

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

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of ONE Bank Limited and its subsidiaries (the “Group”) as well as the separate financial statements of ONE Bank Limited (the “Bank”), which comprise the consolidated and separate balance sheets as at 31 December 2018 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2018, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

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

Key Audit Matters

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

| Description of key audit matters | Our response to key audit matters |
|---|--|
| Measurement of provision for loans, advances and leases | |
| The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex. | We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Credit appraisal, loan disbursement procedures, monitoring and provisioning process; |

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| <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 198,958 million (2017: BDT 170,441 million) and the Bank reported provision for loans and advances of BDT 7,582 million (2017: BDT 6,072 million).</p> | <ul style="list-style-type: none"> • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained |
| <p>See note no 7 and 12 to the financial statements</p> | |

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| <p>Valuation of treasury bill and treasury bond</p> | |
| <p>The classification and measurement of treasury bill and bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bills and bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> | <p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p> |
| <p>See note no 6 to the financial statements</p> | |

Impairment assessment of unquoted investments

In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.

We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process

We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value.

Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note no 6 to the financial statements

IT systems and controls

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

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

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

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

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

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

Legal and regulatory matters

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

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

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

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have

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

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| <p>been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p> | <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p> |
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Carrying value of investments in subsidiaries by the Bank

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|--|--|
| <p>The Bank has invested in equity shares of its two subsidiaries, namely ONE Securities Limited and ONE Investments Limited. As at 31 December 2018 the carrying value of this investment is BDT 2,480 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p> | <p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> |
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Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 as amended and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities other than matters disclosed in these financial statements;
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely ONE Securities Limited and ONE Investments Limited audited by us reflect total assets of BDT 2,849.62 million and results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;

- (iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the content of note 7.13, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,240 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 30 April 2019

**Hoda Vasi Chowdhury & Co
Chartered Accountants**

ONE Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2018

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

| | <u>Notes</u> | <u>2018</u> <u>Taka</u> | <u>2017</u> <u>Taka</u> |
|---|--------------|----------------------------|----------------------------|
| OFF BALANCE SHEET ITEMS | | | |
| Contingent Liabilities | | | |
| Acceptances and Endorsements | | 43,940,917,808 | 30,047,785,574 |
| Letters of Guarantee | 43 | 14,270,610,865 | 13,401,108,120 |
| Irrevocable Letters of Credit | | 20,705,413,735 | 27,670,941,678 |
| Bills for Collection | | 2,734,384,729 | 1,942,416,151 |
| | | 81,651,327,138 | 73,062,251,522 |
| Other Contingent Liabilities | | | |
| Claims lodged with but not recognized by the Bank | | - | - |
| Other exchange contract | | - | - |
| Total Contingent Liabilities | | 81,651,327,138 | 73,062,251,522 |
| Other Commitments | | | |
| Documentary Credits and short term trade-related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Total other commitments | | - | - |
| Total off-Balance Sheet items including contingent liabilities | | 81,651,327,138 | 73,062,251,522 |
| Net Asset Value Per Share | | 18.94 | 18.54 |

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited and its Subsidiaries
Consolidated Profit & Loss Account
For the year ended 31 December 2018

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

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

See annexed report of even date.

ONE Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2018

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

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2018

Amount in Taka

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

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited
Balance Sheet
As at 31 December 2018

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

| | <u>Notes</u> | <u>2018</u> <u>Taka</u> | <u>2017</u> <u>Taka</u> |
|---|--------------|----------------------------|----------------------------|
| OFF BALANCE SHEET ITEMS | | | |
| Contingent Liabilities | | | |
| Acceptances and Endorsements | | 43,940,917,808 | 30,047,785,574 |
| Letters of Guarantee | 43 | 14,270,610,865 | 13,401,108,120 |
| Irrevocable Letters of Credit | | 20,705,413,735 | 27,670,941,678 |
| Bills for Collection | | 2,734,384,729 | 1,942,416,151 |
| | | 81,651,327,138 | 73,062,251,522 |
| Other Contingent Liabilities | | | |
| Claims lodged with but not recognized by the Bank | | - | - |
| Other exchange contract | | - | - |
| Total Contingent Liabilities | | 81,651,327,138 | 73,062,251,522 |
| Other Commitments | | | |
| Documentary Credits and short term trade-related transactions | | - | - |
| Forward assets purchased and forward deposits placed | | - | - |
| Undrawn note issuance and revolving underwriting facilities | | - | - |
| Undrawn formal standby facilities, credit lines and other commitments | | - | - |
| Total other commitments | | - | - |
| Total off-Balance Sheet items including contingent liabilities | | 81,651,327,138 | 73,062,251,522 |
| Net Asset Value Per Share | | 18.78 | 18.41 |

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited
Profit & Loss Account
For the year ended 31 December 2018

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

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

M. Fakhrul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

See annexed report of even date.

Dhaka, 30 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Bank Limited
Cash Flow Statement
For the year ended 31 December 2018

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

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka, 30 April 2019

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

Amount in Taka

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

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

M. Fakhru Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at 31 December 2018

Amount in Taka

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

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

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

M. Fakhrul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

Dhaka, 30 April 2019

ONE Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2018

1. The Bank and its activities

1.1 Status of the Bank

ONE Bank Limited (the “Bank”) is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 June 1999 under section 31 of the Bank Company Act 1991 (as amended in 2013). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches of the Bank was ninety nine (99) and the number of booths was Twenty (20) as on 31 December 2018.

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

1.2 Off-Shore Banking Unit

The Bank has obtained the permission for Off-shore Banking business vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated 26 May 2010. The Bank commenced the operation of its Off-shore Banking Unit from 12 December 2010. At present the Bank has 2 (two) Off-shore Banking units one in Dhaka and another in Chattogram. The principal activities of the units are to provide all kinds of commercial banking services in foreign currency. Financial Statements of Off-shore Banking Unit are shown in **Annexure-G**.

1.3 ONE Securities Limited (Subsidiary of the Bank)

ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act (Act XVIII) of 1994 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on 24 December 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at 45, Dilkusha C.A (4th Floor), Dhaka-1000.

1.4 ONE Investments Limited (Subsidiary of the Bank)

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

1.5 International Banking

International Banking activities of the Bank are being facilitated by the International Division with 17 ADs and 02 Central Trade Processing Centers in Dhaka and Chattogram. The network of foreign correspondents is expanding over the years for ensuring smooth cross border trade and remittance

inflow. In addition, foreign currency trade loan and other trade facilities are being regularly arranged from the foreign correspondents. At the end of 2018 our total no. of foreign correspondents and nostro accounts stand as 423 and 25 respectively.

1.6 Treasury Functions

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

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2018.

Capital Adequacy symbolizes the financial strength and stability of a bank. It limits the extent up to which banks can expand their business in terms of risk-weighted assets. Like all other commercial institutions, constantly looks the ways of expanding its operations by opening branches, mobilizing deposits, providing loans and investing in Capital Market. The Bank always keeps a careful check on its Capital Adequacy Ratios.

1.7 Information Technology

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 20 (Twenty) years of journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from introduction of world-class Core Banking Solution (CBS), the Bank has introduced various services like Internet Banking Service, Mobile Financial Service, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps, wallet and various web-based online payment systems etc. ONE Bank systems are also connected with Bangladesh Bank's NPSB (National Payment Switch of Bangladesh), Automated Cheque Clearing System-BACH (Bangladesh Automated Clearing House), RTGS (Real Time Gross Settlement) System, BEFTN (Bangladesh Electronic Fund Transfer Network) System etc to provide efficient banking service to customers. The Bank has introduced sanction screening systems to ensure AML & CFT compliance and ensure prevention of money laundering through banking transactions.

Now-a-days, banking industry is using information technology to deal with the challenges of ever changing banking needs of the country. Similarly, ONE Bank is also committed to bring in new IT driven services not only to manage business operations and business compliance efficiently but also to provide customer better with introduction of disruptive innovation in banking.

1.8 Strategic Direction and Challenges

The strategic directions of the Bank are provided and reviewed periodically by the Marketing Division in consultation with the senior Management. At the time of planning deposit mobilization strategies, financing plan and the budget, priority is given on the bottom up information sharing process. The Board of Directors approves the Budget and evaluates monthly performance in the Board Meeting for ensuring proper Budgetary Control and maximization of operating profit and optimization of business outcomes and provides guidelines to the Management for overcoming lapses, if identifies. In keeping with the Vision and Mission of the Bank, the strategic direction of the Bank has been clearly identified and laid down in the Long Term Corporate Plan and the Budget. Budget is prepared for each year by spell out the goals and objectives for each major strategic business unit such as Corporate Banking, SME Banking, Retail Banking, Treasury, General Banking, etc. and the detailed action plans for the achievement thereof along with specific time frame are set out and evaluates in the marketing meeting.

1.9 Staff Training

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

1.10 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2018, the amount of deposit was 76.16% of total liability and shareholders' equity & the amount of shareholders' equity was 5.41% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

1.11 Corporate Governance

1.11.1 Board of Directors

a) Members of the Board

The Board of Directors of the Bank is constituted by 8 (Eight) numbers of Directors and all of the Directors except Managing Director are Non-Executive Directors. Particulars of Directors are included in the annual report.

b) Board Meeting

The Chairman of the Board conducts the Board Meetings and ensures effective participation of all Directors, heeding to their concerns and maintained balance of power. The Board is in full control of its affairs.

c) Information sharing system

A well-streamlined Management Information System is in place. Accurate and relevant information on the matters referred to the Board are made available in advance. Whenever the Board finds that the information sent to them is insufficient, they call for additional information and the Chairman ensures that all Directors are properly briefed on the matters deliberated at the meetings.

d) Performance of Board

The Board has implemented a self-assessment exercise covering key functions under the following activities to assess the performance of the Board and carries out the evaluations annually.

- Discharge of Statutory /Regulatory duties and Board responsibilities;
- Corporate Governance and Risk Management monitoring;
- Seeking and contributing views and opinions on strategic decision making;
- Leveraging the skills, expertise, contacts of individual Board Members in furtherance of business;
- Understanding and formulating the succession plans to ensure talent availability and address expectations of high potential and high quality staffs, and
- Overall view of management of the business by the Management.

1.11.2 Appointment of Directors and Managing Director

a) Director

The Members of the Board are appointed in accordance with the provisions of the Companies Act 1994, the Memorandum and the Articles of Association of the Bank, provisions of the Bank Company Act 1991 (as amended in 2013) and Bangladesh Bank's Circulars issued from time to time. The Board believes that the combined knowledge and experience of the Board matches the strategic demands required for the Bank.

b) Managing Director

The Managing Director (as CEO) is appointed by the Board on contractual basis with a provision of renewals according to the guidelines provided by the Bangladesh Bank and the provisions of the Bank Company Act. The Board sets financial and non-financial goals and objectives for the CEO in line with the short, medium and long-term goals of the Bank. The Managing Director is entrusted with the management of the Bank's operations and he is ultimately accountable to the Board. Managing Director's performance is assessed by the Chairman annually.

1.11.3 General Meeting

a) Shareholders Suggestions

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

b) Notice of the General Meeting

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

1.11.4 Accountability

Communicating Performance

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

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

2.1 Basis of Preparation

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

2.2 Presentation of Financial Statement

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

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

2.3 Statement of Compliance

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

Accordingly, the financial statements of the Bank continue to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987. In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

2.3.1 Investment in Shares, Mutual Fund and Other Securities

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted shares and unquoted shares are revalued at the end of the year at market price and as per book value of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (close-end) is revalued at lower of cost and higher of market value and 85% of NAV. Provision should be made for any loss arising from diminution in value of investment (portfolio basis); otherwise investments are recognized at cost.

2.3.2 Revaluation gains/losses on Government Securities

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

Bangladesh Bank: As per the DOS Circular no.-05, dated May 26, 2008 and subsequent clarification in DOS Circular no-05, dated January 28, 2009 HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized at the year end and gains or losses on amortization are recognized in other reserve as a part of equity.

2.3.3 Provision on Loans and Advances / Investments

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

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No 05 dated 29 May 2013 and BRPD circular No. 8 dated 02 August 2015, a general provision at 0.25% to 5% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures (except BRPD circular letter no. 01 dated January 03, 2018) as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012. These provisions are not specifically in line with those prescribed by IFRS 9.

2.3.4 Recognition of Interest in Suspense

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

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

2.3.5 Other Comprehensive Income

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

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

2.3.6 Financial Instruments – Presentation and Disclosure

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

2.3.7 Financial Guarantees

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

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

2.3.8 Repo and Reverse Repo Transaction

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

Bangladesh Bank: As per DOS Circular Letter No 2 dated 23 January 2013 and DOS Circular Letter No 6 dated 15 July 2010, when a bank sells a financial assets and simultaneously enters into agreement to repurchase the assets (or a similar asset) at a fixed price on future date (Repo or stock lending), the arrangement is accounted for as normal sales transactions and the financial asset is derecognised in the seller's book and recognised in the buyer's book..

2.3.9 Cash and Cash Equivalent

IFRS: As per the requirement of IAS 7, Cash and cash equivalent items should be reported as cash item.

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, few highly liquid assets such as Money at call on Short Notice, Treasury Bills, Bangladesh Bank Bills and Prize Bond are not shown as cash and cash equivalents items in the Balance Sheet rather these are shown in the face of the

balance sheet as separate items. However in the cash flow statement, these items are shown as cash equivalents besides cash in hand, balance with BB and other banks.

2.3.10 Non-Banking Asset

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

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

2.3.11 Cash Flow Statement

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

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

2.3.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: As per the requirement of IAS 7, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.3.13 Presentation of Intangible Asset

IFRS: As per the requirement of IAS 38, an intangible asset must be identified and recognized, and the disclosure must be given in the Financial Statements.

Bangladesh Bank: As per BRPD Circular no 14 dated 25 June 2003 there is no regulation for treatment of intangible assets.

2.3.14 Off-Balance Sheet Items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.3.15 Loans and Advances / Investments Net of Provision

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

2.3.16 Disclosure of appropriation of profit

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

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

2.4 Basis of measurement

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury bills and bonds designated as ‘Held for Trading (HFT)’ are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury bills and bonds designated as ‘Held to Maturity (HTM)’ are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.

2.5 Use of Estimates and Judgments

The preparation of financial statements requires management’s judgments, estimates and assumptions for which the application of accounting policies and the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates. The most significant areas where estimates and judgments have been made are on provisions for loans and advances.

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

2.6 Foreign currency transactions and translations

i. Functional and presentational currency

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

ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at 31 December 2018 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

iii. Commitment

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

2.7 Significant accounting policies

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

Accounting policies of subsidiaries

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

2.7.1 Basis of consolidation

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

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

2.7.2 Transactions eliminated on consolidation

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

2.8 Assets and the basis of their valuation

2.8.1 Cash and Cash Equivalents

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

2.8.2 Loans and Advances

a) Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.

- b) Interest on Loans and Advances is calculated on a daily product basis but charged and accounted for quarterly on an accrual basis.

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

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

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

2.8.3 Investments

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

The valuation method of investments

- a) **Held to Maturity (HTM):** Investments which are intended to be held to maturity are classified as “Held to Maturity”. These are measured at amortized cost at every year end by taking into account any discount or premium on acquisition. Amortized amount of such premium is booked into profit and loss statement or discount is booked to equity until maturity.
- b) **Held for Trading (HFT):** Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the income statement for the period in which it arises. These investments are subsequently revalued at current market value on weekly basis as per Bangladesh Bank Guideline. Revaluation gain has been shown in revaluation reserve account & revaluation loss has been shown in Profit & Loss account.

Value of investments has been enumerated as follows:

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

- c) **Investment in Quoted Securities:** These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline.
- d) **Investment in Unquoted Securities:** Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

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

2.8.4 Non Current Assets

a) Property, Plant and Equipment

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

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

Depreciation

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

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

b) Intangible Assets

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

c) Software

Software acquired by the bank is stated at cost less accumulated amortization. Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in specific assets to which it relates. Amortization is recognized in profit and loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life of software is five years. Useful life, residual value and impairment of status are reviewed at each financial year end and adjusted if applicable.

d) Leasehold Assets

Leasehold properties are recorded at present value of minimum lease payments or fair market value, whichever is lower as per the provisions of IAS-17. The carrying value of leasehold properties is amortized over the remaining lease term or useful of leasehold property, whichever is lower.

2.8.5 Other Assets

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

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

2.8.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

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

b) Subordinated Bond:

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

ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 26th December, 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC) 661/14B(P)/2013-1869 , dated November 28, 2013 and SEC/CI/CPLC-159/2002/2714, dated October 08, 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin. However, the rate shall not go below 12.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 12.00%.

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

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016], [BRPD (BFIS) 661/14B (P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.55%.

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

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

c) Deposits and Other Accounts

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

d) Other Liabilities

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

e) Provision for Liabilities

Provision in respect of liability is recognized in the financial statements when the Bank has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation, in accordance with the IAS 37 “Provision, Contingent Liabilities and Contingent Assets”.

f) Provision for Loans and Advances:

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular NO. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018. As per instruction of Bangladesh Bank no cash dividend shall be paid as long as required provision has been deferred.

