

ONE Bank Limited and its Subsidiary
Consolidated Balance Sheet
As at 31 December 2014

PROPERTY AND ASSETS	Notes	2014 Taka	2013 Taka
Cash	3 (a)		
Cash in hand (including foreign currencies)		812,064,082	1,099,408,003
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		8,193,901,158	7,723,234,121
		9,005,965,240	8,822,642,124
Balance with other banks and financial institutions	4 (a)		
In Bangladesh		707,953,962	1,117,932,445
Outside Bangladesh		870,788,660	516,875,249
		1,578,742,622	1,634,807,694
Money at call on short notice	5	150,000,000	670,000,000
Investments	6 (a)		
Government		13,092,499,305	8,853,247,269
Others		3,432,875,749	3,238,836,864
		16,525,375,054	12,092,084,133
Loans and Advances	7 (a)		
Loans, Cash Credit, Overdraft etc.		87,678,512,427	72,398,260,508
Bills purchased and discounted		2,345,518,678	3,771,431,210
		90,024,031,105	76,169,691,718
Fixed Assets including premises, furniture & fixtures	8 (a)	1,399,382,714	1,205,627,611
Other Assets	9 (a)	2,745,212,430	1,757,311,103
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		121,712,495,690	102,635,950,909
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11 (a)	1,317,260,683	145,066,532
Deposits and other accounts	12 (a)		
Current accounts and other accounts		13,279,372,176	15,564,521,251
Bills payable		2,525,148,799	1,372,962,253
Savings bank deposits		9,777,300,687	7,012,233,334
Term deposits		74,713,237,249	62,618,626,263
		100,295,058,911	86,568,343,101
Other Liabilities	13 (a)	8,308,655,150	5,315,685,363
Subordinated -Debt	14	2,200,000,000	2,200,000,000
Total Liabilities		112,120,974,744	94,229,094,996
Capital/Shareholders' Equity			
Paid-up Capital	15	5,243,777,020	4,767,070,020
Statutory Reserve	16	3,305,962,560	2,665,409,979
Surplus in Profit and Loss Account		985,135,415	895,565,966
Revaluation Reserve for Securities		48,491,839	66,008,056
Total Shareholders' Equity		9,583,366,834	8,394,054,022
Non-Controlling Interest		8,154,112	12,801,891
Total Liabilities and Shareholders' Equity		121,712,495,690	102,635,950,909

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances & Endorsements		20,262,626,353	18,378,551,803
Letters of Guarantee	47	10,878,319,164	11,358,740,591
Irrevocable Letters of Credit		16,384,817,490	11,663,384,421
Bills for Collection		2,261,309,221	2,782,357,930
		<u>49,787,072,228</u>	<u>44,183,034,745</u>
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		<u>49,787,072,228</u>	<u>44,183,034,745</u>
Other Commitments:			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		<u>-</u>	<u>-</u>
Total off-Balance Sheet items including contingent liabilities		<u>49,787,072,228</u>	<u>44,183,034,745</u>

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

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

Dhaka: 15 March 2015

ATA KHAN & CO
Chartered Accountants

ONE Bank Limited and its Subsidiary
Consolidated Profit and Loss Account
For the year ended 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
Interest income	18 (a)	11,211,459,633	10,038,284,892
Interest paid on deposits and borrowings etc.	19 (a)	(6,879,060,025)	(7,049,617,618)
Net interest income		4,332,399,607	2,988,667,274
Investment income	20 (a)	1,154,436,041	1,018,659,295
Commission, exchange and brokerage	21 (a)	1,247,667,927	1,067,073,922
Other operating income	22 (a)	388,241,759	323,650,263
Total operating income (A)		7,122,745,335	5,398,050,753
Salaries and allowances	23(a)	1,813,547,044	1,757,527,242
Rent, taxes, insurance, electricity etc.	24	355,645,152	288,022,767
Legal expenses	25 (a)	22,000,289	4,277,000
Postage, stamps, telecommunication etc.	26	51,278,918	49,528,550
Directors' fees	27 (a)	902,500	735,000
Auditor's fee		225,000	215,000
Stationery, Printings, advertisements etc.	28 (a)	138,030,517	143,946,616
Managing Director's salary and fees	29	13,106,662	12,010,041
Depreciation, leasing expense and repair of bank's assets	30 (a)	437,861,962	369,136,470
Other expenses	31 (a)	439,541,093	374,414,100
Total operating expenses (B)		3,272,139,136	2,999,812,786
Profit / (loss) before provision and tax (C=A-B)		3,850,606,198	2,398,237,967
Provision for loans and advances			
Specific provision	13.4	(86,901,058)	410,813,252
General provision	13.5	743,670,249	139,323,435
		656,769,191	550,136,687
Provision for off-balance sheet items	13.8	50,238,375	120,808,864
Provision for diminution in value of share	13.10.a	406,240,662	10,000,000
Other provisions	13.7 & 13.11	(618,125)	12,164,356
Total Provision (D)		1,112,630,103	693,109,907
Profit / (loss) before taxes (E=C-D)		2,737,976,095	1,705,128,060
Provision for taxation			
Current tax expense	33 (a)	1,068,147,240	422,483,963
Deferred tax expense/(income)	33 (a)	38,612,103	5,457,518
		1,106,759,343	427,941,481
Net profit after taxation		1,631,216,753	1,277,186,579
Attributable to:			
Shareholders of the ONE Bank Ltd		1,635,865,332	1,277,901,104
Non-Controlling Interest		(4,648,579)	(714,525)
		1,631,216,753	1,277,186,579
Retained Surplus brought forward	17.1(a)	(10,177,335)	(27,019,241)
		1,625,687,997	1,250,881,863
Appropriations:			
Statutory Reserve	16	640,552,581	355,315,897
General reserve		-	-
		640,552,581	355,315,897
Retained Surplus		985,135,415	895,565,966
Earning per share (EPS)	48 (a)	3.12	2.44

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

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

ONE Bank Limited and its Subsidiary
Consolidated Cash Flow Statement
For the year ended 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	34 (a)	11,755,234,948	10,569,905,267
Interest payments	35 (a)	(6,857,230,716)	(7,201,308,535)
Dividend receipts		39,457,363	24,011,509
Fee and commission receipts in cash	36 (a)	657,819,019	609,587,167
Cash payments to employees		(1,870,543,020)	(1,825,113,432)
Cash payments to suppliers		(374,061,293)	(349,728,672)
Income taxes paid		(930,909,763)	(925,592,410)
Receipts from other operating activities	39 (a)	978,302,304	778,118,918
Payment for other operating activities	40 (a)	(917,291,363)	(622,284,658)
Cash generated from operating activities before changes in operating assets and liabilities		2,480,777,479	1,057,595,155
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(13,909,667,665)	(16,305,915,788)
Other current assets	41 (a)	(4,317,320)	(129,565,780)
Borrowing from other banking companies, agencies etc.		1,172,194,151	24,698,561
Deposits from other banks	42	9,399,996,736	(7,227)
Deposits from customers	43	3,975,269,137	13,309,005,958
Other liabilities	44 (a)	748,464,010	263,314,732
A Net cash used in /from operating activities		3,862,716,527	(1,780,874,388)
Cash flows from investing activities			
Payments for purchase of securities	45 (a)	(16,104,346,457)	(13,073,837,043)
Receipts from sale of securities	46	12,670,331,560	13,192,781,300
Net Purchase/sale of fixed assets		(395,667,452)	(264,743,125)
B Net cash used in investing activities		(3,829,682,349)	(145,798,868)
Cash flows from financing activities			
Receipts from issue of ordinary shares		-	-
Receipts from issue of Subordinated Debt		-	2,200,000,000
Dividend paid		(429,036,302)	(207,263,914)
C Net cash from financing activities		(429,036,302)	1,992,736,086
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		(396,002,123)	66,062,830
E Effects of exchange rate changes on cash and cash-equivalent		1,518,067	(10,499,500)
F Opening cash and cash equivalents		11,130,656,818	11,075,093,488
G Closing cash and cash equivalents (D+E+F)		10,736,172,762	11,130,656,818
Closing cash and cash equivalents			
Cash in hand	3 (a)	812,064,082	1,099,408,003
Cash with Bangladesh Bank & its agent(s)	3 (a)	8,193,901,158	7,723,234,121
Cash with other banks and financial institutions	4 (a)	1,578,742,622	1,634,807,694
Money at call on short notice	5	150,000,000	670,000,000
Prize bonds	6	1,464,900	3,207,000
		10,736,172,762	11,130,656,818

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka: 15 March 2015

ONE Bank Limited and its Subsidiary
Consolidated Statement of changes in Equity
For the year ended 31 December 2014

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit and Loss Account	Total	Non-Controlling Interest	Total
Balance as at 01 January 2014	4,767,070,020	2,665,409,979	66,008,056	895,565,966	8,394,054,022	12,801,891	8,406,855,913
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	4,767,070,020	2,665,409,979	66,008,056	895,565,966	8,394,054,022	12,801,891	8,406,855,913
Issue of Bonus Share for the year 2013 (Transferred to Paid-up)	476,707,000	-	-	(476,707,000)	-	-	-
Cash Dividend Paid	-	-	-	(429,036,302)	(429,036,302)	-	(429,036,302)
Share Transferred	-	-	-	-	-	800	800
Surplus of Revaluation Reserve for HTM Securities	-	-	48,491,839	-	48,491,839	-	48,491,839
Adjustment of Revaluation Reserve for HTM Securities	-	-	(66,008,056)	-	(66,008,056)	-	(66,008,056)
Net Profit after Tax for the year	-	-	-	1,635,865,332	1,635,865,332	(4,648,579)	1,631,216,753
Profit transferred to Statutory Reserve	-	640,552,581	-	(640,552,581)	-	-	-
Balance as at 31 December 2014	5,243,777,020	3,305,962,560	48,491,839	985,135,415	9,583,366,834	8,154,112	9,591,520,946
Balance as at 31 December 2013	4,767,070,020	2,665,409,979	66,008,056	895,565,966	8,394,054,022	12,801,891	8,406,855,913

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka: 15 March 2015

ONE Bank Limited
Balance Sheet
As at 31 December 2014

PROPERTY AND ASSETS	Notes	2014	2013
		Taka	Taka
Cash	3		
Cash in hand (including foreign currencies)		812,047,402	1,099,408,003
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		8,193,901,158	7,723,234,121
		9,005,948,560	8,822,642,124
Balance with other banks and financial institutions	4		
In Bangladesh		692,281,209	1,113,304,583
Outside Bangladesh		870,788,660	516,875,249
		1,563,069,869	1,630,179,832
Money at call on short notice	5	150,000,000	670,000,000
Investments	6		
Government		13,092,499,305	8,853,247,269
Others		1,631,365,227	1,439,076,364
		14,723,864,532	10,292,323,633
Loans and Advances	7		
Loans, Cash Credit, Overdraft etc.		88,153,494,077	72,801,913,880
Bills purchased and discounted		2,345,518,678	3,771,431,210
		90,499,012,755	76,573,345,090
Fixed Assets including premises, furniture & fixtures	8	1,395,509,199	1,205,627,611
Other Assets	9	4,198,748,913	3,213,066,030
Non-banking Assets	10	283,786,525	283,786,525
Total Assets		121,819,940,353	102,690,970,846
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	1,317,260,683	145,066,532
Deposits and other accounts	12		
Current accounts and other accounts		13,279,372,176	15,564,521,251
Bills payable		2,525,148,799	1,372,962,253
Savings bank deposits		9,777,300,687	7,012,233,334
Term deposits		74,713,237,249	62,618,626,263
		100,295,058,911	86,568,343,101
Other Liabilities	13	7,782,460,725	5,201,899,942
Subordinated Debt	14	2,200,000,000	2,200,000,000
Total Liabilities		111,594,780,320	94,115,309,575
Capital/Shareholders' Equity			
Paid-up Capital	15	5,243,777,020	4,767,070,020
Statutory Reserve	16	3,305,962,560	2,665,409,979
Surplus in Profit and Loss Account	17	1,626,928,614	1,077,173,216
Revaluation Reserve for Securities		48,491,839	66,008,056
Total Shareholders' Equity		10,225,160,033	8,575,661,271
Total Liabilities and Shareholders' Equity		121,819,940,353	102,690,970,846

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
CONTINGENT LIABILITIES			
Acceptances & Endorsements		20,262,626,353	18,378,551,803
Letters of Guarantee	47	10,878,319,164	11,358,740,591
Irrevocable Letters of Credit		16,384,817,490	11,663,384,421
Bills for Collection		2,261,309,221	2,782,357,930
		<u>49,787,072,228</u>	<u>44,183,034,745</u>
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		<u>49,787,072,228</u>	<u>44,183,034,745</u>
Other Commitments:			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		<u>-</u>	<u>-</u>
Total off-Balance Sheet items including contingent liabilities		<u>49,787,072,228</u>	<u>44,183,034,745</u>

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

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

Dhaka: 15 March 2015

ATA KHAN & CO
Chartered Accountants

ONE Bank Limited
Profit and Loss Account
For the year ended 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
Interest income	18	11,275,606,273	10,097,751,642
Interest paid on deposits and borrowings etc.	19	(6,879,060,025)	(7,049,617,618)
Net interest income		4,396,546,247	3,048,134,024
Investment income	20	1,146,033,093	1,018,659,295
Commission, exchange and brokerage	21	1,242,236,426	1,067,075,720
Other operating income	22	387,692,566	323,650,263
Total operating income (A)		7,172,508,333	5,457,519,301
Salaries and allowances	23	1,808,277,993	1,756,165,113
Rent, taxes, insurance, electricity etc.	24	355,645,152	288,022,767
Legal expenses	25	22,000,289	4,277,000
Postage, stamps, telecommunication etc.	26	51,278,918	49,528,550
Directors' fees	27	830,000	735,000
Auditor's fee		200,000	190,000
Stationery, Printings, advertisements etc.	28	137,658,514	143,944,001
Managing Director's salary and fees	29	13,106,662	12,010,041
Depreciation, leasing expense and repair of bank's assets	30	436,756,584	369,136,470
Other expenses	31	437,601,873	373,820,968
Total operating expenses (B)		3,263,355,985	2,997,829,911
Profit / (loss) before provision and tax (C=A-B)		3,909,152,348	2,459,689,390
Provision for loans and advances			
Specific provision	13.4	(86,901,058)	410,813,252
General provision	13.5	743,670,249	139,323,435
		656,769,191	550,136,687
Provision for off-balance sheet items	13.8	50,238,375	120,808,864
Provision for diminution in value of share	13.10	-	-
Other provisions	13.7 & 13.11	(618,125)	12,164,356
Total Provision (D)		706,389,441	683,109,907
Profit / (loss) before taxes (E=C-D)		3,202,762,907	1,776,579,484
Provision for taxation			
Current tax expense	33	1,068,099,523	422,482,600
Deferred tax expense/(income)	33	38,612,103	5,457,518
		1,106,711,626	427,940,118
Net profit after taxation		2,096,051,282	1,348,639,366
Retained Surplus brought forward	17.1	171,429,914	83,849,746
		2,267,481,195	1,432,489,112
Appropriations:			
Statutory Reserve	16	640,552,581	355,315,897
General reserve		-	-
		640,552,581	355,315,897
Retained Surplus		1,626,928,614	1,077,173,216
Earning per share (EPS)	48	4.00	2.57

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

M. Fakhrul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

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

Dhaka: 15 March 2015

ATA KHAN & CO
Chartered Accountants

ONE Bank Limited
Cash Flow Statement
For the year ended 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	34	11,755,415,397	10,624,471,773
Interest payments	35	(6,857,230,716)	(7,201,308,535)
Dividend receipts	20	32,724,215	24,011,509
Fee and commission receipts in cash	36	652,371,370	609,587,167
Cash payments to employees	37	(1,870,543,020)	(1,825,113,432)
Cash payments to suppliers	38	(374,061,293)	(349,728,672)
Income taxes paid	9.2	(930,154,293)	(925,565,145)
Receipts from other operating activities	39	977,753,122	778,118,918
Payment for other operating activities	40	(915,642,114)	(622,150,660)
Cash generated from operating activities before changes in operating assets and liabilities		2,470,632,668	1,112,322,925
Increase/(decrease) in operating assets and liabilities			
Loans and advances to customers		(13,925,667,665)	(16,357,215,788)
Other current assets	41	11,751,306	(128,665,780)
Borrowing from other banking companies, agencies etc.		1,172,194,151	24,698,561
Deposits from other banks	42	9,399,996,736	(7,227)
Deposits from customers	43	3,975,269,137	13,309,005,958
Other liabilities	44	742,731,143	263,333,132
A Net cash used in /from operating activities		3,846,907,475	(1,776,528,220)
Cash flows from investing activities			
Payments for purchase of securities	45	(16,102,596,435)	(13,073,837,043)
Receipts from sale of securities	46	12,670,331,560	13,192,781,300
Net Purchase/sale of fixed assets		(392,669,991)	(264,743,125)
B Net cash used in investing activities		(3,824,934,866)	(145,798,868)
Cash flows from financing activities			
Receipts from issue of ordinary shares		-	-
Receipts from issue of Subordinated Debt		-	2,200,000,000
Dividend paid		(429,036,302)	(207,263,914)
C Net cash from financing activities		(429,036,302)	1,992,736,086
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		(407,063,693)	70,408,998
E Effects of exchange rate changes on cash and cash-equivalent		1,518,067	(10,499,500)
F Opening cash and cash equivalents		11,126,028,955	11,066,119,457
G Closing cash and cash equivalents (D+E+F)		10,720,483,329	11,126,028,955
Closing cash and cash equivalents			
Cash in hand	3.1	812,047,402	1,099,408,003
Cash with Bangladesh Bank & its agent(s)	3.2	8,193,901,158	7,723,234,121
Cash with other banks and financial institutions	4	1,563,069,869	1,630,179,831
Money at call on short notice	5	150,000,000	670,000,000
Prize bonds	6	1,464,900	3,207,000
		10,720,483,329	11,126,028,955

