



engraving our success

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HALLMARKS

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 Memorandum and Articles of Association signed by the Sponsors 	May 4, 1999
Incorporation of the Company	May 12, 1999
Certificate of Commencement of Business	May 12, 1999
License issued by Bangladesh Bank	June 2, 1999
• License issued for opening the first branch-Principal Branch, Dhaka	June 17, 1999
• Formal launching of the Bank	July 14, 1999
• Commencement of business from the Principal Branch, Dhaka	July 14, 1999
Sponsored Industrial and Infrastructure Development	
Finance Company Limited (IIDFC) as Promoter Shareholder	June 25, 2001
• Floatation of Initial Public Offering (IPO):	í literatura de la companya de la co
Publication of Prospectus	June 29, 2003
Subscription opened	August 11, 2003
Subscription closed	August 12, 2003
• Lottery held for Allotment of Oversubscribed Shares	August 31, 2003
• Trading of Shares at Dhaka Stock Exchange Limited	December 6, 2003
• Trading of Shares at Chittagong Stock Exchange Limited	December 6, 2003
• Sponsor Shares acquisition of VANIK Bangladesh Limited (now LankaBangla Finance Limited)	June 5, 2004
• Dividend declared in the 5th AGM (first ever after the IPO)	June 7, 2004
• Commencement of trading of the Bank's Shares in dematerialized form on	
Central Depository System(CDS) of Central Depository Bangladesh Limited (CDBL)	December 22, 2004
• Launched ONE Bank MasterCard (Credit Cards)	July 14, 2005
• Installed Automated Teller Machines (ATMs)	July 14, 2006
• Inaugurated its 50th Branch	December 29, 2010
 Incorporation of Subsidiary Company ONE Securities Limited 	May 4, 2011
• Obtained Chittagong Stock Exchange (CSE) Membership	May 8, 2011
Change of Face Value and Market Lot of Shares	December 4, 2011
New CBS Software (ORACLE Flexcube-11.2) live operation	January 1, 2012
• Launching of Internet Banking	March 23, 2012
• Enhancement of Authorised Capital (from Tk 415 crore to Tk 1,000 crore)	March 29, 2012
• Obtained Dhaka Stock Exchange (DSE) Membership	December 6, 2012
 Joined Q-Cash, DBBL, BRAC and VISA Networks 	March 13, 2013
Obtained Custodial License	May 8, 2013
• Launched Multi Currency VISA Debit, Prepaid & Credit Cards	2 /
as a Principal Member of VISA Worldwide Pte. Ltd.	August 29, 2013
• Launched Bank Led Mobile Financial Services 'OK Banking'	September 5, 2013
OBL's Subsidiary ONE Securities Limited Launched Stock Broking and Dealing Services	March 2, 2014
CDBL Connection Installed to Launch Custodial Service	March 30, 2014
• Signing of Term Facility Agreement for Syndicated FC Loan of	
USD 44 million with FMO, OFID & OeEB.	November 07, 2016





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 \rightarrow One goal \rightarrow Serving our clients, stakeholders and the community at large \rightarrow 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."

ONE Bank Limited

Annual Report 2016

Code of Conduct

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."

ONE Bank Limited

Annual Report 2016

Code of Conduct

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."

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Annual Report 2016



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. Fakhrul Alam			
		f Business unking	SWIFT ONEBBDDH			
Date of Incorporation May 12, 1999	-		Website www.onebank.com.bd			
Registered Office 2/F HRC Bhaban 46 Kawran Bazar C.A. Dhaka 1215, Bangladesh		e lefax 9134794	E- mail obl@onebank.com.bd			

Auditors / Legal advisers

Auditors

HODA VASI CHOWDHURY & CO.

Chartered Accountants BTMC Bhaban (8th Floor) 7-9 Kawran Bazar Dhaka- 1215, 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

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Five Years' Financial Highlights of ONE Bank Limited As at 31 December 2016

	115 ut 5	Ducunit	1 2010			
	Figures in Million Tal					illion Taka
Sl No	Particulars	2016	2015	2014	2013	2012
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	6,637	5,899	5,244	4,767	4,145
3	Shareholders' equity	12,916	11,579	10,225	8,576	7,424
4	Statutory Reserve	4,435	3,846	3,306	2,665	2,310
5	Total Capital (Tier-1 + Tier-2 Capital)	20,309	14,759	14,511	12,070	8,438
6	Total Assets	188,241	154,193	121,820	102,691	85,618
7	Total Deposits	153,428	131,252	100,295	86,568	73,056
8	Total Loans & Advances	132,084	106,749	90,499	76,573	60,216
9	Total Investment	28,049	22,900	14,724	10,292	9,792
10	Import business handled	127,067	105,199	111,888	74,857	57,686
11	Export business handled	67,483	56,176	66,866	58,711	50,930
12	Guarantee business handled	10,240	12,939	9,310	8,036	11,976
13	Total Contingent Liabilities	70,895	61,444	49,787	44,183	32,669
14	Total Operating Income	8,222	7,640	7,172	5,458	4,620
15	Total Operating Expenses	3,946	3,492	3,263	2,998	2,284
16	Profit before provision	4,275	4,148	3,909	2,460	2,336
17	Provision for loans and other assets	1,329	1,450	706	683	275
18	Profit after provision and before taxes	2,946	2,698	3,203	1,777	2,061
19	Provision for taxation	886	776	1,107	428	1,005
20	Net profit after taxation	2,061	1,922	2,096	1,349	1,056

				Figure	es in Taka/P	ercentage
SI No	Particulars	2016	2015	2014	2013	2012
1	Earnings per Share	3.10	3.26	4.00	2.83	2.55
2	Price Earning Ratio (Times)	5.89	4.69	3.95	5.58	8.95
3	Net Asset Value per share	19.46	19.63	19.50	17.99	17.91
4	Return on Assets	1.20%	1.39%	1.87%	1.43%	1.38%
5	Return on Investment	10.07%	11.32%	12.88%	14.08%	14.31%
6	Capital Adequacy Ratio	13.89%	10.93%	13.47%	12.09%	10.46%
7	Tier - 1 (Capital)	8.72%	8.46%	9.45%	8.53%	9.13%
8	Credit Deposit Ratio	83.87%	80.58%	90.23%	88.45%	82.42%
9	Percentage of classified loans against total loans and advances	4.93%	3.58%	4.72%	4.89%	5.52%
10	Dividend					
	Cash	13.00%	12.50%	12.50%	9.00%	5.00%
	Stock	10.00%	12.50%	12.50%	10.00%	15.00%

	SI No	Particulars	2016	2015	2014	2013	2012
2 Number of Employees 2028 1976 1861 1810 16	1	Number of Branches	87	85	77	70	64
	2	Number of Employees	2028	1976	1861	1810	1608

Earnings per Share, Price Earning Ratio and Net Asset Value per share have been presented as per respective years' financial statements.

Chairman's Address

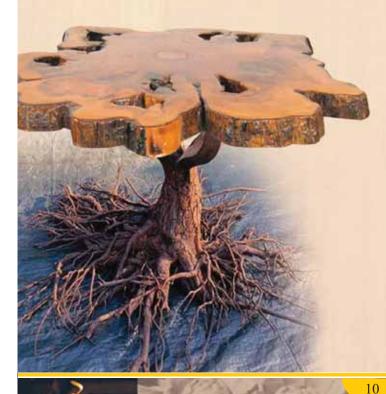
"In the name of the Almighty Allah"

Dear Fellow Shareholders,

I have the pleasure to present to you, on behalf of the Board of Directors, the 2016 Annual Report of ONE Bank Limited.

Our clients drive and guide us. We are fortunate to have a client base that is the envy of the industry. Our clients rightly expect us to be the very best. It is an enormous responsibility that energizes us every day and that we take extremely seriously.

OBL's reputation as a strong, safe, trusted counterparty reflects our success in building a solid balance sheet and robust risk culture. Our strategy is one of not incurring outsized risk to reach for returns. We have maintained among the highest credit ratings in the industry and our capital and liquidity positions remain strong.



Your Bank had an aggressive growth of its customer base, fee based income and diversification. We have been able to increase our portfolio significantly in 2016 with Deposit of Tk. 15,343 crore and Loans & Advances of Tk. 13,208 crore which were Tk. 13,125 crore and Tk. 10,675 crore respectively in 2015. OBL has registered growth in most of the parameters in 2016 and achieved the target set for financing agriculture and non-farm rural sectors during the year. It has also undertaken green banking initiatives to the satisfaction of the regulatory bodies.

We remain focused on maintaining a great balance sheet, including strong capital and liquidity positions, while at the same time returning significant value to our shareholders. The Board is pleased to recommend a Dividend of 23% for the financial year ending December 31, 2016, of which 13% is to be in cash and 10% in Stock Dividend.

During the year, we opened 2 new Branches and 3 new Booths. As at 31/12/2016, the Bank had 87 Branches and 18 Booths covering almost all the major business hubs of Bangladesh. Total number of ATM Booths was 84 (61 onsite and 23 offsite). The signing of the agreements for Syndication Loan of US Dollars 44 million with OFID, OeEB and FMO enabled OBL for lending in Foreign currencies.

Among other initiatives, your Bank undertook a vigorous marketing drive during the year 2016 to open NITAs (Non Resident Investors Taka Account) under the Custodial Service License obtained earlier from BSEC to facilitate share trading by NRB and Foreign investors. We are now beginning to reap the results of our efforts.

Chairman's Address

ONE Securities Limited (OSL), a subsidiary of the Bank has already carved its place as a leading licensed Stock Broker and Stock Dealer of DSE & CSE. We have successfully opened a Branch of OSL at Agrabad, Chittagong. OSL is also going to open an extension office of Dhaka Branch in an adjacent building of the DSE. We have also applied to purchase an office in the new DSE building at Nikunja, Dhaka. The business of OSL is developing well. We plan to solicit permission from Bangladesh Securities and Exchange Commission in 2017 to open more branches at certain strategic locations across the country.

Risks in the banking sector generally accumulate during the good times and materialise in the bad. As a financial services company, our business is to take risk in a responsible manner that serves our clients and helps the economy grow.

Whether investing in a small business, making a credit decision, or preventing fraud, nearly every aspect of our work calls for sound judgment and a commitment to doing what's right for our customers and shareholders. As an organisation we still have a substantial way to go. The journey will be long and difficult to navigate at times but there are no short-cuts.

We have introduced zero tolerance for any form of unethical behaviour and our commitment to upholding environmental and social standards. The Board shall use all its experience to help ensure your Bank implements and upholds the highest ethical standards.

ONE Bank strives to remain fully compliant with the Anti Money Laundering & Combating Financing of Terrorism (AML & CFT) related policies and guidelines of the regulatory bodies especially Bangladesh Bank. During the year, the Bank had arranged regular trainings for its officials, strengthened its scope of activities related to AML & CFT and revised the related policies and guidelines to remain vigilant towards prevention of money laundering and terrorism financing.

Chairman's Address

Corporate Social Responsibility (CSR) supports our vision of improving the lives of our communities through investing. OBL spent about Tk. 5.00 crore for its CSR activities in 2016. Instead of arranging grand programs in Dhaka and avoiding meaningless pomp and publicity, ONE Bank extended its helping hands to the very doorsteps of the needy, vulnerable and deserving people. Our CSR activities included payment of school teachers' remuneration and reading materials, scholarships to the underprivileged but meritorious students across the country, distributing warm clothes and blankets to the cold stricken people, engaging Doctors to provide free treatment to the destitute, providing class room furniture and bicycles to the girl students of schools located in the rural interior, etc.

The Bank has started to construct at its own land in Chandra, Gazipur - a full-fledged vocational training center for skills development of the lower middle class communities to thereby ensure their selfemployment. The Bank's Training Academy shall impart banking knowledge to OBL's employees alongwith R&D facilities.

People are our ultimate competitive advantage and we try to attract, develop and retain truly outstanding talent. During 2016, we continued to strengthen our team by adding new talent with valuable experience and outside perspectives while providing more opportunities to stretch and grow our existing professionals.

I am entirely realistic regarding the complexity of the challenges that lie ahead for our Bank. Significant regulatory

uncertainty will persist as policymakers grapple with the task of harmonising rules and enhancing the control environment while allowing banks to add value to the economy and generate sustainable returns to Shareholders.

Allow me to thank our Board of Directors for keeping the bar high and offering the strategic counsel we need to reach it. I take this opportunity to also acknowledge the progress made by our senior management team and thank our staff across the organization for coming every day to serve our customers without whom we would not have an enterprise. My respect to our shareholders for their ongoing patience and support.

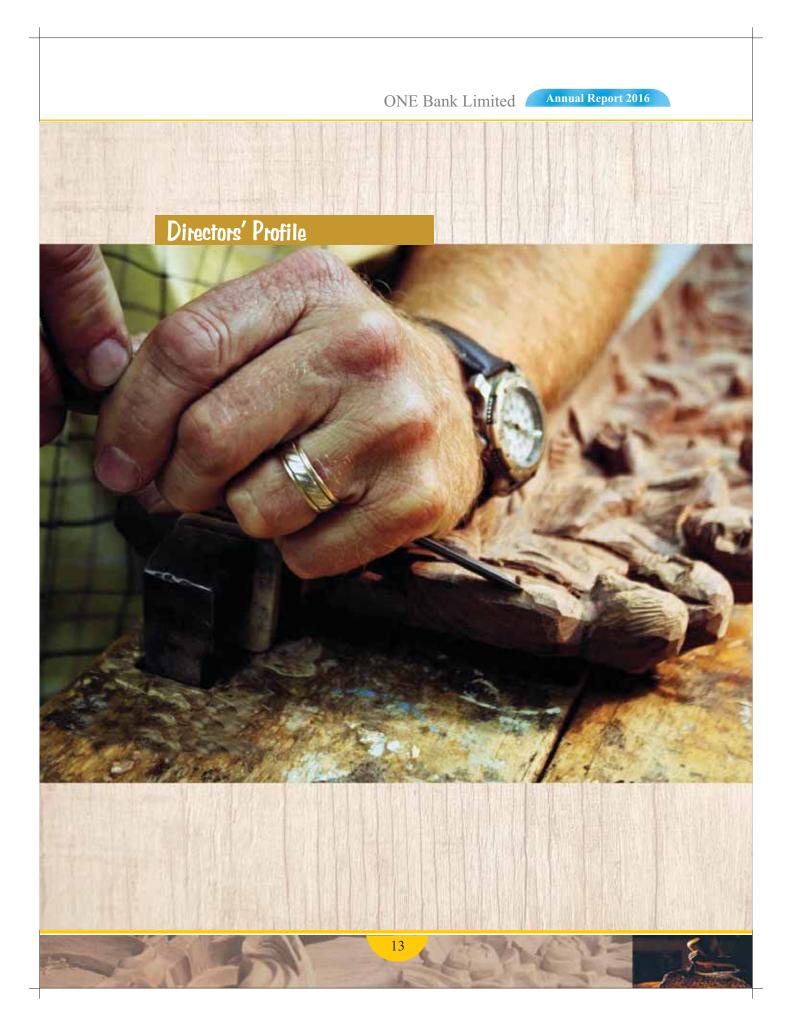
Our gratitude to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Office of the Registrar of Joint Stock Companies and Firms, the Stock Exchanges for their support and valuable guidance.

We are making progress toward our goal of building a better ONE Bank: a Bank which enables growth in the economy, serves society and creates a positive impact for our clients, our people, the communities we serve and for you, our Shareholders.

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

Sayeed Hossain Chowdhury Chairman

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ONE Bank Limited

Annual Report 2016



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 Trophies 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:

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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



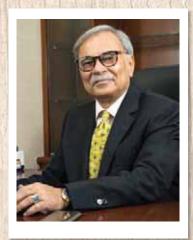
Mr. Asoke Das Gupta Vice Chairman

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 TREC holder of the Dhaka Stock Exchange Limited. He is also the Chairman of Ocunova Eye Hospital.



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

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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 26 years of rich experience in the Shipping sector of Bangladesh.

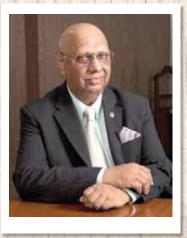


Mr. Salahuddin Ahmed Independent Director

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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

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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. Fakhrul Alam Managing Director

Mr. M. Fakhrul Alam served as Managing Director of the Bank for a tenure of 3 (three) years with effect from October 8, 2013. Prior to that he was the Additional Managing Director of the Bank. He has been reappointed as Managing Director for another 3 (three) years w.e.f. October 8, 2016. 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 34 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.

ONE Bank Limited

Annual Report 2016

The Board and its Committees

Board of Directors

Chairman Mr. Sayeed Hossain Chowdhury

> Vice Chairman Mr. Asoke Das Gupta

Directors

Mr. Zahur Ullah Mr. A.S.M. Shahidullah Khan Mr. Kazi Rukunuddin Ahmed Mr. Shawket Jaman Mr. Salahuddin Ahmed, Independent Director Mr. Syed Nurul Amin, Independent Director Mr. M. Fakhrul Alam, Managing Director

Audit Committee

Chairman Mr. Syed Nurul Amin Members Mr. A.S.M. Shahidullah Khan Mr. Shawket Jaman 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

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Ms. Mili Sen

Key Personnel

Managing Director Mr. M. Fakhrul Alam

Deputy Managing Director Ms Johora Bebe Mr. Wakar Hasan

Additional Deputy Managing Director Ms. Rozina Aliya Ahmed Mr. A. B. M. Saif Sarwar Mr. John Sarkar Mr. Shabbir Ahmed Mr. Md. Fazlur Rahman Chowdhury

Senior Executive Vice President Mr. Ahmad Tabshir Choudhury Mr. Chowdhury Akhtar Asif Mr M Ahsan Habib Mr. Sudhir Chandra Das

Executive Vice President

Mr. Riton Barua Mr. Arshadul Kabir Bhuiyan Mr. Md. Nazrul Islam Bhuiyan Mr. Kazi Md. Amzad Hossain

Senior Vice President Mr. Asif Mahmud Khan Mr. S. M. Hafizur Rahman Mr. Ashraf Uddin Chowdhury Mr. Shibly Nasimul Huq Mr. Mirza Ashraf Ahmad Mr. Md. Mazharul Islam Chowdhury Mr. Md. Abu Saleh Mr. Gazi Yar Mohammed Mr. Md. Belayet Hossain Mr. Sadat Ahmad Khan Mr. Mohammed Rashedul Amin Mr. Kh. Rashed Akhtar Zaman Mr. Newaz Khalid Ahmed Ms. Mallika Nabi Mr. Mohammad Farhad Hossen Khan Mr. Md. Mizanur Rahman Mr. A K M Shamsul Islam Mr. Shahabuddin Ahmed Mr. Md. Zahid-Ul-Islam Mr. Kutub Uddin Ahmad Mr. Md. Borhan Uddin Mr. Khandaker Liakat Ali Mr. Muitaba Masroor Kazmi Mr. Hasnain Ahmed Mr. Ashraful Haq Amin Ms. Meher Farzana Ms. Morsheda Begum

Vice President

Mr. Iftekhar Uddin Ahmed Mr. Khondaker Abdul Mazid Ms. Shirin Mullick Mr. Moin Uddin Ahmed Ms. Jahanara Begum Mr. Md. Golam Rabbani Mr. S. M. A. Moktadir Mr. Md. Shafiur Rahman Sikder Mr. Ishtiaq Ahmed Mr. Md. Abdur Rob Mr. Syed Maruf Ali Mr. Taufig Ahmed Mr. Dilip Pius Rozario Mr. Faisal Adil Mr Md Mostak Hossain Mr. M. M. Emranul Hoque Mr. Md. Alauddin Mr. Qamrul Chowdhury

Mr. Syed Rezaul Karim Chowdhury Mr. Mohammad Kabir Hossain Mr. Md. Zahidul Islam Mr. Md. Masumul Goni Mr. Md. Nurun Nobi

Senior Assistant Vice President Mr. Md. Farooque

Mr. Habibul Islam Mr. A. T. M. Shahidullah Mr. Mohammad Masrur Majid Mr. Shubir Mitra Mr Mohd Masudur Rahman Mr. Abdullah Al Mamun Zahangir Mr. Md. Nazir Hossain Mr. Md. Mahedi Hasan Mr. Aminul Islam Mr. Md. Abdul Mannan Mr. Mohammad Rafiqul Islam Mr. Md. Mobasherul Haque Mr. Md. Zahidul Islam Mr. Shaikh Mohammad Mizanur Rahman Mr. Moonir Sadiq Mr. Md. Rafe Shafquat Mr. Biplab Banik Mr. Abu Sayed Md. Abdul Mannaf Mr S M Salahuddin Mr. Md. Maksudul Alam Mr. Faruk Ahmed

First Assistant Vice President

Mr. Abul Masud Khan Chowdhury Mr. Bimalendu Chowdhury Mr. Md. Jashim Uddin Ms. Anjima Begum Mr. Mohammad Manzur Mahbub Mr. Syed Fazle Elahi Mr. Md. Kazi Mohibur Rahman Mr. Mohammad Mahfuzul Alim Mr. Md. Yusuf Mr. Md. Abir Rahman Mr Md Motaher Hossain Ms. Tanjiba Sultana Mr. Md. Muyeed Hasnayen Mr. Md. Sharifur Rahman Mr. Md. Monowar Hossain Khan Mr. Joarder Alimuzzaman Rabby Mr. Miah Mohammad Mehedi Hasan Mr. Md. Hasibul Hasan Khan Mr. Muhammad Zakir Hussain Ms. Rehena Yesmin 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. Sved Shahidul Haque Mr. Mohammed Rafiul Islam Mr. Md. Mahbubul Alam Mr. Muhammad Mostafigur Rahman Mr. A.N.M. Faysal Haider Mr. Jamshed Ahmed Chowdhury Mr. Favzur Rahman Khan Mr. Md. Muntasir Wahid Mr. Md. Monirul Alam Romel Mr. Muhammad Shah Mr. Mohammad Munir Chowdhury Mr. Md. Samso Uddin Mr. Choudhury Maksudul Haq Mr. Khaled Al Fesani Mr. Md. Salah Uddin Mr. Mohammad Moniruzzaman Mr. Syed Mohammed Ekram Ullah

Mr. Sk. Didar-Rul-Alam Mr. Sheikh Zaki Shahriar Mr. Md. Salimullah Mr. A. S. M. Abu Bokor Siddique Mr. Md. Rezaul Karim Mr. Shaikh Babul Hossain Mr. A. F. Gazi Alauddin Ahmed Mr. Ahmad Ullah Mr. Kazi Md. Eleas Kanchon Mr. Kazi Mahmudur Rahman Mr. Mohammad Fouad Chowdhury Mr Md Fazle Mahmud Ms. Kawsara Sattar Mr. Mahmudul Hasan Mr. Md. Abdus Salam Mr. Md. Arifuzzaman Mr. Bijoy Krishna Das Mr. Shah Mohammad Emdadul Haque Mr. Abdus Samad Mr. Mohammad Moyaz Uddin Sharif Mr. Mohammad Mahfuzur Rahman Mr. Md. Motashim Al Razi

Assistant Vice President

Mr. Md. Rizwan Ali Khan Ms Kazi Fauzia Yasmin Mr Md Rashid III Alam 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. M. M. Rashidul Kabir Chowdhury Mr. Md. Ferdous ul Amin Mr. Debasish Das Mr. Shahid Emdadul Islam Ms. Sabrina Khan Ms Laila Nasrin Mr. A.K.K.M. Zahidul Mannan Mr. Mohammad Shafiul Azam Mr. Md. Mostafizur Rahman Mr. Kazi Md. Forkan Mr. Md. Khorshed Anwar Mr. Muhammad Al-Amin Khan Mr. Md. Ekramul Hoque Mr. Mohammed Saifuddin Chowdhury Mr. Md. Momtaz Goni Mr. Md. Rezwanul Kabir Mr. Apollo Kumar Banik Mr. Md. Golam Rasul Bhuiyan Mr. Badrul Alam Chowdhury 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 Dalwar Hossain Mr A N M Ahidul Alam Mr. Md. Niazul Islam Ms. Shaila Sharmin Thakur Mr. Uttam Kumar Roy Mr. M. Tabib Hossain Mr. Uggal Mallick Mr. Md. Mahmudul Hasan Mr. Md. Saifur Rahman Mr. Md. Zahidul Islam Mr. Md. Tanna Mandal Ms. Nur Naher

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. Shafiul Alam Mr. Mohammad Abbas Uddin Mr. Mohammed Iftekhar Sobhan Mr Md Shibbir Ahmed Salim Mr. Md. Zahed Ahmed Chowdhury Mr. Md. Alauddin Mr. Mir Mohammed Nasir Uddin Mr. Muhammad Muztahidul Hosain Mr. Shishir Kumar Shil Mr. Md. Nazrul Islam Ms. Tanzia Ahmed Mr. Abu Savem 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 Shahidul Hug Mr. Mohammad Fakhrul 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. Md. Abul Hasnat Mr. Md. Nurul Alam Mr. Md. Tariqul Islam Mr. Md. Shahidul Islam Khan Mr. Noor Alam Siddiqui Mr. Mohammad Mizanur Rahman Mr. Jahangir Alam Mr. Md. Ashraf Razi Mr. Md. Abdul Momin Mr. Mohammad Zaman Khan Mr. K. M. Moinul Arif Mr. Md. Shahidul Islam Mr. Mohammad Shah Alam Mia Mr. Md. Amzad Hossain Khan Mr. Md. Akbar Hossain Chowdhury Mr. Mizanur Rahman Mr. Abul Kalam Azad Ms. Wahida Anjum Alley Mr. Sved Ahmmed Mr. Muhammad Shamsul Islam Ms. Afroza Khanam Ms. Asfia Nigar Mr. Rashidul Islam Mr. Mohammad Mahbub Morshed Mr.Md. Meshkatul Arefin Ms. Romana Ahmed Mr. Newton Chowdhury Mr. Ehsanul Hoque Mr. Syed Azazur Rahman Mr. Md. Mizanur Rahman Mr. Mohammad Mahmud Hossain Mr. Md. Shah Alam Bhuya Mr. Mohammad Monir Hossain Mr. Hasibur Rahaman

Notice of The 18th Annual General Meeting

Notice is hereby given to all Members of ONE Bank Limited (the "Company") that the 18th Annual General Meeting of the Members of the Company will be held on Thursday, May 11, 2017 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 17th Annual General Meeting held on March 31, 2016.

- 2. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2016 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, 2016.
- 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.

By order of the Board,

John Sarkar ADMD & Company Secretary

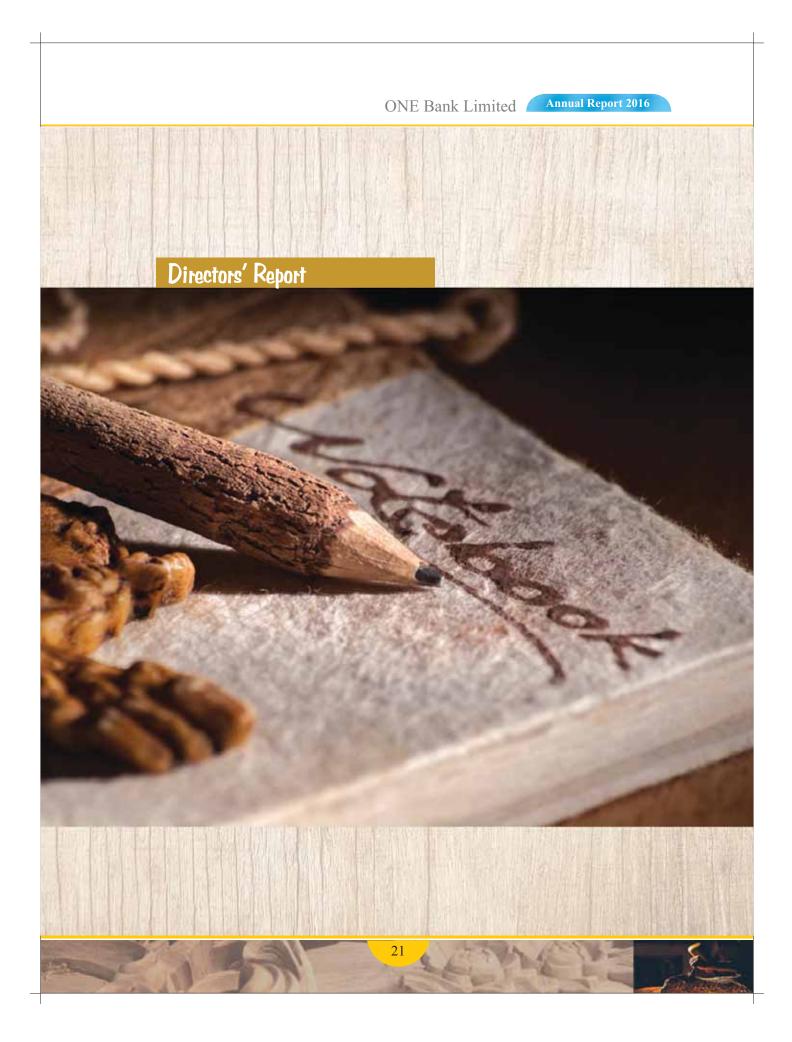
NOTES:

Dhaka March 30, 2017

a. The 'Record Date' shall be April 20, 2017

- b. The Shareholders whose names appear in the Register of Members of the Company as at the close of the business on April 20, 2017 will only be entitled to the Dividend, if any, declared in the AGM.
- 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 Account Numbers, Addresses, Cell Numbers through their respective BO Account with 12 digit Taxpayer's Identification Number (e-TIN) through their respective Depository Participants (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 Loan holders 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 April 30, 2017. The Brokerage Houses are also requested to provide us with their Bank Names, Bank Account Names & Numbers, routing numbers etc.
- N.B. No benefits or gifts in cash or kind shall be given to the shareholders for attending the 18th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

2.0



The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 18th Annual General Meeting before you along with the Audited Financial Statements for the year 2016. 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.

2016 was another 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 2016 and have determined the business goals of 2017 in the light of the previous year's evaluation.

Global Economy

During the year 2016, the Global Economy registered a sluggish growth. The growth in the advanced economies was lower than projected. This happened due to impairment in some advanced economies. Though financial condition in emerging markets have continued to improve, underlying vulnerabilities (including high corporate debt, declining profitability and weak bank balance sheets in some cases) were present in some large emerging market economies. In addition, a range of non-economic factors such as drought, war and conflict, terrorist activities, famine, resurgence of refugees etc. continued to influence the economic activities in various regions. These in turn took a toll on market sentiment, hurting demand and activity.

The global economic recovery weakened further amidst increasing financial turbulence. Major macroeconomic realignments affected differentially across countries and regions. These included the slowdown and rebalancing in China compared to the previous year's performance; a further decline in commodity prices including oil; a related slowdown in the investment and trade; and declined capital flows to emerging markets and developing economies. The outcome of Brexit was also unfolding. A list of noneconomic factors together with geopolitical tensions generated substantial uncertainty in global growth. This uncertainty adversely affected confidence and investment through repercussions on financial conditions and market sentiments.

The Global economic growth hovered over 3% in 2016. However, Global economy is projected to gather some pace in 2017 and expected to grow at 3.4 percent.

In the United States, growth in the first half of the year 2016 was weaker than expected, triggering a downward revision of 0.8 percentage points for the year. Despite signs of weakening growth, labour market indicators continued to improve. The indicators revealed a pick up in the second half of 2016. In the euro area, growth was

higher than expected in the first quarter of 2016 reflecting strong domestic demand and some rebound in investment. However, in light of the potential impact of increased uncertainty of the UK referendum, 2017 growth was revised down by 0.1 percentage points despite the fact that 2016 growth was slightly higher. In Japan, the first two quarters activities were slightly better than expected despite the momentum of domestic demand remained weak and inflation had dropped. Further appreciation of the yen hampered growth in 2016 and is expected to further affect the growth in 2017.

Output growth in the first half of 2016 was somewhat better-than-expected in the emerging market and developing economies. The real economic activities of China were somewhat stronger, reflecting policy support of the government. Benchmark lending rates were cut five times in 2015, fiscal policy turned expansionary in the second half of 2016, infrastructure spending picked up and credit growth accelerated. In India, economic activity remained buoyant, but the growth forecast for 2016-2017 was trimmed slightly, reflecting a more sluggish investment recovery. The economy of Russia showed stability following the rebound in oil prices. Brazil's economy showed some tentative signs of moderation from deep downturn. The downturn in sub-Saharan Africa reflected challenging macroeconomic conditions in its largest economies. In the Middle East, oil exporters benefited from the modest recovery in oil prices while continued fiscal consolidation in response to structurally lower oil revenues.

The outcome of the Brexit vote surprised global financial markets, implied the materialisation of an important downside risk for the global economy. In its immediate aftermath, equity prices declined worldwide. However, these prices rebounded, but were still unfolding its potential impact. Other risks became more salient. Many commodity exporters still confronted the need for sizeable fiscal adjustment and emerging market economies more broadly needed to be alert to financial



stability risks. Geopolitical tensions were also taking a heavy toll on the outlook of several economies, especially in the Middle Eastern countries. Other ongoing concerns included climate related factors (e.g., drought in East and Southern Africa, diseases such as Zika virus in the Latin America and the Caribbean regions) supposedly affected the global economic prospects.

Bangladesh Economy

Stability in Bangladesh, both economically and politically was strong in 2016. This has helped in achieving higher growth of gross domestic product that crossed 7 percent in the year 2016. Industry played the main role in higher GDP followed by the services sector. Low petroleum prices in the global market helped inflation rates to stay low since Bangladesh spends a significant amount on petroleum products. Export earnings increased at a higher rate than imports and export-GDP ratio increased in FY2016 while import-GDP ratio declined. Higher export of readymade garments contributed to this growth. Given the potential of the sector and the compliance measures being undertaken for the last two years following the Rana Plaza incident, the sector can meet the target easily. Surely, improved infrastructural facilities, technological upgradation, skills development will facilitate the growth process of the sector. Tremendous growth has taken place in Agricultural Sector. This could be possible because of use of improved variety of seeds, innovation and automation.

Broad money (M2) recorded a higher growth of 16.3 percent in FY16 against the targeted growth of 15.0 percent and 12.4 percent actual growth in FY15. The higher growth in broad money is primarily driven by net foreign asset (NFA). NFA grew by 22.8 percent in FY16 against the target of 11.1 percent, and 21.3 percent actual growth in FY15.

Domestic credit from the banking system grew by 14.3 percent, below the targeted growth of 15.5 percent for FY16 but higher than the actual 10.1 percent growth in FY15. The lower than targeted growth in domestic credit resulted from the lower public sector credit growth, reflecting public financing mostly through NSD saving instruments and higher profits by state owned Bangladesh Petroleum Corporation (BPC).

Private sector credit grew by 16.8 percent in FY16, above the targeted growth of 14.8 percent and actual growth of 13.2 percent in FY15. Lower lending rate, foreign financing facilities, and political stability contributed to higher growth against the target of private sector credit. Resultantly, the growth rate of net domestic assets (NDA) of the banking system stood at 14.3 percent in FY16 against the target of 16.2 percent and actual growth of 9.9 percent in FY15.

Depressed economic performance in the oil exporting countries has led to a cut in remittances flow to the country despite increase in migrant workers. This is worrying since a major part of Bangladesh's foreign exchange is earned through remittances.

Rise of non-performing loans, lower capital adequacy and the overall lack of good governance in the financial sector were disturbing for the economy. Much activity on tackling cyber crimes has not been visible yet.

The most shocking incidence of 2016 has been the terrorist attack in Holey Artisan Bakery. The nature of the attack was different from earlier single incidences where religious militants killed members of minority groups, foreigners and a number of bloggers.







Bangladesh's approach towards terrorism and commitment for growth and prosperity

In 2017, Bangladesh will continue to drive its ambitions for becoming a higher middle income country. The country is also preparing to come out of the least developed country status.

Bangladesh's economic and social achievements are widely acclaimed around the world. The challenge is now to make this sustainable and inclusive. Maintaining macroeconomic stability, increasing efficiency in project implementation as well as national earnings and improving governance are major issues that will have to be vigorously followed up in 2017. The economy is set to run on a high speed lane with objectives set to achieve 7.2 percent growth in FY 2017 and even higher in the coming years. This ambition is underpinned by continuous economic and political reforms.

The Bangladesh economy has emerged as one of the most sustained growth economy in the World. The economy grew at an average rate of 6.20 percent over the last decade (FY2005-06 to FY2014-15). The GDP growth was more than 7 percent in FY2015-16, significantly up from 6.55 percent in FY2014-15. The per capita national income reached US\$1,465 in FY2015-16, up by US\$149 a year earlier. The macroeconomic stability has remained stable with the continuance of fiscal prudence, lower inflation, surplus current account balance and robust foreign exchange reverses. Inflation gradually came down and year-onyear inflation in FY2015-16 slid down to 5.92 percent from 6.41 percent in FY2014-15. Exports recorded a growth rate of 9.77 percent while import grew 5.45 percent in FY2015-16. Despite slight contraction of remittances inflow, the decrease in the deficit of trade,

service and primary income account, the current account balance recorded a surplus of US\$3,706 million. Aided by the increase in foreign direct investment and medium and long term loans in capital and financial accounts, the foreign exchange reserve crossed the US\$30 billion mark. Exchange rate broadly remained stable during FY2015-16. Moreover, lending interest rate fell, which is expected to encourage investment further in the country.

Outlook for Bangladesh Economy

The near and medium-term outlook for Bangladesh economy looks positive, supported by higher domestic and foreign investments, buoyant trade, capital inflows and favorable inflationary environment.

Global economic prospects remain sluggish and growth has been revised downward, particularly for the advanced countries (WEO, October 2016). Most of the macroeconomic indicators in Bangladesh are performing well and domestic demand remain buoyant. In recent months, prompt actions taken by the Bangladesh Government in the aftermath of the terrorist attacks in July 2016 helped restore investor confidence. Nonetheless, any fallout from the weaker external demand from a mediocre global growth needs to be closely monitored.

The government's focus on easing infrastructure bottlenecks and improving business climate would support potential growth and medium-term growth performance. The government's prudent fiscal policy, accompanied by the Bangladesh Bank's monetary policy and effective supervision are expected to support macro-financial stability.



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Aided by pragmatic policy support from the Bangladesh Government and Bangladesh Bank, the low and stable inflation accompanied by a macroeconomic environment helped Bangladesh become a role model of sustainable finance. In this regard, banks and financial institutions are playing a significant role by providing credit to the un-banked, un-served and underserved people, particularly women supported by the low cost refinance windows of Bangladesh Bank for Micro, Small and Medium Enterprises (MSMEs) output initiatives and eco-friendly green projects. These policies would make finance and growth more sustainable.

Looking ahead, in FY17 domestic credit is projected to grow by 16.4 percent (y-o-y) with private sector credit growing by 16.5 percent and credit to the public sector by 15.9 percent. In FY17 imports are projected to grow by 8.5 percent, exports by 8.5 percent and remittances competent managerial skill and in-depth professional knowledge of corporate and 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 clients 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 sectors. The Bank offers asset backed financing against industrial machinery, commercial equipment, office



by 10 percent. The foreign exchange reserves are projected to reach USD 33.04 billion or higher in FY17 from USD 30.17 billion in FY16.

From a macro perspective, domestic demand growth is expected to remain robust over the near and mediumterm reflecting demographics, investments, and improving infrastructure and cost of doing business. Furthermore, favorable monetary conditions would support growth but economic spillovers from weaker external demand need to be closely monitored.

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 officials have equipment, generator, vehicle, sea or river going vessel, construction equipment, agriculture equipment etc.

