

2019 | ANNUAL
REPORT

Responsible
Banking
With
Stability



ONE Bank

LIMITED

...We Make Things Happen

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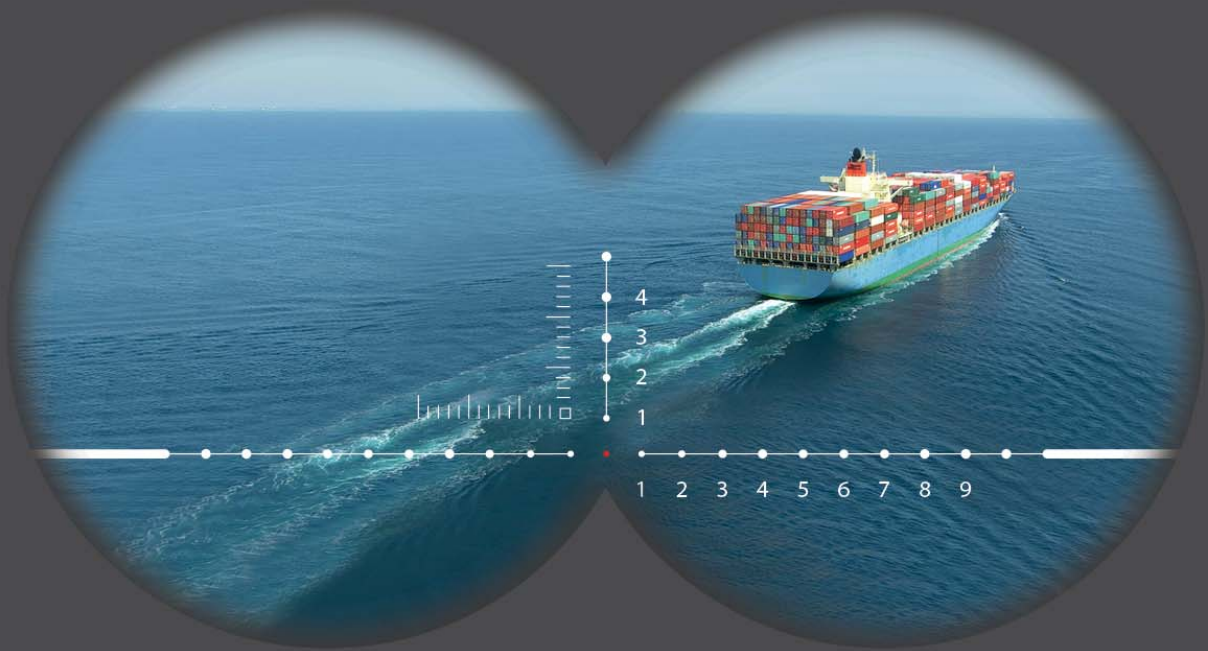




Company Milestones

	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.	
• Incorporation of Subsidiary Company ONE Investments Limited	November 07, 2016
• Inaugurated its 100th branch	April 26, 2018
• Introduction of Agent Banking operations	March 27, 2019
	November 05, 2019





Vision & Mission

Our Vision

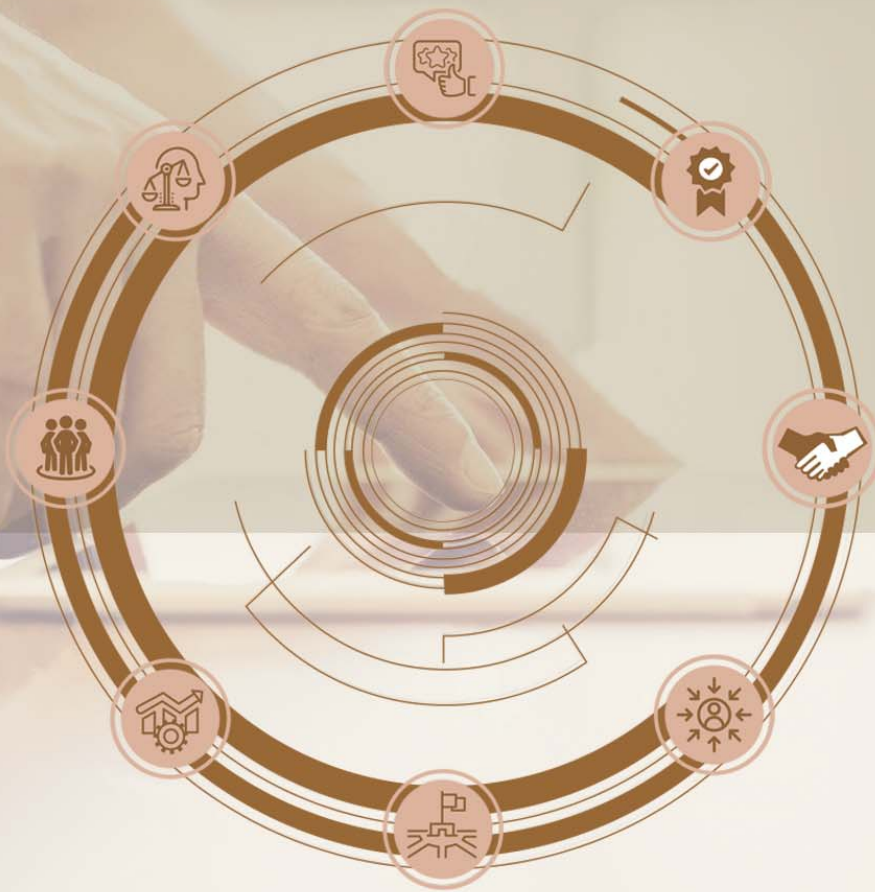
- To establish ONE Bank Limited as a Role Model in the Banking Sector of Bangladesh.
- To meet the needs of our Customers, provide fulfillment for our People and create Shareholder Value.

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



Company Information

Name of the Company

ONE Bank Limited

Chairman

Mr. Sayeed Hossain Chowdhury

Vice Chairman

Mr. Asoke Das Gupta

Company Secretary

Mr. John Sarkar

Managing Director

Mr. M. Fakhrul Alam

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



Auditors / Legal Advisers

Auditors

ACNABIN

Chartered Accountants
BDBL Bhaban (Level-13)
12 Kawran Bazar Commercial Area
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 2019

Figures in Million Taka

SI No	Particulars	2019	2018	2017	2016	2015
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	8,432	7,665	7,300	6,637	5,899
3	Shareholders' equity	16,052	14,392	14,109	12,916	11,579
4	Statutory Reserve	6,082	5,572	5,104	4,435	3,846
5	Total Capital (Tier-1 + Tier-2 Capital)	24,977	23,196	21,366	20,309	14,759
6	Total Assets	297,874	266,050	227,202	188,241	154,193
7	Total Deposits	228,091	202,546	182,675	153,428	131,252
8	Total Loans & Advances	215,228	198,909	170,393	132,084	106,749
9	Total Investment	33,728	28,724	26,144	28,049	22,900
10	Import business handled	130,548	137,904	150,633	127,067	105,199
11	Export business handled	99,496	94,797	93,806	67,483	56,176
12	Guarantee business handled	14,813	19,297	15,673	10,240	12,939
13	Total Contingent Liabilities	73,966	81,651	73,062	70,895	61,444
14	Total Operating Income	9,335	10,214	9,575	8,222	7,640
15	Total Operating Expenses	5,216	4,829	4,471	3,946	3,492
16	Profit before provision	4,119	5,385	5,105	4,275	4,148
17	Provision for loans and other assets	1,568	3,043	1,760	1,329	1,450
18	Profit after provision and before taxes	2,551	2,342	3,345	2,946	2,698
19	Provision for taxation	891	949	1,163	886	776
20	Net profit after taxation	1,660	1,393	2,181	2,061	1,922

Figures in Taka/Percentage

SI No	Particulars	2019	2018	2017	2016	2015
1	Earnings per Share	1.97	1.82	2.99	3.10	3.26
2	Price Earning Ratio (Times)	5.23	8.25	8.03	5.89	4.69
3	Net Asset Value per share	19.04	18.78	19.33	19.46	19.63
4	Return on Assets	0.59%	0.56%	1.05%	1.20%	1.39%
5	Return on Investment	6.00%	6.88%	8.26%	7.58%	7.86%
6	Capital Adequacy Ratio	12.80%	11.93%	11.56%	13.89%	10.93%
7	Tier - 1 (Capital)	8.18%	7.37%	7.60%	8.72%	8.46%
8	Credit Deposit Ratio	83.88%	83.59%	84.57%	83.87%	80.58%
9	Percentage of classified loans against total loans and advances	9.24%	7.05%	5.31%	4.93%	3.58%
10	Dividend					
	Cash	5.00%		15.00%	13.00%	12.50%
	Stock	5.00%	10.00%	5.00%	10.00%	12.50%

SI No	Particulars	2019	2018	2017	2016	2015
1	Number of Branches	103	99	95	87	85
2	Number of Employees	2414	2239	2101	2028	1976

Earnings per share, price earning ratio and net asset value per share have been presented as per respective years' financial statements.





Chairman's Address

In the name of the Almighty Allah

Dear Fellow Shareholders,

With much compassion during this COVID-19 Pandemic situation, on behalf of the Board of Directors and all the staff members of OBL, I extend to all of you a very warm welcome to the 21st Annual General Meeting of today.

It is my immense pleasure that so many of our shareholders and shareholders' representatives have registered their presence on-line for this virtual AGM. In fact, we had intended to hold a vibrant physical AGM with the participation of a large number of Shareholders in person as we did every year in the past. Due to the COVID 19 pandemic and the Bangladesh Securities & Exchange Commission's consequent advice, you must have noted that we have rescheduled our AGM by shifting the date from 13th August, 2020 to today, 10th September 2020 to hold it virtual. We always value open interaction with our honorable shareholders. Your active participation & suggestions enrich & inspire us.

ONE Bank Limited, since its inception, has always pursued policies and strategies keeping in mind the Bank's long term growth. Our efforts and initiatives towards capacity building infrastructural preparedness for meeting future operational needs/demands and to ensure sustainable business and profit has continued.

In terms of Business Performance, OBL had a mixed experience during 2019. The business parameters showed positive move in terms of performance. Loan growth was around 8.20% and Deposit growth was 12.61% compared to the performance of the year 2018.

Our earning capability has increased which has its reflection in our EPS growth of 19.39%.

As a sign of growing confidence in OBL, the hard working foreign Wage Earners inward remittances showed positive growth of 8.81%. We are proud to be a part of the country's increased export growth by contributing 5% growth in export business compared to the previous year.

The Capital Adequacy Ratio has increased to 12.80% compared to 11.93% of last year, whereas regulatory requirement is 12.50%. Due to practising Strict compliance procedure and to create pressure on the Non performing clients to repay or regularize, our NPL percentage has increased from 7.05% to 9.24%.

You are aware that most of the banks in the country have declared Dividend more or less in the range of 10% (some in the form of Stock Shares, a few @ 5% in Cash and 5% in Stock). Your Board has recommended for this financial year 5% Cash and 5% Stock Dividend to this AGM considering the Shareholders' preference.

During the year, we had opened 4 (four) new Branches. As of 31st December 2019, OBL had 103 Branches and 11 Sub Branches, 13 Booths across the country covering all the major and satellite business centers of the country. Total number of ATM Booths was 118 (85 being onsite and 33 offsite).



Chairman's Address

In previous Annual General Meetings, a good number of honorable Shareholders suggested that OBL should introduce Islamic Banking. It had also always been an intention of the Board of Directors of OBL. We are pleased to report, recently OBL received Bangladesh Bank's approval to open two (2) Islamic Banking Branches-one at Gulshan Avenue, Dhaka and another at Agrabad C.A., Chattogram. Necessary measures are being taken to expedite the launching of these two (2) Islamic Banking branches.

The Bank's Custodial Services has been continuously gaining ground. It is involved in opening NITA (Non- resident Investor Taka Account), opening FC Accounts etc., buying and selling shares at DSE and CSE as per clients' instructions. Growing numbers of NRB and Foreign Investors have been showing interest and opening FC & NITA Accounts and conducting buy/sale in the Bangladesh Capital Market through Dhaka & Chattogram Stock Exchanges.

Your Bank is well known for its customer friendly services and attention. Our subsidiary ONE Securities Limited (OSL) continues to maintain its position as one of the leading Stock Brokers and Stock Dealers of DSE & CSE. OSL has its main offices and Branches in Dhaka & Chattogram along with extension of Dhaka main Branch in an adjacent building of the DSE. Renovation work at our office Space in the new DSE Building at Nikunja, Dhaka will be undertaken shortly. We have kept our initiatives to open new branches at all key locations across the country and have been maintaining close contact with BSEC for their approval/permission in this regard.

We are pleased to inform that our international partners FMO, PROPARCO, NOR FUND, OFID & OeEB & IFC have maintained their trust and confidence in OBL. We believe this bonding shall be further strengthened in the years ahead.

OBL has been increasingly utilizing its digital channels. We have not only leaned more heavily on existing digital channels/platform to enable contactless customer engagement but have also taken initiatives to enter into the path to digitize core banking processes such as introduction of electronic Know Your Customer, Online document submission etc.

As we have embarked on new reality, OBL is planning concrete actions to Enhance customer confidence, Ease concern about financial commitments, Take proactive measures to help the vulnerable customers as well as recovery & regularization of defaulting loans and advances.

In light of changing Government Policies, we are paying attention to the impact on profit & capital and reviewing our business plans to increase share value and implement contingency measures to safeguard the Shareholders' Value in future. We will soon develop new strategies considering a range of external and internal factors, emerging consumer trend/preferred digital channels (as well as digital averse segment such as elderly or rural populations), a prolonged period of lower profits and tighter balance sheets, reduced interest rates due to regulatory pressure, and increased operational costs due to new safety measures. We will have to revamp/realign our digital platforms and services keeping with the emerging eco- system. We have already contemplated & started to discuss multiple cost saving strategies.

OBL has been always committed to Corporate Social Responsibility (CSR). A total sum of Tk. 7.35 crore was spent during the year 2019 towards following programs:-

- Contribution for teachers' remuneration and reading materials of students of primary school level.
- Scholarship to the underprivileged but meritorious students across the country.
- Payment of Doctors' remuneration for extending medical services to the poor people.



Chairman's Address

- Publication of advertisements for creation/increasing awareness on integrity.
- Donation of Blankets for the cold stricken poor segments of the society.
- Tree plantation works at Bangabandhu Sheikh Mujib Shilpa Nagar (Mirsarai Economic Zone), Chattogram.
- Distribution of relief among flood affected people at Sirajgonj Sadar Upazila area, Sirajgonj.
- Arrangement of 02 (two) nos. of training programs on "Financial Skill Development of Youth towards implementing Sustainable Development Goals conducted at OBL's Training Institute in 2019.

Your Bank has been one of the few banks who truly believes in Good Governance- Accountability, Transparency, Compliance and Disclosures.

Corporate governance implies maintaining a balance of interests of the Bank's stakeholders such as shareholders, management, customers, suppliers, financiers, government and the community. OBL strictly conforms to the following core values:

- Accountability
- Transparency
- Disclosure
- Compliance
- Strong ethical standards
- Laws and regulations
- Enhancement in the stakeholders' value
- Consistency
- Enrichment of quality of life of the community through discharge of Corporate Social Responsibility (CSR)
- Promotion of Sustainable Development

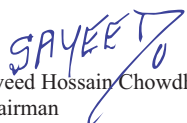
Please be rest assured and be confident that in the wake of changed reality and emerging new demands and needs of our Clients and the economy, OBL has started its work on what the next phase of its sustainable growth and development pathway should be. We are preparing to be co-partner in re-starting economic engine including the long term economic, environmental & social advancement and stimulus investments. In doing so, we will take into cognizance on the short term: To boost economic activities and Timelines & Risk and on the long term: Economy's growth potential, Resilience to future shocks, Decarbonization and sustainable growth trajectory: Green technologies like grid investment to facilitate renewable energy, electric vehicles etc. and on low-tech options like afforestation and landscape restoration and management.

Besides, please note that our efforts to consistently and persistently enhance & strengthen surveillance capability in the changed reality and realignment of policies and strategies has been ongoing. Human Resources are being re-engineered to match new policies & strategies to take charge of speedy growth path in the coming days. We shall be the Bank for others to follow.

I would like to take this opportunity to register my gratitude to the Regulatory bodies, particularly Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC) for their support, co-operation and good advices. Would also like to thank our Customers, Vendors, Business Associates, Financial Institutions and other stakeholders for their continued support and co-operation.

I, on behalf of the Board of Directors, would like to express my gratefulness for your active participation today. Sincerely appreciate your continued support and believe that you will continue to do so in the days ahead.

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


Sayeed Hossain Chowdhury
Chairman

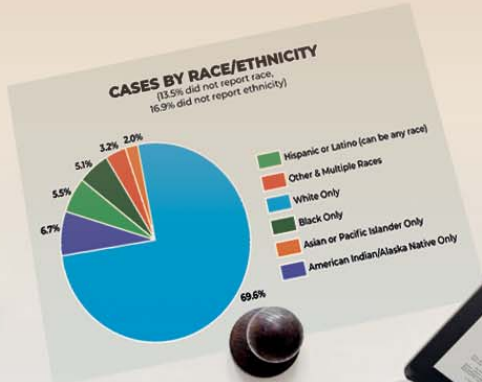


Why Dream?

Visit **ONE Bank**
and make your dream come true



ONE Bank
Saving Schemes



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 Ocnova 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 29 years of rich experience in the Shipping sector of Bangladesh.



Mr. Salahuddin Ahmed

Independent Director

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



Directors' Profile



Mr. Syed Nurul Amin

Independent Director

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



Mr. M. Fakhru Alam

Managing Director

Mr. M. Fakhru Alam served as Managing Director of the Bank for 6 (Six) years in two terms 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 3rd terms with effect from October 8, 2019. 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 37 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. Salahuddin Ahmed

Members

Mr. Asoke Das Gupta

Mr. Zahur Ullah

Mr. Syed Nurul Amin

Company Secretary

Mr. John Sarkar



Key Personnel

Managing Director

Mr. M. Fakhru Alam

Additional Managing Director

Mr. Md. Monzur Mofiz

Deputy Managing Director

Mr. Mahmoodun Nabi Chowdhury
Mr. Wakar Hasan
Mr. John Sarkar

Additional Deputy Managing Director

Ms. Rozina Aliya Ahmed
Mr. A. B. M. Saif Sarwar
Mr. Md. Fazlur Rahman Chowdhury

Senior Executive Vice President

Mr. M. Ahsan Habib
Mr. Sudhir Chandra Das
Mr. Md. Manirul Islam
Mr. Riton Barua
Mr. Md. Abu Saleh
Mr. Kh. Rashed Akhtar Zaman

Executive Vice President

Mr. Mirza Ashraf Ahmad
Mr. Md. Kamruzzaman
Mr. Mohammad Farhad Hossen Khan
Mr. Gazi Yar Mohammed
Ms. Mallika Nabi
Mr. Ashraf Haq Amin
Mr. Khandaker Liakat Ali
Mr. Kazi Md. Amzad Hossain
Mr. Faisal Adil
Mr. Newaz Khalid Ahmed
Mr. Md. Nazrul Islam Bhuiyan
Mr. Md. Belayet Hossain
Ms. Morsheda Begum
Mr. Ziaul Haider Shailul Haque
Mr. Md. Anwarul Islam
Mr. Khaled Mahbub Morshed

Senior Vice President

Mr. Hasnain Ahmed
Ms. Shirin Mullick
Ms. Jahanara Begum
Mr. Syed Rezaul Karim Chowdhury
Mr. Md. Golam Rabbani
Mr. Md. Masumul Goni
Mr. Md. Zahid-Ul-Islam
Mr. Md. Mazharul Islam Chowdhury
Mr. Shibly Nasimul Huq
Mr. Asif Mahmud Khan
Mr. Md. Nurun Nobi
Mr. Taufiq Ahmed
Mr. Mohammad Kabir Hossain
Mr. Md. Shafiqur Rahman Sikder
Mr. Md. Zahidul Islam
Mr. Md. Borhan Uddin
Mr. Syed Maruf Ali
Ms. Meher Farzana
Mr. Md. Mizanur Rahman
Mr. M. M. Emranul Hoque
Mr. S. M. Hafizur Rahman
Mr. Mujtaba Masroor Kazmi

Mr. Shahabuddin Ahmed
Mr. Md. Mohiuddin
Mr. Mohammad Kamrul Ahsan

Vice President

Mr. Qamrul Chowdhury
Mr. Mohammad Masrur Majid
Mr. Abdullah Al Mamun Zahangir
Mr. Habibul Islam
Mr. Moonir Sadiq
Mr. Khondaker Abdul Mazid
Mr. Biplab Banik
Mr. S.M. Salahuddin
Mr. Mahmudul Hasan
Mr. Aminul Islam
Mr. Md. Zahidul Islam
Mr. Md. Rafe Shafquat
Mr. Abu Sayed Md. Abdul Mannan
Mr. Md. Salah Uddin
Mr. Mohammad Moniruzzaman
Mr. Mohammad Rafiqul Islam
Mr. Shaikh Mohammad Mizanur Rahman
Mr. Faruk Ahmed
Mr. Dilip Pius Rozario
Mr. Abu Mohammed Saifuzzaman
Mr. Md. Masud Alam
Mr. Mohammad Masudul Haque
Mr. Md. Alauddin
Mr. Md. Abdul Mannan

Senior Assistant Vice President

Mr. Joarder Alimuzzaman Rabby
Ms. Kawsara Sattar
Ms. Anjima Begum
Ms. Kazi Fauzia Yasmin
Mr. Abul Masud Khan Chowdhury
Mr. Bimalendu Chowdhury
Mr. Syed Mohammed Ekram Ullah
Mr. Shubir Mitra
Mr. Mohammed Rafiul Islam
Mr. Mohammad Monowar Hossain Khan
Mr. Md. Mobasherul Haque
Mr. Md. Monirul Alam Romel
Mr. Mohammad Munir Chowdhury
Mr. Md. Samso Uddin
Mr. Fayzur Rahman Khan
Mr. Kazi Mahmudur Rahman
Mr. Md. Sharifur Rahman
Mr. Md. Motaher Hossain
Mr. Mohammad Mehboob Ali
Mr. Muhammad Zakir Hussain
Mr. Md. Abdus Salam
Mr. Abdus Samad
Mr. Mohammad Abu Baker Siddique
Mr. Jamal Uddin Ahmed
Mr. Md. Aminul Islam
Mr. Syed Shahidul Haque
Mr. Pankoj Suter
Mr. Aksirul Haque Bhuiyan
Mr. Kazi Md. Eleas Kanchon
Mr. Syed Salahuddin Ahmed
Mr. Md. Faizul Mobin
Mr. Muhammad Mostafiqur Rahman
Mr. A. S. M. Abu Bokor Siddique
Mr. Jamil Hossain

Mr. Md. Rafiqul Islam Bhuiyan
Mr. Md. Jashim Uddin
Mr. Md. Rezaul Karim
Mr. Md. Fazle Mahmud
Mr. Md. Abir Rahman
Ms. Tanjiba Sultana
Mr. Mir Waies-Ur-Rahman
Mr. Md. Nazir Hossain
Mr. Ariful Hoque
Ms. Mili Sen
Mr. Sk. Didar-Rul-Alam
Mr. Sheikh Zaki Shahriar
Mr. Mohammad Wajahat Anwar
Mr. A. T. M. Shahidullah
Mr. Choudhury Maksudul Haq

First Assistant Vice President

Mr. Md. Khurshid Khan
Ms. Nilufar Panna
Mr. Mohammad Rashidul Alam
Ms. Rehena Yesmin
Mr. Kazi Md. Forkan
Mr. Md. Ekramul Hoque
Ms. Fouzia Hakim
Mr. Debasish Das
Mr. K. M. Moinul Arif
Ms. Sajeda Khatun
Mr. Md. Ashraf Razi
Mr. Md. Abdul Momin
Mr. Md. Golam Rasul Bhuiyan
Mr. Shahid Emdadul Islam
Mr. Shaikh Babul Hossain
Mr. Md. Mojibur Rahman
Mr. Md. Akbar Hossain Chowdhury
Mr. Sk. M. M. Rabiul Islam
Mr. Md. Shibir Ahmed Salim
Mr. Badrul Alam Chowdhury
Mr. Md. Momtaz Goni
Mr. Mohammad Fouad Chowdhury
Mr. Mohammad Shafiul Azam
Ms. Laila Nasrin
Mr. A.K.K.M. Zahidul Mannan
Mr. S.M. Rashed Mir
Mr. Md. Salimullah
Mr. A. F. Gazi Alaaddin Ahmed
Mr. Ahmad Ullah
Mr. M. M. Rashidul Kabir Chowdhury
Mr. Md. Ferdous ul Amin
Mr. Md. Nazim Uddin
Mr. Abu Sayem
Mr. Muhammad Shamsul Islam
Mr. Rashidul Islam
Mr. M. Tabib Hossain
Mr. Avijit Das
Mr. Uggal Mallick
Ms. Asfia Nigar
Mr. Md. Saifur Rahman
Mr. Md. Zahidul Islam
Mr. Mohammad Salah Uddin
Mr. Md. Tanna Mandal
Mr. Mohammad Ashikuzzaman Noor
Ms. Nur Naher
Ms. Shaila Sharmin Thakur
Mr. Md. Mahmudul Hasan
Mr. Apollo Kumar Banik



Key Personnel

Mr. Mohammad Manzur Mahbub
 Mr. Mohammad Mahfuzul Alim
 Mr. Mohammed Dalwar Hossain
 Mr. Md. Mizanur Rahman
 Mr. Mohd. Amanullah
 Mr. Abul Kalam Azad
 Ms. Wahida Anjum Alley
 Mr. Syed Ahmmmed
 Mr. Shishir Kumar Shil
 Mr. Md. Nazrul Islam
 Mr. Satirtha Kumar Paul
 Mr. Shafiul Alam
 Ms. Tanzania Ahmed
 Mr. Md. Zahurul Islam
 Mr. Md. Tamiz Uddin Ahmed Chowdhury
 Mr. Sajjad Mahmud Sabuj
 Mr. Zia Haider Chowdhury
 Mr. Mohammed Iftekhhar Sobhan
 Mr. Mohammad Jahangir Alam
 Mr. Md. Mizanur Rahman
 Mr. Mohammad Sharifuzzaman Chaklader
 Mr. Mohammad Shahidul Huq
 Mr. Amol Chandra Sarker
 Mr. Mosharof Hossain
 Mr. Mohammad Moyaz Uddin Sharif
 Mr. Syed Azazur Rahman
 Mr. Md. Khorshed Anwar
 Mr. Mohammad Munirul Hoque
 Mr. Md. Abul Hasnat
 Mr. Md. Nurul Alam
 Mr. Md. Tariqul Islam
 Mr. Jahangir Alam
 Mr. Mohammad Abdul Salam
 Mr. Mohammad Mahfuzur Rahman
 Mr. Md. Motashim Al Razi
 Mr. Md. Shah Alam Bhuya
 Mr. Mohammad Monir Hossain
 Mr. Hasibur Rahaman
 Mr. Md. Arifur Rahman
 Mr. Masudur Rahman
 Mr. Md. Monjur Morshed
 Mr. Md. Mahmudur Rahman
 Mr. Nur Muhammed
 Ms. Shahin Akter
 Mr. A. Z. M. Fouz Ullah Chowdhury
 Mr. Palash Das
 Mr. Pijush Kanti Das
 Mr. Md. Golam Mostopa Chowdhury
 Mr. Siraj Ud-Daulah
 Mr. Abu Reza Md. Selim
 Mr. Md. Mashiur Rahman

Assistant Vice President

Ms. Dilara Alim
 Ms. Sanzida Ahmed
 Mr. Khuda Baksh Tawhid
 Mr. Md. Badrul Alam
 Mr. Md. Amzad Hossain Khan
 Mr. Mohammad Zaman Khan
 Ms. Johura Habib
 Mr. A. H. M. Al-Ahasan
 Ms. Mst. Monjura Begum
 Mr. Mohammed Saifur Rahman
 Mr. Md. Ahadur Rahman Bhuiyan
 Mr. Mohammad Rifatuzzaman

Mr. Touhid-Un-Nabi
 Mr. Md. Nizam Uddin
 Mr. Md. Shahidul Islam
 Mr. Md. Rafiqul Islam
 Ms. Tasmin Hossain Moushumi
 Mr. Muhammad Muztahidul Hosain
 Mr. Gazi Faruqul Azam
 Ms. Sabrina Khan
 Mr. Sultan Ahamad
 Mr. Mohammad Mahfuzur Rahman
 Mr. Md. Showkat Reza
 Ms. Lili Akter
 Mr. Mohammad Nazrul Islam Khan
 Ms. Dilruba Akter
 Mr. Mohammed Saifuddin Chowdhury
 Mr. Md. Kawsar Ali
 Mr. Mohammad Shah Alam Mia
 Mr. Mohammed Ismail
 Mr. Imran Khan
 Mr. Syed Mustakeem Bin Haider
 Mr. Uttam Kumar Roy
 Mr. Mohammed Hemayet Ullah
 Ms. Sabina Easmen
 Ms. Nusrat Zarin
 Mr. Md. Alauddin
 Mr. Mohammad Shakhawat Hossain
 Mr. Md. Tamim Sharieear
 Mr. Shamim Reza
 Mr. Md. Yasir Arafat
 Mr. Md. Akter Hossain
 Mr. Chinmaya Karmakar
 Mr. Md. Idrish Ali
 Mr. Md. Asad
 Ms. Noorain Akhter
 Mr. Tapos Kumer Dev
 Mr. Md. Zahidur Rashid
 Mr. Md. Masudul Karim Chowdhury
 Mr. Md. Niazul Islam
 Mr. Khabiruzzaman
 Mr. Md. Asfaqur Rahman Khan
 Mr. Mohammad Shafiqul Islam
 Mr. Arunjit Kumar Sutradhar
 Mr. Md. Sohel Rana
 Mr. Md. Shahinur Alam
 Mr. Uttom Kumar Saha
 Ms. Aruna Rani Paul
 Mr. Mohammad Abbas Uddin
 Mr. Mohammad Lutful Quder Al-Mamun
 Mr. Mohammad Mahbub Morshed
 Mr. Mohammad Zahirul Hoque
 Mr. Ehsanul Hoque
 Mr. Nashid Shahjahan
 Mr. Md. Golam Yeasin
 Ms. Nusrat Sharmin Monika
 Mr. Md. Shahadat Hossain
 Mr. Md. Tanvir - E- Jamil
 Mr. Md. Shahjahan
 Mr. Abu Shahadath Mohammad Shahed
 Mr. Musunna Galib
 Mr. Md. Taherul Islam
 Ms. Nazmun Nahar
 Mr. Tanvir Khan
 Mr. Debasish Howlader
 Mr. M. F. Shahriar Kabir
 Ms. Rahinoor Gazi

Mr. Mohammad Abdur Rob Bhuiya
 Mr. Manna Khan
 Mr. Salah Uddin Bhuyan
 Ms. Romana Haque
 Mr. Dip Hasnayan
 Mr. Mazharul Abedin
 Mr. Khaleed Hasan Saikat
 Mr. Durlab Chandra Debnath
 Mr. Ali Kwsher
 Mr. Moontasir Rahman Siddique
 Mr. Aman Ullah
 Mr. Md. Aatur Rahman
 Mr. Hasib Mahmud
 Mr. Mohammed Nazrul Islam
 Mr. Md. Tipu Sultan
 Mr. Muhammed Atikur Rashid
 Mr. Mohammed Mainul Islam
 Mr. Mohammad Mujeluzzaman
 Mr. Md. Mostafizur Rahman
 Mr. Md. Reazul Alam
 Mr. Lutfur Rahman
 Mr. Mahmud Hasan
 Mr. Khan Md. Tief Rana
 Mr. Md. Aktaruzzaman
 Mr. Mohammad Faisal Hasan
 Mr. Mohammad Fakhru Alam Masum
 Mr. Newton Chowdhury
 Mr. Qazi Nezam-Ul-Haque
 Mr. Md. Razib Siddiquie
 Mr. Md. Jakir Alam
 Mr. A.M. Anisuzzaman
 Mr. Md. Monzil Yeadul Hossain
 Mr. A. B. M. Shah Alam
 Mr. Mohammad Mahmud Hossain
 Mr. Salahuddin Ali Nur
 Mr. Md. Tasnim Alam Manjar
 Ms. Daisy Nilufar Sharmin
 Mr. Md. Mijanur Rashid
 Mr. Saif Imam Bokhari
 Mr. Tuton Chandra Paul
 Mr. Mozammel Hoque Bhuniya
 Mr. Md. Mizanur Rahman
 Mr. A. S. M. Mazharul Islam
 Mr. Mohammad Nazrul Islam
 Mr. Mohammad Shamsud Doula
 Mr. Aminul Hoq
 Mr. Md. Monirul Haq
 Ms. Kashphia Nahrin Shuvra
 Mr. Md. Zhobaidur Rahman Chowdhury
 Mr. Anirban Mojumder
 Mr. Mohammad Shahadath Hossain
 Ms. Ehita Tahmina Nazir
 Mr. Tanvir Matin
 Mr. Mohammad Jamshed Alam
 Mr. G. M. Ashraf Ul Islam Chowdhury
 Mr. Md. Naharul Islam
 Mr. Washim Reza Khan
 Mr. Md. Redwanur Islam
 Ms. Nishita Afrin
 Mr. Md. Arafat Hossain
 Mr. S. M. Mazharul Anwar
 Mr. Mohammad Samsul Arefin
 Mr. Md. Shahinur Islam
 Mr. Abu Shahadath Md. Omair
 Mr. Md. Mahinur Rahman



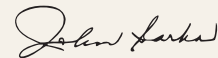
RESCHEDULING OF THE 21st ANNUAL GENERAL MEETING OF THE BANK

The Board of Directors in its 316th Meeting held on July 23, 2020 resolved to reschedule the 21st Annual General Meeting of ONE Bank Limited in compliance with the BSEC Order No. SEC/SRMIC/94-231/25 dated July 8, 2020 and hold the same now virtually on 10th September, 2020 instead of August 13, 2020 from 11:00 a.m. by using digital platform through the link <https://obl.bdvirtualagm.com>, considering health and safety of the Shareholders and Stakeholders due to prevailing COVID-19 pandemic.

All other things regarding the 21st AGM including the agenda will remain unchanged.

Dhaka
July 23, 2020

By order of the Board of Directors,



John Sarkar
DMD & Company Secretary

NOTES:

- A. Shareholders entitled to attend and vote at this virtual AGM may appoint a proxy to attend and vote. The “Proxy Form”, duly filled, signed and stamped for BDT 20 must be sent through email to share@onebank.com.bd not later than 48 hours before commencement of the AGM.
- B. The Shareholders will join the virtual AGM through the link <https://obl.bdvirtualagm.com>. The Shareholders will be able to submit their questions/comments electronically before 24 (twenty four) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owner (BO) account number or Folio number, name of shareholders, their number of shares. ONE Bank Limited, as always, emphasizes on maintaining transparency and highest corporate governance throughout this process i.e. conduct of the AGM using the digital platform during COVID-19 pandemic as social distancing is the highest priority to ensure health and safety for its Shareholders and other Stakeholders.
- C. Shareholders are requested to login to the system prior to the meeting to be held at 11.00 a.m. on Thursday, September 10, 2020. The webcast will start at 10.55 a.m.

For any IT related guidance and help regarding the login process, the respected Shareholders may contact 9118161 Ext: 251, 252 or visit www.onebank.com.bd



NOTICE OF THE 21st ANNUAL GENERAL MEETING

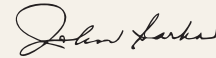
Notice is hereby given to all Shareholders of ONE Bank Limited (the “Company”) that the 21st Annual General Meeting of the Shareholders of the Company will be held on August 13, 2020 at 11:00 a.m. at Police Convention Hall, Eskaton Garden Road, Ramna, Dhaka-1000 (By observing Social/Sitting Distancing & other health related advices/directives of the Directorate General of Health Services (DGHS) of GOB & WHO like hand washing, sanitization facilities at the entrance, etc.) to transact the following business and adopt necessary resolutions:

AGENDA:

1. To receive, consider and adopt the Profit & Loss Accounts of the Company for the year ended December 31, 2019 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To approve Dividend out of the Profits for the year ended December 31, 2019.
3. 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.
4. To appoint Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors of the Company for the term until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors,

Dhaka
June 25, 2020



John Sarkar
DMD & Company Secretary

NOTES:

- a. The “Record Date” shall be July 16, 2020.
- b. The Shareholders whose names appear in the Register of Shareholders of the Company as at the close of the business on July 16, 2020 will only be entitled to the Dividend, if any, declared in the AGM.
- c. The Board of Directors has recommended 5% cash and 5% Stock Dividends for the year 2019.
- d. Any Shareholder of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf.
- e. The instrument appointing proxy duly signed by the Shareholder and stamped of BDT 20.00 must be submitted at the Registered Office of the Company at least 48 hours before the Meeting.
- f. Directors’ Report and Audited Financial Statements of the Bank for the year ended 31st December 2019 together with the Auditors’ Report thereon shall be available on the Bank’s website www.onebank.com.bd from July 21, 2020 onwards.
- g. Shareholders 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 Dividends 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.
- h. 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 Accounts those hold OBL shares, as on the “Record Date” along with the name of the contact person in this connection to the ONE Bank Share Department or at share@onebank.com.bd on or before July 27, 2020. The Brokerage Houses are also requested to provide us with their Bank Names, Bank Account Names & Numbers, routing numbers etc.
- i. 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 21st Annual General Meeting as per Bangladesh Securities and Exchange Commission’s Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013.



Directors' Report



DIRECTORS' REPORT

The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 21st Annual General Meeting before you along with the Audited Financial Statements for the year 2019. 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.

2019 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 2019 and have determined the business goals of 2020 in the light of the previous year's evaluation.

Global Economy

Global Economy recorded the weakest growth in 2019 since the global financial crisis a decade ago. Rising trade barriers and associated uncertainty in certain cases (Advanced economies and China) magnified cyclical and structural slowdowns. Pressure also came from the large emerging market economies such as Brazil, India, Mexico as well as Russia, Argentina, Iran (geopolitical tensions), (Venezuela, Libya, Yemen-Social unrest) and newly industrialized Asian Economies.

Basically, the slowdown in global growth in 2019 reflects lower growth in several key countries and regions.

