

# ANNUAL REPORT 2015

... towards more progressive growth path



**ONE Bank**

LIMITED

...We Make Things Happen



... towards more progressive growth path



**ONE Bank**

LIMITED

*...We Make Things Happen*



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## HALLMARKS

- Memorandum and Articles of Association signed by the Sponsors
- Incorporation of the Company
- Certificate of Commencement of Business
- License issued by Bangladesh Bank
- License issued for opening the first branch-Principal Branch, Dhaka
- Formal launching of the Bank
- Commencement of business from the Principal Branch, Dhaka
- Sponsored Industrial and Infrastructure Development Finance Company Limited (IIDFC) as Promoter Shareholder
- Floatation of Initial Public Offering (IPO):
  - Publication of Prospectus
  - Subscription opened
  - Subscription closed
- Lottery held for Allotment of Oversubscribed Shares
- Trading of Shares at Dhaka Stock Exchange Limited
- Trading of Shares at Chittagong Stock Exchange Limited
- Sponsor Shares acquisition of VANIK Bangladesh Limited (now LankaBangla Finance Limited)
- Dividend declared in the 5th AGM (first ever after the IPO)
- Commencement of trading of the Bank's Shares in dematerialized form on Central Depository System(CDS) of Central Depository Bangladesh Limited (CDBL)
- Launched ONE Bank MasterCard (Credit Cards)
- Installed Automated Teller Machines (ATM)
- Inaugurated its 50th Branch
- Incorporation of Subsidiary Company ONE Securities Limited
- Obtained Chittagong Stock Exchange (CSE) Membership
- Change of Face Value and Market Lot of Shares
- New CBS Software (ORACLE Flexcube-11.2) live operation
- Launching of Internet Banking
- Enhancement of Authorised Capital (from Tk 415 crore to Tk 1,000 crore)
- Obtained Dhaka Stock Exchange (DSE) Membership
- Joined Q-Cash, DBBL , BRAC and VISA Networks
- Obtained Custodial License
- Launched Multi Currency VISA Debit , Prepaid & Credit Cards as a Principal Member of VISA Worldwide Pte. Ltd.
- Launched Bank Led Mobile Financial Services 'OK Banking'
- OBL's Subsidiary ONE Securities Limited Launched Stock Broking and Dealing Services
- CDBL Connection Installed to Launch Custodial Service

## DATES

May 4, 1999  
 May 12, 1999  
 May 12, 1999  
 June 2, 1999  
 June 17, 1999  
 July 14, 1999  
 July 14, 1999  
 June 25, 2001  
 June 29, 2003  
 August 11, 2003  
 August 12, 2003  
 August 31, 2003  
 December 6, 2003  
 December 6, 2003  
 June 5, 2004  
 June 7, 2004  
 December 22, 2004  
 July 14, 2005  
 July 14, 2006  
 December 29, 2010  
 May 4, 2011  
 May 8, 2011  
 December 4, 2011  
 January 1, 2012  
 March 23, 2012  
 March 29, 2012  
 December 6, 2012  
 March 13, 2013  
 May 8, 2013  
 August 29, 2013  
 September 5, 2013  
 March 2, 2014  
 March 30, 2014



# Vision & Mission

## OUR VISION

- To establish ONE Bank Limited as a Role Model in the Banking Sector of Bangladesh.
- To meet the needs of our Customers, provide fulfillment for our People and create Shareholder Value.

## OUR MISSION

- To constantly seek ways to better serve our Customers.
- Be proactive in fulfilling our Social Responsibilities.
- To review all business lines regularly and develop the Best Practices in the industry.
- Working environment to be supportive of teamwork, enabling the employees to perform to the very best of their abilities.



- **Oneness :**

One team → One goal → Serving our clients, stakeholders and the community at large → in a spirit of oneness.

- **Take Pride :**

In what we do and where we work: with the highest standards of fairness, ethics, integrity and openness in everything we say and do.

- **Client Centricity :**

We earn our clients and customers' trust by placing them at the core of our organisation and continuously strive to pursue mutually beneficial relationships in which the value created is shared fairly.

- **Respect & Appreciate :**

The people we work with and the contribution that they make.

- **Excellence :**

We achieve excellence by "Doing Right Things Right, First Time Right."



# Code of Conduct

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## **1. Being lawful - live with the law, in the law & of the law**

"All the Employees of the Bank should at all times comply with or observe all applicable laws and regulations of the country and the Bank, wherever it operates."

## **2. Integrity - the Guiding Beacon**

"Every employee of the Bank must be open, honest, accurate and ethical in all the dealings with the stakeholders without compromising"

## **3. Conflict of Interests? - your bank always comes first**

"All the employees are to place the interests of the Bank first. An employee must not enter into a situation resulting conflict of interests, use his/her position in the Bank for personal gains/ benefits for themselves and members of their families or friends."

## **4. Belongingness to One Family - Bond of Compassion, Courtesy & Respect**

"We must work towards building and maintaining a positive work environment, characterized by professional, dignified, and respectful conduct – a FAMILY atmosphere where an employee treats fellow employees and the members of the public with compassion, courtesy and respect."

## **5. Be a Trailblazer - Shun the Money Launderers & Combat Terrorism Financing**

"Each employee must strictly adhere to the law and regulations of the country, Bangladesh Bank regarding Money Laundering Prevention, Anti Terrorism etc. and at the same time remain alert and vigilant with respect to frauds, thefts, bribery/ illegal activities."

## **6. Take a Tough Stance - No Discriminations, No Intimidations, No Inappropriate Conducts, No Sexual Harassments**

"It is the responsibility of all employees to maintain a working atmosphere free of discrimination, harassment, intimidation and unwelcome, offensive or inappropriate conduct, including sexual overtures, offensive jokes, graphic material, etc."

## **7. Privacy and Confidentiality - "Confidentiality is a Virtue of the loyal, as loyalty is the virtue of faithfulness."**

"Every employee shall serve the Bank diligently, honestly and faithfully and shall maintain strict secrecy regarding the affairs of the Bank and its customers. He/she shall show courtesy and attention, in all transactions, to all persons having dealing with the Bank."

## **8. Know your calling - Be honest to the customers, no concealment of facts & figures**

"All the customers (existing and potential) should receive fair treatment from us and we must not deceive our customers by mis-selling or misrepresenting our products or services."



# Code of Conduct

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## **9. Borrowings - do not live beyond your means**

"No employee shall borrow money from the fellow employees, money lenders or customers of the Bank or from persons likely to have dealings with the Bank."

## **10. Your life is a gift of Almighty - never indulge in substance abuse, drug addiction or alcoholism**

"Employees are not permitted to use/consume liquor, narcotics, depressants, stimulants (unless prescribed by a registered physician), hallucinogens, marijuana, or any other controlled/ forbidden substances during working hours as well as during other work-related events."

## **11. Live a responsible life - remember a non-smoking workplace means a healthy environment**

"The Bank appreciates non-smoking; as such treats the premises of the Bank as non-smoking zones. Every member of the Staff is expected to maintain it."

## **12. Speak up - Report concerns promptly**

"The employees of the Bank have a responsibility to report in confidence, actual or suspected misconduct, malpractice and illegal or unethical behavior in the workplace to the Management."

## **13. Media, being highly sensitive sector, to be handled by assigned persons only - do not speak/ release statements to the media on official issues without prior permission**

"No employee other than the Managing Director shall deal directly with the media or make any statement to the Media on official issues without prior authorization."

## **14. Know the lines not to be crossed - No representation to Directors**

"No employees shall make any direct personal representation to the Directors of the Bank. All representations must be addressed to the Managing Director through proper channel."

## **15. The bank is yours - Prudently use your resources/ Service facilities**

"Bank's resources, including time, material, equipment, vehicles and other service facilities are provided for its business use and as such an employee must ensure that these are used efficiently and economically in the course of performing his or her duties and not used for unofficial and inappropriate purposes except where such use is authorized by the Competent Authority."

## **16. OBL WAY (Warm, Agile and Yielding)**

"All the employees are bound to observe the directives and the rules and regulations prescribed in OBL WAY meticulously to transform the directives into habits to uphold the value and image of the Bank."



## Company Information

### **Name of the Company**

ONE Bank Limited

### **Chairman**

Mr. Sayeed Hossain Chowdhury

### **Vice Chairman**

Mr. Asoke Das Gupta

### **Company Secretary**

Mr. John Sarkar

### **Managing Director**

Mr. M. Fakhru Alam

<b>Legal Status</b> Public Limited Company	<b>Line of Business</b> Banking	<b>SWIFT</b> ONEBDDH
<b>Date of Incorporation</b> May 12, 1999	<b>Telephone</b> 88 02 9118161	<b>Website</b> <a href="http://www.onebank.com.bd">www.onebank.com.bd</a>
<b>Registered Office</b> 2/F HRC Bhaban 46 Kawran Bazar C.A. Dhaka 1215, Bangladesh	<b>Telefax</b> 88 02 9134794	<b>E- mail</b> <a href="mailto:obl@onebank.com.bd">obl@onebank.com.bd</a>

# Auditors / Legal advisers

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## Auditors

### **ATA KHAN & CO.**

Chartered Accountants  
67, Motijheel C/A, Dhaka- 1000  
Bangladesh

## Legal services rendered by

### **ABDUR RAZZAQUE & ASSOCIATES**

Barristers & Associates  
City Heart, Suite # 5/1  
67, Naya Paltan (4th floor)  
Dhaka – 1000  
Tel: +88 02 9352786  
Fax: +88 02 9359998  
E-mail: barristerrazzaque@gmail.com

### **MR. ALI ASGHAR CHOWDHURY**

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

## Five Years' Financial Highlights of ONE Bank Limited

As at 31st December 2015

Figures in Million Taka

SI No	Particulars	2015	2014	2013	2012	2011
1	Authorized Capital	10,000	10,000	10,000	10,000	4,150
2	Paid up Capital	5,899	5,244	4,767	4,145	3,189
3	Shareholders' equity	11,579	10,225	8,576	7,424	6,346
4	Statutory Reserve	3,846	3,306	2,665	2,310	1,898
5	Total Capital (Tier-1 + Tier-2 Capital)	14,759	14,511	12,070	8,438	7,700
6	Total Assets	154,193	121,820	102,691	85,618	67,619
7	Total Deposits	131,252	100,295	86,568	73,056	57,240
8	Total Loans & Advances	106,749	90,499	76,573	60,216	47,927
9	Total Investment	22,900	14,724	10,292	9,792	8,128
10	Import business handled	105,199	111,888	74,857	57,686	53,831
11	Export business handled	56,176	66,866	58,711	50,930	45,897
12	Guarantee business handled	12,939	9,310	8,036	11,976	12,941
13	Total Contingent Liabilities	61,444	49,787	44,183	32,669	30,459
14	Total Operating Income	7,640	7,172	5,458	4,620	4,611
15	Total Operating Expenses	3,492	3,263	2,998	2,284	1,764
16	Profit before provision	4,148	3,909	2,460	2,336	2,847
17	Provision for loans and other assets	1,450	706	683	275	607
18	Profit after provision and before taxes	2,698	3,203	1,777	2,061	2,240
19	Provision for taxation	776	1,107	428	1,005	792
20	Net profit after taxation	1,922	2,096	1,349	1,056	1,448

Figures in Taka/Percentage

SI No	Particulars	2015	2014	2013	2012	2011
1	Earnings per Share	3.26	4.00	2.83	2.55	4.54
2	Price Earning Ratio (Times)	4.69	3.95	5.58	8.95	10.50
3	Net Asset Value per share	19.63	19.50	17.99	17.91	19.86
4	Return on Assets	1.39%	1.87%	1.43%	1.38%	2.29%
5	Return on Investment	11.32%	12.88%	14.08%	14.31%	14.94%
6	Capital Adequacy Ratio	10.93%	13.47%	12.09%	10.46%	11.24%
7	Tier - 1 (Capital)	8.46%	9.45%	8.53%	9.13%	9.22%
8	Credit Deposit Ratio	81.33%	90.23%	88.45%	82.42%	83.73%
9	Percentage of classified loans against total loans and advances	3.58%	4.72%	4.89%	5.52%	4.47%
10	Dividend					
	Cash	12.50%	12.50%	9.00%	5.00%	-
	Stock	12.50%	12.50%	10.00%	15.00%	30.00%

SI No	Particulars	2015	2014	2013	2012	2011
1	Number of Branches	85	77	70	64	54
2	Number of Employees	1976	1861	1810	1608	1472



## Chairman's Address

"In the name of the Almighty Allah"

Dear Shareholders,

On behalf of the Board of Directors of ONE Bank Limited, I have the pleasure to present you the annual report and financial statements of OBL for the year ended 31 December, 2015.

Within a more competitive and challenging business environment, ONE Bank Limited again registered another good year of performance and consolidation in the reshaping and strengthening of the Bank against a backdrop of Political and Economical headwinds.

The Board recognises the importance of dividends to shareholders and believes in balancing returns with investment to support future growth, while preserving strong capital ratios. Accordingly, we recommended a Dividend of 25% for the financial year ended December 31, 2015, of which 12.50% is to be in Cash and 12.50% in the form of Bonus Shares. When compared with Dividends declared by other banks vis-à-vis ONE Bank Limited, our total Dividend of 25% is very respectable.

OBL continued to honour its social responsibilities within the broad tide of social development, taking the initiative to contribute to

the nation and benefit the people's livelihood. We have been one with our Community since our inception. We have always involved ourselves in Corporate Social Responsibility (CSR) activities but not out of our mere sense of responsibility but out of our passion for humanity. ONE Bank Limited undertook quite a number of CSR activities. Major initiatives included construction of School buildings, payment of teachers' remuneration and reading materials, scholarships to underprivileged but meritorious students in different parts of the country, distributing warm clothes to the cold stricken people, engaging Doctors to provide free treatment to the destitute, providing blankets, sewing machines to the people and furniture to the schools situated in the chit mahals (enclaves) etc.

As we told you last year, we have a plan to go beyond the borders. We qualified to receive a loan of 44 million US Dollars through a syndication Loan by OFID, OeEB and FMO. After final signing of the Agreements, we will be able to lend in foreign currencies. Domestically, we have opened 8 (eight) new branches and 3 (three) booths during the year 2015.

ONE Securities Limited, a subsidiary of ONE Bank Limited has been successfully rendering Stock Broking and Dealing Services in Dhaka under the license of DSE. Customers are satisfied with the services being rendered by the highly experienced and motivated employees of the subsidiary. We shall also soon be operational in CSE after receiving license for Agrabad Branch in Chittagong.

We are operating in a different environment than we were just a few years ago. It is clear that the financial services industry continues to evolve rapidly and ONE Bank is embracing the change. Your Board and Management Team have been working diligently over the past year to adapt and evolve.



## Chairman's Address

It is clear now that societal, regulatory and public policy expectations of our industry are changing its long-term cost structure. As more and more customers choose to transact online and through mobile devices, we are making the necessary investment to protect ourselves and our customers from cyber threats. Building the required analytical capabilities entails considerable investment in systems and in maintaining customer data which is accurate and up to date. Reconfiguring customer and transactional data to the digital age is no small endeavour given legacy systems and a multiplicity of historical data standards. The benefits, however, of enhanced customer due diligence capabilities and greater systems security essentially go to the core of our systemic role and allow us to be more proactive in fulfilling that role as a gatekeeper to the financial system.

Our six day-to-day strategic priorities are:

- **Putting customers first:** Our business is built around an unwavering focus on customers. Our people provide products and services to meet customer needs through multiple, convenient ways that add up to high-quality, caring relationships and guidance.

- **Growing revenue:** Revenue is the grade our customers give us each day when they reward us with their business. When we serve customers well, the money we earn is the result. We generate revenue from various businesses, which provide diverse sources of income through economic cycles.
- **Managing expenses:** We focus on operating efficiently by thoughtfully managing our resources and exercising discipline to invest in the areas that matter most to our customers and stakeholders.
- **Living our vision and values:** We seek to bring our vision and values to life in all that we do, demonstrating who we are through our actions.



## Chairman's Address

- **Connecting with communities and stakeholders:** We believe there's a connection between our success and the success of our key stakeholders – customers, communities, investors and team members. These are relationships we nurture each day.
- **Managing risk:** Strong risk management has been a cornerstone of our success, so we continue to invest significantly in this area.

In anticipation of increased business, we have further strengthened the Bank's operational efficiency and its delivery system. We will continue to invest in the latest technology that enables the Bank to manage its growth efficiently and to deliver its products and services in the most cost-effective manner.

The Bank will aggressively continue to grow its customer base, specific segments and fee-based income through introduction of new products and schemes. Basically this will further strengthen the Bank's position in the market and increase its presence. The prospect for the Bank looks encouraging.

However, the Bank remains cautious in the light of uncertainties in the global economy and will continue to be prudent to maintain sustainable growth. With the Bank's resilient track record of financial performance as well as strong asset quality and backed by a firm capital structure, your Bank is well prepared to grasp opportunities arising from the next phase of growth. As the banking landscape continues to evolve and change, the bank will continue to be steadfast and focused building a sustainable business that has the strength to support its customers through economic cycles and seize new opportunities when they arise.

Moving into 2016 we expect a more challenging business environment with uncertainties in the global economy and the downward swing in crude oil price. We will continue to build on the solid foundations we have put in place to deliver

on our commitments to customers, clients, colleagues, shareholders and broader society.

Looking into the future, we see new conflicts and new challenges. But we also see new development opportunities. We firmly believe that challenges are everywhere, thus, we should be prepared anytime anywhere, as opportunities always come hand in hand with challenges, and opportunities only favour those who are prepared. We are prepared and will strive to be even better prepared.

On behalf of the Board, I want to thank our clients and stakeholders for their continued support and also the staff of the Bank for their tremendous effort and dedication to ONE Bank through a challenging period.

I also would like to put on record our gratitude to the Bangladesh Bank and the Securities and Exchange Commission for their continued support and guidance.

I appreciate your continued trust and confidence in me, and I strive everyday to earn them.

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



**Sayeed Hossain Chowdhury**  
Chairman



# Directors' Profile





## Directors' Profile

### Mr. Sayeed H. Chowdhury

Chairman



After completing his higher education in London – UK, **Mr. Sayeed H. Chowdhury** joined the family business in 1981 and was based in the Sultanate of Oman until 1987, looking after its business interest in the Gulf region. Returned home to work for the family company “Karnaphuli Group” as its Director Finance and Planning. In March 1991, Mr. Chowdhury founded the HRC Group, the much acclaimed and multi faceted blue chip business house of Bangladesh. Initially starting as a shipping agency, the group is now a leading conglomerate of Bangladesh consisting of nineteen member companies with diverse interest which includes but is not limited to ship owning, chartering and agency, tea estates and rubber plantations, blending and packaging of tea for local market and export, real estate, print media, lighting industry, distribution, travel trade, insurance, housing finance, Merchant banking, Information Technology, etc. Export performance of HRC in the tea sector has earned Mr. Chowdhury the Government CIP honour for twelve (12) consecutive years. In recognition it also received nine (9) Gold and two (2) Silver Trophy from Bangladesh Government. He is the Founder, Chairman and CEO of HRC family of companies. Mr. Chowdhury is also Chairman of Media New Age Limited and Information Services Network Limited. He is the Chairman of the Editorial Board of the Bangla National daily Jaijaidin. A Director of Holiday Publications Limited and a Sponsor Shareholder of Bangladesh General Insurance Co. Ltd. Mr. Chowdhury is the Ex-President of Bangladesh Oceangoing Shipowners' Association (BOGSOA). He is also a member of the British Institute of Management.

### Recognitions:

#### National

- Industry Business Award (2003)
- Financial Mirror Business Award (2004)
- Rafiqul Islam Foundation Banking Award (2004) – the best Bank Chairman.
- Financial Mirror Export Award (2007)
- Michael Madhusudhan Dutt Award (2007) – for Upliftment of Education and Social Welfare
- Atish Depankar Gold Medal Award (2009) – for outstanding contribution in Commerce and Industry.

#### International

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

#### Fellowship

- Honorary Fellowship of the Corporation of Executives Administrators (CEA) – United Kingdom

## Directors' Profile



### Mr. Asoke Das Gupta

Vice Chairman

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

### Mr. Zahur Ullah

Director

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



### Mr. A.S.M. Shahidullah Khan

Director

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

## Directors' Profile

### Mr. Kazi Rukunuddin Ahmed

Director

**Mr. Kazi Rukunuddin Ahmed**, one of the Directors of ONE Bank Limited, representing M/s. Irfan International Limited is a First Class First Civil Engineering Graduate. He is also a CBI (Confederation of British Industry) Scholar and had practical Training in UK in Sprinkler Irrigation and machinery.



### Mr. Shawket Jaman

Director

**Mr. Shawket Jaman** is a Director of ONE Bank Limited, representing M/s. M R Holdings & Securities Limited. He has more than 25 years of rich experience in the Shipping sector of Bangladesh.



### Mr. Salahuddin Ahmed

Independent Director

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



## Directors' Profile



### Mr. Syed Nurul Amin

Independent Director

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

### Mr. M. Fakhru Alam

Managing Director

**Mr. M. Fakhru Alam** has been appointed as Managing Director of ONE Bank Limited for a tenure of 3 (three) years with effect from October 8, 2013. He was the Additional Managing Director of the Bank prior to that. Before joining ONE Bank Limited, he had served with Eastern Bank Limited as Deputy Managing Director and Head of Corporate Banking, Treasury & Investment Banking. Over the last 33 years, Mr. Alam's career evolved as a well rounded banker with adequate exposure in Corporate, Treasury and Investment Banking and other departments in various capacities in different banks and other financial institutions. He started his career at Agrani Bank Limited as a Senior Officer in 1983, and later served different organizations at home & abroad including IFIC Bank Limited and Bank of Credit & Commerce International (Overseas) Ltd. Besides distinctive academic records, he is also an MBA from IBA, Dhaka University.





# The Board and its Committees

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## **BOARD OF DIRECTORS**

### **Chairman**

Mr. Sayeed Hossain Chowdhury

### **Vice Chairman**

Mr. Asoke Das Gupta

### **Directors**

Mr. Zahur Ullah

Mr. A.S.M. Shahidullah Khan

Mr. Kazi Rukunuddin Ahmed

Mr. Shawket Jaman

Mr. Salahuddin Ahmed, Independent Director

Mr. Syed Nurul Amin, Independent Director

Mr. M. Fakhurul Alam, Managing Director

## **AUDIT COMMITTEE**

### **Chairman**

Mr. Syed Nurul Amin

### **Members**

Mr. A.S.M. Shahidullah Khan

Mr. Shawket Jaman

Mr. Salahuddin Ahmed

## **EXECUTIVE COMMITTEE**

### **Chairman**

Mr. Zahur Ullah

### **Members**

Mr. Sayeed Hossain Chowdhury

Mr. Asoke Das Gupta

## **RISK MANAGEMENT COMMITTEE**

### **Chairman**

Mr. Asoke Das Gupta

### **Members**

Mr. Zahur Ullah

Mr. Salahuddin Ahmed

Mr. Syed Nurul Amin

## **COMPANY SECRETARY**

Mr. John Sarkar

# Key Personnel

## Managing Director

Mr. M. Fakhurul Alam

## Deputy Managing Director

Ms. Johora Bebe  
Mr. Wakar Hasan

## Additional Deputy Managing Director

Ms. Rozina Aliya Ahmed  
Mr. A. B. M. Saif Sarwar  
Mr. John Sarkar  
Mr. Shabbir Ahmed

## Senior Executive Vice President

Mr. Md. Aftab Uddin Khan  
Mr. Md. Fazlur Rahman Chowdhury  
Mr. Ahmad Tabshir Chowdhury  
Mr. Chowdhury Akhtar Asif  
Mr. M. Ahsan Habib  
Mr. Sudhir Chandra Das

## Executive Vice President

Mr. Noor Mohammed  
Mr. Riton Barua  
Mr. Arshadul Kabir Bhuiyan

## Senior Vice President

Mr. Asif Mahmud Khan  
Mr. S. M. Hafizur Rahman  
Mr. Ashraf Uddin Chowdhury  
Mr. Shibly Nasimul Huq  
Mr. Amirul Islam  
Mr. Mirza Ashraf Ahmad  
Mr. Md. Mazharul Islam Chowdhury  
Mr. Md. Abu Saleh  
Mr. Md. Nazrul Islam Bhuiyan  
Mr. Gazi Yar Mohammed  
Mr. Md. Belayet Hossain  
Mr. Sadat Ahmad Khan  
Mr. Kazi Md. Amzad Hossain  
Mr. Mohammed Rashedul Amin  
Mr. Kh. Rashed Akhtar Zaman  
Mr. Newaz Khalid Ahmed  
Ms. Mallika Nabi  
Mr. Mohammed Farhad Hossen Khan  
Mr. Md. Mizanur Rahman  
Mr. A K M Shamsul Islam

## Vice President

Mr. Iftekhar Uddin Ahmed  
Mr. Shahabuddin Ahmed  
Mr. Khondaker Abdul Mazid  
Ms. Shirin Mullick  
Mr. Moin Uddin Ahmed  
Mr. Md. Zahid-Ul-Islam  
Mr. Md. Golam Rabbani  
Mr. S. M. A. Moktadir  
Ms. Jahanara Begum  
Ms. Shaila Yeasmeen Beauty  
Mr. Md. Shafiu Rahman Sikder  
Mr. Ishtiaq Ahmed  
Mr. Md. Abdur Rob  
Mr. Kutub Uddin Ahmad  
Mr. Syed Maruf Ali  
Mr. Md. Borhan Uddin  
Mr. Taufiq Ahmed  
Mr. Khandaker Liakat Ali  
Mr. Mujtaba Masroor Kazmi  
Mr. Hasnain Ahmed  
Mr. Ashrafur Haq Amin  
Ms. Meher Farzana  
Mr. Dilip Pius Rozario  
Mr. Faisal Adil  
Mr. M. M. Emranul Hoque  
Mr. Md. Mostak Hossain  
Mr. Md. Alauddin

## Senior Assistant Vice President

Mr. Nirmalananda Chowdhury  
Mr. Md. Farooque  
Mr. Qamrul Chowdhury  
Mr. Habibul Islam  
Mr. Md. Obaydul Islam  
Mr. Syed Rezaul Karim Chowdhury  
Mr. A. T. M. Shahidullah  
Mr. Mohammad Masur Majid  
Mr. Shubir Mitra  
Mr. Mohd. Masudur Rahman  
Mr. Mohammad Kabir Hossain  
Mr. Md. Nazir Hossain  
Mr. Md. Mahedi Hasan  
Mr. Abdullah Al Mamun Zahangir  
Mr. Md. Zahidul Islam  
Mr. Aminul Islam  
Mr. Md. Nurun Nobil  
Mr. Md. Masumul Goni  
Mr. Md. Abdul Mannan  
Mr. Mohammad Rafiqul Islam  
Mr. Md. Mobasherul Haque  
Mr. Md. Zahidul Islam  
Mr. Shaikh Mohammad Mizanur Rahman

## First Assistant Vice President

Mr. Moonir Sadiq  
Mr. Md. Mominul Haque  
Mr. Abul Masud Khan Chowdhury  
Mr. Bimalendu Chowdhury  
Mr. Md. Rafe Shaquiat  
Mr. Md. Jashim Uddin  
Ms. Anjima Begum  
Mr. Mohammad Manzur Mahbub  
Mr. Mahtab Ibna Mannan Sarker  
Mr. Syed Fazole Elahi  
Mr. Md. Kazi Mohibur Rahman  
Mr. Mohammad Mahfuzul Alam  
Mr. Md. Yusuf  
Mr. Md. Abir Rahman  
Mr. Md. Motaher Hossain  
Ms. Tanjiba Sultana  
Mr. Md. Mueyed Hasnayan  
Mr. Md. Hasibul Hasan Khan  
Mr. Md. Sharifur Rahman  
Mr. Md. Monowar Hossain Khan  
Mr. Biplab Banik  
Mr. Joarder Alimuzzaman Rabby  
Mr. Miah Mohammad Mehedi Hasan  
Mr. Abu Sayed Md. Abdul Mannaf  
Mr. S.M. Salahuddin  
Mr. Md. Maksudul Alam  
Mr. Muhammad Zakir Hussain  
Ms. Rehana Yasmin  
Mr. Md. Kamrul Hassan  
Mr. Aksirul Haque Bhuiyan  
Mr. Md. Faizul Mobin  
Mr. Md. Rafiqul Islam Bhuiyan  
Mr. Md. Shah Alam Molla  
Mr. Jamal Uddin Ahmed  
Mr. Mohammad Mehboob Ali  
Mr. Syed Shahidul Haque  
Mr. Mohammed Rafiqul Islam  
Mr. Md. Mahbulul Alam  
Mr. Muhammad Mostafizur Rahman  
Mr. Abu Naser Mohammad Faysal Haider  
Mr. Jamshed Ahmed Chowdhury  
Mr. Fayzur Rahman Khan  
Mr. Md. Muntasir Wahid  
Mr. Md. Monirul Alam Romel  
Mr. Muhammad Shah  
Mr. Mohammad Munir Chowdhury  
Mr. Khaled Al Fesani  
Ms. Shimul Jahan  
Mr. Choudhury Maksudul Haq  
Mr. Md. Samso Uddin

Mr. Md. Salah Uddin  
Mr. Mohammad Moniruzzaman  
Mr. Syed Mohammed Ekram Ullah  
Ms. Mili Sen  
Mr. Sk. Didar-Rul-Alam  
Mr. Sheikh Zaki Shahriar

## Assistant Vice President

Mr. Md. Rizwan Ali Khan  
Ms. Kazi Fauzia Yasmin  
Mr. Md. Rashid Ul Alam  
Mr. Md. Salimullah  
Mr. A. S. M. Abu Bokor Siddique  
Mr. Md. Rezaul Karim  
Mr. Shaikh Babul Hossain  
Mr. Md. Nizam Uddin  
Mr. A. H. M. Al-Ahasan  
Mr. S. M. Shariful Islam  
Mr. Md. Khurshid Khan  
Ms. Nilufar Panna  
Mr. Khuda Baksh Tawhid  
Ms. Sajeda Khatun  
Ms. Sanzida Ahmed  
Mr. A. F. Gazi Alauddin Ahmed  
Mr. Ahmad Ullah  
Mr. M. M. Rashidul Kabir Chowdhury  
Mr. Md. Ferdous ul Amin  
Mr. Debasish Das  
Mr. Shahid Emdadul Islam  
Mr. Kazi Md. Eleas Kanchon  
Ms. Romana Jahan  
Ms. Sabrina Khan  
Ms. Laila Nasrin  
Mr. Kazi Mahmudur Rahman  
Mr. A.K.K.M. Zahidul Mannan  
Mr. Mohammad Fouad Chowdhury  
Mr. Mohammad Shafiu Azam  
Mr. Anamul Hoque  
Mr. Md. Fazle Mahmud  
Mr. Md. Mostafizur Rahman  
Ms. Sultana Farah Chowdhury  
Mr. Kazi Md. Forkan  
Ms. Kawsara Sattar  
Mr. Md. Khorshed Anwar  
Mr. Rashed-Us-Sattar  
Mr. Muhammad Al-Amin Khan  
Mr. Md. Ekramul Hoque  
Mr. Mohammed Saifuddin Chowdhury  
Mr. Md. Momtaz Goni  
Mr. Md. Rezwatul Kabir  
Mr. Apollo Kumar Banik  
Engr. Mahabub Hasan  
Mr. Badrul Alam Chowdhury  
Mr. Md. Golam Rasul Bhuiyan  
Mr. Md. Tamiz Uddin Ahmed Chowdhury  
Mr. Sajjad Mahmud Sabuj  
Mr. Mohammad Mizanur Rahman  
Mr. Pranabesh Majumder  
Mr. Mohammad Sharifuzzaman Chaklader  
Mr. Amol Chandra Sarker  
Mr. Md. Aminul Islam  
Mr. Mohammed Delwar Hossain  
Mr. A.N.M. Ahidul Alam  
Mr. Mahmudul Hasan  
Ms. Shaila Sharmin Thakur  
Mr. Uttam Kumar Roy  
Mr. Md. Abdus Salam  
Mr. Md. Arifuzzaman  
Mr. M. Tabib Hossain  
Mr. Bijoy Krishna Das

Mr. Uggul Mallick  
Mr. Shah Mohammad Emdadul Haque  
Mr. Abdus Samad  
Mr. Md. Mahmudul Hasan  
Mr. Md. Saifur Rahman  
Mr. Md. Zahidul Islam  
Mr. Md. Tanna Mandal  
Ms. Nur Naher  
Mr. Md. Amir Hossain  
Mr. Md. Niazul Islam  
Mr. Mosharof Hossain  
Mr. Ariful Hoque  
Mr. A.M. Anisuzzaman  
Ms. Dilara Alim  
Ms. Dilara Begum  
Mr. Mohd. Amanullah  
Mr. Md. Kawsar Ali  
Mr. Mohammed Ismail  
Mr. Md. Mojibur Rahman  
Mr. Shafiu Alam  
Mr. Mohammad Abbas Uddin  
Mr. Mohammed Iftekhar Sobhan  
Mr. Md. Shibir Ahmed Salim  
Mr. Md. Zahed Ahmed Chowdhury  
Mr. Md. Alauddin  
Mr. Muhammad Asadunnabi  
Mr. Mir Mohammed Nasir Uddin  
Mr. Muhammad Muztahidul Hossain  
Mr. Shishir Kumar Shil  
Mr. Md. Nazrul Islam  
Ms. Tanzia Ahmed  
Mr. Abu Sayem  
Mr. Mohammed Hemayet Ullah  
Mr. Avijit Das  
Mr. Mohammad Abu Baker Siddique  
Mr. Mohammad Salah Uddin  
Mr. Mohammad Ashikuzzaman Noor  
Mr. Pankoj Suter  
Mr. Mohammad Moyaz Uddin Sharif  
Mr. Mohammad Shahidul Huq  
Mr. Mohammad Fakhru Alam Masum  
Mr. Mir Waies-Ur-Rahman  
Mr. Jamil Hossain  
Mr. Md. Nazim Uddin  
Mr. Md. Shahriar Alam  
Mr. Syed Salahuddin Ahmed  
Mr. Mohammad Munirul Hoque  
Mr. Md. Mijanur Rashid  
Mr. Ashek Ishtiaq Haq  
Mr. Md. Abul Hasnat  
Mr. Md. Nurul Alam  
Mr. Md. Tariqul Islam  
Mr. Md. Shahidul Islam Khan  
Mr. Noor Alam Siddiqui  
Mr. Mohammad Zakir Hossain  
Mr. Mohammad Mizanur Rahman  
Mr. Jahangir Alam

# Notice of The 17th Annual General Meeting

Notice is hereby given to all Members of ONE Bank Limited (the "Company") that the 17th Annual General Meeting of the Members of the Company will be held on Thursday, March 31, 2016 at 11:00 a.m. at Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000 to transact the following business and adopt necessary resolutions:

## AGENDA:

1. To confirm the Minutes of the 16th Annual General Meeting held on April 30, 2015.
2. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2015 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
3. To approve Dividend out of the Profits for the year ended December 31, 2015.
4. To elect Directors in place of those who shall retire in accordance with the provisions of Law and the Articles of Association of the Company.
5. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To transact any other business with permission of the Chair.

Dhaka  
February 25, 2016

By order of the Board,

  
John Sarkar  
ADMD & Company Secretary

## NOTES:

- a. The 'Record Date' shall be March 16, 2016
- b. The Shareholders whose names appear in the Register of Members of the Company as at the close of the business on March 16, 2016 will only be entitled to the Dividend declared in the AGM, if any.
- c. Any Member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf.
- d. The instrument appointing proxy duly signed by the Member and stamped must be submitted at the Registered Office of the Company at least 48 hours before the Meeting.
- e. Members are requested to update their Bank Accounts Number, Address, Cell Numbers through their respective BO Account with 12 digit Taxpayer's Identification Number (e-TIN) through their respective Depository Participant (DP) before the "Record Date." If anyone fails to update e-TIN in BO Account before the 'Record Date', disbursement of respective dividend will be subject to deduction of Advance Income Tax (AIT) @ 15% Instead of @ 10% (individual) as per amended IT Ordinance # XXXVI of 1984 under Section 54.
- f. The concerned Brokerage Houses are requested to provide us with a statement with the details (Shareholders' names, BO ID numbers, individual shareholding position, Gross Dividend receivable, applicable Tax Rate, and Net Dividend receivable) of their margin Loanholders who holds OBL shares, as on the "Record Date" along with the name of the contact person in this connection to the ONE Bank Share Department on or before March 20, 2016. The Brokerage Houses are also requested to provide us with their Bank Name, Bank Account Name & Number, routing number etc.

**N.B.** No benefits or gifts in cash or kind shall be given to the Shareholders for attending the 17th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

# Directors' Report





The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 17th Annual General Meeting before you along with the Audited Financial Statements for the year 2015. Also a brief overview of Global and Bangladesh Economy, Bank's performance and other matters relating to compliance of directives issued by Regulatory Authorities have been incorporated in this report. A review of this report will reveal the Bank's overall standing, its strength and growth trend in the prevailing competitive market.

