

FINANCIAL STATEMENTS 2017

ONE Bank

LIMITED

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ONE Bank Limited and its Subsidiary

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

Report on the financial statements
We have audited the accompanying consolidated financial statements of ONE Bank Limited and its subsidiary (the "Group") as well as the separate financial statements of ONE Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2017, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls
Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgery.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making this risk assessment, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

Report on the other legal and regulatory requirements
In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 forgery as stated under the Management's Responsibility for the Financial Statements and Internal Control;
- internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.23 of the financial statements appeared to be materially adequate;
- nothing has come to our attention regarding material instances of forgery or irregularity or administrative error or exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in note 2.24 of these financial statements;
- financial statements of the subsidiary of the Bank have also been audited by and have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Bank and the Bank so far as it appeared from our examination of those books;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances which, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,675 person hours for the audit of the books and accounts of the Bank.

Dhaka, 15 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Consolidated Balance Sheet

As at 31 December 2017

	2017	2016
	Taka	Taka
PROPERTY AND ASSETS		
Cash		
Cash in hand (including foreign currencies)	1,421,581,206	1,419,096,927
Balance with Bangladesh Bank and its agent banks (including foreign currencies)	18,526,702,871	11,511,559,863
Balance with other banks and financial institutions		
In Bangladesh	1,618,736,709	478,468,291
Outside Bangladesh	973,228,662	1,659,179,549
Money at call or short notice		
Government	2,300,960,371	256,000,000
Others	21,549,893,739	23,063,926,053
Loans and Advances		
Loans, cash credit, overdraft etc.	168,126,084,062	129,853,963,356
Fixed assets including premises, furniture & fixtures	2,099,158,377	1,979,728,731
Other assets	7,562,122,493	64,536,066,262
Non-banking Assets		
Government	27,016,646,326	26,564,065,049
Others	22,918,481,543	186,122,242,367
LIABILITIES AND CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	14,423,348,566	9,699,408,379
Deposits and other accounts		
Current accounts and other accounts	21,206,831,557	19,263,263,427
Bill payable	1,970,683,694	1,758,117,556
Liabilities to Bangladesh Bank	17,625,827,854	19,274,229,186
Savings bank deposits	136,254,498,064	112,023,223,033
Term deposits		
Other Liabilities	182,145,062,856	152,183,867,196
Total Liabilities	212,767,593,991	175,212,699,623
Capital/Shareholders' Equity		
Paid-up Capital	7,300,320,800	6,836,625,200
Statutory Reserve	11,910,850,419	14,454,929,309
Surplus in Profit & Loss Account	1,791,044,652	1,258,421,259
Reserve for contingencies	25,292,492,000	25,292,492,000
Total Shareholder's Equity	46,294,711,871	47,842,467,868
Total Liability and Shareholders' Equity	259,062,305,862	223,055,167,491
OFF BALANCE SHEET ITEMS		
Contingent Liabilities		
Acceptance and Endorsements	30,047,785,574	31,514,395,916
Letters of Guarantee	13,401,109,120	11,927,222,920
Irrevocable Letters of Credit	27,670,941,676	26,163,774,210
Bill for Collection	1,982,413,513	1,288,809,147
Other Contingent Liabilities		
Claims lodged but not recognized by the Bank	73,862,231,522	70,894,593,289
Total Contingent Liabilities	142,864,869,873	143,686,021,272
Other Commitments		
Documentary Credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn non-issuance and revolving underwriting facilities	-	-
Undrawn forward sale facilities, credit lines and other commitments	-	-
Total other commitments	-	-
Total off-balance sheet items including contingent liabilities	142,864,869,873	143,686,021,272
Net Asset Value Per Share	19.48	17.23

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

M. Fakhrul Alam Managing Director, Syed Nusrat Amin Director, A.S.M. Shahidullah Khan Director, Anuska Das Gupta Vice-Chairman

Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, 15 April 2018

Consolidated Statement of changes in Equity

For the year ended 31 December 2017

Particulars	Paid-up Capital	Statutory Reserve	Reserve for contingencies	Profit & Loss Account	Total Shareholders' Equity
Balance at 01 January 2017	6,836,625,200	14,454,929,309	25,292,492,000	17,862,467,868	64,446,514,377
Issue of new shares for the year 2017	483,695,600	-	-	-	483,695,600
Transfer to Statutory Reserve	-	1,444,230,000	-	-	1,444,230,000
Transfer to Reserve for contingencies	-	-	1,846,262,000	-	1,846,262,000
Profit for the year	66,695,600	-	-	1,663,553,871	1,730,249,471
Transfer to Profit & Loss Account	-	-	-	1,663,553,871	1,663,553,871
Transfer to Statutory Reserve	-	1,444,230,000	-	-	1,444,230,000
Transfer to Reserve for contingencies	-	-	1,846,262,000	-	1,846,262,000
Dividend paid	-	-	-	(200,000,000)	(200,000,000)
Transfer to Reserve for contingencies	-	-	1,846,262,000	-	1,846,262,000
Transfer to Statutory Reserve	-	1,444,230,000	-	-	1,444,230,000
Transfer to Reserve for contingencies	-	-	1,846,262,000	-	1,846,262,000
Transfer to Profit & Loss Account	-	-	-	1,663,553,871	1,663,553,871
Transfer to Statutory Reserve	-	1,444,230,000	-	-	1,444,230,000
Transfer to Reserve for contingencies	-	-	1,846,262,000	-	1,846,262,000
Balance at 31 December 2017	7,300,320,800	11,910,850,419	25,292,492,000	17,862,467,868	64,446,514,377

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

M. Fakhrul Alam Managing Director, Syed Nusrat Amin Director, A.S.M. Shahidullah Khan Director, Anuska Das Gupta Vice-Chairman

Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, 15 April 2018

Consolidated Profit and Loss Account

For the year ended 31 December 2017

	2017	2016
	Taka	Taka
Interest income	18,075,419,973	12,905,917,579
Interest paid on deposits and borrowings etc.	(10,038,544,412)	(8,969,697,167)
Net interest income	8,036,875,561	3,936,220,412
Commission, Exchange and Brokerage	2,446,713,626	2,005,211,671
Other operating income	1,969,991,841	1,452,717,130
Other operating expenses	(9,292,000,000)	(6,823,828,831)
Salaries and allowances	(2,990,230,797)	(2,357,422,819)
Staff welfare, entertainment etc.	(91,006,533)	(79,597,171)
Stationery and printing	(35,692,725)	(19,027,112)
Postage, telegraphic, telephonic etc.	(79,135,840)	(79,266,000)
Director's fee	1,681,000	1,223,000
Auditor's fee	242,120,000	242,120,000
Management Director's salary and allowances (Bank only)	14,220,000	13,333,226
Depreciation, leasing expense and repair of fixed assets	(2,028,028,131)	(504,698,424)
Other expenses	(70,809,511)	(503,566,417)
Total operating expenses (B)	(3,281,396,533)	(3,990,956,847)
Profit/(loss) before provision and tax (C=A-B)	4,755,479,028	(5,054,736,435)
Provision for loan and advances	(24,942,112)	(15,480,251)
General provision	(84,842,921)	(61,480,251)
Provision for off-balance sheet items	(13,731,266)	94,509,626
Provision for donations in value of shares	(339,766,549)	(279,141,714)
Provision for other	(4,469,438,496)	(1,133,562,921)
Total Provision (D)	(4,923,921,345)	(1,984,055,051)
Profit/(loss) before tax (E=C-D)	(268,442,317)	(3,028,687,616)
Provision for taxation	(2,383,993,496)	(1,721,566,187)
Deferred tax expense (Income)	(488,383,357)	(12,916,996)
Total tax expense (F)	(2,872,376,813)	(1,734,583,183)
Net Profit/after taxation	(2,603,934,496)	(3,223,270,732)
Amortisation of the Credit Bank Ltd	(2,603,934,496)	(3,223,270,732)
Non-Controlling Interest	(4,420,545)	(6,098,513)
Retained Surplus brought forward	(1,608,099,447)	(1,612,066,979)
Retained Surplus brought forward (attributable to shareholder of ONE)	(1,608,099,447)	(1,612,066,979)
Appropriation:		
Statutory Reserve	1,444,230,000	1,444,230,000
Reserve for contingencies	1,846,262,000	1,846,262,000
Profit & Loss Account	1,730,249,471	1,663,553,871
Dividend paid	(200,000,000)	(200,000,000)
Retained Surplus (after 10% EPS)	(1,730,249,471)	(1,588,212,607)

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

M. Fakhrul Alam Managing Director, Syed Nusrat Amin Director, A.S.M. Shahidullah Khan Director, Anuska Das Gupta Vice-Chairman

