

# ANNUAL REPORT 2020

*Time for  
Connecting to **ONE***



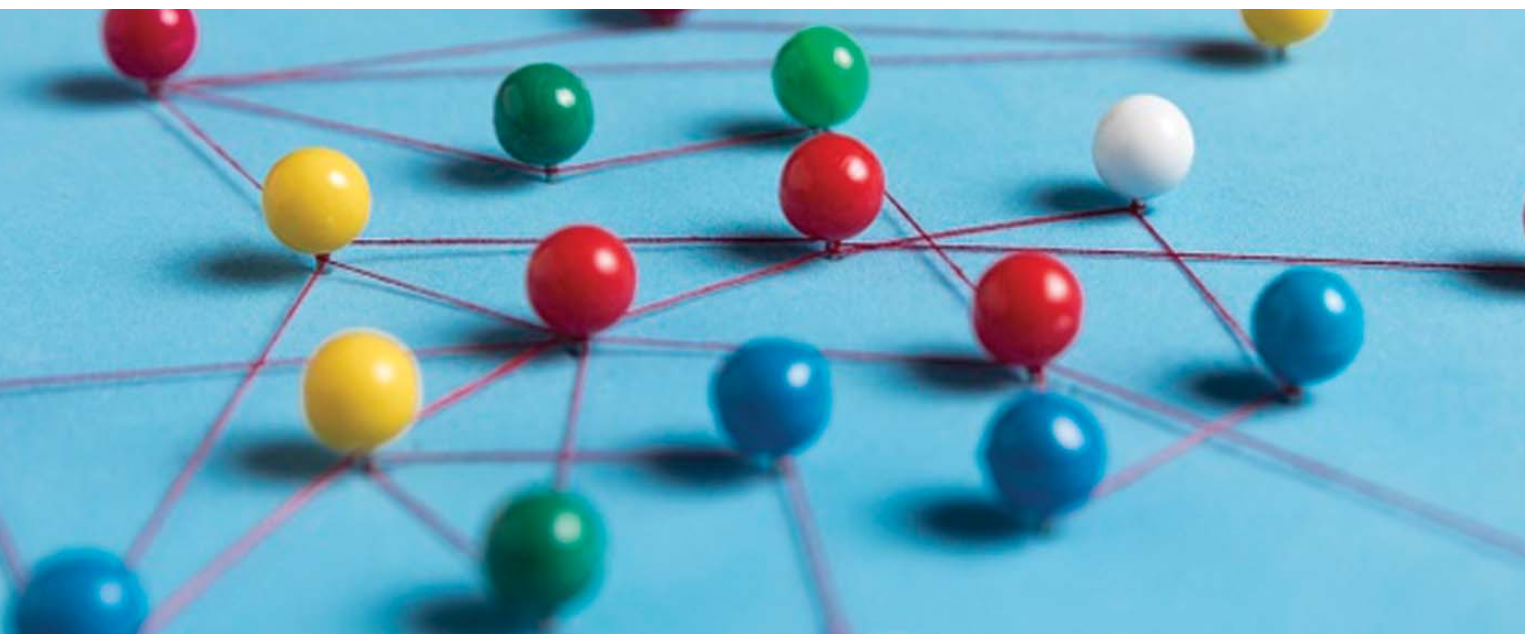
**ONE Bank**

LIMITED

...We Make Things Happen

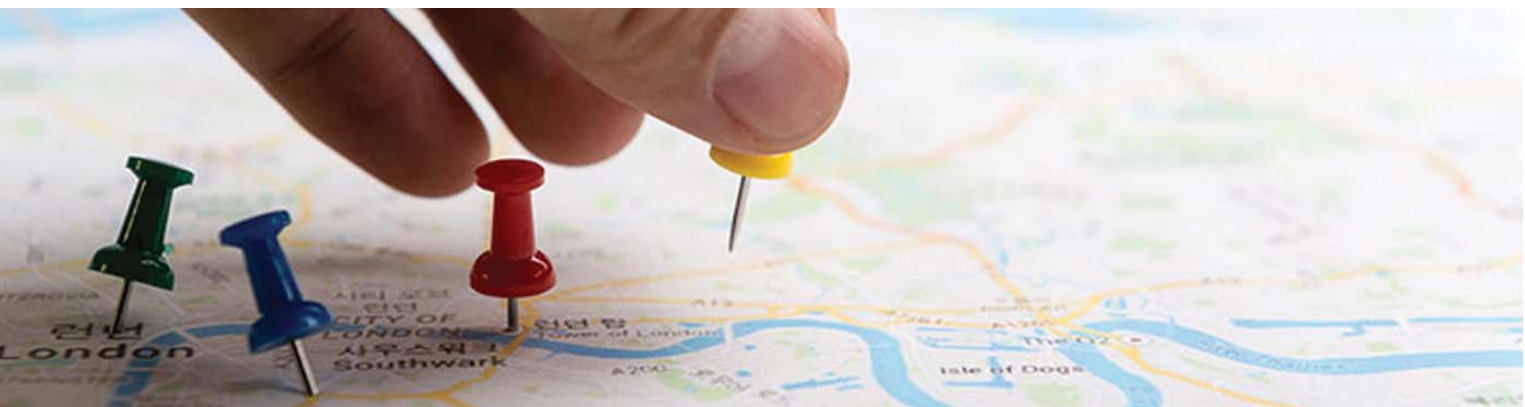
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# Company Milestones

|   | 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     |
| ■ Flootation 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 5 <sup>th</sup> 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 50 <sup>th</sup> 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 Flexcube11.2) 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 QCash, 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 as 'OK Banking' (presently 'OK Wallet')   | September 5, 2013 |
| ■ OBL's Subsidiary ONE Securities Limited Launched Stock Broking and Dealing Services   | March 2, 2014     |
| ■ CDBL Connection Installed to Launch Custodial Service   | March 30, 2014    |
| ■ Signing of Term Facility Agreement for Syndicated FC Loan of USD 44 million with FMO, OFID & OeEB.  | November 07, 2016 |
| ■ Incorporation of Subsidiary Company ONE Investments Limited   | April 26, 2018    |
| ■ Inaugurated its 100 <sup>th</sup> branch  | March 27, 2019    |
| ■ Introduction of Agent Banking operations  | November 05, 2019 |
| ■ Introduction of Islami Banking operations   | December 15, 2020 |



# 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 misselling 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 Nonsmoking Workplace means a healthy environment**

“The Bank appreciates nonsmoking; as such treats the premises of the Bank as nonsmoking 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.”

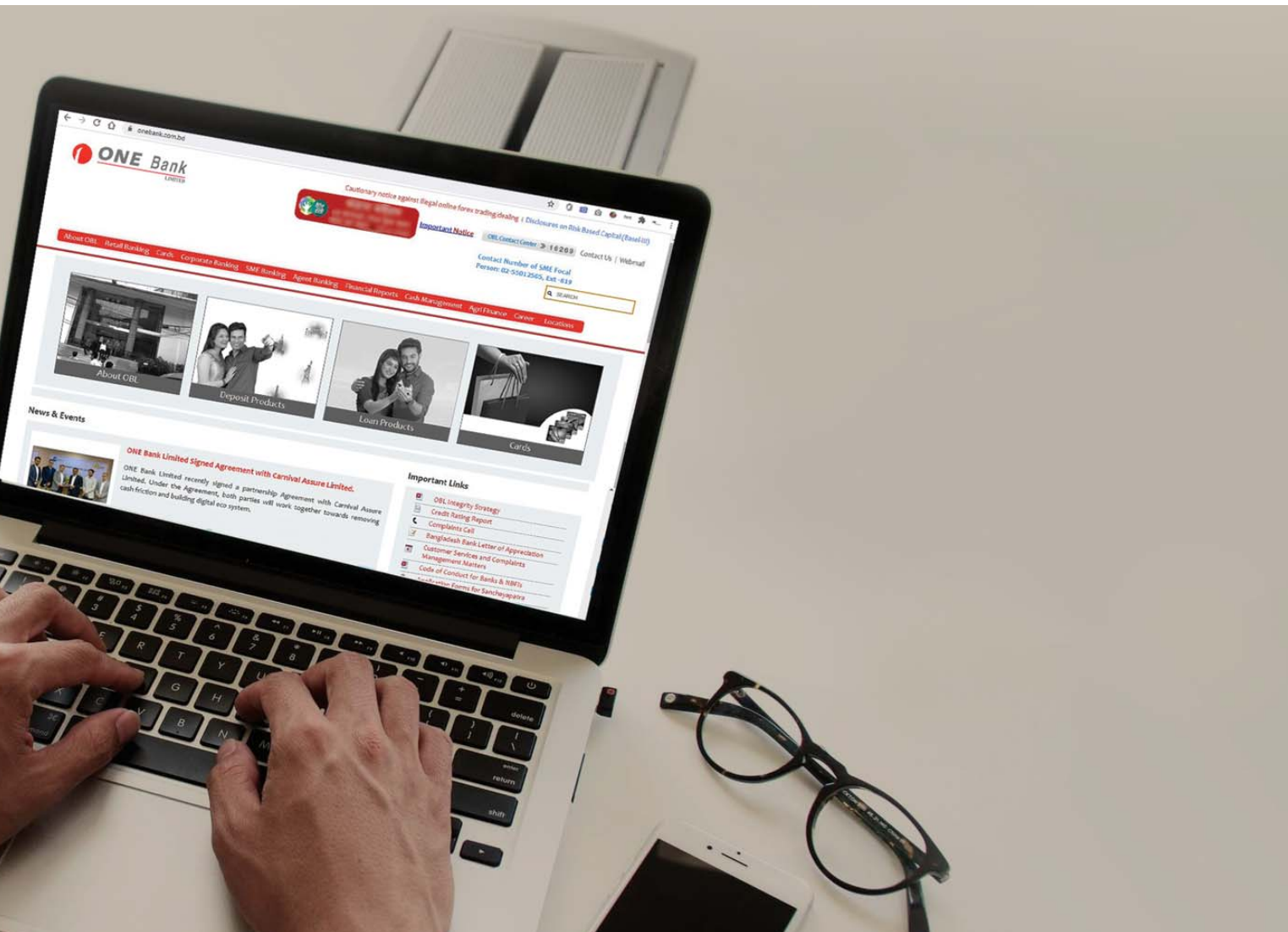
### **15. The bank is yours - Prudently use your resources/ Service facilities**

“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. A. S. M. Shahidullah Khan

**Vice Chairman**  
Mr. Asoke Das Gupta

**Company Secretary**  
Mr. John Sarkar

**Managing Director**  
Mr. M. Fakhurul Alam

|  |                                     |  |
|--|-------------------------------------|--|
| <b>Legal Status</b><br>Public Limited Company  | <b>Line of Business</b><br>Banking  | <b>SWIFT</b><br>ONEBBDDH   |
| <b>Date of Incorporation</b><br>May 12, 1999   | <b>Telephone</b><br>+88 02 55012505 | <b>Website</b><br><a href="http://www.onebank.com.bd">www.onebank.com.bd</a> |
| <b>Registered Office</b><br>2/F HRC Bhaban<br>46 Kawran Bazar C.A.<br>Dhaka 1215, Bangladesh | <b>Telefax</b><br>+88 02 55012516   | <b>Email</b><br><a href="mailto:obl@onebank.com.bd">obl@onebank.com.bd</a>   |

# 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  
Email: 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 2020

Figures in Million Taka

| Sl No | Particulars                             | 2020    | 2019    | 2018    | 2017    | 2016    |
|-------|---|---------|---------|---------|---------|---------|
| 1     | Authorized Capital                      | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  |
| 2     | Paid up Capital                         | 8,853   | 8,432   | 7,665   | 7,300   | 6,637   |
| 3     | Shareholders' equity                    | 16,947  | 16,052  | 14,392  | 14,109  | 12,916  |
| 4     | Statutory Reserve                       | 6,431   | 6,082   | 5,572   | 5,104   | 4,435   |
| 5     | Total Capital (Tier-1 + Tier-2 Capital) | 25,951  | 24,977  | 23,196  | 21,366  | 20,309  |
| 6     | Total Assets                            | 303,517 | 297,874 | 266,050 | 227,202 | 188,241 |
| 7     | Total Deposits                          | 229,485 | 228,091 | 202,546 | 182,675 | 153,428 |
| 8     | Total Loans & Advances                  | 220,342 | 215,228 | 198,909 | 170,393 | 132,084 |
| 9     | Total Investment                        | 29,984  | 33,728  | 28,724  | 26,144  | 28,049  |
| 10    | Import business handled                 | 103,742 | 130,548 | 137,904 | 150,633 | 127,067 |
| 11    | Export business handled                 | 81,118  | 99,496  | 94,797  | 93,806  | 67,483  |
| 12    | Guarantee business handled              | 12,408  | 14,813  | 19,297  | 15,673  | 10,240  |
| 13    | Total Contingent Liabilities            | 63,853  | 73,966  | 81,651  | 73,062  | 70,895  |
| 14    | Total Operating Income                  | 7,999   | 9,331   | 10,214  | 9,575   | 8,222   |
| 15    | Total Operating Expenses                | 5,074   | 5,212   | 4,829   | 4,471   | 3,946   |
| 16    | Profit before provision                 | 2,925   | 4,119   | 5,385   | 5,105   | 4,275   |
| 17    | Provision for loans and other assets    | 1,183   | 1,568   | 3,043   | 1,760   | 1,329   |
| 18    | Profit after provision and before taxes | 1,742   | 2,551   | 2,342   | 3,345   | 2,946   |
| 19    | Provision for taxation                  | 429     | 891     | 949     | 1,163   | 886     |
| 20    | Net profit after taxation               | 1,313   | 1,660   | 1,393   | 2,181   | 2,061   |

Figures in Taka/Percentage

| Sl No | Particulars   | 2020   | 2019   | 2018   | 2017   | 2016   |
|-------|---|--------|--------|--------|--------|--------|
| 1     | Earnings per Share  | 1.48   | 1.97   | 1.82   | 2.99   | 3.10   |
| 2     | Price Earning Ratio (Times)                                     | 7.15   | 5.23   | 8.25   | 8.03   | 5.89   |
| 3     | Net Asset Value per share                                       | 19.14  | 19.04  | 18.78  | 19.33  | 19.46  |
| 4     | Return on Assets  | 0.44%  | 0.59%  | 0.56%  | 1.05%  | 1.20%  |
| 5     | Return on Investment  | 8.51%  | 6.00%  | 6.88%  | 8.26%  | 7.58%  |
| 6     | Capital Adequacy Ratio  | 13.02% | 12.80% | 11.93% | 11.56% | 13.89% |
| 7     | Tier - 1 (Capital)  | 8.70%  | 8.18%  | 7.37%  | 7.60%  | 8.72%  |
| 8     | Credit Deposit Ratio  | 85.33% | 83.88% | 83.59% | 84.57% | 83.87% |
| 9     | Percentage of classified loans against total loans and advances | 8.60%  | 9.24%  | 7.05%  | 5.31%  | 4.93%  |
| 10    | Dividend  |        |        |        |        |        |
|       | Cash  | 6.00%  | 5.00%  |        | 15.00% | 13.00% |
|       | Stock   | 5.50%  | 5.00%  | 10.00% | 5.00%  | 10.00% |

| Sl No | Particulars         | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------|---------------------|------|------|------|------|------|
| 1     | Number of Branches  | 107  | 103  | 99   | 95   | 87   |
| 2     | Number of Employees | 2425 | 2414 | 2239 | 2101 | 2028 |

Earnings Per Share, Price Earning Ratio and Net Asset Value Per Share have been presented as per respective years' Financial Statements.

# Chairman's Address

Bismillahir Rahmanir Rahim

In the name of the Almighty Allah

My dear Shareholders, Ladies and Gentlemen,

I extend you all a very warm welcome to the 22<sup>nd</sup> Annual General Meeting of the Bank and express my heartfelt compassion & empathy in this very difficult and unsettling COVID-19 pandemic situation. Insha Allah, we will come out of this trying time with our resilience.

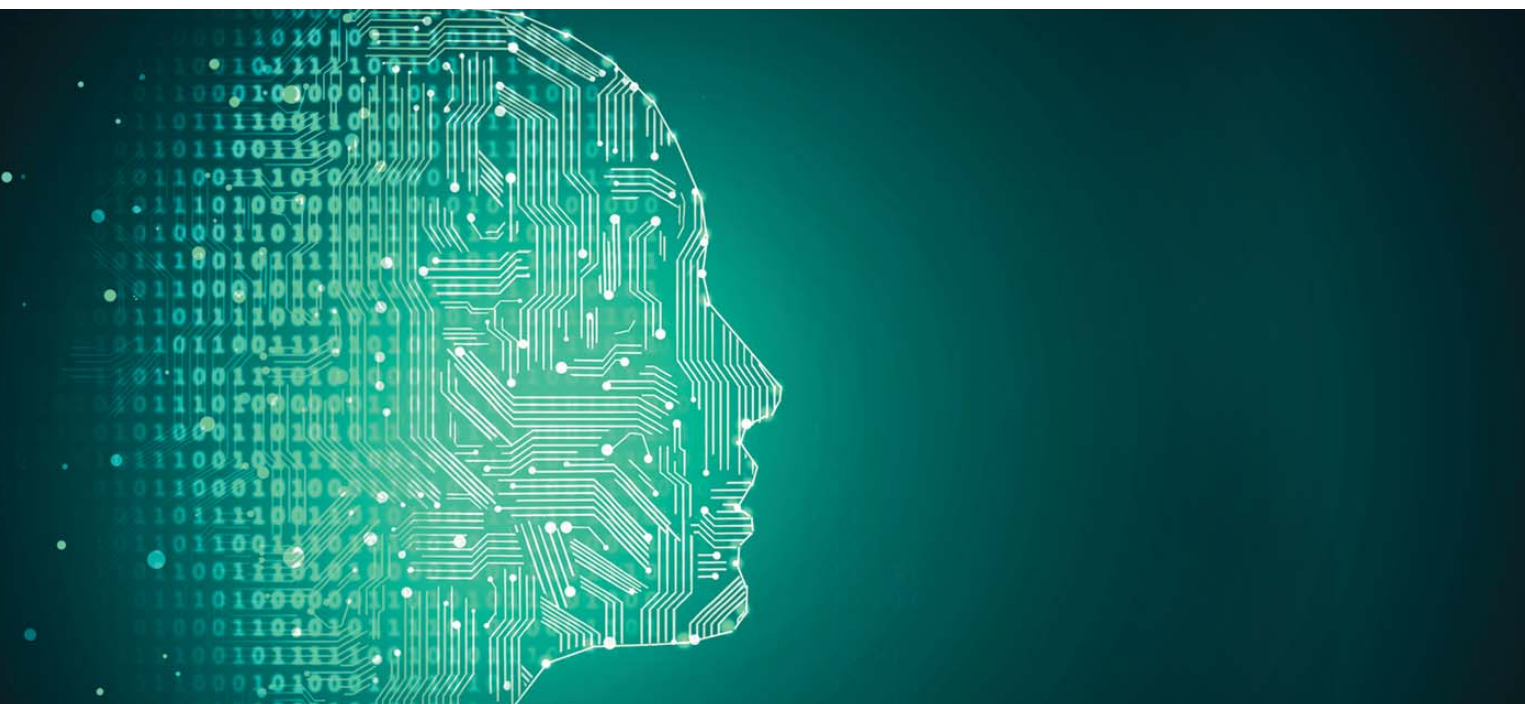
Let me also extend my best wishes as we are celebrating in our heart the glorious 50<sup>th</sup> year of Independence.

I hope that you are doing well and Keeping safe and healthy. As the country is reeling under pandemic COVID-19, it has disrupted our collective sense of the 'NORMAL'. However, we have already embarked on a new 'REALITY'. I believe that we will emerge out of this crisis stronger, more resilient and wiser.

Before I deliberate on various aspects of my address, let me take this opportunity to pay our sincere gratitude to each and every one working at the frontline combating the pandemic in order to make the world safer and more convenient for all of us - the medical community, sanitization workers, essential services providers including bankers and the law enforcement agencies.

I particularly remember our Vice Chairman and Sponsor Shareholder Mr. Asoke Das Gupta who breathed his last on December 13, 2020 and 5 employees of the Bank who died during the year 2020. May Allah bless their souls and may they rest in eternal peace.

There is no escaping the issue that the COVID-19 pandemic has over-shadowed all for the year 2020. The year 2020 has been one of the most difficult years in living memory. The impacts have been significant and will continue to reverberate around the world for a considerable period. What we face in the longer-term outlook is still far from certain. It is clear that the COVID virus will be with us for an extended period.



## Chairman's Address

During the year, our country's initial focus was addressing the immediate shock of the pandemic and subsequently acknowledging the reality of living with COVID as well as formulation and implementation of a longer term strategy. Despite an experience of significant stress, results in subsequent quarters are expected to improve with the increased economic activities and consumer confidence.

In the above backdrop, ONE Bank is planning and preparing for a lengthy period of subdued economic activities. However, we are confident and optimistic that we, ONE Bank will rise to the challenge of COVID and continue to position and reposition ourselves in view of need and demand of the economy and our respectable clients & stakeholders to be always on the sustainable turf of growth and prosper. We have already travelled more than two decades of time span and faced some period of adversities. We are one of the toughest corporate citizens.

The strength of our Bank and our absolute commitment to our shareholders and stakeholders has already seen us weather through every previously confronted unsettling condition. COVID will be no exception. We can see that some positives have been emerging from the adversity of COVID pandemic.

We kept our doors open throughout the year 2020 in line with the government directives, ensuring that our clients and stakeholders could continue accessing our crucial services in their time of need. We believe the impacts of COVID will pass over time, but it will leave behind a permanent legacy. Our significant outcome has been the acceleration of the shift to digital. That was happening in a slower rate in the past too but COVID has forced many of our customers and ourselves to switch to more of online banking. We were investing significantly in our digital capabilities enhancement but the urgency of doing so has been further accelerated by COVID.

I am pleased to put on record that 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 Hybrid AGM with the participation of a large number of Shareholders in person and digital platform. Due to the country-wide spread of coronavirus and in compliance with the Bangladesh Securities & Exchange Commission's order to hold AGM virtually by using digital platform, we have changed the mode of AGM from Hybrid system to digital platform. Your active participation & suggestions are always welcome. We highly appreciate and value your opinions.

In terms of Business Performance, OBL like most of the banks had mixed experience during 2020. The business parameters though showed positive move in terms of performance, it was not very significant. Loans & Advances and Deposit growths in 2020 were very minimal compared to the performance of the year 2019.

The EPS of the Bank for the year 2020 was Tk.1.57 compared to Tk. 1.82 of 2019. The Capital Adequacy Ratio has increased to 13.07% compared to 12.82% of last year, whereas regulatory requirement is 12.50%. Your Board of Directors has recommended 6% Cash and 5.50% Stock Dividends for the year 2020 to this AGM considering the shareholders' preferences.

During the year, we opened 04 new Branches, converted 03 collection Booths into Sub -Branches and established 06 new Sub-Branches. As of 31st December 2020, OBL had 107 Branches and 20 Sub-Branches, 12 collection Booths across the country covering all the major and satellite business centers of the country. Total number of ATM Booths was 137 (104 are onsite and 33 offsite).

We opened our 02 Islamic Banking Branches - one at Gulshan, Dhaka and another at Agrabad, Chattogram in December 2020. Despite the COVID condition, they are gaining momentum though at a bit slower pace. The number of clients (Assets & Liabilities) are increasing continuously. All conventional Banking Branches of the Bank are also providing Islamic Banking liability products and services.

Our subsidiary ONE Securities Limited (OSL) continued to maintain its position as one of the leading Stock Brokers and Stock Dealers of DSE & CSE in 2020. Another subsidiary ONE Investments Limited (OIL) meant for Merchant Banking business is awaiting approval from BSEC to conduct business.

## Chairman's Address

The Bank's Custodial Services 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 has been doing well. We expect that growing numbers of NRB and Foreign Investors will soon come forward to open FC & NITA Accounts and take part in buy/sale in the Bangladesh Capital Market through Dhaka & Chittagong Stock Exchanges.

OBL has been increasingly utilizing its state of the art digital channels. The Bank also took a few initiatives to further harness the Bank's digital platform considering newer demands of time. In this connection, the IT Team along with the Management initiated contacts with reputed IT organizations and started negotiations in 2020, which are on way to finalization.

In the wake of the new NORMAL, we are reviewing our business policies to increase share value and implement contingency measures to safeguard the Shareholders' Value in future. In the above context, we are realigning our digital platforms and services keeping with the emerging new REALITY.

OBL has been always committed to Corporate Social Responsibility (CSR). A total sum of Tk.18.44 crore was spent during the year 2020 towards following programs:

- Donation to Bangabandhu Memorial Trust for celebration of "Mujib Borsho".
- Financial Assistance to "PROTEEVA", a project of Jagorani Chakra Foundation for meeting its expenses for 1(one) year from January to December 2020 at different locations namely Sreepur, Mohammadpur, Magura Sadar, Horinakunda, Sailkupa, Jhenaidah Sadar under Magura & Jhenaidah Districts.
- Donation to Prime Minister's Relief & Welfare Fund for the flood affected people across the country.
- Donated to Prime Minister's Relief Fund for cold stricken people.
- Arrangement of training for Financial Skill Development for Youth towards Implementing Sustainable Development Goals.
- Donated to Sri Sri Pronob Moth, Khulna.
- Payment for extending medical services to the poor people of Joypara, Dohar, Dhaka.
- OBL Scholarship only to the poor but meritorious students across the country.
- Donation to Prime Minister's Relief Fund for procurement of Personal Protective Equipments (PPE) / Testing Kits / Respiratory Equipments etc. for treatment of COVID-19 patients.

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

I would also like to thank the regulatory bodies, particularly Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), DSE, CSE, our valued shareholders, customers, vendors, business associates, bankers, financial institutions and other stakeholders for their continued support and co-operation.

I must convey my gratitude to my colleagues on the Board for their wise counsel and valued involvement. Our appreciation is also to all our staff members for their sincere endeavors and their sense of belongingness to ONE Bank family.

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



A.S.M. Shahidullah Khan  
Chairman

# Why Dream?

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

## OBL Youth Banking



## School Banking



## OBL School Savers



## Gold Savings Account



## Probashi Shonchoy



## ONE Bank Saving Schemes

## Directors' Profile



## Directors' Profile

### Chairman



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

Mr. A.S.M. Shahidullah Khan is the Chairman of the Board of 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.

### Vice Chairman



#### **Mr. Asoke Das Gupta**

Mr. Asoke Das Gupta is a reputed businessman of the country. He is the Chief Executive of IMTrex and the Managing Director of Uniroyal Trade Ltd. and he is also the Chairman of Uniroyal Securities Ltd. which is a TREC holder of the Dhaka Stock Exchange Limited. He is also the Chairman of Ocunova Eye Hospital.

### Director



#### **Mr. Zahur Ullah**

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 Limited. He is the Director of Holiday Publications Limited and Shamah Enterprises Limited. Mr. Zahur Ullah is also the Chairman of LL Group and involved in the buying, manufacturing, and exporting of readymade garments and allied products.

## Directors' Profile

### Director



#### **Mr. Kazi Rukunuddin Ahmed**

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.

### Director



#### **Mr. Shawket Jaman**

Mr. Shawket Jaman is a Director of ONE Bank Limited, representing M/s. M R Holdings & Securities Limited. He has more than 30 years of rich experience in the Shipping sector of Bangladesh.

### Independent Director



#### **Mr. Syed Nurul Amin**

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 4 (four) decades. He retired as Managing Director. Mr. Amin was also a nominated Director in the Boards of Directors of IDLC and IIDFC. He is a Commerce Graduate and obtained higher Banking Training from the USA and Thailand.

## Directors' Profile

### Independent Director



#### **Mr. Salahuddin Ahmed**

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).

### Managing Director



#### **Mr. M. Fakhurul Alam**

Mr. M. Fakhurul Alam served as Managing Director of the Bank for 7 (seven) years with effect from October 8, 2013. Prior to that he was the Additional Managing Director of the Bank. He has been reappointed as Managing Director for 3<sup>rd</sup> 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 38 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 had 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. A. S. M. Shahidullah Khan

### Vice Chairman

Mr. Asoke Das Gupta

### Directors

Mr. Zahur Ullah

Mr. Kazi Rukunuddin Ahmed

Mr. Shawket Jaman

Mr. Syed Nurul Amin, Independent Director

Mr. Salahuddin Ahmed, Independent Director

Mr. M. Fakhrul Alam, Managing Director

## Audit Committee

### Chairman

Mr. Syed Nurul Amin

### Members

Mr. Kazi Rukunuddin Ahmed

Mr. Shawket Jaman

## Executive Committee

### Chairman

Mr. Zahur Ullah

### Members

Mr. Asoke Das Gupta

Mr. A. S. M. Shahidullah Khan

## Risk Management Committee

### Chairman

Mr. Asoke Das Gupta

### Members

Mr. Shawket Jaman

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. Wakar Hasan

Mr. John Sarkar

## Additional Deputy Managing Director

Mr. A. B. M. Saif Sarwar

Ms. Rozina Aliya Ahmed

## Senior Executive Vice President

Mr. Md. Abu Saleh

Mr. Kh. Rashed Akhtar Zaman

Mr. Riton Barua

Mr. Md. Manirul Islam

Mr. M. Ahsan Habib

## Executive Vice President

Mr. Mirza Ashraf Ahmad

Ms. Mallika Nabi

Mr. Kazi Md. Amzad Hossain

Mr. Faisal Adil

Mr. Newaz Khalid Ahmed

Mr. Md. Nazrul Islam Bhuiyan

Ms. Morshed Begum

Mr. Md. Kamruzzaman

Mr. Ziaul Haider Shailul Haque

Mr. Md. Anwarul Islam

Mr. Mohammad Farhad Hossen Khan

Mr. Khaled Mahub Morshed

Mr. Md. Belayet Hossain

Mr. Syed Farhad Alam

Mr. Khandaker Liakat Ali

Mr. Gazi Yar Mohammed

## Senior Vice President

Mr. Hasnain Ahmed

Ms. Shirin Mullick

Mr. Syed Rezaul Karim Chowdhury

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. Shafiur Rahman Sikder

Mr. Md. Zahidul Islam

Mr. Md. Borhan Uddin

Mr. Syed Maruf Ali

Ms. Meher Farzana

Mr. Md. Mizanur Rahman

Mr. S. M. Hafizur Rahman

Mr. Mujtaba Masroor Kazmi

Mr. Shahabuddin Ahmed

Mr. Md. Mohiuddin

Mr. Mohammad Kamrul Ahsan

Ms. Jahanara Begum

Mr. Md. Golam Rabbani

Mr. Khalid Bin Rahman

Mr. Md. Kamaruzzaman

## 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 Mannaf

Mr. Md. Salah Uddin

Mr. Mohammad Moniruzzaman

Mr. Shaikh Mohammad Mizanur Rahman

Mr. Dilip Pius Rozario

Mr. Abu Mohammed Saifuzzaman

Mr. Md. Masud Alam

Mr. Mohammad Masudul Haque

Mr. Md. Abdul Mannan

Mr. Boshirul Haque

## 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. 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. Kazi Md. Eleas Kanchon

Mr. Syed Salahuddin Ahmed

Mr. Md. Faizul Mobin

Mr. Muhammad Mostafizur Rahman

Mr. A. S. M. Abu Bokor Siddique

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

Mr. Md. Akter Hossain Sorker

Mr. Sayed Ahmed Chowdhury

## 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. K. M. Moinul Arif

Ms. Sajeda Khatun

Mr. Md. Ashraf Razi

Mr. Md. Golam Rasul Bhuiyan

Mr. Shaikh Babul Hossain

Mr. Md. Akbar Hossain Chowdhury

Mr. Sk. M. M. Rabiul Islam

Mr. Md. Shabbir 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 Alauddin Ahmed

Mr. Ahmad Ullah

Mr. M. M. Rashidul Kabir Chowdhury

Mr. Md. Ferdous ul Amin

Mr. Md. Nazim Uddin

Mr. Abu Sayem

Mr. Rashidul Islam

Mr. M. Tabib Hossain

Mr. Avijit Das

Mr. Uggul 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

Mr. Mohammad Manzur Mahub

Mr. Mohammed Dalwar Hossain

Mr. Md. Mizanur Rahman

Mr. Mohd. Amanullah

Ms. Wahida Anjum Alley

# Key Personnel

Mr. Syed Ahmed  
Mr. Shishir Kumar Shil  
Mr. Md. Nazrul Islam  
Mr. Satirtha Kumar Paul  
Mr. Shafiul Alam  
Ms. Tanzia Ahmed  
Mr. Md. Zahurul Islam  
Mr. Md. Tamiz Uddin Ahmed Chowdhury  
Mr. Sajjad Mahmud Sabuj  
Mr. Zia Haider Chowdhury  
Mr. Mohammed Iftekhar 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. 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. 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  
Mr. Md. Abdul Momin  
Mr. Shahid Emdadul Islam  
Mr. A.K.M. Abdullah-Al-Mamun  
Mr. Md. Mozaffor Hossain  
Mr. Golam Raju Ahmed  
Mr. Mohammad Wahiduzzaman Khan  
Mr. Shourindra Nath Paul

## Assistant Vice President

Ms. Dilara Alim  
Ms. Sanzida Ahmed  
Mr. Md. Badrul Alam  
Mr. Md. Amzad Hossain Khan  
Mr. Mohammad Zaman Khan  
Ms. Johura Habib  
Mr. A. H. M. Al-Hasan  
Ms. Mst. Monjura Begum  
Mr. Mohammed Saifur Rahman  
Mr. Md. Ahadur Rahman Bhuiyan  
Mr. Mohammad Rifatuzzaman  
Mr. Touhid-Un-Nabi  
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 Shafiul 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. Md. Ataur Rahman  
Mr. Mohammed Nazrul Islam  
Mr. Md. Tipu Sultan  
Mr. Muhammed Atikur Rashid  
Mr. Mohammed Mainul Islam  
Mr. Mohammad Mujeluzzaman  
Mr. Md. Mostafizur Rahman  
Mr. Lutfor 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 Siddique  
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  
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. Zhubaidur Rahman Chowdhury  
Mr. Anirban Mojumder  
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. Muhammad Samsul Arefine  
Mr. Md. Shahinur Islam  
Mr. Abu Shahadat Md. Omair  
Mr. Md. Mahinur Rahman  
Mr. A.K.M. Badrudduza  
Mr. Md. Nasir Uddin  
Mr. S. M. Rahid Amin  
Mr. Majbah Uddin  
Mr. Md. Syful Islam  
Mr. Obaydul Islam

## The 22<sup>nd</sup> Annual General Meeting to be held virtually

The Board of Directors in its 327<sup>th</sup> Meeting held on May 5, 2021 have decided to conduct the 22<sup>nd</sup> Annual General Meeting of ONE Bank Limited **virtually on June 24, 2021** from 11:00 a.m. by using digital platform through the link <https://obl.bdvirtualagm.com> instead of Hybrid AGM in compliance with the BSEC Order No. SEC/SRMIC/94-231/91 dated March 31, 2021 considering health and safety of the Shareholders and Stakeholders due to prevailing COVID pandemic.

All other things regarding the 22<sup>nd</sup> AGM Notice dated March 28, 2021 including the agenda will remain unchanged.

By order of the Board of Directors,



John Sarkar  
DMD & Company Secretary

### NOTES:

- A. 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/cast vote 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 pandemic as social distancing is the highest priority to ensure health and safety for its Shareholders and other Stakeholders.
- B. Shareholders are requested to login to the system prior to the meeting to be held at 11:00 a.m. on Thursday, June 24, 2021. 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 +88 02 55012505 Ext: 251, 252 or visit **[www.onebank.com.bd](http://www.onebank.com.bd)**

## Notice of The 22<sup>nd</sup> Annual General Meeting

Notice is hereby given to all Shareholders of ONE Bank Limited (the “Company”) that the 22<sup>nd</sup> Annual General Meeting (Hybrid) of the Shareholders of the Company will be held on **June 24, 2021** at 11:00 a.m. **partially through the link** <https://obl.bdvirtualagm.com> and partially physical 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, 2020 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, 2020.
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,



John Sarkar  
DMD & Company Secretary

Dhaka  
March 28, 2021

### NOTES:

- a. The ‘Record Date’ shall be **May 11, 2021**
- b. The Shareholders whose names appear in the Register of Shareholders of the Company as at the close of the business on **May 11, 2021** will only be entitled to the Dividend, if any, declared in the AGM.
- c. The Board of Directors has recommended 6% Cash and 5.50% Stock Dividends for the year 2020.
- 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 31<sup>st</sup> December 2020 together with the Auditors’ Report thereon shall be available on the Bank’s website [www.onebank.com.bd](http://www.onebank.com.bd) from June 02, 2021 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 containing 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](mailto:share@onebank.com.bd)** on or before May 27, 2021. 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 22<sup>nd</sup> Annual General Meeting as per Bangladesh Securities and Exchange Commission’s Circular No. SEC/ CMRRCD/2009-193/154 dated October 24, 2013.**

 **ওয়ান ব্যাংক**

**এজেন্ট ব্যাংকিং**

এখন পাশের বাড়িতে



# Directors' Report



## Directors' Report

The Board of Directors of ONE Bank Limited takes the pleasure in presenting the Directors' report in this 22<sup>nd</sup> Annual General Meeting before you along with the Audited Financial Statements for the year 2020. 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.

2020 was another challenging year for the business and banking sectors in Bangladesh, particularly in the COVID-19 pandemic situation. 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 2020 and have determined the business goals of 2021 in the light of the previous year's evaluation.

## Global Economy

The COVID-19 pandemic caused unprecedented GDP declines in almost all countries in the year 2020 though recovery in many regions progressed faster than expected. The economic disruptions caused by the COVID-19 pandemic will continue to have lingering effects for a considerable period of time ahead, and this may be protracted by widespread vaccination delays. By the end of 2020, resurgence of COVID-19 cases was observed in some regions, and several countries had to reimpose containment measures including strict lock-down.

**Industrialized countries** responded to the COVID-19 pandemic with extensive fiscal and monetary support measures. They benefited from comparatively low borrowing costs. Economic activity improved faster than expected after the slump in the first half of the year, although second wave of infections slowed the recovery.

**Emerging markets** had a demanding and fairly divergent entry point into the COVID-19 crisis, in terms of policy capacity and medical infrastructure. As

a result and as expected, the growth shock in some countries was more pronounced and persistent. However, the slump was followed by a strong recovery, albeit divergent across regions.

**Eurozone economy** rebounded strongly following a sharp contraction in the first half of 2020. Households and businesses were supported by expanded fiscal policy measures and the European Central Banks' expansionary monetary policy, which provided favourable financial conditions. At the beginning of the fourth quarter, a second wave of COVID-19 infections gained momentum and required renewed containment measures. A trade deal between the EU and the UK was finally agreed in December.

The economic slump in the first half of 2020 was historic, but the end of most lockdown restrictions in the second quarter resulted in a stronger-than-expected recovery in some economics including **German economy**. In the wake of massive fiscal support measures, the short-time work scheme helped to curb the rise in unemployment and strengthened household



An OBL financed RMG Factory



An OBL financed Eco-Ceramic Factory

incomes. Nevertheless, rising COVID-19 infections created headwinds for economic momentum in the last quarter of 2020.

The **U.S. economy** experienced a massive contraction in the second quarter, followed by a stronger than expected recovery. The unemployment rate climbed to new record highs, but the labour market improved again as the recovery progressed. A strong second wave of COVID-19 in combination with delayed additional fiscal stimulus constrained the recovery. The Federal Reserve Bank (the “Fed”) acted quickly and aggressively to keep funds flowing freely in money and credit markets.

Economic activity in the **Japanese economy** recovered faster than expected in the third quarter. During a second wave of COVID-19 infections in summer, the government did not declare a nationwide state of emergency and instead tried to support economic activity. The Bank of Japan kept an accommodative policy stance, while paying attention to policy side effects. With maintained fiscal stimulus, there was less pressure on the Bank of Japan to ease.

**Asian Economy** saw stronger than anticipated rebound from the COVID-19-driven plunge in economic activity. China, Japan and other north Asian economies have been relatively successful in controlling the virus and returning to or toward pre-virus levels of activity. Asian central banks have reached the limits of conventional stimulus through interest rate cuts. The continued recovery led to an expansion of the Chinese economy in 2020, reflecting the robust industrial sector and a faster-than-expected recovery in services activity, with real estate and transport services outperforming. This mainly contributed to the global recovery.

The outlook for the global economy is better in 2021. The International Monetary Fund expects growth of 5.5 percent this year. But recoveries will occur at different rates, depending on a range of things like the pace and effectiveness of vaccine rollouts, fiscal responses (and capacities), citizens’ confidence, sectoral composition, and luck. Many economies will have to wait until 2022 to reach pre-pandemic levels of output.

## Bangladesh Economy

The year 2020 began with a gloomy uncertainty looming over the horizon. At that time, the novel coronavirus was spreading in Europe, which is the destination of over 60 percent of exports of Bangladesh, after wreaking havoc in China, its largest trading partner. The virus had not yet made its way into Bangladesh. The bad news came a couple of months later. On March 8, the authorities confirmed the maiden case of COVID infection in the country. A week later, the first death from the virus was reported. Soon, the country's economy, one of the shining stars in Asia, came almost to a halt as the government imposed countrywide lockdown to contain the spread of the virus.

During the nationwide lockdown, a significant number of people lost jobs, poverty rate doubled and many businesses had to close down. Income of the vast majority of the population shrank. Exports hit rock bottom as the importing countries themselves were finding it difficult to keep their economies afloat. The country was staring at an unprecedented three-pronged crisis: health, economic and food. To protect the people and the economy, the government rolled out a massive Tk 120,000 crore stimulus package. It capped bank interest rates at single digit to help firms and businesses

## Directors' Report

borrow at a record low rates. Multilateral banks and bilateral partners poured billions of dollars to cushion Bangladesh.

The services sector, the largest contributor to GDP experienced the heat of the pandemic. All the components of services sector like health, social works, financial intermediation, hotels & restaurants, transport, storage and communication etc. were the worst sufferers. Financial situation of the banking sector remained weak due to a large share of NPLs (Non-Performing Loans) and increased restructured loans.

The broad industrial sector altogether slowed down due to the pandemic effects in the country as well as the world over. Due to COVID-19, export earnings drastically decreased. While import payments rose for foodgrains, mainly wheat, crude petroleum, oil seeds, pulses, pharmaceutical products, spices and sugar, import of capital machinery, yarn, fertilizer and metals suffered drastic fall.

At this hour of the crisis, the biggest support came from farmers who continued to feed the country and the migrant workers proved the grim forecasts wrong, sending home a record amount of remittances. The robust flow of remittances raised the country's foreign exchange reserves to record high and put the country on a firm footing. The reopening of the economy in June was a very bold move and proved to be a judicious one, as the virus did not go out of control. The food production, remittances, the stimulus packages, the reopening, and the uptick in domestic demand and exports put the country on the path of recovery.

Despite the prevailing pandemic, Bangladesh was able to escape a contraction in 2020. The government debt as a percentage of the GDP rose to 39.6 percent in 2020, considered low as per the international standards. The government had a fiscal deficit of 6.8 percent in 2020, which allowed it to spend a huge amount of money to cushion the economy. This bolstered the economy.

While the harm to public health inflicted by the pandemic has been relatively limited, the effect of the outbreak on global demand and international supply chains means that the economic damage has been considerable.

Even in the face of the pandemic, Bangladesh posted one of the highest growths in the world and the highest in Asia in 2020, according to the International Monetary Fund. In terms of growth, only Guyana and South Sudan were ahead of Bangladesh. Of the 190 IMF member countries, only a handful 23 posted a positive growth in the year.

Bangladesh has been able to keep up the growth trajectory during the crisis. Realistically, other than Bangladesh no other country in Asia has been able to maintain progress in every area of the macro-economy. By the grace of the Almighty, the Impact of the pandemic has not been as adverse as it was thought initially. The economy has weathered the impacts of the pandemic and has now been on track for a recovery. People have been trying to get back on their feet again and ride out of the financial hardship due to job losses.

Bangladesh undertook several measures to overcome the negative effect of the pandemic. These include



Partial view of Virtual 21<sup>st</sup> Annual General Meeting of ONE Bank Limited



An OBL financed Knitting Factory

instructions on social distancing, wearing masks and general holiday for 66 days during March-May 2020. Parallely, the government introduced several stimulus packages to help the affected sectors.

Due to government efforts combined with the hard work of the people, the Bangladesh economy has been less affected compared to other countries during the pandemic. Several international organizations including International Monetary Fund, World Bank, and Asian Development Bank have assessed the economic performance of countries during the pandemic. Bangladesh's performance stands out amongst its peers. Despite the pandemic, agricultural production has been exceptionally good-that helped ensure food security. Remittances soared, foreign exchange reserve reached the highest level ever, exports picked up towards the end of the year 2020 and inflation remained low.

Bangladesh looks forward to seeing brighter economic prospects in 2021. For Bangladesh, 2021 is also a special year. The country celebrates the golden jubilee of its independence. This is the year to celebrate our achievements over the last 50 years. This is also an occasion to reflect on the constraints and to commit ourselves to expedite efforts to fulfill the unmet dreams.

The government has lowered the GDP growth projection for the current fiscal year to 7.4 per cent

taking into account the fallouts of the coronavirus pandemic. According to the projections of different international agencies, Bangladesh's position will be at the top among the Asian countries in terms GDP growth rate in the coming year. Bangladesh is said to have posted the third-highest GDP growth in the world in 2020, according to the International Monetary Fund. The country's per capita income reached \$2,064 in 2020. The Economist has ranked Bangladesh ninth among 66 emerging economies. Bangladesh will be the 24th largest economy by 2030 as per the World Economic Forum forecast.

## Corporate Financing

OBL offers a wide range of financial services to its corporate clients through extensive Branch Network all over the country, 2 OBU 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 Headquarters 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.

## Directors' Report

Products and services for corporate clients are Working Capital Finance, Project Finance, Trade Finance, Lease Finance, Syndication Finance, Mezzanine Finance, Off-shore 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.

### 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.

In addition, ONE Bank is also engaged in raising fund through alternative mode of financing like issuance of bonds, preferred shares etc.

### 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

Cottage, Micro, Small and Medium Enterprises have become one universally agreed motif of the development and has been playing significant role in

the economy in terms of balanced and sustainable growth, employment generation, development of entrepreneurial skills and contribution to GDP. Bangladesh economy is characterized by low per capita income, high level of unemployment, mass poverty and social deprivation. In these circumstances, higher growth of CMSMEs can reduce poverty to a satisfactory level by creating jobs for both skilled and un-skilled manpower. ONE Bank Ltd. strongly believes that the CMSME sector is one of the main driving forces of economic growth and it is a market with huge potential and always keeps it as a priority to grow in the CMSME sector with proper support and service.

ONE Bank Ltd. is rapidly progressing in SME financing in line with the changes in the global environment, local arena and regulatory requirement. In order to increase focus on SME financing, ONE Bank Ltd. has identified 38 branches out of its 107 branches as SME Branch. Other branches are also extending SME financing along with all other products of the Bank.

To ensure priority services to CMSME clients, the Bank has established dedicated "SME Help Desk" in every Branch of the Bank. In the year 2020, ONE Bank Ltd. has disbursed total CMSME Loan of BDT 12068.80 million among 1941 no. of CMSME borrowers as a part of its commitment to develop the CMSME Sector.

To facilitate the COVID-19 affected CMSME Borrowers, ONE Bank Limited has established "Covid-19 Help Desk" in every Branch of the Bank. In the year 2020, the Bank has disbursed stimulus facility of BDT 1693.95 million among 249 No. of COVID-19 affected CMSMEs under the Government Stimulus Package of Tk.20,000.00 crore. The Bank has already provided interest subsidy of BDT 16.84 million to its CMSME borrowers under the mentioned package.

As a part of continuous support to CMSME Sector, The Bank has already identified different business clusters like light engineering in Bogra, power loom in Madhabdi, stone crushing in Sylhet, and fish processing in 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 fund for small enterprises, women entrepreneur,



An OBL financed Tomato Farm

new entrepreneur, BB fund for Tk.10 Account holders and Government Stimulus Package of Tk.20,000.00 Crore. In 2020, The Bank received total refinance of BDT 845.48 Million from BB, against financing to CMSME clients, both male and female.

Besides these, ONE Bank Ltd. has introduced 02 (two) collateral free products namely “OBL Shubidha” and “OBL Romoni” dedicated toward the potential Cottage, Micro & Small Enterprises along with women Entrepreneurs. OBL also introduced different product named “OBL Unnoyon”, “OBL Trinomul”, “PPG for SLC”, “OBL Earnest Money/ Bid Bond” and “OBL Imarat” with easy terms and conditions for CMSME Clients to ensure quick and hassle free financing.

### 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 CMSME, 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” at Corporate Headquarter under which each branch of the Bank has a “Dedicated Woman Entrepreneur Help Desk” which works to provide fastest service to 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 CMSME Women Entrepreneurs every year to listen to their complains, requirements and helps to find them the way out. During the year 2020, the Bank has financed BDT 338.65 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. About 40.60% of total labor force is directly related with this sector and comprises 13.32% of the country's GDP. This sector has an overwhelming impact on employment generation, poverty alleviation, human resources development and food security. Agriculture and rural development are the keys to strengthening livelihoods of the most vulnerable, including hundreds of millions of small-scale family farmers who are responsible for ensuring the food security of our country. Agriculture and Rural Credit therefore play a pivotal role in modernization and commercialization of rural economy.

With the rising population and also in recent pandemic 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, 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.

## Directors' Report

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, in 2020, OBL disbursed Agricultural and Rural Credit of Tk. 2,636.60 million among 63,885 borrowers. Out of the regular Agriculture and Rural credit ONE Bank Disbursed Tk. 222.31 million under the specialized stimulus package for the COVID-19 affected Farmers/Firms. Since the very beginning OBL has been very proactive regarding achievement of the Target set for Agriculture & Rural credit disbursement target and also ensuring significant contribution in specialized schemes 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 2020, our focus was to drive top-line growth by our recognized capabilities to acquire new business and deepen our existing client relationships. Our retail deposit book continued to grow strongly along with retail loan portfolio. 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 with potentials and providing cutting edge products.

### Business Highlights

Effective fund management strategy and focus on low cost deposits were the key components for increasing the retail deposit base. The Bank also maintained its approach of widening the retail deposit base which stood at BDT 8,519 crore in 2020 and total retail deposit accounts stood at BDT 6.48 lac.

Retail loan registered a steady growth in 2020. Among all Retail loans, Home loan was the prime contributor of the total loan disbursement pie. Retail loan portfolio stood at BDT 1,157 crore in 2020.

To offer superior customer experience to retail clients, OBL Contact Center managed 273,396 calls throughout the year. Besides managing customer service, Contact Center also extended its endeavor to accumulate customer feedback which helped to improve the service level standard.

As a part of our continuous endeavor to offer value propositions, Retail Banking initiated couple of successful campaigns.



An OBL financed Auto Rice Mill under SME

## New Product and Propositions

Among the newly launched retail deposit products “OBL Youth Banking”, “OBL Women’s Savings Account” and “OBL School Savers” were the most popular products to the retail customers. “OBL Youth Banking” is a specially designed savings account with wide range of attractive features for the young generations of Bangladesh. “OBL Women's Savings Account”, a savings account with smart banking solutions designed exclusively for female citizens of Bangladesh. “OBL School Savers” is a monthly recurring Deposit Scheme with free insurance coverage up to BDT 1,000,000/- for the clients. During the year we have enhanced the customer base of these products through various business campaigns and promotional activities.

Among the many initiatives designed to provide advanced customer experience, Retail Banking continued its endeavor to add value for the clients by maintaining relationship with different organizations. We believe that growth opportunities interweaves with customer engagement. Keeping this in mind, clients having long term relationship with the Bank were recognized to appreciate the patronization of our clientele.

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

## The Cards

OBL Card Division thrives to offer new and attractive propositions in Card Products that give 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.

2020 was another milestone of Card Division by introducing Woman VISA Debit Card that facilitates every woman with a crown of financial dignity and freedom. It aspires a woman to avail exceptional services and propositions which will be convenient in respect of their personal and professional arenas. Our existing 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.

Card operating profit increased by 30% over the year 2019. Credit Card outstanding escalated from BDT 94.56 Crore to BDT 115.68 Crore posting 22% growth over the previous year. Total Debit and Credit Card issuance stood at 164,267. 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 400 merchants to offer various discounts and privileges to our cardholders. Besides 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 Cardholder that provides the access to over 1300 lounges in more than 600 Cities and 148 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.

## Islami Banking

### Islami Banking Operations

ONE Bank Limited has started Islami Banking Operations obtaining permission from Bangladesh Bank on July 30, 2020 in the Name “AL NOOR” through opening 02 full functioning Islami Banking Branches i.e. Gulshan Islami Banking Branch, Dhaka and Agrabad Islami Banking Branch, Chattogram on December 15, 2020 and December 17, 2020 respectively. Since opening till December 31, 2020, Islami Banking Operation has mobilized deposit of Tk.16.68 Crore opening total 473 nos. of accounts. In principles, Islami Banking Operations is different from Conventional Banking as Islami Banking operates on the basis of Islami Shariah Principles. From the very beginning, we have formulated & circulated a comprehensive Guidelines for procuring Islami Banking Deposit and providing such Services from all the Conventional Branches through our 2 Islami Banking Branches using online facilities.

### Islami Banking Division in Head Office

As per Guidelines of Islami Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a separate division namely “Islamic Banking Division” established in Head Office. Since establishment, the division has been taking up the duties & responsibilities of all works & day to day

## Directors' Report

activities related to Business, Marketing, Product Development, Training of Islamic Banking & Finance, Islamic Treasury, Regulatory, Shariah Supervisory Committee, Inter Divisional, IBCF, CSBIB, AAOIFI, IFSB, Internal & External Activities.

### Islami Banking Business

Since inception, OBL AL NOOR Islami Banking retained a steady growth in deposit & investment. As on December 31, 2020 deposit of OBL AL NOOR Islami Banking stood at Tk.16.68 Crore.

### Islami Banking Products and Services

At present OBL AL NOOR Islami Banking offers almost all the Deposit & Investment Products countrywide from its all the Conventional and Islami Banking Branches for collecting and utilization of funds or in other words, pooling resources and deployment of the said resources. The following products are available now:

#### Deposit Products:

1. AL-Wadiah Current Account. 2. Mudaraba Savings Account, 3. Mudaraba Term Deposit Account, 4. Mudaraba Special Notice Deposit Account, 5. Mudaraba Hajj Savings Account, 6. Mudaraba Waqf Cash Account, 7. Mudaraba Monthly Income Deposit Scheme, 8. Mudaraba School Banking Account, 9. Mudaraba Ratib Payroll Account and 10. Mudaraba Deposit Pension Scheme (various types).

### Investment Products

In Islami Banking, investment means utilization of fund or deployment of fund for a legal purpose (Permissible by Shariah Principle) on profit and loss sharing basis for a certain period. There are various

types of Investment Products of ONE Bank Limited AL NOOR Islami Banking.

### Retail Investment Products

1. AL NOOR Home Investment Scheme 3. AL NOOR Car Investment Scheme 2. AL NOOR House Hold Investment Scheme 4. AL NOOR Scheme for Professional.

### CMSME and Corporate Investment Products

1. AL NOOR Bai-Muajjal (Industrial & Commercial), 2. AL NOOR Hire Purchase Musharaka Mutanaqasa, 3. AL NOOR Murabaha Trust Receipt, 4. AL NOOR Murabaha Import Bill, 5. AL NOOR Urban Welfare Investment Scheme, 6. AL NOOR Rural Welfare Investment Scheme, 7. AL NOOR Wakala Letter of Credit, 8. AL NOOR Kafala Bank Guarantee, 9. AL NOOR Bai-Salam, 10. AL NOOR Istisna.

### Other Products and Services

Besides these OBL AL NOOR Islami Banking Operations also providing the services including issuance of Payment Order, Certificates, Remittance, Utility Bills Collection, School Banking, OK Wallet, Payroll Account, Internet Banking, SMS Banking facility and other necessary Banking Services.

### Activities – Year 2020

ONE Bank Limited has started its Islami Banking Operations obtaining Bangladesh Bank permission on July 30, 2020 through opening 02 full functioning Islami Banking Branches i.e. Gulshan Islami Banking Branch, Dhaka and Agrabad Islami Banking Branch, Chattogram on December 15, 2020 and December 17, 2020 respectively. Since opening till December 31,



ONE Bank Al Noor Islami Banking's Shari'ah Supervisory Committee's First Meeting

2020 Islami Banking Operation has collected deposit of Tk.16.68 Crore opening total 473 nos. of accounts.

### Activities Related to Regulatory Compliance

1. Establishment of an AL-Wadiah Account bearing No.30001789589 with Deposit Accounts Bivag of Bangladesh Bank on November 19, 2020.
2. Notification to BRPD of Bangladesh regarding opening and starting activities of Gulshan Islami Banking Branch, Dhaka and Agrabad Islami Banking Branch, Chattogram.
3. Solicitation of directives for maintaining CRR & SLR for OBL AL NOOR Islami Banking Operations.
4. Obtained SBS Code from Bangladesh Bank Statistic Department for Gulshan Islami Banking Branch & Agrabad Islami Banking Branch.
5. Participation in auction of Bangladesh Government Investment Sukuk (Ijara Sukuk) for Tk.8.00 Crore on December 28, 2020 for the purpose of maintaining SLR and we have been allotted Tk.2.11 Crore @ profit rate 4.69% p.a.

### Formulation of Guidelines, SOP & Approvals Related to Operational Activities

1. Formation of OBL AL NOOR Islami Banking Implementation Steering Committee (OBL ANIBISC).
2. Launching of 4 nos. Liability & 4 nos. Asset Products of OBL AL Noor Islami Banking from the Board of Directors.
3. Constitution of Shari'ah Supervisory Committee of ONE Bank Limited for 3 Years w.e.f. November 01, 2020.
4. Formation of Committee for evaluations of RFP (Request for Proposal) of Islami Core Banking Software.
5. Preparation of Schedule of Charges for ONE Bank Limited, AL NOOR Islami Banking Operations and duly circulated for implementation.
6. Designing and printing of 05 (Five) nos. Account Opening Form of AL-Wadiah & Mudaraba Deposit Accounts for OBL AL NOOR Islami Banking Operations.

7. Preparation of Product Program Guidelines (PPGs) of 19 (Nineteen) liability products.
8. Preparation of Profit Distribution System "Income Sharing Ratio –ISR" for the Mudaraba Deposit Products.
9. Preparation and approval of Guidelines for Marketing & Development of liabilities i.e., AL-Wadiah & Mudaraba various Deposit Products Accounts from other than Islami Banking Branches, i.e, Conventional Branches & Sub Branches.
10. Formulation and finalization of the Shari'ah Supervisory Committee Bye-Laws.
11. A Current Account was opened with our Kawran Bazar Branch in the name of "ONE Bank Islami Banking Mother Account".
12. Two Meetings of OBL AL NOOR Islami Banking Implementation Steering Committee (OBL ANIBISC) were held on Zoom platform to review the status of Islami Banking Operational activities.
13. Accumulation, drafting, checking and editing of 37 nos. of Charge Documents and finalization of the same after vetted by the Panel Lawyer.
14. Preparation and printing of a unique & combined Investment Application Pack (IAP) for 04 Retail Investment Product.

### 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 2020 was Tk. 103,742 million as compared to Tk. 130,548 million in 2019. 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.

Total export business handled by the Bank in 2020 was Tk. 81,118 million against Tk. 99,496 million in 2019.

### Treasury

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

### Inward Foreign Remittance

The total volume of Inward Foreign Remittance handled by ONE Bank Ltd. was Tk. 4,462 million in 2020. Operations in the field of Inward Foreign Remittance has been facilitating 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. For ensuring smoother service initiative has been taken to automate processing of inward foreign remittance.

### Correspondent Relationship

To strengthen its global relationship, the bank is now maintaining 483 correspondent relationships (foreign 431, 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 09 (nine) Remittance Agency partnerships to facilitate inflow of foreign exchange remittances from the Non-resident Bangladeshis. Efforts are now ongoing to enhance the number of such relationships, with the objective to substantially increase the flow of inward remittance through this channel.

### IT in Banking

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

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

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

### IT and ONE Bank

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 20 (Twenty) years of journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from introduction of world-class Core Banking Solution



ONE Bank Limited launched Banking App "ONE App"

(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 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, 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 Limited (DPDC)
    - i. Prepaid Meter
    - ii. Postpaid Meter
  - c. Dhaka Electric Supply Company Limited (DESCO)
    - i. Postpaid Meter
  - d. Northern Electricity Supply Company Limited (NESCO)
    - i. Prepaid Meter
    - ii. Postpaid Meter
  - e. Jalalabad Gas Transmission and Distribution System Limited
3. Bills/Fees Payment:
  - a. NID correction fees payment
  - b. e-Passport Fees Payment
  - c. Lanka Bangla DPS Installment
4. Credit Card Bill Payment:
  - a. Instant Payment (Lanka Bangla & ONE Bank)
  - b. Offline BEFTN Payment (all banks' who accepts BEFTN payment)
5. Mobile Recharge
6. Insurance Product Purchase:
  - a. Carnival Assure Limited
  - b. Guardian Life Insurance Limited
7. Add Money:
  - a. Add Money from Bank account



Send Money to any Bank Account through 'OK Wallet'

- b. Add Money from VISA/Master Cards
- c. Add Money from Internet Banking BEFTN
- d. Cash In from Agent
- e. Cash In from Branch
8. Cash-out (Cash Withdrawal):
  - a. Cash Out from Agent Point
  - b. Cash Out from OBL Branch
  - c. Cash Out from OBL ATM
9. Fund Transfer:
  - a. OK account to other OK account (P2P)
  - b. OK account to Bank account
10. Education Management System (OK EMS):
  - a. Students' Tuition/Other Fees Payment
11. Payroll Product (OK Payroll):
  - a. Salary/Allowance Disbursement
12. Remittance
13. Retailer (B2B) Payment

### 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, The Cox Today, Hotel Royal Tulip, Amarroom, Gems Gallery, Gitanjali Jewellers, Delhi Darbar, MK Electronics etc.
- Currently, Customers can pay utility bills for DESCO, DPDC, NESCO, Dhaka WASA and Jalalabad Gas 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 account from home downloading OK Wallet app from play store and iOS app store.
- OK Wallet is offering customer real time cashback on different campaigns which makes payment services more widespread and convenient to customers.
- OK Wallet customers can now add money from any local bank's nominated VISA/Master cards along with ONE Bank cards, using BEFTN/NPSB from

## Directors' Report

local bank's Internet Banking and also can add money instantly from BRAC Bank & Jamuna Bank account.

- OK Wallet users can withdraw money from ONE Bank ATM at any time with convenient service fee as well as from OK Wallet agent points and ONE Bank Branches.
- OK Wallet has become 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 has onboarded Carnival Assure Limited and Guardian Life Insurance Limited at OK Wallet App for purchasing different insurance products smoothly and quickly.
- OK Wallet has enabled its' customer to make their AMEX/VISA/MASTER credit card bill payment through OK Wallet App.
- OK Wallet has offered customer remittance service through which remitter can directly send their money to loved ones through OK Wallet account.
- OK Wallet teamed up with various major e-commerce aggregator and payment aggregators like SSL Wireless, PortWallet, WalletMix, aamarPay, ShurjoPay 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.
- 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.
- OK Wallet is offering OK EMS (Education Management System) product to educational institutions to manage their institutional activities digitally and collect tuition/other fees through OK Wallet.
- OK Wallet is offering OK Payroll solution to RMG and other organizations for disbursing stuff/employees salary smoothly through OK Wallet.
- 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 service partners, distributors, agents 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 remittance service solution providers to facilitate its customer to receive remittance in real time.
- OK Wallet is working to disburse salary to RMG workers. OK Wallet is acquiring payroll clients to offer this service.
- OK Wallet is working to collect membership fees payment of different organizations through OK Wallet account by developing a in-house solution "Membership Management System" (OK MMS).
- OK Wallet is currently working to incorporate IDTP channel for instant money transfer to banks, cards and other MFS.
- OK Wallet is working to introduce different utility services like WZPDCL, DESCO Prepaid, KGDCL, BPDB etc. to its' customers.
- OK Wallet is working to introduce different insurance company product purchase and premium payment facility like Surokkha Insurance, Metlife Premium Payment, CPP Insurance etc.
- OK Wallet is working to offer its' services to customers through other banks Agent Banking outlet like BRAC Bank, The City Bank, Modhumoti Bank, Mercantile Bank etc.

## Agent Banking Operation

Considering the importance of financial inclusion, ONE Bank has started its Agent Banking journey from November 2019. ONE Bank is one of the few banks which was able to commence its Agent banking operation within the stipulated time frame of Bangladesh Bank after receiving the approval.

The first outlet of the Bank "Intia Management" located at Nabarun Bazar, Jashore has commenced operation from November 05, 2019 and the bank ended the year 2020 with 65 outlets.



Inauguration of Agent Banking Outlet at Bosila Road, Mohammadpur, Dhaka

The Bank has both Master and Unit Agent Banking outlets, however, the number of unit Outlets occupied the majority of the share as the Bank mostly emphasized on quality Unit agent outlets. The Bank is also actively searching for prospective woman entrepreneurs to ensure participation of all segment of population.

### Characteristics of ONE BANK Agent Banking:

1. **Branch Tagging Module:** ONE Bank Limited Agent Banking outlets are tagged with nearest ONE BANK branch. All the activities like number of account, deposit, fund transfer etc. are reflected in the GLs of the respective tagged branch. This model encouraged the branches to take the ownership of the outlets and ensure regular visits to the outlets by the branch people. This mode of operation also helping the bank to mitigate risk at agent banking outlets and ensure harmony among branch and agent banking outlets.
2. **24/7 and 365 Days Service:** ONE BANK Agent Banking outlets can operate 24/7 and 365 days operation except End of Day time. This gives Agent banking clients an extra advantage for doing Banking. However, this is the outlet owners who decide the duration of banking after the regular transaction hour based on the demand of the clients of his/her locality.
3. **Regular Training:** Most of the Agent outlet entrepreneurs and users have no experience/ limited experience on Banking product, operation, compliance etc. from the banker's perspective before coming into Agent banking operation.

Considering this, the Bank arranges regular training through virtual platforms, as well as, with physical presence from Head Office and Branches for outlet owners and it's users. The aim of these trainings are to improve operational concept and service quality of the concerned users, so that, they can cater customer services adhering the compliance issues from agent banking outlets

4. **Individual Premises for Outlet:** In compliance with "Prudential Guidelines for Agent Banking Operation in Bangladesh" the bank established all the outlets in separate premises providing the ambience of a mini Branch comprising of Cash Counter, Customer Service Desk and Customer waiting seat etc. The Bank has so far used uniform Signboard and branding materials in all outlets.

### Current Services at ONE BANK Agent Banking Outlets:

The bank is working towards inclusion of all value added services into its Agent banking network. Presently the bank is rendering following services from it's Agent banking outlets:

- i. Facilitating Account Opening
- ii. Cash Deposit
- iii. Cash Withdrawal
- iv. Fund Transfer (Within Bank and through BEFTN)
- v. Inward Foreign Remittance Facilities
- vi. Debit card & Cheque book facilities
- vii. SMS and Internet Banking facilities
- viii. Passport Fees Collection
- ix. Bank Statement and Solvency Certificate etc.

## Directors' Report

### Upcoming services of ONE BANK Agent Banking:

- i. Insurance Premium Collection
- ii. Accommodating services for Branch clients at Agent banking outlets
- iii. Utility Bill Collection services through Agent banking outlets
- iv. Student fees collection
- v. Loan facility for Agent banking clients through Agent banking software (Currently Secured Overdrafts and other loan requests of the agent banking clients are accommodated from the Branches)

- vi. Tab based account opening and transaction facility
- vii. Islami Banking products for Agent banking clients if permission obtained from the concerned authority

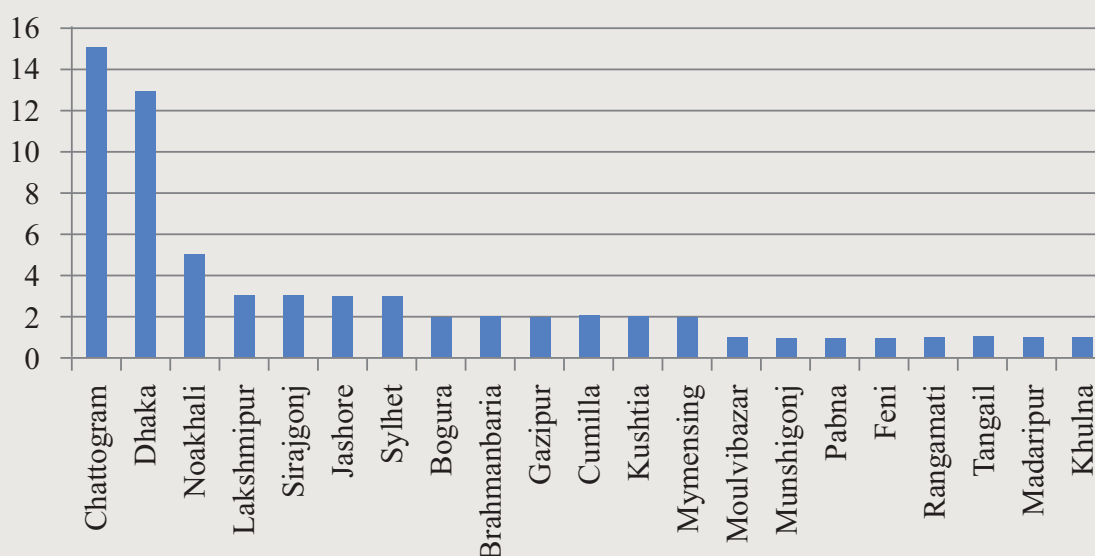
### District wise Presence of Existing Agent Banking Outlets:

As of close of the year December 31, 2020, the Bank is rendering its agent banking services from 65 Agent Banking outlets. So far the Bank has covered 6 Divisions and 21 Districts and is working to spread the service to other Divisions and Districts.

