

Bank One Limited Condensed Unaudited Interim Financial Statements

for the Quarter ended 31st March 2009



HIGHLIGHTS

- The Bank was jointly acquired by CIEL Investment Limited and I&M Bank Limited of Kenya on 22nd February 2008.
- For the first quarter of 2009, the Bank continued to grow strongly. Total deposits as well as total assets increased by Rs 1.1bn. Despite difficult global economic situation deposits have grown at 68% annualised. Total advances progressed from Rs 4.8bn in December 2008 to reach Rs 5.1bn for the quarter under review to March 2009 representing an increase of 24% annualised.
- The Bank generated profit before tax of Rs 8.1m as compared to Rs 34m losses for the same quarter last year.
- The Bank achieved net interest income of Rs 27m for the first quarter 2009 against negative net interest income of Rs 5.1m for the same period last year. An improvement of 13% was achieved compared to Q4 2008.
- Non-interest income of Rs 33.6m was generated during the quarter under review compared to Rs 5m for the same quarter last year, representing a significant increase.
- Non-interest expense was higher in comparison to Q1 2008 on account of expenditure in strategic areas like Human Resources, Marketing and Information Technology following the takeover.
- Strong recovery efforts started after takeover continued during this quarter with total recovery in impaired assets of Rs 11m. Net NPA to Net Advances dropped from 4% in December 2008 to 3% in March 2009.
- The Bank continues to meet the Bank of Mauritius capital adequacy requirement under Basel II and is currently in an advanced stage for raising Tier II capital with multilateral organisations for further strengthening the capital base.

UNAUDITED STATEMENT OF FINANCIAL POSITION as at 31st March 2009

	Unaudited		Audited
	Mar-09 Rs'000	Mar-08 Rs'000	Dec-08 Rs'000
ASSETS			
Cash and cash equivalents	1,321,704	221,415	528,949
Loans and advances to banks	465,811	-	400,831
Loans and advances to customers	4,213,596	1,514,226	3,931,820
Investment securities	994,428	1,953,576	956,796
Property plant and equipment	313,290	320,310	318,914
Intangible assets	25,466	673	26,031
Deferred tax assets	68,253	45,545	68,253
Other assets	492,395	248,938	585,504
Total assets	7,894,943	4,304,683	6,817,098
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	7,187,674	4,050,688	6,133,712
Other borrowed funds	3,024	12,678	5,406
Other liabilities	159,572	111,179	141,420
	7,350,270	4,174,545	6,280,538
Shareholders' equity			
Stated capital	491,456	463,136	269,456
Calls on shares	-	-	222,000
Capital reserve	-	25,000	-
Other reserves	73,206	73,206	73,206
Accumulated losses	(19,989)	(431,205)	(28,102)
	544,673	130,137	536,560
Total equity and liabilities	7,894,943	4,304,683	6,817,098

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME for the quarter ended 31st March 2009

	Quarter Ended		Year to date		Audited
	Mar-09 Rs'000	Mar-08 Rs'000	Mar-09 Rs'000	Mar-08 Rs'000	18 month period ended Dec-08 Rs'000
Interest income	138,096	85,192	138,096	85,192	593,717
Interest expense	(111,079)	(90,326)	(111,079)	(90,326)	(564,348)
Net interest income/(expense)	27,017	(5,134)	27,017	(5,134)	29,369
Fee and commission income	13,695	2,436	13,695	2,436	29,455
Fee and commission expense	(1,111)	(842)	(1,111)	(842)	(5,835)
Net fee and commission income	12,584	1,594	12,584	1,594	23,620
Net trading income	20,906	3,409	20,906	3,409	49,588
Other operating income	154	-	154	0	675
	21,060	3,409	21,060	3,409	50,263
Operating income/(Loss)	60,661	(131)	60,661	(131)	103,252
Non interest expenses	(52,548)	(33,863)	(52,548)	(33,863)	(276,954)
Operating profit/(loss) before exceptional items	8,113	(33,994)	8,113	(33,994)	(173,702)
Exceptional items	-	-	-	-	30,190
Profit/(Loss) before tax	8,113	(33,994)	8,113	(33,994)	(143,512)
Income tax expense	-	-	-	-	22,708
Total comprehensive income for the period/year	8,113	(33,994)	8,113	(33,994)	(120,804)
Weighted average number of ordinary shares	5,137,760	4,572,978	5,137,760	4,572,978	5,137,760
Earnings/(loss) per share (Rs.)	1.58	(7.43)	1.58	(7.43)	(23.51)

