Annual Report 2017

VISION | TRANSFORMATION | GROWTH

ONE Bank
LIMITED

...We Make Things Happen

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Company Milestones

HALLMARKS	DATES
• 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):	
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 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.

Core Values

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

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

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

- **Respect & Appreciate :**
  The people we work with and the contribution that they make.

- **Excellence :**
  We achieve excellence by "Doing Right Things Right, First Time Right."

Code of Conduct

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

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

2. Integrity - the Guiding Beacon

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

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

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

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

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

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

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

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

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

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

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

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

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

Code of Conduct

9. Borrowings - do not live beyond your means

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

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

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

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

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

12. Speak up - Report concerns promptly

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

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

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

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

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

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

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

16. OBL WAY (Warm, Agile and Yielding)

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

Company Information

Name of the Company
ONE Bank Limited

Chairman
Mr. Sayeed Hossain Chowdhury

Vice Chairman
Mr. Asoke Das Gupta

Company Secretary Mr. John Sarkar	**Managing Director** Mr. M. Fakhrul Alam	
Legal Status Public Limited Company	**Line of Business** Banking	**SWIFT** ONEBBDDH
Date of Incorporation May 12, 1999	**Telephone** 88 02 9118161	**Website** www.onebank.com.bd
Registered Office 2/F HRC Bhaban 46 Kawran Bazar C.A. Dhaka 1215, Bangladesh	**Telefax** 88 02 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
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E-mail: barristerrazzaque@gmail.com

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

Five Years' Financial Highlights of ONE Bank Limited

As at 31 December 2017

Figures in Million Taka

Sl No	Particulars	2017	2016	2015	2014	2013
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	7,300	6,637	5,899	5,244	4,767
3	Shareholders' equity	14,109	12,916	11,579	10,225	8,576
4	Statutory Reserve	5,104	4,435	3,846	3,306	2,665
5	Total Capital (Tier-1 + Tier-2 Capital)	21,366	20,309	14,759	14,511	12,070
6	Total Assets	227,202	188,241	154,193	121,820	102,691
7	Total Deposits	182,675	153,428	131,252	100,295	86,568
8	Total Loans & Advances	170,393	132,084	106,749	90,499	76,573
9	Total Investment	26,144	28,049	22,900	14,724	10,292
10	Import business handled	150,633	127,067	105,199	111,888	74,857
11	Export business handled	93,806	67,483	56,176	66,866	58,711
12	Guarantee business handled	15,673	10,240	12,939	9,310	8,036
13	Total Contingent Liabilities	73,062	70,895	61,444	49,787	44,183
14	Total Operating Income	9,575	8,222	7,640	7,172	5,458
15	Total Operating Expenses	4,471	3,946	3,492	3,263	2,998
16	Profit before provision	5,105	4,275	4,148	3,909	2,460
17	Provision for loans and other assets	1,760	1,329	1,450	706	683
18	Profit after provision and before taxes	3,345	2,946	2,698	3,203	1,777
19	Provision for taxation	1,163	886	776	1,107	428
20	Net profit after taxation	2,181	2,061	1,922	2,096	1,349

Figures in Taka & Percentage

Sl No	Particulars	2017	2016	2015	2014	2013
1	Earnings per Share	2.99	3.10	3.26	4.00	2.83
2	Price Earning Ratio (Times)	8.03	5.89	4.69	3.95	5.58
3	Net Asset Value per share	19.33	19.46	19.63	19.50	17.99
4	Return on Assets	1.05%	1.20%	1.39%	1.87%	1.43%
5	Return on Investment	9.62%	10.07%	11.32%	12.88%	14.08%
6	Capital Adequacy Ratio	11.56%	13.89%	10.93%	13.47%	12.09%
7	Tier - 1 (Capital)	7.60%	8.72%	8.46%	9.45%	8.53%
8	Credit Deposit Ratio	84.57%	83.87%	80.58%	90.23%	88.45%
9	Percentage of classified loans against total loans and advances	5.31%	4.93%	3.58%	4.72%	4.89%
10	Dividend					
	Cash	15.00%	13.00%	12.50%	12.50%	9.00%
	Stock	5.00%	10.00%	12.50%	12.50%	10.00%

Sl No	Particulars	2017	2016	2015	2014	2013
1	Number of Branches	95	87	85	77	70
2	Number of Employees	2101	2028	1976	1861	1810

Earnings per share, price earning ratio and net asset value per share has been presented as per respective year's financial statements.

Chairman's Address

"In the name of the Almighty Allah"

Dear Fellow Shareholders,

Welcome to the 19th Annual General Meeting of ONE Bank Limited. As the Chairman of the Bank's Board of Directors, I take this privilege to thank you for joining us today. Your presence is indeed a true testimony to your attachment and support for the Bank.

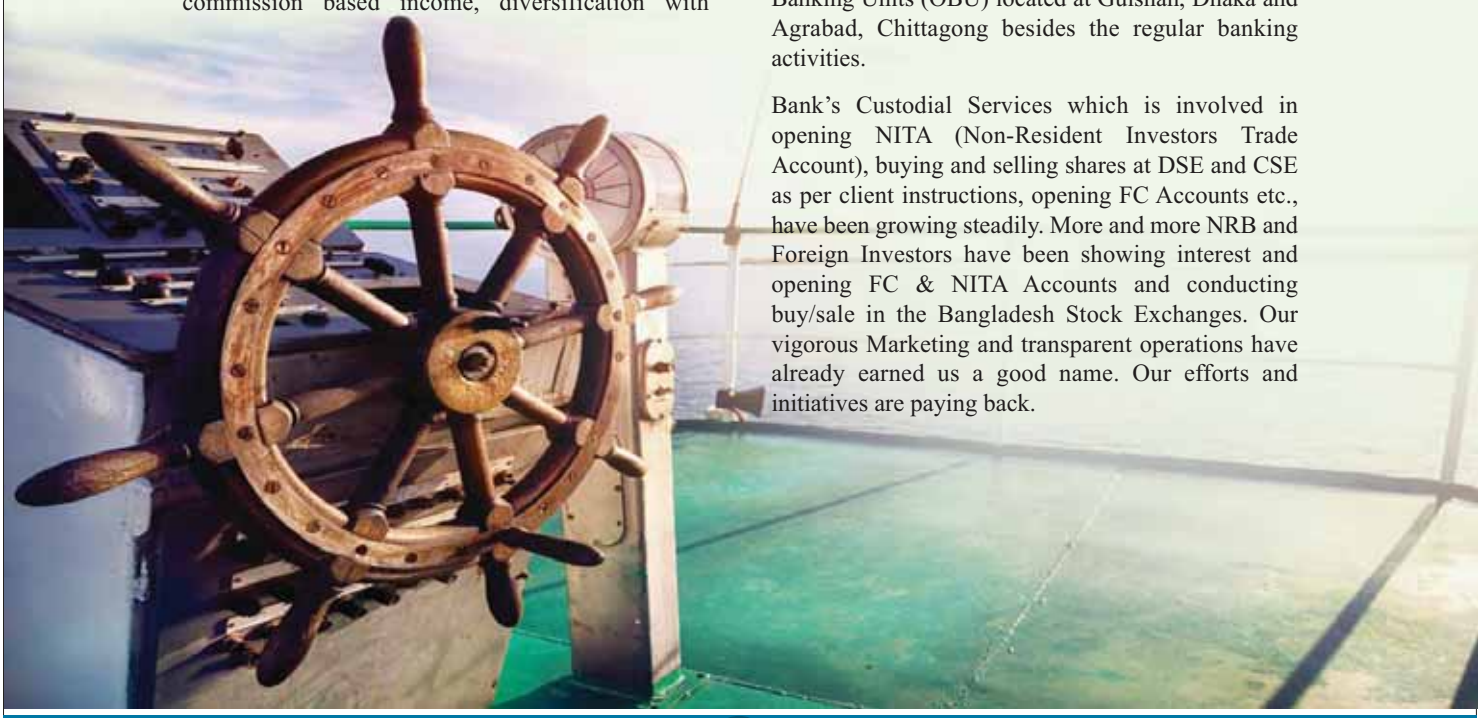
Dear Member, we are at a defining moment in the history of the Bangladesh Banking Industry. We are at the cusp of revolutionary growth, with all the prospects for human advancement and new business opportunities that it promises. During the Year 2016, we signed Term facility Agreement for Syndicated FC Loan with FMO, OFID & OeEB. And our progress and consolidation have gone hand in hand during 2017, which has resulted in signing a Term Facility Agreement with International Finance Corporation (IFC), a World Bank group member in the 1st quarter of 2018.

Your Bank has registered growth in most of the parameters during 2017 and achieved the target set for financing agriculture and non-farm rural sectors during the Year. Its green banking initiatives and integrity issues have been much appreciated and recognised by the regulatory bodies. The Bank pursued an accelerated growth of its customer base, fees and commission based income, diversification with increased monitoring in compliance with regulatory requirements. Our portfolio significantly increased in 2017 with Deposit of Tk. 18,267 crore and Loans and advances of Tk. 17,039 crore which were TK. 15,343 crore and TK. 13,208 crore respectively in 2016.

The Board of Directors of ONE Bank Limited has recommended 20% dividend, of which 15% is to be in Cash and 5% in the form of Bonus Shares for the financial year ended December 31, 2017. This is slightly lower than that of the previous year (23% in 2016) but if compared with Dividend declared by other banks, the total Dividend of 20% is on the high side. A component of 15% Cash Dividend has been recommended considering the Shareholders' demand. Stock Dividend has been recommended keeping in mind the future growth of the Bank and corresponding anticipatory increase of Mandatory Capital Requirements in focus.

During the year, we opened 8 (eight) new Branches and 1 (one) new Booth. As at 31/12/2017, the Bank had 95 (ninety five) branches and 19 (nineteen) booths across the country at almost all the major business hubs of Bangladesh. Total number of ATM Booths was 90 (66 are onsite and 24 offsite). Since signing of Syndication Term Loan facility with FMO, OFID & OeEB, during the year 2017, the Bank was able to lend out in Foreign Currencies through its Offshore Banking Units (OBU) located at Gulshan, Dhaka and Agrabad, Chittagong besides the regular banking activities.

Bank's Custodial Services which is involved in opening NITA (Non-Resident Investors Trade Account), buying and selling shares at DSE and CSE as per client instructions, opening FC Accounts etc., have been growing steadily. More and more NRB and Foreign Investors have been showing interest and opening FC & NITA Accounts and conducting buy/sale in the Bangladesh Stock Exchanges. Our vigorous Marketing and transparent operations have already earned us a good name. Our efforts and initiatives are paying back.



OBL's subsidiary ONE Securities Limited (OSL) has already been one of the leading licensed Stock Brokers and Stock Dealers of DSE & CSE. Besides, our Main Offices in Dhaka and a Branch at Agrabad, we have also opened an extension office of Dhaka Branch in an adjacent building of the DSE. Our application to purchase an office space in the new DSE building at Nikunja, Dhaka is under process. OSL's business growth during 2017 has been remarkable. We have been pursuing the Bangladesh Securities and Exchange Commission for permission to open more branches in certain key locations across the country to enable service growing demand from Clients.

You are aware that with the increase in the number of banks, competition has become all the more steep. As such, aggressive banking means taking more risks. We always take calculated risks, backed by collateral or extra-ordinary business capacity and resilience to fall back on in time of crisis. Our bankers, besides their regular jobs, play an advisory role to better our clients business performance and thereby help the economy grow persistently, what we call 'Responsible Banking'.

Today, if we look back at the defining moments of 2017- the good, the bad and the ugly, what we did right, what we endured and what we could have done better, we understand that every aspect of our work demands sound judgment, a commitment to the well being of our customers & shareholders and vigilance & alertness.

During the financial Year 2017, despite the several scams in the Banking Sector as well as forbidding mountains like Rohingya crisis to cross, we, the Bangladeshi people, have survived, displaying our spirit of resilience and determination to reinvent ourselves against all the odds against us. We at ONE Bank continued to build our capabilities - people, services and technology - to serve our clients better and grow the value we deliver to them.

Banking is an endless journey towards perfections; continuous rise from one level of perfection to a higher level. Your Bank progressed a lot but it still has a long way to go. There have been ups and downs but we have been advancing unwavered towards our goal. We can assure you that we will keep on climbing from one plateau of growth to another higher plateau.

Your Bank has well defined 'Core Values' and 'Code of Conduct' in place for all members of OBL family including stakeholders to comply with. The Board has expressly in black and white confirmed that any deviation or unethical misdeameanors will be very strictly handled. The Bank maintains a healthy environment, ambience and social standard in the Bank. The Bank has recently introduced a "Speak-Up Policy (Whistle Blowers' Guide)" to develop a formal channel for whistle blowing, protecting the whistle blowers and safe guard the interest of the Bank.

Good Corporate Governance and best practices have been priority areas in ONE Bank Limited. ONE Bank believes that a high quality governance leads to creation of long term stakeholders value. Towards that end, the Bank fosters a culture that values and rewards ethical standards, personal and corporate integrity, accountability, transparency, disclosures and mutual regards. The Board is committed to reviewing and regularly upgrading the systems and practices of the

Chairman's Address

Bank to ensure full accountability & transparency and also initiate transformational changes to install best practices.

One of the most disturbing concern of the world over today is 'Money Laundering and Terrorism Financing'. In this regard, ONE Bank has been doing everything to remain fully compliant with the Anti Money Laundering & Combating Financing of Terrorism (AML & CFT) policies and guidelines of the regulatory bodies. The Bank, therefore, had arranged a good number of trainings for its employees on regular basis.

The Commitment to Social Welfare and community has been a part of OBL's Corporate Culture and it has substantially contributed towards environment and community development. ONE Bank has spent a total of Tk. 16.42 crore for CSR activities during the Year 2017. While we refer to CSR, we mean directly helping the very poor, needy, vulnerable and down-trodden deserving people. Our CSR activities included contribution for teachers' remuneration and reading materials of students of pre-primary school level, scholarship to the underprivileged but meritorious student across the country, contribution for rehabilitation of drug mongers and junkies, payment of Doctors' remuneration for extending medical services to the poor people, donation for promotion of mental health, distribution of oral dehydration solutions among Rohingya Refugees, publication of advertisements for creating/increasing awareness on integrity, donation of fund for the welfare of Rohingya Refugees, donation of blankets for the cold stricken destitutes.

The Bank, contemplating to encourage self-employment, is constructing a state of the art vocational training center for skills development of the lower middle class communities. The project is located in Chandra, Gazipur. Besides, the construction of Bank's Training Academy at Chandra has also been progressing very well. It will have modern amenities as well as R&D facilities and ability to conduct training with residential facilities for the participants and the faculty.

A Bank is a service provider. As such human capital is of utmost importance to us. At OBL, our responsibility and conviction is to ensure that our human capital is motivated, inspired, committed and enough prolific towards delivering consistently outstanding services. Keeping that in mind, we have provided them a wonderful ambience, a great environment/culture to work, facilities for development of their capabilities & potentials.

Our primary objective is to have the right persons at the right place at the right time. We carefully, as per requirement, acquire talent and develop them to ensure succession planning. Beside acquisition of talents from outside, we rotate our employees from desk to desk for better succession planning and their career growth.

In the meantime, ONE Bank has already physically, mentally and in spirit readied and geared up all the employees of the Corporate HQ/Zonal Offices, Branches and Booths to initiate and undertake improvised and enriched regular banking businesses and all the newer services as demanded by the customers from time to time particularly with emphasis on Alternative Banking Channels (ABC) such as Mobile Financial Services (MFS) and Credit and Debit Cards among others.

I take this opportunity to express my gratitude to my fellow members of Board of Directors, record our appreciation for our staff members for their sincerest endeavours and their persistent sense of belongingness with ONE Bank, and at the same time, we commit to all the stakeholders and our regulators that we shall continue to remain focused on our efforts to earn their trust and seek to be in their confidence.

Before concluding, I must put on record my deep gratitude to the regulatory bodies particularly Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) for their continued support, co-operation, good advices and insightful guidance.

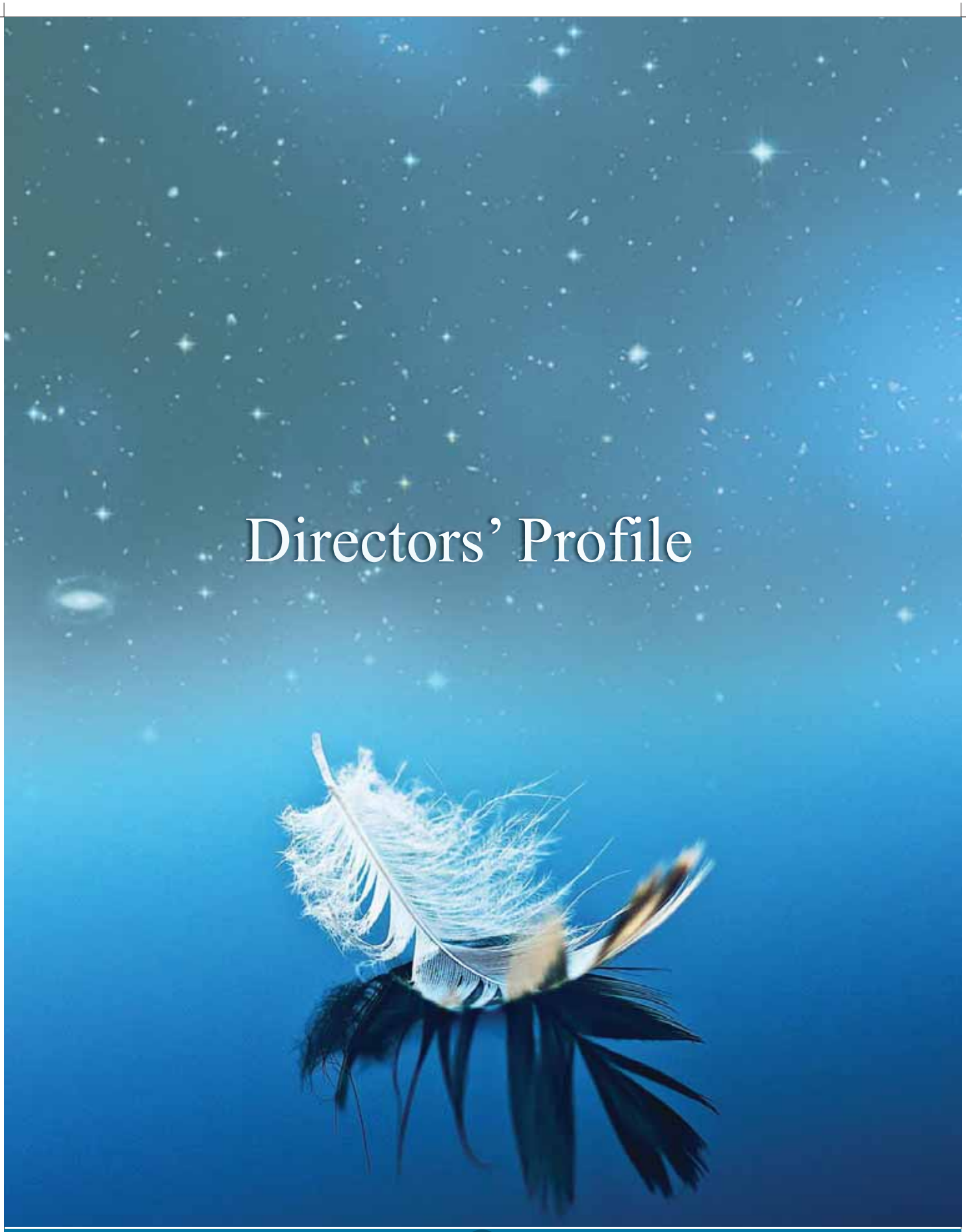
I am looking forward to seeing you in the 19th Annual General Meeting of the Bank on May 31, 2018.

May Almighty bless and protect us in our every future endeavours.

SAYEED

Sayeed Hossain Chowdhury
Chairman

Directors' Profile



Directors' Profile

Mr. Sayeed H. Chowdhury

Chairman

After completing his higher education in London – UK, Mr. Sayeed H. Chowdhury joined the family business in 1981 and was based in the Sultanate of Oman until 1987, looking after its business interest in the Gulf region. Returned home to work for the family company "Karnaphuli Group" as its Director Finance and Planning. In March 1991, Mr. Chowdhury founded the HRC Group, the much acclaimed and multi faceted blue chip business house of Bangladesh. Initially starting as a shipping agency, the group is now a leading conglomerate of Bangladesh consisting of nineteen member companies with diverse interests which include 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, general 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:

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

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.

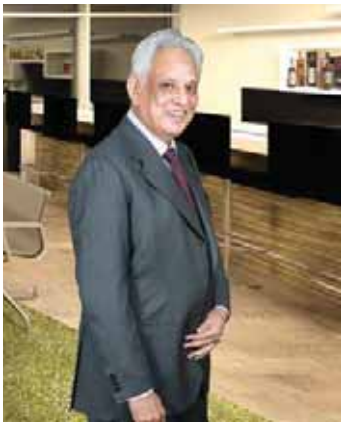
Directors' Profile

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



Mr. Salahuddin Ahmed
Independent Director

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

Directors' Profile

Mr. Syed Nurul Amin

Independent Director

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

Mr. M. 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 35 years, Mr. Alam's career evolved as a well rounded banker with adequate exposure in Corporate, Treasury and Investment Banking and other departments in various capacities in different banks and other financial institutions. He started his career at Agrani Bank Limited as a Senior Officer in 1983, and later served different organizations at home & abroad including IFIC Bank Limited and Bank of Credit & Commerce International (Overseas) Ltd. Besides distinctive academic records, he is also an MBA from IBA, Dhaka University.

The Board and its Committees

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

Key Personnel

Managing Director
Mr. M. Fakhrul Alam

Deputy Managing Director
Mr. Wakar Hasan
Mr. Mahmoodun Nabi Chowdhury

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. M. Ahsan Habib
Mr. Sudhir Chandra Das
Mr. Md. Manirul Islam

Executive Vice President
Mr. Riton Barua
Mr. Arshadul Kabir Bhuiyan
Mr. Md. Nazrul Islam Bhuiyan
Mr. Kazi Md. Amzad Hossain
Mr. Md. Abu Saleh
Mr. Gazi Yar Mohammed
Mr. Kh. Rashed Akhtar Zaman

Senior Vice President
Mr. Asif Mahmud Khan
Mr. S. M. Hafizur Rahman
Mr. Shibly Nasimul Huq
Mr. Mirza Ashraf Ahmad
Mr. Md. Mazharul Islam Chowdhury
Mr. Md. Belayet Hossain
Mr. Sadat Ahmad Khan
Mr. Mohammed Rashedul Amin
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. Khandaker Liakat Ali
Mr. Mujtaba Masroor Kazmi
Mr. Hasnain Ahmed
Mr. Kutub Uddin Ahmad
Mr. Ashraful Haq Amin
Mr. Md. Borhan Uddin
Ms. Meher Farzana
Ms. Morsheda Begum
Ms. Shirin Mullick
Ms. Jahanara Begum
Mr. Md. Shafiur Rahman Sikder
Mr. Ishtiaq Ahmed
Mr. Taufiq Ahmed
Mr. Faisal Adil

Vice President
Mr. Iftekhar Uddin Ahmed
Mr. Khondaker Abdul Mazid
Mr. Md. Golam Rabbani
Mr. S. M. A. Moktadir
Mr. Md. Abdur Rob
Mr. Syed Maruf Ali
Mr. Dilip Pius Rozario
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
Mr. Abdullah Al Mamun Zahangir
Mr. Aminul Islam
Mr. Md. Abdul Mannan
Mr. Mohammad Rafiqul Islam
Mr. Abu Mohammed Saifuzzaman

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. Md. Mahedi Hasan
Mr. Md. Nazir Hossain
Mr. Md. Mobasherul Haque
Mr. Md. Zahidul Islam
Mr. Shaikh Mohammad Mizanur Rahman
Mr. Faruk Ahmed
Mr. Moonir Sadiq
Mr. Md. Rafe Shafquat
Mr. Biplab Banik
Mr. S.M. Salahuddin
Mr. Md. Maksudul Alam
Mr. Abu Sayed Md. Abdul Mannaf
Mr. Abul Masud Khan Chowdhury
Mr. Bimalendu Chowdhury
Mr. Md. Jashim Uddin
Mr. Md. Sharifur Rahman
Mr. Joarder Alimuzzaman Rabby
Mr. Aksirul Haque Bhuiyan
Mr. Md. Faizul Mobin
Mr. Md. Shah Alam Molla
Mr. Md. Monirul Alam Romel
Mr. Mohammad Munir Chowdhury
Mr. Md. Samso Uddin
Mr. Md. Muntasir Wahid
Mr. Md. Salah Uddin
Mr. Mohammad Moniruzzaman
Mr. Syed Mohammed Ekram Ullah
Ms. Mili Sen
Mr. Sk. Didar-Rul-Alam
Mr. A. S. M. Abu Bokor Siddique
Mr. Mahmudul Hasan
Mr. Md. Obaydul Islam

First Assistant Vice President
Ms. Anjima Begum
Mr. Mohammad Manzur Mahbub
Mr. Mohammad Mahfuzul Alim
Mr. Md. Yusuf
Mr. Md. Abir Rahman
Mr. Md. Motaher Hossain
Ms. Tanjiba Sultana
Mr. Md. Muyeed Hasnayen
Mr. Mohammad Monowar Hossain Khan
Mr. Md. Hasibul Hasan Khan
Mr. Muhammad Zakir Hussain
Ms. Rehena Yesmin
Mr. Md. Rafiqul Islam Bhuiyan
Mr. Jamal Uddin Ahmed
Mr. Mohammad Mehboob Ali
Mr. Syed Shahidul Haque
Mr. Mohammed Rafiul Islam
Mr. Md. Mahbubul Alam
Mr. Muhammad Mostafigur Rahman
Mr. Fayzur Rahman Khan
Mr. Sheikh Zaki Shahriar
Mr. Md. Salimullah
Mr. Md. Rezaul Karim
Mr. Shaikh Babul Hossain
Mr. Ahmad Ullah
Mr. A. F. Gazi Alauddin Ahmed

Mr. Kazi Md. Eleas Kanchon
Mr. Kazi Mahmudur Rahman
Mr. Mohammad Fouad Chowdhury
Mr. Md. Fazle Mahmud
Ms. Kawsara Sattar
Mr. Md. Abdus Salam
Mr. Abdus Samad
Mr. Mohammad Moyaz Uddin Sharif
Mr. Mohammad Mahfuzur Rahman
Mr. Md. Motashim Al Razi
Ms. Kazi Fauzia Yasmin
Mr. Md. Khurshid Khan
Mr. Md. Ferdous ul Amin
Mr. Shahid Emdadul Islam
Mr. A.K.K.M. Zahidul Mannan
Ms. Laila Nasrin
Mr. Mohammad Shafiul Azam
Mr. Md. Khorshed Anwar
Mr. Md. Momtaz Goni
Mr. Md. Tamiz Uddin Ahmed Chowdhury
Mr. Sajjad Mahmud Sabuj
Mr. Amol Chandra Sarker
Mr. Ariful Hoque
Mr. Md. Aminul Islam
Mr. A.N.M. Ahidul Alam
Mr. Md. Zahidul Islam
Mr. Md. Tanna Mandal
Ms. Nur Naher
Mr. M. Tabib Hossain
Mr. Md. Saifur Rahman
Mr. Mosharof Hossain
Mr. Md. Mojibur Rahman
Mr. Pankoj Suter
Mr. Mohammad Ashikuzzaman Noor
Mr. Mohammad Abu Baker Siddique
Mr. Md. Shahriar Alam
Mr. Syed Salahuddin Ahmed
Mr. Mohammad Shahidul Huq
Mr. Mir Waies-Ur-Rahman
Mr. Jamil Hossain
Mr. Muhammad Shamsul Islam
Mr. Abul Kalam Azad
Mr. Md. Arifur Rahman
Mr. Rasal Ahamed

Assistant Vice President
Mr. Md. Rizwan Ali Khan
Mr. Md. Rashid Ul Alam
Mr. A. H. M. Al- Ahasan
Mr. Md. Nizam Uddin
Mr. Khuda Baksh Tawhid
Ms. Sanzida Ahmed
Mr. S. M. Shariful Islam
Mr. Debasish Das
Ms. Nilufar Panna
Ms. Sabrina Khan
Mr. Md. Mostafizur Rahman
Mr. M. M. Rashidul Kabir Chowdhury
Ms. Sajeda Khatun
Mr. Kazi Md. Forkan
Mr.A.M. Anisuzzaman
Mr. Badrul Alam Chowdhury
Mr. Md. Mahmudul Hasan
Mr. Md. Ekramul Hoque
Mr. Mohammad Mizanur Rahman
Mr. Muhammad Al-Amin Khan
Mr. Mohammed Dalwar Hossain
Mr. Uttam Kumar Roy
Mr. Mohammed Saifuddin Chowdhury
Mr. Uggal Mallick
Mr. Apollo Kumar Banik
Ms. Shaila Sharmin Thakur
Mr. Md. Golam Rasul Bhuiyan
Mr. Md. Niazul Islam
Mr. Mohammad Sharifuzzaman Chaklader
Mr. Mohd. Amanullah
Mr. Mohammed Iftekhar Sobhan
Mr. Shishir Kumar Shil
Mr. Muhammad Muztahidul Hosain
Mr. Mir Mohammed Nasir Uddin
Mr. Md. Shibbir Ahmed Salim
Mr. Mohammad Fakhrul Alam Masum
Mr. Md. Alauddin
Mr. Mohammad Salah Uddin
Mr. Avijit Das
Mr. Md. Kawsar Ali
Mr. Mohammed Ismail
Mr. Shafiul Alam
Mr. Abu Sayem
Mr. Mohammed Hemayet Ullah
Mr. Mohammad Abbas Uddin
Ms. Dilara Begum
Mr. Md. Nazrul Islam
Ms. Tanzia Ahmed
Mr. Md. Zahed Ahmed Chowdhury
Ms. Dilara Alim
Mr. Md. Nazim Uddin
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. Jahangir Alam
Mr. Md. Abdul Momin
Mr. Md. Ashraf Razi
Ms. Wahida Anjum Alley
Mr. Syed Ahmmed
Mr. Md. Akbar Hossain Chowdhury
Ms. Romana Ahmed
Mr. K. M. Moinul Arif
Mr. Md. Shahidul Islam
Mr. Newton Chowdhury
Mr. Mohammad Shah Alam Mia
Mr. Mizanur Rahman
Ms. Asfia Nigar
Mr. Md. Amzad Hossain Khan
Mr. Rashidul Islam
Mr. Mohammad Zaman Khan
Mr. Mohammad Mahbub Morshed
Mr. Mohammad Mahmud Hossain
Mr. Md. Mizanur Rahman
Mr. Syed Azazur Rahman
Mr. Ehsanul Hoque
Mr. Md. Shah Alam Bhuya
Mr. Mohammad Monir Hossain
Mr. Hasibur Rahaman
Mr. Mohammad Nazrul Islam
Mr. Md. Ehsanul Haque
Ms. Nusrat Zarin
Mr. Md. Shahinur Alam
Ms. Sabina Easmen
Mr. Khabiruzzaman
Ms. Fouzia Hakim
Mr. Md. Akter Hossain
Mr. Satirtha Kumar Paul
Mr. Mohammad Shakhawat Hossain
Mr. Mohammad Shafiul Islam
Mr. Md. Mizanur Rahman
Mr. Shamim Reza
Mr. S.M. Rashed Mir
Mr. Mohammed Nazrul Islam
Mr. Mohammad Nazrul Islam Khan
Mr. Nashid Shahjahan
Mr. Muhammed Atikur Rashid
Mr. Md. Tipu Sultan
Mr. Mohammad Zahirul Hoque
Mr. Md. Zahurul Islam
Mr. Md. Tasnim Alam Manjar
Mr. Shuvojit Kumar Shil
Mr. Md. Reazul Alam
Mr. Qazi Nezam-Ul-Haque
Mr. Sk. M. M. Rabiul Islam
Mr. Zia Haider Chowdhury
Mr. Mohammad Jahangir Alam
Ms. Lili Akter
Mr. Syed Anisuzzaman
Mr. Aman Ullah
Mr. Md. Masudul Karim Chowdhury
Mr. Md. Nurul Alam
Ms. Daisy Nilufar Sharmin
Mr. Mohammad Abdul Salam
Mr. Anis Ullah
Mr. Mohammad Shamsud Doula
Mr. Aminul Hoq
Mr. Md. Monirul Haq

Notice of The 19th Annual General Meeting

Notice is hereby given to all Members of ONE Bank Limited (the "Company") that the 19th Annual General Meeting of the Members of the Company will be held on Thursday, May 31, 2018 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 18th Annual General Meeting held on May 11, 2017.
2. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2017 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, 2017.
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,

Dhaka
April 15, 2018

John Sarkar
ADMD & Company Secretary

NOTES:

a. The 'Record Date' shall be May 10 , 2018.

b. The Shareholders whose names appear in the Register of Members of the Company as at the close of the business on May 10, 2018 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 of BDT 20.00 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 May 20 , 2018. The Brokerage Houses are also requested to provide us with their Bank Names, Bank Account Names & Numbers, routing numbers etc.

g. The Registration Counter shall be opened at 9:00 a.m. and will close sharp at 10:45 a.m. All shareholders should please take their seats by 11:00 a.m. Thereafter no new entry shall be allowed and recorded to enter into the AGM venue.

N.B. No benefits or gifts in cash or kind shall be given to the shareholders for attending the 19th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

Directors' Report

Directors' Report

The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 19th Annual General Meeting before you along with the Audited Financial Statements for the year 2017. 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.

2017 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 2017 and have determined the business goals of 2018 in the light of the previous year's evaluation.

Global Economy

The global economy as it started to pick up in the second half of the preceding year gained further momentum in 2017. Notable rise in investment, trade and industrial production coupled with enhanced business and consumer confidence supported the recovery. The continued boost in domestic demand in the developed economies, favorable financial conditions, strong business and consumer confidence played a vital role in achieving growth targets as predicted by IMF. Significant improvement in the investment situation, increased investment in China's infrastructure and housing sector and revival from the downturn of commodity prices induced growth momentum of emerging and developing economies. The global growth has grown by 3.7 percent in 2017.

The growth forecasts for 2018 is 0-2 percentage point stronger compared with the 2017 which is supported by higher investment, trade and industrial production coupled with increasing business and consumer confidence. Financial conditions remain buoyant across the world.

Though positive developments have been a good cause for greater confidence, there is no ground for policymakers and markets to be complacent. A closer look suggests that the global recovery may not sustain as all countries are not participating, inflation often remains below target with weak wage growth, and the medium-term outlook still disappoints in many parts of the world.

Global inflation rose in 2017, reflecting the continued cyclical recovery in demand and higher commodity prices. The US consumer price inflation was 2.1% in 2017, up from 1.3% in 2016, and the euro area inflation reached 1.4% in 2017, up from 1.1% in 2016.The recovery is also vulnerable to serious risks. The global unemployment rate has risen modestly from 5.7% to 5.8% in 2017 representing an increase of 3.4 million in the number of jobless people. However, advanced-economy growth was 1.8% in 2017. In the United States, manufacturing activity will likely rebound, contributing to a mild pickup in growth. In the Euro Area and Japan, supportive monetary and, to a lesser extent, fiscal policies should help support activity this year.

An OBL financed Solar Energy Power Plant under Syndication

In emerging and developing economies, growth was 4.2% in 2017 compared to 3.4% in 2016. With the recovery in commodity prices, particularly oil, the divergence in growth outlooks between commodity exporters and importers is set to narrow. In China, growth was 6.5% in 2017. This outlook reflects soft external demand, heightened uncertainty about global trade and slower private investment.

Hence, Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) due to a rebound in commodity exporters. Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. With output gaps closing or closed in many countries, supporting aggregate demand with the use of cyclical policies is becoming less of a priority.

The financial markets have also seen strong growth both in developed and emerging markets. The US equity markets continued their growth momentum, shaking off political uncertainties in the wake of the 2016 Presidential Elections. The new tax reform package passed by the US Congress in 2017 boosted the equity markets due to lowered corporate tax rates and measures which encourage investment.

Africa's performance was a bit favorable in 2017. Its economic, social and governance indicators showed an uneven situation in 2016. African entrepreneurs undertook to accelerate the continent's industrialization to change the course of development and focused on the policies necessary to foster more sustainable and inclusive growth. In 2017, total external flows exceeded that of 2016, with Foreign Direct Investment (FDI) and remittances remaining Africa's most important external financial sources.

The tax reform package is expected to boost short term growth, but the increased fiscal deficit resulting from the tax reforms is expected to reduce long-term sustainability of the growth boost. The strong performance of US equity markets has, however, led to historically high valuations for US equities.