At the end of 2016, OBL's net Lease Finance portfolio stands at Tk. 3368 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 for acting as both lead bank and partner bank in loan syndication for long-term, large-scale projects. To raise and meet large credit needs of leading corporate houses, OBL has been



Annual Report 2016

raising fund from the banking sector on behalf of the customers through syndication arrangement.

ONE Bank has so far arranged syndicated facility for 8 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 2016, OBL has engaged itself as Lead Arranger for arranging syndicated loans for total Tk. 2750 million including USD 15.50 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 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 projects and/or expansion of various projects in the sectors viz. Textile, RMG, Power, Steel, Telecom, Pharmaceuticals, Food Processing, Packaging, Fast Moving Consumer Goods (FMCG), and Health etc.

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 34 Branches out of its 87 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 2016, OBL has financed 12,940.00 million. Total number of SME borrowers of the Bank was 2251 as on December 31, 2016.



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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 introduced two collateral free products namely "OBL Shubidha" and "OBL Romoni" dedicated toward the potential small clients along with women Entrepreneurs. OBL also introduced another SME product named "OBL UNNOYON" especially for SME client.

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 2016, the Bank has financed BDT 739.70 million to the women entrepreneurs.

Agricultural Financing

Agriculture still remains the mainstay of Bangladesh economy, in 2015-16 it accounts for about 17% of GDP. About 45% of labor forces are directly involved in Agriculture and 85% of our total populations are rural dwellers, as such; economic growth and prosperity largely depend on improvement of living standard, socio economic condition and employment generation of the rural mass. Agriculture and rural development are the keys to strengthening livelihoods of the most vulnerable, including hundreds of millions of smallscale family farmers who are responsible for ensuring the food security of our country. Agriculture and Rural Credit therefore play a pivotal role in modernization and commercialization of rural economy.

With the rising population, to ensure food security for all through optimum utilization of the available limited resources, the subsistence farming system is being converted to commercial farming system. Serious concern and constant threat to our agriculture and its productivity are the extreme weather events, such as, global warming, irregular rainfall, salinity, animal diseases etc. To reap maximum yield, now a days, farmers are adopting modern technologies along with integrated farm management techniques. Easy availability of necessary working capital required for crops, livestock, fishery, poultry and other agricultural activities are the demand of the day of the Farmers.

Bangladesh Bank has made agriculture and rural lending mandatory for all commercial banks which has expanded the scope of inclusive banking and availability of fund for the farmers. To widen and ease the scope further, banks are also allowed to use both own branches and Micro Financing Institutes (MFIs) linkage for disbursement of Agriculture & Rural Credit. From the inception of this initiative by Bangladesh Bank, 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. To strengthen its activities in this arena, ONE Bank has also set up a separate Unit for Agriculture and Rural Financing.

As a part of this program, during FY 2015-16, OBL disbursed Agricultural and Rural Credit of Tk. 1,509.48 million (among 45,347 borrowers) against Target of Tk. 1,400.00 million. Since FY 2010-11, OBL has been able to achieve its Agriculture & Rural credit



disbursement target successfully. As recognition for achieving the targets, OBL has received Appreciation Letters from Bangladesh Bank for last consecutive 4 years. 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, socio economic condition 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.

Providing enriched banking experience for our Retail Banking clientele was a key priority in 2016. We made

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 widening the retail deposit base which stood at Tk. 5,027 crore in 2016.

• Our strong retail deposit base positioned us well to offer smooth lending to our customers. In 2016, savings deposits grew by Tk. 296 crore and posted a 24% solid growth over 2015.

▶ Retail credit registered a steady growth in 2016. Among all retail loans, Home Loan was the prime contributor of the total loan



our customer experience more interactive and rewarding. We aimed to facilitate the smartest financial decisions by offering innovative, transparent and clientfocused products and services.

Retail Banking succeeded in posting solid results in 2016 in spite of challenging environment. We escalated our asset portfolio, broadened the client base and achieved higher levels of customer satisfaction. Numerous initiatives and efforts were taken to bring life's good and convenience to the door-steps of the customers.

disbursement pie. Retail loan disbursement registered 110% year-on-year growth. Retail asset portfolio touched the mark of Tk. 646 crore securing 57% growth.

- Our rigorous retail credit underwriting policy and robust monitoring process paid off substantially. Retail NPL portfolio decreased significantly and stood at 1.03%.
- To offer superior customer experience to retail clients, OBL Call Center managed 109,855 calls throughout the year. Besides managing customer service, Call Center also extended its endeavor to amass customer feedback which helped to improve the service level standard.



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 As a part of our continuous endeavor to offer new promotion and value propositions to the clients, Retail Banking initiated couple of successful campaigns for OBL officials.

New Products and Propositions:

- During the year 2016, ONE Bank launched retail lending product named "Swopno Neer" - a unique home loan facility for building tin-shed/semi-paka house to offer superior value propositions 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 organizations.
- We believe that growth opportunities 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.

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

2016 was a successful year with considerable progress in card business. Credit Card outstanding escalated from BDT 16.33 Crore to BDT 37.85 Crore posting 132% growth over previous year. Total Number of Debit and Credit Cards reached 68,000(app). With a wide range of VISA products composed of Credit, Debit, Pre-paid created a good momentum in the market.

We have tied up with 135 plus merchant to offer various discounts and privileges to our cardholders. Some new value propositions like monthly reward program based on usage and privileged interest rate for corporate executives were launched. OBL Card has introduced SMART TRANSFER, Reward Point Redemption, SMS Alert Service, Balance Transfer, Smart EMI Loan Facility and many more customer- focused value added propositions.

With specially designed Hajj Card, HAAB (Hajj Agencies Association of Bangladesh) and Hajj Pilgrims could pay their day to day expenditure in one simple plastic card.

Safety ONE insurance program was offered to protect the interest of customers in any inadvertent situation. Under Safety ONE, Card Members will 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 security risk Management and to maximize utilization of credit. Its main functions are issuance of Sanction letters as per terms and conditions of approval, scrutiny of all security documents, preparation of charge documents, execution of charge filling formalities with respective Office, Monitoring insurance Policies & deferrals, working with CIB & other regulatory report, monitoring Past



An OBL financed Ceramic Indus



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 vital & challenging.

Foreign Exchange & Foreign Trade

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

OBL experienced growth in its import business. Total import business handled during the year was Tk. 127,067 million as compared to Tk. 105,199 million last year, recording a growth of 20.79%. The main import items included Industrial Raw 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. 67,483 million in 2016 against Tk. 56,176 million in 2015. recording a growth of 20.13%.

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, market risk and foreign exchange risk which includes primarily term placement of surplus funds and interbank lending and borrowing at call. Treasury Department also performed Investments related to SLR requirements and

participation in tenders for purchase of Government Treasury Bills and also invest in private sector coupon bond. 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

The total volume of inward foreign remittance business handled by ONE Bank Ltd. in 2016 is Tk. 777.36 million.

Correspondent Relationship

To strengthen its global relationship, the bank is now maintaining 453 correspondent relationships (foreign 401, Local 52). 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 8 (eight) 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

Information technology has been of great essence in banking system. It is now the back-bone of financial

industry. Technological innovations have enabled the industry to open up efficient delivery channels. IT has helped the banking industry to deal with the challenges the new economy poses. Technology is also changing the supervisory and regulatory landscape. It is creating new tools for supervisors and new supervisory challenges. Technology-driven issues such as privacy and the nature of electronic communications have reached the forefront of the policy agenda. And the line between electronic banking and electronic commerce is becoming more difficult to define clearly. More than most other industries, financial institutions rely on gathering, processing, analyzing, and providing information in order to meet the needs of customers. Given the importance of information in banking, it is not surprising that banks were among the earliest adopters of automated information processing technology.

Electronic fund transfer (BEFT) etc. In order to secure financial transactions, customer data and prevent money laundering. OBL has introduced 2 Factor Authentication System (FA) for Internet Banking and Electronic Commerce, Sanction Screening and other modern security measures at communication, application and user level. OBL is committed to provide excellence of services based on technology and security.

Mobile Financial Services

Mobile Financial service is a tool that facilitates people's 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 the pace with the financial inclusion plan, ONE Bank Limited (OBL) launched Mobile Financial Services by the name of "OK Banking" during the year 2013. This



An OBL financed RMG Factory

Bangladesh also has taken IT as a thrust sector. Lots of initiatives have been taken during last couple of years to make a "Digital Bangladesh". Like other areas, Banking Sector in Bangladesh has also adopted IT as the key business enabler.

ONE Bank Limited (OBL) has adopted IT system at the very beginning of its operation. During the last 18 (eighteen) years of journey, OBL has taken several steps to improve its services based on technology. Starting from introduction of world-class Core Banking Solution (CBS), it has introduced various services like Internet Banking, Mobile Financial Services, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, various webbased online payment systems etc. OBL system is also connected with central banks' NPSB (National Payment System of Bangladesh), automated cheques clearing system BACH, RTGS (Real Time Gross Settlement),

initiative of enabling banking services to customers via a mobile phone at affordable costs, will go a long way in increasing people's 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, 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 fund movements for millions of Bangladeshis. 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. ONE bank, with some newly developed, contemporary and customer centric products will impact the mobile financial services market big time.

Mobile Banking Products & Services

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

Performance of Mobile Banking

In 2016 the focus was on some important projects like mobile payment facilities for Department of Immigration and Passport, Dhaka WASA, West Zone Power Distribution Company Limited etc. Payment facilities for Passport fees have been launched in 4 districts (Barguna, Shariatpur, Pirojpur & Jhalikathi). Dhaka WASA bill payment service has also been launched in the market for the OK banking customers. ONE Bank Limited took right step to increase the number of accounts by spreading its agents in rural areas to facilitate different utility payments where people were deprived from any sorts of structured financial facilities.

In 2016, the top-up service with Grameen Phone was launched, since then users have been using this service willingly and the service is getting popular day by day. Top-up facilities with other Telecommunication companies like Robi, Airtel will soon be launched in the market.

Bill payment by Customers

OBL Mobile financial services account holders can pay their bills to different merchant shops by using the payment option available in the USSD menu. OK's Bill payment services diminish consumers' waiting time in queue and increase convenience which allows paying bills on time avoiding extra charge.

Collection Bill by the Business

Government and non-government organizations expedite money collection against their products and services using collection services of OBL mobile financial services. 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 financial services, organizations will be able to collect money instantly.

Passport authority of Bangladesh is the prime example of this. There are many in pipeline as well.

Different Campaigns with different location based agents

OBL mutually participate with different agent points to run campaigns throughout the year. 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.



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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), Mobicash, 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 63.21 million equivalent to Tk. 4,974.59 million as on December 31, 2016 compared to USD 33.14 million equivalent to Tk. 2,601.56 million as on December 31, 2015 recording a significant growth of 91.22 percent.

However, in the year 2016, OBU made operating profit of USD 0.795 million equivalent to Tk. 62.63 million as against USD 0.803 million equivalent to Tk.63.04 million in 2015 with a negative growth of 0.65 percent.

Human Resources

ONE Bank views the employees as the most valuable resource of the organization and as such OBL nurtures its employees through motivation and empowering to take up leadership roles in the organization, enrich them with the required skillsets to meet the challenges, tide over the barriers and climb up the Management hierarchy. In line with the growth appetite of the Bank, the Management identifies potential future leaders amongst its employees and takes extra ordinary care to build them as loyal and outstanding. Human Resources Strategy of ONE Bank requires the Management to constantly assert and renew from time to time its commitment to meeting the career aspiration and priorities of the employees as well as helping them achieve the long term objectives of the organization.

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 can dream to build their Banking career.

A glimpse of the activities performed by OBL Human Resources during 2016:

A. Manpower

OBL's Human Resources are a mixture of OBL products recruited fresh & trained on-the-job and offthe-job and experienced professionals drawn from leading local and foreign banks. OBL believes that the fresh talents can bring in fresh ideas, perspectives and views at workplace whereas the matured professionals offer in-depth experience, expertise and problem solving skills. This combination of young and matured professionals has greatly helped OBL achieve its success over the years. The total number of full time regular employees of OBL increased to 2028 by the year-end 2016 from 1,976 of the preceding year.

B. Performance Driven Culture

Over the years, OBL has instilled a performance driven culture in the minds of its people. Employees are rewarded and recognized based on their performance and contribution towards the growth of the Bank.



During the year 2016, a good number of employees were promoted to higher designations while others were awarded increments according to their performances. All the eligible employees were awarded incentive bonuses during the year 2016 based on their performances of the preceding year.

C. Employee Development

Employee Development is one of the top priorities of the Bank. The Management continuously undertakes different initiatives towards employee development which includes but not limits to employee job rotation, career counseling, training, workshop etc. Through these professional development initiatives, the employees of the Bank are consistently groomed up to perform their job effectively as well as take up more responsibilities and ownership. During the year 2016, a total of 322 (three hundred twenty two) employees

Furthermore, the Bank is also in the process of adopting a fully automated HR software in order to bring effectiveness and efficiency in its HR activities.

E. Compliance with the instructions of Regulatory **Bodies**

OBL HR always puts utmost importance on ensuring that the Bank remains disciplined and compliant with the instructions/ rules and regulations of the regulatory bodies. During 2016, the Bank 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. Furthermore, the Bank strives to ensure that each employee avails at least 15 (fifteen) days of Mandatory Leave at a stretch during a year.



An OBL financed Jute Mill under SME Fina

attended External trainings arranged by Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management (BIBM) and other external agencies and 05 (five) employees attended trainings abroad. OBL Training Institute arranged in-house training for a total of 1,982 (one thousand nine hundred eighty two) participants on various soft skills development as well as core banking including Banking rules & regulations, laws and practices, Bank's policies, instructions etc.

D. Process Improvement & Automation

OBL HR is continuously reviewing for improvement of its policies and processes to match and cope up with the modern business challenges and emulate the industry best practices. During the year 2016, the Bank updated 02 (two) of its policies namely OBL Recruitment Policy and OBL Performance Management Policy.

OBL Training Institute

OBL has a Training Institute of its own which caters the Training Needs of the employees of the Bank; It has completed its eighth year of operation. The Management of the Bank on a continuous basis undertakes in-house trainings for updating and upgrading the employees to provide quality services to our clients, individuals and institutions those we care for.

In-house trainings are undertaken for raising awareness among the Bank employees with respect to Bank's policies, instructions, banking laws and practices and directives of the various regulators so as to ensure that the employees are well informed and empowered towards providing customer services within the framework of regulatory requirements.



The Bank's training efforts are concerned with improving employees' performance in their present posts and future needs and towards recognizing and developing potentials of the employees for advancement. The role of the Human Resources Division is primarily to meet the needs of the Bank to increase competency and enhance performance. During 2016, fifty two Training Programmes were conducted by OBL Training Institute and 1982 Executives and Officers were trained in different banking trades and areas.

OBL Integrity Committee

In order to implement the National Integrity Strategy of Bangladesh, OBL has 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 through on-the job trainings, meetings, Foundation/ Induction trainings and have been further advised to practise 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.' ONE Bank upholds integrity above all other attributes of a person and as such accountability, transparency and disclosures have remained as guiding ideas at the Bank.

Branch Network

As on December 31, 2016, the Bank successfully established a network of 87 branches, including 32 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, Bijoynagar, Kawran Bazar, Mirpur, Moghbazar, Motijheel, Progoti Sharani, Uttara, Tongi SME/ Agri, Narayangonj, Ganakbari (EPZ), Joypara, Madhabdi, Nawabgonj, Ring Road, Lalbagh, Tipu Sultan Road, Mawna, Nandipara, Zinzira, Sonargaon Janapath, Faridpur, Ashokona and Hemayetpur.

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.

Noakhali Zone:

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

Comilla Zone:

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.



Board Members of ONE Securities Limited (OSL)

Amongst these, followings are the 32 (thirty two) 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 operation 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 84 ATMs (61 onsite and 23 offsite) located around the country, the ATM network of the Bank was expanded by joining hands with Q-cash, Common platform of a few private sector banks and NPSB (National Payment Switch Bangladesh) 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.

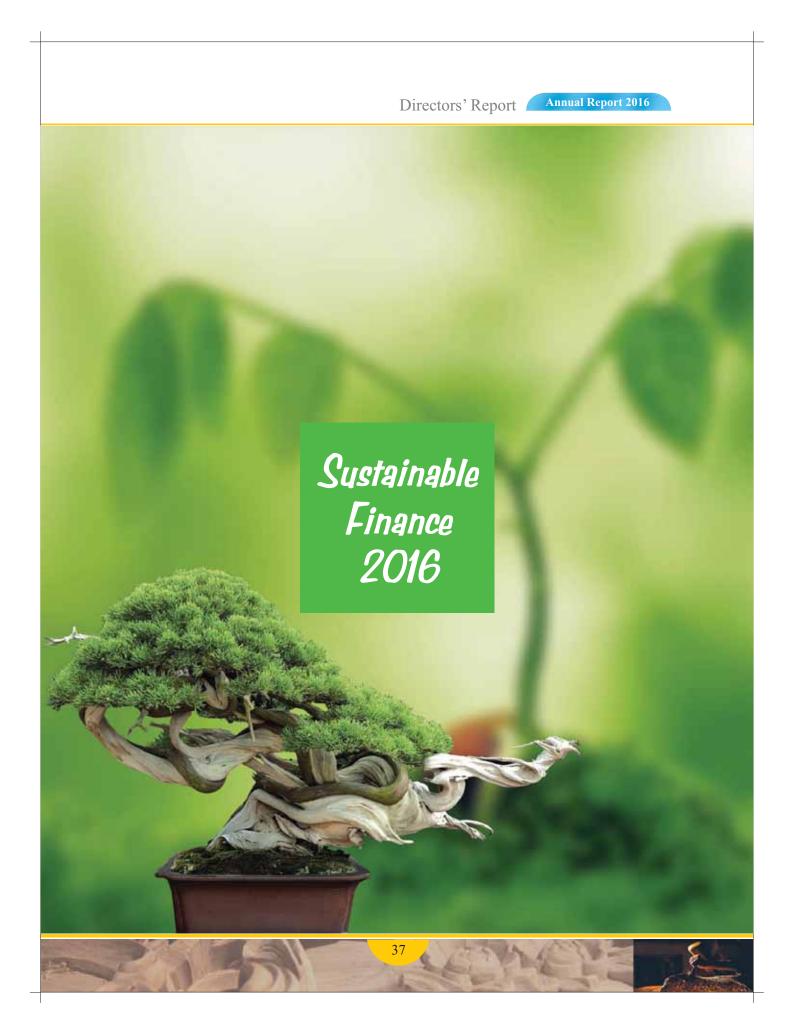
Online banking service covers the entire network of branches, which ensures technology based enhanced delivery systems and provides the necessary competitive edge. The Bank continues to extend its service arms towards facilitating the collection of various utility bills, thus earning customer appreciation. 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 by completing due formalities with Registrar of Joint Stock Companies and Firms (RJSC).

Paid up Capital of the Company is Tk. 2,500 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 Limited started its commercial operation on March 2, 2014. It is a TREC Holder of both Dhaka and Chittagong Stock Exchangers (DSE & CSE). The Registered Office of the company is situated at 45, Dilkusha C.A. (4th Floor), Dhaka-1000.





Sustainable Finance- 2016

The relationship between financial services and sustainable development through investment is at the centre of Sustainable banking strategy. ONE Bank Limited is concerned with social and environmental impacts of its investments and In-house green management to become a sustainable bank. 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. As per Bangladesh Bank's guidelines, our Bank recently formed 'Sustainable Finance Unit' & 'Sustainable Finance Committee'. ONE Bank Limited has been implementing Environmental & Social Management System [ESMS] at par IFC Performance Standards & in line with Bangladesh Bank's draft ESRM Guidelines with consultancy support from F.I.Konsult-a Czech Republic based consultant. 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 has so far introduced total 50 Green Products for financing under refinancing scheme. In 2016, 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 2016, OBL financed Tk.542.16 Crore both in Direct & Indirect Green Finance. Total Direct Green Finance

posted at Tk. 48.64 Crore on that year. We have already financed a few garments/ leather shoe factories namely Columbia Washing Plant, Panwin Designs Ltd, Knit Plus ltd, Apex Footwear Ltd., Shoeniverse 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, 84 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 consumption of energy.
- ✓OBL has been using online Leave Management system, Digital Attendance and EMail correspondences, 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





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sanction advices to make our financing areas sustainable & to improve our overall environmental condition of the country.

- ✓ We already have 2,87,129 nos. of active Accounts thru Mobile Banking system for conducting nearly paperless Banking .
- ✓OBL has reduced paper consumption by Tk.0.66 Million in 2016 compare to that of 2015.

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. 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. 4.96 crore for CSR activities in the year 2016. Details of CSR activities undertaken by the Bank during the year are as below:

- ✓ Contribution of Tk. 10,85,000/- 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 Benches & Computers of Tk. 15,00,000/to the people of Chitmohol area.
- ✓ Donation of 2,000 pcs of Blankets for Tk. 6,60,000/to the cold stricken people of Rajshahi area.
- ✓ Payment of Tk. 2,30,000/- to Chittagong Metropolitan Police for publicity to restrain use of harmful formalin in fruits and food products in the City Area.
- Distribution of 10 pcs of bicycles among the poor female students at Natore at a cost of Tk. 69,513/-.
- ✓ Donation of Tk. 2,75,00,000/- to Prime Minister's Relief Fund.
- Donation of 25,000 pieces of Blankets to the Prime Minister's Relief Fund at a cost of Tk.1,08,75,000/-.
- ✓ Doctor's Remuneration of Tk. 2,40,000/- for extending medical services to the poor people of Joypara, Dohar, Dhaka.
- ✓OBL Scholarship of Tk. 1,24,25,000/- to 932 no. of underprivileged and meritorious students of different districts across the Country.



Risk Management

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, and 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

- ii. Designing the organizational structure to manage risk within the bank.
- iii. Understanding the inherent risks of the bank.
- iv. Reviewing and approving risk management policies and re-reviewing at least annually.
- v. Enforcing and using adequate recordkeeping and reporting systems.
- vi. Reviewing and approving risk Appetite of OBL and re-reviewing at least annually.
- vii. Monitoring compliance with overall risk management policies and limits.

Risk Management Committee at Management Level

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a strong risk management committee has



Management framework of OBL has been established on the basis of guidelines given by Bangladesh Bank vide DOS circular # 02 dated 15th February 2012. The key elements of a Risk Management System are enumerated below:

Board Risk Management Committee:

The Board Risk Management Committee of OBL has been formed to supervise the activities of the Risk Management Committee of the Bank at management level. The Board Risk Management Committee also oversee the implementation status of Credit Risk, FX Risk, ICC Risk, AML Risk, Liquidity Risk, Operational Risk etc.

Responsibility of Board Risk Management Committee: The role and responsibilities of Board Risk Management Committee in accordance with Risk Management Guidelines of Bangladesh Bank are as follows:

i. Defining the Risk Appetite of OBL.

been formed on December 02, 2015, which is headed by Chief Risk Officer (CRO). The Committee arranges meeting at least once in a month to review various risk related reports submitted by Risk Management Department. Risk Management Committee shall be responsible for managing all types of risk across the Bank. The responsibilities of Risk Management Committee at management level include the following:

- i. Setting targets for capital ratios and capital composition.
- ii. Managing the balance sheet and funding structure.
- iii. Determining general principles for measuring, managing, and reporting the risks.
- iv. Developing risk policies for business units
- v. Determining the overall investment strategy.
- vi. Identifying, monitoring and managing the current and potential operation risk exposures.



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- vii. Handling "critical risks" i.e. risks that require follow- up and further reporting.
- viii.Follow up and review the reports received from Bangladesh Bank and informing the Risk Management Committee of the Board if any issue affecting the Bank's operation risk.
- ix. Monitoring positions against approved risk tolerance limits in Risk Appetite Statement.

Risk Management Department

The Risk Management Department has been formed on June 16, 2009 to assess risk management capacity of OBL. The Risk Management Department of OBL submits various risk related reports and risk appetite statement directly to the Board Risk Management Committee. The overall risks are reviewed, monitored and supervised by Chief Risk Officer (CRO). The Risk Management Department of OBL manages and measures risks on the basis of the bank's approved risk parameters, regulatory requirements and risk categories. The objective of risk management is to identify the risk and determine if they may be avoided, reduced, spread, transferred or prevented.

The responsibilities of RMD include the following:

- i. Designing OBL's overall risk management strategy.
- ii. Developing and overseeing implementation of stress tests
- iii. Developing, testing, and observing use of models for measuring and monitoring risk.
- iv. Informing the board and All Risk Committee about the appetite for risk across the bank.
- v. Communicating views of the board and senior management throughout the bank.

- vi. Independently monitoring limits, in addition to the monitoring that is done by business units.
- vii. Developing and implementing loss prevention/loss retention programs etc.

Risk Management Report

Comprehensive Risk Management Report (CRMR)

Comprehensive Risk Management Report (CRMR) is prepared in accordance with Bangladesh Bank guidelines. It includes analysis of Credit, Market, liquidity, Operation, Reputation, Environmental, Money Laundering, Compliance and other risks of OBL. Comprehensive Risk Management Report (CRMR) is submitted to Bangladesh Bank on half yearly basis for determination of risk rating of OBL. Risk Management Committee at Board and Management level also review these reports.

Risk Management Report

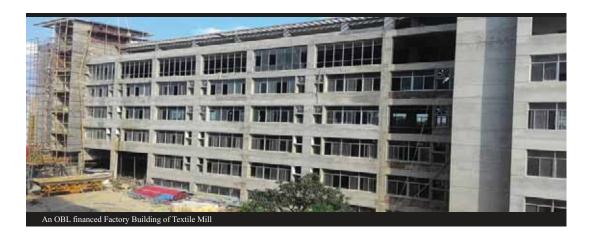
Risk Management Report is prepared in accordance with Bangladesh Bank guidelines on monthly basis it includes Credit, Market risk, Liquidity risk, Operation risk etc.

Stress Testing

Stress testing is an important risk management tool that provides an indication of how much capital might be needed to absorb losses in different stressed situations. Stress Testing Report is prepared on quarterly basis it includes stress test for Credit, Interest Rate, Foreign Exchange, Equity Price and Liquidity risk.

Credit Risk Management

Credit is considered as one of the core functional areas of banking and the risks involved with credit requires intense care to handle with. Credit Risk is the risk of loss resulting from the failure of payment or other contractual obligations against debt by the Bank's







borrowers and other counterparties. The assessment of credit risk, therefore, involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Starting from its journey since 1999, ONE Bank Ltd is focused to maintain a growing, diversified and quality credit portfolio based on its risk taking appetite and risk managing capacity. At OBL, Credit risk is managed here through well defined CRM Policy Guidelines with set out policies and procedures covering both measurement and management of the risks. The policy is developed in line with the Bangladesh Bank CRM Policy Guidelines and reviewed periodically to cope with the pace of changes in the industry.

OBL has developed its credit strategy on the basis of the bank's target market, the cyclical aspect of the country's economy and the resulting shifts in composition and quality of the overall credit portfolio. OBL pays meticulous attention to the following credit concentration risk areas:

- ✓ Industry Sector wise concentration
- ✓ Business Segment wise concentration
- ✓ Geographic Concentration
- ✓ Single Name (Borrower/Group) concentration
- ✓ Top borrower wise exposure (Top 10-50 borrowers will be counted)

With the quest to practice sound credit risk management, OBL Bank has a very standard, fast and streamlined credit approval process with rigorous credit risk assessment process. CRM unit heads and officials undertake through appraisal of the credit proposals, do their due diligences, analyze the risks associated and find out the ways of mitigation in line with the Bank's

CRM Policy Guidelines, Core Risk Management Guidelines & Circulars of Bangladesh Bank, Credit Risk Grading and best practices in the banking industry. Environmental Risk Rating is also adopted in the approval process for our commitment to green banking according to Bangladesh Bank's guideline. In determining Single Borrower Exposure/Large Loan Limit, the instructions of Bangladesh Bank are strictly followed.

The entire credit approval process ensures accountability for decisions taken. Credit proposals are routed through a dynamic Credit Risk Management Committee, which is headed by the Deputy Managing Director (Operation) alongwith seven other divisional/unit heads. The Committee recommends to the Executive Committee and/or the Board of Directors appropriate strategic direction to ensure optimized risk and profitability for the bank.

Different units of the CRM Division namely Credit Risk Management Unit and Credit Monitoring and Recovery Unit are in place and work together to ensure proper sound credit approval and quality asset monitoring & management. A separate Credit Administration Unit also exists for proper security documentation.

Specific delegation for credit approval has been assigned to the individual executives and the Managing Director. Credit limits beyond their delegation are approved /declined by the Executive Committee and/or the Board of Directors. All credit facilities are approved through CRM division and reviewed at least once annually.

OBL always gives due importance on sound and transparent business without compromising quality of



its assets. The goal of Credit Risk Management at ONE Bank Ltd is to maximize the Bank's risk adjusted rate of return by maintaining credit risk exposure with acceptable parameters. Details of all the activities of CRM can be found at subsection of "Credit Risk" under "Disclosures on Risk based Capital (BASEL-III)".

Market Risk Management

Market risk is the risk of potential losses in the onbalance 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

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 buckets 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 2016 the duration Gap found positive in OBL which indicates that the assets are relatively more interest rate sensitive than liabilities.

Foreign Exchange Risk

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



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

- 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.





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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.

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.

In order to liquidity measurement and management, Bangladesh Bank has declared new liquidity ratios for banks in line with Basel III in Bangladesh are described below:

• Liquidity Coverage Ratio (LCR):

LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the Basel Committee. This standard is built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. LCR goes beyond measuring the need for liquid assets over the next 30 days in a normal environment. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes. The minimum acceptable value of this ratio is 100 percent.

• Net Stable Funding Ratio (NSFR):

NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term



Barbard Harbert

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wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding. The time horizon of the NSFR is one year. The minimum acceptable value of this ratio is more than 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF).

• Leverage Ratio:

Basel III introduces a simple, transparent, non risk based Leverage Ratio to constrain excessive on and off-balance sheet leverage in the banking sector and supplement risk based capital requirements as a safeguard against model risk. The leverage ratio is calculated by dividing tier 1 capital with total exposure.

Leverage ratio requires that the bank's high quality capital (Tier 1 capital) will be 3 percent of its total exposure. Exposure include on and off-balance sheet items.

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.

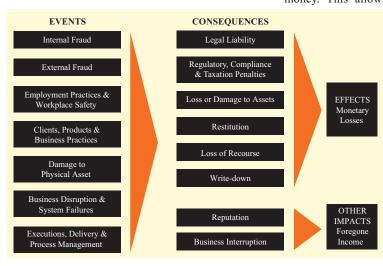
Regulatory frame work of the bank's liquidity management has been formulated in compliance with BB core risk management guidelines and these include among others maintenance of SLR which in 13% and CRR 6.5% of total demand and time liabilities except bank at present. Bank maintains adequate SLR, CRR, LCR, NSFR & Leverage Ratio 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 resulting from inadequate or failed internal processes, people and systems or from unforeseeable external events. The events and consequences in operational risks are:



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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

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. Bank's also has its business continuity plan such as disaster recovery (DR) plan to minimize associated risk. Surprise inspections are also made on a regular basis to make sure that all control tools are functioning properly.

Operational Risks – Cause and Effect

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

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 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



"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).

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

Under the guideline of BASEL-III Implementation plan issued by Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014, all scheduled Banks are required to maintain adequate capital to cover all types of risks. 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 the year 2019.

In line with Bangladesh Bank directives, ONE Bank Ltd has already entered in the domain of BASEL-III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise BASEL-III implementation. In this respect, the OBL BASEL-III Committee has been 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 has also been 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 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. To comply with the phase wise requirement, OBL maintained minimum capital including Capital Conservation Buffer @

13.89% against the statutory requirement (with Conservation Buffer) of 10.625% as at December 31, 2016.

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 and considering the future possible shortfall of adequate capital, the bank issued a Subordinated Bond of Tk. 400 crore to ensure more than adequate capital against the regulatory requirement to upheld and strengthen the confidence of its investors, depositors and other stakeholders. The Board of Directors & the Senior Management of the Bank emphasized rigorously round the year 2016 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.



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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.

Government Treasury Bills and Bonds. In addition, the Bank has also invested in shares of other legal entities. Income from such Investment was Tk. 1,931.33 million during the year as against Tk. 1,477.98 million during 2015.

Commission, Exchange and Brokerage Income

Earnings from Commission, Exchange and Brokerage increased by 22.75% to Tk. 1,416.89 million compared to Tk. 1,154.33 million in 2015.

Other Operating Income

Other operating income increased to Tk. 543.15 million during 2016 as compared to Tk. 443.67 million for the previous year.



Income Details

Interest Income

Interest Income of the Bank grew by 6.91% to Tk. 12,795.83 million during 2016 compared to Tk. 11,969.31 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 8,465.70 million in 2016 as compared to Tk. 7,406.16 million for 2015 thus increased by 14.31%. Interests paid on deposits exhibited an upward turn due to increase in deposits.

The Net Interest Income decreased by 5.11% to Tk. 4,330.13 million during 2016 as against Tk.4,563.15 million during 2015.

Towards providing for Statutory Liquidity requirements, the Bank continued to invest in

Total Operating Income

The total operating income stands at Tk. 8,221.50 million for 2016 as compared to Tk. 7,639.14 million for the previous year.

Operating Expenses

Total operating expense was Tk. 3,946.14 million for the year 2016 compared to Tk. 3,491.21 million for previous year.

Operating Profit

The Bank has earned an operating profit of Tk. 4,275.36 million in 2016 compared to Tk. 4,147.93 million in the year 2015.

Provisioning against Loans & Advances

The Bank's loan portfolio remained under periodic review and classification measures were adopted as and



when necessary. Classified loans represent 4.93% of the Bank's total Loans and Advances as against 3.58% of the previous year.

Net Profit

After providing for provision and taxes, the Net Profit of the Bank for the year 2016 was Tk. 2,060.57 million, compared to Tk. 1,922.63 million in the previous year.

Dividend

The Net Profit of the Bank stood at Tk. 2,060.57 million as on December 31, 2016. After transfer of Tk. 589.29 million to Statutory Reserve, the amount available for distribution was Tk.1,471.29 million. The capital of the Bank was 13.89% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 224.12 million, total amount available for distribution to Shareholders was Tk. 1,695.41 million. The Board of Directors recommended 23% Dividend (10% Stock and 13% Cash Dividend) for the year 2016. Accordingly, an amount of Tk.168.98 million will remain in the form of Retained Earnings.

Balance Sheet

As on December 31, 2016, total Assets of the Bank (excluding contingent) was Tk. 188,241.21 million compared to Tk. 154,192.85 million of 2015. The growth thus recorded was 22.08%. Major Asset components were Loans and Advances (70.17%) followed by Investments (14.90%). Deposits constituted the major portion of the Bank's liability (87.51%). Contingent Liabilities were Tk. 70,894.59 million against Tk. 61,443.63 million for the previous year.

Equity

The equity of the Bank increased to Tk. 12,915.94 million from Tk. 11,579.21 million registering an

increase of 11.54%. The percentage of Tier-I Capital to Risk Weighted Asset is 8.72% against a requirement of 5.5%.

Deposits

Deposits of the Bank grew by 16.90% during the year and stood at Tk. 153,427.66 million as at December 31, 2016 against Tk. 131, 251.82 million as at December 31, 2015. 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 2016 was 5.99%.

Cash and Balances with Banks and **Financial Institutions**

Cash and Balances with Bangladesh Bank was Tk. 12,950.44 million as against Tk. 12,215.30 million in 2015, representing an increase of 6.02%. These funds are maintained to meet the Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) of the Bank. Due to quantum increase in Deposits, the CRR and SLR of the Bank have correspondingly increased and such requirements were properly and adequately maintained. Surplus funds after meeting the CRR & SLR requirements were placed as short-term deposits with several commercial banks and financial institutions. Outstanding in such accounts in Bangladesh was Tk. 1,438.64 million as at December 31, 2016.

The Bank maintained sufficient balances equivalent to Tk. 3,659.18 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.



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Investments

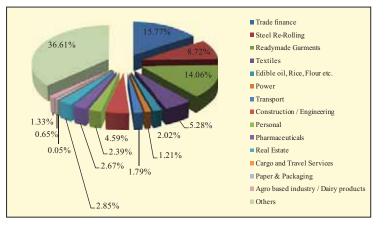
Investment activities by the Bank included meeting the SLR requirements and were mostly in the form of Government Treasury Bills with varying dates of maturity.

The Bank had a total investment of Tk. 25,065.93 million in Government Treasury Bills, Treasury Bonds, Bangladesh Bank Bill and Prize Bond. In addition, the Bank made investment in shares and Subordinated Bond of different legal entities.

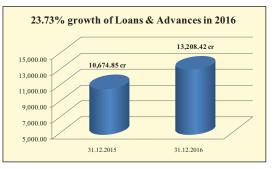
Loans and Advances:

The Bank's total Loans and Advances stood at Tk.132,084.25 million as on December 31, 2016, compared to the same of Tk. 106,748.52 million of 2015 showing a growth of 23.73% 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.

Sector wise loans & advances as on 31.12.2016



Comparison of Loans & Advances between 2015 & 2016



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



Related Party Disclosure 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 2016: 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 31.12.2016:

Guarantee amounting to Tk. 3,407,278 and

- 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
- 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,



Tk. 11,300 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.

Ms. Dilruba Ahmed, Spouse of Mr. Kazi Rukun Uddin Ahmed, Director of ONE Bank Ltd. is the owner of Little Jewels School, Which is availing an SOD limit of TK. 2,700,000 against 100% FDR margin. Outstanding against the limit is Tk. 2,355,239.

b) Amount of transactions regarding principal items of deposits, expenses and commission: Nil

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 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.

To meet Regulatory Capital Requirement for enhanced business activities, during the year 2016, ONE Bank Limited further issued Unsecured Non-convertible Subordinated Bond of Tk. 4,000 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 +2.80% 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.

Preparation of Financial Statements by the Management

The financial statements prepared by the Management have presented fairly its state of affairs, the result of its







operations, cash flows and changes in equity. Balance Sheet, Income Statement, Statement of Changes of Equity and Cash Flow Statement etc. are presented in Annual Report under respective heads.

Maintenance of Books of Accounts

OBL is fully compliant 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 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 2016 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 SEC/CMRRCD/2006-158/134/ Notification No: 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



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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.

