qualitative Disclosure:**

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

The Bank's Investment during the year 2012 was Tk. 979.19 crore. Investment was mostly in long term Government Securities which stood at Tk. 786.21 crore. The Government Treasury Bonds were purchased at higher rate of interest to cover the increased SLR arising from the growth of deposit liabilities.

### **4.1 Methods Used to Measure Market Risk**

To measure of market risk the Bank uses – Value-at-Risk (VaR).

### **4.2 Market Risk & Liquidity Risk Management Policies and System**

The objective of investment policy covering various fact of Market Risk, is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risk arising out of various products in trading book of the bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counterparties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR), Inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM)

Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management, framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

### 4.3 Market Risk in Trading Book

Market risk regulatory capital requirements are computed based on the standardized approach prescribed by BB.

#### Quantitative Disclosure:

SL No.	Particulars	Amount Tk. (Crore)
1.	The capital requirements for: Interest Rate Risk Equity Position risk Foreign Exchange Risk Commodity Risk	4.06 32.00 6.40 -
	<b>Total</b>	<b>42.46</b>

### 5. Operational Risk

#### Qualitative Disclosure:

##### 5.1 Views of BOD on system to reduce Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and systems (for example failed IT system, or fraud perpetrated by a OBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities. Operational risks are monitored and, to the extent possible, controlled and mitigated.

The Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability.

##### 5.2 Potential External Events

The bank invests heavily in IT Infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid system failure. ONE Bank invests heavily on security from terrorism and vandalism to avoid damage to physical assets.

##### 5.3 Approach for Calculating Capital Charges for Operational Risk

For local regulatory capital measurement purposes, the Bank follows the Basic Indicator Approach.

#### Quantitative Disclosure:

SL No.	Particulars	Amount Tk. (Crore)
1.	<b>The capital requirements for:</b> Operational Risk	63.09

**ONE Bank Ltd**  
**Off-Shore Banking Unit**  
**Balance Sheet**  
**As at 31 December 2012**

	Note	2012		2011	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</b>					
<b>CASH</b>					
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currency)		-	-	-	-
		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>					
	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		5,000,000.00	399,249,500.00	1,560.01	127,691.34
		<b>5,000,000.00</b>	<b>399,249,500.00</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>Money at Call and Short Notice</b>					
		-	-	-	-
<b>Investment</b>					
		-	-	-	-
<b>Loans and Advances:</b>					
	4				
Loans, cash credits, overdrafts, etc.		907,507.80	72,464,407.08	1,580,822.13	129,394,875.73
Bills purchased and discounted		2,120,732.61	169,340,286.84	2,480,505.82	203,036,594.84
		<b>3,028,240.41</b>	<b>241,804,693.92</b>	<b>4,061,327.95</b>	<b>332,431,470.58</b>
<b>Fixed Assets</b>					
		-	-	-	-
<b>Other Assets</b>					
		-	-	-	-
<b>Non Banking Assets</b>					
		-	-	-	-
<b>Total Assets</b>		<b>8,028,240.41</b>	<b>641,054,193.92</b>	<b>4,062,887.96</b>	<b>332,559,161.93</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Borrowing from other Banks, and Financial Institutions and Agents</b>					
		-	-	-	-
<b>Deposits with other Accounts:</b>					
	5				
Current Account and Other account		736,341.62	58,796,804.72	168,549.24	13,796,244.09
Bills Payable		-	-	-	-
Saving deposit		-	-	-	-
Term deposits		-	-	-	-
		<b>736,341.62</b>	<b>58,796,804.72</b>	<b>168,549.24</b>	<b>13,796,244.09</b>
<b>Other Liabilities</b>					
	6	7,106,140.28	567,424,590.70	3,853,390.89	315,411,219.04
<b>Total Liabilities</b>		<b>7,842,481.90</b>	<b>626,221,395.42</b>	<b>4,021,940.13</b>	<b>329,207,463.13</b>
<b>Capital/Shareholders' Equity</b>					
Profit and Loss Account		185,758.51	14,832,798.50	40,947.83	3,351,698.80
<b>Total Liabilities and Shareholders' Equity</b>		<b>8,028,240.41</b>	<b>641,054,193.92</b>	<b>4,062,887.96</b>	<b>332,559,161.93</b>