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amir
Director

Zahur Ullah
Director

Dhaka: 15 March 2015

ONE Bank Limited
Statement of changes in Equity
For the year ended 31 December 2014

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit and Loss Account	Total Shareholders equity
Balance as at 01 January 2014	4,767,070,020	2,665,409,979	66,008,056	1,077,173,216	8,575,661,271
Changes in accounting policy	-	-	-	-	-
Restated balance	4,767,070,020	2,665,409,979	66,008,056	1,077,173,216	8,575,661,271
Issue of Bonus Share for the year 2013 (Transferred to Paid-up Capital)	476,707,000	-	-	(476,707,000)	-
Cash Dividend Paid				(429,036,302)	(429,036,302)
Surplus of Revaluation Reserve for HTM Securities			48,491,839		48,491,839
Adjustment of Revaluation Reserve for HTM Securities	-	-	(66,008,056)	-	(66,008,056)
Net Profit after Tax for the year	-	-	-	2,096,051,282	2,096,051,282
Profit transferred to Statutory Reserve	-	640,552,581	-	(640,552,581)	-
Balance as at 31 December 2014	5,243,777,020	3,305,962,560	48,491,839	1,626,928,614	10,225,160,033
Balance as at 31 December 2013	4,767,070,020	2,665,409,979	66,008,056	1,077,173,216	8,575,661,271

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka: 15 March 2015

ONE Bank Limited
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at 31 December 2014

Amount in Taka

	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	9,005,948,560	-	-	-	-	9,005,948,560
Balance with other banks and financial institutions	810,758,990	435,394,553	306,416,322	10,500,005	-	1,563,069,870
Money at call on short notice	150,000,000	-	-	-	-	150,000,000
Investment	745,368,940	853,935,055	6,259,822,425	2,198,369,037	4,666,369,075	14,723,864,532
Loans and Advances	11,243,678,208	24,435,570,044	36,243,214,679	15,364,542,629	3,212,007,195	90,499,012,755
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	1,395,509,199	1,395,509,199
Other Assets	276,960,773	-	415,441,159	692,356,953	2,813,990,028	4,198,748,913
Non-banking Assets	-	-	-	-	283,786,525	283,786,525
Total Assets	22,232,715,471	25,724,899,652	43,224,894,585	18,265,768,624	12,371,662,022	121,819,940,353
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	210,761,709	184,943,400	495,553,469	426,002,105	-	1,317,260,683
Deposits and Other Accounts	23,208,322,049	37,440,740,718	24,445,267,342	10,831,369,756	4,369,359,049	100,295,058,912
Other Liabilities	825,101,539	3,380,662,717	2,343,847,635	1,232,848,835	-	7,782,460,725
Subordinated Debt	-	-	-	-	2,200,000,000	2,200,000,000
Total Liabilities	24,244,185,297	41,006,346,834	27,284,668,445	12,490,220,695	6,569,359,049	111,594,780,320
Net Liquidity Gap	(2,011,469,826)	(15,281,447,183)	15,940,226,140	5,775,547,929	5,802,302,973	10,225,160,033

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

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka: 15 March 2015

ONE Bank Limited
Notes to the Financial Statements
For the year ended 31 December 2014

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 license from the Bangladesh Bank on 2 July 1999 under section 31 of the Bank Company Act 1991 (as amended in 2013). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches of the Bank was seventy seven (77) and the number of booths was twelve (12) as on 31 December 2014.

1.2 Nature of the business

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

1.2.1 Off-Shore Banking Unit

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

1.2.2 ONE Securities Limited

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

1.3 International Banking

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

1.4 Treasury Functions

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

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2014.

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

1.5 Information Technology

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

1.6 Strategic Direction and Challenges

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

1.7 Staff Training

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

1.8 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2014, the amount of deposit was 82.33% of total liability and shareholders' equity & the amount of shareholders' equity was 8.39% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

1.9 Corporate Governance

1.9.1 Board of Directors

a) Members of the Board

The Board of Directors of the Bank is constituted by 8 (Eight) numbers of Directors and all of the Directors except Managing Director are Non-Executive Directors. Particulars of Directors are included in the annual report.

b) Board Meeting

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

c) Information sharing system

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

d) Performance of Board

The Board has implemented a self-assessment exercise covering key functions under the following activities to assess the performance of the Board and carries out the evaluations annually.

- Discharge of Statutory /Regulatory duties and Board responsibilities;
- Corporate Governance and Risk Management monitoring;
- Seeking and contributing views and opinions on strategic decision making;
- Leveraging the skills, expertise, contacts of individual Board Members in furtherance of business;
- Understanding and formulating the succession plans to ensure talent availability and address expectations of high potential and high quality staffs, and
- Overall view of management of the business by the Management.

1.9.2 Appointment of Directors and Managing Director

a) Director

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

b) Managing Director

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

1.9.3 General Meeting

a) Shareholders Suggestions

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

b) Notice of the General Meeting

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

1.9.4 Accountability

a) Communicating Performance

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

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

2.01 Presentation of Financial Statement

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

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

2.02 Basis of Consolidation

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

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

2.03 Statement of Compliance

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

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

2.03.1 Investment in Shares and Securities

As per requirement of BAS 39 investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

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

2.03.2 Revaluation gains/losses on Government Securities

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

As per the DOS Circular 5, dated 28 January 2009 HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

2.03.3 Provision on Loans and Advances / Investments

As per the requirement of BAS 39, an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012 and BRPD circular No 05 dated 29 May 2013, a general provision at 0.25% to 5% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012. These provisions are not specifically in line with those prescribed by BAS 39.

2.03.4 Recognition of Interest in Suspense

As per the requirement of BAS 39, Loans and Advances to customers are generally classified as 'loans and receivables' and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to interest suspense account which is presented as liability in the balance.

2.03.5 Other Comprehensive Income

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

Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income as a component of financial statements. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

2.03.6 Financial Instruments – Presentation and Disclosure

In several cases Bangladesh Bank issues guidelines to categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such, full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

2.03.7 Financial Guarantees

As per the requirement of BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

2.03.8 Repo Transaction

As per the requirement of BAS 39, When an entity sales a financial assets and simultaneously enters into agreement to repurchase the assets (or a similar asset) at a fixed price on future date (Repo or stock lending), the arrangement is accounted for as a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between the selling price and repurchase price will be treated as interest expenses.

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

2.03.9 Cash and Cash Equivalent

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

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

2.03.10 Non-Banking Asset

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

As per BRPD Circular no. 14 dated 25 June 2003 there must exists a face item named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991 (as amended in 2013).

2.03.11 Cash Flow Statement

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

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

2.03.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

As per BRPD Circular no. 14 dated 25 June 2003 Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.03.13 Presentation of Intangible Asset

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

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

2.03.14 Off-Balance Sheet Items

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

As per BRPD Circular no. 14 dated 25 June 2003 off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.03.15 Loans and Advances / Investments Net of Provision

Loans and advances/Investments should be presented net of provision.

As per BRPD Circular no. 14 dated 25 June 2003 provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

2.04 Use of Estimates and Judgments

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

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

2.05 Foreign Currency Transactions

i. Functional and presentational currency

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

ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at 31 December 2014 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

iii. Commitment

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

2.06 Assets and the basis of their valuation

2.06.1 Cash and Cash Equivalents

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

2.06.2 Loans and Advances

- Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.
- Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.

Provision for Loans and Advances is made on the basis of year-end review by the Management and instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012 and BRPD Circular No. 5 dated 29 May 2013 respectively at the following rates:

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (Other than housing finance and loans for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans for professionals set up)	2%	2%
Special mention account	0.25% to 5%	0.25% to 5%
Loans to BHs/MBs/SDs against Shares	2%	2%
Loan to Short-term Agricultural and Micro-Credits	2.5%	2.5%
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	5%	5%
Doubtful	5%	5%
Bad/Loss	100%	100%

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

2.06.3 Investments

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

The valuation method of investments

- a) **Held to Maturity (HTM):** Investments which are intended to be held to maturity are classified as “Held to Maturity”. These are measured at amortized cost at every year end by taking into account any discount or premium on acquisition. Amortized amount of such premium is booked into profit and loss statement or discount is booked to equity until maturity.
- b) **Held for Trading (HFT):** Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as follows:

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

- c) **Investment in Quoted Securities:** These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline.
- d) **Investment in Unquoted Securities:** Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.
- e) **Investments in Subsidiary:** Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's Financial Statements in accordance with the Bangladesh Accounting Standard 28. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses if any.

2.06.4 Non Current Assets

a) Property, Plant and Equipment

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

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

Depreciation

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

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

b) Intangible Assets

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

c) Software

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

d) Leasehold Assets

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

2.06.5 Other Assets

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

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

2.06.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

Borrowed funds include call money deposits, borrowings, refinance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid / payable on these borrowings is charged to the Profit and Loss Account.

b) Deposits and Other Accounts

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

c) Other Liabilities

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

d) Provision for Liabilities

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

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

f) Taxation

f.1 Current Tax

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

f.2 Deferred Tax

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

g) Subordinated Bond

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

2.06.7 Capital and Shareholders' Equity

2.06.8 Capital Management

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

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

a) Paid up Share Capital

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

b) Statutory Reserve

Transfer to the statutory reserve has been maintained @ 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (as amended in 2013). This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after this it is optional.

c) Revaluation Reserve

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

2.07 Off-Balance Sheet Exposures

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

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

2.08 Revenue Recognition

The revenue of the year is recognized in compliance with the provisions of BAS-18 "Revenue".

a) Interest Income

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

b) Investment Income

Income on investment is recognized on accrual basis. The current provision for income tax and the taxable income of the year is calculated on the basis of interest receivable on the securities i.e.

after deduction of accrued interest related to the Treasury Bills and other securities. Investment income has been constituted by income from Treasury Bills, interest on Securities and Dividend income from share.

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

c) Fees, Commission and Other Income

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

d) Interest and Other Expenses

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

2.09 Cash Flow Statement

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

2.10 Liquidity Statement

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

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

2.11 Statement of Changes in Equity

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

2.12 Events after Reporting Period

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

2.13 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2014 as per BAS– 33 “Earnings per Share”. Diluted earnings per share was not required to calculate as there is no dilution possibilities occurred during the year.

2.14 Reconciliation of Books of Account

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

2.15 Authorization of Financial Statements

The financial statements for the year ended 31 December 2014 have been authorized for issue in accordance with a resolution of the Board of Directors on 15 March 2015.

2.16 Materiality and Aggregation

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

2.17. Number of Employees

The number of employees employed in the Bank as on 31 December 2014 was 1861 of which 1474 were male and 387 were female. The number of employees per branch was 17.12 (1318/77) excluding 543 employees in the Head Office of the Bank. During the year 2014, the Bank paid remuneration up to Tk. 36,000 per employee per month to 722 persons and exceeding Tk. 36,000 per employee per month to 1139 persons.

2.18. Employee Benefits

a) Provident Fund (Defined Contribution Plan)

"Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Provident fund benefits are given to the staff of the Bank in accordance with the Provident fund rules. The commissioner of Income Tax has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 27 February 2001. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as contribution to the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members' account on yearly basis. Members are eligible to get both the contributions after 03 (Three) years of continuous service from the date of their Joining the Bank.

b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

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

d) Death cum Survival Superannuation Fund

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

e) Maternity Allowance

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

f) Annual Leave Fare Assistance

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

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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

i) Staff Car Loan Scheme

All staff at job grades from AVP and above can avail of Car Loan under Staff Car Loan Scheme as per Board's approved policy and approval from the competent Authority.

j) Honorarium for Banking Diploma Part I & Part II

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

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

k) Festival Bonus

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

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

l) Incentive Bonus

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

m) Un-availed Earned Leave Encashment

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

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

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

o) Furniture & Fixture Facility Scheme:

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

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

Name of BASs	BAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenues	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Financial Instruments: Presentation	32	Applied *
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied *
Investment Property	40	N/A
Agriculture	41	N/A
Name of BFRSs	BFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Disclosure of Interests in other Entities	12	Applied
Fair Value Measurement	13	Applied

N/A = Not Applicable.

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

2.20 BASEL II Implementation and preparation for BASEL III

ONE Bank has already implemented BASEL II, for calculating minimum capital requirement structured around three pillars: (i) minimum capital requirement (on credit risk, market risk and operation risk), (ii) supervisory review process and (iii) market discipline. Implementation of BASEL II framework in Bangladesh integrated the risk management process of the Bank and its capital adequacy requirement.

BASEL II has been fully implemented in Bangladesh from January 2011. The National Steering Committee formed by Bangladesh Bank has indicated the following methodology of BASEL II to be followed in Bangladesh:

- i. Standardized method for credit and market risk.
- ii. Basic indicator approach for operational risk.
- iii. Internal Ratings Based for credit risk where prior permission from Bangladesh Bank is required.

Accordingly, ONE Bank limited has implemented BASEL II framework following the principles introduced by Bangladesh Bank.

In the mean time, Bangladesh Bank has introduced Action Plan/Roadmap for implementation of BASEL III framework for Bank Companies as follows:

Issuance of Guidelines on Risk Based Capital Adequacy	:	December 2014
Commencement of Basel III Implementation process	:	January 2015
Capacity Building of bank and BB officials	:	Jan 2015 to Dec 2019
Initiation of Full Implementation of Basel III	:	January 2020

ONE Bank limited has taken initiatives to implement BASEL III framework in accordance with the Bangladesh Bank declared Action Plan.

2.21 Risk Management

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

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

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

- 1) Credit Risk Management;
- 2) Foreign Exchange Risk Management;

- 3) Asset Liability Management;
- 4) Prevention of Money Laundering;
- 5) Internal Control & Compliance; and
- 6) Information Technology.

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

2.21.1 Credit Risk Management

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

2.21.2 Foreign Exchange Risk Management

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

2.21.3 Asset Liability Risk Management

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

2.21.4 Prevention of Money Laundering

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a Central Compliance Unit (CCU) where designated Chief Compliance Officer (CAMLCO) and two other Deputy Chief Compliance officers at Corporate HQ. A Branch Anti Money Laundering compliance officers (BAMLCO) is assigned in every branch of the Bank who independently review the transactions of the accounts to verify suspicious transactions.

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

2.21.5 Internal Control System

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

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

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

2.21.6 Information and Technology

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

2.22 Disclosure on fraud and forgeries committed by bank employees:

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

Further after taking appropriate measures against delinquent officers, if such occasion arises, we circulate it to all our employees with an objective to caution them from taking part in any fraudulent transaction. Consequently, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year-2014, total 2 cases of such fraud and forgeries were identified and thereafter reported to Bangladesh Bank in compliance with the Department of Banking Inspection instruction no. DBI-1 (Nothi)/1025/2012-41 dated 07 February 2012 and the Department of Off-site Supervision (DOS) circular letter no. 17 dated 07 November 2012 of Bangladesh Bank. Total embezzled amount involved in the 2 fraud cases is Tk. 65,80,000.00 (Taka sixty five lac eighty thousand) only. In all the two cases, the embezzled amounts have been realized in full. A note of caution has been issued to the responsible officers as they failed to demonstrate enough alertness for the cash paid against a forged cheque of Tk. 80,000.00 (Taka eighty thousand). For the embezzlement of Tk. 65,00,000.00 (Taka sixty five lac), the responsible officers have been withdrawn from the desk and further investigation is on to find out if any other such incidence has taken place and whether anybody else is involved in the fraudulent transaction and after getting the final report, stringent disciplinary measures will be initiated.

2.23 Regulatory Compliance

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

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

2.24 Rearrangement

Last year figures of Notes Number 13.7, 21, 21(a), 31, 31(a), 34, 34(a), 36, 37, 40 and 40(a) in the Financial Statements have been rearranged to confirm the current year's presentation.

2.25 General

- a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- b) Memorandum items like Stock of Travelers' Cheques, Shanchaya Patras, Investment bonds and Premium bonds are not reflected as off balance sheet items in the Financial Statements.

However, the stocks of such items are stated below:

Stocks of Items	2014 Taka	2013 Taka
Bangladesh Shanchaya Patras	2,641,088,849	921,314,904
US\$ Investment Bonds	-	20,975,000
US\$ Premium Bonds	18,707,856	2,791,875
Wage Earners Development Bond	30,000,000	23,700,000
Total	2,689,796,705	968,781,779

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

2.26 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 215th Board Meeting held on 16 October, 2014 reconstituted the Audit Committee as under:

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

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

The Audit Committee of the Board conducted 5 (five) meetings from 01 January to 31 December, 2014.

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

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

	2014	2013
	Taka	Taka
3 Cash		
Cash in hand (note-3.1)	812,047,402	1,099,408,003
Balance with Bangladesh Bank and its agent bank (note-3.2)	8,193,901,158	7,723,234,121
	9,005,948,560	8,822,642,124
3.1 Cash in hand (including foreign currencies)		
In local currency	805,278,076	1,089,421,687
In foreign currencies	6,769,325	9,986,316
	812,047,402	1,099,408,003
Off-shore banking unit	-	-
	812,047,402	1,099,408,003
3.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bangladesh Bank		
In local currency *	6,831,079,184	5,162,510,000
In foreign currencies	702,567,785	2,155,936,685
	7,533,646,969	7,318,446,685
Balance with Sonali Bank being an agent of Bangladesh Bank	660,254,189	404,787,435
	8,193,901,158	7,723,234,121
Off-shore banking unit	-	-
	8,193,901,158	7,723,234,121

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

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

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amendment in 2013) and MPD Circular No. 01 dated 23 June 2014 issued by Bangladesh Bank.

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

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

Average Demand and Time Liabilities	94,131,265,600	83,575,122,200
Required reserve	6,118,532,264	5,014,507,332
Balance with Bangladesh Bank	6,831,079,184	5,162,510,000
Amount in reconciliation (Net)*	6,502,833	6,357,195
Reserve held with Bangladesh Bank in local currencies	6,837,582,018	5,168,867,196
Surplus/(Shortage)	719,049,754	154,359,864

* The balance of local currency account was duly reconciled as of 31 December 2014 and the above amount was matched accordingly.

