# **BANKONE**

# FINANCIAL HIGHLIGHTS

The Bank closed the year 2021 with a profit after tax of MUR 413 million against a prior year loss of MUR 492 million (impact of significant impairment losses).

The total assets of the bank was consciously brought down from MUR 57.1 billion as at end of 2020 to MUR 45.8 billion as as 31 December 2021.

As part of Bank One's strategic review, the Bank completed its liabilities portfolio review (an exercise which started in 2020) and deliberately exited some high ticket offshore clients. This has resulted in a decline in the bank's deposits base from MUR 48 billion at December 2020 to MUR 37.9 billion at December 2021.

The Bank remained prudent on the lending side in these uncertain economic environment which resulted in a slight decline in its loan portfolio from MUR 22.5 billion at December 2020 to MUR 21.7 billion at December 2021.

The Bank was successful in offloading some high value impaired loans and this resulted in a significant drop in the impaired loans portfolio from MUR 1,955 million (NPL ratio of 8.67%) as at December 2020 to MUR 701 million (NPL ratio of 3.23%) as at December 2021.

Both the liquidity position as well as the capital of the Bank remained strong as at December 2021. The Bank reported a Liquidity Coverage Ratio of 298%, a capital adequacy ratio of 20.89% and a tier 1 ratio of 4.16%. The Bank remained one of the best capitalised banks on the market.

## SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Dec 2021	Dec 2020	Dec 2019
	MUR 000	MUR 000	MUR 000
ASSETS			
Cash and cash equivalents	10,449,280	12,176,779	7,945,661
Derivative assets held for risk management	42,826	32,891	3,770
Loans and advances to banks	3,336,245	1,983,472	4,912,421
Securities purchased under agreement to resell	-	-	2,034,570
Loans and advances to customers	17,474,549	18,656,594	22,928,271
Investment in financial instruments measured at fair value through other comprehensive income (FVTOCI)	2,083,101	12,035,154	2,568,506
Investment in financial instruments measured at amortised cost	10,320,960	10,228,322	13,066,886
Right-Of-Use assets	89,359	40,375	55,096
Property and equipment	435,830	345,607	371,821
Intangible assets	130,666	111,585	138,466
Deferred tax assets	45,936	88,682	51,277
Other assets	1,387,575	1,448,071	1,546,750
Total Assets	45,796,327	57,147,532	55,623,495

LIABILITIES			
Deposits from customers	37,915,989	48,050,492	48,138,611
Derivative liabilities held for risk management	3,112	13,041	33,348
Other borrowed funds	2,055,978	3,767,074	2,449,494
Subordinated liabilities	1,396,543	1,387,217	713,831
Pension obligations	60,810	80,146	43,891
Current tax liabilities	27,553	1,783	59,037
Other liabilities	528,230	381,048	576,053
Lease liabilities	96,615	48,074	57,723
Total Liabilities	42,084,830	53,728,875	52,071,988
EQUITY			
Stated capital	1,456,456	1,456,456	1,156,456
Retained earnings	1,725,369	1,376,237	1,875,669
Other reserves	529,672	585,964	519,382
Total Equity	3,711,497	3,418,657	3,551,507
Total Equity and Liabilities	45,796,327	57,147,532	55,623,495

## SUMMARY STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Dec 2021	Dec 2020	Dec 2019
	MUR 000	MUR 000	MUR 000
Interest income	1,155,343	1,487,023	1,685,135
Interest expense	(340,336)	(559,844)	(597,479)
Net interest income	815,007	927,179	1,087,656
Fee and commission income	607,911	689,113	671,250
Fee and commission expense	(329,633)	(497,249)	(394,526)
Net fee and commission income	278,278	191,864	276,724
Net gain on dealing in foreign currencies and derivatives	164,391	159,631	138,099
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	93,224	38,464	6,826
Other operating income	29,053	402	139
	286,668	198,497	145,064
Operating income	1,379,953	1,317,540	1,509,444
Personnel expenses	(557,059)	(447,820)	(447,389)
Depreciation and amortisation	(75,861)	(78,621)	(78,828)
Other expenses	(296,366)	(248,984)	(188,717)
	(929,286)	(775,425)	(714,934)
Profit before impairment	450,667	542,115	794,510
Net impairment reversal/(loss) on financial assets	71,799	(1,073,659)	(95,369)
Profit/(loss) before income tax	522,466	(531,544)	699,141
Income tax (expense)/credit	(109,042)	39,819	(68,683)
Profit/(loss) for the year	413,424	(491,725)	630,458