### Detailed Agent Banking coverage of ONE Bank is as follows:

| Sl. No. | District     | No. of Agent Banking Outlet(s) |
|---------|--------------|--------------------------------|
| 1       | Chattogram   | 15                             |
| 2       | Dhaka        | 13                             |
| 3       | Noakhali     | 5                              |
| 4       | Lakshmipur   | 3                              |
| 5       | Sirajgonj    | 3                              |
| 6       | Jashore      | 3                              |
| 7       | Sylhet       | 3                              |
| 8       | Bogura       | 2                              |
| 9       | Brahmanbaria | 2                              |
| 10      | Gazipur      | 2                              |
| 11      | Cumilla      | 2                              |
| 12      | Kushtia      | 2                              |
| 13      | Mymensing    | 2                              |
| 14      | Moulvibazar  | 1                              |
| 15      | Munshigonj   | 1                              |
| 16      | Pabna        | 1                              |
| 17      | Feni         | 1                              |
| 18      | Rangamati    | 1                              |
| 19      | Tangail      | 1                              |
| 20      | Madaripur    | 1                              |
| 21      | Khulna       | 1                              |

## District wise Presence of Outlets



## Off-Shore Banking Unit (OBU)

OBL has been offering Off-shore Banking facilities through 02 (two) Off-shore Banking Units (OBU) located in Gulshan, Dhaka and Agrabad, Chattogram. The total loans and advances of the OBU reached to USD 112.56 million equivalent to BDT 9,544.83 million as on December 31, 2020. In the year 2020, OBU made operating profit of USD 1.62 million equivalent to BDT. 137.30 million with a significant growth of 376.50%.

## 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

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

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

### A glimpse into the activities performed by OBL Human Resources during 2020:

#### A. Manpower

OBL's Human Resources are a mixture of OBL products recruited fresh & trained (on-the-job and off-the-job) and experienced professionals drawn from leading local and foreign banks. OBL believes that the fresh talents can bring in fresh ideas, perspectives and views at workplace whereas the matured professionals offer in-depth experience, expertise and problem solving skills. This combination of young and matured professionals has greatly helped OBL achieve its success over the years. The total number of full time regular employees of OBL increased to 2,425 by the year-end 2020 from 2,414 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.

#### C. Employee Training & 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 2020, a total of 306 (three hundred six) participants attended External trainings arranged by Bangladesh Bank Training Academy, Bangladesh Institute of Bank Management (BIBM) and other external agencies and 03 (three) employees attended trainings abroad prior to outbreak of COVID-19 pandemic.

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 trainings for updating and upgrading the employees through the Training Institute of the Bank (A detailed report is incorporated separately in this report) to provide quality services to our clients, individuals and institutions those we care for. During 2020, OBL Training Institute arranged in-house training for a total of 2,272 (two thousand two hundred seventy

two) participants on various soft skills development as well as core banking including Banking rules & regulations, laws and practices, Bank's policies, instructions etc. The trainings were conducted online.

#### 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 2020, the Board approved the "OBL Policy on Prevention, Prohibition and Redressal of Sexual Harassment." In addition 13 (Thirteen) regular class room trainings were also conducted.

#### 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 2020, 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 taking care that such transfers have not compromised their safety in the pandemic situation. Furthermore, the Bank strives to ensure that each employee avails at least 10 (ten) days of Mandatory Leave at a stretch during a year.

#### F. COVID Pandemic vis-à-vis Health and Safety of Human Resources

The focus on health, safety and well being of employees were heightened during the COVID-19 Pandemic. The Bank's Human Resources Division adopted a number of initiatives to minimize the risk of infection, break the chain of transmission and increase safety measures.

In keeping with the Government and the Bangladesh Bank's orders in the interest of safeguarding our employees and customers, we strictly followed, among other things, wearing masks, keeping safe distance by all, using sanitizers and washing hands with soap.

### 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



ONE Bank Limited arranged a Training Program on "Financial Skill Development for Youth towards Implementing Sustainable Development Goals" at ONE Bank's Training Institute

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 2020, 50 (Fifty) Training Programs were conducted by OBL Training Institute and 2,272 (Two thousand two hundred seventy two) Executives and Officers were trained in different banking trades and areas; out of which 19 (Nineteen) one-day Trainings were conducted on Prevention of Money Laundering and Combating Financing of Terrorism and 969 (Nine hundred sixty nine) Executives and Officers participated therein. In COVID 19 situation OBL Training institute has conducted 37 online training courses where number of participants were 1,750 (One thousand seven hundred and fifty); in addition to that 13 (thirteen) regular classroom training courses were also conducted where number of participants were 522 (Five hundred and twenty two).

In addition, 01 (One) Training on "Financial Skill Development of Youth towards implementing Sustainable Development Goal" was conducted for the university level students as per Bangladesh Bank's instructions; under Bank's CSR activities. A total of 39 (thirty nine) students of non-banking background participated in the Training.

## 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, 2020, the Bank had successfully established a network of 107 branches, including 41 in rural areas and 5 SME/Agriculture branches.

## Directors' Report

### The branches are located at:

#### Dhaka Zone:

Principal, Banani, Banasree, Bangshal, Basabo, Dhanmondi, Elephant Road, Gulshan, Imamgonj, Jagannathpur, Jatrabari, Bijoyanagar, 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, Gulshan North, Kathgora and Gulshan Islami Banking Branch.

#### Chattogram Zone:

Agrabad, CDA Avenue, Jubilee Road, Khatungonj, Sitakunda, Cox's Bazar, Nanupur Bazar, Rangamati, Raozan, Ranirhat, Chandgaon, Dovashi Bazar, Halihsahar, Boalkhali, Hathazari, Mithachara, Anderkilla, Anowara, Station Road, Chattogram EPZ, Bibirhat, Pahartali, Muradpur, Colonel Hat, Oxygen Moor, Padua, Bangabandhu Sheikh Mujib Shilpanagar and Agrabad Islami Banking Branch

#### Noakhali Zone:

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

#### 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 41 (forty one) 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, Araihaaz, Bhawal Mirzapur, Chowgacha, Bangabandhu Sheikh Mujib Shilpanagar and Kathgora

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 12 (twelve) more collection booths providing personalized service to valued customers. In 2020, Bank has converted total 03 (three) collection booths to Sub-Branches and established 06 (six) new Sub-Branches, i.e; total 20 (twenty) Sub-Branches have operated during the year.



Inauguration of OBL Sub-Branch at Kashimpur, Gazipur



An OBL financed Organic Vegetable Farm

In addition to the Branch network, the Bank has established a proprietary ATM network. Besides the Bank's 137 ATMs (104 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 some 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 Chattogram Stock Exchanges (DSE & CSE). The Registered Office of ONE Securities Limited is situated at 45, Dilkusha C.A. (4th Floor), Dhaka -1000. Its main office and branches are in Dhaka and Chattogram along with extension of main Office at Graphics Building, 9/G Motijheel C/A, 4th Floor, Dhaka - 1000 and at DSE Tower (Level - 9), Room # 165, Plot # 46, Road # 21, Nikunja - 2, Dhaka - 1229.

## 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.

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# Sustainable Finance



### Sustainable Finance

Given the global urgency for transition to a low-carbon economy and sustainable economic development, ONE Bank Limited has been 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 59 Nos borrowing clients posted in our system for review and compliance in 2020. 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 55 Green Products for financing under refinancing scheme. In 2020, 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. 253.36 crore in 2020. Last year, we have financed in Solar Tied Park, 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 107 branches/ SME centers, 137 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



ONE Bank's Executive Committee Chairman Mr. Zahur Ullah and Director Mr. Kazi Rukunuddin Ahmed handed over a cheque to the Honorable Prime Minister Sheikh Hasina as a donation to the Bangabandhu Sheikh Mujibur Rahman Memorial Trust on the eve of Celebrating 100<sup>th</sup> Birthday of Father of the Nation on January 05, 2020

- ▶ 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 244 employees in Green Financing issues in 2020.
- ▶ 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. 18.44 crore for CSR activities in the year 2020. Details of CSR activities undertaken by ONE Bank during the year are as below:

- Donation of Tk. 5,00,00,000/- (Taka five crore) only to Bangabandhu Memorial Trust for celebration of "Mujib Borsho".

## Directors' Report

- Financial assistance of Tk. 21,35,875/- (Taka twenty one lac thirty five thousand eight hundred seventy five) only to "PROTEEVA", a project of Jagorani Chakra Foundation for meeting its expenses for 1(one) year from January to December/2020 situated at Sreepur, Mohammadpur, Magura Sadar, Horinakunda, Sailkupa, Jhenaidah Sadar Under Magura & Jhenaidah Districts.
- Donation of Tk. 5,00,00,000/- (Taka five crore) only to Prime Minister's Relief & Welfare Fund for the flood affected people across the country.
- 50,000 pieces of blankets of Tk. 2,46,11,842/- (Taka two crore forty six lac eleven thousand eight hundred forty two) only donated to Prime Minister's Relief Fund for cold stricken people.
- Expenses of Tk. 32,842/- (Taka thirty two thousand eight hundred forty two) only incurred for arrangement of training for Financial Skill Development for Youth towards Implementing Sustainable Development Goals.
- 500 pcs of blankets of Tk. 2,46,120/- (Taka two lac forty six thousand one hundred twenty) only donated to Sri Sri Pronob Moth, Khulna.
- 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.
- OBL Scholarship of Tk. 71,56,000/- (Taka seventy one lac fifty six thousand) only to the poor but meritorious students across the country.
- Donation of Tk. 5,00,00,000/- (Taka five crore) only to Prime Minister's Relief Fund for procurement of Personal Protective Equipments (PPE) / Testing Kits / Respiratory Equipments etc. for treatment of COVID-19 patients.

## Risk Management

### 1. Introduction

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

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

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



ONE Bank Limited sponsored a Flower Exhibition at Rajshahi in February 2020



A Partial view of Virtual 7<sup>th</sup> Extraordinary General Meeting of ONE Bank Limited

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. Risk 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.

## 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.

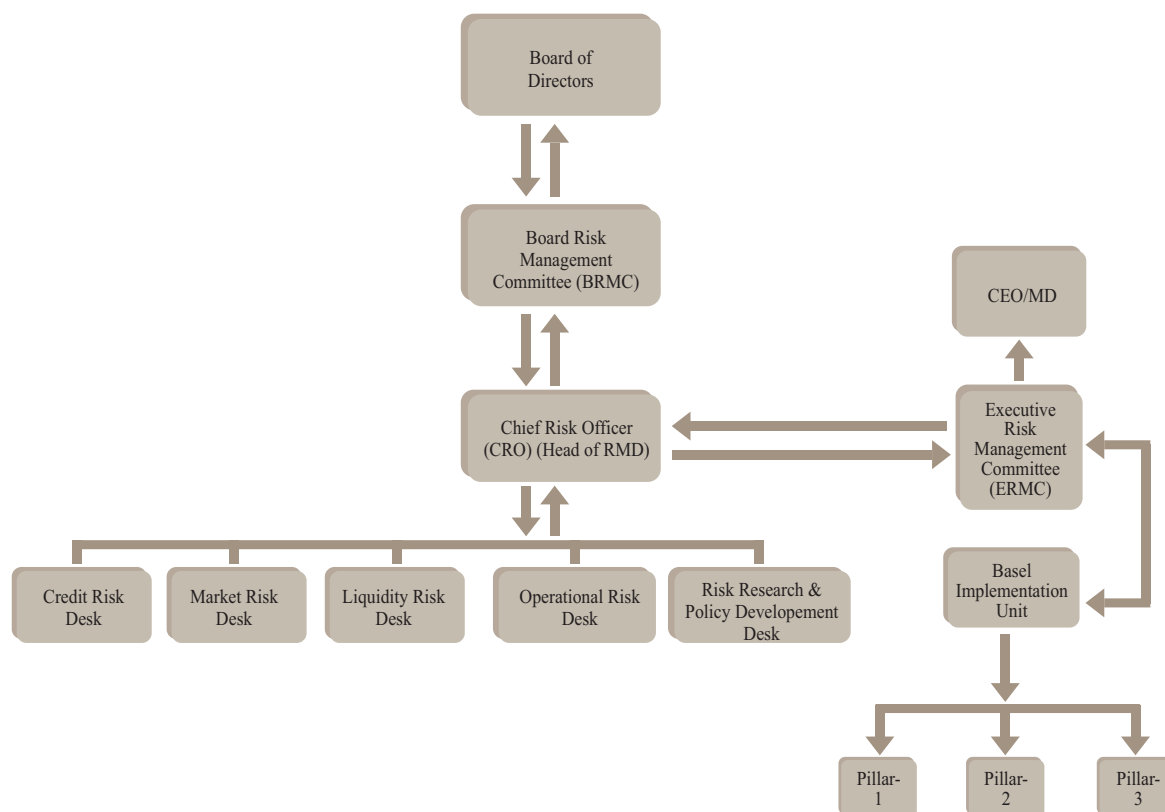
RMD is organized under the Chief Risk Officer (CRO) who is independent from the Bank's

## Directors' Report

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.

- ▶ 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.

### Executive Risk Management Committee (ERMC)

To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a strong risk management committee has been formed on December 02, 2015, which is headed by Chief Risk Officer (CRO). The Committee arranges meeting at least once in a month to review various risk related reports submitted by Risk Management Department. Risk Management Committee shall be responsible for managing all types of risk across the Bank.

The responsibilities of Risk Management Committee at management level include the following:

- ▶ Identify, measure and manage the Bank's existing and potential risks through detailed risk analysis.
- ▶ Hold the meeting at least once in a month based on the findings of risk reports and take appropriate decisions to minimize/control risks.
- ▶ Minimize/control risks through ensuring proper implementation of the decisions.
- ▶ Submit proposals, suggestions & summary of ERMC meetings to CEO, BRMC on regular basis.
- ▶ Implement the decisions of BRMC and Board meetings regarding risk issues.
- ▶ Assess requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading Senior Management and Board.
- ▶ Determine risk appetite, limits in line with strategic planning through threadbare discussions among the members.
- ▶ Handle "critical risks" (risks that require follow-up and further reporting).

### Risk Management Department (RMD)

OBL has an independent full-fledged risk management department which was formed on June 16, 2009 to assess risk management capacity of OBL. The Risk

Management Department (RMD) of OBL is headed by the Chief Risk Officer (CRO). It has separate desks within the risk management department for overseeing each key risk area. The main functions of the department include, but not limited to, the following:

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

The risk management function shall be functionally and hierarchically independent from business and other operation functions. The RMD manages and measures risks on the basis of the Bank's approved risk parameters independently in line with regulatory requirements. The role of RMD includes, but not limited to, the following:

- ▶ Collecting and analyzing data/information for identifying risks and making appropriate recommendations for risk mitigation
- ▶ Preparing risk management reports, arranging monthly meeting of 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

## Directors' Report

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

## 6. Risk Management Report

### Comprehensive Risk Management Report (CRMR)

Comprehensive Risk Management Report (CRMR) is prepared in accordance with Bangladesh Bank guidelines. It includes analysis of Credit, Market, liquidity, Operation, Reputation, Environmental, Money Laundering, Compliance and other risks of OBL. Comprehensive Risk Management Report

(CRMR) is submitted to Bangladesh Bank on half yearly basis for determination of risk rating of OBL. Risk Management Committee at Board and Management level also review these reports.

### 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



An OBL Financed Prawn Hatchery under SME

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 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.

With the quest to practice sound credit risk management, OBL has a standardized, fast and streamlined credit approval process. CRM unit heads and officials undertake thorough 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, Internal Credit Risk Rating and best practices in the banking industry.

Environmental & Social Risk Rating is also adopted in the approval process for our commitment to sustainable business and 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. 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

## Directors' Report

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 2020 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:

- trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer-driven foreign exchange transactions;
  - holding foreign currency positions in the banking book (e.g. in the form of loans, bonds, deposits or cross-border investments); or
  - 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.



ONE Bank Limited Inaugurated the 'Mujib Corner' on March 2020

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

### Equity Price Risk

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

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

### Liquidity Risk Management

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

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

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

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

### Liquidity Coverage Ratio (LCR):

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

### Net Stable Funding Ratio (NSFR):

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

### Leverage Ratio:

Basel III introduces a simple, transparent, non risk based Leverage Ratio to constrain excessive on and off-balance sheet leverage in the banking sector and supplement risk based capital requirements as a safeguard against model risk. The leverage ratio is calculated by dividing tier 1 capital with total exposure. Leverage ratio requires that the bank's high quality capital (Tier 1 capital) will be 3 percent of its total exposure. Exposure include on and off-balance sheet items.

ALCO meets at least once in every month to manage and control the liquidity risks. ALM desk of the treasury closely monitors and controls the liquidity

## Directors' Report

requirement on a daily basis by appropriate co-ordination of funding activities. Treasury determines the adequacy of the liquidity position by doing analysis based on the following factors:

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

Regulatory frame work of the bank's liquidity management has been formulated in compliance with BB core risk management guidelines and these include among others maintenance of SLR which in 13% and CRR 4.00% 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.

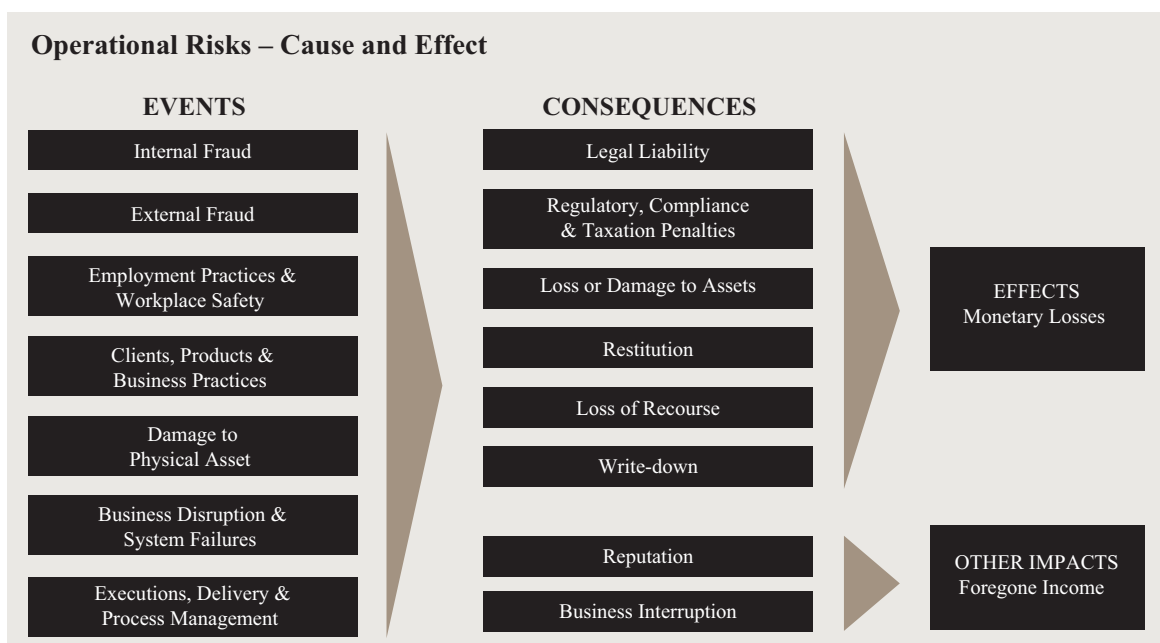
### Investments

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

The Bank had a total investment of Tk. 25,333.64 million in Government Treasury Bills, Treasury Bonds, Bangladesh Bank Bill and Prize Bond. In addition, the Bank made investment in shares and Subordinated Bond of different legal entities.

### 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.



An OBL Training on "Prevention of Money Laundering and Combating Financing of Terrorism" on February 2020

## Prevention of Money Laundering and Combating Financing of Terrorism

ONE Bank Limited as a reporting organization is subject to the AML & CFT laws. Considering Money Laundering (ML) and Terrorist Financing (TF) as one of the major threats to the stability and the integrity of financial system, and in response to national and international initiatives, ONE Bank Limited maintains its firm commitment not to let the unscrupulous people to use the Bank to launder their ill-gotten money or conduct their illegal activities.

In line with the requirement of the laws and regulatory instructions, the Bank accomplishes and maintains an effective AML & CFT program to keep the Bank risk free from Money Laundering and Terrorist Financing. The Bank follows "Four Pillars" theory in applying the program. These are:

- A system of internal Policy Guidelines, Procedure and Controls (first line of defense);
- A designated compliance function with a compliance officer (second line of defense);
- An independent audit functions to review and evaluate the overall effectiveness of the AML & CFT program (third line of defense);
- An ongoing employee training / awareness 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 2020.

The Bank has a Central Compliance Committee (CCC) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of Senior Executive Vice President, two Deputy Chief Anti Money Laundering Compliance officers and a dedicated Anti Money Laundering Division (AMLDD) having Certified Anti money Laundering Specialist (CAMS) at 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), Loan Based Money Laundering etc. 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.

## Basel III

Under the guideline of BASEL-III Implementation plan issued by Bangladesh Bank vide BRPD Circular no. 18, Dated December 21, 2014, all scheduled Banks are required to maintain adequate capital to cover all

## Directors' Report

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 capital including Capital Conservation Buffer @ 13.02% against the statutory requirement (with Conservation Buffer) of 12.50% as at December 31, 2020.

Under the Standardized Approach of the Risk Based Capital Adequacy Guidelines (RBCA) of Basel-III, counterparties' credit ratings are determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs) duly recognized by

Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. According to the Guidelines, the rated exposures of a bank will reduce the Risk Weights and the Regulatory Capital Requirement as well as create the room to expand the business of the bank. This will also enable the bank to assess the creditworthiness of the borrowers as well to an acceptable level.

To maintain adequate capital OBL has already issued three Subordinated Bonds i. e., (a) Subordinated Bond-1 of Tk. 220 crore issued on 26th December 2013 (qualifying amount as on 31st December, 2020 is nil), (b) Subordinated Bond-2 of Tk. 400 crore issued on 27th October 2016 (qualifying amount as on 31st December, 2020 is Tk. 160 crore) and (c) Subordinated Bond-3 of Tk. 400 crore issued in 2019(qualifying amount as on 31st December, 2020 is Tk. 400 crore). To strengthen the tier-1 capital, issuance of perpetual Bond of Tk. 400 crore is under process and a portion thereof Tk. 50 crore has already been issued by December 2020. The remaining portion of the perpetual bond will be issued hopefully very soon. As a result, OBL has been maintaining 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 2020 on corporate borrower's 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



ONE Bank Limited celebrated "Mujib Borsho"

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

## Income Details

### Interest Income

Interest Income of the Bank reduced by 15.82% to Tk. 19,661.12 million during 2020 compared to Tk. 23,355.89 million for the previous year. Interest income reduced mainly due to rate of interest on loans and advances has been decreased during the year 2020 and another reason for impact of COVID-19.

Interest expense is Tk. 16,266.41 million in 2020 as compared to Tk. 17,957.34 million for 2019 i.e., decreased by 9.42%. Interest expenses has been decreased compare to last year mainly due to declining trend of cost of deposit.

The Net Interest Income decreased by 37.12% (Tk. 3,394.71 million in 2020 as against Tk. 5,398.55 million in 2019).

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 and subordinated bonds of other legal entities. Income from such Investment is Tk. 2,710.03 million during the year against Tk. 1,874.46 million during 2019.

### Commission, Exchange and Brokerage Income

Earning from Commission, Exchange and Brokerage decreased by 20.97% (Tk. 1,122.15 million in 2020 against Tk. 1,419.85 million in 2019).

### Other Operating Income

Other operating income increased to Tk. 772.36 million during 2020 as compared to Tk. 641.85 million for the previous year.

### Total Operating Income

The total operating income stands at Tk. 7,999.25 million for 2020 as compared to Tk. 9,334.71 million for the previous year.

### Operating Expenses

Total operating expense was Tk. 5,074.26 million for the year 2020 compared to Tk. 5,211.76 million for previous year.

### Operating Profit

The Bank has earned an operating profit of Tk. 2,924.99 million in 2020 compared to Tk. 4,119.18 million in the year 2019.

### 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 8.60% of the Bank's total Loans and Advances as against 9.24% of the previous year.

### Net Profit

After providing for provision and taxes, the Net Profit of the Bank for the year 2020 was Tk. 1,313.02 million, compared to Tk. 1,659.85 million in the previous year.

### Dividend

The Net Profit of the Bank stood at Tk. 1,313.02 million as on December 31, 2020. After transfer of Tk. 348.35 million to Statutory Reserve, the amount

## Directors' Report

available for distribution was Tk. 964.67 million. The capital of the Bank is 13.02% of the Risk Weighted Asset at the year end. Thus, together with previous year's retained earnings of Tk. 685.88 million, total amount available for distribution to Shareholders is Tk. 1,650.56 million. The Board of Directors recommended 6% Cash Dividend and 5.50% Stock Dividend for the year 2020. Accordingly, an amount of Tk. 632.41 million will remain in the form of Retained Earnings.

### Balance Sheet

As on December 31, 2020, total Assets of the Bank (excluding contingent) was Tk. 303,516.86 million compared to Tk. 297,873.96 million of 2019. The growth thus recorded was 1.89%. Major Asset components were Loans and Advances (72.60%) followed by Investments (9.88%). Deposits constituted the major portion of the Bank's liability (80.08%). Contingent Liabilities were Tk. 63,852.70 million against Tk. 73,965.75 million for the previous year.

### Equity

The equity of the Bank increased to Tk. 16,946.73 million from Tk. 16,052.48 million registering an increase of 5.57%.

### Deposits

Deposits of the Bank grew by 0.61% during the year and stood at Tk. 229,484.57 million as at December 31, 2020 against Tk. 228,091.03 million as at December 31, 2019. The average cost of deposit for the year 2020 was 6.56%.

### Cash and Balances with Banks and Financial Institutions

Cash and Balances with Bangladesh Bank was Tk. 29,536.93 million as against Tk. 24,375.99 million in 2019, representing an increase of 21.17%. These funds are maintained to meet the Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) of the Bank. 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. 2,637.15 million as at December 31, 2020.

The Bank maintained sufficient balances equivalent to Tk. 4,387.09 million in foreign currency with correspondents outside Bangladesh to facilitate settlement of payments under Letter of Credit commitments.



ONE Bank Limited celebrated "Mujib Borsho"

# Financial Investments



## Directors' Report

### Financial Investments:

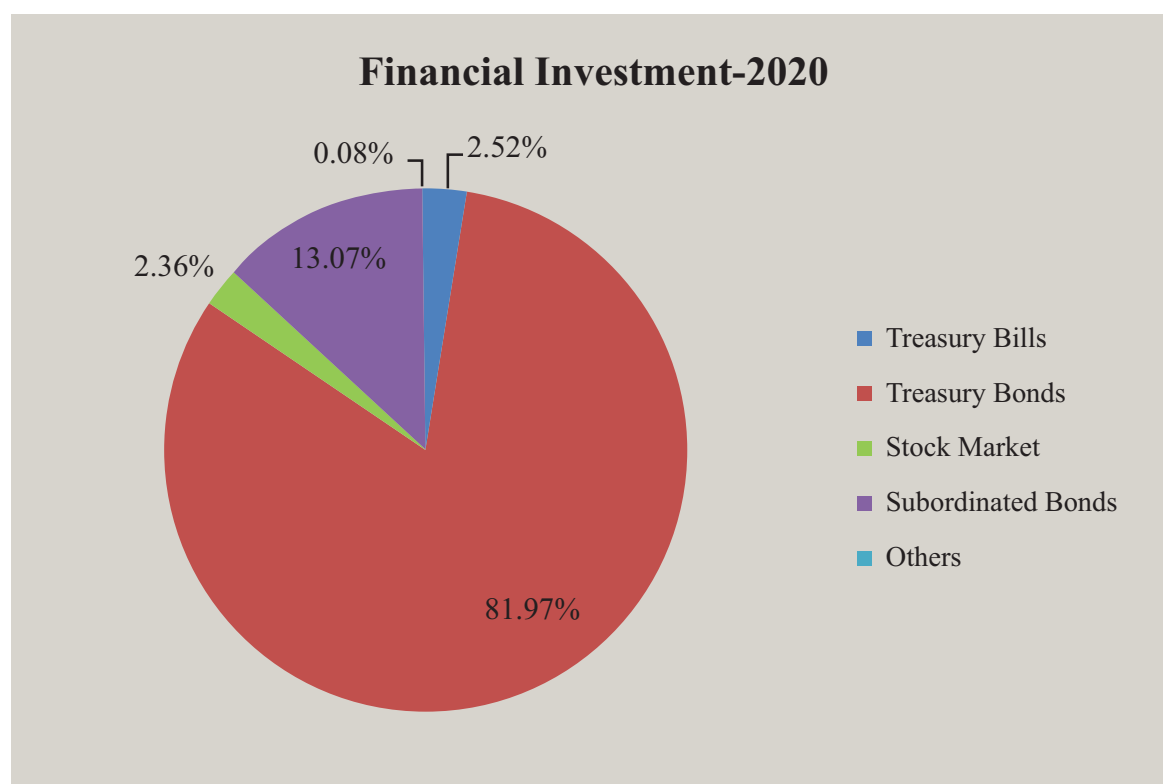
Total Investment of ONE Bank Limited as at December 31, 2020 stands at BDT 29,983.98 Million. Investment activities of the Bank mainly comprises Bangladesh Bank Treasury Bill & Bond for maintaining Statutory Liquidity Reserve (SLR) as per mandatory requirement of Bangladesh Bank.

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 20.14% as on December 31, 2020).

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

Figures in Million Taka

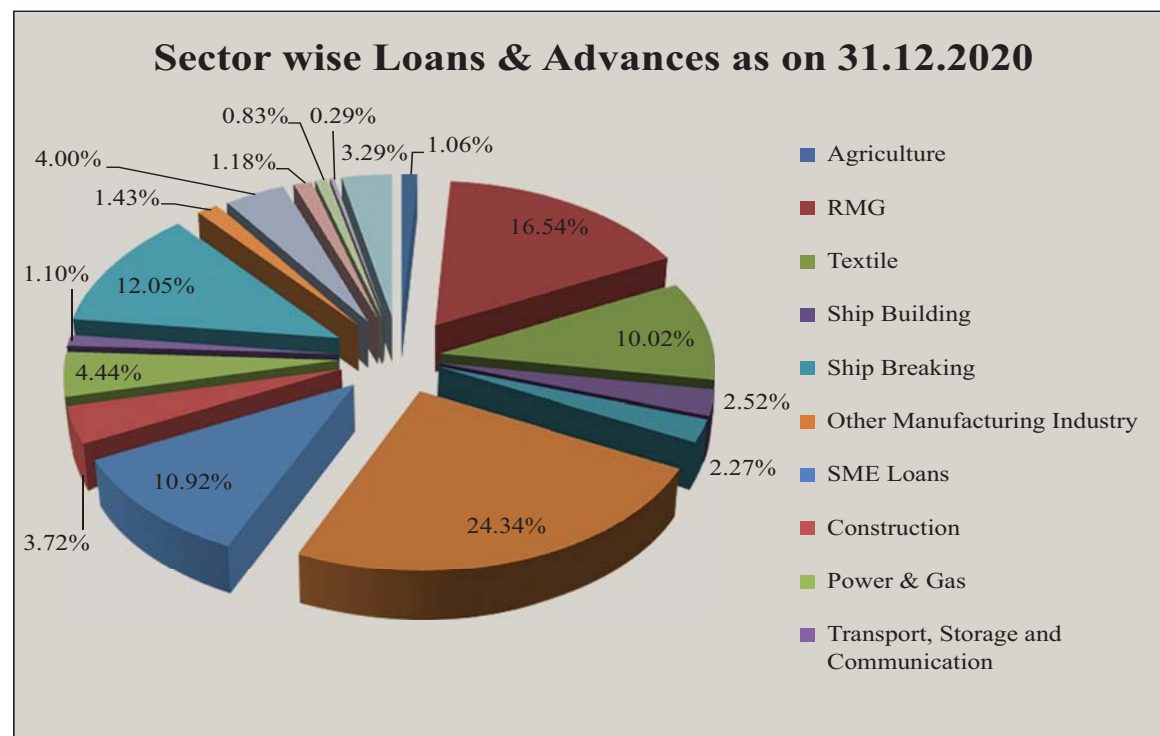
| Particulars                     | Position as on 31/12/2020 | Composition Percentage |
|---------------------------------|---------------------------|------------------------|
| <b>In Government Securities</b> |                           |                        |
| Treasury bills                  | 756.13                    | 2.52%                  |
| Treasury bonds                  | 24,577.51                 | 81.97%                 |
| Others                          | 22.70                     | 0.08%                  |
| <b>Other Investment</b>         |                           |                        |
| Stock Market                    | 707.64                    | 2.36%                  |
| Subordinated Bonds              | 3,920.00                  | 13.07%                 |
| <b>Total</b>                    | <b>29,983.98</b>          | <b>100.00%</b>         |



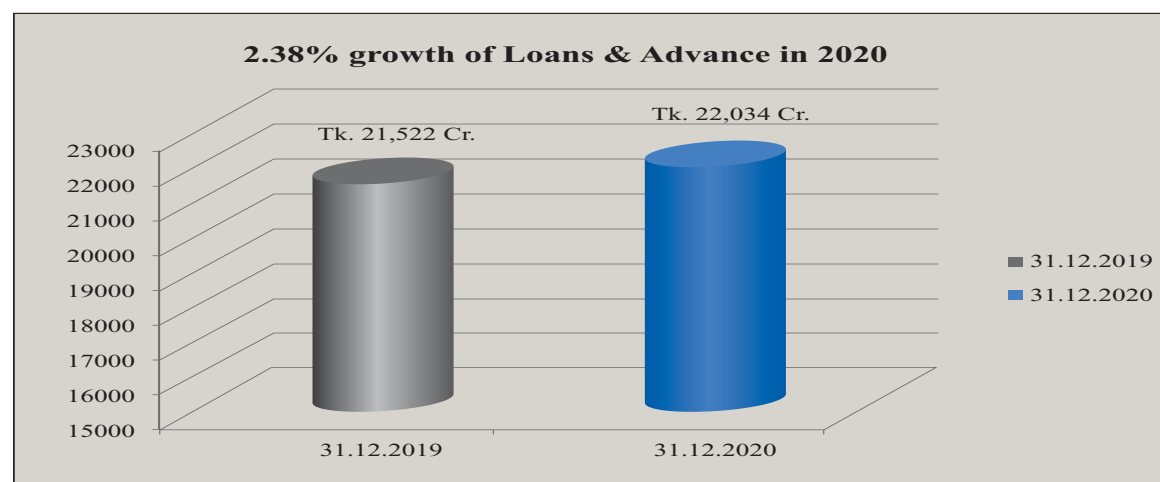
### Loans and Advances:

The Bank's total Loans and Advances stood at Tk.22,034.15 crore as on December 31, 2020 compared to Tk.21,522.78 crore at the end of 2019 showing a growth of 2.38% over the Covid-19 affected year of 2020. 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- Annexure-E
- ii. Significant contracts where Bank is a party and wherein Directors have interest during the year 2020: 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: As mentioned in SL# Viii
- v. Lending policies in respect of related party:
  - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2020:
    - i.) Lending to ONE Securities Limited amounting to Tk.6,768,097 from ONE Bank Limited, Kawran Bazar Branch for special investment account purpose bearing interest @ 7.00% per annum.
    - ii.) ONE Securities Limited maintains bank account with ONE Bank Limited of Tk. 404,275,107/=
    - iii.) ONE Investment Limited maintains deposit account with ONE Bank Limited of Tk.11,016,347/=.
    - iv.) ONE Bank Limited (OBL) maintains deposit account of Tk.130 Crore with Lanka Bangla Finance Limited and OBL has invested in share of Lanka Bangla Finance Limited of Tk. 12.24 Crore (Cost Value). OBL issued subordinated and

perpetual bond to Lanka Bangla Finance Limited of Tk. 80 Crore and Tk. 50 Crore respectively.

- 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: Provision maintained @ 1% on loan amount as per regulatory requirement.
- 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. Bank Guarantee amounting to Tk.84,000,000/= issued to ONE Securities Limited in favor of Dhaka Stock Exchange Ltd.
- viii. Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Company Act-1991 (as amended in 2018):
- ix. Investments in the Securities of Directors and their related concern: Nil

#### a) Lease Agreement made with the Directors

The Bank has hired a space of 11,562 sq. ft. from Shamah Enterprises Limited for storage facilities and 2,000 sq. ft for Contact Center at a rent of Tk. 0.47 million per month in where the balance of paid advance rent is Tk.5.05 million (Balance as on December 31, 2020). Mr. Zahur Ullah, Director of ONE Bank Limited is one of the directors of Shamah Enterprises Limited.



Agreement Signing for Revolving Refinance Scheme between Bangladesh Bank and ONE Bank Limited



ONE Bank Limited signed an Agreement with Jalalabad Gas Transmission & Distribution System Ltd.. (JGTDSL)

### 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 TierII Capital of the Bank. During the year 2020 the said Subordinated Bond outstanding balance is nil (i.e. fully redemption).

To meet Regulatory Capital Requirement for enhanced business activities, during the year 2016, ONE Bank Limited further issued Unsecured Non convertible Subordinated Bond of Tk. 4,000 million after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission.

The Subordinated Bond is counted towards Tier-II Capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin.

With the view to strength the capital base of the Bank, ONE Bank Limited again issued unsecured Non convertible 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.

To meet the CRAR and Tier-1 Ratio, ONE Bank Limited issued Perpetual bonds of Tk.500 million (a portion of Tk. 4,000 million as approved by regulatory authorities) by December 31, 2020. The remaining portion of Tk. 3,500 million will be issued very shortly.

### 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 permeeting attended as remuneration.

### Preparation of Financial Statementsby 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

## Directors' Report

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) and International Financial Reporting Standard (IFRS).

### 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 2020 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Bank Companies Act 1991, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994 and other applicable laws and regulations. The issue is better described in the opinion of the Auditors published in this report. The Bank has also complied with almost all the issues stated in the BSEC Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 issued on June 03, 2018.

### Internal Control and Compliance

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

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

compliance thereon, increase monitoring activities on Branches as well as different Divisions of CHQ;

- 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.

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

Operating profit has decreased compared to last year's mainly due to the effect of single digit rate of interest on loans and advances and the outbreak of COVID-19 during the year 2020.

#### 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 2020

Figures in Million Taka

| Sl No | Particulars                             | 2020    | 2019    | 2018    | 2017    | 2016    |
|-------|---|---------|---------|---------|---------|---------|
| 1     | Authorized Capital                      | 10,000  | 10,000  | 10,000  | 10,000  | 10,000  |
| 2     | Paid up Capital                         | 8,853   | 8,432   | 7,665   | 7,300   | 6,637   |
| 3     | Shareholders' equity                    | 16,947  | 16,052  | 14,392  | 14,109  | 12,916  |
| 4     | Statutory Reserve                       | 6,431   | 6,082   | 5,572   | 5,104   | 4,435   |
| 5     | Total Capital (Tier-1 + Tier-2 Capital) | 25,951  | 24,977  | 23,196  | 21,366  | 20,309  |
| 6     | Total Assets                            | 303,517 | 297,874 | 266,050 | 227,202 | 188,241 |
| 7     | Total Deposits                          | 229,485 | 228,091 | 202,546 | 182,675 | 153,428 |
| 8     | Total Loans & Advances                  | 220,342 | 215,228 | 198,909 | 170,393 | 132,084 |
| 9     | Total Investment                        | 29,984  | 33,728  | 28,724  | 26,144  | 28,049  |
| 10    | Import business handled                 | 103,742 | 130,548 | 137,904 | 150,633 | 127,067 |
| 11    | Export business handled                 | 81,118  | 99,496  | 94,797  | 93,806  | 67,483  |
| 12    | Guarantee business handled              | 12,408  | 14,813  | 19,297  | 15,673  | 10,240  |
| 13    | Total Contingent Liabilities            | 63,853  | 73,966  | 81,651  | 73,062  | 70,895  |
| 14    | Total Operating Income                  | 7,999   | 9,331   | 10,214  | 9,575   | 8,222   |
| 15    | Total Operating Expenses                | 5,074   | 5,212   | 4,829   | 4,471   | 3,946   |
| 16    | Profit before provision                 | 2,925   | 4,119   | 5,385   | 5,105   | 4,275   |
| 17    | Provision for loans and other assets    | 1,183   | 1,568   | 3,043   | 1,760   | 1,329   |
| 18    | Profit after provision and before taxes | 1,742   | 2,551   | 2,342   | 3,345   | 2,946   |
| 19    | Provision for taxation                  | 429     | 891     | 949     | 1,163   | 886     |
| 20    | Net profit after taxation               | 1,313   | 1,660   | 1,393   | 2,181   | 2,061   |

Figures in Taka/Percentage

| Sl No | Particulars   | 2020   | 2019   | 2018   | 2017   | 2016   |
|-------|---|--------|--------|--------|--------|--------|
| 1     | Earnings per Share  | 1.48   | 1.97   | 1.82   | 2.99   | 3.10   |
| 2     | Price Earning Ratio (Times)                                     | 7.15   | 5.23   | 8.25   | 8.03   | 5.89   |
| 3     | Net Asset Value per share                                       | 19.14  | 19.04  | 18.78  | 19.33  | 19.46  |
| 4     | Return on Assets  | 0.44%  | 0.59%  | 0.56%  | 1.05%  | 1.20%  |
| 5     | Return on Investment  | 8.51%  | 6.00%  | 6.88%  | 8.26%  | 7.58%  |
| 6     | Capital Adequacy Ratio  | 13.02% | 12.80% | 11.93% | 11.56% | 13.89% |
| 7     | Tier - 1 (Capital)  | 8.70%  | 8.18%  | 7.37%  | 7.60%  | 8.72%  |
| 8     | Credit Deposit Ratio  | 85.33% | 83.88% | 83.59% | 84.57% | 83.87% |
| 9     | Percentage of classified loans against total loans and advances | 8.60%  | 9.24%  | 7.05%  | 5.31%  | 4.93%  |
| 10    | Dividend  |        |        |        |        |        |
|       | Cash  | 6.00%  | 5.00%  |        | 15.00% | 13.00% |
|       | Stock   | 5.50%  | 5.00%  | 10.00% | 5.00%  | 10.00% |

| Sl No | Particulars         | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------|---------------------|------|------|------|------|------|
| 1     | Number of Branches  | 107  | 103  | 99   | 95   | 87   |
| 2     | Number of Employees | 2425 | 2414 | 2239 | 2101 | 2028 |

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 6% Cash and 5.5% Stock Dividends for the year 2020.

**No. of Meetings of the Board of Directors held & Attendance of the Directors in the Meetings during 2020**

| <b>Name of the Directors</b>               | <b>Directors present in the Meeting</b> | <b>Directors absent in the Meeting</b> | <b>Total No. of Meetings held</b> |
|--|---|--|-----------------------------------|
| Mr. A. S. M. Shahidullah Khan              | 12                                      | 1                                      | 13                                |
| Mr. Asoke Das Gupta                        | 8                                       | 5                                      | 13                                |
| Mr. Zahur Ullah                            | 12                                      | 1                                      | 13                                |
| Mr. Kazi Rukunuddin Ahmed                  | 10                                      | 3                                      | 13                                |
| Mr. Shawket Jaman                          | 11                                      | 2                                      | 13                                |
| Mr. Syed Nurul Amin                        | 8                                       | 5                                      | 13                                |
| Mr. Salahuddin Ahmed                       | 8                                       | 5                                      | 13                                |
| Mr. M. Fakhrul Alam<br>(Managing Director) | 13                                      | 0                                      | 13                                |

## Directors' Report

### No. of Meetings of the Executive Committee held & Attendance of the Directors in the Meetings during 2020

| Name of the Directors                       | Directors present in the Meeting | Directors absent in the Meeting | Total No. of Meetings held |
|---|----------------------------------|---------------------------------|----------------------------|
| Mr. Zahur Ullah                             | 11                               | 0                               | 11                         |
| Mr. Asoke Das Gupta                         | 8                                | 3                               | 11                         |
| Mr. A. S. M. Shahidullah Khan               | 3                                | 8                               | 11                         |
| Mr. M. Fakhurul Alam<br>(Managing Director) | 11                               | 0                               | 11                         |

### No. of Meetings of the Audit Committee held & Attendance of the Directors in the Meetings during 2020

| Name of the Directors         | Directors present in the Meeting | Directors absent in the Meeting | Total No. of Meetings held |
|-------------------------------|----------------------------------|---------------------------------|----------------------------|
| Mr. A. S. M. Shahidullah Khan | 3                                | 2                               | 5                          |
| Mr. Syed Nurul Amin           | 3                                | 2                               | 5                          |
| Mr. Shawket Jaman             | 5                                | 0                               | 5                          |
| Mr. Kazi Rukunuddin Ahmed     | 2                                | 3                               | 5                          |
| Mr. Salahuddin Ahmed          | 3                                | 2                               | 5                          |

### No. of Meetings of the Risk Management Committee held & Attendance of the Directors in the Meetings during 2020

| Name of the Directors | Directors present in the Meeting | Directors absent in the Meeting | Total No. of Meetings held |
|-----------------------|----------------------------------|---------------------------------|----------------------------|
| Mr. Asoke Das Gupta   | 3                                | 1                               | 4                          |
| Mr. Zahur Ullah       | 3                                | 1                               | 4                          |
| Mr. Syed Nurul Amin   | 2                                | 2                               | 4                          |
| Mr. Shawket Jaman     | 1                                | 3                               | 4                          |
| Mr. Salahuddin Ahmed  | 3                                | 1                               | 4                          |

## Shareholding Pattern

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

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

| Sl No | Name   | Status  | No. of Shares | Spouse & Minor Children       | No. of Shares |
|-------|--|---|---------------|-------------------------------|---------------|
| 1     | Mr. Abu Saleh Mohammad Shahidullah Khan      | Chairman, Representing, KSC Securities Ltd                  | 17,924,519    | Dr. Naila Khan                | Nil           |
| 2     | Mr. Asoke Das Gupta                          | Vice Chairman   | 17,782,348    | Ms. Rakhi Das Gupta           | 19,02,545     |
| 3     | Mr. Zahur Ullah                              | Director  | 24,278,244    | Ms. Salma Zahur               | 28,430,863    |
| 4     | Mr. Kazi Rukunuddin Ahmed                    | Director, Representing , Irfan International Ltd.           | 17,707,605    | Mrs. Dilruba Ahmed            | Nil           |
| 5     | Mr. Shawket Jaman                            | Director, Representing , M. R. Holdings and Securities Ltd. | 17,755,304    | Mrs. Shuraya Akther           | Nil           |
| 6     | Mr Syed Nurul Amin                           | Independent Director  | Nil           | Ms. Nurunnahar Begum          | Nil           |
| 7     | Mr. M. Fakhurul Alam                         | Managing Director   | Nil           | Mrs. Selina Alam              | Nil           |
| 8     | Mr. John Sarkar                              | DMD & Company Secretary                                     | Nil           | Ms. Josephine Sarkar          | Nil           |
|       |  |   |               | Timothy Carol Sarkar          | Nil           |
| 9     | Mr. Ashraful Haq Amin (Expired on 7-12-2020) | EVP & Chief Financial Officer                               | Nil           | Mrs. Kazi Naeema Binte Faruky | Nil           |
|       |  |   |               | Aymanul Haq Amin              | Nil           |
|       |  |   |               | Ayeshah Amin                  | Nil           |
| 10    | 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. John Sarkar        | DMD    | Nil           |
| 3       | Ms. Rozina Aliya Ahmed | ADMD   | 319           |
| 4       | Mr. A.B.M. Saif Sarwar | ADMD   | 7,132         |
| 5       | Mr. Md. Kamruzzaman    | EVP    | Nil           |

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

## Appointment / Re-appointment of Directors

The issue is discussed in the Director's Profile.

## Audit Committee's Report

The First Audit Committee of the Bank was constituted by its Board of Directors in its 60<sup>th</sup> 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 319<sup>th</sup> Meeting held on October 15, 2020 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. Kazi Rukunuddin Ahmed | Director             | Member                  |
| 03.     | Mr. Shawket Jaman         | Director             | Member                  |

The Company Secretary acts as the Secretary of the Committee.

During the year 2020, the Audit Committee held 5 (five) meetings in which, the following issues, among others, were reviewed and discussed:

1. External Audit Report of the Bank and recommendation made thereon.
2. Bangladesh Bank Comprehensive Inspection Report and recommendation made thereon.
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



## Corporate Office:

📍 : House # 15, Road # 12, Block # F, Niketon  
Gulshan-1, Dhaka-1212, Bangladesh.  
☎ : +88 (02) 8836015-7 📠 : +88 016 8112 6120  
✉ : hfc@hfc-bd.com 🌐 : www.hfc-bd.com

## Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

### 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, 2020. 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:

- 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;
- 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;
- 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
- The Governance of the company is satisfactory.

Place: Dhaka;  
Dated: May 27, 2021

For Hussain Farhad & Co., Chartered Accountants

Asifur Rahman FCA, ACS  
Partner



## Chittagong Office:

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# Corporate Governance

## Annexure-C

[As per condition No. 1(5)(xxvii)]

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 |
|---------------------------|--|-----------------------------------|--------------|---------|
|                           |  | (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.<br><br>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  | √                                 |              | -       |
|                           | (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  | √                                 |              | -       |

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|   | (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   | √ |  | -              |
|   | (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.<br><br>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].<br><br>Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994. | √ |  | -              |
| <b>1.3 Qualification of Independent Directors</b> | (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   | √ |  | -              |
|   | (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 |

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|  | (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   |
| <b>1.4 Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b> | (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 non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minute   | √ |  | -   |
| <b>1.5 The Directors' Report to Shareholders</b>   | 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):  |   |  |   |
|  | (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)   |   |  | Not Applicable as no extraordinary gain or loss occurred in this financial year |
|  | (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  | √ |  | -   |

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|  | (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   | √ |  | -  |
|  | (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 years dividend has been recommended in the Board Meetings for approval in the upcoming AGM |

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|  | (xxi) Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend  | √ |  | -  |
|  | (xxii) The total number of Board meetings held during the year and attendance by each director   | √ |  | -  |
|  | (xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:   |   |  |  |
|  | (a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)   | √ |  | -  |
|  | (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)   | √ |  | -  |
|  | (c) Executives   | √ |  | -  |
|  | (d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)  |   |  | Not applicable as "Nil" in Directors' Report |
|  | (xxiv) In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:   |   |  |  |
|  | (a) a brief resume of the directors  | √ |  | -  |
|  | (b) nature of his or her expertise in specific functional areas  | √ |  | -  |
|  | (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 <b>Annexure-A</b>   | √ |  | -  |

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|   | (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 <b>Annexure-B</b> and <b>Annexure-C</b>   | √ |  | -              |
| <b>1.6 Meetings of the Board of Directors</b>   | 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 | √ |  | -              |
| <b>1.7 Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>   | (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 |
| <b>2.00 Governance of Board of Directors of Subsidiary Company</b>  |   |   |  |                |
|   | (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   | √ |  | -              |
| <b>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)</b> |   |   |  |                |
| <b>3.1 Appointment</b>  | (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   | √ |  | -              |

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|  | (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 2020 |
| <b>3.2 Requirement to attend Board of Directors' Meetings</b>  | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:<br>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. | √ |  | -  |
| <b>3.3 Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b> | (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.   | √ |  | -  |
| <b>4.00 Board of Directors' Committee</b>  |   |   |  |  |
|  | For ensuring good governance in the company, the Board shall have at least following sub-committees:  |   |  |  |
|  | (i) Audit Committee;  | √ |  | -  |
|  | (ii) Nomination and Remuneration Committee  |   |  | Not Applicable   |
| <b>5.00 Audit Committee</b>  |   |   |  |  |
| <b>5.1 Responsibility to the Board of Directors.</b>   | (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   | √ |  | -  |

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|  | (c) The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.  | √ |  | -           |
| <b>5.2 Constitution of the Audit Committee</b> | (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 |   |  | 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   | √ |  | -           |
| <b>5.3 Chairperson of the Audit Committee</b>  | (a) The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director  | √ |  | -           |
|  | (b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes   | √ |  | -           |
|  | (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.   | √ |  | -           |
| <b>5.4 Meeting of the Audit Committee</b>      | (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;  | √ |  | -           |

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|   | (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.  | √ |  | -  |
| <b>5.5 Role of Audit Committee</b>          | The Audit Committee shall:   |   |  |  |
|   | (a) Oversee the financial reporting process;   | √ |  | -  |
|   | (b) monitor choice of accounting policies and principles   | √ |  | -  |
|   | (c) monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report   | √ |  | -  |
|   | (d) oversee hiring and performance of external auditors  | √ |  | -  |
|   | (e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;  | √ |  | -  |
|   | (f) review along with the management, the annual financial statements before submission to the Board for approval  | √ |  | -  |
|   | (g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;  | √ |  | -  |
|   | (h) review the adequacy of internal audit function;  | √ |  | -  |
|   | (i) review the Management's Discussion and Analysis before disclosing in the Annual Report;  | √ |  | -  |
|   | (j) review statement of all related party transactions submitted by the management   | √ |  | -  |
|   | (k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;   | √ |  | -  |
|   | (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. |
| <b>5.6 Reporting of the Audit Committee</b> | <b>(a) Reporting to the Board of Directors</b>   |   |  |  |

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|  | (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 there have been no such occurrence as per provided documents   |
|  | (b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements  |   |  | Do   |
|  | (c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations  |   |  | Do   |
|  | (d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;  |   |  | Do   |
|  | <b>(b) Reporting to the Authorities</b><br>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 |
| <b>5.7 Reporting to the Shareholders and General Investors</b> | 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   |
| <b>6.00 Nomination and Remuneration Committee (NRC)</b>        |  |   |  |  |
| <b>6.1 Responsibility to the Board of Directors</b>            | (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   |
| <b>6.2 Constitution of the NRC</b>                             | (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   |

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|                                   | (c) Members of the Committee shall be nominated and appointed by the Board  |  |  | Do |
|                                   | (d) The Board shall have authority to remove and appoint any member of the Committee  |  |  | Do |
|                                   | (e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;  |  |  | Do |
|                                   | (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 |
| <b>6.3 Chairperson of the NRC</b> | (a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director   |  |  | Do |
|                                   | (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:<br>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 |
| <b>6.4 Meeting of the NRC</b>     | (a) The NRC shall conduct at least one meeting in a financial year  |  |  | Do |
|                                   | (b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC  |  |  | Do |
|                                   | (c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)  |  |  | Do |
|                                   | (d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.  |  |  | Do |

# Corporate Governance

|  |   |   |  |    |
|--|---|---|--|----|
| <b>6.5 Role of the NRC</b>                 | (a) NRC shall be independent and responsible or accountable to the Board and to the shareholders.   |   |  | Do |
|  | (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;  |   |  | Do |
|  | (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 |
| <b>7.00 External or Statutory Auditors</b> |   |   |  |    |
|  | (1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely   |   |  |    |
|  | (i) appraisal or valuation services or fairness opinions  | √ |  | -  |
|  | (ii) financial information systems design and implementation;   | √ |  | -  |
|  | (iii) book-keeping or other services related to the accounting records or financial statements  | √ |  | -  |
|  | (iv) broker-dealer services;  | √ |  | -  |
|  | (v) actuarial services;   | √ |  | -  |
|  | (vi) internal audit services or special audit services  | √ |  | -  |
|  | (vii) any service that the Audit Committee determines   | √ |  | -  |
|  | (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  | √ |  | -  |

# Corporate Governance

|  |  |   |  |   |
|--|--|---|--|---|
|  | (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:<br>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.  | √ |  | - |
| <b>8. Maintaining a website by the Company</b>             |  |   |  |   |
|  | (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)  | √ |  | - |
| <b>9. Reporting and Compliance of Corporate Governance</b> |  |   |  |   |
|  | (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.  | √ |  | - |

**Annexure-A****[As per condition No. 1(5)(xxvi)]****Declaration of MD and CFO**

Date: 28 March 2021

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 2020.**

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 2020 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 2020 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

**M. Fakhrul Alam**  
Managing Director**Pankoj Suter, FCA**  
In-Charge, Finance Division

# OBL Dividend Policy

**Preamble:** OBL Dividend policy is the strategy that the Bank follows in deciding the amount of dividends, ensure a steady/ regular dividend payout every year, possible tax advantage, support for stock price, flexibility, offsetting dilution effect and financial leverage, depending on Profitability, Growth, Free cash flow and Past dividends. It is a trade off between retained earnings on the one hand paying out cash on the other hand.

Different types of dividend i.e., cash, stock & mix dividends policy are prevailing at present in the Banking industries. Considering the regulators requirement as well as shareholders' expectation (a) a few banks are following cash dividend, (b) a few banks are following stock dividend but (c) maximum banks are following mix dividend policy i.e., both stock and cash dividends in even or uneven ratio.

**Core Policy of OBL:** Dividend policy of ONE Bank limited is devised taking into account the long, medium and short term impacts on the shareholders' value, stock price cum shareholders' perception and local legislations and so on. It primarily focuses on:

- 1. Capital Base:** Stock Dividend enhances the Capital Base and strengthens bank's capacity. ONE Bank Ltd. pursues a policy of continued enhancement of the Capital Base.
- 2. Reinvestment:** Stock Dividend is the best source of fund and as such one of the most potential sources of liquidity.
- 3. Dilution of EPS:** Stock Dividend enhances number of shares which results in dilution of EPS, thus barring the growth of EPS. Considering this, the Bank will strive to strike a balance between issuance of stock & cash dividends to maintain a steady growth in EPS.
- 4. Shareholders Expectation:** Shareholders prefer immediate payout / Cash Dividend. Cash Dividend generates high return on investment in comparison with Stock Dividend if the market value and face value of shares are similar or closure to each other.

## Regulatory Requirements:

- 1. Regulator directives:** Regulators encourage Cash Dividend. As such, there is a regulatory obligation for paying more Cash Dividend. The provisions of two regulators are quoted here-
  - i. BSEC-**As per Order of BSEC vide letter no SEC/CMRRCD/2009-193/08, dated September 01, 2020 any listed company shall be shifted or transferred to the "Z- category" immediately if the issuer fails to declare cash dividend for a period of 2 (Two) consecutive years from the date of the declaration of last year.
  - ii. ITO 1984-**As per section 16(F) of ITO 1984, Cash Dividend Ratio will be higher or equal to the ratio of Stock Dividend, otherwise 10% Tax to be paid on whole amount of Stock Dividend.

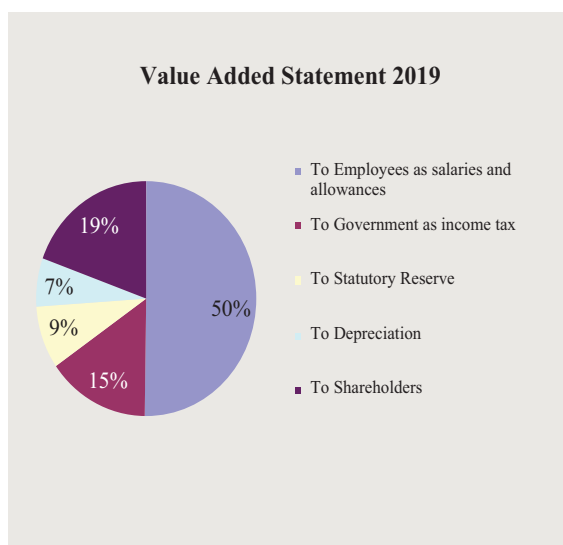
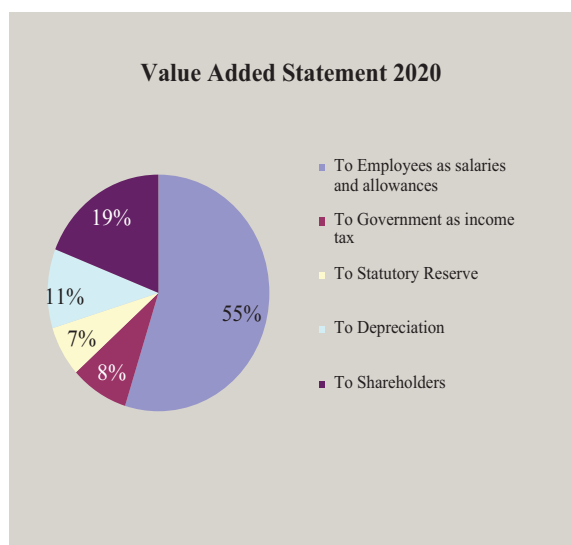
**Conclusion:** ONE Bank Limited will follow stable/regular and hybrid/mix dividend policy i.e. in fusing cash and stock dividends in compliance with the circulars/notifications/directives of Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC) and/or other regulators/Authorities.

The issuance of Dividends will be finally approved in AGM before disbursement.

# 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                              | 2020<br>Taka         | 2019<br>Taka         |
|--|----------------------|----------------------|
| Income from banking Service              | 24,265,660,282       | 27,288,282,268       |
| Less: Cost of services and supplies      | (18,007,201,086)     | (19,803,653,716)     |
|  | <b>6,258,459,196</b> | <b>7,484,628,552</b> |
| Loan loss provision and other provisions | (1,183,244,041)      | (1,567,881,560)      |
| <b>Total Value Added</b>                 | <b>5,075,215,155</b> | <b>5,916,746,992</b> |



|   | 2020 (Taka)          | Percentage (%) | 2019 (Taka)          | Percentage (%) |
|---|----------------------|----------------|----------------------|----------------|
| <b>Distribution of added value</b>      |                      |                |                      |                |
| To Employees as salaries and allowances | 2,784,970,131        | 55%            | 2,971,187,574        | 50%            |
| To Government as income tax             | 428,725,142          | 8%             | 891,455,787          | 15%            |
| To Statutory Reserve                    | 348,349,510          | 7%             | 510,260,561          | 9%             |
| To Depreciation                         | 548,497,474          | 11%            | 394,256,613          | 7%             |
| To Shareholders                         | 964,672,898          | 19%            | 1,149,586,457        | 19%            |
| <b>Total</b>                            | <b>5,075,215,155</b> | <b>100%</b>    | <b>5,916,746,992</b> | <b>100%</b>    |

## 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 2020. The summary of the rating is presented below:

| Date of Declaration | Valid Till    | Long Term Rating | Short Term Rating |
|---------------------|---------------|------------------|-------------------|
| March 10, 2021      | March 9, 2022 | AA               | ST-2              |
| March 10, 2020      | March 9, 2021 | AA               | ST-2              |

### Long Term AA means:

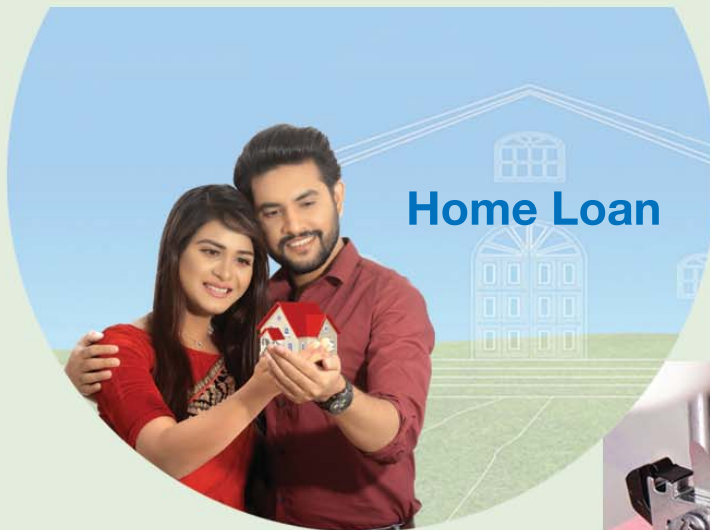
Commercial Banks rated AA have very strong capacity to meet their financial commitments and is generally in a position to withstand adverse developments in the economy, business and other external conditions. These institutions typically possess a good track record and have no readily apparent weaknesses.

### 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.

# Why Dream?

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



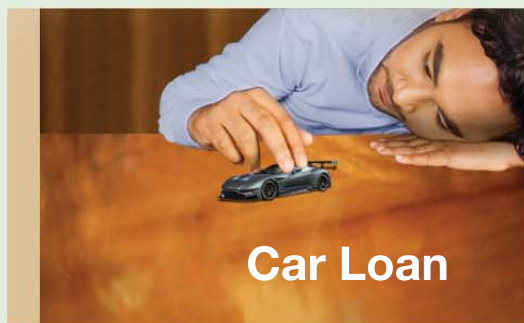
**Home Loan**



**OBL Romoni**

**SME LOAN**

... the magic-wand to your success



**Car Loan**



**Student Loan**



**Personal Loan**

**ONE Bank**  
**Loan Schemes**

# Disclosures on Risk Based Capital Basel-III



|                                   | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Variance |
|-----------------------------------|------------------------|------------------------|--------------------------|
| Receipts                          | 72,422.83              | 74,146.78              | (1,723.95)               |
| Program Revenue & Other Income    | 12,422.83              | 15,000.00              | (2,577.17)               |
| Gifts/Donations-Will/Bequests     | 175.51                 | 650.00                 | (474.49)                 |
| Endraising - Net                  | 185.74                 | 600.00                 | (414.26)                 |
| Interest & Dividend Income        | 61.00                  | 600.00                 | (539.00)                 |
| Other Operating Revenue           | 1,590.00               | 1,590.00               | 0.00                     |
| Total Operating Revenue           | 4,981.25               | 4,600.00               | 381.25                   |
| Operating Expenses                | 79,351.10              | 81,230.78              | (1,879.68)               |
| Salaries & Benefits               | 53,716.50              | 54,924.96              | (1,208.46)               |
| Property Taxes                    | 1,527.70               | 1,546.70               | (19.00)                  |
| Other Programs                    | 53,716.50              | 54,924.96              | (1,208.46)               |
| Utilities & Interest              | 1,527.70               | 1,546.70               | (19.00)                  |
| Supplies/Expenses                 | 651.00                 | 640.00                 | 11.00                    |
| Inventory Expenses                | 913.74                 | 1,500.00               | (586.26)                 |
| Building & Maintenance Exp.       | 2,665.62               | 2,665.62               | 0.00                     |
| Services/Outsourcing              | 0.00                   | 0.00                   | 0.00                     |
| Maculate Conception School Assets | 4,132.82               | 3,666.47               | 466.35                   |
| Other Operating Expenses          | 0.00                   | 0.00                   | 0.00                     |
| Purchase Discounts-Operating      | 0.00                   | 500.00                 | (500.00)                 |
| Donations/Gifts Other Entities    | 79,533.03              | 81,468.91              | (1,935.88)               |
| Total Operating Expenses          | (181.93)               | (238.13)               | 56.20                    |
| Net Operating Revenue             | 70,936.97              | 0.00                   | 70,936.97                |
| Non-Operating Revenue             | 828.53                 | 0.00                   | 828.53                   |
| Capital Fund Income               | 83,484.11              | 0.00                   | 83,484.11                |
| Risk Share - PIF Capital          | 200.00                 | 0.00                   | (1,905.50)               |
| Total Non-Operating Revenue       | 83,684.11              | 0.00                   | (1,905.50)               |
| Operating Expenses                | (11,010,825.56)        | (11,010,825.56)        | 0.00                     |

# Disclosures on Risk Based Capital Basel-III

For the year ended 31 December, 2020

## 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"> <li>(i) that are fully consolidated</li> <li>(ii) that are given a deduction treatment; and</li> <li>(iii) that are neither consolidated nor deducted (e.g. where the investment is risk weighted).</li> </ul> | <p>The consolidated financial statements of the Bank include the financial statements of (i) ONE Bank Limited, and (ii) ONE Securities Limited.</p> <p>ONE Bank 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

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

# Disclosures on Risk Based Capital Basel-III

## b. Quantitative Disclosures

Amount in crore Taka

| a) | Tier-1 Capital (Going-concern capital)       | Solo            | Consolidated    |
|----|--|-----------------|-----------------|
|    | <b>1. Common Equity Tier-1</b>               |                 |                 |
|    | ✓ Paid up capital                            | 885.35          | 885.35          |
|    | ✓ Statutory Reserve                          | 643.08          | 643.08          |
|    | ✓ Retained Earnings                          | 165.06          | 180.14          |
|    | ✓ Minority Interest in Subsidiaries          | -               | 3.19            |
|    | <b>Sub total</b>                             | <b>1,693.49</b> | <b>1,711.76</b> |
|    | <b>Adjustment:</b>                           |                 |                 |
|    | ✓ Deferred Tax Assets (DTA)                  | 7.69            | 7.69            |
|    | ✓ Goodwill and all other Intangible Assets   | 0.10            | 0.10            |
|    | ✓ Reciprocal Crossholdings                   | 0.47            | 5.94            |
|    | <b>Total Common Equity Tier-1 Capital</b>    | <b>1,685.23</b> | <b>1,698.03</b> |
|    | <b>2. Additional Tier-1 Capital</b>          | <b>50.00</b>    | <b>50.00</b>    |
| b) | <b>Tier-2 Capital (Gone-concern capital)</b> |                 |                 |
|    | ✓ General Provision                          | 299.83          | 299.82          |
|    | ✓ Subordinated debt                          | 560.00          | 560.00          |
|    | <b>Total Tier-2 Capital</b>                  | <b>859.83</b>   | <b>859.82</b>   |
|    | <b>Total Eligible Capital</b>                | <b>2,595.06</b> | <b>2,607.85</b> |

## 3. Capital Adequacy

### a. Qualitative Disclosures

|    |   |   |
|----|---|---|
| a) | <p>A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities.</p> | <p>The Bank assesses the adequacy of its capital in terms of Section 13 (1) of the Bank Company Act, 1991 (Amended up to 2013) and instruction contained in BRPD Circular No. 18 dated 21 December 2014 (Implementation of Basel III in Bangladesh). However, in terms of the regulatory guidelines, the Bank computes the capital charge / requirement as under:</p> <p>(a) Credit risk : On the basis of Standardized Approach<br/> (b) Market risk : On the basis of Standardized Approach; and<br/> (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> |
|----|---|---|

## Disclosures on Risk Based Capital Basel-III

|  |  |
|--|--|
|  | <p>To maintain adequate capital OBL has already issued three Subordinated Bonds i. e., (a) Subordinated Bond-1 of Tk. 220 crore issued on 26<sup>th</sup> December 2013 (qualifying amount as on 31<sup>st</sup> December, 2020 is nil), (b) Subordinated Bond-2 of Tk. 400 crore issued on 27<sup>th</sup> October 2016 (qualifying amount as on 31<sup>st</sup> December, 2020 is Tk. 160 crore) and (c) Subordinated Bond-3 of Tk. 400 crore issued in 2019(qualifying amount as on 31<sup>st</sup> December, 2020 is Tk. 400 crore). To strengthen the tier-1 capital, issuance of perpetual Bond of Tk. 400 crore is under process and a portion thereof Tk. 50 crore has already been issued by December 2020. The remaining portion of the perpetual bond will be issued hopefully very soon. 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 &amp; the Senior Management of the bank emphasized rigorously round the year 2020 on corporate borrowers credit rating to lower our risk profile as well as to reduce the capital requirement of the bank. Accordingly, Asset Marketing &amp; Credit Risk Management (CRM) teams have taken all-out efforts to increase the number of corporate 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 &amp; 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> |
|--|--|

### b. Quantitative Disclosure:

Amount in crore Taka

| Particulars   | Solo             | Consolidated     |
|---|------------------|------------------|
| Credit Risk Weighted Assets   | 17,394.33        | 17,154.95        |
| <i>On- Balance sheet</i>  | <i>16,533.15</i> | <i>16,293.77</i> |
| <i>Off-Balance sheet</i>  | <i>861.18</i>    | <i>861.18</i>    |
| <b>Market Risk Weighted Assets</b>                                  | <b>359.93</b>    | <b>599.48</b>    |
| <b>Operational Risk Weighted Assets</b>                             | <b>2,181.62</b>  | <b>2,203.97</b>  |
| <b>Total Risk Weighted Assets</b>                                   | <b>19,935.88</b> | <b>19,957.70</b> |
| <b>Required Capital against Credit, Market and Operational Risk</b> | <b>1,993.59</b>  | <b>1,995.77</b>  |
|   |                  |                  |
| 1. Tier-1 Capital (2+3)   | 1,735.23         | 1748.03          |
| 2. Common Equity Tier-1 Capital (CET-1)                             | 1,685.23         | 1,698.03         |
| 3. Additional Tier-1 Capital (AT-1)                                 | 50.00            | 50.00            |
| 4. Tier-2 Capital   | 859.83           | 859.83           |
| <b>Total Regulatory Capital (1+4) :</b>                             | <b>2,595.06</b>  | <b>2,607.85</b>  |
| <b>Capital to Risk Weighted Assets Ratio (CRAR)</b>                 | <b>13.02%</b>    | <b>13.07%</b>    |
| Common Equity Tier-1 to RWA   | 8.45%            | 8.51%            |
| Tier-1 Capital to RWA   | 8.70%            | 8.76%            |
| Tier-2 Capital to RWA   | 4.31%            | 4.31%            |

# Disclosures on Risk Based Capital Basel-III

## 4. Credit Risk

### a. Qualitative Disclosure:

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

### 4.1. Definitions of past due and impaired

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

| Loan Type       | Default   |  | Classified / Impaired  |  |   |
|-----------------|---|--|--|--|---|
|                 | Past due  | Special Mention  | SS   | DF   | BL  |
| Continuous Loan | If not repaid/renewed within the fixed expiry date for repayment or after the demand by the Bank is treated as past due/overdue from the following day of the expiry date.      | A continuous Credit, Demand Loan or a Term Loan which will remain overdue for a period of 02 (two) months or more will be treated as | If it remains past due /overdue for 3 months or beyond but less than 9 months.   | If it remains past due /overdue for 9 months or beyond but less than 12 months.  | If it remains past due /overdue for 12 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. | Special Mention Account (SMA).   | If it remains past due/overdue for 3 months or beyond but less than 9 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 9 months or beyond but less than 12 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 12 months or beyond from the date of claim by the bank or from the date of creation of the forced loan |

## Disclosures on Risk Based Capital Basel-III

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

## Disclosures on Risk Based Capital Basel-III

ONE Bank Limited follows the Bangladesh Bank guidelines and definitions of past due and impaired loans of CMSME a 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.  |   | If it remains past due /overdue for a period of 6 months or beyond but less than 18 months.  | If it remains past due /overdue for 18 months or beyond but less than 30 months.  | If it remains past due /overdue for a period of 30 months or beyond.  |
| Demand Loan     |   |   |  |   |   |
| Fixed Term Loan | In case any installment (s) or part of installment (s) of a Fixed Term Loan 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 | 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 the amount of past due installment is equal to or more than the amount of installment (s) past due/overdue for a period of 6 months or beyond but less than 18 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) past due/overdue for a period of 18 months or beyond but less than 30 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) past due/overdue for a period of 30 months or beyond, the entire loan will be classified as ``Bad/Loss". |

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

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

### 4.3 Methods used to measure credit risk

In compliance with Risk Based Capital Adequacy, OBL, as per BASEL-III Guideline, uses ratings assigned by External Credit Assessment Agencies (ECAIs) approved by Bangladesh Bank. The rating is used for both fund based and Non-fund based exposure for corporate borrowers. Corporate, which are yet to get the ratings from these rating agencies, are treated as 'Unrated'.

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

# Disclosures on Risk Based Capital Basel-III

## 4.4 Credit Risk Management System

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

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

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

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

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

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

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

## 4.5 Credit Risk Mitigation

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

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

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

## 4.6 Policies and Processes for Collateral Valuation and Management

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

## Disclosures on Risk Based Capital Basel-III

### b. Quantitative Disclosure:

| a)                                 | Total gross credit risk exposures broken down by major types of credit exposures                           | <p>Major types of credit exposure as per disclosures in the audited financial statements as of 31 December, 2020</p> <table> <tr> <th>Particulars</th><th>Outstanding Amount</th><th>Mix (%)</th></tr> <tr><td>Overdraft</td><td>4,426.54</td><td>20.10%</td></tr> <tr><td>Export cash credit</td><td>477.45</td><td>2.16%</td></tr> <tr><td>Transport loan</td><td>127.65</td><td>0.58%</td></tr> <tr><td>House building loan</td><td>882.10</td><td>4.00%</td></tr> <tr><td>Loan against trust receipt</td><td>665.56</td><td>3.02%</td></tr> <tr><td>Term loan</td><td>8,736.21</td><td>39.65%</td></tr> <tr><td>Payment against document</td><td>976.39</td><td>4.43%</td></tr> <tr><td>Consumer Finance</td><td>259.22</td><td>1.17%</td></tr> <tr><td>Staff loan</td><td>72.31</td><td>0.33%</td></tr> <tr><td>Bills purchased and discounted</td><td>202.42</td><td>0.92%</td></tr> <tr><td>Others</td><td>5,208.30</td><td>23.64%</td></tr> <tr><td><b>Total loans and advances</b></td><td><b>22,034.15</b></td><td><b>100%</b></td></tr> </table>   | Particulars | Outstanding Amount | Mix (%) | Overdraft    | 4,426.54 | 20.10% | Export cash credit | 477.45    | 2.16%  | Transport loan      | 127.65   | 0.58%  | House building loan | 882.10 | 4.00% | Loan against trust receipt | 665.56 | 3.02% | Term loan        | 8,736.21 | 39.65% | Payment against document | 976.39 | 4.43% | Consumer Finance | 259.22 | 1.17% | Staff loan               | 72.31            | 0.33%         | Bills purchased and discounted | 202.42 | 0.92% | Others         | 5,208.30 | 23.64% | <b>Total loans and advances</b> | <b>22,034.15</b> | <b>100%</b> |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
|------------------------------------|--|---|-------------|--------------------|---------|--------------|----------|--------|--------------------|-----------|--------|---------------------|----------|--------|---------------------|--------|-------|----------------------------|--------|-------|------------------|----------|--------|--------------------------|--------|-------|------------------|--------|-------|--------------------------|------------------|---------------|--------------------------------|--------|-------|----------------|----------|--------|---------------------------------|------------------|-------------|-----------------|-------|-------|-------------------|-------|-------|-------------------|---|---|------------------|---|---|-----------------|-------|-------|--------------------------|-----------------|--------------|------------------------------------|------------------|-------------|
| Particulars                        | Outstanding Amount   | Mix (%)   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Overdraft                          | 4,426.54   | 20.10%  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Export cash credit                 | 477.45   | 2.16%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Transport loan                     | 127.65   | 0.58%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| House building loan                | 882.10   | 4.00%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Loan against trust receipt         | 665.56   | 3.02%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Term loan                          | 8,736.21   | 39.65%  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Payment against document           | 976.39   | 4.43%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Consumer Finance                   | 259.22   | 1.17%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Staff loan                         | 72.31  | 0.33%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Bills purchased and discounted     | 202.42   | 0.92%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Others                             | 5,208.30   | 23.64%  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Total loans and advances</b>    | <b>22,034.15</b>   | <b>100%</b>   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| b)                                 | Geographical distribution of exposures, broken down in significant areas by major types of credit exposure | <p>Geographical distribution of credit exposures as per the disclosures in the audited financial statements as of 31 December, 2020 are as follows:</p> <p style="text-align: right;"><b>Amount in crore Taka</b></p> <table> <tr> <th>Particulars</th><th>Outstanding Loan</th><th>Mix (%)</th></tr> <tr><td colspan="3"><b>Urban</b></td></tr> <tr><td>Dhaka Division</td><td>14,976.31</td><td>67.97%</td></tr> <tr><td>Chattogram Division</td><td>4,337.83</td><td>19.69%</td></tr> <tr><td>Khulna Division</td><td>759.86</td><td>3.44%</td></tr> <tr><td>Rajshahi Division</td><td>388.12</td><td>1.76%</td></tr> <tr><td>Rangpur Division</td><td>80.63</td><td>0.37%</td></tr> <tr><td>Barishal Division</td><td>63.32</td><td>0.29%</td></tr> <tr><td>Sylhet Division</td><td>31.18</td><td>0.14%</td></tr> <tr><td><b>Sub-total (Urban)</b></td><td><b>20,637.25</b></td><td><b>93.66%</b></td></tr> <tr><td colspan="3"><b>Rural</b></td></tr> <tr><td>Dhaka Division</td><td>895.00</td><td>4.06%</td></tr> <tr><td>Chattogram Division</td><td>418.27</td><td>1.90%</td></tr> <tr><td>Khulna Division</td><td>27.31</td><td>0.12%</td></tr> <tr><td>Rajshahi Division</td><td>32.42</td><td>0.15%</td></tr> <tr><td>Barishal Division</td><td>0</td><td>0</td></tr> <tr><td>Rangpur Division</td><td>0</td><td>0</td></tr> <tr><td>Sylhet Division</td><td>23.90</td><td>0.11%</td></tr> <tr><td><b>Sub-total (Rural)</b></td><td><b>1,396.90</b></td><td><b>6.34%</b></td></tr> <tr><td><b>Grand Total (Urban + Rural)</b></td><td><b>22,034.15</b></td><td><b>100%</b></td></tr> </table> | Particulars | Outstanding Loan   | Mix (%) | <b>Urban</b> |          |        | Dhaka Division     | 14,976.31 | 67.97% | Chattogram Division | 4,337.83 | 19.69% | Khulna Division     | 759.86 | 3.44% | Rajshahi Division          | 388.12 | 1.76% | Rangpur Division | 80.63    | 0.37%  | Barishal Division        | 63.32  | 0.29% | Sylhet Division  | 31.18  | 0.14% | <b>Sub-total (Urban)</b> | <b>20,637.25</b> | <b>93.66%</b> | <b>Rural</b>                   |        |       | Dhaka Division | 895.00   | 4.06%  | Chattogram Division             | 418.27           | 1.90%       | Khulna Division | 27.31 | 0.12% | Rajshahi Division | 32.42 | 0.15% | Barishal Division | 0 | 0 | Rangpur Division | 0 | 0 | Sylhet Division | 23.90 | 0.11% | <b>Sub-total (Rural)</b> | <b>1,396.90</b> | <b>6.34%</b> | <b>Grand Total (Urban + Rural)</b> | <b>22,034.15</b> | <b>100%</b> |
| Particulars                        | Outstanding Loan   | Mix (%)   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Urban</b>                       |  |   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Dhaka Division                     | 14,976.31  | 67.97%  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Chattogram Division                | 4,337.83   | 19.69%  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Khulna Division                    | 759.86   | 3.44%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Rajshahi Division                  | 388.12   | 1.76%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Rangpur Division                   | 80.63  | 0.37%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Barishal Division                  | 63.32  | 0.29%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Sylhet Division                    | 31.18  | 0.14%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Sub-total (Urban)</b>           | <b>20,637.25</b>   | <b>93.66%</b>   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Rural</b>                       |  |   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Dhaka Division                     | 895.00   | 4.06%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Chattogram Division                | 418.27   | 1.90%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Khulna Division                    | 27.31  | 0.12%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Rajshahi Division                  | 32.42  | 0.15%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Barishal Division                  | 0  | 0   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Rangpur Division                   | 0  | 0   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| Sylhet Division                    | 23.90  | 0.11%   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Sub-total (Rural)</b>           | <b>1,396.90</b>  | <b>6.34%</b>  |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |
| <b>Grand Total (Urban + Rural)</b> | <b>22,034.15</b>   | <b>100%</b>   |             |                    |         |              |          |        |                    |           |        |                     |          |        |                     |        |       |                            |        |       |                  |          |        |                          |        |       |                  |        |       |                          |                  |               |                                |        |       |                |          |        |                                 |                  |             |                 |       |       |                   |       |       |                   |   |   |                  |   |   |                 |       |       |                          |                 |              |                                    |                  |             |

## Disclosures on Risk Based Capital Basel-III

c)

By major industry or counterparty type

(a) Amount of impaired loans and if available, past due loans, provided separately

Amount of impaired / classified loans by major industry/sector-type as of 31 December, 2020 was as under:

| Major industry/sector type            | Outstanding Amount in crore | Mix (%)     |
|---------------------------------------|-----------------------------|-------------|
| Agriculture Financing                 | 6.02                        | 0.32%       |
| Readymade Garments (RMG) Industries   | 228.20                      | 12.04%      |
| Textile Industries                    | 216.94                      | 11.44%      |
| Ship Breaking                         | 135.40                      | 7.14%       |
| Other Manufacturing Industries        | 147.39                      | 7.77%       |
| Small & Medium Enterprise (SME) Loans | 457.97                      | 24.16%      |
| Construction Industries               | 25.62                       | 1.35%       |
| Power and Gas Industries              | 17.52                       | 0.92%       |
| Transport and Storage                 | 24.73                       | 1.30%       |
| Trade Services                        | 534.58                      | 28.20%      |
| Commercial Real Estate Financing      | 52.82                       | 2.79%       |
| Residential Real Estate Financing     | 9.50                        | 0.50%       |
| Consumer Credit                       | 12.91                       | 0.68%       |
| Non-Bank Financial Institution        | 22.33                       | 1.18%       |
| Others                                | 3.81                        | 0.20%       |
| <b>Total</b>                          | <b>1,895.74</b>             | <b>100%</b> |

b) Specific and general provisions

Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank as per audited financial statements as of 31 December, 2020 was as under:

| Particulars of specific and general provisions for entire loan portfolio and off-balance sheet exposures | Amount in crore Taka |
|--|----------------------|
| Specific provision for loans and advances  | 814.27               |
| General provision for loans and advances   | 190.35               |
| General provision for off-balance sheet exposures  | 53.48                |
| <b>Total</b>   | <b>1,058.10</b>      |

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

The Specific and general provisions for loans portfolio and general provision for off-balance sheet exposures of the Bank charged during the year as per audited financial statements for the year ended 31 December, 2020 was as under:

| Particulars                                       | Amount in crore Taka |
|---|----------------------|
| Specific provision for loans and advances         | 79.44                |
| General provision for loans and advances          | 48.17                |
| General provision for off-balance sheet exposures | (9.19)               |
| <b>Total</b>                                      | <b>118.42</b>        |

## Disclosures on Risk Based Capital Basel-III

|    |                              |   |                             |
|----|------------------------------|---|-----------------------------|
| d) | Non Performing Assets (NPAs) | Position of Non Performing Loans and Advances including bills purchased and discounted of the Bank as per audited financial statements for the year ended 31 December, 2020 was as under: |                             |
|    |                              | <b>Movement of Non-Performing Assets (NPAs)</b>   | <b>Amount in crore Taka</b> |
|    |                              | Opening Balance   | 1,989.50                    |
|    |                              | Additions   | 27.89                       |
|    |                              | Reductions  | (121.65)                    |
|    |                              | <b>Closing Balance</b>  | <b>1,895.74</b>             |
|    |                              | <b>Movement of specific provisions for NPAs</b>   |                             |
|    |                              | Opening Balance   | 733.11                      |
|    |                              | Provision made during the period  | 98.62                       |
|    |                              | Recovery of written off Loan  | 1.72                        |
|    |                              | Write back of excess provision  | (19.18)                     |
|    |                              | <b>Closing balance</b>  | <b>814.27</b>               |

### 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 &amp; International. The accounting policies, techniques and valuation methodologies were put in places as under:</p> <table><tr><th>Particulars</th><th>Valuation method</th></tr><tr><td colspan="2"><b>Shares:</b></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"><b>Bonds:</b></td></tr><tr><td>Subordinated bonds</td><td>At redemption value.</td></tr></table> | Particulars | Valuation method | <b>Shares:</b> |  | Quoted | At cost price. Adequate Provision is made if the aggregated market value falls below the cost price.. | Unquoted | At cost price. | <b>Bonds:</b> |  | Subordinated bonds | At redemption value. |
| Particulars        | Valuation method  |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |
| <b>Shares:</b>     |   |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |
| Quoted             | At cost price. Adequate Provision is made if the aggregated market value falls below the cost price..   |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |
| Unquoted           | At cost price.  |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |
| <b>Bonds:</b>      |   |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |
| Subordinated bonds | At redemption value.  |   |             |                  |                |  |        |   |          |                |               |  |                    |                      |

# Disclosures on Risk Based Capital Basel-III

## b. Quantitative Disclosures

|    |   |   |                       |                       |                |                       |
|----|---|---|-----------------------|-----------------------|----------------|-----------------------|
| a) | Value, disclosed in the balance sheet, of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.   | Amount in crore Taka  |                       |                       |                |                       |
|    |   | Particulars   | Cost                  |                       | Market Value   |                       |
|    |   |   | Bank Position         | Consolidated Position | Bank Position  | Consolidated Position |
|    |   |   | Quoted Share          | 56.94                 | 233.32         | 94.03                 |
|    | Unquoted share  | 13.82   | 13.82                 | 13.82                 | 13.82          |                       |
| b) | The cumulative realized gain (losses) arising from sales and liquidations in the reporting period.<br>- Realized gain (losses) from equity investments  | The cumulative realized gain (losses):  |                       |                       |                |                       |
|    |   | Amount in Crore Taka  |                       |                       |                |                       |
|    |   | Bank Position   |                       | Consolidated Position |                |                       |
|    |   | 0   |                       | 0                     |                |                       |
| c) | <ul style="list-style-type: none"><li>Total unrealized gains (losses)</li><li>Total latent revaluation gains (losses)</li><li>Any amounts of the above included in Tier 2 capital</li></ul>   | Total unrealized gains (losses)   |                       |                       |                |                       |
|    |   | Amount in Crore Taka  |                       |                       |                |                       |
|    |   | Bank Position   |                       | Consolidated Position |                |                       |
|    |   | 37.09   |                       | (19.52)               |                |                       |
| d) | Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.<br>a) Capital requirements for equity investments<br>- For Specific market risk<br>- For General market risk | The capital requirements for equity investments as of 31 December, 2020 was as under: |                       |                       |                |                       |
|    |   | Amount in crore Taka  |                       |                       |                |                       |
|    |   | Particulars   | Amount (Market Value) | Weight                | Capital Charge |                       |
|    |   | Specific Risk   | 91.92                 | 0.10                  | 9.19           |                       |
|    |   | General Market Risk   | 91.92                 | 0.10                  | 9.19           |                       |
|    |   | Total   |                       |                       | 18.38          |                       |

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

### a. Qualitative Disclosures

|   |  |
|---|--|
| The general qualitative disclosure requirement including the nature of IRRBB and key assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement | Interest rate risk is the potential impact on the Bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk. |
|   | The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for particular period of time, while the long term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and Off-balance sheet exposures are affected.  |

## Disclosures on Risk Based Capital Basel-III

|  |  |  |
|--|--|--|
|  |  | <b>Key assumptions on loan prepayments and behavior of non-maturity deposits:</b> <ol style="list-style-type: none"> <li>loans with defined contractual maturity are re-priced in the respective time buckets in which it falls as per the loan repayment schedule;</li> <li>loans without defined contractual maturity are segregated into different time buckets based on the past trend, seasonality, geographical perspective and reprised accordingly;</li> <li>Non-maturity deposits namely current, saving deposits are segregated into different time buckets on the basis of past trend of withdrawal, seasonality, religious festivals, geographical perspective and re-priced accordingly. However, the behavior of withdrawal of non-maturity deposits of OBL is more or less stable.</li> <li>OBL measures the IRRBB as per the regulatory guidelines on a quarterly rest.</li> </ol> |
|--|--|--|

### 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, 2020 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]   | 8,029.12                 | 3,547.21    | 1,530.05     | 12,541.92    |
| Rate sensitive liabilities [B]  | 9,729.40                 | 4,224.41    | 2,039.46     | 6,961.23     |
| GAP [A-B]   | (1,700.28)               | (677.20)    | (509.41)     | 5,580.69     |
| Cumulative GAP  | (1,700.28)               | (2,377.48)  | (2,886.89)   | 2,693.80     |
| Interest rate change (IRC) [Note 1]   | 0.0025                   | 0.0025      | 0.0025       | 0.0025       |
| Quarterly earnings impact [Cumulative GAP x IRC]  | (4.25)                   | (5.94)      | (7.22)       | 6.73         |
| Cumulative earnings impact  | (4.25)                   | (10.19)     | (17.41)      | (10.68)      |
| <b>Note 1:</b> Assuming 1% rise in interest rates for both asset and liability portfolio of the Bank. |                          |             |              |              |

### 7. Market Risk

#### a. Qualitative Disclosures:

|   |   |
|---|---|
| i) Views of Board of Directors (BOD) on trading / investment activities | <p>The Board approves all policies related to market risk, set limits and reviews compliance on a regular basis. The objective is to provide cost effective funding to finance assets growth and trade related transactions. The market risk covers the followings risks of the Bank's balance sheet:</p> <ol style="list-style-type: none"> <li>Interest rate risk;</li> <li>Equity price risk;</li> <li>Foreign exchange risk; and</li> <li>Commodity price risk</li> </ol> |
|---|---|

## Disclosures on Risk Based Capital Basel-III

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

### b. Quantitative Disclosure:

| Particulars                   | Amount in Crore |              |
|-------------------------------|-----------------|--------------|
|                               | Solo            | Consolidated |
| The capital requirements for: |                 |              |
| Interest Rate Risk            | 10.30           | 10.30        |
| Equity Position risk          | 18.38           | 42.34        |
| Foreign Exchange Risk         | 7.30            | 7.30         |
| Commodity Risk                | -               | -            |
| <b>Total</b>                  | <b>35.99</b>    | <b>59.95</b> |

### 8. Operational Risk

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

## 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&amp;CD) to protect against operational risks.</p> <p>As a part of continued surveillance, the Management Committee (MANCOM), Risk Management Committee (at the management level), independent Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board / Risk Management Committee / Audit Committee of the Bank for review and formulating appropriate policies, tool &amp; techniques for mitigation of operational risk.</p>   |
| ii) Performance gap of executives and staffs                              | 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.</p> <p>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 CAMELCO 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 &amp; Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p> |

### b. Quantitative Disclosure:

| Particulars                                       | Amount in Crore |              |
|---|-----------------|--------------|
|   | Solo            | Consolidated |
| The capital requirements for:<br>Operational Risk | 218.16          | 220.40       |

# Disclosures on Risk Based Capital Basel-III

## 9. Liquidity Ratio:

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

### a. Qualitative Disclosure:

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

## Disclosures on Risk Based Capital Basel-III

### b. Quantitative Disclosure:

| Particulars  | Amount in crore Taka |
|--|----------------------|
| Liquidity Coverage Ratio (LCR)                         | 164.82%              |
| Net Stable Funding Ratio (NSFR)                        | 114.13%              |
| Stock of High Quality Liquid Assets                    | 5496.42              |
| Total Net cash Outflows over the next 30 Calendar days | 3,334.77             |
| Available amount of stable funding                     | 23,679.50            |
| Required amount of stable funding                      | 20,747.84            |

### 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             | 5.61%                | 5.65%            |
| Adjusted Tier 1 Capital    | 1,735.23             | 1,748.03         |
| On balance sheet exposure  | 29,537.42            | 29,552.58        |
| Off balance sheet exposure | 1,423.90             | 1,423.91         |
| Deductions                 | (8.25)               | (13.73)          |
| <b>Total exposure</b>      | <b>30,953.07</b>     | <b>30,962.76</b> |

### 11. Remuneration

#### a) Qualitative Disclosure:

|    |   |  |
|----|---|--|
| a) | Information relating to the bodies that oversee remuneration and mandate of the Management. | The OBL Remuneration Committee i.e. the Management is responsible for overseeing, review and implementation of Bank's overall compensation structure and related policies regarding remuneration packages for all / 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. |
|----|---|--|

## Disclosures on Risk Based Capital Basel-III

|    |   |   |
|----|---|---|
|    |   | <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"> <li>- Conduct the annual review of the Compensation Policy.</li> <li>- Fulfill such other powers and duties as may be delegated to it by the Board.</li> </ul> <p>Till date, the Bank has not yet engaged any External Consultants for conducting such exercise since those were done by the Bank's Management.</p> <p>OBL Remuneration Policy covers the principles and rules regarding remuneration being paid/to be paid to Directors and all employees of the Bank including the Management, its review, market intelligence, analysis and proposals for modification commensurate with changed situations in compliance with relevant laws and rules &amp; regulations.</p> <p>An employee is considered a Material Risk Taker if he/she is the Head of a significant business line, or any individuals within their control who have a material impact on the Bank's risk profile.</p> <p>The prevailing policies regarding remuneration and other financial/non financial benefits of employees have been implemented with the approval of the Board of Directors.</p> |
| b) | Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy | <p>The substantive pay and other allowances including perquisites, where applicable, to the employees including all subordinates, officers and executives up to the rank of SEVP are designed/structured in line with the competitive remuneration structure prevailing in the industry. In respect of executives above the rank of SEVP i.e. ADMD, DMD &amp; MD, the individual remuneration is fixed by the Board of Directors. Pay Structure and perquisites payable to the employees have been approved by the Board of Directors of the Bank. While determining the remuneration package, the Management and the Board take into consideration the following factors.</p> <ol style="list-style-type: none"> <li>1. Minimum Qualification required</li> <li>2. Experience</li> <li>3. Level of Risk involved</li> <li>4. Criticality of the job</li> <li>5. Creativity required in the job</li> <li>6. Salesmanship</li> <li>7. Leadership</li> <li>8. Corporate Rank etc.</li> </ol> <p>The remuneration structure for the Managing Director (MD) of the Bank is subject to approval of the Central Bank i.e. Bangladesh Bank.</p> <p>Review of the remuneration policy was not required during the year 2020 since the Bank's overall remuneration structure has remained competitive.</p>   |

## Disclosures on Risk Based Capital Basel-III

|    |  |   |
|----|--|---|
| 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"> <li>- Marketing</li> <li>- CRM</li> <li>- Operations</li> <li>- Trade Finance etc.</li> </ul> <p>The Board of Directors through the Management exercises oversight and effective governance over the framing and implementation of the remuneration policy. Human Resource Management under the guidance of MD administers the compensation and Benefit structure in line with the best suited practices and statutory requirements as applicable.</p>  |
| d) | 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"> <li>- PF (Vesting or entitlement to employer's contribution happens on completion of 03 (three) years of regular service and the Bank contributes equal amount of contribution as contributed by the employee) @ 10% of substantive pay.</li> <li>- Gratuity (Vesting or entitlement to employer's contribution happens on completion of 05 (five) years of regular service in the Bank) @ one substantive pay for each completed year of service and for the fraction of 6 months and above.</li> <li>- Death cum Survival Superannuation Fund provides superannuation and other benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit as per Board's approved policy.</li> <li>- Furniture &amp; Fixture 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.</li> <li>- Staff House Building Loan (a permanent employee in the rank of Principal Officer or above, after completion of 5 (five) years of service, can avail of a House Building Loan at Bank Rate as per policy and approval from the appropriate Authority).</li> </ul> <p>The Board may adopt principles for mauls / claw back before or after vesting, if such situation arises and the law(s) of the country permits the same.</p> |

## Disclosures on Risk Based Capital Basel-III

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

### b) Quantitative Disclosure:

|     |   |   |
|-----|---|---|
| (a) | Number of employees having received a variable remuneration award during the financial year.  | No employee received the variable remunerations during the year 2020.   |
|     | 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. 22.82 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. 111.14 crore as of 31 <sup>st</sup> December, 2020.                            |
|     | Total Amount of deferred remuneration paid out in the financial year.   | Total amount of deferred remunerations paid is Tk. 6.57 crore during the year 2020 (Gratuity amount paid to the outgoing employees during the year 2020). |
| (c) | Breakdown of amount of remuneration awards for the financial year to show:  |   |
|     | - Fixed and variable  | Fixed remuneration is Tk. 278.50 crore and variable remuneration disbursed is Nil   |
|     | - Deferred and no-deferred  | Deferred remuneration awarded (account for during the year) is Tk. 8.63 crore and non-deferred remuneration is Tk. 269.87 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   |

# 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 2020 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 present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, 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 Auditor's 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 Matters

Without qualifying our opinion, we are drawing attention to the following matters:

- i. In note # 2.22(a) to the financial statements, the Bank disclosed about the actions to be taken to comply with the requirements of para 263(1) of the Labour Rules 2015.
- ii. In note # 2.22(b) to the financial statements, the Bank disclosed the policy of gratuity fund (defined benefit plan) and gratuity expenses respectively. As per IAS-19 actuarial valuation is required for a defined benefit plan. The Bank has not yet conducted any actuarial valuation of its defined benefit plan. However, the Bank is going to appoint an actuary immediately to comply with the requirement of IAS 19.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. 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  |
|--|--|
| <b>1. Measurement of provision for loans, advances and leases</b>  |  |
| <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>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> </ul> |

| Description of key audit matters  | Our response to key audit matters  |
|---|--|
| <b>1. Measurement of provision for loans, advances and leases</b>   |  |
| <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>At year end the Group reported total gross loans and advances of BDT 220,428.72 million (BDT 215,315.53 million in 2019) and provision for loans and advances of BDT 10,046.16million (BDT 9,313.83 million in 2019). On the other hand, the Bank reported loans and advances of BDT 220,341.55 million (BDT 215,227.83 million in 2019).</p> <p>We need to focus on the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD circulars issued by Bangladesh Bank;</li> <li>• 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.</li> </ul> <p>Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.</p> | <ul style="list-style-type: none"> <li>• Reviewing the quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the Bank's general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</li> <li>• Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul> |
| See note # 7 and 12 to the financial statements   |  |
| <b>2. Valuation of Treasury Bills and Treasury Bonds</b>  |  |
| <p>The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, Treasury Bill and Treasury Bond's fair value is determined using Bangladesh Bank's guidelines and complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models.</p>   | <p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of Treasury Bills and Treasury 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, we assessed the appropriateness and presentation of disclosures in line with the requirements of Bangladesh Bank guidelines.</p>  |
| See note # 6 to the financial statements  |  |

### 3. Measurement of deferred tax assets and liabilities

The Bank disclosed deferred tax assets and liabilities of BDT 76.91 million (BDT 69.44 million in 2019) and BDT 89.64 million (BDT 75.84 million in 2019) respectively as of 31 December 2020.

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.

We obtained an understanding and evaluated the design, the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets & liabilities and the assumptions used in estimating the Bank's future taxable income.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.

We involved tax specialists in assessing key assumptions, controls, recognition, and measurement of deferred tax assets and liabilities.

Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

See note # 9 to the financial statements

### 4. Valuation of defined benefits obligations

The Bank has a defined benefit scheme (gratuity) 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.

We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to us, which issued to calculate the gratuity liability.

We tested the employee data used in calculating obligation.

We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.

See note # 2.22(b) to the financial statements

### 5. Implementation of IFRS 16 Leases

IFRS 16 Leases has become effective for annual reporting beginning on or after 01 January 2019, which replaced the earlier standard IAS 17 Leases. The Bank implemented IFRS 16 and recognized right of use asset and lease liabilities from 01 January 2019 and one of the Bank's subsidiary implemented IFRS 16 during the year with retrospective restatement of prior year. As the implementation of IFRS 16 provisions is of complex and voluminous nature and is significant to the Group's preparation of financial statements, we have considered it as a key audit matter.

Our audit procedures to address the risks of material misstatements relating to the implementation of IFRS 16 Leases, which might be considered to be significant audit risk, included-

- Obtained an understanding of the management's process for implementing IFRS 16, including financial controls designed by the management to mitigate the risks assessed by us independently;
- Checked the related accounting policy adopted for compliance with IFRS 16;
- Obtained listing of all contracts from the management and testing the contracts on a sample basis for impact under IFRS 16;
- Obtained and assessed the borrowing rate;
- Tested the assumptions used in the calculation model for the sample contracts selected for testing; and
- Checked the disclosures given in the financial statements.

See note # 2.24 to the financial statements

## 6. Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its two subsidiaries, namely ONE Securities Limited and ONE Investments Limited. As at 31 December 2020 the carrying values of these investments were BDT 2,480.10 million.

Operations of these two subsidiaries are mainly dealing with the investments in capital market. And by nature, the capital market of the country is not under stable position. Hence, the investments in these subsidiaries are subject to impairment. While impairment testing, the management is required to consider various guidelines of Bangladesh Bank, Bangladesh Securities and Exchanges Commission and other regulators. As the impairment testing is of complex and is significant to the Group's preparation of financial statements, we have considered it as a key audit matter.

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

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

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

See note # 9.1 to the financial statements

## 7. IT systems and controls

The Bank's key financial counting and reporting processes are significantly dependent on the automated controls over the Bank's information systems. As such that there exist risks that gaps in the IT control environment, including automated accounting procedures, IT dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated.

We performed audit procedures to assess IT systems and controls over financial reporting, which included the followings:

- Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations.
- Assessing the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems and tested resolution of a sample of exceptions.
- Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights.
- Testing of specific application controls for key financial reporting controls.

## 8. COVID-19

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections across the world and affecting economic activities enormously. As a result, going concern risk might arise and the assets of the Bank might be impaired.

We assessed the going concern assumption taken by the Bank and tested the recoverable value against the assets and cash generating units, on sample basis, to see whether there is material impact on impairment. In addition:

- We checked Bank's preparation to combat COVID-19 situation;

## 8. COVID-19

- We checked the compliances by the Bank with the COVID-19 related circulars given by Bangladesh Bank; and
- We have also checked the Bank's ability and plan for being going concern.

### Other information

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

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

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

### 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 judgment 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 over ride 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, 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 3,053.78 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 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 # 7.13, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 5,800 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  
28 March 2021

**ACNABIN, Chartered Accountants**



**Muhammad Aminul Hoque, FCA**

Partner

ICAB Enrollment No # 1129

DVC:2103311129AS457794

# ONE Bank Limited and its Subsidiaries

## Consolidated Balance Sheet

As at 31 December 2020

|  | Notes    | 31.12.2020<br>Taka     | 31.12.2019<br>(Restated)<br>Taka | 01.01.2019<br>Taka     |
|--|----------|------------------------|----------------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>   |          |                        |                                  |                        |
| <b>Cash</b>  | 3 (a)    |                        |                                  |                        |
| Cash in hand ( including foreign currencies)   |          | 3,099,564,869          | 2,201,368,803                    | 1,781,097,675          |
| Balance with Bangladesh Bank and its agent bank(s)<br>(Including foreign currencies)                 |          | 26,437,376,200         | 22,174,633,442                   | 17,057,292,079         |
|  |          | <b>29,536,941,069</b>  | <b>24,376,002,245</b>            | <b>18,838,389,753</b>  |
| <b>Balance with other Banks and Financial Institutions</b>   | 4 (a)    |                        |                                  |                        |
| In Bangladesh  |          | 2,637,146,008          | 2,475,700,385                    | 2,694,400,531          |
| Outside Bangladesh   |          | 4,387,093,348          | 6,293,989,730                    | 3,308,320,833          |
|  |          | <b>7,024,239,356</b>   | <b>8,769,690,115</b>             | <b>6,002,721,364</b>   |
| <b>Money at call on short notice</b>   | 5        | -                      | 250,000,000                      | -                      |
| <b>Investments</b>   | 6 (a)    |                        |                                  |                        |
| Government   |          | 25,356,340,064         | 28,490,617,393                   | 23,026,367,806         |
| Others   |          | 6,960,694,074          | 7,633,878,587                    | 8,102,272,929          |
|  |          | <b>32,317,034,139</b>  | <b>36,124,495,980</b>            | <b>31,128,640,735</b>  |
| <b>Loans and Advances/investments</b>  | 7 (a)    |                        |                                  |                        |
| Loans, cash credit, overdraft etc./investments   |          | 218,405,027,866        | 212,607,966,764                  | 196,132,459,693        |
| Bills purchased and discounted   |          | 2,023,692,190          | 2,707,565,191                    | 2,825,968,833          |
|  |          | <b>220,428,720,056</b> | <b>215,315,531,955</b>           | <b>198,958,428,525</b> |
| <b>Fixed Assets including premises, furniture &amp; fixtures<br/>(Prior year's balance restated)</b> | 8 (a)    | 3,037,810,261          | 2,654,197,783                    | 2,032,793,338          |
| <b>Other Assets (Prior year's balance restated)</b>  | 9 (a)    | 11,323,733,040         | 10,555,889,252                   | 9,209,971,079          |
| <b>Non-banking Assets</b>  |          | -                      | -                                | -                      |
| <b>Total Assets</b>  |          | <b>303,668,477,921</b> | <b>298,045,807,332</b>           | <b>266,170,944,794</b> |
| <b>LIABILITIES AND CAPITAL</b>   |          |                        |                                  |                        |
| <b>Liabilities</b>   |          |                        |                                  |                        |
| Borrowings from other Banks, Financial Institutions<br>and Agents                                    | 10 (a)   | 21,322,835,943         | 21,634,274,579                   | 22,622,343,604         |
| Non-convertible subordinated bond and contingent-<br>convertible perpetual bond                      | 10 (b)   | 6,900,000,000          | 7,640,000,000                    | 7,280,000,000          |
| <b>Deposits and other accounts</b>   | 11 (a)   |                        |                                  |                        |
| Current/Al-wadeeah current account and other account   |          | 25,600,825,688         | 18,882,421,515                   | 20,953,204,202         |
| Bills payable  |          | 2,561,617,392          | 2,371,930,725                    | 1,570,585,187          |
| Savings accounts/Mudaraba savings bank deposit   |          | 26,768,261,590         | 21,377,433,366                   | 17,869,437,115         |
| Fixed Deposit/Mudaraba fixed deposits  |          | 174,138,577,055        | 185,233,119,775                  | 161,905,184,920        |
|  |          | <b>229,069,281,724</b> | <b>227,864,905,381</b>           | <b>202,298,411,423</b> |
| <b>Other Liabilities (Prior year's balance restated)</b>   | 12 (a)   | 29,246,923,110         | 24,753,123,537                   | 19,424,705,165         |
| <b>Total Liabilities</b>   |          | <b>286,539,040,777</b> | <b>281,892,303,497</b>           | <b>251,625,460,191</b> |
| <b>Capital/Shareholders' Equity</b>  |          |                        |                                  |                        |
| Paid-up Capital  | 13.2     | 8,853,464,040          | 8,431,870,520                    | 7,665,336,840          |
| Statutory Reserve  | 14       | 6,430,798,085          | 6,082,448,575                    | 5,572,188,014          |
| Surplus in profit & loss account (Prior year's balance restated)                                     | 15.1 (a) | 1,801,400,626          | 1,599,345,193                    | 1,268,580,761          |
| Revaluation reserve for securities   |          | 11,908,123             | 9,087,403                        | 8,262,217              |
| <b>Total Shareholders' Equity</b>  |          | <b>17,097,570,873</b>  | <b>16,122,751,691</b>            | <b>14,514,367,831</b>  |
| <b>Non-controlling Interest (Prior year's balance restated)</b>                                      | 15.1 (c) | 31,866,271             | 30,752,144                       | 31,116,771             |
| <b>Total Liability and Shareholders' Equity</b>  |          | <b>303,668,477,921</b> | <b>298,045,807,332</b>           | <b>266,170,944,794</b> |


**ONE Bank Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
As at 31 December 2020

|   | Notes     | 31.12.2020<br>Taka    | 31.12.2019<br>(Restated)<br>Taka | 01.01.2019<br>Taka    |
|---|-----------|-----------------------|----------------------------------|-----------------------|
| <b>OFF BALANCE SHEET ITEMS</b>  |           |                       |                                  |                       |
| <b>Contingent Liabilities</b>   |           |                       |                                  |                       |
| Acceptances and Endorsements  |           | 30,449,543,760        | 40,289,241,267                   | 43,940,917,808        |
| Letters of Guarantee  | 43        | 13,082,189,159        | 15,222,187,802                   | 14,270,610,865        |
| Irrevocable Letters of Credit   |           | 19,014,867,606        | 16,250,293,466                   | 20,705,413,735        |
| Bills for Collection  |           | 1,306,099,289         | 2,204,027,111                    | 2,734,384,729         |
|   |           | <b>63,852,699,814</b> | <b>73,965,749,644</b>            | <b>81,651,327,138</b> |
| <b>Other Contingent Liabilities</b>                                   |           |                       |                                  |                       |
| Claims lodged with but not recognized by the Bank                     |           | -                     | -                                | -                     |
| Other exchange contract   |           | -                     | -                                | -                     |
| <b>Total Contingent Liabilities</b>                                   |           | <b>63,852,699,814</b> | <b>73,965,749,644</b>            | <b>81,651,327,138</b> |
| <b>Other Commitments</b>  |           |                       |                                  |                       |
| Documentary Credits and short term trade-related transactions         |           | -                     | -                                | -                     |
| Forward assets purchased and forward deposits placed                  |           | -                     | -                                | -                     |
| Undrawn note issuance and revolving underwriting facilities           |           | -                     | -                                | -                     |
| Undrawn formal standby facilities, credit lines and other commitments |           | -                     | -                                | -                     |
| <b>Total other commitments</b>  |           | <b>-</b>              | <b>-</b>                         | <b>-</b>              |
| <b>Total off-Balance Sheet items including contingent liabilities</b> |           | <b>63,852,699,814</b> | <b>73,965,749,644</b>            | <b>81,651,327,138</b> |
| <b>Net Asset Value Per Share (Restated)</b>                           | <b>45</b> | <b>19.31</b>          | <b>18.21</b>                     | <b>16.39</b>          |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhru Alam**  
Managing Director

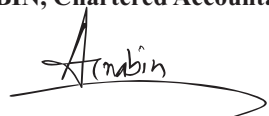
  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**

  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103311129AS457794

Dhaka, 28 March 2021


**ONE Bank Limited and its Subsidiaries**  
**Consolidated Profit and Loss Account**  
For the year ended 31 December 2020


|   | Notes   | 2020<br>Taka         | 2019 (Restated)<br>Taka |
|---|---------|----------------------|-------------------------|
| Interest income/profit on investment  | 16 (a)  | 19,674,253,108       | 23,363,158,588          |
| Interest paid on deposits and borrowings etc. (Prior year's balance restated)             | 17 (a)  | (16,248,678,083)     | (17,939,994,698)        |
| <b>Net interest income</b>  |         | <b>3,425,575,025</b> | <b>5,423,163,889</b>    |
| Investment income   | 18 (a)  | 2,790,185,345        | 1,919,705,066           |
| Commission, exchange and brokerage  | 19 (a)  | 1,160,071,582        | 1,448,481,855           |
| Other operating income  | 20 (a)  | 773,282,154          | 643,053,121             |
| <b>Total operating income (A)</b>   |         | <b>8,149,114,106</b> | <b>9,434,403,932</b>    |
| Salaries and allowances   | 21 (a)  | 2,798,580,884        | 2,986,165,958           |
| Rent, taxes, insurance, electricity etc. (Prior year's balance restated)                  | 22 (a)  | 497,827,606          | 547,404,683             |
| Legal expenses  | 23 (a)  | 72,849,146           | 89,281,674              |
| Postage, stamps, telecommunication etc.   | 24      | 78,845,753           | 79,312,543              |
| Directors' fees   | 25 (a)  | 1,218,000            | 1,560,750               |
| Auditors' fees  |         | 350,000              | 340,000                 |
| Stationery, printings, advertisements etc.  | 26 (a)  | 307,061,741          | 467,568,382             |
| Managing Director's salary and allowances (Bank only)                                     | 27      | 12,920,000           | 14,296,289              |
| Depreciation, leasing expense and repair of bank's assets (Prior year's balance restated) | 28 (a)  | 947,531,750          | 766,012,858             |
| Other expenses  | 29 (a)  | 402,562,941          | 308,441,185             |
| <b>Total operating expenses (B)</b>   |         | <b>5,119,747,821</b> | <b>5,260,384,323</b>    |
| <b>Profit/(loss) before provision and tax (C=A-B)</b>                                     |         | <b>3,029,366,285</b> | <b>4,174,019,609</b>    |
| Provision for loans and advances  | 30.1    |                      |                         |
| Specific provision  |         | 794,354,912          | 1,771,860,497           |
| General provision   |         | 481,719,372          | (90,848,241)            |
|   |         | <b>1,276,074,285</b> | <b>1,681,012,256</b>    |
| Provision for off-balance sheet items   | 12.9    | (91,890,826)         | (115,495,593)           |
| Provision for diminution in value of share  | 31      | -                    | 94,291,892              |
| Provision for other assets  | 32      | -                    | 2,364,897               |
| <b>Total Provision (D)</b>  |         | <b>1,184,183,458</b> | <b>1,662,173,452</b>    |
| <b>Profit/(loss) before taxes (E=C-D)</b>   |         | <b>1,845,182,827</b> | <b>2,511,846,157</b>    |
| <b>Provision for taxation</b>   | 33 (a)  |                      |                         |
| Current tax expense   |         | 446,627,952          | 889,608,675             |
| Deferred tax expense /(income) (Prior year's balance restated)                            |         | 3,848,758            | 15,043,437              |
|   |         | 450,476,710          | 904,652,112             |
| <b>Net Profit after taxation</b>  |         | <b>1,394,706,116</b> | <b>1,607,194,046</b>    |
| <b>Attributable to:</b>   |         |                      |                         |
| Shareholders of the ONE Bank Ltd  |         | 1,393,591,988        | 1,607,558,673           |
| Non-controlling Interest  |         | 1,114,128            | (364,628)               |
|   |         | <b>1,394,706,116</b> | <b>1,607,194,046</b>    |
| Retained surplus brought forward  | 15.1(b) | 756,158,147          | 502,047,081             |
| Add: Net profit after tax ( attributable to shareholder of OBL)                           |         | 1,393,591,988        | 1,607,558,673           |
|   |         | <b>2,149,750,135</b> | <b>2,109,605,754</b>    |
| <b>Appropriations:</b>  |         |                      |                         |
| Statutory Reserve   | 14      | 348,349,510          | 510,260,561             |
| General Reserve   |         | -                    | -                       |
|   |         | 348,349,510          | 510,260,561             |
| <b>Retained Surplus</b>   |         | <b>1,801,400,626</b> | <b>1,599,345,193</b>    |
| <b>Earnings per share (EPS) (Restated)</b>  | 46      | 1.57                 | 1.82                    |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhurul Alam**  
Managing Director


  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

See annexed report of even date.

ACNABIN, Chartered Accountants

  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103311129AS457794

Dhaka, 28 March 2021

**ONE Bank Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
For the year ended 31 December 2020


|  | Notes     | 2020<br>Taka           | 2019<br>Taka          |
|--|-----------|------------------------|-----------------------|
| <b>Cash flows from operating activities</b>  |           |                        |                       |
| Interest receipts in cash  | 34(a)     | 23,801,336,527         | 22,676,700,897        |
| Interest payments  | 35(a)     | (17,457,332,129)       | (17,504,306,639)      |
| Dividend receipts  |           | 97,722,552             | 71,887,030            |
| Fee and commission receipts in cash  | 36(a)     | 765,155,318            | 859,434,440           |
| Recoveries of loans previously written off   |           | 17,228,565             | 50,682,911            |
| Cash payments to employees   |           | (2,803,351,574)        | (2,954,586,867)       |
| Cash payments to suppliers   |           | (645,114,954)          | (799,986,033)         |
| Income Taxes paid  |           | (1,195,460,912)        | (1,234,928,329)       |
| Receipts from other operating activities   | 39(a)     | 1,179,746,116          | 1,242,423,203         |
| Payment for other operating activities   | 40(a)     | (1,242,866,485)        | (1,101,659,093)       |
| <b>Cash generated from operating activities before changes in operating assets and liabilities</b> |           | <b>2,517,063,024</b>   | <b>1,305,661,520</b>  |
| <b>Increase/(decrease) in operating assets and liabilities</b>                                     |           |                        |                       |
| Sales/ (purchase) of trading securities  |           | 6,529,160,475          | (6,451,746,531)       |
| Loans and advances to customers  |           | (5,113,188,100)        | (16,357,103,431)      |
| Other current assets   | 42(a)     | 293,457,198            | (154,003,222)         |
| Deposits from other banks/ Borrowings  |           | 697,487,195            | 3,660,842,782         |
| Deposits from customers  |           | (1,021,043,476)        | 22,386,332,687        |
| Other liabilities  | 41(a)     | 2,373,019,128          | 1,987,308,568         |
| <b>A Net cash used in/ from operating activities</b>   |           | <b>6,275,955,444</b>   | <b>6,377,292,373</b>  |
| <b>Cash flows from investing activities</b>  |           |                        |                       |
| Proceeds from sale of securities   |           | 4,812,823,945          | 6,347,842,267         |
| Payments for purchase of securities  |           | (7,166,763,970)        | (3,993,357,510)       |
| Purchase of property, plant & equipment  |           | (336,611,446)          | (209,836,944)         |
| Sale of property, plant & equipment  |           | 7,368,998              | 365,150               |
| <b>B Net cash used in investing activities</b>   |           | <b>(2,683,182,473)</b> | <b>2,145,012,963</b>  |
| <b>Cash flows from financing activities</b>  |           |                        |                       |
| Receipts from issue of ordinary shares   |           | -                      | -                     |
| Dividend paid  |           | (421,593,526)          | -                     |
| <b>C Net cash used for financial activities</b>  |           | <b>(421,593,526)</b>   | <b>-</b>              |
| <b>D Net increase/(decrease) in cash and cash equivalent (A+B+C)</b>                               |           | <b>3,171,179,445</b>   | <b>8,522,305,336</b>  |
| <b>E Effects of exchange rate changes on cash and cash-equivalent</b>                              |           | <b>(5,732,880)</b>     | <b>32,405,708</b>     |
| <b>F Opening cash and cash equivalent</b>  |           | <b>33,397,314,060</b>  | <b>24,842,603,017</b> |
| <b>G Closing cash and cash equivalents (D+E+F)</b>   |           | <b>36,562,760,625</b>  | <b>33,397,314,060</b> |
| <b>Closing cash and cash equivalents</b>   |           |                        |                       |
| Cash in hand (including foreign currencies)  | 3(a)      | 3,099,564,869          | 2,201,368,803         |
| Cash with Bangladesh Bank & its agent banks(s)   | 3(a)      | 26,437,376,200         | 22,174,633,442        |
| Cash with other banks and financial institutions   | 4(a)      | 7,024,239,356          | 8,769,690,115         |
| Money at call on short notice  | 5         | -                      | 250,000,000           |
| Prize bonds  | 6         | 1,580,200              | 1,621,700             |
|  |           | <b>36,562,760,625</b>  | <b>33,397,314,060</b> |
| <b>Net Operating Cash Flow Per Share</b>   | <b>47</b> | <b>7.09</b>            | <b>7.20</b>           |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhru Alam**  
Managing Director

  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

Dhaka, 28 March 2021

**ONE Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
For the year ended 31 December 2020


| Particulars   | Amount in Taka  |                   |                                    |                       |                |
|---|-----------------|-------------------|------------------------------------|-----------------------|----------------|
|   | Paid-up Capital | Statutory Reserve | Revaluation Reserve for Securities | Profit & Loss Account | Total          |
| <b>Balance as at 01 January 2020</b>                                    | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,599,345,193         | 16,122,751,691 |
| Changes in accounting policy  | -               | -                 | -                                  | -                     | -              |
| <b>Restated balance</b>   | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,599,345,193         | 16,122,751,691 |
| Issue of Bonus Share for the year 2019 (Transferred to Paid-up Capital) | 421,593,520     | -                 | -                                  | (421,593,520)         | -              |
| Cash Dividend Paid  | -               | -                 | -                                  | (421,593,526)         | (421,593,526)  |
| Surplus of Revaluation of Reserve for HTM Securities                    | -               | -                 | 11,908,123                         | -                     | 11,908,123     |
| Adjustment of Revaluation of Reserve for HTM Securities                 | -               | -                 | (9,087,403)                        | -                     | (9,087,403)    |
| Net Profit after Tax for the year                                       | -               | -                 | -                                  | 1,393,591,988         | 1,393,591,988  |
| Profit transferred to Statutory Reserve                                 | -               | 348,349,510       | -                                  | (348,349,510)         | -              |
| <b>Balance as at 31 December 2020</b>                                   | 8,853,464,040   | 6,430,798,085     | 11,908,123                         | 1,801,400,626         | 17,097,570,873 |
| <b>Balance as at 31 December 2019</b>                                   | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,599,345,193         | 16,122,751,691 |
|   |                 |                   |                                    |                       | 30,752,144     |
|   |                 |                   |                                    |                       | 16,153,503,835 |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhru Alam**  
Managing Director

  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

Dhaka, 28 March 2021

# ONE Bank Limited

## Balance Sheet

As at 31 December 2020

|  | Notes  | 31.12.2020<br>Taka     | 31.12.2019<br>Taka     |
|--|--------|------------------------|------------------------|
| <b>PROPERTY AND ASSETS</b>   |        |                        |                        |
| <b>Cash</b>  | 3      |                        |                        |
| Cash in hand ( including foreign currencies)   |        | 3,099,551,672          | 2,201,357,899          |
| Balance with Bangladesh Bank and its agent bank(s)<br>(Including foreign currencies) |        | 26,437,376,200         | 22,174,633,442         |
|  |        | <b>29,536,927,872</b>  | <b>24,375,991,341</b>  |
| <b>Balance with other Banks and Financial Institutions</b>                           | 4      |                        |                        |
| In Bangladesh  |        | 2,637,146,008          | 2,475,700,385          |
| Outside Bangladesh   |        | 4,387,093,348          | 6,293,989,730          |
|  |        | <b>7,024,239,356</b>   | <b>8,769,690,115</b>   |
| <b>Money at call on short notice</b>   | 5      | -                      | 250,000,000            |
| <b>Investments</b>   | 6      |                        |                        |
| Government   |        | 25,356,340,064         | 28,490,617,393         |
| Others   |        | 4,627,642,064          | 5,237,482,542          |
|  |        | <b>29,983,982,128</b>  | <b>33,728,099,936</b>  |
| <b>Loans and Advances/investments</b>  | 7      |                        |                        |
| Loans, cash credit, overdraft etc./investments                                       |        | 218,317,854,244        | 212,520,259,997        |
| Bills purchased and discounted   |        | 2,023,692,190          | 2,707,565,191          |
|  |        | <b>220,341,546,434</b> | <b>215,227,825,188</b> |
| <b>Fixed Assets including premises, furniture &amp; fixtures</b>                     | 8      | 3,008,695,706          | 2,618,021,757          |
| <b>Other Assets</b>  | 9      | 13,621,469,800         | 12,904,331,499         |
| <b>Non-banking Assets</b>  |        | -                      | -                      |
| <b>Total Assets</b>  |        | <b>303,516,861,297</b> | <b>297,873,959,835</b> |
| <b>LIABILITIES AND CAPITAL</b>   |        |                        |                        |
| <b>Liabilities</b>   |        |                        |                        |
| Borrowings from other Banks, Financial Institutions and Agents                       | 10     | 21,322,835,943         | 21,634,274,579         |
| Non-convertible subordinated bond and contingent-convertible perpetual bond          | 10 (b) | 6,900,000,000          | 7,640,000,000          |
| <b>Deposits and other accounts</b>   | 11     |                        |                        |
| Current/Al-wadeeah current account and other account                                 |        | 25,600,825,688         | 18,882,421,515         |
| Bills payable  |        | 2,561,617,392          | 2,371,930,725          |
| Savings accounts/Mudaraba savings bank deposit                                       |        | 26,768,261,590         | 21,377,433,366         |
| Fixed Deposit/Mudaraba fixed deposits  |        | 174,553,868,510        | 185,459,242,458        |
|  |        | <b>229,484,573,179</b> | <b>228,091,028,064</b> |
| <b>Other Liabilities</b>   | 12     | 28,862,724,790         | 24,456,179,407         |
| <b>Total Liabilities</b>   |        | <b>286,570,133,912</b> | <b>281,821,482,050</b> |
| <b>Capital/Shareholders' Equity</b>  |        |                        |                        |
| Paid-up Capital  | 13.2   | 8,853,464,040          | 8,431,870,520          |
| Statutory Reserve  | 14     | 6,430,798,085          | 6,082,448,575          |
| Surplus in profit & loss account   | 15     | 1,650,557,138          | 1,529,071,286          |
| Revaluation reserve for securities   |        | 11,908,123             | 9,087,403              |
| <b>Total Shareholders' Equity</b>  |        | <b>16,946,727,385</b>  | <b>16,052,477,785</b>  |
| <b>Total Liability and Shareholders' Equity</b>                                      |        | <b>303,516,861,297</b> | <b>297,873,959,835</b> |

# ONE Bank Limited


## Balance Sheet


As at 31 December 2020


|   | Notes     | 31.12.2020<br>Taka    | 31.12.2019<br>Taka    |
|---|-----------|-----------------------|-----------------------|
| <b>OFF BALANCE SHEET ITEMS</b>  |           |                       |                       |
| <b>Contingent Liabilities</b>   |           |                       |                       |
| Acceptances and Endorsements  |           | 30,449,543,760        | 40,289,241,267        |
| Letters of Guarantee  | 43        | 13,082,189,159        | 15,222,187,802        |
| Irrevocable Letters of Credit   |           | 19,014,867,606        | 16,250,293,466        |
| Bills for Collection  |           | 1,306,099,289         | 2,204,027,111         |
|   |           | <b>63,852,699,814</b> | <b>73,965,749,644</b> |
| <b>Other Contingent Liabilities</b>                                   |           |                       |                       |
| Claims lodged with but not recognized by the Bank                     |           | -                     | -                     |
| Other exchange contract   |           | -                     | -                     |
| <b>Total Contingent Liabilities</b>                                   |           | <b>63,852,699,814</b> | <b>73,965,749,644</b> |
| <b>Other Commitments</b>  |           |                       |                       |
| Documentary Credits and short term trade-related transactions         |           | -                     | -                     |
| Forward assets purchased and forward deposits placed                  |           | -                     | -                     |
| Undrawn note issuance and revolving underwriting facilities           |           | -                     | -                     |
| Undrawn formal standby facilities, credit lines and other commitments |           | -                     | -                     |
| <b>Total other commitments</b>  |           | <b>-</b>              | <b>-</b>              |
| <b>Total off-Balance Sheet items including contingent liabilities</b> |           | <b>63,852,699,814</b> | <b>73,965,749,644</b> |
| <b>Net Asset Value Per Share</b>                                      | <b>45</b> | <b>19.14</b>          | <b>18.13</b>          |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhrul Alam**  
Managing Director


  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**

  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103311129AS457794

Dhaka, 28 March 2021


**ONE Bank Limited**  
**Profit and Loss Account**  
For the year ended 31 December 2020


|   | Notes       | 2020<br>Taka         | 2019<br>Taka         |
|---|-------------|----------------------|----------------------|
| Interest income/profit on investment                      | 16          | 19,661,117,803       | 23,352,121,191       |
| Interest paid on deposits and borrowings etc.             | 17          | (16,266,405,458)     | (17,957,339,207)     |
| <b>Net interest income</b>                                |             | <b>3,394,712,344</b> | <b>5,394,781,984</b> |
| Investment income   | 18          | 2,710,031,543        | 1,874,462,581        |
| Commission, exchange and brokerage                        | 19          | 1,122,148,188        | 1,419,847,374        |
| Other operating income                                    | 20          | 772,362,748          | 641,851,122          |
| <b>Total operating income (A)</b>                         |             | <b>7,999,254,823</b> | <b>9,330,943,061</b> |
| Salaries and allowances                                   | 21          | 2,772,050,131        | 2,956,891,285        |
| Rent, taxes, insurance, electricity etc.                  | 22          | 496,649,726          | 545,425,215          |
| Legal expenses  | 23          | 72,642,146           | 89,074,674           |
| Postage, stamps, telecommunication etc.                   | 24          | 78,845,753           | 79,312,543           |
| Directors' fees   | 25          | 1,152,000            | 1,432,000            |
| Auditors' fees  |             | 300,000              | 300,000              |
| Stationery, printings, advertisements etc.                | 26          | 306,861,173          | 467,312,959          |
| Managing Director's salary and allowances                 | 27          | 12,920,000           | 14,296,289           |
| Depreciation, leasing expense and repair of bank's assets | 28          | 940,316,877          | 758,434,288          |
| Other expenses  | 29          | 392,525,426          | 299,279,443          |
| <b>Total operating expenses (B)</b>                       |             | <b>5,074,263,233</b> | <b>5,211,758,696</b> |
| <b>Profit/ (loss) before provision and tax (C=A-B)</b>    |             | <b>2,924,991,590</b> | <b>4,119,184,365</b> |
| Provision for loans and advances                          |             |                      |                      |
| Specific provision  | 12.4        | 794,354,912          | 1,771,860,497        |
| General provision   | 12.5 & 12.6 | 480,779,955          | (90,848,241)         |
|   |             | <b>1,275,134,867</b> | <b>1,681,012,256</b> |
| Provision for off-balance sheet items                     | 12.9        | (91,890,826)         | (115,495,593)        |
| Provision for diminution in value of share                | 12.11       | -                    | -                    |
| Provision for other assets                                | 12.8        | -                    | 2,364,897            |
| <b>Total Provision (D)</b>                                |             | <b>1,183,244,041</b> | <b>1,567,881,560</b> |
| <b>Profit/ (loss) before taxes (E=C-D)</b>                |             | <b>1,741,747,549</b> | <b>2,551,302,805</b> |
| <b>Provision for taxation</b>                             |             |                      |                      |
| Current tax expense                                       | 33          | 424,085,114          | 877,981,117          |
| Deffered tax expense/ (income)                            | 33          | 4,640,028            | 13,474,670           |
|   |             | 428,725,142          | 891,455,787          |
| <b>Net Profit after taxation</b>                          |             | <b>1,313,022,407</b> | <b>1,659,847,018</b> |
| Retained surplus brought forward                          | 15.1        | 685,884,240          | 379,484,829          |
|   |             | <b>1,998,906,648</b> | <b>2,039,331,848</b> |
| <b>Appropriations:</b>                                    |             |                      |                      |
| Statutory Reserve   | 14          | 348,349,510          | 510,260,561          |
| General Reserve   |             | -                    | -                    |
|   |             | 348,349,510          | 510,260,561          |
| <b>Retained Surplus</b>                                   |             | <b>1,650,557,138</b> | <b>1,529,071,286</b> |
| <b>Earnings per share (EPS)</b>                           | 46          | <b>1.48</b>          | <b>1.87</b>          |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhurul Alam**  
Managing Director


  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

See annexed report of even date.

ACNABIN, Chartered Accountants

  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103311129AS457794

Dhaka, 28 March 2021

# ONE Bank Limited

## Cash Flow Statement


For the year ended 31 December 2020


|  | Notes     | 2020<br>Taka           | 2019<br>Taka          |
|--|-----------|------------------------|-----------------------|
| <b>Cash flows from operating activities</b>  |           |                        |                       |
| Interest receipts in cash  | 34        | 23,786,528,987         | 22,667,882,649        |
| Interest payments  | 35        | (17,475,059,504)       | (17,520,609,882)      |
| Dividend receipts  |           | 30,394,716             | 39,672,879            |
| Fee and commission receipts in cash  | 36        | 727,231,924            | 830,799,959           |
| Recoveries of loans previously written off   |           | 17,228,565             | 50,682,911            |
| Cash payments to employees   | 37        | (2,803,351,574)        | (2,954,586,867)       |
| Cash payments to suppliers   | 38        | (645,114,954)          | (799,986,033)         |
| Income taxes paid  | 9.3       | (1,173,423,871)        | (1,221,917,404)       |
| Receipts from other operating activities   | 39        | 1,164,918,477          | 1,230,898,537         |
| Payment for other operating activities   | 40        | (1,204,911,063)        | (1,059,106,892)       |
| <b>Cash generated from operating activities before changes in operating assets and liabilities</b> |           | <b>2,424,441,703</b>   | <b>1,263,729,856</b>  |
| <b>Increase/(decrease) in operating assets and liabilities</b>                                     |           |                        |                       |
| Sales/ (purchase) of trading securities  |           | 6,465,816,441          | (6,460,140,873)       |
| Loans and advances to customers  |           | (5,113,721,247)        | (16,319,075,969)      |
| Other current assets   | 42        | 259,870,574            | (130,468,043)         |
| Deposits from other banks/ Borrowings  |           | 697,487,195            | 3,660,842,782         |
| Deposits from customers  |           | (831,874,704)          | 22,364,398,488        |
| Other liabilities  | 41        | 2,373,884,399          | 1,990,072,271         |
| <b>A Net cash used in/ from operating activities</b>   |           | <b>6,275,904,361</b>   | <b>6,369,358,511</b>  |
| <b>Cash flow from investing activities</b>   |           |                        |                       |
| Proceeds from sale of securities   |           | 4,812,823,945          | 6,347,842,267         |
| Payments for purchase of securities  |           | (7,166,763,970)        | (3,993,357,510)       |
| Payment for investment in subsidiary   |           | -                      | -                     |
| Purchase of property, plant & equipment  |           | (336,562,655)          | (201,911,447)         |
| Sale of property, plant & equipment  |           | 7,368,998              | 365,150               |
| <b>B Net cash used in investing activities</b>   |           | <b>(2,683,133,682)</b> | <b>2,152,938,460</b>  |
| <b>Cash flow from financing activities</b>   |           |                        |                       |
| Receipts from issue of ordinary shares   |           | -                      | -                     |
| Dividend paid  |           | (421,593,526)          | -                     |
| <b>C Net cash from financing activities</b>  |           | <b>(421,593,526)</b>   | <b>-</b>              |
| D Net increase/(decrease) in cash and cash equivalent (A+B+C)                                      |           | 3,171,177,152          | 8,522,296,971         |
| E Effects of exchange rate changes on cash and cash-equivalent                                     |           | (5,732,880)            | 32,405,708            |
| F Opening cash and cash equivalent   |           | <b>33,397,303,156</b>  | <b>24,842,600,477</b> |
| <b>G Closing cash and cash equivalents (D+E+F)</b>   |           | <b>36,562,747,428</b>  | <b>33,397,303,156</b> |
| <b>Closing cash and cash equivalents</b>   |           |                        |                       |
| Cash in hand (including foreign currencies)  | 3.1       | 3,099,551,672          | 2,201,357,899         |
| Cash with Bangladesh Bank & its agent banks(s)   | 3.2       | 26,437,376,200         | 22,174,633,442        |
| Cash with other banks and financial institutions   | 4         | 7,024,239,356          | 8,769,690,115         |
| Money at call and short notice   | 5         | -                      | 250,000,000           |
| Prize bonds  | 6         | 1,580,200              | 1,621,700             |
|  |           | <b>36,562,747,428</b>  | <b>33,397,303,156</b> |
| <b>Net Operating Cash Flow Per Share</b>   | <b>47</b> | <b>7.09</b>            | <b>7.19</b>           |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhru Alam**  
 Managing Director

  
**Kazi Rukunuddin Ahmed**  
 Director

  
**Zahur Ullah**  
 Director

  
**A.S.M. Shahidullah Khan**  
 Chairman

Dhaka, 28 March 2021

**ONE Bank Limited**  
**Statement of Changes in Equity**  
For the year ended 31 December 2020

| Particulars   | Paid-up Capital | Statutory Reserve | Revaluation Reserve for Securities | Profit & Loss Account | Total Shareholders' Equity |
|---|-----------------|-------------------|------------------------------------|-----------------------|----------------------------|
| <b>Balance as at 01 January 2020</b>                                    | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,529,071,286         | 16,052,477,785             |
| Changes in accounting policy  | -               | -                 | -                                  | -                     | -                          |
| <b>Restated balance</b>   | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,529,071,286         | 16,052,477,785             |
| Issue of Bonus Share for the year 2019 (Transferred to Paid-up Capital) | 421,593,520     | -                 | -                                  | (421,593,520)         | -                          |
| Cash Dividend Paid  |                 |                   |                                    | (421,593,526)         | (421,593,526)              |
| Surplus of Revaluation of Reserve for HTM Securities                    | -               | -                 | 11,908,123                         | -                     | 11,908,123                 |
| Adjustment of Revaluation of Reserve for HTM Securities                 | -               | -                 | (9,087,403)                        | -                     | (9,087,403)                |
| Net Profit after Tax for the year                                       | -               | -                 | -                                  | 1,313,022,407         | 1,313,022,407              |
| Profit transferred to Statutory Reserve                                 | -               | 348,349,510       | -                                  | (348,349,510)         | -                          |
| <b>Balance as at 31 December 2020</b>                                   | 8,853,464,040   | 6,430,798,085     | 11,908,123                         | 1,650,557,138         | 16,946,727,385             |
| <b>Balance as at 31 December 2019</b>                                   | 8,431,870,520   | 6,082,448,575     | 9,087,403                          | 1,529,071,286         | 16,052,477,785             |

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhrul Alam**  
Managing Director

  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

Dhaka, 28 March 2021

**ONE Bank Limited**  
**Liquidity Statement**  
**(Assets & Liabilities Maturity Analysis)**  
As at 31 December 2020

Amount in Taka

|  | Up to 1 month         | 1-3 months              | 3-12 months             | 1-5 years             | Above 5 years         | Total                  |
|--|-----------------------|-------------------------|-------------------------|-----------------------|-----------------------|------------------------|
| <b>Assets:</b>   |                       |                         |                         |                       |                       |                        |
| Cash   | 29,536,927,872        | -                       | -                       | -                     | -                     | 29,536,927,872         |
| Balance with other banks and financial institutions                            | 1,910,852,811         | 2,239,679,741           | 2,873,706,804           | -                     | -                     | 7,024,239,356          |
| Money at call on short notice  | -                     | -                       | -                       | -                     | -                     | -                      |
| Investment   | -                     | 1,383,367,505           | 4,615,062,402           | 18,400,694,376        | 5,584,857,845         | 29,983,982,128         |
| Loans and Advances   | 36,968,252,647        | 37,946,591,814          | 58,676,310,768          | 51,634,905,636        | 35,115,485,568        | 220,341,546,434        |
| Fixed Assets including premises, furniture & fixtures                          | -                     | -                       | -                       | -                     | 3,008,695,706         | 3,008,695,706          |
| Other Assets   | 921,549,811           | -                       | 1,384,884,753           | 2,303,874,528         | 9,011,160,708         | 13,621,469,800         |
| Non-banking Assets   | -                     | -                       | -                       | -                     | -                     | -                      |
| <b>Total Assets</b>  | <b>69,337,583,142</b> | <b>41,569,639,060</b>   | <b>67,549,964,726</b>   | <b>72,339,474,541</b> | <b>52,720,199,827</b> | <b>303,516,861,297</b> |
| <b>Liabilities:</b>  |                       |                         |                         |                       |                       |                        |
| Borrowing from Bangladesh Bank, other banks, financial institutions and agents | 2,154,336,117         | 2,653,639,843           | 9,568,364,275           | 12,786,495,707        | 1,060,000,000         | 28,222,835,943         |
| Deposits and Other Accounts  | 47,943,412,173        | 60,671,551,507          | 80,090,147,756          | 32,496,136,860        | 8,283,324,883         | 229,484,573,179        |
| Other Liabilities  | 2,872,975,358         | 11,492,100,932          | 10,055,413,751          | 4,442,234,749         | -                     | 28,862,724,790         |
| <b>Total Liabilities</b>   | <b>52,970,723,648</b> | <b>74,817,292,282</b>   | <b>99,713,925,783</b>   | <b>49,724,867,316</b> | <b>9,343,324,883</b>  | <b>286,570,133,912</b> |
| <b>Net Liquidity Gap</b>   | <b>16,366,859,495</b> | <b>(33,247,653,221)</b> | <b>(32,163,961,057)</b> | <b>22,614,607,225</b> | <b>43,376,874,944</b> | <b>16,946,727,385</b>  |

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

These Financial Statements should be read in conjunction with the annexed notes 1 to 53.

  
**M. Fakhrul Alam**  
Managing Director

  
**Kazi Rukunuddin Ahmed**  
Director

  
**Zahur Ullah**  
Director

  
**A.S.M. Shahidullah Khan**  
Chairman

Dhaka, 28 March 2021

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 2018). 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 Chattogram Stock Exchange Ltd. As on 31 December 2020 the Bank has 105 branches, 2 Islami Banking branches, 20 Sub-branches, 12 collection booths and 137 ATM booths. The Bank has two subsidiary companies namely, ONE Securities Limited and ONE Investment Limited. At present the Bank has 2 (two) Off-shore Banking units, one in Dhaka and another in Chattogram.

#### 1.2 Principal activities

The principal activities of the Bank are to provide all kinds of conventional and Islami banking services 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, Agent banking). The Bank also provides off-shore banking services through its Off-Shore Banking Units (OBU).

#### 1.3 Islami Banking operation

The Bank obtained permission from Bangladesh Bank to operate Islami Banking operation vide letter no. BRPD (P-3)/745(72)/2020-3978 dated 15 June 2020. The Bank commenced operation from 15 December 2020. The Islami Banking operation is governed under the rules and regulations of Bangladesh Bank. Separate Financial Statements of Islami Banking Unit are shown in the **Annexure- H**.

The Financial Statements of the Islami banking Unit have also been prepared as per the Bank Company Act, 1991 (amended upto 2018), IFRS and other prevailing laws and regulations applicable in Bangladesh.

A separate Balance Sheet and Profit and Loss Account are shown in Annexure- H and the figures appearing in the annexure have been converted into relevant heads of Financial Statements under conventional banking for consolidation and incorporation in these Financial Statements.

#### 1.4 Off-Shore Banking Units

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**.

#### 1.5 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.

#### 1.6 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 1.7 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, Commerzbank, Mashreqbank etc. Moreover, drawing arrangement with Xpress Money, Placid NK Corporation, Continental Exchange Solutions INC., Transfast Remittance LLC, Western Union, Al Ansari Exchange, MoneyGram International Inc, Merchantrade Asia Sdn Bhd, Aftab Currency Exchange Ltd. are facilitating routing of foreign remittances 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 2020 our total no. of foreign correspondents and nostro accounts stand at 431 and 27 (including 03 OBU accounts) respectively.

### 1.8 Treasury Functions

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

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2020.

Capital Adequacy symbolizes the financial strength and stability of a bank. It limits the extent up to which a bank can expand its business in terms of risk-weighted assets. Like all other commercial institutions, the Bank constantly looks for 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.

### 1.9 Information Technology

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 22 (Twenty-Two) 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, Agent Banking Service, Islamic Banking 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 compliances efficiently but also to provide customers better with introduction of disruptive innovation in banking.

### 1.10 Strategic Directions 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 identified. 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

## Notes to the Financial Statements

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Plan and the Budget. Budget is prepared for each year by spelling 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 evaluated in the marketing meeting.

### 1.11 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.

### 1.12 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2020, the amount of deposit was 75.61% of total liability and shareholders' equity & the amount of shareholders' equity was 5.58% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

### 1.13 Corporate Governance

#### 1.13.1 Board of Directors

##### a) Members of the Board

The Board of Directors of the Bank is constituted by 6 (Six) numbers of Directors and all of the Directors except Managing Director are Non-Executive Directors. Particulars of Directors are included in the annual report (please see **Annexure-E**).

##### b) Board Meeting

The Chairman of the Board conducts the Board Meetings and ensures effective participation of all Directors, heeding to their concerns and maintaining 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.

#### 1.13.2 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 2018), directives of BSEC 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### **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.

### **1.13.3 General Meeting**

#### **a) Shareholders Suggestions**

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

#### **b) Notice of the General Meeting**

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

### **1.13.4 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 of the Financial Statements**

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking Units (Main operations) including Islami Banking Operation and Off-shore Banking Units (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 Statements**

**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 also requires 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 Company Act, 1991 (Amended Upto 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 required by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

Accordingly, the financial statements of the Bank are continued to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company 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 Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

### 2.3.1 Investment in Shares, Mutual Fund and Other Securities

**IFRS:** As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the end of the year at market price and as per book value of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV. Provision should be made for any loss arising from diminution in value of investment (portfolio basis); otherwise investments are recognised 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 recognised 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, BRPD circular No. 8 dated 02 August 2015, BRPD circular No. 12 dated 20 August 2017, BRPD circular No. 16 dated 21 July 2020 and BRPD circular letter No. 52 dated 20 October 2020a general provision at 0.25% to 2% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And as per BRPD

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

circular letter No. 56 dated 10 December 2020 and BRPD letter No. BRPD (P-1) 661/13/2021-117 dated 05 January 2021 provision maintained 1% as Special General Provision COVID-19 against deferral Loan as per BRPD Circular no.17 dated 28 September 2020. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 (except contain in BRPD Circular Letter No. 01 dated 03 January 2018 and BRPD Circular No. 07 dated June 21, 2018). 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 is not allowed to be recognized as income, rather the corresponding amount needs to be credited to interest suspense account which is presented as liability in the balance sheet.

### 2.3.5 Other Comprehensive Income

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

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which are to be followed by all banks in Bangladesh. 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 categories, recognize, 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 debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

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

### 2.3.8 Repo and Reverse Repo Transaction

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

## Notes to the Financial Statements

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**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 asset and simultaneously enters into agreement to repurchase the asset (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 Bonds 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 exist 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 2018).

### 2.3.11 Cash Flow Statement

**IFRS:** As per the requirement of IAS7, 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 IAS7, 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 Assets

**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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 provisions for loans and advances, provision for income tax (current & deferred tax), gratuity fund and liquidity statements.

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

### 2.6 Foreign currency transactions and translations

#### i. Functional and presentational currency

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

#### ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at 31 December 2020 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 of 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 2020. The consolidated financial statements have been prepared in accordance with IFRS 10 'Consolidated Financial Statements'.

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

### 2.7.2 Transactions eliminated on consolidation

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

## 2.8 Assets and the basis of their valuation

### 2.8.1 Cash and Cash Equivalents

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

### 2.8.2 Loans and Advances

- 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, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No.16 dated 21 July 2020 and BRPD Circular letter No.52 dated 20 October 2020 respectively at the following rates:

| Category/status of Loans and Advances   | Rates                         |                        |
|---|-------------------------------|------------------------|
|   | Bangladesh Bank's Requirement | Maintained by the Bank |
| <b>General provisions for unclassified loans and advances:</b>  |                               |                        |
| All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans) | 1%                            | 1%                     |
| Staff loan  | 0%                            | 0%                     |
| Unclassified loan to Cottage, Micro and Small Credits under CMSME   | 0.25%                         | 0.25%                  |
| Credit Card   | 2%                            | 2%                     |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

| Category/status of Loans and Advances   | Rates                         |                        |
|---|-------------------------------|------------------------|
|   | Bangladesh Bank's Requirement | Maintained by the Bank |
| Small and medium enterprise financing   | 0.25%                         | 0.25%                  |
| Consumer Finance (House Financing)  | 1%                            | 1%                     |
| Consumer financing (Other than housing financing)                                     | 2%                            | 2%                     |
| Special mention account   | 0% to 2%                      | 0% to 2%               |
| Loans to BHs/MBs/SDs against Shares   | 2%                            | 2%                     |
| Loan to Short-term Agricultural and Micro-Credits                                     | 1%                            | 1%                     |
| Special General Provision for COVID-19  | 1%                            | 1%                     |
| <b>Specific provision for classified loans and advances:</b>                          |                               |                        |
| Substandard   | 20%                           | 20%                    |
| Doubtful  | 50%                           | 50%                    |
| Bad/Loss  | 100%                          | 100%                   |
| <b>Provision for classified loan to short-term agricultural and Micro-Credit:</b>     |                               |                        |
| Substandard   | 5%                            | 5%                     |
| Doubtful  | 5%                            | 5%                     |
| Bad/Loss  | 100%                          | 100%                   |
| <b>Provision for classified loan to Cottage, Micro and Small Credits under CMSME:</b> |                               |                        |
| Substandard   | 5%                            | 5%                     |
| Doubtful  | 20%                           | 20%                    |
| Bad/Loss  | 100%                          | 100%                   |

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

### 2.8.3 Investments

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

#### The valuation method of investments

**a) Held to Maturity (HTM):** Investments which are intended to be held 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

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  |
| SUKUK Bond (Ijarah Sukuk) under OBL Islami Banking | Cost                | Cost                          | None  |
| Bangladesh Bank Bill (HFT) Banking                 | 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 for which market price is below the cost price of investment as per Bangladesh Bank guideline except Special Investment vide DOS Circular no 01 dated 10 February 2020.

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

**e) Investments in Subsidiary:** Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's Financial Statements in accordance with the International Accounting Standard 27 and IFRS 10. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses if any.

### 2.8.4 Non Current Assets

#### a) Property, Plant and Equipment

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

For additions during the year, depreciation is charged for the remaining days of the year and for disposal depreciation is charged up to the date of disposal. Capitalized expenditure and furniture facility to the executive of OBL are amortized within five years on conservative approach.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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.

### 2.8.5 Other Assets

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

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

### 2.8.6 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### b) Subordinated Bond:

**Subordinated Bond-II Tk. 4,000,000,000 (outstanding balance as on 31 December 2020 was Tk. 2,400,000,000):**

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 @ 8.45%.

### **Subordinated Bond-III Tk. 4,000,000,000:**

With the view to strengthening 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 Bangladesh 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.

### **Contingent-Convertible Perpetual Bond-I Tk. 4,000,000,000:**

To meet the Capital to Risk Weighted Assets Ratio of the Bank, ONE Bank Limited issued unsecured, Contingent-Convertible, Floating Rate Perpetual bonds on 30th December, 2020 after obtaining approval from Bangladesh Bank and Bangladesh Securities and Exchange Commission vide their letters [#BRPD (BFIS) 661/14B(P)/2020/8071 dated September 29, 2020] and [# BSEC/CI/DS-118/2020/296 dated December 23, 2020] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 6.00% to 10.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.04%.

### 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 liabilities comprises 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, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No.16 dated 21 July 2020 and BRPD Circular letter No.52 dated 20 October 2020.

Details are stated in Note 7.13 of these financial statements.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 by netting of unrealized gain and losses 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. Detailed information on the reporting date are given in the note no.12.11.

### k) Provision for liabilities and accrued expenses

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

### l) Taxation

#### l.1 Current Tax

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

#### l.2 Deferred Tax

Deferred tax is made as per the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### **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 2018). This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after this it is optional.

### **e) Reserve for amortization/ revaluation of securities**

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

## **2.9 Revenue Recognition**

### **a) Interest Income (Conventional Banking)**

Interest income is recognized on accrual basis. Interest on unclassified loans and advances are calculated at the prescribed rates to be taken into income. Interest is ceased to be taken into income when such loans and advances are marked as classified as per criteria prescribed by the Bangladesh Bank. It is then kept in interest suspense account. Interest on classified advances is accounted for when it is realized in cash.

### **b) Investment Income**

Interest income on investment is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

### **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 are 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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). |
| 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 2020 as per IAS– 33 “Earnings per Share”. Diluted earnings per share were 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 2.16 Authorization of Financial Statements

The financial statements for the year ended 31 December 2020 have been authorized for issue in accordance with a resolution of the Board of Directors on 28 March 2021.

### 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-G**.

### 2.20 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2020.

### 2.21. Number of Employees

The number of employees in employment in the Bank as on 31 December 2020 was 2,425 of which 1,919 were male and 506 were female. The number of employees per branch (including sub-branches and booths) was 13.98 (1496/107) excluding 929 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. The Audit Committee has decided to realign with para- 263(1) of the Labour Rules 2015 immediately after taking necessary legal opinion from a renowned lawyer.

#### 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### **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, 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

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**

Incentive Bonus if declared, the 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.

## **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 required 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/<br>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       | N/A                          |
| 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 |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

| Name of the Standards  | IFRS/<br>IAS | Status of compliance         |
|--|--------------|------------------------------|
| 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 with some departures |
| Regulatory Deferral Accounts   | IFRS 14      | N/A                          |
| Revenue from Contracts with Customers  | IFRS 15      | Applied                      |
| Leases   | IFRS 16      | Applied                      |
| Presentation of Financial Statements   | IAS 1        | 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                      |
| Employee Benefits  | IAS 19       | Applied                      |
| Accounting for Government Grants and Measurement Disclosure of Government Assistance | IAS 20       | N/A                          |
| The Effects of Changes in Foreign Exchange Rates                                     | IAS 21       | Applied                      |
| Borrowing Costs  | IAS 23       | Not 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 with some departures |
| 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 with some departures |
| Intangible Assets  | IAS 38       | Applied                      |
| Financial instruments: Recognition and Measurement                                   | IAS 39       | Applied                      |
| Investment Property  | IAS 40       | Not Applied ****             |
| Agriculture  | IAS 41       | Not Applied ****             |

**\*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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

\*\* 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.

\*\*\*\* Not Applied due to not having transaction during the year.

### 2.24: IFRS 16: Leases

IFRS 16 is effective from 01 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.

ONE Bank Limited has applied IFRS 16: "Leases" 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 and ATM & Sub-branch rent (considering the same as low value assets). The Bank recognizes lease payments associated with these leases as expenses.

On the balance sheet, right-of-use assets have been included in the fixed assets and lease liabilities have been included in other liabilities.

### 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 @ 13.02% against the statutory requirement of 12.50% as at December 31, 2020.

### 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

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

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 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

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

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.

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 (AMLD) 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

## Notes to the Financial Statements

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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 introduced EMV Cards, 2 Factor Authentication (2FA) System, SSL Certificate 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.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

Further, the number of fraud cases in OBL is at a minimal level. However, fraud and forgery within the period January 01, 2020 to December, 31, 2020 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:

- The Bank Company Act, 1991 (as amended in 2018).
- The Companies Act, 1994.
- Rules and Regulations issued by Bangladesh Bank from time to time.
- The Securities and Exchange Ordinance 1969.
- The Securities and Exchange Rules 1987.
- Bangladesh Securities and Exchange Commission Act 1993.
- Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015.
- The Income Tax Ordinance and Rules 1984.
- The VAT Act, 1991.
- 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

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

However, the stocks of such items are stated below:

| Stocks of Items               | 2020 (Taka)          | 2019 (Taka)          |
|-------------------------------|----------------------|----------------------|
| Bangladesh Shanchaya Patras   | 2,562,466,338        | 2,096,097,118        |
| US\$ Investment Bonds         | 71,656,929           | 47,193,750           |
| US\$ Premium Bonds            | 74,200,962           | 47,193,750           |
| Wage Earners Development Bond | 166,300,000          | 9,500,000            |
| <b>Total</b>                  | <b>2,874,624,229</b> | <b>2,199,984,618</b> |

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

### 2.31 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 2018) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 319th

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

Board Meeting held on October 15, 2020 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. Kazi Rukunuddin Ahmed | Director             | Member                    | B.Sc. in Engineering      |
| 3       | Mr. Shawket Jaman         | Director             | Member                    | B. Com.                   |

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 05 (five) Meetings from 01 January to 31 December, 2020.

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.

### 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 2018) and BRPD Circular No. 11 dated 27 October, 2013, the Board of Directors at its 319th Board Meeting held on October 15, 2020 constituted the Risk Management Committee as under:

| Sl. No. | Committee Members                                    | Status with the Bank | Position in the Committee |
|---------|--|----------------------|---------------------------|
| 1       | Mr. Asoke Das Gupta<br>(Expired on 13 December 2020) | Vice Chairman        | Chairman                  |
| 2       | Mr. Shawket Jaman                                    | Director             | Member                    |
| 3       | 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, 2020.

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, 2020 to December 31, 2020 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. Asoke Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 2.33 Impact of COVID-19

World Health Organization (WHO) declared from 11 March 2020, a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected and this has also affected the Bank. Although the business operation and profitability of the Group and the Bank have been impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Group's operation and financial results cannot be reasonably assessed.

The management of the bank assessed the going concern and found no uncertainty regarding this for the upcoming 12 months due to COVID-19. Due to the outbreak of COVID-19 the global economy including Bangladesh has caused serious disruption in Export and Import business, especially in the month of April and May 2020. As a result, the related fees and commission income has been reduced significantly during the period. Moreover, the growth of Loans & Advances in business sector has showed negative trend which has been reflected in our Loan portfolio. As a result, income from Loans & Advances has also been reduced in the year 2020.

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b>3. Cash</b>   |                           |                           |
| Cash in hand (note-3.1)  | 3,099,551,672             | 2,201,357,899             |
| Balance with Bangladesh Bank and its agent bank(s) (note-3.2)                                    | 26,437,376,200            | 22,174,633,442            |
|  | <b>29,536,927,872</b>     | <b>24,375,991,341</b>     |
| <b>3.1 Cash in hand (including foreign currencies)</b>   |                           |                           |
| <b>Conventional Banking:</b>   |                           |                           |
| In local currency  | 3,059,686,909             | 2,177,381,205             |
| In foreign currencies  | 25,036,324                | 23,976,694                |
|  | <b>3,084,723,233</b>      | <b>2,201,357,899</b>      |
| <b>Islami Banking:</b>   |                           |                           |
| In local currency  | 14,828,438                | -                         |
| In foreign currencies  | -                         | -                         |
|  | <b>14,828,438</b>         | <b>-</b>                  |
|  | <b>3,099,551,672</b>      | <b>2,201,357,899</b>      |
| <b>3.2 Balance with Bangladesh Bank and its agent bank(s)<br/>(including foreign currencies)</b> |                           |                           |
| <b>Balance with Bangladesh Bank</b>  |                           |                           |
| <b>Conventional Banking:</b>   |                           |                           |
| In local currency  | 13,382,996,073            | 14,004,525,163            |
| In foreign currencies  | 11,518,613,657            | 4,949,703,076             |
|  | <b>24,901,609,730</b>     | <b>18,954,228,239</b>     |
| <b>Islami Banking:</b>   |                           |                           |
| In local currency  | 83,922,891                | -                         |
| In foreign currencies  | -                         | -                         |
|  | <b>83,922,891</b>         | <b>-</b>                  |
| Balance with Sonali Bank being an agent of Bangladesh Bank                                       | 1,451,843,579             | 3,220,405,203             |
|  | <b>26,437,376,200</b>     | <b>22,174,633,442</b>     |

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

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 03 dated 09 April 2020 issued by Bangladesh Bank.

The Cash Reserve Ratio on the time and demand liabilities at the rate of 3.50% (Conventional and Islami Banking), 1.50% for Offshore Banking on daily basis and 4% (Conventional and Islami Banking), 2% for Offshore Banking on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13.00% (Conventional and Offshore Banking) and 5.50% for Islami Banking of 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. Islami Banking operation has been started the business from December 15, 2020 and Bangladesh Bank issued a letter no. DOS (SR) 1153/120-A/2020-4130 dated December 22, 2020 for maintaining CRR and SLR. As per the directives of Bangladesh Bank, Islami Banking Division of ONE Bank Ltd requires to maintain 4.00% as CRR and 5.50% as SLR for the next two months (i.e. February 28, 2021).

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b>a) Cash Reserve Requirement (CRR) :</b>   |                           |                           |
| <b>Conventional and Offshore Banking:</b>  |                           |                           |
| <b>Required reserve daily basis</b>  |                           |                           |
| Domestic Banking Operation   | 7,704,943,330             | 11,626,506,888            |
| Offshore Banking Operation   | 138,494,400               | 752,287,942               |
| <b>Total</b>   | <b>7,843,437,730</b>      | <b>12,378,794,830</b>     |
| <b>Reserve Held</b>  |                           |                           |
| Balance with Bangladesh Bank   | 13,382,996,073            | 14,004,525,163            |
| Amount in reconciliation (Net)*  | 1,030,508,547             | 26,375,506                |
| <b>Reserve held with Bangladesh Bank in local currencies</b>   | <b>14,413,504,620</b>     | <b>14,030,900,669</b>     |
| <b>Surplus/(Shortage)</b>  | <b>6,570,066,890</b>      | <b>1,652,105,839</b>      |
| * The balance of local currency account was duly reconciled as of 31 December 2020 and the above amount was matched accordingly. |                           |                           |
| <b>Required reserve bi-weekly basis</b>  |                           |                           |
| Domestic Banking Operation   | 8,805,649,520             | 11,626,506,888            |
| Offshore Banking Operation   | 184,659,200               | 752,287,942               |
| <b>Total</b>   | <b>8,990,308,720</b>      | <b>12,378,794,830</b>     |
| Reserve held with Bangladesh Bank in local currencies  | 14,413,504,620            | 14,030,900,669            |
| <b>Surplus/(Shortage)</b>  | <b>5,423,195,900</b>      | <b>1,652,105,839</b>      |
| <b>Islami Banking:</b>   |                           |                           |
| Required reserve daily basis and bi-weekly basis   | 6,911,920                 | -                         |
| Reserve held with Bangladesh Bank in local currencies  | 83,922,891                | -                         |
| <b>Surplus/(Shortage)</b>  | <b>77,010,971</b>         | <b>-</b>                  |
| <b>b) Statutory Liquidity Ratio (Other than CRR):</b>  |                           |                           |
| <b>Conventional and Offshore Banking:</b>  |                           |                           |
| <b>Required reserve</b>  |                           |                           |
| Domestic Banking Operation   | 28,618,360,940            | 27,480,834,463            |
| Offshore Banking Operation   | 1,200,284,800             | 1,778,135,135             |
| <b>Total</b>   | <b>29,818,645,740</b>     | <b>29,258,969,598</b>     |
| Reserve held (b.1)   | 35,293,402,577            | 35,562,864,634            |
| <b>Surplus/(Shortage)</b>  | <b>5,474,756,837</b>      | <b>6,303,895,035</b>      |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>31.12.2020</b>     | <b>31.12.2019</b>     |
|---|-----------------------|-----------------------|
|   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b>b.1 Reserve held in SLR :</b>                                      |                       |                       |
| Cash in hand including foreign currency                               | 3,084,723,233         | 2,201,357,899         |
| Balance with Sonali Bank being an agent of Bangladesh Bank            | 1,451,843,579         | 3,220,405,203         |
| Foreign Currency used (Balance with Bangladesh)                       | -                     | -                     |
| Treasury Bills  | 756,134,449           | 10,229,423,453        |
| Treasury Bonds  | 24,577,505,415        | 18,259,572,240        |
| <b>Sub Total</b>  | <b>29,870,206,677</b> | <b>33,910,758,795</b> |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR ) | 5,423,195,900         | 1,652,105,839         |
| <b>Total</b>  | <b>35,293,402,577</b> | <b>35,562,864,634</b> |
| <b>Islami Banking:</b>  |                       |                       |
| Required reserve  | 9,503,890             | -                     |
| Reserve held (b.2)  | 112,959,410           | -                     |
| <b>Surplus/(Shortage)</b>   | <b>103,455,520</b>    | <b>-</b>              |
| <b>b.2 Reserve held in SLR :</b>                                      |                       |                       |
| Cash in hand including foreign currency                               | 14,828,438            | -                     |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR ) | 77,010,971            | -                     |
| Other securities  | 21,120,000            | -                     |
|   | <b>112,959,410</b>    | <b>-</b>              |
| <b>3 (a) Consolidated Cash</b>  |                       |                       |
| <b>i Cash in hand</b>   |                       |                       |
| ONE Bank Limited  | 3,099,551,672         | 2,201,357,899         |
| ONE Securities Limited  | 13,197                | 10,905                |
| ONE Investments Limited   | -                     | -                     |
|   | <b>3,099,564,869</b>  | <b>2,201,368,803</b>  |
| <b>ii Balance with Bangladesh Bank and its agent bank(s)</b>          |                       |                       |
| ONE Bank Limited  | 26,437,376,200        | 22,174,633,442        |
| ONE Securities Limited  | -                     | -                     |
| ONE Investments Limited   | -                     | -                     |
|   | <b>26,437,376,200</b> | <b>22,174,633,442</b> |
|   | <b>29,536,941,069</b> | <b>24,376,002,245</b> |
| <b>4. Balance with Other Banks and Financial Institutions</b>         |                       |                       |
| In Bangladesh (note-4.1)  | 2,637,146,008         | 2,475,700,385         |
| Outside Bangladesh (note-4.2)   | 4,387,093,348         | 6,293,989,730         |
|   | <b>7,024,239,356</b>  | <b>8,769,690,115</b>  |
| <b>4.1 In Bangladesh</b>  |                       |                       |
| In current accounts (note-4.3)  | 97,840,493            | 34,374,868            |
| Other deposit accounts (note-4.4)                                     | 2,539,305,514         | 2,441,325,516         |
|   | 2,637,146,008         | 2,475,700,385         |
| Off-shore Banking Unit  | -                     | -                     |
|   | <b>2,637,146,008</b>  | <b>2,475,700,385</b>  |
| <b>4.2 Outside Bangladesh</b>   |                       |                       |
| In current accounts (note-4.5)  | 4,294,827,214         | 6,068,967,972         |
| Other deposit accounts  | -                     | -                     |
|   | 4,294,827,214         | 6,068,967,972         |
| Off-shore Banking Unit  | 92,266,134            | 225,021,758           |
|   | <b>4,387,093,348</b>  | <b>6,293,989,730</b>  |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>31.12.2020</b>           | <b>31.12.2019</b>           |
|--|-----------------------------|-----------------------------|
|  | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>4.3 Current Accounts (In Bangladesh)</b>        |                             |                             |
| AB Bank Limited                                    | 709,419                     | 3,469,003                   |
| Sonali Bank Limited                                | 62,427,089                  | 7,204,736                   |
| Trust Bank Limited-Q Cash Settlement Account       | 6,677,258                   | 17,264,446                  |
| Inter Bank Fund Transfer (IBFT) Settlement Account | 6,016,897                   | -                           |
| Standard Chartered Bank                            | 22,009,831                  | 6,436,684                   |
|  | <b><u>97,840,493</u></b>    | <b><u>34,374,868</u></b>    |
| <b>4.4 Other Deposit Accounts (In Bangladesh)</b>  |                             |                             |
| ICB Islamic Bank Limited                           | 59,719,000                  | 59,719,000                  |
| United Commercial Bank Limited                     | 37,629                      | 37,522                      |
| AB Bank Limited                                    | 675,310                     | 661,994                     |
| Eastern Bank Limited                               | 555,012                     | 551,663                     |
| Modhumoti Bank Limited                             | -                           | 169,800,000                 |
| Uttara Bank Limited                                | 574,279,219                 | 765,888,092                 |
| Lanka Bangla Finance Limited                       | 1,300,000,000               | 800,000,000                 |
| NRB Commercial Bank Limited                        | 500,000,000                 | 500,000,000                 |
| Rupali Bank Limited                                | 68,028,850                  | 55,155,000                  |
| Prime Bank Limited                                 | 36,010,494                  | 89,512,246                  |
|  | <b><u>2,539,305,514</u></b> | <b><u>2,441,325,516</u></b> |
| <b>4.5 Current Accounts (Outside Bangladesh)</b>   |                             |                             |
| (Name of the banks and financial institutions)     |                             |                             |
| Standard Chartered Bank, New York                  | 3,146,945,077               | 4,037,521,113               |
| Standard Chartered Bank, London                    | 1,053,037                   | 6,303,694                   |
| Standard Chartered Bank, Pakistan                  | 34,072,375                  | 22,911,855                  |
| Standard Chartered Bank, Mumbai                    | 82,661,909                  | 62,775,772                  |
| Standard Chartered Bank, Tokyo                     | 10,331,642                  | 5,545,213                   |
| Standard Chartered Bank, Frankfurt                 | 8,474,080                   | 20,843,946                  |
| ICICI Bank Limited, Hong Kong                      | 19,358,530                  | 601,470,257                 |
| ICICI Bank Limited, Mumbai (ACUD)                  | 46,874,481                  | 64,091,423                  |
| ICICI Bank Limited, Mumbai (ACU EURO)              | 8,982,813                   | 8,225,185                   |
| Commerzbank AG, Frankfurt (USD)                    | 192,159,691                 | 285,465,511                 |
| Commerzbank AG, Frankfurt (CAD)                    | 22,684,865                  | 23,960,340                  |
| Commerzbank AG, Frankfurt (EURO)                   | 5,036,962                   | 54,730,168                  |
| Mashreqbank Psc, New York                          | 366,867,975                 | 199,692,387                 |
| Mashreqbank Psc, India (ACUD)                      | 17,819,052                  | 17,400,356                  |
| Wells Fargo Bank N.A, New York                     | 67,610,752                  | 414,308,537                 |
| AB Bank Ltd, Mumbai                                | (2,884,994)                 | 41,644,925                  |
| Habib Bank AG Zurich, Zurich                       | 22,274,758                  | 58,352,966                  |
| Nepal Bangladesh Bank Ltd, Kathmandu               | 9,914,527                   | 9,971,884                   |
| Seylen Bank PLC, Colombo                           | 20,875,918                  | 694,655                     |
| Axis Bank Ltd, Kolkata                             | 25,302,974                  | 16,948,634                  |
| United Bank of India, Kolkata                      | 54,157,527                  | 31,411,334                  |
| Bank Al-Jazira, Jeddah                             | 6,780,304                   | 6,431,357                   |
| Riyad Bank   | 32,899,298                  | 31,206,145                  |
| Kookmin Bank, South Korea                          | 94,573,663                  | 47,060,315                  |
|  | <b><u>4,294,827,214</u></b> | <b><u>6,068,967,972</u></b> |

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

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020<br><u>Taka</u>   | 31.12.2019<br><u>Taka</u> |
|---|-----------------------------|---------------------------|
| <b>4.6 Maturity of balances with other banks and financial institutions</b>                 |                             |                           |
| Up to 1 month   | 1,910,852,811               | 2,519,678,817             |
| More than 1 months to 3 months  | 2,239,679,741               | 1,803,016,433             |
| More than 3 months to 1 year  | 2,873,706,804               | 4,446,994,865             |
| More than 1 year to 5 years   | -                           | -                         |
| More than 5 years   | -                           | -                         |
|   | <b>7,024,239,356</b>        | <b>8,769,690,115</b>      |
| <b>4 (a) Consolidated Balance with Other Banks and Financial Institutions In Bangladesh</b> |                             |                           |
| ONE Bank Limited  | 2,637,146,008               | 2,475,700,385             |
| ONE Securities Limited  | 251,763,432                 | 57,069,264                |
| ONE Investments Limited   | 71,838                      | 302,244                   |
|   | 2,888,981,278               | 2,533,071,893             |
| Less: Inter Company Balances  | (251,835,270)               | (57,371,509)              |
|   | <b>2,637,146,008</b>        | <b>2,475,700,385</b>      |
| <b>Outside Bangladesh</b>   |                             |                           |
| ONE Bank Limited  | 4,387,093,348               | 6,293,989,730             |
| ONE Securities Limited  | -                           | -                         |
|   | <b>4,387,093,348</b>        | <b>6,293,989,730</b>      |
|   | <b>7,024,239,356</b>        | <b>8,769,690,115</b>      |
| <b>5. Money at call on short notice</b>   |                             |                           |
| Modhumoti Bank Limited  | -                           | 250,000,000               |
|   | -                           | <b>250,000,000</b>        |
| <b>6. Investments</b>   |                             |                           |
| <b>In Government securities</b>   |                             |                           |
| <b>Conventional Banking:</b>  |                             |                           |
| Treasury bills (note- 6.1)  | 756,134,449                 | 10,229,423,453            |
| Treasury bonds (note-6.2)   | 24,577,505,415              | 18,259,572,240            |
| Prize Bonds   | 1,580,200                   | 1,621,700                 |
|   | <b>25,335,220,064</b>       | <b>28,490,617,393</b>     |
| <b>Islami Banking:</b>  |                             |                           |
| Bangladesh Government Islamic Bond-Sukuk (note-6.10)  | 21,120,000                  | -                         |
|   | <b>25,356,340,064</b>       | <b>28,490,617,393</b>     |
| <b>Other Investment</b>   |                             |                           |
| Shares (Quoted and Unquoted) (note-6.3)   | 707,642,064                 | 657,482,542               |
| Subordinated bonds (issued by other banks) [note-6.4]                                       | 3,920,000,000               | 4,580,000,000             |
|   | <b>4,627,642,064</b>        | <b>5,237,482,542</b>      |
| <b>Total Investment</b>   | <b>29,983,982,128</b>       | <b>33,728,099,936</b>     |
| <b>6.1 Treasury Bills</b>   |                             |                           |
| Treasury Bills (HTM) [(note-6.1(a))]  | -                           | -                         |
| Treasury Bills (HFT) [(note-6.1(b))]  | 756,134,449                 | 10,229,423,453            |
|   | <b>756,134,449</b>          | <b>10,229,423,453</b>     |
| <b>6.1(a) Treasury Bills (HTM)</b>  |                             |                           |
|   | Amortized Cost (Book Value) | Face value                |
|   | 31.12.2020<br><u>Taka</u>   | 31.12.2019<br><u>Taka</u> |
| 364 days Treasury Bills   | -                           | -                         |
| 182 days Treasury Bills   | -                           | -                         |
|   | -                           | -                         |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

**6.1(b) Treasury Bills (HFT)**

|                         | Marked to Market Value (Book Value) |                       | Face value         |                       |
|-------------------------|-------------------------------------|-----------------------|--------------------|-----------------------|
|                         | 31.12.2020                          | 31.12.2019            | 31.12.2020         | 31.12.2019            |
|                         | <u>Taka</u>                         | <u>Taka</u>           | <u>Taka</u>        | <u>Taka</u>           |
| 364 days Treasury Bills | 756,134,449                         | 10,229,423,453        | 756,900,000        | 10,660,000,000        |
| 182 days Treasury Bills | -                                   | -                     | -                  | -                     |
|                         | <b>756,134,449</b>                  | <b>10,229,423,453</b> | <b>756,900,000</b> | <b>10,660,000,000</b> |

**6.2 Treasury Bonds**

|                                      |                       |                       |
|--------------------------------------|-----------------------|-----------------------|
| Treasury Bonds (HTM) [(note-6.2(a))] | 18,302,942,231        | 15,989,141,385        |
| Treasury Bonds (HFT) [(note-6.2(b))] | 6,274,563,185         | 2,270,430,855         |
|                                      | <b>24,577,505,415</b> | <b>18,259,572,240</b> |

|                                     | Amortized Cost (Book Value) |                       | Face value            |                       |
|-------------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|                                     | 31.12.2020                  | 31.12.2019            | 31.12.2020            | 31.12.2019            |
|                                     | <u>Taka</u>                 | <u>Taka</u>           | <u>Taka</u>           | <u>Taka</u>           |
| <b>6.2 (a) Treasury Bonds (HTM)</b> |                             |                       |                       |                       |
| 2 Years Treasury Bonds (Premium)    | 2,510,948,805               | 6,282,346,051         | 2,500,000,000         | 6,250,000,000         |
| 5 Years Treasury Bonds (Premium)    | 6,053,021,873               | 2,056,644,290         | 6,000,000,000         | 2,000,000,000         |
| 10 Years Treasury Bonds (Premium)   | 5,397,590,532               | 2,260,179,526         | 5,250,000,000         | 2,250,000,000         |
| 15 Years Treasury Bonds (Premium)   | 260,338,095                 | 260,392,667           | 259,100,000           | 259,100,000           |
| <b>Sub-total</b>                    | <b>14,221,899,305</b>       | <b>10,859,562,534</b> | <b>14,009,100,000</b> | <b>10,759,100,000</b> |
| 2 Years Treasury Bonds (Discount)   | -                           | 496,672,894           | -                     | 500,000,000           |
| 5 Years Treasury Bonds (Discount)   | 1,425,562,996               | 1,417,994,920         | 1,450,000,000         | 1,450,000,000         |
| 10 Years Treasury Bonds (Discount)  | 922,365,787                 | 1,201,832,673         | 926,100,000           | 1,206,100,000         |
| 15 Years Treasury Bonds (Discount)  | 117,740,509                 | 117,716,567           | 118,100,000           | 118,100,000           |
| 20 Years Treasury Bonds (Discount)  | 108,873,634                 | 108,861,798           | 109,300,000           | 109,300,000           |
| <b>Sub-total</b>                    | <b>2,574,542,926</b>        | <b>3,343,078,852</b>  | <b>2,603,500,000</b>  | <b>3,383,500,000</b>  |
| 5 Years Treasury Bonds (At par)     | -                           | -                     | -                     | -                     |
| 10 Years Treasury Bonds (At par)    | 1,005,000,000               | 1,285,000,000         | 1,005,000,000         | 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            |
| <b>Sub-total</b>                    | <b>1,506,500,000</b>        | <b>1,786,500,000</b>  | <b>1,506,500,000</b>  | <b>1,786,500,000</b>  |
| <b>Total</b>                        | <b>18,302,942,231</b>       | <b>15,989,141,385</b> | <b>18,119,100,000</b> | <b>15,929,100,000</b> |

**6.2 (b) Treasury Bonds (HFT)**

|                         | Marked to Market Value (Book Value) |                      | Face value           |                      |
|-------------------------|-------------------------------------|----------------------|----------------------|----------------------|
|                         | 31.12.2020                          | 31.12.2019           | 31.12.2020           | 31.12.2019           |
|                         | <u>Taka</u>                         | <u>Taka</u>          | <u>Taka</u>          | <u>Taka</u>          |
| 2 Years Treasury Bonds  | 4,206,004,508                       | 1,618,862,655        | 4,000,000,000        | 1,673,000,000        |
| 5 Years Treasury Bonds  | 2,068,558,676                       | 341,879,060          | 1,850,000,000        | 350,000,000          |
| 10 Years Treasury Bonds | -                                   | 309,689,140          | -                    | 308,000,000          |
|                         | <b>6,274,563,185</b>                | <b>2,270,430,855</b> | <b>5,850,000,000</b> | <b>2,331,000,000</b> |

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

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020           | 31.12.2019           |
|---|----------------------|----------------------|
|   | <u>Taka</u>          | <u>Taka</u>          |
| <b>6.3 Other Investments -Shares</b>                              |                      |                      |
| <b>In shares (quoted and unquoted)</b>                            |                      |                      |
| <b>Quoted:</b>  |                      |                      |
| 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 Limited                                      | 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           |
| Robi Axiata Limited   | 2,712,540            | -                    |
|   | <b>551,295,893</b>   | <b>548,583,353</b>   |
| <b>Quoted (Special Investment Account):</b>                       |                      |                      |
| United Commercial Bank Limited                                    | 1,430,653            | -                    |
| NCC Bank Limited  | 3,265,760            | -                    |
| Jamuna Bank Limited   | 763,000              | -                    |
| Mercantile Bank Limited   | 6,357,600            | -                    |
| Square Pharma   | 6,313,528            | -                    |
|   | <b>18,130,541</b>    | <b>-</b>             |
| <b>Unquoted:</b>  |                      |                      |
| Industrial and Infrastructure Development Finance Company Limited | 59,000,260           | 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            |
|   | <b>138,215,629</b>   | <b>108,899,189</b>   |
|   | <b>707,642,064</b>   | <b>657,482,542</b>   |
| <b>6.4 Subordinated bonds (issued by other banks)</b>             |                      |                      |
| 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                       | 200,000,000          | 250,000,000          |
| United Commercial Bank Limited 3rd Subordinated Bond              | 600,000,000          | 750,000,000          |
| Mercantile Bank Limited Subordinated Bond                         | 100,000,000          | 200,000,000          |
| Bank Asia Limited Subordinated Bond                               | 240,000,000          | 360,000,000          |
| Prime Bank Limited Subordinated Bond                              | 240,000,000          | 360,000,000          |
| Eastern Bank Limited Subordinated Bond                            | 240,000,000          | 360,000,000          |
|   | <b>3,920,000,000</b> | <b>4,580,000,000</b> |

**6.5 Comparison between cost and market price of quoted shares (excluding special investment account)**

| Particulars               | No. of Shares including bonus shares | Market price per share | Market value at 31-12-2020 | Cost               | Surplus/(Deficiency) |
|---------------------------|--------------------------------------|------------------------|----------------------------|--------------------|----------------------|
| Lanka Bangla Finance Ltd. | 20,362,737                           | 31.40                  | 639,389,941.80             | 122,379,546        | 517,010,396          |
| The City Bank Limited     | 4,468,627                            | 24.80                  | 110,821,949.60             | 59,049,110         | 51,772,839           |
| IFIC Bank Limited *       | 3,108,740                            | 15.20                  | 47,252,848.00              | 170,980,700        | (123,727,852)        |
| Summit Alliance Port Ltd  | 115                                  | 31.00                  | 3,565.00                   | 6,200              | (2,635)              |
| Prime Bank Limited        | 3,582,931                            | 17.10                  | 61,268,120.10              | 140,673,639        | (79,405,519)         |
| MI Cement Factory Ltd     | 56                                   | 46.40                  | 2,598.40                   | 5,533              | (2,935)              |
| Bank Asia Limited         | 2,773,437                            | 18.20                  | 50,476,553.40              | 53,501,786         | (3,025,233)          |
| Eastern Bank Limited      | 53,793                               | 36.00                  | 1,936,548.00               | 1,983,900          | (47,352)             |
| Robi Axiata Limited       | 271,254                              | 29.80                  | 8,083,369.20               | 2,712,540          | 5,370,829            |
| IFIC Bank Limited         | 163                                  | 15.20                  | 2,477.60                   | 2,939              | (462)                |
| <b>Total</b>              |                                      |                        | <b>919,237,971</b>         | <b>551,295,893</b> | <b>367,942,078</b>   |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

\*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. OBL has taken a legal opinion regarding the above issue and the opinion has stated that there is a fair chance that the Hon'ble Appellate Division may uphold the decision of the Hon'ble Company Court in Company Matter No. 157 of 2007 allowing the prayer of ONE Bank Ltd. for rectification of Share register of IFIC Bank Ltd.

The total market value of 65,464,723 shares of IFIC Bank Limited as of 31 December 2020 was Tk 995,063,790 exceeding the original investment by Tk.824,083,090.

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.

|   | 31.12.2020            | 31.12.2019            |
|---|-----------------------|-----------------------|
|   | <u>Taka</u>           | <u>Taka</u>           |
| <b>6.6 Residual Maturity of Investments</b> |                       |                       |
| Payable on demand                           | -                     | 2,499,553,514         |
| Up to 3 months                              | 1,383,367,505         | 359,999,999           |
| Above 3 months to 1 year                    | 4,615,062,402         | 15,430,349,922        |
| Above 1 year to 5 years                     | 18,400,694,376        | 12,870,379,668        |
| Above 5 years                               | 5,584,857,845         | 2,567,816,834         |
|   | <b>29,983,982,128</b> | <b>33,728,099,936</b> |

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

### 6.7 Disclosure regarding outstanding Repo

| Counterparty name | Agreement date | Reversal date | Amount in taka-2020 | Amount in taka-2019 |
|-------------------|----------------|---------------|---------------------|---------------------|
|                   |                |               | -                   | -                   |

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

### 6.8 Disclosure regarding outstanding Reverse Repo

| Counterparty name | Agreement date | Reversal date | Amount in taka-2020 | Amount in taka-2019 |
|-------------------|----------------|---------------|---------------------|---------------------|
|                   |                |               | -                   | -                   |

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

### 6.9 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 |
|---|-------------------------------------|-------------------------------------|---|
| <b>Securities sold under repo:</b>              |                                     |                                     |   |
| i) with Bangladesh Bank                         | 308,979,748                         | 8,323,944,000                       | 1,556,419,626                             |
| ii) With other banks & FI                       | 1,020,410,200                       | 1,020,410,200                       | 2,795,644                                 |
| <b>Securities purchased under Reverse Repo:</b> |                                     |                                     |   |
| i) with Bangladesh Bank                         | -                                   | -                                   | -   |
| ii) With other banks & FI                       | 964,113,000                         | 964,113,000                         | 2,641,405                                 |

### 6.10 Islami Banking:

#### Government securities

Bangladesh Government Investment Sukuk (Ijarah Sukuk)

**21,120,000** -

**Notes to the Financial Statements**  
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|                                       | 31.12.2020<br><u>Taka</u>    | 31.12.2019<br><u>Taka</u>    |
|---------------------------------------|------------------------------|------------------------------|
| <b>6 (a) Consolidated Investments</b> |                              |                              |
| <b>In Government securities</b>       |                              |                              |
| ONE Bank Limited                      | 25,356,340,064               | 28,490,617,393               |
| ONE Securities Limited                | -                            | -                            |
|                                       | <u><b>25,356,340,064</b></u> | <u><b>28,490,617,393</b></u> |
| <b>Other Investment</b>               |                              |                              |
| ONE Bank Limited                      | 4,627,642,064                | 5,237,482,542                |
| ONE Securities Limited                | 2,485,563,686                | 2,554,875,397                |
| ONE Investments Limited               | 10,944,509                   | 10,271,823                   |
| Less: Inter Company Balances          | (163,456,185)                | (168,751,175)                |
|                                       | <u><b>6,960,694,074</b></u>  | <u><b>7,633,878,587</b></u>  |
|                                       | <u><b>32,317,034,139</b></u> | <u><b>36,124,495,980</b></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, the number of shares as on 31 December 2020 of DSE and CSE 5,411,329 and 4,287,330 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 ( <b>note-7.1</b> ) | 218,317,854,244               | 212,520,259,997               |
| Bills purchased and discounted ( <b>note-7.2</b> )    | 2,023,692,190                 | 2,707,565,191                 |
|   | <u><b>220,341,546,434</b></u> | <u><b>215,227,825,188</b></u> |

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

**Inside Bangladesh**

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Loans                  | 169,484,524,148 | 160,562,550,283 |
| Cash Credit            | -               | 56,451,166      |
| Overdraft              | 39,622,420,852  | 37,568,164,444  |
|                        | 209,106,945,000 | 198,187,165,893 |
| Off-shore Banking Unit | 9,210,909,244   | 14,333,094,104  |
|                        | 218,317,854,244 | 212,520,259,997 |

**Outside Bangladesh**

|  |                               |                               |
|--|-------------------------------|-------------------------------|
|  | -                             | -                             |
|  | <u><b>218,317,854,244</b></u> | <u><b>212,520,259,997</b></u> |

**7.2 Bills purchased and discounted**

**Inside Bangladesh**

|                                       |                             |                             |
|---------------------------------------|-----------------------------|-----------------------------|
| Local bill purchased and discounted   | 1,370,500,425               | 1,864,679,853               |
| Foreign bill purchased and discounted | 319,273,957                 | 588,222,567                 |
|                                       | 1,689,774,382               | 2,452,902,420               |
| Off-shore Banking Unit                | 333,917,808                 | 254,662,771                 |
|                                       | <u><b>2,023,692,190</b></u> | <u><b>2,707,565,191</b></u> |

**Outside Bangladesh**

|  |                             |                             |
|--|-----------------------------|-----------------------------|
|  | -                           | -                           |
|  | <u><b>2,023,692,190</b></u> | <u><b>2,707,565,191</b></u> |

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

|                          |                               |                               |
|--------------------------|-------------------------------|-------------------------------|
| Payable on demand        | 36,968,252,647                | 20,966,460,828                |
| Up to 3 months           | 37,946,591,814                | 49,422,907,735                |
| Above 3 months to 1 year | 58,676,310,768                | 95,632,612,173                |
| Above 1 year to 5 years  | 51,634,905,636                | 27,063,247,750                |
| Above 5 years            | 35,115,485,568                | 22,142,596,702                |
|                          | <u><b>220,341,546,434</b></u> | <u><b>215,227,825,188</b></u> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>31.12.2020</b>             | <b>31.12.2019</b>             |
|---|-------------------------------|-------------------------------|
|   | <b><u>Taka</u></b>            | <b><u>Taka</u></b>            |
| <b>7.4 Loans and Advances on the basis of significant concentration</b> |                               |                               |
| i. Advance to Directors   | -                             | 2,750,254                     |
| ii. Advance to Managing Director & Senior Executives *                  | 498,447,094                   | 511,840,370                   |
| iii. Advance to Customer's group:                                       |                               |                               |
| Commercial lending  | 98,925,138,464                | 81,535,037,942                |
| Agricultural loan   | 2,030,863,677                 | 2,627,571,463                 |
| Export financing  | 8,814,193,933                 | 18,546,094,958                |
| Consumer credit scheme  | 2,070,420,708                 | 2,208,862,634                 |
| Small and medium enterprise financing                                   | 24,055,230,603                | 21,809,236,540                |
| Staff loan (except Sl. No. ii)  | 224,619,306                   | 224,935,394                   |
| House building loan (other than the employees)                          | 8,535,730,061                 | 9,974,051,338                 |
| Others  | 75,186,902,588                | 77,787,444,294                |
|   | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |

\* No staff loan was provided to top five executives

|   |                               |                               |
|---|-------------------------------|-------------------------------|
| <b>7.5 Industry-wise outstanding of loans &amp; advances including bills purchased and discounted</b> |                               |                               |
| Trade finance   | 26,545,989,378                | 35,843,095,330                |
| Steel Re-Rolling  | 13,567,052,940                | 13,690,321,845                |
| Readymade Garments  | 36,449,214,264                | 33,862,000,916                |
| Textiles  | 22,081,889,873                | 17,559,709,610                |
| Edible oil, Rice, Flour etc.  | 5,806,855,355                 | 4,408,012,050                 |
| Power   | 9,790,707,476                 | 9,873,910,508                 |
| Transport & Communication   | 2,420,670,174                 | 3,690,332,531                 |
| Construction/Engineering  | 8,194,271,621                 | 8,906,707,059                 |
| Personal  | 2,592,216,227                 | 2,413,095,537                 |
| Pharmaceuticals   | 7,574,602,323                 | 6,498,718,872                 |
| Real Estate   | 11,966,026,196                | 9,959,471,949                 |
| Cargo and Travel Services   | 365,117,469                   | 156,292,181                   |
| Paper & Packaging   | 747,907,521                   | 549,144,934                   |
| Agro based industry/ Dairy products/ Food & Beverage  | 5,757,715,638                 | 5,917,311,901                 |
| Others  | 66,481,309,978                | 61,899,699,965                |
|   | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |

**7.6 Geographical Location-wise Loans and advances including bills purchased and discounted**

**Urban**

|                     |                               |                               |
|---------------------|-------------------------------|-------------------------------|
| Dhaka Division      | 155,492,998,032               | 151,754,735,877               |
| Chattogram Division | 44,670,461,230                | 43,476,006,418                |
| Rajshahi Division   | 4,205,367,173                 | 4,076,407,597                 |
| Khulna Division     | 7,598,566,162                 | 7,829,319,191                 |
| Sylhet Division     | 311,834,104                   | 261,569,939                   |
| Rangpur Division    | 806,252,373                   | 774,137,911                   |
| Barishal Division   | 633,225,489                   | 595,626,624                   |
|                     | <b><u>213,718,704,563</u></b> | <b><u>208,767,803,556</u></b> |

**Rural**

|                     |                               |                               |
|---------------------|-------------------------------|-------------------------------|
| Dhaka Division      | 3,220,139,937                 | 3,017,831,857                 |
| Chattogram Division | 2,890,543,558                 | 2,774,814,071                 |
| Rajshahi Division   | -                             | -                             |
| Khulna Division     | 238,966,445                   | 261,987,050                   |
| Sylhet Division     | 273,191,931                   | 405,388,654                   |
| Rangpur Division    | -                             | -                             |
| Barishal Division   | -                             | -                             |
|                     | 6,622,841,872                 | 6,460,021,632                 |
|                     | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>31.12.2020</b>             | <b>31.12.2019</b>             |
|--|-------------------------------|-------------------------------|
|  | <b><u>Taka</u></b>            | <b><u>Taka</u></b>            |
| <b>7.7 Business segment-wise loans and advances including bills purchased and discounted</b> |                               |                               |
| Corporate  | 181,824,839,466               | 179,560,386,593               |
| SME  | 24,055,230,603                | 21,809,236,540                |
| Consumer   | 11,410,164,473                | 10,933,435,557                |
| Short term agri. credit and microcredit  | 2,328,245,492                 | 2,187,990,734                 |
| Executive & Staff  | 723,066,400                   | 736,775,763                   |
|  | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |
| <b>7.8 CL category wise loans and advances including bills purchased and discounted</b>      |                               |                               |
| <b>Continuous loan (CL-2)</b>  |                               |                               |
| Small & Medium Enterprise (SME)  | 12,201,316,110                | 11,514,256,142                |
| Consumer finance   | 1,160,189,844                 | 945,679,178                   |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares                        | 802,367,010                   | 837,607,101                   |
| Other corporate loans  | 31,220,089,106                | 30,489,540,385                |
|  | <b><u>45,383,962,070</u></b>  | <b><u>43,787,082,805</u></b>  |
| <b>Demand Loan (CL-3)</b>  |                               |                               |
| Small & Medium Enterprise (SME)  | 5,443,694,266                 | 4,546,556,848                 |
| Consumer finance   | -                             | -                             |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares                        | -                             | 351,789,485                   |
| Other corporate loans  | 67,752,090,899                | 73,750,122,164                |
|  | <b><u>73,195,785,166</u></b>  | <b><u>78,648,468,497</u></b>  |
| <b>Fixed Term Loan (CL-4)</b>  |                               |                               |
| Small & Medium Enterprise (SME)  | 6,410,220,227                 | 5,748,423,551                 |
| Consumer finance (other than HF & LP)  | 1,402,837,679                 | 1,409,034,760                 |
| House finance  | 8,817,948,245                 | 8,520,340,020                 |
| Loans for professionals to set up business   | 29,188,705                    | 58,381,599                    |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares                        | 1,022,422,088                 | 307,187,441                   |
| Other corporate loans  | 81,027,870,363                | 73,824,140,017                |
|  | <b><u>98,710,487,306</u></b>  | <b><u>89,867,507,388</u></b>  |
| <b>Short term agri. credit and microcredit (CL-5)</b>  |                               |                               |
| Short term agri. Credit  | 2,328,245,492                 | 2,187,990,734                 |
| Microcredit  | -                             | -                             |
|  | <b><u>2,328,245,492</u></b>   | <b><u>2,187,990,734</u></b>   |
| <b>Staff Loan</b>  | <b><u>723,066,400</u></b>     | <b><u>736,775,763</u></b>     |
|  | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |
| <b>7.9 Classified and unclassified loans and advances</b>                                    |                               |                               |
| <b>Unclassified</b>  |                               |                               |
| Standard   | 192,154,895,479               | 183,873,221,739               |
| Special Mention Account  | 8,506,224,113                 | 10,722,841,686                |
| Staff Loan   | 723,066,400                   | 736,775,763                   |
|  | <b><u>201,384,185,991</u></b> | <b><u>195,332,839,188</u></b> |
| <b>Classified</b>  |                               |                               |
| Substandard  | 3,040,093,342                 | 2,867,256,000                 |
| Doubtful   | 2,894,308,571                 | 2,534,767,000                 |
| Bad & Loss   | 13,022,958,530                | 14,492,963,000                |
|  | <b><u>18,957,360,443</u></b>  | <b><u>19,894,986,000</u></b>  |
|  | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | 31.12.2020             | 31.12.2019                         |                                 |
|--|------------------------|------------------------------------|---------------------------------|
|  | <u>Taka</u>            | <u>Taka</u>                        |                                 |
| <b>7.10 Net loans and advances</b>   |                        |                                    |                                 |
| Gross loans and advances   | 220,341,546,434        | 215,227,825,188                    |                                 |
| Less: Interest suspense ( <b>Note-12.10</b> )                                | 8,772,019,718          | 6,307,880,737                      |                                 |
| Provision for loans and advances ( <b>Note-12.4, 12.5 and 12.6</b> )         | 10,606,197,916         | 9,313,834,484                      |                                 |
|  | 19,378,217,634         | 15,621,715,221                     |                                 |
|  | <b>200,963,328,801</b> | <b>199,606,109,967</b>             |                                 |
| <b>7.11 Bills purchased and discounted</b>                                   |                        |                                    |                                 |
| Payable in Bangladesh  | 1,704,418,233          | 2,119,342,624                      |                                 |
| Payable outside Bangladesh   | 319,273,957            | 588,222,567                        |                                 |
|  | <b>2,023,692,190</b>   | <b>2,707,565,191</b>               |                                 |
| <b>7.12 Maturity of Bills purchased and discounted</b>                       |                        |                                    |                                 |
| Upto 1 month   | 365,811,281            | 765,341,295                        |                                 |
| Above 1 month but less than 3 months   | 841,020,113            | 631,185,983                        |                                 |
| Above 3 months but less than 6 months  | 786,388,125            | 1,280,426,396                      |                                 |
| 6 months or more   | 30,472,671             | 30,611,517                         |                                 |
|  | <b>2,023,692,190</b>   | <b>2,707,565,191</b>               |                                 |
| <b>7.13 Particulars of provision for Loans and Advances</b>                  |                        |                                    |                                 |
|  | <b>Rate (%)</b>        | <b>Base for Provision<br/>Taka</b> | <b>Total Provision<br/>Taka</b> |
| Standard loan (excluding Staff Loan)   | 0.25%- 1%              | 102,186,917,873                    | 1,596,068,179                   |
| Standard loan (deferral loan as per BRPD Circular no-17)                     | 1%                     | 56,003,900,000                     | 560,039,000                     |
| Small & Medium Enterprise Financing  | 0.25%                  | 18,721,571,237                     | 46,803,928                      |
| Consumer Finance (House Financing)   | 1%                     | 8,712,799,707                      | 87,127,997                      |
| Consumer Financing (Other than House Financing )                             | 2%                     | 1,358,660,571                      | 27,173,211                      |
| Credit Card  | 2%                     | 1,078,200,036                      | 21,564,001                      |
| Special Mention Account  | 0%-2%                  | 6,977,245,304                      | 65,545,282                      |
| Short Term Agriculture Loan  | 1%                     | 2,268,056,956                      | 22,680,570                      |
| Loan to brokerage houses, merchantbanks/stock dealers<br>against shares etc. | 2%                     | 1,824,789,098                      | 36,495,782                      |
| Substandard  | 5% & 20%               | 1,497,588,640                      | 271,829,001                     |
| Doubtful   | 5% & 50%               | 1,870,711,511                      | 854,061,162                     |
| Bad & Loss   | 100%                   | 6,825,248,270                      | 7,016,809,804                   |
| Required provision for loans and advances                                    |                        |                                    | <b>10,606,197,916</b>           |
| Total provision maintained   |                        |                                    | <b>10,606,197,916</b>           |
| Excess/ (Short) provision at 31 December                                     |                        |                                    | -                               |

Bank has maintained provision of Tk. 650.39 Lac and interest income debited of Tk. 840.16 Lac in the Financial Statements of 2020 as per requirement of Bangladesh Bank vide letter DBI-1/112/2021-664 dated 10 March 2021. It is to be mentioned here that, Bank is under provision- deferral amounting to Tk. 8,052.00 Lac which is to be provided in 2021.

**7.14 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank.**

|  | 20             | 19             |
|--|----------------|----------------|
| Number of clients (Annexure-D)                               | 70,345,524,811 | 70,053,304,042 |
| Amount of outstanding loans & advances*                      | -              | -              |
| Amount of classified loans and advances                      | -              | -              |
| Measures taken for recovery against classified loans, if any | 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 2020. The classification status is shown as per the CL prepared by the Bank as at 31 December 2020 and submitted to Bangladesh Bank.

\* Total capital of the Bank was Taka 25,950.55 million as at 31 December 2020 (Tk 24,976.77 million in 2019).

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>31.12.2020</b>             | <b>31.12.2019</b>             |
|--|-------------------------------|-------------------------------|
|  | <b><u>Taka</u></b>            | <b><u>Taka</u></b>            |
| <b>7.15 Particulars of Loans and Advances</b>  |                               |                               |
| i) Loans considered good in respect of which the bank is fully secured   | 164,038,440,863               | 134,731,222,974               |
| ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee  | 36,382,449,213                | 32,496,171,825                |
| iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors   | 19,920,656,358                | 48,000,430,388                |
| iv) Loans adversely classified; provision not maintained there against   | -                             | -                             |
|  | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |
| v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons  | <u>723,066,401</u>            | <u>736,775,763</u>            |
| 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                                      | <u>723,066,401</u>            | <u>736,775,763</u>            |
| 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)  | <u>2,023,692,190</u>          | <u>2,707,565,191</u>          |
| x) Classified loans and advances   |                               |                               |
| a) Classified loans and advances on which interest has not been charged to income (Note-7.9)   | <u>18,957,360,443</u>         | <u>19,894,986,000</u>         |
| b) Provision on classified loans and advances (Note-12.4)  | <u>8,142,699,967</u>          | <u>7,331,116,490</u>          |
| c) Provision kept against loans and advances classified as bad debts   | <u>7,016,809,804</u>          | <u>6,217,558,829</u>          |
| d) Increase/(Decrease) of Specific Provision   | <u>811,583,477</u>            | <u>1,822,543,408</u>          |
| e) Interest credited to Interest Suspense Account (Note-12.10)   | <u>8,772,019,718</u>          | <u>6,307,880,737</u>          |
| xi) Cumulative amount of written off loans and advances  |                               |                               |
| Opening balance  | 4,451,055,169                 | 4,451,055,169                 |
| Written off during the year  | -                             | -                             |
| Closing balance  | <u>4,451,055,169</u>          | <u>4,451,055,169</u>          |
| Cumulative amount realised against loans previously written off  | <u>180,607,192</u>            | <u>163,378,627</u>            |
| The amount of written off loans for which law suits has been filed   | <u>4,448,369,487</u>          | <u>4,448,369,487</u>          |
| <b>7.16 Details of pledged collaterals received against Loans and Advances</b>   |                               |                               |
| Collateral of movable /immovable assets  | 154,946,324,197               | 121,646,995,031               |
| Local banks and financial institutions guarantee   | 1,892,970,253                 | 1,740,002,088                 |
| Government guarantee   | -                             | -                             |
| Foreign banks guarantee  | -                             | -                             |
| Export documents   | 1,474,683,367                 | 1,807,421,646                 |
| Fixed Deposit Receipts (FDR)   | 5,144,486,184                 | 9,038,505,939                 |
| FDR of other banks   | 579,976,862                   | 460,819,873                   |
| Government bonds   | -                             | 37,478,397                    |
| Personal guarantee   | 36,382,449,213                | 32,496,171,825                |
| Other securities   | 19,920,656,358                | 48,000,430,388                |
|  | <b><u>220,341,546,434</u></b> | <b><u>215,227,825,188</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020<br><u>Taka</u>     | 31.12.2019<br><u>Taka</u>     |
|---|-------------------------------|-------------------------------|
| <b>7.17 Restructure of large loan</b>   |                               |                               |
| There was no restructure of large loan occurred during the year 2020 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)  |                               |                               |
| <b>7 (a) Consolidated Loans and Advances</b>  |                               |                               |
| <b>Loans, cash credit, overdraft etc.</b>   |                               |                               |
| ONE Bank Limited  | 218,317,854,244               | 212,520,259,997               |
| ONE Securities Limited  | 93,941,718                    | 87,706,768                    |
| Less: Inter unit/company elimination  | (6,768,097)                   | -                             |
|   | <u><b>218,405,027,866</b></u> | <u><b>212,607,966,764</b></u> |
| <b>Bills purchased and discounted</b>   |                               |                               |
| ONE Bank Limited  | 2,023,692,190                 | 2,707,565,191                 |
| ONE Securities Limited  | -                             | -                             |
|   | <u><b>2,023,692,190</b></u>   | <u><b>2,707,565,191</b></u>   |
|   | <u><b>220,428,720,056</b></u> | <u><b>215,315,531,955</b></u> |
| <b>8. Fixed Assets including premises, furniture &amp; fixtures</b>   |                               |                               |
| <b>Conventional and Islami Banking:</b>   |                               |                               |
| Furniture & Fixtures  | 1,598,557,482                 | 1,568,714,984                 |
| Office equipment  | 1,367,494,753                 | 1,264,921,801                 |
| Motor Vehicles  | 309,913,740                   | 325,869,255                   |
| Building  | 304,750,010                   | 189,464,053                   |
| Right of use Assets as per IFRS-16*   | 1,306,662,774                 | 809,670,917                   |
| Land  | 279,366,295                   | 279,366,295                   |
|   | 5,166,745,054                 | 4,438,007,305                 |
| Intangible Assets   | 198,184,620                   | 198,184,620                   |
|   | <u><b>5,364,929,674</b></u>   | <u><b>4,636,191,925</b></u>   |
| Less: Accumulated depreciation  |                               |                               |
| Conventional Banking  | 2,356,233,967                 | 2,018,170,168                 |
| Islami Banking  | -                             | -                             |
|   | <u><b>2,356,233,967</b></u>   | <u><b>2,018,170,168</b></u>   |
| Balance as on 31 December   | <u><b>3,008,695,706</b></u>   | <u><b>2,618,021,757</b></u>   |
| *As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the Right of use Assets.   |                               |                               |
| <b>(For details please refer to Annexure- A)</b>  |                               |                               |
| <b>8 (a) Consolidated Fixed Assets including premises, furniture &amp; fixtures</b>   |                               |                               |
| ONE Bank Limited  | 3,008,695,706                 | 2,618,021,757                 |
| ONE Securities Limited (Prior year's balance restated)  | 29,114,555                    | 36,176,026                    |
| ONE Investments Limited   | -                             | -                             |
|   | <u><b>3,037,810,261</b></u>   | <u><b>2,654,197,783</b></u>   |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. |                               |                               |
| <b>9. Other Assets</b>  |                               |                               |
| <b>i Income generating</b>  |                               |                               |
| Investment in shares of subsidiary companies  |                               |                               |
| In Bangladesh ( <b>note-9.1</b> )   | 2,480,099,170                 | 2,480,099,170                 |
| Outside Bangladesh  | -                             | -                             |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|   | 31.12.2020            | 31.12.2019            |
|---|-----------------------|-----------------------|
|   | <u>Taka</u>           | <u>Taka</u>           |
| <b>ii Non- income generating</b>                                      |                       |                       |
| Stock of stationery   | 54,892,585            | 36,354,885            |
| Stock of stamps   | 4,774,289             | 4,339,445             |
| Security deposits   | 6,525,400             | 5,827,121             |
| Advance rent for office premises *                                    | 144,321,928           | 461,264,414           |
| Prepayments   | 514,152,333           | 607,012,280           |
| Application money against right share and clearing adjustment account | -                     | 87,116,850            |
| Suspense account (note-9.5)   | 18,752,838            | 39,945,715            |
| Receivable from Bangladesh Bank (note-9.8)                            | 125,631,748           | 159,384,091           |
| Interest receivables (note-9.7)                                       | 544,018,485           | 417,200,236           |
| Advance Income Tax (note-9.3)   | 9,538,900,945         | 8,365,477,074         |
| Deferred Tax Assets (note-9.4)  | 76,913,483            | 69,444,925            |
| Protested bill  | 2,594,351             | 2,594,351             |
| Sundry receivables  | 848,621               | 416,331               |
| Receivable ATM acquiring  | 18,386,782            | 11,028,206            |
| Receivable from ONE Bank Limited Employees' Provident Fund (note-9.9) | 2,360,534             | -                     |
| Receivable from ONE Securities Ltd                                    | -                     | -                     |
| Receivable from ONE Investments Ltd                                   | -                     | 205,426               |
| Inter Branch Account USD  | -                     | 21,337                |
| Branch Adjustment Account (note-9.2)                                  | 3,367,975             | 23,104,658            |
|   | 13,536,541,467        | 12,770,836,513        |
| Off-shore Banking Unit  | 84,928,334            | 133,494,986           |
|   | <u>13,621,469,800</u> | <u>12,904,331,499</u> |

\* Advance rent for office premises includes advance rent for ATM and Sub-branches.

### 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 2020 are given below:

|  | Number of Unresponded entries |    | Unresponded entries (Amount-Taka) |         |
|--|-------------------------------|----|-----------------------------------|---------|
|  | Dr                            | Cr | Dr                                | Cr      |
| Up to 3 months                         | 18                            | 4  | 3,509,202                         | 141,228 |
| Over 3 months but within 6 months      | -                             | -  | -                                 | -       |
| Over 6 months but within 1 year        | -                             | -  | -                                 | -       |
| Over 1 year but within 5 years         | -                             | -  | -                                 | -       |
|  | 18                            | 4  | 3,509,202                         | 141,228 |
| <b>Branch Adjustment Account (Net)</b> |                               |    | <u>3,367,975</u>                  |         |

### 9.3 Advance income tax

|   |                      |                      |
|---|----------------------|----------------------|
| Opening balance on 1 January                      | 8,365,477,074        | 7,143,559,670        |
| Add: Tax paid as advance                          | 1,173,423,871        | 1,221,917,404        |
| Less: Advance income tax adjusted during the year | -                    | -                    |
| Balance on 31 December                            | <u>9,538,900,945</u> | <u>8,365,477,074</u> |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|   | 31.12.2020        | 31.12.2019        |
|---|-------------------|-------------------|
|   | <u>Taka</u>       | <u>Taka</u>       |
| <b>9.4 Deferred tax assets:</b>                           |                   |                   |
| Opening balance   | 69,444,925        | 44,671,699        |
| Addition/(reverse) during the year ( <b>note-12.2.1</b> ) | 7,468,558         | 24,773,226        |
| Closing balance   | <u>76,913,483</u> | <u>69,444,925</u> |

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                                    | 1,994,979  | 100% | 1,994,979         |
| Others   | 14,579,461 | 100% | 14,579,461        |
| Required provision for other assets              |            |      | 19,168,791        |
| Total provision maintained ( <b>note-12.8</b> )  |            |      | <u>20,212,868</u> |
| Excess/(short) provision as on 31, December 2020 |            |      | <u>-</u>          |

**9.7 Interest receivables**

|   |                    |                    |
|---|--------------------|--------------------|
| Interest receivables on placement                 | 6,356,294          | 7,637,938          |
| Interest receivables on government securities     | 500,799,438        | 354,860,871        |
| Interest receivables on non-government securities | 36,862,754         | 54,701,427         |
|   | <u>544,018,485</u> | <u>417,200,236</u> |

**9.8 Receivable from Bangladesh Bank**

|  |                    |                    |
|--|--------------------|--------------------|
| Receivable against encashment - Shanchaya Patras | 115,210,726        | 158,884,464        |
| Interest Receivable from Bangladesh Bank         | 1,924,887          | -                  |
| Receivable against Wage Earners Remittance       | 8,496,135          | 499,626            |
|  | <u>125,631,748</u> | <u>159,384,091</u> |

**9.9 Receivable from ONE Bank Limited Employees' Provident Fund**

As per Financial Reporting Council (FRC) notification reference # 179/FRC/FRM/Notification/2020/2 dated July 07, 2020, we have considered the forfeited fund of OBL Provident fund (from the year 2015 to 2019) of Tk. 2,360,534/= as other asset named as receivable from ONE Bank Limited Employees' Provident Fund and the same amount shown in the other operating income. Subsequently we have received the full amount from ONE Bank Limited Employees' Provident Fund through a payment order # 1378939 dated March 15, 2021 and encashed on the same date.

**9 (a) Consolidated Other Assets**

|   |                       |                       |
|---|-----------------------|-----------------------|
| ONE Bank Limited                                      | 13,621,469,800        | 12,904,331,499        |
| ONE Securities Limited                                | 182,120,537           | 131,795,635           |
| ONE Investments Limited                               | 241,873               | 66,714                |
| 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)             |
|   | <u>11,323,733,040</u> | <u>10,555,889,252</u> |

Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019.

**10. Borrowings from other Banks, financial institutions and Agents.**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Borrowing Inside Bangladesh ( <b>note-10.1</b> )  | 13,464,600,733        | 8,565,208,217         |
| Borrowing Outside Bangladesh ( <b>note-10.2</b> ) | 7,858,235,210         | 13,069,066,361        |
|   | <u>21,322,835,943</u> | <u>21,634,274,579</u> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>31.12.2020</b>            | <b>31.12.2019</b>            |
|---|------------------------------|------------------------------|
|   | <b><u>Taka</u></b>           | <b><u>Taka</u></b>           |
| <b>10.1 Borrowing Inside Bangladesh</b>   |                              |                              |
| Borrowing from Bangladesh Bank [note-10.1(a)]   | 13,464,600,733               | 7,865,208,217                |
| Borrowing from other bank -Payable on demand  | -                            | 700,000,000                  |
|   | <b><u>13,464,600,733</u></b> | <b><u>8,565,208,217</u></b>  |
| <b>10.1 (a)Borrowing from Bangladesh Bank</b>   |                              |                              |
| Export Development Fund (EDF)   | 8,704,569,840                | 6,347,074,807                |
| Refinance against SME, Agriculture loan and Green finance                                   | 132,291,490                  | 331,413,186                  |
| Stimulus Package for COVID19  | 2,833,340,194                | -                            |
| Financial Sector Support Project (FSSP)   | 1,794,399,208                | 1,186,720,225                |
|   | <b><u>13,464,600,733</u></b> | <b><u>7,865,208,217</u></b>  |
| <b>10.2 Borrowing Outside Bangladesh</b>  |                              |                              |
| <b>Borrowing by Offshore Banking Unit .</b>   |                              |                              |
| Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)                  | 2,151,827,913                | 3,258,037,500                |
| Oesterreichische Entwicklungsbank AG (OeEB)   | 583,007,563                  | 944,512,500                  |
| The OPEC Fund for International Development (OFID)  | 318,004,125                  | 636,750,000                  |
| Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)     | 1,325,017,188                | 1,857,187,500                |
| Norwegian Investment Fund for Developing Countries (Norfund)                                | 795,010,313                  | 1,114,312,500                |
| International Finance Corporation (IFC)   | 1,413,351,610                | 4,245,000,000                |
| RAK BANK-Dubai  | 1,272,016,500                | 1,013,266,361                |
|   | <b><u>7,858,235,210</u></b>  | <b><u>13,069,066,361</u></b> |
| <b>10.3 Security against borrowings from other banks, financial institutions and agents</b> |                              |                              |
| Secured   | -                            | -                            |
| Unsecured   | 21,322,835,943               | 21,634,274,579               |
|   | <b><u>21,322,835,943</u></b> | <b><u>21,634,274,579</u></b> |
| <b>10 (a) Consolidated Borrowings from other banks, financial institutions and Agents.</b>  |                              |                              |
| ONE Bank Limited  | 21,322,835,943               | 21,634,274,579               |
| ONE Securities Limited  | -                            | -                            |
|   | <b><u>21,322,835,943</u></b> | <b><u>21,634,274,579</u></b> |
| <b>10 (b) Non-convertible subordinated bond and contingent-convertible perpetual bond</b>   |                              |                              |
| Subordinated Bond - I   | -                            | 440,000,000                  |
| Subordinated Bond - II  | 2,400,000,000                | 3,200,000,000                |
| Subordinated Bond - III   | 4,000,000,000                | 4,000,000,000                |
| Perpetual Bond  | 500,000,000                  | -                            |
|   | <b><u>6,900,000,000</u></b>  | <b><u>7,640,000,000</u></b>  |

**Subordinated Bond-I Tk. 2,200,000,000 (Outstanding as on December 31, 2020 is Nil.)**

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. As on December 31, 2020 the outstanding amount is nil of the said Subordinated bond (i.e. fully redemption).

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### Main Features of the Bond:

|                  |  |
|------------------|--|
| Issuer           | ONE Bank Ltd                                 |
| Trustee          | Bangladesh General Insurance Company Limited |
| Lead Arranger    | Standard Chartered Bank                      |
| Tenor            | 7 years                                      |
| Total Face Value | BDT 2,200 Million                            |
| Number of Bonds  | 2,200  |

### List of Investors:

| Name of the Investor                          | No of Bonds | Bond Issued Taka     | Outstanding- 31.12.2020 (after 100% redemption) |
|---|-------------|----------------------|---|
| Janata Bank Limited                           | 500         | 500,000,000          | -   |
| Agrani Bank Limited                           | 500         | 500,000,000          | -   |
| Rupali Bank Limited                           | 500         | 500,000,000          | -   |
| Bangladesh Development Bank Limited           | 200         | 200,000,000          | -   |
| Saudi Bangladesh Indust.&Agri.Invest.Com.Ltd. | 200         | 200,000,000          | -   |
| Pubali Bank Limited                           | 100         | 100,000,000          | -   |
| Bangladesh Commerce Bank Limited              | 100         | 100,000,000          | -   |
| Uttara Bank Limited                           | 100         | 100,000,000          | -   |
| <b>Total</b>                                  | <b>2200</b> | <b>2,200,000,000</b> | <b>-</b>  |

### Subordinated Bond-II Tk. 4,000,000,000 (Outstanding as on December 31, 2020 of Tk.2,400,000,000)

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 @ 8.45%.

### 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- 31.12.2020 (after 40% redemption) |
|------------------------|-------------|----------------------|--|
| Pubali Bank Limited    | 1000        | 1,000,000,000        | 600,000,000                                    |
| Sonali Bank Limited    | 1000        | 1,000,000,000        | 600,000,000                                    |
| Janata Bank Limited    | 500         | 500,000,000          | 300,000,000                                    |
| Southeast Bank Limited | 500         | 500,000,000          | 300,000,000                                    |
| Trust Bank Limited     | 400         | 400,000,000          | 240,000,000                                    |
| Dhaka Bank Limited     | 300         | 300,000,000          | 180,000,000                                    |
| Rupali Bank Limited    | 200         | 200,000,000          | 120,000,000                                    |
| Mutual Trust Bank Ltd  | 100         | 100,000,000          | 60,000,000                                     |
| <b>Total</b>           | <b>4000</b> | <b>4,000,000,000</b> | <b>2,400,000,000</b>                           |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 applicable interest rate are given below:

#### 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- 31.12.2020 | Interest Rate |
|---------------------------|-------------|----------------------|-------------------------|---------------|
| Sonali Bank Limited       | 80          | 800,000,000          | 800,000,000             | 7.00%         |
| Dhaka Bank Limited        | 30          | 300,000,000          | 300,000,000             | 7.00%         |
| Jamuna Bank Limited       | 130         | 1,300,000,000        | 1,300,000,000           | 7.00%         |
| Pubali Bank Limited       | 30          | 300,000,000          | 300,000,000             | 7.57%         |
| NRB Commerce Bank Limited | 50          | 500,000,000          | 500,000,000             | 7.46%         |
| Lanka Bangla Finance Ltd. | 80          | 800,000,000          | 800,000,000             | 7.00%         |
| <b>Total</b>              | <b>400</b>  | <b>4,000,000,000</b> | <b>4,000,000,000</b>    |               |

### Contingent-Convertible Perpetual Bond-I Tk. 4,000,000,000

To meet the Capital to Risk Weighted Assets Ratio of the Bank, ONE Bank Limited issued unsecured ,Contingent-Convertible, Floating Rate Perpetual bonds on 30th December, 2020 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BFIS) 661/14B(P)/2020/8071 dated September 29, 2020] and [#BSEC/CI/DS-118/2020/296 dated December 23, 2020] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 6.00% to 10.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.04%.

#### Main Features of the Bond:

|                  |                                     |
|------------------|-------------------------------------|
| Issuer           | ONE Bank Ltd                        |
| Trustee          | EBL Investment Limited              |
| Lead Arranger    | City Bank Capital Resources Limited |
| Total Face Value | BDT 4,000 Million                   |
| Number of Bonds  | 4000                                |

#### List of Investor:

| Name of the Investor      | No of Bonds | Bond Issued Taka | Outstanding- 31.12.2020 |
|---------------------------|-------------|------------------|-------------------------|
| Lanka Bangla Finance Ltd. | 500         | 500,000,000      | 500,000,000             |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020             | 31.12.2019             |
|---|------------------------|------------------------|
|   | <u>Taka</u>            | <u>Taka</u>            |
| <b>10. (b).1 Residual Maturity grouping of borrowings from other banks, financial institutions and agents and Non-convertible subordinated bond and</b> |                        |                        |
| Payable on demand   | 2,154,336,117          | 1,801,129,150          |
| Up to 3 months  | 2,653,639,843          | 1,808,997,890          |
| Above 3 months to 1 year  | 9,568,364,275          | 10,703,945,541         |
| Above 1 year to 5 years   | 12,786,495,707         | 13,000,201,998         |
| Above 5 years   | 1,060,000,000          | 1,960,000,000          |
|   | <b>28,222,835,943</b>  | <b>29,274,274,579</b>  |
| <b>11. Deposits and other accounts</b>  |                        |                        |
| <b>i Current/Al-wadeeah current account and other account</b>   | 25,469,720,365         | 18,827,717,352         |
| Unclaimed cash and fractional dividend account ( <b>note-11.5</b> )   | 35,335,849             | 29,556,473             |
| Off-shore Banking Unit  | 95,769,474             | 25,147,691             |
|   | <b>25,600,825,688</b>  | <b>18,882,421,515</b>  |
| <b>ii Bills payable</b>   |                        |                        |
| Payment Order (Issued)  | 2,560,935,931          | 2,371,246,246          |
| Demand Draft  | 681,460                | 684,479                |
|   | <b>2,561,617,392</b>   | <b>2,371,930,725</b>   |
| <b>iii Savings accounts/Mudaraba savings bank deposit</b>   | <b>26,768,261,590</b>  | <b>21,377,433,366</b>  |
| <b>iv Fixed Deposit/Mudaraba fixed deposits</b>   |                        |                        |
| Fixed Deposit/Mudaraba fixed deposits   | 119,550,312,626        | 138,814,039,216        |
| Short Notice Deposits/ Mudaraba special notice deposit  | 42,939,203,406         | 35,622,373,936         |
| Scheme Deposits/ Mudaraba scheme deposit  | 11,950,898,749         | 10,906,886,758         |
| Non-resident Foreign Currency Deposits  | 113,453,729            | 115,942,548            |
|   | 174,553,868,510        | 185,459,242,458        |
| Off-shore Banking Unit  | -                      | -                      |
|   | <b>174,553,868,510</b> | <b>185,459,242,458</b> |
|   | <b>229,484,573,179</b> | <b>228,091,028,064</b> |
| <b>11.1 Payable on demands</b>  |                        |                        |
| Current deposits  | 14,059,695,277         | 10,308,067,403         |
| Privilege creditor  | 475,523,886            | 484,374,334            |
| Foreign Currency Deposits   | 7,066,058,756          | 4,986,040,295          |
| Sundry Deposits   | 3,711,462,166          | 2,822,015,071          |
| Other accrued expense   | 288,085,603            | 281,924,412            |
|   | <b>25,600,825,688</b>  | <b>18,882,421,515</b>  |
| Bills payable   | 2,561,617,392          | 2,371,930,725          |
| 10% of Savings accounts   | 2,676,826,159          | 2,137,743,337          |
|   | <b>30,839,269,238</b>  | <b>23,392,095,576</b>  |
| <b>11.2 Break down of deposits and other accounts</b>   |                        |                        |
| <b>11.2 (a) Payable on demand</b>   |                        |                        |
| i Deposits from banks   | 1,157,520              | 2,231,689              |
| ii Other than banks   | 30,838,111,718         | 23,389,863,887         |
|   | <b>30,839,269,238</b>  | <b>23,392,095,576</b>  |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020             | 31.12.2019             |
|---|------------------------|------------------------|
|   | <u>Taka</u>            | <u>Taka</u>            |
| <b>11.2 (b) Other Deposits</b>                      |                        |                        |
| Deposits from banks                                 |                        |                        |
| Term Deposit (ONE Bank Limited)                     |                        |                        |
| Uttara Bank Limited                                 | 2,000,000,000          | -                      |
| Trust Bank Limited                                  | 2,000,000,000          | -                      |
| Mutual Trust Bank Limited                           | 500,000,000            | -                      |
| United Commercial Bank Limited                      | 1,000,000,000          | -                      |
| Rupali Bank Limited                                 | 2,000,000,000          | -                      |
| The City Bank Limited                               | 800,000,000            | -                      |
| Bank Asia Limited                                   | 2,000,000,000          | 3,000,000,000          |
| Dutch Bangla Bank Limited                           | 1,000,000,000          | 1,000,000,000          |
| BRAC Bank Limited                                   | 1,500,000,000          | 1,500,000,000          |
| National Credit and Commerce Bank Limited           | 1,250,000,000          | 1,000,000,000          |
| Rajshahi Krishi Unnayan Bank                        | -                      | 150,000,000            |
| Sonali Bank Limited                                 | -                      | 2,700,000,000          |
| Agrani Bank Limited                                 | -                      | 1,500,000,000          |
| Prime Bank Limited                                  | -                      | 400,000,000            |
| Eastern Bank Limited                                | -                      | 1,000,000,000          |
| Bangladesh Development Bank Limited                 | -                      | 50,000,000             |
|   | <b>14,050,000,000</b>  | <b>12,300,000,000</b>  |
| Term Deposit (Off shore Banking Unit)               | -                      | -                      |
|   | -                      | -                      |
| Other than banks                                    | <b>184,595,303,941</b> | <b>192,398,932,488</b> |
|   | <b>198,645,303,941</b> | <b>204,698,932,488</b> |
| <b>Total deposits [11.2(a) + 11.2(b)]</b>           | <b>229,484,573,179</b> | <b>228,091,028,064</b> |
| <b>11.3 Remaining maturity grouping of deposits</b> |                        |                        |
| Repayable on demand                                 | 11,186,796,174         | 10,823,790,637         |
| Repayable within 1 month                            | 36,756,615,999         | 35,563,883,521         |
| Over 1 month but within 6 months                    | 101,222,200,000        | 87,931,200,000         |
| Over 6 months but within 1 year                     | 39,539,499,263         | 53,699,999,899         |
| Over 1 year but within 5 years                      | 32,496,136,860         | 25,036,316,387         |
| Over 5 years but within 10 years                    | 8,283,324,883          | 15,035,837,620         |
|   | <b>229,484,573,179</b> | <b>228,091,028,064</b> |

**11.4** Total Unclaimed deposit for 10 years or more held by the bank is Tk.6,593,199 as on 31 December 2020 and Tk. 5,641,702 as on 31 December 2019, respectively.

**11.5 Unclaimed dividend**

As per Bangladesh Securities and Exchange Commission directive no. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, year wise unclaimed dividend information given below:

| Year | 31.12.2020        | 31.12.2019        |
|------|-------------------|-------------------|
|      | Taka              | Taka              |
| 2019 | 5,911,881         | -                 |
| 2017 | 4,642,771         | 4,716,015         |
| 2016 | 4,472,027         | 4,484,147         |
| 2015 | 4,137,514         | 4,139,019         |
| 2014 | 6,201,351         | 6,216,111         |
| 2013 | 5,187,197         | 5,217,909         |
| 2012 | 1,706,747         | 1,706,910         |
| 2006 | 1,233,480         | 1,233,480         |
| 2005 | 1,842,882         | 1,842,882         |
|      | <b>35,335,849</b> | <b>29,556,473</b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>31.12.2020</b>             | <b>31.12.2019</b>             |
|---|-------------------------------|-------------------------------|
|   | <b><u>Taka</u></b>            | <b><u>Taka</u></b>            |
| <b>11 (a) Consolidated Deposits and other accounts</b>      |                               |                               |
| <b>Current/Al-wadeeah current account and other account</b> |                               |                               |
| ONE Bank Limited  | 25,600,825,688                | 18,882,421,515                |
| ONE Securities Limited                                      | -                             | -                             |
|   | <b><u>25,600,825,688</u></b>  | <b><u>18,882,421,515</u></b>  |
| <b>Bills payable</b>  |                               |                               |
| ONE Bank Limited  | 2,561,617,392                 | 2,371,930,725                 |
| ONE Securities Limited                                      | -                             | -                             |
|   | <b><u>2,561,617,392</u></b>   | <b><u>2,371,930,725</u></b>   |
| <b>Savings accounts/Mudaraba savings bank deposit</b>       |                               |                               |
| ONE Bank Limited  | 26,768,261,590                | 21,377,433,366                |
| ONE Securities Limited                                      | -                             | -                             |
|   | <b><u>26,768,261,590</u></b>  | <b><u>21,377,433,366</u></b>  |
| <b>Fixed Deposit/Mudaraba fixed deposits</b>                |                               |                               |
| ONE Bank Limited  | 174,553,868,510               | 185,459,242,458               |
| Less: Inter Company Balances                                | (415,291,455)                 | (226,122,683)                 |
|   | <b><u>174,138,577,055</u></b> | <b><u>185,233,119,775</u></b> |
| <b>Total Consolidated Deposit</b>                           | <b><u>229,069,281,724</u></b> | <b><u>227,864,905,381</u></b> |
| <b>12. Other liabilities</b>                                |                               |                               |
| Provision for Income Tax (note-12.1)                        | 7,031,555,144                 | 6,607,470,030                 |
| Deferred tax liability (note-12.2)                          | 89,641,922                    | 75,840,905                    |
| Provision for gratuity (note-12.3)                          | -                             | -                             |
| Provision for loans and advances (note-12.4 & 12.5)         | 10,046,158,916                | 9,313,834,484                 |
| Special general provision COVID-19 (note-12.6)              | 560,039,000                   | -                             |
| Risk fund of Consumer Credit and Rider                      | 473,512                       | 473,512                       |
| Provision for other (note-12.8)                             | 20,212,868                    | 20,212,868                    |
| Provision for off balance sheet items (note-12.9)           | 534,779,946                   | 626,670,773                   |
| Provision for diminution value of share (note-12.11)        | -                             | -                             |
| Interest suspense account (note-12.10)                      | 8,772,019,718                 | 6,307,880,737                 |
| Sinking fund  | 88,796,477                    | 53,739,338                    |
| Interest Payable on Subordinated and Perpetual Bond         | 57,356,454                    | 86,556,713                    |
| Interest payable on borrowings                              | 44,634,958                    | 85,926,926                    |
| Accrued performance bonus                                   | 295,837,088                   | 295,837,088                   |
| Other payable   | 8,664,751                     | 8,134,159                     |
| Lease liabilities as per IFRS-16*                           | 791,376,660                   | 721,021,873                   |
| Revaluation reserve held for trading securities             | 459,133,209                   | 136,116,862                   |
|   | <b><u>28,800,680,624</u></b>  | <b><u>24,339,716,267</u></b>  |
| Off-shore Banking Unit                                      | 62,044,166                    | 116,463,141                   |
|   | <b><u>28,862,724,790</u></b>  | <b><u>24,456,179,407</u></b>  |

\*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the lease liabilities.

|  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>12.1 Provision for current income tax</b> |                             |                             |
| Opening balance on 1 January                 | 6,607,470,030               | 5,729,488,913               |
| Less: Provision adjusted during the year     | -                           | -                           |
|  | <b><u>6,607,470,030</u></b> | <b><u>5,729,488,913</u></b> |
| Add: Provision made during the year          | 424,085,114                 | 877,981,117                 |
| Balance on 31 December                       | <b><u>7,031,555,144</u></b> | <b><u>6,607,470,030</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b>12.1 (a) Provision for Current Tax made during the year</b> |                           |                           |
| Income tax @ 37.50% on estimated taxable Business Income       | 418,006,171               | 954,416,460               |
| Income tax @ 20% on Dividend Income                            | 6,078,943                 | 7,934,576                 |
| Income tax @ 10% on Capital Gain on sales of Shares            | -                         | -                         |
| Income tax @ 0% on Gain on sale of Govt. securities            | -                         | -                         |
| Less: Previous years refund adjustment                         | -                         | 84,369,919                |
|  | <b>424,085,114</b>        | <b>877,981,117</b>        |

**(b) Computation of Taxable Business Income:**

|   |                      |                      |
|---|----------------------|----------------------|
| Profit before income tax as per profit and loss account           | 1,741,747,549        | 2,551,302,805        |
| Add: Inadmissible expenditures                                    | 213,530,881          | 227,257,487          |
| Less: Separate consideration for tax exempted and reduce tax rate | 495,892,250          | 39,672,879           |
| Less: Allowable expenditure                                       | 344,703,059          | 193,776,852          |
|   | <b>1,114,683,122</b> | <b>2,545,110,561</b> |

**12.1 (b) Reconciliation of effective tax rate of the Bank**

|  |               |                      |                      |
|--|---------------|----------------------|----------------------|
| <b>Profit before income tax as per profit and loss account</b> |               | <b>1,741,747,549</b> | <b>2,551,302,805</b> |
| Income tax as per applicable tax rate                          | 37.50%        | 653,155,331          | 956,738,552          |
| <b>Factors affecting the tax charge for current year:</b>      |               |                      |                      |
| Inadmissible expenditures                                      | 4.60%         | 80,074,080           | 85,221,558           |
| Admissible expenses  | -7.42%        | (129,263,647)        | (72,666,320)         |
| Tax saving from reduce tax rate (on Dividend Income)           | -0.31%        | (5,319,075)          | (6,942,754)          |
| Tax exempted income (on Govt. treasury securities)             | -10.02%       | (174,561,575)        | -                    |
| Prior year refund adjustment                                   |               |                      | (84,369,919)         |
| <b>Total income tax expenses</b>                               | <b>24.35%</b> | <b>424,085,114</b>   | <b>877,981,117</b>   |

**12.2 Deferred tax liability**

**For Fixed Assets**

|  |                   |                   |
|--|-------------------|-------------------|
| Opening balance                        | 70,388,463        | 32,140,567        |
| Addition during the year (note-12.2.2) | 12,108,586        | 38,247,896        |
| Closing balance                        | <b>82,497,049</b> | <b>70,388,463</b> |

**Provision against revaluation reserve for security**

|   |                  |                  |
|---|------------------|------------------|
| Opening balance                             | 5,452,442        | 4,957,330        |
| Provision made/ (recovered) during the year | 1,692,432        | 495,112          |
| Closing balance                             | <b>7,144,874</b> | <b>5,452,442</b> |

**Total**

|                   |                   |
|-------------------|-------------------|
| <b>89,641,922</b> | <b>75,840,905</b> |
|-------------------|-------------------|

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

**12.2.1 Basis of Deferred Tax Asset:**

|  |                    |                    |
|--|--------------------|--------------------|
| Tax base of fixed assets (Only temporary deductible portion is considered) | 686,437,494        | 660,135,375        |
| Carrying amount of fixed assets  | 481,334,874        | 474,948,910        |
| <b>Deductible temporary difference</b>                                     | <b>205,102,620</b> | <b>185,186,465</b> |
| Applicable tax rate  | 37.50%             | 37.50%             |
| Deferred tax asset   | 76,913,483         | 69,444,924         |
| Opening deferred tax asset   | 69,444,924         | 44,671,699         |
| <b>Deferred tax (expenses)/income</b>                                      | <b>7,468,558</b>   | <b>24,773,226</b>  |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | 31.12.2020            | 31.12.2019           |
|--|-----------------------|----------------------|
|  | <u>Taka</u>           | <u>Taka</u>          |
| <b>12.2.2 Basis of Deferred Tax Liability:</b>   |                       |                      |
| Carrying amount of fixed assets (Only temporary taxable portion is considered)   | 1,210,665,014         | 1,164,378,011        |
| Tax base of fixed assets   | 990,672,884           | 976,675,444          |
| <b>Taxable temporary difference</b>  | <b>219,992,130</b>    | <b>187,702,567</b>   |
| Applicable tax rate  | 37.50%                | 37.50%               |
| Deferred tax liability   | 82,497,049            | 70,388,463           |
| Opening deferred tax liability   | 70,388,463            | 32,140,568           |
| <b>Deferred tax expenses/(income)</b>  | <b>12,108,586</b>     | <b>38,247,896</b>    |
| <b>12.3 Provision for gratuity</b>   |                       |                      |
| Opening balance on 1 January   | -                     | -                    |
| Provision made during the year   | 86,252,262            | 155,866,420          |
| Transferred/Payment made during the year   | 86,252,262            | 155,866,420          |
| Balance on 31 December   | -                     | -                    |
| <b>12.4 Specific provision against loans and advances</b>  |                       |                      |
| Opening balance on 1 January   | 7,331,116,490         | 5,508,573,082        |
| Provision written off  | -                     | -                    |
| Recoveries of amounts previously written off   | 17,228,565            | 50,682,911           |
| Provision after written off  | 7,348,345,055         | 5,559,255,993        |
| Specific provision made during the year  | 986,196,838           | 2,530,512,992        |
| Provisions recovered and no longer required written back   | (191,841,926)         | (758,652,495)        |
| Net charge to profit & loss account  | 794,354,912           | 1,771,860,497        |
| Balance on 31 December   | <b>8,142,699,967</b>  | <b>7,331,116,490</b> |
| <b>12.5 General provision against loans and advances</b>   |                       |                      |
| Opening balance on 1 January   | 1,982,717,994         | 2,073,566,235        |
| Provision made during the year:  |                       |                      |
| Unclassified Loans & Advances  | (27,441,283)          | (119,852,655)        |
| Consumer credit & Small enterprise financing   | (30,387,745)          | (10,044,887)         |
| Special mention account  | (29,868,146)          | 43,293,805           |
| Loans against shares   | 8,438,129             | (4,244,505)          |
| Net charge to profit & loss account  | (79,259,045)          | (90,848,241)         |
| Balance on 31 December   | <b>1,903,458,949</b>  | <b>1,982,717,994</b> |
| <b>Total Specific and General Provision</b>  | <b>10,046,158,916</b> | <b>9,313,834,484</b> |
| <b>12.6 Special general provision COVID-19</b>   | <b>560,039,000</b>    |                      |
| As per BRPD Circular letter no. 56 dated December 10, 2020 and BRPD letter no. BRPD (P-1) 661/13/2021-117 dated January 05, 2021, we have maintained Tk.560,039,000 as special general provision COVID-19 against deferral Loan as per BRPD Circular no.17 dated September 28, 2020. |                       |                      |
| <b>12.7 Specific provision as per classification of loans</b>  |                       |                      |
| Substandard  | 271,829,001           | 166,758,787          |
| Doubtful   | 854,061,162           | 946,798,873          |
| Bad/Loss   | 7,016,809,804         | 6,217,558,829        |
| Balance on 31 December   | <b>8,142,699,967</b>  | <b>7,331,116,490</b> |
| <b>12.8 Provision for Other</b>  |                       |                      |
| Balance on 1 January   | 20,212,868            | 17,847,971           |
| Provision made during the year/(recovery) (note-12.8. a and 12.8. b)   | -                     | 2,364,897            |
| Balance on 31 December   | <b>20,212,868</b>     | <b>20,212,868</b>    |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>31.12.2020</b>            | <b>31.12.2019</b>            |
|--|------------------------------|------------------------------|
|  | <b><u>Taka</u></b>           | <b><u>Taka</u></b>           |
| <b>12.8.a Provision for protested bill</b>   |                              |                              |
| Balance on 1 January   | 2,594,351                    | 2,594,351                    |
| Provision recovered during the year  | -                            | -                            |
| Balance on 31 December   | <b><u>2,594,351</u></b>      | <b><u>2,594,351</u></b>      |
| <b>12.8.b Provision for legal expenses and others</b>  |                              |                              |
| Balance on 1 January   | 17,618,517                   | 15,253,620                   |
| Adjusted with recoverable legal expenses   | -                            | -                            |
| Provision made during the year   | -                            | 2,364,897                    |
| Balance on 31 December   | <b><u>17,618,517</u></b>     | <b><u>17,618,517</u></b>     |
| <b>12.9 Provision for off balance sheet items</b>  |                              |                              |
| Balance on 1 January   | 626,670,773                  | 742,166,366                  |
| Provision made during the year   | (91,890,826)                 | (115,495,593)                |
| Balance on 31 December   | <b><u>534,779,946</u></b>    | <b><u>626,670,773</u></b>    |
| <b>12.10 Interest suspense account</b>   |                              |                              |
| Balance on 1 January   | 6,307,880,737                | 4,277,625,588                |
| Interest suspense charged during the year  | 3,499,952,442                | 3,689,448,414                |
| Interest suspense realized during the year   | (1,029,692,179)              | (1,659,040,180)              |
| Amount written off during the year   | -                            | -                            |
| Amount waiver during the year  | (6,121,284)                  | (153,085)                    |
| Balance on 31 December   | <b><u>8,772,019,718</u></b>  | <b><u>6,307,880,737</u></b>  |
| <b>12.11 Provision for diminution value of share</b>   |                              |                              |
| Balance on 1 January   | -                            | -                            |
| Provision made/ (recovered) during the year  | -                            | -                            |
| Balance on 31 December   | <b><u>-</u></b>              | <b><u>-</u></b>              |
| <b>12.11.a Consolidated Provision made for diminution value of share</b>   |                              |                              |
| ONE Bank Limited   | -                            | -                            |
| ONE Securities Limited:  | 153,720,644                  | 153,720,644                  |
|  | <b><u>153,720,644</u></b>    | <b><u>153,720,644</u></b>    |
| <b>12.12 Provision for Nostro Reconciliation</b>   |                              |                              |
| 02 debit entries of USD-1,63,078.55 (more than 03 months) and USD -1,04,659.84 (more than 06 months) are lying pending for EXP correction (which have already been submitted to Bangladesh Bank for adjustment) due to short shipment. Our nostro account of SCB New York has credit entries for USD 2,76,140.65 and USD 1,37,358.77 against the above entries. As we have excess credit amount in our nostro account relates with these debit entries there is no risk for the bank and no provision has been kept. |                              |                              |
| <b>12 (a) Consolidated Other liabilities</b>   |                              |                              |
| ONE Bank Limited   | 28,862,724,790               | 24,456,179,407               |
| ONE Securities Limited   | 390,619,267                  | 296,800,546                  |
| ONE Investments Limited  | 347,150                      | 349,010                      |
| Less: Inter unit/company elimination   | (6,768,097)                  | (205,426)                    |
|  | <b><u>29,246,923,110</u></b> | <b><u>24,753,123,537</u></b> |

Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019.

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|---|---------------------------|---------------------------|
| <b>13. Share Capital</b>  |                           |                           |
| <b>13.1 Authorized Capital</b>                                    | <b>10,000,000,000</b>     | <b>10,000,000,000</b>     |
| 1,000,000,000 (2019: 1,000,000,000) ordinary shares of Tk 10 each |                           |                           |
| <b>13.2 Issued, Subscribed and fully paid-up Capital</b>          | <b>8,853,464,040</b>      | <b>8,431,870,520</b>      |
| 885,346,404 (2019: 843,187,052) ordinary shares of Tk 10 each     |                           |                           |
| Sponsors  | 30.02%                    | 30.02%                    |
| General Public (Including Institutes 29.05% and Foreign 0.52%)    | 69.98%                    | 69.98%                    |
| <b>Total</b>  | <b>100.00%</b>            | <b>100.00%</b>            |

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

| Shareholders   | No. of Shareholders | No. of Shares      | 31.12.2020<br>Taka   | 31.12.2019<br>Taka   |
|----------------|---------------------|--------------------|----------------------|----------------------|
| Sponsors       | 16                  | 265,779,966        | 2,657,799,660        | 2,531,237,870        |
| Institutes     | 478                 | 257,160,027        | 2,571,600,270        | 1,382,028,400        |
| Foreign        | 78                  | 4,572,088          | 45,720,880           | 227,829,700          |
| General Public | 19,964              | 357,834,323        | 3,578,343,230        | 4,290,774,550        |
| <b>Total</b>   | <b>20,536</b>       | <b>885,346,404</b> | <b>8,853,464,040</b> | <b>8,431,870,520</b> |

Shareholding structure of the Bank as at 31-12-2020 is given below:

| Range of Holdings    | Number of Shareholders | No. of Shares      | % of holding of shares |
|----------------------|------------------------|--------------------|------------------------|
| Upto 500             | 5,205                  | 838,604            | 0.09                   |
| 501 to 5,000         | 9,029                  | 19,121,865         | 2.16                   |
| 5,001 to 10,000      | 2,455                  | 17,821,619         | 2.01                   |
| 10,001 to 20,000     | 1,590                  | 22,441,484         | 2.53                   |
| 20,001 to 30,000     | 622                    | 15,210,798         | 1.72                   |
| 30,001 to 40,000     | 313                    | 10,823,183         | 1.22                   |
| 40,001 to 50,000     | 238                    | 10,813,886         | 1.22                   |
| 50,001 to 100,000    | 427                    | 30,590,822         | 3.46                   |
| 100,001 to 1,000,000 | 549                    | 152,098,062        | 17.18                  |
| Over 1,000,000       | 108                    | 605,586,081        | 68.40                  |
| <b>Total</b>         | <b>20,536</b>          | <b>885,346,404</b> | <b>100.00</b>          |

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:
- b) 42,159,352 Bonus shares of Tk. 10 each valued at Tk.421,593,520 for the year 2019 has been transferred to Paid-up capital account during the year 2020:

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

**Issued, Subscribed & fully Paid up Capital**

| Particulars   | 31.12.2020<br>Taka   | 31.12.2019<br>Taka   |
|---|----------------------|----------------------|
| Issued for cash : 53,781,220 shares of Tk. 10 each              | 537,812,200          | 537,812,200          |
| Issued other than cash: 831,565,184 bonus shares of Tk. 10 each | 8,315,651,840        | 7,894,058,320        |
| <b>Total</b>  | <b>8,853,464,040</b> | <b>8,431,870,520</b> |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

### 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 2020 is Taka 25,950,554,757 comprised of core capital of Taka 17,352,276,862 and supplementary capital of Taka 8,598,277,896 thereby showing a surplus capital/equity of Taka 1,030,703,532 against the required capital. Details are shown below:

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b><u>Solo Basis:</u></b>  |                           |                           |
| <b>Common Equity Tier-1 (Going-Concern Capital)</b>  |                           |                           |
| Paid-up capital  | 8,853,464,040             | 8,431,870,520             |
| Statutory Reserve  | 6,430,798,085             | 6,082,448,575             |
| Retained Earnings  | 1,650,557,138             | 1,529,071,286             |
|  | <b>16,934,819,263</b>     | <b>16,043,390,381</b>     |
| <b>Regulatory Adjustments:</b>   |                           |                           |
| Deferred Tax Assets  | 76,913,483                | 69,444,925                |
| Goodwill and all other intangible assets   | 969,118                   | 5,586,144                 |
| Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.        | 4,659,800                 | 975,980                   |
|  | <b>82,542,401</b>         | <b>76,007,049</b>         |
| <b>Total Common Equity Tier-1 Capital</b>  | <b>16,852,276,862</b>     | <b>15,967,383,333</b>     |
| <b>Additional Tier- 1 Capital</b>  | <b>500,000,000</b>        | <b>-</b>                  |
| <b>Total Tier 1 Capital</b>  | <b>17,352,276,862</b>     | <b>15,967,383,333</b>     |
| <b>Tier -2 Capital (Gone-Concern Capital)</b>  |                           |                           |
| General Provision  | 2,998,277,896             | 2,609,388,767             |
| Subordinated debt  | 5,600,000,000             | 6,400,000,000             |
| Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities) | -                         | 64,200,000                |
|  | <b>8,598,277,896</b>      | <b>9,073,588,767</b>      |
| <b>Regulatory Adjustment</b>   |                           |                           |
| Revaluation reserves for fixed assets, securities & equity securities                              | -                         | 64,200,000                |
| <b>Total Tier-2 Capital Available</b>  | <b>8,598,277,896</b>      | <b>9,009,388,767</b>      |
| <b>A Total Regulatory Capital</b>  | <b>25,950,554,757</b>     | <b>24,976,772,100</b>     |
| Total Assets including Off Balance Sheet items   | 367,369,561,111           | 371,839,709,479           |
| <b>B Total Risk Weighted Assets</b>  | <b>199,358,809,803</b>    | <b>195,130,086,287</b>    |
| <b>C Minimum Required capital based on risk weighted assets (10% on B)</b>                         | <b>19,935,880,980</b>     | <b>19,513,008,629</b>     |
| <b>D Surplus (A-C)</b>   | <b>6,014,673,777</b>      | <b>5,463,763,471</b>      |
| E Required capital with Conservation Buffer (CB) @12.50% on B                                      | 24,919,851,225            | 24,391,260,786            |
| <b>F Excess over capital with CB (A-E)</b>   | <b>1,030,703,532</b>      | <b>585,511,314</b>        |
| <b>Percentage of Capital to Risk Weighted Assets:</b>  | <b>13.02%</b>             | <b>12.80%</b>             |
| <b>Leverage Ratio of the solo basis</b>  |                           |                           |
| A Tier 1 Capital considering all regulatory adjustment   | 17,352,276,862            | 15,967,383,333            |
| B On-balance sheet exposure  | 295,374,161,330           | 290,542,843,345           |
| C Off-balance sheet  | 14,239,065,571            | 16,436,920,818            |
| D Deduction from on and off balance sheet exposure/ Regulatory adjustments made to Tier 1 capital  | 82,542,401                | 76,007,049                |
| <b>E Total exposure (B+C-D)</b>  | <b>309,530,684,500</b>    | <b>306,903,757,114</b>    |
| <b>Leverage ratio (A/E)</b>  | <b>5.61%</b>              | <b>5.20%</b>              |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b><u>Consolidated Basis:</u></b>  |                           |                           |
| <b>Common Equity Tier-1 (Going-Concern Capital)</b>  |                           |                           |
| Paid-up capital  | 8,853,464,040             | 8,431,870,520             |
| Statutory Reserve  | 6,430,798,085             | 6,082,448,575             |
| Retained Earnings  | 1,801,400,626             | 1,599,345,193             |
| Minority Interest in Subsidiaries  | 31,866,271                | 30,752,144                |
|  | <b>17,117,529,022</b>     | <b>16,144,416,432</b>     |
| <b>Regulatory Adjustments:</b>   |                           |                           |
| Deferred Tax Assets  | 76,913,483                | 69,444,925                |
| Goodwill and all other intangible assets   | 969,118                   | 5,586,144                 |
| Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.        | 59,393,830                | 54,081,920                |
|  | <b>137,276,431</b>        | <b>129,112,989</b>        |
| <b>Total Common Equity Tier-1 Capital</b>  | <b>16,980,252,591</b>     | <b>16,015,303,443</b>     |
| <b>Additional Tier- 1 Capital</b>  | <b>500,000,000</b>        | <b>-</b>                  |
| <b>Total Tier 1 Capital</b>  | <b>17,480,252,591</b>     | <b>16,015,303,443</b>     |
| <b>Tier -2 Capital (Gone-Concern Capital)</b>  |                           |                           |
| General Provision  | 2,998,277,896             | 2,609,388,767             |
| Sub-ordinated debt   | 5,600,000,000             | 6,400,000,000             |
| Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities) | -                         | 64,200,000                |
|  | <b>8,598,277,896</b>      | <b>9,073,588,767</b>      |
| <b>Regulatory Adjustment</b>   |                           |                           |
| Revaluation reserves for fixed assets, securities & equity securities                              | -                         | 64,200,000                |
| <b>Total Tier-2 Capital Available</b>  | <b>8,598,277,896</b>      | <b>9,009,388,767</b>      |
| <b>A Total Regulatory Capital</b>  | <b>26,078,530,486</b>     | <b>25,024,692,210</b>     |
| Total Assets including Off Balance Sheet items   | 367,521,177,735           | 372,011,556,976           |
| <b>B Total Risk Weighted Assets</b>  | <b>199,577,049,109</b>    | <b>195,237,837,017</b>    |
| <b>C Minimum Required capital based on risk weighted assets (10% on B)</b>                         | <b>19,957,704,911</b>     | <b>19,523,783,702</b>     |
| <b>D Surplus (A-C)</b>   | <b>6,120,825,576</b>      | <b>5,500,908,508</b>      |
| E Required capital with Conservation Buffer (CB) @12.50% on B                                      | 24,947,131,139            | 24,404,729,627            |
| <b>F Excess over capital with CB (A-E)</b>   | <b>1,131,399,348</b>      | <b>619,962,583</b>        |
| <b>Percentage of Capital to Risk Weighted Assets:</b>  | <b>13.07%</b>             | <b>12.82%</b>             |
| <b>Leverage Ratio of the Consolidated basis</b>  |                           |                           |
| A Tier 1 Capital considering all regulatory adjustment   | 17,480,252,591            | 16,015,303,443            |
| B On-balance sheet exposure  | 295,525,777,954           | 290,714,690,842           |
| C Off-balance sheet  | 14,239,065,571            | 16,436,920,818            |
| D Deduction from on and off balance sheet exposure/ Regulatory adjustments made to Tier 1 capital  | 137,276,431               | 129,112,989               |
| <b>E Total exposure (B+C-D)</b>  | <b>309,627,567,094</b>    | <b>307,022,498,671</b>    |
| <b>Leverage ratio (A/E)</b>  | <b>5.65%</b>              | <b>5.22%</b>              |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|   | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|---|---------------------------|---------------------------|
| <b>14. Statutory Reserve</b>  |                           |                           |
| Balance brought forward from previous year  | 6,082,448,575             | 5,572,188,014             |
| Reserve made during the year  | 348,349,510               | 510,260,561               |
| Balance on 31 December  | <b>6,430,798,085</b>      | <b>6,082,448,575</b>      |
| <b>15. Retained earnings/ movement of profit and loss account</b>   |                           |                           |
| Balance on 1 January  | 1,529,071,286             | 1,146,018,509             |
| Addition during the year  | 1,313,022,407             | 1,659,847,018             |
| Transfer to statutory reserve   | (348,349,510)             | (510,260,561)             |
| Issue of Bonus Share  | (421,593,520)             | (766,533,680)             |
| Cash dividend paid  | (421,593,526)             | -                         |
| Balance on 31 December  | <b>1,650,557,138</b>      | <b>1,529,071,286</b>      |
| <b>15.1 Retained earnings brought forward from previous year</b>  |                           |                           |
| Retained Earning of previous Year   | 1,529,071,286             | 1,146,018,509             |
| Bonus share issued  | (421,593,520)             | (766,533,680)             |
| Cash dividend paid  | (421,593,526)             | -                         |
| Retained Earnings brought forward   | <b>685,884,240</b>        | <b>379,484,829</b>        |
| <b>15.1 (a) Consolidated retained earnings/ movement of profit and loss account</b>   |                           |                           |
| Retained Earning of ONE Bank Limited  | 1,650,557,138             | 1,529,071,286             |
| Retained Earning of ONE Securities Limited  | 151,897,858               | 70,833,449                |
| Retained Earning of ONE Investments Limited   | 911,070                   | 291,771                   |
| Attributable to Non-Controlling Interest  | (1,965,442)               | (851,314)                 |
| Balance on 31 December  | <b>1,801,400,626</b>      | <b>1,599,345,193</b>      |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. |                           |                           |
| <b>15.1(b) Consolidated retained earnings brought forward from previous year</b>  |                           |                           |
| Retained Earning of previous Year   | 1,599,345,193             | 1,268,580,761             |
| Bonus share issued  | (421,593,520)             | (766,533,680)             |
| Cash Dividend Paid  | (421,593,526)             | -                         |
| Retained Earnings brought forward   | <b>756,158,147</b>        | <b>502,047,081</b>        |
| <b>15.1 (c) Non-controlling Interest</b>  |                           |                           |
| <b>ONE Securities Limited</b>   |                           |                           |
| Paid up capital   | 2,500,000,000             | 2,500,000,000             |
| Retained earnings   | 151,897,858               | 70,833,449                |
| Total net assets  | <b>2,651,897,858</b>      | <b>2,570,833,449</b>      |
| Non-controlling interest 1.00003% (2019: 1.00003%) of net assets (A)  | 26,519,847                | 25,709,176                |
| <b>ONE Investments Limited</b>  |                           |                           |
| Paid up capital   | 10,000,000                | 10,000,000                |
| Retained earnings   | 911,070                   | 291,771                   |
| Total net assets  | <b>10,911,070</b>         | <b>10,291,771</b>         |
| Non-controlling interest 49% (2019: 49%) of net assets (B)  | 5,346,424                 | 5,042,968                 |
| <b>Total non-controlling Interest (A+B)</b>   | <b>31,866,271</b>         | <b>30,752,144</b>         |

Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019.

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|
|   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b>16. Interest and discount income/ Profit on investments</b>                    |                       |                       |
| <b>Interest on loans and advances (Conventional Banking):</b>                     |                       |                       |
| From clients against loans and advances   | 17,884,471,664        | 20,840,233,994        |
| Lease finance   | 674,604,321           | 816,425,134           |
| Discount from bills purchased & discounted  | 142,128,416           | 596,615,842           |
| From banks and financial institutions in Bangladesh                               | 168,684,446           | 88,314,410            |
| From foreign banks  | 135,398,065           | 177,343,736           |
|   | <b>19,005,286,912</b> | <b>22,518,933,117</b> |
| Off-shore Banking Unit  | 655,830,890           | 833,188,075           |
|   | <b>19,661,117,803</b> | <b>23,352,121,191</b> |
| <br><b>Profit on investment (Islami Banking):</b>                                 |                       |                       |
| Profit on investments   | -                     | -                     |
| Profit on placement with other banks  | -                     | -                     |
|   | <b>-</b>              | <b>-</b>              |
|   | <b>19,661,117,803</b> | <b>23,352,121,191</b> |
| <br><b>16 (a) Consolidated Interest and discount income/ Profit on investment</b> |                       |                       |
| ONE Bank Limited  | 19,661,117,803        | 23,352,121,191        |
| ONE Securities Limited  | 30,936,262            | 29,269,929            |
| ONE Investments Limited   | 904,737               | 482,337               |
| Less: Inter Company Transaction   | (18,705,694)          | (18,714,870)          |
|   | <b>19,674,253,108</b> | <b>23,363,158,588</b> |
| <br><b>17. Interest paid/profit shared on deposits and borrowings</b>             |                       |                       |
| <b>Interest paid on deposits (Conventional Banking):</b>                          |                       |                       |
| Short term deposits   | 2,180,448,261         | 3,719,891,736         |
| Savings deposits  | 724,756,433           | 651,591,493           |
| Term deposits   | 10,759,083,155        | 10,489,462,451        |
| Scheme deposits   | 935,103,877           | 930,581,445           |
| Borrowings from banks and financial institutions                                  | 443,414,999           | 483,233,925           |
| Interest expenses for leased liability as per IFRS-16*                            | 57,724,121            | 51,956,094            |
| Interest on Subordinated- Debt  | 684,764,673           | 791,209,042           |
|   | 15,785,295,520        | 17,117,926,186        |
| Off-shore Banking Unit  | 480,829,544           | 839,413,021           |
|   | <b>16,266,125,064</b> | <b>17,957,339,207</b> |
| <b>Profit shared on deposits (Islami Banking):</b>                                |                       |                       |
| Profit paid on deposits   | 280,394               | -                     |
| Profit on borrowings  | -                     | -                     |
|   | <b>280,394</b>        | <b>-</b>              |
|   | <b>16,266,405,458</b> | <b>17,957,339,207</b> |

\* As per Note 2.24, in accordance with IFRS-16, the Bank has recognised lease liabilities and related interest expenses is shown above.

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b>                  | <b>2019</b>                  |
|---|------------------------------|------------------------------|
|   | <b><u>Taka</u></b>           | <b><u>Taka</u></b>           |
| <b>17 (a) Consolidated Interest paid/profit shared on deposits and borrowings</b> |                              |                              |
| ONE Bank Limited  | 16,266,405,458               | 17,957,339,207               |
| ONE Securities Limited  | 978,319                      | 1,370,361                    |
| ONE Investments Limited   | -                            | -                            |
| Less: Inter Company Transaction   | (18,705,694)                 | (18,714,870)                 |
|   | <b><u>16,248,678,083</u></b> | <b><u>17,939,994,698</u></b> |

Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019.

|                                       |                             |                             |
|---------------------------------------|-----------------------------|-----------------------------|
| <b>18. Income from Investments</b>    |                             |                             |
| Interest on treasury bills            | 427,599,283                 | 466,602,005                 |
| Interest on treasury bond (Net)       | 1,383,990,985               | 913,233,617                 |
| Income from government Islamic Bond   | 8,254                       | -                           |
| Gain on sale of government Securities | 465,497,534                 | (16,177,989)                |
| Interest on Reverse Repo              | 158,484                     | -                           |
| Dividend on Investment                | 30,394,716                  | 39,672,879                  |
| Gain on sale of Shares                | -                           | -                           |
| Interest on subordinated bond         | 402,382,286                 | 471,132,069                 |
|                                       | <b><u>2,710,031,543</u></b> | <b><u>1,874,462,581</u></b> |

|  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>18 (a) Consolidated Income from Investments</b> |                             |                             |
| ONE Bank Limited                                   | 2,710,031,543               | 1,874,462,581               |
| ONE Securities Limited                             | 80,153,802                  | 45,242,485                  |
| ONE Investments Limited                            | -                           | -                           |
| Less: Inter Company Transaction                    | -                           | -                           |
|  | <b><u>2,790,185,345</u></b> | <b><u>1,919,705,066</u></b> |

|  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>19. Commission, exchange and brokerage</b>    |                             |                             |
| Letters of credit                                | 275,510,086                 | 299,542,090                 |
| Letter of guarantees                             | 111,217,287                 | 122,301,450                 |
| Acceptances                                      | 266,555,179                 | 312,873,221                 |
| Bills for collection                             | 6,372,934                   | 9,221,998                   |
| Remittances (PO, DD, TT, Travelers' Cheque etc.) | 9,076,150                   | 5,753,760                   |
| Export bills                                     | 39,113,256                  | 52,015,477                  |
| PRC Issuance Charges                             | 613,100                     | 850,825                     |
| Cash Assistance Handling Charges                 | 6,867,250                   | 6,763,750                   |
| Import Related Certificates                      | 166,800                     | 109,700                     |
| Others   | 3,235,357                   | 3,684,183                   |
|  | <b><u>718,727,398</u></b>   | <b><u>813,116,454</u></b>   |
| Profit on exchange trading                       | 394,916,264                 | 589,047,415                 |
| Less: Loss on exchange trading                   | -                           | -                           |
|  | <b><u>394,916,264</u></b>   | <b><u>589,047,415</u></b>   |
|  | <b><u>1,113,643,662</u></b> | <b><u>1,402,163,869</u></b> |
| Off-shore Banking Unit                           | 8,504,527                   | 17,683,505                  |
|  | <b><u>1,122,148,188</u></b> | <b><u>1,419,847,374</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>2020</b>                 | <b>2019</b>                 |
|--|-----------------------------|-----------------------------|
|  | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>19 (a) Consolidated Commission, exchange and brokerage</b>  |                             |                             |
| ONE Bank Limited   | 1,122,148,188               | 1,419,847,374               |
| ONE Securities Limited   | 37,923,394                  | 28,634,481                  |
|  | <b><u>1,160,071,582</u></b> | <b><u>1,448,481,855</u></b> |
| <b>20. Other operating income</b>  |                             |                             |
| Loan processing fees and other charges   | 234,735,049                 | 136,992,336                 |
| Miscellaneous income from Credit and Debit Card Fee  | 123,934,409                 | 98,238,517                  |
| Recoveries of postage, telex, telephone, fax etc   | 47,896,466                  | 57,615,246                  |
| Letter of Credit miscellaneous charges   | 199,558,897                 | 245,501,365                 |
| General Banking miscellaneous charges  | 116,149,470                 | 65,062,637                  |
| Miscellaneous ( <b>Note-20.1</b> )   | 31,876,919                  | 21,014,978                  |
| Rent on locker   | 2,728,500                   | 2,456,200                   |
| Forfeited fund (refund from OBL provident fund) [ <b>note-20.2</b> ]   | 2,360,534                   | -                           |
| Gain on sale of fixed assets   | 3,006,448                   | -                           |
|  | <b><u>762,246,692</u></b>   | <b><u>626,881,279</u></b>   |
| Off-shore Banking Unit   | 10,116,056                  | 14,969,842                  |
|  | <b><u>772,362,748</u></b>   | <b><u>641,851,122</u></b>   |
| <b>20.1</b> Miscellaneous income include commission on sanchyapatra, passport endorsement fees, certificate issuance charge etc.   |                             |                             |
| <b>20.2 Forfeited fund (refund from OBL provident fund)</b>  |                             |                             |
| As per Financial Reporting Council (FRC) notification reference # 179/FRC/FRM/Notification/2020/2 dated July 07, 2020, we have considered the forfeited fund of OBL Provident fund (from the year 2015 to 2019) of Tk. 2,360,534/= as other income and the same amount shown in the other asset named as receivable from ONE Bank Limited Employees' Provident Fund. |                             |                             |
| <b>20 (a) Consolidated Other operating income</b>  |                             |                             |
| ONE Bank Limited   | 772,362,748                 | 641,851,122                 |
| ONE Securities Limited   | 919,406                     | 1,202,000                   |
|  | <b><u>773,282,154</u></b>   | <b><u>643,053,121</u></b>   |
| <b>21. Salary &amp; Allowances</b>   |                             |                             |
| Salary & Allowances  | 2,271,711,609               | 2,298,424,001               |
| Provident Fund Contribution  | 130,549,096                 | 134,336,834                 |
| Gratuity   | 86,252,262                  | 155,866,420                 |
| Superannuation fund  | 7,100,000                   | 7,100,000                   |
| Bonus  | 276,437,163                 | 361,164,030                 |
|  | <b><u>2,772,050,131</u></b> | <b><u>2,956,891,285</u></b> |
| <b>21(a) Consolidated Salary &amp; Allowances</b>  |                             |                             |
| ONE Bank Limited   | 2,772,050,131               | 2,956,891,285               |
| ONE Securities Limited   | 26,530,753                  | 29,274,674                  |
|  | <b><u>2,798,580,884</u></b> | <b><u>2,986,165,958</u></b> |
| <b>22. Rent, taxes, insurance, electricity etc.</b>  |                             |                             |
| Rent (Note 22.1)   | 185,329,656                 | 248,482,179                 |
| VAT on Rent  | 64,282,204                  | 58,512,003                  |
| Taxes  | 3,521,572                   | 3,258,268                   |
| Electricity  | 66,880,267                  | 67,466,792                  |
| Utilities  | 10,406,375                  | 10,451,950                  |
| Insurance  | 166,229,651                 | 157,254,024                 |
|  | <b><u>496,649,726</u></b>   | <b><u>545,425,215</u></b>   |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|   | <b>2020</b>               | <b>2019</b>               |
|---|---------------------------|---------------------------|
|   | <b><u>Taka</u></b>        | <b><u>Taka</u></b>        |
| <b>22.1 Rent</b>  |                           |                           |
| Rent  | 428,019,679               | 389,087,317               |
| Transfer to depreciation and interest expenses under IFRS-16*   | 242,690,023               | 140,605,138               |
|   | <b><u>185,329,656</u></b> | <b><u>248,482,179</u></b> |
| * As per IFRS 16, rental expense of Tk. 242,690,023 is transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities.   |                           |                           |
| <b>22(a) Consolidated Rent, taxes, insurance, electricity etc.</b>  |                           |                           |
| ONE Bank Limited  | 496,649,726               | 545,425,215               |
| ONE Securities Limited  | 1,177,880                 | 1,979,468                 |
|   | <b><u>497,827,606</u></b> | <b><u>547,404,683</u></b> |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. |                           |                           |
| <b>23. Legal expenses</b>   |                           |                           |
| Professional fees   | 16,851,281                | 14,163,737                |
| Fees, Court fees & stamps   | 398,216                   | 525,611                   |
|   | <b><u>17,249,497</u></b>  | <b><u>14,689,348</u></b>  |
| Off-shore Banking Unit  | 55,392,648                | 74,385,326                |
|   | <b><u>72,642,146</u></b>  | <b><u>89,074,674</u></b>  |
| <b>23 (a) Consolidated Legal expenses/professional expenses</b>   |                           |                           |
| ONE Bank Limited  | 72,642,146                | 89,074,674                |
| ONE Securities Limited  | 207,000                   | 207,000                   |
|   | <b><u>72,849,146</u></b>  | <b><u>89,281,674</u></b>  |
| <b>24. Postage, stamps, telecommunication etc.</b>  |                           |                           |
| Telex/Telephone/Fax etc.  | 38,383,920                | 25,792,734                |
| Courier/postage   | 12,372,867                | 14,704,047                |
| Radio Link  | 24,658,769                | 35,627,561                |
| Reuter  | 3,430,197                 | 3,188,201                 |
|   | <b><u>78,845,753</u></b>  | <b><u>79,312,543</u></b>  |
| <b>25. Directors' Fees</b>  | <b><u>1,152,000</u></b>   | <b><u>1,432,000</u></b>   |
| 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.                                       |                           |                           |
| <b>25 (a) Consolidated Director's Fees</b>  |                           |                           |
| ONE Bank Limited  | 1,152,000                 | 1,432,000                 |
| ONE Securities Limited  | 66,000                    | 128,750                   |
|   | <b><u>1,218,000</u></b>   | <b><u>1,560,750</u></b>   |
| <b>26. Stationery, Printing, advertisement etc.</b>   |                           |                           |
| Printed and security stationery   | 45,861,203                | 51,347,503                |
| Stationery  | 92,740,711                | 85,973,976                |
| Business Promotion  | 168,259,259               | 329,991,480               |
|   | <b><u>306,861,173</u></b> | <b><u>467,312,959</u></b> |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|   | <b>2020</b>               | <b>2019</b>               |
|---|---------------------------|---------------------------|
|   | <b><u>Taka</u></b>        | <b><u>Taka</u></b>        |
| <b>26 (a) Consolidated Stationery, Printing, advertisement etc.</b>   |                           |                           |
| ONE Bank Limited  | 306,861,173               | 467,312,959               |
| ONE Securities Limited  | 200,568                   | 255,423                   |
|   | <b><u>307,061,741</u></b> | <b><u>467,568,382</u></b> |
| <b>27. Managing Director's Salary &amp; Allowances</b>  |                           |                           |
| Basic Salary  | 9,975,000                 | 10,269,354                |
| House rent allowance  | 285,000                   | 300,000                   |
| Provident Fund Contribution   | 997,500                   | 1,026,935                 |
| Bonus   | 1,662,500                 | 2,700,000                 |
|   | <b><u>12,920,000</u></b>  | <b><u>14,296,289</u></b>  |
| <b>28. Depreciation, leasing expense and repair of bank's assets</b>  |                           |                           |
| <b>Depreciation (A)</b>   |                           |                           |
| Furniture and Fixtures  | 155,349,688               | 157,927,123               |
| Office Equipment  | 93,678,382                | 95,011,033                |
| Motor Vehicles  | 21,453,709                | 19,725,799                |
| Building  | 4,062,420                 | 4,119,120                 |
| Land  | -                         | -                         |
| Right of use Assets (RoU)*  | 269,336,250               | 110,342,376               |
| Intangibles Assets  | 4,617,026                 | 7,131,163                 |
| <b>Repairs &amp; Maintenance (B)</b>  | 391,819,403               | 364,177,675               |
|   | <b><u>940,316,877</u></b> | <b><u>758,434,288</u></b> |
| * 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.  |                           |                           |
| <b>28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets</b>  |                           |                           |
| ONE Bank Limited  | 940,316,877               | 758,434,288               |
| ONE Securities Limited  | 7,214,873                 | 7,578,570                 |
|   | <b><u>947,531,750</u></b> | <b><u>766,012,858</u></b> |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. |                           |                           |
| <b>29. Other expenses</b>   |                           |                           |
| Entertainment   | 26,260,483                | 39,824,187                |
| Car expenses  | 14,911,913                | 18,089,689                |
| Donation and Subscription (including CSR)   | 209,442,266               | 69,831,709                |
| Business Traveling & Conveyance   | 24,984,281                | 27,043,785                |
| Computer & Printer expenses   | 54,657,320                | 43,132,851                |
| Staff training & Award  | 3,290,979                 | 10,172,612                |
| Debit and Credit Card expenses  | 15,615,842                | 25,776,446                |
| Bank charges  | 6,139,517                 | 9,693,285                 |
| Miscellaneous (Note-29.1)   | 5,133,675                 | 7,570,497                 |
| ATM Booth Expenses  | 18,734,027                | 23,618,489                |
| Call center operating expense   | 648,660                   | 2,703,980                 |
| Issuance cost of Bond   | 9,758,729                 | 7,836,346                 |
| Mobile Financial Services   | 1,683,678                 | 2,436,923                 |
| Commission on Agent Banking   | 332,550                   | -                         |
| Loss from sale of fixed assets  | -                         | 9,792,096                 |
|   | <b><u>391,593,918</u></b> | <b><u>297,522,894</u></b> |
| Off-shore Banking Unit  | 931,508                   | 1,756,549                 |
|   | <b><u>392,525,426</u></b> | <b><u>299,279,443</u></b> |

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

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b>                 | <b>2019</b>                 |
|---|-----------------------------|-----------------------------|
|   | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>29 (a) Consolidated Other expenses</b>   |                             |                             |
| ONE Bank Limited  | 392,525,426                 | 299,279,443                 |
| ONE Securities Limited  | 9,965,643                   | 9,147,323                   |
| ONE Investments Limited   | 71,872                      | 14,420                      |
|   | <b><u>402,562,941</u></b>   | <b><u>308,441,185</u></b>   |
| <b>30. Provision for loans, off balance sheet exposure, investment &amp; other for the year</b> |                             |                             |
| Provision for classified loans and advances (note-12.4)   | 794,354,912                 | 1,771,860,497               |
| Provision for unclassified loans and advances (note-12.5 & 12.6)                                | 480,779,955                 | (90,848,241)                |
| Provision for off-balance sheet exposure (note-12.9)  | (91,890,826)                | (115,495,593)               |
| Provision for diminution in value of share (note-12.11)   | -                           | -                           |
| Provision for other (note-12.8)   | -                           | 2,364,897                   |
|   | <b><u>1,183,244,041</u></b> | <b><u>1,567,881,560</u></b> |
| <b>30.1 Consolidated Provision for loans and advances</b>                                       |                             |                             |
| ONE Bank Limited (Note-30)  |                             |                             |
| Specific provision  | 794,354,912                 | 1,771,860,497               |
| General provision   | 480,779,955                 | (90,848,241)                |
|   | <b><u>1,275,134,867</u></b> | <b><u>1,681,012,256</u></b> |
| ONE Securities Limited  |                             |                             |
| Specific provision  | -                           | -                           |
| General provision   | 939,417                     | -                           |
|   | <b><u>939,417</u></b>       | <b><u>-</u></b>             |
|   | <b><u>1,276,074,285</u></b> | <b><u>1,681,012,256</u></b> |
| <b>31. Consolidated provision for diminution in value of share for the year</b>                 |                             |                             |
| ONE Bank Limited  | -                           | -                           |
| ONE Securities Limited  | -                           | 94,291,892                  |
|   | <b><u>-</u></b>             | <b><u>94,291,892</u></b>    |
| <b>32. Consolidated provision for other assets for the year</b>                                 |                             |                             |
| ONE Bank Limited  | -                           | 2,364,897                   |
| ONE Securities Limited  | -                           | -                           |
|   | <b><u>-</u></b>             | <b><u>2,364,897</u></b>     |
| <b>33. Tax Expenses for the year</b>  |                             |                             |
| Current Tax (Note-12.1)   | 424,085,114                 | 877,981,117                 |
| Deferred tax (Note-12.2.1 and 12.2.2)   | 4,640,028                   | 13,474,670                  |
|   | <b><u>428,725,142</u></b>   | <b><u>891,455,787</u></b>   |
| <b>33 (a) Consolidated Tax Expenses for the year</b>  |                             |                             |
| <b>Current Tax</b>  |                             |                             |
| ONE Bank Limited  | 424,085,114                 | 877,981,117                 |
| ONE Securities Limited  | 22,339,272                  | 11,506,974                  |
| ONE Investments Limited   | 203,566                     | 120,584                     |
|   | <b><u>446,627,952</u></b>   | <b><u>889,608,675</u></b>   |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|
|   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b>Deferred Tax</b>   |                       |                       |
| ONE Bank Limited  | 4,640,028             | 13,474,670            |
| ONE Securities Limited  | (791,270)             | 1,568,767             |
|   | <b>3,848,758</b>      | <b>15,043,437</b>     |
|   | <b>450,476,710</b>    | <b>904,652,112</b>    |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. |                       |                       |
| <b>34. Interest receipts in cash</b>  |                       |                       |
| Interest income on loans & advances   | 19,661,117,803        | 23,366,084,834        |
| Interest on Treasury Bills and Bonds  | 2,679,636,826         | 1,834,789,702         |
|   | 22,340,754,629        | 25,200,874,536        |
| (Increase)/ Decrease in interest receivable on loans & advances   | 1,572,592,607         | (2,568,272,775)       |
| (Increase)/ Decrease in interest receivable others  | (126,818,249)         | 35,280,889            |
|   | <b>23,786,528,987</b> | <b>22,667,882,649</b> |
| <b>34 (a) Consolidated Interest receipts in cash</b>  |                       |                       |
| ONE Bank Limited  | 23,786,528,987        | 22,667,882,649        |
| ONE Securities Limited  | 32,608,497            | 26,009,516            |
| ONE Investments Limited   | 904,737               | 482,337               |
| Interest on deposit paid by ONE Bank Limited to subsidiaries company  | (18,705,694)          | (17,673,605)          |
|   | <b>23,801,336,527</b> | <b>22,676,700,897</b> |
| <b>35. Interest payments</b>  |                       |                       |
| Total interest expenses   | 16,208,681,337        | 17,905,383,113        |
| Add : Opening balance of interest payable   | 3,635,777,905         | 3,251,004,674         |
| Less: Closing balance of interest payable   | (2,369,399,738)       | (3,635,777,905)       |
|   | <b>17,475,059,504</b> | <b>17,520,609,882</b> |
| <b>35 (a) Consolidated Interest Payment</b>   |                       |                       |
| ONE Bank Limited  | 17,475,059,504        | 17,520,609,882        |
| ONE Securities Limited  | 978,319               | 1,370,361             |
| Interest on deposit paid by ONE Bank Limited to subsidiaries company  | (18,705,694)          | (17,673,605)          |
|   | <b>17,457,332,129</b> | <b>17,504,306,639</b> |
| <b>36. Fee and commission receipts in cash</b>  |                       |                       |
| Fees and commission   | 727,231,924           | 830,799,959           |
| Less : (Increase) / decrease in Commission receivable   | -                     | -                     |
|   | <b>727,231,924</b>    | <b>830,799,959</b>    |
| <b>36 (a) Consolidated Fee and commission receipts in cash</b>  |                       |                       |
| ONE Bank Limited  | 727,231,924           | 830,799,959           |
| ONE Securities Limited  | 37,923,394            | 28,634,481            |
|   | <b>765,155,318</b>    | <b>859,434,440</b>    |
| <b>37. Cash payments to employees</b>   |                       |                       |
| Salary & Allowances   | 2,290,093,052         | 2,287,785,069         |
| Provident Fund Contribution   | 130,549,096           | 134,336,834           |
| Gratuity  | 86,252,262            | 155,866,420           |
| Superannuation fund   | 7,100,000             | 7,100,000             |
| Bonus   | 276,437,163           | 355,202,255           |
| Managing Director's salary and allowances   | 12,920,000            | 14,296,289            |
|   | <b>2,803,351,574</b>  | <b>2,954,586,867</b>  |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|  | <b>2020</b>                 | <b>2019</b>                 |
|--|-----------------------------|-----------------------------|
|  | <b><u>Taka</u></b>          | <b><u>Taka</u></b>          |
| <b>38. Cash payment to suppliers</b>                                     |                             |                             |
| Stationery, Printings, advertisements etc.                               | 306,861,173                 | 467,312,959                 |
| Repair & Maintenance   | 338,253,781                 | 332,673,074                 |
|  | <b><u>645,114,954</u></b>   | <b><u>799,986,033</u></b>   |
| <b>39. Cash receipts from other operating activities</b>                 |                             |                             |
| Other operating income (Note-20) (except forfeited income from PF Fund)  | 770,002,214                 | 641,851,122                 |
| Exchange earnings (Note-19)  | 394,916,264                 | 589,047,415                 |
|  | <b><u>1,164,918,477</u></b> | <b><u>1,230,898,537</u></b> |
| <b>39 (a) Consolidated Cash receipts from other operating activities</b> |                             |                             |
| ONE Bank Limited   | 1,164,918,477               | 1,230,898,537               |
| ONE Securities Limited   | 14,827,639                  | 11,524,666                  |
|  | <b><u>1,179,746,116</u></b> | <b><u>1,242,423,203</u></b> |
| <b>40. Cash payments for other operating activities</b>                  |                             |                             |
| Rent, taxes, insurance and electricity etc.                              | 739,339,749                 | 686,030,353                 |
| Legal expenses   | 17,249,497                  | 14,689,348                  |
| Postage, stamps, telecommunication etc.                                  | 78,845,753                  | 79,312,543                  |
| Directors' fees  | 1,152,000                   | 1,432,000                   |
| Auditors' fee  | 300,000                     | 250,000                     |
| Other expenses   | 368,024,064                 | 277,392,648                 |
|  | <b><u>1,204,911,063</u></b> | <b><u>1,059,106,892</u></b> |
| <b>40 (a) Consolidated Cash payments for other operating activities</b>  |                             |                             |
| ONE Bank Limited   | 1,204,911,063               | 1,059,106,892               |
| ONE Securities Limited   | 37,913,800                  | 42,539,281                  |
| ONE Investments Limited  | 41,622                      | 12,920                      |
|  | <b><u>1,242,866,485</u></b> | <b><u>1,101,659,093</u></b> |
| <b>41. Increase/(decrease) of other liabilities</b>                      |                             |                             |
| <b>Closing balance:</b>  |                             |                             |
| Sinking fund and risk fund   | 89,269,989                  | 54,212,850                  |
| Interest payable on Subordinated debt                                    | 57,356,454                  | 86,556,713                  |
| Interest payable on borrowings   | 44,634,958                  | 85,926,926                  |
| Interest suspense account  | 8,772,019,718               | 6,307,880,737               |
| Interest Payable on Borrowings Outside Bd                                | 60,763,029                  | 115,582,523                 |
|  | <b><u>9,024,044,148</u></b> | <b><u>6,650,159,749</u></b> |
| <b>Less: Opening balance:</b>  |                             |                             |
| Sinking fund and risk fund   | 54,212,850                  | 55,122,882                  |
| Interest payable on Subordinated debt                                    | 86,556,713                  | 78,550,081                  |
| Interest payable on borrowings   | 85,926,926                  | 84,765,680                  |
| Interest suspense account  | 6,307,880,737               | 4,277,625,588               |
| Interest Payable on Borrowings Outside Bd                                | 115,582,523                 | 164,023,247                 |
|  | <b><u>6,650,159,749</u></b> | <b><u>4,660,087,478</u></b> |
|  | <b><u>2,373,884,399</u></b> | <b><u>1,990,072,271</u></b> |
| <b>41 (a) Consolidated Increase/(decrease) of other liabilities</b>      |                             |                             |
| ONE Bank Limited   | 2,373,884,399               | 1,990,072,271               |
| ONE Securities Limited   | (619,596)                   | (2,763,703)                 |
| ONE Investment Limited   | (245,676)                   | -                           |
|  | <b><u>2,373,019,128</u></b> | <b><u>1,987,308,568</u></b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b>           | <b>2019</b>           |
|---|-----------------------|-----------------------|
|   | <b><u>Taka</u></b>    | <b><u>Taka</u></b>    |
| <b>42. (Increase)/decrease of other assets</b>  |                       |                       |
| <b>Closing balance:</b>   |                       |                       |
| Security deposits   | 6,525,400             | 5,827,121             |
| Advance rent  | 496,335,473           | 461,264,414           |
| Prepayments   | 514,152,333           | 607,012,280           |
| Application money against right share and clearing adjustment account                       | -                     | 87,116,850            |
| Suspense account  | 18,752,838            | 39,945,715            |
| Receivable from Bangladesh Bank   | 125,631,748           | 159,384,091           |
| Receivable from ONE Investments Ltd   | -                     | 205,426               |
| Sundry receivables  | 848,621               | 416,331               |
| Receivable ATM acquiring  | 18,386,782            | 11,028,206            |
| Protested bill  | 2,594,351             | 2,594,351             |
| Due form Off-shore banking unit   | -                     | -                     |
| Branch Adjustment Account   | 3,367,975             | 23,104,658            |
|   | <b>1,186,595,521</b>  | <b>1,397,899,443</b>  |
| Off-shore banking unit  | 84,928,334            | 133,494,986           |
|   | <b>1,271,523,855</b>  | <b>1,531,394,428</b>  |
| <b>Less: Opening balance:</b>   |                       |                       |
| 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            |
|   | <b>1,397,899,443</b>  | <b>1,200,003,496</b>  |
| Off-shore banking unit  | 133,494,986           | 200,922,889           |
|   | <b>1,531,394,428</b>  | <b>1,400,926,385</b>  |
|   | <b>259,870,574</b>    | <b>(130,468,043)</b>  |
| <b>42 (a) Consolidated (Increase)/decrease of other assets</b>                              |                       |                       |
| ONE Bank Limited  | 259,870,574           | (130,468,043)         |
| ONE Securities Limited  | 33,586,624            | (23,535,179)          |
|   | <b>293,457,198</b>    | <b>(154,003,222)</b>  |
| <b>43. Letters of Guarantee</b>   |                       |                       |
| i) Claims against the Bank not acknowledged as debts  | -                     | -                     |
| ii) Money for which the Bank is contingently liable in respect of guarantee given favoring: |                       |                       |
| Directors   | -                     | 39,727,849            |
| Government  | 277,228,899           | 535,960,335           |
| Banks and other financial institutions  | 1,000,250,000         | 829,796,595           |
| Others  | 11,804,710,260        | 13,816,703,023        |
|   | 13,082,189,159        | 15,222,187,802        |
| <b>Total (i and ii)</b>   | <b>13,082,189,159</b> | <b>15,222,187,802</b> |
| <b>44. Details break-up of Shareholders' Equity -Solo</b>                                   |                       |                       |
| Paid-up Capital   | 8,853,464,040         | 8,431,870,520         |
| Statutory Reserve   | 6,430,798,085         | 6,082,448,575         |
| Surplus in Profit & Loss Account  | 1,650,557,138         | 1,529,071,286         |
| Revaluation Reserve for HTM Securities  | 11,908,123            | 9,087,403             |
|   | <b>16,946,727,385</b> | <b>16,052,477,785</b> |

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

|  | <b>2020</b>        | <b>2019</b>        |
|--|--------------------|--------------------|
|  | <b><u>Taka</u></b> | <b><u>Taka</u></b> |
| <b>45. Calculation of Net Asset Value (NAV) Per Share</b>  |                    |                    |
| Total Shareholders' Equity -Solo                           | 16,946,727,385     | 16,052,477,785     |
| Total Shareholders' Equity -Consolidated                   | 17,097,570,873     | 16,122,751,691     |
| Weighted average number of outstanding Shares              | 885,346,404        | 885,346,404        |
| <b>Net Asset Value Per Share –Solo (Restated)</b>          | <b>19.14</b>       | <b>18.13</b>       |
| <b>Net Asset Value Per Share – Consolidated (Restated)</b> | <b>19.31</b>       | <b>18.21</b>       |

Previous year's figures (Solo BDT 19.04 and Consolidated BDT 19.12 per share) have been restated for the issue of bonus shares during the year 2020. In addition, Tk. 2,426,921 has been decreased in the Consolidated previous year's figure as ONE Securities Limited (OSL), a subsidiary of the Bank has been restated due to implementation of IFRS 16 during the year with retrospective effect from 2019.

### 46. Basic Earnings Per Share

|   |                    |                    |
|---|--------------------|--------------------|
| Attributable profit for the year -Solo                      | 1,313,022,407      | 1,659,847,018      |
| Attributable profit for the year -Consolidated              | 1,393,591,988      | 1,607,558,673      |
| Weighted average number of outstanding Shares for the year: |                    |                    |
| Opening balance   | 843,187,052        | 843,187,052        |
| Bonus Share Issued for the year 2019                        | 42,159,352         | 42,159,352         |
|   | <b>885,346,404</b> | <b>885,346,404</b> |
| <b>Basic Earnings Per Share -Solo (Restated)</b>            | <b>1.48</b>        | <b>1.87</b>        |
| <b>Basic Earnings Per Share - Consolidated (Restated)</b>   | <b>1.57</b>        | <b>1.82</b>        |

Earnings per share has been calculated in accordance with IAS-33: "Earnings Per Share (EPS)". Previous year's figures (Solo BDT 1.97 and Consolidated BDT 1.91 per share) have been restated for the issue of bonus shares during the year 2020. 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). In addition, Tk. 2,426,921 has been decreased in the Consolidated previous year's figure as ONE Securities Limited (OSL), a subsidiary of the Bank has been restated due to implementation of IFRS 16 during the year with retrospective effect from 2019.

### 47. Calculation of Net Operating Cash Flow Per Shares (NOCFPS)

|  |               |               |
|--|---------------|---------------|
| Net Operating Cash Flow- Solo                                      | 6,275,904,361 | 6,369,358,511 |
| Net Operating Cash Flow- Consolidated                              | 6,275,955,444 | 6,377,292,373 |
| Weighted average number of outstanding Shares                      | 885,346,404   | 885,346,404   |
| <b>Net Operating Cash Flow Per Share –Solo (Restated)</b>          | <b>7.0886</b> | <b>7.19</b>   |
| <b>Net Operating Cash Flow Per Share – Consolidated (Restated)</b> | <b>7.0887</b> | <b>7.20</b>   |

Previous year's figures (Solo BDT 7.55 and Consolidated BDT 7.55 per share) have been restated for the issue of bonus shares during the year 2020.

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

|   |                      |                        |
|---|----------------------|------------------------|
| <b>Profit before provision and tax as per profit &amp; loss account (A)</b> | <b>2,924,991,590</b> | <b>4,119,184,365</b>   |
| <b>Adjustments (Non- Cash Items) (B)</b>                                    |                      |                        |
| (Increase)/Decrease in Interest income receivable                           | 1,463,002,923        | (2,472,116,688)        |
| Increase/ (decrease) in Interest expense payable                            | (1,266,378,167)      | 384,773,231            |
| Depreciation and amortization expenses                                      | 358,758,120          | 351,624,668            |
| Loss from sale of assets  | -                    | 9,792,096              |
| Increase/(Decrease) in salaries and allowances expenses payable             | (18,381,443)         | 16,600,707             |
| Increase in other expenses payable  | 135,872,552          | 75,788,881             |
|   | <b>672,873,984</b>   | <b>(1,633,537,106)</b> |

**Notes to the Financial Statements**  
As at and for the year ended 31 December 2020

|   | <b>2020</b><br><b>Taka</b> | <b>2019</b><br><b>Taka</b> |
|---|----------------------------|----------------------------|
| <b>Adjustments (Non-Operating Items) (C)</b>  |                            |                            |
| Income tax paid (It is the part of cash flow from operating activities but not includes in operating profit in the profit & loss account) | (1,173,423,871)            | (1,221,917,404)            |
|   | <b>(1,173,423,871)</b>     | <b>(1,221,917,404)</b>     |
| <b>Profit after adjustment (A+B+C)</b>  | <b>2,424,441,703</b>       | <b>1,263,729,856</b>       |
| <b>Cash generated from operating activities as per cash flows statements</b>  | <b>2,424,441,703</b>       | <b>1,263,729,856</b>       |

**48.1 Prior year restatement (Consolidated)**

ONE Securities Limited (a subsidiary of ONE Bank Limited) has restated its prior year reported balance to comply with IFRS 16 "Leases" on 31 December 2020. As a result, comparative information for prior year in the financial statements have been restated. Due to this restatement, the following amounts have been changed:

| Particulars   | 2019<br>Previously<br>reported amount | 2019<br>Restated<br>amount |
|---|---------------------------------------|----------------------------|
| <b>Consolidated Profit and loss account</b>               |                                       |                            |
| Rent, taxes, insurance, electricity etc.                  | 552,684,683                           | 547,404,683                |
| Depreciation, leasing expense and repair of bank's assets | 780,931,153                           | 766,012,858                |
| Deferred tax expense /(income)                            | 13,012,057                            | 15,043,437                 |
| Net profit after tax                                      | 1,609,654,482                         | 1,607,194,046              |
| <b>Earnings per share</b>                                 | <b>1.909</b>                          | <b>1.906</b>               |
| <b>Consolidated Balance sheet</b>                         |                                       |                            |
| Fixed Assets including premises, furniture & fixtures     | 2,638,229,199                         | 2,654,197,783              |
| Other Assets  | 10,562,575,866                        | 10,555,889,252             |
| Other Liabilities   | 24,741,390,129                        | 24,753,123,537             |
| Surplus in profit & loss account                          | 1,601,772,114                         | 1,599,345,193              |
| Non-controlling Interest                                  | 30,776,659                            | 30,752,144                 |
| Total Shareholders' Equity                                | 16,125,178,612                        | 16,122,751,691             |
| <b>NAV per share</b>                                      | <b>19.124</b>                         | <b>19.121</b>              |

**49. Related Party Disclosures of the Bank**

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2020: **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: As mentioned in SL# Viii
- V) Lending policies in respect of related party:
  - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2020:
    - i) Lending to ONE Securities Limited amounting to Tk.6,768,097 from ONE Bank Limited, Kawran Bazar Branch for special investment account purpose bearing interest @ 7.00% per annum.
    - ii) ONE Securities Limited maintains bank account with ONE Bank Limited of Tk. 404,275,107.
    - iii) ONE Investment Limited maintains deposit account with ONE Bank Limited of Tk.11,016,347.
    - iv) ONE Bank Limited (OBL) maintains deposit account of Tk.130 Crore with Lanka Bangla Finance Limited and OBL has invested in share of Lanka Bangla Finance Limited of Tk. 12.24 Crore (Cost Value). OBL issued subordinated and perpetual bond to Lanka Bangla Finance Limited of Tk. 80 Crore and Tk. 50 Crore respectively.
  - 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 : Provision maintained @ 1% on loan amount as per regulatory requirement.

## Notes to the Financial Statements

As at and for the year ended 31 December 2020

- 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) Bank Guarantee amounting to Tk.84,000,000 issued to ONE Securities Limited in favor of Dhaka Stock Exchange Ltd.
- viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Company Act-1991 (as amended in 2018):

Lease agreement made with the Director :

| Nature of the contract | Branch / Office / Location  | Name of Director and related by                         | Remarks                         |
|------------------------|---|---|---------------------------------|
| Lease Agreement        | Off- Site Store & Contact Center, 26 Tejgaon Industrial Area, Tejgaon, Dhaka. | Mr. Zahur Ullah, Director<br>Shamah Enterprises Limited | Expiry Date of Lease 31.05.2021 |
| Lease Agreement        | Off-Site Store, 26 Tejgaon Industrial Area, Tejgaon, Dhaka                    | Mr. Zahur Ullah, Director<br>Shamah Enterprises Limited | Expiry Date of Lease 31.07.2025 |

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

### 50 Workers Participation Fund and Welfare Fund

SRO-336-AIN/2010 dated October 5, 2010 issued by the ‘Ministry for Labour and Employment’ states the status of business of certain institutions and companies along with Bank and Insurance companies as “Industrial Undertakings” for the purposes of Chapter- XV of the Bangladesh Labour Act, 2006 (as amended up to 2013) which deals with the workers’ participation in company’s profit by way of ‘Workers Participation Fund’ and ‘Welfare Fund’. This Act requires the “Industrial Undertakings” to maintain provision for workers’ profit participation fund @ 5% on net profit.

Since this requirement contradicts with ‘section 11’ of the ‘Bank Companies Act 1991 (as amended up to 2013)’, Banks in Bangladesh took up the issue collectively through the ‘Association of Bankers Bangladesh Limited (ABB)’. ABB wrote a letter to ‘Ministry of Finance’ of the Government of People’s Republic of Bangladesh on 9th March, 2016 to draw attention of Honorable Finance Minister regarding relevance and applicability of Chapter XV of the Bangladesh Labour Act, 2006 (amended up to 2013) for Bank Companies and to obtain a directive on the issue. The ‘Ministry of Finance’ opined that the WPPF should not be relevant for Bank Companies and therefore, it should not be applied there.

The ABB also sought an opinion on this issue from Bangladesh Bank. Subsequently, Bangladesh Bank agreed on all the logic and legal opinion collected by the ABB and expressed their consensus with them on 29th November, 2016 i.e., irrelevance of Chapter XV of the Bangladesh Labour Act, 2006 (amended up to 2013) in Bank Companies. In this backdrop, the “Ministry of Finance” has given their instruction, vide letter no. 53.00.0000311.22.002.17.130 dated February 14, 2017 for not applying Chapter XV of the Bangladesh Labour Act, 2006 (amended up to 2013) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2020.

### 51 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 2,425 (2019: 2,414).

### 52 Coverage of External Audit

The external auditors of the Bank, ACNABIN, Chartered Accountants worked about 5,800 person hours. They have reviewed more than 80% of the Bank’s risk weighted assets as at the Balance Sheet date.

### 53 Events after the balance sheet date

The Board of Directors in its 326th meeting held on 28 March 2021 has recommended stock dividend @5.50% and cash dividend @ 6% subject to the approval of the Shareholders at the next Annual General Meeting.

**M. Fakhru Alam**  
Managing Director

**Kazi Rukunuddin Ahmed**  
Director

**Zahur Ullah**  
Director

**A.S.M. Shahidullah Khan**  
Chairman

**ONE Bank Limited**  
**Financial Highlights on the overall activities of the Bank**  
As at 31 December 2020

**Solo Basis**

| Sl No | Particulars   | 2020<br>Taka    | 2019<br>Taka    |
|-------|---|-----------------|-----------------|
| 1     | Paid up Capital   | 8,853,464,040   | 8,431,870,520   |
| 2     | Total Capital   | 25,950,554,757  | 24,976,772,100  |
| 3     | Capital Surplus/(deficit)                                       | 1,030,703,532   | 585,511,314     |
| 4     | Total Assets  | 303,516,861,297 | 297,873,959,835 |
| 5     | Total Deposits  | 229,484,573,179 | 228,091,028,064 |
| 6     | Total Loans and Advances  | 220,341,546,434 | 215,227,825,188 |
| 7     | Total Contingent Liabilities and Commitments                    | 63,852,699,814  | 73,965,749,644  |
| 8     | Credit Deposit ratio (%)  | 85.33%          | 83.88%          |
| 9     | Percentage of Classified Loans against total loans and advances | 8.60%           | 9.24%           |
| 10    | Profit after tax and provisions                                 | 1,313,022,407   | 1,659,847,018   |
| 11    | Amount of classified loans during the year                      | 18,957,360,443  | 19,894,986,000  |
| 12    | Provision kept against classified loans                         | 8,142,699,967   | 7,331,116,490   |
| 13    | Provision surplus/(deficit)                                     | -               | -               |
| 14    | Cost of fund  | 8.48%           | 9.52%           |
| 15    | Interest earning Assets   | 258,135,415,588 | 250,653,057,858 |
| 16    | Non-interest earning assets                                     | 45,381,445,709  | 47,220,901,977  |
| 17    | Return on investment-ROI  | 8.51%           | 6.00%           |
| 18    | Return on Assets-ROA (Net profit after taxation/average assets) | 0.44%           | 0.59%           |
| 19    | Income from Investment  | 2,710,031,543   | 1,874,462,581   |
| 20    | Earnings per Share  | 1.48            | 1.87            |
| 21    | Net Income per share  | 1.48            | 1.87            |
| 22    | Price Earning Ratio (Times)                                     | 7.15            | 5.49            |

**Consolidated Basis**

|   |                                 |                 |                 |
|---|---------------------------------|-----------------|-----------------|
| 1 | Paid up Capital                 | 8,853,464,040   | 8,431,870,520   |
| 2 | Total Capital                   | 26,078,530,486  | 25,024,692,210  |
| 3 | Capital Surplus                 | 1,131,399,348   | 619,962,583     |
| 4 | Total Assets                    | 303,668,477,921 | 298,045,807,332 |
| 5 | Total Deposits                  | 229,069,281,724 | 227,864,905,381 |
| 6 | Total Loans and Advances        | 220,428,720,056 | 215,315,531,955 |
| 7 | Profit after tax and provisions | 1,394,706,116   | 1,607,194,046   |
| 8 | Earnings per Share              | 1.57            | 1.82            |
| 9 | Net Income per share            | 1.57            | 1.82            |

**ONE Bank Limited**  
**Schedule of Fixed Assets**  
As at 31 December 2020

[Referred to Note 8 of these Financial Statements]

| Particulars               | Cost (Taka)          |                           |   | Depreciation and Amortization (Taka) |                      |                     |                                      | Net book value at 31 December | Rate of depreciation per annum (Reducing Balance Method) |
|---------------------------|----------------------|---------------------------|---|--------------------------------------|----------------------|---------------------|--------------------------------------|-------------------------------|--|
|                           | Balance on 1 January | Additions during the year | Disposal/ Transfer Amortization during the year | Balance at 31 December               | Balance on 1 January | Charge for the year | Adjusted on disposal during the year | Balance at 31 December        |  |
| Furniture and Fixtures    | 1,568,714,984        | 112,761,278               | 82,918,780                                      | 1,598,557,482                        | 673,015,089          | 155,349,688         | -                                    | 747,694,052                   | %  |
| Office Equipment          | 1,264,921,801        | 104,911,770               | 2,338,818                                       | 1,367,494,753                        | 795,559,035          | 93,678,382          | 2,108,423                            | 887,128,997                   | 10   |
| Motor Vehicles            | 325,869,255          | 3,603,650                 | 19,559,165                                      | 309,913,740                          | 217,837,042          | 21,453,709          | 17,312,156                           | 221,978,596                   | 18   |
| Building                  | 189,464,053          | 115,285,957               | -   | 304,750,010                          | 28,818,150           | 4,062,420           | -                                    | 32,880,570                    | 20   |
| Right of use Assets (RoU) | 699,328,541          | 607,334,233               | -   | 1,306,662,774                        | -                    | 269,336,250         | -                                    | 269,336,250                   | 2.5  |
| Land                      | 279,366,295          | -                         | -   | 279,366,295                          | -                    | -                   | -                                    | -                             |  |
| <b>Sub-Total</b>          | <b>4,327,664,929</b> | <b>943,896,888</b>        | <b>104,816,763</b>                              | <b>5,166,745,054</b>                 | <b>1,715,229,316</b> | <b>543,880,449</b>  | <b>19,420,579</b>                    | <b>2,159,018,465</b>          |  |
| Intangibles Assets        | 198,184,620          | -                         | -   | 198,184,620                          | 192,598,476          | 4,617,026           | -                                    | 197,215,502                   | 20   |
| <b>Total 2020</b>         | <b>4,525,849,549</b> | <b>943,896,888</b>        | <b>104,816,763</b>                              | <b>5,364,929,674</b>                 | <b>1,907,827,792</b> | <b>548,497,475</b>  | <b>19,420,579</b>                    | <b>2,356,233,967</b>          |  |
| <b>Total 2019</b>         | <b>3,732,930,120</b> | <b>1,011,582,364</b>      | <b>108,320,559</b>                              | <b>4,636,191,925</b>                 | <b>1,722,668,956</b> | <b>394,256,613</b>  | <b>17,260,567</b>                    | <b>2,018,170,168</b>          |  |

### Reconciliation Statement Regarding Balance with Bangladesh Bank

#### 1) Balance with Bangladesh Bank-Taka account

|   | Amount in Taka |                              |
|---|----------------|------------------------------|
|   | <u>Detail</u>  | <u>Total</u>                 |
| <b>Balance as per Bank ledger</b>               |                | 13,382,996,073               |
| <b>Unrespond debit entries in:</b>              |                |                              |
| Bangladesh Bank Statement                       | 10,433,877     |                              |
| ONE Bank's ledger                               | 488            | 10,434,365                   |
|   |                | <u>13,372,561,708</u>        |
| <b>Unrespond credit entries in:</b>             |                |                              |
| Bangladesh Bank statement                       | 1,033,339,337  |                              |
| ONE Bank's ledger                               | 7,603,576      | 1,040,942,912                |
| <b>Balance as per Bangladesh Bank Statement</b> |                | <u><u>14,413,504,621</u></u> |

#### 2) Balance with Bangladesh Bank-Foreign currency

|   | Amount in Taka        |                  |                  |                       |
|---|-----------------------|------------------|------------------|-----------------------|
|   | <u>USD</u>            | <u>EURO</u>      | <u>GBP</u>       | <u>Total</u>          |
| <b>A) Balance as per Bank ledger</b>                    | 11,515,221,396        | 1,445,529        | 1,946,733        | 11,518,613,657        |
| <b>B) Unrespond debit entries in:</b>                   |                       |                  |                  |                       |
| Bangladesh Bank Statement                               | 544,235,343           | -                | -                | 544,235,343           |
| ONE Bank's ledger                                       | 488,717,053           | -                | -                | 488,717,053           |
|   | <u>1,032,952,396</u>  | <u>-</u>         | <u>-</u>         | <u>1,032,952,396</u>  |
| <b>C) Unrespond credit entries in:</b>                  |                       |                  |                  |                       |
| Bangladesh Bank statement                               | 1,034,814,639         | -                | -                | 1,034,814,639         |
| ONE Bank's ledger                                       | 612,044,373           | -                | -                | 612,044,373           |
|   | <u>1,646,859,013</u>  | <u>-</u>         | <u>-</u>         | <u>1,646,859,013</u>  |
| <b>Balance as per Bangladesh Bank Statement (A-B+C)</b> | <u>12,129,128,012</u> | <u>1,445,529</u> | <u>1,946,733</u> | <u>12,132,520,274</u> |

**ONE Bank Limited**  
**Financial Statements for the year ended 31 December 2020**  
Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

| Name of the Banks                               | Currency Name | 2020                       |                               |                         | 2019                       |                               |                         |
|---|---------------|----------------------------|-------------------------------|-------------------------|----------------------------|-------------------------------|-------------------------|
|   |               | 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           | 37,109,720.00              | 84.8011                       | 3,146,945,076.69        | 47,556,196.85              | 84.9000                       | 4,037,521,112.57        |
| Commerzbank AG, Frankfurt                       | USD           | 2,266,004.70               | 84.8011                       | 192,159,691.17          | 3,362,373.51               | 84.9000                       | 285,465,511.00          |
| Mashreqbank Psc, New York                       | USD           | 4,326,217.17               | 84.8011                       | 366,867,974.85          | 2,352,089.36               | 84.9000                       | 199,692,386.66          |
| ICICI Bank Limited, Hong Kong                   | USD           | 228,281.59                 | 84.8011                       | 19,358,529.94           | 7,084,455.32               | 84.9000                       | 601,470,256.67          |
| Wells Fargo Bank N.A, New York                  | USD           | 797,286.26                 | 84.8011                       | 67,610,751.86           | 4,879,959.21               | 84.9000                       | 414,308,536.93          |
| Kookmin Bank, South Korea                       | USD           | 1,115,240.99               | 84.8011                       | 94,573,662.72           | 554,302.88                 | 84.9000                       | 47,060,314.51           |
|   |               | <b>45,842,750.71</b>       |                               | <b>3,887,515,687.23</b> | <b>65,789,377.13</b>       |                               | <b>5,585,518,118.34</b> |
| Standard Chartered Bank, London                 | GBP           | 9,198.32                   | 114.4815                      | 1,053,037.47            | 56,630.65                  | 111.3124                      | 6,303,693.57            |
| AB Bank Ltd, Mumbai                             | ACUD          | (34,020.72)                | 84.8011                       | (2,884,994.48)          | 490,517.37                 | 84.9000                       | 41,644,924.71           |
| Mashreqbank Psc, India                          | ACUD          | 210,127.60                 | 84.8011                       | 17,819,051.62           | 204,951.19                 | 84.9000                       | 17,400,356.03           |
| Standard Chartered Bank (Pakistan) Ltd, Karachi | ACUD          | 401,791.66                 | 84.8011                       | 34,072,374.74           | 269,402.98                 | 84.9000                       | 22,911,855.44           |
| Nepal Bangladesh Bank Ltd, Kathmandu            | ACUD          | 116,915.07                 | 84.8011                       | 9,914,526.54            | 117,454.46                 | 84.9000                       | 9,971,883.65            |
| Seylan Bank PLC, Colombo                        | ACUD          | 246,175.09                 | 84.8011                       | 20,875,918.42           | 8,182.04                   | 84.9000                       | 694,655.20              |
| Standard Chartered Bank, Mumbai                 | ACUD          | 974,774.02                 | 84.8011                       | 82,661,909.15           | 739,408.39                 | 84.9000                       | 62,775,772.31           |
| United Bank of India, Kolkata                   | ACUD          | 638,641.80                 | 84.8011                       | 54,157,527.15           | 369,980.38                 | 84.9000                       | 31,411,334.26           |
| Axis Bank Ltd, Kolkata                          | ACUD          | 298,380.26                 | 84.8011                       | 25,302,974.27           | 199,630.55                 | 84.9000                       | 16,948,633.70           |
| ICICI Bank Limited, Mumbai                      | ACUD          | 552,757.93                 | 84.8011                       | 46,874,480.50           | 754,904.87                 | 84.9000                       | 64,091,423.46           |
|   |               | <b>3,405,542.71</b>        |                               | <b>288,793,767.91</b>   | <b>3,154,432.23</b>        |                               | <b>267,850,838.76</b>   |
| Standard Chartered Bank, Tokyo                  | JPY           | 12,621,112.00              | 0.8186                        | 10,331,642.28           | 7,127,523.00               | 0.7780                        | 5,545,212.89            |
| Standard Chartered Bank, Frankfurt              | EURO          | 81,594.59                  | 103.8559                      | 8,474,079.58            | 219,187.31                 | 95.0965                       | 20,843,946.03           |
| Commerzbank AG, Frankfurt                       | EURO          | 48,499.53                  | 103.8559                      | 5,036,962.34            | 575,522.42                 | 95.0965                       | 54,730,167.81           |
| ICICI Bank Limited, Mumbai                      | ACU EURO      | 86,493.04                  | 103.8559                      | 8,982,812.51            | 86,493.04                  | 95.0965                       | 8,225,185.38            |
|   |               | <b>216,587.16</b>          |                               | <b>22,493,854.43</b>    | <b>881,202.77</b>          |                               | <b>83,799,299.22</b>    |
| Commerzbank AG, Frankfurt                       | CAD           | 342,863.30                 | 66.1630                       | 22,684,864.52           | 368,774.94                 | 64.9728                       | 23,960,340.42           |
| Habib Bank AG Zurich, Zurich                    | CHF           | 232,279.64                 | 95.8963                       | 22,274,758.04           | 668,206.84                 | 87.3277                       | 58,352,966.46           |
| Bank Al-Jazira, Jeddah                          | SAR           | 300,040.00                 | 22.5980                       | 6,780,303.92            | 300,040.00                 | 21.4350                       | 6,431,357.40            |
| Riyad Bank                                      | SAR           | 1,455,850.00               | 22.5980                       | 32,899,298.30           | 1,455,850.00               | 21.4350                       | 31,206,144.75           |
| <b>Total</b>                                    |               |                            |                               | <b>4,294,827,214</b>    |                            |                               | <b>6,068,967,972</b>    |

**ONE Bank Limited**  
**Statement of large loan**  
 As at 31 December 2020

| SL No | Group/ Client Name               | Outstanding (Taka in crore) |                 |                 |
|-------|----------------------------------|-----------------------------|-----------------|-----------------|
|       |                                  | Funded                      | Non-Funded      | Total           |
| 1     | Fair Group                       | 81.80                       | 498.01          | 579.82          |
| 2     | City Group                       | 342.98                      | 218.80          | 561.78          |
| 3     | Panwin Group                     | 409.29                      | 93.26           | 502.55          |
| 4     | GETCO Group                      | 328.94                      | 51.44           | 380.37          |
| 5     | Mohammadi Group                  | 206.14                      | 158.97          | 365.11          |
| 6     | Habib Group                      | 307.96                      | 46.33           | 354.29          |
| 7     | Globe Pharmaceuticals Group      | 348.21                      | -               | 348.21          |
| 8     | Bangladesh Petroleum Corporation | -                           | 345.84          | 345.84          |
| 9     | Popular Group                    | 302.57                      | 36.33           | 338.90          |
| 10    | Medlar & Opex Group              | 209.04                      | 121.52          | 330.56          |
| 11    | Ananda Group                     | 250.39                      | 76.55           | 326.94          |
| 12    | GPH Group                        | 155.91                      | 158.23          | 314.14          |
| 13    | Noman Group                      | 225.67                      | 86.47           | 312.14          |
| 14    | SAIF Powertec Limited            | 193.67                      | 115.53          | 309.19          |
| 15    | Impress-Newtex Group             | 203.77                      | 89.73           | 293.50          |
| 16    | Provita Group                    | 215.98                      | 72.95           | 288.93          |
| 17    | EVINCE GROUP                     | 196.53                      | 78.56           | 275.09          |
| 18    | ARAFIN GROUP                     | 62.23                       | 211.04          | 273.27          |
| 19    | BBS Group                        | 183.98                      | 85.05           | 269.03          |
| 20    | Arunima Group                    | 189.23                      | 75.66           | 264.89          |
|       | <b>Total</b>                     | <b>4,414.28</b>             | <b>2,620.27</b> | <b>7,034.55</b> |

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

## Annexure-E

### Name of the Directors and the entities in which they have interest

As on 31 December 2020

| 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. A.S.M. Shahidullah Khan                      | Chairman             | NTC Housing Ltd.  | 12.50   | Representing KSC Securities Limited              |
| 2.    | Mr. Asoke Das Gupta<br>(Expired on Dec 13, 2020) | Vice-Chairman        | 1 Uniroyal Securities Ltd.<br>2 Uniroyal Trade Ltd.<br>3 IMTrex<br>4 Ocunova Eye Hospital<br>5 NTC Housing Ltd.   | 55.00<br>60.00<br>100.00<br>5.00<br>12.50                                     |  |
| 3.    | Mr. Zahur Ullah                                  | Director             | 1 Gtex Ltd.<br>2 Buttons & Trims Ltd.<br>3 Lables & Trims Ltd.<br>4 Lamisa Ltd.<br>5 L-2 Knitting Ltd.<br>6 Shamah Enterprises Ltd.<br>7 Holiday Publications Ltd.<br>8 Lamisa Food Products Ltd.<br>9 NTC Housing Ltd. | 33.33<br>70.00<br>70.00<br>60.00<br>60.00<br>40.00<br>10.00<br>70.00<br>12.50 |  |
| 4.    | Mr. Kazi Rukunuddin Ahmed                        | Director             | NTC Housing Ltd.  | 12.50   | Representing Irfan International Limited         |
| 5.    | Mr. Shawket Jaman                                | Director             | NTC Housing Ltd.  | 12.50   | Representing M. R. Holdings & Securities Limited |
| 6.    | Mr. Syed Nurul Amin                              | Independent Director | -   | -   | -  |

## Statement of Tax Position of the Bank

As at 31 December 2020

| Accounting Year | Assessment Year | Status  |
|-----------------|-----------------|---|
| 2004            | 2005-2006       | Honourable High Court Division of Supreme Court of Bangladesh has given verdict <u>in favor of OBL</u> in case of certain regulatory deductions for the Accounting year 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011. The matter is now pending at the Appellate Division of Honourable Supreme Court of Bangladesh. |
| 2005            | 2006-2007       |   |
| 2006            | 2007-2008       |   |
| 2007            | 2008-2009       |   |
| 2008            | 2009-2010       |   |
| 2009            | 2010-2011       |   |
| 2010            | 2011-2012       |   |
| 2011            | 2012-2013       |   |
| 2012            | 2013-2014       |   |
| 2013            | 2014-2015       | The matter is pending at Honourable High Court Division of Supreme Court.   |
| 2014            | 2015-2016       |   |
| 2015            | 2016-2017       | Pending at Appellate Tribunal.  |
| 2016            | 2017-2018       | The matter is pending at Honourable High Court Division of Supreme Court.   |
| 2017            | 2018-2019       | Pending at Appellate Tribunal.  |
| 2018            | 2019-2020       | Tax return submitted for the assessment.  |
| 2019            | 2020-2021       | Tax return submitted for the assessment.  |

### ONE Bank Limited Segment Reporting

| Particulars   | ONE Bank Limited     |                        |                      |                            |                      | ONE Bank Ltd and its subsidiaries |                     |                           | Amount in Taka       |  |
|---|----------------------|------------------------|----------------------|----------------------------|----------------------|-----------------------------------|---------------------|---------------------------|----------------------|--|
|   | ONE Bank Limited     | Off-Shore Banking unit | Islamic Banking Unit | Inter transaction with DBO | Total                | ONE Securities Ltd                | ONE Investments Ltd | Inter company transaction | Consolidated         |  |
| Interest income   | 19,005,286,912       | 655,830,890            | -                    | -                          | 19,661,117,803       | 30,936,262                        | 904,737             | (18,705,694)              | 19,674,253,108       |  |
| Interest paid on deposits and borrowings etc.             | 15,785,295,520       | 480,829,544            | 280,394              | -                          | 16,266,405,458       | 978,319                           | -                   | (18,705,694)              | 16,248,678,083       |  |
| <b>Net interest income</b>                                | <b>3,219,991,393</b> | <b>175,001,346</b>     | <b>(280,394)</b>     | <b>-</b>                   | <b>3,394,712,344</b> | <b>29,957,943</b>                 | <b>904,737</b>      | <b>-</b>                  | <b>3,425,575,025</b> |  |
| Investment income   | 2,710,023,288        | -                      | 8,254                | -                          | 2,710,031,543        | 80,153,802                        | -                   | -                         | 2,790,185,345        |  |
| Commission, exchange and brokerage                        | 1,113,643,662        | 8,504,527              | -                    | -                          | 1,122,148,188        | 37,923,394                        | -                   | -                         | 1,160,071,582        |  |
| Other operating income                                    | 762,233,431          | 10,116,056             | 13,261               | -                          | 772,362,748          | 919,406                           | -                   | -                         | 773,282,154          |  |
| <b>Total operating income (A)</b>                         | <b>7,805,891,774</b> | <b>193,621,928</b>     | <b>(258,879)</b>     | <b>-</b>                   | <b>7,999,254,823</b> | <b>148,954,546</b>                | <b>904,737</b>      | <b>-</b>                  | <b>8,149,114,106</b> |  |
| Salaries and allowances                                   | 2,765,883,778        | -                      | 6,166,353            | -                          | 2,772,050,131        | 26,530,753                        | -                   | -                         | 2,798,580,884        |  |
| Rent, taxes, insurance, electricity etc.                  | 489,638,819          | -                      | 7,010,907            | -                          | 496,649,726          | 1,177,880                         | -                   | -                         | 497,827,606          |  |
| Legal expenses  | 17,249,497           | 55,392,648             | -                    | -                          | 72,642,146           | 207,000                           | -                   | -                         | 72,849,146           |  |
| Postage, stamps, telecommunication etc.                   | 78,778,807           | -                      | 66,946               | -                          | 78,845,753           | -                                 | -                   | -                         | 78,845,753           |  |
| Directors' fees   | 1,152,000            | -                      | -                    | -                          | 1,152,000            | 66,000                            | -                   | -                         | 1,218,000            |  |
| Auditors' fees  | 300,000              | -                      | -                    | -                          | 300,000              | 40,000                            | 10,000              | -                         | 350,000              |  |
| Stationery, printings, advertisements etc.                | 306,667,238          | -                      | 193,935              | -                          | 306,861,173          | 200,568                           | -                   | -                         | 307,061,741          |  |
| Managing Director's salary and allowances                 | 12,920,000           | -                      | -                    | -                          | 12,920,000           | -                                 | -                   | -                         | 12,920,000           |  |
| Depreciation, leasing expense and repair of bank's assets | 940,286,877          | -                      | 30,000               | -                          | 940,316,877          | 7,214,873                         | -                   | -                         | 947,531,750          |  |
| Other expenses  | 391,448,522          | 931,508                | 145,397              | -                          | 392,525,426          | 9,965,643                         | 71,872              | -                         | 402,562,941          |  |
| <b>Total operating expenses (B)</b>                       | <b>5,004,325,539</b> | <b>56,324,156</b>      | <b>13,613,537</b>    | <b>-</b>                   | <b>5,074,263,233</b> | <b>45,402,716</b>                 | <b>81,872</b>       | <b>-</b>                  | <b>5,119,747,821</b> |  |
| <b>Profit/ (loss) before provision and tax (C=A-B)</b>    | <b>2,801,566,234</b> | <b>137,297,772</b>     | <b>(13,872,416)</b>  | <b>-</b>                   | <b>2,924,991,590</b> | <b>103,551,830</b>                | <b>822,865</b>      | <b>-</b>                  | <b>3,029,366,285</b> |  |
| Provision for loans and advances                          | -                    | -                      | -                    | -                          | -                    | -                                 | -                   | -                         | -                    |  |
| Specific provision  | 794,354,912          | -                      | -                    | -                          | 794,354,912          | -                                 | -                   | -                         | 794,354,912          |  |
| General provision   | 480,779,955          | -                      | -                    | -                          | 480,779,955          | 939,417                           | -                   | -                         | 481,719,372          |  |
| Provision for off-balance sheet items                     | (91,890,826)         | -                      | -                    | -                          | (91,890,826)         | -                                 | -                   | -                         | (91,890,826)         |  |
| Provision for diminution in value of share                | -                    | -                      | -                    | -                          | -                    | -                                 | -                   | -                         | -                    |  |
| Provision for other                                       | -                    | -                      | -                    | -                          | -                    | -                                 | -                   | -                         | -                    |  |
| <b>Total Provision (D)</b>                                | <b>1,183,244,041</b> | <b>-</b>               | <b>(13,872,416)</b>  | <b>-</b>                   | <b>1,183,244,041</b> | <b>939,417</b>                    | <b>-</b>            | <b>-</b>                  | <b>1,184,183,458</b> |  |
| <b>Profit/ (loss) before taxes (E=C-D)</b>                | <b>1,618,322,193</b> | <b>137,297,772</b>     | <b>(13,872,416)</b>  | <b>-</b>                   | <b>1,741,747,549</b> | <b>102,612,412</b>                | <b>822,865</b>      | <b>-</b>                  | <b>1,845,182,827</b> |  |
| Provision for taxation                                    | 428,725,142          | -                      | -                    | -                          | 428,725,142          | 21,548,003                        | 203,566             | -                         | 450,476,710          |  |
| <b>Net Profit after taxation</b>                          | <b>1,189,597,051</b> | <b>137,297,772</b>     | <b>(13,872,416)</b>  | <b>-</b>                   | <b>1,313,022,407</b> | <b>81,064,410</b>                 | <b>619,299</b>      | <b>-</b>                  | <b>1,394,706,116</b> |  |

# ONE Bank Limited Segment Reporting

| Particulars  | ONE Bank Limited       |                        |                      |                            | ONE Bank Ltd and its subsidiaries |                      |                     | Amount in Taka            |                        |
|--|------------------------|------------------------|----------------------|----------------------------|-----------------------------------|----------------------|---------------------|---------------------------|------------------------|
|  | ONE Bank Limited       | Off-Shore Banking unit | Islamic Banking Unit | Inter transaction with DBO | Total                             | ONE Securities Ltd   | ONE Investments Ltd | Inter company transaction | Consolidated           |
| <b>PROPERTY AND ASSETS</b>                                     |                        |                        |                      |                            |                                   |                      |                     |                           |                        |
| Cash   | 29,438,176,543         | -                      | 98,751,330           |                            | 29,536,927,872                    | 13,197               | -                   | -                         | 29,536,941,069         |
| Balance with other Banks and Financial Institutions            | 6,931,973,222          | 92,266,134             | 6,370                | (6,370)                    | 7,024,239,356                     | 251,763,432          | 71,838              | (251,835,270)             | 7,024,239,356          |
| Money at call on short notice                                  | -                      | -                      | -                    |                            | -                                 | -                    | -                   | -                         | -                      |
| Investment   | 29,962,862,128         | -                      | 21,120,000           |                            | 29,983,982,128                    | 2,485,563,686        | 10,944,509          | (163,456,185)             | 32,317,034,139         |
| Loans and Advances   | 210,796,719,382        | 9,544,827,052          | -                    |                            | 220,341,546,434                   | 93,941,718           | -                   | (6,768,097)               | 220,428,720,056        |
| Fixed Assets including premises, furnitures & fixtures         | 3,005,876,896          | -                      | 2,818,810            |                            | 3,008,695,706                     | 29,114,555           | -                   | -                         | 3,037,810,261          |
| Other Assets   | 13,499,711,904         | 84,928,334             | 50,701,979           | (13,872,416)               | 13,621,469,800                    | 182,120,537          | 241,873             | (2,480,099,170)           | 11,323,733,040         |
| Non-banking Assets   | -                      | -                      | -                    |                            | -                                 | -                    | -                   | -                         | -                      |
| <b>Total Assets</b>  | <b>293,635,320,074</b> | <b>9,722,021,520</b>   | <b>173,398,489</b>   | <b>(13,878,786)</b>        | <b>303,516,861,297</b>            | <b>3,042,517,126</b> | <b>11,258,220</b>   | <b>(2,902,158,722)</b>    | <b>303,668,477,921</b> |
| <b>LIABILITIES AND CAPITAL</b>                                 |                        |                        |                      |                            |                                   |                      |                     |                           |                        |
| Borrowings from other Banks, Financial Institutions and agents | 20,364,600,733         | 7,858,235,210          | -                    |                            | 28,222,835,943                    | -                    | -                   | -                         | 28,222,835,943         |
| Deposits and other accounts                                    | 229,221,968,141        | 95,769,474             | 166,835,564          |                            | 229,484,573,179                   | -                    | -                   | (415,291,455)             | 229,069,281,724        |
| Other Liabilities  | 28,794,117,699         | 1,768,016,836          | 6,562,925            | (1,705,972,670)            | 28,862,724,790                    | 390,619,267          | 347,150             | (6,768,097)               | 29,246,923,110         |
| <b>Total Liabilities</b>                                       | <b>278,380,686,572</b> | <b>9,722,021,520</b>   | <b>173,398,489</b>   |                            | <b>286,570,133,912</b>            | <b>390,619,267</b>   | <b>347,150</b>      | <b>(422,059,552)</b>      | <b>286,539,040,777</b> |
| Total Shareholders' Equity                                     | 16,946,727,385         | -                      | -                    |                            | 16,946,727,385                    | 2,651,897,858        | 10,911,070          | (2,480,099,170)           | 17,129,437,144         |
| <b>Total Liability and Shareholders' Equity</b>                | <b>295,327,413,957</b> | <b>9,722,021,520</b>   | <b>173,398,489</b>   |                            | <b>303,516,861,297</b>            | <b>3,042,517,126</b> | <b>11,258,220</b>   | <b>(2,902,158,722)</b>    | <b>303,668,477,921</b> |

**Islami Banking Unit**  
**Balance Sheet**  
As at 31 December 2020

|  | Notes | 31.12.2020<br>Taka | 31.12.2019<br>Taka |
|--|-------|--------------------|--------------------|
| <b>PROPERTY AND ASSETS</b>   |       |                    |                    |
| <b>Cash in Hand</b>  | 2     |                    |                    |
| Cash in hand ( including foreign currencies)   |       | 14,828,438         | -                  |
| Balance with Bangladesh Bank and its agent bank(s)<br>(Including foreign currencies) |       | 83,922,891         | -                  |
|  |       | <b>98,751,330</b>  | -                  |
| <b>Balance with other Banks and Financial Institutions</b>                           | 3     |                    |                    |
| In Bangladesh  |       | 6,370              | -                  |
| Outside Bangladesh   |       | -                  | -                  |
|  |       | <b>6,370</b>       | -                  |
| <b>Placement with other banks and financial institutions</b>                         |       | -                  | -                  |
| <b>Investments in shares and securities</b>  | 4     |                    |                    |
| Government   |       | 21,120,000         | -                  |
| Others   |       | -                  | -                  |
|  |       | <b>21,120,000</b>  | -                  |
| <b>Investments</b>   | 5     |                    |                    |
| General Investment etc.  |       | -                  | -                  |
| Bills purchased and discounted   |       | -                  | -                  |
|  |       | -                  | -                  |
| <b>Fixed Assets including premises, furniture &amp; fixtures</b>                     | 6     | 2,818,810          | -                  |
| <b>Other Assets</b>  | 7     | 50,701,979         | -                  |
| <b>Non-banking Assets</b>  |       | -                  | -                  |
| <b>Total Assets</b>  |       | <b>173,398,489</b> | -                  |
| <b>LIABILITIES AND CAPITAL</b>   |       |                    |                    |
| <b>Liabilities</b>   |       |                    |                    |
| <b>Placement from other banks, financial institutions and agents</b>                 |       | -                  | -                  |
| <b>Deposits and other accounts</b>   | 8     |                    |                    |
| Al-Wadeeah current and other deposits accounts                                       |       | 11,995,475         | -                  |
| Bills payable  |       | -                  | -                  |
| Mudaraba savings bank deposits   |       | 27,001,935         | -                  |
| Mudaraba term deposits   |       | 127,838,154        | -                  |
| Other Mudararaba deposit   |       | -                  | -                  |
|  |       | <b>166,835,564</b> | -                  |
| <b>Other Liabilities</b>   | 9     | 6,562,925          | -                  |
| <b>Total Liabilities</b>   |       | <b>173,398,489</b> | -                  |
| <b>OFF BALANCE SHEET ITEMS</b>   |       |                    |                    |
| <b>Contingent Liabilities</b>  |       |                    |                    |
| Acceptances and Endorsements   |       | -                  | -                  |
| Letters of Guarantee   |       | -                  | -                  |
| Irrevocable Letters of Credit  |       | -                  | -                  |
| Bills for Collection   |       | -                  | -                  |
| Other Contingent Liabilities   |       | -                  | -                  |
| Other Commitments  |       | -                  | -                  |
| <b>Total off-Balance Sheet items including contingent liabilities</b>                |       | -                  | -                  |

**Islami Banking Unit**  
**Profit and Loss Account**  
For the year ended 31 December 2020

|   | Notes | 2020<br>Taka        | 2019<br>Taka |
|---|-------|---------------------|--------------|
| Profit on investment                                      |       | -                   | -            |
| Profit shared on deposits and borrowings etc.             | 10    | (280,394)           | -            |
| <b>Net investment income</b>                              |       | <b>(280,394)</b>    | -            |
| Income from investment in shares/ Securities              | 11    | 8,254               | -            |
| Commission, exchange and brokerage                        |       | -                   | -            |
| Other operating income                                    | 12    | 13,261              | -            |
| <b>Total operating income</b>                             |       | <b>(258,879)</b>    | -            |
| Salaries and allowances                                   | 13    | 6,166,353           | -            |
| Rent, taxes, insurance, electricity etc.                  | 14    | 7,010,907           | -            |
| Postage, stamps, telecommunication etc.                   | 15    | 66,946              | -            |
| Stationery, printings, advertisements etc.                | 16    | 193,935             | -            |
| Depreciation, leasing expense and repair of bank's assets | 17    | 30,000              | -            |
| Other expenses  | 18    | 145,397             | -            |
| <b>Total operating expenses</b>                           |       | <b>13,613,537</b>   | -            |
| <b>Profit/ (loss) before provision and tax</b>            |       | <b>(13,872,416)</b> | -            |
| Provision for investments                                 |       |                     |              |
| Specific provision  |       | -                   | -            |
| General provision   |       | -                   | -            |
|   |       | -                   | -            |
| Provision for off-balance sheet items                     |       | -                   | -            |
| Provision for others                                      |       | -                   | -            |
| <b>Total Provision (D)</b>                                |       | <b>-</b>            | -            |
| <b>Profit/ (loss) before taxes</b>                        |       | <b>(13,872,416)</b> | -            |

**Islami Banking Unit**  
**Notes to the Financial Statements**  
For the period ended 31 December 2020

**1.1 Islami Banking Operations**

ONE Bank Limited has started its Islami Banking Operations after obtaining permission from Bangladesh Bank through opening two (02) full-fledged Islami Banking Branches i.e. Gulshan Islami Banking Branch, Dhaka & Agrabad Islami Banking Branch, Chattogram consecutively on December 15, 2020 & December 17, 2020. Islami Banking Operations totally different from OBL Conventional Banking as the earlier operates their operation on the basis of Islami Shariah Principle. Besides these, all conventional branches also providing Islamic Banking liabilities products Services from 2 Islamic Banking branches using online facilities.

**1.2 Islami Banking Division in Head Office**

As per Guideline on Islami Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a separate division namely “Islamic Banking Division” established in Head Office. Since established, the division has been taking up the duties & responsibilities of all works & day to day activities related to business, marketing, Product Development, Training of Islamic Banking & Finance, Islamic Treasury, Regulatory, Shariah Supervisory Committee, Inter divisional, IBCF, CSBIB, AAOIFI, IFSB, Internal & External activities.

**1.3 Islami Banking Business**

Since inception, Islami banking business of ONE Bank Limited steady growth in deposit & investment. With only 2 branches around 17.00 Crore deposits were being collected.

**1.4 Islami Banking Products and services**

At present AL NOOR Islami Banking of ONE Bank Limited offers almost all the deposit & investment products those are available in the country under its Islami banking operations for collecting & sourcing and utilization of funds or in other words, pooling resources and deployment of the said resources. The following products are available now:

**1.5 ONE Bank Limited Islami Banking Operations offer to the following deposit products:**

1. Al-Wadeeah Current Account. 2. Mudaraba Savings Account, 3. Mudaraba Term Deposit Account. 4. Mudaraba Special Notice Deposit Account. 5. Mudaraba Hajj Savings Account. 6. Mudaraba Pension deposit Scheme Accounts. 7. Mudaraba Waqf Cash Account.

**1.6 Investment Products of ONE Bank Limited AL NOOR Islami Banking:**

Investment means ‘to lay – out of money’ or fund provided for a legal purpose for a certain period with a risk of profit or loss. In Islami Banking, investment means utilization of fund or deployment of fund for a special legal purpose (Permissible by Shariah Principle) on profit / loss sharing basis for a certain period. There are various types of Investment products of ONE Bank Limited AL NOOR Islami Banking.

- |   |                                    |
|---|------------------------------------|
| 1. AL NOOR Home Investment Scheme       | 3. AL NOOR Car Investment Scheme   |
| 2. AL NOOR House Hold Investment Scheme | 4. AL NOOR Scheme for Professional |

**1.7 Others Products**

Besides these Selling of Payment Order, Demand Draft, Issuance of Bank Guarantee, Performance Guarantee, Bid bond, Certificates and other necessary banking services are also available in the 2 (two) Islami Banking Branches under Islamic Banking Operation of ONE Bank Ltd.

**1.8 Deposit Mobilization & Profit Share under ISR method:**

ISR means Income Sharing Ratio. According to ISR module the Bank do contract with customer for Investment Income Sharing. As example if sharing ratio of a customer & a Bank is 80:20 it means the client shall get 80% & the Bank shall get 20% as Management fee from the investment income of deposit. There is no proclamation of rate either provisional or fixed and final. It is to pronounce that customers open the Bank Account with uncertainty about profit from deposit. After receiving the deposit the Bank invest the fund in various Business sectors in compliance to Shari’ah principle. Keeping a portion of this income (suppose 5%) in profit equalization reserve and deducting others provisions, remaining portion of income is accounted as distributable to the depositors. Considering this profit as the profit of total deposit for concern period, income share of each deposit client is accounted against their deposit.

**Islami Banking Unit**  
**Notes to the Financial Statements**  
For the period ended 31 December 2020

Islami Banking, a prominent an integral part of Islami Economics, calls for compliance to certain Shari'ah (Islami Jurisprudence) principles, as such of the launching of OBL AL NOOR Islami Banking Operations in our Bank, we are to develop some compulsory modules to guide its activities / functions. Among those, the standard for allocation and distribution of profit to the depositors is one of the vital issues. We understand that in Operational level there may exist some permissible variants practices for doing the same keeping the fundamentals intact. Again, Banking creates relationships on the basis of specific contracts between the Bank and the Clients. These contracts enforce bindings upon both the parties concerned.

The proposed framework is intended to attain confidence of the stakeholders to believe the same as a transparent, rational, justified and above all the best possible Shari'ah-Compliant Module. If approved, this set of guidelines may be treated as the basic and primary principles for allocation of Investment Income / Revenue and distribution thereof to the Mudaraba Depositors.

In this situation we may provide a probable competitive acceptable provisional profit rate of all the Mudaraba Deposit Products and at the end of the year these rates will be adjusted with final rates derived from Income Sharing Ratio –ISR. Final Rates shall be adjusted with provisional disbursed rates giving up the claim by the Bank on the amount disbursed if the final rates become lower upon the basis of “Ihsan” of Islami Shari'ah principle. On the other hand if the Final Rates become higher than disbursed rates, the amount will be credited to the concerned Mudaraba Deposit Customers Accounts upon the basis of ‘Hiba’ principle of Islami Shari'ah.

**1.9 Income Sharing Ratio (ISR) declared on Mudaraba deposits Products for the year 2020**

| Types of Mudaraba Deposit   | Distributable Income Sharing Ratio |      |
|---|------------------------------------|------|
|   | Client                             | Bank |
| Mudaraba Savings Deposit Account  | 70                                 | 30   |
| Mudaraba Term Deposit Receipt (MTDR) For 1 month  | 45                                 | 55   |
| Mudaraba Term Deposit Receipt (MTDR) For 3 month  | 35                                 | 65   |
| Mudaraba Term Deposit Receipt (MTDR) For 6 month  | 30                                 | 70   |
| Mudaraba Term Deposit Receipt (MTDR) For 12 month                                       | 25                                 | 75   |
| Mudaraba Short Notice Deposit Account Less than 1 Crore                                 | 65                                 | 35   |
| Mudaraba Short Notice Deposit Account (Tk. 1.00 Crore above but Less than 100.00 Crore) | 70                                 | 30   |
| Mudaraba Short Notice Deposit Account (Tk. 100.00 Crore above )                         | 60                                 | 40   |
| Mudaraba Pension Deposit Scheme for 3 Years   | 30                                 | 70   |
| Mudaraba Pension Deposit Scheme for 5 Years   | 25                                 | 75   |
| Mudaraba Pension Deposit Scheme for 8 Years   | 25                                 | 75   |
| Mudaraba Pension Deposit Scheme for 3 Years   | 20                                 | 80   |

**1.10 General**

Islami Banking Unit commenced operation from 15 December 2020, accordingly Islami Banking Unit prepares it first financial statements this year hence no comparative information has been presented.

## Islami Banking Unit

### Notes to Financial Statements

|  | 31.12.2020        | 31.12.2019  |
|--|-------------------|-------------|
|  | <u>Taka</u>       | <u>Taka</u> |
| <b>2 Cash</b>  |                   |             |
| Cash in hand (note-2.1)                                      | 14,828,438        | -           |
| Balance with Bangladesh Bank and it's agent banks (note-2.2) | 83,922,891        | -           |
|  | <b>98,751,330</b> | <b>-</b>    |
| <b>2.1 Cash in hand</b>                                      |                   |             |
| In Local Currency  | 14,828,438        | -           |
| In Foreign Currencies  | -                 | -           |
|  | <b>14,828,438</b> | <b>-</b>    |
| <b>2.2 Balance with Bangladesh Bank and it's agent bank</b>  |                   |             |
| Bangladesh Bank:   |                   |             |
| In Local Currency  | 83,922,891        | -           |
| In Foreign Currencies  | -                 | -           |
|  | 83,922,891        | -           |
| Balance with Sonali Bank being an agent of Bangladesh Bank   | -                 | -           |
|  | <b>83,922,891</b> | <b>-</b>    |

#### 2.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR):

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, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 03 dated 09 April 2020 issued by Bangladesh Bank.

The Cash Reserve Ratio on the time and demand liabilities at the rate of 3.50% for Islami Banking on daily basis and 4% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 5.50% for Islami Banking of 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. Islami Banking operation has been started the business from December 15, 2020 and Bangladesh Bank issued a letter no. DOS (SR) 1153/120-A/2020-4130 dated December 22, 2020 for maintaining CRR and SLR. As per the directives of Bangladesh Bank, Islami Banking Division of ONE Bank Ltd requires to maintain 4.00% as CRR and 5.50% as SLR for the next two months (i.e. February 28, 2021).

#### a) Cash Reserve Requirement (CRR) :

|  |                   |          |
|--|-------------------|----------|
| Required reserve (4% of average Demand and Time Liabilities) | 6,911,920         | -        |
| Actual reserve held  | 83,922,891        | -        |
| <b>Surplus/(Shortage)</b>                                    | <b>77,010,971</b> | <b>-</b> |

#### b) Statutory Liquidity Ratio (Other than CRR):

|  |                    |          |
|--|--------------------|----------|
| Required reserve (5.5% of average Demand and Time Liabilities) | 9,503,890          | -        |
| Reserve held (b.1)   | 112,959,410        | -        |
| <b>Surplus/(Shortage)</b>                                      | <b>103,455,520</b> | <b>-</b> |

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

|   |                    |          |
|---|--------------------|----------|
| Cash in hand including foreign currency                               | 14,828,438         | -        |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR ) | 77,010,971         | -        |
| Other securities  | 21,120,000         | -        |
|   | <b>112,959,410</b> | <b>-</b> |

**Islami Banking Unit**  
**Notes to Financial Statements**

|  | <b>31.12.2020</b>  | <b>31.12.2019</b>  |
|--|--------------------|--------------------|
|  | <b><u>Taka</u></b> | <b><u>Taka</u></b> |
| <b>3 Balance with other banks and financial institutions</b>       |                    |                    |
| In Bangladesh (note-3.1)   | 6,370              | -                  |
| Outside of Bangladesh (note-3.2)                                   | -                  | -                  |
|  | <b>6,370</b>       | <b>-</b>           |
| <b>3.1 In-Bangladesh</b>   |                    |                    |
| Current account  | 6,370              | -                  |
| Saving accounts  | -                  | -                  |
| Fixed Deposit receipt  | -                  | -                  |
|  | <b>6,370</b>       | <b>-</b>           |
| <b>3.2 Outside of Bangladesh</b>                                   | -                  | -                  |
| <b>4 Investment in share &amp; securities</b>                      |                    |                    |
| Bangladesh Government Investment Sukuk (Ijarah Sukuk)              | 21,120,000         | -                  |
| Others (note-4.1)  | -                  | -                  |
|  | <b>21,120,000</b>  | <b>-</b>           |
| <b>4.1 Others</b>  |                    |                    |
| Shares in listed companies   | -                  | -                  |
| Shares in un-listed companies                                      | -                  | -                  |
|  | -                  | -                  |
| <b>5 Investments</b>   |                    |                    |
| General investment etc.  | -                  | -                  |
| Bill purchased and discounted                                      | -                  | -                  |
|  | -                  | -                  |
| <b>6 Fixed Assets including premises, furniture &amp; fixtures</b> |                    |                    |
| Land   | -                  | -                  |
| Building   | -                  | -                  |
| Furniture and fixture including office renovation                  | 2,622,110          | -                  |
| Office appliance & equipments                                      | 79,300             | -                  |
| Computer   | 117,400            | -                  |
| Software   | -                  | -                  |
| Vehicle  | -                  | -                  |
|  | 2,818,810          | -                  |
| Less: Accumulated depreciation                                     | -                  | -                  |
|  | <b>2,818,810</b>   | <b>-</b>           |
| <b>7 Other Assets</b>  |                    |                    |
| Stationery, stamps, printing materials etc                         | 591,900            | -                  |
| Profit accrued on investment but not collected                     | 8,254              | -                  |
| Profit/loss payable to head office                                 | 13,872,416         | -                  |
| Advance rent   | 31,947,343         | -                  |
| Renovation/ Development and prepaid expenses                       | 4,232,066          | -                  |
| Suspense account   | 50,000             | -                  |
|  | <b>50,701,979</b>  | <b>-</b>           |

**Islami Banking Unit**  
**Notes to Financial Statements**

|   | <b>31.12.2020</b><br><b><u>Taka</u></b> | <b>31.12.2019</b><br><b><u>Taka</u></b> |
|---|---|---|
| <b>8 Deposits and other accounts</b>                      |   |   |
| Deposits from Banks                                       | -                                       | -                                       |
| Deposits from customers                                   | 166,835,564                             | -                                       |
|   | <b>166,835,564</b>                      | <b>-</b>                                |
| <b>a. Deposit from Banks</b>                              |   |   |
| Mudaraba savings deposits                                 | -                                       | -                                       |
| Mudaraba special notice deposits                          | -                                       | -                                       |
| Mudaraba fixed deposits                                   | -                                       | -                                       |
|   | -                                       | -                                       |
| <b>b. Customers Deposits</b>                              |   |   |
| <b>i) Al- wadeeah current deposits and other accounts</b> |   |   |
| Al-wadeeah current deposits                               | 10,264,000                              | -                                       |
| Sundry deposits   | 1,731,475                               | -                                       |
|   | <b>11,995,475</b>                       | <b>-</b>                                |
| <b>ii) Bills Payable</b>                                  |   |   |
| Pay orders issued   | -                                       | -                                       |
| Demand draft payable                                      | -                                       | -                                       |
|   | -                                       | -                                       |
| <b>iii) Mudaraba savings bank deposits</b>                | <b>27,001,935</b>                       | <b>-</b>                                |
| <b>iv) Mudaraba term deposits</b>                         |   |   |
| Mudaraba fixed deposits                                   | 126,534,030                             | -                                       |
| Mudaraba special notice deposits                          | 1,114,207                               | -                                       |
| Non resident Taka deposits                                | -                                       | -                                       |
| Mudaraba special scheme deposits                          | 189,917                                 | -                                       |
|   | <b>127,838,154</b>                      | <b>-</b>                                |
| <b>Total Customers Deposit</b>                            | <b>166,835,564</b>                      | <b>-</b>                                |
| <b>9 Other liabilities</b>                                |   |   |
| Accounts payable-Others                                   | 856                                     | -                                       |
| Branch adjustment account                                 | 6,562,069                               | -                                       |
|   | <b>6,562,925</b>                        | <b>-</b>                                |
|   | <b>2020</b><br><b><u>Taka</u></b>       | <b>2019</b><br><b><u>Taka</u></b>       |
| <b>10 Profit shared on deposits and borrowings etc.</b>   |   |   |
| Profit shared on deposits (Islamic Banking Branch)        |   |   |
| Mudaraba Savings Deposits                                 | 23,777                                  | -                                       |
| Mudaraba Short Term Deposits                              | 12,608                                  | -                                       |
| Mudaraba Fixed Term Deposits                              | 244,009                                 | -                                       |
|   | <b>280,394</b>                          | <b>-</b>                                |
| <b>11 Income from investment in shares/ Securities</b>    |   |   |
| Income from Government Securities                         | 8,254                                   | -                                       |
| Income from Non-Government Securities                     | -                                       | -                                       |
|   | <b>8,254</b>                            | <b>-</b>                                |

**Islami Banking Unit**  
**Notes to Financial Statements**

|  | <b>2020</b><br><b><u>Taka</u></b> | <b>2019</b><br><b><u>Taka</u></b> |
|--|-----------------------------------|-----------------------------------|
| <b>12 Other operating income</b>                                     |                                   |                                   |
| Service and incidental charges                                       | 3,256                             | -                                 |
| Miscellaneous income   | 10,005                            | -                                 |
|  | <b>13,261</b>                     | -                                 |
| <b>13 Salaries and allowances</b>                                    |                                   |                                   |
| Salary & Allowances  | 5,801,160                         | -                                 |
| Provident Fund Contribution  | 365,193                           | -                                 |
| Gratuity   | -                                 | -                                 |
| Superannuation fund  | -                                 | -                                 |
| Bonus  | -                                 | -                                 |
|  | <b>6,166,353</b>                  | -                                 |
| <b>14 Rent, taxes, insurance and electricity etc</b>                 |                                   |                                   |
| Rent   | 5,832,000                         | -                                 |
| VAT on rent  | 954,051                           | -                                 |
| Taxes  | 105,910                           | -                                 |
| Utilities  | 22,160                            | -                                 |
| Insurance  | 18,664                            | -                                 |
| Electricity and lighting   | 78,122                            | -                                 |
|  | <b>7,010,907</b>                  | -                                 |
| <b>15 Postage, Stamps, Telecommunication etc.</b>                    |                                   |                                   |
| Postage  | -                                 | -                                 |
| Telephone/ Telex   | 66,946                            | -                                 |
| SWIFT services   | -                                 | -                                 |
|  | <b>66,946</b>                     | -                                 |
| <b>16 Stationery, printings, advertisements etc</b>                  |                                   |                                   |
| General office stationery  | 61,721                            | -                                 |
| Printing and security stationery                                     | 112,464                           | -                                 |
| Publicity and advertisement  | 19,750                            | -                                 |
|  | <b>193,935</b>                    | -                                 |
| <b>17 Depreciation, leasing expenses and repair of bank's assets</b> |                                   |                                   |
| <b>Depreciation:</b>   |                                   |                                   |
| Furniture and Fixtures   | -                                 | -                                 |
| Electrical appliances  | -                                 | -                                 |
| Motor vehicles   | -                                 | -                                 |
|  | -                                 | -                                 |
| <b>Repair:</b>   |                                   |                                   |
| Furniture and Fixtures   | 30,000                            | -                                 |
| Official and electrical appliances                                   | -                                 | -                                 |
|  | <b>30,000</b>                     | -                                 |
|  | <b>30,000</b>                     | -                                 |
| <b>18 Other expenses</b>   |                                   |                                   |
| Entertainment  | 18,326                            | -                                 |
| Computer & Printer expenses  | 13,450                            | -                                 |
| Travelling and Conveyance  | 4,720                             | -                                 |
| Others operating expenses  | 108,901                           | -                                 |
|  | <b>145,397</b>                    | -                                 |

## Off-Shore Banking Unit Balance Sheet

As at 31 December 2020

|  |   | 31.12.2020  |               | 31.12.2019  |                |
|--|---|-------------|---------------|-------------|----------------|
|  |   | USD         | Taka          | USD         | Taka           |
| PROPERTY AND ASSETS  |   |             |               |             |                |
| CASH   |   |             |               |             |                |
| Cash in hand ( including foreign currencies)                         |   | -           | -             | -           | -              |
| Cash with Bangladesh Bank and its agent bank(s)                      |   | -           | -             | -           | -              |
| (Including foreign currencies)                                       |   | -           | -             | -           | -              |
| Balance with other Banks and Financial Institutions                  | 3 |             |               |             |                |
| In Bangladesh  |   | -           | -             | -           | -              |
| Outside Bangladesh   |   | 1,088,030   | 92,266,134    | 2,650,433   | 225,021,758    |
|  |   | 1,088,030   | 92,266,134    | 2,650,433   | 225,021,758    |
| Money at Call on Short Notice  |   | -           | -             | -           | -              |
| Investment   |   |             |               |             |                |
| Government   |   | -           | -             | -           | -              |
| Others   |   | -           | -             | -           | -              |
|  |   | -           | -             | -           | -              |
| Loan and Advances:   | 4 |             |               |             |                |
| Loans, cash credits, overdrafts etc.                                 |   | 108,617,804 | 9,210,909,244 | 168,823,252 | 14,333,094,104 |
| Bills purchased and discounted                                       |   | 3,937,659   | 333,917,808   | 2,999,561   | 254,662,771    |
|  |   | 112,555,463 | 9,544,827,052 | 171,822,814 | 14,587,756,875 |
| Fixed Assets   |   | -           | -             | -           | -              |
| Other Assets   | 5 | 1,001,500   | 84,928,334    | 1,572,379   | 133,494,986    |
| Non Banking Assets   |   | -           | -             | -           | -              |
| Total Assets   |   | 114,644,993 | 9,722,021,520 | 176,045,626 | 14,946,273,618 |
| LIABILITIES AND CAPITAL  |   |             |               |             |                |
| Borrowings from other Banks, Financial Institutions and agents       | 6 | 92,666,666  | 7,858,235,210 | 153,934,822 | 13,069,066,361 |
| Current deposits and other accounts                                  | 7 |             |               |             |                |
| Current accounts and other accounts                                  |   | 1,129,342   | 95,769,474    | 296,204     | 25,147,691     |
| Bills payable  |   | -           | -             | -           | -              |
| Savings bank deposits  |   | -           | -             | -           | -              |
| Term deposits  |   | -           | -             | -           | -              |
|  |   | 1,129,342   | 95,769,474    | 296,204     | 25,147,691     |
| Other Liabilities  | 8 | 18,609,548  | 1,578,110,166 | 22,612,705  | 1,919,818,674  |
| Total Liabilities  |   | 112,405,557 | 9,532,114,851 | 176,843,731 | 15,014,032,726 |
| Capital/Shareholders' Equity   |   |             |               |             |                |
| Profit and loss account  |   | 2,239,436   | 189,906,669   | (798,105)   | (67,759,108)   |
| Total Liabilities and Shareholders' Equity                           |   | 114,644,993 | 9,722,021,520 | 176,045,626 | 14,946,273,618 |
| Off Balance Sheet Items  |   |             |               |             |                |
| Contingent Liabilities   | 9 |             |               |             |                |
| Acceptance and endorsements  |   | 156,612     | 13,280,888    | 2,165,823   | 183,878,393    |
| Letter of Guarantee  |   | -           | -             | -           | -              |
| Irrevocable Letters of Credit  |   | 758,104     | 64,288,034    | 1,315,081   | 111,650,404    |
| Bills for Collection   |   | -           | -             | -           | -              |
|  |   | 914,716     | 77,568,921    | 3,480,905   | 295,528,797    |
| Other Contingent Liabilities   |   |             |               |             |                |
| Claims lodged with but not recognized by the Bank                    |   | -           | -             | -           | -              |
| Other exchange contract  |   | -           | -             | -           | -              |
| Total Contingent Liabilities   |   | 914,716     | 77,568,921    | 3,480,905   | 295,528,797    |
| 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       |   | 914,716     | 77,568,921    | 3,480,905   | 295,528,797    |

## Off-Shore Banking Unit Profit & Loss Account

For the year ended 31 December 2020

|   | Notes | 2020             |                     | 2019             |                     |
|---|-------|------------------|---------------------|------------------|---------------------|
|   |       | USD              | Taka                | USD              | Taka                |
| Interest income   | 10    | 8,868,919        | 752,094,069         | 10,530,629       | 894,050,416         |
| Interest paid on deposits & borrowings                    | 11    | (6,805,250)      | (577,092,723)       | (10,603,950)     | (900,275,362)       |
| <b>Net interest income</b>                                |       | <b>2,063,668</b> | <b>175,001,346</b>  | <b>(73,321)</b>  | <b>(6,224,946)</b>  |
| Income from investments                                   |       | -                | -                   | -                | -                   |
| Commission, exchange and brokerage                        | 12    | 100,288          | 8,504,527           | 208,286          | 17,683,505          |
| Other operating income                                    | 13    | 119,292          | 10,116,056          | 176,323          | 14,969,842          |
| <b>Total operating income (A)</b>                         |       | <b>2,283,248</b> | <b>193,621,928</b>  | <b>311,289</b>   | <b>26,428,401</b>   |
| Salaries and allowances                                   |       | -                | -                   | -                | -                   |
| Rent, taxes, insurance, electricity etc.                  |       | -                | -                   | -                | -                   |
| Legal & consultancy expenses                              |       | 653,207          | 55,392,648          | 876,152          | 74,385,326          |
| Postage, stamps, telecommunication etc.                   |       | -                | -                   | -                | -                   |
| Directors' fees   |       | -                | -                   | -                | -                   |
| Stationery, printings, advertisements etc.                |       | -                | -                   | -                | -                   |
| Depreciation, leasing expense and repair of bank's assets |       | -                | -                   | -                | -                   |
| Other expenses  |       | 10,985           | 931,508             | 20,690           | 1,756,549           |
| <b>Total operating expenses (B)</b>                       |       | <b>664,191</b>   | <b>56,324,156</b>   | <b>896,842</b>   | <b>76,141,875</b>   |
| <b>Profit before provision and tax (C=A-B)</b>            |       | <b>1,619,057</b> | <b>137,297,772</b>  | <b>(585,553)</b> | <b>(49,713,473)</b> |
| Provision for loans and advances                          |       |                  |                     |                  |                     |
| Specific provision  |       | -                | -                   | -                | -                   |
| General provision   |       | (594,677)        | (50,429,298)        | 201,355          | 17,095,063          |
|   |       | <b>(594,677)</b> | <b>(50,429,298)</b> | <b>201,355</b>   | <b>17,095,063</b>   |
| Provision for off balance sheet items                     |       | (25,702)         | (2,179,599)         | 11,196           | 950,572             |
| Other provision   |       | -                | -                   | -                | -                   |
| <b>Total Provision</b>                                    |       | <b>(620,380)</b> | <b>(52,608,897)</b> | <b>212,552</b>   | <b>18,045,635</b>   |
| <b>Profit/(loss) before tax (C-D)</b>                     |       | <b>2,239,436</b> | <b>189,906,669</b>  | <b>(798,105)</b> | <b>(67,759,108)</b> |
| Current tax expenses                                      |       | -                | -                   | -                | -                   |
| Deferred tax expense/(income)                             |       | -                | -                   | -                | -                   |
| <b>Net profit after taxation</b>                          |       | <b>2,239,436</b> | <b>189,906,669</b>  | <b>(798,105)</b> | <b>(67,759,108)</b> |

## Off-Shore Banking Unit Cash Flow Statement

For the year ended 31 December 2020

|  | 2020               |                      | 2019                |                        |
|--|--------------------|----------------------|---------------------|------------------------|
|  | USD                | Taka                 | USD                 | Taka                   |
| <b>Cash flows from operating activities</b>                              |                    |                      |                     |                        |
| Interest receipts in cash  | 8,868,919          | 752,094,069          | 10,530,629          | 894,050,416            |
| Interest payments  | (6,805,250)        | (577,092,723)        | (10,603,950)        | (900,275,362)          |
| Fee and commission receipts  | 100,288            | 8,504,527            | 208,286             | 17,683,505             |
| Legal expenses   | (664,191)          | (56,324,156)         | (896,842)           | (76,141,875)           |
| Receipts from other operating activities                                 | 119,290            | 10,115,960           | 176,323             | 14,969,842             |
| <b>Operating profit before changes in current assets and liabilities</b> | <b>1,619,055</b>   | <b>137,297,676</b>   | <b>(585,553)</b>    | <b>(49,713,473)</b>    |
| Increase/(decrease) in operating assets and liabilities                  |                    |                      |                     |                        |
| Loans and advances to customers  | 59,267,351         | 5,042,929,823        | (18,327,574)        | (1,709,506,297)        |
| Other assets   | 570,879            | 48,566,652           | 822,411             | 67,427,904             |
| Borrowing from other banking companies, agencies etc.                    | (61,268,156)       | (5,210,831,151)      | (15,285,678)        | (1,128,533,589)        |
| Deposits from banks  | 6,349              | 538,420              | (1,930,637)         | (161,978,531)          |
| Deposits from customers  | 826,789            | 70,083,363           | 275,228             | 23,385,873             |
| Other liabilities  | (2,584,671)        | (221,340,407)        | 10,453,633          | 899,459,965            |
|  | <b>(3,181,459)</b> | <b>(270,053,300)</b> | <b>(23,992,618)</b> | <b>(2,009,744,674)</b> |
| <b>A Net cash flows from operating activities</b>                        | <b>(1,562,403)</b> | <b>(132,755,623)</b> | <b>(24,578,171)</b> | <b>(2,059,458,148)</b> |
| <b>Cash flows from investing activities</b>                              |                    |                      |                     |                        |
| Payments for purchase of securities                                      | -                  | -                    | -                   | -                      |
| Receipts from sale of securities   | -                  | -                    | -                   | -                      |
| Net Purchase/sale of fixed assets  | -                  | -                    | -                   | -                      |
| <b>B Net cash used in investing activities</b>                           | <b>-</b>           | <b>-</b>             | <b>-</b>            | <b>-</b>               |
| <b>Cash flows from financial activities</b>                              |                    |                      |                     |                        |
| Receipts from issue of ordinary shares                                   | -                  | -                    | -                   | -                      |
| Dividend paid  | -                  | -                    | -                   | -                      |
| <b>C Net cash used in financing activities</b>                           | <b>-</b>           | <b>-</b>             | <b>-</b>            | <b>-</b>               |
| <b>D Net increase in cash and cash equivalents (A+B+C)</b>               | <b>(1,562,403)</b> | <b>(132,755,623)</b> | <b>(24,578,171)</b> | <b>(2,059,458,148)</b> |
| Effect of exchange rate changes on cash and cash equivalents             | -                  | -                    | -                   | -                      |
| <b>E Opening cash and cash equivalents</b>                               | <b>2,650,433</b>   | <b>225,021,758</b>   | <b>27,228,604</b>   | <b>2,284,479,906</b>   |
| <b>F Closing cash and cash equivalents (D+E)</b>                         | <b>1,088,030</b>   | <b>92,266,134</b>    | <b>2,650,433</b>    | <b>225,021,758</b>     |
| <b>Closing cash and cash equivalents</b>                                 |                    |                      |                     |                        |
| Cash in hand   | -                  | -                    | -                   | -                      |
| Cash with Bangladesh Bank & its agent(s)                                 | -                  | -                    | -                   | -                      |
| Cash with other banks and financial institutions                         | 1,088,030          | 92,266,134           | 2,650,433           | 225,021,758            |
| Money at call on short notice  | -                  | -                    | -                   | -                      |
| Prize bonds  | -                  | -                    | -                   | -                      |
|  | <b>1,088,030</b>   | <b>92,266,134</b>    | <b>2,650,433</b>    | <b>225,021,758</b>     |

**Off-Shore Banking Unit**  
**Notes to the Financial Statements**  
For the year ended 31 December 2020

**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 2020 to 31 December 2020.

**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

**Off-Shore Banking Unit**  
**Notes to the Financial Statements**  
For the year ended 31 December 2020

Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the unit management for its short-term commitments.

**1.3.2 Loans and advances / investments**

- a) Loans and advances of Off-Shore Banking Units are stated in the balance sheet on gross basis.
- b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

**1.3.3 Fixed assets and depreciation**

- a) All fixed assets are stated at cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes.
- b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

| Category of fixed assets | Rate of Depreciation |
|--------------------------|----------------------|
| Furniture and fixtures   | 10%                  |
| Office equipment         | 18%                  |
| Vehicle                  | 20%                  |

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

**1.4 Basis for valuation of liabilities and provisions**

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

**1.5 Revenue recognition**

**1.5.1 Interest income**

Interest income is recognized on accrual basis.

**1.5.2 Fees and commission income**

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

**1.5.3 Interest paid and other expenses**

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

**2 General**

- a) These financial statements are presented in Taka, Which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 84.8011 (Mid rate as at 31 December 2020).

## Off-Shore Banking Unit

### Notes to the Financial Statements

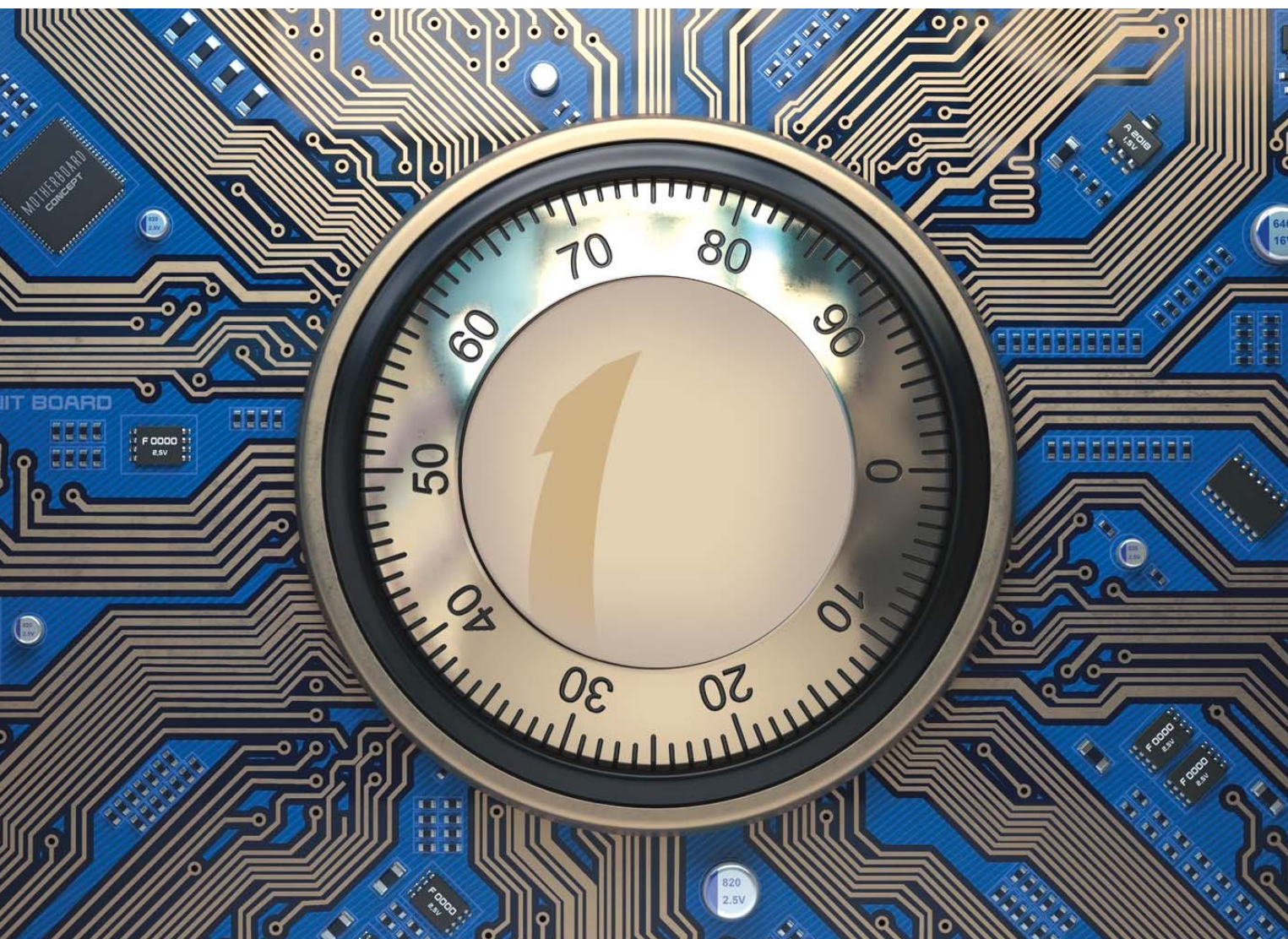
|   | 31.12.2020         |                      | 31.12.2019         |                       |
|---|--------------------|----------------------|--------------------|-----------------------|
|   | USD                | Taka                 | USD                | Taka                  |
| <b>3 Balance with other banks and financial institutions</b>                            |                    |                      |                    |                       |
| In Bangladesh   | -                  | -                    | -                  | -                     |
| Outside Bangladesh (note-3.1)   | 1,088,030          | 92,266,134           | 2,650,433          | 225,021,758           |
|   | <b>1,088,030</b>   | <b>92,266,134</b>    | <b>2,650,433</b>   | <b>225,021,758</b>    |
| <b>3.1 Outside Bangladesh</b>   |                    |                      |                    |                       |
| Mashreq Bank NY   | 849,198            | 72,012,940           | 2,520,928          | 214,026,750           |
| United Bank of India  | 238,832            | 20,253,194           | 129,505            | 10,995,008            |
|   | <b>1,088,030</b>   | <b>92,266,134</b>    | <b>2,650,433</b>   | <b>225,021,758</b>    |
| <b>4 Loans and advances</b>   |                    |                      |                    |                       |
| <b>i) Loans, cash credits, overdrafts, etc.</b>   |                    |                      |                    |                       |
| Loans   | 103,498,374        | 8,776,775,932        | 166,853,804        | 14,165,887,999        |
| Cash Credit   | -                  | -                    | -                  | -                     |
| Overdraft   | 1,557,796          | 132,102,836          | 1,454,930          | 123,523,571           |
| Loan against Trust Receipt  | 3,561,634          | 302,030,477          | 514,517            | 43,682,535            |
|   | <b>108,617,804</b> | <b>9,210,909,244</b> | <b>168,823,252</b> | <b>14,333,094,104</b> |
| <b>ii) Bills purchased and discounted</b>   |                    |                      |                    |                       |
| Local bill purchased and discounted   | 3,937,659          | 333,917,808          | 2,999,561          | 254,662,771           |
| Foreign bills purchased and discounted  | -                  | -                    | -                  | -                     |
|   | <b>3,937,659</b>   | <b>333,917,808</b>   | <b>2,999,561</b>   | <b>254,662,771</b>    |
|   | <b>112,555,463</b> | <b>9,544,827,052</b> | <b>171,822,814</b> | <b>14,587,756,875</b> |
| <b>5 Other Assets</b>   |                    |                      |                    |                       |
| Prepayment  | 1,001,500          | 84,928,334           | 1,572,379          | 133,494,986           |
| Interest receivable   | -                  | -                    | -                  | -                     |
|   | <b>1,001,500</b>   | <b>84,928,334</b>    | <b>1,572,379</b>   | <b>133,494,986</b>    |
| <b>6 Borrowing from other banks, and financial institutions and agents</b>              |                    |                      |                    |                       |
| Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)              | 25,375,000         | 2,151,827,913        | 38,375,000         | 3,258,037,500         |
| Oesterreichische Entwicklungsbank AG (OeEB)   | 6,875,000          | 583,007,563          | 11,125,000         | 944,512,500           |
| The OPEC Fund for International Development (OFID)                                      | 3,750,000          | 318,004,125          | 7,500,000          | 636,750,000           |
| Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco) | 15,625,000         | 1,325,017,188        | 21,875,000         | 1,857,187,500         |
| Norwegian Invest. Fund for Developing Countries (Norfund)                               | 9,375,000          | 795,010,313          | 13,125,000         | 1,114,312,500         |
| International Finance Corporation (IFC)   | 16,666,666         | 1,413,351,610        | 50,000,000         | 4,245,000,000         |
| RAK BANK-Dubai  | 15,000,000         | 1,272,016,500        | 11,934,822         | 1,013,266,361         |
|   | <b>92,666,666</b>  | <b>7,858,235,210</b> | <b>153,934,822</b> | <b>13,069,066,361</b> |
| <b>7 Current deposits and other accounts</b>  |                    |                      |                    |                       |
| Current deposits  | 16,214             | 1,374,926            | 22,578             | 1,916,889             |
| Deposits from Banks- Term deposit   | -                  | -                    | -                  | -                     |
| Foreign Currency Deposits   | 6,349              | 538,420              | 1,940              | 164,721               |
| Sundry deposits   | 1,106,780          | 93,856,128           | 271,685            | 23,066,080            |
|   | <b>1,129,342</b>   | <b>95,769,474</b>    | <b>296,204</b>     | <b>25,147,691</b>     |

## Off-Shore Banking Unit

### Notes to the Financial Statements

|  | 31.12.2020        |                      | 31.12.2019        |                      |
|--|-------------------|----------------------|-------------------|----------------------|
|  | USD               | Taka                 | USD               | Taka                 |
| <b>8 Other liabilities</b>                       |                   |                      |                   |                      |
| Due to Head Office (note-8.1)                    | 16,743,203        | 1,419,842,041        | 19,487,900        | 1,654,522,676        |
| Accrued Interest for deposit                     | -                 | -                    | -                 | -                    |
| Interest Payable on Borrowings Outside Bd        | 716,536           | 60,763,029           | 1,361,396         | 115,582,523          |
| Others   | 15,108            | 1,281,137            | 10,372            | 880,618              |
| General Provision (Unclassified Loan)            | 1,125,555         | 95,448,271           | 1,718,228         | 145,877,569          |
| General Provision for off balance sheet items    | 9,147             | 775,689              | 34,809            | 2,955,288            |
|  | <b>18,609,548</b> | <b>1,578,110,166</b> | <b>22,612,705</b> | <b>1,919,818,674</b> |
| <b>8.1 Due to Head Office</b>                    |                   |                      |                   |                      |
| Payable to Head office (Transaction with DBU)    | 17,260,210        | 1,463,684,817        | 19,419,354        | 1,648,703,113        |
| Payable to Head Office (Retained Earnings)       | (517,007)         | (43,842,777)         | 68,546            | 5,819,564            |
|  | <b>16,743,203</b> | <b>1,419,842,041</b> | <b>19,487,900</b> | <b>1,654,522,676</b> |
| <b>9 Contingent liabilities</b>                  |                   |                      |                   |                      |
| Acceptance and Endorsements                      | 156,612           | 13,280,888           | 2,165,823         | 183,878,393          |
| Letter of Guarantee                              | -                 | -                    | -                 | -                    |
| Irrevocable Letter of Credit                     | 758,104           | 64,288,034           | 1,315,081         | 111,650,404          |
| Bills for Collection                             | -                 | -                    | -                 | -                    |
|  | <b>914,716</b>    | <b>77,568,921</b>    | <b>3,480,905</b>  | <b>295,528,797</b>   |
|  |                   |                      |                   |                      |
|  | 2020              |                      | 2019              |                      |
|  | USD               | Taka                 | USD               | Taka                 |
| <b>10 Interest income</b>                        |                   |                      |                   |                      |
| Bills purchased and discounted                   | 248,855           | 21,103,150           | 65,938            | 5,598,173            |
| Short Term Loan                                  | 737,198           | 62,515,188           | 3,082,092         | 261,669,572          |
| Time Loan  | 7,654,236         | 649,087,666          | 6,509,880         | 552,688,809          |
| Loan Against Trust Receipt                       | 77,334            | 6,557,990            | 10,727            | 910,723              |
| Overdraft  | 118,978           | 10,089,474           | 101,548           | 8,621,431            |
| Others   | 32,318            | 2,740,603            | 760,444           | 64,561,708           |
| <b>Interest on loans and advances</b>            | <b>8,868,919</b>  | <b>752,094,069</b>   | <b>10,530,629</b> | <b>894,050,416</b>   |
| Interest received from Head Office               | -                 | -                    | -                 | -                    |
| <b>Total Interest income</b>                     | <b>8,868,919</b>  | <b>752,094,069</b>   | <b>10,530,629</b> | <b>894,050,416</b>   |
| <b>11 Interest paid on deposits, borrowings,</b> |                   |                      |                   |                      |
| Interest paid to Head Office                     | 1,135,164         | 96,263,179           | 716,871           | 60,862,341           |
| Interest expenses for borrowing                  | 5,670,086         | 480,829,544          | 9,886,256         | 839,343,172          |
| Interest expenses for other bank- Local          | -                 | -                    | 823               | 69,849               |
|  | <b>6,805,250</b>  | <b>577,092,723</b>   | <b>10,603,950</b> | <b>900,275,362</b>   |
| <b>12 Commission, exchange and brokerage</b>     |                   |                      |                   |                      |
| Commission on L/C                                | 47,332            | 4,013,809            | 151,090           | 12,827,510           |
| Commission on acceptance                         | 24,471            | 2,075,172            | 57,166            | 4,853,370            |
| Export Bill Handling Charge                      | 28,485            | 2,415,546            | 31                | 2,625                |
|  | <b>100,288</b>    | <b>8,504,527</b>     | <b>208,286</b>    | <b>17,683,505</b>    |
| <b>13 Other operating income</b>                 |                   |                      |                   |                      |
| Fees & Charges                                   | 119,292           | 10,116,056           | 176,153           | 14,955,410           |
| Commission on Remittance                         | -                 | -                    | 170               | 14,432               |
|  | <b>119,292</b>    | <b>10,116,056</b>    | <b>176,323</b>    | <b>14,969,842</b>    |

# 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 2020 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 31 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 2020, 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 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.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon since we have not been provided with any such information.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

### **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 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 31 dealt with by the report are in agreement with the books of account.
- d. the capital to total risk requirement ratio as required by Bangladesh Securities and Exchange Commission has been maintained adequately during the year.

Dated, Dhaka  
25 March 2021

**ACNABIN Chartered Accountants**



**Muhammad Aminul Hoque, FCA**  
Partner

ICAB Enrollment No # 1129  
DVC:2103301 129 AS630824


**ONE Securities Limited**  
**Statement of Financial Position**  
As at 31 December 2020


|   |              | <b>31.12.2020</b>    | <b>31.12.2019</b>          | <b>01.01.2019</b>    |
|---|--------------|----------------------|----------------------------|----------------------|
|   | <b>Notes</b> | <b>Taka</b>          | <b>(Restated)<br/>Taka</b> | <b>Taka</b>          |
| <b>Non-Current Assets</b>   |              |                      |                            |                      |
| Property, plant and equipment (Prior year's balance restated)                 | 3            | 29,114,555           | 36,176,026                 | 22,532,174           |
| Investment in DSE and CSE shares  | 4            | 562,320,683          | 562,320,683                | 562,320,683          |
| <b>Total Non- Current Assets</b>  |              | <b>591,435,238</b>   | <b>598,496,709</b>         | <b>584,852,857</b>   |
| <b>Current Assets</b>   |              |                      |                            |                      |
| Advance deposits and prepayments (Prior year's balance restated)              | 5            | 2,123,733            | 386,801                    | 884,305              |
| Margin Loan to clients  | 6            | 93,941,718           | 87,706,768                 | 49,679,307           |
| Investment in shares  | 7            | 1,770,731,328        | 1,834,075,362              | 1,842,469,704        |
| Accounts Receivable and others  | 8            | 37,544,865           | 10,818,777                 | 16,031,995           |
| Advance income tax  | 9            | 142,451,939          | 120,590,057                | 107,627,366          |
| Deferred tax assets (Prior year's balance restated)                           | 17.3         | -                    | -                          | -                    |
| Cash and cash equivalents   | 10           | 404,288,304          | 215,559,521                | 237,906,539          |
| <b>Total Current Assets</b>   |              | <b>2,451,081,887</b> | <b>2,269,137,285</b>       | <b>2,254,599,216</b> |
| <b>Total Assets</b>   |              | <b>3,042,517,125</b> | <b>2,867,633,994</b>       | <b>2,839,452,072</b> |
| <b>Shareholders' Equity</b>   |              |                      |                            |                      |
| Share capital   | 11.2         | 2,500,000,000        | 2,500,000,000              | 2,500,000,000        |
| Retained earnings (Prior year's balance restated)                             | 12           | 151,897,858          | 70,833,449                 | 123,823,755          |
|   |              | <b>2,651,897,858</b> | <b>2,570,833,449</b>       | <b>2,623,823,755</b> |
| <b>Non-Current Liabilities</b>  |              |                      |                            |                      |
| Borrowing for special investment  | 13           | 6,768,097            | -                          | -                    |
| Deferred tax liability  | 17.3         | 777,497              | 1,568,767                  | -                    |
| Lease liabilities as per IFRS-16 (Long Term) (Prior year's balance restated)  | 14           | 4,304,573            | 7,365,879                  | -                    |
| <b>Total Non-Current Liabilities</b>  |              | <b>11,850,167</b>    | <b>8,934,646</b>           | <b>-</b>             |
| <b>Current Liabilities</b>  |              |                      |                            |                      |
| Other payable   | 15           | 89,151,632           | 21,789,666                 | 58,154,710           |
| Audit fee payable   | 16           | 30,000               | 30,000                     | 25,000               |
| Lease liabilities as per IFRS-16 (Short Term) (Prior year's balance restated) | 14           | 3,061,306            | 2,798,762                  | -                    |
| Other liabilities and provision   | 17           | 286,526,162          | 263,247,472                | 157,448,607          |
| <b>Total Current Liabilities</b>  |              | <b>378,769,100</b>   | <b>287,865,900</b>         | <b>215,628,317</b>   |
| <b>Total Equity and Liabilities</b>   |              | <b>3,042,517,125</b> | <b>2,867,633,994</b>       | <b>2,839,452,072</b> |

These Financial Statements should be read in conjunction with the annexed notes 1 to 31.

  
**Aminul Islam**  
Chief Executive Officer


  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**

  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103301 129 AS630824

Dhaka, 25 March 2021


**ONE Securities Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
For the year ended 31 December 2020

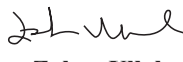
|  | Notes | 2020<br>Taka       | 2019 (Restated)<br>Taka |
|--|-------|--------------------|-------------------------|
| <b>Operating income (A)</b>  |       |                    |                         |
| Commission and brokerage income  | 18    | 37,923,394         | 28,634,481              |
| Interest income  | 19    | 30,936,262         | 29,269,929              |
| Investment income  | 20    | 80,153,802         | 45,242,485              |
| Other operating income   | 21    | 919,406            | 1,202,000               |
|  |       | <b>149,932,864</b> | <b>104,348,895</b>      |
| <b>Operating expenses (B)</b>  |       |                    |                         |
| Salary & allowances  | 22    | 26,530,753         | 29,274,674              |
| Rent, taxes, insurance, electricity etc. (Prior year's balance restated) | 23    | 1,177,880          | 1,979,468               |
| Interest expenses (Prior year's balance restated)                        | 24    | 978,319            | 1,370,361               |
| Auditors' fee  |       | 40,000             | 30,000                  |
| Directors' fees  |       | 66,000             | 128,750                 |
| Professional Fees  |       | 207,000            | 207,000                 |
| Bank charges   | 25    | 22,771             | 19,606                  |
| Printing & stationary  |       | 200,568            | 255,423                 |
| Repairs and maintenance  |       | 104,611            | 93,549                  |
| Depreciation (Prior year's balance restated)                             | 26    | 7,110,262          | 7,485,022               |
| Fees and renewal   | 27    | 2,311,899          | 2,056,547               |
| Direct expenses  | 28    | 3,466,046          | 2,906,516               |
| Others expenses  | 29    | 4,164,927          | 4,164,654               |
| <b>Total</b>   |       | <b>46,381,035</b>  | <b>49,971,569</b>       |
| <b>Profit before provision and tax (A-B)</b>                             |       | <b>103,551,829</b> | <b>54,377,326</b>       |
| Provision for diminution in value of share                               | 17.1  | -                  | 94,291,892              |
| General Provision for margin loan  | 17.4  | 939,417            | -                       |
| <b>Profit/(Loss) before taxes</b>  |       | <b>102,612,412</b> | <b>(39,914,565)</b>     |
| Current tax expense  | 17.2  | 22,339,272         | 11,506,974              |
| Deferred tax expense/ (income) (Prior year's balance restated)           | 17.3  | (791,270)          | 1,568,767               |
|  |       | 21,548,003         | 13,075,740              |
| <b>Net profit/(Loss) after taxation</b>                                  |       | <b>81,064,409</b>  | <b>(52,990,306)</b>     |
| Retained surplus brought forward   |       | 70,833,449         | 123,823,755             |
|  |       | 151,897,858        | 70,833,449              |
| Interim Dividend   |       | -                  | -                       |
| <b>Retained surplus carried forward</b>                                  |       | <b>151,897,858</b> | <b>70,833,449</b>       |
| <b>Earnings per Share (EPS) (Restated)</b>                               |       | <b>0.32</b>        | <b>(0.21)</b>           |

These Financial Statements should be read in conjunction with the annexed notes 1 to 31.

  
**Aminul Islam**  
Chief Executive Officer


  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**


  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103301 129 AS630824

Dhaka, 25 March 2021


**ONE Securities Limited**  
**Statement of Cash Flows**  
For the year ended 31 December 2020


|  | <b>2020</b><br><b>Taka</b> | <b>2019</b><br><b>Taka</b> |
|--|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>                            |                            |                            |
| Interest receipts in cash  | 32,608,497                 | 26,009,516                 |
| Commission and brokerage receipts in cash                              | 37,923,394                 | 28,634,481                 |
| Interest payments  | (978,319)                  | (1,370,361)                |
| Dividend receipts  | 67,327,836                 | 32,214,151                 |
| Income taxes paid  | (21,861,882)               | (12,962,691)               |
| Advance to suppliers and others  | (1,736,932)                | 17,504                     |
| Receipt from/ payment to exchanges                                     | 2,179,167                  | (204,968)                  |
| Receipt from/ payment to customers and others                          | 35,323,556                 | (23,552,683)               |
| Loan to clients  | (6,234,950)                | (38,027,462)               |
| Receipts from other operating activities                               | 14,827,639                 | 11,524,666                 |
| Operating expenses   | (37,913,800)               | (42,539,281)               |
| <b>A) Net Cash used in Operating Activities</b>                        | <b>121,464,206</b>         | <b>(20,257,128)</b>        |
| <b>Cash Flows from Investing Activities</b>                            |                            |                            |
| Net purchase/sales of securities                                       | 63,344,034                 | 8,394,342                  |
| Net purchase/Sale of fixed assets                                      | (48,791)                   | (7,925,497)                |
| <b>B) Net Cash used in Investing Activities</b>                        | <b>63,295,243</b>          | <b>468,845</b>             |
| <b>Cash Flows from Financing Activities</b>                            |                            |                            |
| Receipts from issue of shares  | -                          | -                          |
| Payment of lease liability   | (2,798,762)                | (2,558,735)                |
| Short term borrowing   | 6,768,097                  | -                          |
| <b>C) Net Cash from Financing Activities</b>                           | <b>3,969,335</b>           | <b>(2,558,735)</b>         |
| <b>D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)</b> | <b>188,728,783</b>         | <b>(22,347,018)</b>        |
| Opening Cash and cash equivalents                                      | 215,559,521                | 237,906,538                |
| <b>Closing cash and cash equivalents</b>                               | <b>404,288,304</b>         | <b>215,559,521</b>         |

These Financial Statements should be read in conjunction with the annexed notes 1 to 31.

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman


Dhaka, 25 March 2021


**ONE Securities Limited**  
**Statement of Changes in Equity**  
For the year ended 31 December 2020


| Amount in Taka                        |                 |                   |               |
|---------------------------------------|-----------------|-------------------|---------------|
| Particulars                           | Paid-up Capital | Retained Earnings | Total         |
| Balance as at 01 January 2020         | 2,500,000,000   | 70,833,449        | 2,570,833,449 |
| Net profit / (loss) during the period | -               | 81,064,409        | 81,064,409    |
| Interim Dividend                      | -               | -                 | -             |
| Balance as at 31 December 2020        | 2,500,000,000   | 151,897,858       | 2,651,897,858 |
| Balance as at 31 December 2019        | 2,500,000,000   | 70,833,449        | 2,570,833,449 |

These Financial Statements should be read in conjunction with the annexed notes 1 to 31.

  
**Aminul Islam**  
Chief Executive Officer

  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

Dhaka, 25 March 2021

**ONE Securities Limited**  
**Notes to the Financial Statements**  
For the period ended 31 December 2020

**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**

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components-

- a. Statement of Financial Position;
- b. Statement of Profit or Loss and Other Comprehensive Income;
- c. Statement of Changes in Equity;
- d. Statement of Cash Flows;
- e. Notes, comprising a summary of significant accounting policies and other explanatory information for the period; and
- f. Comparative information in respect of preceding period; and
- g. Statement of financial position at the beginning of preceding period for retrospective restatement.

**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

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 IFRS 16: Leases

ONE Securities Limited has applied IFRS 16: "Leases" for the first time using modified retrospective approach, with effect from 01 January 2019, where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application, i.e., 01 January 2019 at the date of the initial application on a lease by lease basis.

The Company did not recognized the lease liability and right of use asset in 2019. So, the prior year's balance of 2019 has been restated showing the effect of recognizing the lease liability and right of use asset from the date of initial recognition, i.e., 01 January 2019.

Upon lease commencement the company 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 company.

## ONE Securities Limited

### Notes to the Financial Statements

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. incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Company 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 Company recognizes lease payments associated with these leases as an expenses.

On the balance sheet, Right-of-Use Assets have been included under property plant and equipment and Lease Liabilities have been separated into Lease liabilities as per IFRS-16 (Long Term) & Lease liabilities as per IFRS-16 (Short Term) under Non-Current Liabilities and Current Liabilities respectively.

#### **2.9 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.

#### **2.10 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.

#### **2.11 Provision for taxation**

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

#### **2.12 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.

#### **2.13 Dividend income**

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

#### **2.14 Share capital**

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

#### **2.15 Reporting period**

These financial statements cover period from January 01, 2020 to December 31, 2020.

#### **2.16 Departures from IFRS**

The Financial Reporting Council (FRC) has been formed in 2017, but no financial reporting standards have yet been issued as per the provisions of the Financial Reporting Act (FRA) 2015. Hence, the financial statements of the Company as at and for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and as per the requirements of the provisions, circulars, rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and The Income Tax Ordinance 1984. In case any requirements of the BSEC provisions, circulars, rules and regulations differ from those of IFRS, the requirements of BSEC provisions, circulars rules and regulations shall prevail, and such departures from IFRS have been followed accordingly. In addition, there has been a departure from the provisions of IFRS 9 with regard to interest income. Material departures from the requirements of IFRS are as follows:

##### **i) Provision for diminution in value of investment in shares and provision for margin loan**

IFRS: In accordance with IFRS 9, an entity should recognize a loss allowance for expected credit losses

## ONE Securities Limited

### Notes to the Financial Statements

on a financial asset and shall not reduce the carrying amount of the financial asset in the statement of financial position. The objective of the impairment requirements is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis considering all reasonable and supportable information, including that which is forward-looking. An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

BSEC: As per BSEC press release #BSEC/Surveillance/Mukhopatro(5th Khondo)/2019/159 dated January 07, 2020, provision has been made at the rate of 20% of the difference of cost price and market value for diminution in value of share at the year-end of 2019. Besides, as per BSEC circular reference # BSEC/SARVAILANCE/MUKHOPATRO(Fifth part)/2019/196 dated July 16, 2020, the provision for diminution in value of share can be deferred upto December 2023. Also, if the Company wants, it may not keep provision for the year 2020. However, we have maintained provision 27.16% for the difference of cost price and market value.

Besides, general provision for margin exposures has been made for the year as mandatory provision as prescribed by part B of schedule C rule 5(2) of BSEC notification no. BSEC/CMRRCD/2017-357/221/admin/89 dated May 22, 2019.

#### ii) Valuation of shares of DSE and CSE

IFRS: As per para-5.2.2 of IFRS-9, an entity shall apply the impairment requirements to financial assets that are measured at amortized cost in accordance with paragraph 4.1.2 of IFRS-9 and to financial assets that are measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS-9.

Departure: There is no active market for shares in DSE and CSE and the sale price to Strategic Investor, Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE), has been determined through negotiation. The sale had to be made within the time limit as given in the Exchange Demutualization Act-2013 and approved by the Bangladesh Securities and Exchange Commission (BSEC). This was not a transaction in active market. And we strongly believe that with the involvement of the strategic partners and the development of capital market under the guidance of the BSEC, the share price of the exchanges will increase significantly.

#### 2.17 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.

#### 2.18 Directors' responsibility on Financial Statements

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

#### 2.19 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 "Events After the Reporting Period".

#### 2.20 Date of authorization

The Board of Directors accorded its approval and authorized these financial statements on 25 March 2021.

#### 2.21 Branch Details

The Company has a total 01 number of Branch office, One Extension Office (excluding Head Office) as on 31 December 2020.

#### 2.22 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 2020 as per IAS-33 "Earnings Per Share".

# ONE Securities Limited

## Notes to the Financial Statements

### 2.23 General

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

### 2.24 Changes in Significant Accounting policies

#### 2.24.1 Leases

The Company has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019 (note-2.24). IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The company has contracts for renting premises which were classified as operating lease earlier under IAS 17. Under IFRS 16, OSL recognizes Right-of-use assets and lease liabilities for all leases as a lessee and does not required to make any adjustments on transitions for which it acts as a lessor.

#### 2.24.2 Impact on transition to IFRS 16

Right of use assets was recognized and presented in the fixed assets schedule as separate line item. This includes the lease liabilities and advance office rent. Lease liabilities derived from present value of all rental payments for two locations. The impact on transition with retrospective effect as at 1 January 2019 is summarized below:

|   | Amount in BDT           |                                    |                         |
|---|-------------------------|------------------------------------|-------------------------|
| Impact on opening balance as of 1 January | As at 1 January<br>2020 | As at 1 January<br>2019 (restated) | As at 1 January<br>2019 |
| Right-of-use assets (WDV)                 | 15,968,584              | 20,627,377                         | -                       |
| Deferred tax liabilities                  | 1,568,767               | -                                  | -                       |
| Lease liabilities                         | 10,164,641              | 12,723,377                         | -                       |
| Retained earnings                         | 70,833,449              | -                                  | -                       |

When measuring lease liabilities OSL discounted lease payments using its incremental borrowing rate at 9.00% as at 1 January 2019 and at 9.00% as at 1 January 2020.

| Impact on profit or loss account               | Amount in BDT  |                    |
|--|----------------|--------------------|
|  | 2020           | 2019 (restated)    |
| Increase in depreciation on right-of-use asset | 4,658,793      | 4,658,793          |
| Increase in finance cost                       | 801,238        | 1,041,265          |
| Decrease in rent expenses                      | 5,280,000      | 5,280,000          |
| Increase/(decrease) in deferred tax expenses   | (710,818)      | 2,031,380          |
| Increase/(decrease) in profit for the year     | <b>530,788</b> | <b>(2,451,437)</b> |
| Impact on EPS                                  | 0.00           | (0.01)             |

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

**Impact on assets & liabilities as at 31 December**

|                                | 2020        | 2019 (restated) |
|--------------------------------|-------------|-----------------|
| <b>Assets</b>                  |             |                 |
| Right-of-use assets (WDV)      | 11,309,791  | 15,968,584      |
| <b>Liabilities</b>             |             |                 |
| Deferred tax liabilities       | 777,497     | 1,568,767       |
| Lease liabilities              | 7,365,879   | 10,164,641      |
| Retained earnings              | 151,897,858 | 70,833,449      |
| <b>25 Correction of errors</b> |             |                 |

OSL did not apply "IFRS 16: Leases" in preparation of financial statements for the year 2019. IFRS 16 was effective for annual periods that begin on or after 1 January 2019. OSL has contracts for renting premises which were classified as operating lease under IAS 17 Leases. The company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application (if any) is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information for earlier period (2018) need not to be restated. Since the company did not implement IFRS 16 for the year 2019, it has now restated each affected financial line item in the comparatives for the year 2019 given in the 2020 financial statements.

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

The following tables summarizes the impacts of OSL's financial statements

**Balance sheet**

As at December 2019

|   | <b>Impact of correction of error</b> |                    |                      |
|---|--------------------------------------|--------------------|----------------------|
|   | <b>As previously reported</b>        | <b>Adjustments</b> | <b>As restated</b>   |
| <b>Non-Current Assets</b>                     |                                      |                    |                      |
| Property, plant and equipment                 | 20,207,442                           | 15,968,584         | 36,176,026           |
| Investment in DSE and CSE shares              | 562,320,683                          | -                  | 562,320,683          |
| <b>Total Non- Current Assets</b>              | <b>582,528,125</b>                   | <b>15,968,584</b>  | <b>598,496,709</b>   |
| <b>Current Assets</b>                         |                                      |                    |                      |
| Advance deposits and prepayments              | 6,610,801                            | (6,224,000)        | 386,801              |
| Margin Loan to clients                        | 87,706,768                           | -                  | 87,706,768           |
| Investment in shares                          | 1,834,075,362                        | -                  | 1,834,075,362        |
| Accounts Receivable and others                | 10,818,777                           | -                  | 10,818,777           |
| Advance income tax                            | 120,590,057                          | -                  | 120,590,057          |
| Deferred tax assets                           | 462,613                              | (462,613)          | -                    |
| Cash and cash equivalents                     | 215,559,521                          | -                  | 215,559,521          |
| <b>Total Current Assets</b>                   | <b>2,275,823,899</b>                 | <b>(6,686,613)</b> | <b>2,269,137,285</b> |
| <b>Total Assets</b>                           | <b>2,858,352,023</b>                 | <b>9,281,971</b>   | <b>2,867,633,994</b> |
| <b>Shareholders' Equity</b>                   |                                      |                    |                      |
| Share capital                                 | 2,500,000,000                        | -                  | 2,500,000,000        |
| Retained earnings                             | 73,284,885                           | (2,451,436)        | 70,833,449           |
|   | <b>2,573,284,885</b>                 | <b>(2,451,436)</b> | <b>2,570,833,449</b> |
| <b>Non-Current Liabilities</b>                |                                      |                    |                      |
| Borrowing for special investment              | -                                    | -                  | -                    |
| Deferred tax liability                        | -                                    | 1,568,767          | 1,568,767            |
| Lease liabilities as per IFRS-16 (Long Term)  | -                                    | 7,365,879          | 7,365,879            |
| <b>Total Non-Current Liabilities</b>          | <b>8,934,646</b>                     | <b>8,934,646</b>   | <b>8,934,646</b>     |
| <b>Current Liabilities</b>                    |                                      |                    |                      |
| Other payable                                 | 21,789,666                           | -                  | 21,789,666           |
| Audit fee payable                             | 30,000                               | -                  | 30,000               |
| Lease liabilities as per IFRS-16 (Short Term) | -                                    | 2,798,762          | 2,798,762            |
| Other liabilities and provision               | 263,247,472                          | -                  | 263,247,472          |
| <b>Total Current Liabilities</b>              | <b>285,067,138</b>                   | <b>2,798,762</b>   | <b>287,865,900</b>   |
| <b>Total Equity and Liabilities</b>           | <b>2,858,352,023</b>                 | <b>9,281,972</b>   | <b>2,867,633,994</b> |

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

**Profit and Loss Account**

For the year ended 31 December 2019

**Impact of correction of error**

|  | <b>As previously<br/>reported</b> | <b>Adjustments</b>  | <b>As restated</b>  |
|--|-----------------------------------|---------------------|---------------------|
| <b>Operating income (A)</b>                  |                                   |                     |                     |
| Commission and brokerage income              | 28,634,481                        | -                   | 28,634,481          |
| Interest income                              | 29,269,929                        | -                   | 29,269,929          |
| Investment income                            | 45,242,485                        | -                   | 45,242,485          |
| Other operating income                       | 1,202,000                         | -                   | 1,202,000           |
|  | <b>104,348,893</b>                | <b>-</b>            | <b>104,348,895</b>  |
| <b>Operating expenses (B)</b>                |                                   |                     |                     |
| Salary & allowances                          | 29,274,674                        | -                   | 29,274,674          |
| Rent, taxes, insurance, electricity etc      | 7,259,468                         | (5,280,000)         | 1,979,468           |
| Interest expenses                            | 329,096                           | 1,041,265           | 1,370,361           |
| Auditors' fee                                | 30,000                            | -                   | 30,000              |
| Directors' fees                              | 128,750                           | -                   | 128,750             |
| Professional Fees                            | 207,000                           | -                   | 207,000             |
| Bank charges                                 | 19,606                            | -                   | 19,606              |
| Printing & stationary                        | 255,423                           | -                   | 255,423             |
| Repairs and maintenance                      | 93,549                            | -                   | 93,549              |
| Depreciation                                 | 2,826,229                         | 4,658,793           | 7,485,022           |
| Fees and renewal                             | 2,056,547                         | -                   | 2,056,547           |
| Direct expenses                              | 2,906,516                         | -                   | 2,906,516           |
| Others expenses                              | 4,164,654                         | -                   | 4,164,654           |
| <b>Total</b>                                 | <b>49,551,511</b>                 | <b>420,058</b>      | <b>49,971,569</b>   |
| <b>Profit before provision and tax (A-B)</b> | <b>54,797,382</b>                 | <b>(420,058)</b>    | <b>54,377,326</b>   |
| Provision for diminution in value of share   | 94,291,892                        | -                   | 94,291,892          |
| General Provision for margin loan            | -                                 | -                   | -                   |
| <b>Profit/(Loss) before tax</b>              | <b>(39,494,509)</b>               | <b>(39,494,509)</b> | <b>(39,914,565)</b> |
| Current tax expense                          | 11,506,974                        | -                   | 11,506,974          |
| Deffered tax expense/ (income)               | (462,613)                         | 2,031,380           | 1,568,767           |
|  | 11,044,360                        | 2,031,380           | 13,075,740          |
| <b>Net profit/(Loss) after Tax</b>           | <b>(50,538,870)</b>               | <b>(2,451,436)</b>  | <b>(52,990,306)</b> |
| Retained surplus brought forward             | 123,823,755                       | -                   | 123,823,755         |
|  | 73,284,885                        | (2,451,436)         | 70,833,449          |
| Interim Dividend                             | -                                 | -                   | -                   |
| <b>Retained surplus carried forward</b>      | <b>73,284,885</b>                 | <b>(2,451,436)</b>  | <b>70,833,449</b>   |
| <b>Earnings per Share (EPS)</b>              | <b>(0.20)</b>                     | <b>(0.01)</b>       | <b>(0.21)</b>       |

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

|  | 31.12.2020        | 31.12.2019        |
|--|-------------------|-------------------|
|  | <u>Taka</u>       | <u>Taka</u>       |
| <b>3 Property, plant and equipment</b>                     |                   |                   |
| Furniture & fixtures                                       | 21,216,011        | 21,216,011        |
| Office equipment   | 11,129,069        | 11,080,278        |
| Right of use Assets (RoU)* (Prior year's balance restated) | 20,627,377        | 20,627,377        |
|  | 52,972,457        | 52,923,666        |
| Intangible Assets  | 1,710,000         | 1,710,000         |
|  | <b>54,682,457</b> | <b>54,633,666</b> |
| Less: Accumulated depreciation                             |                   |                   |
| Furniture & fixtures                                       | 7,700,386         | 6,198,649         |
| Office equipment   | 6,839,933         | 5,900,200         |
| Right of use Assets (RoU)* (Prior year's balance restated) | 9,317,586         | 4,658,793         |
| Intangible Assets  | 1,709,997         | 1,699,998         |
|  | <b>25,567,902</b> | <b>18,457,640</b> |
| Closing balance  | <b>29,114,555</b> | <b>36,176,026</b> |

\*As per IFRS-16, the company has recognised the Right of use Assets. It has applied IFRS 16: "Leases" for the first time using modified retrospective approach, with effect from 01 January 2019, where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application, i.e., 01 January 2019 at the date of the initial application on a lease by lease basis.

The Company did not recognized the lease liability and right of use asset in 2019. So, the prior year's balance of 2019 has been restated showing the effect of recognizing right of use asset from the date of initial recognition, i.e., 01 January 2019.

(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        |
|               | <b>562,320,683</b> | <b>562,320,683</b> |

This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission's (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the ownership as a TREC Holder of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for transaction the shares of DSE and CSE, 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, 2020 we have total 5,411,329 shares of Dhaka Stock Exchange Ltd (DSE) and 42,87,330 shares of Chittagong Stock Exchange Ltd (CSE).

# ONE Securities Limited

## Notes to the Financial Statements

|   | 31.12.2020       | 31.12.2019     |
|---|------------------|----------------|
|   | <u>Taka</u>      | <u>Taka</u>    |
| <b>5 Advance deposits and prepayments</b>                               |                  |                |
| Amount paid to Chittagong Stock Exchange as deposit for clearing house. | 50,000           | 50,000         |
| Security Deposit to CDBL for depositary participant                     | 200,000          | 200,000        |
| Advance payment for rent (Prior year's balance restated)                | -                | -              |
| Prepaid insurance premium   | 134,807          | 136,801        |
| Advance to contractor   | 1,738,926        | -              |
|   | <b>2,123,733</b> | <b>386,801</b> |

The Company has applied IFRS 16: "Leases" for the first time using modified retrospective approach, with effect from 01 January 2019, where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application, i.e., 01 January 2019 at the date of the initial application on a lease by lease basis.

The Company did not recognized the lease liability and right of use asset in 2019. So, the prior year's balance of 2019 has been restated showing the effect of recognizing the right of use asset adjusted by the balance of advance payment for rent from the date of initial recognition, i.e., 01 January 2019.

|  | 93,941,718        | 87,706,768        |
|--|-------------------|-------------------|
| <b>6 Margin Loan to clients</b>  |                   |                   |
| 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)            | 2,518,352         | 15,664,736        |
| Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)              | 11,799,923        | 1,830,034         |
| Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)                           | 79,623,443        | 70,211,998        |
|  | <b>93,941,718</b> | <b>87,706,768</b> |

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

|  |                      |                      |
|--|----------------------|----------------------|
| <b>7 Investment in Shares:</b>                                 |                      |                      |
| Investment in share (Note no-7.1)                              | 1,763,759,570        | 1,834,075,362        |
| Investment in share (Special Investment Account) {Note no-7.2} | 6,971,758            | -                    |
|  | <b>1,770,731,328</b> | <b>1,834,075,362</b> |

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

**7.1 The details of the investment in shares are as follows (as on December 31, 2020):**

| SI # | Company Name                              | Business Segments      | Categories | No. of Shares | Cost of Shares       | Market value         |
|------|---|------------------------|------------|---------------|----------------------|----------------------|
| 1    | Bank Asia Limited                         | Banks                  | A          | 2,351,060     | 49,197,203           | 42,789,292           |
| 2    | The City Bank Ltd                         | Banks                  | A          | 13,012,051    | 434,161,770          | 322,698,865          |
| 3    | Eastern Bank Ltd.                         | Banks                  | A          | 406,028       | 17,409,851           | 14,617,008           |
| 4    | Exim Bank Ltd.                            | Banks                  | A          | 1,117,483     | 20,339,382           | 13,186,299           |
| 5    | IFIC Bank Limited                         | Banks                  | A          | 2,565,729     | 38,530,120           | 38,999,081           |
| 6    | Islami Bank Bangladesh Limited            | Banks                  | A          | 2,276,208     | 84,832,552           | 61,002,374           |
| 7    | Jamuna Bank Ltd.                          | Banks                  | A          | 131,831       | 2,315,997            | 2,478,423            |
| 8    | Mercantile Bank Ltd.                      | Banks                  | A          | 7,500,614     | 154,143,211          | 95,257,798           |
| 9    | National Bank Ltd.                        | Banks                  | A          | 26,488,321    | 314,074,144          | 185,418,247          |
| 10   | Prime Bank Ltd.                           | Banks                  | A          | 3,663,047     | 97,262,893           | 62,638,104           |
| 11   | Pubali Bank Ltd.                          | Banks                  | A          | 35,416        | 1,064,749            | 853,526              |
| 12   | Southeast Bank Ltd.                       | Banks                  | A          | 822,079       | 12,585,819           | 10,275,988           |
| 13   | Standard Bank Ltd.                        | Banks                  | A          | 1,010,047     | 13,115,297           | 8,383,390            |
| 14   | AB Bank Ltd.                              | Banks                  | B          | 2,405,212     | 56,618,593           | 29,103,065           |
| 15   | M.I. Cement Factory Ltd.                  | Cement                 | A          | 24,391        | 2,267,084            | 1,131,742            |
| 16   | LafargeHolcim Bangladesh Ltd.             | Cement                 | A          | 2,685,285     | 207,565,065          | 128,356,623          |
| 17   | RAK Ceramics (BD) Ltd.                    | Ceramics               | A          | 100,988       | 5,018,167            | 2,635,787            |
| 18   | GPH Ispat Ltd.                            | Engineering            | A          | 24,308        | 687,389              | 743,825              |
| 19   | Ifad Autos Limited                        | Engineering            | A          | 63,954        | 7,706,274            | 3,018,629            |
| 20   | Navana CNG Limited                        | Engineering            | A          | 35,032        | 1,561,276            | 1,299,687            |
| 21   | Runner Automobiles Ltd.                   | Engineering            | A          | 7,566         | 540,450              | 385,109              |
| 22   | British American Tobacco BD. Comp. Ltd.   | Food & Allied          | A          | 2,330         | 2,571,034            | 2,751,264            |
| 23   | Investment Corporation of Bangladesh Ltd. | Financial Institutions | A          | 49,358        | 7,557,080            | 4,876,570            |
| 24   | IPDC Finance Limited                      | Financial Institutions | A          | 111,193       | 3,041,051            | 3,068,927            |
| 25   | LankaBangla Finance Ltd.                  | Financial Institutions | A          | 2,206,618     | 100,653,200          | 69,287,805           |
| 26   | Jamuna Oil Company Ltd.                   | Fuel & Power           | A          | 67,000        | 14,449,124           | 11,088,500           |
| 27   | MJL Bangladesh Limited                    | Fuel & Power           | A          | 372,214       | 44,834,066           | 28,623,257           |
| 28   | Summit Power Limited                      | Fuel & Power           | A          | 116,000       | 5,051,676            | 4,512,400            |
| 29   | Intraco Refueling Station Ltd.            | Fuel & Power           | A          | 242,638       | 10,325,746           | 4,537,331            |
| 30   | Titas Gas Transmission & Dist. Co. Ltd.   | Fuel & Power           | A          | 293,850       | 10,443,378           | 9,050,580            |
| 31   | Square Pharmaceuticals Ltd.               | Pharma.& Chemicals     | A          | 24,522        | 6,669,021            | 5,382,579            |
| 32   | Grameenphone Ltd.                         | Telecommunication      | A          | 46,784        | 23,952,689           | 16,238,726           |
| 33   | Robi Axiata Limited                       | Telecommunication      | N          | 271,254       | 2,712,540            | 8,083,369            |
| 34   | Square Textile Ltd.                       | Textile                | A          | 148,191       | 9,561,629            | 4,416,092            |
| 35   | Esquire Knit Composite Ltd.               | Textile                | A          | 20,890        | 940,050              | 549,407              |
|      |   |                        |            |               | <b>1,763,759,570</b> | <b>1,197,739,669</b> |

# ONE Securities Limited

## Notes to the Financial Statements

|   | 31.12.2020         | 31.12.2019         |
|---|--------------------|--------------------|
|   | <u>Taka</u>        | <u>Taka</u>        |
| <b>7.2 Investment in share (Special Investment Account)</b>   |                    |                    |
| Jamuna Bank Ltd.  | 3,695,207          | -                  |
| Mercantile Bank Ltd.  | 2,233,791          | -                  |
| Prime Bank Ltd.   | 1,042,760          | -                  |
|   | <b>6,971,758</b>   | <b>-</b>           |
| * The investment in share is made from the amount received from ONE Bank Limited for special investment vide Bangladesh Bank DOS Circular No. 01 Dated 10th February, 2020. As per the requirement of the circular, this investment is shown at cost. |                    |                    |
| <b>8 Accounts Receivable and others</b>   |                    |                    |
| Receivable from DSE-Investor (Note- 8.1)  | 30,117,017         | 1,145,804          |
| Receivable from CSE-Investor (Note- 8.2)  | 32,100             | -                  |
| Receivable from CSE-Dealer (Note- 8.3)  | 428,633            | -                  |
| Other Receivables   | 48,642             | -                  |
| Interest receivable   | 3,151,409          | 4,823,644          |
| Dividend receivable   | 3,767,064          | 4,849,330          |
|   | <b>37,544,865</b>  | <b>10,818,777</b>  |
| <b>8.1 Receivable from DSE Investor (categorize as A, B, G, N, Z and DVP)</b>   |                    |                    |
| Receivable against A, B, G and N category   | 27,946,450         | 30,609             |
| Receivable against Z category   | 2,170,567          | 1,115,195          |
| Receivable against DVP category   | -                  | -                  |
|   | <b>30,117,017</b>  | <b>1,145,804</b>   |
| <b>8.2 Receivable from CSE Investor (categorize as A, B, G, N, Z and DVP)</b>   |                    |                    |
| Receivable against A, B, G and N category   | -                  | -                  |
| Receivable against Z category   | 32,100             | -                  |
| Receivable against DVP category   | -                  | -                  |
|   | <b>32,100</b>      | <b>-</b>           |
| <b>8.3 Receivable from CSE-Dealer (categorize as A, B, G, N, Z and DVP)</b>   |                    |                    |
| Receivable against A, B, G and N category   | 428,633            | -                  |
| Receivable against Z category   | -                  | -                  |
| Receivable against DVP category   | -                  | -                  |
|   | <b>428,633</b>     | <b>-</b>           |
| <b>9 Advance income tax</b>   |                    |                    |
| Opening balance   | 120,590,057        | 107,627,366        |
| Paid during the year (Note-9.1)   | 21,861,882         | 12,962,691         |
| Closing balance   | <b>142,451,939</b> | <b>120,590,057</b> |
| <b>9.1 Paid during the year</b>   |                    |                    |
| Advance tax paid with Appeal to Appellate Tribunal  | -                  | 451,827            |
| Advance tax paid for the Assesment Year 2015-2016   | 231,527            | -                  |
| Advance tax paid for the Assesment Year 2019-2020   | -                  | 55,257             |
| Advance tax on FDR interest   | 1,147,384          | 934,910            |
| Advance income tax deducted on Dividend   | 13,465,512         | 6,442,794          |
| Advance income tax deducted by DSE on transaction   | 6,079,983          | 4,541,845          |
| Advance income tax deducted by DSE on transaction for Dealer  | 65,181             | 18,027             |
| Advance income tax deducted by CSE on transaction for Dealer  | 11,839             | 967                |
| Advance income tax deducted by CSE on transaction   | 105,902            | 91,798             |
| Advance income tax deducted by Bank on Deposit  | 476,024            | 407,064            |
| Advance income tax deducted by Bank on Deposit Dealer   | 278,530            | 18,202             |
|   | <b>21,861,882</b>  | <b>12,962,691</b>  |

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

|  | 31.12.2020  | 31.12.2019           |
|--|---|----------------------|
|  | <u>Taka</u>   | <u>Taka</u>          |
| <b>9.2 Year wise Payment for advance Income Tax are as follows:</b>    |   |                      |
| Upto year 2014   | 13,126,282  | 13,126,282           |
| Year 2015  | 2,597,900   | 2,597,900            |
| Year 2016  | 19,470,659  | 19,470,659           |
| Year 2017  | 28,499,887  | 28,499,887           |
| Year 2018  | 43,932,638  | 43,932,638           |
| Year 2019  | 12,962,691  | 12,962,691           |
| Year 2020  | 21,861,882  | -                    |
|  | <b>142,451,939</b>                                  | <b>120,590,057</b>   |
| <b>10 Cash and Bank Balance</b>  |   |                      |
| Cash in Hand   | 13,197  | 10,905               |
| Cash at Bank *   | 251,763,432   | 57,069,264           |
| Investment in FDR *  | 152,511,675   | 158,479,352          |
|  | <b>404,288,304</b>                                  | <b>215,559,521</b>   |
| <b>* For details please refer to Annexure- B</b>                       |   |                      |
| <b>11 Share Capital</b>  |   |                      |
| <b>11.1 Authorized capital</b>   |   |                      |
| 40,00,00,000 Ordinary Shares of Taka 10/- each.                        | <b>4,000,000,000</b>                                | <b>4,000,000,000</b> |
| <b>11.2 Issued, Subscribed and Paid-up Capital</b>                     |   |                      |
| 25,00,00,000 ordinary shares of Taka 10/- each fully paid.             | <b>2,500,000,000</b>                                | <b>2,500,000,000</b> |
| <b>11.3 Shareholding position of the company</b>                       |   |                      |
| <b><u>Name of Shareholders</u></b>                                     | <b><u>Number of Shares</u><u>Amount in Taka</u></b> |                      |
| 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                  |
|  | <b>250,000,000</b>                                  | <b>2,500,000,000</b> |
| <b>11.4 Capital to regulatory capital requirement as on 31.12.2020</b> |   |                      |
| <b>A. Eligible Capital</b>   |   |                      |
| <b>(i) Core capital</b>  |   |                      |
| Paid up capital  | 2,500,000,000                                       |                      |
| Capital Reserve  | -   |                      |
| Retained earnings  | 151,897,858   |                      |
|  | <b>2,651,897,858</b>                                |                      |
| <b>(ii) Supplementary Capital</b>                                      |   |                      |
| General provision  | 751,534   |                      |
| Specific provision   | -   |                      |
|  | <b>751,534</b>                                      |                      |
| <b>B.Total Eligible capital (i+ii)</b>                                 | <b>2,652,649,392</b>                                |                      |

# ONE Securities Limited

## Notes to the Financial Statements

|   | 31.12.2020           |
|---|----------------------|
|   | <u>Taka</u>          |
| <b>C. Total risk requirement</b>                                      | 199,226,629          |
| <b>D. Required capital (120% of total risk requirement)</b>           | 239,071,954          |
| <b>E. Capital surplus (B-D)</b>                                       | <u>2,413,577,437</u> |
| <b>F. Capital adequacy ratio</b>                                      | <u>1331.47%</u>      |
| Core capital to total risk requirement                                | 1331.10%             |
| Supplementary to total risk requirement                               | 0.38%                |
| <b>G. Operational risk requirement</b>                                | 13,451,536           |
| <b>H. Core capital to operational risk requirement (minimum 100%)</b> | <b>197 Times</b>     |

The Detail Computation of Capital Adequacy has been shown "Annexure - C"

The computation of capital adequacy should be disclosed as a part of financial statements as per the requirement of Paragraph 9(8) of the BSEC (Risk Based Capital Adequacy) Rules, 2019. As per Paragraph 4(1)(c) of the same Rule, the capital adequacy after one year of the effective date of this Rule, i.e., 22 May 2019. So, the Company started the calculation of capital adequacy from the year 2020 and comparative information for the year 2019 is not presented.

|  | 31.12.2020           | 31.12.2019           |
|--|----------------------|----------------------|
|  | <u>Taka</u>          | <u>Taka</u>          |
| <b>11.5 Net Capital to aggregate liabilities Ratio as on 31.12.2020</b>  |                      |                      |
| <b>A. Liquid Assets</b>  |                      |                      |
| Cash in hand or in Bank  | 251,776,629          | 57,080,169           |
| Customers' debit balances receivable within thirty days  | 93,941,718           | 87,706,768           |
| Amounts receivable in the ordinary course of business, but excluding amounts which are due to be settled against deliveries of security and remain outstanding for more than five banking days | 30,577,750           | 1,145,804            |
| Market value of net investment in securities traded in a stock exchange  | 1,197,739,669        | 1,064,903,101        |
| Market value of net investment in securities traded in a stock exchange (Special Investment Accounts)  | 7,102,319            | -                    |
| <b>Total Liquid Assets</b>   | <u>1,581,138,085</u> | <u>1,210,835,841</u> |
| <b>B. Designated Liabilities</b>   |                      |                      |
| Amount Payable in the ordinary course of dealing in  | 32,156,228           | 484,823              |
| Overdraft & Loan from banks  | 6,768,097            | -                    |
| Accrued Expenses   | 3,985,412            | 3,577,174            |
| All other liabilities that are regarded as liabilities under generally accepted accounting principles in Bangladesh which are payable within thirty days.                                      | 48,626,022           | 17,193,317           |
| <b>Total Designated Liabilities</b>  | <u>91,535,759</u>    | <u>21,255,314</u>    |
| <b>C. Net Capital Balance (A-B)</b>  | <u>1,489,602,326</u> | <u>1,189,580,527</u> |
| <b>Aggregate Liabilities = Short Term Liabilities + Long Term Liabilities</b>  | <b>390,619,267</b>   | <b>296,800,546</b>   |
| <b>Aggregate Indebtedness Ratio</b>  | <b>1:0.26</b>        | <b>1:0.25</b>        |
| <b>Maximum Permissible Ratio</b>   | <b>1:20</b>          | <b>1:20</b>          |

### 12 Retained earnings

|  |                    |                   |
|--|--------------------|-------------------|
| Net profit/(Loss) after provision  | 81,064,409         | (52,990,306)      |
| Retained surplus brought forward (Prior year's balance restated) (Note 12.1) | 70,833,449         | 123,823,755       |
|  | <u>151,897,858</u> | <u>70,833,449</u> |
| Less: Interim Dividend   | -                  | -                 |
| Transferred to Capital Reserve   | -                  | -                 |
| Retained surplus carried forward   | <u>151,897,858</u> | <u>70,833,449</u> |

# ONE Securities Limited

## Notes to the Financial Statements

|  | 31.12.2020               |
|--|--------------------------|
|  | <u>Taka</u>              |
| <b>12.1 Retained surplus brought forward (Prior year's balance restated)</b> |                          |
| Retained surplus brought forward (Before Restatement)                        | 73,284,885               |
| Add: Office Rent Expense   | 5,280,000                |
| Less: Interest on Lease Liability  | (1,041,265)              |
| Less: Depreciation on Right of Use Asset                                     | (4,658,793)              |
| Add: Deferred tax asset for lease liability                                  | 3,557,625                |
| Less: Deferred tax liability for RoU Assets                                  | (5,589,003)              |
| Retained surplus brought forward (After Restatement)                         | <u><b>70,833,449</b></u> |

The Company did not recognized the lease liability and right of use asset in 2019. Also, did not recognized the interest on lease liability and depreciation of right of use asset. So, the prior year's balance of 2019 has been restated showing the effect of recognizing the lease liability and right of use asset from the date of initial recognition, i.e., 01 January 2019. The balance of retained earnings has also been restated due to recognizing the interest of lease liability and depreciation of right of use assets.

|  | 31.12.2020              | 31.12.2019      |
|--|-------------------------|-----------------|
|  | <u>Taka</u>             | <u>Taka</u>     |
| <b>13 Borrowing for Special investment Account</b> | <u><b>6,768,097</b></u> | <u><b>-</b></u> |

The borrowing amount was taken from ONE Bank Limited, Kawran Bazar Branch for special investment account purpose bearing interest @ 7.00% per annum of quarterly basis charged vide reference no. OBL/PB/CR/OSL/2020/44 dated August 04, 2020.

