

## Financial Highlights

Bank One registered a commendable growth of 26% in its total asset base in 2018. The deposits and gross advances went up by 18% and 11% respectively during the year as a result of increased activities from both Segment A and Segment B.

After net impairment provisions of Rs340m, the Bank achieved a net Profit after Tax to Rs393m against Rs374m a year earlier. The gross NPL ratio was brought down from 6.06% in 2017 to 4.74% as at December 2018 and is expected to improve further in 2019.

The Bank has been able to deliver an average return on equity and assets of 14.8% and 1.20% respectively to its shareholders.

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

|   | Dec-18<br>Rs 000 | Dec-17<br>Rs 000 | Dec-16<br>Rs 000 |
|---|------------------|------------------|------------------|
| <b>Profit for the year</b>  | <b>393,459</b>   | <b>374,199</b>   | <b>311,584</b>   |
| <b>Other Comprehensive Income:</b>  |                  |                  |                  |
| Items that will not be reclassified subsequently to profit or loss:                     |                  |                  |                  |
| Remeasurement of defined benefit obligation net of tax                                  | 10,603           | (25,539)         | (4,924)          |
| Revaluation on building net of tax  | 5,045            | 14,934           | (1,561)          |
| Items that may be reclassified subsequently to profit or loss:                          |                  |                  |                  |
| Unrealised losses on available-for-sale investment recycled to profit or loss           | 1,124            | 1,584            | -                |
| Net fair value (loss)/gain on FVOCI/available-for-sale investment securities net of tax | (14,132)         | (7,252)          | 7,586            |
| <b>Other Comprehensive Income for the year</b>  | <b>2,640</b>     | <b>(16,273)</b>  | <b>1,101</b>     |
| <b>Total Comprehensive Income for the year</b>  | <b>396,099</b>   | <b>357,926</b>   | <b>312,685</b>   |

## SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

|   | Dec-18<br>Rs 000   | Dec-17<br>Rs 000   | Dec-16<br>Rs 000 |
|---|--------------------|--------------------|------------------|
| <b>Cash flows from operating activities</b>                 |                    |                    |                  |
| Profit before income tax                                    | 448,682            | 400,767            | 348,813          |
| Net change on provision for credit impairment               | 340,213            | 11,299             | 153,626          |
| Depreciation  | 36,141             | 30,110             | 21,045           |
| Amortisation  | 14,122             | 13,581             | 13,347           |
| (Gain)/loss on disposal of property and equipment           | (6,901)            | 643                | 6,091            |
| Change in provisions and pensions obligations               | 5,062              | 14,817             | 2,226            |
| Gain on sale of securities                                  | (103)              | (14,379)           | (2,360)          |
| Others  | (619)              | 42,805             | (4,164)          |
| Net interest income   | (953,746)          | (713,557)          | (699,154)        |
|   | (117,149)          | (213,914)          | (160,530)        |
| <b>Changes in operating assets and liabilities</b>          |                    |                    |                  |
| Movement in Derivatives                                     | (2,735)            | (14,088)           | 4,671            |
| Decrease/(increase) in loans and advances                   |                    |                    |                  |
| - to banks  | 781,794            | (2,076,646)        | (1,127,321)      |
| - to customers  | (3,294,501)        | (3,934,211)        | (1,536,400)      |
| Increase in other assets                                    | (99,249)           | (249,863)          | (247,858)        |
| Increase in deposits from customers                         | 5,133,850          | 6,073,781          | 4,824,760        |
| Increase/(decrease) in other liabilities                    | 119,135            | 33,070             | (43,585)         |
| Interest received   | 1,376,556          | 1,027,098          | 1,001,647        |
| Interest paid   | (443,184)          | (328,754)          | (282,743)        |
| Income tax paid   | (22,421)           | (14,589)           | (9,264)          |
| <b>Net cash from operating activities</b>                   | <b>3,432,096</b>   | <b>301,884</b>     | <b>2,423,377</b> |
| <b>Cash flows from investing activities</b>                 |                    |                    |                  |
| Purchase of investment securities                           | (6,900,110)        | (9,245,028)        | (7,765,000)      |
| Proceeds from sale of investment securities                 | 4,459,719          | 8,296,875          | 6,967,049        |
| Purchase of property and equipment                          | (23,434)           | (50,515)           | (79,752)         |
| Proceeds from sale of other assets                          | 6,647              | -                  | 9,809            |
| Proceeds from sale of property and equipment                | 889                | 197                | 3,287            |
| Purchase of intangible assets                               | (129,081)          | (14,468)           | (16,623)         |
| <b>Net cash used in investing activities</b>                | <b>(2,585,370)</b> | <b>(1,012,939)</b> | <b>(881,230)</b> |
| <b>Cash flows from financing activities</b>                 |                    |                    |                  |
| Repayment of other borrowed funds                           | (42,697)           | (41,273)           | (34,208)         |
| Proceeds from other borrowed funds                          | 1,032,600          | -                  | -                |
| Proceeds from subordinated liabilities                      | 200,000            | -                  | 119,884          |
| Repayment of subordinated liabilities                       | -                  | (50,000)           | -                |
| Dividend paid   | (79,100)           | (26,000)           | -                |
| <b>Net cash from/(used in) financing activities</b>         | <b>1,110,803</b>   | <b>(117,273)</b>   | <b>85,676</b>    |
| Cash and cash equivalents at the beginning of the year      | 4,691,359          | 5,519,687          | 3,891,864        |
| Net cash from operating activities                          | 3,432,096          | 301,884            | 2,423,377        |
| Net cash used in investing activities                       | (2,585,370)        | (1,012,939)        | (881,230)        |
| Net cash from/(used in) financing activities                | 1,110,803          | (117,273)          | 85,676           |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>1,957,529</b>   | <b>(828,328)</b>   | <b>1,627,823</b> |
| <b>Cash and cash equivalents at end of year</b>             | <b>6,648,888</b>   | <b>4,691,359</b>   | <b>5,519,687</b> |

## SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

|   | Dec-18<br>Rs 000  | Dec-17<br>Rs 000  | Dec-16<br>Rs 000  |
|---|-------------------|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |                   |
| Cash and cash equivalents                                   | 7,685,450         | 4,221,988         | 4,584,789         |
| Derivative assets held for risk management                  | 8,275             | 4,824             | 1,337             |
| Loans and advances to banks                                 | 2,943,988         | 3,707,245         | 1,650,343         |
| Loans and advances to customers                             | 20,668,902        | 17,746,327        | 13,750,096        |
| Investment Securities - at FVOCI/ Available-for-sale        | 2,044,702         | 2,249,806         | 1,494,704         |
| Investment Securities - at amortised cost/ Held-to-maturity | 4,687,679         | 1,968,379         | 2,296,326         |
| Property and equipment                                      | 394,301           | 403,161           | 372,417           |
| Intangible assets   | 156,539           | 41,580            | 40,693            |
| Deferred tax assets   | 46,980            | 71,766            | 71,918            |
| Other assets  | 1,368,775         | 1,296,936         | 1,024,519         |
| <b>Total assets</b>   | <b>40,005,591</b> | <b>31,712,012</b> | <b>25,287,142</b> |
| <b>LIABILITIES</b>  |                   |                   |                   |
| Deposits from customers                                     | 33,431,831        | 28,299,442        | 22,187,299        |
| Derivative liabilities held for risk management             | 1,538             | 822               | 11,423            |
| Other borrowed funds  | 2,690,235         | 123,441           | 188,431           |
| Subordinated liabilities                                    | 699,636           | 512,205           | 524,390           |
| Current tax liabilities                                     | 14,616            | 11,609            | 6,959             |
| Other liabilities   | 433,558           | 304,228           | 240,301           |
| <b>Total liabilities</b>                                    | <b>37,271,414</b> | <b>29,251,747</b> | <b>23,158,803</b> |
| <b>EQUITY</b>   |                   |                   |                   |
| Stated capital  | 856,456           | 856,456           | 856,456           |
| Retained earnings   | 1,488,632         | 1,239,958         | 967,011           |
| Other reserves  | 389,089           | 363,851           | 304,872           |
| <b>Total Equity</b>   | <b>2,734,177</b>  | <b>2,460,265</b>  | <b>2,128,339</b>  |
| <b>Total equity and liabilities</b>                         | <b>40,005,591</b> | <b>31,712,012</b> | <b>25,287,142</b> |

## SUMMARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2018

|   | Dec-18<br>Rs 000 | Dec-17<br>Rs 000 | Dec-16<br>Rs 000 |
|---|------------------|------------------|------------------|
| Interest income   | 1,395,469        | 1,080,674        | 1,022,557        |
| Interest expense  | (441,723)        | (367,117)        | (323,403)        |
| <b>Net interest income</b>                                | <b>953,746</b>   | <b>713,557</b>   | <b>699,154</b>   |
| Fee and commission income                                 | 500,317          | 271,295          | 411,836          |
| Fee and commission expense                                | (281,824)        | (123,196)        | (200,132)        |
| <b>Net fee and commission income</b>                      | <b>218,493</b>   | <b>148,099</b>   | <b>211,704</b>   |
| Net gain on dealing in foreign currencies and derivatives | 103,049          | 82,917           | 84,015           |
| Other operating income                                    | 147,827          | 14,987           | 397              |
|   | 250,876          | 97,904           | 84,412           |
| <b>Operating income</b>                                   | <b>1,423,115</b> | <b>959,560</b>   | <b>995,270</b>   |
| Personnel expenses  | (406,765)        | (367,600)        | (313,654)        |
| Depreciation and amortisation                             | (50,263)         | (43,691)         | (34,392)         |
| Other expenses  | (177,192)        | (136,203)        | (144,785)        |
|   | (634,220)        | (547,494)        | (492,831)        |
| Profit before impairment                                  | 788,895          | 412,066          | 502,439          |
| Net impairment loss on financial assets                   | (340,213)        | (11,299)         | (153,626)        |
| <b>Total impairment loss</b>                              | <b>(340,213)</b> | <b>(11,299)</b>  | <b>(153,626)</b> |
| Profit before income tax                                  | 448,682          | 400,767          | 348,813          |
| Income tax expense  | (55,223)         | (26,568)         | (37,229)         |
| <b>Profit for the year</b>                                | <b>393,459</b>   | <b>374,199</b>   | <b>311,584</b>   |
| Basic earnings per share (Rs)                             | 45.94            | 43.69            | 36.38            |

These financial statements were approved and authorised for issue by the Board of Directors on 26 March 2019

