# **BANKONE**

#### **FINANCIAL HIGHLIGHTS**

Notwithstanding the difficult economic environment, the Bank witnessed a growth in its total assets book 5% from Rs55.6bn as at December 2019 to Rs58.0bn as at September 2020.

Deposits for both segment A and Segment B improved since December 2019. Total deposits closed at Rs49.6bn as at September 2020 compared to Rs48.1bn as at December 2019.

The Bank adopted a prudent approach as far as new loan disbursements are concerned, which resulted in a decline in the Loans and advances as compared to December 2019 to close at Rs22.4bn. Inflows from repayment of existing exposures were reinvested in more liquid assets.

The classification of some offshore exposures caused the impairment ratio to shoot up 4.23% in December 2019 to 10.57% as at September 2020.

After booking impairment charges of Rs917.7m, the bank ended the nine months with loss after tax of Rs419m as compared to profits of Rs414.6m for the same period previous year.

The impairment charge relates mainly to provisions made on Segment B exposures classified earlier this year

The Bank Capital Adequacy Ratio closed at 19.30% as at September 2020 (Q3 2019:13.42% and Dec 2019:14.71%) against a regulatory limit of 11.875%.

The COVID-19 challenges of the first nine months are likely to spread into the last quarter of the year. However, Bank One remains highly capitalised and very liquid. The business is well-positioned to take advantage of opportunities as they arise later in the year and in early 2021.

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Unaudited	Audited
	30 September 2020	31 December 2019
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	8,540,423	7,945,661
Derivative assets held for risk management	202,709	3,770
Loans and advances to banks	3,013,736	4,912,421
Securities purchased under agreement to resell	-	2,034,570
Loans and advances to customers	19,368,506	22,928,271
Investment securities measured at Fair value through other comprehensive income	15,710,157	2,568,506
Investment securities measured at amortised cost	9,398,998	13,066,886
Right-Of-Use asset	44,388	55,096
Property and equipment	348,844	371,821
Intangible assets	107,280	138,466
Deferred tax assets	80,795	51,277
Other assets	1,461,088	1,546,750
Total Assets	58,276,924	55,623,495