## SUMMARY STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Dec 2021	Dec 2020	Dec 2019
	MUR 000	MUR 000	MUR 000
Profit/(loss) for the year	413,424	(491,725)	630,458
Other Comprehensive income :			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined pension obligation,net of tax	27,361	(27,280)	(22,133)
Movement in investment revaluation reserve for equity instruments at FVTOCI	(1,882)	(10,585)	2,077
Items that may be reclassified subsequently to profit or loss:			
Movement in fair value reserve for debt instruments at FVTOCI investment securities, net of tax			
Reclassification of gains on disposal of FVTOCI instruments during the year	(93,224)	(38,464)	(18,755)
Loss allowance relating to debt instruments held at FVTOCI	1,264	3,395	-
(Losses)/gains on FVTOCI instruments during the year	(54,103)	131,809	63,683
Other Comprehensive (loss)/ income for the year	(120,584)	58,875	24,872

These financial statements were approved and authorised for issue by the Board of Directors on 04 March 2022.

Kumpisusa



Chairperson

Mark Watkinson **Chief Executive Officer** 

SUMMARY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED **31 DECEMBER 2021** 

Leonard Mususa

Chairman of the **Board Audit Committee** 

_	Dec 2021	Dec 2020	Dec 2019
	MUR 000	MUR 000	MUR 000
Cash flows from operating activities			
Profit/(loss) before income tax	522,466	(531,544)	699,141
Net change on provision for credit impairment	(71,799)	1,073,659	95,369
Depreciation	40,543	43,104	43,748
Amortisation	35,318	35,517	35,080
Gain on disposal of property and equipment	(245)	(402)	(139)
Change in provisions and pensions obligation	9,915	8,488	5,064
Gain on sale of securities	(122,032)	(38,464)	(6,826)
Exchange gain and others	-	272,944	21,075
Net interest income	(815,007)	(927,179)	(1,087,656)
	(400,841)	(63,877)	(195,144)
Changes in operating assets and liabilities			
Movement in derivatives	(19,864)	(49,428)	36,315
(Increase)/decrease in loans and advances			
-to banks	(2,061,525)	2,951,010	(1,938,625)
-to customers	1,944,693	3,253,311	(2,073,391)
Decrease/(increase) in securities purchased under agreement to resell	-	2,037,050	(2,035,393)
(Increase)/decrease in other assets	(27,831)	92,817	(482,225)
(Decrease)/increase in deposits from customers	(10,124,845)	(92,198)	14,643,385
Increase/(decrease) in other liabilities	154,907	(196,730)	206,919
Interest received	1,210,884	1,401,666	1,616,357
Interest paid	(345,794)	(555,765)	(534,084)
Income tax paid	(31,258)	(52,474)	(30,050)
Net cash (used in) / from operating activities	(9,701,474)	8,725,382	9,214,064

## Cash flows used in investing activities

Purchase of investment securities	(31,189,349)	(150,471,330)	(29,553,832)
Proceeds from sale of investment securities	41,056,959	143,984,117	20,225,868
Purchase of property and equipment	(113,156)	(6,845)	(18,746)
Proceeds from sale of other assets	-	-	180
Proceeds from sale of property and equipment	296	765	-
Purchase of intangible assets	(64,999)	(8,636)	(12,469)
Net cash from / (used in) investing activities	9,689,751	(6,501,929)	(9,358,999)

## Cash flows from financing activities

Issue of shares	-	300,000	300,000
Proceeds from subordinated liabilities	7,840	595,000	-
Repayment of other borrowed funds	(1,711,917)	(264,792)	(79,866)
Proceeds from other borrowed funds	-	1,384,419	1,366,125
Dividend paid	-	-	(138,000)
Repayment of the lease liabilities	(11,699)	(6,962)	(6,551)
Net cash (used in) / from financing activities	(1,715,776)	2,007,665	1,441,708

Cash and cash equivalents at the beginning of the year	12,176,779	7,945,661	6,648,888
Net cash (used in)/from operating activities	(9,701,474)	8,725,382	9,214,064
Net cash from/(used in) investing activities	9,689,751	(6,501,929)	(9,358,999)
Net cash (used in) / from financing activities	(1,715,776)	2,007,665	1,441,708
Net (decrease)/increase in cash and cash equivalents	(1,727,499)	4,231,118	1,296,773
Cash and each aquivalants at and of year	10 440 290	12 174 770	7 045 441

