

ONE Bank Limited

Independent auditor's report along with
audited financial statements for the year
ended 31 December 2020

**Independent Auditor's Report
To the Shareholders of ONE Bank Limited**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of ONE Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of ONE Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 2.

Basis for Opinion

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

Emphasis of Matters

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

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



Key Audit Matters

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

| Description of key audit matters | Our response to key audit matters |
|--|--|
| 1. Measurement of provision for loans, advances and leases | |
| <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the 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 220,428.72 million (BDT 215,315.53 million in 2019) and provision for loans and advances of BDT 10,046.16 million (BDT 9,313.83 million in 2019). On the other hand, the Bank reported loans and advances of BDT 220,341.55 million (BDT 215,227.83 million in 2019).</p> <p>We need to focus on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD circulars issued by Bangladesh Bank; • For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. <p>Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.</p> | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewing the quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Bank's general and specific provisions; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and • Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |
| See note # 7 and 12 to the financial statements | |



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| 2. Valuation of Treasury Bills and Treasury Bonds | |
| <p>The classification and measurement of Treasury Bills and Treasury Bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, Treasury Bill and Treasury Bond's fair value is determined using Bangladesh Bank's guidelines and complex valuation techniques that may take into consideration direct or indirect unobservable market data and complex pricing models.</p> | <p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of Treasury Bills and Treasury Bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures in line with the requirements of Bangladesh Bank guidelines.</p> |
| See note # 6 to the financial statements | |
| 3. Measurement of deferred tax assets and liabilities | |
| <p>The Bank disclosed deferred tax assets and liabilities of BDT 76.91 million (BDT 69.44 million in 2019) and BDT 89.64 million (BDT 75.84 million in 2019) respectively as of 31 December 2020.</p> <p>Significant judgment is required in relation to deferred tax assets, and liabilities as their recoverability and adjustment are dependent on forecasts of future profitability over a number of years.</p> | <p>We obtained an understanding and evaluated the design, the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets & liabilities and the assumptions used in estimating the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists in assessing key assumptions, controls, recognition, and measurement of deferred tax assets and liabilities.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> |
| See note # 9 and 12 to the financial statements | |
| 4. Valuation of defined benefits obligations | |
| <p>The Bank has a defined benefit scheme (gratuity) for its employees which in total are significant in the context of the overall balance sheet. The valuations of the retirement benefit liabilities are calculated with reference to the policy mentioned in note #</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 gratuity liability.</p> |



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| 2.22(b) to the financial statements. | <p>We tested the employee data used in calculating obligation.</p> <p>We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.</p> |
| See note # 2.22(b) to the financial statements | |
| 5. Implementation of IFRS 16 Leases | |
| <p>IFRS 16 Leases has become effective for annual reporting beginning on or after 01 January 2019, which replaced the earlier standard IAS 17 Leases. The Bank implemented IFRS 16 and recognized right of use asset and lease liabilities from 01 January 2019 and one of the Bank's subsidiary implemented IFRS 16 during the year with retrospective restatement of prior year. As the implementation of IFRS 16 provisions is of complex and voluminous nature and is significant to the Group's preparation of financial statements, we have considered it as a key audit matter.</p> | <p>Our audit procedures to address the risks of material misstatements relating to the implementation of IFRS 16 Leases, which might be considered to be significant audit risk, included-</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for implementing IFRS 16, including financial controls designed by the management to mitigate the risks assessed by us independently; • Checked the related accounting policy adopted for compliance with IFRS 16; • Obtained listing of all contracts from the management and testing the contracts on a sample basis for impact under IFRS 16; • Obtained and assessed the borrowing rate; • Tested the assumptions used in the calculation model for the sample contracts selected for testing; and • Checked the disclosures given in the financial statements. |
| See note # 2.24 to the financial statements | |
| 6. Carrying value of investments in subsidiaries by the Bank | |
| <p>The Bank has invested in equity shares of its two subsidiaries, namely ONE Securities Limited and ONE Investments Limited. As at 31 December 2020 the carrying value of these investments were BDT 2,480.10 million.</p> <p>Operations of these two subsidiaries are mainly dealing with the investments in capital market. And by nature, the capital market of the country is not under stable position. Hence, the investments in these subsidiaries are subject to impairment. While impairment testing, the management is required to consider various guidelines of Bangladesh Bank, Bangladesh Securities and Exchanges Commission and other regulators. As the impairment testing is of</p> | <p>We reviewed Management's analysis of impairment assessment and recoverable value calculation of the investments in accordance with IAS 36.</p> <p>In particular, our discussions with the management of the Bank were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within</p> |



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| <p>complex and is significant to the Group's preparation of financial statements, we have considered it as a key audit matter.</p> | <p>the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p> |
| <p>See note # 9.1 to the financial statements</p> | |
| <p>7. IT systems and controls</p> | |
| <p>The Bank's key financial accounting and reporting processes are significantly dependent on the automated controls over the Bank's information systems. As such that there exist risks that gaps in the IT control environment, including automated accounting procedures, IT dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated.</p> | <p>We performed audit procedures to assess IT systems and controls over financial reporting, which included the followings:</p> <ul style="list-style-type: none"> • Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations. • Assessing the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems and tested resolution of a sample of exceptions. • Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights. • Testing of specific application controls for key financial reporting controls. |
| <p>8. COVID-19</p> | |
| <p>The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections across the world and affecting economic activities enormously. As a result, going concern risk might arise and the assets of the Bank might be impaired.</p> | <p>We assessed the going concern assumption taken by the Bank and tested the recoverable value against the assets and cash generating units, on sample basis, to see whether there is material impact on impairment. In addition:</p> <ul style="list-style-type: none"> • We checked Bank's preparation to combat COVID-19 situation; • We checked the compliances by the Bank with the COVID-19 related circulars given by Bangladesh Bank; and • We have also checked the Bank's ability and plan for being going concern. |

Other information

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



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements



of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities other than matters disclosed in these financial statements;
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely ONE Securities Limited and ONE Investments Limited audited by us reflect total assets of BDT 3,053.78 million and results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) in our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) subject to the content of note # 7.13, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk-weighted assets of the Bank and spent over 5,800 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka

28 MAR 2021

ACNABIN, Chartered Accountants

Muhammad Aminul Hoque, FCA

Partner

ICAB Enrollment No # 1129

DVC : 2103311129AS457794

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


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

| Notes | 31.12.2020 Taka | 31.12.2019 (Restated) Taka | 01.01.2019 Taka |
|---|-----------------------|----------------------------------|-----------------------|
| OFF BALANCE SHEET ITEMS | | | |
| Contingent Liabilities | | | |
| | 30,449,543,760 | 40,289,241,267 | 43,940,917,808 |
| 43 | 13,082,189,159 | 15,222,187,802 | 14,270,610,865 |
| | 19,014,867,606 | 16,250,293,466 | 20,705,413,735 |
| | 1,306,099,289 | 2,204,027,111 | 2,734,384,729 |
| | 63,852,699,814 | 73,965,749,644 | 81,651,327,138 |
| Other Contingent Liabilities | | | |
| | - | - | - |
| | - | - | - |
| | 63,852,699,814 | 73,965,749,644 | 81,651,327,138 |
| Other Commitments | | | |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| | 63,852,699,814 | 73,965,749,644 | 81,651,327,138 |
| Net Asset Value Per Share (Restated) | 45 | 19.31 | 18.21 |
| | | | 16.39 |

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



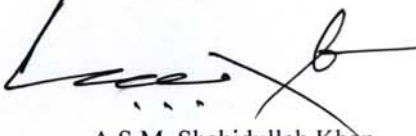
M. Fakhruul Alam
Managing Director



Kazi Rukunuddin Ahmed
Director



Zahur Ullah
Director




A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 28 March 2021

ACNABIN, Chartered Accountants

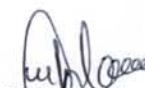


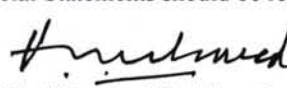
Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment Number # 1129
DVG: 2103311129AS457794

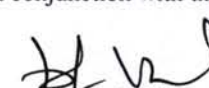
ONE Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2020

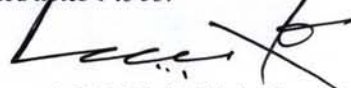
| | Notes | 2020 Taka | 2019 (Restated) Taka |
|---|---------|----------------------|-------------------------|
| Interest income/profit on investment | 16 (a) | 19,674,253,108 | 23,363,158,588 |
| Interest paid on deposits and borrowings etc. (Prior year's balance restated) | 17 (a) | (16,248,678,083)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

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


 M. Fakhru Alam
 Managing Director


 Kazi Rukunuddin Ahmed
 Director

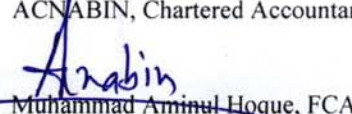

 Zahur Ullah
 Director


 A.S.M. Shahidullah Khan
 Chairman

See annexed report of even date.

Dhaka, 28 March 2021

ACNABIN, Chartered Accountants

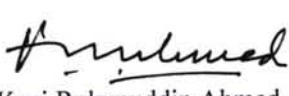

 Muhammad Aminul Hoque, FCA
 Partner
 ICAB Enrolment Number # 1129

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

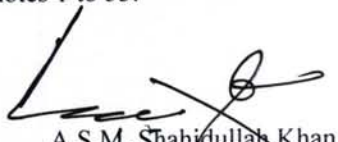
| | Notes | 2020 Taka | 2019 Taka |
|--|-------|------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Interest receipts in cash | 34(a) | 23,801,336,527 | 22,676,700,897 |
| Interest payments | 35(a) | (17,457,332,129) | (17,504,306,639) |
| Dividend receipts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

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


 M. Fakhru Alam
 Managing Director


 Kazi Rukunuddin Ahmed
 Director


 Zahur Ullah
 Director


 A.S.M. Shahidullah Khan
 Chairman

Dhaka, 28 March 2021

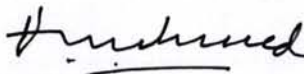
ONE Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

Amount in Taka


| Particulars | Paid-up Capital | Statutory Reserve | Revaluation Reserve for Securities | Profit & Loss Account | Total | Non-Controlling Interest | Total |
|--|----------------------|----------------------|------------------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| Balance as at 01 January 2020 | 8,431,870,520 | 6,082,448,575 | 9,087,403 | 1,599,345,193 | 16,122,751,691 | 30,752,144 | 16,153,503,835 |
| Changes in accounting policy | - | - | - | - | - | - | - |
| Restated balance | 8,431,870,520 | 6,082,448,575 | 9,087,403 | 1,599,345,193 | 16,122,751,691 | 30,752,144 | 16,153,503,835 |
| Issue of Bonus Share for the year 2019 (Transferred to Paid-up Capital) | 421,593,520 | - | - | (421,593,520) | - | - | - |
| Cash Dividend Paid | | | | (421,593,526) | (421,593,526) | | (421,593,526) |
| Surplus of Revaluation of Reserve for HTM Securities | - | - | 11,908,123 | - | 11,908,123 | - | 11,908,123 |
| Adjustment of Revaluation of Reserve for HTM Securities | - | - | (9,087,403) | - | (9,087,403) | - | (9,087,403) |
| Net Profit after Tax for the year | - | - | - | 1,393,591,988 | 1,393,591,988 | 1,114,128 | 1,394,706,116 |
| Profit transferred to Statutory Reserve | - | 348,349,510 | - | (348,349,510) | - | - | - |
| Balance as at 31 December 2020 | 8,853,464,040 | 6,430,798,085 | 11,908,123 | 1,801,400,626 | 17,097,570,873 | 31,866,271 | 17,129,437,144 |
| Balance as at 31 December 2019 | 8,431,870,520 | 6,082,448,575 | 9,087,403 | 1,599,345,193 | 16,122,751,691 | 30,752,144 | 16,153,503,835 |

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


M. Fakhruul Alam
Managing Director


Kazi Rukunuddin Ahmed
Director


Zahur Ullah
Director


A.S.M. Shahidullah Khan
Chairman

Dhaka, 28 March 2021



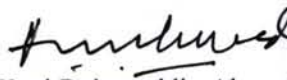
ONE Bank Limited
Balance Sheet
 As at 31 December 2020

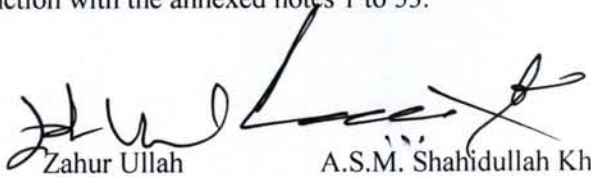
| | Notes | 31.12.2020 Taka | 31.12.2019 Taka |
|--|--------|------------------------|------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | | | |
| | 3 | | |
| Cash in hand (including foreign currencies) | | 3,099,551,672 | 2,201,357,899 |
| Balance with Bangladesh Bank and its agent bank(s)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

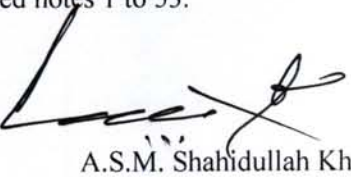
| | Notes | 31.12.2020 Taka | 31.12.2019 Taka |
|---|-------|-----------------------|-----------------------|
| OFF BALANCE SHEET ITEMS | | | |
| Contingent Liabilities | | | |
| Acceptances and Endorsements | | 30,449,543,760 | 40,289,241,267 |
| Letters of Guarantee | 43 | 13,082,189,159 | 15,222,187,802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

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


M. Fakhrul Alam
Managing Director


Kazi Rukunuddin Ahmed
Director

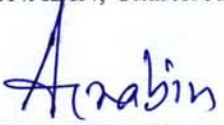

Zahur Ullah
Director


A.S.M. Shahidullah Khan
Chairman

See annexed report of even date.

Dhaka, 28 March 2021

ACNABIN, Chartered Accountants

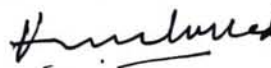

Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment Number # 1129
DVC : 2103311129AS457794

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

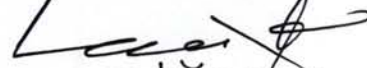
| | Notes | 2020 Taka | 2019 Taka |
|---|-------------|----------------------|----------------------|
| Interest income/profit on investment | 16 | 19,661,117,803 | 23,352,121,191 |
| Interest paid on deposits and borrowings etc. | 17 | (16,266,405,458) | (17,957,339,207) |
| Net interest income | |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

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


 M. Fakhurul Alam
 Managing Director


 Kazi Rukunuddin Ahmed
 Director


 Zahur Ullah
 Director


 A.S.M. Shahidullah Khan
 Chairman

See annexed report of even date.

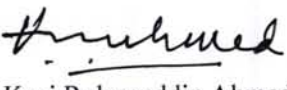
Dhaka, 28 March 2021

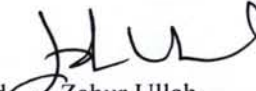
ONE Bank Limited
Cash Flow Statement
 For the year ended 31 December 2020

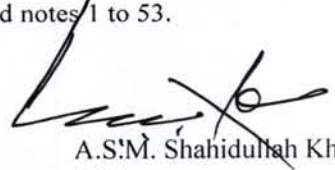
| Notes | 2020 Taka | 2019 Taka |
|--|------------------------|-----------------------|
| Cash flows from operating activities | | |
| Interest receipts in cash | 34 23,786,528,987 | 22,667,882,649 |
| Interest payments | 35 (17,475,059,504) | (17,520,609,882) |
| Dividend receipts | 30,394,716 | 39,672,879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

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


 M. Fakhruddin Alam
 Managing Director


 Kazi Rukunuddin Ahmed
 Director


 Zahur Ullah
 Director


 A.S.M. Shahidullah Khan
 Chairman


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

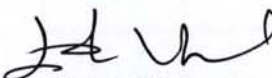
Amount in Taka

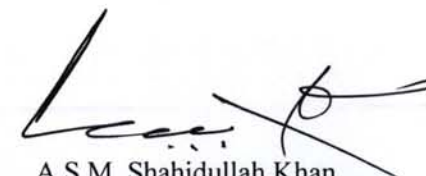
| Particulars | Paid-up Capital | Statutory Reserve | Revaluation Reserve for Securities | Profit & Loss Account | Total Shareholders' Equity |
|--|----------------------|----------------------|------------------------------------|-----------------------|----------------------------|
| Balance as at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

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


M. Fakhru Alam
Managing Director


Kazi Rukunuddin Ahmed
Director


Zahur Ullah
Director


A.S.M. Shahidullah Khan
Chairman

Dhaka, 28 March 2021



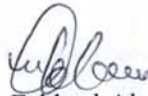
ONE Bank Limited
Liquidity Statement
(Assets & Liabilities Maturity Analysis)
As at 31 December 2020

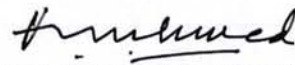
Amount in Taka

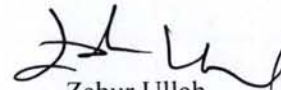
| | Up to 1 month | 1-3 months | 3- 12 months | 1-5 years | Above 5 years | Total |
|--|-----------------------|-------------------------|-------------------------|-----------------------|-----------------------|------------------------|
| Assets: | | | | | | |
| Cash | 29,536,927,872 | - | - | - | -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

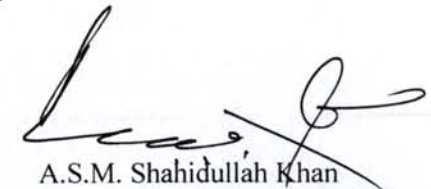
Net result of the Liquidity Statement represents the "Shareholders' Equity" of the Bank

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


M. Fakhru Alam
Managing Director


Kazi Rukunuddin Ahmed
Director


Zahur Ullah
Director


A.S.M. Shahidullah Khan
Chairman

Dhaka, 28 March 2021

ONE Bank Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

1. The Bank and its activities

1.1 Status of the Bank

ONE Bank Limited (the “Bank”) is a private sector commercial bank incorporated with the Registrar of Joint Stock Companies under the Companies Act 1994. The Bank commenced its banking operation on 14 July 1999 by obtaining license from the Bangladesh Bank on 2 June 1999 under section 31 of the Bank Company Act 1991(as amended in 2018). As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre-IPO and subsequently sold shares to the public through IPO in the year 2003. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. As on 31 December 2020 the Bank has 105 branches, 2 Islami Banking branches, 19 Sub-branches, 9 collection booths and 137 ATM booths. The Bank has two subsidiary companies namely, ONE Securities Limited and ONE Investment Limited. At present the Bank has 2 (two) Off-shore Banking units, one in Dhaka and another in Chattogram.

1.2 Principal activities

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

1.3 Islami Banking operation

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

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

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

1.4 Off-Shore Banking Units

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



1.5 ONE Securities Limited (Subsidiary of the Bank)

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

1.6 ONE Investments Limited (Subsidiary of the Bank)

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

1.7 International Banking

International Banking activities of the Bank are being facilitated by the International Division with 17 ADs and 02 Central Trade Processing Centers in Dhaka and Chattogram. The network of foreign correspondents is expanding over the years for ensuring smooth cross border trade and remittance inflow. Major relationship includes tie up with Standard Chartered Bank, Wells Fargo Bank, Commerzbank, Mashreqbank etc. Moreover, drawing arrangement with Xpress Money, Placid NK Corporation, Continental Exchange Solutions INC., Transfast Remittance LLC, Western Union, Al Ansari Exchange, MoneyGram International Inc, Merchantrade Asia Sdn Bhd, Aftab Currency Exchange Ltd. are facilitating routing of foreign remittances through our Bank. In addition to facilitating cross border trade, foreign currency trade loan and other trade facilities are being regularly arranged from the foreign correspondents. As on 31 December 2020 our total no. of foreign correspondents and nostro accounts stand at 431 and 27 (including 03 OBU accounts) respectively.

