

FINANCIAL HIGHLIGHTS

Like any other business, the impact of the pandemic was severely felt on the business front. Despite the unfavourable business and economic environment, the bank has been successful in improving its asset base by a modest increase of 3% from MUR55bn in 2019 to reach MUR57bn as at 31 December 2020. The gross loans book was consciously brought down from MUR2.9bn as at December 2019 to MUR2.5bn as at December 2020. This move allowed the bank to improve its liquidity level while at the same time improving its capital ratios.

Furthermore, the bank significantly fortified its capital base with the raising of Rs300m of Tier 1 capital from its existing shareholders and subordinated bonds of Rs600m from local investors in June 2020.

Over and above the negative impact of Covid-19, the performance of the bank was also affected by the classification of two fraud related accounts with common shareholding as impaired. This resulted in the deterioration of the impairment ratio from 4.23% as at December 2019 to 8.67% as at December 2020. Consequently, after booking substantial impairment provisions of Rs1.1bn, the Bank registered loss after tax of Rs492m.

The bank closed the year under review with exceptionally high liquidity and capital levels - Liquidity Coverage Ratio stood at 394% and Capital Adequacy Ratio at 19.81%.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Dec 2020	Restated Dec 2019	Dec 2018
	Rs 000	Rs 000	Rs 000
ASSETS			
Cash and cash equivalents	12,176,779	7,945,661	6,648,888
Derivative assets held for risk management	32,891	3,770	8,275
Loans and advances to banks	1,983,472	4,912,421	2,943,988
Securities purchased under agreement to resell		2,034,570	-
Loans and advances to customers	18,656,594	22,928,271	20,668,902
Investment in financial instruments measured at fair value through other comprehensive income	12,035,154	2,568,506	2,044,702
Investment in financial instruments measured at amortised cost	10,228,322	13,066,886	4,162,879
Right-Of-Use asset	40,375	55,096	-
Property and equipment	345,607	371,821	394,301
Intangible assets	111,585	138,466	156,539
Deferred tax assets	88,682	51,277	46,980
Other assets	1,448,071	1,546,750	1,343,375
Total Assets	57,147,532	55,623,495	38,418,829
LIABILITIES			
Deposits from customers	48,050,492	48,138,611	33,431,831
Derivative liabilities held for risk management	13,041	33,348	1,538
Other borrowed funds	3,767,074	2,449,494	1,103,473
Subordinated liabilities	1,387,217	713,831	699,636
Pension obligations	80,146	43,891	32,312
Current tax liabilities	1,783	59,037	14,616
Other liabilities	381,048	576,053	401,246
Lease liabilities	48,074	57,723	-
Total Liabilities	53,728,875	52,071,988	35,684,652
EQUITY			
Stated capital	1,456,456	1,156,456	856,456
Retained earnings	1,376,237	1,875,669	1,488,632
Other reserves	585,964	519,382	389,089
Total Equity	3,418,657	3,551,507	2,734,177
Total Equity and Liabilities	57,147,532	55,623,495	38,418,829

These financial statements were approved and authorised for issue by the Board of Directors on 09 March 2021.