Downside risks to global economic recovery also exist to balance out growth momentum. Political uncertainty has increased acutely in the US under the Trump administration. Any potential adoption of trade restrictions or protective tariffs are likely to lead to a widening cycle of more protectionist measures potentially resulting in a trade war with major trade partners in Asia and elsewhere. At the same time, political fallout continues from the conduct of the 2016 Presidential Elections, with the various investigations and inquiries and associated protests likely to pose a threat to stability of the Trump Administration. With the US government already having shut down once and major midterm elections scheduled for 2018, the political climate in the US unlikely to stabilize anytime soon. Any major political shock in the US could cause a major correction to the US equity markets, which are trading at historically high valuations, which could in turn precipitate a financial crisis. Aside from the political instability in the US, the ever-continuing geopolitical tensions in the Middle East and Korean Peninsula could pose threats to commodity prices and international trade.

An OBL financed Paddy Field

Bangladesh Economy

Bangladesh Economy continued its advancement and achieved its highest ever GDP growth (7.28%) in the year 2017. It exceeded the planned target of 7.20% for the second succession time. This was one of the highest growth rates among major economies in the world.

The average GDP growth now stands at 6.26% over the past 10 years, and at 6.6% over the last 5 years, showing an increasing trend in GDP growth. The political situation also remains stable, with the internal security situation greatly improving after the 2016 Dhaka terrorist attack as a result of sustained police operations dismantling terrorist cells throughout the country. The government has set a GDP growth target of 7.40% for the 2018 fiscal year, which is achievable given the stable political climate, investments in power and transport infrastructure and the high private sector credit growth rates. Given current trends, GDP growth is likely to cross 8% in a few years.

Budgeting and Fiscal Management

Budget for FY'18 has been marked high ambition with a vision of attaining the middle income goal. The country's biggest ever budget size is BDT 4002.66 billion which is 17.52% higher compared to FY'17's budget. It has revenue target of BDT 2879.91 billion which is 18.66% higher than that of the FY17's budget. Gross Domestic Product (GDP) has been estimated to grow at a rate of 7.4% in FY'18, a slight increase from the previous year's target of 7.2%. Budget deficit is projected to be BDT 1,122.76 billion which is 5% of the GDP. Of this deficit, BDT 603.52 billion will be collected from savings certificates and other non-banking sources and remaining BDT 519.24 billion will be raised from external sources. The new budget also emphasized on power and energy sector, ICT sector, education, and industrialization in the country.

Current Account Balance

The current account balance went into negative territory in FY17 for the first time in 5 years, dragged down by negative trade balance and decline in remittance inflows. The current account balance continued to deteriorate throughout the first half of FY17, reaching a record deficit of USD -4.4bn in November 2017. The current account deficit is forecast to recover to USD -4.34 in June 2018, on back of stronger export growth and remittances on one hand, and restrained import growth on the other, all riding on the depreciation of the BDT.

Import

Imports amounted to USD 43.5 billion for FY17, an 8.7% growth over the previous fiscal year. Import of Capital Machinery registered the highest year on year growth, of 37.4%, reflecting the increased investment from both the public and private sectors especially in the power sector. These imports are expected to have a lagged positive effect on export growth as the machineries are brought into production.

Export

Export earning during the year 2017 was moderate, registering a slight increase. Of the two major export items of the country, knitwear exports registered a modest growth whereas exports of woven garments declined. Among the other major export items, export growth of leather and leather products, Pharmaceuticals, chemical products, engineering products, plastic products, handicrafts, jute and jute goods was

An OBL financed Battery Factory

noticeable. On the other hand, export earnings from agricultural products, frozen food and live fish and petroleum by products decreased.

Remittance Inflow

Remittances declined 14% in FY17, due to a combination of poor economic conditions in the Middle East and usage of informal channels (hundi) by workers to send back remittances due to stringent AML/CFT compliance by financial institutions. New overseas employment, however, has continued to grow, with the 2017 growth standing at 10% over the previous fiscal year. Over 1 million workers went abroad in 2017. Remittances have started to show signs of reversal, with remittance levels in January 2018 registering a 37% growth year-on-year. The depreciation of the BDT against the USD is likely to lead to a slight upward trend in remittances as workers move towards official channels to send remittances rather than use informal channels.

Savings and Investment

During FY2016-17, domestic savings reached 25.33 percent of GDP, up by 0.35 percentage point from the previous year. During the same period, national savings as percent of GDP slightly declined to 29.64 percent from 30.77 percent mainly due to the downturn of remittances inflow. The trend continued till December, 2017 and early 2018.

Foreign Exchange Reserve

Foreign exchange reserves reached a new record high of USD 33.5 billion in FY17, supported by a strong financial account surplus to overcome a growing current account deficit. The foreign exchange reserves are set to decrease in the future as Bangladesh Bank intervenes in the currency exchange market to stem the slide of the BDT. Until the current account deficit stabilizes, the foreign exchange reserves are expected to decrease.

Inflation Management

Inflation was kept largely under control until the end of 2016, reaching a low of 5.04% in December 2016, before massive floods caused a loss of the important Boro rice crop in the fertile northern regions. This caused food inflation to spike up sharply from the start of 2017, which was countered by the government repealing import duties on rice and undertaking efforts to import rice from abroad. These steps managed to stem the spike in inflation, stabilizing it around 6% level. Inflation stood at 5.83% in December 2017 on a point-to-point basis. Oil prices have increased in the international market due to strong global economic growth, and this could lead to higher non-food inflation.

However, once subsequent rice crops are harvested, food inflation is expected to come back down. With a contractionary monetary policy statement for the second half of FY18, and resultant cut in the advance to deposit ratio, inflation is likely to be contained below the 6% level.

Money Market

The money market comprising banks and financial institutions demonstrated steadiness in FY17. Overall interest rates received significant fall. Interest rate in call money market rate ranging from 3.68 percent to 3.93 percent during this year. The average volume of money transaction in the call money market decreased to BDT 1152.75 billion in the year 2017 which was 4.67

An OBL financed Biscuit Manufacturing Factory

percent lower than the year 2016. Repo rate and Reverse Repo rate remained unchanged from the year 2016 for achieving broad objective of monetary policy. Whereas Private sector credit growth hit 18.1 percent at the end of December, up from the central bank's target of 16.2 percent for the July-December period. Business confidence is improving and the stable exchange rate has led to higher import of machineries. The falling interest rates will boost private credit growth next year.

Overseas Employment and Remittance

The slowdown of the economy of the Middle East countries emanating from low oil prices and geo-political situation was mainly responsible for the deceleration of employment of Bangladeshi labour abroad.

The Government of Bangladesh has taken massive initiatives to explore new labour markets abroad and boost overseas employment. In this regard, the Government has taken steps to conduct feasibility studies in 50 countries including European countries, Australia and Brazil. The government is up-taking various activities to ensure dignified employment for the overseas workers. The overseas employment increased considerably in recent times. Therefore, in the coming years remittances inflow is expected to be boosted.

Money, Banking and Financial Sector Reforms

With the newly introduced liquidity indicators namely 'Liquidity Coverage Ratio (LCR)' and 'Net Stable Funding Ratio (NSFR)', which were hosted in light of Basel-III, the liquidity status of the banks is being monitored regularly.

To make banking risk management system more resilient and updated, a new reporting format namely 'Comprehensive Risk Management Reporting (CRMR)' has been introduced, in the light of which the risk management system of the banks is being monitored. Besides, in conformity with the changes in the banking system the 'Risk Management Guidelines for Banks' is being reviewed.

As a part of strengthening the internal audit system in Bangladesh, regular monitoring of fraud/forgery in the light of Self-Assessment of Antifraud Internal Control is being carried out. Reviewing of it is at final stage.

Due to the changes in the legal framework and international standards, Bangladesh Financial Intelligence Unit (BFIU) updated Uniform Account Opening Form for all scheduled banks which was circulated on 16 January 2017. The revised form includes a format for Know Your Customer (KYC), transaction profile, customer's risk grading and account opening information. Besides, BFIU has drafted Uniform Account Opening Form for all insurance companies which is going to be circulated within a short span of time.

Short and Medium Term Prospect of Bangladesh Economy:

The Medium-Term Macroeconomic Framework (MTMF), 2018-2020 envisaged the macro-economic and fiscal indicators for the budget year and the projection of two outer fiscal years. Based on the prospects and potential risks in global and domestic economic context, GDP, under MTMF, has been projected to grow at an average rate of 7.6 percent over

An OBL financed Medicine & Drugs Company

short and medium term and predicted to attain a growth of 8.0 percent in FY2019-20. Investment as percent of GDP is expected to increase to 31.9 percent in FY2017-18 from 30.3 percent in FY2016-17. If this trend continues investment is likely to be 34.5 percent of GDP in FY2019-20, of which the investment of private and public sectors is expected to be 25.4 percent and 9.0 percent of GDP respectively. The achievement of the growth targets as set in the MTMF is contingent upon the success of certain reform programmes of the Government. Enhancement of productivity with particular attention on education, health, Information and Communication Technology (ICT) and development of physical infrastructures like power, energy, communication, transportation in a coordinated way are very important in this context. The Government has been implementing a wide range of activities in this regard, particularly to encourage private investment by reducing infrastructure constraints and creating ample opportunities for them. The success of these initiatives will dictate the extent to which the targets envisaged in MTMF will be fulfilled. Though all the three broad sectors of the economy- agriculture, industry and service sector are likely to contribute equally in attaining the desired growth, the share of industry in GDP is expected to increase gradually. Due to the gradual escalation of productivity and existence of lower wage rate in agriculture relative to industry the overall contribution of the latter in GDP is expected to rise over time. For the sustained growth in agriculture, the Government's supports for expanding technology, diversifying crops, extending production of non-seasonal crops along with the seasonal ones, innovating new variety of salinity tolerant seed and high yielding variety of paddy and jute, providing subsidy and agricultural credit, ensuring uninterrupted power supply for irrigation and extending assistance to agro-based industries are indispensable. These sorts of supports are expected to continue in the coming years also. The Government has been trying relentlessly to overcome the infrastructural and energy constraints in the face of increasing demand for electricity.

OBL'S Performance

ONE Bank Limited has performed remarkably well during the year 2017 while the banking industry as a whole suffered a sluggish growth. During the year, ONE Bank had maintained satisfactory growth of asset and liabilities and eventually a growth in its net profit. This incremental growth has been possible due to the bank's emphasis on sustainable business, relentless effort, operational efficiency and compliance.

Corporate Financing

OBL offers a wide range of financial services to its corporate clients through extensive Branch Network all over the country, 2 OBUs and specialized dedicated Units at Corporate Headquarters. Our experienced officials have 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

An OBL financed Food & Beverage Industry

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 equipment, generator, vehicle, sea or river going vessel, construction equipment, agriculture equipment etc.
At the end of 2017, OBL's net Lease Finance portfolio stands at Tk. 5.4 billion.

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

ONE Bank has so far arranged syndicated facility for 9 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.

In addition, during the year 2017, OBL has engaged itself as Lead Arranger for arranging 5 syndicated loans for total Tk. 21.12 billion.

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 the SME sector is one of the main driving forces of economic growth and it is a market with huge potential.

An OBL financed Animal Feed Factory

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 and 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 the 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 Ltd. 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 identified 40 branches out of its 95 branches as fully dedicated for SME financing. Other branches are also extending SME financing along with all other banking products. In all the branches, the Bank has established dedicated SME Help Desks to offer priority services to the clients. In the year 2017, ONE Bank Ltd has disbursed total SME Loan of BDT 17,043.50 million. The total number of SME borrowers of the Bank was 2486 as on December 31, 2017.

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.

To facilitate the clients with minimum interest rate, ONE Bank Ltd. has already signed agreements with Bangladesh Bank for getting refinance from ADB Fund, JICA Fund, JICA UBSP Project, BB Agro Fund, BB Women Entrepreneur Fund, BB New Entrepreneur Fund & BB fund for Tk.10 Account holders. In 2017. OBL received total refinance of BDT 132.30 Million from BB, to distribute among the SME clients, both male and female.

Besides these, 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 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. For extending the facility from metropolitan to the root level, The Bank has already established a separate unit named "Women Entrepreneurs Development Unit" under which each branch of OBL has a "Dedicated Woman Entrepreneur Help Desk" which works to facilitate the Women Entrepreneurs and to ensure their easy access to bank finance. For the improvement of entrepreneurship skill, ONE Bank Ltd. arranges day long workshops for SME women Entrepreneurs every year to listen to their complains, requirements and to give them a way out.

An OBL financed Child Care and Medical Center

During the year 2017, the Bank has financed BDT 814.40 million to the Women Entrepreneurs and continue to do so as per the guidelines of Bangladesh Bank .

Agriculture Financing

Agriculture still remains the largest employment sector Bangladesh. As of 2016, it employs 47% of total labor force and comprises 16% of the country's GDP. This sector has an overwhelming impact on employment generation, poverty alleviation, human resources development and food security. Agriculture and rural development are the keys to strengthening livelihoods of the most vulnerable, including hundreds of millions of small-scale 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, optimum utilization of the available limited resources are now a day become compulsory to ensure food security for all. 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 set up a Separate Unit at Corporate Head Quarter and has also assigned officials in each branch for Agriculture and Rural Financing.

As a part of this program, during FY 2016-17, OBL disbursed Agricultural and Rural Credit of Tk. 2,146.56 million (among 73,443 borrowers) against Target of Tk. 1,700.00 million. Since FY 2010-11, OBL has been able to achieve its Agriculture & Rural credit disbursement target successfully. OBL is well focused to continue its efforts to strengthen its participation in Agricultural and Rural Credit to ensure food security, improvement of living standards, socio economic condition and generation of employment opportunity, leading towards overall growth of the economy.

Retail Banking

In recent years, Retail Banking has become a key area of strategic emphasis in the banking industry, as evidenced by rising trends in retail loan and deposit shares on commercial bank balance sheets and a continuing increase in the number of bank branches. OBL Retail Banking segment offers a complete suite of retail products across deposits, loans, payments and cards and is committed to excel the everlasting customer relationship.

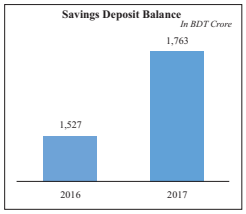
An OBL financed Dairy Farm

Providing enriched banking experience for our Retail Banking clientele was a key priority in 2017. We made our customer experience more interactive and rewarding. We aimed to facilitate the smartest financial decisions by offering innovative, transparent and client-focused products and services.

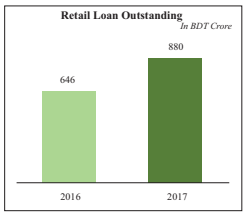
Retail Banking succeeded in posting solid results in 2017 in spite of challenging environment. We escalated our asset portfolio, broadened the client base and achieved higher levels of customer satisfaction. The Retail Banking segment continues to be one of the key drivers of the Bank's overall growth strategy by combining sustainable growth and potentials and providing cutting edge products.

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. 5,539 crore in 2017.



- Our strong retail deposit base positioned us well to offer smooth lending to our customers. In 2017, savings deposits grew by Tk. 236 crore and posted a solid growth over 2016.



- Retail credit registered a steady growth in 2017. Among all retail loans, Home Loan was the prime contributor of the total loan disbursement pie. Retail asset portfolio touched the mark of Tk. 880 crore securing 36% growth.

- Our rigorous retail credit underwriting policy and robust monitoring process paid off substantially. Retail NPL portfolio stood at 1.25% in 2017.

- To offer superior customer experience to retail clients, OBL Call Center managed 136,282 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.

- 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 2017, ONE Bank launched retail lending product named "OBL Protect – Personal Loan" - a personal loan facility with insurance coverage and competitive interest rate.

- 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.

An OBL financed Chemical Manufacturing Plant

The core objective of OBL Retail Banking is to maintain a robust, resilient and environmentally sustainable banking by delivering superior value propositions to the clients. This will continue through using customer analytics to drive contextual experiences, enhanced customer satisfaction, investment in innovation, incubation and services for ultimate customer experience.

The Cards

2017 was another successful year with considerable progress in card business. Credit Card outstanding escalated from BDT 37.85 Crore to BDT 56.44 Crore posting 149% growth over previous year. Total Number of Debit and Credit Cards reached 76,150(app). With a wide range of VISA products composed of Credit, Debit, Prepaid created a good momentum in the market.

We have tied up with around 200 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 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. 150,633 million as compared to Tk. 127,067 million last year, recording a growth of 18.55%. 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. 93,806 million in 2017 against Tk. 67,483 million in 2016, recording a growth of 39.01%.

An OBL financed Spinning Mills

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 terms placement and 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 2017 is Tk. 684 million.

An OBL financed Broadcasting Satellite Downlink

Correspondent Relationship

To strengthen its global relationship, the bank is now maintaining 466 correspondent relationships (foreign 414, 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 08 (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.

IT in Banking

Information Technology (IT) is considered as thrust sector in Bangladesh and Bangladesh Government has taken programs to build "Digital Bangladesh" to implement vision 2021. In line with these program, Government has taken many revolutionary initiatives in recent years to make Digital Bangladesh - a reality. Banking Sector in Bangladesh being among the earliest adopters of Information Technology, is in the forefront in implementing "Digital Bangladesh".

Information Technology (IT) is regarded as the crux of the banking system in today's world and is now regarded as the key business enabler and the back-bone of banking industry in Bangladesh. Adopting technological innovations in banking not only made banking transaction more efficient and faster but also enabled banking industry to open up various channels to provide banking service to customers and taking bank to the doorstep of unbanked customers as well.

Information Technology (IT) is also changing the supervisory and regulatory landscape of the banking industry. Regulators are introducing IT driven tools for more effective supervision while new supervisory challenges are arising each day with the advent of new technology and new innovation in banking. So the use of information technology in banking is increasing rapidly.

IT and ONE Bank

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 18 (Eighteen) years of journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from

introduction of world-class Core Banking Solution (CBS), the Bank has introduced various services like Internet Banking Service, Mobile Financial Service, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps and various web-based online payment systems etc. ONE Bank systems are also connected with Bangladesh Bank's NPSB (National Payment Switch of Bangladesh), Automated Cheque Clearing System-BACH (Bangladesh Automated Clearing House), RTGS (Real Time Gross Settlement) System, BEFTN (Bangladesh Electronic Fund Transfer Network) System etc to provide efficient banking service to customers. The Bank has introduced sanction screening systems to ensure AML & CFT compliance and ensure prevention of money laundering through banking transactions.

Now-a-days, banking industry is using information technology to deal with the challenges of ever changing banking needs of the country. Similarly, ONE Bank is also committed to bring in new IT driven services not only to manage business operations and business compliance efficiently but also to provide customer better with introduction of disruptive innovation in banking.

Digital Banking and ONE Bank

ONE Bank Limited is continuously focusing to provide omni channel experience to customers with a view to increase value proposition for bank's services. The Bank introduced many digital banking services like:

- Internet Banking Service or i-Banking with 2FA providing anytime-anywhere banking experience and providing 24/7 smart banking option to customers.
- Mobile Financial Service or OK Banking providing smart wallet for making on-the-go cashless payment experience to customers and taking bank to unbanked customers.
- ATM Service providing 24/7 withdraw cash facility from Bank's own ATM or other Bank's ATM across the country.
- Credit Card Service with EMV Card providing secure cashless payment facility to customers from anywhere in the world.
- E-Statement Service providing 24/7 online account statement facility to meet the customers' need.
- SMS Banking Service providing 24/7 SMS account balance enquiry facility for customer convenience.
- SMS Transaction Notification Service providing real time SMS facility for account transaction notification for customers' information.

ONE Bank is committed to bring in new facade of digital products and services in coming days as the Bank considers Information Technology as business driver rather than business enabler.

Information Security and ONE Bank

Now a days technology driven issues, such as information privacy, information security and information integrity have become pivotal and have reached the forefront of the policy agenda in banking industry. ONE Bank being a bank using IT as business driver, gives special emphasis on ensuring security for information vis-a-vis information systems. The Bank has taken many measures to secure its infrastructure. The Bank introduced EMV Cards, 2 Factor Authentication (2FA) System to facilitate customers

An OBL financed Fishery Project

with secure financial transactions for card transactions and Internet Banking or E-Commerce transactions. In order to secure financial transactions and customer data, the Bank has introduced many other modern security measures at communication, application and user level as ONE Bank is committed to provide banking service based on technology, security and excellence.

ONE Bank has "Information Security Policy" formulated in line with the latest ICT Security Guidelines of Bangladesh Bank and industry best practices. All activities and operations of the Bank are required to comply with the guidelines of Information Security Policy of the Bank to ensure information security that covers physical security, network security, system security, disaster recovery and business continuity planning to use of hardware and software, disposal of data, protection of copyrights, other intellectual property rights. ONE Bank's IT systems are designed to the industry standards and driven by Information Security Policy of the Bank. The Bank updates the policy on regular basis to combat the ever evolving cyber-security threats.

Mobile Financial Service

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 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 government's vision to build Digital Bangladesh.

ONE Bank offers absolute mobile financial services to both unbanked and under banked population of Bangladesh through widespread community-based agent network nationally. 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 service has also made an unparalleled contribution to improving transactional convenience and financial inclusions for millions of Bangladeshis. OBL is committed to build on financial literacy, minimize digital knowledge among young & older people and scaling successful models across borders to help create opportunities for people and make a difference in their lives in a very compliant manner.

Mobile Banking Products & Services

- Customer Registration
- Bill Payment
- NID related fees collection
- Utility Bill
- Dhaka WASA
- Dhaka Power Distribution Company Ltd (DPDC)
- Cash-In (Cash Deposit)
- Merchant Payment
- Cash-Out (Cash withdrawal)
- Money Transfer
- Mobile account to other mobile account (P2P)

An OBL financed Power Plant under Syndication

- Mobile account to own core banking account
- Core banking account to own mobile account
- Airtime Top-up
- Balance Inquiry
- Salary/ Allowance Disbursement

Performance of Mobile Banking

In 2017 the focus was on some important projects like utility payment such as Dhaka WASA bill, Dhaka Power Development Company Ltd bill have been launched. Payment of North West Zone Power Distribution Company Limited (NWZPDCL) will be added shortly in the service portfolio. ONE Bank's mobile banking customers are able to pay utility bill from own mobile wallet while at the same time nominated agents has been appointed in different location to facilitate walking customer to pay their utility bills.

Apart from utility bills, a special service has been designed through appointing OK agent inside the Election commission office premises at Agargaon to collect NID related fees. The service will be extended to other regional offices of Election Commission gradually throughout the country. Also in line with the Bangladesh Bank directives ONE Bank established technical connectivity between core banking and mobile banking account. This features will allow both MFS and core banking customer to manage money transfer any time and avail respective services.

Mobile Application for mobile banking

At present, Grameenphone and Robi subscribers can avail OK Banking services using USSD connectivity. In order to support and facilitate subscribers with other mobile connectivity mobile application has been developed which is more user friendly in comparison with USSD service menu. Such initiatives shall allow all mobile operators' subscribers to avail OK banking services using mobile application via internet and perform transaction with core banking account in addition to other available services. OK account holders need to have data/internet connectivity and smart mobile handset in order to avail OK banking services via mobile application and QR code scan for faster payment can be use via OK Mobile Apps.

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 footprints utilizing 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. The Bank has its utmost concentration and priority to extent its agent network and deliver the financial services to the door step of the people.

Off -Shore Banking (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 72.12 million equivalent to Tk. 5,964.01 million as on December 31, 2017 compared to USD 63.21 million equivalent to Tk. 4,974.59 million as on December 31, 2016 recording a significant growth of 14.09%.

However, in the year 2017, OBU made operating profit of USD 0.228 million equivalent to Tk. 18.92 million as against USD 0.795 million equivalent to Tk.62.63 million in 2016 with a negative growth of 69.79%.

An OBL financed Cable Manufacturing Factory under Syndication

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 skillset 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 dream to build their Banking career.

A glimpse of the activities performed by OBL Human Resources during 2017:

A. Manpower

OBL's Human Resources are a mixture of OBL products recruited fresh & trained on-the-job and off-the-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 2,101 by the year-end 2017 from 2,028 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 2017, 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 2017 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 2017, a total of 322 (three hundred twenty two) employees attended External trainings arranged by Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management (BIBM) and other external agencies and 06 (six) employees attended trainings abroad. OBL Training Institute arranged in-house training for a total of 1,399 (one thousand three hundred ninety nine) participants on various soft skills development

An OBL financed Ceramic Industry

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 2017, the Bank has worked on reviewing some of the HR policies. 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 2017, 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.

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 ninth year of operation. The Management of the Bank on a continuous basis undertakes in-house training for updating and upgrading the employees to provide quality services to our clients, individuals and institutions those we care for.

In-house training programs 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 2017, forty three Training Programs were conducted by OBL Training Institute and 1399 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 08 (eight) 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

An OBL financed Carbonated Soft Drink Company

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, 2017, the Bank had successfully established a network of 95 branches, including 35 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, Hemayetpur, Sonargaon, Malibagh, Tanbazar and Ekuria.

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, Bibir Hat, Pahartali, Muradpur and Colonel Hat.

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

Comilla:
Comilla, Laksam, Brahmanbaria SME/Agri.

Khulna Zone:
Khulna, Jessore, Satkhira, Kushtia, Poradaha.

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

Sylhet Zone:
Sylhet, Islampur, Sherpur, Laldighirpar.

Barisal Zone: Barisal.
Amongst these, followings are the 35 (thirty five) 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, Pahartali, Hemayetpur, Sonargaon, Ekuria.

The SME/Agriculture branches are located at Shahjadpur, Tongi, Brahmanbaria, Lakshmipur and Chaprashir Hat. OBL continues to enjoy the distinction of being a private sector bank operating 03 (three) booths at Chittagong port premises on 24 hours operations where we serve our customers by collecting port & other dues. In addition, the Bank also has 16 (fifteen) more collection booths providing personalized service to valued customers.

Signing of Financial Statements 2017 of ONE Securities Limited

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank's 90 ATMs (66 onsite and 24 offsite) located around the country, the ATM network of the Bank was expanded by joining hands with Q-cash, Common of a few private sector banks and NPSB (National Payment Switch Bangladesh) ATM networks so that the customers now have access to 24 hour banking service. The objective of such major investment is to create yet another customer convenience. Bank's activities are expected to considerably enhance and intensify with the opening of the proposed branches and are indicative of our commitment to serve our clientele both in urban and rural areas.

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

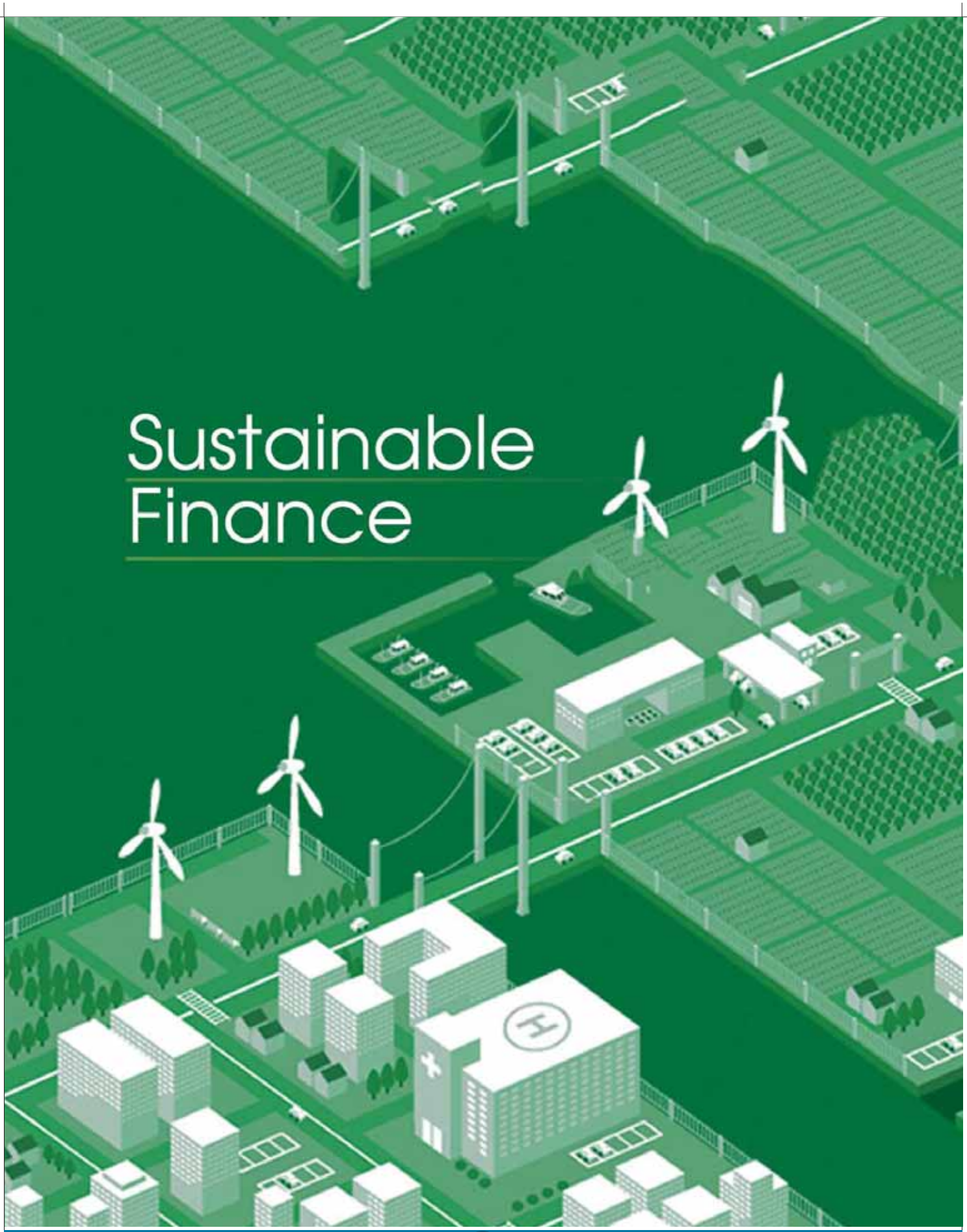
ONE Securities Limited

ONE Securities Limited (OSL) 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).

Authorized Capital and Paid up Capital of the Company are Tk. 4,000 million and Tk. 2,500 million respectively. 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 Exchanges (DSE & CSE). The Registered Office of the company is situated at 45, Dilkusha C.A. (4th Floor), Dhaka -1000.

Board Members of ONE Securities Limited (OSL)

Sustainable Finance



Sustainable Finance- 2017

Sustainable Finance covers the financing of investments that generate environmental benefits as part of the broader strategy to achieve inclusive, resilient and sustainable development. ONE Bank Limited concerned with social and environmental impacts of its investments and In-house green management to become sustainable bank. The broad objectives of the Bank are to use resources with responsibility avoiding waste & giving priority to environment & society. 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.

We have adopted Environmental and Social Risk Management (ESRM) Policy in 2017. We will finalize the Guidelines of ESRM Procedure for OBL by May, 2018. We have appointed our Project Appraisal and Monitoring (PAM) Team as Social, Health and Safety audit officer who will oversee the social issues of our financing clients and also complete IFC Performance Standards for applicable clients.

Bangladesh Bank so far introduced total 52 Green Products for financing under refinancing scheme .In 2017, among those 52 Green Products ,we have focused on Green Finance in various sectors like renewable energy (Solar Home, Bio-Gas etc.) , Green Industries certified by LEED under USGBC, Work Environment Safety in factories, ETP & Brick Kiln etc.. In 2017, OBL financed Tk.753.82 Crore both in Direct & Indirect Green Finance..We have financed one of our clients for Grid Tied Solar Park having 28 MWp capacity as an Independent Power Producer (IPP) to supply contracted electricity of 20 MWAC to BPDB on Build-Own-Operate (BOO) basis.

OBL has attempted following steps towards going green.

- Initiating In-House Environmental Management.
- OBL has trained total 325 employees in Green Financing issues in 2017.
- OBL has demonstrated Green commitments towards implementation of Environmental & Social Management System (ESMS) with the help of development bank'FMO', OeEB etc.
- ONE Bank Ltd. has introduced Online Banking and it covers 90 branches/ SME centers, 90 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 in new Branches to reduce the consumptions of energy.
- OBL has been using online Leave Management system, Digital Attendance and E-Mail corresponding, which help reducing printing paper for employees of the Bank.
- OBL has been equipped with Bangladesh Automated Clearing House (BACH) systems RTGS, BEFTN, NPSB etc.
- In House Green Banking offered by Cards Division includes E-Statement & for Account holders SMS Banking, SMS Alert, Net Banking, E- Fund Transfer etc.
- We already have 97,359 nos. of active Accounts through Mobile Banking system for conducting nearly paperless banking.

An OBL financed 100% Export Oriented LEED Gold Certified Footwear Factory under Sustainable Finance

Corporate Social Responsibility (CSR)

CSR is mainly about the awareness of and action in support of environmentally sustainable social development. The CSR actions aim at mitigating the diverse environmental impacts on the activities of the business and reducing inequalities and alleviating deprivation and poverty across the country. The benefits of CSR for companies, including increased profits, customer loyalty, trust, positive brand attitude and combating negative publicity are well-documented. In the light of these known positive effects, CSR strategies have been embraced by the banking community. Bangladesh has also become proactive on Corporate Social Responsibility. The Bank has been keeping watch on the environmental and social impacts of proposed undertakings and their implementation of equity of rights irrespective of gender, creed and color etc. policies. The Bank strives to convince the clients to pursue environment friendly and socially proactive & mitigating policies for sustainable development. To streamline the CSR activities of the Bank, ONE Bank Limited has adopted a Social Responsibility (CSR) Policy in 2013, which acts as a guide towards planning and executing the Bank's CSR activities. ONE Bank has spent a total of Tk. 16.42 crore for CSR activities in the year 2017. Details of CSR activities undertaken by ONE Bank during the year are as below:

- Contribution of Tk. 15,12,375/- towards "Proteeva" project of Jagorani Chakra Foundation for meeting its expenses for 01 (one) Cluster situated at Jashore District having 1500 students of Pre-primary School level.
- Contribution of Tk. 2,00,000/- to Rajshahi Metropolitan Police (RMP) for rehabilitation of drug mongers and junkies.
- Payment of Doctor's Remuneration of Tk. 2,40,000/- for extending medical services to the poor people of Joypara, Dohar, Dhaka.
- Donation of Tk. 2,00,00,000/- to Prime Minister's Education Trust.
- Donation of Tk. 2,00,00,000/ to Suchana Foundation of Ms. Saima Wazed Hossain Putul, Advisor, Mental Health, World Health Organization (WHO).
- Distribution of Scholarship of Tk. 1,55,17,000/- to the underprivileged and meritorious students of different districts.
- Distribution of relief for Tk. 10,35,480/- among flood affected people at Shariakandi Upazilla, Bogra.
- Donation to Tk. 3,00,00,000/- Prime Minister's Relief Fund for the flood affected people across the country.
- Distribution of 1,00,000 pcs of Oral Rehydration Solutions for Tk. 3,20,000/- among Rohingya Refugees at Teknaf, Cox's Bazar.
- Publication of advertisement of Tk. 3,74,670/- for creating/increasing awareness on Integrity as per Bangladesh Bank's instruction.
- Donation of Tk. 5,00,00,000/- to the Prime Minister's Relief Fund for the welfare of Rohingya Refugees of Myanmar.
- Donation of 50,000 pcs of blankets for Tk. 2,50,00,000/- to the Prime Minister's Relief Fund for the cold stricken people.

ONE Bank's Chairman Mr. Sayeed H. Chowdhury is seen with the Honorable Prime Minister Sheikh Hasina in Ganabhaban on September 10, 2017 during the donation programme to PM's Relief Fund for flood affected people of 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 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:

Risk Management Structure

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.

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 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:

An OBL financed Auto Rice Mill

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.

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 includes 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.

An OBL financed Knit Composite Dying Mill

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.

Internal Capital Adequacy Assessment Process (ICAAP) Report

To encompass other risk OBL prepares ICAAP report containing proper calculation of Residual Risk, Concentration Risk, Liquidity Risk, Reputation Risk, Strategic Risk, Settlement Risk, Evaluation of Core Risk Management, Environmental & Climate Change Risk and Other material risk against adequate capital. Besides, bank also assesses whether there is any chance of threaten to environment by bank financed initiative and damaging bank's initiative by environmental hazard. ONE Bank Limited is successfully maintaining additional Capital Requirement.

Risk Appetite Statement

Risk appetite is an expression of the maximum level of risk that bank is prepared to accept in order to achieve the business objectives. Risk Appetite statement is prepared according to the DOS Circular of Bangladesh Bank (circular letter no. – 1(f) of 13 dated 09/09/2015). Risk Management Department of OBL reviews in details of Strategic Planning/ Long Term Business Planning, Financial soundness, Trend of last couple of years, Capital Adequacy, Liquidity position, Goodwill, Adequacy and experience of employee, Potential future risk etc. Besides this above all Risk appetite statement is finalized by RMD together with the review of respective department and business units and that submitted to DOS, Bangladesh Bank after approving BoD.