1.8 Treasury Functions

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

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

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

1.9 Information Technology

ONE Bank Limited has adopted IT system at the very beginning of its commencement of operation. During the last 22 (Twenty-Two) years of journey, the Bank has taken several steps to improve its services giving emphasis on information technology. Starting from introduction of world-class Core Banking Solution (CBS), the Bank has introduced various services like Internet Banking Service, Mobile Financial Service, Agent Banking Service, Islamic Banking Service, Visa Credit & Debit

Cards, Pre-paid Hajj Cards, ATMs, Mobile Apps, Wallet and various web-based online payment systems etc. ONE Bank systems are also connected with Bangladesh Bank's NPSB (National Payment Switch of Bangladesh), Automated Cheque Clearing System-BACH-II (Bangladesh Automated Clearing House), RTGS (Real Time Gross Settlement) System, BEFTN (Bangladesh Electronic Fund Transfer Network) System etc. to provide efficient banking service to customers. The Bank has introduced sanction screening systems to ensure AML & CFT compliance and ensure prevention of money laundering through banking transactions.

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

1.10 Strategic Directions and Challenges

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

1.11 Staff Training

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

1.12 Resource Efficiency

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

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

1.13 Corporate Governance

1.13.1 Board of Directors

a) Members of the Board

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

b) Board Meeting

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

c) Information sharing system

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

d) Performance of Board

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

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

1.13.2 Appointment of Directors and Managing Director**a) Director**

The Members of the Board are appointed in accordance with the provisions of the Companies Act 1994, the Memorandum and the Articles of Association of the Bank, provisions of the Bank Company Act 1991(as amended in 2018), directives of BSEC and Bangladesh Bank's Circulars issued from time to time. The Board believes that the combined knowledge and experience of the Board matches the strategic demands required for the Bank.

b) Managing Director

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

1.13.3 General Meeting**a) Shareholders Suggestions**

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

b) Notice of the General Meeting

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

1.13.4 Accountability

Communicating Performance

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

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

2.1 Basis of Preparation of the Financial Statements

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking Units (Main operations) including Islami Banking Operation and Offshore Banking Units (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.2 Presentation of Financial Statements

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

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

2.3 Statement of Compliance

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

Accordingly, the financial statements of the Bank are continued to be prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and

Exchange Rules 1987. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are as follows:

2.3.1 Investment in Shares, Mutual Fund and Other Securities

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

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

2.3.2 Revaluation gains/losses on Government Securities

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

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

2.3.3 Provision on Loans and Advances / Investments

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

Bangladesh Bank: As per BRPD circular No.14 dated 23 September 2012, BRPD circular No. 19 dated 27 December 2012, BRPD circular No 05 dated 29 May 2013, BRPD circular No. 8 dated 02 August 2015, BRPD circular No. 12 dated 20 August 2017, BRPD circular No. 16 dated 21 July 2020 and BRPD circular letter No. 52 dated 20 October 2020 a general provision at 0.25% to 2% under different categories of unclassified loans has to be maintained regardless of objective evidence of impairment. And as per BRPD circular letter No. 56 dated 10 December 2020 and BRPD letter No. BRPD (P-1) 661/13/2021-117 dated 05 January 2021 provision maintained 1% as Special General Provision COVID-19 against deferral Loan as per BRPD Circular no.17 dated 28 September 2020. And, specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue status. Also a general provision at 1% is required to be provided for all off-balance sheet exposures as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012 (except contain in BRPD Circular Letter No. 01 dated 03 January 2018 and BRPD Circular No. 07 dated June 21, 2018). These provisions are not specifically in line with those prescribed by IFRS 9.

2.3.4 Recognition of Interest in Suspense

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

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

2.3.5 Other Comprehensive Income

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

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

2.3.6 Financial Instruments – Presentation and Disclosure

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

2.3.7 Financial Guarantees

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at

the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

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

2.3.8 Repo and Reverse Repo Transaction

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

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

2.3.9 Cash and Cash Equivalent

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

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, few highly liquid assets such as Money at call on Short Notice, Treasury Bills, Bangladesh Bank Bills and Prize Bonds are not shown as cash and cash equivalents items in the Balance Sheet rather these are shown in the face of the balance sheet as separate items. However, in the cash flow statement, these items are shown as cash equivalents besides cash in hand, balance with BB and other banks.

2.3.10 Non-Banking Asset

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

Bangladesh Bank: As per BRPD Circular no. 14 dated 25 June 2003 there must exist a face item named Non-banking asset and the holding period of non-banking assets is mentioned in the Bank Company Act 1991(as amended in 2018).

2.3.11 Cash Flow Statement

IFRS: As per the requirement of IAS7, the Statement of Cash Flows can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

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



2.3.12 Balance with Bangladesh Bank: (Cash Reserve Requirement)

IFRS: As per the requirement of IAS7, Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations.

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

2.3.13 Presentation of Intangible Assets

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

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

2.3.14 Off-Balance Sheet Items

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

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

2.3.15 Loans and Advances/Investments Net of Provision

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

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

2.3.16 Disclosure of appropriation of profit

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

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

2.4 Basis of measurement

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

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

2.5 Use of Estimates and Judgments

The preparation of financial statements requires management's judgments, estimates and assumptions for which the application of accounting policies and the reported amounts of assets, liabilities, income and expenses may vary and actual results may differ from those estimates. The most significant areas

where estimates and judgments have been made are provisions for loans and advances, provision for income tax (current & deferred tax), gratuity fund and liquidity statements.

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

2.6 Foreign currency transactions and translations

i. Functional and presentational currency

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

ii. Foreign currency translation

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

Assets and liabilities in foreign currencies at 31 December 2020 have been converted into Taka currency at the average of the prevailing buying and selling rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD(R) 717/2004-959 dated 21 November 2004.

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

iii. Commitment

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

2.7 Significant accounting policies

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

Accounting policies of subsidiaries

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

2.7.1 Basis of consolidation

The consolidated financial statements include the financial statements of ONE Bank Limited and those of its two subsidiaries (ONE Securities Limited and ONE Investments Limited) prepared as at and for the year ended 31 December 2020. The consolidated financial statements have been prepared in accordance with IFRS 10 ‘Consolidated Financial Statements’.

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

2.7.2 Transactions eliminated on consolidation

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

2.8 Assets and the basis of their valuation

2.8.1 Cash and Cash Equivalents

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

2.8.2 Loans and Advances

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

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



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

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

2.8.3 Investments

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

The valuation method of investments

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



Value of investments has been enumerated as follows:

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

- c) Investment in Quoted Securities:** These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements for which market price is below the cost price of investment as per Bangladesh Bank guideline except Special Investment vide DOS Circular no 01 dated 10 February 2020.
- d) Investment in Unquoted Securities:** Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.
- e) Investments in Subsidiary:** Investment in 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.



2.8.5 Other Assets

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

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

2.8.6 Liabilities and Provisions

a) Borrowings from Other Banks, Financial Institutions and Agents

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

b) Subordinated Bond:

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

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016], [BRPD (BFIS) 661/14B(P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.45%.

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

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

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

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

c) Deposits and Other Accounts

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

d) Other Liabilities

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

e) Provision for Liabilities

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

f) Provision for Loans and Advances:

Provision for classified loans and advances is made on the basis of quarter-end review by the management and instructions contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012 and BRPD circular no. 16 dated 18 November 2014 BRPD Circular No. 8 dated 02 August 2015, BRPD Circular No. 12 dated 20 August 2017, BRPD Circular NO. 15 dated 27 September 2017, BRPD Circular No. 01 dated 20 February 2018, BRPD Circular No.16 dated 21 July 2020 and BRPD Circular letter No.52 dated 20 October 2020.

Details are stated in Note 7.13 of these financial statements.

g) Provision against investment in Capital Market

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

h) Provision for off-balance sheet exposures

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

i) Provision for other assets

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

j) Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank. Detailed information on the reporting date are given in the note no.12.11.

k) Provision for liabilities and accrued expenses

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

l) Taxation

l).1 Current Tax

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

l).2 Deferred Tax

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

2.8.7 Capital and Shareholders' Equity

Capital Management

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

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

a) Authorized and issued capital

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

b) Paid up Share Capital

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

c) Share premium

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

d) Statutory Reserve

Transfer to the statutory reserve has been maintained @ 20% of Profit before Tax in accordance with provisions of section 24 of the Bank Company Act, 1991(as amended in 2018). This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account, after this it is optional.

e) Reserve for amortization/ revaluation of securities

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

2.9 Revenue Recognition

a) Interest Income (Conventional Banking)

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



b) Investment Income

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

c) Fees, Commission and Other Income

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

d) Dividend income

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

e) Interest and Other Expenses

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

2.10 Cash Flow Statement

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





2.11 Liquidity Statement

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

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

2.12 Statement of Changes in Equity

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

2.13 Events after Reporting Period

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

2.14 Earnings per Share

Earnings per share (EPS) has been computed by dividing the profit after tax by the number of ordinary shares outstanding as on 31 December 2020 as per IAS- 33 "Earnings per Share". Diluted earnings per share were not required to calculate as there is no dilution possibilities occurred during the year.

2.15 Reconciliation of Books of Account

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

2.16 Authorization of Financial Statements

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

2.17 Materiality and Aggregation

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

2.18 Offsetting

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

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

2.19 Operating Segments

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

2.20 Reporting Period

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

2.21. Number of Employees

The number of employees in employment in the Bank as on 31 December 2020 was 2,425 of which 1,919 were male and 506 were female. The number of employees per branch (including sub-branches and booths) was 13.98 (1496/107) excluding 929 employees in the Head Office of the Bank.

2.22. Employee Benefits

a) Provident Fund (Defined Contribution Plan)

"Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the Provident Fund Rules. The Commissioner of Income Tax has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of Part - B of the First Schedule of Income Tax Ordinance 1984. The recognition took effect from 27 February 2001. The Fund is operated by a Board of Trustees consisting of 5 (five) employees of the Bank. All confirmed employees of the Bank are contributing 10% of their Basic Salary as contribution to the Fund. The Bank also contributes equal amount of the Employees' Contribution to the Fund. Interest earned from the investments is credited to the members' accounts on yearly basis. Members are eligible to get both the contributions after 03 (three) years of continuous service from the date of their Joining the Bank. The Audit Committee has decided to realign with para- 263(1) of the Labour Rules 2015 immediately after taking necessary legal opinion from a renowned lawyer.



b) Gratuity Fund (Defined Benefit Plan)

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

c) Benevolent Fund

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

d) Death cum Survival Superannuation Fund

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

e) Maternity Allowance

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

f) Annual Leave Fare Assistance

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

g) Staff Loan at Bank Rate

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

h) Staff House Building Loan

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



i) Staff Car Purchase Finance Scheme

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

j) Honorarium for Banking Diploma Part I & Part II

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

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

k) Festival Bonus

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

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

l) Incentive Bonus

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

m) Un-availed Earned Leave Encashment

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

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

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

o) Furniture & Fixture Facility Scheme:

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





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

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

| Name of the Standards | IFRS/IAS | Status of compliance |
|--|----------|------------------------------|
| First time adoption of International Financial Reporting Standards | IFRS 1 | N/A |
| Share Based Payment | IFRS 2 | N/A |
| Business Combinations | IFRS 3 | N/A |
| Insurance Contracts | IFRS 4 | N/A |
| Non-current Assets Held for Sale and Discontinued Operations | IFRS 5 | N/A |
| Exploration for and Evaluation of Mineral Resources | IFRS 6 | N/A |
| Financial Instruments: Disclosures | IFRS 7 | Applied with some departures |
| Operating Segments | IFRS 8 | Applied |
| Financial Instruments: Recognition and Measurement | IFRS 9 | Applied with some departures |
| Consolidated Financial Statements | IFRS 10 | Applied |
| Joint arrangements | IFRS 11 | N/A |
| Disclosure of interest in other entities | IFRS 12 | Applied |
| Fair value measurement | IFRS 13 | Applied with some departures |
| Regulatory Deferral Accounts | IFRS 14 | N/A |
| Revenue from Contracts with Customers | IFRS 15 | Applied |
| Leases | IFRS 16 | Applied |
| Presentation of Financial Statements | IAS1 | Applied with some departures |
| Inventories | IAS2 | N/A |
| Statement of Cash Flows | IAS 7 | Applied with some departures |
| Accounting Policies, Changes in Accounting Estimates and Errors | IAS 8 | Applied |
| Events after the Reporting Period | IAS 10 | Applied |
| Income Taxes | IAS 12 | Applied |
| Property, Plant and Equipment | IAS 16 | Applied |



| | | |
|--|--------|------------------------------|
| Employee Benefits | IAS 19 | Applied |
| Accounting for Government Grants and Disclosure of Government Assistance | IAS 20 | N/A |
| The Effects of Changes in Foreign Exchange Rates | IAS 21 | Applied |
| Borrowing Costs | IAS 23 | Not Applied **** |
| Related Party Disclosures | IAS 24 | Applied |
| Accounting and Reporting by Retirement Benefit Plans | IAS 26 | N/A** |
| Separate Financial Statements | IAS 27 | Applied |
| Investments in Associates | IAS 28 | N/A |
| Financial Instruments: Presentation | IAS 32 | Applied with some departures |
| Earnings per share | IAS 33 | Applied |
| Interim Financial Reporting | IAS 34 | Applied *** |
| Impairment of Assets | IAS 36 | Applied |
| Provisions, Contingent Liabilities and Contingent Assets | IAS 37 | Applied with some departures |
| Intangible Assets | IAS 38 | Applied |
| Financial instruments: Recognition and Measurement | IAS 39 | Applied |
| Investment Property | IAS 40 | Not Applied **** |
| Agriculture | IAS 41 | Not Applied **** |

***N/A=Not Applicable**

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

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

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

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



2.24: IFRS 16: Leases

IFRS 16 is effective from 01 January 2019 as adopted by Institute of Chartered Accountants of Bangladesh. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

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

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

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

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short term lease, i.e; for which the lease term ends within 12 months of the date of initial application and ATM & Sub-branch rent (considering the same as low value assets). The Bank recognizes lease payments associated with these leases as expenses.

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

2.25 BASEL III Implementation

Under the guideline of BASEL III Implementation plan issued by Bangladesh Bank vide BRPD Circular -18, Dated December 21, 2014, ONE Bank Ltd has already entered in the domain of BASEL III. Accordingly, OBL successfully managed to maintain all the requirements of phase wise BASEL III implementation. OBL Maintained minimum capital including Capital Conservation Buffer @ 13.02% against the statutory requirement of 12.50% as at December 31, 2020.

2.26 Risk Management

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

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

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

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

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

2.26.1 Credit Risk Management

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

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

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

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



2.26.2 Foreign Exchange Risk Management

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

2.26.3 Asset Liability Risk Management

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

2.26.4 Prevention of Money Laundering and Combating Financing of Terrorism

ONE Bank 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 (AMLDD) 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, SSL Certificate to facilitate customers with secure financial transactions for card transactions and Internet Banking or E-Commerce transactions. In order to secure financial transactions and customer data, the Bank has introduced many other modern security measures at communication, application and user level as ONE Bank is committed to provide banking service based on technology, security and excellence.

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

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

2.27 Disclosure on fraud and forgeries committed by bank employees:

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

Further, the number of fraud cases in OBL is at a minimal level. However, fraud and forgery within the period January 01, 2020 to December, 31, 2020 is nil i.e. no case of fraud and forgery was identified.

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

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

2.28 Regulatory Compliance

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

- a. The Bank Company Act, 1991 (as amended in 2018).
- 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 | 2020 (Taka) | 2019 (Taka) |
|-------------------------------|----------------------|----------------------|
| Bangladesh Shanchaya Patras | 2,562,466,338 | 2,096,097,118 |
| US\$ Investment Bonds | 71,656,929 | 47,193,750 |
| US\$ Premium Bonds | 74,200,962 | 47,193,750 |
| Wage Earners Development Bond | 166,300,000 | 9,500,000 |
| Total | 2,874,624,229 | 2,199,984,618 |

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

2.31 Audit Committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular No 12 dated 23 December 2002. As per Bank Company Act, 1991 (as amended in 2018) and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors at its 319th Board Meeting held on October 15, 2020 constituted the Audit Committee as under:

| Sl. No. | Committee Members | Status with the Bank | Position in the Committee | Educational Qualification |
|---------|---------------------------|----------------------|---------------------------|---------------------------|
| 1 | Mr. Syed Nurul Amin | Independent Director | Chairman | B. Com. |
| 2 | Mr. Kazi Rukunuddin Ahmed | Director | Member | B.Sc. in Engineering |
| 3 | Mr. Shawket Jaman | Director | Member | B. Com. |

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

The Audit Committee of the Board held 05 (five) Meetings from 01 January to 31 December, 2020.

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

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



2.32 Board's Risk Management Committee:

The Risk Management Committee of the Board was duly constituted by the Board of Directors of the Bank as per Bangladesh Bank's BRPD Circular Letter No 11 dated 27 October, 2013. As per Bank Company Act, 1991 (as amended in 2018) and BRPD Circular No. 11 dated 27 October, 2013, the Board of Directors at its 319th Board Meeting held on October 15, 2020 constituted the Risk Management Committee as under:

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

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

The Risk Management Committee of the Board held 04 (four) Meetings from 01 January to 31 December, 2020.

The Committee identify/assess Credit Risk, Market Risk, Liquidity Risk, Operation Risk, Internal Control and Compliance Risk and Money Laundering Risk, Reputation Risk etc. The activities of Risk Management Committee during the period from January 01, 2020 to December 31, 2020 were as follows:

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

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



2.33 Impact of COVID-19

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

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



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

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

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

Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amendment in 2013), DOS circular No. 01 dated 19 January 2014, MPD Circular No. 01 dated 03 April 2018, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 03 dated 09 April 2020 issued by Bangladesh Bank.

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

a) Cash Reserve Requirement (CRR) :

Conventional and Offshore Banking:

Required reserve daily basis

Domestic Banking Operation

Offshore Banking Operation

Total

| | |
|----------------------|-----------------------|
| 7,704,943,330 | 11,626,506,888 |
| 138,494,400 | 752,287,942 |
| 7,843,437,730 | 12,378,794,830 |



Reserve Held

Balance with Bangladesh Bank
Amount in reconciliation (Net)*

**Reserve held with Bangladesh Bank in local currencies
Surplus/(Shortage)**

| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|--|---------------------------|---------------------------|
| Balance with Bangladesh Bank | 13,382,996,073 | 14,004,525,163 |
| Amount in reconciliation (Net)* | 1,030,508,547 | 26,375,506 |
| Reserve held with Bangladesh Bank in local currencies | 14,413,504,620 | 14,030,900,669 |
| Surplus/(Shortage) | 6,570,066,890 | 1,652,105,839 |

* The balance of local currency account was duly reconciled as of 31 December 2020 and the above amount was matched accordingly.