Hoda Vasi Chowdhury & Co Chartered Accountants

Dhaka, 15 April 2018

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	2017	2016
	Taka	Taka
Cash flow from operating activities		
Interest receipts on cash	15,995,026,766	13,849,931,100
Interest payments	(8,262,571,544)	(8,701,401,995)
Dividend income	15,000,000	15,000,000
Recovery of non-currently written off cash payments to other banks	50,786,300	31,401,591
Cash payments to other banks	(6,266,505,500)	(5,191,597,811)
Cash payments to suppliers	(607,544,559)	(474,730,000)
Receipts from other operating activities	(1,280,919,614)	(1,280,919,614)
Payment for other operating activities	(952,831,970)	(1,781,181,000)
Cash generated from operating activities before changes in operating assets and liabilities	3,629,392,985	2,513,208,986
Increase/(decrease) in operating assets and liabilities		
Net increase/(decrease) in operating assets and liabilities	7,474,919,977	(863,433,069)
Loans and advances to customers	(39,413,688,260)	(25,891,333,811)
Other operating assets	(418,000,000)	(300,000,000)
Deposits from other banks	23,147,834,914	22,415,149,527
Other liabilities	(1,582,491,811)	(1,582,491,811)
Total increase/(decrease) in operating assets and liabilities	(37,674,345,150)	(24,669,507,105)
Net cash used in from operating activities	(34,044,952,165)	(22,156,298,119)
Cash flow from financing activities		
Proceeds from issue of shares	(17,848,000,000)	(17,848,000,000)
Proceeds from issue of debentures	(6,266,505,500)	(6,266,505,500)
Proceeds from issue of term deposits	(607,544,559)	(474,730,000)
Receipts from other operating activities	(1,280,919,614)	(1,280,919,614)
Payment for other operating activities	(952,831,970)	(1,781,181,000)
Cash generated from financing activities before changes in operating assets and liabilities	(26,955,801,543)	(27,690,535,514)
Decrease/(increase) in operating assets and liabilities		
Net decrease/(increase) in operating assets and liabilities	(60,999,953,708)	(49,846,833,634)
Loans and advances to customers	(39,413,688,260)	(25,891,333,811)
Other operating assets	(418,000,000)	(300,000,000)
Deposits from other banks	23,147,834,914	22,415,149,527
Other liabilities	(1,582,491,811)	(1,582,491,811)
Total decrease/(increase) in operating assets and liabilities	(60,999,953,708)	(49,846,833,634)
Net cash used in from operating activities	(34,044,952,165)	(22,156,298,119)
Cash flow from financing activities		
Proceeds from issue of shares	(17,848,000,000)	(17,848,000,000)
Proceeds from issue of debentures	(6,266,505,500)	(6,266,505,500)
Proceeds from issue of term deposits	(607,544,559)	(474,730,000)
Receipts from other operating activities	(1,280,919,614)	(1,280,919,614)
Payment for other operating activities	(952,831,970)	(1,781,181,000)
Cash generated from financing activities before changes in operating assets and liabilities	(26,955,801,543)	(27,690,535,514)
Decrease/(increase) in operating assets and liabilities		
Net decrease/(increase) in operating assets and liabilities	(60,999,953,708)	(49,846,833,634)
Loans and advances to customers	(39,413,688,260)	(25,891,333,811)
Other operating assets	(418,000,000)	(300,000,000)
Deposits from other banks	23,147,834,914	22,415,149,527
Other liabilities	(1,582,491,811)	(1,582,491,811)
Total decrease/(increase) in operating assets and liabilities	(60,999,953,708)	(49,846,833,634)
Net cash used in from operating activities	(34,044,952,165)	(22,156,298,119)
Cash flow from financing activities		
Proceeds from issue of shares	(17,848,000,000)	(17,848,000,000)
Proceeds from issue of debentures	(6,266,505,500)	(6,266,505,500)
Proceeds from issue of term deposits	(607,544,559)	(474,730,000)
Receipts from other operating activities	(1,280,919,614)	(1,280,919,614)
Payment for other operating activities	(952,831,970)	(1,781,181,000)
Cash generated from financing activities before changes in operating assets and liabilities	(26,955,801,543)	



VISION TRANSFORMATION GROWTH

ONE Bank Limited

Notes to the Financial Statements
For the year ended 31 December 2017

1. The Bank and its activities

1.1 Status of the Bank

ONE Bank Limited (the "Bank") is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 14 July 1999. The Bank was re-licensed on 14 July 2003 and 14 July 2008. The Bank is a public limited company. The Bank has issued initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches of the Bank was sixty five (65) and the number of bank was sixteen (16) as on 31 December 2017.

The principal activities of the Bank are to provide conventional financial products (loans and deposits) and services, personal and commercial banking, trade services, cash management, treasury and bond services.

1.2 Off-Shore Banking Unit

The Bank has obtained the permission for Off-shore banking business vide no. BRPD/P-1/744 (15/10/2012) dated 25 May 2012. The Bank commenced the operation of Off-shore Banking Unit from 12 December 2010. At present the Bank has 2 (two) Off-shore Banking units one in Dhaka and another in Chittagong. The principal activities of the unit are to provide all kinds of commercial banking services in foreign currency. Financial Statements of Off-shore Banking Unit are shown in Annexure-4.

1.3 ONE Securities Limited (Subsidiary of the Bank)

ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act 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 43, Dhakshu CA (4th Floor), Dhaka-1000.

1.4 International Banking

International Banking is being running through International Division with the expertise centers mainly to the bank needs for import and export affairs. The Division establishes correspondent relationships with the foreign banks with prior consent of Management of the Bank.

1.5 Treasury Functions

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

1.6 Capital Adequacy

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There is a significant amount of Treasury securities held by the Bank for smooth running of office. Core Banking System equipped with latest banking technology and services to its customers through a large branch network and diversified delivery channels.

1.7 Strategic Direction and Challenges

The strategic directions of the Bank are provided and reviewed periodically by the Marketing Division in consultation with the senior management. At the time of planning department mobilization resources, financing plan and the budget, priority is given on the basis of 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 executing business, identifying, and the defined action plan for the achievement thereof along with specific time frame and key indicators in the marketing meeting.

1.8 Information Technology

The Bank has established a modern Information Technology Division (ITD) by placing state of art technology and appropriate human resources with adequate knowledge and skills to play a vital role in the Bank for smooth running of office. Core Banking System equipped with latest banking technology and services to its customers through a large branch network and diversified delivery channels.

1.9 Staff Training

The Bank always keeps in mind for the development of staff skill and knowledge through training. The staff training is presently proceeding through the outside organizations, Bangladesh Bank and from Bank's own training Academy.

1.10 Corporate Governance

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2017, the amount of deposit was 80.05% of total liability and shareholders' equity & the amount of shareholders' equity was 6.21% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

1.11 Board of Directors

The Board of Directors of the Bank is constituted by (Eight) members of Directors and all of the Directors except Managing Director are Non-Executive Directors. Particulars of Directors are included in the annual report.

1.12 Board Meeting

The Chairman of the Board conducts the Board Meeting and ensures effective participation of all Directors, heading to their concerns and maintained balance of power. The Boarding is in full compliance of the provisions of the Companies Act 1994.

1.13 Information sharing system

A well-structured 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.

1.14 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 evaluation annually.

- Discharge of Statutory / Regulatory duties and Board responsibilities;
- Corporate Governance and Bank Management monitoring;
- Setting and monitoring vision and strategies on strategic decision making;
- Leveraging the skills, expertise, contacts of individual Board Members in furtherance of business;
- Understanding and formulating the necessary plans to ensure timely availability and address expectations of high potential and high quality staff;
- Overall view of management of the business by the Management.

1.15 Appointment of Directors and Managing Director

The Members of the Board are appointed in accordance with the provisions of the Companies Act 1994, the Memorandum and the Articles of Association of the Bank, provisions of the Bank Company Act 1991 (as amended in 2003) and Bangladesh Bank Circular 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.

1.16 Managing Director

The Managing Director (as CEO) is appointed by the Board on contractual basis with a provision of reserves 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 to lead with the short, medium and long-term goals of the Bank. The Managing Director is entrusted with the overall management of the Bank and he is ultimately accountable to the Board. Managing Director's performance is assessed by the Chairman annually.

1.17 General Meeting

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

1.18 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.

1.19 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 necessary requirements, enabling both existing and prospective shareholders to make a timely and fair assessment of the Bank's performance. Media or publication includes printed materials, newspapers and the website of the Bank.

2. Basis of Preparation and Significant Accounting Policies

2.1 Presentation of Financial Statement
The financial statements are presented in compliance with the provisions of the Bangladesh Accounting Standards BAS 1 "Presentation of Financial Statements", BAS 7 "Statement of Cash Flows".
As per BRPD circular No. 14 dated 25 June 2003, Bangladesh Bank provides guidelines, forms and formats for the presentation of Financial Statements.