Sl. No.	Location	Area/Space	Remarks
01	Kader Tower, 128 Jubilee Road, Kotowali, Chittagong	6179 Sq. Ft.	Houses OBL Jubilee Road Branch, Chittagong
02	Monoara Complex, East Laldighir Par, Coast Hill Lane, Main Road, Cox's Bazar	5500 Sq. Ft.	Houses OBL Cox's Bazar Branch, Cox's Bazar
03	Mostofa Plaza, 104 S.S. Road, Sirajgonj Sadar, Sirajgonj	8000 Sq. Ft.	Houses OBL Sirajgonj Branch and DR Center, Sirajgonj
04	M. S. Orchid Center, 44 M.K. Road, Thana- Kotowali, Jessore	4800 Sq. Ft.	Houses OBL Jessore Branch, Jessore
05	Proposed OBL Training Institute & OBL Vocational Training Institute Chandra, Kaliakair, Gazipur	499 Decimal	Ownership of obtained by Artharin Adalat verdict

List of premises owned by ONE Bank Limited:

Premises being purchased by ONE Bank Limited:

Sl. No.	Location	Quantity	Remarks
01	S.N. Mim City, Holding- 83, Muradpur, Hathazari Road, Panchlish, Chittagong	4239 Sq. Ft.	To house proposed OBL Muradpur Branch, Chittagong



Five Years' Financial Highlights of ONE Bank Limited

Figures in Million Taka						
SI No	Particulars	2016	2015	2014	2013	2012
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	6,637	5,899	5,244	4,767	4,145
3	Shareholders' equity	12,916	11,579	10,225	8,576	7,424
4	Statutory Reserve	4,435	3,846	3,306	2,665	2,310
5	Total Capital (Tier-1 + Tier-2 Capital)	20,309	14,759	14,511	12,070	8,438
6	Total Assets	188,241	154,193	121,820	102,691	85,618
7	Total Deposits	153,428	131,252	100,295	86,568	73,056
8	Total Loans & Advances	132,084	106,749	90,499	76,573	60,216
9	Total Investment	28,049	22,900	14,724	10,292	9,792
10	Import business handled	127,067	105,199	111,888	74,857	57,686
11	Export business handled	67,483	56,176	66,866	58,711	50,930
12	Guarantee business handled	10,240	12,939	9,310	8,036	11,976
13	Total Contingent Liabilities	70,895	61,444	49,787	44,183	32,669
14	Total Operating Income	8,222	7,640	7,172	5,458	4,620
15	Total Operating Expenses	3,946	3,492	3,263	2,998	2,284
16	Profit before provision	4,275	4,148	3,909	2,460	2,336
17	Provision for loans and other assets	1,329	1,450	706	683	275
18	Profit after provision and before taxes	2,946	2,698	3,203	1,777	2,061
19	Provision for taxation	886	776	1,107	428	1,005
20	Net profit after taxation	2,061	1,922	2,096	1,349	1,056

	<u> </u>	<u> </u>	
As at 3	1 Dec	ember	2016

	Figures in Taka/Percentage					
SI No	Particulars	2016	2015	2014	2013	2012
1	Earnings per Share	3.10	3.26	4.00	2.83	2.55
2	Price Earning Ratio (Times)	5.89	4.69	3.95	5.58	8.95
3	Net Asset Value per share	19.46	19.63	19.50	17.99	17.91
4	Return on Assets	1.20%	1.39%	1.87%	1.43%	1.38%
5	Return on Investment	10.07%	11.32%	12.88%	14.08%	14.31%
6	Capital Adequacy Ratio	13.89%	10.93%	13.47%	12.09%	10.46%
7	Tier - 1 (Capital)	8.72%	8.46%	9.45%	8.53%	9.13%
8	Credit Deposit Ratio	83.87%	80.58%	90.23%	88.45%	82.42%
9	Percentage of classified loans against total loans and advances	4.93%	3.58%	4.72%	4.89%	5.52%
10	Dividend					
	Cash	13.00%	12.50%	12.50%	9.00%	5.00%
	Stock	10.00%	12.50%	12.50%	10.00%	15.00%

Sl No	Particulars	2016	2015	2014	2013	2012
1	Number of Branches	87	85	77	70	64
2	Number of Employees	2028	1976	1861	1810	1608

Earnings per Share, Price Earning Ratio and Net Asset Value per Share have been presented as per respective years' financial statements.

Declaration of Dividends

The Bank declared 23% Dividend (10% Stock & 13% Cash) for the year 2016.

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Sayeed H. Chowdhury	20	0	20
Mr. Asoke Das Gupta	19	1	20
Mr. Zahur Ullah	19	1	20
Mr. A. S. M. Shahidullah Khan	15	5	20
Mr. Kazi Rukunuddin Ahmed	20	0	20
Mr. Shawket Jaman	19	1	20
Mr. Salahuddin Ahmed	16	4	20
Mr. Syed Nurul Amin	17	3	20
Mr. M. Fakhrul Alam	20	0	20

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No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2016

No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2016

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Zahur Ullah	11	0	11
Mr. Sayeed H. Chowdhury	11	0	11
Mr. Asoke Das Gupta	11	0	11
Mr. M. Fakhrul Alam	11	0	11

No. of Meetings of the Audit Committee held & Attendance of the Directors in the **Meetings during 2016**

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. A. S. M. Shahidullah Khan	1	3	4
Mr. Shawket Jaman	4	0	4
Mr. Salahuddin Ahmed	4	0	4

No. of Meetings of the Risk Management Committee held & Attendance of the Directors in the Meetings during 2016

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	4	0	4
Mr. Salahuddin Ahmed	3	1	4
Mr. Syed Nurul Amin	3	1	4

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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:

Sl No	Name	Status	No. of Shares	Name of Spouse & Minor Children	No. of Shares
1	Mr. Sayeed H Chowdhury	Chairman	2,62,98,437	Ms. Farzana Chowdhury	3,01,14,440
2	Mr. Asoke Das Gupta	Vice Chairman	1,33,29,848	Ms. Rakhi Das Gupta	14,26,170
3	Mr. Zahur Ullah	Director	1,81,99,244	Ms. Salma Zahur	2,13,12,093
				Lamisa Lamiya	Nil
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing, KSC Securities Ltd.	1,34,36,423	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing, Irfan International Ltd.	1,32,73,819	Mrs. Dilruba Ahmed	Nil
		Director, Representing,	1,33,09,576	Mrs. Shuraya Akther	Nil
6	Mr. Shawket Jaman	M. R. Holdings and Securities Ltd.		Afra Asika	Nil
-			2.11	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	Nil
			37,233	Ms. Josephine Sarkar	5,062
10	Mr. John Sarkar	ADMD & Company Secretary		Hubert Glen Sarkar	Nil
				Timothy Carol Sarkar	Nil
11	Mr. Ashraful Haq Amin	SVP & CFO	Nil	Mrs. Kazi Naeema Binte Faruky	Nil
	The restriction rough running	(in-charge)		Aymanul Haq Amin	Nil
				Ayeshah Amin	Nil
12	Mr. Kutub Uddin Ahmad	SVP & Head of	Nil	Mrs. Senora Nashid	Nil
12	WII. Kutub Uddin Anmad	Internal Audit	1811	Ahmad Samin Yasar	Nil
				Manha Junaira Ahmad	Nil

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

Sl.No.	Name	Status	No. of Shares
1	Mr. Wakar Hasan	DMD	Nil
2	Ms. Johora Bebe	DMD	Nil
3	Ms. Rozina Aliya Ahmed	ADMD	2,640
4	Mr. Chowdhury Akhter Asif	SEVP	Nil
5	Mr. Shabbir Ahmed	ADMD	Nil

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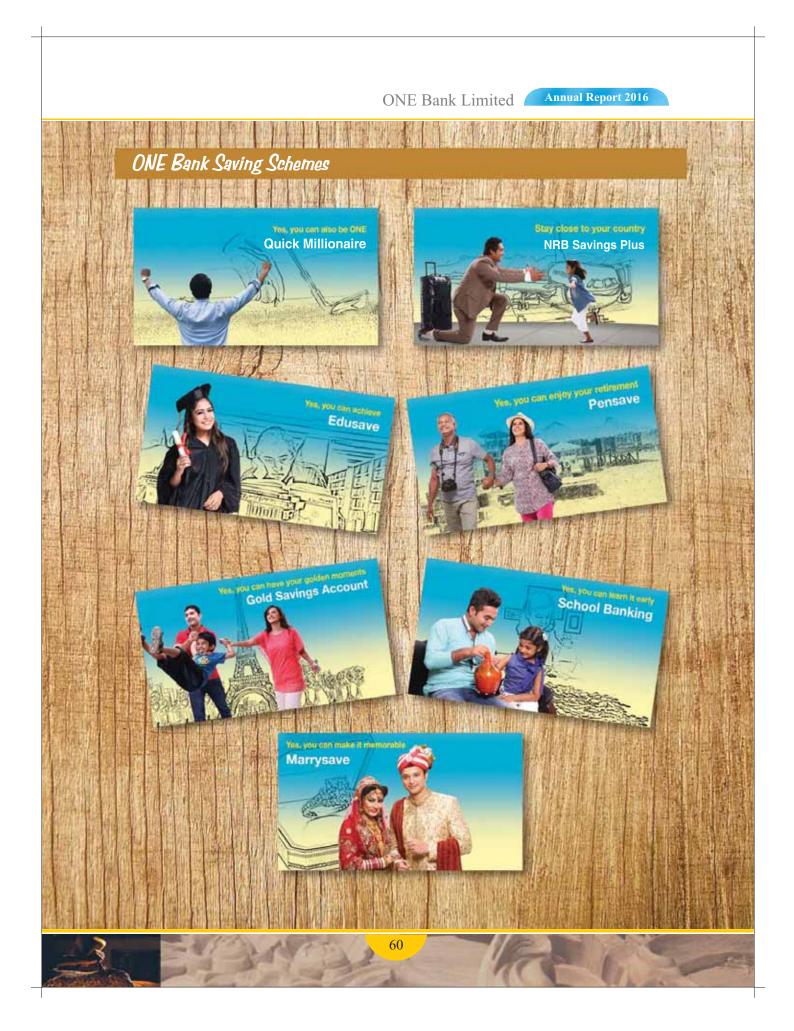
IV. Shareholders holding ten percent (10%) or more voting interest in the company : Nil

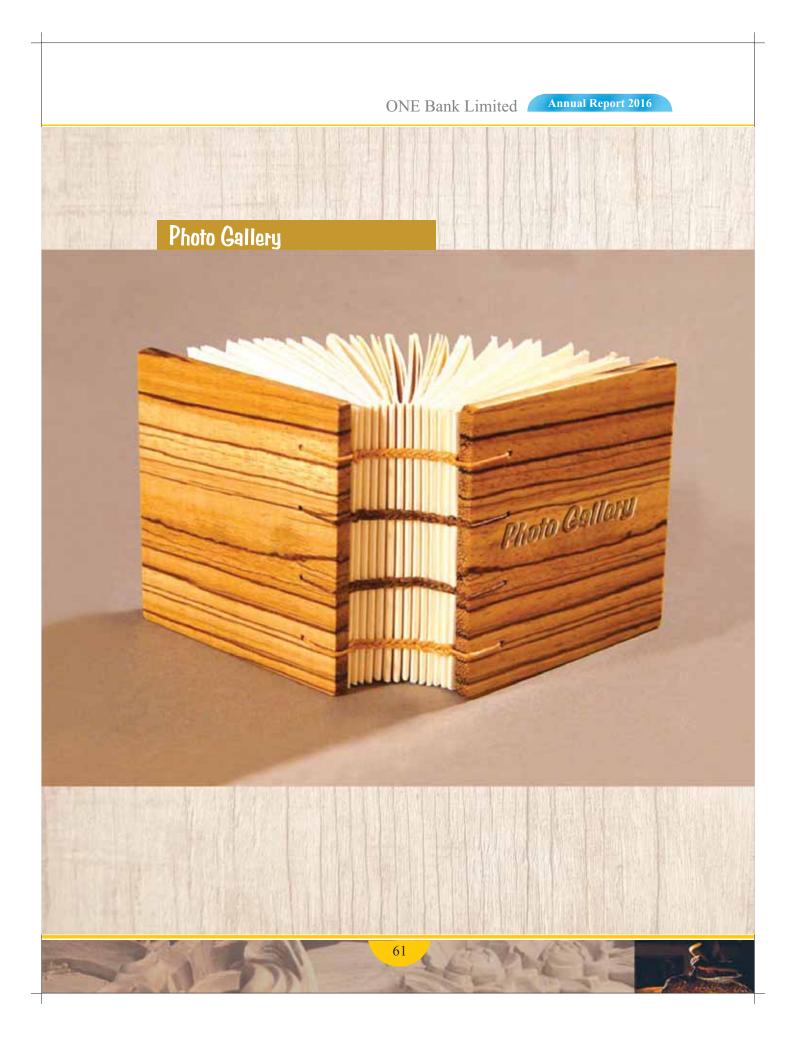
Appointment / Re-appointment of Directors

The issue is discussed in the Director's Profile.

On behalf of the Board of Directors,

Sayeed Hossain Chowdhury Chairman











Members of Board's Risk Management Committee



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Inauguration of OBL Bijoynagar Branch at Dhaka



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CEPZ Branch opening at Chittagong





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Inauguration of OBL Faridpur Branch



ONE Bank Limited opened an ATM Booth at Chittagong Club Lawn Cafe



Inauguration of OBL Hemayetpur Branch at Savar





Signing Ceremony between ONE Bank Limited and BBS cable



Mou Signing with NID Commission 2016



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ONE Bank Limited signs an MOU with Takabazar.com





A partial view of OBL's 25th Branch Managers' Conference



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A partial view of Clients' Reception, Bogra







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



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



OBL Scholarship Programme for Poor but Meritorious Students at Chittagong



OBL sponsored Pushpo Mela at Rajshahi 2016



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Participants at an OBL arranged AML & CFT Workshop

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 238th Meeting held on March 31, 2016 consisting of the following members:

Sl. No.	Name	Status in the Board	Status in 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 2016, 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 therein.
- 2. Bangladesh Bank Comprehensive Inspection Report and the recommendation made therein.
- Audit & Inspection reports on the Branches, Divisions and Departments of the Corporate HQ by the Internal Control & 3 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.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of 7. compliance thereof.
- 8. The status of recovery of classified loans and providing necessary instructions to the Management.
- 9. Yearly Risk Based 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.



ONE Bank Limited

Annual Report 2016

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 Limited (Bank) for the year ended 31 December 2016. These guidelines relate to the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and amendment No SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

The compliance with this 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 this said condition 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 complaied 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.

ATA KHAN & CO. Chartered Accountants

Dated:Dhaka 16 April 2017



Corporate Governance

ONE Bank Limited

Bangladesh Securities and Exchange Commission Compliance Issues - Status and Recommendations For the year ended 31 December 2016

		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
Notification SEC/CMRR	mpliance with the conditions imposed by the Bangladesh S No. SEC/CMRRCD/2006-158/Admin/44 dated 07 A CD/2006-158/147/Admin/48 dated 21 July 2013 issued Und dinance, 1969 is presented below:	ugust 2012	2 and an	nendment No
1	Board Size			
1.1	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)			
1.2	Independent Directors			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors			
1.2 (ii) (a)	Who either does not hold any share in the company or hold less than one percent (1%) shares of the total paid up shares of the company			
1.2 (ii) (b)	Who is not 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 share 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 share in the company.			
1.2 (ii) (c)	Who does not have any other relationship, Whether pecuniary or otherwise, with the company or its subsidiary/associated companies	Ń		
1.2 (ii) (d)	Who is not a member, director, or officer of any stock exchange			
1.2 (ii) (e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.			
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner or an executive during the preceding three years of the concerned company's statutory audit firm			
1.2 (ii) (g)	Who shall not be an independent director in more than three (3) listed companies			
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or non-banking financial institute (NBFI)			
1.2 (ii) (i)	Who 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 and approved by the shareholders in the annual general meeting (AGM).			
1.2 (iv)	The post of independent director(s) cannot remain vacant more than 90 (ninety) days			

Corporate Governance

	-		nce status		
Condition No	Title	Complied	Not Complied	Remarks (if any)	
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance of the code 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.				
1.3	Qualification of Independent Director (ID)				
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)	The person should be a business leader/corporate leader/Bureaucrat/university teacher with economics or business studies or Law background/Professionals like Chartered Accountants, cost and management accountant, chartered secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.				
1.3 (iii)	In special cases the above qualifications may be relaxed to prior approval of the commission.	-	-	Not applicable (No special case arose)	
1.4	Chairman of the Board and Chief Executive Officer (CEO)				
	The position 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. The board of directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.				
1.5	The Directors Report to Shareholders				
1.5 (i)	Industry outlook and possible future developments in the industry.				
1.5 (ii)	Segment-wise or product-wise performance.				
1.5 (iii)	Risk and concerns,				
1.5 (iv)	A discussion on cost of good sold, Gross profit margin and net profit.				
1.5 (v)	Discussion on continuity of any extra-ordinary gains or loss.				
1.5 (vi)	Basis for related party transaction- a statement of all related party transaction should be disclosed in the annual report.				
1.5 (vii)	Utilization of proceeds from public issues, right issues, and or through any others instruments.				

Corporate Governance

		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
1.5 (viii)	An explanation if the financial result deteriorate after the company goes for initial public offering (IPO), Repeat public offering (RPO), Rights offer, direct leasing 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 director shall present separately			
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 change in equity.			
1.5 (xii)	Proper books of account have been maintained properly.			
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.	-[
1.5 (xiv)	International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards/ Bangladesh Financial Reporting Standards, 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 company's ability to continue as a going concern.			
1.5 (xvii)	Significant deviations from the last years operating result of the 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 numbered of board meetings held during the year and attendance by each director.			
1.5 (xxi)	The pattern of shareholding shall be reported to disclosed the aggregate m with name wise details where stated below) held by :-		te number o	f shares (along
1.5 (xxi) (a)	Parent/Subsidiary/Associated companies and other related parties (name wise detail).			
1.5 (xxi) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise detail)	-		

Corporate Governance

<i>a</i>		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
1.5 (xxi) (c)	Executives (Explanation: For the purpose of this clause, the expression "executives" means top 5 (five) salaried employees of the company, other than the Directors, 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 detail)	-	-	Not Applicable
1.5 (xxii)	In case of the appointment/re-appointment of a director the information to the shareholders.	e company s	shall disclose	e the following
1.5 (xxii) (a)	A brief resume of the directors			
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas			
1.5 (xxii) (c)	Name of companies in which the person also holds the directorship and the membership of committees of the board			
2	Chief Financial Officer(CFO), Head of Internal Audit and C	ompany Sec	cretary(CS)	
2.1	Appointment: the company shall appoint a chief financial officer, a head of internal audit (internal control and compliance) and a company secretary (CS). The board of director should clearly define respective roles and duties of the CFO, the head of internal audit and CS.			
2.2	Requirement to attend the board meetings: The CFO and the company secretary of the companies shall attend the meeting of the board of directors provided that the CFO and/or the company secretary shall not attend such part of a meeting of the board of directors which involves consideration of an agenda item to their personal matters.			
3	Audit Committee			
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 statement reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.			
	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	Constitution of the audit committee			
3.1 (i)	The audit committee shall be composed of at least 3 (three) members.			

Corporate Governance

<i>a</i>		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
3.1 (ii)	The board of directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (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)	Fill the casual vacancy in Committee	-	-	Not applicable (No casual vacancy in 2016)
3.1 (v)	The company secretary shall act as the secretary of the committee.			
3.1 (vi)	The quorum of the audit committee meeting shall not constitute without at least 1 (one) independent director.			
3.2	Chairman of the Audit Committee			
3.2 (i)	The board of directors shall select 1 (one) member of the audit committee to be chairman of the audit committee, who shall be an independent director.			
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)			Status is given on the basis of 2015 AGM's attendance since current year's AGM not yet held.
3.3	Role of Audit Committee			not yet neid.
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 transaction submitted by the management.			
3.3 (ix)	Review management letters/ Letter of internal control weakness issued by statutory auditors.			

Corporate Governance

a 1		Complia	nce status	- D - 1
Condition No	Title	Complied	Not Complied	Remarks (if any)
3.3 (x)	Disclosure regarding utilization of IPO/RPO, Right issue fund to the audit committee.		-	Not Applicable (The last IPO was issued in 2003. RPO and Right share were not issued by the bank)
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The audit committee shall report on its activities to the board of directors.			
3.4.1 (ii)	The Audit Committee shall immediately report to the Board if any	of Directors	s on the follo	owing findings,
3.4.1 (ii) (a)	Report on conflict of interest to the board of directors			According to the CS (who is also secretery to the Audit Committee) and head of ICC, there was no conflict of interest in the year 2016.
3.4.1 (ii) (b)	Suspected or presumes fraud or irregularity or material defect in the internal control system			
3.4.1 (ii) (c)	Suspected infringement of laws including securities related laws, rules and regulations.			
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the board of directors immediately.			
3.4.2	Reporting to the authorities: If the audit committee has reported to the board of directors about anything which has material impact on the financial condition and results of operation and has discussed with the board of directors and the management that any rectification is necessary and if the audit committee finds that such rectification has been unreasonably ignored, the audit committee shall report such finding to the commission, upon reporting of such matters to the board of directors for three times or completion of a period of 6 (six) months from the date of first reporting to the board of directors, whichever is earlier.	-	-	Not applicable (The management has informed that no such issue arose, and therefore nothing has been reported to the board of Directors)

Corporate Governance

		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
3.5	Reporting to the shareholders and General investor: Report on activities carried out by the audit committee, including any report made to the board of directors under condition 3.4.1 (ii) above during the year, shall be signed by the chairman of the audit committee and disclosed in the annual report of the issuer company.	v		
4	EXTERNAL STATUTORY AUDITORS The issuer company should not engage its external/statuto services of the company; Namely;	ory auditors	to perform	the following
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 service			
4.0 (vii)	Any other services that 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.	issess any share of the company they audit at least during the $$		
4.0 (ix)	Audit/certification service on compliance of corporate governance as required under clause (i) of condition No. 7			
5	SUBSIDIARY COMPANY			
5 (i)	Provisions relating to the composition of the board of directors of the holding company shall be made applicable to the composition of the board of directors of the subsidiary company.			
5 (ii)	At least 1 (one) independent director on the board of directors of the subsidiary company.			
5 (iii)	The minutes of the board meeting of the subsidiary company shall be placed for review at the following board meeting of the $$ holding company.			
5 (iv)	The minutes of the respective board meeting of the holding			
5 (v)	The audit committee of the holding company review the financial statements, in particular the investments made by the subsidiary company.	<i>c</i>		

Corporate Governance

		Complia	nce status	
Condition No	Title	Complied	Not Complied	Remarks (if any)
6	Duties of Chief Executive Officer (CEO) and Chief Financia	l Officer(CF	O)	
6.0 (i)	The CEO and CFO shall certify to the board that;			
6.0 (i) (a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;			
6.0 (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.			
6.0 (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.	v		
7	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a practicing professional accountant / secretary (Chartered accountant/cost and 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 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

March 30, 2017

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, 2016:

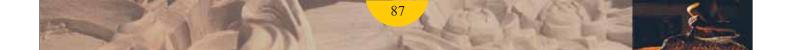
i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:

- 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.

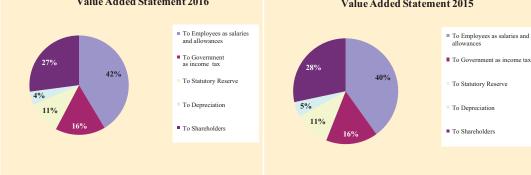
Ashabel Hay Amin

Ashraful Haq Amin Incharge of Finance Division

M. Fakhrul Alam Managing Director



Value Added Statement The Value Added Statement of ONE Bank Limited shows how the value is created and distributed to the different stakeholders of the Bank. 2016 2015 Particulars Taka Taka Income from banking Service 16,687,203,011 15,045,695,403 (9,927,686,553) (8,716,117,377) Less: Cost of services and supplies 6,759,516,458 6,329,578,026 (1,328,935,970) (1,449,520,941) Loan loss provision and other provisions 5,430,580,488 4,880,057,085 **Total Value Added** Value Added Statement 2016 Value Added Statement 2015



	2016 (Taka)	%	2015 (Taka)	%
Distribution of added value				
To Employees as salaries and allowances	2,249,604,201	42%	1,957,767,630	40%
To Government as income tax	885,855,023	16%	775,776,053	16%
To Statutory Reserve	589,285,136	11%	539,681,812	11%
To Depreciation	234,550,605	4%	223,880,394	5%
To Shareholders	1,471,285,523	27%	1,382,951,196	28%
Total	5,430,580,488	100%	4,880,057,085	100%

Credit Rating Report

ONE Bank Limited has been rated by the Emerging Credit Rating Limited (ECRL) on the basis of Financial Statements for the year ended 31 December 2016. The summary of the rating is presented below:

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating
March 10, 2017	March 09, 2018	AA	ST-2
March 10, 2016	March 09, 2017	AA	ST-2
March 31, 2015	March 30, 2016	AA-	ST-2

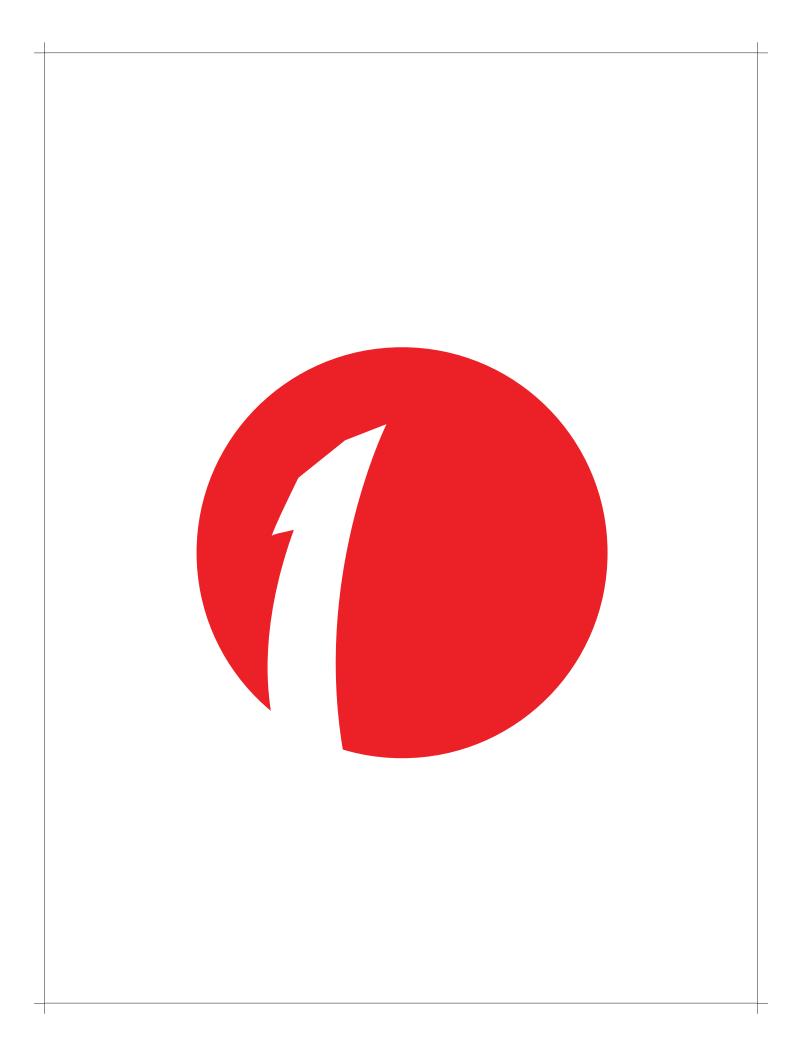
Long Term AA means:

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 ST-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)

For the year ended 31 December 2016

Introduction

In Compliance with Pillar III of the revised Framework for International Convergence of Capital Measurement and Capital Standards (BASEL-III) and 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 expended 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 for 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



Disclosures on Risk Based Capital (BASEL-III)

Annual Report 2016

1. Scope of application

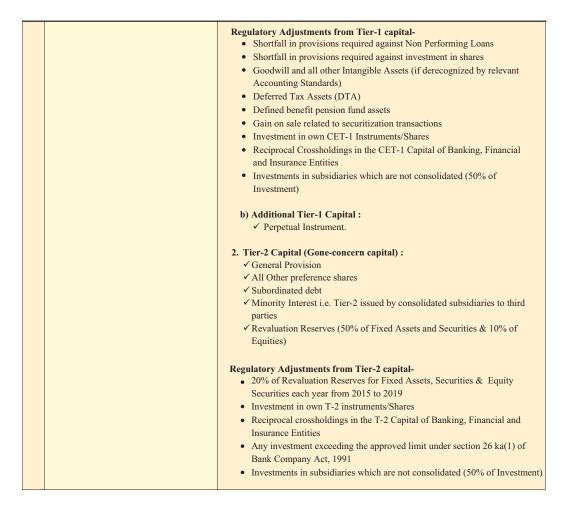
The Risk Based Capital Adequacy framework applies to all banks on Solo and consolidated basis, where 'Solo' basis refers to all positions of the bank and 'Consolidated' basis includes subsidiary company of ONE Securities Limited.

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: (i) that are fully consolidated (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk weighted).	The consolidated financial statements of the Bank include the financial statements of (i) ONE Bank Limited, and (ii) ONE Securities Limited. ONE Bank holds 99.99%, shares of ONE Securities Limited. 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 Accountants of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to 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. 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 on December 24, 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC).
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	In terms of Section 13 of the Bank Company Act, 1991 (Amended upto 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
	Tier 2.	follows: 1. Tier 1 Capital (a+b) (Going-concern capital) a) Common Equity Tier-1 Capital (CET-1):



b. Qualitative Disclosures

Di Qui	interve Disclosures	Amount in	crore Taka
a)	Tier-1 Capital (Going-concern capital)	Solo	Consolidated
	1. Common Equity Tier-1		
	✓ Paid up capital	663.67	663.67
	✓ Statutory Reserve	443.49	443.49
	✓ Retained Earnings	169.54	135.84
	✓ Minority Interest in Subsidiaries		2.16
	Sub total	1,276.70	1,245.16
	Adjustment:		
	✓ Deferred Tax Assets (DTA)	(0.11)	(0.11)
	✓ Reciprocal Crossholdings	(1.78)	(1.78)
	Total Common Equity Tier-1 Capital	1,274.81	1,243.27
	2. Additional Tier-1 Capital	Nil	Nil
b)	Tier-2 Capital (Gone-concern capital)		
	✓ General Provision	220.25	220.25
	✓ Subordinated debt	532.00	532.00
	✓ Revaluation Reserves (after netting off 40% deduction)	3.85	3.85
	Total Tier-2 Capital	756.10	756.10
	Total Eligible Capital	2,030.91	1,999.37



3. Capital Adequacy a. Qualitative Disclosures

a. Qua	alitative Disclosures	
a)	A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended upto 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: (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.
		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 upto 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 guideline, 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 and considering the future possible shortfall of adequate capital, the bank issued a Subordinated Bond of Tk. 400 crore to ensure more than adequate capital against the regulatory requirement to upheld and strengthen the confidence of its investors, depositors and other stakeholders. The Board of Directors & the Senior Management of the bank emphasized rigorously round the year 2016 on corporate borrowers credit rating to lower our risk profile as well as to reduce the capital requirement of the bank. Accordingly, Asset Marketing & Credit Risk Management (CRM) teams have taken all-out efforts to increase the number of corporate borrower's exposures under rated. They are constantly taking the initiatives through guidance of the Senior Management; series of meetings, correspondence, awareness program with the allied concerns i.e. branches of the bank & ECAIs. 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.

b. Quantitative Disclosure:

b. Quantitative Disclosure:	Am	Amount in Crore		
Particulars	Solo	Consolidated		
Credit Risk Weighted Assets	13,171.60	12,927.91		
On- Balance sheet	11,596.01	11,352.33		
Off-Balance sheet	1,575.59	1,575.59		
Market Risk Weighted Assets	200.26	461.56		
Operational Risk Weighted Assets	1,248.93	1,245.95		
Total Risk Weighted Assets	14,620.78	14,635.42		
Required Capital against Credit, Market and Operational Risk				
1. Tier-1 Capital (2+3)	1,274.81	1,243.27		
2. Common Equity Tier-1 Capital (CET-1)	1,274.81	1,243.27		
3. Additional Tier-1 Capital (AT-1)	-	-		
4. Tier-2 Capital	756.10	756.10		
Total Regulatory Capital (1+4) :	2,030.91	1,999.37		
Capital to Risk Weighted Assets Ratio (CRAR)	13.89%	13.66%		
Common Equity Tier-1 to RWA	8.72%	8.49%		
Tier-1 Capital to RWA	8.72%	8.49%		
Tier-2 Capital to RWA	5.17%	5.17%		

4. Credit Risk

a. Qualitative Disclosure:

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

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

Loan Type	Default		Classified / Impaired			
Louii Type	Past due	Special Mention	SS	DF	BL	
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".	past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will	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 fir repayment will be consi overdue after six months of	idered past due /	If irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months,	after a period of 36 months	after a period of 60 months	

4.2 Description of approaches followed for specific and general allowances

ONE Bank Limited follows the General and Specific Provision requirement as prescribed by Bangladesh Bank 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. Corporate, 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.

9'

Disclosures on Risk Based Capital (BASEL-III)

Annual Report 2016

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

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 exposure as per disclosures in the audited financial statements as of 31 December 2016:			
	major types of credit	Particulars	Outstanding Amount	Mix (%)	
	exposures	Overdraft	2.475	18.74%	
		Export cash credit	108	0.82%	
		Transport loan	130	0.98%	
		House building loan	438	3.32%	
		Loan against trust receipt	618	4.68%	
		Term loan	3,700	28.01%	
		Payment against document	37	0.28%	
		Consumer Finance	129	0.98%	
		Staff loan	59	0.45%	
		Bills purchased and discounted	188	1.42%	
		Others	5,326	40.32%	
		Total loans and advances	13,208	100%	
	significant areas by major types of credit exposure	Particulars	Amount in cr Outstanding	Mix	
	0		Outstanding	Mix	
		raruculars	Loan	(%)	
		Urban			
		Dhaka Division	8,336	67.03%	
		Chittagong Division	3,358	27.00%	
		Rajshahi Division	188	1.51%	
		Sylhet Division	88	0.70%	
		Khulna Division	393	3.16%	
		Barishal Division	37	0.30%	
		Rangpur Division	37	0.29%	
		Sub-total (Urban)	12,436	100%	
		Rural	270	26.110/	
		Dhaka Division	279 433	36.11%	
		Chittagong Division Rajshahi Division	433	56.11% 1.67%	
		Sylhet Division	24	3.11%	
		Khulna Division	24	3.01%	
		Barishal Division	-	5.0170	
		Rangpur Division	_		
				1000/	
		Sub-total (Rural)	112	100%	
		Sub-total (Rural) Grand Total (Urban + Rural)	772 13,208	100%	



	By Major Industry or counterparty type	 (a) Amount of impaired loans and if available, past due loans, provided separately Amount of impaired / classified loans by major industry/sector-type as of 31 December 2016 was as under: 				
		Major industry/sector type	Outstanding Amount	Mix (%)		
		Agriculture Financing	3.2	1 0.49%		
		Readymade Garments (RMG) Industries	228.95	5 35.17%		
		Textile Industries	20.0	1 3.07%		
		Other Manufacturing Industries	47.60			
		Small & Medium Enterprise (SME) loans	180.42			
		Commercial Real Estate including	48.58			
		Construction Industries	25.93			
		Residential Real Estate financing	14.07			
		Power and Gas Industries Transport and Storage	48.30			
		Trade Services	14.03			
		Consumer Credit	1.5			
		Others	1.34			
		Total	651.00			
		was as under: Particulars of specific and general provisions for a postfolio and off balance short experience		Amount in		
		portfolio and off-balance sheet exposure	S	crore Taka		
		Specific provision for loans and advances		273.42		
		General provision for loans and advances		149.36		
		General provision for off-balance sheet exposures		70.89		
				70.89		
		Total c) Charges for specific allowances and charges-offs (general allowan	493.67		
		 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances 	and general provi the year as per a	493.67 ccs) during the ision for udited Amount in crore Taka 119.73		
		 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances 	and general provi the year as per a	493.67 ccs) during the ision for udited Amount in crore Taka 119.73 6.19		
		 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures 	and general provi the year as per a	493.67 ccs) during the ision for udited Amount in crore Taka 119.73 6.19 9.45		
		 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances 	and general provi the year as per a	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.19 9.45		
d)	Non Performing Assets (NPAs)	 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for offf-balance sheet exposures Total Position of Non Performing Loans and Advances includiscounted of the Bank as per audited financial statemente proceeding the provision for an end of the Bank as under: 	and general prov (the year as per a 116 was as under:	493.67 ccs) during the ision for udited Amount in crore Taka 119.73 6.19 9.45 135.37 ised and		
1)	Non Performing Assets (NPAs)	 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances includiscounted of the Bank as per audited financial statem December 2016 was as under: Movement of Non-Performing Assets (NPAs) 	and general prov the year as per a the year as under: a under:	493.67 ces) during the ision for udited Amount in crore Taka 119.73 6.19 9.45 135.37 ased and ended 31 Amount in crore Taka		
)	Non Performing Assets (NPAs)	 c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances includ discounted of the Bank as per audited financial statement December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance 	and general prov the year as per a the year as under: a under:	493.67 ccs) during the ision for udited Amount in crore Taka 119.73 6.19 9.45 135.37 ased and ended 31 Amount in crore Taka 382.01		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances inclu discounted of the Bank as per audited financial statem December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance Additions	and general prov the year as per a the year as under: a under:	493.67 ccs) during the ision for udited Amount in crore Taka 119.73 6.19 9.45 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances includiscounted of the Bank as per audited financial statem December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance Additions Reductions	and general prov the year as per a the year as under: a under:	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.15 9.45 135.37 assed and ended 31 Amount in crore Taka 382.01 409.88 (140.83)		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances inclu discounted of the Bank as per audited financial statem December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance Additions Reductions Closing Balance	and general prov the year as per a the year as under: a under:	493.67 ccs) during th ision for udited Amount in crore Taka 119.72 6.15 9.45 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances inclu discounted of the Bank as per audited financial statem December 2016 was as under: Opening Balance Additions Reductions Closing Balance Movement of specific provisions for NPAs	and general prov the year as per a the year as under: a under:	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.19 9.45 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88 (140.83] 651.00		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances includiscounted of the Bank as per audited financial stateme December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance Additions Reductions Closing Balance Movement of specific provisions for NPAs Opening Balance	and general prov the year as per a the year as under: a under:	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.19 9.44 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88 (140.83 651.00 150.55		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances inclu discounted of the Bank as per audited financial statem December 2016 was as under: Novement of Non-Performing Assets (NPAs) Opening Balance Additions Reductions Closing Balance Movement of specific provisions for NPAs Opening Balance Provision made during the period	and general prov the year as per a the year as under: a under:	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.19 9.42 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88 (140.83 651.00 150.55 137.20		
)	Non Performing Assets (NPAs)	c) Charges for specific allowances and charges-offs (period The Specific and general provisions for loans portfolio off-balance sheet exposures of the Bank charged during financial statements for the year ended 31 December 20 Particulars Specific provision for loans and advances General provision for loans and advances General provision for off-balance sheet exposures Total Position of Non Performing Loans and Advances includiscounted of the Bank as per audited financial stateme December 2016 was as under: Movement of Non-Performing Assets (NPAs) Opening Balance Additions Reductions Closing Balance Movement of specific provisions for NPAs Opening Balance	and general prov the year as per a the year as under: a under:	493.67 ces) during th ision for udited Amount in crore Taka 119.73 6.19 9.44 135.37 ased and ended 31 Amount in crore Taka 382.01 409.88 (140.83 651.00 150.55		

5. Equities: disclosures for Banking Book Positions

a. Qualitative Disclosures

a)	The general qualitative disclosure requirement with respect to the equity risk, including:				
	Differentiation between holdings on which capital Gains are expected and those taken under other Objectives including for relationship and strategic reasons; and Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting	Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons. 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 & International. The accounting policies, techniques and valuation methodologies were put in places as under:			
	techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these	Particulars	Valuation method		
	8 8	Shares:			
	practices.	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

	Value, disclosed in the balance sheet, of investments,			Amount in o	prore Taka		
a)	as well as the fair value of those investments; for					ket Value	
	quoted securities, a comparison to publicly quoted	Particulars	Bank	Consolidated	Bank	Consolidated	
	share values where the share price is materially	-	Position	Position	Position	Position	
	different from fair value.	Quoted	53.65	219.38	72.62	203.27	
		Share					
		Unquoted	10.33	10.33	10.33	10.33	
		share					
b)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting period.	The cumulative realized gain (losses): Amount in Crore Taka				e Taka	
	- Realized gain (losses) from equity investments	Banl	k Position	Co	nsolidated F		
				14.28		17.11	
c)	Total unrealized gains (losses)Total latent revaluation gains (losses)	Total unrealized gains (losses) Amount in Crore Taka				ore Taka	
	· Any amounts of the above included in Tier 2 capital	Banl	k Position		nsolidated F		
			1	.8.96		(16.11)	
d)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and	The capital re 31 December		or equity investme under:			
	the type of equity investments subject to any				Amount in c		
	supervisory provisions regarding regulatory capital	Parti	culars	Amount (Market	Weight	Capital Charge	
	requirements.			Value)		Charge	
	 Capital requirements for equity investments 	Specific Ris	k	72.62	0.10	7.26	
	- For Specific market risk	General Mar	rket Risk	72.62	0.10	7.26	
	- For General market risk	Total		14.52			