Required reserve bi-weekly basis

Domestic Banking Operation
Offshore Banking Operation

Total

Reserve held with Bangladesh Bank in local currencies
Surplus/(Shortage)

| | | |
|---|----------------------|-----------------------|
| Domestic Banking Operation | 8,805,649,520 | 11,626,506,888 |
| Offshore Banking Operation | 184,659,200 | 752,287,942 |
| Total | 8,990,308,720 | 12,378,794,830 |
| Reserve held with Bangladesh Bank in local currencies | 14,413,504,620 | 14,030,900,669 |
| Surplus/(Shortage) | 5,423,195,900 | 1,652,105,839 |

Islami Banking:

Required reserve daily basis and bi-weekly basis
Reserve held with Bangladesh Bank in local currencies
Surplus/(Shortage)

| | | |
|---|-------------------|---|
| Required reserve daily basis and bi-weekly basis | 6,911,920 | - |
| Reserve held with Bangladesh Bank in local currencies | 83,922,891 | - |
| Surplus/(Shortage) | 77,010,971 | - |

b) Statutory Liquidity Ratio (Other than CRR):

Conventional and Offshore Banking:

Required reserve

Domestic Banking Operation
Offshore Banking Operation

Total

Reserve held (b.1)

Surplus/(Shortage)

| | | |
|----------------------------|-----------------------|-----------------------|
| Domestic Banking Operation | 28,618,360,940 | 27,480,834,463 |
| Offshore Banking Operation | 1,200,284,800 | 1,778,135,135 |
| Total | 29,818,645,740 | 29,258,969,598 |
| Reserve held (b.1) | 35,293,402,577 | 35,562,864,634 |
| Surplus/(Shortage) | 5,474,756,837 | 6,303,895,035 |

b.1 Reserve held in SLR :

Cash in hand including foreign currency
Balance with Sonali Bank being an agent of Bangladesh Bank
Foreign Currency used (Balance with Bangladesh)

Treasury Bills

Treasury Bonds

Sub Total

Balance with Bangladesh Bank -local currency (Surplus amount of CRR)

Total

| | | |
|---|-----------------------|-----------------------|
| Cash in hand including foreign currency | 3,084,723,233 | 2,201,357,899 |
| Balance with Sonali Bank being an agent of Bangladesh Bank | 1,451,843,579 | 3,220,405,203 |
| Foreign Currency used (Balance with Bangladesh) | - | - |
| Treasury Bills | 756,134,449 | 10,229,423,453 |
| Treasury Bonds | 24,577,505,415 | 18,259,572,240 |
| Sub Total | 29,870,206,677 | 33,910,758,795 |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR) | 5,423,195,900 | 1,652,105,839 |
| Total | 35,293,402,577 | 35,562,864,634 |

Islami Banking:

Required reserve

Reserve held (b.2)

Surplus/(Shortage)

| | | |
|---------------------------|--------------------|---|
| Required reserve | 9,503,890 | - |
| Reserve held (b.2) | 112,959,410 | - |
| Surplus/(Shortage) | 103,455,520 | - |

b.2 Reserve held in SLR :

Cash in hand including foreign currency
Balance with Bangladesh Bank -local currency (Surplus amount of CRR)
Other securities

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



| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|---|---------------------------|---------------------------|
| 3 (a) Consolidated Cash | | |
| i Cash in hand | | |
| ONE Bank Limited | 3,099,551,672 | 2,201,357,899 |
| ONE Securities Limited | 13,197 | 10,905 |
| ONE Investments Limited | - | - |
| | <u>3,099,564,869</u> | <u>2,201,368,803</u> |
| ii Balance with Bangladesh Bank and its agent bank(s) | | |
| ONE Bank Limited | 26,437,376,200 | 22,174,633,442 |
| ONE Securities Limited | - | - |
| ONE Investments Limited | - | - |
| | <u>26,437,376,200</u> | <u>22,174,633,442</u> |
| | <u>29,536,941,069</u> | <u>24,376,002,245</u> |
| 4. Balance with Other Banks and Financial Institutions | | |
| In Bangladesh (note-4.1) | 2,637,146,008 | 2,475,700,385 |
| Outside Bangladesh (note-4.2) | 4,387,093,348 | 6,293,989,730 |
| | <u>7,024,239,356</u> | <u>8,769,690,115</u> |
| 4.1 In Bangladesh | | |
| In current accounts (note-4.3) | 97,840,493 | 34,374,868 |
| Other deposit accounts (note-4.4) | 2,539,305,514 | 2,441,325,516 |
| | <u>2,637,146,008</u> | <u>2,475,700,385</u> |
| Off-shore Banking Unit | - | - |
| | <u>2,637,146,008</u> | <u>2,475,700,385</u> |
| 4.2 Outside Bangladesh | | |
| In current accounts (note-4.5) | 4,294,827,214 | 6,068,967,972 |
| Other deposit accounts | - | - |
| | <u>4,294,827,214</u> | <u>6,068,967,972</u> |
| Off-shore Banking Unit | 92,266,134 | 225,021,758 |
| | <u>4,387,093,348</u> | <u>6,293,989,730</u> |
| 4.3 Current Accounts (In Bangladesh) | | |
| AB Bank Limited | 709,419 | 3,469,003 |
| Sonali Bank Limited | 62,427,089 | 7,204,736 |
| Trust Bank Limited-Q Cash Settlement Account | 6,677,258 | 17,264,446 |
| Inter Bank Fund Transfer (IBFT) Settlement Account | 6,016,897 | - |
| Standard Chartered Bank | 22,009,831 | 6,436,684 |
| | <u>97,840,493</u> | <u>34,374,868</u> |
| 4.4 Other Deposit Accounts (In Bangladesh) | | |
| ICB Islamic Bank Limited | 59,719,000 | 59,719,000 |
| United Commercial Bank Limited | 37,629 | 37,522 |
| AB Bank Limited | 675,310 | 661,994 |
| Eastern Bank Limited | 555,012 | 551,663 |
| Modhumoti Bank Limited | - | 169,800,000 |
| Uttara Bank Limited | 574,279,219 | 765,888,092 |
| Lanka Bangla Finance Limited | 1,300,000,000 | 800,000,000 |
| NRB Commercial Bank Limited | 500,000,000 | 500,000,000 |
| Rupali Bank Limited | 68,028,850 | 55,155,000 |
| Prime Bank Limited | 36,010,494 | 89,512,246 |
| | <u>2,539,305,514</u> | <u>2,441,325,516</u> |



| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|---|-----------------------------|-----------------------------|
| 4.5 Current Accounts (Outside Bangladesh) | | |
| (Name of the banks and financial institutions) | | |
| Standard Chartered Bank, New York | 3,146,945,077 | 4,037,521,113 |
| Standard Chartered Bank, London | 1,053,037 | 6,303,694 |
| Standard Chartered Bank, Pakistan | 34,072,375 | 22,911,855 |
| Standard Chartered Bank, Mumbai | 82,661,909 | 62,775,772 |
| Standard Chartered Bank, Tokyo | 10,331,642 | 5,545,213 |
| Standard Chartered Bank, Frankfurt | 8,474,080 | 20,843,946 |
| ICICI Bank Limited, Hong Kong | 19,358,530 | 601,470,257 |
| ICICI Bank Limited, Mumbai (ACUD) | 46,874,481 | 64,091,423 |
| ICICI Bank Limited, Mumbai (ACU EURO) | 8,982,813 | 8,225,185 |
| Commerzbank AG, Frankfurt (USD) | 192,159,691 | 285,465,511 |
| Commerzbank AG, Frankfurt (CAD) | 22,684,865 | 23,960,340 |
| Commerzbank AG, Frankfurt (EURO) | 5,036,962 | 54,730,168 |
| Mashreqbank Psc, New York | 366,867,975 | 199,692,387 |
| Mashreqbank Psc, India (ACUD) | 17,819,052 | 17,400,356 |
| Wells Fargo Bank N.A, New York | 67,610,752 | 414,308,537 |
| AB Bank Ltd, Mumbai | (2,884,994) | 41,644,925 |
| Habib Bank AG Zurich, Zurich | 22,274,758 | 58,352,966 |
| Nepal Bangladesh Bank Ltd, Kathmandu | 9,914,527 | 9,971,884 |
| Seylen Bank PLC, Colombo | 20,875,918 | 694,655 |
| Axis Bank Ltd, Kolkata | 25,302,974 | 16,948,634 |
| United Bank of India, Kolkata | 54,157,527 | 31,411,334 |
| Bank Al-Jazira, Jeddah | 6,780,304 | 6,431,357 |
| Riyad Bank | 32,899,298 | 31,206,145 |
| Kookmin Bank, South Korea | 94,573,663 | 47,060,315 |
| | <u>4,294,827,214</u> | <u>6,068,967,972</u> |
| (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 | 1,910,852,811 | 2,519,678,817 |
| More than 1 months to 3 months | 2,239,679,741 | 1,803,016,433 |
| More than 3 months to 1 year | 2,873,706,804 | 4,446,994,865 |
| More than 1 year to 5 years | - | - |
| More than 5 years | - | - |
| | <u>7,024,239,356</u> | <u>8,769,690,115</u> |
| 4 (a) Consolidated Balance with Other Banks and Financial Institutions In Bangladesh | | |
| ONE Bank Limited | 2,637,146,008 | 2,475,700,385 |
| ONE Securities Limited | 251,763,432 | 57,069,264 |
| ONE Investments Limited | 71,838 | 302,244 |
| | <u>2,888,981,278</u> | <u>2,533,071,893</u> |
| Less: Inter Company Balances | (251,835,270) | (57,371,509) |
| | <u>2,637,146,008</u> | <u>2,475,700,385</u> |
| Outside Bangladesh | | |
| ONE Bank Limited | 4,387,093,348 | 6,293,989,730 |
| ONE Securities Limited | - | - |
| | <u>4,387,093,348</u> | <u>6,293,989,730</u> |
| | <u>7,024,239,356</u> | <u>8,769,690,115</u> |
| 5. Money at call on short notice | | |
| Modhumoti Bank Limited | - | 250,000,000 |
| | - | <u>250,000,000</u> |

| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|--|---------------------------|---------------------------|
| 6. Investments | | |
| In Government securities | | |
| Conventional Banking: | | |
| Treasury bills (note- 6.1) | 756,134,449 | 10,229,423,453 |
| Treasury bonds (note-6.2) | 24,577,505,415 | 18,259,572,240 |
| Prize Bonds | 1,580,200 | 1,621,700 |
| | <u>25,335,220,064</u> | <u>28,490,617,393</u> |
| Islami Banking: | | |
| Bangladesh Government Islamic Bond-Sukuk (note-6.10) | 21,120,000 | - |
| | <u>25,356,340,064</u> | <u>28,490,617,393</u> |
| Other Investment | | |
| Shares (Quoted and Unquoted) (note-6.3) | 707,642,064 | 657,482,542 |
| Subordinated bonds (issued by other banks)[note-6.4] | 3,920,000,000 | 4,580,000,000 |
| | <u>4,627,642,064</u> | <u>5,237,482,542</u> |
| Total Investment | <u>29,983,982,128</u> | <u>33,728,099,936</u> |

6.1 Treasury Bills

| | | |
|--------------------------------------|--------------------|-----------------------|
| Treasury Bills (HTM) [(note-6.1(a))] | - | - |
| Treasury Bills (HFT) [(note-6.1(b))] | 756,134,449 | 10,229,423,453 |
| | <u>756,134,449</u> | <u>10,229,423,453</u> |

6.1(a) Treasury Bills (HTM)

| | Amortized Cost (Book Value) | | Face value | |
|-------------------------|-----------------------------|-------------|-------------|-------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> |
| 364 days Treasury Bills | - | - | - | - |
| 182 days Treasury Bills | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

6.1(b) Treasury Bills (HFT)

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

6.2 Treasury Bonds

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

6.2 (a) Treasury Bonds (HTM)

| | Amortized Cost (Book Value) | | Face value | |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> | <u>Taka</u> |
| 2 Years Treasury Bonds (Premium) | 2,510,948,805 | 6,282,346,051 | 2,500,000,000 | 6,250,000,000 |
| 5 Years Treasury Bonds (Premium) | 6,053,021,873 | 2,056,644,290 | 6,000,000,000 | 2,000,000,000 |
| 10 Years Treasury Bonds (Premium) | 5,397,590,532 | 2,260,179,526 | 5,250,000,000 | 2,250,000,000 |
| 15 Years Treasury Bonds (Premium) | 260,338,095 | 260,392,667 | 259,100,000 | 259,100,000 |
| Sub-total | <u>14,221,899,305</u> | <u>10,859,562,534</u> | <u>14,009,100,000</u> | <u>10,759,100,000</u> |



| | Amortized Cost (Book Value) | | Face value | |
|------------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| | Taka | Taka | Taka | Taka |
| 2 Years Treasury Bonds (Discount) | - | 496,672,894 | - | 500,000,000 |
| 5 Years Treasury Bonds (Discount) | 1,425,562,996 | 1,417,994,920 | 1,450,000,000 | 1,450,000,000 |
| 10 Years Treasury Bonds (Discount) | 922,365,787 | 1,201,832,673 | 926,100,000 | 1,206,100,000 |
| 15 Years Treasury Bonds (Discount) | 117,740,509 | 117,716,567 | 118,100,000 | 118,100,000 |
| 20 Years Treasury Bonds (Discount) | 108,873,634 | 108,861,798 | 109,300,000 | 109,300,000 |
| Sub-total | 2,574,542,926 | 3,343,078,852 | 2,603,500,000 | 3,383,500,000 |
| 5 Years Treasury Bonds (At par) | - | - | - | - |
| 10 Years Treasury Bonds (At par) | 1,005,000,000 | 1,285,000,000 | 1,005,000,000 | 1,285,000,000 |
| 15 Years Treasury Bonds (At par) | 444,300,000 | 444,300,000 | 444,300,000 | 444,300,000 |
| 20 Years Treasury Bonds (At par) | 57,200,000 | 57,200,000 | 57,200,000 | 57,200,000 |
| Sub-total | 1,506,500,000 | 1,786,500,000 | 1,506,500,000 | 1,786,500,000 |
| Total | 18,302,942,231 | 15,989,141,385 | 18,119,100,000 | 15,929,100,000 |

6.2 (b) Treasury Bonds (HFT)

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

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

6.3 Other Investments -Shares

In shares (quoted and unquoted)

Quoted:

| | 31.12.2020 | 31.12.2019 |
|------------------------------|--------------------|--------------------|
| | Taka | Taka |
| The City Bank Limited | 59,049,110 | 59,049,110 |
| Prime Bank Limited | 140,673,639 | 140,673,639 |
| IFIC Bank Limited | 170,983,639 | 170,983,639 |
| Lanka Bangla Finance Limited | 122,379,546 | 122,379,546 |
| Summit Alliance Port Limited | 6,200 | 6,200 |
| Eastern Bank Limited | 1,983,900 | 1,983,900 |
| MI Cement Factory Limited | 5,533 | 5,533 |
| Bank Asia Limited | 53,501,786 | 53,501,786 |
| Robi Axiata Limited | 2,712,540 | - |
| | 551,295,893 | 548,583,353 |

Quoted (Special Investment Account):

| | 31.12.2020 | 31.12.2019 |
|--------------------------------|-------------------|------------|
| | Taka | Taka |
| United Commercial Bank Limited | 1,430,653 | - |
| NCC Bank Limited | 3,265,760 | - |
| Jamuna Bank Limited | 763,000 | - |
| Mercantile Bank Limited | 6,357,600 | - |
| Square Pharma | 6,313,528 | - |
| | 18,130,541 | - |

Unquoted:

| | 31.12.2020 | 31.12.2019 |
|---|--------------------|--------------------|
| | Taka | Taka |
| Industrial and Infrastructure Development Finance Company Limited | 59,000,260 | 29,683,820 |
| Central Depository Bangladesh Limited (CDBL) | 1,569,450 | 1,569,450 |
| Lanka Bangla Securities Limited | 72,000,000 | 72,000,000 |
| Investment in SWIFT | 5,645,919 | 5,645,919 |
| | 138,215,629 | 108,899,189 |
| | 707,642,064 | 657,482,542 |



| | 31.12.2020 | 31.12.2019 |
|---|----------------------|----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 6.4 Subordinated bonds (issued by other banks) | | |
| City Bank 2nd Subordinated Bond | 1,000,000,000 | 1,000,000,000 |
| City Bank 3rd Subordinated Bond | 1,300,000,000 | 1,300,000,000 |
| National Bank Limited 2nd Subordinated Bond | 200,000,000 | 250,000,000 |
| United Commercial Bank Limited 3rd Subordinated Bond | 600,000,000 | 750,000,000 |
| Mercantile Bank Limited Subordinated Bond | 100,000,000 | 200,000,000 |
| Bank Asia Limited Subordinated Bond | 240,000,000 | 360,000,000 |
| Prime Bank Limited Subordinated Bond | 240,000,000 | 360,000,000 |
| Eastern Bank Limited Subordinated Bond | 240,000,000 | 360,000,000 |
| | 3,920,000,000 | 4,580,000,000 |

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

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

*ONE Bank Limited acquired 3,108,740 no. of shares of IFIC Bank Limited under a Sale and Buy Back Agreement dated August 10, 2006. The Buy Back Guarantors failed to exercise the purchasing option within the tenure of the Agreement and upon expiry, ONE Bank Limited placed the shares to IFIC Bank Limited for transfer to ONE Bank's name. As the IFIC Bank was delaying transfer of the shares, ONE Bank Limited filed a suit before the Honorable High Court Division of the Supreme Court of Bangladesh for transfer of the shares in favor of ONE Bank Ltd. The Court directed IFIC Bank to transfer the said shares including Bonus Shares in the name of ONE Bank Ltd. Subsequently, the matter was raised in the Appellate Division. Presently, a civil review petition of ONE Bank Limited is lying before the Honorable Appellate Division of the Supreme Court of Bangladesh against the judgement passed by the same court for hearing. OBL has taken a legal opinion regarding the above issue and the opinion has stated that there is a fair chance that the Hon'ble Appellate Division may uphold the decision of the Hon'ble Company Court in Company Matter No. 157 of 2007 allowing the prayer of ONE Bank Ltd. for rectification of Share register of IFIC Bank Ltd.

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

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

6.6 Residual Maturity of Investments

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

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



6.7 Disclosure regarding outstanding Repo

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

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

6.8 Disclosure regarding outstanding Reverse Repo

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

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

6.9 Disclosure regarding overall transaction of Repo and Reverse Repo

| | Minimum outstanding during the year | Maximum outstanding during the year | Daily average outstanding during the year |
|---|-------------------------------------|-------------------------------------|---|
| Securities sold under repo: | | | |
| i) with Bangladesh Bank | 308,979,748 | 8,323,944,000 | 1,556,419,626 |
| ii) With other banks & FI | 1,020,410,200 | 1,020,410,200 | 2,795,644 |
| Securities purchased under Reverse Repo: | | | |
| i) with Bangladesh Bank | - | - | - |
| ii) With other banks & FI | 964,113,000 | 964,113,000 | 2,641,405 |

31.12.2020

Taka

31.12.2019

Taka

6.10 Islami Banking:

Government securities

Bangladesh Government Investment Sukuk (Ijarah Sukuk)

21,120,000

-

6 (a) Consolidated Investments

In Government securities

ONE Bank Limited
ONE Securities Limited

25,356,340,064

28,490,617,393

-

-

25,356,340,064

28,490,617,393

Other Investment

ONE Bank Limited
ONE Securities Limited
ONE Investments Limited
Less: Inter Company Balances

4,627,642,064

5,237,482,542

2,485,563,686

2,554,875,397

10,944,509

10,271,823

(163,456,185)

(168,751,175)

6,960,694,074

7,633,878,587

32,317,034,139

36,124,495,980

Other investment by ONE Securities Limited includes Tk. 562,320,683 representing original investment cost for DSE and CSE memberships. As per the Exchange Demutualization Act 2013, the number of shares as on 31 December 2020 of DSE and CSE 5,411,329 and 4,287,330 respectively with a face value of Tk. 10 each for both. As there is no active market for these shares, the amounts have been shown at cost.