2.2 Separate and Consolidated Financial Statements

The Consolidated Financial Statements include the financial statements of ONE Bank Limited and ONE Securities Limited made up to the end of financial year.
The Consolidated Financial Statements have been prepared in accordance with Bangladesh Accounting Standard BAS 27 "Separate Financial Statements".

2.3 Statement of Compliance

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

Accordingly, the financial statements of the Bank continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Commission Act 1993 and the provisions of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS.

2.4 Investment in Shares and Securities

BFRS: As per requirement of BAS 39 investment in shares and securities generally falls either under "at fair value through profit or loss" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit or loss account or revaluation reserve respectively.
Bangladesh Bank: As per BRPD circular No. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the end of the year at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment (portfolio basis), otherwise investments are recognized at cost.

2.5 Revaluation gains/losses on Government Securities

BFRS: As per the requirement of BAS 39, where securities will be held in the category of Held for Trading (HFT) if any change in the fair value of these securities is recognized in the profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method using effective interest rate and interest is recognized through the profit and loss account.
Bangladesh Bank: As per the DOS Circular No. 05 dated May 26, 2008 subsequent clarification in DOS Circular No. 05 dated January 28, 2009 HFT securities are revalued on the basis of market and at year end any gains or losses on revaluation of securities which have not matured at the balance sheet date are recognized in other reserves as a part of equity and any revaluations of securities which have not matured at the balance sheet date are charged to the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities

which have not matured at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserves as a part of equity.

2.6 Provision on Loans and Advances / Investments

BFRS: As per the requirement of BAS 39, an entity should take the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No. 14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No. 01 dated 28 March 2013 and BRPD circular No. 4 dated 02 August 2015, a general provision at 25% to 50% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, doubtful loans and bad loans has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision of 1% is required to be provided for all off-balance sheet exposures (except BRPD circular letter no. 01 dated January 2013, 01) as per BRPD circular No. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012. These provisions are set specifically in line with those prescribed by BAS 39.

2.7 Recognition of Interest in Suspense

BFRS: As per the requirement of BAS 39, Loans and Advances to customers are generally classified as "loans and receivables" and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized in income, rather the corresponding amount needs to be credited to interest suspense account which is presented as liability in the balance sheet.

2.8 Other Comprehensive Income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income as a component of financial statements. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

2.9 Financial Instruments - Presentation and Disclosure

In several cases Bangladesh Bank issues guidelines to categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such, full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

2.10 Financial Guarantees

BFRS: As per the requirement of BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss as incurred because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

2.11 Repo Transaction

BFRS: As per the requirement of BAS 39, when an entity 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 a deposit, and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as loan and the difference between the selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per DOS Circular letter No. 2 dated 23 January 2013 and DOS Circular letter No. 6 dated 15 July 2013, a Bank sells its financial assets 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.

2.12 Cash and Cash Equivalents

BFRS: As per the requirement of BAS 3, Cash and cash equivalents items should be reported as cash item.
Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, few highly liquid cash equivalents such as Money at call on Short Notice, Treasury Bills, Bangladesh Bank Bills and Prize Bond are not shown as cash and cash equivalents items in the Balance Sheet rather they are shown in the off-balance sheet items. However, in the cash flow statement, these items are shown as cash equivalents besides cash in hand, balance with BB and others.

2.13 Non-Banking Asset

BFRS: No indication of Non-banking asset is found in any BFRS.
Bangladesh Bank: As per BRPD Circular No. 14 dated 25 June 2003 there must exist a firm named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991 (as amended in 2013).

2.14 Cash Flow Statement

BFRS: As per the requirement of BAS 1, the Statement of Cash Flows can be prepared using either the direct method or the indirect method. The presentation is selected to provide the most relevant 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 method.

2.15 Balance with Bangladesh Bank (Cash Reserve Requirement)

BFRS: As per the requirement of BAS 1, 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.

2.16 Presentation of Intangible Asset

BFRS: As per the requirement of BAS 38, an intangible asset must be identified and recognized, and the disclosure must be made 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.

2.17 Off-Balance Sheet Items

BFRS: There is no concept of off-balance sheet items in any BFRS, hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.
Bangladesh Bank: As per BRPD circular No. 14 dated 25 June 2003 off-balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.18 Loans and Advances - Investments Not Provided

BFRS: Loans and advances investments should be presented net of provision.
Bangladesh Bank: As per BRPD circular No. 14 dated 25 June 2003 provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

2.19 Bank 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/credit revaluation included in the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates. The most significant areas where estimates and judgments have been made are on provisions for loans and advances.
- Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.20 Foreign currency transactions and translations

i. Functional and presentational currency
Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency.
ii. Foreign currency translation
Foreign currency transactions are converted into equivalent Taka currency at the reporting date on the respective dates of such transactions as per BAS 21 "The Effects of Changes in Foreign Exchange Rates".

Assets and liabilities in foreign currencies as at 31 December 2017 have been translated into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD/01/717/2004-059 dated 11 November 2004.

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

2.21 Assets and Liabilities

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

2.22 Assets and the basis of their valuation

2.2.1 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.

2.2.3 Loans and Advances

Loans and Advances are stated at gross amount before offsetting specific and general provisions against them.
Interest on Loans and Advances is calculated on a daily pro-rata 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 Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 01 dated 28 March 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 28 August 2015, BRPD Circular No. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 29 February 2018 respectively at the following rates:

Category/status of Loans and Advances	Rates	
	Bangladesh Bank's Requirement	Maintained by the Bank
General provisions for unclassified loans and advances:		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Small and medium enterprise financing	0.25%	0.25%
Consumer Finance (House Financing)	1%	1%
Consumer Finance (Loans for Professional Services)	2%	2%
Consumer Financing (Other than Housing Financing and loans for professional services)	5%	5%
Special mention account	0%	0%
Loans to BLM/MS/MSDs against Shares	2%	2%
Loans to Short-term Agricultural and Micro-Credit	1%	1%
Specific provision for classified loans and advances:		
Substandard	20%	20%
Doubtful	50%	50%
Bad Loans	100%	100%
Provision for classified loan to short-term agricultural and Micro-Credit:		
Substandard	2%	2%
Doubtful	5%	5%
Bad Loans	100%	100%

(c) Loans and Advances are written off to the extent that (i) there is realistic prospect of recovery and (ii) against which legal costs are pending for more than five years as per guidelines of Bangladesh Bank. These write-offs, however, will not undermine/affect the claim amount against the borrowers. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

2.7 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

Held to Maturity (HTM): Investments which are intended to be held to maturity are classified as "Held to Maturity". These are measured at amortized cost each 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 account is booked to equity until maturity.

Held for Trading (HFT): Investments classified in this category are acquired primarily for the purpose of selling or repurchasing in the short trading or as disposed as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guidelines. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account. Value of investments has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HTF)	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	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 gains/loss to revaluation reserve
Bangladesh Bank Bill (HTM)	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 (HFT)	Amortized cost	Amortized cost	Amortized gains/loss to revaluation reserve
Zero Coupon Bond	Cost	None	None
Prize Bond & Other Bond	Cost	None	None
Subordinated Bond	Face Value	All Revaluation Value	None
Un quoted Shares (ordinary)	Cost	None	None
Quoted shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss to Profit and Loss A/c but no unrealized gain recorded.

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

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

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

2.7.4 Non Current Assets

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

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

Depreciation

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

Category of Fixed Assets	Rate of Depreciation
Furniture and Fixtures	10%
Office Equipment	18%
Motor Vehicles	20%
Building	2.50%

Intangible Assets

All intangible assets which have probable future inflows are stated at cost less the accumulated amortization. The intangible assets are amortized using estimated useful lives of five years.

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 identifiable intangible asset. 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 the assets are reviewed at each financial year and adjusted if applicable.

Leasehold Assets

FINANCIAL STATEMENTS 2017

OBE Bank
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ONE Bank Limited

1.1 Provision for liabilities and accrued expenses
In compliance with BAS-17, 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.

1.2 Taxation

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

1.2 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 bases used in the computation of taxable profit. Deferred tax assets are generally recognized for all taxable temporary differences 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.

1.2.7 Capital of 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 is 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 departments are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal metrics.

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 liquidation 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 statutory reserves has been maintained at 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991 (as amended in 2013). This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after which it is optional.

e) Reserve for amortization/realisation 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 HTM as a result of market fluctuations is booked under reserve as "valuation reserve" but any decrease in value is charged to profit and loss account as per Bangladesh Bank DOS circular letter no. 4 dated 26 May 2008 & DOS Circular letter no. 4 dated 28 January 2009.