2015 was a challenging year for the business and banking sectors in Bangladesh. ONE Bank Limited has met all the challenges boldly and played an important role in the National GDP of Bangladesh. Here we have also reviewed our operational and financial performances through analyzing our key operational areas and the activities of the Bank during 2015 and have determined the business goals of 2016 in the light of the previous year's evolution.

## Global Economy

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies—while still accounting for over 70 percent of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery.

Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers to other economies through trade channels and

weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets. Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and investment more broadly—notably a decline in investment in extractive industries. In addition, the dramatic decline in imports in a number of emerging market and developing economies in economic distress is also weighing heavily on global trade.

Oil prices have declined markedly since September 2015, reflecting expectations of sustained increases in production by Organization of the Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption. Future markets are currently suggesting only modest increases in prices in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well.

An OBL Financed Fishery Project



Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importers, especially in advanced economies, where price declines are fully passed on to end users. Though a decline in oil prices driven by higher oil supply should support global demand given a higher propensity to spend in oil importers relative to oil exporters, in current circumstances several factors have dampened the positive impact of lower oil prices. First and foremost, financial strains in many oil exporters reduce their ability to smooth the shock, entailing a sizable reduction in their domestic demand. The oil price decline has had a notable impact on investment in oil and gas extraction, also subtracting from global aggregate demand. Finally, the pickup in consumption in oil importers has so far been somewhat weaker than evidence from past episodes of oil price declines would have suggested, possibly reflecting continued deleveraging in some of these economies. Limited pass-through of price declines to consumers may also have been a factor in several emerging market and developing economies.

Monetary easing in the euro area and Japan is proceeding broadly as previously envisaged, while in December 2015 the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound. Overall, financial conditions within advanced economies remain very accommodative. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial

conditions, declining capital flows, and further currency depreciations in many emerging market economies.

Headline inflation has broadly moved sideways in most countries, but with renewed declines in commodity prices and weakness in global manufacturing weighing on traded goods' prices it is likely to soften again. Core inflation rates remain well below inflation objectives in advanced economies. Mixed inflation developments in emerging market economies reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies.

In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil,

An OBL Financed Dairy Farm



Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks.

Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States. If these key challenges are not successfully managed, global growth could be derailed.

If global key player countries can address the key challenges successfully, the gurus in economic issues are hopeful that Bangladesh Economy will also pick up.

## Bangladesh Economy during 2015

The Year 2015 ended with some positive notes for the Bangladesh economy. Particularly the year has been significant for Bangladesh as country's position has been upgraded from a Low Income Country to a Lower Middle Income Country status with a Per Capita Income of USD 1,314. The challenges have been many but despite challenges, achievements such as this are encouraging for Bangladesh economy.

The economic and social life of the country was disrupted for a while due to general strikes during January and February, 2015. The year 2015 consisted of the last two quarters of FY 2015 (January-June, 2015) and the first two quarters

of FY 2016 (July-December, 2015). The economy felt the heat of the political unrest to some extent during the third quarter of FY 2015 i.e. January-March, 2015. This had a toll on the economy in the short-term since production, transportation and various services were hampered, which in turn impacted the supply chain of commodities across the country as well as the livelihoods of people.

The government targeted a 7.3 percent growth of Gross Domestic Product (GDP) in its national budget for FY 2015. The actual GDP growth was, however, 6.5 percent in FY 2015 i.e. June 30, 2015. It was 0.4 percent higher than the previous year. This has been possible due to a relatively calmer political situation since the fourth quarter of FY 2015 i.e. April-June, 2015 and the government's vigorous efforts to make up for the loss and confident governance. During the rest of the year i.e. from July-December, 2015 the country's economy grew in the same pace and momentum.

Investors' cautious moves in regards to investment decisions are obvious. The investment- GDP ratio was around 29 percent. In FY 2015, the total investment was 0.7 percent lower than what was targeted for, but 0.4 percent higher than the previous fiscal year.

Remittances, one of the important sources of foreign exchange revenue of the country achieved 7.6 percent growth in the FY 2015 i.e. as on June 30, 2015. During FY 2015, exports grew by 3.4 percent. However, in 1st half of FY 2016, July-December, 2015, export growth was at 6.7 percent, mainly driven by higher exports of Readymade Garments (RMG) that picked up.

An OBL Financed Washing Plant





The economy saw a decline in Agriculture sector whereas Industry sector registered a higher growth. Services sector growth increased slightly. The national savings decreased slightly and investment increased marginally during the year. During the year, Bangladesh Bank pursued a cautious but growth supportive monetary policy, which pushed growth and pulled down inflation.

Inflation seemed to be a silver lining in the economic landscape in the year 2015. Lower international commodity price has contributed to this. Additionally, restrained monetary growth and a stable nominal exchange rate between Bangladeshi Taka and US dollar has also pushed inflation downward. The average inflation remained close to the Central Bank's target.

The challenges of domestic resource mobilization continued since the previous year. The target growth was revised downward to 12 percent and the actual growth was 1.2 percent higher than the revised target. During the 1st half of FY 2016 i.e. July-December, 2015, revenue grew by around 9.6 percent.

The global economic outlook for 2016 does not look promising. Major economies are struggling to recover from shocks while a few others are facing threat of deflation. Therefore, the main boost for Bangladesh economy has to come from within the country. Hopefully, the government's prudence and revitalising investment in key areas will be instrumental towards achieving the growth targets. On the other hand, it is expected of the government to complete daunting institutional reforms to realize the potential of the economy and fulfill the aspirations of accelerating and sustaining growth and prosperity. With

government's successful steering of economic and social issues, the Bangladesh economy is expected to pick up and along the way the banking business will also get a booster shot.

## Banking Sector of Bangladesh

Bangladesh's financial sector is dominated by the banking entities. The dominance of the banking sector makes the financial sector vulnerable on the one hand, but highlights the crucial importance of the sector in resource mobilisation and economic growth, on the other. The role of the banking sector in accelerating growth is contingent upon the soundness and depth of the sector. In Bangladesh, the banking sector has travelled through a journey where the sector has experienced several ups and downs.

Presently, there are 56 scheduled banks in Bangladesh which are fully under the supervision of Bangladesh Bank of which 4 State Owned Commercial Banks, 4 Specialized Banks, 31 Conventional Private Commercial Banks, 8 Islami Shariah based Private commercial banks and 9 Foreign Commercial Banks.

Though the world financial system became susceptible to escalate vulnerability and instability in the recent past, the banking sector of Bangladesh underwent a moderate level of resilience in 2015. With a view to maintaining a sound, efficient and stable financial system, Bangladesh Bank (BB) has initiated a number of policy measures giving augmented emphasis on (i) risk management and corporate governance

An OBL Financed Spinning Mill





in the banks, (ii) periodic review of stability of the individual bank as well as the whole banking system, (iii) exercise of stress testing, (iv) inclusion of underserved productive economic sectors and population segments in financial system, (v) monitoring of fraud-forgeries and strengthening internal control and (vi) compliance through self assessment of antifraud internal controls, etc. Monitoring of investment in stock market by the scheduled banks has been stringent. Risk Management Committee at the board level has been made mandatory to ensure proper risk management practice in the banks. Presently, the banks are being rated for their overall risk management performance. Focus has also been given on Corporate Social Responsibility (CSR) and green banking activities and a distinguished department has been working to monitor the initiatives being undertaken by banks. BB is shifting from a compliance-based approach to a forward-looking risk-based approach in regulation and supervision. Basel-III, the revised regulatory capital framework, has been implemented to improve the resilience of individual banking institutions during the periods of stress, while addressing system-wide risks that arise across the banking sector. Two new tools namely the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) have been introduced for measuring liquidity under Basel-III to ensure stronger and more targeted liquidity management of banks. A Basel-III Compliance Unit has been established by each bank as per instruction of BB, and steps have been taken to increase board awareness through arranging meetings with the boards of non-compliant banks.

## Economy And Banking Sector Outlook 2016

Unlike the global economy, the economy of Bangladesh has been achieving an astonishing growth in the current fiscal year. And the future looks even brighter. Investments are likely to gear up in 2016 as the fiscal and monetary authorities are coordinating in the areas of inflation, interest rates, exchange rates and revenue collection, and Annual Development Programme (ADP) implementation. The government seems committed to augmenting the availability of infrastructure and energy. Given the experiences of 2015, political turbulence does not appear to flare up to destabilize the whole gamut of economic decisions in 2016.

Bangladesh's projected growth for 2016 will be almost double of the World's and higher than China's. A recent World Bank study shows that one percentage point increase in India's growth contributes to an increase in Bangladesh's growth by 0.4 percentage points. Hence, the highest growth at 7.5 percent of India in the region will be beneficial for Bangladesh's investment and growth through the channels of trade and services.

Based on the Monetary Policy Statement of Bangladesh Bank for the period between January - June 2016, the following highlights may be noted:

- Broad money (M2) is projected to grow at 15.0 percent in June 2016 from 14.2 percent in December 2015. M2 is adequate to support the growth and inflation targets. It has also taken

An OBL Financed Steel factory



the growth rates of both public and private credit into account.

- Domestic credit is projected to grow at 15.5 percent at the end of the fiscal year 2015- 2016 from 10.9 percent in December 2015. Private sector credit is projected to grow at 14.8 percent in June 2016 from 13.8 percent in December 2015. Public sector credit is expected to grow at 18.7 percent from a negative number of 1.7 percent in December 2015.
- Inflation is expected to land in 6.07 percent in June 2016 from 6.20 percent in December 2015. Some effects of pay rise in the government sector are likely to be canceled out by the dampening fuel and commodity prices.
- After keeping a static set of policy rates: repo and reverse repo rates for a while, Bangladesh Bank has decided to lower the repo rate and reverse repo rate by 50 basis points, sending the repo to 6.75 percent and reverse repo to 4.75 percent from the previous rates. This move will attempt to dampen other interest rates in the market and thus will help investment stimulate. Necessary market alignments warranted this change.
- The new monetary policy is an investment stimulating monetary policy that will focus on quality credit expansion through an inclusivity approach. Selective easing for agricultural and other productive sectors will draw enhanced attention.
- The falling fuel and commodity prices have globally created a low-inflation environment, paving the way for a considerable reduction in

policy rates and thus signaling the market to raise investment when macro stability is commendable.

- Bangladesh Bank made a strategic shift in loan disbursement policy. All banks will be encouraged to substantially increase advances for micro, small, and medium enterprises.
- Bangladesh Bank's supervisory vigilance on banking governance will be straightened further to clamp down on loan delinquencies.

Given all the positive indications, the key challenge for banking industry now is to attract good investors. Reportedly, the banks are sitting on huge idle money but cannot lend due to absence of good projects/ borrowers.

If the banking industry of Bangladesh can tap the advantage of bullish economic growth of the country and attract good projects/ investors, surely the banks will enjoy a more fruitful year.

## OBL'S Performance

ONE Bank Limited has performed remarkably well during the year 2015 while the banking industry as a whole suffered a sluggish growth due to increase in the defaulted loans, cut in interest rates, excess liquidity burden and a lack of demand from the investors/ business people. During the year, ONE Bank had maintained satisfactory growth of asset and liabilities and eventually a growth in its net profit. This incremental growth has been possible due to the bank's emphasis on sustainable business, relentless effort and compliance.

An OBL Financed under construction garment building



## Corporate Financing

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

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

## Lease Financing

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

At the end of 2015, OBL's net Lease Finance portfolio stands at Tk. 3571 million.

## Syndication Financing

Syndication allows any of the lenders to provide large loans, while maintaining prudent and manageable risk exposure. Syndicated finance diversifies the risk of a bank on a single borrower and increases the quality of loan through

collective judgment and monitoring of different banks / financial institutions.

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

ONE Bank has so far arranged syndicated facility for 7 projects, out of which 3 accounts have already been adjusted. Besides, ONE Bank is also acting as Security / Facility Agent for Working Capital Facilities for several projects.

During the year 2015, OBL has engaged itself as Lead Arranger for arranging 2 (two) syndicated loans for total Tk. 3841 million including USD 6 million.

## Project Financing

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

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

An OBL Financed Leather goods factory





## SME Banking

Small and Medium Enterprises have indeed become one universally agreed motif of the development landscape when it comes to sustainable, efficient and pro-poor growth of labor-surplus economies. It plays a significant role in the economy in terms of balanced and sustainable growth, employment generation, development of entrepreneurial skills and contribution to GDP. ONE Bank strongly believes that SME sector is one of the main driving forces of economic growth and it is a market with huge potential.

Bangladesh economy is characterized by low per capita income, high level of unemployment, mass poverty, and social deprivation. In these circumstances, higher growth of SMEs can reduce poverty to a satisfactory level by creating jobs for the skilled and un-skilled manpower in this sector. Most of the SMEs assist in regional and local development since they accelerate rural industrialization by linking it with the more organized urban sector. SMEs use a combination of innovation, improvisation to develop local products and services for local needs using local resources. It has been tested and found that lack of access to external finance is a key obstacle for SMEs growth. SMEs face several difficulties in obtaining finance from the formal sector. Most of the problems are from demand side. On the other hand, collateral requirements, weak credit skills and practices, cumbersome loan processing and documentation are the major supply side problems.

ONE Bank is rapidly progressing in SME financing in line with the changes in the global

environment, local arena, and regulatory requirement for SME financing. In order to increase focus on SME Financing, ONE Bank Ltd has separated 33 Branches out of its 85 Branches as fully dedicated for SME Financing. Other Branches are also extending SME financing along with corporate financing. In all the Branches, the Bank has established dedicated SME desks. In the year 2015, OBL has financed 11328.36 million. Total number of SME borrowers of the Bank was 2210 as on December 31, 2015.

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

## Financing women entrepreneurs under SME

Empowering of the women through SME financing is another notable idea in the development of women entrepreneurs. In the new framework of SME, OBL is giving top priority in developing and harnessing women entrepreneurs. OBL has already established a separate unit named "Women Entrepreneurs Development Unit" for extending SME financing to the Women Entrepreneurs. Each branch of OBL has a "Dedicated Woman Entrepreneur Help Desk" for the convenience of the female entrepreneurs. During the year 2015, the Bank has financed BDT 485.40 million to the women entrepreneurs.

An OBL Financed Jute Mill





## Agricultural Financing

Agriculture still remains the mainstay of Bangladesh economy which accounts for about 16% of GDP in 2014-15. More than 70% of our total populations are rural dwellers, as such; economic growth and prosperity largely depend on food security, improvement of living standard and employment generation of the rural mass. Agriculture and Rural Credit therefore play a pivotal role in modernization and commercialization of rural economy.

The affect of climate change especially in the range of natural conditions such as global warming, irregular rainfall, salinity, etc. are constantly creating challenge for our agriculture. With the rising population, we need to ensure food security for all through optimum utilization of the available limited resources. In order to ensure food security the subsistence farming system has been converted to commercial farming system. Farmers are now a day's eager to adopt modern technologies and integrated farm management techniques which allow them to reap better yield even from limited resources. To achieve the goal, farmers must have to be ensured availability of necessary working capital required for crops, livestock, fishery, poultry and other agricultural activities.

Bangladesh Bank has made agriculture and rural lending mandatory for all commercial banks which has expanded the scope of inclusive banking. To broaden the scope, banks are also allowed to use both own branches and Micro Financing Institutes (MFIs) linkage for disbursement of Agriculture & Rural Credit. From the very beginning, OBL has been continuing its proactive strategy and program support to boost

up agriculture and rural financing in line with Government policy as well as Bangladesh Bank guidelines.

As a part of this program, during FY 2014-15, OBL disbursed Agricultural and Rural Credit of Tk 1,210.49 million against Target of Tk. 1,200.00 million. Since FY 2010-11 OBL have been able to achieve its Agriculture and Rural credit disbursement targets successfully. OBL is well focused to continue its efforts to strengthen its participation in Agricultural and Rural Credit to ensure food security, improvement of living standards, and generation of employment opportunity, leading towards overall growth of the economy.

## Retail Banking

The Retail Banking segment continues to be one of the key drivers of the Bank's overall growth strategy by combining sustainable growth and potentials and providing cutting edge products. This segment offers a complete suite of retail products across deposits, loans, payments and cards and is committed to excel the everlasting customer relationship.

Enhancing the banking experience for our Retail Banking clientele was key priority in 2015. We made our customer experience more interactive and rewarding. We aimed to facilitate the smartest financial decisions by offering innovative, transparent and client-focused products and services.

Retail Banking succeeded in posting solid results in 2015 in spite of challenging environment. We escalated our asset portfolio, enriched the client base and achieved higher levels of customer

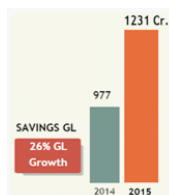
An OBL Financed Textile Mill



satisfaction. Numerous initiatives and efforts were taken that are bringing our strategy to life.

## Business Highlights

- Effective fund management strategy and focus on low cost deposits were the key ingredients for increasing the retail deposit base. The Bank also maintained its approach of widen the retail deposit base which stood at Tk 4,665 crore in 2015.



- 46,000 new savings accounts were opened in 2015. Our strong retail deposit base positioned us well to offer smooth lending to our customers. In 2015, savings deposits grew by Tk 254 crore which is 26% higher than that of 2014.



- Retail credit registered a steady growth in 2015. Among all retail loans, Home loan was the key contributor of the total loan disbursement pie. Retail loan disbursement registered 129% year-on-year growth. Retail asset portfolio touched the mark of Tk 411 crore securing 33% growth.



- Our rigorous retail credit underwriting policy and robust monitoring process paid off substantially. Retail NPL portfolio decreased significantly and stood at 1.41%.

- As a part of continuous endeavor to offer new promotion and value proposition to clients, Retail Banking ran couple of campaigns for both customers and OBL officials. These campaigns were highly successful and brought fresh deposits of BDT 801 crore.

- To offer superior customer experience to retail clients, we set up 24/7 OBL call center and managed 52000 calls through our call center. Besides managing customer service, Call Center also ran several customer satisfaction survey on regular basis to amass customer feedback which helped to improve the service level standard.

## New Products and Propositions:

- During the year 2015, ONE Bank launched 02 (Two) new retail deposit products named “Pyramid Savings” and “NRB Fixed Deposit”, offering superior value propositions and personal financial management options for retail clients.

- Among the many initiatives designed to provide advanced customer experience, Retail Banking continued its endeavor to add value for the clients by partnering with numerous car vendors and real estate developers.

- We believe that growth creation interweaves with customer engagement. Keeping this in mind, clients having long term relationship with the Bank were recognized through Loyalty Reward Program to appreciate the patronization of our clientele. Thank You cards and Gift Vouchers, Pizza Coupons were rolled out to recognize the valuable relationship of customers during the year.

An OBL Financed DM Plant & Ampoule unit of a Pharmaceutical factory



- Engaging and inspiring employees were the key priorities of Retail Banking in 2015. Retail Star Program was introduced to inspire the officials to reach out the customers for new businesses by walking extra miles. Among them 233 officials excelled as Retail Stars during the year.

Delivering superior value propositions to customers is the foremost priority of OBL Retail Banking. This will continue through using customer analytics to drive contextual experiences, enhanced customer incentivization, investment in innovation, incubation and services for ultimate customer experience.

## The Cards

2015 was a successful year with considerable progress in card business. Credit Card outstanding escalated from BDT 5.15 Crore to BDT 16.33 Crore posting 217% growth over previous year. Total number of Debit and Credit Cards reached 53,000. With wide range of VISA card products composed of Credit, Debit, Pre-paid created a good momentum in the market.

We have tied up with 100 plus merchant to offer various discounts and privileges to our cardholders. Some new value propositions like monthly reward program based on usage reward points, privileged interest rate for corporate executives were launched. OBL Card introduced SMART EMI Proposition, SMS Alert Service, Balance Transfer, Smart EMI Loan Facility and many more customer-focused value added propositions.

With specially tailored Hajj Card, HAAB (Hajj

Agencies Association of Bangladesh) Agents and Hajj Pilgrims could pay their day to day expenditure in one simple plastic card.

SafetyONE insurance program was offered to protect the interest of customers in any inadvertent situation. Under SafetyONE, Card Members get triple benefit program insurance coverage: Credit Life, Accidental Death Benefit (ADB) and Permanent Total Disability (PTD).

## Centralized Loan Administration

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

## Foreign Exchange & Foreign Trade

The resilience and dedication of OBL team helped the Bank succeeded to remain on the path of continued growth despite the bumping economic scenario of the country.

OBL experienced growth in its import business. Total import business handled during the year was Tk.98,106 million as compared to Tk.93,755 million last year, recording an growth of 4.64%. The main import items included Industrial Raw

An OBL Financed Rod manufacturing section of a steel mill





Materials, Food Commodity, Capital Machinery and Spare Parts, Raw Cotton, Fabrics, Yarn and Accessories, Petroleum, Electronic Items, Scrap Vessel etc.

Total export business handled by the Bank was Tk. 49,351 million in 2015 against Tk.81,162 million in 2014. Due to the country's political unrest and unstable situation in the RMG sector, OBL conceded a 39.19% reduction in export.

The satisfactory performances in Foreign Trade and Foreign Exchange sector enabled the Bank to earn a substantial amount of fee-based income.

### **Treasury**

OBL Treasury is a unique integrated component unit established to manage day to day liquidity interest rate and foreign exchange risk which includes primarily terms placement of surplus funds and interbank lending and borrowing at call. Treasury Department also performed Investments related to SLR requirements and participation in tenders for purchase of Government Treasury Bills. The Bank's foreign currency dealings were necessitated by customer-driven transactions, mainly LC payments and negotiation of Export Bills. Special care was taken so as to ensure that the Bank always remained within the Open Position Limit prescribed by Bangladesh Bank. Dealing in foreign currency has potentials to increase the earnings of the Treasury Department. The Bank intends to commence proper dealing operation in foreign currency as soon as it acquires the required capability.

### **Foreign Remittance**

In spite of unsettled political conditions in 2015 of the country, the inward foreign remittance business of the Bank increased. OBL successfully managed a 6.45% growth with total inward foreign remittance of Tk.1071 million in 2015 against Tk. 1006 million in the year 2014.

### **Correspondent Relationship**

To strengthen its global relationship, the bank is now maintaining 420 correspondent relationships (foreign 368, Local 52) during 2015. OBL's correspondent banking is spread world over at important financial centers and business hubs, and have contributed towards expansion of Bank's foreign trade business. OBL is currently operating its remittance business through 9 (nine) Remittance Agency partnerships to facilitate inflow of foreign exchange remittances from the Non-resident Bangladeshis. Efforts are now ongoing to enhance the number of such relationships, with the objective to substantially increase the flow of inward remittance through this channel.

### **Information Technology**

In present days IT plays a vital role in our day to day life. We can't think anything without IT. Like other areas, modern banking system is fully dependent on IT. IT is the vehicle on which an institution moves forward. Over the last few years the banking world has been undergoing a lot of changes due to deregulation, technological innovations, globalization, environmental situation etc. These changes also made revolutionary changes of a country's economy as well as economic development.

An OBL Financed Factory Building of Textile Mill





Being a developing country Bangladesh also has taken IT as a thrust sector. Like other areas Banking Sector in Bangladesh is adopting IT as the key business enabler.

ONE Bank Limited (OBL) is one of the 1st category banks in Bangladesh in adopting technology in accordance with Bangladesh Bank ICT Guidelines. On the verge of achieving operational and service excellence, OBL has the flavor of introducing one of the world class Core Banking Solutions, FLEXCUBE Universal Banking Solution. Being the technology savvy bank, OBL had significant achievements in the financial year 2015. During the year, it has come up with some important IT based services like acquiring and introducing new Mobile Financial Services (MFS), automation of various utility services for online collection/payments of bills and fees, extension of ATM Network including setting offsite ATM Booths, connecting with the National Payment System of Bangladesh (NPSB), introduction of RTGS system and its integration with Core Banking Solution (CBS). In order to combat terrorist financing and comply with OFAC and UN Sanction List, ONE Bank has introduced SWIFT Sanction Screening System, similarly, to check and find out any account under Terrorist or Sanctioned list OBL's in-house team also developed another software which also have been introduced in 2015.

## Mobile Financial Services

Mobile Financial service is a tool that facilitates people with legitimate transaction process

without the help of conventional banking system. This service is very effective in a country that is geographically challenged like Bangladesh, Kenya and Nigeria etc. To keep up pace with the financial inclusion banking ONE Bank Limited (OBL) launched Mobile Financial Services by the name of "OK Banking" during the year 2013. This initiative of enabling banking services to customers via a mobile phone at affordable costs will go a long way in increasing access to financial services in line with broader national objective.

ONE Bank Limited (OBL) offers absolute mobile financial services to both unbanked and banked population of Bangladesh through widespread community-based agent network throughout the country. After the launching, the Bank has already achieved some notable milestones in regards to customer acquisition, ecosystem development, network partnership development with Grameen Phone, Citycell, Robi and strategic partnership development with Access to Information (A2I) and Mobicash. It has gradually increased its popularity among the common people of Bangladesh.

The Payment system has made an unparalleled contribution to improving transactional convenience and funds movements for millions of Bangladeshis. During the year "OK" has shown exceptional growth in terms of customer acquisition and transaction volume by a continuous development of products and services. On that basis, the Bank has a significant pipeline of products under development, some of which have already been introduced to market To complete the Agent

An OBL Financed Blister and Vial Filling machines of a Pharmaceutical Laboratory



network, the Bank has been taken different initiatives throughout the year.

OBL is committed to build on current knowledge, sharing best practice and scaling successful models across borders to help create opportunities for people and make a difference in their lives in a very compliant manner.

To address this untapped and unprivileged market, OBL expanded the mobile banking services all over the country very quickly. Now a total number of 6,500 agent points are continuously working together to comply with all customer requirements. Moreover 65,000 mobicash agents and a good number of a2i agents are also there to facilitate OK's customers throughout the country.

### Mobile Banking Product & Services

- Customer Registration
- Cash-in ( Cash Deposit)
- Cash-out ( Cash withdrawal)
- Airtime Top-up
- Salary/ Allowance Disbursement
- Bills Payment
- Merchant Payment
- Person to Person Fund Transfer (P2P)
- Balance Inquiry
- Statement inquiry

### Performance of Mobile Banking

In 2015 1,10,000 new mobile banking accounts were registered under OK Banking umbrella.. The growth showed how successfully the brand was placed in the market. ONE Bank Limited took right step to increase the number of accounts by

spreading its agents in rural areas where people were deprived from any sorts of financial facilities.

In December 2015, the numbers of agents were 6,500 The interested potentials were converted to OK agents after carefully screening them with ONE Bank's set guidelines. ONE Bank limited made the commission to structure so lucrative for the agents that every agent of competitors were interested to become OK agents.

The users of OK did their transactions willingly and the results were truly reflected in December 2015 which showed an exponential growth compare to the previous year. ONE Bank Limited ran different campaigns in the market and those results in the increased transaction volume in 2015.

ONE Bank Limited is hoping that with the new software the numbers will increase even in a rapid pace in 2016 as there is huge scope of mobile financial services in Bangladesh as this country is geographically challenged developing country.

### Bill payment by Customers

OBL Mobile banking account holders can pay his/her bill to different merchant shops by using OK financial services. OBL's Bill pay services reduce consumers' time and increase conveyance which allows paying bills on time avoiding extra charge. Customers can collect and make payment from any agents point using OBL Mobile Banking Account.

An OBL Financed Cable Tensioning machine of an Industry



### Collection Bill by the Business

Government and non-government organizations expedite collection for their product and services using collections services of OBL mobile Banking. Many Business organizations face severe problem collecting money from remote places of the country and sometimes it takes more than a month to get the money in the account. Now with the help of mobile banking, organizations will be able to collect money instantly.

Passport authority of Bangladesh is the prime example of this. There are many pipelines.

### Different Campaign with different locations based agents

OBL mutually participate with different agent points to run campaigns throughout the year of 2015. OBL participated in different campaigns for acquisition of new customers, familiarizing OK and transaction increment programs. These successful programs helped OBL to increase Cash-in, Cash-out and P2P for both mutual benefits.

### Geographical Coverage

Since the inception ONE Bank Limited has given the best effort to cover the entire country in the shortest possible time and at the yearend of 2015 ONE Bank has reached the milestone by establishing 6,500 agents throughout the country.

### Agent Partners

Agent network is one of the vital aspects for running mobile banking to facilitate financial inclusion at grass root level. At present ONE

Bank Mobile Banking has an extensive agent footprint in 64 districts through the partnerships with different industry stakeholders including government and private entities such as Access to Information (A21), Mobile Network Operators (MNOs), and OBL's own agents. This agent points are increasing day by day to provide the banking services to the door step of the people.

### Offshore Banking Unit (OBU)

OBL has been offering Offshore Banking facilities through 02 (two) Offshore Banking Units (OBU) located in Gulshan, Dhaka and Agrabad, Chittagong. The total loans and advances of the OBU reached to USD 33.14 million equivalents to Tk.2, 601.56 million as on December 31, 2015 compared to USD 29.16 million equivalents to Tk.2, 272.80 million as on December 31, 2014 recording a significant growth of 14.46 percent.

However, in the year 2015, OBU made operating profit of USD 0.803 million equivalents to Tk.63.04 million as against USD 0.939 million equivalent to Tk.73.23 million in 2014 with a negative growth of 13.92 percent.

### Human Resources

A bank is a service provider organization. As such Human resources of a bank are the most valuable assets. OBL strives to ensure that it has highly qualified and skilled employees posted in appropriate jobs. Keeping the importance in mind, OBL has increased the number of total full time regular employees to 1,976 by the year-end 2015 from 1,861 of the preceding year. Excepting for the new inductees, the remaining employees are all seasoned banking professionals with

An OBL Financed Tablet making and coating section of a Laboratory





varying degree of experience and exposure, recruited from different leading banks of the country. The Bank has a strong focus on imparting training for harnessing its employees with required skills and competencies.

ONE Bank has embarked on Strategic Human Resource Management i.e. aligning human resources with the businesses of the Bank. During the year, a total of 277 (two hundred seventy seven) employees attended trainings arranged by Bangladesh Bank Training Academy, BIBM and other external agencies and 05 (five) employees attended trainings abroad.

OBL has a Training Institute of its own for updating, upgrading and knowledge sharing with its employees to ensure better services to the clients and to take up the new challenges. The Management of the Bank on a continuous basis undertakes in-house training programmes and exposure initiatives towards raising awareness among the Bank employees with respect to Bank's policies, instructions, Banking laws and practices and directives of the various regulators. This is pursued to ensure that the employees are well informed and empowered towards providing best customer services within the framework of laid down regulatory requirements. A total of 2,793 (two thousand seven hundred ninety three) participants attended various trainings during the year among which Central Compliance Unit (CCU) in collaboration with OBL Training Institute provided training to 1,932 (one thousand nine hundred thirty two) employees on Anti Money Laundering.

The Bank's training efforts are geared towards improving employees' performance in their existing positions and to enable them to handle future needs ably. It further aims to recognize and materialize potentials of the employees for individual and institutional advancements. The Human Resources Division here plays a key role to meet the needs of the Bank to fulfill the demands of its Stakeholders and Customers.

OBL HR always puts utmost importance on ensuring a culture which is disciplined, compliant and performance based. During the year, the Bank has made a significant number of transfers of its employees who had been serving in the same branch for 03 (three) years or more towards compliance with the Central Bank's guideline. In an endeavor towards automation of systems and processes, the Bank has automated its Leave Management System during the year. The Bank has also promoted 417 (four hundred and seventeen) employees during the year in recognition of their performance and contribution towards the Bank. OBL believes in developing homegrown leaders and accordingly the employees of the Bank are consistently groomed up to take up more responsibilities and ownership. During the year, a significant number of employees were posted as Branch Managers and functional Heads who were developed internally.

As the Bank takes good care of its people i.e.: human resources, they also demonstrate a deep sense of belongingness to the Bank. Here, people dream to build their Banking career.

An OBL Financed Manufacturing factory under SME financing





### **OBL Training Institute**

ONE Bank Limited has a Training Institute of its own caters the Training Needs of the employees of the Bank; has completed its seventh years of operations. Management of the Bank on a continuous basis undertakes in-house training for updating and upgrading the employees to provide quality services to our clients, individuals and institutions those we care for.

In-house training are undertaken for improving employees' performance towards recognizing and developing potentials of the employees for advancement; raising awareness with respect to Bank's policies, instructions, Banking laws and practices and directives of the various regulators so as to ensure that the employees are well informed and equipped towards providing customer services within the framework of regulatory requirements.

During 2015 a number of 831 Officers were trained in different banking trades and areas. In addition, a total of 1,897 executives and officers covering almost 100% of the total manpower of the Bank have participated in the Training "Anti-money Laundering and Combating Financing Terrorism" during 2015; which was a regulatory requirement.

### **OBL Integrity committee**

In order to implement the National Integrity Strategy of Bangladesh, OBL has also constituted an Integrity Committee consisting of 05 (five) members. They co-ordinate all Integrity Strategy Implementation related activities of the Bank. All the employees of the Bank have been

made aware of the National Integrity Strategy of Bangladesh. They are also briefed about the same from time to time in the Foundation/ Induction trainings and have been further advised to practice the guidelines in every step of their activities in the Bank as well as outside. Integrity has been one of the most priority areas of the Bank since its inception. It cannot be overemphasized that the single most important attribute that a banker must possess is 'integrity.'

### **Branch Network:**

As on December 31, 2015, the Bank had successfully established a network of 85 branches, including 31 in rural areas and 5 SME/Agriculture branches.

#### **The branches are located at:**

##### **Dhaka Zone:**

Principal, Banani, Banasree, Bangshal, Basabo, Dhanmondi, Elephant Road, Gulshan, Imamgonj, Jagannathpur, Jatrabari, Kakrail, Kawran Bazar, Mirpur, Moghbazar, Motijheel, Progoti Sharani, Uttara, Tongi SME/Agri, Narayanganj, Ganakbari (EPZ), Joypara, Madhabdi, Nawabgonj, Ring Road, Lalbagh, Tipu Sultan Road, Mawna, Nandipara, Zinzira, Sonargaon Janapath and Faridpur.

##### **Chittagong Zone:**

Agrabad, CDA Avenue, Jubilee Road, Khatungonj, Sitakunda, Cox's Bazar, Nanupur Bazar, Rangamati, Raozan, Ranirhat, Chandgaon, Dovashi Bazar, Halishahar, Boalkhali, Hathazari, Mithachara, Anderkilla, Anowara, Station Road, Chittagong EPZ and Bibir Hat.

An OBL Financed Cable Coil Industry



**Noakhali Zone:**

Chandraganj, Chowmuhuni, Dagon Bhuiyan, Feni, Maijdee Court, Raipur, Ramgonj, Mandari Bazar, Amishapara, Lakshmipur SME/Agri, Chaprashir Hat SME/Agri Subornachar, Chaterpaiya, Chatkhil.

**Comilla:**

Comilla, Laksam, Brahmanbaria SME/Agri.

**Khulna Zone:**

Khulna, Jessore, Satkhira, Kushtia, Poradaha.

**Rajshahi Zone:**

Rajshahi, Bogra, Shahjadpur SME/Agri, Sirajgonj, Rangpur.

**Sylhet Zone:**

Sylhet, Islampur, Sherpur, Laldighirpar.

**Barisal Zone:** Barisal.

Amongst these, followings are the 31 (thirty one) designated "Rural branches" as per Bangladesh Bank approved conditions:

Ganakbari (EPZ), Joypara, Nawabganj, Banasree, Jagannathpur, Madhabdi, Mawna, Nandipara, Zinzira, Nanupur Bazar, Sitakunda, Raozan, Ranirhat, Dovashi Bazar, Boalkhali, Hathazari, Mithachara, Anowara, Bibir Hat, Chandraganj, Dagon Bhuiyan, Raipur, Ramganj, Mandari Bazar, Amishapara, Subarnachar, Chaterpaiya, Laksham, Islampur, Sherpur, Poradaha.

The SME/Agriculture branches are located at Shahjadpur, Tongi, Brahmanbaria, Lakshmipur and Chaprashir Hat. OBL continues to enjoy the distinction of being a private sector bank operating 03 (three) booths at Chittagong port premises on 24 hours operations where we serve our customers by collecting port & other dues. In addition, the Bank also has 15 (fifteen) more collection booths providing personalized service to valued customers.

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank's 62 (sixty two) ATMs located around the country, the ATM network of the Bank was expanded by joining hands with Q-cash, Dutch

Bangla Bank and NPSB (National Payment Switch Bangladesh) ATM networks so that the customers now have access to 24 hour banking service. The objective of such major investment is to create yet another customer convenience. Bank's activities are expected to considerably enhance and intensify with the opening of the proposed branches and are indicative of our commitment to serve our clientele both in urban and rural areas.

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

**ONE Securities Limited**

ONE Securities Limited (OSL) was incorporated on May 4, 2011 with an Authorised Capital of Tk. 4,000 million as a Subsidiary Company of ONE Bank Limited. It was converted into a public Limited Company on December 24, 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC).

Paid up Capital of the Company is Tk. 2,000.00 million. The objective of formation of such a company is to actively participate in the Capital Market Operations of Stock Broking and Stock Dealing. ONE Securities Ltd is the TREC Holder of DSE & CSE and started its commercial operation since March, 2014. The Registered Office of the company is situated at 45, Dilkusha C.A. (4th Floor), Dhaka-1000.