Details are stated in Note 7.13 of these financial statements.

g) Provision against investment in Capital Market

Provision for diminution of value of quoted shares and mutual funds (closed-end), placed under other liability, has been made on portfolio basis (gain net off) following DOS circular No. 04 dated 24 November 2011 and DOS circular letter no. 03 dated 12 March 2015 respectively. For unquoted shares, provision has been made based on available NAV of respective no. of units. As on the reporting date, the Bank does not hold any mutual fund.

h) Provision for off-balance sheet exposures

Off balance sheet items have been disclosed under contingent liabilities and other commitments as per Bangladesh Bank guidelines. As per BRPD Circular No. 14 dated 23 September 2012 banks are advised to maintain provision @ 1% against off balance sheet exposure (except contain in BRPD Circular letter No. 01 dated 03 January 2018 and BRPD Circular No. 07 dated June 21, 2018).

i) Provision for other assets

Provision for other assets is made as per the instructions made in the BRPD circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more or classified as bad/loss.

j) Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

k) Provision for liabilities and accrued expenses

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

l) Taxation

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 basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary difference and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The Bank has made adequate provision for deferred tax.

2.8.7 Capital and Shareholders' Equity

Capital Management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives: exceed regulatory thresholds and meet long term internal capital targets, maintain strong

credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior Management develops the capital strategy and oversees the capital Management Planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measure and internal matrix.

a) Authorized and issued capital

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

b) Paid up Share Capital

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

c) Share premium

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

d) Statutory Reserve

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

e) Reserve for amortization/ revaluation of securities

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

2.9 Revenue Recognition

a) Interest Income

Interest on loans and advances is calculated on daily product, but charged on a quarterly basis. Interest on classified loans and advances were not taken into income until such advances were declassified / regularized. Interest is charged on classified loans and advances as per Bangladesh

Bank's BCD and BRPD circulars. Moreover, interest on classified advances is accounted for when it realized in cash.

b) Investment Income

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

c) Fees, Commission and Other Income

Fees and Commission income arises from services provided by the Bank for DD, TT, and LBP etc. and recognized on receipt basis. Commission charged on Letters of Credit (LC) and Letters of Guarantee (LG) are credited to income at the time of effecting the transactions. The advance payment of tax on LC commission is duly deposited to the Tax Authority. Similarly, Income Tax and VAT is deducted and deposited to the Tax Authority as per their circulars.

d) Dividend income

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

e) Interest and Other Expenses

In terms of the provision of the International Accounting Standard (IAS) –1 “Presentation of Financial Statements”, accrual basis is followed for interest payment and other expenses. The necessary disclosures are given in the notes in compliance with the provisions of BRPD Circular No. 14 dated 25 June 2003.

2.10 Cash Flow Statement

The Cash Flow Statement is presented by using the “Direct Method” of preparing cash flows in compliance with the provisions of the International Accounting Standard (IAS) - 7 and format provided by the Bangladesh Bank vide BRPD Circular No. 14 dated 25 June 2003 as applicable for preparation of Cash Flow Statements. To make the Cash Flow Statement more understandable and user friendly about the constitution of figures inserted into the Cash Flow Statement, a number of notes have been given in the notes to the accounts.

2.11 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:

| Particulars | Basis of Use |
|---|---|
| Cash, balance with other banks and financial institutions, money at call and short notice, etc. | Stated maturity/observed behavioral trend. |
| Investments | Residual maturity term. |
| Loans and advances | Repayment/maturity schedule and behavioral trend (non-maturity products). |
| Fixed assets | Useful life. |
| Other assets | Realization/amortization Basis. |
| Borrowing from other banks, financial institutions and agents | Maturity/ repayment term. |
| Deposits and other accounts | Maturity and behavioral trend (non-maturity products). |
| Provision and other liability | Settlement/adjustment schedule Basis |

2.12 Statement of Changes in Equity

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

2.13 Events after Reporting Period

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

2.14 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2018 as per IAS– 33 “Earnings per Share”. Diluted earnings per share was not required to calculate as there is no dilution possibilities occurred during the year.

2.15 Reconciliation of Books of Account

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

2.16 Authorization of Financial Statements

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

2.17 Materiality and Aggregation

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

2.18 Offsetting

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

2.19 Reporting Period

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

2.20. Number of Employees

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

2.21. Employee Benefits

a) Provident Fund (Defined Contribution Plan)

"Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the Provident fund rules. The Commissioner of Income Tax has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 27 February 2001. The fund is operated by a Board of Trustees consisting of 5 (five) employees of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as contribution to the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members' account on yearly basis. Members are eligible to get both the contributions after 03 (three) years of continuous service from the date of their Joining the Bank.

b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

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

d) Death cum Survival Superannuation Fund

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

e) Maternity Allowance

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

f) Annual Leave Fare Assistance

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

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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

i) Staff Car Purchase Finance Scheme

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

j) Honorarium for Banking Diploma Part I & Part II

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

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

k) Festival Bonus

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

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

l) Incentive Bonus

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

m) Un-availed Earned Leave Encashment

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

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

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

o) Furniture & Fixture Facility Scheme:

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

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

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. While preparing the financial statements, the Bank applied most of IAS and IFRS as adopted by ICAB. Details are given below:

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

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

***N/A=Not Applicable**

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

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

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

New and amended standards and interpretations not yet adopted by the Bank

The Bank has consistently applied the accounting policies as set out in Note 2 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January

2018 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

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

A number of standards and amendments to standards are effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

a) IFRS 16 Leases

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

b) IFRS 17 Insurance Contracts

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

2.23 BASEL III Implementation

Under the guideline of IASEL III Implementation plan issued by Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014, ONE Bank Ltd has already entered in the domain of IASEL III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise IASEL III implementation. OBL Maintained minimum capital including Capital Conservation Buffer @ 11.93% against the statutory requirement of 11.875% as at December 31, 2018.

2.24 Risk Management

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

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

well-calculated business risks while safeguarding the Bank's capital, its financial resources, profitability from various risks and the reputation.

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

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

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

2.24.1 Credit Risk Management

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

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

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

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

2.24.2 Foreign Exchange Risk Management

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

2.24.3 Asset Liability Risk Management

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

2.24.4 Prevention of Money Laundering and Combating Financing of Terrorism

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

In line with the requirement of the laws and regulatory instructions, the Bank accomplishes and maintains an effective AML & CFT program to keep the Bank risk free from money laundering and terrorist financing. The Bank follows “Four Pillars” theory in applying the program. These are:

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

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

The Bank has a Central Compliance Committee (CCC) headed by Chief Anti Money Laundering Compliance Officer (CAMLCO) in the rank of Senior Executive Vice President, two Deputy Chief Anti Money Laundering Compliance officers and a dedicated Anti Money Laundering Division (AML) having Certified Anti money Laundering Specialist (CAMS) at Corporate HQ. A Branch Anti Money Laundering Compliance Officer (BAMLCO) is assigned in every Branch of the Bank to handle AML & CFT activities. The BAMLCO is supported by the Branch Compliance Unit (BCU) comprising of concern officers related with the job.

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

program since its inception and applies Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD).

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

2.24.5 Internal Control and Compliance Risk

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

The Management established a professional and efficient working environment within the Bank by creating and maintaining adequate and effective internal control systems. Internal audit have been conducted on periodical interval to ensure appropriate compliance of Bank's and Regulatory policies. The Senior Management Team (SMT) and Audit Committee of the Board have been reviewing the effectiveness of the internal control system and apprising the Board as and when necessary.

The Management recognizes and appreciates the value and significance of internal controls and ensures the presence of an efficient and effective control system by identifying control objectives, devising pertinent policies/procedures and establishing relevant control procedures covering all areas of activities, after approval of the competent authority.

2.24.6 Information and Communication Technology Security Risk

Now a day's technology driven issues, such as information privacy, information security and information integrity have become pivotal and have reached the forefront of the policy agenda in banking industry. ONE Bank being a bank using IT as business driver, gives special emphasis on ensuring security for information vis-a-vis information systems. The Bank has taken many measures to secure its infrastructure. The Bank introduced EMV Cards, 2 Factor Authentication (2FA) System to facilitate customers with secure financial transactions for card transactions and Internet Banking or E-Commerce transactions. In order to secure financial transactions and customer data, the Bank has introduced many other modern security measures at communication, application and user level as ONE Bank is committed to provide banking service based on technology, security and excellence.

ONE Bank has "Information Security Policy" formulated in line with the latest ICT Security Guidelines of Bangladesh Bank and industry best practices. All activities and operations of the Bank are required to comply with the guidelines of Information Security Policy of the Bank to ensure information security that covers physical security, network security, system security, disaster recovery and business continuity planning to use of hardware and software, disposal of data, protection of copyrights, other intellectual property rights. ONE Bank's IT systems are designed to the industry standards and driven by Information Security Policy of the Bank. The Bank updates the policy on regular basis to combat the ever evolving cyber-security threats.

2.25 Disclosure on fraud and forgeries committed by bank employees:

At OBL, we follow a stringent screening process while we recruit officers and staff. The prospective employee's family background / employment history/association is checked/cross checked in terms of integrity, attitude and behavioral pattern. Collect Police clearance to know if the candidate had ever engaged in anti social or anti state or detrimental/ subversive activities. Check with Bangladesh Bank's Corporate Memory Management Systems for background check of experienced bankers, FI's employees and verify National ID on-line. As a result, the Bank since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, our Internal Control and Compliance Division (ICCD) has been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in ONE Bank Limited.

Further, the number of fraud cases in ONE Bank Limited is at a minimal level. However, in the year 2018, 2 (two) cases of fraud and forgery were identified. Total embezzled amount involved in the fraud cases were Tk. 5,42,310.00 (Taka five lac forty two thousand three hundred ten) only and the embezzled amounts have been realized in full.

All the related officers, considering the gravity of misdeeds and depth of involvement, have been given serious punishments including dismissal from the services of the bank and demotion to a lower post/designation.

HQ ICCD has also reported the same to Bangladesh Bank in compliance with the Department of Banking Inspection Instruction No. DBI-1 (Nothi)/1025/2012-41 dated February 07, 2012 and the Department of Off-site Supervision (DOS) Circular Letter No. 17 dated November 07, 2012 and (DOS) Circular Letter No. 10 dated May 09, 2017 of Bangladesh Bank.

2.26 Regulatory Compliance

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

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

2.27 Rearrangement

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

2.28 General

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

However, the stocks of such items are stated below:

| Stocks of Items | 2018 (Taka) | 2017 (Taka) |
|-------------------------------|----------------------|----------------------|
| Bangladesh Shanchaya Patras | 3,026,230,764 | 3,001,018,095 |
| US\$ Investment Bonds | 132,352,250 | 165,400,000 |
| US\$ Premium Bonds | 166,919,050 | 190,375,400 |
| Wage Earners Development Bond | 372,500,000 | 373,700,000 |
| Total | 3,698,002,064 | 3,730,493,495 |

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

2.29 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 278th Board Meeting held on May 31, 2018 constituted the Audit Committee as under:

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

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

The Audit Committee of the Board held 5 (five) meetings from 01 January to 31 December, 2018.

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

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

2.30 Board's Risk Management Committee:

The Risk Management Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular Letter No 11 dated 27 October, 2013. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October, 2013, the Board of Directors at its 278th Board Meeting held on May 31, 2018 constituted the Risk Management Committee as under:

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

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

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

The Committee identify/assess Credit Risk, Market Risk, Liquidity Risk, Operation Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the year 2018 were as follows:

- Reviewed and approved various Risk Management Policy of the Bank.
- Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
- Reviewed ICAAP (Internal Capital Adequacy Assessment Process) statement for the year 2018.
- Approved Risk Appetite Statement of the Bank for the year 2018.
- Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRMR) and Monthly Risk Management Report (RMR) of the Bank. The Committee also gave recommendations on the vulnerable areas identified in CRMR and RMR.
- Reviewed and followed up the performance against approved Risk Tolerance Limits.

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

3 Cash

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

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

3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amendment in 2013) and MPD Circular No. 01 dated 03 April 2018 issued by Bangladesh Bank.

The Cash Reserve Requirement on the Bank's time and demand liabilities at the rate of 5.00% on daily basis and 5.50% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13.00% Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of treasury bills, bonds, Foreign Currency & excess reserve of the Taka current account with Bangladesh Bank. Both the reserves maintained by the Bank are shown below:

a) Cash Reserve Requirement (CRR) :

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

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

b) Statutory Liquidity Ratio (Other than CRR):

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

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | Taka | Taka |
| b.1 Reserve held in SLR : | | |
| Cash in hand including foreign currency | 1,781,095,134 | 1,421,571,109 |
| Balance with Sonali Bank being an agent of Bangladesh Bank | 1,220,437,896 | 891,241,955 |
| Foreign Currency used (Balance with Bangladesh) | 128,000,000 | - |
| Treasury Bills | 4,213,734,735 | 9,487,663,581 |
| Treasury Bonds | 18,811,141,171 | 11,860,781,108 |
| Sub Total | 26,154,408,936 | 23,661,257,753 |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR) | 123,869,651 | 2,846,071,733 |
| Total | 26,278,278,587 | 26,507,329,486 |
| 3 (a) Consolidated Cash | | |
| i Cash in hand | | |
| ONE Bank Limited | 1,781,095,134 | 1,421,571,108 |
| ONE Securities Limited | 2,541 | 10,188 |
| | 1,781,097,675 | 1,421,581,296 |
| ii Balance with Bangladesh Bank and its agent bank | | |
| ONE Bank Limited | 17,057,292,079 | 14,570,702,877 |
| ONE Securities Limited | - | - |
| | 17,057,292,079 | 14,570,702,877 |
| 4 Balance with Other Banks and Financial Institutions | | |
| In Bangladesh (note-4.1) | 2,694,400,531 | 1,614,736,769 |
| Outside Bangladesh (note-4.2) | 3,308,320,833 | 775,228,602 |
| | 6,002,721,364 | 2,389,965,371 |
| 4.1 In Bangladesh | | |
| In current accounts (note-4.3) | 444,953,784 | 288,628,207 |
| Other deposit accounts (note-4.4) | 571,446,747 | 1,326,108,563 |
| | 1,016,400,531 | 1,614,736,769 |
| Off-shore Banking Unit | 1,678,000,000 | - |
| | 2,694,400,531 | 1,614,736,769 |
| 4.2 Outside Bangladesh | | |
| In current accounts (note-4.5) | 2,701,840,928 | 775,228,602 |
| Other deposit accounts | - | - |
| | 2,701,840,928 | 775,228,602 |
| Off-shore Banking Unit | 606,479,906 | - |
| | 3,308,320,833 | 775,228,602 |
| 4.3 Current Accounts (In Bangladesh) | | |
| AB Bank Limited | 1,278,017 | 4,221,347 |
| Sonali Bank Limited | 14,155,465 | 268,596,613 |
| Trust Bank Limited-Q Cash Settlement Account | 3,491,370 | 12,477,097 |
| The City Bank Limited | 419,500,000 | - |
| Standard Chartered Bank | 6,528,932 | 3,333,150 |
| | 444,953,784 | 288,628,207 |
| 4.4 Other Deposit Accounts (In Bangladesh) | | |
| (Name of the banks and financial institutions) | | |
| ICB Islamic Bank Limited | 59,719,000 | 59,719,000 |
| IDLC Finance Limited | - | 521,108,682 |
| United Commercial Bank Limited | 49,748 | 28,152 |
| AB Bank Limited | 634,045 | 173,552 |
| Eastern Bank Limited | 708,954 | 705,540 |
| Uttara Bank Limited | 457,598,421 | 286,832,251 |
| Lanka Bangla Finance Limited | - | 400,000,000 |
| Prime Bank Limited | 52,736,580 | 57,541,386 |
| | 571,446,747 | 1,326,108,563 |

| 4.5 Current Accounts (Outside Bangladesh) | 2018 | 2017 |
|--|----------------------|--------------------|
| (Name of the banks and financial institutions) | Taka | Taka |
| Standard Chartered Bank, New York | 1,201,180,628 | 94,175,470 |
| Standard Chartered Bank, London | 25,520,017 | 13,920,763 |
| Standard Chartered Bank, Pakistan | 8,707,067 | 242,246 |
| Standard Chartered Bank, Mumbai | 11,841,925 | 39,874,559 |
| Standard Chartered Bank, Tokyo | 17,889,988 | 5,977,826 |
| Standard Chartered Bank, Frankfurt | 12,595,756 | 21,274,854 |
| ICICI Bank Limited, Hong Kong | (2,148,498) | 18,318,636 |
| ICICI Bank Limited, Mumbai (ACUD) | 52,349,026 | 16,771,196 |
| ICICI Bank Limited, Mumbai (ACU EURO) | 8,240,062 | 8,504,887 |
| Commerzbank AG, Frankfurt (USD) | 118,308,177 | 77,432,208 |
| Commerzbank AG, Frankfurt (CAD) | 5,005,221 | 13,418,623 |
| Commerzbank AG, Frankfurt (EURO) | 1,563,408 | 28,487,412 |
| Mashreqbank Psc, New York | 730,855,135 | 273,537,256 |
| Mashreqbank Psc, India (ACUD) | 29,373,367 | 17,785,667 |
| Wells Fargo Bank N.A, New York | 429,470,811 | 80,100,313 |
| AB Bank Ltd, Mumbai | (123,021,739) | 6,140,180 |
| Habib Bank AG Zurich, Zurich | 13,871,711 | 4,150,747 |
| Nepal Bangladesh Bank Ltd, Kathmandu | 9,939,504 | 9,797,342 |
| Seylen Bank PLC, Colombo | 11,087,108 | 539,963 |
| Axis Bank Ltd, Kolkata | 98,226,294 | 59,020 |
| United Bank of India, Kolkata | 34,555,458 | 34,286,111 |
| Bank Al-Jazira, Jeddah | 6,430,500 | 6,430,500 |
| Westpac Banking Corporation, Sydney | - | 4,002,822 |
| | 2,701,840,928 | 775,228,602 |