Due to rising trade barriers, heightened uncertainty surrounding trade and geo-political distinctive factors causing macro-economic stress in several emerging market economies and structural factors such as low productivity growth and ageing demographics in advanced economies, the economic growth was subdued (2.9% in 2019).

The uncertain economic environment turned firms cautious on long range spending and global purchases of machinery and equipment decelerated. Household demand for durable goods also weakened, although there was a pick up in the second quarter of 2019. This was particularly evident with automobiles where regulatory changes, new emission standards and possibly the shift to ride shares weighed on sales in a few countries. Global trade which is intensive in durable final goods and the components used to produce them slowed to a standstill. This happened as sluggish demand for durable goods compelled firms to scale back industrial production.

For advanced economies including the USA, trade related uncertainty has made negative effects on investment. Due to weak exports, growth has been downgraded in the euro area. The Brexit related uncertainty continues to weaken growth in the UK. In China, the growth slowdown reflects escalating tariffs as well as slowing domestic demands. In India, primarily, due to corporate and environmental regulatory uncertainty and concerns about the health



An OBL financed Fishery Project



DIRECTORS' REPORT



A Manufacturing Pontoon financed by an OBL Led Syndication

of the non-bank financial sector, growth weakened in 2019. Low income developing countries registered robust growth, of course growth was more heterogeneous within the group: Vietnam and Bangladesh and like countries, non-commodity exporters expected robust growth, while the performance of commodity exporters remained lacklustre.

Central banks around the world reacted aggressively to the weakened activities. Several including the US Federal Reserve, the European Central Bank (ECB), and large emerging market central banks cut interest rates, while the ECB restarted asset purchases.

The continued resilience of spending on non durable goods and services has meant steady job creation; which has boosted consumer confidence.

Towards the end of 2019, COVID-19 pandemic was first detected in Wuhan, China and started to spread the world over. It overwhelmed the scientists and the medical practitioners. To cope with the crisis, the authorities including WHO advised isolation, lockdown, wide-spread closure to slow down the spread of the virus, social distancing, shut-down of transports (air, sea, land so on), educational institutions, business houses etc. The health care systems broke down and caused a heavy toll on the community and economic activities. Consequently, the IMF projected the global economy to contract sharply by 3% in 2020.

Bangladesh Economy

Bangladesh's economic success continued during the fiscal year 2019 supported by rising exports, private consumption and record remittances and several crucial factors like infrastructural development, political stability and food self-sufficiency. Bangladesh was among the top ten fastest growing economies globally. As per Bangladesh Bureau of Statistics (BBS), the GDP growth of the country in FY 2019 reached 8.1% (7.9% in FY 2018). On the supply side, large and medium scale manufacturing industries flourished, in conjunction with broad based growth in services, led by wholesale and retail trades.

The diversion of garment export orders from China and a decline in imports helped the country attain net positive export growth. RMG exports have led the Export Growth. Non RMG export growth has been led by Agricultural and pharmaceutical exports. Leather and leather product exports significantly declined. The import growth recorded remarkable slow down in FY 2019. It rose by 1.8% in FY 2019 which has been much lower compared to over 25% growth in FY 2018. The import growth has declined driven by a decrease in food and capital machinery imports.

The industry sector grew by around 12.7 percent in FY 2019, led mainly by manufacturing, electricity, gas and construction activities. The service sector registered a growth of 6.5% in FY 2019. The growth in the service sector was led by an expansion in wholesale and retail trades, complemented by strong growth in transportation and financial intermediation services.



DIRECTORS' REPORT

The growth in agriculture sector decreased by 0.3 percentage point to 3.9 percent in FY 2019 (4.2 percent in FY 2018). Despite a bumper rice harvest, growth of crops, and horticulture and agriculture significantly declined. Forest and related sub sector registered a growth of 8.3 percent in FY 2019 (5.5 percent in FY 2018).

The bumper rice yield caused a fall in prices. As a result, food inflation dropped to 5.5% in FY 2019 (7% in FY 2018). However, non-food inflation rose to 5.4% in FY 2019 (3.7% in FY 2018). Clothing and footwear prices increased the most.

Broad Money growth increased marginally to 9.9% in FY 2019 from 9.2% in FY 2018 due to increase in public sector bank borrowing. Due to declining deposit growth US Dollar sales by Bangladesh Bank (BB), rising non-performing loan (NPL), and pressure to comply with the 9% Ceiling on the lending rate, Private Credit growth was stunted.

Remittance receipts grew by 9.8% to a record US Dollar 16.41 billion in FY 2019 (US Dollar 14.98 billion in FY 2018). Remittance inflow increased in the wake of government incentive, simplification of sending remittances through formal channel and different supportive policies regarding remittances extended to expatriate Bangladeshis. The balance of payments was slightly positive (only US Dollar 12 million) in FY 2019. The current account deficit decreased to US Dollar 5,254 million in FY 2019 from US Dollar 9,567 million in FY 2018 as the trade and services deficits decreased and remittances increased.

The Gross Foreign Exchange Reserve was US Dollar 32.6 billion as at the close of FY 2019, representing prospective imports of about 6 months. Bangladesh Bank's intervention in the Foreign Exchange Market moderated the depreciation of the BDT to US Dollar rate as the US Dollar gained strength in global markets. Consequently, the real effective exchange rate gained by around 5.6% causing a loss of price competitiveness internationally, particularly when combined with relatively low productivity and high inflation. However, cash subsidies provided to the RMG sector have offset this competitive disadvantage.

Sovereign Ratings

Bangladesh's credit rating by Standard & Poor's stands at BB⁻ with stable outlook. Moody's credit rating for Bangladesh was last set at Ba3 with stable outlook. Fitch's credit rating for Bangladesh was last reported at BB⁻ with stable outlook. A credit rating is used to gauge the credit worthiness of Bangladesh. This has an impact on the country's borrowing costs.

OBL's Performance

ONE Bank Limited had mixed experience during 2019. The Bank showed positive results in the business parameters i.e. growth of asset and liabilities but unfortunately the increase in NPL volume during 2019 affected 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.

Our corporate structure involves both branches and Corporate Headquarter to find the optimum combination to enforce maximum monitoring and engagement with the client.

To expedite our client's business growth, we provide comprehensive solutions including 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, agricultural equipment etc.



DIRECTORS' REPORT



A power plant financed by an OBL Led Syndication

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 increase the quality of the loan through collective judgment and monitoring of multiple banks/financial institutions.

ONE Bank has successful track record for acting as both lead bank and partner bank in syndication loan 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 engaged itself for arrangement of syndicated facility of around Tk. 72 billion for implementation of 21 projects. Besides, ONE Bank is also acting as Security/Facility Agent for working capital facilities for several projects.

Project Financing

The industrial sector in Bangladesh has historically proven that it has driven growth substantially as our country is moving from low to middle income status. Industrial growth can provide high-wage employment for large numbers of workers and can raise social productivity by producing highly valuable goods on mass scale.

To boost the industrial sector, ONE Bank provides Project Finance/ Industrial Credit as the long-term financing of infrastructure and industrial projects based upon the projected cash flows on the project. Currently

we are engaged in a number of project finance both through syndication and bilateral financing.

SME Banking

In the process of economic development small and medium enterprises play a pivotal role in poverty alleviation and rapid industrialization of the developing countries like Bangladesh.

SMEs represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contribute up to 40% of national income (GDP) in emerging economies. These numbers are significantly higher when informal SMEs are included. According to our estimates, 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes SME development a high priority for many governments around the world. In emerging markets, most formal jobs are generated by SMEs, which create 7 out of 10 jobs. However, access to finance is a key constraint to SME growth; it is the second most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries.

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.



DIRECTORS' REPORT

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, to focus exclusively in SME financing, ONE Bank Ltd has nominated its 42 branches out of total 104 branches which clearly reflects their dedication and concentration in the SME business. In all the branches, the Bank has established dedicated SME Help Desks to offer priority services to the clients. In the year 2019, ONE Bank Ltd has disbursed total SME Loan of BDT 15,369.00 million. The total number of SME borrowers of the Bank was 3238 as on December 31, 2019.

ONE 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 2019, The Bank received total refinance of BDT 45.30 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.

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 2019, the Bank has financed BDT 484.84 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 2018-19, it employs 41% of total labor force and comprises 14.23% 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.



An OBL financed Poultry Farm



DIRECTORS' REPORT

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 2018-19, OBL disbursed Agricultural and Rural Credit of Tk. 3,188.51 million (among 73,198 borrowers) against Target of Tk. 3,170.00 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 2019, 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 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. 7,548 crore in 2019.

Retail credit registered a steady growth in 2019. Among all retail loans, Home Loan was the prime contributor of the total loan disbursement pie. Retail asset portfolio touched the mark of Tk. 1,133 crore in 2019.

To offer superior customer experience to retail clients, OBL Call Center managed 224,236 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 2019, ONE Bank launched 03 new retail deposit products named as OBL Women's Savings Account, OBL School Savers and OBL Probashi DPS. "OBL Women's Savings Account", a savings account with smart banking solutions designed exclusively for female citizens of Bangladesh. OBL School Savers and OBL Probashi DPS both are monthly recurring Deposit Scheme with free insurance coverage up to BDT 1,000,000/- for the clients.

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



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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

OBL Card Division thrives to offer new and attractive proposition in Card Products that gives a competitive edge in the Card Market. Card Division continuously works towards fulfilling customer needs and ensure their hassle-free life while shopping or traveling locally or abroad.

2019 was another miles stones of Card Division by introducing ever first Co-branded Prepaid Medical Card collaboration with GD Assist, a sister concern of Green Delta Insurance Co. Ltd. & International Prepaid Card for GAMCA (Gulf Approved Medical Center Association). Also launched special value propositions i.e. Buy 1 Get 1 (B1G1), Buy 1 Get 3 (B1G3) buffet Dinner and 04 (four) Free Dinner Coupons at 5-Star Hotels that gives a cutting-edge facility for OBL Platinum Card holders.

In 2019, Credit Card outstanding escalated from BDT 77.78 Crore to BDT 94.56 Crore posting 122% growth over previous year. Total Number of Debit and Credit Cards reached at 115,130. 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.

We have tied up more than 250 merchants to offer various discounts and privileges to our cardholders. Beside that we are also offering other value added propositions like Smart Transfer, 0% SmartEMI Facility, SmartEMI Loan, Reward Point, SMS Alert Service and many more to attract the potential customers. OBL Card has Priority Pass facility for Platinum Card holder that provides the access to over 1200 lounges in more than 500 Cities and 143

Countries worldwide to relax and refresh before on boarding any flight. Cardholder can avail free access of lounge facility for 04 (four) times in a calendar year either in Balaka Executive Lounge at Hazrat ShahJalal International Airport or International Lounges.

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.

Foreign Exchange & Foreign Trade

A dedicated team of expert Trade Finance professionals in Branches, Central Trade Processing Centers and Head Quarter are striving in meeting clients' ever changing needs in Foreign Trade service. Satisfactory performance in Trade Finance has contributed significantly in earning substantial amount of fee-based income.

Total import business handled during the year 2019 was Tk. 130,548 million as compared to Tk. 137,904 million in 2018. 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 in 2019 was



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An OBL financed Power Plant

Tk. 99,496 million against Tk. 94,797 million in 2018, recording a growth of 4.96%.

Treasury

OBL Treasury is a unique integrated component unit established to manage day to day liquidity, interest rate on Asset & Liability by minimizing market risk and foreign exchange risk. Treasury Department also performed Investments related to SLR requirements and participation in tenders for purchase of Government Treasury Bills and Bonds and also invest in private sector coupon bond. In addition to that Treasury also plays an important role in issuance of Coupon-Bearing Non-Convertible Subordinated Bond in the money market. Moreover, 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.

Inward Foreign Remittance

With the increase in number of tie up with renowned Money Transfer Operator the total volume of Inward Foreign Remittance handled by ONE Bank Ltd. has increased to Tk. 7,013 million in 2019 from Tk. 6,445 million in 2018, recording a growth of 8.81%. In 2019 direct drawing arrangement has been established with Continental Exchange Solution dba Ria Financials, USA. Our operations in the field of Inward Foreign

Remittance has been facilitating us in earning Exchange Gain and increasing cross sale of various retail liability and asset products. This inward foreign remittance is also contributing in meeting our FX requirement for paying import debt of importers.

Correspondent Relationship

To strengthen its global relationship, the bank is now maintaining 477 correspondent relationships (foreign 425, Local 52). OBL's correspondent banking is spread world over at important financial centers and business hubs, and have contributed towards expansion of Bank's foreign trade business. OBL is currently operating its remittance business through 08 (eight) Remittance Agency partnerships to facilitate inflow of foreign exchange remittances from the Non-resident Bangladeshis. Efforts are now ongoing to enhance the number of such relationships, with the objective to substantially increase the flow of inward remittance through this channel.

IT in Banking

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

Information Technology (IT) is regarded as the crux of the banking system in today's world and is now



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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 19 (Nineteen) 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, Agent Banking Service, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps (ONE 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. ONE Apps (Banking Apps) service that provides provide its customers, accountholders and cardholders to access numerous banking services through the app such as instant notifications, fund transfer, credit card bill payment, mobile top-up, balance inquiry, touch point locator, product



An OBL financed Re-rolling mill



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An OBL financed Auto Brick Factory

- information, branch information, EMI/discount partners very easily from their mobile device.
3. 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.
 4. Agent Banking will cater to wide range of services including opening of current & savings a/c, cash deposit and withdrawal, open fixed deposit & DPS, utility bill payment, passport fees collection, fund transfer, collection of inward remittance, hotel booking, purchase air & bus ticket, apply for retail & SME loan and OK wallet services.
 5. ATM Service providing 24/7 withdraw cash facility from Bank's own ATM or other Bank's ATM across the country.
 6. Credit Card Service with EMV Card providing secure cashless payment facility to customers from anywhere in the world.
 7. E-Statement Service providing 24/7 online account statement facility to meet the customers' need.
 8. SMS Banking Service providing 24/7 SMS account balance enquiry facility for customer convenience.
 9. SMS Transaction Notification Service providing real time SMS facility for account transaction notification for customers' information.
 10. Different utility system – Collect different utility bill like DPDC, DESCO, WASA, GAS, 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" and "Business Continuity and Disaster Recovery 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,



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system security, disaster recovery and business continuity planning to use of hardware and software, disposal of data, protection of copyrights, other intellectual property rights. ONE Bank's IT systems are designed to the industry standards and driven by Information Security Policy of the Bank. The Bank updates the policy on regular basis to combat the ever evolving cyber-security threats.

Mobile Financial Service

Mobile Financial Services (OK Wallet):

In Bangladesh, as in many other developing countries, growth in Mobile Financial Services has emerged as the most promising development in digital financial inclusion. In November 2018, ONE Bank Limited re-launched OK Wallet combining the features of Mobile Financial Services and Digital Wallet with lot of value propositions. Since then, OK Wallet continues to make advancement in Mobile Banking. Now OK Wallet users can avail wide range of online and offline services.

Mobile Banking (OK Wallet) Products & Services:

1. Merchant Payment
2. Utility Bill Payment:
 - a) Dhaka WASA
 - b) Dhaka Power Distribution Company Ltd (DPDC)

- i. Prepaid Meter
- ii. Postpaid
 - c) Dhaka Electric Supply Company Limited (DESCO)
 - d) Northern Electricity Supply Company Limited (NESCO)
3. Bills/Card Payment:
 - a) NID related fees collection
 - b) Lanka Bangla DPS Installment
 - c) Lanka Bangla Credit Card
4. Mobile Recharge
5. Add Money:
 - a) Add Money from Bank account
 - b) Add Money from VISA/Master Cards
 - c) Cash In from Agent
6. Cash-out (Cash Withdrawal):
 - a) Cash Out from Agent Point
 - b) Cash Out from OBL Branch
 - c) Cash Out from OBL ATM
7. Fund Transfer:
 - a) OK account to other OK account (P2P)
 - b) OK account to Bank account
8. Payroll Product:
 - a) Salary/Allowance Disbursement
9. Retailer (B2B) Payment



এখন OK ওয়ালেটে
ADD MONEY করুন যেকোন ব্যাংকের
Visa কিংবা Mastercard থেকে!

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Add money from cards through OK wallet



RMG Salary Disbursement through OK wallet

Strategic Alliance and Progress:

- 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 OBL's own agents.
- OK Wallet now can be used in many prominent merchant outlets like - Meena Bazar, Daily Shopping, Prince Bazar, Amana Big Bazar, Krishibid Bazar, Khulshi Mart, Apex, Bay Emporium, Butterfly Marketing Limited, SINGER BD, BREAD and Beyond, LG, Singer BD, The Cox Today, Hotel Royal Tulip, Amarroom, Gems Gallery, Gitanjali Jewellers, Delhi Darbar, MK Electronics etc.
- Customers can make utility bills payment DESCO, DPDC, NESCO, Dhaka WASA using OK Wallet.
- OK Wallet has entered into partnership with various banks, non-bank financial institutions, insurance companies and digital wallets for interoperability, premium and payment collection.
- OK Wallet offers self registration for customers through uploading NID picture and selfie. Customer can open OK Wallet home by downloading OK Wallet app from play store and iOS app store just providing information by tapping sign up icon of the app.
- OK Wallet customers can now add money from any local bank nominated VISA/Master cards along with ONE Bank cards also and customer can add money from BRAC Bank account.
- OK Wallet users can withdraw money from ONE Bank ATM's at anytime with convenient service fee.
- OK Wallet became the digital payment partner for Pathao, ride sharing service provider, and offering other ride sharing service providers to ensure hassle free payment for the customers.
- OK Wallet teamed up with various major e-commerce aggregator and payment aggregators like SSL Wireless, PortWallet, WalletMix etc. to capture online payment market.
- OK Wallet has strategic partnership with all mobile operators (MNOs) to work together with MNO network and distribution channel.



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- OK Wallet is offering code to cash (C2C) facility to Pathao riders to withdraw their digital balance from OBL ATM without having bank account or plastic card.
- An innovative product of B2B digital payment solution has been introduced in order to facilitate cashless payment among the retailers of different big FMCG companies.

Future Endeavor:

- OK Wallet is constantly onboarding new partners and introducing new services to enrich and deliver superior customer experience.
- OK Wallet is making alliance with online service like 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 working with various remittance service solution providers to facilitate its customer to receive remittance.
- OK Wallet is working to disburse salary to RMG workers. OK Wallet is acquiring payroll clients to offer this service.
- OK Wallet is currently working to incorporate NPSB channel for instant money transfer to banks, cards and other MFS.

Introduction of Agent Banking Operation

ONE Bank Ltd. commenced its Agent Banking Operation from November 05, 2019 with Intia Management, an Agent Banking Outlet located at Navaron, Sharsa, Jessore, with a goal to bring large segments of unbanked population into banking network, as well as, to contribute to the sustainable growth of the economy.

ONE Bank Ltd. is one of the few Banks which commenced Agent Banking Operation within deadline given by Bangladesh Bank. The Bank ended the year with 6 outlets.

During the year the Bank worked hard to provide seamless services to its Agent Banking Customers and offered the following services:

- Account opening
- Cash Transaction
- Fund Transfer
- Foreign Remittance
- Passport fee collection
- Bank Statement
- Term/Recurring Account opening

The Bank has a plan to open another 100 Agent Banking outlets in different parts of the country in the coming year, i.e. 2020 with the availability of all general banking services like all sorts of account, DPS, FDR, BEFTN, RTGS etc. and small loan products for its customers.



Introduction of Agent Banking Operations

DIRECTORS' REPORT



An OBL financed Knitting Factory

Mr. Sayeed H. Chowdhury, Chairman of Board of Directors of the Bank formally inaugurated the Agent Banking service along with senior management and executives of the Bank.

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 171.82 million equivalent to BDT. 14,587.75 million as on December 31, 2019 compared to USD 153.49 million equivalent to BDT. 12,878.25 million as on December 31, 2018 recording a significant growth of 11.94% in USD and 13.27% in BDT.

However, in the year 2019, OBU made operating loss of USD 0.585 million equivalent to BDT. 49.71 million as against operating loss of USD 0.711 million equivalent to BDT. 59.67 million in 2018 with a positive growth of 17.72%.

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.



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A glimpse into the activities performed by OBL Human Resources during 2019:

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 2414 by the year-end 2019 from 2,239 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 2019, 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 2019 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 2019, a total of 328 (three hundred twenty eight) participants attended External trainings arranged by Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management (BIBM) and other external agencies and 11 (eleven) employees attended trainings abroad. OBL Training Institute arranged in-house training for a total of 1,394 (one thousand three hundred ninety four) 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 2019, 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 2019, 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 10 (ten) 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. 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 2019, 36 (thirty six) Training Programs were conducted by OBL Training Institute and 1,394 (One



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An OBL financed Automatic Manufacturing Factory of different medical devices

thousand three hundred ninety four) Executives and Officers were trained in different banking trades and areas; out of which 05 (five) one-day Trainings were conducted on Prevention of Money Laundering and Combating Financing of Terrorism and 286 (two hundred eighty six) Executives and Officers participated therein.

In addition, 02 (two) 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 79 (seventy nine) 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 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, 2019, the Bank had successfully established a network of 103 branches, including 39 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, Bijoyagar, 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 Bhawal Mirzapur, Shantinagar and Gulshan North.

Chattogram Zone:

Agrabad, CDA Avenue, Jubilee Road, Khatungonj, Sitakunda, Cox’s Bazar, Nanupur Bazar, Rangamati, Raozan, Ranirhat, Chandgaon, Dovashi Bazar, Haliashahar, Boalkhali, Hathazari, Mithachara, Anderkilla, Anowara, Station Road, Chattogram EPZ, Bibirhat, Pahartali, Muradpur, Colonel Hat, Oxygen Moor and Padua.

Noakhali Zone:

Chandragonj, Chowmuhuni, Dagon Bhuiyan, Feni, Maijdee Court, Raipur, Ramgonj, Mandari Bazar, Amishapara, Lakshampur SME/Agri, Chaprashir Hat SME/Agri Subarnachar, Chaterpaiya, Chatkhill and Bashurhat.



DIRECTORS' REPORT

Cumilla Zone:

Cumilla, Laksham, Brahmanbaria SME/Agri.

Khulna Zone:

Khulna, Jashore, Satkhira, Kushtia, Poradaha, Mongla Port and Chowgacha.

Rajshahi Zone:

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

Sylhet Zone:

Sylhet, Islampur, Sherpur, Laldighirpar.

Barishal Zone: Barishal.

Amongst these, followings are the 39 (thirty nine) designated "Rural Branches" as per Bangladesh Bank approved conditions:

Ganakbari (EPZ), Joypara, Nawabgonj, Banasree, Jagannathpur, Madhabdi, Mawna, Nandipara, Zinzira,

Nanupur Bazar, Sitakunda, Raozan, Ranirhat, Dovashi Bazar, Boalkhali, Hathazari, Mithachara, Anowara, Bibirhat, Chandragonj, Dagon Bhuiyan, Raipur, Ramgonj, Mandari Bazar, Amishapara, Subarnachar, Chaterpaiya, Laksham, Islampur, Sherpur, Poradaha, Pahartali, Hemayetpur, Sonargaon, Ekuria, Padua, Araihasar, Bhawal Mirzapur and Chowgacha.

The SME/Agriculture branches are located at Shahjadpur, Tongi, Brahmanbaria, Lakshmipur and Chaprashir Hat. OBL continues to enjoy the distinction of being a private sector bank operating 03 (three) booths at Chattogram port premises on 24 hours operations where we serve our customers by collecting port & other dues. In addition, the Bank also has 13 (thirteen) more collection booths providing personalized service to valued customers. In 2019, Bank has converted total 07 (seven) collection booths to Sub-Branches and established 04 (four) new Sub-



An OBL financed Garments Factory



DIRECTORS' REPORT



Signing of Financial Statements 2019 of ONE Securities Limited

Branches, i.e; total 11 (eleven) Sub-Branches have operated during the year.

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank's 118 ATMs (85 onsite and 33 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/sub-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). Its main offices and branches are in Dhaka and Chattogram along with an extension of Dhaka main Branch in an adjacent building of the DSE building. OSL have also purchased an office space in the new DSE building at Nikunja, Dhaka. The Registered Office of ONE Securities Limited 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.



Why Dream?

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ONE Bank
Loan Schemes



SUSTAINABLE FINANCE



Sustainable Finance

ONE Bank Limited is 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. 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.

We have adopted Environmental and Social Risk Management (ESRM) Policy in 2017 & rolled out ESRM Policy & Procedure on May, 2018. Our RMs/Credit officers have been incorporating E & S data of clients through automated 'ESRM Procedure online tool' since June'2018. ESRM related data of Total 312 Nos borrowing clients posted in our system for review and compliance in 2019. 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.

Bangladesh Bank so far introduced total 53 Green Products for financing under refinancing scheme. In 2019, ONE Bank Limited has 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. Most of bank's investment/loan portfolio belongs to low & medium E & S risk rated clients. All its customers go through E & S due diligence procedures. Total loan outstanding of Green Clients stood at Tk. 184.49 crore in 2019. Last year, we have financed in Brick Kiln, ETP & Energy Efficiency sectors etc.

OBL has formulated Green Office Guide in 2014 which have been circulated to all our employees for creating awareness on Green Banking activities & providing instructions about conserving resources like energy, water, paper, etc.

OBL has attempted following steps towards In-House Environmental Management & in financing activities;

- ONE Bank Ltd. has introduced Online Banking and it covers 103 branches/ SME centers, 119 own ATMs, 1200+ shared ATMs. Clients can also have access to their accounts through Internet & Mobile Banking.
- Formulated Fire Safety and Fire Fighting Policy for the Bank.
- OBL has been equipped with Bangladesh Automated Clearing House (BACH) systems RTGS, BEFTN, NPSB etc.



An OBL financed Solar Power Plant under Sustainable Finance



DIRECTORS' REPORT



ONE Bank's Vice Chairman Mr. Asoke Das Gupta and Director Mr. Kazi Rukunuddin Ahmed handed over blankets to honorable Prime Minister Sheikh Hasina for the cold stricken people of the country

- 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 introduced Loan Documentation & Information Management System (eDoc).
- OBL has Mobile Financial System (OK wallet) & Agent Banking System.
- OBL using virtual meeting through ZOOM, Skype which saves fuel and time.
- In House Green Banking offered by Cards Division includes E-Statement & for Account holders SMS Banking, SMS Alert, Net Banking, E- Fund Transfer etc.
- Using LED bulbs, Converter in Air Conditioning system in new Branches to reduce the consumptions of energy.
- Introduced 'ESRM Procedure Online Tool' by which RM/Credit Officer can input E & S issues of their clients though intranet platform 'OBL Connect'.
- OBL has trained total 411 employees in Green Financing issues in 2019. Among them 3 official received abroad training.
- We have regularly disclosed our Green Banking activities through reporting to various authorities like Bangladesh Bank, BIBM & Foreign lenders.

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. 7.35 crore for CSR activities in the year 2019. Details of CSR activities undertaken by ONE Bank during the year are as below:

- ✓ Donation of 100 pcs of Blankets of Tk. 49,500/- (Taka forty nine thousand five hundred) only to Satsanga Bihar, Chattogram.



DIRECTORS' REPORT

- ✓ Contribution of Tk. 21,35,875/- (Taka twenty one lac thirty five thousand eight hundred seventy five) only to be utilized for “PROTEEVA”, a project of Jagorani Chakra Foundation for meeting its expenses for 1(one) year from January to December/2019 of 1(one) Cluster situated in Magura Sadar, Sreepur and Mohammadpur Upazilas under Magura districts.
- ✓ Donation of Tk. 1,00,00,000/- (Taka one crore) only to the Prime Minister’s Relief Fund for the people affected by the fire at Churihatta, Chalkbazar, Dhaka.
- ✓ Payment of Tk. 59,800/- (Taka fifty nine thousand eight hundred) only to Bangladesh Disabled Development Trust for publication of advertisement in Braille Magazine “Drishti Bijoy” for helping disabled people/children.
- ✓ Payment of Tk. 4,97,620/- (Taka four lac ninety seven thousand six hundred twenty) only to M/s. Bonobithi Nursery for supply of 525 trees including 01(one) year maintenance cost at Bangabandhu Sheikh Mujib Shilpa Nagar (Mirsarai Economic Zone), Chattogram.
- ✓ Distribution of relief of Tk. 9,29,500/- (Taka nine lac twenty nine thousand five hundred) only among flood affected people at Sirajgonj Sadar Upazila area, Sirajgonj.
- ✓ Donation of blankets of Tk. 4,15,85,527/- (Taka four crore fifteen lac eighty five thousand five hundred twenty seven) only for supply of 75,000 pcs of blankets to the Prime Minister’s Relief Fund for cold stricken people.
- ✓ Payment of Tk. 1,45,835/- (Taka one lac forty five thousand eight hundred thirty five) only for arrangement of training programs on “Financial Skill Development of Youth towards implementing Sustainable Development Goals”.
- ✓ OBL Scholarship of Tk. 1,73,42,000/- (Taka one crore seventy three lac forty two thousand) only to the poor but meritorious students across the country.
- ✓ Payment of Doctor's Remuneration of Tk. 2,40,000/- (Taka two lac forty thousand) only for extending medical services to the poor people of Joypara, Dohar, Dhaka.
- ✓ Payment of Tk. 5,50,620/- (Taka five lac fifty thousand six hundred twenty) only for publication of advertisement in the national daily newspaper about creating/increasing awareness on integrity as per Bangladesh Bank’s instruction.

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



An OBL financed Readymade Garments Factory



DIRECTORS' REPORT



An OBL financed Ship Building Yard

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

Risks in Banking Sector:

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

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.



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4. Risk Management Framework of ONE Bank Ltd.

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:

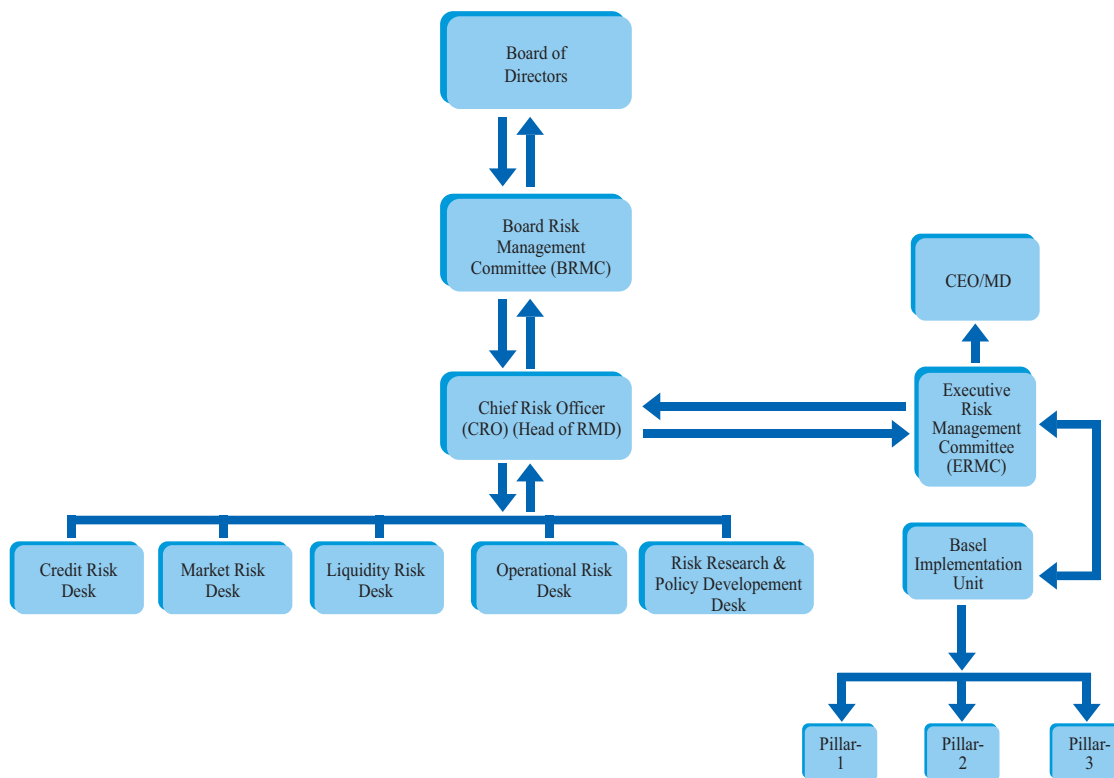
Board Risk Management Committee (BRMC)

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 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.



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An OBL financed Shrimp factory under SME

- ▶ 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 management functions on yearly basis.
- ▶ 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).

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.
- ▶ managing the process for developing risk policies and procedures;

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:



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- ▶ 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 ERMC 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/ERMC 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 ERMC 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 (CRMR)

Comprehensive Risk Management Report (CRMR) is prepared in accordance with Bangladesh Bank



An OBL financed Auto Rice Mill under SME



DIRECTORS' REPORT

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

Monthly Risk Management Report

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

Stress Testing

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

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



DIRECTORS' REPORT

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 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 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



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An OBL financed Shopping Complex floor

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

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

Equity Price Risk

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

changes in overall level of equity prices, while the latter is associated with price volatility that is determined by firm specific characteristics.

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

Liquidity Risk Management

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

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

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:



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Liquidity Coverage Ratio (LCR):

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

Net Stable Funding Ratio (NSFR):

NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on- and off-balance sheet items. The

minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived 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.



An OBL financed Hospital Building

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.

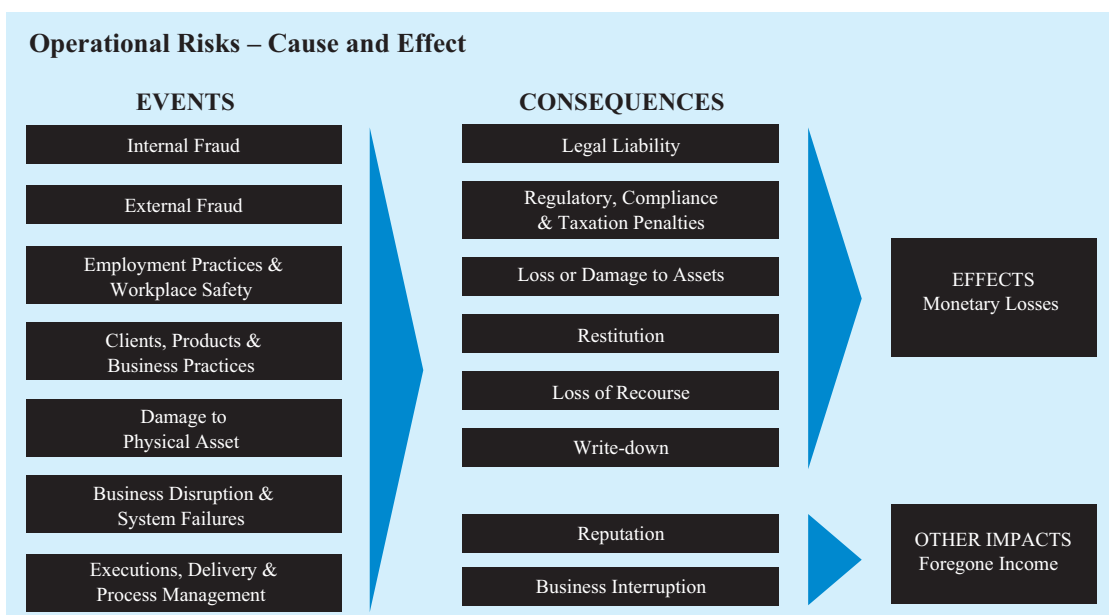


DIRECTORS' REPORT

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 processes, people and systems or from unforeseeable external events. The events and consequences in operational risks are: Bank is managing these risks through written procedures, regular training and awareness programs. Quarterly



Operations Report, Loan Documentation Checklist etc. are in place covering all probable risks associated with bank's business and operations. Bank also has its business continuity plan such as disaster recovery (DR) plan to minimize associated risk. Surprise inspections are also made on a regular basis to make sure that all control tools are functioning properly.

Prevention of Money Laundering 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);



DIRECTORS' REPORT

- 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 (AML D) 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 @ 12.80% against the statutory requirement (with Conservation Buffer) of 12.50% as at December 31, 2019.

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



DIRECTORS' REPORT



An OBL financed Multistoried Building

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, 2019 is Nil), (b) Subordinated Bond-2 of Tk. 400 crore issued on 27th October 2016 (qualifying amount as on 31st December, 2019 is Tk. 240 crore) and (c) Subordinated Bond-3 of Tk. 400 crore issued in 2019 (qualifying amount as on 31st December, 2019 is Tk. 400 crore). To further strengthen the Tier-1 capital, we are approaching to issue a Perpetual Bond of Tk. 400 crore and hopefully the issuance of the bond will be executed by June 2020 subject to approval from regulatory authorities. 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 2019 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.

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



DIRECTORS' REPORT

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

Income Details

Interest Income

Interest Income of the Bank grew by 11.07% to Tk. 23,355.89 million during 2019 compared to Tk. 21,028.54 million for the previous year. The growth in income was due to increase in Loans and Advances.

Interest expense was Tk. 17,957.34 million in 2019 as compared to Tk. 14,733.52 million for 2018 thus increased by 21.88%. Interest expense increased compare to last year mainly due to incremental market trend of cost of deposit.

The Net Interest Income decreased by 14.24% to Tk. 5,398.55 million during 2019 as against Tk. 6,295.01 million during 2018.

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. 1,874.46 million during the year as against Tk. 1,886.31 million during 2018.

Commission, Exchange and Brokerage Income

Earning from Commission, Exchange and Brokerage decreased by 0.30% to Tk. 1,419.85 million compared to Tk. 1,424.09 million in 2018.

Other Operating Income

Other operating income increased to Tk. 641.85 million during 2019 as compared to Tk. 608.31 million for the previous year.

Total Operating Income

The total operating income stands at Tk. 9,334.71 million for 2019 as compared to Tk. 10,213.72 million for the previous year.

Operating Expenses

Total operating expense was Tk. 5,215.53 million for the year 2019 compared to Tk. 4,828.78 million for previous year.

Operating Profit

The Bank has earned an operating profit of Tk. 4,119.18 million in 2019 compared to Tk. 5,384.94 million in the year 2018.

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 9.24% of the Bank's total Loans and Advances as against 7.05% of the previous year.

Net Profit

After providing for provision and taxes, the Net Profit of the Bank for the year 2019 was Tk. 1,659.85 million, compared to Tk. 1,393.04 million in the previous year.