7. Loans and Advances

Loans, cash credit, overdraft etc (note-7.1)

218,317,854,244

212,520,259,997

Bills purchased and discounted (note-7.2)

2,023,692,190

2,707,565,191

220,341,546,434

215,227,825,188

7.1 Loans, cash credit, overdraft etc.

Inside Bangladesh

Loans
Cash Credit
Overdraft

169,484,524,148

160,562,550,283

-

56,451,166

39,622,420,852

37,568,164,444

209,106,945,000

198,187,165,893

9,210,909,244

14,333,094,104

218,317,854,244

212,520,259,997

-

-

218,317,854,244

212,520,259,997

Outside Bangladesh

| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|---|---------------------------|---------------------------|
| 7.2 Bills purchased and discounted | | |
| Inside Bangladesh | | |
| Local bill purchased and discounted | 1,370,500,425 | 1,864,679,853 |
| Foreign bill purchased and discounted | 319,273,957 | 588,222,567 |
| | 1,689,774,382 | 2,452,902,420 |
| Off-shore Banking Unit | 333,917,808 | 254,662,771 |
| | 2,023,692,190 | 2,707,565,191 |
| Outside Bangladesh | - | - |
| | 2,023,692,190 | 2,707,565,191 |
| 7.3 Residual Maturity grouping of loans and advances including bills purchased and discounted | | |
| Payable on demand | 36,968,252,647 | 20,966,460,828 |
| Up to 3 months | 37,946,591,814 | 49,422,907,735 |
| Above 3 months to 1 year | 58,676,310,768 | 95,632,612,173 |
| Above 1 year to 5 years | 51,634,905,636 | 27,063,247,750 |
| Above 5 years | 35,115,485,568 | 22,142,596,702 |
| | 220,341,546,434 | 215,227,825,188 |
| 7.4 Loans and Advances on the basis of significant concentration | | |
| i. Advance to Directors | - | 2,750,254 |
| ii. Advance to Managing Director & Senior Executives * | 498,447,094 | 511,840,370 |
| iii. Advance to Customer's group: | | |
| Commercial lending | 98,925,138,464 | 81,535,037,942 |
| Agricultural loan | 2,030,863,677 | 2,627,571,463 |
| Export financing | 8,814,193,933 | 18,546,094,958 |
| Consumer credit scheme | 2,070,420,708 | 2,208,862,634 |
| Small and medium enterprise financing | 24,055,230,603 | 21,809,236,540 |
| Staff loan (except Sl. No. ii) | 224,619,306 | 224,935,394 |
| House building loan (other than the employees) | 8,535,730,061 | 9,974,051,338 |
| Others | 75,186,902,588 | 77,787,444,294 |
| | 220,341,546,434 | 215,227,825,188 |
| * No staff loan was provided to top five executives | | |
| 7.5 Industry-wise outstanding of loans & advances including bills purchased and discounted | | |
| Trade finance | 26,545,989,378 | 35,843,095,330 |
| Steel Re-Rolling | 13,567,052,940 | 13,690,321,845 |
| Readymade Garments | 36,449,214,264 | 33,862,000,916 |
| Textiles | 22,081,889,873 | 17,559,709,610 |
| Edible oil, Rice, Flour etc. | 5,806,855,355 | 4,408,012,050 |
| Power | 9,790,707,476 | 9,873,910,508 |
| Transport & Communication | 2,420,670,174 | 3,690,332,531 |
| Construction/Engineering | 8,194,271,621 | 8,906,707,059 |
| Personal | 2,592,216,227 | 2,413,095,537 |
| Pharmaceuticals | 7,574,602,323 | 6,498,718,872 |
| Real Estate | 11,966,026,196 | 9,959,471,949 |
| Cargo and Travel Services | 365,117,469 | 156,292,181 |
| Paper & Packaging | 747,907,521 | 549,144,934 |
| Agro based industry/ Dairy products/ Food & Beverage | 5,757,715,638 | 5,917,311,901 |
| Others | 66,481,309,978 | 61,899,699,965 |
| | 220,341,546,434 | 215,227,825,188 |





| | 31.12.2020 | 31.12.2019 |
|---|------------------------|------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 7.6 Geographical Location-wise Loans and advances including bills purchased and discounted | | |
| Urban | | |
| Dhaka Division | 155,492,998,032 | 151,754,735,877 |
| Chattogram Division | 44,670,461,230 | 43,476,006,418 |
| Rajshahi Division | 4,205,367,173 | 4,076,407,597 |
| Khulna Division | 7,598,566,162 | 7,829,319,191 |
| Sylhet Division | 311,834,104 | 261,569,939 |
| Rangpur Division | 806,252,373 | 774,137,911 |
| Barishal Division | 633,225,489 | 595,626,624 |
| | 213,718,704,563 | 208,767,803,556 |
| Rural | | |
| Dhaka Division | 3,220,139,937 | 3,017,831,857 |
| Chattogram Division | 2,890,543,558 | 2,774,814,071 |
| Rajshahi Division | - | - |
| Khulna Division | 238,966,445 | 261,987,050 |
| Sylhet Division | 273,191,931 | 405,388,654 |
| Rangpur Division | - | - |
| Barishal Division | - | - |
| | 6,622,841,872 | 6,460,021,632 |
| | 220,341,546,434 | 215,227,825,188 |
| 7.7 Business segment-wise loans and advances including bills purchased and discounted | | |
| Corporate | 181,824,839,466 | 179,560,386,593 |
| SME | 24,055,230,603 | 21,809,236,540 |
| Consumer | 11,410,164,473 | 10,933,435,557 |
| Short term agri. credit and microcredit | 2,328,245,492 | 2,187,990,734 |
| Executive & Staff | 723,066,400 | 736,775,763 |
| | 220,341,546,434 | 215,227,825,188 |
| 7.8 CL category wise loans and advances including bills purchased and discounted | | |
| Continuous loan (CL-2) | | |
| Small & Medium Enterprise (SME) | 12,201,316,110 | 11,514,256,142 |
| Consumer finance | 1,160,189,844 | 945,679,178 |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | 802,367,010 | 837,607,101 |
| Other corporate loans | 31,220,089,106 | 30,489,540,385 |
| | 45,383,962,070 | 43,787,082,805 |
| Demand Loan (CL-3) | | |
| Small & Medium Enterprise (SME) | 5,443,694,266 | 4,546,556,848 |
| Consumer finance | - | - |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | - | 351,789,485 |
| Other corporate loans | 67,752,090,899 | 73,750,122,164 |
| | 73,195,785,166 | 78,648,468,497 |
| Fixed Term Loan (CL-4) | | |
| Small & Medium Enterprise (SME) | 6,410,220,227 | 5,748,423,551 |
| Consumer finance (other than HF & LP) | 1,402,837,679 | 1,409,034,760 |
| House finance | 8,817,948,245 | 8,520,340,020 |
| Loans for professionals to set up business | 29,188,705 | 58,381,599 |
| Loan to Brokerage House/Merchant Banking/ Stock Dealer against shares | 1,022,422,088 | 307,187,441 |
| Other corporate loans | 81,027,870,363 | 73,824,140,017 |
| | 98,710,487,306 | 89,867,507,388 |
| Short term agri. credit and microcredit (CL-5) | | |
| Short term agri. Credit | 2,328,245,492 | 2,187,990,734 |
| Microcredit | - | - |
| | 2,328,245,492 | 2,187,990,734 |
| Staff Loan | 723,066,400 | 736,775,763 |
| | 220,341,546,434 | 215,227,825,188 |

| | 31.12.2020 | 31.12.2019 | |
|--|------------------------|------------------------------------|---------------------------------|
| | <u>Taka</u> | <u>Taka</u> | |
| 7.9 Classified and unclassified loans and advances | | | |
| Unclassified | | | |
| Standard | 192,154,895,479 | 183,873,221,739 | |
| Special Mention Account | 8,506,224,113 | 10,722,841,686 | |
| Staff Loan | 723,066,400 | 736,775,763 | |
| | 201,384,185,991 | 195,332,839,188 | |
| Classified | | | |
| Substandard | 3,040,093,342 | 2,867,256,000 | |
| Doubtful | 2,894,308,571 | 2,534,767,000 | |
| Bad & Loss | 13,022,958,530 | 14,492,963,000 | |
| | 18,957,360,443 | 19,894,986,000 | |
| | 220,341,546,434 | 215,227,825,188 | |
| 7.10 Net loans and advances | | | |
| Gross loans and advances | 220,341,546,434 | 215,227,825,188 | |
| Less: Interest suspense (Note-12.10) | 8,772,019,718 | 6,307,880,737 | |
| Provision for loans and advances (Note-12.4, 12.5 and 12.6) | 10,606,197,916 | 9,313,834,484 | |
| | 19,378,217,634 | 15,621,715,221 | |
| | 200,963,328,801 | 199,606,109,967 | |
| 7.11 Bills purchased and discounted | | | |
| Payable in Bangladesh | 1,704,418,233 | 2,119,342,624 | |
| Payable outside Bangladesh | 319,273,957 | 588,222,567 | |
| | 2,023,692,190 | 2,707,565,191 | |
| 7.12 Maturity of Bills purchased and discounted | | | |
| Upto 1 month | 365,811,281 | 765,341,295 | |
| Above 1 month but less than 3 months | 841,020,113 | 631,185,983 | |
| Above 3 months but less than 6 months | 786,388,125 | 1,280,426,396 | |
| 6 months or more | 30,472,671 | 30,611,517 | |
| | 2,023,692,190 | 2,707,565,191 | |
| 7.13 Particulars of provision for Loans and Advances | | | |
| | Rate (%) | Base for Provision Taka | Total Provision Taka |
| Standard loan (excluding Staff Loan) | 0.25%- 1% | 102,186,917,873 | 1,596,068,179 |
| Standard loan (deferral loan as per BRPD Circular no-17) | 1% | 56,003,900,000 | 560,039,000 |
| Small & Medium Enterprise Financing | 0.25% | 18,721,571,237 | 46,803,928 |
| Consumer Finance (House Financing) | 1% | 8,712,799,707 | 87,127,997 |
| Consumer Financing (Other than House Financing) | 2% | 1,358,660,571 | 27,173,211 |
| Credit Card | 2% | 1,078,200,036 | 21,564,001 |
| Special Mention Account | 0%-2% | 6,977,245,304 | 65,545,282 |
| Short Term Agriculture Loan | 1% | 2,268,056,956 | 22,680,570 |
| Loan to brokerage houses, merchant banks/stock dealers against shares etc. | 2% | 1,824,789,098 | 36,495,782 |
| Substandard | 5% & 20% | 1,497,588,640 | 271,829,001 |
| Doubtful | 5% & 50% | 1,870,711,511 | 854,061,162 |
| Bad & Loss | 100% | 6,825,248,270 | 7,016,809,804 |
| Required provision for loans and advances | | | 10,606,197,916 |
| Total provision maintained | | | 10,606,197,916 |
| Excess/ (Short) provision at 31 December | | | - |

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

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

| | 20 | 19 |
|--|--------------------|----------------|
| Number of clients (Annexure-D) | | |
| Amount of outstanding loans & advances * | Tk. 70,345,524,811 | 70,053,304,042 |
| Amount of classified loans and advances | Tk. - | - |
| Measures taken for recovery against classified loans, if any | Not Applicable | Not Applicable |

* The amount of outstanding loans & advances represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the Bank as at 31 December 2020. The classification status is shown as per the CL prepared by the Bank as at 31 December 2020 and submitted to Bangladesh Bank.

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

| | 31.12.2020 | 31.12.2019 |
|--|------------------------|------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 7.15 Particulars of Loans and Advances | | |
| i) Loans considered good in respect of which the bank is fully secured | 164,038,440,863 | 134,731,222,974 |
| ii) Loans considered good against which the bank holds no security other than the debtor's personal guarantee | 36,382,449,213 | 32,496,171,825 |
| iii) Loans considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors | 19,920,656,358 | 48,000,430,388 |
| iv) Loans adversely classified; provision not maintained there against | - | - |
| | 220,341,546,434 | 215,227,825,188 |
| v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons | 723,066,401 | 736,775,763 |
| 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 | 723,066,401 | 736,775,763 |
| 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) | 2,023,692,190 | 2,707,565,191 |
| x) Classified loans and advances | | |
| a) Classified loans and advances on which interest has not been charged to income (Note-7.9) | 18,957,360,443 | 19,894,986,000 |
| b) Provision on classified loans and advances (Note-12.4) | 8,142,699,967 | 7,331,116,490 |
| c) Provision kept against loans and advances classified as bad debts | 7,016,809,804 | 6,217,558,829 |
| d) Increase/(Decrease) of Specific Provision | 811,583,477 | 1,822,543,408 |
| e) Interest credited to Interest Suspense Account (Note-12.10) | 8,772,019,718 | 6,307,880,737 |
| xi) Cumulative amount of written off loans and advances | | |
| Opening balance | 4,451,055,169 | 4,451,055,169 |
| Written off during the year | - | - |
| Closing balance | 4,451,055,169 | 4,451,055,169 |
| Cumulative amount realised against loans previously written off | 180,607,192 | 163,378,627 |
| The amount of written off loans for which law suits has been filed | 4,448,369,487 | 4,448,369,487 |





31.12.2020
Taka

31.12.2019
Taka

7.16 Details of pledged collaterals received against Loans and Advances

| | | |
|--|------------------------|------------------------|
| Collateral of movable /immovable assets | 154,946,324,197 | 121,646,995,031 |
| Local banks and financial institutions guarantee | 1,892,970,253 | 1,740,002,088 |
| Government guarantee | - | - |
| Foreign banks guarantee | - | - |
| Export documents | 1,474,683,367 | 1,807,421,646 |
| Fixed Deposit Receipts (FDR) | 5,144,486,184 | 9,038,505,939 |
| FDR of other banks | 579,976,862 | 460,819,873 |
| Government bonds | - | 37,478,397 |
| Personal guarantee | 36,382,449,213 | 32,496,171,825 |
| Other securities | 19,920,656,358 | 48,000,430,388 |
| | 220,341,546,434 | 215,227,825,188 |

7.17 Restructure of large loan

There was no restructure of large loan occurred during the year 2020 (Restructure refers BRPD Circular 04/2015 and large loans are as defined in BRPD Circular 02/2014.)

7 (a) Consolidated Loans and Advances

Loans, cash credit, overdraft etc.

| | | |
|--------------------------------------|------------------------|------------------------|
| ONE Bank Limited | 218,317,854,244 | 212,520,259,997 |
| ONE Securities Limited | 93,941,718 | 87,706,768 |
| Less: Inter unit/company elimination | (6,768,097) | - |
| | 218,405,027,866 | 212,607,966,764 |

Bills purchased and discounted

| | | |
|------------------------|------------------------|------------------------|
| ONE Bank Limited | 2,023,692,190 | 2,707,565,191 |
| ONE Securities Limited | - | - |
| | 2,023,692,190 | 2,707,565,191 |
| | 220,428,720,056 | 215,315,531,955 |

8. Fixed Assets including premises, furniture & fixtures

Conventional and Islami Banking:

| | | |
|-------------------------------------|----------------------|----------------------|
| Furniture & Fixtures | 1,598,557,482 | 1,568,714,984 |
| Office equipment | 1,367,494,753 | 1,264,921,801 |
| Motor Vehicles | 309,913,740 | 325,869,255 |
| Building | 304,750,010 | 189,464,053 |
| Right of use Assets as per IFRS-16* | 1,306,662,774 | 809,670,917 |
| Land | 279,366,295 | 279,366,295 |
| | 5,166,745,054 | 4,438,007,305 |
| Intangible Assets | 198,184,620 | 198,184,620 |
| | 5,364,929,674 | 4,636,191,925 |

Less: Accumulated depreciation

| | | |
|----------------------|----------------------|----------------------|
| Conventional Banking | 2,356,233,967 | 2,018,170,168 |
| Islami Banking | - | - |
| | 2,356,233,967 | 2,018,170,168 |

Balance as on 31 December

| | | |
|--|----------------------|----------------------|
| | 3,008,695,706 | 2,618,021,757 |
|--|----------------------|----------------------|

*As per Note 2.24, in accordance with IFRS-16, the Bank has recognised the Right of use Assets.

(For details please refer to Annexure- A)





| | 31.12.2020 | 31.12.2019 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 8 (a) Consolidated Fixed Assets including premises, furniture & fixtures | | |
| ONE Bank Limited | 3,008,695,706 | 2,618,021,757 |
| ONE Securities Limited (Prior year's balance restated) | 29,114,555 | 36,176,026 |
| ONE Investments Limited | - | - |
| | <u>3,037,810,261</u> | <u>2,654,197,783</u> |

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

9. Other Assets

i Income generating

Investment in shares of subsidiary companies

In Bangladesh (note-9.1)

2,480,099,170

2,480,099,170

Outside Bangladesh

-

ii Non- income generating

Stock of stationery

54,892,585

36,354,885

Stock of stamps

4,774,289

4,339,445

Security deposits

6,525,400

5,827,121

Advance rent for office premises *

144,321,928

461,264,414

Prepayments

514,152,333

607,012,280

Application money against right share and clearing adjustment account

-

87,116,850

Suspense account (note-9.5)

18,752,838

39,945,715

Receivable from Bangladesh Bank (note-9.8)

125,631,748

159,384,091

Interest receivables (note-9.7)

544,018,485

417,200,236

Advance Income Tax (note-9.3)

9,538,900,945

8,365,477,074

Deferred Tax Assets (note-9.4)

76,913,483

69,444,925

Protested bill

2,594,351

2,594,351

Sundry receivables

848,621

416,331

Receivable ATM acquiring

18,386,782

11,028,206

Receivable from ONE Bank Limited Employees' Provident Fund (note-9.9)

2,360,534

-

Receivable from ONE Securities Ltd

-

-

Receivable from ONE Investments Ltd

-

205,426

Inter Branch Account USD

-

21,337

Branch Adjustment Account (note-9.2)

3,367,975

23,104,658

13,536,541,467

12,770,836,513

13,621,469,800

12,904,331,499

Off-shore Banking Unit

84,928,334

133,494,986

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

9.1 Investment in shares of subsidiary companies

ONE Securities Limited (98.9999% owned subsidiary company of OBL)

2,474,999,170

2,474,999,170

ONE Investments Limited (51.00% owned subsidiary company of OBL)

5,100,000

5,100,000

2,480,099,170

2,480,099,170

9.2 Branch Adjustment Account

Branch adjustments account represents outstanding Inter-branch and Head Office transactions (Net) originated but yet to be responded at the balance sheet date. However, the Bank has no non-responded pending entry maximum for more than 10 days. The status of unresponded entries of 31 December 2020 are given below:

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

Branch Adjustment Account (Net) 3,367,975



| | 31.12.2020 | 31.12.2019 |
|--|------------------------------|------------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 9.3 Advance income tax | | |
| Opening balance on 1 January | 8,365,477,074 | 7,143,559,670 |
| Add: Tax paid as advance | 1,173,423,871 | 1,221,917,404 |
| Less: Advance income tax adjusted during the year | - | - |
| Balance on 31 December | <u>9,538,900,945</u> | <u>8,365,477,074</u> |
| 9.4 Deferred tax assets: | | |
| Opening balance | 69,444,925 | 44,671,699 |
| Addition/(reverse) during the year (note-12.2.1) | 7,468,558 | 24,773,226 |
| Closing balance | <u>76,913,483</u> | <u>69,444,925</u> |
| Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences in the carrying amount with tax base. | | |
| 9.5 Suspense account includes advance against TA/DA, advance against petty cash, Legal expense and suspense others etc. | | |
| 9.6 Particulars of required provision for other assets | | |
| | <u>Taka</u> | <u>Rate</u> |
| Protested bill | 2,594,351 | 100% |
| Legal Expense | 1,994,979 | 100% |
| Others | 14,579,461 | 100% |
| Required provision for other assets | 19,168,791 | |
| Total provision maintained (note-12.8) | <u>20,212,868</u> | |
| Excess/(short) provision as on 31, December 2020 | <u>-</u> | |
| 9.7 Interest receivables | | |
| Interest receivables on placement | 6,356,294 | 7,637,938 |
| Interest receivables on government securities | 500,799,438 | 354,860,871 |
| Interest receivables on non-government securities | 36,862,754 | 54,701,427 |
| | <u>544,018,485</u> | <u>417,200,236</u> |
| 9.8 Receivable from Bangladesh Bank | | |
| Receivable against encashment - Shanchaya Patras | 115,210,726 | 158,884,464 |
| Interest Receivable from Bangladesh Bank | 1,924,887 | - |
| Receivable against Wage Earners Remittance | 8,496,135 | 499,626 |
| | <u>125,631,748</u> | <u>159,384,091</u> |
| 9.9 Receivable from ONE Bank Limited Employees' Provident Fund | | |
| As per Financial Reporting Council (FRC) notification reference # 179/FRC/FRM/Notification/2020/2 dated July 07, 2020, we have considered the forfeited fund of OBL Provident fund (from the year 2015 to 2019) of Tk. 2,360,534/= as other asset named as receivable from ONE Bank Limited Employees' Provident Fund and the same amount shown in the other operating income. Subsequently we have received the full amount from ONE Bank Limited Employees' Provident Fund through a payment order # 1378939 dated March 15, 2021 and encashed on the same date. | | |
| 9 (a) Consolidated Other Assets | | |
| ONE Bank Limited | 13,621,469,800 | 12,904,331,499 |
| ONE Securities Limited | 182,120,537 | 131,795,635 |
| ONE Investments Limited | 241,873 | 66,714 |
| Investment in ONE Securities Ltd by ONE Bank Limited | (2,474,999,170) | (2,474,999,170) |
| Investment in ONE Investments Ltd by ONE Bank Limited | (5,100,000) | (5,100,000) |
| Less: Inter unit/company elimination | - | (205,426) |
| | <u>11,323,733,040</u> | <u>10,555,889,252</u> |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. | | |
| 10. Borrowings from other Banks, financial institutions and Agents. | | |
| Borrowing Inside Bangladesh (note-10.1) | 13,464,600,733 | 8,565,208,217 |
| Borrowing Outside Bangladesh (note-10.2) | 7,858,235,210 | 13,069,066,361 |
| | <u>21,322,835,943</u> | <u>21,634,274,579</u> |
| 10.1 Borrowing Inside Bangladesh | | |
| Borrowing from Bangladesh Bank [note-10.1(a)] | 13,464,600,733 | 7,865,208,217 |
| Borrowing from other bank -Payable on demand | - | 700,000,000 |
| | <u>13,464,600,733</u> | <u>8,565,208,217</u> |





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

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

ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 26th December, 2013 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letter # BRPD (BIC)661/14B(P)/2013-1869 , dated November 28, 2013 and SEC/CI/CPLC-159/2002/2714, dated October 08, 2013 respectively. The Subordinated Bond is counted towards Tier-II capital of the Bank. As on December 31, 2020 the outstanding amount is nil of the said Subordinated bond (i.e. fully redemption).

