

Financial Highlights

Bank One registered a commendable performance in 2016 posting net profit after tax of Rs312m representing an increase of 37% over the previous year. Operating income grew by 16% from Rs857m in 2015 to close at Rs995m in 2016. The increase in total income is the result of the growth in total assets by 25%. Total deposits which represents the principal source of funding improved by 28%, the advances book grew by 18%, while the investment book registered a growth of 50%.

Bank One provided a return on its average equity and assets of 15.62% and 1.35% respectively. The cost to income ratio was maintained at 50% while the gross impaired ratio improved from 8.7% to 7.61%. The bank closed 2016 with a Capital Adequacy Ratio of 12.93% against the statutory requirement of 10%.

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Dec 2016	Dec 2015	Dec 2014
	Rs 000	Rs 000	Rs 000
ASSETS			
Cash and cash equivalents	4,584,789	3,670,672	4,724,580
Derivative assets held for risk management	1,337	207	982
Loans and advances to banks	1,650,343	534,289	313,830
Loans and advances to customers	13,750,096	12,335,145	10,543,587
Investment securities	3,791,030	2,526,420	1,294,424
Property and equipment	372,417	322,653	328,056
Intangible assets	40,693	37,424	37,728
Deferred tax assets	71,918	95,399	59,641
Other assets	1,024,519	774,326	750,487
Total Assets	25,287,142	20,296,535	18,053,315
LIABILITIES			
Deposits from customers	22,187,299	17,321,879	15,470,040
Derivative liabilities held for risk management	11,423	5,622	13,477
Subordinated liabilities	524,390	410,635	426,732
Other borrowed funds	188,431	474,379	372,642
Current tax liabilities	6,959	1,880	20,504
Other liabilities	240,301	266,486	277,239
Total Liabilities	23,158,803	18,480,881	16,580,634
EQUITY			
Stated capital	856,456	856,456	731,456
Retained earnings	967,011	707,284	471,510
Other reserves	304,872	251,914	269,715
Total Equity	2,128,339	1,815,654	1,472,681
Total Equity and Liabilities	25,287,142	20,296,535	18,053,315

SUMMARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2016

	Dec 2016	Dec 2015	Dec 2014
	Rs 000	Rs 000	Rs 000
Interest income	1,022,557	902,756	914,867
Interest expense	(323,403)	(294,463)	(350,123)
Net interest income	699,154	608,293	564,744
Fee and commission income	411,836	318,988	180,253
Fee and commission expense	(200,132)	(151,946)	(76,327)
Net fee and commission income	211,704	167,042	103,926
Net gain on dealing in foreign currencies and derivatives	84,015	72,258	48,998
Other operating income	397	9,401	3,739
Operating income	995,270	856,994	721,407
Personnel expenses	(313,654)	(311,032)	(254,286)
Depreciation and amortisation	(34,392)	(35,189)	(37,850)
Other expenses	(144,785)	(134,476)	(140,361)
	(492,831)	(480,697)	(432,497)
Profit before impairment	502,439	376,297	288,910
Net impairment loss on financial assets	(153,626)	(165,158)	(153,444)
Impairment loss on intangible assets	-	-	(15,147)
	(153,626)	(165,158)	(168,591)
Profit before income tax	348,813	211,139	120,319
Income tax (expense)/credit	(37,229)	15,790	(3,199)
Profit for the year	311,584	226,929	117,120
Basic earnings per share (Rs)	36.38	30.37	16.01

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	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 2014	731,456	75,687	93,476	-	3,215	(19,396)	464,051	1,348,489
Profit for the year	-	-	-	-	-	-	117,120	117,120
Other comprehensive income for the year	-	3,208	-	-	10,297	(6,433)	-	7,072
Total comprehensive income	-	3,208	-	-	10,297	(6,433)	117,120	124,192
Transfer to general banking reserve	-	-	-	92,093	-	-	(92,093)	-
Transfer to statutory reserve	-	-	17,568	-	-	-	(17,568)	-
Balance as at 31 December 2014	731,456	78,895	111,044	92,093	13,512	(25,829)	471,510	1,472,681
Balance as at 1 January 2015	731,456	78,895	111,044	92,093	13,512	(25,829)	471,510	1,472,681
Profit for the year	-	-	-	-	-	-	226,929	226,929
Other comprehensive income for the year	-	-	-	-	(6,893)	(2,063)	-	(8,956)
Total comprehensive income	-	-	-	-	(6,893)	(2,063)	226,929	217,973
Issue of shares	125,000	-	-	-	-	-	-	125,000
Transfer to general banking reserve	-	-	-	(42,884)	-	-	42,884	-
Transfer to statutory reserve	-	-	34,039	-	-	-	(34,039)	-
Balance as at 31 December 2015	856,456	78,895	145,083	49,209	6,619	(27,892)	707,284	1,815,654
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
Total comprehensive income	-	(1,561)	-	-	7,586	(4,924)	311,584	312,685
Transfer to general banking reserve	-	-	-	5,119	-	-	(5,119)	-
Transfer to statutory reserve	-	-	46,738	-	-	-	(46,738)	-
Balance as at 31 December 2016	856,456	77,334	191,821	54,328	14,205	(32,816)	967,011	2,128,339