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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	 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. 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. Key assumptions on loan prepayments and behavior of non-maturity deposits: a) loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule; b) loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and reprised accordingly; 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.
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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 2016 is furnished below:

infancial statements as of 51 December 2010 is furnished below.			Amount	in crore Taka
	Residual maturity bucket			
Particulars	1-90 Days	91-180 Days	181-270 Days	271-364 Days
Rate sensitive assets [A]	6,309.20	2,440.06	1,640.02	5,708.38
Rate sensitive liabilities [B]	6,941.81	1,914.32	1,152.09	4,202.26
GAP [A-B]	(632.61)	525.75	487.93	1,506.13
Cumulative GAP	(632.61)	(106.86)	381.07	1,887.19
Interest rate change (IRC) [Note 1]	0.0025	0.0025	0.0025	0.0025
Quarterly earnings impact [Cumulative GAP x IRC]	(1.58)	(0.27)	0.95	4.72
Cumulative earnings impact	(1.58)	(1.85)	(0.90)	3.82

Note 1: 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	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:
	 i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; and iv) Commodity price risk



ii) Methods used to measure Market Risk	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:			
	Component of Market Risk	Capital Charged		
		General Market Risk	Specific Market Risk	
	Interest Rate Risk	Applied	Applied	
	Equity Price Risk	Applied	Applied	
	Foreign Exchange Risk	App		
iii) Market Risk Management system	Commodities Price Risk N/A 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 The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.			
iv) Policies and processes for mitigating Market Risk	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.			

b. Quantitative Disclosure:

		Amount in Crore	
Particulars		Solo	Consolidated
The capital requirements for:			
Interest Rate Risk		1.33	1.33
Equity Position Risk		14.52	40.65
Foreign Exchange Risk		4.17	4.17
Commodity Risk		-	-
	7F (1	20.02	46.16
	Total	20.03	46.16

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	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&CD) to protect against operational risks.
	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 & techniques for mitigation of operational risk.
ii) Performance gap of executives and staffs	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.



iii) Potential external event	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. Considering the potential external risk, the bank invests heavily in IT infrastructure for better automation and online transaction environment.
iv) Policies and processes for mitigating operational risk	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. Bank's Anti- Money laundering activities are headed by CAMLCO in the rank of Deputy Managing Director and their activities. The newly established Central Customer Service & 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.

b. Quantitative Disclosure:

		Amount in Crore
Particulars	Solo	Consolidated
The capital requirements for:	124.89	124.59
Operational Risk	124.09	124.59

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	The following methods are used to measure Liquidity risk- ✓ Liquidity Coverage Ratio (LCR) ✓ Net Stable Funding Ratio (NSFR) ✓ Cash Reserve Ratio (CRR), ✓ Statutory Liquidity Ratio (SLR) ✓ Maximum Cumulative Outflow (MCO) ✓ Advance Deposit Ratio (ADR)	

iii) Liquidity risk Management system	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.
	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.
iv) Policies and processes for mitigating Liquidity risk	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 & 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.

b. Quantitative Disclosure:

Particulars	Amount in crore Taka
Liquidity Coverage Ratio (LCR)	118.70%
Net Stable Funding Ratio (NSFR)	117.93%
Stock of High quality liquid assets	3,699.77
Total net cash outflows over the next 30 calendar days	3,116.91
Available amount of stable funding	15,763.83
Required amount of stable funding	13,367.17

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:

a) constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy; and b) 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:

	Amo	int in crore Taka
Particulars	Solo	Consolidated
Leverage Ratio	6.27%	6.11%
Adjusted Tier 1 Capital	1,274.81	1,243.27
On balance sheet exposure	18,550.70	18,538.80
Off balance sheet exposure	1,796.35	1,796.35
Total exposure	20,347.05	20,335.16

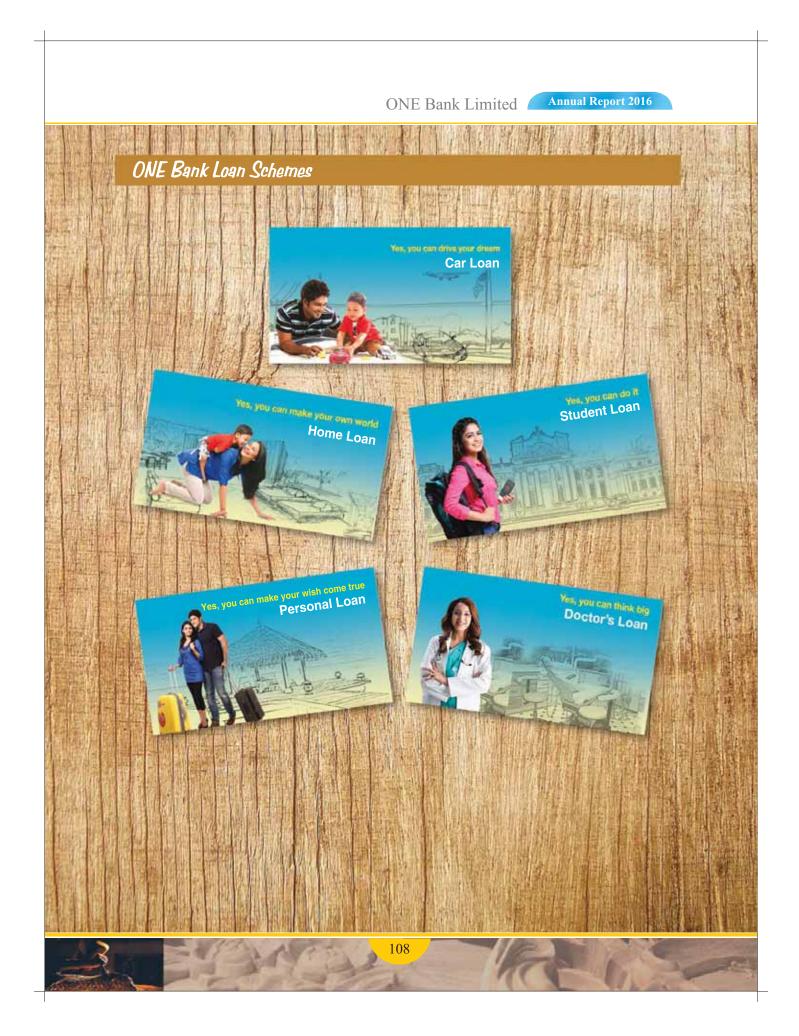


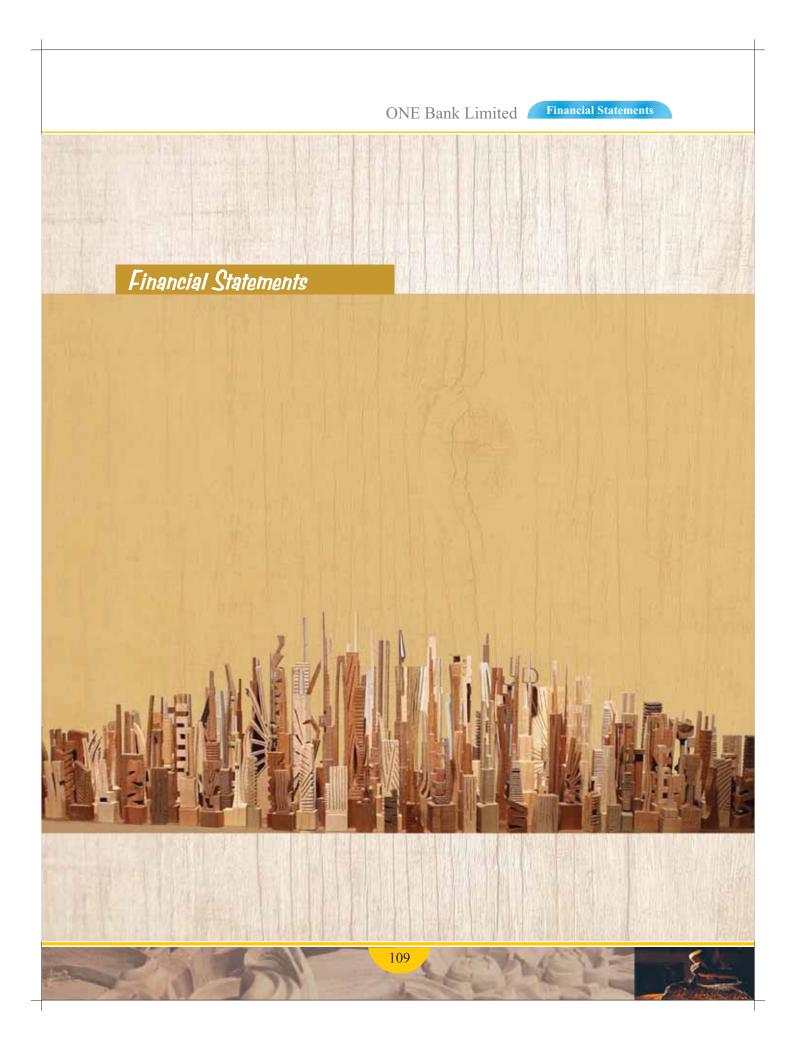
a)	Information relating to the bodies that	The OBL Remuneration Committee i.e. the Management is responsible for
	oversee remuneration and mandate of the Management.	overseeing, review and implementation of Bank's overall compensation structure and related policies regarding remuneration packages for 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 talents and review compensation packages/pay structure in comparison to that of other Banks and the industry in general to maintain its competitive edge.
		The Management works in close coordination with the Risk Managemen Committee of the Bank, in order to achieve effective alignment betweer 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 Managemen of OBL performs the following: - Conduct the annual review of the Compensation Policy. - Fulfill such other powers and duties as may be delegated to it by the
		Board. Till date, the Bank has not yet engaged any External Consultants for conducting such exercise since those were done by the Bank's Management.
		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, analysi and proposals for modification commensurate with changed situations in compliance with relevant laws and rules & regulations. 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.
		The prevailing policies regarding remuneration and other financial/non financial benefits of employees have been implemented with the approval of the Board of Directors.
b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy	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 & 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.
		 Minimum Qualification required Experience Level of Risk involved Criticality of the job Creativity required in the job Salesmanship Leadership Corporate Rank etc.
		The remuneration structure for the Managing Director (MD) of the Bank i subject to approval of the Central Bank i.e. Bangladesh Bank.
		Review of the remuneration policy was not required during the year 201- since the Bank's overall remuneration structure has remained competitive.

c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should	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 positions).
	include the nature and type of the key measures used to take account of these risks.	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: - Marketing - CRM - Operations - Trade Finance etc.
		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.
d)	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	The Bank has various schemes in regards to deferred and vested variable remuneration which are as under: - PF (Vesting or entitlement to employer's contribution happens on
	remuneration before vesting and after vesting.	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.
		 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.
		 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.
		 Furniture & Fixture allowances (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.
		 Staff House Building Loan (a permanent employee in the rank o Principal Officer or above, after completion of 5 (five) years o service, can avail of a House Building Loan at Bank Rate as pe policy and approval from the appropriate Authority).
		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.
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.	Variable pay means the compensation as fixed by the Board or 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:
		 Performance Linked Incentives to those employees who are eligible for incentives. Ex-gratia for other employees who are not eligible for Performance linked Incentives.
		 Different awards based on extra-ordinary performance & achievement. Employee/Manager of the Month/Quarter award.
		 Reimbursement/award for brilliant academic/professional achievement. Leave Fare Assistance (LFA)

b) Quantitative Disclosure:

(a)	Number of employees having received a variable remuneration award during the financial year.	Total 1,809 number of employees got variable remunerations during the year 2016.
	Number and total amount of guaranteed bonuses awarded during financial year.	2 (Two) number of guaranteed bonus (Festival Bonus) were awarded during the year and the amount of bonus was Tk. 17.25 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. 62.68 crore as of 31 st December, 2016.
	Total Amount of deferred remuneration paid out in the financial year.	Total amount of deferred remunerations paid is Tk. 2.92 crore during the year 2016 (Gratuity amount paid to the outgoing employees during the year 2016).
(c)	Breakdown of amount of remuneration awards for the financial year to show:	
	- Fixed and variable	Fixed remuneration is Tk. 202.96 crore and variable remuneration disbursed Tk. 20.13 crore.
	- Deferred and no-deferred	Deferred remuneration awarded (account for during the year) is Tk. 9.06 crore and non-deferred remuneration is Tk. 215.90 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





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

Report on the financial statements

We have audited the accompanying consolidated financial statements of ONE Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of ONE Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Report on other legal and regulatory requirements

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

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.23 of the financial statements appeared to be materially adequate; and
 - 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 these financial statements;
- c) financial statements of the subsidiaries of the Bank have also been audited by us and have been properly reflected in the consolidated financial statements;
- d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- f) the expenditure incurred was for the purposes of the Bank's business;
- g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanation required by us have been received and found satisfactory; and
- k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

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Hoda Vasi Chorodhurto

Hoda Vasi Chowdhury & Co Chartered Accountants

ONE Bank Limited and its Subsidiary Consolidated Balance Sheet

As at 31 December 2016

	Notes	2016 Taka	2015 Taka
PROPERTY AND ASSETS			
Cash	3 (a)		
Cash in hand (including foreign currencies)	U (U)	1,419,096,929	1,187,048,352
Balance with Bangladesh Bank and its agent bank(s)		-,,,	-,,
(Including foreign currencies)		11,531,359,863	11,028,251,491
(12,950,456,792	12,215,299,843
Balance with other banks and financial institutions	4 (a)	12,700,100,772	12,210,233,010
In Bangladesh	- ()	1,438,644,291	783,622,747
Outside Bangladesh		3,659,179,549	930,383,782
		5,097,823,840	1,714,006,529
Money at call on short notice	5	250,000,000	2,600,000,000
Investments	6 (a)	, ,	, , , ,
Government	. /	25,065,926,053	19,529,306,174
Others		5,240,955,950	5,172,815,953
		30,306,882,003	24,702,122,128
Loans and Advances	7 (a)		
Loans, cash credit, overdraft etc.		129,853,983,356	105,155,550,139
Bills purchased and discounted		2,256,772,918	1,641,728,564
		132,110,756,274	106,797,278,703
Fixed Assets including premises, furnitures & fixtures	8 (a)	1,970,726,731	1,512,158,972
Other Assets	9 (a)	5,435,596,661	4,243,209,518
Non-banking Assets	10	-	283,786,525
Total Assets		188,122,242,302	154,067,862,218
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	. ,	9,698,408,379	2,288,076,612
Deposits and other accounts	12(a)		
Current accounts and other accounts		19,263,263,421	17,490,483,183
Bills payable		1,758,117,556	2,407,671,898
Savings bank deposits		15,274,229,186	12,315,212,308
Term deposits		116,923,257,033	98,979,696,157
	10 ()	153,218,867,196	131,193,063,546
Other Liabilities	13 (a)	12,604,420,048	9,688,549,236
Total Liabilities		175,521,695,623	143,169,689,394
Capital/Shareholders' Equity	14	((2((55 280	5 800 240 140
Paid-up Capital	14 15	6,636,655,280	5,899,249,140
Statutory Reserve		4,434,929,509	3,845,644,373
Surplus in Profit & Loss Account Revaluation Reserve for Securities	16.1 (a)	1,358,421,259	1,004,913,203
Total Shareholders' Equity		148,943,842 12,578,949,890	<u>135,375,982</u> 10,885,182,698
Non-Controlling Interest		21,596,789	10,885,182,098
Total Liability and Shareholders' Equity		188,122,242,302	154,067,862,218
Form Enabling and Shareholder's Equity		100,122,292,302	107,007,002,210

ONE Bank Limited and its Subsidiary Consolidated Balance Sheet

As at 31 December 2016

	<u>Notes</u>	2016 <u>Taka</u>	2015 <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		31,514,595,916	30,095,289,307
Letters of Guarantee	46	11,927,328,017	10,728,246,661
Irrevocable Letters of Credit		26,163,774,210	17,712,419,636
Bills for Collection		1,288,895,147	2,907,675,142
		70,894,593,289	61,443,630,746
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		70,894,593,289	61,443,630,746
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commi	tments	-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		70,894,593,289	61,443,630,746
	-		
Net Asset Value Per Share		18.95	16.40

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

M. Fakhrul Alam Managing Director

Salahuddin Ahmed

Director

Lu Zahur Ullah

Director

Asoke Das Gupta

Vice-Chairman

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

Hoda Vasi Chorodhurto

Hoda Vasi Chowdhury & Co Chartered Accountants



ONE Bank Limited and its Subsidiary Consolidated Profit & Loss Account

For the year ended 31 December 2016

Tor the year ended 51	December	2010	
		2016	2015
	Notes	Taka	Taka
T () ()			
Interest income	17 (a)	12,806,917,579	11,959,810,657
Interest paid on deposits and borrowings etc.	18 (a)	(8,465,698,136)	
Net interest income		4,341,219,442	4,553,649,947
Investment Income	19 (a)	2,025,611,677	1,513,091,386
Commission, Exchange and Brokerage	20 (a)	1,452,717,330	1,171,095,823
Other operating income	21 (a)	544,323,510	444,268,121
Total operating income (A)		8,363,871,960	7,682,105,278
Salaries and allowances	22 (a)	2,251,757,287	2,038,342,522
Rent, taxes, insurance, electricity etc.	23	476,880,251	410,619,921
Legal expenses	24 (a)	19,027,112	22,275,090
Postage, stamps, telecommunication etc.	25	79,606,726	58,040,460
Directors' fees	26 (a)	1,523,500	1,083,000
Auditors' fees		225,000	225,000
Stationery, Printings, advertisements etc.	27 (a)	156,932,637	124,590,221
Managing Director's salary and allowances	28	13,333,226	13,106,662
Depreciation, leasing expense and repair of bank's assets	29 (a)	564,608,420	511,355,450
Other expenses	30 (a)	409,022,942	328,093,124
Total operating expenses (B)	50 (u)	3,972,917,102	3,507,731,449
Profit/ (loss) before provision and tax (C=A-B)		4,390,954,858	4,174,373,829
Provision for loans and advances		т,590,957,050	7,1/7,3/3,02)
Specific provision	13.4	1 107 246 015	1 457 935 990
		1,197,346,915	1,457,825,889
General provision	13.5	61,889,257	(140,681,643)
	12.0	1,259,236,173	1,317,144,246
Provision for off-balance sheet items	13.8	94,509,626	116,565,585
Provision for diminution in value of share	32	(270,151,714)	103,677,593
Provision for other	33	(133,362)	(8,865,356)
Total Provision (D)		1,083,460,722	1,528,522,068
Profit/(loss) before taxes (E=C-D)		3,307,494,136	2,645,851,761
Provision for taxation			
Current tax expense	34 (a)	873,566,138	786,098,258
Deferred tax expense /(income)	34 (a)	12,715,990	(10,122,759)
		886,282,128	775,975,500
Net Profit after taxation		2,421,212,008	1,869,876,262
Attributable to:			
Shareholders of the ONE Bank Ltd		2,417,605,474	1,870,403,848
Non-Controlling Interest		3,606,533	(527,586)
C		2,421,212,008	1,869,876,262
Retained Surplus brought forward	16.1(b)	(469,899,079)	(325,808,832)
Add: Net profit after tax (attributable to shareholder of OBL)	10.1(b)	2,417,605,474	1,870,403,848
Add. Net profit after tax (attributable to shareholder of OBL)			
A		1,947,706,395	1,544,595,016
Appropriations:	15	580 285 126	520 (01 012
Statutory Reserve	15	589,285,136	539,681,812
General Reserve		-	-
		589,285,136	539,681,812
Retained Surplus		1,358,421,259	1,004,913,203
Earnings per share (EPS)	47 (a)	3.64	2.82
		·	4

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

M. Fakhrul Alam Managing Director

Salahuddin Ahmed

Director

Zahur Ullah

Director

Asoke Das Gupta Vice-Chairman

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

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Ho da Vasi Chorodhurfo Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, 30 March 2017

Financial Statements

ONE Bank Limited and its Subsidiary Consolidated Cash Flow Statement

For the year ended 31 December 2016

	Notes	2016 <u>Taka</u>	2015 <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	35(a)	13,844,891,100	12,566,708,301
Interest payments	36(a)	(8,701,401,995)	(6,972,716,752)
Dividend receipts	00(0)	150,732,873	80,118,323
Fee and commission receipts in cash	37(a)	698,259,024	631,445,758
Recoveries of loans previously written off		31,401,393	-
Cash payments to employees		(2,244,369,666)	(2,015,106,391)
Cash payments to suppliers		(474,730,944)	(401,783,601)
Income Taxes paid		(1,132,912,171)	(1,095,334,197)
Receipts from other operating activities	40(a)	1,327,357,408	984,104,436
Payment for other operating activities	41(a)	(984,018,429)	(828,592,710)
Cash generated from operating activities before changes in			
operating assets and liabilities		2,515,208,595	2,948,843,167
Increase/(decrease) in operating assets and liabilities			
Purchase of trading securities		(136,975,516,780)	(8,617,600,239)
Sale of trading securities		136,112,085,711	6,426,452,239
Loans and advances to customers		(25,891,333,811)	(17,546,118,120)
Other current assets	42(a)	(9,913,098)	(359,365,799)
Deposits from other banks		223,880,156	(3,630,002,841)
Deposits from customers		22,415,149,027	34,607,452,788
Other liabilities	45(a)	893,687,881	597,390,960
A Net cash used in/ from operating activities		(716,752,318)	14,427,052,155
Cash flows from investing activities			
Proceeds from sale of securities		7,683,283,978	3,491,148,334
Payments for purchase of securities		(11,506,346,030)	(9,921,984,308)
Purchase of property, plant & equipment		(438,595,635)	(332,256,039)
Sale of property, plant & equipment		9,683,025	300,100
B Net cash used in investing activities		(4,251,974,663)	(6,762,791,913)
Cash flows from financing activities		5 000 120	5 2 (2 (0 0
Receipts from issue of ordinary shares		5,000,130	5,363,600
Borrowing from other banking companies, agencies etc. Dividend paid		7,410,331,767 (736,728,248)	(1,229,184,071) (650,220,203)
C Net cash used for financial activities		6,678,603,649	(1,874,040,675)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		1,709,876,668	5,790,219,568
E Effects of exchange rate changes on cash and cash-equivalent		237,150	4,664,642
F Opening cash and cash equivalent		16,589,814,914	10,736,172,762
G Closing cash and cash equivalents (D+E+F)		18,299,928,732	16,531,056,971
		10,277,720,752	10,551,050,771
Closing cash and cash equivalents	•	1 410 00 (000	1 105 0 40 0 50
Cash in hand	3(a)	1,419,096,929	1,187,048,352
Cash with Bangladesh Bank & its agent(s) Cash with other banks and financial institutions	3(a)	11,531,359,863	11,028,251,491
Money at call on short notice	4(a) 5	5,097,823,840	1,714,006,528
Prize bonds	5	250,000,000 1,648,100	2,600,000,000 1,750,600
1 1120 001105	U		
		18,299,928,732	16,531,056,971
Net Operating Cash Flow Per Share		(1.08)	21.74

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

M. Fakhrul Alam

Managing Director

 \leq Salahuddin Ahmed Director

F Zahur Ullah Director

Asoke Das Gupta Vice-Chairman



		For the year en	For the year ended 31 December 2016	For the year ended 31 December 2016			Amount in Taka
Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non- Controlling Interest	Total
Balance as at 01 January 2016	5,899,249,140	3,845,644,373	135,375,982	1,004,913,203	10,885,182,698	12,990,126	10,898,172,824
Changes in accounting policy	T	1	1	1	1	1	
Restated balance	5,899,249,140	5,899,249,140 3,845,644,373	135,375,982	1,004,913,203	10,885,182,698	12,990,126	10,898,172,824
Issue of Bonus Share for the year 2015 (Transferred to Paid-up Capital)	737,406,140	ı	ı	(737,406,140)			·
Cash Dividend Paid			-	(737, 406, 143)	(737, 406, 143)		(737,406,143)
Share Transferred	-		-	-	-	5,000,130	5,000,130
Surplus of Revaluation of Reserve for HTM Securities	-	1	148,943,842		148,943,842	ı	148,943,842
Adjustment of Revaluation of Reserve for HTM Securities	-	ı	(135,375,982)		(135,375,982)	1	(135,375,982)
Net Profit after Tax for the year	-		-	2,417,605,474	2,417,605,474	3,606,533	2,421,212,008
Profit transferred to Statutory Reserve	-	589,285,136		(589, 285, 136)			
Balance as at 31 December 2016	6,636,655,280	4,434,929,509	148,943,842	1,358,421,259	12,578,949,890	21,596,789	12,600,546,679
Balance as at 31 December 2015	5,899,249,140	3,845,644,373	135,375,982	1,004,913,203	10.885.182.698	12,990,126	10.898.172.824

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

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M. Fakhrul Alam Managing Director

Dhaka, 30 March 2017

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Salahuddin Alfmed

Lahur Ullah Director

App. wy Asoke Das Gupta Vice-Chairman

ONE Bank Limited

Financial Statements

ONE Bank Limited Balance Sheet

As at 31 December 2016

	Notes	2016 <u>Taka</u>	2015 <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		1,419,077,712	1,187,043,986
Balance with Bangladesh Bank and its agent bank(s)			
(Including foreign currencies)		11,531,359,863	11,028,251,491
		12,950,437,575	12,215,295,477
Balance with other banks and financial institutions	4		
In Bangladesh		1,438,644,291	783,622,747
Outside Bangladesh		3,659,179,549	930,383,782
		5,097,823,840	1,714,006,528
Money at call on short notice	5	250,000,000	2,600,000,000
Investments	6		
Government		25,065,926,053	19,529,306,174
Others		2,983,483,084	3,370,401,326
		28,049,409,137	22,899,707,500
Loans and Advances	7		
Loans, cash credit, overdraft etc.		129,827,473,555	105,106,790,529
Bills purchased and discounted		2,256,772,918	1,641,728,564
		132,084,246,472	106,748,519,093
Fixed Assets including premises, furnitures & fixtures	8	1,957,112,136	1,498,749,163
Other Assets	9	7,852,176,154	6,232,785,799
Non-banking Assets	10	-	283,786,525
Total Assets		188,241,205,314	154,192,850,086
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	9,698,408,379	2,288,076,612
Deposits and other accounts	12		
Current accounts and other accounts		19,263,263,421	17,490,483,183
Bills payable		1,758,117,556	2,407,671,898
Savings bank deposits		15,274,229,186	12,315,212,308
Term deposits		117,132,045,587	99,038,454,099
*		153,427,655,750	131,251,821,488
Other Liabilities	13	12,199,203,752	9,073,746,927
Total Liabilities		175,325,267,881	142,613,645,027
Capital/Shareholders' Equity			
Paid-up Capital	14	6,636,655,280	5,899,249,140
Statutory Reserve	15	4,434,929,509	3,845,644,373
Surplus in Profit & Loss Account	16	1,695,408,803	1,698,935,564
Revaluation Reserve for HTM Securities		148,943,842	135,375,982
Total Shareholders' Equity		12,915,937,434	11,579,205,059
Total Liability and Shareholders' Equity		188,241,205,314	154,192,850,086

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ONE Bank Limited

Balance Sheet

As at 31 December 2016

No	tes	2016 <u>Taka</u>	2015 <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		31,514,595,916	30,095,289,307
Letters of Guarantee 4	16	11,927,328,017	10,728,246,661
Irrevocable Letters of Credit		26,163,774,210	17,712,419,636
Bills for Collection		1,288,895,147	2,907,675,142
		70,894,593,289	61,443,630,746
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract	_	-	-
Total Contingent Liabilities	_	70,894,593,289	61,443,630,746
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitme	ents	-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities	_	70,894,593,289	61,443,630,746
Net Asset Value Per Share		19.46	17.45

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

M. Fakhrul Alam Managing Director

Salahuddin Ahmed Director

John Zahur Ullah

Director

Asoke Das Gupta Vice-Chairman

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

Hoda Vasi Chorodhurto

Hoda Vasi Chowdhury & Co Chartered Accountants



Financial Statements

ONE Bank Limited Profit & Loss Account

rioni & Loss Account

For the year ended 31 December 2016

Tor the year che			
		2016	2015
	Notes	Taka	Taka
Interest income	17	12,795,830,682	11,969,311,749
Interest paid on deposits and borrowings etc.	18	(8,465,698,136)	(7,406,160,710)
Net interest income		4,330,132,546	4,563,151,039
Investment Income	19	1,931,327,279	1,477,980,402
Commission, Exchange and Brokerage	20	1,416,894,796	1,154,331,024
Other operating income	21	543,150,254	443,674,228
Total operating income (A)		8,221,504,874	7,639,136,694
Salaries and allowances	22	2,236,270,975	2,029,171,028
Rent, taxes, insurance, electricity etc.	23	476,880,251	410,619,921
Legal expenses	24	19,003,893	22,275,090
Postage, stamps, telecommunication etc.	25	79,606,726	58,040,460
Directors' fees	26	1,456,000	998,000
Auditors' fees		200,000	200,000
Stationery, Printings, advertisements etc.	27	156,663,854	124,451,266
Managing Director's salary and allowances	28	13,333,226	13,106,662
Depreciation, leasing expense and repair of bank's assets	29	562,425,879	509,224,245
Other expenses	30	400,302,419	323,120,019
Total operating expenses (B)		3,946,143,223	3,491,206,691
Profit/ (loss) before provision and tax (C=A-B)		4,275,361,651	4,147,930,003
Provision for loans and advances			
Specific provision	13.4	1,197,346,915	1,457,825,889
General provision	13.5	61,889,257	(140,681,643)
X		1,259,236,173	1,317,144,246
Provision for off-balance sheet items	13.8	94,509,626	116,565,585
Provision for diminution in value of share	13.10	(24,676,466)	24,676,466
Provision for other	13.7 & 13.11	(133,362)	(8,865,356)
Total Provision (D)		1,328,935,970	1,449,520,941
Profit/ (loss) before taxes (E=C-D)		2,946,425,681	2,698,409,062
Provision for taxation			
Current tax expense	34	873,139,033	785,898,811
Deffered tax expense/ (income)	34	12,715,990	(10,122,759)
		885,855,023	775,776,053
Net Profit after taxation		2,060,570,658	1,922,633,009
Retained Surplus brought forward	16.1	224,123,281	315,984,367
		2,284,693,939	2,238,617,376
Appropriations:			
Statutory Reserve	15	589,285,136	539,681,812
General Reserve		-	-
		589,285,136	539,681,812
Retained Surplus		1,695,408,803	1,698,935,564
Earnings per share (EPS)	47	3.10	2.90

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

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Q0 0 00. M. Fakhrul Alam

Managing Director

Salahuddin Ahmed

Director

Lu Zahur Ullah Director

Asoke Das Gupta Vice-Chairman

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

Ho da Vasi Chozodhurfo Hoda Vasi Chowdhury & Co Chartered Accountants

ONE Bank Limited

Cash Flow Statement

For the year ended 31 December 2016

	Notes	2016 <u>Taka</u>	2015 <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash Interest payments Dividend receipts Fee and commission receipts in cash Recoveries of loans previously written off Cash payments to employees Cash payments to suppliers Income taxes paid Receipts from other operating activities Payment for other operating activities Cash generated from operating activities	35 36 19 37 38 39 9.2 40 41	13,833,804,204 (8,701,401,995) 84,713,818 662,436,490 31,401,393 (2,244,369,666) (474,730,944) (1,113,441,511) 1,297,918,810 (977,013,860)	12,576,209,393 (6,972,716,752) 45,007,339 614,680,960 - (2,015,106,391) (401,783,601) (1,086,225,486) 983,510,543 (818,896,410)
operating assets and liabilities		2,399,316,739	2,924,679,595
Increase/(decrease) in operating assets and liabilities			
 Purchase of trading securities Sale of trading securities Loans and advances to customers Other current assets Deposits from other banks Deposits from customers Other liabilities A Net cash used in/ from operating activities Cash flow from investing activities Proceeds from sale of securities Payments for purchase of securities Payment for investment in subsidiary Purchase of property, plant & equipment Sale of property, plant & equipment B Net cash used in investing activities Cash flow from financing activities Receipts from issue of ordinary shares Borrowing from other banking companies, agencies etc. Dividend paid C Net cash from financing activities 	42 43 44 45	(136,975,516,780) 136,112,085,711 (25,913,583,621) 12,954,617 223,880,156 22,623,937,581 901,481,903 (615,443,693) 7,683,283,978 (11,051,287,792) (494,999,870) (436,219,407) 9,683,025 (4,289,540,066) - 7,410,331,767 (736,728,248) 6,673,603,519	(8,617,600,239) 6,426,452,239 (17,023,014,104) (360,055,392) (3,630,002,841) 34,666,210,730 588,311,859 14,974,981,847 3,491,148,334 (9,921,080,203) (531,000,100) (329,041,069) 300,100 (7,289,672,938) (1,229,184,071) (650,220,203) (1,879,404,275)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		1,768,619,760	5,805,904,635
E Effects of exchange rate changes on cash and cash-equivalent		237,150	4,664,642
F Opening cash and cash equivalent G Closing cash and cash equivalents (D+E+F)		<u>16,531,052,605</u> 18,299,909,515	<u>10,720,483,329</u> 16,531,052,605
		18,299,909,515	10,551,052,005
Closing cash and cash equivalents Cash in hand Cash with Bangladesh Bank & its agent(s) Cash with other banks and financial institutions Money at call and short notice Prize bonds	3.1 3.2 4 5 6	1,419,077,712 11,531,359,863 5,097,823,840 250,000,000 1,648,100 18,299,909,515	1,187,043,986 11,028,251,491 1,714,006,528 2,600,000 1,750,600 16,531,052,605
Net Operating Cash Flow Per Share		(0.93)	22.56

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

M. Fakhrul Alam

Managing Director

5 Salahuddin Ahmed Director

لحل Zahur Ullah Director

Asoke Das Gupta Vice-Chairman

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
Balance as at 01 January 2016	5,899,249,140	3,845,644,373	135,375,982	1,698,935,564	11,579,205,059
Changes in accounting policy	•	•	-		•
Restated balance	5,899,249,140	3,845,644,373	135,375,982	1,698,935,564	11,579,205,059
Issue of Bonus Share for the year 2015 (Transferred to Paid-up Capital)	737,406,140	ı	-	(737,406,140)	I
Cash Dividend Paid	-	•	-	(737, 406, 143)	(737, 406, 143)
Surplus of Revaluation of Reserve for HTM Securities		1	148,943,842		148,943,842
Adjustment of Revaluation of Reserve for HTM Securities		1	(135,375,982)	1	(135,375,982)
Net Profit after Tax for the year			-	2,060,570,658	2,060,570,658
Profit transferred to Statutory Reserve		589,285,136		(589, 285, 136)	
Balance as at 31 December 2016	6,636,655,280	4,434,929,509	148,943,842	1,695,408,803	12,915,937,434
Balance as at 31 December 2015	5,899,249,140	3,845,644,373	135,375,982	1,698,935,564	11,579,205,059

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Statement of Changes in Equity For the year ended 31 December 2016 **ONE Bank Limited**

Amount in Taka

ONE Bank Limited

the acces

M. Fakhrul Alam Managing Director

Dhaka, 30 March 2017

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

Salahuddin Alfmed Director

LL WL Zahur Ullah Director

Argh wy Asoke Das Gupta Vice-Chairman

Financial Statements

	0 Li (Assets & L	ONE Bank Limited Liquidity Statement (Assets & Liabilities Maturity Analysis) As at 31 December 2016	ted ient rity Analysis) 016			Amount in Taka
	Up to 1 month	1 -3 months	3-12 months	1-5 years	Above 5 years	Total
Assets: Cash	12,950,437,575					12,950,437,575
Balance with other banks and financial institutions	1,772,611,497	1,989,308,775	1,314,794,887	21,108,682	ı	5,097,823,840
Money at call on short notice Investment	250,000,000 10,941,758,788	- 9,599,241	- 7,148,544,500	3,701,949,353	- 6,247,557,255	250,000,000 28,049,409,137
Loans and Advances Fixed Assets including memises furnitures & fixtures		40,018,576,197	44,319,049,211	22,116,130,907 -	14,574,468,546 1 957 112 136	132,084,246,472 1 957 112 136
	517,945,113		776,917,670	1,294,862,783	5,262,450,588	7,852,176,154
Total Assets	37,488,774,583	42,017,484,213	53,559,306,268	27,134,051,724	28,041,588,525	188,241,205,314
Liabilities: Borrowing from Bangladesh Bank, other banks,						
financial institutions and agents Denosits and Other Accounts	52,669,736 39.755.834.095	46,217,694 43.420.431.244	816,624,149 44,654,491,290	7,182,896,800	1,600,000,000 6.533,449,610	9,698,408,379 153 477 655 750
Other Liabilities	1,219,920,375	4,879,681,501	4,269,721,313	1,829,880,563		12.199.203.752
Total Liabilities	41,028,424,206	48,346,330,438	49,740,836,752	28,076,226,875	8,133,449,610	175,325,267,881
Net Liquidity Gap Net result of th	(3,539,649,623) (6,328,846,225) 3,818,409,516 (942,175,151) Net result of the Lionidity Statement represents the "Shareholders' Equity" of the Bank	(6,328,846,225) ent renresents the	3,818,469,516	(942,175,151) (1111) (1112)	19,908,138,916	12,915,937,434
These Financi	These Financial Statements should be read in conjunction with the annexed notes 1 to 50.	d be read in conjunc	tion with the anne	ted notes 1 to 50.		
l lin				o		+
(B) (Detau) M. Fakhrul Alam Managing Director	Salahuddin Alfmed		Zahur Ullah Director	or		Heber Wy Asoke Das Gupta Vice-Chairman
Dhaka, 30 March 2017						

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ONE Bank Limited **Financial Statements**

Notes to the Financial Statements

For the year ended 31 December 2016

1. Background of the Bank

1.1 Status of the Bank

ONE Bank Limited (the "Bank") is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 July 1999 under section 31 of the Bank Company Act 1991 (as 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 seven (87) and the number of booths was eighteen (18) as on 31 December 2016.

The principal activities of the Bank are to provide conventional financial products (loans and deposit) and services, personal and commercial banking, trade services, cash management, treasury and brokerage services.

1.2 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.**

1.3 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.

1.4 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.

1.5 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 2016.

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.

1.6 Information Technology

The Bank has established a modern Information Technology Division (ITD) by placing state of art technology and appropriate human resources with adequate knowledge and skills to play a vital role in the Bank for smooth running of online Core Banking System equipped with latest banking technology and services to its customers through a large branch network and diversified delivery channels.

1.7 Strategic Direction and Challenges

The strategic directions of the Bank are provided and reviewed periodically by the Marketing Division in consultation with the senior Management. At the time of planning deposit mobilization strategies, financing plan and the budget, priority is given on the bottom up information sharing process. The Board of Directors approves the Budget and evaluates monthly performance in the Board Meeting for ensuring

Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2016

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.

1.8 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.

1.9 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2016, the amount of deposit was 81.51% of total liability and shareholders' equity & the amount of shareholders' equity was 6.86% 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.