  
Sandra Martyres  
Chairperson of the Board of Directors

  
Ranveet Chowdhury  
Chief Executive Officer

  
Leonard C. Mususa  
Director

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

|   | 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       |
| Balance as at 1 January 2016            | 856,456        | 78,895              | 145,083           | 49,209                  | 6,619              | (27,892)                        | 707,284           | 1,815,654    |
| Profit for the year                     | -              | -                   | -                 | -                       | -                  | -                               | 311,584           | 311,584      |
| Other comprehensive income for the year | -              | (1,561)             | -                 | -                       | 7,586              | (4,924)                         | -                 | 1,101        |
| Transfer to general banking reserve     | -              | -                   | -                 | 5,119                   | -                  | -                               | (5,119)           | -            |
| Transfer to statutory reserve           | -              | -                   | 46,738            | -                       | -                  | -                               | (46,738)          | -            |
| Total comprehensive income              | -              | (1,561)             | 46,738            | 5,119                   | 7,586              | (4,924)                         | 259,727           | 312,685      |
| Balance as at 31 December 2016          | 856,456        | 77,334              | 191,821           | 54,328                  | 14,205             | (32,816)                        | 967,011           | 2,128,339    |
| Balance as at 1 January 2017            | 856,456        | 77,334              | 191,821           | 54,328                  | 14,205             | (32,816)                        | 967,011           | 2,128,339    |
| Profit for the year                     | -              | -                   | -                 | -                       | -                  | -                               | 374,199           | 374,199      |
| Other comprehensive income for the year | -              | 14,934              | -                 | -                       | (5,668)            | (25,539)                        | -                 | (16,273)     |
| Transfer to general banking reserve     | -              | -                   | -                 | 19,123                  | -                  | -                               | (19,123)          | -            |
| Transfer to statutory reserve           | -              | -                   | 56,129            | -                       | -                  | -                               | (56,129)          | -            |
| Total comprehensive income              | -              | 14,934              | 56,129            | 19,123                  | (5,668)            | (25,539)                        | 298,947           | 357,926      |
| <b>Transaction with owners</b>          |                |                     |                   |                         |                    |                                 |                   |              |
| Dividend                                | -              | -                   | -                 | -                       | -                  | -                               | (26,000)          | (26,000)     |
| Total transaction with owners           | -              | -                   | -                 | -                       | -                  | -                               | (26,000)          | (26,000)     |
| Balance as at 31 December 2017          | 856,456        | 92,268              | 247,950           | 73,451                  | 8,537              | (58,355)                        | 1,239,958         | 2,460,265    |
| Balance as at 1 January 2018            | 856,456        | 92,268              | 247,950           | 73,451                  | 8,537              | (58,355)                        | 1,239,958         | 2,460,265    |
| Impact of adopting IFRS 9               | -              | -                   | -                 | (41,435)                | -                  | -                               | (1,652)           | (43,087)     |
| Restated balance as at 1 January 2018   | 856,456        | 92,268              | 247,950           | 32,016                  | 8,537              | (58,355)                        | 1,238,306         | 2,417,178    |
| Profit for the year                     | -              | -                   | -                 | -                       | -                  | -                               | 393,459           | 393,459      |
| Other comprehensive income for the year | -              | 5,045               | -                 | -                       | (13,008)           | 10,603                          | -                 | 2,640        |
| Transfer to general banking reserve     | -              | -                   | -                 | 5,014                   | -                  | -                               | (5,014)           | -            |
| Transfer to statutory reserve           | -              | -                   | 59,019            | -                       | -                  | -                               | (59,019)          | -            |
| Total other comprehensive income        | -              | 5,045               | 59,019            | 5,014                   | (13,008)           | 10,603                          | 329,426           | 396,099      |
| <b>Transaction with owners</b>          |                |                     |                   |                         |                    |                                 |                   |              |
| Dividend                                | -              | -                   | -                 | -                       | -                  | -                               | (79,100)          | (79,100)     |
| Total transaction with owners           | -              | -                   | -                 | -                       | -                  | -                               | (79,100)          | (79,100)     |
| Balance as at 31 December 2018          | 856,456        | 97,313              | 306,969           | 37,030                  | (4,471)            | (47,752)                        | 1,488,632         | 2,734,177    |

### Note 1.

The accompanying summary financial statements, without reference to the detailed notes, are derived from the audited financial statements of Bank One Limited (the "Bank") for the year ended 31 December 2018. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, are available from the regulatory authorities and can be viewed on the Bank's website: www.bankone.mu

The summary financial statements comprise the statement of financial position at 31 December 2018 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year ended 31 December 2018, as presented in the audited financial statements for that period without reference to the detailed notes.

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

### Our Opinion

In our opinion, the accompanying summary financial statements of Bank One Limited (the "Bank") are consistent, in all material respects, with the audited financial statements, on the basis described in note 1.

### The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2018 comprise:

- the summary statement of financial position as at 31 December 2018;
- the summary statement of profit or loss for the year then ended;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

### The Audited Financial Statements and our Audit Report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 March 2019. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

### Responsibilities of the Directors for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements on the basis described in note 1.

### Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respects with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

### Other Matter

This report, including the opinion, has been prepared for and only for the Bank's shareholders in accordance with Section 34(6)(b)(ii) of the Mauritian Banking Act 2004 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.