

# **ONE Bank Limited**

Independent auditor's report along with  
audited financial statements for the year  
ended 31 December 2019

**Independent Auditor's Report**  
**To the Shareholders of ONE Bank Limited**  
**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of ONE Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of ONE Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2019 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 2.

**Basis for Opinion**

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

**Emphasis of Matter**

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

**Key Audit Matters**

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





Description of key audit matters	Our response to key audit matters
<b>1. Measurement of provision for loans, advances and leases</b>	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Group reported total gross loans and advances of BDT 215,315.53 million (2018: BDT 198,958.43 million) and provision for loans and advances of BDT 9,313.83 million (2018: BDT 7,582.14 million). On the other hand, the Bank reported loans and advances of BDT 215,227.83 million (2018: BDT 198,908.75 million).</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD circulars;</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;</li> </ul> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators; and</li> <li>• Reviewing the quarterly Classification of Loans (CL).</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the Bank's general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>
See note # 7 and 12 to the separate financial statements	





<b>2. Valuation of treasury bill and treasury bond</b>	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note # 6 to the financial statements	
<b>3. Measurement of deferred tax assets and liabilities</b>	
<p>The Bank reports deferred tax assets and liabilities to totaling BDT 69.44 million and BDT 75.84 million respectively as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred tax assets and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the recognition and measurement of Deferred Tax Assets &amp; liabilities and the assumptions used in estimating the Group's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of Deferred Tax Assets and liabilities.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
See note # 9 to the financial statements	
<b>4. Valuation of defined benefits and pension obligation</b>	
<p>The Group has a defined benefit scheme for its employees which in total are significant in the context of the overall balance sheet. The valuations of the retirement benefit liabilities are calculated with reference to the policy mentioned in note # 2.22(b) to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls over the completeness and accuracy of data extracted and supplied to us, which is used to calculate the pension liability.</p> <p>We tested the employee data used in</p>





	calculating obligation.  We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.
See note # 2.22(b) to the financial statements	
<b>5. Impairment assessment of unquoted investments</b>	
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 Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value. Finally, we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 6 to the financial statements	
<b>6. IT systems and controls</b>	
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.  Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are keys to ensuring IT dependent and application based controls are operating effectively.	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. We tested the Bank's periodic review of access rights. We inspected 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.  Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.
<b>7. Legal and regulatory matters</b>	
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	We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.





<p>matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
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**Other information**

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

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note # 2, and for such internal control as management determines is





necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 as amended and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

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

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

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





of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

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

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







**ACNABIN**

Chartered Accountants

- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely ONE Securities Limited and ONE Investments Limited audited by us reflect total assets of BDT 2,869.03 million and results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the content of note # 7.14, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 5,120 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka

**25 JUN 2020**

**Muhammad Aminul Hoque, FCA**

**Partner**

**ACNABIN**

Chartered Accountants

**ONE Bank Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
 As at 31 December 2019


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



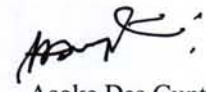
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		40,289,241,267	43,940,917,808
Letters of Guarantee	42	15,222,187,802	14,270,610,865
Irrevocable Letters of Credit		16,250,293,466	20,705,413,735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

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

  
 M. Fakrul Alam  
 Managing Director

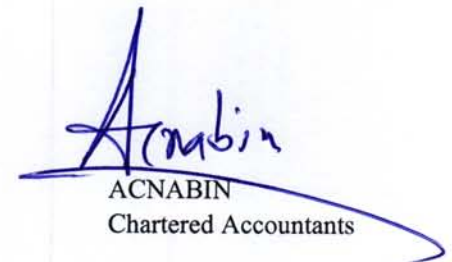
  
 Salahuddin Ahmed  
 Director

  
 Zahur Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020

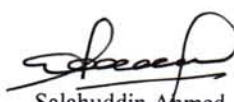
  
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**ONE Bank Limited and its Subsidiaries**  
**Consolidated Profit & Loss Account**  
**For the year ended 31 December 2019**

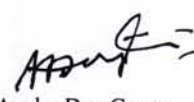
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
Interest income	16 (a)	23,367,971,208	21,036,597,150
Interest paid on deposits and borrowings etc.	17 (a)	(17,939,994,698)	(14,720,670,824)
<b>Net interest income</b>		<b>5,427,976,509</b>	<b>6,315,926,326</b>
Investment income	18 (a)	1,919,705,066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

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

  
 M. Fakhru Alam  
 Managing Director


  
 Salahuddin Ahmed  
 Director

  
 Zahur Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


  
 ACNABIN  
 Chartered Accountants

**ONE Bank Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2019**


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

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

  
 M. Fakhru Alam  
 Managing Director

  
 Salahuddin Ahmed  
 Director

  
 Zahur Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

Dhaka, 25 June 2020





**ONE Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Amount in Taka


Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total	Non-Controlling Interest	Total
<b>Balance as at 01 January 2019</b>	7,665,336,840	5,572,188,014	8,262,217	1,268,580,761	14,514,367,831	31,116,771	14,545,484,603
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	7,665,336,840	5,572,188,014	8,262,217	1,268,580,761	14,514,367,831	31,116,771	14,545,484,603
Issue of Bonus Share for the year 2018 (Transferred to Paid-up Capital)	766,533,680	-	-	(766,533,680)	-	-	-
Surplus of Revaluation of Reserve for HTM Securities	-	-	9,087,403	-	9,087,403	-	9,087,403
Adjustment of Revaluation of Reserve for HTM Securities	-	-	(8,262,217)	-	(8,262,217)	-	(8,262,217)
Net Profit after Tax for the year	-	-	-	1,609,985,594	1,609,985,594	(340,112)	1,609,645,482
Profit transferred to Statutory Reserve	-	510,260,561	-	(510,260,561)	-	-	-
<b>Balance as at 31 December 2019</b>	<b>8,431,870,520</b>	<b>6,082,448,575</b>	<b>9,087,403</b>	<b>1,601,772,114</b>	<b>16,125,178,612</b>	<b>30,776,659</b>	<b>16,155,955,271</b>
<b>Balance as at 31 December 2018</b>	<b>7,665,336,840</b>	<b>5,572,188,014</b>	<b>8,262,217</b>	<b>1,268,580,761</b>	<b>14,514,367,831</b>	<b>31,116,771</b>	<b>14,545,484,603</b>

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

  
M. Fakhru Alam  
Managing Director

  
Salahuddin Ahmed  
Director

  
Zahur Ullah  
Director

  
Asoke Das Gupta  
Vice- Chairman

Dhaka, 25 June 2020



**ONE Bank Limited**  
**Balance Sheet**  
 As at 31 December 2019


	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>		
Cash in hand ( including foreign currencies)		2,201,357,899	1,781,095,134
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		22,174,633,442	17,057,292,079
		<b>24,375,991,341</b>	<b>18,838,387,213</b>
<b>Balance with other Banks and Financial Institutions</b>	<b>4</b>		
In Bangladesh		2,475,700,385	2,694,400,531
Outside Bangladesh		6,293,989,730	3,308,320,833
		<b>8,769,690,115</b>	<b>6,002,721,364</b>
<b>Money at call on short notice</b>	<b>5</b>	<b>250,000,000</b>	-
<b>Investments</b>	<b>6</b>		
Government		28,490,617,393	23,026,367,806
Others		5,237,482,542	5,697,482,542
		<b>33,728,099,936</b>	<b>28,723,850,348</b>
<b>Loans and Advances</b>	<b>7</b>		
Loans, cash credit, overdraft etc.		212,520,259,997	196,082,780,386
Bills purchased and discounted		2,707,565,191	2,825,968,833
		<b>215,227,825,188</b>	<b>198,908,749,219</b>
<b>Fixed Assets including premises, furnitures &amp; fixtures</b>	<b>8</b>	<b>2,618,021,757</b>	<b>2,010,261,164</b>
<b>Other Assets</b>	<b>9</b>	<b>12,904,331,499</b>	<b>11,565,745,624</b>
<b>Non-banking Assets</b>		-	-
<b>Total Assets</b>		<b>297,873,959,835</b>	<b>266,049,714,933</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other Banks, Financial Institutions and agent	<b>10</b>	<b>29,274,274,579</b>	<b>29,902,343,604</b>
<b>Deposits and other accounts</b>	<b>11</b>		
Current accounts and other accounts		18,882,421,515	20,953,204,202
Bills payable		2,371,930,725	1,570,585,187
Savings bank deposits		21,377,433,366	17,869,437,115
Term deposits		185,459,242,458	162,153,241,801
		<b>228,091,028,064</b>	<b>202,546,468,305</b>
<b>Other Liabilities</b>	<b>12</b>	<b>24,456,179,407</b>	<b>19,209,097,444</b>
<b>Total Liabilities</b>		<b>281,821,482,050</b>	<b>251,657,909,353</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	<b>13</b>	8,431,870,520	7,665,336,840
Statutory Reserve	<b>14</b>	6,082,448,575	5,572,188,014
Surplus in profit & loss account	<b>15</b>	1,529,071,286	1,146,018,509
Revaluation reserve for securities		9,087,403	8,262,217
<b>Total Shareholders' Equity</b>		<b>16,052,477,785</b>	<b>14,391,805,580</b>
<b>Total Liability and Shareholders' Equity</b>		<b>297,873,959,835</b>	<b>266,049,714,933</b>



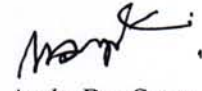
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>OFF BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		40,289,241,267	43,940,917,808
Letters of Guarantee	42	15,222,187,802	14,270,610,865
Irrevocable Letters of Credit		16,250,293,466	20,705,413,735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

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

  
 M. Fakhru Alam  
 Managing Director

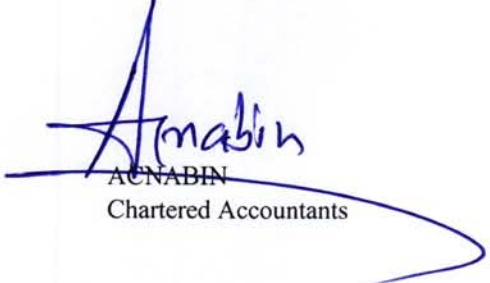
  
 Salahuddin Ahmed  
 Director

  
 Zahur Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


  
 ACNABIN  
 Chartered Accountants




**ONE Bank Limited**  
**Profit & Loss Account**  
 For the year ended 31 December 2019


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

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

  
 M. Fakhul Alam  
 Managing Director

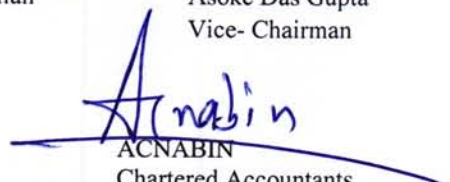
  
 Salahuddin Ahmed  
 Director

  
 Zafar Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

See annexed report of even date.

Dhaka, 25 June 2020


  
 ACNABIN  
 Chartered Accountants

**ONE Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2019**

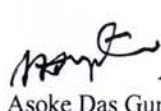
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>Cash flows from operating activities</b>			
Interest receipts in cash	34	22,667,882,649	21,452,701,643
Interest payments	35	(17,520,609,882)	(13,503,802,066)
Dividend receipts		39,672,879	371,536,976
Fee and commission receipts in cash	36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

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

  
 M. Fakhru Alam  
 Managing Director

  
 Salahuddin Ahmed  
 Director

  
 Zahur Ullah  
 Director

  
 Asoke Das Gupta  
 Vice- Chairman

Dhaka, 25 June 2020




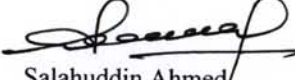
**ONE Bank Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

Amount in Taka

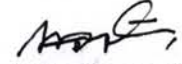
Particulars	Paid-up Capital	Statutory Reserve	Revaluation Reserve for Securities	Profit & Loss Account	Total Shareholders' Equity
<b>Balance as at 01 January 2019</b>	7,665,336,840	5,572,188,014	8,262,217	1,146,018,509	14,391,805,580
Changes in accounting policy	-	-	-	-	-
<b>Restated balance</b>	7,665,336,840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

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

  
M. Fakhrul Alam  
Managing Director

  
Salahuddin Ahmed  
Director

  
Zahur Ullah  
Director

  
Asoke Das Gupta  
Vice- Chairman

Dhaka, 25 June 2020



**ONE Bank Limited**  
**Liquidity Statement**  
**(Assets & Liabilities Maturity Analysis)**  
**As at 31 December 2019**

Amount in Taka

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

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

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

M. Eakrur Alam  
Managing Director

Salahuddin Ahmed  
Director

Zahur Ullah  
Director

Asoke Das Gupta  
Vice- Chairman

Dhaka, 25 June 2020



**ONE Bank Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 31 December 2019**

## **1. The Bank and its activities**

### **1.1 Status of the Bank**

ONE Bank Limited (the “Bank”) is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 June 1999 under section 31 of the Bank Company Act 1991 (as amended in 2013). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The number of branches, sub-branches and collection booth of the Bank was one hundred three (103), Fifteen (15) and Twelve (12) respectively as on 31 December 2019.

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

### **1.2 Off-Shore Banking Unit**

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

### **1.3 ONE Securities Limited (Subsidiary of the Bank)**

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

### **1.4 ONE Investments Limited (Subsidiary of the Bank)**

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



### 1.5 International Banking

International Banking activities of the Bank are being facilitated by the International Division with 17 ADs and 02 Central Trade Processing Centers in Dhaka and Chattogram. The network of foreign correspondents is expanding over the years for ensuring smooth cross border trade and remittance inflow. Major relationship includes tie up with Standard Chartered Bank, Wells Fargo Bank, Commerz Bank etc. Moreover, drawing arrangement with Xpress Money, Placid NK Corporation, Continental Exchange Solution, Transfast Remittance LLC are facilitating routing of Foreign Remittance through our Bank. In addition to facilitating cross border trade, foreign currency trade loan and other trade facilities are being regularly arranged from the foreign correspondents. As on 31 December 2019 our total no. of foreign correspondents and nostro accounts stand as 426 and 27 (including 03 OBU accounts) respectively.

### 1.6 Treasury Functions

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

The focus of Treasury Division is to be active in a broad-based money market, Government securities and foreign exchange markets. There was a significant contribution in the volumes and profits from foreign exchange transactions in 2019.

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

### 1.7 Information Technology

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 21 (Twenty-one) years of journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from introduction of world-class Core Banking Solution (CBS), the Bank has introduced various services like Internet Banking Service, Mobile Financial Service, Visa Credit & Debit Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps, Wallet and various web-based online payment systems etc. ONE Bank systems are also connected with Bangladesh Bank's NPSB (National Payment Switch of Bangladesh), Automated Cheque Clearing System-BACH-II (Bangladesh Automated Clearing House), RTGS (Real Time Gross Settlement) System, BEFTN (Bangladesh Electronic Fund Transfer Network) System etc. to provide efficient banking service to customers. The Bank has introduced sanction screening systems to ensure AML & CFT compliance and ensure prevention of money laundering through banking transactions.

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

## 1.8 Strategic Direction and Challenges

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

## 1.9 Staff Training

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

## 1.10 Resource Efficiency

Deposits and Shareholders' Equity represented the two biggest sources of funds. As at 31 December 2019, the amount of deposit was 76.57% of total liability and shareholders' equity & the amount of shareholders' equity was 5.39% of total liability and shareholders' equity. The Bank tries to procure deposits from low cost sources and prudently invest the fund for raising the profitability of the Bank.

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

## 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 2019 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

### 2.2 Presentation of Financial Statement

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

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

### 2.3 Statement of Compliance

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

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

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

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



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

### 2.3.2 Revaluation gains/losses on Government Securities

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

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

### 2.3.3 Provision on Loans and Advances / Investments

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

**Bangladesh Bank:** As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No 05 dated 29 May 2013 and BRPD circular No. 8 dated 02 August 2015, a general provision at 0.25% to 5% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures (except contain in BRPD Circular letter No. 01 dated 03 January 2018 and BRPD Circular No. 07 dated June 21, 2018) as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012. These provisions are not specifically in line with those prescribed by IFRS 9.

### 2.3.4 Recognition of Interest in Suspense

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





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

### 2.3.5 Other Comprehensive Income

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

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

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

### iii. Commitment

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

## 2.7 Significant accounting policies

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

### Accounting policies of subsidiaries

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

### 2.7.1 Basis of consolidation

The consolidated financial statements include the financial statements of ONE Bank Limited and those of its two subsidiaries (ONE Securities Limited and ONE Investments Limited) prepared as at and for the year ended 31 December 2019. The consolidated financial statements have been prepared in accordance with IFRS 10 'Consolidated Financial Statements'.

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

### 2.7.2 Transactions eliminated on consolidation

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



## 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

- Loans and Advances are stated at gross amount and before off setting specific and general provisions against them.
- 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
<b>General provisions for unclassified loans and advances:</b>		
All unclassified loans (Other than loans under small and medium enterprise and consumer financing, special mention account and staff loans)	1%	1%
Staff loan	0%	0%
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%
<b>Specific provision for classified loans and advances:</b>		
Substandard	20%	20%
Doubtful	50%	50%
Bad/Loss	100%	100%
<b>Provision for classified loan to short-term agricultural and Micro-Credit:</b>		
Substandard	5%	5%
Doubtful	5%	5%
Bad/Loss	100%	100%

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

### 2.8.3 Investments

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

#### The valuation method of investments

- a) **Held to Maturity (HTM):** Investments which are intended to be held till its maturity are classified as "Held to Maturity". These are measured at amortized cost at every year end by taking into account any discount or premium on acquisition. Amortized amount of such premium is booked into profit and loss statement or discount is booked to equity until maturity.
- b) **Held for Trading (HFT):** Investments classified in this category are acquired principally for the purpose of selling or repurchasing -in short-trading or if designated as such by the management. After initial recognition, investments are subsequently measured at fair value on weekly basis as per Bangladesh Bank Guideline and revaluation gain is shown in revaluation reserve account through profit and loss account and revaluation loss shown in the profit & loss Account. The gains/ (Loss) arising on maturity or sale are shown in profit or loss Account.

Value of investments has been enumerated as follows:

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



- c) **Investment in Quoted Securities:** These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline.
- d) **Investment in Unquoted Securities:** Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.
- e) **Investments in Subsidiary:** Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's Financial Statements in accordance with the International Accounting Standard 27 and IFRS 10. Accordingly, investments in subsidiaries are stated in the Bank's balance sheet at cost, less impairment losses if any.

#### 2.8.4 Non Current Assets

##### a) Property, Plant and Equipment

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

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

##### Depreciation

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

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

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

##### b) Intangible Assets

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

##### c) Software

Software acquired by the bank is stated at cost less accumulated amortization. Subsequent expenditure on software is capitalized only when it increases future economic benefits embodied in specific assets to which it relates. Amortization is recognized in profit and loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful

life of software is five years. Useful life, residual value and impairment of status are reviewed at each financial year end and adjusted if applicable.

#### d) Leasehold Assets

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

#### 2.8.5 Other Assets

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

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

#### 2.8.6 Liabilities and Provisions

##### a) Borrowings from Other Banks, Financial Institutions and Agents

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

##### b) Subordinated Bond:

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

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

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

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

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

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

**c) Deposits and Other Accounts**

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

**d) Other Liabilities**

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

**e) Provision for Liabilities**

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

**f) Provision for Loans and Advances:**

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular NO. 15 dated 27 September 2017 and BRPD Circular No. 01 dated 20 February 2018

Details are stated in Note 7.14 of these financial statements.





**g) Provision against investment in Capital Market**

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

**h) Provision for off-balance sheet exposures**

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

**i) Provision for other assets**

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

**j) Provision for nostro accounts**

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

**k) Provision for liabilities and accrued expenses**

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

**l) Taxation**

**l).1 Current Tax**

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

**l).2 Deferred Tax**

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



## 2.8.7 Capital and Shareholders' Equity

### Capital Management

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

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

#### a) Authorized and issued capital

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

#### b) Paid up Share Capital

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

#### c) Share premium

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

#### d) Statutory Reserve

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

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

When the value of a government treasury security categorized as HTM increases as a result of amortization, the amount thus increased is recognized directly to equity as 'reserve for amortization'. However, any increase in the value of such securities categorized as HFT as a result of 'mark to market' is booked under 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 2019 as per IAS- 33 "Earnings per Share". Diluted earnings per share was not required to calculate as there is no dilution possibilities occurred during the year.