1.2.8 Revenue Recognition

The revenue of the year is recognized in compliance with the provisions of BAS-18 "Revenue".

a) Interest Income

In accordance with the provisions of the Bangladesh Accounting Standards (BAS)-18 "Revenue", the interest is recognized on accrual basis, but necessary information of cash movement related to these accruals are reported separately in the notes. Interest is calculated on daily product basis on loans and advances but charged on quarterly basis. Interest on classified loans and advances were not taken into income until such advances were fully repaid. Interest is recognized on classified loans and advances as per Bangladesh Bank's ICD and BRPD circulars. However, interest on classified advances is accounted for when it realized in cash.

b) Investment Income

Income on investment is recognized on accrual basis. The current provision for income tax and the taxable income of the year is calculated on the basis of interest receivable on the securities i.e. after deduction of accrued interest related to the Treasury Bills and other securities. Investment income has been confirmed by income from Treasury Bills, interest on Securities and Dividend income from share. Income on Investments other than dividend on shares is accounted for on an accrual basis.

c) Fees, Commission and Other Income

Fees and Commission income arises from services provided by the Bank to DR, DT, and LLP etc. and recognition 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 transaction. The advance payment of tax on LC commission is duly deposited to the Tax Authority. Similarly, Income Tax and VAT is deducted and deposited to the Tax Authority as per their circulars.

d) Dividend Income

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

e) Interest and Other Expenses

In terms of the provision of the Bangladesh Accounting Standard (BAS)-14 "Presentation of Financial Statements", accrual basis is followed for interest payable 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. Cash Flow Statement

The Cash Flow Statement is presented by using the "Direct Method" of preparing cash flows in compliance with the provisions of the Bangladesh Accounting Standard (BAS)-14 and format provided by the Bangladesh Bank under BRPD Circular No. 14 dated 25 June 2003 applicable for preparation of Cash Flow Statements. To make the Cash Flow Statement more understandable and friendly about the content of figures inserted into the Cash Flow Statement, a number of notes have been given in the notes to the accounts.

3.1 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 basis:

Particulars	Basis of Use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Residual maturity terms	Residual maturity terms
Investments	Repayment/maturity schedule and behavioral trend (non-maturity products)
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.
Deposit and other accounts	Maturity and behavioral trend (non-maturity products)
Provision and other liability	Settlement/agreed schedule basis.

3.1.1 Statement of Changes in Equity

The financial statements are prepared in accordance with BAS-17 "Presentation of Financial Statements" and under the guidelines of BRPD circular no. 14 dated 25 June 2003.

3.1.2 Events after Reporting Period

All known material events after the Balance Sheet date have been considered and appropriate adjustments/ disclosures have been made in the Financial Statements where necessary up to the date of preparation of Financial Statements as per BAS-10.

3.1.3 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2017. BAS-11 "Earnings per Share" has a significant impact on the EPS. There was no request to calculate on there is no dilution possibilities occurred during the year.

3.1.4 Reclassification of Banks of Account

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

3.1.5 Authorization of Financial Statements

These financial statements for the year ended 31 December 2017 have been authorized for issue in accordance with a resolution of the Board of Directors on 14 April 2018.

3.1.6 Materiality and Aggregation

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

3.1.7 Offsetting

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

3.1.8 Reporting Period

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

3.1.9 Number of Employees

The number of employees employed in the Bank as on 31 December 2017 was 2101 of which 1689 were male and 412 were female. The number of employees per branch (including 19000) was 14.01 (11749) excluding 72 employees in the Head Office.

3.2.0 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 further 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(72) read with the provisions of part- A of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 17 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 monthly salary as contribution to the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members' account on yearly basis. Members are eligible to get both the contribution after 01 (three) years of continuous service from the date of their joining the Bank.

b) Gratuity Fund (Defined Benefit Plan)

Gratuity Fund benefits are given to the staff of the bank in accordance with the approved Gratuity Fund Rules. National Board of Revenue approved the Gratuity Fund as a recognized Gratuity Fund on 28 February 2012. The fund is operated by a Board of Trustees consisting of 5 (five) employees of the Bank. Employees are entitled to Gratuity benefit after completion of minimum 10 (ten) years of service in the Company. The Gratuity is calculated on the basis of Last Drawn Basic Pay and is payable at the rate of one month's Last Drawn Basic Pay for every completed year of service and also month and above, but less than one year will be counted as one year.

c) Bereavement Fund

The objective of the fund is to provide financial assistance to the employees of the Bank for treatment (medical/welfare, physiotherapy, disability, etc.) of the employees and his/her dependents), damage or loss of his/her homestead by natural disasters/ calamities. The Fund consists of monthly contribution by all the employees of the Bank and benefits earned from the investment of the fund. The fund is operated by a Board of Trustees consisting of 7 (seven) employees of the Bank.

d) Death cum Survival Superannuation Fund

The objective of the fund is to provide financial assistance to the employees of the Bank for treatment (medical/welfare, physiotherapy, disability, etc.) of the employees and his/her dependents), damage or loss of his/her homestead by natural disasters/ calamities. The Fund consists of monthly contribution by all the employees of the Bank and benefits earned from the investment of the fund. The fund is operated by a Board of Trustees consisting of 7 (seven) employees of the Bank.

for any other cause that may be defined by the Trustees as per Board's approval. This Fund consists of annual contributions of Tk. 1 lakh by the Bank as well as benefits earned from the investment of the fund. The Income Tax Authority approved the Fund as a recognized Gratuity 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.

a) Materially adverse

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.

b) Annual Leave Fare Allowance

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

c) 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 per Bank Rate for the permanent employees repayable by 24 monthly installments.

d) 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 approval policy and approval from the appropriate Authority.

e) Staff Car Purchase Finance Scheme

All full job grade staff 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.

f) Honorarium for Banking Officials Part I & Part II

On successful completion of part I & part II of Banking Official examination of the Institute of Bankers, Bangladesh or any other Institute of Bankers recognized by the Bank, an employee is entitled to the following honorarium:
1. Part I of Bangladesh Institute of Bankers Tk. 5,000/- (plus fees incurred by the incumbent)
2. Part II of Bangladesh Institute of Bankers Tk. 7,500/- (plus fees incurred by the incumbent).

g) Festival Bonus

Employees who have completed at least 6 (six) months' service with the Bank on the date of disbursement of Bonus, is entitled to the Festival Bonus on the following basis:
1. All regular staff including Staff Car Controller and Probationary Officers/Special Cadre Officers/Cadre Officers having break-up of salary (i.e. one month's Basic Pay).
2. TAO/Casual/Contractual Staff on consolidated pay @ 50% of Gross Installment Pay.
3. The Officers who have joined OBL from other Banks and Financial Institutions but have not yet completed six months service with OBL, i.e. one month's Basic Pay.

h) Incentive Bonus

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

i) Un-availed Leave Encashment

Maximum 15 (fifteen) days of 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 leaves.

j) Day Care Center Facilities for the children of OBL Employees

One Bank Limited (OBL), in association with other banks having Head Offices located at Gullshan, Dhaka, has made an agreement with a Day Care Center named "Wise Learn Day Care" and booked 60 (two) seats for the children of OBL employees and has been opened for those 60 (two) seats since September 2014.

k) 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 6 (six) years (amortization by 60 months), and after every five years subject to full amortization of existing facility, executives are entitled to avail a new facility under the scheme as applicable to respective designation.

3.2.1 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS / BFRS	BAS / BFRS	Status of compliance
Presentation of Financial Statements	BAS-1	Applied
Revenues	BFRS-1	Applied
Statement of Cash Flow	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-12	N/A
Intangibles	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Financial Instruments: Recognition and Measurement	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Finance Leasing (Lease of Assets)	BAS-20	N/A
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Banking Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefits	BAS-26	N/A**
Separate Financial Statements	BAS-27	Applied
Investments in Associates & Joint Ventures	BAS-28	N/A
Financial Reporting for Hyperinflationary Economies	BAS-29	N/A

Financial Instruments: Presentation BFRS 32 Applied to the extent of compliance with BRPD Circular no. 14, dated June 2000, DOS Circular no. 5, dated 26 May 2008 and DOS Circular no. 5, dated 28 January 2009.

Earnings per share BAS 33 Applied

Intermittent Financial Reporting BAS 34 Applied***

Impairment of Assets BAS 36 Applied

Provisions, Contingent Liabilities and Contingent Assets BAS 37 Applied

Intangible Assets BAS 38 Applied

Financial Instruments: Recognition and Measurement BAS 39 Applied to the extent of compliance with BRPD Circular no. 14, dated June 2000, DOS Circular no. 5, dated 26 May 2008 and DOS Circular no. 5, dated 28 January 2009.