These financial statements were approved and authorised for issue by the Board of Directors on 2nd March 2017

Mr Sarit Raja-Shah
Director

Ravneet Chowdhury
Chief Executive Officer

Pratul Hemraj Dharamshi Shah
Director and Chairman of Audit Committee

Note 1. The summary financial statements are derived from the audited financial statements of Bank One Limited (the "Bank") for the year ended 31 December 2016. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, are available from the regulatory authorities. The summary financial statements comprise the statement of financial position as at 31 December 2016 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year ended 31 December 2016 as presented in the audited financial statements for that period without reference to the detailed notes.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Dec 2016	Dec 2015	Dec 2014
	Rs 000	Rs 000	Rs 000
Profit for the year	311,584	226,929	117,120
Other Comprehensive income :			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit obligation net of tax	(4,924)	(2,063)	(6,433)
Revaluation on building net of tax	(1,561)	-	3,208
Items that may be reclassified subsequently to profit or loss:			
Net fair value gain/(loss) on available for sale investment securities net of tax	7,586	(6,893)	10,297
Other Comprehensive Income for the year	1,101	(8,956)	7,072
Total Comprehensive Income for the year	312,685	217,973	124,192

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Dec 2016	Dec 2015	Dec 2014
	Rs 000	Rs 000	Rs 000
Cash flows from operating activities			
Profit before income tax	348,813	211,139	120,319
Net change on provision for credit impairment	153,626	165,158	153,444
Impairment of intangible asset	-	-	15,147
Depreciation	21,045	22,124	21,630
Amortisation	13,347	13,065	16,220
Loss/(gain) on disposal of property and equipment	6,091	4,222	(531)
Change in provisions and pensions obligations	2,226	(2,910)	(18,444)
Gain on sale of securities	(2,360)	(7,656)	(12)
Others	(4,164)	15,422	(61)
Net interest income	(699,154)	(608,293)	(564,744)
	(160,530)	(187,729)	(257,032)
Changes in operating assets and liabilities			
Movement in Derivatives	4,671	(7,080)	9,242
(Increase)/decrease in loans and advances			
- to banks	(1,127,321)	(222,680)	(166,500)
- to customers	(1,536,400)	(1,938,808)	857,075
(Increase)/decrease in other assets	(247,858)	596	28,893
Increase in deposits from customers	4,824,760	1,855,421	307,325
(Decrease)/increase in other liabilities	(43,585)	(14,453)	102,635
Interest received	1,001,647	887,070	921,295
Interest paid	(282,743)	(298,045)	(392,109)
Income tax paid	(9,264)	(33,820)	(25,643)
Net cash from operating activities	2,423,377	40,472	1,385,181
Cash flows from investing activities			
Purchase of investment securities	(7,765,000)	(2,509,174)	(712,186)
Proceeds from sale of investment securities	6,967,049	1,769,312	930,100
Purchase of property and equipment	(79,752)	(21,239)	(44,512)
Proceeds from sale of other assets	9,809	-	-
Proceeds from sale of property and equipment	3,287	295	1,261
Purchase of intangible assets	(16,623)	(12,761)	(6,739)
Net cash (used in)/from investing activities	(881,230)	(773,567)	167,924
Cash flows from financing activities			
Proceeds from shares issued	-	125,000	-
Net Proceeds from/(redemption) subordinated liabilities	119,884	(37,209)	(16,653)
Repayment of other borrowed funds	(34,208)	(187,412)	(79,370)
Proceeds from other borrowed funds	-	-	272
Net cash from/(used in) financing activities	85,676	(99,621)	(95,751)
Cash and cash equivalents at the beginning of the year	3,891,864	4,724,580	3,267,226
Net cash from operating activities	2,423,377	40,472	1,385,181
Net cash (used in)/ from investing activities	(881,230)	(773,567)	167,924
Net cash from/ (used in) financing activities	85,676	(99,621)	(95,751)
Net increase/(decrease) in cash and cash equivalents	1,627,823	(832,716)	1,457,354
Cash and cash equivalents at end of year	5,519,687	3,891,864	4,724,580

Independent Auditor's Report to the Shareholders of Bank One Limited

Report on the Summary Financial Statements

The accompanying summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, the summary statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited financial statements of Bank One Limited (the "Bank") for the year ended 31 December 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 02 March 2017.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Mauritian Companies Act 2001, the Mauritian Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank.

Directors' Responsibility for the Summary Financial Statements

The Bank's directors are responsible for the preparation of a summary of the audited financial statements on the basis described in note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Bank for the year ended 31 December 2016 are consistent, in all material respects, with those financial statements, on the basis described in note 1.

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.