Management Action Trigger (MAT)

Management Action trigger is prepared annually in accordance with the requirement of Bangladesh Bank. MAT has some trigger points to possible deteriorating scenario that require management attention. MAT defines loss control limits (also referred to as "management action triggers") which require a specific management action if a defined level of loss is approached or breached.

Credit Risk Management

Credit is considered 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 Limited 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 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.

An OBL financed Corn Oil Plant Factory

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)

With the quest to practice sound credit risk management, OBL has a standardized, fast and streamlined credit approval 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 and Social 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, after appraisal by independent risk analyst, are routed through a dynamic Credit Risk Management Committee, which is headed by the Deputy Managing Director (Operation) and consists of nine other divisional/unit heads. The Committee recommends, if acceptable, to the Board and/or Executive Committee and/or the Managing Director for approval of credit proposals following the pre approved delegation of lending authority.

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

Specific delegation for credit approval has been assigned to the individual executives and the Managing Director at management level. Credit limits beyond their delegation are approved /declined by the Executive Committee and/or the Board of Directors. All credit facilities, except facilities against OBL deposit are approved through CRM division and reviewed at least once in a year.

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 Limited is to maximize the Bank's risk adjusted rate of return by maintaining credit risk exposure within acceptable parameters. More disclosure on credit risk and its management is available in this report under the section, "Disclosures on Risk based Capital (BASEL-III)" Page-97.

Market Risk Management

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stemming from adverse movements in market rates or

An OBL financed Metal Industry

prices such as interest rates, foreign exchange rates, equity prices, credit spreads and / or commodity prices. Market risk can be subdivided into following three categories:

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

Interest Rate Risk

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

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

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

i. trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer-driven foreign exchange transactions;

ii. holding foreign currency positions in the banking book (e.g. in the form of loans, bonds, deposits or cross-border investments); or

iii. engaging in derivative transactions that are denominated in foreign currency for trading or hedging purposes.

iv. banks also face the risk of default of the counter parties or settlement risk. Thus, banks may incur replacement cost, which depends upon the currency rate movements.

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

Equity Price Risk

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

An OBL financed Pharmaceutical Industry

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 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

An OBL financed Textile Mill

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

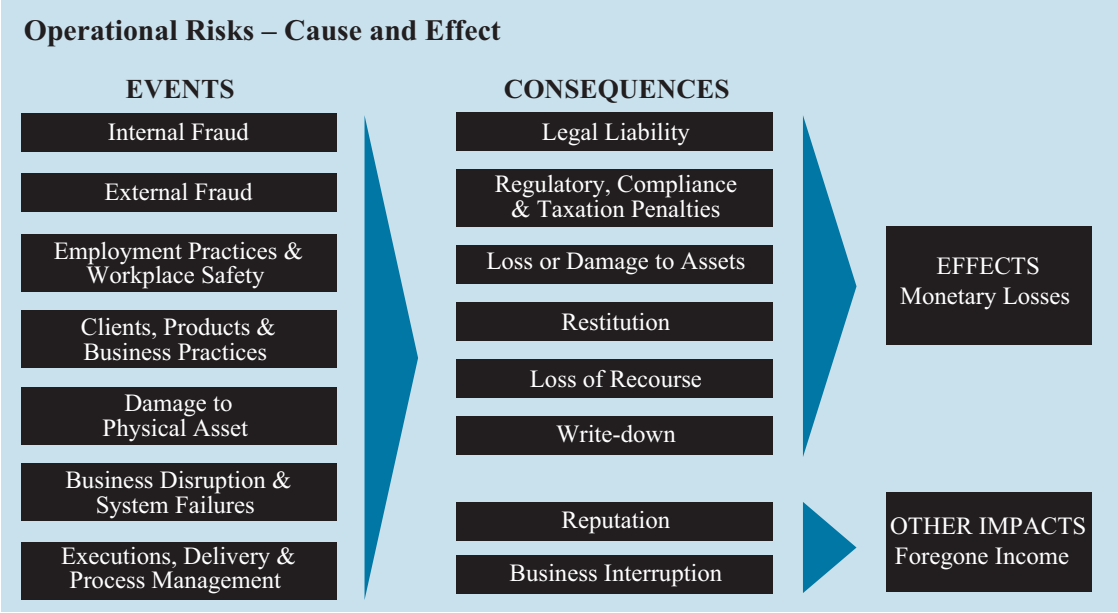
xi. GAP analysis

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:



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 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.

Prevention of Money Laundering

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

For prevention of Money Laundering (ML) and Combating Financing of Terrorism (CFT), Bangladesh Financial Intelligence Unit (BFIU) generally expects a risk management practice to address two main risks: business risks and regulatory risks. Business risks are related to customer, product or service, business practices and / or delivery methods and country or jurisdictions. This risk is mainly related to the maintenance of proper KYC and its reviewing process. Regulatory risk is associated with non compliance with regulatory requirements and /or unable or inappropriately verifies customers and lacking of AML and CFT program. Regulatory risk also involves with the possibility of lawsuits which may adversely affect the operation and reputation of the Bank.

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

For mitigating the risks, the Bank has a Central Compliance Committee (CCC) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of SEVP 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

An OBL financed Synthetic Leather Manufacturing Plant

Bank to discharge the responsibilities related to AML & CFT activities.

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

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

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 OBL 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 OBL 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 OBL. 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 @ 11.56% against the statutory requirement (with Conservation Buffer) of 11.25% as at December 31, 2017.

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

An OBL financed Housing Building under RBD

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 OBL. This will also enable OBL to assess the creditworthiness of the borrowers as well to an acceptable level.

To maintain adequate capital OBL has already issued two Subordinated Bonds i. e., Subordinated Bond-1 of Tk. 220 crore (qualifying amount as on 31st December 2017 is Tk. 88 crore) on 26th December 2013 and Subordinated Bond-2 of Tk. 400 crore on 27th October 2016. To withstand challenges and considering the future possible shortfall of adequate capital, OBL is further approaching to issue 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 OBL emphasized rigorously round the year 2017 on corporate borrowers' credit ratings to lower bank's risk profile as well as to reduce the Capital Requirement of OBL. 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 OBL, Clients and External Rating Agencies.

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

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

(a) Credit risk : On the basis of Standardized Approach

(b) Market risk : On the basis of Standardized Approach; and

(c) Operational risk: On the basis of Basic Indicator Approach.

Income Details

Interest Income

Interest Income of the Bank grew by 16.62% to Tk. 14,922.60 million during 2017 compared to Tk. 12,795.83 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 10,034.54 million in 2017 as compared to Tk. 8,465.70 million for 2016 thus increased by 18.53%. Interests paid on deposits exhibited an upward turn due to increase in deposits.

The Net Interest Income increased by 12.88% to Tk. 4,888.06 million during 2017 as against Tk. 4,330.13 million during 2016.

Towards providing for Statutory Liquidity requirements, the Bank continued to invest in Government Treasury Bills and Bonds. In addition, the Bank has also invested in shares of other legal entities.

An OBL financed Readymade Garments Factory

Income from such Investment was Tk. 2,237.85 million during the year as against Tk. 1,931.33 million during 2016.

Commission, Exchange and Brokerage Income

Earning from Commission, Exchange and Brokerage increased by 33.64% to Tk. 1,893.57 million compared to Tk. 1,416.89 million in 2016.

Other Operating Income

Other operating income increased to Tk. 555.95 million during 2017 as compared to Tk. 543.15 million for the previous year.

Total Operating Income

The total operating income stands at Tk. 9,575.42 million for 2017 as compared to Tk. 8,221.50 million for the previous year.

Operating Expenses

Total operating expense was Tk. 4,470.57 million for the year 2017 compared to Tk. 3,946.14 million for previous year.

Operating Profit

The Bank has earned an operating profit of Tk. 5,104.85 million in 2017 compared to Tk. 4,275.36 million in the year 2016.

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 5.31% of the Bank's total Loans and Advances as against 4.93% of the previous year.

Net Profit

After providing for provision and taxes, the Net Profit of the Bank for the year 2017 was Tk. 2,181.33 million, compared to Tk. 2,060.57 million in the previous year.

Dividend

The Net Profit of the Bank stood at Tk. 2,181.33 million as on December 31, 2017. After transfer of Tk. 668.93 million to Statutory Reserve, the amount available for distribution was Tk.1,512.40 million. The capital of the Bank was 11.56% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 168.98 million, total amount available for distribution to Shareholders was Tk. 1,681.38 million. The Board of Directors recommended 20% Dividend (5% Stock and 15% Cash Dividend) for the year 2017. Accordingly, an amount of Tk. 221.31 million will remain in the form of Retained Earnings.

Balance Sheet

As on December 31, 2017, total Assets of the Bank (excluding contingent) was Tk. 227,201.89 million compared to Tk. 188,241.21 million of 2016. The growth thus recorded was 20.70%. Major Asset components were Loans and Advances (75%) followed by Investments (11.51%). Deposits constituted the major portion of the Bank's liability (85.73%). Contingent Liabilities were Tk. 73,062.25 million against Tk. 70,894.59 million for the previous year.

Equity

The equity of the Bank increased to Tk. 14,109.15 million from Tk. 12,915.94 million registering an increase of 9.24%. The percentage of Tier-I Capital to Risk Weighted Asset is 7.60% against a requirement of 5.5%.

An OBL financed Knit Composite Mill

Deposits

Deposits of the Bank grew by 19.06% during the year and stood at Tk. 182,674.69 million as at December 31, 2017 against Tk. 153,427.66 million as at December 31, 2016. 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 2017 was 5.31%.

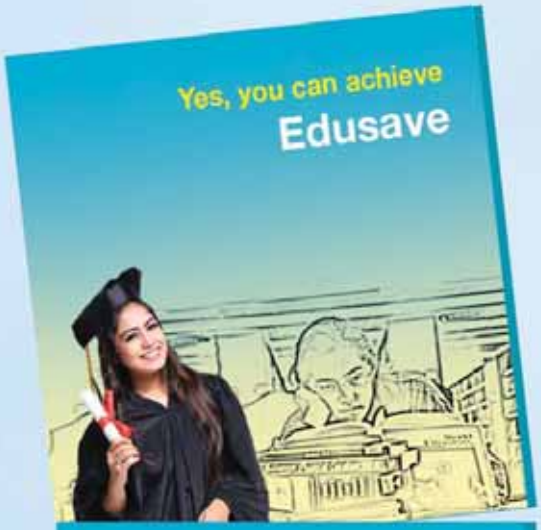
Cash and Balances with Banks and Financial Institutions

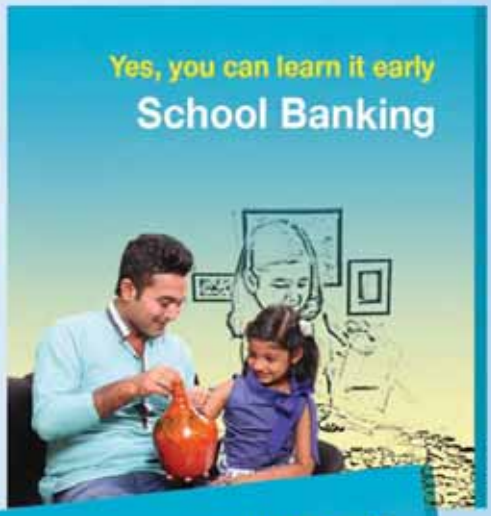
Cash and Balances with Bangladesh Bank was Tk. 15,992.27 million as against Tk. 12,950.44 million in 2016, representing an increase of 23.49%. These funds are maintained to meet the Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) of the Bank. Due to quantum increase in Deposits, 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. 1,614.74 million as at December 31, 2017.

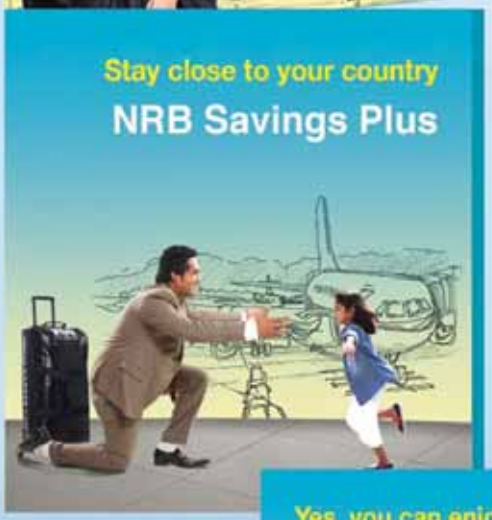
The Bank maintained sufficient balances equivalent to Tk. 775.23 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.

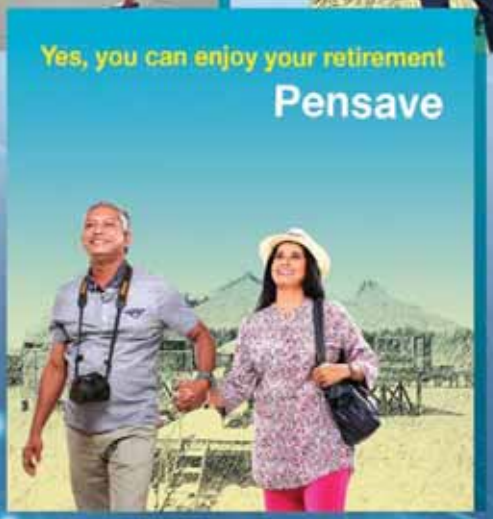
An OBL financed Utility Facility Machine

ONE Bank Saving Schemes









Financial Investments

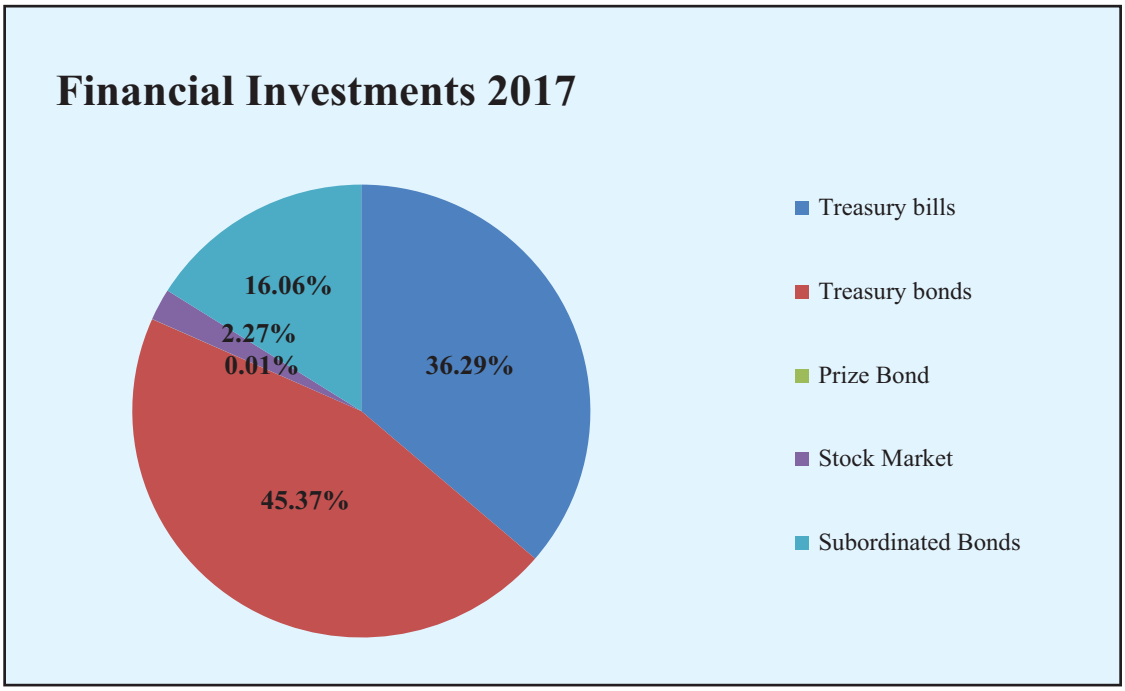
Financial Investments:
Total Investment of ONE Bank Limited as at December 31, 2017 stands at BDT 26,144.33 Million. Investment activities of the Bank mainly comprises Bangladesh Bank Treasury Bill & Bond for maintaining Statutory Liquidity Reserve (SLR) as per mandatory requirement of Bangladesh Bank. It also include investment in both HTM (Held to Maturity) and HFT (Held for Trading) Securities.

In addition to that, OBL has investment in Stock Market within the regulatory limit of 25% of Share Capital, Share Premium, Retained Earnings and Statutory Reserve (OBL holding 21.96% as on December 31, 2017).

Moreover, OBL has investment in Sub-Ordinated Bonds of Different Legal entities, Prize Bonds etc. Details of investment in different sectors are given below:

Figures in Million Taka

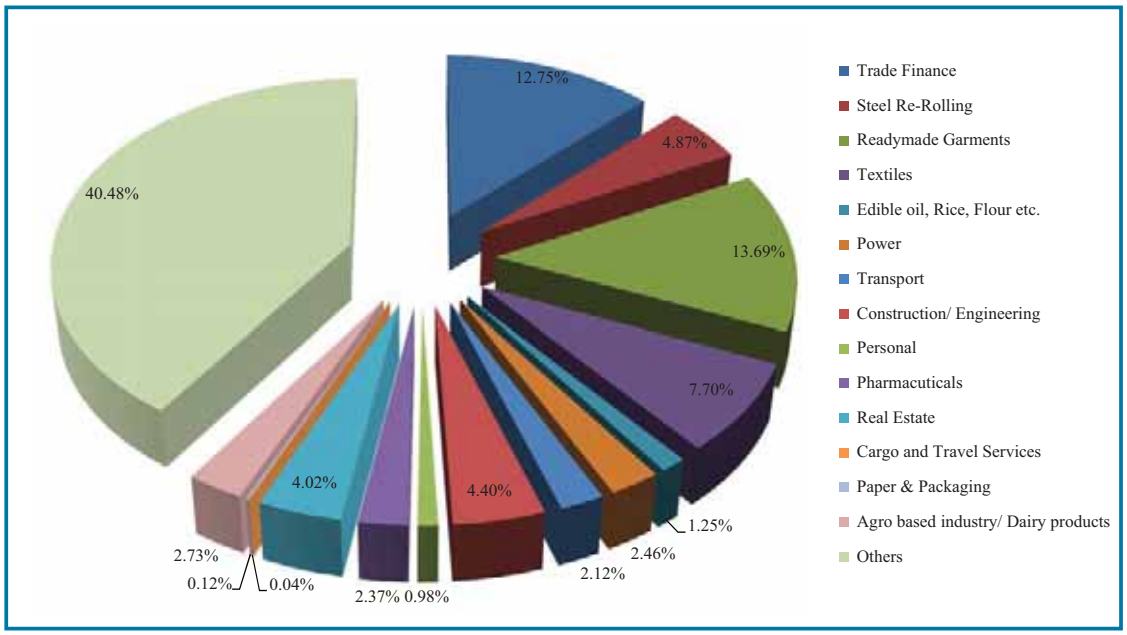
Particulars	Position as on 31/12/2017	Composition Percentage
In Government Securities		
Treasury bills	9,487.66	36.29%
Treasury bonds	11,860.78	45.37%
Prize Bond	1.45	0.01%
Other Investments		
Stock Market	594.44	2.27%
Subordinated Bonds	4,200.00	16.06%
Total	26,144.33	100.00%



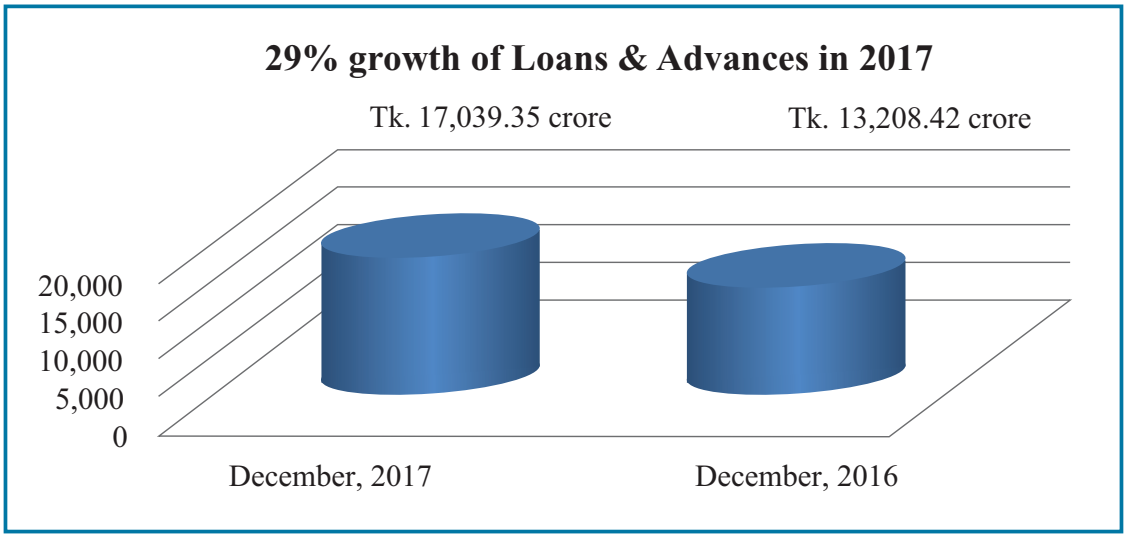
Loan and Advances

The Bank's total Loans and Advances stood at Tk.17,039.35 crore as on December 31, 2017 compared to the same of Tk. 13,208.42 crore of 2016 showing a growth of 29.00% 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, readymade garments, steel re-rolling, textile, edible oil, power, transport, construction / engineering, retail, pharmaceuticals, real-estate, paper and packaging, agro-based industry, cement, ship scrapping, etc.

Sector wise loans & advances as on 31.12.17



Comparison of Loans & Advances in last two years



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 2017: 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 31.12.2017:

Guarantee amounting to Tk. 8,270,000, Tk. 3,407,278 and Tk. 11,300 have been provided in favour of Bangladesh Shipping Lines Ltd., COSCO (Bangladesh) Shipping Lines Ltd. and Baridhi Shipping Lines Ltd against Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said Bangladesh Shipping Lines Ltd, 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. 2,435,641.

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):

a) Lease Agreement made with the Directors:

- The Bank has hired a space of 35,000 sqft. and 67 sqft. from M/s. HRC Bangladesh Limited for Central Vehicle Maintenance Unit & Off-Site Store and ATM Booth purposes at a rent of Tk. 0.89 million per month against which the Bank has advanced Tk. 5.24 million (Balance as on December 31, 2017). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. HRC Bangladesh Limited.

- The Bank has hired a space of 6,731 sqft. from M/s. Shamah Enterprise Ltd. for storage facilities at a rent of Tk. 0.23 million per month against which the Bank has advanced Tk. 2.24 million (Balance as on December 31, 2017). 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

An OBL financed Poultry Farm

Ltd. for Kawran Bazar Branch and its Corporate HQ respectively at a rent of Tk. 2.82 million per month against which the Bank has advanced Tk. 59.85 million (Balance as on December 31, 2017). 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 Zonal Office, 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. 55.96 million (Balance as on December 31, 2017). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. HRC Properties Ltd.

- The Bank has hired a space of 11,879 sqft. and 43,632 sqft. from M/s. HRC Leather Complex Limited for Vehicle Maintenance Unit & Garage and Off-site Store at Chittagong at a rent of Tk. 0.4 million per month against which the Bank has advanced Tk. 12.72 million (Balance as on December 31, 2017). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of M/s. HRC Leather Complex Limited.

An OBL financed under Construction Washing Unit

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 Notification No: SEC/CMRRCD/2006-158/134/Admin/44 issued on August 07, 2012.

Internal Control and Compliance

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

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

Going Concern

The going concern assumption is a fundamental principle in the preparation of financial statements. Under the going concern assumption, an entity is

Signing of financial Statements 2017 of ONE Bank Limited

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

Deviations from the last year's Operating Results

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

- **Details of premises owned by ONE Bank Limited:**

Sl. No.	Location	Area/Space	Remarks
01	Kader Tower, 128 Jubilee Road, Kotwali, Chittagong	6179 Sq. Ft.	Houses OBL Jubilee Road Branch, Chittagong
02	Monoara Complex, East Laldighirpar, 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-Kotwali, Jessore	4800 Sq. Ft.	Houses OBL Jessore Branch, Jessore
05	Proposed OBL Training Institute & OBL Vocational Training Institute, Chandra, Kaliakair, Gazipur	499 Decimal	Ownership obtained by Artharin Adalat verdict
06	S.N. Mim City, Holding-83, Muradpur, Hathazari Road, Panchlaish, Chittagong	4239 Sq. Ft.	Houses OBL Muradpur Branch, Chittagong

Five Years' Financial Highlights of ONE Bank Limited

As at 31 December 2017

Figures in Million Taka

Sl No	Particulars	2017	2016	2015	2014	2013
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	7,300	6,637	5,899	5,244	4,767
3	Shareholders' equity	14,109	12,916	11,579	10,225	8,576
4	Statutory Reserve	5,104	4,435	3,846	3,306	2,665
5	Total Capital (Tier-1 + Tier-2 Capital)	21,366	20,309	14,759	14,511	12,070
6	Total Assets	227,202	188,241	154,193	121,820	102,691
7	Total Deposits	182,675	153,428	131,252	100,295	86,568
8	Total Loans & Advances	170,393	132,084	106,749	90,499	76,573
9	Total Investment	26,144	28,049	22,900	14,724	10,292
10	Import business handled	150,633	127,067	105,199	111,888	74,857
11	Export business handled	93,806	67,483	56,176	66,866	58,711
12	Guarantee business handled	15,673	10,240	12,939	9,310	8,036
13	Total Contingent Liabilities	73,062	70,895	61,444	49,787	44,183
14	Total Operating Income	9,575	8,222	7,640	7,172	5,458
15	Total Operating Expenses	4,471	3,946	3,492	3,263	2,998
16	Profit before provision	5,105	4,275	4,148	3,909	2,460
17	Provision for loans and other assets	1,760	1,329	1,450	706	683
18	Profit after provision and before taxes	3,345	2,946	2,698	3,203	1,777
19	Provision for taxation	1,163	886	776	1,107	428
20	Net profit after taxation	2,181	2,061	1,922	2,096	1,349

Figures in Taka & Percentage

Sl No	Particulars	2017	2016	2015	2014	2013
1	Earnings per Share	2.99	3.10	3.26	4.00	2.83
2	Price Earning Ratio (Times)	8.03	5.89	4.69	3.95	5.58
3	Net Asset Value per share	19.33	19.46	19.63	19.50	17.99
4	Return on Assets	1.05%	1.20%	1.39%	1.87%	1.43%
5	Return on Investment	9.62%	10.07%	11.32%	12.88%	14.08%
6	Capital Adequacy Ratio	11.56%	13.89%	10.93%	13.47%	12.09%
7	Tier - 1 (Capital)	7.60%	8.72%	8.46%	9.45%	8.53%
8	Credit Deposit Ratio	84.57%	83.87%	80.58%	90.23%	88.45%
9	Percentage of classified loans against total loans and advances	5.31%	4.93%	3.58%	4.72%	4.89%
10	Dividend					
	Cash	15.00%	13.00%	12.50%	12.50%	9.00%
	Stock	5.00%	10.00%	12.50%	12.50%	10.00%

Sl No	Particulars	2017	2016	2015	2014	2013
1	Number of Branches	95	87	85	77	70
2	Number of Employees	2101	2028	1976	1861	1810

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 20% Dividend (5% Stock & 15% Cash) for the year 2017.

No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2017

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Sayeed H. Chowdhury	18	1	19
Mr. Asoke Das Gupta	16	3	19
Mr. Zahur Ullah	15	4	19
Mr. A. S. M. Shahidullah Khan	11	8	19
Mr. Kazi Rukunuddin Ahmed	16	3	19
Mr. Shawket Jaman	18	1	19
Mr. Salahuddin Ahmed	15	4	19
Mr. Syed Nurul Amin	15	4	19
Mr. M. Fakhrul Alam	19	0	19

No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2017

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Zahur Ullah	12	1	13
Mr. Sayeed H. Chowdhury	13	0	13
Mr. Asoke Das Gupta	12	1	13
Mr. M. Fakhrul Alam	13	0	13

No. of Meetings of the Audit Committee held & Attendance of the Directors in the Meetings during 2017

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	3	1	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 2017

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

Shareholding Pattern

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

I. Parent/Subsidiary/Associated companies and other related parties: ONE Securities Limited

II. Shareholding of Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

Sl No	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Sayeed H Chowdhury	Chairman	28,928,280	Ms. Farzana Chowdhur	33,125,884
2	Mr. Asoke Das Gupta	Vice Chairman	14,662,832	Ms. Rakhi Das Gupta	1,568,787
3	Mr. Zahur Ullah	Director	20,019,168	Ms. Salma Zahur	23,443,302
				Lamisa Lamiya	Nil
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing, KSC Securities Ltd.	14,780,065	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing , Irfan International Ltd.	14,601,200	Mrs. Dilruba Ahmed	Nil
6	Mr. Shawket Jaman	Director, Representing , M. R. Holdings and Securities Ltd.	14,640,533	Mrs. Shuraya Akther	Nil
				Afra Asika	Nil
				Afra Atika	Nil
7	Mr. Salahuddin Ahmed	Independent Director	Nil	Mrs. Kashefa Ahmed	Nil
8	Mr Syed Nurul Amin	Independent Director	Nil	Ms. Nurunnahar Begum	Nil
9	Mr. M. Fakhrul Alam	Managing Director	Nil	Mrs. Selina Alam	Nil
10	Mr. John Sarkar	ADMD & Company Secretary	Nil	Ms. Josephine Sarkar	Nil
				Hubert Glen Sarkar	Nil
				Timothy Carol Sarkar	Nil
11	Mr. Ashraful Haq Amin	SVP & CFO	Nil	Mrs. Kazi Naeema Binte Faruky	Nil
				Aymanul Haq Amin	Nil
				Ayeshah Amin	Nil
12	Mr. Kutub Uddin Ahmad	SVP & Head of Internal Audit	Nil	Mrs. Senora Nashid	Nil
				Ahmad Samin Yasar	Nil
				Manha Junaira Ahmad	Nil

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

Sl. No.	Name	Status	No. of Shares
1	Mr. Mahmoodun Nabi Chowdhury	DMD	Nil
2	Ms. Rozina Aliya Ahmed	ADMD	66,904
3	Mr. Shabbir Ahmed	ADMD	Nil
4	Mr. Wakar Hasan	DMD	Nil
5	Mr. A.B.M. Saif Sarwar	ADMD	Nil

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

Appointment / Re-appointment of Directors

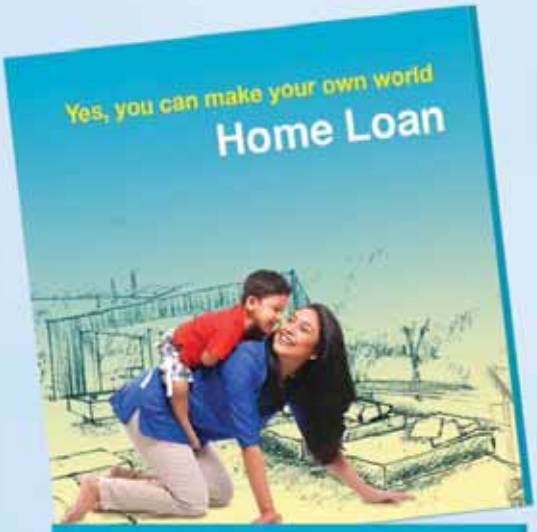
The issue is discussed in the Directors' Profile.

On behalf of the Board of Directors,

SAYEED

Sayeed Hossain Chowdhury
Chairman

ONE Bank Loan Schemes



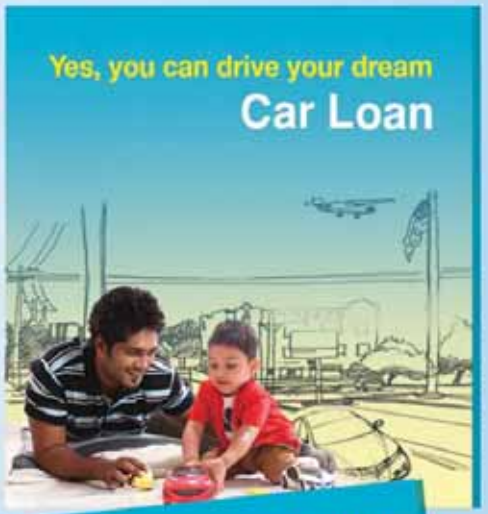


Photo Gallery

OBL Corporate Photos

Members of Board of Directors

Members of Executive Committee

Members of Audit Committee

OBL Corporate Photos

Members of Board's Risk Management Committee

Members of Management Committee

Members of Asset Liability Committee (ALCO)

OBL Corporate Photos

Members of Risk Management Committee (RMC)

Members of Basel III Committee

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

OBL Corporate Photos

Members of Credit Risk Management (CRM)

Members of Sustainable Finance Committee

Members of Sustainable Finance Unit

OBL Corporate Photos

Members of Integrity Committee (IC)

Members of Loan Review Committee (LRC)

Members of Central Compliance Unit (CCU)

Branch & Booth Opening

Inauguration of OBL Bashurhat Branch, Noakhali

Inauguration of OBL Muradpur Branch, Chittagong

Inauguration of OBL Pahartali Branch, Raozan, Chittagong

Branch & Booth Opening

Inauguration of OBL Malibagh Branch, Dhaka

Inauguration of OBL Tanbazar Branch, Narayangong

ONE Bank Limited opened a Collection Booth at ICD Kamlapur , Dhaka

OBL Corporate Programme

A partial view of OBL's 26th Branch Managers' Conference

A partial view of 18th Annual General Meeting of OBL

Celebration on 18th year of Banking Service of OBL

OBL Corporate Programme

ONE Bank Limited arranged a Mezban in Feni

ONE Bank Limited arranged a Mezban in Chittagong

Orientation Program for ONE Bank's Special Cadre Officers (5th batch)

OBL Corporate Programme

ONE Bank and RAK Bank, Dubai UAE Meet in Dhaka

Handing over of a replica of a cheque to an SME client by ONE Bank Limited in the "Banker - SME Entrepreneur Congregation."

State Minister for Women and Children Affairs Meher Afroz Chumki handed over a replica of a cheque to a client as financed by OBL

OBL Corporate Programme

Award Giving Ceremony arranged by RBD

Pushpo Mela at Rajshahi sponsored by OBL

Celebration of Women's Day 2017

Signing Ceremony

ONE Bank Limited signs an MOU with Islami Life Insurance Limited

ONE Bank Limited signs an MOU with US-Bangla Airlines

ONE Bank Limited signs an MOU with Hotel Sarina

ONE Bank's Vice Chairman Mr. Asoke Das Gupta is seen handing over a cheque of Tk. 2 crore to the Honorable Prime Minister Sheikh Hasina as a donation to the Suchana Foundation on May 15, 2017.

ONE Bank's Executive Committee Chairman Mr. Zahur Ullah is seen handing over a cheque of Tk. 2 crore to the Honorable Prime Minister Sheikh Hasina as a donation to the 'Prime Minister's Education Assistance Fund on May 15, 2017.

OBL Scholarship Programme for Poor but Meritorious Students at Chittagong

ONE Bank's Director Mr. Kazi Rukunuddin Ahmed and Managing Director Mr. M. Fakhrul Alam handed over a cheque of Tk. 5.0 Crore to the Honorable Prime Minister Sheikh Hasina on 16 October, 2017.

ONE Bank Limited distributed relief to the flood affected people at Bogra

Audit Committee's Report

The First Committee of the Bank was constituted by its Board of Directors in its 60th Meeting held on March 01,2003 in accordance with Bangladesh Bank's Directive vide BRPD Circular # 12, dated December 23, 2002. The Present Audit Committee was reconstituted by Board in its 261st Meeting held on May 11, 2017 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 2017, the Audit Committee held 4 (four) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made there in.
2. Bangladesh Bank Comprehensive Inspection Report and recommendation made there in.
3. Audit & Inspection reports on the Branches Divisions and Departments of the Corporate HQ by the Internal Control and Compliance Division of the Bank.
4. Compliance Status on Audit Observations and Fraud & Forgeries.
5. The Corrective measures taken by the Management as regards to the Internal Audit Reports, reports relating to deficiencies in Internal Control and Other issues detected by Internal and External Auditors and the Inspectors of regulatory authorities.
6. The Compliance status of the deficiencies identified and the recommendations made by the Bangladesh Bank Inspectors, External Auditors and the Bank's Internal Auditors in their reports.
7. Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of Compliance thereof.
8. Yearly Risk Based Audit Plan of Internal Control & Compliance Division.
9. Reconciliation status on inter Branch Transactions and Nostro Accounts.
10. Loan Documentation Status.
11. Status of the Anti Money Laundering activities.
12. Operating Performance of ONE Securities Ltd.

