# **BANKONE**

## **Financial Highlights**

The Bank has been successful in growing its assets base from MUR 40 billion in 2018 to reach MUR 55.6 billion as at 31 December 2019, representing an increase of 39%. Gross loans book went up from MUR 25 billion as at December 2018 to MUR 29 billion as at December 2019, representing an 18% year on year growth, contributed by both Segment A and Segment B businesses.

After net impairment of MUR 95 million and a MUR 38 million impact of the newly introduced special levy, the Bank closed the year with total profit after tax of MUR 630 million. The gross NPL ratio was brought down from 4.74% in 2018 to 4.23% as at December 2019. With this strong performance, the bank improved further its capital base and reported a Capital Adequacy Ratio of 14.71% as at December 2019. The Bank delivered a return on average equity a return on average assets of 20.58% and 1.46% respectively to its shareholders

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SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019						
	Dec- 19	Dec-18	Dec-17			
	Rs 000	Rs 000	Rs 000			
ASSETS						
Cash and cash equivalents	6,646,989	7,685,450	4,221,988			
Derivative assets held for risk man- agement	3,770	8,275	4,824			
Loans and advances to banks	4,912,421	2,943,988	3,707,245			
Securities purchased under agree- ment to resell	2,035,393	-	-			
Loans and advances to customers	22,928,271	20,668,902	17,746,327			
Investment in financial instruments measured at fair value	2,568,506	2,044,702	2,249,806			
Investment in financial instruments measured at amortised cost	14,334,293	4,687,679	1,968,379			
Right-Of-Use assets	55,096	-	-			
Property and equipment	371,821	394,301	403,161			
ntangible assets	138,466	156,539	41,580			
Deferred tax assets	51,277	46,980	71,766			
Other assets	1,577,192	1,368,775	1,296,936			
Total assets	55,623,495	40,005,591	31,712,012			
LIABILITIES						
Deposits from customers	48,138,611	33,431,831	28,299,442			
Derivative liabilities held for risk management	33,348	1,538	822			
Other borrowed funds	2,449,494	2,690,235	123,441			
Subordinated liabilities	713,831	699,636	512,205			
Current tax liabilities	20,734	14,616	11,609			
Other liabilities	658,247	433,558	304,228			
Leased liabilities	57,723	-	-			
Total Liabilities	52,071,988	37,271,414	29,251,747			
EQUITY						
Stated capital	1,156,456	856,456	856,456			
Retained earnings	1,875,669	1,488,632	1,239,958			
Other reserves	519,382	389,089	363,851			
Total Equity	3,551,507	2,734,177	2,460,265			
Total Equity and Liabilities	55,623,495	40,005,591	31,712,012			

MMARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019
EINDED 31 DECEMBER 2019

	Dec- 19	Dec-18	Dec-17
-	Rs 000	Rs 000	Rs 000
Interest income	1,685,135	1,395,469	1,080,674
Interest expense	(597,479)	(441,723)	(367,117)
Net interest income	1,087,656	953,746	713,557
Fee and commission income	671,250	500,317	271,295
Fee and commission expense	(394,526)	(281,824)	(123,196)
Net fee and commission income	276,724	218,493	148,099
Net gain on dealing in foreign curren- cies and derivatives Net gain from derecognition of	138,099	103,049	82,917
financial assets measured at fair value through other comprehensive income	6,826	105	14,379
Other operating income	139	147,722	608
	145,064	250,876	97,904
Operating income	1,509,444	1,423,115	959,560
Personnel expenses	(447,389)	(406,765)	(367,600)
Depreciation and amortisation	(78,828)	(50,263)	(43,691)
Other expenses	(227,020)	(177,192)	(136,203)
	(753,237)	(634,220)	(547,494)
Profit before impairment	756,207	788,895	412,066
Net impairment loss on financial assets	(95,369)	(340,213)	(11,299)
Total impairment loss	(95,369)	(340,213)	(11,299)
Profit before income tax	660,838	448,682	400,767
Income tax expense	(30,380)	(55,223)	(26,568)
Profit for the year	630,458	393,459	374,199
Earnings per share (Rs)	69.55	45.94	43.69