## 2.15 Reconciliation of Books of Account

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

## 2.16 Authorization of Financial Statements

The financial statements for the year ended 31 December 2019 have been authorized for issue in accordance with a resolution of the Board of Directors on 25 June 2020.

## 2.17 Materiality and Aggregation

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

## 2.18 Offsetting

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

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

## 2.19 Operating Segments

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

## 2.20 Reporting Period

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

## 2.21. Number of Employees

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

## 2.22. Employee Benefits

### a) Provident Fund (Defined Contribution Plan)

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





**b) Gratuity Fund (Defined Benefit Plan)**

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

**c) Benevolent Fund**

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

**d) Death cum Survival Superannuation Fund**

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

**e) Maternity Allowance**

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

**f) Annual Leave Fare Assistance**

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

**g) Staff Loan at Bank Rate**

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

**h) Staff House Building Loan**

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



**i) Staff Car Purchase Finance Scheme**

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

**j) Honorarium for Banking Diploma Part I & Part II**

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

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

**k) Festival Bonus**

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

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

**l) Incentive Bonus**

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

**m) Un-availed Earned Leave Encashment**

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

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

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

**o) Furniture & Fixture Facility Scheme:**

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



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

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

Name of the Standards	IFRS/ IAS	Status of compliance
First time adoption of International Financial Reporting Standards	IFRS 1	N/A
Share Based Payment	IFRS 2	N/A
Business Combinations	IFRS 3	N/A
Insurance Contracts	IFRS 4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS 6	N/A
Financial Instruments: Disclosures	IFRS 7	Applied with some departures
Operating Segments	IFRS 8	Applied
Financial Instruments: Recognition and Measurement	IFRS 9	Applied with some departures
Consolidated Financial Statements	IFRS 10	Applied
Joint arrangements	IFRS 11	N/A
Disclosure of interest in other entities	IFRS 12	Applied
Fair value measurement	IFRS 13	Applied
Regulatory Deferral Accounts	IFRS 14	N/A
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Partially Applied
Presentation of Financial Statements	IAS 1	Applied with some departures
Inventories	IAS 2	N/A
Statement of Cash Flows	IAS 7	Applied with some departures
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant and Equipment	IAS 16	Applied
Leases	IAS 17	Replaced by IFRS 16

Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Applied
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	N/A**
Separate Financial Statements	IAS 27	Applied
Investments in Associates	IAS 28	N/A
Financial Instruments: Presentation	IAS 32	Applied
Earnings per share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied ***
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Applied
Financial instruments: Recognition and Measurement	IAS 39	Applied
Investment Property	IAS 40	N/A
Agriculture	IAS 41	N/A

**\*N/A=Not Applicable**

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

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

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



## 2.24: IFRS 16: Leases

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

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

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

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

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

## 2.25 BASEL III Implementation

Under the guideline of 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 @ 12.80% against the statutory requirement of 12.50% as at December 31, 2019.

## 2.26 Risk Management

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

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





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

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

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

### 2.26.1 Credit Risk Management

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

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

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

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



### 2.26.2 Foreign Exchange Risk Management

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

### 2.26.3 Asset Liability Risk Management

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

### 2.26.4 Prevention of Money Laundering and Combating Financing of Terrorism

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

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

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

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

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

The Bank has a real time Sanction Screening process, Suspicious Transaction / Activity (STR/SAR) detection and reporting system in place. As part of regulatory requirements the Bank conducts regular trainings, workshops and discussion sessions on AML & CFT compliance for all employees and executives of the Bank. The Bank has a Customer Acceptance Policy in place and has Know your Customer (KYC) program since its inception and applies Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD).



ONE Bank Limited though focused on incremental growth on one hand, on the other, it has remained to be a compliant financial institution; and the Bank intends to continue as a growth driven and compliant institution. Towards that end, the Bank is committed to comply with regulatory requirements as well as international best practices.

### 2.26.5 Internal Control and Compliance Risk

Internal Control is a control mechanism establishes in the operation of the Bank by introducing required policies and procedures to comply the tasks appropriately. A sound internal control function plays an important role in contributing to the effectiveness of the internal control system. OBL has a Board approved Guidelines on Internal Control & Compliance.

The Board established an Audit Committee of the Board and a Senior Management Team (SMT) to monitor the effectiveness of the internal control system. The Management established a professional and efficient working environment within the Bank by creating and maintaining adequate and effective internal control systems. Internal audit have been conducted on periodical interval to ensure appropriate compliance of Bank's and Regulatory policies. The Senior Management Team (SMT) and Audit Committee of the Board have been reviewing the effectiveness of the internal control system and apprising the Board as and when necessary. In addition to the internal audit team, the monitoring team conducts surprise inspections at branches and divisions. On the other hand compliance team ensures meticulous compliance of internal and external audit and inspection reports.

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

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

### 2.26.6 Information and Communication Technology Security Risk

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

ONE Bank has "Information Security Policy" formulated in line with the latest ICT Security Guidelines of Bangladesh Bank and industry best practices. All activities and operations of the Bank are required to comply with the guidelines of Information Security Policy of the Bank to ensure information security that covers physical security, network security, system security, disaster





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

## **2.27 Disclosure on fraud and forgeries committed by bank employees:**

At ONE Bank Limited (OBL), we follow a stringent screening process while we recruit officers and staff. The prospective employee's family background/employment history/ association is checked/cross checked in terms of integrity, attitude, behavioral pattern and financial sanctions/money laundering through Sanction Screening Software of OBL (based on data provided by UNSCR, OFAC, HMT, EU and published by Local Authority of Bangladesh) electronically. The Copies of Passports of respective appointees are being taken during joining the Bank. In case someone doesn't have passport, he/she is advised to get passport and submit a copy of the same to HR Division, Corporate HQ within 3 months from the date of joining. Check with Bangladesh Bank's Corporate Memory Management Systems (CMMS) for background check of experienced bankers, FI's employees and verify National ID on-line. As a result, the OBL since its inception has seen comparatively very few cases of fraud and forgeries. Moreover, our Internal Control and Compliance Division (ICCD) has been strengthened to remain ever vigilant. These have reduced the chances of fraudulent activities in OBL.

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

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

HQ ICCD of OBL is always reporting the employees' fraud forgery related information to Bangladesh Bank in compliance with the Department of Banking Inspection Instruction No. DBI-1(Niti)/1025/2012-41 dated February 07, 2012 and the Department of Off-site Supervision (DOS) Circular Letter No. 17 dated November 07, 2012 and (DOS) Circular Letter No. 10 dated May 09, 2017 of Bangladesh Bank.

## **2.28 Regulatory Compliance**

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

- a. The Bank Company Act, 1991 (as amended in 2013).
- b. The Companies Act, 1994.
- c. Rules and Regulations issued by Bangladesh Bank from time to time.
- d. The Securities and Exchange Ordinance 1969
- e. The Securities and Exchange Rules 1987
- f. Bangladesh Securities and Exchange Commission Act 1993.
- g. Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015.
- h. The Income Tax Ordinance and Rules 1984.
- i. The VAT Act, 1991.
- j. Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

## 2.29 Rearrangement

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

## 2.30 General

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

However, the stocks of such items are stated below:

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

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

## 2.31 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 301<sup>st</sup> Board Meeting held on August 01, 2019 constituted the Audit Committee as under:

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

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

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

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

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



### 2.32 Board's Risk Management Committee:

The Risk Management Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular Letter No 11 dated 27 October, 2013. As per Bank Company Act, 1991 (as amended in 2013) and BRPD Circular No. 11 dated 27 October, 2013, the Board of Directors at its 301<sup>st</sup> Board Meeting held on August 01, 2019 constituted the Risk Management Committee as under:

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

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

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

The Committee identify/assess Credit Risk, Market Risk, Liquidity Risk, Operation Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the period from January 01, 2019 to December 31, 2019 were as follows:

- Reviewed and approved various Risk Management Policy of the Bank.
- Approved and reviewed Internal Capital Adequacy Assessment Process guideline.
- Reviewed and discussed the various risk issues on Comprehensive Risk Management Report (CRMR) and Monthly Risk Management Report (RMR) of the Bank. The Committee also gave recommendations on the vulnerable areas identified in CRMR and RMR.

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



### 2.33 Events after the reporting period

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

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

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

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

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



**3 Cash**

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

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

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amendment in 2013), DOS circular No. 01 dated 19 January 2014, MPD Circular No. 01 dated 03 April 2018 and DOS Circular No. 26 dated 19 August 2019 issued by Bangladesh Bank.

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

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

<b>Required reserve</b>		
Domestic Banking Operation	11,626,506,888	11,117,383,310
Offshore Banking Operation	752,287,942	-
<b>Total</b>	<b>12,378,794,830</b>	<b>11,117,383,310</b>
<b>Reserve Held</b>		
Balance with Bangladesh Bank	14,004,525,163	11,229,409,137
Amount in reconciliation (Net)*	26,375,506	11,843,824
Reserve held with Bangladesh Bank in local currencies	14,030,900,669	11,241,252,961
<b>Surplus/(Shortage)</b>	<b>1,652,105,839</b>	<b>123,869,651</b>
<b>Maintained</b>	<b>6.23%</b>	<b>5.56%</b>

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

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

<b>Required reserve</b>		
Domestic Banking Operation	27,480,834,463	26,277,451,460
Offshore Banking Operation	1,778,135,135	-
<b>Total</b>	<b>29,258,969,598</b>	<b>26,277,451,460</b>
Reserve held (b.1)	35,562,864,634	26,278,278,587
<b>Surplus/(Shortage)</b>	<b>6,303,895,035</b>	<b>827,127</b>
<b>Maintained</b>	<b>15.80%</b>	<b>13.00%</b>



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



**4.5 Current Accounts (Outside Bangladesh)**

(Name of the banks and financial institutions)

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
Standard Chartered Bank, New York	4,037,521,113	1,201,180,628
Standard Chartered Bank, London	6,303,694	25,520,017
Standard Chartered Bank, Pakistan	22,911,855	8,707,067
Standard Chartered Bank, Mumbai	62,775,772	11,841,925
Standard Chartered Bank, Tokyo	5,545,213	17,889,988
Standard Chartered Bank, Frankfurt	20,843,946	12,595,756
ICICI Bank Limited, Hong Kong	601,470,257	(2,148,498)
ICICI Bank Limited, Mumbai (ACUD)	64,091,423	52,349,026
ICICI Bank Limited, Mumbai (ACU EURO)	8,225,185	8,240,062
Commerzbank AG, Frankfurt (USD)	285,465,511	118,308,177
Commerzbank AG, Frankfurt (CAD)	23,960,340	5,005,221
Commerzbank AG, Frankfurt (EURO)	54,730,168	1,563,408
Mashreqbank Psc, New York	199,692,387	730,855,135
Mashreqbank Psc, India (ACUD)	17,400,356	29,373,367
Wells Fargo Bank N.A, New York	414,308,537	429,470,811
AB Bank Ltd, Mumbai	41,644,925	(123,021,739)
Habib Bank AG Zurich, Zurich	58,352,966	13,871,711
Nepal Bangladesh Bank Ltd, Kathmandu	9,971,884	9,939,504
Seylen Bank PLC, Colombo	694,655	11,087,108
Axis Bank Ltd, Kolkata	16,948,634	98,226,294
United Bank of India, Kolkata	31,411,334	34,555,458
Bank Al-Jazira, Jeddah	6,431,357	6,430,500
Riyad Bank	31,206,145	-
Kookmin Bank, South Korea	47,060,315	-
	<b>6,068,967,972</b>	<b>2,701,840,928</b>

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

**4.6 Maturity of balances with other banks and financial institutions**

Up to 1 month	2,519,678,817	3,916,621,668
More than 1 months to 3 months	1,803,016,433	1,410,639,464
More than 3 months to 1 year	4,446,994,865	675,460,232
More than 1 year to 5 years	-	-
More than 5 years	-	-
	<b>8,769,690,115</b>	<b>6,002,721,364</b>

**4 (a) Consolidated Balance with Other Banks and Financial Institutions**

**In Bangladesh**

ONE Bank Limited	2,475,700,385	2,694,400,531
ONE Securities Limited	57,069,264	116,188,178
ONE Investments Limited	302,244	10,152,884
	2,533,071,893	2,820,741,592
Less: Inter Company Transaction	(57,371,509)	(126,341,062)
	<b>2,475,700,385</b>	<b>2,694,400,531</b>

**Outside Bangladesh**

ONE Bank Limited	6,293,989,730	3,308,320,833
ONE Securities Limited	-	-
	<b>6,293,989,730</b>	<b>3,308,320,833</b>
	<b>8,769,690,115</b>	<b>6,002,721,364</b>

**5 Money at call on short notice**

Modhumoti Bank Limited	250,000,000	-
	<b>250,000,000</b>	<b>-</b>



**6 Investments**
**In Government securities**

	2019 Taka	2018 Taka
Treasury bills (note- 6.1)	10,229,423,453	4,213,734,735
Treasury bonds (note-6.2)	18,259,572,240	18,811,141,171
Prize Bonds	1,621,700	1,491,900
	<b>28,490,617,393</b>	<b>23,026,367,806</b>

**Other Investment**

Shares (Quoted and Unquoted) (note-6.3)	657,482,542	657,482,542
City Bank 2nd Subordinated Bond	1,000,000,000	1,000,000,000
City Bank 3rd Subordinated Bond	1,300,000,000	1,300,000,000
National Bank Limited 2nd Subordinated Bond	250,000,000	250,000,000
United Commercial Bank Limited 3rd Subordinated Bond	750,000,000	750,000,000
Mercantile Bank Limited Subordinated Bond	200,000,000	300,000,000
Bank Asia Limited Subordinated Bond	360,000,000	480,000,000
Prime Bank Limited Subordinated Bond	360,000,000	480,000,000
Eastern Bank Limited Subordinated Bond	360,000,000	480,000,000
	<b>5,237,482,542</b>	<b>5,697,482,542</b>
	<b>33,728,099,936</b>	<b>28,723,850,348</b>

**6.1 Treasury Bills**

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

**6.1(a) Treasury Bills (HTM)**

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

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

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

**6.2 Treasury Bonds**

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

**6.2 (a) Treasury Bonds (HTM)**

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





	Amortized Cost (Book Value)		Face value	
	2019	2018	2019	2018
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
2 Years Treasury Bonds (Discount)	496,672,894	556,906,480	500,000,000	557,000,000
5 Years Treasury Bonds (Discount)	1,417,994,920	972,125,895	1,450,000,000	981,400,000
10 Years Treasury Bonds (Discount)	1,201,832,673	1,201,343,969	1,206,100,000	1,206,100,000
15 Years Treasury Bonds (Discount)	117,716,567	117,695,220	118,100,000	118,100,000
20 Years Treasury Bonds (Discount)	108,861,798	108,851,254	109,300,000	109,300,000
<b>Sub-total</b>	<b>3,343,078,852</b>	<b>2,956,922,818</b>	<b>3,383,500,000</b>	<b>2,971,900,000</b>
5 Years Treasury Bonds (At par)	-	92,200,000	-	92,200,000
10 Years Treasury Bonds (At par)	1,285,000,000	1,285,000,000	1,285,000,000	1,285,000,000
15 Years Treasury Bonds (At par)	444,300,000	444,300,000	444,300,000	444,300,000
20 Years Treasury Bonds (At par)	57,200,000	57,200,000	57,200,000	57,200,000
<b>Sub-total</b>	<b>1,786,500,000</b>	<b>1,878,700,000</b>	<b>1,786,500,000</b>	<b>1,878,700,000</b>
<b>Total</b>	<b>15,989,141,385</b>	<b>15,941,634,768</b>	<b>15,929,100,000</b>	<b>15,846,200,000</b>

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

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

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

**6.3 Other Investments -Shares****In shares (quoted and unquoted)****Quoted:**

	2019	2018
	<u>Taka</u>	<u>Taka</u>
The City Bank Limited	59,049,110	59,049,110
Prime Bank Limited	140,673,639	140,673,639
IFIC Bank Limited	170,983,639	170,983,639
Lanka Bangla Finance Limited	122,379,546	122,379,546
Summit Alliance Port Ltd.	6,200	6,200
Eastern Bank Limited	1,983,900	1,983,900
MI Cement Factory Limited	5,533	5,533
Bank Asia Limited	53,501,786	53,501,786
	<b>548,583,353</b>	<b>548,583,353</b>

**Unquoted:**

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



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

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

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

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

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

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

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

**6.5 (i) Disclosure regarding outstanding Repo**

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

**6.5 (ii) Disclosure regarding outstanding Reverse Repo**

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

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

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

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

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

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

<b>7 Loans and Advances</b>		
Loans, cash credit, overdraft etc (note-7.1)	212,520,259,997	196,082,780,386
Bills purchased and discounted (note-7.2)	2,707,565,191	2,825,968,833
	<u>215,227,825,188</u>	<u>198,908,749,218</u>

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

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

**Outside Bangladesh**

	-	-
	<u>212,520,259,997</u>	<u>196,082,780,386</u>

**7.2 Bills purchased and discounted**
**Inside Bangladesh**

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

**Outside Bangladesh**

	-	-
	<u>2,707,565,191</u>	<u>2,825,968,833</u>

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

Payable on demand	20,966,460,828	20,467,697,524
Up to 3 months	49,422,907,735	48,526,538,425
Above 3 months to 1 year	95,632,612,173	74,049,117,991
Above 1 year to 5 years	27,063,247,750	28,340,153,209
Above 5 years	22,142,596,702	27,525,242,070
	<u>215,227,825,188</u>	<u>198,908,749,218</u>





	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>7.4 Loans and Advances on the basis of significant concentration</b>		
i. Advance to Directors	2,750,254	2,754,939
ii. Advance to Managing Director & Senior Executives	511,840,370	439,029,762
iii. Advance to Customer's group:		
Commercial lending	81,535,037,942	76,816,155,209
Agricultural loan	2,627,571,463	2,213,260,450
Export financing	18,546,094,958	6,240,086,679
Consumer credit scheme	2,208,862,634	2,844,511,874
Small and medium enterprise financing	24,418,029,950	21,966,490,260
Staff loan (except Sl. No. ii)	224,935,394	224,168,530
House building loan (other than the employees)	9,974,051,338	7,539,974,048
Others	75,178,650,884	80,622,317,468
	<b>215,227,825,188</b>	<b>198,908,749,218</b>

<b>7.5 Industry-wise outstanding of loans &amp; advances including bills purchased and discounted</b>		
Trade finance	35,843,095,330	31,711,500,000
Steel Re-Rolling	13,690,321,845	12,996,723,611
Readymade Garments	33,862,000,916	28,906,325,591
Textiles	17,559,709,610	16,597,957,488
Edible oil, Rice, Flour etc.	4,408,012,050	1,480,286,835
Power	9,873,910,508	8,758,603,660
Transport & Communication	3,690,332,531	4,552,419,320
Construction/Engineering	8,906,707,059	6,488,387,098
Personal	2,413,095,537	2,956,293,971
Pharmaceuticals	6,498,718,872	4,687,900,000
Real Estate	9,959,471,949	7,832,781,326
Cargo and Travel Services	156,292,181	132,183,953
Paper & Packaging	549,144,934	514,211,508
Agro based industry/ Dairy products/ Food & Beverage	5,917,311,901	7,243,223,061
Others	61,899,699,965	64,049,951,796
	<b>215,227,825,188</b>	<b>198,908,749,218</b>

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

**Urban**

Dhaka Division	151,754,735,877	137,716,545,697
Chattogram Division	43,476,006,418	41,198,880,748
Rajshahi Division	4,076,407,597	3,573,811,565
Khulna Division	261,569,939	265,555,896
Sylhet Division	7,829,319,191	8,376,638,246
Rangpur Division	595,626,624	660,725,322
Barishal Division	774,137,911	873,576,805
	<b>208,767,803,556</b>	<b>192,665,734,279</b>

**Rural**

Dhaka Division	3,017,831,857	2,429,281,639
Chattogram Division	2,774,814,071	3,196,451,465
Rajshahi Division	-	-
Khulna Division	261,987,050	265,818,220
Sylhet Division	405,388,654	351,463,615
Rangpur Division	-	-
Barishal Division	-	-
	6,460,021,632	6,243,014,940
	<b>215,227,825,188</b>	<b>198,908,749,218</b>