The Audit Committee has further satisfied itself that:

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own Policy guidelines approved by the Board of Directors of the Bank are duly complied with.
- Internal Control & Security measures are being adequately undertaken by the Bank in facilitating Information Technology (IT) based/ computerized banking including ensuring right man in right place towards creation of compliance culture in the Bank.
- The assets of the Bank are safeguard 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 action 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 express 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

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

We have examined the status of compliance with the conditions given in the BSEC guidelines on Corporate Governance by ONE Bank Ltd (Bank) for the year ended 31 December 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-8/134/Admin/44 dated 7 August 2012 and amendment no SEC/CMRRCD/2006-158/147/Admin of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

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

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

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

ACNABIN
Chartered Accountants

Dated,Dhaka
08 May 2018

ONE Bank Limited

Bangladesh Securities and Exchange Commission Compliance Issues - Status and Recommendations

For the year ended 31 December 2017

Condition No	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/Admin/44 dated 07 August 2012 and amendment No SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued Under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:				
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	√		Mr. Syed Nurul Amin, being an Independent Director of ONE Bank Limited, is also the nominated Director of ONE Securities Limited, a subsidiary of OBL.
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	√		
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. In special cases the above qualifications may be relaxed to prior approval of the commission.	√		
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.	√		

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.	-	-	Current year's dividend has been recommended in the Board Meetings for approval in the upcoming AGM.
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 number of shares (along with name wise details where stated below) held by :-**			
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)	√		

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 (as "Nil" in director's report)
1.5 (xxii)	**In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders.**			
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 Company Secretary(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.	√		
3 (iii)	The audit committee shall be responsible to the board of directors. The duties of the audit committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the audit committee**			
3.1 (i)	The audit committee shall be composed of at least 3 (three) members.	√		
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 2017)
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 2016 AGM's attendance since current year's AGM not yet held.
3.3	**Role of Audit Committee**			
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.	√		
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 of Directors on the following findings, if any**			
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 2017.
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)
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.	√		
4	**External Statutory Auditors** **The issuer company should not engage its external/statutory auditors to perform the following services of the company; Namely;**			
4.0 (i)	Appraisal or valuation services or fairness opinions	√		
4.0 (ii)	Financial information systems design and implementation	√		
4.0 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4.0 (iv)	Broker-dealer services	√		
4.0 (v)	Actuarial services	√		
4.0 (vi)	Internal audit 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.	√		
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.	√		Mr. Syed Nurul Amin, being an Independent Director of ONE Bank Limited, is also the nominated Director of ONE Securities Limited, a subsidiary of OBL.
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 company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5 (v)	The audit committee of the holding company review the financial statements, in particular the investments made by the subsidiary company.	√		
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)**			
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.	√		
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

April 15, 2018

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/2006-158/134/Admin/44 dated 07 August, 2012, we declare that for the financial year ended 31 December, 2017:

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.

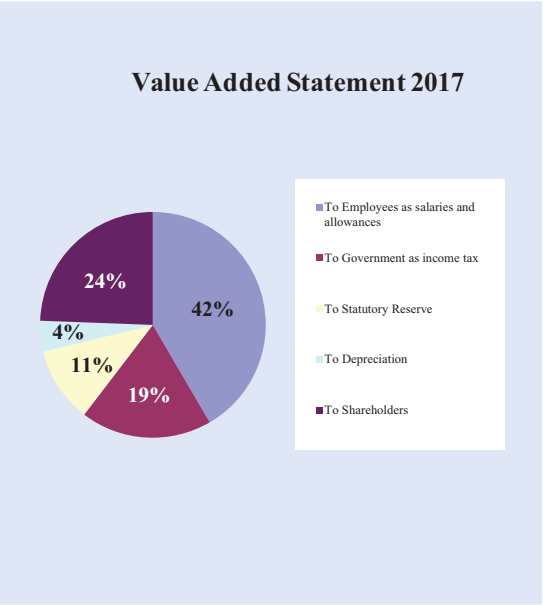
Ashraful Haq Amin
SVP & Chief Financial Officer

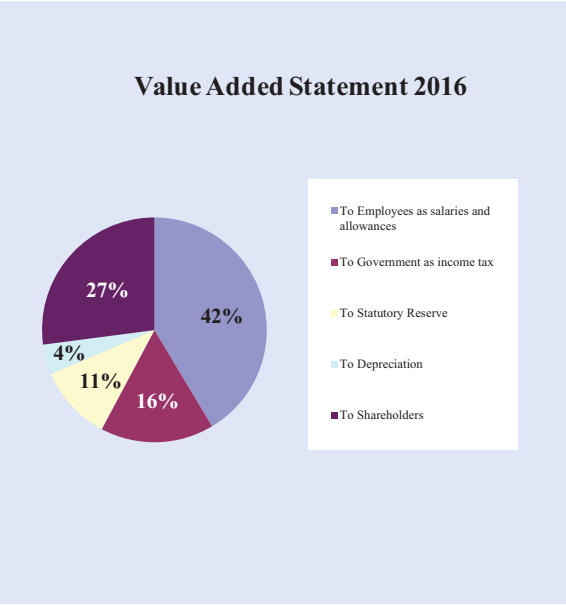
M. Fakhrul Alam
Managing Director

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.

Particulars	2017 Taka	2016 Taka
Income from banking Service	19,609,959,168	16,687,203,011
Less: Cost of services and supplies	(11,652,209,766)	(9,927,686,553)
	7,957,749,402	**6,759,516,458**
Loan loss provision and other provisions	(1,760,215,397)	(1,328,935,970)
Total Value Added	**6,197,534,005**	**5,430,580,488**





	2017 (Taka)	%	2016 (Taka)	%
Distribution of added value				
To Employees as salaries and allowances	2,580,249,694	42%	2,249,604,201	42%
To Government as income tax	1,163,307,616	19%	885,855,023	16%
To Statutory Reserve	668,926,910	11%	589,285,136	11%
To Depreciation	272,649,764	4%	234,550,605	4%
To Shareholders	1,512,400,021	24%	1,471,285,523	27%
Total	6,197,534,005	100%	5,430,580,488	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 2017. The summary of the rating is presented below:

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating
March 10, 2018	March 09, 2019	AA	ST-2
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)

Disclosures on Risk based Capital (BASEL-III)

For the year ended 31 December 2017

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)

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. 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).
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 1or in Tier 2.	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 follows: **1. Tier 1 Capital (a+b) (Going-concern capital)** **a) Common Equity Tier-1 Capital (CET-1):** ✓ Paid-up share capital ✓ Non-repayable share premium ✓ Statutory Reserve ✓ General Reserve ✓ Retained Earnings ✓ Dividend Equalization Fund ✓ Minority Interest in Subsidiaries

Disclosures on Risk based Capital (BASEL-III)

		Regulatory Adjustments from Tier-1 capital- • Shortfall in provisions required against Non Performing Loans • Shortfall in provisions required against investment in shares • Goodwill and all other Intangible Assets (if derecognized by relevant Accounting Standards) • Deferred Tax Assets (DTA) • Defined benefit pension fund assets • Gain on sale related to securitization transactions • Investment in own CET-1 Instruments/Shares • Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities • Investments in subsidiaries which are not consolidated (50% of Investment) **b) Additional Tier-1 Capital :** ✓ Perpetual Instrument. **2. Tier-2 Capital (Gone-concern capital) :** ✓ General Provision ✓ All Other preference shares ✓ Subordinated debt ✓ Minority Interest i.e. Tier-2 issued by consolidated subsidiaries to third parties ✓ Revaluation Reserves (50% of Fixed Assets and Securities & 10% of Equities) **Regulatory Adjustments from Tier-2 capital-** • 20% of Revaluation Reserves for Fixed Assets, Securities & Equity Securities each year from 2015 to 2019 • Investment in own T-2 instruments/Shares • Reciprocal crossholdings in the T-2 Capital of Banking, Financial and Insurance Entities

b. Quantitative Disclosures

Amount in crore Taka

a)	Tier-1 Capital (Going-concern capital)	Solo	Consolidated
	1. Common Equity Tier-1		
	✓ Paid up capital ✓ Statutory Reserve ✓ Retained Earnings ✓ Minority Interest in Subsidiaries	730.03 510.39 168.14 -	730.03 510.39 179.10 2.61
	Sub total	**1408.56**	**1422.13**
	Adjustment: ✓ Deferred Tax Assets (DTA) ✓ Reciprocal Crossholdings	 3.88 0.09	 3.88 0.09
	Total Common Equity Tier-1 Capital	**1404.58**	**1418.16**
	2. Additional Tier-1 Capital	**Nil**	**Nil**
b)	**Tier-2 Capital (Gone-concern capital)**		
	✓ General Provision ✓ Subordinated debt ✓ Revaluation Reserves (after netting off 60% deduction)	241.42 488.00 2.57	241.42 488.00 2.57
	Total Tier-2 Capital	**731.99**	**731.99**
	Total Eligible Capital	**2,136.57**	**2,150.15**

Disclosures on Risk based Capital (BASEL-III)

3. Capital Adequacy

a. Qualitative 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 maintain adequate capital OBL has already issued two Subordinated Bonds i. e., Subordinated Bond-1 of Tk. 220 crore (qualifying amount as on 31st December 2017 is Tk. 88 crore) on 26th December 2013 and Subordinated Bond-2 of Tk. 400 crore on 27th October 2016. To withstand challenges and considering the future possible shortfall of adequate capital, OBL is further approaching to issue 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 2017 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 supervise and implement the instructions of regulatory requirement as per Bangladesh Bank Guidelines.

Disclosures on Risk based Capital (BASEL-III)

b. Quantitative Disclosure:

Amount in Crore

Particulars	Solo	Consolidated
Credit Risk Weighted Assets	***16,434.92***	***16,201.77***
On- Balance sheet	*14,835.42*	*14,602.27*
Off-Balance sheet	*1,599.50*	*1,599.50*
Market Risk Weighted Assets	548.61	924.92
Operational Risk Weighted Assets	**1,496.47**	**1,503.25**
Total Risk Weighted Assets	**18,480.00**	**18,629.93**
Required Capital against Credit, Market and Operational Risk	***1848.00***	***1862.99***
1. Tier-1 Capital (2+3)	**1404.58**	***1,418.16***
2. Common Equity Tier-1 Capital (CET-1)	*1,404.58*	*1,418.16*
3. Additional Tier-1 Capital (AT-1)	-	-
4. Tier-2 Capital	731.99	731.99
Total Regulatory Capital (1+4) :	**2,136.57**	**2,150.15**
Capital to Risk Weighted Assets Ratio (CRAR)	**11.56%**	**11.54%**
Common Equity Tier-1 to RWA	7.60%	7.61%
Tier-1 Capital to RWA	7.60%	7.61%
Tier-2 Capital to RWA	3.96%	3.93%

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

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

4.2 Description of approaches followed for specific and general allowances

ONE Bank Limited follows the General and Specific Provision 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.

Disclosures on Risk based Capital (BASEL-III)

4.4 Credit Risk Management System

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

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

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

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

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

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

The Bank manages its credit risk through continuous measuring and monitoring of risks at each obligor (borrower) and portfolio level. One Bank is also considering credit ratings of the client assessed by 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.

Disclosures on Risk based Capital (BASEL-III)

b. Quantitative Disclosure:

a) Total gross credit risk exposures broken down by major types of credit exposures

Major types of credit exposure as per disclosures in the audited financial statements as of 31 December 2017

Particulars	Outstanding Amount	Mix (%)
Overdraft	3,932.32	23.08%
Export cash credit	110.85	0.65%
Transport loan	25.00	0.15%
House building loan	642.42	3.77%
Loan against trust receipt	938.27	5.51%
Term loan	4,573.25	26.84%
Payment against document	53.89	0.32%
Consumer Finance	165.93	0.97%
Staff loan	59.93	0.35%
Bills purchased and discounted	198.54	1.17%
Others	6,338.95	37.20%
Total loans and advances	**17,039.35**	**100%**

b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure

Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December 2017 are as follows:

Amount in crore Taka

Particulars	Outstanding Loan	Mix (%)
Urban		
Dhaka Division	11,379	71.52%
Chittagong Division	3,441	21.63%
Khulna Division	672	4.22%
Rajshahi Division	272	1.71%
Rangpur Division	68	0.42%
Barishal Division	50	0.32%
Sylhet Division	28	0.17%
Sub-total (Urban)	**15,911**	
Rural		
Dhaka Division	555	49.18%
Chittagong Division	481	42.63%
Khulna Division	39	3.49%
Rajshahi Division	25	2.22%
Sylhet Division	28	2.48%
Sub-total (Rural)	**1,128**	
Grand Total (Urban + Rural)	**17,039**	

c) 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 2017 was as under:

Major industry/sector type	Outstanding Amount	Mix (%)
Agriculture Financing	5.20	0.58%
Readymade Garments (RMG) Industries	237.43	26.26%
Textile Industries	53.72	5.94%
Other Manufacturing Industries	103.75	11.48%
Small & Medium Enterprise (SME) Loans	192.03	21.24%
Commercial Real Estate Including	48.78	5.40%
Construction industries	36.82	4.07%
Residential Real Estate Financing	23.23	2.57%
Power and Gas Industries	17.52	1.94%
Transport and Storage	46.71	5.17%
Trade Services	128.16	14.18%
Consumer Credit	2.95	0.33%
Others	7.80	0.86%
Total	**904.10**	**100.00%**

b) Specific and general provisions

Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank as per audited financial statements as of 31 December, 2017 was as under:

Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures	Amount in crore Taka
Specific provision for loans and advances	433.34
General provision for loans and advances	173.90
General provision for off-balance sheet exposures	67.52
Total	**674.76**

c) Charges for specific allowances and charges-offs (general allowances) during the period

The Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank charged during the year as per audited financial statements for the year ended 31 December 2017 was as under:

Particulars	Amount in crore Taka
Specific provision for loans and advances	154.85
General provision for loans and advances	24.55
General provision for off-balance sheet exposures	(3.37)
Total	**176.03**

d) Non Performing Assets (NPAs)

Position of Non Performing Loans and Advances including bills purchased and discounted of the Bank as per audited financial statements for the year ended 31 December 2017 was as under:

Movement of Non-Performing Assets (NPAs)	Amount in crore Taka
Opening Balance	651.05
Additions	389.45
Reductions	136.40
Closing Balance	**904.10**
Movement of specific provisions for NPAs	
Opening Balance	273.42
Provision made during the period	173.74
Recovery of written off Loan	5.08
Write back of excess provision	(18.98)
Closing balance	**433.34**

Disclosures on Risk based Capital (BASEL-III)

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	Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.
	Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	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:

Particulars	Valuation method
Shares:	
Quoted	At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..
Unquoted	At cost price.
Bonds:	
Subordinated bonds	At redemption value.

b. Quantitative Disclosures

a)	Value, disclosed in the balance sheet, of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Amount in crore Taka

Particulars	Cost		Market Value	
	Bank Position	Consolidated Position	Bank Position	Consolidated Position
Quoted Share	48.84	227.04	99.28	287.43
Unquoted share	10.60	10.60	10.60	10.60

b)	The cumulative realized gain (losses) arising from sales and liquidations in the reporting period. - Realized gain (losses) from equity investments

The cumulative realized gain (losses):

Amount in Crore Taka

Bank Position	Consolidated Position
11.69	49.98

c)	• Total unrealized gains (losses) • Total latent revaluation gains (losses) • Any amounts of the above included in Tier 2 capital

Total unrealized gains (losses)

Amount in Crore Taka

Bank Position	Consolidated Position
50.43	60.38

d)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements. a) Capital requirements for equity investments - For Specific market risk - For General market risk

The capital requirements for equity investments as of 31 December 2017 was as under:

Amount in crore Taka

Particulars	Amount (Market Value)	Weight	Capital Charge
Specific Risk	99.28	0.10	9.93
General Market Risk	99.28	0.10	9.93
Total			**19.86**

Disclosures on Risk based Capital (BASEL-III)

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. OBL measures the IRRBB as per the regulatory guidelines on a quarterly rest.

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 2017 is furnished below:

Amount in crore Taka

Particulars	Residual maturity bucket			
	1-90 Days	91-180 Days	181-270 Days	271-364 Days
Rate sensitive assets **[A]**	6,570.98	2,893.02	2,011.97	8,245.00
Rate sensitive liabilities [B]	7,525.57	2,273.01	1,840.28	5,544.57
GAP **[A-B]**	(954.59)	620.02	171.68	2,700.43
Cumulative GAP	(954.59)	(334.57)	(162.88)	2,537.40
Interest rate change (IRC) **[Note 1]**	0.0025	0.0025	0.0025	0.0025
Quarterly earnings impact [Cumulative GAP x IRC]	(2.39)	(0.84)	(0.41)	6.34
Cumulative earnings impact	(2.39)	(3.22)	(3.63)	2.71
Note 1: Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank.				

Disclosures on Risk based Capital (BASEL-III)

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:
iii) Market Risk Management system	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.

Component of Market Risk	Capital Charged for Market Risk	
	General Market Risk	Specific Market Risk
Interest Rate Risk	Applied	Applied
Equity Price Risk	Applied	Applied
Foreign Exchange Risk	Applied	
Commodities Price Risk	N/A	

b. Quantitative Disclosure:

Amount in Crore

Particulars	Solo	Consolidated
The capital requirements for:		
Interest Rate Risk	0.97	0.97
Equity Position risk	19.86	57.49
Foreign Exchange Risk	34.03	34.03
Commodity Risk	-	-
Total	**54.86**	**92.49**

Disclosures on Risk based Capital (BASEL-III)

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 Senior Executive Vice President and their activities are devoted to protect against all money laundering and terrorist finance related 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: Operational Risk	149.65	150.32

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:

Disclosures on Risk based Capital (BASEL-III)

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)	104.29%
Net Stable Funding Ratio (NSFR)	121.66%
Stock of High quality liquid assets	3,679
Total net cash outflows over the next 30 calendar days	3,528
Available amount of stable funding	18,214
Required amount of stable funding	14,971

Disclosures on Risk based Capital (BASEL-III)

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:

Amount in crore Taka

Particulars	Solo	Consolidated
Leverage Ratio	5.82%	5.88%
Adjusted Tier 1 Capital	1,405	1,418
On balance sheet exposure	22,345	22,326
Off balance sheet exposure	1,805	1,805
Deductions	(4)	(4)
Total exposure	**24,146**	**24,127**

11. Remuneration

a) Qualitative Disclosure:

a)	Information relating to the bodies that oversee remuneration and mandate of the Management.	The OBL Remuneration Committee i.e. the Management is responsible for 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 Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Management also ensures that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio. In addition, the Management of OBL performs the following: - 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, analysis 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. 1. Minimum Qualification required 2. Experience 3. Level of Risk involved 4. Criticality of the job 5. Creativity required in the job 6. Salesmanship 7. Leadership 8. Corporate Rank etc. The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank.
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks.	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). 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 remuneration before vesting and after vesting.	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 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 of Principal Officer or above, after completion of 5 (five) years of service, can avail of a House Building Loan at Bank Rate as per policy and approval from the appropriate Authority). 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.

Disclosures on Risk based Capital (BASEL-III)

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 on recommendation of the Management, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as: ▪ Performance Linked Incentives to those employees who are eligible for incentives. ▪ Ex-gratia for other employees who are not eligible for Performance linked Incentives.

b) Quantitative Disclosure:

(a)	Number of employees having received a variable remuneration award during the financial year.	Total 1,834 number of employees got variable remunerations during the year 2017.
	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. 18.40 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. 76.23 crore as of 31st December, 2017.
	Total Amount of deferred remuneration paid out in the financial year.	Total amount of deferred remunerations paid is Tk. 4.72 crore during the year 2017 (Gratuity amount paid to the outgoing employees during the year 2017).
(c)	Breakdown of amount of remuneration awards for the financial year to show:	
	- Fixed and variable	Fixed remuneration is Tk. 222.34 crore and variable remuneration disbursed is Tk. 24.68 crore.
	- Deferred and no-deferred	Deferred remuneration awarded (account for during the year) is Tk. 15.38 crore and non-deferred remuneration is Tk. 231.64 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 clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	N/A

Financial Statements

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

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 and separate balance sheets as at 31 December 2017, 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 these 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 2017, 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 separate 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;

   ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.24 of these financial statements;

c) financial statements of the subsidiary 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;

i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;

j) the information and explanation required by us have been received and found satisfactory; and

k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,675 person hours for the audit of the books and accounts of the Bank.

Dhaka, 15 April 2018

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited and its Subsidiary
Consolidated Balance Sheet

As at 31 December 2017

	Notes	2017 Taka	2016 Taka
PROPERTY AND ASSETS			
Cash	3 (a)		
Cash in hand (including foreign currencies)		1,421,581,296	1,419,096,929
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		14,570,702,877	11,531,359,863
		15,992,284,173	**12,950,456,792**
Balance with other banks and financial institutions	4 (a)		
In Bangladesh		1,614,736,769	1,438,644,291
Outside Bangladesh		775,228,602	3,659,179,549
		2,389,965,371	**5,097,823,840**
Money at call on short notice	5	-	**250,000,000**
Investments	6 (a)		
Government		21,349,893,789	25,065,926,053
Others		7,176,653,328	5,240,955,949
		28,526,547,117	**30,306,882,003**
Loans and Advances	7 (a)		
Loans, cash credit, overdraft etc.		168,124,084,062	129,853,983,356
Bills purchased and discounted		2,317,321,490	2,256,772,918
		170,441,405,552	**132,110,756,274**
Fixed Assets including premises, furnitures & fixtures	8 (a)	**2,095,158,377**	**1,970,726,731**
Other Assets	9 (a)	**7,567,122,001**	**5,435,596,662**
Non-banking Assets		-	-
Total Assets		**227,012,482,593**	**188,122,242,302**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10 (a)	**14,423,348,566**	**9,698,408,379**
Deposits and other accounts	11(a)		
Current accounts and other accounts		23,286,831,553	19,263,263,421
Bills payable		1,976,848,604	1,758,117,556
Savings bank deposits		17,625,827,836	15,274,229,186
Term deposits		139,253,494,064	116,923,257,033
		182,143,002,056	**153,218,867,196**
Other Liabilities	12 (a)	**16,201,243,369**	**12,604,420,049**
Total Liabilities		**212,767,593,991**	**175,521,695,623**
Capital/Shareholders' Equity			
Paid-up Capital	13	7,300,320,800	6,636,655,280
Statutory Reserve	14	5,103,856,419	4,434,929,509
Surplus in Profit & Loss Account	15.1 (a)	1,791,044,652	1,358,421,259
Revaluation Reserve for Securities		23,593,490	148,943,842
Total Shareholders' Equity		**14,218,815,361**	**12,578,949,890**
Non-Controlling Interest		**26,073,242**	**21,596,789**
Total Liability and Shareholders' Equity		**227,012,482,593**	**188,122,242,302**

ONE Bank Limited and its Subsidiary
Consolidated Balance Sheet

As at 31 December 2017

	Notes	2017 Taka	2016 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		30,047,785,574	31,514,595,916
Letters of Guarantee	44	13,401,108,120	11,927,328,017
Irrevocable Letters of Credit		27,670,941,678	26,163,774,210
Bills for Collection		1,942,416,151	1,288,895,147
		73,062,251,522	**70,894,593,289**
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		**73,062,251,522**	**70,894,593,289**
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		**73,062,251,522**	**70,894,593,289**
Net Asset Value Per Share		**19.48**	**17.23**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

See annexed report of even date.

Dhaka, 15 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited and its Subsidiary
Consolidated Profit & Loss Account

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Interest income	16 (a)	14,959,418,973	12,806,917,579
Interest paid on deposits and borrowings etc.	17 (a)	(10,034,541,415)	(8,465,698,136)
Net interest income		**4,924,877,559**	**4,341,219,442**
Investment Income	18 (a)	2,348,731,826	2,025,611,677
Commission, Exchange and Brokerage	19 (a)	1,964,981,041	1,452,717,330
Other operating income	20 (a)	557,075,183	544,323,510
Total operating income (A)		**9,795,665,608**	**8,363,871,960**
Salaries and allowances	21 (a)	2,590,249,795	2,357,423,816
Rent, taxes, insurance, electricity etc.	22 (a)	551,060,533	476,880,251
Legal expenses	23 (a)	35,692,757	19,027,112
Postage, stamps, telecommunication etc.	24	65,135,840	79,606,726
Directors' fees	25 (a)	1,681,250	1,523,500
Auditors' fees		225,000	225,000
Stationery, Printings, advertisements etc.	26 (a)	255,168,435	156,932,637
Managing Director's salary and allowances (Bank only)	27	14,220,000	13,333,226
Depreciation, leasing expense and repair of bank's assets	28 (a)	624,026,131	564,608,420
Other expenses	29 (a)	376,809,515	303,356,414
Total operating expenses (B)		**4,514,269,255**	**3,972,917,102**
Profit/ (loss) before provision and tax (C=A-B)		**5,281,396,353**	**4,390,954,857**
Provision for loans and advances			
Specific provision	12.4	1,548,486,691	1,197,346,915
General provision	12.5	245,456,425	61,889,257
		1,793,943,116	**1,259,236,173**
Provision for off-balance sheet items	12.8	(33,735,206)	94,509,626
Provision for diminution in value of share	31	(350,756,540)	(270,151,714)
Provision for other	32	7,486	(133,362)
Total Provision (D)		**1,409,458,856**	**1,083,460,722**
Profit/(loss) before taxes (E=C-D)		**3,871,937,496**	**3,307,494,136**
Provision for taxation			
Current tax expense	33 (a)	1,287,863,372	873,566,138
Deferred tax expense /(income)	33 (a)	(48,383,337)	12,715,990
		1,239,480,035	886,282,128
Net Profit after taxation		**2,632,457,461**	**2,421,212,008**
Attributable to:			
Shareholders of the ONE Bank Ltd		2,627,981,009	2,417,605,474
Non-Controlling Interest		4,476,453	3,606,533
		2,632,457,461	**2,421,212,008**
Retained Surplus brought forward	15.1(b)	(168,009,447)	(469,899,079)
Add: Net profit after tax (attributable to shareholder of OBL)		2,627,981,009	2,417,605,474
		2,459,971,561	**1,947,706,395**
Appropriations:			
Statutory Reserve	14	668,926,910	589,285,136
General Reserve		-	-
		668,926,910	589,285,136
Retained Surplus		**1,791,044,652**	**1,358,421,259**
Earnings per share (EPS)	45 (a)	**3.60**	**3.31**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

See annexed report of even date.

Hoda Vasi Chowdhury & Co

Dhaka, 15 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited and its Subsidiary
Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Cash flows from operating activities			
Interest receipts in cash	34(a)	15,598,048,746	13,844,891,100
Interest payments	35(a)	(9,282,571,544)	(8,701,401,995)
Dividend receipts		116,000,784	150,732,873
Fee and commission receipts in cash	36(a)	857,128,160	698,259,024
Recoveries of loans previously written off		50,786,830	31,401,393
Cash payments to employees		(2,569,505,559)	(2,350,036,195)
Cash payments to suppliers		(607,544,539)	(474,730,944)
Income Taxes paid		(1,580,916,961)	(1,132,912,171)
Receipts from other operating activities	39(a)	2,047,789,045	1,327,357,408
Payment for other operating activities	40(a)	(999,821,979)	(878,351,900)
Cash generated from operating activities before changes in operating assets and liabilities		**3,629,392,985**	**2,515,208,595**
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		7,474,910,977	(863,431,069)
Loans and advances to customers		(39,413,688,249)	(25,891,333,811)
Other current assets	41(a)	(418,930,745)	(9,913,098)
Deposits from other banks		4,877,724,135	223,880,156
Deposits from customers		23,577,858,914	22,415,149,027
Other liabilities		1,336,499,647	893,687,881
A Net cash used in/ from operating activities		**1,063,767,664**	**(716,752,319)**
Cash flows from investing activities			
Proceeds from sale of securities		13,956,757,094	7,683,283,978
Payments for purchase of securities		(17,969,889,067)	(11,506,346,030)
Purchase of property, plant & equipment		(363,398,119)	(438,595,635)
Sale of property, plant & equipment		6,224,426	9,683,025
B Net cash used in investing activities		**(4,370,305,667)**	**(4,251,974,662)**
Cash flows from financing activities			
Receipts from issue of ordinary shares		-	5,000,130
Borrowing from other banking companies, agencies etc.		4,224,940,187	7,410,331,767
Dividend paid		(859,340,710)	(736,728,248)
C Net cash used for financial activities		**3,365,599,477**	**6,678,603,649**
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		**59,061,474**	**1,709,876,668**
E Effects of exchange rate changes on cash and cash-equivalent		**24,708,438**	**237,150**
F Opening cash and cash equivalent		**18,299,928,732**	**16,589,814,914**
G Closing cash and cash equivalents (D+E+F)		**18,383,698,645**	**18,299,928,732**
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3(a)	1,421,581,296	1,419,096,929
Cash with Bangladesh Bank & its agent banks(s)	3(a)	14,570,702,877	11,531,359,863
Cash with other banks and financial institutions	4(a)	2,389,965,371	5,097,823,840
Money at call on short notice	5	-	250,000,000
Prize bonds	6	1,449,100	1,648,100
		18,383,698,645	**18,299,928,732**
Net Operating Cash Flow Per Share		**1.46**	**(0.98)**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam	**Syed Nurul Amin**	**A.S.M. Shahidullah Khan**	**Asoke Das Gupta**
Managing Director	Director	Director	Vice-Chairman

Dhaka, 15 April 2018

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

For the year ended 31 December 2017

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 2017	**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**
Changes in accounting policy	-	-	-	-	-	-	
Restated balance	**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**
Issue of Bonus Share for the year 2016 (Transferred to Paid-up Capital)	663,665,520	-	-	(663,665,520)	-	-	-
Cash Dividend Paid	-	-	-	(862,765,186)	(862,765,186)	-	(862,765,186)
Share Transferred	-	-	-	-	-	-	-
Surplus of Revaluation of Reserve for HTM Securities	-	-	23,593,490	-	23,593,490	-	23,593,490
Adjustmentof Revaluation of Reserve for HTM Securities	-	-	(148,943,842)	-	(148,943,842)	-	(148,943,842)
Net Profit after Tax for the year	-	-	-	2,627,981,009	2,627,981,009	4,476,453	2,632,457,461
Profit transferred to Statutory Reserve	-	668,926,910	-	(668,926,910)	-	-	-
Balance as at 31 December 2017	**7,300,320,800**	**5,103,856,419**	**23,593,490**	**1,791,044,652**	**14,218,815,361**	**26,073,242**	**14,244,888,603**
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**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

Dhaka, 15 April 2018

ONE Bank Limited
Balance Sheet

As at 31 December 2017

	Notes	2017 Taka	2016 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		1,421,571,108	1,419,077,712
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		14,570,702,877	11,531,359,863
		15,992,273,986	**12,950,437,575**
Balance with other banks and financial institutions	4		
In Bangladesh		1,614,736,769	1,438,644,291
Outside Bangladesh		775,228,602	3,659,179,549
		2,389,965,371	**5,097,823,840**
Money at call on short notice	5	**-**	**250,000,000**
Investments	6		
Government		21,349,893,789	25,065,926,053
Others		4,794,435,191	2,983,483,084
		26,144,328,980	**28,049,409,137**
Loans and Advances	7		
Loans, cash credit, overdraft etc.		168,076,148,472	129,827,473,555
Bills purchased and discounted		2,317,321,490	2,256,772,918
		170,393,469,963	**132,084,246,472**
Fixed Assets including premises, furnitures & fixtures	8	**2,069,599,095**	**1,957,112,136**
Other Assets	9	**10,212,256,401**	**7,852,176,154**
Non-banking Assets		**-**	**-**
Total Assets		**227,201,893,797**	**188,241,205,314**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	**14,423,348,566**	**9,698,408,379**
Deposits and other accounts	11		
Current accounts and other accounts		23,286,831,553	19,263,263,421
Bills payable		1,976,848,604	1,758,117,556
Savings bank deposits		17,625,827,836	15,274,229,186
Term deposits		139,785,181,673	117,132,045,587
		182,674,689,666	**153,427,655,750**
Other Liabilities	12	**15,994,706,738**	**12,199,203,752**
Total Liabilities		**213,092,744,970**	**175,325,267,881**
Capital/Shareholders' Equity			
Paid-up Capital	13	7,300,320,800	6,636,655,280
Statutory Reserve	14	5,103,856,419	4,434,929,509
Surplus in Profit & Loss Account	15	1,681,378,120	1,695,408,803
Revaluation Reserve for HTM Securities		23,593,490	148,943,842
Total Shareholders' Equity		**14,109,148,828**	**12,915,937,434**
Total Liability and Shareholders' Equity		**227,201,893,797**	**188,241,205,314**

ONE Bank Limited
Balance Sheet

As at 31 December 2017

	Notes	2017 Taka	2016 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		30,047,785,574	31,514,595,916
Letters of Guarantee	44	13,401,108,120	11,927,328,017
Irrevocable Letters of Credit		27,670,941,678	26,163,774,210
Bills for Collection		1,942,416,151	1,288,895,147
		73,062,251,522	**70,894,593,289**
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		**73,062,251,522**	**70,894,593,289**
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		**73,062,251,522**	**70,894,593,289**
Net Asset Value Per Share		**19.33**	**17.69**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

See annexed report of even date.

Hoda Vasi Chowdhury

Dhaka, 15 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited
Profit & Loss Account

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Interest income	16	14,922,597,255	12,795,830,682
Interest paid on deposits and borrowings etc.	17	(10,034,541,415)	(8,465,698,136)
Net interest income		**4,888,055,840**	**4,330,132,546**
Investment Income	18	2,237,847,145	1,931,327,279
Commission, Exchange and Brokerage	19	1,893,565,480	1,416,894,796
Other operating income	20	555,949,288	543,150,254
Total operating income (A)		**9,575,417,753**	**8,221,504,874**
Salaries and allowances	21	2,566,029,694	2,341,937,504
Rent, taxes, insurance, electricity etc.	22	549,908,233	476,880,251
Legal expenses	23	35,214,382	19,003,893
Postage, stamps, telecommunication etc.	24	65,135,840	79,606,726
Directors' fees	25	1,536,000	1,456,000
Auditors' fees		200,000	200,000
Stationery, Printings, advertisements etc.	26	254,780,925	156,663,854
Managing Director's salary and allowances	27	14,220,000	13,333,226
Depreciation, leasing expense and repair of bank's assets	28	620,895,954	562,425,879
Other expenses	29	362,646,782	294,635,890
Total operating expenses (B)		**4,470,567,809**	**3,946,143,223**
Profit/ (loss) before provision and tax (C=A-B)		**5,104,849,944**	**4,275,361,651**
Provision for loans and advances			
Specific provision	12.4	1,548,486,691	1,197,346,915
General provision	12.5	245,456,425	61,889,257
		1,793,943,116	**1,259,236,172**
Provision for off-balance sheet items	12.8	(33,735,206)	94,509,626
Provision for diminution in value of share	12.10	-	(24,676,466)
Provision for other	12.7	7,486	(133,362)
Total Provision (D)		**1,760,215,397**	**1,328,935,970**
Profit/ (loss) before taxes (E=C-D)		**3,344,634,548**	**2,946,425,682**
Provision for taxation			
Current tax expense	33	1,211,690,953	873,139,033
Deffered tax expense/ (income)	33	(48,383,337)	12,715,990
		1,163,307,616	885,855,023
Net Profit after taxation		**2,181,326,932**	**2,060,570,658**
Retained Surplus brought forward	15.1	168,978,097	224,123,281
		2,350,305,029	**2,284,693,940**
Appropriations:			
Statutory Reserve	14	668,926,910	589,285,136
General Reserve		-	-
		668,926,910	589,285,136
Retained Surplus		**1,681,378,120**	**1,695,408,803**
Earnings per share (EPS)	45	**2.99**	**2.82**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

See annexed report of even date.