An OBL financed Brick Factory



DIRECTORS' REPORT



An OBL financed Port Terminal handling project

Dividend

The Net Profit of the Bank stood at Tk. 1,659.85 million as on December 31, 2019. After transfer of Tk. 510.26 million to Statutory Reserve, the amount available for distribution was Tk. 1,149.59 million. The capital of the Bank was 12.80% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 379.48 million, total amount available for distribution to Shareholders was Tk. 1,529.07 million. The Board of Directors recommended 5% Cash Dividend and 5% Stock Dividend for the year 2019. Accordingly, an amount of Tk. 685.88 million will remain in the form of Retained Earnings.

Balance Sheet

As on December 31, 2019, total Assets of the Bank (excluding contingent) was Tk. 297,873.96 million compared to Tk. 266,049.71 million of 2018. The growth thus recorded was 11.96%. Major Asset components were Loans and Advances (72.25%) followed by Investments (11.32%). Deposits constituted the major portion of the Bank's liability (80.93%). Contingent Liabilities were Tk. 73,965.75 million against Tk. 81,651.33 million for the previous year.

Equity

The equity of the Bank increased to Tk. 16,052.48 million from Tk. 14,391.81 million registering an increase of 11.54%. The percentage of Tier-I Capital to Risk Weighted Asset is 8.18% against a requirement of 8.50% (with Conservation Buffer).

Deposits

Deposits of the Bank grew by 12.62% during the year and stood at Tk. 228,091.03 million as at December 31, 2019 against Tk. 202,546.47 million as at December 31, 2018. The continuing growth of customers' confidence in ONE Bank Limited 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 2019 was 7.40%.

Cash and Balances with Banks and Financial Institutions

Cash and Balances with Bangladesh Bank was Tk. 24,375.99 million as against Tk. 18,838.39 million in 2018, representing an increase of 29.40%. 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. 2,475.70 million as at December 31, 2019.

The Bank maintained sufficient balances equivalent to Tk. 6,293.99 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.



 **ওয়ান ব্যাংক**

এজেন্ট ব্যাংকিং

এখন পাশের বাড়িতে



Financial Investments



DIRECTORS' REPORT

Financial Investments:

Total Investment of ONE Bank Limited as at December 31, 2019 stands at BDT 33,728.10 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.

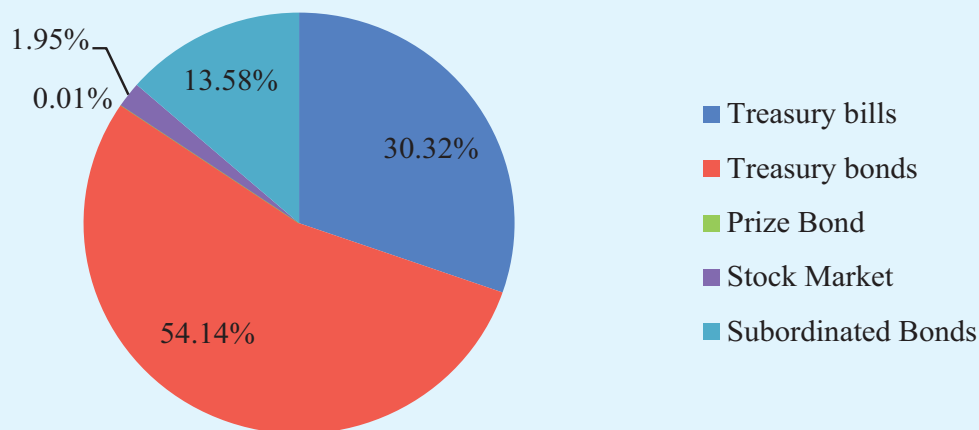
In addition to that, OBL has investment in Stock Market within the regulatory limit of 25% of Share Capital, Share Premium, Retained Earnings and Statutory Reserve (OBL holding 17.42% as on December 31, 2019).

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 31/12/2019	Composition Percentage
In Government Securities		
Treasury bills	10,229.43	30.32%
Treasury bonds	18,259.57	54.14%
Prize Bond	1.62	0.01%
Other Investment		
Stock Market	657.48	1.95%
Subordinated Bonds	4,580.00	13.58%
Total	33,728.10	100.00%

Financial Investments 2019

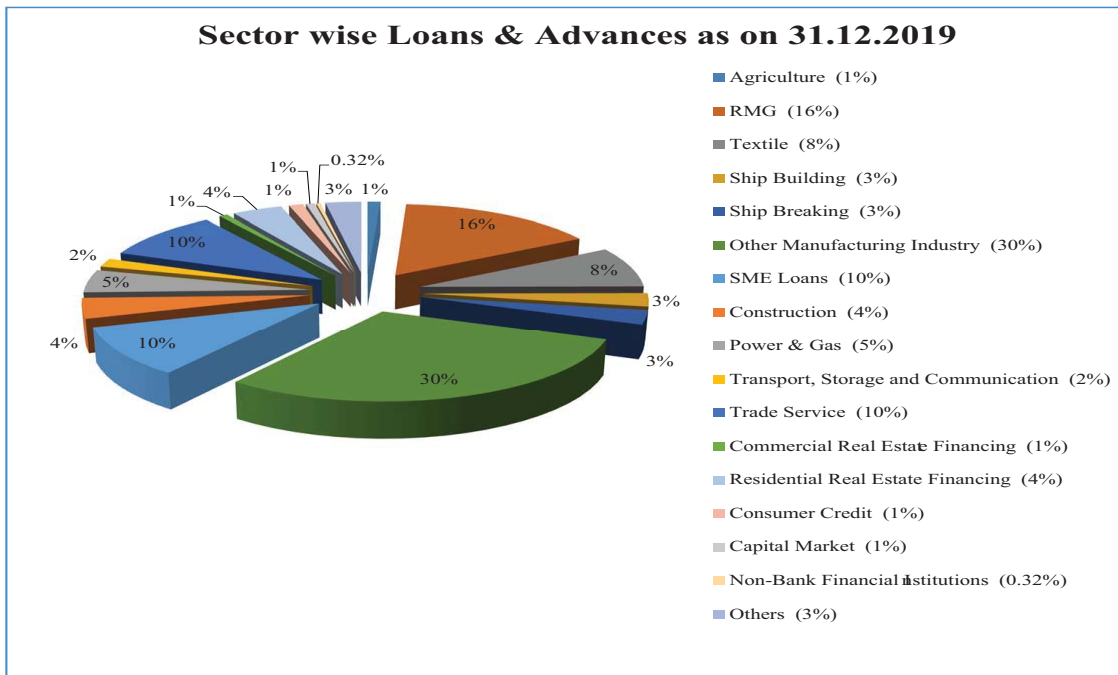


DIRECTORS' REPORT

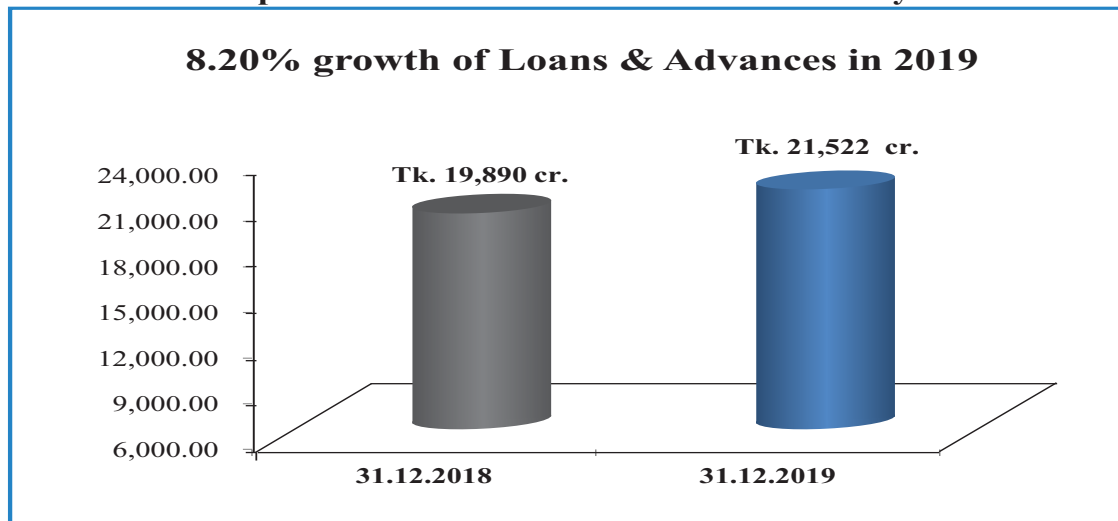
Loans and Advances:

The Bank's total Loans and Advances stood at Tk. 21,522.78 crore as on December 31, 2019 compared to Tk. 19,890.87 crore at the end of 2018 showing a growth of 8.20% 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.



Comparison of Loans & Advances in last two years



DIRECTORS' REPORT

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 2019: 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: Annexure-F
- v. Lending policies in respect of related party:
 - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2019: Nil
 - b) Amount of transactions regarding principal items of deposits, expenses and commission: Nil
 - c) Amount of provision against loans and advances given to related party: Nil
 - d) Amount of guarantees and commitments arising from other off-balance sheet exposures: Nil
- vi. Disclosure of transaction regarding Directors and their related concerns: Nil
- vii. 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. 21.07 million (Balance as on December 31, 2019). 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 13,562 sq. ft. from Shamah Enterprise Limited for storage facilities at a rent of Tk. 0.47 million per month against which the Bank has advanced Tk. 7.22 million (Balance as on December 31, 2019). 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. 39.55 million (Balance as on December 31, 2019). 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



An OBL financed Rotary Machine



DIRECTORS' REPORT



A Cable Manufacturing Plant financed by an OBL Led Syndication

a rent of Tk. 2.44 million per month against which the Bank has advanced Tk. 39.47 million (Balance as on December 31, 2019). 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. 0.44 million per month against which the Bank has advanced Tk. 9.84 million (Balance as on December 31, 2019). 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.

With the view to strength the capital base of the Bank, ONE Bank Limited again issued unsecured Nonconvertible Subordinated floating rate bonds of Tk. 4,000 million after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin.



DIRECTORS' REPORT

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.



An OBL financed Biscuit Manufacturing Factory



DIRECTORS' REPORT



Signing of Financial Statements 2019 of ONE Bank Limited

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 regular basis at Management and Board level;
- Established authority limits for transactions and expenses;
- Established Centralized Loan Administration Department & Trade Processing Center.
- Review of Bangladesh Bank's inspection 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.



DIRECTORS' REPORT

Deviations from the last year's Operating Results

Current year's Gross Operating profit has decreased compared to last year's mainly due to incremental market trend of cost of deposits. However, Profit after Provision and Taxes has increased due to lower loan loss provision requirement in the current year. As a result, Earning per Share had a 19% positive growth.

▪ **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	OBL Training Institute & Proposed 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 2019

Figures in Million Taka

SI No	Particulars	2019	2018	2017	2016	2015
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid up Capital	8,432	7,665	7,300	6,637	5,899
3	Shareholders' equity	16,052	14,392	14,109	12,916	11,579
4	Statutory Reserve	6,082	5,572	5,104	4,435	3,846
5	Total Capital (Tier-1 + Tier-2 Capital)	24,977	23,196	21,366	20,309	14,759
6	Total Assets	297,874	266,050	227,202	188,241	154,193
7	Total Deposits	228,091	202,546	182,675	153,428	131,252
8	Total Loans & Advances	215,228	198,909	170,393	132,084	106,749
9	Total Investment	33,728	28,724	26,144	28,049	22,900
10	Import business handled	130,548	137,904	150,633	127,067	105,199
11	Export business handled	99,496	94,797	93,806	67,483	56,176
12	Guarantee business handled	14,813	19,297	15,673	10,240	12,939
13	Total Contingent Liabilities	73,966	81,651	73,062	70,895	61,444
14	Total Operating Income	9,335	10,214	9,575	8,222	7,640
15	Total Operating Expenses	5,216	4,829	4,471	3,946	3,492
16	Profit before provision	4,119	5,385	5,105	4,275	4,148
17	Provision for loans and other assets	1,568	3,043	1,760	1,329	1,450
18	Profit after provision and before taxes	2,551	2,342	3,345	2,946	2,698
19	Provision for taxation	891	949	1,163	886	776
20	Net profit after taxation	1,660	1,393	2,181	2,061	1,922

Figures in Taka/Percentage

SI No	Particulars	2019	2018	2017	2016	2015
1	Earnings per Share	1.97	1.82	2.99	3.10	3.26
2	Price Earning Ratio (Times)	5.23	8.25	8.03	5.89	4.69
3	Net Asset Value per share	19.04	18.78	19.33	19.46	19.63
4	Return on Assets	0.59%	0.56%	1.05%	1.20%	1.39%
5	Return on Investment	6.00%	6.88%	8.26%	7.58%	7.86%
6	Capital Adequacy Ratio	12.80%	11.93%	11.56%	13.89%	10.93%
7	Tier - 1 (Capital)	8.18%	7.37%	7.60%	8.72%	8.46%
8	Credit Deposit Ratio	83.88%	83.59%	84.57%	83.87%	80.58%
9	Percentage of classified loans against total loans and advances	9.24%	7.05%	5.31%	4.93%	3.58%
10	Dividend					
	Cash	5.00%		15.00%	13.00%	12.50%
	Stock	5.00%	10.00%	5.00%	10.00%	12.50%

SI No	Particulars	2019	2018	2017	2016	2015
1	Number of Branches	103	99	95	87	85
2	Number of Employees	2414	2239	2101	2028	1976

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 5% Cash and 5% Stock Dividend for the year 2019.



DIRECTORS' REPORT

No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2019

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Sayeed H. Chowdhury	21	0	21
Mr. Asoke Das Gupta	21	0	21
Mr. Zahur Ullah	15	6	21
Mr. A. S. M. Shahidullah Khan	15	6	21
Mr. Kazi Rukunuddin Ahmed	19	2	21
Mr. Shawket Jaman	21	0	21
Mr. Salahuddin Ahmed	16	5	21
Mr. Syed Nurul Amin	13	8	21
Mr. M. Fakhru Alam (Managing Director)	21	0	21



DIRECTORS' REPORT

No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2019

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Zahur Ullah	9	1	10
Mr. Sayeed H. Chowdhury	10	0	10
Mr. Asoke Das Gupta	10	0	10
Mr. M. Fakhrul Alam (Managing Director)	10	0	10

No. of Meetings of the Audit Committee held & Attendance of the Directors in the Meetings during 2019

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

No. of Meetings of the Risk Management Committee held & Attendance of the Directors in the Meetings during 2019

Name of the Directors	Directors present in the Meeting	Directors absent in the Meeting	Total No. of Meetings held
Mr. Salahuddin Ahmed	4	0	4
Mr. Asoke Das Gupta	4	0	4
Mr. Zahur Ullah	4	0	4
Mr. Syed Nurul Amin	2	2	4



DIRECTORS' REPORT

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	33,412,163	Mrs. Farzana Chowdhury	38,260,395
2	Mr. Asoke Das Gupta	Vice Chairman	16,935,570	Mrs. Rakhi Das Gupta	1,811,948
3	Mr. Zahur Ullah	Director	23,122,138	Mrs. Salma Zahur	27,077,013
4	Mr. Abu Saleh Mohammad Shahidullah Khan	Director, Representing, KSC Securities Ltd.	17,070,972	Dr. Naila Khan	Nil
5	Mr. Kazi Rukunuddin Ahmed	Director, Representing, Irfan International Ltd.	16,864,386	Mrs. Dilruba Ahmed	Nil
6	Mr. Shawket Jaman	Director, Representing, M. R. Holdings and Securities Ltd.	16,909,814	Mrs. Shuraya Akther	Nil
7	Mr. Salahuddin Ahmed	Independent Director	Nil	Mrs. Kashefa Ahmed	Nil
8	Mr Syed Nurul Amin	Independent Director	Nil	Mrs. Nurunnahar Begum	Nil
9	Mr. M. Fakhru Alam	Managing Director	Nil	Mrs. Selina Alam	Nil
10	Mr. John Sarkar	DMD & Company Secretary	Nil	Mrs. Josephine Sarkar	Nil
				Timothy Carol Sarkar	Nil
11	Mr. Ashraful Haq Amin	EVP & Chief Financial Officer	Nil	Mrs. Kazi Naeema Binte Faruky	Nil
				Aymanul Haq Amin	
				Ayeshah Amin	
12	Mr. Khaled Mahbub Morshed	EVP & Head of Internal Audit	Nil	Mrs. Rabeya Basry	Nil
				Nafisa Tabassum	Nil
				Nabiha Tarannum	Nil

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

Sl. No.	Name	Status	No. of Shares
1	Mr. Md. Monzur Mofiz	AMD	Nil
2	Mr. Mahmoodun Nabi Chowdhury	DMD	Nil
3	Mr. Wakar Hasan	DMD	Nil
4	Mr. A.B.M. Saif Sarwar	ADMD	6,793
5	Mr. Mohammed Fazlur Rahman Chowdhury	ADMD	2,74,600

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

Appointment / Re-appointment of Directors

The issue is discussed in the Director's Profile.

On behalf of the Board of Directors,

SAYEED

Sayeed Hossain Chowdhury
Chairman



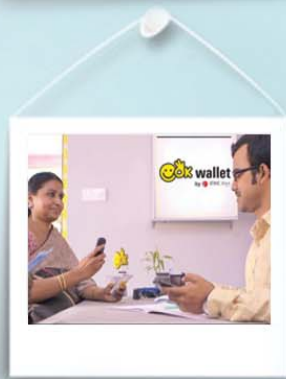
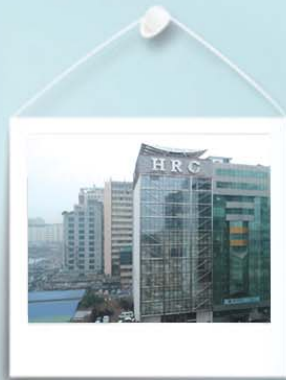


PHOTO GALLERY



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 Committee (CCC)



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 100th OBL Branch at Shantinagar, Dhaka



Inauguration of Mongla Port Branch at Bagerhat



Branch & Booth Opening



Inauguration of OBL Chowgacha Branch, Jashore



Inauguration of Benapole Sub-Branch and "ATM Booth" at the premises of International Passenger Terminal, Benapole Land Port.



Inauguration of Ahsanullah University Sub-Branch, Dhaka



Branch & Booth Opening



Inauguration of ATM Booth at Hotel Orion International, Jashore



Inauguration of Mohammadpur Sub-Branch at Mohammadpur Girls' High School premises



Inauguration of ATM Booth at Asgar Ali Hospital, Dhaka



OBL Corporate Programmes



Celebrating 20th year of Banking Services of ONE Bank Limited



A Partial View of Cultural Program on the occasion of 20th Anniversary of the Bank



OBL Corporate Programmes



A partial view of 20th Annual General Meeting of ONE Bank Limited



A partial view of Regional Branches Conference of ONE Bank Limited



Award giving ceremony of OK Wallet Champion Campaign



Signing Ceremonies



ONE Bank Limited signed an Agreement with Bangladesh Bridge Authority



ONE Bank Limited signed an Agreement with Sonali Life Insurance Company Limited



ONE Bank Limited signed an MoU with BRAC University



Signing Ceremonies



ONE Bank Limited signed an Agreement with United Finance



ONE Bank Limited signed an MoU with Bangladesh Economic Zones Authority (BEZA)



ONE Bank Limited and Bangladesh Land Port Authority signed an Agreement to set up a Sub-Branch beside the premises of International Passenger Terminal, Benapole.



Signing Ceremonies



ONE Bank Limited signed an Agreement with Asgar Ali Hospital allowing discount for OBL Card holders



ONE Bank Limited signed an Agreement with Chartered Life Insurance Company Limited



ONE Bank Limited signed an Agreement with Beximco Communications Limited



Signing Ceremonies



ONE Bank Limited signed an Agreement with Pathao



ONE Bank Limited signed an Agreement with mBill Systems Limited



ONE Bank Limited signed an Agreement with Meena Bazar



Signing Ceremonies



ONE Bank Limited signed an Agreement with Access to Information (a2i)



ONE Bank Limited signed an Agreement with Dmoney



ONE Bank Limited signed an Agreement with BRAC Bank Limited



Signing Ceremonies



ONE Bank Limited signed an Agreement with Chattogram City Corporation



ONE Bank Limited signed an Agreement with GD Assist



ONE Bank Limited signed an Agreement with Walletmix Limited



Signing Ceremonies



ONE Bank Limited signed an Agreement with Cloud Well



ONE Bank Limited signed an Agreement with Software Shop Ltd. (SSL Wireless)



ONE Bank Limited signed an Agreement with Bay Emporium Limited



OBL CSR



ONE Bank's Executive Committee Chairman Mr. Zahur Ullah handed over a cheque to the Honorable Prime Minister Sheikh Hasina as a donation to the Prime Minister's Relief fund



ONE Bank Limited arranged a scholarship distribution ceremony for the financially insecure but meritorious students of various educational institutions



OBL CSR



ONE Bank Limited sponsored Flower Exhibition at Rajshahi



ONE Bank Limited distributed relief to the flood affected people



ONE Bank Limited arranged Tree Plantation Activity 2019



OBL Training Programmes



A daylong Training on “Financial Skill Development of Youth towards Implementing Sustainable Development Goals” held at ONE Bank Training Institute



ONE Bank Limited arranged a Training Program for Branch Managers



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 301st Meeting held on August 01, 2019 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 2019, the Audit Committee held 4 (four) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made therein.
2. Bangladesh Bank Comprehensive Inspection Report and 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 OBL's subsidiary.



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: August 18, 2020

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)

Condition No.	Title	Compliance Status		Remarks (If any)
		(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:			



Corporate Governance

	(a) a brief resume of the directors	√		
	(b) nature of his or her expertise in specific functional areas	√		
	(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	√		



Corporate Governance

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	√		



Corporate Governance

	(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	√		
	(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 2019
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:			



Corporate Governance

	(i) Audit Committee;	√		
	(ii) Nomination and Remuneration Committee			Not applicable
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	√		



Corporate Governance

	(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	√		
	(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	√		



Corporate Governance

	(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;	√		
	(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



Corporate Governance

	(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
	(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



Corporate Governance

	(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
	(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



Corporate Governance

	(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:			
	(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;	√		



Corporate Governance

	(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	√		
	(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 and CFO

Date: 25 June 2020

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 2019.

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 2019 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 2019 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. Fakhru Alam
Managing Director



Ashraful Haq Amin, FCA
Chief Financial Officer

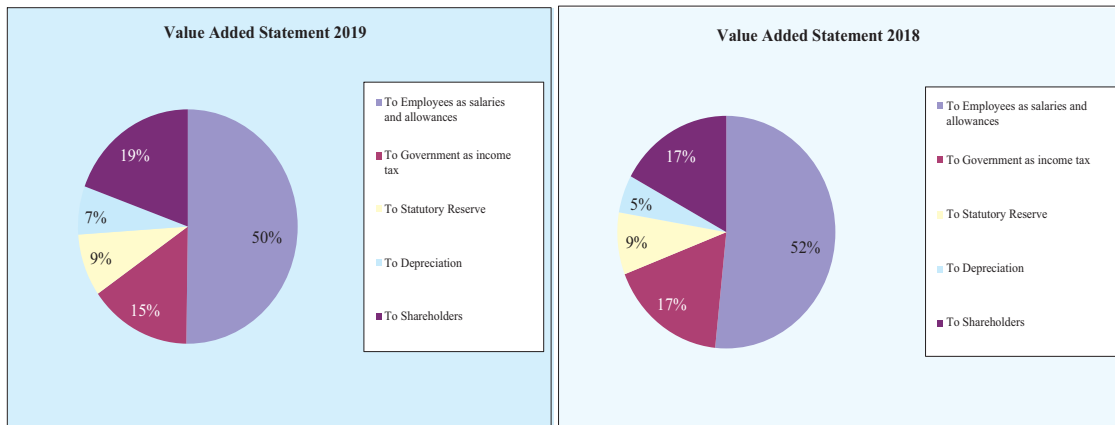


Value Added Statement

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	2019 Taka	2018 Taka
Income from banking Service	27,292,053,623	24,947,249,971
Less: Cost of services and supplies	(19,807,425,071)	(16,473,090,124)
	7,484,628,552	8,474,159,847
Loan loss provision and other provisions	(1,567,881,560)	(3,043,285,090)
Total Value Added	5,916,746,992	5,430,874,757



	2019 (Taka)	%	2018 (Taka)	%
Distribution of added value				
To Employees as salaries and allowances	2,971,187,574	50%	2,804,599,598	52%
To Government as income tax	891,455,787	15%	948,621,832	17%
To Statutory Reserve	510,260,561	9%	468,331,595	9%
To Depreciation	394,256,613	7%	284,617,184	5%
To Shareholders	1,149,586,457	19%	924,704,548	17%
Total	5,916,746,992	100%	5,430,874,757	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 2019. The summary of the rating is presented below:

Date of Declaration	Valid Till	Long Term Rating	Short Term Rating
March 10, 2020	March 09, 2021	AA	ST-2
March 10, 2019	March 09, 2020	AA	ST-2

Long Term AA means:

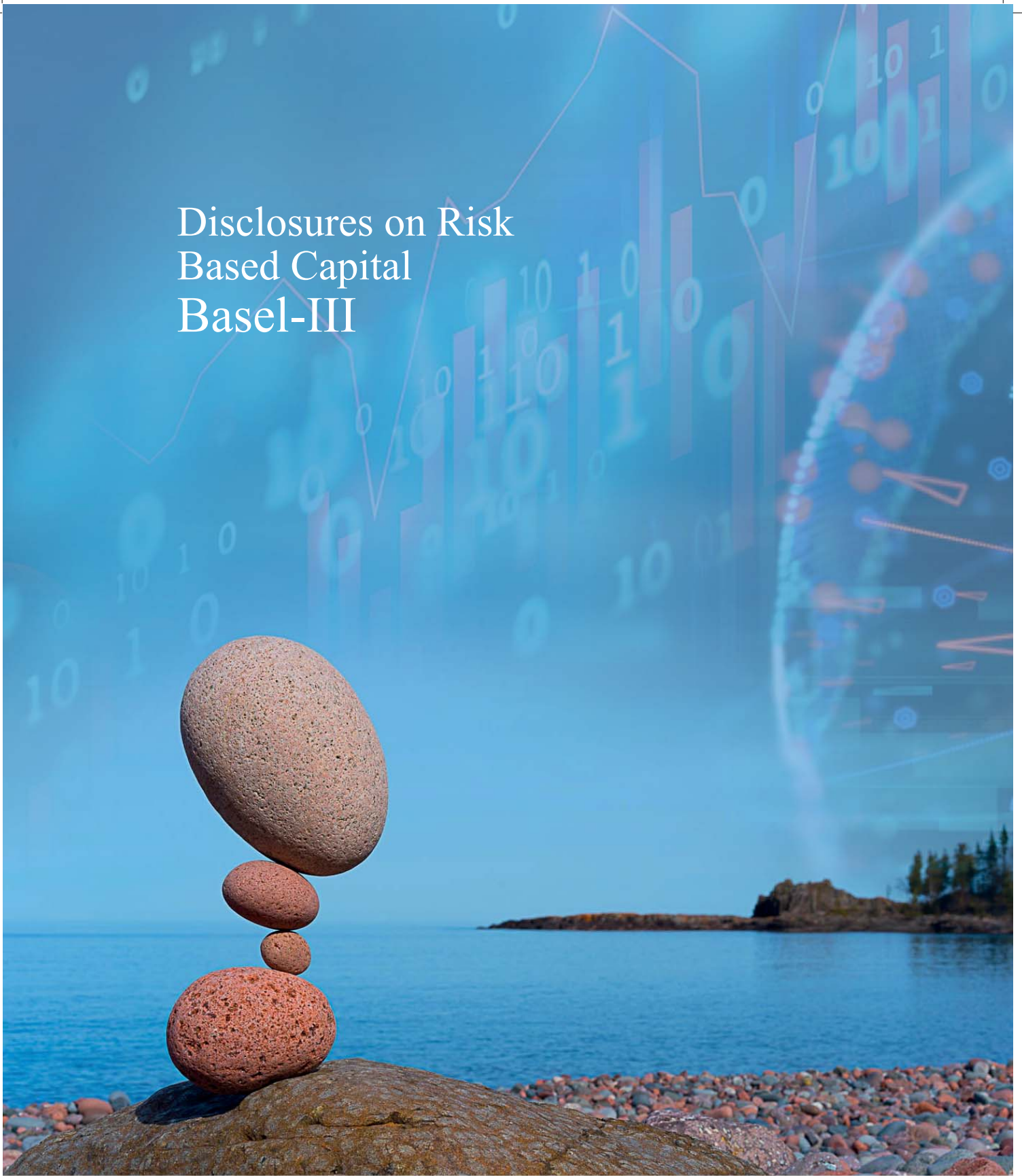
Commercial Banks rated AA have very strong capacity to meet their financial commitments and is generally in a position to withstand adverse developments in the economy, business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.

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 conditions.



Disclosures on Risk Based Capital Basel-III



Disclosures on Risk Based Capital Basel-III

For the year ended 31 December, 2019

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</p> <p>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 • Any investment exceeding the approved limit under section 26 ka(1) of Bank Company Act, 1991 • Investments in subsidiaries which are not consolidated (50% of Investment)
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Disclosures on Risk Based Capital Basel-III

b. Quantitative Disclosures

Amount in crore Taka

a)	Tier-1 Capital (Going-concern capital)	Solo	Consolidated
	1. Common Equity Tier -1		
	✓ Paid up capital	843.19	843.19
	✓ Statutory Reserve	608.24	608.24
	✓ Retained Earnings	152.91	160.18
	✓ Minority Interest in Subsidiaries	-	3.08
	Sub total	1,604.34	1,614.69
	Adjustment:		
	✓ Deferred Tax Assets (DTA)	6.94	6.94
	✓ Goodwill and all other Intangible Assets	0.56	0.56
	✓ Reciprocal Crossholdings	0.10	5.41
	Total Common Equity Tier-1 Capital	1,596.74	1,601.77
	2. Additional Tier-1 Capital	Nil	Nil
b)	Tier-2 Capital (Gone-concern capital)		
	✓ General Provision	260.94	260.94
	✓ Subordinated debt	640.00	640.00
	Total Tier-2 Capital	900.94	900.94
	Total Eligible Capital	2,497.68	2,502.71

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% 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, 2019 is Nil), (b) Subordinated Bond-2 of Tk. 400 crore issued on 27th October 2016 (qualifying amount as on 31st December, 2019 is Tk. 240 crore) and (c) Subordinated Bond-3 of Tk. 400 crore issued in 2019(qualifying amount as on 31st December, 2019 is Tk. 400 crore). To further strengthen the Tier-1 capital, we are approaching to issue a Perpetual Bond of Tk. 400 crore and hopefully the issuance of the bond will be executed by June 2020 subject to approval from regulatory authorities. 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 2019 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)</p>
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Disclosures on Risk Based Capital Basel-III

	<p>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 & ECAs.</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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b. Quantitative Disclosure:

Amount in crore Taka

Particulars	Solo	Consolidated
Credit Risk Weighted Assets	17,106.77	16,880.21
<i>On- Balance sheet</i>	<i>16,016.66</i>	<i>15,790.10</i>
<i>Off-Balance sheet</i>	<i>1,090.11</i>	<i>1,090.11</i>
Market Risk Weighted Assets	445.38	658.47
Operational Risk Weighted Assets	1,960.86	1,985.10
Total Risk Weighted Assets	19,513.01	19,523.78
Required Capital against Credit, Market and Operational Risk	1,951.30	1,952.38
1. Tier-1 Capital (2+3)	1,596.74	1,601.77
2. <i>Common Equity Tier-1 Capital (CET-1)</i>	1,596.74	1,601.77
3. <i>Additional Tier-1 Capital (AT-1)</i>	-	-
4. Tier-2 Capital	900.94	900.94
Total Regulatory Capital (1+4) :	2,497.68	2,502.71
Capital to Risk Weighted Assets Ratio (CRAR)	12.80%	12.82%
Common Equity Tier-1 to RWA	8.18%	8.20%
Tier-1 Capital to RWA	8.18%	8.20%
Tier-2 Capital to RWA	4.62%	4.62%

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.



Disclosures on Risk Based Capital Basel-III

4.1. Definitions of past due and impaired

ONE Bank Limited follows the Bangladesh Bank guidelines and definitions of past due and impaired loans as below:

Loan Type	Default		Classified / Impaired		
	Past due	Special Mention	SS	DF	BL
Continuous Loan	If not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank is treated as past due/overdue from the following day of the expiry date.	A continuous Credit, Demand Loan or a Term Loan which will remain overdue for a period of 02 (two) months or more will be treated as Special Mention Account (SMA).	If it remains past due /overdue for 3 months or beyond but less than 6 months	If it remains past due /overdue for 6 months or beyond but less than 9 months	If it remains past due /overdue for 9 months or beyond.
Demand Loan	If not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue/ overdue from the following day of the expiry date.		If it remains past due/overdue for 3 months or beyond but not over 6 months from the date of expiry / claim by the bank or from the date of creation of the forced loan	If it remains past due / overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of the forced loan	If it remains past due / overdue for 9 months or beyond from the date of claim by the bank or from the date of creation of the forced loan
Term Loan upto Tk.10.00 lac	In case any installment (s) or part of installment (s) of a Fixed Term Loan upto Tk.10.00 lac is not repaid within the due date, the amount of unpaid installment (s) will be termed as past due /overdue installments from the following day of the due date		If the amount of past due installment is equal to or more than the amount of installment (s) due within 6 months, the entire loan will be classified as "Sub-standard".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 9 months, the entire loan will be classified as "Doubtful".	If the amount of past due installment is equal to or more than the amount of installment (s) due within 12 months, the entire loan will be classified as "Bad /Loss"



Disclosures on Risk Based Capital Basel-III

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

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



Disclosures on Risk Based Capital Basel-III

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 good 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	Major types of credit exposure as per disclosures in the audited financial statements as of 31 December, 2019		
		Particulars	Outstanding Amount	Mix (%)
		Overdraft	4,279.24	19.88%
		Export cash credit	399.94	1.86%
		Transport loan	169.01	0.79%
		House building loan	852.03	3.96%
		Loan against trust receipt	722.18	3.36%
		Term loan	7,850.07	36.47%
		Payment against document	704.67	3.27%
		Consumer Finance	241.31	1.12%
		Staff loan	73.68	0.34%
		Bills purchased and discounted	245.19	1.14%
		Others	5,985.46	27.81%
		Total loans and advances	21,522.78	100%



Disclosures on Risk Based Capital Basel-III

b)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure	Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December, 2019 are as follows:																																																												
		<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Amount in crore Taka</th> </tr> <tr> <th>Outstanding Loan</th> <th>Mix (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3">Urban</td> </tr> <tr> <td>Dhaka Division</td> <td>14,597.48</td> <td>67.82%</td> </tr> <tr> <td>Chattogram Division</td> <td>4,208.61</td> <td>19.55%</td> </tr> <tr> <td>Khulna Division</td> <td>782.93</td> <td>3.64%</td> </tr> <tr> <td>Rajshahi Division</td> <td>407.64</td> <td>1.89%</td> </tr> <tr> <td>Rangpur Division</td> <td>77.41</td> <td>0.36%</td> </tr> <tr> <td>Barishal Division</td> <td>59.56</td> <td>0.28%</td> </tr> <tr> <td>Sylhet Division</td> <td>26.16</td> <td>0.12%</td> </tr> <tr> <td>Sub-total (Urban)</td> <td>20,159.79</td> <td>93.66%</td> </tr> <tr> <td colspan="3">Rural</td> </tr> <tr> <td>Dhaka Division</td> <td>879.78</td> <td>4.09%</td> </tr> <tr> <td>Chattogram Division</td> <td>416.47</td> <td>1.94%</td> </tr> <tr> <td>Khulna Division</td> <td>40.54</td> <td>0.19%</td> </tr> <tr> <td>Rajshahi Division</td> <td></td> <td></td> </tr> <tr> <td>Barishal Division</td> <td></td> <td></td> </tr> <tr> <td>Rangpur Division</td> <td></td> <td></td> </tr> <tr> <td>Sylhet Division</td> <td>26.20</td> <td>0.12%</td> </tr> <tr> <td>Sub-total (Rural)</td> <td>646</td> <td>100%</td> </tr> <tr> <td>Grand Total (Urban + Rural)</td> <td>21,522.78</td> <td>100.00%</td> </tr> </tbody> </table>	Particulars	Amount in crore Taka		Outstanding Loan	Mix (%)	Urban			Dhaka Division	14,597.48	67.82%	Chattogram Division	4,208.61	19.55%	Khulna Division	782.93	3.64%	Rajshahi Division	407.64	1.89%	Rangpur Division	77.41	0.36%	Barishal Division	59.56	0.28%	Sylhet Division	26.16	0.12%	Sub-total (Urban)	20,159.79	93.66%	Rural			Dhaka Division	879.78	4.09%	Chattogram Division	416.47	1.94%	Khulna Division	40.54	0.19%	Rajshahi Division			Barishal Division			Rangpur Division			Sylhet Division	26.20	0.12%	Sub-total (Rural)	646	100%	Grand Total (Urban + Rural)
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c)	By major industry or counterparty type	(a) Amount of impaired loans and if available, past due loans, provided separately																																																												
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Disclosures on Risk Based Capital Basel-III