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

Required reserve	12,237,064,528	10,864,765,886
Reserve held (b.1)	15,282,385,749	10,864,791,571
Surplus/(Shortage)	3,045,321,221	25,685

b.1 Reserve held in SLR :

Cash in hand including foreign currency	812,047,402	1,099,408,003
Balance with Bangladesh Bank in foreign currency	-	356,196,000
Balance with Sonali Bank being an agent of Bangladesh Bank	660,254,189	404,787,435
Bangladesh Bank bill	-	649,757,142
Reverse Repo	700,000,000	430,000,000
Treasury Bills	5,807,652,283	3,523,112,632
Treasury Bonds	6,583,382,121	4,247,170,494
Sub Total	14,563,335,996	10,710,431,707
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	719,049,754	154,359,864
Total	15,282,385,749	10,864,791,571

	2014	2013
	<u>Taka</u>	<u>Taka</u>
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	812,047,402	1,099,408,003
ONE Securities Limited	16,680	-
	812,064,082	1,099,408,003
ii Balance with Bangladesh Bank and its agent bank		
ONE Bank Limited	8,193,901,158	7,723,234,121
ONE Securities Limited	-	-
	8,193,901,158	7,723,234,121
4 Balance with Other Banks and Financial Institutions		
In Bangladesh (note-4.1)	692,281,209	1,113,304,583
Outside Bangladesh (note-4.2)	870,788,660	516,875,249
	1,563,069,869	1,630,179,832
4.1 In Bangladesh		
In current accounts (note-4.3)	83,007,258	55,204,192
Other deposit accounts [note-4.3(a)]	609,273,951	1,058,100,391
	692,281,209	1,113,304,583
4.2 Outside Bangladesh		
In current accounts (note-4.4)	870,788,660	516,875,249
Other deposit accounts	-	-
	870,788,660	516,875,249
Off-shore Banking Unit	-	-
	870,788,660	516,875,249
4.3 Current Accounts (In Bangladesh)		
AB Bank Limited	4,667,730	10,527,576
BRAC Bank Limited	-	294,805
Sonali Bank Limited	55,159,025	42,252,360
Trust Bank Limited	9,327,942	1,565,368
Standard Chartered Bank	13,852,562	564,083
	83,007,258	55,204,192
4.3(a) Other Deposit Accounts (In Bangladesh)		
(Name of the banks and financial institutions)		
ICB Islamic Bank Limited	73,719,000	74,919,000
IDLC Finance Limited	25,500,000	25,500,000
Bank Asia Limited	-	600,000,000
Bank Al-Falah Limited	-	150,000,000
United Commercial Bank Limited	54,203	4,241,354
AB Bank Limited	41,479,476	1,580,139
Eastern Bank Limited	3,912,031	3,742,948
Uttara Bank Limited	399,969,973	198,050,158
Jamuna Bank Limited	3	726
Rupali Bank Limited	27,850,000	-
Prime Bank Limited	36,789,264	66,066
	609,273,951	1,058,100,391

	2014	2013
	Taka	Taka
4.4 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	349,450,687	(16,619,128)
Standard Chartered Bank, London	6,129,215	31,113,767
Standard Chartered Bank, Pakistan	28,587,787	87,767,878
Standard Chartered Bank, Mumbai	56,302,424	-
Standard Chartered Bank, Tokyo	5,024,502	1,076,679
Standard Chartered Bank, Frankfurt	17,852,339	7,184,445
HSBC Bank , New York, USA	(2,871,367)	67,225,923
HSBC Bank , Mumbai	-	4,443,228
ICICI Bank Limited, Hong Kong	13,844,659	(17,239,281)
ICICI Bank Limited, Mumbai	59,840,581	21,244,220
ICICI Bank Limited, Mumbai (EORO)	1,245,849	2,226,293
Commerzbank AG Germany	29,944,842	-
Commerzbank AG Frankfurt (CAD)	5,236,982	-
Commerzbank AG Frankfurt (EURO)	9,819,146	8,008,873
Citibank NA, New York	-	2,646,437
Mashreqbank Psc, New York	37,268,451	(27,809,610)
Wells Fargo Bank N.A	213,368,366	169,071,539
Arab Bangladesh Bank Ltd, Mumbai	2,417,067	54,208,745
Habib Bank Limited (ACUD)	12,841,006	100,940,290
Habib Bank AG Zurich, Switzerland	4,229,442	-
Nepal Bangladesh Bank Ltd, Kathmandu	3,242,509	1,270,321
SEYLAN Bank Ltd, Colombo	5,483,156	3,656,861
Unicredit Bank, AG	6,471,023	8,341,355
Westpac Banking Corporation	5,059,993	1,260,128
Bank of Nova Scotia	-	6,856,287
	870,788,660	516,875,249

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

4.5 Maturity of balances with other banks and financial institutions

Up to 1 month	810,758,990	1,142,085,870
More than 1 months to 3 months	435,394,553	258,396,803
More than 3 months to 1 year	306,416,322	204,197,474
More than 1 year to 5 years	10,500,005	25,499,684
More than 5 years	-	-
	1,563,069,870	1,630,179,831

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

ONE Bank Limited	692,281,209	1,113,304,583
ONE Securities Limited	15,672,753	4,627,862
	707,953,962	1,117,932,445

Outside Bangladesh

ONE Bank Limited	870,788,660	516,875,249
ONE Securities Limited	-	-
	870,788,660	516,875,249

	1,578,742,622	1,634,807,694
--	----------------------	----------------------

5 Money at call on short notice

Lanka Bangla Finance Limited	50,000,000	170,000,000
Southeast Bank limited	-	500,000,000
Delta Brac Finance	100,000,000	-
	150,000,000	670,000,000

	2014	2013
	<u>Taka</u>	<u>Taka</u>
6 Investments		
In Government securities		
Treasury bills (note-6.1)	5,807,652,283	3,523,112,632
Bangladesh Bank bill (note-6.2)	-	649,757,142
Treasury bonds (note-6.3)	6,583,382,121	4,247,170,494
Reverse Repo (note-6.4)	700,000,000	430,000,000
Prize Bonds	1,464,900	3,207,000
	13,092,499,305	8,853,247,269
Other Investment		
Shares (Quoted and Unquoted) (note-6.5)	1,067,365,227	1,279,076,364
National Bank Limited Subordinated bond	64,000,000	80,000,000
Mercantile Bank Limited Subordinated Bond	500,000,000	-
Orascom bond	-	80,000,000
	1,631,365,227	1,439,076,364
Off-shore Banking Units	-	-
	1,631,365,227	1,439,076,364
	14,723,864,532	10,292,323,633

6.1 Treasury Bills

Treasury Bills (HTM) [(note-6.1(a))]	2,811,249,472	2,266,280,856
Treasury Bills (HFT) [(note-6.1(b))]	2,996,402,811	1,256,831,776
	5,807,652,283	3,523,112,632

6.1(a) Treasury Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	2014	2013	2014	2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	2,561,843,657	1,678,598,337	2,685,000,000	1,732,600,000
182 days Treasury Bills	249,405,815	483,485,485	250,000,000	500,000,000
91 days Treasury Bills	-	104,197,034	-	105,700,000
	2,811,249,472	2,266,280,856	2,935,000,000	2,338,300,000

6.1(b) Treasury Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	2014	2013	2014	2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	1,618,160,569	1,002,993,826	1,668,900,000	1,031,700,000
182 days Treasury Bills	1,208,659,703	253,837,950	1,244,400,000	255,200,000
91 days Treasury Bills	169,582,539	-	171,800,000	-
	2,996,402,811	1,256,831,776	3,085,100,000	1,286,900,000

6.2 Bangladesh Bank Bills

Bangladesh Bank Bills (HTM) [note-6.2(a)]	-	649,757,142
Bangladesh Bank Bills (HFT)	-	-
	-	649,757,142

6.2(a) Bangladesh Bank Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	2014	2013	2014	2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
30 days Bangladesh Bank Bills	-	649,757,142	-	650,000,000

	2014	2013
	<u>Taka</u>	<u>Taka</u>
6.3 Treasury Bonds		
Treasury Bonds (HTM) [(note-6.3(a))]	5,532,566,891	3,260,448,498
Treasury Bonds (HFT) [(note-6.3(b))]	1,050,815,230	986,721,996
	<u>6,583,382,121</u>	<u>4,247,170,494</u>

6.3 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	2014	2013	2014	2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
2 Years Treasury Bonds (Premium)	38,612,932	-	38,600,000	-
5 Years Treasury Bonds (Premium)	286,685,795	450,536,388	286,500,000	450,000,000
10 Years Treasury Bonds (Premium)	1,611,993,933	102,184,101	1,600,000,000	100,000,000
15 Years Treasury Bonds (Premium)	9,111,796	9,112,148	9,100,000	9,100,000
Sub-total	<u>1,946,404,456</u>	<u>561,832,637</u>	<u>1,934,200,000</u>	<u>559,100,000</u>
2 Years Treasury Bonds (Discount)	128,442,572	128,345,273	128,500,000	128,500,000
5 Years Treasury Bonds (Discount)	388,929,074	357,475,675	389,400,000	358,000,000
10 Years Treasury Bonds (Discount)	843,440,799	843,336,188	845,100,000	845,100,000
15 Years Treasury Bonds (Discount)	117,630,589	86,288,196	118,100,000	86,600,000
20 Years Treasury Bonds (Discount)	108,819,401	61,170,529	109,300,000	61,400,000
Sub-total	<u>1,587,262,435</u>	<u>1,476,615,861</u>	<u>1,590,400,000</u>	<u>1,479,600,000</u>
5 Years Treasury Bonds (At par)	420,000,000	527,800,000	420,000,000	527,800,000
10 Years Treasury Bonds (At par)	1,077,400,000	592,700,000	1,077,400,000	592,700,000
15 Years Treasury Bonds (At par)	444,300,000	44,300,000	444,300,000	44,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
Sub-total	<u>1,998,900,000</u>	<u>1,222,000,000</u>	<u>1,998,900,000</u>	<u>1,222,000,000</u>
Total	<u>5,532,566,891</u>	<u>3,260,448,498</u>	<u>5,523,500,000</u>	<u>3,260,700,000</u>

6.3 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2014	2013	2014	2013
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
5 Years Treasury Bonds	755,768,379	719,106,817	758,400,000	758,400,000
10 Years Treasury Bonds	295,046,851	267,615,178	308,000,000	308,000,000
	<u>1,050,815,230</u>	<u>986,721,996</u>	<u>1,066,400,000</u>	<u>1,066,400,000</u>

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

6.4 Disclosure regarding outstanding reverse repo as on 31 December 2014

SL no	Counter party name	Agreement Date	Reversal Date	Amount
1	Bangladesh Bank	30/12/2014	01/01/2015	700,000,000

6.5 Other Investments -Shares

	2014	2013
	<u>Taka</u>	<u>Taka</u>
In shares (quoted and unquoted)		
Quoted:		
The City Bank Limited	147,995,755	147,995,755
Prime Bank Limited	140,673,639	140,673,639
IFIC Bank Limited	170,983,059	170,983,059
ACI Limited	-	199,422,237
Lanka Bangla Finance Limited	80,000,000	80,000,000
Summit Alliance Port Ltd.	5,945	5,945
BRAC Bank Limited	169,809,107	138,897,107
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
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533

	2014	2013
	Taka	Taka
MJL BD Limited	59,323,290	61,074,190
Islami Bank BD Limited	27,726,980	27,726,980
Bank Asia Limited	107,000,000	107,000,000
Square Pharmaceuticals Ltd.	638	638
	964,111,957	1,135,823,094
Unquoted:		
Khulna Power Company Limited	-	40,000,000
Infrastructure Development Finance Company	29,683,820	29,683,820
Central Depository Bangladesh Limited	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
	103,253,270	143,253,270
	1,067,365,227	1,279,076,364

6.5(a) Comparison between cost and market price of quoted shares as on 31 December 2014

	No. of shares including bonus shares	Market price per share	Market value at 31-12-2014	Cost at 31-12-2014	Surplus/ Deficiency
Lanka Bangla Finance Ltd.	10,626,000	44.00	467,544,000	80,000,000	387,544,000
The City Bank Ltd	9,674,246	21.80	210,898,563	147,995,755	62,902,808
IFIC Bank Ltd. *	3,108,740	26.10	81,138,114	170,980,700	(89,842,586)
BRAC Bank Ltd	4,945,920	37.20	183,988,224	169,809,107	14,179,117
Summit Alliance Port Ltd	82	82.90	6,798	5,945	853
RAK Ceramics	170	57.70	9,809	5,664	4,145
Khulna Power	222,512	57.00	12,683,184	14,897,834	(2,214,650)
Square Pharma	5	258.50	1,293	638	655
Prime Bank Ltd.	3,257,210	19.60	63,841,316	140,673,639	(76,832,323)
MI Cement Factory Ltd	56	72.20	4,043	5,533	(1,490)
MJL BD Limited	560,080	125.60	70,346,048	59,323,290	11,022,758
Islami Bank BD Ltd	804,375	23.40	18,822,375	27,726,980	(8,904,605)
Bank Asia Ltd	3,630,000	16.70	60,621,000	107,000,000	(46,379,000)
Eastern Bank Ltd	40,500	27.20	1,101,600	1,983,900	(882,300)
Phonix Finance 1st M. Fund	2,847,500	4.60	13,098,500	43,700,613	(30,602,113)
IFIC Bank Ltd	46	26.10	1,201	2,359	(1,159)
			Total	964,111,957	219,994,110

* 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 33,486,525 shares including 30,377,785 Bonus Shares declared for the years from 2003 to 2013 against the original 3,108,740 no. of shares.

The total market value of 33,486,525 shares of IFIC Bank Limited as of 31 December 2014 was Tk 873,998,302 exceeding the original investment by Tk.703,017,602. In addition to the above Bonus Shares, the Bank has also received cash dividend of Tk. 10,588,625 in the year 2012 (Declared for 2011).

6.6 Residual Maturity of Investments

Payable on demand	745,368,940	1,302,977,672
Up to 3 months	853,935,055	670,588,509
Above 3 months to 1 year	6,259,822,425	4,288,626,511
Above 1 year to 5 years	2,198,369,037	1,862,968,077
Above 5 years	4,666,369,075	2,167,162,864
	14,723,864,532	10,292,323,633

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

	2014	2013
	<u>Taka</u>	<u>Taka</u>
6 (a) Consolidated Investments		
In Government securities		
ONE Bank Limited	13,092,499,305	8,853,247,269
ONE Securities Limited	-	-
	13,092,499,305	8,853,247,269
Other Investment		
ONE Bank Limited	1,631,365,227	1,439,076,364
ONE Securities Limited	1,801,510,522	1,799,760,500
	3,432,875,749	3,238,836,864
	16,525,375,054	12,092,084,133
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	67,795,008,063	55,804,875,168
Lease finance (note-7.2)	3,004,795,830	2,227,625,481
Cash Credit	89,902,701	129,936,840
Overdraft	15,011,769,697	13,034,813,810
	85,901,476,291	71,197,251,298
Off-shore Banking Unit	2,252,017,786	1,604,662,582
	88,153,494,077	72,801,913,880
Bills purchased and discounted		
ONE Bank Limited	2,324,732,852	3,638,051,203
Off-shore Banking Unit	20,785,826	133,380,007
	2,345,518,678	3,771,431,210
Outside Bangladesh	-	-
	90,499,012,755	76,573,345,090
7.2 Lease finance		
Lease rental receivable within 1 year	94,720,456	141,792,372
Lease rental receivable within 5 years	3,593,481,703	2,467,095,189
Lease rental receivable after 5 years	-	-
Total lease receivable	3,688,202,159	2,608,887,561
Less: Unearned interest income	683,406,329	381,262,081
Net Lease Finance	3,004,795,830	2,227,625,481
7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted		
Payable on demand	11,243,678,208	9,611,811,829
Up to 3 months	24,435,570,044	20,285,410,076
Above 3 months to 1 year	36,243,214,679	22,204,611,030
Above 1 year to 5 years	15,364,542,629	20,041,909,955
Above 5 years	3,212,007,195	4,429,602,200
	90,499,012,755	76,573,345,090
7.4 Loans and Advances on the basis of significant concentration		
i. Advance to Directors	-	-
ii. Advance to Managing Director & Senior Executives	142,807,159	262,618,428
iii. Advance to Customer's group:		
Commercial lending	8,165,725,004	34,944,010,384
Agricultural loan	927,331,945	1,187,600,000
Export financing	2,116,838,143	3,926,315,222
Consumer credit scheme	514,734,664	756,880,754
Small and medium enterprise financing	9,338,625,572	7,807,529,926
Staff loan (except Sl. No. ii)	362,793,421	120,195,362
House building loan (other than the employees)	1,705,599,051	1,816,566,092
Others	67,224,557,796	25,751,628,921
	90,499,012,755	76,573,345,090

	2014	2013
	Taka	Taka
7.5 Industry-wise outstanding of loans & advances		
Trade finance	10,528,323,507	11,833,098,685
Steel Re-Rolling	5,325,640,862	1,541,198,583
Readymade Garments	10,912,892,348	10,041,968,398
Textiles	5,843,136,301	4,647,224,415
Edible oil, Rice, Flour etc.	2,224,929,879	423,814,524
Power	2,204,978,767	1,542,600,000
Transport	1,059,672,575	1,687,664,182
Construction/Engineering	2,542,848,186	1,611,358,532
Personal	4,936,785,168	2,330,604,943
Pharmaceuticals	2,362,257,283	2,023,106,270
Real Estate	4,149,016,251	3,444,911,046
Cargo and Travel Services	47,865,859	227,936,463
Paper & Packaging	1,809,323,332	1,874,437,440
Agro based industry/Dairy products	146,779,269	579,225,175
Others	36,404,563,167	32,764,196,433
	90,499,012,755	76,573,345,090

7.6 Geographical Location-wise Loans and advances		
Dhaka Division	60,972,022,071	53,601,872,926
Chittagong Division	24,221,077,590	19,423,405,892
Rajshahi Division	952,105,712	891,836,968
Khulna Division	2,435,824,021	1,567,728,146
Sylhet Division	871,236,009	907,471,082
Rangpur Division	310,851,958	168,124,323
Barisal Division	66,781,125	12,905,753
Comilla Division	669,114,269	-
	90,499,012,755	76,573,345,090

7.7 Classification of loans and advances		
Unclassified	85,277,427,709	71,057,464,090
Unclassified (Special Mention Account)	948,240,089	1,775,129,000
Substandard	398,623,463	522,436,000
Doubtful	234,425,328	305,684,000
Bad & Loss	3,640,296,166	2,912,632,000
	90,499,012,755	76,573,345,090

7.8 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank.
Total capital of the Bank was Taka 14,511.05 million as at 31 December 2014 (Tk 12,069.72 million in 2013).