Signing of Financial Statements 2015 of ONE Securities Limited



## Green Banking-2015

ONE Bank Limited ethically motivated as a social, alternative or sustainable bank concerned with social and environmental impacts of its investments and In-house green management .ONE Bank Limited has been conducting banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, OBL continued to finance green technology and pollution reducing projects & strengthening in-house Green management. Thus, OBL's Green Banking practice is all about incorporating and promoting environment friendly practices and reducing carbon footprint from banking activities. The broad objectives of the Bank are to use resources with responsibility avoiding waste & giving priority to environment & society.

Bangladesh Bank so far introduced total 50 Green Products for financing under refinancing scheme. In 2015, among those 50 Green Products ,we have focused on Green Finance in various sectors like renewable energy (Solar Home, Bio-Gas etc.) , Green Industries to be certified by LEED under USGBC, Work Environment Safety in factories, ETP & Brick Kiln etc. In 2015, OBL financed Tk.424.22 Crore both in Direct & Indirect Green Finance. Total Direct Green Finance posted at Tk. 37.49 Crore on that year. We have already financed few garments/ leather shoe factories namely Columbia Washing Plant,Panwin Designs Ltd, Knit Plus Ltd ,Apex Footwear Ltd. etc for establishing Green Industry / Work Environment Safety under Bangladesh Bank refinance scheme.OBL has attempted following steps towards going green-

- ✓ Initiating In-House Environmental Management.



- ✓ OBL has demonstrated Green commitments towards implementation of Environmental & Social Management System (ESMS) with the help of Holland based bank 'FMO'.
- ✓ ONE Bank Ltd. has introduced Online Banking and it covers 85 branches/ SME centers, 62 own ATMs, 1200 shared ATMs. Clients can also have access to their accounts through Internet & Mobile Banking.
- ✓ Using LED bulbs, Converter in Air Conditioning system of new Branches to reduce the consumptions of energy.
- ✓ OBL has been using online Leave Management system, Digital Attendance and E Mail corresponding, which help reducing printing paper for employees of the Bank.
- ✓ OBL has been equipped with Bangladesh Automated Clearing House (BACH) systems RTGS, BEFTN, NPSB etc.
- ✓ In House Green Banking offered by Cards Division includes E-Statement & for Account holders SMS Banking, SMS Alert, Net Banking, E Fund Transfer etc.
- ✓ As a part of Credit Risk Management, our Central Loan Administration Division [CLAD] incorporates necessary environmental & social conditions in the sanction advices to make sustainable of our financing areas & to improve our overall environmental condition of the country .

- ✓ We already have 3,16,824 nos. of active Accounts thru Mobile Banking system for conducting nearly paperless Banking .
- ✓ OBL has reduced fuel consumption by Tk.1.23 Million in 2015 compare to that of 2014.

### Corporate Social Responsibility (CSR)

CSR is mainly about the awareness of and action in support of environmentally sustainable social development. The CSR actions aim at mitigating the diverse environmental impacts on the activities of the business and reducing inequalities and alleviating deprivation and poverty across the country. The benefits of CSR for companies, including increased profits, customer loyalty, trust, positive brand attitude and combating negative publicity are well-documented. In the light of these known positive effects, CSR strategies have been embraced by the banking community. Bangladesh has also become proactive on Corporate Social Responsibility. The Bank has been keeping watch on the environmental and social impacts of proposed undertakings and their implementation of equity of rights irrespective of gender, creed and color etc. policies. The Bank strives to convince the clients to pursue environment friendly and socially proactive & mitigating policies for sustainable development. To streamline the CSR activities of the Bank, ONE Bank Limited has adopted a Social Responsibility (CSR) Policy during 2013, which acts as a guide towards planning and executing the Bank's CSR activities. The Bank has spent a total of Tk. 3.26 crore for CSR activities in the

OBL's Vice Chairman Mr. Asoke Das Gupta handing over a Cheque to the Honourable Prime Minister Sheikh Hasina towards Prime Minister's Relief Fund 2015





year 2015. Details of CSR activities undertaken by the Bank during the year are as below:

- ✓ Contribution of Tk. 6,30,125/- towards "Proteeva" project of Jagorani Chakra Foundation for meeting its expenses for 01 (one) Cluster situated at Jessore District having 1500 students of Pre-primary School level.
- ✓ Donation of 1000 pcs of Blankets for Tk. 2,00,000/- to Dhaka Metropolitan Police (DMP) for cold stricken people across the country.
- ✓ Doctor's Remuneration of Tk. 2,40,000/- for extending medical services to the poor people of Joypara, Dohar, Dhaka.
- ✓ OBL Scholarship of Tk. 1,18,22,000/- to 838 no. of underprivileged and meritorious students of Bogra, Rangpur, Rajshahi, Sirajgonj, Jessore, Khulna, Satkhira, Brahmanbaria, Comilla, Lakshmipur, Feni, Noakhali, Sylhet, Chittagong, Cox's Bazar and Rangamati districts.
- ✓ Contribution of Tk. 5,00,000/- to Bangladesh Ship Breakers' Association Hospital towards procurement of an ambulance.
- ✓ Donation of Tk. 6,00,000/- to the Ambassador of Nepal for the earthquake victims of Nepal for alleviation of the human sufferings.
- ✓ Donation of Tk.45,00,000/- to Bangladesh Football Federation through Bangladesh Association of Banks.
- ✓ Donation of Tk. 50,00,000/- to the Prime Minister's Relief Fund.

- ✓ Donation of 2000 pcs of Blankets for Tk. 7,70,000/- for distribution among the cold stricken people of former Chitmahals (enclaves)
- ✓ Donation of Sewing Machines for Tk. 40,150/- to the people of Chitmahal (enclaves) area.
- ✓ Donation of 25000 pcs of Blankets for Tk. 82,50,000/- to the Prime Minister's Relief Fund for distribution among the cold stricken people of the country.

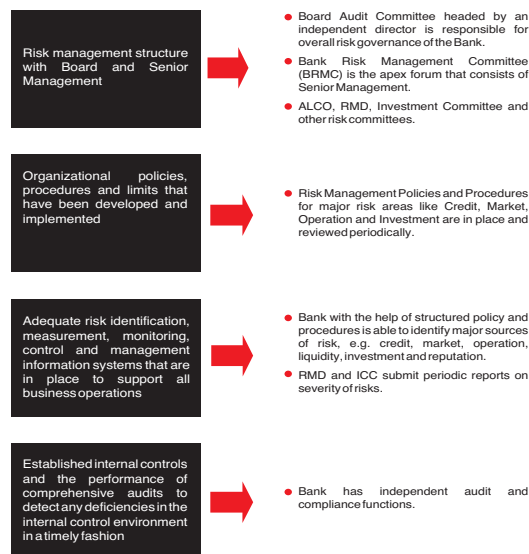
## RISKS & CONCERN

Banks are in the business of taking risk and devising risk mitigates for survival and growth in order to ensure safety and adequate return for all stake holders viz. share holders, depositors, borrowers, employees etc. OBL strongly believes that risk management is crucial and bank management is ultimately risk management. But at the same time, OBL focuses its risk management as a tool for ensuring continuous and sustainable growth of business and profit through better trade-off between risk and return. Our main risk arises from credit extension to the borrowers. Besides, other types of risks are also there such as operational, market, concentration, liquidity, legal, reputational, cross country etc. Considering all these, OBL risk management system is designed to maximize risk adjusted returns while keeping in view that any viable business opportunity is not missed out. The Risk Management framework of OBL has been established on the basis of guidelines given by Bangladesh Bank vide DOS

OBL Managing Director hands over a cheque to the Ambassador of Nepal for the welfare of earthquake victims of Nepal



circular # 02 dated 15th February 2012. The key elements of a Risk Management System are enumerated below:



## Risk Management Structure

The Bank's overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO) of the Bank. CRO is supported by Risk Management Division, Asset Liability Committee (ALCO), Banks Operational Risk Committee (BORC) etc. as under: Risk Management Division: Risk Management Division of OBL monitors bank wide risk exposure. It prepares Risk Management Paper on monthly basis and Stress Testing Report on quarterly basis and submits it to Bank Risk Management Committee (BRMC).

Asset Liability Committee: Asset Liability Committee (ALCO) regularly monitors market

conditions. It meets at least once in a month to review the liquidity risk, interest risk and market risks.

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

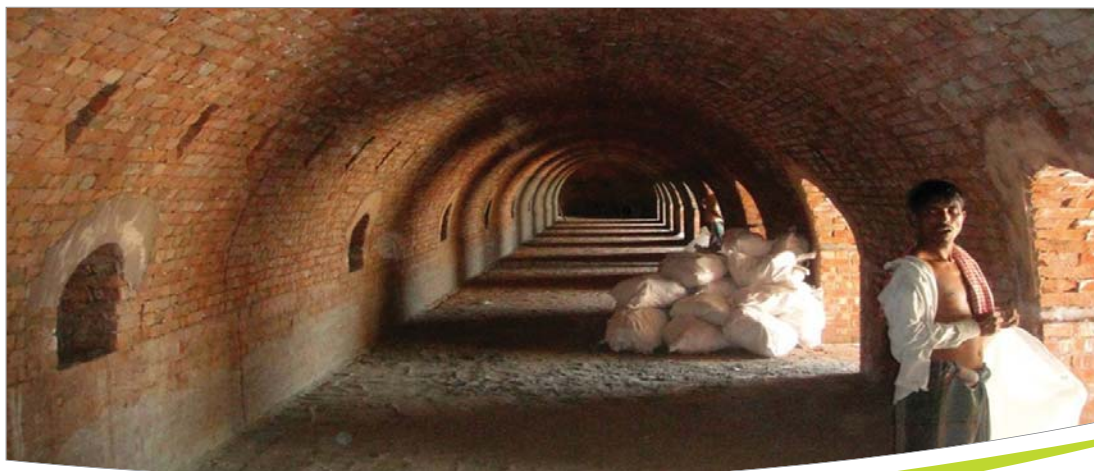
**Bank Risk Management Committee (BRMC),** which is headed by Chief Risk Officer (CRO) of the Bank, review the reports received from the above committee and place report to the Managing Director with required suggestions/mitigating measures. The Report is subsequently placed to the Board and the suggestions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

## Credit Risk Management

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

Uncertainties or risks associated in credit activities need to be understood, evaluated and managed in a structured way to ensure growth and stability of the Bank. Thus, the Bank needs to have a robust credit risk management frame

An OBL Financed inside view of a kiln



work as well as a culture for maintaining and reinforcing its credit standards.

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

Credit approval authority has been delegated to the individual executives. Credit limits beyond their delegation are approved /declined by the Executive Committee and the Management. In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Other units namely (a) Credit Risk Management Unit, (b) Credit Administration Unit, (c) Credit Monitoring and Recovery Unit are in place towards ensuring proper security documentation and maintaining asset quality.

### Market Risk Management

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions

of a bank, stemming from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and / or commodity prices. Market risk can be subdivided into following three categories:

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

### Interest Rate Risk

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

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

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

An OBL Financed Machine shed of a Clay Brick factory





OBL which indicates that the assets are relatively more interest rate sensitive than liabilities.

### Foreign Exchange Risk

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

- i. trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer-driven foreign exchange transactions;
- ii. holding foreign currency positions in the banking book (e.g. in the form of loans, bonds, deposits or cross-border investments); or
- iii. engaging in derivative transactions that are denominated in foreign currency for trading or hedging purposes.
- iv. banks also face the risk of default of the counter parties or settlement risk. Thus, banks may incur replacement cost, which depends upon the currency rate movements.

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

### Equity Price Risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could

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

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

### Liquidity Risk Management

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

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

An OBL Financed Milling Section of an Automatic Rice Mill





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

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

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

Regulatory frame work of the bank's liquidity management has been formulated in compliance with BB core risk management guidelines and these include among others maintenance of SLR which in 13% and CRR 6.5% of total demand and

time liabilities at present. Bank maintains adequate SLR and CRR on regular basis throughout the year. ALCO has been monitoring liquidity risk regularly.

### Operational Risk Management

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

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

Operational risk differs from other risks in that it is typically not directly taken in return for an expected reward, but exists in the natural course of corporate activity, and that this affects the risk management process. At the same time, failure to properly manage operational risk can result in a misstatement of a bank's risk profile and expose the bank to significant losses. Bank is managing these risks through written procedures, regular training and awareness programs. Quarterly Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank's business and operations. Surprise Inspections

An OBL Financed under construction Green RMG Project



are also made on a regular basis to make sure that all control tools are functioning properly.

### **Prevention of Money Laundering**

In ordinary terms Money Laundering is often described as “the turning of dirty or black money into clean or white money.” The comprehensive meaning of Money Laundering has been described in the section 2 (v) of Money Laundering Prevention Act 2012. Money laundering allows criminals to legitimate illegally acquired money by mingling it with legally acquired money. This allows them to ultimately provide a legitimate cover to the source of their illegal income. It has potentially devastating economic, security and social consequences. It provides impetus to drug dealers, smugglers, terrorists, illegal arms dealers, corrupt public officials and others to operate and expand their criminal enterprises. Money Launderers always try to convert their illegal proceeds earned through predicate offence (s) to legitimate money by placing, layering and integrating in the financial system for which any bank is vulnerable. The amount of money laundered each year poses a significant policy concern for the government.

For prevention of Money Laundering (ML) and Combating Financing of Terrorism (CFT), Bangladesh Financial Intelligence Unit (BFIU) generally expects a risk management practice to address two main risks: business risks and regulatory risks. Business risks are related to customer, product or service, business practices and / or delivery methods and country or jurisdictions. This risk is mainly related to the maintenance of proper KYC and its reviewing

process. Regulatory risk is associated with not compliance of regulatory requirements and /or unable or inappropriately verifies customers and lacking of AML and CFT program. Regulatory risk also involves with the possibility of lawsuits which may adversely affect the operation and reputation of the Bank.

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

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

An OBL Financed Fish Feed project under syndication



every branch of the Bank to discharge the responsibilities related to AML & CFT activities.

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

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

### ICT Security

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

### BASEL III

After successful implementation of BASEL II Accord, the BASEL III framework was introduced by the Central Bank to ensure that financial institutions maintain enough capital to cover all types of risks vide instruction contained in BRPD Circular No. 18 dated 21 December 2014 (Implementation of Basel III in Bangladesh). BASEL III Accord requires that banks should maintain adequate capital to cover Credit Risk, Market Risk and Operational Risk. Besides Capital Adequacy, BASEL III also requires banks to enhance their Supervisory Review Process as well as Market Discipline through Disclosures to Public and Regulatory bodies in more details.

Bangladesh Bank has introduced Road Map for adopting BASEL III framework through phase-in arrangement which was circulated to all commercial banks in Bangladesh with a target to ensure full implementation by 2019.

In line with Bangladesh Bank directives, the OBL BASEL III Committee was formed comprising all the major Divisional Heads of the Bank as well as related operational department heads chaired by the Managing Director. In addition, BASEL III working Team was also formed for implementation of the different segments of the Accord.

In order to strengthen the Supervisory Review process, a separate Risk Management Division has been formed. The existing Compliance Department of the Bank has also been further strengthened. Furthermore, a separate MIS (Management Information Systems) department has also been formed to ensure timely and accurate flow of information to the Risk

An OBL Financed specialized spinning mill under syndication





Management Division as well as Senior Management.

As per Basel-III norms, Capital Adequacy i.e. Buffer Capital is a must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. As per new guidelines, Capital Conservation Buffer @ 2.50% (gradually @ 0.625% every year up to 2019) in the form of tier-1 capital is to be maintained to absorb more shocks in addition to 10% earlier requirement under BASEL II.

Under the Standardized Approach of the Risk Based Capital Adequacy Guidelines (RBCA) of Basel-III, counterparties' credit ratings are determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the Guidelines, the rated exposures of a bank will reduce the Risk Weights and the Regulatory Capital Requirement as well as create the room to expand the business of the bank. This will also enable the bank to assess the creditworthiness of the borrowers as well to an acceptable level.

To withstand these challenges, the Board of Directors & the Senior Management of the bank emphasized rigorously round the year 2015 on corporate borrowers' credit ratings to lower bank's risk profile as well as to reduce the Capital Requirement of the bank. Accordingly, Asset Marketing and Credit Risk Management (CRM) teams have taken all-out efforts to bring the corporate borrowers' exposures under credit rating. They are constantly taking the initiatives through guidance of the Senior Management i.e;

series of meetings, correspondences, awareness programs with the allied concerns i.e. branches of the bank, Clients and External Rating Agencies.

OBL has met all the milestones set in the Bangladesh Bank Road Map. As per the Regulatory Road Map, OBL has commenced to comply with the BASEL III requirements with effect from January 01, 2015. Since then, we have been implementing the BASEL III standards in respect of our Capital, Supervisory Review Process and Disclosures.

ONE Bank is applying the following methodology of BASEL III for Calculating Credit, Market and Operational risks:

- (a) Credit risk : On the basis of Standardized Approach
- (b) Market risk : On the basis of Standardized Approach; and
- (c) Operational risk: On the basis of Basic Indicator Approach.

## INCOME DETAILS

### Interest Income

Interest Income of the Bank grew by 6.15% to Tk.11,969.31 million during 2015 compared to Tk. 11,275.61 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 7,406.16 million in 2015 as compared to Tk. 6,879.06 million for 2014 thus increased by 7.66%. Interests paid on deposits, particularly Short Term Deposits exhibited an

An OBL Financed Conning Section of a Spinning Mill





upward turn due to increase in deposits.

The Net Interest Income increased by 3.79% to Tk. 4,563.15 million during 2015 as against Tk. 4,396.55 million during 2014.

Towards providing for Statutory Liquidity requirements, the Bank continued to invest in Government Treasury Bills and Bonds. In addition, the Bank has also invested in shares of other legal entities. Income from such Investment was Tk. 1,477.98 million during the year as against Tk 1,146.03 million during 2014

### **Commission, Exchange and Brokerage Income**

Earnings from Commission, Exchange and Brokerage decreased by 7.14% to Tk. 1,153.53 million compared to Tk. 1,242.24 million in 2014,

### **Other Operating Income**

Other operating income increased to Tk. 444.87 million during 2015 as compared to Tk. 387.70 million for the previous year.

### **Total Operating Income**

The total operating income stands at Tk. 7,639.53 million for 2015 as compared to Tk. 7,172.51 million for the previous year.

### **Operating Expenses**

Total operating expenses was Tk. 3,491.60 million for the current year compared to Tk. 3,263.36 million for previous year.

### **Operating Profit**

The Bank has earned an operating profit of Tk 4,147.93 million in 2015 compared to

Tk. 3,909.15 million in the year 2014.

### **Provisioning against Loans & Advances**

The Bank's loan portfolio remained under periodic review and classification measures were adopted as and when necessary. Classified loans represent 3.58% of the Bank's total Loans and Advances as against 4.72% of the previous year.

### **Net Profit**

After providing for provision and taxes, the Net Profit of the Bank for the year 2015 was Tk. 1,922.63 million, compared to Tk. 2,096.05 million in the previous year.

### **Dividend**

The Net Profit of the Bank stood at Tk. 1,922.63 million as on December 31, 2015. After transfer of Tk. 539.68 million to Statutory Reserve, the amount available for distribution was Tk 1,382.95 million. The capital of the Bank was 10.93% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 315.99 million, total amount available for distribution to Shareholders was Tk. 1,698.94 million. The Board of Directors recommended 25% Dividend (12.50% Stock and 12.50% Cash Dividend) for the year 2015. Accordingly, there will remain an amount of Tk.224.13 million in the form of Retained Earnings.

### **Balance Sheet**

As on December 31, 2015 total Assets of the Bank (excluding contingent) was Tk. 154,192.85 million compared to Tk. 121,819.94 million of 2014. The growth thus recorded was 26.57%.

An OBL Financed Motor Parts and Light Engineering Workshop



Major Asset components were Loans and Advances (69.23%) followed by Investments (14.85%). Deposits constituted the major portion of the Bank's liability (92.03%). Contingent Liabilities were Tk. 61,443.63 million against Tk. 49,787.07 million for the previous year.

### Equity

The equity of the Bank increased to Tk. 11,579.21 million from Tk. 10,225.16 million registering an increase of 13.24%. The percentage of Tier-I Capital to Risk Weighted Asset is 8.46% against a requirement of 5.5%.

### Deposits

Deposits of the Bank grew by 30.87% during the year and stood at Tk. 131,251.82 million as at December 31, 2015 against Tk. 100,295.06 million as at December 31, 2014. The continuing growth of customers' confidence in ONE Bank LTD helped the necessary broadening of customer base that spanned private individuals, corporate bodies, multinational concerns and financial institutions. The average cost of deposit for the year 2015 was 6.70%.

### Cash and Balances with Banks and Financial Institutions

Cash and Balances with Bangladesh Bank was Tk. 12,215.30 million as against Tk. 9,005.95 million in 2014, representing an increase of 35.64%. These funds are maintained to meet the Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) of the Bank. Due to quantum increase in Deposits, the CRR and SLR of the Bank have correspondingly increased and such requirements were properly and adequately maintained. Surplus funds after meeting the CRR & SLR requirements were placed as short-term deposits with several commercial banks and financial institutions. Outstanding in such accounts in Bangladesh was Tk. 783.62 million as at December 31, 2015.

The Bank maintained sufficient balances equivalent to Tk 930.38 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.

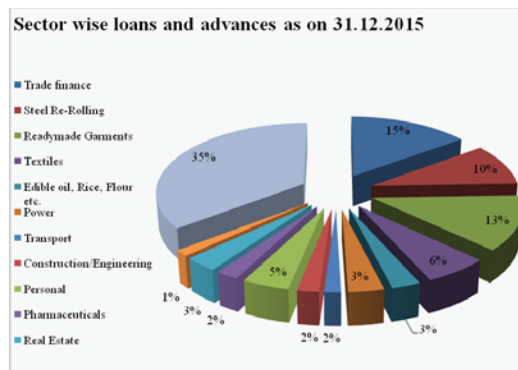
### Investments

Investment activities by the Bank included meeting the SLR requirements and were mostly in the form of Government Treasury Bills with varying dates of maturity.

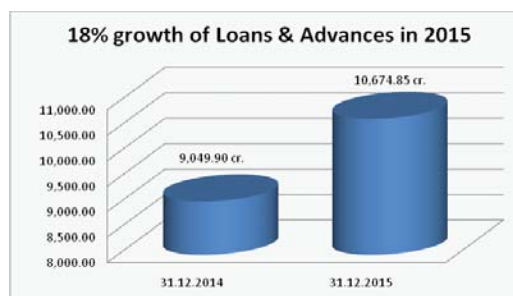
The Bank had a total investment of Tk. 19,529.31 million in Government Treasury Bills and Treasury Bonds. In addition, the Bank made investment in shares of different legal entities.

### Loans and Advances:

The Bank's total Loans and Advances stood at Tk. 10,674.85 crore as on December 31, 2015, compared to the same of Tk. 9,049.90 crore of 2014 showing a growth of 17.96% over the previous year. The portfolio was under continuous review and was further diversified to avoid the risk of single industry concentration and within the purview of the Bank's credit norms relating to risk quality, yield, exposure, tenor and collateral arrangements. Bank's clientele base continued to comprise corporate bodies engaged in such vital economic sectors as Trade finance, Steel re-rolling, Readymade Garments, Textile, Edible oil, power, transport, Construction/Engineering, Retail, Pharmaceuticals, Real-estate, Cargo & Travel services, Paper and packaging, Agro-based industry, Cement, Ship scrapping, etc.



### Comparison of Loans & Advances between 2014 & 2015



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

## Related Party Discloser of the Bank Transactions

- i. Name of the directors together with a list of entities in which they have interest (provided under Annexure E)
- ii. Significant contracts where Bank is a party and wherein Directors have interest during the year 2015: Nil
- iii. Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
- iv). Nature, type and elements of transactions with the related party: Nil
- v. Lending policies in respect of related party:
  - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2015:  
 Guarantee amounting to Tk. 3,407,278 and Tk. 16,300 have been provided in favour of COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd against 100% Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said COSCO (Bangladesh) Shipping Lines Ltd & Baridhi Shipping Lines Ltd.
  - b) Amount of transactions regarding principal items of deposits, expenses and commission: Nil
  - c) Amount of provision against loans and advances given to related party : Nil
  - d) Amount of guarantees and commitments arising from other off-balance sheet exposures: Nil
- vi. Disclosure of transaction regarding Directors and their related concerns: Nil
- vii. As on Balance Sheet date, the total receivable amount of Tk. 25,765,706 from ONE Securities Limited
- viii. Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):
  - a) Lease Agreement made with the Directors:
    - The Bank has hired a space of 35,000 sqft. from M/s. HRC Bangladesh Limited for garage and storage purposes at a rent of Tk. 0.53 million per month against which the Bank has advanced Tk.1.84 million (Balance as on December 31, 2015). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. HRC Bangladesh Limited.
    - The Bank has hired a space of 6,731 sqft. from M/s. Shamah Enterprise Ltd. for storage facilities at a rent of Tk. 0.20 million per month against which the Bank has advanced Tk. 6.66 million (Balance as on December 31, 2015). Mr. Zahur Ullah, Director of ONE Bank Limited is one of the directors of M/s. Shamah Enterprise Ltd.
    - The Bank has hired floor spaces of 5,392 sqft. and 23,232 sqft. from M/s. Hamid Properties Ltd. for Kawran Bazar Branch and its Corporate HQ respectively at a rent

Bangladesh Bank Governor Dr. Atiur Rahman at Cox's Bazar SME Loan Fair





of Tk. 2.81 million per month against which the Bank has advanced Tk.79.64 million (Balance as on December 31, 2015). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. Hamid Properties Limited.

- The Bank has hired floor spaces of 5,000 sqft and 21,902 sqft. from M/s. HRC Properties Limited for Agrabad Branch and Centralized Trade Processing Centre (CTPC), Centralized Loan Administration Department (CLAD), Retail, Recovery and SME Unit Offices at Chittagong at a rent of Tk. 2.29 million per month against which the Bank has advanced Tk. 72.44 million (Balance as on December 31, 2015). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. HRC Properties Ltd. b) Investment in securities of Directors and their related concern: Nil

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

The Bank floated shares through Initial Public Offering in 2003. The proceeds of the same was utilized in the manner disclosed in the Prospectus and subsequently published in Annual Report of the Bank in the following years. During 2013, ONE Bank Limited issued Unsecured Non-convertible Subordinated Bond of Tk. 2,200 million after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission. The Subordinated Bond is counted towards Tier-II Capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin.

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

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

#### **Significant variance between Quarterly Financial performance and Annual Financial Statements**

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

#### **Remuneration to Directors including Independent Directors**

As per BRPD Circular No. 11 dated October 04, 2015, the Directors including Independent Directors are paid Tk.8,000.00 per person per meeting attended as remuneration[From January 01, 2015 to October 03, 2015 it was Tk. 5,000 per attendance per person.]

#### **Preparation of Financial Statements by the Management**

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

An OBL Financed Re-heating and Re-rolling section of a Steel Mill





### **Maintenance of Books of Accounts**

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

### **Accounting Policies**

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

### **Financial Reporting Standard and Corporate Governance Guideline**

The Financial Statements of the Bank have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Bank's affairs as at 31 December 2015 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations. The issue is better described in the opinion of the Auditors published in this report. The Bank has also complied with almost all the issues stated in the BSEC Notification No: SEC/CMRRCD/2006-158/134/Admin/44 issued on August 07, 2012.

### **Internal Control and Compliance**

The company has established an effective Internal Control system, which is being periodically reviewed towards making it more effective. In addition, the Bank has established the following internal control measures:

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

- Review of the Bank's performance on a monthly and quarterly basis at Board level;
- Established authority limits for transactions and expenses;
- Established Centralized Loan Administration Department & Trade Processing Center.
- Review of Bangladesh Bank's audit report and Management's compliance thereof at regular intervals;
- Ensuring strict compliance to all regulatory requirements, both existing and new.

### **Going Concern**

The going concern assumption is a fundamental principle in the preparation of financial statements. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. Accordingly, Assets and Liabilities are recorded on the basis that the entity will be able to realize its Assets and discharge its Liabilities in the normal course of business. In assessing the company's ability as going concern business, we have taken into consideration the quality of assets in the loan portfolio, quality of other assets, investment in the primary and secondary market, investment in the Government Securities, liquidity profile of the company, ability to meet the possible claim of short term depositors, possible impact of the changes of the Companies Act, cash flow position, possible loss of a member(s) of the key management without replacement, loss of hot deposit. In this connection by applying stress testing, the company reviews the possible impact on capital of the bank under a set of probable but plausible negative assumption. Upon Difference Analysis, there is no doubt on the continuation of the business for the foreseeable future and there is no intention to liquidate or cease its business.

### **Deviations from the last year's Operating Results**

There is no significant deviation noted from the last year's operating results of the Bank.

## Five Years' Financial Highlights of ONE Bank Limited

As at 31st December 2015

Figures in Million Taka

SI No	Particulars	2015	2014	2013	2012	2011
1	Authorized Capital	10,000	10,000	10,000	10,000	4,150
2	Paid up Capital	5,899	5,244	4,767	4,145	3,189
3	Shareholders' equity	11,579	10,225	8,576	7,424	6,346
4	Statutory Reserve	3,846	3,306	2,665	2,310	1,898
5	Total Capital (Tier-1 + Tier-2 Capital)	14,759	14,511	12,070	8,438	7,700
6	Total Assets	154,193	121,820	102,691	85,618	67,619
7	Total Deposits	131,252	100,295	86,568	73,056	57,240
8	Total Loans & Advances	106,749	90,499	76,573	60,216	47,927
9	Total Investment	22,900	14,724	10,292	9,792	8,128
10	Import business handled	105,199	111,888	74,857	57,686	53,831
11	Export business handled	56,176	66,866	58,711	50,930	45,897
12	Guarantee business handled	12,939	9,310	8,036	11,976	12,941
13	Total Contingent Liabilities	61,444	49,787	44,183	32,669	30,459
14	Total Operating Income	7,640	7,172	5,458	4,620	4,611
15	Total Operating Expenses	3,492	3,263	2,998	2,284	1,764
16	Profit before provision	4,148	3,909	2,460	2,336	2,847
17	Provision for loans and other assets	1,450	706	683	275	607
18	Profit after provision and before taxes	2,698	3,203	1,777	2,061	2,240
19	Provision for taxation	776	1,107	428	1,005	792
20	Net profit after taxation	1,922	2,096	1,349	1,056	1,448

Figures in Taka/Percentage

SI No	Particulars	2015	2014	2013	2012	2011
1	Earnings per Share	3.26	4.00	2.83	2.55	4.54
2	Price Earning Ratio (Times)	4.69	3.95	5.58	8.95	10.50
3	Net Asset Value per share	19.63	19.50	17.99	17.91	19.86
4	Return on Assets	1.39%	1.87%	1.43%	1.38%	2.29%
5	Return on Investment	11.32%	12.88%	14.08%	14.31%	14.94%
6	Capital Adequacy Ratio	10.93%	13.47%	12.09%	10.46%	11.24%
7	Tier - 1 (Capital)	8.46%	9.45%	8.53%	9.13%	9.22%
8	Credit Deposit Ratio	81.33%	90.23%	88.45%	82.42%	83.73%
9	Percentage of classified loans against total loans and advances	3.58%	4.72%	4.89%	5.52%	4.47%
10	Dividend					
	Cash	12.50%	12.50%	9.00%	5.00%	-
	Stock	12.50%	12.50%	10.00%	15.00%	30.00%

SI No	Particulars	2015	2014	2013	2012	2011
1	Number of Branches	85	77	70	64	54
2	Number of Employees	1976	1861	1810	1608	1472

### Declaration of Dividends

The Bank declared 25% Dividend (12.50% Stock & 12.50% Cash) for the year 2015.

**No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2015**

<b>Name of the Directors</b>	<b>Directors present in the Meeting</b>	<b>Directors absent in the Meeting</b>	<b>Total No. of Meetings held</b>
Mr. Sayeed H. Chowdhury	15	0	15
Mr. Asoke Das Gupta	15	0	15
Mr. Zahur Ullah	10	5	15
Mr. A. S. M. Shahidullah Khan	12	3	15
Mr. Kazi Rukunuddin Ahmed	15	0	15
Mr. Shawket Jaman	15	0	15
Mr. Salahuddin Ahmed	11	4	15
Mr. Syed Nurul Amin	12	3	15
Mr. M. Fakhurul Alam	15	0	15



**No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2015**

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Zahur Ullah	7	3	10
Mr. Sayeed H. Chowdhury	10	0	10
Mr. Asoke Das Gupta	10	0	10
Mr. M. Fakhru Alam	10	0	10

**No. of Meetings of the Audit Committee held & Attendance of the Directors in the Meetings during 2015**

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Syed Nurul Amin	4	0	4
Mr. Shawket Jaman	4	0	4
Mr. A. S. M. Shahidullah Khan	4	0	4
Mr. Salahuddin Ahmed	3	1	4

**No. of Meetings of the Risk Management Committee held & Attendance of the Directors in the Meetings during 2015**

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Asoke Das Gupta	4	0	4
Mr. Zahur Ullah	3	1	4
Mr. Syed Nurul Amin	4	0	4
Mr. Salahuddin Ahmed	3	1	4

## Shareholding Pattern

The Pattern of Shareholding along with name wise details of [1.4.k]:

- I. Parent/Subsidiary/Associated companies and other related parties: ONE Securities Limited
- II. Shareholding of Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

SI No	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Sayeed H Chowdhury	Chairman	23,376,389	Ms. Farzana Chowdhury	27,835,058
2	Mr. Asoke Das Gupta	Vice Chairman	11,848,754	Ms. Rakhi Das Gupta	1,267,707
3	Mr. Zahur Ullah	Director	16,177,106	Ms. Salma Zahur	19,201,950
				Lamisa Lamiya	Nil
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing, KSC Securities Ltd.	11,943,488	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing , Irfan International Ltd.	11,798,951	Mrs. Dilruba Ahmed	Nil
6	Mr. Shawket Jaman	Director, Representing , M. R. Holdings and Securities Ltd.	11,830,735	Mrs. Shuraya Akther	Nil
				Afra Asika	Nil
				Afra Atika	Nil
7	Mr. Salahuddin Ahmed	Independent Director	Nil	Mrs. Kashefa Ahmed	Nil
8	Mr. Syed Nurul Amin	Independent Director	Nil	Ms. Nurunnahar Begum	Nil
9	Mr. M. Fakhrul Alam	Managing Director	Nil	Mrs. Selina Alam	148,700
10	Mr. John Sarkar	ADMD & Company Secretary	33,096	Ms. Josephine Sarkar	4,500
				Hubert Glen Sarkar	Nil
				Timothy Carol Sarkar	Nil
11	Mr. Md. Aftab Uddin Khan	SEVP & CFO	Nil	Mrs. Sourab Akter Kumkum	Nil
12	Mr. Kutub Uddin Ahmad	VP & Head of Internal Audit (in-charge)	Nil	Mrs. Senora Nashid	Nil
				Ahmad Samin Yasar	Nil
				Manha Junaira Ahmad	Nil

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

Sl. No.	Name	Status	No. of Shares
1	Ms. Johora Bebe	DMD	Nil
2	Ms. Rozina Aliya Ahmed	ADMD	2,347
3	Mr. ABM Saif Sarwar	ADMD	4,754
4	Mr. Shabbir Ahmed	ADMD	369
5	Mr. Chowdhury Akhter Asif	SEVP	Nil

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

## Appointment / Re-appointment of Directors

The issue is discussed in the Director's Profile.



# Photo Gallery



## OBL Corporate Photo



Members of Board of Directors



Members of Executive Committee



Members of Audit Committee

## OBL Corporate Photo



Signing of Financial Statements 2015 of ONE Bank Limited



Members of Board's Risk Management Committee



Members of Management Committee



## OBL Corporate Photo



Members of Asset Liability Committee (ALCO)



Members of Risk Management Committee (RMC)



Members of Basel III Committee

## OBL Corporate Photo



Members of Central Customer Services & Complaint Management Cell (CCS & CMC)



Members of Credit Risk Management (CRM)



Members of Green Banking Unit



## OBL Corporate Photo



Members of Integrity Committee (IC)



Members of Loan Review Committee (LRC)



Members of Central Compliance Unit (CCU)

## OBL CSR



OBL's Vice Chairman Mr. Asoke Das Gupta handing over Blankets to the Honourable Prime Minister Sheikh Hasina towards Prime Minister's Relief Fund for the Cold Stricken People.