Main Features of the Bond:

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





List of Investors:

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

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

To meet regulatory capital requirement, ONE Bank Limited issued unsecured non-convertible subordinated floating rate bonds on 27th October, 2016 after obtaining approval from Bangladesh Bank and Securities and Exchange Commission vide their letters [# BRPD (BFIS) 661/14B(P)/2016-5583 dated August 18, 2016],[BRPD (BFIS) 661/14B(P)/2016-6471 dated September 29, 2016] and [# BSEC/CI/DS-46/2016/344 dated June 16, 2016] respectively. Interest rate of the Bond is calculated as Benchmark rate +2.80% Margin. However, the rate shall be kept 7.00% to 10.50% p.a. throughout the tenure of the bond. As of Balance Sheet date interest rate is applicable @ 8.45%.

Main Features of the Bond:

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

List of Investors:

| Name of the Investor | No of Bonds | Bond Issued Taka | Outstanding- 31.12.2020 (after 40% redemption) |
|------------------------|-------------|----------------------|--|
| Pubali Bank Limited | 1000 | 1,000,000,000 | 600,000,000 |
| Sonali Bank Limited | 1000 | 1,000,000,000 | 600,000,000 |
| Janata Bank Limited | 500 | 500,000,000 | 300,000,000 |
| Southeast Bank Limited | 500 | 500,000,000 | 300,000,000 |
| Trust Bank Limited | 400 | 400,000,000 | 240,000,000 |
| Dhaka Bank Limited | 300 | 300,000,000 | 180,000,000 |
| Rupali Bank Limited | 200 | 200,000,000 | 120,000,000 |
| Mutual Trust Bank Ltd | 100 | 100,000,000 | 60,000,000 |
| Total | 4000 | 4,000,000,000 | 2,400,000,000 |

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

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

Main Features of the Bond:

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

List of Investors:

| Name of the Investor | No of Bonds | Bond Issued Taka | Outstanding-31.12.2020 | Interest Rate |
|---------------------------|-------------|----------------------|------------------------|---------------|
| Sonali Bank Limited | 80 | 800,000,000 | 800,000,000 | 7.00% |
| Dhaka Bank Limited | 30 | 300,000,000 | 300,000,000 | 7.00% |
| Jamuna Bank Limited | 130 | 1,300,000,000 | 1,300,000,000 | 7.00% |
| Pubali Bank Limited | 30 | 300,000,000 | 300,000,000 | 7.57% |
| NRB Commerce Bank Limited | 50 | 500,000,000 | 500,000,000 | 7.46% |
| Lanka Bangla Finance Ltd. | 80 | 800,000,000 | 800,000,000 | 7.00% |
| Total | 400 | 4,000,000,000 | 4,000,000,000 | |

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

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

Main Features of the Bond:

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

List of Investor:

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

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

| | 31.12.2020 Taka | 31.12.2019 Taka |
|--------------------------|-----------------------|-----------------------|
| Payable on demand | 2,154,336,117 | 1,801,129,150 |
| Up to 3 months | 2,653,639,843 | 1,808,997,890 |
| Above 3 months to 1 year | 9,568,364,275 | 10,703,945,541 |
| Above 1 year to 5 years | 12,786,495,707 | 13,000,201,998 |
| Above 5 years | 1,060,000,000 | 1,960,000,000 |
| | 28,222,835,943 | 29,274,274,579 |





11. Deposits and other accounts

- i Current/Al-wadeeah current account and other account
Unclaimed cash and fractional dividend account (**note-11.5**)
Off-shore Banking Unit

ii Bills payable

- Payment Order (Issued)
Demand Draft

iii Savings accounts/Mudaraba savings bank deposit

iv Fixed Deposit/Mudaraba fixed deposits

- Fixed Deposit/Mudaraba fixed deposits
Short Notice Deposits/ Mudaraba special notice deposit
Scheme Deposits/ Mudaraba scheme deposit
Non-resident Foreign Currency Deposits

- Off-shore Banking Unit

| | 31.12.2020 | 31.12.2019 |
|--|------------------------|------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| | 25,469,720,365 | 18,827,717,352 |
| | 35,335,849 | 29,556,473 |
| | 95,769,474 | 25,147,691 |
| | 25,600,825,688 | 18,882,421,515 |
| | 2,560,935,931 | 2,371,246,246 |
| | 681,460 | 684,479 |
| | 2,561,617,392 | 2,371,930,725 |
| | 26,768,261,590 | 21,377,433,366 |
| | 119,550,312,626 | 138,814,039,216 |
| | 42,939,203,406 | 35,622,373,936 |
| | 11,950,898,749 | 10,906,886,758 |
| | 113,453,729 | 115,942,548 |
| | 174,553,868,510 | 185,459,242,458 |
| | - | - |
| | 174,553,868,510 | 185,459,242,458 |
| | 229,484,573,179 | 228,091,028,064 |

11.1 Payable on demands

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

- Bills payable
10% of Savings accounts

| | |
|-----------------------|-----------------------|
| 14,059,695,277 | 10,308,067,403 |
| 475,523,886 | 484,374,334 |
| 7,066,058,756 | 4,986,040,295 |
| 3,711,462,166 | 2,822,015,071 |
| 288,085,603 | 281,924,412 |
| 25,600,825,688 | 18,882,421,515 |
| 2,561,617,392 | 2,371,930,725 |
| 2,676,826,159 | 2,137,743,337 |
| 30,839,269,238 | 23,392,095,576 |

11.2 Break down of deposits and other accounts

11.2 (a) Payable on demand

- i Deposits from banks
ii Other than banks

| | |
|-----------------------|-----------------------|
| 1,157,520 | 2,231,689 |
| 30,838,111,718 | 23,389,863,887 |
| 30,839,269,238 | 23,392,095,576 |

11.2 (b) Other Deposits

- Deposits from banks
Term Deposit (ONE Bank Limited)
Uttara Bank Limited
Trust Bank Limited
Mutual Trust Bank Limited
United Commercial Bank Limited
Rupali Bank Limited
The City Bank Limited
Bank Asia Limited
Dutch Bangla Bank Limited
BRAC Bank Limited
National Credit and Commerce Bank Limited
Rajshahi Krishi Unnayan Bank
Sonali Bank Limited
Agrani Bank Limited
Prime Bank Limited
Eastern Bank Limited
Bangladesh Development Bank Limited

| | |
|-----------------------|-----------------------|
| 2,000,000,000 | - |
| 2,000,000,000 | - |
| 500,000,000 | - |
| 1,000,000,000 | - |
| 2,000,000,000 | - |
| 800,000,000 | - |
| 2,000,000,000 | 3,000,000,000 |
| 1,000,000,000 | 1,000,000,000 |
| 1,500,000,000 | 1,500,000,000 |
| 1,250,000,000 | 1,000,000,000 |
| - | 150,000,000 |
| - | 2,700,000,000 |
| - | 1,500,000,000 |
| - | 400,000,000 |
| - | 1,000,000,000 |
| - | 50,000,000 |
| 14,050,000,000 | 12,300,000,000 |



| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|---|---------------------------|---------------------------|
| Term Deposit (Off shore Banking Unit) | - | - |
| Other than banks | 184,595,303,941 | 192,398,932,488 |
| Total deposits [11.2(a) + 11.2(b)] | 198,645,303,941 | 204,698,932,488 |
| 11.3 Remaining maturity grouping of deposits | | |
| Repayable on demand | 11,186,796,174 | 10,823,790,637 |
| Repayable within 1 month | 36,756,615,999 | 35,563,883,521 |
| Over 1 month but within 6 months | 101,222,200,000 | 87,931,200,000 |
| Over 6 months but within 1 year | 39,539,499,263 | 53,699,999,899 |
| Over 1 year but within 5 years | 32,496,136,860 | 25,036,316,387 |
| Over 5 years but within 10 years | 8,283,324,883 | 15,035,837,620 |
| | 229,484,573,179 | 228,091,028,064 |

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

11.5 Unclaimed dividend

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

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





31.12.2020
Taka

31.12.2019
Taka

11 (a) Consolidated Deposits and other accounts

Current/Al-wadeeah current account and other account

| | | |
|------------------------|-----------------------|-----------------------|
| ONE Bank Limited | 25,600,825,688 | 18,882,421,515 |
| ONE Securities Limited | - | - |
| | 25,600,825,688 | 18,882,421,515 |

Bills payable

| | | |
|------------------------|----------------------|----------------------|
| ONE Bank Limited | 2,561,617,392 | 2,371,930,725 |
| ONE Securities Limited | - | - |
| | 2,561,617,392 | 2,371,930,725 |

Savings accounts/Mudaraba savings bank deposit

| | | |
|------------------------|-----------------------|-----------------------|
| ONE Bank Limited | 26,768,261,590 | 21,377,433,366 |
| ONE Securities Limited | - | - |
| | 26,768,261,590 | 21,377,433,366 |

Fixed Deposit/Mudaraba fixed deposits

| | | |
|------------------------------|------------------------|------------------------|
| ONE Bank Limited | 174,553,868,510 | 185,459,242,458 |
| Less: Inter Company Balances | (415,291,455) | (226,122,683) |
| | 174,138,577,055 | 185,233,119,775 |
| | 229,069,281,724 | 227,864,905,381 |

Total Consolidated Deposit

12. Other liabilities

| | | |
|--|-----------------------|-----------------------|
| Provision for Income Tax (note-12.1) | 7,031,555,144 | 6,607,470,030 |
| Deferred tax liability (note-12.2) | 89,641,922 | 75,840,905 |
| Provision for gratuity (note-12.3) | - | - |
| Provision for loans and advances (note-12.4 & 12.5) | 10,046,158,916 | 9,313,834,484 |
| Special general provision COVID-19 (note-12.6) | 560,039,000 | - |
| Risk fund of Consumer Credit and Rider | 473,512 | 473,512 |
| Provision for other (note-12.8) | 20,212,868 | 20,212,868 |
| Provision for off balance sheet items (note-12.9) | 534,779,946 | 626,670,773 |
| Provision for diminution value of share (note-12.11) | - | - |
| Interest suspense account (note-12.10) | 8,772,019,718 | 6,307,880,737 |
| Sinking fund | 88,796,477 | 53,739,338 |
| Interest Payable on Subordinated and Perpetual Bond | 57,356,454 | 86,556,713 |
| Interest payable on borrowings | 44,634,958 | 85,926,926 |
| Accrued performance bonus | 295,837,088 | 295,837,088 |
| Other payable | 8,664,751 | 8,134,159 |
| Lease liabilities as per IFRS-16* | 791,376,660 | 721,021,873 |
| Revaluation reserve held for trading securities | 459,133,209 | 136,116,862 |
| | 28,800,680,624 | 24,339,716,267 |
| Off-shore Banking Unit | 62,044,166 | 116,463,141 |
| | 28,862,724,790 | 24,456,179,407 |

*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 | 6,607,470,030 | 5,729,488,913 |
| Less: Provision adjusted during the year | - | - |
| | 6,607,470,030 | 5,729,488,913 |
| Add: Provision made during the year | 424,085,114 | 877,981,117 |
| Balance on 31 December | 7,031,555,144 | 6,607,470,030 |

12.1 (a) Provision for Current Tax made during the year

| | | |
|--|--------------------|--------------------|
| Income tax @ 37.50% on estimated taxable Business Income | 418,006,171 | 954,416,460 |
| Income tax @ 20% on Dividend Income | 6,078,943 | 7,934,576 |
| Income tax @ 10% on Capital Gain on sales of Shares | - | - |
| Income tax @ 0% on Gain on sale of Govt. securities | - | - |
| Less: Previous years refund adjustment | - | 84,369,919 |
| | 424,085,114 | 877,981,117 |





(b) Computation of Taxable Business Income:

| | 31.12.2020 Taka | 31.12.2019 Taka |
|---|----------------------|----------------------|
| Profit before income tax as per profit and loss account | 1,741,747,549 | 2,551,302,805 |
| Add: Inadmissible expenditures | 213,530,881 | 227,257,487 |
| Less: Separate consideration for tax exempted and reduce tax rate | 495,892,250 | 39,672,879 |
| Less: Allowable expenditure | 344,703,059 | 193,776,852 |
| | 1,114,683,122 | 2,545,110,561 |

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

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

12.2 Deferred tax liability

For Fixed Assets

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

Provision against revaluation reserve for security

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

Total **89,641,922** **75,840,905**

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

12.2.1 Basis of Deferred Tax Asset:

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

12.2.2 Basis of Deferred Tax Liability:

| | | |
|--|--------------------|--------------------|
| Carrying amount of fixed assets (Only temporary taxable portion is considered) | 1,210,665,014 | 1,164,378,011 |
| Tax base of fixed assets | 990,672,884 | 976,675,444 |
| Taxable temporary difference | 219,992,130 | 187,702,567 |
| Applicable tax rate | 37.50% | 37.50% |
| Deferred tax liability | 82,497,049 | 70,388,463 |
| Opening deferred tax liability | 70,388,463 | 32,140,568 |
| Deferred tax expenses/(income) | 12,108,586 | 38,247,896 |

12.3 Provision for gratuity

| | | |
|--|------------|-------------|
| Opening balance on 1 January | - | - |
| Provision made during the year | 86,252,262 | 155,866,420 |
| Transferred/Payment made during the year | 86,252,262 | 155,866,420 |
| Balance on 31 December | - | - |



31.12.2020
Taka

31.12.2019
Taka

12.4 Specific provision against loans and advances

| | | |
|--|----------------------|----------------------|
| Opening balance on 1 January | 7,331,116,490 | 5,508,573,082 |
| Provision written off | - | - |
| Recoveries of amounts previously written off | 17,228,565 | 50,682,911 |
| Provision after written off | 7,348,345,055 | 5,559,255,993 |
| Specific provision made during the year | 986,196,838 | 2,530,512,992 |
| Provisions recovered and no longer required written back | (191,841,926) | (758,652,495) |
| Net charge to profit & loss account | 794,354,912 | 1,771,860,497 |
| Balance on 31 December | 8,142,699,967 | 7,331,116,490 |

12.5 General provision against loans and advances

| | | |
|--|-----------------------|----------------------|
| Opening balance on 1 January | 1,982,717,994 | 2,073,566,235 |
| Provision made during the year: | | |
| Unclassified Loans & Advances | (27,441,283) | (119,852,655) |
| Consumer credit & Small enterprise financing | (30,387,745) | (10,044,887) |
| Special mention account | (29,868,146) | 43,293,805 |
| Loans against shares | 8,438,129 | (4,244,505) |
| Net charge to profit & loss account | (79,259,045) | (90,848,241) |
| Balance on 31 December | 1,903,458,949 | 1,982,717,994 |
| Total Specific and General Provision | 10,046,158,916 | 9,313,834,484 |

12.6 Special general provision COVID-19

As per BRPD Circular letter no. 56 dated December 10, 2020 and BRPD letter no. BRPD (P-1) 661/13/2021-117 dated January 05, 2021, we have maintained Tk.560,039,000 as special general provision COVID-19 against deferral Loan as per BRPD Circular no.17 dated September 28, 2020.

| | | |
|------------------------|--------------------|---|
| Balance on 31 December | 560,039,000 | - |
|------------------------|--------------------|---|

12.7 Specific provision as per classification of loans

| | | |
|------------------------|----------------------|----------------------|
| Substandard | 271,829,001 | 166,758,787 |
| Doubtful | 854,061,162 | 946,798,873 |
| Bad/Loss | 7,016,809,804 | 6,217,558,829 |
| Balance on 31 December | 8,142,699,967 | 7,331,116,490 |

12.8 Provision for Other

| | | |
|--|-------------------|-------------------|
| Balance on 1 January | 20,212,868 | 17,847,971 |
| Provision made during the year/(recovery) (note-12.8. a and 12.8. b) | - | 2,364,897 |
| Balance on 31 December | 20,212,868 | 20,212,868 |

12.8.a Provision for protested bill

| | | |
|-------------------------------------|------------------|------------------|
| Balance on 1 January | 2,594,351 | 2,594,351 |
| Provision recovered during the year | - | - |
| Balance on 31 December | 2,594,351 | 2,594,351 |

12.8.b Provision for legal expenses and others

| | | |
|--|-------------------|-------------------|
| Balance on 1 January | 17,618,517 | 15,253,620 |
| Adjusted with recoverable legal expenses | - | - |
| Provision made during the year | - | 2,364,897 |
| Balance on 31 December | 17,618,517 | 17,618,517 |

12.9 Provision for off balance sheet items

| | | |
|--------------------------------|--------------------|--------------------|
| Balance on 1 January | 626,670,773 | 742,166,366 |
| Provision made during the year | (91,890,826) | (115,495,593) |
| Balance on 31 December | 534,779,946 | 626,670,773 |

