

FINANCIAL HIGHLIGHTS

The Bank witnessed a decline in its total assets book by 5% from Rs57.1bn as at December 2020 to Rs54.2bn as at March 2021.

In these uncertain times, the strategy of the bank has been to be very prudent and selective in offshore lending which resulted in a further contraction of the loans portfolio in the first quarter of 2021.

Consequently, the impairment ratio deteriorated to 9.07% in March 2021 compared to 8.67% as at December 2020.

The bank deposit book experienced a drop during the first three months of 2021. As part of its strategy, the total deposits were consciously brought down from Rs48bn as at December 2020 to Rs45.6bn as at March 2021.

The Bank closed the quarter with profit after tax of Rs62m against a loss of Rs152m in March 2020.

The Bank Capital Adequacy Ratio stood at 18.84% as at March 2021 (March 2020:13.53% and December 2020:19.81%) against a regulatory limit of 11.875% and reported a consolidated LCR of 225% at end of the quarter.

The COVID-19 outbreak, with the second lockdown in early March 2021, continues to have material impact on businesses and the economic environment worldwide. However, Bank One remains highly capitalised and very liquid.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Unaudited 31 March 2021 Rs 000	Audited 31 December 2020 Rs 000
ASSETS		
Cash and cash equivalents	20,191,227	12,176,779
Derivative assets held for risk management	28,788	32,891
Loans and advances to banks	2,018,383	1,983,472
Loans and advances to customers	17,846,610	18,656,594
Investments in financial instruments measured at FVTOCI	4,100,122	12,035,154
Investments in financial instruments measured at amortised cost	8,211,687	10,228,322
Right-Of-Use asset	38,550	40,375
Property and equipment	366,570	345,607
Intangible assets	113,214	111,585
Deferred tax assets	91,065	88,682
Other assets	1,256,599	1,448,071
Total Assets	54,262,815	57,147,532
LIABILITIES		
Deposits from customers	45,554,046	48,050,492
Derivative liabilities held for risk management	9,852	13,041
Other borrowed funds	3,366,507	3,767,074
Subordinated liabilities	1,374,428	1,387,217
Pension obligations	80,146	80,146
Current tax liabilities	11,683	1,783
Other liabilities	361,379	381,048
Leased liabilities	46,601	48,074
Total Liabilities	50,804,642	53,728,875
EQUITY		
Stated capital	1,456,456	1,456,456
Retained earnings	1,437,952	1,376,237
Other reserves	563,765	585,964
Total Equity	3,458,173	3,418,657
Total Equity and Liabilities	54,262,815	57,147,532

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Unaudited Three months ended 31 March 2021 Rs 000	Unaudited Three months ended 31 March 2020 Rs 000
Cash and cash equivalents at beginning of period	12,176,779	7,945,661
Net cash (used in)/generated from operating activities	(1,386,056)	2,992,806
Net cash from investing activities	9,818,000	1,927,483
Net cash (used in)/from financing activities	(417,496)	205,327
Net increase/decrease in cash and cash equivalents	8,014,448	5,125,616
Cash and cash equivalents at end of period	20,191,227	13,071,277