1.10 Corporate Governance

1.10.1 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.

1.10.2 Appointment of Directors and Managing Director

a) Director

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

b) Managing Director

The Managing Director (as CEO) is appointed by the Board on contractual basis with a provision of renewals according to the guidelines provided by the Bangladesh Bank and the provisions of the Bank Company Act. The Board sets financial and



Notes to the Financial Statements

For the year ended 31 December 2016

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.

1.10.3 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.

1.10.4 Accountability

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 "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

BFRS: 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.

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

2.3.2 Revaluation gains/losses on Government Securities

BFRS: 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.

Bangladesh Bank: As per the DOS Circular no.-05, dated May 26, 2008 and subsequent clarification in



Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2016

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 BFRS: 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.

Bangladesh Bank: 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 substandard 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

BFRS: 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.

Bangladesh Bank: 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 sheet.

2.3.5 Other Comprehensive Income

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

2.3.6 Financial Instruments – Presentation and Disclosure

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

2.3.7 Financial Guarantees

BFRS: 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 guarantee sare included within other liabilities.

Bangladesh Bank: As per the requirement of BRPD circular 14 dated 25 June 2003 financial guarantees



Notes to the Financial Statements

For the year ended 31 December 2016

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

BFRS: 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.

Bangladesh Bank: 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

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

Bangladesh Bank: 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

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

Bangladesh Bank: 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

BFRS: 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.

Bangladesh Bank: 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)

BFRS: 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

Bangladesh Bank: 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

BFRS: 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.

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

2.3.14 Off-Balance Sheet Items

BFRS: 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.

Bangladesh Bank: 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

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

Bangladesh Bank: 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



Notes to the Financial Statements

For the year ended 31 December 2016

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

- 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 2016 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 Circular No. 16 dated 18 November 2014 and BRPD Circular No. 8 dated 02 August 2015 respectively at the following rates:



Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2016

	Ra	tes
Category/status of Loans and A dvances	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (Other than housing finance and loans for professionals under consumer financing scheme)	5%	5%
Consumer financing (For Housing Finance & Loans for professionals set up)	2%	2%
Special mention account	0% to 5%	0% to 5%
Loans to BHs/MBs/SDs against Shares	2%	2%
Loan to Short-term Agricultural and Micro-Credits	2.5%	2.5%
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	5%	5%
Doubtful	5%	5%
Bad/Loss	100%	100%

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

2.6.3 Investments

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

The valuation method of investments

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



Notes to the Financial Statements

For the year ended 31 December 2016

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.



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Depreciation

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

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

b) Intangible Assets

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

c) Software

Software acquired by the bank is stated at cost less accumulated amortization. Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in specific assets to which it relates. Amortization 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	Pro	vision	Remarks
1	Unadjusted Expenses [Business development expenses, Travelling expenses, Entertainment expenses, Salary expenses, Advertisement expenses, and Miscellaneous expenses]		100%	Unadjusted on or over 1 (One) year from the date of origination.
2	Litigation / Legal Expenses			
	(a) related to unsettled cases	50%		
	(b) unadjusted expenses related to settled cases		100%	
3	Protested Bill / Fraud / Forgery/ Fund Embezzlement			
	(a) for doubtful	50%		If there is any possibility of recovery.
	(b) for bad/loss		100%	If there is no possibility of recovery.
4	Miscellaneous		100%	Considering Loss category

2.6.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

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

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For the year ended 31 December 2016

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 nonconvertible subordinated floating rate bonds on 26th December, 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC) 661/14B (P)/2013-1869, dated November 28, 2013 and SEC/CI/CPLC-159/2002/2714, dated October 08, 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. However, the rate shall not go below 12.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 12.00%.

To meet regulatory capital requirement, ONE Bank Limited again issued unsecured nonconvertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016],[BRPD (BFIS) 661/14B(P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.60%.

2.6.7 Capital and Shareholders' Equity **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 Boardapproved Capital Management Planning from time to time. Senior Management develops the capital strategy and oversees the capital Management



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Planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measure and internal matrix.

a) Paid up Share Capital

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

b) Statutory Reserve

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

c) Revaluation Reserve

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

2.7 Off-Balance Sheet Exposures

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

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

2.8 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.

Notes to the Financial Statements

For the year ended 31 December 2016

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

c) Fees, Commission and Other Income

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

d) Interest and Other Expenses

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

2.9 Cash Flow Statement

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

2.10 Liquidity Statement

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

- a. Balance with other banks and financial institutions, money at call on short notice etc. are on the basis of their maturity term.
- b. Investments are on the basis of their maturity.
- c. Loans and advances are on the basis of their repayment/maturity schedule.
- d. Fixed assets are on the basis of their useful life.
- e. Other assets are on the basis of their realization/adjustment.

- Borrowing from other banks, financial institutions and agents as per their maturity/repayment term.
- g. Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h. Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.11 Statement of Changes in Equity

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

2.12 Events after Reporting Period

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

2.13 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2016 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 2016 have been authorized for issue in accordance with a resolution of the Board of Directors on 30 March 2017.

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

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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

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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 2016.

2.19. Number of Employees

The number of employees employed in the Bank as on 31 December 2016 was 2028 of which 1613 were male and 415 were female. The number of employees per branch (including 18 booths) was 15.58 (1355/87) excluding 673 employees in the Head Office of the Bank.

2.20. Employee Benefits

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

b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

The objective of the fund is to provide financial assistance to all the employees of the Bank for treatment (medical/surgical, physical/other disability, etc) of the employees and or his/her homestead by natural disaster/calamities. The Fund consists of monthly contributions by all the employees of the Bank and benefits earned from the investment of the fund. 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.
- 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



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entitled to annual leave. According to Bangladesh Bank policy, all permanent employees have to avail 15 days annual leave at a stretch on mandatory basis and LFA is given on approval of the leave.

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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

i) Staff Car Purchase Finance Scheme

All staff at job grades from AVP and above can avail of Car Loan under Staff Car Purchase Finance 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.

- TAO/Casual/Contractual Staff on consolidated pay @ 50% of Consolidated Pay.
- 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.

I) 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.



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For the year ended 31 December 2016

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

Name of BASs	BAS No.	Status
Presentation of Financial Statements	1	Applied *
Inventories	2	N/A
Statements of Cash Flows	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Leases	17	Applied
Revenue s	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
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Interests in Joint Ventures	31	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	Applied
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.

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2.22 BASEL III Implementation

Under the guideline of BASEL III Implementation plan issued by Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014, ONE Bank Ltd has already entered in the domain of BASEL III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise BASEL III implementation. OBL Maintained minimum capital including Capital Conservation Buffer @ 13.89% against the statutory requirement of 10.625% as at December 31, 2016.

2.23 Risk Management

ONE Bank Ltd aims at the delivery of superior shareholder value by achieving the optimum tradeoff 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 nonrepayment of principal and / or interest within the agreed time frame, at the agreed rate of interest and in the agreed currency. This may happen due to impairment in Client's ability to pay and or willingness to pay. The goal of credit risk management at the ONE Bank Ltd. is to maximize the Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

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

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

Credit approval authority has been delegated to the individual executives. Credit limits beyond their delegation are approved /declined by the Executive Committee and the Management. In determining Single Borrower/Large Loan limit, the instructions of Bangladesh Bank are strictly followed. Other units namely (a) Credit Risk Management Unit,



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(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 maintains its firm commitment not to let the unscrupulous people to use the Bank to launder their ill-gotten money or conduct their illegal activities. In line with the "Money Laundering and Terrorist Financing Risk Management Guidelines" of BFIU in 2015, and considering the overall risk management strategy of the Bank, it has developed its own "Money Laundering and Terrorist Financing Risk Management Policy Guidelines" which is being reviewed periodically. The Bank also devised its "Money Laundering and Terrorist Financing Risk Assessment Policy Guidelines".

The Bank has a Central Compliance Unit (CCU) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of a Deputy Managing Director and two other Deputy Chief Anti Money Laundering Compliance officers at Corporate HQ. A Branch Anti Money Laundering Compliance Officer (BAMLCO) is assigned in every branch of the Bank to handle AML & CFT activities. The BAMLCO is supported by the Branch Compliance Unit (BCU) comprising concern officers related with the job.

The Bank has a Customer Acceptance Policy in place and introduced KYC program since its inception and apply Customer Due Diligence and Enhanced Due Diligence as applicable. The Bank has started a process to identify the accounts/transactions related with the "Sanction list" issued by UN and other authorities -both International and Local.

Besides, trainings, workshops and discussion sessions are conducted on AML & CFT compliance for all employees from time to time.

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 effectiveness 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 is one of the leading bank in Bangladesh in adopting Information Technology in

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accordance with the "Guideline on ICT Security For Banks and Non-Bank Financial Institutions - 2015" issued by Bangladesh Bank in September 2015, which is the latest guideline. ONE Bank IT management deals with IT operations, 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 driven service quality with 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 and malware protection, world-class security certification, internet and e-mail etc.

ONE Bank has introduced various IT based services including Any-branch Banking, Internet Banking, Mobile Banking, SWIFT, BACH-BEFTN, RTGS, Integration with various Third Party software and utility systems for collecting online bills, fees etc. of various institutions. 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, Call Center, etc. To secure Internet Banking transactions it has introduced modern 2 Factor Authentication System. 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, whenever serious punishments like dismissal of service is meted out to a delinquent officer, the information is circulated to all employees of the Bank with an objective to deter occurrence of such incidents in future. Consequently, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year 2016, 4 (four) cases of such fraud and forgeries were identified. Total embezzled amount involved in the fraud case was Tk. 1.84,50,401.00 (Taka one crore eighty four lac fifty thousand four hundred one) (Tk. 3,00,000.00 + Tk. 1,64,56,500.00 + Tk. 16,79,901.00 + Tk. 14,000.00) only. In all the cases, the embezzled amounts have been realized in full.

All the related officers, considering the gravity of misdeeds and depth of involvement, have been given serious punishments including dismissal from the service of the Bank.

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

2.25 Regulatory Compliance

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

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

2.26 Rearrangement

Wherever considered necessary, prior year figures in the Financial Statements 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.

Notes to the Financial Statements

For the year ended 31 December 2016

However, the stocks of such items are stated below:

Stocks of Items	2016 Taka	2015 Taka
Bangladesh Shanchaya Patras	2,874,838,782	2,570,625,251
US\$ Investment Bonds	177,079,950	100,087,500
US\$ Premium Bonds	183,533,530	122,892,500
Wage Earners Development Bond	373,700,000	412,115,000
Total	3,609,152,262	3,205,720,251

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 238th Board Meeting held on March 31, 2016 constituted the Audit Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Syed Nurul Amin	Independent Director	Chairman
2	Mr. A. S. M. Shahidullah Khan	Director	Member
3	Mr. Shawket Jaman	Director	Member
4	Mr. Salahuddin Ahmed	Independent Director	Member

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 held 4 (four) meetings from 01 January to 31 December, 2016.

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 and its subsidiary company 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.

2.29 Risk Management Committee:

The Risk Management Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular Letter No 11 dated 27 October, 2013. 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 238th Board Meeting held on March 31, 2016 constituted the Risk Management Committee as under:

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For the year ended 31 December 2016

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Asoke Das Gupta	Vice Chairman	Chairman
2	Mr. Zahur Ullah	Director	Member
3	Mr. Syed Nurul Amin	Independent Director	Member
4	Mr. Salahuddin Ahmed	Independent Director	Member

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

The Risk Management Committee of the Board held 4 (four) meetings from 01 January to 31 December, 2016.

The Committee identify/assess Credit Risk, Market Risk, Liquidity Risk, Operation Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the year 2016 were as follows:

- Reviewed and approved various Risk Management Policy of the Bank.
- Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
- Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2016.
- Approved Risk Appetite Statement of the Bank for the year 2016.
- Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRMR) and Monthly Risk Management Report (RMR) of the Bank. The Committee also gave recommendations on the vulnerable areas identified in CRMR and RMR.
- Reviewed and followed up the performance against approved Risk Tolerance Limits.

After last AGM, Mr. Asoke Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

		2016 Taka	2015 Taka
3 Casl	1		
	Cash in hand (note-3.1)	1,419,077,712	1,187,043,986
	Balance with Bangladesh Bank and its agent bank (note-3.2)	11,531,359,863	11,028,251,491
		12,950,437,575	12,215,295,477
3.1	Cash in hand (including foreign currencies)		
	In local currency	1,415,460,049	1,184,296,571
	In foreign currencies	3,617,663	2,747,415
		1,419,077,712	1,187,043,986
3.2	Balance with Bangladesh Bank and its agent bank		
	(including foreign currencies)		
	Bangladesh Bank		
	In local currency	10,429,312,354	8,473,194,364
	In foreign currencies	161,535,357	1,559,164,199
		10,590,847,711	10,032,358,564
	Balance with Sonali Bank being an agent of Bangladesh Bank	940,512,152	995,892,927
		11,531,359,863	11,028,251,491

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

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Notes to the Financial Statements

For the year ended 31 December 2016

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 from 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	2016 Taka	2015 Taka
and Time Liabilities Average Demand and Time Liabilities	152,113,719,500	115,620,235,600
Required reserve	9,887,391,768	7,515,315,314
Balance with Bangladesh Bank	10,429,312,354	8,473,194,364
Amount in reconciliation (Net)*	(76,480,316)	(38,998,134)
Reserve held with Bangladesh Bank in local currencies	10,352,832,038	8,434,196,230
Surplus/(Shortage)	465,440,271	918,880,916
Maintained	6.81%	7.29%

* The balance of local currency account was duly reconciled as of 31 December 2016 and the above amount was matched accordingly.

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

	Required reserve Reserve held (b.1)	19,774,783,535 27,889,308,088	15,030,630,628 22,629,373,403	
	Surplus/(Shortage)	8,114,524,553	7,598,742,775	
	Maintained	18.33%	19.57%	
	b.1 Reserve held in SLR :			
	Cash in hand including foreign currency	1,419,077,712	1,187,043,986	
	Balance with Sonali Bank being an agent of Bangladesh Bank	940,512,152	995,892,927	
	Bangladesh Bank bill	6,697,608,708	1,995,260,027	
	Treasury Bills	10,523,356,384	11,270,695,630	
	Treasury Bonds	7,843,312,862	6,261,599,916	
	Sub Total	27,423,867,817	21,710,492,487	
	Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	465,440,271	918,880,916	
	Total	27,889,308,088	22,629,373,403	
3 (a) Con i	nsolidated Cash Cash in hand			
	ONE Bank Limited	1,419,077,712	1,187,043,986	
	ONE Securities Limited	19,218	4,367	
		1,419,096,929	1,187,048,352	
ii	Balance with Bangladesh Bank and its agent bank			
	ONE Bank Limited	11,531,359,863	11,028,251,491	
	ONE Securities Limited	-	-	
		11,531,359,863	11,028,251,491	
Balance with Other Banks and Financial Institutions				
In E	Bangladesh (note-4.1)	1,438,644,291	783,622,747	
Out	side Bangladesh (note-4.2)	3,659,179,549	930,383,782	
		5,097,823,840	1,714,006,528	

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Notes to the Financial Statements

For the year ended 31 December 2016

	Tor the year ended 51 December 2010		
		2016 <u>Taka</u>	2015 <u>Taka</u>
4.1	In Bangladesh		
	In current accounts (note-4.3)	141,791,915	47,195,225
	Other deposit accounts (note-4.4)	1,296,852,376	736,427,521
		1,438,644,291	783,622,747
4.2	Outside Baueladach		
4.2	Outside Bangladesh	1 002 427 701	020 292 792
	In current accounts (note-4.5)	1,902,437,701	930,383,782
	Other deposit accounts	-	-
	Off share Deutsian Unit	1,902,437,701	930,383,782
	Off-shore Banking Unit	1,756,741,848 3,659,179,549	930,383,782
		3,037,177,347	750,505,702
4.3	Current Accounts (In Bangladesh)		
	AB Bank Limited	4,168,789	7,777,285
	Sonali Bank Limited	129,744,915	24,039,951
	Trust Bank Limited-Q Cash Settlement Account	3,301,121	7,081,268
	Standard Chartered Bank	4,577,092	8,296,721
		141,791,915	47,195,225
4.4	Other Deposit Accounts (In Bangladesh)		
	(Name of the banks and financial institutions)		
	ICB Islamic Bank Limited	59,719,000	67,719,000
	IDLC Finance Limited	21,108,682	31,608,682
	United Commercial Bank Limited	36,695	2,066,705
	AB Bank Limited	11,343,487	24,510,180
	Eastern Bank Limited	702,505	694,219
	Uttara Bank Limited	604,164,453	472,485,047
	Lanka Bangla Finance Limited	400,000,000	-
	Industrial Promotion & Development Company of Bangladesh	100,000,000	-
	Prime Bank Limited	99,777,554	137,343,689
		1,296,852,376	736,427,521
4.5	Current Accounts (Outside Bangladesh)		
	(Name of the banks and financial institutions)		
	Standard Chartered Bank, New York	1,399,245,388	261,172,857
	Standard Chartered Bank, London	1,126,625	25,169,437
	Standard Chartered Bank, Pakistan	26,878,436	44,014,473
	Standard Chartered Bank, Mumbai	21,939,122	66,592,585
	Standard Chartered Bank, Tokyo	5,617,118	4,859,065
	Standard Chartered Bank, Frankfurt	16,418,005	17,783,820
	ICICI Bank Limited, Hong Kong	1,853,614	3,545,631
	ICICI Bank Limited, Mumbai (ACUD)	13,848,184	70,125,035
	ICICI Bank Limited, Mumbai (ACU EURO)	7,090,371	14,690,044
	Commerzbank AG, Frankfurt (USD)	129,764,708	85,052,912
	Commerzbank AG, Frankfurt (CAD)	3,031,164 2,515,821	400,929 20,508,535
	Commerzbank AG, Frankfurt (EURO) Mashregbank Psc, New York	44,424,627	118,149,315
	Wells Fargo Bank N.A, New York	93,876,083	116,289,216
	AB Bank Ltd, Mumbai	(14,415,715)	14,990,836
	Habib Bank Limited , Karachi	33,377,203	27,825,459
	Habib Bank AG Zurich, Surich	11,105,849	3,636,359
	Nepal Bangladesh Bank Ltd, Kathmandu	6,644,826	5,430,562
	Seylen Bank PLC, Colombo	7,035,379	3,511,884
	Axis Bank Ltd, Kolkata	26,548,312	-
	United Bank of India, Kolkata	53,309,891	6,967,611
	Bank Al-Jazira, Jeddah	6,430,500	6,430,500
	Westpac Banking Corporation, Sydney	4,772,192	13,236,715
		1,902,437,701	930,383,782

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

Notes to the Financial Statements

For the year ended 31 December 2016

 4.6 Maturity of balances with other banks and financial institutions Up to 1 month More than 1 months to 3 months 	Taka	2015 Taka
More than 1 months to 3 months		
	1,772,611,497	916,891,010
	1,989,308,775	465,191,891
More than 3 months to 1 year	1,314,794,887	310,814,945
More than 1 year to 5 years More than 5 years	21,108,682	21,108,682
	5,097,823,840	1,714,006,528
4 (a) Consolidated Balance with Other Banks and Financial Institutions	0,020,010	1,711,000,020
In Bangladesh		
ONE Bank Limited	1,438,644,291	783,622,747
ONE Securities Limited	208,788,554	58,757,942
	1,647,432,845	842,380,689
Less: Inter Company Transaction	(208,788,554)	(58,757,942)
	1,438,644,291	783,622,747
Outside Bangladesh	2 (50 170 540	020 202 702
ONE Bank Limited ONE Securities Limited	3,659,179,549	930,383,782
	3,659,179,549	930,383,782
	5,097,823,840	1,714,006,529
5 Money at call on short notice	0,027,020,010	1,711,000,022
Modhumoti Bank Limited	150,000,000	-
United Finance Limited	100,000,000	-
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 Delta Brac Finance	-	100,000,000
	250,000,000	70,000,000 2,600,000,000
=	200,000,000	2,000,000,000
6 Investments		
In Government securities		
Treasury bills (note- 6.1)	10,523,356,384	11,270,695,630
Treasury bonds (note-6.2)	7,843,312,862	6,261,599,916
Bangladesh Bank bill (note-6.3)	6,697,608,708	1,995,260,027
Prize Bonds	1,648,100	1,750,600
	25,065,926,053	19,529,306,174
Other Investment		
	642,523,084	1,019,201,326
Shares (Quoted and Unquoted) (note-6.4)	40,960,000	51,200,000
Shares (Quoted and Unquoted) (note-6.4) National Bank Limited Subordinated Bond		500,000,000
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond	500,000,000	
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond	600,000,000	600,000,000
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond	600,000,000 600,000,000	600,000,000
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond	600,000,000 600,000,000 600,000,000	600,000,000 600,000,000
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond	600,000,000 600,000,000 600,000,000 2,983,483,084	600,000,000 600,000,000 3,370,401,326
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond	600,000,000 600,000,000 600,000,000	600,000,000 600,000,000
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond Eastern Bank Limited Subordinated Bond	600,000,000 600,000,000 600,000,000 2,983,483,084	600,000,000 600,000,000 3,370,401,326
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond Eastern Bank Limited Subordinated Bond	600,000,000 600,000,000 600,000,000 2,983,483,084 28,049,409,137	600,000,000 600,000,000 3,370,401,326 22,899,707,500
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond Eastern Bank Limited Subordinated Bond 6.1 Treasury Bills Treasury Bills (HTM) [(note-6.1(a)]	600,000,000 600,000,000 <u>600,000,000</u> <u>2,983,483,084</u> <u>28,049,409,137</u> 9,129,836,026	600,000,000 600,000,000 3,370,401,326 22,899,707,500 7,595,823,732
National Bank Limited Subordinated Bond Mercantile Bank Limited Subordinated Bond Bank Asia Limited Subordinated Bond Prime Bank Limited Subordinated Bond Eastern Bank Limited Subordinated Bond	600,000,000 600,000,000 600,000,000 2,983,483,084 28,049,409,137	600,000,000 600,000,000 3,370,401,326 22,899,707,500

Notes to the Financial Statements

For the year ended 31 December 2016

6.1(a) Treasury Bills (HTM)

	Amortized Cos	Amortized Cost (Book Value)		value
	2016	2016 2015		2015
	Taka	Taka	Taka	Taka
364 days Treasury Bills	6,882,171,708	6,313,233,925	7,000,000,000	6,497,000,000
182 days Treasury Bills	2,247,664,318	1,282,589,807	2,250,000,000	1,300,000,000
	9,129,836,026	7,595,823,732	9,250,000,000	7,797,000,000

6.1(b) Treasury Bills (HFT)

0.1(b) ficasury bins (fif f)				
	Marked to Market	Value (Book Value)	Face value	
	2016	2015	2016	2015
	Taka	Taka	Taka	Taka
364 days Treasury Bills	1,393,520,357	1,481,824,064	1,411,700,000	1,500,000,000
91 days Treasury Bills	-	2,193,047,834	-	2,200,000,000
	1,393,520,357	3,674,871,898	1,411,700,000	3,700,000,000
			2016	2015
			Taka	Taka
6.2 Treasury Bonds			<u>Taka</u>	<u>Taka</u>
6.2 Treasury Bonds Treasury Bonds (HTM) [(note-6.2(a)]			<u>Taka</u> 7,499,578,147	<u>Taka</u> 5,412,931,094
÷				
Treasury Bonds (HTM) [(note-6.2(a)]			7,499,578,147	5,412,931,09

6.2 (a) Treasury Bonds (HTM)

2 Years Treasury Bonds (Premium) 5 Years Treasury Bonds (Premium) 10 Years Treasury Bonds (Premium) 15 Years Treasury Bonds (Premium)

Sub-total

Amortized Cos	t (Book Value)	Face	value
2016 Taka	2015 Taka	2016 Taka	2015 <u>Taka</u>
500,792,780	38,606,311	500,000,000	38,600,000
1,711,902,499	286,638,028	1,586,500,000	286,500,000
1,609,937,600	1,611,016,610	1,600,000,000	1,600,000,000
9,110,958	9,111,401	9,100,000	9,100,000
3,831,743,837	1,945,372,350	3,695,600,000	1,934,200,000

2 Years Treasury Bonds (Discount)
5 Years Treasury Bonds (Discount)
10 Years Treasury Bonds (Discount)
15 Years Treasury Bonds (Discount)
20 Years Treasury Bonds (Discount)
Sub-total

2 Years Treasury Bonds (At par) 5 Years Treasury Bonds (At par) 10 Years Treasury Bonds (At par) 15 Years Treasury Bonds (At par) 20 Years Treasury Bonds (At par) Sub-total Total

Amortized Cos	st (Book Value)	Face	value
2016 <u>Taka</u>	2015 <u>Taka</u>	2016 Taka	2015 <u>Taka</u>
9,599,241	9,595,765	9,600,000	9,600,000
389,152,847	389,034,788	389,400,000	389,400,000
843,689,512	843,558,070	845,100,000	845,100,000
117,659,214	117,644,081	118,100,000	118,100,000
108,833,494	108,826,040	109,300,000	109,300,000
1,468,934,310	1,468,658,744	1,471,500,000	1,471,500,000
200,000,000	-	200,000,000	-
420,000,000	420,000,000	420,000,000	420,000,000
1,077,400,000	1,077,400,000	1,077,400,000	1,077,400,000
444,300,000	444,300,000	444,300,000	444,300,000
57,200,000	57,200,000	57,200,000	57,200,000
2,198,900,000	1,998,900,000	2,198,900,000	1,998,900,000
7,499,578,147	5,412,931,094	7,366,000,000	5,404,600,000



Notes to the Financial Statements

For the year ended 31 December 2016

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2016	2015	2016	2015
	Taka	Taka	Taka	Taka
5 Years Treasury Bonds	-	503,932,566	-	500,000,000
10 Years Treasury Bonds	343,734,714	344,736,256	308,000,000	308,000,000
	343,734,714	848,668,822	308,000,000	808,000,000

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

6.3 Bangladesh Bank Bills (HFT)

	Marked to Market	Value (Book Value)	Face v	alue
	2016	2015	2016	2015
	<u>Taka</u>	<u>Taka</u>	Taka	Taka
7 days Bangladesh Bank Bills	6697608708	-	6,700,000,000	-
30 days Bangladesh Bank Bills	-	1,995,260,027	-	2,000,000,000
	6,697,608,708	1,995,260,027	6,700,000,000	2,000,000,000
6.4 Other Investments -Shares			2016 Taka	2015 Taka
In shares (quoted and unquoted)			Така	1 4 K a
Quoted:				
The City Bank Limited			107,130,110	147,995,755
Prime Bank Limited			140,673,639	140,673,639
IFIC Bank Limited			170,983,059	170,983,059
Lanka Bangla Finance Limited			62,245,956	80,000,000
Summit Alliance Port Ltd.			6,200	5,945
BRAC Bank Limited			-	138,912,107
R A K Ceramics			5,664	5,664
Khulna Power Company Limited			-	9,391,866
Phoenix Finance 1st Mutual Fund			-	43,700,613
Eastern Bank Limited			1,983,900	1,983,900
MI Cement Factory Limited			5,533	5,533
MJL BD Limited			1,171	47,562,357
Islami Bank BD Limited			-	27,726,980
Bank Asia Limited			53,501,786	107,000,000
Square Pharmaceuticals Ltd.			638	638
			536,537,656	915,948,056
Unquoted:				
Infrastructure Development Finance C	Company		29,683,820	29,683,820
Central Depository Bangladesh Limite	ed (CDBL)		1,569,450	1,569,450
Lanka Bangla Securities Limited			72,000,000	72,000,000
Investment in SWIFT			2,732,158	-
			105,985,428	103,253,270

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642,523,084

1,019,201,326

Notes to the Financial Statements

For the year ended 31 December 2016

Particulars	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2016	Cost 31-12-2016	Surplus/(Deficiency)
Lanka Bangla Finance Ltd.	10,458,017	34.80	363,938,991.60	62,245,956	301,693,036
The City Bank Limited	7,353,178	27.20	200,006,441.60	107,130,110	92,876,331
IFIC Bank Limited *	3,108,740	20.90	64,972,666.00	170,980,700	(106,008,034)
Summit Alliance Port Ltd	111	51.50	5,716.50	6,200	(484)
RAK Ceramics	170	61.90	10,523.00	5,664	4,859
Square Pharmaceuticals Ltd.	5	249.10	1,245.50	638	608
Prime Bank Limited	3,257,210	17.70	57,652,617.00	140,673,639	(83,021,022)
MI Cement Factory Ltd	56	82.50	4,620.00	5,533	(913)
MJL BD Limited	5,831	119.60	697,387.60	1,171	696,216
Bank Asia Limited	2,096,325	17.90	37,524,217.50	53,501,786	(15,977,569)
Eastern Bank Limited	46,575	29.00	1,350,675.00	1,983,900	(633,225)
IFIC Bank Limited	58	20.90	1,212.20	2,359	(1,147)
	Total		726,166,314	536,537,656	189,628,658

6.4 (a)Comparison between cost and market price of quoted shares as on 31 December 2016

*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 43,130,643 shares including 4,621,140 Bonus Shares declared for the year 2015 against the original 3,108,740 no. of shares.

The total market value of 43,130,643 shares of IFIC Bank Limited as of 31 December 2016 was Tk 901,430,439 exceeding the original investment by Tk.730,449,739.

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 IFIC Bank Limited for the year 2011.

6.5 Residual Maturity of Investments	2016 <u>Taka</u>	2015 <u>Taka</u>
Payable on demand	10,941,758,788	2,494,438,048
Up to 3 months	9,599,241	2,595,934,194
Above 3 months to 1 year	7,148,544,500	9,635,820,948
Above 1 year to 5 years	3,701,949,353	2,511,526,539
Above 5 years	6,247,557,255	5,661,987,771
	28,049,409,137	22,899,707,501

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

6 (a) Consolidated Investments		
In Government securities ONE Bank Limited ONE Securities Limited	25,065,926,053	19,529,306,174
	25,065,926,053	19,529,306,174
Other Investment		
ONE Bank Limited	2,983,483,084	3,370,401,326
ONE Securities Limited	2,257,472,866	1,802,414,627
	5,240,955,950	5,172,815,953
	30,306,882,003	24,702,122,128

Notes to the Financial Statements

For the year ended 31 December 2016

Other investment by ONE Securities Limited includes Tk. 600,200,000 representing original investment cost for DSE and CSE memberships. As per the Exchange Demutualization Act 2013, DSE and CSE alloted 7,215,106 and 4,287,330 shares respectively with a face value of Tk. 10 each for both. As there is no active market for these shares, the amounts have been shown at cost.

	aave been shown at cost. and Advances Cash Credit, Overdraft etc.	2016 <u>Taka</u>	2015 Taka
	Loans and Advances including bills purchased and discounted classified		
	nto the following broad categories:		
) In Bangladesh		
1	Loans	97,059,631,479	81,188,182,
	Lease finance (note-7.2)	3,547,140,177	3,571,358,
	Cash Credit	16,984,287	5,571,556,5
	Overdraft		17 774 933 (
	Overdraft	24,595,937,586	17,774,823,9
		125,219,693,529	102,534,365,3
	Off-shore Banking Unit	4,607,780,025	2,572,425,2
		129,827,473,555	105,106,790,5
	Bills purchased and discounted		
	Bills purchased and discounted-OBL	1,889,957,947	1,612,592,2
	Bills purchased and discounted-OBU	366,814,971	29,136,3
		2,256,772,918	1,641,728,5
		132,084,246,472	106,748,519,0
i	i) Outside Bangladesh	-	
		132,084,246,472	106,748,519,
7.2	Lease finance		
	Lease rental receivable within 1 year	503,627,528	918,613,
	Lease rental receivable within 5 years	3,508,891,920	3,290,004,
	Lease rental receivable after 5 years	-	
	Total lease receivable	4,012,519,447	4,208,618,4
	Less: Unearned interest income	465,379,270	637,259,4
	Less. Onedified interest meetine	405,579,270	037,239,2
	Net Lease Finance	3,547,140,177	
7.3	Net Lease Finance		
	Net Lease Finance Residual Maturity grouping of loans and advances including bills		
	Net Lease Finance	3,547,140,177	3,571,358,9
	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted		3,571,358,9 8,524,233,6
	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand	3,547,140,177 11,056,021,611	3,571,358,9 8,524,233,0 27,291,424,4
	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months	3,547,140,177 11,056,021,611 40,018,576,197	3,571,358,5 8,524,233, 27,291,424,4 40,062,143,0
	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546	3,571,358, 8,524,233,0 27,291,424, 40,062,143,0 21,624,174,0 9,246,543,5
	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907	8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519,
]	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546	3,571,358, 8,524,233,0 27,291,424, 40,062,143,0 21,624,174,0 9,246,543,5
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546	3,571,358, 8,524,233,0 27,291,424, 40,062,143,0 21,624,174,0 9,246,543,5
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546	3,571,358, 8,524,233,0 27,291,424, 40,062,143,0 21,624,174,0 9,246,543,5
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills purchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration Advance to Directors	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills purchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Coans and Advances on the basis of significant concentration Advance to Directors Advance to Managing Director & Senior Executives	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543,5 106,748,519,6 225,091,6
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519, 225,091, 12,930,900, 1,135,526,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan Export financing	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242 827,806,335	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519, 225,091, 12,930,900, 1,135,526, 3,056,944,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan Export financing Consumer credit scheme	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242 827,806,335 1,287,020,925	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519, 225,091, 12,930,900, 1,135,526, 3,056,944, 773,063,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan Export financing Consumer credit scheme Small and medium enterprise financing	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242 827,806,335 1,287,020,925 18,568,166,785	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519, 225,091, 12,930,900, 1,135,526, 3,056,944, 773,063, 12,557,160,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan Export financing Consumer credit scheme Small and medium enterprise financing Staff loan (except Sl. No. ii)	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242 827,806,335 1,287,020,925 18,568,166,785 349,425,108	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543,3 106,748,519, 225,091, 12,930,900, 1,135,526, 3,056,944, 773,063, 12,557,160, 356,945,
7.4	Net Lease Finance Residual Maturity grouping of loans and advances including bills burchased and discounted Payable on demand Up to 3 months Above 3 months to 1 year Above 1 year to 5 years Above 5 years Loans and Advances on the basis of significant concentration . Advance to Directors i. Advance to Managing Director & Senior Executives ii. Advance to Customer's group: Commercial lending Agricultural loan Export financing Consumer credit scheme Small and medium enterprise financing	3,547,140,177 11,056,021,611 40,018,576,197 44,319,049,211 22,116,130,907 14,574,468,546 132,084,246,472 240,586,973 14,286,357,557 1,712,291,242 827,806,335 1,287,020,925 18,568,166,785	3,571,358, 8,524,233, 27,291,424, 40,062,143, 21,624,174, 9,246,543, 106,748,519, 225,091, 12,930,900, 1,135,526, 3,056,944, 773,063, 12,557,160,

2015

2016

Notes to the Financial Statements

For the year ended 31 December 2016

		Taka	Taka
7.5	Industry-wise outstanding of loans & advances		
	Trade finance	20,834,771,733	15,867,785,545
	Steel Re-Rolling	11,520,191,586	10,229,000,000
	Readymade Garments	18,568,415,477	13,449,095,497
	Textiles	6,970,247,688	6,696,100,051
	Edible oil, Rice, Flour etc.	2,664,387,707	2,942,956,639
	Power	1,602,503,806	3,658,470,100
	Transport	2,364,967,976	1,701,524,075
	Construction/Engineering	6,065,469,475	2,220,328,453
	Personal	3,156,424,171	4,799,947,390
	Pharmaceuticals	3,533,076,685	2,283,800,000
	Real Estate	3,763,702,507	3,492,864,020
	Cargo and Travel Services	70,741,292	95,913,429
	Paper & Packaging	862,432,640	1,519,225,822
	Agro based industry/Dairy products	1,752,017,601	565,400,000
	Others	48,354,896,128	37,226,108,073
		132,084,246,472	106,748,519,093
.6	Geographical Location-wise Loans and advances		
	Dhaka Division	86,151,981,440	70,456,252,795
	Chittagong Division	37,912,199,245	30,772,531,591
	Rajshahi Division	2,009,397,841	1,650,118,204
	Khulna Division	4,162,032,879	2,324,689,994
	Sylhet Division	1,115,335,345	1,067,696,155
	Rangpur Division	366,381,738	256,336,244
	Barisal Division	366,917,984	220,894,110
		132,084,246,472	106,748,519,093
7.7	Classification of loans and advances		
	Unclassified	122,120,748,676	99,160,906,418
	Unclassified (Special Mention Account)	3,452,901,590	3,767,480,356
	Substandard	107,063,016	296,180,525
	Doubtful	78,293,953	320,849,708
	Bad & Loss	6,325,239,237	3,203,102,086
		132,084,246,472	106,748,519,093
7.8	Number of clients with outstanding amount and classified loans and ad-	vances exceeding 10%	6 of total capital of
	the Bank. Total capital of the Bank was Taka 20,309.10 million as at 31		
	2015).	,	
	Number of clients (Annexure-D)	15	19
	Amount of outstanding loans & advances * T	k. 44,835,100,000	49,371,800,000
	Amount of classified loans and advances	2 087 600 000	-

Amount of outstanding loans & advances *	Tk.	44,835,100,000	49,371,800,000
Amount of classified loans and advances	Tk.	2,087,600,000	-
Measures taken for recovery **			Not Applicable

* The amount of outstanding loans & advances 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 2016.

** Amount of Classified Loan mentioned above amounting to Tk. 208.76 Crore is on account of Benetex Industries Ltd & Common Threads Ltd, a client of Principal Branch. Legal proceeding has already been initiated against the client for recovery of Bank's due along with persuasion is going on for amicable settlement of the said account.

7.9 Bills purchased and discounted		
Payable in Bangladesh	2,006,558,025	1,433,474,253
Payable outside Bangladesh	250,214,892	208,254,311
	2,256,772,918	1,641,728,564
7.10 Maturity of Bills purchased and discounted		
Upto 1 month	741,582,616	581,924,585
Above 1 month but less than 3 months	800,234,664	518,727,672
Above 3 months but less than 6 months	714,955,638	540,695,092
6 months or more	-	381,214
	2,256,772,918	1,641,728,563

Notes to the Financial Statements

For the year ended 31 December 2016

7.11 Particulars of provision for Loans and Advances

Particulars of provision for Loans and Advances			
articulars of provision for Loans and Auvances		Base for Provision	Total Provision
_	Rate (%)	Taka	Taka
Standard (excluding Staff Loan)	1%	96,504,387,714	1,205,193,002
Small Enterprise Financing	0.25%	16,526,607,809	41,316,520
Consumer Financing (House Financing & Loans for			
Professionals)	2%	4,349,100,115	86,982,002
Consumer Financing (Other than House Financing &			
Loans for Professionals)	5%	1,118,535,677	55,926,784
Special Mention Account	0%-5%	3,332,168,228	35,092,168
Short Term Agriculture Loan	2.50%	1,680,150,016	42,003,750
Loan to brokerage houses, merchant banks/stock dealers			
against shares etc.	2%	1,351,955,264	27,039,105
Substandard	5% & 20%	49,349,385	9,620,953
Doubtful	5% & 50%	37,536,332	14,834,378
Bad & Loss *	100%	2,844,087,035	2,709,748,906
Required provision for loans and advances			4,227,757,568
Total provision maintained			4,227,757,568
Excess/ (Short) provision at 31 December			

* As per instruction of Bangladesh Bank, as at 31 December 2016, the Bank has maintained minimum required provision.