Note	2012		2011	
	USD	Taka	USD	Taka

**Off Balance Sheet Items**

**Contingent Liabilities:**

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

7

-	-	-	-
-	-	-	-
1,634,961.64	130,551,523.46	1,212,500.78	99,246,705.10
-	-	-	-
<b>1,634,961.64</b>	<b>130,551,523.46</b>	<b>1,212,500.78</b>	<b>99,246,705.10</b>

**Other Commitments**

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

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>1,634,961.64</b>	<b>130,551,523.46</b>	<b>1,212,500.78</b>	<b>99,246,705.10</b>

**Total Off Balance Sheet Items**

**ONE Bank Ltd**  
**Off-shore Banking Unit**  
**Profit and Loss Account**  
**For the year ended 31 December 2012**

	Note	2012		2011	
		USD	Taka	USD	Taka
Interest Income	8	237,301.49	18,948,500.25	126,223.62	10,331,769.35
Interest paid on deposits and borrowings	9	108,732.06	8,682,244.12	73,732.12	6,035,187.85
<b>Net Interest Income</b>		<b>128,569.43</b>	<b>10,266,256.13</b>	<b>52,491.50</b>	<b>4,296,581.50</b>
Commission Exchange and Brokerage	10	52,228.55	4,170,444.49	40,345.38	3,302,386.35
Other Income	11	11,664.00	931,369.23	6,321.00	517,392.18
<b>Total Operating Income (A)</b>		<b>192,461.98</b>	<b>15,368,069.86</b>	<b>99,157.88</b>	<b>8,116,360.04</b>
Salaries and allowances	12	13,644.13	1,089,482.42	5,921.45	484,688.00
Rent, taxes, insurance, electricity etc.		-	-	14.66	1,200.00
Legal expenses		-	-	-	-
Postage, stamps, telecommunication etc.		-	-	-	-
Directors fees		-	-	-	-
Auditor's fee		-	-	-	-
Stationery, printings, advertisements etc.		-	-	12.22	1,000.00
Managing Director's salary and allowances		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
<b>Total operating expenses (B)</b>		<b>13,644.13</b>	<b>1,089,482.42</b>	<b>5,948.33</b>	<b>486,888.00</b>
<b>Profit before provision (C=A-B)</b>		<b>178,817.85</b>	<b>14,278,587.44</b>	<b>93,209.55</b>	<b>7,629,472.04</b>
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		(10,861.12)	(867,259.24)	40,136.71	3,285,306.18
		(10,861.12)	(867,259.24)	40,136.71	3,285,306.18
Provision for off-balance sheet items		3,920.46	313,048.18	12,125.01	992,467.05
<b>Other provision</b>		-	-	-	-
<b>Total Provision (D)</b>		<b>(6,940.66)</b>	<b>(554,211.06)</b>	<b>52,261.72</b>	<b>4,277,773.23</b>
<b>Total profit/(loss) (C-D)</b>		<b>185,758.51</b>	<b>14,832,798.50</b>	<b>40,947.83</b>	<b>3,351,698.80</b>

