

ANNUAL REPORT 2018

THE POWER OF



ONE Bank

LIMITED

...We Make Things Happen



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Company Milestones

	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
• Incorporation of Subsidiary Company ONE Investments Limited	April 26, 2018

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."

OUR PRINCIPLES

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.”

OUR PRINCIPLES

9. Borrowings - do not live beyond your means

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

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

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

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

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

12. Speak up - Report concerns promptly

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

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

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

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

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

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

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

16. OBL WAY (Warm, Agile and Yielding)

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



COMPANY INFORMATION

Name of the Company
ONE Bank Limited

Chairman
Mr. Sayeed Hossain Chowdhury

Vice Chairman
Mr. Asoke Das Gupta

Company Secretary Mr. John Sarkar		Managing Director Mr. M. Fakhru Alam
Legal Status Public Limited Company	Line of Business Banking	SWIFT ONEBDDH
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
Fax: +88 02 9359998
E-mail: barristerrazzaque@gmail.com

MR. ALI ASGHAR CHOWDHURY

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

Five Years' Financial Highlights of ONE Bank Limited

As at 31 December 2018

Figures in Million Taka

SI No	Particulars	2018	2017	2016	2015	2014
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	7,665	7,300	6,637	5,899	5,244
3	Shareholders' equity	14,392	14,109	12,916	11,579	10,225
4	Statutory Reserve	5,572	5,104	4,435	3,846	3,306
5	Total Capital (Tier-1 + Tier-2 Capital)	23,196	21,366	20,309	14,759	14,511
6	Total Assets	266,050	227,202	188,241	154,193	121,820
7	Total Deposits	202,631	182,675	153,428	131,252	100,295
8	Total Loans & Advances	198,909	170,393	132,084	106,749	90,499
9	Total Investment	28,724	26,144	28,049	22,900	14,724
10	Import business handled	137,904	150,633	127,067	105,199	111,888
11	Export business handled	94,797	93,806	67,483	56,176	66,866
12	Guarantee business handled	19,297	15,673	10,240	12,939	9,310
13	Total Contingent Liabilities	81,651	73,062	70,895	61,444	49,787
14	Total Operating Income	10,214	9,575	8,222	7,640	7,172
15	Total Operating Expenses	4,829	4,471	3,946	3,492	3,263
16	Profit before provision	5,385	5,105	4,275	4,148	3,909
17	Provision for loans and other assets	3,043	1,760	1,329	1,450	706
18	Profit after provision and before taxes	2,342	3,345	2,946	2,698	3,203
19	Provision for taxation	949	1,163	886	776	1,107
20	Net profit after taxation	1,393	2,181	2,061	1,922	2,096

Figures in Taka/Percentage

SI No	Particulars	2018	2017	2016	2015	2014
1	Earnings per Share	1.82	2.99	3.10	3.26	4.00
2	Price Earning Ratio (Times)	8.25	8.03	5.89	4.69	3.95
3	Net Asset Value per share	18.78	19.33	19.46	19.63	19.50
4	Return on Assets	0.56%	1.05%	1.20%	1.39%	1.87%
5	Return on Investment	10.80%	9.62%	10.07%	11.32%	12.88%
6	Capital Adequacy Ratio	11.93%	11.56%	13.89%	10.93%	13.47%
7	Tier - 1 (Capital)	7.37%	7.60%	8.72%	8.46%	9.45%
8	Credit Deposit Ratio	83.59%	84.57%	83.87%	80.58%	90.23%
9	Percentage of classified loans against total loans and advances	7.05%	5.31%	4.93%	3.58%	4.72%
10	Dividend					
	Cash		15.00%	13.00%	12.50%	12.50%
	Stock	10.00%	5.00%	10.00%	12.50%	12.50%

SI No	Particulars	2018	2017	2016	2015	2014
1	Number of Branches	99	95	87	85	77
2	Number of Employees	2239	2101	2028	1976	1861

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



Chairman's Address

"In the name of the Almighty Allah"

Dear Shareholders,

On behalf of my colleagues on the Board and all employees of OBL, I extend to you a warm welcome to our Annual General Meeting today.

I am delighted that so many of you – shareholders, shareholders' representatives and distinguished guests – have come for the meeting.

This interaction with you is important to us and I thank you for your keen interest in the Bank. Your presence in large numbers has always been a source of inspiration to us.

Since the inception of ONE Bank Limited, we have always tried heart and soul to conduct the business of ONE Bank Limited as per our long-term growth strategy. We invested in further leveraging our competitive strengths and building better operational infrastructure to sustain good business momentum in variable market conditions.

In terms of business performance, OBL had a mixed experience during 2018. The business parameters showed positive move in terms of performance. Loan growth was around 17% and Deposit growth was 11% compared to the performance of the year 2017. Accordingly, total asset size grew at 17%, Investment grew at 10% and contingent liability grew at 12% which were in line with previous year's growth.

But unfortunately, the increase in NPL volume across the country's banking sector as a whole during 2018 affected the performance of OBL. The Bank pursues a stringent policy of portfolio management and follows a "Zero" tolerance policy towards the defaulter clients with a view to assert long term sustainability of the Bank's performance. Our NPL percentage has increased from 5.31% to 7.05% compared to 2017 due to our policy of strict compliance and to exert pressure on the non-performing clients to become regular. We believe such strategy shall produce a positive result, ensuring a "Sound OBL" in the coming years.

Chairman's Address

The burden of additional provision for Non Performing Loans has unfortunately affected the net operating profit of OBL, resulting in a negative growth of 36%.

You must have noted that most of the banks in the country have declared Dividend in the form of Stock Shares with profit being eaten up by provisions against NPLs. Under the circumstances, though your Bank has always declared a healthy Dividend (in the past, the lowest Dividend was 15% and the highest was 55%), this year despite all our good intentions, we have recommended 10% Stock Dividend to the AGM under the circumstances.

During the year, we opened 4 new Branches. As at 31st December, 2018, OBL had 99 Branches and 19 Booths across the country covering all the major business hubs of the country. Total number of ATM Booths was 95 (70 are onsite and 25 offsite).

You will be happy to know that despite the various challenges, your Bank has been specially doing well in certain areas, which will be a boon for the Bank in future. Your Bank's Custodial Services have been growing at a faster rate. We have always earned a good name for our customer friendly approach along with prompt actions and transparency. Our subsidiary ONE Securities Limited (OSL) has maintained its position as one of the leading licensed Stock Brokers and Stock Dealers of DSE & CSE. Its main offices and branches in Dhaka & Chattogram along with extension of Dhaka main Branch in an adjacent building of the DSE are doing good business. We have also purchased an office space in the new DSE building at Nikunja, Dhaka. Our efforts to also have branches in key locations across the country are on-going and we are maintaining close contact with BSEC for their approval/permission.

Last year, I told you about our Term Facility Agreement for Syndicated FC Loan with FMO, OFID & OeEB & also a Term Facility Agreement with International Finance Corporation (IFC), a World Bank group member. Since then, we have achieved good results out of these Agreements and have started reaping the benefits.

In light of our experience in 2018, the Bank has on one hand focused on expansion of business and on the other for consolidation, we have increased the level of monitoring, reviews & surveillance, regularization and recovery of NPLs, stringent screening of loan proposals etc. We have also lately recruited a few specialists in the field of marketing, recovery and legal departments.

Banking industry demands continuous improvement of services, innovation & creativity matching with the latest demands of customers as well as introduction of new products to further facilitate lives and businesses of the customers by foreseeing their future needs.

Your Bank has been consistently upgrading its technological as well as the human capital of the Bank to meet the needs of the hour, keeping the high standard of accountability and transparency. We have also been continuously upgrading our systems and processes in line with the best practices.

OBL's Commitment towards Corporate Social Responsibility (CSR) has remained strong. A total sum of Tk. 10.08 crore was spent during the year 2018 towards following programs:-

- Contribution for teachers' remuneration and reading materials of students of primary school level,

Chairman's Address

- Scholarship to the underprivileged but meritorious students across the country,
- Contribution for the rehabilitation of the drug mongers and junkies,
- Payment of Doctors' remuneration for extending medical services to the poor people,
- Donation for the promotion of mental health,
- Distribution of oral dehydration solution among Rohingya Refugees,
- Publication of advertisements for creation/increasing awareness on integrity,
- Donation of fund for the welfare of Rohingya refugees,
- Donation of Blankets for the cold stricken poor segments of the society.

Corporate governance essentially involves balancing the interests of your Bank's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Following are the five pillars of Governance that the Bank conforms to as a part of its commitment to adopt global best practices –

- High accountability to its stakeholders;
- Absolute transparency in its reporting system and adherence to disclosure compliance;
- High ethical standards in the conduct of business with due compliance of laws and regulations;
- Enhancement in the stakeholders' value on consistent basis;
- Contributing to the enrichment of quality of life of the community through discharge of Corporate Social Responsibility and promotion of Sustainable Development.

Your Bank is making best efforts to adapt and comply with the changing statutes and continue to comply with its own Corporate Governance guidelines/norms to the extent within its control.

After all those said, I want to assure you that at ONE Bank, we have already put everything in place, and all we have to do is continuously and persistently increase & strengthen co-ordination and surveillance. The systems, processes and human resources all are being revamped & rejuvenated to take the new challenges by the horns, overcome hurdles and start our fast-paced journey towards growth and glory. We are pledge bound to be the market leader.

As I informed you last year, we had been constructing a "State of the Art" vocational training centre for skills development to enable self employment of lower middle class communities as well as the Bank's Training Academy at Chandra, Gazipur. The construction is nearing completion and the Bank's Training Institute has already moved to Chandra and all in-house trainings are now being held there. You will be pleased to know that the Vocational Centre has been designed with all the modern amenities which also includes R&D and residential facilities for the participants.

I thank all of you for your presence here today. I will always look forward to your continued support and best wishes. On behalf of the Board of Directors, I wish to convey to you our sincere gratitude.

I would also like to thank the regulatory bodies, particularly Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), our valued shareholders, customers, vendors, business associates, bankers, financial institutions and other stakeholders for their continued support and co-operation. Our appreciation to all our staff members for their sincere endeavors and their sense of belongingness with ONE Bank family.

I must convey my gratitude to my colleagues on the Board for their wise counsel and valued involvement. We are grateful for your presence today.

May Almighty bless and protect us in our every future efforts towards achieving growth and glory.


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 twenty two 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 28 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. Fakhruul Alam

Managing Director

Mr. M. Fakhruul 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 36 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. Fakhurul Alam, Managing Director

Audit Committee

Chairman

Mr. Syed Nurul Amin

Members

Mr. A.S.M. Shahidullah Khan

Mr. Shawket Jaman

Mr. Salahuddin Ahmed

Executive Committee

Chairman

Mr. Zahur Ullah

Members

Mr. Sayeed Hossain Chowdhury

Mr. Asoke Das Gupta

Risk Management Committee

Chairman

Mr. Asoke Das Gupta

Members

Mr. Zahur Ullah

Mr. Salahuddin Ahmed

Mr. Syed Nurul Amin

Company Secretary

Mr. John Sarkar

KEY PERSONNEL

Managing Director

Mr. M. Fakhru Alam

Deputy Managing DirectorMr. 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
Mr. Riton Barua**Executive Vice President**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
Mr. Md. Belayet Hossain
Mr. Mohammad Farhad Hossen Khan
Mr. Md. Kamruzzaman
Mr. Ziaul Haider Shailul Haque**Senior Vice President**Mr. Md. Nurun Nabi
Mr. Hasnain Ahmed
Mr. M. M. Emranul Hoque
Mr. Md. Masum Goni
Mr. Ashraf Haq Amin
Mr. Sadat Ahmad Khan
Mr. Md. Zahidul Islam
Mr. Faisal Adil
Mr. Kutub Uddin Ahmad
Mr. Mohammad Kabir Hossain
Mr. Mirza Ashraf Ahmad
Mr. Syed Maruf Ali
Mr. Newaz Khalid Ahmed
Ms. Morsheida Begum
Mr. Md. Zahid-Ul-Islam
Ms. Mallika Nabi
Mr. Md. Borhan Uddin
Mr. Taufiq Ahmed
Mr. Mohammed Rashedul Amin
Ms. Meher Farzana
Mr. Shibly Nasimul Huq
Mr. Md. Mizanur Rahman
Mr. Md. Shafiqur Rahman Sikder
Ms. Shirin Mullick
Mr. Asif Mahmud Khan
Mr. Md. Mazharul Islam Chowdhury
Mr. Khandaker Liakat Ali
Mr. Md. Golam Rabbani
Ms. Jahanara Begum
Mr. Shahabuddin Ahmed
Mr. Mujtaba Masroor Kazmi
Mr. Md. Mohiuddin
Mr. S. M. Hafizur Rahman
Mr. A K M Shamsul Islam**Vice President**Mr. Mohammad Rafiqul Islam
Mr. Mohammad Masudul Haque
Mr. Abu Sayed Md. Abdul Mannaf
Mr. Mohammad Masrur Majid
Mr. Abu Mohammed Saifuzzaman
Mr. Abdullah Al Mamun Zahangir
Mr. Md. Zahidul Islam
Mr. Aminul Islam
Mr. Syed Rezaul Karim Chowdhury
Mr. Md. Masud Alam
Mr. Qamrul Chowdhury
Mr. Khondaker Abdul Mazid
Mr. Shaikh Mohammad Mizanur Rahman
Mr. Habibul Islam
Mr. Md. Abdul Mannan
Mr. Md. Alauddin
Mr. Dilip Pius Rozario
Mr. Iftekhar Uddin Ahmed**Senior Assistant Vice President**Mr. Sheikh Zaki Shahriar
Mr. Md. Salah Uddin
Mr. Mohammad Moniruzzaman
Mr. Md. Abdus Salam
Mr. Mohammad Wajahat Anwar
Mr. Mahmudul Hasan
Mr. Mohammad Munir Chowdhury
Mr. Abdus Samad
Mr. Md. Samso Uddin
Ms. Tanjiba Sultana
Mr. Md. Monirul Alam Romel
Mr. Faruk Ahmed
Mr. Mohammed Rafiqul Islam
Mr. Md. Maksudul Alam
Mr. Muhammad Mostafizur Rahman
Mr. Sk. Didar-Rul-Alam
Mr. Md. Abir Rahman
Mr. Md. Faizul Mobin
Mr. Md. Mueyed Hasnayan
Mr. Aksirul Haque Bhuiyan
Mr. Shubir Mitra
Mr. Kazi Md. Eleas Kanchon
Mr. Md. Fazle Mahmud
Mr. A. S. M. Abu Bokor Siddique
Ms. Mili Sen
Mr. Md. Rafe Shafquat
Mr. S.M. Salahuddin
Mr. Mohammad Mehboob Ali
Mr. Jamal Uddin Ahmed
Mr. Biplab Banik
Mr. Md. Rezaul Karim
Ms. Anjima Begum
Mr. Md. Shah Alam Molla
Ms. Kawsara Sattar
Mr. Joarder Alimuzzaman Rabby
Mr. Md. Nazir Hossain
Mr. Abul Masud Khan Chowdhury
Mr. Md. Jashim Uddin
Mr. Muhammad Zakir Hussain
Mr. Moonir Sadiq
Mr. Syed Mohammed Ekram Ullah
Mr. Md. Sharifur Rahman
Mr. Md. Mobasherul Haque
Mr. Md. Rafiqul Islam Bhuiyan
Mr. Bimalendu Chowdhury
Mr. A. T. M. Shahidullah
Mr. Md. Farooque**First Assistant Vice President**Mr. Pijush Kanti Das
Mr. Muhammad Shamsul Islam
Mr. Abu Sayem
Mr. Md. Monjur Morshed
Ms. Nur Naher
Mr. Avijit Das
Mr. Md. Mahmudur Rahman
Ms. Romana Ahmed
Mr. Md. Shahriar Alam
Mr. Jahangir Alam
Mr. Md. Nazim Uddin
Mr. Rashidul Islam
Mr. Md. Tanna Mandal
Mr. Md. Zahidul Islam
Mr. Amol Chandra Sarker
Mr. Md. Tariqul Islam
Mr. Nur Mohammed
Mr. Mohammad Fouad Chowdhury
Mr. A. Z. M. Fouz Ullah Chowdhury
Mr. Mohammad Shafiqul Azam
Ms. Asfia Nigar
Mr. Rasal Ahmed
Mr. Md. Motashim Al Razi
Mr. Mir Waies-Ur-Rahman
Mr. Pankoj Suter
Mr. Mohammad Abu Baker Siddique
Mr. Md. Saifur Rahman
Mr. Mohammad Salah Uddin
Ms. Wahida Anjum Alley
Mr. M. Tabib Hossain
Mr. Kazi Mahmudur Rahman
Mr. Uggall Mallick
Mr. Md. Nazrul Islam
Mr. Md. Abul Hasnat
Mr. A.K.K.M. Zahidul Mannan
Mr. Mohammad Ashikuzzaman Noor
Mr. Fayzur Rahman Khan
Mr. Mosharof Hossain
Mr. Syed Azazur Rahman
Ms. Shahin AkterMs. Tanzia Ahmed
Mr. Palash Das
Mr. Syed Shahidul Haque
Mr. Shafiqul Alam
Ms. Laila Nasrin
Mr. Md. Hasibul Hasan Khan
Mr. Mohammad Moyaz Uddin Sharif
Mr. Ariful Hoque
Mr. Mohammad Sharifuzzaman Chaklader
Mr. Abul Kalam Azad
Mr. Sajjad Mahmud Sabuj
Ms. Sajeda Khatun
Mr. Mohammed Iftekhar Sobhan
Mr. Kazi Md. Forkan
Mr. Md. Golam Mostopa Chowdhury
Mr. Mohammad Monowar Hossain Khan
Mr. Masudur Rahman
Mr. Mohd. Amanullah
Mr. Mohammad Mahfuzur Rahman
Mr. Md. Montaz Goni
Mr. Md. Tamiz Uddin Ahmed Chowdhury
Mr. Jamil Hossain
Mr. Mohammad Munirul Hoque
Mr. Md. Motaher Hossain
Mr. Mohammad Rashidul Alam
Mr. Syed Salahuddin Ahmed
Mr. Mohammad Shahidul Huq
Mr. A. F. Gazi Alauddin Ahmed
Mr. Md. Ferdous ul Amin
Mr. Md. Aminul Islam
Mr. Mohammad Manzur Mahmud
Mr. Md. Niazul Islam
Mr. Mohammad Mahfuzul Alam
Mr. Ahmad Ullah
Mr. Apollo Kumar Banik
Mr. Md. Khorshed Anwar
Mr. A.N.M. Ahidul Alam
Mr. Md. Ekramul Hoque
Mr. Md. Golam Rasul Bhuiyan
Mr. Md. Salimullah
Mr. Debasish Das
Mr. Md. Mizanur Rahman
Ms. Rehena Yesmin
Mr. Md. Arifur Rahman
Ms. Kazi Fauzia Yasmin
Mr. Md. Khurshid Khan
Mr. Shaikh Babul Hossain
Mr. Badrul Alam Chowdhury
Mr. Md. Mojibur Rahman
Mr. Shahid Emdadul Islam**Assistant Vice President**Mr. Musunna Galib
Ms. Nazmun Nahar
Mr. Md. Tanvir - E- Jamil
Mr. Tanvir Khan
Ms. Nusrat Sharmin Monika
Mr. Debasish Howlader
Mr. Manna Khan
Mr. Md. Shahjahan
Mr. Anirban Mojumder
Mr. Saif Imam Bokhari
Mr. Salah Uddin Bhuiyan
Mr. M. F. Shahriar Kabir
Mr. G. M. Ashraf Ul Islam Chowdhury
Mr. Hasib Mahmud
Ms. Erita Tahmina Nazir
Ms. Daisy Nilufar Sharmin
Mr. Md. Tasnim Alam Manjar
Mr. Md. Zhubaidur Rahman Chowdhury
Mr. Mohammad Abdur Rob Bhuiya
Mr. Md. Rezaul Alam
Mr. Tanvir Matin
Mr. Khan Md. Tef Rana
Mr. Md. Shahadat Hossain
Ms. Rahinor Gazi
Mr. Md. Golam Yeasin
Mr. Abu Shahadath Mohammad Shahed
Mr. Md. Taherul Islam
Mr. Md. Monirul Haq
Ms. Sabrina Khan
Mr. Mohammad Shamsud Doula
Mr. Mohammad Nazrul Islam
Ms. Shaila Sharmin Thakur
Mr. Md. Zahidur Rashid
Mr. Tapos Kumer Dev
Mr. Md. Mahmudul Hasan
Mr. Syed Mustakeem Bin Haider
Ms. Nusrat Zarin
Ms. Kashphia Nahrin ShuvraMr. Uttam Kumar Roy
Mr. Mohammad Shahadath Hossain
Mr. Aminul Hoq
Mr. Mozammel Hoque Bhuniya
Mr. Chinmaya Karmakar
Mr. Md. Zahurul Islam
Mr. Md. Shah Alam Bhuiya
Mr. Mohammed Hemayet Ullah
Mr. Qazi Nezam-Ul-Haque
Mr. Md. Tipu Sultan
Mr. Hasibur Rahaman
Mr. Md. Ehsanul Haque
Mr. Md. Asad
Mr. Mohammad Jahangir Alam
Mr. Mohammad Nazrul Islam
Mr. Md. Masudul Karim Chowdhury
Ms. Lili Akter
Mr. Mohammad Fakhru Alam Masum
Mr. Imran Khan
Mr. Gazi Faruquul Azam
Mr. Mohammad Abdul Salam
Mr. Muhammad Atikur Rashid
Mr. Mohammad Mahbub Morshed
Mr. Md. Nurul Alam
Mr. Md. Idrish Ali
Mr. Aman Ullah
Mr. Md. Mizanur Rahman
Mr. Ehsanul Hoque
Mr. Mohammad Monir Hossain
Ms. Dilruba Akter
Mr. Lutfor Rahman
Mr. Nashid Shahjahan
Mr. Mohammad Jamshed Alam
Mr. Md. Nurul Alam
Mr. Anis Ullah
Mr. A. B. M. Shah Alam
Mr. Mohammad Abbas Uddin
Mr. Md. Akbar Hossain Chowdhury
Mr. Md. Ahadur Rahman Bhuiyan
Mr. Sultan Ahamed
Ms. Tasmin Hossain Moushumi
Ms. Sabina Easmen
Mr. Mohammad Muztahidul Hosain
Mr. Mohammad Dalwar Hossain
Mr. Khabiruzzaman
Mr. S.M. Rashed Mir
Mr. Md. Shahidul Islam Khan
Mr. Newton Chowdhury
Mr. Md. Mijanur Rashid
Mr. Mohammad Zahirul Hoque
Mr. Md. Ashraf Razi
Mr. Mohammad Shah Alam Mia
Mr. Mohammad Shakhawat Hossain
Ms. Johura Habib
Mr. Shishir Kumar Shil
Mr. Arunjit Kumar Sutradhar
Mr. Mohammed Saifur Rahman
Mr. Mohammad Shafiqul Islam
Mr. Mohammad Zaman Khan
Mr. Mohammad Mahmud Hossain
Mr. Md. Kawsar Ali
Mr. Zia Haider Chowdhury
Mr. Mohammed Saifuddin Chowdhury
Mr. Syed Ahmmad
Mr. Mohammad Nazrul Islam Khan
Mr. Shamim Reza
Mr. Md. Shahinur Alam
Mr. Md. Shahidul Islam
Mr. M. M. Rashidul Kabir Chowdhury
Mr. Md. Shabbir Ahmed Salim
Mr. Sk. M. M. Rabiul Islam
Mr. K. M. Moinul Anif
Mr. Md. Badrul Alam
Mr. Satirtha Kumar Paul
Mr. A.M. Anisuzzaman
Mr. Md. Akter Hossain
Ms. Nilufar Panna
Ms. Fouzia Hakim
Mr. Mohammed Ismail
Mr. Md. Amzad Hossain Khan
Mr. Md. Mostafizur Rahman
Mr. Khuda Baksh Tawhid
Mr. Md. Alauddin
Ms. Sanzida Ahmed
Ms. Dilara Begum
Mr. A. H. M. Al- Ahasan
Ms. Dilara Alim
Mr. Md. Rizwan Ali Khan
Mr. Md. Nizam Uddin
Mr. Md. Abdul Momin

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

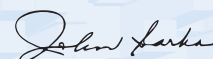
Notice is hereby given to all Members of ONE Bank Limited (the "Company") that the 20th Annual General Meeting of the Members of the Company will be held on August 1, 2019 at 11:00 a.m. at Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000 to transact the following business and adopt necessary resolutions:

AGENDA:

1. To confirm the Minutes of the 19th Annual General Meeting held on May 31, 2018.
2. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2018 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, 2018.
4. To elect Directors in place of those who shall retire in accordance with the provisions of Law and the Articles of Association of the Company.
5. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
6. To transact any other business with permission of the Chair.

Dhaka
April 30, 2019

By order of the Board,



John Sarkar
ADMD & Company Secretary

NOTES:

- a. The 'Record Date' shall be June 16, 2019.
- b. The Shareholders whose names appear in the Register of Members of the Company as at the close of the business on June 16, 2019 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 June 27, 2019. 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 20th Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.

Directors' Report



The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 20th Annual General Meeting before you along with the Audited Financial Statements for the year 2018. 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.

2018 was another challenging year for the business and banking sectors in Bangladesh. ONE Bank Limited tried to face all the challenges courageously. Here we have also reviewed our operational and financial performances through analyzing our key operational areas and the activities of the Bank during 2018 and have determined the business goals of 2019 in the light of the previous year's evaluation.

Global Economy

The global economy started 2018 on an upbeat note, buoyed by a pickup in global manufacturing and trade through 2017. As investors' confidence in the global economic outlook lost steam, so did the upswing.

One reason behind this loss in momentum is the implementation of tariffs by major economies specially the United States – and retaliatory measures taken by others, including China. The increasingly protectionist rhetoric on trade has meant higher uncertainty about trade policy, which weighs on future investment decisions.

Despite these actions, the US economy expanded at a fast pace in 2018, as tax cuts and spending increases stimulated demand. The US Federal Reserve has continued to raise the policy interest rate as a result. Interest rates on US Long-term bonds have increased less, as investors see risks to future growth and value the safety of US Treasury Securities.

As growth and interest rates in the United State have outpaced those in other major economies, the US dollar has appreciated against most other currencies in 2018.

Some vulnerable emerging market economies have come under strain as the US dollar gained value and the level of risk that global financial investors were prepared to accept dropped. Most of these countries have seen increases in their external borrowing costs, but the extent of these increases varied widely.

Global Economic Outlook 2019

The global expansion has weakened. Global growth for 2018 was estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast. Despite weaker performance in some economies, notably Europe and Asia, The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October projections.



An OBL financed Fishery Project



An OBL financed Dairy Farm

Bangladesh Economy

Bangladesh Economy registered the highest ever GDP growth of 7.86 % in 2018 (7.28% in 2017) considering the new base year of 2005-2006 for estimating national accounts as per Bangladesh Bureau of Statistics (BBS). The continued growth was powered by the growth momentum supported by strong domestic and external demands, as manifested in buoyant public and private investment and consumption, driven by higher exports, remittances and private credit growth.

The significant growth has mainly been driven by industry, agriculture and service sectors. The industry grew by 12.1% in 2018 from 10.2% in 2017, particularly because of manufacturing and construction activities. The growth in agriculture sector increased to 4.2% in 2018 (3% in 2017), mainly supported by favorable weather, higher crop prices and in time supply of inputs and finance. The service sector registered a modest growth of 6.4% in 2018 (6.7% in 2017) and the wholesale and retail trade, transport and financial intermediations were the major contributors to it.

The growth of Import was 25.2% in 2018 (9% in 2017) while Export grew by 6.4% in 2018 (1.7% in 2017). The major Export items were among others agricultural products, cotton and cotton products, knitwear, home textile, jute goods, chemical products, woven garments and footwear products in 2018. Import items included food grains, milk & cream, capital machineries, clinker, fertilizer, textile and textile articles, iron, steel and other base metals etc.

Remittances registered remarkable 17.3% increase to arrive at USD 14.9 billion in 2018. The overall balance of payments turned into USD 885 million deficit in 2018 for the first time since 2011, compared to USD 3,169 million surplus in 2017. This occurred because of an increase in the current account deficit from USD 1,331 million in 2017 to USD 9,780 million in 2018.

At the end of 2018, Gross International Foreign Exchange Resource stood at USD 32.94 billion, representing around 5 months' prospective imports. Bangladesh Bank, the Central Bank of the country increased foreign exchange flexibility matching with the market forces while avoiding excessive volatility in the foreign exchange market.

Due to higher demand for dollars, Exchange rate depreciated by 3.6% in 2018 following the declining trend of net foreign assets and high import growth. Bangladesh Bank sold USD 2.31 billion foreign currency to avoid excessive fluctuations in 2018.

OBL's Performance

ONE Bank Limited has had mixed experience during 2018. The banking industry as a whole suffered a sluggish growth during the year. ONE Bank had shown positive results in the business parameters i.e. growth of asset and liabilities but unfortunately the increase in NPL volume across the banking sector as a whole during 2018 affected also the performance of OBL. The Bank has already taken some strategic decisions for ensuring sustainable business, 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 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.

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 17 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 2018, OBL has engaged itself as Lead Arranger for arranging 3 syndicated loans for total Tk. 5.6 billion, while arrangement of another 3 syndication for Tk. 18 billion is under process.

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 highvalue 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.



An OBL financed Food & Beverage Company



A Spinning Mill under OBL led Syndication Finance

SME Banking

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

Bangladesh economy is characterized by low per capita income, high level of unemployment, mass poverty, and social deprivation. In these circumstances, higher growth of SMEs can reduce poverty to a satisfactory level by creating jobs for both skilled and un-skilled manpower. 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. In order to increase focus on SME financing, ONE Bank Ltd. has identified 41 branches out of its 100 branches as SME Branch. 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 2018, ONE Bank Ltd has disbursed total SME Loan of BDT 14,751.00 million. The total number of SME borrowers of the Bank was 2685 as on December 31, 2018.

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 2018. The Bank received total refinance of BDT 81.30 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 borrowers along with women Entrepreneurs. OBL also introduced another SME product named "OBL Unnoyon" especially for SME client & "OBL Trinomul" for root level people.



An OBL financed Thai Aluminium Factory

Financing women entrepreneurs under SME

Empowering women through SME financing is another notable idea in the development of women entrepreneurs. In the new framework of SME, One Bank Ltd 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 the Bank 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. During the year 2018, the Bank has financed BDT 523.70 million to the Women Entrepreneurs and continuing same trend within the guidelines of Bangladesh Bank.

Agriculture Financing

Agriculture still remains the largest employment sector Bangladesh. As of 2017-18, it employs 46% of total labor force and comprises 14.74% 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 is now a day becomes 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 2017-18, OBL disbursed Agricultural and Rural Credit of Tk. 2,596.40 million (among 75,128 borrowers) against Target of Tk. 2,560.00 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

OBL Retail Banking segment offers comprehensive and diverse range of retail products across deposits, loans, payments and cards and is committed to provide enhanced and everlasting customer relationship. Retail Banking continuously work towards fulfilling the banking needs of customers and has become a key area in the banking industry.

In 2018, our focus was to drive top-line growth by our recognized capabilities to acquire new business and deepen our existing client relationships. Our retail loan book continued to

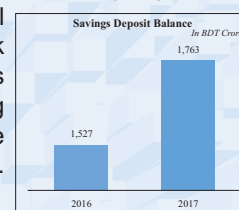


An OBL financed Biscuit Manufacturing Factory

grow strongly along with retail deposit base. Retail Banking rolled out rewarding and interactive banking solutions to retail customers and enabled them to achieve their aspirations. 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. 6,209 crore in 2018.



- Retail credit registered a steady growth in 2018. Among all retail loans, Home Loan was the prime contributor of the total loan disbursement pie. Retail asset portfolio touched the mark of Tk. 1,036 crore in 2018.



- To offer superior customer experience to retail clients, OBL Call Center managed 174,233 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 Retail Banking initiated couple of successful campaigns.

New Product and Propositions

- During the year 2018, ONE Bank launched retail deposit product named "OBL Youth Banking", a specially designed savings account with wide range of attractive features for the young generations of Bangladesh.
- Among the many initiatives designed to provide advanced customer experience, Retail Banking continued its endeavor to add value for the clients by maintaining relationship with different organizations.

- We believe that growth opportunities interweaves with customer engagement. Keeping this in mind, clients having long term relationship with the Bank were recognized to appreciate the patronization of our clientele.

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 and services for ultimate customer experience.

The Cards

2018 was another successful year with considerable progress in card business. Credit Card outstanding escalated from BDT 56.44

Crore to BDT 77.78 Crore posting 138% growth over previous year. Total Number of Debit and Credit Cards reached at 82,200 (approx).

With a wide range of VISA products composed of Credit, Debit, Prepaid cards created a good momentum in the market. Safety ONE insurance program was also offered to protect the interest of customers in any inadvertent situation. 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.

We have tied up with around 200 plus merchant to offer various discounts and privileges to our cardholders. Beside that we are also offering other value added propositions like SMART TRANSFER, Reward Point Redemption, SMS Alert Service, Balance Transfer, Smart EMI Loan Facility and many more to attract the potential customers. This year, OBL Card has introduced Priority Pass facility for Platinum Card holders which facilitate the access to over 1200 lounges in more than 500 cities and 143 countries worldwide to relax and refresh before on boarding any flight.

Centralized Loan Administration

OBL Centralized Loan Administration Department is basically designed to conduct post approval formalities of loans and advances to support and control documentation risk with a view to maximize utilization of credit protecting the Bank's interest. It mainly deals with issuance of Sanction Advice, preparation and execution of charge documents going hand in hand with the RMs, Branches and CHQ, scrutiny of all security documents for document perfection, act as the custodian of the security documents of the branches under it, Monitoring insurance Policies & deferrals, archiving of the security documents of the clients leading to digitization and easy access to documents and thus simplifying document monitoring to attain the goal of arresting loan documentation risks. 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.



An OBL financed multi-storied Public Building



An OBL financed Oil Refinery Factory under OBL led Syndication Finance

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.

Total import business handled during the year was Tk. 137,904 million as compared to Tk. 150,633 million last year. The main import items included Industrial Raw Materials, Capital Machinery and Spare Parts, Raw Cotton, Fabrics, Yarn and Accessories, HSFO, Electronic Items, Scrap Vessel, Food Commodity etc.

OBL experienced growth in its export business. Total export business handled by the Bank was Tk. 94,797 million in 2018 against Tk. 93,806 million in 2017, recording a growth of 1.06%

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 inward foreign remittance business of the Bank increased. Total volume of inward foreign remittance business handled by ONE Bank Ltd. in 2018 is Tk. 6,445 million against Tk. 684 million in the year 2017. As per instruction from Bangladesh Bank, OBL took various initiatives to boost up remittance inflow and successfully increased the inward foreign remittance for 842.25% in 2018.

Correspondent Relationship

To strengthen its global relationship, the bank is now maintaining 475 correspondent relationships (foreign 423, 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.



An OBL financed Edible Oil Factory

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 namely OK Wallet, 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:

1. Internet Banking Service or i-Banking with 2FA providing anytime-anywhere banking

experience and providing 24/7 smart banking option to customers.

2. Mobile Financial Service or OK Wallet providing smart wallet for making on-the-go cashless payment experience to customers and taking bank to unbanked customers.
3. ATM Service providing 24/7 withdraw cash facility from Bank's own ATM or other Bank's ATM across the country.
4. Credit Card Service with EMV Card providing secure cashless payment facility to customers from anywhere in the world.
5. E-Statement Service providing 24/7 online account statement facility to meet the customers' need.
6. SMS Banking Service providing 24/7 SMS account balance enquiry facility for customer convenience.
7. SMS Transaction Notification Service providing real time SMS facility for account transaction notification for customers' information.
8. Different utility system – Collect different utility bill like DPDC, WASA, BTCL etc through online system.

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 day's 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 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,



ONE Bank Limited to avail facilities under "Second Small & Medium Sized Enterprise Development Project-2" from Bangladesh Bank.

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 Services (OK Wallet):

In Bangladesh, as in many other developing countries, growth in MFS has emerged as the most promising development in digital financial inclusion. In November 2018, ONE Bank re-launched OK Wallet combining the features of Mobile Financial services and Digital Wallet. Now OK wallet users can avail wide range of online and offline services.