Investment Property BAS 40 N/A

Aggregates BAS 41 N/A

Bangladesh Financial Reporting Standards (BFRS)

First time adoption of Bangladesh Financial Reporting Standards BFRS 1 N/A

Share Based Payments BFRS 2 N/A

Business Combinations BFRS 3 Applied

Financial Instruments: Recognition and Measurement BFRS 4 N/A

Non-current Assets Held for Sale and Discontinued Operations BFRS 5 N/A

Explanation for Fair Evaluation of Mineral Resources BFRS 6 N/A

Financial Instruments: Disclosures BFRS 7 Applied to the extent of compliance with core risk management guideline of BB.

Operating Segments BFRS 8 Applied

Financial Instruments BFRS 9 Will be replaced of BAS-39 on January 01, 2018.

Consolidated Financial Statements BFRS 10 Applied

Joint arrangements BFRS 11 N/A

Disclosure of interest in other entities BFRS 12 Applied

Fair value measurement BFRS 13 Applied

Regulatory Deferral Accounts BFRS 14 N/A

Revenue from Contracts with Customers BFRS 15 Will be replaced of BAS 11, 18 on or before January 01, 2018.

N/A=Not Applicable

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

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

**** The objective of BAS 34 is to prescribe the minimum content of an interim financial report to prescribe the principles for recognition and measurement in compliance with or in accordance with the financial instruments, a not applicable for annual financial statements. However, the Bank is complying with BAS 34 regularly for publications of Interim Financial Reports.

New and amended standards adopted by the bank
There are no new standards, amendments to standards and interpretations that are effective for the first time of the financial year ended 31 December 2017 that have a significant impact on the Bank's financial statements.

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

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

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

a) BFRS 9 Financial Instruments
BFRS 9, published by July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general guidance concerning measurement. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. As per the Bank's assessment, any material impact of BFRS 9 would be primarily on calculation of impairment provision.

However, as Bangladesh Bank has not issued any guidance to revise its current impairment, classification and measurement model along with BFRS 9, the Bank is unable to quantify any potential impact on its financial statements.

b) BFRS 15 Revenue from Contracts with Customers

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

c) BFRS 16 Leases

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

d) BFRS 17 Insurance Contracts

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

2.2.2 BASEL III Implementation

Under the guidance of BASEL III Implementation plan issued by Bangladesh Bank vide BRPD Circular-18, Dated December 21, 2014, OBL has already entered in the domain of BASEL III. Accordingly, OBL, successfully managed to maintain all the requirements of phase wise BASEL III implementation. OBL maintained minimum capital including Capital Conservation Buffer @ 11.50% against the statutory requirement of 12.50% as at December 31, 2017.

2.2.3 Risk Management

OBL 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 OBL 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 the risk management system is to ensure that the Bank takes well-calculated business risks while safeguarding the Bank's capital, its financial resources and the reputation of the Bank. The Bank's risk management system is designed to ensure that the Bank's risk management system is in line with international best practices.

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

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

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

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

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

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 measures for maintaining and reinforcing its credit standards.</

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However, the stocks of such items are stated below:

Stocks of Items	2017 (Taka)	2016 (Taka)
Bangladesh Shunachaya Patras	3,001,018.095	2,874,838.782
US\$ Investment Bonds	165,400,000	177,079,950
US\$ Premium Bonds	190,375,400	183,533,530
Wage Earners Development Bond	373,700,000	373,700,000
Total	3,730,493,495	3,609,152,262

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

29 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 263rd Board Meeting held on May 11, 2017 constituted the Audit Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Syed Nurul Amin	Independent Director	Chairman
2	Mr. A. S. M. Shahidullah Khan	Director	Member
3	Mr. Shawkat Jaman	Director	Member
4	Mr. Salahuddin Ahmed	Independent Director	Member

As per the above Circular of Bangladesh Bank, the Company Secretary of the Bank is the Secretary of the Audit Committee. The Audit Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

The Committee reviewed the Inspection Reports of Bangladesh Bank, Internal Audit Department and compliance thereof by the Management of the Bank. They have also reviewed the Draft Financial Statements of the Bank and its subsidiary company audited by the External Auditors.

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

29 Risk Management Committee

The Risk Management Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 11 dated 27 October 2013, as per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 263rd Board Meeting held on May 11, 2017 constituted the Risk Management Committee as under:

Sl. No.	Committee Members	Status with the Bank	Position in the Committee
1	Mr. Asok Das Gupta	Vice Chairman	Chairman
2	Mr. ZahurUllah	Director	Member
3	Mr. Syed Nurul Amin	Independent Director	Member
4	Mr. Salahuddin Ahmed	Independent Director	Member

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

The Risk Management Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

The Committee identifies various Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the year 2017 were:

- Reviewed and approved various Risk Management Policy of the Bank.
 - Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
 - Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2017.
 - Approved Risk Appetite Statement of the Bank for the year 2017.
 - Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRM) and Monthly Risk Management Report (RMR) of the Bank. Committee also gave recommendations on the vulnerable areas identified in CRM and RMR.
 - Reviewed and followed up the performance against Risk Tolerance Limits.
- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

The Risk Management Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

The Committee identifies various Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the year 2017 were:

- Reviewed and approved various Risk Management Policy of the Bank.
 - Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
 - Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2017.
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 - Reviewed and followed up the performance against Risk Tolerance Limits.
- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

The Risk Management Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

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 - Reviewed and followed up the performance against Risk Tolerance Limits.
- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

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- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

The Risk Management Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

The Committee identifies various Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the year 2017 were:

- Reviewed and approved various Risk Management Policy of the Bank.
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 - Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2017.
 - Approved Risk Appetite Statement of the Bank for the year 2017.
 - Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRM) and Monthly Risk Management Report (RMR) of the Bank. Committee also gave recommendations on the vulnerable areas identified in CRM and RMR.
 - Reviewed and followed up the performance against Risk Tolerance Limits.
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 - Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2017.
 - Approved Risk Appetite Statement of the Bank for the year 2017.
 - Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRM) and Monthly Risk Management Report (RMR) of the Bank. Committee also gave recommendations on the vulnerable areas identified in CRM and RMR.
 - Reviewed and followed up the performance against Risk Tolerance Limits.
- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

The Risk Management Committee of the Board had 4 (four) meetings from 01 January to 31 December, 2017.

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- Reviewed and approved various Risk Management Policy of the Bank.
 - Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
 - Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2017.
 - Approved Risk Appetite Statement of the Bank for the year 2017.
 - Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRM) and Monthly Risk Management Report (RMR) of the Bank. Committee also gave recommendations on the vulnerable areas identified in CRM and RMR.
 - Reviewed and followed up the performance against Risk Tolerance Limits.
- After last AGM, Mr. Asok Das Gupta, Vice Chairman was elected as Chairman of the Risk Management Committee of the Board of Directors.

	2017	2016
4.5 Current Accounts (Outside Bangladesh)		
(Name of the banks and financial institutions)		
Standard Chartered Bank, New York	94,175,470	1,399,245,388
Standard Chartered Bank, London	1,920,763	1,126,625
Standard Chartered Bank, Patna	242,246	26,878,476
Standard Chartered Bank, Mumbai	39,874,559	21,893,922
Standard Chartered Bank, Tokyo	5,977,826	5,611,118
ICICI Bank Limited, Mumbai (ACU)	21,274,844	16,414,065
ICICI Bank Limited, Hong Kong	18,316,636	1,853,614
ICICI Bank Limited, Manila (ACU)	16,771,196	12,804,164
ICICI Bank Limited, Mumbai (ACU ELRO)	8,504,887	7,996,371
Commerzbank AG, Frankfurt (USD)	17,432,298	129,764,708
Commerzbank AG, Frankfurt (CAD)	13,816,623	1,091,164
Commerzbank AG, Frankfurt (BHK)	28,487,412	2,513,821
Mahabank Psc. Ltd, Viet Nam	27,537,526	1,727,256
Mahabank Psc. Ltd, India (ACU)	17,765,667	44,424,627
Wali Fungs Bank N.A, New York	80,100,313	93,876,083
All Bank Ltd, Marathi	61,403,180	(14,615,715)
Habb Bank Limited, Karachi	33,377,203	-
Habb Bank AG Zurich, Zurich	4,156,747	11,105,549
Nepal Bangladesh Bank Ltd, Kathmandu	9,797,342	6,644,826
Sejken Bank PLC, Colombo	59,963	7,035,379
Bank of East Africa, Nairobi	49,028	28,548,312
United Bank of India, Kolkata	34,286,111	53,309,891
Bank of Asia, Jakarta	4,428,588	4,428,588
Wespac Banking Corporation, Sydney	4,002,822	4,772,192
	778,238,662	1,962,437,701

(Five bank of foreign currency amount and net thereof is "Amenure - C")

4.6 Maturity of balances with other banks and financial institutions

Up to 1 month	1 to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years
827,716,238	1,772,611,497	4,163,189	1,149,838,725	-
1,149,838,725	1,314,798,887	-	21,108,662	-
	2,389,965,371	5,097,823,840		