	15	13
Number of clients (Annexure-D)		
Amount of outstanding loans & advances	Tk. 32,438,268,339	23,505,300,000
Amount of classified loans and advances	Tk. -	-

	2014	2013
	Taka	Taka
7.9 Bills purchased and discounted		
Payable in Bangladesh	2,138,234,444	3,323,526,852
Payable outside Bangladesh	207,284,233	447,904,358
	2,345,518,678	3,771,431,210

7.10 Maturity of Bills purchased and discounted		
Upto 1 month	422,775,423	499,424,158
Above 1 month but less than 3 months	775,438,583	1,517,846,079
Above 3 months but less than 6 months	1,076,306,271	1,640,076,003
6 months or more	70,998,402	114,084,970
	2,345,518,678	3,771,431,210

7.11 Particulars of provision for Loans and Advances

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	69,480,149,133	1,372,139,125
Small Enterprise Financing	0.25%	9,338,625,572	23,346,564
Consumer Financing (House Financing & Loans for Professionals)	2%	1,854,039,733	37,080,795
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	366,293,981	18,314,699
Special Mention Account	0.25%-5%	948,240,089	18,990,202
Short Term Agriculture Loan	2.50%	927,331,945	46,366,597
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	2,805,386,765	56,107,735
Substandard	20%	251,255,061	51,881,650
Doubtful	50%	114,977,775	57,910,199
Bad & Loss	100%	1,589,749,091	1,591,728,895
Required provision for loans and advances			3,273,866,462
Total provision maintained			3,273,866,462
Excess/ (Short) provision at 31 December			-

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

	2014 Taka	2013 Taka
i) Loans considered good in respect of which the bank is fully secured	76,200,725,611	63,054,289,256
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee	1,483,200,473	6,077,335,680
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	12,815,086,671	7,441,720,155
iv) Loans adversely classified; provision not maintained there against	-	-
	90,499,012,755	76,573,345,090
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	505,600,580	382,813,791
vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons	505,600,580	382,813,791
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or, in case of private companies as members	-	-
ix) Due from other banking companies (Bills purchased and discounted)	2,345,518,678	3,771,431,210
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.7)	4,273,344,957	3,740,752,000
b) Provision on classified loans and advances (Note-13.4)	1,701,520,744	1,788,421,802
c) Provision kept against loans and advances classified as bad debts	1,591,728,895	1,537,256,121
d) Interest credited to Interest Suspense Account (Note-13.9)	1,622,403,054	876,721,731

	2014	2013
	Taka	Taka
xi) Cumulative amount of written off loans and advances		
Opening balance	295,113,342	84,288,731
Written off during the year	-	210,824,611
Closing balance	<u>295,113,342</u>	<u>295,113,342</u>
Amount realised against loans previously written off	<u>-</u>	<u>-</u>
The amount of written off/classified loans for which law suits have been filed	<u>295,113,342</u>	<u>295,113,342</u>
7.13 Details of pledged collaterals received against Loans and Advances		
Collateral of movable /immovable assets	61,196,573,869	54,703,524,596
Local banks and financial institutions guarantee	1,051,888,570	1,727,324,275
Government guarantee	-	-
Foreign banks guarantee	59,148,596	16,175,956
Export documents	3,694,533,568	1,854,591,345
Fixed Deposit Receipts (FDR)	1,454,562,521	1,920,822,417
FDR of other banks	71,658,036	461,973,408
Government bonds	10,103,555	8,005,576
Personal guarantee	6,889,096,756	5,936,489,426
Other securities	16,071,447,283	9,944,438,090
	<u>90,499,012,755</u>	<u>76,573,345,090</u>
7 (a) Consolidated Loans and Advances		
ONE Bank Limited	88,153,494,077	72,801,913,880
ONE Securities Limited	15,044,724	-
Loan to ONE Securities Ltd by ONE Bank Limited	(490,026,374)	(403,653,372)
	<u>87,678,512,427</u>	<u>72,398,260,508</u>
Consolidated Bills purchased and discounted		
ONE Bank Limited	2,345,518,678	3,771,431,210
ONE Securities Limited	-	-
	<u>2,345,518,678</u>	<u>3,771,431,210</u>
	<u>90,024,031,104</u>	<u>76,169,691,718</u>
8 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	1,032,958,836	815,030,784
Office equipment	757,855,731	599,702,532
Motor Vehicles	223,750,803	207,162,063
Building	118,999,192	118,999,192
Land	17,700,000	17,700,000
	<u>2,151,264,562</u>	<u>1,758,594,571</u>
Leased Assets	25,044,000	25,044,000
Intangible Assets	131,028,337	131,028,337
	<u>2,307,336,899</u>	<u>1,914,666,908</u>
Less: Accumulated depreciation	911,827,700	709,039,297
Balance on 31 December	<u>1,395,509,199</u>	<u>1,205,627,611</u>
(For details please refer to Annexure- A)		
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures		
ONE Bank Limited	1,395,509,199	1,205,627,611
ONE Securities Limited	3,873,515	-
	<u>1,399,382,714</u>	<u>1,205,627,611</u>

	2014	2013
	Taka	Taka
9 Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
1 In Bangladesh	1,448,999,200	1,449,000,000
2 Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	35,221,089	32,994,653
Stock of stamps	2,512,142	2,100,619
Security deposits	2,538,295	908,515
Advance rent for office premises	444,055,293	410,469,694
Prepayments	65,890,760	66,808,274
Decoration & Construction work of rented premises for new Branches	1,337,135	56,591,198
Suspense account	13,035,799	40,495,844
Receivable from Bangladesh Bank	81,502,632	50,012,589
Interest receivable	210,760,496	145,877,280
Commission receivable	98,500	294,000
Advance Income Tax (note-9.2)	1,855,719,438	925,565,145
Deferred Tax Assets (note-9.3)	16,434,054	16,479,033
Protested bill	2,727,713	3,345,838
Receivable from ONE Securities Ltd	16,413,348	11,288,213
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account (note-9.1)	1,481,683	813,798
	<u>4,198,748,913</u>	<u>3,213,066,030</u>
Off-shore Banking Unit	-	-
	<u>4,198,748,913</u>	<u>3,213,066,030</u>

9.1

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2014 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	11	2	1,578,412	96,729
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<u>11</u>	<u>2</u>	<u>1,578,412</u>	<u>96,729</u>
			<u>1,481,683</u>	

9.2 Advance income tax

Opening balance on 1 January	925,565,145	1,031,862,959
Add: Tax paid as advance	930,154,293	925,565,145
Less: Advance income tax adjusted during the year	-	(1,031,862,959)
Balance on 31 December	<u>1,855,719,438</u>	<u>925,565,145</u>

9.3 Deferred tax assets:

Opening balance	16,479,033	28,150,610
Addition/(reverse) during the year	(44,979)	(11,671,577)
Closing balance	<u>16,434,054</u>	<u>16,479,033</u>

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

9 (a) Consolidated Other Assets

ONE Bank Limited	4,198,748,913	3,213,066,030
ONE Securities Limited	11,876,065	4,533,286
Investment in ONE Securities Ltd by ONE Bank Limited	(1,448,999,200)	(1,449,000,000)
Receivable by ONE Bank Limited from ONE Securities Ltd	(16,413,348)	(11,288,213)
	<u>2,745,212,430</u>	<u>1,757,311,103</u>

	2014	2013
	Taka	Taka
10 Non Banking Assets		
Land & Building	83,866,820	83,866,820
Plant and Machinery	84,250,630	84,250,630
Pre-fabricated Structure	8,990,000	8,990,000
Stock	106,679,075	106,679,075
	283,786,525	283,786,525

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

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

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

The Bank has sought permission from the Central Bank for transferring the said asset to the Bank's assets and the issue is under process for the consent of Bangladesh Bank.

11 Borrowings from other Banks, financial institutions and Agents.

11.1 i) Borrowings inside Bangladesh	1,317,260,683	145,066,532
ii) Borrowings outside Bangladesh	-	-
	1,317,260,683	145,066,532
11.2 i) Borrowings with security	-	-
ii) Borrowings without security	1,317,260,683	145,066,532
	1,317,260,683	145,066,532
11.3 i) Borrowings payable on demand:		
Agrani Bank Limited	200,000,000	-
Sonali Bank Limited	800,000,000	-
Uttara Bank Limited	150,000,000	-
State Bank of India	70,000,000	-
	1,220,000,000	-
ii) Borrowings others (Term) Refinanced Term loan from Bangladesh Bank	97,260,683	145,066,532
	1,317,260,683	145,066,532

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

ONE Bank Limited	1,317,260,683	145,066,532
ONE Securities Limited	-	-
	1,317,260,683	145,066,532

12 Deposits and other accounts

i Current account and other account (OBL)	13,263,850,922	15,539,238,323
Off-shore Banking Unit	15,521,255	25,282,929
	13,279,372,176	15,564,521,251
ii Bills payable		
Payment Order (Issued)	2,524,361,944	1,372,175,398
Demand Draft	786,855	786,855
	2,525,148,799	1,372,962,253
iii Savings accounts	9,777,300,687	7,012,233,334
iv Term deposits		
Fixed deposit receipts	53,197,668,331	41,528,752,337
Short Notice deposits	15,379,850,811	16,436,085,814
Scheme deposits	6,133,978,640	4,652,202,535
Non-resident Foreign Currency Deposits	1,739,467	1,585,576
	74,713,237,249	62,618,626,263
	100,295,058,912	86,568,343,101

	2014	2013
	<u>Taka</u>	<u>Taka</u>
12.1 Payable on demands		
Current deposits	4,920,848,457	4,326,238,930
Privilege creditor	250,300,719	373,680,205
Foreign Currency Deposits	2,625,384,316	2,773,737,340
Sundry Deposits	3,996,259,165	6,795,684,496
Interest Payable on deposits	1,071,571,960	1,049,742,651
Other accrued expense	415,007,560	245,437,630
	13,279,372,177	15,564,521,251
Bills payable	2,525,148,799	1,372,962,253
Savings Deposits	879,957,062	631,101,000
	16,684,478,038	17,568,584,505
12.2 Sub-break down of deposits and other accounts		
12.2 (a) Payable on demand		
i Deposits from banks	1,189,460	1,630,872
ii Other than banks	16,683,288,578	17,567,392,895
	16,684,478,038	17,569,023,767
12.2 (b) Other Deposits		
Deposits from banks		
Short Term Deposits :		
Uttara Bank Limited	191	1,305
Fixed Deposit		
Premier Bank Limited	400,000,000	-
Eastern Bank Limited	1,000,000,000	-
Rupali Bank Limited	3,000,000,000	-
Sonali Bank Limited	2,000,000,000	-
BRAC Bank Limited	2,500,000,000	-
Janata Bank limited	500,000,000	-
	9,400,000,000	-
	9,400,000,191	1,305
Other than banks	74,210,580,683	68,999,318,030
	83,610,580,874	68,999,319,335
Total deposits [12.2(a) + 12.2(b)]	100,295,058,912	86,568,343,101
12.3 Remaining maturity grouping of deposits		
Payable on demand	23,208,322,049	24,664,845,639
Up to 3 month	37,440,740,718	27,667,080,340
Over 3 months to 1 year	24,445,267,342	22,590,556,590
Over 1 year to 5 years	10,831,369,756	9,251,959,528
Over 5 years	4,369,359,049	2,393,901,004
	100,295,058,912	86,568,343,101
12 (a) Consolidated Deposits and other accounts		
Current account and other account		
ONE Bank Limited	13,279,372,176	15,564,521,251
ONE Securities Limited	-	-
	13,279,372,176	15,564,521,251
Bills payable		
ONE Bank Limited	2,525,148,799	1,372,962,253
ONE Securities Limited	-	-
	2,525,148,799	1,372,962,253
Savings accounts		
ONE Bank Limited	9,777,300,687	7,012,233,334
ONE Securities Limited	-	-
	9,777,300,687	7,012,233,334
Term deposits		
ONE Bank Limited	74,713,237,249	62,618,626,263
ONE Securities Limited	-	-
	74,713,237,249	62,618,626,263
	100,295,058,912	86,568,343,101

13 Other liabilities	2014	2013
	<u>Taka</u>	<u>Taka</u>
Interest on bills discounted	25	50,824
Provision for Income Tax (note-13.1)	1,890,404,716	822,305,193
Deferred tax liability (note-13.2)	105,268,390	79,648,035
Provision for gratuity (note-13.3)	-	-
Provision for performance bonus	199,044,608	210,000,000
Provision for loans and advances (note-13.4 & 13.5)	3,273,866,462	2,617,097,271
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other assets (note-13.7)	3,115,532	8,028,175
Provision for off balance sheet items (note-13.8)	497,870,722	447,632,347
Provision for diminuation value of share (note-13.10)	-	-
Provision for nostro Accounts (note-13.11)	9,815,356	9,815,356
Interest suspense account (note-13.9)	1,622,403,054	876,721,731
Sinking fund	12,068,305	23,870
Lease Obligation for Vehicles	7,751,616	15,050,997
Interest Payable on Subordinated Debt	4,400,000	5,243,836
Other payable	774,989	22,709,228
Revaluation reserve held for trading securities	155,203,440	87,099,569
	<u>7,782,460,725</u>	<u>5,201,899,942</u>
13.1 Provision for current income tax		
Opening balance on 1 January	822,305,193	1,431,685,552
Less: Provision adjusted during the year	-	(1,031,862,959)
	<u>822,305,193</u>	<u>399,822,593</u>
Add: Provision made during the year	1,068,099,523	422,482,600
Balance on 31 December	<u>1,890,404,716</u>	<u>822,305,193</u>
13.2 Deferred tax liability		
Opening balance	30,859,472	37,073,531
Addition during the year	38,567,124	(6,214,059)
Closing balance	<u>69,426,596</u>	<u>30,859,472</u>
Provision against revaluation reserve for security		
Opening balance	48,788,563	40,889,150
Addition during the year	(12,946,769)	7,899,413
Closing balance	<u>35,841,794</u>	<u>48,788,563</u>
Total	<u>105,268,390</u>	<u>79,648,035</u>
Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences in the carrying amount with tax base.		
13.3 Provision for gratuity		
Opening balance on 1 January	-	-
Provision made during the year	103,584,006	82,818,493
Transferred/Payment made during the year	(103,584,006)	(82,818,493)
Balance on 31 December	<u>-</u>	<u>-</u>
13.4 Specific provision against loans and advances		
Opening balance on 1 January	1,788,421,802	1,555,438,573
Provision written off	-	(177,830,023)
Provision after written off	1,788,421,802	1,377,608,550
Specific provision made during the year	706,700,935	591,030,074
Provisions recovered and no longer required written back	(793,601,993)	(180,216,821)
Net charge to profit & loss account	(86,901,058)	410,813,252
Balance on 31 December	<u>1,701,520,744</u>	<u>1,788,421,802</u>
13.5 General provision against loans and advances		
Opening balance on 1 January	828,675,469	689,352,034
Provision made during the year:		
Unclassified Loans & Advances	831,208,569	120,969,371
Consumer credit & Small enterprise financing	1,433,730	(49,030,430)
Special mention account	(54,741,072)	25,633,869
Loans against shares	(34,230,978)	41,750,624
Net charge to profit & loss account	743,670,249	139,323,435
	<u>1,572,345,717</u>	<u>828,675,469</u>
Balance on 31 December	<u>3,273,866,462</u>	<u>2,617,097,271</u>

	2014	2013
	<u>Taka</u>	<u>Taka</u>
13.6 Specific provision as per classification of loans		
Substandard	51,881,650	162,338,619
Doubtful	57,910,199	88,827,061
Bad/Loss	1,591,728,895	1,537,256,122
Balance on 31 December	<u>1,701,520,744</u>	<u>1,788,421,802</u>
13.7 Provision for other asset		
Balance on 1 January	8,028,175	2,727,713
Adjusted with recoverable legal expenses	(4,294,518)	-
Provision made during the year/(recovery) (note-13.7 a and 13.7 b)	(618,125)	5,300,462
Balance on 31 December	<u>3,115,532</u>	<u>8,028,175</u>
13.7.a Provision for protested bill		
Balance on 1 January	3,345,838	2,727,713
Provision made during the year/(recovery)	(618,125)	618,125
Balance on 31 December	<u>2,727,713</u>	<u>3,345,838</u>
13.7.b Provision for legal expenses and others		
Balance on 1 January	4,682,337	-
Adjusted with recoverable legal expenses	(4,294,518)	-
Provision made during the year	-	4,682,337
Balance on 31 December	<u>387,819</u>	<u>4,682,337</u>
13.8 Provision for off balance sheet items		
Balance on 1 January	447,632,347	326,823,483
Provision made during the year	50,238,375	120,808,864
Balance on 31 December	<u>497,870,722</u>	<u>447,632,347</u>
13.9 Interest suspense account		
Balance on 1 January	876,721,731	606,963,533
Interest suspense charged during the year	1,499,497,995	692,444,376
Interest realized during the year	(739,081,490)	(392,191,593)
Interest written off / waiver	(14,735,181)	(30,494,585)
Balance on 31 December	<u>1,622,403,054</u>	<u>876,721,731</u>
13.10 Provision for diminuation value of share		
Balance on 1 January	-	-
Provision made during the year	-	-
Balance on 31 December	<u>-</u>	<u>-</u>
13.10.a Consolidated Provision made for diminuation value of share		
ONE Bank Limited	-	-
ONE Securities Limited:	406,240,662	10,000,000
Balance on 31 December	<u>406,240,662</u>	<u>10,000,000</u>
13.11 Provision for nostro Accounts		
Balance on 1 January	9,815,356	2,951,462
Provision made during the year	-	6,863,894
Balance on 31 December	<u>9,815,356</u>	<u>9,815,356</u>
As per circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, Bank is required to make provision regarding the un-reconciled debit balance of nostro account outstanding for more than three months. We have no such [three months & above] pending un-reconciled debit balance as on balance sheet date, but we have maintained provision of Tk.9,815,356 against nostro account on the basis of prudent concept.		
13 (a) Consolidated Other liabilities		
ONE Bank Limited	7,782,460,725	5,201,899,942
ONE Securities Limited	526,194,425	113,785,421
Balance on 31 December	<u>8,308,655,150</u>	<u>5,315,685,363</u>

14 Subordinated Debt

2014	2013
Taka	Taka
2,200,000,000	2,200,000,000

ONE Bank Limited issued unsecured non-convertible subordinated bond on 26 December 2013 after obtained approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P0/2013-1869, dated 28 November 2013 and SEC/CI/CPLC-159/2002/2714, dated 08 October 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin. Benchmark rate will be average of most recent month's published Fixed Deposit Interest Rate for 6 months tenor of private commercial banks (excluding Islamic banks) in Bangladesh Banks website. As of Balance Sheet date interest rate is applicable @ 12.00%.