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

| 4.6 Maturity of balances with other banks and financial institutions | | |
|---|----------------------|----------------------|
| Up to 1 month | 3,916,621,668 | 827,716,238 |
| More than 1 months to 3 months | 1,410,639,464 | 447,333,301 |
| More than 3 months to 1 year | 675,460,232 | 1,114,915,832 |
| More than 1 year to 5 years | - | - |
| More than 5 years | - | - |
| | 6,002,721,364 | 2,389,965,371 |

| 4 (a) Consolidated Balance with Other Banks and Financial Institutions | | |
|---|----------------------|----------------------|
| In Bangladesh | | |
| ONE Bank Limited | 2,694,400,531 | 1,614,736,769 |
| ONE Securities Limited | 116,188,178 | 531,687,610 |
| | 2,810,588,709 | 2,146,424,379 |
| Less: Inter Company Transaction | (116,188,178) | (531,687,610) |
| | 2,694,400,531 | 1,614,736,769 |
| Outside Bangladesh | | |
| ONE Bank Limited | 3,308,320,833 | 775,228,602 |
| ONE Securities Limited | - | - |
| | 3,308,320,833 | 775,228,602 |
| | 6,002,721,364 | 2,389,965,371 |

| | | |
|--|---|---|
| 5 Money at call on short notice | - | - |
| | - | - |

| | <u>2018</u> <u>Taka</u> | <u>2017</u> <u>Taka</u> |
|--|------------------------------|------------------------------|
| 6 Investments | | |
| In Government securities | | |
| Treasury bills (note- 6.1) | 4,213,734,735 | 9,487,663,581 |
| Treasury bonds (note-6.2) | 18,811,141,171 | 11,860,781,108 |
| Prize Bonds | 1,491,900 | 1,449,100 |
| | <u>23,026,367,806</u> | <u>21,349,893,789</u> |
| Other Investment | | |
| Shares (Quoted and Unquoted) (note-6.3) | 657,482,542 | 594,435,191 |
| City Bank 2nd Subordinated Bond | 1,000,000,000 | 1,000,000,000 |
| City Bank 3rd Subordinated Bond | 1,300,000,000 | - |
| National Bank Limited 2nd Subordinated Bond | 250,000,000 | 250,000,000 |
| United Commercial Bank Limited 3rd Subordinated Bond | 750,000,000 | 750,000,000 |
| Mercantile Bank Limited Subordinated Bond | 300,000,000 | 400,000,000 |
| Bank Asia Limited Subordinated Bond | 480,000,000 | 600,000,000 |
| Prime Bank Limited Subordinated Bond | 480,000,000 | 600,000,000 |
| Eastern Bank Limited Subordinated Bond | 480,000,000 | 600,000,000 |
| | <u>5,697,482,542</u> | <u>4,794,435,191</u> |
| | <u>28,723,850,348</u> | <u>26,144,328,980</u> |

6.1 Treasury Bills

| | | |
|--------------------------------------|-----------------------------|-----------------------------|
| Treasury Bills (HTM) [(note-6.1(a))] | 2,390,826,750 | 8,611,905,718 |
| Treasury Bills (HFT) [(note-6.1(b))] | 1,822,907,985 | 875,757,863 |
| | <u>4,213,734,735</u> | <u>9,487,663,581</u> |

6.1(a) Treasury Bills (HTM)

| | Amortized Cost (Book Value) | | Face value | |
|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> |
| 364 days Treasury Bills | 2,390,826,750 | 6,721,067,374 | 2,450,000,000 | 7,000,000,000 |
| 182 days Treasury Bills | - | 1,890,838,344 | - | 1,907,000,000 |
| | <u>2,390,826,750</u> | <u>8,611,905,718</u> | <u>2,450,000,000</u> | <u>8,907,000,000</u> |

6.1(b) Treasury Bills (HFT)

| | Marked to Market Value (Book Value) | | Face value | |
|-------------------------|-------------------------------------|---------------------------|-----------------------------|---------------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> |
| 364 days Treasury Bills | 1,822,907,985 | 868,197,091 | 1,860,000,000 | 888,200,000 |
| 182 days Treasury Bills | - | 7,560,772 | - | 7,700,000 |
| | <u>1,822,907,985</u> | <u>875,757,863</u> | <u>1,860,000,000</u> | <u>895,900,000</u> |

6.2 Treasury Bonds

| | | |
|--------------------------------------|------------------------------|------------------------------|
| Treasury Bonds (HTM) [(note-6.2(a))] | 15,941,634,768 | 11,525,420,143 |
| Treasury Bonds (HFT) [(note-6.2(b))] | 2,869,506,403 | 335,360,965 |
| | <u>18,811,141,171</u> | <u>11,860,781,108</u> |

6.2 (a) Treasury Bonds (HTM)

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

| | 2018 Taka | 2017 Taka | 2018 Taka | 2017 Taka |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 2 Years Treasury Bonds (Discount) | 556,906,480 | 553,869,001 | 557,000,000 | 557,000,000 |
| 5 Years Treasury Bonds (Discount) | 972,125,895 | 546,384,127 | 981,400,000 | 546,500,000 |
| 10 Years Treasury Bonds (Discount) | 1,201,343,969 | 1,102,779,621 | 1,206,100,000 | 1,106,100,000 |
| 15 Years Treasury Bonds (Discount) | 117,695,220 | 117,676,186 | 118,100,000 | 118,100,000 |
| 20 Years Treasury Bonds (Discount) | 108,851,254 | 108,841,862 | 109,300,000 | 109,300,000 |
| Sub-total | 2,956,922,818 | 2,429,550,797 | 2,971,900,000 | 2,437,000,000 |
| 2 Years Treasury Bonds (At par) | - | 200,000,000 | - | 200,000,000 |
| 5 Years Treasury Bonds (At par) | 92,200,000 | 172,700,000 | 92,200,000 | 172,700,000 |
| 10 Years Treasury Bonds (At par) | 1,285,000,000 | 1,077,400,000 | 1,285,000,000 | 1,077,400,000 |
| 15 Years Treasury Bonds (At par) | 444,300,000 | 444,300,000 | 444,300,000 | 444,300,000 |
| 20 Years Treasury Bonds (At par) | 57,200,000 | 57,200,000 | 57,200,000 | 57,200,000 |
| Sub-total | 1,878,700,000 | 1,951,600,000 | 1,878,700,000 | 1,951,600,000 |
| Total | 15,941,634,768 | 11,525,420,143 | 15,846,200,000 | 11,409,100,000 |

6.2 (b) Treasury Bonds (HFT)

| | Marked to Market Value (Book Value) | | Face value | |
|-------------------------|--|--------------------|----------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Taka | Taka | Taka | Taka |
| 02 Years Treasury Bonds | 2,175,082,741 | - | 2173000000 | - |
| 5 Years Treasury Bonds | 363,055,959 | - | 350,000,000 | - |
| 10 Years Treasury Bonds | 331,367,703 | 335,360,965 | 308,000,000 | 308,000,000 |
| Total | 2,869,506,403 | 335,360,965 | 2,831,000,000 | 308,000,000 |

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

| | 2018 Taka | 2017 Taka |
|--|----------------------------|----------------------------|
| 6.3 Other Investments -Shares | | |
| In shares (quoted and unquoted) | | |
| Quoted: | | |
| The City Bank Limited | 59,049,110 | 59,049,110 |
| Prime Bank Limited | 140,673,639 | 140,673,639 |
| IFIC Bank Limited | 170,983,639 | 170,983,639 |
| Lanka Bangla Finance Limited | 122,379,546 | 62,245,956 |
| Summit Alliance Port Ltd. | 6,200 | 6,200 |
| Eastern Bank Limited | 1,983,900 | 1,983,900 |
| MI Cement Factory Limited | 5,533 | 5,533 |
| Bank Asia Limited | 53,501,786 | 53,501,786 |
| | 548,583,353 | 488,449,763 |
| Unquoted: | | |
| Infrastructure Development Finance Company | 29,683,820 | 29,683,820 |
| Central Depository Bangladesh Limited (CDBL) | 1,569,450 | 1,569,450 |
| Lanka Bangla Securities Limited | 72,000,000 | 72,000,000 |
| Investment in SWIFT | 5,645,919 | 2,732,158 |
| | 108,899,189 | 105,985,428 |
| | 657,482,542 | 594,435,191 |

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

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

*ONE Bank Limited acquired 3,108,740 no. of shares of IFIC Bank Limited under a Sale and Buy Back Agreement dated August 10, 2006. The Buy Back Guarantors failed to exercise the purchasing option within the tenure of the Agreement and upon expiry, ONE Bank Limited placed the shares to IFIC Bank Limited for transfer to ONE Bank's name. As the IFIC Bank was delaying transfer of the shares, ONE Bank Limited filed a suit before the Honorable High Court Division of the Supreme Court of Bangladesh for transfer of the shares in favor of ONE Bank Ltd. The Court directed IFIC Bank to transfer the said shares including Bonus Shares in the name of ONE Bank Ltd. Subsequently, the matter was raised in the Appellate Division. Presently, a civil review petition of ONE Bank Limited is lying before the Honorable Appellate Division of the Supreme Court of Bangladesh against the judgement passed by the same court for hearing.

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

In addition to the above Bonus Shares, the payment of Cash Dividend of Tk. 10,588,625 as declared by the IFIC Bank Limited for the year 2011 has also remained pending.

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | Taka | Taka |
| 6.4 Residual Maturity of Investments | | |
| Payable on demand | 2,557,047,657 | 173,534,968 |
| Up to 3 months | - | 2,760,843,324 |
| Above 3 months to 1 year | 7,013,227,100 | 8,313,692,197 |
| Above 1 year to 5 years | 11,322,614,960 | 8,814,655,018 |
| Above 5 years | 7,830,960,631 | 6,081,603,472 |
| | 28,723,850,348 | 26,144,328,980 |

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

6 (a) Consolidated Investments In Government securities

| | | |
|------------------------|-----------------------|-----------------------|
| ONE Bank Limited | 23,026,367,806 | 21,349,893,789 |
| ONE Securities Limited | - | - |
| | 23,026,367,806 | 21,349,893,789 |

Other Investment

| | | |
|---------------------------------|-----------------------|-----------------------|
| ONE Bank Limited | 5,697,482,542 | 4,794,435,191 |
| ONE Securities Limited | 2,526,506,207 | 2,382,218,137 |
| Less, Inter Company Transaction | (121,715,820) | - |
| | 8,102,272,929 | 7,176,653,328 |
| | 31,128,640,735 | 28,526,547,116 |

Other investment by ONE Securities Limited includes Tk. 562,320,683 representing original investment cost for DSE and CSE memberships. As per the Exchange Demutualization Act 2013, DSE and CSE allotted 5,411,329 and 4,287,330 shares respectively with a face value of Tk. 10 each for both. As there is no active market for these shares, the amounts have been shown at cost.

| | 2018 | 2017 |
|--|------------------------|----------------------|
| | Taka | Taka |
| 7 Loans and Advances | | |
| Loans, cash credit, overdraft etc (note-7.1) | 196,082,780,386 | ##### |
| Bills purchased and discounted (note-7.2) | 2,825,968,833 | 2,317,321,490 |
| | 198,908,749,218 | ##### |
| 7.1 Loans, cash credit, overdraft etc. | | |
| Inside Bangladesh | | |
| Loans | 144,426,052,310 | ##### |
| Cash Credit | 14,171,400 | 55,748,896 |
| Overdraft | 39,151,939,628 | 37,811,243,633 |
| | 183,592,163,338 | ##### |
| Off-shore Banking Unit | 12,490,617,048 | 5,500,388,878 |
| | 196,082,780,386 | ##### |
| Outside Bangladesh | - | - |
| | 196,082,780,386 | ##### |
| 7.2 Bills purchased and discounted | | |
| Inside Bangladesh | | |
| Local bill purchased and discounted | 1,715,137,049 | 1,255,371,361 |
| Foreign bill purchased and discounted | 723,198,254 | 598,329,772 |
| | 2,438,335,303 | 1,853,701,133 |
| Off-shore Banking Unit | 387,633,530 | 463,620,357 |
| | 2,825,968,833 | 2,317,321,490 |
| Outside Bangladesh | - | - |
| | 2,825,968,833 | 2,317,321,490 |
| 7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted | | |
| Payable on demand | 20,467,697,524 | 21,060,058,637 |
| Up to 3 months | 48,526,538,425 | 41,370,119,841 |
| Above 3 months to 1 year | 74,049,117,991 | 58,613,843,387 |
| Above 1 year to 5 years | 28,340,153,209 | 38,001,665,290 |
| Above 5 years | 27,525,242,070 | 11,347,782,807 |
| | 198,908,749,218 | ##### |
| 7.4 Loans and Advances on the basis of significant concentration | | |
| i. Advance to Directors | 2,754,939 | 2,435,641 |
| ii. Advance to Managing Director & Senior Executives | 439,029,762 | 249,396,643 |
| iii. Advance to Customer's group: | | |
| Commercial lending | 76,816,155,209 | 76,924,070,353 |
| Agricultural loan | 2,213,260,450 | 1,522,864,563 |
| Export financing | 6,240,086,679 | 4,610,929,478 |
| Consumer credit scheme | 2,844,511,874 | 3,204,200,757 |
| Small and medium enterprise financing | 21,966,490,260 | 22,745,789,196 |
| Staff loan (except Sl. No. ii) | 224,168,530 | 349,938,054 |
| House building loan (other than the employees) | 7,539,974,048 | 6,184,927,433 |
| Others | 80,622,317,468 | 54,598,917,845 |
| | 198,908,749,218 | ##### |

| | 2018 | 2017 |
|---|-------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 7.5 Industry-wise outstanding of loans & advances including bills purchased and discounted | | |
| Trade finance | 31,711,500,000 | 21,724,500,000 |
| Steel Re-Rolling | 12,996,723,611 | 8,306,163,595 |
| Readymade Garments | 28,906,325,591 | 23,325,548,975 |
| Textiles | 16,597,957,488 | 13,122,758,088 |
| Edible oil, Rice, Flour etc. | 1,480,286,835 | 2,134,101,118 |
| Power | 8,758,603,660 | 4,194,254,528 |
| Transport & Communication | 4,552,419,320 | 3,617,692,026 |
| Construction/Engineering | 6,488,387,098 | 7,497,125,064 |
| Personal | 2,956,293,971 | 1,672,221,306 |
| Pharmaceuticals | 4,687,900,000 | 4,038,852,464 |
| Real Estate | 7,832,781,326 | 6,857,534,406 |
| Cargo and Travel Services | 132,183,953 | 67,303,313 |
| Paper & Packaging | 514,211,508 | 207,994,278 |
| Agro based industry/ Dairy products/ Food & Beverage | 7,243,223,061 | 4,646,923,522 |
| Others | 64,049,951,796 | 68,980,497,281 |
| | <u>198,908,749,218</u> | <u>#####</u> |
| 7.6 Geographical Location-wise Loans and advances including bills purchased and discounted | | |
| Dhaka Division | 140,145,827,337 | ##### |
| Chattogram Division | 44,395,332,213 | 39,223,519,505 |
| Rajshahi Division | 3,573,811,565 | 2,974,855,472 |
| Khulna Division | 8,728,101,861 | 7,116,275,359 |
| Sylhet Division | 531,374,117 | 556,527,082 |
| Rangpur Division | 873,576,805 | 675,787,266 |
| Barishal Division | 660,725,322 | 503,668,413 |
| | <u>198,908,749,218</u> | <u>#####</u> |
| 7.7 Business segment-wise loans and advances including bills purchased and discounted | | |
| Corporate | 164,483,323,998 | ##### |
| SME | 21,645,850,145 | 20,949,812,884 |
| Consumer | 9,967,373,864 | 7,968,944,939 |
| Short term agri. credit and microcredit | 2,149,002,920 | 1,470,060,754 |
| Executive & Staff | 663,198,293 | 599,334,697 |
| | <u>198,908,749,218</u> | <u>#####</u> |
| 7.8 CL category wise loans and advances including bills purchased and discounted | | |
| Continuous loan (CL-2) | | |
| Small & Medium Enterprise (SME) | 12,200,714,342 | 12,017,702,084 |
| Consumer finance | 760,537,439 | 188,499,222 |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | 858,547,542 | 794,369,440 |
| Other corporate loans | 28,528,465,541 | 26,908,963,783 |
| | <u>42,348,264,864</u> | <u>39,909,534,529</u> |
| Demand Loan (CL-3) | | |
| Small & Medium Enterprise (SME) | 4,831,824,033 | 5,122,041,822 |
| Consumer finance | - | - |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | 476,118,031 | 725,712,352 |
| Other corporate loans | 77,458,200,740 | 68,614,599,893 |
| | <u>82,766,142,804</u> | <u>74,462,354,067</u> |

| | 2018 | 2017 |
|---|-------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| Fixed Term Loan (CL-4) | | |
| Small & Medium Enterprise (SME) | 4,613,311,770 | 3,810,068,977 |
| Consumer finance (other than HF & LP) | 1,368,572,046 | 1,332,309,355 |
| House finance | 7,771,617,332 | 6,372,429,998 |
| Loans for professionals to set up business | 66,647,046 | 75,706,365 |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | 377,236,431 | 109,123,481 |
| Other corporate loans | 56,784,755,712 | 42,252,547,741 |
| | <u>70,982,140,337</u> | <u>53,952,185,917</u> |
| Short term agri. credit and microcredit (CL-5) | | |
| Short term agri. Credit | 2,149,002,920 | 1,459,840,687 |
| Microcredit | - | 10,220,066 |
| | <u>2,149,002,920</u> | <u>1,470,060,754</u> |
| Staff Loan | <u>663,198,293</u> | <u>599,334,697</u> |
| | <u>198,908,749,218</u> | <u>#####</u> |