4.7 Consolidated Balance with Other Banks and Financial Institutions in Bangladesh

ONE Bank Limited	2017	2016
ONE Bank Limited	1,614,736,709	1,438,644,291
ONE Securities Limited	511,687,610	208,783,554
	2,126,424,319	1,647,427,845

4.8 Consolidated Balance with Other Banks and Financial Institutions in Bangladesh (Contd.)

ONE Bank Limited	2017	2016
ONE Bank Limited	1,614,736,709	1,438,644,291
ONE Securities Limited	511,687,610	208,783,554
	2,126,424,319	1,647,427,845

4.9 Money at call on short notice

Modhuni Bank Limited	2017	2016
Modhuni Bank Limited	-	150,000,000
United France Limited	-	100,000,000
		250,000,000

6 Investments

In Government securities	2017	2016
(Note-6.1)	9,487,663,581	10,523,356,384
(Note-6.2)	11,846,781,108	7,843,312,862
(Note-6.3)	1,448,100	1,648,100
	21,334,892,789	18,368,317,346

6.1 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.2 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.3 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.4 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.5 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.6 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.7 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.8 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.9 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.10 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.11 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.12 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.13 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.14 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.15 Treasury Bills (HTM)

364 days Treasury Bills	2017	2016
364 days Treasury Bills <td>861,191,091</td> <td>1,393,523,537</td>	861,191,091	1,393,523,537
182 days Treasury Bills <td>875,573,863</td> <td>1,393,523,537</td>	875,573,863	1,393,523,537
	1,736,764,954	2,787,047,074

6.16 Treasury Bills (HTM)



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	2017 Taka	2016 Taka	2017 Taka	2016 Taka
12.7 Provision for Other				
Balance on 1 January	3,922,170	4,065,532		
Provision made during the year (recovery) (note-12.7, a and 12.7. b)	7,486	(133,362)		
Balance on 31 December	3,929,657	3,932,170		
12.7.a Provision for protected bill				
Balance on 1 January	2,594,351	2,727,713		
Provision made during the year				
Balance on 31 December	2,594,351	2,727,713		
12.7.b Provision for legal expenses and others				
Balance on 1 January	1,327,819	1,337,819		
Adjusted with recoverable legal expenses				
Provision made during the year				
Balance on 31 December	1,327,819	1,337,819		
12.8 Provision for off balance sheet items				
Balance on 1 January	708,945,933	644,426,307		
Provision made during the year	(31,735,200)	84,509,626		
Balance on 31 December	677,210,733	728,935,933		
12.9 Interest suspense account				
Balance on 1 January	3,057,837,346	2,215,999,656		
Interest suspense charged during the year	1,212,100,883	1,517,995,246		
Interest suspense realized during the year	(164,147,538)	(66,313,575)		
Amount written off during the year	(24,665,135)	(29,240,200)		
Amount waiver during the year	3,971,698,796	3,087,857,246		
Balance on 31 December	4,902,823,352	4,667,798,371		
12.10 Provision for diminution value of share				
Balance on 1 January	-	24,764,666		
Provision made (recovered) during the year	-	(23,676,466)		
Balance on 31 December	-	1,088,200		
12.10.a Consolidated Provision made for diminution value of share				
ONE Bank Limited	-	(24,764,666)		
ONE Securities Limited	-	1,088,200		
Total	-	(23,676,466)		
12.4 Consolidated Other Liabilities				
ONE Bank Limited	15,994,706.738	12,199,203.752		
ONE Securities Limited	483,756.538	405,216.296		
Less: Inter company elimination	(277,199.007)	-		
Total	16,201,264.269	12,604,420.048		
13. Share Capital				
13.1 Authorized Capital				
1,000,000,000 (2016:1,000,000,000) ordinary shares of Tk 10 each	10,000,000,000	10,000,000,000		
13.2 Issued, Subscribed and fully paid-up Capital				
70,020,000 (2016: 66,366,520) ordinary shares of Tk 10 each	7,002,000,000	6,636,652,200		
Reserves	30.02%	30.02%		
General Public (including Institutes 15.10% and Foreign 6.77%)	69.98%	69.98%		
Total	100.00%	100.00%		
The issued, subscribed and fully paid up capital of the Bank is as follows:				
	Shareholders	No. of Shares	2017 Taka	2016 Taka
Spouses	119	219,154,310	2,191,543,100	1,972,118,220
Institutes	397	11,021,321,269	1,102,131,269	1,385,128,200
Foreign	113	49,417,293	494,179,520	10,271,200
General Public	21,001	353,196,209	3,531,962,090	3,248,929,520
Total	21,530	730,832,080	7,308,320,800	6,636,652,200
Shareholding structure of the Bank as at 31-12-2017 is given below:				
	Range of Holdings	Number of Shareholders	No. of Shares	% of holding of shares
Up to 500	6,027	1,080,907	0.15	
501 to 5,000	10,119	20,911,027	2.86	
5,000 to 10,000	2,148	4,309,219	0.59	
10,001 to 20,000	1,458	29,392,619	4.03	
20,001 to 50,000	515	12,792,889	1.75	
50,001 to 100,000	273	6,622,234	0.91	
100,001 to 500,000	193	8,985,099	1.23	
500,001 to 1,000,000	809	27,069,975	3.71	
1,000,001 to 1,000,000	201	121,738,234	16.66	
Over 1,000,000	90	491,538,117	67.30	
Total	14,581	730,832,080	100.00	
4) Authorized Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,500,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on 28.08.2012.				
b) 66,366,520 Shares of Tk. 10 each valued at Tk. 663,665,200 for the year 2016 has been transferred to Paid-up capital account of the year 2017.				
The shares of the company are held at Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd.				
Issued, Subscribed & fully Paid up Capital				
	Particulars	2017 Taka	2016 Taka	
Issued for cash-53,781,320 shares of Tk. 10 each		537,813,200	437,813,200	
Issued for cash (6% 250/600 bonus shares of Tk. 10 each)		6,162,580,000	6,098,841,000	
Total		7,308,320,800	6,636,652,200	
13.3 Capital Adequacy Ratio				
In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, required capital of the Bank (Consolidated) at the close of business on 31 December 2017 is Tk. 18,629,930,500 as against core capital of Tk. 14,181,536,663 and supplementary capital of Tk. 2,139,900,484 making a total capital of Tk. 21,501,457,889 thereby showing a surplus capital adequacy of Tk. 2,871,226,588 as on the date. Details are shown below:				
		2017 Taka	2016 Taka	
Consolidated Bank:				
Common Equity Tier-1 (Going Concern Capital)				
Full-paid-up Capital	7,308,320,800	6,636,652,200		
Statutory Reserve	5,103,856,419	4,434,929,509		
Retained Earnings	1,791,044,652	1,538,421,259		
Minority Interest in Subsidiaries	26,073,242	31,596,289		
Total	14,225,295,113	12,641,609,457		
Regulatory Adjustments:				
Deferred Tax Assets	38,072,038	1,090,190		
Regulatory Credit/Overlays in the CET-1 Capital of Banking, Financial and Insurance Entities	866,500	17,821,450		
Total	39,318,538	18,912,640		
Total Common Equity Tier-1 Capital	14,181,536,665	12,452,091,218		
Tier-2 Capital (Going Concern Capital)				
General Provisions	2,414,220,484	2,202,499,264		
Subordinated debt	4,880,000,000	5,320,000,000		
Regulation reserves as at 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000		
Total	7,358,420,484	7,586,699,264		
Regulatory Adjustment				
Regulation reserves for fixed assets, securities & equity securities	38,520,000	25,680,000		
Total	7,396,940,484	7,601,879,264		
A Total Regulatory Capital	21,501,457,889	19,975,111,482		
Total Assets including Off-Balance Sheet items	40,072,714,115	39,010,020,839		
B Total Risk Weighted Assets	186,290,300,000	146,154,262,576		
C Required capital based on risk weighted assets (10% of B)	18,629,030,000	14,615,426,258		
D Surplus (A-C)	2,871,226,588	5,359,262,224		
E Required capital with Conservation Buffer (CB) (0.1125% of B)	20,938,671,133	15,590,132,734		
F Excess over capital with CB (A-E)	842,785,235	4,443,572,200		
Percentage of Capital to Risk Weighted Assets:	11.54%	13.66%		
Sub-Banks:				
Common Equity Tier-1 (Going Concern Capital)				
Full-paid-up Capital	7,308,320,800	6,636,652,200		
Statutory Reserve	5,103,856,419	4,434,929,509		
Retained Earnings	1,681,178,120	1,699,408,803		
Total	14,093,355,339	12,770,990,512		
Regulatory Adjustments:				
Deferred Tax Assets	38,072,038	1,090,190		
Regulatory Credit/Overlays in the CET-1 Capital of Banking, Financial and Insurance Entities	866,500	17,821,450		
Total	39,318,538	18,912,640		
Total Common Equity Tier-1 Capital	14,048,816,838	12,748,088,173		
Tier-2 Capital (Going Concern Capital)				
General Provisions	2,414,220,484	2,202,499,264		
Subordinated debt	4,880,000,000	5,320,000,000		
Regulation reserves as at 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000		
Total	7,358,420,484	7,586,699,264		
Regulatory Adjustment				
Regulation reserves for fixed assets, securities & equity securities	38,520,000	25,680,000		
Total	7,396,940,484	7,601,879,264		
A Total Regulatory Capital	21,501,457,889	19,975,111,482		
Total Assets including Off-Balance Sheet items	39,024,145,320	35,915,706,664		
B Total Risk Weighted Assets	184,800,042,000	146,207,338,800		
C Required capital based on risk weighted assets (10% of B)	18,480,042,200	14,620,733,880		
D Surplus (A-C)	2,888,711,185	6,088,317,374		
E Required capital with Conservation Buffer (CB) (0.1125% of B)	20,790,044,736	15,534,582,584		
F Excess over capital with CB (A-E)	575,712,579	4,754,518,380		
Percentage of Capital to Risk Weighted Assets:	11.54%	13.89%		
14 Statutory Reserve				
Balance brought forward from previous year	4,414,929,909	3,865,644,373		
Reserve made during the year	668,926,910	589,285,136		
Balance on 31 December	5,103,856,419	4,454,929,509		
15 Retained earnings/ movement of profit and loss account				
Balance on 1 January	1,695,408,803	1,698,935,564		
Address during the year	(668,926,910)	(589,285,136)		
Transfer to statutory reserve	(66,865,520)	(77,406,140)		
Issue of Bonus Share	(82,765,180)	(72,406,142)		
Cash dividend paid	1,481,178,120	1,695,408,803		
Balance on 31 December	1,695,408,803	1,698,935,564		
15.1 Retained earnings brought forward from previous year				
Retained Earnings of previous Year	1,695,408,803	1,698,935,564		
Bonus share issued	(66,865,520)	(77,406,140)		
Cash dividend paid	(82,765,180)	(72,406,142)		
Retained Earnings brought forward	1,695,408,803	1,698,935,564		
15.1 (a) Consolidated retained earnings/ movement of profit and loss account				
Retained Earnings of ONE Bank Limited	1,681,178,120	1,695,408,803		
Retained Earnings of ONE Securities Limited	14,229,683	3,526,761		
Attributable to Non-Controlling Interest	(2,000,000)	(2,000,000)		
Balance on 31 December	1,693,407,803	1,696,935,564		
15.1(b) Consolidated retained earnings brought forward from previous year				
Retained Earnings of previous Year	1,328,421,259	1,064,013,203		
Bonus share issued	(66,865,520)	(77,406,140)		
Cash Dividend Paid	(82,765,180)	(72,406,142)		
Retained Earnings brought forward	1,693,407,803	1,696,935,564		
16 Interest and discount income				
From clients against bills and advances	13,767,970,063	11,918,720,653		
Short term deposits	40,273,574	45,852,739		
Discount from Bangladesh Bank Bill	20,749,257	169,123,119		
From banks and financial institutions in Bangladesh	69,136,463	139,800,880		
From foreign banks	72,610,661	70,310,734		
Total	14,628,897,009	12,798,928,144		
Less: Inter Company Transaction	263,605,246	86,094,518		
Off-Balance Banking Unit	14,365,291,763	12,712,833,626		
16 (a) Consolidated Interest and discount income				
ONE Bank Limited	14,922,597,255	12,795,830,682		
ONE Securities Limited	36,821,719	11,088,176		
Less: Inter Company Transaction	(14,950,418,973)	(12,866,971,579)		
17 Interest paid on deposits and borrowings				
Short term deposits	2,570,064,009	2,213,203,721		
Savings deposits	57,669,975	462,339,666		
Term deposits	5,003,593,751	4,473,424,370		
Scheme deposits	95,342,216	982,102,442		
Borrowings from banks and financial institutions	19,968,840	52,766,831		
Interest on Subordinated Debt	51,849,437	326,111,111		
Total	9,798,588,908	8,425,908,160		
Less: Inter Company Transaction	30,052,427	30,657,966		
Off-Balance Banking Unit	9,768,536,481	8,405,250,194		
17 (a) Consolidated Interest paid on deposits and borrowings				
ONE Bank Limited	10,034,541,415	8,465,698,136		
ONE Securities Limited	-	-		
Total	10,034,541,415	8,465,698,136		
18 Income from Investments				
Interest on treasury bills	59,575,748	676,380,212		
Interest on treasury bond (Net)	84,372,526	658,580,689		
Interest on Bangladesh Bank Bill	7,859,642	95,455,497		
Dividend on Investment	28,197,088	84,713,818		
Gain on sale of Shares	11,621,205	14,834,967		