12.10 Interest suspense account

| | | |
|--|----------------------|----------------------|
| Balance on 1 January | 6,307,880,737 | 4,277,625,588 |
| Interest suspense charged during the year | 3,499,952,442 | 3,689,448,414 |
| Interest suspense realized during the year | (1,029,692,179) | (1,659,040,180) |
| Amount written off during the year | - | - |
| Amount waiver during the year | (6,121,284) | (153,085) |
| Balance on 31 December | 8,772,019,718 | 6,307,880,737 |

| | 31.12.2020 | 31.12.2019 |
|---|-----------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 12.11 Provision for diminution value of share | | |
| Balance on 1 January | - | - |
| Provision made/ (recovered) during the year | - | - |
| Balance on 31 December | <u>-</u> | <u>-</u> |
| 12.11.a Consolidated Provision made for diminution value of share | | |
| ONE Bank Limited | - | - |
| ONE Securities Limited: | 153,720,644 | 153,720,644 |
| | <u>153,720,644</u> | <u>153,720,644</u> |
| 12.12 Provision for Nostro Reconciliation | | |
| <p>02 debit entries of USD-1,63,078.55 (more than 03 months) and USD -1,04,659.84 (more than 06 months) are lying pending for EXP correction (which have already been submitted to Bangladesh Bank for adjustment) due to short shipment. Our nostro account of SCB New York has credit entries for USD 2,76,140.65 and USD 1,37,358.77 against the above entries. As we have excess credit amount in our nostro account relates with these debit entries there is no risk for the bank and no provision has been kept.</p> | | |
| 12 (a) Consolidated Other liabilities | | |
| ONE Bank Limited | 28,862,724,790 | 24,456,179,407 |
| ONE Securities Limited | 390,619,267 | 296,800,546 |
| ONE Investments Limited | 347,150 | 349,010 |
| Less: Inter unit/company elimination | (6,768,097) | (205,426) |
| | <u>29,246,923,110</u> | <u>24,753,123,537</u> |

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



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

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

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

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

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

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

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

Issued, Subscribed & fully Paid up Capital

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



13.3 Capital Adequacy Ratio:

In terms of section 13 (2) of the Bank Companies Act, 1991 and Bangladesh Bank BRPD Circular no. 18 dated 21 December 2014, capital of the Bank (Solo) at the close of business on 31 December 2020 is Taka 25,950,554,757 comprised of core capital of Taka 17,352,276,862 and supplementary capital of Taka 8,598,277,896 thereby showing a surplus capital/equity of Taka 1,030,703,532 against the required capital. Details are shown below:

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



Consolidated Basis:

Common Equity Tier-1 (Going-Concern Capital)

| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|-----------------------------------|---------------------------|---------------------------|
| Paid-up capital | 8,853,464,040 | 8,431,870,520 |
| Statutory Reserve | 6,430,798,085 | 6,082,448,575 |
| Retained Earnings | 1,801,400,626 | 1,599,345,193 |
| Minority Interest in Subsidiaries | 31,866,271 | 30,752,144 |
| | 17,117,529,022 | 16,144,416,432 |

Regulatory Adjustments:

| | | |
|---|--------------------|--------------------|
| Deferred Tax Assets | 76,913,483 | 69,444,925 |
| Goodwill and all other intangible assets | 969,118 | 5,586,144 |
| Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities. | 59,393,830 | 54,081,920 |
| | 137,276,431 | 129,112,989 |

Total Common Equity Tier-1 Capital

Additional Tier- 1 Capital

| | | |
|--|--------------------|---|
| | 500,000,000 | - |
|--|--------------------|---|

Total Tier 1 Capital

Tier -2 Capital (Gone-Concern Capital)

| | | |
|---|----------------------|----------------------|
| General Provision | 2,998,277,896 | 2,609,388,767 |
| Sub-ordinated debt | 5,600,000,000 | 6,400,000,000 |
| Revaluation reserves as on 31 December 2014 (50% of fixed assets and securities & 10% of equities | - | 64,200,000 |
| | 8,598,277,896 | 9,073,588,767 |

Regulatory Adjustment

| | | |
|---|---|------------|
| Revaluation reserves for fixed assets, securities & equity securities | - | 64,200,000 |
|---|---|------------|

Total Tier-2 Capital Available

| | | |
|--|----------------------|----------------------|
| | 8,598,277,896 | 9,009,388,767 |
|--|----------------------|----------------------|

A Total Regulatory Capital

| | | |
|--|-----------------|-----------------|
| Total Assets including Off Balance Sheet items | 367,521,177,735 | 372,011,556,976 |
|--|-----------------|-----------------|

B Total Risk Weighted Assets

| | | |
|--|-----------------|-----------------|
| | 199,577,049,109 | 195,237,837,017 |
|--|-----------------|-----------------|

C Minimum Required capital based on risk weighted assets (10% on B)

| | | |
|--|----------------|----------------|
| | 19,957,704,911 | 19,523,783,702 |
|--|----------------|----------------|

| | | |
|------------------------|----------------------|----------------------|
| D Surplus (A-C) | 6,120,825,576 | 5,500,908,508 |
|------------------------|----------------------|----------------------|

| | | |
|--|----------------|----------------|
| E Required capital with Conservation Buffer (CB) @12.50% on B | 24,947,131,139 | 24,404,729,627 |
|--|----------------|----------------|

| | | |
|--|----------------------|--------------------|
| F Excess over capital with CB (A-E) | 1,131,399,348 | 619,962,583 |
|--|----------------------|--------------------|

| | | |
|---|---------------|---------------|
| Percentage of Capital to Risk Weighted Assets: | 13.07% | 12.82% |
|---|---------------|---------------|

Leverage Ratio of the Consolidated basis

| | | |
|--|----------------|----------------|
| A Tier 1 Capital considering all regulatory adjustment | 17,480,252,591 | 16,015,303,443 |
|--|----------------|----------------|

| | | |
|-----------------------------|-----------------|-----------------|
| B On-balance sheet exposure | 295,525,777,954 | 290,714,690,842 |
|-----------------------------|-----------------|-----------------|

| | | |
|---------------------|----------------|----------------|
| C Off-balance sheet | 14,239,065,571 | 16,436,920,818 |
|---------------------|----------------|----------------|

| | | |
|---|-------------|-------------|
| D Deduction from on and off balance sheet exposure/ Regulatory adjustments made to Tier 1 capital | 137,276,431 | 129,112,989 |
|---|-------------|-------------|

| | | |
|---------------------------------|------------------------|------------------------|
| E Total exposure (B+C-D) | 309,627,567,094 | 307,022,498,671 |
|---------------------------------|------------------------|------------------------|

| | | |
|-----------------------------|--------------|--------------|
| Leverage ratio (A/E) | 5.65% | 5.22% |
|-----------------------------|--------------|--------------|





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

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



| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| | Taka | Taka |
| 16. Interest and discount income/ Profit on investments | | |
| Interest on loans and advances (Conventional Banking): | | |
| From clients against loans and advances | 17,884,471,664 | 20,840,233,994 |
| Lease finance | 674,604,321 | 816,425,134 |
| Discount from bills purchased & discounted | 142,128,416 | 596,615,842 |
| From banks and financial institutions in Bangladesh | 168,684,446 | 88,314,410 |
| From foreign banks | 135,398,065 | 177,343,736 |
| | 19,005,286,912 | 22,518,933,117 |
| Off-shore Banking Unit | 655,830,890 | 833,188,075 |
| | 19,661,117,803 | 23,352,121,191 |
| Profit on investment (Islami Banking): | | |
| Profit on investments | - | - |
| Profit on placement with other banks | - | - |
| | 19,661,117,803 | 23,352,121,191 |
| 16 (a) Consolidated Interest and discount income/ Profit on investment | | |
| ONE Bank Limited | 19,661,117,803 | 23,352,121,191 |
| ONE Securities Limited | 30,936,262 | 29,269,929 |
| ONE Investments Limited | 904,737 | 482,337 |
| Less: Inter Company Transaction | (18,705,694) | (18,714,870) |
| | 19,674,253,108 | 23,363,158,588 |
| 17. Interest paid/profit shared on deposits and borrowings | | |
| Interest paid on deposits (Conventional Banking): | | |
| Short term deposits | 2,180,448,261 | 3,719,891,736 |
| Savings deposits | 724,756,433 | 651,591,493 |
| Term deposits | 10,759,083,155 | 10,489,462,451 |
| Scheme deposits | 935,103,877 | 930,581,445 |
| Borrowings from banks and financial institutions | 443,414,999 | 483,233,925 |
| Interest expenses for leased liability as per IFRS-16* | 57,724,121 | 51,956,094 |
| Interest on Subordinated- Debt | 684,764,673 | 791,209,042 |
| | 15,785,295,520 | 17,117,926,186 |
| Off-shore Banking Unit | 480,829,544 | 839,413,021 |
| | 16,266,125,064 | 17,957,339,207 |
| Profit shared on deposits (Islami Banking): | | |
| Profit paid on deposits | 280,394 | - |
| Profit on borrowings | - | - |
| | 280,394 | - |
| | 16,266,405,458 | 17,957,339,207 |
| * As per Note 2.24, in accordance with IFRS-16, the Bank has recognised lease liabilities and related interest expenses is shown above. | | |
| 17 (a) Consolidated Interest paid/profit shared on deposits and borrowings | | |
| ONE Bank Limited | 16,266,405,458 | 17,957,339,207 |
| ONE Securities Limited | 978,319 | 1,370,361 |
| ONE Investments Limited | - | - |
| Less: Inter Company Transaction | (18,705,694) | (18,714,870) |
| | 16,248,678,083 | 17,939,994,698 |

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

| | 2020 | 2019 |
|---|-----------------------------|-----------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 18. Income from Investments | | |
| Interest on treasury bills | 427,599,283 | 466,602,005 |
| Interest on treasury bond (Net) | 1,383,990,985 | 913,233,617 |
| Income from government Islamic Bond | 8,254 | - |
| Gain on sale of government Securities | 465,497,534 | (16,177,989) |
| Interest on Reverse Repo | 158,484 | - |
| Dividend on Investment | 30,394,716 | 39,672,879 |
| Gain on sale of Shares | - | - |
| Interest on subordinated bond | 402,382,286 | 471,132,069 |
| | <u>2,710,031,543</u> | <u>1,874,462,581</u> |
| 18 (a) Consolidated Income from Investments | | |
| ONE Bank Limited | 2,710,031,543 | 1,874,462,581 |
| ONE Securities Limited | 80,153,802 | 45,242,485 |
| ONE Investments Limited | - | - |
| Less: Inter Company Transaction | - | - |
| | <u>2,790,185,345</u> | <u>1,919,705,066</u> |
| 19. Commission, exchange and brokerage | | |
| Letters of credit | 275,510,086 | 299,542,090 |
| Letter of guarantees | 111,217,287 | 122,301,450 |
| Acceptances | 266,555,179 | 312,873,221 |
| Bills for collection | 6,372,934 | 9,221,998 |
| Remittances (PO, DD, TT, Travelers' Cheque etc.) | 9,076,150 | 5,753,760 |
| Export bills | 39,113,256 | 52,015,477 |
| PRC Issuance Charges | 613,100 | 850,825 |
| Cash Assistance Handling Charges | 6,867,250 | 6,763,750 |
| Import Related Certificates | 166,800 | 109,700 |
| Others | 3,235,357 | 3,684,183 |
| | <u>718,727,398</u> | <u>813,116,454</u> |
| Profit on exchange trading | 394,916,264 | 589,047,415 |
| Less: Loss on exchange trading | - | - |
| | <u>394,916,264</u> | <u>589,047,415</u> |
| | <u>1,113,643,662</u> | <u>1,402,163,869</u> |
| Off-shore Banking Unit | 8,504,527 | 17,683,505 |
| | <u>1,122,148,188</u> | <u>1,419,847,374</u> |
| 19 (a) Consolidated Commission, exchange and brokerage | | |
| ONE Bank Limited | 1,122,148,188 | 1,419,847,374 |
| ONE Securities Limited | 37,923,394 | 28,634,481 |
| | <u>1,160,071,582</u> | <u>1,448,481,855</u> |
| 20. Other operating income | | |
| Loan processing fees and other charges | 234,735,049 | 136,992,336 |
| Miscellaneous income from Credit and Debit Card Fee | 123,934,409 | 98,238,517 |
| Recoveries of postage, telex, telephone, fax etc | 47,896,466 | 57,615,246 |
| Letter of Credit miscellaneous charges | 199,558,897 | 245,501,365 |
| General Banking miscellaneous charges | 116,149,470 | 65,062,637 |
| Miscellaneous (Note-20.1) | 31,876,919 | 21,014,978 |
| Rent on locker | 2,728,500 | 2,456,200 |
| Forfeited fund (refund from OBL provident fund)[note-20.2] | 2,360,534 | - |
| Gain on sale of fixed assets | 3,006,448 | - |
| | <u>762,246,692</u> | <u>626,881,279</u> |
| Off-shore Banking Unit | 10,116,056 | 14,969,842 |
| | <u>772,362,748</u> | <u>641,851,122</u> |

20.1 Miscellaneous income include commission on sanchyapatra, passport endorsement fees, certificate issuance charge etc.

20.2 Forfeited fund (refund from OBL provident fund)

As per Financial Reporting Council (FRC) notification reference # 179/FRC/FRM/Notification/2020/2 dated July 07, 2020, we have considered the forfeited fund of OBL Provident fund (from the year 2015 to 2019) of Tk. 2,360,534/= as other income and the same amount shown in the other asset named as receivable from ONE Bank Limited Employees' Provident Fund.

| | 2020 | 2019 |
|---|----------------------|----------------------|
| | Taka | Taka |
| 20 (a) Consolidated Other operating income | | |
| ONE Bank Limited | 772,362,748 | 641,851,122 |
| ONE Securities Limited | 919,406 | 1,202,000 |
| | 773,282,154 | 643,053,121 |
| 21. Salary & Allowances | | |
| Salary & Allowances | 2,271,711,609 | 2,298,424,001 |
| Provident Fund Contribution | 130,549,096 | 134,336,834 |
| Gratuity | 86,252,262 | 155,866,420 |
| Superannuation fund | 7,100,000 | 7,100,000 |
| Bonus | 276,437,163 | 361,164,030 |
| | 2,772,050,131 | 2,956,891,285 |
| 21(a) Consolidated Salary & Allowances | | |
| ONE Bank Limited | 2,772,050,131 | 2,956,891,285 |
| ONE Securities Limited | 26,530,753 | 29,274,674 |
| | 2,798,580,884 | 2,986,165,958 |
| 22. Rent, taxes, insurance, electricity etc. | | |
| Rent (Note 22.1) | 185,329,656 | 248,482,179 |
| VAT on Rent | 64,282,204 | 58,512,003 |
| Taxes | 3,521,572 | 3,258,268 |
| Electricity | 66,880,267 | 67,466,792 |
| Utilities | 10,406,375 | 10,451,950 |
| Insurance | 166,229,651 | 157,254,024 |
| | 496,649,726 | 545,425,215 |
| 22.1 Rent | | |
| Rent | 428,019,679 | 389,087,317 |
| Transfer to depreciation and interest expenses under IFRS-16* | 242,690,023 | 140,605,138 |
| | 185,329,656 | 248,482,179 |
| * As per IFRS 16, rental expense of Tk. 242,690,023 is transferred to depreciation of Right of use Assets (RoU) and interest expenses of lease liabilities. | | |
| 22(a) Consolidated Rent, taxes, insurance, electricity etc. | | |
| ONE Bank Limited | 496,649,726 | 545,425,215 |
| ONE Securities Limited | 1,177,880 | 1,979,468 |
| | 497,827,606 | 547,404,683 |
| Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019. | | |
| 23. Legal expenses | | |
| Professional fees | 16,851,281 | 14,163,737 |
| Fees, Court fees & stamps | 398,216 | 525,611 |
| | 17,249,497 | 14,689,348 |
| Off-shore Banking Unit | 55,392,648 | 74,385,326 |
| | 72,642,146 | 89,074,674 |

| | 2020 | 2019 |
|---|---------------------------|---------------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 23 (a) Consolidated Legal expenses/professional expenses | | |
| ONE Bank Limited | 72,642,146 | 89,074,674 |
| ONE Securities Limited | 207,000 | 207,000 |
| | <u>72,849,146</u> | <u>89,281,674</u> |
| 24. Postage, stamps, telecommunication etc. | | |
| Telex/Telephone/Fax etc. | 38,383,920 | 25,792,734 |
| Courier/postage | 12,372,867 | 14,704,047 |
| Radio Link | 24,658,769 | 35,627,561 |
| Reuter | 3,430,197 | 3,188,201 |
| | <u>78,845,753</u> | <u>79,312,543</u> |
| 25. Directors' Fees | <u>1,152,000</u> | <u>1,432,000</u> |
| For attending the meeting of the Board and other committee meetings @ Tk. 8,000 per attendance per person as per BRPD circular no. 11 dated October 04, 2015. Other than the meeting attendance fees, no other financial benefit is being availed by the Directors. | | |
| 25 (a) Consolidated Director's Fees | | |
| ONE Bank Limited | 1,152,000 | 1,432,000 |
| ONE Securities Limited | 66,000 | 128,750 |
| | <u>1,218,000</u> | <u>1,560,750</u> |
| 26. Stationery, Printing, advertisement etc. | | |
| Printed and security stationery | 45,861,203 | 51,347,503 |
| Stationery | 92,740,711 | 85,973,976 |
| Business Promotion | 168,259,259 | 329,991,480 |
| | <u>306,861,173</u> | <u>467,312,959</u> |
| 26 (a) Consolidated Stationery, Printing, advertisement etc. | | |
| ONE Bank Limited | 306,861,173 | 467,312,959 |
| ONE Securities Limited | 200,568 | 255,423 |
| | <u>307,061,741</u> | <u>467,568,382</u> |
| 27. Managing Director's Salary & Allowances | | |
| Basic Salary | 9,975,000 | 10,269,354 |
| House rent allowance | 285,000 | 300,000 |
| Provident Fund Contribution | 997,500 | 1,026,935 |
| Bonus | 1,662,500 | 2,700,000 |
| | <u>12,920,000</u> | <u>14,296,289</u> |
| 28. Depreciation, leasing expense and repair of bank's assets | | |
| Depreciation (A) | | |
| Furniture and Fixtures | 155,349,688 | 157,927,123 |
| Office Equipment | 93,678,382 | 95,011,033 |
| Motor Vehicles | 21,453,709 | 19,725,799 |
| Building | 4,062,420 | 4,119,120 |
| Land | - | - |
| Right of use Assets (RoU)* | 269,336,250 | 110,342,376 |
| Intangibles Assets | 4,617,026 | 7,131,163 |
| Repairs & Maintenance (B) | 391,819,403 | 364,177,675 |
| | <u>940,316,877</u> | <u>758,434,288</u> |

* 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.



| | 2020 <u>Taka</u> | 2019 <u>Taka</u> |
|--|---------------------------|---------------------------|
| 28 (a) Consolidated Depreciation, leasing expense and repair of bank's assets | | |
| ONE Bank Limited | 940,316,877 | 758,434,288 |
| ONE Securities Limited | 7,214,873 | 7,578,570 |
| | <u>947,531,750</u> | <u>766,012,858</u> |

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

29. Other expenses

| | | |
|---|---------------------------|---------------------------|
| Entertainment | 26,260,483 | 39,824,187 |
| Car expenses | 14,911,913 | 18,089,689 |
| Donation and Subscription (including CSR) | 209,442,266 | 69,831,709 |
| Business Traveling & Conveyance | 24,984,281 | 27,043,785 |
| Computer & Printer expenses | 54,657,320 | 43,132,851 |
| Staff training & Award | 3,290,979 | 10,172,612 |
| Debit and Credit Card expenses | 15,615,842 | 25,776,446 |
| Bank charges | 6,139,517 | 9,693,285 |
| Miscellaneous (Note-29.1) | 5,133,675 | 7,570,497 |
| ATM Booth Expenses | 18,734,027 | 23,618,489 |
| Call center operating expense | 648,660 | 2,703,980 |
| Issuance cost of Bond | 9,758,729 | 7,836,346 |
| Mobile Financial Services | 1,683,678 | 2,436,923 |
| Commission on Agent Banking | 332,550 | - |
| Loss from sale of fixed assets | - | 9,792,096 |
| | <u>391,593,918</u> | <u>297,522,894</u> |
| Off-shore Banking Unit | 931,508 | 1,756,549 |
| | <u>392,525,426</u> | <u>299,279,443</u> |