7.9 Classified and unclassified loans and advances

Unclassified

| | | |
|------------|-------------------------------|---------------------|
| Standard | 184,214,660,926 | ##### |
| Staff Loan | 663,198,293 | 599,334,697 |
| | <u>184,877,859,218</u> | <u>#####</u> |

Classified

| | | |
|-------------|-------------------------------|-----------------------------|
| Substandard | 865,779,000 | 372,079,649 |
| Doubtful | 1,826,393,000 | 1,015,050,085 |
| Bad & Loss | 11,338,718,000 | 7,653,908,906 |
| | <u>14,030,890,000</u> | <u>9,041,038,640</u> |
| | <u>198,908,749,218</u> | <u>#####</u> |

7.10 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 23,195.91 million as at 31 December 2018 (Tk 21,365.72 million in 2017).

| | | |
|--|--------------------|----------------|
| Number of clients (Annexure-D) | 21 | 14 |
| Amount of outstanding loans & advances * | Tk. 68,034,734,086 | 43,719,493,174 |
| Amount of classified loans and advances | Tk. - | - |
| Measures taken for recovery | Not Applicable | Not Applicable |

* The amount of outstanding loans & advances represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the Bank as at 31 December 2018. The classification status is shown as per the CL prepared by the Bank as at 31 December 2018 and submitted to Bangladesh Bank.

7.11 Bills purchased and discounted

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

7.12 Maturity of Bills purchased and discounted

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

7.13 Particulars of provision for Loans and Advances

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

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

7.14 Particulars of Loans and Advances

| | | |
|--|------------------------|-----------------|
| i) Loans considered good in respect of which the bank is fully secured | 118,330,099,658 | 111,636,499,998 |
| ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee | 34,228,872,333 | 37,229,250,352 |
| iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors | 46,349,777,227 | 21,527,719,613 |
| iv) Loans adversely classified; provision not maintained there against | - | - |
| | 198,908,749,218 | ##### |
| v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons | 663,198,293 | 599,334,696 |
| vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members | - | - |
| vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons | 663,198,293 | 599,334,696 |
| viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or, in case of private companies as members | - | - |
| ix) Due from other banking companies (Bills purchased and discounted) | 2,825,968,833 | 2,317,321,490 |
| x) Classified loans and advances | | |
| a) Classified loans and advances on which interest has not been charged to income (Note-7.9) | 14,030,890,000 | 9,041,038,640 |
| b) Provision on classified loans and advances (Note-12.4) | 5,508,573,082 | 4,333,477,757 |
| c) Provision kept against loans and advances classified as bad debts | 5,136,480,000 | 3,930,328,559 |
| d) Increase/(Decrease) of Specific Provision | 1,175,095,324 | 1,599,273,521 |
| e) Interest credited to Interest Suspense Account (Note-12.9) | 4,277,625,588 | 3,871,058,396 |

| | 2018 | 2017 |
|--|--------------------------|--------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| xi) Cumulative amount of written off loans and advances | | |
| Opening balance | 2,243,453,177 | 2,243,453,177 |
| Written off during the year | 2,207,601,992 | - |
| Closing balance | <u>4,451,055,169</u> | <u>2,243,453,177</u> |
| Cumulative amount realised against loans previously written off | <u>112,695,716</u> | <u>82,188,223</u> |
| The amount of written off loans for which law suits has been filed | <u>4,446,120,404</u> | <u>2,238,518,412</u> |

7.15 Details of pledged collaterals received against Loans and Advances

| | | |
|--|-------------------------------|---------------------|
| Collateral of movable /immovable assets | 114,236,786,233 | 91,300,066,633 |
| Local banks and financial institutions guarantee | 3,662,769,226 | 2,016,960,984 |
| Government guarantee | - | - |
| Foreign banks guarantee | 30,168,090 | 153,188,596 |
| Export documents | 1,448,108,151 | 620,791,197 |
| Fixed Deposit Receipts (FDR) | 8,197,707,246 | 6,689,383,450 |
| FDR of other banks | 203,425,078 | 197,310,264 |
| Government bonds | - | - |
| Personal guarantee | 42,385,070,443 | 33,402,129,882 |
| Other securities | 28,744,714,752 | 36,013,638,959 |
| | <u>198,908,749,218</u> | <u>#####</u> |

7.16 Restructure of large loan

There was no restructure of large loan occurred during the year 2018 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)

7 (a) Consolidated Loans and Advances

| | | |
|------------------------|-------------------------------|---------------------|
| ONE Bank Limited | 196,082,780,386 | ##### |
| ONE Securities Limited | 49,679,307 | 47,935,589 |
| | <u>196,132,459,693</u> | <u>#####</u> |

Consolidated Bills purchased and discounted

| | | |
|------------------------|-------------------------------|-----------------------------|
| ONE Bank Limited | 2,825,968,833 | 2,317,321,490 |
| ONE Securities Limited | - | - |
| | <u>2,825,968,833</u> | <u>2,317,321,490</u> |
| | <u>198,958,428,526</u> | <u>#####</u> |

8 Fixed Assets including premises, furniture & fixtures

| | | |
|--------------------------------|-----------------------------|-----------------------------|
| Furniture & Fixtures | 1,597,244,555 | 1,585,159,612 |
| Office equipment | 1,192,736,206 | 1,065,684,332 |
| Motor Vehicles | 278,283,495 | 273,814,495 |
| Building | 189,464,053 | 189,464,053 |
| Land | 279,366,295 | 279,366,295 |
| | <u>3,537,094,604</u> | <u>3,393,488,787</u> |
| Intangible Assets | 195,835,516 | 195,835,516 |
| | <u>3,732,930,120</u> | <u>3,589,324,303</u> |
| Less: Accumulated depreciation | 1,722,668,956 | 1,519,725,208 |
| Balance as on 31 December | <u>2,010,261,164</u> | <u>2,069,599,095</u> |

(For details please refer to Annexure- A)

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

| | | |
|------------------------|-----------------------------|-----------------------------|
| ONE Bank Limited | 2,010,261,164 | 2,069,599,095 |
| ONE Securities Limited | 22,532,174 | 25,559,281 |
| | <u>2,032,793,338</u> | <u>2,095,158,377</u> |

| | 2018 | 2017 |
|---|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9 Other Assets | | |
| i Income generating | | |
| Investment in shares of subsidiary companies | | |
| In Bangladesh (note-9.1) | 2,480,099,170 | 2,474,999,170 |
| Outside Bangladesh | - | - |
| ii Non- income generating | | |
| Stock of stationery | 28,110,812 | 27,670,879 |
| Stock of stamps | 3,676,121 | 4,247,680 |
| Security deposits | 4,660,555 | 4,481,255 |
| Advance rent for office premises | 419,081,086 | 488,942,333 |
| Prepayments | 455,880,139 | 356,857,019 |
| Application money against right share and clearing adjustment account | 51,664,505 | 88,869,656 |
| Suspense account (note-9.5) | 24,210,725 | 47,194,256 |
| Receivable from Bangladesh Bank | 196,006,798 | 235,935,321 |
| Interest and dividend receivables (note-9.7) | 452,481,125 | 674,974,453 |
| Advance Income Tax (note-9.3) | 7,143,559,670 | 5,607,803,509 |
| Deferred Tax Assets (note-9.4) | 44,671,699 | 38,872,008 |
| Protested bill | 2,594,351 | 2,594,351 |
| Receivable ATM acquiring | 12,199,306 | 8,798,300 |
| Receivable from ONE Securities Ltd | 32,097 | - |
| Receivable from ONE Investments Ltd | 205,426 | - |
| Inter Branch Account USD | 21,337 | 21,337 |
| Branch Adjustment Account (note-9.2) | 45,667,814 | 82,597,306 |
| | <u>11,364,822,735</u> | <u>10,144,858,834</u> |
| Off-shore Banking Unit | 200,922,889 | 67,397,567 |
| | <u>11,565,745,624</u> | <u>10,212,256,401</u> |

9.1 Investment in shares of subsidiary companies

| | | |
|--|-----------------------------|-----------------------------|
| ONE Securities Limited (98.9999% owned subsidiary company of OBL) | 2,474,999,170 | 2,474,999,170 |
| ONE Investments Limited (51.00% owned subsidiary company of OBL) | 5,100,000 | - |
| | <u>2,480,099,170</u> | <u>2,474,999,170</u> |

9.2 Branch Adjustment Account

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2018 are given below:

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

9.3 Advance income tax

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

| | 2018 | 2017 |
|---|--------------------|--------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9.4 Deferred tax assets: | | |
| Opening balance | 38,872,008 | 1,090,190 |
| Addition/(reverse) during the year (note-12.2.1) | 5,799,691 | 37,781,818 |
| Closing balance | <u>44,671,699</u> | <u>38,872,008</u> |

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

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

9.6 Particulars of required provision for other assets

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

| | 2018 | 2017 |
|---|--------------------|--------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9.7 Interest and dividend receivables | | |
| Interest receivables on placement | - | 15,627,459 |
| Interest receivables on government securities | 331,226,952 | 303,616,455 |
| Interest receivables on non-government securities | 121,254,172 | 78,530,632 |
| Dividend receivables | - | 277,199,907 |
| | <u>452,481,125</u> | <u>674,974,453</u> |

9 (a) Consolidated Other Assets

| | | |
|---|----------------------|----------------------|
| ONE Bank Limited | 11,565,745,624 | 10,212,256,401 |
| ONE Securities Limited | 124,543,667 | 107,064,677 |
| ONE Investments Limited | 18,480 | - |
| Investment in ONE Securities Ltd by ONE Bank Limited | (2,474,999,170) | (2,474,999,170) |
| Investment in ONE Investments Ltd by ONE Bank Limited | (5,100,000) | - |
| Less: Inter unit/company elimination | (237,523) | (277,199,907) |
| | <u>9,209,971,079</u> | <u>7,567,122,001</u> |

10 Borrowings from other Banks, financial institutions and Agents.

| | | |
|---|-----------------------|-----------------------|
| Borrowing Inside Bangladesh (note-10.1) | 15,857,995,394 | 10,784,548,566 |
| Borrowing Outside Bangladesh (note-10.2) | 14,044,348,210 | 3,638,800,000 |
| | <u>29,902,343,604</u> | <u>14,423,348,566</u> |

10.1 Borrowing Inside Bangladesh

| | | |
|---|-----------------------|-----------------------|
| OBL Subordinated Bond (note-10.1.a) | 7,280,000,000 | 5,320,000,000 |
| Borrowing from other bank -Payable on demand | 1,200,000,000 | 500,000,000 |
| Borrowing from BRAC Bank OBU | 153,251,740 | - |
| Borrowing from Bangladesh Bank (note-10.1.b) | 7,224,743,654 | 4,964,548,566 |
| | <u>15,857,995,394</u> | <u>10,784,548,566</u> |

10.1.a Subordinated Bond

| | | |
|-------------------------|----------------------|----------------------|
| Subordinated Bond - I | 880,000,000 | 1,320,000,000 |
| Subordinated Bond - II | 4,000,000,000 | 4,000,000,000 |
| Subordinated Bond - III | 2,400,000,000 | - |
| | <u>7,280,000,000</u> | <u>5,320,000,000</u> |

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

ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 26th December, 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC) 661/14B(P)/2013-1869, dated November 28, 2013 and SEC/CI/CPLC-159/2002/2714, dated October 08, 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. Interest rate of the Bond is calculated as Benchmark rate +3% Margin. However, the rate shall not go below 12.00% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 12.00%.

Main Features of the Bond:

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

List of Investors:

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

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

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016], [BRPD (BFIS) 661/14B (P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 9.55%.

Main Features of the Bond:

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

List of Investors:

| Name of the Investor | No of Bonds | Bond Issued Taka | Outstanding-2018 |
|------------------------|-------------|----------------------|----------------------|
| Pubali Bank Limited | 1000 | 1,000,000,000 | 1,000,000,000 |
| Sonali Bank Limited | 1000 | 1,000,000,000 | 1,000,000,000 |
| Janata Bank Limited | 500 | 500,000,000 | 500,000,000 |
| Southeast Bank Limited | 500 | 500,000,000 | 500,000,000 |
| Trust Bank Limited | 400 | 400,000,000 | 400,000,000 |
| Dhaka Bank Limited | 300 | 300,000,000 | 300,000,000 |
| Rupali Bank Limited | 200 | 200,000,000 | 200,000,000 |
| Mutual Trust Bank Ltd | 100 | 100,000,000 | 100,000,000 |
| Total | | 4,000,000,000 | 4,000,000,000 |

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

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

Main Features of the Bond:

| | |
|------------------|----------------------|
| Issuer | ONE Bank Ltd |
| Trustee | MTB Capital Limited |
| Lead Arranger | RSA Advisory Limited |
| Tenor | 7 years |
| Total Face Value | BDT 4,000 Million |
| Number of Bonds | 4,000 |

List of Investors:

| Name of the Investor | No of Bonds | Bond Issued Taka | Outstanding-2018 |
|----------------------|-------------|----------------------|----------------------|
| Sonali Bank Limited | 80 | 800,000,000 | 800,000,000 |
| Dhaka Bank Limited | 30 | 300,000,000 | 300,000,000 |
| Jamuna Bank Limited | 130 | 1,300,000,000 | 1,300,000,000 |
| Total | | 2,400,000,000 | 2,400,000,000 |

| | 2018 | 2017 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 10.1.b Borrowing from Bangladesh Bank | | |
| Export Development Fund (EDF) | 5,595,917,533 | 3,589,570,919 |
| Refinance against SME, Agriculture loan and Green finance | 474,710,500 | 340,460,507 |
| Financial Sector Support Project (FSSP) | 1,154,115,621 | 1,034,517,139 |
| | <u>7,224,743,654</u> | <u>4,964,548,566</u> |

10.2 Borrowing Outside Bangladesh**Borrowing by Offshore Banking Unit .**

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

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

| | | |
|-----------|------------------------------|------------------------------|
| Secured | - | - |
| Unsecured | 29,902,343,604 | 14,423,348,566 |
| | <u>29,902,343,604</u> | <u>14,423,348,566</u> |

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

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

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

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

| | 2018 | 2017 |
|--|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 12.1 Provision for current income tax | | |
| Opening balance on 1 January | 4,761,133,512 | 3,549,442,560 |
| Less: Provision adjusted during the year | - | - |
| | <u>4,761,133,512</u> | <u>3,549,442,560</u> |
| Add: Provision made during the year | 968,355,401 | 1,211,690,953 |
| Balance on 31 December | <u><u>5,729,488,913</u></u> | <u><u>4,761,133,512</u></u> |

Consistent with prior years, the Bank has made provision for income tax after considering certain regulatory deductions as allowed to the Bank by the relevant authority.