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>7.7 Business segment-wise loans and advances including bills purchased and discounted</b>		
Corporate	179,560,386,593	164,483,323,998
SME	21,809,236,540	21,645,850,145
Consumer	10,933,435,557	9,967,373,864
Short term agri. credit and microcredit	2,187,990,734	2,149,002,920
Executive & Staff	736,775,763	663,198,293
	<b>215,227,825,188</b>	<b>198,908,749,218</b>
<b>7.8 CL category wise loans and advances including bills purchased and discounted</b>		
<b>Continuous loan (CL-2)</b>		
Small & Medium Enterprise (SME)	11,514,256,142	12,200,714,342
Consumer finance	945,679,178	760,537,439
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	837,607,101	858,547,542
Other corporate loans	30,489,540,385	28,528,465,541
	<b>43,787,082,805</b>	<b>42,348,264,864</b>
<b>Demand Loan (CL-3)</b>		
Small & Medium Enterprise (SME)	4,546,556,848	4,831,824,033
Consumer finance	-	-
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	351,789,485	476,118,031
Other corporate loans	73,750,122,164	77,458,200,740
	<b>78,648,468,497</b>	<b>82,766,142,804</b>
<b>Fixed Term Loan (CL-4)</b>		
Small & Medium Enterprise (SME)	5,748,423,551	4,613,311,770
Consumer finance (other than HF & LP)	1,409,034,760	1,368,572,046
House finance	8,520,340,020	7,771,617,332
Loans for professionals to set up business	58,381,599	66,647,046
Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares	307,187,441	377,236,431
Other corporate loans	73,824,140,017	56,784,755,712
	<b>89,867,507,388</b>	<b>70,982,140,337</b>
<b>Short term agri. credit and microcredit (CL-5)</b>		
Short term agri. Credit	2,187,990,734	2,149,002,920
Microcredit	-	-
	<b>2,187,990,734</b>	<b>2,149,002,920</b>
<b>Staff Loan</b>	<b>736,775,763</b>	<b>663,198,293</b>
	<b>215,227,825,188</b>	<b>198,908,749,218</b>
<b>7.9 Classified and unclassified loans and advances</b>		
<b>Unclassified</b>		
Standard	194,596,063,424	184,214,660,926
Staff Loan	736,775,763	663,198,293
	<b>195,332,839,188</b>	<b>184,877,859,218</b>
<b>Classified</b>		
Substandard	2,867,256,000	865,779,000
Doubtful	2,534,767,000	1,826,393,000
Bad & Loss	14,492,963,000	11,338,718,000
	<b>19,894,986,000</b>	<b>14,030,890,000</b>
	<b>215,227,825,188</b>	<b>198,908,749,218</b>
<b>7.10 Net loans and advances</b>		
Gross loans and advances	215,227,825,188	198,908,749,218
Less: Interest suspense (Note-12.9)	6,307,880,737	4,277,625,588
Provision for loans and advances (Note-12.4 and 12.5)	9,313,834,484	7,582,139,317
	15,621,715,221	11,859,764,905
	<b>199,606,109,967</b>	<b>187,048,984,314</b>

**7.11 Number of clients with outstanding amount and classified loans and advances exceeding 10% of total capital of the Bank. Total capital of the Bank was Taka 24,976.77 million as at 31 December 2019 (Tk 23,195.91 million in 2018).**

	19	21
Number of clients (Annexure-D)		
Amount of outstanding loans & advances *	Tk. 70,053,304,042	68,034,734,086
Amount of classified loans and advances	Tk. -	-
Measures taken for recovery	Not Applicable	Not Applicable

\* The amount of outstanding loans & advances represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the Bank as at 31 December 2019. The classification status is shown as per the CL prepared by the Bank as at 31 December 2019 and submitted to Bangladesh Bank.

	2019 Taka	2018 Taka
<b>7.12 Bills purchased and discounted</b>		
Payable in Bangladesh	2,119,342,624	2,102,770,579
Payable outside Bangladesh	588,222,567	723,198,254
	<b>2,707,565,191</b>	<b>2,825,968,833</b>
<b>7.13 Maturity of Bills purchased and discounted</b>		
Upto 1 month	765,341,295	726,550,608
Above 1 month but less than 3 months	631,185,983	791,892,036
Above 3 months but less than 6 months	1,280,426,396	1,254,796,549
6 months or more	30,611,517	52,729,640
	<b>2,707,565,191</b>	<b>2,825,968,833</b>

**7.14 Particulars of provision for Loans and Advances**

	Rate (%)	Base for Provision Taka	Total Provision Taka
Standard (excluding Staff Loan)	1%	154,695,813,167	1,629,654,014
Small & Medium Enterprise Financing	0.25%	16,434,233,541	41,085,584
Consumer Finance (House Financing)	1%	8,360,845,342	83,608,453
Consumer Finance (Loans for Professionals)	2%	57,467,417	1,149,348
Consumer Financing (Other than House Financing & Loans for Professionals)	5%	1,312,989,927	65,649,496
Credit Card	2%	847,351,344	16,947,027
Special Mention Account	0%-5%	9,798,582,677	95,413,427
Short Term Agriculture Loan	1%	2,115,299,048	21,152,990
Loan to brokerage houses, merchant banks/stock dealers against shares etc.	2%	1,402,882,656	28,057,653
Substandard	5% & 20%	836,663,305	166,758,787
Doubtful	5% & 50%	1,909,741,337	946,798,873
Bad & Loss	100%	7,275,110,511	6,217,558,829
Required provision for loans and advances			<b>9,313,834,484</b>
Total provision maintained			<b>9,313,834,484</b>
Excess/ (Short) provision at 31 December			-

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



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>7.15 Particulars of Loans and Advances</b>		
i) Loans considered good in respect of which the bank is fully secured	134,731,222,974	118,330,099,658
ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee	32,496,171,825	34,228,872,333
iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	48,000,430,388	46,349,777,227
iv) Loans adversely classified; provision not maintained there against	-	-
	<b>215,227,825,188</b>	<b>198,908,749,218</b>
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons	736,775,763	663,198,293
vi) Loans due from companies or firms in which the directors of the bank have interest as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons	736,775,763	663,198,293
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or, in case of private companies as members	-	-
ix) Due from other banking companies (Bills purchased and discounted)	2,707,565,191	2,825,968,833
x) Classified loans and advances		
a) Classified loans and advances on which interest has not been charged to income (Note-7.9)	19,894,986,000	14,030,890,000
b) Provision on classified loans and advances (Note-12.4)	7,331,116,490	5,508,573,082
c) Provision kept against loans and advances classified as bad debts	6,217,558,829	5,136,480,000
d) Increase/(Decrease) of Specific Provision	1,822,543,408	1,175,095,324
e) Interest credited to Interest Suspense Account (Note-12.9)	6,307,880,737	4,277,625,588
xi) Cumulative amount of written off loans and advances		
Opening balance	4,451,055,169	2,243,453,177
Written off during the year	-	2,207,601,992
Closing balance	4,451,055,169	4,451,055,169
Cumulative amount realised against loans previously written off	163,378,627	112,695,716
The amount of written off loans for which law suits has been filed	4,448,369,487	4,448,369,487
<b>7.16 Details of pledged collaterals received against Loans and Advances</b>		
Collateral of movable /immovable assets	121,646,995,031	104,787,921,868
Local banks and financial institutions guarantee	1,740,002,088	3,662,769,226
Government guarantee	-	-
Foreign banks guarantee	-	30,168,090
Export documents	1,807,421,646	1,448,108,151
Fixed Deposit Receipts (FDR)	9,038,505,939	8,197,707,246
FDR of other banks	460,819,873	203,425,078
Government bonds	37,478,397	-
Personal guarantee	32,496,171,825	34,228,872,333
Other securities	48,000,430,388	46,349,777,227
	<b>215,227,825,188</b>	<b>198,908,749,218</b>
<b>7.17 Restructure of large loan</b>		
There was no restructure of large loan occurred during the year 2019 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)		

	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>7 (a) Consolidated Loans and Advances</b>		
<b>Loans, cash credit, overdraft etc.</b>		
ONE Bank Limited	212,520,259,997	196,082,780,386
ONE Securities Limited	87,706,768	49,679,307
	<b>212,607,966,764</b>	<b>196,132,459,693</b>
<b>Bills purchased and discounted</b>		
ONE Bank Limited	2,707,565,191	2,825,968,833
ONE Securities Limited	-	-
	<b>2,707,565,191</b>	<b>2,825,968,833</b>
	<b>215,315,531,955</b>	<b>198,958,428,525</b>
<b>8 Fixed Assets including premises, furniture &amp; fixtures</b>		
Furniture & Fixtures	1,568,714,984	1,597,244,555
Office equipment	1,264,921,801	1,192,736,206
Motor Vehicles	325,869,255	278,283,495
Building	189,464,053	189,464,053
Right of use Assets as per IFRS-16*	809,670,917	-
Land	279,366,295	279,366,295
	4,438,007,305	3,537,094,604
Intangible Assets	198,184,620	195,835,516
	<b>4,636,191,925</b>	<b>3,732,930,120</b>
Less: Accumulated depreciation	2,018,170,168	1,722,668,956
Balance as on 31 December	<b>2,618,021,757</b>	<b>2,010,261,164</b>
*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the Right of use Assets.		
<b>(For details please refer to Annexure- A)</b>		
<b>8 (a) Consolidated Fixed Assets including premises, furniture &amp; fixtures</b>		
ONE Bank Limited	2,618,021,757	2,010,261,164
ONE Securities Limited	20,207,442	22,532,174
	<b>2,638,229,199</b>	<b>2,032,793,338</b>
<b>9 Other Assets</b>		
<b>i Income generating</b>		
Investment in shares of subsidiary companies		
In Bangladesh (note-9.1)	2,480,099,170	2,480,099,170
Outside Bangladesh	-	-
<b>ii Non- income generating</b>		
Stock of stationery	36,354,885	28,110,812
Stock of stamps	4,339,445	3,676,121
Security deposits	5,827,121	4,660,555
Advance rent for office premises	461,264,414	419,081,086
Prepayments	607,012,280	455,880,139
Application money against right share and clearing adjustment account	87,116,850	51,664,505
Suspense account (note-9.5)	39,945,715	24,210,725
Receivable from Bangladesh Bank (note-9.8)	159,384,091	196,006,798
Interest receivables (note-9.7)	417,200,236	452,481,125
Advance Income Tax (note-9.3)	8,365,477,074	7,143,559,670
Deferred Tax Assets (note-9.4)	69,444,925	44,671,699
Protested bill	2,594,351	2,594,351
Sundry receivables	416,331	-
Receivable ATM acquiring	11,028,206	12,199,306
Receivable from ONE Securities Ltd	-	32,097
Receivable from ONE Investments Ltd	205,426	205,426
Inter Branch Account USD	21,337	21,337
Branch Adjustment Account (note-9.2)	23,104,658	45,667,814
	12,770,836,514	11,364,822,735
Off-shore Banking Unit	133,494,986	200,922,889
	<b>12,904,331,499</b>	<b>11,565,745,624</b>



	2019 <u>Taka</u>	2018 <u>Taka</u>
<b>9.1 Investment in shares of subsidiary companies</b>		
ONE Securities Limited (98.9999% owned subsidiary company of OBL)	2,474,999,170	2,474,999,170
ONE Investments Limited (51.00% owned subsidiary company of OBL)	5,100,000	5,100,000
	<b><u>2,480,099,170</u></b>	<b><u>2,480,099,170</u></b>

**9.2 Branch Adjustment Account**

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2019 are given below:

	Number of Unresponded entries		Unresponded entries (Amount-Taka)	
	Dr	Cr	Dr	Cr
Up to 3 months	53	5	23,121,478	16,820
Over 3 months but within 6 months	-	-	-	-
Over 6 months but within 1 year	-	-	-	-
Over 1 year but within 5 years	-	-	-	-
	<u>53</u>	<u>5</u>	<u>23,121,478</u>	<u>16,820</u>
<b>Branch Adjustment Account (Net)</b>			<b><u>23,104,658</u></b>	

**9.3 Advance income tax**

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

**9.4 Deferred tax assets:**

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

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

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

**9.6 Particulars of required provision for other assets**

	Taka	Rate	Taka
Protested bill	2,594,351	100%	2,594,351
Legal Expense	726,218	100%	726,218
Others	16,892,299	100%	16,892,299
Required provision for other assets			20,212,868
Total provision maintained (note-12.7)			<u>20,212,868</u>
Excess/(short) provision as on 31, December 2019			<u>-</u>

**9.7 Interest receivables**

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

**9.8 Receivable from Bangladesh Bank**

Receivable against encashment - Shanchaya Patras	158,884,464	196,006,798
Receivable against Wage Earners Remittance	499,626	-
	<b><u>159,384,091</u></b>	<b><u>196,006,798</u></b>

	2019 <u>Taka</u>	2018 <u>Taka</u>
<b>9 (a) Consolidated Other Assets</b>		
ONE Bank Limited	12,904,331,499	11,565,745,624
ONE Securities Limited	138,482,248	124,543,667
ONE Investments Limited	66,714	18,480
Investment in ONE Securities Ltd by ONE Bank Limited	(2,474,999,170)	(2,474,999,170)
Investment in ONE Investments Ltd by ONE Bank Limited	(5,100,000)	(5,100,000)
Less: Inter unit/company elimination	(205,426)	(237,523)
	<b><u>10,562,575,866</u></b>	<b><u>9,209,971,079</u></b>
<b>10 Borrowings from other Banks, financial institutions and Agents.</b>		
Borrowing Inside Bangladesh (note-10.1)	16,205,208,217	15,857,995,394
Borrowing Outside Bangladesh (note-10.2)	13,069,066,361	14,044,348,210
	<b><u>29,274,274,579</u></b>	<b><u>29,902,343,604</u></b>
<b>10.1 Borrowing Inside Bangladesh</b>		
OBL Subordinated Bond (note-10.1.a)	7,640,000,000	7,280,000,000
Borrowing from other bank -Payable on demand	700,000,000	1,200,000,000
Borrowing from BRAC Bank OBU	-	153,251,740
Borrowing from Bangladesh Bank (note-10.1.b)	7,865,208,217	7,224,743,654
	<b><u>16,205,208,217</u></b>	<b><u>15,857,995,394</u></b>
<b>10.1.a Subordinated Bond</b>		
Subordinated Bond - I	440,000,000	880,000,000
Subordinated Bond - II	3,200,000,000	4,000,000,000
Subordinated Bond - III	4,000,000,000	2,400,000,000
	<b><u>7,640,000,000</u></b>	<b><u>7,280,000,000</u></b>

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

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

**Main Features of the Bond:**

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

**List of Investors:**

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



# ACNABIN

Chartered Accountants

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

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

### Main Features of the Bond:

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

### List of Investors:

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

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

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

### Main Features of the Bond:

Issuer	ONE Bank Ltd
Trustee	MTB Capital Limited
Lead Arranger	RSA Advisory Limited
Tenor	7 years
Total Face Value	BDT 4,000 Million
Number of Bonds	400

### List of Investors:

Name of the Investor	No of Bonds	Bond Issued Taka	Outstanding-2019
Sonali Bank Limited	80	800,000,000	800,000,000
Dhaka Bank Limited	30	300,000,000	300,000,000
Jamuna Bank Limited	130	1,300,000,000	1,300,000,000
Pubali Bank Limited	30	300,000,000	300,000,000
NRB Commerce Bank Limited	50	500,000,000	500,000,000
Lanka Bangla Finance Ltd.	80	800,000,000	800,000,000
<b>Total</b>	<b>400</b>	<b>4,000,000,000</b>	<b>4,000,000,000</b>



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>10.1.b Borrowing from Bangladesh Bank</b>		
Export Development Fund (EDF)	6,347,074,807	5,595,917,533
Refinance against SME, Agriculture loan and Green finance	331,413,186	474,710,500
Financial Sector Support Project (FSSP)	1,186,720,225	1,154,115,621
	<b>7,865,208,217</b>	<b>7,224,743,654</b>
<b>10.2 Borrowing Outside Bangladesh</b>		
<b>Borrowing by Offshore Banking Unit .</b>		
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	3,258,037,500	3,964,275,000
Oesterreichische Entwicklungsbank AG (OeEB)	944,512,500	1,216,550,000
The OPEC Fund for International Development (OFID)	636,750,000	943,875,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	1,857,187,500	2,097,500,000
Norwegian Investment Fund for Developing Countries (Norfund)	1,114,312,500	1,258,500,000
International Finance Corporation (IFC)	4,245,000,000	4,195,000,000
EBL Hong kong	-	368,648,210
RAK BANK-Dubai	1,013,266,361	-
	<b>13,069,066,361</b>	<b>14,044,348,210</b>
<b>10.3 Security against borrowings from other banks, financial institutions and agents</b>		
Secured	-	-
Unsecured	29,274,274,579	29,902,343,604
	<b>29,274,274,579</b>	<b>29,902,343,604</b>
<b>10.4 Residual Maturity grouping of borrowings from other banks, financial institutions and agents</b>		
Payable on demand	1,801,129,150	2,355,958,985
Up to 3 months	1,808,997,890	3,684,605,749
Above 3 months to 1 year	10,703,945,541	6,088,496,773
Above 1 year to 5 years	13,000,201,998	16,093,282,098
Above 5 years	1,960,000,000	1,680,000,000
	<b>29,274,274,579</b>	<b>29,902,343,604</b>
<b>10 (a) Consolidated Borrowings from other banks, financial institutions and Agents.</b>		
ONE Bank Limited	29,274,274,579	29,902,343,604
ONE Securities Limited	-	-
	<b>29,274,274,579</b>	<b>29,902,343,604</b>
<b>11 Deposits and other accounts</b>		
<b>i Current account and other account (OBL)</b>		
Off-shore Banking Unit	18,857,273,824	20,951,607,105
	25,147,691	1,597,096
	<b>18,882,421,515</b>	<b>20,953,204,202</b>
<b>ii Bills payable</b>		
Payment Order (Issued)	2,371,246,246	1,569,900,708
Demand Draft	684,479	684,479
	<b>2,371,930,725</b>	<b>1,570,585,187</b>
<b>iii Savings accounts</b>	<b>21,377,433,366</b>	<b>17,869,437,115</b>
<b>iv Term deposits</b>		
Fixed Deposit Receipts	138,814,039,216	116,880,335,963
Short Notice Deposits	35,622,373,936	34,578,993,393
Scheme Deposits	10,906,886,758	10,428,238,940
Non-resident Foreign Currency Deposits	115,942,548	103,530,253
	185,459,242,458	161,991,098,549
Off-shore Banking Unit	-	162,143,252
	<b>185,459,242,458</b>	<b>162,153,241,801</b>
	<b>228,091,028,064</b>	<b>202,546,468,305</b>

**11.1 Payable on demands**

 Current deposits  
 Privilege creditor  
 Foreign Currency Deposits  
 Sundry Deposits  
 Other accrued expense

 Bills payable  
 10% of Savings accounts

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
	10,308,067,403	12,660,435,529
	484,374,334	490,374,489
	4,986,040,295	4,482,221,498
	2,822,015,071	3,030,354,826
	281,924,412	289,817,861
	<b>18,882,421,515</b>	<b>20,953,204,201</b>
	2,371,930,725	1,570,585,187
	2,137,743,337	1,786,943,712
	<b>23,392,095,576</b>	<b>24,310,733,099</b>

**11.2 Break down of deposits and other accounts**
**11.2 (a) Payable on demand**

 i Deposits from banks  
 ii Other than banks

	2,231,689	1,176,630
	23,389,863,887	24,309,556,469
	<b>23,392,095,576</b>	<b>24,310,733,099</b>

**11.2 (b) Other Deposits**

 Deposits from banks  
 Term Deposit (ONE Bank Limited)  
 Uttara Bank Limited  
 Bank Asia Limited  
 Dutch Bangla Bank Limited  
 Rajshahi Krishi Unnayan Bank  
 Sonali Bank Limited  
 Janata Bank Limited  
 Agrani Bank Limited  
 Prime Bank Limited  
 Eastern Bank Limited  
 BRAC Bank Limited  
 Bangladesh Development Bank Limited  
 National Credit and Commerce Bank Limited

	-	1,500,000,000
	3,000,000,000	-
	1,000,000,000	250,000,000
	150,000,000	100,000,000
	2,700,000,000	3,200,000,000
	-	1,000,000,000
	1,500,000,000	1,800,000,000
	400,000,000	-
	1,000,000,000	-
	1,500,000,000	-
	50,000,000	-
	1,000,000,000	-
	<b>12,300,000,000</b>	<b>7,850,000,000</b>

 Term Deposit (Off shore Banking Unit)  
 BRAC Bank Limited

	-	162,143,252
	-	<b>162,143,252</b>

Other than banks

	<b>192,398,932,488</b>	<b>170,223,591,953</b>
	<b>204,698,932,488</b>	<b>178,235,735,205</b>
	<b>228,091,028,064</b>	<b>202,546,468,305</b>

**Total deposits [11.2(a) + 11.2(b)]**
**11.3 Remaining maturity grouping of deposits**

 Repayable on demand  
 Repayable within 1 month  
 Over 1 month but within 6 months  
 Over 6 months but within 1 year  
 Over 1 year but within 5 years  
 Over 5 years but within 10 years

	10,823,790,637	46,850,595,805
	35,563,883,521	21,069,524,425
	87,931,200,000	67,413,185,617
	53,699,999,899	29,002,577,350
	25,036,316,387	20,231,218,418
	15,035,837,620	17,979,366,690
	<b>228,091,028,064</b>	<b>202,546,468,305</b>

11.4 Total Unclaimed deposit for 10 years or more held by the bank is Tk.5,641,702 as on December 31, 2019 and Tk. 5,174,245 as on December 31, 2018, respectively.