### LIABILITIES

			(Loss)/ gain arising during the perio					(387)		5,843	14,052	33,189
Deposits from customers	49,588,237	48,138,611	Other Comprehensive Income for	the period			••••••	3,202	36	5,859	17,672	39,289
Derivative liabilities held for risk management	3,161	33,348	Total Comprehensive Income/ (los	ss) for the peri	od			11,219	(382	,143)	155,752	453,926
Other borrowed funds	3,379,089	2,449,494										
Subordinated liabilities	1,374,121	713,831	INTERIM CONDENSED S	TATEMENT C	F CHANGE	S IN EQUIT	Y FOR TH		IONTHS E	NDED 30	SEPTEMBEI	2020
Current tax liabilities	4,642	20,734										
Other liabilities	409,712	658,247		Stated	Shareholders contribution	Revaluation	Statutory	General Banking	Fair value	Retirement Benefit Plan	Retained	Total
Leased liabilities	48,598	57,723		capital	pending allotment	surplus	reserve	reserve	reserve	Reserve	earnings	equity
Total Liabilities	54,807,560	52,071,988		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
EQUITY			Balance as at 1 January 2019	856,456	-	97,313	306,969	37,030	(4,471)	(47,752)	1,488,632	2,734,177
Stated capital	1,456,456	1,156,456									444 407	444 407
Retained earnings	1,452,255	1,875,669	Profit for the period	-	-	-	-	-	-	-	414,637	414,637
Other reserves	560,653	519,382	Other comprehensive income	-		-	-	-	39,289	-	-	39,289
Total Equity	3,469,364	3,551,507	Total comprehensive income	-	-	-	-	-	39,289	-	414,637	453,926
Total Equity and Liabilities	58,276,924	55,623,495	Transfer to general banking reserve	-	-	-	-	3,749	-	-	(3,749)	-
INTERIM CONDENSED STATEMENT	OF CASH FLO	<b>NS FOR THE</b>	Share application monies	-	150,000	-	-	-	-	-	-	150,000
NINE MONTHS ENDED 30	CEDTEMPED OF	120										
NINE MONTHS ENDED 30	SEPTEMBER 20	520	Dividend	-	-	-	-	-	-	-	(138,000)	(138,000)
NINE MONTHS ENDED 30	Unaudited Nine months	Unaudited Nine months	Dividend Balance as at 30 September 2019	856,456	150,000	97,313	306,969	40,779	34,818	(47,752)	(138,000) <b>1,761,520</b>	
NINE MONTHS ENDED 30	Unaudited Nine months ended	Unaudited	Balance as at 30 September	- <b>856,456</b> 1,156,456	- 150,000	<b>97,313</b> 97,313	- <b>306,969</b> 401,538	<b>40,779</b> 47,882	- <b>34,818</b> 42,534	- ( <b>47,752</b> ) (69,885)		
NINE MONTHS ENDED 30	Unaudited Nine months ended 30 September	Unaudited Nine months ended 30 September	Balance as at 30 September 2019		- 150,000 - -						1,761,520	3,200,103
Cash and cash equivalents at beginning of period	Unaudited Nine months ended 30 September 2020	Unaudited Nine months ended 30 September 2019	Balance as at 30 September 2019 Balance as at 1 January 2020		- 150,000 - - -						<b>1,761,520</b> 1,875,669	<b>3,200,103</b> 3,551,507
Cash and cash equivalents at beginning of period	Unaudited Nine months ended 30 September 2020 Rs 000	Unaudited Nine months ended 30 September 2019 Rs 000	Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period		- 150,000 - - - -				42,534	(69,885)	<b>1,761,520</b> 1,875,669	<b>3,200,103</b> 3,551,507 (419,002)
Cash and cash equivalents at beginning of period Net cash generated from operating activities	Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661	Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888	Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period Other comprehensive income		- 150,000 - - - - -				42,534 - 58,266	(69,885) - (21,407)	<b>1,761,520</b> 1,875,669 (419,002) -	<b>3,200,103</b> 3,551,507 (419,002) 36,859
Cash and cash equivalents at beginning of period Net cash generated from operating activities Net cash used in investing activities	Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661 8,063,498	Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888 3,512,479	Balance as at 30 September 2019Balance as at 1 January 2020Loss for the periodOther comprehensive incomeTotal comprehensive lossTransfer to general banking reserve	1,156,456 - - -	- 150,000 - - - -			47,882	42,534 - 58,266	(69,885) - (21,407)	<b>1,761,520</b> 1,875,669 (419,002) - (419,002)	<b>3,200,103</b> 3,551,507 (419,002) 36,859 (382,143)
Cash and cash equivalents at beginning of period Net cash generated from operating	Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661 8,063,498 (9,349,585)	Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888 3,512,479 (5,097,106)	Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period Other comprehensive income Total comprehensive loss Transfer to general banking		- 150,000 - - - - - -			47,882	42,534 - 58,266	(69,885) - (21,407) (21,407) -	<b>1,761,520</b> 1,875,669 (419,002) - (419,002)	<b>3,200,103</b> 3,551,507 (419,002) 36,859 (382,143) - 300,000

### INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE QUARTER AND FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