12.2 Deferred tax liability

For Fixed Assets

| | | |
|--|--------------------------|--------------------------|
| Opening balance | 46,074,445 | 56,675,964 |
| Addition during the year (note-12.2.2) | (13,933,878) | (10,601,519) |
| Closing balance | <u>32,140,567</u> | <u>46,074,445</u> |

Provision against revaluation reserve for security

| | | |
|---|-------------------------|--------------------------|
| Opening balance | 15,728,994 | 99,295,895 |
| Provision made/ (recovered) during the year | (10,771,663) | (83,566,901) |
| Closing balance | <u>4,957,330</u> | <u>15,728,994</u> |

Total

| | | |
|--|--------------------------|--------------------------|
| | <u>37,097,897</u> | <u>61,803,438</u> |
|--|--------------------------|--------------------------|

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

12.2.1 Basis of Deferred Tax Asset:

| | | |
|--|---------------------------|--------------------------|
| Tax base of fixed assets (Only temporary deductible portion is considered) | 1,594,713,922 | 553,092,557 |
| Carrying amount of fixed assets | 1,475,589,392 | 455,912,537 |
| Deductible temporary difference | <u>119,124,530</u> | <u>97,180,020</u> |
| Applicable tax rate | 37.50% | 40% |
| Deferred tax asset | 44,671,699 | 38,872,008 |
| Opening deferred tax asset | 38,872,008 | 1,090,190 |
| Deferred tax (expenses)/income | <u>5,799,691</u> | <u>37,781,818</u> |

12.2.2 Basis of Deferred Tax Liability:

| | | |
|--|----------------------------|----------------------------|
| Carrying amount of fixed assets (Only temporary taxable portion is considered) | 244,937,275 | 1,306,183,350 |
| Tax base of fixed assets | 159,229,095 | 1,190,997,240 |
| Taxable temporary difference | <u>85,708,180</u> | <u>115,186,110</u> |
| Applicable tax rate | 37.50% | 40% |
| Deferred tax liability | 32,140,567 | 46,074,444 |
| Opening deferred tax liability | 46,074,444 | 56,675,963 |
| Deferred tax expenses/(income) | <u>(13,933,878)</u> | <u>(10,601,519)</u> |

12.3 Provision for gratuity

| | | |
|--|-----------------|-----------------|
| Opening balance on 1 January | - | - |
| Provision made during the year | 141,398,410 | 153,825,455 |
| Transferred/Payment made during the year | 141,398,410 | 153,825,455 |
| Balance on 31 December | <u><u>-</u></u> | <u><u>-</u></u> |

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

| | 2018 | 2017 |
|--|--------------------------|--------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 12.10 Provision for diminution value of share | | |
| Balance on 1 January | - | - |
| Provision made/ (recovered) during the year | - | - |
| Balance on 31 December | <u>-</u> | <u>-</u> |
| 12.10.a Consolidated Provision made for diminution value of share | | |
| ONE Bank Limited | - | - |
| ONE Securities Limited: | 59,428,753 | - |
| | <u>59,428,753</u> | <u>-</u> |

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

12 (a) Consolidated Other liabilities

| | | |
|--------------------------------------|------------------------------|------------------------------|
| ONE Bank Limited | 19,124,331,765 | 15,994,706,737 |
| ONE Securities Limited | 215,628,317 | 483,736,538 |
| ONE Investments Limited | 216,926 | - |
| Less: Inter unit/company elimination | (237,523) | (277,199,907) |
| | <u>19,339,939,485</u> | <u>16,201,243,368</u> |

13. Share Capital

| | | |
|--|-----------------------|-----------------------|
| 13.1 Authorized Capital | 10,000,000,000 | 10,000,000,000 |
| 1,000,000,000 (2017:1,000,000,000) ordinary shares of Tk 10 each | | |
| 13.2 Issued, Subscribed and fully paid-up Capital | 7,665,336,840 | 7,300,320,800 |
| 766,533,684 (2017: 730,032,080) ordinary shares of Tk 10 each | | |
| Sponsors | 30.02% | 30.02% |
| General Public (Including Institutes 15.87% and Foreign 3.74%) | 69.98% | 69.98% |
| Total | <u>100.00%</u> | <u>100.00%</u> |

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

| Shareholders | No. of Shareholders | No. of Shares | 2018 Taka | 2017 Taka |
|----------------|---------------------|--------------------|----------------------|----------------------|
| Sponsors | 16 | 230,112,543 | 2,301,125,430 | 2,191,548,100 |
| Institutes | 397 | 121,644,336 | 1,216,443,360 | 1,102,631,260 |
| Foreign | 100 | 28,691,336 | 286,913,360 | 494,179,350 |
| General Public | 20,656 | 386,085,469 | 3,860,854,690 | 3,511,962,090 |
| Total | 21,169 | 766,533,684 | 7,665,336,840 | 7,300,320,800 |

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

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

- a) Authorised Capital of the Bank has been raised to Tk. 10,000,000,000 from Tk. 4,150,000,000 during the year 2012. This was approved by Bangladesh Bank and also at the Extra Ordinary General Meeting of the Shareholders of the Bank held on March 29, 2012:

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

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

Issued, Subscribed & fully Paid up Capital

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

13.3 Capital Adequacy Ratio:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, capital of the Bank (Solo) at the close of business on 31 December 2018 is Taka 23,195,909,823 comprised of core capital of Taka 14,327,337,221 and supplementary capital of Taka 8,868,572,602, thereby showing a surplus capital/equity of Taka 97,845,643 against the required capital. Details are shown below:

| | 2018 <u>Taka</u> | 2017 <u>Taka</u> |
|---|------------------------|-----------------------|
| Solo Basis: | | |
| Common Equity Tier-1 (Going-Concern Capital) | | |
| Paid-up capital | 7,665,336,840 | 7,300,320,800 |
| Statutory Reserve | 5,572,188,014 | 5,103,856,419 |
| Retained Earnings | 1,146,018,509 | 1,681,378,120 |
| | 14,383,543,363 | 14,085,555,338 |
| Regulatory Adjustments: | | |
| Deferred Tax Assets | 44,671,699 | 38,872,008 |
| Goodwill and all other intangible assets | 10,368,203 | - |
| Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities. | 1,166,240 | 866,500 |
| | 56,206,142 | 39,738,508 |
| Total Common Equity Tier-1 Capital | 14,327,337,221 | 14,045,816,831 |
| Additional Tier- 1 Capital | - | - |
| Tier -2 Capital (Gone-Concern Capital) | | |
| General Provision | 2,815,732,602 | 2,414,220,484 |
| Subordinated debt | 6,040,000,000 | 4,880,000,000 |
| Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities | 64,200,000 | 64,200,000 |
| | 8,919,932,602 | 7,358,420,484 |
| Regulatory Adjustment | | |
| Revaluation reserves for fixed assets, securities & equity securities | 51,360,000 | 38,520,000 |
| Total Tier-2 Capital Available | 8,868,572,602 | 7,319,900,484 |
| A Total Regulatory Capital | 23,195,909,823 | 21,365,717,315 |
| Total Assets including Off Balance Sheet items | 347,701,042,071 | ##### |
| B Total Risk Weighted Assets | 194,510,014,145 | ##### |
| C Minimum Required capital based on risk weighted assets (10% on B) | 19,451,001,414 | 18,480,004,210 |
| D Surplus (A-C) | 3,744,908,408 | 2,885,713,105 |
| E Required capital with Conservation Buffer (CB) @11.875% (2017@11.25%) | 23,098,064,180 | 20,790,004,736 |
| F Excess over capital with CB (A-E) | 97,845,643 | 575,712,579 |
| Percentage of Capital to Risk Weighted Assets: | 11.93% | 11.56% |

| | 2018 | 2017 |
|---|------------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| <u>Consolidated Basis:</u> | | |
| Common Equity Tier-1 (Going-Concern Capital) | | |
| Paid-up capital | 7,665,336,840 | 7,300,320,800 |
| Statutory Reserve | 5,572,188,014 | 5,103,856,419 |
| Retained Earnings | 1,268,580,761 | 1,787,544,536 |
| Minority Interest in Subsidiaries | 31,116,771 | 29,573,358 |
| | 14,537,222,386 | 14,221,295,113 |
| Regulatory Adjustments: | | |
| Deferred Tax Assets | 44,671,699 | 38,872,008 |
| Goodwill and all other intangible assets | 10,368,203 | - |
| Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities. | 1,166,240 | 866,500 |
| | 56,206,142 | 39,738,508 |
| Total Common Equity Tier-1 Capital | 14,481,016,244 | 14,181,556,605 |
| Additional Tier- 1 Capital | - | - |
| Tier -2 Capital (Gone-Concern Capital) | | |
| General Provision | 2,815,732,602 | 2,414,220,484 |
| Sub-ordinated debt | 6,040,000,000 | 4,880,000,000 |
| Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities | 64,200,000 | 64,200,000 |
| | 8,919,932,602 | 7,358,420,484 |
| Regulatory Adjustment | | |
| Revaluation reserves for fixed assets, securities & equity securities | 51,360,000 | 38,520,000 |
| Total Tier-2 Capital Available | 8,868,572,602 | 7,319,900,484 |
| A Total Regulatory Capital | 23,349,588,846 | 21,501,457,089 |
| Total Assets including Off Balance Sheet items | 347,822,271,932 | ##### |
| B Total Risk Weighted Assets | 194,965,526,781 | ##### |
| C Minimum Required capital based on risk weighted assets (10% on B) | 19,496,552,678 | 18,629,930,501 |
| D Surplus (A-C) | 3,853,036,168 | 2,871,526,588 |
| E Required capital with Conservation Buffer (CB) @11.875% (2017@11.25%) | 23,152,156,305 | 20,958,671,813 |
| F Excess over capital with CB (A-E) | 197,432,541 | 542,785,276 |
| Percentage of Capital to Risk Weighted Assets: | 11.98% | 11.54% |
| 14 Statutory Reserve | | |
| Balance brought forward from previous year | 5,103,856,419 | 4,434,929,509 |
| Reserve made during the year | 468,331,595 | 668,926,910 |
| Balance on 31 December | 5,572,188,014 | 5,103,856,419 |
| 15 Retained earnings/ movement of profit and loss account | | |
| Balance on 1 January | 1,681,378,120 | 1,695,408,803 |
| Addition during the year | 1,393,036,144 | 2,181,326,932 |
| Transfer to statutory reserve | (468,331,595) | (668,926,910) |
| Issue of Bonus Share | (365,016,040) | (663,665,520) |
| Cash dividend paid | (1,095,048,120) | (862,765,186) |
| Balance on 31 December | 1,146,018,509 | 1,681,378,120 |
| 15.1 Retained earnings brought forward from previous year | | |
| Retained Earning of previous Year | 1,681,378,120 | 1,695,408,803 |
| Bonus share issued | (365,016,040) | (663,665,520) |
| Cash dividend paid | (1,095,048,120) | (862,765,186) |
| Retained Earnings brought forward | 221,313,960 | 168,978,097 |

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | Taka | Taka |
| 15.1 (a) Consolidated retained earnings/ movement of profit and loss account | | |
| Retained Earning of ONE Bank Limited | 1,146,018,509 | 1,681,378,120 |
| Retained Earning of ONE Securities Limited | 123,823,755 | 107,238,828 |
| Retained Earning of ONE Investments Limited | (45,562) | - |
| Attributable to Non-Controlling Interest | (1,215,941) | (1,072,412) |
| Balance on 31 December | 1,268,580,761 | 1,787,544,535 |
| 15.1(b) Consolidated retained earnings brought forward from previous year | | |
| Retained Earning of previous Year | 1,787,544,536 | 1,358,421,259 |
| Bonus share issued | (365,016,040) | (663,665,520) |
| Cash Dividend Paid | (1,095,048,120) | (862,765,186) |
| Retained Earnings brought forward | 327,480,376 | (168,009,447) |
| 16 Interest and discount income | | |
| From clients against loans and advances | 19,101,600,562 | 13,767,970,063 |
| Lease finance | 723,349,195 | 482,273,574 |
| Discount from bills purchased & discounted | 419,851,920 | 267,450,257 |
| From banks and financial institutions in Bangladesh | 39,124,959 | 69,136,463 |
| From foreign banks | 96,957,189 | 72,161,651 |
| | 20,380,883,825 | 14,658,992,009 |
| Off-shore Banking Unit | 647,652,295 | 263,605,246 |
| | 21,028,536,119 | 14,922,597,255 |
| 16 (a) Consolidated Interest and discount income | | |
| ONE Bank Limited | 21,028,536,119 | 14,922,597,255 |
| ONE Securities Limited | 20,730,216 | 36,821,719 |
| Less, Inter Company Transaction | (3,483,030) | - |
| | 21,045,783,305 | 14,959,418,973 |
| 17 Interest paid on deposits and borrowings | | |
| Short term deposits | 3,049,445,477 | 2,547,084,069 |
| Savings deposits | 593,434,945 | 547,669,975 |
| Term deposits | 8,487,877,936 | 5,003,593,751 |
| Scheme deposits | 947,697,446 | 953,422,916 |
| Borrowings from banks and financial institutions | 447,162,756 | 199,968,840 |
| Interest on Subordinated- Debt | 545,109,044 | 541,849,437 |
| | 14,070,727,605 | 9,793,588,988 |
| Off-shore Banking Unit | 662,797,205 | 240,952,427 |
| | 14,733,524,810 | 10,034,541,415 |
| 17 (a) Consolidated Interest paid on deposits and borrowings | | |
| ONE Bank Limited | 14,733,524,810 | 10,034,541,415 |
| ONE Securities Limited | - | - |
| ONE Investments Limited | - | - |
| Less, Inter Company Transaction | (3,667,831) | - |
| | 14,729,856,978 | 10,034,541,415 |
| 18 Income from Investments | | |
| Interest on treasury bills | 564,549,267 | 505,751,748 |
| Interest on treasury bond (Net) | 891,262,804 | 843,371,206 |
| Interest on Bangladesh Bank Bill | 9,516,767 | 78,959,642 |
| Dividend on Investment | 25,037,092 | 387,977,086 |
| Gain on sale of Shares | - | 116,921,205 |
| Interest on subordinated bond | 395,948,473 | 304,866,258 |
| | 1,886,314,401 | 2,237,847,145 |

| | 2018 | 2017 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 18 (a) Consolidated Income from Investments | | |
| ONE Bank Limited | 1,886,314,401 | 2,237,847,145 |
| ONE Securities Limited | 81,721,343 | 457,384,565 |
| ONE Investments Limited | 184,801 | - |
| Less, Inter Company Transaction | (184,801) | (346,499,884) |
| | <u>1,968,035,744</u> | <u>2,348,731,826</u> |
| 19 Commission, exchange and brokerage | | |
| Letters of credit | 347,809,356 | 359,717,776 |
| Letter of guarantees | 148,872,903 | 115,283,495 |
| Acceptances | 315,203,565 | 227,607,466 |
| Bills for collection | 8,521,684 | 7,885,917 |
| Remittances (PO, DD, TT, Travelers' Cheque etc.) | 6,147,137 | 5,997,517 |
| Export bills | 48,517,503 | 48,501,980 |
| PRC Issuance Charges | 828,700 | 737,900 |
| Cash Assistance Handling Charges | 6,113,410 | 5,800,407 |
| Import Related Certificates | 194,075 | 302,500 |
| Others | 4,031,857 | 5,801,817 |
| | <u>886,240,190</u> | <u>777,636,775</u> |
| Profit on exchange trading | 532,588,888 | 1,107,852,881 |
| Less: Loss on exchange trading | - | - |
| | <u>532,588,888</u> | <u>1,107,852,881</u> |
| | <u>1,418,829,078</u> | <u>1,885,489,655</u> |
| Off-shore Banking Unit | 5,259,996 | 8,075,825 |
| | <u>1,424,089,074</u> | <u>1,893,565,480</u> |
| 19 (a) Consolidated Commission, exchange and brokerage | | |
| ONE Bank Limited | 1,424,089,074 | 1,893,565,480 |
| ONE Securities Limited | 41,765,742 | 71,415,561 |
| | <u>1,465,854,816</u> | <u>1,964,981,041</u> |
| 20 Other operating income | | |
| Loan processing fees and other charges | 167,462,044 | 153,666,543 |
| Miscellaneous Credit and Debit Card Fee | 87,570,916 | 73,779,501 |
| Recoveries of postage, telex, telephone, fax etc | 54,974,913 | 50,039,253 |
| Letter of Credit miscellaneous charges | 198,712,061 | 177,882,316 |
| General Banking miscellaneous charges | 60,826,409 | 58,134,531 |
| Miscellaneous (Note-20.1) | 25,757,756 | 27,766,199 |
| Rent on locker | 2,460,000 | 2,304,100 |
| Gain on sale of fixed assets | - | 4,292,658 |
| | <u>597,764,101</u> | <u>547,865,102</u> |
| Off-shore Banking Unit | 10,546,276 | 8,084,186 |
| | <u>608,310,377</u> | <u>555,949,288</u> |
| 20.1 Miscellaneous income include commission on sanchyapatras, passport endorsement fees, certificate issuance charge etc. | | |
| 20 (a) Consolidated Other operating income | | |
| ONE Bank Limited | 608,310,377 | 555,949,288 |
| ONE Securities Limited | 987,297 | 1,125,894 |
| | <u>609,297,675</u> | <u>557,075,183</u> |