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>11 (a) Consolidated Deposits and other accounts</b>		
<b>Current account and other account</b>		
ONE Bank Limited	18,882,421,515	20,953,204,202
ONE Securities Limited	-	-
	<b>18,882,421,515</b>	<b>20,953,204,202</b>
<b>Bills payable</b>		
ONE Bank Limited	2,371,930,725	1,570,585,187
ONE Securities Limited	-	-
	<b>2,371,930,725</b>	<b>1,570,585,187</b>
<b>Savings accounts</b>		
ONE Bank Limited	21,377,433,366	17,869,437,115
ONE Securities Limited	-	-
	<b>21,377,433,366</b>	<b>17,869,437,115</b>
<b>Term deposits</b>		
ONE Bank Limited	185,459,242,458	162,153,241,801
Less: Inter Company Transaction	(226,122,683)	(248,056,882)
	<b>185,233,119,775</b>	<b>161,905,184,920</b>
<b>Total Consolidated Deposit</b>	<b>227,864,905,381</b>	<b>202,298,411,423</b>
<b>12 Other liabilities</b>		
Provision for Income Tax (note-12.1)	6,607,470,030	5,729,488,913
Deferred tax liability (note-12.2)	75,840,905	37,097,897
Provision for gratuity (note-12.3)	-	-
Provision for loans and advances (note-12.4 & 12.5)	9,313,834,484	7,582,139,317
Risk fund of Consumer Credit and Rider	473,512	473,512
Provision for other (note-12.7)	20,212,868	17,847,971
Provision for off balance sheet items (note-12.8)	626,670,773	742,166,366
Provision for diminution value of share (note-12.10)	-	-
Interest suspense account (note-12.9)	6,307,880,737	4,277,625,588
Sinking fund	53,739,338	54,649,370
Interest Payable on Subordinated Debt	86,556,713	78,550,081
Interest payable on borrowings	85,926,926	84,765,680
Accrued performance bonus	295,837,088	289,875,313
Other payable	8,134,159	8,391,541
Lease liabilities as per IFRS-16*	721,021,873	-
Revaluation reserve held for trading securities	136,116,862	142,002,649
	<b>24,339,716,267</b>	<b>19,045,074,197</b>
Off-shore Banking Unit	116,463,141	164,023,247
	<b>24,456,179,407</b>	<b>19,209,097,444</b>

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

#### 12.1 Provision for current income tax

Opening balance on 1 January	5,729,488,913	4,761,133,512
Less: Provision adjusted during the year	-	-
	5,729,488,913	4,761,133,512
Add: Provision made during the year	877,981,117	968,355,401
Balance on 31 December	<b>6,607,470,030</b>	<b>5,729,488,913</b>



**12.2 Deferred tax liability****For Fixed Assets**

Opening balance	32,140,567	46,074,445
Addition during the year (note-12.2.2)	38,247,896	(13,933,878)
Closing balance	<b>70,388,463</b>	<b>32,140,567</b>

**Provision against revaluation reserve for security**

Opening balance	4,957,330	15,728,994
Provision made/ (recovered) during the year	495,112	(10,771,663)
Closing balance	<b>5,452,442</b>	<b>4,957,330</b>

**Total**

<b>75,840,905</b>	<b>37,097,897</b>
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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)	660,135,375	1,594,713,922
Carrying amount of fixed assets	474,948,910	1,475,589,392
<b>Deductible temporary difference</b>	<b>185,186,465</b>	<b>119,124,530</b>
Applicable tax rate	37.50%	37.50%
Deferred tax asset	69,444,925	44,671,699
Opening deferred tax asset	44,671,699	38,872,008
<b>Deferred tax (expenses)/income</b>	<b>24,773,226</b>	<b>5,799,691</b>

**12.2.2 Basis of Deferred Tax Liability:**

Carrying amount of fixed assets (Only temporary taxable portion is considered)	1,164,378,011	244,937,275
Tax base of fixed assets	976,675,444	159,229,095
<b>Taxable temporary difference</b>	<b>187,702,567</b>	<b>85,708,180</b>
Applicable tax rate	37.50%	37.50%
Deferred tax liability	70,388,463	32,140,568
Opening deferred tax liability	32,140,568	46,074,444
<b>Deferred tax expenses/(income)</b>	<b>38,247,896</b>	<b>(13,933,878)</b>

**12.3 Provision for gratuity**

Opening balance on 1 January	-	-
Provision made during the year	155,866,420	141,398,410
Transferred/Payment made during the year	155,866,420	141,398,410
Balance on 31 December	-	-

**12.4 Specific provision against loans and advances**

Opening balance on 1 January	5,508,573,082	4,333,477,757
Provision written off	-	(1,483,276,825)
Recoveries of amounts previously written off	50,682,911	30,507,493
Provision after written off	5,559,255,993	2,880,708,424
Specific provision made during the year	2,530,512,992	3,262,984,082
Provisions recovered and no longer required written back	(758,652,495)	(635,119,425)
Net charge to profit & loss account	1,771,860,497	2,627,864,657
Balance on 31 December	<b>7,331,116,490</b>	<b>5,508,573,082</b>



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>12.5 General provision against loans and advances</b>		
Opening balance on 1 January	2,073,566,235	1,739,009,757
Provision made during the year:		
Unclassified Loans & Advances	(119,852,655)	345,511,267
Consumer credit & Small enterprise financing	(10,044,887)	(18,856,679)
Special mention account	43,293,805	6,299,234
Loans against shares	(4,244,505)	1,602,657
Net charge to profit & loss account	(90,848,241)	334,556,478
Balance on 31 December	<b>1,982,717,994</b>	<b>2,073,566,235</b>
<b>Total Specific and General Provision</b>	<b>9,313,834,484</b>	<b>7,582,139,317</b>
<b>12.6 Specific provision as per classification of loans</b>		
Substandard	166,758,787	72,786,834
Doubtful	946,798,873	299,306,248
Bad/Loss	6,217,558,829	5,136,480,000
Balance on 31 December	<b>7,331,116,490</b>	<b>5,508,573,082</b>
<b>12.7 Provision for Other</b>		
Balance on 1 January	17,847,971	3,939,656
Provision made during the year/(recovery) (note-12.7. a and 12.7. b)	2,364,897	13,908,315
Balance on 31 December	<b>20,212,868</b>	<b>17,847,971</b>
<b>12.7.a Provision for protested bill</b>		
Balance on 1 January	2,594,351	2,594,351
Provision recovered during the year	-	-
Balance on 31 December	<b>2,594,351</b>	<b>2,594,351</b>
<b>12.7.b Provision for legal expenses and others</b>		
Balance on 1 January	15,253,620	1,345,305
Adjusted with recoverable legal expenses	-	-
Provision made during the year	2,364,897	13,908,315
Balance on 31 December	<b>17,618,517</b>	<b>15,253,620</b>
<b>12.8 Provision for off balance sheet items</b>		
Balance on 1 January	742,166,366	675,210,727
Provision made during the year	(115,495,593)	66,955,638
Balance on 31 December	<b>626,670,773</b>	<b>742,166,366</b>
<b>12.9 Interest suspense account</b>		
Balance on 1 January	4,277,625,588	3,871,058,397
Interest suspense charged during the year	3,689,448,414	1,707,136,132
Interest suspense realized during the year	(1,659,040,180)	(576,180,128)
Amount written off during the year	-	(724,325,166)
Amount waiver during the year	(153,085)	(63,648)
Balance on 31 December	<b>6,307,880,737</b>	<b>4,277,625,588</b>
<b>12.10 Provision for diminution value of share</b>		
Balance on 1 January	-	-
Provision made/ (recovered) during the year	-	-
Balance on 31 December	-	-
<b>12.10.a Consolidated Provision made for diminution value of share</b>		
ONE Bank Limited	-	-
ONE Securities Limited:	153,720,644	59,428,753
	<b>153,720,644</b>	<b>59,428,753</b>
<b>12.11 Provision for Nostro Reconciliation</b>		
The Bank is not required to keep provision on the unreconciled debit balance as at balance sheet date as there was no debit entry aging more than three months.		



	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>12 (a) Consolidated Other liabilities</b>		
ONE Bank Limited	24,456,179,407	19,209,097,444
ONE Securities Limited	285,067,138	215,628,317
ONE Investments Limited	349,010	216,926
Less: Inter unit/company elimination	(205,426)	(237,523)
	<b>24,741,390,129</b>	<b>19,424,705,165</b>
<b>13. Share Capital</b>		
<b>13.1 Authorized Capital</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
1,000,000,000 (2018:1,000,000,000) ordinary shares of Tk 10 each		
<b>13.2 Issued, Subscribed and fully paid-up Capital</b>	<b>8,431,870,520</b>	<b>7,665,336,840</b>
843,187,052 (2018: 766,533,684) ordinary shares of Tk 10 each		
Sponsors	30.02%	30.02%
General Public (Including Institutes 16.39% and Foreign 2.70%)	69.98%	69.98%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

Shareholders	No. of Shareholders	No. of Shares	2019 Taka	2018 Taka
Sponsors	16	253,123,787	2,531,237,870	2,301,125,430
Institutes	352	138,202,840	1,382,028,400	1,216,443,360
Foreign	90	22,782,970	227,829,700	286,913,360
General Public	20,606	429,077,455	4,290,774,550	3,860,854,690
<b>Total</b>	<b>21,064</b>	<b>843,187,052</b>	<b>8,431,870,520</b>	<b>7,665,336,840</b>

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

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

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

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

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

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

**13.3 Capital Adequacy Ratio:**

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, capital of the Bank (Solo) at the close of business on 31 December 2019 is Taka 24,976,772,099 comprised of core capital of Taka 15,967,383,332 and supplementary capital of Taka 9,009,388,767 thereby showing a surplus capital/equity of Taka 585,511,313 against the required capital. Details are shown below:

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>Solo Basis:</b>		
<b>Common Equity Tier-1 (Going-Concern Capital)</b>		
Paid-up capital	8,431,870,520	7,665,336,840
Statutory Reserve	6,082,448,575	5,572,188,014
Retained Earnings	1,529,071,286	1,146,018,509
	<b>16,043,390,381</b>	<b>14,383,543,363</b>
<b>Regulatory Adjustments:</b>		
Deferred Tax Assets	69,444,925	44,671,699
Goodwill and all other intangible assets	5,586,144	10,368,203
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	975,980	1,166,240
	<b>76,007,049</b>	<b>56,206,142</b>
<b>Total Common Equity Tier-1 Capital</b>	<b>15,967,383,332</b>	<b>14,327,337,222</b>
<b>Additional Tier- 1 Capital</b>	-	-
<b>Tier -2 Capital (Gone-Concern Capital)</b>		
General Provision	2,609,388,767	2,815,732,601
Subordinated debt	6,400,000,000	6,040,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities	64,200,000	64,200,000
	<b>9,073,588,767</b>	<b>8,919,932,601</b>
<b>Regulatory Adjustment</b>		
Revaluation reserves for fixed assets, securities & equity securities	64,200,000	51,360,000
<b>Total Tier-2 Capital Available</b>	<b>9,009,388,767</b>	<b>8,868,572,601</b>
<b>A Total Regulatory Capital</b>	<b>24,976,772,099</b>	<b>23,195,909,823</b>
Total Assets including Off Balance Sheet items	371,839,709,479	347,701,042,070
<b>B Total Risk Weighted Assets</b>	<b>195,130,086,287</b>	<b>194,510,014,145</b>
<b>C Minimum Required capital based on risk weighted assets (10% on B)</b>	<b>19,513,008,629</b>	<b>19,451,001,414</b>
<b>D Surplus (A-C)</b>	<b>5,463,763,470</b>	<b>3,744,908,408</b>
<b>E Required capital with Conservation Buffer (CB) @12.50% (2018@11.875%)</b>	<b>24,391,260,786</b>	<b>23,098,064,180</b>
<b>F Excess over capital with CB (A-E)</b>	<b>585,511,313</b>	<b>97,845,643</b>
<b>Percentage of Capital to Risk Weighted Assets:</b>	<b>12.80%</b>	<b>11.93%</b>
<b>Leverage Ratio of the solo basis</b>		
A Tier 1 Capital considering all regulatory adjustment	15,967,383,332	14,327,337,222
B On-balance sheet exposure	290,542,843,345	261,561,142,181
C Off-balance sheet	16,436,920,818	19,876,601,147
D Deduction from on and off balance sheet exposure/ Re regulatory adjustments made to Tier 1 capital	76,007,049	56,206,142
<b>E Total exposure (B+C-D)</b>	<b>306,903,757,114</b>	<b>281,381,537,186</b>
<b>Leverage ratio (A/E)</b>	<b>5.20%</b>	<b>5.09%</b>



**Consolidated Basis:****Common Equity Tier-1 (Going-Concern Capital)**

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
Paid-up capital	8,431,870,520	7,665,336,840
Statutory Reserve	6,082,448,575	5,572,188,014
Retained Earnings	1,601,772,114	1,268,580,761
Minority Interest in Subsidiaries	30,776,659	31,116,771
	<b>16,146,867,868</b>	<b>14,537,222,386</b>

**Regulatory Adjustments:**

Deferred Tax Assets	69,444,925	44,671,699
Goodwill and all other intangible assets	5,586,144	10,368,203
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities.	54,081,920	1,166,240
	<b>129,112,989</b>	<b>56,206,142</b>

**Total Common Equity Tier-1 Capital****Additional Tier- 1 Capital**

	<b>16,017,754,879</b>	<b>14,481,016,244</b>
	-	-

**Tier -2 Capital (Gone-Concern Capital)**

General Provision	2,609,388,767	2,815,732,601
Sub-ordinated debt	6,400,000,000	6,040,000,000
Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities)	64,200,000	64,200,000
	<b>9,073,588,767</b>	<b>8,919,932,601</b>

**Regulatory Adjustment**

Revaluation reserves for fixed assets, securities & equity securities	64,200,000	51,360,000
<b>Total Tier-2 Capital Available</b>	<b>9,009,388,767</b>	<b>8,868,572,601</b>

**A Total Regulatory Capital**

	<b>25,027,143,645</b>	<b>23,349,588,845</b>
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Total Assets including Off Balance Sheet items

	372,002,275,005	347,822,271,932
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**B Total Risk Weighted Assets**

	195,237,837,017	194,965,526,781
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**C Minimum Required capital based on risk weighted assets (10% on B)**

	19,523,783,702	19,496,552,678
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**D Surplus (A-C)**

	<b>5,503,359,944</b>	<b>3,853,036,167</b>
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**E Required capital with Conservation Buffer (CB) @12.50% (2018@11.875%)**

	24,404,729,627	23,152,156,305
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**F Excess over capital with CB (A-E)**

	<b>622,414,018</b>	<b>197,432,540</b>
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**Percentage of Capital to Risk Weighted Assets:**

	<b>12.82%</b>	<b>11.98%</b>
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**Leverage Ratio of the Consolidated basis****A Tier 1 Capital considering all regulatory adjustment**

	16,017,754,879	14,481,016,244
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**B On-balance sheet exposure**

	290,705,408,871	261,662,969,666
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**C Off-balance sheet**

	16,436,920,818	19,876,601,147
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**D Deduction from on and off balance sheet exposure/ Re regulatory adjustments made to Tier 1 capital**

	129,112,989	56,206,142
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**E Total exposure (B+C-D)**

	<b>307,013,216,700</b>	<b>281,483,364,671</b>
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**Leverage ratio (A/E)**

	<b>5.22%</b>	<b>5.14%</b>
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	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>14 Statutory Reserve</b>		
Balance brought forward from previous year	5,572,188,014	5,103,856,419
Reserve made during the year	510,260,561	468,331,595
Balance on 31 December	<b>6,082,448,575</b>	<b>5,572,188,014</b>
<b>15 Retained earnings/ movement of profit and loss account</b>		
Balance on 1 January	1,146,018,509	1,681,378,120
Addition during the year	1,659,847,018	1,393,036,145
Transfer to statutory reserve	(510,260,561)	(468,331,595)
Issue of Bonus Share	(766,533,680)	(365,016,040)
Cash dividend paid	-	(1,095,048,120)
Balance on 31 December	<b>1,529,071,286</b>	<b>1,146,018,509</b>
<b>15.1 Retained earnings brought forward from previous year</b>		
Retained Earning of previous Year	1,146,018,509	1,681,378,120
Bonus share issued	(766,533,680)	(365,016,040)
Cash dividend paid	-	(1,095,048,120)
Retained Earnings brought forward	<b>379,484,829</b>	<b>221,313,960</b>
<b>15.1 (a) Consolidated retained earnings/ movement of profit and loss account</b>		
Retained Earning of ONE Bank Limited	1,529,071,286	1,146,018,509
Retained Earning of ONE Securities Limited	73,284,885	123,823,755
Retained Earning of ONE Investments Limited	291,771	(45,562)
Attributable to Non-Controlling Interest	(875,829)	(1,215,941)
Balance on 31 December	<b>1,601,772,114</b>	<b>1,268,580,761</b>
<b>15.1(b) Consolidated retained earnings brought forward from previous year</b>		
Retained Earning of previous Year	1,268,580,761	1,787,544,536
Bonus share issued	(766,533,680)	(365,016,040)
Cash Dividend Paid	-	(1,095,048,120)
Retained Earnings brought forward	<b>502,047,081</b>	<b>327,480,376</b>
<b>15.1 (c) Non-controlling Interest</b>		
<b>ONE Securities Limited</b>		
Paid up capital	2,500,000,000	2,500,000,000
Retained earnings	73,284,885	123,823,755
Total net assets	<b>2,573,284,885</b>	<b>2,623,823,755</b>
Non-controlling interest 1.00003% (2018: 1.00003%) of net assets (A)	25,733,691	26,239,097
<b>ONE Investments Limited</b>		
Paid up capital	10,000,000	10,000,000
Retained earnings	291,771	(45,562)
Total net assets	<b>10,291,771</b>	<b>9,954,438</b>
Non-controlling interest 49 % (2018: 49 %) of net assets (B)	5,042,968	4,877,675
<b>Total non-controlling Interest (A+B)</b>	<b>30,776,659</b>	<b>31,116,771</b>
<b>16 Interest and discount income</b>		
From clients against loans and advances	20,844,005,349	19,101,600,562
Lease finance	816,425,134	723,349,195
Discount from bills purchased & discounted	596,615,842	419,851,920
From banks and financial institutions in Bangladesh	88,314,410	39,124,959
From foreign banks	177,343,736	96,957,189
	<b>22,522,704,472</b>	<b>20,380,883,825</b>
Off-shore Banking Unit	833,188,075	647,652,295
	<b>23,355,892,546</b>	<b>21,028,536,119</b>