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ONE Bank Limited Off-Shore Banking Unit

Notes	2017		2016		
	USD	TAKA	USD	TAKA	
PROPERTY AND ASSETS					
CASH					
Cash on hand (including foreign currencies)	-	-	-	-	
Cash with Bangladesh Bank and in agent banks (including foreign currencies)	-	-	-	-	
Balance with other Banks and Financial Institutions	3				
In Bangladesh	-	-	22,321,342	1,756,741,848	
Outside Bangladesh	-	-	-	-	
Money at Call on Short Notice	-	-	22,321,342	1,756,741,848	
Government	-	-	-	-	
Others	-	-	-	-	
Loans and Advances:	4				
Loans, cash credits, overdrafts etc.	66,510,144	5,501,388,878	58,547,050	4,607,780,225	
Provision for doubtful and discounted	-	-	-	-	
Fixed Assets	5				
Other Assets	814,865	67,397,567	891,319	76,148,795	
Non-Banking Assets	-	-	-	-	
Total Assets	72,031,108	6,031,466,003	60,428,257	5,481,486,248	
LIABILITIES AND CAPITAL					
Borrowings from other Banks, Financial Institutions and agents					
Deposits and other Accounts	6	44,800,000	3,638,800,000	45,859,233	3,699,222,527
Current accounts and other accounts	7	5,168	427,050	3,164	406,347
Term deposits	8,726,242	72,140,522	42,703,299	3,703,823,200	
Other Liabilities	8,730,806	72,837,621	22,798,463	1,794,290,193	
Total Liabilities	20,807,416	1,661,306,172	42,823,719	3,548,722,667	
Capital/Shareholders' Equity					
Paid up and Reserve	111,113	4,189,011	437,114	34,401,825	
Total Liabilities and Shareholders' Equity	72,031,108	6,031,466,003	60,428,257	5,481,486,248	
Other Balance Sheet Items					
Contingent Liabilities	9	681,200	56,367,138	-	-
Acceptance and endorsements	6,000,000	401,420,177	4,698,727	386,148,801	
Letter of Guarantee	4,533,247	376,562,541	5,712,691	449,594,206	
Irrevocable Letters of Credit	-	-	-	-	
Bills for Collection	5,234,843	432,928,779	5,712,691	449,594,206	
Other Contingent Liabilities	-	-	-	-	
Claims held but not recognized by the Bank	-	-	-	-	
Other exchange contract	5,234,843	432,928,779	5,712,691	449,594,206	
Other Commitments	-	-	-	-	
Documentary Credits and short term trade-related transactions	-	-	-	-	
Financial assets purchased and financial liabilities sold	-	-	-	-	
Undertaken under purchase and resale agreements	-	-	-	-	
Other commitments	-	-	-	-	
Total off-balance sheet items including contingent liabilities	5,234,843	432,928,779	5,712,691	449,594,206	

Notes	2017		2016		
	USD	TAKA	USD	TAKA	
Interest Income					
Interest paid on deposits & borrowings	10	3,775,807	312,265,838	2,439,107	191,963,077
Net interest income	11	275,916	22,652,819	763,449	58,348,522
Income from investments					
Commission, Exchange and Dividends	12	97,652	8,075,825	24,218	1,907,621
Other operating income	13	62,703	5,084,186	83,300	6,262,923
Total operating income (A)	466,271	38,812,830	419,868	63,817,066	
Finance, interest, insurance, etc. (B)					
Legal & Consultancy expenses	240,584	19,306,322	15,107	1,188,963	
Printing, postage, advertisement etc.	-	-	-	-	
Stationery, Printing, advertisement etc.	-	-	-	-	
Depreciation, leasing expense and repair of bank's assets	-	-	-	-	
Other expenses	240,584	19,306,322	15,107	1,188,963	
Total operating expenses (B)	240,584	19,306,322	15,107	1,188,963	
Profit before provision and tax (C=A-B)	225,757	19,506,508	795,761	42,428,103	
Provision for loans and advances					
General provision	110,630	9,804,142	301,821	2,370,334	
Provision for off-balance sheet items	119,639	9,894,142	381,221	2,778,338	
Consolidated provision	230,269	19,698,284	683,042	5,148,672	
Profit/loss before tax (C-D)	11,113	9,797,497	437,114	34,401,825	
Current tax expense	-	-	-	-	
Deferred tax expense (income)	-	-	-	-	
Net profit after tax	11,113	9,797,497	437,114	34,401,825	