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

29 (a) Consolidated Other expenses

| | | |
|-------------------------|---------------------------|---------------------------|
| ONE Bank Limited | 392,525,426 | 299,279,443 |
| ONE Securities Limited | 9,965,643 | 9,147,323 |
| ONE Investments Limited | 71,872 | 14,420 |
| | <u>402,562,941</u> | <u>308,441,185</u> |

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

| | | |
|---|-----------------------------|-----------------------------|
| Provision for classified loans and advances (note-12.4) | 794,354,912 | 1,771,860,497 |
| Provision for unclassified loans and advances (note-12.5 & 12.6) | 480,779,955 | (90,848,241) |
| Provision for off-balance sheet exposure (note-12.9) | (91,890,826) | (115,495,593) |
| Provision for diminution in value of share (note-12.11) | - | - |
| Provision for other (note-12.8) | - | 2,364,897 |
| | <u>1,183,244,041</u> | <u>1,567,881,560</u> |

30.1 Consolidated Provision for loans and advances

| | | |
|-------------------------------------|-----------------------------|-----------------------------|
| ONE Bank Limited (Note-30) | | |
| Specific provision | 794,354,912 | 1,771,860,497 |
| General provision | 480,779,955 | (90,848,241) |
| | <u>1,275,134,867</u> | <u>1,681,012,256</u> |
| ONE Securities Limited | | |
| Specific provision | - | - |
| General provision | 939,417 | - |
| | <u>939,417</u> | <u>-</u> |
| | <u>1,276,074,285</u> | <u>1,681,012,256</u> |



| | 2020 | 2019 |
|--|-----------------------|-----------------------|
| | <u>Taka</u> | <u>Taka</u> |
| 31. Consolidated provision for diminution in value of share for the year | | |
| ONE Bank Limited | - | - |
| ONE Securities Limited | - | 94,291,892 |
| | <u>-</u> | <u>94,291,892</u> |
| 32. Consolidated provision for other assets for the year | | |
| ONE Bank Limited | - | 2,364,897 |
| ONE Securities Limited | - | - |
| | <u>-</u> | <u>2,364,897</u> |
| 33. Tax Expenses for the year | | |
| Current Tax (Note-12.1) | 424,085,114 | 877,981,117 |
| Deferred tax (Note-12.2.1 and 12.2.2) | 4,640,028 | 13,474,670 |
| | <u>428,725,142</u> | <u>891,455,787</u> |
| 33 (a) Consolidated Tax Expenses for the year | | |
| Current Tax | | |
| ONE Bank Limited | 424,085,114 | 877,981,117 |
| ONE Securities Limited | 22,339,272 | 11,506,974 |
| ONE Investments Limited | 203,566 | 120,584 |
| | <u>446,627,952</u> | <u>889,608,675</u> |
| Deferred Tax | | |
| ONE Bank Limited | 4,640,028 | 13,474,670 |
| ONE Securities Limited | (791,270) | 1,568,767 |
| | <u>3,848,758</u> | <u>15,043,437</u> |
| | <u>450,476,710</u> | <u>904,652,112</u> |
| <p>Prior year's balance of ONE Securities Limited (OSL) has been restated due to implementation of IFRS 16. OSL has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019.</p> | | |
| 34. Interest receipts in cash | | |
| Interest income on loans & advances | 19,661,117,803 | 23,366,084,834 |
| Interest on Treasury Bills and Bonds | 2,679,636,826 | 1,834,789,702 |
| | 22,340,754,629 | 25,200,874,536 |
| (Increase)/ Decrease in interest receivable on loans & advances | 1,572,592,607 | (2,568,272,775) |
| (Increase)/ Decrease in interest receivable others | (126,818,249) | 35,280,889 |
| | <u>23,786,528,987</u> | <u>22,667,882,649</u> |
| 34 (a) Consolidated Interest receipts in cash | | |
| ONE Bank Limited | 23,786,528,987 | 22,667,882,649 |
| ONE Securities Limited | 32,608,497 | 26,009,516 |
| ONE Investments Limited | 904,737 | 482,337 |
| Interest on deposit paid by ONE Bank Limited to subsidiaries company | (18,705,694) | (17,673,605) |
| | <u>23,801,336,527</u> | <u>22,676,700,897</u> |
| 35. Interest payments | | |
| Total interest expenses | 16,208,681,337 | 17,905,383,113 |
| Add : Opening balance of interest payable | 3,635,777,905 | 3,251,004,674 |
| Less: Closing balance of interest payable | (2,369,399,738) | (3,635,777,905) |
| | <u>17,475,059,504</u> | <u>17,520,609,882</u> |
| 35 (a) Consolidated Interest Payment | | |
| ONE Bank Limited | 17,475,059,504 | 17,520,609,882 |
| ONE Securities Limited | 978,319 | 1,370,361 |
| Interest on deposit paid by ONE Bank Limited to subsidiaries company | (18,705,694) | (17,673,605) |
| | <u>17,457,332,129</u> | <u>17,504,306,639</u> |
| 36. Fee and commission receipts in cash | | |
| Fees and commission | 727,231,924 | 830,799,959 |
| Less : (Increase) / decrease in Commission receivable | - | - |
| | <u>727,231,924</u> | <u>830,799,959</u> |

| | 2020 | 2019 |
|--|----------------------|----------------------|
| | Taka | Taka |
| 36 (a) Consolidated Fee and commission receipts in cash | | |
| ONE Bank Limited | 727,231,924 | 830,799,959 |
| ONE Securities Limited | 37,923,394 | 28,634,481 |
| | 765,155,318 | 859,434,440 |
| 37. Cash payments to employees | | |
| Salary & Allowances | 2,290,093,052 | 2,287,785,069 |
| Provident Fund Contribution | 130,549,096 | 134,336,834 |
| Gratuity | 86,252,262 | 155,866,420 |
| Superannuation fund | 7,100,000 | 7,100,000 |
| Bonus | 276,437,163 | 355,202,255 |
| Managing Director's salary and allowances | 12,920,000 | 14,296,289 |
| | 2,803,351,574 | 2,954,586,867 |
| 38. Cash payment to suppliers | | |
| Stationery, Printings, advertisements etc. | 306,861,173 | 467,312,959 |
| Repair & Maintenance | 338,253,781 | 332,673,074 |
| | 645,114,954 | 799,986,033 |
| 39. Cash receipts from other operating activities | | |
| Other operating income (Note-20) (except forfeited income from PF Fund) | 770,002,214 | 641,851,122 |
| Exchange earnings (Note-19) | 394,916,264 | 589,047,415 |
| | 1,164,918,477 | 1,230,898,537 |
| 39 (a) Consolidated Cash receipts from other operating activities | | |
| ONE Bank Limited | 1,164,918,477 | 1,230,898,537 |
| ONE Securities Limited | 14,827,639 | 11,524,666 |
| | 1,179,746,116 | 1,242,423,203 |
| 40. Cash payments for other operating activities | | |
| Rent, taxes, insurance and electricity etc. | 739,339,749 | 686,030,353 |
| Legal expenses | 17,249,497 | 14,689,348 |
| Postage, stamps, telecommunication etc. | 78,845,753 | 79,312,543 |
| Directors fees | 1,152,000 | 1,432,000 |
| Auditors' fee | 300,000 | 250,000 |
| Other expenses | 368,024,064 | 277,392,648 |
| | 1,204,911,063 | 1,059,106,892 |
| 40 (a) Consolidated Cash payments for other operating activities | | |
| ONE Bank Limited | 1,204,911,063 | 1,059,106,892 |
| ONE Securities Limited | 37,913,800 | 42,539,281 |
| ONE Investments Limited | 41,622 | 12,920 |
| | 1,242,866,485 | 1,101,659,093 |
| 41. Increase/(decrease) of other liabilities | | |
| Closing balance: | | |
| Sinking fund and risk fund | 89,269,989 | 54,212,850 |
| Interest payable on Subordinated debt | 57,356,454 | 86,556,713 |
| Interest payable on borrowings | 44,634,958 | 85,926,926 |
| Interest suspense account | 8,772,019,718 | 6,307,880,737 |
| Interest Payable on Borrowings Outside Bd | 60,763,029 | 115,582,523 |
| | 9,024,044,148 | 6,650,159,749 |
| Less: Opening balance: | | |
| Sinking fund and risk fund | 54,212,850 | 55,122,882 |
| Interest payable on Subordinated debt | 86,556,713 | 78,550,081 |
| Interest payable on borrowings | 85,926,926 | 84,765,680 |
| Interest suspense account | 6,307,880,737 | 4,277,625,588 |
| Interest Payable on Borrowings Outside Bd | 115,582,523 | 164,023,247 |
| | 6,650,159,749 | 4,660,087,478 |
| | 2,373,884,399 | 1,990,072,271 |



41 (a) Consolidated Increase/(decrease) of other liabilities

ONE Bank Limited
ONE Securities Limited
ONE Investment Limited

| 2020 Taka | 2019 Taka |
|----------------------|----------------------|
| 2,373,884,399 | 1,990,072,271 |
| (619,596) | (2,763,703) |
| (245,676) | - |
| 2,373,019,128 | 1,987,308,568 |

42. (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 Investments Ltd
Sundry receivables
Receivable ATM acquiring
Protested bill
Due form Off-shore banking unit
Branch Adjustment Account

| | |
|----------------------|----------------------|
| 6,525,400 | 5,827,121 |
| 496,335,473 | 461,264,414 |
| 514,152,333 | 607,012,280 |
| - | 87,116,850 |
| 18,752,838 | 39,945,715 |
| 125,631,748 | 159,384,091 |
| - | 205,426 |
| 848,621 | 416,331 |
| 18,386,782 | 11,028,206 |
| 2,594,351 | 2,594,351 |
| - | - |
| 3,367,975 | 23,104,658 |
| 1,186,595,521 | 1,397,899,443 |
| 84,928,334 | 133,494,986 |
| 1,271,523,855 | 1,531,394,428 |

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
Sundry receivables
Receivable ATM acquiring
Protested bill
Branch Adjustment Account

| | |
|----------------------|----------------------|
| 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 |
| 1,397,899,443 | 1,200,003,496 |
| 133,494,986 | 200,922,889 |
| 1,531,394,428 | 1,400,926,385 |
| 259,870,574 | (130,468,043) |

Off-shore banking unit

42 (a) Consolidated (Increase)/decrease of other assets

ONE Bank Limited
ONE Securities Limited

| | |
|--------------------|----------------------|
| 259,870,574 | (130,468,043) |
| 33,586,624 | (23,535,179) |
| 293,457,198 | (154,003,222) |

43. Letters of Guarantee

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

Directors
Government
Banks and other financial institutions
Others

| | |
|-----------------------|-----------------------|
| - | 39,727,849 |
| 277,228,899 | 535,960,335 |
| 1,000,250,000 | 829,796,595 |
| 11,804,710,260 | 13,816,703,023 |
| 13,082,189,159 | 15,222,187,802 |
| 13,082,189,159 | 15,222,187,802 |

Total (i and ii)

44. Details break-up of Shareholders' Equity -Solo

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

| | |
|-----------------------|-----------------------|
| 8,853,464,040 | 8,431,870,520 |
| 6,430,798,085 | 6,082,448,575 |
| 1,650,557,138 | 1,529,071,286 |
| 11,908,123 | 9,087,403 |
| 16,946,727,385 | 16,052,477,785 |



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

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

46. Basic Earnings Per Share

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

Earnings per share has been calculated in accordance with IAS-33:"Earnings Per Share (EPS)". Previous year's figures (Solo BDT 1.97 and Consolidated BDT 1.91 per share) have been restated for the issue of bonus shares during the year 2020. No Diluted Earnings Per Share is required to be calculated for the year as there was no scope for dilution of share during the year (i.e. no right share was issued). In addition, Tk. 2,426,921 has been decreased in the Consolidated previous year's figure as ONE Securities Limited (OSL), a subsidiary of the Bank has been restated due to implementation of IFRS 16 during the year with retrospective effect from 2019.

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

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

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

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

| | | |
|---|------------------------|------------------------|
| Profit before provision and tax as per profit & loss account (A) | 2,924,991,590 | 4,119,184,365 |
| Adjustments (Non- Cash Items) (B) | | |
| (Increase)/Decrease in Interest income receivable | 1,463,002,923 | (2,472,116,688) |
| Increase/ (decrease) in Interest expense payable | (1,266,378,167) | 384,773,231 |
| Depreciation and amortization expenses | 358,758,120 | 351,624,668 |
| Loss from sale of assets | - | 9,792,096 |
| Increase/(Decrease) in salaries and allowances expenses payable | (18,381,443) | 16,600,707 |
| Increase in other expenses payable | 135,872,552 | 75,788,881 |
| | 672,873,984 | (1,633,537,106) |
| Adjustments (Non-Operating Items) (C) | | |
| Income tax paid (It is the part of cash flow from operating activities but not includes in operating profit in the profit & loss account) | (1,173,423,871) | (1,221,917,404) |
| | (1,173,423,871) | (1,221,917,404) |
| Profit after adjustment (A+B+C) | 2,424,441,703 | 1,263,729,856 |
| Cash generated from operating activities as per cash flows statements | 2,424,441,703 | 1,263,729,856 |

48.1 Prior year restatement (Consolidated)

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

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

49. Related Party Disclosures of the Bank

- i) Name of the directors together with a list of entities in which they have interest- **Annexure-E**
- ii) Significant contracts where Bank is a party and wherein Directors have interest during the year 2020: **Nil**
- iii) Shares issued to Directors and Executives without consideration or exercisable at discount: **Nil**
- iv) Nature, type and elements of transactions with the related party: As mentioned in SL# Viii
- V) Lending policies in respect of related party:
 - a) Amount of transaction regarding loans and advances, deposits, guarantees and commitment as on 31.12.2020:
 - i) Lending to ONE Securities Limited amounting to Tk.6,768,097 from ONE Bank Limited, Kawran Bazar Branch for special investment account purpose bearing interest @ 7.00% per annum.
 - ii) ONE Securities Limited maintains bank account with ONE Bank Limited of Tk. 404,275,107.
 - iii) ONE Investment Limited maintains deposit account with ONE Bank Limited of Tk.11,016,347.
 - iv) ONE Bank Limited (OBL) maintains deposit account of Tk.130 Crore with Lanka Bangla Finance Limited and OBL has invested in share of Lanka Bangla Finance Limited of Tk. 12.24 Crore (Cost Value). OBL issued subordinated and perpetual bond to Lanka Bangla Finance Limited of Tk. 80 Crore and Tk. 50 Crore respectively.
 - b) Amount of transactions regarding principal items of deposits, expenses and commission : **Nil**
 - c) Amount of provision against loans and advances given to related party : Provision maintained @ 1% on loan amount as per regulatory requirement.
 - d) Amount of guarantees and commitments arising from other off-balance sheet exposures : **Nil**
- vi) Disclosure of transaction regarding Directors and their related concerns: **Nil**
- vii) i) Bank Guarantee amounting to Tk.84,000,000 issued to ONE Securities Limited in favor of Dhaka Stock Exchange Ltd.
- viii) Business other than Banking business with any related concern of the Directors as per Section 18(2) of the Bank Company Act-1991 (as amended in 2018):

Lease agreement made with the Director :

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

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

50 Workers Participation Fund and Welfare Fund

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

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

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

51 Number of employees of the Bank

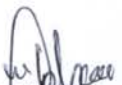
The number of employees engaged for the whole year or part thereof who received a total remuneration of Tk. 36,000 p.a. or above were 2,425 (2019: 2,414).

52 Coverage of External Audit


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

53 Events after the balance sheet date

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



M. Fakhru Alam
Managing Director



Kazi Rukunuddin Ahmed
Director



Zahur Ullah
Director



A.S.M. Shahidullah Khan
Chairman



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

Solo Basis

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

Consolidated Basis

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



Annexure-A

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

[Referred to Note 8 of these Financial Statements]

| Particulars | Cost (Taka) | | | | Depreciation and Amortization (Taka) | | | | Net book value at 31 December | Rate of depreciation per annum (Reducing Balance Method) |
|---------------------------|----------------------|---------------------------|---|------------------------|--------------------------------------|---------------------|--------------------------------------|------------------------|-------------------------------|--|
| | Balance on 1 January | Additions during the year | Disposal/ Transfer Amortization during the year | Balance at 31 December | Balance on 1 January | Charge for the year | Adjusted on disposal during the year | Balance at 31 December | | |
| Furniture and Fixtures | 1,568,714,984 | 112,761,278 | 82,918,780 | 1,598,557,482 | 673,015,089 | 155,349,688 | - | 747,694,052 | 850,863,430 | 10 |
| Office Equipment | 1,264,921,801 | 104,911,770 | 2,338,818 | 1,367,494,753 | 795,559,035 | 93,678,382 | 2,108,423 | 887,128,997 | 480,365,756 | 18 |
| Motor Vehicles | 325,869,255 | 3,603,650 | 19,559,165 | 309,913,740 | 217,837,042 | 21,453,709 | 17,312,156 | 221,978,596 | 87,935,144 | 20 |
| Building | 189,464,053 | 115,285,957 | - | 304,750,010 | 28,818,150 | 4,062,420 | - | 32,880,570 | 271,869,440 | 2.5 |
| Right of use Assets (RoU) | 699,328,541 | 607,334,233 | - | 1,306,662,774 | - | 269,336,250 | - | 269,336,250 | 1,037,326,524 | |
| Land | 279,366,295 | - | - | 279,366,295 | - | - | - | - | 279,366,295 | |
| Sub-Total | 4,327,664,929 | 943,896,888 | 104,816,763 | 5,166,745,054 | 1,715,229,316 | 543,880,449 | 19,420,579 | 2,159,018,465 | 3,007,726,588 | |
| Intangibles Assets | 198,184,620 | - | - | 198,184,620 | 192,598,476 | 4,617,026 | - | 197,215,502 | 969,118 | 20 |
| Total 2020 | 4,525,849,549 | 943,896,888 | 104,816,763 | 5,364,929,674 | 1,907,827,792 | 548,497,475 | 19,420,579 | 2,356,233,967 | 3,008,695,706 | |
| Total 2019 | 3,732,930,120 | 1,011,582,364 | 108,320,559 | 4,636,191,925 | 1,722,668,956 | 394,256,613 | 17,260,567 | 2,018,170,168 | 2,618,021,757 | |



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

2) Balance with Bangladesh Bank-Foreign currency

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



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

Annexure-C

[Referred to Note 4.5 of these Financial Statements]

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

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

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

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 2020**

| SL No | Name of the Director | Status with the Bank | Name of the Firms/Companies in which they are interested as proprietor, partner, Director, managing agent, Guarantor, Employee etc. | Percentage (%) of holding in the company | Remarks |
|-------|--|----------------------|---|---|--|
| 1 | Mr. A.S.M. Shahidullah Khan | Chairman | NTC Housing Ltd. | 12.50 | Representing KSC Securities Limited |
| 2. | Mr. Asoke Das Gupta (Expired on Dec 13, 2020) | 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. | Mr. Kazi Rukunuddin Ahmed | Director | NTC Housing Ltd. | 12.50 | Representing Irfan International Limited |
| 5. | Mr. Shawket Jaman | Director | NTC Housing Ltd. | 12.50 | Representing M. R. Holdings & Securities Limited |
| 6. | Mr. Syed Nurul Amin | Independent Director | - | - | - |



**Statement of Tax Position of the Bank
As at 31 December 2020**

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



ONE Bank Limited
Segment Reporting

Annexure-G

Amount in Taka

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

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



ONE Bank Limited
Islami Banking Unit
Balance Sheet
As at 31 December 2020

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

ONE Bank Limited
Islami Banking Unit
Profit and Loss Account
For the year ended 31 December 2020

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



ONE Bank Limited
Islami Banking Unit
Notes to the Financial Statements
For the period ended 31 December 2020