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>16 (a) Consolidated Interest and discount income</b>		
ONE Bank Limited	23,355,892,546	21,028,536,119
ONE Securities Limited	29,269,929	20,730,216
ONE Investments Limited	482,337	184,801
Less, Inter Company Transaction	(17,673,605)	(12,853,986)
	<b>23,367,971,208</b>	<b>21,036,597,150</b>
<b>17 Interest paid on deposits and borrowings</b>		
Short term deposits	3,719,891,736	3,049,445,477
Savings deposits	651,591,493	593,434,945
Term deposits	10,489,462,451	8,487,877,936
Scheme deposits	930,581,445	947,697,446
Borrowings from banks and financial institutions	483,233,925	438,400,071
Interest expenses for leased liability as per IFRS-16*	51,956,094	-
Interest on Subordinated- Debt	791,209,042	553,871,729
	17,117,926,186	14,070,727,605
Off-shore Banking Unit	839,413,021	662,797,205
	<b>17,957,339,207</b>	<b>14,733,524,810</b>
* As per Note 2.24, in accordance with IFRS-16, the Bank has recognised lease liabilities and related interest expenses is shown above.		
<b>17 (a) Consolidated Interest paid on deposits and borrowings</b>		
ONE Bank Limited	17,957,339,207	14,733,524,810
ONE Securities Limited	329,096	-
ONE Investments Limited	-	-
Less, Inter Company Transaction	(17,673,605)	(12,853,986)
	<b>17,939,994,698</b>	<b>14,720,670,824</b>
<b>18 Income from Investments</b>		
Interest on treasury bills	450,424,016	564,549,267
Interest on treasury bond (Net)	913,233,617	891,262,804
Interest on Bangladesh Bank Bill	-	9,516,767
Dividend on Investment	39,672,879	25,037,092
Gain on sale of Shares	-	-
Interest on subordinated bond	471,132,069	395,948,473
	<b>1,874,462,581</b>	<b>1,886,314,401</b>
<b>18 (a) Consolidated Income from Investments</b>		
ONE Bank Limited	1,874,462,581	1,886,314,401
ONE Securities Limited	45,242,485	81,721,343
ONE Investments Limited	-	-
Less, Inter Company Transaction	-	-
	<b>1,919,705,066</b>	<b>1,968,035,744</b>
<b>19 Commission, exchange and brokerage</b>		
Letters of credit	299,542,090	347,809,356
Letter of guarantees	122,301,450	148,872,903
Acceptances	312,873,221	315,203,565
Bills for collection	9,221,998	8,521,684
Remittances (PO, DD, TT, Travelers' Cheque etc.)	5,753,760	6,147,137
Export bills	52,015,477	48,517,503
PRC Issuance Charges	850,825	828,700
Cash Assistance Handling Charges	6,763,750	6,113,410
Import Related Certificates	109,700	194,075
Others	3,684,183	4,031,857
	<b>813,116,454</b>	<b>886,240,190</b>
Profit on exchange trading	589,047,415	532,588,888
Less: Loss on exchange trading	-	-
	<b>589,047,415</b>	<b>532,588,888</b>
	<b>1,402,163,869</b>	<b>1,418,829,078</b>
Off-shore Banking Unit	17,683,505	5,259,996
	<b>1,419,847,374</b>	<b>1,424,089,074</b>

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>19 (a) Consolidated Commission, exchange and brokerage</b>		
ONE Bank Limited	1,419,847,374	1,424,089,074
ONE Securities Limited	28,634,481	41,765,742
	<b>1,448,481,855</b>	<b>1,465,854,816</b>
<b>20 Other operating income</b>		
Loan processing fees and other charges	136,992,336	167,462,044
Miscellaneous Credit and Debit Card Fee	98,238,517	87,570,916
Recoveries of postage, telex, telephone, fax etc	57,615,246	54,974,913
Letter of Credit miscellaneous charges	245,501,365	198,712,061
General Banking miscellaneous charges	65,062,637	60,826,409
Miscellaneous (Note-20.1)	21,014,978	25,757,756
Rent on locker	2,456,200	2,460,000
Gain on sale of fixed assets	-	-
	<b>626,881,279</b>	<b>597,764,101</b>
Off-shore Banking Unit	14,969,842	10,546,276
	<b>641,851,122</b>	<b>608,310,377</b>
<b>20.1</b> Miscellaneous income include commission on sanchyapatras, passport endorsement fees, certificate issuance charge etc.		
<b>20 (a) Consolidated Other operating income</b>		
ONE Bank Limited	641,851,122	608,310,377
ONE Securities Limited	1,201,998	987,297
	<b>643,053,120</b>	<b>609,297,675</b>
<b>21 Salary &amp; Allowances</b>		
Salary & Allowances	2,298,424,001	2,078,786,942
Provident Fund Contribution	134,336,834	122,241,726
Gratuity	155,866,420	141,398,410
Superannuation fund	7,100,000	7,600,000
Bonus	361,164,030	440,352,521
	<b>2,956,891,285</b>	<b>2,790,379,598</b>
<b>21(a) Consolidated Salary &amp; Allowances</b>		
ONE Bank Limited	2,956,891,285	2,790,379,598
ONE Securities Limited	29,274,674	33,305,908
	<b>2,986,165,958</b>	<b>2,823,685,506</b>
<b>22 Rent, taxes, insurance, electricity etc.</b>		
Rent (Note 22.1)	248,482,179	333,247,911
VAT on Rent	58,512,003	49,987,702
Taxes	3,258,268	1,708,335
Electricity	67,466,792	62,170,214
Utilities	10,451,950	9,471,076
Insurance	157,254,024	137,610,799
	<b>545,425,215</b>	<b>594,196,037</b>
<b>22.1 Rent</b>		
Rent	389,087,317	333,247,911
Transfer to depreciation and interest expenses under IFRS-16*	140,605,138	-
	<b>248,482,179</b>	<b>333,247,911</b>
* Due to the first time adoption of IFRS 16, rental expense of Tk. 140,605,138 was transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities.		
<b>22(a) Consolidated Rent, taxes, insurance, electricity etc.</b>		
ONE Bank Limited	545,425,215	594,196,037
ONE Securities Limited	7,259,468	2,070,857
	<b>552,684,683</b>	<b>596,266,893</b>

	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>23 Legal expenses</b>		
Professional fees	14,163,737	11,412,315
Fees, Court fees & stamps	525,611	389,594
	<b>14,689,348</b>	<b>11,801,909</b>
Off-shore Banking Unit	74,385,326	58,757,058
	<b>89,074,674</b>	<b>70,558,967</b>
<b>23 (a) Consolidated Legal expenses/professional expenses</b>		
ONE Bank Limited	89,074,674	70,558,967
ONE Securities Limited	207,000	217,000
	<b>89,281,674</b>	<b>70,775,967</b>
<b>24 Postage, stamps, telecommunication etc.</b>		
Telex/Telephone/Fax etc	25,792,734	19,505,754
Courier/postage	14,704,047	15,351,169
Radio Link	35,627,561	31,406,982
Reuter	3,188,201	2,934,908
	<b>79,312,543</b>	<b>69,198,812</b>
<b>25 Directors' Fees</b>	<b>1,432,000</b>	<b>1,432,000</b>
For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person as per BRPD circular no. 11 dated October 04, 2015. Other than the meeting attendance fees, no other financial benefit is being availed by the Directors.		
<b>25 (a) Consolidated Director's Fees</b>		
ONE Bank Limited	1,432,000	1,432,000
ONE Securities Limited	128,750	97,750
	<b>1,560,750</b>	<b>1,529,750</b>
<b>26 Stationery, Printing, advertisement etc.</b>		
Printed and security stationery	51,347,503	48,398,954
Stationery	85,973,976	68,697,840
Business Promotion	329,991,480	237,423,922
	<b>467,312,959</b>	<b>354,520,716</b>
<b>26 (a) Consolidated Stationery, Printing, advertisement etc.</b>		
ONE Bank Limited	467,312,959	354,520,716
ONE Securities Limited	255,423	347,473
	<b>467,568,382</b>	<b>354,868,189</b>
<b>27 Managing Director's Salary &amp; Allowances</b>		
Basic Salary	10,269,354	10,200,000
House rent allowance	300,000	300,000
Provident Fund Contribution	1,026,935	1,020,000
Festival Bonus	1,700,000	1,700,000
Incentive Bonus	1,000,000	1,000,000
	<b>14,296,289</b>	<b>14,220,000</b>



	<b>2019</b>	<b>2018</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>28 Depreciation, leasing expense and repair of bank's assets</b>		
<b>Depreciation (A)</b>		
Furniture and Fixtures	157,927,123	146,680,779
Office Equipment	95,011,033	96,331,292
Motor Vehicles	19,725,799	19,611,659
Building	4,119,120	4,224,744
Land	-	-
Right of use Assets (RoU)*	110,342,376	-
Intangibles Assets	7,131,163	17,768,710
<b>Repairs &amp; Maintenance (B)</b>	383,754,763	338,930,679
	<b><u>778,011,376</u></b>	<b><u>623,547,863</u></b>

\* As per Note 2.24, in accordance with IFRS-16, the Bank has recognised Right of use Assets (RoU) and related depreciation is shown above.

**28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets**

ONE Bank Limited	778,011,376	623,547,863
ONE Securities Limited	2,919,777	3,509,736
	<b><u>780,931,153</u></b>	<b><u>627,057,599</u></b>

**29 Other expenses**

Entertainment	39,824,187	44,426,338
Car expenses	18,089,689	18,414,006
Donation and Subscription (including CSR)	69,831,709	115,021,296
Business Traveling & Conveyance	27,043,785	22,543,744
Computer & Printer expenses	23,555,764	21,205,195
Staff training & Award	10,172,612	8,783,319
Debit and Credit Card expenses	25,776,446	19,421,794
Bank charges	13,464,640	8,016,672
Miscellaneous (Note-29.1)	7,570,497	5,883,042
ATM Booth Expenses	23,618,489	22,477,075
Call center operating expense	2,703,980	4,722,064
Issuance cost of Sub-Ordinated Bond	7,836,346	9,000,072
Mobile Financial Services	2,436,923	3,828,328
Loss from sale/ write off of assets	9,792,096	5,155,428
	281,717,161	308,898,371
Off-shore Banking Unit	1,756,549	1,579,730
	<b><u>283,473,710</u></b>	<b><u>310,478,102</u></b>

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

**29 (a) Consolidated Other expenses**

ONE Bank Limited	283,473,710	310,478,102
ONE Securities Limited	9,147,322	11,102,685
ONE Investments Limited	14,420	220,363
	<b><u>292,635,452</u></b>	<b><u>321,801,150</u></b>





	<b>2019</b>	<b>2018</b>
	<b>Taka</b>	<b>Taka</b>
<b>30 Provision for loans, off balance sheet exposure, investment &amp; other for the year</b>		
Provision for bad and doubtful loans and advances	1,771,860,497	2,627,864,657
Provision for unclassified loans and advances	(90,848,241)	334,556,478
Provision for off-balance sheet exposure	(115,495,593)	66,955,638
Provision for diminution in value of share	-	-
Provision for other	2,364,897	13,908,315
	<b>1,567,881,560</b>	<b>3,043,285,089</b>
<b>31 Consolidated provision for diminution in value of share for the year</b>		
ONE Bank Limited	-	-
ONE Securities Limited	94,291,892	59,428,753
	<b>94,291,892</b>	<b>59,428,753</b>
<b>32 Consolidated provision for other assets for the year</b>		
ONE Bank Limited	2,364,897	13,908,315
ONE Securities Limited	-	-
	<b>2,364,897</b>	<b>13,908,315</b>
<b>33 Tax Expenses for the year</b>		
Current Tax	877,981,117	968,355,401
Deferred tax	13,474,670	(19,733,569)
	<b>891,455,787</b>	<b>948,621,832</b>
<b>33 (a) Consolidated Tax Expenses for the year</b>		
<b>Current Tax</b>		
ONE Bank Limited	877,981,117	968,355,401
ONE Securities Limited	11,506,974	18,514,511
ONE Investments Limited	120,584	-
	<b>889,608,675</b>	<b>986,869,912</b>
<b>Deferred Tax</b>		
ONE Bank Limited	13,474,670	(19,733,569)
ONE Securities Limited	(462,613)	-
	<b>13,012,057</b>	<b>(19,733,569)</b>
	<b>902,620,732</b>	<b>967,136,343</b>
<b>34 Interest receipts in cash</b>		
Interest income on loans & advances	23,366,084,834	21,028,536,119
Interest on Treasury Bills and Bonds	1,834,789,702	1,861,277,310
	25,200,874,536	22,889,813,429
(Increase)/ Decrease in interest receivable on loans & advances	(2,568,272,775)	(1,659,605,114)
(Increase)/ Decrease in interest receivable others	35,280,889	222,493,329
	<b>22,667,882,649</b>	<b>21,452,701,643</b>
<b>34 (a) Consolidated Interest receipts in cash</b>		
ONE Bank Limited	22,667,882,649	21,452,701,643
ONE Securities Limited	26,009,516	20,730,216
ONE Investments Limited	482,337	-
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(17,673,605)	(12,669,185)
	<b>22,676,700,897</b>	<b>21,460,762,675</b>
<b>35 Interest payments</b>		
Total interest expenses	17,905,383,113	14,733,524,810
Add : Opening balance of interest payable	3,251,004,674	2,021,281,931
Less: Closing balance of interest payable	(3,635,777,905)	(3,251,004,674)
	<b>17,520,609,882</b>	<b>13,503,802,066</b>
<b>35 (a) Consolidated Interest Payment</b>		
ONE Bank Limited	17,520,609,882	13,503,802,066
ONE Securities Limited	329,096	-
Interest on deposit paid by ONE Bank Limited to subsidiaries company	(17,673,605)	(12,669,185)
	<b>17,503,265,374</b>	<b>13,491,132,881</b>

	<b>2019</b>	<b>2018</b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<b>36 Fee and commission receipts in cash</b>		
Fees and commission	830,799,959	891,500,185
Less : (Increase) / decrease in Commission receivable	-	-
	<b><u>830,799,959</u></b>	<b><u>891,500,185</u></b>
<b>36 (a) Consolidated Fee and commission receipts in cash</b>		
ONE Bank Limited	830,799,959	891,500,185
ONE Securities Limited	28,634,481	41,765,742
	<b><u>859,434,440</u></b>	<b><u>933,265,927</u></b>
<b>37 Cash payments to employees</b>		
Salaries and allowances	2,956,891,285	2,790,379,598
Managing Director's salary and allowances	14,296,289	14,220,000
	<u>2,971,187,574</u>	<u>2,804,599,598</u>
Less: Payable to employees	(370,968,289)	(354,367,582)
Add: Opening Payable	354,367,582	336,299,374
	<b><u>2,954,586,867</u></b>	<b><u>2,786,531,390</u></b>
<b>38 Cash payment to suppliers</b>		
Stationery, Printings, advertisements etc.	467,312,959	354,520,716
Repair & Maintenance	323,765,678	338,930,679
Add: closing stock of stationery and stamps	40,694,330	31,786,933
	<u>831,772,967</u>	<u>725,238,329</u>
Less: opening stock of stationery and stamps	(31,786,933)	(31,918,559)
	<b><u>799,986,033</u></b>	<b><u>693,319,770</u></b>
<b>39 Cash receipts from other operating activities</b>		
Other operating income	641,851,122	608,310,377
Exchange earnings	589,047,415	532,588,888
	<b><u>1,230,898,537</u></b>	<b><u>1,140,899,266</u></b>
<b>39 (a) Consolidated Cash receipts from other operating activities</b>		
ONE Bank Limited	1,230,898,537	1,140,899,266
ONE Securities Limited	11,524,666	24,108,837
	<b><u>1,242,423,203</u></b>	<b><u>1,165,008,103</u></b>
<b>40 Cash payments for other operating activities</b>		
Rent, taxes, insurance and electricity etc.	686,030,353	594,196,037
Legal expenses	14,689,348	11,801,909
Postage, stamps, telecommunication etc.	79,312,543	69,198,812
Directors fees	1,432,000	1,432,000
Auditors' fee	250,000	250,000
Other expenses	265,960,268	305,322,674
	<u>1,047,674,512</u>	<u>982,201,432</u>
Add: Outstanding in payable - Opening balance	225,325,591	235,226,212
Less: Outstanding in payable - Closing balance	(213,893,211)	(225,325,591)
	<b><u>1,059,106,892</u></b>	<b><u>992,102,053</u></b>
<b>40 (a) Consolidated Cash payments for other operating activities</b>		
ONE Bank Limited	1,059,106,892	992,102,053
ONE Securities Limited	47,813,513	47,181,701
ONE Investments Limited	12,920	-
	<b><u>1,106,933,325</u></b>	<b><u>1,039,283,754</u></b>

**41 (Increase)/decrease of other assets**
**Closing balance:**

Security deposits
Advance rent
Prepayments
Application money against right share and clearing adjustment account
Suspense account
Receivable from Bangladesh Bank
Receivable from ONE Securities Ltd
Receivable from ONE Investments Ltd
Sundry receivables
Receivable ATM acquiring
Protested bill
Branch Adjustment Account

2019 Taka	2018 Taka
5,827,121	4,660,555
461,264,414	419,081,086
607,012,280	455,880,139
87,116,850	51,664,505
39,945,715	24,210,725
159,384,091	196,006,798
-	32,097
205,426	205,426
416,331	-
11,028,206	-
2,594,351	2,594,351
23,104,658	45,667,814
<b>1,397,899,443</b>	<b>1,200,003,496</b>
133,494,986	200,922,889
<b>1,531,394,428</b>	<b>1,400,926,385</b>

Off-shore banking unit

**Less: Opening balance:**

Security deposits
Advance rent
Prepayments
Application money against right share and clearing adjustment account
Suspense account
Receivable from Bangladesh Bank
Receivable from ONE Securities Ltd
Receivable from ONE Investments Ltd
Protested bill
Branch Adjustment Account

4,660,555	4,481,255
419,081,086	488,942,333
455,880,139	356,857,019
51,664,505	88,869,656
24,210,725	47,194,256
196,006,798	235,935,321
32,097	-
205,426	-
2,594,351	2,594,351
45,667,814	82,597,306
<b>1,200,003,496</b>	<b>1,307,471,497</b>
200,922,889	67,397,567
<b>1,400,926,385</b>	<b>1,374,869,065</b>
<b>(130,468,043)</b>	<b>(26,057,320)</b>

Off-shore banking unit

**41 (a) Consolidated (Increase)/decrease of other assets**

ONE Bank Limited
ONE Securities Limited

(130,468,043)	(26,057,320)
5,452,801	26,453,646
<b>(125,015,242)</b>	<b>396,326</b>

**42 Letters of Guarantee**

- i) Claims against the Bank not acknowledged as debts  
 ii) Money for which the Bank is contingently liable in respect of guarantee given favoring:

Directors
Government
Banks and other financial institutions
Others

39,727,849	11,771,078
535,960,335	558,895,756
829,796,595	2,119,224
13,816,703,023	13,697,824,807
15,222,187,802	14,270,610,865
<b>15,222,187,802</b>	<b>14,270,610,865</b>

**Total (i and ii)**
**43 Details break-up of Shareholders' Equity -Solo**

Paid-up Capital
Statutory Reserve
Surplus in Profit & Loss Account
Revaluation Reserve for HTM Securities

8,431,870,520	7,665,336,840
6,082,448,575	5,572,188,014
1,529,071,286	1,146,018,509
9,087,403	8,262,217
<b>16,052,477,785</b>	<b>14,391,805,580</b>