| | 2018 | 2017 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 21 Salary & Allowances | | |
| Salary & Allowances | 2,078,786,942 | 1,884,095,715 |
| Provident Fund Contribution | 122,241,726 | 112,009,007 |
| Gratuity | 141,398,410 | 153,825,455 |
| Superannuation fund | 7,600,000 | 7,000,000 |
| Bonus | 440,352,521 | 431,255,882 |
| | <u>2,790,379,598</u> | <u>2,588,186,058</u> |
| 21(a) Consolidated Salary & Allowances | | |
| ONE Bank Limited | 2,790,379,598 | 2,588,186,058 |
| ONE Securities Limited | 33,305,908 | 24,220,101 |
| | <u>2,823,685,506</u> | <u>2,612,406,159</u> |
| 22 Rent, taxes, insurance, electricity etc. | | |
| Rent | 333,247,911 | 311,728,520 |
| VAT on Rent | 49,987,702 | 46,759,725 |
| Taxes | 1,708,335 | 1,745,840 |
| Electricity | 62,170,214 | 59,794,720 |
| Utilities | 9,471,076 | 7,733,172 |
| Insurance | 137,610,799 | 122,146,255 |
| | <u>594,196,037</u> | <u>549,908,233</u> |
| 22(a) Consolidated Rent, taxes, insurance, electricity etc. | | |
| ONE Bank Limited | 594,196,037 | 549,908,233 |
| ONE Securities Limited | 2,070,857 | 1,320,346 |
| | <u>596,266,893</u> | <u>551,228,579</u> |
| 23 Legal expenses | | |
| Professional fees | 11,412,315 | 14,852,761 |
| Fees, Court fees & stamps | 389,594 | 465,300 |
| | <u>11,801,909</u> | <u>15,318,061</u> |
| Off-shore Banking Unit | 58,757,058 | 19,896,322 |
| | <u>70,558,967</u> | <u>35,214,382</u> |
| 23 (a) Consolidated Legal expenses/professional expenses | | |
| ONE Bank Limited | 70,558,967 | 35,214,382 |
| ONE Securities Limited | 207,000 | 478,375 |
| | <u>70,765,967</u> | <u>35,692,757</u> |
| 24 Postage, stamps, telecommunication etc. | | |
| Telex/Telephone/Fax etc | 19,505,754 | 19,310,920 |
| Courier/postage | 14,196,938 | 11,617,370 |
| Radio Link | 31,406,982 | 31,547,471 |
| Reuter | 2,934,908 | 2,660,080 |
| | <u>68,044,581</u> | <u>65,135,840</u> |
| 25 Directors' Fees | <u>1,432,000</u> | <u>1,536,000</u> |
| For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person as per BRPD circular no. 11 dated October 04, 2015. Other than the meeting attendance fees, no other financial benefit is being availed by the Directors. | | |
| 25 (a) Consolidated Director's Fees | | |
| ONE Bank Limited | 1,432,000 | 1,536,000 |
| ONE Securities Limited | 97,750 | 145,250 |
| | <u>1,529,750</u> | <u>1,681,250</u> |

| | 2018 | 2017 |
|---|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 26 Stationery, Printing, advertisement etc. | | |
| Printed and security stationery | 48,398,954 | 55,972,292 |
| Stationery | 67,556,495 | 51,018,889 |
| Advertisement | 235,034,058 | 147,546,744 |
| | <u>350,989,507</u> | <u>254,537,925</u> |
| 26 (a) Consolidated Stationery, Printing, advertisement etc. | | |
| ONE Bank Limited | 350,989,507 | 254,537,925 |
| ONE Securities Limited | 347,473 | 387,510 |
| | <u>351,336,980</u> | <u>254,925,435</u> |
| 27 Managing Director's Salary & Allowances | | |
| Basic Salary | 10,200,000 | 10,200,000 |
| House rent allowance | 300,000 | 300,000 |
| Provident Fund Contribution | 1,020,000 | 1,020,000 |
| Festival Bonus | 1,700,000 | 1,700,000 |
| Incentive Bonus | 1,000,000 | 1,000,000 |
| | <u>14,220,000</u> | <u>14,220,000</u> |
| 28 Depreciation, leasing expense and repair of bank's assets | | |
| Depreciation (Annexure - A) | 284,617,184 | 272,649,764 |
| Repairs & Maintenance | 338,930,679 | 342,032,082 |
| | <u>623,547,863</u> | <u>614,681,846</u> |
| 28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets | | |
| ONE Bank Limited | 623,547,863 | 614,681,846 |
| ONE Securities Limited | 3,509,736 | 3,130,177 |
| | <u>627,057,599</u> | <u>617,812,024</u> |
| 29 Other expenses | | |
| Entertainment | 44,426,338 | 37,085,441 |
| Car expenses | 18,414,006 | 18,977,149 |
| Donation and Subscription (including CSR) | 115,021,296 | 178,590,298 |
| Business Traveling & Conveyance | 22,543,744 | 19,207,901 |
| Computer & Printer expenses | 21,205,195 | 19,798,040 |
| Finance charge-against leased assets | - | 224,796 |
| Staff training & Award | 8,783,319 | 10,177,724 |
| Card Expenses | 24,107,234 | 17,009,228 |
| Bank charges and commission paid | 8,016,672 | 9,046,647 |
| Miscellaneous (Note-29.1) | 5,883,042 | 5,988,477 |
| ATM Booth Expenses | 22,477,075 | 21,213,966 |
| Call center operating expense | 4,722,064 | 2,904,565 |
| Issuance cost of Sub-Ordinated Bond | 9,000,072 | 4,997,852 |
| Mobile Financial Services | 3,828,328 | 126,156 |
| Loss from sale/ write off of assets | 5,155,428 | 1,599,284 |
| | <u>313,583,811</u> | <u>346,947,525</u> |
| Off-shore Banking Unit | 1,579,730 | - |
| | <u>315,163,542</u> | <u>346,947,525</u> |
| 29.1 Miscellaneous expenses include uniform & liveries, retail loan recovery expenses etc. | | |
| 29 (a) Consolidated Other expenses | | |
| ONE Bank Limited | 315,163,542 | 346,947,525 |
| ONE Securities Limited | 11,102,685 | 13,994,687 |
| ONE Investments Limited | 220,363 | - |
| | <u>326,486,590</u> | <u>360,942,212</u> |

| | 2018 | 2017 |
|--|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 30 Provision for loans, off balance sheet exposure, investment & other for the year | | |
| Provision for bad and doubtful loans and advances | 2,627,864,657 | 1,548,486,691 |
| Provision for unclassified loans and advances | 334,556,479 | 245,456,425 |
| Provision for off-balance sheet exposure | 66,955,638 | (33,735,206) |
| Provision for diminution in value of share | - | - |
| Provision for other | 13,908,315 | 7,486 |
| | <u>3,043,285,090</u> | <u>1,760,215,396</u> |
| 31 Consolidated provision for diminution in value of share for the year | | |
| ONE Bank Limited | - | - |
| ONE Securities Limited | 59,428,753 | (350,756,540) |
| | <u>59,428,753</u> | <u>(350,756,540)</u> |
| 32 Consolidated provision for other assets for the year | | |
| ONE Bank Limited | 13,908,315 | 7,486 |
| ONE Securities Limited | - | - |
| | <u>13,908,315</u> | <u>7,486</u> |
| 33 Tax Expenses for the year | | |
| Current Tax | 968,355,401 | 1,211,690,953 |
| Deferred tax | (19,733,569) | (48,383,337) |
| | <u>948,621,832</u> | <u>1,163,307,616</u> |
| 33 (a) Consolidated Tax Expenses for the year | | |
| Current Tax | | |
| ONE Bank Limited | 968,355,401 | 1,211,690,953 |
| ONE Securities Limited | 18,514,511 | 76,172,419 |
| | <u>986,869,912</u> | <u>1,287,863,372</u> |
| Deferred Tax | | |
| ONE Bank Limited | (19,733,569) | (48,383,337) |
| ONE Securities Limited | - | - |
| | <u>(19,733,569)</u> | <u>(48,383,337)</u> |
| | <u>967,136,343</u> | <u>1,239,480,035</u> |
| 34 Interest receipts in cash | | |
| Interest income on loans & advances | 21,028,536,119 | 14,922,597,255 |
| Interest on Treasury Bills and Bonds | 1,861,277,310 | 1,732,948,854 |
| | 22,889,813,429 | 16,655,546,109 |
| (Increase)/ Decrease in interest receivable on loans & advances | (1,659,605,114) | (1,083,038,970) |
| (Increase)/ Decrease in interest receivable others | 222,493,329 | (11,280,115) |
| | <u>21,452,701,643</u> | <u>15,561,227,024</u> |
| 34 (a) Consolidated Interest receipts in cash | | |
| ONE Bank Limited | 21,452,701,643 | 15,561,227,024 |
| ONE Securities Limited | 20,730,216 | 36,821,719 |
| Interest on deposit paid by ONE Bank Limited to ONE Securities Ltd | (12,669,185) | - |
| | <u>21,460,762,675</u> | <u>15,598,048,743</u> |
| 35 Interest payments | | |
| Total interest expenses | 14,733,524,810 | 10,034,541,415 |
| Add : Opening balance of interest payable | 2,021,281,931 | 1,269,312,060 |
| Less: Closing balance of interest payable | (3,251,004,674) | (2,021,281,931) |
| | <u>13,503,802,066</u> | <u>9,282,571,544</u> |
| 35 (a) Consolidated Interest Payment | | |
| ONE Bank Limited | 13,503,802,066 | 9,282,571,544 |
| ONE Securities Limited | - | - |
| Interest on deposit paid by ONE Bank Limited to ONE Securities Ltd | (12,669,185) | - |
| | <u>13,491,132,881</u> | <u>9,282,571,544</u> |

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

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 41 (Increase)/decrease of other assets | | |
| Closing balance: | | |
| Security deposits | 4,660,555 | 4,481,255 |
| Advance rent | 419,081,086 | 488,942,333 |
| Prepayments | 455,880,139 | 356,857,019 |
| Application money against right share and clearing adjustment account | 51,664,505 | 88,869,656 |
| Suspense account | 24,210,725 | 47,194,256 |
| Receivable from Bangladesh Bank | 196,006,798 | 235,935,321 |
| Receivable from ONE Securities Ltd | 32,097 | - |
| Receivable from ONE Investments Ltd | 205,426 | - |
| Protested bill | 2,594,351 | 2,594,351 |
| Branch Adjustment Account | 45,667,814 | 82,597,306 |
| | 1,200,003,496 | 1,307,471,497 |
| Off-shore banking unit | 200,922,889 | 67,397,567 |
| | 1,400,926,385 | 1,374,869,065 |
| Less: Opening balance: | | |
| Security deposits | 4,481,255 | 4,041,095 |
| Advance rent | 488,942,333 | 529,115,536 |
| Prepayments | 356,857,019 | 192,767,974 |
| Application money against right share and clearing adjustment account | 88,869,656 | - |
| Suspense account | 47,194,256 | 26,437,580 |
| Receivable from Bangladesh Bank | 235,935,321 | 145,708,355 |
| Receivable from ONE Securities Ltd | - | - |
| Protested bill | 2,594,351 | 2,594,351 |
| Branch Adjustment Account | 82,597,306 | 5,269,747 |
| | 1,307,471,497 | 905,934,638 |
| Off-shore banking unit | 67,397,567 | 70,148,795 |
| | 1,374,869,065 | 976,083,432 |
| | (26,057,320) | (398,785,632) |
| 41 (a) Consolidated (Increase)/decrease of other assets | | |
| ONE Bank Limited | (26,057,320) | (398,785,632) |
| ONE Securities Limited | 26,453,646 | (20,145,113) |
| | 396,326 | (418,930,745) |
| 42 Deposits from customers | | |
| Closing balance of Deposits | | |
| Payable on demand | 24,394,322,150 | 27,025,082,430 |
| Other deposits | 170,223,591,953 | ##### |
| | 194,617,914,102 | ##### |
| Less: Opening balance of Deposits | | |
| Payable on demand | 27,025,082,430 | 22,547,619,735 |
| Other deposits | 144,776,816,134 | ##### |
| | 171,801,898,564 | ##### |
| Deposit increased during the year | 22,816,015,538 | 24,658,754,647 |
| Add: Opening balance of interest on deposit and others | | |
| Interest on deposits | 2,021,281,931 | 1,269,312,060 |
| Other deposits Account | 295,471,673 | 289,444,867 |
| | 2,316,753,603 | 1,558,756,927 |
| Less: Closing balance of interest on deposit and others | | |
| Interest on deposits | (3,251,004,674) | (2,021,281,931) |
| Other deposits Account | (289,817,861) | (295,471,673) |
| | (3,540,822,535) | (2,316,753,603) |
| | 21,591,946,606 | 23,900,757,970 |

| | 2018 | 2017 |
|---|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 43 Letters of Guarantee | | |
| i) Claims against the Bank not acknowledged as debts | - | - |
| ii) Money for which the Bank is contingently liable in respect of guarantee given favoring: | | |
| Directors | 11,771,078 | 11,688,578 |
| Government | 558,895,756 | 1,149,276,574 |
| Banks and other financial institutions | 2,119,224 | 144,503,665 |
| Others | 13,697,824,807 | 12,095,639,303 |
| | 14,270,610,865 | 13,401,108,120 |
| Total (i and ii) | <u>14,270,610,865</u> | <u>13,401,108,120</u> |

| | | |
|--|------------------------------|------------------------------|
| 44 Details break-up of Shareholders' Equity -Solo | | |
| Paid-up Capital | 7,665,336,840 | 7,300,320,800 |
| Statutory Reserve | 5,572,188,014 | 5,103,856,419 |
| Surplus in Profit & Loss Account | 1,146,018,509 | 1,681,378,120 |
| Revaluation Reserve for HTM Securities | 8,262,217 | 23,593,490 |
| | <u>14,391,805,580</u> | <u>14,109,148,829</u> |

| | | |
|---|---------------------|---------------------|
| 45 Calculation of Net Asset Value (NAV) Per Share | | |
| Total Shareholders' Equity -Solo | 14,391,805,580 | 14,109,148,829 |
| Total Shareholders' Equity -Consolidated | 14,514,367,831 | 14,215,315,245 |
| Weighted average number of outstanding Shares | 766,533,684 | 766,533,684 |
| | <u>18.78</u> | <u>18.41</u> |
| Net Asset Value Per Share –Solo | | |
| Net Asset Value Per Share – Consolidated | <u>18.94</u> | <u>18.54</u> |

| | | |
|---|---------------------------|---------------------------|
| 46 Basic Earnings Per Share | | |
| Attributable profit for the year -Solo | 1,393,036,144 | 2,181,326,932 |
| Attributable profit for the year -Consolidated | 1,409,431,980 | 2,624,480,893 |
| Weighted average number of outstanding Shares for the year: | | |
| Opening balance | 730,032,080 | 730,032,080 |
| Bonus Share Issued for the year 2017 | 36,501,604 | 36,501,604 |
| | <u>766,533,684</u> | <u>766,533,684</u> |
| | <u>1.82</u> | <u>2.85</u> |
| Basic Earnings Per Share -Solo | | |
| Basic Earnings Per Share - Consolidated | <u>1.84</u> | <u>3.42</u> |

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

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

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

49 Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2018: **Nil**
- iii) Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**
- iv) Nature, type and elements of transactions with the related party: **Nil**
- V) Lending policies in respect of related party:
 - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2018: Guarantee amounting to Tk. 8,390,000, Tk. 3,369,778 and Tk. 11,300 have been provided in favour of Bangladesh Shipping Lines Ltd, COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd against Cash Collateral Security (Cash Margin and FDR). Mr. Sayeed Hossain Chowdhury, Chairman, ONE Bank Limited is also the Chairman of the said Bangladesh Shipping Lines Ltd, COSCO (Bangladesh) Shipping Lines Ltd and Baridhi Shipping Lines Ltd.

Ms. Dilruba Ahmed, Spouse of Mr. Kazi Rukun Uddin Ahmed, Director of ONE Bank Ltd. is the owner of Little Jewels School, Which is availing an SOD limit of TK. 3,500,000 against 100% FDR margin. Outstanding against the limit is TK. 2,754,939.06.