OK Wallet Home Screen

Mobile Banking Products & Services:

- Merchant Payment through QR code and USSD
- Utility Bill Payment
 - ▶ Dhaka WASA
 - ▶ Dhaka Power Distribution Company Ltd (DPDC)
 - ▶ North West Zone Power Distribution Company Ltd (NWZPDCL)
- NID related fees collection
- Mobile Recharge
- Cash-in (Cash Deposit)
- Cash-out (Cash Withdrawal)
- OK account to other OK account (P2P)
- OK account to own core banking account
- Core banking account to own OK account
- Salary/Allowance Disbursement
- Retailer (B2B) Payment
- Balance Inquiry

Key Performance Highlights

- Agent network is one of the vital aspects for running mobile banking to facilitate financial inclusion at grass root level. At present, OK Wallet has managed extensive agent footprints utilizing the partnerships with different industry stakeholders including Grameenphone Retail Points, PayWell and along with OBL's own agents.
- OK Wallet now can be used in many prominent merchant outlets like - Meena Bazar, Daily Shopping, Butterfly Marketing Limited, SINGER BD, BREAD and Beyond, The Cox Today, Gems Gallery, Gitanjali Jewellers, Delhi Darbar and Khulshi Mart etc.
- Customers can make utility payments in Dhaka WASA, Dhaka Power Development Company Ltd (DPDC) and North West Zone Power Distribution Company Ltd (NWZPDCL) using OK Wallet. At the same time, nominated agents have been appointed in different locations to facilitate walk-in customers to pay their utility bills. OK Wallet is now working with Dhaka Electric Supply Company Limited (DESCO); in near future the OK Wallet user will be able to pay Post Paid Bills for DESCO from their own wallet.



OBL's OK wallet Agents

- 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 throughout the country gradually. Not only that, using OK Wallet a user can pay NID Correction Fee directly to Election Commission without any help of the agent if he or she chooses to do so.
- Traveling to Agent Point or Branch is not always a convenient option for customer. OK Wallet customers have enjoyed online activation facility as a part of pilot project. OK Wallet has arranged Door Step Account Opening Service, where the customer can open OK Wallet from his or her own home in collaboration with OBHAI Solutions Limited.
- OK Wallet is working with various new developments in its offerings. OK wallet users will be able to perform Add money or Cash- in from OBL cards and other bank cards and ATM Cash-out are two of them.
- OK Wallet has also launched an innovative B2B Digital Payment Solution in order to facilitate cashless payment among the retailers of different big FMCG companies.
- OK Wallet has entered into partnership with various banks, non-bank financial institutions, insurance companies and digital wallets for interoperability, premium and payment collection.
- To capture the online market place OK Wallet has formed strategic alliance with various major e-commerce aggregator and payment aggregator.
- OK Wallet is onboarding online ticketing platform (for bus, hotel, and movie), online groceries and service platforms to offer its customer a fully functional Lifestyle App.
- OK Wallet is pursuing to become the digital payment partner for different ride sharing service providers to ensure hassle free payment for the customers.
- OK Wallet is working with Grameenphone where GPAY can be loaded using OK Wallet. OK Wallet has signed agreement with International Federation of Red Cross and Red Crescent Societies and Grameenphone to facilitate the victims of Natural Disaster of certain locations, where the beneficiaries will receive e-money in their Mobile using OK Wallet platform.

Strategic Alliance and Future Endeavor:

OK Wallet is constantly in the search of new partners and newer services which will enrich and deliver superior customer experience.

Off-Shore Banking Unit (OBU)

OBL has been offering Offshore Banking facilities through 02 (two) Offshore Banking Units (OBU) located in Gulshan, Dhaka and Agrabad, Chittagong. The total loans and advances of the OBU reached to USD 153.50 million equivalent to

BDT. 12,878.25 million as on December 31, 2018 compared to USD 72.12 million equivalent to BDT. 5,964.01 million as on December 31, 2017 recording a significant growth of 112.84% in USD and 115.93% in BDT.

However, in the year 2018, OBU made operating loss of USD 0.711 million equivalent to BDT. 59.67 million as against operating profit of USD 0.228 million equivalent to BDT. 18.92 million in 2017 with a negative growth of 411.84%.

Custodial Services

ONE Bank Limited (OBL) renders Custodial Services and is involved in opening NITA (Non-Resident Investors Taka Account), buying and selling shares at DSE and CSE through brokerage houses as per clients' instructions, opening FC (Foreign Currency) Accounts etc. Since the Custodial Services were introduced in the year 2017, its business has been growing steadily. More and more NRBs, Foreign individuals, foreign institutions have been showing interest in opening FC & NITA Accounts and conducting buy/sale in the Bangladesh Stock Exchanges. OBL's vigorous Marketing and transparent operations have already earned a

good name for its customer friendly approach along with prompt actions. Our effort and initiatives have been paying back.

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.



OBL's OK wallet Merchants



An OBL financed Auto Section Mill

A glimpse into the activities performed by OBL Human Resources during 2018:

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 2,239 by the year-end 2018 from 2,101 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 2018, 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 2018 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 2018, a total of 282 (two hundred eighty two) employees attended External trainings arranged by Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management (BIBM) and other external agencies and 19 (nineteen) employees attended trainings abroad. OBL Training Institute arranged in-house training for a total of 3,190 (three thousand one hundred ninety) participants on various soft skills development as well as core banking including Banking rules & regulations, laws and practices, Bank's policies, instructions etc.

D. Process Improvement & Automation

OBL HR is continuously reviewing for improvement of its policies and processes to match and cope up with the modern business challenges and emulate the industry best practices. During the year 2018, 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 2018, 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 tenth 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 2018, sixty seven Training Programs were conducted by OBL Training Institute and 3,190 Executives and Officers were trained in different banking trades and areas; out of which thirty five oneday Training were conducted on Prevention of Money Laundering and Combating Financing of Terrorism and 2,041 Executives and Officers participated therein.

In addition, three Training on "Financial Skill Development of Youth towards implementing Sustainable Development Goal" were conducted for the university level students as per Bangladesh Bank's instructions; under Bank's CSR activities. A total of 138 students of non-banking background participated in those Trainings.

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



An OBL financed Brick Factory



An OBL financed Solin Board Factory

practise the guidelines in every step of their activities in the Bank as well as outside. Integrity has been one of the most priority areas of the Bank since its inception. It cannot be overemphasized that the single most important attribute that a banker must possess is 'integrity.' ONE Bank upholds integrity above all other attributes of a person and as such accountability, transparency and disclosures have remained as guiding ideas at the Bank.

Branch network

As on December 31, 2018, the Bank had successfully established a network of 99 branches, including 38 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, Bijoy Nagar, Kawran Bazar, Mirpur, Moghbazar, Motijheel, Progoti Sharani, Uttara, Tongi SME/ Agri, Narayanganj, Ganakbari (EPZ), Joypara, Madhabdi, Nawabgonj, Ring Road, Lalbagh, Tipu Sultan Road, Mawna, Nandipara, Zinzira, Sonargaon Janapath, Faridpur, Ashkona, Hemayetpur, Sonargaon, Malibagh, Tanbazar, Ekuria, Araihaaz and Bhawal Mirzapur.

Chattogram Zone:

Agrabad, CDA Avenue, Jubilee Road, Khatungonj, Sitakunda, Cox's Bazar, Nanupur Bazar, Rangamati, Raozan, Ranirhat, Chandgaon, Dovashi Bazar, Halihsahar, Boalkhali, Hathazari, Mithachara, Anderkilla,

Anowara, Station Road, Chattogram EPZ, Bibir Hat, Pahartali, Muradpur, Colonel Hat, Oxygen Moor and Padua.

Noakhali Zone:

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

Cumilla Zone:

Cumilla, Laksham, Brahmanbaria SME/Agri.

Khulna Zone:

Khulna, Jashore, Satkhira, Kushtia, Poradaha.

Rajshahi Zone:

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

Sylhet Zone:

Sylhet, Islampur, Sherpur, Laldighirpar.

Barishal Zone:

Amongst these, followings are the 38 (thirty eight) 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, Chandragonj, Dagon Bhuiyan, Raipur, Ramganj, Mandari Bazar, Amishapara, Subarnachar, Chaterpaiya, Laksham, Islampur, Sherpur, Poradaha, Pahartali, Hemayetpur, Sonargaon, Ekuria, Padua, Araihaaz and Bhawal Mirzapur.

The SME/Agriculture branches are located at Shahjapur, Tongi, Brahmanbaria, Lakshampur and Chaprashir Hat. OBL continues to enjoy the distinction of being a private sector bank operating 03 (three) booths at Chattogram port premises on 24 hours operations where we serve our customers by collecting port & other dues. In addition, the Bank also has 19 (nineteen) more collection booths providing personalized service to valued customers.

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank's 95 ATMs (70 onsite and 25 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.

ONE Investments Limited

ONE Investments Limited (OIL) is a subsidiary of ONE Bank Limited. OIL was incorporated on April 26, 2018 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC).

Authorized Capital is BDT 100 million and Paid up Capital of the Company is BDT 10 million. The Registered Office of the Company is situated at 2/F HRC Bhaban, 46 Kawran Bazar C.A., Dhaka -1215.

OIL has been formed with a purpose to undertake Merchant Banking business. And in this regard, we have our application pending for approval at BSEC.



Signing of Financial Statements 2018 of ONE Securities Limited



SUSTAINABLE FINANCE



An OBL financed Solar Power Plant under Sustainable Finance

Sustainable Finance

ONE Bank Limited has committed itself to sustainable finance across its entire business. We are 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 carbon emission by its customers as well as from own operations.

Sustainable Finance covers the financing of investments that generate environmental benefits as part of the broader strategy to achieve inclusive, resilient and sustainable development. We have adopted Environmental and Social Risk Management (ESRM) Policy in 2018. Our RMs/Credit officers now incorporate E & S data of clients through automated 'ESRM Procedure online tool' from June'2018. ESRM related data of Total 226 Nos clients posted in our system for review and compliance during June'2018 to December '2018. Our Management has appointed Project Appraisal and Monitoring (PAM) Team of CRM Division 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. PAM Team already obtained certification of SA 8000 Basic Auditor Training Course from Social Accountability International, USA.

ONE Bank Limited have focused on Green Finance in various sectors like renewable energy (Solar PV Plant, Solar Home, Bio-Gas etc.), Green Industries certified by LEED under USGBC, Work Environment Safety in factories, ETP & Brick Kiln etc. Total loan outstanding of Green Clients stood at Tk.163.69 Crore in 2018. We have financed one Grid Tied Solar Park plant having 20 MW capacity which is 1st ever Solar Power Plant with such large scale Production Capacity in Bangladesh.

OBL has attempted following steps towards going green.

- Initiating In-House Environmental Management.
- Formulated Fire Safety and Fire Fighting Policy for the Bank.
- OBL has trained total 299 employees in Green Financing issues in 2018.
- Introduced 'ESRM Procedure Online Tool' by which RM/Credit Officer can input E & S issues of their clients through intranet platform 'OBL Connect'
- OBL has demonstrated Green commitments towards implementation of Environmental & Social Management System (ESMS) with the help of development bank /Financial Institutions like IFC, FMO, OeEB etc.
- ONE Bank Ltd. has introduced Online Banking and it covers 99 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.

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. 10.08 crore for CSR activities in the year 2018. Details of CSR activities undertaken by ONE Bank during the year are as below:

- ✓ Distribution of 1000 pcs of Blankets of Tk. 5,00,000/- among the disabled people at Raozan, Chattogram.
- ✓ Contribution of Tk. 20,29,125/- to be utilized for "PROTEEVA", a project of Jagorani Chakra Foundation for meeting its expenses for 1(one) year from January to December/2018 of 1(one) Cluster situated in Jhenaidah Sadar, Shailkupa and Harinakunda Upazilas.
- ✓ Donation of 50 pcs of blankets of Tk. 25,000/- to "Satsanga Bihar Chattogram".
- ✓ Donation of Tk. 5,00,00,000/- to the Prime Minister's Relief Fund.
- ✓ Donation of Tk. 10,00,000/- to Economic Reporters' Forum (ERF).
- ✓ OBL Scholarship of Tk. 1,67,74,000/- to the poor but meritorious students across the country.
- ✓ Payment of Doctor's Remuneration of Tk. 2,40,000/- for extending medical services to the poor people of Joypara, Dohar, Dhaka.



ONE Bank's Vice Chairman Mr. Asoke Das Gupta and the Executive Committee's Chairman Mr. Zahur Ullah handed over blankets to the honorable Prime Minister Sheikh Hasina for her Relief Fund at Ganabhaban on January 11, 2018 for the cold stricken people of the country.

- ✓ Donation of Tk.53,60,000/- to the Ministry of Cultural Affairs for the purpose of promotion of cultural activities.
- ✓ Expenses for Tk. 1,27,360/- incurred in connection with arrangement of Training Programs on "Financial Skill Development for Youth towards implementing Sustainable Development Goals".
- ✓ Donation of 50,000 pcs of Blankets of Tk. 2,47,50,000/- to the Prime Minister's Relief Fund.

Risk Management

1. Introduction

In general, risk refers the possibility of occurring unexpected situation or deviation from the expected outcomes. It is an inherent part of any business operation. It may arise from internal faults or from external factors affecting adverse result in the said business or downgrading the image of the institution.

Effective risk management is fundamental to the success of the Bank. It is the architecture that includes risk management principles, a risk management framework and a risk management process. The risk management is primarily consists of understanding material risks and handling those risks in a way best-suited to achieve organizational objectives. Effective risk management has also given us so many benefits like reduction of frequency and severity of losses, safe and sound banking practices and better returns to stakeholders due to lower losses.

The banking sector in Bangladesh plays a vital role in the financial system as it has the capacity to supply credit and liquidity to the entire economy, providing payment services and thereby facilitating financial transactions in the economy.

In banking industry, risk factors are generally exposed to its lending business, trade-service business and other operational activities. Banks need to meet forthcoming regulatory requirements for risk measurement and mitigation thereof by arrangement of capital and provisions. However, to meet the regulatory requirements is not enough. A sound and scientific risk management system should be there for regular monitoring,

performance evaluation and corrective measures. Managing and mitigating such risks are always a prioritized concern of ONE Bank Ltd.

2. Risks in Banking Industry

Major Risk	Other Risk
Credit Risk	Residual Risk
Market Risk	Concentration Risk
Operational Risk	Liquidity Risk
	Reputational Risk
	Strategic Risk
	Settlement Risk
	Evaluation of Core Risk Management
	Environmental and Climate change Risk
	Other Material Risk

Risks in Banking Sector:

3. Risk Management Approach

It is important not only fulfill regulatory requirements but also improve financial and operational performance of the banks. Strong and integrated risk management is essential for the long-term sustainability of the bank's business. The comprehensive risk management policies and sophisticated risk management processes are required for systematic identification, measurement, monitoring and controlling of all business risks. Bank's overall financial soundness can be measured only by adopting a strong risk management process by communicating concise risk management standards to all concerned officials through adequate policies, directives, operating procedures and training programs.

4. Risk Management Framework

Effective risk management is the cornerstone of OBL's strategic priorities. This is articulated in the Bank's risk appetite which is prepared by the Risk Management Department (RMD) in line with regulatory requirements and evolving business needs.

RMD is organized under the Chief Risk Officer (CRO) who is independent from the Bank's operations. CRO has been authorized by the Board of Directors (BoD) to implement a Risk Management Framework across the Bank. Risk Management Framework covering the major risks and uncertainties faced by the Bank and how

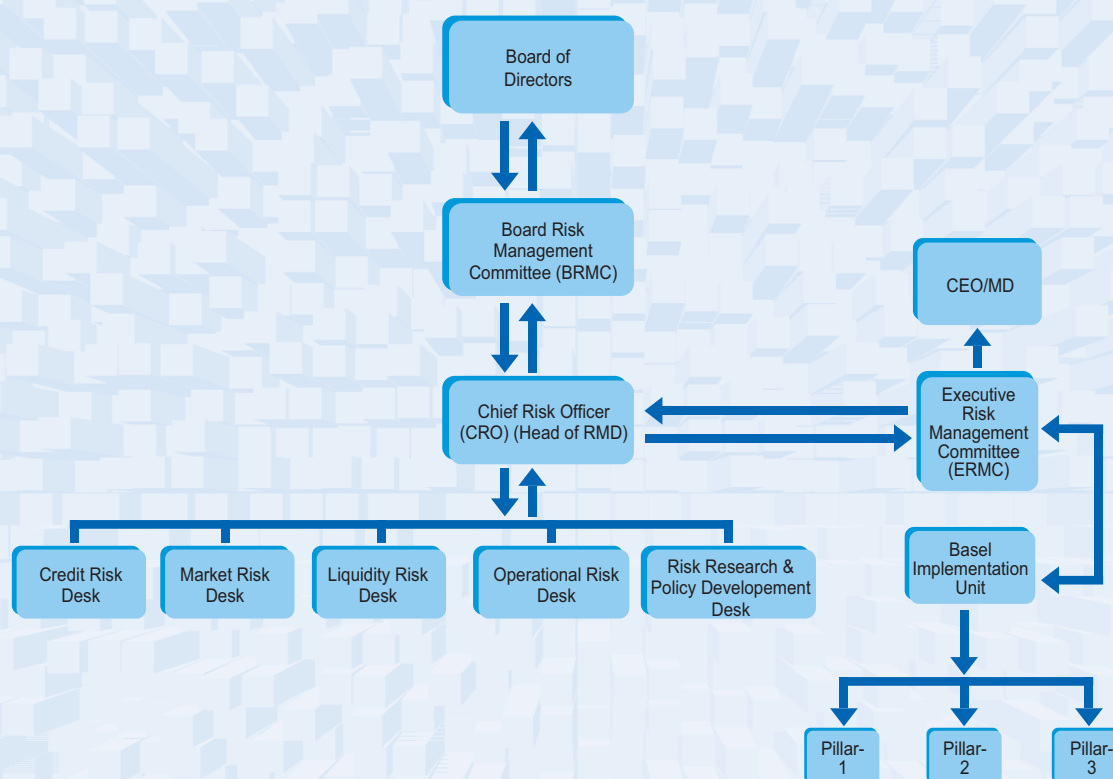
these are managed is elaborated in Risk Management Guideline, including adoption and convergence towards regulatory and Basel guideline.

5. Risk Management Structure

The risk management structure of OBL comprises the following:

as follows:

- ▶ Formulating and review the risk management guideline and strategies for sound risk management at least annually
- ▶ Monitoring implementation of risk management guidelines and process to ensure effective prevention and control measures



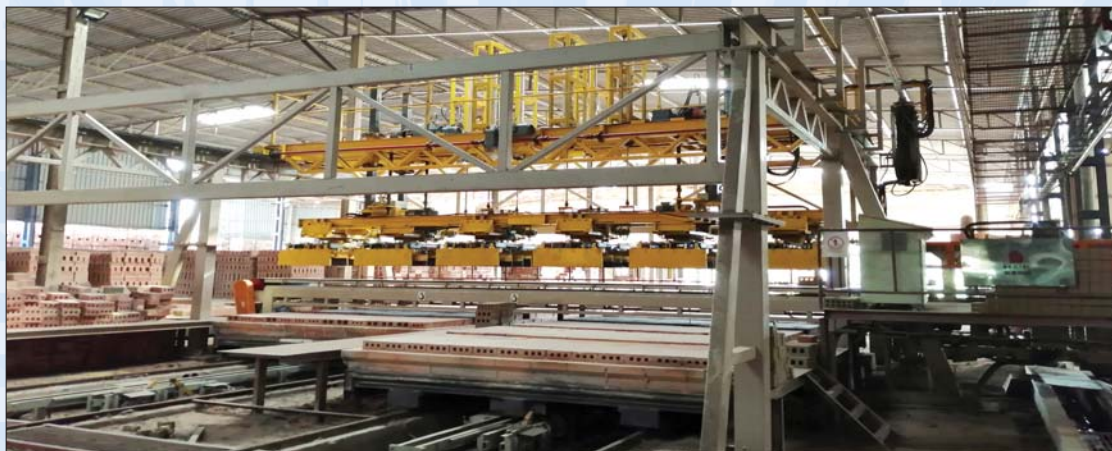
Board Risk Management Committee (BRMC)

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

- ▶ Supervising the activities of Executive Risk Management Committee (ERMC)
- ▶ Ensuring compliance of BB instructions regarding implementation of core risk management
- ▶ Ensuring formulation and review of risk appetite, limits and recommend these to Board of Directors for their review and approval
- ▶ Submitting proposal, suggestions & summary of BRMC meetings to Board of Directors at least on quarterly basis
- ▶ Assessing overall effectiveness of risk



An OBL financed Auto Bricks Factory

management functions on yearly basis

Executive Risk Management Committee (ERMC)

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:

- ▶ Identify, measure and manage the Bank's existing and potential risks through detailed risk analysis
- ▶ Hold the meeting at least once in a month based on the findings of risk reports and take appropriate decisions to minimize/control risks
- ▶ Minimize/control risks through ensuring proper implementation of the decisions
- ▶ Submit proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis
- ▶ Implement the decisions of BRMC and Board meetings regarding risk issues

- ▶ Assess requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading Senior Management and Board
- ▶ Determine risk appetite, limits in line with strategic planning through threadbare discussions among the members
- ▶ Handle "critical risks" (risks that require follow-up and further reporting)

Risk Management Department (RMD)

OBL has an independent full-fledged risk management department which was formed on June 16, 2009 to assess risk management capacity of OBL. The Risk Management Department (RMD) of OBL is headed by the Chief Risk Officer (CRO). It has separate desks within the risk management department for overseeing each key risk area. The main functions of the department include, but not limited to, the following:

- ▶ managing the process for developing risk policies and procedures;
- ▶ coordinating with business users/units to prepare functional specifications;
- ▶ preparing and forwarding risk reports; and
- ▶ assisting in the implementation of all aspects of the risk function.

The risk management function shall be functionally and hierarchically independent from business and other operation functions. The RMD manages and measures risks on the basis of the Bank's approved risk parameters independently in line with regulatory requirements. The role of

RMD includes, but not limited to, the following:

- ▶ Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation
- ▶ Preparing risk management reports, arranging monthly meeting of ERM and preparing meeting minutes, disseminating the decisions to the concerned department/divisions, monitoring and follow up of implementation status
- ▶ Ensuring timely submission of risk management reports, meeting minutes, compliance report and other documents to BB
- ▶ Assisting BRMC/ERM by providing risk issues that are needed to be addressed
- ▶ Designing Bank's overall risk management strategy
- ▶ Ensuring significant contribution in establishing sophisticated risk management infrastructure with a sufficiently robust data-base, data architecture and information technology
- ▶ Conducting, developing and overseeing Stress Testing activity
- ▶ Utilizing the Stress Test result and scenario analysis to better understand potential risk exposures under a variety of adverse circumstances
- ▶ Assisting Senior Management in formulating strategic planning considering Bank's risk exposures and industry as a whole
- ▶ Supporting the Board, BRMC and ERM in formulation, review and approval of the enterprise-wide risk governance framework

which includes the Bank's risk culture, risk appetite, risk limits, and MAT

- ▶ Monitoring on ongoing basis the risk-taking activities and risk exposures in line with the Board approved risk appetite, risk limit and corresponding capital or liquidity needs (i.e. capital planning)
- ▶ Establishing an early warning or trigger system for breaches of the Bank's risk appetite or limits
- ▶ Communicating views of the Board and Senior Management throughout the Bank
- ▶ Taking appropriate steps to control or mitigate risk exposures and ensure reporting the same to Senior Management and BRMC

6. Risk Management Report

Comprehensive Risk Management Report (CRM)

Comprehensive Risk Management Report (CRM) 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 (CRM) 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.

Monthly Risk Management Report

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



An OBL financed Knitting Factory



An OBL financed Re-Rolling Mill

Liquidity risk, Operation risk etc.

Stress Testing

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

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 as one of the core functional areas of banking and the risks involved with credit requires intense care to handle with. Credit Risk is the risk of loss resulting from the failure of payment or other contractual obligations against debt by the Bank's borrowers and other counterparties. The assessment of credit risk, therefore, involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in the event of default.

Starting from its journey since 1999, ONE Bank Ltd is focused to maintain a growing, diversified and quality credit portfolio based on its risk taking appetite and risk managing capacity. At OBL, Credit risk is managed here through well defined

CRM Policy Guidelines with set out policies and procedures covering both measurement and management of the risks. The policy is developed in line with the Bangladesh Bank CRM Policy Guidelines and reviewed periodically to cope with the pace of changes in the industry.

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

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

With the quest to practice sound credit risk management, OBL 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 & 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 Executive Committee and/or the Board of Directors 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 large loans and loan with high environmental/social risk is approved by the board. 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



An OBL financed Steel Mill



An OBL financed Pharmaceutical Company

Management at ONE Bank Ltd is to maximize the Bank's risk adjusted return by maintaining credit risk exposure within acceptable parameters. More disclosure on credit risk and its management is available in the section named, "Disclosures on Risk based Capital (BASEL III)" of this report.

Market Risk Management

Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a bank, stemming from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and / or commodity prices. Market risk for OBL 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 besides front office which are totally separated and strongly monitored the operations of Treasury Front Office. The Backed Mid Office unit checks the dealing limits, counter party limits, settlement risk and handle other compliance issues as per regulatory requirement.

Equity Price Risk

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

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

Liquidity Risk Management

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

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 within 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



An OBL financed RMG Factory



An OBL financed Stenter Machine

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 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.

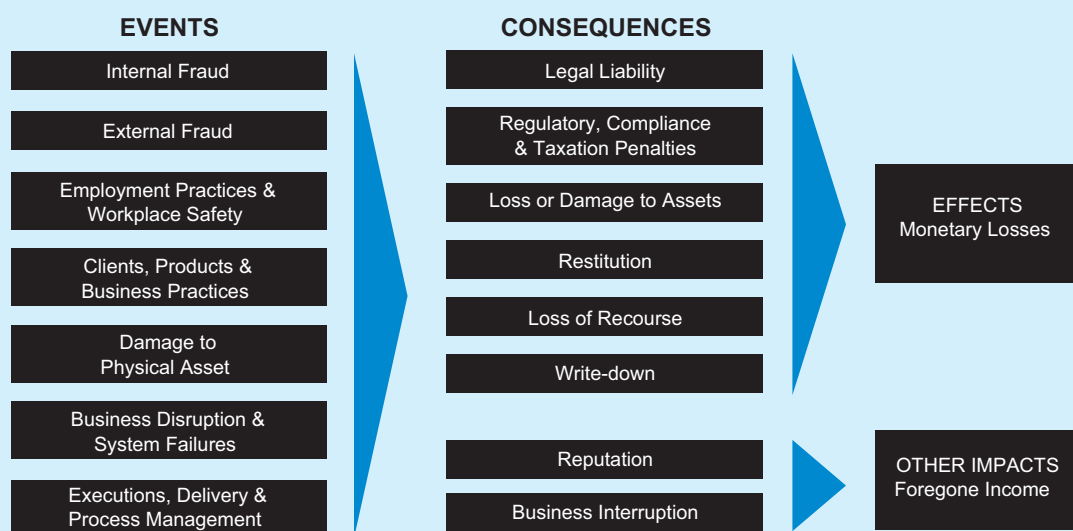
Regulatory frame work of the bank's liquidity management has been formulated in compliance with BB core risk management guidelines and these include among others maintenance of SLR which in 13% and CRR 5.5% of total demand and time liabilities except bank at present. Bank maintains adequate SLR, CRR, 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

Operational Risks – Cause and Effect



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

Prevention of Money Laundering and Combating Financing of Terrorism

ONE Bank Limited as a reporting organization is subject to the AML & CFT laws. 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 requirement of the laws and regulatory instructions, the Bank accomplishes and maintains an effective AML & CFT program to keep the Bank risk free from Money Laundering and Terrorist Financing. The Bank follows "Four

Pillars" theory in applying the program. These are:

- A system of internal Policy Guidelines, Procedure and Controls (first line of defense);
- A designated compliance function with a compliance officer (second line of defense);
- An independent audit functions to review and evaluate the overall effectiveness of the AML & CFT program (third line of defense);
- An ongoing employee training program.

ONE Bank Limited has the "Money Laundering and Terrorist Financing Risk Assessment Guidelines", and considering the overall risk management strategy of the Bank, it has developed its own "OBL Policy Guidelines on AML & CFT Risk Management" which is being reviewed lastly in 2018.

The Bank has a Central Compliance Committee (CCC) headed by Chief Anti Money Laundering



An OBL financed Textile Mill

Compliance Officer (CAMLCO) in the rank of Senior Executive Vice President, two Deputy Chief Anti Money Laundering Compliance officers and a dedicated Anti Money Laundering Division (AML) having Certified Anti money Laundering Specialist (CAMS) at CHQ. 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 of concern officers related with the job.

The Bank has a real time Sanction Screening process, the Suspicious Transaction/Activity (STR/SAR) detection and reporting systems are in place. As part of regulatory compliance on AML & CFT the Bank conducts training on AML & CFT for all employees from time to time including Trade Based Money Laundering (TBML). The Bank has a Customer Acceptance Policy in place and has Known your Customer (KYC) program since its inception and applies Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD).

ONE Bank Limited though focused on incremental growth on one hand, on the other, it has remained to be a compliant financial institution; and the Bank intends to continue as a growth driven and compliant institution.

Basel III

Under the guideline of BASEL-III Implementation plan issued by Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014, all scheduled Banks are required to maintain

adequate capital to cover all types of risks. BASEL-III Accord requires that banks should maintain adequate capital to cover Credit Risk, Market Risk and Operational Risk. Besides Capital Adequacy, BASEL-III also requires banks to enhance their Supervisory Review Process as well as Market Discipline through Disclosures to Public and Regulatory bodies in more details.

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

In line with Bangladesh Bank directives, ONE Bank Ltd has already entered in the domain of BASEL-III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise BASEL-III implementation. In this respect, the OBL BASEL-III Committee has been formed comprising all the major Divisional Heads of the Bank as well as related operational department heads chaired by the Managing Director. In addition, BASEL-III working Team has also been formed for implementation of the different segments of the Accord.

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

As per Basel-III norms, Capital Adequacy i.e. Buffer Capital is a must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. As per new guidelines, Capital Conservation Buffer @ 2.50% (gradually @ 0.625% every year up to 2019) in the form of tier-1 capital is to be maintained to absorb more shocks in addition to 10% earlier requirement under BASEL-II. To comply with the phase wise requirement, OBL maintained minimum capital including Capital Conservation Buffer @11.93% against the statutory requirement (with Conservation Buffer) of 11.875% as at December 31, 2018.

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

To maintain adequate capital OBL has already issued three Subordinated Bonds i. e.,

(a) Subordinated Bond-1 of Tk. 220 crore issued on 26th December 2013 (qualifying amount as

on 31st December, 2018 is Tk. 44 crore),

(b) Subordinated Bond-2 of Tk. 400 crore issued on 27th October 2016 (qualifying amount as on 31st December, 2018 is Tk. 320 crore) and

(c) Subordinated Bond-3 of Tk. 400 crore out of which Tk. 240 crore issued on 12th December and Tk. 40 crore issued in between the year end and disclosure reporting period. The remaining of Tk. 130 crore is under process of subscription. As a result, OBL has adequate capital against the regulatory requirement to uphold 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 2018 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.

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.



An OBL financed Endring Attaching Machine



An OBL financed Rotary Machine

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 40.92% to Tk. 21,028.54 million during 2018 compared to Tk. 14,922.60 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 14,733.52 million in 2018 as compared to Tk. 10,034.54 million for 2017 thus increased by 46.83%. Interests paid on deposits exhibited an upward turn due to increase in deposits.

The Net Interest Income increased by 28.78% to Tk. 6,295.01 million during 2018 as against Tk. 4,888.06 million during 2017.

Towards providing for Statutory Liquidity requirements, the Bank continued to invest in Government Treasury Bills and Bonds. In addition, the Bank has also invested in shares of other legal entities. Income from such Investment was Tk. 1,886.31 million during the year as against Tk. 2,237.85 million during 2017.

Commission, Exchange and Brokerage Income

Earning from Commission, Exchange and Brokerage decreased by 24.79% to Tk. 1,424.09 million compared to Tk. 1,893.56 million in 2017.

Other Operating Income

Other operating income increased to Tk. 608.31 million during 2018 as compared to Tk. 555.95 million for the previous year.

Total Operating Income

The total operating income stands at Tk. 10,213.72 million for 2018 as compared to Tk. 9,575.42 million for the previous year.

Operating Expenses

Total operating expense was Tk. 4,828.78 million for the year 2018 compared to Tk. 4,470.57 million for previous year.

Operating Profit

The Bank has earned an operating profit of Tk. 5,384.94 million in 2018 compared to Tk. 5,104.85 million in the year 2017.

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 7.05% of the Bank's total Loans and Advances as against 5.31% of the previous year.

Net Profit

After providing for provision and taxes, the Net Profit of the Bank for the year 2018 was Tk. 1,393.04 million, compared to Tk. 2,181.33 million in the previous year.

Dividend

The Net Profit of the Bank stood at Tk. 1,393.04 million as on December 31, 2018. After transfer of Tk. 468.33 million to Statutory Reserve, the amount available for distribution was Tk.924.71 million. The capital of the Bank was 11.93% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 221.31 million, total amount available for distribution to Shareholders was Tk. 1,146.02 million. The Board of Directors recommended 10% Stock Dividend for the year 2018. Accordingly, an amount of Tk. 379.48 million will remain in the form of Retained Earnings.

Balance Sheet

As on December 31, 2018, total Assets of the Bank (excluding contingent) was Tk. 266,049.71 million compared to Tk. 227,201.89 million of 2017. The growth thus recorded was 17.10%. Major Asset components were Loans and Advances (74.76%) followed by Investments (10.80%). Deposits constituted the major portion of the Bank's liability (80.52%). Contingent Liabilities were Tk. 81,651.33 million against Tk. 73,062.25 million for the previous year.

Equity

The equity of the Bank increased to Tk. 14,391.81 million from Tk. 14,109.15 million registering an increase of 2%. The percentage of Tier-I Capital to Risk Weighted Asset is 7.37% against a requirement of 6.00%.

Deposits

Deposits of the Bank grew by 10.92% during the year and stood at Tk. 202,631.23 million as at December 31, 2018 against Tk. 182,674.69 million as at December 31, 2017. 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 2018 was 6.67%.

Cash and Balances with Banks and Financial Institutions

Cash and Balances with Bangladesh Bank was Tk. 18,838.39 million as against Tk. 15,992.27 million in 2017, representing an increase of 17.80%. 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. 2,694.40 million as at December 31, 2018.

The Bank maintained sufficient balances equivalent to Tk. 3,308.32 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter



An OBL financed Power Plant at Ashugonj, Brahmanbaria

নগদ টাকার দিন শেষ এবার OK বাংলাদেশ



Available on-



OK wallet
by **ONE Bank**
LIMITED

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Financial Investments:

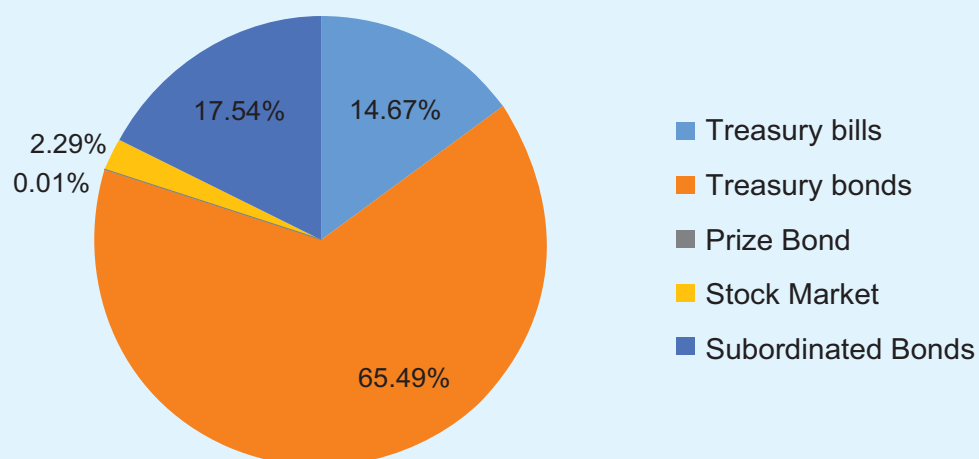
Total Investment of ONE Bank Limited as at December 31, 2018 stands at BDT 28,723.85 Million. Investment activities of the Bank mainly comprises Bangladesh Bank Treasury Bill & Bond for maintaining Statutory Liquidity Reserve (SLR) as per mandatory requirement of Bangladesh Bank.

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 18.48% as on December 31, 2018).