	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>44 Calculation of Net Asset Value (NAV) Per Share</b>		
Total Shareholders' Equity -Solo	16,052,477,785	14,391,805,580
Total Shareholders' Equity -Consolidated	16,125,178,612	14,514,367,831
Weighted average number of outstanding Shares	843,187,052	843,187,052
<b>Net Asset Value Per Share –Solo</b>	<u>19.04</u>	<u>17.07</u>
<b>Net Asset Value Per Share – Consolidated</b>	<u>19.12</u>	<u>17.21</u>
<b>45 Basic Earnings Per Share</b>		
Attributable profit for the year -Solo	1,659,847,018	1,393,036,145
Attributable profit for the year -Consolidated	1,609,985,594	1,409,431,980
Weighted average number of outstanding Shares for the year:		
Opening balance	766,533,684	766,533,684
Bonus Share Issued for the year 2018	76,653,368	76,653,368
	<u>843,187,052</u>	<u>843,187,052</u>
<b>Basic Earnings Per Share -Solo</b>	<u>1.97</u>	<u>1.65</u>
<b>Basic Earnings Per Share - Consolidated</b>	<u>1.91</u>	<u>1.67</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 2019. No Diluted Earnings Per Share is required to be calculated for the year as there was no scope for dilution of share during the year (i.e. no right share was issued).		
<b>46 Calculation of Net Operating Cash Flow Per Shares (NOCFPS)</b>		
Net Operating Cash Flow- Solo	6,369,358,511	5,676,922,469
Net Operating Cash Flow- Consolidated	6,369,868,372	5,639,461,003
Weighted average number of outstanding Shares	843,187,052	843,187,052
<b>Net Operating Cash Flow Per Share –Solo</b>	<u>7.55</u>	<u>6.73</u>
<b>Net Operating Cash Flow Per Share – Consolidated</b>	<u>7.55</u>	<u>6.69</u>
<b>47 Reconciliation between Operating profit of the Bank and Cash Flows from Operating Activities (Solo):</b>		
<b>Profit before provision and tax as per profit &amp; loss account (A)</b>	<b>4,119,184,365</b>	<b>5,384,943,066</b>
<b>Adjustments (Non- Cash Items) (B)</b>		
Increase in Interest income receivable	(2,472,116,688)	(1,406,604,293)
Increase in Interest expense payable	384,773,231	1,229,722,744
Depreciation and amortization expenses	351,624,668	284,617,184
Loss from sale of assets	9,792,096	5,155,428
Increase in salaries and allowances expenses payable	16,600,707	18,068,208
Increase in other expenses payable	75,788,881	48,988,063
	<u>(1,633,537,106)</u>	<u>179,947,334</u>
<b>Adjustments (Non-Operating Items) (C)</b>		
Dividend received during the year 2018 which was accrued last year 2017	-	346,499,884
Income tax paid (It is the part of cash flow from operating activities but not includes in operating profit in the profit & loss account)	(1,221,917,404)	(1,535,756,161)
	<u>(1,221,917,404)</u>	<u>(1,189,256,277)</u>
<b>Profit after adjustment (A+B+C)</b>	<u>1,263,729,856</u>	<u>4,375,634,123</u>
<b>Cash generated from operating activities as per cash flows statements</b>	<u>1,263,729,856</u>	<u>4,375,634,123</u>

**48 Related Party Disclosures of the Bank**

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2019: Nil
- iii) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil



# ACNABIN

Chartered Accountants

iv) Nature, type and elements of transactions with the related party: **-Annexure-F**

V) Lending policies in respect of related party:

a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2019: Nil

b) Amount of transactions regarding principal items of deposits, expenses and commission : Nil

c) Amount of provision against loans and advances given to related party : Nil

d) Amount of guarantees and commitments arising from other off-balance sheet exposures : Nil

vi) Disclosure of transaction regarding Directors and their related concerns: Nil

vii) As on Balance Sheet date, the total receivable amount of Tk. 205,426 from ONE Investments Limited.

viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Companies Act-1991 (as amended in 2013):

Lease agreement made with the Director :

Nature of the contract	Branch / Office / Location	Name of Director and related by	Remarks
Lease Agreement	Corporate Head Quarters, ONE Bank Limited, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka.	Mr. Sayeed H. Chowdhury, Managing Director Hamid Properties Limited	Expiry Date of Lease 31.10.2023
Lease Agreement	Off- Site Store, 26 Tejgoan Industrial Area, Tejgoan, Dhaka.	Mr. Zahur Ullah, Director Shamah Enterprise Limited	Expiry Date of Lease 31.05.2021
Lease Agreement	Central Vehicle Maintenance Unit and Off-Site Store, 14-17A Sangshad Avenue, Monipuripara, Tejgoan, Dhaka	Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Bangladesh Limited	Expiry Date of Lease 30.06.2026
Lease Agreement	ONE Bank Limited, Kawran Bazar Branch, HRC Bhaban, 46 Kawran Bazar C/A, Dhaka	Mr. Sayeed H. Chowdhury, Managing Director Hamid Properties Limited	Expiry Date of Lease 30.06.2023
Lease Agreement	Zonal Office, Centralized Tarde Processing Center and Loan Administration Department, HRC Bhaban, 64-66 Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Properties Limited	Expiry Date of Lease 29.02.2024
Lease Agreement	ONE Bank Limited, Agrabad Branch, Retail, SME and Recovery Unit, HRC Bhaban, 64-66 Agrabad C/A, Chittagong	Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Properties Limited	Expiry Date of Lease 28.02.2025
Lease Agreement	Central Vehicle Maintenance Unit & Garage, Zonal Central Off-Site Store, Plot No. P/2 (A&B), 13 (WP), Mohora Industrial Area, Kalurghat, Chittagong	Mr. Sayeed H. Chowdhury, Managing Director HRC Leather Complex Limited	Expiry Date of Lease 30.09.2026
Lease Agreement	ONE Bank Limited, Offsite ATM Booth, 14-17A Sangshad Avenue, Monipuripara, Tejgoan, Dhaka	Mr. Sayeed H. Chowdhury, Chairman & CEO, HRC Bangladesh Limited	Expiry Date of Lease 31.01.2026
Lease Agreement	Off-Site Store, 26 Tejgoan Industrial Area, Tejgoan, Dhaka	Mr. Zahur Ullah, Director Shamah Enterprise Limited	Expiry Date of Lease 31.07.2025

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

## 49 Number of employees of the Bank

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



**50 Coverage of External Audit**

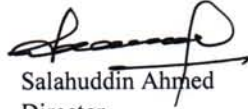
The external auditors of the Bank, ACNABIN, Chartered Accountants worked about 5,120 person hours. They have reviewed more than 80% of the Bank's risk weighted assets as at the Balance Sheet date.

**51 Events after the balance sheet date**

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



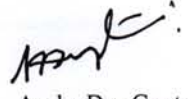
M. Fakhru Alam  
Managing Director



Salahuddin Ahmed  
Director



Zahur Ullah  
Director



Asoke Das Gupta  
Vice- Chairman



**ONE Bank Limited**  
**Financial Highlights on the overall activities of the Bank**  
**As at 31 December 2019**

**Solo Basis**

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

**Consolidated Basis**

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



Annexure-A

**ONE Bank Limited**  
**Schedule of Fixed Assets**  
**As at 31 December 2019**

[Referred to Note 8 of these Financial Statements]

Particulars	Cost (Taka)				Depreciation and Amortization (Taka)				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	1,597,244,555	76,299,063	104,828,634	1,568,714,984	610,884,555	157,927,123	14,301,755	673,015,089	895,699,895	10%
Office Equipment	1,192,736,206	75,677,520	3,491,925	1,264,921,801	703,506,814	95,011,033	2,958,812	795,559,035	469,362,766	18
Motor Vehicles	278,283,495	47,585,760	-	325,869,255	198,111,243	19,725,799	-	217,837,042	108,032,213	20
Building	189,464,053	-	-	189,464,053	24,699,030	4,119,120	-	28,818,150	160,645,903	2.5
Right of use Assets (RoU)	-	809,670,917	-	809,670,917	-	110,342,376	-	110,342,376	699,328,541	
Land	279,366,295	-	-	279,366,295	-	-	-	-	279,366,295	
<b>Sub-Total</b>	<b>3,537,094,604</b>	<b>1,009,233,260</b>	<b>108,320,559</b>	<b>4,438,007,305</b>	<b>1,537,201,643</b>	<b>387,125,450</b>	<b>17,260,567</b>	<b>1,825,571,692</b>	<b>2,612,435,613</b>	
Intangibles Assets	195,835,516	2,349,104	-	198,184,620	185,467,313	7,131,163	-	192,598,476	5,586,144	20
<b>Total 2019</b>	<b>3,732,930,120</b>	<b>1,011,582,364</b>	<b>108,320,559</b>	<b>4,636,191,925</b>	<b>1,722,668,956</b>	<b>394,256,613</b>	<b>17,260,567</b>	<b>2,018,170,168</b>	<b>2,618,021,757</b>	
<b>Total 2018</b>	<b>3,589,324,303</b>	<b>229,526,353</b>	<b>85,920,536</b>	<b>3,732,930,120</b>	<b>1,519,725,208</b>	<b>284,617,184</b>	<b>13,979,252</b>	<b>1,722,668,956</b>	<b>2,010,261,164</b>	





**Annexure- B**
**Reconciliation Statement Regarding Balance with Bangladesh Bank**
**1) Balance with Bangladesh Bank-Taka account**

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

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

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



**ONE Bank Limited**  
**Financial Statements for the year ended 31 December 2019**  
**Balance with other banks in foreign currency**

**Annexure-C**

[Referred to Note 4.5 of these Financial Statements]

Name of the Banks	Currency Name	2019			2018		
		Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.	Amount in Foreign Currency	Conversion rate per unit F.C.	Amount in BDT.
Standard Chartered Bank, New York	USD	47,556,196.85	84.9000	4,037,521,112.57	14,316,813.21	83.9000	1,201,180,628.32
Commerzbank AG, Frankfurt	USD	3,362,373.51	84.9000	285,465,511.00	1,410,109.38	83.9000	118,308,176.98
Mashreqbank Psc, New York	USD	2,352,089.36	84.9000	199,692,386.66	8,711,026.64	83.9000	730,855,135.10
ICICI Bank Limited, Hong Kong	USD	7,084,455.32	84.9000	601,470,256.67	(25,607.84)	83.9000	(2,148,497.78)
Wells Fargo Bank N.A, New York	USD	4,879,959.21	84.9000	414,308,536.93	5,118,841.61	83.9000	429,470,811.08
Kookmin Bank, South Korea	USD	554,302.88	84.9000	47,060,314.51	-	-	-
		<b>65,789,377.13</b>		<b>5,585,518,118.34</b>	<b>29,531,183.00</b>		<b>2,477,666,253.70</b>
Standard Chartered Bank, London	GBP	56,630.65	111.3124	6,303,693.57	240,718.54	106.0160	25,520,016.74
AB Bank Ltd, Mumbai	ACUD	490,517.37	84.9000	41,644,924.71	(1,466,290.10)	83.9000	(123,021,739.39)
Mashreqbank Psc, India	ACUD	204,951.19	84.9000	17,400,356.03	350,099.72	83.9000	29,373,366.51
Standard Chartered Bank (Pakistan) Ltd, Karachi	ACUD	269,402.98	84.9000	22,911,855.44	103,779.11	83.9000	8,707,067.33
Nepal Bangladesh Bank Ltd, Kathmandu	ACUD	117,454.46	84.9000	9,971,883.65	118,468.46	83.9000	9,939,503.79
Seylan Bank PLC, Colombo	ACUD	8,182.04	84.9000	694,655.20	132,146.70	83.9000	11,087,108.13
Standard Chartered Bank, Mumbai	ACUD	739,408.39	84.9000	62,775,772.31	141,143.33	83.9000	11,841,925.39
United Bank of India, Kolkata	ACUD	369,980.38	84.9000	31,411,334.26	411,864.82	83.9000	34,555,458.40
Axis Bank Ltd, Kolkata	ACUD	199,630.55	84.9000	16,948,633.70	1,170,754.40	83.9000	98,226,294.16
ICICI Bank Limited, Mumbai	ACUD	754,904.87	84.9000	64,091,423.46	623,945.48	83.9000	52,349,025.77
		<b>3,154,432.23</b>		<b>267,850,838.76</b>	<b>1,585,911.92</b>		<b>133,058,010.09</b>
Standard Chartered Bank, Tokyo	JPY	7,127,523.00	0.7780	5,545,212.89	23,742,519.29	0.7535	17,889,988.29
Standard Chartered Bank, Frankfurt	EURO	219,187.31	95.0965	20,843,946.03	132,213.23	95.2685	12,595,756.10
Commerzbank AG, Frankfurt	EURO	575,522.42	95.0965	54,730,167.81	16,410.55	95.2685	1,563,408.48
ICICI Bank Limited, Mumbai	ACU EURO	86,493.04	95.0965	8,225,185.38	86,493.04	95.2685	8,240,062.18
		<b>881,202.77</b>		<b>83,799,299.22</b>	<b>235,116.82</b>		<b>22,399,226.76</b>
Commerzbank AG, Frankfurt	CAD	368,774.94	64.9728	23,960,340.42	80,978.45	61.8093	5,005,221.31
Habib Bank AG Zurich, Zurich	CHF	668,206.84	87.3277	58,352,966.46	164,674.99	84.2369	13,871,710.67
Bank Al-Jazira, Jeddah	SAR	300,040.00	21.4350	6,431,357.40	300,000.00	21.4350	6,430,500.00
Riyad Bank	SAR	1,455,850.00	21.4350	31,206,144.75	-	-	-
<b>Total</b>				<b>6,068,967,972</b>			<b>2,701,840,928</b>



**ONE Bank Limited**  
**Statement of large loan**  
**As at 31 December 2019**

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

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



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

SL No	Name of the Director	Status with the Bank	Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent, Guarantor, Employee etc.	Percentage (%) of holding in the company	Remarks
1.	Mr. Sayeed Hossain Chowdhury	Chairman	1 Bangladesh Shipping Lines Ltd. 2 Baridhi Shipping Lines Ltd. 3 Bangladesh Land Ltd. 4 HRC Syndicate Ltd. 5 HRC Travels Ltd. 6 HRC Lighting Ltd. 7 HRC Properties Ltd. 8 HRC Shipping Ltd. 9 HRC Agrocom Ltd. 10 HRC Bangladesh Ltd. 11 HRC Products Ltd. 12 HRC Lamps Ltd 13 HRC Media Ltd. 14 Hamid Properties Ltd. 15 Arakan Express Ltd. 16 Cosco (BD) Shipping Lines Ltd 17 HRC Lather Complex Ltd 18 Information Services Network Ltd. 19 Bangladesh General Insurance Co. Ltd 20 HRC Freight Ltd 21 Jajjaidin 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**

**Related Party Transactions  
As on December 31, 2019**

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



**Statement of Tax Position of the Bank  
As at 31 December 2019**

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



**ONE Bank Limited  
Segment Reporting**

**Annexure-H**

Amount in Taka

Particulars	ONE Bank Limited				ONE Bank Limited and its subsidiaries		Inter company transaction	Consolidated
	ONE Bank Limited	Off-Shore Banking unit	Inter transaction with DBO	Total	ONE Securities Ltd	ONE Investments Ltd		
Interest income	22,522,704,472	833,188,075	-	23,355,892,546	29,269,929	482,337	(17,673,605)	23,367,971,208
Interest paid on deposits and borrowings etc.	17,117,926,186	839,413,021	-	17,957,339,207	329,096	-	(17,673,605)	17,939,994,698
<b>Net interest income</b>	<b>5,404,778,286</b>	<b>(6,224,946)</b>	<b>-</b>	<b>5,398,553,339</b>	<b>28,940,833</b>	<b>482,337</b>	<b>-</b>	<b>5,427,976,509</b>
Investment income	1,874,462,581	-	-	1,874,462,581	45,242,485	-	-	1,919,705,066
Commission, exchange and brokerage	1,402,163,869	17,683,505	-	1,419,847,374	28,634,481	-	-	1,448,481,855
Other operating income	626,881,279	14,969,842	-	641,851,122	1,201,998	-	-	643,053,120
<b>Total operating income (A)</b>	<b>9,308,286,015</b>	<b>26,428,401</b>	<b>-</b>	<b>9,334,714,416</b>	<b>104,019,797</b>	<b>482,337</b>	<b>-</b>	<b>9,439,216,550</b>
Salaries and allowances	2,956,891,285	-	-	2,956,891,285	29,274,674	-	-	2,986,165,958
Rent, taxes, insurance, electricity etc.	545,425,215	-	-	545,425,215	7,259,468	-	-	552,684,683
Legal expenses	14,689,348	74,385,326	-	89,074,674	207,000	-	-	89,281,674
Postage, stamps, telecommunication etc.	79,312,543	-	-	79,312,543	-	-	-	79,312,543
Directors' fees	1,432,000	-	-	1,432,000	128,750	-	-	1,560,750
Auditors' fees	300,000	-	-	300,000	30,000	10,000	-	340,000
Stationery, printings, advertisements etc.	467,312,959	-	-	467,312,959	255,423	-	-	467,568,382
Managing Director's salary and allowances	14,296,289	-	-	14,296,289	-	-	-	14,296,289
Depreciation, leasing expense and repair of bank's assets	778,011,376	-	-	778,011,376	2,919,777	-	-	780,931,153
Other expenses	281,717,161	1,756,549	-	283,473,710	9,147,322	14,420	-	292,635,452
<b>Total operating expenses (B)</b>	<b>5,139,388,176</b>	<b>76,141,875</b>	<b>-</b>	<b>5,215,530,051</b>	<b>49,222,414</b>	<b>24,420</b>	<b>-</b>	<b>5,264,776,885</b>
<b>Profit/ (loss) before provision and tax (C=A-B)</b>	<b>4,168,897,839</b>	<b>(49,713,473)</b>	<b>-</b>	<b>4,119,184,365</b>	<b>54,797,383</b>	<b>457,917</b>	<b>-</b>	<b>4,174,439,665</b>
Provision for loans and advances								
Specific provision	1,771,860,497	-	-	1,771,860,497	-	-	-	1,771,860,497
General provision	(90,848,241)	-	-	(90,848,241)	-	-	-	(90,848,241)
Provision for off-balance sheet items	(115,495,593)	-	-	(115,495,593)	-	-	-	(115,495,593)
Provision for diminution in value of share	-	-	-	-	94,291,892	-	-	94,291,892
Provision for other	2,364,897	-	-	2,364,897	-	-	-	2,364,897
<b>Total Provision (D)</b>	<b>1,567,881,560</b>	<b>-</b>	<b>-</b>	<b>1,567,881,560</b>	<b>94,291,892</b>	<b>-</b>	<b>-</b>	<b>1,662,173,452</b>
<b>Profit/ (loss) before taxes (E=C-D)</b>	<b>2,601,016,279</b>	<b>(49,713,473)</b>	<b>-</b>	<b>2,551,302,805</b>	<b>(39,494,509)</b>	<b>457,917</b>	<b>-</b>	<b>2,512,266,214</b>
Provision for taxation	891,455,787	-	-	891,455,787	11,044,360	120,584	-	902,620,732
<b>Net Profit after taxation</b>	<b>1,709,560,492</b>	<b>(49,713,473)</b>	<b>-</b>	<b>1,659,847,018</b>	<b>(50,538,869)</b>	<b>337,333</b>	<b>-</b>	<b>1,609,645,482</b>



Amount in Taka

Particulars	ONE Bank Limited			ONE Bank Limited and its subsidiaries		Inter company transaction	Consolidated	
	ONE Bank Limited	Off-Shore Banking unit	Inter transaction with DBO	Total	ONE Securities Ltd			ONE Investments Ltd
<b>PROPERTY AND ASSETS</b>								
Cash	24,375,991,341	-	-	24,375,991,341	10,905	-	24,376,002,245	
Balance with other Banks and Financial Institution	8,544,668,356	225,021,758	-	8,769,690,115	57,069,264	302,244	8,769,690,115	
Money at call on short notice	250,000,000	-	-	250,000,000	-	-	250,000,000	
Investment	33,728,099,936	-	-	33,728,099,936	2,554,875,397	10,271,823	36,124,495,980	
Loans and Advances	200,640,068,313	14,587,756,875	-	215,227,825,188	87,706,768	-	215,315,531,955	
Fixed Assets including premises, furnitures & fixtures	2,618,021,757	-	-	2,618,021,757	20,207,442	-	2,638,229,199	
Other Assets	12,770,836,514	133,494,986	-	12,904,331,499	138,482,248	66,714	10,562,575,866	
Non-banking Assets	-	-	-	-	-	-	-	
<b>Total Assets</b>	<b>282,927,686,217</b>	<b>14,946,273,618</b>	<b>-</b>	<b>297,873,959,835</b>	<b>2,858,352,023</b>	<b>10,640,781</b>	<b>(2,706,427,279)</b>	<b>298,036,525,360</b>
<b>LIABILITIES AND CAPITAL</b>								
Borrowings from other Banks, Financial Institutions and agents	16,205,208,217	13,069,066,361	-	29,274,274,579	-	-	29,274,274,579	
Deposits and other accounts	228,065,880,373	25,147,691	-	228,091,028,064	-	(226,122,683)	227,864,905,381	
Other Liabilities	24,339,716,267	1,852,059,565	(1,735,596,425)	24,456,179,407	285,067,138	349,010	24,741,390,129	
<b>Total Liabilities</b>	<b>268,610,804,857</b>	<b>14,946,273,618</b>	<b>(1,735,596,425)</b>	<b>281,821,482,050</b>	<b>285,067,138</b>	<b>349,010</b>	<b>(226,328,109)</b>	<b>281,880,570,089</b>
Total Shareholders' Equity	16,052,477,785	-	-	16,052,477,785	2,573,284,885	10,291,771	16,155,955,271	
<b>Total Liability and Shareholders' Equity</b>	<b>284,663,282,642</b>	<b>14,946,273,618</b>	<b>-</b>	<b>297,873,959,835</b>	<b>2,858,352,023</b>	<b>10,640,781</b>	<b>(2,706,427,279)</b>	<b>298,036,525,360</b>





