

FINANCIAL HIGHLIGHTS

Similar to previous years, the first quarter has been a slow one as far as business is concerned.

The loans book went down by a marginal 1% compared to December 2021 as a result of some expected prepayments and disbursements delayed for Q2/2022.

This has resulted in a deterioration of the impairment ratio from 3.23% as at December 2021 to 3.40% in March 2022.

On the liabilities side, the bank deposit book went down during the first quarter following outflows out of current accounts for our offshore segment. The deposit book is expected to improve in future quarters.

The Bank closed the first quarter of 2022 with profit after tax of Rs94m compared to Rs62m in quarter ended March 2021.

The Bank Capital Adequacy Ratio stood at 20.47% as at March 2022 (March 2021:18.84% and December 2021:20.89%) against a regulatory limit of 11.875% and reported a consolidated LCR of 215% at end of the quarter.

In addition to the COVID-19 outbreak, the Russia/Ukraine war have adverse material impact on commodity prices, businesses and the economic environment worldwide. However, Bank One remains comfortable with its high levels of capital and liquidity.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Unaudited	Audited
	31 March 2022	31 December 2021
	Rs 000	Rs 000
ASSETS		
Cash and cash equivalents	9,351,523	10,449,280
Derivative assets held for risk management	21,400	42,826
Loans and advances to banks	3,361,316	3,336,245
Loans and advances to customers	17,181,015	17,474,549
Investment in financial instruments measured at fair value through other comprehensive income (FVTOCI)	1,523,601	2,083,101
Investment in financial instruments measured at amortised cost	11,322,626	10,320,960
Right-of-use asset	90,308	89,359
Property and equipment	432,430	435,830
Intangible assets	126,707	130,666
Deferred tax assets	45,009	45,936
Other assets	1,370,948	1,387,575
Total Assets	44,826,883	45,796,327
LIABILITIES		
Deposits from customers	36,918,224	37,915,989
Derivative liabilities held for risk management	8,143	3,112
Other borrowed funds	2,088,863	2,055,978
Subordinated liabilities	1,356,697	1,396,543
Pension obligations	60,810	60,810
Current tax liabilities	39,935	27,553
Other liabilities	617,576	528,230
Leased liabilities	96,530	96,615
Total Liabilities	41,186,778	42,084,830
EQUITY		
Stated capital	1,456,456	1,456,456
Retained earnings	1,651,803	1,725,369
Other reserves	531,846	529,672
Total Equity	3,640,105	3,711,497
Total Equity and Liabilities	44,826,883	45,796,327

This interim condensed financial information was approved and authorised for issue by the Board of Directors on 12 May 2022.

Director Director

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Unaudited	Unaudited
	Three months ended 31 March 2022	Three months ended 31 March 2021
	Rs 000	Rs 000
Cash and cash equivalents at beginning of period	10,449,280	12,176,779
Net cash used in operating activities	(460,031)	(1,386,056)
Net cash (used in)/from investing activities	(456,054)	9,818,000
Net cash used in financing activities	(181,672)	(417,496)
Net (decrease)/increase in cash and cash equivalents	(1,097,757)	8,014,448
Cash and cash equivalents at end of period	9,351,523	20,191,227

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Unaudited	Unaudited
	Three months ended 31 March 2022	Three months ended 31 March 2021
	Rs 000	Rs 000
Interest income	285,540	283,198
Interest expense	(71,643)	(89,038)
Net interest income	213,897	194,160
Fee and commission income	94,647	177,475
Fee and commission expense	(30,822)	(126,507)
Net fee and commission income	63,825	50,968
Net gain on dealing in foreign currencies and derivatives	34,287	34,914
Net gain from derecognition of financial assets measured at fair value through other comprehensive income (FVTOCI)	2,602	13,693
Other operating loss	(30)	-
Operating income	314,581	293,735
Personnel expenses	(139,726)	(115,648)
Depreciation and amortisation	(23,981)	(18,470)
Other expenses	(70,487)	(71,574)
Non-interest expenses	(234,194)	(205,692)
Profit before impairment and income tax	80,387	88,043
Net impairment reversal/(loss) on financial assets	27,106	(17,285)
Profit before income tax	107,493	70,758
Income tax expense	(13,059)	(9,043)
Profit for the period	94,434	61,715
Other Comprehensive income :		
<i>Items that will not be classified subsequently to profit or loss:</i>		
Movement in fair value reserve for equity instruments at FVTOCI	16	628
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Reclassification of gain on disposal of FVTOCI debt instruments during the period	(2,602)	(13,693)
Credit/(loss allowance) on debt instruments held at FVTOCI	(1,253)	1,075
Gain/(loss) on FVTOCI debt instruments during the period	6,013	(10,209)
Other comprehensive income for the period	2,174	(22,199)
Total comprehensive income for the period	96,608	39,516

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2022

	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 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 for the period	-	-	-	-	(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
Balance as at 01 January 2022	1,456,456	97,313	463,551	57,868	(19,256)	(69,804)	1,725,369	3,711,497
Profit for the period	-	-	-	-	-	-	94,434	94,434
Other comprehensive income	-	-	-	-	2,174	-	-	2,174
Total comprehensive income for the period	-	-	-	-	2,174	-	94,434	96,608
Dividend	-	-	-	-	-	-	(168,000)	(168,000)
Balance as at 31 March 2022	1,456,456	97,313	463,551	57,868	(17,082)	(69,804)	1,651,803	3,640,105

Liquidity Coverage Ratio - Quarter ending March 2022

(Consolidated in MUR'000s)	TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)	TOTAL WEIGHTED VALUE (quarterly average of monthly observations)
High-quality liquid assets	6,951,292	6,951,292
Total high-quality liquid assets (HQLA)		
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	13,208,042	1,320,804
Unsecured wholesale funding, of which:		
Non-operational deposits (all counterparties)	11,759,915	4,703,966
Unsecured debt	2,758,689	2,758,689
Additional requirements, of which:		
Credit and liquidity facilities	253,799	45,380
Other contractual funding obligations	0	0
Other contingent funding obligations	395,360	19,768
TOTAL CASH OUTFLOWS	28,375,805	8,848,607
CASH INFLOWS		
Secured funding	5,075,936	5,075,936
Inflows from fully performing exposures	1,024,137	512,069
Other cash inflows	22,939	22,939
TOTAL CASH INFLOWS	6,123,012	5,610,943
		TOTAL ADJUSTED VALUE
TOTAL HQLA		6,951,292
TOTAL NET CASH OUTFLOWS		3,237,663
LIQUIDITY COVERAGE RATIO (%)		215%
QUARTERLY AVERAGE OF DAILY HQLA		6,737,194

Notes: The reported values for 'quarterly average of monthly observations' are based on January, February and March 2022 month end figures.

The reported values for 'quarterly average of daily HQLA' are based on business days figures over 1st January 2022 to 31st March 2022's period.

COMMENTS:

- As at the end of March 2022 the Bank's quarterly average LCR was 215%, significantly above the regulatory minimum of 100%.
- This is driven by an excess of MUR 3.7Bn 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.