**ONE Bank Limited**  
**Off-Shore Banking Unit**  
**Cash Flow Statement**  
**For the year ended 31 December 2012**

	2012		2011	
	USD	Taka	USD	Taka
<b>Cash flow from operating activities</b>				
Interest receipts	237,301.49	18,948,500.25	126,223.62	10,331,769.35
Interest payments	(108,732.06)	(8,682,244.12)	(73,732.12)	(6,035,187.85)
Dividend receipts	-	-	-	-
Fee and commission receipts	63,892.55	5,101,813.73	46,666.38	3,819,778.54
Cash payments to employees	(13,644.13)	(1,089,482.42)	(5,921.45)	(484,688.00)
Cash payments to suppliers	-	-	-	-
Income Taxes paid	-	-	-	-
Receipts from other operating activities	-	-	-	-
Payment for other operating activities	-	-	(26.88)	(2,200.00)
Operating profit before changes in current assets and liabilities	<b>178,817.85</b>	<b>14,278,587.44</b>	<b>93,209.55</b>	<b>7,629,472.04</b>
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(3,028,240.41)	(241,804,693.92)	(4,061,327.95)	(332,431,470.55)
Other assets	-	-	-	-
Borrowing from other banking companies, agencies etc	-	-	-	-
Deposits from banks	-	-	-	-
Deposits from customers	736,341.62	58,796,804.72	168,549.24	13,796,244.09
Other liabilities	7,113,080.94	567,978,801.75	3,801,129.17	311,133,445.84
	<b>4,821,182.15</b>	<b>384,970,912.55</b>	<b>(91,649.54)</b>	<b>(7,501,780.63)</b>
<b>A Net cash flow from operating activities</b>	<b>5,000,000.00</b>	<b>399,249,499.99</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>Cash flow from investing activities</b>				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
<b>B Net cash used for investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financial activities</b>				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
<b>C Net cash used for financial activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D Net increase in cash and cash equivalent (A+B+C)</b>	<b>5,000,000.00</b>	<b>399,249,499.99</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>E Opening cash and cash equivalent</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>F Closing cash and cash equivalent (D+E)</b>	<b>5,000,000.00</b>	<b>399,249,499.99</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>Closing cash and cash equivalent</b>				
Cash in hand	5,000,000.00	399,249,500.00	1,560.01	127,691.34
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	-	-	-	-
Money at call and short notice	-	-	-	-
	<b>5,000,000.00</b>	<b>399,249,500.00</b>	<b>1,560.01</b>	<b>127,691.34</b>



**ONE Bank Ltd**  
**Off-Shore Banking Unit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2012**

**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 May 26, 2010. The Bank commenced the operation of its Off-Shore Banking Unit from December 12, 2010. At Present the Bank has 2 (Two) units one in Dhaka and another in Chittagong.

**1.1.1 Principal activities**

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

**1.2 Significant accounting policies and basis of preparation of financial statements**

**1.2.1 Basis of accounting**

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

**1.2.2 Use of estimates and judgements**

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

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

**1.2.3 Foreign currency transaction**

**a) Foreign currencies translation**

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

**b) Commitments**

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

**1.2.4 Cash flow statement**

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

**1.2.5 Reporting period**

These financial statements cover from January 01, 2012 to December 31, 2012.

**1.3 Assets and basis of their valuation**

**1.3.1 Cash and cash equivalents**

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

### 1.3.2 Loans and advances / investments

- a) Loans and advances of Off-Shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

### 1.3.3 Fixed assets and depreciation

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

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

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

c) For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal.

### 1.4 Basis for valuation of liabilities and provisions

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

### 1.5 Revenue recognition

#### 1.5.1 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

#### 1.5.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

#### 1.5.3 Interest paid and other expenses

In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

## 2 General

a) Items included in the financial statements of the Unit are measured using the currency of primary economic environment in which the entity operates (functional currency). These financial statements are presented in US Dollar (USD) and Taka, where US Dollar is the functional currency and US Dollar (USD) and Taka are the Unit's presentation currency.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 79.8499 (closing rate as at Decemer 31, 2012).