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

Figures in Million Taka

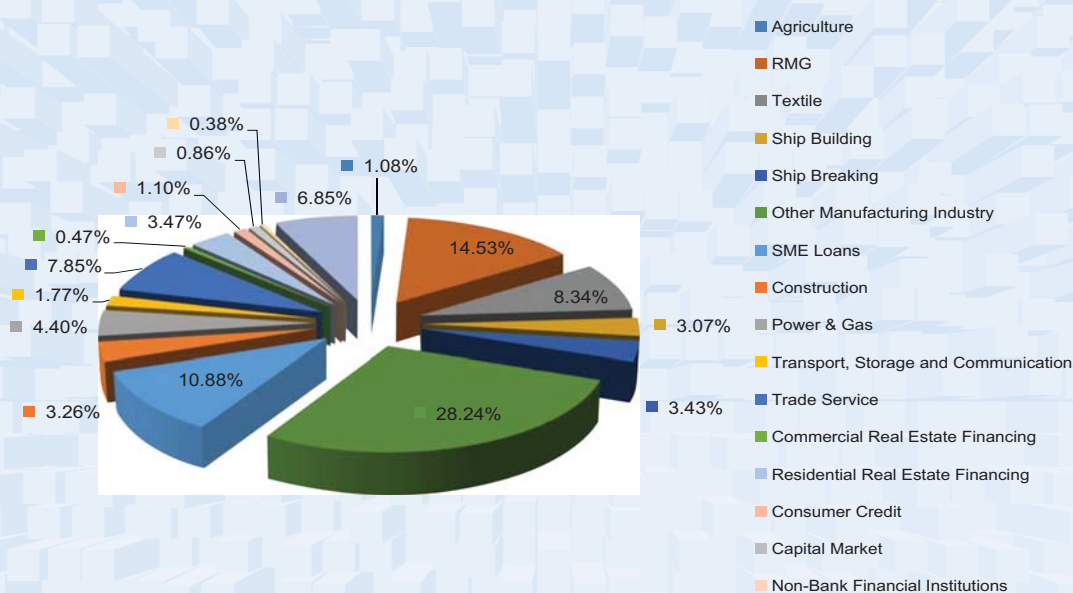
Particulars	Position as on 31/12/2018	Composition Percentage
In Government Securities		
Treasury bills	4,213.74	14.67%
Treasury bonds	18,811.14	65.49%
Prize Bond	1.49	0.01%
Other Investment		
Stock Market	657.48	2.29%
Subordinated Bonds	5,040.00	17.54%
Total	28,723.85	100.00%

Financial Investments 2018

Loans and Advances:

The Bank's total Loans and Advances stood at Tk. 19,890.87 crore as on December 31, 2018 compared to Tk. 17,039.35 crore at the end of 2017 showing a growth of 16.73% over the previous year. The portfolio was under continuous review and was further diversified to avoid the risk of single industry concentration and within the purview of the Bank's credit norms relating to risk

quality, yield, exposure, tenor and collateral arrangements. Bank's clientele base continued to comprise corporate bodies engaged in such vital economic sectors as Trade finance, 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 31.12.2018**Comparison of Loans & Advances in last two years****16.73% growth of Loans & Advances in 2018**



ONE Bank Limited signs an Agreement with IFC to Facilitate Off-shore Banking

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 2018: 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 31.12.2018:

Guarantee amounting to Tk. 8,390,000, Tk. 3,369,778 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. 3,500,000 against 100% FDR margin.

Outstanding against the limit is Tk. 2,754,939.06.

- 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. i) As on Balance Sheet date, the total receivable amount of Tk. 32,097 from ONE Securities Limited.
ii) As on Balance Sheet date, the total receivable amount of Tk. 205,426 from ONE Investments Limited.
- viii. Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):

a) Lease Agreement made with the Directors:

- The Bank has hired a space of 35,000 sq. ft. and 67 sq. ft. from 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. 24.27 million (Balance as on December 31, 2018). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of HRC Bangladesh Limited.

- The Bank has hired a space of 6,731 sq. ft. from Shamah Enterprise Limited for storage facilities at a rent of Tk. 0.23 million per month against which the Bank has advanced Tk. 3.03 million (Balance as on December 31, 2018). Mr. Zahur Ullah, Director of ONE Bank Limited is one of the directors of Shamah Enterprise Limited.
- The Bank has hired floor spaces of 5,392 sq. ft. and 23,232 sq. ft. from Hamid Properties Limited for Kawran Bazar Branch and its Corporate HQ respectively at a rent of Tk. 3.38 million per month against which the Bank has advanced Tk. 49.71 million (Balance as on December 31, 2018). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of Hamid Properties Limited.
- The Bank has hired floor spaces of 5,000 sq. ft. and 21,902 sq. ft. from 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 Chattogram at a rent of Tk. 2.29 million per month against which the Bank has advanced Tk. 47.72 million (Balance as on December 31, 2018). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of HRC Properties Limited.
- The Bank has hired a space of 11,879 sq. ft. and 43,632 sq. ft. from HRC Leather Complex Limited for Vehicle Maintenance Unit &

Garage and Off-site Store at Chattogram at a rent of Tk. 0.4 million per month against which the Bank has advanced Tk. 11.28 million (Balance as on December 31, 2018). Mr. Sayeed Hossain Chowdhury, Chairman of ONE Bank Limited is one of the directors of HRC Leather Complex Limited.

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 Nonconvertible 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 Nonconvertible 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.



An OBL financed Boiler Machine



An OBL financed Erection & Commissioning work of a Refinery Unit

With a view to further strengthening the capital base, OBL issued Tk. 2,400 million non-convertible subordinated floating rate bonds within December 31, 2019 out of Tk. 4,000 million after obtaining approval from Bangladesh Bank and Securities and Exchange Commission. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. The remaining balance has been fully subscribed within June 30, 2019.

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 in terms of Earning per Share which is not significant.

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), 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 International Financial Reporting Standards (IFRS) give a true and fair view of the state of the Bank's affairs as at 31 December 2018 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: BSEC/CMRRCD/2006-158/207/Admin/80 issued on June 03, 2018.

Internal Control and Compliance

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

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

- Ensuring strict compliance to all regulatory requirements, both existing and new.

Going Concern

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



Signing of financial Statements 2018 of ONE Bank Limited

Deviations from the last year's Operating Results

Gross Operating profit has increased this year compared to last year's operating profit. However, net profit has decreased due to creation of loan loss reserve against incremental Non Performing Loan during the year 2018.

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

Sl. No.	Location	Area/Space	Remarks
01	Kader Tower, 128 Jubilee Road, Kotwali, Chattogram	6179 Sq. Ft.	Houses OBL Jubilee Road Branch, Chattogram
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, Jashore	4800 Sq. Ft.	Houses OBL Jashore Branch, Jashore
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, Panchlish, Chattogram	4239 Sq. Ft.	Houses OBL Muradpur Branch, Chattogram

Five Years' Financial Highlights of ONE Bank Limited

As at 31 December 2018

Figures in Million Taka

SI No	Particulars	2018	2017	2016	2015	2014
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	7,665	7,300	6,637	5,899	5,244
3	Shareholders' equity	14,392	14,109	12,916	11,579	10,225
4	Statutory Reserve	5,572	5,104	4,435	3,846	3,306
5	Total Capital (Tier-1 + Tier-2 Capital)	23,196	21,366	20,309	14,759	14,511
6	Total Assets	266,050	227,202	188,241	154,193	121,820
7	Total Deposits	202,631	182,675	153,428	131,252	100,295
8	Total Loans & Advances	198,909	170,393	132,084	106,749	90,499
9	Total Investment	28,724	26,144	28,049	22,900	14,724
10	Import business handled	137,904	150,633	127,067	105,199	111,888
11	Export business handled	94,797	93,806	67,483	56,176	66,866
12	Guarantee business handled	19,297	15,673	10,240	12,939	9,310
13	Total Contingent Liabilities	81,651	73,062	70,895	61,444	49,787
14	Total Operating Income	10,214	9,575	8,222	7,640	7,172
15	Total Operating Expenses	4,829	4,471	3,946	3,492	3,263
16	Profit before provision	5,385	5,105	4,275	4,148	3,909
17	Provision for loans and other assets	3,043	1,760	1,329	1,450	706
18	Profit after provision and before taxes	2,342	3,345	2,946	2,698	3,203
19	Provision for taxation	949	1,163	886	776	1,107
20	Net profit after taxation	1,393	2,181	2,061	1,922	2,096

Figures in Taka/Percentage

SI No	Particulars	2018	2017	2016	2015	2014
1	Earnings per Share	1.82	2.99	3.10	3.26	4.00
2	Price Earning Ratio (Times)	8.25	8.03	5.89	4.69	3.95
3	Net Asset Value per share	18.78	19.33	19.46	19.63	19.50
4	Return on Assets	0.56%	1.05%	1.20%	1.39%	1.87%
5	Return on Investment	10.80%	9.62%	10.07%	11.32%	12.88%
6	Capital Adequacy Ratio	11.93%	11.56%	13.89%	10.93%	13.47%
7	Tier - 1 (Capital)	7.37%	7.60%	8.72%	8.46%	9.45%
8	Credit Deposit Ratio	83.59%	84.57%	83.87%	80.58%	90.23%
9	Percentage of classified loans against total loans and advances	7.05%	5.31%	4.93%	3.58%	4.72%
10	Dividend					
	Cash		15.00%	13.00%	12.50%	12.50%
	Stock	10.00%	5.00%	10.00%	12.50%	12.50%

SI No	Particulars	2018	2017	2016	2015	2014
1	Number of Branches	99	95	87	85	77
2	Number of Employees	2239	2101	2028	1976	1861

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 10% Stock Dividend for the year 2018.

No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2018

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Sayeed H. Chowdhury	16	1	17
Mr. Asoke Das Gupta	16	1	17
Mr. Zahur Ullah	12	5	17
Mr. A. S. M. Shahidullah Khan	14	3	17
Mr. Kazi Rukunuddin Ahmed	16	1	17
Mr. Shawket Jaman	16	1	17
Mr. Salahuddin Ahmed	15	2	17
Mr. Syed Nurul Amin	14	3	17
Mr. M. Fakhrul Alam	17	0	17

No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2018

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Zahur Ullah	10	2	12
Mr. Sayeed H. Chowdhury	12	0	12
Mr. Asoke Das Gupta	10	2	12
Mr. M. Fakhrul Alam	12	0	12

No. of Meetings of the Audit Committee held & Attendance of the Directors in the Meetings during 2018

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Syed Nurul Amin	5	0	5
Mr. A. S. M. Shahidullah Khan	5	0	5
Mr. Shawket Jaman	5	0	5
Mr. Salahuddin Ahmed	4	1	5

No. of Meetings of the Risk Management Committee held & Attendance of the Directors in the Meetings during 2018

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

SI No	Name	Status	No. of Shares	Spouse & Minor Children	No. of Shares
1	Mr. Sayeed H Chowdhury	Chairman	30,374,694	Ms. Farzana Chowdhury	34,782,178
2	Mr. Asoke Das Gupta	Vice Chairman	15,395,973	Ms. Rakhi Das Gupta	1,647,226
3	Mr. Zahur Ullah	Director	21,020,126	Ms. Salma Zahur	24,615,467
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing, KSC Securities Ltd.	15,519,067	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing, Irfan International Ltd.	15,331,260	Mrs. Dilruba Ahmed	Nil
6	Mr. Shawket Jaman	Director, Representing, M. R. Holdings and Securities Ltd.	15,372,559	Mrs. Shuraya Akther	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. Fakhru Alam	Managing Director	Nil	Mrs. Selina Alam	Nil
10	Mr. John Sarkar	ADMD & Company Secretary	Nil	Ms. Josephine Sarkar	Nil
				Timothy Carol Sarkar	Nil
11	Mr. Ashraful Haq Amin	SVP & Chief Financial Officer	Nil	Mrs. Sourab Akter Kumkum	Nil
12	Mr. Kutub Uddin Ahmad	SVP & Head of Internal Audit & Compliance	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 & Compliance.

SI. No.	Name	Status	No. of Shares
1	Ms. Rozina Aliya Ahmed	ADMD	70,249
2	Mr. Mahmoodun Nabi Chowdhury	DMD	Nil
3	Mr. Shabbir Ahmed	ADMD	Nil
4	Mr. A.B.M. Saif Sarwar	ADMD	6,176
5	Mr. Md. Kamruzzaman	EVP	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,

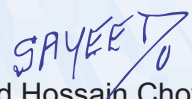

Sayeed Hossain Chowdhury
Chairman



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 Board of ONE Securities Limited



Members of Management Committee

OBL Corporate Photos



Members of Asset Liability Committee (ALCO)



Members of Basel III Committee



Members of Risk Management Committee (RMC)

OBL Corporate Photos



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



Members of Credit Risk Management (CRM)



Members of Sustainable Finance Committee

OBL Corporate Photos



Members of Loan Review Committee (LRC)



Members of Integrity Committee (IC)



Members of Sustainable Finance Unit

OBL Corporate Photos



Members of Central Compliance Unit (CCU)



Members of ICT Risk Management Committee



Members of ICT Steering Committee

OBL Corporate Photos



Members of ICT Security Committee



Members of ICT Vendor Selection Committee



Members of OBL Financial Inclusion & Financial Literacy Cell Committee

Branch & Booth Opening



Inauguration of OBL Tanbazar Branch, Narayanganj



Inauguration of OBL Colonel Hat Branch, Chattogram

OBL Corporate Programmes



A partial view of OBL's 27th Branch Managers' Conference



A partial view of 19th Annual General Meeting of OBL



Celebration of 19th year of Banking Services of OBL

OBL Corporate Programmes



Launching Ceremony of OBL OK wallet



Celebration of Women's Day 2018

OBL Corporate Programmes



ONE Bank Limited arranged a Mezban at Chattogram



Award giving ceremony of RBD



Handing over of a replica of a cheque to an SME client in the Women Entrepreneurs Conference - 2018

Signing Ceremonies



ONE Bank Limited signed an Agreement with Fintech Innovations International DMCC, UAE regarding use of web-based TRADEASSETS platform.



ONE Bank Limited signed a participatory Agreement with Bangladesh Bank regarding use of JICA assisted Foreign Direct Investment Promotion Project fund



ONE Bank Limited signed an Agreement with Protective Islami Life Insurance Limited.

Signing Ceremonies



ONE Bank Limited signed an Agreement with Nagad



ONE Bank Limited signed an Agreement with Fair Electronics on Syndication Term Loan Facility

Signing Ceremonies



ONE Bank Limited signed an Agreement with CCRManager Pte. Ltd.



ONE Bank Limited signed a Memorandum of Understanding (MOU) with BRB Hospitals Limited, to offer exclusive privileges for OBL Cardholders and employees.

OBL CSR



ONE Bank's Vice Chairman handing over a cheque as a donation to the Prime Minister's Relief Fund



OBL Scholarship Program for Poor but Meritorious Students at Bogura

OBL CSR



ONE Bank Limited sponsored Flower Exhibition at Rajshahi



A Partial view of School Banking program

OBL Training Programmes



A daylong Training on "Financial Skill Development for Youth towards Implementing Sustainable Development Goals" held at ONE Bank Training Institute



ONE Bank Limited arranged a Training Program on Anti Money Laundering and Combating of Financing of Terrorism at Chattogram

AUDIT COMMITTEE'S REPORT

The First Audit Committee of the Bank was constituted by its Board of Directors in its 60th Meeting held on March 01, 2003 in accordance with Bangladesh Bank's Directive vide BRPD Circular # 12, dated December 23, 2002. The Present Audit Committee was reconstituted by the Board in its 278th Meeting held on May 31, 2018 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 2018, the Audit Committee held 5 (five) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made therein.
2. Bangladesh Bank Comprehensive Inspection Report and recommendation made therein.
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 safeguarded and the creation of liabilities and commitments are made transparent.
- The Financial Statements of the Bank has been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and contained full disclosure.

Reporting

Throughout the year the committee has taken a particular note of the fraud and forgery and irregularities detected by the Internal Audit Team and 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

CORPORATE GOVERNANCE

Report to the Shareholders of ONE Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by ONE Bank Limited (the “Company”) for the year ended on December 31, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Place: Dhaka;
Dated: July 09, 2019

For Hussain Farhad & Co., Chartered Accountants



M Farhad Hussain FCA
Managing Partner

CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition no. 9.00)

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1. BOARD OF DIRECTORS				
1.1 Board's Size	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	(a) At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	√		
	(b) For the purpose of this clause "Independent Director" means a director-			
	(i) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	√		
	(ii) who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family member	√		
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	√		
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	√		
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		

CORPORATE GOVERNANCE

	(vii) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
	(viii) who is not independent director in more than 5 (five) listed companies	√		
	(ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		
	(x) who has not been convicted for a criminal offence involving moral turpitude	√		
	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		
	(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			Not Applicable.
	(e) The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.	√		
1.3 Qualification of Independent Directors:	(a) Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
	(b) Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		

CORPORATE GOVERNANCE

	(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			Not applicable.
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not applicable.
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not applicable.
	(c) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
	(d) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable as no special case arose
1.4 Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer	(a) The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
	(b) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
	(c) The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
	(d) The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
	(e) In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minute	√		
1.5 The Directors' Report to Shareholders	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			

CORPORATE GOVERNANCE

(i) An industry outlook and possible future developments in the industry	√		
(ii) The segment-wise or product-wise performance	√		
(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		
(v) A discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		
(vi) A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		
(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			Not applicable.
(ix) An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not applicable.
(x) A statement of remuneration paid to the directors including independent directors	√		
(xi) A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
(xii) A statement that proper books of account of the issuer company have been maintained	√		
(xiii) A statement that 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	√		
(xiv) A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
(xv) A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		

CORPORATE GOVERNANCE

(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
(xvii) A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
(xviii) An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
(xix) A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
(xx) An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not applicable as current year's dividend has been recommended in the Board Meetings for approval in the upcoming AGM.
(xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
(xxii) The total number of Board meetings held during the year and attendance by each director	√		
(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
(c) Executives	√		
(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			Not applicable as "Nil" in directors' report
(xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
(a) a brief resume of the directors	√		
(b) nature of his or her expertise in specific functional areas	√		

CORPORATE GOVERNANCE

	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
	(xxv) A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
	(a) accounting policies and estimation for preparation of financial statements	√		
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
	(e) briefly explain the financial and economic scenario of the country and the globe	√		
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
	(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
	(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6 Meetings of the Board of Directors	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		

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1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	(a) The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			Not applicable.
	(b) The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			Not applicable.
2.00 Governance of Board of Directors of Subsidiary Company				
	(a) Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
	(b) At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
	(c) The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
	(d) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
	(e) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3.00 Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)				
3.1 Appointment	(a) The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
	(c) The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		

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	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
	(e) The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			Not applicable as the MD or CEO, CS, CFO and HIAC was not removed from their position in FY 2018
3.2 Requirement to attend Board of Directors' Meetings	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
	(ii) 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;	√		
	(b) The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.00 Board of Directors' Committee				
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
	(i) Audit Committee;	√		
	(ii) Nomination and Remuneration Committee			Not applicable .

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5.00 Audit Committee				
5.1 Responsibility to the Board of Directors.	(a) The company shall have an Audit Committee as a subcommittee of the Board	√		
	(b) The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
	(c) The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2 Constitution of the Audit Committee	(a) The Audit Committee shall be composed of at least 3 (three) members	√		
	(b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
	(c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
	(d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	√		In practice
	(e) The company secretary shall act as the secretary of the Committee;	√		
	(f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5.3 Chairperson of the Audit Committee	(a) The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
	(b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		

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	(c) Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5.4 Meeting of the Audit Committee	(a) The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√		
	(b) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5 Role of Audit Committee	The Audit Committee shall:			
	(a) Oversee the financial reporting process;	√		
	(b) monitor choice of accounting policies and principles	√		
	(c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
	(d) oversee hiring and performance of external auditors	√		
	(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
	(f) review along with the management, the annual financial statements before submission to the Board for approval	√		
	(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
	(h) review the adequacy of internal audit function;	√		
	(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
	(j) review statement of all related party transactions submitted by the management	√		
	(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		

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	(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
	(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not Applicable as the last IPO was issued in 2003. RPO and Right share were not issued by the bank.
5.6 Reporting of the Audit Committee	(a) Reporting to the Board of Directors			
	(i) The Audit Committee shall report on its activities to the Board.	√		
	(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:			
	(a) report on conflicts of interests;			Not applicable as the management has informed that no such issue arose
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			Do
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			Do
	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Do

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	(b) Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not applicable as the management has informed that no such issue arose, and therefore nothing has been reported to the board of Directors.
5.7 Reporting to the Shareholders and General Investors	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			Not applicable
6.00 Nomination and Remuneration Committee (NRC)				
6.1 Responsibility to the Board of Directors	(a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Not applicable
	(b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			Do
	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			Do
6.2 Constitution of the NRC	(a) The Committee shall comprise of at least three members including an independent director			Not applicable
	(b) All members of the Committee shall be non-executive directors			Do
	(c) Members of the Committee shall be nominated and appointed by the Board			Do
	(d) The Board shall have authority to remove and appoint any member of the Committee			Do
	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			Do

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	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			Do
	(g) The company secretary shall act as the secretary of the Committee			Do
	(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			Do
	(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			Do
6.3 Chairperson of the NRC	(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Not applicable
	(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Do
	(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM			Do
6.4 Meeting of the NRC	(a) The NRC shall conduct at least one meeting in a financial year			Not applicable
	(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Do
	(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			Do
	(d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.			Do
6.5 Role of the NRC	(a) NRC shall be independent and responsible or accountable to the Board and to the shareholders.			Not applicable
	(b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			

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	(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		Not applicable
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks		Do
	(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals		Do
	(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality		Do
	(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board		Do
	(iv) formulating the criteria for evaluation of performance of independent directors and the Board		Do
	(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria		Do
	(vi) developing, recommending and reviewing annually the company's human resources and training policies		Do
	(c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report		Do

7.00 External or Statutory Auditors

	(1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely		
	(i) appraisal or valuation services or fairness opinions	√	
	(ii) financial information systems design and implementation;	√	
	(iii) book-keeping or other services related to the accounting records or financial statements	√	
	(iv) broker-dealer services;	√	
	(v) actuarial services;	√	
	(vi) internal audit services or special audit services	√	
	(vii) any service that the Audit Committee determines	√	

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	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		
	(ix) any other service that creates conflict of interest	√		
	(2) 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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
	(3) Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8. Maintaining a website by the Company				
	(1) The company shall have an official website linked with the website of the stock exchange	√		
	(2) The company shall keep the website functional from the date of listing	√		
	(3) The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9. Reporting and Compliance of Corporate Governance				
	(1) The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
	(2) The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
	(3) The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

DECLARATION OF MD & CFO

Date: 30 April 2019

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

Subject: Declaration on Financial Statements for the year ended on 31 December 2018.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of ONE Bank Limited for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 31 December 2018 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 collectively present 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 transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



M. Fakhrul Alam
Managing Director



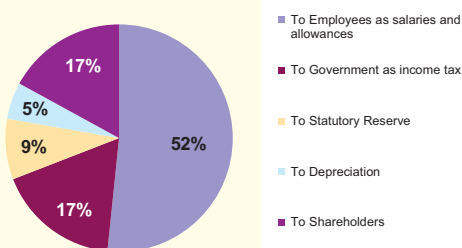
Ashraf Haq Amin, FCA
Chief Financial Officer

VALUE ADDED STATEMENT

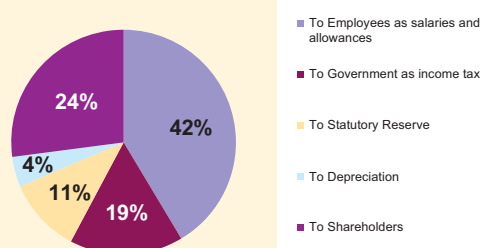
The Value Added Statement of ONE Bank Limited shows how the value is created and distributed to the different stakeholders of the Bank.

Particulars	2018 Taka	2017 Taka
Income from banking Service	24,947,249,971	19,609,959,168
Less: Cost of services and supplies	(16,473,090,124)	(11,652,209,766)
	8,474,159,847	7,957,749,402
Loan loss provision and other provisions	(3,043,285,090)	(1,760,215,397)
Total Value Added	5,430,874,757	6,197,534,005

Value Added Statement 2018



Value Added Statement 2017



	2018 (Taka)	%	2017 (Taka)	%
Distribution of added value				
To Employees as salaries and allowances	2,804,599,598	52%	2,580,249,694	42%
To Government as income tax	948,621,832	17%	1,163,307,616	19%
To Statutory Reserve	468,331,595	9%	668,926,910	11%
To Depreciation	284,617,184	5%	272,649,764	4%
To Shareholders	924,704,548	17%	1,512,400,021	24%
Total	5,430,874,757	100%	6,197,534,005	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 2018. The summary of the rating is presented below:

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating
March 10, 2019	March 09, 2020	AA	ST-2
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.

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Home Loan



Personal Loan



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ONE Bank Loan Schemes

Car Loan



Student Loan



DISCLOSURES ON RISK BASED CAPITAL

BASEL-III



REGULATIONS



REQUIREMENTS

COMPLIANCE



STANDARDS



LAW

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

For the year ended 31 December 2018

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: <ul style="list-style-type: none"> (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). 	<p>The consolidated financial statements of the Bank include the financial statements of (i) ONE Bank Limited, and (ii) ONE Securities Limited.</p> <p>ONE Bank holds 99.99%, shares of ONE Securities Limited.</p> <p>The bank has an approved disclosure policy to observe the disclosure requirements set out by the Bangladesh Bank and International Financial Reporting Standard (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) into Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) where relevant to the bank.</p> <p>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.</p> <p>ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on December 24, 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC).</p> <p>ONE Investments Limited (OIL) is a subsidiary of ONE Bank Limited. OIL was incorporated on April 26, 2018 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company after completion of the formalities with the Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at HRC Bhaban, 46 Kawran Bazar C.A., Dhaka-1215.</p>
c)	Any restrictions, or other major impediment, on transfer of funds or regulatory capital within the group.	Not applicable
d)	The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the names(s) of such subsidiaries.	Not applicable

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

2. Capital Structure

a. Qualitative Disclosures

<p>a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1, Additional Tier 1 or in Tier 2.</p>	<p>In terms of Section 13 of the Bank Company Act, 1991 (Amended up to 2013), the terms and conditions of the main features of all capital instruments have been segregated in terms of the eligibility criteria set forth vide BRPD Circular No. 18 dated 21 December 2014 and other relevant instructions given by Bangladesh Bank from time to time. The main features of the capital instruments are as follows:</p> <p>1. Tier 1 Capital (a+ b) (Going-concern capital)</p> <p>a) Common Equity Tier-1 Capital (CET-1):</p> <ul style="list-style-type: none"> ✓ Paid-up share capital ✓ Non-repayable share premium ✓ Statutory Reserve ✓ General Reserve ✓ Retained Earnings ✓ Dividend Equalization Fund ✓ Minority Interest in Subsidiaries <p>Regulatory Adjustments from Tier-1 capital-</p> <ul style="list-style-type: none"> • 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) <p>b) Additional Tier-1 Capital :</p> <ul style="list-style-type: none"> ✓ Perpetual Instrument. <p>2. Tier-2 Capital (Gone-concern capital) :</p> <ul style="list-style-type: none"> ✓ 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) <p>Regulatory Adjustments from Tier-2 capital-</p> <ul style="list-style-type: none"> • 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
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b. Quantitative Disclosures

	Amount in crore Taka	
a) Tier-1 Capital (Going-concern capital)	Solo	Consolidated
1. Common Equity Tier-1		
✓ Paid up capital	766.53	766.53
✓ Statutory Reserve	557.22	557.22
✓ Retained Earnings	114.60	126.86
✓ Minority Interest in Subsidiaries	-	3.11
Sub total	1,438.35	1453.72

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

	Adjustment:		
	✓ Deferred Tax Assets (DTA)	4.47	4.47
	✓ Goodwill and all other Intangible Assets	1.04	1.04
	✓ Reciprocal Crossholdings	0.12	0.12
	Total Common Equity Tier-1 Capital	1,432.73	1,448.10
	2. Additional Tier-1 Capital	Nil	Nil
b)	Tier-2 Capital (Gone-concern capital)		
	✓ General Provision	281.57	281.57
	✓ Subordinated debt	604.00	604.00
	✓ Revaluation Reserves (after netting off 80% deduction)	1.28	1.28
	Total Tier-2 Capital	886.86	886.86
	Total Eligible Capital	2,319.59	2,334.96

3. Capital Adequacy

a. Qualitative Disclosures

a)	<p>A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.</p>	<p>The Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended up to 2013) and instruction contained in BRPD Circular No. 18 dated 21 December 2014 (Implementation of Basel III in Bangladesh). However, in terms of the regulatory guidelines, the Bank computes the capital charge / requirement as under:</p> <p>(a) Credit risk : On the basis of Standardized Approach (b) Market risk : On the basis of Standardized Approach; and (c) Operational risk: On the basis of Basic Indicator Approach.</p> <p>As per Basel-III norms, capital adequacy i.e. buffer capital is must for banks to protect the unexpected losses against the risk profile and future business growth of the bank. As per new guidelines, Capital Conservation Buffer @ 2.50% (gradually @ 0.625% per year 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.</p> <p>To maintain adequate capital OBL has already issued three Subordinated Bonds i. e., (a) Subordinated Bond-1 of Tk. 220 crore issued on 26th December 2013 (qualifying amount as on 31st December, 2018 is Tk. 44 crore), (b) Subordinated Bond-2 of Tk. 400 crore issued on 27th October 2016 (qualifying amount as on 31st December, 2018 is Tk. 320 crore) and (c) Subordinated Bond-3 of Tk. 400 crore out of which Tk. 240 crore issued on 12th December and Tk. 40 crore issued in between the year end and disclosure reporting period. The remaining of Tk. 130 crore is under process of subscription. As a result, OBL has 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 2018 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.</p> <p>As per BASEL-III Guidelines, a BASEL Committee comprised of senior Management / Department Heads of relevant sectors have been formed to conduct quarterly meeting chaired by Managing Director to supervise and implement the instructions of regulatory requirement as per Bangladesh Bank Guidelines.</p>
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DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

b. Quantitative Disclosure:

Amount in crore Taka

Particulars	Solo	Consolidated
Credit Risk Weighted Assets	17,426.64	17,190.39
On- Balance sheet	15,765.75	15,529.50
Off-Balance sheet	1,660.89	1,660.89
Market Risk Weighted Assets	295.31	556.84
Operational Risk Weighted Assets	1,729.05	1,749.33
Total Risk Weighted Assets	19,451.00	19,496.55
Required Capital against Credit, Market and Operational Risk	2,309.81	2,315.22
1. Tier-1 Capital (2+3)	1,432.73	1,448.10
2. Common Equity Tier-1 Capital (CET-1)	1,432.73	1,448.10
3. Additional Tier-1 Capital (AT-1)	-	-
4. Tier-2 Capital	886.86	886.86
Total Regulatory Capital (1+4) :	2,319.59	2,334.96
Capital to Risk Weighted Assets Ratio (CRAR)	11.93%	11.98%
Common Equity Tier-1 to RWA	7.37%	7.43%
Tier-1 Capital to RWA	7.37%	7.43%
Tier-2 Capital to RWA	4.56%	4.55%

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.

1.1. 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

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

1.1. 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		
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.

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.

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

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

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

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

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

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

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

4.5 Credit Risk Mitigation

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

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

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

4.6 Policies and Processes for Collateral Valuation and Management

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

b. Quantitative Disclosure:

a)	Total gross credit risk exposures broken down by major types of credit exposures	<p>Major types of credit exposure as per disclosures in the audited financial statements as of 31 December, 2018</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Outstanding Amount</th><th>Mix (%)</th></tr> </thead> <tbody> <tr> <td>Overdraft</td><td>4,145.65</td><td>22.28%</td></tr> <tr> <td>Export cash credit</td><td>312.92</td><td>1.68%</td></tr> <tr> <td>Transport loan</td><td>159.80</td><td>0.86%</td></tr> <tr> <td>House building loan</td><td>777.16</td><td>4.18%</td></tr> <tr> <td>Loan against trust receipt</td><td>840.72</td><td>4.52%</td></tr> <tr> <td>Term loan</td><td>6,042.83</td><td>32.48%</td></tr> <tr> <td>Payment against document</td><td>197.15</td><td>1.06%</td></tr> <tr> <td>Consumer Finance</td><td>219.57</td><td>1.18%</td></tr> <tr> <td>Staff loan</td><td>66.32</td><td>0.36%</td></tr> <tr> <td>Bills purchased and discounted</td><td>250.44</td><td>1.35%</td></tr> <tr> <td>Others</td><td>6,878.31</td><td>34.58%</td></tr> <tr> <td>Total loans and advances</td><td>19,890.87</td><td>100%</td></tr> </tbody> </table>	Particulars	Outstanding Amount	Mix (%)	Overdraft	4,145.65	22.28%	Export cash credit	312.92	1.68%	Transport loan	159.80	0.86%	House building loan	777.16	4.18%	Loan against trust receipt	840.72	4.52%	Term loan	6,042.83	32.48%	Payment against document	197.15	1.06%	Consumer Finance	219.57	1.18%	Staff loan	66.32	0.36%	Bills purchased and discounted	250.44	1.35%	Others	6,878.31	34.58%	Total loans and advances	19,890.87	100%
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DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

b)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	<div>Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December, 2018 are as follows:</div> <div>Amount in crore Taka</div> <table><tr><th>Particulars</th><th>Outstanding Loan</th><th>Mix (%)</th></tr><tr><td colspan="3">Urban</td></tr><tr><td>Dhaka Division</td><td>13,272.39</td><td>66.73%</td></tr><tr><td>Chattogram Division</td><td>3,902.56</td><td>19.62%</td></tr><tr><td>Khulna Division</td><td>837.66</td><td>4.21%</td></tr><tr><td>Rajshahi Division</td><td>323.67</td><td>1.63%</td></tr><tr><td>Rangpur Division</td><td>87.36</td><td>0.44%</td></tr><tr><td>Barishal Division</td><td>66.07</td><td>0.33%</td></tr><tr><td>Sylhet Division</td><td>26.56</td><td>0.13%</td></tr><tr><td>Sub-total (Urban)</td><td>18,516.28</td><td>93.09%</td></tr><tr><td colspan="3">Rural</td></tr><tr><td>Dhaka Division</td><td>742.19</td><td>3.73%</td></tr><tr><td>Chattogram Division</td><td>536.97</td><td>2.70%</td></tr><tr><td>Khulna Division</td><td>35.15</td><td>0.18%</td></tr><tr><td>Rajshahi Division</td><td>33.71</td><td>0.17%</td></tr><tr><td>Sylhet Division</td><td>26.58</td><td>0.13%</td></tr><tr><td>Sub-total (Rural)</td><td>1,374.60</td><td>6.91%</td></tr><tr><td>Grand Total (Urban + Rural)</td><td>19,890.87</td><td>100.00%</td></tr></table>	Particulars	Outstanding Loan	Mix (%)	Urban			Dhaka Division	13,272.39	66.73%	Chattogram Division	3,902.56	19.62%	Khulna Division	837.66	4.21%	Rajshahi Division	323.67	1.63%	Rangpur Division	87.36	0.44%	Barishal Division	66.07	0.33%	Sylhet Division	26.56	0.13%	Sub-total (Urban)	18,516.28	93.09%	Rural			Dhaka Division	742.19	3.73%	Chattogram Division	536.97	2.70%	Khulna Division	35.15	0.18%	Rajshahi Division	33.71	0.17%	Sylhet Division	26.58	0.13%	Sub-total (Rural)	1,374.60	6.91%	Grand Total (Urban + Rural)	19,890.87	100.00%				
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c)	By major industry or counterparty type	<div>(a) Amount of impaired loans and if available, past due loans, provided separately</div> <div>Amount of impaired / classified loans by major industry/sector-type as of 31 December, 2018 was as under:</div> <table><tr><th>Major industry/sector type</th><th>Outstanding Amount in crore</th><th>Mix (%)</th></tr><tr><td>Agriculture Financing</td><td>6.37</td><td>0.45%</td></tr><tr><td>Readymade Garments (RMG) Industries</td><td>206.29</td><td>14.70%</td></tr><tr><td>Textile Industries</td><td>180.86</td><td>12.89%</td></tr><tr><td>Ship Breaking</td><td>9.78</td><td>0.70%</td></tr><tr><td>Other Manufacturing Industries</td><td>219.63</td><td>15.65%</td></tr><tr><td>Small & Medium Enterprise (SME) Loans</td><td>307.39</td><td>21.91%</td></tr><tr><td>Commercial Real Estate Including</td><td>53.50</td><td>3.81%</td></tr><tr><td>Construction industries</td><td>39.84</td><td>2.84%</td></tr><tr><td>Residential Real Estate Financing</td><td>30.89</td><td>2.20%</td></tr><tr><td>Power and Gas Industries</td><td>17.52</td><td>1.25%</td></tr><tr><td>Transport and Storage</td><td>59.73</td><td>4.26%</td></tr><tr><td>Trade Services</td><td>220.81</td><td>15.74%</td></tr><tr><td>Consumer Credit</td><td>11.13</td><td>0.79%</td></tr><tr><td>Others</td><td>39.34</td><td>2.80%</td></tr><tr><td>Total</td><td>1403.08</td><td>100.00%</td></tr></table> <div>b) Specific and general provisions</div> <div>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, 2018 was as under:</div> <table><tr><th>Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures</th><th>Amount in crore Taka</th></tr><tr><td>Specific provision for loans and advances</td><td>550.86</td></tr><tr><td>General provision for loans and advances</td><td>207.35</td></tr><tr><td>General provision for off-balance sheet exposures</td><td>74.22</td></tr><tr><td>Total</td><td>832.43</td></tr></table>	Major industry/sector type	Outstanding Amount in crore	Mix (%)	Agriculture Financing	6.37	0.45%	Readymade Garments (RMG) Industries	206.29	14.70%	Textile Industries	180.86	12.89%	Ship Breaking	9.78	0.70%	Other Manufacturing Industries	219.63	15.65%	Small & Medium Enterprise (SME) Loans	307.39	21.91%	Commercial Real Estate Including	53.50	3.81%	Construction industries	39.84	2.84%	Residential Real Estate Financing	30.89	2.20%	Power and Gas Industries	17.52	1.25%	Transport and Storage	59.73	4.26%	Trade Services	220.81	15.74%	Consumer Credit	11.13	0.79%	Others	39.34	2.80%	Total	1403.08	100.00%	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	550.86	General provision for loans and advances	207.35	General provision for off-balance sheet exposures	74.22	Total	832.43
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DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

		<p>c) Charges for specific allowances and charges-offs (general allowances) during the period</p> <p>The Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank charged during the year as per audited financial statements for the year ended 31 December, 2018 was as under:</p> <table><tr><th>Particulars</th><th>Amount in crore Taka</th></tr><tr><td>Specific provision for loans and advances</td><td>262.78</td></tr><tr><td>General provision for loans and advances</td><td>33.46</td></tr><tr><td>General provision for off-balance sheet exposures</td><td>6.70</td></tr><tr><td>Total</td><td>302.94</td></tr></table>	Particulars	Amount in crore Taka	Specific provision for loans and advances	262.78	General provision for loans and advances	33.46	General provision for off-balance sheet exposures	6.70	Total	302.94												
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General provision for loans and advances	33.46																							
General provision for off-balance sheet exposures	6.70																							
Total	302.94																							
d)	Non Performing Assets (NPAs)	<p>Position of Non Performing Loans and Advances including bills purchased and discounted of the Bank as per audited financial statements for the year ended 31 December, 2018 was as under:</p> <table><tr><th>Movement of Non Performing Assets (NPAs)</th><th>Amount in crore Taka</th></tr><tr><td>Opening Balance</td><td>904.10</td></tr><tr><td>Additions</td><td>890.52</td></tr><tr><td>Reductions</td><td>(391.54)</td></tr><tr><td>Closing Balance</td><td>1403.08</td></tr><tr><th>Movement of specific provisions for NPAs</th><th></th></tr><tr><td>Opening Balance</td><td>433.35</td></tr><tr><td>Provision made during the period</td><td>181.51</td></tr><tr><td>Recovery of written off Loan</td><td>2.69</td></tr><tr><td>Write back of excess provision</td><td>(66.69)</td></tr><tr><td>Closing balance</td><td>550.86</td></tr></table>	Movement of Non Performing Assets (NPAs)	Amount in crore Taka	Opening Balance	904.10	Additions	890.52	Reductions	(391.54)	Closing Balance	1403.08	Movement of specific provisions for NPAs		Opening Balance	433.35	Provision made during the period	181.51	Recovery of written off Loan	2.69	Write back of excess provision	(66.69)	Closing balance	550.86
Movement of Non Performing Assets (NPAs)	Amount in crore Taka																							
Opening Balance	904.10																							
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Write back of excess provision	(66.69)																							
Closing balance	550.86																							

5. Equities: disclosures for Banking Book Positions

a. Qualitative Disclosures

a)	The general qualitative disclosure requirement with respect to the equity risk, including:													
	<p>Differentiation between holdings on which capital Gains are expected and those taken under other Objectives including for relationship and strategic reasons; and</p> <p>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.</p>	<p>Investment in equity mainly for capital gain purpose but Bank has some investment for relationship and strategic reasons.</p> <p>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:</p> <table><tr><th>Particulars</th><th>Valuation method</th></tr><tr><td colspan="2">Shares:</td></tr><tr><td>Quoted</td><td>At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..</td></tr><tr><td>Unquoted</td><td>At cost price.</td></tr><tr><td colspan="2">Bonds:</td></tr><tr><td>Subordinated bonds</td><td>At redemption value.</td></tr></table>	Particulars	Valuation method	Shares:		Quoted	At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..	Unquoted	At cost price.	Bonds:		Subordinated bonds	At redemption value.
Particulars	Valuation method													
Shares:														
Quoted	At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..													
Unquoted	At cost price.													
Bonds:														
Subordinated bonds	At redemption value.													