Hoda Vasi Chowdhury & Co

Dhaka, 15 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited
Cash Flow Statement

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Cash flows from operating activities			
Interest receipts in cash	34	15,561,227,024	13,833,804,204
Interest payments	35	(9,282,571,544)	(8,701,401,995)
Dividend receipts		41,477,202	84,713,818
Fee and commission receipts in cash	36	785,712,599	662,436,490
Recoveries of loans previously written off		50,786,830	31,401,393
Cash payments to employees	37	(2,569,505,559)	(2,350,036,195)
Cash payments to suppliers	38	(607,544,539)	(474,730,944)
Income taxes paid	9.2	(1,552,417,074)	(1,113,441,511)
Receipts from other operating activities	39	1,663,802,169	1,297,918,810
Payment for other operating activities	40	(961,705,368)	(871,347,331)
Cash generated from operating activities before changes in operating assets and liabilities		**3,129,261,741**	**2,399,316,739**
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		7,474,910,977	(863,431,069)
Loans and advances to customers		(39,392,262,461)	(25,913,583,621)
Other current assets	41	(398,785,632)	12,954,617
Deposits from other banks	42	4,877,724,135	223,880,156
Deposits from customers	43	23,900,757,970	22,623,937,581
Other liabilities		1,332,395,168	901,481,903
A Net cash used in/ from operating activities		**924,001,899**	**(615,443,693)**
Cash flow from investing activities			
Proceeds from sale of securities		13,956,757,094	7,683,283,978
Payments for purchase of securities		(17,845,143,796)	(11,051,287,792)
Payment for investment in subsidiary		-	(494,999,870)
Purchase of property, plant & equipment		(348,368,595)	(436,219,407)
Sale of property, plant & equipment		6,224,426	9,683,025
B Net cash used in investing activities		**(4,230,530,872)**	**(4,289,540,066)**
Cash flow from financing activities			
Receipts from issue of ordinary shares		-	-
Borrowing from other banking companies, agencies etc.		4,224,940,187	7,410,331,767
Dividend paid		(859,340,710)	(736,728,248)
C Net cash from financing activities		**3,365,599,477**	**6,673,603,519**
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		59,070,504	1,768,619,760
E Effects of exchange rate changes on cash and cash-equivalent		24,708,438	237,150
F Opening cash and cash equivalent		**18,299,909,515**	**16,531,052,605**
G Closing cash and cash equivalents (D+E+F)		**18,383,688,457**	**18,299,909,515**
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3.1	1,421,571,108	1,419,077,712
Cash with Bangladesh Bank & its agent banks(s)	3.2	14,570,702,877	11,531,359,863
Cash with other banks and financial institutions	4	2,389,965,371	5,097,823,840
Money at call and short notice	5	-	250,000,000
Prize bonds	6	1,449,100	1,648,100
		18,383,688,457	**18,299,909,515**
Net Operating Cash Flow Per Share		**1.27**	**(0.84)**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

Dhaka, 15 April 2018

ONE Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2017

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
Balance as at 01 January 2017	**6,636,655,280**	**4,434,929,509**	**148,943,842**	**1,695,408,803**	**12,915,937,434**
Changes in accounting policy	-	-	-	-	-
Restated balance	**6,636,655,280**	**4,434,929,509**	**148,943,842**	**1,695,408,803**	**12,915,937,434**
Issue of Bonus Share for the year 2016 (Transferred to Paid-up Capital)	**663,665,520**	-	-	**(663,665,520)**	-
Cash Dividend Paid	-	-	-	**(862,765,186)**	**(862,765,186)**
Surplus of Revaluation of Reserve for HTM Securities	-	-	23,593,490	-	23,593,490
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(148,943,842)	-	(148,943,842)
Net Profit after Tax for the year	-	-	-	2,181,326,932	2,181,326,932
Profit transferred to Statutory Reserve	-	668,926,910	-	(668,926,910)	-
Balance as at 31 December 2017	**7,300,320,800**	**5,103,856,419**	**23,593,490**	**1,681,378,120**	**14,109,148,828**
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**

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

Dhaka, 15 April 2018

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

As at 31 December 2017

Amount in Taka

	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	15,992,273,986	-	-	-	-	15,992,273,986
Balance with other banks and financial institutions	827,716,238	447,333,301	1,114,915,832	-	-	2,389,965,371
Money at call on short notice	-	-	-	-	-	-
Investment	173,534,968	2,760,843,324	8,313,692,197	8,814,655,018	6,081,603,472	26,144,328,980
Loans and Advances	21,060,058,637	41,370,119,841	58,613,843,387	38,001,665,290	11,347,782,807	170,393,469,963
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	2,069,599,095	2,069,599,095
Other Assets	629,543,246	-	1,022,352,924	1,703,921,541	6,856,438,690	10,212,256,401
Non-banking Assets	-	-	-	-	-	-
Total Assets	**38,683,127,075**	**44,578,296,466**	**69,064,804,341**	**48,520,241,850**	**26,355,424,064**	**227,201,893,797**
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,294,327,771	697,022,619	2,307,663,170	9,324,335,006	800,000,000	14,423,348,566
Deposits and Other Accounts	36,240,475,149	43,491,647,289	59,166,210,710	24,261,132,017	19,515,224,501	182,674,689,666
Other Liabilities	1,779,902,219	1,306,036,609	5,517,782,033	7,390,985,878	-	15,994,706,738
Total Liabilities	**39,314,705,138**	**45,494,706,516**	**66,991,655,914**	**40,976,452,901**	**20,315,224,501**	**213,092,744,969**
Net Liquidity Gap	**(631,578,063)**	**(916,410,050)**	**2,073,148,427**	**7,543,788,949**	**6,040,199,563**	**14,109,148,828**

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

These Financial Statements should be read in conjunction with the annexed notes 1 to 48.

M. Fakhrul Alam
Managing Director

Syed Nurul Amin
Director

A.S.M. Shahidullah Khan
Director

Asoke Das Gupta
Vice-Chairman

Dhaka, 15 April 2018

Notes to the Financial Statements

For the year ended 31 December 2017

1. The Bank and its activities

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 June 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 ninety five (95) and the number of booths was nineteen (19) as on 31 December 2017.

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 (Subsidiary of the Bank)

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 2017.

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 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 2017, the amount of deposit was 80.40% of total liability and shareholders' equity & the amount of shareholders' equity was 6.21% 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 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 Basis of Preparation and Significant Accounting Policies

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 Separate and Consolidated Financial Statements

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 Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

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 amortized cost method using effective interest rate and interest income is recognized through the profit and loss account.

Bangladesh Bank: As per the DOS Circular no.-05, dated May 26, 2008 and subsequent clarification in DOS Circular no-05, dated January 28, 2009 HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized 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 amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized 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 sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures (except BRPD circular letter no. 01 dated January 03, 2018) 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 recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized 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 recognized 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 recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per the requirement of BRPD circular 14 dated 25 June 2003 financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognized 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 recognized, 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 Basis of measurement

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury bills and bonds designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.

2.5 Use of Estimates and Judgments

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

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

2.6 Foreign currency transactions and translations

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 2017 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.

2.7 Assets and the basis of their valuation

2.7.1 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.

2.7.2 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, BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018 respectively at the following rates

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer Finance (House Financing)	1%	1%
Consumer Finance (Loans for Professionals)	2%	2%

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
Consumer financing (Other than housing financing and loans for professionals)	5%	5%
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	1%	1%
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.

2.7.3 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 recognized in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marked to Market/ fair value	Loss to Profit and Loss A/C, gain to revaluation reserve through Profit and Loss Account
Government Treasury Bills (HTM)	Cost	Amortized cost	Increased or decreased in value to equity.
Government Treasury Bonds (HFT)	Cost	Marked to Market/ fair value	Loss to Profit and Loss A/C, gain to revaluation reserve through Profit and Loss Account

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

c) Investment in Quoted Securities: These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline.

d) Investment in Unquoted Securities: Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

e) Investments in Subsidiary: Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's Financial Statements in accordance with the Bangladesh Accounting Standard 28. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses if any.

2.7.4 Non Current Assets

a) Property, Plant and Equipment

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

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

Depreciation

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

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.

2.7.5 Other Assets

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

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

2.7.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

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

b) Subordinated Bond

ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 26th December, 2013 an amount of Tk. 2,200,000,000 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 non-convertible subordinated floating rate bonds on 27th October, 2016 an amount of Tk. 4,000,000,000 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 @ 8.50%.

c) Deposits and Other Accounts

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

d) 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.

e) 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".

f) Provision for Loans and Advances:

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular NO. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018.

Details are stated in Note 7.13 of these financial statements.

g) Provision against investment in Capital Market

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular No. 04 dated 24 November 2011 and DOS circular letter no. 03 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective no. of units. As on the reporting date, the Bank does not hold any mutual fund.

h) Provision for off-balance sheet exposures

Off balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular No. 14 dated 23 September 2012 banks are advised to maintain provision @ 1% against off balance sheet exposure (except contain in BRPD Circular letter No. 01 dated 03 January 2018).

i) Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more or classified as bad/loss.

j) Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

k) Provision for liabilities and accrued expenses

In compliance with BAS 37, provisions for other liabilities and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

l) Taxation

l.1 Current Tax

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

l.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.

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

a) Authorized and issued capital

The authorized capital of the Bank is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. This amount can be changed by shareholders' approval upon fulfillment of relevant provisions of the Companies Act 1994. Part of the authorized capital usually remains unissued. The part of the authorized capital already issued to shareholders is referred to as the issued share capital of the Bank.

b) 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.

c) Share premium

The Share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilized as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

d) 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.

e) Reserve for amortization/ revaluation of securities

When the value of a government treasury security categorized as HTM increases as a result of amortization, the amount thus increased is recognized directly to equity as 'reserve for amortization'. However, any increase in the value of such securities categorized as HFT as a result of 'mark to market' is booked under equity as 'revaluation reserve' but any decrease is directly charged to profit and loss account as per Bangladesh Bank DOS circular letter no. 5 dated 26 May 2008 & DOS Circular letter no. 5 dated 28 January 2009.

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. Income on Investments other than dividend on shares is accounted for on an 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) Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the payment is established as per BAS 18 'Revenue'.

e) 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:

Particulars	Basis of Use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioral trend (non -maturity products).
Fixed assets	Useful life.
Other assets	Realization/amortization basis.
Borrowing from other banks, financial institutions and agents	Maturity/ repayment term.
Deposits and other accounts	Maturity and behavioral trend (non -maturity products).
Provision and other liability	Settlement/adjustment schedule basis

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 2017 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 2017 have been authorized for issue in accordance with a resolution of the Board of Directors on 15 April 2018.

2.16 Materiality and Aggregation

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

2.17 Offsetting

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

2.18 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2017.

2.19. Number of Employees

The number of employees employed in the Bank as on 31 December 2017 was 2101 of which 1680 were male and 421 were female. The number of employees per branch (including 19 booths) was 14.46 (1374/95) excluding 727 employees in the Head Office of the Bank.

2.20. Employee Benefits

a) Provident Fund (Defined Contribution Plan)

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

b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

The objective of the fund is to provide financial assistance to all the employees of the Bank for treatment (medical/surgical, physical/other disability, etc) of the employees and or his/her dependent(s); damage or loss of his/her homestead by natural disaster/calamities. The Fund consists of monthly contributions by all the employees of the Bank and 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.
2. Guard, Electrician, Driver, Messenger & Mali: Tk. 5,000/- twice during entire period of service of an employee in the Bank.

f) Annual Leave Fare Assistance

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

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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

i) Staff Car 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.
2. TAO/Casual/Contractual Staff on consolidated pay @ 50% of Consolidated Pay.
3. The Officers who have joined OBL from other Banks and Financial Institutions but have not yet completed six months service with OBL @ one month's Basic Pay.

l) Incentive Bonus

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

m) Un-availed Earned Leave Encashment

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

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

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

o) Furniture & Fixture Facility Scheme:

The executives of the Bank are entitled to a specific amount to meet the cost of furnishing of residence with

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

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

Name of the BAS / BFRS	BAS / BFRS	Status of compliance
Presentation of Financial Statements	BAS1	Applied
Inventories	BAS2	N/A
Statement of Cash Flow	BAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS 8	Applied
Events after the Reporting Period	BAS 10	Applied
Construction Contracts	BAS 11	N/A
Income Taxes	BAS 12	Applied
Property, Plant and Equipment	BAS 16	Applied
Leases	BAS 17	Applied
Revenue	BAS 18	Applied
Employee Benefits	BAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS 20	N/A
The Effects of Changes in Foreign Exchange Rates	BAS 21	Applied
Borrowing Costs	BAS 23	Applied
Related Party Disclosures	BAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS 26	N/A**
Separate Financial Statements	BAS 27	Applied
Investments in Associates & Joint Ventures	BAS 28	N/A
Financial Reporting for Hyperinflationary Economics	BAS 29	N/A
Financial Instruments: Presentation	BAS 32	Applied to the extent of compliance with BRPD Circular no. 14, dated June 2003, DOS Circular no. 5, dated 26 May 2008 and DOS Circular no. 5, dated 28 January 2009.
Earnings per share	BAS 33	Applied
Interim Financial Reporting	BAS 34	Applied ***

Notes to the Financial Statements

For the year ended 31 December 2017

Name of the BAS / BFRS	BAS / BFRS	Status of compliance
Impairment of Assets	BAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS 37	Applied
Intangible Assets	BAS 38	Applied
Financial Instruments: Recognition and Measurement	BAS 39	Applied to the extent of compliance with BRPD Circular no. 14 dated June 2003, DOS Circular no. 5 dated 26 May 2008 and DOS Circular no. 5 dated 28 January 2009.
Investment Property	BAS 40	N/A
Agriculture	BAS 41	N/A
Bangladesh Financial Reporting Standards (BFRS):		
First time adoption of Bangladesh Financial Reporting Standards	BFRS 1	N/A
Share Based Payment	BFRS 2	N/A
Business Combinations	BFRS 3	Applied
Insurance Contracts	BFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	BFRS 5	N/A
Exploration for and Evaluation of Mineral Resources	BFRS 6	N/A
Financial Instruments: Disclosures	BFRS 7	Applied to the extent of compliance with core risk management guideline of BB.
Operating Segments	BFRS 8	Applied
Financial Instruments	BFRS 9	BFRS 9 will be replaced of BAS 39 on January 01, 2018.
Consolidated Financial Statements	BFRS 10	Applied
Joint arrangements	BFRS 11	N/A
Disclosure of interest in other entities	BFRS 12	Applied
Fair value measurement	BFRS 13	Applied
Regulatory Deferral Accounts	BFRS 14	N/A
Revenue from Contracts with Customers	BFRS 15	Will be replaced of BAS 11 & 18 on or before January 01, 2018.

***N/A=Not Applicable**

* In order to comply with certain specific rules and regulations of the local Central Bank (Bangladesh Bank) which are different to BAS / BFRS, some of the requirements specified in these BAS / BFRSs are not applied which are described in Note : 2.3.

** This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

*** The objective of BAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, The Bank is complying with BAS 34 regularly for publications of Interim Financial Report.

New and amended standards adopted by the bank

There are no new standards, amendments to standards and interpretations that are effective for the first time of the financial year ended 31 December 2017 that have a significant impact on the bank.

New and amended standards and interpretations not yet adopted by the Bank

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2017 have been considered. However, these amendments have not material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

a) BFRS 9 Financial Instruments

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. As per the Bank's assessment, any material impact of BFRS 9 would be primarily on calculation of impairment provision. However, as Bangladesh Bank has not issued any circular to revise its current impairment, classification and measurement policies to align with BFRS 9 the Bank is unable to quantify any potential impact on its financial statements.

b) BFRS 15 Revenue from Contracts with Customers

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on preliminary assessment the Bank has determined that BFRS 15 has no material impact on its financial statements.

c) IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Bank has not yet assessed any potential impact of IFRS 16 on its financial statements.

d) IFRS 17 Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

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 @ 11.56% against the statutory requirement of 11.25% as at December 31, 2017.

2.23 Risk Management

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

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

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

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

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

2.23.1 Credit Risk Management

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

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

Towards ensuring transparency and accountability, entire credit related activities in ONE Bank Ltd. have been segregated into different segments. A separate Credit Risk Management Division has been established at Corporate Headquarters, which is entrusted with the responsibilities of managing all approval issues upon

imparting due diligence and rigorous risk analysis, devising mitigates thereto and formulating policy/strategy for lending operations. An effective assessment is done before sanction of any credit facility at Credit Risk Management Unit, which includes borrower risk analysis, historical performance of the customer, security of the proposed credit facility etc. OBL meticulously addresses environmental risk issues in compliance with Bangladesh Bank Guideline. Compliance of upcoming Environmental and Social Risk Management issues are in the card as well.

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

2.23.2 Foreign Exchange Risk Management

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

2.23.3 Asset Liability Risk Management

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

2.23.4 Prevention of Money Laundering and Combating Financing of Terrorism

Considering Money laundering (ML) and Terrorist Financing (TF) as one of the major threats to the stability and the integrity of financial system, and in response to national and international initiatives, ONE Bank Limited 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 Committee (CCC) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of Senior Executive Vice President 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, OFAC, HMT 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 and Compliance Risk

Internal Control is a control mechanism establishes in the operation and management of the Bank by introducing required policies and procedures to 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. 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 and Communication Technology Security Risk

ONE Bank Limited is one of the leading bank in Bangladesh in adopting Information Technology in 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, Mobile Banking Apps, 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, E-Commerce 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. Collect Police clearance to know if the candidate had ever engaged in anti social or anti state or detrimental/ subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced bankers, FI's employees and verify National ID on-line. 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, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year 2017, 1 (one) case of fraud and forgery was identified. Total embezzled amount involved in the fraud case was Tk. 25,12,105.00 (Taka twenty five lac twelve thousand one hundred five) only and 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 demotion to a lower post/designation.

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.

However, the stocks of such items are stated below:

Stocks of Items	2017 (Taka)	2016 (Taka)
Bangladesh Shanchaya Patras	3,001,018,095	2,874,838,782
US$ Investment Bonds	165,400,000	177,079,950
US$ Premium Bonds	190,375,400	183,533,530
Wage Earners Development Bond	373,700,000	373,700,000
Total	**3,730,493,495**	**3,609,152,262**

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 261st Board Meeting held on May 11, 2017 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, 2017.

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 261st Board Meeting held on May 11, 2017 constituted the Risk Management Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Asoke Das Gupta	Vice Chairman	Chairman
2	Mr. ZahurUllah	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, 2017.

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 2017 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 2017.
- Approved Risk Appetite Statement of the Bank for the year 2017.
- 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.

	2017 Taka	2016 Taka
3 Cash		
Cash in hand **(note-3.1)**	1,421,571,108	1,419,077,712
Balance with Bangladesh Bank and its agent bank **(note-3.2)**	14,570,702,877	11,531,359,863
	15,992,273,986	**12,950,437,575**
3.1 Cash in hand (including foreign currencies)		
In local currency	1,416,557,902	1,415,460,049
In foreign currencies	5,013,206	3,617,663
	1,421,571,108	**1,419,077,712**
3.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bangladesh Bank		
In local currency	13,618,419,702	10,429,312,354
In foreign currencies	61,041,220	161,535,357
	13,679,460,922	**10,590,847,711**
Balance with Sonali Bank being an agent of Bangladesh Bank	891,241,955	940,512,152
	14,570,702,877	**11,531,359,863**

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

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

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

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 6.00% on daily basis and 6.50% on bi-weekly basis 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:

	2017 Taka	2016 Taka
a) Cash Reserve Requirement (CRR) : 6.50% of average Demand and Time Liabilities Average Demand and Time Liabilities	**168,354,177,000**	**152,113,719,500**
Required reserve	10,943,021,505	9,887,391,768
Balance with Bangladesh Bank	13,618,419,702	10,429,312,354
Amount in reconciliation (Net)*	170,673,536	(76,480,316)
Reserve held with Bangladesh Bank in local currencies	13,789,093,238	10,352,832,038
Surplus/(Shortage)	**2,846,071,733**	**465,440,271**
Maintained	**8.19%**	**6.81%**

* The balance of local currency account was duly reconciled as of 31 December 2017 and the above amount was matched accordingly.

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

Required reserve	21,886,043,010	19,774,783,535
Reserve held **(b.1)**	26,507,329,486	27,889,308,088
Surplus/(Shortage)	**4,621,286,476**	**8,114,524,553**
Maintained	**15.74%**	**18.33%**
b.1 Reserve held in SLR :		
Cash in hand including foreign currency	1,421,571,108	1,419,077,712
Balance with Sonali Bank being an agent of Bangladesh Bank	891,241,955	940,512,152
Bangladesh Bank bill	0	6,697,608,708
Treasury Bills	9,487,663,581	10,523,356,384
Treasury Bonds	11,860,781,108	7,843,312,862
Sub Total	**23,661,257,753**	**27,423,867,817**
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	2,846,071,733	465,440,271
Total	**26,507,329,486**	**27,889,308,088**
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	1,421,571,108	1,419,077,712
ONE Securities Limited	10,188	19,218
	1,421,581,296	**1,419,096,929**
ii Balance with Bangladesh Bank and its agent bank		
ONE Bank Limited	14,570,702,877	11,531,359,863
ONE Securities Limited	-	-
	14,570,702,877	**11,531,359,863**
4 Balance with Other Banks and Financial Institutions		
In Bangladesh **(note-4.1)**	1,614,736,769	1,438,644,291
Outside Bangladesh **(note-4.2)**	775,228,602	3,659,179,549
	2,389,965,371	**5,097,823,840**

		2017 Taka	2016 Taka
4.1	**In Bangladesh**		
	In current accounts **(note-4.3)**	288,628,207	141,791,915
	Other deposit accounts **(note-4.4)**	1,326,108,563	1,296,852,376
		1,614,736,769	**1,438,644,291**
4.2	**Outside Bangladesh**		
	In current accounts **(note-4.5)**	775,228,602	1,902,437,701
	Other deposit accounts	-	-
		775,228,602	1,902,437,701
	Off-shore Banking Unit	-	1,756,741,848
		775,228,602	**3,659,179,549**
4.3	**Current Accounts (In Bangladesh)**		
	AB Bank Limited	4,221,347	4,168,789
	Sonali Bank Limited	268,596,613	129,744,915
	Trust Bank Limited-Q Cash Settlement Account	12,477,097	3,301,121
	Standard Chartered Bank	3,333,150	4,577,092
		288,628,207	**141,791,915**
4.4	**Other Deposit Accounts (In Bangladesh)**		
	(Name of the banks and financial institutions)		
	ICB Islamic Bank Limited	59,719,000	59,719,000
	IDLC Finance Limited	521,108,682	21,108,682
	United Commercial Bank Limited	28,152	36,695
	AB Bank Limited	173,552	11,343,487
	Eastern Bank Limited	705,540	702,505
	Uttara Bank Limited	286,832,251	604,164,453
	Lanka Bangla Finance Limited	400,000,000	400,000,000
	Industrial Promotion & Development Company of Bangladesh	-	100,000,000
	Prime Bank Limited	57,541,386	99,777,554
		1,326,108,563	**1,296,852,376**
4.5	**Current Accounts (Outside Bangladesh)**		
	(Name of the banks and financial institutions)		
	Standard Chartered Bank, New York	94,175,470	1,399,245,388
	Standard Chartered Bank, London	13,920,763	1,126,625
	Standard Chartered Bank, Pakistan	242,246	26,878,436
	Standard Chartered Bank, Mumbai	39,874,559	21,939,122
	Standard Chartered Bank, Tokyo	5,977,826	5,617,118
	Standard Chartered Bank, Frankfurt	21,274,854	16,418,005
	ICICI Bank Limited, Hong Kong	18,318,636	1,853,614
	ICICI Bank Limited, Mumbai (ACUD)	16,771,196	13,848,184
	ICICI Bank Limited, Mumbai (ACU EURO)	8,504,887	7,090,371
	Commerzbank AG, Frankfurt (USD)	77,432,208	129,764,708
	Commerzbank AG, Frankfurt (CAD)	13,418,623	3,031,164
	Commerzbank AG, Frankfurt (EURO)	28,487,412	2,515,821
	Mashreqbank Psc, New York	273,537,256	44,424,627
	Mashreqbank Psc, India (ACUD)	17,785,667	-
	Wells Fargo Bank N.A, New York	80,100,313	93,876,083
	AB Bank Ltd, Mumbai	6,140,180	(14,415,715)
	Habib Bank Limited , Karachi	-	33,377,203
	Habib Bank AG Zurich, Zurich	4,150,747	11,105,849
	Nepal Bangladesh Bank Ltd, Kathmandu	9,797,342	6,644,826
	Seylen Bank PLC, Colombo	539,963	7,035,379
	Axis Bank Ltd, Kolkata	59,020	26,548,312
	United Bank of India, Kolkata	34,286,111	53,309,891
	Bank Al-Jazira, Jeddah	6,430,500	6,430,500
	Westpac Banking Corporation, Sydney	4,002,822	4,772,192
		775,228,602	**1,902,437,701**

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

	2017 Taka	2016 Taka
4.6 Maturity of balances with other banks and financial institutions		
Up to 1 month	827,716,238	1,772,611,497
More than 1 months to 3 months	447,333,301	1,989,308,775
More than 3 months to 1 year	1,114,915,832	1,314,794,887
More than 1 year to 5 years	-	21,108,682
More than 5 years	-	-
	2,389,965,371	**5,097,823,840**
4 (a) Consolidated Balance with Other Banks and Financial Institutions		
In Bangladesh		
ONE Bank Limited	1,614,736,769	1,438,644,291
ONE Securities Limited	531,687,610	208,788,554
	2,146,424,379	1,647,432,845
Less: Inter Company Transaction	(531,687,610)	(208,788,554)
	1,614,736,769	**1,438,644,291**
Outside Bangladesh		
ONE Bank Limited	775,228,602	3,659,179,549
ONE Securities Limited	-	-
	775,228,602	**3,659,179,549**
	2,389,965,371	**5,097,823,840**
5 Money at call on short notice		
Modhumoti Bank Limited	-	150,000,000
United Finance Limited	-	100,000,000
	-	**250,000,000**
6 Investments		
In Government securities		
Treasury bills **(note- 6.1)**	9,487,663,581	10,523,356,384
Treasury bonds **(note-6.2)**	11,860,781,108	7,843,312,862
Bangladesh Bank bill **(note-6.3)**	0	6,697,608,708
Prize Bonds	1,449,100	1,648,100
	21,349,893,789	**25,065,926,053**
Other Investment		
Shares (Quoted and Unquoted) **(note-6.4)**	594,435,191	642,523,084
National Bank Limited Subordinated Bond	-	40,960,000
City Bank 2nd Subordinated Bond	1,000,000,000	-
National Bank Limited 2nd Subordinated Bond	250,000,000	-
United Commercial Bank Limited 3rd Subordinated Bond	750,000,000	-
Mercantile Bank Limited Subordinated Bond	400,000,000	500,000,000
Bank Asia Limited Subordinated Bond	600,000,000	600,000,000
Prime Bank Limited Subordinated Bond	600,000,000	600,000,000
Eastern Bank Limited Subordinated Bond	600,000,000	600,000,000
	4,794,435,191	**2,983,483,084**
	26,144,328,980	**28,049,409,137**
6.1 Treasury Bills		
Treasury Bills (HTM) **[(note-6.1(a)]**	8,611,905,718	9,129,836,026
Treasury Bills (HFT) **[(note-6.1(b)]**	875,757,863	1,393,520,357
	9,487,663,581	**10,523,356,384**

6.1(a) Treasury Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	2017 Taka	2016 Taka	2017 Taka	2016 Taka
364 days Treasury Bills	6,721,067,374	6,882,171,708	7,000,000,000	7,000,000,000
182 days Treasury Bills	1,890,838,344	2,247,664,318	1,907,000,000	2,250,000,000
	8,611,905,718	**9,129,836,026**	**8,907,000,000**	**9,250,000,000**

6.1(b) Treasury Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	2017 Taka	2016 Taka	2017 Taka	2016 Taka
364 days Treasury Bills	868,197,091	1,393,520,357	888,200,000	1,411,700,000
182 days Treasury Bills	7,560,772	-	7,700,000	-
	875,757,863	**1,393,520,357**	**895,900,000**	**1,411,700,000**

6.2 Treasury Bonds

Treasury Bonds (HTM) **[(note-6.2(a)]**	11,525,420,143	7,499,578,147
Treasury Bonds (HFT) **[(note-6.2(b)]**	335,360,965	343,734,714
	11,860,781,108	**7,843,312,862**

6.2 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	2017 Taka	2016 Taka	2017 Taka	2016 Taka
2 Years Treasury Bonds (Premium)	3,207,290,256	500,792,780	3,200,000,000	500,000,000
5 Years Treasury Bonds (Premium)	1,815,251,185	1,711,902,499	1,711,400,000	1,586,500,000
10 Years Treasury Bonds (Premium)	2,112,617,443	1,609,937,600	2,100,000,000	1,600,000,000
15 Years Treasury Bonds (Premium)	9,110,462	9,110,958	9,100,000	9,100,000
Sub-total	**7,144,269,346**	**3,831,743,837**	**7,020,500,000**	**3,695,600,000**
2 Years Treasury Bonds (Discount)	553,869,001	9,599,241	557,000,000	9,600,000
5 Years Treasury Bonds (Discount)	546,384,127	389,152,847	546,500,000	389,400,000
10 Years Treasury Bonds (Discount)	1,102,779,621	843,689,512	1,106,100,000	845,100,000
15 Years Treasury Bonds (Discount)	117,676,186	117,659,214	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,841,862	108,833,494	109,300,000	109,300,000
Sub-total	**2,429,550,797**	**1,468,934,310**	**2,437,000,000**	**1,471,500,000**
2 Years Treasury Bonds (At par)	200,000,000	200,000,000	200,000,000	200,000,000
5 Years Treasury Bonds (At par)	172,700,000	420,000,000	172,700,000	420,000,000
10 Years Treasury Bonds (At par)	1,077,400,000	1,077,400,000	1,077,400,000	1,077,400,000
15 Years Treasury Bonds (At par)	444,300,000	444,300,000	444,300,000	444,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
Sub-total	**1,951,600,000**	**2,198,900,000**	**1,951,600,000**	**2,198,900,000**
Total	**11,525,420,143**	**7,499,578,147**	**11,409,100,000**	**7,366,000,000**

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2017 Taka	2016 Taka	2017 Taka	2016 Taka
5 Years Treasury Bonds	-	-	-	-
10 Years Treasury Bonds	335,360,965	343,734,714	308,000,000	308,000,000
	335,360,965	**343,734,714**	**308,000,000**	**308,000,000**

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 value	
	2017 Taka	2016 Taka	2017 Taka	2016 Taka
7 days Bangladesh Bank Bills	-	6,697,608,708	-	6,700,000,000
	-	**6,697,608,708**	**-**	**6,700,000,000**

	2017 Taka	2016 Taka
6.4 Other Investments -Shares		
In shares (quoted and unquoted)		
Quoted:		
The City Bank Limited	59,049,110	107,130,110
Prime Bank Limited	140,673,639	140,673,639
IFIC Bank Limited	170,983,639	170,983,059
Lanka Bangla Finance Limited	62,245,956	62,245,956
Summit Alliance Port Ltd.	6,200	6,200
R A K Ceramics	-	5,664
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533
MJL BD Limited	-	1,171
Bank Asia Limited	53,501,786	53,501,786
Square Pharmaceuticals Ltd.	-	638
	488,449,763	**536,537,656**
Unquoted:		
Infrastructure Development Finance Company	29,683,820	29,683,820
Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
Investment in SWIFT	2,732,158	2,732,158
	105,985,428	**105,985,428**
	594,435,191	**642,523,084**

6.4 (a) Comparison between cost and market price of quoted shares as on 31 December 2017

Particulars	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2017	Cost 31-12-2017	Surplus/(Deficiency)
Lanka Bangla Finance Ltd.	12,026,719	47.83	575,237,969.77	62,245,956	512,992,014
The City Bank Limited	4,053,178	53.20	215,629,069.60	59,049,110	156,579,959
IFIC Bank Limited *	3,108,740	18.00	55,957,320.00	170,980,700	(115,023,380)
Summit Alliance Port Ltd	111	34.30	3,807.30	6,200	(2,393)
Prime Bank Limited	3,257,210	27.40	89,247,554.00	140,673,639	(51,426,085)
MI Cement Factory Ltd	56	84.70	4,743.20	5,533	(790)
Bank Asia Limited	2,347,884	23.10	54,236,120.40	53,501,786	734,334
Eastern Bank Limited	48,903	51.10	2,498,943.30	1,983,900	515,043
IFIC Bank Limited	122	18.00	2,196.00	2,939	(743)
Total			**992,817,724**	**488,449,763**	**504,367,960**

*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. The Court directed IFIC Bank to transfer the said shares including Bonus Shares in the name of ONE Bank Ltd. Subsequently, the matter was raised in the Appellate Division. Presently, a civil review petition of ONE Bank Limited is lying before the Honourable Appellate Division of the Supreme Court of Bangladesh against the judgement passed by the same court for hearing.

The total market value of 48,306,320 shares of IFIC Bank Limited as of 31 December 2017 was Tk 869,513,760 exceeding the original investment by Tk.698,533,060.

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

	2017 Taka	2016 Taka
6.5 Residual Maturity of Investments		
Payable on demand	173,534,968	10,941,758,788
Up to 3 months	2,760,843,324	9,599,241
Above 3 months to 1 year	8,313,692,197	7,148,544,500
Above 1 year to 5 years	8,814,655,018	3,701,949,353
Above 5 years	6,081,603,472	6,247,557,255
	26,144,328,980	**28,049,409,137**

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

6 (a) Consolidated Investments		
In Government securities		
ONE Bank Limited	21,349,893,789	25,065,926,053
ONE Securities Limited	-	-
	21,349,893,789	**25,065,926,053**
Other Investment		
ONE Bank Limited	4,794,435,191	2,983,483,084
ONE Securities Limited	2,382,218,137	2,257,472,866
	7,176,653,328	**5,240,955,949**
	28,526,547,117	**30,306,882,003**

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.

7 Loans and Advances		
Loans, cash credit, overdraft etc **(note-7.1)**	168,076,148,472	129,827,473,555
Bills purchased and discounted **(note-7.2)**	2,317,321,490	2,256,772,918
	170,393,469,963	**132,084,246,472**
7.1 Loans, cash credit, overdraft etc.		
Inside Bangladesh		
Loans	124,708,767,064	100,606,771,656
Cash Credit	55,748,896	16,984,287
Overdraft	37,811,243,633	24,595,937,586
	162,575,759,594	125,219,693,529
Off-shore Banking Unit	5,500,388,878	4,607,780,025
	168,076,148,472	129,827,473,555
Outside Bangladesh	-	-
	168,076,148,472	**129,827,473,555**
7.2 Bills purchased and discounted		
Inside Bangladesh		
Local bill purchased and discounted	1,255,371,361	1,639,743,055
Foreign bill purchased and discounted	598,329,772	250,214,892
	1,853,701,133	1,889,957,947
Off-shore Banking Unit	463,620,357	366,814,971
	2,317,321,490	**2,256,772,918**
Outside Bangladesh	-	-
	2,317,321,490	**2,256,772,918**

		2017 Taka	2016 Taka
7.3	**Residual Maturity grouping of loans and advances including bills purchased and discounted**		
	Payable on demand	21,060,058,637	11,056,021,611
	Up to 3 months	41,370,119,841	40,018,576,197
	Above 3 months to 1 year	58,613,843,387	44,319,049,211
	Above 1 year to 5 years	38,001,665,290	22,116,130,907
	Above 5 years	11,347,782,807	14,574,468,546
		170,393,469,963	**132,084,246,472**
7.4	**Loans and Advances on the basis of significant concentration**		
	i. Advance to Directors	2,435,641	2,355,239
	ii. Advance to Managing Director & Senior Executives	249,396,643	240,586,973
	iii. Advance to Customer's group:		
	Commercial lending	76,924,070,353	14,286,357,557
	Agricultural loan	1,522,864,563	1,712,291,242
	Export financing	4,610,929,478	827,806,335
	Consumer credit scheme	3,204,200,757	1,287,020,925
	Small and medium enterprise financing	22,745,789,196	18,568,166,785
	Staff loan (except Sl. No. ii)	349,938,054	349,425,108
	House building loan (other than the employees)	6,184,927,433	4,381,478,418
	Others	54,598,917,845	90,428,757,890
		170,393,469,963	**132,084,246,472**
7.5	**Industry-wise outstanding of loans & advances including bills purchased and discounted**		
	Trade finance	21,724,500,000	20,834,771,733
	Steel Re-Rolling	8,306,163,595	11,520,191,586
	Readymade Garments	23,325,548,975	18,568,415,477
	Textiles	13,122,758,088	6,970,247,688
	Edible oil, Rice, Flour etc.	2,134,101,118	2,664,387,707
	Power	4,194,254,528	1,602,503,806
	Transport	3,617,692,026	2,364,967,976
	Construction/Engineering	7,497,125,064	6,065,469,475
	Personal	1,672,221,306	3,156,424,171
	Pharmaceuticals	4,038,852,464	3,533,076,685
	Real Estate	6,857,534,406	3,763,702,507
	Cargo and Travel Services	67,303,313	70,741,292
	Paper & Packaging	207,994,278	862,432,640
	Agro based industry/Dairy products	4,646,923,522	1,752,017,601
	Others	68,980,497,281	48,354,896,128
		170,393,469,963	**132,084,246,472**
7.6	**Geographical Location-wise Loans and advances including bills purchased and discounted**		
	Dhaka Division	119,342,836,864	86,151,981,440
	Chittagong Division	39,223,519,505	37,912,199,245
	Rajshahi Division	2,974,855,472	2,009,397,841
	Khulna Division	7,116,275,359	4,162,032,879
	Sylhet Division	556,527,082	1,115,335,345
	Rangpur Division	675,787,266	366,381,738
	Barisal Division	503,668,413	366,917,984
		170,393,469,963	**132,084,246,472**

		2017 Taka	2016 Taka
7.7	**Business segment-wise loans and advances including bills purchased and discounted**		
	Corporate	139,405,316,690	105,545,277,020
	SME	20,949,812,884	18,568,166,785
	Consumer	7,968,944,939	5,668,499,343
	Short term agri. credit and microcredit	1,470,060,754	1,712,291,242
	Executive & Staff	599,334,697	590,012,081
		170,393,469,963	**132,084,246,472**
7.8	**CL category wise loans and advances including bills purchased and discounted**		
	Continuous loan (CL-2)		
	Small & Medium Enterprise (SME)	12,017,702,084	10,822,264,938
	Consumer finance	188,499,222	166,728,343
	Loan to BHs/MBs/SDs against shares	794,369,440	69,674,827
	Other corporate loans	26,908,963,783	13,853,309,852
		39,909,534,529	**24,911,977,960**
	Demand Loan (CL-3)		
	Small & Medium Enterprise (SME)	5,122,041,822	4,860,311,791
	Consumer finance	-	-
	Loan to BHs/MBs/SDs against shares	725,712,352	1,263,789,041
	Other corporate loans	68,614,599,893	56,224,170,088
		74,462,354,067	**62,348,270,920**
	Fixed Term Loan (CL-4)		
	Small & Medium Enterprise (SME)	3,810,068,977	2,885,590,056
	Consumer finance (other than HF & LP)	1,332,309,355	1,017,565,261
	House finance	6,372,429,998	4,381,478,418
	Loans for professionals to set up business	75,706,365	102,727,321
	Loan to BHs/MBs/SDs against shares	109,123,481	98,259,367
	Other corporate loans	42,252,547,741	34,036,073,845
		53,952,185,917	**42,521,694,269**
	Short term agri. credit and microcredit (CL-5)		
	Short term agri. Credit	1,459,840,687	1,702,146,751
	Microcredit	10,220,066	10,144,492
		1,470,060,754	**1,712,291,242**
	Staff Loan	**599,334,697**	**590,012,081**
		170,393,469,963	**132,084,246,472**
7.9	**Classified and unclassified loans and advances**		
	Unclassified		
	Standard (including staff loan)	156,755,200,639	122,120,748,676
	Special Mention Account	4,597,230,684	3,452,901,590
		161,352,431,323	**125,573,650,266**
	Classified		
	Substandard	372,079,649	107,063,016
	Doubtful	1,015,050,085	78,293,953
	Bad & Loss	7,653,908,906	6,325,239,237
		9,041,038,640	**6,510,596,206**
		170,393,469,963	**132,084,246,472**

7.10 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 21,365.72 million as at 31 December 2017 (Tk 20,309.10 million in 2016).