Sandra Martynes
Chairperson

Mark Watkinson
Chief Executive Officer

Leonard Mususa
Chairman of the Board Audit Committee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Dec-20	Dec-19	Dec-18
	Rs 000	Rs 000	Rs 000
Cash flows from operating activities			
(Loss)/profit before income tax	(531,544)	699,141	448,682
Net change on provision for credit impairment	1,073,659	95,369	340,213
Depreciation	43,104	43,748	36,141
Amortisation	35,517	35,080	14,122
Gain on disposal of property and equipment	(402)	(139)	(6,901)
Change in provisions and pensions obligations	8,488	5,064	5,062
Gain on sale of securities	(38,464)	(6,826)	(103)
Exchange gain/(loss) and others	272,944	21,075	(619)
Net interest income	(927,179)	(1,087,656)	(953,746)
	(63,877)	(195,144)	(117,149)
Changes in operating assets and liabilities			
Movement in derivatives	(49,428)	36,315	(2,735)
Decrease/(increase) in loans and advances			
-to banks	2,951,010	(1,938,625)	781,794
-to customers	3,253,311	(2,073,391)	(3,294,501)
Decrease/(increase) in securities purchased under agreement to resell	2,037,050	(2,035,393)	-
Decrease/(increase) in other assets	92,817	(482,225)	(99,249)
(Decrease)/increase in deposits from customers	(92,198)	14,643,385	5,133,850
(Decrease)/increase in other liabilities	(196,730)	206,919	119,135
Interest received	1,401,666	1,616,357	1,376,556
Interest paid	(555,765)	(534,084)	(443,184)
Income tax paid	(52,474)	(30,050)	(22,421)
Net cash from operating activities	8,725,382	9,214,064	3,432,096
Cash flows used in investing activities			
Purchase of investment securities	(150,471,330)	(29,553,832)	(6,900,110)
Proceeds from sale of investment securities	143,984,117	20,225,868	4,459,719
Purchase of property and equipment	(6,845)	(18,746)	(23,434)
Proceeds from sale of other assets		180	6,647
Proceeds from sale of property and equipment	765	-	889
Purchase of intangible assets	(8,636)	(12,469)	(129,081)
Net cash used in investing activities	(6,501,929)	(9,358,999)	(2,585,370)
Cash flows from financing activities			
Issue of shares	300,000	300,000	-
Proceeds from subordinated liabilities	595,000	-	200,000
Repayment of other borrowed funds	(264,792)	(79,866)	(42,697)
Proceeds from other borrowed funds	1,384,419	1,366,125	1,032,600
Dividend paid		(138,000)	(79,100)
Repayment of the lease liabilities	(6,962)	(6,551)	-
Net cash from financing activities	2,007,665	1,441,708	1,110,803
Cash and cash equivalents at the beginning of the year	7,945,661	6,648,888	4,691,359
Net cash from operating activities	8,725,382	9,214,064	3,432,096
Net cash used in investing activities	(6,501,929)	(9,358,999)	(2,585,370)
Net cash from financing activities	2,007,665	1,441,708	1,110,803
Net increase in cash and cash equivalents	4,231,118	1,296,773	1,957,529
Cash and cash equivalents at end of year	12,176,779	7,945,661	6,648,888

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

Opinion
The summary financial statements, which comprise the statement of financial position as at December 31, 2020, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and related note 1, are extracted from the audited financial statements of Bank One Limited (the "Bank") for the year ended December 31, 2020.

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, the Financial Reporting Act 2004 and the Banking 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.

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2020

	Dec 2020	Restated Dec 2019	Dec 2018
	Rs 000	Rs 000	Rs 000
Interest income	1,487,023	1,685,135	1,395,469
Interest expense	(559,844)	(597,479)	(441,723)
Net interest income	927,179	1,087,656	953,746
Fee and commission income	689,113	671,250	500,317
Fee and commission expense	(497,249)	(394,526)	(281,824)
Net fee and commission income	191,864	276,724	218,493
Net gain on dealing in foreign currencies and derivatives	159,631	138,099	103,049
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVOCI)	38,464	6,826	105
Other operating income	402	139	147,722
	198,497	145,064	250,876
Operating income	1,317,540	1,509,444	1,423,115
Personnel expenses	(447,820)	(447,389)	(406,765)
Depreciation and amortisation	(78,621)	(78,828)	(50,263)
Other expenses	(248,984)	(188,717)	(177,192)
	(775,425)	(714,934)	(634,220)
Profit before impairment	542,115	794,510	788,895
Net impairment loss on financial assets	(1,073,659)	(95,369)	(340,213)
(Loss)/profit before income tax	(531,544)	699,141	448,682
Income tax credit/(expense)	39,819	(68,683)	(55,223)
(Loss)/profit for the year	(491,725)	630,458	393,459

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Dec 2020	Dec 2019	Dec 2018
	Rs 000	Rs 000	Rs 000
(Loss)/profit for the year	(491,725)	630,458	393,459
Other Comprehensive income :			
<i>Items that will not be classified subsequently to profit or loss:</i>			
Remeasurement of defined pension obligation, net of tax	(27,280)	(22,133)	10,603
Revaluation on building, net of tax		-	5,045
Movement in investment revaluation reserve for equity instruments at FVTOCI	(10,585)	2,077	1,260
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Movement in investment revaluation reserve for debt instruments at FVTOCI		-	-
Reclassification of (gains)/losses during the year	(38,464)	(18,755)	1,124
Credit allowance relating to debt instruments held at FVTOCI	3,395	-	-
Gains/(losses) arising during the year	131,809	63,683	(15,392)
Other Comprehensive Income for the year	58,875	24,872	2,640
Total Comprehensive (Loss)/Income for the year	(432,850)	655,330	396,099

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	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 2018	856,456	92,268	247,950	73,451	8,537	(58,355)	1,239,958	2,460,265
Impact of adopting IFRS9	-	-	-	(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	-	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 comprehensive income	-	5,045	59,019	5,014	(13,008)	10,603	329,426	396,099
Transaction with owners								
Dividend	-							