Scholarship Programme for Poor but Meritorious Students at Brahmanbaria



ONE Bank Limited distributed sewing machines among the poor but active women of Debigonj Upazila, Panchagar, Beluadangi and Natoktoka-32 areas



ONE Bank Limited's distribution of sewing machines among the people of debigonj upazila, Panchagar was inaugurated by the hounorable Governor of Bangladesh Bank Dr. Atiur Rahman



## Branch & Booth Opening



Inauguration of OBL Mawna Branch at Dhaka



Inauguration of OBL Nandipara Branch at Dhaka



Inauguration of OBL Zinzira Branch at Keranigonj, Dhaka



## Branch & Booth Opening



Inauguration of OBL Sonargaon Janapath Branch at Uttara, Dhaka



Inauguration of Banani Branch shifted to a new premises



ONE Bank Limited opened a Booth at Mohammadpur Girls' High School, Dhaka



ONE Bank Limited opened an ATM Booth at Basundhara City, Dhaka



ONE Bank Limited opened its Contact Center at Dhaka

## Signing Ceremony



Signing Ceremony between ONE Bank Limited and Aramex



ONE Bank Limited is selected as a Participating Financial Institution for Long Term Financing Facility under FSSP of Bangladesh Bank



ONE Bank Limited Signs an MOU with FDL & Samsung



ONE Bank Limited (OBL) recently signed an MoU with Total Air Services Limited (TAS), GSA of Air Asia



ONE Bank Limited signed an MOU with Grand Sultan Tea Resort & Golf Resort, Srimongal recently



ONE Bank Limited Signs an MOU with DuSai Hotel and Resort Ltd.



## OBL Corporate Photo



A partial view of OBL's 24th Branch Managers' Conference



A partial view of 16th Annual General Meeting of OBL



A partial view of Clients' Reception, Jessore



## OBL Corporate Programme



Banking Fair at Dhaka



OBL Managing Director Received Platinum Trade Award 2014 from Financial Institute Commerzbank Ag for excellent partnership in trade finance for the year 2014



OBL received award of excellence for outstanding performance in Banking Fair

## OBL Training Programme



A presentation on Anti Money Laundering and Combating Financing of Terrorism (AML & CFT) arranged for executives of the Bank.



OBL arranged a seminar on EDF Awareness for their customers



ONE Bank Limited arranged a Training Program on Prevention of Money Laundering and Combating Financing of Terrorism" at Sylhet Zone



## Audit Committee's Report

The first Audit Committee of the Bank was constituted by its Board of Directors in its 60th Meeting held on March 01, 2003 in accordance with the Bangladesh Bank's directives vide BRPD Circular # 12, dated December 23, 2002. The present Audit Committee was reconstituted by the Board in its 223rd Meeting held on April 30, 2015 consisting of the following members:

Sl. No.	Name	Status with the Board	Status with the Committee
01.	Mr. Syed Nurul Amin	Independent Director	Chairman
02.	Mr. A. S. M. Shahidullah Khan	Director	Member
03.	Mr. Shawket Jaman	Director	Member
04.	Mr. Salahuddin Ahmed	Independent Director	Member

The Company Secretary acts as the Secretary of the Committee.

During the year 2015, the Audit Committee held 4 (four) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made there in.
2. Bangladesh Bank comprehensive Inspection Report and the recommendation made there in.
3. Audit & Inspection reports on the Branches divisions and departments of the Corporate HQ by the Internal Control & Compliance Division of the Bank.
4. Actions taken by the Management as regards to the fraud & forgery and irregularities detected by the Internal Audit Team of the Bank.
5. The corrective measures taken by the Management as regards to the Internal Audit Reports, reports relating to deficiencies in Internal Control or other issues detected by Internal and External Auditors and Inspectors of the regulatory authorities.
6. The compliance status of the deficiencies identified and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Bank's Internal Auditors in their reports.
7. Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
8. The status of recovery of classified loan and providing necessary instruction to the Management.
9. Yearly Audit Plan of Internal Control & Compliance Division.
10. Reconciliation status of Inter Branch Transactions and Nostro Accounts.
11. Loan Documentation Deficiency Report.
12. Status of the Anti Money Laundering activities.
13. Capital Adequacy Status.
14. Status of Investment in Capital Market and operating performance of ONE Securities Ltd.



### **The Audit Committee has further satisfied itself that:**

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board of Directors of the Bank are duly complied with.
- Internal Control & Security measures are being adequately undertaken by the Bank in facilitating Information Technology (IT) based/computerized banking including appropriate Management Information System (MIS).
- The Bank's system of Internal Control and its processes are strengthened including ensuring right man in right place towards creation of a compliance culture in the Bank.
- The assets of the Bank are safeguarded and the creation of liabilities and commitments are made transparent.
- The Financial Statements of the Bank has been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

### **Reporting**

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

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

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



**Syed Nurul Amin**  
Chairman  
Audit Committee of the Board

# Corporate Governance

## CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES TO THE SHAREHOLDERS OF ONE BANK LIMITED

We have examined the status of compliance to the BSEC guidelines on Corporate Governance by ONE Bank Ltd (Bank) for the year ended 31 December 2015. These guidelines relate to the Notification no. SEC/CMRRCD/2006-8/134/Admin/44 dated 7 August 2012 and amendment no SEC/CMRRCD/2006-158/147/Admin of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Bank. Our responsibility is to provide a certificate about whether the Bank is in compliance with the said conditions of Corporate Governance based on our examination. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Bank for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

To the best of information and explanations provided to us, we certify that in our opinion the Bank has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance certificate is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Bank.

Dated, Dhaka  
7 March, 2016

  
ACNABIN  
Chartered Accountants

# Corporate Governance

## ONE Bank Limited

### Securities and Exchange Commission compliance issues- Status and Recommendations

For the Year ended 31 December, 2015

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012and amendment no SEC/CMRRCD/2006-158/147/Admin/ dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:				
1	Board Size			
1.1	Board members should not be less than 5 (five) and not more than 20 (twenty)	✓		
1.2	Independent Director			
1.2 (i)	Independent Director: At least 1/5th	✓		
1.2 (ii) (a)	An independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) (b)	An independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/ her family members also should not hold above mentioned shares in the company	✓		
1.2 (ii) (c)	An independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) (d)	An independent director is not a member, director or officer of any stock exchange	✓		
1.2 (ii) (e)	An independent director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) (f)	An independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	✓		
1.2 (ii) (g)	An independent director shall not be an independent director in more than 3 (three) listed companies	✓		



## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (ii) (h)	An independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2 (ii) (i)	An independent director has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	The independent director(s) shall be appointed by the board of directors	✓		
	Appointment of the independent director shall be approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2 (iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code of conduct of the Board of Director to be recorded	✓		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3(ii)	He/ She should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. He/she must have at least 12 (twelve) years of corporate management/ professional experiences.	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	—	—	Not applicable (No special case arose)

## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
	<b>Chairman of the Board and Chief Executive Officer:</b>			
<b>1.4</b>	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company and The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
<b>1.5</b>	<b>Directors Report to Shareholders shall include following additional statements</b>			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	—	—	Not applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	—	—	Not applicable
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	<b>The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-</b>			
1.5 (xxi) (a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) (c)	Executives (Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.)	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii)	A brief resume of the director;	✓		



## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xxii) (a)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) (b)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
<b>2</b>	<b>Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)</b>			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS).	✓		
	The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	<b>Requirement to attend the Board Meetings</b> Attendance of CFO and the company secretary at Board of Directors' meeting	✓		
<b>3</b>	<b>Audit Committee</b>			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	Constitution of Committee with Board members including one Independent Director	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filing of casual vacancy in committee	—	—	Not applicable (No casual vacancy in 2015)
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		

## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
<b>3.2</b>	<b>Chairman of Audit Committee</b>			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		Status is given on the basis of 2014 AGM's attendance since current year's AGM not yet held
<b>3.3</b>	<b>Roles &amp; Responsibility of Audit Committee</b>			
3.3(i)	Oversee the financial reporting process.	✓		
3.3(ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor Internal Control Risk management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	—	—	Not applicable (The last IPO was issued in 2003. RPO and Right share were not issued by the bank)

## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>3.4</b>	<b>Reporting of Audit Committee</b>			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)(a)	Reporting of conflict of Interest to the Board of Directors	✓		According to the CS (who is also secretary to the Audit Committee) and In-charge of ICC, there was no conflict of interest in the year 2015
3.4.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	✓		
3.4.1(ii)(c)	Reporting of violation of laws to the Board of Directors	✓		According to the CS (who is also secretary to the Audit Committee) and In-charge of ICC, there was no violation of laws in the year 2015
3.4.1(ii)(d)	Reporting of any other matter to the Board of Directors	✓		
	<b>Reporting to the Authorities</b>			
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	—	—	Not applicable (The Management has informed that no such issue arose, and therefore nothing has been reported to the Board of Directors)



## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
	<b>Reporting to Shareholders and General Investors</b>			
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
	<b>External/Statutory Auditors</b>			
4	The issuer company should not engage its external / statutory auditors to perform the following services of the company; namely:			
4.0 (i)	Appraisal or valuation services or fairness opinions.	✓		
4.0 (ii)	Financial information systems design and implementation.	✓		
4.0 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4.0 (iv)	Broker-dealer services.	✓		
4.0 (v)	Actuarial services.	✓		
4.0 (vi)	Internal audit services.	✓		
4.0 (vii)	Any other service that the Audit Committee determines.	✓		
4.0 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
4.0 (ix)	Audit/ certification services on compliance of corporate governance as required under clause (i) of condition No. 7	✓		
	<b>5 Subsidiary Company</b>			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		

## Corporate Governance

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		The audit committee minutes state about the review of the subsidiary's financial statements where investments have been disclosed.
<b>6</b>	<b>The CEO and CFO shall certify to the Board that</b>			
6 (i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
<b>7</b>	<b>Reporting and Compliance of Corporate Governance</b>			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/ Cost & Management Accountant / Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

## Declaration of MD/CFO

February 25, 2016

Board of Directors  
ONE Bank Limited  
HRC Bhaban  
46, Kawran Bazar C.A.  
Dhaka-1215

### SUB: MD/CFO DECLARATION TO THE BOARD

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

In accordance with the notification of Bangladesh Securities & Exchange Commission No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August, 2012, we declare that for the financial year ended 31 December, 2015:

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



Md. Aftab Uddin Khan  
SEVP & Chief Financial Officer



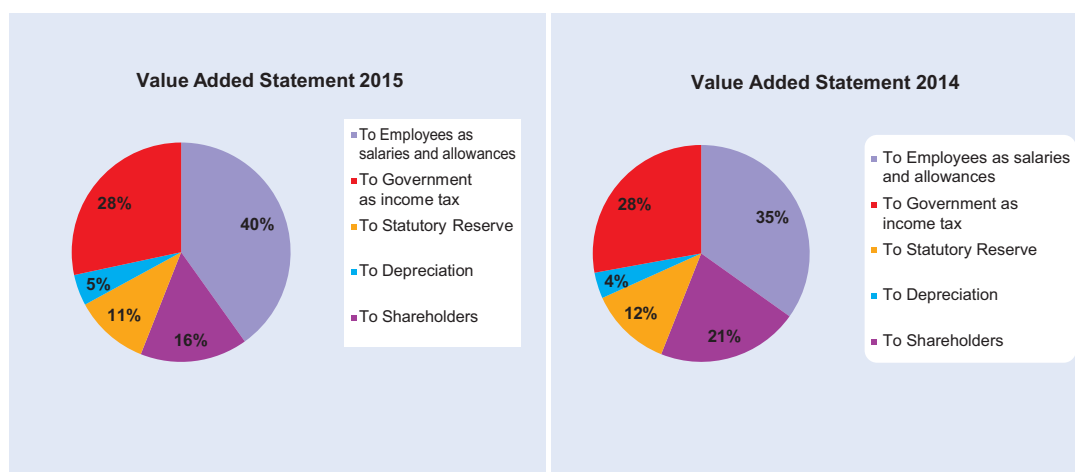
M. Fakhru Alam  
Managing Director



# Value Added Statement

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

Particulars	2015 Taka	2014 Taka
Income from banking Service	15,045,695,403	14,051,568,358
Less: Cost of services and supplies	(8,716,117,377)	(8,118,039,592)
	<b>6,329,578,026</b>	<b>5,933,528,766</b>
Loan loss provision and other provisions	(1,449,520,941)	(706,389,441)
<b>Total Value Added</b>	<b>4,880,057,085</b>	<b>5,227,139,325</b>



	2015 (Taka)	%	2014 (Taka)	%
<b>Distribution of added value</b>				
To Employees as salaries and allowances	1,957,767,630	40%	1,821,384,655	35%
To Government as income tax	775,776,053	16%	1,106,711,626	21%
To Statutory Reserve	539,681,812	11%	640,552,581	12%
To Depreciation	223,880,394	5%	202,991,763	4%
To Shareholders	1,382,951,196	28%	1,455,498,700	28%
<b>Total</b>	<b>4,880,057,085</b>	<b>100%</b>	<b>5,227,139,325</b>	<b>100%</b>

# Credit Rating Report

## Credit Rating Report (Upgraded from AA- to AA in the Long Term Rating and ECRL-2 in the Short Term Rating remains the same)

ONE Bank Limited has been rated by the Emerging Credit Rating Limited (ECRL) on the basis of Financial Statements for the year ended 31 December 2015. The summary of the rating is presented below:


Date of Declaration	Valid Till	Long Term Rating	Short Term Rating
March 10, 2016	March 09, 2017	AA	ECRL-2
March 31, 2015	March 30, 2016	AA-	ECRL-2
April 23, 2014	April 22, 2015	AA-	ECRL-2

### Long Term AA means:

Commercial Banks rated AA have very strong capacity to meet their financial commitments and is generally in a position to withstand adverse developments in the economy, business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.

### Short Term ECRL-2 means:

Commercial Banks rated in this category are considered to have strong capacity to meet its financial commitments in a timely manner. However, it is somewhat susceptible to adverse development in the economy, business and other external condition.



## **Disclosures on Risk based Capital (BASEL III)**

# Disclosures on Risk based Capital (BASEL III)

For the year ended 31 December 2015

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## Introduction

In Compliance with Pillar III of the revised Framework for International Convergence of Capital Measurement and Capital Standards (BASEL III) and as adopted under the Bangladesh Bank rules and regulations on Risk based Capital Adequacy as per BRPD Circular No 18 dated December 21, 2014 (Implementation of BASEL III in Bangladesh), more elaborate and expanded public disclosure is required regarding risk profile as per following breakdown.

## Components of Disclosure Framework

1. Scope of Application
2. Capital Structure
3. Capital Adequacy
4. Credit Risk
5. Equities: Disclosures of Banking Book Positions
6. Interest Rate Risk in the Banking Book (IRRBB)
7. Market Risk
8. Operational Risk
9. Liquidity Ratio
10. Leverage Ratio
11. Remuneration



## 1. 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 namely ONE Securities Limited.

a)	The name of the top corporate entity in the group to which this guidelines applies.	ONE Bank Limited
b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: <ul style="list-style-type: none"> <li>(i) that are fully consolidated</li> <li>(ii) that are given a deduction treatment; and</li> <li>(iii) that are neither consolidated nor deducted (e.g. where the investment is Risk Weighted).</li> </ul>	<p>The Consolidated Financial Statements of the Bank include the Financial Statements of (i) ONE Bank Limited, and (ii) ONE Securities Limited.</p> <p>ONE Bank Limited holds 99.99%, shares of ONE Securities Limited.</p> <p>The bank has an approved disclosure Policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standard (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accounts of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to the bank.</p> <p>ONE Bank Limited (the "Bank") is a Private Sector Commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July, 1999 by obtaining license from the Bangladesh Bank on 2 July, 1999 under section 31 of the Bank Company Act 1991.</p> <p>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).</p>
c)	Any restrictions, or other major impediment, on transfer of funds or regulatory capital within the group.	Not applicable
d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the names(s) of such subsidiaries.	Not applicable

## 2. Capital Structure

### a. Qualitative Disclosures

a)	Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1, Additional Tier 1 or in Tier 2.	<p>In terms of Section 13 of the Bank Company Act, 1991 (Amended up to 2013), the terms and conditions of the main features of all capital instruments have been segregated in terms of the eligibility criteria set forth vide BRPD Circular No. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p><b>1. Tier 1 Capital (a+b) (Going Concern Capital)</b></p> <p><b>a) Common Equity Tier-1 Capital (CET-1):</b></p> <ul style="list-style-type: none"> <li>✓ Paid-up Share Capital</li> <li>✓ Non-repayable Share Premium</li> <li>✓ Statutory Reserve</li> <li>✓ General Reserve</li> <li>✓ Retained Earnings</li> <li>✓ Dividend Equalization Fund</li> <li>✓ Minority Interest in Subsidiaries</li> </ul>
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		<p><b>Regulatory Adjustments from Tier-1 Capital-</b></p> <ul style="list-style-type: none"> <li>• Shortfall in provisions required against Non Performing Loans</li> <li>• Shortfall in provisions required against Investment in Shares</li> <li>• Goodwill and all other Intangible Assets (if derecognized by relevant Accounting Standards)</li> <li>• Deferred Tax Assets (DTA)</li> <li>• Defined benefit Pension Fund Assets</li> <li>• Gain on sale related to securitization transactions</li> <li>• Investment in own CET-1 Instruments/Shares</li> <li>• Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities</li> <li>• Investments in subsidiaries which are not consolidated (50% of Investment)</li> </ul> <p><b>b) Additional Tier-1 Capital :</b></p> <ul style="list-style-type: none"> <li>✓ Perpetual Instrument.</li> </ul> <p><b>2. Tier-2 Capital (Gone Concern Capital) :</b></p> <ul style="list-style-type: none"> <li>✓ General Provision (Eligible for inclusion in Tier 2 will be limited to a maximum 1.25 percentage points of credit risk-weighted assets)</li> <li>✓ All other Preference Shares</li> <li>✓ Subordinated Debt</li> <li>✓ Minority Interest i.e. Tier-2 issued by Consolidated Subsidiaries to third parties</li> <li>✓ Revaluation Reserves (50% of Fixed Assets and Securities &amp; 10% of Equities)</li> </ul> <p><b>Regulatory Adjustments from Tier-2 Capital-</b></p> <ul style="list-style-type: none"> <li>• 20% of Revaluation Reserves for Fixed Assets, Securities &amp; Equity Securities each year from 2015 to 2019</li> <li>• Investment in own T-2 instruments/Shares</li> <li>• Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities</li> <li>• Any investment exceeding the approved limit under section 26 ka(1) of Bank Company Act, 1991</li> <li>• Investments in subsidiaries which are not consolidated (50% of Investment)</li> </ul>
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**b. Quantitative Disclosures**

Amount in crore Taka

a)	Tier-1 Capital (Going-Concern Capital)	Solo	Consolidated
	<b>1. Common Equity Tier-1</b>		
	✓ Paid up Capital	589.92	589.92
	✓ Statutory Reserve	384.57	384.57
	✓ Retained Earnings	169.89	100.49
	✓ Minority Interest in Subsidiaries		1.30
	<b>Sub total</b>	<b>1,144.38</b>	<b>1,076.28</b>
	<b>Adjustment:</b>		
	✓ Deferred Tax Assets (DTA)	0.49	0.49
	✓ Reciprocal Crossholdings	1.39	1.39
	<b>Total Common Equity Tier-1 Capital</b>	<b>1,142.50</b>	<b>1,074.40</b>
	<b>2. Additional Tier-1 Capital</b>	<b>Nil</b>	<b>Nil</b>
b)	<b>Tier-2 Capital (Gone-Concern Capital)</b>		
	✓ General Provision (maximum allowed, 1.25% of Credit Risk Weighted Assets or actual provision, higher one)	152.27	149.99
	✓ Subordinated debt	176.00	176.00
	✓ Revaluation Reserves (after netting off 20% deduction)	5.14	5.14
	<b>Total Tier-2 Capital</b>	<b>333.40</b>	<b>331.12</b>
	<b>Total Eligible Capital</b>	<b>1,475.91</b>	<b>1,405.53</b>

### 3. Capital Adequacy

#### a. Qualitative Disclosures

a)	<p>A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>The Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended up to 2013) and instruction contained in BRPD Circular No. 18 dated 21 December 2014 (Implementation of Basel III in Bangladesh). However, in terms of the Regulatory guidelines, the Bank computes the capital charge / requirement as under:</p> <p>(a) Credit risk : On the basis of Standardized Approach  (b) Market risk : On the basis of Standardized Approach; and  (c) Operational risk: On the basis of Basic Indicator Approach.</p> <p>As per Basel-III norms, Capital Adequacy i.e. Buffer Capital is must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. As per new guidelines, Capital Conservation Buffer @ 2.50% (gradually @ 0.625% per year up to 2019) in the form of tier-1 capital is to maintain to absorb more shocks in addition to 10% in earlier requirement. Under the Standardized Approach of the RBCA guidelines of Basel-III, counterparties credit rating are determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the Guidelines, the rated exposures of a bank will reduce the Risk Weights and the Regulatory Capital requirement as well as create the room to expand the business of the bank. This will also enable the bank to assess the creditworthiness of the borrowers as well to an acceptable level.</p> <p>To withstand these challenges, the Board of Directors &amp; the Senior Management of the bank emphasized rigorously round the year 2015 on corporate borrowers' credit rating to lower our risk profile as well as to reduce the Capital Requirement of the bank. Accordingly, Asset Marketing &amp; Credit Risk Management (CRM) teams have taken all-out efforts to increase the number of corporate borrowers' exposures under rated. They are constantly taking the initiatives through guidance of the Senior Management; i.e. series of meetings, correspondence, awareness program with the allied concerns i.e. branches of the bank &amp; ECAIs.</p> <p>As per BASEL-III Guidelines, a BASEL Committee comprised of senior Management / Department Heads of relevant sectors have been formed to conduct quarterly meeting chaired by Managing Director to tightly supervise and implement the instructions of The Board of Directors. Considering the future shortfall of Adequate Capital, the bank is approaching to issue a Subordinated Bond of Tk. 400 crore to ensure more than Adequate Capital against the Regulatory Requirement to uphold and strengthen the confidence of its investors, depositors and other stakeholders.</p>
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#### b. Quantitative Disclosure:

Amount in Crore Taka

Particulars	Solo	Consolidated
<b>Credit Risk Weighted Assets</b>	<b>12,181.30</b>	<b>11,998.87</b>
On- Balance sheet	10,224.09	10,041.65
Off-Balance sheet	1,957.22	1,957.22
<b>Market Risk Weighted Assets</b>	<b>298.51</b>	<b>419.71</b>
<b>Operational Risk Weighted Assets</b>	<b>1,017.49</b>	<b>1,011.52</b>
<b>Total Risk Weighted Assets</b>	<b>13,497.30</b>	<b>13,430.09</b>
<b>Required Capital against Credit, Market and Operational Risk</b>	<b>1,349.73</b>	<b>1,343.00</b>

Amount in Crore Taka

Particulars	Solo	Consolidated
1. Tier-1 Capital (2+3)	1,142.50	1,074.40
2. Common Equity Tier-1 Capital (CET-1)	1,142.50	1,074.40
3. Additional Tier-1 Capital (AT-1)	-	-
4. Tier-2 Capital	333.41	331.13
<b>Total Regulatory Capital (1+4) :</b>	<b>1,475.91</b>	<b>1,405.53</b>
<b>Capital to Risk Weighted Assets Ratio (CRAR)</b>	<b>10.93%</b>	<b>10.47%</b>
Common Equity Tier-1 to RWA	8.46%	8.00%
Tier-1 Capital to RWA	8.46%	8.00%
Tier-2 Capital to RWA	2.47%	2.47%

#### 4. Credit Risk

##### a. Qualitative Disclosures:

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.

##### 4.1. Definitions of past due and impaired

ONE Bank Limited follows the Bangladesh Bank Guidelines and definitions of Past due and Impaired Loans as below:

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



Loan Type	Default		Classified / Impaired		
	Past due	Special Mention	SS	DF	BL
Term Loan upto Tk.10.00 lac	In case any installment (s) or part of installment (s) of a Fixed Term Loan upto Tk.10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will be classified as "Sub-standard".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Doubtful".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 months, the entire loan will be classified as "Bad /Loss"
Term Loan above Tk.10.00 lac	In case any installment (s) or part of installment (s) of a Fixed Term Loan above Tk. 10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		If the amount of past due installment is equal to or more than the amount of installment (s) due within 3 months, the entire loan will be classified as "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

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

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

#### 4.3 Methods used to measure Credit Risk

In compliance with Risk based Capital Adequacy, OBL, as per BASEL-III 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. Corporates which are yet to get the ratings from these rating agencies, are treated as 'Unrated'.

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

#### 4.4 Credit Risk Management System

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

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

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

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

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

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

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

#### 4.5 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 III 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-III guidelines.

#### 4.6 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.

**b. Quantitative Disclosure:**

a)	Total gross credit risk exposures broken down by major types of credit exposures	<p>Major types of credit exposure as per disclosures in the audited financial statements as of 31 December 2015</p> <table> <tr> <th colspan="3">Amount in crore Taka</th></tr> <tr> <th>Particulars</th><th>Outstanding Amount</th><th>Mix (%)</th></tr> <tr><td>Overdraft</td><td>1,885</td><td>17.66%</td></tr> <tr><td>Export cash credit</td><td>57</td><td>0.54%</td></tr> <tr><td>Transport loan</td><td>26</td><td>0.24%</td></tr> <tr><td>House building loan</td><td>239</td><td>2.24%</td></tr> <tr><td>Loan against trust receipt</td><td>577</td><td>5.41%</td></tr> <tr><td>Term loan</td><td>2,780</td><td>26.05%</td></tr> <tr><td>Payment against document</td><td>43</td><td>0.40%</td></tr> <tr><td>Consumer Finance</td><td>65</td><td>0.61%</td></tr> <tr><td>Staff loan</td><td>58</td><td>0.55%</td></tr> <tr><td>Bills purchased and discounted</td><td>182</td><td>1.70%</td></tr> <tr><td>Others</td><td>4,763</td><td>44.62%</td></tr> <tr><td><b>Total loans and advances</b></td><td><b>10,675</b></td><td><b>100%</b></td></tr> </table>	Amount in crore Taka			Particulars	Outstanding Amount	Mix (%)	Overdraft	1,885	17.66%	Export cash credit	57	0.54%	Transport loan	26	0.24%	House building loan	239	2.24%	Loan against trust receipt	577	5.41%	Term loan	2,780	26.05%	Payment against document	43	0.40%	Consumer Finance	65	0.61%	Staff loan	58	0.55%	Bills purchased and discounted	182	1.70%	Others	4,763	44.62%	<b>Total loans and advances</b>	<b>10,675</b>	<b>100%</b>																					
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Transport loan	26	0.24%																																																															
House building loan	239	2.24%																																																															
Loan against trust receipt	577	5.41%																																																															
Term loan	2,780	26.05%																																																															
Payment against document	43	0.40%																																																															
Consumer Finance	65	0.61%																																																															
Staff loan	58	0.55%																																																															
Bills purchased and discounted	182	1.70%																																																															
Others	4,763	44.62%																																																															
<b>Total loans and advances</b>	<b>10,675</b>	<b>100%</b>																																																															
b)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	<p>Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December 2015 are as follows:</p> <table> <tr> <th colspan="3">Amount in crore Taka</th></tr> <tr> <th>Particulars</th><th>Outstanding Loan</th><th>Mix (%)</th></tr> <tr><td colspan="3"><b>Urban</b></td></tr> <tr><td>Dhaka Division</td><td>6,822</td><td>67.54%</td></tr> <tr><td>Chittagong Division</td><td>2,759</td><td>27.31%</td></tr> <tr><td>Rajshahi Division</td><td>156</td><td>1.54%</td></tr> <tr><td>Sylhet Division</td><td>84</td><td>0.83%</td></tr> <tr><td>Khulna Division</td><td>232</td><td>2.30%</td></tr> <tr><td>Barishal Division</td><td>22</td><td>0.22%</td></tr> <tr><td>Rangpur Division</td><td>26</td><td>0.25%</td></tr> <tr><td><b>Sub-total (urban)</b></td><td><b>10,101</b></td><td><b>100.00%</b></td></tr> <tr><td colspan="3"><b>Rural</b></td></tr> <tr><td>Dhaka Division</td><td>224</td><td>38.95%</td></tr> <tr><td>Chittagong Division</td><td>318</td><td>55.41%</td></tr> <tr><td>Rajshahi Division</td><td>9</td><td>1.62%</td></tr> <tr><td>Sylhet Division</td><td>23</td><td>4.02%</td></tr> <tr><td>Khulna Division</td><td>-</td><td>0.00%</td></tr> <tr><td>Barishal Division</td><td>-</td><td>0.00%</td></tr> <tr><td>Rangpur Division</td><td>-</td><td>0.00%</td></tr> <tr><td><b>Sub-total (Rural)</b></td><td><b>574</b></td><td><b>100.00%</b></td></tr> <tr><td><b>Grand Total (Urban + Rural)</b></td><td><b>10,675</b></td><td></td></tr> </table>	Amount in crore Taka			Particulars	Outstanding Loan	Mix (%)	<b>Urban</b>			Dhaka Division	6,822	67.54%	Chittagong Division	2,759	27.31%	Rajshahi Division	156	1.54%	Sylhet Division	84	0.83%	Khulna Division	232	2.30%	Barishal Division	22	0.22%	Rangpur Division	26	0.25%	<b>Sub-total (urban)</b>	<b>10,101</b>	<b>100.00%</b>	<b>Rural</b>			Dhaka Division	224	38.95%	Chittagong Division	318	55.41%	Rajshahi Division	9	1.62%	Sylhet Division	23	4.02%	Khulna Division	-	0.00%	Barishal Division	-	0.00%	Rangpur Division	-	0.00%	<b>Sub-total (Rural)</b>	<b>574</b>	<b>100.00%</b>	<b>Grand Total (Urban + Rural)</b>	<b>10,675</b>	
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c)	By major industry or counterparty type	<p>(a) <b>Amount of impaired loans and if available, past due loans, provided separately</b></p> <p>Amount of impaired / classified loans by major industry/sector-type as of 31 December 2015 was as under:</p> <table> <tr> <th colspan="3">Amount in crore Taka</th></tr> <tr> <th>Major industry/sector type</th><th>Outstanding Amount</th><th>Mix (%)</th></tr> <tr><td>Agriculture financing</td><td>8.34</td><td>2%</td></tr> <tr><td>Readymade garments (RMG) industries</td><td>10.67</td><td>3%</td></tr> <tr><td>Textile industries</td><td>19.76</td><td>5%</td></tr> <tr><td>Other manufacturing industries</td><td>29.39</td><td>8%</td></tr> <tr><td>Small &amp; medium enterprise (SME) loans</td><td>152.07</td><td>40%</td></tr> <tr><td>Commercial real estate including construction industries</td><td>48.24</td><td>13%</td></tr> <tr><td>Residential real estate financing</td><td>25.83</td><td>7%</td></tr> <tr><td>Power and Gas industries</td><td>9.94</td><td>3%</td></tr> <tr><td>Transport, storage and</td><td>2.88</td><td>1%</td></tr> <tr><td>Trade services</td><td>58.99</td><td>15%</td></tr> <tr><td>Consumer credit</td><td>9.81</td><td>3%</td></tr> <tr><td>Others</td><td>1.63</td><td>0%</td></tr> <tr><td><b>Total</b></td><td><b>382.01</b></td><td><b>100%</b></td></tr> </table>	Amount in crore Taka			Major industry/sector type	Outstanding Amount	Mix (%)	Agriculture financing	8.34	2%	Readymade garments (RMG) industries	10.67	3%	Textile industries	19.76	5%	Other manufacturing industries	29.39	8%	Small & medium enterprise (SME) loans	152.07	40%	Commercial real estate including construction industries	48.24	13%	Residential real estate financing	25.83	7%	Power and Gas industries	9.94	3%	Transport, storage and	2.88	1%	Trade services	58.99	15%	Consumer credit	9.81	3%	Others	1.63	0%	<b>Total</b>	<b>382.01</b>	<b>100%</b>																		
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		<p><b>b) Specific and general provisions</b></p> <p>Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank as per audited financial statements as of 31 December, 2015 was as under:</p> <table><tr><th>Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures</th><th>Amount in crore Taka</th></tr><tr><td>Specific provision for loans and advances</td><td>150.55</td></tr><tr><td>General provision for loans and advances</td><td>143.16</td></tr><tr><td>General provision for off-balance sheet exposures</td><td>61.44</td></tr><tr><td><b>Total</b></td><td><b>355.15</b></td></tr></table> <p><b>c) Charges for specific allowances and charges-offs (general allowances) during the period</b></p> <p>The Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank charged during the year as per audited financial statements for the year ended 31 December 2015 was as under:</p> <table><tr><th>Particulars</th><th>Amount in crore Taka</th></tr><tr><td>Specific provision for loans and advances</td><td>145.78</td></tr><tr><td>General provision for loans and advances</td><td>(14.07)</td></tr><tr><td>General provision for off-balance sheet exposures</td><td>11.66</td></tr><tr><td><b>Total</b></td><td><b>143.37</b></td></tr></table>	Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures	Amount in crore Taka	Specific provision for loans and advances	150.55	General provision for loans and advances	143.16	General provision for off-balance sheet exposures	61.44	<b>Total</b>	<b>355.15</b>	Particulars	Amount in crore Taka	Specific provision for loans and advances	145.78	General provision for loans and advances	(14.07)	General provision for off-balance sheet exposures	11.66	<b>Total</b>	<b>143.37</b>		
Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures	Amount in crore Taka																							
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<b>Total</b>	<b>143.37</b>																							
<b>d)</b>	Non Performing Assets (NPAs)	<p>Position of Non Performing Loans and Advances including bills purchased and discounted of the Bank as per audited financial statements for the year ended 31 December 2015 was as under:</p> <table><tr><th>Movement of Non-Performing Assets (NPAs)</th><th>Amount in crore Taka</th></tr><tr><td>Opening Balance</td><td>427.33</td></tr><tr><td>Additions</td><td>484.84</td></tr><tr><td>Reductions</td><td>(530.16)</td></tr><tr><td><b>Closing Balance</b></td><td><b>382.01</b></td></tr><tr><td><b>Movement of specific provisions for NPAs</b></td><td></td></tr><tr><td>Opening Balance</td><td>170.15</td></tr><tr><td>Provision made during the period</td><td>169.21</td></tr><tr><td>written off</td><td>(165.39)</td></tr><tr><td>Write back of excess provision</td><td>(23.42)</td></tr><tr><td><b>Closing balance</b></td><td><b>150.55</b></td></tr></table>	Movement of Non-Performing Assets (NPAs)	Amount in crore Taka	Opening Balance	427.33	Additions	484.84	Reductions	(530.16)	<b>Closing Balance</b>	<b>382.01</b>	<b>Movement of specific provisions for NPAs</b>		Opening Balance	170.15	Provision made during the period	169.21	written off	(165.39)	Write back of excess provision	(23.42)	<b>Closing balance</b>	<b>150.55</b>
Movement of Non-Performing Assets (NPAs)	Amount in crore Taka																							
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## 5. Equities: disclosures for Banking Book Positions

### a. Qualitative Disclosures

a)	The general qualitative disclosure requirement with respect to the equity risk, including:												
	<div><div>Differentiation between holdings on which capital gain are expected and those taken under other objectives in cluding for relationship and strategic reasons; and</div><div>Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.</div></div> <div><div>Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.</div><div>Our investment in shares are being monitored and controlled by the Investment Committee are reflected in accounts through proper methodologies and accounting standards of the local &amp; International. The accounting policies, techniques and valuation methodologies were put in places as under:</div><table><tr><th>Particulars</th><th>Valuation method</th></tr><tr><td colspan="2">Shares:</td></tr><tr><td>Quoted</td><td>At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..</td></tr><tr><td>Unquoted</td><td>At cost price.</td></tr><tr><td colspan="2">Bonds:</td></tr><tr><td>Subordinated bonds</td><td>At redemption value.</td></tr></table></div>	Particulars	Valuation method	Shares:		Quoted	At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..	Unquoted	At cost price.	Bonds:		Subordinated bonds	At redemption value.
Particulars	Valuation method												
Shares:													
Quoted	At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..												
Unquoted	At cost price.												
Bonds:													
Subordinated bonds	At redemption value.												