		2017 Taka	2016 Taka
Number of clients (Annexure-D)		14	15
Amount of outstanding loans & advances *	Tk.	43,719,493,174	44,835,100,000
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 2017.

7.11 Bills purchased and discounted

Payable in Bangladesh	1,718,991,719	2,006,558,025
Payable outside Bangladesh	598,329,772	250,214,892
	2,317,321,490	**2,256,772,918**

7.12 Maturity of Bills purchased and discounted

Upto 1 month	636,581,987	741,582,616
Above 1 month but less than 3 months	693,523,103	800,234,664
Above 3 months but less than 6 months	987,216,400	714,955,638
6 months or more	-	-
	2,317,321,490	**2,256,772,918**

7.13 Particulars of provision for Loans and Advances

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	126,710,932,692	1,427,914,788
Small & Medium Enterprise Financing	0.25%	18,864,368,364	86,634,097
Consumer Finance (House Financing)	1%	6,135,987,521	61,359,875
Consumer Finance (Loans for Professionals)	2%	72,549,465	1,450,989
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	1,418,989,721	70,949,486
Special Mention Account	0%-5%	4,328,383,102	45,820,388
Short Term Agriculture Loan	1%	1,418,063,104	14,180,631
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	1,534,975,076	30,699,502
Substandard	5% & 20%	155,168,078	28,082,088
Doubtful	5% & 50%	753,850,363	375,067,110
Bad & Loss	100%	3,925,747,559	3,930,328,559
Required provision for loans and advances			**6,072,487,515**
Total provision maintained			**6,072,487,515**
Excess/ (Short) provision at 31 December			**-**

7.14 Particulars of Loans and Advances

		2017 Taka	2016 Taka
i)	Loans considered good in respect of which the bank is fully secured	111,636,499,998	79,325,167,913
ii)	Loans considered good against which the bank holds no security other than the debtor's personal guarantee	37,229,250,352	32,392,197,629
iii)	Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	21,527,719,613	20,366,880,930
iv)	Loans adversely classified; provision not maintained there against	-	-
		170,393,469,963	**132,084,246,472**

		2017 Taka	2016 Taka
v)	Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	599,334,696	590,012,081
vi)	Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members	-	-
vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons	599,334,696	590,012,081
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)	2,317,321,490	2,256,772,918
x)	Classified loans and advances		
	a) Classified loans and advances on which interest has not been charged to income (Note-7.9)	9,041,038,640	6,510,596,206
	b) Provision on classified loans and advances (Note-12.4)	4,333,477,758	2,734,204,237
	c) Provision kept against loans and advances classified as bad debts	3,930,328,559	2,709,748,906
	d) Increase/(Decrease) of Specific Provision	1,599,273,521	1,228,748,309
	e) Interest credited to Interest Suspense Account (Note-12.9)	3,871,058,396	3,057,837,346
xi)	Cumulative amount of written off loans and advances		
	Opening balance	2,243,453,177	2,243,453,177
	Written off during the year	-	-
	Closing balance	2,243,453,177	2,243,453,177
	Cumulative amount realised against loans previously written off	82,188,223	31,401,393
	The amount of written off loans for which law suits has been filed	2,238,518,412	2,238,518,412
7.15	**Details of pledged collaterals received against Loans and Advances**		
	Collateral of movable /immovable assets	91,300,066,633	82,223,806,947
	Local banks and financial institutions guarantee	2,016,960,984	259,272,772
	Government guarantee	-	-
	Foreign banks guarantee	153,188,596	65,532,206
	Export documents	620,791,197	582,563,583
	Fixed Deposit Receipts (FDR)	6,689,383,450	2,927,292,410
	FDR of other banks	197,310,264	112,353,931
	Government bonds	-	7,316,661
	Personal guarantee	33,402,129,882	29,385,066,248
	Other securities	36,013,638,959	16,521,041,715
		170,393,469,963	**132,084,246,472**

7.16 Restructure of large loan

There was no restructure of large loan occurred during the year 2017 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)

	2017 Taka	2016 Taka
7 (a) Consolidated Loans and Advances		
ONE Bank Limited	168,076,148,472	129,827,473,555
ONE Securities Limited	47,935,589	26,509,801
	168,124,084,062	**129,853,983,356**
Consolidated Bills purchased and discounted		
ONE Bank Limited	2,317,321,490	2,256,772,918
ONE Securities Limited	-	-
	2,317,321,490	**2,256,772,918**
	170,441,405,552	**132,110,756,274**
8 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	1,585,159,612	1,406,177,446
Office equipment	1,065,684,332	979,679,822
Motor Vehicles	273,814,495	248,824,799
Building	189,464,053	144,021,422
Land	279,366,295	276,464,295
	3,393,488,787	3,055,167,784
Leased Assets	-	25,044,000
Intangible Assets	195,835,516	181,032,516
	3,589,324,303	**3,261,244,300**
Less: Accumulated depreciation	1,519,725,208	1,304,132,165
Balance as on 31 December	**2,069,599,095**	**1,957,112,136**
(For details please refer to Annexure- A)		
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures		
ONE Bank Limited	2,069,599,095	1,957,112,136
ONE Securities Limited	25,559,281	13,614,595
	2,095,158,377	**1,970,726,731**
9 Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
In Bangladesh	2,474,999,170	2,474,999,170
Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	27,670,879	23,841,647
Stock of stamps	4,247,680	3,559,488
Security deposits	4,481,255	4,041,095
Advance rent for office premises	488,942,333	529,115,536
Prepayments	356,857,019	192,767,974
Application money against right share and clearing adjustment account	88,869,656	-
Suspense account **(note-9.4)**	47,194,256	26,437,580
Receivable from Bangladesh Bank	235,935,321	145,708,355
Interest and dividend receivables **(note-9.6)**	674,974,453	317,194,455
Advance Income Tax **(note-9.2)**	5,607,803,509	4,055,386,435
Deferred Tax Assets **(note-9.3)**	38,872,008	1,090,190
Protested bill	2,594,351	2,594,351
Receivable ATM acquiring	8,798,300	-
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account **(note-9.1)**	82,597,306	5,269,747
	10,144,858,834	7,782,027,360
Off-shore Banking Unit	67,397,567	70,148,795
	10,212,256,401	**7,852,176,154**

9.1 Branch Adjustment Account

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 2017 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	32	11	86,470,838	3,873,532
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	32	11	86,470,838	3,873,532
Branch Adjustment Account (Net)			82,597,306	

	2017 Taka	2016 Taka
9.2 Advance income tax		
Opening balance on 1 January	4,055,386,435	2,941,944,924
Add: Tax paid as advance	1,552,417,074	1,113,441,511
Less: Advance income tax adjusted during the year	-	-
Balance on 31 December	**5,607,803,509**	**4,055,386,435**
9.3 Deferred tax assets:		
Opening balance	1,090,190	4,859,874
Addition/(reverse) during the year **(note-12.2.1)**	37,781,818	(3,769,684)
Closing balance	38,872,008	1,090,190

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
Protested bill	2,594,351	100%	2,594,351
Salary/travel advance	1,025	100%	1,025
Others	1,344,281	100%	1,344,281
Required provision for other assets			3,939,657
Total provision maintained **(note-12.7)**			3,939,657
Excess/(short) provision as on 31, December 2017			-

	2017 Taka	2016 Taka
9.6 Interest and dividend receivables		
Interest receivables on placement	15,627,459	5,340,149
Interest receivables on government securities	303,616,455	233,962,610
Interest receivables on non-government securities	78,530,632	77,891,696
Dividend receivables	277,199,907	-
	674,974,453	317,194,455
9 (a) Consolidated Other Assets		
ONE Bank Limited	10,212,256,401	7,852,176,154
ONE Securities Limited	107,064,677	58,419,678
Investment in ONE Securities Ltd by ONE Bank Limited	(2,474,999,170)	(2,474,999,170)
Less: Inter unit/company elimination	(277,199,907)	-
	7,567,122,001	**5,435,596,662**

	2017 Taka	2016 Taka
10 Borrowings from other Banks, financial institutions and Agents.		
Borrowing Inside Bangladesh **(note-10.1)**	10,784,548,566	6,089,185,851
Borrowing Outside Bangladesh **(note-10.2)**	3,638,800,000	3,609,222,527
	14,423,348,566	**9,698,408,379**
10.1 Borrowing Inside Bangladesh		
OBL Subordinated Bond **(note-10.1.a)**	5,320,000,000	5,760,000,000
Borrowing from other bank -Payable on demand	500,000,000	-
Borrowing from Bangladesh Bank **(note-10.1.b)**	4,964,548,566	329,185,851
	10,784,548,566	**6,089,185,851**

10.1.a Subordinated Bond

Subordinated Bond-1 Tk. 2,200,000,000 (Outstanding as on December 31, 2017 of Tk. 1,320,000,000)

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%.

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-2017 (after 40% redemption)
Janata Bank Limited	500	500,000,000	300,000,000
Agrani Bank Limited	500	500,000,000	300,000,000
Rupali Bank Limited	500	500,000,000	300,000,000
Bangladesh Development Bank Limited	200	200,000,000	120,000,000
Saudi Bangladesh Indust.&Agri.Invest.Com.Ltd.	200	200,000,000	120,000,000
Pubali Bank Limited	100	100,000,000	60,000,000
Bangladesh Commerce Bank Limited	100	100,000,000	60,000,000
Uttara Bank Limited	100	100,000,000	60,000,000
Total		**2,200,000,000**	**1,320,000,000**

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 @ 8.50%.

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-2017
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**

	2017 Taka	2016 Taka
10.1.b Borrowing from Bangladesh Bank		
Export Development Fund (EDF)	3,589,570,919	252,021,573
Refinance against SME, Agriculture loan	340,460,507	77,164,279
Financial Sector Support Project (FSSP)	1,034,517,139	-
	4,964,548,566	**329,185,851**
10.2 Borrowing Outside Bangladesh		
Borrowing by Offshore Banking Unit .		
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	1,571,300,000	1,495,341,800
Oesterreichische EntwicklungsBank AG (OeEB)	827,000,000	787,022,000
The OPEC Fund for International Development (OFID)	1,240,500,000	1,180,533,000
Habib Bank, Hong Kong	-	146,325,727
	3,638,800,000	**3,609,222,527**
10.3 Security against borrowings from other banks, financial institutions and agents		
Secured	-	-
Unsecured	14,423,348,566	9,698,408,379
	14,423,348,566	**9,698,408,379**
10.4 Residual Maturity grouping of borrowings from other banks, financial institutions and agents		
Payable on demand	1,294,327,771	52,669,736
Up to 3 months	697,022,619	46,217,694
Above 3 months to 1 year	2,307,663,170	816,624,149
Above 1 year to 5 years	9,324,335,006	7,182,896,800
Above 5 years	800,000,000	1,600,000,000
	14,423,348,566	**9,698,408,379**
10 (a) Consolidated Borrowings from other banks, financial institutions and Agents.		
ONE Bank Limited	14,423,348,566	9,698,408,379
ONE Securities Limited	-	-
	14,423,348,566	**9,698,408,379**
11 Deposits and other accounts		
i Current account and other account (OBL)	23,286,404,523	19,262,857,034
Off-shore Banking Unit	427,030	406,387
	23,286,831,553	**19,263,263,421**

	2017 Taka	2016 Taka
ii Bills payable		
Payment Order (Issued)	1,976,164,125	1,757,327,076
Demand Draft	684,479	790,479
	1,976,848,604	**1,758,117,556**
iii Savings accounts	**17,625,827,836**	**15,274,229,186**
iv Term deposits		
Fixed Deposit Receipts	97,762,389,612	65,219,850,243
Short Notice Deposits	31,006,374,626	40,307,772,665
Scheme Deposits	10,193,978,804	9,719,018,295
Non-resident Foreign Currency Deposits	100,828,041	91,521,578
	139,063,571,081	115,338,162,781
Off-shore Banking Unit	721,610,592	1,793,882,806
	139,785,181,673	**117,132,045,587**
	182,674,689,666	**153,427,655,750**
11.1 Payable on demands		
Current deposits	15,372,616,496	12,765,473,345
Privilege creditor	473,209,144	341,068,069
Foreign Currency Deposits	4,028,423,436	3,564,786,196
Sundry Deposits	3,117,110,803	2,302,490,944
Other accrued expense	295,471,673	289,444,867
	23,286,831,553	**19,263,263,420**
Bills payable	1,976,848,604	1,758,117,556
10% of Savings accounts	1,762,582,784	1,527,422,919
	27,026,262,940	**22,548,803,895**
11.2 Break down of deposits and other accounts		
11.2 (a) Payable on demand		
i Deposits from banks	1,180,510	1,184,160
ii Other than banks	27,025,082,430	22,547,619,735
	27,026,262,940	**22,548,803,895**
11.2 (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	4,000,000,000	1,000,000,000
Trust Bank Limited	-	1,000,000,000
Rajshahi Krishi Unnayan Bank	200,000,000	200,000,000
Mutual Trust Bank Limited	-	1,000,000,000
Sonali Bank Limited	1,950,000,000	-
Janata Bank Limited	500,000,000	-
Agrani Bank Limited	1,800,000,000	-
United Commercial Bank Limited	1,000,000,000	-
National Credit and Commerce Bank Limited	700,000,000	-
	10,150,000,000	4,200,000,000
Term Deposit (Off shore Banking Unit)		
BRAC Bank Limited	721,610,592	1,417,679,177
Prime Bank Limited	-	376,203,630
Dutch-Bangla Bank Limited	-	-
	721,610,592	1,793,882,806
Other than banks	144,776,816,134	124,884,969,049
	155,648,426,725	**130,878,851,855**
Total deposits [11.2(a) + 11.2(b)]	**182,674,689,666**	**153,427,655,750**

	2017 Taka	2016 Taka
11.3 Remaining maturity grouping of deposits		
Repayable on demand	27,026,262,940	22,548,803,895
Repayable within 1 month	9,214,212,208	17,207,030,200
Over 1 month but within 6 months	53,210,490,011	43,420,431,244
Over 6 months but within 1 year	49,447,367,988	44,654,491,290
Over 1 year but within 5 years	24,261,132,017	19,063,449,513
Over 5 years but within 10 years	19,515,224,501	6,533,449,610
	182,674,689,666	**153,427,655,750**

11.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk.443,268 as on December 31, 2017 and Tk. 936,624 as on December 31, 2016, respectively.

11 (a) Consolidated Deposits and other accounts		
Current account and other account		
ONE Bank Limited	23,286,831,553	19,263,263,421
ONE Securities Limited	-	-
	23,286,831,553	**19,263,263,421**
Bills payable		
ONE Bank Limited	1,976,848,604	1,758,117,556
ONE Securities Limited	-	-
	1,976,848,604	**1,758,117,556**
Savings accounts		
ONE Bank Limited	17,625,827,836	15,274,229,186
ONE Securities Limited	-	-
	17,625,827,836	**15,274,229,186**
Term deposits		
ONE Bank Limited	139,785,181,673	117,132,045,587
Less: Inter Company Transaction	(531,687,610)	(208,788,554)
	139,253,494,064	**116,923,257,033**
Total Consolidated Deposit	**182,143,002,056**	**153,218,867,196**
12 Other liabilities		
Provision for Income Tax **(note-12.1)**	4,761,133,512	3,549,442,560
Deferred tax liability **(note-12.2)**	61,803,438	155,971,859
Provision for gratuity **(note-12.3)**	-	-
Provision for loans and advances **(note-12.4 & 12.5)**	6,072,487,515	4,227,757,568
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other **(note-12.7)**	3,939,657	3,932,170
Provision for off balance sheet items **(note-12.8)**	675,210,727	708,945,933
Provision for diminution value of share **(note-12.10)**	-	-
Interest suspense account **(note-12.9)**	3,871,058,396	3,057,837,346
Sinking fund	22,028,813	21,333,429
Interest Payable on Subordinated Debt	63,187,942	66,511,111
Accrued performance bonus	276,053,914	220,000,000
Other payable	6,016,293	3,479,825
Revaluation reserve held for trading securities	144,625,043	147,298,937
	15,958,018,761	**12,162,984,249**
Off-shore Banking Unit	36,687,977	36,219,503
	15,994,706,738	**12,199,203,752**

	2017 Taka	2016 Taka
12.1 Provision for current income tax		
Opening balance on 1 January	3,549,442,560	2,676,303,527
Less: Provision adjusted during the year	-	-
	3,549,442,560	2,676,303,527
Add: Provision made during the year	1,211,690,953	873,139,033
Balance on 31 December	4,761,133,512	3,549,442,560

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.

12.2 Deferred tax liability		
For Fixed Assets		
Opening balance	56,675,964	47,729,657
Addition during the year **(note-12.2.2)**	(10,601,519)	8,946,306
Closing balance	**46,074,445**	**56,675,964**
Provision against revaluation reserve for security		
Opening balance	99,295,895	90,250,655
Provision made/ (recovered) during the year	(83,566,901)	9,045,240
Closing balance	**15,728,994**	**99,295,895**
Total	**61,803,438**	**155,971,859**

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.

12.2.1 Basis of Deferred Tax Asset:		
Tax base of fixed assets (Only temporary deductible portion is considered)	553,092,557	944,971,538
Carrying amount of fixed assets	455,912,537	942,246,063
Deductible temporary difference	**97,180,020**	**2,725,475**
Applicable tax rate	40%	40%
Deferred tax asset	38,872,008	1,090,190
Opening deferred tax asset	1,090,190	4,859,874
Deferred tax (expenses)/income	**37,781,818**	**(3,769,684)**
12.2.2 Basis of Deferred Tax Liability:		
Carrying amount of fixed assets (Only temporary taxable portion is considered)	1,306,183,350	1,014,866,073
Tax base of fixed assets	1,190,997,240	873,176,164
Taxable temporary difference	**115,186,110**	**141,689,909**
Applicable tax rate	40%	40%
Deferred tax liability	46,074,444	56,675,963
Opening deferred tax liability	56,675,963	47,729,657
Deferred tax expenses/(income)	**(10,601,519)**	**8,946,306**
12.3 Provision for gratuity		
Opening balance on 1 January	-	-
Provision made during the year	153,825,455	90,618,829
Transferred/Payment made during the year	153,825,455	90,618,829
Balance on 31 December	-	-

	2017 Taka	2016 Taka
12.4 Specific provision against loans and advances		
Opening balance on 1 January	2,734,204,237	1,505,455,928
Provision written off	-	-
Recoveries of amounts previously written off	50,786,830	31,401,393
Provision after written off	2,784,991,067	1,536,857,322
Specific provision made during the year	1,737,365,233	1,372,049,317
Provisions recovered and no longer required written back	(188,878,542)	(174,702,401)
Net charge to profit & loss account	1,548,486,691	1,197,346,915
Balance on 31 December	**4,333,477,758**	**2,734,204,237**
12.5 General provision against loans and advances		
Opening balance on 1 January	1,493,553,332	1,431,664,074
Provision made during the year:		
Unclassified Loans & Advances	194,898,667	4,626,680
Consumer credit & Small enterprise financing	36,169,142	72,442,276
Special mention account	10,728,220	(2,090,294)
Loans against shares	3,660,396	(13,089,404)
Net charge to profit & loss account	245,456,425	61,889,257
Balance on 31 December	**1,739,009,757**	**1,493,553,332**
Total Specific and General Provision	**6,072,487,515**	**4,227,757,568**
12.6 Specific provision as per classification of loans		
Substandard	28,082,088	9,620,953
Doubtful	375,067,110	14,834,378
Bad/Loss	3,930,328,559	2,709,748,906
Balance on 31 December	**4,333,477,758**	**2,734,204,237**
12.7 Provision for Other		
Balance on 1 January	3,932,170	4,065,532
Provision made during the year/(recovery) **(note-12.7. a and 12.7. b)**	7,486	(133,362)
Balance on 31 December	**3,939,657**	**3,932,170**
12.7.a Provision for protested bill		
Balance on 1 January	2,594,351	2,727,713
Provision recovered during the year	-	(133,362)
Balance on 31 December	**2,594,351**	**2,594,351**
12.7.b Provision for legal expenses and others		
Balance on 1 January	1,337,819	1,337,819
Adjusted with recoverable legal expenses	-	-
Provision made during the year	7,486	-
Balance on 31 December	**1,345,305**	**1,337,819**
12.8 Provision for off balance sheet items		
Balance on 1 January	708,945,933	614,436,307
Provision made during the year	(33,735,206)	94,509,626
Balance on 31 December	**675,210,727**	**708,945,933**
12.9 Interest suspense account		
Balance on 1 January	3,057,837,346	2,215,999,656
Interest suspense charged during the year	1,212,100,883	1,517,995,246
Interest suspense realized during the year	(364,214,718)	(646,333,557)
Amount written off during the year	-	-
Amount waiver during the year	(34,665,115)	(29,824,000)
Balance on 31 December	**3,871,058,396**	**3,057,837,346**

	2017 Taka	2016 Taka
12.10 Provision for diminution value of share		
Balance on 1 January	-	24,676,466
Provision made/ (recovered) during the year	-	(24,676,466)
Balance on 31 December	-	-
12.10.a Consolidated Provision made for diminution value of share		
ONE Bank Limited	-	(24,676,466)
ONE Securities Limited:	-	350,756,540
	-	**326,080,074**
12 (a) Consolidated Other liabilities		
ONE Bank Limited	15,994,706,738	12,199,203,752
ONE Securities Limited	483,736,538	405,216,296
Less: Inter unit/company elimination	(277,199,907)	-
	16,201,243,369	**12,604,420,049**
13. Share Capital		
13.1 Authorized Capital	**10,000,000,000**	**10,000,000,000**
1,000,000,000 (2016:1,000,000,000) ordinary shares of Tk 10 each		
13.2 Issued, Subscribed and fully paid-up Capital	**7,300,320,800**	**6,636,655,280**
730,032,080 (2016: 663,665,528) ordinary shares of Tk 10 each		
Sponsors	30.02%	30.02%
General Public (Including Institutes 15.10% and Foreign 6.77%)	69.98%	69.98%
Total	**100.00%**	**100.00%**

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

Shareholders	No. of Shareholders	No. of Shares	2017 Taka	2016 Taka
Sponsors	16	219,154,810	2,191,548,100	1,992,316,520
Institutes	387	110,263,126	1,102,631,260	1,385,128,240
Foreign	114	49,417,935	494,179,350	10,271,300
General Public	21,069	351,196,209	3,511,962,090	3,248,939,220
Total	**21,586**	**730,032,080**	**7,300,320,800**	**6,636,655,280**

Shareholding structure of the Bank as at 31-12-2017 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Upto 500	6,027	1,080,967	0.15
501 to 5,000	10,119	20,911,027	2.86
5,001 to 10,000	2,186	16,068,349	2.20
10,001 to 20,000	1,406	20,395,619	2.79
20,001 to 30,000	515	12,792,889	1.75
30,001 to 40,000	273	9,652,234	1.32
40,001 to 50,000	193	8,985,099	1.23
50,001 to 100,000	368	27,069,495	3.71
100,001 to 1,000,000	409	121,738,284	16.68
Over 1,000,000	90	491,338,117	67.30
Total	**21,586**	**730,032,080**	**100.00**

a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:

b) 66,366,552 Bonus shares of Tk. 10 each valued at Tk. 663,665,520 for the year 2016 has been transferred to Paid-up capital account during the year 2017:

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

Issued, Subscribed & fully Paid up Capital

Particulars	2017 Taka	2016 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash: 676,250,860 bonus shares of Tk. 10 each	6,762,508,600	6,098,843,080
	7,300,320,800	**6,636,655,280**

13.3 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 2017 was Taka 18,629,930,501 as against core capital of Taka 14,181,556,605 and supplementary capital of Taka 7,319,900,484 making a total capital of Taka 21,501,457,089 thereby showing a surplus capital/equity of Taka 2,871,526,588 at the date. Details are shown below:

	2017 Taka	2016 Taka
Consolidated Basis:		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	7,300,320,800	6,636,655,280
Statutory Reserve	5,103,856,419	4,434,929,509
Retained Earnings	1,791,044,652	1,358,421,259
Minority Interest in Subsidiaries	26,073,242	21,596,789
	14,221,295,112	**12,451,602,837**
Regulatory Adjustments:		
Deferred Tax Assets	38,872,008	1,090,190
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	866,500	17,821,430
	39,738,508	**18,911,620**
Total Common Equity Tier-1 Capital	**14,181,556,605**	**12,432,691,218**
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,414,220,484	2,202,499,264
Sub-ordinated debt	4,880,000,000	5,320,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities	64,200,000	64,200,000
	7,358,420,484	**7,586,699,264**
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	38,520,000	25,680,000
Total Tier-2 Capital Available	**7,319,900,484**	**7,561,019,264**
A Total Regulatory Capital	**21,501,457,089**	**19,993,710,482**
Total Assets including Off Balance Sheet items	300,074,734,115	259,016,835,591
B Total Risk Weighted Assets	186,299,305,008	146,354,242,576
C Required capital based on risk weighted assets (10% on B)	18,629,930,501	14,635,424,258
D Surplus (A-C)	**2,871,526,588**	**5,358,286,225**
E Required capital with Conservation Buffer (CB) @11.25% on B	20,958,671,813	15,550,138,274
F Excess over capital with CB (A-E)	**542,785,275**	**4,443,572,209**
Percentage of Capital to Risk Weighted Assets:	**11.54%**	**13.66%**

	2017 Taka	2016 Taka
Solo Basis:		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	7,300,320,800	6,636,655,280
Statutory Reserve	5,103,856,419	4,434,929,509
Retained Earnings	1,681,378,120	1,695,408,803
	14,085,555,338	**12,766,993,592**
Regulatory Adjustments:		
Deferred Tax Assets	38,872,008	1,090,190
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	866,500	17,821,430
	39,738,508	**18,911,620**
Total Common Equity Tier-1 Capital	**14,045,816,830**	**12,748,081,973**
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,414,220,484	2,202,499,264
Subordinated debt	4,880,000,000	5,320,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities	64,200,000	64,200,000
	7,358,420,484	**7,586,699,264**
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	38,520,000	25,680,000
Total Tier-2 Capital Available	**7,319,900,484**	**7,561,019,264**
A Total Regulatory Capital	**21,365,717,315**	**20,309,101,237**
Total Assets including Off Balance Sheet items	300,264,145,320	259,135,798,604
B Total Risk Weighted Assets	184,800,042,096	146,207,838,630
C Required capital based on risk weighted assets (10% on B)	18,480,004,210	14,620,783,863
D Surplus (A-C)	**2,885,713,105**	**5,688,317,374**
E Required capital with Conservation Buffer (CB) @11.25% on B	20,790,004,736	15,534,582,854
F Excess over capital with CB (A-E)	**575,712,579**	**4,774,518,383**
Percentage of Capital to Risk Weighted Assets:	**11.56%**	**13.89%**
14 Statutory Reserve		
Balance brought forward from previous year	4,434,929,509	3,845,644,373
Reserve made during the year	668,926,910	589,285,136
Balance on 31 December	**5,103,856,419**	**4,434,929,509**
15 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,695,408,803	1,698,935,564
Addition during the year	2,181,326,932	2,060,570,658
Transfer to statutory reserve	(668,926,910)	(589,285,136)
Issue of Bonus Share	(663,665,520)	(737,406,140)
Cash dividend paid	(862,765,186)	(737,406,143)
Balance on 31 December	**1,681,378,120**	**1,695,408,803**
15.1 Retained earnings brought forward from previous year		
Retained Earning of previous Year	1,695,408,803	1,698,935,564
Bonus share issued	(663,665,520)	(737,406,140)
Cash dividend paid	(862,765,186)	(737,406,143)
Retained Earnings brought forward	**168,978,097**	**224,123,281**

	2017 Taka	2016 Taka
15.1 (a) Consolidated retained earnings/ movement of profit and loss account		
Retained Earning of ONE Bank Limited	1,681,378,120	1,695,408,803
Retained Earning of ONE Securities Limited	107,238,828	(340,391,585)
Attributable to Non-Controlling Interest	2,427,704	3,404,042
Balance on 31 December	**1,791,044,652**	**1,358,421,260**
15.1(b) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	1,358,421,259	1,004,913,203
Bonus share issued	(663,665,520)	(737,406,140)
Cash Dividend Paid	(862,765,186)	(737,406,143)
Retained Earnings brought forward	**(168,009,447)**	**(469,899,079)**
16 Interest and discount income		
From clients against loans and advances	13,767,970,063	11,918,729,653
Lease finance	482,273,574	438,852,759
Discount from bills purchased & discounted	267,450,257	169,132,139
From banks and financial institutions in Bangladesh	69,136,463	139,800,880
From foreign banks	72,161,651	43,310,734
	14,658,992,009	**12,709,826,164**
Off-shore Banking Unit	263,605,246	86,004,518
	14,922,597,255	**12,795,830,682**
16 (a) Consolidated Interest and discount income		
ONE Bank Limited	14,922,597,255	12,795,830,682
ONE Securities Limited	36,821,719	11,088,176
Less, Inter Company Transaction	-	(1,279)
	14,959,418,973	**12,806,917,579**
17 Interest paid on deposits and borrowings		
Short term deposits	2,547,084,069	2,218,303,721
Savings deposits	547,669,975	462,339,066
Term deposits	5,003,593,751	4,473,424,370
Scheme deposits	953,422,916	902,101,042
Borrowings from banks and financial institutions	199,968,840	52,760,831
Interest on Subordinated- Debt	541,849,437	326,111,111
	9,793,588,988	8,435,040,140
Off-shore Banking Unit	240,952,427	30,657,996
	10,034,541,415	**8,465,698,136**
17 (a) Consolidated Interest paid on deposits and borrowings		
ONE Bank Limited	10,034,541,415	8,465,698,136
ONE Securities Limited	-	-
	10,034,541,415	**8,465,698,136**
18 Income from Investments		
Interest on treasury bills	505,751,748	676,380,212
Interest on treasury bond (Net)	843,371,206	658,580,689
Interest on Bangladesh Bank Bill	78,959,642	95,455,697
Dividend on Investment	387,977,086	84,713,818
Gain on sale of Shares	116,921,205	142,834,967
Interest on subordinated bond	304,866,258	273,361,896
	2,237,847,145	**1,931,327,279**

	2017 Taka	2016 Taka
18 (a) Consolidated Income from Investments		
ONE Bank Limited	2,237,847,145	1,931,327,279
ONE Securities Limited	457,384,565	94,284,399
Less, Inter Company Transaction	(346,499,884)	-
	2,348,731,826	**2,025,611,677**
19 Commission, exchange and brokerage		
Letters of credit	359,717,776	326,564,458
Letter of guarantees	115,283,495	70,000,923
Acceptances	227,607,466	202,872,903
Bills for collection	7,885,917	3,044,448
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,997,517	5,630,581
Export bills	48,501,980	40,949,200
PRC Issuance Charges	737,900	557,600
Cash Assistance Handling Charges	5,800,407	3,777,500
Import Related Certificates	302,500	393,270
Others	5,801,817	6,427,735
	777,636,775	**660,218,619**
Profit on exchange trading	1,107,852,881	754,768,556
Less: Loss on exchange trading	-	-
	1,107,852,881	**754,768,556**
	1,885,489,655	**1,414,987,175**
Off-shore Banking Unit	8,075,825	1,907,621
	1,893,565,480	**1,416,894,796**
19 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,893,565,480	1,416,894,796
ONE Securities Limited	71,415,561	35,822,534
	1,964,981,041	**1,452,717,330**
20 Other operating income		
Loan processing fees and other charges	153,666,543	153,911,072
Miscellaneous Credit and Debit Card Fee	73,779,501	50,858,964
Recoveries of postage, telex, telephone, fax etc	50,039,253	49,145,965
Letter of Credit miscellaneous charges	177,882,316	182,848,693
General Banking miscellaneous charges	58,134,531	44,437,114
Miscellaneous **(Note-20.1)**	27,766,199	53,328,672
Rent on locker	2,304,100	2,056,850
Gain on sale of fixed assets	4,292,658	-
	547,865,102	**536,587,331**
Off-shore Banking Unit	8,084,186	6,562,923
	555,949,288	**543,150,254**

20.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, certificate issuance charge etc.

20 (a) Consolidated Other operating income		
ONE Bank Limited	555,949,288	543,150,254
ONE Securities Limited	1,125,894	1,173,256
	557,075,183	**544,323,510**

Notes to the Financial Statements

For the year ended 31 December 2017

	2017 Taka	2016 Taka
21 Salary & Allowances		
Salary & Allowances	1,861,939,350	1,747,074,415
Provident Fund Contribution	112,009,007	104,112,485
Gratuity	153,825,455	90,618,829
Superannuation fund	7,000,000	7,000,000
Bonus	431,255,882	393,131,775
	2,566,029,694	**2,341,937,504**
21(a) Consolidated Salary & Allowances		
ONE Bank Limited	2,566,029,694	2,341,937,504
ONE Securities Limited	24,220,101	15,486,312
	2,590,249,795	**2,357,423,816**
22 Rent, taxes, insurance, electricity etc.		
Rent	311,728,520	282,229,143
VAT on Rent	46,759,725	33,885,212
Taxes	1,745,840	1,989,164
Electricity	59,794,720	59,247,473
Utilities	7,733,172	6,799,533
Insurance	122,146,255	92,729,726
	549,908,233	**476,880,251**
22(a) Consolidated Rent, taxes, insurance, electricity etc.		
ONE Bank Limited	549,908,233	476,880,251
ONE Securities Limited	1,152,300	-
	551,060,533	**476,880,251**
23 Legal expenses		
Professional fees	14,852,761	17,628,452
Fees, Court fees & stamps	465,300	186,478
	15,318,061	**17,814,930**
Off-shore Banking Unit	19,896,322	1,188,963
	35,214,382	**19,003,893**
23 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	35,214,382	19,003,893
ONE Securities Limited	478,375	23,219
	35,692,757	**19,027,112**
24 Postage, stamps, telecommunication etc.		
Telex/Telephone/Fax etc	19,310,920	31,482,037
Courier/postage	11,617,370	12,571,272
Radio Link	31,547,471	31,539,069
Reuter	2,660,080	4,014,349
	65,135,840	**79,606,726**
25 Directors' Fees	**1,536,000**	**1,456,000**

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.