	2012		2011	
	USD	Taka	USD	Taka
<b>3 Balance with other Banks and Financial Institutions</b>				
In Bangladesh	-	-	-	-
Outside Bangladesh (note-3.1)	5,000,000.00	399,249,500.00	1,560.01	127,691.34
	<b>5,000,000.00</b>	<b>399,249,500.00</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>3.1 Outside Bangladesh (Nostro accounts)</b>				
<b>Current account</b>				
Citibank N.A., New York, USA	<b>5,000,000.00</b>	<b>399,249,500.00</b>	<b>1,560.01</b>	<b>127,691.34</b>
<b>4 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts, etc.</b>				
Loan (General)	-	-	-	-
Cash Credit	-	-	-	-
Overdraft	-	-	-	-
Loan against Trust Receipt	907,507.80	72,464,407.08	1,580,822.13	129,394,875.73
	<b>907,507.80</b>	<b>72,464,407.08</b>	<b>1,580,822.13</b>	<b>129,394,875.73</b>
<b>ii) Bills purchased and discounted</b>				
Inland bills purchased	-	-	-	-
Foreign bills purchased and discounted	2,120,732.61	169,340,286.84	2,480,505.82	203,036,594.84
	<b>2,120,732.61</b>	<b>169,340,286.84</b>	<b>2,480,505.82</b>	<b>203,036,594.84</b>
	<b>3,028,240.41</b>	<b>241,804,693.91</b>	<b>4,061,327.95</b>	<b>332,431,470.56</b>
<b>5 Deposits and other accounts</b>				
Current deposits	240,212.61	19,180,952.89	153,359.84	12,552,947.65
Foreign currency deposits	-	-	-	-
Security deposits receipts	-	-	-	-
Sundry deposits	496,129.01	39,615,851.84	15,189.40	1,243,296.44
	<b>736,341.62</b>	<b>58,796,804.72</b>	<b>168,549.24</b>	<b>13,796,244.09</b>
<b>6 Other liabilities</b>				
Due to Head Office	7,059,508.26	563,701,028.52	3,801,129.17	311,133,445.84
General Provision (Unclassified Loan) 1%	46,632.02	3,723,562.18	52,261.72	4,277,773.23
	<b>7,106,140.28</b>	<b>567,424,590.70</b>	<b>3,853,390.89</b>	<b>315,411,219.07</b>
<b>7 Contingent liabilities</b>				
<b>Letters of credits</b>				
Letters of credits	1,634,961.64	130,551,523.46	1,212,500.78	99,246,705.10
Back to Back letter of credit	-	-	-	-
	<b>1,634,961.64</b>	<b>130,551,523.46</b>	<b>1,212,500.78</b>	<b>99,246,705.10</b>
<b>8 Interest income</b>				
LTR loan	100,617.49	8,034,296.51	54,108.00	4,428,896.71
Foreign Documentary bills purchased	136,684.00	10,914,203.73	71,758.57	5,873,647.05
Others	-	-	-	-
<b>Interest on loans and advances</b>	<b>237,301.49</b>	<b>18,948,500.25</b>	<b>125,866.57</b>	<b>10,302,543.77</b>
Interest received from HO	-	-	357.05	29,225.58
<b>Total Interest income</b>	<b>237,301.49</b>	<b>18,948,500.25</b>	<b>126,223.62</b>	<b>10,331,769.35</b>

	2012		2011	
	USD	Taka	USD	Taka
<b>9 Interest on deposits, borrowings,</b>				
Interest paid to HO	108,732.06	8,682,244.12	73,732.12	6,035,187.85
	<b>108,732.06</b>	<b>8,682,244.12</b>	<b>73,732.12</b>	<b>6,035,187.85</b>
<b>10 Commission, exchange and brokerage</b>				
Commission on L/Cs'	18,068.21	1,442,744.76	22,028.18	1,803,070.41
Export Bill Handling Charge	9,868.87	788,028.28	8,734.64	714,955.61
Acceptance	11,089.07	885,461.13	375.55	30,739.86
Other commission	13,202.40	1,054,210.32	9,207.01	753,620.47
	<b>52,228.55</b>	<b>4,170,444.49</b>	<b>40,345.38</b>	<b>3,302,386.35</b>
<b>11 Other operating income</b>				
Loan processing fees	4,885.00	390,066.76	5,000.00	409,264.50
L/C advice charge	4,242.00	338,723.28	1,321.00	108,127.68
Postage	2,537.00	202,579.1963		
	<b>11,664.00</b>	<b>931,369.23</b>	<b>6,321.00</b>	<b>517,392.18</b>
<b>12 Salaries and allowances</b>				
	13,644.13	1,089,482.42	5,921.45	484,688.00

**ONE Securities Limited**  
**Statement of Financial Position**  
**as at 31 December 2012**

	Note	Amount in Taka	
		31.12.2012	31.12.2011
<b>Source of Fund</b>			
<b>Shareholders' Equity</b>			
Paid-up Capital	3.00	1,463,636,300	1,463,636,300
Retained Earnings		(111,988,871)	(176,806,380)
<b>Total Source of Fund</b>		<b>1,351,647,429</b>	<b>1,286,829,920</b>
<b>Application of Fund</b>			
<b>Non Current Assets (A)</b>			
Membership at Cost	4.00	600,200,000	280,000,000
Investment in Shares	5.00	1,199,560,500	1,177,560,500
Preliminary and Pre-Operational Expenses	6.00	1,309,342	1,745,789
		<b>1,801,069,842</b>	<b>1,459,306,289</b>
<b>Current Assets (B)</b>			
Cash at Bank	7.00	8,974,031	10,433,614
Advance Deposit and Prepayments	8.00	25,000	-
Advance Income Tax	9.00	2,708,127	996,209
		<b>11,707,158</b>	<b>11,429,823</b>
<b>Current Liabilities (C)</b>			
Short Term Borrowing	10.00	357,453,129	-
Other Liabilities	11.00	103,647,292	183,885,292
Audit Fee Payable (Last year's figure rearranged)	12.00	20,000	20,000
Other Payable (Last year's figure rearranged)	13.00	9,150	900
		<b>461,129,571</b>	<b>183,906,192</b>
<b>Net Current Assets (D=B-C)</b>		<b>(449,422,413)</b>	<b>(172,476,369)</b>
<b>Total Application of Fund (A+D)</b>		<b>1,351,647,429</b>	<b>1,286,829,920</b>

The annexed notes 1-14 form an integral part of the financial statements.

A.S.M. Salauddin  
Director

Syed Nurul Amin  
Director

Zahur Ullah  
Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants

**ONE Securities Limited**  
**Statement of Comprehensive Income**  
**for the year ended 31 December 2012**

	Note	Amount in Taka	
		2012	4 May 2011 to 31 December 2011
<b>Operating Income (A)</b>			
Interest on Bank Deposit		535,351	9,962,093
		<b>535,351</b>	<b>9,962,093</b>
<b>Operating Expenses (B)</b>			
Interest paid on Time Loan		13,753,129	-
Bank charges		8,574	11,113
Brokerage commission		-	2,355,121
Audit Fees <b>(Last year's figure rearranged)</b>	12.00	20,000	20,000
Professional fees		30,000	11,000
Amortization of preliminary expenses	6.00	436,447	436,447
Printing & Stationery		6,250	-
Advertisement expenses		123,436	-
Fees and other expenses	14.00	1,575,005	38,700
Others <b>(Last year's figure rearranged)</b>		3,000	10,800
		<b>15,955,842</b>	<b>2,883,181</b>
<b>Net profit before provision and tax (A-B)</b>		<b>(15,420,491)</b>	<b>7,078,912</b>
Provision for diminution in value of investment in shares	11.1	80,240,700	(181,230,700)
Provision for income tax	11.2	(2,700)	(2,654,592)
<b>Net profit (loss) after provision &amp; tax</b>		<b>64,817,509</b>	<b>(176,806,380)</b>
Retained surplus brought forward		(176,806,380)	-
<b>Retained surplus carried forward</b>		<b>(111,988,871)</b>	<b>(176,806,380)</b>
<b>Earning per Share</b>		<b>4.43</b>	<b>(12.08)</b>

The annexed notes 1-14 form an integral part of the financial statements.

A.S.M. Salauddin  
Director

Syed Nurul Amin  
Director

Zahur Ullah  
Chairman

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

Dhaka: April 09, 2013

ACNABIN  
Chartered Accountants

**ONE Securities Limited  
Statement of Cash Flows  
for the year ended 31 December 2012**

	Amount in Taka	
	2012	4 May 2011 to 31 December 2011
<b>Cash Flows from Operating Activities</b>		
Interest Receipts	535,351	9,962,093
Income Taxes paid	(1,711,918)	(996,209)
Other current assets	(25,000)	-
Operating Expenses	(1,758,016)	(2,425,834)
<b>Net Cash flow from Operating Activities (A)</b>	<b>(2,959,583)</b>	<b>6,540,050</b>
<b>Cash Flows from Investing Activities</b>		
Payment of purchase of securities	(22,000,000)	(1,177,560,500)
Memberships at cost	(320,200,000)	(280,000,000)
Preliminary expenses	-	(2,182,236)
<b>Net Cash used in Investing Activities (B)</b>	<b>(342,200,000)</b>	<b>(1,459,742,736)</b>
<b>Cash Flows from Financing Activities</b>		
Receipts from issue of Share Capital	-	1,463,636,300
Short term borrowing	343,700,000	-
<b>Net Cash Flows from Financing Activities (C)</b>	<b>343,700,000</b>	<b>1,463,636,300</b>
<b>Net cash flows for the year (A+B+C)</b>	<b>(1,459,583)</b>	<b>10,433,614</b>
Add: Cash & Cash Equivalent at beginning of the Period	10,433,614	-
<b>Cash &amp; Cash Equivalent at end of the Period</b>	<b>8,974,031</b>	<b>10,433,614</b>

A.S.M. Salauddin  
Director

Syed Nurul Amin  
Director

Zahur Ullah  
Chairman

Dhaka: April 09, 2013

**ONE Securities Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2012**

Particulars	Paid-up Capital	Retained Earnings	Total
Balance as of January 01, 2012:	1,463,636,300	(176,806,380)	1,286,829,920
Net profit / (loss) during the year	-	64,817,509	64,817,509
<b>Balance as on 31 December 2012</b>	<u>1,463,636,300</u>	<u>(111,988,871)</u>	<u>1,351,647,429</u>
<b>Balance as on 31 December 2011</b>	<u><b>1,463,636,300</b></u>	<u><b>(176,806,380)</b></u>	<u><b>1,286,829,920</b></u>

A.S.M. Salauddin  
Director

Syed Nurul Amin  
Director

Zahur Ullah  
Chairman

Dhaka: April 09, 2013



**ONE Securities Limited**  
**Notes to the Financial Statements**  
**For the period ended 31 December 2012**

**1.00 Status of the Company**

**1.01 Legal Form of the Company**

ONE Securities Limited (OSL) was incorporated on the 4th May 2011 under the Companies Act, (Act XVIII) 1994 as a private limited company by shares. It is a subsidiary company of ONE Bank Limited. The Registered Office of the Company is situated at 2/F, HRC Bhaban, 46 Kawran Bazar Commercial Area Dhaka-1215, Bangladesh.

**1.02 Nature of Business Activities**

The principal activities of the company are to sell and deal in shares, stocks, debentures and other securities and undertake all the functions of Stock Exchange member.

**2.00 Accounting Policies**

**2.01 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.

**2.02 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.

**2.03 Investment in Membership**

Investment in membership are stated at cost. The cost of acquisition of a membership comprises its purchase price and any directly attributable cost of beginning the asset to its working condition for its intended use inclusive of stamp duty and non-refundable taxes, etc.