SUMMARY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Dec- 19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
Profit for the year	630,458	393,459	374,199
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation, net of tax	(22,133)	10,603	(25,539)
Revaluation on building, net of tax	-	5,045	14,934
Movement in investment revaluation reserve for equity instruments at FVTOCI	2,077	1,260	77
Items that may be reclassified subsequently to profit or loss:			
Movement in investment revaluation reserve for debt instruments at FVTOCI/AFS investments securities, net of tax:			
Reclassification of (losses)/gains during the period	(18,755)	1,124	1,584
Gains/(losses) arising during the period	63,683	(15,392)	(7,329)
Other Comprehensive Income for the year	24,872	2,640	(16,273)

## SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	CEMBER 201		
	Dec- 19	Dec-18	Dec-17
	Rs 000	Rs 000	Rs 000
Cash flows from operating activities			
Profit before income tax	660,838	448,682	400,767
Net change on provision for credit impairment	95,369	340,213	11,299
Depreciation	43,748	36,141	30,110
Amortisation	35,080	14,122	13,58
(Gain)/loss on disposal of property and equipment	(139)	(6,901)	643
Change in provisions and pensions obligations	5,064	5,062	14,81
Gain on sale of securities	(6,826)	(103)	(14,379
Exchange gain/(loss) and others	59,378	(619)	42,80
Net interest income	(1,087,656)	(953,746)	(713,557
	(195,144)	(117,149)	(213,914
Changes in operating assets and liabilities			
Movement in Derivatives	36,315	(2,735)	(14,088
(Increase)/decrease in loans and advances			
-to banks	(1,938,625)	781,794	(2,076,646
-to customers	(2,073,391)	(3,294,501)	(3,934,211
Increase in securities purchased under agreement to resell	(2,035,393)	-	
Increase in other assets	(482,225)	(99,249)	(249,863
Increase in deposits from customers	14,643,385	5,133,850	6,073,78
Increase in other liabilities	206,919	119,135	33,07
Interest received	1,616,357	1,376,556	1,027,09
Interest paid	(534,084)	(443,184)	(328,754
Income tax paid	(30,050)	(22,421)	(14,589
Net cash from operating activities	9,214,064	3,432,096	301,88
Cash flows used in investing activities			
Purchase of investment securities	(29,553,832)	(6,900,110)	(9,245,028

These financial statements were approved and authorised for issue by the Board of Directors on 13 March 2020.

Ms. Sandra Martyres **Chairperson of the Board of Directors** 

Ravneet Chowdhury **Chief Executive Officer** 

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Director

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

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 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
Transactions with owners								
Dividend	-	-	-	-	-	-	(26,000)	(26,000)
Total transactions 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	<u> </u>		59,019			-	(59,019)	-
Total comprehensive income	<u> </u>	5,045	59,019	5,014	(13,008)	10,603	329,426	396,099
Transactions with owners								
Dividend	-	-	-	-	-	-	(79,100)	(79,100)
Total transactions 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
Balance as at 1 January 2019	856,456	97,313	306,969	37,030	(4,471)	(47,752)	1,488,632	2,734,177
Profit for the year	-	-	-	-	-	-	630,458	630,458
Other comprehensive income for the year	-	-	-	-	47,005	(22,133)	-	24,872
Transfer to general banking reserve	-	-	-	10,852	-	-	(10,852)	-
Transfer to statutory reserve			94,569	-	-	-	(94,569)	-
Total comprehensive income	-		94,569	10,852	47,005	(22,133)	525,037	655,330
Transactions with owners								
Issue of shares	300,000	-	-	-	-	-	-	300,000
Dividend	-		-		-	-	(138,000)	(138,000)
Total transactions with owners	300,000		-			-	(138,000)	162,000
Balance as at 31 December 2019	1,156,456	97,313	401,538	47,882	42,534	(69,885)	1,875,669	3,551,507

## Independent auditor's report to the Shareholders of **Bank One Limited**

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2019, the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of Bank One Limited (the "Bank") for the year ended December 31, 2019. In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements of the Bank prepared in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

#### 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 Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 13, 2020. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current year.