UNAUDITED STATEMENT OF CHANGES IN EQUITY for quarter ended 31st March 2009

	Stated capital Rs'000	Calls on shares Rs'000	Statutory reserve Rs'000	Capital reserve Rs'000	Revaluation reserve Rs'000	Retained earnings Rs'000	Total Rs'000
Balance as at July 1, 2007	450,000	-	1,519	25,000	71,687	(263,136)	285,070
- As previously reported	450,000	-	1,519	25,000	71,687	(263,136)	285,070
- Prior year adjustment	-	-	-	-	-	(78,842)	(78,842)
- As restated	450,000	-	1,519	25,000	71,687	(341,978)	206,228
Total comprehensive income for the period	-	-	-	-	-	(89,227)	(89,227)
Issue of shares	13,136	-	-	-	-	-	13,136
Balance as at March 31, 2008	463,136	-	1,519	25,000	71,687	(431,205)	130,137
Balance as at July 1, 2007	450,000	-	1,519	25,000	71,687	(263,136)	285,070
- As previously reported	450,000	-	1,519	25,000	71,687	(263,136)	285,070
- Prior year adjustment	-	-	-	-	-	(78,842)	(78,842)
- As restated	450,000	-	1,519	25,000	71,687	(341,978)	206,228
Total comprehensive income for the period	-	-	-	-	-	(120,804)	(120,804)
Issue of shares	254,136	-	-	-	-	-	254,136
Movement during the year	-	222,000	-	(25,000)	-	-	197,000
Capital reduction	(434,680)	-	-	-	-	434,680	-
	(180,544)	222,000	-	(25,000)	-	313,876	330,332
Balance as at December 31, 2008	269,456	222,000	1,519	-	71,687	(28,102)	536,560
Movement during the year	222,000	(222,000)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	8,113	8,113
Balance as at March 31, 2009	491,456	-	1,519	-	71,687	(19,989)	544,673

UNAUDITED STATEMENT OF CASH FLOWS for quarter ended 31st March 2009

	Quarter ended		Audited
	Mar-09 Rs'000	Mar-08 Rs'000	18 month period ended Dec-08 Rs'000
Cash flows from operating activities			
Profit/ (Loss) before tax	8,113	(33,994)	(143,512)
Adjustments for:			
Depreciation	6,269	5,812	34,609
Amortisation	588	55	846
Impairment on financial assets	(4,562)	3,282	(3,079)
Profit on sale of land and equipment	(154)	-	(13,486)
Fair value gain on available for sale securities	-	-	(16,911)
Net interest income	(27,017)	5,134	(29,369)
Changes in operating assets and liabilities			
(Increase)/decrease in loans and advances			
-to banks	(65,636)	-	(404,879)
-to customers	(276,558)	(35,866)	(2,316,676)
Decrease/(increase) in other assets	93,112	(14,821)	(100,137)
Increase/(decrease) in deposits from customers	1,053,965	86,463	2,023,312
Increase/(decrease) in other liabilities	18,152	(3,645)	34,790
Interest received	138,096	85,192	593,717
Interest paid	(111,079)	(90,326)	(564,348)
Net cash from/(used in) operating activities	833,289	7,287	(905,123)
Cash flows from investing activities			
Purchase of investment securities	(37,632)	(10,147)	-
Proceeds from sale and redemption of investment securities	-	-	969,294
Purchase of property and equipment	(496)	(3,758)	(33,715)
Proceeds from sale of property and equipment	-	-	207
Purchase of intangible assets	(24)	(182)	(26,304)
Net cash (used in)/from investing activities	(38,152)	(14,087)	909,482
Cash flows from financing activities			
Decrease in other borrowed funds	(2,382)	(2,359)	(14,252)
Issue of shares	-	-	254,136
Net cash (used in)/from financing activities	(2,382)	(2,359)	239,884
Net increase/(decrease) in cash and cash equivalents	792,755	(9,159)	244,243
Cash and cash equivalents at beginning of year	528,949	230,574	284,706
Cash and cash equivalents at end of period/year	1,321,704	221,415	528,949

NOTE

The interim quarterly condensed financial statements have been prepared on the same basis of the accounting policies set out in the statutory financial statements of the company for the year ended December 31, 2008, except for the adoption of relevant amendments to published Standards, Standards and Interpretations issued now effective.

By order of the Board
06th May 2009