	Unaudited Three months ended 30 September 2020	ended	Unaudited Three months ended 30 September 2019	Unaudited Nine months ended 30 September 2019
	Rs 000	Rs 000	Rs 000	Rs 000
Interest income	315,720	1,190,036	410,168	1,222,879
Interest expense	(119,020)	(458,287)	(146,099)	(436,892)
Net interest income	196,700	731,749	264,069	785,987
Fee and commission income	184,166	507,558	164,779	495,270
Fee and commission expense	(143,767)	(366,171)	(97,590)	(285,864)
Net fee and commission income	40,399	141,387	67,189	209,406
Net gain on dealing in foreign currencies and derivatives	35,813	116,554	29,317	89,442
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	87	38,464	2,816	4,402
Other operating (loss)/income	(25)	(345)	-	140
	35,875	154,673	32,133	93,984
Operating income	272,974	1,027,809	363,391	1,089,377
Personnel expenses	(97,830)	(329,745)	(109,910)	(325,110)
Depreciation and amortisation	(20,430)	(59,510)	(19,932)	(58,866)
Other expenses	(51,825)	(145,834)	(58,134)	(167,821)
	(170,085)	(535,089)	(187,976)	(551,797)
Profit before impairment and tax	102,889	492,720	175,415	537,580
Net impairment loss on financial assets	(95,145)	(917,689)	(25,506)	(103,870)
Profit/(loss) before income tax	7,744	(424,969)	149,909	433,710
Income tax credit/ (expense)	273	5,967	(11,829)	(19,073)
Profit/(loss) for the period	8,017	(419,002)	138,080	414,637
Other Comprehensive income :				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined pension obligation, net of tax	-	(21,407)	-	-
Movement in investment revaluation reserve for equity instruments at FVTOCI	127	1,707	349	1,352
Items that may be reclassified subsequently to profit or loss:				
Reclassification of gain/(loss) during the period	-	(23,814)	3,271	4,748
Credit allowance relating to debt instruments held at FVTOCI	3,462	3,530	-	-
(Loss)/ gain arising during the period	(387)	76,843	14,052	33,189
Other Comprehensive Income for the period	3,202	36,859	17,672	39,289
Total Comprehensive Income/ (loss) for the period	11,219	(382,143)	155,752	453,926

Current tax liabilities	4,642	20,734										
Other liabilities	409,712	658,247		Stated	Shareholders contribution		Statutory	General Banking	Fair value	Retirement Benefit Plan	Retained	Tota
Leased liabilities	48,598	57,723		capital	pending allotment	surplus	reserve	reserve	reserve	Reserve	earnings	equity
Total Liabilities	54,807,560	52,071,988		Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
EQUITY			Balance as at 1 January 2019	856,456	-	97,313	306,969	37,030	(4,471)	(47,752)	1,488,632	2,734,177
Stated capital	1,456,456	1,156,456									-	_
Retained earnings	1,452,255	1,875,669	Profit for the period	-	-	-	-	-	-	-	414,637	414,637
Other reserves	560,653	519,382	Other comprehensive income	-		-	-	-	39,289	-	-	39,289
Total Equity	3,469,364	3,551,507	Total comprehensive income	-	-	-	-	-	39,289	-	414,637	453,926
Total Equity and Liabilities	58,276,924	55,623,495	Transfer to general banking reserve	-	-	-	-	3,749	-	-	(3,749)	
INTERIM CONDENSED STATEMENT	OF CASH FLO	WS FOR THE	Share application monies	-	150,000	-	-	-	-	-	-	150,000
INTERIM CONDENSED STATEMENT NINE MONTHS ENDED 30			Share application monies Dividend	-	150,000	-	-	-	-	-	- (138,000)	
	SEPTEMBER 20 Unaudited Nine months	020 Unaudited Nine months		856,456	150,000 - <b>150,000</b>	97,313	306,969	40,779	34,818	(47,752)	(138,000) <b>1,761,520</b>	(138,000)
	SEPTEMBER 20 Unaudited	020 Unaudited Nine months ended	Dividend Balance as at 30 September	- <b>856,456</b> 1,156,456	-	- - <b>97,313</b> 97,313	- - <b>306,969</b> 401,538	- - <b>40,779</b> 47,882	- <b>34,818</b> 42,534	- ( <b>47,752</b> ) (69,885)		(138,000) <b>3,200,103</b>
	SEPTEMBER 20 Unaudited Nine months ended 30 September	020 Unaudited Nine months ended 30 September	Dividend Balance as at 30 September 2019		-						1,761,520	(138,000) <b>3,200,103</b> 3,551,507
NINE MONTHS ENDED 30	SEPTEMBER 20 Unaudited Nine months ended 30 September 2020	Unaudited Nine months ended 30 September 2019	Dividend Balance as at 30 September 2019 Balance as at 1 January 2020		-						<b>1,761,520</b> 1,875,669	(138,000) <b>3,200,103</b> 3,551,507 (419,002)
NINE MONTHS ENDED 30 Cash and cash equivalents at beginning of period Net cash generated from operating	SEPTEMBER 20 Unaudited Nine months ended 30 September 2020 Rs 000	Unaudited Nine months ended 30 September 2019 Rs 000	Dividend Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period		-				42,534	(69,885)	<b>1,761,520</b> 1,875,669	(138,000) <b>3,200,103</b> 3,551,507 (419,002) 36,859
NINE MONTHS ENDED 30 Cash and cash equivalents at beginning of period Net cash generated from operating activities	SEPTEMBER 20 Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661	020 Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888	Dividend Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period Other comprehensive income Total comprehensive loss Transfer to general banking		-				42,534 - 58,266	(69,885) (21,407)	<b>1,761,520</b> 1,875,669 (419,002)	(138,000) <b>3,200,103</b> 3,551,507 (419,002) 36,859
NINE MONTHS ENDED 30 Cash and cash equivalents at beginning of period Net cash generated from operating activities Net cash used in investing activities	SEPTEMBER 20 Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661 8,063,498	020 Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888 3,512,479	Dividend Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period Other comprehensive income Total comprehensive loss Transfer to general banking reserve	1,156,456 - - -	-			47,882	42,534 - 58,266	(69,885) (21,407)	<b>1,761,520</b> 1,875,669 (419,002) - (419,002)	(138,000) <b>3,200,103</b> 3,551,507 (419,002) 36,859 (382,143)
	SEPTEMBER 20 Unaudited Nine months ended 30 September 2020 Rs 000 7,945,661 8,063,498 (9,349,585)	020 Unaudited Nine months ended 30 September 2019 Rs 000 6,648,888 3,512,479 (5,097,106)	Dividend Balance as at 30 September 2019 Balance as at 1 January 2020 Loss for the period Other comprehensive income Total comprehensive loss Transfer to general banking		-			47,882	42,534 - 58,266	(69,885) (21,407)	<b>1,761,520</b> 1,875,669 (419,002) - (419,002)	150,000 (138,000) <b>3,200,103</b> 3,551,507 (419,002) 36,859 (382,143) (382,143) 

