

## Performance

Bank One posted net profit after tax of Rs227m for the year ended December 2015 (an increase of 94% over the previous year), representing a return on equity of 14.1%. Following the review and further tightening of the credit management processes, sizeable impairment charges were booked during the year that had a significant impact on the bottom line. Profit before impairment stood at Rs376m as compared to Rs289m in 2014 representing 30% growth. Total deposits grew by 12 % during the year under review in the midst of persisting excess liquidity in the local market. The Bank's conscious move to reshape the balance sheet had the desired effect as reflected by an improvement in its low cost deposit base that had a positive influence on the interest expense.

Gross loans and advances expanded by 19%. The introduction of new guidelines by the Bank of Mauritius (BOM) in the second half of 2014 to regulate credit and the low GDP growth in 2015 continued to impact credit demand both in the domestic Consumer and Corporate segments. As a result, the credit growth primarily came from the offshore segment.

Revised credit processes that included more stringent classification and provisioning norms resulted in considerable increase in the impaired loan portfolio from Rs941m as at December 2014 to Rs1,184m for the year ended December 2015, representing a gross impaired ratio of 8.7%. Specific measures have been taken by the Bank to bring down the impairment level with added emphasis on recoveries and the results are expected as from 2016.

Actions taken by the Bank to reduce the cost of funds by concentrating more on low cost deposits brought in good results with an improvement in the net interest spread.

Non-interest income to total income ratio improved from 22% to 29% on account of strong performances from Treasury and E Commerce.

The Bank maintained a capital adequacy ratio of 12.92% as at December 2015 against the regulatory limit of 10%. In line with the growth projections, actions are being taken to augment the capital base.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015				STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2015				STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015			
	Dec 2015	Dec 2014	Dec 2013		Dec 2015	Dec 2014	Dec 2013		Dec 2015	Dec 2014	Dec 2013
	Rs 000	Rs 000	Rs 000		Rs 000	Rs 000	Rs 000		Rs 000	Rs 000	Rs 000
<b>ASSETS</b>				Interest income	902,756	914,867	972,054	<b>Profit for the year</b>	226,929	117,120	53,678
Cash and cash equivalents	3,670,672	4,724,580	3,267,226	Interest expense	(294,463)	(350,123)	(486,046)	<b>Other Comprehensive income :</b>			
Derivative assets held for risk management	207	982	1,787	Net interest income	608,293	564,744	486,008	<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Loans and advances to banks	534,289	313,830	148,577	Fee and commission income	318,988	180,253	186,862	Remeasurement of defined benefit obligation net of tax	(2,063)	(6,433)	(15,345)
Loans and advances to customers	12,335,145	10,543,587	11,552,858	Fee and commission expense	(151,946)	(76,327)	(68,408)	Revaluation on building net of tax	-	3,208	-
Investment securities	2,526,420	1,294,424	1,489,223	Net fee and commission income	167,042	103,926	118,454	<i>Items that may be reclassified subsequently to profit or loss:</i>			
Property and equipment	322,653	328,056	310,561	Net gain/(loss) on dealing in foreign currencies and derivatives	72,258	48,998	(70,210)	Net fair value (loss)/gain on available for sale investment securities net of tax	(6,893)	10,297	-
Intangible assets	37,424	37,728	62,356	Other operating income	9,401	3,739	2,313	<b>Other Comprehensive Income for the year</b>	(8,956)	7,072	(15,345)
Deferred tax assets	95,399	59,641	25,982	Operating income	81,659	52,737	(67,897)	<b>Total Comprehensive Income for the year</b>	217,973	124,192	38,333
Other assets	774,326	750,487	839,346	Personnel expenses							
<b>Total Assets</b>	<b>20,296,535</b>	<b>18,053,315</b>	<b>17,697,916</b>	Depreciation and amortisation							
<b>LIABILITIES</b>				Other expenses							
Deposits from customers	17,321,879	15,470,040	15,162,715	Profit before impairment	376,297	288,910	169,373				
Derivative liabilities held for risk management	5,622	13,477	5,040	Net impairment loss on financial assets	(165,158)	(153,444)	(88,800)				
Subordinated liabilities	410,635	426,732	428,386	Impairment loss on intangible assets	-	(15,147)	-				
Other borrowed funds	474,379	372,642	480,747		(165,158)	(168,591)	(88,800)				
Current tax liabilities	1,880	20,504	20,017	Profit before income tax	211,139	120,319	80,573				
Other liabilities	266,486	277,239	252,522	Income tax credit/(expense)	15,790	(3,199)	(26,895)				
<b>Total Liabilities</b>	<b>18,480,881</b>	<b>16,580,634</b>	<b>16,349,427</b>	Profit for the year	226,929	117,120	53,678				
<b>EQUITY</b>				Basic earnings per share (Rs)	30.37	16.01	8.50				
Stated capital	856,456	731,456	731,456								
Retained earnings	707,284	471,510	464,051								
Other reserves	251,914	269,715	152,982								
<b>Total Equity</b>	<b>1,815,654</b>	<b>1,472,681</b>	<b>1,348,489</b>								
<b>Total Equity and Liabilities</b>	<b>20,296,535</b>	<b>18,053,315</b>	<b>17,697,916</b>								