**2.04 Investments in securities**

Investment in marketable ordinary shares has been shown at cost. Provision for diminution in value of shares as on closing of the year on an aggregate portfolio basis has been made in the account as per Directive# SEC/CMRRCD/2009-193/144 dated 27 February 2013 of Bangladesh Securities and Exchange Commission as detailed in Note # 11.01.

**2.05 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 amortized over 5 years.

**2.06 Cash and cash equivalents**

Cash and cash equivalents include note and coins on 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.

**2.07 Provision for taxation**

Provision for current income tax has been made @ 0.50% on gross receipt as per Section 16CCC of the Income Tax Ordinance 1984 which is a minimum income tax payable by the company since the company incurred a taxable loss for the current year.

**2.08 Share capital**

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

**2.09 Reporting period**

These financial statements cover one calendar year from 1 January to 31 December 2012.

**2.10 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.

### 2.11 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.10,000,000 to ONE Bank Limited.

### 2.12 General

Previous year's figures have been rearranged wherever considered necessary to confirm to current years presentation.

Amount in Taka	
31.12.2012	31.12.2011

### 3.00 Share Capital

#### 3.01 Authorized Capital: Tk. 4,000,000,000

40,000,000 Ordinary Shares of Tk. 100/- each.

4,000,000,000	4,000,000,000
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#### 3.02 Paid-up Capital: Tk. 1,463,636,300

Paid-up Capital 14,636,363 shares of Tk. 100/- each, fully paid.

1,463,636,300	1,463,636,300
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#### 3.03 Shareholding position of the company

Name of Shareholders	Number of Shares	
ONE Bank Limited	14,490,000	1,449,000,000
NTC Housing Limited	146,363	14,636,300
	<b>14,636,363</b>	<b>1,463,636,300</b>

### 4.00 Membership at Cost

This represents the amount paid for purchasing membership of Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited (CSE) including stamp duty for transferring shares.

Purchase of DSE membership at cost*	320,200,000	-
Purchase of CSE membership at cost*	280,000,000	280,000,000
	<b>600,200,000</b>	<b>280,000,000</b>

\* DSE membership was purchased in October 2012 and allotted in our name in end-November 2012. The CSE membership was purchased in November 2010 and allotted in our name in May 2011. We have measured the memberships at cost instead of fair value. As there is no active market for the DSE and CSE memberships and the market prices of the same fluctuate significantly over time, we have shown the value at cost.

### 5.00 Investment in Shares

The City Bank Limited	697,520,500	697,520,500
Lanka Bangla Finance Limited	502,040,000	480,040,000
<b>Total Cost Price</b>	<b>1,199,560,500</b>	<b>1,177,560,500</b>

The City Bank Limited	396,070,500	621,889,800
Lanka Bangla Finance Limited	298,540,000	374,440,000
<b>Total Market Price</b>	<b>694,610,500</b>	<b>996,329,800</b>

(Details of market price are shown in Annexure-A. Reference may be made to note 11.00 for provision in diminution in the year-end value of shares)

### 6.00 Preliminary and Pre-operation 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 Amortization		
Opening balance	436,447	-
During the year	436,447	436,447
Closing balance	872,894	436,447
	<b>1,309,342</b>	<b>1,745,789</b>

### 7.00 Cash at Bank

ONE Bank Ltd., Kawran Bazar Branch (SND Account # 5086500002)	8,974,031	10,433,614
	<b>8,974,031</b>	<b>10,433,614</b>

### 8.00 Advance Deposit and Prepayment

Amount paid to Chittagong Stock Exchange as deposit for clearing house.