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

b. Quantitative Disclosures

Particulars	Amount in crore Taka			
	Cost		Market Value	
	Bank Position	Consolidated Position	Bank Position	Consolidated Position
Quoted Share	54.86	239.11	71.99	202.75
Unquoted share	10.89	10.89	10.89	10.89

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
		0	0

c)	<ul style="list-style-type: none"> 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
		17.13	(36.36)

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, 2018 was as under:		
		Amount in crore Taka		
		Particulars	Amount (Market Value)	Weight
		Specific Risk	71.99	0.10
		General Market Risk	71.99	0.10
		Total		14.40

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

a. Qualitative Disclosures

<p>The general qualitative disclosure requirement including the nature of IRRBB and key assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement</p>	<p>Interest rate risk is the potential impact on the Bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk.</p>
	<p>The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for particular period of time, while the long term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and Off-balance sheet exposures are affected.</p> <p>Key assumptions on loan prepayments and behavior of non-maturity deposits:</p> <ul style="list-style-type: none"> 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. <p>OBL measures the IRRBB as per the regulatory guidelines on a quarterly rest.</p>

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

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, 2018 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]	7,476.70	4,272.20	1,797.67	9,472.36
Rate sensitive liabilities [B]	7,615.84	3,712.03	1,278.33	8,386.31
GAP [A-B]	(139.14)	560.17	519.34	1,086.06
Cumulative GAP	(139.14)	421.03	940.37	2,026.43
Interest rate change (IRC) [Note 1]	0.0025	0.0025	0.0025	0.0025
Quarterly earnings impact [Cumulative GAP x IRC]	(0.35)	1.05	2.35	5.07
Cumulative earnings impact	(0.35)	0.70	3.06	8.12

Note 1: Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank.

7. Market Risk

a. Qualitative Disclosures:

i) Views of Board of Directors (BOD) on trading / investment activities	<p>The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet:</p> <p>i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; and iv) Commodity price risk</p>																	
ii) Methods used to measure Market risk	<p>As per relevant Bangladesh Bank guidelines, Standardized Approach has been used to measure the Market Risk for capital requirement for trading book of the Bank. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk" as under:</p> <table><tr><th rowspan="2">Component of Market Risk</th><th colspan="2">Capital Charged for Market Risk</th></tr><tr><th>General Market Risk</th><th>Specific Market Risk</th></tr><tr><td>Interest Rate Risk</td><td>Applied</td><td>Applied</td></tr><tr><td>Equity Price Risk</td><td>Applied</td><td>Applied</td></tr><tr><td>Foreign Exchange Risk</td><td colspan="2">Applied</td></tr><tr><td>Commodities Price Risk</td><td colspan="2">N/A</td></tr></table>	Component of Market Risk	Capital Charged for Market Risk		General Market Risk	Specific Market Risk	Interest Rate Risk	Applied	Applied	Equity Price Risk	Applied	Applied	Foreign Exchange Risk	Applied		Commodities Price Risk	N/A	
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																	
iii) Market Risk Management system	<p>The Treasury Division of the Bank manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Assets- Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month</p> <p>The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.</p>																	
iv) Policies and processes for mitigating market risk	<p>There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the bank meets on a daily basis to review the prevailing market condition, exchange rate, foreign exchange position, and transactions to mitigate foreign exchange risks.</p>																	

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

b. Quantitative Disclosure:

Particulars	Amount in Crore	
	Solo	Consolidated
The capital requirements for:		
Interest Rate Risk	4.28	4.28
Equity Position risk	14.40	40.55
Foreign Exchange Risk	10.85	10.85
Commodity Risk	-	-
Total	29.53	55.68

8. Operational Risk

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

a. Qualitative Disclosure:

i) Views of Board of Directors (BOD) on system to reduce Operational Risk	<p>The policy for operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division (IC&CD) to protect against operational risks.</p> <p>As a part of continued surveillance, the Management Committee (MANCOM), Risk Management Committee (at the management level), independent Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board / Risk Management Committee / Audit Committee of the Bank for review and formulating appropriate policies, tool & techniques for mitigation of operational risk.</p>
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	<p>Like other peers, OBL operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, natural disaster etc.</p> <p>Considering the potential external risk, the bank invests heavily in IT infrastructure for better automation and online transaction environment.</p>
iv) Policies and processes for mitigating operational risk	<p>The policy for mitigating operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. A policy guideline on Risk Based Internal Audit (RBIA) system is in operation. Currently, OBL is using some models or tools for mitigating operational risk such as Self Assessment of Anti-fraud Internal Control; Quarterly Operational Report (QOR) and Departmental Control Function Check List in line with the Bangladesh Bank's relevant Instructions and recommendations. It is required to submit the statement on Self Assessment of Anti-fraud Internal Control to Bangladesh Bank on quarterly rest.</p> <p>Bank's Anti- Money laundering activities are headed by CAMLCO in the rank of 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.</p>

b. Quantitative Disclosure:

Particulars	Amount in Crore	
	Solo	Consolidated
The capital requirements for:		
Operational Risk	172.90	174.93

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- <ul style="list-style-type: none"> ✓ 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)	113.86%
Net Stable Funding Ratio (NSFR)	114.60%
Stock of High Quality Liquid Assets	4,174
Total Net cash Outflows over the next 30 Calendar days	3,665
Available amount of stable funding	20,190
Required amount of stable funding	17,617

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.

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

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:

Particulars	Amount in crore Taka	
	Solo	Consolidated
Leverage Ratio	5.11%	5.16%
Adjusted Tier 1 Capital	1,433	1,448
On balance sheet exposure	26,054	26,064
Off balance sheet exposure	1,988	1,988
Deductions	(6)	(6)
Total exposure	28,036	28,046

11. Remuneration

a) Qualitative Disclosure:

a)	Information relating to the bodies that oversee remuneration and mandate of the Management.	<p>The OBL Remuneration Committee i.e. the Management is responsible for overseeing, review and implementation of Bank's overall compensation structure and related policies regarding remuneration packages for all / specialized 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.</p> <p>The Management works in close coordination with the Risk Management Committee of the Bank, in order to achieve effective alignment between remuneration and risks. The Management also ensures that the cost/income ratio of the Bank supports the remuneration package consistent with maintenance of sound capital adequacy ratio. In addition, the Management of OBL performs the following:</p> <ul style="list-style-type: none"> - Conduct the annual review of the Compensation Policy. - Fulfill such other powers and duties as may be delegated to it by the Board. <p>Till date, the Bank has not yet engaged any External Consultants for conducting such exercise since those were done by the Bank's Management.</p> <p>OBL Remuneration Policy covers the principles and rules regarding remuneration being paid/to be paid to Directors and all employees of the Bank including the Management, its review, market intelligence, analysis and proposals for modification commensurate with changed situations in compliance with relevant laws and rules & 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.</p> <p>The prevailing policies regarding remuneration and other financial/non financial benefits of employees have been implemented with the approval of the Board of Directors.</p>
b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy	<p>The substantive pay and other allowances including perquisites, where applicable, to the employees including all subordinates, officers and executives up to the rank of SEVP are designed/structured in line with the competitive remuneration structure prevailing in the industry. In respect of executives above the rank of SEVP i.e. ADMD, DMD & MD, the individual remuneration is fixed by the Board of Directors. Pay Structure and perquisites payable to the employees have been approved by the Board of Directors of the Bank. While determining the remuneration package, the Management and the Board take into consideration the following factors.</p>

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

		<ol style="list-style-type: none"> 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. <p>The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank.</p>
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.	<p>The Management time to time reviews the remuneration package/structure of the key employees/positions who are involved in the functions that deal with the risk factors (both current and future positions).</p> <p>Though risk is prevalent in all the functions of a commercial bank, the functions that mainly deal with the risk factors of the Bank include:</p> <ul style="list-style-type: none"> - Marketing - CRM - Operations - Trade Finance etc. <p>The Board of Directors through the Management exercises oversight and effective governance over the framing and implementation of the remuneration policy. Human Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.</p>
d)	A discussion of the bank's policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting.	<p>The Bank has various schemes in regards to deferred and vested variable remuneration which are as under:</p> <ul style="list-style-type: none"> - 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). <p>The Board may adopt principles for malus / claw back before or after vesting, if such situation arises and the law(s) of the country permits the same.</p>
e)	Description of the different forms of variable remuneration (i.e. cash, shares, and share-linked instruments and other forms) that the bank utilizes and the rationale for using these different forms.	<p>Variable pay means the compensation as fixed by the Board on recommendation of the Management, which is based on the performance appraisal of an employee in that role, that is, how well they accomplish their goals. It may be paid as:</p> <ul style="list-style-type: none"> ▪ Performance Linked Incentives to those employees who are eligible for incentives. ▪ Ex-gratia for other employees who are not eligible for Performance linked Incentives. ▪ Different awards based on extra-ordinary performance & achievement. ▪ Employee/Manager of the Month/Quarter award. ▪ Reimbursement/award for brilliant academic/professional achievement. ▪ Leave Fare Assistance (LFA)

DISCLOSURES ON RISK BASED CAPITAL (BASEL-III)

b) Quantitative Disclosure:

(a)	Number of employees having received a variable remuneration award during the financial year.	Total 1827 number of employees got variable remunerations during the year 2018.
	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. 19.31 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. 89.30 crore as of 31 st December, 2018.
	Total Amount of deferred remuneration paid out in the financial year.	Total amount of deferred remunerations paid is Tk. 4.15 crore during the year 2018 (Gratuity amount paid to the outgoing employees during the year 2018).
(c)	Breakdown of amount of remuneration awards for the financial year to show:	
	- Fixed and variable	Fixed remuneration is Tk. 254.55 crore and variable remuneration disbursed is Tk. 24.49 crore.
	- Deferred and no-deferred	Deferred remuneration awarded (account for during the year) is Tk. 14.16 crore and non-deferred remuneration is Tk. 264.88 crore.
	- Different forms used (cash, shares and share linked instruments, other forms).	N/A
(d)	Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:	N/A

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Financial Statements



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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of ONE Bank Limited and its subsidiaries (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 2018 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 198,958 million (2017: BDT 170,441 million) and the Bank reported provision for loans and advances of BDT 7,582 million (2017: BDT 6,072 million).</p>	<p>guidelines;</p> <ul style="list-style-type: none"> Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.
See note no 7 and 12 to the financial statements	
Valuation of treasury bill and treasury bond	
<p>The classification and measurement of treasury bill and bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bills and bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6 to the financial statements	
Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6 to the financial statements	

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its two subsidiaries, namely ONE Securities Limited and ONE Investments Limited. As at 31 December 2018 the carrying value of this investment is BDT 2,480 million.

At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most

Carrying value of investments in subsidiaries by the Bank

of the Bank's investments in all the above subsidiaries stated at cost.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

impact on the value in use calculation.

We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991as amended 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

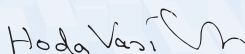
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, 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) 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 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:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) 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 Group and its related entities other than matters disclosed in these financial statements;
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely ONE Securities Limited and ONE Investments Limited audited by us reflect total assets of BDT 2,849.62 million and results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) 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;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the content of note 7.13, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,240 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 30 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited and its Subsidiaries Consolidated Balance Sheet

As at 31 December 2018

	<u>Notes</u>	<u>2018 Taka</u>	<u>2017 Taka</u>
PROPERTY AND ASSETS			
Cash	3 (a)		
Cash in hand (including foreign currencies)		1,781,097,675	1,421,581,296
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		17,057,292,079	14,570,702,877
		18,838,389,753	15,992,284,173
Balance with other Banks and Financial Institutions	4 (a)		
In Bangladesh		2,694,400,531	1,614,736,769
Outside Bangladesh		3,308,320,833	775,228,602
		6,002,721,364	2,389,965,371
Money at call on short notice	5	-	-
Investments	6 (a)		
Government		23,026,367,806	21,349,893,789
Others		8,102,272,929	7,176,653,328
		31,128,640,735	28,526,547,116
Loans and Advances	7 (a)		
Loans, cash credit, overdraft etc.		196,132,459,693	168,124,084,062
Bills purchased and discounted		2,825,968,833	2,317,321,490
		198,958,428,525	170,441,405,552
Fixed Assets including premises, furnitures & fixtures	8 (a)	2,032,793,338	2,095,158,377
Other Assets	9 (a)	9,209,971,079	7,567,122,001
Non-banking Assets		-	-
Total Assets		266,170,944,794	227,012,482,592
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and agents	10 (a)	29,902,343,604	14,423,348,566
Deposits and other accounts	11(a)		
Current accounts and other accounts		21,037,969,881	23,286,831,553
Bills payable		1,570,585,187	1,976,848,604
Savings bank deposits		17,869,437,115	17,625,827,836
Term deposits		161,905,184,920	139,253,494,064
		202,383,177,103	182,143,002,056
Other Liabilities	12 (a)	19,339,939,485	16,201,243,368
Total Liabilities		251,625,460,192	212,767,593,989
Capital/Shareholders' Equity			
Paid-up Capital	13	7,665,336,840	7,300,320,800
Statutory Reserve	14	5,572,188,014	5,103,856,419
Surplus in profit & loss account	15.1 (a)	1,268,580,761	1,787,544,536
Revaluation reserve for securities		8,262,217	23,593,490
Total Shareholders' Equity		14,514,367,831	14,215,315,245
Non-controlling Interest		31,116,771	29,573,358
Total Liability and Shareholders' Equity		266,170,944,794	227,012,482,592

ONE Bank Limited and its Subsidiaries Consolidated Balance Sheet


As at 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		43,940,917,808	30,047,785,574
Letters of Guarantee	43	14,270,610,865	13,401,108,120
Irrevocable Letters of Credit		20,705,413,735	27,670,941,678
Bills for Collection		2,734,384,729	1,942,416,151
		81,651,327,138	73,062,251,522
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		81,651,327,138	73,062,251,522
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		81,651,327,138	73,062,251,522
Net Asset Value Per Share			
		18.94	18.54

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


M. Fakhru Alam
Managing Director

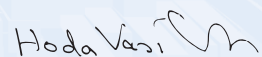

Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants


ONE Bank Limited and its Subsidiaries Consolidated Profit & Loss Account


For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Interest income	16 (a)	21,045,783,305	14,959,418,973
Interest paid on deposits and borrowings etc.	17 (a)	(14,729,856,978)	(10,034,541,415)
Net interest income		6,315,926,326	4,924,877,559
Investment income	18 (a)	1,968,035,744	2,348,731,826
Commission, exchange and brokerage	19 (a)	1,465,854,816	1,964,981,041
Other operating income	20 (a)	609,297,675	557,075,183
Total operating income (A)		10,359,114,561	9,795,665,608
Salaries and allowances	21 (a)	2,823,685,506	2,612,406,159
Rent, taxes, insurance, electricity etc.	22 (a)	596,266,893	551,228,579
Legal expenses	23 (a)	70,765,967	35,692,757
Postage, stamps, telecommunication etc.	24	68,044,581	65,135,840
Directors' fees	25 (a)	1,529,750	1,681,250
Auditors' fees		295,000	225,000
Stationery, printings, advertisements etc.	26 (a)	351,336,980	254,925,435
Managing Director's salary and allowances (Bank only)	27	14,220,000	14,220,000
Depreciation, leasing expense and repair of bank's assets	28 (a)	627,057,599	617,812,024
Other expenses	29 (a)	326,486,590	360,942,212
Total operating expenses (B)		4,879,688,866	4,514,269,255
Profit/(loss) before provision and tax (C=A-B)		5,479,425,695	5,281,396,353
Provision for loans and advances			
Specific provision	12.4	2,627,864,657	1,548,486,691
General provision	12.5	334,556,479	245,456,425
		2,962,421,136	1,793,943,117
Provision for off-balance sheet items	12.8	66,955,638	(33,735,206)
Provision for diminution in value of share	31	59,428,753	(350,756,540)
Provision for other	32	13,908,315	7,486
Total Provision (D)		3,102,713,842	1,409,458,856
Profit/(loss) before taxes (E=C-D)		2,376,711,853	3,871,937,496
Provision for taxation			
Current tax expense	33 (a)	986,869,912	1,287,863,372
Deferred tax expense /(income)	33 (a)	(19,733,569)	(48,383,337)
		967,136,343	1,239,480,035
Net Profit after taxation		1,409,575,509	2,632,457,462
Attributable to:			
Shareholders of the ONE Bank Ltd		1,409,431,980	2,624,480,893
Non-controlling Interest		143,529	7,976,569
		1,409,575,509	2,632,457,462
Retained surplus brought forward	15.1(b)	327,480,376	(168,009,447)
Add: Net profit after tax (attributable to shareholder of OBL)		1,409,431,980	2,624,480,893
		1,736,912,356	2,456,471,445
Appropriations:			
Statutory Reserve	14	468,331,595	668,926,910
General Reserve		-	-
		468,331,595	668,926,910
Retained Surplus		1,268,580,761	1,787,544,536
Earnings per share (EPS)	46	1.84	3.42

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


M. Fakhru Alam
Managing Director

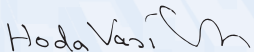

Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants


ONE Bank Limited and its Subsidiaries Consolidated Cash Flow Statement


For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Cash flows from operating activities			
Interest receipts in cash	34(a)	21,460,762,675	15,598,048,743
Interest payments	35(a)	(13,491,132,881)	(9,282,571,544)
Dividend receipts		430,136,779	116,000,784
Fee and commission receipts in cash	36(a)	933,265,927	857,128,160
Recoveries of loans previously written off		30,507,493	50,786,830
Cash payments to employees		(2,786,531,390)	(2,591,661,924)
Cash payments to suppliers		(689,788,561)	(601,087,432)
Income Taxes paid		(1,579,688,799)	(1,580,916,961)
Receipts from other operating activities	39(a)	1,165,008,103	2,047,789,045
Payment for other operating activities	40(a)	(1,042,814,963)	(984,122,722)
Cash generated from operating activities before changes in operating assets and liabilities		4,429,724,382	3,629,392,982
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(3,351,577,115)	7,474,910,977
Loans and advances to customers		(30,176,628,088)	(39,413,688,249)
Other current assets	41(a)	396,326	(418,930,745)
Deposits from other banks/ Borrowings		12,619,523,819	9,102,664,322
Deposits from customers		21,885,730,218	23,577,858,915
Other liabilities		232,291,461	1,336,499,647
A Net cash used in/ from operating activities		5,639,461,003	5,288,707,850
Cash flows from investing activities			
Proceeds from sale of securities		11,238,590,407	13,956,757,094
Payments for purchase of securities		(9,097,940,485)	(17,969,889,067)
Purchase of property, plant & equipment		(229,951,851)	(363,398,119)
Sale of property, plant & equipment		426,111	6,224,426
B Net cash used in investing activities		1,911,124,182	(4,370,305,666)
Cash flows from financing activities			
Receipts from issue of ordinary shares		(5,100,000)	-
Dividend paid		(1,092,338,477)	(859,340,710)
C Net cash used for financial activities		(1,097,438,477)	(859,340,710)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		6,453,146,707	59,061,474
E Effects of exchange rate changes on cash and cash-equivalent		5,757,665	24,708,438
F Opening cash and cash equivalent		18,383,698,645	18,299,928,732
G Closing cash and cash equivalents (D+E+F)		24,842,603,017	18,383,698,645
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3(a)	1,781,097,675	1,421,581,296
Cash with Bangladesh Bank & its agent banks(s)	3(a)	17,057,292,079	14,570,702,877
Cash with other banks and financial institutions	4(a)	6,002,721,364	2,389,965,371
Money at call on short notice	5	-	-
Prize bonds	6	1,491,900	1,449,100
		24,842,603,017	18,383,698,645
Net Operating Cash Flow Per Share		7.36	6.90

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non-Controlling Interest	Amount in Taka	
							Total	Total
Balance as at 01 January 2018	7,300,320,800	5,103,856,419	23,593,490	1,787,544,536	14,215,315,245	29,573,358	14,244,888,603	14,244,888,603
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	7,300,320,800	5,103,856,419	23,593,490	1,787,544,536	14,215,315,245	29,573,358	14,244,888,603	14,244,888,603
Issue of Bonus Share for the year 2017 (Transferred to Paid-up Capital)	365,016,040	-	-	(365,016,040)	-	-	-	-
Cash Dividend Paid	-	-	-	(1,095,048,120)	(1,095,048,120)	-	-	(1,095,048,120)
Interim Dividend 2017 Paid by OSL	-	-	-	-	-	(3,500,116)	(3,500,116)	(3,500,116)
Share Transferred	-	-	-	-	-	4,900,000	4,900,000	4,900,000
Surplus of Revaluation of Reserve for HTM Securities	-	-	8,262,217	-	8,262,217	-	-	8,262,217
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(23,593,490)	-	(23,593,490)	-	-	(23,593,490)
Net Profit after Tax for the year	-	-	-	1,409,431,980	1,409,431,980	143,529	1,409,575,509	1,409,575,509
Profit transferred to Statutory Reserve	-	468,331,595	-	(468,331,595)	-	-	-	-
Balance as at 31 December 2018	7,665,336,840	5,572,188,014	8,262,217	1,268,580,761	14,514,367,831	31,116,771	14,545,484,603	14,545,484,603
Balance as at 31 December 2017	7,300,320,800	5,103,856,419	23,593,490	1,787,544,536	14,215,315,245	29,573,358	14,244,888,603	14,244,888,603

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


M. Fakhru Alam
 Managing Director


Salahuddin Ahmed
 Director


Syed Nurul Amin
 Director


Zahur Ullah
 Director

Dhaka, 30 April 2019

ONE Bank Limited Balance Sheet

As at 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		1,781,095,134	1,421,571,108
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		17,057,292,079	14,570,702,877
		18,838,387,213	15,992,273,986
Balance with other Banks and Financial Institutions	4		
In Bangladesh		2,694,400,531	1,614,736,769
Outside Bangladesh		3,308,320,833	775,228,602
		6,002,721,364	2,389,965,371
Money at call on short notice	5	-	-
Investments	6		
Government		23,026,367,806	21,349,893,789
Others		5,697,482,542	4,794,435,191
		28,723,850,348	26,144,328,980
Loans and Advances	7		
Loans, cash credit, overdraft etc.		196,082,780,386	168,076,148,472
Bills purchased and discounted		2,825,968,833	2,317,321,490
		198,908,749,218	170,393,469,963
Fixed Assets including premises, furnitures & fixtures	8	2,010,261,164	2,069,599,095
Other Assets	9	11,565,745,624	10,212,256,401
Non-banking Assets		-	-
Total Assets		266,049,714,933	227,201,893,796
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and agents	10	29,902,343,604	14,423,348,566
Deposits and other accounts	11		
Current accounts and other accounts		21,037,969,881	23,286,831,553
Bills payable		1,570,585,187	1,976,848,604
Savings bank deposits		17,869,437,115	17,625,827,836
Term deposits		162,153,241,801	139,785,181,673
		202,631,233,984	182,674,689,666
Other Liabilities	12	19,124,331,765	15,994,706,737
Total Liabilities		251,657,909,353	213,092,744,969
Capital/Shareholders' Equity			
Paid-up Capital	13	7,665,336,840	7,300,320,800
Statutory Reserve	14	5,572,188,014	5,103,856,419
Surplus in profit & loss account	15	1,146,018,509	1,681,378,120
Revaluation reserve for securities		8,262,217	23,593,490
Total Shareholders' Equity		14,391,805,580	14,109,148,829
Total Liability and Shareholders' Equity		266,049,714,933	227,201,893,796

ONE Bank Limited Balance Sheet


As at 31 December 2018

	<u>Notes</u>	<u>2018 Taka</u>	<u>2017 Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		43,940,917,808	30,047,785,574
Letters of Guarantee	43	14,270,610,865	13,401,108,120
Irrevocable Letters of Credit		20,705,413,735	27,670,941,678
Bills for Collection		2,734,384,729	1,942,416,151
		81,651,327,138	73,062,251,522
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		81,651,327,138	73,062,251,522
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		81,651,327,138	73,062,251,522
Net Asset Value Per Share		18.78	18.41

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited
Profit & Loss Account


For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Interest income	16	21,028,536,119	14,922,597,255
Interest paid on deposits and borrowings etc.	17	(14,733,524,810)	(10,034,541,415)
Net interest income		6,295,011,309	4,888,055,840
Investment income	18	1,886,314,401	2,237,847,145
Commission, exchange and brokerage	19	1,424,089,074	1,893,565,480
Other operating income	20	608,310,377	555,949,288
Total operating income (A)		10,213,725,162	9,575,417,753
Salaries and allowances	21	2,790,379,598	2,588,186,058
Rent, taxes, insurance, electricity etc.	22	594,196,037	549,908,233
Legal expenses	23	70,558,967	35,214,382
Postage, stamps, telecommunication etc.	24	68,044,581	65,135,840
Directors' fees	25	1,432,000	1,536,000
Auditors' fees		250,000	200,000
Stationery, printings, advertisements etc.	26	350,989,507	254,537,925
Managing Director's salary and allowances	27	14,220,000	14,220,000
Depreciation, leasing expense and repair of bank's	28	623,547,863	614,681,846
Other expenses assets	29	315,163,542	346,947,525
Total operating expenses (B)		4,828,782,096	4,470,567,809
Profit/ (loss) before provision and tax (C=A-B)		5,384,943,066	5,104,849,944
Provision for loans and advances			
Specific provision	12.4	2,627,864,657	1,548,486,691
General provision	12.5	334,556,479	245,456,425
		2,962,421,136	1,793,943,116
Provision for off-balance sheet items	12.8	66,955,638	(33,735,206)
Provision for diminution in value of share	12.10	-	-
Provision for other	12.7	13,908,315	7,486
Total Provision (D)		3,043,285,090	1,760,215,396
Profit/ (loss) before taxes (E=C-D)		2,341,657,977	3,344,634,548
Provision for taxation			
Current tax expense	33	968,355,401	1,211,690,953
Deffered tax expense/ (income)	33	(19,733,569)	(48,383,337)
		948,621,832	1,163,307,616
Net Profit after taxation		1,393,036,144	2,181,326,932
Retained surplus brought forward	15.1	221,313,960	168,978,097
		1,614,350,104	2,350,305,029
Appropriations:			
Statutory Reserve	14	468,331,595	668,926,910
General Reserve		-	-
		468,331,595	668,926,910
Retained Surplus		1,146,018,509	1,681,378,120
Earnings per share (EPS)	46	1.82	2.85

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited Cash Flow Statement

For the year ended 31 December 2018

	Notes	2018 Taka	2017 Taka
Cash flows from operating activities			
Interest receipts in cash	34	21,452,701,643	15,561,227,024
Interest payments	35	(13,503,802,066)	(9,282,571,544)
Dividend receipts		371,536,976	41,477,202
Fee and commission receipts in cash	36	891,500,185	785,712,599
Recoveries of loans previously written off		30,507,493	50,786,830
Cash payments to employees	37	(2,786,531,390)	(2,591,661,924)
Cash payments to suppliers	38	(689,788,561)	(601,087,432)
Income taxes paid	9.3	(1,535,756,161)	(1,552,417,074)
Receipts from other operating activities	39	1,140,899,266	1,663,802,169
Payment for other operating activities	40	(995,633,262)	(946,006,110)
Cash generated from operating activities before changes in operating assets and liabilities		4,375,634,123	3,129,261,741
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(3,291,125,548)	7,474,910,977
Loans and advances to customers		(30,174,884,370)	(39,392,262,461)
Other current assets	41	(26,057,320)	(398,785,632)
Deposits from other banks/ Borrowings		12,619,523,819	9,102,664,322
Deposits from customers	42	21,591,946,606	23,900,757,970
Other liabilities		581,885,158	1,332,395,168
A Net cash used in/ from operating activities		5,676,922,469	5,148,942,086
Cash flow from investing activities			
Proceeds from sale of securities		11,200,711,090	13,956,757,094
Payments for purchase of securities		(9,097,940,485)	(17,845,143,796)
Payment for investment in subsidiary		(5,100,000)	-
Purchase of property, plant & equipment		(229,526,353)	(348,368,595)
Sale of property, plant & equipment		426,111	6,224,426
B Net cash used in investing activities		1,868,570,363	(4,230,530,872)
Cash flow from financing activities			
Receipts from issue of ordinary shares		-	-
Dividend paid		(1,092,338,477)	(859,340,710)
C Net cash from financing activities		(1,092,338,477)	(859,340,710)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		6,453,154,354	59,070,504
E Effects of exchange rate changes on cash and cash-equivalent		5,757,665	24,708,438
F Opening cash and cash equivalent		18,383,688,457	18,299,909,515
G Closing cash and cash equivalents (D+E+F)		24,842,600,477	18,383,688,457
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3.1	1,781,095,134	1,421,571,108
Cash with Bangladesh Bank & its agent banks(s)	3.2	17,057,292,079	14,570,702,877
Cash with other banks and financial institutions	4	6,002,721,364	2,389,965,371
Money at call and short notice	5	-	-
Prize bonds	6	1,491,900	1,449,100
		24,842,600,477	18,383,688,457
Net Operating Cash Flow Per Share		7.41	6.72

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2018

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
Balance as at 01 January 2018	7,300,320,800	5,103,856,419	23,593,490	1,681,378,120	14,109,148,829
Changes in accounting policy	-	-	-	-	-
Restated balance	7,300,320,800	5,103,856,419	23,593,490	1,681,378,120	14,109,148,829
Issue of Bonus Share for the year 2017 (Transferred to Paid-up Capital)	365,016,040	-	-	(365,016,040)	-
Cash Dividend Paid	-	-	-	(1,095,048,120)	(1,095,048,120)
Surplus of Revaluation of Reserve for HTM Securities	-	-	8,262,217	-	8,262,217
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(23,593,490)	-	(23,593,490)
Net Profit after Tax for the year	-	-	-	1,393,036,144	1,393,036,144
Profit transferred to Statutory Reserve	-	468,331,595	-	(468,331,595)	-
Balance as at 31 December 2018	7,665,336,840	5,572,188,014	8,262,217	1,146,018,509	14,391,805,580
Balance as at 31 December 2017	7,300,320,800	5,103,856,419	23,593,490	1,681,378,120	14,109,148,829

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

Dhaka, 30 April 2019

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

As at 31 December 2018

	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Amount in Taka Total
Assets:						
Cash	18,838,387,213	-	-	-	-	18,838,387,213
Balance with other banks and financial institutions	3,916,621,668	1,410,639,464	675,460,232	-	-	6,002,721,364
Money at call on short notice	-	-	-	-	-	-
Investment	2,557,047,657	-	7,013,227,100	11,322,614,960	7,830,960,631	28,723,850,348
Loans and Advances	20,467,697,524	48,526,538,425	74,049,117,991	28,340,153,209	27,525,242,070	198,908,749,218
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	2,010,261,164	2,010,261,164
Other Assets	774,811,906	-	1,143,087,433	1,905,145,722	7,742,700,563	11,565,745,624
Non-banking Assets	-	-	-	-	-	-
Total Assets	46,554,565,969	49,937,177,889	82,880,892,755	41,567,913,891	45,109,164,428	266,049,714,933
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	2,355,958,985	3,684,605,749	6,088,496,773	16,093,282,098	1,680,000,000	29,902,343,604
Deposits and Other Accounts	41,471,823,308	41,476,231,165	66,315,228,922	49,025,937,433	4,342,013,157	202,631,233,984
Other Liabilities	1,845,106,303	5,980,425,213	7,481,895,062	3,816,905,187	-	19,124,331,765
Total Liabilities	45,672,888,595	51,141,262,127	79,885,620,756	68,936,124,717	6,022,013,157	251,657,909,353
Net Liquidity Gap	881,677,373	(1,204,084,238)	2,995,271,999	(27,368,210,827)	39,087,151,272	14,391,805,580

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

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

Dhaka, 30 April 2019

Notes to the Financial Statements

For the year ended 31 December 2018

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 nine (99) and the number of booths was Twenty (20) as on 31 December 2018.

The principal activities of the Bank are to provide all kind of conventional banking service to its customers which includes deposit, loans and advances, personal and commercial banking, cash management, treasury, brokerage services, export & import financing, local and international remittance facility etc. through its branches, SME centers, and vibrant alternative delivery channels (ATM booths, mobile banking, internet banking). The Bank also provides off-shore banking services through its Off-Shore Banking Unit (OBU).

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 Chattogram. The principal activities of the units are to provide all kinds of commercial banking services in foreign currency. Financial Statements of Off-shore Banking Unit are shown in **Annexure-G**.

1.3 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 ONE Investments Limited (Subsidiary of the Bank)

ONE Investments Limited (OIL) is a subsidiary of ONE Bank Limited. OIL was incorporated on April 26, 2018 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company after completion of the formalities with the Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at HRC Bhaban, 46 Kawran Bazar C.A., Dhaka-1215.