Notes	2017		2016	
	USD	TAKA	USD	TAKA
Cash flows from operating activities				
Interest payments	(3,501,987)	(289,611,839)	(1,735,467)	(136,404,556)
Fee and commission receipts	97,652	8,075,825	24,218	1,907,621
Receipts from other operating activities	(840,984)	(6,996,226)	(43,167)	(3,518,263)
Operating profit before changes in current assets and liabilities	226,736	18,946,569	795,761	42,428,102
Increase (decrease) in operating assets and liabilities				
Loans and advances to customers	(6,906,367)	(576,321,094)	(6,006,319)	(42,261,226)
Other assets	76,555	6,244,540	(191,110)	(154,765)
Borrowing from other banking companies, agencies etc.	(1,874,253)	(153,758,569)	45,859,233	3,699,222,527
Deposits from customers	(14,087,073)	(1,143,392,207)	2,790,200	219,836,806
Other liabilities	(2,208,785)	(182,666,248)	(3,831,233)	(301,533,504)
Cash flows from operating activities	(22,321,342)	(1,848,978,311)	22,321,342	1,786,741,848
Payments for purchase of assets				
Payment for purchase of assets	-	-	-	-
Receipts from sale of assets	-	-	-	-
Net cash used in investing activities	-	-	-	-
Net cash used in financing activities				
Dividend received	-	-	-	-
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
Net cash used in financing activities	-	-	-	-
Net increase in cash and cash equivalents (A+B+C)	(22,321,342)	(1,848,978,311)	22,321,342	1,786,741,848
Effect of exchange rate changes on cash and cash equivalents	-	-	89,236,444	-
Operating cash and cash equivalents	(22,321,342)	(1,759,741,867)	22,321,342	1,786,741,848
Changes cash and cash equivalents				
Cash on hand	-	-	-	-
Cash with Bangladesh Bank & agents	-	-	22,321,342	1,786,741,848
Cash with other banks and financial institutions	-	-	-	-
Money at call on short notice	-	-	-	-
Other	-	-	-	-

Notes to the Financial Statements For the year ended 31 December 2017

1.1 Status of the unit
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 via letter no. BRPD/P-3/14 (13/2016-217) dated 25 May 2016. The Bank commenced the operations of Off-Shore Banking Unit from 13 December 2016. At Present the Bank has 2 (Two) units one in Dhaka and another in Chittagong.

1.2 Principal activities
The principal activities of the unit are to provide all kinds of commercial banking services to its customers through Off-Shore Banking Units in Bangladesh.

1.3 Significant accounting policies and basis of preparation of financial statements
1.3.1 Basis of accounting
Financial statements are prepared on the basis of a going concern and represent the financial performance and financial position of the OBU. The financial statements of the OBU are prepared in accordance with the Bank Companies Act 1991, in particular Banking Regulation and Policy Department (BRPD) Circular No. 14 dated 25 June 2003, Other Bangladesh Bank Circulars, Bangladesh Financial Reporting Standard (BFRS) and other rules and regulations where necessary.

1.3.2 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 expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

1.3.3 Foreign currency transaction
a) Foreign currencies translation
Foreign currency transactions are converted into equivalent Taka using the selling exchange rates on the dates of respective transactions as per BAS-21 "The Effects of Change 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.

1.3.4 Cash flow statement
Cash flow statement has been prepared in accordance with the Bangladesh Accounting Standard "7" Cash Flow Statement" under direct method as recommended in the BRPD Circular No. 14, dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

1.3.5 Reporting period
These financial statements cover from 01 January 2017 to 31 December 2017.

1.3.6 Assets and basis of their valuation
1.3.6.1 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 for meeting for its short-term commitments.

1.3.6.2 Loans and advances (instruments)
a) Loans and advances of Off-Shore Banking Unit 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 non-monitored accounts.

1.3.3 Fixed assets and depreciation

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of freight, duties and miscellaneous 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 recognized 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 obligation, in accordance with the BAS-37 "Provisions, Contingent Liabilities and Contingent Assets".

1.5 Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis.

1.5.2 Fees and commission income
Fees and commission income arises or 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 transaction.

1.5.3 Interest paid and other expenses
In terms of the provisions of the BAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2 General

a) These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 82.70, EURO/1 = Taka 98.330 and CHF/1 = Taka 83.817 (Mid rate as at 31 December 2017).

Notes	2017		2016	
	USD	TAKA	USD	TAKA
2.1 Balance with other Banks and Financial Institutions				
In Bangladesh				
Money at Call on Short Notice	22,321,342	1,756,741,848	-	-
Total	22,321,342	1,756,741,848	-	-
Outside Bangladesh (A)				
Money at Call on Short Notice	-	-	-	-
Loans, cash credits, overdrafts, etc.	5,168	427,050	3,164	406,347
Term deposits	8,726,242	72,140,522	42,703,299	3,703,823,200
Other Liabilities	8,730,806	72,837,621	22,798,463	1,794,290,193
Total	13,645,816	1,143,392,207	2,790,200	219,836,806
Total	35,967,158	2,900,134,055	2,790,200	2,006,677,654
2.2 Borrowings from other Banks, and Financial Institutions				
In Bangladesh				
Money at Call on Short Notice	22,321,342	1,756,741,848	-	-
Total	22,321,342	1,756,741,848	-	-
Outside Bangladesh (B)				
Current accounts and other accounts	5,168	427,050	3,164	406,347
Term deposits	8,726,242	72,140,522	42,703,299	3,703,823,200
Other Liabilities	8,730,806	72,837,621	22,798,463	1,794,290,193
Total	13,645,816	1,143,392,207	2,790,200	219,836,806
Total	35,967,158	2,900,134,055	2,790,200	2,006,677,654
2.3 Provisions for doubtful and discounted				
Provision for doubtful and discounted				
Provision for doubtful and discounted	110,630	9,804,142	301,821	2,370,334
Total	110,630	9,804,142	301,821	2,370,334
2.4 Provisions for off-balance sheet items				
Provision for off-balance sheet items				
Provision for off-balance sheet items	119,639	9,894,142	381,221	2,778,338
Total	119,639	9,894,142	381,221	2,778,338
2.5 Contingent Liabilities				
Contingent Liabilities				
Acceptance and endorsements	6,000,000	401,420,177	4,698,727	386,148,801
Letter of Guarantee	4,533,247	376,562,541	5,712,691	449,594,206
Irrevocable Letters of Credit	-	-	-	-
Bills for Collection	5,234,843	432,928,779	5,712,691	449,594,206
Total	15,768,090	1,210,911,497	16,124,109	1,385,337,213
2.6 Other Assets				
Other Assets				
Other Assets	814,865	67,397,567	891,319	76,148,795
Total	814,865	67,397,567	891,319	76,148,795
2.7 Provisions for doubtful and discounted				
Provision for doubtful and discounted				
Provision for doubtful and discounted	110,630	9,804,142	301,821	2,370,334
Total	110,630	9,804,142	301,821	2,370,334
2.8 Provisions for off-balance sheet items				
Provision for off-balance sheet items				
Provision for off-balance sheet items	119,639	9,894,142	381,221	2,778,338
Total	119,639	9,894,142	381,221	2,778,338
2.9 Contingent Liabilities				
Contingent Liabilities				
Acceptance and endorsements	6,000,000	401,420,177	4,698,727	386,148,801
Letter of Guarantee	4,533,247	376,562,541	5,712,691	449,594,206
Irrevocable Letters of Credit	-	-	-	-
Bills for Collection	5,234,843	432,928,779	5,712,691	449,594,206
Total	15,768,090	1,210,911,497	16,124,109	1,385,337,213
2.10 Other Assets				
Other Assets				
Other Assets	814,865	67,397,567	891,319	76,148,795
Total	814,865	67,397,567	891,319	76,148,795
2.11 Provisions for doubtful and discounted				
Provision for doubtful and discounted				
Provision for doubtful and discounted	110,630	9,804,142	301,821	2,370,334
Total	110,630	9,804,142	301,821	2,370,334
2.12 Provisions for off-balance sheet items				
Provision for off-balance sheet items				
Provision for off-balance sheet items	119,639	9,894,142	381,221	2,778,338
Total	119,639	9,894,142	381,221	2,778,338
2.13 Contingent Liabilities				
Contingent Liabilities				