These financial statements were approved and authorised for issue by the Board of Directors on 4th March 2016

  
David Proctor  
Chairman of the Board of Directors

  
Ravneet Chowdhury  
Chief Executive Officer

  
Pratul Hemraj Dharamshi Shah  
Director and Chairman of Audit Committee

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Stated capital	Revaluation surplus	Statutory reserve	General Banking reserve	Fair value reserve	Retirement Benefit Plan Reserve	Retained earnings	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>Balance as at 1 January 2013</b>	551,456	75,687	85,424	-	3,215	(4,051)	418,425	1,130,156
Profit for the year	-	-	-	-	-	-	53,678	53,678
Other comprehensive income for the year	-	-	-	-	-	(15,345)	-	(15,345)
<i>Total comprehensive income</i>	-	-	-	-	-	(15,345)	53,678	38,333
Issue of shares	180,000	-	-	-	-	-	-	180,000
Transfer to statutory reserve	-	-	8,052	-	-	-	(8,052)	-
<i>Total transactions with owners</i>	180,000	-	8,052	-	-	-	(8,052)	180,000
<b>Balance as at 31 December 2013</b>	<b>731,456</b>	<b>75,687</b>	<b>93,476</b>	<b>-</b>	<b>3,215</b>	<b>(19,396)</b>	<b>464,051</b>	<b>1,348,489</b>
<b>Balance as at 1 January 2014</b>	731,456	75,687	93,476	-	3,215	(19,396)	464,051	1,348,489
Profit for the year	-	-	-	-	-	-	117,120	117,120
Other comprehensive income for the year	-	3,208	-	-	10,297	(6,433)	-	7,072
<i>Total comprehensive income</i>	-	3,208	-	-	10,297	(6,433)	117,120	124,192
Transfer to general banking reserve	-	-	-	92,093	-	-	(92,093)	-
Transfer to statutory reserve	-	-	17,568	-	-	-	(17,568)	-
<i>Total transactions with owners</i>	-	-	17,568	92,093	-	-	(109,661)	-
<b>Balance as at 31 December 2014</b>	<b>731,456</b>	<b>78,895</b>	<b>111,044</b>	<b>92,093</b>	<b>13,512</b>	<b>(25,829)</b>	<b>471,510</b>	<b>1,472,681</b>
<b>Balance as at 1 January 2015</b>	731,456	78,895	111,044	92,093	13,512	(25,829)	471,510	1,472,681
Profit for the year	-	-	-	-	-	-	226,929	226,929
Other comprehensive income for the year	-	-	-	-	(6,893)	(2,063)	-	(8,956)
<i>Total comprehensive income</i>	-	-	-	-	(6,893)	(2,063)	226,929	217,973
Issue of shares	125,000	-	-	-	-	-	-	125,000
Transfer to general banking reserve	-	-	-	(42,884)	-	-	42,884	-
Transfer to statutory reserve	-	-	34,039	-	-	-	(34,039)	-
<i>Total transactions with owners</i>	125,000	-	34,039	(42,884)	-	-	8,845	125,000
<b>Balance as at 31 December 2015</b>	<b>856,456</b>	<b>78,895</b>	<b>145,083</b>	<b>49,209</b>	<b>6,619</b>	<b>(27,892)</b>	<b>707,284</b>	<b>1,815,654</b>

The summary statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows have been extracted from the audited financial statements of Bank One Limited for the year ended 31 December 2015.

## Independent Auditor's Report to the Shareholders of Bank One Limited on the Summary Financial Statements

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2015, the summary statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Bank One Limited (the "Bank") for the year ended 31 December 2015. We expressed an unmodified audit opinion on those financial statements in our report dated 04 March 2016.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Mauritian Companies Act 2001, the Banking Act 2004 and Guidelines and Guidance Notes issued by the Bank of Mauritius. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

### Directors' Responsibility for the Financial Statements

The Bank's directors are responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, the Banking Act 2004 and regulations and guidelines of the Bank of Mauritius.

### Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Bank for the year ended 31 December 2015 are consistent, in all material respects, with those financial statements, in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

PricewaterhouseCoopers  
04 March 2016

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