2016 Taka 2015 Taka 7.12 Particulars of Loans and Advances 79,325,167,913 i) Loans considered good in respect of which the bank is fully secured than the debtor's personal guarantee 79,325,167,913 ii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors 32,392,197,629 18,131,871 iii) Loans adversely classified; provision not maintained there against 20,366,880,930 17,441,679 v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons 590,012,081 582,036 vi) Loans due from companies or firms in which the directors of the bank 590,012,081 582,036	
 i) Loans considered good in respect of which the bank is fully secured ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors iv) Loans adversely classified; provision not maintained there against v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons vi) Loans due from companies or firms in which the directors of the bank 	
 ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors iv) Loans adversely classified; provision not maintained there against v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons vi) Loans due from companies or firms in which the directors of the bank 	
than the debtor's personal guarantee32,392,197,62918,131,871iii)Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors20,366,880,93017,441,679iv)Loans adversely classified; provision not maintained there against-132,084,246,472106,748,519v)Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons590,012,081582,036vi)Loans due from companies or firms in which the directors of the bank	659
more parties in addition to the personal guarantee of the debtors 20,366,880,930 17,441,679 iv) Loans adversely classified; provision not maintained there against - 132,084,246,472 106,748,519 v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons 590,012,081 582,036 vi) Loans due from companies or firms in which the directors of the bank	051
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons 132,084,246,472 106,748,519 vi) Loans due from companies or firms in which the directors of the bank	382
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons 132,084,246,472 106,748,519 vi) Loans due from companies or firms in which the directors of the bank	-
either separately or jointly with any other persons 590,012,081 582,036 vi) Loans due from companies or firms in which the directors of the bank	093
vi) Loans due from companies or firms in which the directors of the bank	_
	572
have interest as directors, partners or managing agents or in case of	
private companies as members	-
 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 <u>590,012,081</u> 582,036 other persons	572
 Viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing 	
agents or, in case of private companies as members	-
ix) Due from other banking companies (Bills purchased and discounted) 2.256,772,918 1,641,728	564
x) Classified loans and advances	
a) Classified loans and advances on which interest has not been charged to income (Note-7.7) 6,510,596,206 3,820,132	319
b) Provision on classified loans and advances (Note-13.4) 2,734,204,237 1,505,455	928
c) Provision kept against loans and advances classified as bad debts 2,709,748,906 1,381,032	918

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 Taka
d) Increase/(Decrease) of Specific Provision	1,228,748,309	(196,064,816)
e) Interest credited to Interest Suspense Account (Note-13.9)	3,057,837,346	2,215,999,656
 Cumulative amount of written off loans and advances Opening balance Written off during the year Closing balance 	2,243,453,177 	295,113,342 1,948,339,835 2,243,453,177
Amount realised against loans previously written off	31,401,393	
The amount of written off loans for which law suits has been filed	2,238,518,412	2,238,518,412
7.13 Details of pledged collaterals received against Loans and Advances Collateral of movable /immovable assets	82,223,806,947	72,639,551,484
Collateral of movable /immovable assets Local banks and financial institutions guarantee	82,223,806,947 259,272,772	72,639,551,484 358,525,182
Government guarantee Foreign banks guarantee Export documents	- 65,532,206 582,563,583	- 11,097,634 2,475,671,505
Fixed Deposit Receipts (FDR) FDR of other banks	2,927,292,410 112,353,931	2,196,858,166 60,923,414
Government bonds Personal guarantee Other securities	7,316,661 29,385,066,248 16,521,041,715	56,880 13,127,265,309 15,878,569,519
	132,084,246,472	106,748,519,093
7.14 Restructure of large loan There was no restructure of large loan occurred during the year 2016 (large loa 02/2014).	an defined in BRPD-(04/2015 and BRPD-

7 (a) Consolidated Loans and Advances

, ()		
ONE Bank Limited	129,827,473,555	105,106,790,529
ONE Securities Limited	26,509,801	48,759,610
	129,853,983,356	105,155,550,139
Consolidated Bills purchased and discounted		
ONE Bank Limited	2,256,772,918	1,641,728,564
ONE Securities Limited	-	-
	2,256,772,918	1,641,728,564
	132,110,756,274	106,797,278,703
8 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	1,406,177,446	1,173,568,859
Office equipment	979,679,822	882,500,715
Motor Vehicles	248,824,799	241,318,876
Building	144,021,422	118,999,192
Land	276,464,295	17,700,000
	3,055,167,784	2,434,087,642
Leased Assets	25,044,000	25,044,000
Intangible Assets	181,032,516	170,034,131
	3,261,244,300	2,629,165,773
Less: Accumulated depreciation	1,304,132,165	1,130,416,609
Balance as on 31 December	1,957,112,136	1,498,749,163

(For details please refer to Annexure- A)

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 Taka
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures		
ONE Bank Limited	1,957,112,136	1,498,749,163
ONE Securities Limited	13,614,595	13,409,809
	1,970,726,731	1,512,158,972
9 Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
In Bangladesh	2,474,999,170	1,979,999,300
Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	23,841,647	34,440,638
Stock of stamps	3,559,488	2,768,680
Security deposits	4,041,095	3,888,295
Advance rent for office premises	529,115,536	510,875,757
Prepayments	186,625,569	146,860,818
Decoration & Construction work of rented premises for new Branches	6,142,405	4,114,091
Suspense account (note-9.4)	26,437,580	83,706,111
Receivable from Bangladesh Bank	145,708,355	205,312,982
Interest receivable	317,194,455	279,402,746
Commission receivable	-	310,250
Advance Income Tax (note-9.2)	4,055,386,435	2,941,944,924
Deferred Tax Assets (note-9.3)	1,090,190	4,859,874
Protested bill	2,594,351	2,727,713
Receivable from ONE Securities Ltd	-	25,765,707
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account (note-9.1)	5,269,747	5,786,576
	7,782,027,359	6,232,785,799
Off-shore Banking Unit	70,148,795	-
	7,852,176,154	6,232,785,799

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 2016 are given below:

Number of Unresponded entries			Unresponded entri	es (Amount-Taka)		
	Dr	Cr	Dr	Cr		
Up to 3 months	23	5	5,347,317	77,570		
Over 3 months but within 6 months	-	-	-	-		
Over 6 months but within 1 year	-	-	-	-		
Over 1 year but within 5 years	-	-	-	-		
	23	5	5,347,317	77,570		
Branch Adjustment Account (Net) 5,269,747						
9.2 Advance income tax						
Opening balance on 1 January		2,941,944,924	1,855,719,438			
Add: Tax paid as advance	1,113,441,511	1,086,225,486				
Less: Advance income tax adjusted durin		-	-			
Balance		4,055,386,435	2,941,944,924			
9.3 Deferred tax assets:						
Opening balance			4,859,874	16,434,054		
Addition/(reverse) during the year (note-13.	2.1)		(3,769,684)	(11,574,180)		
Closing balance				4,859,874		

Notes to the Financial Statements

For the year ended 31 December 2016

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	194,626	50%	97,313	
Protested bill	2,594,351	100%	2,594,351	
Others	1,163,269	100%	1,163,269	
Required provision for other assets			3,854,933	
Total provision maintained (note-13.7)			3,932,171	
Excess/(short) provision as on 31, Dece	ember 2016		77,237	
			2016	2015
			Taka	Taka
9 (a) Consolidated Other Assets				
ONE Bank Limited			7,852,176,154	6,232,785,799
ONE Securities Limited			58,419,678	16,188,725
Investment in ONE Securities Ltd by O	NE Bank Limited		(2,474,999,170)	(1,979,999,300)
Receivable by ONE Bank Limited from	n ONE Securities	Ltd	-	(25,765,706)
			5,435,596,661	4,243,209,518
10 Non Banking Assets				
Land & Building			-	83,866,820
Plant and Machinery			-	84,250,630
Pre-fabricated Structure			-	8,990,000
Stock			-	106,679,075
			-	283,786,525

The amount of Non-Banking assets was included in the books of accounts upto 2015 after receiving the verdict of the Court in favor of the Bank in accordance with the section 33(5) & 33(7) of ARAA-2003 for force adjustment of default loan.

Subsequently in 2016, the said Non-Banking Assets have been transferred to Bank's Fixed Assets with the consent of Bangladesh Bank (letter ref :BRPD(R-2)651/9(26)cha/2015-18138; Dated December 29,2015) for establishing Training Academy and Vocational Training Institute thereon .

11 Borrowings from other Banks, financial institutions and Agents.

Borrowing Inside Bangladesh (note-11.1)	6,089,185,851	2,288,076,612
Borrowing Outside Bangladesh (note-11.2)	3,609,222,527	-
	9,698,408,379	2,288,076,612
11.1 Borrowing Inside Bangladesh		
OBL Subordinated Bond (note-11.1.a)	5,760,000,000	2,200,000,000
Refinance against SME, Agriculture loan from Bangladesh Bank	329,185,851	88,076,612
	6,089,185,851	2,288,076,612

11.1.a Subordinated Bond

Subordinated Bond-1 Tk. 2,200,000,000 (Outstanding as on December 31, 2016 of Tk. 1,760,000,000)

ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 26th December, 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P)/2013-1869, dated November 28, 2013 and SEC/CI/CPLC-159/2002/2714, dated October 08, 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. However, the rate shall not go below 12.00%p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 12.00%.



Notes to the Financial Statements

For the year ended 31 December 2016

Main Features of the Bond:

Issuer	ONE Bank Ltd	
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	Bond Issued Taka	Outstanding-2016 (after 20% redemption)
Janata Bank Limited	500	500,000,000	400,000,000
Agrani Bank Limited	500	500,000,000	400,000,000
Rupali Bank Limited	500	500,000,000	400,000,000
Bangladesh Development Bank Limited	200	200,000,000	160,000,000
Saudi Bangladesh Indust.&Agri.Invest.Com.Ltd.	200	200,000,000	160,000,000
Pubali Bank Limited	100	100,000,000	80,000,000
Bangladesh Commerce Bank Limited	100	100,000,000	80,000,000
Uttara Bank Limited	100	100,000,000	80,000,000
Total		2,200,000,000	1,760,000,000

Subordinated Bond-2 Tk. 4,000,000,000

To meet regulatory capital requirement, ONE Bank Limited again issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016], [BRPD (BFIS) 661/14B (P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.60%.

Main Features of the Bond:

Issuer	ONE Bank Ltd
Trustee	Green Delta Insurance Company Limited
Lead Arranger	Standard Chartered Bank
Tenor	7 years
Total Face Value	BDT 4,000 Million
Number of Bonds	4,000

List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2016
Pubali Bank Limited	1000	1,000,000,000	1,000,000,000
Sonali Bank Limited	1000	1,000,000,000	1,000,000,000
Janata Bank Limited	500	500,000,000	500,000,000
Southeast Bank Limited	500	500,000,000	500,000,000
Trust Bank Limited	400	400,000,000	400,000,000
Dhaka Bank Limited	300	300,000,000	300,000,000
Rupali Bank Limited	200	200,000,000	200,000,000
Mutual Trust Bank Ltd	100	100,000,000	100,000,000
Total		4,000,000,000	4,000,000,000

Notes to the Financial Statements

For the year ended 31 December 2016

	mber 2016	
	2016	2015
	Taka	Taka
11.2 Borrowing Outside Bangladesh		
Borrowing by Offshore Banking Unit .	1 405 241 800	
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.		-
Oesterreichische EntwicklungsBank AG (OeEB)	787,022,000	-
The OPEC Fund for International Development (OFID)	1,180,533,000	-
Habib Bank, Hong Kong	<u>146,325,727</u> 3,609,222,527	
	3,009,222,327	
11.3 Security against borrowings from other banks, financial institu	itions and agents	
Secured	-	-
Unsecured	9,698,408,379	2,288,076,612
	9,698,408,379	2,288,076,612
11.4 Residual Maturity grouping of borrowings from other banks,		
financial institutions and agents		
Payable on demand	52,669,736	14,092,253
Up to 3 months	46,217,694	12,365,95
Above 3 months to 1 year	816,624,149	473,134,42
Above 1 year to 5 years	7,182,896,800	1,788,483,97
Above 5 years	1,600,000,000	-
	9,698,408,379	2,288,076,612
11 (a) Consolidated Borrowings from other banks, financial institution	ons and Agents	
ONE Bank Limited	9,698,408,379	2,288,076,612
ONE Securities Limited	<u> </u>	-
	9,698,408,379	2,288,076,612
Denseite and other accounts		
Deposits and other accounts		
i Current account and other account (OBL)	19 262 857 034	17 490 077 84
i Current account and other account (OBL) Off-shore Banking Unit	19,262,857,034 406 387	
i Current account and other account (OBL) Off-shore Banking Unit	406,387	405,343
Off-shore Banking Unit		405,343
Off-shore Banking Unit ii Bills payable	406,387 19,263,263,421	405,34 17,490,483,18
 Off-shore Banking Unit Bills payable Payment Order (Issued) 	406,387 19,263,263,421 1,757,327,076	405,34 17,490,483,18 2,406,885,04
Off-shore Banking Unit ii Bills payable	406,387 19,263,263,421	405,34 17,490,483,18 2,406,885,04 786,85
 Off-shore Banking Unit Bills payable Payment Order (Issued) Demand Draft 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts 	406,387 19,263,263,421 1,757,327,076 790,479	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30
 Off-shore Banking Unit Bills payable Payment Order (Issued) Demand Draft Savings accounts iv Term deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48
 Off-shore Banking Unit Bills payable Payment Order (Issued) Demand Draft Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05
 Off-shore Banking Unit Bills payable Payment Order (Issued) Demand Draft Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,099
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000 99,038,454,09
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587	405,342 17,490,483,182 2,406,885,042 786,852 2,407,671,892 12,315,212,302 63,442,979,000 25,853,746,543 8,046,710,482 125,018,052 97,468,454,099 1,570,000,000 99,038,454,099
 Off-shore Banking Unit Bills payable Payment Order (Issued) Demand Draft Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit Payable on demands 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000 99,038,454,09 131,251,821,48 131,251,851,48 131,251,48 131,251,48 131,251
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000 99,038,454,09 131,251,821,48 11,207,613,68
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,099 1,570,000,000 99,038,454,099 131,251,821,48 11,207,613,68 390,246,555
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,00 99,038,454,09 131,251,821,48 11,207,613,68 390,246,55 2,821,505,40 2,821,505,40 11,207,613,68 1
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits Sundry Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196 2,302,490,944	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000 99,038,454,09 131,251,821,48 11,207,613,68 390,246,55 2,821,505,40 2,721,650,17 2,721,750,17 2,721,750,17 2,721,750,17 2,721,750,17 2,721,75
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196 2,302,490,944 289,444,867	405,342 17,490,483,182 2,406,885,042 786,855 2,407,671,892 12,315,212,304 63,442,979,003 25,853,746,544 8,046,710,48 125,018,057 97,468,454,099 1,570,000,000 99,038,454,099 131,251,821,488 111,207,613,688 390,246,555 2,821,505,409 2,721,650,172 349,467,364
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits Sundry Deposits 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196 2,302,490,944	405,34 17,490,483,18 2,406,885,04 786,85 2,407,671,89 12,315,212,30 63,442,979,00 25,853,746,54 8,046,710,48 125,018,05 97,468,454,09 1,570,000,000 99,038,454,09 131,251,821,48 111,207,613,68 390,246,55 2,821,505,40 2,721,650,17 349,467,364
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits Sundry Deposits Other accrued expense Bills payable 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196 2,302,490,944 289,444,867 19,263,263,421 1,758,117,556	405,342 17,490,483,183 2,406,885,043 786,855 2,407,671,891 12,315,212,303 63,442,979,000 25,853,746,544 8,046,710,483 125,018,057 97,468,454,099 131,251,821,488 111,207,613,681 390,246,555 2,821,505,409 2,721,650,175 349,467,366 17,490,483,183 2,407,671,898
 Off-shore Banking Unit ii Bills payable Payment Order (Issued) Demand Draft iii Savings accounts iv Term deposits Fixed Deposit Receipts Short Notice Deposits Scheme Deposits Non-resident Foreign Currency Deposits Off-shore Banking Unit 12.1 Payable on demands Current deposits Privilege creditor Foreign Currency Deposits Sundry Deposits Other accrued expense 	406,387 19,263,263,421 1,757,327,076 790,479 1,758,117,556 15,274,229,186 65,219,850,243 40,307,772,665 9,719,018,295 91,521,578 115,338,162,781 1,793,882,806 117,132,045,587 153,427,655,750 12,765,473,345 341,068,069 3,564,786,196 2,302,490,944 289,444,867 19,263,263,421	17,490,077,840 405,343 17,490,483,183 2,406,885,043 786,855 2,407,671,893 12,315,212,308 63,442,979,008 25,853,746,548 8,046,710,485 125,018,055 97,468,454,095 1,570,000,000 99,038,454,095 131,251,821,488 11,207,613,681 390,246,555 2,821,505,409 2,721,650,175 349,467,364 17,490,483,182 2,407,671,898 1,231,521,231 21,129,676,311



Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 <u>Taka</u>
12.2 Break down of deposits and other accounts		
12.2 (a) Payable on demand		
i Deposits from banks	1,184,160	1,186,810
ii Other than banks	22,547,619,735	22,495,572,013
	22,548,803,895	22,496,758,823
12.2 (b) Other Deposits		
Deposits from banks		
Term Deposit (ONE Bank Limited)		
Southeast Bank Limited	500,000,000	-
Uttara Bank Limited	500,000,000	-
Bank Asia Limited	1,000,000,000	-
Trust Bank Limited	1,000,000,000	-
Rajshahi Krishi Unnayan Bank	200,000,000	-
Mutual Trust Bank Limited	1,000,000,000	400,000,000
Mercantile 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
	4,200,000,000	4,200,000,000
Term Deposit (Off shore Banking Unit)		
BRAC Bank Limited	1,417,679,177	785,000,000
Prime Bank Limited	376,203,630	-
Dutch-Bangla Bank Limited	-	785,000,000
	1,793,882,806	1,570,000,000
Other than banks	124,884,969,048	102,985,062,665
	130,878,851,855	108,755,062,665
Total deposits [12.2(a) + 12.2(b)]	153,427,655,750	131,251,821,488
12.3 Remaining maturity grouping of deposits		
Payable on demand	39,755,834,095	28,499,257,439
Up to 3 month	43,420,431,244	43,879,277,370
Over 3 months to 1 year	44,654,491,290	28,933,954,087
Over 1 year to 5 years	19,063,449,513	15,622,664,620
Over 5 years	6,533,449,610	14,316,667,971
	153,427,655,750	131,251,821,488
12.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk. 936,624	as on December 31, 2	.016 and Tk.760,240
as on December 31, 2015, respectively.	,	,

12 (a) Consolidated Deposits and other accounts

Current account and other account		
ONE Bank Limited	19,263,263,421	17,490,483,183
ONE Securities Limited	-	-
	19,263,263,421	17,490,483,183
Bills payable		
ONE Bank Limited	1,758,117,556	2,407,671,898
ONE Securities Limited	_	-
	1,758,117,556	2,407,671,898
Savings accounts		
ONE Bank Limited	15,274,229,186	12,315,212,308
ONE Securities Limited	_	-
	15,274,229,186	12,315,212,308
Term deposits		
ONE Bank Limited	117,132,045,587	99,038,454,099
Less: Inter Company Transaction	(208,788,554)	(58,757,942)
	116,923,257,033	98,979,696,157
Total Consolidated Depo	sit 153,218,867,196	131,193,063,546

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 <u>Taka</u>	2015 Taka
Other liabilities		
Provision for Income Tax (note-13.1)	3,549,442,560	2,676,303,527
Deferred tax liability (note-13.2)	155,971,858	137,980,312
Provision for gratuity (note-13.3)	-	-
Provision for loans and advances (note-13.4 & 13.5)	4,227,757,568	2,937,120,002
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other (note-13.7)	3,932,171	4,065,532
Provision for off balance sheet items (note-13.8)	708,945,933	614,436,307
Provision for diminution value of share (note-13.10)	-	24,676,466
Provision for nostro Accounts (note-13.11)	-	-
Interest suspense account (note-13.9)	3,057,837,346	2,215,999,656
Sinking fund	21,333,429	60,272,872
Lease Obligation for Vehicles	-	2,466,897
Interest Payable on Subordinated Debt	66,511,111	4,400,000
Accrued performance bonus	220,000,000	160,000,001
Other payable	3,479,825	7,817,386
Revaluation reserve held for trading securities	147,298,937	219,546,922
	12,162,984,249	9,065,559,392
Off-shore Banking Unit	36,219,503	8,187,535
	12,199,203,752	9,073,746,927
13.1 Provision for current income tax		
Opening balance on 1 January	2,676,303,527	1,890,404,716
Less: Provision adjusted during the year	-	-
	2,676,303,527	1,890,404,716
Add: Provision made during the year	873,139,033	785,898,811
Balance on 31 December	3,549,442,560	2,676,303,527

Consistent with prior years, the Bank has made provision for income tax after considering certain regulatory deductions as allowed to the Bank by the relevant authority.

13.2 Deferred tax liability

13

For Fixed Assets		
Opening balance	47,729,657	69,426,596
Addition during the year (note-13.2.2)	8,946,306	(21,696,939)
Closing balance	56,675,963	47,729,657
Provision against revaluation reserve for security		
Opening balance	90,250,655	35,841,794
Addition during the year	9,045,240	54,408,861
Closing balance	99,295,894	90,250,655
Total	155,971,858	137,980,312

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

13.2.1	Basis of	f Deferred	Tax Asse	et:
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Tax base of fixed assets (Only temporary deductible portion is considered) Carrying amount of fixed assets	944,971,538 942,246,063	762,676,617 750,526,933
Deductible temporary difference	2,725,475	12,149,684
Applicable tax rate	40%	40%
Deferred tax asset	1,090,190	4,859,874
Opening deferred tax asset	4,859,874	16,434,054
Deferred tax (expenses)/income	(3,769,684)	(11,574,180)

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 <u>Taka</u>	2015 Taka
13.2.2 Basis of Deferred Tax Liability:		
Carrying amount of fixed assets (Only temporary taxable portion is considered Tax base of fixed assets) 1,014,866,073 873,176,164	748,222,231 628,898,090
Taxable temporary difference	141,689,909	119,324,141
Applicable tax rate	40%	40%
Deferred tax liability	56,675,963	47,729,656
Opening deferred tax liability	47,729,657	69,426,595
Deferred tax expenses/(income)	8,946,306	(21,696,939)
12.2 Description for module		
13.3 Provision for gratuity Opening balance on 1 January		
Provision made during the year	90,618,829	125 592 690
Transferred/Payment made during the year	90,618,829	125,582,689 (125,582,689)
Balance on 31 December		(125,582,089)
13.4 Specific provision against loans and advances		
Opening balance on 1 January	1,505,455,928	1,701,520,744
Provision written off	-	(1,653,890,704)
Recoveries of amounts previously written off	31,401,393	-
Provision after written off	1,536,857,322	47,630,040
Specific provision made during the year	1,372,049,317	1,692,077,441
Provisions recovered and no longer required written back	(174,702,401)	(234,251,551)
Net charge to profit & loss account	1,197,346,915	1,457,825,889
Balance on 31 December 13.5 General provision against loans and advances	2,734,204,237	1,505,455,928
Opening balance on 1 January	1,431,664,074	1,572,345,717
Provision made during the year:		
Unclassified Loans & Advances	4,626,680	(175,935,650)
Consumer credit & Small enterprise financing	72,442,276	32,909,632
Special mention account	(2,090,294)	18,323,601
Loans against shares	(13,089,404)	(15,979,226)
Net charge to profit & loss account	61,889,257	(140,681,643)
Balance on 31 December	1,493,553,332	1,431,664,074
Total Specific and General Provision	4,227,757,568	2,937,120,002
13.6 Specific provision as per classification of loans		
Substandard	9,620,953	22,341,337
Doubtful	14,834,378	102,081,673
Bad/Loss	2,709,748,906	1,381,032,918
Balance on 31 December	2,734,204,237	1,505,455,928
13.7 Provision for Other		
Balance on 1 January	4,065,532	3,115,532
Provision made during the year/(recovery) (note-13.7 a and 13.7 b)	(133,362)	950,000
Balance on 31 December	3,932,171	4,065,532
13.7.a Provision for protested bill		
Balance on 1 January	2,727,713	2,727,713
Provision recovered during the year Balance on 31 December	(133,362) 2,594,351	2,727,713
13.7.b Provision for legal expenses and others	₩,57 7 ,551	2,121,113
Balance on 1 January	1 227 810	287 810
Adjusted with recoverable legal expenses	1,337,819	387,819
Provision made during the year	-	-
Balance on 31 December	1,337,819	<u>950,000</u> 1,337,819
Datance on 51 December	1,337,019	1,337,019

Notes to the Financial Statements

For the year ended 31 December 2016

		2016 <u>Taka</u>	2015 Taka
13.8 Provision for off balance sheet items		_	
Balance on 1 January		614,436,307	497,870,722
Provision made during the year		94,509,626	116,565,585
	Balance on 31 December	708,945,933	614,436,307
13.9 Interest suspense account Balance on 1 January		2 215 000 656	1 622 402 054
Interest suspense charged during the year		2,215,999,656 1,517,995,246	1,622,403,054 2,487,238,167
Interest suspense realized during the year		(646,333,557)	(1,595,960,495)
Amount written off during the year		(0+0,555,557)	(294,449,131)
Amount waiver during the year		(29,824,000)	(3,231,939)
	Balance on 31 December	3,057,837,346	2,215,999,656
13.10 Provision for diminution value of share			
Balance on 1 January		24,676,466	_
Provision made/ (recovered) during the year	r	(24,676,466)	24,676,466
	Balance on 31 December	-	24,676,466
13.10.a Consolidated Provision made for diminution	n value of share		
ONE Bank Limited		(24,676,466)	24,676,466
ONE Securities Limited:		350,756,540	596,231,789
		326,080,074	620,908,255
13.11 Provision for nostro Accounts			
Balance on 1 January			9,815,356
Provision made during the year/(recovery)		-	(9,815,356)
	Balance on 31 December	-	-
13 (a) Consolidated Other liabilities			
ONE Bank Limited		12,199,203,752	9,073,746,927
ONE Securities Limited		405,216,296	614,802,309
		12,604,420,048	9,688,549,236
14. Share Capital			
14.1 Authorized Capital		10,000,000,000	10,000,000,000
1,000,000,000 (2015:1,000,000,000) ordinary sha	ares of Tk 10 each	, , ,	, , ,
14.2 Issued, Subscribed and fully paid-up Capital 66,36,65,528 (2015: 58,99,24,914) ordinary share	es of Tk 10 each	6,636,655,280	5,899,249,140
Sponsors		30.02%	30.36%
General Public (Including Institutes 20.87%	and Foreign 0.16%)	69.98%	69.64%
	Total	100.00%	100.00%
The issued, subscribed and fully paid up capital of	of the Bank is as follows:		

Shareholders	No. of Shareholders	No. of Shares	2016 Taka	2015 Taka
Sponsors	16	199,231,652	1,992,316,520	1,791,269,520
Institutes	422	138,512,824	1,385,128,240	-
Foreign	100	1,027,130	10,271,300	-
General Public	23,694	324,893,922	3,248,939,220	4,107,979,620
Total	24,232	663,665,528	6,636,655,280	5,899,249,140



ONE Bank Limited

Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2016

Shareholding structure of the Bank as at 31-12-2016 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Upto 500	7,054	1,245,693	0.19
501 to 5,000	11,766	23,239,373	3.50
5,001 to 10,000	2,306	16,528,986	2.49
10,001 to 20,000	1,407	19,947,253	3.01
20,001 to 30,000	477	11,618,913	1.75
30,001 to 40,000	284	9,798,204	1.48
40,001 to 50,000	165	7,601,256	1.15
50,001 to 100,000	311	22,713,812	3.42
100,001 to 1,000,000	385	106,423,612	16.04
Over 1,000,000	77	444,548,426	66.98
Total	24,232	663,665,528	100.00

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000 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) 73,740,614 Bonus shares of Tk. 10 each valued at Tk. 737,406,140 for the year 2015 has been transferred to Paid-up capital account during the year 2016:

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

Issued, Subscribed & fully Paid up Capital

Particulars	2016 Taka	2015 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash: 609,884,308 bonus shares of Tk. 10 each	6,098,843,080	5,361,436,940
	6,636,655,280	5,899,249,140

14.3 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 2016 was Taka 14,635,424,258 as against core capital of Taka 12,432,691,218 and supplementary capital of Taka 7,561,019,264 making a total capital of Taka 19,993,710,482 thereby showing a surplus capital/equity of Taka 5,358,286,225 at the date. Details are shown below:

	2016	2015
Consolidated Basis:	Taka	Taka
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	6,636,655,280	5,899,249,140
Statutory Reserve	4,434,929,509	3,845,644,373
Retained Earnings	1,358,421,259	1,004,913,203
Minority Interest in Subsidiaries	21,596,789	12,990,126
	12,451,602,837	10,762,796,842
Regulatory Adjustments:		
Deferred Tax Assets	1,090,190	4,859,874
Reciprocal Crossholdings in the CET-1 Capital of		
Banking, Financial and Insurance Entities.	17,821,430	13,859,540
	18,911,620	18,719,414
Total Common Equity Tier-1 Capital	12,432,691,218	10,744,077,429
Additional Tier- 1 Capital	-	-

Notes to the Financial Statements

For the year ended 31 December 2016

For the year childed 51 December 2010		
	2016 Taka	2015 Taka
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,202,499,264	1,499,858,376
Sub-ordinated debt	5,320,000,000	1,760,000,000
	5,520,000,000	1,700,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000
ince assess and securities a 1070 of equilies)	7,586,699,264	3,324,058,376
Regulatory Adjustment	7,500,077,204	3,324,030,370
Revaluation reserves for fixed assets, securities & equity securities	25,680,000	12,840,000
Total Tier-2 Capital Available	7,561,019,264	3,311,218,376
A Total Regulatory Capital	19,993,710,482	14,055,295,805
Total Assets including Off Balance Sheet items	259,016,835,591	215,511,492,964
B Total Risk Weighted Assets	146,354,242,576	134,300,907,485
C Required capital based on risk weighted assets (10% on B)	14,635,424,258	13,430,090,749
D Surplus (A-C)	5,358,286,225	625,205,056
E Required capital with Conservation Buffer (CB) @10.625% on B	15,550,138,274	N/A
F Excess over capital with CB (A-E)	4,443,572,208	N/A
	1,113,572,200	14/11
Percentage of Capital to Risk Weighted Assets:	13.66%	10.47%
Solo Basis:		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	6,636,655,280	5,899,249,140
Statutory Reserve	4,434,929,509	3,845,644,373
Retained Earnings	1,695,408,803	1,698,935,564
Ketanieu Larinigs	12,766,993,592	11,443,829,077
Regulatory Adjustments:	12,700,550,052	11,110,019,077
Deferred Tax Assets	1,090,190	4,859,874
Reciprocal Crossholdings in the CET-1 Capital of	1,090,190	1,000,071
Banking, Financial and Insurance Entities.	17,821,430	13,859,540
Danking, Financial and insurance Enduces.	18,911,620	18,719,414
Total Common Equity Tier-1 Capital	12,748,081,973	11,425,109,663
Additional Tier- 1 Capital	12,740,001,973	11,423,109,003
Additional Inti- I Capital		
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,202,499,264	1,522,662,814
Subordinated debt	5,320,000,000	1,760,000,000
Revaluation reserves as on 31 December 2014 (50% of		
fixed assets and securities & 10% of equities	64,200,000	64,200,000
	7,586,699,264	3,346,862,814
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	25,680,000	12,840,000
Total Tier-2 Capital Available	7,561,019,264	3,334,022,814
A Total Regulatory Capital	20,309,101,237	14,759,132,477
Total Assets including Off Balance Sheet items	259,135,798,604	215,636,480,832
B Total Risk Weighted Assets	146,207,838,630	134,972,996,872
C Required capital based on risk weighted assets (10% on B)	14,620,783,863	13,497,299,687
D Surplus (A-C)	5,688,317,374	1,261,832,790
E Required capital with Conservation Buffer (CB) @10.625% on B	15,534,582,854	N/A
F Excess over capital with CB (A-E)	4,774,518,383	N/A N/A
r Excess over capital with CD (A-E)	4,//4,010,000	IV/A
Percentage of Capital to Risk Weighted Assets:	13.89%	10.93%

Notes to the Financial Statements

For the year ended 31 December 2016

Tor the year children of December 2010		
	2016 Taka	2015 <u>Taka</u>
15 Statutory Reserve		
Balance brought forward from previous year	3,845,644,373	3,305,962,560
Reserve made during the year	589,285,136	539,681,812
Balance on 31 December	4,434,929,509	3,845,644,373
16 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,698,935,564	1,626,928,614
Addition during the year	2,060,570,658	1,922,633,009
Transfer to statutory reserve	(589,285,136)	(539,681,812)
Issue of Bonus Share	(737,406,140)	(655,472,120)
Cash dividend paid	(737,406,143)	(655,472,128)
Balance on 31 December	1,695,408,803	1,698,935,564
16.1 Retained earnings brought forward from previous year	,,,))
Retained Earning of previous Year	1 609 025 564	1 626 028 614
Bonus share issued	1,698,935,564	1,626,928,614
Cash dividend paid	(737,406,140) (737,406,143)	(655,472,120) (655,472,128)
Retained Earnings brought forward		
Retained Earnings brought forward	224,123,281	315,984,367
16.1 (a) Consolidated retained earnings/ movement of profit and loss account		
Retained Earning of ONE Bank Limited	1,695,408,803	1,698,935,564
Add: Retained Earning of ONE Securities Limited	(340,391,585)	(701,032,936)
Less: Attributable to Non-Controlling Interest	3,404,042	7,010,575
Balance on 31 December	1,358,421,259	1,004,913,203
16.1(b) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	1,004,913,203	985,135,415
Bonus share issued	(737,406,140)	(655,472,120)
Cash Dividend Paid	(737,406,143)	(655,472,128)
Retained Earnings brought forward	(469,899,079)	(325,808,832)
		(
17 Interest and discount income	11 019 720 652	10 002 600 452
From clients against loans and advances Lease finance	11,918,729,653	10,993,699,452
Discount from bills purchased & discounted	438,852,759	493,385,797
From banks and financial institutions in Bangladesh	169,132,139	249,374,496
6	139,800,880	126,633,072
From foreign banks	43,310,734	34,347,176
Off share Depline List	12,709,826,164	11,897,439,993
Off-shore Banking Unit	86,004,518	71,871,756
	12,795,830,682	11,969,311,749
17 (a) Consolidated Interest and discount income		
ONE Bank Limited	12,795,830,682	11,969,311,749
ONE Securities Limited	11,088,176	10,484,420
Less, Inter Company Transaction	(1,279)	(19,985,512)
	12,806,917,579	11,959,810,657
18 Interest paid on deposits and borrowings		
Short term deposits	2,218,303,721	1,277,983,655
Savings deposits	462,339,066	446,849,073
Term deposits	4,473,424,370	4,657,982,998
Scheme deposits	902,101,042	715,190,120
Borrowings from banks and financial institutions	52,760,831	36,102,073
Interest on Subordinated- Debt	326,111,111	264,000,000
interest on Subordinated - Debt	8,435,040,140	7,398,107,917
Off-shore Banking Unit	30,657,996	8,052,792
On-shore Danking Onit	8,465,698,136	7,406,160,710

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 <u>Taka</u>	2015 <u>Taka</u>
18 (a) Consolidated Interest paid on deposits and borrowings ONE Bank Limited	8,465,698,136	7,406,160,71
ONE Securities Limited	8,465,698,136	- 7,406,160,71
	8,405,098,130	/,400,100,/1
19 Income from Investments	(7(200 212	151.004.04
Interest on treasury bills	676,380,212	474,096,36
Interest on treasury bond (Net)	658,580,689	677,208,48
Interest on Bangladesh Bank Bill	95,455,697	7,922,87
Interest from reverse repo Dividend on Investment		17,706,88
Gain on sale of Shares	84,713,818 142,834,967	45,007,33 9,051,46
Interest on subordinated bond	273,361,896	246,986,98
interest on subordinated bond	1,931,327,279	1,477,980,40
19 (a) Consolidated Income from Investments		
ONE Bank Limited	1,931,327,279	1,477,980,40
ONE Securities Limited	94,284,399	35,110,98
	2,025,611,677	1,513,091,38
0 Commission, exchange and brokerage		
Letters of credit	326,564,458	304,469,31
Letter of guarantees	70,000,923	73,269,93
Acceptances	202,872,603	178,436,47
Local bills purchased	300	75,00
Foreign bills	-	29,81
Bills for collection	3,044,448	5,351,77
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,630,581	7,359,54
Export bills	40,949,200	31,942,06
PRC Issuance Charges	557,600	726,90
Cash Assistance Handling Charges	3,777,500	3,432,50
Import Related Certificates	393,270	800,60
Others	6,427,735	8,580,68
	660,218,619	614,474,62
Profit on exchange trading	754,768,556	539,438,94
Less: Loss on exchange trading	-	62
	754,768,556	539,438,31
	1,414,987,175	1,153,912,93
Off-shore Banking Unit	1,907,621	418,08
	1,416,894,796	1,154,331,02
20 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,416,894,796	1,154,331,02
ONE Securities Limited	35,822,534	16,764,79
	1,452,717,330	1,171,095,82
1 Other operating income		140 468 10
Loan processing fees and other charges	153,911,072	148,457,10
Miscellaneous Credit Card Fee	50,858,964	29,904,30
Recoveries of postage, telex, telephone, fax etc	49,145,965	34,771,31
Letter of Credit miscellaneous charges	182,848,693	141,907,19
General Banking miscellaneous charges	44,437,114	33,457,40
Miscellaneous (Note-21.1)	53,328,672	50,955,49
Rent on locker	2,056,850	1,884,40
Off chore Banking Unit	536,587,331 6,562,923	441,337,21
Off-shore Banking Unit	<u>543,150,254</u>	<u>2,337,01</u> 443,674,22

21.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, VAT rebate etc.

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 <u>Taka</u>	2015 <u>Taka</u>
21 (a) Consolidated Other operating income		
ONE Bank Limited	543,150,254	443,674,228
ONE Securities Limited	1,173,256	593,893
	544,323,510	444,268,121
22 Salary & Allowances		
Salary & Allowances	1,641,407,886	1,460,176,089
Provident Fund Contribution	104,112,485	94,178,757
Gratuity	90,618,829	125,582,689
Superannuation fund	7,000,000	7,000,000
Bonus	393,131,775	342,233,494
	2,236,270,975	2,029,171,028
22(a) Consolidated Salary & Allowances		
ONE Bank Limited	2,236,270,975	2,029,171,028
ONE Securities Limited	15,486,312	9,171,493
	2,251,757,287	2,038,342,522
23 Rent, taxes, insurance, electricity etc.		
Rent	282,229,143	250,877,123
VAT on Rent	33,885,212	22,915,880
Taxes	1,989,164	1,237,087
Electricity	59,247,473	49,765,677
Utilities	6,799,533	7,284,897
Insurance	92,729,726	78,539,256
instruct	476,880,251	410,619,921
24 Legal expenses		
Professional fees	17,628,452	18,486,466
Fees, Court fees & stamps	186,478	256,124
, ,	17,814,930	18,742,590
Off-shore Banking Unit	1,188,963	3,532,500
	19,003,893	22,275,090
24 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	19,003,893	22,275,090
ONE Securities Limited	23,219	-
	19,027,112	22,275,090
25 Destage stamps talecommunication at		
25 Postage, stamps, telecommunication etc. Telex/Telephone/Fax etc	31,482,037	15,624,182
Courier/postage	12,571,272	10,513,447
Radio Link	31,539,069	28,845,585
Reuter	4,014,349	3,057,246
Real	79,606,726	58,040,460
26 Directors' Fees	1,456,000	998,000
For attending the meeting of the Board and other committee meetings @	Tk 8 000 per attendance	ner person as per

For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person as per BRPD circular no. 11 dated October 04, 2015. Other than the meeting attendance fees, no other financial benefit is being availed by the Directors.