1.5 International Banking

International Banking activities of the Bank are being facilitated by the International Division with 17 ADs and 02 Central Trade Processing Centers in Dhaka and Chattogram. The network of foreign correspondents is expanding over the years for ensuring smooth cross border trade and remittance inflow. In addition, foreign currency trade loan and other trade facilities are being regularly arranged from the foreign correspondents. At the end of 2018 our total no. of foreign correspondents and nostro accounts stand as 423 and 25 respectively.

1.6 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.

Notes to the Financial Statements

For the year ended 31 December 2018

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 2018.

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.

1.7 Information Technology

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 20 (Twenty) 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, wallet 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.

1.8 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.

1.9 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.

1.10 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2018, the amount of deposit was 76.16% of total liability and shareholders' equity & the amount of shareholders' equity was 5.41% 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.

Notes to the Financial Statements

For the year ended 31 December 2018

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

1.11 Corporate Governance

1.11.1 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.

1.11.2 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.

Notes to the Financial Statements

For the year ended 31 December 2018

1.11.3 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.

1.11.4 Accountability

Communicating Performance

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

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of Preparation

The separate financial statements of the Bank as at and for the year ended 31 December 2018 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.2 Presentation of Financial Statement

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: The presentation of these financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section-38) of the Bank Companies Act, 1991 (Amended Up to 2018) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

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 International Financial Reporting Standards (IFRS) 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 International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies

Notes to the Financial Statements

For the year ended 31 December 2018

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 IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

2.3.1 Investment in Shares, Mutual Fund and Other Securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income 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. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV. 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

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate method and interest income is recognised through the profit and loss account.

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

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

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%

Notes to the Financial Statements

For the year ended 31 December 2018

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 IFRS 9.

2.3.4 Recognition of Interest in Suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

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

IFRS: As per the requirement of IAS 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 guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.3.7 Financial Guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. 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 and Reverse Repo Transaction

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Notes to the Financial Statements

For the year ended 31 December 2018

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 and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

2.3.9 Cash and Cash Equivalent

IFRS: As per the requirement of IAS 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

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

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

IFRS: As per the requirement of IAS 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)

IFRS: As per the requirement of IAS 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

IFRS: As per the requirement of IAS 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

IFRS: There is no concept of off-balance sheet items in any IFRS; 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

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

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For the year ended 31 December 2018

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.

2.3.16 Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, an appropriation of profit should be disclosed in the face of profit and loss account.

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 IAS 21 "The effects of Changes in Foreign Exchange Rates"

Assets and liabilities in foreign currencies at 31 December 2018 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

Notes to the Financial Statements

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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 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the group and those of the bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries (ONE Securities Limited and ONE Investments Limited) which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

2.7.1 Basis of consolidation

The consolidated financial statements include the financial statements of ONE Bank Limited and those of its two subsidiaries (ONE Securities Limited and ONE Investments Limited) prepared as at and for the year ended 31 December 2018. The consolidated financial statements have been prepared in accordance with IFRS 10 'Consolidated Financial Statements'.

Name of Subsidiary	Ownership	Date of incorporation	Regulator	Year Closing
ONE Securities Limited	98.9999%	May 04, 2011	BSEC, DSE, CSE	31 December
ONE Investments Limited	51.00%	April 26, 2018	BSEC, DSE, CSE	31 December

2.7.2 Transactions eliminated on consolidation

Intra-group balances and income and expenses arising from intra-group transactions are eliminated in preparing these consolidated financial statements.

2.8 Assets and the basis of their valuation

2.8.1 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.

2.8.2 Loans and Advances

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

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

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For the year ended 31 December 2018

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%
Staff loan	0%	0%
Credit Card	2%	2%
Small and medium enterprise financing	0.25%	0.25%
Consumer Finance (House Financing)	1%	1%
Consumer Finance (Loans for Professionals)	2%	2%
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.

2.8.3 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 income statement for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank

Notes to the Financial Statements

For the year ended 31 December 2018

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 o f 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 a nd 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 International Accounting Standard 27 and IFRS 10. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses if any.

2.8.4 Non Current Assets

a) Property, Plant and Equipment

All fixed assets are stated at cost less accumulated depreciation as per IAS-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. Capitalized expenditure and furniture

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facility to the executive of OBL are amortized within five years on conservative approach.

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 IAS-17. The carrying value of leasehold properties is amortized over the remaining lease term or useful of leasehold property, whichever is lower.

2.8.5 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

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2.8.6 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:

Subordinated Bond-1 Tk. 2,200,000,000 (December 31, 2018 of Tk. 880,000,000):

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%.

Subordinated Bond- II Tk. 4,000,000,000:

To meet regulatory capital requirement, ONE Bank Limited 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 @ 9.55%.

Subordinated Bond-III Tk. 2,400,000,000 (1st Trench) [Total Value of Tk. 4,000,000,000]:

With the view to strengthen the capital base of the Bank, ONE Bank Limited again issued unsecured non-convertible subordinated floating rate bonds on 12th December, 2018 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BFIS) 661/14B(P)/2018/7655 dated October 11, 2018] and [# BSEC/CI/DS-46/2016/671 dated September 27, 2018] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 7.00% to 9.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.18%.

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

Notes to the Financial Statements

For the year ended 31 December 2018

benefit will be required to settle the obligation, in accordance with the IAS 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. As per instruction of Bangladesh Bank no cash dividend shall be paid as long as required provision has been deferred.

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 and BRPD Circular No. 07 dated June 21, 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 IAS 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

Notes to the Financial Statements

For the year ended 31 December 2018

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.

2.8.7 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.

Notes to the Financial Statements

For the year ended 31 December 2018

2.9 Revenue Recognition

a) Interest Income

Interest on loans and advances is calculated on daily product, 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 dividend is established.

e) Interest and Other Expenses

In terms of the provision of the International Accounting Standard (IAS) –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.

2.10 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 International Accounting Standard (IAS) - 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.

2.11 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 otherbanks 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).

Notes to the Financial Statements

For the year ended 31 December 2018

Particulars	Basis of Use
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

2.12 Statement of Changes in Equity

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

2.13 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 IAS-10.

2.14 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 2018 as per IAS- 33 "Earnings per Share". Diluted earnings per share was not required to calculate as there is no dilution possibilities occurred during the year.

2.15 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.

2.16 Authorization of Financial Statements

The financial statements for the year ended 31 December 2018 have been authorized for issue in accordance with a resolution of the Board of Directors on 30 April 2019.

2.17 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.

2.18 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.

2.19 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2018.

2.20. Number of Employees

The number of employees employed in the Bank as on 31 December 2018 was 2,239 of which 1,776 were male and 463 were female. The number of employees per branch (including 19 booths) was 15.18 (1503/99) excluding 736 employees in the Head Office of the Bank.

Notes to the Financial Statements

For the year ended 31 December 2018

2.21. 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 BRPD Circular

Notes to the Financial Statements

For the year ended 31 December 2018

No. 15 dated October 25, 2018 of Bangladesh Bank, all permanent employees have to avail 10 days (which were earlier 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. 20,000/- (plus fees incurred by the incumbent)
2. Part-II of Bangladesh Institute of Bankers Tk. 25,000/- (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. 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

Notes to the Financial Statements

For the year ended 31 December 2018

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.

2.22 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

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 FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. While preparing the financial statements, the Bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

Name of the Standards	IFRS / IAS	Status of compliance
First time adoption of International Financial Reporting Standards	IFRS 1	N/A
ShareBased Payment	IFRS 2	N/A
Business Combinations	IFRS 3	N/A
Insurance Contracts	IFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departures
Operating Segments	IFRS 8	Applied
Financial Instruments: Recognition and Measurement	IFRS 9	Applied with some departures
Consolidated Financial Statements	IFRS 10	Applied
Joint arrangements	IFRS 11	N/A
Disclosure of interest in other entities	IFRS 12	Applied
Fair value measurement	IFRS 13	Applied
Regulatory Deferral Accounts	IFRS 14	N/A
Revenue from Contracts with Customers	IFRS 15	Applied
Presentation of Financial Statements	IAS1	Applied with some departures
Inventories	IAS 2	N/A
Statement of Cash Flow	IAS 7	Applied with some departures
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied

Notes to the Financial Statements

For the year ended 31 December 2018

Name of the Standards	IFRS / IAS	Status of compliance
Property, Plant and Equipment	IAS 16	Applied
Leases	IAS 17	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	N/A**
Separate Financial Statements	IAS 27	Applied
Investments in Associates & Joint Ventures	IAS 28	N/A
Financial Instruments: Presentation	IAS 32	Applied
Earnings per share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied ***
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Investment Property	IAS 40	N/A
Agriculture	IAS 41	N/A

***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 IAS / IFRS, some of the requirements specified in these IAS / IFRSs 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 IAS 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 IAS 34 regularly for publications of Interim Financial Report.

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

Notes to the Financial Statements

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consequential amendments to other standards, with the date of initial application of 1 January 2018 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB vide letter 1/1/ICAB-2017 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 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

a) 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.

b) 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.

2.23 BASEL III Implementation

Under the guideline of IASEL 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 IASEL III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise IASEL III implementation. OBL Maintained minimum capital including Capital Conservation Buffer @ 11.93% against the statutory requirement of 11.875% as at December 31, 2018.

2.24 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.

Notes to the Financial Statements

For the year ended 31 December 2018

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:

2.24.1 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.

2.24.2 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.

Notes to the Financial Statements

For the year ended 31 December 2018

2.24.3 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.

2.24.4 Prevention of Money Laundering and Combating Financing of Terrorism

ONE Bank as a reporting organization is subject to the AML & CFT laws. 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 requirement of the laws and regulatory instructions, the Bank accomplishes and maintains an effective AML & CFT program to keep the Bank risk free from money laundering and terrorist financing. The Bank follows “Four Pillars” theory in applying the program. These are:

- A system of internal Policy Guidelines, Procedure and Controls (first line of defense);
- A designated compliance function with a compliance officer (second line of defense);
- An independent audit functions to review and evaluate the overall effectiveness of the AML & CFT program (third line of defense);
- An ongoing employee training program.

ONE Bank Limited has the “Money Laundering and Terrorist Financing Risk Assessment Guidelines”, and considering the overall risk management strategy of the Bank, it has developed its own “OBL Policy Guidelines on AML & CFT Risk Management” which is being reviewed lastly in 2018.

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, two Deputy Chief Anti Money Laundering Compliance officers and a dedicated Anti Money Laundering Division (AMLDD) having Certified Anti money Laundering Specialist (CAMS) 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 of concern officers related with the job.

The Bank has a real time Sanction Screening process, Suspicious Transaction/Activity (STR/SAR) detection and reporting system in place. As part of regulatory compliance on AML & CFT the Bank conducts training on Trade based Money Laundering (TBML). Besides, regular trainings, workshops, discussion sessions are also been conducted on AML & CFT compliance for all employees from time to time. The Bank has a Customer Acceptance Policy in place and has Know your Customer (KYC) program since its inception and applies Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD).

ONE Bank Limited though focused on incremental growth on one hand, on the other, it has remained to be a compliant financial institution; and the Bank intends to continue as a growth driven and compliant institution. Towards that end, the Bank is on the way to have a complete AML & CFT automated solution to comply with regulatory requirements as well as international best practice.

2.24.5 Internal Control and Compliance Risk

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

Notes to the Financial Statements

For the year ended 31 December 2018

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 Senior Management Team (SMT) 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.

2.24.6 Information and Communication Technology Security Risk

Now a day's 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 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.

2.25 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 (ICCD) 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 2018, 2 (two) cases of fraud and forgery were identified. Total embezzled amount involved in the fraud cases were Tk. 5,42,310.00 (Taka five lac forty two thousand three hundred ten) 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 dismissal from the services of the bank and 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

Notes to the Financial Statements

For the year ended 31 December 2018

Department of Off-site Supervision (DOS) Circular Letter No. 17 dated November 07, 2012 and (DOS) Circular Letter No. 10 dated May 09, 2017 of Bangladesh Bank.

2.26 Regulatory Compliance

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

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

2.27 Rearrangement

Wherever considered necessary, prior year figures in the Financial Statements have been rearranged to confirm the current year's presentation.

2.28 General

- Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- 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	2018 (Taka)	2017 (Taka)
Bangladesh Shanchaya Patras	3,026,230,764	3,001,018,095
US\$ Investment Bonds	132,352,250	165,400,000
US\$ Premium Bonds	166,919,050	190,375,400
Wage Earners Development Bond	372,500,000	373,700,000
Total	3,698,002,064	3,730,493,495

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

2.29 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 278th Board Meeting held on May 31, 2018 constituted the Audit Committee as under:

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

Notes to the Financial Statements

For the year ended 31 December 2018

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 5 (five) meetings from 01 January to 31 December, 2018.

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.

2.30 Board's 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 278th Board Meeting held on May 31, 2018 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. Zahur Ullah	Director	Member
3	Mr. Syed Nurul Amin	Independent Director	Member
4	Mr. Salahuddin Ahmed	Independent Director	Member

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

The Risk Management Committee of the Board held 4 (four) meetings from 01 January to 31 December, 2018.

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 2018 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 2018.
- Approved Risk Appetite Statement of the Bank for the year 2018.
- 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.

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
3 Cash		
Cash in hand (note-3.1)	1,781,095,134	1,421,571,108
Balance with Bangladesh Bank and its agent bank (note-3.2)	17,057,292,079	14,570,702,877
	18,838,387,213	15,992,273,986
3.1 Cash in hand (including foreign currencies)		
In local currency	1,772,242,561	1,416,557,902
In foreign currencies	8,852,573	5,013,206
	1,781,095,134	1,421,571,108
3.2 Balance with Bangladesh Bank and its agent bank (including foreign currencies)		
Bangladesh Bank		
In local currency	11,229,409,137	13,618,419,702
In foreign currencies	4,607,445,046	61,041,220
	15,836,854,183	13,679,460,922
Balance with Sonali Bank being an agent of Bangladesh Bank	1,220,437,896	891,241,955
	17,057,292,079	14,570,702,877

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 03 April 2018 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5.00% on daily basis and 5.50% 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 form of treasury bills, bonds, Foreign Currency & excess reserve of the Taka current account with Bangladesh Bank. Both the reserves maintained by the Bank are shown below:

a) Cash Reserve Requirement (CRR) :

Required reserve	11,117,383,310	10,943,021,505
Balance with Bangladesh Bank	11,229,409,137	13,618,419,702
Amount in reconciliation (Net)*	11,843,824	170,673,536
Reserve held with Bangladesh Bank in local currencies	11,241,252,961	13,789,093,238
Surplus/(Shortage)	123,869,651	2,846,071,733
Maintained	5.56%	8.19%

* The balance of local currency account was duly reconciled as of 31 December 2018 and the above amount was matched accordingly.

b) Statutory Liquidity Ratio (Other than CRR):

Required reserve	26,277,451,460	21,886,043,010
Reserve held (b.1)	26,278,278,587	26,507,329,486
Surplus/(Shortage)	827,127	4,621,286,476
Maintained	13.00%	15.74%

b.1 Reserve held in SLR :

Cash in hand including foreign currency	1,781,095,134	1,421,571,109
Balance with Sonali Bank being an agent of Bangladesh Bank	1,220,437,896	891,241,955
Foreign Currency used (Balance with Bangladesh)	128,000,000	-
Treasury Bills	4,213,734,735	9,487,663,581
Treasury Bonds	18,811,141,171	11,860,781,108
Sub Total	26,154,408,936	23,661,257,753
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	123,869,651	2,846,071,733
Total	26,278,278,587	26,507,329,486

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	1,781,095,134	1,421,571,108
ONE Securities Limited	2,541	10,188
	1,781,097,675	1,421,581,296
ii Balance with Bangladesh Bank and its agent bank		
ONE Bank Limited	17,057,292,079	14,570,702,877
ONE Securities Limited	-	-
	17,057,292,079	14,570,702,877
4 Balance with Other Banks and Financial Institutions		
In Bangladesh(note-4.1)	2,694,400,531	1,614,736,769
Outside Bangladesh(note-4.2)	3,308,320,833	775,228,602
	6,002,721,364	2,389,965,371
4.1 In Bangladesh		
In current accounts(note-4.3)	444,953,784	288,628,207
Other deposit accounts(note-4.4)	571,446,747	1,326,108,563
	1,016,400,531	1,614,736,769
Off-shore Banking Unit	1,678,000,000	-
	2,694,400,531	1,614,736,769
4.2 Outside Bangladesh		
In current accounts(note-4.5)	2,701,840,928	775,228,602
Other deposit accounts	-	-
	2,701,840,928	775,228,602
Off-shore Banking Unit	606,479,906	-
	3,308,320,833	775,228,602
4.3 Current Accounts (In Bangladesh)		
AB Bank Limited	1,278,017	4,221,347
Sonali Bank Limited	14,155,465	268,596,613
Trust Bank Limited-Q Cash Settlement Account	3,491,370	12,477,097
The City Bank Limited	419,500,000	-
Standard Chartered Bank	6,528,932	3,333,150
	444,953,784	288,628,207
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
United Commercial Bank Limited	49,748	28,152
AB Bank Limited	634,045	173,552
Eastern Bank Limited	708,954	705,540
Uttara Bank Limited	457,598,421	286,832,251
Lanka Bangla Finance Limited	-	400,000,000
Prime Bank Limited	52,736,580	57,541,386
	571,446,747	1,326,108,563

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
4.5 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	1,201,180,628	94,175,470
Standard Chartered Bank, London	25,520,017	13,920,763
Standard Chartered Bank, Pakistan	8,707,067	242,246
Standard Chartered Bank, Mumbai	11,841,925	39,874,559
Standard Chartered Bank, Tokyo	17,889,988	5,977,826
Standard Chartered Bank, Frankfurt	12,595,756	21,274,854
ICICI Bank Limited, Hong Kong	(2,148,498)	18,318,636
ICICI Bank Limited, Mumbai (ACUD)	52,349,026	16,771,196
ICICI Bank Limited, Mumbai (ACU EURO)	8,240,062	8,504,887
Commerzbank AG, Frankfurt (USD)	118,308,177	77,432,208
Commerzbank AG, Frankfurt (CAD)	5,005,221	13,418,623
Commerzbank AG, Frankfurt (EURO)	1,563,408	28,487,412
Mashreqbank Psc, New York	730,855,135	273,537,256
Mashreqbank Psc, India (ACUD)	29,373,367	17,785,667
Wells Fargo Bank N.A, New York	429,470,811	80,100,313
AB Bank Ltd, Mumbai	(123,021,739)	6,140,180
Habib Bank AG Zurich, Zurich	13,871,711	4,150,747
Nepal Bangladesh Bank Ltd, Kathmandu	9,939,504	9,797,342
Seylen Bank PLC, Colombo	11,087,108	539,963
Axis Bank Ltd, Kolkata	98,226,294	59,020
United Bank of India, Kolkata	34,555,458	34,286,111
Bank Al-Jazira, Jeddah	6,430,500	6,430,500
Westpac Banking Corporation, Sydney	-	4,002,822
	2,701,840,928	775,228,602
(For details of foreign currency amount and rate thereof see "Annexure - C")		
4.6 Maturity of balances with other banks and financial institutions		
Up to 1 month	3,916,621,668	827,716,238
More than 1 months to 3 months	1,410,639,464	447,333,301
More than 3 months to 1 year	675,460,232	1,114,915,832
More than 1 year to 5 years	-	-
More than 5 years	-	-
	6,002,721,364	2,389,965,371
4 (a) Consolidated Balance with Other Banks and Financial Institutions In Bangladesh		
ONE Bank Limited	2,694,400,531	1,614,736,769
ONE Securities Limited	116,188,178	531,687,610
	2,810,588,709	2,146,424,379
Less: Inter Company Transaction	(116,188,178)	(531,687,610)
	2,694,400,531	1,614,736,769
Outside Bangladesh		
ONE Bank Limited	3,308,320,833	775,228,602
ONE Securities Limited	-	-
	3,308,320,833	775,228,602
	6,002,721,364	2,389,965,371
5 Money at call on short notice		
	-	-
	-	-

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka																											
6 Investments																													
In Government securities																													
Treasury bills (note- 6.1)	4,213,734,735	9,487,663,581																											
Treasury bonds (note-6.2)	18,811,141,171	11,860,781,108																											
Prize Bonds	1,491,900	1,449,100																											
	23,026,367,806	21,349,893,789																											
Other Investment																													
Shares (Quoted and Unquoted)(note-6.3)	657,482,542	594,435,191																											
City Bank 2nd Subordinated Bond	1,000,000,000	1,000,000,000																											
City Bank 3rd Subordinated Bond	1,300,000,000	-																											
National Bank Limited 2nd Subordinated Bond	250,000,000	250,000,000																											
United Commercial Bank Limited 3rd Subordinated Bond	750,000,000	750,000,000																											
Mercantile Bank Limited Subordinated Bond	300,000,000	400,000,000																											
Bank Asia Limited Subordinated Bond	480,000,000	600,000,000																											
Prime Bank Limited Subordinated Bond	480,000,000	600,000,000																											
Eastern Bank Limited Subordinated Bond	480,000,000	600,000,000																											
	5,697,482,542	4,794,435,191																											
	28,723,850,348	26,144,328,980																											
6.1 Treasury Bills																													
Treasury Bills (HTM) [note-6.1(a)]	2,390,826,750	8,611,905,718																											
Treasury Bills (HFT) [note-6.1(b)]	1,822,907,985	875,757,863																											
	4,213,734,735	9,487,663,581																											
6.1(a) Treasury Bills (HTM)																													
	<table><tr><th colspan="2">Amortized Cost (Book Value)</th><th colspan="2">Face value</th></tr><tr><th>2018</th><th>2017</th><th>2018</th><th>2017</th></tr><tr><th>Taka</th><th>Taka</th><th>Taka</th><th>Taka</th></tr><tr><td>364 days Treasury Bills</td><td>2,390,826,750</td><td>6,721,067,374</td><td>2,450,000,000</td><td>7,000,000,000</td></tr><tr><td>182 days Treasury Bills</td><td>-</td><td>1,890,838,344</td><td>-</td><td>1,907,000,000</td></tr><tr><td></td><td>2,390,826,750</td><td>8,611,905,718</td><td>2,450,000,000</td><td>8,907,000,000</td></tr></table>		Amortized Cost (Book Value)		Face value		2018	2017	2018	2017	Taka	Taka	Taka	Taka	364 days Treasury Bills	2,390,826,750	6,721,067,374	2,450,000,000	7,000,000,000	182 days Treasury Bills	-	1,890,838,344	-	1,907,000,000		2,390,826,750	8,611,905,718	2,450,000,000	8,907,000,000
Amortized Cost (Book Value)		Face value																											
2018	2017	2018	2017																										
Taka	Taka	Taka	Taka																										
364 days Treasury Bills	2,390,826,750	6,721,067,374	2,450,000,000	7,000,000,000																									
182 days Treasury Bills	-	1,890,838,344	-	1,907,000,000																									
	2,390,826,750	8,611,905,718	2,450,000,000	8,907,000,000																									
6.1(b) Treasury Bills (HFT)																													
	<table><tr><th colspan="2">Marked to Market Value (Book Value)</th><th colspan="2">Face value</th></tr><tr><th>2018</th><th>2017</th><th>2018</th><th>2017</th></tr><tr><th>Taka</th><th>Taka</th><th>Taka</th><th>Taka</th></tr><tr><td>364 days Treasury Bills</td><td>1,822,907,985</td><td>868,197,091</td><td>1,860,000,000</td><td>888,200,000</td></tr><tr><td>182 days Treasury Bills</td><td>-</td><td>7,560,772</td><td>-</td><td>7,700,000</td></tr><tr><td></td><td>1,822,907,985</td><td>875,757,863</td><td>1,860,000,000</td><td>895,900,000</td></tr></table>		Marked to Market Value (Book Value)		Face value		2018	2017	2018	2017	Taka	Taka	Taka	Taka	364 days Treasury Bills	1,822,907,985	868,197,091	1,860,000,000	888,200,000	182 days Treasury Bills	-	7,560,772	-	7,700,000		1,822,907,985	875,757,863	1,860,000,000	895,900,000
Marked to Market Value (Book Value)		Face value																											
2018	2017	2018	2017																										
Taka	Taka	Taka	Taka																										
364 days Treasury Bills	1,822,907,985	868,197,091	1,860,000,000	888,200,000																									
182 days Treasury Bills	-	7,560,772	-	7,700,000																									
	1,822,907,985	875,757,863	1,860,000,000	895,900,000																									
6.2 Treasury Bonds																													
Treasury Bonds (HTM) [note-6.2(a)]	15,941,634,768	11,525,420,143																											
Treasury Bonds (HFT) [note-6.2(b)]	2,869,506,403	335,360,965																											
	18,811,141,171	11,860,781,108																											

Notes to the Financial Statements

For the year ended 31 December 2018

6.2 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	2018 Taka	2017 Taka	2018 Taka	2017 Taka
2 Years Treasury Bonds (Premium)	6,866,959,985	3,207,290,256	6,850,000,000	3,200,000,000
5 Years Treasury Bonds (Premium)	1,616,712,789	1,815,251,185	1,536,500,000	1,711,400,000
10 Years Treasury Bonds (Premium)	2,361,895,766	2,112,617,443	2,350,000,000	2,100,000,000
15 Years Treasury Bonds (Premium)	260,443,410	9,110,462	259,100,000	9,100,000
Sub-total	11,106,011,950	7,144,269,346	10,995,600,000	7,020,500,000

	Amortized Cost (Book Value)		Face value	
	2018 Taka	2017 Taka	2018 Taka	2017 Taka
2 Years Treasury Bonds (Discount)	556,906,480	553,869,001	557,000,000	557,000,000
5 Years Treasury Bonds (Discount)	972,125,895	546,384,127	981,400,000	546,500,000
10 Years Treasury Bonds (Discount)	1,201,343,969	1,102,779,621	1,206,100,000	1,106,100,000
15 Years Treasury Bonds (Discount)	117,695,220	117,676,186	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,851,254	108,841,862	109,300,000	109,300,000
Sub-total	2,956,922,818	2,429,550,797	2,971,900,000	2,437,000,000

	Amortized Cost (Book Value)		Face value	
	2018 Taka	2017 Taka	2018 Taka	2017 Taka
2 Years Treasury Bonds (At par)	-	200,000,000	-	200,000,000
5 Years Treasury Bonds (At par)	92,200,000	172,700,000	92,200,000	172,700,000
10 Years Treasury Bonds (At par)	1,285,000,000	1,077,400,000	1,285,000,000	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	1,878,700,000	1,951,600,000	1,878,700,000	1,951,600,000
Total	15,941,634,768	11,525,420,143	15,846,200,000	11,409,100,000

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2018 Taka	2017 Taka	2018 Taka	2017 Taka
02 Years Treasury Bonds	2,175,082,741	-	217,300,000	-
5 Years Treasury Bonds	363,055,959	-	350,000,000	-
10 Years Treasury Bonds	331,367,703	335,360,965	308,000,000	308,000,000
	2,869,506,403	335,360,965	2,831,000,000	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 Other Investments -Shares

In shares (quoted and unquoted)

Quoted:

	2018 Taka	2017 Taka
The City Bank Limited	59,049,110	59,049,110
Prime Bank Limited	140,673,639	140,673,639
IFIC Bank Limited	170,983,639	170,983,639
Lanka Bangla Finance Limited	122,379,546	62,245,956
Summit Alliance Port Ltd.	6,200	6,200
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533
Bank Asia Limited	53,501,786	53,501,786
	548,583,353	488,449,763

Notes to the Financial Statements

For the year ended 31 December 2018

Unquoted:

Industrial & Infrastructure Development Finance Company
 Central Depository Bangladesh Limited (CDBL)
 Lanka Bangla Securities Limited
 Investment in SWIFT

2018 Taka	2017 Taka
29,683,820	29,683,820
1,569,450	1,569,450
72,000,000	72,000,000
5,645,919	2,732,158
108,899,189	105,985,428
657,482,542	594,435,191

6.3 (a) Comparison between cost and market price of quoted shares as on 31 December 2018

Particulars	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2018	Cost 31-12-2018	Surplus/(Deficiency)
Lanka Bangla Finance Ltd.	19,393,083	22.90	444,101,600.70	122,379,546	321,722,055
The City Bank Limited	4,255,836	30.20	128,526,247.20	59,049,110	69,477,137
IFIC Bank Limited *	3,108,740	10.90	33,885,266.00	170,980,700	(137,095,434)
Summit Alliance Port Ltd	111	25.30	2,808.30	6,200	(3,392)
Prime Bank Limited	3,582,931	18.10	64,851,051.10	140,673,639	(75,822,588)
MI Cement Factory Ltd	56	69.40	3,886.40	5,533	(1,647)
Bank Asia Limited	2,641,369	17.70	46,752,231.30	53,501,786	(6,749,555)
Eastern Bank Limited	48,903	36.00	1,760,508.00	1,983,900	(223,392)
IFIC Bank Limited	136	10.90	1,482.40	2,939	(1,457)
Total			719,885,081	548,583,353	171,301,728

*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 Honorable Appellate Division of the Supreme Court of Bangladesh against the judgement passed by the same court for hearing.

The total market value of 54,103,078 shares of IFIC Bank Limited as of 31 December 2018 was Tk 589,723,550 exceeding the original investment by Tk.418,742,850.

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.

6.4 Residual Maturity of Investments

Payable on demand
 Up to 3 months
 Above 3 months to 1 year
 Above 1 year to 5 years
 Above 5 years

2018 Taka	2017 Taka
2,557,047,657	173,534,968
-	2,760,843,324
7,013,227,100	8,313,692,197
11,322,614,960	8,814,655,018
7,830,960,631	6,081,603,472
28,723,850,348	26,144,328,980

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

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
6 (a) Consolidated Investments		
In Government securities		
ONE Bank Limited	23,026,367,806	21,349,893,789
ONE Securities Limited	-	-
	23,026,367,806	21,349,893,789
Other Investment		
ONE Bank Limited	5,697,482,542	4,794,435,191
ONE Securities Limited	2,526,506,207	2,382,218,137
Less, Inter Company Transaction	(121,715,820)	-
	8,102,272,929	7,176,653,328
	31,128,640,735	28,526,547,116

Other investment by ONE Securities Limited includes Tk. 562,320,683 representing original investment cost for DSE and CSE memberships. As per the Exchange Demutualization Act 2013, DSE and CSE allotted 5,411,329 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.

	2018 Taka	2017 Taka
7 Loans and Advances		
Loans, cash credit, overdraft etc.(note-7.1)	196,082,780,386	168,076,148,472
Bills purchased and discounted(note-7.2)	2,825,968,833	2,317,321,490
	198,908,749,218	170,393,469,963

7.1 Loans, cash credit, overdraft etc.**Inside Bangladesh**

Loans	144,426,052,310	124,708,767,064
Cash Credit	14,171,400	55,748,896
Overdraft	39,151,939,628	37,811,243,633
	183,592,163,338	162,575,759,594
Off-shore Banking Unit	12,490,617,048	5,500,388,878
	196,082,780,386	168,076,148,472

Outside Bangladesh

	-	-
	196,082,780,386	168,076,148,472

7.2 Bills purchased and discounted**Inside Bangladesh**

Local bill purchased and discounted	1,715,137,049	1,255,371,361
Foreign bill purchased and discounted	723,198,254	598,329,772
	2,438,335,303	1,853,701,133
Off-shore Banking Unit	387,633,530	463,620,357
	2,825,968,833	2,317,321,490

Outside Bangladesh

	-	-
	2,825,968,833	2,317,321,490

7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted

Payable on demand	20,467,697,524	21,060,058,637
Up to 3 months	48,526,538,425	41,370,119,841
Above 3 months to 1 year	74,049,117,991	58,613,843,387
Above 1 year to 5 years	28,340,153,209	38,001,665,290
Above 5 years	27,525,242,070	11,347,782,807
	198,908,749,218	170,393,469,963

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
7.4 Loans and Advances on the basis of significant concentration		
i. Advance to Directors	2,754,939	2,435,641
ii. Advance to Managing Director & Senior Executives	439,029,762	249,396,643
iii. Advance to Customer's group:		
Commercial lending	76,816,155,209	76,924,070,353
Agricultural loan	2,213,260,450	1,522,864,563
Export financing	6,240,086,679	4,610,929,478
Consumer credit scheme	2,844,511,874	3,204,200,757
Small and medium enterprise financing	21,966,490,260	22,745,789,196
Staff loan (except Sl. No. ii)	224,168,530	349,938,054
House building loan (other than the employees)	7,539,974,048	6,184,927,433
Others	80,622,317,468	54,598,917,845
	198,908,749,218	170,393,469,963
7.5 Industry-wise outstanding of loans & advances including bills purchased and discounted		
Trade finance	31,711,500,000	21,724,500,000
Steel Re-Rolling	12,996,723,611	8,306,163,595
Readymade Garments	28,906,325,591	23,325,548,975
Textiles	16,597,957,488	13,122,758,088
Edible oil, Rice, Flour etc.	1,480,286,835	2,134,101,118
Power	8,758,603,660	4,194,254,528
Transport & Communication	4,552,419,320	3,617,692,026
Construction/Engineering	6,488,387,098	7,497,125,064
Personal	2,956,293,971	1,672,221,306
Pharmaceuticals	4,687,900,000	4,038,852,464
Real Estate	7,832,781,326	6,857,534,406
Cargo and Travel Services	132,183,953	67,303,313
Paper & Packaging	514,211,508	207,994,278
Agro based industry/ Dairy products/ Food & Beverage	7,243,223,061	4,646,923,522
Others	64,049,951,796	68,980,497,281
	198,908,749,218	170,393,469,963
7.6 Geographical Location-wise Loans and advances including bills purchased and discounted		
Dhaka Division	140,145,827,337	119,342,836,864
Chattogram Division	44,395,332,213	39,223,519,505
Rajshahi Division	3,573,811,565	2,974,855,472
Khulna Division	8,728,101,861	7,116,275,359
Sylhet Division	531,374,117	556,527,082
Rangpur Division	873,576,805	675,787,266
Barishal Division	660,725,322	503,668,413
	198,908,749,218	170,393,469,963
7.7 Business segment-wise loans and advances including bills purchased and discounted		
Corporate	164,483,323,998	139,405,316,690
SME	21,645,850,145	20,949,812,884
Consumer	9,967,373,864	7,968,944,939
Short term agri. credit and microcredit	2,149,002,920	1,470,060,754
Executive & Staff	663,198,293	599,334,697
	198,908,749,218	170,393,469,963

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
7.8 CL category wise loans and advances including bills purchased and discounted		
Continuous loan (CL-2)		
Small & Medium Enterprise (SME)	12,200,714,342	12,017,702,084
Consumer finance	760,537,439	188,499,222
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	858,547,542	794,369,440
Other corporate loans	28,528,465,541	26,908,963,783
	42,348,264,864	39,909,534,529
Demand Loan (CL-3)		
Small & Medium Enterprise (SME)	4,831,824,033	5,122,041,822
Consumer finance	-	-
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	476,118,031	725,712,352
Other corporate loans	77,458,200,740	68,614,599,893
	82,766,142,804	74,462,354,067
Fixed Term Loan (CL-4)		
Small & Medium Enterprise (SME)	4,613,311,770	3,810,068,977
Consumer finance (other than HF & LP)	1,368,572,046	1,332,309,355
House finance	7,771,617,332	6,372,429,998
Loans for professionals to set up business	66,647,046	75,706,365
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	377,236,431	109,123,481
Other corporate loans	56,784,755,712	42,252,547,741
	70,982,140,337	53,952,185,917
Short term agri. credit and microcredit (CL-5)		
Short term agri. Credit	2,149,002,920	1,459,840,687
Microcredit	-	10,220,066
	2,149,002,920	1,470,060,754
Staff Loan	663,198,293	599,334,697
	198,908,749,218	170,393,469,963
7.9 Classified and unclassified loans and advances		
Unclassified		
Standard	184,214,660,926	160,753,096,626
Staff Loan	663,198,293	599,334,697
	184,877,859,218	161,352,431,323
Classified		
Substandard	865,779,000	372,079,649
Doubtful	1,826,393,000	1,015,050,085
Bad & Loss	11,338,718,000	7,653,908,906
	14,030,890,000	9,041,038,640
	198,908,749,218	170,393,469,963

Notes to the Financial Statements

For the year ended 31 December 2018

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 23,195.91 million as at 31 December 2018 (Tk 21,365.72 million in 2017).

Number of clients (Annexure-D)		21	14
Amount of outstanding loans & advances*	Tk.	68,034,734,086	43,719,493,174
Amount of classified loans and advances	Tk.	-	-
Measures taken for recovery		Not Applicable	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 2018. The classification status is shown as per the CL prepared by the Bank as at 31 December 2018 and submitted to Bangladesh Bank.