		<p>b) Specific and general provisions</p> <p>Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank as per audited financial statements as of 31 December, 2019 was as under:</p> <table border="1" data-bbox="638 432 1347 606"> <thead> <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> </thead> <tbody> <tr> <td>Specific provision for loans and advances</td> <td>733.11</td> </tr> <tr> <td>General provision for loans and advances</td> <td>198.27</td> </tr> <tr> <td>General provision for off-balance sheet exposures</td> <td>62.67</td> </tr> <tr> <td>Total</td> <td>994.05</td> </tr> </tbody> </table> <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, 2019 was as under:</p> <table border="1" data-bbox="638 760 1347 919"> <thead> <tr> <th>Particulars</th> <th>Amount in crore Taka</th> </tr> </thead> <tbody> <tr> <td>Specific provision for loans and advances</td> <td>177.19</td> </tr> <tr> <td>General provision for loans and advances</td> <td>(9.08)</td> </tr> <tr> <td>General provision for off-balance sheet exposures</td> <td>(11.55)</td> </tr> <tr> <td>Total</td> <td>156.55</td> </tr> </tbody> </table>	Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures	Amount in crore Taka	Specific provision for loans and advances	733.11	General provision for loans and advances	198.27	General provision for off-balance sheet exposures	62.67	Total	994.05	Particulars	Amount in crore Taka	Specific provision for loans and advances	177.19	General provision for loans and advances	(9.08)	General provision for off-balance sheet exposures	(11.55)	Total	156.55		
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<p>d)</p>	<p>Non Performing Assets (NPAs)</p>	<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, 2019 was as under:</p> <table border="1" data-bbox="673 1104 1347 1549"> <thead> <tr> <th>Movement of Non-Performing Assets (NPAs)</th> <th>Amount in crore Taka</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>1,403.09</td> </tr> <tr> <td>Additions</td> <td>1,112.69</td> </tr> <tr> <td>Reductions</td> <td>(526.28)</td> </tr> <tr> <td>Closing Balance</td> <td>1,989.50</td> </tr> <tr> <td>Movement of specific provisions for NPAs</td> <td></td> </tr> <tr> <td>Opening Balance</td> <td>550.86</td> </tr> <tr> <td>Provision made during the period</td> <td>253.05</td> </tr> <tr> <td>Recovery of written off Loan</td> <td>5.06</td> </tr> <tr> <td>Write back of excess provision</td> <td>(75.86)</td> </tr> <tr> <td>Closing balance</td> <td>733.11</td> </tr> </tbody> </table>	Movement of Non-Performing Assets (NPAs)	Amount in crore Taka	Opening Balance	1,403.09	Additions	1,112.69	Reductions	(526.28)	Closing Balance	1,989.50	Movement of specific provisions for NPAs		Opening Balance	550.86	Provision made during the period	253.05	Recovery of written off Loan	5.06	Write back of excess provision	(75.86)	Closing balance	733.11
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Disclosures on Risk Based Capital Basel-III

5. Equities: disclosures for Banking Book Positions

a. Qualitative Disclosures

a)	The general qualitative disclosure requirement with respect to the equity risk, including:													
	<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 border="1"> <thead> <tr> <th>Particulars</th> <th>Valuation method</th> </tr> </thead> <tbody> <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> </tbody> </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.
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Unquoted	At cost price.													
Bonds:														
Subordinated bonds	At redemption value.													

b. Quantitative Disclosures

a)	Value, disclosed in the balance sheet, of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<p style="text-align: center;">Amount in crore Taka</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Cost</th> <th colspan="2">Market Value</th> </tr> <tr> <th>Bank Position</th> <th>Consolidated Position</th> <th>Bank Position</th> <th>Consolidated Position</th> </tr> </thead> <tbody> <tr> <td>Quoted Share</td> <td>54.86</td> <td>238.27</td> <td>59.16</td> <td>165.71</td> </tr> <tr> <td>Unquoted share</td> <td>10.89</td> <td>10.89</td> <td>10.89</td> <td>10.89</td> </tr> </tbody> </table>	Particulars	Cost		Market Value		Bank Position	Consolidated Position	Bank Position	Consolidated Position	Quoted Share	54.86	238.27	59.16	165.71	Unquoted share	10.89	10.89	10.89	10.89
Particulars	Cost			Market Value																	
	Bank Position	Consolidated Position	Bank Position	Consolidated Position																	
Quoted Share	54.86	238.27	59.16	165.71																	
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	<p>The cumulative realized gain (losses):</p> <p style="text-align: center;">Amount in Crore Taka</p> <table border="1"> <thead> <tr> <th>Bank Position</th> <th>Consolidated Position</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> </tr> </tbody> </table>	Bank Position	Consolidated Position	0	0															
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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 	<p>Total unrealized gains (losses)</p> <p style="text-align: center;">Amount in Crore Taka</p> <table border="1"> <thead> <tr> <th>Bank Position</th> <th>Consolidated Position</th> </tr> </thead> <tbody> <tr> <td>4.30</td> <td>(72.56)</td> </tr> </tbody> </table>	Bank Position	Consolidated Position	4.30	(72.56)															
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4.30	(72.56)																				
d)	<p>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.</p> <p>a) Capital requirements for equity investments</p> <ul style="list-style-type: none"> - For Specific market risk - For General market risk 	<p>The capital requirements for equity investments as of 31 December, 2019 was as under:</p> <p style="text-align: center;">Amount in crore Taka</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (Market Value)</th> <th>Weight</th> <th>Capital Charge</th> </tr> </thead> <tbody> <tr> <td>Specific Risk</td> <td>59.16</td> <td>0.10</td> <td>5.92</td> </tr> <tr> <td>General Market Risk</td> <td>59.16</td> <td>0.10</td> <td>5.92</td> </tr> <tr> <td colspan="3">Total</td> <td>11.84</td> </tr> </tbody> </table>	Particulars	Amount (Market Value)	Weight	Capital Charge	Specific Risk	59.16	0.10	5.92	General Market Risk	59.16	0.10	5.92	Total			11.84			
Particulars	Amount (Market Value)	Weight	Capital Charge																		
Specific Risk	59.16	0.10	5.92																		
General Market Risk	59.16	0.10	5.92																		
Total			11.84																		



Disclosures on Risk Based Capital Basel-III

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> <ol style="list-style-type: none"> loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule; loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and reprised accordingly; 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>
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b. Quantitative Disclosures

The impact of changes in interest rate for On-balance sheet rate sensitive assets and liabilities of OBL as per the audited financial statements as of 31 December, 2019 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]	7,529.19	4,437.57	1,589.20	11,559.54
Rate sensitive liabilities [B]	9,645.59	4,822.59	1,797.69	7,345.22
GAP [A-B]	(2,116.40)	(385.03)	(208.49)	4,214.32
Cumulative GAP	(2,116.40)	(2,501.43)	(2,709.91)	1,504.41
Interest rate change (IRC) [Note 1]	0.0025	0.0025	0.0025	0.0025
Quarterly earnings impact [Cumulative GAP x IRC]	(5.29)	(6.25)	(6.77)	3.76
Cumulative earnings impact	(5.29)	(11.54)	(18.32)	(14.56)

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



Disclosures on Risk Based Capital Basel-III

7. Market Risk

a. Qualitative Disclosures:

i) Views of Board of Directors (BOD) on trading / investment activities	The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet: i) Interest rate risk; ii) Equity price risk; iii) Foreign exchange risk; and iv) Commodity price risk																	
ii) Methods used to measure Market risk	As per relevant Bangladesh Bank guidelines, Standardized Approach has been used to measure the Market Risk for capital requirement for trading book of the Bank. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for "specific risk" and "general market risk" as under: <table border="1" style="margin-left: 20px;"> <thead> <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> </thead> <tbody> <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> </tbody> </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	The Treasury Division of the Bank manages market risk covering liquidity, interest rate and foreign exchange risks with oversight from Assets- Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration for containing the RWA.																	
iv) Policies and processes for mitigating market risk	There are approved limits for credit deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the bank meets on a daily basis to review the prevailing market condition, exchange rate, foreign exchange position, and transactions to mitigate foreign exchange risks.																	

b. Quantitative Disclosure:

Particulars	Amount in Crore	
	Solo	Consolidated
The capital requirements for:		
Interest Rate Risk	6.39	6.39
Equity Position risk	11.83	33.14
Foreign Exchange Risk	26.32	26.32
Commodity Risk	-	-
Total	44.54	65.85

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.



Disclosures on Risk Based Capital Basel-III

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	196.09	198.51

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)	150.24%
Net Stable Funding Ratio (NSFR)	125.91%
Stock of High Quality Liquid Assets	4,999
Total Net cash Outflows over the next 30 Calendar days	3,327
Available amount of stable funding	23,079
Required amount of stable funding	18,331



Disclosures on Risk Based Capital Basel-III

10. Leverage Ratio:

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

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

a. Qualitative Disclosure:

- 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.
- 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	5.20%	5.22%
Adjusted Tier 1 Capital	1,596.74	1,601.78
On balance sheet exposure	29,054.28	29,070.54
Off balance sheet exposure	1,643.69	1,643.69
Deductions	(7.60)	(12.91)
Total exposure	30,690.38	30,701.32

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.</p> <p>An employee is considered a Material Risk Taker if he/she is the Head of a significant business line, or any individuals within their control who have a material impact on the Bank's risk profile.</p>
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Disclosures on Risk Based Capital Basel-III

		The prevailing policies regarding remuneration and other financial/non financial benefits of employees have been implemented with the approval of the Board of Directors.
b)	Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy	<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> <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>
		Review of the remuneration policy was not required during the year 2019 since the Bank's overall remuneration structure has remained competitive.
c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. It should 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.



Disclosures on Risk Based Capital Basel-III

		<ul style="list-style-type: none"> - 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)

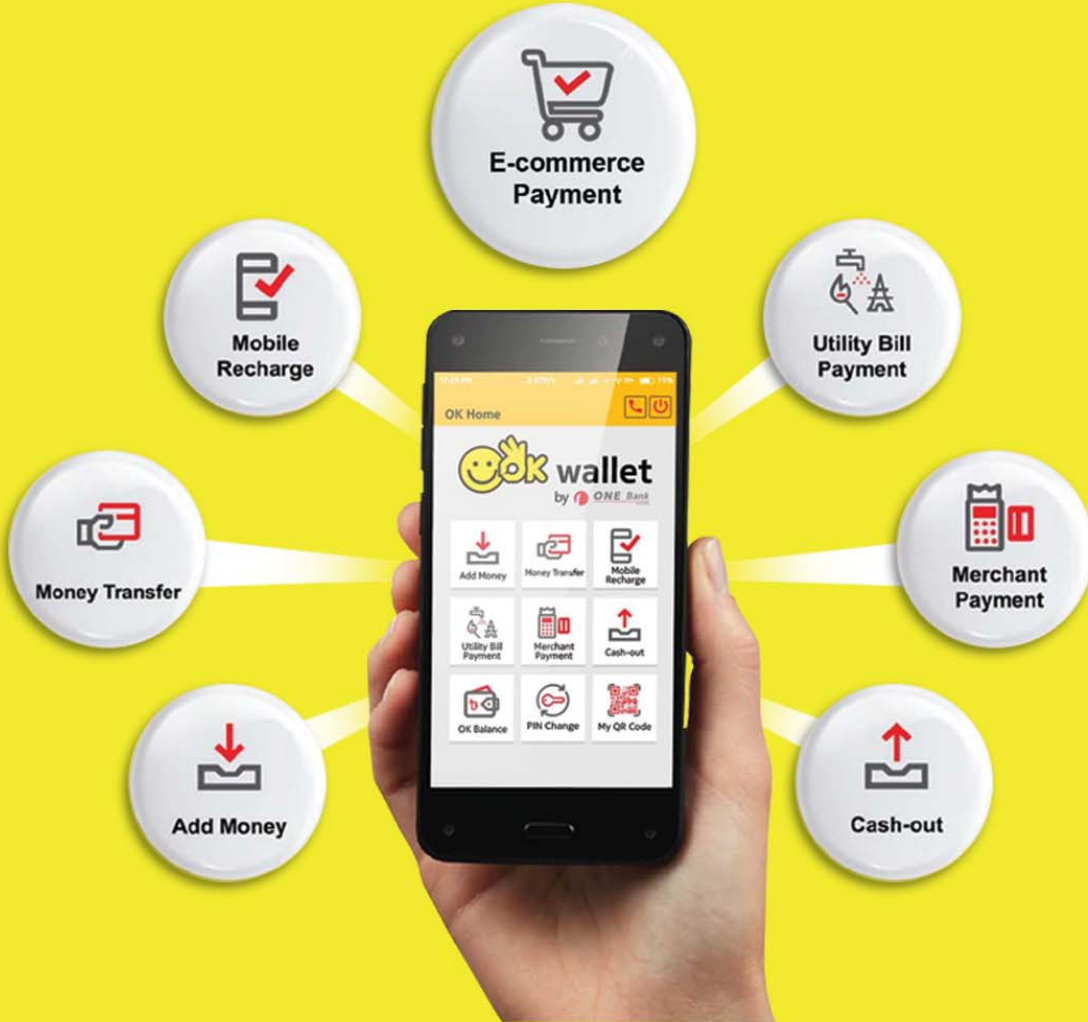
b) Quantitative Disclosure:

(a)	Number of employees having received a variable remuneration award during the financial year.	Total 1919 number of employees got variable remunerations during the year 2019.
	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. 21.39 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. 101.65 crore as of 31 st December, 2019.
	Total Amount of deferred remuneration paid out in the financial year.	Total amount of deferred remunerations paid is Tk. 6.11 crore during the year 2019 (Gratuity amount paid to the outgoing employees during the year 2019).
(c)	Breakdown of amount of remuneration awards for the financial year to show:	
	- Fixed and variable	Fixed remuneration is Tk. 280.70 crore and variable remuneration disbursed is Tk. 16.42 crore.
	- Deferred and no-deferred	Deferred remuneration awarded (account for during the year) is Tk. 15.59 crore and non-deferred remuneration is Tk. 281.53 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



OK ওয়ালেটে পেমেন্ট হবে সেকেন্ডেই !

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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 2019 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 2019, 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.

Emphasis of Matter

In note # 2.24 to the financial statements, the Bank disclosed the compliance status with regard to IFRS-16 as first time adoption.

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
1. Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewing the quarterly Classification of Loans (CL).



<p>At year end the Group reported total gross loans and advances of BDT 215,315.53 million (2018: BDT 198,958.43 million) and provision for loans and advances of BDT 9,313.83 million (2018: BDT 7,582.14 million). On the other hand, the Bank reported loans and advances of BDT 215,227.83 million (2018: BDT 198,908.75 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD circulars; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Bank’s general and specific provisions; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>See note # 7 and 12 to the separate financial statements</p>	

<p>2. Valuation of treasury bill and treasury bond</p>	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-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>
<p>See note # 6 to the financial statements</p>	



3. Measurement of deferred tax assets and liabilities	
<p>The Bank reports deferred tax assets and liabilities to totaling BDT 69.44 million and BDT 75.84 million respectively as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred tax assets and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of Deferred Tax Assets & liabilities and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of Deferred Tax Assets and liabilities.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note # 9 to the financial statements	

4. Valuation of defined benefits and pension obligation	
<p>The Group has a defined benefit scheme for its employees which in total are significant in the context of the overall balance sheet. The valuations of the retirement benefit liabilities are calculated with reference to the policy mentioned in note # 2.22(b) to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to us, which is used to calculate the pension liability.</p> <p>We tested the employee data used in calculating obligation.</p> <p>We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.</p>
See note # 2.22(b) to the financial statements	

5. 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 Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 6 to the financial statements	



6. IT systems and controls	
<p>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.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>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.</p> <p>We tested the Bank's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

7. Legal and regulatory matters	
<p>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.</p> <p>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.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

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.

The consolidated financial statements of the Group and separate financial statements of the Bank for the year ended 31 December 2018 were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on 30 April 2019.

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, 1991 as 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 consolidated and separate 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 of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (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 2,869.03 million and results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of accounts 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 of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the content of note # 7.14, 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 5,120 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka
25 June 2020


Muhammad Aminul Hoque, FCA
Partner
ACNABIN
Chartered Accountants



ONE Bank Limited and its Subsidiaries
Consolidated Balance Sheet

As at 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3 (a)		
Cash in hand (including foreign currencies)		2,201,368,803	1,781,097,675
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		22,174,633,442	17,057,292,079
		24,376,002,245	18,838,389,753
Balance with other Banks and Financial Institutions	4 (a)		
In Bangladesh		2,475,700,385	2,694,400,531
Outside Bangladesh		6,293,989,730	3,308,320,833
		8,769,690,115	6,002,721,364
Money at call on short notice	5	250,000,000	-
Investments	6 (a)		
Government		28,490,617,393	23,026,367,806
Others		7,633,878,587	8,102,272,929
		36,124,495,980	31,128,640,735
Loans and Advances	7 (a)		
Loans, cash credit, overdraft etc.		212,607,966,764	196,132,459,693
Bills purchased and discounted		2,707,565,191	2,825,968,833
		215,315,531,955	198,958,428,525
Fixed Assets including premises, furnitures & fixtures	8 (a)	2,638,229,199	2,032,793,338
Other Assets	9 (a)	10,562,575,866	9,209,971,079
Non-banking Assets		-	-
Total Assets		298,036,525,360	266,170,944,794
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and agents	10 (a)	29,274,274,579	29,902,343,604
Deposits and other accounts	11(a)		
Current accounts and other accounts		18,882,421,515	20,953,204,202
Bills payable		2,371,930,725	1,570,585,187
Savings bank deposits		21,377,433,366	17,869,437,115
Term deposits		185,233,119,775	161,905,184,920
		227,864,905,381	202,298,411,423
Other Liabilities	12 (a)	24,741,390,129	19,424,705,165
Total Liabilities		281,880,570,089	251,625,460,191
Capital/Shareholders' Equity			
Paid-up Capital	13	8,431,870,520	7,665,336,840
Statutory Reserve	14	6,082,448,575	5,572,188,014
Surplus in profit & loss account	15.1 (a)	1,601,772,114	1,268,580,761
Revaluation reserve for securities		9,087,403	8,262,217
Total Shareholders' Equity		16,125,178,612	14,514,367,831
Non-controlling Interest	15.1 (c)	30,776,659	31,116,771
Total Liability and Shareholders' Equity		298,036,525,360	266,170,944,794



ONE Bank Limited and its Subsidiaries
Consolidated Balance Sheet

As at 31 December 2019


	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		40,289,241,267	43,940,917,808
Letters of Guarantee	42	15,222,187,802	14,270,610,865
Irrevocable Letters of Credit		16,250,293,466	20,705,413,735
Bills for Collection		2,204,027,111	2,734,384,729
		73,965,749,644	81,651,327,138
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		73,965,749,644	81,651,327,138
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		73,965,749,644	81,651,327,138
 Net Asset Value Per Share		 19.12	 17.21

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


ACNABIN
Chartered Accountants



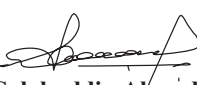
ONE Bank Limited and its Subsidiaries
Consolidated Profit & Loss Account


For the year ended 31 December 2019


	Notes	2019 Taka	2018 Taka
Interest income	16 (a)	23,367,971,208	21,036,597,150
Interest paid on deposits and borrowings etc.	17 (a)	(17,939,994,698)	(14,720,670,824)
Net interest income		5,427,976,509	6,315,926,326
Investment income	18 (a)	1,919,705,066	1,968,035,744
Commission, exchange and brokerage	19 (a)	1,448,481,855	1,465,854,816
Other operating income	20 (a)	643,053,120	609,297,675
Total operating income (A)		9,439,216,550	10,359,114,561
Salaries and allowances	21 (a)	2,986,165,958	2,823,685,506
Rent, taxes, insurance, electricity etc.	22 (a)	552,684,683	596,266,893
Legal expenses	23 (a)	89,281,674	70,775,967
Postage, stamps, telecommunication etc.	24	79,312,543	69,198,812
Directors' fees	25 (a)	1,560,750	1,529,750
Auditors' fees		340,000	285,000
Stationery, printings, advertisements etc.	26 (a)	467,568,382	354,868,189
Managing Director's salary and allowances (Bank only)	27	14,296,289	14,220,000
Depreciation, leasing expense and repair of bank's assets	28 (a)	780,931,153	627,057,599
Other expenses	29 (a)	292,635,452	321,801,150
Total operating expenses (B)		5,264,776,885	4,879,688,866
Profit/ (loss) before provision and tax (C=A-B)		4,174,439,665	5,479,425,695
Provision for loans and advances			
Specific provision	12.4	1,771,860,497	2,627,864,657
General provision	12.5	(90,848,241)	334,556,478
		1,681,012,256	2,962,421,136
Provision for off-balance sheet items	12.8	(115,495,593)	66,955,638
Provision for diminution in value of share	31	94,291,892	59,428,753
Provision for other	32	2,364,897	13,908,315
Total Provision (D)		1,662,173,452	3,102,713,842
Profit/(loss) before taxes (E=C-D)		2,512,266,214	2,376,711,853
Provision for taxation			
Current tax expense	33 (a)	889,608,675	986,869,912
Deferred tax expense /(income)	33 (a)	13,012,057	(19,733,569)
		902,620,732	967,136,343
		1,609,645,482	1,409,575,510
Net Profit after taxation			
Attributable to:			
Shareholders of the ONE Bank Ltd		1,609,985,594	1,409,431,980
Non-controlling Interest		(340,112)	143,529
		1,609,645,482	1,409,575,510
Retained surplus brought forward	15.1(b)	502,047,081	327,480,376
Add: Net profit after tax (attributable to shareholder of OBL)		1,609,985,594	1,409,431,980
		2,112,032,675	1,736,912,356
Appropriations:			
Statutory Reserve	14	510,260,561	468,331,595
General Reserve		-	-
		510,260,561	468,331,595
Retained Surplus		1,601,772,114	1,268,580,761
Earnings per share (EPS)	45	1.91	1.67

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


M. Fakhru Alam
Managing Director



Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


ACNABIN
Chartered Accountants



ONE Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement

For the year ended 31 December 2019


	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	34(a)	22,676,700,897	21,460,762,675
Interest payments	35(a)	(17,503,265,374)	(13,491,132,881)
Dividend receipts		71,887,032	430,136,779
Fee and commission receipts in cash	36(a)	859,434,440	933,265,927
Recoveries of loans previously written off		50,682,911	30,507,493
Cash payments to employees		(2,954,586,867)	(2,786,531,390)
Cash payments to suppliers		(799,986,033)	(693,319,770)
Income Taxes paid		(1,234,928,329)	(1,579,688,799)
Receipts from other operating activities	39(a)	1,242,423,203	1,165,008,103
Payment for other operating activities	40(a)	(1,106,933,325)	(1,039,283,754)
Cash generated from operating activities before changes in operating assets and liabilities		1,301,428,555	4,429,724,382
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(6,451,746,531)	(3,351,577,115)
Loans and advances to customers		(16,357,103,430)	(30,176,628,088)
Other current assets	41(a)	(125,015,242)	396,326
Deposits from other banks/ Borrowings		3,660,842,782	12,619,523,819
Deposits from customers		22,386,332,687	21,885,730,218
Other liabilities		1,955,129,552	232,291,461
A Net cash used in/ from operating activities		6,369,868,372	5,639,461,003
Cash flows from investing activities			
Proceeds from sale of securities		6,347,842,267	11,238,590,407
Payments for purchase of securities		(3,993,357,510)	(9,097,940,485)
Purchase of property, plant & equipment		(202,412,944)	(229,951,851)
Sale of property, plant & equipment		365,150	426,111
B Net cash used in investing activities		2,152,436,963	1,911,124,182
Cash flows from financing activities			
Receipts from issue of ordinary shares		-	(5,100,000)
Dividend paid		-	(1,092,338,477)
C Net cash used for financial activities		-	(1,097,438,477)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		8,522,305,335	6,453,146,707
E Effects of exchange rate changes on cash and cash-equivalent		32,405,708	5,757,665
F Opening cash and cash equivalent		24,842,603,017	18,383,698,645
G Closing cash and cash equivalents (D+E+F)		33,397,314,060	24,842,603,017
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3(a)	2,201,368,803	1,781,097,675
Cash with Bangladesh Bank & its agent banks(s)	3(a)	22,174,633,442	17,057,292,079
Cash with other banks and financial institutions	4(a)	8,769,690,115	6,002,721,364
Money at call on short notice	5	250,000,000	-
Prize bonds	6	1,621,700	1,491,900
		33,397,314,060	24,842,603,017
Net Operating Cash Flow Per Share		7.55	6.69

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


M. Fakhrul Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

Dhaka, 25 June 2020





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


For the year ended 31 December 2019


Particulars	Amount in Taka						
	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non-Controlling Interest	Total
Balance as at 01 January 2019	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
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	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
Issue of Bonus Share for the year 2018 (Transferred to Paid-up Capital)	766,533,680	-	-	(766,533,680)	-	-	-
Surplus of Revaluation of Reserve for HTM Securities	-	-	9,087,403	-	9,087,403	-	9,087,403
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(8,262,217)	-	(8,262,217)	-	(8,262,217)
Net Profit after Tax for the year	-	-	-	1,609,985,594	1,609,985,594	(340,112)	1,609,645,482
Profit transferred to Statutory Reserve	-	510,260,561	-	(510,260,561)	-	-	-
Balance as at 31 December 2019	8,431,870,520	6,082,448,575	9,087,403	1,601,772,114	16,125,178,612	30,776,659	16,155,955,271
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

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice-Chairman

Dhaka, 25 June 2020

ONE Bank Limited
Balance Sheet

As at 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		2,201,357,899	1,781,095,134
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		22,174,633,442	17,057,292,079
		24,375,991,341	18,838,387,213
Balance with other Banks and Financial Institutions	4		
In Bangladesh		2,475,700,385	2,694,400,531
Outside Bangladesh		6,293,989,730	3,308,320,833
		8,769,690,115	6,002,721,364
Money at call on short notice	5	250,000,000	-
Investments	6		
Government		28,490,617,393	23,026,367,806
Others		5,237,482,542	5,697,482,542
		33,728,099,936	28,723,850,348
Loans and Advances	7		
Loans, cash credit, overdraft etc.		212,520,259,997	196,082,780,386
Bills purchased and discounted		2,707,565,191	2,825,968,833
		215,227,825,188	198,908,749,218
Fixed Assets including premises, furnitures & fixtures	8	2,618,021,757	2,010,261,164
Other Assets	9	12,904,331,499	11,565,745,624
Non-banking Assets		-	-
Total Assets		297,873,959,835	266,049,714,933
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and agents	10	29,274,274,579	29,902,343,604
Deposits and other accounts	11		
Current accounts and other accounts		18,882,421,515	20,953,204,202
Bills payable		2,371,930,725	1,570,585,187
Savings bank deposits		21,377,433,366	17,869,437,115
Term deposits		185,459,242,458	162,153,241,801
		228,091,028,064	202,546,468,305
Other Liabilities	12	24,456,179,407	19,209,097,444
Total Liabilities		281,821,482,050	251,657,909,353
Capital/Shareholders' Equity			
Paid-up Capital	13	8,431,870,520	7,665,336,840
Statutory Reserve	14	6,082,448,575	5,572,188,014
Surplus in profit & loss account	15	1,529,071,286	1,146,018,509
Revaluation reserve for securities		9,087,403	8,262,217
Total Shareholders' Equity		16,052,477,785	14,391,805,580
Total Liability and Shareholders' Equity		297,873,959,835	266,049,714,933



ONE Bank Limited
Balance Sheet

As at 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		40,289,241,267	43,940,917,808
Letters of Guarantee	42	15,222,187,802	14,270,610,865
Irrevocable Letters of Credit		16,250,293,466	20,705,413,735
Bills for Collection		2,204,027,111	2,734,384,729
		73,965,749,644	81,651,327,138
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		73,965,749,644	81,651,327,138
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		73,965,749,644	81,651,327,138
Net Asset Value Per Share		19.04	17.07

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


ACNABIN
Chartered Accountants




ONE Bank Limited
Profit & Loss Account


For the year ended 31 December 2019


	Notes	2019 Taka	2018 Taka
Interest income	16	23,355,892,546	21,028,536,119
Interest paid on deposits and borrowings etc.	17	(17,957,339,207)	(14,733,524,810)
Net interest income		5,398,553,339	6,295,011,309
Investment income	18	1,874,462,581	1,886,314,401
Commission, exchange and brokerage	19	1,419,847,374	1,424,089,074
Other operating income	20	641,851,122	608,310,377
Total operating income (A)		9,334,714,416	10,213,725,162
Salaries and allowances	21	2,956,891,285	2,790,379,598
Rent, taxes, insurance, electricity etc.	22	545,425,215	594,196,037
Legal expenses	23	89,074,674	70,558,967
Postage, stamps, telecommunication etc.	24	79,312,543	69,198,812
Directors' fees	25	1,432,000	1,432,000
Auditors' fees		300,000	250,000
Stationery, printings, advertisements etc.	26	467,312,959	354,520,716
Managing Director's salary and allowances	27	14,296,289	14,220,000
Depreciation, leasing expense and repair of bank's assets	28	778,011,376	623,547,863
Other expenses	29	283,473,710	310,478,102
Total operating expenses (B)		5,215,530,051	4,828,782,096
Profit/ (loss) before provision and tax (C=A-B)		4,119,184,365	5,384,943,066
Provision for loans and advances			
Specific provision	12.4	1,771,860,497	2,627,864,657
General provision	12.5	(90,848,241)	334,556,478
		1,681,012,256	2,962,421,136
Provision for off-balance sheet items	12.8	(115,495,593)	66,955,638
Provision for diminution in value of share	12.10	-	-
Provision for other	12.7	2,364,897	13,908,315
Total Provision (D)		1,567,881,560	3,043,285,089
Profit/ (loss) before taxes (E=C-D)		2,551,302,805	2,341,657,977
Provision for taxation			
Current tax expense	33	877,981,117	968,355,401
Deffered tax expense/ (income)	33	13,474,670	(19,733,569)
		891,455,787	948,621,832
Net Profit after taxation		1,659,847,018	1,393,036,145
Retained surplus brought forward	15.1	379,484,829	221,313,960
		2,039,331,848	1,614,350,105
Appropriations:			
Statutory Reserve	14	510,260,561	468,331,595
General Reserve		-	-
		510,260,561	468,331,595
Retained Surplus		1,529,071,286	1,146,018,509
Earnings per share (EPS)	45	1.97	1.65

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


M. Fakhurul Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


ACNABIN
Chartered Accountants



ONE Bank Limited Cash Flow Statement

For the year ended 31 December 2019


	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Cash flows from operating activities			
Interest receipts in cash	34	22,667,882,649	21,452,701,643
Interest payments	35	(17,520,609,882)	(13,503,802,066)
Dividend receipts		39,672,879	371,536,976
Fee and commission receipts in cash	36	830,799,959	891,500,185
Recoveries of loans previously written off		50,682,911	30,507,493
Cash payments to employees	37	(2,954,586,867)	(2,786,531,390)
Cash payments to suppliers	38	(799,986,033)	(693,319,770)
Income taxes paid	9.3	(1,221,917,404)	(1,535,756,161)
Receipts from other operating activities	39	1,230,898,537	1,140,899,266
Payment for other operating activities	40	(1,059,106,892)	(992,102,053)
Cash generated from operating activities before changes in operating assets and liabilities		1,263,729,856	4,375,634,123
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(6,460,140,873)	(3,291,125,548)
Loans and advances to customers		(16,319,075,969)	(30,174,884,370)
Other current assets	41	(130,468,043)	(26,057,320)
Deposits from other banks/ Borrowings		3,660,842,782	12,619,523,819
Deposits from customers		22,364,398,488	21,591,946,606
Other liabilities		1,990,072,271	581,885,158
A Net cash used in/ from operating activities		6,369,358,511	5,676,922,469
Cash flow from investing activities			
Proceeds from sale of securities		6,347,842,267	11,200,711,090
Payments for purchase of securities		(3,993,357,510)	(9,097,940,485)
Payment for investment in subsidiary		-	(5,100,000)
Purchase of property, plant & equipment		(201,911,447)	(229,526,353)
Sale of property, plant & equipment		365,150	426,111
B Net cash used in investing activities		2,152,938,460	1,868,570,363
Cash flow from financing activities			
Receipts from issue of ordinary shares		-	-
Dividend paid		-	(1,092,338,477)
C Net cash from financing activities		-	(1,092,338,477)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		8,522,296,971	6,453,154,354
E Effects of exchange rate changes on cash and cash-equivalent		32,405,708	5,757,665
F Opening cash and cash equivalent		24,842,600,477	18,383,688,457
G Closing cash and cash equivalents (D+E+F)		33,397,303,156	24,842,600,477
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3.1	2,201,357,899	1,781,095,134
Cash with Bangladesh Bank & its agent banks(s)	3.2	22,174,633,442	17,057,292,079
Cash with other banks and financial institutions	4	8,769,690,115	6,002,721,364
Money at call and short notice	5	250,000,000	-
Prize bonds	6	1,621,700	1,491,900
		33,397,303,156	24,842,600,477
Net Operating Cash Flow Per Share		7.55	6.73

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

Dhaka, 25 June 2020



ONE Bank Limited
Statement of Changes in Equity

For the year ended 31 December 2019


Particulars	Amount in Taka					
	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity	
Balance as at 01 January 2019	7,665,336,840	5,572,188,014	8,262,217	1,146,018,509	14,391,805,580	
Changes in accounting policy	-	-	-	-	-	
Restated balance	7,665,336,840	5,572,188,014	8,262,217	1,146,018,509	14,391,805,580	
Issue of Bonus Share for the year 2018 (Transferred to Paid-up Capital)	766,533,680	-	-	(766,533,680)	-	
Surplus of Revaluation of Reserve for HTM Securities	-	-	9,087,403	-	9,087,403	
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(8,262,217)	-	(8,262,217)	
Net Profit after Tax for the year	-	-	-	1,659,847,018	1,659,847,018	
Profit transferred to Statutory Reserve	-	510,260,561	-	(510,260,561)	-	
Balance as at 31 December 2019	8,431,870,520	6,082,448,575	9,087,403	1,529,071,286	16,052,477,785	
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	

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


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice-Chairman

Dhaka, 25 June 2020





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

As at 31 December 2019

	Amount in Taka					
	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	24,375,991,341	-	-	-	-	24,375,991,341
Balance with other banks and financial institutions	2,519,678,817	1,803,016,433	4,446,994,865	-	-	8,769,690,115
Money at call on short notice	250,000,000	-	-	-	-	250,000,000
Investment	2,499,553,514	359,999,999	15,430,349,922	12,870,379,668	2,567,816,834	33,728,099,936
Loans and Advances	20,966,460,828	49,422,907,735	95,632,612,173	27,063,247,750	22,142,596,702	215,227,825,188
Fixed Assets including premises, furnitures & fixtures	-	-	-	-	2,618,021,757	2,618,021,757
Other Assets	741,151,236	1,037,611,730	5,484,519,145	1,935,649,725	3,705,399,664	12,904,331,499
Non-banking Assets	-	-	-	-	-	-
Total Assets	51,352,835,736	52,623,535,896	120,994,476,105	41,869,277,142	31,033,834,957	297,873,959,835
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	1,801,129,150	1,808,997,890	10,703,945,541	13,000,201,998	1,960,000,000	29,274,274,579
Deposits and Other Accounts	46,387,674,158	48,368,794,848	93,262,405,051	25,036,316,387	15,035,837,620	228,091,028,064
Other Liabilities	2,412,308,116	3,618,462,174	14,030,137,900	3,465,276,612	929,994,604	24,456,179,407
Total Liabilities	50,601,111,424	53,796,254,912	117,996,488,492	41,501,794,997	17,925,832,224	281,821,482,050
Net Liquidity Gap	751,724,311	(1,172,719,016)	2,997,987,612	367,482,145	13,108,002,733	16,052,477,785


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. Fakhrul Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman

Dhaka, 25 June 2020

Notes to the Financial Statements

For the year ended 31 December 2019

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, sub-branches and collection booth of the Bank was one hundred three (103), Eleven (11) and Thirteen (13) respectively as on 31 December 2019.

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-I**.

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. Major relationship includes tie up with Standard Chartered Bank, Wells Fargo Bank, Commerz Bank etc. Moreover, drawing arrangement with Xpress Money, Placid NK Corporation, Continental Exchange Solution, Transfast Remittance LLC are facilitating routing of Foreign Remittance through our Bank. In addition to facilitating cross border trade, foreign currency trade loan and other trade facilities are being regularly arranged from the foreign correspondents. As on 31 December 2019 our total no. of foreign correspondents and nostro accounts stand as 426 and 27 (including 03 OBU accounts) 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 2019

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 2019.

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 21 (Twenty-one) 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-II (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 2019, the amount of deposit was 76.57% of total liability and shareholders' equity & the amount of shareholders' equity was 5.39% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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



Notes to the Financial Statements

For the year ended 31 December 2019

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2019

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 2019 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 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



Notes to the Financial Statements

For the year ended 31 December 2019

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% 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 contain in BRPD Circular letter No. 01 dated 03 January 2018 and BRPD Circular No. 07 dated June 21, 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.



Notes to the Financial Statements

For the year ended 31 December 2019

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).

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).



Notes to the Financial Statements

For the year ended 31 December 2019

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.

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.



Notes to the Financial Statements

For the year ended 31 December 2019

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 2019 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

iii. Commitment

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

2.7 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 2019. 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.



Notes to the Financial Statements

For the year ended 31 December 2019

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

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

Provision for Loans and Advances is made on the basis of year-end review by the Management and instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 5 dated 29 May 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular No. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018 respectively at the following rates

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



Notes to the Financial Statements

For the year ended 31 December 2019

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 till its 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 subsequently measured at fair value on weekly basis as per Bangladesh Bank Guideline and revaluation gain is shown in revaluation reserve account through profit and loss account and revaluation loss shown in the profit & loss Account. The gains/ (Loss) arising on maturity or sale are shown in profit or loss Account.

Value of investments has been enumerated as follows:

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

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

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



Notes to the Financial Statements

For the year ended 31 December 2019

- 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 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%

Right of use Assets are depreciated on a straight line basis over the lease term as per IFRS-16 (Note 2.24)

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:



Notes to the Financial Statements

For the year ended 31 December 2019

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

2.8.6 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-I Tk. 2,200,000,000 (outstanding balance as on 31 December 2019 was Tk. 440,000,000):

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. through the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 12.00%.

Subordinated Bond-II Tk. 4,000,000,000 (outstanding balance as on 31 December 2019 was Tk. 3,200,000,000):

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 @ 10.50%.

Subordinated Bond-III 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 @ 9.00%.



Notes to the Financial Statements

For the year ended 31 December 2019

c) Deposits and Other Accounts

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

d) Other Liabilities

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

e) Provision for Liabilities

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

Details are stated in Note 7.14 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.



Notes to the Financial Statements

For the year ended 31 December 2019

l) Taxation

l).1 Current Tax

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

l).2 Deferred Tax

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

2.8.7 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



Notes to the Financial Statements

For the year ended 31 December 2019

equity as ‘revaluation reserve’ but any decrease is directly charged to profit and loss account as per Bangladesh Bank DOS circular letter no. 5 dated 26 May 2008 & DOS Circular letter no. 5 dated 28 January 2009.

2.9 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 other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products).



Notes to the Financial Statements

For the year ended 31 December 2019

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 2019 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 2019 have been authorized for issue in accordance with a resolution of the Board of Directors on 25 June 2020.

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 presented 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.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

2.19 Operating Segments

The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8. However, geographical and business segments wise limited disclosures are furnished in Annexure-H.