## b. Quantitative Disclosures

a)	Value, disclosed in the balance sheet, of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<table><tr><th rowspan="2">Particulars</th><th colspan="2">Cost</th><th colspan="2">Amount in crore Taka Market Value</th></tr><tr><th>Bank Position</th><th>Consolidated Position</th><th>Bank Position</th><th>Consolidated Position</th></tr><tr><td>Quoted Share</td><td>91.59</td><td>211.81</td><td>102.87</td><td>163.47</td></tr><tr><td>Unquoted share</td><td>10.33</td><td>10.33</td><td>10.33</td><td>10.33</td></tr></table>	Particulars	Cost		Amount in crore Taka Market Value		Bank Position	Consolidated Position	Bank Position	Consolidated Position	Quoted Share	91.59	211.81	102.87	163.47	Unquoted share	10.33	10.33	10.33	10.33											
Particulars	Cost			Amount in crore Taka Market Value																												
	Bank Position	Consolidated Position	Bank Position	Consolidated Position																												
Quoted Share	91.59	211.81	102.87	163.47																												
Unquoted share	10.33	10.33	10.33	10.33																												
b)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting period. - Realized gain (losses) from equity investments	<table><tr><td colspan="2">The cumulative realized gain (losses):</td><td colspan="2">Amount in Crore Taka</td></tr><tr><th>Bank Position</th><th colspan="3">Consolidated Position</th></tr><tr><td>0.91</td><td colspan="3">0.91</td></tr></table>	The cumulative realized gain (losses):		Amount in Crore Taka		Bank Position	Consolidated Position			0.91	0.91																				
The cumulative realized gain (losses):		Amount in Crore Taka																														
Bank Position	Consolidated Position																															
0.91	0.91																															
c)	<ul style="list-style-type: none"><li>• Total unrealized gains (losses)</li><li>• Total latent revaluation gains (losses)</li><li>• Any amounts of the above included in Tier 2 capital</li></ul>	<table><tr><td colspan="2">Total unrealized gains (losses)</td><td colspan="2">Amount in Crore Taka</td></tr><tr><th>Bank Position</th><th colspan="3">Consolidated Position</th></tr><tr><td>11.27</td><td colspan="3">(48.35)</td></tr></table>	Total unrealized gains (losses)		Amount in Crore Taka		Bank Position	Consolidated Position			11.27	(48.35)																				
Total unrealized gains (losses)		Amount in Crore Taka																														
Bank Position	Consolidated Position																															
11.27	(48.35)																															
d)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.  a) Capital requirements for equity investments - For Specific market risk - For General market risk	<table><tr><td colspan="4">The capital requirements for equity investments as of 31 December 2015 was as under:</td><td colspan="2">Amount in crore Taka</td></tr><tr><th>Particulars</th><th>Amount (Market Value)</th><th>Weight</th><th colspan="3">Capital Charge</th></tr><tr><td>Specific Risk</td><td>102.87</td><td>0.10</td><td colspan="3">10.29</td></tr><tr><td>General Market Risk</td><td>102.87</td><td>0.10</td><td colspan="3">10.29</td></tr><tr><td colspan="3">Total</td><td colspan="3">20.58</td></tr></table>	The capital requirements for equity investments as of 31 December 2015 was as under:				Amount in crore Taka		Particulars	Amount (Market Value)	Weight	Capital Charge			Specific Risk	102.87	0.10	10.29			General Market Risk	102.87	0.10	10.29			Total			20.58		
The capital requirements for equity investments as of 31 December 2015 was as under:				Amount in crore Taka																												
Particulars	Amount (Market Value)	Weight	Capital Charge																													
Specific Risk	102.87	0.10	10.29																													
General Market Risk	102.87	0.10	10.29																													
Total			20.58																													

## 6. Interest rate risk in the Banking Book (IRRBB)

### a. Qualitative Disclosures

The general qualitative disclosure requirement including the nature of IRRBB and key assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement	<p>Interest rate risk is the potential impact on the Bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk.</p> <p>The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for particular period of time, while the long term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and Off-balance sheet exposures are affected.</p>
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	<p><b>Key assumptions on loan prepayments and behavior of non-maturity deposits:</b></p> <ul style="list-style-type: none"> <li>a) loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule;</li> <li>b) loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and reprised accordingly;</li> <li>c) Non-maturity deposits namely current, saving deposits are segregated into different time buckets on the basis of past trend of withdrawal, seasonality, religious festivals, geographical perspective and re-priced accordingly. However, the behavior of withdrawal of non-maturity deposits of OBL is more or less stable.</li> </ul> <p>OBL measures the IRRBB as per the regulatory guidelines on a quarterly rest.</p>
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**b. Quantitative Disclosures**

The impact of changes in interest rate for On-balance sheet rate sensitive assets and liabilities of OBL as per the audited financial statements as of 31 December 2015 is furnished below:

Amount in crore Taka

Particulars	Residual maturity bucket			
	1-90 Days	91-180 Days	181-270 Days	271-364 Days
Rate sensitive assets [A]	4,154.13	2,502.43	645.54	5,887.50
Rate sensitive liabilities [B]	4,721.24	1,692.99	743.80	4,044.62
GAP [A-B]	(567.11)	809.44	(98.26)	1,842.88
Cumulative GAP	(567.11)	242.32	144.06	1,986.94
Interest rate change (IRC) [Note 1]	0.0025	0.0025	0.0025	0.0025
Quarterly earnings impact [Cumulative GAP x IRC]	(1.42)	0.61	0.36	4.97
Cumulative earnings impact	(1.42)	(0.81)	(0.45)	4.52
<b>Note 1:</b> Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank.				

**7. Market Risk**

**a. Qualitative Disclosures:**

i) Views of Board of Directors (BOD) on trading / investment activities	<p>The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet:</p> <p>i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; and iv) Commodity price risk</p>																	
ii) Methods used to measure Market risk	<p>As per relevant Bangladesh Bank guidelines, Standardized Approach has been used to measure the Market Risk for capital requirement for trading book of the Bank. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk" as under:</p> <table><tr><th rowspan="2">Component of Market Risk</th><th colspan="2">Capital Charged for Market Risk</th></tr><tr><th>General Market Risk</th><th>Specific Market Risk</th></tr><tr><td>Interest Rate Risk</td><td>Applied</td><td>Applied</td></tr><tr><td>Equity Price Risk</td><td>Applied</td><td>Applied</td></tr><tr><td>Foreign Exchange Risk</td><td colspan="2">Applied</td></tr><tr><td>Commodities Price Risk</td><td colspan="2">Applied</td></tr></table>	Component of Market Risk	Capital Charged for Market Risk		General Market Risk	Specific Market Risk	Interest Rate Risk	Applied	Applied	Equity Price Risk	Applied	Applied	Foreign Exchange Risk	Applied		Commodities Price Risk	Applied	
Component of Market Risk	Capital Charged for Market Risk																	
	General Market Risk	Specific Market Risk																
Interest Rate Risk	Applied	Applied																
Equity Price Risk	Applied	Applied																
Foreign Exchange Risk	Applied																	
Commodities Price Risk	Applied																	

iii) Market Risk Management system	<p>The Treasury Division of the Bank manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Assets- Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month</p> <p>The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.</p>
iv) Policies and processes for mitigating market risk	<p>There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the bank meets on a daily basis to review the prevailing market condition, exchange rate, foreign exchange position, and transactions to mitigate foreign exchange risks.</p>

**b. Quantitative Disclosure:**

Amount in Crore Taka		
Particulars	Solo	Consolidated
The capital requirements for:		
Interest Rate Risk	2.10	2.10
Equity Position risk	20.58	32.69
Foreign Exchange Risk	7.18	7.18
Commodity Risk		
<b>Total</b>	<b>29.85</b>	<b>41.97</b>

**8. 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 OBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities.

**a. Qualitative Disclosure:**

i) Views of Board of Directors (BOD) on system to reduce Operational Risk	<p>The policy for operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division (IC&amp;CD) to protect against operational risks.</p> <p>As a part of continued surveillance, the Management Committee (MANCOM), Risk Management Committee (at the management level), independent Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board / Risk Management Committee / Audit Committee of the Bank for review and formulating appropriate policies, tool &amp; techniques for mitigation of operational risk.</p>
ii) Performance gap of executives and staffs	<p>OBL has a policy to provide competitive package and best working environment to attract and retain the most talented people available in the industry. OBL strong brand image plays an important role in employee motivation. As a result, there is no significant performance gap.</p>
iii) Potential external event	<p>Like other peers, OBL operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, natural disaster etc.</p> <p>Considering the potential external risk, the bank invests heavily in IT infrastructure for better automation and online transaction environment.</p>

iv) Policies and processes for mitigating operational risk	<p>The policy for mitigating operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. A policy guideline on Risk Based Internal Audit (RBIA) system is in operation. Currently, OBL is using some models or tools for mitigating operational risk such as Self Assessment of Anti-fraud Internal Control; Quarterly Operational Report (QOR) and Departmental Control Function Check List in line with the Bangladesh Bank's relevant Instructions and recommendations. It is required to submit the statement on Self Assessment of Anti-fraud Internal Control to Bangladesh Bank on quarterly rest.</p> <p>Bank's Anti- Money laundering activities are headed by CAMLCO in the rank of Deputy Managing Director and their activities are devoted to protect against all money laundering and terrorist finance related activities. The newly established Central Customer Service &amp; Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p>
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**b. Quantitative Disclosure:**

**Amount in Crore Taka**

Particulars	Solo	Consolidated
The capital requirements for Operational Risk	101.75	101.15

**9. Liquidity Ratio:**

Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types:

**a. Qualitative Disclosure:**

i) Views of Board of Directors on system to reduce Liquidity Risk	OBL has adopted the Basel III framework on liquidity standards as prescribed by Bangladesh Bank (BB) and has put in place requisite systems and processes to enable periodical computation and reporting of the Liquidity Coverage Ratio (LCR) & Net Stable Funding Ratio (NSFR). The mandated regulatory threshold as per the transition plan is embedded into the Risk Appetite Statement of the Bank thus subjecting LCR & NSFR maintenance to Board oversight and periodical review. The Treasury Department computes the LCR & NSFR and reports the same to the Asset Liability Management Committee (ALCO) every month for review where ALCO is chaired by the Managing Director as well as to the Risk Management Committee (Management Level). The Risk Management Committee of the board sits quarterly to discuss the overall risk scenario of the bank. The Bank has been submitting LCR reports monthly & NSFR quarterly to BB as per prescribed guideline.
ii) Methods used to measure Liquidity risk	<p>The following methods are used to measure Liquidity risk-</p> <ul style="list-style-type: none"> <li>✓ Liquidity Coverage Ratio</li> <li>✓ Net Stable Funding Ratio (NSFR)</li> <li>✓ Cash Reserve Ratio (CRR),</li> <li>✓ Statutory Liquidity Ratio (SLR)</li> <li>✓ Medium Term Funding Ratio (MTFR)</li> <li>✓ Maximum Cumulative Outflow (MCO)</li> <li>✓ Advance Deposit Ratio (CDR)</li> </ul>



iii) Liquidity risk Management system	<p>The Treasury Division of the Bank manages liquidity risk with oversight from Assets- Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO meets once in a month to review strategies on Asset Liability Management.</p> <p>Liquidity Risk is measured using flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. Stock approach involves measurement of critical ratios in respect of liquidity risk. Analysis of liquidity risk also involves examining how funding requirements are likely to be affected under crisis scenarios. The Bank has a Board approved contingency action plan to manage stressed liquidity guided by the regulatory instructions. The Bank has an extensive intraday liquidity risk management framework for monitoring intraday positions during the day.</p>
iv) Policies and processes for mitigating Liquidity risk	<p>The Liquidity risk management of the Bank is undertaken by the Asset Liability Management group in the Treasury in accordance with the Board approved policies and ALCO approved funding plans. The Risk &amp; Treasury department measures and monitors the liquidity profile of the Bank with reference to the Board approved limits, on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and periodical liquidity stress testing.</p>

**b. Quantitative Disclosure:**

Particulars	Amount in crore Taka
Liquidity Coverage Ratio	127.33%
Net Stable Funding Ratio (NSFR)	114.77%
Stock of High quality liquid assets	3,070.80
Total net cash outflows over the next 30 calendar days	2,411.74
Available amount of stable funding	12,869.83
Required amount of stable funding	11,213.70

**10. Leverage Ratio:**

In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:

- I) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and
- II) reinforce the risk based requirements with an easy to understand and a non-risk based measure.

**a. Qualitative Disclosure:**

1. In line with the BASEL III guidelines, OBL Board of Directors emphasis to improve Leverage Ratio by enhancing Tier 1 capital either plausible dividend policy or enhancing profitability.
2. Leverage ratio is calculated dividing the Tier 1 Capital by the total Exposure. Tier 1 Capital is calculated as per BASEL III guidelines. In the case of exposure measure, OBL includes both on balance sheet exposure and off balance sheet exposure. Here, On Balance Sheet exposure is ascertained taking into consideration of accounting balance sheet netting of specific provision and off balance sheet exposure is ascertained applying 100% credit conversion factor.

**b. Quantitative Disclosure:**

**Amount in crore Taka**

Particulars	Solo	Consolidated
Leverage Ratio	6.76%	6.36%
Adjusted Tier 1 Capital	1,142.50	1,074.40
On balance sheet exposure	15,268.74	15,262.11
Off balance sheet exposure	1,629.77	1,629.77
<b>Total exposure</b>	<b>16,898.51</b>	<b>16,891.88</b>

**11. Remuneration**

**a) Qualitative Disclosure:**

a)	Information relating to the bodies that oversee remuneration and mandate of the Management.	<p>The OBL Remuneration Committee i.e. the Management is responsible for overseeing the framing, review and implementation of Bank's overall compensation structure and related policies on remuneration packages payable to all/specialised employees and the Directors/MD/any other Bank appointed/engaged person(s)/Material Risk Takers of the Bank. They also oversee performance linked incentives, perquisites, other financial options etc. with a view to attract, motivate and retain employees and review compensation packages/pay structure in comparison to that of other Banks and the industry in general to maintain its competitive edge.</p> <p>The Management works in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Management also ensures that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio. In addition, the Management of OBL performs the following:</p> <p>To conduct the annual review of the Compensation Policy.</p> <p>To fulfill such other powers and duties as may be delegated to it by the Board.</p> <p>Till date, the Bank has not yet engaged any External Consultants for conducting such exercise since those were done by the Bank's Management.</p> <p>OBL Remuneration Policy covers the principles and rules regarding remuneration being paid/to be paid to Directors and all employees of the Bank including the Management, its review, market intelligence, analysis and proposals for modification commensurate with changed situations in compliance with relevant laws and rules &amp; regulations.</p> <p>An employee is considered a Material Risk Taker if he/she is the Head of a significant business line, or any individuals within their control who have a material impact on the Bank's risk profile.</p> <p>The prevailing policies regarding remuneration and other financial/non financial benefits of employees have been implemented with the approval of the Board of Directors.</p>
b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy	<p>The substantive pay and other allowances including perquisites, where applicable, to the employees including all subordinates, officers and executives up to the rank of SEVP are designed/structured in line with the competitive remuneration structure prevailing in the industry. In respect of executives above the rank of SEVP i.e. ADMD, DMD &amp; MD, the individual remuneration is fixed by the Board of Directors. Pay Structure and perquisites payable to the employees have been approved by the Board of Directors of the Bank. While determining the remuneration package, the Management and the Board take into consideration the following factors.</p> <ol style="list-style-type: none"> <li>1. Minimum Qualification required</li> <li>2. Experience</li> <li>3. Level of Risk involved</li> <li>4. Criticality of the job</li> <li>5. Creativity required in the job</li> <li>6. Salesmanship</li> <li>7. Leadership</li> <li>8. Corporate Rank etc.</li> </ol>

		<p>The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank.</p> <p>Review of the remuneration policy was not required during the year 2015 since the Bank's overall remuneration structure has remained competitive.</p>
c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.</p>	<p>The Management time to time reviews the remuneration package/structure of the key employees/positions who are involved in the functions that deal with the risk factors (both current and future position).</p> <p>Though risk is prevalent in all the functions of a commercial bank, the functions that mainly deal with the risk factors of the Bank include:</p> <ul style="list-style-type: none"> <li>- Marketing</li> <li>- CRM</li> <li>- Operations</li> <li>- Trade Finance etc.</li> </ul> <p>The Board of Directors through the Management exercises oversight and effective governance over the framing and implementation of the remuneration policy. Human Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.</p>
d)	<p>A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.</p>	<p>The Bank has various schemes in regards to deferred and vested variable remuneration which are as under:</p> <ul style="list-style-type: none"> <li>- PF (Vesting or entitlement to employer's contribution happens on completion of 03 (three) years of regular service and the Bank contributes equal amount of contribution as contributed by the employee) @ 10% of substantive pay.</li> <li>- Gratuity (Vesting or entitlement to employer's contribution happens on completion of 05 (five) years of regular service in the Bank) @ one substantive pay for each completed year of service and for the fraction of 6 months and above.</li> <li>- Death cum Survival Superannuation Fund (provides 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 as per Board's approved policy).</li> <li>- Furniture &amp; Fixture (the executives of the Bank are entitled to a rank-wise specific amount to meet the cost of furnishing of residence with furniture and fixture. The amount is amortized in 05 years of continuous service of the respective employee.</li> <li>- Staff House Building Loan (a permanent employee in 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 policy and approval from the appropriate Authority).</li> </ul> <p>The Board may adopt principles for malus/clawback before or after vesting, if such situation arises and the law(s) of the country permits the same.</p>

e)	Description of the different forms of variable remuneration (i.e. cash, shares, and share-linked instruments and other forms) that the bank utilizes and the rationale for using these different forms.	<p>Variable pay means the compensation as fixed by the Board on recommendation of the Management, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:</p> <ul style="list-style-type: none"> <li>▪ Performance Linked Incentives to those employees who are eligible for incentives.</li> <li>▪ Ex-gratia for other employees who are not eligible for Performance linked Incentives.</li> <li>▪ Different awards based on extra-ordinary performance &amp; achievement.</li> <li>▪ Employee/Manager of the Month/Quarter award.</li> <li>▪ Reimbursement/award for brilliant academic/professional achievement.</li> <li>▪ Leave Fare Assistance (LFA)</li> </ul>
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**b) Quantitative Disclosure:**

(a)	Number of employees having received a variable remuneration award during the financial year.	Total 1,730 number of employees got variable remunerations during the year 2015.
	Number and total amount of guaranteed bonuses awarded during financial year.	2 (Two) number of guaranteed bonuses (Festival Bonus) were awarded during the year and the amount of bonus was Tk. 18.48 crore,
(b)	Total amount of outstanding deferred remuneration, split into cash, share and share-linked instruments and other forms.	Total amount of outstanding deferred remunerations (i.e., Gratuity) is Tk. 54.05 crore as of 31 <sup>st</sup> December, 2015.
	Total Amount of deferred remuneration paid out in the financial year.	Total amount of deferred remunerations paid is Tk. 3.26 crore during the year 2015 (Gratuity amount paid to the outgoing employees during the year 2015).
(c)	Breakdown of amount of remuneration awards for the financial year to show:	
	- Fixed and variable	Fixed remuneration is Tk. 172.03 crore and variable remuneration is Tk. 23.75 crore.
	- Deferred and no-deferred	Deferred remuneration awarded (accounted for during the year) is Tk. 12.56 crore and non-deferred remuneration is Tk. 183.22 crore.
	- Different forms used (cash, shares and share linked instruments, other forms).	N/A
(d)	Quantitative information about employees' exposure to implicit (eg. fluctuations in the value of shares or performance units) and explicit adjustments (eg claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	N/A



# Financial Statements



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

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### **Report on the Financial Statements:**

We have audited the accompanying consolidated financial statements of ONE Bank Limited and its subsidiaries (the "Group") as the separate financial statements of ONE Bank Limited (the "Bank"), which comprise the consolidated and the separate balance sheet as at 31 December 2015 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the financial statements and Internal Controls:**

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in Note No. 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion:**

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial Position of the Group and the separate financial Position of the Bank as at 31 December 2015 and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in Note No.2.

### Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, [Securities and Exchange Rules 1987], the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control;
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in Note No.2.23 of the financial statements, appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in Note No. 2.24 of these financial statements;
- (c) financial statements of a subsidiary, ONE Securities Limited of the Bank has been audited by ATA KHAN & CO. Chartered Accountants based on the information shown in the accounting records and on the information supplied and explanations given by the directors and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books.
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank; (disclosed in note no. 2.3 and 2.21)
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory.
- (k) cash reserve requirement (CRR) and statutory liquidity reserve (SLR) with Bangladesh Bank have been maintained as per rules.
- (l) capital adequacy ratio (CAR) as required by Bangladesh Bank have been maintained adequately during the year.
- (m) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,950 persons hours for the audit of the books and accounts of the Bank.
- (n) we were not aware of any other matter; which are required to be brought to the notice of the shareholders of the bank.

Dated, Dhaka  
25 February 2016

  
ATA KHAN CO.  
Chartered Accountants

# ONE Bank Limited and its Subsidiary Consolidated Balance Sheet

As at 31 December 2015

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



# ONE Bank Limited and its Subsidiary Consolidated Balance Sheet

As at 31 December 2015

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

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

  
**M. Fakhru Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

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

Dhaka: 25 February 2016

  
**ATA KHAN & CO.**  
Chartered Accountants

# ONE Bank Limited and its Subsidiary Consolidated Profit & Loss Account

For the year ended 31 December 2015

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

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

  
**M. Fakhru Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

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

Dhaka: 25 February 2016

  
**ATA KHAN & CO.**  
Chartered Accountants

ONE Bank Limited

# ONE Bank Limited and its Subsidiary Consolidated Cash Flow Statement

For the year ended 31 December 2015

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

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



**M. Fakhru Alam**  
Managing Director



**Syed Nurul Amin**  
Director



**Zahur Ullah**  
Director



**Asoke Das Gupta**  
Vice-Chairman

Dhaka: 25 February 2016

**ONE Bank Limited and its Subsidiary**  
**Consolidated Statement of Changes in Equity**

For the year ended 31 December 2015

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

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



**M. Fakhrul Alam**  
Managing Director



**Syed Nurul Amin**  
Director



**Zahur Ullah**  
Director



**Asoke Das Gupta**  
Vice-Chairman

Dhaka: 25 February 2016



# ONE Bank Limited Balance Sheet

As at 31 December 2015

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

## ONE Bank Limited Balance Sheet

As at 31 December 2015

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

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

  
**M. Fakhru Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

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

Dhaka: 25 February 2016

  
**ATA KHAN & CO.**  
Chartered Accountants

# ONE Bank Limited

## Profit & Loss Account

For the year ended 31 December 2015

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

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

  
**M. Fakhurul Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

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

Dhaka: 25 February 2016

ONE Bank Limited

  
**ATA KHAN & CO.**  
Chartered Accountants

# ONE Bank Limited

## Cash Flow Statement

For the year ended 31 December 2015

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

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

  
**M. Fakhrul Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

Dhaka: 25 February 2016



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

For the year ended 31 December 2015

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

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

  
**M. Fakhruul Alam**  
 Managing Director

  
**Syed Nurul Amin**  
 Director

  
**Zahur Ullah**  
 Director

  
**Asoke Das Gupta**  
 Vice-Chairman

Dhaka: 25 February 2016

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

As at 31 December 2015

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

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

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

  
**M. Fakhru Alam**  
 Managing Director

  
**Syed Nurul Amin**  
 Director

  
**Zahur Ullah**  
 Director

  
**Asoke Das Gupta**  
 Vice-Chairman

Dhaka: 25 February 2016

## Notes to the Financial Statements

For the year ended 31 December 2015

### 1. Background of the Bank

#### 1.1 Status of the Bank

ONE Bank Ltd. (the "Bank") is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 July 1999 under section 31 of the Bank Company Act 1991 (as amended in 2013). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches of the Bank was eighty five (85) and the number of booths was fifteen (15) as on 31 December 2015.

#### 1.2 Nature of the business

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

##### 1.2.1 Off-Shore Banking Unit

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

##### 1.2.2 ONE Securities Limited

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

#### 1.3 International Banking

International Banking has been running through International Division with its expertise caters mainly to the banking needs for import and

export affairs. The Division establishes correspondent relationships with the foreign banks with prior consent of Management of the Bank.

#### 1.4 Treasury Functions

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

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2015.

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

#### 1.5 Information Technology

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

#### 1.6 Strategic Direction and Challenges

The strategic directions of the Bank are provided and reviewed periodically by the Marketing Division in consultation with the senior Management. At the time of planning deposit mobilization strategies, financing plan and the

## Notes to the Financial Statements

For the year ended 31 December 2015

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

### 1.7 Staff Training

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

### 1.8 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2015, the amount of deposit was 85.12% of total liability and shareholders' equity & the amount of shareholders' equity was 7.51% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

### 1.9 Corporate Governance

#### 1.9.1 Board of Directors

##### a) Members of the Board

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

##### b) Board Meeting

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

##### c) Information sharing system

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

##### d) Performance of Board

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

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

#### 1.9.2 Appointment of Directors and Managing Director

##### a) Director

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



## Notes to the Financial Statements

For the year ended 31 December 2015

experience of the Board matches the strategic demands required for the Bank.

### b) Managing Director

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

### 1.9.3 General Meeting

#### a) Shareholders Suggestions

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

#### b) Notice of the General Meeting

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

### 1.9.4 Accountability

#### a) Communicating Performance

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

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

### 2.1 Presentation of Financial Statement

The financial statements are presented in compliance with the provisions of the

Bangladesh Accounting Standards BAS 1 "Presentation of Financial Statements", BAS 7 "Statement of Cash Flows".

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

### 2.2 Basis of Consolidation

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

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

### 2.3 Statement of Compliance

The Financial Statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh accounting Standards (BAS) and the requirements of the Bank Company Act 1991 (as amended in 2013), the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, BRPD Circular # 14 dated 25 June, 2003, other Bangladesh Bank Circulars and other prevailing laws and rules applicable in Bangladesh.

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

#### 2.3.1 Investment in Shares and Securities

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

As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and

## Notes to the Financial Statements

For the year ended 31 December 2015

unquoted shares are revalued at the end of the year at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment (portfolio basis); otherwise investments are recognized at cost.

### 2.3.2 Revaluation gains/losses on Government Securities

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

As per the DOS Circular no.-05, dated May 26, 2008 and subsequent clarification in DOS Circular no-05, dated January 28, 2009 HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

### 2.3.3 Provision on Loans and Advances / Investments

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

As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No 05 dated 29 May 2013 and BRPD circular No. 8 dated 02 August 2015, a general provision at 0.25% to

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

### 2.3.4 Recognition of Interest in Suspense

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

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

### 2.3.5 Other Comprehensive Income

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

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

### 2.3.6 Financial Instruments – Presentation and Disclosure

In several cases Bangladesh Bank issues guidelines to categorise, recognise, measure

## Notes to the Financial Statements

For the year ended 31 December 2015

and present financial instruments differently from those prescribed in BAS 39. As such, full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

### 2.3.7 Financial Guarantees

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

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

### 2.3.8 Repo Transaction

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

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

### 2.3.9 Cash and Cash Equivalent

As per the requirement of BAS 7, Cash and

cash equivalent items should be reported as cash item.

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

### 2.3.10 Non-Banking Asset

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

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

### 2.3.11 Cash Flow Statement

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

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

### 2.3.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)

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

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

### 2.3.13 Presentation of Intangible Asset

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### 2.3.14 Off-Balance Sheet Items

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

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

### 2.3.15 Loans and Advances / Investments Net of Provision

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

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

### 2.4 Use of Estimates and Judgments

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

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

### 2.5 Foreign Currency Transactions

#### i. Functional and presentational currency

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

#### ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at

31 December 2015 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

#### iii. Commitment

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

### 2.6 Assets and the basis of their valuation

#### 2.6.1 Cash and Cash Equivalents

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

#### 2.6.2 Loans and Advances

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

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

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



## Notes to the Financial Statements

For the year ended 31 December 2015

Circular No. 16 dated 18 November 2014 and BRPD Circular No. 8 dated 02 August 2015 respectively at the following rates:

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

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

### 2.6.3 Investments

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

#### The valuation method of investments

**a) Held to Maturity (HTM):** Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortized cost at every year end by taking into account any discount or premium on acquisition. Amortized amount of such premium is booked into profit and loss statement or discount is booked to equity until maturity.

**b) Held for Trading (HFT):** Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

## Notes to the Financial Statements

For the year ended 31 December 2015

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.

### 2.6.4 Non Current Assets

#### a) Property, Plant and Equipment

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

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

#### Depreciation

Depreciation on fixed assets is charged for the year at the following annual rates on a reducing

## Notes to the Financial Statements

For the year ended 31 December 2015

balance method on all fixed assets except on Land:

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

### b) Intangible Assets

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

### c) Software

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

### d) Leasehold Assets

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

### 2.6.5 Other Assets

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

SL	Category of Assets	Provision		Remarks
1	<b>Unadjusted Expenses</b> [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	<b>Litigation / Legal Expenses</b>			
	(a) related to unsettled cases	50%		
	(b) unadjusted expenses related to settled cases		100%	
3	<b>Protested Bill / Fraud / Forgery/ Fund Embezzlement</b>			
	(a) for doubtful	50%		If there is any possibility of recovery.
	(b) for bad/loss		100%	If there is no possibility of recovery.
4	<b>Miscellaneous</b>		100%	Considering Loss category

### 2.6.6 Liabilities and Provisions

#### a) Borrowings from Other Banks, Financial Institutions and Agents

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### b) Deposits and Other Accounts

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

### c) Other Liabilities

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

### d) Provision for Liabilities

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

### e) Provision for Loans and Advances: Stated in Para 2.6.2

### f) Taxation

#### f.1 Current Tax

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

#### f.2 Deferred Tax

Deferred tax is made as per the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it

is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The Bank has made adequate provision for deferred tax.

### g) Subordinated Bond

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

## 2.6.7 Capital and Shareholders' Equity

### 2.6.7 (1) Capital Management

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

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

### a) Paid up Share Capital

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



## Notes to the Financial Statements

For the year ended 31 December 2015

### b) Statutory Reserve

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

### c) Revaluation Reserve

Revaluation reserve represents revaluation on Treasury bond (HFT & HTM) in accordance with the DOS Circular no.-05, dated May 26, 2008 and subsequent clarification in DOS Circular no-05, dated January 28, 2009.

### 2.7 Off-Balance Sheet Exposures

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

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

### 2.8 Revenue Recognition

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

#### a) Interest Income

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

#### b) Investment Income

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

(a) Income on Investments other than dividend on shares is accounted for on an accrual basis.

(b) Dividend income on shares is accounted for on cash receipt basis except for preference share. Dividend income on preference shares is accounted for on accrual basis.

#### c) Fees, Commission and Other Income

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

#### d) Interest and Other Expenses

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### 2.9 Cash Flow Statement

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

### 2.10 Liquidity Statement

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

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

### 2.11 Statement of Changes in Equity

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

### 2.12 Events after Reporting Period

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

Financial Statements as per BAS-10.

### 2.13 Earnings per Share

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

### 2.14 Reconciliation of Books of Account

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

### 2.15 Authorization of Financial Statements

The financial statements for the year ended 31 December 2014 have been authorized for issue in accordance with a resolution of the Board of Directors on 25 February 2016.

### 2.16 Materiality and Aggregation

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

### 2.17 Offsetting

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

### 2.18 Reporting Period

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

### 2.19. Number of Employees

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### 2.20. Employee Benefits

#### a) Provident Fund (Defined Contribution Plan)

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

#### b) Gratuity Fund (Defined Benefit Plan)

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

#### c) Benevolent Fund

The objective of the fund is to provide financial assistance to all the employees of the Bank for treatment (medical/surgical, physical/other disability, etc) of the employees and or his/her dependent(s);

damage or loss of his/her homestead by natural disaster/calamities. The Fund consists of monthly contributions by all the employees of the Bank and from other sources acceptable to the fund management. The fund is operated by a Board of Trustees consisting of 7 (seven) employees of the Bank.

#### d) Death cum Survival Superannuation Fund

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

#### e) Maternity Allowance

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

#### f) Annual Leave Fare Assistance

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

#### g) Staff Loan at Bank Rate

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### h) Staff House Building Loan

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

### i) Staff Car Loan Scheme

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

### j) Honorarium for Banking Diploma Part I & Part II

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

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

### k) Festival Bonus

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

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

### l) Incentive Bonus

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

### m) Un-availed Earned Leave Encashment

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

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

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

### o) Furniture & Fixture Facility Scheme:

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

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

Name of BASs	BAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied



## Notes to the Financial Statements

For the year ended 31 December 2015

Name of BASs	BAS No.	Status
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenues	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Financial Instruments: Presentation	32	Applied *
Earnings Per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied *
Investment Property	40	N/A
Agriculture	41	N/A
Name of BFRSs	BFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in other Entities	12	Applied
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A

N/A = Not Applicable.

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

### 2.22 BASEL III Implementation

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

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

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

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

Particulars	2015	2016	2017	2018	2019
Minimum Capital including Capital Conservation Buffer	10%	10.625%	11.25%	11.875%	12.50%
Minimum Tier-1 Capital Ratio	5.5%	5.5%	6 %	6 %	6 %

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

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

### **2.23 Risk Management**

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

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

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

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

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

#### **2.23.1 Credit Risk Management**

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

## Notes to the Financial Statements

For the year ended 31 December 2015

maximize the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

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

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

Credit approval authority has been delegated to the individual executives. Credit limits beyond their delegation are approved /declined by the Executive Committee and the Management. In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Other units namely (a) Credit Risk Management Unit, (b) Credit Administration Unit, (c) Credit Monitoring and Recovery Unit are in place towards ensuring proper security documentation and maintaining asset quality.

### 2.23.2 Foreign Exchange Risk Management

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

### 2.23.3 Asset Liability Risk Management

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

### 2.23.4 Prevention of Money Laundering and Combating Financing of Terrorism

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

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

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### 2.23.5 Internal Control System

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

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

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

### 2.23.6 Information Technology

ONE Bank Limited follows the "Guideline on ICT Security For Banks and Non-Bank Financial Institutions - 2015" issued through BRPD circular no. 09 dated September 17, 2015. ONE Bank IT management deals with IT operation, policy documentation, IT risk and security compliance, IT awareness and training etc. The objective of IT management is to achieve the highest levels of technology service quality by minimum operational risk. Physical security involves providing environmental safeguards as well as controlling physical access to equipment and data. IT department has controls over password, User ID maintenance, input control, network security, virus protection, internet and e-mail. Besides managing and operating various application software and developing in-house software, ONE Bank IT also extends its support and services to Alternate Delivery Channels (ADC) including ATM, POS, Mobile Financial Service, Internet Banking, Call Center, third party integration etc. ONE Bank Data Centre (DC) and Disaster Recovery Site (DRS) are equipped with state of the art technology in order to provide smooth and uninterrupted service continuation.

### 2.24 Disclosure on fraud and forgeries committed by bank employees:

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

Further after taking appropriate measures against delinquent officers, if such occasion arises, we circulate it to all our employees with an objective to caution them from taking part in any fraudulent transaction. Consequently, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year 2015, 2 (Two) cases of such fraud and forgeries were identified. Total embezzled amount involved in the fraud case was Tk. 3,48,000.00 (Taka three lac forty eight thousand) (Tk. 2,98,000.00 + Tk. 50,000.00) only. In both the cases, the embezzled amounts have been realized in full.

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

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

### 2.25 Regulatory Compliance

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

- a. The Bank Company Act, 1991 (as amended in 2013).



## Notes to the Financial Statements

For the year ended 31 December 2015

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

### 2.26 Rearrangement

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

### 2.27 General

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

However, the stocks of such items are stated below:

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

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

### 2.28 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 223rd Board Meeting held on April 30, 2015 constituted the Audit Committee as under:

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

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

The Audit Committee of the Board conducted 4 (four) meetings from 01 January to 31 December, 2015.