Main Features of the Bond:

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

List of Investors:

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

15. Share Capital	2014	2013
	<u>Taka</u>	<u>Taka</u>
15.1 Authorized Capital	10,000,000,000	10,000,000,000
1,000,000,000 (2013:1,000,000,000) ordinary shares of Tk 10 each		
15.2 Issued, Subscribed and fully paid-up Capital	5,243,777,020	4,767,070,020
524,377,702 (2013: 476,707,002) ordinary shares of Tk 10 each		
Sponsors	30.34%	31.06%
General Public	69.66%	68.94%
Total	100.00%	100.00%

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

Shareholders	No. of Shareholders	No. of Shares	2014 Taka	2013 Taka
Sponsors	16	159,095,465	1,590,954,650	1,480,867,930
General Public	37,887	365,282,237	3,652,822,370	3,286,202,090
Total	37,903	524,377,702	5,243,777,020	4,767,070,020

Shareholding structure of the Bank as at 31-12-2014 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Less than 500	13,508	2,405,557	0.46
501 to 5,000	17,886	32,474,320	6.19
5,001 to 10,000	3,082	21,367,180	4.07
10,001 to 20,000	1,684	23,418,680	4.47
20,001 to 30,000	649	15,872,093	3.03
30,001 to 40,000	233	8,033,713	1.53
40,001 to 50,000	161	7,341,416	1.40
50,001 to 100,000	314	21,929,120	4.18
100,001 to 1,000,000	315	73,910,722	14.09
Over 1,000,000	71	317,624,901	60.57
Total	37,903	524,377,702	100.00

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:
- b) 47,670,700 Bonus shares of Tk. 10 each valued at Tk. 476,707,000 for the year 2013 has been transferred to Paid-up capital account during the year 2014:

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

Issued, Subscribed & fully Paid up Capital

	2014	2013
	Taka	Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash : 470,596,482 bonus shares of Tk. 10 each	4,705,964,820	4,229,257,820
	5,243,777,020	4,767,070,020

15.3 Capital Adequacy Ratio:

Consolidated Basis:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 35 dated December 29, 2010, required capital of the Bank (Consolidated) at the close of business on 31 December 2014 was Taka 10,787,438,082 as against core capital of Taka 9,543,029,108 and supplementary capital of Taka 4,334,382,667 making a total capital of Taka 13,877,411,775 thereby showing a surplus capital/equity of Taka 3,089,973,693 at the date. Details are shown below:

	2014	2013
	<u>Taka</u>	<u>Taka</u>
<u>Consolidated Basis:</u>		
Core Capital (Tier-1)		
Paid-up capital (note-15.2)	5,243,777,020	4,767,070,020
Statutory Reserve (note-16)	3,305,962,560	2,665,409,979
Minority Interest	8,154,112	12,801,891
Profit & Loss Account	985,135,415	895,565,966
	<u>9,543,029,108</u>	<u>8,340,847,856</u>
Supplementary Capital (Tier-2)		
General provision on Unclassified Loan & Advances (note-13.5)	1,572,345,717	828,675,469
Provision for Off Balance Sheet Items (note-13.8)	497,870,722	447,632,347
Revaluation Reserve for HTM Securities up to 50%	42,166,816	57,398,310
Surplus value of equity instruments up to 10%	21,999,411	26,363,539
Subordinated Debt (note-14)	2,200,000,000	2,200,000,000
	<u>4,334,382,667</u>	<u>3,560,069,665</u>
Eligible for market risk only (Tier-3)		
Short-term subordinated debt	-	-
A) Total Capital	<u>13,877,411,775</u>	<u>11,900,917,522</u>
Total Assets including Off Balance Sheet items	<u>171,499,567,918</u>	<u>146,818,985,654</u>
B) Total Risk Weighted Assets	<u>107,874,380,820</u>	<u>99,995,845,650</u>
C) Required capital based on risk weighted assets (10% on B)	<u>10,787,438,082</u>	<u>9,999,584,565</u>
D) Surplus (A-C)	<u>3,089,973,693</u>	<u>1,901,332,957</u>
Percentage of Capital on Risk Weighted Assets:		
On Core Capital (minimum required 50% of CAR and MCR; 2013: 50%)	8.85%	8.34%
On Supplementary Capital	4.02%	3.56%
On Total Capital (minimum required rate is 10%; 2013: 10%)	12.86%	11.90%

Solo Basis:

Core Capital (Tier-1)		
Paid-up capital (note-15.2)	5,243,777,020	4,767,070,020
Statutory Reserve (note-16)	3,305,962,560	2,665,409,979
Profit & Loss Account (note-17)	1,626,928,614	1,077,173,216
	<u>10,176,668,194</u>	<u>8,509,653,214</u>
Supplementary Capital (Tier-2)		
General provision on Unclassified Loan & Advances (note-13.5)	1,572,345,717	828,675,469
Provision for Off Balance Sheet Items (note-13.8)	497,870,722	447,632,347
Revaluation Reserve for HTM Securities up to 50%	42,166,816	57,398,310
Surplus value of equity instruments up to 10%	21,999,411	26,363,539
Subordinated Debt (note-14)	2,200,000,000	2,200,000,000
	<u>4,334,382,667</u>	<u>3,560,069,665</u>
Eligible for market risk only (Tier-3)		
Short-term subordinated debt	-	-
A) Total Capital	<u>14,511,050,861</u>	<u>12,069,722,880</u>

	2014	2013
	<u>Taka</u>	<u>Taka</u>
Total Assets including Off Balance Sheet items	171,607,012,581	146,874,005,591
B) Total Risk Weighted Assets	107,713,600,000	99,807,400,000
C) Required capital based on risk weighted assets (10% on B)	10,771,360,000	9,980,740,000
D) Surplus (A-C)	<u>3,739,690,861</u>	<u>2,088,982,880</u>

Percentage of Capital on Risk Weighted Assets:

On Core Capital (minimum required 50% of CAR and MCR; 2013: 50%)	9.45%	8.53%
On Supplementary Capital	4.02%	3.57%
On Total Capital (minimum required rate is 10%; 2013: 10%)	13.47%	12.09%

15.3(a) Revaluation Reserve for Securities

Revaluation Reserve for Securities	84,333,633	114,796,620
Less: Deferred Tax	(35,841,794)	(48,788,564)
	<u>48,491,839</u>	<u>66,008,057</u>

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

	2014	2013
	Taka	Taka
16 Statutory Reserve		
Balance brought forward from previous year	2,665,409,979	2,310,094,082
Reserve made during the year	640,552,581	355,315,897
Balance on 31 December	3,305,962,560	2,665,409,979
17 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,077,173,216	912,905,400
Addition during the year	2,096,051,282	1,348,639,366
Transfer to statutory reserve	(640,552,581)	(355,315,897)
Issue of Bonus Share	(476,707,000)	(621,791,740)
Cash Dividend Paid	(429,036,302)	(207,263,914)
Balance at 31 December	1,626,928,614	1,077,173,216
17.1 Retained earnings brought forward from previous year		
Retained Earning of Prior Year	1,077,173,216	912,905,400
Bonus share issued	(476,707,000)	(621,791,740)
Cash Dividend Paid	(429,036,302)	(207,263,914)
Retained Earnings brought forward	171,429,914	83,849,746
17.1(a) Consolidated retained earnings brought forward from previous year		
Retained Earning of Prior Year	895,565,966	802,036,413
Bonus share issued	(476,707,000)	(621,791,740)
Cash Dividend Paid	(429,036,302)	(207,263,914)
Retained Earnings brought forward	(10,177,335)	(27,019,241)
18 Interest and discount income		
From clients against loans and advances	10,171,115,500	9,043,256,684
Lease finance	421,303,560	393,165,163
Discount from bills purchased & discounted	399,419,712	516,137,968
From banks and financial institutions in Bangladesh	83,140,399	59,333,592
From foreign banks	44,506,417	33,580,751
	11,119,485,588	10,045,474,158
Off-shore Banking Unit	156,120,685	52,277,484
	11,275,606,273	10,097,751,642
18 (a) Consolidated Interest and discount income		
ONE Bank Limited	11,275,606,273	10,097,751,642
ONE Securities Limited	1,505,886	272,645
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(65,652,526)	(59,739,395)
	11,211,459,633	10,038,284,892
19 Interest paid on deposits and borrowings		
Short term deposits	1,148,426,451	986,918,663
Savings deposits	399,109,087	286,055,757
Term deposits	4,389,254,834	5,300,020,638
Scheme deposits	560,343,850	410,452,027
Borrowings from banks and financial institutions	80,178,698	60,926,696
Interest on Subordinated- Debt	301,656,164	5,243,836
	6,878,969,084	7,049,617,618
Off-shore Banking Unit	90,941	-
	6,879,060,025	7,049,617,618
19 (a) Consolidated Interest paid on deposits and borrowings		
ONE Bank Limited	6,879,060,025	7,049,617,618
ONE Securities Limited	-	-
	6,879,060,025	7,049,617,618
20 Income from Investments		
Interest on treasury bills	396,621,227	525,446,430
Interest on treasury bond (Net)	606,121,116	354,867,327
Interest on Bangladesh Bank Bill	19,489,339	27,643,595
Interest from reverse repo	3,998,630	-
Dividend on Investment	32,724,215	24,011,509
Gain on sale of Shares	40,659,122	61,563,766
Interest on Bond	46,419,444	25,126,667
	1,146,033,093	1,018,659,295

	2014	2013
	<u>Taka</u>	<u>Taka</u>
20 (a) Consolidated Income from Investments		
ONE Bank Limited	1,146,033,093	1,018,659,295
ONE Securities Limited	8,402,948	-
	<u>1,154,436,041</u>	<u>1,018,659,295</u>
21 Commission, exchange and brokerage		
Letters of credit (Issue & advising)	305,794,692	260,348,220
Letter of guarantees	89,203,592	105,405,642
Acceptances	184,936,095	150,402,857
Local bills purchased	20,240	20,550
Foreign bills	1,792	590,792
Bills for collection	7,279,434	11,045,596
Remittances (PO, DD, TT, Travelers' Cheque etc.)	8,623,608	5,704,415
Export bills	31,721,410	33,406,441
Others	23,300,882	35,746,674
	<u>650,881,745</u>	<u>602,671,186</u>
Profit on exchange trading	591,172,515	459,066,960
Less: Loss on exchange trading	1,111,959	1,190
	<u>590,060,556</u>	<u>459,065,769</u>
	<u>1,240,942,301</u>	<u>1,061,736,956</u>
Off-shore Banking Unit	1,294,125	5,338,764
	<u>1,242,236,426</u>	<u>1,067,075,720</u>
21 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,242,236,426	1,067,075,720
ONE Securities Limited	5,431,501	(1,798)
	<u>1,247,667,927</u>	<u>1,067,073,922</u>
22 Other operating income		
Loan processing and service charge	133,063,840	147,483,099
Miscellaneous Credit Card Fee	14,743,193	3,363,686
Recoveries of postage, telex, telephone, fax etc	33,393,526	35,513,332
Letter of Credit miscellaneous charges	133,507,160	116,935,164
General Banking miscellaneous charges	14,121,940	4,231,252
Miscellaneous (note-22.1)	56,966,525	8,335,333
Rent on locker	1,422,500	1,331,700
Gain on sale of fixed assets	-	4,597,114
	<u>387,218,685</u>	<u>321,790,680</u>
Off-shore Banking Units	473,882	1,859,583
	<u>387,692,566</u>	<u>323,650,263</u>
22.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, VAT rebate etc.		
22 (a) Consolidated Other operating income		
ONE Bank Limited	387,692,566	323,650,263
ONE Securities Limited	549,192	-
	<u>388,241,759</u>	<u>323,650,263</u>
23 Salary & Allowances		
Salary & Allowances	1,374,802,340	1,264,126,693
Provident Fund Contribution	86,393,835	71,230,574
Gratuity	103,584,006	82,818,493
Superannuation fund	7,000,000	7,000,000
Bonus	236,497,812	330,989,353
	<u>1,808,277,993</u>	<u>1,756,165,113</u>

	2014	2013
	<u>Taka</u>	<u>Taka</u>
23(a) Consolidated Salary & Allowances		
ONE Bank Limited	1,808,277,993	1,756,165,113
ONE Securities Limited	5,269,051	1,362,129
	<u>1,813,547,044</u>	<u>1,757,527,242</u>
24 Rent, taxes, insurance, electricity etc.		
Rent	224,282,063	161,383,318
Taxes	1,223,255	395,014
Electricity	48,351,436	33,792,533
Utilities	6,507,719	13,702,323
Insurance	75,280,680	78,749,580
	<u>355,645,152</u>	<u>288,022,767</u>
Off-shore Banking Units	-	-
	<u>355,645,152</u>	<u>288,022,767</u>
25 Legal expenses		
Professional fees	21,823,525	4,138,512
Fees, Court fees & stamps	176,764	138,488
	<u>22,000,289</u>	<u>4,277,000</u>
25 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	22,000,289	4,277,000
ONE Securities Limited	-	-
	<u>22,000,289</u>	<u>4,277,000</u>
26 Postage, stamps, telecommunication etc.		
Telex/Swift	9,556,185	23,280,355
Telephone/Fax etc	8,452,945	6,642,545
Courier/postage	10,127,611	11,310,421
Radio Link	20,350,801	6,089,384
Reuter	2,791,376	2,205,845
	<u>51,278,918</u>	<u>49,528,550</u>
27 Directors' Fees		
For attending the meeting of the Board and other committee meetings @ Tk. 5,000 per attendance per person	830,000	735,000
	<u>830,000</u>	<u>735,000</u>
27 (a) Consolidated Director's Fees		
ONE Bank Limited	830,000	735,000
ONE Securities Limited	72,500	-
	<u>902,500</u>	<u>735,000</u>
28 Stationery, Printing, advertisement etc.		
Printed and security stationery	30,628,939	21,559,022
Stationery	37,333,472	55,159,081
Advertisement	69,696,102	67,225,898
	<u>137,658,514</u>	<u>143,944,001</u>
Off-shore Banking Units	-	-
	<u>137,658,514</u>	<u>143,944,001</u>
28 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	137,658,514	143,944,001
ONE Securities Limited	372,003	2,615
	<u>138,030,517</u>	<u>143,946,616</u>
29 Managing Director's Salary & Allowances		
Salary & Allowances	9,420,000	8,592,878
House rent	180,000	175,645
Provident Fund Contribution	939,996	856,852
Festival Bonus	1,566,666	1,384,666
Incentive Bonus	1,000,000	1,000,000
	<u>13,106,662</u>	<u>12,010,041</u>
30 Depreciation, leasing expense and repair of bank's assets		
Depreciation (Annexure - A)	202,991,763	168,510,441
Repairs & Maintenance	233,764,821	200,626,029
	<u>436,756,584</u>	<u>369,136,470</u>

	2014	2013
	Taka	Taka
30 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	436,756,584	369,136,470
ONE Securities Limited	1,105,378	-
	437,861,962	369,136,470
31 Other expenses		
Entertainment	29,691,552	48,953,638
Car expenses	103,692,186	88,725,945
Donation and Subscription	30,411,721	42,431,559
Traveling	107,188,240	103,641,088
Computer & Printer maintenance expenses	16,886,967	16,277,607
Finance charge-against leased assets	1,709,403	2,675,402
Staff training	4,854,525	3,213,904
VISA Card Expenses	16,252,596	8,132,850
Sales Team fees	989,315	1,674,714
Bank charges and commission paid	6,593,092	6,069,423
Miscellaneous (note-31.1)	2,775,044	3,924,698
Issuance cost of Sub-Ordinated Bond	115,000	28,500,000
Mobile Financial Services	116,389,655	19,510,097
Loss from sale/ write off of assets	52,577	90,043
	437,601,873	373,820,968
31.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		
31 (a) Consolidated Other expenses		
ONE Bank Limited	437,601,873	373,820,968
ONE Securities Limited	1,939,220	593,132
	439,541,093	374,414,100
32 Provision for loans, investment & off balance sheet exposure		
Provision for bad and doubtful loans and advances	(86,901,058)	410,813,252
Provision for unclassified loans and advances	743,670,249	139,323,435
Provision for off-balance sheet exposure	50,238,375	120,808,864
Provision for other assets	(618,125)	12,164,356
	706,389,441	683,109,907
33 Tax Expenses		
Current Tax	1,068,099,523	422,482,600
Deferred tax	38,612,103	5,457,518
	1,106,711,626	427,940,118
33 (a) Consolidated Tax Expenses		
Current Tax		
ONE Bank Limited	1,068,099,523	422,482,600
ONE Securities Limited	47,717	1,363
	1,068,147,240	422,483,963
Deferred Tax		
ONE Bank Limited	38,612,103	5,457,518
ONE Securities Limited	-	-
	38,612,103	5,457,518
	1,106,759,343	427,941,481
34 Interest receipts		
Interest income on loans & advances	11,275,606,273	10,097,751,642
Interest on Treasury Bills and Bonds	1,072,649,757	933,084,019
	12,348,256,029	11,030,835,661
(Increase)/ Decrease in interest receivable on loans & advances	(527,957,417)	(372,232,124)
(Increase)/ Decrease in interest receivable others	(64,883,216)	(34,131,764)
	11,755,415,397	10,624,471,773
34 (a) Consolidated Interest receipts		
ONE Bank Limited	11,755,415,397	10,624,471,773
ONE Securities Limited	1,498,751	272,645
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(1,679,200)	(54,839,151)
	11,755,234,948	10,569,905,267