7.11 Bills purchased and discounted

Payable in Bangladesh	2,102,770,579	1,718,991,719
Payable outside Bangladesh	723,198,254	598,329,772
	2,825,968,833	2,317,321,490

7.12 Maturity of Bills purchased and discounted

Upto 1 month	726,550,608	636,581,987
Above 1 month but less than 3 months	791,892,036	693,523,103
Above 3 months but less than 6 months	1,254,796,549	987,216,400
6 months or more	52,729,640	-
	2,825,968,833	2,317,321,490

7.13 Particulars of provision for Loans and Advances

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	151,544,534,545	1,752,971,874
Small & Medium Enterprise Financing	0.25%	18,750,459,906	69,015,273
Consumer Finance (House Financing)	1%	7,106,824,285	71,068,243
Consumer Finance (Loans for Professionals)	2%	63,597,772	1,271,955
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	1,203,645,946	60,182,297
Credit Card	1%	689,075,116	13,781,502
Special Mention Account	0%-5%	4,957,317,620	52,119,622
Short Term Agriculture Loan	1%	2,085,331,101	20,853,311
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	1,615,107,907	32,302,158
Substandard	5% & 20%	378,608,558	72,786,834
Doubtful	5% & 50%	600,044,485	299,306,248
Bad & Loss	100%	4,116,480,000	5,136,480,000
Required provision for loans and advances			7,582,139,317
Total provision maintained			7,582,139,317
Excess/ (Short) provision at 31 December			-

As at 31 December 2018, the Bank has maintained provision for unclassified loans and advances of Tk 2,073,566,236 and for classified loans and advances Tk 5,508,573,082 (including Bangladesh Bank's required Tk 102 Crore in current year) totaling Tk 7,582,139,318 against total provision requirement of Tk 9,985,459,000 as determined by Bangladesh Bank. The Bank has received approval from Bangladesh Bank vide letter DBI-1/112/2019/426 dated 30 April 2019 allowing the Bank to build-up the remaining required provision as deferral of Tk 2,403,319,682 during the next 3 years (Tk 82 Crore in 2019, Tk 82 Crore in 2020 and remaining balance in 2021). Out of the total deferral amount, the Bank has already provided Tk 28,039,000 against off balance sheet items and Tk.13,784,000 against other assets. The Bank has also provided Tk 141,398,410 against Gratuity as determined by Bangladesh Bank.

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
7.14 Particulars of Loans and Advances		
i) Loans considered good in respect of which the bank is fully secured	118,330,099,658	111,636,499,998
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee	34,228,872,333	37,229,250,352
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	46,349,777,227	21,527,719,613
iv) Loans adversely classified; provision not maintained there against	-	-
	198,908,749,218	170,393,469,963
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	663,198,293	599,334,696
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	663,198,293	599,334,696
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)	2,825,968,833	2,317,321,490
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.9)	14,030,890,000	9,041,038,640
b) Provision on classified loans and advances (Note-12.4)	5,508,573,082	4,333,477,757
c) Provision kept against loans and advances classified as bad debts	5,136,480,000	3,930,328,559
d) Increase/(Decrease) of Specific Provision	1,175,095,324	1,599,273,521
e) Interest credited to Interest Suspense Account (Note-12.9)	4,277,625,588	3,871,058,396
xi) Cumulative amount of written off loans and advances		
Opening balance	2,243,453,177	2,243,453,177
Written off during the year	2,207,601,992	-
Closing balance	4,451,055,169	2,243,453,177
Cumulative amount realised against loans previously written off	112,695,716	82,188,223
The amount of written off loans for which law suits has been filed	4,446,120,404	2,238,518,412
7.15 Details of pledged collaterals received against Loans and Advances		
Collateral of movable /immovable assets	114,236,786,233	91,300,066,633
Local banks and financial institutions guarantee	3,662,769,226	2,016,960,984
Government guarantee	-	-
Foreign banks guarantee	30,168,090	153,188,596
Export documents	1,448,108,151	620,791,197
Fixed Deposit Receipts (FDR)	8,197,707,246	6,689,383,450
FDR of other banks	203,425,078	197,310,264
Government bonds	-	-
Personal guarantee	42,385,070,443	33,402,129,882
Other securities	28,744,714,752	36,013,638,959
	198,908,749,218	170,393,469,963
7.16 Restructure of large loan		
There was no restructure of large loan occurred during the year 2018 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)		

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
7 (a) Consolidated Loans and Advances		
ONE Bank Limited	196,082,780,386	168,076,148,472
ONE Securities Limited	49,679,307	47,935,589
	196,132,459,693	168,124,084,062
Consolidated Bills purchased and discounted		
ONE Bank Limited	2,825,968,833	2,317,321,490
ONE Securities Limited	-	-
	2,825,968,833	2,317,321,490
	198,958,428,526	170,441,405,552
8 Fixed Assets including premises, furniture & fixtures		
Furniture & Fixtures	1,597,244,555	1,585,159,612
Office equipment	1,192,736,206	1,065,684,332
Motor Vehicles	278,283,495	273,814,495
Building	189,464,053	189,464,053
Land	279,366,295	279,366,295
	3,537,094,604	3,393,488,787
Intangible Assets	195,835,516	195,835,516
	3,732,930,120	3,589,324,303
Less: Accumulated depreciation	1,722,668,956	1,519,725,208
Balance as on 31 December	2,010,261,164	2,069,599,095
(For details please refer to Annexure- A)		
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures		
ONE Bank Limited	2,010,261,164	2,069,599,095
ONE Securities Limited	22,532,174	25,559,281
	2,032,793,338	2,095,158,377
9 Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
In Bangladesh(note-9.1)	2,480,099,170	2,474,999,170
Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	28,110,812	27,670,879
Stock of stamps	3,676,121	4,247,680
Security deposits	4,660,555	4,481,255
Advance rent for office premises	419,081,086	488,942,333
Prepayments	455,880,139	356,857,019
Application money against right share and clearing adjustment account	51,664,505	88,869,656
Suspense account (note-9.5)	24,210,725	47,194,256
Receivable from Bangladesh Bank	196,006,798	235,935,321
Interest and dividend receivable(note-9.7)	452,481,125	674,974,453
Advance Income Tax(note-9.3)	7,143,559,670	5,607,803,509
Deferred Tax Assets (note-9.4)	44,671,699	38,872,008
Protested bill	2,594,351	2,594,351
Receivable ATM acquiring	12,199,306	8,798,300
Receivable from ONE Securities Ltd	32,097	-
Receivable from ONE Investments Ltd	205,426	-
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account(note-9.2)	45,667,814	82,597,306
	11,364,822,735	10,144,858,834
Off-shore Banking Unit	200,922,889	67,397,567
	11,565,745,624	10,212,256,401

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
9.1 Investment in shares of subsidiary companies		
ONE Securities Limited (98.9999% owned subsidiary company of OBL)	2,474,999,170	2,474,999,170
ONE Investments Limited (51.00% owned subsidiary company of OBL)	5,100,000	-
	2,480,099,170	2,474,999,170

9.2 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 2018 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	26	9	45,710,096	42,282
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	26	9	45,710,096	42,282
Branch Adjustment Account (Net)			45,667,814	

9.3 Advance income tax

Opening balance on 1 January	5,607,803,509	4,055,386,435
Add: Tax paid as advance	1,535,756,161	1,552,417,074
Less: Advance income tax adjusted during the year	-	-
Balance on 31 December	7,143,559,670	5,607,803,509

9.4 Deferred tax assets:

Opening balance	38,872,008	1,090,190
Addition/(reverse) during the year (note-12.2.1)	5,799,691	37,781,818
Closing balance	44,671,699	38,872,008

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.

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

9.6 Particulars of required provision for other assets

	Taka	Rate	Taka
Protested bill	2,594,351	100%	2,594,351
Legal Expense	213,140	100%	213,140
Others	15,040,480	100%	15,040,480
Required provision for other assets			17,847,971
Total provision maintained (note-12.7)			17,847,971
Excess/(short) provision as on 31, December 2018			-

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
9.7 Interest and dividend receivables		
Interest receivables on placement	-	15,627,459
Interest receivables on government securities	331,226,952	303,616,455
Interest receivables on non-government securities	121,254,172	78,530,632
Dividend receivables	-	277,199,907
	452,481,125	674,974,453
9 (a) Consolidated Other Assets		
ONE Bank Limited	11,565,745,624	10,212,256,401
ONE Securities Limited	124,543,667	107,064,677
ONE Investments Limited	18,480	-
Investment in ONE Securities Ltd by ONE Bank Limited	(2,474,999,170)	(2,474,999,170)
Investment in ONE Investments Ltd by ONE Bank Limited	(5,100,000)	-
Less: Inter unit/company elimination	(237,523)	(277,199,907)
	9,209,971,079	7,567,122,001
10 Borrowings from other Banks, financial institutions and Agents.		
Borrowing Inside Bangladesh(note-10.1)	15,857,995,394	10,784,548,566
Borrowing Outside Bangladesh(note-10.2)	14,044,348,210	3,638,800,000
	29,902,343,604	14,423,348,566
10.1 Borrowing Inside Bangladesh		
OBL Subordinated Bond(note-10.1.a)	7,280,000,000	5,320,000,000
Borrowing from other bank -Payable on demand	1,200,000,000	500,000,000
Borrowing from BRAC Bank OBU	153,251,740	-
Borrowing from Bangladesh Bank(note-10.1.b)	7,224,743,654	4,964,548,566
	15,857,995,394	10,784,548,566
10.1.a Subordinated Bond		
Subordinated Bond - I	880,000,000	1,320,000,000
Subordinated Bond - II	4,000,000,000	4,000,000,000
Subordinated Bond - III	2,400,000,000	-
	7,280,000,000	5,320,000,000

Subordinated Bond-1 Tk. 2,200,000,000 (Outstanding as on December 31, 2018 of Tk. 880,000,000)

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

Notes to the Financial Statements

For the year ended 31 December 2018

List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2018 (after 60% redemption)
Janata Bank Limited	500	500,000,000	200,000,000
Agrani Bank Limited	500	500,000,000	200,000,000
Rupali Bank Limited	500	500,000,000	200,000,000
Bangladesh Development Bank Limited	200	200,000,000	80,000,000
Saudi Bangladesh Indust.&Agri.Invest.Com.Ltd.	200	200,000,000	80,000,000
Pubali Bank Limited	100	100,000,000	40,000,000
Bangladesh Commerce Bank Limited	100	100,000,000	40,000,000
Uttara Bank Limited	100	100,000,000	40,000,000
Total	2200	2,200,000,000	880,000,000

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

To meet regulatory capital requirement, ONE Bank Limited 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 @ 9.55%.

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-2018
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

Subordinated Bond-III Tk. 2,400,000,000 (1st Trench) [Total Value of Tk. 4,000,000,000]

With the view to strength the capital base of the Bank, ONE Bank Limited again issued unsecured non-convertible subordinated floating rate bonds on 12th December, 2018 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BFIS) 661/14B(P)/2018/7655 dated October 11, 2018] and [# BSEC/CI/DS-46/2016/671 dated September 27, 2018] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 7.00% to 9.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.18%.

Notes to the Financial Statements

For the year ended 31 December 2018

Main Features of the Bond:

Issuer	ONE Bank Ltd
Trustee	MTB Capital Limited
Lead Arranger	RSA Advisory Limited
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- 2018
Sonali Bank Limited	80	800,000,000	800,000,000
Dhaka Bank Limited	30	300,000,000	300,000,000
Jamuna Bank Limited	130	1,300,000,000	1,300,000,000
Total		2,400,000,000	2,400,000,000

2018
Taka2017
Taka

10.1.b Borrowing from Bangladesh Bank

Export Development Fund (EDF)
 Refinance against SME, Agriculture loan and Green finance
 Financial Sector Support Project (FSSP)

5,595,917,533	3,589,570,919
474,710,500	340,460,507
1,154,115,621	1,034,517,139
7,224,743,654	4,964,548,566

10.2 Borrowing Outside Bangladesh

Borrowing by Offshore Banking Unit .

Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	3,964,275,000	1,571,300,000
Oesterreichische Entwicklungsbank AG (OeEB)	1,216,550,000	827,000,000
The OPEC Fund for International Development (OFID)	943,875,000	1,240,500,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	2,097,500,000	-
Norwegian Investment Fund for Developing Countries (Norfund)	1,258,500,000	-
International Finance Corporation (IFC)	4,195,000,000	-
EBL Hong kong	368,648,210	-
	14,044,348,210	3,638,800,000

10.3 Security against borrowings from other banks, financial institutions and agents

Secured	-	-
Unsecured	29,902,343,604	14,423,348,566
	29,902,343,604	14,423,348,566

10.4 Residual Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand	2,355,958,985	1,294,327,771
Up to 3 months	3,684,605,749	697,022,619
Above 3 months to 1 year	6,088,496,773	2,307,663,170
Above 1 year to 5 years	16,093,282,098	9,324,335,006
Above 5 years	1,680,000,000	800,000,000
	29,902,343,604	14,423,348,566

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
10 (a) Consolidated Borrowings from other banks, financial institutions and Agents.		
ONE Bank Limited	29,902,343,604	14,423,348,566
ONE Securities Limited	-	-
	29,902,343,604	14,423,348,566
11 Deposits and other accounts		
i Current account and other account (OBL)		
Off-shore Banking Unit	21,036,372,785	23,286,404,523
	1,597,096	427,030
	21,037,969,881	23,286,831,553
ii Bills payable		
Payment Order (Issued)	1,569,900,708	1,976,164,125
Demand Draft	684,479	684,479
	1,570,585,187	1,976,848,604
iii Savings accounts	17,869,437,115	17,625,827,836
iv Term deposits		
Fixed Deposit Receipts	116,880,335,963	97,762,389,612
Short Notice Deposits	34,578,993,393	31,006,374,626
Scheme Deposits	10,428,238,940	10,193,978,804
Non-resident Foreign Currency Deposits	103,530,253	100,828,041
	161,991,098,549	139,063,571,081
Off-shore Banking Unit	162,143,252	721,610,592
	162,153,241,801	139,785,181,673
	202,631,233,984	182,674,689,666
11.1 Payable on demands		
Current deposits	12,745,201,208	15,372,616,496
Privilege creditor	490,374,489	473,209,144
Foreign Currency Deposits	4,482,221,498	4,028,423,436
Sundry Deposits	3,030,354,826	3,117,110,803
Other accrued expense	289,817,861	295,471,673
	21,037,969,881	23,286,831,552
Bills payable	1,570,585,187	1,976,848,604
10% of Savings accounts	1,786,943,712	1,762,582,784
	24,395,498,780	27,026,262,940
11.2 Break down of deposits and other accounts		
11.2 (a) Payable on demand		
i Deposits from banks	1,176,630	1,180,510
ii Other than banks	24,394,322,150	27,025,082,430
	24,395,498,780	27,026,262,940
11.2 (b) Other Deposits		
Deposits from banks		
Term Deposit (ONE Bank Limited)		
Uttara Bank Limited	1,500,000,000	-
Bank Asia Limited	-	4,000,000,000
Dutch- Bangla Bank Limited	250,000,000	-
Rajshahi Krishi Unnayan Bank	100,000,000	200,000,000
Sonali Bank Limited	3,200,000,000	1,950,000,000
Janata Bank Limited	1,000,000,000	500,000,000
Agrani Bank Limited	1,800,000,000	1,800,000,000
United Commercial Bank Limited	-	1,000,000,000
National Credit and Commerce Bank Limited	-	700,000,000
	7,850,000,000	10,150,000,000

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
Term Deposit (Off shore Banking Unit)		
BRAC Bank Limited	162,143,252	721,610,592
Dutch-Bangla Bank Limited	-	-
	162,143,252	721,610,592
Other than banks	170,223,591,953	144,776,816,134
	178,235,735,205	155,648,426,726
Total deposits [11.2(a) + 11.2(b)]	202,631,233,984	182,674,689,666
11.3 Remaining maturity grouping of deposits		
Repayable on demand	46,935,361,485	27,026,262,940
Repayable within 1 month	21,069,524,425	9,214,212,208
Over 1 month but within 6 months	67,413,185,617	53,210,490,011
Over 6 months but within 1 year	29,002,577,350	49,447,367,988
Over 1 year but within 5 years	20,231,218,418	24,261,132,017
Over 5 years but within 10 years	17,979,366,690	19,515,224,501
	202,631,233,984	182,674,689,666
11.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk.5,174,245 as on December 31, 2018 and Tk. 443,268 as on December 31, 2017, respectively.		
11 (a) Consolidated Deposits and other accounts		
Current account and other account		
ONE Bank Limited	21,037,969,881	23,286,831,553
ONE Securities Limited	-	-
	21,037,969,881	23,286,831,553
Bills payable		
ONE Bank Limited	1,570,585,187	1,976,848,604
ONE Securities Limited	-	-
	1,570,585,187	1,976,848,604
Savings accounts		
ONE Bank Limited	17,869,437,115	17,625,827,836
ONE Securities Limited	-	-
	17,869,437,115	17,625,827,836
Term deposits		
ONE Bank Limited	162,153,241,801	139,785,181,673
Less: Inter Company Transaction	(248,056,882)	(531,687,610)
	161,905,184,920	139,253,494,064
Total Consolidated Deposit	202,383,177,103	182,143,002,056
12 Other liabilities		
Provision for Income Tax(note-12.1)	5,729,488,913	4,761,133,512
Deferred tax liability(note-12.2)	37,097,897	61,803,438
Provision for gratuity(note-12.3)	-	-
Provision for loans and advances(note-12.4 & 12.5)	7,582,139,317	6,072,487,514
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other(note-12.7)	17,847,971	3,939,656
Provision for off balance sheet items(note-12.8)	742,166,366	675,210,727
Provision for diminution value of share(note-12.10)	-	-
Interest suspense account(note-12.9)	4,277,625,588	3,871,058,396
Sinking fund	54,649,370	22,028,813
Interest Payable on Subordinated Debt	78,550,081	63,187,942
Accrued performance bonus	289,875,313	276,053,914
Other payable	8,391,541	6,016,293
Revaluation reserve held for trading securities	142,002,649	144,625,043
	18,960,308,517	15,958,018,760
Off-shore Banking Unit	164,023,247	36,687,977
	19,124,331,765	15,994,706,737

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
12.1 Provision for current income tax		
Opening balance on 1 January	4,761,133,512	3,549,442,560
Less: Provision adjusted during the year	-	-
	4,761,133,512	3,549,442,560
Add: Provision made during the year	968,355,401	1,211,690,953
Balance on 31 December	5,729,488,913	4,761,133,512
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	46,074,445	56,675,964
Addition during the year (note-12.2.2)	(13,933,878)	(10,601,519)
Closing balance	32,140,567	46,074,445
Provision against revaluation reserve for security		
Opening balance	15,728,994	99,295,895
Provision made/ (recovered) during the year	(10,771,663)	(83,566,901)
Closing balance	4,957,330	15,728,994
Total	37,097,897	61,803,438
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)	1,594,713,922	553,092,557
Carrying amount of fixed assets	1,475,589,392	455,912,537
Deductible temporary difference	119,124,530	97,180,020
Applicable tax rate	37.50%	40%
Deferred tax asset	44,671,699	38,872,008
Opening deferred tax asset	38,872,008	1,090,190
Deferred tax (expenses)/income	5,799,691	37,781,818
12.2.2 Basis of Deferred Tax Liability:		
Carrying amount of fixed assets (Only temporary taxable portion is considered)	244,937,275	1,306,183,350
Tax base of fixed assets	159,229,095	1,190,997,240
Taxable temporary difference	85,708,180	115,186,110
Applicable tax rate	37.50%	40%
Deferred tax liability	32,140,567	46,074,444
Opening deferred tax liability	46,074,444	56,675,963
Deferred tax expenses/(income)	(13,933,878)	(10,601,519)
12.3 Provision for gratuity		
Opening balance on 1 January	-	-
Provision made during the year	141,398,410	153,825,455
Transferred/Payment made during the year	141,398,410	153,825,455
Balance on 31 December	-	-

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
12.4 Specific provision against loans and advances		
Opening balance on 1 January	4,333,477,757	2,734,204,237
Provision written off	(1,483,276,825)	-
Recoveries of amounts previously written off	30,507,493	50,786,830
Provision after written off	2,880,708,424	2,784,991,067
Specific provision made during the year	3,262,984,082	1,737,365,233
Provisions recovered and no longer required written back	(635,119,425)	(188,878,542)
Net charge to profit & loss account	2,627,864,657	1,548,486,691
Balance on 31 December	5,508,573,082	4,333,477,757
12.5 General provision against loans and advances		
Opening balance on 1 January	1,739,009,757	1,493,553,332
Provision made during the year:		
Unclassified Loans & Advances	345,511,268	194,898,667
Consumer credit & Small enterprise financing	(18,856,679)	36,169,142
Special mention account	6,299,234	10,728,220
Loans against shares	1,602,657	3,660,396
Net charge to profit & loss account	334,556,479	245,456,425
Balance on 31 December	2,073,566,236	1,739,009,757
Total Specific and General Provision	7,582,139,317	6,072,487,514
12.6 Specific provision as per classification of loans		
Substandard	72,786,834	28,082,088
Doubtful	299,306,248	375,067,110
Bad/Loss	5,136,480,000	3,930,328,559
Balance on 31 December	5,508,573,082	4,333,477,758
12.7 Provision for Other		
Balance on 1 January	3,939,656	3,932,170
Provision made during the year/(recovery) (note-12.7. a and 12.7. b)	13,908,315	7,486
Balance on 31 December	17,847,971	3,939,656
12.7.a Provision for protested bill		
Balance on 1 January	2,594,351	2,594,351
Provision recovered during the year	-	-
Balance on 31 December	2,594,351	2,594,351
12.7.b Provision for legal expenses and others		
Balance on 1 January	1,345,305	1,337,819
Adjusted with recoverable legal expenses	-	-
Provision made during the year	13,908,315	7,486
Balance on 31 December	15,253,620	1,345,305
12.8 Provision for off balance sheet items		
Balance on 1 January	675,210,727	708,945,933
Provision made during the year	66,955,638	(33,735,206)
Balance on 31 December	742,166,366	675,210,727
12.9 Interest suspense account		
Balance on 1 January	3,871,058,396	3,057,837,346
Interest suspense charged during the year	1,707,136,132	1,212,100,883
Interest suspense realized during the year	(576,180,128)	(364,214,718)
Amount written off during the year	(724,325,166)	-
Amount waiver during the year	(63,648)	(34,665,115)
Balance on 31 December	4,277,625,588	3,871,058,396

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
12.10 Provision for diminution value of share		
Balance on 1 January	-	-
Provision made/ (recovered) during the year	-	-
Balance on 31 December	-	-
12.10.a Consolidated Provision made for diminution value of share		
ONE Bank Limited	-	-
ONE Securities Limited:	59,428,753	-
	59,428,753	-
As per BSEC circular reference # BSEC/MUKHOPATRO(Third part)/2011/60 dated December 19, 2018, the provision for diminution in value of share of ONE Securities Limited can be deferred upto December 2020. Accordingly, the amount of required provision Tk. 534,858,773 has been spread between nine quarters including December 2018 quarter.		
12 (a) Consolidated Other liabilities		
ONE Bank Limited	19,124,331,765	15,994,706,737
ONE Securities Limited	215,628,317	483,736,538
ONE Investments Limited	216,926	-
Less: Inter unit/company elimination	(237,523)	(277,199,907)
	19,339,939,485	16,201,243,368
13. Share Capital		
13.1 Authorized Capital	10,000,000,000	10,000,000,000
1,000,000,000 (2017:1,000,000,000) ordinary shares of Tk 10 each		
13.2 Issued, Subscribed and fully paid-up Capital	7,665,336,840	7,300,320,800
766,533,684 (2017: 730,032,080) ordinary shares of Tk 10 each		
Sponsors	30.02%	30.02%
General Public (Including Institutes 15.87% and Foreign 3.74%)	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	2018 Taka	2017 Taka
Sponsors	16	230,112,543	2,301,125,430	2,191,548,100
Institutes	397	121,644,336	1,216,443,360	1,102,631,260
Foreign	100	28,691,336	286,913,360	494,179,350
General Public	20,656	386,085,469	3,860,854,690	3,511,962,090
Total	21,169	766,533,684	7,665,336,840	7,300,320,800

Shareholding structure of the Bank as at 31-12-2018 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Upto 500	5,427	922,547	0.12
501 to 5,000	9,907	20,188,512	2.63
5,001 to 10,000	2,364	16,776,175	2.19
10,001 to 20,000	1,499	20,973,572	2.74
20,001 to 30,000	578	14,134,795	1.84
30,001 to 40,000	289	10,062,939	1.31
40,001 to 50,000	164	7,455,733	0.97
50,001 to 100,000	382	26,965,606	3.52
100,001 to 1,000,000	457	120,540,549	15.73
Over 1,000,000	102	528,513,256	68.95
Total	21,169	766,533,684	100.00

Notes to the Financial Statements

For the year ended 31 December 2018

- 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) 36,501,604 Bonus shares of Tk. 10 each valued at Tk. 365,016,040 for the year 2017 has been transferred to Paid-up capital account during the year 2018:

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

Issued, Subscribed & fully Paid up Capital

Particulars	2018 Taka	2017 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash: 712,752,464 bonus shares of Tk. 10 each	7,127,524,640	6,762,508,600
Total	7,665,336,840	7,300,320,800

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, capital of the Bank (Solo) at the close of business on 31 December 2018 is Taka 23,195,909,823 comprised of core capital of Taka 14,327,337,221 and supplementary capital of Taka 8,868,572,602, thereby showing a surplus capital/equity of Taka 97,845,643 against the required capital. Details are shown below:

Solo Basis:

Common Equity Tier-1 (Going-Concern Capital)

Paid-up capital
Statutory Reserve
Retained Earnings

2018
Taka

2017
Taka

7,665,336,840	7,300,320,800
5,572,188,014	5,103,856,419
1,146,018,509	1,681,378,120
14,383,543,363	14,085,555,338

Regulatory Adjustments:

Deferred Tax Assets
Goodwill and all other intangible assets
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.

44,671,699	38,872,008
10,368,203	-
1,166,240	866,500
56,206,142	39,738,508

Total Common Equity Tier-1 Capital

Additional Tier- 1 Capital

14,327,337,221	14,045,816,831
-	-

Tier -2 Capital (Gone-Concern Capital)

General Provision
Subordinated debt
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)

2,815,732,602	2,414,220,484
6,040,000,000	4,880,000,000
64,200,000	64,200,000
8,919,932,602	7,358,420,484

Regulatory Adjustment

Revaluation reserves for fixed assets, securities & equity securities

51,360,000	38,520,000
8,868,572,602	7,319,900,484

Total Tier-2 Capital Available

A Total Regulatory Capital

23,195,909,823	21,365,717,315
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Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
Total Assets including Off Balance Sheet items	347,701,042,071	300,264,145,319
B Total Risk Weighted Assets	194,510,014,145	184,800,042,096
C Minimum Required capital based on risk weighted assets (10% on B)	19,451,001,414	18,480,004,210
D Surplus (A-C)	3,744,908,408	2,885,713,105
E Required capital with Conservation Buffer (CB) @11.875% (2017@11.25%) on B	23,098,064,180	20,790,004,736
F Excess over capital with CB (A-E)	97,845,643	575,712,579
Percentage of Capital to Risk Weighted Assets:	11.93%	11.56%
Consolidated Basis:		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	7,665,336,840	7,300,320,800
Statutory Reserve	5,572,188,014	5,103,856,419
Retained Earnings	1,268,580,761	1,787,544,536
Minority Interest in Subsidiaries	31,116,771	29,573,358
	14,537,222,386	14,221,295,113
Regulatory Adjustments:		
Deferred Tax Assets	44,671,699	38,872,008
Goodwill and all other intangible assets	10,368,203	-
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	1,166,240	866,500
	56,206,142	39,738,508
Total Common Equity Tier-1 Capital	14,481,016,244	14,181,556,605
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,815,732,602	2,414,220,484
Sub-ordinated debt	6,040,000,000	4,880,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000
	8,919,932,602	7,358,420,484
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	51,360,000	38,520,000
Total Tier-2 Capital Available	8,868,572,602	7,319,900,484
A Total Regulatory Capital	23,349,588,846	21,501,457,089
Total Assets including Off Balance Sheet items	347,822,271,932	300,074,734,115
B Total Risk Weighted Assets	194,965,526,781	186,299,305,008
C Minimum Required capital based on risk weighted assets (10% on B)	19,496,552,678	18,629,930,501
D Surplus (A-C)	3,853,036,168	2,871,526,588
E Required capital with Conservation Buffer (CB) @11.875% (2017@11.25%) on B	23,152,156,305	20,958,671,813
F Excess over capital with CB (A-E)	197,432,541	542,785,276
Percentage of Capital to Risk Weighted Assets:	11.98%	11.54%

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
14 Statutory Reserve		
Balance brought forward from previous year	5,103,856,419	4,434,929,509
Reserve made during the year	468,331,595	668,926,910
Balance on 31 December	5,572,188,014	5,103,856,419
15 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,681,378,120	1,695,408,803
Addition during the year	1,393,036,144	2,181,326,932
Transfer to statutory reserve	(468,331,595)	(668,926,910)
Issue of Bonus Share	(365,016,040)	(663,665,520)
Cash dividend paid	(1,095,048,120)	(862,765,186)
Balance on 31 December	1,146,018,509	1,681,378,120
15.1 Retained earnings brought forward from previous year		
Retained Earning of previous Year	1,681,378,120	1,695,408,803
Bonus share issued	(365,016,040)	(663,665,520)
Cash dividend paid	(1,095,048,120)	(862,765,186)
Retained Earnings brought forward	221,313,960	168,978,097
15.1(a) Consolidated retained earnings/ movement of profit and loss account		
Retained Earning of ONE Bank Limited	1,146,018,509	1,681,378,120
Retained Earning of ONE Securities Limited	123,823,755	107,238,828
Retained Earning of ONE Investments Limited	(45,562)	-
Attributable to Non-Controlling Interest	(1,215,941)	(1,072,412)
Balance on 31 December	1,268,580,761	1,787,544,535
15.1(b) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	1,787,544,536	1,358,421,259
Bonus share issued	(365,016,040)	(663,665,520)
Cash Dividend Paid	(1,095,048,120)	(862,765,186)
Retained Earnings brought forward	327,480,376	(168,009,447)
16 Interest and discount income		
From clients against loans and advances	19,101,600,562	13,767,970,063
Lease finance	723,349,195	482,273,574
Discount from bills purchased & discounted	419,851,920	267,450,257
From banks and financial institutions in Bangladesh	39,124,959	69,136,463
From foreign banks	96,957,189	72,161,651
	20,380,883,825	14,658,992,009
Off-shore Banking Unit	647,652,295	263,605,246
	21,028,536,119	14,922,597,255
16 (a) Consolidated Interest and discount income		
ONE Bank Limited	21,028,536,119	14,922,597,255
ONE Securities Limited	20,730,216	36,821,719
Less, Inter Company Transaction	(3,483,030)	-
	21,045,783,305	14,959,418,973

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
17 Interest paid on deposits and borrowings		
Short term deposits	3,049,445,477	2,547,084,069
Savings deposits	593,434,945	547,669,975
Term deposits	8,487,877,936	5,003,593,751
Scheme deposits	947,697,446	953,422,916
Borrowings from banks and financial institutions	438,400,071	199,968,840
Interest on Subordinated- Debt	553,871,729	541,849,437
	14,070,727,605	9,793,588,988
Off-shore Banking Unit	662,797,205	240,952,427
	14,733,524,810	10,034,541,415
17 (a) Consolidated Interest paid on deposits and borrowings		
ONE Bank Limited	14,733,524,810	10,034,541,415
ONE Securities Limited	-	-
ONE Investments Limited	-	-
Less, Inter Company Transaction	(3,667,831)	-
	14,729,856,978	10,034,541,415
18 Income from Investments		
Interest on treasury bills	564,549,267	505,751,748
Interest on treasury bond (Net)	891,262,804	843,371,206
Interest on Bangladesh Bank Bill	9,516,767	78,959,642
Dividend on Investment	25,037,092	387,977,086
Gain on sale of Shares	-	116,921,205
Interest on subordinated bond	395,948,473	304,866,258
	1,886,314,401	2,237,847,145
18 (a) Consolidated Income from Investments		
ONE Bank Limited	1,886,314,401	2,237,847,145
ONE Securities Limited	81,721,343	457,384,565
ONE Investments Limited	184,801	-
Less, Inter Company Transaction	(184,801)	(346,499,884)
	1,968,035,744	2,348,731,826
19 Commission, exchange and brokerage		
Letters of credit	347,809,356	359,717,776
Letter of guarantees	148,872,903	115,283,495
Acceptances	315,203,565	227,607,466
Bills for collection	8,521,684	7,885,917
Remittances (PO, DD, TT, Travelers' Cheque etc.)	6,147,137	5,997,517
Export bills	48,517,503	48,501,980
PRC Issuance Charges	828,700	737,900
Cash Assistance Handling Charges	6,113,410	5,800,407
Import Related Certificates	194,075	302,500
Others	4,031,857	5,801,817
	886,240,190	777,636,775
Profit on exchange trading	532,588,888	1,107,852,881
Less: Loss on exchange trading	-	-
	532,588,888	1,107,852,881
	1,418,829,078	1,885,489,655
Off-shore Banking Unit	5,259,996	8,075,825
	1,424,089,074	1,893,565,480

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
19 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,424,089,074	1,893,565,480
ONE Securities Limited	41,765,742	71,415,561
	1,465,854,816	1,964,981,041
20 Other operating income		
Loan processing fees and other charges	167,462,044	153,666,543
Miscellaneous Credit and Debit Card Fee	87,570,916	73,779,501
Recoveries of postage, telex, telephone, fax etc	54,974,913	50,039,253
Letter of Credit miscellaneous charges	198,712,061	177,882,316
General Banking miscellaneous charges	60,826,409	58,134,531
Miscellaneous (Note-20.1)	25,757,756	27,766,199
Rent on locker	2,460,000	2,304,100
Gain on sale of fixed assets		4,292,658
	597,764,101	547,865,102
Off-shore Banking Unit	10,546,276	8,084,186
	608,310,377	555,949,288
20.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, certificate issuance charge etc.		
20 (a) Consolidated Other operating income		
ONE Bank Limited	608,310,377	555,949,288
ONE Securities Limited	987,297	1,125,894
	609,297,675	557,075,183
21 Salary & Allowances		
Salary & Allowances	2,078,786,942	1,884,095,715
Provident Fund Contribution	122,241,726	112,009,007
Gratuity	141,398,410	153,825,455
Superannuation fund	7,600,000	7,000,000
Bonus	440,352,521	431,255,882
	2,790,379,598	2,588,186,058
21(a) Consolidated Salary & Allowances		
ONE Bank Limited	2,790,379,598	2,588,186,058
ONE Securities Limited	33,305,908	24,220,101
	2,823,685,506	2,612,406,159
22 Rent, taxes, insurance, electricity etc.		
Rent	333,247,911	311,728,520
VAT on Rent	49,987,702	46,759,725
Taxes	1,708,335	1,745,840
Electricity	62,170,214	59,794,720
Utilities	9,471,076	7,733,172
Insurance	137,610,799	122,146,255
	594,196,037	549,908,233
22(a) Consolidated Rent, taxes, insurance, electricity etc.		
ONE Bank Limited	594,196,037	549,908,233
ONE Securities Limited	2,070,857	1,320,346
	596,266,893	551,228,579

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
23 Legal expenses		
Professional fees	11,412,315	14,852,761
Fees, Court fees & stamps	389,594	465,300
	11,801,909	15,318,061
Off-shore Banking Unit	58,757,058	19,896,322
	70,558,967	35,214,382
23 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	70,558,967	35,214,382
ONE Securities Limited	207,000	478,375
	70,765,967	35,692,757
24 Postage, stamps, telecommunication etc.		
Telex/Telephone/Fax etc	19,505,754	19,310,920
Courier/postage	14,196,938	11,617,370
Radio Link	31,406,982	31,547,471
Reuter	2,934,908	2,660,080
	68,044,581	65,135,840
25 Directors' Fees	1,432,000	1,536,000
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.		
25 (a) Consolidated Director's Fees		
ONE Bank Limited	1,432,000	1,536,000
ONE Securities Limited	97,750	145,250
	1,529,750	1,681,250
26 Stationery, Printing, advertisement etc.		
Printed and security stationery	48,398,954	55,972,292
Stationery	67,556,495	51,018,889
Advertisement	235,034,058	147,546,744
	350,989,507	254,537,925
26 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	350,989,507	254,537,925
ONE Securities Limited	347,473	387,510
	351,336,980	254,925,435
27 Managing Director's Salary & Allowances		
Basic Salary	10,200,000	10,200,000
House rent allowance	300,000	300,000
Provident Fund Contribution	1,020,000	1,020,000
Festival Bonus	1,700,000	1,700,000
Incentive Bonus	1,000,000	1,000,000
	14,220,000	14,220,000