2.20 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2019.



Notes to the Financial Statements

For the year ended 31 December 2019

2.21. Number of Employees

The number of employees in employment in the Bank as on 31 December 2019 was 2,414 of which 1,910 were male and 504 were female. The number of employees per branch (including sub-branches and booths) was 14.63 (1507/103) excluding 907 employees in the Head Office of the Bank.

2.22. 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' accounts 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. The 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 Bank. 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 are 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 investments 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 investments 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 benefit for all permanent employees of the Bank who are entitled to annual leave. According to BRPD Circular No. 15 dated October 25, 2018 of Bangladesh Bank,



Notes to the Financial Statements

For the year ended 31 December 2019

all permanent employees have to avail 10 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 the service of 6 (six) months with the Bank as on the date of disbursement of Festival Bonus, is entitled to the Festival Bonus on the following basis:

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

l) Incentive Bonus

Employees who have completed continuous service of at least 6 (six) months with the Bank as on December 31 of the FY and are on the payroll on the date of disbursement, are entitled to the incentive Bonus on the basis of monthly Basic Pay/50% of monthly Consolidated Pay as of 31st December of the FY and Appraisal Rating.

m) Un-availed Earned Leave Encashment

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

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

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

o) Furniture & Fixture Facility Scheme:

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



Notes to the Financial Statements

For the year ended 31 December 2019

2.23 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
Share Based 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
Leases	IFRS 16	Partially Applied
Presentation of Financial Statements	IAS1	Applied with some departures
Inventories	IAS 2	N/A
Statement of Cash Flows	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
Property, Plant and Equipment	IAS 16	Applied
Leases	IAS 17	Replaced by IFRS 16



Notes to the Financial Statements

For the year ended 31 December 2019

Name of the Standards	IFRS/ IAS	Status of compliance
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	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
Financial instruments: Recognition and Measurement	IAS 39	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.

2.24: IFRS 16: Leases

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019 as adopted by Institute of Chartered Accountants of Bangladesh. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.



Notes to the Financial Statements

For the year ended 31 December 2019

ONE Bank Limited has applied IFRS 16: "Leases" for the first time with the date of initial application of 1 January 2019 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease (i.e. weighted average cost of deposit). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short term lease i.e; for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these leases as an expenses.

2.25 BASEL III Implementation

Under the guideline of BASEL III Implementation plan issued by Bangladesh Bank vide BRPD Circular - 18, Dated December 21, 2014, ONE Bank Ltd has already entered in the domain of BASEL III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise BASEL III implementation. OBL Maintained minimum capital including Capital Conservation Buffer @ 12.80% against the statutory requirement of 12.50% as at December 31, 2019.

2.26 Risk Management

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

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

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

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

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

2.26.1 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



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For the year ended 31 December 2019

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.

2.26.2 Foreign Exchange Risk Management

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

2.26.3 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.

2.26.4 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.



Notes to the Financial Statements

For the year ended 31 December 2019

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, 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 requirements the Bank conducts regular trainings, workshops and discussion sessions on AML & CFT compliance for all employees and executives of the Bank. 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 committed to comply with regulatory requirements as well as international best practices.

2.26.5 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. A sound internal control function plays an important role in contributing to the effectiveness of the internal control system. OBL has a Board approved Guidelines on Internal Control & Compliance.

The Board established an Audit Committee of the Board and a Senior Management Team (SMT) to monitor the effectiveness of the internal control system. 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. In addition to the internal audit team, the monitoring team conducts surprise inspections at branches and divisions. On the other hand compliance team ensures meticulous compliance of internal and external audit and inspection reports.

External auditors regularly provide unbiased recommendations on the strengths or weaknesses of the bank's internal control system. They examine records and transactions and evaluate the accounting policy, disclosure policy and methods of financial estimation. This allows the Board and the management to independently view the bank's overall control system. Bangladesh Bank and other regulatory agencies also conduct their regular inspections to ascertain control lapses within the system.

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.

2.26.6 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



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For the year ended 31 December 2019

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.

2.27 Disclosure on fraud and forgeries committed by bank employees:

At ONE Bank Limited (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, behavioral pattern and financial sanctions/money laundering through Sanction Screening Software of OBL (based on data provided by UNSCR, OFAC, HMT, EU and published by Local Authority of Bangladesh) electronically. The Copies of Passports of respective appointees are being taken during joining the Bank. In case someone doesn’t have passport, he/she is advised to get passport and submit a copy of the same to HR Division, Corporate HQ within 3 months from the date of joining. Check with Bangladesh Bank’s Corporate Memory Management Systems (CMMS) for background check of experienced bankers, FI’s employees and verify National ID on-line. As a result, the OBL 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 OBL.

Further, the number of fraud cases in OBL is at a minimal level. However, fraud and forgery within the period January 01, 2019 to December, 31, 2019 is nil i.e. no case of fraud and forgery was identified.

If identified, related employee, considering the gravity of his/her misdeeds and depth of involvement, gets serious punishment including (i) dismissal from the services of the Bank or (ii) demotion to a lower post/designation or (iii) stoppage of promotion/increment for a year etc. as per OBL Staff Service Rules and Laws of the Land.

HQ ICCD of OBL is always reporting the employees’ fraud forgery related information to Bangladesh Bank in compliance with the Department of Banking Inspection Instruction No. DBI-1(Niti)/1025/2012-41 dated February 07, 2012 and the 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.

2.28 Regulatory Compliance

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

- a. The Bank Company Act, 1991 (as amended in 2013).
- b. The Companies Act, 1994.
- c. Rules and Regulations issued by Bangladesh Bank from time to time.
- d. The Securities and Exchange Ordinance 1969
- e. The Securities and Exchange Rules 1987
- f. Bangladesh Securities and Exchange Commission Act 1993.
- g. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015.
- h. The Income Tax Ordinance and Rules 1984.



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For the year ended 31 December 2019

- i. The VAT Act, 1991.
- j. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

2.29 Rearrangement

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

2.30 General

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

However, the stocks of such items are stated below:

Wherever considered necessary, previous year's figures have been rearranged to conform to current year's

Stocks of Items	2019 (Taka)	2018 (Taka)
Bangladesh Shanchaya Patras	2,096,097,118	3,026,230,764
US\$ Investment Bonds	47,193,750	132,352,250
US\$ Premium Bonds	47,193,750	166,919,050
Wage Earners Development Bond	9,500,000	372,500,000
Total	2,199,984,618	3,698,002,064

presentation and for the purpose of comparison.

2.31 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 301st Board Meeting held on August 01, 2019 constituted the Audit Committee as under:

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

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

The Audit Committee of the Board held 04 (four) Meetings from 01 January to 31 December, 2019.

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 companies audited by the External Auditors.

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



Notes to the Financial Statements

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2.32 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 301st Board Meeting held on August 01, 2019 constituted the Risk Management Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Salahuddin Ahmed	Independent Director	Chairman
2	Mr. Asoke Das Gupta	Vice Chairman	Member
3	Mr. Zahur Ullah	Director	Member
4	Mr. Syed Nurul Amin	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 04 (four) Meetings from 01 January to 31 December, 2019.

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 period from January 01, 2019 to December 31, 2019 were as follows:

- Reviewed and approved various Risk Management Policy of the Bank.
- Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
- 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.

After last AGM, Mr. Salahuddin Ahmed, Director was elected as Chairman of the Risk Management Committee of the Board of Directors.

2.33 Events after the reporting period

The World Health Organization (WHO) on March 11 declared COVID-19 a pandemic, pointing to the affect of the corona virus illness in over 110 countries and territories around the world and the sustained risk of further global spread.

Accordingly, Bangladesh Government as a measures of fighting this pandemic takes several steps i.e; General Holidays, Lock-Down, Restriction of movement etc which adversely affected the operation of the Bank along with other industries in the country.

However, along with the rest of the world, Bangladesh has also undertaken a range of measures to protect its population from the affect of COVID -19 and its long term socio-economic humanitarian impact. Bangladesh Government has declared several stimulus packages to be implemented in immediate, short and long term phases through various programs including assistance to the export-oriented industries and other sectors.

Bank has considered effect of COVID-19 Pandemic as a subsequent effect and there is no direct impact on the Financial Position of 2019 of the Bank. It is treated as non-adjusting events as indicative of conditions arising after the reporting period as per IAS 10 "Events After The Reporting Period"

At present scenario, the probable impact of COVID-19 on the operation of the Bank cannot be reasonably assessed.



Notes to the Financial Statements

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	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
3 Cash		
Cash in hand (note-3.1)	2,201,357,899	1,781,095,134
Balance with Bangladesh Bank and its agent bank(s) (note-3.2)	22,174,633,442	17,057,292,079
	24,375,991,341	18,838,387,213
3.1 Cash in hand (including foreign currencies)		
In local currency	2,177,381,205	1,772,242,561
In foreign currencies	23,976,694	8,852,573
	2,201,357,899	1,781,095,134
3.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
In local currency	14,004,525,163	11,229,409,137
In foreign currencies	4,949,703,076	4,607,445,046
	18,954,228,239	15,836,854,183
Balance with Sonali Bank being an agent of Bangladesh Bank	3,220,405,203	1,220,437,896
	22,174,633,442	17,057,292,079

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

3.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) including Offshore Banking Operation:

Cash Reserve Ratio (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), DOS circular No. 01 dated 19 January 2014, MPD Circular No. 01 dated 03 April 2018 and DOS Circular No. 26 dated 19 August 2019 issued by Bangladesh Bank.

The Cash Reserve Ratio on the Domestic Banking Operation and Offshore Banking Operation 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

Domestic Banking Operation	11,626,506,888	11,117,383,310
Offshore Banking Operation	752,287,942	-
Total	12,378,794,830	11,117,383,310

Reserve Held

Balance with Bangladesh Bank	14,004,525,163	11,229,409,137
Amount in reconciliation (Net)*	26,375,506	11,843,824
Reserve held with Bangladesh Bank in local currencies	14,030,900,669	11,241,252,961
Surplus/(Shortage)	1,652,105,839	123,869,651
Maintained	6.23%	5.56%

* The balance of local currency account was duly reconciled as of 31 December 2019 and the above amount was matched accordingly.

b) Statutory Liquidity Ratio (Other than CRR):

Required reserve

Domestic Banking Operation	27,480,834,463	26,277,451,460
Offshore Banking Operation	1,778,135,135	-
Total	29,258,969,598	26,277,451,460

Reserve held(b.1)	35,562,864,634	26,278,278,587
Surplus/(Shortage)	6,303,895,035	827,127
Maintained	15.80%	13.00%



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
b.1 Reserve held in SLR :		
Cash in hand including foreign currency	2,201,357,899	1,781,095,134
Balance with Sonali Bank being an agent of Bangladesh Bank	3,220,405,203	1,220,437,896
Foreign Currency used (Balance with Bangladesh)	-	128,000,000
Treasury Bills	10,229,423,453	4,213,734,735
Treasury Bonds	18,259,572,240	18,811,141,171
Sub Total	33,910,758,795	26,154,408,936
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	1,652,105,839	123,869,651
Total	35,562,864,634	26,278,278,587
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	2,201,357,899	1,781,095,134
ONE Securities Limited	10,905	2,541
ONE Investments Limited	-	-
	2,201,368,803	1,781,097,675
ii Balance with Bangladesh Bank and its agent bank(s)		
ONE Bank Limited	22,174,633,442	17,057,292,079
ONE Securities Limited	-	-
ONE Investments Limited	-	-
	22,174,633,442	17,057,292,079
4 Balance with Other Banks and Financial Institutions		
In Bangladesh (note-4.1)	2,475,700,385	2,694,400,531
Outside Bangladesh (note-4.2)	6,293,989,730	3,308,320,833
	8,769,690,115	6,002,721,364
4.1 In Bangladesh		
In current accounts (note-4.3)	34,374,868	444,953,784
Other deposit accounts (note-4.4)	2,441,325,516	571,446,747
	2,475,700,385	1,016,400,531
Off-shore Banking Unit	-	1,678,000,000
	2,475,700,385	2,694,400,531
4.2 Outside Bangladesh		
In current accounts (note-4.5)	6,068,967,972	2,701,840,928
Other deposit accounts	-	-
	6,068,967,972	2,701,840,928
Off-shore Banking Unit	225,021,758	606,479,906
	6,293,989,730	3,308,320,833
4.3 Current Accounts (In Bangladesh)		
AB Bank Limited	3,469,003	1,278,017
Sonali Bank Limited	7,204,736	14,155,465
Trust Bank Limited-Q Cash Settlement Account	17,264,446	3,491,370
The City Bank Limited	-	419,500,000
Standard Chartered Bank	6,436,684	6,528,932
	34,374,868	444,953,784
4.4 Other Deposit Accounts (In Bangladesh)		
ICB Islamic Bank Limited	59,719,000	59,719,000
United Commercial Bank Limited	37,522	49,748
AB Bank Limited	661,994	634,045
Eastern Bank Limited	551,663	708,954
Modhumoti Bank Limited	169,800,000	-
Uttara Bank Limited	765,888,092	457,598,421
Lanka Bangla Finance Limited	800,000,000	-
NRB Commercial Bank Limited	500,000,000	-
Rupali Bank Limited	55,155,000	-
Prime Bank Limited	89,512,246	52,736,580
	2,441,325,516	571,446,747



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
4.5 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	4,037,521,113	1,201,180,628
Standard Chartered Bank, London	6,303,694	25,520,017
Standard Chartered Bank, Pakistan	22,911,855	8,707,067
Standard Chartered Bank, Mumbai	62,775,772	11,841,925
Standard Chartered Bank, Tokyo	5,545,213	17,889,988
Standard Chartered Bank, Frankfurt	20,843,946	12,595,756
ICICI Bank Limited, Hong Kong	601,470,257	(2,148,498)
ICICI Bank Limited, Mumbai (ACUD)	64,091,423	52,349,026
ICICI Bank Limited, Mumbai (ACU EURO)	8,225,185	8,240,062
Commerzbank AG, Frankfurt (USD)	285,465,511	118,308,177
Commerzbank AG, Frankfurt (CAD)	23,960,340	5,005,221
Commerzbank AG, Frankfurt (EURO)	54,730,168	1,563,408
Mashreqbank Psc, New York	199,692,387	730,855,135
Mashreqbank Psc, India (ACUD)	17,400,356	29,373,367
Wells Fargo Bank N.A, New York	414,308,537	429,470,811
AB Bank Ltd, Mumbai	41,644,925	(123,021,739)
Habib Bank AG Zurich, Zurich	58,352,966	13,871,711
Nepal Bangladesh Bank Ltd, Kathmandu	9,971,884	9,939,504
Seylen Bank PLC, Colombo	694,655	11,087,108
Axis Bank Ltd, Kolkata	16,948,634	98,226,294
United Bank of India, Kolkata	31,411,334	34,555,458
Bank Al-Jazira, Jeddah	6,431,357	6,430,500
Riyad Bank	31,206,145	-
Kookmin Bank, South Korea	47,060,315	-
	<u>6,068,967,972</u>	<u>2,701,840,928</u>
(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	2,519,678,817	3,916,621,668
More than 1 months to 3 months	1,803,016,433	1,410,639,464
More than 3 months to 1 year	4,446,994,865	675,460,232
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<u>8,769,690,115</u>	<u>6,002,721,364</u>
4 (a) Consolidated Balance with Other Banks and Financial Institutions		
In Bangladesh		
ONE Bank Limited	2,475,700,385	2,694,400,531
ONE Securities Limited	57,069,264	116,188,178
ONE Investments Limited	302,244	10,152,884
	<u>2,533,071,893</u>	<u>2,820,741,592</u>
Less: Inter Company Transaction	(57,371,509)	(126,341,062)
	<u>2,475,700,385</u>	<u>2,694,400,531</u>
Outside Bangladesh		
ONE Bank Limited	6,293,989,730	3,308,320,833
ONE Securities Limited	-	-
	<u>6,293,989,730</u>	<u>3,308,320,833</u>
	<u>8,769,690,115</u>	<u>6,002,721,364</u>
5 Money at call on short notice		
Modhumoti Bank Limited	250,000,000	-
	<u>250,000,000</u>	<u>-</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
6 Investments		
In Government securities		
Treasury bills (note- 6.1)	10,229,423,453	4,213,734,735
Treasury bonds (note-6.2)	18,259,572,240	18,811,141,171
Prize Bonds	1,621,700	1,491,900
	<u>28,490,617,393</u>	<u>23,026,367,806</u>
Other Investment		
Shares (Quoted and Unquoted) (note-6.3)	657,482,542	657,482,542
City Bank 2nd Subordinated Bond	1,000,000,000	1,000,000,000
City Bank 3rd Subordinated Bond	1,300,000,000	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	200,000,000	300,000,000
Bank Asia Limited Subordinated Bond	360,000,000	480,000,000
Prime Bank Limited Subordinated Bond	360,000,000	480,000,000
Eastern Bank Limited Subordinated Bond	360,000,000	480,000,000
	<u>5,237,482,542</u>	<u>5,697,482,542</u>
	<u>33,728,099,936</u>	<u>28,723,850,348</u>

6.1 Treasury Bills

Treasury Bills (HTM) [(note-6.1(a))]	-	2,390,826,750
Treasury Bills (HFT) [(note-6.1(b))]	10,229,423,453	1,822,907,985
	<u>10,229,423,453</u>	<u>4,213,734,735</u>

6.1(a) Treasury Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	2019	2018	2019	2018
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	-	2,390,826,750	-	2,450,000,000
182 days Treasury Bills	-	-	-	-
	<u>-</u>	<u>2,390,826,750</u>	<u>-</u>	<u>2,450,000,000</u>

6.1(b) Treasury Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	2019	2018	2019	2018
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
364 days Treasury Bills	10,229,423,453	1,822,907,985	10,660,000,000	1,860,000,000
182 days Treasury Bills	-	-	-	-
	<u>10,229,423,453</u>	<u>1,822,907,985</u>	<u>10,660,000,000</u>	<u>1,860,000,000</u>

6.2 Treasury Bonds

Treasury Bonds (HTM) [(note-6.2(a))]	15,989,141,385	15,941,634,768
Treasury Bonds (HFT) [(note-6.2(b))]	2,270,430,855	2,869,506,403
	<u>18,259,572,240</u>	<u>18,811,141,171</u>

6.2 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	2019	2018	2019	2018
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
2 Years Treasury Bonds (Premium)	6,282,346,051	6,866,959,985	6,250,000,000	6,850,000,000
5 Years Treasury Bonds (Premium)	2,056,644,290	1,616,712,789	2,000,000,000	1,536,500,000
10 Years Treasury Bonds (Premium)	2,260,179,526	2,361,895,766	2,250,000,000	2,350,000,000
15 Years Treasury Bonds (Premium)	260,392,667	260,443,410	259,100,000	259,100,000
Sub-total	<u>10,859,562,534</u>	<u>11,106,011,950</u>	<u>10,759,100,000</u>	<u>10,995,600,000</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	Amortized Cost (Book Value)		Face value	
	2019	2018	2019	2018
	Taka	Taka	Taka	Taka
2 Years Treasury Bonds (Discount)	496,672,894	556,906,480	500,000,000	557,000,000
5 Years Treasury Bonds (Discount)	1,417,994,920	972,125,895	1,450,000,000	981,400,000
10 Years Treasury Bonds (Discount)	1,201,832,673	1,201,343,969	1,206,100,000	1,206,100,000
15 Years Treasury Bonds (Discount)	117,716,567	117,695,220	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,861,798	108,851,254	109,300,000	109,300,000
Sub-total	3,343,078,852	2,956,922,818	3,383,500,000	2,971,900,000
5 Years Treasury Bonds (At par)	-	92,200,000	-	92,200,000
10 Years Treasury Bonds (At par)	1,285,000,000	1,285,000,000	1,285,000,000	1,285,000,000
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	1,786,500,000	1,878,700,000	1,786,500,000	1,878,700,000
Total	15,989,141,385	15,941,634,768	15,929,100,000	15,846,200,000

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	2019	2018	2019	2018
	Taka	Taka	Taka	Taka
2 Years Treasury Bonds	1,618,862,655	2,175,082,741	1,673,000,000	2,173,000,000
5 Years Treasury Bonds	341,879,060	363,055,959	350,000,000	350,000,000
10 Years Treasury Bonds	309,689,140	331,367,703	308,000,000	308,000,000
Total	2,270,430,855	2,869,506,403	2,331,000,000	2,831,000,000

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:

	2019	2018
	Taka	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	122,379,546
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
Total	548,583,353	548,583,353

Unquoted:

Infrastructure Development Finance Company	29,683,820	29,683,820
Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
Investment in SWIFT	5,645,919	5,645,919
Total	108,899,189	108,899,189
Total	657,482,542	657,482,542



Notes to the Financial Statements

For the year ended 31 December 2019

6.3 (a) Comparison between cost and market price of quoted shares as on 31 December 2019

Particulars	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2019	Cost 31-12-2019	Surplus/(Deficiency)
Lanka Bangla Finance Ltd.	19,393,083	18.00	349,075,494.00	122,379,546	226,695,948
The City Bank Limited	4,468,627	21.10	94,288,029.70	59,049,110	35,238,919
IFIC Bank Limited *	3,108,740	9.90	30,776,526.00	170,980,700	(140,204,174)
Summit Alliance Port Ltd	111	16.70	1,853.70	6,200	(4,346)
Prime Bank Limited	3,582,931	18.20	65,209,344.20	140,673,639	(75,464,295)
MI Cement Factory Ltd	56	39.00	2,184.00	5,533	(3,349)
Bank Asia Limited	2,773,437	18.20	50,476,553.40	53,501,786	(3,025,233)
Eastern Bank Limited	53,793	33.20	1,785,927.60	1,983,900	(197,972)
IFIC Bank Limited	149	9.90	1,475.10	2,939	(1,464)
Total			591,617,388	548,583,353	43,034,035

*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 59,513,385 shares of IFIC Bank Limited as of 31 December 2019 was Tk 589,182,512 exceeding the original investment by Tk.418,201,812.

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.

	2019	2018
	<u>Taka</u>	<u>Taka</u>
6.4 Residual Maturity of Investments		
Payable on demand	2,499,553,514	2,557,047,657
Up to 3 months	359,999,999	-
Above 3 months to 1 year	15,430,349,922	7,013,227,100
Above 1 year to 5 years	12,870,379,668	11,322,614,960
Above 5 years	2,567,816,834	7,830,960,631
	<u>33,728,099,936</u>	<u>28,723,850,348</u>

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

6.5 (i) Disclosure regarding outstanding Repo

Counterparty name	Agreement date	Reversal date	Amount in taka-2019	Amount in taka-2018
			-	-

6.5 (ii) Disclosure regarding outstanding Reverse Repo

Counterparty name	Agreement date	Reversal date	Amount in taka-2019	Amount in taka-2018
			-	-



Notes to the Financial Statements

For the year ended 31 December 2019

6.5 (iii) Disclosure regarding overall transaction of Repo and Reverse Repo

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	-	-	-
ii) With other banks & FI	-	-	-
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) With other banks & FI	-	-	-

As at balance sheet date there was no outstanding balance regarding repo and reverse repo.

	2019	2018
	<u>Taka</u>	<u>Taka</u>
6 (a) Consolidated Investments In Government securities		
ONE Bank Limited	28,490,617,393	23,026,367,806
ONE Securities Limited	-	-
	<u>28,490,617,393</u>	<u>23,026,367,806</u>
Other Investment		
ONE Bank Limited	5,237,482,542	5,697,482,542
ONE Securities Limited	2,554,875,397	2,526,506,207
ONE Investments Limited	10,271,823	-
Less, Inter Company Transaction	(168,751,175)	(121,715,820)
	<u>7,633,878,587</u>	<u>8,102,272,929</u>
	<u>36,124,495,980</u>	<u>31,128,640,735</u>

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.

7 Loans and Advances

Loans, cash credit, overdraft etc (note-7.1)	212,520,259,997	196,082,780,386
Bills purchased and discounted (note-7.2)	2,707,565,191	2,825,968,833
	<u>215,227,825,188</u>	<u>198,908,749,218</u>

7.1 Loans, cash credit, overdraft etc.

Inside Bangladesh		
Loans	160,562,550,283	144,426,052,310
Cash Credit	56,451,166	14,171,400
Overdraft	37,568,164,444	39,151,939,628
	198,187,165,893	183,592,163,338
Off-shore Banking Unit	14,333,094,104	12,490,617,048
	212,520,259,997	196,082,780,386
Outside Bangladesh	-	-
	<u>212,520,259,997</u>	<u>196,082,780,386</u>

7.2 Bills purchased and discounted

Inside Bangladesh		
Local bill purchased and discounted	1,864,679,853	1,715,137,049
Foreign bill purchased and discounted	588,222,567	723,198,254
	2,452,902,420	2,438,335,303
Off-shore Banking Unit	254,662,771	387,633,530
	<u>2,707,565,191</u>	<u>2,825,968,833</u>
Outside Bangladesh	-	-
	<u>2,707,565,191</u>	<u>2,825,968,833</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted		
Payable on demand	20,966,460,828	20,467,697,524
Up to 3 months	49,422,907,735	48,526,538,425
Above 3 months to 1 year	95,632,612,173	74,049,117,991
Above 1 year to 5 years	27,063,247,750	28,340,153,209
Above 5 years	22,142,596,702	27,525,242,070
	<u>215,227,825,188</u>	<u>198,908,749,218</u>
7.4 Loans and Advances on the basis of significant concentration		
i. Advance to Directors	2,750,254	2,754,939
ii. Advance to Managing Director & Senior Executives	511,840,370	439,029,762
iii. Advance to Customer's group:		
Commercial lending	81,535,037,942	76,816,155,209
Agricultural loan	2,627,571,463	2,213,260,450
Export financing	18,546,094,958	6,240,086,679
Consumer credit scheme	2,208,862,634	2,844,511,874
Small and medium enterprise financing	24,418,029,950	21,966,490,260
Staff loan (except Sl. No. ii)	224,935,394	224,168,530
House building loan (other than the employees)	9,974,051,338	7,539,974,048
Others	75,178,650,884	80,622,317,468
	<u>215,227,825,188</u>	<u>198,908,749,218</u>
7.5 Industry-wise outstanding of loans & advances including bills purchased and discounted		
Trade finance	35,843,095,330	31,711,500,000
Steel Re-Rolling	13,690,321,845	12,996,723,611
Readymade Garments	33,862,000,916	28,906,325,591
Textiles	17,559,709,610	16,597,957,488
Edible oil, Rice, Flour etc.	4,408,012,050	1,480,286,835
Power	9,873,910,508	8,758,603,660
Transport & Communication	3,690,332,531	4,552,419,320
Construction/Engineering	8,906,707,059	6,488,387,098
Personal	2,413,095,537	2,956,293,971
Pharmaceuticals	6,498,718,872	4,687,900,000
Real Estate	9,959,471,949	7,832,781,326
Cargo and Travel Services	156,292,181	132,183,953
Paper & Packaging	549,144,934	514,211,508
Agro based industry/ Dairy products/ Food & Beverage	5,917,311,901	7,243,223,061
Others	61,899,699,965	64,049,951,796
	<u>215,227,825,188</u>	<u>198,908,749,218</u>
7.6 Geographical Location-wise Loans and advances including bills purchased and discounted		
Urban		
Dhaka Division	151,754,735,877	137,716,545,697
Chattogram Division	43,476,006,418	41,198,880,748
Rajshahi Division	4,076,407,597	3,573,811,565
Khulna Division	261,569,939	265,555,896
Sylhet Division	7,829,319,191	8,376,638,246
Rangpur Division	595,626,624	660,725,322
Barishal Division	774,137,911	873,576,805
	<u>208,767,803,556</u>	<u>192,665,734,279</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
Rural		
Dhaka Division	3,017,831,857	2,429,281,639
Chattogram Division	2,774,814,071	3,196,451,465
Rajshahi Division	-	-
Khulna Division	261,987,050	265,818,220
Sylhet Division	405,388,654	351,463,615
Rangpur Division	-	-
Barishal Division	-	-
	<u>6,460,021,632</u>	<u>6,243,014,940</u>
	<u>215,227,825,188</u>	<u>198,908,749,218</u>
7.7 Business segment-wise loans and advances including bills purchased and discounted		
Corporate	179,560,386,593	164,483,323,998
SME	21,809,236,540	21,645,850,145
Consumer	10,933,435,557	9,967,373,864
Short term agri. credit and microcredit	2,187,990,734	2,149,002,920
Executive & Staff	736,775,763	663,198,293
	<u>215,227,825,188</u>	<u>198,908,749,218</u>
7.8 CL category wise loans and advances including bills purchased and discounted		
Continuous loan (CL-2)		
Small & Medium Enterprise (SME)	11,514,256,142	12,200,714,342
Consumer finance	945,679,178	760,537,439
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	837,607,101	858,547,542
Other corporate loans	30,489,540,385	28,528,465,541
	<u>43,787,082,805</u>	<u>42,348,264,864</u>
Demand Loan (CL-3)		
Small & Medium Enterprise (SME)	4,546,556,848	4,831,824,033
Consumer finance	-	-
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	351,789,485	476,118,031
Other corporate loans	73,750,122,164	77,458,200,740
	<u>78,648,468,497</u>	<u>82,766,142,804</u>
Fixed Term Loan (CL-4)		
Small & Medium Enterprise (SME)	5,748,423,551	4,613,311,770
Consumer finance (other than HF & LP)	1,409,034,760	1,368,572,046
House finance	8,520,340,020	7,771,617,332
Loans for professionals to set up business	58,381,599	66,647,046
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	307,187,441	377,236,431
Other corporate loans	73,824,140,017	56,784,755,712
	<u>89,867,507,388</u>	<u>70,982,140,337</u>
Short term agri. credit and microcredit (CL-5)		
Short term agri. Credit	2,187,990,734	2,149,002,920
Microcredit	-	-
	<u>2,187,990,734</u>	<u>2,149,002,920</u>
Staff Loan		
	<u>736,775,763</u>	<u>663,198,293</u>
	<u>215,227,825,188</u>	<u>198,908,749,218</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019 <u>Taka</u>	2018 <u>Taka</u>	
7.9 Classified and unclassified loans and advances			
Unclassified			
Standard	194,596,063,424	184,214,660,926	
Staff Loan	736,775,763	663,198,293	
	195,332,839,188	184,877,859,218	
Classified			
Substandard	2,867,256,000	865,779,000	
Doubtful	2,534,767,000	1,826,393,000	
Bad & Loss	14,492,963,000	11,338,718,000	
	19,894,986,000	14,030,890,000	
	215,227,825,188	198,908,749,218	
7.10 Net loans and advances			
Gross loans and advances	215,227,825,188	198,908,749,218	
Less: Interest suspense (Note-12.9)	6,307,880,737	4,277,625,588	
Provision for loans and advances (Note-12.4 and 12.5)	9,313,834,484	7,582,139,317	
	15,621,715,221	11,859,764,905	
	199,606,109,967	187,048,984,314	
7.11 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 24,976.77 million as at 31 December 2019 (Tk 23,195.91 million in 2018).			
Number of clients (Annexure-D)	19	21	
Amount of outstanding loans & advances	Tk. 70,053,304,042	68,034,734,086	
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 2019. The classification status is shown as per the CL prepared by the Bank as at 31 December 2019 and submitted to Bangladesh Bank.			
7.12 Bills purchased and discounted			
Payable in Bangladesh	2,119,342,624	2,102,770,579	
Payable outside Bangladesh	588,222,567	723,198,254	
	2,707,565,191	2,825,968,833	
7.13 Maturity of Bills purchased and discounted			
Upto 1 month	765,341,295	726,550,608	
Above 1 month but less than 3 months	631,185,983	791,892,036	
Above 3 months but less than 6 months	1,280,426,396	1,254,796,549	
6 months or more	30,611,517	52,729,640	
	2,707,565,191	2,825,968,833	
7.14 Particulars of provision for Loans and Advances			
	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	154,695,813,167	1,629,654,014
Small & Medium Enterprise Financing	0.25%	16,434,233,541	41,085,584
Consumer Finance (House Financing)	1%	8,360,845,342	83,608,453
Consumer Finance (Loans for Professionals)	2%	57,467,417	1,149,348
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	1,312,989,927	65,649,496
Credit Card	2%	847,351,344	16,947,027
Special Mention Account	0%-5%	9,798,582,677	95,413,427
Short Term Agriculture Loan	1%	2,115,299,048	21,152,990
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	1,402,882,656	28,057,653
Substandard	5% & 20%	836,663,305	166,758,787
Doubtful	5% & 50%	1,909,741,337	946,798,873
Bad & Loss	100%	7,275,110,511	6,217,558,829
Required provision for loans and advances			9,313,834,484
Total provision maintained			9,313,834,484
Excess/ (Short) provision at 31 December			-



Notes to the Financial Statements

For the year ended 31 December 2019

Bank has maintained provision Tk. 1,074.98 Lac in the Financial Statements of 2019 as per requirement of Bangladesh Bank vide letter DBI-1/112/2020/1540 dated 09 June 2020. It is to be mentioned here that, Bank is under provision deferral amounting to Tk. 16,252.00 Lac which is to be provided in 2020 and 2021.

	2019 Taka	2018 Taka
7.15 Particulars of Loans and Advances		
i) Loans considered good in respect of which the bank is fully secured	134,731,222,974	118,330,099,658
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee	32,496,171,825	34,228,872,333
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	48,000,430,388	46,349,777,227
iv) Loans adversely classified; provision not maintained there against	-	-
	215,227,825,188	198,908,749,218
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	736,775,763	663,198,293
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	736,775,763	663,198,293
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)	2,707,565,191	2,825,968,833
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.9)	19,894,986,000	14,030,890,000
b) Provision on classified loans and advances (Note-12.4)	7,331,116,490	5,508,573,082
c) Provision kept against loans and advances classified as bad debts	6,217,558,829	5,136,480,000
d) Increase/(Decrease) of Specific Provision	1,822,543,408	1,175,095,324
e) Interest credited to Interest Suspense Account (Note-12.9)	6,307,880,737	4,277,625,588
xi) Cumulative amount of written off loans and advances		
Opening balance	4,451,055,169	2,243,453,177
Written off during the year	-	2,207,601,992
Closing balance	4,451,055,169	4,451,055,169
Cumulative amount realised against loans previously written off	163,378,627	112,695,716
The amount of written off loans for which law suits has been filed	4,448,369,487	4,448,369,487
7.16 Details of pledged collaterals received against Loans and Advances		
Collateral of movable /immovable assets	121,646,995,031	104,787,921,868
Local banks and financial institutions guarantee	1,740,002,088	3,662,769,226
Government guarantee	-	-
Foreign banks guarantee	-	30,168,090
Export documents	1,807,421,646	1,448,108,151
Fixed Deposit Receipts (FDR)	9,038,505,939	8,197,707,246
FDR of other banks	460,819,873	203,425,078
Government bonds	37,478,397	-
Personal guarantee	32,496,171,825	34,228,872,333
Other securities	48,000,430,388	46,349,777,227
	215,227,825,188	198,908,749,218



Notes to the Financial Statements

For the year ended 31 December 2019

7.17 Restructure of large loan

There was no restructure of large loan occurred during the year 2019 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)

	2019 <u>Taka</u>	2018 <u>Taka</u>
7 (a) Consolidated Loans and Advances		
Loans, cash credit, overdraft etc.		
ONE Bank Limited	212,520,259,997	196,082,780,386
ONE Securities Limited	87,706,768	49,679,307
	212,607,966,764	196,132,459,693
Bills purchased and discounted		
ONE Bank Limited	2,707,565,191	2,825,968,833
ONE Securities Limited	-	-
	2,707,565,191	2,825,968,833
	215,315,531,955	198,958,428,525

8 Fixed Assets including premises, furniture & fixtures

Furniture & Fixtures	1,568,714,984	1,597,244,555
Office equipment	1,264,921,801	1,192,736,206
Motor Vehicles	325,869,255	278,283,495
Building	189,464,053	189,464,053
Right of use Assets as per IFRS-16*	809,670,917	-
Land	279,366,295	279,366,295
	4,438,007,305	3,537,094,604
Intangible Assets	198,184,620	195,835,516
	4,636,191,925	3,732,930,120
Less: Accumulated depreciation	2,018,170,168	1,722,668,956
Balance as on 31 December	2,618,021,757	2,010,261,164

*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the Right of use Assets.

(For details please refer to Annexure- A)

8 (a) Consolidated Fixed Assets including premises, furniture & fixtures

ONE Bank Limited	2,618,021,757	2,010,261,164
ONE Securities Limited	20,207,442	22,532,174
	2,638,229,199	2,032,793,338

9 Other Assets

i Income generating

Investment in shares of subsidiary companies		
In Bangladesh (note-9.1)	2,480,099,170	2,480,099,170
Outside Bangladesh	-	-

ii Non- income generating

Stock of stationery	36,354,885	28,110,812
Stock of stamps	4,339,445	3,676,121
Security deposits	5,827,121	4,660,555
Advance rent for office premises	461,264,414	419,081,086
Prepayments	607,012,280	455,880,139
Application money against right share and clearing adjustment account	87,116,850	51,664,505
Suspense account (note-9.5)	39,945,715	24,210,725
Receivable from Bangladesh Bank (note-9.8)	159,384,091	196,006,798
Interest receivables (note-9.7)	417,200,236	452,481,125
Advance Income Tax (note-9.3)	8,365,477,074	7,143,559,670
Deferred Tax Assets (note-9.4)	69,444,925	44,671,699
Protested bill	2,594,351	2,594,351
Sundry receivables	416,331	-
Receivable ATM acquiring	11,028,206	12,199,306
Receivable from ONE Securities Ltd	-	32,097
Receivable from ONE Investments Ltd	205,426	205,426
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account (note-9.2)	23,104,658	45,667,814
	12,770,836,514	11,364,822,735
Off-shore Banking Unit	133,494,986	200,922,889
	12,904,331,499	11,565,745,624



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
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	5,100,000
	<u>2,480,099,170</u>	<u>2,480,099,170</u>

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 2019 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	53	5	23,121,478	16,820
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	53	5	23,121,478	16,820
			23,104,658	

9.3 Advance income tax

Opening balance on 1 January	7,143,559,670	5,607,803,509
Add: Tax paid as advance	1,221,917,404	1,535,756,161
Less: Advance income tax adjusted during the year	-	-
Balance on 31 December	8,365,477,074	7,143,559,670

9.4 Deferred tax assets:

Opening balance	44,671,699	38,872,008
Addition/(reverse) during the year (note-12.2.1)	24,773,226	5,799,691
Closing balance	69,444,925	44,671,699

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	726,218	100%	726,218
Others	16,892,299	100%	16,892,299
Required provision for other assets			20,212,868
Total provision maintained (note-12.7)			20,212,868
Excess/(short) provision as on 31, December 2019			-

9.7 Interest receivables

Interest receivables on placement	7,637,938	-
Interest receivables on government securities	354,860,871	331,226,952
Interest receivables on non-government securities	54,701,427	121,254,172
	417,200,236	452,481,125



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
9.8 Receivable from Bangladesh Bank		
Receivable against encashment - Shanchaya Patras	158,884,464	196,006,798
Receivable against Wage Earners Remittance	499,626	-
	<u>159,384,091</u>	<u>196,006,798</u>
9 (a) Consolidated Other Assets		
ONE Bank Limited	12,904,331,499	11,565,745,624
ONE Securities Limited	138,482,248	124,543,667
ONE Investments Limited	66,714	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)	(5,100,000)
Less: Inter unit/company elimination	(205,426)	(237,523)
	<u>10,562,575,866</u>	<u>9,209,971,079</u>
10 Borrowings from other Banks, financial institutions and Agents.		
Borrowing Inside Bangladesh (note-10.1)	16,205,208,217	15,857,995,394
Borrowing Outside Bangladesh (note-10.2)	13,069,066,361	14,044,348,210
	<u>29,274,274,579</u>	<u>29,902,343,604</u>
10.1 Borrowing Inside Bangladesh		
OBL Subordinated Bond (note-10.1.a)	7,640,000,000	7,280,000,000
Borrowing from other bank -Payable on demand	700,000,000	1,200,000,000
Borrowing from BRAC Bank OBU	-	153,251,740
Borrowing from Bangladesh Bank (note-10.1.b)	7,865,208,217	7,224,743,654
	<u>16,205,208,217</u>	<u>15,857,995,394</u>
10.1.a Subordinated Bond		
Subordinated Bond - I	440,000,000	880,000,000
Subordinated Bond - II	3,200,000,000	4,000,000,000
Subordinated Bond - III	4,000,000,000	2,400,000,000
	<u>7,640,000,000</u>	<u>7,280,000,000</u>

Subordinated Bond-I Tk. 2,200,000,000 (Outstanding as on December 31, 2019 of Tk. 440,000,000)

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. through 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 2019

List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2019 (after 80% redemption)
Janata Bank Limited	500	500,000,000	100,000,000
Agrani Bank Limited	500	500,000,000	100,000,000
Rupali Bank Limited	500	500,000,000	100,000,000
Bangladesh Development Bank Limited	200	200,000,000	40,000,000
Saudi Bangladesh Indust.&Agri.Invest.Com.Ltd.	200	200,000,000	40,000,000
Pubali Bank Limited	100	100,000,000	20,000,000
Bangladesh Commerce Bank Limited	100	100,000,000	20,000,000
Uttara Bank Limited	100	100,000,000	20,000,000
Total	2200	2,200,000,000	440,000,000

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 @ 10.50%.

Main Features of the Bond:

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

List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2019 (after 20% redemption)
Pubali Bank Limited	1000	1,000,000,000	800,000,000
Sonali Bank Limited	1000	1,000,000,000	800,000,000
Janata Bank Limited	500	500,000,000	400,000,000
Southeast Bank Limited	500	500,000,000	400,000,000
Trust Bank Limited	400	400,000,000	320,000,000
Dhaka Bank Limited	300	300,000,000	240,000,000
Rupali Bank Limited	200	200,000,000	160,000,000
Mutual Trust Bank Ltd	100	100,000,000	80,000,000
Total	4000	4,000,000,000	3,200,000,000

Subordinated Bond-III 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 @ 9.00%



Notes to the Financial Statements

For the year ended 31 December 2019

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	400

List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2019
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
Pubali Bank Limited	30	300,000,000	300,000,000
NRB Commerce Bank Limited	50	500,000,000	500,000,000
Lanka Bangla Finance Ltd.	80	800,000,000	800,000,000
Total	400	4,000,000,000	4,000,000,000

2019
Taka **2018**
Taka

10.1.b Borrowing from Bangladesh Bank

Export Development Fund (EDF)	6,347,074,807	5,595,917,533
Refinance against SME, Agriculture loan and Green finance	331,413,186	474,710,500
Financial Sector Support Project (FSSP)	1,186,720,225	1,154,115,621
	7,865,208,217	7,224,743,654

10.2 Borrowing Outside Bangladesh

Borrowing by Offshore Banking Unit .

Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	3,258,037,500	3,964,275,000
Oesterreichische Entwicklungsbank AG (OeEB)	944,512,500	1,216,550,000
The OPEC Fund for International Development (OFID)	636,750,000	943,875,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	1,857,187,500	2,097,500,000
Norwegian Investment Fund for Developing Countries (Norfund)	1,114,312,500	1,258,500,000
International Finance Corporation (IFC)	4,245,000,000	4,195,000,000
EBL Hong kong	-	368,648,210
RAK BANK-Dubai	1,013,266,361	-
	13,069,066,361	14,044,348,210

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

Secured	-	-
Unsecured	29,274,274,579	29,902,343,604
	29,274,274,579	29,902,343,604

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

Payable on demand	1,801,129,150	2,355,958,985
Up to 3 months	1,808,997,890	3,684,605,749
Above 3 months to 1 year	10,703,945,541	6,088,496,773
Above 1 year to 5 years	13,000,201,998	16,093,282,098
Above 5 years	1,960,000,000	1,680,000,000
	29,274,274,579	29,902,343,604



Notes to the Financial Statements

For the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>
	<u>Taka</u>	<u>Taka</u>
10 (a) Consolidated Borrowings from other banks, financial institutions and Agents.		
ONE Bank Limited	29,274,274,579	29,902,343,604
ONE Securities Limited	-	-
	<u>29,274,274,579</u>	<u>29,902,343,604</u>
11 Deposits and other accounts		
i Current account and other account (OBL)		
Off-shore Banking Unit	18,857,273,824	20,951,607,105
	<u>25,147,691</u>	<u>1,597,096</u>
	<u>18,882,421,515</u>	<u>20,953,204,202</u>
ii Bills payable		
Payment Order (Issued)	2,371,246,246	1,569,900,708
Demand Draft	<u>684,479</u>	<u>684,479</u>
	<u>2,371,930,725</u>	<u>1,570,585,187</u>
iii Savings accounts	<u>21,377,433,366</u>	<u>17,869,437,115</u>
iv Term deposits		
Fixed Deposit Receipts	138,814,039,216	116,880,335,963
Short Notice Deposits	35,622,373,936	34,578,993,393
Scheme Deposits	10,906,886,758	10,428,238,940
Non-resident Foreign Currency Deposits	<u>115,942,548</u>	<u>103,530,253</u>
	185,459,242,458	161,991,098,549
Off-shore Banking Unit		<u>162,143,252</u>
	<u>185,459,242,458</u>	<u>162,153,241,801</u>
	<u>228,091,028,064</u>	<u>202,546,468,305</u>
11.1 Payable on demands		
Current deposits	10,308,067,403	12,660,435,529
Privilege creditor	484,374,334	490,374,489
Foreign Currency Deposits	4,986,040,295	4,482,221,498
Sundry Deposits	2,822,015,071	3,030,354,826
Other accrued expense	<u>281,924,412</u>	<u>289,817,861</u>
	<u>18,882,421,515</u>	<u>20,953,204,201</u>
Bills payable	2,371,930,725	1,570,585,187
10% of Savings accounts	<u>2,137,743,337</u>	<u>1,786,943,712</u>
	<u>23,392,095,576</u>	<u>24,310,733,099</u>
11.2 Break down of deposits and other accounts		
11.2 (a) Payable on demand		
i Deposits from banks	2,231,689	1,176,630
ii Other than banks	<u>23,389,863,887</u>	<u>24,309,556,469</u>
	<u>23,392,095,576</u>	<u>24,310,733,099</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
11.2 (b) Other Deposits		
Deposits from banks		
Term Deposit (ONE Bank Limited)		
Uttara Bank Limited	-	1,500,000,000
Bank Asia Limited	3,000,000,000	-
Dutch Bangla Bank Limited	1,000,000,000	250,000,000
Rajshahi Krishi Unnayan Bank	150,000,000	100,000,000
Sonali Bank Limited	2,700,000,000	3,200,000,000
Janata Bank Limited	-	1,000,000,000
Agrani Bank Limited	1,500,000,000	1,800,000,000
Prime Bank Limited	400,000,000	-
Eastern Bank Limited	1,000,000,000	-
BRAC Bank Limited	1,500,000,000	-
Bangladesh Development Bank Limited	50,000,000	-
National Credit and Commerce Bank Limited	1,000,000,000	-
	<u>12,300,000,000</u>	<u>7,850,000,000</u>
Term Deposit (Off shore Banking Unit)		
BRAC Bank Limited	-	162,143,252
	-	<u>162,143,252</u>
Other than banks		
	<u>192,398,932,488</u>	<u>170,223,591,953</u>
	<u>204,698,932,488</u>	<u>178,235,735,205</u>
Total deposits [11.2(a) + 11.2(b)]	<u>228,091,028,064</u>	<u>202,546,468,305</u>
11.3 Remaining maturity grouping of deposits		
Repayable on demand	10,823,790,637	46,850,595,805
Repayable within 1 month	35,563,883,521	21,069,524,425
Over 1 month but within 6 months	87,931,200,000	67,413,185,617
Over 6 months but within 1 year	53,699,999,899	29,002,577,350
Over 1 year but within 5 years	25,036,316,387	20,231,218,418
Over 5 years but within 10 years	15,035,837,620	17,979,366,690
	<u>228,091,028,064</u>	<u>202,546,468,305</u>
11.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk.5,641,702 as on December 31, 2019 and Tk. 5,174,245 as on December 31, 2018, respectively.		
11 (a) Consolidated Deposits and other accounts		
Current account and other account		
ONE Bank Limited	18,882,421,515	20,953,204,202
ONE Securities Limited	-	-
	<u>18,882,421,515</u>	<u>20,953,204,202</u>
Bills payable		
ONE Bank Limited	2,371,930,725	1,570,585,187
ONE Securities Limited	-	-
	<u>2,371,930,725</u>	<u>1,570,585,187</u>
Savings accounts		
ONE Bank Limited	21,377,433,366	17,869,437,115
ONE Securities Limited	-	-
	<u>21,377,433,366</u>	<u>17,869,437,115</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019 <u>Taka</u>	2018 <u>Taka</u>
Term deposits		
ONE Bank Limited	185,459,242,458	162,153,241,801
Less: Inter Company Transaction	(226,122,683)	(248,056,882)
	185,233,119,775	161,905,184,920
Total Consolidated Deposit	227,864,905,381	202,298,411,423
12 Other liabilities		
Provision for Income Tax (note-12.1)	6,607,470,030	5,729,488,913
Deferred tax liability (note-12.2)	75,840,905	37,097,897
Provision for gratuity (note-12.3)	-	-
Provision for loans and advances (note-12.4 & 12.5)	9,313,834,484	7,582,139,317
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other (note-12.7)	20,212,868	17,847,971
Provision for off balance sheet items (note-12.8)	626,670,773	742,166,366
Provision for diminution value of share (note-12.10)	-	-
Interest suspense account (note-12.9)	6,307,880,737	4,277,625,588
Sinking fund	53,739,338	54,649,370
Interest Payable on Subordinated Debt	86,556,713	78,550,081
Interest payable on borrowings	85,926,926	84,765,680
Accrued performance bonus	295,837,088	289,875,313
Other payable	8,134,159	8,391,541
Lease liabilities as per IFRS-16*	721,021,873	-
Revaluation reserve held for trading securities	136,116,862	142,002,649
	24,339,716,267	19,045,074,197
Off-shore Banking Unit	116,463,141	164,023,247
	24,456,179,407	19,209,097,444
*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the lease liabilities.		
12.1 Provision for current income tax		
Opening balance on 1 January	5,729,488,913	4,761,133,512
Less: Provision adjusted during the year	-	-
	5,729,488,913	4,761,133,512
Add: Provision made during the year	877,981,117	968,355,401
Balance on 31 December	6,607,470,030	5,729,488,913
12.2 Deferred tax liability		
For Fixed Assets		
Opening balance	32,140,567	46,074,445
Addition during the year (note-12.2.2)	38,247,896	(13,933,878)
Closing balance	70,388,463	32,140,567
Provision against revaluation reserve for security		
Opening balance	4,957,330	15,728,994
Provision made/ (recovered) during the year	495,112	(10,771,663)
Closing balance	5,452,442	4,957,330
Total	75,840,905	37,097,897

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.



Notes to the Financial Statements

For the year ended 31 December 2019

	2019 <u>Taka</u>	2018 <u>Taka</u>
12.2.1 Basis of Deferred Tax Asset:		
Tax base of fixed assets (Only temporary deductible portion is considered)	660,135,375	1,594,713,922
Carrying amount of fixed assets	474,948,910	1,475,589,392
Deductible temporary difference	185,186,465	119,124,530
Applicable tax rate	37.50%	37.50%
Deferred tax asset	69,444,925	44,671,699
Opening deferred tax asset	44,671,699	38,872,008
Deferred tax (expenses)/income	24,773,226	5,799,691
12.2.2 Basis of Deferred Tax Liability:		
Carrying amount of fixed assets (Only temporary taxable portion is considered)	1,164,378,011	244,937,275
Tax base of fixed assets	976,675,444	159,229,095
Taxable temporary difference	187,702,567	85,708,180
Applicable tax rate	37.50%	37.50%
Deferred tax liability	70,388,463	32,140,568
Opening deferred tax liability	32,140,568	46,074,444
Deferred tax expenses/(income)	38,247,896	(13,933,878)
12.3 Provision for gratuity		
Opening balance on 1 January	-	-
Provision made during the year	155,866,420	141,398,410
Transferred/Payment made during the year	155,866,420	141,398,410
Balance on 31 December	<u>-</u>	<u>-</u>
12.4 Specific provision against loans and advances		
Opening balance on 1 January	5,508,573,082	4,333,477,757
Provision written off	-	(1,483,276,825)
Recoveries of amounts previously written off	50,682,911	30,507,493
Provision after written off	5,559,255,993	2,880,708,424
Specific provision made during the year	2,530,512,992	3,262,984,082
Provisions recovered and no longer required written back	(758,652,495)	(635,119,425)
Net charge to profit & loss account	1,771,860,497	2,627,864,657
Balance on 31 December	7,331,116,490	5,508,573,082
12.5 General provision against loans and advances		
Opening balance on 1 January	2,073,566,235	1,739,009,757
Provision made during the year:		
Unclassified Loans & Advances	(119,852,655)	345,511,267
Consumer credit & Small enterprise financing	(10,044,887)	(18,856,679)
Special mention account	43,293,805	6,299,234
Loans against shares	(4,244,505)	1,602,657
Net charge to profit & loss account	(90,848,241)	334,556,478
Balance on 31 December	1,982,717,994	2,073,566,235
Total Specific and General Provision	9,313,834,484	7,582,139,317



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
12.6 Specific provision as per classification of loans		
Substandard	166,758,787	72,786,834
Doubtful	946,798,873	299,306,248
Bad/Loss	6,217,558,829	5,136,480,000
Balance on 31 December	<u>7,331,116,490</u>	<u>5,508,573,082</u>
12.7 Provision for Other		
Balance on 1 January	17,847,971	3,939,656
Provision made during the year/(recovery) (note-12.7. a and 12.7. b)	2,364,897	13,908,315
Balance on 31 December	<u>20,212,868</u>	<u>17,847,971</u>
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	<u>2,594,351</u>	<u>2,594,351</u>
12.7.b Provision for legal expenses and others		
Balance on 1 January	15,253,620	1,345,305
Adjusted with recoverable legal expenses	-	-
Provision made during the year	2,364,897	13,908,315
Balance on 31 December	<u>17,618,517</u>	<u>15,253,620</u>
12.8 Provision for off balance sheet items		
Balance on 1 January	742,166,366	675,210,727
Provision made during the year	(115,495,593)	66,955,638
Balance on 31 December	<u>626,670,773</u>	<u>742,166,366</u>
12.9 Interest suspense account		
Balance on 1 January	4,277,625,588	3,871,058,397
Interest suspense charged during the year	3,689,448,414	1,707,136,132
Interest suspense realized during the year	(1,659,040,180)	(576,180,128)
Amount written off during the year	-	(724,325,166)
Amount waiver during the year	(153,085)	(63,648)
Balance on 31 December	<u>6,307,880,737</u>	<u>4,277,625,588</u>
12.10 Provision for diminution value of share		
Balance on 1 January	-	-
Provision made/ (recovered) during the year	-	-
Balance on 31 December	<u>-</u>	<u>-</u>
12.10.a Consolidated Provision made for diminution value of share		
ONE Bank Limited	-	-
ONE Securities Limited:	153,720,644	59,428,753
	<u>153,720,644</u>	<u>59,428,753</u>
12.11 Provision for Nostro Reconciliation		
The Bank is not required to keep provision on the unreconciled debit balance as at balance sheet date as there was no debit entry aging more than three months.		
12 (a) Consolidated Other liabilities		
ONE Bank Limited	24,456,179,407	19,209,097,444
ONE Securities Limited	285,067,138	215,628,317
ONE Investments Limited	349,010	216,926
Less: Inter unit/company elimination	(205,426)	(237,523)
	<u>24,741,390,129</u>	<u>19,424,705,165</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
13. Share Capital		
13.1 Authorized Capital	10,000,000,000	10,000,000,000
1,000,000,000 (2018:1,000,000,000) ordinary shares of Tk 10 each		
13.2 Issued, Subscribed and fully paid-up Capital	8,431,870,520	7,665,336,840
843,187,052 (2018: 766,533,684) ordinary shares of Tk 10 each		
Sponsors	30.02%	30.02%
General Public (Including Institutes 16.39% and Foreign 2.70%)	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	2019 Taka	2018 Taka
Sponsors	16	253,123,787	2,531,237,870	2,301,125,430
Institutes	352	138,202,840	1,382,028,400	1,216,443,360
Foreign	90	22,782,970	227,829,700	286,913,360
General Public	20,606	429,077,455	4,290,774,550	3,860,854,690
Total	21,064	843,187,052	8,431,870,520	7,665,336,840

Shareholding structure of the Bank as at 31-12-2019 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Upto 500	5,206	856,769	0.10
501 to 5,000	9,566	19,769,725	2.34
5,001 to 10,000	2,505	17,739,623	2.10
10,001 to 20,000	1,634	22,731,571	2.70
20,001 to 30,000	590	14,338,956	1.70
30,001 to 40,000	299	10,393,882	1.23
40,001 to 50,000	222	9,907,453	1.18
50,001 to 100,000	415	29,420,483	3.49
100,001 to 1,000,000	526	141,701,331	16.81
Over 1,000,000	101	576,327,259	68.35
Total	21,064	843,187,052	100.00

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012.
- b) 76,653,368 Bonus shares of Tk. 10 each valued at Tk. 766,533,680 for the year 2018 has been transferred to Paid-up capital account during the year 2019.

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

Issued, Subscribed & fully Paid up Capital

Particulars	2019 Taka	2018 Taka
Issued for cash : 53,781,220 shares of Tk. 10 each	537,812,200	537,812,200
Issued other than cash: 789,405,832 bonus shares of Tk. 10 each	7,894,058,320	7,127,524,640
Total	8,431,870,520	7,665,336,840



Notes to the Financial Statements

For the year ended 31 December 2019

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 2019 is Taka 24,976,772,099 comprised of core capital of Taka 15,967,383,332 and supplementary capital of Taka 9,009,388,767 thereby showing a surplus capital/equity of Taka 585,511,313 against the required capital. Details are shown below:

	2019	2018
	<u>Taka</u>	<u>Taka</u>
<u>Solo Basis:</u>		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	8,431,870,520	7,665,336,840
Statutory Reserve	6,082,448,575	5,572,188,014
Retained Earnings	1,529,071,286	1,146,018,509
	16,043,390,381	14,383,543,363
Regulatory Adjustments:		
Deferred Tax Assets	69,444,925	44,671,699
Goodwill and all other intangible assets	5,586,144	10,368,203
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	975,980	1,166,240
	76,007,049	56,206,142
Total Common Equity Tier-1 Capital	15,967,383,332	14,327,337,222
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,609,388,767	2,815,732,601
Subordinated debt	6,400,000,000	6,040,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities	64,200,000	64,200,000
	9,073,588,767	8,919,932,601
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	64,200,000	51,360,000
Total Tier-2 Capital Available	9,009,388,767	8,868,572,601
A Total Regulatory Capital	24,976,772,099	23,195,909,823
Total Assets including Off Balance Sheet items	371,839,709,479	347,701,042,070
B Total Risk Weighted Assets	195,130,086,287	194,510,014,145
C Minimum Required capital based on risk weighted assets (10% on B)	19,513,008,629	19,451,001,414
D Surplus (A-C)	5,463,763,470	3,744,908,408
E Required capital with Conservation Buffer (CB) @12.50% (2018@11.875%)on B	24,391,260,786	23,098,064,180
F Excess over capital with CB (A-E)	585,511,313	97,845,643
Percentage of Capital to Risk Weighted Assets:	12.80%	11.93%



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
Leverage Ratio of the solo basis		
A Tier 1 Capital considering all regulatory adjustment	15,967,383,332	14,327,337,222
B On-balance sheet exposure	290,542,843,345	261,561,142,181
C Off-balance sheet	16,436,920,818	19,876,601,147
D Deduction from on and off balance sheet exposure/ Re regulatory adjustments made to Tier 1 capital	76,007,049	56,206,142
E Total exposure (B+C-D)	306,903,757,114	281,381,537,186
Leverage ratio (A/E)	5.20%	5.09%
<u>Consolidated Basis:</u>		
Common Equity Tier-1 (Going-Concern Capital)		
Paid-up capital	8,431,870,520	7,665,336,840
Statutory Reserve	6,082,448,575	5,572,188,014
Retained Earnings	1,601,772,114	1,268,580,761
Minority Interest in Subsidiaries	30,776,659	31,116,771
	16,146,867,868	14,537,222,386
Regulatory Adjustments:		
Deferred Tax Assets	69,444,925	44,671,699
Goodwill and all other intangible assets	5,586,144	10,368,203
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	54,081,920	1,166,240
	129,112,989	56,206,142
Total Common Equity Tier-1 Capital	16,017,754,879	14,481,016,244
Additional Tier- 1 Capital	-	-
Tier -2 Capital (Gone-Concern Capital)		
General Provision	2,609,388,767	2,815,732,601
Sub-ordinated debt	6,400,000,000	6,040,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000
	9,073,588,767	8,919,932,601
Regulatory Adjustment		
Revaluation reserves for fixed assets, securities & equity securities	64,200,000	51,360,000
Total Tier-2 Capital Available	9,009,388,767	8,868,572,601
A Total Regulatory Capital	25,027,143,645	23,349,588,845
Total Assets including Off Balance Sheet items	372,002,275,005	347,822,271,932
B Total Risk Weighted Assets	195,237,837,017	194,965,526,781
C Minimum Required capital based on risk weighted assets (10% on B)	19,523,783,702	19,496,552,678
D Surplus (A-C)	5,503,359,944	3,853,036,167
E Required capital with Conservation Buffer (CB) @12.50% (2018@11.875%) on B	24,404,729,627	23,152,156,305
F Excess over capital with CB (A-E)	622,414,018	197,432,540
Percentage of Capital to Risk Weighted Assets:	12.82%	11.98%



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
Leverage Ratio of the Consolidated basis		
A Tier 1 Capital considering all regulatory adjustment	16,017,754,879	14,481,016,244
B On-balance sheet exposure	290,705,408,871	261,662,969,666
C Off-balance sheet	16,436,920,818	19,876,601,147
D Deduction from on and off balance sheet exposure/ Re regulatory adjustments made to Tier 1 capital	129,112,989	56,206,142
E Total exposure (B+C-D)	307,013,216,700	281,483,364,671
Leverage ratio (A/E)	5.22%	5.14%
14 Statutory Reserve		
Balance brought forward from previous year	5,572,188,014	5,103,856,419
Reserve made during the year	510,260,561	468,331,595
Balance on 31 December	6,082,448,575	5,572,188,014
15 Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,146,018,509	1,681,378,120
Addition during the year	1,659,847,018	1,393,036,145
Transfer to statutory reserve	(510,260,561)	(468,331,595)
Issue of Bonus Share	(766,533,680)	(365,016,040)
Cash dividend paid	-	(1,095,048,120)
Balance on 31 December	1,529,071,286	1,146,018,509
15.1 Retained earnings brought forward from previous year		
Retained Earning of previous Year	1,146,018,509	1,681,378,120
Bonus share issued	(766,533,680)	(365,016,040)
Cash dividend paid	-	(1,095,048,120)
Retained Earnings brought forward	379,484,829	221,313,960
15.1 (a) Consolidated retained earnings/ movement of profit and loss account		
Retained Earning of ONE Bank Limited	1,529,071,286	1,146,018,509
Retained Earning of ONE Securities Limited	73,284,885	123,823,755
Retained Earning of ONE Investments Limited	291,771	(45,562)
Attributable to Non-Controlling Interest	(875,829)	(1,215,941)
Balance on 31 December	1,601,772,114	1,268,580,761
15.1(b) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	1,268,580,761	1,787,544,536
Bonus share issued	(766,533,680)	(365,016,040)
Cash Dividend Paid	-	(1,095,048,120)
Retained Earnings brought forward	502,047,081	327,480,376
15.1 (c) Non-controlling Interest		
ONE Securities Limited		
Paid up capital	2,500,000,000	2,500,000,000
Retained earnings	73,284,885	123,823,755
Total net assets	2,573,284,885	2,623,823,755
Non-controlling interest 1.00003% (2018: 1.00003%) of net assets (A)	25,733,691	26,239,097
ONE Investments Limited		
Paid up capital	10,000,000	10,000,000
Retained earnings	291,771	(45,562)
Total net assets	10,291,771	9,954,438
Non-controlling interest 49 % (2018: 49 %) of net assets (B)	5,042,968	4,877,675
Total non-controlling Interest (A+B)	30,776,659	31,116,771



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
16 Interest and discount income		
From clients against loans and advances	20,844,005,349	19,101,600,562
Lease finance	816,425,134	723,349,195
Discount from bills purchased & discounted	596,615,842	419,851,920
From banks and financial institutions in Bangladesh	88,314,410	39,124,959
From foreign banks	177,343,736	96,957,189
	22,522,704,472	20,380,883,825
Off-shore Banking Unit	833,188,075	647,652,295
	<u>23,355,892,546</u>	<u>21,028,536,119</u>
16 (a) Consolidated Interest and discount income		
ONE Bank Limited	23,355,892,546	21,028,536,119
ONE Securities Limited	29,269,929	20,730,216
ONE Investments Limited	482,337	184,801
Less, Inter Company Transaction	(17,673,605)	(12,853,986)
	<u>23,367,971,208</u>	<u>21,036,597,150</u>
17 Interest paid on deposits and borrowings		
Short term deposits	3,719,891,736	3,049,445,477
Savings deposits	651,591,493	593,434,945
Term deposits	10,489,462,451	8,487,877,936
Scheme deposits	930,581,445	947,697,446
Borrowings from banks and financial institutions	483,233,925	438,400,071
Interest expenses for leased liability as per IFRS-16*	51,956,094	-
Interest on Subordinated- Debt	791,209,042	553,871,729
	17,117,926,186	14,070,727,605
Off-shore Banking Unit	839,413,021	662,797,205
	<u>17,957,339,207</u>	<u>14,733,524,810</u>
* As per Note 2.24, in accordance with IFRS-16, the Bank has recognised lease liabilities and related interest expenses is shown above		
17 (a) Consolidated Interest paid on deposits and borrowings		
ONE Bank Limited	17,957,339,207	14,733,524,810
ONE Securities Limited	329,096	-
ONE Investments Limited	-	-
Less, Inter Company Transaction	(17,673,605)	(12,853,986)
	<u>17,939,994,698</u>	<u>14,720,670,824</u>
18 Income from Investments		
Interest on treasury bills	450,424,016	564,549,267
Interest on treasury bond (Net)	913,233,617	891,262,804
Interest on Bangladesh Bank Bill	-	9,516,767
Dividend on Investment	39,672,879	25,037,092
Gain on sale of Shares	-	-
Interest on subordinated bond	471,132,069	395,948,473
	1,874,462,581	1,886,314,401
18 (a) Consolidated Income from Investments		
ONE Bank Limited	1,874,462,581	1,886,314,401
ONE Securities Limited	45,242,485	81,721,343
ONE Investments Limited	-	-
Less, Inter Company Transaction	-	-
	<u>1,919,705,066</u>	<u>1,968,035,744</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	Taka	Taka
19 Commission, exchange and brokerage		
Letters of credit	299,542,090	347,809,356
Letter of guarantees	122,301,450	148,872,903
Acceptances	312,873,221	315,203,565
Bills for collection	9,221,998	8,521,684
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,753,760	6,147,137
Export bills	52,015,477	48,517,503
PRC Issuance Charges	850,825	828,700
Cash Assistance Handling Charges	6,763,750	6,113,410
Import Related Certificates	109,700	194,075
Others	3,684,183	4,031,857
	813,116,454	886,240,190
Profit on exchange trading	589,047,415	532,588,888
Less: Loss on exchange trading	-	-
	589,047,415	532,588,888
	1,402,163,869	1,418,829,078
Off-shore Banking Unit	17,683,505	5,259,996
	1,419,847,374	1,424,089,074
19 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	1,419,847,374	1,424,089,074
ONE Securities Limited	28,634,481	41,765,742
	1,448,481,855	1,465,854,816
20 Other operating income		
Loan processing fees and other charges	136,992,336	167,462,044
Miscellaneous Credit and Debit Card Fee	98,238,517	87,570,916
Recoveries of postage, telex, telephone, fax etc	57,615,246	54,974,913
Letter of Credit miscellaneous charges	245,501,365	198,712,061
General Banking miscellaneous charges	65,062,637	60,826,409
Miscellaneous (Note-20.1)	21,014,978	25,757,756
Rent on locker	2,456,200	2,460,000
Gain on sale of fixed assets	-	-
	626,881,279	597,764,101
Off-shore Banking Unit	14,969,842	10,546,276
	641,851,122	608,310,377
20.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, certificate issuance charge etc.		
20 (a) Consolidated Other operating income		
ONE Bank Limited	641,851,122	608,310,377
ONE Securities Limited	1,201,998	987,297
	643,053,120	609,297,675
21 Salary & Allowances		
Salary & Allowances	2,298,424,001	2,078,786,942
Provident Fund Contribution	134,336,834	122,241,726
Gratuity	155,866,420	141,398,410
Superannuation fund	7,100,000	7,600,000
Bonus	361,164,030	440,352,521
	2,956,891,285	2,790,379,598



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
21(a) Consolidated Salary & Allowances		
ONE Bank Limited	2,956,891,285	2,790,379,598
ONE Securities Limited	29,274,674	33,305,908
	<u>2,986,165,958</u>	<u>2,823,685,506</u>
22 Rent, taxes, insurance, electricity etc.		
Rent (Note 22.1)	248,482,179	333,247,911
VAT on Rent	58,512,003	49,987,702
Taxes	3,258,268	1,708,335
Electricity	67,466,792	62,170,214
Utilities	10,451,950	9,471,076
Insurance	157,254,024	137,610,799
	<u>545,425,215</u>	<u>594,196,037</u>
22.1 Rent		
Rent	389,087,317	333,247,911
Transfer to depreciation and interest expenses under IFRS-16*	140,605,138	-
	<u>248,482,179</u>	<u>333,247,911</u>
* Due to the first time adoption of IFRS 16, rental expense of Tk. 140,605,138 was transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities.		
22(a) Consolidated Rent, taxes, insurance, electricity etc.		
ONE Bank Limited	545,425,215	594,196,037
ONE Securities Limited	7,259,468	2,070,857
	<u>552,684,683</u>	<u>596,266,893</u>
23 Legal expenses		
Professional fees	14,163,737	11,412,315
Fees, Court fees & stamps	525,611	389,594
	<u>14,689,348</u>	<u>11,801,909</u>
Off-shore Banking Unit	74,385,326	58,757,058
	<u>89,074,674</u>	<u>70,558,967</u>
23 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	89,074,674	70,558,967
ONE Securities Limited	207,000	217,000
	<u>89,281,674</u>	<u>70,775,967</u>
24 Postage, stamps, telecommunication etc.		
Telex/Telephone/Fax etc	25,792,734	19,505,754
Courier/postage	14,704,047	15,351,169
Radio Link	35,627,561	31,406,982
Reuter	3,188,201	2,934,908
	<u>79,312,543</u>	<u>69,198,812</u>
25 Directors' Fees	<u>1,432,000</u>	<u>1,432,000</u>

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



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
25 (a) Consolidated Director's Fees		
ONE Bank Limited	1,432,000	1,432,000
ONE Securities Limited	128,750	97,750
	<u>1,560,750</u>	<u>1,529,750</u>
26 Stationery, Printing, advertisement etc.		
Printed and security stationery	51,347,503	48,398,954
Stationery	85,973,976	68,697,840
Business Promotion	329,991,480	237,423,922
	<u>467,312,959</u>	<u>354,520,716</u>
26 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	467,312,959	354,520,716
ONE Securities Limited	255,423	347,473
	<u>467,568,382</u>	<u>354,868,189</u>
27 Managing Director's Salary & Allowances		
Basic Salary	10,269,354	10,200,000
House rent allowance	300,000	300,000
Provident Fund Contribution	1,026,935	1,020,000
Festival Bonus	1,700,000	1,700,000
Incentive Bonus	1,000,000	1,000,000
	<u>14,296,289</u>	<u>14,220,000</u>
28 Depreciation, leasing expense and repair of bank's assets		
Depreciation (A)		
Furniture and Fixtures	157,927,123	146,680,779
Office Equipment	95,011,033	96,331,292
Motor Vehicles	19,725,799	19,611,659
Building	4,119,120	4,224,744
Land	-	-
Right of use Assets (RoU)*	110,342,376	-
Intangibles Assets	7,131,163	17,768,710
Repairs & Maintenance (B)	383,754,763	338,930,679
	<u>778,011,376</u>	<u>623,547,863</u>
* As per Note 2.24, in accordance with IFRS-16, the Bank has recognised Right of use Assets (RoU) and related depreciation is shown above.		
28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	778,011,376	623,547,863
ONE Securities Limited	2,919,777	3,509,736
	<u>780,931,153</u>	<u>627,057,599</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
29 Other expenses		
Entertainment	39,824,187	44,426,338
Car expenses	18,089,689	18,414,006
Donation and Subscription (including CSR)	69,831,709	115,021,296
Business Traveling & Conveyance	27,043,785	22,543,744
Computer & Printer expenses	23,555,764	21,205,195
Staff training & Award	10,172,612	8,783,319
Debit and Credit Card expenses	25,776,446	19,421,794
Bank charges	13,464,640	8,016,672
Miscellaneous (Note-29.1)	7,570,497	5,883,042
ATM Booth Expenses	23,618,489	22,477,075
Call center operating expense	2,703,980	4,722,064
Issuance cost of Sub-Ordinated Bond	7,836,346	9,000,072
Mobile Financial Services	2,436,923	3,828,328
Loss from sale/ write off of assets	9,792,096	5,155,428
	<u>281,717,161</u>	<u>308,898,371</u>
Off-shore Banking Unit	1,756,549	1,579,730
	<u>283,473,710</u>	<u>310,478,102</u>
29.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc.		
29 (a) Consolidated Other expenses		
ONE Bank Limited	283,473,710	310,478,102
ONE Securities Limited	9,147,322	11,102,685
ONE Investments Limited	14,420	220,363
	<u>292,635,452</u>	<u>321,801,150</u>
30 Provision for loans, off balance sheet exposure, investment & other for the year		
Provision for bad and doubtful loans and advances	1,771,860,497	2,627,864,657
Provision for unclassified loans and advances	(90,848,241)	334,556,478
Provision for off-balance sheet exposure	(115,495,593)	66,955,638
Provision for diminution in value of share	-	-
Provision for other	2,364,897	13,908,315
	<u>1,567,881,560</u>	<u>3,043,285,089</u>
31 Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	-	-
ONE Securities Limited	94,291,892	59,428,753
	<u>94,291,892</u>	<u>59,428,753</u>
32 Consolidated provision for other assets for the year		
ONE Bank Limited	2,364,897	13,908,315
ONE Securities Limited	-	-
	<u>2,364,897</u>	<u>13,908,315</u>
33 Tax Expenses for the year		
Current Tax	877,981,117	968,355,401
Deferred tax	13,474,670	(19,733,569)
	<u>891,455,787</u>	<u>948,621,832</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019 <u>Taka</u>	2018 <u>Taka</u>
33 (a) Consolidated Tax Expenses for the year		
Current Tax		
ONE Bank Limited	877,981,117	968,355,401
ONE Securities Limited	11,506,974	18,514,511
ONE Investments Limited	120,584	-
	<u>889,608,675</u>	<u>986,869,912</u>
Deferred Tax		
ONE Bank Limited	13,474,670	(19,733,569)
ONE Securities Limited	(462,613)	-
	<u>13,012,057</u>	<u>(19,733,569)</u>
	<u>902,620,732</u>	<u>967,136,343</u>
34 Interest receipts in cash		
Interest income on loans & advances	23,366,084,834	21,028,536,119
Interest on Treasury Bills and Bonds	1,834,789,702	1,861,277,310
	25,200,874,536	22,889,813,429
(Increase)/ Decrease in interest receivable on loans & advances	(2,568,272,775)	(1,659,605,114)
(Increase)/ Decrease in interest receivable others	35,280,889	222,493,329
	<u>22,667,882,649</u>	<u>21,452,701,643</u>
34 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	22,667,882,649	21,452,701,643
ONE Securities Limited	26,009,516	20,730,216
ONE Investments Limited	482,337	-
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(17,673,605)	(12,669,185)
	<u>22,676,700,897</u>	<u>21,460,762,675</u>
35 Interest payments		
Total interest expenses	17,905,383,113	14,733,524,810
Add : Opening balance of interest payable	3,251,004,674	2,021,281,931
Less: Closing balance of interest payable	(3,635,777,905)	(3,251,004,674)
	<u>17,520,609,882</u>	<u>13,503,802,066</u>
35 (a) Consolidated Interest Payment		
ONE Bank Limited	17,520,609,882	13,503,802,066
ONE Securities Limited	329,096	-
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(17,673,605)	(12,669,185)
	<u>17,503,265,374</u>	<u>13,491,132,881</u>
36 Fee and commission receipts in cash		
Fees and commission	830,799,959	891,500,185
Less : (Increase) / decrease in Commission receivable	-	-
	<u>830,799,959</u>	<u>891,500,185</u>
36 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	830,799,959	891,500,185
ONE Securities Limited	28,634,481	41,765,742
	<u>859,434,440</u>	<u>933,265,927</u>
37 Cash payments to employees		
Salaries and allowances	2,956,891,285	2,790,379,598
Managing Director's salary and allowances	14,296,289	14,220,000
	2,971,187,574	2,804,599,598
Less: Payable to employees	(370,968,289)	(354,367,582)
Add: Opening Payable	354,367,582	336,299,374
	<u>2,954,586,867</u>	<u>2,786,531,390</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
38 Cash payment to suppliers		
Stationery, Printings, advertisements etc.	467,312,959	354,520,716
Repair & Maintenance	323,765,678	338,930,679
Add: closing stock of stationery and stamps	40,694,330	31,786,933
	<u>831,772,967</u>	<u>725,238,329</u>
Less: opening stock of stationery and stamps	(31,786,933)	(31,918,559)
	<u>799,986,033</u>	<u>693,319,770</u>
39 Cash receipts from other operating activities		
Other operating income	641,851,122	608,310,377
Exchange earnings	589,047,415	532,588,888
	<u>1,230,898,537</u>	<u>1,140,899,266</u>
39 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	1,230,898,537	1,140,899,266
ONE Securities Limited	11,524,666	24,108,837
	<u>1,242,423,203</u>	<u>1,165,008,103</u>
40 Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	686,030,353	594,196,037
Legal expenses	14,689,348	11,801,909
Postage, stamps, telecommunication etc.	79,312,543	69,198,812
Directors fees	1,432,000	1,432,000
Auditors' fee	250,000	250,000
Other expenses	265,960,268	305,322,674
	<u>1,047,674,512</u>	<u>982,201,432</u>
Add: Outstanding in payable - Opening balance	225,325,591	235,226,212
Less: Outstanding in payable - Closing balance	(213,893,211)	(225,325,591)
	<u>1,059,106,892</u>	<u>992,102,053</u>
40 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	1,059,106,892	992,102,053
ONE Securities Limited	47,813,513	47,181,701
ONE Investments Limited	12,920	-
	<u>1,106,933,325</u>	<u>1,039,283,754</u>
41 (Increase)/decrease of other assets		
Closing balance:		
Security deposits	5,827,121	4,660,555
Advance rent	461,264,414	419,081,086
Prepayments	607,012,280	455,880,139
Application money against right share and clearing adjustment account	87,116,850	51,664,505
Suspense account	39,945,715	24,210,725
Receivable from Bangladesh Bank	159,384,091	196,006,798
Receivable from ONE Securities Ltd	-	32,097
Receivable from ONE Investments Ltd	205,426	205,426
Sundry receivables	416,331	-
Receivable ATM acquiring	11,028,206	-
Protested bill	2,594,351	2,594,351
Branch Adjustment Account	23,104,658	45,667,814
	<u>1,397,899,443</u>	<u>1,200,003,496</u>
Off-shore banking unit	133,494,986	200,922,889
	<u>1,531,394,428</u>	<u>1,400,926,385</u>



Notes to the Financial Statements

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
Less: Opening 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
	(130,468,043)	(26,057,320)
41 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	(130,468,043)	(26,057,320)
ONE Securities Limited	5,452,801	26,453,646
	(125,015,242)	396,326
42 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	39,727,849	11,771,078
Government	535,960,335	558,895,756
Banks and other financial institutions	829,796,595	2,119,224
Others	13,816,703,023	13,697,824,807
	15,222,187,802	14,270,610,865
Total (i and ii)	15,222,187,802	14,270,610,865
43 Details break-up of Shareholders' Equity -Solo		
Paid-up Capital	8,431,870,520	7,665,336,840
Statutory Reserve	6,082,448,575	5,572,188,014
Surplus in Profit & Loss Account	1,529,071,286	1,146,018,509
Revaluation Reserve for HTM Securities	9,087,403	8,262,217
	16,052,477,785	14,391,805,580
44 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders' Equity -Solo	16,052,477,785	14,391,805,580
Total Shareholders' Equity -Consolidated	16,125,178,612	14,514,367,831
Weighted average number of outstanding Shares	843,187,052	843,187,052
Net Asset Value Per Share -Solo	19.04	17.07
Net Asset Value Per Share - Consolidated	19.12	17.21
45 Basic Earnings Per Share		
Attributable profit for the year -Solo	1,659,847,018	1,393,036,145
Attributable profit for the year -Consolidated	1,609,985,594	1,409,431,980
Weighted average number of outstanding Shares for the year:		
Opening balance	766,533,684	766,533,684
Bonus Share Issued for the year 2018	76,653,368	76,653,368
	843,187,052	843,187,052
Basic Earnings Per Share -Solo	1.97	1.65
Basic Earnings Per Share - Consolidated	1.91	1.67



Notes to the Financial Statements

For the year ended 31 December 2019

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 2019. 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).

46 Calculation of Net Operating Cash Flow Per Shares (NOCFPS)	2019 <u>Taka</u>	2018 <u>Taka</u>
Net Operating Cash Flow- Solo	6,369,358,511	5,676,922,469
Net Operating Cash Flow- Consolidated	6,369,868,372	5,639,461,003
Weighted average number of outstanding Shares	843,187,052	843,187,052
Net Operating Cash Flow Per Share –Solo	7.55	6.73
Net Operating Cash Flow Per Share – Consolidated	7.55	6.69

47 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)	4,119,184,365	5,384,943,066
Adjustments (Non- Cash Items) (B)		
Increase in Interest income receivable	(2,472,116,688)	(1,406,604,293)
Increase in Interest expense payable	384,773,231	1,229,722,744
Depreciation and amortization expenses	351,624,668	284,617,184
Loss from sale of assets	9,792,096	5,155,428
Increase in salaries and allowances expenses payable	16,600,707	18,068,208
Increase in other expenses payable	75,788,881	48,988,063
	(1,633,537,106)	179,947,334
Adjustments (Non-Operating Items) (C)		
Dividend received during the year 2018 which was accrued last year 2017	-	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)	(1,221,917,404)	(1,535,756,161)
	(1,221,917,404)	(1,189,256,277)
Profit after adjustment (A+B+C)	1,263,729,856	4,375,634,123
Cash generated from operating activities as per cash flows statements	1,263,729,856	4,375,634,123

48 Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2019: **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: **-Annexure-F**
- V) Lending policies in respect of related party:
 - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2019: **Nil**
 - b) Amount of transactions regarding principal items of deposits, expenses and commission : **Nil**
 - c) Amount of provision against loans and advances given to related party : **Nil**
 - d) Amount of guarantees and commitments arising from other off-balance sheet exposures : **Nil**
- vi) Disclosure of transaction regarding Directors and their related concerns: **Nil**
- vii) 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 2019

Lease agreement made with the Director :

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease Agreement	Corporate Head Quarters, ONE Bank Limited, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka.	Mr. Sayeed H. Chowdhury, 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
Lease Agreement	Off-Site Store, 26 Tejgoan Industrial Area, Tejgoan, Dhaka	Mr. Zahur Ullah, Director Shamah Enterprise Limited	Expiry Date of Lease 31.07.2025

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

49 Number of employees of the Bank

The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 2,414 (2018: 2,239).

50 Coverage of External Audit

The external auditors of the Bank, ACNABIN, Chartered Accountants worked about 5,120 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.


51 Events after the balance sheet date

The Board of Directors in its 315th meeting held on 25 June 2020 has recommended stock dividend @5% and cash dividend @5% subject to the approval of the Shareholders at the next Annual General Meeting.


M. Fakhru Alam
Managing Director


Salahuddin Ahmed
Director


Zahur Ullah
Director


Asoke Das Gupta
Vice- Chairman



Financial Highlights on the overall activities of the Bank

As at 31 December 2019

Solo Basis

Sl No	Particulars	2019 Taka	2018 Taka
1	Paid up Capital	8,431,870,520	7,665,336,840
2	Total Capital	24,976,772,099	23,195,909,823
3	Capital Surplus/(deficit)	585,511,313	97,845,643
4	Total Assets	297,873,959,835	266,049,714,933
5	Total Deposits	228,091,028,064	202,546,468,305
6	Total Loans and Advances	215,227,825,188	198,908,749,218
7	Total Contingent Liabilities and Commitments	73,965,749,644	81,651,327,138
8	Credit Deposit ratio (%)	83.88%	83.59%
9	Percentage of Classified Loans against total loans and advances	9.24%	7.05%
10	Profit after tax and provisions	1,659,847,018	1,393,036,145
11	Amount of classified loans during the year	19,894,986,000	14,030,890,000
12	Provision kept against classified loans	7,331,116,490	5,508,573,082
13	Provision surplus/(deficit)	-	-
14	Cost of fund	9.52%	9.05%
15	Interest earning Assets	250,653,057,858	226,654,713,457
16	Non-interest earning assets	47,220,901,977	39,395,001,475
17	Return on investment-ROI	6.00%	6.88%
18	Return on Assets-ROA (Net profit after taxation/average assets)	0.59%	0.56%
19	Income from Investment	1,874,462,581	1,886,314,401
20	Earnings per Share	1.97	1.65
21	Net Income per share	1.97	1.65
22	Price Earning Ratio (Times)	5.23	9.08

Consolidated Basis

1	Paid up Capital	8,431,870,520	7,665,336,840
2	Total Capital	25,027,143,645	23,349,588,845
3	Capital Surplus	622,414,018	197,432,540
4	Total Assets	298,036,525,360	266,170,944,794
5	Total Deposits	227,864,905,381	202,298,411,423
6	Total Loans and Advances	215,315,531,955	198,958,428,525
7	Profit after tax and provisions	1,609,645,482	1,409,575,510
8	Earnings per Share	1.91	1.67
9	Net Income per share	1.91	1.67



ONE Bank Limited
Schedule of Fixed Assets

As at 31 December 2019

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)			Depreciation and Amortization (Taka)				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	1,597,244,555	76,299,063	104,828,634	1,568,714,984	610,884,555	157,927,123	14,301,755	673,015,089	10
Office Equipment	1,192,736,206	75,677,520	3,491,925	1,264,921,801	703,506,814	95,011,033	2,958,812	795,559,035	18
Motor Vehicles	278,283,495	47,585,760	-	325,869,255	198,111,243	19,723,799	-	217,837,042	20
Building	189,464,053	-	-	189,464,053	24,699,030	4,119,120	-	28,818,150	2.5
Right of use Assets (RoU)	-	809,670,917	-	809,670,917	-	110,342,376	-	110,342,376	
Land	279,366,295	-	-	279,366,295	-	-	-	-	
Sub-Total	3,537,094,604	1,009,233,260	108,320,559	4,438,007,305	1,537,201,643	387,125,450	17,260,567	1,825,571,692	
Intangibles Assets	195,835,516	2,349,104	-	198,184,620	185,467,313	7,131,163	-	192,598,476	20
Total 2019	3,732,930,120	1,011,582,364	108,320,559	4,636,191,925	1,722,668,956	394,256,613	17,260,567	2,018,170,168	
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	



Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

	Amount in Taka	
	<u>Detail</u>	<u>Total</u>
Balance as per Bank ledger		14,004,525,163
Unrespond debit entries in:		
Bangladesh Bank Statement	1,180,956	
ONE Bank's ledger	361	1,181,317
		<u>14,003,343,846</u>
Unrespond credit entries in:		
Bangladesh Bank statement	20,772,701	
ONE Bank's ledger	6,784,121	27,556,823
Balance as per Bangladesh Bank Statement		<u>14,030,900,669</u>

2) Balance with Bangladesh Bank-Foreign currency

	Amount in Taka			
	<u>USD</u>	<u>EURO</u>	<u>GBP</u>	<u>Total</u>
A) Balance as per Bank ledger	4,932,900,361	14,925,145	1,877,571	4,949,703,076
B) Unrespond debit entries in:				
Bangladesh Bank Statement	348,561,286	-	-	348,561,286
ONE Bank's ledger	45,860,014	-	-	45,860,014
	<u>394,421,299</u>	-	-	<u>394,421,299</u>
C) Unrespond credit entries in:				
Bangladesh Bank statement	151,921,665	-	-	151,921,665
ONE Bank's ledger	564,489,950	-	-	564,489,950
	<u>716,411,615</u>	-	-	<u>716,411,615</u>
Balance as per Bangladesh Bank Statement (A-B+C)	<u>5,254,890,676</u>	<u>14,925,145</u>	<u>1,877,571</u>	<u>5,271,693,392</u>



ONE Bank Limited

Financial Statements for the year ended 31 December 2019

Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2019			2018		
		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	47,556,196.85	84.9000	4,037,521,112.57	14,316,813.21	83.9000	1,201,180,628.32
Commerzbank A.G, Frankfurt	USD	3,362,373.51	84.9000	285,465,511.00	1,410,109.38	83.9000	118,308,176.98
Mashreqbank Psc, New York	USD	2,352,089.36	84.9000	199,692,386.66	8,711,026.64	83.9000	730,855,135.10
ICICI Bank Limited, Hong Kong	USD	7,084,455.32	84.9000	601,470,256.67	(25,607.84)	83.9000	(2,148,497.78)
Wells Fargo Bank N.A, New York	USD	4,879,959.21	84.9000	414,308,536.93	5,118,841.61	83.9000	429,470,811.08
Kookmin Bank, South Korea	USD	554,302.88	84.9000	47,060,314.51	-	-	-
		65,789,377.13		5,585,518,118.34	29,531,183.00		2,477,666,253.70
Standard Chartered Bank, London	GBP	56,630.65	111.3124	6,303,693.57	240,718.54	106.0160	25,520,016.74
AB Bank Ltd, Mumbai	ACUD	490,517.37	84.9000	41,644,924.71	(1,466,290.10)	83.9000	(123,021,739.39)
Mashreqbank Psc, India	ACUD	204,951.19	84.9000	17,400,356.03	350,099.72	83.9000	29,375,366.51
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	269,402.98	84.9000	22,911,855.44	103,779.11	83.9000	8,707,067.33
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	117,454.46	84.9000	9,971,883.65	118,468.46	83.9000	9,939,503.79
Seylan Bank PLC, Colombo	ACUD	8,182.04	84.9000	694,655.20	132,146.70	83.9000	11,087,108.13
Standard Chartered Bank, Mumbai	ACUD	739,408.39	84.9000	62,775,772.31	141,143.33	83.9000	11,841,925.39
United Bank of India, Kolkata	ACUD	369,980.38	84.9000	31,411,334.26	411,864.82	83.9000	34,555,458.40
Axis Bank Ltd, Kolkata	ACUD	199,630.55	84.9000	16,948,633.70	1,170,754.40	83.9000	98,226,294.16
ICICI Bank Limited, Mumbai	ACUD	754,904.87	84.9000	64,091,423.46	623,945.48	83.9000	52,349,025.77
		3,154,432.23		267,850,838.76	1,585,911.92		133,058,010.09
Standard Chartered Bank, Tokyo	JPY	7,127,523.00	0.7780	5,545,212.89	23,742,519.29	0.7535	17,889,988.29
Standard Chartered Bank, Frankfurt	EURO	219,187.31	95.0965	20,843,946.03	132,213.23	95.2685	12,595,756.10
Commerzbank A.G, Frankfurt	EURO	575,522.42	95.0965	54,730,167.81	16,410.55	95.2685	1,563,408.48
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	95.0965	8,225,185.38	86,493.04	95.2685	8,240,062.18
		881,202.77		83,799,299.22	235,116.82		22,399,226.76
Commerzbank A.G, Frankfurt	CAD	368,774.94	64.9728	23,960,340.42	80,978.45	61.8093	5,005,221.31
Habib Bank AG Zurich, Zurich	CHF	668,206.84	87.3277	58,352,966.46	164,674.99	84.2369	13,871,710.67
Bank Al-Jazira, Jeddah	SAR	300,040.00	21.4350	6,431,357.40	300,000.00	21.4350	6,430,500.00
Riyad Bank	SAR	1,455,850.00	21.4350	31,206,144.75	-	-	-
Total				6,068,967,972			2,701,840,928



ONE Bank Limited
Details of Large Loan

As at 31 December 2019

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Mohammadi Group	223.26	580.83	804.09
2	Fair Group	203.79	435.49	639.28
3	City Group	363.27	247.61	610.88
4	Panwin Group	324.42	159.16	483.59
5	Globe Pharmaceuticals Group	226.43	119.03	345.46
6	GETCO Group	262.17	79.44	341.60
7	Habib Group	252.98	81.38	334.36
8	Arafin Group	35.70	287.11	322.80
9	Noman Group	249.38	59.58	308.96
10	BBS Group	231.41	73.83	305.25
11	Saif Powertec Ltd.	208.73	90.57	299.31
12	Provita Group	167.62	127.60	295.22
13	Popular Group	287.57	2.44	290.01
14	Confidence Group	25.72	263.80	289.51
15	GPH Group	177.34	98.40	275.74
16	Evince Group	201.06	74.59	275.65
17	Medlar & Opex Group	148.30	119.00	267.29
18	Ananda Group	211.54	50.35	261.89
19	Bangla Trac Group	104.45	149.99	254.44
	Total	3,905.13	3,100.20	7,005.33

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



**Name of the Directors and the entities in which they have interest
as on 31 December 2019**

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 Jajaidin 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 Ocnova Eye Hospital 5 NTC Housing Ltd	55.00 60.00 100.00 5.00 12.50	
3.	Mr. Zahur Ullah	Director	1 Gtex Ltd. 2 Buttons & Trims Ltd 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Shamah Enterprises Ltd 7 Holiday Publications Ltd. 8 Lamisa Food Products Ltd. 9 NTC Housing Ltd.	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	-



Related Party Transactions

As on December 31, 2019

SL#	Name of Organization	Representing Directors	Nature of interest of the Directors with borrowing firm /individual	Nature of Facilities	Nature of Securities	Status	Sacntioned Amount	Outstanding as at 31-12-2019
1	COSCO (BD) Shipping Lines Ltd	Mr. Sayeed Hossain Chowdhury	Chairman	Bank Guarantee	FDR & Cash Margin	UC-Standard	3,369,778	3,369,778
2	Barridhi Shipping Lines Ltd	Mr. Sayeed Hossain Chowdhury	Chairman	Bank Guarantee	Cash Margin	UC-Standard	11,300	11,300
3	Bangladesh Shipping Lines Ltd	Mr. Sayeed Hossain Chowdhury	Chairman	Bank Guarantee	FDR & Cash Margin	UC-Standard	8,400,000	8,490,000
4	COSCO (BD) Shipping Lines Ltd	Mr. Sayeed Hossain Chowdhury	Chairman	Bank Guarantee	FDR	UC-Standard	13,431,600	13,431,600
5	Bangladesh Land Ltd	Mr. Sayeed Hossain Chowdhury	Father of the Owner	Bank Guarantee	FDR	UC-Standard	800,000	795,468
6	Bangladesh Land Ltd	Mr. Sayeed Hossain Chowdhury	Father of the Owner	Bank Guarantee	FDR	UC-Standard	738,782	738,782
7	Information Services Network Ltd	Mr. Sayeed Hossain Chowdhury	Sponsor Director & Chairman	Bank Guarantee	FDR	UC-Standard	420,000	420,000
8	Little Jewels School	Kazi Rukumuddin Ahmed	Spouse of the owner	Overdraft	FDR	UC-Standard	3,500,000	2,750,254

Statement of Tax Position of the Bank

As at 31 December 2019

Accounting Year	Assessment Year	Status	
2004	2005-2006	Honourable High Court Division of Supreme Court of Bangladesh has given verdict <u>in 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		The matter is pending at Honourable High Court Division of Supreme Court.
2013	2014-2015		
2014	2015-2016		
2015	2016-2017	Pending at Commissioner (Appeals).	
2016	2017-2018	Pending at Appellate Tribunal.	
2017	2018-2019	Appeal under process at Commissioner (Appeals).	
2018	2019-2020	Tax return submitted for the assessment.	



ONE Bank Limited Segment Reporting

Amount in Taka

Particulars	ONE Bank Limited			ONE Bank Limited and its subsidiaries		Inter company transaction	Consolidated
	ONE Bank Limited	Off-Shore Banking unit	Inter transaction with DBO	Total	ONE Securities Ltd		
Interest income	22,522,704,472	833,188,075	-	23,355,892,546	29,269,929	482,337	23,367,971,208
Interest paid on deposits and borrowings etc.	17,117,926,186	839,413,021	-	17,957,339,207	329,096	-	17,939,994,698
Net interest income	5,404,778,286	(6,224,946)	-	5,398,553,339	28,940,833	482,337	5,427,976,509
Investment income	1,874,462,581	-	-	1,874,462,581	45,242,485	-	1,919,705,066
Commission, exchange and brokerage	1,402,163,869	17,683,505	-	1,419,847,374	28,634,481	-	1,448,481,855
Other operating income	626,881,279	14,969,842	-	641,851,122	1,201,998	-	643,053,120
Total operating income (A)	9,308,286,015	26,428,401	-	9,334,714,416	104,019,797	482,337	9,439,216,550
Salaries and allowances	2,956,891,285	-	-	2,956,891,285	29,274,674	-	2,986,165,958
Rent, taxes, insurance, electricity etc.	545,425,215	-	-	545,425,215	7,259,468	-	552,684,683
Legal expenses	14,689,348	74,385,326	-	89,074,674	207,000	-	89,281,674
Postage, stamps, telecommunication etc.	79,312,543	-	-	79,312,543	-	-	79,312,543
Directors' fees	1,432,000	-	-	1,432,000	128,750	-	1,560,750
Auditors' fees	300,000	-	-	300,000	30,000	10,000	340,000
Stationery, printings, advertisements etc.	467,312,959	-	-	467,312,959	255,423	-	467,568,382
Managing Director's salary and allowances	14,296,289	-	-	14,296,289	-	-	14,296,289
Depreciation, leasing expense and repair of bank's assets	778,011,376	-	-	778,011,376	2,919,777	-	780,931,153
Other expenses	281,717,161	1,756,549	-	283,473,710	9,147,322	14,420	292,635,452
Total operating expenses (B)	5,139,388,176	76,141,875	-	5,215,530,051	49,222,414	24,420	5,264,776,885
Profit/ (loss) before provision and tax (C=A-B)	4,168,897,839	(49,713,473)	-	4,119,184,365	54,797,383	457,917	4,174,439,665
Provision for loans and advances	-	-	-	-	-	-	-
Specific provision	1,771,860,497	-	-	1,771,860,497	-	-	1,771,860,497
General provision	(90,848,241)	-	-	(90,848,241)	-	-	(90,848,241)
Provision for off-balance sheet items	(115,495,593)	-	-	(115,495,593)	-	-	(115,495,593)
Provision for diminution in value of share	-	-	-	-	94,291,892	-	94,291,892
Provision for other	2,364,897	-	-	2,364,897	-	-	2,364,897
Total Provision (D)	1,567,881,560	-	-	1,567,881,560	94,291,892	-	1,662,173,452
Profit/ (loss) before taxes (E=C-D)	2,601,016,279	(49,713,473)	-	2,551,302,805	(39,494,509)	457,917	2,512,266,214
Provision for taxation	891,455,787	-	-	891,455,787	11,044,360	120,584	902,620,732
Net Profit after taxation	1,709,560,492	(49,713,473)	-	1,659,847,018	(50,538,869)	337,333	1,609,645,482

ONE Bank Limited
Segment Reporting

Amount in Taka

Particulars	ONE Bank Limited			ONE Bank Limited and its subsidiaries		Inter company transaction	Consolidated
	ONE Bank Limited	Off-Shore Banking unit	Inter transaction with DBO	Total	ONE Securities Ltd		
PROPERTY AND ASSETS							
Cash	24,375,991,341	-	-	24,375,991,341	10,905	-	24,376,002,245
Balance with other Banks and Financial Institutions	8,544,668,356	225,021,758	-	8,769,690,115	57,069,264	302,244	8,769,690,115
Money at call on short notice	250,000,000	-	-	250,000,000	-	-	250,000,000
Investment	33,728,099,936	-	-	33,728,099,936	2,554,875,397	10,271,823	36,124,495,980
Loans and Advances	200,640,068,313	14,587,756,875	-	215,227,825,188	87,706,768	-	215,315,531,955
Fixed Assets including premises, furnitures & fixtures	2,618,021,757	-	-	2,618,021,757	20,207,442	-	2,638,229,199
Other Assets	12,770,836,514	133,494,986	-	12,904,331,499	138,482,248	66,714	10,562,575,866
Non-banking Assets	-	-	-	-	-	-	-
Total Assets	282,927,686,217	14,946,273,618	-	297,873,959,835	2,858,352,023	10,640,781	298,036,525,360
LIABILITIES AND CAPITAL							
Borrowings from other Banks, Financial Institutions and agents	16,205,208,217	13,069,066,361	-	29,274,274,579	-	-	29,274,274,579
Deposits and other accounts	228,065,880,373	25,147,691	-	228,091,028,064	-	(226,122,683)	227,864,905,381
Other Liabilities	24,339,716,267	1,852,059,565	(1,735,596,425)	24,456,179,407	285,067,138	349,010	24,741,390,129
Total Liabilities	268,610,804,857	14,946,273,618	-	281,821,482,050	285,067,138	349,010	281,880,570,089
Total Shareholders' Equity	16,052,477,785	-	-	16,052,477,785	2,573,284,885	10,291,771	16,155,955,271
Total Liability and Shareholders' Equity	284,663,282,642	14,946,273,618	-	297,873,959,835	2,858,352,023	10,640,781	298,036,525,360



Off-Shore Banking Unit Balance Sheet

As at 31 December 2019

	Notes	2019		2018	
		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		2,650,433	225,021,758	7,228,604	606,479,906
		2,650,433	225,021,758	27,228,604	2,284,479,906
Money at Call on Short Notice		-	-	-	-
Investment					
Government		-	-	-	-
Others		-	-	-	-
Loan and Advances:	4				
Loans, cash credits, overdrafts etc.		168,823,252	14,333,094,104	148,875,054	12,490,617,048
Bills purchased and discounted		2,999,561	254,662,771	4,620,185	387,633,530
		171,822,814	14,587,756,875	153,495,239	12,878,250,578
Fixed Assets		-	-	-	-
Other Assets	5	1,572,379	133,494,986	2,394,790	200,922,889
Non Banking Assets		-	-	-	-
Total Assets		176,045,626	14,946,273,618	183,118,634	15,363,653,373
LIABILITIES AND CAPITAL					
Borrowings from other Banks, Financial Institutions and agents	6	153,934,822	13,069,066,361	169,220,500	14,197,599,950
Current deposits and other accounts	7				
Current accounts and other accounts		296,204	25,147,691	19,036	1,597,096
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	1,932,578	162,143,252
		296,204	25,147,691	1,951,613	163,740,348
Other Liabilities	8	22,612,705	1,919,818,674	13,454,188	1,128,806,334
Total Liabilities		176,843,731	15,014,032,726	184,626,301	15,490,146,632
Capital/Shareholders' Equity					
Profit and loss account		(798,105)	(67,759,108)	(1,507,667)	(126,493,259)
Total Liabilities and Shareholders' Equity		176,045,626	14,946,273,618	183,118,634	15,363,653,373
Off Balance Sheet Items					
Contingent Liabilities					
Acceptance and endorsements	9	2,165,823	183,878,393	258,420	21,681,473
Letter of Guarantee		-	-	-	-
Irrevocable Letters of Credit		1,315,081	111,650,404	2,130,991	178,790,147
Bills for Collection		-	-	-	-
		3,480,905	295,528,797	2,389,411	200,471,620
Other Contingent Liabilities					
Claims lodged with but not recognized by the Bank		-	-	-	-
Other exchange contract		-	-	-	-
Total Contingent Liabilities		3,480,905	295,528,797	2,389,411	200,471,620
Other Commitments					
Documentary Credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving undertaking facilities		-	-	-	-
Undrawn formal standby facilities, credit lies and other commitments		-	-	-	-
Total other commitments		-	-	-	-
Total off-Balance Sheet items including contingent Liabilities		3,480,905	295,528,797	2,389,411	200,471,620



Off-Shore Banking Unit
Profit & Loss Account
For the year ended 31 December 2019

	Notes	2019		2018	
		USD	TAKA	USD	TAKA
Interest income	10	10,530,629	894,050,416	8,337,958	699,554,654
Interest paid on deposits & borrowings	11	(10,603,950)	(900,275,362)	(8,518,469)	(714,699,565)
Net interest income		(73,321)	(6,224,946)	(180,511)	(15,144,911)
Income from investments		-	-	-	-
Commission, exchange and brokerage	12	208,286	17,683,505	62,694	5,259,996
Other operating income	13	176,323	14,969,842	125,701	10,546,276
Total operating income (A)		311,289	26,428,401	7,883	661,361
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal & consultancy expenses		876,152	74,385,326	700,323	58,757,058
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		20,690	1,756,549	18,829	1,579,730
Total operating expenses (B)		896,842	76,141,875	719,151	60,336,788
Profit before provision and tax (C=A-B)		(585,553)	(49,713,473)	(711,268)	(59,675,427)
Provision for loans and advances					
Specific provision		-	-	-	-
General provision		201,355	17,095,063	824,105	69,142,413
		201,355	17,095,063	824,105	69,142,413
Provision for off balance sheet items		11,196	950,572	(27,707)	(2,324,582)
Other provision		-	-	-	-
Total Provision		212,552	18,045,635	796,398	66,817,832
Profit/(loss) before tax (C-D)		(798,105)	(67,759,108)	(1,507,667)	(126,493,259)
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		-	-	-	-
Net profit after taxation		(798,105)	(67,759,108)	(1,507,667)	(126,493,259)



Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2019

	2019		2018	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	10,530,629	894,050,416	8,337,958	699,554,654
Interest payments	(10,603,950)	(900,275,362)	(8,518,469)	(714,699,565)
Fee and commission receipts	208,286	17,683,505	62,694	5,259,996
Legal expenses	(896,842)	(76,141,875)	(719,151)	(60,336,788)
Receipts from other operating activities	176,323	14,969,842	125,701	10,546,276
Operating profit before changes in current assets and liabilities	(585,553)	(49,713,473)	(711,268)	(59,675,427)
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(18,327,574)	(1,709,506,297)	(81,379,045)	(6,827,701,910)
Other assets	822,411	67,427,904	(1,579,826)	(132,547,364)
Borrowing from other banking companies, agencies etc.	(15,285,678)	(1,128,533,589)	125,220,500	(132,547,364)
Deposits from banks	(1,930,637)	(161,978,531)	(6,793,064)	(569,938,110)
Deposits from customers	275,228	23,385,873	13,872	1,163,870
Other liabilities	10,453,633	899,459,965	(7,542,564)	(632,821,103)
	(23,992,618)	(2,009,744,674)	27,939,873	2,344,155,333
A Net cash flows from operating activities	(24,578,171)	(2,059,458,148)	27,228,604	2,284,479,906
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)	(24,578,171)	(2,059,458,148)	27,228,604	2,284,479,906
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
E Opening cash and cash equivalents	27,228,604	2,284,479,906	-	-
F Closing cash and cash equivalents (D+E)	2,650,433	225,021,758	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	2,650,433	225,021,758	27,228,604	2,284,479,906
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	2,650,433	225,021,758	27,228,604	2,284,479,906



Off-Shore Banking Unit **Notes to the Financial Statements**

For the year ended 31 December 2019

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 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 2019 to 31 December 2019.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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



Off-Shore Banking Unit Notes to the Financial Statements

For the year ended 31 December 2019

1.3.2 Loans and Advances / Investment

- 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 84.90 and EURO1=Taka 95.0965 (Mid rate as at 31 December 2019).



Off-Shore Banking Unit Notes to the Financial Statements

	2019		2018	
	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)	2,650,433	225,021,758	7,228,604	606,479,906
	2,650,433	225,021,758	27,228,604	2,284,479,906
3.1 Outside Bangladesh				
Mashreq Bank NY	2,520,928	214,026,750	6,609,457	554,533,424
Commerzbank-CAD	129,505	10,995,008	619,148	51,946,482
	2,650,433	225,021,758	7,228,604	606,479,906
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Loans	166,853,804	14,165,887,999	147,204,023	12,350,417,514
Cash Credit	-	-	-	-
Overdraft	1,454,930	123,523,571	1,462,098	122,670,033
Loan against Trust Receipt	514,517	43,682,535	208,933	17,529,501
	168,823,252	14,333,094,104	148,875,054	12,490,617,048
ii) Bills purchased and discounted				
Local bill purchased and discounted	2,999,561	254,662,771	4,620,185	387,633,530
Foreign bills purchased and discounted	-	-	-	-
	2,999,561	254,662,771	4,620,185	387,633,530
	171,822,814	14,587,756,875	153,495,239	12,878,250,578
5 Other Assets				
Prepayment	1,572,379	133,494,986	2,377,290	199,454,639
Interest receivable	-	-	17,500	1,468,250
	1,572,379	133,494,986	2,394,790	200,922,889
6 Borrowing from other banks, and financial institutions and agents				
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	38,375,000	3,258,037,500	47,250,000	3,964,275,000
Oesterreichische Entwicklungsbank AG (OeEB)	11,125,000	944,512,500	14,500,000	1,216,550,000
The OPEC Fund for International Development (OFID)	7,500,000	636,750,000	11,250,000	943,875,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	21,875,000	1,857,187,500	25,000,000	2,097,500,000
Norwegian Invest. Fund for Developing Countries (Norfund)	13,125,000	1,114,312,500	15,000,000	1,258,500,000
International Finance Corporation (IFC)	50,000,000	4,245,000,000	50,000,000	4,195,000,000
RAK BANK	11,934,822	1,013,266,361	-	-
BRAC Bank OBU	-	-	1,826,600	153,251,740
EBL Hongkong	-	-	4,393,900	368,648,210
	153,934,822	13,069,066,361	169,220,500	14,197,599,950
7 Current deposits and other accounts				
Current deposits	22,578	1,916,889	18,777	1,575,405
Deposits from Banks- Term deposit (note-7.1)	-	-	1,932,578	162,143,252
Foreign Currency Deposits	1,940	164,721	-	-
Sundry deposits	271,685	23,066,080	259	21,692
	296,204	25,147,691	1,951,613	163,740,348



	2019		2018	
	USD	TAKA	USD	TAKA
7.1 Deposits from Banks- Local				
BRAC Bank Limited	-	-	1,932,578	162,143,252
8 Other liabilities				
Due to Head Office(note-8.1)	19,487,900	1,654,522,676	9,940,356	833,995,864
Accured Interest for deposit	-	-	14,841	1,245,193
Interest Payable on Borrowings Outside Bd	1,361,396	115,582,523	1,940,144	162,778,054
Others	10,372	880,618	-	-
General Provision (Unclassified Loan)	1,718,228	145,877,569	1,534,952	128,782,506
General Provision for off balance sheet items	34,809	2,955,288	23,894	2,004,716
	22,612,705	1,919,818,674	13,454,188	1,128,806,334
8.1 Due to Head Office				
Payable to Head office (Transaction with DBU)	19,419,354	1,648,703,113	8,915,570	748,016,354
Payable to Head Office (Retained Earnings)	68,546	5,819,564	1,024,786	85,979,511
	19,487,900	1,654,522,676	9,940,356	833,995,864
9 Contingent liabilities				
Acceptance and Endorsements	2,165,823	183,878,393	258,420	21,681,473
Letter of Guarantee	-	-	-	-
Irrevocable Letter of Credit	1,315,081	111,650,404	2,130,991	178,790,147
Bills for Collection	-	-	-	-
	3,480,905	295,528,797	2,389,411	200,471,620
10 Interest income				
Bills purchased and discounted	65,938	5,598,173	210,078	17,625,551
Short Term Loan	3,082,092	261,669,572	3,130,894	262,682,016
Time Loan	6,509,880	552,688,809	3,743,931	314,115,843
Loan Against Trust Receipt	10,727	910,723	20,541	1,723,397
Overdraft	101,548	8,621,431	73,949	6,204,353
Others	760,444	64,561,708	1,158,564	97,203,494
Interest on loans and advances	10,530,629	894,050,416	8,337,958	699,554,654
Interest received from Head Office	-	-	-	-
Total Interest income	10,530,629	894,050,416	8,337,958	699,554,654
11 Interest paid on deposits, borrowings,				
Interest paid to Head Office	716,871	60,862,341	618,622	51,902,359
Interest expenses for borrowing	9,886,256	839,343,172	7,412,226	621,885,770
Interest expenses for other bank- Local	823	69,849	487,621	40,911,435
	10,603,950	900,275,362	8,518,469	714,699,565
12 Commission, exchange and brokerage				
Commission on L/C	151,090	12,827,510	50,562	4,242,121
Commission on acceptance	57,166	4,853,370	12,132	1,017,875
Export Bill Handling Charge	31	2,625	-	-
	208,286	17,683,505	62,694	5,259,996
13 Other operating income				
Fees & Charges of Loan	176,153	14,955,410	125,701	10,546,276
Commission on Remittance	170	14,432	-	-
	176,323	14,969,842	125,701	10,546,276

ONE Securities Limited



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

Opinion

We have audited the accompanying financial statements of ONE Securities Limited which comprise the Statement of Financial Position as at 31 December 2019 and 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 disclosed in Note # 1 to Note # 23 to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.1 to the financial statements.

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 Auditor's 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 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 judgment, were of most significance in our audit of the financial statements for the year ended on 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
1. Provision for diminution in value of investment in shares	
<p>The process for estimating the provision for diminution in value of investment in shares is significant and complex.</p> <p>These provisions consider the estimated diminution in the market value of the shares invested by the Company.</p> <p>At year end the Company reported total investment in share of Tk. 1,834,075,362 (2018: Tk. 1,842,469,704) and provision for diminution in value of investment in shares of Tk. 153,720,644 (2018: Tk. 59,428,753).</p> <p>We have focused on the measurement of the provision, which is dependent on the valuation of shares invested by the Company and could give rise to a material misstatement or management bias.</p>	<p>We have performed substantive procedures in relation to the provision for diminution in value of investment in shares which comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the purchase of shares on a sample basis; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Checked the market value of the securities; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Securities and Exchange Commission's guidelines.
See note no#14.1 to the financial statements	



Risk	Our response to the risk
2. Measurement of deferred tax assets	
<p>The Company reports net deferred tax assets amounting to Tk 462,613 as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a numbers of year.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note no#14.3 to the financial statements	

Other Matter

1. The financial statements of the Company for the year ended 31 December 2018 were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on 29 April 2019; and
2. The Company was required to recognize the lease liability and right of use of leased office premise in compliance with IFRS 16 effective from 2019. However, the Company did not recognized such lease liability and right of use of asset.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in Note # 2.1 to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.
- 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.