1.1 Islami Banking Operations

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

1.2 Islami Banking Division in Head Office

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

1.3 Islami Banking Business

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

1.4 Islami Banking Products and services

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

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

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

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

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

1. AL NOOR Home Investment Scheme
2. AL NOOR House Hold Investment Scheme

3. AL NOOR Car Investment Scheme
4. AL NOOR Scheme for Professional



1.7 Others Products

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

1.8 Deposit Mobilization & Profit Share under ISR method:

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

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

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

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





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

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

1.10 General

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



| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|--|---------------------------|---------------------------|
| 2 Cash | | |
| Cash in hand (note-2.1) | 14,828,438 | - |
| Balance with Bangladesh Bank and it's agent banks (note-2.2) | 83,922,891 | - |
| | 98,751,330 | - |
| 2.1 Cash in hand | | |
| In Local Currency | 14,828,438 | - |
| In Foreign Currencies | - | - |
| | 14,828,438 | - |
| 2.2 Balance with Bangladesh Bank and it's agent bank | | |
| Bangladesh Bank: | | |
| In Local Currency | 83,922,891 | - |
| In Foreign Currencies | - | - |
| | 83,922,891 | - |
| Balance with Sonali Bank being an agent of Bangladesh Bank | - | - |
| | 83,922,891 | - |
| 2.3 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR): | | |
| Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 (as amendment in 2013), DOS circular No. 01 dated 19 January 2014, MPD Circular No. 01 dated 03 April 2018, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 03 dated 09 April 2020 issued by Bangladesh Bank. | | |
| The Cash Reserve Ratio on the time and demand liabilities at the rate of 3.50% for Islami Banking on daily basis and 4% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 5.50% for Islami Banking of Statutory Liquidity Ratio on the same liabilities has also been maintained in the form of treasury bills, bonds, Foreign Currency & excess reserve of the Taka current account with Bangladesh Bank. Islami Banking operation has been started the business from December 15, 2020 and Bangladesh Bank issued a letter no. DOS (SR) 1153/120-A/2020-4130 dated December 22, 2020 for maintaining CRR and SLR. As per the directives of Bangladesh Bank, Islami Banking Division of ONE Bank Ltd requires to maintain 4.00% as CRR and 5.50% as SLR for the next two months (i.e. February 28, 2021). | | |
| a) Cash Reserve Requirement (CRR) : | | |
| Required reserve (4% of average Demand and Time Liabilities) | 6,911,920 | - |
| Actual reserve held | 83,922,891 | - |
| Surplus/(Shortage) | 77,010,971 | - |
| b) Statutory Liquidity Ratio (Other than CRR): | | |
| Required reserve (5.5% of average Demand and Time Liabilities) | 9,503,890 | - |
| Reserve held (b.1) | 112,959,410 | - |
| Surplus/(Shortage) | 103,455,520 | - |
| b.1 Reserve held in SLR : | | |
| Cash in hand including foreign currency | 14,828,438 | - |
| Balance with Bangladesh Bank -local currency (Surplus amount of CRR) | 77,010,971 | - |
| Other securities | 21,120,000 | - |
| | 112,959,410 | - |
| 3 Balance with other banks and financial institutions | | |
| In Bangladesh (note-3.1) | 6,370 | - |
| Outside of Bangladesh (note-3.2) | - | - |
| | 6,370 | - |



31.12.2020

31.12.2019

TakaTaka**3.1 In-Bangladesh**

Current account

Saving accounts

Fixed Deposit receipt

| | |
|--------------|---|
| 6,370 | - |
| - | - |
| - | - |
| 6,370 | - |

3.2 Outside of Bangladesh

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

4 Investment in share & securities

Bangladesh Government Investment Sukuk (Ijarah Sukuk)

Others (note-4.1)

| | |
|-------------------|---|
| 21,120,000 | - |
| - | - |
| 21,120,000 | - |

4.1 Others

Shares in listed companies

Shares in un-listed companies

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

5 Investments

General investment etc.

Bill purchased and discounted

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

6 Fixed Assets including premises, furniture & fixtures

Land

Building

Furniture and fixture including office renovation

Office appliance & equipments

Computer

Software

Vehicle

| | |
|-----------|---|
| - | - |
| - | - |
| - | - |
| 2,622,110 | - |
| 79,300 | - |
| 117,400 | - |
| - | - |
| - | - |
| 2,818,810 | - |

Less: Accumulated depreciation

| | |
|------------------|---|
| - | - |
| 2,818,810 | - |

7 Other Assets

Stationery, stamps, printing materials etc

Profit accrued on investment but not collected

Profit/loss payable to head office

Advance rent

Renovation/ Development and prepaid expenses

Suspense account

| | |
|-------------------|---|
| 591,900 | - |
| 8,254 | - |
| 13,872,416 | - |
| 31,947,343 | - |
| 4,232,066 | - |
| 50,000 | - |
| 50,701,979 | - |





| | 31.12.2020 <u>Taka</u> | 31.12.2019 <u>Taka</u> |
|---|---------------------------|---------------------------|
| 8 Deposits and other accounts | | |
| Deposits from Banks | - | - |
| Deposits from customers | 166,835,564 | - |
| | 166,835,564 | - |
| a. Deposit from Banks | | |
| Mudaraba savings deposits | - | - |
| Mudaraba special notice deposits | - | - |
| Mudaraba fixed deposits | - | - |
| | - | - |
| b. Customers Deposits | | |
| i) Al- wadeeah current deposits and other accounts | | |
| Al-wadeeah current deposits | 10,264,000 | - |
| Sundry deposits | 1,731,475 | - |
| | 11,995,475 | - |
| ii) Bills Payable | | |
| Pay orders issued | - | - |
| Demand draft payable | - | - |
| | - | - |
| iii) Mudaraba savings bank deposits | 27,001,935 | - |
| iv) Mudaraba term deposits | | |
| Mudaraba fixed deposits | 126,534,030 | - |
| Mudaraba special notice deposits | 1,114,207 | - |
| Non resident Taka deposits | - | - |
| Mudaraba special scheme deposits | 189,917 | - |
| | 127,838,154 | - |
| Total Customers Deposit | 166,835,564 | - |
| 9 Other liabilities | | |
| Accounts payable-Others | 856 | - |
| Branch adjustment account | 6,562,069 | - |
| | 6,562,925 | - |
| | 2020 | 2019 |
| | Taka | Taka |
| 10 Profit shared on deposits and borrowings etc. | | |
| Profit shared on deposits (Islamic Banking Branch) | | |
| Mudaraba Savings Deposits | 23,777 | - |
| Mudaraba Short Term Deposits | 12,608 | - |
| Mudaraba Fixed Term Deposits | 244,009 | - |
| | 280,394 | - |
| 11 Income from investment in shares/ Securities | | |
| Income from Government Securities | 8,254 | - |
| Income from Non-Government Securities | - | - |
| | 8,254 | - |
| 12 Other operating income | | |
| Service and incidental charges | 3,256 | - |
| Miscellaneous income | 10,005 | - |
| | 13,261 | - |





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



ONE Bank Limited
Off-Shore Banking Unit
Balance Sheet
As at 31 December 2020

| | Notes | 31.12.2020 | | 31.12.2019 | |
|---|----------|--------------------|----------------------|--------------------|-----------------------|
| | | USD | Taka | USD | Taka |
| PROPERTY AND ASSETS | | | | | |
| CASH | | | | | |
| Cash in hand (including foreign currencies) | | - | - | - | - |
| Cash with Bangladesh Bank and its agent bank(s) (Including foreign currencies) | | - | - | - | - |
| Balance with other Banks and Financial Institutions | 3 | | | | |
| In Bangladesh | | - | - | - | - |
| Outside Bangladesh | | 1,088,030 | 92,266,134 | 2,650,433 | 225,021,758 |
| | | 1,088,030 | 92,266,134 | 2,650,433 | 225,021,758 |
| Money at Call on Short Notice | | - | - | - | - |
| Investment | | | | | |
| Government | | - | - | - | - |
| Others | | - | - | - | - |
| | | - | - | - | - |
| Loan and Advances: | 4 | | | | |
| Loans, cash credits, overdrafts etc. | | 108,617,804 | 9,210,909,244 | 168,823,252 | 14,333,094,104 |
| Bills purchased and discounted | | 3,937,659 | 333,917,808 | 2,999,561 | 254,662,771 |
| | | 112,555,463 | 9,544,827,052 | 171,822,814 | 14,587,756,875 |
| Fixed Assets | | - | - | - | - |
| Other Assets | 5 | 1,001,500 | 84,928,334 | 1,572,379 | 133,494,986 |
| Non Banking Assets | | - | - | - | - |
| Total Assets | | 114,644,993 | 9,722,021,520 | 176,045,626 | 14,946,273,618 |
| LIABILITIES AND CAPITAL | | | | | |
| Borrowings from other Banks, Financial Institutions and agents | 6 | 92,666,666 | 7,858,235,210 | 153,934,822 | 13,069,066,361 |
| Current deposits and other accounts | 7 | | | | |
| Current accounts and other accounts | | 1,129,342 | 95,769,474 | 296,204 | 25,147,691 |
| Bills payable | | - | - | - | - |
| Savings bank deposits | | - | - | - | - |
| Term deposits | | - | - | - | - |
| | | 1,129,342 | 95,769,474 | 296,204 | 25,147,691 |
| Other Liabilities | 8 | 18,609,548 | 1,578,110,166 | 22,612,705 | 1,919,818,674 |
| Total Liabilities | | 112,405,557 | 9,532,114,851 | 176,843,731 | 15,014,032,726 |
| Capital/Shareholders' Equity | | | | | |
| Profit and loss account | | 2,239,436 | 189,906,669 | (798,105) | (67,759,108) |
| Total Liabilities and Shareholders' Equity | | 114,644,993 | 9,722,021,520 | 176,045,626 | 14,946,273,618 |



| Notes | 31.12.2020 | | 31.12.2019 | |
|---|----------------|-------------------|------------------|--------------------|
| | USD | Taka | USD | Taka |
| Off Balance Sheet Items | | | | |
| Contingent Liabilities | | | | |
| 9 Acceptance and endorsements | 156,612 | 13,280,888 | 2,165,823 | 183,878,393 |
| Letter of Guarantee | - | - | - | - |
| Irrevocable Letters of Credit | 758,104 | 64,288,034 | 1,315,081 | 111,650,404 |
| Bills for Collection | - | - | - | - |
| | 914,716 | 77,568,921 | 3,480,905 | 295,528,797 |
| Other Contingent Liabilities | | | | |
| Claims lodged with but not recognized by the Bank | - | - | - | - |
| Other exchange contract | - | - | - | - |
| Total Contingent Liabilities | 914,716 | 77,568,921 | 3,480,905 | 295,528,797 |
| Other Commitments | | | | |
| Documentary Credits and short term trade-related transactions | - | - | - | - |
| Forward assets purchased and forward deposits placed | - | - | - | - |
| Undrawn note issuance and revolving undertaking facilities | - | - | - | - |
| Undrawn formal standby facilities, credit lies and other commitments | - | - | - | - |
| Total other commitments | - | - | - | - |
| Total off-Balance Sheet items including contingent Liabilities | 914,716 | 77,568,921 | 3,480,905 | 295,528,797 |



ONE Bank Limited
Off- Shore Banking Unit
Profit & Loss Account
For the year ended 31 December 2020

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



ONE Bank Limited
Off-Shore Banking Unit
Cash Flow Statement
For the year ended 31 December 2020

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





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

1 Status of the units

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

1.1 Principal activities

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

1.2 Significant accounting policies and basis of preparation of financial statements

1.2.1 Basis of accounting

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

1.2.2 Use of estimates and judgments

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

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

1.2.3 Foreign currency transaction

a) Foreign currencies translation

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

b) Commitments

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

1.2.4 Cash flow statement

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

1.2.5 Reporting period

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

1.3 Assets and basis of their valuation

1.3.1 Cash and cash equivalents

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

1.3.2 Loans and advances / investments

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

1.3.3 Fixed assets and depreciation

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

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

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

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

1.4 Basis for valuation of liabilities and provisions

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

1.5 Revenue recognition

1.5.1 Interest income

Interest income is recognized on accrual basis.

1.5.2 Fees and commission income

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

1.5.3 Interest paid and other expenses

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

2 General

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

- b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 84.8011 (Mid rate as at 31 December 2020).



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

| | 31.12.2020 | | 31.12.2019 | |
|---|--------------------|----------------------|--------------------|-----------------------|
| | USD | Taka | USD | Taka |
| 3 Balance with other banks and financial institutions | | | | |
| In Bangladesh | - | - | - | - |
| Outside Bangladesh (note-3.1) | 1,088,030 | 92,266,134 | 2,650,433 | 225,021,758 |
| | 1,088,030 | 92,266,134 | 2,650,433 | 225,021,758 |
| 3.1 Outside Bangladesh | | | | |
| Mashreq Bank NY | 849,198 | 72,012,940 | 2,520,928 | 214,026,750 |
| United Bank of India | 238,832 | 20,253,194 | 129,505 | 10,995,008 |
| | 1,088,030 | 92,266,134 | 2,650,433 | 225,021,758 |
| 4 Loans and advances | | | | |
| i) Loans, cash credits, overdrafts, etc. | | | | |
| Loans | 103,498,374 | 8,776,775,932 | 166,853,804 | 14,165,887,999 |
| Cash Credit | - | - | - | - |
| Overdraft | 1,557,796 | 132,102,836 | 1,454,930 | 123,523,571 |
| Loan against Trust Receipt | 3,561,634 | 302,030,477 | 514,517 | 43,682,535 |
| | 108,617,804 | 9,210,909,244 | 168,823,252 | 14,333,094,104 |
| ii) Bills purchased and discounted | | | | |
| Local bill purchased and discounted | 3,937,659 | 333,917,808 | 2,999,561 | 254,662,771 |
| Foreign bills purchased and discounted | - | - | - | - |
| | 3,937,659 | 333,917,808 | 2,999,561 | 254,662,771 |
| | 112,555,463 | 9,544,827,052 | 171,822,814 | 14,587,756,875 |
| 5 Other Assets | | | | |
| Prepayment | 1,001,500 | 84,928,334 | 1,572,379 | 133,494,986 |
| Interest receivable | - | - | - | - |
| | 1,001,500 | 84,928,334 | 1,572,379 | 133,494,986 |
| 6 Borrowing from other banks, and financial institutions and agents | | | | |
| Nederlandse Financierings- Maatschappij Voor Ontwikkelingslanden N.V (FMO) | 25,375,000 | 2,151,827,913 | 38,375,000 | 3,258,037,500 |
| Oesterreichische Entwicklungsbank AG (OeEB) | 6,875,000 | 583,007,563 | 11,125,000 | 944,512,500 |
| The OPEC Fund for International Development (OFID) | 3,750,000 | 318,004,125 | 7,500,000 | 636,750,000 |
| Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco) | 15,625,000 | 1,325,017,188 | 21,875,000 | 1,857,187,500 |
| Norwegian Invest. Fund for Developing Countries (Norfund) | 9,375,000 | 795,010,313 | 13,125,000 | 1,114,312,500 |
| International Finance Corporation (IFC) | 16,666,666 | 1,413,351,610 | 50,000,000 | 4,245,000,000 |
| RAK BANK-Dubai | 15,000,000 | 1,272,016,500 | 11,934,822 | 1,013,266,361 |
| | 92,666,666 | 7,858,235,210 | 153,934,822 | 13,069,066,361 |
| 7 Current deposits and other accounts | | | | |
| Current deposits | 16,214 | 1,374,926 | 22,578 | 1,916,889 |
| Deposits from Banks- Term deposit | - | - | - | - |
| Foreign Currency Deposits | 6,349 | 538,420 | 1,940 | 164,721 |
| Sundry deposits | 1,106,780 | 93,856,128 | 271,685 | 23,066,080 |
| | 1,129,342 | 95,769,474 | 296,204 | 25,147,691 |

8 Other liabilities

Due to Head Office (note-8.1)
 Accrued Interest for deposit
 Interest Payable on Borrowings Outside Bd
 Others
 General Provision (Unclassified Loan)
 General Provision for off balance sheet items

| 31.12.2020 | | 31.12.2019 | |
|-------------------|----------------------|-------------------|----------------------|
| USD | Taka | USD | Taka |
| 16,743,203 | 1,419,842,041 | 19,487,900 | 1,654,522,676 |
| - | - | - | - |
| 716,536 | 60,763,029 | 1,361,396 | 115,582,523 |
| 15,108 | 1,281,137 | 10,372 | 880,618 |
| 1,125,555 | 95,448,271 | 1,718,228 | 145,877,569 |
| 9,147 | 775,689 | 34,809 | 2,955,288 |
| 18,609,548 | 1,578,110,166 | 22,612,705 | 1,919,818,674 |

8.1 Due to Head Office

Payable to Head office (Transaction with DBU)
 Payable to Head Office (Retained Earnings)

| | | | |
|-------------------|----------------------|-------------------|----------------------|
| 17,260,210 | 1,463,684,817 | 19,419,354 | 1,648,703,113 |
| (517,007) | (43,842,777) | 68,546 | 5,819,564 |
| 16,743,203 | 1,419,842,041 | 19,487,900 | 1,654,522,676 |

9 Contingent liabilities

Acceptance and Endorsements
 Letter of Guarantee
 Irrevocable Letter of Credit
 Bills for Collection

| | | | |
|----------------|-------------------|------------------|--------------------|
| 156,612 | 13,280,888 | 2,165,823 | 183,878,393 |
| - | - | - | - |
| 758,104 | 64,288,034 | 1,315,081 | 111,650,404 |
| - | - | - | - |
| 914,716 | 77,568,921 | 3,480,905 | 295,528,797 |

10 Interest income

Bills purchased and discounted
 Short Term Loan
 Time Loan
 Loan Against Trust Receipt
 Overdraft
 Others
Interest on loans and advances
 Interest received from Head Office
Total Interest income

| 2020 | | 2019 | |
|------------------|--------------------|-------------------|--------------------|
| USD | Taka | USD | Taka |
| 248,855 | 21,103,150 | 65,938 | 5,598,173 |
| 737,198 | 62,515,188 | 3,082,092 | 261,669,572 |
| 7,654,236 | 649,087,666 | 6,509,880 | 552,688,809 |
| 77,334 | 6,557,990 | 10,727 | 910,723 |
| 118,978 | 10,089,474 | 101,548 | 8,621,431 |
| 32,318 | 2,740,603 | 760,444 | 64,561,708 |
| 8,868,919 | 752,094,069 | 10,530,629 | 894,050,416 |
| - | - | - | - |
| 8,868,919 | 752,094,069 | 10,530,629 | 894,050,416 |

11 Interest paid on deposits, borrowings,

Interest paid to Head Office
 Interest expenses for borrowing
 Interest expenses for other bank- Local

| | | | |
|------------------|--------------------|-------------------|--------------------|
| 1,135,164 | 96,263,179 | 716,871 | 60,862,341 |
| 5,670,086 | 480,829,544 | 9,886,256 | 839,343,172 |
| - | - | 823 | 69,849 |
| 6,805,250 | 577,092,723 | 10,603,950 | 900,275,362 |

12 Commission, exchange and brokerage

Commission on L/C
 Commission on acceptance
 Export Bill Handling Charge

| | | | |
|----------------|------------------|----------------|-------------------|
| 47,332 | 4,013,809 | 151,090 | 12,827,510 |
| 24,471 | 2,075,172 | 57,166 | 4,853,370 |
| 28,485 | 2,415,546 | 31 | 2,625 |
| 100,288 | 8,504,527 | 208,286 | 17,683,505 |

13 Other operating income

Fees & Charges
 Commission on Remittance

| | | | |
|----------------|-------------------|----------------|-------------------|
| 119,292 | 10,116,056 | 176,153 | 14,955,410 |
| - | - | 170 | 14,432 |
| 119,292 | 10,116,056 | 176,323 | 14,969,842 |