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
28 Depreciation, leasing expense and repair of bank's assets		
Depreciation (Annexure - A)	284,617,184	272,649,764
Repairs & Maintenance	338,930,679	342,032,082
	623,547,863	614,681,846
28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	623,547,863	614,681,846
ONE Securities Limited	3,509,736	3,130,177
	627,057,599	617,812,024
29 Other expenses		
Entertainment	44,426,338	37,085,441
Car expenses	18,414,006	18,977,149
Donation and Subscription (including CSR)	115,021,296	178,590,298
Business Traveling & Conveyance	22,543,744	19,207,901
Computer & Printer expenses	21,205,195	19,798,040
Finance charge-against leased assets	-	224,796
Staff training & Award	8,783,319	10,177,724
Card Expenses	24,107,234	17,009,228
Bank charges and commission paid	8,016,672	9,046,647
Miscellaneous (Note-29.1)	5,883,042	5,988,477
ATM Booth Expenses	22,477,075	21,213,966
Call center operating expense	4,722,064	2,904,565
Issuance cost of Sub-Ordinated Bond	9,000,072	4,997,852
Mobile Financial Services	3,828,328	126,156
Loss from sale/ write off of assets	5,155,428	1,599,284
	313,583,811	346,947,525
Off-shore Banking Unit	1,579,730	-
	315,163,542	346,947,525
29.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		
29 (a) Consolidated Other expenses		
ONE Bank Limited	315,163,542	346,947,525
ONE Securities Limited	11,102,685	13,994,687
ONE Investments Limited	220,363	-
	326,486,590	360,942,212
30 Provision for loans, off balance sheet exposure, investment & other for the year		
Provision for bad and doubtful loans and advances	2,627,864,657	1,548,486,691
Provision for unclassified loans and advances	334,556,479	245,456,425
Provision for off-balance sheet exposure	66,955,638	(33,735,206)
Provision for diminution in value of share	-	-
Provision for other	13,908,315	7,486
	3,043,285,090	1,760,215,396
31 Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	-	-
ONE Securities Limited	59,428,753	(350,756,540)
	59,428,753	(350,756,540)

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
32 Consolidated provision for other assets for the year		
ONE Bank Limited	13,908,315	7,486
ONE Securities Limited	-	-
	13,908,315	7,486
33 Tax Expenses for the year		
Current Tax	968,355,401	1,211,690,953
Deferred tax	(19,733,569)	(48,383,337)
	948,621,832	1,163,307,616
33 (a) Consolidated Tax Expenses for the year		
Current Tax		
ONE Bank Limited	968,355,401	1,211,690,953
ONE Securities Limited	18,514,511	76,172,419
	986,869,912	1,287,863,372
Deferred Tax		
ONE Bank Limited	(19,733,569)	(48,383,337)
ONE Securities Limited	-	-
	(19,733,569)	(48,383,337)
	967,136,343	1,239,480,035
34 Interest receipts in cash		
Interest income on loans & advances	21,028,536,119	14,922,597,255
Interest on Treasury Bills and Bonds	1,861,277,310	1,732,948,854
	22,889,813,429	16,655,546,109
(Increase)/ Decrease in interest receivable on loans & advances	(1,659,605,114)	(1,083,038,970)
(Increase)/ Decrease in interest receivable others	222,493,329	(11,280,115)
	21,452,701,643	15,561,227,024
34 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	21,452,701,643	15,561,227,024
ONE Securities Limited	20,730,216	36,821,719
Interest on deposit paid by ONE Bank Limited to ONE Securities Ltd	(12,669,185)	-
	21,460,762,675	15,598,048,743
35 Interest payments		
Total interest expenses	14,733,524,810	10,034,541,415
Add : Opening balance of interest payable	2,021,281,931	1,269,312,060
Less: Closing balance of interest payable	(3,251,004,674)	(2,021,281,931)
	13,503,802,066	9,282,571,544
35 (a) Consolidated Interest Payment		
ONE Bank Limited	13,503,802,066	9,282,571,544
ONE Securities Limited	-	-
Interest on deposit paid by ONE Bank Limited to ONE Securities Ltd	(12,669,185)	-
	13,491,132,881	9,282,571,544
36 Fee and commission receipts in cash		
Commission, exchange and brokerage	891,500,185	785,712,599
Less : (Increase) / decrease in Commission receivable	-	-
	891,500,185	785,712,599

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
36 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	891,500,185	785,712,599
ONE Securities Limited	41,765,742	71,415,561
	933,265,927	857,128,160
37 Cash payments to employees		
Salaries and allowances	2,790,379,598	2,588,186,058
Managing Director's salary and allowances	14,220,000	14,220,000
	2,804,599,598	2,602,406,058
Less: Payable to employees	(354,367,582)	(336,299,374)
Add: Opening Payable	336,299,374	325,555,240
	2,786,531,390	2,591,661,924
38 Cash payment to suppliers		
Stationery, Printings, advertisements etc.	350,989,507	254,537,925
Repair & Maintenance	338,930,679	342,032,082
Add: closing stock of stationery and stamps	31,786,933	31,918,559
	721,707,120	628,488,566
Less: opening stock of stationery and stamps	(31,918,559)	(27,401,135)
	689,788,561	601,087,432
39 Cash receipts from other operating activities		
Other operating income	608,310,377	555,949,288
Exchange earnings	532,588,888	1,107,852,881
	1,140,899,266	1,663,802,169
39 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	1,140,899,266	1,663,802,169
ONE Securities Limited	24,108,837	383,986,876
	1,165,008,103	2,047,789,045
40 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	594,196,037	549,908,233
Legal expenses	11,801,909	35,214,382
Postage, stamps, telecommunication etc.	68,044,581	65,135,840
Directors fees	1,432,000	1,536,000
Auditors' fee	250,000	200,000
Other expenses	310,008,114	345,348,241
	985,732,641	997,342,695
Add: Outstanding in payable - Opening balance	235,226,212	183,889,627
Less: Outstanding in payable - Closing balance	(225,325,591)	(235,226,212)
	995,633,262	946,006,110
40 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	995,633,262	946,006,110
ONE Securities Limited	47,181,701	38,116,612
	1,042,814,963	984,122,722

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
41 (Increase)/decrease of other assets		
Closing balance:		
Security deposits	4,660,555	4,481,255
Advance rent	419,081,086	488,942,333
Prepayments	455,880,139	356,857,019
Application money against right share and clearing adjustment account	51,664,505	88,869,656
Suspense account	24,210,725	47,194,256
Receivable from Bangladesh Bank	196,006,798	235,935,321
Receivable from ONE Securities Ltd	32,097	-
Receivable from ONE Investments Ltd	205,426	-
Protested bill	2,594,351	2,594,351
Branch Adjustment Account	45,667,814	82,597,306
	1,200,003,496	1,307,471,497
Off-shore banking unit	200,922,889	67,397,567
	1,400,926,385	1,374,869,065
Less: Opening 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
Receivable from ONE Securities Ltd	-	-
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
	(26,057,320)	(398,785,632)
41 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	(26,057,320)	(398,785,632)
ONE Securities Limited	26,453,646	(20,145,113)
	396,326	(418,930,745)
42 Deposits from customers		
Closing balance of Deposits		
Payable on demand	24,394,322,150	27,025,082,430
Other deposits	170,223,591,953	144,776,816,134
	194,617,914,102	171,801,898,564
Less: Opening 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
Deposit increased during the year	22,816,015,538	24,658,754,647

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 Taka	2017 Taka
Add: Opening 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
Less: Closing balance of interest on deposit and others		
Interest on deposits	(3,251,004,674)	(2,021,281,931)
Other deposits Account	(289,817,861)	(295,471,673)
	(3,540,822,535)	(2,316,753,603)
	21,591,946,606	23,900,757,970
43 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	11,771,078	11,688,578
Government	558,895,756	1,149,276,574
Banks and other financial institutions	2,119,224	144,503,665
Others	13,697,824,807	12,095,639,303
	14,270,610,865	13,401,108,120
Total (i and ii)	14,270,610,865	13,401,108,120
44 Details break-up of Shareholders' Equity -Solo		
Paid-up Capital	7,665,336,840	7,300,320,800
Statutory Reserve	5,572,188,014	5,103,856,419
Surplus in Profit & Loss Account	1,146,018,509	1,681,378,120
Revaluation Reserve for HTM Securities	8,262,217	23,593,490
	14,391,805,580	14,109,148,829
45 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders' Equity -Solo	14,391,805,580	14,109,148,829
Total Shareholders' Equity -Consolidated	14,514,367,831	14,215,315,245
Weighted average number of outstanding Shares	766,533,684	766,533,684
Net Asset Value Per Share -Solo	18.78	18.41
Net Asset Value Per Share - Consolidated	18.94	18.54
46 Basic Earnings Per Share		
Attributable profit for the year -Solo	1,393,036,144	2,181,326,932
Attributable profit for the year -Consolidated	1,409,431,980	2,624,480,893
Weighted average number of outstanding Shares for the year:		
Opening balance	730,032,080	730,032,080
Bonus Share Issued for the year 2017	36,501,604	36,501,604
	766,533,684	766,533,684
Basic Earnings Per Share -Solo	1.82	2.85
Basic Earnings Per Share - Consolidated	1.84	3.42

Earnings per share has been calculated in accordance with IAS-33:"Earnings Per Share (EPS)". Previous year's figures have been restated for the issue of bonus shares during the year. No Diluted Earnings Per Share is required to be calculated for the year as there was no scope for dilution of share during the year (i.e. no right share was issued).

Notes to the Financial Statements

For the year ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
47 Calculation of Net Operating Cash Flow Per Shares (NOCFPS)		
Net Operating Cash Flow- Solo	5,676,922,469	5,148,942,086
Net Operating Cash Flow- Consolidated	5,639,461,003	5,288,707,850
Weighted average number of outstanding Shares	766,533,684	766,533,684
Net Operating Cash Flow Per Share –Solo	7.41	6.72
Net Operating Cash Flow Per Share – Consolidated	7.36	6.90

48 Reconciliation between Operating profit of the Bank and Cash Flows from Operating Activities (Solo):

Profit before provision and tax as per profit & loss account (A)	5,384,943,066	5,104,849,944
Adjustments (Non- Cash Items) (B)		
Increase in Interest income receivable	(1,406,604,293)	(1,160,453,460)
Increase in Interest expense payable	1,229,722,744	751,969,871
Depreciation expenses	284,617,184	272,649,764
Loss from sale of assets	5,155,428	1,599,284
Increase in salaries and allowances expenses payable	18,068,208	10,744,134
Increase in other expenses payable	48,988,063	46,819,161
	179,947,334	(76,671,245)
Adjustments (Non-Operating Items) (C)		
Dividend received during the year 2018 which was accrued last year 2017	346,499,884	(346,499,884)
Income tax paid (It is the part of cash flow from operating activities but not includes in operating profit in the profit & loss account)	(1,535,756,161)	(1,552,417,074)
	(1,189,256,277)	(1,898,916,958)
Profit after adjustment (A+B+C)	4,375,634,123	3,129,261,741
Cash generated from operating activities as per cash flows statements	4,375,634,123	3,129,261,741

49 Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2018: **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 31.12.2018: "Guarantee amounting to Tk. 8,390,000, Tk. 3,369,778 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. 3,500,000 against 100% FDR margin. Outstanding against the limit is TK. 2,754,939.06.
 - 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) i) As on Balance Sheet date, the total receivable amount of Tk. 32,097 from ONE Securities Limited.
ii) As on Balance Sheet date, the total receivable amount of Tk. 205,426 from ONE Investments Limited.
- viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):

Notes to the Financial Statements

For the year ended 31 December 2018

Lease agreement made with the Director :

Nature of the	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, Managing 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, Managing 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, Managing 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

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


50 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 2,239 (2017: 2,101).

51 Events after the balance sheet date

The Board of Directors in its 295th meeting held on 30 April 2019 has recommended stock dividend @ 10% subject to the approval of the Shareholders at the next Annual General Meeting.


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Syed Nurul Amin
Director


Zahur Ullah
Director

Financial Highlights on the overall activities of the Bank

As at 31 December 2018

Solo Basis

Sl No	Particulars	2018 Taka	2017 Taka
1	Paid up Capital	7,665,336,840	7,300,320,800
2	Total Capital	23,195,909,823	21,365,717,315
3	Capital Surplus/(deficit)	3,744,908,408	2,885,713,105
4	Total Assets	266,049,714,933	227,201,893,796
5	Total Deposits	202,631,233,984	182,674,689,666
6	Total Loans and Advances	198,908,749,218	170,393,469,963
7	Total Contingent Liabilities and Commitments	81,651,327,138	73,062,251,522
8	Credit Deposit ratio (%)	83.59%	84.57%
9	Percentage of Classified Loans against total loans and advances	7.05%	5.31%
10	Profit after tax and provisions	1,393,036,144	2,181,326,932
11	Amount of classified loans during the year	14,030,890,000	9,041,038,640
12	Provision kept against classified loans	5,508,573,082	4,333,477,757
13	Provision surplus/(deficit)	-	-
14	Cost of fund	9.05%	8.29%
15	Interest earning Assets	237,993,431,457	201,175,176,498
16	Non-interest earning assets	28,056,283,475	26,026,717,299
17	Return on investment-ROI	10.80%	9.62%
18	Return on Assets-ROA (Net profit after taxation/average assets)	0.56%	1.05%
19	Income from Investment	1,886,314,401	2,237,847,145
20	Earnings per Share	1.82	2.85
21	Net Income per share	1.82	2.85
22	Price Earning Ratio (Times)	8.25	8.43

Consolidated Basis

1	Paid up Capital	7,665,336,840	7,300,320,800
2	Total Capital	23,349,588,846	21,501,457,089
3	Capital Surplus	3,853,036,168	2,871,526,588
4	Total Assets	266,170,944,794	227,012,482,592
5	Total Deposits	202,383,177,103	182,143,002,056
6	Total Loans and Advances	198,958,428,525	170,441,405,552
7	Profit after tax and provisions	1,409,575,509	2,632,457,462
8	Earnings per Share	1.84	3.42
9	Net Income per share	1.84	3.42

Annexure-A

ONE Bank Limited
Schedule of Fixed Assets
 As at 31 December 2018

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)			Depreciation and Amortization (Taka)				Net book value at 31 December	Rate of depreciation per annum (Reducing Balance Method)
	Balance on 1 January	Additions during the year	Disposal/ Transfer Amortization during the year	Balance at 31 December	Balance on 1 January	Charge for the year	Adjusted on disposal during the year	Balance at 31 December	
Furniture and Fixtures	1,561,211,394	118,390,597	82,357,436	1,597,244,555	543,281,416	146,680,779	11,383,455	610,884,555	10%
Office Equipment	1,089,632,550	106,665,756	3,563,100	1,192,736,206	609,771,319	96,331,292	2,595,797	703,506,814	18%
Motor Vehicles	273,814,495	4,469,000	-	278,283,495	178,499,584	19,611,659	-	198,111,243	20%
Building	189,464,053	-	-	189,464,053	20,474,286	4,224,744	-	24,699,030	2.5%
Land	279,366,295	-	-	279,366,295	-	-	-	-	279,366,295
Sub-Total	3,393,488,787	229,526,353	85,920,536	3,537,094,604	1,352,026,605	266,848,474	13,979,252	1,537,201,643	1,999,892,961
Intangibles Assets	195,835,516	-	-	195,835,516	167,698,603	17,768,710	-	185,467,313	20
Total 2018	3,589,324,303	229,526,353	85,920,536	3,732,930,120	1,519,725,208	284,617,184	13,979,252	1,722,668,956	2,010,261,164
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

Annexure-B

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

	Amount in Taka	
	Detail	Total
Balance as per Bank ledger		11,229,409,137
Unrespond debit entries in:		
Bangladesh Bank Statement	10,533,624	
ONE Bank's ledger	500	10,534,124
		11,218,875,013
Unrespond credit entries in:		
Bangladesh Bank statement	10,636,603	
ONE Bank's ledger	11,741,346	22,377,949
Balance as per Bangladesh Bank Statement		11,241,252,961

2) Balance with Bangladesh Bank-Foreign currency

	Amount in Taka			
	USD	EURO	GBP	Total
A) Balance as per Bank ledger	4,583,277,014	22,395,160	1,772,873	4,607,445,046
B) Unrespond debit entries in:				
Bangladesh Bank Statement	53,589,998	-	-	53,589,998
ONE Bank's ledger	269,378,692	-	-	269,378,692
	322,968,691	-	-	322,968,691
C) Unrespond credit entries in:				
Bangladesh Bank statement	859,197,441	-	903	859,198,344
ONE Bank's ledger	545,709,943	-	-	545,709,943
	1,404,907,384	-	903	1,404,908,287
Balance as per Bangladesh Bank Statement (A-B+C)	5,665,215,707	22,395,160	1,773,776	5,689,384,642

Annexure-C

ONE Bank Limited
Financial Statements for the year ended 31 December 2018
Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2018			2017		
		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	14,316,813.21	83.9000	1,201,180,628.32	1,138,760.22	82.7000	94,175,470.19
Commerzbank AG, Frankfurt	USD	1,410,109.38	83.9000	118,308,176.98	936,302.40	82.7000	77,432,208.48
Mashreqbank Psc, New York	USD	8,711,026.64	83.9000	730,855,135.10	3,307,584.71	82.7000	273,537,255.52
ICICI Bank Limited, Hong Kong	USD	(25,607.84)	83.9000	(2,148,497.78)	221,507.09	82.7000	18,318,636.34
Wells Fargo Bank N.A, New York	USD	5,118,841.61	83.9000	429,470,811.08	968,564.85	82.7000	80,100,313.10
		29,531,183.00		2,477,666,253.70	6,572,719.27		543,563,883.63
Standard Chartered Bank, London	GBP	240,718.54	106.0160	25,520,016.74	125,627.66	110.8097	13,920,763.32
AB Bank Ltd, Mumbai	ACUD	(1,466,290.10)	83.9000	(123,021,739.39)	74,246.43	82.7000	6,140,179.76
Mashreqbank Psc, India	ACUD	350,099.72	83.9000	29,373,366.51	215,062.48	82.7000	17,785,667.10
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	103,779.11	83.9000	8,707,067.33	2,929.22	82.7000	242,246.49
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	118,468.46	83.9000	9,939,503.79	118,468.46	82.7000	9,797,341.64
Seylan Bank PLC, Colombo	ACUD	132,146.70	83.9000	11,087,108.13	6,529.18	82.7000	539,963.19
Standard Chartered Bank, Mumbai	ACUD	141,143.33	83.9000	11,841,925.39	482,159.12	82.7000	39,874,559.22
United Bank of India, Kolkata	ACUD	411,864.82	83.9000	34,555,458.40	414,584.17	82.7000	34,286,110.86
Axis Bank Ltd, Kolkata	ACUD	1,170,754.40	83.9000	98,226,294.16	713.66	82.7000	59,019.68
ICICI Bank Limited, Mumbai	ACUD	623,945.48	83.9000	52,349,025.77	202,795.60	82.7000	16,771,196.12
		1,585,911.92		133,058,010.09	1,517,488.32		125,496,284.06
Standard Chartered Bank, Tokyo	JPY	23,742,519.29	0.7535	17,889,988.29	8,192,170.00	0.7297	5,977,826.45
Standard Chartered Bank, Frankfurt	EURO	132,213.23	95.2685	12,595,756.10	216,361.12	98.3303	21,274,853.84
Commerzbank AG, Frankfurt	EURO	16,410.55	95.2685	1,563,408.48	289,711.43	98.3303	28,487,411.83
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	95.2685	8,240,062.18	86,493.04	98.3303	8,504,886.57
		235,116.82		22,399,226.76	592,565.59		58,267,152.24
Westpac Banking Corporation, Sydney	AUD	-	-	-	62,301.12	64.2496	4,002,822.04
Commerzbank AG, Frankfurt	CAD	80,978.45	61.8093	5,005,221.31	205,368.33	65.3393	13,418,622.92
Habib Bank AG Zurich, Zurich	CHF	164,674.99	84.2369	13,871,710.67	49,512.86	83.8317	4,150,747.23
Bank Al-Jazira, Jeddah	SAR	300,000.00	21.4350	6,430,500.00	300,000.00	21.4350	6,430,500.00
Total				2,701,840,928			775,228,602

Annexure-D

ONE Bank Limited
Details of Large Loan

As at 31 December 2018

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Fair Group	161.69	502.53	664.22
2	Mohammadi Group	203.97	366.20	570.17
3	Panwin Group	288.31	155.02	443.33
4	Confidence Group	112.45	261.10	373.56
5	City Group	330.62	23.22	353.84
6	GETCO Group	156.66	157.08	313.74
7	BBS Group	180.96	125.62	306.58
8	Habib Group	235.43	67.22	302.65
9	Globe Pharmaceuticals Group	198.87	95.52	294.39
10	S.H. Enterprise (Arafin Group)	22.09	271.39	293.47
11	Mahmud Group	139.92	143.72	283.65
12	Noman Group	262.57	19.51	282.08
13	Evince Group (Argon)	212.21	69.61	281.82
14	Medlar & Opex Group	158.45	116.76	275.21
15	Bangla Trac Group	24.55	242.48	267.03
16	Provita Group	142.33	121.78	264.11
17	Arunima Group	89.15	166.49	255.64
18	Ultimate Group	140.03	110.29	250.32
19	Popular Diagnostic Centre Ltd.	230.68	15.99	246.67
20	Saif Powertecc Ltd.	205.00	38.81	243.81
21	Navana Group	227.75	9.45	237.20
	Total	3,723.69	3,079.78	6,803.47

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 2018**

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent, Guarantor, Employee etc.	Percentage (%) of holding in the company	Remarks
1.	Mr. Sayeed Hossain Chowdhury	Chairman	1 Bangladesh Shipping Lines Ltd. 2 Baridhi Shipping Lines Ltd. 3 Bangladesh Land Ltd. 4 HRC Syndicate Ltd. 5 HRC Travels Ltd. 6 HRC Lighting Ltd. 7 HRC Properties Ltd. 8 HRC Shipping Ltd. 9 HRC Agrocom Ltd. 10 HRC Bangladesh Ltd. 11 HRC Products Ltd. 12 HRC Lamps Ltd 13 HRC Media Ltd. 14 Hamid Properties Ltd. 15 Arakan Express Ltd. 16 Cosco (BD) Shipping Lines Ltd 17 HRC Lather Complex Ltd 18 Information Services Network Ltd. 19 Bangladesh General Insurance Co. Ltd. 20 HRC Freight Ltd 21 Jaijaidin Publications Ltd. 22 Travelwise Ltd	60.00 60.00 18.89 93.00 90.00 47.00 45.00 94.71 80.00 56.00 80.00 80.00 99.05 10.00 21.00 51.00 5.00 8.17 2.07 80.00 66.67 15.00	
2.	Mr. Asoke Das Gupta	Vice-Chairman	1 Uniroyal Securities Ltd. 2 Uniroyal Trade Ltd. 3 IMTrex 4 Ocunova Eye Hospital 5 NTC Housing Ltd	55.00 60.00 100.00 5.00 12.50	
3.	Mr. Zahur Ullah	Director	1 Gtex Ltd. 2 Buttons & Trims Ltd 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Shamah Enterprises Ltd 7 Holiday Publications Ltd. 8 Lamisa Food Products Ltd. 9 NTC Housing Ltd.	33.33 70.00 70.00 60.00 60.00 40.00 10.00 70.00 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	50.00	-

Annexure-F

Statement of Tax Position of the Bank

As at 31 December 2018

Accounting Year	Assessment Year	Status
2004	2005-2006	Honourable High Court Division of Supreme Court of Bangladesh has given verdict in <u>favour of OBL</u> 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	
2013	2014-2015	
2014	2015-2016	The matter is pending at Honourable High Court Division of Supreme Court.
2015	2016-2017	Pending at Appellate Tribunal.
2016	2017-2018	Pending at Commissioner (Appeals).
2017	2018-2019	Tax return submitted for the assessment.
		Tax return submitted for the assessment.

Annexure-G

Off-Shore Banking Unit
Balance Sheet

As at 31 December 2018

Notes	2018		2017	
	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	20,000,000	1,678,000,000	-	-
Outside Bangladesh	7,228,604	606,479,906	-	-
	27,228,604	2,284,479,906	-	-
Money at Call on Short Notice Investment				
Government	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Loan and Advances:				
Loans, cash credit, overdraft etc.	4			
Bills purchased and discounted	148,875,054	12,490,617,048	66,510,144	5,500,388,878
	4,620,185	387,633,530	5,606,050	463,620,357
	153,495,239	12,878,250,578	72,116,194	5,964,009,236
Fixed Assets				
Other Assets	5			
	2,394,790	200,922,889	814,965	67,397,567
Non Banking Assets				
Total Assets				
	183,118,634	15,363,653,373	72,931,158	6,031,406,803
LIABILITIES AND CAPITAL				
Borrowings from other Banks, Financial Institutions and agents	6			
Deposit and other Accounts	7			
Current accounts and other accounts				
Bills payable	19,036	1,597,096	5,164	427,030
Savings bank deposits	-	-	-	-
Term deposits	1,932,578	162,143,252	8,725,642	721,610,592
	1,951,613	163,740,348	8,730,806	722,037,621
Other Liabilities	8			
Total Liabilities				
	13,454,188	1,128,806,334	20,089,240	1,661,380,170
Capital/Shareholders' Equity				
Profit and loss account	(1,507,667)	(126,493,259)	111,113	9,189,011
Total Liabilities and Shareholders' Equity				
	183,118,634	15,363,653,373	72,931,158	6,031,406,803
Off Balance Sheet Items				
Contingent Liabilities:	9			
Acceptance and endorsements				
Letter of Guarantee	258,420	21,681,473	681,586	56,367,138
Irrevocable Letters of Credit	-	-	-	-
Bills for Collection	2,130,991	178,790,147	4,553,357	376,562,641
	-	-	-	-
	2,389,411	200,471,620	5,234,943	432,929,779
Other Contingent Liabilities				
Claims lodged with but not recognized by the Bank	-	-	-	-
Other exchange contract	-	-	-	-
Total Contingent Liabilities				
	2,389,411	200,471,620	5,234,943	432,929,779
Other Commitments				
Documentary Credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving undertaking facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total other commitments	-	-	-	-
Total off-Balance Sheet items including contingent Liabilities				
	2,389,411	200,471,620	5,234,943	432,929,779

Off-Shore Banking Unit Profit & Loss Account

For the year ended 31 December 2018

	Notes	2018		2017	
		USD	TAKA	USD	TAKA
Interest income	10	8,337,958	699,554,654	3,775,863	312,263,858
Interest paid on deposits & borrowings	11	(8,518,469)	(714,699,565)	(3,501,947)	(289,611,038)
Net interest income		(180,511)	(15,144,911)	273,916	22,652,819
Income from investments		-	-	-	-
Commission, exchange and brokerage	12	62,694	5,259,996	97,652	8,075,825
Other operating income	13	125,701	10,546,276	97,753	8,084,186
Total operating income (A)		7,883	661,361	469,321	38,812,830
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal & consultancy expenses		700,323	58,757,058	240,584	19,896,322
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		18,829	1,579,730	-	-
Total operating expenses (B)		719,151	60,336,788	240,584	19,896,322
Profit before provision and tax (C=A-B)		(711,268)	(59,675,427)	228,737	18,916,509
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		824,105	69,142,413	119,639	9,894,142
		824,105	69,142,413	119,639	9,894,142
Provision for off-balance sheet items		(27,707)	(2,324,582)	(2,015)	(166,645)
Other provision		-	-	-	-
Total Provision		796,398	66,817,832	117,624	9,727,497
Profit/(loss) before tax (C-D)		(1,507,667)	(126,493,259)	111,113	9,189,011
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		-	-	-	-
Net profit after taxation		(1,507,667)	(126,493,259)	111,113	9,189,011

Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2018

	2018		2017	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	8,337,958	699,554,654	3,775,863	312,263,858
Interest payments	(8,518,469)	(714,699,565)	(3,501,947)	(289,611,038)
Fee and commission receipts	62,694	5,259,996	97,652	8,075,825
Legal expenses	(719,151)	(60,336,788)	(240,584)	(19,896,322)
Receipts from other operating activities	125,701	10,546,276	97,753	8,084,186
Operating profit before changes in current assets and liabilities	(711,268)	(59,675,427)	228,736	18,916,509
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(81,379,045)	(6,827,701,910)	(8,908,367)	(736,721,991)
Other assets	(1,579,826)	(132,547,364)	76,355	6,314,544
Borrowing from other banking companies, agencies etc.	125,220,500	10,505,999,950	(1,859,233)	(153,758,569)
Deposits from banks	(6,793,064)	(569,938,110)	(14,067,657)	(1,163,395,267)
Deposits from customers	13,872	1,163,870	-	-
Other liabilities	(7,542,564)	(632,821,103)	2,208,785	182,666,484
A Net cash flows from operating activities	27,939,873	2,344,155,333	(22,550,119)	(1,864,894,800)
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)	27,228,604	2,284,479,906	(22,321,382)	(1,845,978,291)
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)	27,228,604	2,284,479,906	-	-
Closing cash and cash equivalents				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	27,228,604	2,284,479,906	-	-
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	27,228,604	2,284,479,906	-	-

Off-Shore Banking Unit Notes to the Financial Statements

For the year ended 31 December 2018

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 Chattogram.

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, International Financial Reporting Standard (IFRSs) 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 IAS-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 International 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 2018 to 31 December 2018.

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

Off-Shore Banking Unit Notes to the Financial Statements

For the year ended 31 December 2018

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 IAS-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 IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.5 Revenue recognition

1.5.1 Interest income

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 IAS - 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 83.90 and EURO1=Taka 95.2685 (Mid rate as at 31 December 2018).

Off-Shore Banking Unit Notes to the Financial Statements

	2018		2017	
	USD	TAKA	USD	TAKA
3 Balance with other banks and financial institutions				
In Bangladesh	20,000,000	1,678,000,000	-	-
Outside Bangladesh (note-3.1)	7,228,604	606,479,906	-	-
	27,228,604	2,284,479,906	-	-
3.1 Outside Bangladesh				
Mashreq Bank NY	6,609,457	554,533,424	-	-
Commerzbank-CAD	619,148	51,946,482	-	-
	7,228,604	606,479,906	-	-
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loan (Short Term)	132,539,377	11,120,053,719	65,367,839	5,405,920,317
Cash Credit	14,664,646	1,230,363,794	-	-
Overdraft	1,462,098	122,670,033	999,852	82,687,795
Loan against Trust Receipt	208,933	17,529,501	142,452	11,780,766
	148,875,054	12,490,617,048	66,510,144	5,500,388,878
ii) Bills purchased and discounted				
Local bill purchased and discounted	4,620,185	387,633,530	5,606,050	463,620,357
Foreign bills purchased and discounted	-	-	-	-
	4,620,185	387,633,530	5,606,050	463,620,357
	153,495,239	12,878,250,578	72,116,194	5,964,009,236
5 Other Assets				
Due to Head Office	-	-	-	-
Prepayment	2,377,290	199,454,639	814,965	67,397,567
Interest receivable	17,500	1,468,250	-	-
	2,394,790	200,922,889	814,965	67,397,567
6 Borrowing from other banks, and financial institutions and agents				
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	47,250,000	3,964,275,000	19,000,000	1,571,300,000
Oesterreichische Entwicklungsbank AG (OeEB)	14,500,000	1,216,550,000	10,000,000	827,000,000
The OPEC Fund for International Development (OFID)	11,250,000	943,875,000	15,000,000	1,240,500,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	25,000,000	2,097,500,000	-	-
Norwegian Invest. Fund for Developing Countries (Norfund)	15,000,000	1,258,500,000	-	-
International Finance Corporation (IFC)	50,000,000	4,195,000,000	-	-
BRAC Bank OBU	1,826,600	153,251,740	-	-
EBL Hongkong	4,393,900	368,648,210	-	-
	169,220,500	14,197,599,950	44,000,000	3,638,800,000
7 Deposits and other accounts				
Current deposits	18,777	1,575,405	4,905	405,648
Deposits from Banks- Local (note-7.1)	1,932,578	162,143,252	8,725,642	721,610,592
Sundry deposits	259	21,692	259	21,381
	1,951,613	163,740,348	8,730,806	722,037,621

Off-Shore Banking Unit Notes to the Financial Statements

	2018		2017	
	USD	TAKA	USD	TAKA
7.1) Deposits from Banks- Local				
BRAC Bank Limited	1,932,578	162,143,252	8,725,642	721,610,592
8 Other liabilities				
Due From Head Office	8,915,570	748,016,354	18,075,920	1,494,878,622
Accured Interest for deposit	14,841	1,245,193	84,110	6,955,862
Interest Payable on Borrowings Outside Bd	1,940,144	162,778,054	359,518	29,732,115
Payable to Head Office (Retained Earnings)	1,024,786	85,979,511	796,181	65,844,181
Others	-	-	-	-
General Provision (Unclassified Loan)	1,534,952	128,782,506	721,162	59,640,092
General Provision for off balance sheet items	23,894	2,004,716	52,349	4,329,298
	13,454,188	1,128,806,334	20,089,240	1,661,380,170
9 Contingent liabilities				
Acceptance and Endorsements	258,420	21,681,473	681,586	56,367,138
Letter of Guarantee	-	-	-	-
Irrevocable Letter of Credit	2,130,991	178,790,147	4,553,357	376,562,641
Bills for Collection	-	-	-	-
	2,389,411	200,471,620	5,234,943	432,929,779
10 Interest income				
Bills purchased and discounted	210,078	17,625,551	246,079	20,350,719
Short Term Loan	3,130,894	262,682,016	1,541,964	127,520,427
Time Loan	3,743,931	314,115,843	1,802,968	149,105,446
Loan Against Trust Receipt	20,541	1,723,397	113,469	9,383,852
Overdraft	73,949	6,204,353	70,835	5,858,038
Others	1,158,564	97,203,494	549	45,376
Interest on loans and advances	8,337,958	699,554,654	3,775,863	312,263,858
Interest received from HO	-	-	-	-
Total Interest income	8,337,958	699,554,654	3,775,863	312,263,858
11 Interest on deposits, borrowings,				
Interest paid to HO	618,622	51,902,359	588,375	48,658,612
Interest expenses for borrowing	7,412,226	621,885,770	2,397,252	198,252,775
Interest expenses for other bank- Local	487,621	40,911,435	516,320	42,699,652
	8,518,469	714,699,565	3,501,947	289,611,038
12 Commission, exchange and brokerage				
Commission on L/C	50,562	4,242,121	96,017	7,940,584
Commission on acceptance	12,132	1,017,875	1,635	135,241
Other commission	-	-	-	-
	62,694	5,259,996	97,652	8,075,825
13 Other operating income				
Fees & Charges of Loan	125,701	10,546,276	97,753	8,084,186
EXP Issuing Charge	-	-	-	-
Postage	-	-	-	-
	125,701	10,546,276	97,753	8,084,186



ONE Securities Limited



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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ONE Securities Limited (here-in-after referred to as the "Company"), which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statement

The Asset Manager of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2, Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulation 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 and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance (the Managements) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

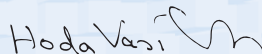
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) all the expenditure incurred were for the purposes of the Company's business.

Dhaka, 29 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Securities Limited
Statement of Financial Position

As at 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
SOURCE OF FUND			
Shareholders' Equity			
Paid-up Capital	3	2,500,000,000	2,500,000,000
Retained Earnings/ (accumulated losses)		123,823,755	107,238,828
Total Source of fund		2,623,823,755	2,607,238,828
APPLICATION OF FUND			
Non current assets (A)			
Investment in DSE and CSE shares	4	562,320,683	600,200,000
Fixed assets	6	22,532,174	25,559,281
		584,852,857	625,759,281
Current Assets (B)			
Advance deposit and prepayments	7	884,305	996,181
Advance income tax	8	107,627,366	63,694,727
Investment in shares	5	1,842,469,704	1,782,018,137
Investment in FDR		121,715,820	-
Margin loan to clients	9	49,679,307	47,935,589
Accounts receivable and others	10	16,031,996	42,373,769
Cash and cash equivalents	11	116,190,719	531,697,797
		2,254,599,216	2,468,716,200
Current Liabilities -C			
Other liabilities	12	157,448,607	79,505,343
Audit fee payable	13	35,000	25,000
Other payable	14	58,144,710	407,706,311
		215,628,317	487,236,654
Net current assets (D=B-C)		2,038,970,898	1,981,479,546
Total application of fund (A+D)		2,623,823,755	2,607,238,828

These Financial Statements should be read in conjunction with the annexed notes 1 to 23.


Aminul Islam
 Chief Executive Officer

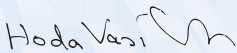

A.S.M. Salahuddin
 Director


Syed Nurul Amin
 Director


Asoke Das Gupta
 Director

See annexed report of even date.