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Unaudited Three months ended 31 March 2021 Rs 000	Restated Unaudited Three months ended 31 March 2020 Rs 000
Interest income	283,198	492,925
Interest expense	(89,038)	(199,142)
Net interest income	194,160	293,783
Fee and commission income	177,475	154,213
Fee and commission expense	(126,507)	(107,432)
Net fee and commission income	50,968	46,781
Net gain on dealing in foreign currencies and derivatives	34,914	41,289
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	13,693	38,294
Other operating loss	-	(99)
	48,607	79,484
Operating income	293,735	420,048
Personnel expenses	(115,648)	(118,527)
Depreciation and amortisation	(18,470)	(19,243)
Other expenses	(71,574)	(70,896)
	(205,692)	(208,666)
Profit before impairment	88,043	211,382
Net impairment loss on financial assets	(17,285)	(352,360)
Profit/(loss) before income tax	70,758	(140,978)
Income tax expense	(9,043)	(10,734)
Profit/(loss) for the period	61,715	(151,712)
Other Comprehensive income :		
<i>Items that will not be classified subsequently to profit or loss:</i>		
<i>Movement in investment revaluation reserve for equity instruments at FVTOCI</i>	628	1,516
<i>Items that may be reclassified subsequently to profit or loss:</i>		
<i>Reclassification of gain during the period</i>	(13,693)	(38,294)
<i>Loss allowance relating to debt instruments held at FVTOCI</i>	1,075	-
<i>(Loss)/ gain on FVTOCI investments during the period</i>	(10,209)	51,262
Other Comprehensive (loss)/ Income for the period	(22,199)	14,484
Total Comprehensive Income/ (loss) for the period	39,516	(137,228)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Stated capital Rs 000	Revaluation surplus Rs 000	Statutory reserve Rs 000	General Banking reserve Rs 000	Fair value reserve Rs 000	Retirement Benefit Plan Reserve Rs 000	Retained earnings Rs 000	Total equity Rs 000
Balance as at 1 January 2020	1,156,456	97,313	401,538	47,882	42,534	(69,885)	1,875,669	3,551,507
Loss for the period	-	-	-	-	-	-	(151,712)	(151,712)
Other comprehensive income	-	-	-	-	14,484	-	-	14,484
Total comprehensive loss	-	-	-	-	14,484	-	(151,712)	(137,228)
Transfer to general banking reserve	-	-	-	2,046	-	-	(2,046)	-
Balance as at 31 March 2020	1,156,456	97,313	401,538	49,928	57,018	(69,885)	1,721,911	3,414,279
Balance as at 1 January 2021	1,456,456	97,313	401,538	55,589	128,689	(97,165)	1,376,237	3,418,657
Profit for the period	-	-	-	-	-	-	61,715	61,715
Other comprehensive loss	-	-	-	-	(22,199)	-	-	(22,199)
Total comprehensive income	-	-	-	-	(22,199)	-	61,715	39,516
Balance as at 31 March 2021	1,456,456	97,313	401,538	55,589	106,490	(97,165)	1,437,952	3,458,173

Liquidity Coverage Ratio - Quarter ending March 2021

(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)	10,771,448	10,771,448
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
<i>Less stable deposits</i>	15,307,656	1,530,766
Unsecured wholesale funding, of which:		
<i>Non-operational deposits (all counterparties)</i>	18,147,949	7,259,180
<i>Unsecured debt</i>	3,015,014	3,015,014
Additional requirements, of which:		
<i>Credit and liquidity facilities</i>	757,421	194,009
<i>Other contractual funding obligations</i>	5,074	5,074
<i>Other contingent funding obligations</i>	518,535	25,927
TOTAL CASH OUTFLOWS	37,751,649	12,029,969
CASH INFLOWS		
Secured funding	9,979,364	9,979,364
Inflows from fully performing exposures	1,380,969	690,485
Other cash inflows	9,717	9,717
TOTAL CASH INFLOWS	11,370,050	10,679,566
		TOTAL ADJUSTED VALUE
TOTAL HQLA		10,771,448
TOTAL NET CASH OUTFLOWS		2,669,891
LIQUIDITY COVERAGE RATIO (%)		403%
QUARTERLY AVERAGE OF DAILY HQLA		11,478,943

Notes: The reported values for 'quarterly average of monthly observations' are based on January, February and March 2021 month end figures.

The reported values for 'quarterly average of daily HQLA' are based on business days figures over 4th January 2021 to 31st March 2021's period.

COMMENTS:

- As at the end of March 2021 the Bank's quarterly average LCR was 403%, significantly above the regulatory minimum of 100%.
- This is driven by an excess of MUR 8Bn of High Quality Liquid Assets (HQLA) over Net Cash Outflows(NCO).
- Higher HQLA and lower NCO over the quarter saw an increase in the quarterly average LCR from 394% to 403%.
- The Bank's stock of High Quality Liquid Assets (HQLA) is proactively managed to ensure high levels of liquidity.
- Liquidity levels are monitored daily.