

Directive

Whereas, as per section 2(g) of the Securities and Exchange Ordinance, 1969 (ORDINANCE No. XVII OF 1969) One Bank Limited is an issuer (hereinafter referred to as “issuer”);

Whereas, the said issuer has issued its shares to the general public, and also that its share is listed with the stock exchanges;

Whereas, it appeared from the financial statements for the year 2003 of the bank which was placed at the 70th Board Meeting of the issuer held on 22nd March 2004 and relevant memo to the board that TK.6.00 crore (i.e.10% of paid up capital) was appropriated as proposed stock dividend;

Whereas, subsequently, the bank management again placed the said financial statements for 2003 at the 71st board meeting held on 21st April 2004 based on which the company’s board has recommended 15% stock dividend for the year 2003, and that the said information was disseminated by the issuer on the same day as price sensitive information;

Whereas, pursuant to an enquiry vide Commission’s Order No. SEC/SRMID/2003-30/1104-134 dated May 23, 2004, it appeared that the said Mr. Shafique Uddin, alternate director of One Bank Limited, being an insider, declared on April 18, 2004 for buying 70,500 shares of the issuer and accordingly purchased 70,500 shares through Hefazatur Rahman & Co. Ltd. (CSE stock-broker) during 1st April, 2004-16th May, 2004 (5,300 shares from 19th April, 2004 to 21st April, 2004 and 65,200 shares from 22nd April, 2004 to 16th May, 2004);

Whereas, Mr. Shafique Uddin, an alternate director of One Bank Limited attended the 70th Board Meeting of the said bank held on 22 March 2004 in which the balance sheet and profit and loss account (financial statements) for the year 2003 of the issuer was discussed and the board has advised the management to finalize the accounts;

Whereas, by doing so, Mr. Shafique Uddin has conducted insider trading in the above security and thereby has contravened provision of section 4, [read with section 2(N), 2(O), 2(P)] of the Securities and Exchange Ordinance, 1969 which reads as follows:

“4 | **Insider Trading** e^{emv} BZ^w **Insider** xKiY |-(1) **Insider** e^w **Insider** ev Ab[”] **Insider** v gva^{tg} **Insider** e^{emv} **Insider** bv ev D³ i/c e^{emv} e^v **Insider** **Insider** e^w MZ ci v gk[©] vb ev mnvqZv **Insider** bv”;

Whereas, in order to provide and opportunity of being heard, a show cause cum hearing notice No. SEC/Enforcement/340/2005/689 dated December 19, 2005 was issued to Mr. Shafique Uddin for explaining the contravention of said section 4 of the Securities and Exchange Ordinance, 1969, and the hearing was scheduled on December 28, 2005;

Whereas, Mr. Shafique Uddin attended the hearing and submitted his written explanation vide letter of December 28, 2005 stating, among others, that the transaction was resulted due to his inadequate knowledge and unawareness about securities related laws;

Whereas, the said explanation of Mr. Shafique Uddin was not considered acceptable to the Commission because ignorance of law cant not be an excuse and that he realized personal gain by purchasing 5,300 shares prior to disclosing the price sensitive information on 21st April, 2004 to the detriment of the interest of investors in securities and discipline of the capital and securities markets;

Whereas, protection of interest of investors in securities as well as sustained development of the capital and securities markets are, among others, the objectives of the Commission for which the Securities and Exchange Commission has been set up under the Securities and Exchange Commission Act, 1993 (Act No. XV of 1993); and

Whereas, in view of all above, the Commission deems it to be expedient that, in the interest of the investors in securities and the capital and securities markets as well, appropriate directive to the above said director, as well as to the issuer, should be given in connection with conducting the insider trading by Mr. Shafique Uddin.

Now, therefore, the Securities and Exchange Commission, in exercise of its power conferred by section 20A of the Securities and Exchange Ordinance, 1969 (XVII of 1969), hereby directs the One Bank Limited and Mr. Shafique Uddin, alternate director of One Bank Limited, to the effect that:-

- (1) Mr. Shafique Uddin shall not sell or make any type of transfer of the said 5,300 shares of One Bank Limited which were purchased by him through insider trading during 19th April, 2004 to 21st April, 2004 within next for 2(two) years from the issuance of this Directive; and
- (2) One Bank Ltd. shall ensure that the said 5,300 shares are not allowed for transfer within the said 2(two) year period during which the said shares shall be kept as “ locked-in “ by the said issuer company.

By the order of the Securities and Exchange Commission

(Mansur Alam)
Executive Director

Distribution:

- ?? Managing Director, One Bank Limited, 45, Dilkusha C/A, Dhaka-1000
- ?? Company Secretary, One Bank Limited, 45, Dilkusha C/A, Dhaka-1000
- ?? Mr. Shafique Uddin, Alternate Director, One Bank Limited, 45, Dilkusha C/A, Dhaka-1000
- ?? Chief Executive Officer, Central Depository of Bangladesh Limited, BSRS Bhaban (18th Floor), 12, Kawran Bazar, Dhaka-1215

SEC/Enforcement/340/2005/225
March 8, 2006

By Special Messenger

Managing Director
One Bank Limited, 45, Dilkusha C/A, Dhaka-1000

Company Secretary
One Bank Limited, 45, Dilkusha C/A, Dhaka-1000

Mr. Shafique Uddin
Alternate Director, One Bank Limited, 45, Dilkusha C/A, Dhaka-1000

Chief Executive Officer
Central Depository of Bangladesh Limited
BSRS Bhaban (18th Floor), 12, Kawran Bazar, Dhaka-1215

Subject: Directive

Attested photocopy of the Commission's Directive No.SEC/Enforcement/340/2005/224 dated: March 8, 2006 is enclosed herewith for your information and necessary action.

For Securities and Exchange Commission

(A.K.M Ziaul Hasan Khan)
Director

Copy for information:

Chief Executive Officer, Dhaka Stock Exchange Limited
Chief Executive Officer, Chittagong Stock Exchange Limited
Executive Director(R&D), SEC
Executive Director (SRMID), SEC
Director (CID), SEC
Director (LSD), SEC
Director (MIS), SEC
PO to Member (Enforcement)
Chairman's Office, SEC