 - b) Amount of transactions regarding principal items of deposits, expenses and commission : **Nil**
 - c) Amount of provision against loans and advances given to related party : **Nil**
 - d) Amount of guarantees and commitments arising from other off-balance sheet exposures : **Nil**
- vi) Disclosure of transaction regarding Directors and their related concerns: **Nil**
- vii) i) As on Balance Sheet date, the total receivable amount of Tk. 32,097 from ONE Securities Limited.
ii) As on Balance Sheet date, the total receivable amount of Tk. 205,426 from ONE Investments Limited.
- viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):

Lease agreement made with the Director :

| Nature of the contract | Branch / Office / Location | Name of Director and related by | Remarks |
|-------------------------------|---|--|---------------------------------|
| Lease Agreement | Corporate Head Quarters, ONE Bank Limited, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka. | Mr. Sayeed H. Chowdhury, Managing Director Hamid Properties Limited | Expiry Date of Lease 31.10.2023 |
| Lease Agreement | Off- Site Store, 26 Tejgoan Industrial Area, Tejgoan, Dhaka. | Mr. Zahur Ullah, Director Shamah Enterprise Limited | Expiry Date of Lease 31.05.2021 |
| Lease Agreement | Central Vehicle Maintenance Unit and Off-Site Store, 14-17A Sangshad Avenue, Monipuripara, Tejgoan, Dhaka | Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Bangladesh Limited | Expiry Date of Lease 30.06.2026 |
| Lease Agreement | ONE Bank Limited, Kawran Bazar Branch, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka | Mr. Sayeed H. Chowdhury, Managing Director Hamid Properties Limited | Expiry Date of Lease 30.06.2023 |
| Lease Agreement | Zonal Office, Centralized Tarde Processing Center and Loan Administration Department, HRC Bhaban, 64-66 Agrabad C/A, Chittagong | Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Properties Limited | Expiry Date of Lease 29.02.2024 |
| Lease Agreement | ONE Bank Limited, Agrabad Branch, Retail, SME and Recovery Unit, HRC Bhaban, 64-66 Agrabad C/A, Chittagong | Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Properties Limited | Expiry Date of Lease 28.02.2025 |
| Lease Agreement | Central Vehicle Maintenance Unit & Garage, Zonal Central Off-Site Store, Plot No. P/2 (A&B), 13 (WP), Mohora Industrial Area, Kalurghat, Chittagong | Mr. Sayeed H. Chowdhury, Managing Director HRC Leather Complex Limited | Expiry Date of Lease 30.09.2026 |
| Lease Agreement | ONE Bank Limited, Offsite ATM Booth, 14-17A Sangshad Avenue, Monipuripara, Tejgoan, Dhaka | Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Bangladesh Limited | Expiry Date of Lease 31.01.2026 |

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

50 Number of employees of the Bank

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

51 Events after the balance sheet date

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

M. Fakhurul Alam
Managing Director

Salahuddin Ahmed
Director

Syed Nurul Amin
Director

Zahur Ullah
Director

ONE Bank Limited
Financial Highlights on the overall activities of the Bank
As at 31 December 2018

Solo Basis

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

Consolidated Basis

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

Annexure-A

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

[Referred to Note 8 of these Financial Statements]

| Particulars | Cost (Taka) | | | | Depreciation and Amortization (Taka) | | | | Net book value at 31 December | Rate of depreciation per annum (Reducing Balance Method) |
|------------------------|----------------------|---------------------------|---|------------------------|--------------------------------------|---------------------|--------------------------------------|------------------------|-------------------------------|--|
| | Balance on 1 January | Additions during the year | Disposal/ Transfer Amortization during the year | Balance at 31 December | Balance on 1 January | Charge for the year | Adjusted on disposal during the year | Balance at 31 December | | |
| Furniture and Fixtures | 1,561,211,394 | 118,390,597 | 82,357,436 | 1,597,244,555 | 543,281,416 | 146,680,779 | 11,383,455 | 610,884,555 | 986,360,000 | % |
| Office Equipment | 1,089,632,550 | 106,666,756 | 3,563,100 | 1,192,736,206 | 609,771,319 | 96,331,292 | 2,595,797 | 703,506,814 | 489,229,392 | 10 |
| Motor Vehicles | 273,814,495 | 4,469,000 | - | 278,283,495 | 178,499,584 | 19,611,659 | - | 198,111,243 | 80,172,252 | 18 |
| Building | 189,464,053 | - | - | 189,464,053 | 20,474,286 | 4,224,744 | - | 24,699,030 | 164,765,023 | 20 |
| Land | 279,366,295 | - | - | 279,366,295 | - | - | - | - | 279,366,295 | 2.5 |
| Sub-Total | 3,393,488,787 | 229,526,353 | 85,920,536 | 3,537,094,604 | 1,352,026,605 | 266,848,474 | 13,979,252 | 1,537,201,643 | 1,999,892,961 | |
| Intangibles Assets | 195,835,516 | - | - | 195,835,516 | 167,698,603 | 17,768,710 | - | 185,467,313 | 10,368,203 | 20 |
| Total 2018 | 3,589,324,303 | 229,526,353 | 85,920,536 | 3,732,930,120 | 1,519,725,208 | 284,617,184 | 13,979,252 | 1,722,668,956 | 2,010,261,164 | |
| Total 2017 | 3,261,244,300 | 373,412,595 | 45,332,593 | 3,589,324,303 | 1,304,132,165 | 272,649,764 | 40,896,494 | 1,519,725,208 | 2,069,599,095 | |

Annexure- B

Reconciliation Statement Regarding Balance with Bangladesh Bank

1) Balance with Bangladesh Bank-Taka account

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

2) Balance with Bangladesh Bank-Foreign currency

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

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

Annexure-C

[Referred to Note 4.5 of these Financial Statements]

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

ONE Bank Limited
Statement of large loan
As at 31 December 2018

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

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

**Name of the Directors and the entities in which they have interest
As on 31 December 2018**

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

Annexure-F**Statement of Tax Position of the Bank
As at 31 December 2018**

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

Annexure-G

ONE Bank Limited
Off-Shore Banking Unit
Balance Sheet
As at 31 December 2018

| | Notes | 2018 | | 2017 | |
|---|----------|--------------------|-----------------------|-------------------|----------------------|
| | | USD | TAKA | USD | TAKA |
| PROPERTY AND ASSETS | | | | | |
| CASH | | | | | |
| Cash in hand (including foreign currencies) | | - | - | - | - |
| Cash with Bangladesh Bank and its agent bank(s) (Including foreign currencies) | | - | - | - | - |
| Balance with other Banks and Financial Institutions | 3 | | | | |
| In Bangladesh | | 20,000,000 | 1,678,000,000 | - | - |
| Outside Bangladesh | | 7,228,604 | 606,479,906 | - | - |
| | | 27,228,604 | 2,284,479,906 | - | - |
| Money at Call on Short Notice | | - | - | - | - |
| Investment | | | | | |
| Government | | - | - | - | - |
| Others | | - | - | - | - |
| Loan and Advances: | 4 | | | | |
| Loans, cash credit, overdraft etc. | | 148,875,054 | 12,490,617,048 | 66,510,144 | 5,500,388,878 |
| Bills purchased and discounted | | 4,620,185 | 387,633,530 | 5,606,050 | 463,620,357 |
| | | 153,495,239 | 12,878,250,578 | 72,116,194 | 5,964,009,236 |
| Fixed Assets | | - | - | - | - |
| Other Assets | 5 | 2,394,790 | 200,922,889 | 814,965 | 67,397,567 |
| Non Banking Assets | | - | - | - | - |
| Total Assets | | 183,118,634 | 15,363,653,373 | 72,931,158 | 6,031,406,803 |
| LIABILITIES AND CAPITAL | | | | | |
| Borrowings from other Banks, Financial Institutions and agents | 6 | 169,220,500 | 14,197,599,950 | 44,000,000 | 3,638,800,000 |
| Deposit and other Accounts | 7 | | | | |
| Current accounts and other accounts | | 19,036 | 1,597,096 | 5,164 | 427,030 |
| Bills payable | | - | - | - | - |
| Savings bank deposits | | - | - | - | - |
| Term deposits | | 1,932,578 | 162,143,252 | 8,725,642 | 721,610,592 |
| | | 1,951,613 | 163,740,348 | 8,730,806 | 722,037,621 |
| Other Liabilities | 8 | 13,454,188 | 1,128,806,334 | 20,089,240 | 1,661,380,170 |
| Total Liabilities | | 184,626,301 | 15,490,146,632 | 72,820,046 | 6,022,217,792 |
| Capital/Shareholders' Equity | | | | | |
| Profit and loss account | | (1,507,667) | (126,493,259) | 111,113 | 9,189,011 |
| Total Liabilities and Shareholders' Equity | | 183,118,634 | 15,363,653,373 | 72,931,158 | 6,031,406,803 |

| Notes | 2018 | | 2017 | |
|-------|------|------|------|------|
| | USD | TAKA | USD | TAKA |

Off Balance Sheet Items

Contingent Liabilities:

9

Acceptance and endorsements
Letter of Guarantee
Irrevocable Letters of Credit
Bills for Collection

| | | | |
|------------------|--------------------|------------------|--------------------|
| 258,420 | 21,681,473 | 681,586 | 56,367,138 |
| - | - | - | - |
| 2,130,991 | 178,790,147 | 4,553,357 | 376,562,641 |
| - | - | - | - |
| 2,389,411 | 200,471,620 | 5,234,943 | 432,929,779 |

Other Contingent Liabilities

Claims lodged with but not recognized by the Bank
Other exchange contract

| | | | |
|---|---|---|---|
| - | - | - | - |
| - | - | - | - |

Total Contingent Liabilities

| | | | |
|------------------|--------------------|------------------|--------------------|
| 2,389,411 | 200,471,620 | 5,234,943 | 432,929,779 |
|------------------|--------------------|------------------|--------------------|

Other Commitments

Documentary Credits and short term trade-related transactions
Forward assets purchased and forward deposits placed
Undrawn note issuance and revolving undertaking facilities
Undrawn formal standby facilities, credit lies and other commitments

| | | | |
|---|---|---|---|
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |

Total other commitments

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

Total off-Balance Sheet items including contingent Liabilities

| | | | |
|------------------|--------------------|------------------|--------------------|
| 2,389,411 | 200,471,620 | 5,234,943 | 432,929,779 |
|------------------|--------------------|------------------|--------------------|

ONE Bank Limited
Off- Shore Banking Unit
Profit & Loss Account
For the year ended 31 December 2018

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

ONE Bank Limited
Off-Shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2018

| | 2018 | | 2017 | |
|--|-------------------|----------------------|---------------------|------------------------|
| | USD | Taka | USD | Taka |
| Cash flows from operating activities | | | | |
| Interest receipts in cash | 8,337,958 | 699,554,654 | 3,775,863 | 312,263,858 |
| Interest payments | (8,518,469) | (714,699,565) | (3,501,947) | (289,611,038) |
| Fee and commission receipts | 62,694 | 5,259,996 | 97,652 | 8,075,825 |
| Legal expenses | (719,151) | (60,336,788) | (240,584) | (19,896,322) |
| Receipts from other operating activities | 125,701 | 10,546,276 | 97,753 | 8,084,186 |
| Operating profit before changes in current assets and liabilities | (711,268) | (59,675,427) | 228,736 | 18,916,509 |
| Increase/(decrease) in operating assets and liabilities | | | | |
| Loans and advances to customers | (81,379,045) | (6,827,701,910) | (8,908,367) | (736,721,991) |
| Other assets | (1,579,826) | (132,547,364) | 76,355 | 6,314,544 |
| Borrowing from other banking companies, agencies etc. | 125,220,500 | 10,505,999,950 | (1,859,233) | (153,758,569) |
| Deposits from banks | (6,793,064) | (569,938,110) | (14,067,657) | (1,163,395,267) |
| Deposits from customers | 13,872 | 1,163,870 | - | - |
| Other liabilities | (7,542,564) | (632,821,103) | 2,208,785 | 182,666,484 |
| | 27,939,873 | 2,344,155,333 | (22,550,119) | (1,864,894,800) |
| A Net cash flows from operating activities | 27,228,604 | 2,284,479,906 | (22,321,382) | (1,845,978,291) |
| Cash flows from investing activities | | | | |
| Payments for purchase of securities | - | - | - | - |
| Receipts from sale of securities | - | - | - | - |
| Net Purchase/sale of fixed assets | - | - | - | - |
| B Net cash used in investing activities | - | - | - | - |
| Cash flows from financial activities | | | | |
| Receipts from issue of ordinary shares | - | - | - | - |
| Dividend paid | - | - | - | - |
| C Net cash used in financing activities | - | - | - | - |
| D Net increase in cash and cash equivalents (A+B+C) | 27,228,604 | 2,284,479,906 | (22,321,382) | (1,845,978,291) |
| Effect of exchange rate changes on cash and cash equivalents | - | - | - | 89,236,444 |
| E Opening cash and cash equivalents | - | - | 22,321,382 | 1,756,741,848 |
| F Closing cash and cash equivalents (D+E) | - | - | - | - |
| Closing cash and cash equivalents | | | | |
| Cash in hand | - | - | - | - |
| Cash with Bangladesh Bank & its agent(s) | - | - | - | - |
| Cash with other banks and financial institutions | 27,228,604 | 2,284,479,906 | - | - |
| Money at call on short notice | - | - | - | - |
| Prize bonds | - | - | - | - |
| | 27,228,604 | 2,284,479,906 | - | - |

ONE Bank Ltd
Off-Shore Banking Unit
Notes to the Financial Statements
For the year ended 31 December 2018

1.1 Status of the units

Off-Shore Banking Unit is a separate business unit of ONE Bank Limited, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-Shore Banking Unit permission vide letter no. BRPD (P-3) 744 (115)/2010-2337 dated 26 May 2010. The Bank commenced the operation of its Off-Shore Banking Unit from 12 December 2010. At Present the Bank has 2 (Two) units one in Dhaka and another in Chittagong.

1.1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

1.2.3 Foreign currency transaction

a) Foreign currencies translation

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS-21 " The Effects of Changes in Foreign Exchange Rates". Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of inter-bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into Taka equivalent.

b) Commitments

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

1.2.4 Cash flow statement

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

1.2.5 Reporting period

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

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

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

1.3.3 Fixed assets and depreciation

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

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

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

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

1.4 Basis for valuation of liabilities and provisions

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

1.5 Revenue recognition

1.5.1 Interest income

Interest income is recognized on accrual basis.

1.5.2 Fees and commission income

Fees and commission income arises on services provided by the units are recognized on a cash receipt basis. Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

1.5.3 Interest paid and other expenses

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

2 General

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

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 83.90 and EURO1=Taka 95.2685 (Mid rate as at 31 December 2018).

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

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

| 2018 | | 2017 | |
|------|------|------|------|
| USD | TAKA | USD | TAKA |

7.1) Deposits from Banks- Local

| | | | | |
|-------------------|-----------|-------------|-----------|-------------|
| BRAC Bank Limited | 1,932,578 | 162,143,252 | 8,725,642 | 721,610,592 |
|-------------------|-----------|-------------|-----------|-------------|

8 Other liabilities

| | | | | |
|---|-------------------|----------------------|-------------------|----------------------|
| Due From Head Office | 8,915,570 | 748,016,354 | 18,075,920 | 1,494,878,622 |
| Accured Interest for deposit | 14,841 | 1,245,193 | 84,110 | 6,955,862 |
| Interest Payable on Borrowings Outside Bd | 1,940,144 | 162,778,054 | 359,518 | 29,732,115 |
| Payable to Head Office (Retained Earnings) | 1,024,786 | 85,979,511 | 796,181 | 65,844,181 |
| Others | - | - | - | - |
| General Provision (Unclassified Loan) | 1,534,952 | 128,782,506 | 721,162 | 59,640,092 |
| General Provision for off balance sheet items | 23,894 | 2,004,716 | 52,349 | 4,329,298 |
| | 13,454,188 | 1,128,806,334 | 20,089,240 | 1,661,380,170 |

9 Contingent liabilities

| | | | | |
|------------------------------|------------------|--------------------|------------------|--------------------|
| Acceptance and Endorsements | 258,420 | 21,681,473 | 681,586 | 56,367,138 |
| Letter of Guarantee | - | - | - | - |
| Irrevocable Letter of Credit | 2,130,991 | 178,790,147 | 4,553,357 | 376,562,641 |
| Bills for Collection | - | - | - | - |
| | 2,389,411 | 200,471,620 | 5,234,943 | 432,929,779 |

10 Interest income

| | | | | |
|---------------------------------------|------------------|--------------------|------------------|--------------------|
| Bills purchased and discounted | 210,078 | 17,625,551 | 246,079 | 20,350,719 |
| Short Term Loan | 3,130,894 | 262,682,016 | 1,541,964 | 127,520,427 |
| Time Loan | 3,743,931 | 314,115,843 | 1,802,968 | 149,105,446 |
| Loan Against Trust Receipt | 20,541 | 1,723,397 | 113,469 | 9,383,852 |
| Overdraft | 73,949 | 6,204,353 | 70,835 | 5,858,038 |
| Others | 1,158,564 | 97,203,494 | 549 | 45,376 |
| Interest on loans and advances | 8,337,958 | 699,554,654 | 3,775,863 | 312,263,858 |
| Interest received from HO | - | - | - | - |
| Total Interest income | 8,337,958 | 699,554,654 | 3,775,863 | 312,263,858 |

11 Interest on deposits, borrowings,

| | | | | |
|---|------------------|--------------------|------------------|--------------------|
| Interest paid to HO | 618,622 | 51,902,359 | 588,375 | 48,658,612 |
| Interest expenses for borrowing | 7,412,226 | 621,885,770 | 2,397,252 | 198,252,775 |
| Interest expenses for other bank- Local | 487,621 | 40,911,435 | 516,320 | 42,699,652 |
| | 8,518,469 | 714,699,565 | 3,501,947 | 289,611,038 |

12 Commission, exchange and brokerage

| | | | | |
|--------------------------|---------------|------------------|---------------|------------------|
| Commission on L/C | 50,562 | 4,242,121 | 96,017 | 7,940,584 |
| Commission on acceptance | 12,132 | 1,017,875 | 1,635 | 135,241 |
| Other commission | - | - | - | - |
| | 62,694 | 5,259,996 | 97,652 | 8,075,825 |

13 Other operating income

| | | | | |
|------------------------|----------------|-------------------|---------------|------------------|
| Fees & Charges of Loan | 125,701 | 10,546,276 | 97,753 | 8,084,186 |
| EXP Issuing Charge | - | - | - | - |
| Postage | - | - | - | - |
| | 125,701 | 10,546,276 | 97,753 | 8,084,186 |

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Reporting on Other Information