Notes to the Financial Statements

For the year ended 31 December 2017

	2017 Taka	2016 Taka
25 (a) Consolidated Director's Fees		
ONE Bank Limited	1,536,000	1,456,000
ONE Securities Limited	145,250	67,500
	1,681,250	**1,523,500**
26 Stationery, Printing, advertisement etc.		
Printed and security stationery	39,564,792	36,076,614
Stationery	51,018,889	47,659,089
Advertisement	164,197,244	72,928,151
	254,780,925	**156,663,854**
26 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	254,780,925	156,663,854
ONE Securities Limited	387,510	268,783
	255,168,435	**156,932,637**
27 Managing Director's Salary & Allowances		
Basic Salary	10,200,000	9,584,944
House rent allowance	300,000	207,742
Utility allowance	-	15,379
Provident Fund Contribution	1,020,000	958,495
Festival Bonus	1,700,000	1,566,666
Incentive Bonus	1,000,000	1,000,000
	14,220,000	**13,333,226**
28 Depreciation, leasing expense and repair of bank's assets		
Depreciation (Annexure - A)	272,649,764	234,550,605
Repairs & Maintenance	348,246,189	327,875,274
	620,895,954	**562,425,879**
28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	620,895,954	562,425,879
ONE Securities Limited	3,130,177	2,182,542
	624,026,131	**564,608,420**
29 Other expenses		
Entertainment	37,085,441	49,434,105
Car expenses	12,763,042	15,324,533
Donation and Subscription (including CSR)	178,590,298	64,761,587
Business Traveling & Conveyance	19,207,901	23,351,674
Computer & Printer expenses	19,798,040	61,393,677
Finance charge-against leased assets	224,796	209,476
Staff training	9,934,724	3,799,011
VISA Card Expenses	28,674,258	25,714,853
Sales Team fees	10,491,335	5,036,359
Bank charges and commission paid	9,046,647	8,188,486
Miscellaneous **(Note-29.1)**	5,988,477	8,549,578
ATM Booth Expenses	21,213,966	16,063,097
Call center operating expense	2,904,565	2,698,603
Issuance cost of Sub-Ordinated Bond	4,997,852	1,962,142
Mobile Financial Services	126,156	2,456,247
Loss from sale/ write off of assets	1,599,284	5,692,463
	362,646,782	**294,635,890**

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

Notes to the Financial Statements

For the year ended 31 December 2017

	2017 Taka	2016 Taka
29 (a) Consolidated Other expenses		
ONE Bank Limited	362,646,782	294,635,890
ONE Securities Limited	14,162,733	8,720,524
	376,809,515	**303,356,414**
30 Provision for loans, off balance sheet exposure, investment & other for the year		
Provision for bad and doubtful loans and advances	1,548,486,691	1,197,346,915
Provision for unclassified loans and advances	245,456,425	61,889,257
Provision for off-balance sheet exposure	(33,735,206)	94,509,626
Provision for diminution in value of share	-	(24,676,466)
Provision for other	7,486	(133,362)
	1,760,215,397	**1,328,935,970**
31 Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	-	(24,676,466)
ONE Securities Limited	(350,756,540)	(245,475,248)
	(350,756,540)	**(270,151,714)**
32 Consolidated provision for other assets for the year		
ONE Bank Limited	7,486	(133,362)
ONE Securities Limited	-	-
	7,486	**(133,362)**
33 Tax Expenses for the year		
Current Tax	1,211,690,953	873,139,033
Deferred tax	(48,383,337)	12,715,990
	1,163,307,616	**885,855,023**
33 (a) Consolidated Tax Expenses for the year		
Current Tax		
ONE Bank Limited	1,211,690,953	873,139,033
ONE Securities Limited	76,172,419	427,105
	1,287,863,372	**873,566,138**
Deferred Tax		
ONE Bank Limited	(48,383,337)	12,715,990
ONE Securities Limited	-	-
	(48,383,337)	**12,715,990**
	1,239,480,035	**886,282,128**
34 Interest receipts in cash		
Interest income on loans & advances	14,922,597,255	12,764,429,289
Interest on Treasury Bills and Bonds	1,732,948,854	1,703,778,494
	16,655,546,109	14,468,207,782
(Increase)/ Decrease in interest receivable on loans & advances	(1,083,038,970)	(596,611,870)
(Increase)/ Decrease in interest receivable others	(11,280,115)	(37,791,708)
	15,561,227,024	**13,833,804,204**
34 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	15,561,227,024	13,833,804,204
ONE Securities Limited	36,821,722	11,088,176
Interest on Loan paid by ONE Securities Ltd to ONE Bank Limited	-	(1,279)
	15,598,048,746	**13,844,891,100**

Notes to the Financial Statements

For the year ended 31 December 2017

	2017 Taka	2016 Taka
35 Interest payments		
Total interest expenses	10,034,541,415	8,465,698,136
Add : Opening balance of interest payable	1,269,312,060	1,505,015,918
Less: Closing balance of interest payable	(2,021,281,931)	(1,269,312,060)
	9,282,571,544	**8,701,401,995**
35 (a) Consolidated Interest Payment		
ONE Bank Limited	9,282,571,544	8,701,401,995
ONE Securities Limited	-	-
	9,282,571,544	**8,701,401,995**
36 Fee and commission receipts in cash		
Commission, exchange and brokerage	785,712,599	662,126,240
Less : (Increase) / decrease in Commission receivable	-	310,250
	785,712,599	**662,436,490**
36 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	785,712,599	662,436,490
ONE Securities Limited	71,415,561	35,822,534
	857,128,160	**698,259,024**
37 Cash payments to employees		
Salaries and allowances	2,566,029,694	2,341,937,504
Managing Director's salary and allowances	14,220,000	13,333,226
	2,580,249,694	2,355,270,730
Less: Payable to employees	(336,299,374)	(325,555,240)
Add: Opening Payable	325,555,240	320,320,704
	2,569,505,559	**2,350,036,195**
38 Cash payment to suppliers		
Stationery, Printings, advertisements etc.	254,780,925	156,663,854
Repair & Maintenance	348,246,189	327,875,274
Add: closing stock of stationery and stamps	31,918,559	27,401,135
	634,945,674	511,940,263
Less: opening stock of stationery and stamps	(27,401,135)	(37,209,318)
	607,544,539	**474,730,944**
39 Cash receipts from other operating activities		
Other operating income	555,949,288	543,150,254
Exchange earnings	1,107,852,881	754,768,556
	1,663,802,169	**1,297,918,810**
39 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	1,663,802,169	1,297,918,810
ONE Securities Limited	383,986,876	29,438,599
	2,047,789,045	**1,327,357,408**
40 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	549,908,233	476,880,251
Legal expenses	35,214,382	19,003,893
Postage, stamps, telecommunication etc.	65,135,840	79,606,726
Directors fees	1,536,000	1,456,000
Auditors' fee	200,000	200,000
Other expenses	361,047,498	288,943,427
	1,013,041,953	866,090,298
Add: Outstanding in payable - Opening balance	183,889,627	189,146,660
Less: Outstanding in payable - Closing balance	(235,226,212)	(183,889,627)
	961,705,368	**871,347,331**

	2017 Taka	2016 Taka
40 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	961,705,368	871,347,331
ONE Securities Limited	38,116,612	7,004,569
	999,821,979	**878,351,900**
41 (Increase)/decrease of other assets		
Closing balance:		
Security deposits	4,481,255	4,041,095
Advance rent	488,942,333	529,115,536
Prepayments	356,857,019	192,767,974
Application money against right share and clearing adjustment account	88,869,656	-
Suspense account	47,194,256	26,437,580
Receivable from Bangladesh Bank	235,935,321	145,708,355
Protested bill	2,594,351	2,594,351
Branch Adjustment Account	82,597,306	5,269,747
	1,307,471,497	**905,934,638**
Off-shore banking unit	67,397,567	70,148,795
	1,374,869,065	**976,083,432**
Less: Opening balance:		
Security deposits	4,041,095	3,888,295
Advance rent	529,115,536	510,875,757
Prepayments	192,767,974	150,974,909
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	5,786,576
	905,934,638	**989,038,049**
Off-shore banking unit	70,148,795	-
	976,083,432	**989,038,049**
	(398,785,632)	**12,954,617**
41 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	(398,785,632)	12,954,617
ONE Securities Limited	(20,145,113)	(22,867,715)
	(418,930,745)	**(9,913,098)**
42 Deposits from banks		
Closing Balance :		
Payment on demand	1,180,510	1,184,160
Fixed Deposit	10,871,610,592	5,993,882,806
	10,872,791,102	5,995,066,966
Less : Opening balance	(5,995,066,966)	(5,771,186,810)
	4,877,724,135	**223,880,156**
43 Deposits from customers		
Closing balance of Deposits		
Payable on demand	27,025,082,430	22,547,619,735
Other deposits	144,776,816,134	124,595,524,181
	171,801,898,564	147,143,143,917
Less: Opening 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

	2017 Taka	2016 Taka
Deposit increased during the year	24,658,754,647	22,328,211,225
Add: Opening 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
Less: Closing balance of interest on deposit and others		
Interest on deposits	(2,021,281,931)	(1,269,312,060)
Other deposits Account	(295,471,673)	(289,444,867)
	(2,316,753,603)	(1,558,756,927)
	23,900,757,970	**22,623,937,581**
44 Letters of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:		
Directors	-	-
Government	1,149,276,574	110,537,076
Banks and other financial institutions	144,503,665	80,524,526
Others	12,107,327,881	11,736,266,415
	13,401,108,120	11,927,328,017
Total (i and ii)	**13,401,108,120**	**11,927,328,017**
45 Basic Earnings Per Share		
Attributable profit for the year	**2,181,326,932**	**2,060,570,658**
Weighted average number of outstanding Shares for the year:		
Opening balance	663,665,528	663,665,528
Bonus Share Issued for the year 2016	66,366,552	66,366,552
	730,032,080	**730,032,080**
Basic Earnings Per Share	**2.99**	**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.

45 (a) Basic Earnings Per Share Consolidated		
Attributable to holding company	**2,627,981,009**	**2,417,605,474**
Weighted average number of outstanding Shares for the year:		
Opening balance	663,665,528	663,665,528
Bonus Share Issued for the year 2016	66,366,552	66,366,552
	730,032,080	**730,032,080**
Basic Earnings Per Share	**3.60**	**3.31**

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.

46 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 2017: **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 31.12.2017:

Guarantee amounting to Tk. 8,270,000, Tk. 3,407,278 and Tk. 11,300 have been provided in favour of Bangladesh Shipping Lines Ltd, COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd against Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said Bangladesh Shipping Lines Ltd, COSCO (Bangladesh) Shipping Lines Ltd and 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. 2,435,641.

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 Head Quarters, 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 Enterprise Limited	Expiry Date of Lease 31.05.2021
Lease Agreement	Central Vehicle Maintenance Unit and Off-Site Store, 14-17A Sangshad Avenue, Monipuripara,Tejgoan, Dhaka	Mr. Sayeed H. Chowdhury, Chairman & CEO, 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, Centralized Tarde Processing Center and Loan Administration Department, HRC Bhaban, 64-66 Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Chairman & CEO, 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, Chairman & CEO, 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
Lease Agreement	ONE Bank Limited, Offsite ATM Booth, 14-17A Sangshad Avenue, Monipuripara, Tejgoan, Dhaka	Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Bangladesh Limited	Expiry Date of Lease 31.01.2026

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

47 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 2,101 (2016:2,028).

48 Events after the balance sheet date

The Board of Directors in its 276th meeting held on 15 April 2018 has recommended stock dividend @ 5% and cash dividend @ 15% subject to the approval of the Shareholders at the next Annual General Meeting.

M. Fakhrul Alam	**Syed Nurul Amin**	**A.S.M. Shahidullah Khan**	**Asoke Das Gupta**
Managing Director	Director	Director	Vice-Chairman

Financial Highlights on the overall activities of the Bank

As at 31 December 2017

Solo Basis

Sl No	Particulars	2017 Taka	2016 Taka
1	Paid up Capital	7,300,320,800	6,636,655,280
2	Total Capital	21,365,717,315	20,309,101,237
3	Capital Surplus/(deficit)	2,885,713,105	5,688,317,374
4	Total Assets	227,201,893,797	188,241,205,314
5	Total Deposits	182,674,689,666	153,427,655,750
6	Total Loans and Advances	170,393,469,963	132,084,246,472
7	Total Contingent Liabilities and Commitments	73,062,251,522	70,894,593,289
8	Credit Deposit ratio (%)	84.57%	83.87%
9	Percentage of Classified Loans against total loans and advances	5.31%	4.93%
10	Profit after tax and provisions	2,181,326,932	2,060,570,658
11	Amount of classified loans during the year	9,041,038,640	6,510,596,206
12	Provision kept against classified loans	4,333,477,758	2,734,204,237
13	Provision surplus/(deficit)	-	-
14	Cost of fund	8.29%	8.43%
15	Interest earning Assets	201,175,176,498	166,219,480,213
16	Non-interest earning assets	26,026,717,299	22,021,725,101
17	Return on investment-ROI	9.62%	10.07%
18	Return on Assets-ROA (Net profit after taxation/average assets)	1.05%	1.20%
19	Income from Investment	2,237,847,145	1,931,327,279
20	Earnings per Share	2.99	2.82
21	Net Income per share	2.99	2.82
22	Price Earning Ratio (Times)	8.03	6.48

Consolidated Basis

1	Paid up Capital	7,300,320,800	6,636,655,280
2	Total Capital	21,501,457,089	19,993,710,482
3	Capital Surplus	2,871,526,588	5,358,286,225
4	Total Assets	227,012,482,593	188,122,242,302
5	Total Deposits	182,143,002,056	153,218,867,196
6	Total Loans and Advances	170,441,405,552	132,110,756,274
8	Profit after tax and provisions	2,632,457,461	2,421,212,008
9	Earnings per Share	3.60	3.31
10	Net Income per share	3.60	3.31

Annexure-A

ONE Bank Limited
Schedule of Fixed Assets
As at 31 December 2017

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation (Taka)					Rate of depreciation per annum (Reducing Balance Method)
	Balance on 1 January	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December	Balance on 1 January	Charge for the year	Adjusted on disposal during the year	Balance at 31 December	Net book value at 31 December	%
Furniture and Fixtures	1,406,177,446	179,772,270	790,105	1,585,159,612	463,931,383	123,792,485	469,406	543,280,940	1,041,878,672	10
Office Equipment	979,679,822	91,228,955	5,224,445	1,065,684,332	522,276,500	89,656,456	4,930,457	609,771,795	455,912,537	18
Motor Vehicles	248,824,799	36,813,739	11,824,043	273,814,495	141,464,970	22,443,245	10,452,631	178,499,584	95,314,911	20
Building	144,021,422	45,442,631	-	189,464,053	16,918,012	3,556,274	-	20,474,286	168,989,767	2.5
Land	276,464,295	2,902,000	-	279,366,295	-	-	-	-	279,366,295	
Sub-Total	**3,055,167,784**	**356,159,595**	**17,838,593**	**3,393,488,787**	**1,144,590,866**	**239,448,460**	**15,852,494**	**1,352,026,605**	**2,041,462,182**	
Leased Assets	25,044,000	-	25,044,000	-	23,660,756	1,383,244	25,044,000	-	-	20
Intangibles Assets	181,032,516	17,253,000	2,450,000	195,835,516	135,880,543	31,818,060	-	167,698,603	28,136,913	20
Total 2017	**3,261,244,300**	**373,412,595**	**45,332,593**	**3,589,324,303**	**1,304,132,165**	**272,649,764**	**40,896,494**	**1,519,725,208**	**2,069,599,095**	
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**	

Annexure-B

Reconciliation Statement Regarding Balance with Bangladesh Bank

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

Amount in Taka

	Detail	Total
Balance as per Bank ledger		13,618,219,702
Unrespond debit entries in:		
Bangladesh Bank Statement	69,237	
ONE Bank's ledger	-	69,237
		13,618,150,465
Unrespond credit entries in:		
Bangladesh Bank statement	79,446,761	
ONE Bank's ledger	91,496,012	170,942,773
Balance as per Bangladesh Bank Statement		**13,789,093,238**

Balance as at December 31, 2017 in RTGS settlement A/C with Bangladesh Bank is Tk.200,000/=

2) Balance with Bangladesh Bank-Foreign currency

Amount in Taka

	USD	EURO	GBP	Total
A) Balance as per Bank ledger	**50,849,097**	**8,346,730**	**1,845,394**	**61,041,220**
B) Unrespond debit entries in:				
Bangladesh Bank Statement	2,196,319	-	-	2,196,319
ONE Bank's ledger	25,551,100	-	-	25,551,100
	27,747,420	**-**	**-**	**27,747,420**
C) Unrespond credit entries in:				
Bangladesh Bank statement	169,841,765	402,171	-	170,243,936
ONE Bank's ledger	546,757,637	-	-	546,757,637
	716,599,402	**402,171**	**-**	**717,001,573**
Balance as per Bangladesh Bank Statement (A-B+C)	**739,701,079**	**8,748,901**	**1,845,394**	**750,295,373**

Annexure-C

ONE Bank Limited

Financial Statements for the year ended 31 December 2017

Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2017			2016		
		Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
Standard Chartered Bank, New York	USD	1,138,760.22	82.7000	94,175,470.19	17,778,986.96	78.7022	1,399,245,387.52
Commerzbank AG, Frankfurt	USD	936,302.40	82.7000	77,432,208.48	1,648,806.62	78.7022	129,764,708.37
Mashreqbank Psc, New York	USD	3,307,584.71	82.7000	273,537,255.52	564,464.87	78.7022	44,424,627.09
ICICI Bank Limited, Hong Kong	USD	221,507.09	82.7000	18,318,636.34	23,552.25	78.7022	1,853,613.89
Wells Fargo Bank N.A, New York	USD	968,564.85	82.7000	80,100,313.10	1,192,801.25	78.7022	93,876,082.54
		6,572,719.27		**543,563,883.63**	**21,208,611.95**		**1,669,164,419.41**
Standard Chartered Bank, London	GBP	125,627.66	110.8097	13,920,763.32	11,706.76	96.2371	1,126,624.63
AB Bank Ltd, Mumbai	ACUD	74,246.43	82.7000	6,140,179.76	(183,167.88)	78.7022	(14,415,715.13)
Habib Bank Limited, Karachi	ACUD	-		-	424,094.92	78.7022	33,377,203.21
Mashreqbank Psc, India	ACUD	215,062.48	82.7000	17,785,667.10	-	-	-
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	2,929.22	82.7000	242,246.49	341,520.77	78.7022	26,878,435.94
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	118,468.46	82.7000	9,797,341.64	84,429.99	78.7022	6,644,825.96
Seylan Bank PLC, Colombo	ACUD	6,529.18	82.7000	539,963.19	89,392.40	78.7022	7,035,378.54
Standard Chartered Bank, Mumbai	ACUD	482,159.12	82.7000	39,874,559.22	278,761.23	78.7022	21,939,122.08
United Bank of India, Kolkata	ACUD	414,584.17	82.7000	34,286,110.86	677,362.15	78.7022	53,309,891.40
Axis Bank Ltd, Kolkata	ACUD	713.66	82.7000	59,019.68	337,326.18	78.7022	26,548,312.48
ICICI Bank Limited, Mumbai	ACUD	202,795.60	82.7000	16,771,196.12	175,956.76	78.7022	13,848,184.12
		1,517,488.32		**125,496,284.06**	**2,225,676.52**		**175,165,638.60**
Standard Chartered Bank, Tokyo	JPY	8,192,170.00	0.7297	5,977,826.45	8,367,523.00	0.6713	5,617,118.19
Standard Chartered Bank, Frankfurt	EURO	216,361.12	98.3303	21,274,853.84	200,277.70	81.9762	16,418,004.79
Commerzbank AG, Frankfurt	EURO	289,711.43	98.3303	28,487,411.83	30,689.65	81.9762	2,515,820.89
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	98.3303	8,504,886.57	86,493.04	81.9762	7,090,370.75
		592,565.59		**58,267,152.24**	**317,460.39**		**26,024,196.43**
Westpac Banking Corporation, Sydney	AUD	62,301.12	64.2496	4,002,822.04	84,474.93	56.4924	4,772,191.54
Commerzbank AG, Frankfurt	CAD	205,368.33	65.3393	13,418,622.92	52,240.82	58.0229	3,031,163.87
Habib Bank AG Zurich, Zurich	CHF	49,512.86	83.8317	4,150,747.23	145,148.12	76.5139	11,105,848.74
Bank Al-Jazira, Jeddah	SAR	300,000.00	21.4350	6,430,500.00	300,000.00	21.4350	6,430,500.00
Total				**775,228,602**			**1,902,437,701**

Annexure-D

ONE Bank Limited
Details of Large Loan
As at 31 December 2017

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Fair Group	298.43	289.59	588.02
2	Mahmud Group	198.90	230.54	429.44
3	Mohammadi Group	146.14	190.34	336.47
4	Viyellatex Group	66.23	260.24	326.47
5	Panwin Group	191.22	118.03	309.25
6	Habib Group	227.91	77.11	305.02
7	Energypac Group & Confidence Group	114.82	184.45	299.26
8	Navana Group	241.61	43.40	285.01
9	Max Group	217.62	63.49	281.11
10	BBS Group	142.24	118.58	260.82
11	Medlar Group	134.52	119.35	253.87
12	Noman Group	211.38	27.48	238.85
13	Globe Pharmaceuticals Group	112.99	125.13	238.12
14	Popular Group	211.05	9.17	220.22
	Total	**2,515.06**	**1,856.89**	**4,371.95**

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 2017

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.	18.89	
			4 HRC Syndicate Ltd.	93.00	
			5 HRC Travels Ltd.	90.00	
			6 HRC Lighting Ltd.	47.00	
			7 HRC Properties Ltd.	45.00	
			8 HRC Shipping Ltd.	94.71	
			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.	99.05	
			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.	2.07	
			18 HRC Freight Ltd	80.00	
			19 Jaijaidin Publications Ltd.	66.67	
			20 Travelwise Ltd	15.00	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd.	55.00	
			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	
			2 Buttons & Trims Ltd	70.00	
			3 Lables & Trims Ltd.	70.00	
			4 Lamisa Ltd.	60.00	
			5 L-2 Knitting Ltd.	60.00	
			6 Shamah Enterprises Ltd	40.00	
			7 Holiday Publications Ltd.	10.00	
			8 Lamisa Food Products Ltd.	70.00	
			9 NTC Housing Ltd.	12.50	
4.	KSC Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. A.S.M. Shahidullah Khan
5.	Irfan International Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Kazi Rukunuddin Ahmed
6.	M. R. Holdings & Securities Limited	Director	NTC Housing Ltd.	12.50	Represented by Mr. Shawket Jaman
7.	Mr. Syed Nurul Amin	Independent Director	-	-	-
8.	Mr. Salahuddin Ahmed	Independent Director	Consolidated Services Limited	25.00	-

Annexure-F

Off-Shore Banking Unit
Balance Sheet
As at 31 December 2017

	Notes	2017		2016	
		USD	TAKA	USD	TAKA
PROPERTY AND ASSETS					
CASH					
Cash in hand (including foreign currencies)		-	-	-	-
Cash with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
		-	-	-	-
Balance with other Banks and Financial Institutions	3				
In Bangladesh		-	-	-	-
Outside Bangladesh		-	-	22,321,382	1,756,741,848
		-	-	**22,321,382**	**1,756,741,848**
Money at Call on Short Notice		-	-	-	-
Investment					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loan and Advances:	4				
Loans, cash credit, overdraft etc.		66,510,144	5,500,388,878	58,547,030	4,607,780,025
Bills purchased and discounted		5,606,050	463,620,357	4,660,797	366,814,971
		72,116,194	**5,964,009,236**	**63,207,826**	**4,974,594,996**
Fixed Assets		-	-	-	-
Other Assets	5	**814,965**	**67,397,567**	**891,319**	**70,148,795**
Non Banking Assets		-	-	-	-
Total Assets		**72,931,158**	**6,031,406,803**	**86,420,527**	**6,801,485,638**
LIABILITIES AND CAPITAL					
Borrowings from other banks, financial institutions and agents	6	**44,000,000**	**3,638,800,000**	**45,859,233**	**3,609,222,527**
Deposit and other Accounts	7				
Current accounts and other accounts		5,164	427,030	5,164	406,387
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		8,725,642	721,610,592	22,793,299	1,793,882,806
		8,730,806	**722,037,621**	**22,798,463**	**1,794,289,193**
Other Liabilities	8	**20,089,240**	**1,661,380,170**	**17,325,718**	**1,363,572,093**
Total Liabilities		**72,820,046**	**6,022,217,792**	**85,983,414**	**6,767,083,813**
Capital/Shareholders' Equity					
Profit and Loss Account		111,113	9,189,011	437,114	34,401,825
Total Liabilities and Shareholders' Equity		**72,931,158**	**6,031,406,803**	**86,420,527**	**6,801,485,638**
Off Balance Sheet Items					
Contingent Liabilities:	9				
Acceptance and endorsements		681,586	56,367,138	-	-
Letter of Guarantee		-	-	-	-
Irrevocable Letters of Credit		4,553,357	376,562,641	5,712,601	449,594,290
Bills for Collection		-	-	-	-
		5,234,943	**432,929,779**	**5,712,601**	**449,594,290**
Other Contingent Liabilities					
Claims lodged with but not recognized by the Bank		-	-	-	-
Other exchange contract		-	-	-	-
Total Contingent Liabilities		**5,234,943**	**432,929,779**	**5,712,601**	**449,594,290**
Other Commitments					
Documentary Credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving undertaking facilities		-	-	-	-
Undrawn formal standby facilities, credit lies and other commitments		-	-	-	-
Total other commitments		-	-	-	-
Total off-Balance Sheet items including contingent Liabilities		**5,234,943**	**432,929,779**	**5,712,601**	**449,594,290**

Off-Shore Banking Unit
Profit & Loss Account

For the year ended 31 December 2017

	Notes	2017		2016	
		USD	TAKA	USD	TAKA
Interest income	10	3,775,863	312,263,858	2,439,107	191,963,079
Interest paid on deposits & borrowings	11	(3,501,947)	(289,611,038)	(1,735,867)	(136,616,557)
Net interest income		**273,916**	**22,652,819**	**703,240**	**55,346,522**
Income from investments		-	-	-	-
Commission, Exchange and Brokerage	12	97,652	8,075,825	24,238	1,907,621
Other operating income	13	97,753	8,084,186	83,389	6,562,923
Total operating income (A)		**469,321**	**38,812,830**	**810,868**	**63,817,066**
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal & Consultancy expenses		240,584	19,896,322	15,107	1,188,963
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, Printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		-	-	-	-
Total operating expenses (B)		**240,584**	**19,896,322**	**15,107**	**1,188,963**
Profit before provision and tax (C=A-B)		**228,737**	**18,916,509**	**795,761**	**62,628,103**
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		119,639	9,894,142	301,521	23,730,335
		119,639	**9,894,142**	**301,521**	**23,730,335**
Provision for off-balance sheet items		(2,015)	(166,645)	57,126	4,495,943
Other Provision		-	-	-	-
Total Provision		**117,624**	**9,727,497**	**358,647**	**28,226,277**
Profit/(loss) before tax (C-D)		**111,113**	**9,189,011**	**437,114**	**34,401,825**
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		-	-	-	-
Net profit after taxation		**111,113**	**9,189,011**	**437,114**	**34,401,825**

Off-Shore Banking Unit
Cash Flow Statement

For the year ended 31 December 2017

	2017		2016	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	3,775,863	312,263,858	2,439,107	191,963,079
Interest payments	(3,501,947)	(289,611,038)	(1,735,867)	(136,616,558)
Fee and commission receipts	97,652	8,075,825	24,238	1,907,621
Legal expenses	(240,584)	(19,896,322)	(15,107)	(1,188,963)
Receipts from other operating activities	97,753	8,084,186	83,389	6,562,923
Operating profit before changes in current assets and liabilities	**228,736**	**18,916,509**	**795,761**	**62,628,102**
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(8,908,367)	(736,721,991)	(30,066,915)	(2,366,332,363)
Other assets	76,355	6,314,544	(891,319)	(70,148,795)
Borrowing from other banking companies, agencies etc.	(1,859,233)	(153,758,569)	45,859,233	3,609,222,527
Deposits from banks	(14,067,657)	(1,163,395,267)	2,793,299	219,838,806
Deposits from customers	-	-	-	-
Other liabilities	2,208,785	182,666,484	3,831,323	301,533,569
	(22,550,119)	**(1,864,894,800)**	**21,525,621**	**1,694,113,745**
A Net cash flows from operating activities	**(22,321,382)**	**(1,845,978,291)**	**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)**	**(1,845,978,291)**	**22,321,382**	**1,756,741,848**
Effect of exchange rate changes on cash and cash equivalents	**-**	**89,236,444**	**-**	**-**
E Opening cash and cash equivalents	**22,321,382**	**1,756,741,848**	**-**	**-**
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**

Off-Shore Banking Unit
Notes to the Financial Statements

For the year ended 31 December 2017

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 2017 to 31 December 2017.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

a) Loans and advances of Off-Shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

1.3.3 Fixed assets and depreciation

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

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

Category of fixed assets	Rate 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 82.70, EURO1=Taka 98.3303 and CHF1= Taka 83.8317 (Mid rate as at 31 December 2017).

Off-Shore Banking Unit
Notes to the Financial Statements

	2017		2016	
	USD	TAKA	USD	TAKA
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	
Outside Bangladesh **(note-3.1)**	-	-	22,321,382	1,756,741,848
	-	**-**	**22,321,382**	**1,756,741,848**
3.1 Outside Bangladesh				
Mashreq Bank NY	-	-	22,321,382	1,756,741,848
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (Short Term)	65,367,839	5,405,920,317	57,632,586	4,535,811,349
Overdraft	999,852	82,687,795	914,443	71,968,677
Loan against Trust Receipt	142,452	11,780,766	-	-
	66,510,144	**5,500,388,878**	**58,547,030**	**4,607,780,025**
ii) Bills purchased and discounted				
Local bill purchased and discounted	5,606,050	463,620,357	4,660,797	366,814,971
Foreign bills purchased and discounted	-	-	-	-
	5,606,050	**463,620,357**	**4,660,797**	**366,814,971**
	72,116,194	**5,964,009,236**	**63,207,826**	**4,974,594,996**
5 Other Assets				
Due to Head Office	-	-	-	-
Prepayment	814,965	67,397,567	891,319	70,148,795
	814,965	**67,397,567**	**891,319**	**70,148,795**
6 Borrowing from other Banks, and financial institutions and agents				
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	19,000,000	1,571,300,000	19,000,000	1,495,341,800
Oesterreichische EntwicklungsBank AG (OeEB)	10,000,000	827,000,000	10,000,000	787,022,000
The OPEC Fund for International Development (OFID)	15,000,000	1,240,500,000	15,000,000	1,180,533,000
Habib Bank, Hong kong	-	-	1,859,233	146,325,727
	44,000,000	**3,638,800,000**	**45,859,233**	**3,609,222,527**
7 Deposits and other accounts				
Current deposits	4,905	405,648	4,905	386,039
Deposits from Banks- Local **(note-7.1)**	8,725,642	721,610,592	22,793,299	1,793,882,806
Sundry deposits	259	21,381	259	20,348
	8,730,806	**722,037,621**	**22,798,463**	**1,794,289,193**
7.1) Deposits from Banks- Local				
BRAC Bank Limited	8,725,642	721,610,592	18,013,209	1,417,679,177
Prime Bank Limited	-	-	4,780,090	376,203,630
	8,725,642	**721,610,592**	**22,793,299**	**1,793,882,806**
8 Other liabilities				
Due From Head Office	18,075,920	1,494,878,622	16,176,304	1,273,110,697
Accured Interest for deposit	84,110	6,955,862	293,506	23,099,606
Interest Payable on Borrowings Outside Bd	359,518	29,732,115	127,587	10,041,409
Payable to Head Office (Retained Earnings)	796,181	65,844,181	-	-
Others	-	-	39,116	3,078,488
General Provision (Unclassified Loan)	721,162	59,640,092	632,078	49,745,950
General Provision for off balance sheet items	52,349	4,329,298	57,126	4,495,943
	20,089,240	**1,661,380,170**	**17,325,718**	**1,363,572,093**

Off-Shore Banking Unit
Notes to the Financial Statements

9 Contingent liabilities				
Acceptance and Endorsements	681,586	56,367,138	-	-
Letter of Guarantee	-	-	-	-
Irrevocable Letter of Credit	4,553,357	376,562,641	5,712,601	449,594,290
Bills for Collection	-	-	-	-
	5,234,943	**432,929,779**	**5,712,601**	**449,594,290**
10 Interest income				
Bills purchased and discounted	246,079	20,350,719	130,311	10,255,774
Short Term Loan	1,541,964	127,520,427	2,306,996	181,565,656
Time Loan	1,802,968	149,105,446	-	-
Loan Against Trust Receipt	113,469	9,383,852	-	-
Overdraft	70,835	5,858,038	1,800	141,649
Others	549	45,376	-	-
Interest on loans and advances	**3,775,863**	**312,263,858**	**2,439,107**	**191,963,079**
Interest received from HO	-	-	-	-
Total Interest income	**3,775,863**	**312,263,858**	**2,439,107**	**191,963,079**
11 Interest on deposits, borrowings,				
Interest paid to HO	588,375	48,658,612	1,346,323	105,958,561
Interest expenses for borrowing	2,397,252	198,252,775	127,587	10,041,409
Interest expenses for other bank- Local	516,320	42,699,652	261,957	20,616,587
	3,501,947	**289,611,038**	**1,735,867**	**136,616,557**
12 Commission, exchange and brokerage				
Commission on L/C	96,017	7,940,584	11,454	901,484
Commission on acceptance	1,635	135,241	-	-
Other commission	-	-	12,784	1,006,137
	97,652	**8,075,825**	**24,238**	**1,907,621**
13 Other operating income				
Fees & Charges of Loan	97,753	8,084,186	-	-
EXP Issuing Charge	-	-	82,489	6,492,091
Postage	-	-	900	70,832
	97,753	**8,084,186**	**83,389**	**6,562,923**

Annexure-G

Statement of Tax Position of the Bank

As at 31 December 2017

Accounting Year	Assessment Year	Status
2004	2005-2006	Honourable High Court Division of Supreme Court of Bangladesh has given verdict in favour of OBL in case of certain regulatory deductions for the Accounting year 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011. The matter is now pending at the Appellate Division of Honourable Supreme Court of Bangladesh.
2005	2006-2007	
2006	2007-2008	
2007	2008-2009	
2008	2009-2010	
2009	2010-2011	
2010	2011-2012	
2011	2012-2013	
2012	2013-2014	The matter is pending at Honourable High Court Division of Supreme Court.
2013	2014-2015	
2014	2015-2016	Pending at Commissioner (Appeals)
2015	2016-2017	Assessment under process.
2016	2017-2018	Assessment under process.
2017	2018-2019	Tax Return yet to be filed

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ONE Bank LIMITED

...We Make Things Happen

ONE Securities Limited

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 2017 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 2017 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;

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 10 April 2018

ONE Securities Limited
Statement of Financial Position

As at 31 December 2017

	Notes	2017 Taka	2016 Taka
SOURCE OF FUND			
Shareholders' Equity			
Paid-up Capital	3	2,500,000,000	2,500,000,000
Retained Earnings/ (accumulated losses)		107,238,828	(340,391,585)
Total Source of fund		**2,607,238,828**	**2,159,608,415**
APPLICATION OF FUND			
Non Current Assets (A)			
Investment in DSE and CSE Shares	4	600,200,000	600,200,000
Fixed Assets	6	25,559,281	13,614,595
		625,759,281	**613,814,595**
Current Assets (B)			
Advance deposit and prepayments	7	996,181	342,728
Advance income tax	8	63,694,727	35,194,841
Investment in Shares	5	1,782,018,137	1,657,272,866
Margin loan to clients	9	47,935,589	26,509,801
Accounts receivable	10	42,373,769	22,882,109
Cash and cash equivalents	11	531,697,797	208,807,771
		2,468,716,200	**1,951,010,116**
Current Liabilities -C			
Other liabilities	12	79,505,343	354,089,464
Audit Fee Payable	13	25,000	25,000
Other payable	14	407,706,311	51,101,832
		487,236,654	**405,216,296**
Net Current Assets (D=B-C)		**1,981,479,547**	**1,545,793,820**
Total Application of Fund (A+D)		**2,607,238,828**	**2,159,608,415**

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

Asoke Das Gupta
Director

See annexed report of even date.