26 (a) Consolidated Director's Fees		
ONE Bank Limited	1,456,000	998,000
ONE Securities Limited	67,500	85,000
	1,523,500	1,083,000

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 Taka
27 Stationery, Printing, advertisement etc.		
Printed and security stationery	36,076,614	23,721,978
Stationery	47,659,089	36,048,887
Advertisement	72,928,151	64,680,401
	156,663,854	124,451,266
27 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	156,663,854	124,451,266
ONE Securities Limited	268,783	138,955
	156,932,637	124,590,221
28 Managing Director's Salary & Allowances		
Basic Salary	9,584,944	9,399,996
House rent allowance	207,742	180,000
Utility allowance	15,379	20,004
Provident Fund Contribution	958,495	939,996
Festival Bonus	1,566,666	1,566,666
Incentive Bonus	1,000,000	1,000,000
	13,333,226	13,106,662
29 Depreciation, leasing expense and repair of bank's assets		
Depreciation (Annexure - A)	234,550,605	223,880,394
Repairs & Maintenance	327,875,274	285,343,851
	562,425,879	509,224,245
29 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	562,425,879	509,224,245
ONE Securities Limited	2,182,542	2,131,205
	564,608,420	511,355,450
30 Other expenses		
Entertainment	49,434,105	27,630,696
Car expenses	15,324,533	14,309,890
Donation and Subscription	64,761,587	33,049,467
Traveling	129,018,203	122,717,650
Computer & Printer maintenance expenses	61,393,677	18,134,968
Finance charge-against leased assets	209,476	675,142
Staff training	3,799,011	3,969,013
VISA Card Expenses	25,714,853	13,937,664
Sales Team fees	5,036,359	2,858,101
Bank charges and commission paid	8,188,486	6,651,249
Miscellaneous (Note-30.1)	8,549,578	2,580,886
ATM Booth Expenses Call center operating expense	16,063,097	3,638,971
Issuance cost of Sub-Ordinated Bond	2,698,603	1,311,994
Mobile Financial Services	1,962,142 2,456,247	70,677,238
Loss from sale/ write off of assets	5,692,463	977,090
LOSS HOIR SALE/ WHICOIL OF ASSERS	400,302,419	323,120,019
	100,000,117	0

30.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.

30 (a) Consolidated Other expenses		
ONE Bank Limited	400,302,419	323,120,019
ONE Securities Limited	8,720,524	4,973,105
	409,022,942	328,093,124



Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 Taka
31 Provision for loans, off balance sheet exposure, investment & other for the year	1.105.046.015	1 455 005 000
Provision for bad and doubtful loans and advances	1,197,346,915	1,457,825,889
Provision for unclassified loans and advances	61,889,257	(140,681,643)
Provision for off-balance sheet exposure	94,509,626	116,565,585
Provision for diminution in value of share Provision for other	(24,676,466)	24,676,466
Provision for other	(133,362) 1,328,935,970	(8,865,356) 1,449,520,941
32 Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	(24,676,466)	24,676,466
ONE Securities Limited	(245,475,248)	79,001,127
	(270,151,714)	103,677,593
33 Consolidated provision for other assets for the year		
ONE Bank Limited	(133,362)	(8,865,356)
ONE Securities Limited	(133,362)	- (8,865,356)
	(155,502)	(0,005,550)
34 Tax Expenses for the year		
Current Tax	873,139,033	785,898,811
Deferred tax	12,715,990	(10,122,759)
	885,855,023	775,776,053
34 (a) Consolidated Tax Expenses for the year		
Current Tax	072 120 022	705 000 011
ONE Bank Limited	873,139,033	785,898,811
ONE Securities Limited	427,105 873,566,138	<u>199,447</u> 786,098,258
Deferred Tax	0/3,500,150	/00,090,200
ONE Bank Limited	12,715,990	(10,122,759)
ONE Securities Limited		-
	12,715,990	(10,122,759)
	886,282,128	775,975,500
35 Interest receipts in cash		
Interest income on loans & advances	12,764,429,289	11,969,311,749
Interest on Treasury Bills and Bonds	1,703,778,494	1,423,921,594
·	14,468,207,782	13,393,233,343
(Increase)/ Decrease in interest receivable on loans & advances	(596,611,870)	(748,381,699)
(Increase)/ Decrease in interest receivable others	(37,791,708)	(68,642,250)
	13,833,804,204	12,576,209,393
35 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	13,833,804,204	12,576,209,393
ONE Securities Limited	11,088,176	10,484,420
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	(1,279)	(19,985,512)
36 Interest payments	13,844,891,100	12,566,708,301
Total interest expenses	8,465,698,136	7,406,160,710
Add : Opening balance of interest payable	1,505,015,918	1,071,571,960
Less: Closing balance of interest payable	(1,269,312,060)	(1,505,015,918)
	8,701,401,995	6,972,716,752
36 (a) Consolidated Interest Payment		
ONE Bank Limited	8,701,401,995	6,972,716,752
ONE Securities Limited	-	-
	8,701,401,995	6,972,716,752

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 Taka	2015 Taka
37 Fee and commission receipts in cash		
Commission, exchange and brokerage	662,126,240	614,892,710
Less : (Increase) / decrease in Commission receivable	310,250	(211,750)
	662,436,490	614,680,960
37 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	662,436,490	614,680,960
ONE Securities Limited	35,822,534	16,764,798
	698,259,024	631,445,758
38 Cash payments to employees	2 226 270 075	2 020 171 020
Salaries and allowances Managing Director's salary and allowances	2,236,270,975	2,029,171,028 13,106,662
Wanaging Director's salary and anowances	<u>13,333,226</u> 2,249,604,201	2,042,277,690
Less: Payable to employees	(325,555,240)	(320,320,704)
Add: Opening Payable	320,320,704	293,149,405
	2,244,369,666	2,015,106,391
39 Cash payment to suppliers		
Printing, stationery and advertisement etc.	156,663,854	124,451,266
Repair & Maintenance	327,875,274	277,856,247
Add: closing stock of stationery and stamps	27,401,135 511,940,263	<u>37,209,318</u> 439,516,831
Less: opening stock of stationery and stamps	(37,209,318)	(37,733,230)
Less. opening stock of stationery and statiops	474,730,944	401,783,601
40 Cash receipts from other operating activities		
Other operating income	543,150,254	444,072,228
Exchange earnings	754,768,556	539,438,315
	1,297,918,810	983,510,543
40 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	1,297,918,810	983,510,543
ONE Securities Limited	29,438,599	593,893
	1,327,357,408	984,104,436
41 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	476,880,251	410,619,921
Legal expenses	19,003,893	18,742,590
Postage, stamps, telecommunication etc.	79,606,726	58,040,460
Directors fees	1,456,000	998,000
Auditors' fee	200,000	200,000
Other expenses	<u>394,609,956</u> 971,756,827	<u>322,142,929</u> 810,743,899
Add: Outstanding in payable - Opening balance	189,146,660	197,299,171
Less: Outstanding in payable - Closing balance	(183,889,627)	(189,146,660)
	977,013,860	818,896,410
41 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	977,013,860	818,896,410
ONE Securities Limited	7,004,569	9,696,300
	984,018,429	828,592,710
42 (Increase)/decrease of other assets Closing balance:		
Security deposits	4,041,095	3,888,295
Advance rent	529,115,536	510,875,757
Prepayments	186,625,569	146,860,818
Renovation work of rented premises	6,142,405	4,114,091
Suspense account	26,437,580	83,706,111
Receivable from Bangladesh Bank	145,708,355	205,312,982
Receivable from ONE Securities Ltd	-	25,765,707
Protested bill	2,594,351	2,727,713
Branch Adjustment Account	5,269,747 905,934,638	5,786,576 989,038,049
Off-shore banking unit	70,148,795	-
	976,083,432	989,038,049

Notes to the Financial Statements

For the year ended 31 December 2016

For the year chucu 51 December 20		
	2016 <u>Taka</u>	2015 <u>Taka</u>
Less: Opening balance:		
Security deposits	3,888,295	2,538,295
Advance rent	510,875,757	444,055,293
Prepayments	146,860,818	65,890,760
Renovation work of rented premises	4,114,091	1,337,135
Suspense account	83,706,111	13,035,799
Receivable from Bangladesh Bank	205,312,982	81,502,632
Receivable from ONE Securities Ltd	25,765,707	16,413,348
Protested bill	2,727,713	2,727,713
Branch Adjustment Account	5,786,576	1,481,683
Branch Aufustitent Account	989,038,049	628,982,657
Off-shore banking unit	-	020,902,057
č	989,038,049	628,982,657
	12,954,617	(360,055,392)
42 (a) Consolidated (Increase)/decrease of other assets		(
ONE Bank Limited	12,954,617	(360,055,392)
ONE Securities Limited	(22,867,715)	689,593
ONE Securites Emilieu	(9,913,098)	(359,365,799)
43 Deposits from banks	(),)13,090)	(33),303,777
Closing Balance :		
Payment on demand	1,184,160	1,186,810
Fixed Deposit	5,993,882,806	5,770,000,000
I	5,995,066,966	5,771,186,810
Less : Opening balance	(5,771,186,810)	(9,401,189,651)
	223,880,156	(3,630,002,841)
44 Deposits from customers		(-)
Closing balance of Deposits		
Payable on demand	22,547,619,735	22,495,572,013
Other deposits	124,595,524,181	102,319,360,679
• · · · · • · · · · · · · · · · · · · ·	147,143,143,917	124,814,932,692
Less: Opening balance of Deposits	1 . , , 1 . 0 , 1 . 0 , 9 1 /	12 1,01 1,702,072
Payable on demand	22,495,572,013	16,683,288,578
Other deposits	102,319,360,679	73,097,529,621
Other deposits	124,814,932,692	89,780,818,199
		0,,,00,010,177
Deposit increased during the year	22,328,211,225	35,034,114,493
Add: Opening balance of interest on deposit and others		
Interest on deposits	1,505,015,918	1,071,571,960
Other deposits Account	349,467,364	415,007,560
-	1,854,483,283	1,486,579,520
Less: Closing balance of interest on deposit and others		
Interest on deposits	(1,269,312,060)	(1,505,015,918)
Other deposits Account	(289,444,867)	(349,467,364)
	(1,558,756,927)	(1,854,483,283)
	22,623,937,581	34,666,210,730
45 Increase/(decrease) of other liabilities		
Closing balance:		
Lease Obligation	_	2,466,897
Risk fund of Consumer Credit and Rider	473,512	473,512
Interest payable on Subordinated debt	66,511,111	4,400,000
1 2		
Interest suspense	3,057,837,346	2,215,999,657
Off-shore banking unit	3,124,821,969	2,223,340,065
	-	-
OII-Shore banking unit	3,124,821,969	2,223,340,065

Notes to the Financial Statements

For the year ended 31 December 2016

	2016 <u>Taka</u>	2015 <u>Taka</u>
Less: Opening balance:		
Interest on bills discounted	-	-
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
	901,481,903	588,311,859
45 (a) Consolidated (Increase)/decrease of other liabilities		
ONE Bank Limited	901,481,903	588,311,859
ONE Securities Limited	(7,794,022)	9,079,101
	893,687,881	597,390,960
Letters of Guarantee		
i) Claims against the Bank not acknowledged as debts		
ii) Money for which the Bank is contingently liable in respect of		
guarantee given favoring:		
Directors	_	_
Government	110,537,076	603,553,381
Banks and other financial institutions	80,524,526	2,322,211,298
Others	11,736,266,415	7,802,481,981
	11,927,328,017	10,728,246,661
Total (i and ii)	11,927,328,017	10,728,246,661
/ Basic Earnings Per Share		
Attributable profit for the year	2,060,570,658	1,922,633,009
Weighted average number of outstanding Shares for the year:	2,000,570,050	1,722,055,007
Opening balance	589,924,914	589,924,914
Bonus Share Issued for the year 2015	73,740,614	73,740,614
Bollas Shure loude for the your 2015	663,665,528	663,665,528
Basic Earnings Per Share	3.10	2.90
~		

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.

47 (a) Basic Earnings Per Share Consolidated

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47

Attributable to holding company	2,417,605,474	1,870,403,848
Weighted average number of outstanding Shares for the year:		
Opening balance	589,924,914	589,924,914
Bonus Share Issued for the year 2015	73,740,614	73,740,614
	663,665,528	663,665,528
Basic Earnings Per Share	3.64	2.82

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

48 Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- Annexure-E
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2016: Nil

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- 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 31.12.2016: Guarantee amounting to Tk. 3,407,278 and Tk. 11,300 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.

Financial Statements

Notes to the Financial Statements

For the year ended 31 December 2016

Ms. Dilruba Ahmed, Spouse of Mr. Kazi Rukun Uddin Ahmed, Director of ONE Bank Ltd. is the owner of Little Jewels School, Which is availing an SOD limit of TK. 2,700,000 against 100% FDR margin. Outstanding against the limit is TK. 2,355,239.

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) 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):

Lease agreement made with the Director :

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease Agreement	Corporate Headquarters, ONE Bank Limited, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka.	Mr. Sayeed H. Chowdhury, Director Hamid Properties Limited	Expiry Date of Lease 31.10.2023
Lease Agreement	Off Site Store, 26 Tejgoan Industrial Area, Tejgoan, Dhaka.	Mr. Zahur Ullah, Director Shamah Enterprises Limited	Expiry Date of Lease 31.05.2021
Lease Agreement	Central Vehicle Maintenance Unit and Off-Site Store, 14- 17A Sangshad Avenue, Tejgoan, Dhaka	Mr. Sayeed H. Chowdhury, Director HRC Bangladesh Limited	Expiry Date of Lease 30.06.2026
Lease Agreement	ONE Bank Limited, Kawran Bazar Branch, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka	Mr. Sayeed H. Chowdhury, Director Hamid Properties Limited	Expiry Date of Lease 30.06.2023
Lease Agreement	Zonal Office, Centralised Trade Processing Center and Loan Administration Department, HRC Bhaban, 64- 66 Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Director HRC Properties Limited	Expiry Date of Lease 29.02.2024
Lease Agreement	ONE Bank Limited, Agrabad Branch, Retail, SME and Recovery Unit, HRC Bhaban, 64-66 Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Director HRC Properties Limited	Expiry Date of Lease 28.02.2025
Lease Agreement	Central Vehicle Maintenance Unit & Garage, Zonal Central Off-Site Store, Plot No. P/2 (A&B), 13 (WP), Mohora Industrial Area, Kalurghat, Chittagong	Mr. Sayeed H. Chowdhury, Director HRC Leather Complex Limited	Expiry Date of Lease 30.09.2026

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

49 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 2,028 (2015:1,976).

50 Events after the balance sheet date

The Board of Directors in its 257th meeting held on 30 March 2017 has recommended stock dividend @ 10% and cash dividend @ 13% subject to the approval of the Shareholders at the next Annual General Meeting.

all areas

M. Fakhrul Alam Managing Director

Salahuddin Ahmed Director

John Zahur Ullah

Director

Arony

Asoke Das Gupta Vice-Chairman

Financial Highlights on the overall activities of the Bank As at 31 December 2016

Solo Basis

SI No	Particulars	2016 Taka	2015 Taka
1	Paid up Capital	6,636,655,280	5,899,249,140
2	Total Capital	20,309,101,237	14,759,132,477
3	Capital Surplus/(deficit)	5,688,317,374	1,261,832,790
4	Total Assets	188,241,205,314	154,192,850,086
5	Total Deposits	153,427,655,750	131,251,821,488
6	Total Loans and Advances	132,084,246,472	106,748,519,093
7	Total Contingent Liabilities and Commitments	70,894,593,289	61,443,630,746
8	Credit Deposit ratio (%)	83.87%	80.58%
9	Percentage of Classified Loans against total loans and advances	4.93%	3.58%
10	Profit after tax and provisions	2,060,570,658	1,922,633,009
11	Amount of classified loans during the year	6,510,596,206	3,820,132,319
12	Provision kept against classified loans	2,734,204,237	1,505,455,928
13	Provision surplus/(deficit)	-	-
14	Cost of fund	8.43%	9.44%
15	Interest earning Assets	166,219,480,214	137,454,201,395
16	Non-interest earning assets	22,021,725,101	16,738,648,691
17	Return on investment-ROI	10.07%	11.32%
18	Return on Assets-ROA (Net profit after taxation/average assets)	1.20%	1.39%
19	Income from Investment	1,931,327,279	1,477,980,402
20	Earnings per Share	3.10	2.90
21	Net Income per share	3.10	2.90
22	Price Earning Ratio (Times)	5.89	5.28
Consol	idated Basis		
1	Paid up Capital	6,636,655,280	5,899,249,140
2	Total Capital	19,993,710,482	14,055,295,805
3	Capital Surplus	5,358,286,225	625,205,056
4	Total Assets	188,122,242,302	154,067,862,218
5	Total Deposits	153,218,867,196	131,193,063,546
6	Total Loans and Advances	132,110,756,274	106,797,278,703
8	Profit after tax and provisions	2,421,212,008	1,869,876,262
9	Earnings per Share	3.64	2.82
10	Net Income per share	3.64	2.82

		As at 31 De	As at 31 December 2016						
		AS at 51 De	cemper 2010						
Cost (]	Oost (Taka)			Depreciation (Taka)	on (Taka)			Rate of	
ns	Disposal				Adjusted		Net book	depreciation per	
he	during the year	Balance at	Balance on	Charge for	on disposal	Balance at	value at	annum (Reducing	
		31 December	1 January	the vear	during the year	31 December	31 December	the year during the year 31 December 31 December Balance Method)	

[Referred to Note 8 of these Financial Statements]

Particulars		Cost (Taka)	aka)			Depreciation (Taka)	on (Taka)			Rate of
		Additions	Disposal				Adjusted		Net book	depreciation per
	Balance on	during the	during the year	Balance at	Balance on	Charge for	on disposal	Balance at	value at	annum (Reducing
	1 January	year		31 December	1 January	the year	during the year 31 December	31 December	31 December	Balance Method)
										20
Furniture and Fixtures	1,173,568,859	290,092,226	57,483,639	1,406,177,446	423,041,926	76,426,962	35,537,505	463,931,383	942,246,063	10
Office Equipment	882,500,715	109,973,067	12,793,960	979,679,822	440,671,706	92,053,351	10,448,557	522,276,500	457,403,322	18
Motor Vehicles	241,318,876	25,155,729	17,649,806	248,824,799	135,698,248	20,615,709	14,848,987	141,464,970	107,359,829	20
Building	118,999,192	25,022,230		144,021,422	14,140,147	2,777,865		16,918,012	127,103,410	2.5
Land	17,700,000	258,764,295		276,464,295			-	-	276,464,295	
Sub-Total	2,434,087,642	709,007,547	87,927,405	3,055,167,784	1,013,552,027	191,873,888	60,835,049	1,144,590,866	1,910,576,919	
Leased Assets	25,044,000			25,044,000	18,651,956	5,008,800		23,660,756	1,383,244	20
Intangibles Assets	170,034,131	10,998,385		181,032,516	98,212,626	37,667,917	-	135,880,543	45,151,973	20
Total 2016	2,629,165,773	720,005,932	87,927,405	3,261,244,300	1,130,416,609	234,550,605	60,835,049	1,304,132,165	1,957,112,136	
Total 2015	2,307,336,899	329,041,069	7,212,195	2,629,165,773	911,827,700	223,880,394	5,291,485	$5,291,485 \qquad 1,130,416,609 \qquad 1,498,749,164$	1,498,749,164	

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ONE Bank Limited **Financial Statements**

Annexure-B

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

Zannoo mini Zanganoon Zann Tana account		Amount in Taka
	Detail	<u> </u>
Balance as per Bank ledger		10,428,612,354
Unrespond debit entries in: Bangladesh Bank Statement ONE Bank's ledger	86,872,811	86,872,811
ONE Daik's leager		10,341,739,543
Unrespond credit entries in:		
Bangladesh Bank statement	8,555,001	
ONE Bank's ledger	2,537,493	11,092,494
Balance as per Bangladesh Bank Statement		10,352,832,038

Balance as at December 31, 2016 in RTGS settlement A/C with Bangladesh Bank is Tk.700,000/=

2) Balance with Bangladesh Bank-Foreign currency

Durance with Dunglateon Dura I of eig.				Amount in Taka
	USD	EURO	GBP	Total
A) Balance as per Bank ledger	156,420,116	3,517,848	1,597,393	161,535,357
B) Unrespond debit entries in:				
Bangladesh Bank Statement	471,074	-	-	471,074
ONE Bank's ledger	41,466,488	-	-	41,466,488
	41,937,562	-	-	41,937,562
C) Unrespond credit entries in:				
Bangladesh Bank statement	421,131,731	-	459	421,132,191
ONE Bank's ledger	459,949,782	-	-	459,949,782
	881,081,514	-	459	881,081,973
Balance as per Bangladesh Bank				
Statement (A-B+C)	995,564,067	3,517,848	1,597,852	1,000,679,768

[Referred to Note 4.5 of these Financial Statements]			2016			2015	
Name of the Banks	Currency Name	Amount in Foreign Currency	Col rate po	Amount in BDT.	Amount in Foreign Currency	Conversion Conversion rate per unit F.C.	Amount in BDT.
Standard Chartered Bank, New York	USD	17,778,986.96	78.7022	1,399,245,387.52	3,327,030.05	78.5003	261,172,857.03
Commerzbank AG, Frankfurt	USD	1,648,806.62	78.7022	129,764,708.37	1,083,472.44	78.5003	85,052,911.58
Mashreqbank Psc, New York	USD	564,464.87	78.7022	44,424,627.09	1,505,081.06	78.5003	118,149,314.73
ICICI Bank Limited, Hong Kong	USD	23,552.25	78.7022	1,853,613.89	45,167.10	78.5003	3,545,630.90
Wells Fargo Bank N.A, New York	USD	1,192,801.25	78.7022	93,876,082.54	1,481,385.63	78.5003	116,289,216.37
		21,208,611.95		1,669,164,419.41	7,442,136.28		584,209,930.61
Standard Chartered Bank, London	GBP	11,706.76	96.2371	1,126,624.63	216,480.00	116.2668	25,169,436.86
AB Bank Ltd, Mumbai	ACUD	(183,167.88)	78.7022	(14,415,715.13)	190,965.34	78.5003	14,990,836.48
Habib Bank Limited, Karachi	ACUD	424,094.92	78.7022	33,377,203.21	354,463.09	78.5003	27,825,458.90
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	341,520.77	78.7022	26,878,435.94	560,691.78	78.5003	44,014,472.94
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	84,429.99	78.7022	6,644,825.96	69,178.87	78.5003	5,430,562.05
Seylan Bank PLC, Colombo	ACUD	89,392.40	78.7022	7,035,378.54	44,737.20	78.5003	3,511,883.62
Standard Chartered Bank, Mumbai	ACUD	278,761.23	78.7022	21,939,122.08	848,309.94	78.5003	66,592,584.78
United Bank of India, Kolkata	ACUD	677,362.15	78.7022	53,309,891.40	88,759.04	78.5003	6,967,611.27
Axis Bank Ltd, Kolkata	ACUD	337,326.18	78.7022	26,548,312.48	-	-	
ICICI Bank Limited, Mumbai	ACUD	175,956.76	78.7022	13,848,184.12	893,309.14	78.5003	70,125,035.48
		2,225,676.52		175,165,638.60	3,050,414.40		239,458,445.52
Standard Chartered Bank, Tokyo	JРҮ	8,367,523.00	0.6713	5,617,118.19	7,460,564.00	0.6513	4,859,065.33
Standard Chartered Bank, Frankfurt	EURO	200,277.70	81.9762	16,418,004.79	207,268.70	85.8008	17,783,820.27
Commerzbank AG, Frankfurt	EURO	30,689.65	81.9762	2,515,820.89	239,024.99	85.8008	20,508,535.36
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	81.9762	7,090,370.75	171,211.04	85.8008	14,690,044.20
		317,460.39		26,024,196.43	617,504.73		52,982,399.83
Westpac Banking Corporation, Sydney	AUD	84,474.93	56.4924	4,772,191.54	231,430.12	57.1953	13,236,715.14
Commerzbank AG, Frankfurt	CAD	52,240.82		3,031,163.87	7,092.59		400,929.22
Habib Bank AG Zurich, Zurich	CHF	145,148.12	76.5139	11,105,848.74	45,706.79	79.5584	3,636,359.08
Bank Al-Jazira, Jeddah	SAR	300,000.00	21.4350	6,430,500.00	300,000.00	21.4350	6,430,500.00
Total				1,902,437,701			930,383,782

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ONE Bank Limited

Annexure-C

Financial Statements for the year ended 31 December 2016 Balance with other banks in foreign currency

ONE Bank Limited

Financial Statements

Annexure-D

ONE Bank Limited Details of Large Loan

As at 31 December 2016

CL No.	Group/ Client Name	Outstanding (Taka in crore)			
SL No		Funded	Non-Funded	Total	
1	Bangladesh Petroleum Corporation	-	748.51	748.51	
2	Mahmud Group	187.22	250.62	437.84	
3	City Group	197.41	140.23	337.64	
4	H. Akbar Ali Group	217.60	88.59	306.19	
5	Max Group	169.97	115.81	285.78	
6	Habib Group	154.18	113.83	268.01	
7	Fair Distribution Ltd	157.80	104.90	262.70	
8	Abul Khair Group	214.37	40.63	255.00	
9	Medlar Group	136.92	115.46	252.38	
10	Noman Group	169.66	75.67	245.33	
11	Ananda Group	151.99	75.78	227.77	
12	S.H Enterprise (Arafin group)	28.27	194.07	222.34	
13	Panwin Group	117.10	95.82	212.92	
14	GHP Group	169.56	42.18	211.74	
15	Benetex Industries Ltd & Common Threads Ltd.	208.76	0.60	209.36	
	Total	2,280.81	2,202.70	4,483.51	

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

Annexure-E

Name of the Directors and the entities in which they have interest as on 31 December 2016

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.	60.00	
			2 Baridhi Shipping Lines Ltd.	60.00	
			3 Bangladesh Land Ltd.	49.00	
			4 HRC Syndicate Ltd.	93.00	
			5 HRC Travels Ltd.	99.00	
			6 HRC Lighting Ltd.	47.00	
			7 HRC Properties Ltd.	45.00	
			8 HRC Shipping Ltd.	63.79	
			9 HRC Agrocom Ltd.	80.00	
			10 HRC Bangladesh Ltd.	56.00	
			11 HRC Products Ltd.	80.00	
			12 HRC Lamps Ltd	80.00	
			13 HRC Media Ltd.	99.50	
			14 Hamid Properties Ltd.	10.00	
			15 Arakan Express Ltd.	21.00	
			16 Information Services Network Ltd.	8.17	
			17 Bangladesh General Insurance Co. Ltd		
			18 HRC Freight Ltd	80.00	
			19 Jaijaidin Publications Ltd.	84.69	
			20 Travelwise Ltd	15.00	
2.	Mr. Asoke Das Gupta	Vice-Chairman		55.00	
2.	WII. ASOKE Das Gupta	vice-Chairman	2 Uniroyal Trade Ltd.	60.00	
			3 IMTREX	100.00	
			4 Ocunova Eye Hospital	5.00	
			5 NTC Housing Ltd	12.50	
3.	Mr. Zahur Ullah	Director	1 Gtex Ltd.	33.33	
5.		Director	2 Buttons & Trims Ltd	70.00	
			3 Lables & Trims Ltd.	70.00	
			4 Lamisa Ltd.	60.00	
			5 L-2 Knitting Ltd.	60.00	
			e		
			6 Shamah Enterprises Ltd7 Holiday Publications Ltd.	40.00	
			 8 Lamisa Food Products Ltd. 	10.00 70.00	
			9 NTC Housing Ltd.	12.50	
			9 NTC Housing Ltd.	12.30	Doproconted by
4.	KSC Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. A.S.M
			č		Shahidullah Khan
					Represented by
		Di			Mr. Kazi
5.	Irfan International Limited	Director	NTC Housing Ltd.	12.50	
					Rukunuddin
					Ahmed Represented by
6.	M. R. Holdings & Securities	Director	NTC Housing Ltd.	12.50	Represented by
0.	Limited	Director	TO HOUSING LIG.	12.30	Mr. Shawket
		T 1 1 1			Jaman
7	Mr. Syed Nurul Amin	Independent	-	-	-
7.	· · · · · · · · · · · · · · · · · · ·				
7.		Director Independent			

		Banking Ui ce Sheet	nit		Annexure-
As a	at 31 D	ecember 2016			
		20	016		2015
PROPERTY AND ASSETS	Notes	USD	ТАКА	USD	ТАКА
CASH Cash in hand (including foreign currencies)	ſ	_		_	
Cash with Bangladesh Bank and its agent bank(s)		-	-	-	-
(Including foreign currencies)	ļ	-	-	-	-
Delence with other Danks and Einensiel Institutions	2	-	-	-	-
Balance with other Banks and Financial Institutions In Bangladesh	3	-	-	-	-
Outside Bangladesh		22,321,382	1,756,741,848	-	-
Money at Call on Short Notice		22,321,382	1,756,741,848	-	-
		-	-	-	-
Investment Government	I	-		_	
Others		-	-	-	
To an and Advances	,	-	-	-	-
Loan and Advances: Loans, cash credit, overdraft etc.	4	58,547,030	4,607,780,025	32,769,748	2,572,425,219
Bills purchased and discounted		4,660,797	366,814,971	371,163	29,136,321
		63,207,826	4,974,594,996	33,140,911	2,601,561,540
Fixed Assets		-	-	-	-
Other Assets	5	891,319	70,148,795	-	-
Non Banking Assets				-	-
Total Assets		86,420,527	6,801,485,638	33,140,911	2,601,561,540
LIABILITIES AND CAPITAL					
Borrowings from other banks, financial institutions					
and agents	6 7	45,859,233	3,609,222,527	-	-
Deposit and other Accounts Current accounts and other accounts	<i>′</i> [5,164	406,387	5,164	405,343
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits	l	22,793,299 22,798,463	1,793,882,806 1,794,289,193	20,000,000 20,005,164	1,570,000,000 1,570,405,343
Other Liabilities	8	17,325,718	1,363,572,093	12,374,550	971,402,213
Total Liabilities		85,983,414	6,767,083,813	32,379,714	2,541,807,550
Capital/Shareholders' Equity					
Profit and Loss Account Total Liabilities and Shareholders' Equity	-	437,114 86,420,527	34,401,825 6,801,485,638	761,197 33,140,911	<u>59,753,984</u> 2,601,561,540
Total Liabilities and Shareholders' Equity		80,420,527	0,801,483,038	33,140,911	2,001,501,540
Off Balance Sheet Items					
Contingent Liabilities: Acceptance and endorsements	I	-	-	_	-
Letter of Guarantee		-	-	-	-
Irrevocable Letters of Credit		5,712,601	449,594,290	-	-
Bills for Collection		- 5,712,601	- 449,594,290	-	-
Other Contingent Liabilities	-	5,712,001	17,374,270		
Claims lodged with but not recognized by the Bank		-	-	-	-
Other exchange contract Total Contingent Liabilities	·	5,712,601	- 449,594,290	-	-
Total Contingent Liabilities	-	5,712,001	, <i>59</i> 7,290		
Other Commitments	. 1				
Documentary Credits and short term trade-related transac Forward assets purchased and forward deposits placed	ctions	-	-	-	-
Undrawn note issuance and revolving undertaking facility	ies	-	-	-	-
Undrawn formal standby facilities, credit lies and other commitments					
Total other commitments	l	-		-	-
Total off-Balance Sheet items including contingent	Ī				
Liabilities		5,712,601	449,594,290	-	

Off-Shore Banking Unit

Profit & Loss Account

For the year ended 31 December 2016

c

	Madaa	2016		2015	
	Notes	USD	ТАКА	USD	ТАКА
Interest income	9	2,439,107	191,963,079	1,990,820	156,279,403
Interest paid on deposits & borrowings	10	(1,735,867)	(136,616,557)	(1,177,840)	(92,460,439)
Net interest income		703,240	55,346,522	812,980	63,818,963
Income from investments		-	-	-	-
Commission, Exchange and Brokerage	11	24,238	1,907,621	5,326	418,089
Other operating income	12	83,389	6,562,923	29,771	2,337,012
Total operating income (A)		810,868	63,817,066	848,077	66,574,064
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal & Consultancy expenses		15,107	1,188,963	45,000	3,532,500
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, Printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's	Depreciation, leasing expense and repair of bank's assets		-	-	-
Other expenses		-	-	-	-
Total operating expenses (B)	Total operating expenses (B)		1,188,963	45,000	3,532,500
Profit before provision and tax (C=A-B)		795,761	62,628,103	803,077	63,041,564
Provision for loans and advances	1				
Specific provision		-	-	-	-
General provision		301,521	23,730,335	41,880	3,287,579
		301,521	23,730,335	41,880	3,287,579
Provision for off-balance sheet items		57,126	4,495,943	-	-
Other Provision		-	-	_	-
Total Provision		358,647	28,226,277	41,880	3,287,579
Profit/(loss) before tax (C-D)		437,114	34,401,825	761,197	59,753,984
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		_	-	-	-
Net profit after taxation		437,114	34,401,825	761,197	59,753,984

Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2016

	2016		2	015
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	2,439,107	191,963,079	1,990,820	156,279,403
Interest payments	(1,735,867)	(136,616,558)	(1,177,840)	(92,460,439)
Fee and commission receipts	24,238	1,907,621	6,154	483,107
Legal expenses	(15,107)	(1,188,963)	(45,000)	(3,532,500)
Receipts from other operating activities	83,389	6,562,923	28,943	2,271,993
Operating profit before changes in current assets and				
liabilities	795,761	62,628,102	803,077	63,041,564
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(30,066,915)	(2,366,332,363)	(3,983,489)	(312,703,851)
Other assets	(891,319)	(70,148,795)	-	-
Borrowing from other banking companies, agencies etc.	45,859,233	3,609,222,527	-	-
Deposits from banks	2,793,299	219,838,806	20,000,000	1,570,000,000
Deposits from customers	-	-	(193,956)	(15,225,547)
Other liabilities	3,831,323	301,533,569	(16,625,633)	(1,305,112,166)
	21,525,621	1,694,113,745	(803,077)	(63,041,564)
A Net cash flows from operating activities	22,321,382	1,756,741,848	-	
Cash flows from investing activities				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
B Net cash used in investing activities	-	-	-	-
Cash flows from financial activities				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
C Net cash used in financing activities	-	-	-	-
D Net increase in cash and cash equivalents (A+B+C)	22,321,382	1,756,741,848	-	-
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
E Opening cash and cash equivalents	-	-	-	-
F Closing cash and cash equivalents (D+E)	22,321,382	1,756,741,848	-	-
Closing cash and cash equivalents				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	22,321,382	1,756,741,848	-	-
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	22,321,382	1,756,741,848	-	-

Financial Statements

Off-Shore Banking Unit Notes to the Financial Statements

For the year ended 31 December 2016

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 2016 to 31 December 2016.

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

Financial Statements

Off-Shore Banking Unit Notes to the Financial Statements

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 of Depreciation
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 78.7022, EURO1=Taka 81.9762 and CHF1= Taka 76.5139 (Mid rate as at 31 December 2016).

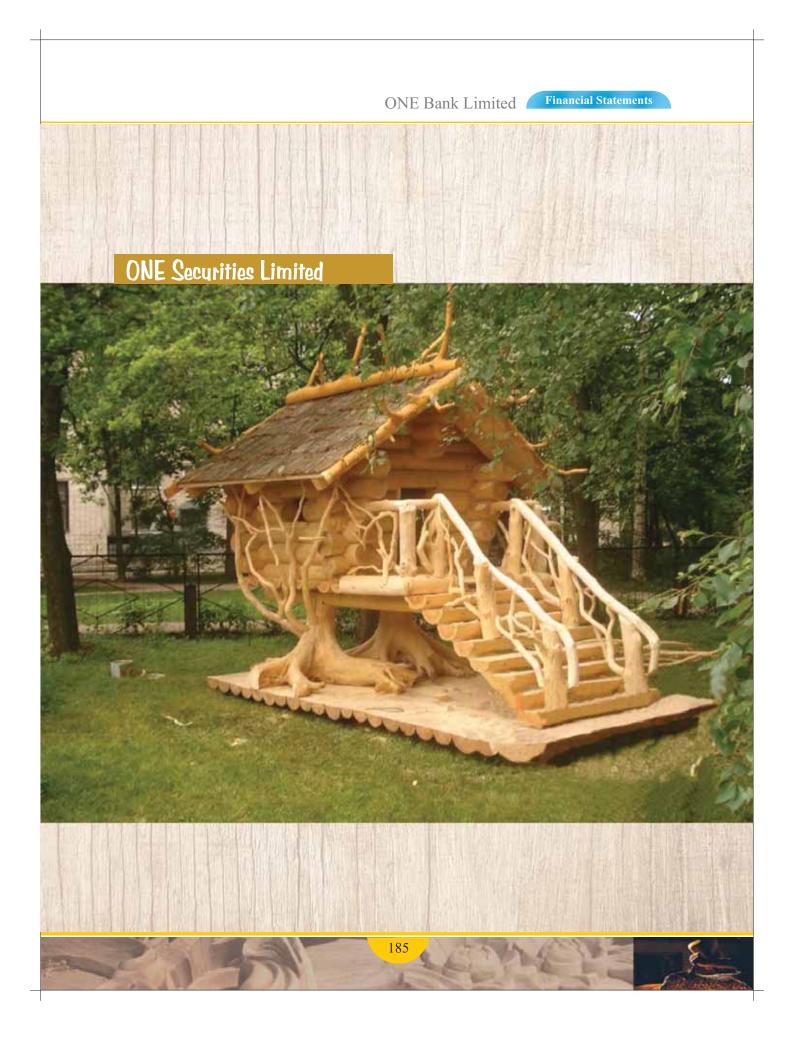


	Off-Shore Notes to the Fi	Banking U nancial Sta			
		20	016	2	015
		USD	ТАКА	USD	TAKA
3	Balance with other banks and financial institutions				
5					
	In Bangladesh Outside Bangladesh (note-3.1)	22,321,382	1,756,741,848	-	_
	Suble Buighteen (live 511)	22,321,382	1,756,741,848	_	-
3.1	Outside Bangladesh	<u> </u>			
	Mashreq Bank NY	22,321,382	1,756,741,848	-	-
4	Loans and advances				
·	i) Loans, cash credits, overdrafts, etc.				
	Loan (Short Term)	57,632,586	4,535,811,349	32,769,748	2,572,425,2
	Overdraft	914,443	71,968,677	-	
		58,547,030	4,607,780,025	32,769,748	2,572,425,2
	ii) Bills purchased and discounted				
	Payable Inside Bangladesh	4,660,797	366,814,971	371,163	29,136,3
	Foreign bills purchased and discounted	-	-	-	-
		4,660,797 63,207,826	<u>366,814,971</u> 4,974,594,996	<u>371,163</u> 33,140,911	<u>29,136,3</u> 2,601,561,5
		03,207,820	4,774,374,770	33,140,711	2,001,301,3
5	Other Assets				
	Due to Head Office	-	-	-	-
	Prepayment	891,319 891,319	70,148,795 70,148,795	-	
6	Borrowing from other Banks, and financial institutions		/0,140,/33		
U	0	s and agents			
	Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	19,000,000	1,495,341,800		
	Oesterreichische EntwicklungsBank AG (OeEB)	10,000,000	787,022,000	-	
	The OPEC Fund for International Development (OFID)	15,000,000	1,180,533,000	-	
	Habib Bank, Hong kong	1,859,233	146,325,727	-	
		45,859,233	3,609,222,527	-	-
7	Deposits and other accounts				
	Current deposits	4,905	386,039	4,905	385,0
	Deposits from Banks- Local (note-7.1)	22,793,299	1,793,882,806	20,000,000	1,570,000,0
	Sundry deposits	259 22,798,463	20,348 1,794,289,193	259 20,005,164	20,2 1,570,405,3
		44,170,403	1,774,207,193	20,003,104	1,370,403,3
	7.1) Deposits from Banks- Local				
	BRAC Bank Limited	18,013,209	1,417,679,177	10,000,000	785,000,0
	Prime Bank Limited	4,780,090	376,203,630	-	-
	Dutch-Bangla Bank Limited	-	-	10,000,000	785,000,0
		22,793,299	1,793,882,806	20,000,000	1,570,000,0
8	Other liabilities	16 176 204	1 272 110 (07	11.020.042	027 100 0
	Due From Head Office Accured Interest for deposit	16,176,304 293,506	1,273,110,697 23,099,606	11,938,842 102,583	937,199,0 8,052,7
	Interest Payable on Borrowings Outside Bd	293,306 127,587	10,041,409		0,052,7
	Income tax Export	-	-	78	6,1
	Others	39,116	3,078,488	1,638	128,6
	General Provision (Unclassified Loan) 1%	632,078	49,745,950	331,409	26,015,6
	General Provision for off balance sheet items	57,126	4,495,943	-	-
		17,325,718	1,363,572,093	12,374,550	971,402,2

Off-Shore Banking Unit Notes to the Financial Statements

	20)16	2	015
	USD	ТАКА	USD	ТАКА
9 Interest income				
Bills purchased and discounted	130,311	10,255,774	32,470	2,548,866
Short Term Loan	2,306,886	181,556,999	1,940,433	152,323,956
Overdraft	1,800	141,649	-	-
Others	110	8,657	17,918	1,406,580
Interest on loans and advances	2,439,107	191,963,079	1,990,820	156,279,403
Interest received from HO	-	-	-	-
Total Interest income	2,439,107	191,963,079	1,990,820	156,279,403
10 Interest on deposits, borrowings,				
Interest paid to HO	1,346,323	105,958,561	1,075,257	84,407,647
Interest expenses for borrowing	127,587	10,041,409	-	-
Interest expenses for other bank- Local	261,957	20,616,587	102,583	8,052,792
	1,735,867	136,616,557	1,177,840	92,460,439
11 Commission, exchange and brokerage				
Commission on L/C	11,454	901,484	-	-
Other commission	12,784	1,006,137	5,326	418,089
	24,238	1,907,621	5,326	418,089
12 Other operating income				
Export Bill Handling Charge	-	-	828	65,018
EXP Issuing Charge	82,489	6,492,091	28,847	2,264,457
Postage	900	70,832	96	7,536
	83,389	6,562,923	29,771	2,337,012

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Financial Statements

Independent Auditor's Report to The Shareholders of ONE Securities Limited

We have audited the accompanying financial statements of ONE Securities Limited (the "Company"), which comprise the Statement of Financial Position (Balance Sheet) as at 31 December 2016 and the related Statement of Comprehensive Income (Profit and Loss Account), 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 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 of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2016 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Financial Reporting Standards ("BFRS").