Dhaka, 29 April 2019


Hoda Vasi Chowdhury & Co
 Chartered Accountants

ONE Securities Limited
Statement of Profit and Loss and other Comprehensive Income

for the year ended 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
Operating income (A)			
Commission and brokerage income	15	41,765,742	71,415,561
Interest income	16	20,730,216	36,821,719
Investment income	17	81,721,343	457,384,565
Other operating income	18	987,297	1,125,894
		145,204,598	566,747,739
Operating expenses (B)			
Salary & allowances	19	33,305,908	24,220,101
Rent, taxes, insurance, electricity etc	20	2,070,857	1,320,346
Auditors' fee		35,000	25,000
Directors' fees		97,750	145,250
Professional Fees		207,000	478,375
Bank charges		20,895	9,789
Printing & stationery		347,473	387,510
Repairs and maintenance		57,130	45,340
Depreciation		3,452,606	3,084,837
Fees and renewal	21	2,652,677	4,170,767
Direct expenses	22	3,480,866	5,558,695
Others expenses	23	4,948,246	4,255,436
Total		50,676,408	43,701,447
Net profit before provision and tax (A-B)		94,528,191	523,046,292
Provision for diminution in value of share	12.1	59,428,753	(350,756,540)
Provision for income tax	12.2	18,514,511	76,172,419
Net profit/(Loss) after provision		16,584,927	797,630,413
Retained surplus brought forward		107,238,828	(340,391,585)
		123,823,755	457,238,828
Interim Dividend		-	350,000,000
Retained surplus carried forward		123,823,755	107,238,828

Earnings per Share (EPS)


0.07


3.19

These Financial Statements should be read in conjunction with the annexed notes 1 to 23.


Aminul Islam
 Chief Executive Officer


A.S.M. Salahuddin
 Director


Syed Nurul Amin
 Director


Asoke Das Gupta
 Director

See annexed report of even date.

Dhaka, 29 April 2019



Hoda Vasi Chowdhury & Co
 Chartered Accountants

ONE Securities Limited
Statement of Cash Flows

for the year ended 31 December 2018


	2018 <u>Taka</u>	2017 <u>Taka</u>
Cash Flows from Operating Activities		
Interest receipts in cash	20,730,216	36,821,719
Commission and brokerage receipts in cash	41,765,742	71,415,561
Interest payments	-	-
Dividend receipts	58,599,803	74,523,583
Income taxes paid	(43,932,638)	(28,499,887)
Advance deposit and prepayment	111,872	(653,453)
Other payable	(349,593,698)	4,104,479
Other receivable	26,341,774	(19,491,660)
Loan to clients	(1,743,718)	(21,425,788)
Receipts from other operating activities	24,108,837	383,986,876
Operating expenses	(47,181,701)	(38,116,612)
A) Net Cash used in Operating Activities	(270,793,510)	462,664,819
Cash Flows from Investing Activities		
Payments for purchase of securities	(60,451,567)	(124,745,271)
Investment in FDR	(121,715,820)	-
Net proceed from sales of DSE Share	37,879,317	-
Net purchase/Sale of fixed assets	(425,498)	(15,029,524)
B) Net Cash used in Investing Activities	(144,713,568)	(139,774,795)
Cash Flows from Financing Activities		
Receipts from issue of shares	-	-
Short term borrowing	-	-
C) Net Cash from Financing Activities	-	-
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	(415,507,078)	322,890,024
Opening Cash and cash equivalents	531,697,797	208,807,773
Closing cash and cash equivalents	116,190,719	531,697,797

These Financial Statements should be read in conjunction with the annexed notes 1 to 23.


Aminul Islam
Chief Executive Officer


A.S.M. Salahuddin
Director


Syed Nurul Amin
Director


Asoke Das Gupta
Director

Dhaka, 29 April 2019

ONE Securities Limited
Statement of Changes in Equity
for the year ended 31 December 2018


Amount in Taka			
Particulars	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2018	2,500,000,000	107,238,828	2,607,238,828
Net profit / (loss) during the period	-	16,584,927	16,584,927
Interim Dividend	-	-	-
Balance as at 31 December 2018	2,500,000,000	123,823,755	2,623,823,755
Balance as at 31 December 2017	2,500,000,000	107,238,828	2,607,238,828

These Financial Statements should be read in conjunction with the annexed notes 1 to 23.


Aminul Islam
Chief Executive Officer


A.S.M. Salahuddin
Director


Syed Nurul Amin
Director


Asoke Das Gupta
Director

Dhaka, 29 April 2019

ONE Securities Limited

Notes to the Financial Statements

For the period ended 31 December 2018

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 presentation of financial statements

These financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company.

2.2 Basis of measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous years.

2.3 Regulatory compliance

In preparation of the Financial Statements, ONE Securities Limited complies with the applicable provisions of the following major laws/ statutes:

- The Companies Act, 1994;
- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;
- Negotiable Instruments Act, 1881;
- Securities and Exchange Rules, 1987;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000; and
- Other applicable laws and regulations.

2.4 Use of estimates and judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end.

Provisions and accrued expenses are recognized in the financial statements in line with International Accounting Standard (IAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - the Company has a legal or constructive obligation as a result of past event; and

- i. It is probable that an outflow of economic benefit will be required to settle the obligation.
- ii. A reliable estimate can be made for the amount of the obligation.

2.5 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.6 Statement of Cash flows

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

2.7 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per IAS-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.

ONE Securities Limited Notes to the Financial Statements

For the period ended 31 December 2018

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.

2.8 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.

2.9 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.

2.10 Provision for taxation

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

2.11 Interest paid and other expenses

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

2.12 Dividend income

Dividend income from investments is recognized at the time when it is declared, ascertained and right to receive the dividend is established.

2.13 Share capital

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

2.14 Reporting period

These financial statements cover period from January 01, 2018 to December 31, 2018.

2.15 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.

2.16 Directors' responsibility on Financial Statements

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

2.17 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 ISA-10 "Events After the Reporting Period".

2.18 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, 2018 as per IAS-33 "Earnings Per Share".

2.19 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 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
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		
<u>Name of Shareholders</u>	<u>Number of Shares</u>	<u>Amount in Taka</u>
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	282,320,683	320,200,000
Shares in CSE	280,000,000	280,000,000
	562,320,683	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, the amount of investment has been presented at cost. During the year 2018, ONE Securities Limited sold 25% of total DSE share (i.e; 72,15,106*25% = 18,03,777) to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) as per Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). Since the major part of the cost of investment designated to the TREC right and the active market price of such TREC right can not be determined; no capital gain or loss has been calculated for the transaction.

5 Investment in Share

1,842,469,704

1,782,018,137

5.1 The details of the investment in shares are as follows (as on December 31, 2018):

Business Segments	No. of Shares	Cost of Shares	Market value
Banks	57,188,064	1,289,872,689	955,448,245
Cement	2,709,676	209,832,149	118,502,633
Ceramics	91,808	5,018,167	3,580,512
Engineering	62,700	7,706,274	6,796,680
Financial Institutions	2,144,276	108,210,280	53,091,096
Fuel & Power	679,267	71,042,623	56,575,440
Miscellaneous	970,815	29,994,535	22,814,153
Mutual Funds	2,847,500	13,715,838	15,091,750
Pharmaceuticals & Chemicals	610,710	73,562,832	51,879,201
Telecommunication	46,784	23,952,689	17,183,763
Textile	141,135	9,561,629	6,647,459
Total		1,842,469,704	1,307,610,931

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
6 Fixed Assets including premises, furniture & fixtures		
Furniture & fixtures	21,216,011	21,081,161
Office equipment	10,578,781	10,288,133
	31,794,792	31,369,294
Intangible Assets	1,710,000	1,710,000
	33,504,792	33,079,294
Less: Accumulated depreciation	10,972,618	7,520,013
Closing balance	22,532,174	25,559,281
(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	480,000	624,000
Prepaid insurance premium	154,305	122,181
	884,305	996,181
8 Advance income tax		
Opening balance	63,694,727	35,194,841
Addition during the period (note-8.1)	43,932,638	28,499,887
Closing balance	107,627,366	63,694,727
8.1 Addition during the year		
Advance tax paid with Appeal to Appellate Tribunal	332,813	-
Advance tax paid for the Assesment Year 2018-2019	24,690,928	-
Advance tax on FDR interest	191,980	-
Advance income tax deducted on Dividend	11,286,191	14,904,668
Advance income tax deducted by DSE on transaction	6,199,577	7,005,036
Advance income tax deducted by DSE on transaction for Dealer	190,720	2,918,733
Advance income tax deducted by CSE on transaction for Dealer	18,648	381,391
Advance income tax deducted by CSE on transaction	103,166	260,174
Advance income tax deducted by Bank on Deposit	837,714	773,626
Advance income tax deducted by Bank on Deposit Dealer	80,901	2,256,258
	43,932,638	28,499,887
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	49,679,307	47,935,589
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 and others		
Receivable from DSE-Investor	8,795,136	31,207,861
Receivable from DSE-Dealer	-	167,982
Receivable from CSE-Dealer	-	10,997,926
Share receivable from IPO	3,529,965	-
Interest receivable	1,563,230	-
Dividend receivable	2,143,665	-
	16,031,996	42,373,769

ONE Securities Limited
Notes to the Financial Statements

For the period ended 31 December 2018

11 Cash and Cash Equivalent

Cash in Hand
ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C
ONE Bank Limited, Principal Branch (IPO Account)
ONE Bank Limited, Kawran Bazar Branch (SND) A/C
ONE Bank Limited, Principal Branch (SND)- Dealer

2018
Taka

2017
Taka

2,541	10,188
19,065,529	59,727,512
90,248,801	106,483,146
116,285	84,871
-	975
6,757,562	365,391,104
116,190,719	531,697,797

12 Other liabilities

Provision for diminution in value of investment in shares (note-12.1)
Provision for Income Tax (note-12.2)

59,428,753	-
98,019,855	79,505,343
157,448,607	79,505,343

12.1 Provision for diminution in value of investment in shares

Opening balance
Provision for the year
Closing balance

-	350,756,540
59,428,753	(350,756,540)
59,428,753	-

As per BSEC circular reference # BSEC/MUKHOPATRO(Third part)/2011/60 dated December 19, 2018, the provision for diminution in value of share can be deferred upto December 2020. Accordingly, the amount of required provision Tk. 534,858,773 has been spread between nine quarters including December 2018 quarter.

12.2 Provision for Income Tax

Opening balance
Provision for the year
Closing balance

79,505,343	3,332,924
18,514,511	76,172,419
98,019,855	79,505,343

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

13 Audit Fee

Opening balance
Charge during the year
Paid during the year
Closing balance

25,000	25,000
35,000	25,000
25,000	25,000
35,000	25,000

14 Other Payable

Leave fare assistance
Accrued performance bonus
VAT on audit fees
Tax payable on interim cash dividend
Payable to clients
Payable to ONE Bank Limited
Payable to service outsourcing
Payable to Dhaka Stock Exchanges-Investor
Payable to Chittagong Stock Exchanges-Dealer
Payable to Chittagong Stock Exchanges-Investor
Payable to CDBL
Payable to elite security services Ltd.
Payable to leadsoft bangladesh Ltd.
Payable for professional fees
Accrued other expense
Interim cash dividend payable

718,882	567,752
4,000,000	2,500,000
3,750	3,750
-	69,999,995
40,739,869	53,766,422
32,097	-
219,233	267,870
11,849,605	100,199
-	7,573
176,767	191,238
31,880	16,376
48,300	72,450
-	160,930
51,750	51,750
272,495	-
82	280,000,005
58,144,710	407,706,311

ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2018

	2018	2017
	Taka	Taka
15 Commission and Brokerage Income		
Commission income from Broker	40,300,166	48,314,718
Commission income from Dealer	1,465,575	23,100,843
	41,765,742	71,415,561
16 Interest Income		
Interest income from Margin Loan	8,061,031	6,522,873
Interest on Bank Deposit	9,186,154	30,298,846
Interest Income on FDR	3,483,030	-
	20,730,216	36,821,719
17 Investment Income		
Dividend Income	58,599,803	74,523,583
Gain on sale of Shares	23,121,540	382,860,982
	81,721,343	457,384,565
18 Other Operation Income		
BO accounts opening fees	182,400	194,400
BO account maintenance fee	481,500	368,100
Documentation fees for margin loan	20,400	43,200
Transfer/Transmission In/Out Charges	71,393	304,828
Cheque dishonour	123,000	106,000
Management fees- margin accounts	74,000	66,000
Miscellaneous	34,605	43,366
	987,297	1,125,894
19 Salary and Allowances		
Salary & allowances	26,738,448	18,326,439
Bonus	6,567,460	5,893,662
	33,305,908	24,220,101
20 Rent, taxes, insurance, electricity etc		
Office Rent	1,745,700	1,152,300
Insurance premium	171,931	134,896
Electricity	141,916	31,655
Utilities	11,310	1,495
	2,070,857	1,320,346
21 Fees and renewal		
License and renewal fee	259,573	355,250
RJSC expenses	19,352	18,568
Authorized representative application fee	32,400	38,600
CDBL Charges	2,233,352	3,660,849
Trading work station charge	41,000	20,000
Govt. Excise Duty	67,000	77,500
	2,652,677	4,170,767
22 Direct Expenses		
Howla Charges-CSE-Dealer	370	9,530
Transaction Fee -DSE	3,098,231	3,495,609
Transaction Fee-DSE-Dealer	95,360	1,459,366
Transaction Fee-CSE-Dealer	7,030	114,831
Howla Charges-CSE	1,252	6,462
Transaction Fee-CSE	278,622	472,897
	3,480,866	5,558,695

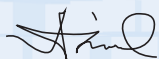
ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2018

23 Others expenses

Messenger Service
Security guard expenses
Entertainment
Conveyance
Training Expenses
Legal Expenses
Postage, Stamp & Telecommunication
Sundry Expenses
VAT on Audit fee
Cleaning Service
Executive furniture allowance
Investor protection fund
Board meeting expenses
Donation & Subscription-Others
Back office software maintenance charges
Bank guarantee charges

2018 **2017**
Taka **Taka**

513,606	396,669
880,794	667,428
892,493	637,377
375,631	191,602
15,000	33,750
3,000	3,000
1,091,770	909,196
212,196	176,956
3,750	3,750
445,503	348,319
39,995	-
11,109	-
-	38,732
108,500	301,000
161,700	160,930
193,200	386,728
4,948,246	4,255,436



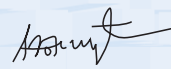
Aminul Islam
Chief Executive Officer



A.S.M. Salahuddin
Director



Syed Nurul Amin
Director



Asoke Das Gupta
Director

Annexure-A

ONE Securities Limited
Schedule of Fixed Assets

As at 31 December 2018

[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 %)
	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		
Furniture and Fixtures	21,081,161	134,850	-	21,216,011	2,684,791	1,845,254	-	16,685,967	10
Office Equipment	10,288,133	290,648	-	10,578,781	3,556,722	1,247,853	-	5,774,206	18
Sub-Total	31,369,294	425,498	-	31,794,792	6,241,513	3,093,107	-	22,460,173	
Intangibles Assets	1,710,000	-	-	1,710,000	1,278,500	359,499	-	72,001	20
Total 2018	33,079,294	425,498	-	33,504,792	7,520,013	3,452,606	-	22,532,174	
Total 2017	18,049,770	15,029,524	-	33,079,294	4,435,175	3,084,837	-	25,559,282	

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ONE Investments Limited (here-in-after referred to as the "Company"), which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018 and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statement

The Asset Manager of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2, Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulation 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 and error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance (the Managements) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

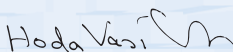
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) all the expenditure incurred were for the purposes of the Company's business.

Dhaka, 29 April 2019

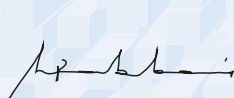

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Investments Limited
Statement of Financial Position

As at 31 December 2018

	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
ASSETS			
Non current assets		-	-
Current Assets			
Advance income tax		18,480	-
Cash and bank balance	4	10,152,884	-
Total current assets		10,171,364	-
Total Assets		10,171,364	-
EQUITY AND LIABILITIES			
Capital and Reserve			
Share capital	3	10,000,000	-
General reserve		-	-
Retained earnings		(45,562)	-
Total Equity		9,954,438	-
Current Liabilities			
Loan facilities		-	-
Other payable	6	216,926	-
Total Current Liabilities		216,926	-
Total Equity and Liabilities		10,171,364	-

These Financial Statements should be read in conjunction with the annexed notes 1 to 6.



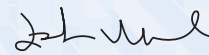
Md. Golam Rabbani
Company Secretary



A.S.M. Salahuddin
Director



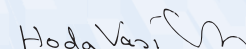
Syed Nurul Amin
Director



Zahur Ullah
Chairman

See annexed report of even date.

Dhaka, 29 April 2019


Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Investments Limited
Statement of Profit and Loss and other Comprehensive Income

For the period from 26 April 2018 to 31 December 2018


	<u>Notes</u>	<u>2018</u> <u>Taka</u>	<u>2017</u> <u>Taka</u>
Operating Income (A)			
Investment income		184,801	-
Other operating income		-	-
		184,801	-
Operating Expenses (B)			
Bank charges		13,438	-
Auditors' fee		10,000	-
Fees and renewal	5	205,426	-
Others expenses		1,500	-
Total		230,363	-
Net profit before provision and tax (A-B)		(45,562)	-
Provision for income tax		-	-
Net profit/(Loss) after provision		(45,562)	-
Retained surplus brought forward		-	-
Retained surplus carried forward		(45,562)	-
Earnings per Share (EPS)		(0.05)	-

These Financial Statements should be read in conjunction with the annexed notes 1 to 6.


Md. Golam Rabbani
 Company Secretary

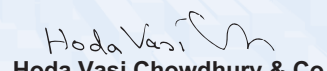

A.S.M. Salahuddin
 Director


Syed Nurul Amin
 Director


Zahur Ullah
 Chairman

See annexed report of even date.

Dhaka, 29 April 2019

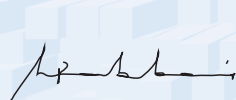

Hoda Vasi Chowdhury & Co
 Chartered Accountants

ONE Investments Limited
Statement of Cash Flows

For the period from 26 April 2018 to 31 December 2018

	2018 <u>Taka</u>	2017 <u>Taka</u>
Cash Flows from Operating Activities		
Interest receipts in cash	184,801	-
Income taxes paid	(18,480)	-
Operating expenses	(13,438)	-
A) Net Cash used in Operating Activities	152,884	-
Cash Flows from Investing Activities		
Payments for purchase of securities	-	-
Net purchase/Sale of fixed assets	-	-
B) Net Cash used in Investing Activities	-	-
Cash Flows from Financing Activities		
Receipts from issue of shares	-	-
C) Net Cash from Financing Activities	-	-
D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)	152,884	-
Opening Cash and cash equivalents	10,000,000	-
Closing cash and cash equivalents	10,152,884	-

These Financial Statements should be read in conjunction with the annexed notes 1 to 6.



Md. Golam Rabbani
Company Secretary



A.S.M. Salahuddin
Director



Syed Nurul Amin
Director



Zahur Ullah
Chairman

Dhaka, 29 April 2019

ONE Investments Limited
Statement of Changes in Equity

For the period from 26 April 2018 to 31 December 2018

Particulars	Amount in Taka		
	Paid-up Capital	Retained Earnings	Total
Balance as at 26 April 2018	-	-	-
Share Capital issued	10,000,000	-	10,000,000
Net profit / (loss) during the period	-	(45,562)	(45,562)
Balance as at 31 December 2018	10,000,000	(45,562)	9,954,438
Balance as at 31 December 2017	-	-	-

These Financial Statements should be read in conjunction with the annexed notes 1 to 6.




Md. Golam Rabbani
Company Secretary



A.S.M. Salahuddin
Director



Syed Nurul Amin
Director



Zahur Ullah
Chairman

Dhaka, 29 April 2019

ONE Investments Limited

Notes to the Financial Statements

For the period ended 31 December 2018

1 Status of the Company

1.1 Legal Form of the Company

ONE Investments Limited (OIL) is a subsidiary of ONE Bank Limited. OIL was incorporated on April 26, 2018 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company after completion of the formalities with the Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at HRC Bhaban, 46 Kawran Bazar C.A., Dhaka-1215.

1.2 Nature of Business Activities:

The activities of the Company include services broadly classified as fees and commission based and fund based services, such as underwriting of securities, issue management, portfolio management, corporate advisory services etc. The Company will apply to the Bangladesh Securities & Exchange Commission (BSEC) for its license to carrying out its operations formally and it will start its operation after getting the approval.

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of presentation of financial statements

These financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other laws and rules applicable to securities company. Since the Company has limited user of its financial statements certain disclosures required by IFRS and the Company's Act 1994 have not been presented.

2.2 Statement of Cash flows

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

2.3 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per IAS-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) 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 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.

2.5 Provision for taxation

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

ONE Investments Limited
Notes to the Financial Statements

For the period ended 31 December 2018

2.6 Interest paid and other expenses

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

2.7 Share capital

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

2.8 Reporting period

These financial statements cover period from April 26, 2018 to December 31, 2018.

2.9 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.

2.10 Directors' responsibility on Financial Statements

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

2.11 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 ISA-10 " Events After the Reporting Period".

2.12 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, 2018 as per IAS-33 " Earnings Per Share".

2.13 General

The Company prepares its first financial statements after its incorporation this year hence no comparative information has been presented.

ONE Investments Limited
Notes to the Financial Statements
as at 31 December 2018

	2018 Taka	2017 Taka
3 Share Capital		
3.1 Authorized Capital		
1,00,00,000 Ordinary Shares of Taka 10/- each.	100,000,000	-
3.2 Issued, Subscribed and Paid-up Capital		
10,00,000 ordinary shares of Taka 10/- each fully paid.	10,000,000	-
3.3 Shareholding position of the company		
<u>Name of Shareholders</u>	<u>Number of Shares</u> <u>Amount in Taka</u>	
ONE Bank Limited	510,000	5,100,000
NTC Housing Limited	490,000	4,900,000
	1,000,000	10,000,000
4 Cash and Cash Equivalent		
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	10,152,884	-
5 Fees and renewal		
Trade license fees	13,775	-
Registration fee	168,281	-
Stamp and certified copy related expenses for MoA & AoA	23,370	-
	205,426	-
6 Other payable		
Payable to ONE Bank Limited	205,426	-
Audit fee payable	10,000	-
VAT on audit fee	1,500	-
	216,926	-


Md. Golam Rabbani
Company Secretary


A.S.M. Salahuddin
Director


Syed Nurul Amin
Director


Zahur Ullah
Chairman

OUR NETWORK OF BRANCHES & BOOTHS

Corporate HQ: 2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka, Bangladesh

Tel: +880 2 9118161, Fax: +880 2 9134794, SWIFT: ONEBDDH000, Website: www.onebank.com.bd

Dhaka Zone

Principal Branch

45, Dilkusha C.A., Dhaka.
Tel : 880 2 9564249
Fax : 880 2 9561960
E-mail : manager.principal@onebank.com.bd
SWIFT : ONEBDDH001

Dhanmondi Branch

House No. 21, Road No. 8
Dhanmondi R. A., Dhaka.
Tel : 880 2 9139224, 9120790, 8120672
Fax : 880 2 9143965
E-mail : manager.dhanmondi@onebank.com.bd
SWIFT : ONEBDDH013

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 : ONEBDDH011

Banani Branch

Abidin 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 : ONEBDDH018

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 : ONEBDDH008

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 : ONEBDDH020

Bijoy Nagar Branch

Sattar Bhaban
179 Shahid Syed Nazrul Islam Avenue
Bijoy Nagar, Dhaka-1000.
Tel : 880 2 586315364, 5831535, 58315366
FAX : 880 2 58315363
E-mail : manager.bijoyanagar@onebank.com.bd
SWIFT : ONEBDDH021

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-Kausar 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

Richmond Concord, CES-F8/A, Gulshan Model Town
Bir Uttom Mir Shawkat Road, Gulshan, Dhaka -121
Tel : 880 2 9890138-40
Fax : 880 2 9856797
E-mail : manager.gulshan@onebank.com.bd
SWIFT : ONEBDDH003

Kawran Bazar Branch

HRC Bhaban
46, Kawran Bazar C. A., Dhaka.
Tel : 880 2 8189279-80
Fax : 880 2 58155158
E-mail : manager.kawranbazar@onebank.com.bd
SWIFT : ONEBDDH012

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 : ONEBDDH006

Ganakbari (EPZ) Branch

Somer Plaza
Ganakbari Savar, Dhaka.
Tel : 880 2 7789653-4
Fax : 880 2 7789654
E-mail : manager.ganakbariepz@onebank.com.bd
SWIFT : ONEBDDH005

Joypara Branch

Monowara Mansion
Joypara Bazar
Latakhola, Rajpara, 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 : ONEBDDH017

Jatrabari Branch

SA Tower
101, West Dholaipara, Shyampur, Dhaka-1204.
Tel : 880 2 4744408-9
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, 58814715
Fax : 880 2 8816649
E-mail : manager.progotisarani@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 Chayanee
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 Madhina Nandipara.
Dakshingonj/Khaligon, 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 Shahjadi 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 7658075, 7656052, 7656004
Mobile : 01708813158
E-mail : manager.sonargaon@onebank.com.bd
SWIFT : ONEBDDH001

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

Bhawal Mirzapur Branch

Bristi Complex,
Bhawal Mirzapur Bazar
Gazipur Sadar, Gazipur.
E-mail : manager.bhawalmirzapur@onebank.com.bd

Araihazar Branch

Madina Plaza, 675, Thana Road
Araihazar Bazar, Araihazar
Narayangonj.
E-mail : manager.araihazar@onebank.com.bd

Proposed Shantinagar Branch

Conifer Tower
31, Shiddeshwari Circular Road
Shantinagar, Ramna, Dhaka
E-mail : manager.shantinagar@onebank.com.bd

Khulna Zone

Khulna Branch

J.K Tower, 79 Jashore 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

Jashore Branch

M. S. Orchid Centre
44, M. K. Road, Jashore.
Tel : 880 421 68047-48
Fax : 880 421 68049
E-mail : manager.jessore@onebank.com.bd
SWIFT : ONEBDDH014

Kushtia Branch

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

Poradaha Branch

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

Cumilla Zone

Cumilla Branch

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

Laksham Branch

Mojumder Complex
972, Doulatgonj Bazar, Laksham, Cumilla.
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
Tel : 880 721 770496
E-mail : manager.rajshahi@onebank.com.bd

Bogura Branch

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

Sirajgonj Branch

Mostafa 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/A, Chouhatta, Sylhet.
Tel : 880 821 725093-94, 725472
Fax : 880 821 725094
E-mail : manager.sylhet@onebank.com.bd

Islampur Branch

Kayum Complex
Islampur Bazar, Sylhet.
Tel : 880 821 761725, 761670, 761632
E-mail : manager.islampur@onebank.com.bd

Sherpur Branch

Rajendra Complex Moulavibazar Road
Sherpur Bazar, Moulavibazar
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 : ONEBDDH051

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

Majdee Court Branch

Majdee Pouro Super Market, Main Road
Majdee Court, Noakhali
Tel : 880 321 71267
Fax : 880 321 71266
E-mail : manager.majdeecourt@onebank.com.bd

Mandari Bazar Branch

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

Raipur Branch

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

Amishapara Branch

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

Lakshmipur SME/Agriculture Branch

Sky Touch Tower
1305, Bazar road, Lakshmipur Sadar, Lakshmipur.
Tel : 88-0381-62875, 62876
E-mail : manager.lakshmipur@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

Chaterpaia Branch

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

Chatkhil Branch

Dr. Bashir Plaza
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, Companygonj, Noakhali.
Tel : 88 03223-56284-5
Fax : 03223-56286
E-mail : manager.bashurhat@onebank.com.bd

Chattogram Zone

Agrabad Branch

95, Agrabad C.A., Chattogram.
Tel : 880 31 721384, 726295, 711198
Fax : 880 31 714125
E-mail : manager.agrabad@onebank.com.bd
SWIFT : ONEBDDH002

Khatungonj Branch

110-111, Khatungonj, Chattogram.
Tel : 880 31 619377, 621252,
635645, 635526
Fax : 880 31 624454
E-mail : manager.khatungonj@onebank.com.bd
SWIFT : ONEBDDH004

Jubilee Road Branch

Kader Tower
128, Jubilee Road, Chattogram.
Tel : 880 31 2853112-5
FAX : 880 31 2853116
E-mail : manager.jubileeroad@onebank.com.bd
SWIFT : ONEBDDH023

Cox's Bazar Branch

Monora Complex
East 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, Chattogram.
Tel : 880 31 2858152-3
Fax : 880 31 2858154
E-Mail : manager.cdaavenue@onebank.com.bd

Nanupur Bazar Branch

Central Plaza
Nanupur Bazar, Fatikchhari, Chattogram.
Mobile : 01730323092
E-mail : manager.nanupurbazar@onebank.com.bd

Sitakunda Branch

BBC Steel Bhaban, South Shitalpur,
Sitakunda, Chattogram.
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, Chattogram.
Tel : 880 03032 56181-3
E-mail : manager.boalkhali@onebank.com.bd

Raozan Branch

Al-Baraka Mazda Bhaban
10742, 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, Chattogram.
Tel : 880 31 670023-5
Fax : 880 31 2573294
E-mail : manager.chandgaon@onebank.com.bd

Dovashi Bazar Branch

Tayyiba Madrasa Market
Chandraghona, Rangunia, Chattogram.
Mobile : 01755594073
E-mail : manager.dovashibazar@onebank.com.bd

Halishahar Branch

House # 2, Road # 3, Block # L
Halishahar Housing Estate, Boropole, Chattogram.
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, Chattogram.
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, Chattogram.
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, Chattogram.
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, Chattogram.
Tel : 880 3029 56142
Fax : 880 3029 56141
E-mail : manager.anowara@onebank.com.bd

Station Road Branch

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

Chattogram EPZ Branch

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

Bibirhat Branch

Al Macca Shopping Center
55, College Road, Bibirhat, Fatikchhari, Chattogram.
Mobile : 01709946020
E-mail : manager.bibirhat@onebank.com.bd

Pahartali Branch

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

Muradpur Branch

S. N. Mim City, 83 Muradpur
Hathazari Road, Panchlaish, Chattogram.
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, Chattogram
Tel : 880 02 43151167-69
E-mail : manager.colonelhat@onebank.com.bd

Oxygen Moor Branch

Ayesha Wazed Memorial Tower,
77 Hathazari Road, Oxygen Moor
Bayazid Bostami, Chattogram.
Tel : 880 02 43180031
Mob : 01711218556
E-mail : manager.oxygenmoor@onebank.com.bd

Padua Branch

N. K. City Shopping Complex,
739-5 Padua Bazar, Cox's Bazar Main Road
Lohagara, Chattogram.
E-mail : manager.padua@onebank.com.bd

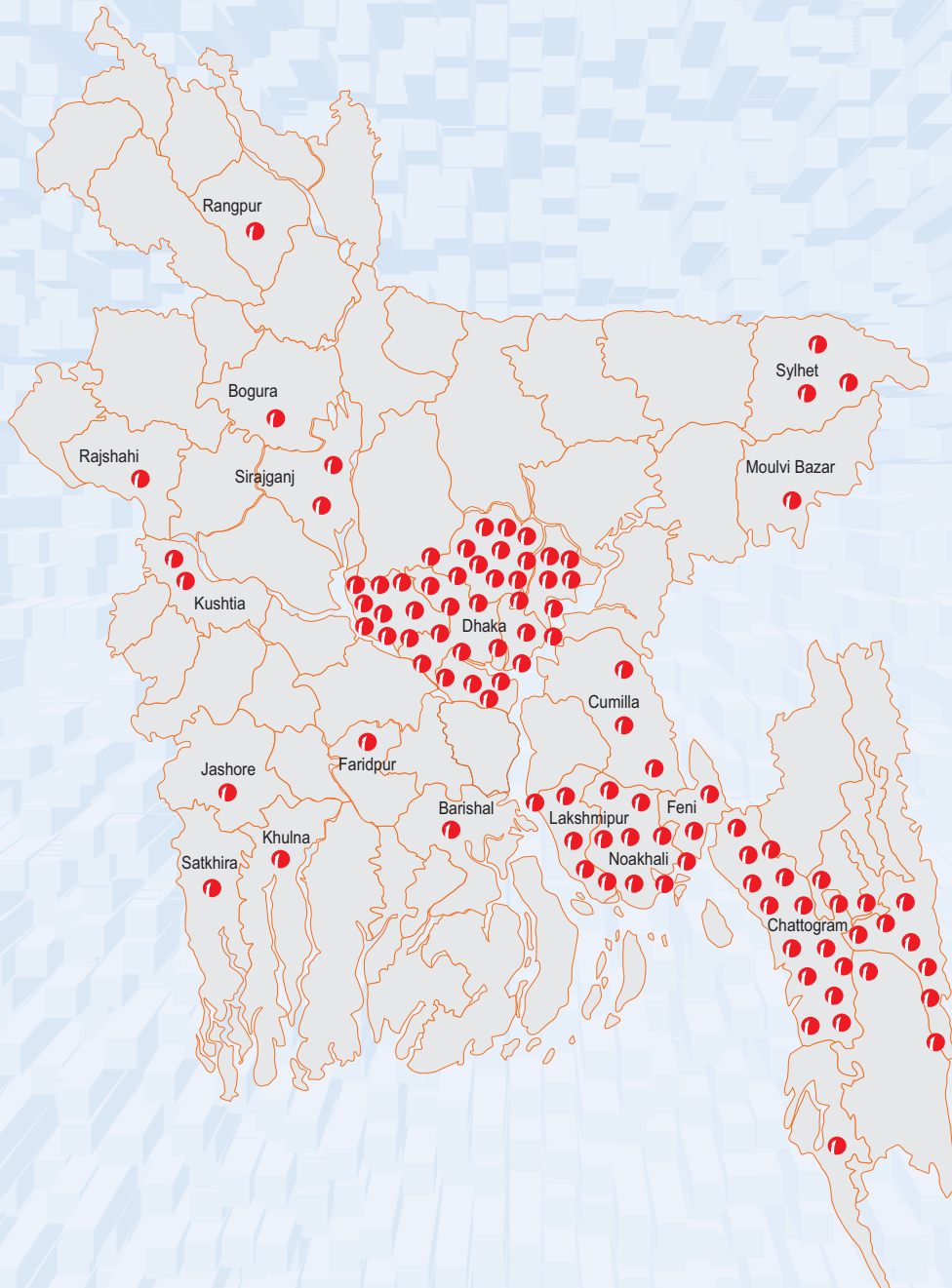
Barishal Zone

Barishal Branch

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

OUR NETWORK OF BRANCHES & BOOTHS

Booth							
Chattogram Port Booth Chattogram Port Authority Chattogram. Tel : 880 31 800570	One Stop Service Centre Chattogram Port Authority Chattogram. Tel : 880 4434 301051	Grihayan Bhaban Booth National Housing Authority 82, Segunbagicha. Dhaka -1000	Sreepur Booth Hazi Abdus Samad Bhaban, Sreepur, Ashulia, Dhaka.	Uttara Passport Office Booth House-20, Road-7, Sec-12, Uttara, Dhaka.	Sylhet Passport Office Booth Jakigong Sarak Sylhet City Corporation, Sylhet.		
AUST Booth 141-142, Love Road Tejgaon Industrial area Tejgaon, Dhaka.	DTM Operations Office General Cargo Berth Area Chattogram. Tel : 880 4433 324280	Baghabari Booth Aziz Mansion Baghabari Ghat Sirajgonj. Mobile : 01730703591	BAPEX Booth Bapex Bhaban 4, Kawran Bazar C/A, Tejgaon, Dhaka.	Mohammadpur Girls High School Booth Nurjahan Road Mohammadpur, Dhaka.	Shaheed Suhrawardi Medical College & Hospital Booth Sher-E-Bangla Nagar Dhaka-1207.		
DPDC Shyampur Booth 27, Alibahor, Shyampur Bazar, Shyampur, Jatrabari Dhaka.	DSE Booth 9/E, Mothijheel, Dhaka. Mobile : 01755541819	Parbatipur Depot (BPC) Booth Parbatipur, Dinajpur.	Bangabandhu Bridge Toll Collection Booth Western Plaza Bangabandhu Bridge Sirajgonj.	Narayanganj City Corporation Booth B.B. Road City Corporation Bhaban Narayanganj.	DPDC Banglabazar Booth NOCBS Banglabazar Circle Bhaban, 1, English Road, Bangshal, Dhaka.		
Proposed Inland Container Terminal (ICT) Booth Pangson, South Keranigonj Ekuria, Dhaka.				Inland Container Depot (ICD) Booth ICD, Kamtapur, Dhaka			



THE POWER OF

ONE



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 20th AGM of the Company to be held on Thursday, August 1, 2019 or at any adjournment thereof.

Signed this day of, 2019.

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.

THE POWER OF

ONE



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 20th AGM of the Company being held on Thursday, August 1, 2019 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 2018



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