**ONE Bank Limited**  
**Off-Shore Banking Unit**  
**Balance Sheet**  
**As at 31 December 2019**

	Notes	2019		2018	
		USD	TAKA	USD	TAKA
<b>PROPERTY AND ASSETS</b>					
<b>CASH</b>					
Cash in hand ( including foreign currencies)		-	-	-	-
Cash with Bangladesh Bank and its agent bank(s) (Including foreign currencies)		-	-	-	-
<b>Balance with other Banks and Financial Institutions</b>	<b>3</b>				
In Bangladesh		-	-	20,000,000	1,678,000,000
Outside Bangladesh		2,650,433	225,021,758	7,228,604	606,479,906
		<b>2,650,433</b>	<b>225,021,758</b>	<b>27,228,604</b>	<b>2,284,479,906</b>
<b>Money at Call on Short Notice</b>		-	-	-	-
<b>Investment</b>					
Government		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Loan and Advances:</b>	<b>4</b>				
Loans, cash credits, overdrafts etc.		168,823,252	14,333,094,104	148,875,054	12,490,617,048
Bills purchased and discounted		2,999,561	254,662,771	4,620,185	387,633,530
		<b>171,822,814</b>	<b>14,587,756,875</b>	<b>153,495,239</b>	<b>12,878,250,578</b>
<b>Fixed Assets</b>		-	-	-	-
<b>Other Assets</b>	<b>5</b>	<b>1,572,379</b>	<b>133,494,986</b>	<b>2,394,790</b>	<b>200,922,889</b>
<b>Non Banking Assets</b>		-	-	-	-
<b>Total Assets</b>		<b>176,045,626</b>	<b>14,946,273,618</b>	<b>183,118,634</b>	<b>15,363,653,373</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Borrowings from other Banks, Financial Institutions and agents</b>	<b>6</b>	<b>153,934,822</b>	<b>13,069,066,361</b>	<b>169,220,500</b>	<b>14,197,599,950</b>
<b>Current deposits and other accounts</b>	<b>7</b>				
Current accounts and other accounts		296,204	25,147,691	19,036	1,597,096
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		-	-	1,932,578	162,143,252
		<b>296,204</b>	<b>25,147,691</b>	<b>1,951,613</b>	<b>163,740,348</b>
<b>Other Liabilities</b>	<b>8</b>	<b>22,612,705</b>	<b>1,919,818,674</b>	<b>13,454,188</b>	<b>1,128,806,334</b>
<b>Total Liabilities</b>		<b>176,843,731</b>	<b>15,014,032,726</b>	<b>184,626,301</b>	<b>15,490,146,632</b>
<b>Capital/Shareholders' Equity</b>					
Profit and loss account		(798,105)	(67,759,108)	(1,507,667)	(126,493,259)
<b>Total Liabilities and Shareholders' Equity</b>		<b>176,045,626</b>	<b>14,946,273,618</b>	<b>183,118,634</b>	<b>15,363,653,373</b>



**Off Balance Sheet Items**
**Contingent Liabilities**

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

Notes	2019		2018	
	USD	TAKA	USD	TAKA

9

2,165,823	183,878,393	258,420	21,681,473
-	-	-	-
1,315,081	111,650,404	2,130,991	178,790,147
-	-	-	-
<b>3,480,905</b>	<b>295,528,797</b>	<b>2,389,411</b>	<b>200,471,620</b>

**Other Contingent Liabilities**

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

-	-	-	-
-	-	-	-
<b>3,480,905</b>	<b>295,528,797</b>	<b>2,389,411</b>	<b>200,471,620</b>

**Total Contingent Liabilities**
**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**

<b>3,480,905</b>	<b>295,528,797</b>	<b>2,389,411</b>	<b>200,471,620</b>
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**ONE Bank Limited**  
**Off- Shore Banking Unit**  
**Profit & Loss Account**  
**For the year ended 31 December 2019**

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



**ONE Bank Limited**  
**Off-Shore Banking Unit**  
**Cash Flow Statement**  
**For the year ended 31 December 2019**

	2019		2018	
	USD	Taka	USD	Taka
<b>Cash flows from operating activities</b>				
Interest receipts in cash	10,530,629	894,050,416	8,337,958	699,554,654
Interest payments	(10,603,950)	(900,275,362)	(8,518,469)	(714,699,565)
Fee and commission receipts	208,286	17,683,505	62,694	5,259,996
Legal expenses	(896,842)	(76,141,875)	(719,151)	(60,336,788)
Receipts from other operating activities	176,323	14,969,842	125,701	10,546,276
<b>Operating profit before changes in current assets and liabilities</b>	<b>(585,553)</b>	<b>(49,713,473)</b>	<b>(711,268)</b>	<b>(59,675,427)</b>
Increase/(decrease) in operating assets and liabilities				
Loans and advances to customers	(18,327,574)	(1,709,506,297)	(81,379,045)	(6,827,701,910)
Other assets	822,411	67,427,904	(1,579,826)	(132,547,364)
Borrowing from other banking companies, agencies etc.	(15,285,678)	(1,128,533,589)	125,220,500	10,505,999,950
Deposits from banks	(1,930,637)	(161,978,531)	(6,793,064)	(569,938,110)
Deposits from customers	275,228	23,385,873	13,872	1,163,870
Other liabilities	10,453,633	899,459,965	(7,542,564)	(632,821,103)
	<b>(23,992,618)</b>	<b>(2,009,744,674)</b>	<b>27,939,873</b>	<b>2,344,155,333</b>
<b>A Net cash flows from operating activities</b>	<b>(24,578,171)</b>	<b>(2,059,458,148)</b>	<b>27,228,604</b>	<b>2,284,479,906</b>
<b>Cash flows from investing activities</b>				
Payments for purchase of securities	-	-	-	-
Receipts from sale of securities	-	-	-	-
Net Purchase/sale of fixed assets	-	-	-	-
<b>B Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financial activities</b>				
Receipts from issue of ordinary shares	-	-	-	-
Dividend paid	-	-	-	-
<b>C Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>(24,578,171)</b>	<b>(2,059,458,148)</b>	<b>27,228,604</b>	<b>2,284,479,906</b>
Effect of exchange rate changes on cash and cash equivalents	-	-	-	-
<b>E Opening cash and cash equivalents</b>	<b>27,228,604</b>	<b>2,284,479,906</b>	<b>-</b>	<b>-</b>
<b>F Closing cash and cash equivalents (D+E)</b>	<b>2,650,433</b>	<b>225,021,758</b>	<b>27,228,604</b>	<b>2,284,479,906</b>
<b>Closing cash and cash equivalents</b>				
Cash in hand	-	-	-	-
Cash with Bangladesh Bank & its agent(s)	-	-	-	-
Cash with other banks and financial institutions	2,650,433	225,021,758	27,228,604	2,284,479,906
Money at call on short notice	-	-	-	-
Prize bonds	-	-	-	-
	<b>2,650,433</b>	<b>225,021,758</b>	<b>27,228,604</b>	<b>2,284,479,906</b>



**ONE Bank Limited**  
**Off-Shore Banking Unit**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2019**

**1 Status of the units**

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

**1.1 Principal activities**

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

**1.2 Significant accounting policies and basis of preparation of financial statements**

**1.2.1 Basis of accounting**

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

**1.2.2 Use of estimates and judgments**

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

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

**1.2.3 Foreign currency transaction**

**a) Foreign currencies translation**

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

**b) Commitments**

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

**1.2.4 Cash flow statement**

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

**1.2.5 Reporting period**

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

**1.3 Assets and basis of their valuation**

**1.3.1 Cash and cash equivalents**

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



**1.3.2 Loans and advances / investments**

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

**1.3.3 Fixed assets and depreciation**

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

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

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

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

**1.4 Basis for valuation of liabilities and provisions**

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

**1.5 Revenue recognition**

**1.5.1 Interest income**

Interest income is recognized on accrual basis.

**1.5.2 Fees and commission income**

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

**1.5.3 Interest paid and other expenses**

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

**2 General**

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

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 84.90 and EURO1=Taka 95.0965 (Mid rate as at 31 December 2019).



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

	2019		2018	
	USD	TAKA	USD	TAKA
<b>3 Balance with other banks and financial institutions</b>				
In Bangladesh	-	-	20,000,000	1,678,000,000
Outside Bangladesh (note-3.1)	2,650,433	225,021,758	7,228,604	606,479,906
	<b>2,650,433</b>	<b>225,021,758</b>	<b>27,228,604</b>	<b>2,284,479,906</b>
<b>3.1 Outside Bangladesh</b>				
Mashreq Bank NY	2,520,928	214,026,750	6,609,457	554,533,424
Commerzbank-CAD	129,505	10,995,008	619,148	51,946,482
	<b>2,650,433</b>	<b>225,021,758</b>	<b>7,228,604</b>	<b>606,479,906</b>
<b>4 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts, etc.</b>				
Loans	166,853,804	14,165,887,999	147,204,023	12,350,417,514
Cash Credit	-	-	-	-
Overdraft	1,454,930	123,523,571	1,462,098	122,670,033
Loan against Trust Receipt	514,517	43,682,535	208,933	17,529,501
	<b>168,823,252</b>	<b>14,333,094,104</b>	<b>148,875,054</b>	<b>12,490,617,048</b>
<b>ii) Bills purchased and discounted</b>				
Local bill purchased and discounted	2,999,561	254,662,771	4,620,185	387,633,530
Foreign bills purchased and discounted	-	-	-	-
	<b>2,999,561</b>	<b>254,662,771</b>	<b>4,620,185</b>	<b>387,633,530</b>
	<b>171,822,814</b>	<b>14,587,756,875</b>	<b>153,495,239</b>	<b>12,878,250,578</b>
<b>5 Other Assets</b>				
Prepayment	1,572,379	133,494,986	2,377,290	199,454,639
Interest receivable	-	-	17,500	1,468,250
	<b>1,572,379</b>	<b>133,494,986</b>	<b>2,394,790</b>	<b>200,922,889</b>
<b>6 Borrowing from other banks, and financial institutions and agents</b>				
Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO)	38,375,000	3,258,037,500	47,250,000	3,964,275,000
Oesterreichische Entwicklungsbank AG (OeEB)	11,125,000	944,512,500	14,500,000	1,216,550,000
The OPEC Fund for International Development (OFID)	7,500,000	636,750,000	11,250,000	943,875,000
Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)	21,875,000	1,857,187,500	25,000,000	2,097,500,000
Norwegian Invest. Fund for Developing Countries (Norfund)	13,125,000	1,114,312,500	15,000,000	1,258,500,000
International Finance Corporation (IFC)	50,000,000	4,245,000,000	50,000,000	4,195,000,000
RAK BANK	11,934,822	1,013,266,361	-	-
BRAC Bank OBU	-	-	1,826,600	153,251,740
EBL Hongkong	-	-	4,393,900	368,648,210
	<b>153,934,822</b>	<b>13,069,066,361</b>	<b>169,220,500</b>	<b>14,197,599,950</b>
<b>7 Current deposits and other accounts</b>				
Current deposits	22,578	1,916,889	18,777	1,575,405
Deposits from Banks- Term deposit (note-7.1)	-	-	1,932,578	162,143,252
Foreign Currency Deposits	1,940	164,721	-	-
Sundry deposits	271,685	23,066,080	259	21,692
	<b>296,204</b>	<b>25,147,691</b>	<b>1,951,613</b>	<b>163,740,348</b>

2019		2018	
USD	TAKA	USD	TAKA

**7.1 Deposits from Banks- Local**

BRAC Bank Limited	-	-	1,932,578	162,143,252
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**8 Other liabilities**

Due to Head Office (note-8.1)	19,487,900	1,654,522,676	9,940,356	833,995,864
Accrued Interest for deposit	-	-	14,841	1,245,193
Interest Payable on Borrowings Outside Bd	1,361,396	115,582,523	1,940,144	162,778,054
Others	10,372	880,618	-	-
General Provision (Unclassified Loan)	1,718,228	145,877,569	1,534,952	128,782,506
General Provision for off balance sheet items	34,809	2,955,288	23,894	2,004,716
	<b>22,612,705</b>	<b>1,919,818,674</b>	<b>13,454,188</b>	<b>1,128,806,334</b>

**8.1 Due to Head Office**

Payable to Head office (Transaction with DBU)	19,419,354	1,648,703,113	8,915,570	748,016,354
Payable to Head Office (Retained Earnings)	68,546	5,819,564	1,024,786	85,979,511
	<b>19,487,900</b>	<b>1,654,522,676</b>	<b>9,940,356</b>	<b>833,995,864</b>

**9 Contingent liabilities**

Acceptance and Endorsements	2,165,823	183,878,393	258,420	21,681,473
Letter of Guarantee	-	-	-	-
Irrevocable Letter of Credit	1,315,081	111,650,404	2,130,991	178,790,147
Bills for Collection	-	-	-	-
	<b>3,480,905</b>	<b>295,528,797</b>	<b>2,389,411</b>	<b>200,471,620</b>

**10 Interest income**

Bills purchased and discounted	65,938	5,598,173	210,078	17,625,551
Short Term Loan	3,082,092	261,669,572	3,130,894	262,682,016
Time Loan	6,509,880	552,688,809	3,743,931	314,115,843
Loan Against Trust Receipt	10,727	910,723	20,541	1,723,397
Overdraft	101,548	8,621,431	73,949	6,204,353
Others	760,444	64,561,708	1,158,564	97,203,494
<b>Interest on loans and advances</b>	<b>10,530,629</b>	<b>894,050,416</b>	<b>8,337,958</b>	<b>699,554,654</b>
Interest received from Head Office	-	-	-	-
<b>Total Interest income</b>	<b>10,530,629</b>	<b>894,050,416</b>	<b>8,337,958</b>	<b>699,554,654</b>

**11 Interest paid on deposits, borrowings,**

Interest paid to Head Office	716,871	60,862,341	618,622	51,902,359
Interest expenses for borrowing	9,886,256	839,343,172	7,412,226	621,885,770
Interest expenses for other bank- Local	823	69,849	487,621	40,911,435
	<b>10,603,950</b>	<b>900,275,362</b>	<b>8,518,469</b>	<b>714,699,565</b>

**12 Commission, exchange and brokerage**

Commission on L/C	151,090	12,827,510	50,562	4,242,121
Commission on acceptance	57,166	4,853,370	12,132	1,017,875
Export Bill Handling Charge	31	2,625	-	-
	<b>208,286</b>	<b>17,683,505</b>	<b>62,694</b>	<b>5,259,996</b>

**13 Other operating income**

Fees & Charges of Loan	176,153	14,955,410	125,701	10,546,276
Commission on Remittance	170	14,432	-	-
	<b>176,323</b>	<b>14,969,842</b>	<b>125,701</b>	<b>10,546,276</b>





# **ONE Securities Limited**

Independent auditor's report along with  
audited financial statements for the year  
ended 31 December 2019

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of ONE Securities Limited**

**Opinion**

We have audited the accompanying financial statements of ONE Securities Limited which comprise the Statement of Financial Position as at 31 December 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Note # 1 to Note # 23 to the financial statements.

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

**Basis for Opinion**

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

**Key Audit Matters**

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

Risk	Our response to the risk
<b>1. Provision for diminution in value of investment in shares</b>	
The process for estimating the provision for diminution in value of investment in shares is significant and complex.	We have performed substantive procedures in relation to the provision for diminution in value of investment in shares which



Risk	Our response to the risk
<p>These provisions consider the estimated diminution in the market value of the shares invested by the Company.</p> <p>At year end the Company reported total investment in share of Tk. 1,834,075,362 (2018: Tk. 1,842,469,704) and provision for diminution in value of investment in shares of Tk. 153,720,644 (2018: Tk. 59,428,753).</p> <p>We have focused on the measurement of the provision, which is dependent on the valuation of shares invested by the Company and could give rise to a material misstatement or management bias.</p>	<p>comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the purchase of shares on a sample basis;</li> <li>• Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Checked the market value of the securities;</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Securities and Exchange Commission's guidelines.</li> </ul>
<p>See note no#14.1 to the financial statements</p>	
<p><b>2. Measurement of deferred tax assets</b></p>	
<p>The Company reports net deferred tax assets amounting to Tk 462,613 as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a numbers of year.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<p>See note no#14.3 to the financial statements</p>	



### **Other Matter**

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

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

The Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in **Note # 2.1** to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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


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

We also report that:

- a. we have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the Company's statement of financial position and statement of profit or loss and other comprehensive income together with the note 1 to 23 dealt with by the report are in agreement with the books of account.

Dated, Dhaka

24 JUN 2020


  
**Muhammad Aminul Hoque, FCA**  
**ACNABIN**  
Chartered Accountants

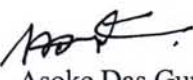
**ONE Securities Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**

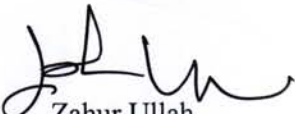
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	20,207,442	22,532,174
Investment in DSE and CSE shares	4	562,320,683	562,320,683
<b>Total non-current assets</b>		<b>582,528,125</b>	<b>584,852,857</b>
<b>Current Assets</b>			
Advance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

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

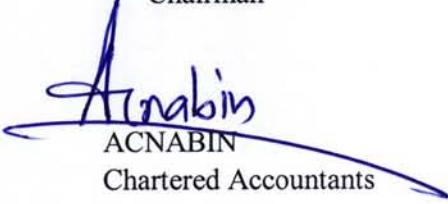
  
 Aminul Islam  
 Chief Executive Officer

  
 A.S.M. Salahuddin  
 Director

  
 Asoke Das Gupta  
 Director

  
 Zahur Ullah  
 Chairman

Dhaka, 24 June 2020

  
 ACNABIN  
 Chartered Accountants

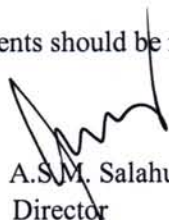


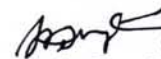
**ONE Securities Limited**  
**Statement of Profit and Loss and other Comprehensive Income**  
**For the year ended 31 December 2019**

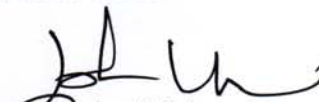
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>Operating income (A)</b>			
Commission and brokerage income	15	28,634,481	41,765,742
Interest income	16	29,269,929	20,730,216
Investment income	17	45,242,485	81,721,343
Other operating income	18	1,201,998	987,297
		<b>104,348,893</b>	<b>145,204,598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

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

  
Aminul Islam  
Chief Executive Officer

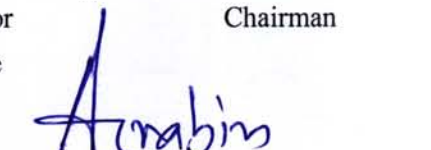
  
A.S.M. Salahuddin  
Director

  
Asoke Das Gupta  
Director

  
Zahur Ullah  
Chairman

See annexed report of even date

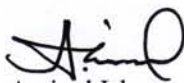
Dhaka, 24 June 2020

  
ACNABIN  
Chartered Accountants

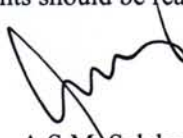
**ONE Securities Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2019**

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

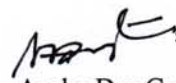
These Financial Statements should be read in conjunction with the annexed notes 1 to 23.



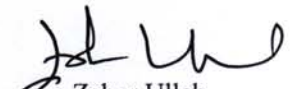
Aminul Islam  
Chief Executive Officer



A.S.M. Salahuddin  
Director



Asoke Das Gupta  
Director



Zahur Ullah  
Chairman

Dhaka, 24 June 2020

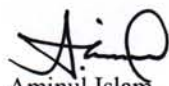




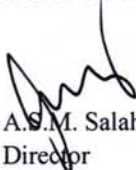
**ONE Securities Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

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

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



Aminul Islam  
Chief Executive Officer



A.S.M. Salahuddin  
Director



Asoke Das Gupta  
Director



Zahur Ullah  
Chairman

Dhaka, 24 June 2020



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

**1 Status of the Company**

**1.1 Legal Form of the Company**

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

**1.2 Nature of Business Activities:**

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

**1.3 Components of the financial statements**

The financial statements referred to here comprise:

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

**2 Significant Accounting Policies and basis of preparation of Financial Statements**

**2.1 Basis of presentation of financial statements**

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

**2.2 Basis of measurement**

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

**2.3 Regulatory compliance**

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

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

**2.4 Use of estimates and judgments**

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

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, 2019 to December 31, 2019.