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>3 Cash</b>		
Cash in hand (note-3.1)	1,187,043,986	812,047,402
Balance with Bangladesh Bank and its agent bank (note-3.2)	11,028,251,491	8,193,901,158
	<b>12,215,295,477</b>	<b>9,005,948,560</b>
<b>3.1 Cash in hand (including foreign currencies)</b>		
In local currency	1,184,296,571	805,278,076
In foreign currencies	2,747,415	6,769,325
	<b>1,187,043,986</b>	<b>812,047,402</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)</b>		
Bangladesh Bank		
In local currency	8,473,194,364	6,831,079,184
In foreign currencies	1,559,164,199	702,567,785
	<b>10,032,358,564</b>	<b>7,533,646,969</b>
Balance with Sonali Bank being an agent of Bangladesh Bank	995,892,927	660,254,189
	<b>11,028,251,491</b>	<b>8,193,901,158</b>

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

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

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

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

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

#### b.1 Reserve held in SLR :

Cash in hand including foreign currency	1,187,043,986	812,047,402
Balance with Sonali Bank being an agent of Bangladesh Bank	995,892,927	660,254,189
Reverse Repo	-	700,000,000
Bangladesh Bank bill	1,995,260,027	-
Treasury Bills	11,270,695,631	5,807,652,283
Treasury Bonds	6,261,599,916	6,583,382,121
<b>Sub Total</b>	<b>21,710,492,488</b>	<b>14,563,335,996</b>
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	918,880,916	719,049,754
<b>Total</b>	<b>22,629,373,404</b>	<b>15,282,385,750</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>3 (a) Consolidated Cash</b>		
<b>i Cash in hand</b>		
ONE Bank Limited	1,187,043,986	812,047,402
ONE Securities Limited	4,367	16,680
	<b>1,187,048,352</b>	<b>812,064,082</b>
<b>ii Balance with Bangladesh Bank and its agent bank</b>		
ONE Bank Limited	11,028,251,491	8,193,901,158
ONE Securities Limited	-	-
	<b>11,028,251,491</b>	<b>8,193,901,158</b>
<b>4 Balance with Other Banks and Financial Institutions</b>		
In Bangladesh (note-4.1)	783,622,747	692,281,209
Outside Bangladesh (note-4.2)	930,383,782	870,788,660
	<b>1,714,006,528</b>	<b>1,563,069,869</b>
<b>4.1 In Bangladesh</b>		
In current accounts (note-4.3)	47,195,225	83,007,258
Other deposit accounts (note-4.4)	736,427,521	609,273,951
	<b>783,622,747</b>	<b>692,281,209</b>
<b>4.2 Outside Bangladesh</b>		
In current accounts (note-4.5)	930,383,782	870,788,660
Other deposit accounts	-	-
	<b>930,383,782</b>	<b>870,788,660</b>
<b>4.3 Current Accounts (In Bangladesh)</b>		
AB Bank Limited	7,777,285	4,667,730
Sonali Bank Limited	24,039,951	55,159,025
Trust Bank Limited-Q Cash Settlement Account	7,081,268	9,327,942
Standard Chartered Bank	8,296,721	13,852,562
	<b>47,195,225</b>	<b>83,007,258</b>
<b>4.4 Other Deposit Accounts (In Bangladesh)</b>		
(Name of the banks and financial institutions)		
ICB Islamic Bank Limited	67,719,000	73,719,000
IDLC Finance Limited	31,608,682	25,500,000
United Commercial Bank Limited	2,066,705	54,203
AB Bank Limited	24,510,180	41,479,476
Eastern Bank Limited	694,219	3,912,031
Uttara Bank Limited	472,485,047	399,969,973
Jamuna Bank Limited	-	3
Rupali Bank Limited	-	27,850,000
Prime Bank Limited	137,343,689	36,789,264
	<b>736,427,521</b>	<b>609,273,951</b>
<b>4.5 Current Accounts (Outside Bangladesh)</b>		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	261,172,857	349,450,687
Standard Chartered Bank, London	25,169,437	6,129,215
Standard Chartered Bank, Pakistan	44,014,473	28,587,787
Standard Chartered Bank, Mumbai	66,592,585	56,302,424
Standard Chartered Bank, Tokyo	4,859,065	5,024,502
Standard Chartered Bank, Frankfurt	17,783,820	17,852,339
HSBC Bank, New York, USA	-	(2,871,367)
ICICI Bank Limited, Hong Kong	3,545,631	13,844,659
ICICI Bank Limited, Mumbai (ACUD)	70,125,035	59,840,581
ICICI Bank Limited, Mumbai (EURO)	14,690,044	1,245,849
Commerzbank AG, Frankfurt (USD)	85,052,912	29,944,842
Commerzbank AG, Frankfurt (CAD)	400,929	5,236,982
Commerzbank AG, Frankfurt (EURO)	20,508,535	9,819,146
Mashreqbank Psc, New York	118,149,315	37,268,451
Wells Fargo Bank N.A, New York	116,289,216	213,368,366
AB Bank Ltd, Mumbai	14,990,836	2,417,067
Habib Bank Limited, Karachi	27,825,459	12,841,006
Habib Bank AG Zurich, Switzerland	3,636,359	4,229,442
Nepal Bangladesh Bank Ltd, Kathmandu	5,430,562	3,242,509

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
Seylen Bank PLC, Colombo	3,511,884	5,483,156
Unicredit Bank, AG	-	6,471,023
United Bank of India, Kolkata	6,967,611	-
Bank Al-Jazira, Saudi Arabia	6,430,500	-
Westpac Banking Corporation, Sydney	13,236,715	5,059,993
	<b>930,383,782</b>	<b>870,788,660</b>
(For details of foreign currency amount and rate thereof see "Annexure - C")		
<b>4.6 Maturity of balances with other banks and financial institutions</b>		
Up to 1 month	916,891,010	810,758,990
More than 1 months to 3 months	465,191,891	435,394,553
More than 3 months to 1 year	310,814,945	306,416,322
More than 1 year to 5 years	21,108,682	10,500,005
More than 5 years	-	-
	<b>1,714,006,528</b>	<b>1,563,069,870</b>
<b>4 (a) Consolidated Balance with Other Banks and Financial Institutions</b>		
<b>In Bangladesh</b>		
ONE Bank Limited	783,622,747	692,281,209
ONE Securities Limited	58,757,942	15,672,753
	<b>842,380,689</b>	<b>707,953,962</b>
<b>Outside Bangladesh</b>		
ONE Bank Limited	930,383,782	870,788,660
ONE Securities Limited	-	-
	<b>930,383,782</b>	<b>870,788,660</b>
	<b>1,772,764,471</b>	<b>1,578,742,622</b>
<b>5 Money at call on short notice</b>		
Lanka Bangla Finance Limited	-	50,000,000
The City Bank Limited	1,000,000,000	-
International Leasing Company Ltd	90,000,000	-
AB Bank Limited	300,000,000	-
NRB Bank Limited	250,000,000	-
Bank Al-Falah Limited	160,000,000	-
BRAC Bank Limited	350,000,000	-
National Bank of Pakistan	200,000,000	-
Habib Bank Limited	80,000,000	-
Premier Leasing and Finance Ltd	100,000,000	-
Delta Brac Finance	70,000,000	100,000,000
	<b>2,600,000,000</b>	<b>150,000,000</b>
<b>6 Investments</b>		
<b>In Government securities</b>		
Treasury bills (note- 6.1)	11,270,695,631	5,807,652,283
Treasury bonds (note-6.2)	6,261,599,916	6,583,382,121
Bangladesh Bank bill (note-6.3)	1,995,260,027	-
Reverse Repo	-	700,000,000
Prize Bonds	1,750,600	1,464,900
	<b>19,529,306,175</b>	<b>13,092,499,305</b>
<b>Other Investment</b>		
Shares (Quoted and Unquoted) (note-6.4)	1,019,201,326	1,067,365,227
National Bank Limited Subordinated Bond	51,200,000	64,000,000
Mercantile Bank Limited Subordinated Bond	500,000,000	500,000,000
Bank Asia Limited Subordinated Bond	600,000,000	-
Prime Bank Limited Subordinated Bond	600,000,000	-
Eastern Bank Limited Subordinated Bond	600,000,000	-
	<b>3,370,401,326</b>	<b>1,631,365,227</b>
	<b>22,899,707,501</b>	<b>14,723,864,532</b>
<b>6.1 Treasury Bills</b>		
Treasury Bills (HTM) [(note-6.1(a))]	7,595,823,732	2,811,249,472
Treasury Bills (HFT) [(note-6.1(b))]	3,674,871,898	2,996,402,811
	<b>11,270,695,631</b>	<b>5,807,652,283</b>



## Notes to the Financial Statements

For the year ended 31 December 2015

### 6.1(a) Treasury Bills (HTM)

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

### 6.1(b) Treasury Bills (HFT)

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

### 6.2 Treasury Bonds

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

### 6.2 (a) Treasury Bonds (HTM)

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

2 Years Treasury Bonds (Discount)	9,595,765	128,442,572	9,600,000	128,500,000
5 Years Treasury Bonds (Discount)	389,034,788	388,929,074	389,400,000	389,400,000
10 Years Treasury Bonds (Discount)	843,558,070	843,440,799	845,100,000	845,100,000
15 Years Treasury Bonds (Discount)	117,644,081	117,630,589	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,826,040	108,819,401	109,300,000	109,300,000
<b>Sub-total</b>	<b>1,468,658,744</b>	<b>1,587,262,435</b>	<b>1,471,500,000</b>	<b>1,590,400,000</b>

5 Years Treasury Bonds (At par)	420,000,000	420,000,000	420,000,000	420,000,000
10 Years Treasury Bonds (At par)	1,077,400,000	1,077,400,000	1,077,400,000	1,077,400,000
15 Years Treasury Bonds (At par)	444,300,000	444,300,000	444,300,000	444,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
<b>Sub-total</b>	<b>1,998,900,000</b>	<b>1,998,900,000</b>	<b>1,998,900,000</b>	<b>1,998,900,000</b>
<b>Total</b>	<b>5,412,931,094</b>	<b>5,532,566,891</b>	<b>5,404,600,000</b>	<b>5,523,500,000</b>

### 6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2015 Taka	2014 Taka	2015 Taka	2014 Taka
5 Years Treasury Bonds	503,932,566	755,768,379	500,000,000	758,400,000
10 Years Treasury Bonds	344,736,256	295,046,851	308,000,000	308,000,000
	<b>848,668,822</b>	<b>1,050,815,230</b>	<b>808,000,000</b>	<b>1,066,400,000</b>

Investments in securities which are Held To Maturity (HTM) are incorporated at their amortized cost and investment held for trading (HFT) at their marked to market basis according to DOS Circular Letter No.05 dated 26 May of 2008 and subsequent clarification in DOS Circular no-05, dated 28 January 2009.

## Notes to the Financial Statements

For the year ended 31 December 2015

### 6.3 Bangladesh Bank Bills (HFT)

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

### 6.4 Other Investments -Shares

In shares (quoted and unquoted)

Quoted:

	2015 Taka	2014 Taka
The City Bank Limited	140,673,639	140,673,639
Prime Bank Limited	170,983,059	170,983,059
IFIC Bank Limited	80,000,000	80,000,000
Lanka Bangla Finance Limited	5,945	5,945
Summit Alliance Port Ltd.	138,912,107	169,809,107
BRAC Bank Limited	5,664	5,664
R A K Ceramics	9,391,866	14,897,834
Khulna Power Company Limited	43,700,613	43,700,613
Phoenix Finance 1st Mutual Fund	1,983,900	1,983,900
Eastern Bank Limited	5,533	5,533
MI Cement Factory Limited	47,562,357	59,323,290
MJL BD Limited	27,726,980	27,726,980
Islami Bank BD Limited	107,000,000	107,000,000
Bank Asia Limited	638	638
Square Pharmaceuticals Ltd.	915,948,056	964,111,957
Unquoted:		
Infrastructure Development Finance Company	29,683,820	29,683,820
Central Depository Bangladesh Limited	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
	103,253,270	103,253,270
	1,019,201,326	1,067,365,227

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

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

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

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

	<b>2015 Taka</b>	<b>2014 Taka</b>
<b>6.5 Residual Maturity of Investments</b>		
Payable on demand	2,494,438,048	745,368,940
Up to 3 months	2,595,934,194	853,935,055
Above 3 months to 1 year	9,635,820,948	6,259,822,425
Above 1 year to 5 years	2,511,526,539	2,198,369,037
Above 5 years	5,661,987,771	4,666,369,075
	<b>22,899,707,501</b>	<b>14,723,864,532</b>
The above amount includes investment in the Government securities as well as other investment.		
<b>6 (a) Consolidated Investments</b>		
<b>In Government securities</b>		
ONE Bank Limited	19,529,306,175	13,092,499,305
ONE Securities Limited	-	-
	<b>19,529,306,175</b>	<b>13,092,499,305</b>
<b>Other Investment</b>		
ONE Bank Limited	3,370,401,326	1,631,365,227
ONE Securities Limited	1,802,414,627	1,801,510,522
	<b>5,172,815,953</b>	<b>3,432,875,749</b>
	<b>24,702,122,128</b>	<b>16,525,375,054</b>
<b>7 Loans and Advances</b>		
<b>Loans, Cash Credit, Overdraft etc.</b>		
<b>7.1 Loans and Advances including bills purchased and discounted classified into the following broad categories:</b>		
<b>i) In Bangladesh</b>		
Loans	81,188,182,398	67,795,008,063
Lease finance (note-7.2)	3,571,358,992	3,004,795,830
Cash Credit	-	89,902,701
Overdraft	17,774,823,920	15,011,769,697
	102,534,365,310	85,901,476,291
Off-shore Banking Unit	2,572,425,219	2,252,017,786
	<b>105,106,790,529</b>	<b>88,153,494,077</b>
<b>Bills purchased and discounted</b>		
Bills purchased and discounted-OBL	1,612,592,243	2,324,732,852
Bills purchased and discounted-OBUs	29,136,321	20,785,826
	<b>1,641,728,564</b>	<b>2,345,518,678</b>
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>ii) Outside Bangladesh</b>	-	-
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.2 Lease finance</b>		
Lease rental receivable within 1 year	918,613,782	94,720,456
Lease rental receivable within 5 years	3,290,004,680	3,593,481,703
Lease rental receivable after 5 years	-	-
<b>Total lease receivable</b>	<b>4,208,618,462</b>	<b>3,688,202,159</b>
Less: Unearned interest income	637,259,470	683,406,329
<b>Net Lease Finance</b>	<b>3,571,358,992</b>	<b>3,004,795,830</b>
<b>7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted</b>		
Payable on demand	8,524,233,662	11,243,678,208
Up to 3 months	27,291,424,457	24,435,570,044
Above 3 months to 1 year	40,062,143,031	36,243,214,679
Above 1 year to 5 years	21,624,174,000	15,364,542,629
Above 5 years	9,246,543,942	3,212,007,195
	<b>106,748,519,093</b>	<b>90,499,012,755</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	<b>2015 Taka</b>	<b>2014 Taka</b>
<b>7.4 Loans and Advances on the basis of significant concentration</b>		
i. Advance to Directors	-	-
ii. Advance to Managing Director & Senior Executives	225,091,407	142,807,159
iii. Advance to Customer's group:		
Commercial lending	12,930,900,000	8,165,725,004
Agricultural loan	1,135,526,067	927,331,945
Export financing	3,056,944,304	2,116,838,143
Consumer credit scheme	773,063,427	514,734,664
Small and medium enterprise financing	12,557,160,757	9,338,625,572
Staff loan (except Sl. No. ii)	356,945,164	362,793,421
House building loan (other than the employees)	2,055,279,836	1,705,599,051
Others	73,657,608,130	67,224,557,796
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.5 Industry-wise outstanding of loans &amp; advances</b>		
Trade finance	15,867,785,545	10,528,323,507
Steel Re-Rolling	10,229,000,000	5,325,640,862
Readymade Garments	13,449,095,497	10,912,892,348
Textiles	6,696,100,051	5,843,136,301
Edible oil, Rice, Flour etc.	2,942,956,639	2,224,929,879
Power	3,658,470,100	2,204,978,767
Transport	1,701,524,075	1,059,672,575
Construction/Engineering	2,220,328,453	2,542,848,186
Personal	4,799,947,390	4,936,785,168
Pharmaceuticals	2,283,800,000	2,362,257,283
Real Estate	3,492,864,020	4,149,016,251
Cargo and Travel Services	95,913,429	47,865,859
Paper & Packaging	1,519,225,822	1,809,323,332
Agro based industry/Dairy products	565,400,000	146,779,269
Others	37,226,108,073	36,404,563,167
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.6 Geographical Location-wise Loans and advances</b>		
Dhaka Division	70,456,252,795	60,972,022,071
Chittagong Division	30,772,531,591	24,890,191,859
Rajshahi Division	1,650,118,204	952,105,712
Khulna Division	2,324,689,994	2,435,824,021
Sylhet Division	1,067,696,155	871,236,009
Rangpur Division	256,336,244	310,851,958
Barisal Division	220,894,110	66,781,125
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.7 Classification of loans and advances</b>		
Unclassified	99,160,906,418	85,277,427,709
Unclassified (Special Mention Account)	3,767,480,356	948,240,089
Substandard	296,180,525	398,623,463
Doubtful	320,849,708	234,425,328
Bad & Loss	3,203,102,086	3,640,296,166
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.8 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 14,759.13 million as at 31 December 2015 (Tk 14,511.05 million in 2014).</b>		
Number of clients (Annexure-D)	19	15
Amount of outstanding loans & advances	Tk. 49,371,800,000	32,438,268,339
Amount of classified loans and advances	Tk. -	-
Measures taken for recovery	Not Applicable	Not Applicable
<b>7.9 Bills purchased and discounted</b>		
Payable in Bangladesh	1,433,474,253	2,138,234,444
Payable outside Bangladesh	208,254,311	207,284,233
	<b>1,641,728,564</b>	<b>2,345,518,678</b>

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



## Notes to the Financial Statements

For the year ended 31 December 2015

		<b>2015 Taka</b>	<b>2014 Taka</b>
<b>7.10 Maturity of Bills purchased and discounted</b>			
Upto 1 month		581,924,585	422,775,423
Above 1 month but less than 3 months		518,727,672	775,438,583
Above 3 months but less than 6 months		540,695,092	1,076,306,271
6 months or more		381,214	70,998,402
		<b>1,641,728,564</b>	<b>2,345,518,678</b>
<b>7.11 Particulars of provision for Loans and Advances</b>			
	<b>Rate (%)</b>	<b>Base for Provision Taka</b>	<b>Total Provision Taka</b>
Standard (excluding Staff Loan)	1%	81,626,812,525	1,216,268,125
Small Enterprise Financing	0.25%	10,771,295,750	26,928,239
Consumer Financing (House Financing & Loans for Professionals)	2%	2,375,270,674	47,505,413
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	746,987,535	37,349,377
Special Mention Account	0.25%-5%	3,767,480,356	37,182,463
Short Term Agriculture Loan	2.50%	1,052,077,882	26,301,947
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	2,006,425,482	40,128,510
Substandard	5% & 20%	121,871,170	22,341,337
Doubtful	5% & 50%	73,684,369	102,081,673
Bad & Loss	100%	1,381,032,918	1,381,032,918
Required provision for loans and advances			<b>2,937,120,002</b>
Total provision maintained			<b>2,937,120,002</b>
Excess/ (Short) provision at 31 December			-
<b>7.12 Particulars of Loans and Advances</b>			
i) Loans considered good in respect of which the bank is fully secured		71,174,968,659	76,200,725,611
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee		18,131,871,051	1,483,200,473
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors		17,441,679,382	12,815,086,671
iv) Loans adversely classified; provision not maintained there against		-	-
		<b>106,748,519,093</b>	<b>90,499,012,755</b>
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons		582,036,572	505,600,580
vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members		-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons		582,036,572	505,600,580
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or, in case of private companies as members		-	-
ix) Due from other banking companies (Bills purchased and discounted)		1,641,728,564	2,345,518,678
x) Classified loans and advances			
a) Classified loans and advances on which interest has not been charged to income (Note-7.7)		3,820,132,319	4,273,344,957
b) Provision on classified loans and advances (Note-13.4)		1,505,455,928	1,701,520,744
c) Provision kept against loans and advances classified as bad debts		1,381,032,918	1,591,728,895

## Notes to the Financial Statements

For the year ended 31 December 2015

	<b>2015 Taka</b>	<b>2014 Taka</b>
d) Interest credited to Interest Suspense Account (Note-13.9)	2,215,999,657	1,622,403,054
xi) Cumulative amount of written off loans and advances		
Opening balance	295,113,342	295,113,342
Written off during the year	1,948,339,835	-
Closing balance	2,243,453,177	295,113,342
Amount realised against loans previously written off	-	-
The amount of written off/classified loans for which law suits have been filed	2,243,453,177	295,113,342
<b>7.13 Details of pledged collaterals received against Loans and Advances</b>		
Collateral of movable /immovable assets	72,639,551,484	61,196,573,869
Local banks and financial institutions guarantee	358,525,182	1,051,888,570
Government guarantee	-	-
Foreign banks guarantee	11,097,634	59,148,596
Export documents	2,475,671,505	3,694,533,568
Fixed Deposit Receipts (FDR)	2,196,858,166	1,454,562,521
FDR of other banks	60,923,414	71,658,036
Government bonds	56,880	10,103,555
Personal guarantee	13,127,265,309	6,889,096,756
Other securities	15,878,569,519	16,071,447,283
	<b>106,748,519,093</b>	<b>90,499,012,755</b>
<b>7.14 Restructure of large loan</b>		
There was no restructure of large loan occurred during the year 2015 (large loan defined in BRPD-04/2015 and BRPD-02/2014).		
<b>7 (a) Consolidated Loans and Advances</b>		
ONE Bank Limited	105,106,790,529	88,153,494,077
ONE Securities Limited	48,759,610	15,044,724
Loan to ONE Securities Ltd by ONE Bank Limited	-	(490,026,374)
	<b>105,155,550,140</b>	<b>87,678,512,427</b>
<b>Consolidated Bills purchased and discounted</b>		
ONE Bank Limited	1,641,728,564	2,345,518,678
ONE Securities Limited	-	-
	<b>1,641,728,564</b>	<b>2,345,518,678</b>
	<b>106,797,278,704</b>	<b>90,024,031,105</b>
<b>8 Fixed Assets including premises, furniture &amp; fixtures</b>		
Furniture & Fixtures	1,173,568,859	1,032,958,836
Office equipment	882,500,715	757,855,731
Motor Vehicles	241,318,876	223,750,803
Building	118,999,192	118,999,192
Land	17,700,000	17,700,000
	2,434,087,642	2,151,264,562
Leased Assets	25,044,000	25,044,000
Intangible Assets	170,034,131	131,028,337
	<b>2,629,165,773</b>	<b>2,307,336,899</b>
Less: Accumulated depreciation	1,130,416,609	911,827,700
Balance on 31 December	<b>1,498,749,163</b>	<b>1,395,509,199</b>
(For details please refer to Annexure- A)		
<b>8 (a) Consolidated Fixed Assets including premises, furniture &amp; fixtures</b>		
ONE Bank Limited	1,498,749,163	1,395,509,199
ONE Securities Limited	13,409,809	3,873,515
	<b>1,512,158,972</b>	<b>1,399,382,714</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

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

### 9.1

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2015 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	28	10,717,618	12	4,931,042
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<b>28</b>	<b>10,717,618</b>	<b>12</b>	<b>4,931,042</b>

Branch Adjustment Account (Net) 5,786,576

### 9.2 Advance income tax

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

### 9.3 Deferred tax assets:

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

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

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

### 9.5 Particulars of required provision for other assets

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

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 <u>Taka</u>	2014 <u>Taka</u>
<b>9 (a) Consolidated Other Assets</b>		
ONE Bank Limited	6,232,785,799	4,198,748,913
ONE Securities Limited	16,188,725	11,876,065
Investment in ONE Securities Ltd by ONE Bank Limited	(1,979,999,300)	(1,448,999,200)
Receivable by ONE Bank Limited from ONE Securities Ltd	(25,765,706)	(16,413,348)
	<b>4,243,209,517</b>	<b>2,745,212,430</b>
<b>10 Non Banking Assets</b>		
Land & Building	83,866,820	83,866,820
Plant and Machinery	84,250,630	84,250,630
Pre-fabricated Structure	8,990,000	8,990,000
Stock	106,679,075	106,679,075
	<b>283,786,525</b>	<b>283,786,525</b>
<p>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) &amp; 33(7) of ARAA- 2003 for force adjustment of default loan.</p> <p>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.</p> <p>Non-Banking assets include stock of raw materials and finished goods worth Tk. 106,679,075 of defaulter loanee but there could be a possibility of non-realizability of the full amount of stock of raw and finished goods. The Bank believes that there is also the possibility of gaining significant value due to price appreciation from the disposal of other fixed assets of said non-banking assets. Accordingly to the latest third party valuation made on 06 September 2010, the value of above Land, Building and Machinery only was Tk. 28.88 crore.</p> <p>The Bank sought permission from the Central Bank for transferring the said asset to the Bank's assets and obtained approval on said transfer vide their letter ref: BRPD(R-2)651/9(26)cha/2015-18138; Dated December 29,2015.</p>		
<b>11 Borrowings from other Banks, financial institutions and Agents.</b>		
11.1 i) Borrowings inside Bangladesh	88,076,612	1,317,260,683
ii) Borrowings outside Bangladesh	-	-
	<b>88,076,612</b>	<b>1,317,260,683</b>
11.2 i) Borrowings with security	-	-
ii) Borrowings without security	88,076,612	1,317,260,683
	<b>88,076,612</b>	<b>1,317,260,683</b>
11.3 i) <b>Borrowings payable on demand:</b>		
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
	-	<b>1,220,000,000</b>
ii) <b>Borrowings others (Term) Refinanced Term loan from Bangladesh Bank</b>	88,076,612	97,260,683
	<b>88,076,612</b>	<b>1,317,260,683</b>
<b>11 (a) Consolidated Borrowings from other banks, financial institutions and Agents.</b>		
ONE Bank Limited	88,076,612	1,317,260,683
ONE Securities Limited	-	-
	<b>88,076,612</b>	<b>1,317,260,683</b>
<b>12 Deposits and other accounts</b>		
i Current account and other account (OBL)	18,980,345,360	13,263,850,922
Off-shore Banking Unit	405,343	15,521,255
	<b>18,980,750,703</b>	<b>13,279,372,177</b>
ii <b>Bills payable</b>		
Payment Order (Issued)	2,406,885,043	2,524,361,944
Demand Draft	786,855	786,855
	<b>2,407,671,898</b>	<b>2,525,148,799</b>
iii <b>Savings accounts</b>	<b>12,314,846,918</b>	<b>9,777,300,687</b>
iv <b>Term deposits</b>		
Fixed deposit receipts	62,128,191,292	53,197,668,331
Short Notice deposits	25,852,732,600	15,379,850,811
Scheme deposits	7,872,610,021	6,133,978,640
Non-resident Foreign Currency Deposits	125,018,057	1,739,467
	95,978,551,969	74,713,237,249
Off-shore Banking Unit	1,570,000,000	-
	<b>97,548,551,969</b>	<b>74,713,237,249</b>
	<b>131,251,821,488</b>	<b>100,295,058,912</b>



## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>12.1 Payable on demands</b>		
Current deposits	11,192,865,284	4,920,848,457
Privilege creditor	390,246,552	250,300,719
Foreign Currency Deposits	2,821,505,409	2,625,384,316
Sundry Deposits	2,721,650,175	3,996,259,165
Interest Payable on deposits	1,505,015,918	1,071,571,960
Other accrued expense	349,467,364	415,007,560
	<b>18,980,750,703</b>	<b>13,279,372,177</b>
Bills payable	2,407,671,898	2,525,148,799
Savings Deposits	1,108,336,223	879,957,062
	<b>22,496,758,823</b>	<b>16,684,478,038</b>
<b>12.2 Sub-break down of deposits and other accounts</b>		
<b>12.2 (a) Payable on demand</b>		
i Deposits from banks	1,186,810	1,189,460
ii Other than banks	22,495,572,013	16,683,288,578
	<b>22,496,758,823</b>	<b>16,684,478,038</b>
<b>12.2 (b) Other Deposits</b>		
<b>Deposits from banks</b>		
<b>Short Term Deposits :</b>		
Uttara Bank Limited	-	191
<b>Fixed Deposit</b>		
Mercantile Bank Limited	400,000,000	-
Mutual Trust Bank Limited	400,000,000	-
United Commercial Bank Limited	1,000,000,000	-
Prime Bank Limited	400,000,000	-
National Credit and Commerce Bank Limited	1,000,000,000	-
Basic Bank Limited	1,000,000,000	-
Premier Bank Limited	-	400,000,000
Eastern Bank Limited	-	1,000,000,000
Rupali Bank Limited	-	3,000,000,000
Sonali Bank Limited	-	2,000,000,000
BRAC Bank Limited	-	2,500,000,000
Janata Bank limited	-	500,000,000
	4,200,000,000	9,400,000,000
<b>Other than banks</b>	104,555,062,665	74,210,580,683
	108,755,062,665	83,610,580,874
<b>Total deposits [12.2(a) + 12.2(b)]</b>	<b>131,251,821,488</b>	<b>100,295,058,912</b>
<b>12.3 Remaining maturity grouping of deposits</b>		
Payable on demand	28,499,257,439	23,208,322,049
Up to 3 month	43,879,277,370	37,440,740,718
Over 3 months to 1 year	28,933,954,087	24,445,267,342
Over 1 year to 5 years	15,622,664,620	10,831,369,756
Over 5 years	14,316,667,971	4,369,359,049
	<b>131,251,821,488</b>	<b>100,295,058,912</b>
<b>12 (a) Consolidated Deposits and other accounts</b>		
<b>Current account and other account</b>		
ONE Bank Limited	18,980,750,703	13,279,372,176
ONE Securities Limited	-	-
	<b>18,980,750,703</b>	<b>13,279,372,176</b>
<b>Bills payable</b>		
ONE Bank Limited	2,407,671,898	2,525,148,799
ONE Securities Limited	-	-
	<b>2,407,671,898</b>	<b>2,525,148,799</b>
<b>Savings accounts</b>		
ONE Bank Limited	12,314,846,918	9,777,300,687
ONE Securities Limited	-	-
	<b>12,314,846,918</b>	<b>9,777,300,687</b>
<b>Term deposits</b>		
ONE Bank Limited	97,548,551,969	74,713,237,249
ONE Securities Limited	-	-
	<b>97,548,551,969</b>	<b>74,713,237,249</b>
<b>Total Consolidated Deposit</b>	<b>131,251,821,488</b>	<b>100,295,058,912</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>13 Other liabilities</b>		
Provision for Income Tax ( <b>note-13.1</b> )	2,676,303,527	1,890,404,716
Deferred tax liability ( <b>note-13.2</b> )	137,980,312	105,268,390
Provision for gratuity ( <b>note-13.3</b> )	-	-
Provision for performance bonus	160,000,001	199,044,608
Provision for loans and advances ( <b>note-13.4 &amp; 13.5</b> )	2,937,120,002	3,273,866,462
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other ( <b>note-13.7</b> )	4,065,532	3,115,532
Provision for off balance sheet items ( <b>note-13.8</b> )	614,436,307	497,870,722
Provision for diminution value of share ( <b>note-13.10</b> )	24,676,466	-
Provision for nostro Accounts ( <b>note-13.11</b> )	-	9,815,356
Interest suspense account ( <b>note-13.9</b> )	2,215,999,657	1,622,403,054
Sinking fund	60,272,872	12,068,305
Lease Obligation for Vehicles	2,466,897	7,751,616
Interest Payable on Subordinated Debt	4,400,000	4,400,000
Other payable	7,817,386	775,014
Revaluation reserve held for trading securities	219,546,922	155,203,440
	<b>9,065,559,393</b>	<b>7,782,460,725</b>
Off-shore Banking Unit	8,187,535	-
	<b>9,073,746,928</b>	<b>7,782,460,725</b>
<b>13.1 Provision for current income tax</b>		
Opening balance on 1 January	1,890,404,716	822,305,193
Less: Provision adjusted during the year	-	-
	1,890,404,716	822,305,193
Add: Provision made during the year	785,898,811	1,068,099,523
Balance on 31 December	<b>2,676,303,527</b>	<b>1,890,404,716</b>

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

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

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

<b>13.3 Provision for gratuity</b>		
Opening balance on 1 January	-	-
Provision made during the year	125,582,689	103,584,006
Transferred/Payment made during the year	(125,582,689)	(103,584,006)
Balance on 31 December	<b>-</b>	<b>-</b>

<b>13.4 Specific provision against loans and advances</b>		
Opening balance on 1 January	1,701,520,744	1,788,421,802
Provision written off	(1,653,890,704)	-
Provision after written off	47,630,040	1,788,421,802
Specific provision made during the year	1,692,077,441	706,700,935
Provisions recovered and no longer required written back	(234,251,551)	(793,601,993)
Net charge to profit & loss account	1,457,825,889	(86,901,058)
Balance on 31 December	<b>1,505,455,928</b>	<b>1,701,520,744</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 <u>Taka</u>	2014 <u>Taka</u>
<b>13.5 General provision against loans and advances</b>		
Opening balance on 1 January	1,572,345,717	828,675,469
Provision made during the year:		
Unclassified Loans & Advances	(175,935,650)	831,208,569
Consumer credit & Small enterprise financing	32,909,632	1,433,730
Special mention account	18,323,601	(54,741,072)
Loans against shares	(15,979,226)	(34,230,978)
Net charge to profit & loss account	(140,681,643)	743,670,249
Balance on 31 December	<b>1,431,664,074</b>	<b>1,572,345,717</b>
<b>Total Specific and General Provision</b>	<b>2,937,120,002</b>	<b>3,273,866,462</b>
<b>13.6 Specific provision as per classification of loans</b>		
Substandard	22,341,337	51,881,650
Doubtful	102,081,673	57,910,199
Bad/Loss	1,381,032,918	1,591,728,895
Balance on 31 December	<b>1,505,455,928</b>	<b>1,701,520,744</b>
<b>13.7 Provision for Other</b>		
Balance on 1 January	3,115,532	8,028,175
Adjusted with recoverable legal expenses	-	(4,294,518)
Provision made during the year/(recovery) (note-13.7 a and 13.7 b)	950,000	(618,125)
Balance on 31 December	<b>4,065,532</b>	<b>3,115,532</b>
<b>13.7.a Provision for protested bill</b>		
Balance on 1 January	2,727,713	3,345,838
Provision made during the year/(recovery)	-	(618,125)
Balance on 31 December	<b>2,727,713</b>	<b>2,727,713</b>
<b>13.7.b Provision for legal expenses and others</b>		
Balance on 1 January	387,819	4,682,337
Adjusted with recoverable legal expenses	-	(4,294,518)
Provision made during the year	950,000	-
Balance on 31 December	<b>1,337,819</b>	<b>387,819</b>
<b>13.8 Provision for off balance sheet items</b>		
Balance on 1 January	497,870,722	447,632,347
Provision made during the year	116,565,585	50,238,375
Balance on 31 December	<b>614,436,307</b>	<b>497,870,722</b>
<b>13.9 Interest suspense account</b>		
Balance on 1 January	1,622,403,054	876,721,731
Interest suspense charged during the year	2,487,238,167	1,499,497,995
Interest suspense realized during the year	(1,595,960,495)	(739,081,490)
Amount written off during the year	(294,449,131)	-
Amount waiver during the year	(3,231,939)	(14,735,181)
Balance on 31 December	<b>2,215,999,657</b>	<b>1,622,403,054</b>
<b>13.10 Provision for diminution value of share</b>		
Balance on 1 January	-	-
Provision made during the year	24,676,466	-
Balance on 31 December	<b>24,676,466</b>	<b>-</b>
<b>13.10.a Consolidated Provision made for diminution value of share</b>		
ONE Bank Limited	24,676,466	-
ONE Securities Limited:	596,231,789	517,230,662
	<b>620,908,255</b>	<b>517,230,662</b>
<b>13.11 Provision for nostro Accounts</b>		
Balance on 1 January	9,815,356	9,815,356
Provision made during the year/(recovery)	(9,815,356)	-
Balance on 31 December	<b>-</b>	<b>9,815,356</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>13 (a) Consolidated Other liabilities</b>		
ONE Bank Limited	9,073,746,928	7,782,460,725
ONE Securities Limited	614,802,309	526,194,424
	<b>9,688,549,237</b>	<b>8,308,655,150</b>
<b>14 Subordinated Debt</b>	<b>2,200,000,000</b>	<b>2,200,000,000</b>

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

<b>15.1 Authorized Capital</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
1,000,000,000 (2014: 1,000,000,000) ordinary shares of Tk 10 each		
<b>15.2 Issued, Subscribed and fully paid-up Capital</b>	<b>5,899,249,140</b>	<b>5,243,777,020</b>
589,924,914 (2014: 524,377,702) ordinary shares of Tk 10 each		
Sponsors	30.36%	30.34%
General Public	69.64%	69.66%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

Shareholders	No. of Shareholders	No. of Shares	2015 Taka	2014 Taka
Sponsors	16	179,126,952	1,791,269,520	1,590,954,650
General Public	29,309	410,797,962	4,107,979,620	3,652,822,370
<b>Total</b>	<b>29,325</b>	<b>589,924,914</b>	<b>5,899,249,140</b>	<b>5,243,777,020</b>

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

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Less than 500	9,071	1,653,296	0.28
501 to 5,000	14,389	27,602,391	4.68
5,001 to 10,000	2,634	18,759,074	3.18
10,001 to 20,000	1,517	21,575,579	3.66
20,001 to 30,000	581	14,560,816	2.47
30,001 to 40,000	257	8,988,421	1.52
40,001 to 50,000	158	7,327,372	1.24



## Notes to the Financial Statements

For the year ended 31 December 2015

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
50,001 to 100,000	304	21,745,044	3.69
100,001 to 1,000,000	343	86,434,028	14.65
Over 1,000,000	71	381,278,893	64.63
<b>Total</b>	<b>29,325</b>	<b>589,924,914</b>	<b>100.00</b>

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:
- b) 65,547,212 Bonus shares of Tk. 10 each valued at Tk. 655,472,120 for the year 2014 has been transferred to Paid-up capital account during the year 2015:

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

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

### 15.3 Capital Adequacy Ratio:

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

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

## Notes to the Financial Statements

For the year ended 31 December 2015

### Solo Basis:

#### Common Equity Tier-1 (Going-Concern Capital)

Paid-up capital  
Statutory Reserve  
Retained Earnings

#### Regulatory Adjustments:

Deferred Tax Assets  
Reciprocal Crossholdings in the CET-1 Capital of  
Banking, Financial and Insurance Entities.