25,000	-
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	<b>Amount in Taka</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>9.00 Advance Income Tax</b>		
Opening balance	996,209	996,209
Advance Income Tax U/S-74	1,658,383	-
Tax deducted at source	53,535	-
Closing balance	<b>2,708,127</b>	<b>996,209</b>

#### 10.00 Short Term Borrowing

Time loan from ONE Bank Ltd.*	347,453,129	-
Payable to ONE Bank Ltd.**	10,000,000	-
	<b>357,453,129</b>	<b>-</b>

\* The above Time loan was taken from ONE Bank Ltd, Kawran Bazar Branch bearing interest @ 15.50% per annum on quarterly basis vide reference no. OBL/KBB/CREDIT/058/2012 dated 07 October 2012.

\*\* The above amount Tk.10,000,000 was paid by ONE Bank Ltd. on behalf of our company as earnest money to DSE for registration purpose.

#### 11.00 Other Liabilities

Provision for diminution in value of investment in shares (note-11.01)	100,990,000	181,230,700
Provision for Income Tax (note-11.02)	2,657,292	2,654,592
	<b>103,647,292</b>	<b>183,885,292</b>

##### 11.01 Provision for diminution in value of investment in shares

Opening balance	181,230,700	-
Provision add back for the year	(80,240,700)	181,230,700
Closing balance (20% of Tk.504,950,000 as in Annexure- A)	<b>100,990,000</b>	<b>181,230,700</b>

As per Directive# SEC/CMRRCD/2009-193/144 dated 27 February 2013 of Bangladesh Securities and Exchange Commission, 20% provision can be made for unrealized loss arising out of the year-end (31.12.2012) revaluation of shares purchased as dealer, in which case no dividend can be paid. So we have made 20% provision for unrealized loss arising out of the year-end (31.12.2012) revaluation of shares purchased as dealer.

##### 11.02 Provision for Income Tax

Opening balance	2,654,592	-
Provision for the year *	2,700	2,654,592
Closing balance	<b>2,657,292</b>	<b>2,654,592</b>

\* Net loss before provision and tax for the year ended 31 December , 2012 is Tk.15,420,491, So the company will not be required to make provision against tax. But as per Income Tax Ordinance 1984 Section 16CCC minimum tax @ 0.50% on the gross receipts is required to pay. Accordingly we have made a provision of Tk.2,700 on the gross receipt of tk. 535,351.

#### 12.00 Audit Fee Payable

Opening balance	20,000	-
Charge during the year	20,000	20,000
Paid during the year	(20,000)	-
Closing balance	<b>20,000</b>	<b>20,000</b>

#### 13.00 Other Payable

TDS from Audit fee	2,000	-
TDS from Professional Fees	3,000	-
VAT on audit fees	3,900	900
TDS from Advertising Firm	250	-
	<b>9,150</b>	<b>900</b>

#### 14.00 Fees and other expenses

	<b>Amount in Taka</b>	
	<b>2012</b>	<b>2011</b>
Subscription and license fees	-	18,100
RJSC Stamp Fee	-	10,600
RJSC Miscellaneous Fee	-	10,000
Registration fee for Stock Dealer	20,000	-
Registration fee for Stock Broker	20,000	-
Information Networking Service Fee	13,000	-
DSE Entrance Fee	1,000,000	-
Membership fee (DSE Members Club)	500,000	-
CSE Membership Fee	5,000	-
Trade License Fee	17,005	-
	<b>1,575,005</b>	<b>38,700</b>

**ONE Securities Limited  
Investment in securities  
As at December 31 2012**

<b>Name of Securities</b>	<b>Quantity</b>	<b>Rate</b>	<b>Total cost</b>	<b>Market rate</b>	<b>Market value</b>	<b>Gain/(loss)</b>
The City Bank Ltd.	14,778,750	47.20	697,520,500	26.80	396,070,500	(301,450,000)
Lanka Bangla Finance	5,060,000	99.22	502,040,000	59.00	298,540,000	(203,500,000)
			<b><u>1,199,560,500</u></b>		<b><u>694,610,500</u></b>	<b><u>(504,950,000)</u></b>