	2014	2013
	Taka	Taka
35 Interest payments		
Total interest expenses	6,879,060,025	7,049,617,618
Add : Opening balance of interest payable	1,049,742,651	1,201,433,568
Less: Closing balance of interest payable	(1,071,571,960)	(1,049,742,651)
	6,857,230,716	7,201,308,535
35 (a) Consolidated Interest Payment		
ONE Bank Limited	6,857,230,716	7,201,308,535
ONE Securities Limited	-	-
	6,857,230,716	7,201,308,535
36 Fee and commission receipts in cash		
Commission, exchange and brokerage	652,175,870	608,009,951
Less : (Increase) / decrease in Com. receivable	195,500	1,577,216
	652,371,370	609,587,167
36 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	652,371,370	609,587,167
ONE Securities Limited	5,447,649	-
	657,819,019	609,587,167
37 Cash payments to employees		
Salaries and allowances	1,722,968,050	1,756,165,113
Managing Director's salary and allowances	13,106,662	12,010,041
	1,736,074,712	1,768,175,154
Less: Payable to employees	(293,149,405)	(427,617,713)
Add: Opening Payable	427,617,713	484,555,991
	1,870,543,020	1,825,113,432
38 Cash payment to suppliers		
Printing, stationery and advertisement etc.	137,658,514	143,944,001
Repair & Maintenance	233,764,821	200,626,029
Add: closing stock of stationery and stamps	37,733,230	35,095,272
	409,156,564	379,665,302
Less: opening stock of stationery and stamps	(35,095,272)	(29,936,630)
	374,061,293	349,728,672
39 Cash receipts from other operating activities		
Other operating income	387,692,566	319,053,149
Exchange earnings	590,060,556	459,065,769
	977,753,122	778,118,918
39 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	977,753,122	778,118,918
ONE Securities Limited	549,182	-
	978,302,304	778,118,918
40 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	355,645,152	288,022,767
Legal expenses	22,000,289	4,277,000
Postage, stamps, telecommunication etc.	51,278,918	49,528,550
Directors fees	830,000	735,000
Auditors' fee	200,000	190,000
Other expenses	437,549,296	373,730,925
	867,503,655	716,484,242
Add: Outstanding in payable - Opening balance	245,437,630	151,104,048
Less: Outstanding in payable - Closing balance	(197,299,171)	(245,437,630)
	915,642,114	622,150,660
40 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	915,642,114	622,150,660
ONE Securities Limited	1,649,249	133,998
	917,291,363	622,284,658

	2014	2013
	<u>Taka</u>	<u>Taka</u>
41 (Increase)/decrease of other assets		
Closing balance:		
Security deposits	2,538,295	908,515
Advance rent	444,055,293	410,469,694
Prepayments	65,890,760	66,808,274
Renovation work of rented premises	1,337,135	56,591,198
Suspense account	13,035,799	40,495,844
Receivable from Bangladesh Bank	81,502,632	50,012,589
Receivable from ONE Securities Ltd	16,413,348	11,288,213
Protested bill	2,727,713	3,345,838
Inter Branch (net balance)	1,481,683	813,798
	628,982,657	640,733,963
Off-shore banking unit	-	-
	628,982,657	640,733,963
Less: Opening balance:		
Security deposits	908,515	909,215
Advance rent	410,469,694	289,462,139
Prepayments	66,808,274	71,346,148
Renovation work of rented premises	56,591,198	18,462,625
Suspense account	40,495,844	8,164,790
Receivable from Bangladesh Bank	50,012,589	72,402,206
Receivable from ONE Securities Ltd	11,288,213	10,000,000
Protested bill	3,345,838	2,727,713
Inter Branch (net balance)	813,798	38,593,347
	640,733,963	512,068,183
Off-shore banking unit	-	-
	640,733,963	512,068,183
	11,751,306	(128,665,780)
41 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	11,751,306	(128,665,780)
ONE Securities Limited	(16,068,626)	(900,000)
	(4,317,320)	(129,565,780)
42 Deposits from banks		
Closing Balance :		
Payment on demand	1,189,460	1,191,610
Short Term Deposit	191	1,305
Fixed Deposit	9,400,000,000	-
	9,401,189,651	1,192,915
Less : Opening balance	(1,192,915)	(1,200,142)
	9,399,996,736	(7,227)
43 Deposits from customers		
Closing balance of Deposits		
Payable on demand	16,683,288,578	17,397,392,895
Other deposits	73,097,529,621	68,216,756,928
Sub total	89,780,818,199	85,614,149,823
Less: Opening balance of Deposits		
Payable on demand	17,397,392,895	10,530,434,946
Other deposits	68,216,756,928	61,832,066,252
Sub total	85,614,149,823	72,362,501,198
Deposit increased during the year	4,166,668,376	13,251,648,625
Add: Total interest on deposit		
On demand deposits	1,049,742,651	1,201,433,568
On other deposits	245,437,630	151,104,048
Sub total	1,295,180,281	1,352,537,616
Less: Closing balance of interest		
On demand deposits	(1,071,571,960)	(1,049,742,651)
On other deposits	(415,007,560)	(245,437,630)
Sub total	(1,486,579,520)	(1,295,180,281)
	3,975,269,137	13,309,005,958

	2014	2013
	Taka	Taka
44 Increase/(decrease) of other liabilities		
Closing balance:		
Interest on bills discounted	25	50,824
Lease Obligation	7,751,616	15,050,997
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	4,400,000	-
Interest suspense	1,622,403,054	876,721,731
Off-shore banking unit	1,635,028,207	892,297,064
	1,635,028,207	892,297,064
Less: Opening balance:		
Interest on bills discounted	50,824	55,752
Lease Obligation	15,050,997	21,471,134
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest suspense	876,721,731	606,963,533
	892,297,064	628,963,932
	742,731,143	263,333,132
44 (a) Consolidated (Increase)/decrease of other liabilities		
ONE Bank Limited	742,731,143	263,333,132
ONE Securities Limited	5,732,867	(18,400)
	748,464,010	263,314,732
45 Payment for purchase of securities		
a) Treasury Bills	13,361,015,938	11,718,646,281
b) Treasury Bond	2,680,060,074	1,315,317,929
	16,041,076,013	13,033,964,210
c) Others- Shares		
Closing balance	1,067,365,227	1,279,076,364
Add: Sale during the year	273,231,559	470,581,300
Less: Opening balance	(1,279,076,364)	(1,709,784,831)
	61,520,422	39,872,833
	16,102,596,435	13,073,837,043
45 (a) Consolidated Payment for purchase of securities		
ONE Bank Limited	16,102,596,435	13,073,837,043
ONE Securities Limited	1,750,022	-
	16,104,346,457	13,073,837,043
46 Receipts from sale of securities		
a) Treasury Bills and Bond	12,397,100,000	12,722,200,000
b) Others- Shares	273,231,560	470,581,300
	12,670,331,560	13,192,781,300
47 Letters of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:		
Directors	-	-
Government	1,417,078,579	1,521,763,941
Banks and other financial institutions	2,590,942,665	319,742,178
Others	6,870,297,920	9,517,234,472
	10,878,319,164	11,358,740,591
Total (i and ii)	10,878,319,164	11,358,740,591

	2014	2013
	Taka	Taka
48 Basic Earnings Per Share		
Attributable profit for the year	2,096,051,282	1,348,639,366
Weighted average number of outstanding Shares for the year:		
Opening balance	476,707,002	476,707,002
Bonus Share Issued during the year 2013	47,670,700	47,670,700
	524,377,702	524,377,702
Basic Earnings Per Share	4.00	2.57

Earnings per share has been calculated in accordance with BAS-33:"Earnings Per Share (EPS)". Previous year's figures have been restated for the issue of bonus shares during the year.

48 (a) Basic Earnings Per Share Consolidated

	1,635,865,332	1,277,901,104
Attributable to holding company		
Weighted average number of outstanding Shares for the year:		
Opening balance	476,707,002	476,707,002
Bonus Share Issued in the year 2013	47,670,700	47,670,700
	524,377,702	524,377,702
Basic Earnings Per Share	3.12	2.44

Earnings per share has been calculated in accordance with BAS-33:"Earnings Per Share (EPS)". Previous year's figures have been restated for the issue of bonus shares during the year.

49 Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2014: **Nil**
- iii) Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**
- iv) Lending policies in respect of related party:
 - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2014: **Nil**
 - b) Amount of transactions regarding principal items of deposits, expenses and commission : Nil
 - c) Amount of provision against loans and advances given to related party : **Nil**
 - d) Amount of guarantees and commitments arising from other off-balance sheet exposures : **Nil**
- v) Disclosure of transaction regarding Directors and their related concerns: **Nil**
- vi) i) As on Balance Sheet date, the total receivable amount of Tk.16,413,348 from ONE Securities Limited.
ii) As on Balance Sheet date, the lending amount of Tk. 490,026,374 to ONE Securities Limited.
- vii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):
 - a) Lease agreement made with the Director :

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease agreement	Corporate Head Quarters, ONE Bank LTD,46, Kawranbazar, Dhaka.	Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited	Expiry date of lease 31.10.2023
Lease agreement	Off Site Stationeries Store at Tejgaon, Plot # 26 Tejgaon Industrial Area, Dhaka.	Mr. Zahur Ullah, owner of M/s. Shamah Enterprises Limited	Expiry date of lease 31.05.2021
Lease agreement	Central Maintenance Unit and Off Site Stationeries Store 14-17A Sagshad Avenue, Tejgaon, Dhaka	Mr. Sayeed H. Chowdhury, owner of M/S. HRC Bangladesh Limited	Expiry date of lease 30.06.2016

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease agreement	ONE Bank Ltd, Kawran Bazar Branch, HRC Bhaban 46, Kawranbazar, Dhaka	Mr. Sayeed H. Chowdhury, owner of M/S. Hamid Properties Limited	Expiry date of lease 31.06.2023
Lease agreement	Centralised Trade Processing Center & Centralised Loan Admin Department HRC Bhaban 64-66,, Agrabad C/A,	Mr. Sayeed H. Chowdhury, owner of M/S. HRC Properties Limited	Expiry date of lease 29.02.2024
Lease agreement	Agrabad Branch, Centralised Trade Processing-Ctg., Centralised Loan Admin-Ctg. And ONE Securities Limited	Mr. Sayeed H. Chowdhury, owner of M/S. HRC Properties Limited	Expiry date of lease 28.02.2025

viii) Investments in the Securities of Directors and their related concern: **Nil**

50 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 1861.

51 Events after the balance sheet date

The Board of Directors in its 221th meeting held on 15 March 2015 has recommended stock dividend @ 12.50% and cash dividend @ 12.50% subject to the approval of the Shareholders at the next Annual General Meeting.

M. Fakhrul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

ONE Bank Limited
Financial Highlights on the overall activities of the Bank
As at 31 December 2014

Solo Basis

Sl No	Particulars	2014 Taka	2013 Taka
1	Paid up Capital	5,243,777,020	4,767,070,020
2	Total Capital	14,511,050,861	12,069,722,880
3	Capital Surplus/(deficit)	3,739,690,861	2,088,982,880
4	Total Assets	121,819,940,353	102,690,970,846
5	Total Deposits	100,295,058,911	86,568,343,101
6	Total Loans and Advances	90,499,012,755	76,573,345,090
7	Total Contingent Liabilities and Commitments	49,787,072,228	44,183,034,745
8	Credit Deposit ratio (%)	90.23%	88.45%
9	Percentage of Classified Loans against total loans and advances	4.72%	4.89%
10	Profit after tax and provisions	2,096,051,282	1,348,639,366
11	Amount of classified loans during the year	4,273,344,957	3,740,752,000
12	Provision kept against classified loans	1,701,520,744	1,788,421,802
13	Provision surplus/(deficit)	-	-
14	Cost of fund	11.83%	13.22%
15	Interest earning Assets	109,004,506,882	92,715,581,047
16	Non-interest earning assets	12,815,433,471	9,975,389,798
17	Return on investment-ROI	12.88%	14.08%
18	Return on Assets-ROA (Net profit after taxation/average assets)	1.87%	1.43%
19	Income from Investment	1,146,033,093	1,018,659,295
20	Earning per Share	4.00	2.57
21	Net Income per share	4.00	2.57
22	Price Earning Ratio (Times)	3.95	6.14

Consolidated Basis

1	Paid up Capital	5,243,777,020	4,767,070,020
2	Total Capital	13,877,411,775	11,900,917,522
3	Capital Surplus	3,089,973,693	1,901,332,957
4	Total Assets	121,712,495,690	102,635,950,909
5	Total Deposits	100,295,058,911	86,568,343,101
6	Total Loans and Advances	90,024,031,105	76,169,691,718
7	Credit Deposit ratio (%)	89.76%	87.99%
8	Profit after tax and provisions	1,631,216,753	1,277,186,579
9	Earning per Share	3.12	2.44
10	Net Income per share	3.12	2.44

Annexure-A

ONE Bank Limited
Schedule of Fixed Assets as at 31 December 2014

[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	815,030,784	218,055,528	127,476	1,032,958,836	287,528,586	64,495,073	86,004	351,937,655	681,021,181	%
Office Equipment	599,702,532	158,306,699	153,500	757,855,731	290,833,555	70,318,951	117,355	361,035,151	396,820,580	10
Motor Vehicles	207,162,063	16,588,740	-	223,750,803	90,218,645	23,926,170	-	114,144,815	109,605,988	18
Building	118,999,192	-	-	118,999,192	7,774,498	3,223,113	-	10,997,611	108,001,581	20
Land	17,700,000	-	-	17,700,000	-	-	-	-	17,700,000	2.5
Sub-Total	1,758,594,571	392,950,967	280,976	2,151,264,562	676,355,284	161,963,307	203,359	838,115,232	1,313,149,330	
Leased Assets	25,044,000	-	-	25,044,000	8,634,356	5,008,800	-	13,643,156	11,400,844	20
Intangibles Assets	131,028,337	-	-	131,028,337	24,049,656	36,019,656	-	60,069,312	70,959,025	20
Total 2014	1,914,666,908	392,950,967	280,976	2,307,336,899	709,039,296	202,991,763	203,359	911,827,700	1,395,509,199	
Total 2013	1,649,923,783	279,003,917	14,260,792	1,914,666,908	551,467,650	168,510,441	10,938,794	709,039,297	1,205,627,611	

Annexure- B

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

	Amount in Taka	
	<u>Detail</u>	<u>Total</u>
Balance as per Bank ledger		6,831,079,184
Unrespond debit entries in:		
Bangladesh Bank Statement	4,901,459	
ONE Bank's ledger	150,250,208	155,151,667
		<u>6,675,927,517</u>
Unrespond credit entries in:		
Bangladesh Bank statement	151,577,920	
ONE Bank's ledger	10,076,580	161,654,500
Balance as per Bangladesh Bank Statement		<u><u>6,837,582,018</u></u>

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

	Amount in Taka			
	<u>USD</u>	<u>EURO</u>	<u>GBP</u>	<u>Total</u>
A) Balance as per Bank ledger	698,993,409	1,582,507	1,991,868	702,567,785
B) Unrespond debit entries in:				
Bangladesh Bank Statement	885,886	-	-	885,886
ONE Bank's ledger	-	-	-	-
	<u>885,886</u>	<u>-</u>	<u>-</u>	<u>885,886</u>
C) Unrespond credit entries in:				
Bangladesh Bank statement	86,816,854	-	-	86,816,854
ONE Bank's ledger	401,042,036	-	-	401,042,036
	<u>487,858,891</u>	<u>-</u>	<u>-</u>	<u>487,858,891</u>
Balance as per Bangladesh Bank Statement (A-B+C)	<u><u>1,185,966,414</u></u>	<u><u>1,582,507</u></u>	<u><u>1,991,868</u></u>	<u><u>1,189,540,790</u></u>

ONE Bank Limited
Financial Statements for the year ended 31 December 2014
Balance with other banks in foreign currency

[Referred to Note 4.4 of these financial statements]

Name of the Banks	Currency Name	2014			2013		
		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	77.7500	2,646,436.62
Standard Chartered Bank, New York	USD	4,483,045.25	77.9494	349,450,687.41	(213,750.84)	77.7500	(16,619,127.81)
Commerzbank AG Germany	USD	384,157.44	77.9494	29,944,841.95	-	-	-
HSBC Bank , New York, USA	USD	(36,836.29)	77.9494	(2,871,366.70)	864,642.10	77.7500	67,225,923.28
Mashreqbank Psc, New York	USD	478,110.81	77.9494	37,268,450.77	(357,679.87)	77.7500	(27,809,609.89)
ICICI Bank Limited, Hong Kong	USD	177,610.85	77.9494	13,844,659.19	(221,727.09)	77.7500	(17,239,281.25)
Wells Fargo Bank N.A	USD	2,737,267.58	77.9494	213,368,365.50	2,174,553.55	77.7500	169,071,538.51
		8,223,355.64		641,005,638.12	2,280,075.62		177,275,879.46
Standard Chartered Bank, London	GBP	50,690.24	120.9151	6,129,215.44	242,929.03	128.0776	31,113,767.13
Arab Bangladesh Bank Ltd, Mumbai	ACUD	31,008.16	77.9494	2,417,067.47	697,218.58	77.7500	54,208,744.60
Habib Bank Limited	ACUD	164,735.15	77.9494	12,841,006.10	1,298,267.39	77.7500	100,940,289.57
Standard Chartered Bank, Pakistan	ACUD	366,748.00	77.9494	28,587,786.55	1,128,847.30	77.7500	87,767,877.58
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	41,597.61	77.9494	3,242,508.74	16,338.53	77.7500	1,270,320.71
SEYLAN Bank Ltd, Colombo	ACUD	70,342.51	77.9494	5,483,156.45	47,033.58	77.7500	3,656,860.85
Standard Chartered Bank, Mumbai	ACUD	722,294.51	77.9494	56,302,423.68	-	-	-
HSBC Bank , Mumbai	ACUD	-	-	-	57,147.63	77.7500	4,443,228.23
ICICI Bank Limited, Mumbai	ACUD	767,684.95	77.9494	59,840,581.24	273,237.56	77.7500	21,244,220.29
		2,164,410.89		168,714,530.23	3,518,090.57		273,531,541.83
Standard Chartered Bank, Tokyo	JP YEN	7,779,071.00	0.6459	5,024,501.96	1,456,349.00	0.7393	1,076,678.82
Unicredit Bank, AG	EURO	68,331.31	94.7007	6,471,022.89	78,087.44	106.8207	8,341,355.00
Standard Chartered Bank, Frankfurt	EURO	188,513.27	94.7007	17,852,338.63	67,257.05	106.8207	7,184,445.16
Commerzbank AG Frankfurt	EURO	103,686.10	94.7007	9,819,146.25	74,974.92	106.8207	8,008,873.44
ICICI Mumbai	EURO	13,155.65	94.7007	1,245,849.26	20,841.40	106.8207	2,226,292.94
		373,686.33		35,388,357.03	241,160.81		25,760,966.54
Westpac Banking Corporation	AUD	79,834.92	63.3807	5,059,993.11	18,282.49	68.9254	1,260,127.94
Bank of Nova Scotia	CAD	-	-	-	94,435.96	72.6025	6,856,286.79
Commerzbank AG Frankfurt	CAD	78,229.53	66.9438	5,236,982.01	-	-	-
Habib Bank AG Zurich, Switzerland	CHF	51,746.80	81.7334	4,229,441.90	-	-	-
Total				870,788,660			516,875,249

ONE Bank Limited
Details of large loan
As at 31 December 2014

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Bangladesh Petroleum Corporation	-	492.73	492.73
2	Medlar Group	179.58	143.21	322.79
3	Abul Khair Group	137.24	145.29	282.53
4	Habib Group	131.68	111.92	243.60
5	City Group	178.48	23.66	202.14
6	Airtel Bangladesh Limited	100.74	100.00	200.74
7	Argon Group	82.07	116.27	198.34
8	BSM Group	76.19	109.52	185.71
9	Ananda Group	104.94	80.46	185.40
10	Harvest Rich Group	164.39	0.66	165.06
11	Mohammadi Group (Desh Energy Ltd)	9.68	150.22	159.90
12	TK Group	43.06	110.68	153.74
13	Abdul Monem Group	153.36	-	153.36
14	Sitalpur Steel	52.56	98.59	151.15
15	Arunima Group	44.04	102.60	146.64
Total		1,458.01	1,785.81	3,243.83

Name of the Directors and the entities in which they have interest as on 31 December 2014

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 8.17 2.07 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 Buttons & Trims Ltd 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Shamah Enterprises Ltd 7 Holiday Publications Ltd. 8 Lamisa Food Products Ltd. 9 NTC Housing Ltd. 10 Everest Embroidery Ltd. 11 Apparel Fair (Pvt.) ltd.	33.33 70.00 70.00 60.00 60.00 40.00 10.00 70.00 12.50 53.33 20.00	
4.	KSC Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. A.S.M Shahidullah Khan
5.	Irfan International Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Kazi Rukunuddin Ahmed
6.	M. R. Holdings & Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Shawket Jaman
7.	Mr. Syed Nurul Amin	Independent Director	-	-	-
8.	Mr. Salahuddin Ahmed	Independent Director	Consolidated Services Limited	33.33	-

Disclosures on Risk Based Capital (BASEL II)

For the year ended 31 December 2014

Introduction

In accordance to Pillar III of the revised Framework for International Convergence of Capital Measurement and Capital Standards (BASEL II) and adopted under the Bangladesh Bank rules and regulations on risk based capital adequacy (issued through Revised RBCA Guidelines, dated December 29, 2010), we are now required to make more in-depth and expanded public disclosure regarding our risk profile (capital structure capital adequacy, risk management and measurement).

Disclosure Policy

The Bank calculates Risk Weighted Assets (RWA) as per BASEL-II guidelines (BRPD circular no.09 dated December 31, 2008) under:

- a) Standardized approach for credit risk,
- b) Standardized approach for market risk and
- c) Basic indicator approach for operational risk.

Scope of Application

The Risk Based Capital Adequacy framework applies to all banks on Solo and consolidated basis, where 'Solo' basis refers to all positions of the bank and 'Consolidated' basis includes subsidiary company of ONE Securities Limited.

Components of Disclosure Framework

1. Capital Structure
2. Capital Adequacy
3. Credit Risk
4. Market Risk
5. Operational Risk

1. Capital Structure

Qualitative Disclosure:

The terms and conditions of the main features of all capital instruments have been segregated in terms of eligibility criteria (BRPD) circular no. 35 dated December 29, 2010 and other instructions given by Bangladesh Bank).

Core Capital (Tier-1) comprises of paid up capital, statutory reserve, retained earnings and minority interest in subsidiaries.

Supplementary Capital (Tier-2) comprises of general provision(unclassified loans and off-balance sheet exposure), revaluation reserve for HTM securities up to 50%, surplus value of equity instruments up to 10% and Subordinated Debt as approved by Bangladesh Bank and Securities and Exchange Commission.

Quantitative Disclosure:

Amount in Crore			
SL No.	Particulars	Solo	Consolidated
1.	Amount of Tier-1 capital		
	Fully Paid-up Capital	524.38	524.38
	Statutory Reserve	330.60	330.60
	Retained Earnings	162.69	98.51
	Minority interest in subsidiaries	-	0.82
	Total Tier -1 Capital (A)	1,017.67	954.31
2.	Amount of Tier-2 capital		
	General Provision	207.02	207.02
	Revaluation Reserve for HTM Securities up to (50%)	4.22	4.22
	Revaluation Reserves for equity instruments up to (10%)	2.20	2.20
	Subordinated Debt	220.00	220.00
	Total Tier -2 Capital (B)	433.44	433.44
	Total Capital (A+B)	1,451.11	1,387.75

2. Capital Adequacy

Qualitative Disclosure:

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

Quantitative Disclosure:

Amount in Crore			
SL No.	Particulars	Solo	Consolidated
1.	Capital requirement for Credit Risk	953.90	942.12
	Capital requirement for Market Risk	40.42	54.10
	Capital requirement for Operational Risk	82.82	82.52
	Total	1,077.14	1,078.74
2.	Total Capital Ratio	13.47%	12.86%
	Total Tier-1 Capital Ratio	9.45%	8.85%

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	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.	Special Mention Account (SMA).	If it remains past due/overdue for 3 months or beyond but not over 6 months from the date of expiry / claim by the bank or from the date of creation of the forced loan	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 unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will be classified as ``Sub-	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Doubtful.	If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 months, the entire loan will be classified as "Bad /Loss"

Loan Type	Default		Classified / Impaired		
	Past due	Special Mention	SS	DF	BL
			standard".		
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 Limited 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 in Crore	
	Solo	Consolidated
Total gross credit risk	9,538.94	9,421.19
Funded Domestic	8,127.48	8,009.73
Non-Funded Domestic	1,411.46	1,411.46
Geographical distribution of exposures		
Domestic	9,538.94	9,421.19
Overseas	-	-
Cash and Cash equivalents		
Claims on Bangladesh Government and Bangladesh Bank		
Claims on Banks & NBFIs:	65.42	66.20
Claims on Corporate	5,561.60	5,561.60
Claims on SME	760.92	760.92
Claims under Credit Risk Mitigation	4.95	4.95
Claims included in retail portfolio & Small Enterprise	12.18	12.18
Claims on Consumer Loan	38.66	38.66
Claims Fully secured by residential property	91.82	91.82
Claims Fully secured by commercial real estate	6.12	6.12
Past due claims	296.28	296.28
Unlisted equity investments and regulatory capital	194.04	12.91
Investment in venture capital	420.81	420.81
Investment in premises, plant and equipment and all other	140.17	140.58
All other categories	534.51	596.70
Risk weighted assets for On-balance sheet items	8,127.48	8,009.73
Risk weighted assets for Off-balance sheet exposure	1,411.46	1,411.46
Gross Non Performing Assets (NPAs)	427.33	427.33
Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.72%	4.72%
Movement of Non-Performing Assets (NPAs)		
Opening Balance	374.08	374.08
Additions	211.37	211.37
Reductions	158.12	158.12
Closing Balance	427.33	427.33
Movement of specific provisions for NPAs		
Opening Balance	178.84	178.84
Provision made during the period	70.67	70.67
written off	-	-
Write back of excess provision	79.36	79.36
Closing balance	170.15	170.15

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 2014 was Tk. 1,472.39 crore. Investment was mostly in long term Government Securities which stood at Tk. 1,309.25 crore.

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

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

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

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

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

4.3 Market Risk in Trading Book

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

Quantitative Disclosure:

SL No.	Particulars	Amount in Crore	
		Solo	Consolidated
1.	The capital requirements for:		
	Interest Rate Risk	2.53	2.53
	Equity Position risk	23.68	37.36
	Foreign Exchange Risk	14.21	14.21
	Commodity Risk	-	-
	Total	40.42	54.10

5. Operational Risk

Qualitative Disclosure:

5.1 Views of Board of Directors 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 an 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 in Crore	
		Solo	Consolidated
1.	The capital requirements for: Operational Risk	82.82	82.52

ONE Bank Ltd
Off-Shore Banking Unit
Balance Sheet
As at 31 December 2014

	Notes	2014		2013	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
CASH					
Cash in hand (including foreign currency)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (including foreign currency)		-	-	-	-
		-	-	-	-
Balance with other Banks and Financial Institutions					
In Bangladesh	3	-	-	-	-
Outside Bangladesh		-	-	-	-
		-	-	-	-
Money at Call on Short Notice					
		-	-	-	-
Investment					
		-	-	-	-
Loans and Advances:					
Loans, Cash Credits, Overdrafts, etc.	4	28,890,765	2,252,017,786	20,638,747	1,604,662,582
Bills purchased and discounted		266,658	20,785,826	1,715,498	133,380,007
		29,157,423	2,272,803,612	22,354,246	1,738,042,589
Fixed Assets					
		-	-	-	-
Other Assets					
		-	-	-	-
Non Banking Assets					
		-	-	-	-
Total Assets		29,157,423	2,272,803,612	22,354,246	1,738,042,589
LIABILITIES AND CAPITAL					
Borrowing from other Banks, Financial Institutions and Agents					
		-	-	-	-
Deposits and other Accounts:					
Current Account and Other account	5	199,120	15,521,255	324,751	25,282,929
Bills Payable		-	-	-	-
Saving bank deposit		-	-	-	-
Term deposits		-	-	-	-
		199,120	15,521,255	324,751	25,282,929
Other Liabilities					
	6	28,071,086	2,188,124,334	21,830,365	1,697,277,387
Total Liabilities		28,270,206	2,203,645,588	22,155,116	1,722,560,316
Capital/Shareholders' Equity					
Profit and Loss Account		887,217	69,158,024	199,129	15,482,273
Total Liabilities and Shareholders' Equity		29,157,423	2,272,803,612	22,354,245	1,738,042,589

<u>Notes</u>	2014		2013	
	USD	Taka	USD	Taka
Off Balance Sheet Items				
Contingent Liabilities:				
7	-	-	1,636,488	127,236,938
Acceptance and endorsements	-	-	-	-
Letter of Guarantee	-	-	-	-
Irrevocable Letters of Credit	-	-	-	-
Bills for Collection	-	-	-	-
	-	-	1,636,488	127,236,938
Other Commitments				
Documentary Credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving undertaking facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
	-	-	-	-
Total Off Balance Sheet Items	-	-	1,636,488	127,236,938

ONE Bank Ltd
Off-shore Banking Unit
Profit and Loss Account
For the year ended 31 December 2014

	Notes	2014		2013	
		USD	Taka	USD	Taka
Interest Income	8	2,002,847	156,120,685	672,379	52,277,484
Interest paid on deposits and borrowings	9	1,086,031	84,655,427	373,818	29,064,325
Net Interest Income		916,816	71,465,258	298,562	23,213,159
Commission Exchange and Brokerage	10	16,602	1,294,125	68,666	5,338,764
Other Income	11	6,079	473,882	23,917	1,859,583
Total Operating Income (A)		939,497	73,233,265	391,145	30,411,506
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamps, telecommunication etc.		-	-	-	-
Directors fees		-	-	-	-
Auditor's fee		-	-	-	-
Stationery, printings, advertisements etc.		-	-	-	-
Managing Director's salary and fees		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses (B)		-	-	-	-
Profit before provision (C=A-B)		939,497	73,233,265	391,145	30,411,506
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		(68,604)	(5,347,610)	(192,442)	(14,962,379)
		(68,604)	(5,347,610)	(192,442)	(14,962,379)
Provision for off-balance sheet items		16,323	1,272,369	426	33,146
Other provision		-	-	-	-
Total Provision (D)		(52,281)	(4,075,241)	(192,016)	(14,929,233)
Profit/(loss) before taxes (C-D)		887,217	69,158,024	199,129	15,482,273
Current tax expense		-	-	-	-
Deferred tax (expense)/income		-	-	-	-
Net profit after taxation		887,217	69,158,024	199,129	15,482,273

ONE Bank Limited
Off-Shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2014

	2014		2013	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	2,002,847	156,120,685	672,379	52,277,484
Interest payments	(1,086,031)	(84,655,427)	(373,818)	(29,064,325)
Fee and commission receipts	16,602	1,294,125	68,666	5,338,764
Receipts from other operating activities	6,079	473,882	23,917	1,859,583
Operating profit before changes in current assets and liabilities	939,497	73,233,265	391,145	30,411,506
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(6,803,177)	(530,303,586)	(19,326,005)	(1,502,596,897)
Deposits from banks	-	-	-	-
Deposits from customers	(125,631)	(9,792,883)	(411,591)	(32,001,178)
Other liabilities	5,989,311	466,863,205	14,346,451	1,115,436,570
	(939,497)	(73,233,265)	(5,391,145)	(419,161,506)
A Net cash flows from operating activities	-	-	(5,000,000)	(388,750,000)
Cash flows from investing activities				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
B Net cash used in investing activities	-	-	-	-
Cash flows from financial activities				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
C Net cash used in financing activities	-	-	-	-
D Net increase in cash and cash equivalents (A+B+C)	-	-	(5,000,000)	(388,750,000)
Effect of exchange rate changes on cash and cash equivalents	-	-	-	(10,499,500)
E Opening cash and cash equivalents	-	-	5,000,000	399,249,500
F Closing cash and cash equivalents (D+E)	-	-	-	-
Closing cash and cash equivalents				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	-	-	-	-
Money at call on short notice	-	-	-	-
	-	-	-	-

ONE Bank Ltd
Off-Shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2014

1.1 Status of the units

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

1.1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction

a) Foreign currencies translation

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

b) Commitments

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

1.2.4 Cash flow statement

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

1.2.5 Reporting period

These financial statements cover from 01 January 2014 to 31 December 2014.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

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

1.3.3 Fixed assets and depreciation

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

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

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

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

1.4 Basis for valuation of liabilities and provisions

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

1.5 Revenue recognition

1.5.1 Interest income

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

1.5.2 Fees and commission income

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

1.5.3 Interest paid and other expenses

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

2 General

a) These financial statements are presented in Taka, Which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 77.9494 (closing rate as at 31 December 2014).

	2014		2013	
	USD	Taka	USD	Taka
3 Balance with other Banks and Financial Institutions				
In Bangladesh	-		-	
Outside Bangladesh (note-3.1)	-	-	-	-
	-	-	-	-
3.1 Outside Bangladesh (Nostro accounts)				
Current account				
Citibank N.A., New York, USA	-	-	-	-
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (General)	28,890,765	2,252,017,786	20,320,457	1,579,915,531
Cash Credit	-	-	-	-
Overdraft	-	-	-	-
Loan against Trust Receipt	-	-	318,290	24,747,051
	28,890,765	2,252,017,786	20,638,747	1,604,662,582
ii) Bills purchased and discounted				
Inland bills purchased	-	-	-	-
Foreign bills purchased and discounted	266,658	20,785,826	1,715,498	133,380,007
	266,658	20,785,826	1,715,498	133,380,007
	29,157,423	2,272,803,612	22,354,246	1,738,042,589
5 Deposits and other accounts				
Current deposits	55	4,318	4,551	387,396
Foreign currency deposits	-	-	-	-
Security deposits receipts	-	-	-	-
Sundry deposits	199,064	15,516,937	320,200	24,895,533
	199,120	15,521,255	324,751	25,282,929
6 Other liabilities				
Due to Head Office	27,779,512	2,165,396,298	21,590,458	1,678,624,592
General Provision (Unclassified Loan) 1%	291,574	22,728,036	239,907	18,652,795
	28,071,086	2,188,124,334	21,830,365	1,697,277,387
7 Contingent liabilities				
Letters of credits				
Letters of credits	-	-	-	-
Acceptance and endorsements	-	-	1,636,488	127,236,938
Back to Back letter of credit	-	-	-	-
	-	-	1,636,488	127,236,938
8 Interest income				
LTR loan	4,622	360,308	32,092	2,495,186
Foreign Documentary bills purchased	35,960	2,803,081	135,300	10,519,563
Short Term Loan	1,867,594	145,577,861	504,987	39,262,735
Term Loan	94,670	7,379,435	-	-
Interest on loans and advances	2,002,847	156,120,685	672,379	52,277,484
Interest received from HO	-	-	-	-
Total Interest income	2,002,847	156,120,685	672,379	52,277,484

	2014		2013	
	USD	Taka	USD	Taka
9 Interest on deposits, borrowings,				
Interest paid to HO	1,084,864	84,564,486	373,818	29,064,325
Interest expenses against nostro account	1,167	90,941	-	-
	1,086,031	84,655,427	373,818	29,064,325
10 Commission, exchange and brokerage				
Commission on L/Cs'	-	-	25,364	1,972,044
Commission on Acceptance	-	-	27,535	2,140,835
Other commission	16,602	1,294,125	15,767	1,225,885
	16,602	1,294,125	68,666	5,338,764
11 Other operating income				
L/C advice charge	3,450	268,925	8,685	675,259
Export Bill Handling Charge	1,743	135,893	11,423	888,174
EXP Issuing Charge	712	55,500	-	-
Postage	174	13,563	3,389	263,495
Others	-	-	420	32,655
	6,079	473,882	23,917	1,859,583

ONE Securities Limited
Statement of Financial Position
As at 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
SOURCE OF FUND			
Shareholders' Equity			
Paid-up Capital	3	1,463,636,300	1,463,636,300
Retained Earnings		(648,276,188)	(183,441,659)
Total Source of fund		815,360,112	1,280,194,642
APPLICATION OF FUND			
Non Current Assets (A)			
Investment in DSE and CSE Shares	4	600,200,000	600,200,000
Preliminary expenses	6	436,447	872,895
Fixed Assets	7	3,873,515	-
		604,509,962	601,072,895
Current Assets (B)			
Advance deposit and prepayments	8	5,100,303	925,000
Advance income tax	9	5,333,291	2,735,392
Investment in Shares	5	1,201,310,522	1,199,560,500
Margin Loan to clients	10	15,044,724	-
Accounts receivable	11	1,006,023	-
Cash and cash equivalents	12	15,689,433	4,627,862
		1,243,484,297	1,207,848,754
Current Liabilities -C			
Short Term Borrowing	13	490,026,374	403,653,372
Other liabilities	14	519,937,034	113,648,655
Audit Fee Payable	15	25,000	25,000
Other payable	16	22,645,739	11,399,979
		1,032,634,147	528,727,006
Net Current Assets (D=B-C)		210,850,150	679,121,747
Total Application of Fund (A+D)		815,360,112	1,280,194,642

The annexed notes 1-24 form an integral part of the financial statements.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

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

Dhaka: 12 March 2015

ATA KHAN & CO
Chartered Accountants

ONE Securities Limited
Statement of Comprehensive Income
For the year ended 31 December 2014

	<u>Notes</u>	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
Operating Income (A)			
Commission and Brokerage Income	17	5,447,649	-
Interest Income	18	1,505,886	272,645
Investment Income	19	8,402,948	-
Other Operating Income	20	549,192	-
		<u>15,905,676</u>	<u>272,645</u>
Operating Expenses (B)			
Interest paid on short term loan		65,652,526	59,739,395
Bank charges		16,149	1,798
Salary & Allowances	21	5,269,051	1,362,129
Auditor's fee		25,000	25,000
Director's fees		72,500	-
Amortization of preliminary expenses		436,447	436,447
Printing & Stationary		307,503	2,615
Repairs and Maintenance		27,235	-
Advertisement expenses		64,500	-
Depreciation		641,696	-
Fees and renewal	22	1,003,231	142,505
Direct expenses	23	325,430	-
Other expenses	24	610,560	14,180
Total		<u>74,451,826</u>	<u>61,724,070</u>
Net profit/(loss) before provision and tax (A-B)		(58,546,151)	(61,451,425)
Provision for diminution in value of share	14.1	406,240,662	10,000,000
Provision for income tax	14.2	47,717	1,363
Net profit/(Loss) after provision		(464,834,530)	(71,452,788)
Retained surplus brought forward		(183,441,659)	(111,988,871)
Retained surplus carried forward		<u>(648,276,188)</u>	<u>(183,441,659)</u>
Earning per Share		(31.76)	(4.88)

The annexed notes 1-24 form an integral part of the financial statements.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

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

Dhaka: 12 March 2015

ATA KHAN & CO
Chartered Accountants

ONE Securities Limited
Statement of Cash Flows
For the year ended 31 December 2014

	2014	2013
	<u>Taka</u>	<u>Taka</u>
Cash Flows from Operating Activities		
Interest Receipts in cash	1,498,751	272,645
Commission and Brokerage receipts in cash	5,447,649	-
Interest Payments	(1,679,200)	(54,839,151)
Dividend receipts	6,733,148	-
Income Taxes paid	(755,470)	(27,265)
Advance Deposit and Prepayment	(25,000)	(900,000)
Other Payable	5,732,867	(9,150)
Other Receivable	(1,006,023)	-
Loan to Clients	(15,037,603)	-
Payment to employees	-	(9,250)
Receipts from other operating activities	549,182	-
Operating Expenses	(1,649,249)	(133,998)
A) Net Cash used in Operating Activities	(190,947)	(55,646,169)
Cash Flows from Investing Activities		
Payments for purchase of securities	(1,750,022)	-
Net Purchase/Sales of fixed assets	(2,997,461)	-
B) Net Cash used in Investing Activities	(4,747,483)	-
Cash Flows from Financing Activities		
Receipts from issue of shares	-	-
Short term borrowing	16,000,000	51,300,000
C) Net Cash from Financing Activities	16,000,000	51,300,000
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	11,061,571	(4,346,169)
Opening Cash and cash equivalents	4,627,862	8,974,031
Closing cash and cash equivalents	15,689,433	4,627,862

The annexed notes 1-24 form an integral part of the financial statements.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

Dhaka: 12 March 2015

ONE Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2014

Particulars	Amount in Taka		
	Paid-up Capital	Retained Earnings	Total
Balance as on January 01, 2014	1,463,636,300	(183,441,659)	1,280,194,642
Net profit / (loss) during the period	-	(464,834,530)	(464,834,530)
Balance as on December 31, 2014	1,463,636,300	(648,276,188)	815,360,112
Balance as on December 31, 2013	1,463,636,300	(183,441,658)	1,280,194,642

The annexed notes 1-24 form an integral part of the financial statements.

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

Dhaka: 12 March 2015

ONE Securities Limited
Notes to the Financial Statements
For the year ended 31 December 2014

1 Status of the Company

1.1 Legal Form of the Company

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

1.2 Nature of Business Activities:

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

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of Accounting:

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of the Stock Exchanges and other laws and rules applicable to securities company.

2.2 Statement of Cash flows

Statement of cash flows is prepared in accordance with the Bangladesh Accounting Standard-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method.

2.3 Fixed assets and depreciation

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

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

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

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

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

- 2.4 Investment in securities**
Investment in marketable and non-marketable ordinary shares has been shown at cost. Provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.
- 2.5 Preliminary and pre-operating expenses**
These are recognized as an asset if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably. These are amortized over 5 years.
- 2.6 Cash and cash equivalents**
Cash and cash equivalents include notes and coins in hand, unrestricted balances held with banks and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the company management for its short-term commitments.
- 2.7 Provision for taxation**
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying required rate.
- 2.8 Interest paid and other expenses**
In terms of the provision of BAS-1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.
- 2.9 Share capital**
Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.
- 2.10 Reporting period**
These financial statements cover period from January 01, 2014 to December 31, 2014.
- 2.11 Reporting Currency**
The amount shown in this financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.
- 2.12 Related party transaction**
Related party transaction is a transfer of resources, services or obligation between related parties and here the related party transactions are the loan taken from ONE Bank Limited amounting to Tk.490,026,374 and a payable amounting to Tk.16,413,348 to ONE Bank Limited.
- 2.13 Directors' responsibility on Financial Statements**
The board of directors of the company is responsible for the preparation and presentation of these Financial Statements.
- 2.14 Events after reporting period**
All known material events after the Balance Sheet date have been considered and appropriate adjustments/disclosures have been made in the Financial Statements, where necessary up to the date of preparation of Financial Statements as per BSA-10 " Events After the Reporting Period".
- 2.15 Earnings per Share**
Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December 31, 2014 as per BAS-33 " Earnings Per Share".
- 2.16 General**
Previous year figures have been rearranged wherever considered necessary to conform to current years presentation.

ONE Securities Limited
Notes to the Financial Statements

	2014	2013
	<u>Taka</u>	<u>Taka</u>
3 Share Capital		
3.1 Authorized Capital		
4,00,00,000 Ordinary Shares of Taka 100/- each.	<u>4,000,000,000</u>	<u>4,000,000,000</u>
3.2 Issued, Subscribed and Paid-up Capital		
1,46,36,363 ordinary shares of Taka 100/- each fully paid.	<u>1,463,636,300</u>	<u>1,463,636,300</u>
3.3 Shareholding position of the company		
<u>Name of Shareholders</u>	<u>Number of Shares</u>	<u>Amount in Taka</u>
ONE Bank Limited	14,489,992	1,448,999,200
NTC Housing Limited	146,363	14,636,300
Mr. Zahur Ullah	1	100
Mr. Asoke Das Gupta	1	100
Mrs. Farzana Chowdhury	1	100
KHH Holdings Limited	1	100
M R Holdings & Securities Limited	1	100
Irfan International Limited	1	100
KSC Securities Limited	1	100
Master Holdings Limited	1	100
	<u>14,636,363</u>	<u>1,463,636,300</u>

4 Investment in DSE and CSE Shares

Shares in DSE	320,200,000	320,200,000
Shares in CSE	280,000,000	280,000,000
	<u>600,200,000</u>	<u>600,200,000</u>

This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission's (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the ownership as a TREC Holder of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for transaction the shares of DSE and CSE, we have shown the value at original cost of our investment.

5 Investment in Shares

Lanka Bangla Finance Limited	502,040,000	502,040,000
The City Bank Limited	697,520,500	697,520,500
Meghna Petroleum Limited	475,896	-
Titans Gas Transmission & Distribution Company Limited	1,274,126	-
Total cost price	<u>1,201,310,522</u>	<u>1,199,560,500</u>

5.1 Comparison between cost and market price of Shares as on December 31, 2014

Name of Company	Number of shares	Market price	Market Value at 31-12-2014	Cost per unit	Cost	Surplus/ (Deficiency)
LankaBangla Finance Ltd	5,844,300	44.00	257,149,200	85.90	502,040,000	(244,890,800)
City Bank Limited	19,507,950	21.80	425,273,310	35.76	697,520,500	(272,247,190)
Meghna Petroleum limited	2,000	211.00	422,000	237.95	475,896	(53,896)
Titas Gas Trans. & Dist. Co	15,500	79.70	1,235,350	82.20	1,274,126	(38,776)
			684,079,860		1,201,310,522	(517,230,662)

	2014	2013
	Taka	Taka
6 Preliminary expenses		
CSE Tender Schedule Purchase	15,000	15,000
SEC Capital Raising Consent Application	5,000	5,000
SEC Capital Raising Formal Approval Fee	332,751	332,751
RJSC Registration Fee	1,814,485	1,814,485
RJSC Legal Fee	15,000	15,000
	2,182,236	2,182,236
Less: Accumulated Amortized		
Opening balance	1,309,342	872,895
During the year	436,447	436,447
Closing balance	1,745,789	1,309,342
	436,447	872,895
7 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	126,500	-
Office equipment	2,988,711	-
	3,115,211	-
Intangible Assets	1,400,000	-
	4,515,211	-
Less: Accumulated depreciation	641,696	-
	3,873,515	-
8 Advance deposit and prepayment		
Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	25,000
Security Deposit to CDBL for depository participant	200,000	200,000
Advance payment for Office Decoration	4,668,303	-
Advance payment of Software installation	182,000	-
Advance payment of Software installation for Back Office	-	700,000
	5,100,303	925,000
9 Advance income tax		
Opening balance	2,735,392	2,708,127
Addition during the year (Note-9.1)	2,597,900	27,265
Closing balance	5,333,291	2,735,392
9.1 Addition during the year		
Advance tax paid with Appeal to Appellate Tribunal	172,630	-
Advance income tax deducted on Dividend	1,669,800	27,265
Advance income tax deducted by DSE on transaction	668,254	-
Advance income tax deducted by DSE on transaction for Dealer	1,483	-
Advance income tax deducted by CSE on transaction for Dealer	370	-
Advance income tax deducted by CSE on transaction	12,144	-
Advance income tax deducted by Bank on Deposit	62,241	-
Advance income tax deducted by Bank on Deposit Dealer	10,978	-
	2,597,900	27,265

	2014	2013
	<u>Taka</u>	<u>Taka</u>
10 Margin Loan to clients	15,044,724	-

This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan.

11 Accounts Receivable

Receivable from DSE	1,006,023	-
Receivable from CSE	-	-
	1,006,023	-

12 Cash and Cash Equivalent

Cash in Hand	16,680	-
ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C	451,524	4,627,862
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C	10,938,356	-
ONE Bank Limited, Principal Branch (IPO Account)	366,500	-
ONE Bank Limited, Principal Branch (SND)- Dealer	3,916,373	-
	15,689,433	4,627,862

13 Short Term Borrowing

Loan from ONE Bank Limited	490,026,374	403,653,372
----------------------------	--------------------	--------------------

The above Overdraft was taken from ONE Bank Ltd, Kawran Bazar Branch bearing interest @ 12.50% per annum of quarterly basis vide reference no. OBL-KBB-Credit/055/2014 dated June 26, 2014.

14 Other liabilities

	517,230,662	110,990,000
Provision for diminution in value of investment in shares (note-14.1)	2,706,372	2,658,655
Provision for Income Tax (note-14.2)	519,937,034	113,648,655

14.1 Provision for diminution in value of investment in shares

Opening balance	110,990,000	100,990,000
Provision for the year	406,240,662	10,000,000
Closing balance	517,230,662	110,990,000

As on December 31, 2014 Market Price on Investment in Share amounting to Tk. 684,079,860 and Cost price TK. 1,201,310,522 result in Provision requirement of Tk. 517,230,662. OSL has made full provision against the shortfall in value of Investment in Shares.

14.2 Provision for Income Tax

Opening balance	2,658,655	2,657,292
Provision for the year *	47,717	1,363
Closing balance	2,706,372	2,658,655

* Net loss before provision and tax for the year ended 31 December , 2014 is Tk. 58,546,151, So the company will not be required to make provision against tax. But as per Income Tax Ordinance 1984 under Section 16CCC minimum tax @ 0.30% on the gross receipts is required to pay. Accordingly we have made a provision of Tk.47,717 on the gross receipts of tk. 15,905,676.

15 Audit Fee

Opening balance	25,000	20,000
Charge during the year	25,000	25,000
Paid during the year	(25,000)	(20,000)
Closing balance	25,000	25,000

	2014	2013
	<u>Taka</u>	<u>Taka</u>
16 Other Payable		
Payable to ONE Bank Ltd.	16,413,348	11,288,213
Leave Fare Assistance	381,598	108,016
VAT on audit fees	3,750	3,750
Payable to Clients	4,826,064	-
Payable to Telnet Communication Limited	12,000	-
Marketing Expenses Payable	47,689	-
Payable to Service Outsourcing	46,422	-
IPO Application Money A/C	364,000	-
Payable to Dhaka Stock Exchanges	6,086	-
Payable to Chittagong Stock Exchanges-Dealer	503,608	-
Payable to Chittagong Stock Exchanges	33,109	-
Payable to CDBL	8,065	-
	22,645,739	11,399,979
17 Commission and Brokerage Income		
Commission income from Broker	5,432,825	-
Commission income from Dealer	14,824	-
	5,447,649	-
18 Interest Income		
Interest income from Margin Loan	775,006	-
Interest on Bank Deposit	730,880	272,645
	1,505,886	272,645
19 Investment Income		
Dividend Income	8,349,000	-
Capital Gain	53,948	-
	8,402,948	-
20 Other Operation Income		
BO Accounts Opening Fees	209,200	-
Annual Maintenance fees for BO Accounts	37,000	-
Documentation Fees for Margin Loan	28,800	-
Transmission In/Out	99,516	-
Cheque Dishonour	20,000	-
Management Fees- Margin Accounts	24,000	-
Miscellaneous	130,676	-
	549,192	-
21 Salary and Allowances		
Salary & Allowances	4,709,787	1,217,563
Bonus	559,264	144,566
	5,269,051	1,362,129
22 Fees and renewal		
License and renewal fee	170,100	64,000
RJSC expenses	29,700	-
Authorized representative application fee	8,300	2,000
CDBL Charges	480,286	-
Training Expenses	36,500	33,305
Monthly Line Charges	232,645	-
Trading Work Station Charge	25,000	-
DSE Membership fee	4,700	4,700
BSEC Fees for raising Paid Up Capital	5,000	-
Govt. Excise Duty	11,000	21,000
CSE Membership Fee	-	5,000
Documentation fee for Depository Participant	-	2,500
Application fee (BSEC)	-	10,000
	1,003,231	142,505

	2014	2013
	<u>Taka</u>	<u>Taka</u>
23 Direct Expenses		
Howla Charges-DSE	47,526	-
Howla Charges-DSE-Dealer	38	-
Howla Charges-CSE-Dealer	22	-
Transaction Fee -DSE	271,098	-
Transaction Fee-DSE-Dealer	593	-
Transaction Fee-CSE-Dealer	132	-
Howla Charges-CSE	1,756	-
Transaction Fee-CSE	4,264	-
	325,430	-
24 Others expenses		
Messenger Service	87,503	-
Security Guard expenses	212,706	-
Entertainment	98,084	-
Conveyance	2,780	-
Sundry Expenses	41,513	7,430
VAT on Audit fee	3,750	6,750
Cleaning Service	116,535	-
Marketing Expenses	47,689	-
	610,560	14,180