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

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

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

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

Management’s Responsibility for the Financial Statement

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

applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

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

Dhaka, 29 April 2019

**Hoda Vasi Chowdhury & Co
Chartered Accountants**

ONE Securities Limited
Statement of Financial Position
As at 31 December 2018

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

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

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

See annexed report of even date

Dhaka, 29 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Securities Limited
Statement of Profit and Loss and other Comprehensive Income
For the year ended 31 December 2018

| | <u>Notes</u> | <u>2018</u> <u>Taka</u> | <u>2017</u> <u>Taka</u> |
|--|--------------|----------------------------|----------------------------|
| Operating income (A) | | | |
| Commission and brokerage income | 15 | 41,765,742 | 71,415,561 |
| Interest income | 16 | 20,730,216 | 36,821,719 |
| Investment income | 17 | 81,721,343 | 457,384,565 |
| Other operating income | 18 | 987,297 | 1,125,894 |
| | | 145,204,598 | 566,747,739 |
| Operating expenses (B) | | | |
| Salary & allowances | 19 | 33,305,908 | 24,220,101 |
| Rent, taxes, insurance, electricity etc | 20 | 2,070,857 | 1,320,346 |
| Auditors' fee | | 35,000 | 25,000 |
| Directors' fees | | 97,750 | 145,250 |
| Professional Fees | | 207,000 | 478,375 |
| Bank charges | | 20,895 | 9,789 |
| Printing & stationary | | 347,473 | 387,510 |
| Repairs and maintenance | | 57,130 | 45,340 |
| Depreciation | | 3,452,606 | 3,084,837 |
| Fees and renewal | 21 | 2,652,677 | 4,170,767 |
| Direct expenses | 22 | 3,480,866 | 5,558,695 |
| Others expenses | 23 | 4,948,246 | 4,255,436 |
| Total | | 50,676,408 | 43,701,447 |
| Net profit before provision and tax (A-B) | | 94,528,191 | 523,046,292 |
| Provision for diminution in value of share | 12.1 | 59,428,753 | (350,756,540) |
| Provision for income tax | 12.2 | 18,514,511 | 76,172,419 |
| Net profit/(Loss) after provision | | 16,584,927 | 797,630,413 |
| Retained surplus brought forward | | 107,238,828 | (340,391,585) |
| | | 123,823,755 | 457,238,828 |
| Interim Dividend | | - | 350,000,000 |
| Retained surplus carried forward | | 123,823,755 | 107,238,828 |
| Earnings per Share (EPS) | | 0.07 | 3.19 |

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

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

See annexed report of even date

Dhaka, 29 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Securities Limited
Statement of Cash Flows
For the year ended 31 December 2018

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

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

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

Dhaka, 29 April 2019

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

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

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

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

Dhaka, 29 April 2019

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

1 Status of the Company

1.1 Legal Form of the Company

ONE Securities Limited (OSL) is a subsidiary of ONE Bank Limited. OSL was incorporated on May 04, 2011 under the Companies Act (Act XVIII), of 1994 as a Private Limited Company. Subsequently, it was converted into Public Limited Company on December 24, 2014 after completion of due formalities with Registrar of Joint Stock Companies and Firms (RJSC). The Registered Office of the Company is situated at 45, Dilkusha C.A (4th Floor), Dhaka-1000.

1.2 Nature of Business Activities:

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

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of presentation of financial statements

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

2.2 Basis of measurement

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

2.3 Regulatory compliance

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

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

2.4 Use of estimates and judgments

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

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

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

2.5 Going concern

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

2.6 Statement of Cash flows

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

2.7 Fixed assets and depreciation

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

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

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

c) Software acquired by the company is stated at cost less accumulated amortisation. Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in specific assets to which it relates. Amortisation is recognized in profit and loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life of software is five years. Useful life, residual value and impairment of status are reviewed at each financial year end and adjusted if applicable.

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

2.8 Investment in securities

Investment in marketable and non-marketable ordinary shares has been shown at cost. Provision for diminution in value of shares (Quoted) as on closing of the year on an aggregate portfolio basis has been made in the account.

2.9 Cash and cash equivalents

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

2.10 Provision for taxation

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

2.11 Interest paid and other expenses

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

2.12 Dividend income

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

2.13 Share capital

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

2.14 Reporting period

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

2.15 Reporting Currency

The amount shown in this financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

2.16 Directors' responsibility on Financial Statements

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

2.17 Events after reporting period

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

2.18 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December, 2018 as per IAS-33 " Earnings Per Share".

2.19 General

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

ONE Securities Limited
Notes to the Financial Statements

| | <u>2018</u> | <u>2017</u> |
|--|-------------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 3 Share Capital | | |
| 3.1 Authorized capital | | |
| 40,00,00,000 Ordinary Shares of Taka 10/- each. | <u>4,000,000,000</u> | <u>4,000,000,000</u> |
| 3.2 Issued, Subscribed and Paid-up Capital | | |
| 25,00,00,000 ordinary shares of Taka 10/- each fully paid. | <u>2,500,000,000</u> | <u>2,500,000,000</u> |
| 3.3 Shareholding position of the company | | |
| <u>Name of Shareholders</u> | <u>Number of Shares</u> | <u>Amount in Taka</u> |
| ONE Bank Limited | 247,499,917 | 2,474,999,170 |
| NTC Housing Limited | 2,499,987 | 24,999,870 |
| Mr. Zahur Ullah | 12 | 120 |
| Mr. Asoke Das Gupta | 12 | 120 |
| Mrs. Farzana Chowdhury | 12 | 120 |
| KHH Holdings Limited | 12 | 120 |
| M R Holdings & Securities Limited | 12 | 120 |
| Irfan International Limited | 12 | 120 |
| KSC Securities Limited | 12 | 120 |
| Master Holdings Limited | 12 | 120 |
| | <u>250,000,000</u> | <u>2,500,000,000</u> |

4 Investment in DSE and CSE Shares

| | | |
|---------------|--------------------|--------------------|
| Shares in DSE | 282,320,683 | 320,200,000 |
| Shares in CSE | 280,000,000 | 280,000,000 |
| | <u>562,320,683</u> | <u>600,200,000</u> |

This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission's (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the ownership as a TREC Holder of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for transaction the shares of DSE and CSE, the amount of investment has been presented at cost. During the year 2018, ONE Securities Limited sold 25% of total DSE share (i.e; 72,15,106*25% = 18,03,777) to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) as per Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). Since the major part of the cost of investment designated to the TREC right and the active market price of such TREC right can not be determined; no capital gain or loss has been calculated for the transaction.

5 Investment in Share

1,842,469,704 1,782,018,137

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

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

| | 2018 | 2017 |
|--|-------------------|-------------------|
| | Taka | Taka |
| 6 Fixed Assets including premises, furniture & fixtures | | |
| Furniture & fixtures | 21,216,011 | 21,081,161 |
| Office equipment | 10,578,781 | 10,288,133 |
| | 31,794,792 | 31,369,294 |
| Intangible Assets | 1,710,000 | 1,710,000 |
| | 33,504,792 | 33,079,294 |
| Less: Accumulated depreciation | 10,972,618 | 7,520,013 |
| Closing balance | 22,532,174 | 25,559,281 |

(For details please refer to Annexure-A)

7 Advance deposit and prepayment

Amount paid to Chittagong Stock Exchange as deposit for clearing house.
Security Deposit to CDBL for depository participant
Advance payment for Rent
Prepaid insurance premium

| | |
|----------------|----------------|
| 50,000 | 50,000 |
| 200,000 | 200,000 |
| 480,000 | 624,000 |
| 154,305 | 122,181 |
| 884,305 | 996,181 |

8 Advance income tax

Opening balance
Addition during the period (note-8.1)
Closing balance

| | |
|--------------------|-------------------|
| 63,694,727 | 35,194,841 |
| 43,932,638 | 28,499,887 |
| 107,627,366 | 63,694,727 |

8.1 Addition during the year

Advance tax paid with Appeal to Appellate Tribunal
Advance tax paid for the Assesment Year 2018-2019
Advance tax on FDR interest
Advance income tax deducted on Dividend
Advance income tax deducted by DSE on transaction
Advance income tax deducted by DSE on transaction for Dealer
Advance income tax deducted by CSE on transaction for Dealer
Advance income tax deducted by CSE on transaction
Advance income tax deducted by Bank on Deposit
Advance income tax deducted by Bank on Deposit Dealer

| | |
|-------------------|-------------------|
| 332,813 | - |
| 24,690,928 | - |
| 191,980 | - |
| 11,286,191 | 14,904,668 |
| 6,199,577 | 7,005,036 |
| 190,720 | 2,918,733 |
| 18,648 | 381,391 |
| 103,166 | 260,174 |
| 837,714 | 773,626 |
| 80,901 | 2,256,258 |
| 43,932,638 | 28,499,887 |

The Company has few years of income tax assessments pending at various stages of assessment/appeal. The Company believes that once all these tax assessments are finalised it would be able to recover/realise all advance income tax in full.

9 Margin Loan to clients

49,679,307 **47,935,589**

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

10 Accounts Receivable and others

Receivable from DSE-Investor
Receivable from DSE-Dealer
Receivable from CSE-Dealer
Share receivable from IPO
Interest receivable
Dividend receivable

| | |
|-------------------|-------------------|
| 8,795,136 | 31,207,861 |
| - | 167,982 |
| - | 10,997,926 |
| 3,529,965 | - |
| 1,563,230 | - |
| 2,143,665 | - |
| 16,031,996 | 42,373,769 |

| | 2018 | 2017 |
|---|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 11 Cash and Cash Equivalent | | |
| Cash in Hand | 2,541 | 10,188 |
| ONE Bank Limited, Kawran Bazar Branch (SND)-Revenue A/C | 19,065,529 | 59,727,512 |
| ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C | 90,248,801 | 106,483,146 |
| ONE Bank Limited, Principal Branch (IPO Account) | 116,285 | 84,871 |
| ONE Bank Limited, Kawran Bazar Branch (SND) A/C | - | 975 |
| ONE Bank Limited, Principal Branch (SND)- Dealer | 6,757,562 | 365,391,104 |
| | <u>116,190,719</u> | <u>531,697,797</u> |
| 12 Other liabilities | | |
| Provision for diminution in value of investment in shares (note-12.1) | 59,428,753 | - |
| Provision for Income Tax (note-12.2) | 98,019,855 | 79,505,343 |
| | <u>157,448,607</u> | <u>79,505,343</u> |
| 12.1 Provision for diminution in value of investment in shares | | |
| Opening balance | - | 350,756,540 |
| Provision for the year | 59,428,753 | (350,756,540) |
| Closing balance | <u>59,428,753</u> | <u>-</u> |
| As per BSEC circular reference # BSEC/MUKHOPATRO(Third part)/2011/60 dated December 19, 2018, the provision for diminution in value of share can be deferred upto December 2020. Accordingly, the amount of required provision Tk. 534,858,773 has been spread between nine quarters including December 2018 quarter. | | |
| 12.2 Provision for Income Tax | | |
| Opening balance | 79,505,343 | 3,332,924 |
| Provision for the year | 18,514,511 | 76,172,419 |
| Closing balance | <u>98,019,855</u> | <u>79,505,343</u> |
| As per the Income Tax Ordinance 1984, provision for income tax has been made by applying applicable rate | | |
| 13 Audit Fee | | |
| Opening balance | 25,000 | 25,000 |
| Charge during the year | 35,000 | 25,000 |
| Paid during the year | 25,000 | 25,000 |
| Closing balance | <u>35,000</u> | <u>25,000</u> |
| 14 Other Payable | | |
| Leave fare assistance | 718,882 | 567,752 |
| Accrued performance bonus | 4,000,000 | 2,500,000 |
| VAT on audit fees | 3,750 | 3,750 |
| Tax payable on interim cash dividend | - | 69,999,995 |
| Payable to clients | 40,739,869 | 53,766,422 |
| Payable to ONE Bank Limited | 32,097 | - |
| Payable to service outsourcing | 219,233 | 267,870 |
| Payable to Dhaka Stock Exchanges-Investor | 11,849,605 | 100,199 |
| Payable to Chittagong Stock Exchanges-Dealer | - | 7,573 |
| Payable to Chittagong Stock Exchanges-Investor | 176,767 | 191,238 |
| Payable to CDBL | 31,880 | 16,376 |
| Payable to elite security services Ltd. | 48,300 | 72,450 |
| Payable to leadsoft bangladesh Ltd. | - | 160,930 |
| Payable for professional fees | 51,750 | 51,750 |
| Accrued other expense | 272,495 | - |
| Interim cash dividend payable | 82 | 280,000,005 |
| | <u>58,144,710</u> | <u>407,706,311</u> |

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

| | 2018 | 2017 |
|--|-------------------------|-------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 23 Others expenses | | |
| Messenger Service | 513,606 | 396,669 |
| Security guard expenses | 880,794 | 667,428 |
| Entertainment | 892,493 | 637,377 |
| Conveyance | 375,631 | 191,602 |
| Training Expenses | 15,000 | 33,750 |
| Legal Expenses | 3,000 | 3,000 |
| Postage, Stamp & Telecommunication | 1,091,770 | 909,196 |
| Sundry Expenses | 212,196 | 176,956 |
| VAT on Audit fee | 3,750 | 3,750 |
| Cleaning Service | 445,503 | 348,319 |
| Executive furniture allowance | 39,995 | - |
| Investor protection fund | 11,109 | - |
| Board meeting expenses | - | 38,732 |
| Donation & Subscription-Others | 108,500 | 301,000 |
| Back office software maintenance charges | 161,700 | 160,930 |
| Bank guarantee charges | 193,200 | 386,728 |
| | <u>4,948,246</u> | <u>4,255,436</u> |

Aminul Islam
Chief Executive Officer

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Asoke Das Gupta
Director

Annexure-A

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

[Referred to Note 6 of these Financial Statements]

| Particulars | Cost (Taka) | | | | Depreciation (Taka) | | | | Net book value at 31 December | Rate of depreciation per annum (Reducing %) |
|------------------------|----------------------|---------------------------|--------------------------|------------------------|----------------------|---------------------|--------------------------------------|------------------------|-------------------------------|---|
| | Balance on 1 January | Additions during the year | Disposal during the year | Balance at 31 December | Balance on 1 January | Charge for the year | Adjusted on disposal during the year | Balance at 31 December | | |
| Furniture and Fixtures | 21,081,161 | 134,850 | - | 21,216,011 | 2,684,791 | 1,845,254 | - | 4,530,044 | 16,685,967 | 10 |
| Office Equipment | 10,288,133 | 290,648 | - | 10,578,781 | 3,556,722 | 1,247,853 | - | 4,804,575 | 5,774,206 | 18 |
| Sub-Total | 31,369,294 | 425,498 | - | 31,794,792 | 6,241,513 | 3,093,107 | - | 9,334,619 | 22,460,173 | |
| Intangibles Assets | 1,710,000 | - | - | 1,710,000 | 1,278,500 | 359,499 | - | 1,637,999 | 72,001 | 20 |
| Total 2018 | 33,079,294 | 425,498 | - | 33,504,792 | 7,520,013 | 3,452,606 | - | 10,972,618 | 22,532,174 | |
| Total 2017 | 18,049,770 | 15,029,524 | - | 33,079,294 | 4,435,175 | 3,084,837 | - | 7,520,012 | 25,559,282 | |

**Independent Auditor’s Report to the Shareholders of
ONE Investments Limited**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Reporting on Other Information

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

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

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

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

Management’s Responsibility for the Financial Statement

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

applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

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

Dhaka, 29 April 2019

**Hoda Vasi Chowdhury & Co
Chartered Accountants**

ONE Investments Limited
Statement of Financial Position
As at 31 December 2018

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

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

Md. Golam Rabbani
Company Secretary

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

See annexed report of even date

Dhaka, 29 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Investments Limited
Statement of Profit and Loss and other Comprehensive Income
For the period from 26 April 2018 to 31 December 2018

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

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

Md. Golam Rabbani
Company Secretary

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

See annexed report of even date

Dhaka, 29 April 2019

Hoda Vasi Chowdhury & Co
Chartered Accountants

ONE Investments Limited
Statement of Cash Flows
For the period from 26 April 2018 to 31 December 2018

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

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

Md. Golam Rabbani
Company Secretary

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

Dhaka, 29 April 2019

ONE Investments Limited
Statement of Changes in Equity
For the period from 26 April 2018 to 31 December 2018

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

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

Md. Golam Rabbani
Company Secretary

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman

Dhaka, 29 April 2019

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

1 Status of the Company

1.1 Legal Form of the Company

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

1.2 Nature of Business Activities:

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

2 Significant Accounting Policies and basis of preparation of Financial Statements

2.1 Basis of presentation of financial statements

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

2.2 Statement of Cash flows

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

2.3 Fixed assets and depreciation

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

b) Depreciation is charged for the year at the following rates on reducing balance method on all fixed assets.

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

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

2.4 Cash and cash equivalents

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

2.5 Provision for taxation

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

2.6 Interest paid and other expenses

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

2.7 Share capital

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

2.8 Reporting period

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

2.9 Reporting Currency

The amount shown in this financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

2.10 Directors' responsibility on Financial Statements

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

2.11 Events after reporting period

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

2.12 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on December, 2018 as per IAS-33 " Earnings Per Share".

2.13 General

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

ONE Investments Limited
Notes to the Financial Statements

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

Md. Golam Rabbani
Company Secretary

A.S.M. Salahuddin
Director

Syed Nurul Amin
Director

Zahur Ullah
Chairman