# Liquidity Coverage Ratio - Quarter ending September 2020

(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)	20,172,618	20,172,618
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	17,153,919	1,715,392
Unsecured wholesale funding, of which:		
Non-operational deposits (all counterparties)	22,197,383	8,878,953
Unsecured debt	2,480,017	2,480,017
Additional requirements, of which:		
Credit and liquidity facilities	429,041	130,224
Other contractual funding obligations	1,696,254	1,696,254
Other contingent funding obligations	885,957	44,298
TOTAL CASH OUTFLOWS	44,842,571	14,945,138
CASH INFLOWS		
Secured funding	6,836,808	6,836,808
Inflows from fully performing exposures	1,898,041	949,021
Other cash inflows	1,573,729	1,573,729
TOTAL CASH INFLOWS	10,308,579	9,359,558
		TOTAL ADJUSTED VALUE
TOTAL HQLA		20,172,618

TOTAL NET CASH OUTFLOWS

```
5,585,580
```

19,856,042

Notes: The reported values for 'quarterly average of monthly observations' are based on July, August and September 2020 month end figures. The reported values for 'quarterly average of daily HQLA' are based on business days figures over 1st July 2020 to 30th September 2020's period.

# **COMMENTS:**

Bank One's quarterly average LCR stood at 361% as at 30th September 2020, indicating a healthy liquidity position significantly above 100%. This is driven by an excess of MUR 15Bn of High Quality Liquid Assets (HQLA) over Net Cash Outflows(NCO). The bank's HQLA has constantly increased through the quarter and consisted of cash, unrestricted balances with Central Bank, Central Bank and sovereign securities. Higher HQLA and lower NCO over the quarter saw an increase in the quarterly average LCR from 238% to 361% The bank is proactively managing the ratio by an ongoing monitoring of the stock of HQLA in order to meet liquidity and regulatory needs.