Hoda Vasi Chowdhury & Co

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 10 April 2018

ONE Securities Limited
Statement of Comprehensive Income
for the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income (A)			
Commission and Brokerage Income	15	71,415,561	35,822,534
Interest Income	16	36,821,719	11,088,176
Investment Income	17	457,384,565	94,284,399
Other Operating Income	18	1,125,894	1,173,256
		566,747,739	**142,368,365**
Operating Expenses (B)			
Salary & Allowances	19	24,220,101	15,486,312
Office Rent		1,152,300	-
Interest paid on short term loan		-	1,279
Auditors' fee		25,000	25,000
Directors' fees		145,250	67,500
Professional Fees		478,375	23,219
Bank charges		9,789	9,243
Printing & Stationary		387,510	268,783
Repairs and Maintenance		45,340	11,100
Depreciation		3,084,837	2,171,442
Fees and renewal	20	4,170,767	3,131,043
Direct expenses	21	5,558,695	2,694,990
Others expenses	22	4,423,483	2,885,248
Total		43,701,447	26,775,157
Net profit before provision and tax (A-B)		**523,046,292**	**115,593,207**
Provision for diminution in value of share	12.1	(350,756,540)	(245,475,248)
Provision for income tax	12.2	76,172,419	427,105
Net profit/(Loss) after provision		**797,630,413**	**360,641,351**
Retained surplus brought forward		(340,391,585)	(701,032,936)
		457,238,828	(340,391,585)
Interim Dividend		350,000,000	-
Retained surplus carried forward		**107,238,828**	**(340,391,585)**
Earnings per Share (EPS)		**3.19**	**1.44**

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

Asoke Das Gupta
Director

See annexed report of even date.

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 10 April 2018

ONE Securities Limited
Statement of Cash Flows
for the year ended 31 December 2017

	2017 Taka	2016 Taka
Cash Flows from Operating Activities		
Interest Receipts in cash	36,821,722	11,088,176
Commission and Brokerage receipts in cash	71,415,561	35,822,534
Interest Payments	-	(1,279)
Dividend receipts	74,523,583	66,019,055
Income Taxes paid	(28,499,887)	(19,470,659)
Advance Deposit and Prepayment	(653,453)	(134,064)
Other Payable	4,104,479	(7,794,022)
Other Receivable	(19,491,660)	(22,733,651)
Loan to Clients	(21,425,788)	22,249,810
Receipts from other operating activities	383,986,876	29,438,599
Operating Expenses	(38,116,612)	(7,004,569)
A) Net Cash used in Operating Activities	**462,664,821**	**107,479,930**
Cash Flows from Investing Activities		
Payments for purchase of securities	(124,745,271)	(455,058,238)
Net Purchase/Sale of fixed assets	(15,029,524)	(2,376,228)
B) Net Cash used in Investing Activities	**(139,774,795)**	**(457,434,466)**
Cash Flows from Financing Activities		
Receipts from issue of shares	-	500,000,000
Short term borrowing	-	-
C) Net Cash from Financing Activities	**-**	**500,000,000**
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	322,890,026	150,045,463
Opening Cash and cash equivalents	208,807,771	58,762,308
Closing cash and cash equivalents	**531,697,798**	**208,807,771**

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

Asoke Das Gupta
Director

Dhaka, 10 April 2018

ONE Securities Limited
Statement of Changes in Equity
for the year ended 31 December 2017

Amount in Taka

Particulars	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2017	**2,500,000,000**	**(340,391,585)**	**2,159,608,415**
Net profit / (loss) during the period	-	797,630,413	797,630,413
Interim Dividend	-	(350,000,000)	(350,000,000)
Balance as at 31 December 2017	**2,500,000,000**	**107,238,828**	**2,607,238,828**
Balance as at 31 December 2016	**2,500,000,000**	**(340,391,585)**	**2,159,608,415**

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

Asoke Das Gupta
Director

Dhaka, 10 April 2018

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2017

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.

2.3Fixed 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 of Depreciation
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.

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, 2017 to December 31, 2017.

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, 2017 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 2017

	2017 Taka	2016 Taka
3 Share 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 paid.	**2,500,000,000**	**2,500,000,000**

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
Mrs. Farzana Chowdhury	12	120
KHH Holdings Limited	12	120
M R Holdings & Securities Limited	12	120
Irfan International Limited	12	120
KSC Securities Limited	12	120
Master Holdings Limited	12	120
	250,000,000	**2,500,000,000**

4 Investment in DSE and CSE Shares		
Shares in DSE	320,200,000	320,200,000
Shares in CSE	280,000,000	280,000,000
	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 Share	**1,782,018,137**	**1,657,272,866**

5.1 The details of the investment in shares are as follows:

Business Segments	No. of Shares	Cost of Shares	Market value of Shares as on 31.12.2017
Banks/Finance	52,773,828	1,394,330,750	1,527,069,627
Cement	2,593,890	202,164,803	181,551,901
Ceramics	50,000	3,050,334	2,995,000
Engineering	13,975	128,572	967,315
Fuel & Power	526,490	64,953,830	56,842,759
Miscellaneous	880,559	29,994,535	23,775,093
Mutual Fund	2,847,500	13,715,838	19,932,500
Pharmaceuticals & Chemicals	494,413	64,805,533	60,052,463
Textile	130,235	8,873,941	8,335,040
Total		**1,782,018,137**	**1,881,521,699**

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2017

	2017 Taka	2016 Taka
6 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	21,081,161	8,495,843
Office equipment	10,288,133	7,843,927
	31,369,294	16,339,770
Intangible Assets	1,710,000	1,710,000
	33,079,294	18,049,771
Less: Accumulated depreciation	7,520,013	4,435,175
Closing balance	**25,559,281**	**13,614,595**
(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
Advance payment for Rent	624,000	-
Prepaid Insurance Premium	122,181	92,728
	996,181	**342,728**
8 Advance income tax		
Opening balance	35,194,841	15,724,181
Addition during the period (note-8.1)	28,499,887	19,470,659
Closing balance	**63,694,727**	**35,194,841**
8.1 Addition during the year		
Advance tax paid with Appeal to Appellate Tribunal	-	7,498
Advance income tax deducted on Dividend	14,904,668	13,203,807
Advance income tax deducted by DSE on transaction	7,005,036	4,969,818
Advance income tax deducted by DSE on transaction for Dealer	2,918,733	268,729
Advance income tax deducted by CSE on transaction for Dealer	381,391	253,780
Advance income tax deducted by CSE on transaction	260,174	273,657
Advance income tax deducted by Bank on Deposit	773,626	391,074
Advance income tax deducted by Bank on Deposit Dealer	2,256,258	102,296
	28,499,887	**19,470,659**

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	**47,935,589**	**26,509,801**

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.

10 Accounts Receivable		
Receivable from DSE-Investor	31,207,861	19,798,730
Receivable from DSE-Dealer	167,982	2,909,179
Receivable from CSE-Dealer	10,997,926	-
Receivable from CSE-Investor	-	174,200
	42,373,769	**22,882,109**
11 Cash and Cash Equivalent		
Cash in Hand	10,188	19,218
ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C	59,727,512	50,579,716
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C	106,483,146	69,552,200
ONE Bank Limited, Principal Branch (IPO Account)	84,871	635,459
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	975	3,076
ONE Bank Limited, Principal Branch (SND)- Dealer	365,391,104	88,018,103
	531,697,797	**208,807,771**

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2017

	2017 Taka	2016 Taka
12 Other liabilities		
Provision for diminution in value of investment in shares **(note-12.1)**	-	350,756,540
Provision for Income Tax **(note-12.2)**	79,505,343	3,332,924
	79,505,343	**354,089,464**
12.1 Provision for diminution in value of investment in shares		
Opening balance	350,756,540	596,231,789
Provision for the year	(350,756,540)	(245,475,248)
Closing balance	**-**	**350,756,540**
12.2 Provision for Income Tax		
Opening balance	3,332,924	2,905,819
Provision for the year	76,172,419	427,105
Closing balance	**79,505,343**	**3,332,924**

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

13 Audit Fee		
Opening balance	25,000	50,000
Charge during the year	25,000	25,000
Paid during the year	25,000	50,000
Closing balance	**25,000**	**25,000**
14 Other Payable		
Leave Fare Assistance	567,752	478,500
Accrued performance bonus	2,500,000	-
VAT on audit fees	3,750	3,750
Tax Payable on Interim Cash Dividend	69,999,995	-
Payable to Clients	53,766,422	37,538,257
Payable to Telnet Communication Limited	-	22,000
Payable to Service Outsourcing	267,870	249,767
IPO Application Money A/C	-	610,000
Payable to Dhaka Stock Exchanges-Investor	100,199	482,589
Payable to Dhaka Stock Exchanges-Dealer	-	10,953,055
Payable to Chittagong Stock Exchanges-Dealer	7,573	280,976
Payable to Chittagong Stock Exchanges-Investor	191,238	228,634
Payable to CDBL	16,376	14,240
Payable for Provident Fund	-	222,426
Payable to BDCOM Online Ltd.	-	5,175
Sundry Liabilities	-	12,463
Payable to Elite Security Services Ltd.	72,450	-
Payable to Leadsoft Bangladesh Ltd.	160,930	-
Payable for professional fees	51,750	-
Interim Cash Dividend Payable	280,000,005	-
	407,706,311	**51,101,832**
15 Commission and Brokerage Income		
Commission income from Broker	48,314,718	32,164,712
Commission income from Dealer	23,100,843	3,657,822
	71,415,561	**35,822,534**
16 Interest Income		
Interest income from Margin Loan	6,522,873	6,154,471
Interest on Bank Deposit	30,298,846	4,933,704
	36,821,719	**11,088,176**

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2017

	2017 Taka	2016 Taka
17 Investment Income		
Dividend Income	74,523,583	66,019,055
Gain on sale of Shares	382,860,982	28,265,343
	457,384,565	**94,284,399**
18 Other Operation Income		
BO Accounts Opening Fees	194,400	179,400
BO Account Maintenance fee	368,100	316,500
Documentation Fees for Margin Loan	43,200	6,000
Transfer/Transmission In/Out Charges	304,828	352,126
Cheque Dishonour	106,000	40,000
Management Fees- Margin Accounts	66,000	37,000
Miscellaneous	43,366	242,230
	1,125,894	**1,173,256**
19 Salary and Allowances		
Salary & Allowances	18,326,439	13,184,799
Bonus	5,893,662	2,301,513
	24,220,101	**15,486,312**
20 Fees and renewal		
License and renewal fee	355,250	328,450
RJSC expenses	18,568	38,350
Authorized representative application fee	38,600	4,000
CDBL Charges	3,660,849	2,528,243
Trading Work Station Charge	20,000	45,000
BSEC Fees for raising Paid Up Capital	-	140,000
Govt. Excise Duty	77,500	47,000
	4,170,767	**3,131,043**
21 Direct Expenses		
Howla Charges-CSE-Dealer	9,530	420
Transaction Fee -DSE	3,495,609	2,484,910
Transaction Fee-DSE-Dealer	1,459,366	134,364
Transaction Fee-CSE-Dealer	114,831	32,135
Howla Charges-CSE	6,462	3,872
Transaction Fee-CSE	472,897	39,288
	5,558,695	**2,694,990**
22 Others expenses		
Messenger Service	396,669	314,262
Security Guard expenses	667,428	543,582
Entertainment	637,377	228,969
Conveyance	191,602	51,826
Training Expenses	33,750	14,000
Legal Expenses	3,000	10,000
Postage, Stamp & Telecommunication	909,196	735,927
Sundry Expenses	345,002	261,158
VAT on Audit fee	3,750	3,750
Cleaning Service	348,319	270,004
Board Meeting Expenses	38,732	27,160
Donation & Subscription-Others	301,000	-
Back Office Software maintenance Charges	160,930	160,930
Bank Guarantee Charges	386,728	263,680
	4,423,483	**2,885,248**

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

ONE Securities Limited
Schedule of Fixed Assets
As at 31 December 2017

[Referred to Note 6 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation (Taka)				Net book value at 31 December	Rate of depreciation per annum (Reducing Balance Method)
	Balance on 1 January	Additions during the year	Disposal during the year	Balance at 31 December	Balance on 1 January	Charge for the year	Adjusted on disposal during the year	Balance at 31 December		%
Furniture and Fixtures	8,495,843	12,585,318	-	21,081,161	1,098,142	1,586,649	-	2,684,791	18,396,370	10
Office Equipment	7,843,927	2,444,206	-	10,288,133	2,418,033	1,138,689	-	3,556,722	6,731,411	18
Sub-Total	**16,339,770**	**15,029,524**	**-**	**31,369,294**	**3,516,175**	**2,725,337**	**-**	**6,241,513**	**25,127,781**	
Intangibles Assets	1,710,000	-	-	1,710,000	919,000	359,500	-	1,278,500	431,500	20
Total 2017	**18,049,770**	**15,029,524**	**-**	**33,079,294**	**4,435,175**	**3,084,837**	**-**	**7,520,013**	**25,559,281**	
Total 2016	**15,673,542**	**2,376,228**	**-**	**18,049,770**	**2,263,734**	**2,171,442**	**-**	**4,435,175**	**13,614,595**	

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
45, Dilkusha C.A., Dhaka.
Tel : 880 2 9564249
Fax : 880 2 9561960
E-mail : manager.principal@onebank.com.bd
SWIFT : ONEBBDDH001

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

Mirpur Branch
RSH Tower
Plot- 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

Banani Branch
Abedin Tower 35, Kemal Ataturk Avenue,
Banani C.A. Dhaka-1213.
Tel : 880 2 9822116-19
Fax : 880 2 9822099
E-mail : manager.banani@onebank.com.bd
SWIFT : ONEBBDDH018

Imamgonj Branch
18, Roy Iswar Chandra Shill Bahadur Street
Imamgonj, Dhaka.
Tel : 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 : ONEBBDDH021

Elephant Road Branch
Globe Centre
216, Elephant Road, New Market, Dhaka.
Tel : 880 2 58611167-70
Fax : 880 2 8626527
E-mail : manager.elephantroad@onebank.com.bd

Bangshal Branch
22, Bangshal Road, Bangshal, Dhaka.
Tel : 880 2 47111677
Fax : 880 2 9567925
E-mail : manager.bangshal@onebank.com.bd

Banasree Branch
Al-Kauser Palace
House # 2, Road # 5, Block – D
Banasree R/A, Dhaka.
Tel : 880 2 55124058, 55124155
Fax : 880 2 7288183
E-mail : manager.banasree@onebank.com.bd

Jagannathpur Branch
Ka-43, Jagannathpur, Nadda, Dhaka.
Tel : 880 2 8415612-14
Fax : 880 2 8415615
E-mail : manager.jagannathpur@onebank.com.bd

Gulshan Branch
97, Gulshan Avenue, Dhaka.
Tel : 880 2 9890138-40
Fax : 880 2 9856797
E-mail : manager.gulshan@onebank.com.bd
SWIFT : ONEBBDDH003

Kawran Bazar Branch
HRC Bhaban
46, Kawran Bazar C. A., Dhaka.
Tel : 880 2 8189279-80
Fax : 880 2 8155158
E-mail : manager.kawranbazar@onebank.com.bd
SWIFT : ONEBBDDH012

Uttara Branch
House No.14, Road No.14B, Sector No. 4
Uttara Model Town, Dhaka.
Tel : 880 2 58956350
Fax : 880 2 8924261
E-mail : manager.uttara@onebank.com.bd
SWIFT : ONEBBDDH006

Ganakbari (EPZ) Branch
Somser Plaza
Ganakbari Savar, Dhaka.
Tel : 880 2 7789653-4
Fax : 880 2 7789654
E-mail : manager.ganakbariepz@onebank.com.bd
SWIFT : ONEBBDDH005

Joypara Branch
Monowara 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 7635242
E-mail : manager.narayangonj@onebank.com.bd
SWIFT : ONEBBDDH017

Jatrabari Branch
SA Tower
101, West Dholaipar, Shyampur, Dhaka-1204.
Tel : 880 2 47444408-9
Fax : 880 2 7554803
E-mail : manager.jatrabari@onebank.com.bd

Tongi SME/Agriculture Branch
Shahjalal Shopping Complex, 1/1-A
Sahajuddin Sarkar Road, Tongi, Gazipur.
Tel : 880 2 9817407-9
Fax : 880 2 9817410
E-mail : manager.tongi@onebank.com.bd

Progoti Sarani Branch
Ridge Dale
Cha – 75/2, Uttar Badda, Dhaka.
Tel : 880 2 58816648, 58813755, 58814175
Fax : 880 2 8816649
E-mail : manager.progotisharani@onebank.com.bd

Nawabgonj Branch
Sikder Plaza
Bagmara Bazar, Nawabgonj, Dhaka.
Mobile : 01730082799
E-mail : manager.nawabgonj@onebank.com.bd

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

Basabo Branch
Dhaka Complex Pvt. Ltd.
1/Ga, Central Basabo, Sabujbagh, Dhaka.
Tel : 880 2 7811336 -38
Fax : 880 2 7811339
E-mail : manager.basabo@onebank.com.bd

Moghbazar Branch
Erra Tower, 1/B, Outer Circular Road
Moghbazar Wireless, Ramna, Dhaka.
Tel : 880 2 48319562, 48319570, 48319584
Fax : 880 2 9336674
E-mail : manager.moghbazar@onebank.com.bd

Ring Road Branch
Shampa Super Market
6/7 Adarsha Chayaneer
Ring Road, Shamoli, Dhaka.
Tel : 880 2 9104551, 9104552, 9104553
Fax : 880 2 9104554
E-mail : manager.ringroad@onebank.com.bd

Lalbagh Branch
47, Horonath Gosh Road, Lalbagh, Dhaka.
Tel : 880 2 9668939, 9672748, 9672713
Fax : 880 2 9668795
E-mail : manager.lalbagh@onebank.com.bd

Tipu Sultan Road Branch
50, Tipu Sultan Road, Nawabpur, Dhaka.
Tel : 880 2 9591845-7
Fax : 880 2 9591844
E-mail : manager.tipusultanroad@onebank.com.bd

Zinzira Branch
Hazi Nuru Mia Tower, Purbabond Dakpara
Zinzira, Keranigonj, Dhaka.
Mobile : 01709646006-7
E-mail : manager.zinzira@onebank.com.bd

Nandipara Branch
34 Maddha Nandipara,
DakshingaonKhilgaon, Dhaka.
Tel : 880 2 7811350-52
Fax : 7811340
E-mail : manager.nandipara@onebank.com.bd

Mawna Branch
Salam Fakir Super Market, Mawna Bazar,
Sreepur, Gazipur.
Tel : 880 6825 51231-33
Fax : 51234
E-mail : manager.mawna@onebank.com.bd

Sonargaon Janapath Branch
House # 02, Road #17/B, Sonargaon Janapath,
Sector – 12, Uttara, Dhaka.
Tel : 880 2 55086731-32
Fax : 55086730
E-mail : manager.sonargaonjanapath@onebank.com.bd

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

Ashkona Branch
Sayed Tower, 432 Ashkona Bazar
Hazi Camp Road, Dakshinkhan, Dhaka.
Tel : 880 2 48954182, 48954183
Fax : 48954184

Hemayetpur Branch
Madani Super Market, Hemayetpur Bus stand,
Savar, Dhaka.
Tel : 01708136800, 01708136801

Sonargaon Branch
Ambia Plaza, Degree College Road, Mograpara
Chowrastha, Sonargaon, Narayangonj
Tel : 880 2 7656075, 7656052, 7656004
Mobile : 01708813158
E-mail : manager.sonargaon@onebank.com.bd
SWIFT : ONEBBDDH001

Malibagh Branch
Tamij Uddin Tower, 01 DIT Road, Malibagh
Chowdhurypara, Dhaka
Tel : 880 2 58316113, 58316117-8
E-mail : manager.malibagh@onebank.com.bd

Tanbazar Branch
SS Tower, 30/14 Loyal Tank Road, Tanbazar
Narayangonj
Tel : 880 2 7644482, 7644492-3
E-mail : manager.tanbazar@onebank.com.bd

Ekuria Branch
Italy Tower, Hasnabad, Ekuria, South Keranigonj
Dhaka.
Tel : 880 2 7762416, 7762485-6
E-mail : manager.ekuria@onebank.com.bd

Khulna Zone

Khulna Branch
J.K Tower, 79 Jessore Road
Picture Palace, Khulna.
Tel : 880 41 813339, 813351, 813378
Fax : 880 41 813409
E-mail : manager.khulna@onebank.com.bd

Satkhira Branch
Mehedi Super Market
480, Boro Bazar Sarak, Pransayer, Satkhira.
Tel : 880 471 63898, 63910, 63911
Fax : 880 471 63899
E-mail : manager.satkhira@onebank.com.bd

Jessore Branch
M. S. Orchid Centre
44, M. K. Road, Jessore.
Tel : 880 421 68047-48
Fax : 880 421 68049
E-mail : manager.jessore@onebank.com.bd
SWIFT : ONEBBDDH014

Kushtia Branch
Khushi Plaza, 0258 NS Road
Kushtia Sadar, Kushtia.
Tel : 880 71 61711, 61712, 61822
Fax : 880 71 61877
E-mail : manager.kushtia@onebank.com.bd

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

Comilla Zone

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

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

Brahmanbaria SME/Agriculture Branch
Bhuiyan Mansion
1081, Masjid Road, Brahmanbaria.
Tel : 880 851 59455, 59466, 63452
Fax : 880 851 63451
E-mail : manager.brahmanbaria@onebank.com.bd

Our Network of Branches & Booths

Rajshahi Zone

Rajshahi Branch
40 Malopara, Emaduddin Road, Rajshahi.
Tel : 880 721 770495
Fax : 880 721 770496
E-mail : manager.rajshahi@onebank.com.bd

Bogra Branch
739/A, Rabu Tower
Bogra-Rangpur Sarak, Borogola, Bogra.
Tel : 880 51 69850, 69860
Fax : 880 51 69870
E-mail : manager.bogra@onebank.com.bd

Sirajgonj Branch
Mostofa Plaza
104, S. S. Road, Sirajgonj Sadar, Sirajgonj.
Tel : 880 751 62291-2
Fax : 880 751 62280
E-mail : manager.sirajgonj@onebank.com.bd

Shahjadpur SME/Agriculture Branch
Mawlana Saifuddin Yahia Super Market
138, Monirampur Bazar, Shahjadpur, Sirajgonj.
Tel : 880 7527-64045-46
Fax : 880 7527-64047
E-mail : manager.shahjadpur@onebank.com.bd

Rangpur Branch
Shah Bari Tower
286, Station Road, Guptapara, Rangpur.
Tel : 880 521 55081, 55082, 55083
Fax : 880 521 55084
E-mail : manager.rangpur@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

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

Laldighirpar Branch
1827 & 2324, Laldighirpar, Sylhet.
Tel : 880 821 716209, 712778, 714284
Fax: : 880 821 711154
E-mail : manager.laldighirpar@onebank.com.bd
SWIFT : ONEBBDDH051

Noakhali Zone

Chowmuhuni Branch
Bhuiyan Market
D. B. Road, Railgate
Chowmuhuni, Noakhali.
Tel : 880 321 52098
Fax : 880 321 53043
E-mail : manager.chowmuhuni@onebank.com.bd

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

Feni Branch
Zulfikar Chamber, 244, Islampur Road, Feni.
Tel : 880 331 62362, 62267, 62367
Fax : 880 331 62261
E-mail : manager.feni@onebank.com.bd

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

Ramgonj Branch
Nur Plaza
378/1, Uttar Bazar, Main Road, Ramgonj, 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 71267
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

Raipur Branch
Sattar Complex
187, Thana Council Road, Raipur, Lakshmipur.
Tel : 880 3822-56479, 56489
Fax : 880 3822 56479, ex-115
E-mail : manager.raipur@onebank.com.bd

Amishapara Branch
Nurjahan Super Market
Moddhom Bazar, Bhadragonj
Amishapara, Sonaimuri, Noakhali.
Mobile : 01766-667021-24
E-mail : manager.amishapara@onebank.com.bd

Lakshmipur SME/Agriculture Branch
Sky Touch Tower
1305, Bazar road, Laksmipur Sadar, Laksmipur.
Tel : 88-0381-62875, 62876
E-mail : manager.laksmipur@onebank.com.bd

Chaprashir Hat SME/ Agriculture Branch
Akash Shopping Center
Purbo Bazar, Chaprashir Hat
Companygonj, Noakhali.
Tel : 88-03232-53048, 53049
E-mail : manager.chaprashirhat@onebank.com.bd

Subarnachar Branch
Bismillah Tower
Haris Chowdhury Bazar
West Char Jubilee, Char Jabbar
Subarnachar, Noakhali.
Tel : 880 03228 – 52101-3
Fax : 03228 - 52104
E - Mail : manager.subarnachar@onebank.com.bd

Chaterpaiya Branch
Nurjahan Complex
Barogaon, Chaterpaiya Bazar
Sonaimuri, Noakhali.
Mobile : 01777734337, 01777734338
E - mail : manager.chaterpaiya@onebank.com.bd

Chatkhil Branch
Dr. Bashar Plazza
4129 Chatkhil Bazar
Chatkhil, Noakhali.
Tel : 88 03222 – 75351 -3
Fax : 03222 - 75354
E - mail : manager.chatkhil@onebank.com.bd

Bashurhat Branch
Selim Plaza, 30 Bashurhat Bazar
Main Road, Companigonj, Noakhali.
Tel : 88 03223-56284-5
Fax : 03223-56286
E - mail : manager.bashurhat@onebank.com.bd

Chittagong Zone

Agrabad Branch
95, Agrabad C.A., Chittagong.
Tel : 880 31 721384, 726295, 711198
Fax : 880 31 714125
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

Cox's Bazar Branch
Monora Complex
East Laldighir Par, Court Hill Lane
Main Road, Cox's Bazar.
Tel : 880 341 51113-4
Fax : 880 341 51114
E-mail : manager.coxsbazar@onebank.com.bd

CDA Avenue Branch
Avenue Center
787/A, CDA Avenue, East Nasirabad
Kotwali, Chittagong.
Tel : 880 31 2858152-3
Fax : 880 31 2858154
E-Mail : manager.cdaavenue@onebank.com.bd

Nanupur Bazar Branch
Central Plaza
Nanupur Bazar, Fatickchari, Chittagong.
Mobile : 01730323092
E-mail : manager.nanupurbazar@onebank.com.bd

Sitakunda Branch
BBC Steel Bhaban, South Shitalpur,
Sitakunda, Chittagong.
Tel : 880 31-2780961-3
Mobile : 01730736292
E-mail : manager.sitakunda@onebank.com.bd

Rangamati Branch
H. B. Plaza
72/Ma, Banarupa Bazaar, Rangamati.
Tel : 880 351 61701-2, 61741
Fax : 880 351 61742
E-mail : manager.rangamati@onebank.com.bd

Boalkhali Branch
Joinab Tower
Gomdondi, Boalkhali Sadar, Chittagong.
Tel : 880 03032 56181-3
E-mail : manager.boalkhali@onebank.com.bd

Raozan Branch
Al-Baraka Mazda Bhaban
10/742,College Gate, Munshirghata, Raozan.
Tel : 03026-56474-76
E-mail : manager.raozan@onebank.com.bd

Ranir Hat Branch
Ferdous Shopping Complex
Raja Nagar, Rangunia, Ranir Hat.
Mobile : 01755594064
E-mail : manager.ranirhat@onebank.com.bd

Chandgaon Branch
Khawaja Complex
1706/D Arakan Road, Chandgaon, Chittagong.
Tel : 880 31 670023-5
Fax : 880 31 2573294
E-mail : manager.chandgaon@onebank.com.bd

Dovashi Bazar Branch
Tayabia Madrasa Market
Chandraghona, Rangunia, Chittagong.
Mobile : 01755594073
E-mail : manager.dovashibazar@onebank.com.bd

Halishahar Branch
House # 2, Road # 3, Block # L
Halishahar Housing Estate, Boropole, Chittagong.
Tel : 880 31 727712, 727713, 727714
Fax : 880 31 727715
E-mail : manager.halishahar@onebank.com.bd

Hathazari Branch
J & G Shopping Complex
Ramgor Road, Hathazari Bus Station
Hathazari, Chittagong.
Tel : 880 31 2602003 - 5
Fax : 880 31 2602006
E-mail : manager.hathazari@onebank.com.bd

Anderkilla Branch
RAC Chamber
37 Raja Pukur Lane, Kotwali, Chittagong.
Tel : 880 31 2851612 -14
Fax : 880 31 2851611
Mobile : 01766667014
E-mail : manager.anderkilla@onebank.com.bd

Mithachara Branch
Mithachara Islamia Fazil Madrasa Market
Mithachara Bazar, Mirsarai, Chittagong.
Tel : 880 3024 56048
Fax : 880 3024 56052
E-mail : manager.mithachara@onebank.com.bd

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

Station Road Branch
Asian SR Hotel
291 Station Road, Kotowali, Chittagong.
Tel : 880 31 2851840, 2851841, 2851842
E-mail : manager.stationroad@onebank.com.bd

Chittagong EPZ Branch
Hossain Complex, 1956 A/ 2098
Airport Road, Bandar, Chittagong.
Tel : 88 031-800231
Fax : 88 031 - 800230
Email : manager.chittagongepz@onebank.com.bd

Bibirhat Branch
Al Macca Shopping Center
55, College Road, Bibirhat, Fatikchari, Chittagong.
Mobile : 01709646020
E-mail : manager.bibirhat@onebank.com.bd

Pahartali Branch
Al-Mocca Complex, 556 Pahartali
Kaptai Road, Raozan, Chittagong.
Mobile : 01708136868
E-mail : manager.pahartali@onebank.com.bd

Muradpur Branch
S. N. Mim City, 83 Muradpur
Hathazari Road, Panchlaish, Chittagong.
Tel : 880 031 658103, 658104, 658105
E-mail : manager.muradpur@onebank.com.bd

Colonel Hat Branch
G-31, Road No. 01
Colonel Hat, Akbar Shah, Chittagong
Tel : 880 031 2771163, 2771164-5
E-mail : manager.colonelhat@onebank.com.bd

Barisal Zone

Barisal Branch
K Jahan Centre
106, Sadar Road, Kotwali, Barisal.
Tel : 880 431 64537, 64538, 2177568
Fax : 880 431 2177569
E-mail : manager.barisal@onebank.com.bd

Our Network of Branches & Booths

Booth

Chittagong Port Booth
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
Chittagong.
Tel : 880 4433 324280

DSE Booth
9/E, Mothijheel, Dhaka.
Mobile : 01755541819

Grihayan Bhaban Booth
National Housing Authority
82, Segunbagicha.
Dhaka -1000

Baghabari Booth
Aziz Mansion
Baghabari Ghat
Sirajgonj.
Mobile : 01730703591

Parbatipur Depot (BPC) Booth
Parbatipur, Dinajpur.

Sreepur Booth
Hazi Abdus Samad Bhaban,
Sreepur, Ashulia, Dhaka.

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

Bangabandhu Bridge Toll Collection Booth
Western Plaza
Bangabandhu Bridge
Sirajgong.

Uttara Passport Office Booth
House-20, Road-7, Sec-12,
Uttara, Dhaka.

Mohammadpur Girls High School Booth
Nurjahan Road
Mohammadpur, Dhaka.

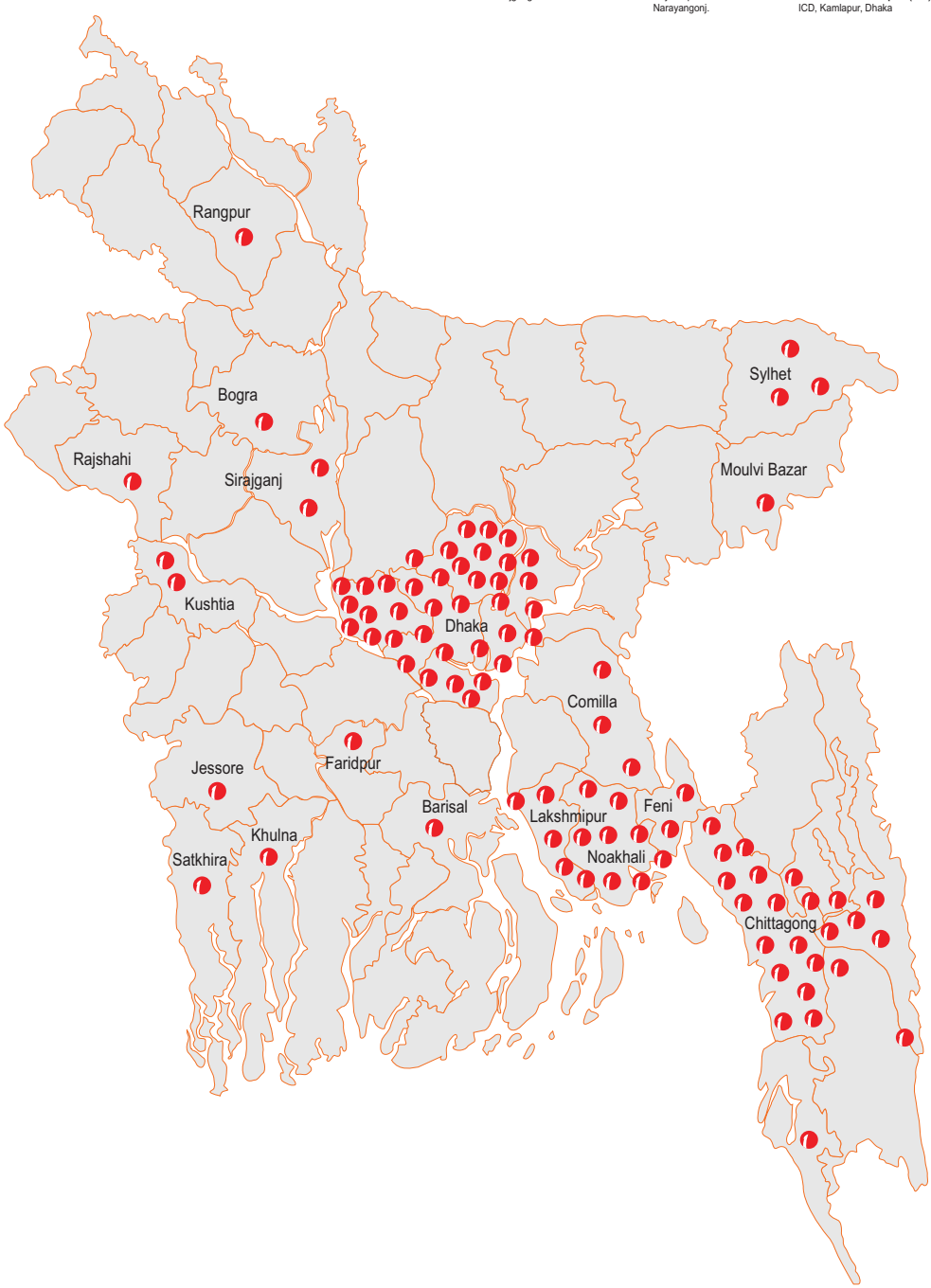
Narayangonj City Corporation Booth
B.B. Road
City Corporation Bhaban
Narayangonj.

Sylhet Passport Office Booth
Jakigong Sarak
Sylhet City Corporation, Sylhet.

Shaheed Suhrawardi Medical College & Hospital Booth
Sher-E-Bangla Nagar
Dhaka-1207.

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

Inland Container Deport (ICD) Booth
ICD, Kamlapur, Dhaka



ONE Bank LIMITED

Corporate HQ (Registered Office):
2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215

PROXY FORM

I/We .....

of (Address) .....

being a Member(s) of ONE Bank Limited and entitled to vote, hereby appoint Mr./Mrs./Ms/Miss .....

.....

of (Address) ..... as my/our

Proxy to attend and vote on my/our behalf at the 19th AGM of the Company to be held on Thursday, May 31, 2018 or at any adjournment thereof.

Signed this ..... day of ....., 2018.

Revenue Stamp
Tk. 20/-

Signature of Proxy .....

Signature of Member .....

Folio / BO No. .....

No. of Shares held .....

N.B: This Proxy Form, duly completed (as recorded with the Bank) and signed (in accordance with the specimen signature recorded with Bank/CDBL), must be deposited at the Registered Office of the Company at least 48 (forty eight) hours before the Meeting. Proxy is invalid if not signed and stamped as explained above.

ONE Bank LIMITED

Corporate HQ (Registered Office):
2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215

ATTENDANCE SLIP

I hereby record my attendance at the 19th AGM of the Company being held on Thursday, May 31, 2018 at 11:00 a.m. in the Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000

Name of Member/ Proxy (In Block Letters) .....

Folio / BO No. .....

No. of Shares held .....

Signature of the Member/ Proxy .....

Date .....

N.B:
1. Members attending the Meeting in person or by proxy are requested to complete the Attendance Slip and deposit the same at the registration counter on the day of the Meeting.
2. Please note that AGM can be attended only by the Members or properly constituted Proxy. Therefore, any friend or children accompanying the Members or Proxy cannot be allowed in the Meeting.

ANNUAL REPORT 2017

ONE Bank
LIMITED
...We Make Things Happen

Corporate HQ:
2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215, Bangladesh
Tel : + 88 02 9118161 Fax : 88 02 9134794
Click www.onebank.com.bd Call Centre 16269