Total Comprehensive income/(loss) for the year

292,840 (432,850) 655,330

# SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Stated capital	Revalua- tion surplus	Statutory reserve	General Banking reserve	Fair value reserve	Retirement Benefit Plan Reserve	Retained earnings	Total equity
	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000
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
Transaction with owners								
Issue of shares	300,000	-	-	-	-	-	-	300,000
Dividend	-	-	-	-	-	-	(138,000)	(138,000)
Total transaction 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
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 year	-	-	-	-	-	-	(491,725)	(491,725)
Other comprehensive income for the year	-	-	-	-	86,155	(27,280)	-	58,875
Transfer to general banking reserve		-		7,707	-		(7,707)	
Total comprehensive loss	-	-	-	7,707	86,155	(27,280)	(499,432)	(432,850)
Transaction with owners								
Issue of shares	300,000	-	-	-	-	-	-	300,000
Total transaction with owners	300,000	-	-	-	-	-	-	300,000
Balance as at 31 December 2020	1,456,456	97,313	401,538	55,589	128,689	(97,165)	1,376,237	3,418,657
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 year		-					413,424	413,424
Other comprehensive loss for the								
year	-	-	-	-	(147,945)	27,361	-	(120,584)
Transfer to general banking reserve	-	-	-	2,279	-	-	(2,279)	-
Transfer to statutory reserve	-	-	62,013	-	-	-	(62,013)	-
Total comprehensive income	-	-	62,013	2,279	(147,945)	27,361	349,132	292,840
Balance as at 31 December 2021	1,456,456	97,313	463,551	57,868	(19,256)	(69,804)	1,725,369	3,711,497

## The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 04 March, 2022. 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.

#### Auditor's Responsibility

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.

Cash and cash equivalents at end of year

7,945,661 12,176,779 10,449,280

# 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 31 December, 2021, the summary statement of profit or loss, the summary statement of other comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended and related to note 1, are extracted from the audited financial statements of Bank One Limited (the "Bank") for the year ended 31 December, 2021.

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.

# of Bank One Limited (the "Bank") for the year ended 31 December 2021. 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, the Financial Reporting Act 2004 and the Banking 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 2021 and the summary statement of profit or loss, the summary statement of 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.

The accompanying summary financial statements, without reference to the detailed notes, are extracted from the audited financial statements

# Liquidity Coverage Ratio - Quarter ending December 2021

(Consolidated in MUR'000s)	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)	
<b>High-quality liquid assets</b> Total high-quality liquid assets (HQLA)	7,403,444	7,403,444	
CASH OUTFLOWS			
Retail deposits and deposits from small business customers, of which:			
Less stable deposits	13,221,600	1,322,160	
Unsecured wholesale funding, of which:			
Non-operational deposits (all counterparties)	11,440,209	4,576,083	
Unsecured debt	2,234,669	2,234,669	
Additional requirements, of which:			
Credit and liquidity facilities	571,213	141,001	
Other contractual funding obligations	0	0	
Other contingent funding obligations	422,548	21,127	
TOTAL CASH OUTFLOWS	27,890,239	8,295,041	
CASH INFLOWS			
Secured funding	5,218,018	5,218,018	
Inflows from fully performing exposures	1,155,480	577,740	
Other cash inflows	15,454	15,454	
TOTAL CASH INFLOWS	6,388,952	5,811,212	
		TOTAL ADJUSTED VALUE	
TOTAL HQLA		7,403,444	
TOTAL NET CASH OUTFLOWS		2,483,829	
LIQUIDITY COVERAGE RATIO (%)		<b>298</b> %	
QUARTERLY AVERAGE OF DAILY HQLA		7,357,750	

Notes: The reported values for 'quarterly average of monthly observations' are based on October, November and December 2021 month end figures.

The reported values for 'quarterly average of daily HQLA' are based on business days figures over 1st October 2021 to 31st December 2021's period.

## **COMMENTS**

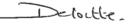
- As at the end of December 2021 the Bank's quarterly average LCR was 298%, significantly above the regulatory minimum of 100%.

- This is driven by an excess of MUR 4.9Bn of High Quality Liquid Assets (HQLA) over Net Cash Outflows(NCO).

- The bank's HQLA is primarily made up of cash, unrestricted balances with Central Bank, Sovereign and Central Bank Securities.

- The Bank's stock of High Quality Liquid Assets (HQLA) is proactively managed to ensure high levels of liquidity which are monitored on a daily basis

4 March 2022



Deloitte **Chartered Accountants** 

#### Note 1:

