

ONE Bank Limited

**Independent auditor's report along with
audited financial statements**

As on 31 December 2022



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 2022 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 and separate 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 2022, 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 modifying our opinion, we are drawing attention to the following matters:

1. As disclosed in note # 7.13 to the financial statements, the Bank explained the basis for measurement and recognition of provision required, maintained and the shortfall of provision against the loan and advances. The Bank also disclosed about the deferment allowed by Bangladesh Bank in this regard.

2. As disclosed in note # 13.3 to the financial statements, the Bank reported the Capital to Risk-Weighted Assets Ratio. As per BRPD Circular No. 18 dated 21 December 2014, the Bank had to maintain Minimum Total Capital plus Capital Conversation Buffer @ 12.50% both in the cases of Solo and Consolidated basis. However, the Bank has maintained Minimum Total Capital plus Capital Conversation Buffer 11.77% and 11.89% in the cases of Solo and Consolidated basis respectively.
3. In note # 2.22(a) to the financial statements, the Bank disclosed the actions to be taken to comply with the requirements of para 263(1) of the Labour Rules 2015.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current 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
1. Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collaterals provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end, the Group reported total gross loans and advances of BDT 225,865.67 million (2021: BDT 222,847.15 million) and provision for loans and advances of BDT 11,211.02 million (2021: BDT 11,221.08 million). On the other hand, the Bank reported loans and advances of BDT</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identified the loss events, including early warning and default warning indicators; and • Reviewed the quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Bank's general and specific provisions;



Description of key audit matters	Our response to key audit matters
<p>225,709.29 million (2021: BDT 222,694.15 million) on a solo basis.</p> <p>We need to focus on the following significant judgements and estimates that may give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD and other relevant Circulars issued by Bangladesh Bank; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. <p>Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.</p>	<ul style="list-style-type: none"> • Assessed the methodologies on which the calculation of provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • We considered guidance given to the bank by Bangladesh Bank in this regard for this period; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p><i>See note # 7 and 12 to the financial statements</i></p>	
<p>2. Recognition of interest income from loans and advances.</p>	
<p>Recognition of interest income has significant and wide influence on Financial Statements;</p> <p>Recognition and measurement of interest income has followed circulars of Bangladesh Bank and also involvement of complex IT environment.</p> <p>We identify recognition of interest income from loan and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of fraud and error in recognition of interest income by managements to meet specific target and expectations.</p>	<p>We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loan and advances:</p> <ul style="list-style-type: none"> • We performed test of operating effectiveness on automated control in place to measure and recognize interest income; • We have also performed substantive procedure to check whether the interest income is recognized completely and accurately; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p><i>See notes no 2.3.4, 2.3.15, 2.8.6 (F), 2.9 (a), and 17 to the financial statements.</i></p>	



Description of key audit matters	Our response to key audit matters
3. Valuation of Treasury Bills and Treasury Bonds	
<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 Bills and Treasury Bonds 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 Treasury 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 accordance with the Bangladesh Bank guidelines.</p>
<i>See note # 6 to the financial statements</i>	
4. Measurement of deferred tax assets and liabilities	
<p>The Bank disclosed deferred tax assets and deferred tax liabilities of BDT 94.58 million (BDT 84.60 million in 2021) and BDT 123.05 million (BDT 165.38 million in 2021) respectively as of 31 December 2022.</p> <p>Significant judgment is required in relation to deferred tax assets, and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, 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.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists in assessing key assumptions, controls, recognition, and measurement of deferred tax assets and liabilities.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<i>See note # 9 and 12 to the financial statements</i>	



Description of key audit matters	Our response to key audit matters
5. Carrying value of investments in subsidiaries by the Bank	
<p>The Bank has invested in equity shares of its two subsidiaries, namely ONE Securities Limited and ONE Investments Limited. As at 31 December 2022 the carrying value of these investments were BDT 2,480.10 million.</p> <p>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.</p>	<p>We reviewed Management's analysis of impairment assessment and recoverable value calculation of the investments in accordance with IAS 36.</p> <p>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.</p> <p>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.</p>
<i>See note # 9.1 to the financial statements</i>	
6. IT systems and controls	
<p>The Bank's key financial accounting and reporting processes are significantly dependent on the automated controls over the Bank's information systems. As such 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.</p> <p>The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.</p>	<p>We performed audit procedures to assess IT systems and controls over financial reporting, which included the following:</p> <ul style="list-style-type: none"> • Tested 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. • Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and

<i>Description of key audit matters</i>	<i>Our response to key audit matters</i>
	<p>reporting systems and tested resolution of a sample of exceptions.</p> <ul style="list-style-type: none"> • Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights. • Tested the specific application controls for key financial reporting controls.
7. Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the “Group”) operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group’s best estimate for existing legal matters that have a probable and estimable impact on the Group’s financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Group’s internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Group’s provisions and contingent liabilities disclosure.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us when it is prepared, and the same is likely to happen 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 the separate financial statements of the Bank in accordance with IFRSs as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher



than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 up to date 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) Financial statement for the year ended 31 December 2022 of two subsidiaries ONE Securities Limited and ONE Investment Limited have been audited by us and have been properly reflected in the 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;



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MABS & J Partners
Chartered Accountants

- (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) adequate provisions have been made for advance and other assets (except as mentioned in Emphasis of Matter # 1) 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 7,900 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained adequately during the year.

Place: Dhaka, Bangladesh

Dated: 30 April 2023

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Nasir Uddin Ahmed,

FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)

Deputy Managing Partner

ICAB Enrollment No: 535

DVC No: 2304300935AS734791

ONE Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2022


	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	3 (a)	3,969,948,244	2,983,356,475
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		15,911,337,341	15,127,069,877
		19,881,285,586	18,110,426,352
Balance with other Banks and Financial Institutions			
In Bangladesh	4 (a)	3,636,316,299	3,205,173,505
Outside Bangladesh		6,342,762,869	2,893,872,431
		9,979,079,168	6,099,045,936
Money at call and short notice	5	3,332,927,000	6,725,200,000
Investments			
Government	6 (a)	29,007,107,350	31,624,490,473
Others		10,352,204,242	8,897,582,239
		39,359,311,592	40,522,072,712
Loans and Advances/Investments			
Loans, cash credit, overdraft etc./investments	7 (a)	223,978,287,684	221,026,876,271
Bills purchased and discounted		1,887,383,931	1,820,269,099
		225,865,671,615	222,847,145,370
Fixed Assets including premises, furniture & fixtures	8 (a)	3,625,160,303	3,686,317,659
Other Assets	9 (a)	13,049,886,817	12,645,526,383
Non-banking Assets		-	-
Total Assets		315,093,322,081	310,635,734,412
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	10 (a)	20,539,084,506	19,744,872,097
Non-convertible subordinated bond and contingent-convertible perpetual bond	10 (b)	12,800,000,000	9,250,000,000
Deposits and other accounts			
Current/Al-wadeeah current account and other account	11(a)	33,025,503,034	27,499,544,085
Bills payable		2,631,787,391	2,834,030,974
Savings accounts/Mudaraba savings bank deposit		31,569,929,660	31,887,111,950
Fixed Deposit/Mudaraba fixed deposits		158,252,109,229	167,945,242,159
		225,479,329,314	230,165,929,168
Other Liabilities	12 (a)	37,456,465,838	33,729,406,774
Total Liabilities		296,274,879,659	292,890,208,038
Capital/Shareholders' Equity			
Paid-up Capital	13.2	9,807,424,780	9,340,404,560
Statutory Reserve	14	7,131,286,231	6,721,414,910
Capital Reserve		16,985,722	8,106,441
Surplus in profit & loss account	15.1 (a)	1,506,494,503	1,237,993,412
Revaluation reserve for securities	16	321,457,983	404,675,341
Total Shareholders' Equity		18,783,649,218	17,712,594,664
Non-controlling Interest	15.1 (c)	34,793,204	32,931,709
Total Liability and Shareholders' Equity		315,093,322,081	310,635,734,412


	Notes	31.12.2022 Taka	31.12.2021 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		30,622,760,241	27,599,284,721
Letters of Guarantee	44	16,643,750,675	13,777,812,760
Irrevocable Letters of Credit		13,546,646,550	22,033,819,992
Bills for Collection		1,088,679,115	1,664,810,820
		61,901,836,582	65,075,728,293
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		61,901,836,582	65,075,728,293
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		61,901,836,582	65,075,728,293
Net Asset Value Per Share	46	19.15	18.06

These Financial Statements should be read in conjunction with the annexed notes


Md. Monzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 30 April 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2304300535AS734791

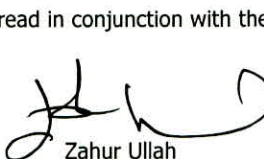
**ONE Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2022**


	Notes	2022 Taka	2021 Taka
Interest income/profit on investment	17 (a)	16,194,945,033	16,000,994,859
Interest paid on deposits and borrowings etc.	18 (a)	(11,915,883,324)	(11,850,216,541)
Net interest income		4,279,061,708	4,150,778,318
Investment income	19 (a)	2,714,603,021	2,171,350,159
Commission, exchange and brokerage	20 (a)	2,720,034,154	1,690,402,164
Other operating income	21 (a)	695,231,556	621,106,111
Total operating income (A)		10,408,930,439	8,633,636,752
Salaries and allowances	22 (a)	3,792,718,211	2,992,756,168
Rent, taxes, insurance, electricity etc.	23 (a)	357,225,995	426,251,645
Legal expenses	24 (a)	59,098,990	68,371,432
Postage, stamps, telecommunication etc.	25	85,920,320	83,439,828
Directors' fees	26 (a)	1,541,000	1,232,000
Auditors' fees		390,000	390,000
Stationery, printings, advertisements etc.	27 (a)	198,899,900	216,832,221
Managing Director's salary and allowances (Bank only)	28	17,002,498	12,184,103
Depreciation, leasing expense and repair of bank's assets	29 (a)	1,023,944,572	807,224,387
Other expenses	30 (a)	476,450,339	379,824,118
Total operating expenses (B)		6,013,191,826	4,988,505,902
Profit/ (loss) before provision and tax (C=A-B)		4,395,738,613	3,645,130,850
Provision for loans and advances	31.1		
Specific provision		2,383,903,814	1,676,248,139
General provision		(230,838,495)	328,423,314
		2,153,065,319	2,004,671,453
Provision for off-balance sheet items	12.10	5,326,651	(6,794,459)
Provision for diminution in value of share	32	(87,849,737)	35,000,000
Provision for other	33	79,075,635	5,960,042
Total Provision (D)		2,149,617,869	2,038,837,036
Profit/(loss) before taxes (E=C-D)		2,246,120,744	1,606,293,814
Provision for taxation	34 (a)		
Current tax expense		740,683,516	684,458,531
Deferred tax expense /(income)		(53,193,674)	76,650,236
		687,489,842	761,108,767
Net Profit after taxation		1,558,630,902	845,185,047
Attributable to:			
Shareholders of the ONE Bank Ltd		1,556,769,407	844,119,609
Non-controlling Interest		1,861,495	1,065,438
		1,558,630,902	845,185,047
Retained surplus brought forward	15.1(b)	762,093,911	775,145,822
Add: Net profit after tax (attributable to shareholder of OBL)		1,556,769,407	844,119,609
		2,318,863,318	1,619,265,431
Appropriations:			
Statutory Reserve	14	409,871,321	290,616,825
Coupon/Dividend on Perpetual Bond		388,578,973	69,964,670
Start up Fund	12.9	13,918,521	20,690,524
		812,368,815	381,272,019
Retained Surplus		1,506,494,504	1,237,993,412
Earnings per share (EPS)	47	1.59	0.86

These Financial Statements should be read in conjunction with the annexed notes


Md. Monzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 30 April 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2304300535AS734791

ONE Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Interest receipts in cash	35(a)	17,891,497,777	15,390,053,031
Interest payments	36(a)	(12,008,764,592)	(11,936,498,644)
Dividend receipts		476,251,569	105,319,221
Fee and commission receipts in cash	37(a)	753,627,814	868,993,263
Recoveries of loans previously written off		144,873,902	55,673,894
Cash payments to employees		(3,581,136,053)	(2,745,808,842)
Cash payments to suppliers		(310,686,943)	(265,495,595)
Income Taxes paid		(759,837,886)	(1,190,733,219)
Receipts from other operating activities	40(a)	2,667,411,730	1,500,988,080
Payment for other operating activities	41(a)	(1,371,261,215)	(1,233,131,560)
Cash generated from operating activities before changes in operating assets and liabilities		3,901,976,102	549,359,628
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(844,012,007)	920,078,579
Loans and advances to customers		(3,018,526,246)	(2,418,425,314)
Other current assets	43(a)	379,022,120	(100,523,725)
Deposits from other banks/ Borrowings		8,992,793,391	(9,807,896,177)
Deposits from customers		(10,486,897,231)	12,848,352,037
Other liabilities	42(a)	2,775,296,375	2,289,879,005
A Net cash used in/ from operating activities		1,699,652,504	4,280,824,034
Cash flows from investing activities			
Proceeds from sale of securities		7,056,745,732	6,270,697,920
Payments for purchase of securities		(7,208,815,979)	(15,456,412,856)
Purchase of property, plant & equipment		(384,147,212)	(293,987,257)
Sale of property, plant & equipment		10,192,874	5,782,351
B Net cash used in investing activities		(526,024,585)	(9,473,919,842)
Cash flows from financing activities			
Receipts from issue of ordinary shares		-	-
Dividend paid		-	(492,815,572)
C Net cash used for financial activities		-	(492,815,572)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		1,173,627,919	(5,685,911,380)
E Effects of exchange rate changes on cash and cash-equivalent		1,084,893,147	59,156,543
F Opening cash and cash equivalent		30,936,005,788	36,562,760,625
G Closing cash and cash equivalents (D+E+F)		33,194,526,854	30,936,005,788
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3(a)	3,969,948,244	2,983,356,475
Cash with Bangladesh Bank & its agent banks(s)	3(a)	15,911,337,341	15,127,069,877
Cash with other banks and financial institutions	4(a)	9,979,079,168	6,099,045,936
Money at call and short notice	5	3,332,927,000	6,725,200,000
Prize bonds	6	1,235,100	1,333,500
		33,194,526,854	30,936,005,788

Net Operating Cash Flow Per Share

48

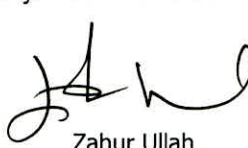
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These Financial Statements should be read in conjunction with the annexed notes


Md. Anzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

Dhaka, 30 April 2023

ONE Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

Amount in Taka


Particulars	Paid-up Capital	Statutory Reserve	Capital Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non-Controlling Interest	Total
Balance as at 01 January 2022	9,340,404,560	6,721,414,910	8,106,441	404,675,341	1,237,993,412	17,712,594,664	32,931,709	17,745,526,373
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	9,340,404,560	6,721,414,910	8,106,441	404,675,341	1,237,993,412	17,712,594,664	32,931,709	17,745,526,373
Issue of Bonus Share for the year 2021 (Transferred to Paid-up Capital)	467,020,220	-	-	-	(467,020,220)	-	-	-
Surplus of Revaluation of Reserve for HTM Securities	-	-	-	(96,412,443)	-	(96,412,443)	-	(96,412,443)
Adjustment of Revaluation of Reserve for HTM Securities	-	-	-	13,195,084	-	13,195,084	-	13,195,084
Net Profit after Tax for the year	-	-	-	-	1,556,769,407	1,556,769,407	1,861,495	1,558,630,902
Transferred to Capital Reserve	-	-	8,879,281	-	(8,879,281)	-	-	-
Profit transferred to Start up Fund	-	-	-	-	(13,918,521)	(13,918,521)	-	(13,918,521)
Profit transferred to Coupon/Dividend on Perpetual Bond	-	-	-	-	(388,578,973)	(388,578,973)	-	(388,578,973)
Profit transferred to Statutory Reserve	-	409,871,321	-	-	(409,871,321)	-	-	-
Balance as at 31 December 2022	9,807,424,780	7,131,286,231	16,985,722	321,457,983	1,506,494,503	18,783,649,218	34,793,204	18,818,442,423
Balance as at 31 December 2021	9,340,404,560	6,721,414,910	8,106,441	404,675,341	1,237,993,412	17,712,594,664	32,931,709	17,745,526,373

These Financial Statements should be read in conjunction with the annexed notes


Md. Mizur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

Dhaka, 30 April 2023

ONE Bank Limited
Balance Sheet
As at 31 December 2022

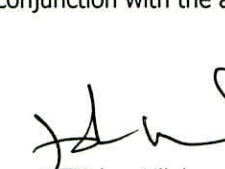
	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)		3,969,940,519	2,983,346,234
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		15,911,337,341	15,127,069,877
		19,881,277,861	18,110,416,111
Balance with other Banks and Financial Institutions	4		
In Bangladesh		3,636,316,299	3,205,173,505
Outside Bangladesh		6,342,762,869	2,893,872,431
		9,979,079,168	6,099,045,936
Money at call and short notice	5	3,332,927,000	6,725,200,000
Investments	6		
Government		29,007,107,350	31,624,490,473
Others		8,056,697,037	6,592,396,412
		37,063,804,387	38,216,886,885
Loans and Advances/investments	7		
Loans, cash credit, overdraft etc./investments		223,821,903,007	220,873,878,073
Bills purchased and discounted		1,887,383,931	1,820,269,099
		225,709,286,939	222,694,147,173
Fixed Assets including premises, furniture & fixtures	8	3,587,931,497	3,631,900,815
Other Assets	9	15,287,016,687	14,888,816,377
Non-banking Assets		-	-
Total Assets		314,841,323,539	310,366,413,296
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	10	20,539,084,506	19,744,872,097
Non-convertible subordinated bond and contingent-convertible perpetual bond	10 (b)	12,800,000,000	9,250,000,000
Deposits and other accounts	11		
Current/Al-wadeeah current account and other account		33,025,503,034	27,499,544,085
Bills payable		2,631,787,391	2,834,030,974
Savings accounts/Mudaraba savings bank deposit		31,569,929,660	31,887,111,950
Fixed Deposit/Mudaraba fixed deposits		158,832,262,247	168,438,089,603
		226,059,482,332	230,658,776,612
Other Liabilities	12	37,062,957,869	33,239,102,987
Total Liabilities		296,461,524,708	292,892,751,695
Capital/Shareholders' Equity			
Paid-up Capital	13.2	9,807,424,780	9,340,404,560
Statutory Reserve	14	7,131,286,231	6,721,414,910
Surplus in profit & loss account	15	1,119,629,837	1,007,166,790
Revaluation reserve for securities	16	321,457,983	404,675,341
Total Shareholders' Equity		18,379,798,831	17,473,661,601
Total Liability and Shareholders' Equity		314,841,323,539	310,366,413,296


	Notes	31.12.2022 Taka	31.12.2021 Taka
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		30,622,760,241	27,599,284,721
Letters of Guarantee	44	16,643,750,675	13,777,812,760
Irrevocable Letters of Credit		13,546,646,550	22,033,819,992
Bills for Collection		1,088,679,115	1,664,810,820
		61,901,836,582	65,075,728,293
Other Contingent Liabilities			
Claims lodged with but not recognized by the Bank		-	-
Other exchange contract		-	-
Total Contingent Liabilities		61,901,836,582	65,075,728,293
Other Commitments			
Documentary Credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-Balance Sheet items including contingent liabilities		61,901,836,582	65,075,728,293
Net Asset Value Per Share	46	18.74	17.82

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


Manzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 30 April 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants



Nasir Uddin Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2304300535A5734791

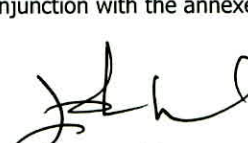
ONE Bank Limited
Profit and Loss Account
For the year ended 31 December 2022


	Notes	2022 Taka	2021 Taka
Interest income/profit on investment	17	16,176,040,709	15,986,988,731
Interest paid on deposits and borrowings etc.	18	(11,942,967,997)	(11,877,499,793)
Net interest income		4,233,072,712	4,109,488,937
Investment income	19	2,638,017,535	2,050,750,934
Commission, exchange and brokerage	20	2,671,040,432	1,607,770,995
Other operating income	21	693,582,168	619,526,591
Total operating income (A)		10,235,712,847	8,387,537,458
Salaries and allowances	22	3,756,977,642	2,963,874,004
Rent, taxes, insurance, electricity etc.	23	354,580,735	423,992,943
Legal expenses	24	58,806,601	68,096,932
Postage, stamps, telecommunication etc.	25	85,920,320	83,439,828
Directors' fees	26	1,376,000	1,056,000
Auditors' fees		350,000	350,000
Stationery, printings, advertisements etc.	27	198,347,715	216,448,394
Managing Director's salary and allowances	28	17,002,498	12,184,103
Depreciation, leasing expense and repair of bank's assets	29	1,013,535,448	797,647,149
Other expenses	30	462,024,193	364,183,654
Total operating expenses (B)		5,948,921,153	4,931,273,008
Profit/ (loss) before provision and tax (C=A-B)		4,286,791,694	3,456,264,450
Provision for loans and advances			
Specific provision	12.4	2,383,903,814	1,676,248,139
General provision	12.5 & 12.6	(230,871,013)	327,766,604
		2,153,032,801	2,004,014,743
Provision for off-balance sheet items	12.10	5,326,651	(6,794,459)
Provision for diminution in value of share	12.12	-	-
Provision for other	12.8	79,075,635	5,960,042
Total Provision (D)		2,237,435,087	2,003,180,326
Profit/ (loss) before taxes (E=C-D)		2,049,356,607	1,453,084,124
Provision for taxation	34		
Current tax expense		709,813,378	621,853,276
Deffered tax expense/ (income)		(52,308,853)	75,200,815
		657,504,526	697,054,091
Net Profit after taxation		1,391,852,081	756,030,034
Retained surplus brought forward	15.1	540,146,571	632,408,775
		1,931,998,652	1,388,438,809
Appropriations:			
Statutory Reserve	14	409,871,321	290,616,825
Coupon/Dividend on Perpetual Bond		388,578,973	69,964,670
Start up Fund	12.9	13,918,521	20,690,524
		812,368,815	381,272,019
Retained Surplus		1,119,629,837	1,007,166,790
Earnings per share (EPS)	47	1.42	0.77

These Financial Statements should be read in conjunction with the annexed notes


Md. Anwar Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 30 April 2023

Signed for & on behalf of
MABS & J Partners, Chartered Accountants


Nasir Uddin Ahmed
FCA, FCS, CGMA, ACMA (UK), FCA (England & Wales)
Deputy Managing Partner
ICAB Enrollment No: 535
DVC: 2304300535AS734791

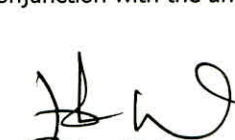
ONE Bank Limited
Cash Flow Statement
For the year ended 31 December 2022


	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Interest receipts in cash	35	17,874,062,797	15,376,545,525
Interest payments	36	(12,035,849,266)	(11,963,781,897)
Dividend receipts		409,485,802	42,461,360
Fee and commission receipts in cash	37	704,109,782	785,158,419
Recoveries of loans previously written off		144,873,902	55,673,894
Cash payments to employees	38	(3,581,136,053)	(2,745,808,842)
Cash payments to suppliers	39	(310,686,943)	(265,495,595)
Income taxes paid	9.3	(719,901,197)	(1,157,165,840)
Receipts from other operating activities	40	2,657,453,622	1,441,779,596
Payment for other operating activities	41	(1,316,834,521)	(1,187,806,306)
Cash generated from operating activities before changes in operating assets and liabilities		3,825,577,925	381,560,314
Increase/(decrease) in operating assets and liabilities			
Sales/ (purchase) of trading securities		(853,690,629)	892,212,395
Loans and advances to customers		(3,015,139,766)	(2,352,600,738)
Other current assets	43	405,722,587	(112,099,139)
Deposits from other banks/ Borrowings		8,992,793,391	(9,807,896,177)
Deposits from customers		(10,399,591,657)	12,925,908,025
Other liabilities	42	2,742,779,318	2,348,823,866
A Net cash used in/ from operating activities		1,698,451,169	4,275,908,546
Cash flow from investing activities			
Proceeds from sale of securities		7,056,745,732	6,270,697,920
Payments for purchase of securities		(7,208,815,979)	(15,456,412,856)
Purchase of property, plant & equipment		(382,943,360)	(289,068,813)
Sale of property, plant & equipment		10,192,874	5,782,351
B Net cash used in investing activities		(524,820,733)	(9,469,001,398)
Cash flow from financing activities			
Receipts from issue of ordinary shares		-	-
Dividend paid		-	(492,815,572)
C Net cash from financing activities		-	(492,815,572)
D Net increase/(decrease) in cash and cash equivalent (A+B+C)		1,173,630,436	(5,685,908,424)
E Effects of exchange rate changes on cash and cash-equivalent		1,084,893,147	59,156,543
F Opening cash and cash equivalent		30,935,995,547	36,562,747,428
G Closing cash and cash equivalents (D+E+F)		33,194,519,130	30,935,995,547
Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3.1	3,969,940,519	2,983,346,234
Cash with Bangladesh Bank & its agent banks(s)	3.2	15,911,337,341	15,127,069,877
Cash with other banks and financial institutions	4	9,979,079,168	6,099,045,936
Money at call and short notice	5	3,332,927,000	6,725,200,000
Prize bonds	6	1,235,100	1,333,500
		33,194,519,130	30,935,995,547
Net Operating Cash Flow Per Share	48	1.73	4.36

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


Md. Anzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

Dhaka, 30 April 2023

ONE Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Amount in Taka

Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
Balance as at 01 January 2022	9,340,404,560	6,721,414,910	404,675,341	1,007,166,790	17,473,661,601
Changes in accounting policy	-	-	-	-	-
Restated balance	9,340,404,560	6,721,414,910	404,675,341	1,007,166,790	17,473,661,601
Issue of Bonus Share for the year 2021 (Transferred to Paid-up Capital)	467,020,220	-	-	(467,020,220)	-
Adjustment of revaluation of treasury securities (HFT)	-	-	(96,412,443)	-	(96,412,443)
Reserve for amortisation of treasury securities (HTM)	-	-	13,195,084	-	13,195,084
Net Profit after Tax for the year	-	-	-	1,391,852,081	1,391,852,081
Profit transferred to Start up Fund	-	-	-	(13,918,521)	(13,918,521)
Profit transferred to Coupon/Dividend on Perpetual Bond	-	-	-	(388,578,973)	(388,578,973)
Profit transferred to Statutory Reserve	-	409,871,321	-	(409,871,321)	-
Balance as at 31 December 2022	9,807,424,780	7,131,286,231	321,457,983	1,119,629,837	18,379,798,831
Balance as at 31 December 2021	9,340,404,560	6,721,414,910	404,675,341	1,007,166,790	17,473,661,601

These Financial Statements should be read in conjunction with the annexed notes


Md. Monzur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

Dhaka, 30 April 2023

ONE Bank Limited
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at 31 December 2022


Amount in Taka

	Up to 1 month	1 -3 months	3- 12 months	1-5 years	Above 5 years	Total
Assets:						
Cash	19,881,277,861	-	-	-	-	19,881,277,861
Balance with other banks and financial institutions	1,918,501,370	5,678,392,728	2,382,185,071	-	-	9,979,079,168
Money at call and short notice	3,332,927,000	-	-	-	-	3,332,927,000
Investment	1,054,010,869	2,051,122,231	2,828,308,465	20,225,332,051	10,905,030,771	37,063,804,387
Loans and Advances	15,669,540,063	48,178,350,375	61,429,742,204	49,705,629,724	50,726,024,572	225,709,286,939
Fixed Assets including premises, furniture & fixtures	-	-	-	-	3,587,931,497	3,587,931,497
Other Assets	1,067,588,954	-	1,525,127,078	2,440,203,324	10,254,097,331	15,287,016,687
Non-banking Assets	-	-	-	-	-	-
Total Assets	42,923,846,118	55,907,865,334	68,165,362,818	72,371,165,099	75,473,084,171	314,841,323,539
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	3,160,925,100	3,011,129,625	10,424,935,781	11,142,094,000	5,600,000,000	33,339,084,506
Deposits and Other Accounts	54,332,658,658	62,361,347,862	66,150,394,032	40,838,829,025	2,376,252,755	226,059,482,332
Other Liabilities	3,674,231,995	14,696,927,981	12,859,811,983	5,831,985,910	-	37,062,957,869
Total Liabilities	61,167,815,754	80,069,405,467	89,435,141,796	57,812,908,936	7,976,252,755	296,461,524,708
Net Liquidity Gap	(18,243,969,636)	(24,161,540,134)	(21,269,778,978)	14,558,256,164	67,496,831,416	18,379,798,831


Md. Zahur Mofiz
Managing Director


AMMM Aurangzeb Chowdhury
Independent Director


Zahur Ullah
Vice Chairman


A.S.M. Shahidullah Khan
Chairman

Dhaka, 30 April 2023

ONE Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2022

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 up to date). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. As on 31 December 2022 the Bank has 110 branches (including 2 Islami Banking branches), 39 Sub-branches, 17 collection booths and 172 ATM booths. In addition, the Bank has 2 (two) Off-shore Banking units, one in Dhaka and another in Chattogram. The Bank has two subsidiary companies namely, ONE Securities Limited and ONE Investment Limited.

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 & regulations of Bangladesh Bank. A separate Balance Sheet and Profit and Loss Account of Islami Banking Unit 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.

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

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

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. 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.

1.7 International Banking

International Banking activities of the Bank are being facilitated by the International Division with 18 ADs (Authorized Dealers) 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 Commerzbank, Habib American Bank, UBAF, Wells Fargo Bank, Mashreqbank, Standard Chartered Bank 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., First Security Islami Exchange Italy S.R.L 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 31st December 2022 our total no. of foreign correspondents and nostro accounts stand at 319 and 30 (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 2022.

1.9 Information Technology

ONE Bank Limited adopted the IT system at the very beginning of its commencement of operation. During the last 23 (Twenty-Three) years of its journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from the introduction of world-class Core Banking Solution (CBS), the Bank has introduced various services like Internet Banking Services, Mobile Financial Services, Agent Banking Services, Islamic Banking Services, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps (ONE App), Wallet (OK 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, eKyc System – Digitally onboarding of Customer System, etc. to provide efficient banking service to customers. The Bank has introduced sanction screening systems to ensure AML & CFT compliance and ensure the prevention of money laundering through banking transactions.

Now-a-days, the banking industry is using information technology to deal with the challenges of the 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 the 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 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 2022, the amount of deposit was 71.80% of total liability and shareholders' equity & the

amount of shareholders' equity was 5.84% 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 are Non-Executive Directors. Particulars of Directors will be included in the annual report (please see Annexure-E) Out of the 6 directors, one director is Independent Director. As per the Corporate Governance Code (BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018), the Bank is required to appoint minimum two Independent Directors. In this case, the Bank submitted a letter dated 10 June 2021 to BSEC for permission to appoint one Independent Director and still pending the issue with Bangladesh Securities and Exchange Commission.

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 up to date), 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.

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 2022 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 (as amended up to date) 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.

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 2020. 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 (Held For Trading) 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 (Held To Maturity) 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 2020 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 Circular Letter No. 56 dated 10 December 2020 provision maintained 1% as Special General Provision COVID-19 and 1.5%-2.0% as Additional General Provision as per BRPD Circular Letter No. 52 dated 29 December 2021, BRPD Circular Letter No. 53 dated 30 December 2021 and BRPD Circular Letter No. 53 dated 22 December 2022. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%-20%, 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 No. 14 dated 25 June 2003 financial guarantees such as letter of credit; letter of guarantee will be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin.

2.3.8 Repo and Reverse Repo Transaction

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

Bangladesh Bank: As per DOS Circular Letter No 2 dated 23 January 2013 and DOS Circular Letter No 6 dated 15 July 2010, when a bank sells a financial 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 No. 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 up to date).

2.3.11 Cash Flow Statement

IFRS: As per the requirement of IAS 7, the Statement of Cash Flows can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003 Cash Flow Statement is the mixture of direct and indirect methods.

2.3.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: As per the requirement of 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.

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. Functional currency for off-Shore banking unit is US Dollar.

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"

In preparing solo financial statements, assets and liabilities in foreign currencies at 31 December 2022 have been converted into Taka currency at the revaluation rate determined by the Bank.

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. 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, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the date of balance sheet.

2.7 Significant accounting policies

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

Accounting policies of subsidiaries

The financial statements of subsidiaries (ONE Securities Limited and ONE Investments Limited) which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events 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 taken by the subsidiaries from the Bank.

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 2022. 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.

2.7.3 Going Concern

The Financial Statements have been prepared on a going concern principle which is the assumption that an entity will remain in business for the foreseeable future. Conversely, the Bank has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. The management is not aware of any material uncertainties that may cause to believe that significant doubt upon the Bank's ability to continue as a going concern.

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, BRPD Circular No. 03, dated 31 January, 2021, BRPD Circular No. 05, dated 24 March, 2021, BRPD Circular No. 13, dated 27 June, 2021, BRPD Circular No. 19, dated 26 August 2021, BRPD Circular letter No. 50, dated 14 December, 2021, BRPD Circular Letter No. 51 & 52, both dated 29 December, 2021, BRPD Circular Letter No. 53, dated 30 December, 2021 respectively at the following rates:

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Staff loan	0%	0%
Unclassified loan to Cottage, Micro and Small Credits under CMSME	0.25%	0.25%
Credit Card	2%	2%
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, BRPD Circular Letter No. 56/2020	1%	1%
Special General Provision as per BRPD Circular No. 19/2021, 52/2021, 53/2021 and 53/2022	1.5% to 2%	1.5% to 2%
Specific provision for classified loans and advances:		

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	5%	5%
Doubtful	5%	5%
Bad/Loss	100%	100%
Provision for classified loan to Cottage, Micro and Small Credits under CMSME:		
Substandard	5%	5%
Doubtful	20%	20%
Bad/Loss	100%	100%

Reference may be made to note # 7.13.

- 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.

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

2.8.4 Non Current Assets

a) Property, Plant and Equipment

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

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

Depreciation

Depreciation on fixed assets is charged for the year at the following annual rates on a reducing balance method for furniture & fixture, office equipment and building and straight line method for motor vehicle :

Category of Fixed Assets	Rate of Depreciation per Annum
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 No. 04 dated 12 April 2022 provision is to be maintained against other assets considering the recovery or unadjusted status thereof.

2.8.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

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

b) Subordinated Bond:

Subordinated Bond-II Tk. 4,000,000,000 (outstanding balance as on 31 December 2022 was Tk. 800,000,000):

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016],[BRPD (BFIS) 661/14B(P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.00%.

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.

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

OBL got approval for issuance of a Non-Convertible Unsecured floating rate Subordinated bonds on 20th September, 2022 After obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BS) 661/14B(P)/2021/11922 dated December 20, 2021] and [# BSEC/CI/DS-177/2021/865 dated June 22, 2022] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 7.00% to 9.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 7.51%.

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 @ 10.00%.

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 Advances, 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, BRPD Circular Letter No. 50, dated 14th December, 2021, BRPD Circular Letter No. 51 & 52, both dated 29th December, 2021, BRPD Circular Letter No. 53, dated 30th December, 2021 and BRPD Circular Letter No. 53, dated 22nd December, 2022 .

Details are stated in **Note 7.13** of these financial statements.

g) Provision against investment in Capital Market

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis 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.

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 & BRPD Circular No. 07 dated June 21, 2018 and BRPD Circular No. 13 dated October 18, 2018).

i) Provision for other assets

Provision for other assets is made as per the instructions of the BRPD Circular No. 04 dated 12 April 2022.

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 12.13**.

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

1. Current Tax

Provision for current income tax has been made at 37.50% as per prescribed in the Finance Act, 2021 on accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure and provisions as per Income Tax Ordinance 1984.

2. Deferred Tax

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

2.8.7 Capital and Shareholders' Equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet long term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior Management develops the capital strategy and oversees the capital

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

a) Authorized and issued capital

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

b) Paid up Share Capital

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

c) Share premium

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

d) Statutory Reserve

Transfer to the statutory reserve has been maintained @ 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991(as amended up to date). 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.

f) Non-Controlling (minority) interest

Non-controlling (minority) interest is that portion of the profit or loss and net assets of the subsidiary (ONE Securities Limited and ONE Investment Limited) attributable to equity interest that are not owned directly or indirectly through subsidiary, by the parent (ONE Bank Limited). Minority interest is reported on the consolidated profit and loss account as a share of profit belonging to the minority shareholders.

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 and dividend on investment in shares are 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.

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 2022 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 Inter-Bank/ Inter-Branch Account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch are reconciled on monthly basis and found no material differences which may affect the Financial Statements significantly.

2.16 Authorization of Financial Statements

The financial statements for the year ended 31 December 2022 have been authorized for issue in accordance with a resolution of the Board of Directors on 30 April 2023.

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 2022.

2.21 Number of Employees

The number of employees in employment in the Bank as on 31 December 2022 was 2,701 of which 2,133 were male and 568 were female. The number of employees per branch (including sub-branches and booths) was 14.21 (1563/110) excluding 1138 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 is considering to realign with para-263 (1) of the Labour Rules 2015 after taking necessary legal opinion from a renowned lawyer in the near future.

b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

The objective of the Fund is to provide financial assistance to all the employees of the Bank for treatment (medical/surgical, physical/other disability, etc) of the employees and or his/her dependent(s); damage or loss of his/her homestead by natural disaster/calamities. The Fund consists of monthly contributions by all the Employees of the Bank and benefits earned from the investments of the Fund. The fund is operated by a Board of Trustees consisting of 7 (seven) employees of the Bank.

d) Death cum Survival Superannuation Fund

The objective of the ONE Bank Ltd. Employees' Death cum Survival Superannuation Fund is to provide superannuation and other benefits to the employees of the Bank on their death, disability, retirement/or being incapacitated at any time or for any other cause that may be deemed fit by the Trustees as per Board's approved policy. This Fund consists of annual contributions of Tk.71 lac by the Bank as well as benefits earned from the investments of the Fund. The Income Tax Authority approved the Fund as a recognized Fund on 19 April 2012 as per the provisions of Part - A of the First Schedule of Income Tax Ordinance 1984. The Fund is operated by a Board of Trustees consisting of 5 (five) employees of the Bank.

e) Maternity Allowance

1. AO to SEVP: Tk. 10,000/- twice during entire period of service of an employee in the Bank.
2. Guard, Electrician, Driver, Messenger & Mali: Tk. 5,000/- twice during entire period of service of an employee in the Bank.

f) Annual Leave Fare Assistance

The provision for Leave Fare Assistance (LFA) represents the current outstanding liability to Employees at the Balance Sheet date. Leave Fare Assistance is a benefit for all permanent employees of the Bank who are entitled to annual leave. According to BRPD Circular No. 15 dated October 25, 2018 of Bangladesh Bank, all permanent employees have to avail 10 days annual leave at a stretch on mandatory basis and LFA is given on approval of the leave.

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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

i) Staff Car Purchase Finance Scheme

All staff at job grades from AVP and above can avail of Car Loan under Staff Car Purchase Finance Scheme as per Board's approved policy and approval from the Competent Authority.

j) Honorarium for Banking Diploma Part I & Part II

On successful completion of Part-I & Part-II of Banking Diploma examination of the Institute of Bankers, Bangladesh or any other Institute of Bankers recognised by the Bank, an employee is entitled to the following honorarium:

1. Part-I of Bangladesh Institute of Bankers Tk. 20,000/- (plus fees incurred by the incumbent)
2. Part-II of Bangladesh Institute of Bankers Tk. 25,000/- (plus fees incurred by the incumbent).

k) Festival Bonus

Employees who have completed at least the service of 6 (six) months with the Bank as on the date of disbursement of Festival Bonus, is entitled to the Festival Bonus on the following basis:

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

l) Incentive Bonus

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 financial year 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 financial year 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/ 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	Applied
Insurance Contracts	IFRS-4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departures
Operating Segments	IFRS 8	Applied
Financial Instruments: Recognition and Measurement	IFRS 9	Applied with some departures
Consolidated Financial Statements	IFRS 10	Applied
Joint arrangements	IFRS 11	N/A
Disclosure of interest in other entities	IFRS 12	N/A
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 Disclosure of Government Assistance	IAS 20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	N/A
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 and joint venture	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
Investment Property	IAS 40	N/A
Agriculture	IAS 41	N/A

*** N/A=Not Applicable**

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

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

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

2.24 IFRS 16: Leases

IFRS 16 is effective 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 No.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 @11.77% against minimum capital requirement (MCR) @10% as at December 31, 2022.

2.26 Risk Management

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

The ingredients of the risk management system at ONE Bank Ltd is capital structure, complexity of functions, level of technical expertise, quality of MIS, etc. and it is structured to address the total risk, i.e. both banking as well as non-banking risks. It also covers both on-balance sheet and off-

balance sheet exposures. The prime objective of this risk management system is to ensure that the Bank takes well-calculated business risks while safeguarding the Bank's capital, its financial resources, profitability from various risks and the reputation.

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

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

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

2.26.1 Credit Risk Management

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

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

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

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

2.26.2 Foreign Exchange Risk Management

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

2.26.3 Asset Liability Risk Management

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

2.26.4 Prevention of Money Laundering and Combating Financing of Terrorism

ONE Bank 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 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 function to review and evaluate the overall effectiveness of the AML & CFT program (third line of defense);
- A regular employee training/awareness program.

ONE Bank Limited has a "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 ML & TF Risk Management" which was reviewed lastly in 2020. The Bank also has a Policy Guidelines on Trade Based Money Laundering (TBML). The Bank has taken initiatives to update all the Policy Guidelines to incorporate the recent changes of rules and regulations on AML & CFT.

The Bank has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of Additional Deputy Managing Director, the Deputy Chief Anti Money Laundering Compliance Officer in the rank of Executive Vice President (EVP) and a dedicated Anti Money Laundering Division (AMLDD) at Corporate Headquarters (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 Committee (BCC) comprising concerned officers related with the job.

The Bank has a Real Time Sanction Screening Process. The Suspicious Transaction/ Activity Reporting (STR/SAR) detection and reporting systems are in place. As a part of regulatory compliance on AML & CFT, the Bank conducts training on AML & CFT from time to time covering all the employees including Trade Based Money Laundering (TBML), Credit Backed Money Laundering (CBML) 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). The Bank is in the process to implement a Reg-Tech Software for stronger AML monitoring process and better compliance.

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 compliant institution.

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. ONE Bank Limited has a Board approved Guidelines on Internal Control & Compliance.

The Board established an Audit Committee of the Board and a Senior Management Team (SMT) to monitor the effectiveness of the internal control system. The Management established a professional and efficient working environment within the Bank by creating and maintaining adequate and effective internal control systems. Internal audit have been conducted on periodical interval to ensure appropriate compliance of Bank's and Regulatory Policies. The Senior Management Team (SMT) and Audit Committee of the Board have been reviewing the effectiveness of the internal control system and apprising the Board as and when necessary. In addition to the internal Audit Team, the Monitoring Team conducts surprise inspections at Branches and Divisions/Departments. 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 the banking industry. ONE Bank being a bank using IT as a 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 certificates 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 the communication, application and user level as ONE Bank is committed to providing banking service based on technology, security and excellence.

ONE Bank has an "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 the 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 the Information Security Policy of the Bank. The Bank updates the policy on regular basis to combat the ever-evolving cyber-security threats. In 2022 ITD has successfully achieved ISO 27001:2013 certification for our Information Security Management System (ISMS). This certification demonstrates our commitment to maintaining the highest level of security standards for our organization and our customers. With this certification, we can assure our customers that their information is safe with us and that we have taken all necessary measures to protect it. It also enables us to improve our information security practices and ensure we are continuously monitoring and improving our systems.

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. Educational Certificates are verified from the respective Boards/Universities and/or websites as applicable. 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.

However, in the year 2022, 1 (one) fraud was detected. Total embezzled amount was Tk. 11,846.00 (Taka eleven thousand eight hundred forty six). The amount has been realized in

full from the perpetrator. The responsible officer has been withdrawn from the desk and further investigation is on to find out if any other such incidence has been committed by him or anybody else is involved in the fraudulent transaction. After getting the final report, stringent disciplinary measures will be taken against the responsible person(s).

2.28 Regulatory Compliance

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

- a. The Bank Company Act, 1991 (as amended up to date).
- b. The Companies Act, 1994.
- c. Rules and Regulations issued by Bangladesh Bank from time to time.
- d. The Securities and Exchange Ordinance 1969.
- e. The Securities and Exchange Rules 2020.
- f. Bangladesh Securities and Exchange Commission Act 1993.
- g. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015.
- h. The Income Tax Ordinance and Rules 1984.
- i. The VAT Act, 2012.
- j. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

2.29 Rearrangement

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

2.30 General

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

However, the stocks of such items are stated below:

Stocks of Items	2022 (Taka)	2021 (Taka)
Bangladesh Shanchaya Patras	2,469,627,928	3,021,982,738
US\$ Investment Bonds	85,474,709	59,545,200
US\$ Premium Bonds	100,297,212	71,857,500
Wage Earners Development Bond	176,300,000	185,080,000
Traveler Cheque	191,091,495	-
Total	3,022,791,344	3,338,465,438

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 up to date) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 347th Board Meeting held on August 11, 2022 constituted the Audit Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee	Educational Qualification
1	Mr. AMM Mohammad Aurangzeb Chowdhury	Independent Director	Chairman	MBA, M.Phil and PhD
2	Mr. Kazi Rukunuddin Ahmed	Director	Member	B.Sc. in Engineering
3	Mr. Shawket Jaman	Director	Member	BA

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 08 (eight) Meetings from 01 January to 31 December, 2022.

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. AMM Mohammad Aurangzeb Chowdhury, 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 up to date) and BRPD Circular No. 11 dated 27 October, 2013, the Board of Directors at its 347th Board Meeting held on August 11, 2022 constituted the Risk Management Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. AMM Mohammad Aurangzeb Chowdhury	Independent Director	Chairman
2	Mr. Zahur Ullah	Vice Chairman	Member
3	Ms. Anannya Das Gupta	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 05 (five) Meetings from 01 January to 31 December, 2022.

The Committee identify/assess Credit Risk, Market Risk, Liquidity Risk, Operation Risk, Internal Control and Compliance Risk, Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the period from January 01, 2022 to December 31, 2022 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. AMM Mohammad Aurangzeb Chowdhury, Independent Director was elected as Chairman of the Risk Management Committee of the Board of Directors.

2.33 Operating Environment

The Bank's operating environment during the year ended 2022 were impacted by a number of major global events such as continuation of COVID 19 related disruptions, ongoing Russia-Ukraine war, increase in fuel and commodity prices, strengthening of US Dollars, etc. Most of these events also had a significant impact on the local economic environment affecting the Bank's operations. From time to time, the Government of Bangladesh and the local Central Bank (Bangladesh Bank) has issued various directives to manage impacts from these events which the Bank has followed. Management on regular basis review and monitor the global and country specific macro-economic situation and consider these issues into the decision making process.

	31.12.2022	31.12.2021
	Taka	Taka
3. Cash		
Cash in hand (Note-3.1)	3,969,940,519	2,983,346,234
Balance with Bangladesh Bank and its agent bank(s) (Note-3.2)	15,911,337,341	15,127,069,877
	19,881,277,861	18,110,416,111
3.1 Cash in hand (including foreign currencies)		
Conventional Banking:		
In local currency	3,891,810,848	2,946,234,006
In foreign currencies	18,899,583	13,881,026
	3,910,710,430	2,960,115,032
Islami Banking:		
In local currency	59,230,089	23,231,202
In foreign currencies	-	-
	59,230,089	23,231,202
	3,969,940,519	2,983,346,234
3.2 Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Balance with Bangladesh Bank		
Conventional Banking:		
In local currency	12,561,767,759	11,283,402,680
In foreign currencies	1,833,705,386	2,574,860,086
	14,395,473,144	13,858,262,766
Islami Banking:		
In local currency	105,850,399	92,034,175
In foreign currencies	-	-
	105,850,399	92,034,175
Balance with Sonali Bank being an agent of Bangladesh Bank	1,410,013,798	1,176,772,936
	15,911,337,341	15,127,069,877

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

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amended in 2018), 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.

a) Cash Reserve Requirement (CRR) :

Conventional and Offshore Banking:

Required reserve daily basis

Domestic Banking Operation	7,682,315,235	7,856,459,450
Offshore Banking Operation	48,174,750	91,358,625
Total	7,730,489,985	7,947,818,075

	31.12.2022	31.12.2021
	Taka	Taka
Reserve Held		
Balance with Bangladesh Bank in local currencies (Note-3.2)	12,561,767,759	11,283,402,680
Amount in reconciliation (Net)*	(787,031,099)	98,883,136
Reserve held with Bangladesh Bank in local currencies	11,774,736,660	11,382,285,816
Surplus/(Shortage)	4,044,246,675	3,434,467,741
* The balance of local currency account was duly reconciled as of 31 December 2022 and the above amount was matched accordingly.		
Required reserve bi-weekly basis		
Domestic Banking Operation	8,779,788,840	8,978,810,800
Offshore Banking Operation	64,233,000	121,811,500
Total	8,844,021,840	9,100,622,300
Reserve held with Bangladesh Bank in local currencies	11,774,736,660	11,382,285,816
Surplus/(Shortage)	2,930,714,820	2,281,663,516
Islami Banking:		
Required reserve daily basis	60,645,795	20,152,790
Reserve held with Bangladesh Bank in local currencies (a.1)	107,210,399	92,034,175
Surplus/(Shortage)	46,564,604	71,881,385
Required reserve bi-weekly basis	69,309,480	23,031,760
Reserve held with Bangladesh Bank in local currencies (a.1)	107,210,399	92,034,175
Surplus/(Shortage)	37,900,919	69,002,415
a.1 Reserve Held for Islami Banking:		
Balance with Bangladesh Bank in local currencies	105,850,399	92,034,175
Amount in reconciliation (Net)*	1,360,000	-
	107,210,399	92,034,175
* The balance of local currency account was duly reconciled as of 31 December 2022 and the above amount was matched accordingly.		
b) Statutory Liquidity Ratio (Other than CRR):		
Conventional and Offshore Banking:		
Required reserve		
Domestic Banking Operation	28,534,313,730	29,181,135,100
Offshore Banking Operation	417,514,500	791,774,750
Total	28,951,828,230	29,972,909,850
Reserve held (b.1)	37,136,671,298	37,921,068,457
Surplus/(Shortage)	8,184,843,068	7,948,158,607
b.1 Reserve held in SLR :		
Cash in hand including foreign currency	3,910,710,430	2,960,115,032
Balance with Sonali Bank being an agent of Bangladesh Bank	1,410,013,798	1,176,772,936
Treasury Bills	2,874,423,679	2,029,905,647
Treasury Bonds	26,010,808,571	29,472,611,326
Sub Total	34,205,956,478	35,639,404,941
Balance with Bangladesh Bank local currency (Surplus amount of CRR)	2,930,714,820	2,281,663,516
Total	37,136,671,298	37,921,068,457
Islami Banking:		
Required reserve	95,300,535	31,668,670
Reserve held (b.2)	217,771,008	212,873,617
Surplus/(Shortage)	122,470,473	181,204,947
b.2 Reserve held in SLR :		
Cash in hand including foreign currency	59,230,089	23,231,202
Balance with Bangladesh Bank local currency (Surplus amount of CRR)	37,900,919	69,002,415
Other securities	120,640,000	120,640,000
	217,771,008	212,873,617

	31.12.2022	31.12.2021
	<u>Taka</u>	<u>Taka</u>
3 (a) Consolidated Cash		
i Cash in hand		
ONE Bank Limited	3,969,940,519	2,983,346,234
ONE Securities Limited	7,725	10,241
ONE Investments Limited	-	-
	<u>3,969,948,244</u>	<u>2,983,356,475</u>
ii Balance with Bangladesh Bank and its agent bank(s)		
ONE Bank Limited	15,911,337,341	15,127,069,877
ONE Securities Limited	-	-
ONE Investments Limited	-	-
	<u>15,911,337,341</u>	<u>15,127,069,877</u>
	<u>19,881,285,586</u>	<u>18,110,426,352</u>
4. Balance with Other Banks and Financial Institutions		
In Bangladesh (Note-4.1)	3,636,316,299	3,205,173,505
Outside Bangladesh (Note-4.2)	6,342,762,869	2,893,872,431
	<u>9,979,079,168</u>	<u>6,099,045,936</u>
4.1 In Bangladesh		
In current accounts (Note-4.3)	100,776,860	92,344,674
Other deposit accounts (Note-4.4)	3,535,539,439	3,112,828,831
	3,636,316,299	3,205,173,505
Off-shore Banking Unit	-	-
	<u>3,636,316,299</u>	<u>3,205,173,505</u>
4.2 Outside Bangladesh		
In current accounts (Note-4.5)	6,328,740,283	2,746,347,148
Other deposit accounts	-	-
	6,328,740,283	2,746,347,148
Off-shore Banking Unit	14,022,586	147,525,283
	<u>6,342,762,869</u>	<u>2,893,872,431</u>
4.3 Current Accounts (In Bangladesh)		
AB Bank Limited	982,009	960,784
Sonali Bank Limited (Other than as agent of Bangladesh Bank)	14,124,968	62,929,673
Trust Bank Limited-Q Cash Settlement Account	42,221,494	8,565,712
Inter Bank Fund Transfer (IBFT) Settlement Account	35,297,408	15,889,377
Standard Chartered Bank	8,150,981	3,999,129
	<u>100,776,860</u>	<u>92,344,674</u>
4.4 Other Deposit Accounts (In Bangladesh)		
ICB Islamic Bank Limited	59,719,000	59,719,000
United Commercial Bank Limited	-	37,342
AB Bank Limited	689,281	684,760
Eastern Bank Limited	-	556,625
Islami Bank Bangladesh Limited	-	429,000,000
Uttara Bank Limited	154,702,580	965,628,637
LankaBangla Finance Limited	800,000,000	1,300,000,000
Agrani Bank Limited	2,500,000,000	-
Rupali Bank Limited	13,566,389	7,700
Prime Bank Limited	5,078,409	45,007,703
	<u>3,533,755,660</u>	<u>2,800,641,767</u>
Islami Banking:		
Mudaraba Special Notice Deposit	1,783,779	312,187,064
	<u>3,535,539,439</u>	<u>3,112,828,831</u>

	31.12.2022	31.12.2021
	Taka	Taka
4.5 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	3,433,088,691	1,485,701,166
Standard Chartered Bank, London	8,444,908	5,585,679
Standard Chartered Bank, Pakistan	72,936,551	66,337,113
Standard Chartered Bank, Mumbai	398,073,252	204,217,846
Standard Chartered Bank, Tokyo	17,875,357	13,839,399
Standard Chartered Bank, Frankfurt	4,634,803	5,845,578
ICICI Bank Limited, Hong Kong	12,677,038	34,421,981
ICICI Bank Limited, Mumbai (ACUD)	30,837,564	118,170,593
ICICI Bank Limited, Mumbai (ACU EURO)	9,477,293	8,421,464
Commerzbank AG, Frankfurt (USD)	135,025,518	35,995,604
Commerzbank AG, Frankfurt (CAD)	5,769,978	15,113,341
Commerzbank AG, Frankfurt (EURO)	82,318,440	(5,155,950)
Zhejiang Chouzhou Commercial Bank,China,USD	93,079,806	-
HDFC Bank Limited, India ACU, USD	31,958,559	-
Mashreqbank Psc, New York	1,187,497,710	307,985,516
Mashreqbank Psc, India (ACUD)	37,142,914	26,259,677
Wells Fargo Bank N.A, New York	226,920,793	246,277,163
AB Bank Ltd, Mumbai	83,382,610	(16,927,185)
Habib Bank AG Zurich, Zurich	12,856,562	9,404,577
Nepal Bangladesh Bank Ltd, Kathmandu	5,653,768	10,031,313
Seylen Bank PLC, Colombo	2,482,347	11,796,031
Axis Bank Ltd, Kolkata	41,226,666	50,144,718
United Bank of India, Kolkata	31,605,609	39,406,008
Habib American Bank, USA	166,163,737	18,892,408
Riyad Bank	48,215,875	40,115,941
Kookmin Bank, South Korea	149,393,936	14,467,169
	6,328,740,283	2,746,347,148

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

- 4.6** As per Circular letter no. FEPD (FEMO)/01/2005-677 dated 13 September 2005, issued by Foreign Exchange Policy Department of Bangladesh Bank, the quarterly review of Nostro Accounts for the quarter ended 31 December 2022 reflect the true state of the Nostro Accounts entries recorded correctly and after review a separate audit certificate have also been given by the Auditor. The status of all outstanding unmatched entries are given below:

As at 31 December 2022

	Amount in US\$							
	As per Bank's Book				As per Correspondents' Book			
	Debit Entries		Credit Entries		Debit Entries		Credit Entries	
No.	Amount	No.	Amount	No.	Amount	No.	Amount	
Less than 1 month	2	2,000,012.75	20	550,199.44	46	37,128,502.39	259	9,856,199.12
01 months or more but less than 03 months	1	103,079.07	-	-	1	25.00	23	362,417.80
03 months or more but less than 06 months	-	-	-	-	2	7,366.03	3	45,591.21
06 months or more but less than 09 months	-	-	-	-	-	-	1	9,000.00
09 months or more but less than 12 months	-	-	-	-	-	-	-	-
12 months or more	-	-	-	-	-	-	-	-
Total	3	2,103,091.82	20	550,199.44	49	37,135,893.42	286	10,273,208.13

As at 31 December 2021

	Amount in US\$							
	As per Bank's Book				As per Correspondents' Book			
	Debit Entries		Credit Entries		Debit Entries		Credit Entries	
No.	Amount	No.	Amount	No.	Amount	No.	Amount	
Less than 1 month	2	8,550.00	41	1,706,429.96	55	5,402,742.79	247	11,139,862.96
01 months or more but less than 03 months	-	-	-	-	-	-	22	163,930.65
03 months or more but less than 06 months	-	-	-	-	-	-	-	-
06 months or more but less than 09 months	-	-	-	-	-	-	1	62,970.00
09 months or more but less than 12 months	-	-	-	-	-	-	-	-
12 months or more	-	-	-	-	-	-	-	-
Total	2	8,550.00	41	1,706,429.96	55	5,402,742.79	270	11,366,763.61

	31.12.2022	31.12.2021
	Taka	Taka
4.7 Maturity of balances with other banks and financial institutions		
Up to 1 month	1,918,501,370	2,162,760,292
More than 1 months to 3 months	5,678,392,728	1,949,698,857
More than 3 months to 1 year	2,382,185,071	1,986,586,787
More than 1 year to 5 years	-	-
More than 5 years	-	-
	9,979,079,168	6,099,045,936
4 (a) Consolidated Balance with Other Banks and Financial Institutions In Bangladesh		
ONE Bank Limited	3,636,316,299	3,205,173,505
ONE Securities Limited	339,106,813	300,764,014
ONE Investments Limited	3,633	46,767
	3,975,426,745	3,505,984,286
Less: Inter Company Balances	(339,110,445)	(300,810,781)
	3,636,316,299	3,205,173,505
Outside Bangladesh		
ONE Bank Limited	6,342,762,869	2,893,872,431
ONE Securities Limited	-	-
	6,342,762,869	2,893,872,431
	9,979,079,168	6,099,045,936
5. Money at call and short notice		
With Bank (Note-5.1)	3,182,927,000	6,325,200,000
With non- bank financial institutions (Note-5.2)	150,000,000	400,000,000
	3,332,927,000	6,725,200,000
5.1 With Bank		
NRB Bank Limited	103,292,700	150,000,000
AB Bank Limited	500,000,000	500,000,000
South Bangla Agriculture and Commerce Bank Limited	450,000,000	385,800,000
National Credit and Commerce Bank Limited	1,000,000,000	1,429,000,000
Community Bank Bangladesh Limited	200,000,000	-
NRB Commercial Bank Limited	-	600,000,000
Midland Bank Limited	206,585,400	514,800,000
Meghna Bank Limited	-	171,600,000
Premier Bank Limited	-	429,000,000
The City Bank Limited	516,463,500	343,200,000
Dhaka Bank Limited	-	257,400,000
Pubali Bank Limited	-	257,400,000
Agrani Bank Limited	206,585,400	1,287,000,000
	3,182,927,000	6,325,200,000
5.2 With non- bank financial institutions		
LankaBangla Finance Limited	150,000,000	400,000,000

	31.12.2022	31.12.2021
	Taka	Taka
6. Investments		
In Government securities		
Conventional Banking:		
Treasury bills (Note- 6.1)	2,874,423,679	2,029,905,647
Treasury bonds (Note-6.2)	26,010,808,571	29,472,611,326
Prize Bonds	1,235,100	1,333,500
	28,886,467,350	31,503,850,473
Islami Banking:		
Bangladesh Government Islamic Bond-Sukuk (Note-6.10)	120,640,000	120,640,000
	29,007,107,350	31,624,490,473
Other Investment		
Shares (Quoted, Unquoted and preference shares) (Note-6.3)	2,851,697,037	792,396,412
Subordinated and Perpetual bonds (issued by other banks)[Note-6.4]	5,205,000,000	5,800,000,000
	8,056,697,037	6,592,396,412
Total Investment	37,063,804,387	38,216,886,885

6.1 Treasury Bills

Treasury Bills (HTM) [(Note-6.1(a))]	-	968,677,884
Treasury Bills (HFT) [(Note-6.1(b))]	2,874,423,679	1,061,227,763
	2,874,423,679	2,029,905,647

6.1(a) Treasury Bills (HTM)

	Amortized Cost (Book Value)		Face value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
364 days Treasury Bills	-	968,677,884	-	1,000,000,000
182 days Treasury Bills	-	-	-	-
	-	968,677,884	-	1,000,000,000

6.1(b) Treasury Bills (HFT)

	Marked to Market Value (Book Value)		Face value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
364 days Treasury Bills	-	1,061,227,763	-	1,083,300,000
182 days Treasury Bills	999,610,869	-	1,000,000,000	-
91 days Treasury Bills	1,874,812,809	-	1,900,000,000	-
	2,874,423,679	1,061,227,763	2,900,000,000	1,083,300,000

6.2 Treasury Bonds

Treasury Bonds (HTM) [(Note-6.2(a))]	24,494,936,763	24,591,286,097
Treasury Bonds (HFT) [(Note-6.2(b))]	1,515,871,808	4,881,325,229
	26,010,808,571	29,472,611,326

6.2 (a) Treasury Bonds (HTM)

	Amortized Cost (Book Value)		Face value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
2 Years Treasury Bonds (Premium)	1,001,194,610	5,569,880,841	1,000,000,000	5,500,000,000
5 Years Treasury Bonds (Premium)	9,272,752,737	7,626,371,542	9,175,500,000	7,500,000,000
10 Years Treasury Bonds (Premium)	5,372,570,851	5,692,213,063	5,250,000,000	5,550,000,000
15 Years Treasury Bonds (Premium)	305,744,474	260,279,404	300,900,000	259,100,000
Sub-total	15,952,262,672	19,148,744,850	15,726,400,000	18,809,100,000

	Amortized Cost (Book Value)		Face value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
2 Years Treasury Bonds (Discount)	1,996,107,478	498,018,812	2,000,000,000	500,000,000
5 Years Treasury Bonds (Discount)	1,709,242,883	925,550,124	1,750,000,000	950,000,000
10 Years Treasury Bonds (Discount)	2,906,559,148	1,881,565,692	2,992,700,000	1,926,100,000
15 Years Treasury Bonds (Discount)	525,662,746	522,019,700	618,100,000	618,100,000
20 Years Treasury Bonds (Discount)	108,901,836	108,886,921	109,300,000	109,300,000
Sub-total	7,246,474,092	3,936,041,248	7,470,100,000	4,103,500,000
10 Years Treasury Bonds (At par)	794,700,000	1,005,000,000	794,700,000	1,005,000,000
15 Years Treasury Bonds (At par)	444,300,000	444,300,000	444,300,000	444,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
Sub-total	1,296,200,000	1,506,500,000	1,296,200,000	1,506,500,000
Total	24,494,936,763	24,591,286,097	24,492,700,000	24,419,100,000

6.2 (b) Treasury Bonds (HFT)

	Marked to Market Value (Book Value)		Face value	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	Taka	Taka	Taka	Taka
2 Years Treasury Bonds	-	1,519,507,010	-	1,500,000,000
5 Years Treasury Bonds	1,515,871,808	1,614,606,504	1,500,000,000	1,500,000,000
10 Years Treasury Bonds	-	1,747,211,715	-	1,477,500,000
Total	1,515,871,808	4,881,325,229	1,500,000,000	4,477,500,000

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

6.3 Other Investments -Shares

In shares (quoted and unquoted)

Quoted:

	31.12.2022 Taka	31.12.2021 Taka
Prime Bank Limited	219,577,603	219,577,603
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
Islami Commercial Insurance Company Limited	87,980	-
Meghna Insurance Company Limited	40,030	-
MI Cement Factory Limited	5,533	5,533
Total	515,064,431	514,936,421

Quoted (Bond):

Premier Bank Perpetual Bond	137,955,000	-
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Quoted (Special Investment Account):

United Commercial Bank Limited	1,430,653	1,430,653
NCC Bank Limited	3,265,760	3,265,760
Square Pharma	41,408,923	6,313,528
Prime Bank Limited	118,614,237	118,614,237
Eastern Bank Limited	9,620,184	9,620,184
Grameenphone Limited	26,110,840	-
The City Bank Limited	110,011,381	-
Total	310,461,977	139,244,362

Unquoted:

Industrial and Infrastructure Development Finance Company Limited	59,000,260	59,000,260
Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450
Lanka Bangla Securities Limited	72,000,000	72,000,000
Investment in SWIFT	5,645,919	5,645,919
Total	138,215,629	138,215,629

	31.12.2022	31.12.2021
	<u>Taka</u>	<u>Taka</u>
Preference Shares:		
City Seed Crushing Industries Limited	1,000,000,000	-
Fair Electronics Limited	500,000,000	-
Max Infrastructure Limited	250,000,000	-
	<u>1,750,000,000</u>	<u>-</u>
Total Share Investment	<u>2,851,697,037</u>	<u>792,396,412</u>

6.4 Subordinated and Perpetual bonds (issued by other banks)

City Bank 2nd Subordinated Bond	525,000,000	850,000,000
City Bank 3rd Subordinated Bond	780,000,000	1,040,000,000
National Bank Limited 2nd Subordinated Bond	100,000,000	150,000,000
United Commercial Bank Limited 3rd Subordinated Bond	300,000,000	450,000,000
Bank Asia Limited Subordinated Bond	-	120,000,000
Prime Bank Limited Subordinated Bond	-	120,000,000
Eastern Bank Limited Subordinated Bond	-	120,000,000
Premier Bank Perpetual Bond	1,800,000,000	1,800,000,000
Jamuna Bank Perpetual Bond	1,350,000,000	1,150,000,000
Pubali Bank Perpetual Bond	350,000,000	-
	<u>5,205,000,000</u>	<u>5,800,000,000</u>

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

Investment in shares quoted and unquoted has been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank guideline has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year.

Amount in Taka					
Name of the Company	No. of Shares including bonus shares	Market price per share	Market value at 31-12-2022	Cost	Surplus/(Deficiency)
1	2	3	4=2*3	5	6=4-5
LankaBangla Finance Ltd.	20,362,737	26.00	529,431,162	122,379,546	407,051,616
IFIC Bank Limited	3,108,740	11.50	35,750,510	170,980,700	(135,230,190)
Summit Alliance Port Ltd	117	30.00	3,510	6,200	(2,690)
Prime Bank Limited	6,777,839	19.20	130,134,509	219,577,603	(89,443,094)
MI Cement Factory Ltd	56	74.40	4,166	5,533	(1,367)
Eastern Bank Limited	71,106	31.80	2,261,171	1,983,900	277,271
IFIC Bank Limited	179	11.50	2,059	2,939	(881)
Meghna Insurance Com. Ltd	4,003	42.80	171,328	40,030	131,298
Islami Commercial Ins. Co.Ltd	8,798	28.10	247,224	87,980	159,244
Total			698,005,639	515,064,431	182,941,208

B. Comparison between cost and book value of Unquoted Shares:

Amount in Taka					
Name of the Company	No. of Shares including bonus shares	Cost Value	Per Share (NAV)	Total Book Value	Unrealized Profit/(Loss)
1	2	3	4	5= 2*4	6=5-3
IIDFC	13,380,903	59,000,260	7.6	101,427,245	42,426,985
CDBL	571,181	1,569,450	39.1	22,356,024	20,786,574
Lanka Bangla Securities Ltd.	1,408,730	72,000,000	20.0	28,188,687	(43,811,313)
Investment in SWIFT	20	5,645,919		5,645,919	-
Total		138,215,629		157,617,876	19,402,246

	31.12.2022	31.12.2021
	Taka	Taka
6.6 Residual Maturity of Investments		
Payable on demand	1,054,010,869	199,999,413
Up to 3 months	2,051,122,231	360,000,000
Above 3 months to 1 year	2,828,308,465	9,472,558,287
Above 1 year to 5 years	20,225,332,051	16,070,587,221
Above 5 years	10,905,030,771	12,113,741,965
	37,063,804,387	38,216,886,885

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-2022	Amount in Taka-2021
Bangladesh Bank	26.12.2022	02.01.2023	986,739,000	-
Bangladesh Bank	28.12.2022	04.01.2023	592,140,600	-

6.8 Disclosure regarding outstanding Reverse Repo

Counterparty name	Agreement date	Reversal date	Amount in Taka-2022	Amount in Taka-2021
Trust Bank Limited	28.12.2021	02.01.2022	-	1,061,227,763
Jamuna Bank Limited	30.12.2021	06.01.2022	-	1,809,412,855

6.9 Disclosure regarding overall transaction of Repo and Reverse Repo

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under repo:			
i) with Bangladesh Bank	487,115,500	3,946,374,871	568,528,728
ii) With other banks & FI	394,382,800	2,770,746,034	151,190,409
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) With other banks & FI	393,477,339	3,181,681,640	85,689,358

31.12.2022
Taka

31.12.2021
Taka

6.10 Islami Banking:

Government securities

Bangladesh Government Investment Sukuk (Ijarah Sukuk)

120,640,000 **120,640,000**

6 (a) Consolidated Investments

In Government securities

ONE Bank Limited

29,007,107,350 31,624,490,473

ONE Securities Limited

-

29,007,107,350 **31,624,490,473**

Other Investment

ONE Bank Limited

8,056,697,037 6,592,396,412

ONE Securities Limited

2,524,850,679 2,485,789,837

ONE Investments Limited

11,699,098 11,432,652

Less: Inter Company Balances

(241,042,572) (192,036,662)

10,352,204,242 **8,897,582,239**

39,359,311,592 **40,522,072,712**

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 2022 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.

	31.12.2022	31.12.2021
	Taka	Taka
7. Loans and Advances/ investments		
Loans, cash credit, overdraft etc (Note-7.1)	223,821,903,007	220,873,878,073
Bills purchased and discounted (Note-7.2)	1,887,383,931	1,820,269,099
	225,709,286,939	222,694,147,173
7.1 Loans, cash credit, overdraft etc/ investments (Note-7.2.a)		
Inside Bangladesh		
Loans	188,744,265,797	181,174,226,246
Cash Credit	-	-
Overdraft	35,077,637,210	39,699,651,827
	223,821,903,007	220,873,878,073
Outside Bangladesh	-	-
	223,821,903,007	220,873,878,073
7.2 Bills purchased and discounted		
Inside Bangladesh		
Local bill purchased and discounted	1,454,432,784	1,373,023,399
Foreign bill purchased and discounted	432,951,148	447,245,700
	1,887,383,931	1,820,269,099
Outside Bangladesh	-	-
	1,887,383,931	1,820,269,099
7.2.a Loans, cash credit, overdraft etc/ investments		
Inside Bangladesh		
Overdraft	35,077,637,210	39,699,651,827
Payment against Documents	394,999,637	2,676,575,985
Loan Against Trust Receipts	5,326,224,066	3,866,243,550
Time Loan	49,929,065,478	51,997,489,706
Export Development Fund (EDF)	11,685,541,307	10,521,821,165
Packing Credit	928,085,353	1,188,528,535
Term Loans	100,444,137,867	91,482,752,332
Lease Finance	5,408,117,887	6,623,698,511
Retail Loans	12,057,498,978	10,695,198,470
Credit Card	1,784,691,863	1,439,686,218
Staff Loan	785,903,361	682,231,776
	223,821,903,007	220,873,878,073
Outside Bangladesh	-	-
	223,821,903,007	220,873,878,073
7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted		
Payable on demand	15,669,540,063	8,607,208,227
Up to 3 months	48,178,350,375	51,748,276,738
Above 3 months to 1 year	61,429,742,204	71,936,978,986
Above 1 year to 5 years	49,705,629,724	48,032,653,999
Above 5 years	50,726,024,572	42,369,029,222
	225,709,286,939	222,694,147,173
7.4 Loans and Advances on the basis of significant concentration		
i. Advance to Directors	-	-
ii. Advance to Managing Director & Senior Executives	437,989,307	471,222,680
iii. Advance to Customer's group:	-	-
Commercial lending	95,541,137,018	110,235,799,873
Agricultural loan	5,344,200,841	3,229,404,940
Export financing	13,525,268,994	8,753,059,350
Consumer credit scheme	3,040,926,054	3,447,529,788
Small and medium enterprise financing	26,558,968,398	23,571,935,145
Staff loan (except Sl. No. ii)	347,914,053	211,009,096
House building loan (other than the employees)	22,896,373,637	8,977,336,241
Others	58,016,508,636	63,796,850,059
	225,709,286,939	222,694,147,173

	31.12.2022	31.12.2021
	<u>Taka</u>	<u>Taka</u>
7.5 Industry-wise outstanding of loans & advances including bills purchased and discounted		
Trade finance	29,823,178,437	25,325,320,855
Steel Re-Rolling	11,654,283,477	10,119,266,543
Readymade Garments	41,273,316,967	38,723,012,051
Textiles	21,356,693,357	19,699,634,092
Edible oil, Rice, Flour etc.	4,579,810,797	4,220,934,565
Power	9,873,428,444	6,862,416,236
Transport & Communication	3,097,015,725	1,995,648,088
Construction/Engineering	7,701,850,191	13,202,732,999
Personal	4,670,771,010	6,285,876,810
Pharmaceuticals	7,200,219,873	6,816,064,917
Real Estate	12,123,867,628	6,200,818,459
Cargo and Travel Services	164,333,295	7,416,836
Paper & Packaging	803,524,579	646,112,352
Agro based industry/ Dairy products/ Food & Beverage	8,622,444,872	5,188,596,532
Others	62,764,548,288	77,400,295,837
	<u>225,709,286,939</u>	<u>222,694,147,173</u>
7.6 Geographical Location-wise Loans and advances including bills purchased and discounted		
Urban		
Dhaka Division	156,250,397,307	154,799,315,218
Chattogram Division	47,314,540,062	47,897,095,046
Rajshahi Division	4,022,903,685	3,787,473,034
Khulna Division	7,830,725,684	7,519,822,817
Sylhet Division	175,897,533	236,201,953
Rangpur Division	844,321,961	857,722,982
Barishal Division	624,415,805	631,819,664
	<u>217,063,202,037</u>	<u>215,729,450,714</u>
Rural		
Dhaka Division	4,472,022,933	3,481,279,131
Chattogram Division	3,312,746,040	2,869,688,455
Rajshahi Division	-	-
Khulna Division	707,164,380	437,564,392
Sylhet Division	154,151,550	176,164,479
Rangpur Division	-	-
Barishal Division	-	-
	<u>8,646,084,902</u>	<u>6,964,696,458</u>
	<u>225,709,286,939</u>	<u>222,694,147,173</u>
7.7 Business segment-wise loans and advances including bills purchased and discounted		
Corporate	180,756,682,524	183,827,936,105
SME	26,558,968,398	23,571,935,145
Consumer	13,545,460,452	12,035,680,683
Short term agri. credit and microcredit	4,062,272,204	2,576,363,463
Executive & Staff	785,903,361	682,231,776
	<u>225,709,286,939</u>	<u>222,694,147,173</u>
7.8 CL category wise loans and advances including bills purchased and discounted		
Continuous loan (CL-2)		
Small & Medium Enterprise (SME)	11,825,689,485	11,974,706,758
Consumer finance	1,784,954,011	1,448,330,786
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	464,416,334	864,380,266
Other corporate loans	23,306,731,285	26,667,127,677
	<u>37,381,791,114</u>	<u>40,954,545,487</u>
Demand Loan (CL-3)		
Small & Medium Enterprise (SME)	5,627,965,543	5,251,081,747
Consumer finance	-	-
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	-	-
Other corporate loans	64,294,740,194	68,090,178,280
	<u>69,922,705,737</u>	<u>73,341,260,027</u>

	31.12.2022	31.12.2021
	Taka	Taka
Fixed Term Loan (CL-4)		
Small & Medium Enterprise (SME)	9,105,313,371	6,346,146,640
Consumer finance (other than HF & LP)	2,642,498,850	1,626,031,592
House finance	9,092,205,336	8,934,045,661
Loans for professionals to set up business	25,802,256	27,272,643
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	1,493,831,662	1,212,678,011
Other corporate loans	91,196,963,049	86,993,571,871
	113,556,614,523	105,139,746,419
Short term agri. credit and microcredit (CL-5)		
Short term agri. Credit	4,062,272,204	2,576,363,463
Microcredit	-	-
	4,062,272,204	2,576,363,463
Staff Loan	785,903,361	682,231,776
	225,709,286,939	222,694,147,173
7.9 Classified and unclassified loans and advances		
Unclassified		
Standard	186,206,383,578	186,610,242,983
Special Mention Account	7,187,400,000	9,673,646,523
Staff Loan	785,903,361	682,231,776
	194,179,686,939	196,966,121,282
Classified		
Substandard	2,140,600,000	1,402,781,007
Doubtful	646,900,000	1,657,324,745
Bad & Loss	28,742,100,000	22,667,920,139
	31,529,600,000	25,728,025,891
	225,709,286,939	222,694,147,173
7.10 Net loans and advances		
Gross loans and advances	225,709,286,939	222,694,147,173
Less: Interest suspense (Note-12.11)	13,884,455,147	11,182,600,386
Less: Provision for loans and advances (Note-12.4, 12.5 and 12.6)	11,211,018,554	11,221,079,931
	25,095,473,701	22,403,680,317
	200,613,813,238	200,290,466,855
7.11 Bills purchased and discounted		
Payable in Bangladesh	1,454,432,784	1,373,023,399
Payable outside Bangladesh	432,951,148	447,245,700
	1,887,383,931	1,820,269,099
7.12 Maturity of Bills purchased and discounted		
Upto 1 month	72,828,842	424,545,311
Above 1 month but less than 3 months	591,480,531	960,079,901
Above 3 months but less than 6 months	874,992,468	435,643,887
6 months or more	348,082,090	-
	1,887,383,931	1,820,269,099

7.13 Particulars of provision for Loans and Advances

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard loan (excluding Staff Loan)	0.25%- 1%	155,983,542,317	4,683,505,382
Standard loan (As per BRPD Circular no-56/20)	1%	20,682,954,440	206,829,544
Standard loan (As per BRPD Circular letter no-52/21,53/21 and 53/22)	2% & 1.5%	22,697,259,126	430,770,456
Small & Medium Enterprise Financing	0.25%	20,297,488,902	50,743,722
Consumer Finance (House Financing)	1%	8,197,245,834	81,972,458
Consumer Financing (Other than House Financing)	2%	2,498,800,962	49,976,019
Credit Card	2%	1,591,299,076	31,825,982
Special Mention Account	0%-2%	7,791,417,347	75,771,790
Short Term Agriculture Loan and Micro Credit	1%	4,012,512,385	40,125,124
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	1,023,976,155	20,479,523
Substandard	5% & 20%	991,017,741	175,076,544
Doubtful	5% & 50%	396,057,153	155,631,257
Bad & Loss	100%	15,452,392,199	15,452,392,199
Required provision for loans and advances			21,455,100,001
Total provision maintained			11,211,018,554
Deferral Provision *			(10,244,081,447)
Excess/ (Short) provision at 31 December			

As at 31 December 2022, the Bank has maintained provision for unclassified loans and advances of Tk.56.04 Crore and for classified loans and advances Tk.1,065.06 Crore (including Bangladesh Bank's required Tk.50 Crore as specific provision in current year) totaling Tk.1,121.10 Crore against total provision requirement of Tk.2,145.51 Crore as determined by Bangladesh Bank vide letter # DBI-4/112/2023-469 dated 27 April 2022. The Bank has also received approval from Bangladesh Bank vide letter # DOS (CAMS) 1157/41 (Dividend)/2023-2201 dated 30 April 2023 allowing the Bank to build-up the remaining required provision as deferral of Tk. 1,024.41 Crore over the next five years (i.e. 2023 to 2027).

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

Number of clients (Annexure-D)		7	19
Amount of outstanding loans & advances *	Tk.	27,561,348,777	66,999,167,340
Amount of classified loans and advances	Tk.	552,475,244	-

* 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 2022. The classification status is shown as per the CL prepared by the Bank as at 31 December 2022 and submitted to Bangladesh Bank.

* Total capital of the Bank was Taka 2,896.90 Crore as at 31 December 2022 (Tk 2,794.74 Crore in 2021).

7.15 Particulars of Loans and Advances

	31.12.2022 Taka	31.12.2021 Taka
i) Loans considered good in respect of which the bank is fully secured	147,334,153,093	173,793,306,261
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee	30,722,411,777	23,375,533,337
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	47,652,722,069	25,525,307,575
iv) Loans adversely classified; provision not maintained there against	-	-
	225,709,286,939	222,694,147,173
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	785,903,361	682,231,776
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	785,903,361	682,231,776

	31.12.2022 Taka	31.12.2021 Taka
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)	1,887,383,931	1,820,269,099
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.9)	31,529,600,000	25,728,025,891
b) Provision on classified loans and advances (Note-12.4)	10,650,625,013	8,429,815,378
c) Provision kept against loans and advances classified as bad debts	10,319,917,212	7,867,161,533
d) Increase/(Decrease) of Specific Provision	2,220,809,635	287,115,411
e) Interest credited to Interest Suspense Account (Note-12.11)	13,884,455,147	11,182,600,386
xi) Cumulative amount of written off loans and advances		
Opening balance	6,105,900,209	4,451,055,169
Written off during the year	3,789,506,148	1,654,845,040
Closing balance	9,895,406,357	6,105,900,209
Cumulative amount realised against loans previously written off	381,154,987	236,281,086
The amount of written off loans for which law suits has been filed	9,861,478,525	6,071,972,378

7.16 Details of pledged collaterals received against Loans and Advances

Collateral of movable /immovable assets	101,120,314,493	157,399,952,562
Local banks and financial institutions guarantee	1,630,674,907	8,000,508,603
Government guarantee	-	-
Foreign banks guarantee	-	-
Export documents	12,995,591,175	3,469,760,433
Fixed Deposit Receipts (FDR)	31,587,572,518	4,673,936,596
FDR of other banks	-	249,148,067
Government bonds	-	-
Personal guarantee	30,722,411,776	23,375,533,338
Other securities	47,652,722,070	25,525,307,574
	225,709,286,939	222,694,147,173

7.17 Restructure of large loan

There was no restructure of large loan occurred during the year 2022 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)

7.18 Financial Statements review and maintained in the clients loan files

Bank collects audited Financial Statements of the loanees and preserve the same in the loan file of the particular loan account in line with the instruction of BRPD Circular Letter No. 04 dated 04 January 2021. Moreover, the bank has signed an MOU with the Institute of Chartered Accountants of Bangladesh (ICAB) to obtain necessary access to the Document Verification System (DVS) for checking information of the loanee financial statements through the DVS as per requirement of BRPD Circular Letter No. 35 dated 06 July 2021. The current status of the Bank is as follows:

Particulars	No. of Files
Audited Financial Statements preserved in the loan file	220
Total Files	272
Percentage of Compliance	81%

7.19 Cluster Financing under Cottage, Micro, Small & medium Enterprises:

Cluster financing is a recognized strategy to strengthen and consolidate SMEs through connectivity, competition, and cooperation. Policy makers has given high priority in the cluster based SME development because of the evidences that SMEs may enjoy competitive advantage and economies of scale by sharing and cooperating.

By following the directives of Bangladesh bank, as a part of continuous support to CMSME Sector, ONE Bank Limited has already published "Cluster Financing Policy" to finance the CMSMEs. The Bank has already identified & financed in high priority clusters like Agro/Food processing cluster & light engineering cluster in different areas of the county. In addition to that, ONE Bank Limited has also financed in Home Textile Clusters and Stone Crushing Clusters.

ONE Bank limited is strongly committed to take part in economic development through the development of the clusters country wide, as per directive & guidance of the Central Bank.

	31.12.2022	31.12.2021
	Taka	Taka
7 (a) Consolidated Loans and Advances		
Loans, cash credit, overdraft etc.		
ONE Bank Limited	223,821,903,007	220,873,878,073
ONE Securities Limited	162,864,494	159,612,680
Less: Inter unit/company elimination	(6,479,817)	(6,614,482)
	223,978,287,684	221,026,876,271
Bills purchased and discounted		
ONE Bank Limited	1,887,383,931	1,820,269,099
ONE Securities Limited	-	-
	1,887,383,931	1,820,269,099
	225,865,671,615	222,847,145,370
8. Fixed Assets including premises, furniture & fixtures		
Conventional and Islami Banking:		
Furniture & Fixtures	1,771,530,634	1,660,313,007
Work in progress (Furniture and Fixture)	250,747,133	-
Office Equipment	1,570,924,046	1,499,528,288
Work in progress (Office Equipment)	211,992	-
Motor Vehicles	292,130,448	293,837,805
Building	332,559,123	324,446,383
Right of use Assets as per IFRS-16*	2,356,636,449	2,250,764,690
Land	279,366,295	279,366,295
	6,854,106,121	6,308,256,468
Intangible Assets	200,084,620	198,184,620
Work in progress (Intangible Assets)	28,488,807	-
	7,082,679,548	6,506,441,088
Less: Accumulated depreciation	3,494,748,051	2,874,540,273
Balance as on 31 December	3,587,931,497	3,631,900,815
*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the Right of use Assets. (For details please refer to Annexure- A)		
8 (a) Consolidated Fixed Assets including premises, furniture & fixtures		
ONE Bank Limited	3,587,931,497	3,631,900,815
ONE Securities Limited	37,228,806	54,416,843
ONE Investments Limited	-	-
	3,625,160,303	3,686,317,659
9. Other Assets		
i Income generating		
Investment in shares of subsidiary companies		
In Bangladesh (Note-9.1)	2,480,099,170	2,480,099,170
Outside Bangladesh	-	-
ii Non- income generating		
Stock of stationery	23,654,835	16,219,812
Stock of stamps	4,768,757	4,555,854
Security deposits	8,551,000	6,525,400
Advance rent for office premises	3,972,236	16,890,025
Prepayments	126,900,639	439,327,356
Application money against IPO share and perpetual bond	-	222,872,340
Suspense account (Note-9.5)	28,265,149	20,313,169
Receivable from Bangladesh Bank (Note-9.8)	350,150,596	179,602,348
Interest and dividend receivables (Note-9.7)	665,906,139	644,293,612
Advance Income Tax (Note-9.3)	11,415,967,982	10,696,066,785
Deferred Tax Assets (Note-9.4)	94,577,406	84,595,669
Protested bill	8,554,393	8,554,393
Sundry receivables	10,460,675	325,714
Receivable ATM acquiring	42,050,693	29,937,088
Receivable from ONE Investments Ltd	-	157,842
Branch Adjustment Account (Note-9.2)	11,217,288	(1,946,896)
	15,275,096,957	14,848,389,680
Off-shore Banking Unit	11,919,730	40,426,697
	15,287,016,687	14,888,816,377

	31.12.2022	31.12.2021
	Taka	Taka
9.1 Investment in shares of subsidiary companies		
ONE Securities Limited (98.9999% owned subsidiary company of OBL)	2,474,999,170	2,474,999,170
ONE Investments Limited (51.00% owned subsidiary company of OBL)	5,100,000	5,100,000
	2,480,099,170	2,480,099,170

9.2 Branch Adjustment Account

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2022 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	19	4	12,313,816	1,096,528
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	19	4	12,313,816	1,096,528
Branch Adjustment Account (Net)			11,217,288	

9.3 Advance income tax

Opening balance on 1 January	10,696,066,785	9,538,900,945
Add: Tax paid as advance	719,901,197	1,157,165,840
Less: Advance income tax adjusted during the year	-	-
Balance on 31 December	11,415,967,982	10,696,066,785

9.4 Deferred tax assets:

Opening balance	84,595,669	76,913,483
Addition/(reverse) during the year (Note-12.2.1)	9,981,736	7,682,186
Closing balance	94,577,406	84,595,669

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

	Base for Prov.	Taka-2022	Taka-2021
Protested bill	8,554,393	8,554,393	8,554,393
Legal Expense	13,424,269	9,571,778	3,677,164
Others	88,280,024	87,122,374	11,983,000
Required provision for other assets		105,248,545	24,214,557
Total provision maintained (Note-12.8)		105,248,545	26,172,910
Excess/(short) provision as on 31, December		-	1,958,353

9.7 Interest and dividend receivables

Interest receivables on placement	30,613,046	3,246,593
Interest receivables on government securities	536,517,217	596,193,252
Interest receivables on non-government securities	3,832,449	20,312,699
Dividend receivables	94,943,428	24,541,068
	665,906,139	644,293,612

9.8 Receivable from Bangladesh Bank

Receivable against encashment - Shanchaya Patras	133,490,016	116,764,522
Interest Receivable from Bangladesh Bank	215,013,651	59,579,164
Receivable against Wage Earners Remittance	1,646,929	3,258,662
	350,150,596	179,602,348

9 (a) Consolidated Other Assets

ONE Bank Limited	15,287,016,687	14,888,816,377
ONE Securities Limited	242,328,403	236,512,939
ONE Investments Limited	640,896	454,079
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	-	(157,842)
	13,049,886,817	12,645,526,383

	31.12.2022	31.12.2021
	Taka	Taka
10. Borrowings from other Banks, financial institutions and Agents.		
Borrowing Inside Bangladesh (Note-10.1)	17,819,043,751	15,540,672,269
Borrowing Outside Bangladesh (Note-10.2)	2,720,040,756	4,204,199,828
	20,539,084,506	19,744,872,097
10.1 Borrowing Inside Bangladesh		
Borrowing from Bangladesh Bank [Note-10.1(a)]	17,778,877,751	15,509,172,269
Refinance Scheme from SME Foundation_COVID-19	35,166,000	31,500,000
Refinance Scheme from Joyeeta Foundation_COVID-19	5,000,000	-
Borrowing from other bank -Payable on demand	-	-
	17,819,043,751	15,540,672,269
10.1 (a) Borrowing from Bangladesh Bank		
Export Development Fund (EDF)	12,466,586,669	10,647,991,684
Refinance against SME, Agriculture loan and Green finance	55,852,832	74,289,833
Stimulus Package for COVID19	3,037,597,294	3,178,756,221
Investment Promotion and Financing Facility II (IPFF II)	761,696,196	-
Financial Sector Support Project (FSSP)	1,457,144,759	1,608,134,530
	17,778,877,751	15,509,172,269
10.2 Borrowing Outside Bangladesh		
Borrowing by Offshore Banking Unit .		
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	426,082,388	1,061,775,000
Oesterreichische Entwicklungsbank AG (OeEB)	90,381,113	225,225,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	322,789,688	804,375,000
Norwegian Investment Fund for Developing Countries (Norfund)	193,673,813	482,625,000
International Finance Corporation (IFC)	344,308,656	857,999,828
RAK BANK-Dubai	1,342,805,100	772,200,000
	2,720,040,756	4,204,199,828
10.3 Security against borrowings from other banks, financial institutions and agents		
Secured	-	-
Unsecured	20,539,084,506	19,744,872,097
	20,539,084,506	19,744,872,097
10 (a) Consolidated Borrowings from other banks, financial institutions and agents.		
ONE Bank Limited	20,539,084,506	19,744,872,097
ONE Securities Limited	6,479,817	6,614,482
ONE Investment Limited	-	-
Less: Inter unit/company elimination	(6,479,817)	(6,614,482)
	20,539,084,506	19,744,872,097
10 (b) Non-convertible subordinated bond and contingent-convertible perpetual bond		
Subordinated Bond - II	800,000,000	1,600,000,000
Subordinated Bond - III	4,000,000,000	4,000,000,000
Subordinated Bond - IV	4,000,000,000	-
Perpetual Bond	4,000,000,000	3,650,000,000
	12,800,000,000	9,250,000,000

Subordinated Bond-II Tk. 4,000,000,000 (Outstanding as on December 31, 2022 of Tk.800,000,000)

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016],[BRPD (BFIS) 661/14B(P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.00%.

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-31.12.2022 (after 80% redemption)
Pubali Bank Limited	1000	1,000,000,000	200,000,000
Sonali Bank Limited	1000	1,000,000,000	200,000,000
Janata Bank Limited	500	500,000,000	100,000,000
Southeast Bank Limited	500	500,000,000	100,000,000
Trust Bank Limited	400	400,000,000	80,000,000
Dhaka Bank Limited	300	300,000,000	60,000,000
Rupali Bank Limited	200	200,000,000	40,000,000
Mutual Trust Bank Limited	100	100,000,000	20,000,000
Total	4000	4,000,000,000	800,000,000

Subordinated Bond-III Tk. 4,000,000,000 (Outstanding as on December 31, 2022 of Tk. 4,000,000,000)

With the view to strength the capital base of the Bank, ONE Bank Limited again issued unsecured non-convertible subordinated floating rate bonds on 12th December, 2018 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BFIS) 661/14B(P)/2018/7655 dated October 11, 2018] and [# BSEC/CI/DS-46/2016/671 dated September 27, 2018] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 7.00% to 9.00% p.a. throughout the tenure of the bond. As of Balance Sheet date 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-31.12.2022	Interest Rate
Sonali Bank Limited	80	800,000,000	800,000,000	7.38%
Dhaka Bank Limited	30	300,000,000	300,000,000	7.38%
Jamuna Bank Limited	130	1,300,000,000	1,300,000,000	7.38%
Pubali Bank Limited	30	300,000,000	300,000,000	7.04%
NRB Commercial Bank Limited	50	500,000,000	500,000,000	7.41%
LankaBangla Finance Limited	80	800,000,000	800,000,000	7.50%
Total	400	4,000,000,000	4,000,000,000	

Subordinated Bond-IV Tk. 4,000,000,000 (Outstanding as on December 31, 2022 of Tk. 4,000,000,000)

OBL got approval for issuance of a Non-Convertible Unsecured floating rate Subordinated bonds on 20th September, 2022 After obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [#BRPD (BS) 661/14B(P)/2021/11922 dated December 20, 2021] and [# BSEC/CI/DS-177/2021/865 dated June 22, 2022] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.00% Margin. However, the rate shall be kept 7.00% to 9.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 7.51%.

Main Features of the Bond:

Issuer	ONE Bank Ltd
Trustee	Sena Kalyan Insurance Company Limited
Lead Arranger	Standard Chartered Bank
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-31.12.2022
Janata Bank Limited	150	1,500,000,000	1,500,000,000
Agrani Bank Limited	250	2,500,000,000	2,500,000,000
Total	400	4,000,000,000	4,000,000,000

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 @ 10.00%.

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	4,000

List of Investor:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-31.12.2022
LankaBangla Finance Ltd.	500	500,000,000	500,000,000
Trust Bank Limited	500	500,000,000	500,000,000
NCC Bank Limited	950	950,000,000	950,000,000
AB Bank Limited	1050	1,050,000,000	1,050,000,000
AB Bank Limited	650	650,000,000	650,000,000
Trust Bank Limited	350	350,000,000	350,000,000
Total	4000	4,000,000,000	4,000,000,000

31.12.2022
Taka

31.12.2021
Taka

10. (b).1 Residual Maturity grouping of borrowings from other banks, financial institutions and agents and Non-convertible subordinated bond and contingent-convertible perpetual bond

Payable on demand	3,160,925,100	2,486,507,563
Up to 3 months	3,011,129,625	2,954,110,387
Above 3 months to 1 year	10,424,935,781	8,934,401,022
Above 1 year to 5 years	11,142,094,000	10,969,853,126
Above 5 years	5,600,000,000	3,650,000,000
	33,339,084,506	28,994,872,097

11. Deposits and other accounts

i Current/Al-wadeeah current account and other account	32,979,293,994	27,451,632,257
Unclaimed cash and fractional dividend account (Note-11.5)	42,437,258	42,795,064
Off-shore Banking Unit	3,771,783	5,116,763
	33,025,503,034	27,499,544,085
ii Bills payable		
Payment Order (Issued)	2,631,447,618	2,833,632,141
Demand Draft	339,773	398,833
	2,631,787,391	2,834,030,974
iii Savings accounts/Mudaraba savings bank deposit	31,569,929,660	31,887,111,950
iv Fixed Deposit/Mudaraba fixed deposits		
Fixed Deposit/Mudaraba fixed deposits	103,341,002,460	103,249,839,831
Special Notice Deposits/ Mudaraba special notice deposit	42,114,259,756	52,601,450,356
Scheme Deposits/ Mudaraba scheme deposit	13,003,647,672	12,370,514,152
Non-resident Foreign Currency Deposits	373,352,359	216,285,264
	158,832,262,247	168,438,089,603
Off-shore Banking Unit	-	-
	158,832,262,247	168,438,089,603
	226,059,482,332	230,658,776,612

	31.12.2022	31.12.2021
	Taka	Taka
11.1 Payable on demands		
Current deposits	17,175,493,871	17,574,063,412
Privilege creditor	699,559,048	459,863,212
Foreign Currency Deposits	7,643,724,401	5,845,497,017
Sundry Deposits	7,506,725,714	3,620,120,444
	33,025,503,034	27,499,544,084
Bills payable	2,631,787,391	2,834,030,974
10% of Savings accounts	3,156,992,966	3,188,711,195
	38,814,283,391	33,522,286,254

11.2 Break down of deposits and other accounts

11.2 (a) Payable on demand

i Deposits from banks	3,561,370	1,225,189
ii Other than banks	38,810,722,021	33,521,061,064
	38,814,283,391	33,522,286,254

11.2 (b) Other Deposits

Deposits from banks		
Term Deposit (ONE Bank Limited)		
National Credit and Commerce Bank Limited	1,000,000,000	-
Trust Bank Limited	1,000,000,000	-
Uttara Bank Limited	400,000,000	-
Basic Bank Limited	1,000,000,000	-
Bengal Commercial Bank Limited	500,000,000	-
The City Bank Limited	500,000,000	-
Bank Asia Limited	2,750,000,000	2,000,000,000
Dutch Bangla Bank Limited	-	1,000,000,000
Agrani Bank Limited	250,000,000	-
Shahjalal Islami Bank Limited	500,000,000	-
Islami Bank Bangladesh Limited	216,244,801	-
State Bank of India	-	450,000,000
Rajshahi Krishi Unnayan Bank	-	20,000,000
	8,116,244,801	3,470,000,000
Term Deposit (Off shore Banking Unit)	-	-
	179,128,954,140	193,666,490,358
Other than banks	187,245,198,941	197,136,490,358
Total deposits [11.2(a) + 11.2(b)]	226,059,482,332	230,658,776,612

11.3 Remaining maturity grouping of deposits

Repayable on demand	12,677,620,354	11,310,107,103
Repayable within 1 month	41,655,038,305	37,161,780,481
Over 1 month but within 6 months	87,818,400,000	78,282,900,000
Over 6 months but within 1 year	40,693,341,894	61,372,556,900
Over 1 year but within 5 years	40,838,829,025	39,819,568,111
Over 5 years but within 10 years	2,376,252,755	3,175,948,031
	226,059,482,332	231,122,860,626

11.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk.12,138,486.89 as on 31 December 2022 and Tk. 6,761,372 as on 31 December 2021, 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	31.12.2022	31.12.2021
	Taka	Taka
2020	38,119,894	38,392,270
2019	4,317,364	4,402,794
	42,437,258	42,795,064

To comply with Bangladesh Securities and Exchange Commission vide letter no. SEC/SRMIC/165-2020/Part-1/182 dated July 19, 2021 the unclaimed dividend of Tk. 29,303,581.24 for the year 2005 to 2017 and non-refunded IPO money had been transferred/deposited to the Capital Market Stabilization Fund (CMSF).

Subsequently in response to a letter no. DOS (RMMCMS) 1154/161/2022-173 dated 13 January 2022, the Bank vide its letter no. OBL/CHQ/BS/2022 dated 23 January 2022 has informed Bangladesh Bank about the transfer of the amount to Capital Market Stabilization Fund (CMSF) of Bangladesh Securities and Exchange Commission (BSEC).

Further, we have transferred total 38,270 number of unclaimed/undistributed/unsettled shares to the respective BO Account of Capital Market Stabilization Fund (CMSF) on March 31, 2022 out of which 30,270 shares for the year 2004 and 8,000 shares for the year 2005 in compliance with the Bangladesh Securities and Exchange (BSEC) letter No. SEC/SRMIC/165-2020/110 dated March 22, 2022 and subsequent letter of Dhaka Stock Exchange Limited (DSE) under reference No. DSE-Listina/161/2022/2181 dated March 23, 2022.

	31.12.2022 Taka	31.12.2021 Taka
11 (a) Consolidated Deposits and other accounts		
Current/Al-wadeeah current account and other account		
ONE Bank Limited	33,025,503,034	27,499,544,085
ONE Securities Limited	-	-
	33,025,503,034	27,499,544,085
Bills payable		
ONE Bank Limited	2,631,787,391	2,834,030,974
ONE Securities Limited	-	-
	2,631,787,391	2,834,030,974
Savings accounts/Mudaraba savings bank deposit		
ONE Bank Limited	31,569,929,660	31,887,111,950
ONE Securities Limited	-	-
	31,569,929,660	31,887,111,950
Fixed Deposit/Mudaraba fixed deposits		
ONE Bank Limited	158,832,262,247	168,438,089,603
Less: Inter Company Balances	(580,153,017)	(492,847,443)
	158,252,109,229	167,945,242,159
	225,479,329,314	230,165,929,168
Total Consolidated Deposit		
12. Other liabilities		
Provision for Income Tax (Note-12.1)	8,483,221,798	7,653,408,420
Deferred tax liability (Note-12.2)	123,052,933	165,380,050
Provision for gratuity (Note-12.3)	74,700,000	-
Provision for loans and advances (Note-12.4 & 12.5)	10,650,625,013	10,693,033,258
Special general provision COVID-19 (Note-12.6)	560,393,540	528,046,673
Risk fund of Consumer Credit and Rider	647,912	473,512
Provision for other (Note-12.8)	105,248,545	26,172,910
Provision for Start-Up Fund (Note-12.9)	34,609,045	20,690,524
Provision for off balance sheet items (Note-12.10)	533,312,138	527,985,487
Provision for diminution value of share (Note-12.12)	-	-
Interest suspense account (Note-12.11)	13,884,455,147	11,182,600,386
Sinking fund	22,236,357	57,011,051
Interest Payable on Subordinated and Perpetual Bond	96,121,046	65,761,812
Interest payable on borrowings	61,076,119	93,166,533
Accrued salary and performance bonus	720,980,198	402,836,111
Accrued expenses	488,835,663	407,084,991
Other payable	1,760,737	1,257,862
Lease liabilities as per IFRS-16	1,170,570,926	1,381,720,098
	37,011,847,120	33,206,629,679
Off-shore Banking Unit	51,110,749	32,473,308
	37,062,957,869	33,239,102,987
12.1 Provision for current income tax		
Opening balance on 1 January	7,653,408,420	7,031,555,144
Provision adjusted during the year	120,000,000	-
	7,773,408,420	7,031,555,144
Add: Provision made during the year	709,813,378	621,853,276
Balance on 31 December	8,483,221,798	7,653,408,420

	31.12.2022	31.12.2021
	Taka	Taka
12.1 (a) Provision for Current Tax made during the year		
Income tax on estimated taxable Business Income	588,412,592	604,377,629
Income tax @ 20% on Dividend Income	95,977,632	8,492,272
Income tax @ 10% on Capital Gain on sales of Shares	142,233	8,983,375
Income tax @ 15% on Gain on sale of Govt. securities	25,280,921	-
	709,813,378	621,853,276
(b) Computation of Taxable Business Income:		
Profit before income tax as per profit and loss account	2,049,356,607	1,453,084,125
Add: Inadmissible expenditures	3,135,704,164	2,647,602,668
Less: Separate consideration for tax exempted and reduce tax rate	649,849,966	384,405,086
Less: Allowable expenditure	2,966,110,561	2,104,608,030
	1,569,100,245	1,611,673,677

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

		2,049,356,607	1,453,084,125
Profit before income tax as per profit and loss account			
Income tax as per applicable tax rate	37.50%	768,508,728	544,906,547
Factors affecting the tax charge for current year:			
Inadmissible expenditures	57.38%	1,175,889,062	992,851,001
Admissible expenses	-54.28%	(1,112,291,460)	(789,228,011)
Tax saving from reduce tax rate (on Dividend Income)	-4.10%	(83,980,428)	(7,430,738)
Tax saving from reduce tax rate (on gain on sales of share)	-0.02%	(391,141)	(24,704,282)
Tax saving income (on Govt. treasury securities)	-1.85%	(37,921,382)	(94,541,241)
Additional provision for previous year		-	-
Total income tax expenses	34.64%	709,813,378	621,853,276

12.2 Deferred tax liability

For Fixed Assets

Opening balance	165,380,050	82,497,049
Addition during the year (Note-12.2.2)	(42,327,117)	82,883,001
Closing balance	123,052,933	165,380,050

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)	757,247,879	746,209,677
Carrying amount of fixed assets	505,041,464	520,621,226
Deductible temporary difference for fixed assets	252,206,415	225,588,451
Applicable tax rate	37.50%	37.50%
Deferred tax asset	94,577,406	84,595,669
Opening deferred tax asset	84,595,669	76,913,483
Deferred tax (expenses)/income	9,981,736	7,682,187

12.2.2 Basis of Deferred Tax Liability:

Carrying amount of fixed assets (Only temporary taxable portion is considered)	1,229,823,266	1,193,166,122
Tax base of fixed assets	901,682,110	847,546,469
	328,141,156	345,619,653
Interest receivables on government securities	-	95,393,814
	328,141,156	441,013,467
Applicable tax rate	37.50%	37.50%
Deferred tax liability	123,052,933	165,380,050
Opening deferred tax liability	165,380,050	82,497,049
Deferred tax expenses/(income)	(42,327,117)	82,883,001

	31.12.2022	31.12.2021
	<u>Taka</u>	<u>Taka</u>
12.3 Provision for gratuity		
Opening balance on 1 January	-	-
Provision made during the year	197,263,784	108,735,634
Transferred/Payment made during the year	122,563,784	108,735,634
Balance on 31 December	74,700,000	-
12.4 Specific provision against loans and advances		
Opening balance on 1 January	8,429,815,378	8,142,699,967
Provision written off	(2,307,968,081)	(1,444,806,622)
Recoveries of amounts previously written off	144,873,902	55,673,894
Provision after written off	6,266,721,199	6,753,567,239
Specific provision made during the year	2,383,903,814	1,676,248,139
Provisions recovered and no longer required written back	-	-
Net charge to profit & loss account	2,383,903,814	1,676,248,139
	8,650,625,013	8,429,815,378
Specific provision transfer from General provision (Note No-12.5 & 12.6)	2,000,000,000	-
Balance on 31 December	10,650,625,013	8,429,815,378
12.5 General provision against loans and advances		
Opening balance on 1 January	2,263,217,881	1,903,458,949
Provision made during the year	-	359,758,931
Provision no longer required	(331,890,659)	-
Net charge to profit & loss account	(331,890,659)	359,758,931
	1,931,327,221	2,263,217,881
General provision transfer to Specific provision	(1,931,327,221)	-
Balance on 31 December	-	2,263,217,881
Total Specific and General Provision except COVID-19	10,650,625,013	10,693,033,258
12.6 Special general provision COVID-19		
Opening balance on 1 January	528,046,673	560,039,000
Special general provision made during the year	101,019,646	-
Provisions no longer required	-	(31,992,327)
Net charge to profit & loss account	101,019,646	(31,992,327)
	629,066,319	528,046,673
General provision transfer to Specific provision	(68,672,779)	-
Balance on 31 December	560,393,540	528,046,673
To comply with Bangladesh Bank vide letter no. DOS (CAMS) 1157/41 (Dividend)/2022-2295 dated April 28, 2022 we have shifted of Tk. 200 Crore from General Provision to Specific Provision.		
12.7 Details information for special general provision		
We have maintained Tk.560,393,540 as special general provision COVID-19 as per BRPD Circular letter no. 56 dated December 10, 2020, BRPD letter no. BRPD (P-1) 661/13/2021-117 dated January 05, 2021, BRPD Circular no.17 dated September 28, 2020, BRPD Circular letter no. 50 dated December 14, 2021, BRPD Circular letter no. 52 dated December 29, 2021 and BRPD Circular letter no.53 dated December 22, 2022.		
12.8 Provision for Other		
Balance on 1 January	26,172,910	20,212,868
Provision made during the year/(recovery) (Note-12.8. a and 12.8. b)	79,075,635	5,960,042
Balance on 31 December	105,248,545	26,172,910
Vide Bangladesh Bank letter # DBI-4/112/2023-469 dated 27 April 2022 and accordingly the Bank has provided Tk 4.87 Crore against provision for other assets and Tk.7.47 Crore against Gratuity.		
12.8. a Provision for protested bill		
Balance on 1 January	8,554,393	2,594,351
Provision recovered during the year	-	5,960,042
Balance on 31 December	8,554,393	8,554,393

	31.12.2022	31.12.2021
	Taka	Taka
12.8. b Provision for legal expenses		
Balance on 1 January	3,677,164	3,677,164
Adjusted with recoverable legal expenses	-	-
Provision made during the year	5,894,614	-
Balance on 31 December	9,571,778	3,677,164
12.8. c Provision for other assets		
Balance on 1 January	13,941,353	13,941,353
Adjusted during the year	-	-
Provision made during the year	73,181,021	-
Balance on 31 December	87,122,374	13,941,353
12.9 Provision for Start up Fund		
Balance on 1 January	20,690,524	13,130,224
Provision made during the year	13,918,521	7,560,300
Balance on 31 December	34,609,045	20,690,524
<p>As per SMESPD circular no. 04 dated March 29, 2021 and SMESPD circular letter no. 05 dated April 26, 2021, Bank has kept start up fund under other liabilities for financing potential start up initiatives in Bangladesh to make a significant contribution to the progress of the country's economy, including employment. This fund is to be built up by transferring 1% of net profit after tax of audited financial statements.</p>		
12.10 Provision for off- balance sheet items		
Balance on 1 January	527,985,487	534,779,946
Provision made during the year	5,326,651	(6,794,459)
Balance on 31 December	533,312,138	527,985,487
<p>As per BRPD Circular No 07 dated June 21, 2018 and BRPD Circular No 13 dated October 18, 2018 no provision is required for bills for collection and for counter guarantee provision is maintained based on Bangladesh Bank rating grade.</p>		
12.11 Interest suspense account		
Balance on 1 January	11,182,600,386	8,772,019,717
Interest suspense charged during the year	10,266,529,779	3,637,452,333
Add back as per Bangladesh Bank instruction	359,300,000	-
Interest suspense realized during the year	(6,417,065,471)	(906,814,036)
Amount written off during the year	(1,481,433,728)	(210,038,418)
Amount waiver during the year	(25,475,820)	(110,019,210)
Balance on 31 December	13,884,455,147	11,182,600,386
12.12 Provision for diminution value of share		
Balance on 1 January	-	-
Provision made/ (recovered) during the year	-	-
Balance on 31 December	-	-
12.12.a Consolidated Provision made for diminution value of share		
ONE Bank Limited	-	-
ONE Securities Limited:	100,870,907	188,720,644
	100,870,907	188,720,644
12.13 Provision for Nostro Reconciliation		
<p>No provision is required as per Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005 for unreconciled Nostro debit entries as there is no outstanding entry over 03 months (Note-4.5)</p>		
12 (a) Consolidated Other liabilities		
ONE Bank Limited	37,062,957,869	33,239,102,987
ONE Securities Limited	392,841,059	489,801,406
ONE Investments Limited	666,911	660,223
Less: Inter unit/company elimination	-	(157,842)
	37,456,465,838	33,729,406,774

	31.12.2022	31.12.2021
	Taka	Taka
13. Share Capital		
13.1 Authorized Capital	18,500,000,000	18,500,000,000
1,850,000,000 (2021:1,850,000,000) ordinary shares of Tk 10 each		
13.2 Issued, Subscribed and fully paid-up Capital	9,807,424,780	9,340,404,560
980,742,478 (2021: 934,040,456) ordinary shares of Tk 10 each		
Sponsors	32.04%	32.06%
General Public (Including Institutes 29.71% and Foreign 0.22%)	67.96%	67.94%
Total	100.00%	100.00%

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

Shareholders	No. of Shareholders	No. of Shares	31.12.2022 Taka	31.12.2021 Taka
Sponsors	17	314,217,117	3,142,171,170	2,994,839,330
Institutes	373	291,398,263	2,913,982,630	2,025,597,890
Foreign	63	2,155,850	21,558,500	20,390,190
General Public	25,846	372,971,248	3,729,712,480	4,299,577,150
Total	26,299	980,742,478	9,807,424,780	9,340,404,560

History of paid up capital:

Year	Declaration	No of Share	Value of Capital	Cumulative
1999	Opening Capital	20,250,000	202,500,000	202,500,000
2001	9% Stock Dividend	1,822,500	18,225,000	220,725,000
2002	19% Stock Dividend	4,193,780	41,937,800	262,662,800
2003	Right issue	4,333,720	43,337,200	306,000,000
2003	Initial Public Offer (IPO)	29,400,000	294,000,000	600,000,000
2003	15% Stock Dividend	9,000,000	90,000,000	690,000,000
2004	17% Stock Dividend	11,730,000	117,300,000	807,300,000
2005	10% Stock Dividend	8,073,000	80,730,000	888,030,000
2006	17% Stock Dividend	15,096,510	150,965,100	1,038,995,100
2007	25% Stock Dividend	25,974,870	259,748,700	1,298,743,800
2008	20% Stock Dividend	25,974,870	259,748,700	1,558,492,500
2009	32% Stock Dividend	49,871,760	498,717,600	2,057,210,100
2010	55% Stock Dividend	113,146,550	1,131,465,500	3,188,675,600
2011	30% Stock Dividend	95,660,268	956,602,680	4,145,278,280
2012	15% Stock Dividend	62,179,174	621,791,740	4,767,070,020
2013	10% Stock Dividend	47,670,700	476,707,000	5,243,777,020
2014	12.50% Stock Dividend	65,547,212	655,472,120	5,899,249,140
2015	12.50% Stock Dividend	73,740,614	737,406,140	6,636,655,280
2016	10% Stock Dividend	66,366,552	663,665,520	7,300,320,800
2017	5% Stock Dividend	36,501,604	365,016,040	7,665,336,840
2018	10% Stock Dividend	76,653,368	766,533,680	8,431,870,520
2019	5% Stock Dividend	42,159,352	421,593,520	8,853,464,040
2020	5.5% Stock Dividend	48,694,052	486,940,520	9,340,404,560
2021	5% Stock Dividend	46,702,022	467,020,220	9,807,424,780
		980,742,478	9,807,424,780	

Face value of paid up capital per share was split into Taka 10 from Taka 100 during the year 2011, we have considered face value of per share of Taka 10 from the inception of the bank for this statement.

Shareholding structure of the Bank as at 31-12-2022 is given below:

Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Upto 500	6,762	1,073,181	0.11
501 to 5,000	12,504	25,068,925	2.56
5,001 to 10,000	2,780	19,285,495	1.97
10,001 to 20,000	1,891	25,681,866	2.62
20,001 to 30,000	764	18,148,574	1.85
30,001 to 40,000	339	11,680,260	1.19
40,001 to 50,000	239	10,710,585	1.09
50,001 to 100,000	464	31,811,739	3.24
100,001 to 1,000,000	463	121,478,075	12.39
Over 1,000,000	93	715,803,778	72.99
Total	26,299	980,742,478	100.00

- a) Authorised Capital of the Bank has been raised to Tk. 18,500,000,000 from Tk. 10,000,000,000 during the year 2021. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on December 23, 2021:
- b) 46,702,022 Bonus shares of Tk. 10 each valued at Tk.467,020,220 for the year 2021 has been transferred to Paid-up capital account during the year 2022:

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

13.3 Capital to Risk Weighted Assets 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 2022 is Taka 28,969,004,627 comprised of core capital of Taka 21,889,158,664 and supplementary capital of Taka 7,079,845,963 thereby showing a surplus capital/equity of Taka 4,354,415,452 against the required capital. Details are shown below:

	31.12.2022	31.12.2021
	Taka	Taka
Solo Basis:		
Common Equity Tier-1 Capital (CET-1)		
Paid-up capital (Note-13.2)	9,807,424,780	9,340,404,560
Statutory Reserve (Note-14)	7,131,286,231	6,721,414,910
Retained Earnings (Note-15)	1,119,629,837	1,007,166,790
	18,058,340,849	17,068,986,260
Regulatory Adjustments/ Deduction from CET-1:		
Deferred Tax Assets (Note-9.4)	94,577,406	84,595,669
Goodwill and all other intangible assets	1,372,324	186,082
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	7,092,170	6,019,580
	103,041,900	90,801,331
Total Common Equity Tier-1 Capital	17,955,298,949	16,978,184,928
Additional Tier- 1 Capital		
Perpetual bond	3,933,859,715	3,650,000,000
Total Tier 1 Capital	21,889,158,664	20,628,184,928
Tier -2 Capital		
General Provision (Note-12.5, 12.6 & 12.10)	1,093,705,679	3,319,250,041
Subordinated bond	5,920,000,000	4,000,000,000
Others (Remaining part of Perpetual bond)	66,140,285	-
Total Tier-2 Capital	7,079,845,963	7,319,250,041
A Total Regulatory Capital	28,969,004,627	27,947,434,969
Total Assets including Off Balance Sheet items	376,743,160,121	375,442,141,590
B Total Risk Weighted Assets	246,145,891,748	232,232,336,590
C Minimum Required capital based on risk weighted assets (10% on B)	24,614,589,175	23,223,233,659
D Surplus (A-C)	4,354,415,452	4,724,201,310
Capital to Risk Weighted Assets Ratio:	11.77%	12.03%
Common Equity Tier 1 Ratio	7.29%	7.31%
Tier 1 Capital Ratio	8.89%	8.88%
Tier-2 Capital Ratio	2.88%	3.15%
Leverage Ratio of the solo basis		
A Tier 1 Capital considering all regulatory adjustment	21,889,158,664	20,628,184,928
B On-balance sheet exposure	304,190,698,526	301,936,597,919
C Off-balance sheet	35,425,980,590	14,475,310,820
D Deduction from on and off balance sheet exposure/ Regulatory adjustments made to Tier 1 capital	103,041,900	90,801,331
E Total exposure (B+C-D)	339,513,637,215	316,321,107,408
Leverage ratio (A/E)	6.45%	6.52%

	31.12.2022	31.12.2021
	Taka	Taka
Consolidated Basis:		
Common Equity Tier-1 Capital (CET-1)		
Paid-up capital (Note-13.2)	9,807,424,780	9,340,404,560
Statutory Reserve (Note-14)	7,131,286,231	6,721,414,910
Capital Reserve	16,985,722	8,106,441
Retained Earnings [Note-15.1 (a)]	1,506,494,503	1,237,993,412
Minority Interest in Subsidiaries [Note-15.1 (c)]	34,793,204	32,931,709
	18,496,984,440	17,340,851,032
Regulatory Adjustments/ Deduction from CET-1:		
Deferred Tax Assets (Note-9.4)	94,577,406	84,595,669
Goodwill and all other intangible assets	1,372,324	186,082
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	66,668,590	76,516,700
	162,618,320	161,298,451
Total Common Equity Tier-1 Capital	18,334,366,120	17,179,552,580
Additional Tier- 1 Capital		
Perpetual bond	3,933,859,715	3,650,000,000
Total Tier 1 Capital	22,268,225,836	20,829,552,580
Tier -2 Capital		
General Provision	1,095,334,323	3,320,846,167
Sub-ordinated debt	5,920,000,000	4,000,000,000
Others (Remaining part of Perpetual bond)	66,140,285	-
Total Tier-2 Capital	7,081,474,608	7,320,846,167
A Total Regulatory Capital	29,349,700,444	28,150,398,748
Total Assets including Off Balance Sheet items	376,995,158,663	375,711,462,706
B Total Risk Weighted Assets	246,769,676,721	233,010,542,634
C Minimum Required capital based on risk weighted assets (10% on B)	24,676,967,672	23,301,054,263
D Surplus (A-C)	4,672,732,772	4,849,344,484
Capital to Risk Weighted Assets Ratio:	11.89%	12.08%
Common Equity Tier 1 Ratio	7.43%	7.37%
Tier 1 Capital Ratio	9.02%	8.94%
Tier-2 Capital Ratio	2.87%	3.14%
Leverage Ratio of the Consolidated basis		
A Tier 1 Capital considering all regulatory adjustment	22,268,225,836	20,829,552,580
B On-balance sheet exposure	304,442,697,068	302,205,919,034
C Off-balance sheet	35,425,980,590	14,475,310,820
D Deduction from on and off balance sheet exposure/ Regulatory adjustments made to Tier 1 capital	162,618,320	161,298,451
E Total exposure (B+C-D)	339,706,059,338	316,519,931,404
Leverage ratio (A/E)	6.56%	6.58%

	31.12.2022	31.12.2021
	Taka	Taka
14. Statutory Reserve		
Balance brought forward from previous year	6,721,414,910	6,430,798,085
Addition during the year	409,871,321	290,616,825
Balance on 31 December	7,131,286,231	6,721,414,910
As per Section 24 of the Bank Company Act 1991 and amendment thereon, every scheduled bank is required to build up statutory reserve and before declaring dividend, will transfer profit equivalent to 20% of PBT to the said reserve until the sum of the said reserve and share premium account becomes equal to the paid up capital.		
15. Retained earnings/ movement of profit and loss account		
Balance on 1 January	1,007,166,791	1,650,557,138
Addition during the year	1,391,852,081	756,030,034
Transfer to statutory reserve	(409,871,321)	(290,616,825)
Interest on Perpetual Bond	(388,578,973)	(69,964,670)
Transfer to Start up Fund	(13,918,521)	(20,690,524)
Issue of Bonus Share	(467,020,220)	(486,940,520)
Cash dividend paid	-	(531,207,842)
Balance on 31 December	1,119,629,837	1,007,166,791
15.1 Retained earnings brought forward from previous year		
Retained Earning of previous Year	1,007,166,791	1,650,557,138
Bonus share issued	(467,020,220)	(486,940,520)
Cash dividend paid	-	(531,207,842)
Retained Earnings brought forward	540,146,571	632,408,775
15.1 (a) Consolidated retained earnings/ movement of profit and loss account		
Retained Earning of ONE Bank Limited	1,119,629,837	1,007,166,791
Retained Earning of ONE Securities Limited	390,080,322	232,584,224
Retained Earning of ONE Investments Limited	1,676,716	1,273,275
Transfer to Capital Reserve	-	-
Attributable to Non-Controlling Interest	(4,892,375)	(3,030,880)
Balance on 31 December	1,506,494,503	1,237,993,412
15.1(b) Consolidated retained earnings brought forward from previous year		
Retained Earning of previous Year	1,237,993,412	1,801,400,626
Bonus share issued	(467,020,220)	(486,940,520)
Transfer to Capital Reserve	(8,879,281)	(8,106,441)
Cash Dividend Paid	-	(531,207,842)
Retained Earnings brought forward	762,093,911	775,145,822
15.1(c) Non-controlling Interest		
ONE Securities Limited		
Paid up capital	2,500,000,000	2,500,000,000
Capital Reserve	16,985,722	8,106,441
Retained earnings	390,080,322	232,584,224
Total net assets	2,907,066,044	2,740,690,665
Non-controlling interest 1.00003% (2021: 1.00003%) of net assets (A)	29,071,614	27,407,805
ONE Investments Limited		
Paid up capital	10,000,000	10,000,000
Retained earnings	1,676,716	1,273,275
Total net assets	11,676,716	11,273,275
Non-controlling interest 49% (2021: 49%) of net assets (B)	5,721,591	5,523,905
Total non-controlling Interest (A+B)	34,793,204	32,931,709
16. Revaluation Reserve		
HTM Securities (Note-16.1)	37,532,092	24,337,008
HFT Securities (Note-16.2)	283,925,891	380,338,334
	321,457,983	404,675,341

	31.12.2022	31.12.2021
	Taka	Taka
16.1 Revaluation reserve on HTM securities		
Opening Balance	24,337,008	19,052,996
Addition during the year	15,539,729	5,466,659
Adjustment made during the year	(2,344,645)	(182,647)
Closing balance	37,532,092	24,337,008
16.2 Revaluation reserve on HFT securities		
Opening Balance	380,338,334	459,133,209
Addition during the year	33,111,582	201,656,116
Adjustment made during the year	(129,524,025)	(280,450,991)
Closing balance	283,925,891	380,338,334
	2022	2021
	Taka	Taka
17. Interest and discount income/ Profit on investments		
Interest on loans and advances (Conventional Banking):		
From clients against loans and advances	14,576,775,091	14,714,152,984
Lease finance	556,244,166	635,667,782
Discount from bills purchased & discounted	112,882,798	90,749,396
From banks and financial institutions in Bangladesh	451,393,672	154,460,497
From foreign banks	83,369,649	48,598,526
	15,780,665,376	15,643,629,185
Off-shore Banking Unit	265,903,938	331,905,645
	16,046,569,314	15,975,534,830
Profit on investment (Islami Banking):		
Profit on investments	129,471,395	11,453,901
Profit on placement with other banks	-	-
	129,471,395	11,453,901
	16,176,040,709	15,986,988,731
17 (a) Consolidated Interest and discount income/ Profit on investment		
ONE Bank Limited	16,176,040,709	15,986,988,731
ONE Securities Limited	46,679,953	46,968,445
ONE Investments Limited	640,662	543,643
Less: Inter Company Transaction	(28,416,291)	(33,505,960)
	16,194,945,033	16,000,994,859
18. Interest paid/profit shared on deposits and borrowings		
Interest paid on deposits (Conventional Banking):		
Short term deposits	2,197,879,077	2,322,876,082
Savings deposits	894,233,771	781,425,820
Term deposits	6,340,883,931	6,713,486,842
Scheme deposits	1,027,425,016	989,266,148
Borrowings from banks and financial institutions	628,659,635	267,513,627
Interest expenses for leased liability as per IFRS-16	73,661,270	87,005,364
Interest on Subordinated Bond	457,885,288	452,685,918
	11,620,627,987	11,614,259,801
Off-shore Banking Unit	203,765,900	237,869,887
	11,824,393,887	11,852,129,688
Profit shared on deposits (Islami Banking):		
Profit paid on deposits	118,574,111	25,370,105
Profit on borrowings	-	-
	118,574,111	25,370,105
	11,942,967,997	11,877,499,793

	2022 Taka	2021 Taka
18 (a) Consolidated Interest paid/profit shared on deposits and borrowings		
ONE Bank Limited	11,942,967,997	11,877,499,793
ONE Securities Limited	1,331,618	6,222,708
ONE Investments Limited	-	-
Less: Inter Company Transaction	(28,416,291)	(33,505,960)
	11,915,883,324	11,850,216,541
19. Income from Investments		
Interest on treasury bills	122,299,520	38,574,261
Interest on treasury bond (Net)	1,676,844,072	1,300,742,981
Income from government Islamic Bond	5,331,699	1,406,170
Income from Bangladesh Bank Bill	-	26,490,500
Gain on sale of government Securities	168,539,476	252,109,975
Interest on Reverse Repo	5,334,186	2,151,799
Dividend on Investment	479,888,161	42,461,360
Gain on sale of Shares	1,422,329	89,833,752
Interest on subordinated bond	178,358,093	296,980,137
	2,638,017,535	2,050,750,934
19 (a) Consolidated Income from Investments		
ONE Bank Limited	2,638,017,535	2,050,750,934
ONE Securities Limited	76,585,486	120,599,225
ONE Investments Limited	-	-
Less: Inter Company Transaction	-	-
	2,714,603,021	2,171,350,159
20. Commission, exchange and brokerage		
Letters of credit	277,613,027	338,699,966
Letter of guarantees	105,213,978	104,472,448
Acceptances	223,493,253	258,740,327
Bills for collection	10,094,076	8,342,357
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,393,632	9,769,953
Export bills	45,656,152	45,385,823
PRC Issuance Charges	510,500	691,700
Cash Assistance Handling Charges	12,375,219	12,095,277
Import Related Certificates	427,114	157,900
Others	1,903,985	2,301,139
	682,680,936	780,656,889
Profit on exchange trading	1,966,930,650	822,612,576
	2,649,611,586	1,603,269,465
Off-shore Banking Unit	21,428,846	4,501,530
	2,671,040,432	1,607,770,995
20 (a) Consolidated Commission, exchange and brokerage		
ONE Bank Limited	2,671,040,432	1,607,770,995
ONE Securities Limited	49,518,032	83,834,844
Less: Inter Company Transaction	(524,310)	(1,203,675)
	2,720,034,154	1,690,402,164
21. Other operating income		
Loan processing fees and other charges	107,438,383	113,786,271
Miscellaneous income from Credit and Debit Card Fee	220,633,710	148,120,124
Recoveries of postage, telex, telephone, fax etc	37,572,188	47,868,114
Letter of Credit miscellaneous charges	126,795,565	133,361,016
General Banking miscellaneous charges	115,556,542	115,893,488
Miscellaneous (Note-21.1)	59,906,258	46,141,729
Mobile Financial Services	9,248,431	-
Vessel and Container Tracking Charges	2,051,875	-
Rent on locker	3,924,700	3,103,500
Forfeited fund (refund from OBL provident fund) [Note-21.2]	407,445	366,819
Gain on sale of fixed assets	3,059,195	359,571
	686,594,292	609,000,633
Off-shore Banking Unit	6,987,876	10,525,958
	693,582,168	619,526,591

21.1 Miscellaneous income include commission on sanchyapatra, cheque book issue charge, passport endorsement fees, certificate issuance charge etc.

21.2 Forfeited fund (refund from OBL provident fund)

As per Financial Reporting Council (FRC) notification reference #179/FRC/FRM/Notification/2020/2 dated July 07, 2020, we have received from ONE Bank Limited Employees' Provident Fund as considered the forfeited fund of Tk. 407,445/= for the year 2022.

	2022 Taka	2021 Taka
21 (a) Consolidated Other operating income		
ONE Bank Limited	693,582,168	619,526,591
ONE Securities Limited	1,649,388	1,579,520
	695,231,556	621,106,111
22. Salary & Allowances		
Salary & Allowances	3,154,601,452	2,463,521,366
Provident Fund Contribution	142,997,564	123,463,542
Gratuity	197,263,784	108,735,634
Superannuation fund	17,100,000	7,100,000
Bonus	245,014,842	261,053,462
	3,756,977,642	2,963,874,004
22(a) Consolidated Salary & Allowances		
ONE Bank Limited	3,756,977,642	2,963,874,004
ONE Securities Limited	35,740,569	28,882,164
	3,792,718,211	2,992,756,168
23. Rent, taxes, insurance, electricity etc.		
Rent (Note 23.1)	18,880,065	92,795,312
VAT on Rent	69,300,942	67,792,048
Taxes	7,244,700	5,928,781
Electricity	76,353,932	77,938,150
Utilities	14,391,223	11,498,074
Insurance	168,409,873	168,040,579
	354,580,735	423,992,943
23.1 Rent		
Rent	460,301,819	451,573,136
Transfer to depreciation and interest expenses under IFRS-16*	441,421,754	358,777,824
	18,880,065	92,795,312
* As per IFRS 16, rental expense is transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities.		
23(a) Consolidated Rent, taxes, insurance, electricity etc.		
ONE Bank Limited	354,580,735	423,992,943
ONE Securities Limited	2,645,261	2,258,702
	357,225,995	426,251,645
24. Legal expenses		
Professional fees	17,143,215	17,660,134
Fees, Court fees & stamps	357,342	253,809
	17,500,557	17,913,943
Off-shore Banking Unit	41,306,044	50,182,989
	58,806,601	68,096,932
24 (a) Consolidated Legal expenses/professional expenses		
ONE Bank Limited	58,806,601	68,096,932
ONE Securities Limited	292,389	274,500
	59,098,990	68,371,432

	2022	2021
	Taka	Taka
25. Postage, stamps, telecommunication etc.		
Telex/Telephone/Fax etc.	27,225,388	41,139,855
Courier/postage	11,781,913	11,436,930
Radio Link	42,755,057	27,332,701
Reuter	4,157,963	3,530,342
	85,920,320	83,439,828
26. Directors' Fees	1,376,000	1,056,000
For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person as per BRPD circular no. 11 dated October 04, 2015. Other than the meeting attendance fees, no other financial benefit is being availed by the Directors.		
26 (a) Consolidated Director's Fees		
ONE Bank Limited	1,376,000	1,056,000
ONE Securities Limited	165,000	176,000
	1,541,000	1,232,000
27. Stationery, Printing, advertisement etc.		
Printed and security stationery	34,940,665	48,974,561
Stationery	97,871,719	90,136,606
Business Promotion	65,535,331	77,337,228
	198,347,715	216,448,394
27 (a) Consolidated Stationery, Printing, advertisement etc.		
ONE Bank Limited	198,347,715	216,448,394
ONE Securities Limited	552,185	383,827
	198,899,900	216,832,221
28. Managing Director's Salary & Allowances		
Basic Salary	12,289,661	9,402,948
House rent allowance	583,871	265,860
Provident Fund Contribution	1,228,966	940,295
Bonus	2,900,000	1,575,000
	17,002,498	12,184,103
29. Depreciation, leasing expense and repair of bank's assets		
Depreciation (A)		
Furniture and Fixtures	134,238,831	146,189,252
Office Equipment	101,070,965	101,932,917
Motor Vehicles	20,331,749	18,035,921
Building	8,212,000	7,125,012
Land	-	-
Right of use Assets (RoU) *	450,366,391	342,681,268
Intangibles Assets	713,758	783,036
	714,933,694	616,747,406
Repairs & Maintenance (B)	298,601,754	180,899,742
	1,013,535,448	797,647,149
* 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.		
29 (a) Consolidated Depreciation, leasing expense and repair of bank's assets		
ONE Bank Limited	1,013,535,448	797,647,149
ONE Securities Limited	10,409,124	9,577,238
	1,023,944,572	807,224,387

	2022	2021
	Taka	Taka
30. Other expenses		
Entertainment	38,461,481	27,674,936
Car expenses	21,967,996	14,425,257
Donation and Subscription (including CSR)	69,038,346	128,457,408
Business Traveling & Conveyance	33,334,743	26,989,128
Computer & Printer expenses	66,850,219	67,120,893
Staff training & Award	8,416,883	2,473,558
Debit and Credit Card expenses (Note-30.2)	44,221,287	41,457,045
Bank charges	10,098,037	11,757,271
Miscellaneous (Note-30.1)	10,269,740	8,610,048
ATM Booth Expenses	25,551,831	21,665,821
Call center operating expense	545,000	621,400
Issuance cost of Bond	120,775,339	10,334,284
Mobile Financial Services	11,641,242	1,282,572
Commission on Agent Banking	852,050	836,280
	<u>462,024,193</u>	<u>363,705,901</u>
Off-shore Banking Unit	-	477,753
	<u>462,024,193</u>	<u>364,183,654</u>

To comply the BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, the Management of the Bank has taken austerity measures in all respect to ensure cost savings on account of fuel, electricity, entertainment, travelling, computer & accessories, electric equipment, furniture and other stationeries. All branches and divisions were duly instructed citing necessary steps to follow meticulously reduce the expenses. On the other hand, all vehicle purchases were suspended as well as expenditure on different heads were also being monitored closely in order to ensure cost savings during the period under review. Despite the fact that the initiatives resulted significant reduction in utility consumption/usage however, the recent increase in utility price caused higher utility cost in reality.

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

30.2 Debit and Credit Card expenses

VISA Credit Card Expenses	1,255,639	990,824
NFC Card Issuing and License & Implementation	4,025,000	-
Purchase of EMV plastic cards	-	19,336,750
Subsidy against NPSB	2,423,335	1,921,630
Visa Fees and Charges	30,220,167	13,437,018
CIB Charges (Card)	624,800	1,000,630
Contact Point Verification Expense	5,540,815	4,740,185
Others	131,530	30,008
	<u>44,221,287</u>	<u>41,457,045</u>

30 (a) Consolidated Other expenses

ONE Bank Limited	462,024,193	364,183,654
ONE Securities Limited	14,876,264	16,827,932
ONE Investments Limited	74,192	16,207
Less: Inter Company Transaction	(524,310)	(1,203,675)
	<u>476,450,339</u>	<u>379,824,118</u>

31. Provision for loans, off balance sheet exposure, investment & other for the year

Provision for classified loans and advances (Note-12.4)	2,383,903,814	1,676,248,139
Provision for unclassified loans and advances (Note-12.5 & 12.6)	(230,871,013)	327,766,604
Provision for off-balance sheet exposure (Note-12.10)	5,326,651	(6,794,459)
Provision for diminution in value of share (Note-12.12)	-	-
Provision for other (Note-12.8)	79,075,635	5,960,042
	<u>2,237,435,087</u>	<u>2,003,180,326</u>

	2022	2021
	Taka	Taka
31.1 Consolidated Provision for loans and advances		
Specific provision		
ONE Bank Limited	2,383,903,814	1,676,248,139
ONE Securities Limited	-	-
	2,383,903,814	1,676,248,139
General provision		
ONE Bank Limited	(230,871,013)	327,766,604
ONE Securities Limited	32,518	656,710
	(230,838,495)	328,423,314
	2,153,065,319	2,004,671,453
32. Consolidated provision for diminution in value of share for the year		
ONE Bank Limited	-	-
ONE Securities Limited	(87,849,737)	35,000,000
	(87,849,737)	35,000,000
33. Consolidated provision for other		
ONE Bank Limited	79,075,635	5,960,042
ONE Securities Limited	-	-
	79,075,635	5,960,042
34. Tax Expenses for the year		
Current Tax (Note-12.1)	709,813,378	621,853,276
Deferred tax (Note-12.2.1 and 12.2.2)	(52,308,853)	75,200,815
	657,504,525	697,054,091
34 (a) Consolidated Tax Expenses for the year		
Current Tax		
ONE Bank Limited	709,813,378	621,853,276
ONE Securities Limited	30,717,109	62,450,024
ONE Investments Limited	153,029	155,231
	740,683,516	684,458,531
Deferred Tax		
ONE Bank Limited	(52,308,853)	75,200,815
ONE Securities Limited	(884,821)	1,449,421
	(53,193,674)	76,650,236
	687,489,842	761,108,767
35. Interest receipts in cash		
Interest income on loans & advances	16,176,040,709	15,986,988,731
Income from Investments (excluding dividend income)	2,158,129,374	2,008,289,574
	18,334,170,083	17,995,278,305
(Increase)/ Decrease in interest receivable on loans & advances	(492,416,868)	(2,518,457,653)
(Increase)/ Decrease in interest receivable others	32,309,581	(100,275,127)
	17,874,062,797	15,376,545,525
35 (a) Consolidated Interest receipts in cash		
ONE Bank Limited	17,874,062,797	15,376,545,525
ONE Securities Limited	45,210,610	46,469,823
ONE Investments Limited	640,662	543,643
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(28,416,291)	(33,505,960)
	17,891,497,777	15,390,053,031
36. Interest payments		
Total interest expenses	12,257,885,700	11,801,840,511
Add : Opening balance of interest payable	2,207,458,352	2,369,399,738
Less: Closing balance of interest payable	(2,429,494,786)	(2,207,458,352)
	12,035,849,266	11,963,781,897
36 (a) Consolidated Interest Payment		
ONE Bank Limited	12,035,849,266	11,963,781,897
ONE Securities Limited	1,331,618	6,222,708
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(28,416,291)	(33,505,960)
	12,008,764,592	11,936,498,644

	2022 Taka	2021 Taka
37. Fee and commission receipts in cash		
Fees and commission	704,109,782	785,158,419
Less : (Increase) / decrease in Commission receivable	-	-
	704,109,782	785,158,419
37 (a) Consolidated Fee and commission receipts in cash		
ONE Bank Limited	704,109,782	785,158,419
ONE Securities Limited	49,518,032	83,834,844
	753,627,814	868,993,263
38. Cash payments to employees		
Salary & Allowances	2,961,757,365	2,233,272,101
Provident Fund Contribution	142,997,564	123,463,542
Gratuity	197,263,784	108,735,634
Superannuation fund	17,100,000	7,100,000
Bonus	245,014,842	261,053,462
Managing Director's salary and allowances	17,002,498	12,184,103
	3,581,136,053	2,745,808,842
39. Cash payment to suppliers		
Stationery, Printings, advertisements etc.	205,995,641	177,557,186
Repair & Maintenance	104,691,302	87,938,409
	310,686,943	265,495,595
40. Cash receipts from other operating activities		
Other operating income (Note-21)	690,522,973	619,167,019
Exchange earnings (Note-20)	1,966,930,650	822,612,576
	2,657,453,622	1,441,779,596
40 (a) Consolidated Cash receipts from other operating activities		
ONE Bank Limited	2,657,453,622	1,441,779,596
ONE Securities Limited	9,958,108	59,208,484
	2,667,411,730	1,500,988,080
41. Cash payments for other operating activities		
Rent, taxes, insurance and electricity etc.	796,002,489	782,770,767
Legal expenses	17,500,557	17,913,943
Postage, stamps, telecommunication etc.	85,920,320	83,439,828
Directors fees	1,376,000	1,056,000
Auditors' fee	350,000	300,000
Other expenses	415,685,155	302,325,768
	1,316,834,521	1,187,806,306
41 (a) Consolidated Cash payments for other operating activities		
ONE Bank Limited	1,316,834,521	1,187,806,306
ONE Securities Limited	54,354,001	45,310,547
ONE Investments Limited	72,692	14,707
	1,371,261,215	1,233,131,560
42. Increase/(decrease) of other liabilities		
Closing balance:		
Sinking fund and risk fund	22,884,269	57,484,563
Interest payable on Subordinated debt	96,121,046	65,761,812
Interest payable on borrowings	61,076,119	34,547,945
Interest suspense account	13,884,455,147	11,182,600,386
Interest Payable on Borrowings Outside Bd	51,110,749	32,473,308
	14,115,647,331	11,372,868,013
Less: Opening balance:		
Sinking fund and risk fund	57,484,563	89,269,989
Interest payable on Subordinated debt	65,761,812	57,356,454
Interest payable on borrowings	34,547,945	44,634,958
Interest suspense account	11,182,600,386	8,772,019,717
Interest Payable on Borrowings Outside Bd	32,473,308	60,763,029
	11,372,868,013	9,024,044,147
	2,742,779,318	2,348,823,866

	2022	2021
	Taka	Taka
42 (a) Consolidated Increase/(decrease) of other liabilities		
ONE Bank Limited	2,742,779,318	2,348,823,866
ONE Securities Limited	32,674,899	(58,933,361)
ONE Investment Limited	(157,842)	(11,500)
	2,775,296,375	2,289,879,005
43. (Increase)/decrease of other assets		
Closing balance:		
Security deposits	8,551,000	6,525,400
Advance rent	379,830,243	443,487,585
Prepayments	126,900,639	439,327,356
Application money against right share and clearing adjustment account	-	222,872,340
Suspense account	28,265,149	20,313,169
Receivable from Bangladesh Bank	350,150,596	179,602,348
Receivable from ONE Investments Ltd	-	157,842
Sundry receivables	10,460,675	325,714
Receivable ATM acquiring	42,050,693	29,937,088
Protested bill	8,554,393	2,594,351
Branch Adjustment Account	11,217,288	(1,946,896)
	965,980,676	1,343,196,296
Off-shore banking unit	11,919,730	40,426,697
	977,900,406	1,383,622,993
Less: Opening balance:		
Security deposits	6,525,400	6,525,400
Advance rent	443,487,585	496,335,473
Prepayments	439,327,356	514,152,333
Application money against right share and clearing adjustment account	222,872,340	-
Suspense account	20,313,169	18,752,838
Receivable from Bangladesh Bank	179,602,348	125,631,748
Receivable from ONE Investments Ltd	157,842	-
Sundry receivables	325,714	848,621
Receivable ATM acquiring	29,937,088	18,386,782
Protested bill	2,594,351	2,594,351
Branch Adjustment Account	(1,946,896)	3,367,975
	1,343,196,296	1,186,595,521
Off-shore banking unit	40,426,697	84,928,334
	1,383,622,993	1,271,523,855
	405,722,587	(112,099,139)
43 (a) Consolidated (Increase)/decrease of other assets		
ONE Bank Limited	405,722,587	(112,099,139)
ONE Securities Limited	(26,700,467)	11,575,414
	379,022,120	(100,523,725)
44. Letters of Guarantee		
i) Claims against the Bank not acknowledged as debts	-	-
ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:		
Directors	-	-
Government	3,405,977,910	1,416,921,549
Banks and other financial institutions	1,900,628,707	6,016,272
Others	11,337,144,058	12,354,874,938
	16,643,750,675	13,777,812,760
Total (i and ii)	16,643,750,675	13,777,812,760
45. Details break-up of Shareholders' Equity -Solo		
Paid-up Capital	9,807,424,780	9,340,404,560
Statutory Reserve	7,131,286,231	6,721,414,910
Surplus in Profit & Loss Account	1,119,629,837	1,007,166,790
Revaluation Reserve for HTM Securities	321,457,983	404,675,341
	18,379,798,831	17,473,661,601

	<u>2022</u> <u>Taka</u>	<u>2021</u> <u>Taka</u>
46. Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders' Equity -Solo	18,379,798,831	17,473,661,601
Total Shareholders' Equity -Consolidated	18,783,649,218	17,712,594,664
Weighted average number of outstanding Shares	980,742,478	980,742,478
Net Asset Value Per Share –Solo	18.74	17.82
Net Asset Value Per Share – Consolidated	19.15	18.06

Previous year's figures (Solo BDT 18.71 and Consolidated BDT 18.96 per share) have been restated for the issue of bonus shares during the year 2022.

47. Basic Earnings Per Share

Attributable profit for the year -Solo	1,391,852,081	756,030,034
Attributable profit for the year -Consolidated	1,556,769,407	844,119,609
Weighted average number of outstanding Shares for the year:		
Opening balance	934,040,456	934,040,456
Bonus Share Issued for the year 2022	46,702,022	46,702,022
	980,742,478	980,742,478
Basic Earnings Per Share -Solo	1.42	0.77
Basic Earnings Per Share - Consolidated	1.59	0.86

Earnings per share has been calculated in accordance with IAS-33:"Earnings Per Share (EPS)". Previous year's figures (Solo BDT 0.81 and Consolidated BDT 0.90 per share) have been restated for the issue of bonus shares during the year 2022. 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).

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

Net Operating Cash Flow- Solo	1,698,451,169	4,275,908,546
Net Operating Cash Flow- Consolidated	1,699,652,504	4,280,824,034
Weighted average number of outstanding Shares	980,742,478	980,742,478
Net Operating Cash Flow Per Share –Solo	1.73	4.36
Net Operating Cash Flow Per Share – Consolidated	1.73	4.36

Previous year's figures (Solo BDT 4.58 and Consolidated BDT 4.58 per share) have been restated for the issue of bonus shares during the year 2022.

49. Reconciliation of net profit after taxation and cash generated from operating activities before changes in operating assets and liabilities (Solo Basis):

Particulars	2022	2021
Net Profit after taxation	1,391,852,081	756,030,034
Provision for taxation	657,504,526	697,054,091
Provision for loans and advances & others	2,237,435,087	2,003,180,326
(Increase)/decrease in interest and dividend income receivable	(388,694,940)	(2,563,418,457)
Increase/(decrease) in interest expense payable	(83,936,631)	(86,282,104)
Depreciation expenses	458,477,755	350,930,916
Increase/ (decrease) in salaries and allowances expenses payable	192,844,087	230,249,265
Increase/(decrease) in other expenses payable	79,997,156	150,982,083
Income tax paid	(719,901,197)	(1,157,165,840)
Cash flows from operating activities before changes in operating assets and liabilities	3,825,577,925	381,560,314

50. 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 2022
 - i) Mr. Zahur Ullah, Vice-Chairman, ONE Bank Limited is availing a credit card limit of Tk. 500,000 against Tk.560,000 FDR margin and outstanding against the limit is 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 31.12.2022:

ii) Lending to ONE Securities Limited amounting to Tk.6,479,817 from ONE Bank Limited, Kawran Bazar Branch for special investment account purpose bearing interest @ 7.00% per annum.

iii) ONE Securities Limited maintains bank account with ONE Bank Limited of Tk. 568,450,286.

iv) ONE Investment Limited maintains deposit account with ONE Bank Limited of Tk.11,702,731.

v) ONE Bank Limited (OBL) maintains deposit account of Tk.95 Crore with LankaBangla Finance Limited and OBL has invested in share of LankaBangla 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 up to date):

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 Tejgoan Industrial Area, Tejgoan Shilpanchol, Dhaka.	Mr. Zahur Ullah, Director Shamah Enterprises Limited	Expiry Date of Lease 31.05.2031
Lease Agreement	Off- Site Store, 26 Tejgoan Industrial Area, Tejgoan Shilpanchol, Dhaka.	Mr. Zahur Ullah, Director Shamah Enterprises Limited	Expiry Date of Lease 31.07.2025

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

51 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 date) 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 date)', 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 date) 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 date) 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 date) in Bank Companies. Therefore, no provision in this regard has been made in the financial statements for the year ended on December 31, 2022.

52 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 2,701 (2021: 2,577).

53 Coverage of External Audit

The external auditors of the Bank, MABS & J Partners, Chartered Accountants worked about 7,900 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

54 Events after the balance sheet date

The Board of Directors has recommended 5% stock dividend in its 356th meeting held on 30 April 2023 based on NOC from Bangladesh Bank vide letter # DOS (CAMS) 1157/41 (Dividend)/2023-2201 dated 30 April 2023 subject to the approval from Bangladesh Securities and Exchange Commission and of the Shareholders at the next Annual General Meeting.



Md. Nur Mofiz
Managing Director



AMMM Aurangzeb Chowdhury
Independent Director



Zahur Ullah
Vice Chairman



A.S.M. Shahidullah Khan
Chairman

ONE Bank Limited
Financial Highlights on the overall activities of the Bank
As at 31 December 2022

Solo Basis

SI No	Particulars	2022 Taka	2021 Taka
1	Paid up Capital	9,807,424,780	9,340,404,560
2	Total Capital	28,969,004,627	27,947,434,969
3	Capital Surplus/(deficit)	4,354,415,452	4,724,201,310
4	Total Assets	314,841,323,539	310,366,413,296
5	Total Deposits	226,059,482,332	230,658,776,612
6	Total Loans and Advances	225,709,286,939	222,694,147,173
7	Total Contingent Liabilities and Commitments	61,901,836,582	65,075,728,293
8	Credit Deposit ratio (%)*	86.19%	84.80%
9	Percentage of Classified Loans against total loans and advances	13.97%	11.55%
10	Profit after tax and provisions	1,391,852,081	756,030,034
11	Amount of classified loans during the year	31,529,600,000	25,728,025,891
12	Provision kept against classified loans	10,650,625,013	8,429,815,378
13	Provision surplus/(deficit)	(10,244,081,447)	(9,384,450,000)
14	Cost of fund	7.04%	6.73%
15	Interest earning Assets	251,542,002,604	255,882,449,153
16	Non-interest earning assets	63,299,320,936	54,483,964,143
17	Return on investment-ROI	7.01%	6.01%
18	Return on Assets-ROA (Net profit after taxation/average assets)	0.45%	0.25%
19	Income from Investment	2,638,017,535	2,050,750,934
20	Earnings per Share	1.42	0.77
21	Net Income per share	1.42	0.77
22	Price Earning Ratio (Times)	7.19	17.90

Consolidated Basis

1	Paid up Capital	9,807,424,780	9,340,404,560
2	Total Capital	29,349,700,444	28,150,398,748
3	Capital Surplus	4,672,732,772	4,849,344,484
4	Total Assets	315,093,322,081	310,635,734,412
5	Total Deposits	225,479,329,314	230,165,929,168
6	Total Loans and Advances	225,865,671,615	222,847,145,370
7	Profit after tax and provisions	1,558,630,902	845,185,047
8	Earnings per Share	1.59	0.86
9	Net Income per share	1.59	0.86

* As per Bangladesh Bank Reporting.

ONE Bank Limited
Schedule of Fixed Assets
As at 31 December 2022

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation and Amortization (Taka)				Net book value at 31 December
	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	1,660,313,007	176,890,447	65,672,819	1,771,530,634	820,766,227	134,238,831	6,102,606	890,834,361	880,696,274
Work in progress (Furniture and Fixture)	-	250,747,133	-	250,747,133	-	-	-	-	250,747,133
Office Equipment	1,499,528,288	85,153,654	13,757,896	1,570,924,046	979,093,144	101,070,965	12,909,203	1,067,254,906	503,669,140
Work in progress (Office Equipment)	-	211,992	-	211,992	-	-	-	-	211,992
Motor Vehicles	293,837,805	17,588,125	19,295,482	292,130,448	224,659,264	20,331,749	17,646,016	227,344,997	64,785,451
Building	324,446,383	8,112,740	-	332,559,123	40,005,582	8,212,000	-	48,217,582	284,341,541
Right of use Assets (RoU)	2,250,764,690	105,871,759	-	2,356,636,449	612,017,518	450,366,391	-	1,062,383,909	1,294,252,540
Land	279,366,295	-	-	279,366,295	-	-	-	-	279,366,295
Intangibles Assets	198,184,620	1,900,000	-	200,084,620	197,998,538	713,758	-	198,712,296	1,372,324
Work in progress (Intangibles Assets)	-	28,488,807	-	28,488,807	-	-	-	-	28,488,807
Total 2022	6,506,441,088	674,964,657	98,726,197	7,082,679,547	2,874,540,273	714,933,694	36,657,825	3,494,748,050	3,587,931,497
Total 2021	5,364,929,674	1,247,961,872	106,450,457	6,506,441,088	2,356,233,967	616,747,406	29,050,643	2,874,540,273	3,631,900,815

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account (Excluding Islami Banking)

	Detail	Amount in Taka Total
Balance as per Bank ledger		12,561,767,759
Unrespond debit entries in:		
Bangladesh Bank Statement	326,171,677	
ONE Bank's ledger	521,319,734	847,491,411
		11,714,276,348
Unrespond credit entries in:		
Bangladesh Bank statement	36,440,988	
ONE Bank's ledger	24,019,324	60,460,312
Balance as per Bangladesh Bank Statement		11,774,736,660

2) Balance with Bangladesh Bank-Foreign currency

	USD	EURO	GBP	Amount in Taka Total
A) Balance as per Bank ledger	1,819,491,116	8,335,768	5,878,502	1,833,705,386
B) Unrespond debit entries in:				
Bangladesh Bank Statement	3,268,545,033	-	-	3,268,545,033
ONE Bank's ledger	35,296,259	-	-	35,296,259
	3,303,841,292	-	-	3,303,841,292
C) Unrespond credit entries in:				
Bangladesh Bank statement	1,479,642	-	-	1,479,642
ONE Bank's ledger	2,507,472,918	-	-	2,507,472,918
	2,508,952,560	-	-	2,508,952,560
Balance as per Bangladesh Bank Statement (A-B+C)	1,024,602,385	8,335,768	5,878,502	1,038,816,655

RTGS Settlement A/C USD balance of Tk.33,786,267 has been adjusted with Bangladesh Bank USD clg. account as the said settlement A/C is related with this account.

ONE Bank Limited
Financial Statements for the year ended 31 December 2022
Balance with other banks in foreign currency

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2022			2021		
		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	33,236,508.40	103.2927	3,433,088,691.31	17,315,864.41	85.8000	1,485,701,166.46
Commerzbank AG, Frankfurt	USD	1,307,212.59	103.2927	135,025,517.90	419,529.18	85.8000	35,995,603.64
Mashreqbank Psc, New York	USD	11,496,434.02	103.2927	1,187,497,710.30	3,589,574.78	85.8000	307,985,516.12
ICICI Bank Limited, Hong Kong	USD	122,729.27	103.2927	12,677,037.67	401,188.59	85.8000	34,421,981.02
Wells Fargo Bank N.A, New York	USD	2,196,871.54	103.2927	226,920,792.92	2,870,363.20	85.8000	246,277,162.56
Habib American Bank USA	USD	1,608,668.73	103.2927	166,163,736.53	220,191.24	85.8000	18,892,408.39
Kookmin Bank, South Korea	USD	1,446,316.50	103.2927	149,393,936.34	168,615.02	85.8000	14,467,168.72
		51,414,741.05		5,310,767,422.97	24,985,326.42		2,143,741,006.91
Standard Chartered Bank, London	GBP	68,057.17	124.0855	8,444,907.97	48,273.13	115.7099	5,585,679.04
AB Bank Ltd, Mumbai	ACUD	807,245.91	103.2927	83,382,609.61	(197,286.54)	85.8000	(16,927,185.13)
Mashreqbank Psc, India	ACUD	359,588.95	103.2927	37,142,913.54	306,056.84	85.8000	26,259,676.87
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	706,115.25	103.2927	72,936,550.68	773,159.82	85.8000	66,337,112.56
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	54,735.41	103.2927	5,653,768.28	116,915.07	85.8000	10,031,313.01
Seylan Bank PLC, Colombo	ACUD	24,032.16	103.2927	2,482,346.69	137,482.88	85.8000	11,796,031.10
Standard Chartered Bank, Mumbai	ACUD	3,853,837.22	103.2927	398,073,251.81	2,380,161.38	85.8000	204,217,846.40
Punjab National Bank, New Delhi	ACUD	305,981.05	103.2927	31,605,608.80	459,277.48	85.8000	39,406,007.78
Axis Bank Ltd, Kolkata	ACUD	399,124.68	103.2927	41,226,665.83	584,437.27	85.8000	50,144,717.77
HDFC Bank Limited, India	ACUD	309,398.04	103.2927	31,958,558.93	-	-	-
Zhejiang Chouzhou Commercial Bank, China	ACUD	901,126.66	103.2927	93,079,805.75	-	-	-
ICICI Bank Limited, Mumbai	ACUD	298,545.43	103.2927	30,837,563.54	1,377,279.64	85.8000	118,170,593.11
		8,019,730.76		828,379,643.46	5,937,483.84		509,436,113.47
Standard Chartered Bank, Tokyo	JPY	23,272,174.00	0.7681	17,875,356.85	18,544,016.00	0.7463	13,839,399.14
Standard Chartered Bank, Frankfurt	EURO	42,298.81	109.5729	4,634,803.28	60,037.28	97.3658	5,845,577.80
Commerzbank AG, Frankfurt	EURO	751,266.42	109.5729	82,318,440.31	(52,954.43)	97.3658	(5,155,950.44)
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	109.5729	9,477,293.22	86,493.04	97.3658	8,421,464.03
		880,058.27		96,430,536.81	93,575.89		9,111,091.39
Commerzbank AG, Frankfurt	CAD	76,037.22	75.8836	5,769,977.99	225,326.07	67.0732	15,113,340.56
Habib Bank AG Zurich, Zurich	CHF	115,630.08	111.1870	12,856,561.70	100,260.73	93.8012	9,404,576.79
Riyad Bank	SAR	1,755,590.00	27.4642	48,215,874.88	1,755,890.00	22.8465	40,115,940.89
Total				6,328,740,283			2,746,347,148

ONE Bank Limited
Statement of large loan
As at 31 December 2022

SL No	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	Panwin Group	495.51	0.74	496.25
2	Mohammadi Group	352.29	87.17	439.46
3	GETCO Group	410.66	16.16	426.81
4	Habib Group	363.55	9.09	372.64
5	Globe Pharmaceuticals Group	372.03	-	372.03
6	Navana Group	326.87	-	326.87
7	EVINCE GROUP (ARGON)	306.69	15.38	322.07
	Total	2,627.59	128.54	2,756.13

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

**Name of the Directors and the entities in which they have interest
As on 31 December, 2022**

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	1 Media New Age Ltd. 2 Charuta Homes Ltd. 3 Securex Pvt. Ltd. 4 Eagle River Transport Ltd. 5 Karigar Holdings Ltd. 6 Mudys Corporation Ltd. 7 RBN Shipping Ltd 8 SAS Navigation Ltd. 9 Petro-Bulk (Pvt.) Ltd 10 BetaOne Investment Ltd. 11 Bengal Meat Processing Ltd. 12 Northpole Cold Storage Ltd. 13 NTC Housing Ltd.	30.00 12.00 2.50 28.58 25.00 28.58 26.00 3.96 28.58 16.40 3.27 27.10 12.50	Representing KSC Securities Limited
2.	Mr. Zahur Ullah	Vice Chairman	1 Gtex Ltd. 2 Buttons & Trims Ltd 3 Lables & Trims Ltd. 4 Lamisa Ltd. 5 L-2 Knitting Ltd. 6 Shamah Enterprises Ltd 7 Holiday Publications Ltd. 8 Lamisa Food Products Ltd. 9 NTC Housing Ltd. 10 Everest Embroidery Ltd.	33.33 70.00 70.00 60.00 60.00 40.00 10.00 70.00 12.50 53.33	
3.	Mr. Kazi Rukunuddin Ahmed	Director	NTC Housing Ltd.	12.50	Representing Irfan International Limited
4.	Mr. Shawket Jaman	Director	NTC Housing Ltd.	12.50	Representing M. R. Holdings & Securities Limited
5.	Mrs. Anannya Das Gupta	Director	-	-	-
6.	Mr. AMMM Aurangzeb Chowdhury	Independent Director	-	-	-

**Statement of Tax Position of the Bank
As at 31 December 2022**

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		The matter is pending at Honourable High Court Division of Supreme Court.
2013	2014-2015		
2014	2015-2016		
2015	2016-2017		
2016	2017-2018		
2017	2018-2019		
2018	2019-2020		
2019	2020-2021	Pending at Alternative Dispute Resolution (ADR).	
2020	2021-2022	Pending at Alternative Dispute Resolution (ADR).	
2021	2022-2023	Tax return submitted for the assessment.	

**ONE Bank Limited
Segment Reporting**

Annexure-G

Particulars	ONE Bank Limited					ONE Bank Ltd and its subsidiaries		Amount in Taka	
	ONE Bank Limited	Off-Shore Banking unit	Islami Banking Unit	Inter transaction with DBO	Total	ONE Securities Ltd	ONE Investments Ltd	Inter company transaction	Consolidated
Interest income/profit on investment	15,780,665,376	265,903,938	129,471,395	-	16,176,040,709	46,679,953	640,662	(28,416,291)	16,194,945,033
Interest paid on deposits and borrowings etc.	11,620,627,987	203,765,900	118,574,111	-	11,942,967,997	1,331,618	-	(28,416,291)	11,915,883,324
Net interest income	4,160,037,389	62,138,038	10,897,284	-	4,233,072,712	45,348,335	640,662	-	4,279,061,708
Investment income	2,632,685,836	-	5,331,699	-	2,638,017,535	76,585,486	-	-	2,714,603,021
Commission, exchange and brokerage	2,648,941,411	21,428,846	670,175	-	2,671,040,432	49,518,032	-	(524,310)	2,720,034,154
Other operating income	684,367,633	6,987,876	2,226,659	-	693,582,168	1,649,388	-	-	695,231,556
Total operating income (A)	10,126,032,269	90,554,761	19,125,817	-	10,235,712,848	173,101,240	640,662	(524,310)	10,408,930,439
Salaries and allowances	3,707,671,084	-	49,306,558	-	3,756,977,642	35,740,569	-	-	3,792,718,211
Rent, taxes, insurance, electricity etc.	329,859,859	-	24,720,876	-	354,580,735	2,645,261	-	-	357,225,995
Legal expenses	17,495,557	41,306,044	5,000	-	58,806,601	292,389	-	-	59,098,990
Postage, stamps, telecommunication etc.	85,680,718	-	239,603	-	85,920,320	-	-	-	85,920,320
Directors' fees	1,280,000	-	96,000	-	1,376,000	165,000	-	-	1,541,000
Auditors' fees	350,000	-	-	-	350,000	30,000	10,000	-	390,000
Stationery, printings, advertisements etc.	196,896,632	-	1,451,083	-	198,347,715	552,185	-	-	198,899,900
Managing Director's salary and allowances	17,002,498	-	-	-	17,002,498	-	-	-	17,002,498
Depreciation, leasing expense and repair of bank's assets	1,003,219,208	-	10,316,241	-	1,013,535,448	10,409,124	-	-	1,023,944,572
Other expenses	460,722,755	-	1,301,438	-	462,024,193	14,876,264	74,192	(524,310)	476,450,339
Total operating expenses (B)	5,820,178,310	41,306,044	87,436,799	-	5,948,921,153	64,710,792	84,192	(524,310)	6,013,191,826
Profit/ (loss) before provision and tax (C=A-B)	4,305,853,959	49,248,717	(68,310,982)	-	4,286,791,695	108,390,448	556,470	-	4,395,738,613
Provision for loans and advances									
Specific provision	2,383,903,814	-	-	-	2,383,903,814	-	-	-	2,383,903,814
General provision	(230,871,013)	-	-	-	(230,871,013)	32,518	-	-	(230,838,495)
Provision for off-balance sheet items	5,326,651	-	-	-	5,326,651	-	-	-	5,326,651
Provision for diminution in value of share	-	-	-	-	-	(87,849,737)	-	-	(87,849,737)
Provision for other	79,075,635	-	-	-	79,075,635	-	-	-	79,075,635
Total Provision (D)	2,237,435,087	-	-	-	2,237,435,087	(87,817,219)	-	-	2,149,617,869
Profit/ (loss) before taxes (E=C-D)	2,068,418,871	49,248,717	(68,310,982)	-	2,049,356,608	196,207,667	556,470	-	2,246,120,744
Provision for taxation	657,504,526	-	-	-	657,504,526	29,832,288	153,029	-	687,489,842
Net Profit after taxation	1,410,914,346	49,248,717	(68,310,982)	-	1,391,852,082	166,375,379	403,441	-	1,558,630,903

Amount in Taka

Particulars	ONE Bank Limited					ONE Bank Ltd and its subsidiaries		Inter company transaction	Consolidated
	ONE Bank Limited	Off-Shore Banking unit	Islami Banking Unit	Inter transaction with DBO	Total	ONE Securities Ltd	ONE Investments Ltd		
PROPERTY AND ASSETS									
Cash	19,716,197,373	-	165,080,488	-	19,881,277,861	7,725	-	-	19,881,285,586
Balance with other Banks and Financial Institutions	9,965,056,582	14,022,586	2,107,144,539	(2,107,144,539)	9,979,079,168	339,106,813	3,633	(339,110,445)	9,979,079,168
Money at call and short notice	3,332,927,000	-	-	-	3,332,927,000	-	-	-	3,332,927,000
Investment	36,943,164,387	-	120,640,000	-	37,063,804,387	2,524,850,679	11,699,098	(241,042,572)	39,359,311,592
Loans and Advances	215,814,417,800	8,647,465,532	1,247,403,606	-	225,709,286,939	162,864,494	-	(6,479,817)	225,865,671,615
Fixed Assets including premises, furnitures & fixtures	3,557,220,145	-	30,711,352	-	3,587,931,497	37,228,806	-	-	3,625,160,303
Other Assets	15,240,345,684	11,919,730	103,062,255	(68,310,981)	15,287,016,687	242,328,403	640,896	(2,480,099,170)	13,049,886,816
Non-banking Assets	-	-	-	-	-	-	-	-	-
Total Assets	304,569,328,970	8,673,407,848	3,774,042,240	(2,175,455,520)	314,841,323,539	3,306,386,920	12,343,627	(3,066,732,005)	315,093,322,081
LIABILITIES AND CAPITAL									
Borrowings from other Banks, Financial Institutions and agents and subordinated & perpetual bond	30,619,043,751	2,720,040,756	-	-	33,339,084,506	6,479,817	-	(6,479,817)	33,339,084,506
Deposits and other accounts	222,283,144,768	3,771,783	3,772,565,782	-	226,059,482,332	-	-	(580,153,017)	225,479,329,314
Other Liabilities	36,976,876,159	5,949,595,310	1,476,458	(5,864,990,058)	37,062,957,869	392,841,059	666,911	-	37,456,465,838
Total Liabilities	289,879,064,678	8,673,407,848	3,774,042,240	(5,864,990,058)	296,461,524,708	399,320,876	666,911	(586,632,835)	296,274,879,659
Total Shareholders' Equity	18,379,798,831	-	-	-	18,379,798,831	2,907,066,044	11,676,716	(2,480,099,170)	18,818,442,422
Total Liability and Shareholders' Equity	308,258,863,509	8,673,407,848	3,774,042,240	(5,864,990,058)	314,841,323,539	3,306,386,920	12,343,627	(3,066,732,005)	315,093,322,081

ONE Bank Limited
Islami Banking Unit
Balance Sheet
As at 31 December 2022

	Notes	31.12.2022 Taka	31.12.2021 Taka
PROPERTY AND ASSETS			
Cash in Hand			
Cash in hand (including foreign currencies)	2	59,230,089	23,231,202
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		105,850,399	92,034,175
		165,080,488	115,265,377
Balance with other Banks and Financial Institutions			
In Bangladesh	3	2,107,144,539	312,193,434
Outside Bangladesh		-	-
		2,107,144,539	312,193,434
Placement with other Banks and Financial Institutions			
Investments in shares and securities			
Government	4	120,640,000	120,640,000
Others		-	-
		120,640,000	120,640,000
Investments			
General Investment etc.	5	1,247,403,606	45,094,552
Bills purchased and discounted		-	-
		1,247,403,606	45,094,552
Fixed Assets including premises, furniture & fixtures			
Other Assets			
Non-banking Assets			
Total Assets		3,774,042,240	889,183,328
LIABILITIES AND CAPITAL			
Liabilities			
Placement from other banks, financial institutions and agents			
Deposits and other accounts			
Al-Wadeeah current and other deposits accounts	8	88,558,893	8,243,256
Bills payable		7,669,167	10,846,971
Mudaraba savings bank deposits		254,335,456	86,831,757
Mudaraba term deposits		3,422,002,266	781,892,164
		3,772,565,782	887,814,148
Other Liabilities			
Total Liabilities	9	1,476,458	1,369,180
		3,774,042,240	889,183,328
OFF BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		-	-
Letters of Guarantee		1,744,334	744,334
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
Other Commitments		-	-
Total off-Balance Sheet items including contingent liabilities		1,744,334	744,334

ONE Bank Limited
Islami Banking Unit
Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Profit on investment	10	129,471,395	11,453,901
Profit shared on deposits and borrowings etc.	11	(118,574,111)	(25,370,105)
Net investment income		10,897,284	(13,916,204)
Income from investment in Shares/ Securities	12	5,331,699	1,406,170
Commission, exchange and brokerage	13	670,175	174,242
Other operating income	14	2,226,659	746,598
Total operating income		19,125,817	(11,589,194)
Salaries and allowances	15	49,306,558	32,751,024
Rent, taxes, insurance, electricity etc.	16	24,720,876	23,945,243
Legal & Professional Fees		5,000	25,000
Postage, stamps, telecommunication etc.	17	239,603	280,303
Directors' fees		96,000	112,000
Stationery, printings, advertisements etc.	18	1,451,083	1,556,285
Depreciation, leasing expense and repair of bank's assets	19	10,316,241	8,521,415
Other expenses	20	1,301,438	762,524
Total operating expenses		87,436,799	67,953,794
Profit/ (loss) before provision and tax		(68,310,981)	(79,542,988)

ONE Bank Limited
Islami Banking Unit
Notes to the Financial Statements
For the period ended 31 December 2022

1.1 Islami Banking Operations

Islami Banking are divinely sourced, Shari'ah compliant Banking system, rich with numerous financial concepts, Riba (usury) & Gharar (uncertainty) free banking system, prohibits injustice and enjoys benevolence in transactions. The objectives of the Islami Banking system is not only to provide religiously acceptable financial products and services as alternatives to conventional financial products & services but it also aims to contribute to the economic development, facilitate the allocation of resources efficiently and ultimately attaining Social welfare.

To achieve these objectives, ONE Bank Limited launched Islami Banking Operations in December 2020 with the brand name of "OBL AL NOOR Islami Banking". ONE Bank Limited has been providing services of Islami Banking Products to the customers through 2 (Two) Islami Banking Branches in Dhaka and Chattogram since December 15, 2020 & December 17, 2020 respectively. As a part of expansion to reach the Islami Banking services at the door step of much people, ONE Bank Limited has opened dedicated 14 (Fourteen) Islami Banking Windows on 01.11.2022 all over the Country. To meet this ongoing customers demand Islami Banking services has been made available in all the distribution channels of the bank, i.e. in all conventional Branches, Sub-Branches, Agent Banking outlets through online. All modern services like Visa Dual Currency Islami Debit Card, SMS Alert, Internet Banking, ONE Bank Mobile App and MFS (OK Wallet) etc. usage are also available for Islami Banking customers. Islami Banking Operations is totally different & separate from OBL Conventional Banking Operations as the earlier operates on the basis of Islami Shari'ah Principle. Since inception, the Bank has been maintaining separate 'Accounting System' for Islami Banking Operation which is completely different from Conventional Banking system ensuring the standards adopted by "Accounting and Auditing Organization for Islamic Financial Intuitions (AAOIFI)".

1.2 Islami Banking Division in Head Office

To continuing smooth operation of Islami Banking activities, "Islami Banking Division" was established in 2020 as per the Guideline of Bangladesh Bank on Islami Banking vide BRPD Circular No.15 dated 09.11.2009. Since establishment, the division has been performing its Banking activities in consonance with the ethos and value system of Islam in all aspects of its operation.

1.3 Shari'ah Supervisory Committee

All our Islami Banking activities and products are strictly monitored by the Board of Directors and the Management guided by the Shariah Supervisory Committee of the Bank. Our Shariah Supervisory Committee consists of eminent members, including distinguished jurists (Faqih experts in Islamic jurisprudence), renowned Islamic scholars and well-known professionals of the country having experience in Islami Banking.

Chairman

Mr. Md. Fariduddin Ahmed

Members

Mr. A S. M. Shahidullah Khan – Member (from the Board)

Mufti Shahed Rahmani - Faqih Member

Prof. Dr. Md. Abdur Rashid - Faqih Member

Barrister Md. Arifur Rahman - Member

Mr. Md. Monzur Mofiz - Member & Ex-Officio

Member Secretary

Mr. Md. Kamaruzzaman

1.4 Islami Banking Business

In 2022, Islami Banking of ONE Bank Ltd. has witnessed a significant growth in deposit mobilization and investment compared to the year 2021. At the end of the year 2022, the deposit and investment of OBL AL NOOR Islami Banking stood at Tk. 377.40 Crore & Tk. 124.74 Crore with a growth of 324.43% & 2672.00% respectively.

1.5 Distribution of Profit under Islamic Banking Operation

ONE Bank Ltd. occupies a special place in the history of Islami banking in Bangladesh by introducing a very simple and most Shariah compliant profit sharing module 'Income Sharing Ratio' or 'ISR'. In this module, the bank offers an ISR based provisional rate to each Mudaraba depositor. The actual profit is adjusted after calculation at the end of each year on the basis of income earned for the same period. This unique profit-sharing system has already gained widespread popularity among Shariah-loving depositors.

1.6 Islami Banking Products and services

Islami Banking Branches and Windows of OBL offers Deposit Products under 'Mudaraba' and 'Al-Wadiah' Principles. These products have been designed focusing on Market demand, adding new features and above all to the Customers' satisfaction. All the Deposit products of Islami Banking are also available in all the Conventional Branches, Sub-Branches & Agent Banking Outlets of OBL, using online facility for collecting & sourcing of funds.

It's not just business, AL NOOR Islami Banking always designs products focusing on Welfare and establishment of Justice & Equities in the Society with a view to achieve "Maqasid e Shari'ah".

Deposit Products of ONE Bank Limited AL NOOR Islami Banking:

1	Al Wadiah Current Deposit Account	11	Mudaraba Imraah / Grehini Monthly Saving
2	Mudaraba Saving Deposit Account	12	Mudaraba Millionaire Scheme
3	Mudaraba Special Notice Deposit Account	13	Mudaraba Waqf Cash Deposit Account
4	Mudaraba Saving Deposit Account - Staff	14	Mudaraba Denmohor/Marriage Deposit
5	Mudaraba Term Deposit	15	Mudaraba Aboshor Monthly Benefit Scheme
6	Mudaraba Deposit Pension Scheme	16	Foreign Currency Deposit Account
7	Mudaraba School Banking Account	17	Mudaraba Super Savings Scheme
8	Mudaraba Monthly Income Deposit Scheme	18	Mudaraba Multiplus Savings Scheme
9	Mudaraba Ratib Payroll Account	19	Mudaraba Kotipoti Scheme
10	Mudaraba Hajj Saving Scheme	20	Mudaraba Millionaire Scheme

Investment Products of ONE Bank Limited AL NOOR Islami Banking:

Our Investment Products generally can be defined into 03 (three) categories such as trading, participation and supporting principle. At present, OBL AL NOOR Islami Banking offers the

➤ Corporate:

1	Bai- Murabaha	8	Wakala Letter of Credit
2	Murabaha Trust Receipt	9	Bai-As-Sarf (FDBP)
3	Hire Purchase Musharaka Muntanaqisa - HPMM	10	Murabaha EDF Financing
4	Murabaha Import Bill	11	Wakala Letter of Credit-EDF
5	Cash Withdrawal against Mudaraba Deposit	12	Bai-AL-Istisna
6	Musharaka Documentary Bill Purchase (MDBP)-Inland	13	Kafala Bank Guarantee
7	Murabaha against Mudaraba Term & Scheme Deposit	14	Bai - As Salam

➤ **CMSME:**

1	Bai–Murabaha	10	Bai-As-Sarf (FDBP)
2	Hire Purchase MusharakaMutanaqisa - HPMM	11	Murabaha EDF Financing
3	Murabaha Trust Receipt	12	Wakala Letter of Credit-EDF
4	Wakalah Letter of Credit – One Off	13	Bai-AL-Istisna
5	Murabaha Import Bill	14	Bank Guarantee Kafala
6	Cash withdrawal against Mudaraba Deposit	15	Bai - As Salam
7	Musharaka Documentary Bill Purchase (MDBP) - Inland	16	Urban Welfare Investment Scheme
8	Murabaha against Mudaraba Term & Scheme Deposit	17	Rural Welfare Investment Scheme
9	Wakala Letter of Credit	18	Sodesh Motorbike Investment Scheme

➤ **Retail:**

1	Home Investment Scheme	4	Scheme for Professional
2	Car Investment Scheme	5	Cash Withdrawal (Quard) against Mudaraba
3	Household Investment Scheme	6	Murabaha against Mudaraba Term &

1.7 Deposit Mobilization & Profit Distribution Model

The main function of a Islami Bank is to collect deposits from the public/institutions and Invest those deposits for the development of Agriculture, Industry, Trade and Commerce to make a profit & distributed it to the Depositors. So deposit is treated as life blood of financial Institution. OBL AL NOOR Islami Banking follows the method of Income Sharing Ratio – ISR for profit distribution to the Customers.

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.

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, 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 principle of Islami Shari’ah. On the other hand, Final Rates shall not be adjusted, if the final rates become lower upon the basis of “Ihsan” of Islami Shari’ah principle.

ONE Bank Limited
Islami Banking Unit
Notes to Financial Statements

	31.12.2022	31.12.2021
	Taka	Taka
2 Cash		
Cash in hand (Note-2.1)	59,230,089	23,231,202
Balance with Bangladesh Bank and it's agent banks (Note-2.2)	105,850,399	92,034,175
	165,080,488	115,265,377
2.1 Cash in hand		
In Local Currency	59,230,089	23,231,202
In Foreign Currencies	-	-
	59,230,089	23,231,202
2.2 Balance with Bangladesh Bank and it's agent bank(s)		
Bangladesh Bank:		
In Local Currency	105,850,399	92,034,175
In Foreign Currencies	-	-
Balance with Sonali Bank being an agent of Bangladesh Bank	105,850,399	92,034,175
	105,850,399	92,034,175
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 amended in 2018), 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 from of treasury bills, bonds, Foreign Currency & excess reserve of the Taka current account with Bangladesh Bank.		
a) Cash Reserve Requirement (CRR) :		
Required reserve daily basis	60,645,795	20,152,790
Reserve held with Bangladesh Bank in local currencies (a.1)	107,210,399	92,034,175
Surplus/(Shortage)	46,564,604	71,881,385
Required reserve bi-weekly basis	69,309,480	23,031,760
Reserve held with Bangladesh Bank in local currencies (a.1)	107,210,399	92,034,175
Surplus/(Shortage)	37,900,919	69,002,415
a.1 Reserve Held in CRR		
Balance with Bangladesh Bank in local currencies	105,850,399	92,034,175
Amount in reconciliation (Net)*	1,360,000	-
Reserve held with Bangladesh Bank in local currencies	107,210,399	92,034,175
* The balance of local currency account was duly reconciled as of 31 December 2022 and the above amount was matched accordingly.		
b) Statutory Liquidity Ratio (Other than CRR):		
Required reserve	95,300,535	31,668,670
Reserve held (b.1)	217,771,008	212,873,617
Surplus/(Shortage)	122,470,473	181,204,947
b.1 Reserve held in SLR :		
Cash in hand including foreign currency	59,230,089	23,231,202
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)	37,900,919	69,002,415
Other securities	120,640,000	120,640,000
	217,771,008	212,873,617

	31.12.2022	31.12.2021
	Taka	Taka
3 Balance with other Banks and Financial Institutions		
In Bangladesh (Note-3.1)	2,107,144,539	312,193,434
Outside of Bangladesh (Note-3.2)	-	-
	2,107,144,539	312,193,434
3.1 In-Bangladesh		
Current account	2,105,360,759	6,370
Mudaraba Special Notice Deposit	1,783,779	312,187,064
Fixed Deposit receipt	-	-
	2,107,144,539	312,193,434
3.2 Outside of Bangladesh	-	-
4 Investment in share & securities		
Bangladesh Government Investment Sukuk (Ijarah Sukuk)	120,640,000	120,640,000
Others (Note-4.1)	-	-
	120,640,000	120,640,000
4.1 Others		
Shares in listed companies	-	-
Shares in un-listed companies	-	-
	-	-
5 Investments		
General investment etc. (Note-5.1)	1,247,403,606	45,094,552
Bill purchased and discounted	-	-
	1,247,403,606	45,094,552
5.1 General investment etc.		
Al Noor Cash Withdrawal	19,159,432	17,488,423
Home Investment Account	28,537,037	17,955,332
Household Investment Account	26,740,905	6,566,214
Murabaha (Term Financing)	1,157,576,198	-
Car Investment Account	3,183,003	-
Murabaha Trust Receipt	5,765,550	-
Staff Investment	6,441,483	3,084,583
	1,247,403,606	45,094,552
6 Fixed Assets including premises, furniture & fixtures		
Furniture and fixture	10,190,148	9,347,861
Work in progress (Furniture and Fixture)	15,102,694	-
Office Equipment	7,319,851	5,867,447
Computer	1,822,750	1,406,250
	34,435,443	16,621,558
Less: Accumulated depreciation		
Furniture and fixture	1,367,573	471,895
Office Equipment	1,892,671	878,045
Computer	463,847	222,183
	3,724,091	1,572,123
	30,711,352	15,049,435
7 Other Assets		
Stationery, stamps, printing materials etc	5,237,035	1,117,983
Stock of stamps	26,190	14,950
Advance Income Tax	1,790,215	218,221
Profit accrued on investment but not collected	1,984,694	3,670,774
Profit/loss payable to head office	68,310,981	79,542,988
Advance rent	22,947,480	27,183,240
Prepayments	344,755	16,818,749
Branch Adjustment Account	2,400,905	152,143,626
Suspense account	20,000	230,000
	103,062,255	280,940,530

	31.12.2022	31.12.2021
	Taka	Taka
8 Deposits and other accounts		
Deposits from Banks	-	-
Deposits from customers	3,772,565,782	887,814,149
	3,772,565,782	887,814,149
a. Deposit from Banks		
Mudaraba savings deposits	-	-
Mudaraba special notice deposits	-	-
Mudaraba fixed deposits	-	-
	-	-
b. Customers Deposits		
i. Al- wadeeah current deposits and other accounts		
Al-wadeeah current deposits	67,448,792	3,371,458
Margin Deposit	14,577,113	2,420,000
Sundry deposits	6,532,989	2,451,798
	88,558,893	8,243,256
ii. Bills Payable		
Pay orders issued	7,669,167	10,846,971
Demand draft payable	-	-
	7,669,167	10,846,971
iii. Mudaraba savings bank deposits	254,335,456	86,831,757
iv. Mudaraba term deposits		
Mudaraba fixed deposits	3,342,018,135	754,878,978
Mudaraba special notice deposits	35,423,950	18,016,244
Non resident Taka deposits	-	-
Mudaraba special scheme deposits	44,560,180	8,996,943
	3,422,002,266	781,892,164
Total Customers Deposit	3,772,565,782	887,814,149
9 Other liabilities		
Accounts payable-Others	3,018	980
Accrued expenses	1,473,440	1,368,200
Branch adjustment account	-	-
	1,476,458	1,369,180
	2022	2021
	Taka	Taka
10 Profit on investment		
Profit on Al Noor Cash Withdrawa	321,141	56,179
Staff house building investment	3,482,255	334,656
Profit on Staff Investment	42,328	33,702
Profit on investment from banks and financial institutions	59,591,017	4,971,959
Bai- Muajjal (Term) investment	65,833,515	-
Profit on Time Investment	135,589	-
Profit on Investment against Trust Receipt (LTR)	65,550	-
Inter branch income	-	6,057,404
	129,471,395	11,453,901
11 Profit shared on deposits and borrowings etc.		
Profit shared on deposits (Islamic Banking Branch)		
Mudaraba Savings Deposits	2,080,595	1,088,569
Mudaraba Short Term Deposits	19,303,556	584,246
Mudaraba term deposits	97,189,960	23,697,289
	118,574,111	25,370,105
12 Income from investment in Shares/ Securities		
Income from Government Securities	5,331,699	1,406,170
Income from Non-Government Securities	-	-
	5,331,699	1,406,170

	2022	2021
	Taka	Taka
13 Commission, exchange and brokerage		
Commission on Remittance	103,390	88,290
Commission on Guarantee	23,443	7,443
Commission on Trade Finance	436,333	61,701
Exchange gain	107,008	16,808
	670,175	174,242
14 Other operating income		
Service and incidental charges	1,723,530	554,741
Fees & Charges-Investment	62,710	500
Miscellaneous income	440,419	191,357
	2,226,659	746,598
15 Salaries and allowances		
Salary & Allowances	46,705,451	29,600,370
Provident Fund Contribution	1,933,055	1,548,972
Gratuity	668,052	1,601,682
	49,306,558	32,751,024
16 Rent, taxes, insurance and electricity etc		
Rent	20,105,430	19,795,198
VAT on rent	2,930,765	2,890,028
Taxes	23,820	58,120
Utilities	165,571	199,047
Insurance	805,284	388,491
Electricity and lighting	690,006	614,360
	24,720,876	23,945,243
17 Postage, Stamps, Telecommunication etc.		
Postage	35,812	40,145
Telephone/ Telex	203,791	240,158
	239,603	280,303
18 Stationery, printings, advertisements etc		
General office stationery	324,064	502,131
Printing and security stationery	915,255	899,154
Publicity and advertisement	211,765	155,000
	1,451,083	1,556,285
19 Depreciation, leasing expenses and repair of bank's assets		
Depreciation:		
Furniture and Fixtures	1,063,835	596,290
Office appliance & equipments	1,256,290	1,096,340
Motor vehicles	-	-
	2,320,125	1,692,630
Repairs & Maintenance	7,996,116	6,828,785
	10,316,241	8,521,415
20 Other expenses		
Entertainment	431,114	323,743
Car expenses	9,247	-
Donations, Subscriptions & others	4,100	-
Computer & Printer expenses	227,072	171,702
Travelling and Conveyance	193,726	185,083
Recruitment & Training Expense	6,389	62,610
Bank Charges & Others	407,690	2,367
Commission on Agent Banking	12,500	-
Others operating expenses	9,600	17,020
	1,301,438	762,524

ONE Bank Limited
Off-Shore Banking Unit
Balance Sheet
As at 31 December 2022

	Notes	31.12.2022		31.12.2021	
		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		135,756	14,022,586	1,719,409	147,525,283
		135,756	14,022,586	1,719,409	147,525,283
		-	-	-	-
Money at Call and Short Notice		-	-	-	-
		-	-	-	-
Investment					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
Loan and Advances:	4				
Loans, cash credits, overdrafts etc.		81,189,428	8,386,275,185	109,841,959	9,424,440,051
Bills purchased and discounted		2,528,643	261,190,347	3,860,013	331,189,090
		83,718,070	8,647,465,532	113,701,971	9,755,629,141
		-	-	-	-
Fixed Assets		-	-	-	-
Other Assets	5	115,398	11,919,730	471,174	40,426,697
		-	-	-	-
Non Banking Assets		-	-	-	-
Total Assets		83,969,224	8,673,407,848	115,892,554	9,943,581,120
LIABILITIES AND CAPITAL					
Borrowings from other Banks, Financial Institutions and agents	6	26,333,330	2,720,040,756	48,999,998	4,204,199,828
Current deposits and other accounts	7				
Current accounts and other accounts		36,515	3,771,783	59,636	5,116,763
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	-	-
		36,515	3,771,783	59,636	5,116,763
Other Liabilities	8	57,346,849	5,923,510,856	66,172,214	5,677,575,969
Total Liabilities		83,716,694	8,647,323,394	115,231,848	9,886,892,560
Capital/Shareholders' Equity					
Profit and loss account		252,529	26,084,454	660,706	56,688,560
Total Liabilities and Shareholders' Equity		83,969,224	8,673,407,848	115,892,554	9,943,581,120

Notes	31.12.2022		31.12.2021	
	USD	Taka	USD	Taka
Off Balance Sheet Items				
Contingent Liabilities				
9				
Acceptance and endorsements	15,395	1,590,191	52,727	4,523,983
Letter of Guarantee	-	-	-	-
Irrevocable Letters of Credit	22,058	2,278,379	392,042	33,637,187
Bills for Collection	-	-	-	-
	37,453	3,868,570	444,769	38,161,170
Other Contingent Liabilities				
Claims lodged with but not recognized by the Bank	-	-	-	-
Other exchange contract	-	-	-	-
Total Contingent Liabilities	37,453	3,868,570	444,769	38,161,170
Other Commitments				
Documentary Credits and short term trade-related transactions	-	-	-	-
Forward assets purchased and forward deposits placed	-	-	-	-
Undrawn note issuance and revolving undertaking facilities	-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-	-	-
Total other commitments	-	-	-	-
Total off-Balance Sheet items including contingent Liabilities	37,453	3,868,570	444,769	38,161,170

ONE Bank Limited
Off- Shore Banking Unit
Profit & Loss Account
For the year ended 31 December 2022

	Notes	2022		2021	
		USD	Taka	USD	Taka
Interest income	10	5,067,953	523,482,580	5,113,046	438,699,357
Interest paid on deposits & borrowings	11	(4,466,381)	(461,344,541)	(4,017,058)	(344,663,600)
Net interest income		601,572	62,138,038	1,095,988	94,035,758
Income from investments		-	-	-	-
Commission, exchange and brokerage	12	207,458	21,428,846	52,465	4,501,530
Other operating income	13	67,651	6,987,876	122,680	10,525,958
Total operating income (A)		876,681	90,554,761	1,271,133	109,063,246
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity etc.		-	-	-	-
Legal & consultancy expenses		399,893	41,306,044	584,883	50,182,989
Postage, stamps, telecommunication etc.		-	-	-	-
Directors' fees		-	-	-	-
Stationery, printings, advertisements etc.		-	-	-	-
Depreciation, leasing expense and repair of bank's assets		-	-	-	-
Other expenses		-	-	5,568	477,753
Total operating expenses (B)		399,893	41,306,044	590,452	50,660,742
Profit before provision and tax (C=A-B)		476,788	49,248,717	680,682	58,402,504
Provision for loans and advances					
Specific provision		342,462	35,373,855	-	-
General provision		(114,884)	(11,866,666)	24,569	2,108,021
		227,578	23,507,189	24,569	2,108,021
Provision for off balance sheet items		(3,320)	(342,926)	(4,593)	(394,078)
Other provision		-	-	-	-
Total Provision		224,258	23,164,263	19,976	1,713,943
Profit/(loss) before tax (C-D)		252,529	26,084,454	660,706	56,688,560
Current tax expenses		-	-	-	-
Deferred tax expense/(income)		-	-	-	-
Net profit after taxation		252,529	26,084,454	660,706	56,688,560

ONE Bank Limited
Off-Shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2022

	2022		2021	
	USD	Taka	USD	Taka
Cash flows from operating activities				
Interest receipts in cash	5,067,953	523,482,580	5,113,046	438,699,357
Interest payments	(4,466,381)	(461,344,541)	(4,017,058)	(344,663,600)
Fee and commission receipts	207,458	21,428,846	52,465	4,501,530
Payment for other operating activities	(399,893)	(41,306,044)	(590,452)	(50,660,742)
Receipts from other operating activities	67,651	6,987,876	122,680	10,525,958
Operating profit before changes in current assets and liabilities	476,788	49,248,717	680,682	58,402,504
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	29,983,901	1,108,163,609	(1,146,509)	(210,802,089)
Other assets	355,776	28,506,967	530,327	44,501,637
Borrowing from other banking companies, agencies etc.	(22,666,668)	(1,484,159,073)	(43,666,668)	(3,654,035,382)
Deposits from banks	-	-	-	-
Deposits from customers	(23,120)	(1,344,980)	(1,069,706)	(90,652,712)
Other liabilities	(9,710,330)	166,082,063	45,303,253	3,907,845,190
	(2,060,441)	(182,751,414)	(49,303)	(3,143,355)
A Net cash flows from operating activities	(1,583,653)	(133,502,697)	631,379	55,259,149
Cash flows from investing activities				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
B Net cash used in investing activities	-	-	-	-
Cash flows from financial activities				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
C Net cash used in financing activities	-	-	-	-
D Net increase in cash and cash equivalents (A+B+C)	(1,583,653)	(133,502,697)	631,379	55,259,149
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
E Opening cash and cash equivalents	1,719,409	147,525,283	1,088,030	92,266,134
F Closing cash and cash equivalents (D+E)	135,756	14,022,586	1,719,409	147,525,283
Closing cash and cash equivalents				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	135,756	14,022,586	1,719,409	147,525,283
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	135,756	14,022,586	1,719,409	147,525,283

ONE Bank Limited
Off-Shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2022

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 2022 to 31 December 2022.

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

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

1.3.3 Fixed assets and depreciation

- a) All fixed assets are stated at cost less accumulated depreciation as per 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 103.2927 (Mid rate as at 31 December 2022).

ONE Bank Limited
Off-Shore Banking Unit
Notes to The Financial Statements

	31.12.2022		31.12.2021	
	USD	Taka	USD	Taka
3 Balance with other banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh (Note-3.1)	135,756	14,022,586	1,719,409	147,525,283
	135,756	14,022,586	1,719,409	147,525,283
3.1 Outside Bangladesh				
Mashreq Bank NY	89,088	9,202,141	1,855,680	159,217,355
Punjab National Bank	46,668	4,820,445	(136,271)	(11,692,072)
United Bank of India	-	-	-	-
	135,756	14,022,586	1,719,409	147,525,283
4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
Term Loan	14,694,178	1,517,801,323	15,922,784	1,366,174,872
Time Loan	62,852,409	6,492,195,044	90,308,148	7,748,439,135
Cash Credit	-	-	-	-
Overdraft	672,617	69,476,469	405,187	34,765,063
Loan against Trust Receipt	2,970,223	306,802,349	3,205,839	275,060,980
	81,189,428	8,386,275,185	109,841,959	9,424,440,051
ii) Bills purchased and discounted				
Local bill purchased and discounted	2,528,643	261,190,347	3,860,013	331,189,090
Foreign bills purchased and discounted	-	-	-	-
	2,528,643	261,190,347	3,860,013	331,189,090
	83,718,070	8,647,465,532	113,701,971	9,755,629,141
5 Other Assets				
Prepayment	115,224	11,901,788	471,117	40,421,844
Others	174	17,942	57	4,853
Interest receivable	-	-	-	-
	115,398	11,919,730	471,174	40,426,697
6 Borrowing from other Banks, and Financial Institutions and agents				
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	4,125,000	426,082,388	12,375,000	1,061,775,000
Oesterreichische Entwicklungsbank AG (OeEB)	875,000	90,381,113	2,625,000	225,225,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	3,125,000	322,789,688	9,375,000	804,375,000
Norwegian Invest. Fund for Developing Countries (Norfund)	1,875,000	193,673,813	5,625,000	482,625,000
International Finance Corporation (IFC)	3,333,330	344,308,656	9,999,998	857,999,828
RAK BANK-Dubai	13,000,000	1,342,805,100	9,000,000	772,200,000
	26,333,330	2,720,040,756	48,999,998	4,204,199,828
7 Current deposits and other accounts				
Current deposits	36,515	3,771,783	18,792	1,612,327
Deposits from Banks- Term deposit	-	-	-	-
Foreign Currency Deposits	-	-	25,828	2,216,072
Sundry deposits	-	-	15,016	1,288,364
	36,515	3,771,783	59,636	5,116,763
8 Other liabilities				
Due to Head Office (Note-8.1)	55,355,349	5,717,803,438	64,638,093	5,545,948,345
Accrued Interest for deposit	-	-	-	-
Interest Suspense	324,268	33,494,503	14,177	1,216,413
Interest Payable on Borrowings Outside Bd	494,815	51,110,749	378,477	32,473,308
Others	-	-	-	-
General Provision against loans and advances	829,581	85,689,625	1,137,020	97,556,291
Specific Provision against loans and advances	342,462	35,373,855	-	-
General Provision for off balance sheet items	375	38,686	4,448	381,612
	57,346,849	5,923,510,856	66,172,214	5,677,575,969

	31.12.2022		31.12.2021	
	USD	Taka	USD	Taka
8.1 Due to Head Office				
Payable to Head office (Transaction with DBU)	53,572,684	5,533,667,132	63,536,043	5,451,392,512
Payable to Head Office (Retained Earnings)	1,782,665	184,136,306	1,102,049	94,555,833
	55,355,349	5,717,803,438	64,638,093	5,545,948,345
9 Contingent liabilities				
Acceptance and Endorsements	15,395	1,590,191	52,727	4,523,983
Letter of Guarantee	-	-	-	-
Irrevocable Letter of Credit	22,058	2,278,379	392,042	33,637,187
Bills for Collection	-	-	-	-
	37,453	3,868,570	444,769	38,161,170
10 Interest income				
Bills purchased and discounted	279,337	28,853,445	211,857	18,177,349
Short Term Loan	-	-	547,703	46,992,917
Time Loan	4,729,164	488,488,149	4,119,295	353,435,472
Loan Against Trust Receipt	59,452	6,140,985	100,904	8,657,553
Overdraft	-	-	97,145	8,335,031
Others	-	-	36,143	3,101,036
Interest on loans and advances	5,067,953	523,482,580	5,113,046	438,699,357
Interest received from Head Office	-	-	-	-
Total Interest income	5,067,953	523,482,580	5,113,046	438,699,357
11 Interest paid on deposits & borrowings				
Interest paid to Head Office	2,493,677	257,578,642	1,244,682	106,793,712
Interest expenses for borrowing	1,972,704	203,765,900	2,772,376	237,869,887
Interest expenses for other bank- Local	-	-	-	-
	4,466,381	461,344,541	4,017,058	344,663,600
12 Commission, exchange and brokerage				
Commission on L/C	5,417	559,580	16,736	1,435,935
Commission on acceptance	31,729	3,277,413	34,484	2,958,750
Export Bill Handling Charge	170,311	17,591,853	1,245	106,845
	207,458	21,428,846	52,465	4,501,530
13 Other operating income				
Fees & Charges	67,651	6,987,876	122,680	10,525,958
Commission on Remittance	-	-	-	-
	67,651	6,987,876	122,680	10,525,958