Report on other Legal and Regulatory Requirements

In accordance with the companies Act 1994 and the Securities and Exchange Rules 1987, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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;
- (iii) the Company's statement of Financial position and Statement of Comprehensive income dealt with by the report are in agreement with the books of account; and

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(iv) The expenditure incurred was for the purposes of the Company's business.

Ho la Vasi Chowshit Hoda Vasi Chowdhury & Co

Chartered Accountants

Financial Statements

ONE Securities Limited Statement of Financial Position

As at 31 December 2016

	Notes	2016 Taka	2015 Taka
SOURCE OF FUND			
Shareholders' Equity			
Paid-up Capital	3	2,500,000,000	2,000,000,000
Retained Earnings/ (accumulated losses)		(340,391,585)	(701,032,936)
Total Source of fund		2,159,608,415	1,298,967,064
APPLICATION OF FUND			
Non Current Assets (A)			
Investment in DSE and CSE Shares	4	600,200,000	600,200,000
Fixed Assets	6	13,614,595	13,409,809
		613,814,595	613,609,809
Current Assets (B)			
Advance deposit and prepayments	7	342,728	316,085
Advance income tax	8	35,194,841	15,724,181
Investment in Shares	5	1,657,272,866	1,202,214,627
Margin loan to clients	9	26,509,801	48,759,610
Accounts receivable	10	22,882,109	148,458
Cash and cash equivalents	11	208,807,771	58,762,309
		1,951,010,116	1,325,925,271
Current Liabilities -C			
Other liabilities	12	354,089,464	599,137,607
Audit Fee Payable	13	25,000	50,000
Other payable	14	51,101,832	41,380,408
		405,216,296	640,568,015
Net Current Assets (D=B-C)		1,545,793,820	685,357,255
Total Application of Fund (A+D)		2,159,608,415	1,298,967,064

These Financial Statements should be read in conjunction with the annexed notes 1 to 22.

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.

Hoda Vasi Chow the Hoda Vasi Chowdhury & Co

Chartered Accountants

ONE Securities Limited

Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Operating Income (A)	TUTES	<u>1 aKa</u>	<u>1 aka</u>
Operating Income (A) Commission and Brokerage Income	15	35,822,534	16,764,798
Interest Income	15 16	11,088,176	10,704,798
Investment Income	10	94,284,399	35,110,984
Other Operating Income	17	1,173,256	593,893
Other Operating medine	10	142,368,364	62,954,096
		1.2,000,001	02,70 1,070
Operating Expenses (B)			
Interest paid on short term loan		1,279	19,985,512
Bank charges		9,243	6,565
Salary & Allowances	19	15,486,312	9,171,493
Auditors' fee		25,000	25,000
Directors' fees		67,500	85,000
Professional Fees		23,219	-
Amortization of preliminary expenses		-	436,447
Printing & Stationary		268,783	138,955
Repairs and Maintenance		11,100	6,300
Depreciation		2,171,442	1,688,458
Fees and renewal	20	3,131,043	1,679,071
Direct expenses	21	2,694,989	1,328,583
Others expenses	22	2,885,248	1,958,886
Total		26,775,157	36,510,270
Net profit before provision and tax (A-B))	115,593,207	26,443,826
Provision for diminution in value of share	12.1	(245,475,248)	79,001,127
Provision for income tax	12.2	427,105	199,447
Net profit/(Loss) after provision		360,641,350	(52,756,748)
Retained surplus brought forward		(701,032,936)	(648,276,188)
Retained surplus carried forward		(340,391,585)	(701,032,936)
Earnings per Share (EPS)		1.44	(0.21)

These Financial Statements should be read in conjunction with the annexed notes 1 to 22.

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.

Hoda Vasi Chowdhurto Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, 20 March 2017

ONE Securities Limited

Statement of Cash Flows

for the year ended 31 December 2016

	2016 <u>Taka</u>	2015 <u>Taka</u>
Cash Flows from Operating Activities		
Interest Receipts in cash	11,088,176	10,484,420
Commission and Brokerage receipts in cash	35,822,534	16,764,798
Interest Payments	(1,279)	(19,985,512)
Dividend receipts	66,019,055	35,110,984
Income Taxes paid	(19,470,659)	(9,108,711)
Advance Deposit and Prepayment	(134,064)	(167,972)
Other Payable	(7,794,022)	9,079,101
Other Receivable	(22,733,651)	857,565
Loan to Clients	22,249,810	(33,714,886)
Receipts from other operating activities	29,438,599	593,893
Operating Expenses	(7,004,569)	(9,696,300)
A) Net Cash used in Operating Activities	107,479,929	217,381
Cash Flows from Investing Activities		
Payments for purchase of securities	(455,058,238)	(904,105)
Net Purchase/Sale of fixed assets	(2,376,228)	(3,214,970)
B) Net Cash used in Investing Activities	(457,434,466)	(4,119,075)
Cash Flows from Financing Activities		
Receipts from issue of shares	500,000,000	536,363,700
Short term borrowing	-	(489,389,130)
C) Net Cash from Financing Activities	500,000,000	46,974,570
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	150,045,463	43,072,876
Opening Cash and cash equivalents	58,762,308	15,689,433
Closing cash and cash equivalents	208,807,771	58,762,309

These Financial Statements should be read in conjunction with the annexed notes 1 to 22.

Aminul Islam

Chief Executive Officer

A.S.M. Salahuddin Director

Syed Nurul Amin Director

Zahur Ullah

Chairman

ONE Securities Limited Statement of Changes in Equity

for the year ended 31 December 2016

			Amount in Taka
Particulars	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2016	2,000,000,000	(701,032,935)	1,298,967,065
Share issued during the year	500,000,000	-	500,000,000
Net profit / (loss) during the period	-	360,641,350	360,641,350
Balance as at 31 December 2016	2,500,000,000	(340,391,585)	2,159,608,415
Balance as at 31 December 2015	2,000,000,000	(701,032,935)	1,298,967,065

These Financial Statements should be read in conjunction with the annexed notes 1 to 22.

Aminul Islam

Chief Executive Officer

A.S.M. Salahuddin Director

Syed Nurul Amin Director

. \ L Zahur Ullah

Chairman



Financial Statements

ONE Securities Limited Notes to the Financial Statements

For the period ended 31 December 2016

1 Status of the Company

1.1 Legal Form of the Company

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

1.2 Nature of Business Activities:

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

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of Accounting:

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

2.2 Statement of Cash flows

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

2.3 Fixed assets and depreciation

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

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

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

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

2.4 Investment in securities

Investment in marketable and non-marketable ordinary shares has been shown at cost. Provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.5 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.



Financial Statements

ONE Securities Limited Notes to the Financial Statements

2.6 Provision for taxation

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

2.7 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.

2.8 Share capital

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

2.9 Reporting period

These financial statements cover period from January 01, 2016 to December 31, 2016.

2.10 Reporting Currency

The amount shown in this financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

2.11 Directors' responsibility on Financial Statements

The Board of Directors of the company is responsible for the preparation and presentation of these Financial Statements.

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 BSA-10 " Events After the Reporting Period".

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 December, 2016 as per BAS-33 " Earnings Per Share".

2.14 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 2016

				2016 Taka	2015 <u>Taka</u>
3 Sha	re Capital				
3.1	Authorized Capital				
	40,00,00,000 Ordinary Shares of Taka 10/- each.			4,000,000,000	4,000,000,000
3.2	Issued, Subscribed and Paid-up Capital				
	25,00,00,000 ordinary shares of Taka 10/- each fully pai	d.		2,500,000,000	2,000,000,000
3.3	Shareholding position of the company				
	Name of Shareholders	Number of Shares	Amount in Taka		
	ONE Bank Limited	247,499,917	2,474,999,170		
	NTC Housing Limited	2,499,987	24,999,870		
	Mr. Zahur Ullah	12	120		
	Mr. Asoke Das Gupta	12	120		

12

12

12

12

12

12

250,000,000

120

120

120

120

120

120

2,500,000,000

4 Investment in DSE and CSE Shares

Mrs. Farzana Chowdhury

Irfan International Limited

M R Holdings & Securities Limited

KHH Holdings Limited

KSC Securities Limited

Master Holdings Limited

Shares in DSE Shares in CSE

320,200,000	320,200,000
280,000,000	280,000,000
600,200,000	600,200,000

This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh 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

The City Bank Limited	767,322,499	697,520,500
Lanka Bangla Finance Limited	589,773,475	502,040,000
Meghna Petroleum Limited	8,595,517	683,724
Titas Gas Transmission & Distribution Company Limited	12,538,113	1,970,403
Khulna Power Company Limited	9,301,803	-
Phoenix Finance 1st Mutual Fund	13,715,838	-
BRAC Bank Limited	87,183,576	-
MJL Bangladesh Limited	2,412,414	-
Islami Bank Limited	26,798,718	-
Bank Asia Limited	28,727,629	-
Jamuna Oil Company Ltd.	10,560,438	-
Padma Oil Company	10,985,474	-
Ifad Autos Limited	18,649,884	-
Shahjalal Islami Bank Ltd	6,746,318	-
Lafarge Surma Cement Ltd.	39,056,733	-
AB Bank Ltd.	7,720,919	-
Power Grid Comp. of BD. Ltd.	9,612,079	-
Active Fine Chemicals Ltd.	7,571,440	-
Total cost price	1,657,272,866	1,202,214,627

ONE Securities Limited Notes to the Financial Statements

5.1 Comparison between cost and market price of Shares as on 31 December 2016

Name of Company	Number of shares	Market price	Market Value at 31-12-2016	Cost per unit	Cost	Surplus/ (Deficiency)
The City Bank Limited	23,288,127	27.20	633,437,054	32.95	767,322,499	(133,885,445)
LankaBangla Finance Ltd	10,376,912	34.80	361,116,538	56.84	589,773,475	(228,656,937)
Meghna Petroleum Limited	46,253	170.40	7,881,511	185.84	8,595,517	(714,006)
Titas Gas Transmission & Dist.	249,881	49.40	12,344,121	50.18	12,538,113	(193,992)
Khulna Power Company Limited	147,772	62.50	9,235,750	62.95	9,301,803	(66,053)
Phoenix Finance 1st Mutual Fund	2,847,500	6.00	17,085,000	4.82	13,715,838	3,369,162
BRAC Bank Limited	1,537,692	64.10	98,566,057	56.70	87,183,576	11,382,481
MJL Bangladesh Limited	20,000	119.60	2,392,000	120.62	2,412,414	(20,414)
Islami Bank Limited	804,375	29.70	23,889,938	33.32	26,798,718	(2,908,781)
Bank Asia Limited	1,734,997	17.90	31,056,446	16.56	28,727,629	2,328,818
Jamuna Oil Company Ltd.	53,000	181.60	9,624,800	199.25	10,560,438	(935,638)
Padma Oil Company	56,132	180.20	10,114,986	195.71	10,985,474	(870,487)
Ifad Autos Limited	190,880	100.20	19,126,176	97.70	18,649,884	476,292
Shahjalal Islami Bank Ltd	468,857	15.00	7,032,855	14.39	6,746,318	286,537
Lafarge Surma Cement Ltd.	476,051	82.10	39,083,787	82.04	39,056,733	27,054
AB Bank Ltd.	339,959	22.30	7,581,086	22.71	7,720,919	(139,833)
Power Grid Comp. of BD. Ltd.	174,984	54.00	9,449,136	54.93	9,612,079	(162,943)
Active Fine Chemicals Ltd.	173,189	43.30	7,499,084	43.72	7,571,440	(72,356)
			1,306,516,326		1,657,272,866	(350,756,540)

6	Fixed Assets including premises, furniture & fixtures	2016 <u>Taka</u>	2015 <u>Taka</u>
	Furniture & Fixtures	8,495,843	7,804,738
	Office equipment	7,843,927	6,208,804
		16,339,770	14,013,542
	Intangible Assets	1,710,000	1,660,000
	č	18,049,770	15,673,543
	Less: Accumulated depreciation	4,435,175	2,263,734
	Closing balance	13,614,595	13,409,809
	(For details please refer to Annexure-A)		
7	Advance deposit and prepayment		
	Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	50,000
	Security Deposit to CDBL for depositary participant	200,000	200,000
	Prepaid Insurance Premium	92,728	66,085
		342,728	316,085
8	Advance income tax		
	Opening balance	15,724,181	5,333,292
	Addition during the period (note-8.1)	19,470,659	10,390,889
	Closing balance	35,194,841	15,724,181
	8.1 Addition during the year		
	Advance tax paid with Appeal to Appellate Tribunal	7,498	112,368
	Advance income tax deducted on Dividend	13,203,807	7,022,195
	Advance income tax deducted by DSE on transaction	4,969,818	2,633,006
	Advance income tax deducted by DSE on transaction for Dealer	268,729	269
	Advance income tax deducted by CSE on transaction for Dealer	253,780	181
	Advance income tax deducted by CSE on transaction	273,657	24,199
	Advance income tax deducted by Bank on Deposit	391,074	587,028

The Company has few years of income tax assessments pending at various stages of assessment/appeal. The Company believes that once all these tax assessments are finalised it would be able to recover/realise all advance income tax in full.

9 Margin Loan to clients

Advance income tax deducted by Bank on Deposit Dealer

26,509,801 48,759,610

11,643

10,390,889

102,296

19,470,659

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.

ONE Securities Limited Notes to the Financial Statements

10 4		2016 <u>Taka</u>	2015 <u>Taka</u>
	nts Receivable	10 500 500	
-	Receivable from DSE-Investor	19,798,730	-
-	Receivable from DSE-Dealer	2,909,179	-
F	Receivable from CSE-Investor	174,200	148,458
		22,882,109	148,458
11 Cash a	nd Cash Equivalent		
C	Cash in Hand	19,218	4,367
0	ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C	50,579,716	12,083,758
0	DNE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C	69,552,200	44,045,242
	ONE Bank Limited, Principal Branch (IPO Account)	635,459	14,658
	ONE Bank Limited, Kawran Bazar Branch (SND) A/C	3,076	550
0	ONE Bank Limited, Principal Branch (SND)- Dealer	88,018,103	2,613,733
		208,807,771	58,762,309
12 Other	liabilities		
	Provision for diminution in value of investment in shares (note-12.1)	350,756,540	596,231,789
	Provision for Income Tax (note-12.2)	3.332.924	2,905,819
		354,089,464	599,137,607
12.1 F	Provision for diminution in value of investment in shares		
0	Dpening balance	596,231,789	517,230,662
P	Provision for the year	(245,475,248)	79,001,127
(Closing balance	350,756,540	596,231,789
12.2 F	Provision for Income Tax		
C	Dpening balance	2,905,819	2,706,372
F	Provision for the year	427,105	199,447
0	Closing balance	3,332,924	2,905,819
A	As per the Income Tax Ordinance 1984, provision for income tax has been made by applyin	g annlicable minim	im tax due to the

As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable minimum tax due to the fact that after adjusting carry forward tax losses claimed by the Company in prior years in the income tax return, there shall be no taxable income of the Company in current year. The existing income tax provision is sufficient to cover all potential future tax obligation of the Company.

13 Audit Fee

Opening balance	50,000	25,000
Charge during the year	25,000	25,000
Paid during the year	50,000	-
Closing balance	25,000	50,000

14 Other Payable

Payable to ONE Bank Ltd.	-	25,765,706
Leave Fare Assistance	478,500	327,900
VAT on audit fees	3,750	7,500
Payable to Clients	37,538,257	5,071,819
Payable to Telnet Communication Limited	22,000	12,000
Payable to Service Outsourcing	249,767	442,398
IPO Application Money A/C	610,000	-
Payable to Dhaka Stock Exchanges-Investor	482,589	9,727,564
Payable to Dhaka Stock Exchanges-Dealer	10,953,055	-
Payable to Chittagong Stock Exchanges-Dealer	280,976	-
Payable to Chittagong Stock Exchanges-Investor	228,634	121
Payable to CDBL	14,240	937
Payable for Provident Fund	222,426	-
Payable to BDCOM Online Ltd.	5,175	-
Payable To Link3 Technologies Ltd.	-	12,000
Sundry Liabilities	12,463	12,463
	51,101,832	41,380,408

ONE Securities Limited Notes to the Financial Statements

Notes to the Financial Statemer	115	
	2016 <u>Taka</u>	2015 Taka
15 Commission and Brokerage Income		
Commission income from Broker	32,164,712	16,761
Commission income from Dealer	3,657,822	3
	35,822,534	16,764
16 Interest Income		
Interest income from Margin Loan Interest on Bank Deposit	6,154,471 4,933,704	4,497
interest on Bank Deposit	11,088,176	5,986 10,484
17 Investment Income Dividend Income	66,019,055	35,110
Gain on sale of Shares	28,265,343	55,110
	94,284,399	35,110
18 Other Operation Income BO Accounts Opening Fees	179,400	132
BO Account Maintenance fee	316,500	198
Documentation Fees for Margin Loan	6,000	16
Transfer/Transmission In/Out Charges	352,126	44
Cheque Dishonour	40,000	47
Management Fees- Margin Accounts	37,000	38
Miscellaneous	242,230 1,173,256	116 593
19 Salary and Allowances		
Salary & Allowances	13,184,799	7,910
Bonus	2,301,513 15,486,312	1,261 9,171
20 Fees and renewal	15,480,512	9,171
License and renewal fee	328,450	268
RJSC expenses	38,350	140
Authorized representative application fee	4,000	5
CDBL Charges	2,528,243	1,071
Trading Work Station Charge BSEC Fees for raising Paid Up Capital	45,000 140,000	20 147
Govt. Excise Duty	47,000	25
	3,131,043	1,679
21 Direct Expenses		
Howla Charges-DSE	-	
Howla Charges-DSE-Dealer	-	
Howla Charges-CSE-Dealer	420	
Transaction Fee -DSE	2,484,910	1,316
Transaction Fee-DSE-Dealer	134,364	
Transaction Fee-CSE-Dealer Howla Charges-CSE	32,135 3,872	3
Transaction Fee-CSE	39,288	8
	2,694,989	1,328
22 Others expenses		
22 Others expenses Messenger Service	314,262	123
Security Guard expenses	543,582	283
Entertainment	228,969	114
Conveyance	51,826	37
Training Expenses Legal Expenses	14,000 10,000	468
Postage, Stamp & Telecommunication	735,927	468
Sundry Expenses	261,158	-10.
VAT on Audit fee	3,750	3
Loss on sales of Fixed Assets	-	50
Cleaning Service	270,004	159
Board Meeting Expenses Back Office Software maintenance Charges	27,160 160,930	20 134
Back Onice Software maintenance Charges Bank Guarantee Charges	263,680	134
	2,885,248	1,958
	Γ,	
Ainstein Contraction	A' I	
Aammen Kr	£.	-M
Aminul Islam Chief Executive Officer Anice Director		– M hur Ul Chairma

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										Annexure-A
				ONE Secu Schedule 6 As at 31 I	ONE Securities Limited Schedule of Fixed Assets As at 31 December 2016	i ited ssets 16				
[Referred to Note 6 of these Financial Statements]	Financial Statem	lents]								
Particulars		Cost	Cost (Taka)			Depreciation (Taka)	on (Taka)			Rate of
		Additions	Disposal				Adjusted		Net book	depreciation per
	Balance on	during the	during the year	Balance at	Balance on	Charge for	on disposal	Balance at	value at	annum
	1 January	year		31 December	1 January	the year	during the year	31 December	31 December	(Reducing
										<u>~</u>
Furniture and Fixtures	7,804,738	691,105	1	8,495,843	340,167	757,976	1	1,098,142	7,397,701	10
Office Equipment	6,208,804	1,635,123	-	7,843,927	1,364,067	1,053,966	-	2,418,033	5,425,894	18
Sub-Total	14,013,542	2,326,228		16,339,770	1,704,234	1,811,942	-	3,516,175	12,823,595	
Intangibles Assets	1,660,000	50,000	1	1,710,000	559,500	359,500	1	919,000	791,000	20
Total 2016	15,673,542	2,376,228	1	18,049,770	2,263,734	2,171,442	•	4,435,175	13,614,595	
Total 2015	4,515,211	11,650,331	492,000	15,673,542	641,696	1,688,458	66,420	2,263,734	13,409,808	

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: ONEBBDDH000, Website: www.onebank.com.bd

Dhaka Zone

Principal Branch ilkusha C.A., Dhaka : 880 2 9564249 : 880 2 9561960 45. Dilki Tel Fax

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

Unanmondi Brancn House No. 21, Road No. 8 Dhanmondi R. A., Dhaka. Tel : 880 2 9139224, 9120790, 8120672 Fax : 880 2 9143965 Fax 880 2 9143965 Fax : 880 2 9143965 E-mail : manager.dhanmondi@onebank.com.bd SWIFT : ONEBBDDH013

Mirpur Branch

RSH lower Plot- 23, Main Road- 03, Block- A Piot-23, Main Road-03, Block-A, Section-11, Pallabi, Mirpur, Dhaka. Tel : 880 2 8035232, 8031406, 9012969 Fax : 880 2 9016165 E-mail : manager.mirpur@onebank.com.bd SWIFT : ONEBBDDH011

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 Imamgonj, Dhaka.

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 : 880 2 7316477, 7316488

 Fax
 : 880 2 7316499
 E-mail : manager.imamgonj@onebank.com.bd SWIFT : ONEBBDDH008

Motijheel Branch
 Sharif Mansion

 56-57, Motijheel C. A., Dhaka.

 Tel
 : 880 2 9564191, 9566896, 9570544

 Fax
 : 880 2 9563746
 E-mail : manager.motijheel@onebank.com.bd SWIFT : ONEBBDDH020

Bijoy Nagar Branch

Sattar Bhaban 179 Shahid Syed Nazrul Islam Avenue Bijoy Nagar, Dhaka-1000. Tel : 880 2 586315364, 58315365, 58315366 FAX : 880 2 58315363 E-mail : manager.bijoynagar@onebank.com.bd SWIFT : ONEBBDDH022

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 Jagannathpur Branch

 Ka-43, Jagannathpur, Nadda, Dhaka.

 Tel
 : 880 2 8415612-14

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

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Kawran Bazar Branch
 Kawiaii Dazari
 Diantifi

 HRC Bhaba
 Haka.

 46, Kawran Bazar C. A., Dhaka.
 Tel

 1200 28 156054, 8155158, 9126584
 Fax

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 SWIFT
 ONEBBDDH012

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 Uttara Branch

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 Uttara Model Town, Dhaka.

 Tel 880 2 8951447-50

 Fax 880 2 8924261

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

 SWIFT : ONEBBDDH006

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Joypara Branch nowara Mansion

Joypara Bazar Latakhola, Raipara, Dohar, Dhaka. 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. Tel : 880 2 7648572-3 Fax : 880 2 7645372-3 Fax : 880 2 7635242 E-mail : manager.narayangonj@onebank.com.bd SWIFT : ONEBBDDH017

Tongi SME/Agriculture Branch

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Progoti Sarani Branch

Ridge Dale Cha – 75/2, Uttar Badda, Dhaka. Tel : 880 2 8816648, 8813755, 8814175 Fax : 880 2 8816649 E-mail : manager.progotisharani@onebank.com.bd

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

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Zinzira Branch Hazi Nuru Mia Tower, Purbabond Dakpara Zinzira, Keranigonj, Dhaka. Mobile : 01709646005-7 E-mail : manager.zinzira@onebank.com.bd

Nandipara Branch Nandipara Diano... 34 Maddha Nandipara, Dakshingaonkhilgaon, Dhaka. Tel : 880 2 7811350-52 : 880 2, c. : 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

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Faridpur Branch Lam Shahajadi Tower, 213 Alipur Road Faridpur Sadar, Faridpur. Tel : 880-0631 62483, 62484 E-mail : manager.faridpur@onebank.com.bd

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E-mail : manager.agrabad@onebank.com.bd SWIFT : ONEBBDDH002 Khatungonj Branch 110-111, Khatungonj, Chittagong. Tel : 880 31 619377, 621252, 635645, 635526

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

Jubilee Road Branch Kader Tower 128, Jubilee Road, Chittagong. Tel : 880 31 2853112-5 FAX : 880 31 2853116 E-mail : manager.jubileeroad@onebank.com.bd SWIFT : ONEBBDDH023

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Ashkon Branch

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Jatrabari Branch

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Anowara Branch Mohsen Awlia Shopping Complex Anowara Barkal Road, Upazila Sadar Anowara, Chittagoni : 880 3029 56142, 56143, 56144 : 880 3029 56141 E-mail : manager.anowara@onebank.com.bd

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Financial Statements

Our Network of Branches & Booths

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Bogra Branch

 Bogra Brancn

 739/A, Rabu Tower

 Bogra-Rangpur Sarak, Borogola, Bogra.

 Tel
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 Fax
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Raishahi Zone

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E-mail : manager.cho Chandragonj Branch Chandragonj Bazar, Lakshmipur. Mobile : 01713045518, 01713045519 E-mail : manager.chandragonj@oneb ank.com.bd

ni@onehank.com.hd

Feni Branch
 Feni Branch

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 Fax
 : 880 331 62261
 E-mail : manager.feni@onebank.com.bd

Dagon Bhuivan Branch Khair Shopping Complex Fazilaer Ghat Road, Dagon Bhuiyan, Feni. : 880 3323 79097-8 : 880 3323 79099 E-mail : manager.dagonbhuiyan@onebank.com.bd

Ramgonj Branch Nur Plaza 378/1, Uttar Bazar, Main Road, Ramgonj, Lakshmipur Tel : 880 3824-75041 Fax : 880 3824 75181 E-mail : manager,ramgonj@onebank.com.bd

Maijdee Court Branch 1241 & 1459, Main Road, Maijdee Court, Noakhali. Tel : 880 321 71255 Fax : 880 321 71266 E-mail : manager.maijdeecourt@onebank.com.bd

Mandari Bazar Branch Bank Road, Mandari Bazar, Lakshmipur. Phone : 880 381 55012, 55013, 55779 Fax : 880 381 55790 E-mail : manager.mandaribazar@onebank.com.bd

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Barisal Zone

Proposed Bashurhat Branch

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Barisal Branch

 Barisal Dran...

 K Jahan Centre

 106, Sadar Road, Kotwali, Barisal.

 Tel
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 Fax
 : 880 431 2177569

 "manager.barisal@onebank.com.bd

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Rangpur Branch
 Shah Bari Tower

 286, Station Road, Guptapara, Rangpur.

 Tel
 : 880 521 55081, 55082, 55083

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

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Sky Touch Towe

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Lakshmipur SME/Agriculture Branch

1305. Bazar road. Laksmipur Sadar. Laksmipur : (88-0381)-62875, 62876

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

Akash Shopping Center Purbo Bazar, Chaprashir Hat Companygonj, Noakhali. Tel : (88-03232)-53048, 53049

Chaterpaiya Branch

Chatkhil Branch

Dr. Bashar Plazza 4129 Chatkhil Bazar

Chatkhil, Noakhali. Tel : 03222 - 7

: 03222 - 75351 -3 : 03222 - 75354

Cell

Surgan Complex Barogaon, Chaterpaiya Bazar Sonaimuri, Noakhali.

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Subarnachar Branch Bismillah Tower Haris Chowdhury Bazar West Char Jubiec, Char Jabbar Subarnachar, Noakhali. Tel : 03228 - 52101-3 Fax : 03228 - 52104 E - Mail : manager.subarnachar@onebank.com.bd

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

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 Tel
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Khulna Branch

E-mail : manager.khulna@onebank.com.bd Satkhira Branch

Mehedi Super Market 480, Boro Bazar Sarak, Pransayer, Satkhira. Tel : 880 471 63899, 63910, 63911 Fax : 880 471 63899 E-mail : manager.satkhira@onebank.com.bd

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

Comilla Zone

Khulna Zone

Kushtia Branch

Poradaha Branch

Bhuivan Mansion

Tel

Kushia Branch Khushi Plaza, 0258 NS Road Kushtia Sadar, Kushtia. Tel : 880 71 61711, 61712, 61822 Fax : 880 71 61877

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Chairman Tower, Poradaha Bazar, Mirpur, Kushtia. Mobile : 01777734341 E-mail : manager.poradaha@onebank.com.bd

Comilla Branch Habiba Mansion Habiba Mansion 358, Monoharpur, Comilla. Tel : 880 81 63001, 63004 Eav · 880 81 63007 E-mail : manager.comilla@onebank.com.bd

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

Sylhet Zone

Sylhet Branch Firoz Centre 891/KA, Chouhatta, Sylhet. 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. Tel : 880 821 761725, 761670 E-mail : manager.islampur@onebank.com.bd

Chittagong Port Booth Terminal Bhaban (MPB) Chittagong Port Authority Chittagong. Tel : 880 31 800570

AUST Booth 141-142, Love Road Tejgaon Industrial area Tejgaon, Dhaka.

DPDC Shyampur Booth 27, Alibahor, Shyampur Bazar Shyampur, Jatrabari Dhaka.

One Stop Service Centre Chittagong Port Authority Chittagong. Tel : 880 4434 301051

DTM Operations Office General Cargo Berth Area General Cargo Berth Area Chittagong Port Authority Chittagong. Tel : 880 4433 324280

Baghabari Booth Aziz Mansion Shaktola, Baghabari Ghat Shahjadpur, Sirajgonj. Mobile : 01730703591

Branches to be opened shortly

Proposed Pahartoli Branch Al-Mokka Complex Pahartoli Chowmuhani, Kaptai Road Pahartoli, Raozan, Chittagong Proposed Muradpur Branch S.N. Mim City 83 Muradpur, Hathazari Road Panchlish, Chittagong

: 880 851 59455, 59466, 63452 880 851 63451 F-mail manager.brahmanbaria@onebank.com.bd

Brahmanbaria SME/Agriculture Branch

1081. Masiid Road, Brahmanbaria

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

 Table 1827 & 2324, Laldighirpar, Sylhet.

 Tel
 : 880 821 716209, 712778, 714284

 Fax:
 : 880 821 711154
 E-mail : manager.laldighirpar@onebank.com.bd SWIFT : ONEBBDDH051

Booth

Narayangonj City **Corporation Booth**

Shaheed Suhrawardi Medical

DPDC Banglabazar Booth NOCS Banglabazar Circle Bhaban, 1, English Road, Bangshal, Dhaka.

BAPEX Booth Bapex Bhaban 4, Kawran Bazar C/A, Tejgaon, Dhaka.

Uttara Passport Office Booth Sec-12, Road-7, Uttara, Dhaka.





Parbatipur Depot (BPC) Booth Parbatipur, Dinajpur. Sreepur Booth Madina Market, Sreepur Ganakbari, Ashulia, Dhaka

Bangabandhu Bridge Toll Collection Booth

DSE Booth

Western Plaza Bangabandhu Bridge Sirajgong.

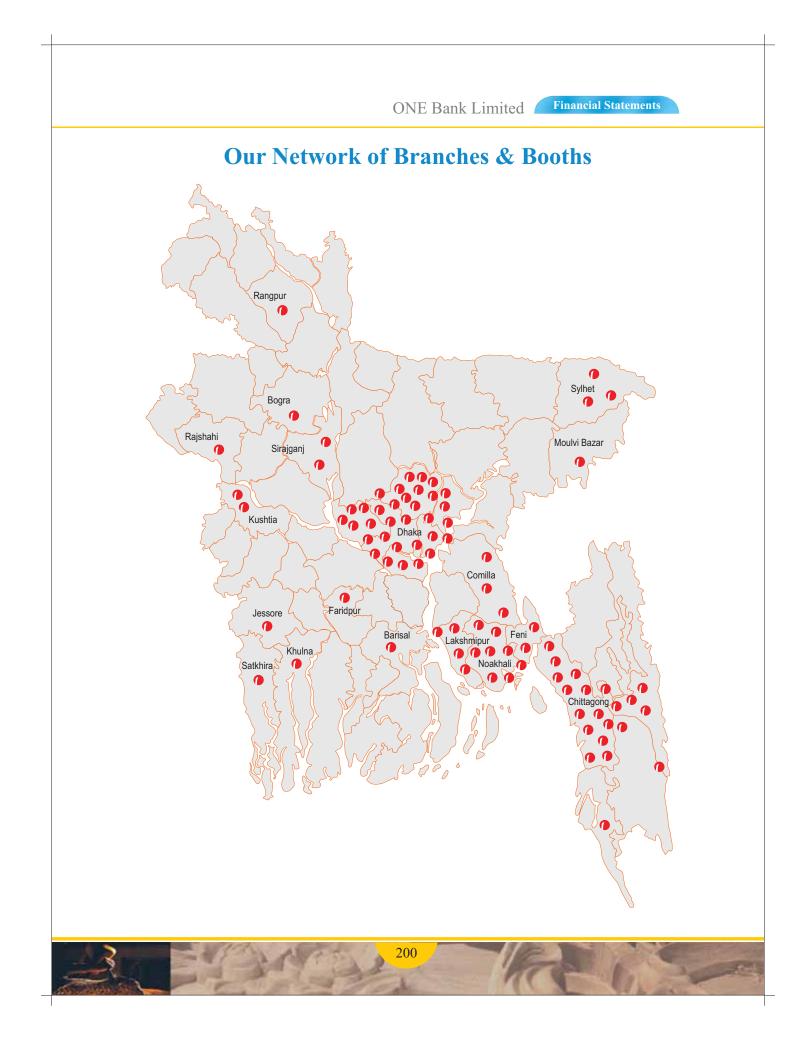
Mohammadpur Girls High School Booth Nurjahan Road Mohammadpur, Dhaka

9/E, Mothijheel, Dhaka Mobile : 01755541819 B.B. Road City Corporation Bhaban Grihayan Bhaban Booth Narayangonj. National Housing Authority 82, Segunbagicha. Dhaka -1000 Sylhet Passport

Office Booth Jakigong Sarak Sylhet City Corporation, Sylhet.

College & Hospital Booth Sher-E-Bangla Nagar, Dhaka-1207.





		PROXY FORM	
I/We			
of (Address)			
being a Member(s) of ONE	E Bank Limited and entitled to v	ote, hereby appoint Mr./Mrs./Ms/Mis	38
			a
Proxy to attend and vote of	n my/our behalf at the 18th AGM	M of the Company to be held on Thur	sday, May 11, 2017 or at any adjournment ther
Signed this	day of	, 2017.	
			Revenue Stamp Tk. 20/-
Signature of Proxy			
Signature of Member			
No. of Shares held N.B: This Proxy Form,		with the Bank) and signed (in ac	cordance with the specimen signature recor
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded yo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in ac Office of the Company at least 48 (fo	orty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded yo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in ac	orty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded yo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in ac Office of the Company at least 48 (fo	orty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded yo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in according to the Company at least 48 (for th	brty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded yo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (for ONE Ban	brty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded vo be deposited at the Registered C ed as explained above.	with the Bank) and signed (in ac Office of the Company at least 48 (fo ONE Ban LIMI Corporate HQ (Registered Office):	brty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded to be deposited at the Registered C ed as explained above. 2/F HRG 2/F HRG	with the Bank) and signed (in acc Office of the Company at least 48 (fo ONE Ban LIMI Corporate HQ (Registered Office): IC Bhaban, 46 Kawran Bazar C. A., Dhaka ATTENDANCE SLIP	brty eight) hours before the Meeting. Proxy is
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must I not signed and stamp	duly completed (as recorded voice deposited at the Registered Ceed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	TED -1215
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must I not signed and stamp	duly completed (as recorded voice deposited at the Registered Ceed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	k -1215 11, 2017 at 11:00 a.m. in the Police Conven
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded voice deposited at the Registered Ceed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	k -1215 11, 2017 at 11:00 a.m. in the Police Conven
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded to be deposited at the Registered C ed as explained above. 2/F HRG 2/F HRG unce at the 18th AGM of the Comma, Dhaka-1000 In Block Letters)	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	k -1215 11, 2017 at 11:00 a.m. in the Police Conven
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must not signed and stamp	duly completed (as recorded voice deposited at the Registered Celed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	k -1215 11, 2017 at 11:00 a.m. in the Police Conven
No. of Shares held N.B: This Proxy Form, Bank/CDBL), must I not signed and stamp C I hereby record my attenda Eskaton Garden Road, Rar Name of Member/ Proxy (Folio / BO No No. of Shares held	duly completed (as recorded voice deposited at the Registered Celed as explained above.	with the Bank) and signed (in acc Office of the Company at least 48 (fo Description of the Company at least	k -1215 11, 2017 at 11:00 a.m. in the Police Conven



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 **Call Centre** 16269