**2.15 Reporting Currency**

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

**2.16 Directors' responsibility on Financial Statements**

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

**2.17 Events after reporting period**

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

**2.18 Date of authorization**

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

**2.19 Branch Details**

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

**2.20 Earnings per Share**

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

**2.21 General**

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



**2019**  
**Taka**
**2018**  
**Taka**
**3 Property, plant and equipment**

Furniture & fixtures	21,216,011	21,216,011
Office equipment	11,080,278	10,578,781
	32,296,289	31,794,792
Intangible Assets	1,710,000	1,710,000
	34,006,289	33,504,792
Less: Accumulated depreciation	13,798,847	10,972,618
Closing balance	<b>20,207,442</b>	<b>22,532,174</b>

(For details please refer to Annexure-A)

**4 Investment in DSE and CSE Shares**

Shares in DSE	282,320,683	282,320,683
Shares in CSE	280,000,000	280,000,000
	<b>562,320,683</b>	<b>562,320,683</b>

This represents our original investment cost for DSE and CSE memberships in exchange of which shares at a face value of Tk. 10 each have been allotted in favour of the company in November 2013 for DSE and in October 2013 for CSE. As per the provision of the Exchange Demutualization Act, 2013 and in accordance with the Bangladesh Securities and Exchange Commission's (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares at face value of Tk.10.00 each against the ownership as a TREC Holder of DSE and CSE respectively. Out of the above DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly to the credit of the Beneficiary Owner's account of the company. The rest shares were credited to blocked accounts as per provisions of the Exchange Demutualization Act, 2013. As there is no active market for transaction the shares of DSE and CSE, the amount of investment has been presented at cost. During the year 2018, ONE Securities Limited sold 25% of total DSE share (i.e;  $72,15,106 \times 25\% = 18,03,777$ ) to Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) as per Share Purchase Agreement (SPA) executed between Dhaka Stock Exchange Ltd (DSE) and its strategic investors namely Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE). Therefore as on December 31, 2019 we have total 5,411,329 shares of Dhaka Stock Exchange Ltd (DSE) and 42,87,330 shares of Chittagong Stock Exchange Ltd (CSE).

**5 Advance deposits and prepayments**

Amount paid to Chittagong Stock Exchange as deposit for clearing house.	50,000	50,000
Security Deposit to CDBL for depository participant	200,000	200,000
Advance payment for Rent	6,224,000	480,000
Prepaid insurance premium	136,801	154,305
	<b>6,610,801</b>	<b>884,305</b>

**6 Margin Loan to clients**

Receivable to Clients having no margin or full erosion of equity (e.g.no equity against debit balance)	-	-
Receivable to Clients fall under force sale condition (e.g. equity is >DB but < 125% of DB)	15,664,736	8,300,138
Receivable to Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)	1,830,034	4,663,831
Receivable to regular Margin Clients (e.g. equity is >150% of debit balance)	70,211,998	36,715,338
	<b>87,706,768</b>	<b>49,679,307</b>

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



**7 Investment in Shares**
**1,834,075,362**      **1,842,469,704**

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

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

**8 Accounts Receivable and others**

 Receivable from DSE-Investor (Note: 8.1)  
 Share receivable from IPO  
 Interest receivable  
 Dividend receivable

1,145,804	8,795,136
-	3,529,965
4,823,644	1,563,230
4,849,330	2,143,665
<b>10,818,777</b>	<b>16,031,996</b>

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

 Receivable against A, B, G and N category  
 Receivable against Z category  
 Receivable against DVP category

30,609	8,526,916
1,115,195	268,220
-	-
<b>1,145,804</b>	<b>8,795,136</b>

**2019**                      **2018**  
**Taka**                              **Taka**

**9 Advance income tax**

Opening balance	107,627,366	63,694,727
Addition during the period (note-9.1)	12,962,691	43,932,638
Closing balance	<b>120,590,057</b>	<b>107,627,366</b>

**9.1 Addition during the year**

Advance tax paid with Appeal to Appellate Tribunal	451,827	332,813
Advance tax paid for the Assesment Year 2018-2019	-	24,690,928
Advance tax paid for the Assesment Year 2019-2020	55,257	-
Advance tax on FDR interest	934,910	191,980
Advance income tax deducted on Dividend	6,442,794	11,286,191
Advance income tax deducted by DSE on transaction	4,541,845	6,199,577
Advance income tax deducted by DSE on transaction for Dealer	18,027	190,720
Advance income tax deducted by CSE on transaction for Dealer	967	18,648
Advance income tax deducted by CSE on transaction	91,798	103,166
Advance income tax deducted by Bank on Deposit	407,064	837,714
Advance income tax deducted by Bank on Deposit Dealer	18,202	80,901
	<b>12,962,691</b>	<b>43,932,638</b>

**10 Cash and cash equivalents**

Cash in Hand	10,905	2,541
ONE Bank Limited, Kawran Bazar Branch, CD A/C # 0120086500019	4,171	-
ONE Bank Limited, Principal Branch (SND)-Consolidated Customer A/C # 0013000000762	42,229,272	90,248,801
ONE Bank Limited, Kawranbazar Branch, Revenue A/C # 0125086500002	12,285,081	19,065,529
ONE Bank Limited, Principal Branch (IPO) A/C # 0013000000977	135,443	116,285
ONE Bank Limited, Principal Branch (SND)- Dealer A/C # 0013000000773	2,415,298	6,757,562
Investment in FDR (Note: 10.1)	158,479,352	121,715,820
	<b>215,559,521</b>	<b>237,906,539</b>

**10.1 Investment in FDR**

ONE Bank Limited:		
Kawran Bazar AC/# 0124120028423	45,298,345	41,715,820
Kawran Bazar A/C# 0124120029051	-	30,000,000
Kawran Bazar A/C # 0124120029062	-	40,000,000
Principal A/C # 0014120020982	10,617,283	10,000,000
Kawran Bazar A/C # 0124140006045	10,000,000	-
Gulshan Branch A/C # 0024140003062	10,000,000	-
Principal Branch A/C # 0014140008819	10,000,000	-
Kawran Bazar Branch A/C # 00124140006227	10,000,000	-
Kawran Bazar Branch A/C # 00124140006293	20,000,000	-
Kawran Bazar Branch A/C# 0124130002701	32,563,725	-
Kawran Bazar Branch A/C# 0124130002714	10,000,000	-
	<b>158,479,352</b>	<b>121,715,820</b>



**11 Share Capital**
**11.1 Authorized capital**

40,00,00,000 Ordinary Shares of Taka 10/- each.

<u>4,000,000,000</u>	<u>4,000,000,000</u>
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**11.2 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>
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**11.3 Shareholding position of the company**

<u>Name of Shareholders</u>	<u>Number of Shares</u>	<u>Amount in Taka</u>
ONE Bank Limited	247,499,917	2,474,999,170
NTC Housing Limited	2,499,987	24,999,870
Mr. Zahur Ullah	12	120
Mr. Asoke Das Gupta	12	120
Mrs. Farzana Chowdhury	12	120
KHH Holdings Limited	12	120
M R Holdings & Securities Limited	12	120
Irfan International Limited	12	120
KSC Securities Limited	12	120
Master Holdings Limited	12	120
	<u>250,000,000</u>	<u>2,500,000,000</u>

**12 Other Payable**

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

**13 Audit fee payable**

Opening balance	25,000	25,000
Charge during the year	30,000	25,000
Paid during the year	25,000	25,000
Closing balance	<u>30,000</u>	<u>25,000</u>

**14 Other liabilities**

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

**14.1 Provision for diminution in value of investment in shares**

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

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



**14.2 Provision for Income Tax**

Opening balance  
Provision for the year  
Closing balance

**2019**  
**Taka**

**2018**  
**Taka**

98,019,855	79,505,343
11,506,974	18,514,511
<b>109,526,828</b>	<b>98,019,855</b>

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

**14.3 Deferred Tax****Deferred Tax Liability**

Carrying Amount  
Tax Base  
Temporary Difference  
Deferred Tax Liability (@35%)

15,017,362	-
14,338,510	-
<b>(678,853)</b>	-
<b>(237,599)</b>	-

**Deferred Tax Asset**

Carrying Amount  
Tax Base  
Temporary Difference  
Deferred Tax Asset (@35%)

5,190,080	-
7,190,684	-
<b>2,000,605</b>	-
<b>700,212</b>	-
<b>462,613</b>	-

**Deferred Tax Asset (Net)**

Deferred Tax Liability  
Deferred Tax Asset  
Deferred tax expense/ (income)

237,599	-
(700,212)	-
<b>(462,613)</b>	-

**15 Commission and Brokerage Income**

Commission income from Broker  
Commission income from Dealer

28,501,525	40,300,166
132,956	1,465,575
<b>28,634,481</b>	<b>41,765,742</b>

**16 Interest Income**

Interest income from Margin Loan  
Interest on Bank Deposit  
Interest Income on FDR

12,407,757	8,061,031
4,252,656	9,186,154
12,609,515	3,483,030
<b>29,269,929</b>	<b>20,730,216</b>

**17 Investment Income**

Dividend Income  
Gain on sale of Shares

34,919,817	58,599,803
10,322,668	23,121,540
<b>45,242,485</b>	<b>81,721,343</b>

**18 Other Operating Income**

BO accounts opening fees  
BO account maintenance fee  
Documentation fees for margin loan  
Transfer/Transmission In/Out Charges  
Cheque dishonour  
Management fees- margin accounts  
Miscellaneous

91,200	182,400
529,200	481,500
24,000	20,400
47,426	71,393
89,000	123,000
84,000	74,000
337,172	34,605
<b>1,201,998</b>	<b>987,297</b>

**19 Salary and Allowances**

Salary & allowances  
Bonus

25,304,884	26,738,448
3,969,790	6,567,460
<b>29,274,674</b>	<b>33,305,908</b>

**20 Rent, taxes, insurance, electricity etc**

Office Rent  
VAT on Rent  
Insurance premium  
Electricity  
Utilities

5,992,000	1,518,000
898,800	227,700
202,455	171,931
155,874	141,916
10,339	11,310
<b>7,259,468</b>	<b>2,070,857</b>

**21 Fees and renewal**

License and renewal fee
RJSC expenses
Authorized representative application fee
CDBL Charges
Trading work station charge
Govt. Excise Duty

<b>2019</b>	<b>2018</b>
<b>Taka</b>	<b>Taka</b>

333,100	259,573
-	19,352
33,600	32,400
1,689,847	2,233,352
-	41,000
90,500	67,000
<b>2,147,047</b>	<b>2,652,677</b>

**22 Direct Expenses**

Howla Charges-CSE-Dealer
Transaction Fee -DSE
Transaction Fee-DSE-Dealer
Transaction Fee-CSE-Dealer
Howla Charges-CSE
Transaction Fee-CSE

-	370
2,269,213	3,098,231
9,014	95,360
445	7,030
-	1,252
627,843	278,622
<b>2,906,515</b>	<b>3,480,867</b>

**23 Others expenses**

Messenger Service
Security guard expenses
Entertainment
Traveling & Conveyance
Training Expenses
Legal Expenses
Postage, Stamp & Telecommunication
Sundry Expenses
VAT on Audit fee
Cleaning Service
Executive furniture allowance
Investor protection fund
Donation & Subscription-Others
Back office software maintenance charges
Bank guarantee charges

554,364	513,606
878,850	880,794
350,309	892,493
96,515	375,631
-	15,000
-	3,000
1,124,210	1,091,770
80,736	212,196
6,000	3,750
438,486	445,503
39,996	39,995
14,288	11,109
135,500	108,500
161,700	161,700
193,200	193,200
<b>4,074,154</b>	<b>4,948,246</b>

Aminul Islam  
Chief Executive OfficerA.S.M. Salahuddin  
DirectorAsoke Das Gupta  
DirectorZahur Ullah  
Chairman

**Annexure-A**

**ONE Securities Limited  
Schedule of Fixed Assets  
As at 31 December 2019**

[Referred to Note 3 of these Financial Statements]

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



# **ONE Investments Limited**

Independent auditor's report along with  
audited financial statements for the year  
ended 31 December 2019

**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of ONE Investments Limited**

**Opinion**

We have audited the accompanying financial statements of ONE Investments Limited which comprise the Statement of Financial Position as at 31 December 2019 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Note # 1 to Note # 8 to the financial statements.

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

**Basis for Opinion**

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

**Key Audit Matter**

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

Risk	Our response to the risk
<b>Investment in FDR</b>	
<p>The process for investment and estimating the Income from FDR is complex and significant to the Company.</p> <p>While taking investment decision the Company was required to follow relevant rules and regulation and consider the best option for the investment.</p> <p>At year end the Company reported investment in FDR amounting to BDT 10,271,823.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Testing of the investment decision;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> <li>• Reviewing quarterly status of the Investment in FDR;</li> </ul>



Risk	Our response to the risk
	<p>Our substantive procedures in relation to the provision for clients' margin loans portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the investment in FDR;</li> <li>• Assessed the methodologies of calculation of income from FDR and tested the completeness and accuracy of the underlying information;</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>

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

The Company is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRSs), as explained in **Note # 2.1** to the financial statements, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

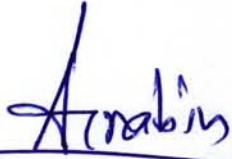
#### **Report on other Legal and Regulatory Requirements**

We also report that:

- a. we have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c. the Company's statement of financial position and statement of profit or loss and other comprehensive income together with the note 1 to 8 dealt with by the report are in agreement with the books of account.

Dated, Dhaka

24 JUN 2020




**Muhammad Aminul Hoque FCA**  
**ACNABIN**  
Chartered Accountants

**ONE Investments Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**


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

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

  
Md. Golam Rabbani  
Company Secretary

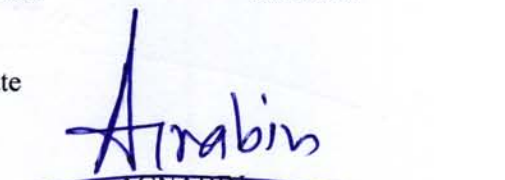
  
A.S.M. Salahuddin  
Director

  
Asoke Das Gupta  
Director

  
Zahur Ullah  
Chairman

See annexed report of even date

Dhaka, 24 June 2020

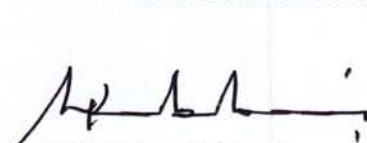
  
ACNABIN  
Chartered Accountants





**ONE Investments Limited**  
**Statement of Profit and Loss and other Comprehensive Income**  
**For the year ended 31 December 2019**

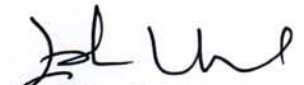
	<u>Notes</u>	<u>2019</u> <u>Taka</u>	<u>2018</u> <u>Taka</u>
<b>Operating Income (A)</b>			
Interest income	6	482,337	184,801
Other operating income		-	-
		<b>482,337</b>	<b>184,801</b>
<b>Operating Expenses (B)</b>			
Bank charges		12,920	13,438
Auditors' fee		10,000	10,000
Fees and renewal	7	-	205,426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

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

  
Md. Golam Rabbani  
Company Secretary

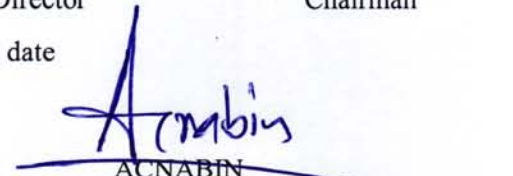
  
A.S.M. Salahuddin  
Director

  
Asoke Das Gupta  
Director

  
Zahur Ullah  
Chairman

See annexed report of even date

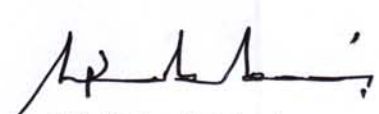
Dhaka, 24 June 2020


  
ACNABIN  
Chartered Accountants


**ONE Investments Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2019**

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

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

  
 Md. Golam Rabbani  
 Company Secretary

  
 A.S.M. Salahuddin  
 Director

  
 Asoke Das Gupta  
 Director

  
 Zahur Ullah  
 Chairman

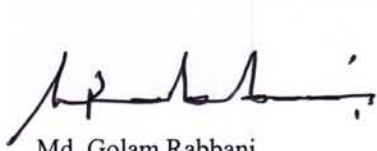
Dhaka, 24 June 2020



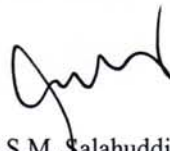
**ONE Investments Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2019**

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

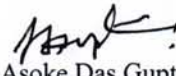
These Financial Statements should be read in conjunction with the annexed notes 1 to 8.



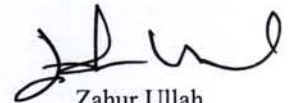
Md. Golam Rabbani  
Company Secretary



A.S.M. Salahuddin  
Director



Asoke Das Gupta  
Director



Zahur Ullah  
Chairman

Dhaka, 24 June 2020



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

**1 Status of the Company**

**1.1 Legal Form of the Company**

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

**1.2 Nature of Business Activities:**

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

**2 Significant Accounting Policies and basis of preparation of Financial Statements**

**2.1 Basis of presentation of financial statements**

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

**2.2 Statement of Cash flows**

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

**2.3 Fixed assets and depreciation**

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

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

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

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



**2.4 Cash and cash equivalents**

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

**2.5 Provision for taxation**

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

**2.6 Interest paid and other expenses**

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

**2.7 Share capital**

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

**2.8 Reporting period**

These financial statements cover period from January 01, 2019 to December 31, 2019.

**2.9 Reporting Currency**

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

**2.10 Directors' responsibility on Financial Statements**

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

**2.11 Events after reporting period**

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

**2.12 Date of authorization**

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

**2.13 Earnings per Share**

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

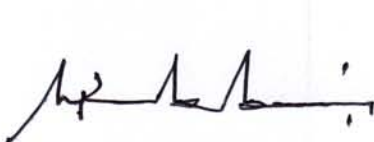
**2.14 General**


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

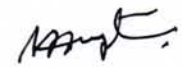



**ONE Investments Limited**  
**Notes to the Financial Statements**

	<u>2019</u>	<u>2018</u>
	<u>Taka</u>	<u>Taka</u>
<b>3 Share Capital</b>		
<b>3.1 Authorized Capital</b>		
1,00,00,000 Ordinary Shares of Taka 10/- each.	100,000,000	100,000,000
<b>3.2 Issued, Subscribed and Paid-up Capital</b>		
10,00,000 ordinary shares of Taka 10/- each fully paid.	10,000,000	10,000,000
<b>3.3 Shareholding position of the company</b>		
<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
	<u>1,000,000</u>	<u>10,000,000</u>
<b>4 Advance income tax</b>		
Opening balance	18,480	-
Addition during the year (note-4.1)	48,234	18,480
Closing balance	<u>66,714</u>	<u>18,480</u>
<b>4.1 Addition during the year</b>		
Advance tax on interest (Bank deposit)	18,031	18,480
Advance tax on FDR interest	30,203	-
	<u>48,234</u>	<u>18,480</u>
<b>5 Cash and cash equivalents</b>		
ONE Bank Limited, Kawran Bazar Branch (SND) A/C	302,244	10,152,884
<b>6 Interest income</b>		
Interest on Bank Deposit	180,312	184,801
Interest Income on FDR	302,025	-
	<u>482,337</u>	<u>184,801</u>
<b>7 Fees and renewal</b>		
Trade license fees	-	13,775
Registration fee	-	168,281
Stamp and certified copy related expenses for MoA & AoA	-	23,370
	<u>-</u>	<u>205,426</u>
<b>8 Other payable</b>		
Payable to ONE Bank Limited	205,426	205,426
Audit fee payable	20,000	10,000
VAT on audit fee	3,000	1,500
	<u>228,426</u>	<u>216,926</u>

  
Md. Golam Rabbani  
Company Secretary

  
A.S.M. Salahuddin  
Director

  
Asoke Das Gupta  
Director

  
Zahur Ullah  
Chairman