### 14 Lease liabilities as per IFRS-16 (Prior year's balance restated)

|   |                         |                          |
|---|-------------------------|--------------------------|
| Lease Liability as on 01 January 2020           | 10,164,641              | 12,723,377               |
| Less: Lease obligation released during the year | (2,798,762)             | (2,558,735)              |
| Closing Balance                                 | <u><b>7,365,879</b></u> | <u><b>10,164,642</b></u> |
| Current portion of lease liabilities            | 3,061,306               | 2,798,762                |
| Long-term portion of lease liabilities          | 4,304,573               | 7,365,879                |
|   | <u><b>7,365,879</b></u> | <u><b>10,164,641</b></u> |

The Company has applied IFRS 16: "Leases" for the first time using modified retrospective approach, with effect from 01 January 2019, where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset the amount equal to the lease liability, adjusted by the amount of prepaid lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application, i.e., 01 January 2019 at the date of the initial application on a lease by lease basis.

The Company did not recognized the lease liability and right of use asset in 2019. So, the prior year's balance of 2019 has been restated showing the effect of recognizing the lease liability from the date of initial recognition, i.e., 01 January 2019.

### 15 Other Payable

|   |                          |                          |
|---|--------------------------|--------------------------|
| Leave fare assistance                     | 496,080                  | 618,000                  |
| Accrued performance bonus                 | 2,500,000                | 2,500,000                |
| VAT on audit fees                         | 4,500                    | 4,500                    |
| Payable to clients                        | 71,610                   | 101,192                  |
| Payable to ONE Bank Limited               | -                        | -                        |
| Payable to service outsourcing            | 910,782                  | 380,924                  |
| Payable to Dhaka Stock Exchanges-Investor | 30,522,344               | 269,044                  |
| Payable to Chittagong Stock Exchanges     | 1,980,921                | 623,108                  |
| Payable to CDBL                           | 41,841                   | 25,748                   |
| Payable for professional fees             | 51,750                   | 51,750                   |
| Accrued other expense                     | 22,300                   | 22,000                   |
| Client deposit-Special investment account | 48,642                   | -                        |
| IPO Application Money*                    | 3,923,400                | -                        |
| Customer deposits                         | 48,577,380               | 17,193,317               |
| Interim cash dividend payable             | 82                       | 82                       |
|   | <u><b>89,151,632</b></u> | <u><b>21,789,666</b></u> |

\* Difference between Bank Account and IPO Application Money is Tk. 167,926 mainly due to Interest income and IPO Commission income.

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

|   | <b>31.12.2020</b>   | <b>31.12.2019</b>   |
|---|---------------------|---------------------|
|   | <b><u>Taka</u></b>  | <b><u>Taka</u></b>  |
| <b>16 Audit fee payable</b>   |                     |                     |
| Opening balance   | 30,000              | 25,000              |
| Charge during the year  | 40,000              | 30,000              |
| Paid during the year  | 40,000              | 25,000              |
| Closing balance   | <b>30,000</b>       | <b>30,000</b>       |
| <b>17 Other liabilities and provision</b>   |                     |                     |
| Provision for diminution in value of investment in shares (Note-17.1)   | 153,720,644         | 153,720,644         |
| Provision for Income Tax (Note-17.2)  | 131,866,100         | 109,526,828         |
| General provision for margin loan (Note-17.4)   | 939,417             | -                   |
|   | <b>286,526,162</b>  | <b>263,247,472</b>  |
| <b>17.1 Provision for diminution in value of investment in shares</b>   |                     |                     |
| Opening balance   | 153,720,644         | 59,428,753          |
| Provision for the year  | -                   | 94,291,892          |
| Closing balance   | <b>153,720,644</b>  | <b>153,720,644</b>  |
| As per BSEC circular reference # BSEC/SARVAILANCE/MUKHOPATRO(Fifth part)/2019/196 dated July 16, 2020, the provision for diminution in value of share can be deferred upto December 2023. However, we have maintained provision 27.16% for the difference of cost price and market value. |                     |                     |
| <b>17.2 Provision for Income Tax</b>  |                     |                     |
| Opening balance   | 109,526,828         | 98,019,855          |
| Provision for the year  | 22,339,272          | 11,506,974          |
| Closing balance   | <b>131,866,100</b>  | <b>109,526,828</b>  |
| As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rate  |                     |                     |
| <b>17.3 Deferred Tax</b>  |                     |                     |
| <b>Deferred Tax Liability</b>   |                     |                     |
| Carrying Amount   | 24,825,416          | 30,985,946          |
| Tax Base  | 12,904,659          | 14,338,510          |
| Temporary Difference  | <b>(11,920,757)</b> | <b>(16,647,436)</b> |
| <b>Deferred Tax Liability (@32.50%)</b>   | <b>(3,874,246)</b>  | <b>(5,826,603)</b>  |
| <b>Deferred Tax Asset</b>   |                     |                     |
| <b>(i) Deferred Tax Assets (for asset items)</b>  |                     |                     |
| Carrying Amount   | 4,289,139           | 5,190,080           |
| Tax Base  | 6,451,718           | 7,190,684           |
| Temporary Difference (i)  | <b>2,162,579</b>    | <b>2,000,604</b>    |
| <b>Deferred Tax Asset (@32.50%- (i))</b>  | <b>702,838</b>      | <b>700,212</b>      |
| <b>(ii) Deferred Tax Assets (for liability items)</b>   |                     |                     |
| Carrying Amount   | 7,365,879           | 10,164,641          |
| Tax Base  | -                   | -                   |
| Temporary Difference (ii)   | <b>7,365,879</b>    | <b>10,164,641</b>   |
| <b>Deferred Tax Asset (@32.50%- (ii))</b>   | <b>2,393,911</b>    | <b>3,557,624</b>    |
| <b>Deferred Tax Asset (i+ii)</b>  | <b>3,096,749</b>    | <b>4,257,836</b>    |
| <b>Deferred Tax Asset/ (Liability) (net)</b>  | <b>(777,497)</b>    | <b>(1,568,767)</b>  |
| <b>Deferred Tax Expenses/ (Income)</b>  |                     |                     |
| Deferred Tax Asset/ (Liability) at the Ending of the Year   | (777,497)           | (1,568,767)         |
| Deferred Tax Asset/ (Liability) at the Beginning of the Year  | (1,568,767)         | -                   |
|   | <b>(791,270)</b>    | <b>1,568,767</b>    |
| Deferred Tax (Income)/Expense Related to the Orientation and Reversal of Temporary Differences  | (731,462)           |                     |
| Adjustment to Opening Deferred Tax Liability Resulting from Reduction in Tax Rate   | (59,808)            |                     |
|   | <b>(791,270)</b>    |                     |

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

|  | 31.12.2020<br><u>Taka</u> | 31.12.2019<br><u>Taka</u> |
|--|---------------------------|---------------------------|
| <b>(i) Deferred Tax Asset/ (Liability) at the Beginning of the Year (After restatement)</b>  |                           |                           |
| Deferred Tax Asset/ (Liability) at the Beginning of the Year (Before restatement)  | 462,613                   |                           |
| Deferred tax asset for lease liability   | 3,557,624                 |                           |
| Deferred tax liability for right of use asset  | (5,589,004)               |                           |
|  | <b>(1,568,767)</b>        |                           |
| The balance of deferred tax has been restated showing the effect of recognizing deferred tax asset on lease liability and deferred tax liability on right of use asset.  |                           |                           |
| <b>17.4 General provision for margin loan</b>  |                           |                           |
| Opening balance  | -                         | -                         |
| Provision for the period   | 939,417                   | -                         |
| Closing balance  | <b>939,417</b>            | -                         |
| General provision of Tk.939,417 being 1% of outstanding margin exposures has been made for the year as mandatory provision as prescribed by part B of schedule C rule 5(2) of BSEC notification no. BSEC/CMRRCD/2017-357/221/ admin/89 dated May 22, 2019. |                           |                           |
|  | <b>2020</b>               | <b>2019</b>               |
|  | <u>Taka</u>               | <u>Taka</u>               |
| <b>18 Commission and brokerage income</b>  |                           |                           |
| Commission income from Broker  | 37,288,406                | 28,501,525                |
| Commission income from Dealer  | 539,139                   | 132,956                   |
| Commission income from OSL Special Investment  | 95,849                    | -                         |
|  | <b>37,923,394</b>         | <b>28,634,481</b>         |
| <b>19 Interest income</b>  |                           |                           |
| Interest income from margin loan   | 13,312,386                | 12,407,757                |
| Interest on bank deposit   | 7,822,268                 | 4,252,656                 |
| Interest income on FDR   | 9,801,608                 | 12,609,515                |
|  | <b>30,936,262</b>         | <b>29,269,929</b>         |
| <b>20 Investment income</b>  |                           |                           |
| Dividend income  | 66,245,571                | 34,919,817                |
| Gain on sale of shares   | 13,908,232                | 10,322,668                |
|  | <b>80,153,802</b>         | <b>45,242,485</b>         |
| <b>21 Other Operating Income</b>   |                           |                           |
| BO accounts opening fees   | 157,200                   | 91,200                    |
| BO account maintenance fee   | 516,150                   | 529,200                   |
| Documentation fees for margin loan   | 7,200                     | 24,000                    |
| Transfer/Transmission In/Out Charges   | 44,055                    | 47,427                    |
| Cheque dishonour   | 75,000                    | 89,000                    |
| Management fees- margin accounts   | 76,000                    | 84,000                    |
| Miscellaneous  | 43,801                    | 337,172                   |
|  | <b>919,406</b>            | <b>1,202,000</b>          |
| <b>22 Salary and allowances</b>  |                           |                           |
| Salary & allowances  | 24,371,955                | 25,304,884                |
| Bonus  | 2,158,798                 | 3,969,790                 |
|  | <b>26,530,753</b>         | <b>29,274,674</b>         |

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

|   | <b>2020</b>             | <b>2019</b>             |
|---|-------------------------|-------------------------|
|   | <b><u>Taka</u></b>      | <b><u>Taka</u></b>      |
| <b>23 Rent, taxes, insurance, electricity etc.</b>  |                         |                         |
| Office Rent (Prior year's balance restated) (Note 23.1)   | -                       | 640,000                 |
| Service charge  | 72,000                  | 72,000                  |
| VAT on Rent   | 802,800                 | 898,800                 |
| Insurance premium   | 185,877                 | 202,455                 |
| Electricity   | 105,834                 | 155,874                 |
| Utilities   | 11,369                  | 10,339                  |
|   | <b><u>1,177,880</u></b> | <b><u>1,979,468</u></b> |
| <b>23.1 Rent (Prior year's balance restated)</b>  |                         |                         |
| Rent (Before restatement)   | 5,280,000               | 5,992,000               |
| Transfer to depreciation and interest expenses under IFRS-16*   | 5,280,000               | 5,280,000               |
| Transfer to service charge  | -                       | 72,000                  |
| Rent (After restatement)  | <b><u>-</u></b>         | <b><u>640,000</u></b>   |
| * As per IFRS 16, rental expense of Tk. 5,280,000 is transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities and the balance has been restated accordingly.                         |                         |                         |
| <b>24 Interest expenses (Prior year's balance restated)</b>   |                         |                         |
| Interest paid on short term loan  | 177,081                 | 329,096                 |
| Interest expenses for leased liability as per IFRS-16*  | 801,238                 | 1,041,265               |
|   | <b><u>978,319</u></b>   | <b><u>1,370,361</u></b> |
| * As per IFRS-16, the company has recognised lease liabilities and related interest expenses is shown above. The prior year's balance has been restated accordingly, showing the interest on lease liability of 2019.           |                         |                         |
| <b>25 Bank charges</b>  |                         |                         |
| Bank charges  | 11,931                  | 8,996                   |
| Cheque Clearing Charge  | 10,840                  | 10,610                  |
|   | <b><u>22,771</u></b>    | <b><u>19,606</u></b>    |
| <b>26 Depreciation (Prior year's balance restated)</b>  |                         |                         |
| Furniture and Fixtures  | 1,501,737               | 1,668,604               |
| Office Equipment  | 939,733                 | 1,095,625               |
| Intangibles Assets  | 9,999                   | 61,999                  |
| Right of use Assets (RoU)*  | 4,658,793               | 4,658,793               |
|   | <b><u>7,110,262</u></b> | <b><u>7,485,022</u></b> |
| * As per IFRS-16, the company has recognised Right of use Assets (RoU) and related depreciation is shown above. The prior year's balance has been restated accordingly, showing the depreciation of right of use asset of 2019. |                         |                         |
| <b>27 Fees and renewal</b>  |                         |                         |
| License and renewal fee   | 350,880                 | 333,100                 |
| RJSC expenses   | 19,946                  | -                       |
| Authorized representative application fee   | -                       | 33,600                  |
| CDBL Charges  | 1,941,073               | 1,689,847               |
|   | <b><u>2,311,899</u></b> | <b><u>2,056,547</u></b> |
| <b>28 Direct Expenses</b>   |                         |                         |
| Howla Charges-CSE-Dealer  | -                       | -                       |
| Transaction Fee -DSE  | 3,033,456               | 2,269,213               |
| Transaction Fee-DSE-Dealer  | 32,590                  | 9,014                   |
| Transaction Fee-CSE-Dealer  | 5,446                   | 445                     |
| Howla Charges-CSE   | -                       | -                       |
| Transaction Fee-CSE   | 394,554                 | 627,843                 |
|   | <b><u>3,466,046</u></b> | <b><u>2,906,516</u></b> |

# ONE Securities Limited

## Notes to the Financial Statements

|  | <b>2020</b>             | <b>2019</b>             |
|--|-------------------------|-------------------------|
|  | <b><u>Taka</u></b>      | <b><u>Taka</u></b>      |
| <b>29 Others expenses</b>                |                         |                         |
| Messenger Service                        | 554,364                 | 554,364                 |
| Security guard expenses                  | 836,220                 | 878,850                 |
| Entertainment                            | 156,693                 | 350,309                 |
| Traveling & Conveyance                   | 31,561                  | 96,515                  |
| Training Expenses                        | 1,500                   | -                       |
| Legal Expenses                           | 5,000                   | -                       |
| Postage, Stamp & Telecommunication       | 1,103,237               | 1,124,210               |
| Sundry Expenses                          | 116,053                 | 80,736                  |
| VAT on Audit fee                         | 6,000                   | 6,000                   |
| Govt. Excise Duty                        | 228,500                 | 90,500                  |
| Cleaning Service                         | 441,681                 | 438,486                 |
| Executive furniture allowance            | 39,996                  | 39,996                  |
| Investor protection fund                 | 9,722                   | 14,288                  |
| Donation & Subscription-Others           | 279,500                 | 135,500                 |
| Back office software maintenance charges | 161,700                 | 161,700                 |
| Bank guarantee charges                   | 193,200                 | 193,200                 |
|  | <b><u>4,164,927</u></b> | <b><u>4,164,654</u></b> |

### 30 Transactions with related parties ( IAS-24 )

The Company has carried out following transactions with related parties in the normal course of business.

| Sl # | Name of related parties | Relationship   | Nature of Transaction                    | Balance as on<br>31.12.2020 | Balance as on<br>31.12.2019 |
|------|-------------------------|----------------|--|-----------------------------|-----------------------------|
| 1    | ONE Bank Limited        | Parent Company | Borrowing for Special investment purpose | 6,768,097                   | -                           |
| 2    | ONE Bank Limited        | Parent Company | Bank Guarantee                           | 84,000,000                  | 84,000,000                  |
| 3    | ONE Bank Limited        | Parent Company | Account maintain with OBL                | 404,275,107                 | 215,548,616                 |

### 31 Earnings Per Share


|  |             |               |
|--|-------------|---------------|
| Net profit/(Loss) after Tax (After Restatement)  | 81,064,409  | (52,990,306)  |
| No Of share                                      | 250,000,000 | 250,000,000   |
| EPS (After Restatement)                          | <u>0.32</u> | <u>(0.21)</u> |
| Net profit/(Loss) after Tax (Before Restatement) |             | (50,538,870)  |
| No Of share                                      |             | 250,000,000   |
| EPS (Before Restatement)                         |             | <u>(0.20)</u> |


#### 31.1 Event after the reporting period

The Board of Directors in its meeting held on 25 March 2021 approved the financial statements of the company for the year ended 31 December 2020 and authorized the same for issue.

  
**Aminul Islam**  
 Chief Executive Officer

  
**A.S.M. Salahuddin**  
 Director

  
**Farzana Chowdhury**  
 Director

  
**Zahur Ullah**  
 Chairman

**ONE Securities Limited**  
**Schedule of Fixed Assets**  
As at 31 December 2020

[Referred to Note 3 of these Financial Statements]

| Particulars               | Cost (Taka)          |                           |                          | Depreciation (Taka)    |                      |                     | Net book value at 31 December        | Rate of depreciation per annum (Reducing Balance Method) % |
|---------------------------|----------------------|---------------------------|--------------------------|------------------------|----------------------|---------------------|--------------------------------------|--|
|                           | Balance on 1 January | Additions during the year | Disposal during the year | Balance at 31 December | Balance on 1 January | Charge for the year | Adjusted on disposal during the year | Balance at 31 December                                     |
| Furniture and Fixtures    | 21,216,011           | -                         | -                        | 21,216,011             | 6,198,649            | 1,501,737           | -                                    | 7,700,386  |
| Office Equipment          | 11,080,278           | 48,791                    | -                        | 11,129,069             | 5,900,200            | 939,733             | -                                    | 6,839,933  |
| Right of use Assets (RoU) | 20,627,377           | -                         | -                        | 20,627,377             | 4,658,793            | 4,658,793           | -                                    | 9,317,586  |
| <b>Sub-Total</b>          | <b>52,923,666</b>    | <b>48,791</b>             | <b>-</b>                 | <b>52,972,457</b>      | <b>16,757,642</b>    | <b>7,100,263</b>    | <b>-</b>                             | <b>23,857,905</b>  |
| Intangibles Assets        | 1,710,000            | -                         | -                        | 1,710,000              | 1,699,998            | 9,999               | -                                    | 1,709,997  |
| <b>Total 2020</b>         | <b>54,633,666</b>    | <b>48,791</b>             | <b>-</b>                 | <b>54,682,457</b>      | <b>18,457,640</b>    | <b>7,110,262</b>    | <b>-</b>                             | <b>25,567,902</b>  |
| <b>Total 2019</b>         | <b>33,504,792</b>    | <b>21,128,874</b>         | <b>-</b>                 | <b>54,633,666</b>      | <b>10,972,618</b>    | <b>7,485,022</b>    | <b>-</b>                             | <b>36,176,026</b>  |

**ONE Securities Limited**  
**Statements of Bank Balance & Investment in FDR**

As on 31 December 2020

Annexure-B

**Bank Balance:**

| Particulars                   | Name of Bank Accounts       | Name of the Bank | Branch Name         | Account Number | Balance as on December, 2020 | Balance as on December, 2019 |
|-------------------------------|-----------------------------|------------------|---------------------|----------------|------------------------------|------------------------------|
| Current Deposits (CD)         | Current Deposits (CD)       | ONE Bank Limited | Kawran Bazar Branch | 0120086500019  | 3,481                        | 4,171                        |
| Consolidated Customer Account | Short Notice Deposits (SND) | ONE Bank Limited | Principal Branch    | 0013000000762  | 93,771,500                   | 42,229,272                   |
| Revenue A/C                   | Short Notice Deposits (SND) | ONE Bank Limited | Kawran Bazar Branch | 0125086500002  | 28,684,809                   | 12,285,081                   |
| Initial Public Offering (IPO) | Short Notice Deposits (SND) | ONE Bank Limited | Principal Branch    | 00130000000977 | 4,091,326                    | 135,443                      |
| Dealer Accounts               | Short Notice Deposits (SND) | ONE Bank Limited | Principal Branch    | 00130000000773 | 125,212,316                  | 2,415,298                    |
|                               |                             |                  |                     |                | <b>251,763,432</b>           | <b>57,069,264</b>            |

**Investment in FDR:**

| Particulars                    | Name of Bank Accounts | Name of the Bank | Branch Name         | Account Number | Balance as on December, 2020 | Balance as on December, 2019 |
|--------------------------------|-----------------------|------------------|---------------------|----------------|------------------------------|------------------------------|
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124120028423  | -                            | 45,298,345                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Principal Branch    | 0014120020982  | 11,335,246                   | 10,617,283                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124140006045  | 10,942,500                   | 10,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Gulshan Branch      | 0024140003062  | 10,987,500                   | 10,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Principal Branch    | 0014140008819  | 10,987,500                   | 10,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124140006227  | 10,942,500                   | 10,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124140006293  | 21,878,000                   | 20,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124130002701  | 34,770,061                   | 32,563,725                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124130002714  | 10,668,368                   | 10,000,000                   |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Kawran Bazar Branch | 0124140006715  | 10,000,000                   | -                            |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Shantinagar Branch  | 1004140000087  | 10,000,000                   | -                            |
| Fixed Deposit - 1 year & above | Fixed Deposits (FDR)  | ONE Bank Limited | Gulshan Branch      | 0024140004145  | 10,000,000                   | -                            |
|                                |                       |                  |                     |                | <b>152,511,675</b>           | <b>158,479,352</b>           |

## Annexure-C

### A. Eligible Capital

|  | Amount               | Haircut % | Haircut Amount | Eligible Amount      |
|--|----------------------|-----------|----------------|----------------------|
| Paid-up Capital                                | 2,500,000,000        | 0%        | -              | 2,500,000,000        |
| Capital Reserve                                | -                    | 0%        | -              | -                    |
| Retained Earnings                              | 151,897,858          | 0%        | -              | 151,897,858          |
| <b>Sum of Core Capital</b>                     | <b>2,651,897,858</b> |           | <b>-</b>       | <b>2,651,897,858</b> |
| General Provision                              | 939,417              | 20%       | 187,883        | 751,534              |
| Specific Provision                             | -                    |           | -              | -                    |
| Revaluation surplus or Un-realised Gain        | -                    |           | -              | -                    |
| Preference Share                               | -                    | 25%       | -              | -                    |
| Sub-ordinated Debt @ 20% of total issued Value | -                    |           | -              | -                    |
| <b>Sum of Supplementary Capital</b>            | <b>939,417</b>       |           | <b>187,883</b> | <b>751,534</b>       |
| <b>Total Capital</b>                           | <b>2,652,837,275</b> |           | <b>187,883</b> | <b>2,652,649,392</b> |

### B. Total Risk Requirement

| Particulars   | Risk Factor | Applicable Amount  |
|---|-------------|--------------------|
| <b>Operation Risk Requirement (ORR):</b>  |             | <b>13,451,536</b>  |
| Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7) | 5%          | 13,451,536         |
| <b>Position Risk Requirement (PRR):</b>   |             | <b>185,775,093</b> |
| <b>i. Proprietary positions in Equity securities:</b>                             |             | <b>178,259,755</b> |
| Value of "A" category securities  | 10%         | 170,442,844        |
| Value of "B/G/N/." category securities  | 12%         | 7,119,736          |
| <b>ii. Proprietary positions in MFs &amp; CISs:</b>                               |             | <b>-</b>           |
| <b>iii. Proprietary positions in Strategic Investments:</b>                       |             | <b>697,176</b>     |
| Value of listed strategic investment  | 10%         | 697,176            |
| Value of non-listed strategic investment  | 25%         | -                  |
| <b>Counterparty Risk Requirement (CPRR):</b>                                      |             | <b>7,515,337</b>   |
| Exposure of credit facilities to Clients (Margin Loan)                            | 8%          | 7,515,337          |
| <b>Total risk requirement</b>   |             | <b>199,226,629</b> |

$$\begin{aligned}
 \text{C. Capital Adequacy Ratio (CAR)} &= \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100 \\
 &= \frac{2,652,649,392}{199,226,629} \times 100 \\
 &= 1331.47\% \\
 &= \mathbf{13.31 \text{ Times}}
 \end{aligned}$$

## **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 2020 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 # 9 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 2020, 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 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.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon since we have not been provided with any such information.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

### **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 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 9 dealt with by the report are in agreement with the books of account.

Dated, Dhaka  
25 March 2021

**ACNABIN Chartered Accountants**



**Muhammad Aminul Hoque, FCA**  
Partner

ICAB Enrollment No # 1129  
DVC:2103 301 129AS293351

**ONE Investments Limited**  
**Statement of Financial Position**


As at 31 December 2020


|                                     | Notes | 31.12.2020<br>Taka | 31.12.2019<br>Taka |
|-------------------------------------|-------|--------------------|--------------------|
| <b>ASSETS</b>                       |       |                    |                    |
| <b>Non current assets</b>           |       | -                  | -                  |
| <b>Current Assets</b>               |       |                    |                    |
| Advance income tax                  | 4     | 241,873            | 66,714             |
| Investment in FDR                   |       | 10,944,509         | 10,271,823         |
| Cash and cash equivalents           | 5     | 71,838             | 302,244            |
| <b>Total current assets</b>         |       | <b>11,258,220</b>  | <b>10,640,781</b>  |
| <b>Total Assets</b>                 |       | <b>11,258,220</b>  | <b>10,640,781</b>  |
| <b>EQUITY AND LIABILITIES</b>       |       |                    |                    |
| <b>Capital and Reserve</b>          |       |                    |                    |
| Share capital                       | 3     | 10,000,000         | 10,000,000         |
| General reserve                     |       | -                  | -                  |
| Retained earnings                   |       | 911,070            | 291,771            |
| <b>Total Equity</b>                 |       | <b>10,911,070</b>  | <b>10,291,771</b>  |
| <b>Current Liabilities</b>          |       |                    |                    |
| Loan facilities                     |       | -                  | -                  |
| Provision for income tax            | 8     | 324,150            | 120,584            |
| Other payable                       | 9     | 23,000             | 228,426            |
| <b>Total Current Liabilities</b>    |       | <b>347,150</b>     | <b>349,010</b>     |
| <b>Total Equity and Liabilities</b> |       | <b>11,258,220</b>  | <b>10,640,781</b>  |

These Financial Statements should be read in conjunction with the annexed notes 1 to 9.

  
**Md. Golam Rabbani**  
Company Secretary

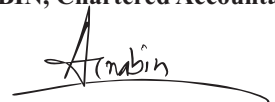
  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**

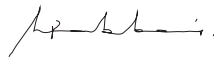
  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103 301 129AS29335I


Dhaka, 25 March 2021


**ONE Investments Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
For the year ended 31 December 2020


|  | Notes | 2020<br>Taka   | 2019<br>Taka   |
|--|-------|----------------|----------------|
| <b>Operating Income (A)</b>                      |       |                |                |
| Interest income                                  | 6     | 904,737        | 482,337        |
| Other operating income                           |       | -              | -              |
|  |       | <b>904,737</b> | <b>482,337</b> |
| <b>Operating Expenses (B)</b>                    |       |                |                |
| Bank charges                                     |       | 28,185         | 12,920         |
| Auditors' fee                                    |       | 10,000         | 10,000         |
| Fees and renewal                                 | 7     | 42,187         | -              |
| Others expenses                                  |       | 1,500          | 1,500          |
| <b>Total</b>                                     |       | <b>81,872</b>  | <b>24,420</b>  |
| <b>Net profit before provision and tax (A-B)</b> |       | <b>822,865</b> | <b>457,917</b> |
| Provision for income tax                         |       | 203,566        | 120,584        |
| <b>Net profit/(Loss) after provision</b>         |       | <b>619,299</b> | <b>337,333</b> |
| Retained surplus brought forward                 |       | 291,771        | (45,562)       |
| <b>Retained surplus carried forward</b>          |       | <b>911,070</b> | <b>291,771</b> |
| <b>Earnings per Share (EPS)</b>                  |       | <b>0.62</b>    | <b>0.34</b>    |

These Financial Statements should be read in conjunction with the annexed notes 1 to 9.

  
**Md. Golam Rabbani**  
Company Secretary

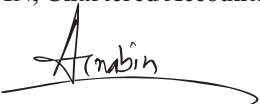
  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

See annexed report of even date.

**ACNABIN, Chartered Accountants**

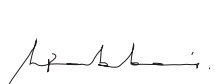
  
**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment Number # 1129  
DVC:2103 301 129AS29335I

Dhaka, 25 March 2021

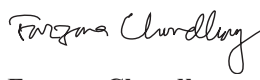
**ONE Investments Limited**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

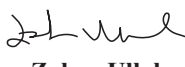
|  | <b>2020</b><br><b>Taka</b> | <b>2019</b><br><b>Taka</b> |
|--|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>                            |                            |                            |
| Interest receipts in cash  | 904,737                    | 482,337                    |
| Income taxes paid  | (175,159)                  | (48,234)                   |
| Other payable  | (245,676)                  | -                          |
| Operating expenses   | (41,622)                   | (12,920)                   |
| <b>A) Net Cash used in Operating Activities</b>                        | <b>442,281</b>             | <b>421,183</b>             |
| <b>Cash Flows from Investing Activities</b>                            |                            |                            |
| Investment in FDR  | (672,687)                  | (10,271,823)               |
| Net purchase/Sale of fixed assets                                      | -                          | -                          |
| <b>B) Net Cash used in Investing Activities</b>                        | <b>(672,687)</b>           | <b>(10,271,823)</b>        |
| <b>Cash Flows from Financing Activities</b>                            |                            |                            |
| Receipts from issue of shares  | -                          | -                          |
| <b>C) Net Cash from Financing Activities</b>                           | <b>-</b>                   | <b>-</b>                   |
| <b>D) Net increase/ (decrease) in cash and cash equivalent (A+B+C)</b> | <b>(230,406)</b>           | <b>(9,850,639)</b>         |
| Opening Cash and cash equivalents                                      | 302,244                    | 10,152,884                 |
| <b>Closing cash and cash equivalents</b>                               | <b>71,838</b>              | <b>302,244</b>             |

These Financial Statements should be read in conjunction with the annexed notes 1 to 9.

  
**Md. Golam Rabbani**  
Company Secretary

  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

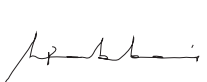
  
**Zahur Ullah**  
Chairman

Dhaka, 25 March 2021


**ONE Investments Limited**  
**Statement of Changes in Equity**  
For the year ended 31 December 2020


| Particulars                           | Amount in Taka    |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|
|                                       | Paid-up Capital   | Retained Earnings | Total             |
| <b>Balance as at 01 January 2020</b>  | <b>10,000,000</b> | <b>291,771</b>    | <b>10,291,771</b> |
| Share Capital issued                  | -                 | -                 | -                 |
| Net profit / (loss) during the period | -                 | 619,299           | 619,299           |
| <b>Balance as at 31 December 2020</b> | <b>10,000,000</b> | <b>911,070</b>    | <b>10,911,070</b> |
| <b>Balance as at 31 December 2019</b> | <b>10,000,000</b> | <b>291,771</b>    | <b>10,291,771</b> |

These Financial Statements should be read in conjunction with the annexed notes 1 to 9.

  
**Md. Golam Rabbani**  
Company Secretary

  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

Dhaka, 25 March 2021

**ONE Investments Limited**  
**Notes to the Financial Statements**  
For the period ended 31 December 2020

**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.

**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.



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

**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, 2020 to December 31, 2020.

**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 IAS-10 "Events After the Reporting Period".

**2.12 Date of authorization**

The Board of Directors accorded its approval and authorized these financial statements on 25 March 2021.

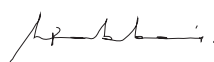
**2.13 Earnings per Share**

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2020 as per IAS-33 "Earnings Per Share".


# ONE Investments Limited


## Notes to the Financial Statements

|   | 2020<br><u>Taka</u>         | 2019<br><u>Taka</u>       |
|---|-----------------------------|---------------------------|
| <b>3 Share Capital</b>                                  |                             |                           |
| <b>3.1 Authorized Capital</b>                           |                             |                           |
| 1,00,00,000 Ordinary Shares of Taka 10/- each.          | 100,000,000                 | 100,000,000               |
| <b>3.2 Issued, Subscribed and Paid-up Capital</b>       |                             |                           |
| 10,00,000 ordinary shares of Taka 10/- each fully paid. | 10,000,000                  | 10,000,000                |
| <b>3.3 Shareholding position of the company</b>         |                             |                           |
|   | <b>Number of<br/>Shares</b> | <b>Amount in<br/>Taka</b> |
| ONE Bank Limited  | 510,000                     | 5,100,000                 |
| NTC Housing Limited                                     | 490,000                     | 4,900,000                 |
|   | <b>1,000,000</b>            | <b>10,000,000</b>         |
| <b>4 Advance income tax</b>                             |                             |                           |
| Opening balance   | 66,714                      | 18,480                    |
| Addition during the year (note-4.1)                     | 175,159                     | 48,234                    |
| Closing balance   | <b>241,873</b>              | <b>66,714</b>             |
| <b>4.1 Addition during the year</b>                     |                             |                           |
| Advance tax on interest (Bank deposit)                  | 838                         | 18,031                    |
| Advance tax paid for assessment year 2020-2021          | 85,781                      | -                         |
| Advance tax on FDR interest                             | 88,540                      | 30,203                    |
|   | <b>175,159</b>              | <b>48,234</b>             |
| <b>5 Cash and cash equivalents</b>                      |                             |                           |
| ONE Bank Limited, Kawran Bazar Branch (SND) A/C         | 71,838                      | 302,244                   |
| <b>6 Interest income</b>                                |                             |                           |
| Interest on Bank Deposit                                | 8,385                       | 180,312                   |
| Interest Income on FDR                                  | 896,352                     | 302,025                   |
|   | <b>904,737</b>              | <b>482,337</b>            |
| <b>7 Fees and renewal</b>                               |                             |                           |
| Trade license fees                                      | 13,437                      | -                         |
| Registration fee  | 28,750                      | -                         |
|   | <b>42,187</b>               | <b>-</b>                  |
| <b>8 Provision for income tax</b>                       |                             |                           |
| Opening balance   | 120,584                     | -                         |
| Addition during the year                                | 203,566                     | 120,584                   |
| Closing balance   | <b>324,150</b>              | <b>120,584</b>            |
| <b>9 Other payable</b>                                  |                             |                           |
| Payable to ONE Bank Limited                             | -                           | 205,426                   |
| Audit fee payable (note-9.1)                            | 23,000                      | 23,000                    |
|   | <b>23,000</b>               | <b>228,426</b>            |
| <b>9.1 Audit fee payable</b>                            |                             |                           |
| Opening balance   | 23,000                      | 11,500                    |
| Addition during the year                                | 11,500                      | 11,500                    |
| Paid during the year                                    | 11,500                      | -                         |
| Closing balance   | <b>23,000</b>               | <b>23,000</b>             |

  
**Md. Golam Rabbani**  
Company Secretary

  
**A.S.M. Salahuddin**  
Director

  
**Farzana Chowdhury**  
Director

  
**Zahur Ullah**  
Chairman

# OUR NETWORK OF BRANCHES

**Corporate HQ:** 2/F HRC Bhaban, 46 Kawran Bazar C. A., Dhaka, Bangladesh  
Tel: +88 02 55012505, Fax: +88 02 55012516, Website: [www.onebank.com.bd](http://www.onebank.com.bd)

## Dhaka Zone

### Principal Branch

45, Dilkusha C.A., Dhaka.  
Tel : 880 2 9564249  
Fax : 880 2 9561960  
SWIFT : ONEBDDH001

### Dhanmondi Branch

House No. 21, Road No. 8  
Dhanmondi R. A., Dhaka.  
Tel : 880 2 9139224, 9120790, 8120672  
Fax : 880 2 9143965  
SWIFT : ONEBDDH013

### Mirpur Branch

RSH Tower  
Plot- 23, Main Road- 03, Block- A,  
Section- 11, Pallabi, Mirpur, Dhaka.  
Tel : 880 2 8035232, 8031406, 9012969  
Fax : 880 2 9016165  
SWIFT : ONEBDDH011

### Banani Branch

Abadin Tower 35, Kamal Ataturk Avenue,  
Banani C.A. Dhaka-1213.  
Tel : 880 2 9822116-19  
Fax : 880 2 9822099  
SWIFT : ONEBDDH018

### Imamgonj Branch

18, Roy Iswar Chandra Shill Bahadur Street  
Imamgonj, Dhaka.  
Tel : 880 2 7316477, 7316488  
Fax : 880 2 7316499  
SWIFT : ONEBDDH008

### Motijheel Branch

Sharif Mansion  
56-57, Motijheel C. A., Dhaka.  
Tel : 880 2 9564191, 9566896, 9570544  
Fax : 880 2 9563746  
SWIFT : ONEBDDH020

### Bijoy Nagar Branch

Sattar Bhaban  
179 Shahid Syed Nazrul Islam Avenue  
Bijoy Nagar, Dhaka-1000.  
Tel : 880 2 586315364, 58315365, 58315366  
FAX : 880 2 58315383  
SWIFT : ONEBDDH021

### Elephant Road Branch

Globe Centre  
216, Elephant Road, New Market, Dhaka.  
Tel : 880 2 58611167-70  
Fax : 880 2 8626527

### Bangshal Branch

22, Bangshal Road, Bangshal, Dhaka.  
Tel : 880 2 47111677  
Fax : 880 2 9567925

### Banasree Branch

Al-Kausar Palace  
House # 2, Road # 5, Block – D  
Banasree R/A, Dhaka.  
Tel : 880 2 55124058, 55124155  
Fax : 880 2 7288183

### Jagannathpur Branch

Abdul Ali Plaza (1st Floor), Holding # Ka-23,  
Progati Sharani, Kuril, Dhaka-1229  
Tel : 880 2 8415612-14  
Fax : 880 2 8415615

### Gulshan-1 Branch

Richmond Concord, CES-F8/A, Bir Uttom  
Mir Shawkat Road, Gulshan-1, Dhaka -1212  
Tel : 880 2 9890138-40  
Fax : 880 2 9856797  
SWIFT : ONEBDDH003

### Kawran Bazar Branch

HRC Bhaban  
46, Kawran Bazar C. A., Dhaka.  
Tel : 880 2 58156054, 58155158, 9128584  
Fax : 880 2 58155158  
SWIFT : ONEBDDH012

### Uttara Branch

House No.14, Road No. 14B, Sector No. 4  
Uttara Model Town, Dhaka.  
Tel : 880 2 58956350  
Fax : 880 2 8924261  
SWIFT : ONEBDDH006

### Ganakbari (EPZ) Branch

Somser Plaza  
Ganakbari Saver, Dhaka.  
Tel : 880 2 7789653-4  
Fax : 880 2 7789654  
SWIFT : ONEBDDH005

### Joypara Branch

Monowara Mansion  
Joypara Bazar  
Latakhola, Rajpara, Dohar, Dhaka.  
Tel : 880 2 7768161

### Narayangonj Branch

Haque Plaza  
Plot No. 05, B. B. Road, Chashara C. A.,  
Narayangonj.  
Tel : 880 2 7648572-3  
Fax : 880 2 7635242  
SWIFT : ONEBDDH017

### Jatrabari Branch

SA Tower  
101, West Dholaipara, Shyampur, Dhaka-1204.  
Tel : 880 2 47444408-9  
Fax : 880 2 7554803

### Tongi SME/Agriculture Branch

Shahjalal Shopping Complex, 1/1-A  
Sahajuddin Sarkar Road, Tongi, Gazipur.  
Tel : 880 2 9817407-9  
Fax : 880 2 9817410

### Progati Sharani Branch

Ridge Dale  
Cha – 75/2, Uttar Badda, Dhaka.  
Tel : 880 2 58816648, 58813755, 58814715  
Fax : 880 2 8816649

### Nawabgonj Branch

Sikder Plaza  
Bagmara Bazar, Nawabgonj, Dhaka.  
Mobile : 01730082799

### Madhabdi Branch

355, Madhabdi Bazar (Bottola), Narsingdi.  
Tel : 880 2 9446885-7  
Fax : 880 2 9446888

### Basabo Branch

Bandhan Tower  
House # 97/A & 97/A1, West Madartek Road,  
Sabuzbagh, Basabo, Dhaka-1219  
Tel : 880 2 47291336-38  
Fax : 880 2 7811339

### Moghbar Branch

Erra Tower, 1/B, Outer Circular Road  
Moghbar Wireless, Ramna, Dhaka.  
Tel : 880 2 48319562, 48319570, 48319584  
Fax : 880 2 9336674

### Ring Road Branch

Shampa Super Market  
6/7 Adarsha Chayanee  
Ring Road, Shamoli, Dhaka.  
Tel : 880 2 9104551, 9104552, 9104553  
Fax : 880 2 9104554

### Lalbagh Branch

47, Horonath Gosh Road, Lalbagh, Dhaka.  
Tel : 880 2 9668939, 9672748, 9672713  
Fax : 880 2 9668795

### Tipu Sultan Road Branch

50, Tipu Sultan Road, Nawabpur, Dhaka.  
Tel : 880 2 9591845-7  
Fax : 880 2 9591844

### Zinzira Branch

Hazi Nuru Mia Tower, Purbabond Dakpara  
Zinzira, Keraniganj, Dhaka.  
Mobile : 01709646006-7

### Nandipara Branch

34 Maddha Nandipara,  
Dakshingnaon, Khilgaon, Dhaka.  
Tel : 880 2 7811350-52  
Fax : 7811340

### Mawna Branch

Salam Fakir Super Market, Mawna Bazar,  
Sreepur, Gazipur.  
Tel : 88 01709646003, 01708136819-20  
Fax : 51234

### Sonargaon Janapath Branch

House # 02, Road #17/B, Sonargaon Janapath,  
Sector – 12, Uttara, Dhaka.  
Tel : 880 2 55086731-32  
Fax : 55086730

### Faridpur Branch

Lam Shahajidi Tower, 213 Alipur Road  
Faridpur Sadar, Faridpur.  
Tel : 880-0631 62483, 62484

### Ashkona Branch

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

### Hemayetpur Branch

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

### Sonargaon Branch

Ambia Plaza, Degree College Road, Mograpara  
Chowrastha, Sonargaon, Narayanganj  
Tel : 880 2 7656075, 7656052, 7656004  
Mobile : 01708813158  
SWIFT : ONEBDDH001

### Malibagh Branch

Tamji Uddin Tower, 01 DIT Road, Malibagh  
Chowdhurypara, Dhaka  
Tel : 880 2 58316113, 58316117-8

### Tanbazar Branch

SS Tower, 30/14 Loyal Tank Road, Tanbazar  
Narayanganj  
Tel : 880 2 7644482, 7644492-3

### Ekuria Branch

Italy Tower, Hasnabad, Ekuria, South Keraniganj  
Dhaka.  
Tel : 880 2 7762416, 7762485-6

### Bhawal Mirzapur Branch

Bristi Complex,  
Bhawal Mirzapur Bazar  
Gazipur Sadar, Gazipur.  
Mobile : 01711218560

### Araihazar Branch

Madina Plaza, 675, Thana Road  
Araihazar Bazar, Araihazar, Narayanganj.  
Mobile : 01711218558

### Shantinagar Branch

Confiter Tower, Holding -31,  
Shiddeshwari Circular Road,  
Ward No. -13, Dhaka South City Corporation,  
Shantinagar, Ramna, Dhaka.  
Tel : 880 2 48311383 (Manager) 48311381, 48311382

### Gulshan North Branch

Gulshan Tower, Plot No. - 31,  
Gulshan North Avenue, Road No - 53,  
Gulshan Circle-2, Gulshan, Dhaka.  
Tel : 880 2 8834062, 8834072, 8834438  
Mobile : 01313799145

### Kathgora Branch

Razzak Tower, Kathgora Bazar,  
Ashulia, Dhaka.  
Mobile : 01313799138

### Gulshan Islami Banking Branch

97, Bir Uttam Mir Shawkat Sarak (Gulshan Avenue),  
Gulshan, Dhaka.  
Tel : 880 2 48812046-48

## Khulna Zone

### Khulna Branch

J.K Tower, 79 Jashore Road  
Picture Palace, Khulna.  
Tel : 880 41 813339, 813351, 813378  
Fax : 880 41 813409

### Satkhir Branch

Mehedi Super Market  
480, Boro Bazar Sarak, Pransayer, Satkhira.  
Tel : 880 471 63898, 63910, 63911  
Fax : 880 471 63899

### Jashore Branch

M. S. Orchid Centre  
44, M. K. Road, Jashore.  
Tel : 880 421 68047-48  
Fax : 880 421 68049  
SWIFT : ONEBDDH014

### Kushtia Branch

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

### Poradaha Branch

Chairman Tower, Poradaha Bazar,  
Mirpur, Kushtia.  
Mobile : 01777734341

### Mongla Port Branch

Plot No. – 105(P), Mongla Port Bypass Road,  
Mongla Port compound area,  
Mongla, Bagerhat.  
Tel : 880 04662-75481 (For Manager) 75483, 75485  
Mobile : 01313799145

### Chowgacha Branch

Ali Tower, Holding No. - 345,  
Chowgacha Bus Stand,  
Chowgacha, Jashore.  
Tel : 880 04224-56100, 04224-56101, 04224-56102  
Mobile : 01313799148

## Cumilla Zone

### Cumilla Branch

Samatat KR Vivacity, 349 Shahid Khaja  
Nizam Uddin Road, Badurtala, Kotwali, Cumilla  
Tel : 880 81 63001, 63004  
Fax : 880 81 63007

### Laksham Branch

Mojmunder Complex  
972, Doulatgonj Bazar, Laksham, Cumilla.  
Tel : 880 8032 51970, 51971  
Fax : 880 8032 51972

### Brahmanbaria SME/Agriculture Branch

Bhuiyan Mansion  
1081, Masjid Road, Brahmanbaria.  
Tel : 880 851 59455, 59466, 63452  
Fax : 880 851 63451

# OUR NETWORK OF BRANCHES

## Rajshahi Zone

### Rajshahi Branch

Unicity Ibrahim Tower, 88-91 Station Road,  
Rani Bazar, Boalia, Rajshahi  
Tel : 880 721 770495  
Fax : 880 721 770496

### Bogura Branch

739/A, Rabu Tower  
Bogura-Rangpur Sarak, Borogola, Bogura.  
Tel : 880 51 69850, 69860  
Fax : 880 51 69870

### Sirajgonj Branch

Mostofa Plaza  
104, S. S. Road, Sirajgonj Sadar, Sirajgonj.  
Tel : 880 751 62291-2  
Fax : 880 751 62280

### Shahjadpur SME/Agriculture Branch

Mawlana Saifuddin Yahia Super Market  
138, Monirampur Bazar, Shahjadpur, Sirajgonj.  
Tel : 880 7527-64045-46  
Fax : 880 7527-64047

### Rangpur Branch

Shah Bari Tower  
286, Station Road, Guptapara, Rangpur.  
Tel : 880 521 55081, 55082, 55083  
Fax : 880 521 55084

## Sylhet Zone

### Sylhet Branch

Firoz Centre  
891/KA, Chouhatta, Sylhet.  
Tel : 880 821 725093-94, 725472, 810381  
Fax : 880 821 725094

### Islampur Branch

Kayum Complex  
Islampur Bazar, Sylhet.  
Tel : 880 821 761725, 761670, 761632

### Sherpur Branch

Rajendra Complex Moulavibazar Road  
Sherpur Bazar, Moulavibazar  
Mobile : 01713458183

### Laldighirpar Branch

1827 & 2324, Laldighirpar, Sylhet.  
Tel : 880 821 716209, 712778, 714284  
Fax : 880 821 711154  
SWIFT : ONEBDDH051

## Noakhali Zone

### Chowmuhuni Branch

Kiran Shopping Complex; 1453-01 Kairampur Road,  
Chowmuhuni, Begumgonj, Noakhali.  
Tel : 880 321 52098  
Fax : 880 321 53043

### Chandragonj Branch

Chandragonj Bazar, Lakshmipur.  
Mobile : 01713045518, 01713045519

### Feni Branch

Zulfiqar Chamber, 244, Islampur Road, Feni.  
Tel : 880 331 62362, 62267, 62367  
Fax : 880 331 62261

### Dagon Bhuiyan Branch

Khair Shopping Complex  
Fazilaer Ghat Road, Dagon Bhuiyan, Feni.  
Tel : 880 3323 79097-8  
Fax : 880 3323 79099

### Ramgonj Branch

Nur Plaza  
378/1, Uttar Bazar, Main Road, Ramgonj, Lakshmipur.  
Tel : 880 3824-75041  
Fax : 880 3824 75181

### Majidee Court Branch

Majidee Pouro Super Market, Main Road  
Majidee Court, Noakhali  
Tel : 880 321 71267  
Fax : 880 321 71266

### Mandari Bazar Branch

Bank Road, Mandari Bazar, Lakshmipur.  
Phone : 880 381 55012, 55013, 55779  
Fax : 880 381 55790

### Raipur Branch

Sattar Complex  
187, Thana Council Road, Raipur, Lakshmipur.  
Tel : 880 3822-56479, 56489  
Fax : 880 3822 56479, ex-115

### Amishapara Branch

Nurjahan Super Market  
Moddham Bazar, Bhadrangonj  
Amishapara, Sonaimuri, Noakhali.  
Mobile : 01766-667021-24

### Lakshmipur SME/Agriculture Branch

Sky Touch Tower  
1305, Bazar road, Lakshmipur Sadar, Lakshmipur.  
Tel : 88-0381-62875, 62876

### Chaprashir Hat SME/ Agriculture Branch

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

### Subarnachar Branch

Bismillah Tower  
Haris Chowdhury Bazar  
West Char Jubilee, Char Jabbar  
Subarnachar, Noakhali.  
Tel : 880 03228 - 52101-3  
Fax : 03228 - 52104

### Chaterpaiya Branch

Nurjahan Complex  
Barogaon, Chaterpaiya Bazar  
Sonaimuri, Noakhali.  
Mobile : 01777734337, 01777734338

### Chatkhil Branch

Dr. Bashir Plaza  
4129 Chatkhil Bazar  
Chatkhil, Noakhali.  
Tel : 88 03222 - 75351 - 3  
Fax : 03222 - 75354

### Bashurhat Branch

Selim Plaza, 30 Bashurhat Bazar  
Main Road, Companigonj, Noakhali.  
Tel : 88 03223-56284-5  
Fax : 03223-56286

## Chattogram Zone

### Agrabad Branch

64-66 HRC Bhaban, Agrabad C/A, Chattogram.  
Tel : 880 31 721384, 726295, 711198  
Fax : 880 31 714125  
SWIFT : ONEBDDH002

### Khatungonj Branch

110-111, Khatungonj, Chattogram.  
Tel : 880 31 619377, 621252,  
635645, 635526  
Fax : 880 31 624454  
SWIFT : ONEBDDH004

### Jubilee Road Branch

Kader Tower  
128, Jubilee Road, Chattogram.  
Tel : 880 31 2853112-5  
FAX : 880 31 2853116  
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

### CDA Avenue Branch

Avenue Center  
787/A, CDA Avenue, East Nasirabad  
Kotwali, Chattogram.  
Tel : 880 31 2858152-3  
Fax : 880 31 2858154

### Nanupur Bazar Branch

Central Plaza  
Nanupur Bazar, Fatikchhari, Chattogram.  
Mobile : 01730323092

### Sitakunda Branch

BBC Steel Bhaban, South Shitalpur,  
Sitakunda, Chattogram.  
Fax : 880 31 2780964  
Mobile : 01730736292

### Rangamati Branch

H. B. Plaza  
72/Ma, Banarupa Bazaar, Rangamati.  
Tel : 880 351 61701-2, 61741  
Fax : 880 351 61742

### Boalkhali Branch

Joinab Tower  
Gomdondi, Boalkhali Sadar, Chattogram.  
Tel : 880 03032 56181-3

### Raozan Branch

Al-Barake Madrasa Bhaban  
10742, College Gate, Munshirghata, Raozan.  
Tel : 880 3026-56474-76  
Fax : 880 3026-56477

### Ranir Hat Branch

Ferdous Shopping Complex  
Raja Nagar, Rangunia, Ranir Hat.  
Mobile : 01755594064

### Chandgaon Branch

ANFL Kingcity, Road # 01, Block-A,  
Chandgaon R/A, Chattogram.  
Tel : 880 31 670023-5  
Fax : 880 31 2573294

### Dovashi Bazar Branch

Tayabia Madrasa Market  
Chandraghona, Rangunia, Chattogram.  
Mobile : 01755594073

### Halishahar Branch

House # 2, Road # 3, Block # L  
Halishahar Housing Estate, Boropole, Chattogram.  
Tel : 880 31 727712, 727713, 727714  
Fax : 880 31 727715

### Hathazari Branch

J & G Shopping Complex  
Ramgor Road, Hathazari Bus Station  
Hathazari, Chattogram.  
Tel : 880 31 2602003 - 5  
Fax : 880 31 2602006

### Anderkilla Branch

RAC Chamber  
37 Raja Pukur Lane, Kotwali, Chattogram.  
Tel : 880 31 2851612 -14  
Fax : 880 31 2851611  
Mobile : 01766667014

### Mithachara Branch

Mithachara Islamia Fazil Madrasa Market  
Mithachara Bazar, Mirsarai, Chattogram.  
Tel : 880 3024 56048-50  
Fax : 880 3024 56052

### Anowara Branch

Mohsen Awlia Shopping Complex  
Anowara Barkal Road,  
Upazila Sadar Anowara, Chattogram.  
Tel : 880 3029 56142-44  
Fax : 880 3029 56141

### Station Road Branch

Asian SR Hotel  
291 Station Road, Kotwali, Chattogram.  
Tel : 880 31 2851840, 2851841, 2851842

### Chattogram EPZ Branch

Hossain Complex, 1956 A/ 2098  
Airport Road, Bandar, Chattogram.  
Tel : 88 031-800231-32  
Fax : 88 031 - 800230

### Bibirhat Branch

Al Macca Shopping Center  
55, College Road, Bibirhat, Fatikchhari, Chattogram.  
Mobile : 01709646020

### Pahartali Branch

Al-Mocca Complex, 556 Pahartali  
Kapital Road, Raozan, Chattogram.  
Mobile : 01708136868

### Muradpur Branch

S. N. Mim City, 83 Muradpur  
Hathazari Road, Panchalaish, Chattogram.  
Tel : 880 031 658103, 658104, 658105

### Colonel Hat Branch

G-31, Road No. 01, CDA R/A  
Colonel Hat, Akbar Shah, Chattogram  
Tel : 880 02 43151167-69

### Oxygen Moor Branch

Ayesha Wazed Memorial Tower,  
77 Hathazari Road, Oxygen Moor  
Bayazid Bostami, Chattogram.  
Tel : 880 02 43180031-33  
Mob : 01711218556

### Padua Branch

N. K. City Shopping Complex,  
739-5 Padua Bazar, Cox's Bazar Main Road  
Lohagara, Chattogram.  
Mob : 01711218557

### Bangabandhu Sheikh Mujib

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

### Agrabad Islami Banking Branch

HRC Bhaban, 64-66 Agrabad C/A, Chattogram  
Tel : 880 031 333311167-69

## Barishal Zone

### Barishal Branch

K Jahan Centre  
106, Sadar Road, Kotwali, Barishal.  
Tel : 880 431 64537, 64538, 2177568  
Fax : 880 431 2177569

# OUR NETWORK OF SUB-BRANCHES & BOOTHS

## Sub-Branches and Booths

**Ahsanullah University Sub-Branch**  
(Under Kawan Bazar Branch)  
141-142 Love Road, Tejgaon I/A,  
Dhaka.

**Benapole Sub-Branch**  
(Under Jashore Branch)  
Benapole Landport Passenger Terminal,  
Jashore-Benapole Highway, Jashore.

**Mohammadpur Sub-Branch**  
(Under Ring Road Branch)  
Holding No. - 64/1, Nurjahan Road,  
Mohammadpur, Dhaka.

**Shaheed Suhrawardy Hospital  
Sub-Branch**  
(Under Ring Road Branch)  
Sher-E-Bangla Nagar, Dhaka.

**Kamlapur Inland Container Depot  
(ICD) Sub-Branch**  
(Under Motijheel Branch)  
Inland Container Depot,  
Outer Circular Road,  
Kamlapur, Dhaka.

**Nikunja Sub-Branch**  
(Under Banani Branch)  
Manha Villa, House-17, Road-05,  
Kobi Faruque Sharoni, Dhaka.

**Basundia Moor Sub-Branch**  
(Under Jashore Branch)  
Shuvo Shopping Complex,  
Jashore Khulna Highway, Jashore.

**Kalir Bazar Sub-Branch**  
(Under Cumilla Branch)  
Momotaj Uddin Bhaban,  
Kalir Bazar Road, Cumilla.

**Gotatikor Sub-Branch**  
(Under Sylhet Branch)  
Beside Sylhet Regional  
Passport Office,  
Mogla Bazar, Sylhet.

**Baghabari Sub-Branch**  
(Shahjadpur SME/Krishni Branch)  
Aziz Mansion, Baghabari Ghat,  
Shahjadpur, Sirajgonj.

**Sreepur Sub-Branch**  
(Under Ganakbari (EPZ) Branch)  
Tatui Bari, Kashimpur, Mojar Mill,  
Gazipur.

**Pangaon ICT Sub-Branch**  
(Under Ekuria Branch)  
Pangaon Inland Container  
Terminal,  
South Keranigonj, Dhaka.

**Parbatipur Sub-Branch**  
(Under Rangpur Branch)  
Parbatipur Depot Area,  
Parbatipur, Dinajpur.

**Pirerbagh Sub-Branch**  
(Under Mirpur Branch)  
House - 267/1/A, South Pirerbagh,  
Kamal Sharoni, Mirpur 60 feet,  
Dhaka.

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

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

**Kashimpur Sub-Branch**  
(Under Ganakbari (EPZ) Branch)  
Zitar Moor Sarker Market,  
Kashimpur, Gazipur.

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

**Motijheel Sub-Branch**  
(Under Principal Branch)  
DSE Annex Building,  
9/E Motijheel,  
Dhaka.

**Rupatali Sub-Branch**  
(Under Barishal Branch)  
Rayhan Monji, House No. - 1028,  
Road No. 08, Rupatali, Barishal.

**Chattogram Port Booth**  
(MPB Terminal Bhaban)  
Chattogram Port Authority,  
Chattogram.

**Chattogram Port Booth**  
(One Stop Service Centre)  
Chattogram Port Authority,  
Chattogram.

**Chattogram Port Booth**  
(DTM Operation Office)  
General Cargo Berth Area,  
Chattogram.

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

**Bangabandhu Bridge  
Toll Collection Booth**  
Western Plaza, Bangabandhu Bridge,  
Dhaka.

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

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

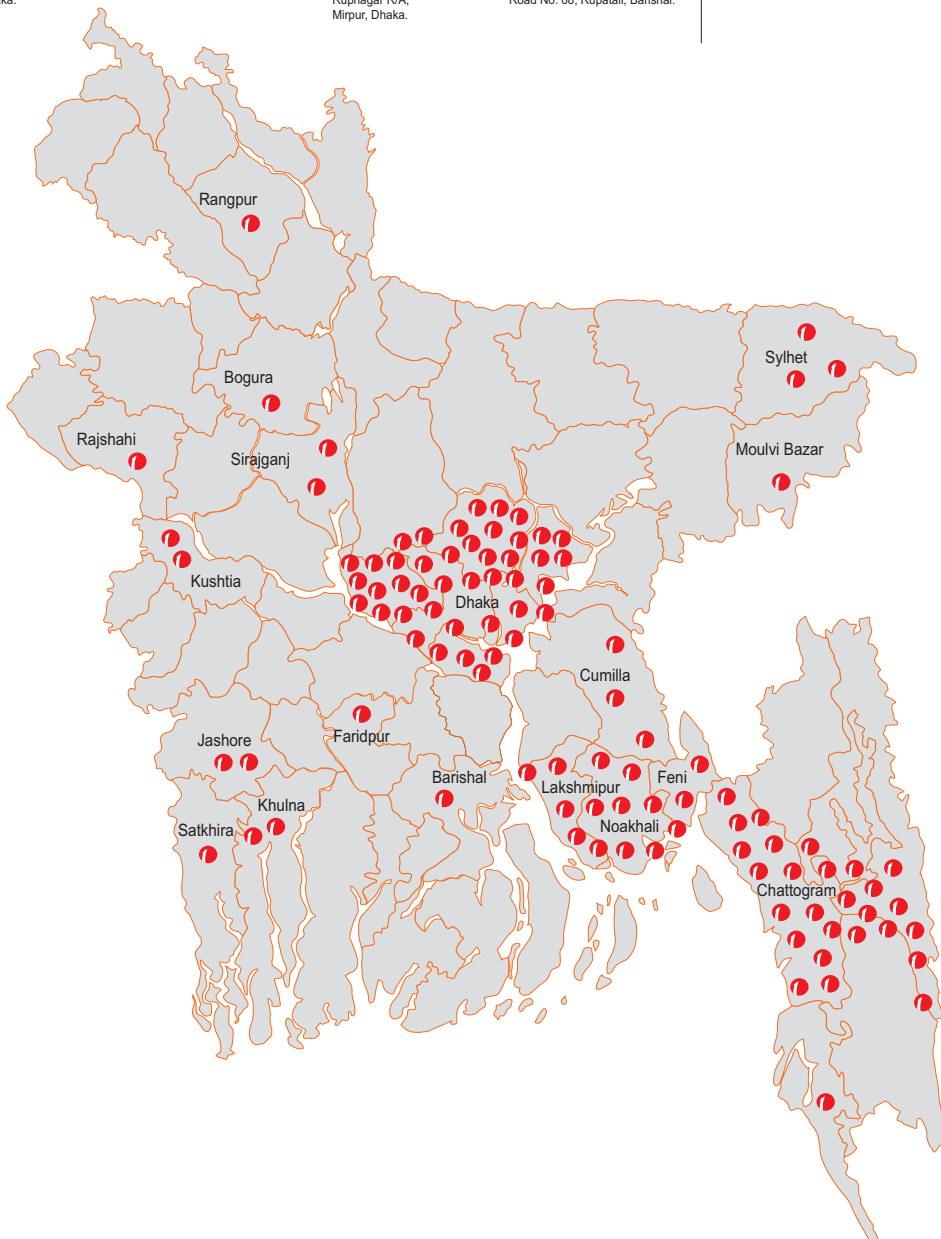
**DPDC Banglabazar Booth**  
NOCS Banglabazar Circle Bhaban  
1 Eignish Road, Bangshal,  
Dhaka.

**BAPEX Booth**  
BAPEX Bhaban  
4 Kawan Bazar C/A, Tejgaon,  
Dhaka.

**Kashimpur Bill Collection Booth**  
Holding No. 482,  
Kashimpur Bazar Road,  
Kashimpur, Gazipur.

**DPDC - Narayanganj  
Bill Collection Booth**  
Holding No. 59, Isa Kha Road,  
Narayanganj.

**Grihayan Bhaban Booth**  
National Housing Authority  
82, Segunbagicha, Dhaka.





Time for  
Connecting to ONE



**ONE Bank**  
LIMITED

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

## PROXY FORM

I/We .....

of (Address) .....

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

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

Proxy to attend and vote on my/our behalf at the 22<sup>nd</sup> AGM (Virtual) of the Company to be held on Thursday, June 24, 2021 at 11.00 a.m. by using digital platform through the following link: <https://obl.bdvirtualagm.com>

Signed this ..... day of ....., 2021.

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.

Time for  
Connecting to ONE



**ONE Bank**  
LIMITED

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

## ATTENDANCE SLIP

I hereby record my attendance at the 22<sup>nd</sup> AGM (Virtual) of the Company being held on Thursday, June 24, 2021 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.



**ONE Bank**  
LIMITED

*...We Make Things Happen*

**Corporate HQ:** HRC Bhaban, 46 Kawran Bazar C. A., Dhaka-1215, Bangladesh  
Tel: +88 02 55012505, Fax: +88 02 55012516  
**Click:** [www.onebank.com.bd](http://www.onebank.com.bd) **Call Centre:** 16269