#### Total Common Equity Tier-1 Capital

#### Additional Tier- 1 Capital

#### Tier -2 Capital (Gone-Concern Capital)

General Provision (Eligible for inclusion in Tier-2 will be  
limited to a maximum 1.25 percentage points of credit  
risk weighted assets calculated under the standardized approach)

Subordinated debt

Revaluation reserves as on 31 December 2014 (50% of  
fixed assets and securities & 10% of equities

#### Regulatory Adjustment

Revaluation reserves for fixed assets, securities & equity securities

#### Total Tier-2 Capital Available

#### A Total Regulatory Capital

Total Assets including Off Balance Sheet items

#### B Total Risk Weighted Assets

#### C Required capital based on risk weighted assets (10% on B)

#### D Surplus (A-C)

#### Percentage of Capital to Risk Weighted Assets:

31 December 2015 Taka Basel-III	31 December 2014 Taka Basel-II
5,899,249,140	5,243,777,020
3,845,644,373	3,305,962,560
1,698,935,564	1,626,928,614
<b>11,443,829,077</b>	<b>10,176,668,194</b>
4,859,874	-
13,859,540	-
<b>18,719,414</b>	-
<b>11,425,109,663</b>	<b>10,176,668,194</b>
-	-
1,522,662,814	2,070,216,439
1,760,000,000	2,200,000,000
64,200,000	64,166,227
<b>3,346,862,814</b>	<b>4,334,382,666</b>
12,840,000	-
<b>3,334,022,814</b>	<b>4,334,382,666</b>
<b>14,759,132,477</b>	<b>14,511,050,860</b>
215,636,480,831	171,607,012,581
<b>134,972,996,872</b>	<b>107,713,600,000</b>
<b>13,497,299,687</b>	<b>10,771,360,000</b>
<b>1,261,832,790</b>	<b>3,739,690,860</b>
10.93%	13.47%

#### 16 Statutory Reserve

Balance brought forward from previous year  
Reserve made during the year  
Balance on 31 December

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

Balance on 1 January  
Addition during the year  
Transfer to statutory reserve  
Issue of Bonus Share  
Cash Dividend Paid  
Balance on 31 December

#### 17.1 Retained earnings brought forward from previous year

Retained Earning of previous Year  
Bonus share issued  
Cash Dividend Paid  
Retained Earnings brought forward

2015 Taka	2014 Taka
3,305,962,560	2,665,409,979
539,681,812	640,552,581
<b>3,845,644,373</b>	<b>3,305,962,560</b>
1,626,928,614	1,077,173,216
1,922,633,009	2,096,051,282
(539,681,812)	(640,552,581)
(655,472,120)	(476,707,000)
(655,472,128)	(429,036,302)
<b>1,698,935,564</b>	<b>1,626,928,614</b>
1,626,928,614	1,077,173,216
(655,472,120)	(476,707,000)
(655,472,128)	(429,036,302)
<b>315,984,367</b>	<b>171,429,914</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	<b>2015 Taka</b>	<b>2014 Taka</b>
<b>17.1(a) Consolidated retained earnings brought forward from previous year</b>		
Retained Earning of previous Year	985,135,415	895,565,966
Bonus share issued	(655,472,120)	(476,707,000)
Cash Dividend Paid	(655,472,128)	(429,036,302)
Retained Earnings brought forward	<b>(325,808,832)</b>	<b>(10,177,335)</b>
<b>18 Interest and discount income</b>		
From clients against loans and advances	10,993,699,452	10,171,115,500
Lease finance	493,385,797	421,303,560
Discount from bills purchased & discounted	249,374,496	399,419,712
From banks and financial institutions in Bangladesh	126,633,072	83,140,399
From foreign banks	34,347,176	44,506,417
	<b>11,897,439,993</b>	<b>11,119,485,588</b>
Off-shore Banking Unit	71,871,756	156,120,685
	<b>11,969,311,749</b>	<b>11,275,606,273</b>
<b>18 (a) Consolidated Interest and discount income</b>		
ONE Bank Limited	11,969,311,749	11,275,606,273
ONE Securities Limited	10,484,420	1,505,886
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(19,985,512)	(65,652,526)
	<b>11,959,810,657</b>	<b>11,211,459,633</b>
<b>19 Interest paid on deposits and borrowings</b>		
Short term deposits	1,277,983,655	1,148,426,451
Savings deposits	446,849,073	399,109,087
Term deposits	4,657,982,998	4,389,254,834
Scheme deposits	715,190,120	560,343,850
Borrowings from banks and financial institutions	36,102,073	80,178,698
Interest on Subordinated- Debt	264,000,000	301,656,164
	7,398,107,917	6,878,969,084
Off-shore Banking Unit	8,052,792	90,941
	<b>7,406,160,710</b>	<b>6,879,060,025</b>
<b>19 (a) Consolidated Interest paid on deposits and borrowings</b>		
ONE Bank Limited	7,406,160,710	6,879,060,025
ONE Securities Limited	-	-
	<b>7,406,160,710</b>	<b>6,879,060,025</b>
<b>20 Income from Investments</b>		
Interest on treasury bills	474,096,363	396,621,227
Interest on treasury bond (Net)	677,208,487	606,121,116
Interest on Bangladesh Bank Bill	7,922,879	19,489,339
Interest from reverse repo	17,706,884	3,998,630
Dividend on Investment	45,007,339	32,724,215
Gain on sale of Shares	9,051,469	40,659,122
Interest on Bond	246,986,981	46,419,444
	<b>1,477,980,402</b>	<b>1,146,033,093</b>
<b>20 (a) Consolidated Income from Investments</b>		
ONE Bank Limited	1,477,980,402	1,146,033,093
ONE Securities Limited	35,110,984	8,402,948
	<b>1,513,091,386</b>	<b>1,154,436,041</b>
<b>21 Commission, exchange and brokerage</b>		
Letters of credit (Issue & advising)	304,469,315	305,794,692
Letter of guarantees	73,269,938	89,203,592
Acceptances	178,436,479	184,936,095
Local bills purchased	75,000	20,240
Foreign bills	29,812	1,792
Bills for collection	5,351,778	7,279,434
Remittances (PO, DD, TT, Travelers' Cheque etc.)	7,359,549	8,623,608
Export bills	31,942,069	31,721,410
Others	12,740,081	23,300,882
	<b>613,674,021</b>	<b>650,881,745</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
Profit on exchange trading	539,438,944	591,172,515
Less: Loss on exchange trading	629	1,111,959
	<b>539,438,315</b>	<b>590,060,556</b>
	<b>1,153,112,336</b>	<b>1,240,942,301</b>
Off-shore Banking Unit	418,089	1,294,125
	<b>1,153,530,424</b>	<b>1,242,236,426</b>
<b>21 (a) Consolidated Commission, exchange and brokerage</b>		
ONE Bank Limited	1,153,530,424	1,242,236,426
ONE Securities Limited	20,293,050	5,431,501
	<b>1,173,823,475</b>	<b>1,247,667,927</b>
<b>22 Other operating income</b>		
Loan processing fees and other charges	149,257,702	133,063,840
Miscellaneous Credit Card Fee	29,904,307	14,743,193
Recoveries of postage, telex, telephone, fax etc	34,771,314	33,393,526
Letter of Credit miscellaneous charges	141,907,197	133,507,160
General Banking miscellaneous charges	33,457,401	14,121,940
Miscellaneous (Note-22.1)	51,353,494	56,966,525
Rent on locker	1,884,400	1,422,500
	<b>442,535,816</b>	<b>387,218,685</b>
Off-shore Banking Unit	2,337,012	473,882
	<b>444,872,828</b>	<b>387,692,566</b>
22.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, VAT rebate etc.		
<b>22 (a) Consolidated Other operating income</b>		
ONE Bank Limited	444,872,828	387,692,566
ONE Securities Limited	593,893	549,192
	<b>445,466,721</b>	<b>388,241,759</b>
<b>23 Salary &amp; Allowances</b>		
Salary & Allowances	1,375,666,028	1,374,802,340
Provident Fund Contribution	94,178,757	86,393,835
Gratuity	125,582,689	103,584,006
Superannuation fund	7,000,000	7,000,000
Bonus	342,233,494	236,497,812
	<b>1,944,660,968</b>	<b>1,808,277,993</b>
<b>23(a) Consolidated Salary &amp; Allowances</b>		
ONE Bank Limited	1,944,660,968	1,808,277,993
ONE Securities Limited	9,171,493	5,269,051
	<b>1,953,832,461</b>	<b>1,813,547,044</b>
<b>24 Rent, taxes, insurance, electricity etc.</b>		
Rent	273,793,003	224,282,063
Taxes	1,237,087	1,223,255
Electricity	49,765,677	48,351,436
Utilities	7,284,897	6,507,719
Insurance	78,539,256	75,280,680
	<b>410,619,921</b>	<b>355,645,152</b>
<b>25 Legal expenses</b>		
Professional fees	18,486,466	21,823,525
Fees, Court fees & stamps	256,124	176,764
	<b>18,742,590</b>	<b>22,000,289</b>
Off-shore Banking Unit	3,532,500	-
	<b>22,275,090</b>	<b>22,000,289</b>
<b>25 (a) Consolidated Legal expenses/professional expenses</b>		
ONE Bank Limited	22,275,090	22,000,289
ONE Securities Limited	-	-
	<b>22,275,090</b>	<b>22,000,289</b>



## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 <u>Taka</u>	2014 <u>Taka</u>
<b>26 Postage, stamps, telecommunication etc.</b>		
Telex/Telephone/Fax etc	15,624,182	18,009,130
Courier/postage	10,513,447	10,127,611
Radio Link	28,845,585	20,350,801
Reuter	3,057,246	2,791,376
	<b>58,040,460</b>	<b>51,278,918</b>
<b>27 Directors' Fees</b>	<b>998,000</b>	<b>830,000</b>
For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person with effective from 04 October 2015 (From 01 January 2015 to 04 October 2015 it was Tk. 5,000 per attendance per person).		
<b>27 (a) Consolidated Director's Fees</b>		
ONE Bank Limited	998,000	830,000
ONE Securities Limited	85,000	72,500
	<b>1,083,000</b>	<b>902,500</b>
<b>28 Stationery, Printing, advertisement etc.</b>		
Printed and security stationery	23,721,978	30,628,939
Stationery	36,048,887	37,333,472
Advertisement	64,680,401	69,696,102
	<b>124,451,266</b>	<b>137,658,514</b>
<b>28 (a) Consolidated Stationery, Printing, advertisement etc.</b>		
ONE Bank Limited	124,451,266	137,658,514
ONE Securities Limited	138,955	372,003
	<b>124,590,221</b>	<b>138,030,517</b>
<b>29 Managing Director's Salary &amp; Allowances</b>		
Salary & Allowances	9,420,000	9,420,000
House rent	180,000	180,000
Provident Fund Contribution	939,996	939,996
Festival Bonus	1,566,666	1,566,666
Incentive Bonus	1,000,000	1,000,000
	<b>13,106,662</b>	<b>13,106,662</b>
<b>30 Depreciation, leasing expense and repair of bank's assets</b>		
Depreciation (Annexure - A)	223,880,394	202,991,763
Repairs & Maintenance	261,549,908	233,764,821
	<b>485,430,302</b>	<b>436,756,584</b>
<b>30 (a) Consolidated Depreciation, leasing expense and repair of bank's assets</b>		
ONE Bank Limited	485,430,302	436,756,584
ONE Securities Limited	2,131,205	1,105,378
	<b>487,561,507</b>	<b>437,861,962</b>
<b>31 Other expenses</b>		
Entertainment	27,630,696	29,691,552
Car expenses	122,613,894	103,692,186
Donation and Subscription	33,049,467	30,411,721
Traveling	122,717,650	107,188,240
Computer & Printer maintenance expenses	18,134,968	16,886,967
Finance charge-against leased assets	675,142	1,709,403
Staff training	3,969,013	4,854,525
VISA Card Expenses	13,937,664	16,252,596
Sales Team fees	2,858,101	989,315
Bank charges and commission paid	6,651,249	6,593,092
Miscellaneous (Note-31.1)	2,580,886	2,775,044
ATM Booth Expenses	3,638,971	-
Call center operating expense	1,311,994	-
Issuance cost of Sub-Ordinated Bond	-	115,000
Mobile Financial Services	70,677,238	116,389,655
Loss from sale/ write off of assets	1,375,090	52,577
	<b>431,822,022</b>	<b>437,601,873</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
31.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		
<b>31 (a) Consolidated Other expenses</b>		
ONE Bank Limited	431,822,022	437,601,873
ONE Securities Limited	8,501,357	1,939,220
	<b>440,323,379</b>	<b>439,541,093</b>
<b>32 Provision for loans, off balance sheet exposure, investment &amp; other for the year</b>		
Provision for bad and doubtful loans and advances	1,457,825,889	(86,901,058)
Provision for unclassified loans and advances	(140,681,643)	743,670,249
Provision for off-balance sheet exposure	116,565,585	50,238,375
Provision for diminution in value of share	24,676,466	-
Provision for other	(8,865,356)	(618,125)
	<b>1,449,520,941</b>	<b>706,389,441</b>
<b>33 Consolidated provision for diminution in value of share for the year</b>		
ONE Bank Limited	24,676,466	-
ONE Securities Limited	79,001,127	406,240,662
	<b>103,677,593</b>	<b>406,240,662</b>
<b>34 Consolidated provision for other for the year</b>		
ONE Bank Limited	(8,865,356)	(618,125)
ONE Securities Limited	-	-
	<b>(8,865,356)</b>	<b>(618,125)</b>
<b>35 Tax Expenses for the year</b>		
Current Tax	785,898,811	1,068,099,523
Deferred tax	(10,122,759)	38,612,103
	<b>775,776,053</b>	<b>1,106,711,626</b>
<b>35 (a) Consolidated Tax Expenses for the year</b>		
Current Tax		
ONE Bank Limited	785,898,811	1,068,099,523
ONE Securities Limited	199,447	47,717
	<b>786,098,258</b>	<b>1,068,147,240</b>
Deferred Tax		
ONE Bank Limited	(10,122,759)	38,612,103
ONE Securities Limited	-	-
	<b>(10,122,759)</b>	<b>38,612,103</b>
	<b>775,975,500</b>	<b>1,106,759,343</b>
<b>36 Interest receipts in cash</b>		
Interest income on loans & advances	11,969,311,749	11,275,606,273
Interest on Treasury Bills and Bonds	1,423,921,594	1,072,649,757
	13,393,233,343	12,348,256,029
(Increase)/ Decrease in interest receivable on loans & advances	(748,381,699)	(527,957,417)
(Increase)/ Decrease in interest receivable others	(68,642,250)	(64,883,216)
	<b>12,576,209,393</b>	<b>11,755,415,397</b>
<b>36 (a) Consolidated Interest receipts in cash</b>		
ONE Bank Limited	12,576,209,393	11,755,415,397
ONE Securities Limited	10,484,420	1,498,751
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(19,985,512)	(1,679,200)
	<b>12,566,708,301</b>	<b>11,755,234,948</b>
<b>37 Interest payments</b>		
Total interest expenses	7,406,160,710	6,879,060,025
Add : Opening balance of interest payable	1,071,571,960	1,049,742,651
Less: Closing balance of interest payable	(1,505,015,918)	(1,071,571,960)
	<b>6,972,716,752</b>	<b>6,857,230,716</b>
<b>37 (a) Consolidated Interest Payment</b>		
ONE Bank Limited	6,972,716,752	6,857,230,716
ONE Securities Limited	-	-
	<b>6,972,716,752</b>	<b>6,857,230,716</b>
<b>38 Fee and commission receipts in cash</b>		
Commission, exchange and brokerage	614,092,110	652,175,870
Less : (Increase) / decrease in Commission receivable	(211,750)	195,500
	<b>613,880,360</b>	<b>652,371,370</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 <u>Taka</u>	2014 <u>Taka</u>
<b>38 (a) Consolidated Fee and commission receipts in cash</b>		
ONE Bank Limited	613,880,360	652,371,370
ONE Securities Limited	20,293,050	5,447,649
	<b>634,173,410</b>	<b>657,819,019</b>
<b>39 Cash payments to employees</b>		
Salaries and allowances	1,944,660,968	1,722,968,050
Managing Director's salary and allowances	13,106,662	13,106,662
	1,957,767,630	1,736,074,712
Less: Payable to employees	(320,320,704)	(293,149,405)
Add: Opening Payable	293,149,405	427,617,713
	<b>1,930,596,330</b>	<b>1,870,543,020</b>
<b>40 Cash payment to suppliers</b>		
Printing, stationery and advertisement etc.	124,451,266	137,658,514
Repair & Maintenance	254,062,304	233,764,821
Add: closing stock of stationery and stamps	37,209,318	37,733,230
	415,722,889	409,156,564
Less: opening stock of stationery and stamps	(37,733,230)	(35,095,272)
	<b>377,989,658</b>	<b>374,061,293</b>
<b>41 Cash receipts from other operating activities</b>		
Other operating income	444,872,828	387,692,566
Exchange earnings	539,438,315	590,060,556
	<b>984,311,143</b>	<b>977,753,122</b>
<b>41 (a) Consolidated Cash receipts from other operating activities</b>		
ONE Bank Limited	984,311,143	977,753,122
ONE Securities Limited	593,893	549,182
	<b>984,905,036</b>	<b>978,302,304</b>
<b>42 Cash payments for other operating activities</b>		
Rent, taxes, insurance and electricity etc.	410,619,921	355,645,152
Legal expenses	18,742,590	22,000,289
Postage, stamps, telecommunication etc.	58,040,460	51,278,918
Directors' fees	998,000	830,000
Auditors' fee	200,000	200,000
Other expenses	430,446,932	437,549,296
	919,047,903	867,503,655
Add: Outstanding in payable - Opening balance	197,299,171	245,437,630
Less: Outstanding in payable - Closing balance	(189,146,660)	(197,299,171)
	<b>927,200,414</b>	<b>915,642,114</b>
<b>42 (a) Consolidated Cash payments for other operating activities</b>		
ONE Bank Limited	927,200,414	915,642,114
ONE Securities Limited	13,224,552	1,649,249
	<b>940,424,966</b>	<b>917,291,363</b>
<b>43 (Increase)/decrease of other assets</b>		
<b>Closing balance:</b>		
Security deposits	3,888,295	2,538,295
Advance rent	510,875,757	444,055,293
Prepayments	146,860,818	65,890,760
Renovation work of rented premises	4,114,091	1,337,135
Suspense account	83,706,111	13,035,799
Receivable from Bangladesh Bank	205,312,982	81,502,632
Receivable from ONE Securities Ltd	25,765,707	16,413,348
Protested bill	2,727,713	2,727,713
Branch Adjustment Account	5,786,576	1,481,683
	<b>989,038,049</b>	<b>628,982,657</b>
Off-shore banking unit	-	-
	<b>989,038,049</b>	<b>628,982,657</b>

## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>Less: Opening balance:</b>		
Security deposits	2,538,295	908,515
Advance rent	444,055,293	410,469,694
Prepayments	65,890,760	66,808,274
Renovation work of rented premises	1,337,135	56,591,198
Suspense account	13,035,799	40,495,844
Receivable from Bangladesh Bank	81,502,632	50,012,589
Receivable from ONE Securities Ltd	16,413,348	11,288,213
Protested bill	2,727,713	3,345,838
Branch Adjustment Account	1,481,683	813,798
	<b>628,982,657</b>	<b>640,733,963</b>
Off-shore banking unit	-	-
	<b>628,982,657</b>	<b>640,733,963</b>
	<b>(360,055,392)</b>	<b>11,751,306</b>
<b>43 (a) Consolidated (Increase)/decrease of other assets</b>		
ONE Bank Limited	(360,055,392)	11,751,306
ONE Securities Limited	689,593	(1,031,023)
	<b>(359,365,799)</b>	<b>10,720,283</b>
<b>44 Deposits from banks</b>		
Closing Balance :		
Payment on demand	1,186,810	1,189,460
Short Term Deposit	-	191
Fixed Deposit	4,200,000,000	9,400,000,000
	4,201,186,810	9,401,189,651
Less : Opening balance	(9,401,189,651)	(1,192,915)
	<b>(5,200,002,841)</b>	<b>9,399,996,736</b>
<b>45 Deposits from customers</b>		
<b>Closing balance of Deposits</b>		
Payable on demand	22,495,572,013	16,683,288,578
Other deposits	103,889,360,679	73,097,529,621
	126,384,932,692	89,780,818,199
<b>Less: Opening balance of Deposits</b>		
Payable on demand	16,683,288,578	17,397,392,895
Other deposits	73,097,529,621	68,216,756,928
	89,780,818,199	85,614,149,823
<b>Deposit increased during the year</b>	36,604,114,493	4,166,668,376
<b>Add: Total interest on deposit</b>		
On demand deposits	1,071,571,960	1,049,742,651
On other deposits	415,007,560	245,437,630
	1,486,579,520	1,295,180,281
<b>Less: Closing balance of interest</b>		
On demand deposits	(1,505,015,918)	(1,071,571,960)
On other deposits	(349,467,364)	(415,007,560)
	(1,854,483,283)	(1,486,579,520)
	<b>36,236,210,730</b>	<b>3,975,269,137</b>
<b>46 Increase/(decrease) of other liabilities</b>		
<b>Closing balance:</b>		
Lease Obligation	2,466,897	7,751,641
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	4,400,000	4,400,000
Interest suspense	2,215,999,657	1,622,403,054
	2,223,340,065	1,635,028,207
Off-shore banking unit	-	-
	<b>2,223,340,065</b>	<b>1,635,028,207</b>



## Notes to the Financial Statements

For the year ended 31 December 2015

	2015 Taka	2014 Taka
<b>Less: Opening balance:</b>		
Interest on bills discounted	-	50,824
Lease Obligation	7,751,641	15,050,997
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	4,400,000	-
Interest suspense	1,622,403,054	876,721,731
	1,635,028,207	892,297,064
	<b>588,311,859</b>	<b>742,731,143</b>
<b>46 (a) Consolidated (Increase)/decrease of other liabilities</b>		
ONE Bank Limited	588,311,859	742,731,143
ONE Securities Limited	9,079,101	5,732,867
	<b>597,390,960</b>	<b>748,464,010</b>
<b>47 Letters of Guarantee</b>		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:		
Directors	-	-
Government	603,553,381	1,417,078,579
Banks and other financial institutions	2,322,211,298	2,590,942,665
Others	7,802,481,981	6,870,297,920
	10,728,246,661	10,878,319,164
<b>Total (i and ii)</b>	<b>10,728,246,661</b>	<b>10,878,319,164</b>
<b>48 Basic Earnings Per Share</b>		
Attributable profit for the year	<b>1,922,633,009</b>	<b>2,096,051,282</b>
Weighted average number of outstanding Shares for the year:		
Opening balance	524,377,702	524,377,702
Bonus Share Issued during the year 2014	65,547,212	65,547,212
	<b>589,924,914</b>	<b>589,924,914</b>
<b>Basic Earnings Per Share</b>	<b>3.26</b>	<b>3.55</b>
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.		
<b>48 (a) Basic Earnings Per Share Consolidated</b>		
Attributable to holding company	<b>1,870,403,848</b>	<b>1,635,865,332</b>
Weighted average number of outstanding Shares for the year:		
Opening balance	524,377,702	524,377,702
Bonus Share Issued during the year 2014	65,547,212	65,547,212
	<b>589,924,914</b>	<b>589,924,914</b>
<b>Basic Earnings Per Share</b>	<b>3.17</b>	<b>2.77</b>
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.		
<b>49 Related Party Disclosures of the Bank</b>		
i) Name of the directors together with a list of entities in which they have interest- <b>Annexure-E</b>		
ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2015: <b>Nil</b>		
iii) Shares issued to Directors and Executives without consideration or exercisable at discount: <b>Nil</b>		
iv) Nature, type and elements of transactions with the related party: <b>Nil</b>		
V) Lending policies in respect of related party:		
a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2015: Guarantee amounting to Tk. 3,407,278 and Tk. 16,300 have been provided in favour of COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd against 100% Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said COSCO (Bangladesh) Shipping Lines Ltd & Baridhi Shipping Lines Ltd.		
b) Amount of transactions regarding principal items of deposits, expenses and commission : Nil		
c) Amount of provision against loans and advances given to related party : <b>Nil</b>		
d) Amount of guarantees and commitments arising from other off-balance sheet exposures : <b>Nil</b>		
vi) Disclosure of transaction regarding Directors and their related concerns: <b>Nil</b>		
vii) As on Balance Sheet date, the total receivable amount of Tk.25,765,706 from ONE Securities Limited.		

## Notes to the Financial Statements

For the year ended 31 December 2015

- viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):

a) Lease agreement made with the Director :

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease Agreement	Corporate Head Quarters, ONE Bank LTD, 46 Kawran Bazar, Dhaka.	Mr. Sayeed H. Chowdhury, Director M/S. Hamid Properties Limited	Expiry Date of Lease 31.10.2023
Lease Agreement	Off Site Stationeries Store at Tejgaon, Plot # 26 Tejgaon Industrial Area, Dhaka.	Mr. Zahur Ullah, Director M/s. Shamah Enterprises Limited	Expiry Date of Lease 31.05.2021
Lease Agreement	Central Maintenance Unit and Off Site Stationeries Store 14-17A Sagshad Avenue, Tejgaon, Dhaka	Mr. Sayeed H. Chowdhury, Director M/S. HRC Bangladesh Limited	Expiry Date of Lease 30.06.2016
Lease Agreement	ONE Bank Ltd, Kawran Bazar Branch, HRC Bhaban 46, Kawran Bazar, Dhaka	Mr. Sayeed H. Chowdhury, Director M/S. Hamid Properties Limited	Expiry Date of Lease 30.06.2023
Lease Agreement	Centralised Tarde Processing Center & Centralised Loan Admin Department HRC Bhaban 64-66, Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Director M/S. HRC Properties Limited	Expiry Date of Lease 29.02.2024
Lease Agreement	Agrabad Branch, Centralised Trade Processing-Ctg., Centralised Loan Admin-Ctg. And ONE Securities Limited	Mr. Sayeed H. Chowdhury, Director M/S. HRC Properties Limited	Expiry Date of Lease 28.02.2025

- ix) Investments in the Securities of Directors and their related concern: Nil

### 50 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 1,976 (2014:1,861).

### 51 Events after the balance sheet date

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

  
**M. Fakhru Alam**  
Managing Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Director

  
**Asoke Das Gupta**  
Vice-Chairman

## Financial Highlights on the overall activities of the Bank

As at 31 December 2015

### Solo Basis

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

### Consolidated Basis

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

## Annexure-A

## ONE Bank Limited Schedule of Fixed Assets

As at 31 December 2015

[Referred to Note 8 of these Financial Statements]

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

## Reconciliation Statement Regarding Balance with Bangladesh Bank

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

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

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

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



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

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2015			2014		
		Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
Standard Chartered Bank, New York	USD	3,327,030.05	78.5003	261,172,857.03	4,483,045.25	77.9494	349,450,687.41
Commerzbank AG, Frankfurt	USD	1,083,472.44	78.5003	85,052,911.58	384,157.44	77.95	29,944,841.95
HSBC Bank, New York, USA	USD	-	-	-	(36,836.29)	77.9494	(2,871,366.70)
Mashreqbank Psc, New York	USD	1,505,081.06	78.5003	118,149,314.73	478,110.81	77.9494	37,288,450.77
ICICI Bank Limited, Hong Kong	USD	45,167.10	78.5003	3,545,630.90	177,610.85	77.9494	13,844,659.19
Wells Fargo Bank N.A, New York	USD	1,481,385.63	78.5003	116,289,216.37	2,737,267.58	77.9494	213,368,365.50
		<b>7,442,136.28</b>		<b>584,209,930.61</b>	<b>8,223,355.64</b>		<b>641,005,638.12</b>
Standard Chartered Bank, London	GBP	216,480.00	116.2668	25,169,436.86	50,690.24	120.9151	6,129,215.44
AB Bank Ltd, Mumbai	ACUD	190,965.34	78.5003	14,990,836.48	31,008.16	77.9494	2,417,067.47
Habib Bank Limited, Karachi	ACUD	354,463.09	78.5003	27,825,458.90	164,735.15	77.9494	12,841,006.10
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	560,691.78	78.5003	44,014,472.94	366,748.00	77.9494	28,587,786.55
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	69,178.87	78.5003	5,430,562.05	41,597.61	77.9494	3,242,508.74
Seylan Bank PLC, Colombo	ACUD	44,737.20	78.5003	3,511,883.62	70,342.51	77.9494	5,483,156.45
Standard Chartered Bank, Mumbai	ACUD	848,309.94	78.5003	66,592,584.78	722,294.51	77.95	56,302,423.68
United Bank of India, Kolkata	ACUD	88,759.04	78.5003	6,967,611.27	-	0.0000	-
ICICI Bank Limited, Mumbai	ACUD	893,309.14	78.5003	70,125,035.48	767,684.95	77.9494	59,840,581.24
		<b>3,050,414.40</b>		<b>239,458,445.52</b>	<b>2,164,410.89</b>		<b>168,714,530.23</b>
Standard Chartered Bank, Tokyo	JP YEN	7,460,564.00	0.6513	4,859,065.33	7,779,071.00	0.6459	5,024,501.96
Unicredit Bank, AG	EURO	-	-	-	68,331.31	94.7007	6,471,022.89
Standard Chartered Bank, Frankfurt	EURO	207,268.70	85.8008	17,783,820.27	188,513.27	94.7007	17,852,338.63
Commerzbank AG, Frankfurt	EURO	239,024.99	85.8008	20,508,535.36	103,686.10	94.7007	9,819,146.25
ICICI Bank Limited, Mumbai	EURO	171,211.04	85.8008	14,690,044.20	13,155.65	94.7007	1,245,849.26
		<b>617,504.73</b>		<b>52,982,399.83</b>	<b>373,686.33</b>		<b>35,388,357.03</b>
Westpac Banking Corporation, Sydney	AUD	231,430.12	57.1953	13,236,715.14	79,834.92	63.3807	5,059,993.11
Commerzbank AG, Frankfurt	CAD	7,092.59	56.5279	400,929.22	78,229.53	66.94	5,236,982.01
Habib Bank AG Zurich, Switzerland	CHF	45,706.79	79.5584	3,636,359.08	51,746.80	81.73	4,229,441.90
Bank Al-Jazira, Saudi Arabia	SAR	300,000.00	21.4350	6,430,500.00			
<b>Total</b>				<b>930,383,782</b>			<b>870,788,660</b>

### ONE Bank Limited Details of Large Loan

As at 31 December 2015

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

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

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

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent, Guarantor, Employee 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 Lamps Ltd 13 HRC Media Ltd. 14 Hamid Properties Ltd. 15 Arakan Express Ltd. 16 Information Services Network Ltd. 17 Bangladesh General Insurance Co. Ltd. 18 HRC Freight Ltd 19 Jaijaidin Publications Ltd. 20 Travelwise Ltd	60.00 60.00 49.00 93.00 99.00 47.00 45.00 63.79 80.00 56.00 80.00 80.00 99.50 10.00 21.00 8.17 2.07 80.00 84.69 15.00	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd. 2 Uniroyal Trade Ltd. 3 IMTrex 4 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	25.00	-

## Off-Shore Banking Unit Balance Sheet

As at 31 December 2015

PROPERTY AND ASSETS	Notes	2015		2014	
		USD	TAKA	USD	TAKA
<b>CASH</b>					
Cash in hand ( including foreign currencies)		-	-	-	-
Cash with Bangladesh Bank and its agent bank(s)		-	-	-	-
(Including foreign currencies)		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>					
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	-	-
<b>Money at Call on Short Notice</b>					
<b>Investment</b>					
Government		-	-	-	-
Others		-	-	-	-
<b>Loan and Advances:</b>					
	3				
Loans, cash credit, overdraft etc.		32,769,748	2,572,425,219	28,890,765	2,252,017,786
Bills purchased and discounted		371,163	29,136,321	266,658	20,785,826
		33,140,911	2,601,561,540	29,157,423	2,272,803,612
<b>Fixed Assets</b>					
<b>Other Assets</b>					
<b>Non Banking Assets</b>					
Total Assets		33,140,911	2,601,561,540	29,157,423	2,272,803,612
<b>LIABILITIES AND CAPITAL</b>					
<b>Borrowings from other banks, financial institutions and agents</b>					
<b>Deposit and other Accounts</b>					
	4				
Current accounts and other accounts		5,164	405,343	199,120	15,521,255
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		20,000,000	1,570,000,000	-	-
		20,005,164	1,570,405,343	199,120	15,521,255
<b>Other Liabilities</b>					
	5				
Total Liabilities		32,379,714	2,541,807,556	28,270,206	2,203,645,588
<b>Capital/Shareholders' Equity</b>					
Profit and Loss Account		761,197	59,753,984	887,217	69,158,024
Total Liabilities and Shareholders' Equity		33,140,911	2,601,561,540	29,157,423	2,272,803,612
<b>Off Balance Sheet Items</b>					
<b>Contingent Liabilities:</b>					
Acceptance and endorsements		-	-	-	-
Letter of Guarantee		-	-	-	-
Irrevocable Letters of Credit		-	-	-	-
Bills for Collection		-	-	-	-
<b>Other Contingent Liabilities</b>					
Claims lodged with but not recognized by the Bank		-	-	-	-
Other exchange contract		-	-	-	-
Total Contingent Liabilities		-	-	-	-
<b>Other Commitments</b>					
Documentary Credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving undertaking facilities		-	-	-	-
Undrawn formal standby facilities, credit lies and other commitments		-	-	-	-
Total other commitments		-	-	-	-
Total off-Balance Sheet items including contingent Liabilities		-	-	-	-

## Off-Shore Banking Unit Profit & Loss Account

For the year ended 31 December 2015

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



## Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2015

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

## **Off-Shore Banking Unit**

### **Note to the Financial Statements**

For the year ended 31 December 2015

#### **1.1 Status of the units**

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

##### **1.1.1 Principal activities**

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

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

##### **1.2.1 Basis of accounting**

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

##### **1.2.2 Use of estimates and judgments**

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

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

##### **1.2.3 Foreign currency transaction**

###### **a) Foreign currencies translation**

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

###### **b) Commitments**

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

##### **1.2.4 Cash flow statement**

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

##### **1.2.5 Reporting period**

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

## Off-Shore Banking Unit

### Note to the Financial Statements

#### 1.3 Assets and basis of their valuation

##### 1.3.1 Cash and cash equivalents

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

##### 1.3.2 Loans and advances / investments

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

##### 1.3.3 Fixed assets and depreciation

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

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

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

#### 1.4 Basis for valuation of liabilities and provisions

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

#### 1.5 Revenue recognition

##### 1.5.1 Interest income

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

##### 1.5.2 Fees and commission income

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

##### 1.5.3 Interest paid and other expenses

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

#### 2 General

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

**Off-Shore Banking Unit**  
**Note to the Financial Statements**

	2015		2014	
	USD	TAKA	USD	TAKA
<b>3 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts, etc.</b>				
Loan (General)	32,769,748	2,572,425,219	28,890,765	2,252,017,786
Cash Credit	-	-	-	-
Overdraft	-	-	-	-
Loan against Trust Receipt	-	-	-	-
	<b>32,769,748</b>	<b>2,572,425,219</b>	<b>28,890,765</b>	<b>2,252,017,786</b>
<b>ii) Bills purchased and discounted</b>				
Payable Inside Bangladesh	371,163	29,136,321	-	-
Foreign bills purchased and discounted	-	-	266,658	20,785,826
	<b>371,163</b>	<b>29,136,321</b>	<b>266,658</b>	<b>20,785,826</b>
	<b>33,140,911</b>	<b>2,601,561,540</b>	<b>29,157,423</b>	<b>2,272,803,612</b>
<b>4 Deposits and other accounts</b>				
Current deposits	4,905	385,047	55	4,318
Foreign currency deposits	-	-	-	-
Deposits from Banks- Local	20,000,000	1,570,000,000	-	-
Sundry deposits	259	20,295	199,064	15,516,937
	<b>20,005,164</b>	<b>1,570,405,343</b>	<b>199,120</b>	<b>15,521,255</b>
<b>5 Other liabilities</b>				
Due From Head Office	11,938,842	937,199,063	27,779,512	2,165,396,298
Accrued Interest	102,583	8,052,792	-	-
Income tax Export	78	6,136	-	-
Others	1,638	128,606	-	-
General Provision (Unclassified Loan) 1%	331,409	26,015,615	291,574	22,728,036
	<b>12,374,550</b>	<b>971,402,213</b>	<b>28,071,086</b>	<b>2,188,124,334</b>
<b>6 Interest income</b>				
LTR loan	-	-	4,622	360,308
Bills purchased and discounted	32,470	2,548,866	35,960	2,803,081
Short Term Loan	1,940,433	152,323,956	1,867,594	145,577,861
Others	17,918	1,406,580	94,670	7,379,435
<b>Interest on loans and advances</b>	<b>1,990,820</b>	<b>156,279,403</b>	<b>2,002,847</b>	<b>156,120,685</b>
Interest received from HO	-	-	-	-
<b>Total Interest income</b>	<b>1,990,820</b>	<b>156,279,403</b>	<b>2,002,847</b>	<b>156,120,685</b>
<b>7 Interest on deposits, borrowings,</b>				
Interest paid to HO	1,075,257	84,407,647	1,084,864	84,564,486
Interest expenses against nostro account	-	-	1,167	90,941
Interest expenses for other bank- Local	102,583	8,052,792	-	-
	<b>1,177,840</b>	<b>92,460,439</b>	<b>1,086,031</b>	<b>84,655,427</b>
<b>8 Commission, exchange and brokerage</b>				
Commission on L/C	-	-	-	-
Other commission	5,326	418,089	16,602	1,294,125
	<b>5,326</b>	<b>418,089</b>	<b>16,602</b>	<b>1,294,125</b>
<b>9 Other operating income</b>				
L/C advice Charge	-	-	3,450	268,925
Export Bill Handling Charge	828	65,018	1,743	135,893
EXP Issuing Charge	28,847	2,264,457	712	55,500
Postage	96	7,536	174	13,563
	<b>29,771</b>	<b>2,337,012</b>	<b>6,079</b>	<b>473,882</b>

# ONE Securities Limited



## **Auditor's Report to the shareholders of ONE Securities Limited**

### **Report on the Financial Statements:**

We have audited the accompanying financial statements of ONE Securities Limited (OSL) which comprise the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes 1-24 to the financial statements.

### **Management's Responsibility for the financial statements:**

Management of OSL is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, But not for the purpose expressing and opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion:**

In our opinion, financial statements which have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the statement of affairs of the company as at 31 December 2015 and of its financial performance and cash flows for the year then ended and comply with applicable laws and regulations.

### **Report on Other Legal and Regulatory Requirements:**

We also report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books.
- (c) the Company's financial position and financial performance dealt with by the Report are in agreement with the books of account.

Dated: Dhaka,  
23 February 2016

  
**ATA KHAN & CO.**  
Chartered Accountants

# ONE Securities Limited

## Statement of Financial Position

As at 31 December 2015

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

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

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Chairman

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

Dhaka: 23 February 2016

  
**ATA KHAN & CO.**  
Chartered Accountants

**ONE Securities Limited**  
**Statement of Comprehensive Income**

for the year ended 31 December 2015

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

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

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Chairman

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

Dhaka: 23 February 2016

**ONE Securities Limited**  
**Statement of Cash Flows**

for the year ended 31 December 2015

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

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

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Chairman

Dhaka: 23 February 2016

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

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

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

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Syed Nurul Amin**  
Director

  
**Zahur Ullah**  
Chairman

Dhaka: 23 February 2016



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

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**1 Status of the Company**

**1.1 Legal Form of the Company**

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

**1.2 Nature of Business Activities**

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

**2 Significant Accounting Policies and basis of preparation of Financial Statements**

**2.1 Basis of Accounting:**

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

**2.2 Statement of Cash flows**

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

**2.3 Fixed assets and depreciation**

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

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

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

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

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

**2.4 Investment in securities**

Investment in marketable and non-marketable ordinary shares has been shown at cost. Provision for

## ONE Securities Limited

### Notes to the Financial Statements

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diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

#### **2.5 Preliminary and pre-operating expenses**

These are recognized as an asset if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably. These are amortised over 5 years.

#### **2.6 Cash and cash equivalents**

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

#### **2.7 Provision for taxation**

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

#### **2.8 Interest paid and other expenses**

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

#### **2.9 Share capital**

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

#### **2.10 Reporting period**

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

#### **2.11 Reporting Currency**

The amount shown in this financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

#### **2.12 Related party transaction**

Related party transaction is a transfer of resources, services or obligation between related parties and here the related party transactions are the loan taken from ONE Bank Limited and a payable amounting to Tk.25,765,706 to ONE Bank Limited.

#### **2.13 Directors' responsibility on Financial Statements**

The Board of Directors of the company is responsible for the preparation and presentation of these Financial Statements.

#### **2.14 Events after reporting period**

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

#### **2.15 Earnings per Share**

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December, 2015 as per BAS-33 "Earnings Per Share".

#### **2.16 General**

Previous year figures have been rearranged wherever considered necessary to conform to current years presentation.

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

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

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

**5 Investment in Shares**

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

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

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

**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
	<b>2,182,236</b>	<b>2,182,236</b>
Less: Accumulated Amortised		
Opening balance	1,745,789	1,309,342
During the period	436,447	436,447
Closing balance	<b>2,182,236</b>	<b>1,745,789</b>
	<b>-</b>	<b>436,447</b>

## ONE Securities Limited

### Notes to the Financial Statements

	2015 Taka	2014 Taka
<b>7 Fixed Assets including premises, furniture &amp; fixtures</b>		
Furniture & Fixtures	7,804,738	126,500
Office equipment	6,208,804	2,988,711
	14,013,542	3,115,211
Intangible Assets	1,660,000	1,400,000
	15,673,542	4,515,211
Less: Accumulated depreciation	2,263,734	641,696
Closing balance	<b>13,409,809</b>	<b>3,873,515</b>
<b>(For details please refer to Annexure-A)</b>		
<b>8 Advance deposit and prepayment</b>		
Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	50,000
Security Deposit to CDBL for depositary participant	200,000	200,000
Advance payment for Office Decoration	-	4,668,303
Prepaid Insurance Premium	66,085	-
Advance payment of Software installation	-	182,000
	<b>316,085</b>	<b>5,100,303</b>
<b>9 Advance income tax</b>		
Opening balance	5,333,292	2,735,392
Addition during the period (note-9.1)	10,390,889	2,597,900
Closing balance	<b>15,724,181</b>	<b>5,333,292</b>
<b>9.1 Addition during the year</b>		
Advance tax paid with Appeal to Appellate Tribunal	112,368	172,630
Advance income tax deducted on Dividend	7,022,195	1,669,800
Advance income tax deducted by DSE on transaction	2,633,006	668,254
Advance income tax deducted by DSE on transaction for Dealer	269	1,483
Advance income tax deducted by CSE on transaction for Dealer	181	370
Advance income tax deducted by CSE on transaction	24,199	12,144
Advance income tax deducted by Bank on Deposit	587,028	62,241
Advance income tax deducted by Bank on Deposit Dealer	11,643	10,978
	<b>10,390,889</b>	<b>2,597,900</b>
<b>10 Margin Loan to clients</b>	<b>48,759,610</b>	<b>15,044,724</b>
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.		
<b>11 Accounts Receivable</b>		
Receivable from DSE	-	1,006,023
Receivable from CSE	148,458	-
	<b>148,458</b>	<b>1,006,023</b>
<b>12 Cash and Cash Equivalent</b>		
Cash in Hand	4,367	16,680
ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C	12,083,758	451,524
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C	44,045,242	10,938,356
ONE Bank Limited, Principal Branch (IPO Account)	14,658	366,500
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	550	-
ONE Bank Limited, Principal Branch (SND)- Dealer	2,613,733	3,916,373
	<b>58,762,309</b>	<b>15,689,433</b>
<b>13 Short Term Borrowing</b>		
Time loan from ONE Bank Ltd	-	490,026,374
<b>14 Other liabilities</b>		
Provision for diminution in value of investment in shares (note-14.1)	596,231,789	517,230,662
Provision for Income Tax (note-14.2)	2,905,819	2,706,372
	<b>599,137,607</b>	<b>519,937,034</b>

## ONE Securities Limited

### Notes to the Financial Statements

	2015 Taka	2014 Taka
<b>14.1 Provision for diminution in value of investment in shares</b>		
Opening balance	517,230,662	110,990,000
Provision for the year	79,001,127	406,240,662
Closing balance	<b>596,231,789</b>	<b>517,230,662</b>
<b>14.2 Provision for Income Tax</b>		
Opening balance	2,706,372	2,658,655
Provision for the year	199,447	47,717
Closing balance	<b>2,905,819</b>	<b>2,706,372</b>
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rate		
<b>15 Audit Fee</b>		
Opening balance	25,000	25,000
Charge during the year	25,000	25,000
Paid during the year	-	(25,000)
Closing balance	<b>50,000</b>	<b>25,000</b>
<b>16 Other Payable</b>		
Payable to ONE Bank Ltd.	25,765,706	16,413,348
Leave Fare Assistance	327,900	381,598
VAT on audit fees	7,500	3,750
Payable to Clients	5,071,819	4,826,064
Payable to Telnet Communication Limited	12,000	12,000
Marketing Expenses Payable	395,976	47,689
Payable to Service Outsourcing	46,422	46,422
IPO Application Money A/C	-	364,000
Payable to Dhaka Stock Exchanges	9,727,564	6,086
Payable to Chittagong Stock Exchanges-Dealer	-	503,608
Payable to Chittagong Stock Exchanges	121	33,109
Payable to CDBL	937	8,065
Payable To Link3 Technologies Ltd.	12,000	-
Sundry Liabilities	12,463	-
	<b>41,380,408</b>	<b>22,645,739</b>
<b>17 Commission and Brokerage Income</b>		
Commission income from Broker	20,289,445	5,432,825
Commission income from Dealer	3,605	14,824
	<b>20,293,050</b>	<b>5,447,649</b>
<b>18 Interest Income</b>		
Interest income from Margin Loan	4,497,713	775,006
Interest on Bank Deposit	5,986,707	730,880
	<b>10,484,420</b>	<b>1,505,886</b>
<b>19 Investment Income</b>		
Dividend Income	35,110,984	8,349,000
Capital Gain	-	53,948
	<b>35,110,984</b>	<b>8,402,948</b>
<b>20 Other Operation Income</b>		
BO Accounts Opening Fees	132,000	209,200
BO Account Maintenance fee	198,500	37,000
Documentation Fees for Margin Loan	16,800	28,800
Transfer/Transmission In/Out Charges	44,737	99,516
Cheque Dishonour	47,000	20,000
Management Fees- Margin Accounts	38,001	24,000
Miscellaneous	116,856	130,676
	<b>593,893</b>	<b>549,192</b>
<b>21 Salary and Allowances</b>		
Salary & Allowances	7,910,241	4,709,787
Bonus	1,261,252	559,264
	<b>9,171,493</b>	<b>5,269,051</b>



## ONE Securities Limited

### Notes to the Financial Statements

	2015 Taka	2014 Taka
<b>22 Fees and renewal</b>		
License and renewal fee	268,911	170,100
RJSC expenses	140,167	29,700
Authorized representative application fee	5,000	8,300
CDBL Charges	1,071,870	480,286
Legal Expenses	468,754	-
Training Expenses	-	36,500
Trading Work Station Charge	20,000	25,000
DSE Membership fee	-	4,700
BSEC Fees for raising Paid Up Capital	147,273	5,000
Govt. Excise Duty	25,850	11,000
Back Office Software maintenance Charges	134,034	-
Internet Line Charges	-	232,645
	<b>2,281,859</b>	<b>1,003,231</b>
<b>23 Direct Expenses</b>		
Howla Charges-DSE	-	47,526
Howla Charges-DSE-Dealer	16	38
Howla Charges-CSE-Dealer	-	22
Transaction Fee -DSE	1,316,504	271,098
Transaction Fee-DSE-Dealer	135	593
Transaction Fee-CSE-Dealer	65	132
Howla Charges-CSE	3,152	1,756
Transaction Fee-CSE	8,712	4,264
	<b>1,328,583</b>	<b>325,430</b>
<b>24 Others expenses</b>		
Messenger Service	123,912	87,503
Security Guard expenses	283,608	212,706
Entertainment	114,912	98,084
Conveyance	37,490	2,780
Postage, Stamp & Telecommunication	483,002	-
Sundry Expenses	79,425	41,513
VAT on Audit fee	3,750	3,750
Loss on sales of Fixed Assets	50,580	-
Cleaning Service	159,294	116,535
Board Meeting Expenses	20,125	-
Marketing Expenses	3,528,252	47,689
	<b>4,884,350</b>	<b>610,560</b>

  
**Aminul Islam**  
 Chief Executive Officer

  
**A.S.M. Salahuddin**  
 Director

  
**Syed Nurul Amin**  
 Director

  
**Zahur Ullah**  
 Chairman

**ONE Securities Limited**  
**Schedule of Fixed Assets**

As at 31 December 2015

[Referred to Note 7 of these Financial Statements]

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

# Our Network of Branches & Booths

**Corporate HQ:** 2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka, Bangladesh  
Tel: +880 2 9118161, Fax: +880 2 9134794, SWIFT: ONEBDDH000, Website: www.onebank.com.bd

## Dhaka Zone

### Principal Branch

45, Dilkusha C.A., Dhaka, Bangladesh  
Tel : 880 2 9564249  
Fax : 880 2 9561960  
E-mail : manager.principal@onebank.com.bd  
SWIFT : ONEBDDH001

### Dhanmondi Branch

House No. 21, Road No. 8  
Dhanmondi R.A., Dhaka, Bangladesh  
Tel : 880 2 9139224, 9120790, 8120672  
Fax : 880 2 9143965  
E-mail : manager.dhanmondi@onebank.com.bd  
SWIFT : ONEBDDH013

### Mirpur Branch

Plot No. 2, Road No. 11, Section No. 6  
Block No. C, Mirpur-11, Dhaka, Bangladesh  
Tel : 880 2 8035232, 8031406, 9012969  
Fax : 880 2 9016165  
E-mail : manager.mirpur@onebank.com.bd  
SWIFT : ONEBDDH011

### Banani Branch

Plot No. 158, Block No. E  
Banani R.A., Dhaka, Bangladesh  
Tel : 880 2 8824423, 8823427  
Fax : 880 2 8824561  
E-mail : manager.banani@onebank.com.bd  
SWIFT : ONEBDDH018

### Imamgonj Branch

18, Roy Iswar Chandra Shill Bahadur Street  
Imamgonj, Dhaka, Bangladesh  
Tel : 880 2 7316477, 7316488  
Fax : 880 2 7316499  
E-mail : manager.imamgonj@onebank.com.bd  
SWIFT : ONEBDDH008

### Motijheel Branch

Sharif Mansion  
56-57, Motijheel C.A., Dhaka, Bangladesh  
Tel : 880 2 9564191, 9566896, 9570544  
Fax : 880 2 9563746  
E-mail : manager.motijheel@onebank.com.bd  
SWIFT : ONEBDDH020

### Kakrail Branch

Musafir Tower  
90, Kakrail, Dhaka, Bangladesh  
Tel : 880 2 8300063, 8300043  
Fax : 880 2 9351260  
E-mail : manager.kakrail@onebank.com.bd  
SWIFT : ONEBDDH022

### Elephant Road Branch

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

### Bangshal Branch

22, Bangshal Road  
Bangshal, Dhaka, Bangladesh  
Tel : 880 2 711677  
Fax : 880 2 9567925  
E-mail : manager.bangshal@onebank.com.bd

### Banasree Branch

Al-Kausar Palace  
House # 2, Road # 5, Block - D  
Banasree R/A, Dhaka, Bangladesh  
Tel : 880 2 7287739, 7287993  
Fax : 880 2 7288183  
E-mail : manager.banasree@onebank.com.bd

### Jagannathpur Branch

Ka-43, Jagannathpur, Nadda  
Dhaka, Bangladesh  
Tel : 880 2 8415612-14  
Fax : 880 2 8415615  
E-mail : manager.jagannathpur@onebank.com.bd

### Gulshan Branch

97, Gulshan Avenue, Dhaka, Bangladesh  
Tel : 880 2 9890138-40  
Fax : 880 2 9856797  
E-mail : manager.gulshan@onebank.com.bd  
SWIFT : ONEBDDH003

### Kawran Bazar Branch

HRC Bhaban  
46, Kawran Bazar C.A., Dhaka, Bangladesh  
Tel : 880 2 8156054, 8155158, 9128584  
Fax : 880 2 8155158  
E-mail : manager.kawranbazar@onebank.com.bd  
SWIFT : ONEBDDH012

### Uttara Branch

House No. 14, Road No. 14B, Sector No. 4  
Uttara Model Town, Dhaka, Bangladesh  
Tel : 880 2 8951447-50  
Fax : 880 2 8924261  
E-mail : manager.uttara@onebank.com.bd  
SWIFT : ONEBDDH006

### Ganakbari (EPZ) Branch

Somser Plaza  
Ganakbari Savar, Dhaka, Bangladesh  
Tel : 880 2 7789653-4  
Fax : 880 2 7789654  
E-mail : manager.ganakbariepz@onebank.com.bd  
SWIFT : ONEBDDH005

### Jatrabari Branch

Mansur Complex  
249/B/2, South Jatrabari, Dhaka, Bangladesh  
Tel : 880 2 7554800-2  
Fax : 880 2 7554803  
E-mail : manager.jatrabari@onebank.com.bd

### Joypara Branch

Monowara Mansion  
Joypara Bazar  
Latakhola, Raipara, Dohar,  
Dhaka, Bangladesh  
Tel : 880 2 7768161  
E-mail : manager.joypara@onebank.com.bd

### Narayangonj Branch

Haque Plaza  
Plot No. 05, B. B. Road, Chashara C.A.,  
Narayangonj, Bangladesh  
Tel : 880 2 7648572-3  
Fax : 880 2 7635242  
E-mail : manager.narayangonj@onebank.com.bd  
SWIFT : ONEBDDH017

### Tongi SME/Agriculture Branch

Shahjalal Shopping Complex, 1/1-A  
Sahajuddin Sarkar Road, Tongi  
Gazipur, Bangladesh  
Tel : 880 2 9817407-9  
Fax : 880 2 9817410  
E-mail : manager.tongi@onebank.com.bd

### Progoti Sharani Branch

Ridge Dale  
Cha - 75/2, Uttar Badda  
Dhaka, Bangladesh  
Tel : 880 2 8816648, 8813755, 8814175  
Fax : 880 2 8816649  
E-mail : manager.progotisharani@onebank.com.bd

### Nawabgonj Branch

Sikder Plaza  
Bagmara Bazar, Nawabgonj  
Dhaka, Bangladesh  
Mobile : 01730082799  
E-mail : manager.nawabgonj@onebank.com.bd

### Madhabdi Branch

355, Madhabdi Bazar (Bottola)  
Narsingdi, Bangladesh  
Tel : 880 2 9466885-7  
Fax : 880 2 9466888  
E-mail : manager.madhabdi@onebank.com.bd

### Basabo Branch

Dhaka Complex Pvt. Ltd.  
1/Ga, Central Basabo, Sabujbagh  
Dhaka, Bangladesh  
Tel : 880 2 7811336-38  
Fax : 880 2 7811339  
E-mail : manager.basabo@onebank.com.bd

### Moghbazar Branch

Erra Tower, 1/B, Outer Circular Road  
Moghbazar Wireless, Ramna  
Dhaka, Bangladesh  
Tel : 880 2 8319562, 8319570, 8319584  
Fax : 880 2 9336674  
E-mail : manager.moghbazar@onebank.com.bd

### Ring Road Branch

Shampa Super Market  
6/7 Adarsha Chayaneer  
Ring Road, Shamoli, Dhaka, Bangladesh  
Tel : 880 2 9104551, 9104552, 9104553  
Fax : 880 2 9104554  
E-mail : manager.ringroad@onebank.com.bd

### Lalbagh Branch

47, Horonath Gosh Road  
Lalbagh, Dhaka  
Tel : 880 2 9668939, 9672748, 9672713  
Fax : 880 2 9668795  
E-mail : manager.lalbagh@onebank.com.bd

### Tipu Sultan Road Branch

50, Tipu Sultan Road, Nawabpur, Dhaka  
Tel : 880 2 9537845-47  
Fax : 880 2 9591844  
E-mail : manager.tipusultanroad@onebank.com.bd

### Zinzira Branch

Hazi Nuru Mia Tower, Purbabond Dakpara  
Zinzira, Keranigonj, Dhaka  
Mobile : 01709646005-7  
E-mail : manager.zinzira@onebank.com.bd

### Nandipara Branch

34 Madhha Nandipara,  
DakshingonKhilgaon, Dhaka"  
Tel : 880 2 7811350-52  
Fax : 7811340  
E-mail : manager.nandipara@onebank.com.bd

### Mawna Branch

Salam Fakir Super Market, Mawna Bazar,  
Sreepur, Gazipur.  
Tel : 880 68151231-33  
Fax : 51234  
E-mail : manager.mawna@onebank.com.bd

### Sonargaon Janapath Branch

House # 02, Road #17/B, Sonargaon Janapath,  
Sector - 12, Uttara, Dhaka  
Tel : 55086731, 55086732  
Fax : 55086730  
E-mail : manager.sonargaonjanapath@onebank.com.bd

### Faridpur Branch

Lam Shahajadi Tower, 213 Alipur Road  
Faridpur Sadar, Faridpur.  
Tel : 880-0631 62483, 62484  
E-mail : manager.faridpur@onebank.com.bd

## Chittagong Zone

### Agrabad Branch

95, Agrabad C.A., Chittagong, Bangladesh  
Tel : 880 31 721384, 726295, 711198  
Fax : 880 31 714125  
E-mail : manager.agrabad@onebank.com.bd  
SWIFT : ONEBDDH002

### Khatungonj Branch

110-111, Khatungonj, Chittagong,  
Bangladesh  
Tel : 880 31 619377, 621252,  
635645, 635526  
Fax : 880 31 624454  
E-mail : manager.khatungonj@onebank.com.bd  
SWIFT : ONEBDDH004

### Jubilee Road Branch

Kader Tower  
128, Jubilee Road, Chittagong, Bangladesh  
Tel : 880 31 2853112-5  
Fax : 880 31 2853116  
E-mail : manager.jubileeroad@onebank.com.bd  
SWIFT : ONEBDDH023

### Cox's Bazar Branch

Monora Complex  
East Laidlight Par, Court Hill Lane  
Main Road, Cox's Bazar, Bangladesh  
Tel : 880 341 51113-4  
Fax : 880 341 51114  
E-mail : manager.coxsbazar@onebank.com.bd

### CDA Avenue Branch

Avenue Center  
787/A, CDA Avenue  
East Nasrabad  
Kotwali, Chittagong, Bangladesh  
Tel : 880 31 2858151-3  
Fax : 880 31 2858154  
E-mail : manager.cdaavenue@onebank.com.bd

### Nanupur Bazar Branch

Central Plaza  
Nanupur Bazar, Fatikchhari  
Chittagong, Bangladesh  
Tel : 04436140511-4 (RanksTel)  
Mobile : 01730323092  
E-mail : manager.nanupurbazar@onebank.com.bd

### Sitakunda Branch

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

### Rangamati Branch

H. B. Plaza  
72/Ma, Banarupa Bazaar  
Rangamati, Bangladesh  
Tel : 880 351 61701-2, 61741  
Fax : 880 351 61742  
E-mail : manager.rangamati@onebank.com.bd

### Boalkhali Branch

Joinab Tower  
Gomdondi, Boalkhali Sadar  
Chittagong, Bangladesh  
Tel : 880 03032 55181-3  
E-mail : manager.boalkhali@onebank.com.bd

### Raozan Branch

Al-Baraka Mazda Bhaban  
10/742, College Gate, Munshirghata, Raozan  
Tel : 03026-56474-76  
E-mail : manager.raozan@onebank.com.bd

### Ranirhat Branch

Ferdous Shopping Complex  
Raja Nagar, Rangunia, Ranirhat  
Mobile : 01755594064  
E-mail : manager.ranirhat@onebank.com.bd

### Chandgaon Branch

Khawaja Complex  
1706/D Arakan Road, Chandgaon, Chittagong  
Tel : 880 31 2573291, 2573292, 2573293  
Fax : 880 31 2573294  
E-mail : manager.chandgaon@onebank.com.bd

### Dovashi Bazar Branch

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

### Halishahar Branch

House # 2, Road # 3, Block # L  
Halishahar Housing Estate  
Boropole, Chittagong  
Tel : 880 31 727712, 727713, 727714  
Fax : 880 31 727715  
E-mail : manager.halishahar@onebank.com.bd

### Hathazari Branch

J & G Shopping Complex  
Ramgor Road, Hathazari Bus Station  
Hathazari, Chittagong  
Tel : 880 31 2602003-5  
Fax : 880 31 2602006  
E-mail : manager.hathazari@onebank.com.bd

### Anderkilla Branch

RAC Chamber  
37 Raja Pukur Lane, Kotwali, Chittagong  
Tel : 880 31 2851612-14  
Fax : 880 31 2851611  
Mobile : 0176667014  
E-mail : manager.anderkilla@onebank.com.bd

### Mithachara Branch

Mithachara Islamia Fazil Madrasa Market  
Mithachara Bazar, Mirsarai, Chittagong  
Tel : 880 3024 56048, 56049, 56050  
Fax : 880 3024 56052  
E-mail : manager.mithachara@onebank.com.bd

### Anowara Branch

Mohsen Awlia Shopping Complex  
Anowara Barkal Road, Upazila Sadar Anowara, Chittagong  
Tel : 880 3029 56142, 56143, 56144  
Fax : 880 3029 56141  
E-mail : manager.anowara@onebank.com.bd

### Station Road Branch

Asian SR Hotel  
291 Station Road, Kotwali, Chittagong  
Tel : 880 31 2851840, 2851841, 2851842  
E-mail : manager.stationroad@onebank.com.bd

### Chittagong EPZ Branch

Hossain Complex, 1956 A/ 2098  
Airport Road, Bandar, Chittagong  
Tel : 031-800231, 8000232  
Fax : 031- 800230  
E-mail : manager.chittagongepz@onebank.com.bd

### Bibir Hat Branch

Al Macca Shopping Center  
55, College Road, Bibirhat, Fatikchhari, Chittagong  
Tel : 03022-56347, 03022-56348  
E-mail : manager.bibirhat@onebank.com.bd

# Our Network of Branches & Booths

## Rajshahi Zone

### Rajshahi Branch

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

### Bogra Branch

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

### Sirajgonj Branch

Mustofa Plaza  
104, S. S. Road, Sirajgonj Sadar  
Sirajgonj, Bangladesh  
Tel : 880 751 62291-2  
Fax : 880 751 62280  
E-mail : manager.sirajgonj@onebank.com.bd

### Shahjadpur SME/Agriculture Branch

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

### Rangpur Branch

Shah Bari Tower  
286, Station Road, Guptapara  
Rangpur, Bangladesh  
Tel : 880 521 55081, 55082, 55083  
Fax : 880 521 55084  
E-mail : manager.rangpur@onebank.com.bd

## Khulna Zone

### Khulna Branch

J.K Tower, 79 Khan – A – Sabur Road  
Picture Palace, Khulna, Bangladesh  
Tel : 880 41 813339, 813351, 813378  
Fax : 880 41 813409  
E-mail : manager.khulna@onebank.com.bd

### Satkhira Branch

Mehedi Super Market  
450, Boro Bazar Sarak, Pransayer  
Satkhira, Bangladesh  
Tel : 880 471 63898, 63910, 63911  
Fax : 880 471 63899  
E-mail : manager.satkhira@onebank.com.bd

### Jessore Branch

M. S. Orchid Centre  
44, M. K. Road, Jessore, Bangladesh  
Tel : 880 421 68046-48  
Fax : 880 421 68049  
E-mail : manager.jessore@onebank.com.bd  
SWIFT : ONEBDDH014

### Kushtia Branch

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

### Poradaha Branch

Chairman Tower, Poradaha Bazar,  
Mirpur, Kushtia  
Mobile : 01777734341  
E-mail : manager.poradaha@onebank.com.bd

## Noakhali Zone

### Chowmuhuni Branch

Bhuiyan Market  
D. B. Road, Railgate  
Chowmuhuni, Noakhali, Bangladesh  
Tel : 880 321 52098  
Fax : 880 321 53043  
E-mail : manager.chowmuhuni@onebank.com.bd

### Chandraganj Branch

Chandraganj Bazar  
Lakshmpur, Bangladesh  
Mobile : 01713045518, 01713045519  
E-mail : manager.chandraganj@onebank.com.bd

### Feni Branch

Zulfikar Chamber  
244, Islampur Road, Feni, Bangladesh  
Tel : 880 331 62362, 62267, 62367  
Fax : 880 331 62261  
E-mail : manager.feni@onebank.com.bd

### Dagon Bhuiyan Branch

Khair Shopping Complex  
Fazilaer Ghat Road, Dagon Bhuiyan,  
Feni, Bangladesh  
Tel : 880 3323 79097-8  
Fax : 880 3323 79099  
E-mail : manager.dagonbhuiyan@onebank.com.bd

### Ramgonj Branch

Nur Plaza  
378/1, Uttar Bazar, Main Road  
Ramgonj, Lakshmpur, Bangladesh  
Tel : 880 3824-75041  
Fax : 880 3824 75181  
E-mail : manager.ramgonj@onebank.com.bd

### Majdee Court Branch

1241 & 1459, Main Road, Majdee Court  
Noakhali, Bangladesh  
Tel : 880 321 71255  
Fax : 880 321 71286  
E-mail : manager.majdeecourt@onebank.com.bd

### Mandari Bazar Branch

Bank Road, Mandari Bazar  
Lakshmpur  
Phone : 880 381 55012, 55013, 55779  
Fax : 880 381 55790  
E-mail : manager.mandari@onebank.com.bd

### Raipur Branch

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

### Amishapara Branch

Nurjahan Super Market  
Moddham Bazar, Bhadrangonj  
Amishapara, Sonaimuri, Noakhali.  
Mobile : 01766-66-667021  
E-mail : manager.amishapara@onebank.com.bd

### Lakshmpur SME/Agriculture Branch

Sky Touch Tower  
1305, Bazar road, Lakshmpur Sadar, Lakshmpur  
Tel : (88-0381)-62875, 62876  
E-mail : manager.lakshmpur@onebank.com.bd

### Chaprashir Hat SME/ Agriculture Branch

Akash Shopping Center  
Purbo Bazar, Chaprashir Hat  
Companygonj, Noakhali  
Tel : (88-03232)-53048, 53049  
E-mail : manager.chaprashirhat@onebank.com.bd

### Subarnachar Branch

Bismillah Tower  
Harris Chowdhury Bazar  
West Char Jubilee, Char Jabbar  
Subarnachar, Noakhali  
Tel : 03228 – 52101-3  
Fax : 03228 – 52104  
E-Mail : manager.subarnachar@onebank.com.bd

### Chaterpaiya Branch

Nurjahan Complex  
Barogaon, Chaterpaiya Bazar  
Sonaimuri, Noakhali  
Cell : 01777734336, 01777734337, 01777734338  
E-mail : manager.chaterpaiya@onebank.com.bd

### Chatkhil Branch

Dr. Bashir Plaza  
4129 Chatkhil Bazar  
Chatkhil, Noakhali  
Tel : 03222 – 75351 -3  
Fax : 03222 – 75354  
E-mail : manager.chatkhil@onebank.com.bd

## Comilla Zone

### Comilla Branch

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

### Laksham Branch

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

### Brahmanbaria SME/Agriculture Branch

Bhuiyan Mansion  
1081, Masjid Road, Brahmanbaria  
Tel : 880 851 59455, 59466, 63452  
Fax : 880 851 63451  
E-mail : manager.brahmanbaria@onebank.com.bd

## Sylhet Zone

### Sylhet Branch

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

### Islampur Branch

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

### Sherpur Branch

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

### Laldighirpar Branch

1827 & 2324, Laldighirpar  
Sylhet, Bangladesh  
Tel : 880 821 716209, 712778, 714284  
Fax : 880 821 711154  
E-mail : manager.laldighirpar@onebank.com.bd  
SWIFT : ONEBDDH051

## Booth

### Chittagong Port Booth

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

### AUST Booth

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

### DPDC Booth

27, Ailabhor, Shampur Bazar,  
Shampur, Jatrabari  
Dhaka, Bangladesh

### One Stop Service Centre

Chittagong Port Authority  
Chittagong, Bangladesh  
Tel : 880 4434 301051

### DTM Operations Office

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

### Baghabari Booth

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

### DSE Booth

9/E, Mothijheel  
Dhaka, Bangladesh  
Mobile : 01755541819

### Grihayan Bhaban Booth

National Housing Authority  
82, Segunbagicha  
Dhaka -1000

### Parbatipur Depot

(BPC) Booth  
Parbatipur, Dinajpur

### Sreepur Booth

Madina Market, Sreepur  
Ganakbari, Ashulia, Dhaka.

### Bangabandhu Bridge

Toll Collection Booth  
Western Plaza  
Bangabandhu Bridge  
Sirajgonj.

### Mohammadpur Girls

High School Booth  
Nurjahan Road  
Mohammadpur, Dhaka.

### Uttara Passport

Office Booth  
Sec-12, Road-7, Uttara, Dhaka.

### Narayangonj City

Corporation Booth  
B.B. Road  
City Corporation Bhaban  
Narayangonj.

### Sylhet Passport

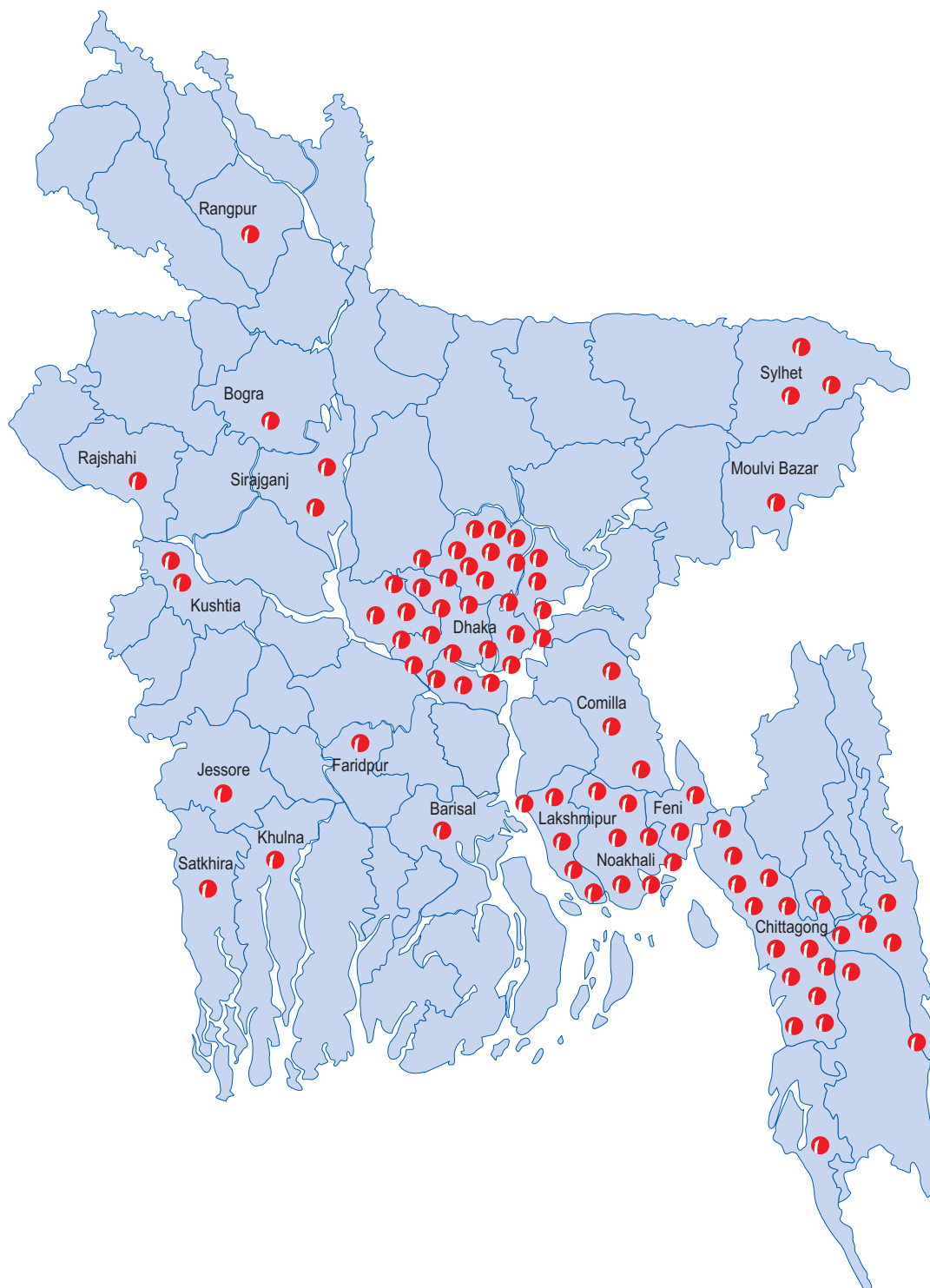
Office Booth  
Jakigong Sarak  
Sylhet City Corporation, Sylhet.

## Barisal Zone

### Barisal Branch

K Jahan Centre  
106, Sadar Road, Kotwali, Barisal  
Tel : 880 431 64537, 64538, 2177568  
Fax : 880 431 2177569  
E-mail : manager.barisal@onebank.com.bd

## Our Network of Branches & Booths







Corporate HQ (Registered Office):  
2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215

## PROXY FORM

I/We .....

of (Address) .....

being a Member(s) of ONE Bank Limited and entitled to vote, hereby appoint Mr./Mrs./Ms/Miss .....

of (Address) ..... as my/our

Proxy to attend and vote on my/our behalf at the 17th AGM of the Company to be held on Thursday, March 31, 2016 or at any adjournment thereof.

Signed this ..... day of ....., 2016.

Revenue Stamp  
Tk. 20/-

Signature of Proxy .....

Signature of Member .....

Folio / BONO. ....

No. of Shares held .....

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank/CDBL), must be deposited at the Registered Office of the Company at least 48 (forty eight) hours before the Meeting. Proxy is invalid if not signed and stamped as explained above.



Corporate HQ (Registered Office):  
2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215

## ATTENDANCE SLIP

I hereby record my attendance at the 17th AGM of the Company being held on Thursday, March 31, 2016 at 11:00 a.m. in the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000

Name of Member/Proxy (In Block Letters) .....

Folio / BONO. ....

No. of Shares held .....

Signature of the Member/Proxy .....

Date .....



N.B: 1. Members attending the Meeting in person or by proxy are requested to complete the Attendance Slip and deposit the same at the registration counter on the day of the Meeting.

2. Please note that AGM can be attended only by the Members or properly constituted Proxy. Therefore, any friend or children accompanying the Members or Proxy cannot be allowed in the Meeting.



**ONE Bank**

LIMITED

*...We Make Things Happen*

**Corporate HQ:**

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

Tel : + 88 02 9118161 Fax : 88 02 9134794

Click [www.onebank.com.bd](http://www.onebank.com.bd) Call Center 16269