Report on other Legal and Regulatory Requirements

We also report that:

- a. we have obtained all the material 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the Company's statement of financial position and statement of profit or loss and other comprehensive income together with the note

Dated, Dhaka
24 June 2020


Muhammad Aminul Hoque, FCA
ACNABIN
Chartered Accountants




ONE Securities Limited
Statement of Financial Position

As at 31 December 2019


	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Non-Current Assets			
Property, plant and equipment	3	20,207,442	22,532,174
Investment in DSE and CSE shares	4	562,320,683	562,320,683
Total non- current assets		582,528,125	584,852,857
Current Assets			
Advance deposits and prepayments	5	6,610,801	884,305
Investment in shares	7	1,834,075,362	1,842,469,704
Investment in FDR		-	-
Margin Loan to clients	6	87,706,768	49,679,307
Accounts Receivable and others	8	10,818,777	16,031,996
Advance income tax	9	120,590,057	107,627,366
Deferred tax assets	14.3	462,613	-
Cash and cash equivalents	10	215,559,521	237,906,539
Total current assets		2,275,823,898	2,254,599,216
Total assets		2,858,352,023	2,839,452,072
Shareholders' Equity			
Share capital	11	2,500,000,000	2,500,000,000
Retained earnings		73,284,885	123,823,755
		2,573,284,885	2,623,823,755
Current Liabilities			
Customer deposits		17,193,317	40,739,869
Other payable	12	4,596,349	17,414,841
Audit fee payable	13	30,000	25,000
Other liabilities	14	263,247,472	157,448,607
Total current liabilities		285,067,138	215,628,317
Total equity and liabilities		2,858,352,023	2,839,452,072

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


Asoke Das Gupta
Director


Zahur Ullah
Chairman

Dhaka, 24 June 2020


ACNABIN
Chartered Accountants



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

for the year ended 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Operating income (A)			
Commission and brokerage income	15	28,634,481	41,765,742
Interest income	16	29,269,929	20,730,216
Investment income	17	45,242,485	81,721,343
Other operating income	18	1,201,998	987,297
		104,348,893	145,204,598
Operating expenses (B)			
Salary & allowances	19	29,274,674	33,305,908
Rent, taxes, insurance, electricity etc	20	7,259,468	2,070,857
Interest paid on short term loan		329,096	-
Auditors' fee		30,000	25,000
Directors' fees		128,750	97,750
Professional Fees		207,000	217,000
Bank charges		19,606	20,895
Printing & stationary		255,423	347,473
Repairs and maintenance		93,549	57,130
Depreciation		2,826,229	3,452,606
Fees and renewal	21	2,147,047	2,652,677
Direct expenses	22	2,906,515	3,480,867
Others expenses	23	4,074,154	4,948,246
Total		49,551,511	50,676,408
Profit before provision and tax (A-B)		54,797,383	94,528,190
Provision for diminution in value of share	14.1	94,291,892	59,428,753
Profit/(Loss) before tax		(39,494,509)	35,099,438
Current tax expense	14.2	11,506,974	18,514,511
Deffered tax expense/ (income)	14.3	(462,613)	-
		11,044,360	18,514,511
Net profit/(Loss) after provision		(50,538,869)	16,584,927
Retained surplus brought forward		123,823,755	107,238,828
		73,284,885	123,823,755
Interim Dividend		-	-
Retained surplus carried forward		73,284,885	123,823,755
Earnings per Share (EPS)		(0.20)	0.07

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


Asoke Das Gupta
Director


Zahur Ullah
Chairman

See annexed report of even date.

Dhaka, 24 June 2020


ACNABIN
Chartered Accountants




ONE Securities Limited
Statement of Cash Flows

for the year ended 31 December 2019

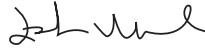
	2019	2018
	<u>Taka</u>	<u>Taka</u>
Cash Flows from Operating Activities		
Interest receipts in cash	26,009,516	20,730,216
Commission and brokerage receipts in cash	28,634,481	41,765,742
Interest payments	(329,096)	-
Dividend receipts	32,214,153	58,599,803
Income taxes paid	(12,962,691)	(43,932,638)
Advance deposit and prepayment	(5,726,496)	111,872
Other payable	(34,942,718)	(349,593,698)
Other receivable	11,179,297	26,341,774
Loan to clients	(38,027,461)	(1,743,718)
Receipts from other operating activities	11,524,666	24,108,837
Operating expenses	(47,813,513)	(47,181,701)
A) Net Cash used in Operating Activities	(30,239,863)	(270,793,510)
Cash Flows from Investing Activities		
Payments for purchase of securities	8,394,342	(60,451,567)
Net proceed from sales of DSE Share	-	37,879,317
Net purchase/Sale of fixed assets	(501,497)	(425,498)
B) Net Cash used in Investing Activities	7,892,845	(22,997,748)
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)	(22,347,017)	(293,791,258)
Opening Cash and cash equivalents	237,906,538	531,697,797
Closing cash and cash equivalents	215,559,521	237,906,538

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


Asoke Das Gupta
Director


Zahur Ullah
Chairman

Dhaka, 24 June 2020



ONE Securities Limited
Statement of Changes in Equity
for the year ended 31 December 2019

Particulars	Amount in Taka		
	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2019	2,500,000,000	123,823,755	2,623,823,755
Net profit / (loss) during the period	-	(50,538,869)	(50,538,869)
Interim Dividend	-	-	-
Balance as at 31 December 2019	2,500,000,000	73,284,885	2,573,284,885
Balance as at 31 December 2018	2,500,000,000	123,823,755	2,623,823,755

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


Asoke Das Gupta
Director


Zahur Ullah
Chairman

Dhaka, 24 June 2020



ONE Securities Limited **Notes to the Financial Statements**

For the period ended 31 December 2019

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.

1.3 Components of the financial statements

The financial statements referred to here comprise:

- a) Statement of Financial Position;
- b) Statement of Profit or loss and Other Comprehensive income;
- c) Statement of Cash Flows;
- d) Statement of Changes in Equity; and
- e) Notes to the Financial Statements.

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.



ONE Securities Limited Notes to the Financial Statements

For the period ended 31 December 2019

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.
- 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.



ONE Securities Limited
Notes to the Financial Statements
For the period ended 31 December 2019

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, 2019 to December 31, 2019.

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 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 24 June 2020.

2.19 Branch Details

The Company has a total 01 number of Branch office, One Extension Office (excluding Head Office) as on December 31, 2019.

2.20 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, 2019 as per IAS-33 " Earnings Per Share".

2.21 General

Previous year figures have been rearranged wherever considered necessary to conform to current years presentation.



ONE Securities Limited
Notes to the Financial Statements

	2019	2018
	Taka	Taka
3 Property, plant and equipment		
Furniture & fixtures	21,216,011	21,216,011
Office equipment	11,080,278	10,578,781
	32,296,289	31,794,792
Intangible Assets	1,710,000	1,710,000
	34,006,289	33,504,792
Less: Accumulated depreciation	13,798,847	10,972,618
Closing balance	20,207,442	22,532,174
(For details please refer to Annexure-A)		
4 Investment in DSE and CSE Shares		
Shares in DSE	282,320,683	282,320,683
Shares in CSE	280,000,000	280,000,000
	562,320,683	562,320,683

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). Therefore as on December 31, 2019 we have total 5,411,329 shares of Dhaka Stock Exchange Ltd (DSE) and 42,87,330 shares of Chittagong Stock Exchange Ltd (CSE).

5 Advance deposits and prepayments		
Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	50,000
Security Deposit to CDBL for depository participant	200,000	200,000
Advance payment for Rent	6,224,000	480,000
Prepaid insurance premium	136,801	154,305
	6,610,801	884,305
6 Margin Loan to clients		
Receivable to Clients having no margin or full erosion of equity (e.g.no equity against debit balance)	-	-
Receivable to Clients fall under force sale condition (e.g. equity is >DB but < 125% of DB)	15,664,736	8,300,138
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	1,830,034	4,663,831
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	70,211,998	36,715,338
	87,706,768	49,679,307

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



ONE Securities Limited
Notes to the Financial Statements

	2019	2018
	Taka	Taka
7 Investment in Shares	1,834,075,362	1,842,469,704

The details of the investment in shares are as follows (as on December 31, 2019):

Sl #	Company Name	Business Segments	Categories	No. of Shares	Cost of Shares	Market value
1	AB Bank Ltd.	Banks	Z	2,290,679	56,618,593	18,096,364
2	Bank Asia Limited	Banks	A	2,351,060	49,197,203	42,789,292
3	The City Bank Ltd	Banks	A	13,012,051	434,161,770	274,554,276
4	Eastern Bank Ltd.	Banks	A	406,028	17,409,851	13,480,130
5	Exim Bank Ltd.	Banks	A	1,117,483	20,339,382	11,286,578
6	IFIC Bank Limited	Banks	A	2,332,481	38,530,120	23,091,562
7	Islami Bank Bangladesh Limited	Banks	A	2,276,208	84,832,552	43,475,573
8	Mercantile Bank Ltd.	Banks	A	7,143,442	154,143,211	94,293,434
9	National Bank Ltd.	Banks	A	25,226,973	314,074,144	204,338,481
10	Prime Bank Ltd.	Banks	A	3,527,447	95,263,179	64,199,535
11	Pubali Bank Ltd.	Banks	A	35,416	1,064,749	849,984
12	Southeast Bank Ltd.	Banks	A	802,029	12,585,819	10,747,189
13	Standard Bank Ltd.	Banks	A	961,950	13,115,297	8,561,355
14	M.I. Cement Factory Ltd.	Cement	A	24,391	2,267,084	951,249
15	LafargeHolcim Bangladesh Ltd.	Cement	A	2,685,285	207,565,065	90,225,576
16	RAK Ceramics (BD) Ltd.	Ceramics	A	100,988	5,018,167	2,898,356
17	Ifad Autos Limited	Engineering	A	62,700	7,706,274	2,896,740
18	Runner Automobiles Ltd.	Engineering	N	7,566	540,450	450,177
19	Investment Corporation of Bangladesh Ltd.	Financial Institutions	A	47,008	7,557,080	3,610,214
20	LankaBangla Finance Ltd.	Financial Institutions	A	2,101,541	100,653,200	37,827,738
21	Jamuna Oil Company Ltd.	Fuel & Power	A	67,000	14,449,124	9,507,300
22	MJL Bangladesh Limited	Fuel & Power	A	372,214	44,834,066	23,561,146
23	Summit Power Limited	Fuel & Power	A	71,000	3,202,670	2,577,300
24	Intraco Refueling Station Ltd.	Fuel & Power	A	231,084	10,325,746	3,142,742
25	ADN Telecom Ltd	IT	N	18,968	569,040	569,040
26	Bangladesh Export Import Com. Ltd.	Miscellaneous	B	970,815	29,994,535	13,397,247
27	Beximco Pharmaceuticals Ltd.	Pharma.& Chemicals	A	590,310	66,893,811	40,967,514
28	Square Pharmaceuticals Ltd.	Pharma.& Chemicals	A	23,355	6,669,021	4,437,450
29	Silco Pharmaceuticals Ltd.	Pharma.& Chemicals	N	4,377	39,793	132,623
30	Grameenphone Ltd.	Telecommunication	A	46,784	23,952,689	13,370,867
31	Square Textile Ltd.	Textile	A	148,191	9,561,629	4,593,921
32	Esquire Knit Composite Ltd.	Textile	N	20,890	940,050	591,187
					1,834,075,362	1,065,472,141

8 Accounts Receivable and others

Receivable from DSE-Investor (Note: 8.1)	1,145,804	8,795,136
Share receivable from IPO	-	3,529,965
Interest receivable	4,823,644	1,563,230
Dividend receivable	4,849,330	2,143,665
	10,818,777	16,031,996

8.1 Receivable from DSE (categorize as A, B, G, N, Z and DVP)

Receivable against A, B, G and N category	30,609	8,526,916
Receivable against Z category	1,115,195	268,220
Receivable against DVP category	-	-
	1,145,804	8,795,136



ONE Securities Limited
Notes to the Financial Statements

	2019	2018
	Taka	Taka
9 Advance income tax		
Opening balance	107,627,366	63,694,727
Addition during the period (note-9.1)	12,962,691	43,932,638
Closing balance	120,590,057	107,627,366
9.1 Addition during the year		
Advance tax paid with Appeal to Appellate Tribunal	451,827	332,813
Advance tax paid for the Assesment Year 2018-2019	-	24,690,928
Advance tax paid for the Assesment Year 2019-2020	55,257	-
Advance tax on FDR interest	934,910	191,980
Advance income tax deducted on Dividend	6,442,794	11,286,191
Advance income tax deducted by DSE on transaction	4,541,845	6,199,577
Advance income tax deducted by DSE on transaction for Dealer	18,027	190,720
Advance income tax deducted by CSE on transaction for Dealer	967	18,648
Advance income tax deducted by CSE on transaction	91,798	103,166
Advance income tax deducted by Bank on Deposit	407,064	837,714
Advance income tax deducted by Bank on Deposit Dealer	18,202	80,901
	12,962,691	43,932,638
10 Cash and cash equivalents		
Cash in Hand	10,905	2,541
ONE Bank Limited, Kawran Bazar Branch, CD A/C # 0120086500019	4,171	-
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C # 0013000000762	42,229,272	90,248,801
ONE Bank Limited, Kawranbazar Branch, Revenue A/C # 0125086500002	12,285,081	19,065,529
ONE Bank Limited, Principal Branch (IPO) A/C # 0013000000977	135,443	116,285
ONE Bank Limited, Principal Branch (SND)- Dealer A/C # 0013000000773	2,415,298	6,757,562
Investment in FDR (Note: 10.1)	158,479,352	121,715,820
	215,559,521	237,906,539
10.1 Investment in FDR		
ONE Bank Limited:		
Kawran Bazar AC/# 0124120028423	45,298,345	41,715,820
Kawran Bazar A/C# 0124120029051	-	30,000,000
Kawran Bazar A/C # 0124120029062	-	40,000,000
Principal A/C # 0014120020982	10,617,283	10,000,000
Kawran Bazar A/C # 0124140006045	10,000,000	-
Gulshan Branch A/C # 0024140003062	10,000,000	-
Principal Branch A/C # 0014140008819	10,000,000	-
Kawran Bazar Branch A/C # 00124140006227	10,000,000	-
Kawran Bazar Branch A/C # 00124140006293	20,000,000	-
Kawran Bazar Branch A/C# 0124130002701	32,563,725	-
Kawran Bazar Branch A/C# 0124130002714	10,000,000	-
	158,479,352	121,715,820
11 Share Capital		
11.1 Authorized capital		
40,00,00,000 Ordinary Shares of Taka 10/- each.	4,000,000,000	4,000,000,000
11.2 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



ONE Securities Limited

Notes to the Financial Statements

11.3 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

12 Other Payable

	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Leave fare assistance	618,000	718,882
Accrued performance bonus	2,500,000	4,000,000
VAT on audit fees	4,500	3,750
Payable to clients	101,192	74,865
Payable to ONE Bank Limited	-	32,097
Payable to service outsourcing	380,924	192,668
Payable to Dhaka Stock Exchanges-Investor	269,044	11,849,605
Payable to Chittagong Stock Exchanges	623,108	426,812
Payable to CDBL	25,748	31,880
Payable for professional fees	51,750	61,750
Accrued other expense	22,000	22,450
Interim cash dividend payable	82	82
	4,596,349	17,414,841

13 Audit fee payable

Opening balance	25,000	25,000
Charge during the year	30,000	25,000
Paid during the year	25,000	25,000
Closing balance	30,000	25,000

14 Other liabilities

Provision for diminution in value of investment in shares (note-14.1)	153,720,644	59,428,753
Provision for Income Tax (note-14.2)	109,526,828	98,019,855
	263,247,472	157,448,607

14.1 Provision for diminution in value of investment in shares

Opening balance	59,428,753	-
Provision for the year	94,291,892	59,428,753
Closing balance	153,720,644	59,428,753

As per BSEC circular reference # BSEC/MUKHOPATRO(Fifth part)/2019/159 dated January 07, 2020, the provision for diminution in value of share can be defered upto December 2022. However, we have maintained 20% of the difference of cost price and market value in the Income Statement of 2019.



ONE Securities Limited
Notes to the Financial Statements


	2019	2018
	Taka	Taka
14.2 Provision for Income Tax		
Opening balance	98,019,855	79,505,343
Provision for the year	11,506,974	18,514,511
Closing balance	109,526,828	98,019,855
As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rate		
14.3 Deferred Tax		
Deferred Tax Liability		
Carrying Amount	15,017,362	-
Tax Base	14,338,510	-
Temporary Difference	(678,853)	-
Deferred Tax Liability (@35%)	(237,599)	-
Deferred Tax Asset		
Carrying Amount	5,190,080	-
Tax Base	7,190,684	-
Temporary Difference	2,000,605	-
Deferred Tax Asset (@35%)	700,212	-
Deferred Tax Asset (Net)	462,613	-
Deferred Tax Liability	237,599	-
Deferred Tax Asset	(700,212)	-
Deferred tax expense/ (income)	(462,613)	-
15 Commission and Brokerage Income		
Commission income from Broker	28,501,525	40,300,166
Commission income from Dealer	132,956	1,465,575
	28,634,481	41,765,742
16 Interest Income		
Interest income from Margin Loan	12,407,757	8,061,031
Interest on Bank Deposit	4,252,656	9,186,154
Interest Income on FDR	12,609,515	3,483,030
	29,269,929	20,730,216
17 Investment Income		
Dividend Income	34,919,817	58,599,803
Gain on sale of Shares	10,322,668	23,121,540
	45,242,485	81,721,343
18 Other Operating Income		
BO accounts opening fees	91,200	182,400
BO account maintenance fee	529,200	481,500
Documentation fees for margin loan	24,000	20,400
Transfer/Transmission In/Out Charges	47,426	71,393
Cheque dishonour	89,000	123,000
Management fees- margin accounts	84,000	74,000
Miscellaneous	337,172	34,605
	1,201,998	987,297
19 Salary and Allowances		
Salary & allowances	25,304,884	26,738,448
Bonus	3,969,790	6,567,460
	29,274,674	33,305,908



ONE Securities Limited
Notes to the Financial Statements

	2019	2018
	<u>Taka</u>	<u>Taka</u>
20 Rent, taxes, insurance, electricity etc		
Office Rent	5,992,000	1,518,000
VAT on Rent	898,800	227,700
Insurance premium	202,455	171,931
Electricity	155,874	141,916
Utilities	10,339	11,310
	<u>7,259,468</u>	<u>2,070,857</u>
21 Fees and renewal		
License and renewal fee	333,100	259,573
RJSC expenses	-	19,352
Authorized representative application fee	33,600	32,400
CDBL Charges	1,689,847	2,233,352
Trading work station charge	-	41,000
Govt. Excise Duty	90,500	67,000
	<u>2,147,047</u>	<u>2,652,677</u>
22 Direct Expenses		
Howla Charges-CSE-Dealer	-	370
Transaction Fee -DSE	2,269,213	3,098,231
Transaction Fee-DSE-Dealer	9,014	95,360
Transaction Fee-CSE-Dealer	445	7,030
Howla Charges-CSE	-	1,252
Transaction Fee-CSE	627,843	278,622
	<u>2,906,515</u>	<u>3,480,867</u>
23 Others expenses		
Messenger Service	554,364	513,606
Security guard expenses	878,850	880,794
Entertainment	350,309	892,493
Traveling & Conveyance	96,515	375,631
Training Expenses	-	15,000
Legal Expenses	-	3,000
Postage, Stamp & Telecommunication	1,124,210	1,091,770
Sundry Expenses	80,736	212,196
VAT on Audit fee	6,000	3,750
Cleaning Service	438,486	445,503
Executive furniture allowance	39,996	39,995
Investor protection fund	14,288	11,109
Donation & Subscription-Others	135,500	108,500
Back office software maintenance charges	161,700	161,700
Bank guarantee charges	193,200	193,200
	<u>4,074,154</u>	<u>4,948,246</u>


Aminul Islam
Chief Executive Officer


A.S.M. Salahuddin
Director


Asoke Das Gupta
Director


Zahur Ullah
Chairman



ONE Securities Limited
Schedule of Fixed Assets

As at 31 December 2019

[Referred to Note 3 of these Financial Statements]

Particulars	Cost (Taka)			Depreciation (Taka)				Rate of depreciation per annum (Reducing Balance Method) %		
	Balance on 1 January	Additions during the year	Disposal 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	21,216,011	-	-	21,216,011	4,530,044	1,668,604	-	6,198,649	15,017,362	10
Office Equipment	10,578,781	501,497	-	11,080,278	4,804,575	1,095,625	-	5,900,200	5,180,078	18
Sub-Total	31,794,792	501,497	-	32,296,289	9,334,619	2,764,230	-	12,098,849	20,197,440	
Intangibles Assets	1,710,000	-	-	1,710,000	1,637,999	61,999	-	1,699,998	10,002	20
Total 2019	33,504,792	501,497	-	34,006,289	10,972,618	2,826,229	-	13,798,847	20,207,442	
Total 2018	33,079,294	425,498	-	33,504,792	7,520,013	3,452,606	-	10,972,618	22,532,174	



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

Opinion

We have audited the accompanying financial statements of ONE Investments Limited which comprise the Statement of Financial Position as at 31 December 2019 and 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 disclosed in Note # 1 to Note # 8 to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note # 2.1 to the financial statements.

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 Auditor's 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 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 Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended on 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Investment in FDR	
<p>The process for investment and estimating the Income from FDR is complex and significant to the Company.</p> <p>While taking investment decision the Company was required to follow relevant rules and regulation and consider the best option for the investment.</p> <p>At year end the Company reported investment in FDR amounting to BDT 10,271,823.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Testing of the investment decision; • Identification of loss events, including early warning and default warning indicators; • Reviewing quarterly status of the Investment in FDR; <p>Our substantive procedures in relation to the provision for clients' margin loans portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the investment in FDR; • Assessed the methodologies of calculation of income from FDR and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in **Note # 2.1** to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.
- 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.

Report on other Legal and Regulatory Requirements

We also report that:

- a. we have obtained all the material 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the Company's statement of financial position and statement of profit or loss and other comprehensive income together with the note 1 to 8 dealt with by the report are in agreement with the books of account.

Dated, Dhaka
24 June 2020


Muhammad Aminul Hoque, FCA
ACNABIN
Chartered Accountants



ONE Investments Limited
Statement of Financial Position

As at 31 December 2019

	<u>Note</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
ASSETS			
Non current assets		-	-
Current Assets			
Advance income tax	4	66,714	18,480
Investment in FDR		10,271,823	-
Cash and cash equivalents	5	302,244	10,152,884
Total current assets		10,640,781	10,171,364
Total Assets		10,640,781	10,171,364
EQUITY AND LIABILITIES			
Capital and Reserve			
Share capital	3	10,000,000	10,000,000
General reserve		-	-
Retained earnings		291,771	(45,562)
Total Equity		10,291,771	9,954,438
Current Liabilities			
Loan facilities		-	-
Provision for income tax		120,584	-
Other payable	8	228,426	216,926
Total Current Liabilities		349,010	216,926
Total Equity and Liabilities		10,640,781	10,171,364

These Financial Statements should be read in conjunction with the annexed notes 1 to 8.


Md. Golam Rabbani
Company Secretary


A.S.M. Salahuddin
Director


Asoke Das Gupta
Director


Zahur Ullah
Chairman

See annexed report of even date.

Dhaka, 24 June 2020


ACNABIN
Chartered Accountants



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

For the year ended 31 December 2019

	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Operating Income (A)			
Interest income	6	482,337	184,801
Other operating income		-	-
		482,337	184,801
Operating Expenses (B)			
Bank charges		12,920	13,438
Auditors' fee		10,000	10,000
Fees and renewal	7	-	205,426
Others expenses		1,500	1,500
Total		24,420	230,363
Net profit before provision and tax (A-B)		457,917	(45,562)
Provision for income tax		120,584	-
Net profit/(Loss) after provision		337,333	(45,562)
Retained surplus brought forward		(45,562)	-
Retained surplus carried forward		291,771	(45,562)
Earnings per Share (EPS)		0.34	(0.05)

These Financial Statements should be read in conjunction with the annexed notes 1 to 8.


Md. Golam Rabbani
 Company Secretary


A.S.M. Salahuddin
 Director


Asoke Das Gupta
 Director


Zahur Ullah
 Chairman

See annexed report of even date.

Dhaka, 24 June 2020


ACNABIN
 Chartered Accountants

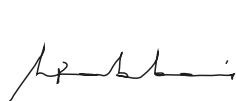


ONE Investments Limited
Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	<u>Taka</u>	<u>Taka</u>
Cash Flows from Operating Activities		
Interest receipts in cash	482,337	184,801
Income taxes paid	(48,234)	(18,480)
Operating expenses	(12,920)	(13,438)
A) Net Cash used in Operating Activities	421,183	152,884
Cash Flows from Investing Activities		
Investment in FDR	(10,271,823)	-
Net purchase/Sale of fixed assets	-	-
B) Net Cash used in Investing Activities	(10,271,823)	-
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)	(9,850,639)	152,884
Opening Cash and cash equivalents	10,152,884	10,000,000
Closing cash and cash equivalents	302,244	10,152,884

These Financial Statements should be read in conjunction with the annexed notes 1 to 8.



Md. Golam Rabbani
Company Secretary



A.S.M. Salahuddin
Director



Asoke Das Gupta
Director



Zahur Ullah
Chairman

Dhaka, 24 June 2020

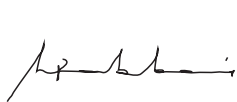


ONE Investments Limited
Statement of Changes in Equity

For the year ended 31 December 2019

Particulars	Amount in Taka		
	Paid-up Capital	Retained Earnings	Total
Balance as at 01 January 2019	10,000,000	(45,562)	9,954,438
Share Capital issued	-	-	-
Net profit / (loss) during the period	-	337,333	337,333
Balance as at 31 December 2019	10,000,000	291,771	10,291,771
Balance as at 31 December 2018	10,000,000	(45,562)	9,954,438

These Financial Statements should be read in conjunction with the annexed notes 1 to 8.



Md. Golam Rabbani
Company Secretary



A.S.M. Salahuddin
Director



Asoke Das Gupta
Director



Zahur Ullah
Chairman

Dhaka, 24 June 2020



ONE Investments Limited **Notes to the Financial Statements**

For the period ended 31 December 2019

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 2019

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 January 01, 2019 to December 31, 2019.

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 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 24 June 2020.

2.13 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December, 2019 as per IAS-33 " Earnings Per Share".

2.14 General

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




ONE Investments Limited
Notes to the Financial Statements

	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
3 Share Capital		
3.1 Authorized Capital		
1,00,00,000 Ordinary Shares of Taka 10/- each.	100,000,000	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	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 Advance income tax		
Opening balance	18,480	-
Addition during the year (note-4.1)	48,234	18,480
Closing balance	66,714	18,480
4.1 Addition during the year		
Advance tax on interest (Bank deposit)	18,031	18,480
Advance tax on FDR interest	30,203	-
	48,234	18,480
5 Cash and cash equivalents		
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	302,244	10,152,884
6 Interest income		
Interest on Bank Deposit	180,312	184,801
Interest Income on FDR	302,025	-
	482,337	184,801
7 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
8 Other payable		
Payable to ONE Bank Limited	205,426	205,426
Audit fee payable	20,000	10,000
VAT on audit fee	3,000	1,500
	228,426	216,926


Md. Golam Rabbani
Company Secretary


A.S.M. Salahuddin
Director


Asoke Das Gupta
Director


Zahur Ullah
Chairman



OUR NETWORK OF BRANCHES & BOOTHS

Rajshahi Zone

Rajshahi Branch

Unicity Ibrahim Tower, 88-91 Station Road,
Rani Bazar, Boalia, Rajshahi
Tel : 880 721 770495
Fax : 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

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

Shahjadpur SME/Agriculture Branch

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

Rangpur Branch

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

Sylhet Zone

Sylhet Branch

Firoz Centre
891/KA, Chouhatta, Sylhet.
Tel : 880 821 725093-94, 725472, 810381
Fax : 880 821 725094
E-mail : manager.sylhet@onebank.com.bd

Islampur Branch

Kayum Complex
Islampur Bazar, Sylhet.
Tel : 880 821 761725, 761670, 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

Kiran Shopping Complex; 1453-01 Karimpur Road,
Chowmuhuni, Begumgonj, Noakhali.
Tel : 880 331 62362, 62267, 62367
Fax : 880 331 62261
E-mail : manager.chowmuhuni@onebank.com.bd

Chandragonj Branch

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

Feni Branch

Zulfiqar 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

Nut Plaza
378/1, Uttar Bazar, Main Road, Ramgonj, Lakshmpur.
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, Lakshmpur.
Phone : 880 381 55012, 55013, 55779
Fax : 880 381 55790
E-mail : manager.mandaribazar@onebank.com.bd

Raipur Branch

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

Amishapara Branch

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

Lakshmpur SME/Agriculture Branch

Sky Touch Tower
1305, Bazar road, Lakshmpur Sadar, Lakshmpur.
Tel : 88-0381-62875, 62876
E-mail : manager.lakshmpur@onebank.com.bd

Chaprashir Hat SME/ Agriculture Branch

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

Subarnachar Branch

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

Chaterpaiya Branch

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

Chatkhil Branch

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

Chattogram Zone

Agrabad Branch

64-66 HRC Bhaban, 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 2780964
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
Comdondi, Boalkhali Sadar, Chattogram.
Tel : 880 03032 56181-3
E-mail : manager.boalkhali@onebank.com.bd

Raozan Branch

Al-Baraka Mazda Bhaban
10/742, Colledge Gate, Munshirghata, Raozan.
Tel : 880 3026-56474-76
Fax : 880 3026-56477
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

ANFL Kingcity, Road # 01, Block-A,
Chandgaon R/A, Chattogram.
Tel : 880 31 670023-5
Fax : 880 31 2573294
E-mail : manager.chandgaon@onebank.com.bd

Dovashi Bazar Branch

Tayabla Madrasa Market
Chandraghonia, 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 56048-50
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 56142-44
Fax : 880 3029 56141
E-mail : manager.anowara@onebank.com.bd

Station Road Branch

Asian SR Hotel
231 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 : 88 031-800231-32
Fax : 88 031 - 800230
Email : manager.chittagongepz@onebank.com.bd

Bibirhat Branch

Al Macca Shopping Center
55, Colledge Road, Bibirhat, Fatikchhari, Chattogram.
Mobile : 01709646020
E-mail : manager.bibirhat@onebank.com.bd

Pahartali Branch

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

Muradpur Branch

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

Colonel Hat Branch

G-31, Road No. 01, CDA R/A
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 43180031-33
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.
Mob : 01711218557
E-mail : manager.padua@onebank.com.bd

Proposed Branch:

**Bangabandhu Sheikh Mujib
Shilpanagar Branch (BSMS Branch)**
China Harbour Building,
Bangabandhu Sheikh Mujib Shilpanagar,
Ichakhali, Jorajgonj, Mirsarai, Chattogram.

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

Sub-Branches and Booths

Ahsanullah University Sub-Branch
141-142, Love Road
Tejgaon Industrial area
Tejgaon, Dhaka.

Pangaon ICT Sub-Branch
Pangaon, South Keranigonj
Ekuria, Dhaka.

Kalir Bazar Sub-Branch
(Under Cumilla Branch)
Holding No. - 868, Kalir Bazar Road
Kotwali, Cumilla.

Benapole Sub-Branch
(Under Jashore Branch)
International Passenger Terminal
Benapole Land Port, Jashore.

Dhamairhat Sub-Branch
(Under Ranirhut Branch)
H. A. Plaza, D. C. Road,
Dhamairhat
Rangunia, Chattogram.

Baghabari Sub-Branch
Beside Bangladesh Petroleum
Corporation, Parbatipur Depot,
Shahajadpur, Sirajgonj.
Mobile : 01730703591

Parbatipur Sub-Branch
Parbatipur Bus Stand,
Parbatipur, Dinajpur.

Rupnagar Sub-Branch
(Under Mirpur Branch)
Plot # 30/A, Road # 06,
Rupnagar R/A
Mirpur, Dhaka.

Gotatkar Sub-Branch
Beside Sylhet Regional
Passport Office, Mogla Bazar,
Sylhet.

Bangla Bazar Sub-Branch
(Under Subarnachar Branch)
Hasnat Super Market,
Bangla Bazar
Subarnachar, Noakhali.

Nikunja Sub-Branch
(Under Banani Branch)
House- 17, Road- 05
Kobi Faruque Sharoni
Nikunja-2, Khilkhet, Dhaka-1229.

Mohammadpur Sub-Branch
Nurjahan Road
Mohammadpur, Dhaka.

Pirerbagh Sub-Branch
(Under Mirpur Branch)
House - 267/1/A, South Pirerbag
Kamal Sharoni, Mirpur, Dhaka-1216.

Sreepur Sub-Branch
Sreepur Pali Biddyt Samity
Office Premises, Mojar Mill,
Kasimpur, Gazipur

**Shaheed Suhrawardi Hospital
Sub-Branch**
Sher-E-Bangla Nagar
Dhaka-1207.

Kamalapur ICD Sub-Branch
ICD, Kamalapur, Dhaka

Basundia Moor Sub-Branch
(Under Jashore Branch)
Shuvo Shopping Complex
Basundia Moor, Kotwali
Jashore.

Chattogram Port Booth
Chattogram Port Authority
Chattogram.
Tel : 880 31 800570

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

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

DTM Operations Office
General Cargo Berth Area
Chattogram.
Tel : 880 4433 324280

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

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

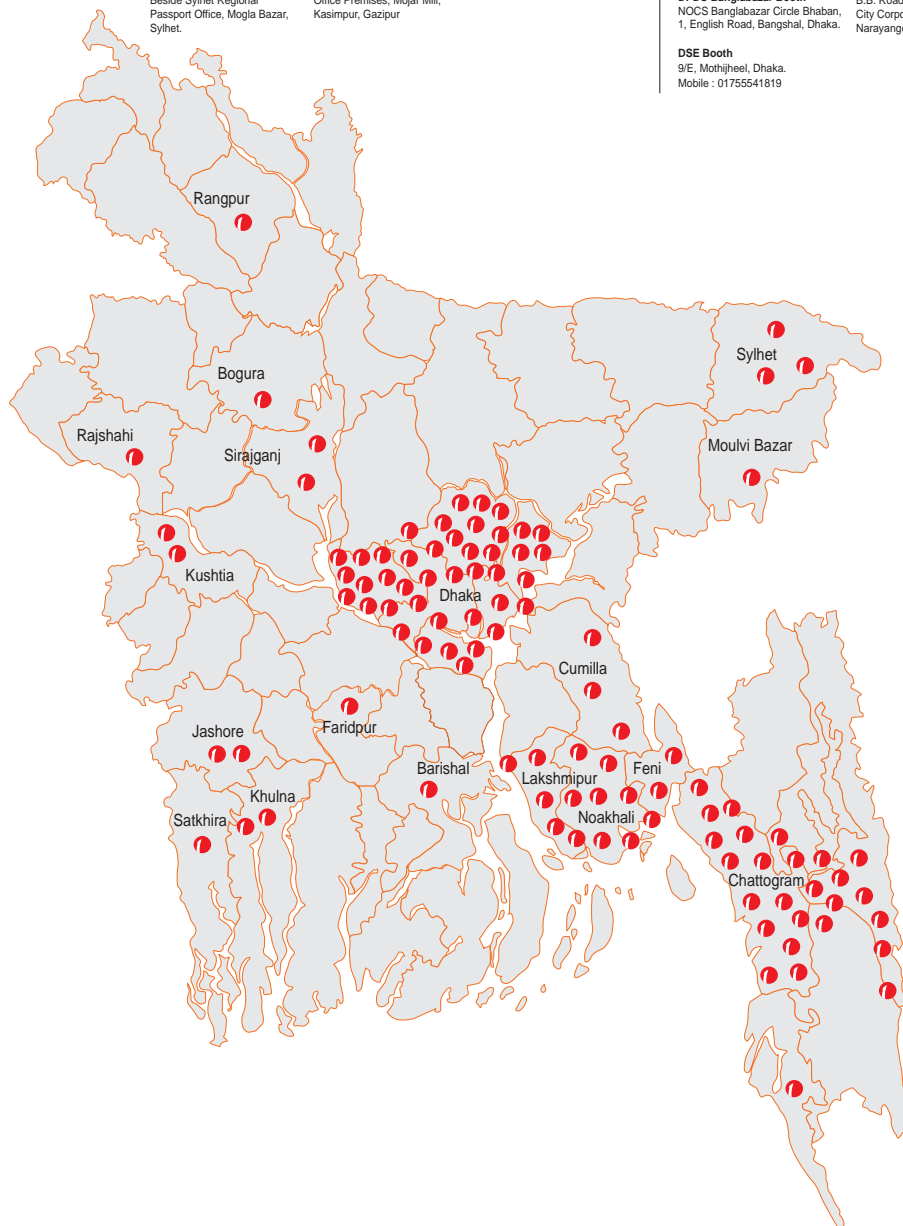
Grihayan Bhaban Booth
National Housing Authority
82, Segunbagicha,
Dhaka -1000

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

**Bangabandhu Bridge
Toll Collection Booth**
Western Plaza
Bangabandhu Bridge
Sirajgonj.

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

**Narayanganj City
Corporation Booth**
B.B. Road
City Corporation Bhaban
Narayanganj.







Responsible
Banking
With
Stability



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 21st AGM (Virtual) of the Company to be held on Thursday, September 10, 2020 at 11.00 a.m. by using digital platform through the following link: <https://obl.bdvirtualagm.com>

Signed this day of, 2020.

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.



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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 21st AGM (Virtual) of the Company being held on Thursday, September 10, 2020 at 11.00 a.m. by using digital platform through the following link: <https://obl.bdvirtualagm.com>

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 record their attendance through the above link on the day of meeting.
2. Please note that AGM can be attended online only by the Members or properly constituted Proxy.

ANNUAL REPORT 2019



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