#### **Responsibilities of 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.

Deloitte Chartered Accountants

13 March 2020

#### 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 2019. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, are available on the Bank's website:www.bankone.mu

The summary financial statements comprise the summary statement of financial position as at 31 December 2019 and the summary statement of profit or loss and other comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, as presented in the audited financial statements for the year.

# Liquidity Coverage Ratio - Quarter ending December 2019

(Consolidated in MUR'000s)	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)	7,299,517	7,299,517
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	15,874,166	1,587,417
Unsecured wholesale funding, of which:		
Non-operational deposits (all counterparties)	14,959,251	5,983,700
Unsecured debt	1,738,483	1,738,483
Additional requirements, of which:		
Credit and liquidity facilities	1,412,254	1,087,632
Other contractual funding obligations	1,118,228	1,118,228
Other contingent funding obligations	775,169	38,758
TOTAL CASH OUTFLOWS	3,305,650	2,244,618
CASH INFLOWS		
Secured funding	7,080,847	7,080,847
Inflows from fully performing exposures	2,635,818	1,317,909
Other cash inflows	1,492,254	1,492,254
TOTAL CASH INFLOWS	11,208,918	9,891,009
		TOTAL ADJUSTED VALUE
TOTAL HQLA		7,299,517
TOTAL NET CASH OUTFLOWS		2,472,752
LIQUIDITY COVERAGE RATIO (%)		295%
QUARTERLY AVERAGE OF DAILY HQLA		6,419,239

securities			
Purchase of property and equipment	(18,746)	(23,434)	(50,515
Proceeds from sale of other assets	180	6,647	
Proceeds from sale of property and equipment	-	889	197
Purchase of intangible assets	(12,469)	(129,081)	(14,468
Net cash used in investing activities	(9,358,999)	(2,585,370)	(1,012,939
Cash flows from financing activities			
Issue of shares	300,000	-	
Repayment of other borrowed funds	(79,866)	(42,697)	(41,273
Proceeds from other borrowed funds	1,366,125	1,032,600	
Proceeds from subordinated liabilities	-	200,000	
Repayment of subordinated liabilities	-	-	(50,000
Dividend paid	(138,000)	(79,100)	(26,000
Repayment of the lease liabilities	(6,551)	-	
Net cash from/(used in) financing activities	1,441,708	1,110,803	(117,273
Cash and cash equivalents at the beginning of the year	6,648,888	4,691,359	5,519,687
Net cash from operating activities	9,214,064	3,432,096	301,884
Net cash used in investing activities	(9,358,999)	(2,585,370)	(1,012,939
Net cash from/(used in) financing activities	1,441,708	1,110,803	(117,273
Net increase/(decrease) in cash and cash equivalents	1,296,773	1,957,529	(828,328
Cash and cash equivalents at end of year	7,945,661	6,648,888	4,691,359

20,225,868 4,459,719 8,296,875

#### Auditor's Responsibility

Proceeds from sale of investment

securities

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 (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

#### Other Matter

This report, including our opinion, has been prepared for and only for the Bank's shareholders in accordance with Section 34(6)(b)(ii) of the Mauritius 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.

Notes: The reported values for 'quarterly average of monthly observations' are based on October, November and December 2019 month end figures. The reported values for 'quarterly average of daily HQLA' are based on business days figures over the 1<sup>st</sup> October 2019 to 31<sup>st</sup> December 2019's period.

Comments: As at end of December 2019, the bank's quarterly average LCR stood at 295%, indicating a healthy liquidity position significantly above 100%. This is due to a rise in investment in eligible securities qualified as HQLA which is primarily made up of cash, unrestricted balances with Central Bank, Sovereign and Central Bank Securities.

The Bank's Total Net Cash Outflow from October 2019 to December 2019 showed a slight regression and this has reflected in the quarterly average LCR from 282% to 295%. The bank is proactively managing the ratio by an ongoing monitoring of the stock of High Quality Liquid Assets (HQLA) in order to meet liquidity and regulatory needs.