Rating Rationale
Bank One Limited

Ratings

Facility/ Instrument	Amount	Rating	Rating Action
Issuer Rating	Not Applicable	CARE MAU A+ (Is); Stable [Single A Plus (Issuer); Outlook: Stable]	Rating reaffirmed with change in outlook from Negative to Stable
Tier II Bond Issue	Mur 600 million	CARE MAU A+; Stable [Single A Plus; Outlook: Stable]	

RATING RATIONALE

The issuer rating and Tier II Bond rating assigned to Bank One Limited ("Bank One") was reaffirmed at CARE MAU A+ with revision in outlook from Negative to Stable due to stable & profitable performance of the Bank in 9MFY21. With opening of the international borders on October 01, 2021, Bank One is expected to have stability in the operations with minimum NPL's.

The rating assigned to Bank One continues to derive strength from the experienced and resourceful promoter groups (CIEL and I&M Groups), professional and highly qualified management team, comfortable Capital Adequacy Ratio ("CAR") well above the regulatory norm, stable business performance, stable deposit base, comfortable liquidity & asset-liability maturity profile, majority of investment in Govt. Securities, diversified advances portfolio with stringent Non-Performing Assets ("NPA") recognition norms and satisfactory asset quality.

The rating outlook is however constrained by the fact that Bank One is a medium-sized bank in an increasingly competitive Mauritian banking sector. As other banks in Mauritius, Bank One is exposed to customer concentration risk both in the domestic & international markets, regulatory risks, and interest rate volatility risk.

<u>Rating Sensitivities:</u>

Positive factors - Factors that could, individually or collectively, lead to positive rating action/upgrade:

- Improvement in asset quality, profitability & maintain Capital adequacy well above Regulatory level

Negative factors - Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Deterioration in asset quality i.e., Net NPA to net advances over 5% & Net NPA to Networth over 20%
- Weakening of profitability and capital adequacy levels i.e., CAR close to Regulatory requirement
- Moderation in liquidity profile.
- Increase in advances portfolio and deposits portfolio.
- Negative cumulative mismatch in asset-liability maturity profile between 3 months to 5 years.

BACKGROUND

Bank One, a Mauritius based mid-sized private sector bank, provides retail, corporate, and private banking products and services both in Mauritius and offshore. Headquartered in Port Louis, the bank provides a wide range of banking products and services to its clients through a network of 10 branches and a well-distributed ATM network. The bank has a client base of over 50,000 clients. As at September 30, 2021, Bank One reported total deposits and advances of Mur 37 billion and Mur 21 billion respectively.

Bank One offers current, savings and term deposit accounts, personal finance, trade finance, corporate finance, treasury services and an array of other banking products to its customers.

Bank One is licensed by the Financial Services Commission to act as an insurance agent, distributor of financial products, investment advisor and custodian.

Bank One is governed by a 9-member Board of Directors comprising of experienced bankers and professionals. In March 2020, the Board of Bank One appointed Mr. Mark Watkinson as the Chief Executive Officer and director of the company in replacement to Mr. Ravneet Chowdhury. Mr. Mark Watkinson has a rich banking background, having worked in HSBC for 33 years and held senior leadership roles in 10 countries in North America, Europe, Asia, and the Middle East. He is assisted by a team of professionals looking after various functions.

CREDIT RISK ASSESSMENT

- ***Experienced & resourceful promoter groups***

In February 2008, First City Bank was acquired by a joint venture of CIEL Finance Limited *(rated CARE MAU A+; Stable)* [75.1% subsidiary of CIEL Limited *(rated CARE MAU A+; Stable/CARE MAU A1)*] and I&M Holdings Limited of Kenya. In August 2008, First City Bank was rebranded as Bank One Limited.

The Bank's shareholders are CIEL Finance Limited (CFL) and I&M Holdings (IMH) - holding 50% ownership each.

CFL is the specialised Banking & Financial Services cluster of the CIEL Group. CIEL Ltd. is a leading diversified investment company in Mauritius, with activities organized under five distinct business segments, namely Agro Industry & Property, Banking & Financial Services, Healthcare, Hotel & Resorts, and Textile.

IMH is part of the I&M Group (Kenya) with interest in Banking, Insurance, Manufacturing and Real Estate. It is one of the oldest companies to be listed on the Nairobi Securities Exchange (August 1950). Apart from Mauritius through Bank One, IMH also operates in four countries: Kenya, Tanzania, Rwanda and Uganda with a total of 79 branches and 1,764 employees.

- ***Professional and highly qualified management team***

Bank One has a highly qualified and experienced employee base of over 400 having large experience in their related field. The Executive team comprises of 10 seasoned bankers with considerable experience in the sector.

- ***Comfortable Capital Adequacy Ratio***

As at December 31, 2020, Bank One's Capital Adequacy Ratio (CAR) stood comfortable at 19.81% *(against a regulatory requirement of 11.875%),* and Common Equity Tier I (CET I) was 12.45% *(against regulatory requirement of 6.5%).* As at September 30, 2021, the Bank One`s CAR stood comfortable at 21.12% *(against a regulatory requirement of 11.875%),* and Common Equity Tier I (CET I) CAR was 14.23% *(against regulatory requirement of 6.5%)*.

In FY18 and FY19, Bank One has extended a term loan of USD 15 million to NMC Healthcare LLC and USD 10 million to Emirates Hospital Group LLC (linked to NMC Healthcare LLC). In March 2020, NMC group defaulted. In FY20 (January December) Bank One provisioned 100% of the USD 15 million loan extended to NMC and 100% provision on the USD 10 million loan extended to Emirates Hospital Group LLC. This coupled with other provisioning led to a loss of MUR 491 million in FY20. Both the promoters infused MUR 300 million in FY20 to support the loss and the Bank also raised Tier II Capital of MUR 600 million to strengthen in capital base.

In FY21, Bank One has sold its exposure in NMH & Emirates Hospital @ USD 18 cents for NMH and USD 12.5 cents for Emirates Hospital per USD respectively.

- ***Stable business performance***

Bank One operates under 5 segments: Retail, Corporate, Private, International banking and Treasury.

Retail Banking ("RB"): FY20 was extraordinary for the Retail and SME Banking division, with Covid-19 challenging the global economic and social status quo. Bank One rolled out moratoriums for impacted customers, in addition to meaningfully engaging with all clients to meet their needs in medium to long-term. Retail Banking (RB) deposit base grew by 19% in FY20 (FY19: 17%). The principal contributors for this growth have been the consumer and the housing segments. RB remains one of the cores local deposit raising arm of the Bank contributing 24% (FY19: 21%) of the total bank deposits.

Corporate Banking ("CBD"): The Corporate Banking Division deals with the local business community consisting of major top listed corporates as well as medium-sized companies, parastatal and other government regulated bodies. CBD deposits represent 9% of the Bank's total deposits.

Private Banking ("PB"): is a segment which offers banking services to high-net-worth individuals both locally and cross border. Over the past years, PB has been successful in building a strong team offering a wide array of products and services including custody for assets under management.

International Banking: International Banking Division (IBD) remains the mainstay of the Bank, representing 65% of its total deposits (FY19: 64%). COVID-19 led to both the positive and the negative impact in the IBD of Bank One. The most notable positive effect of the global pandemic was that it marshalled in a period of accelerated digitization, efficiency and adoption of agile methodologies, not just for the Bank but also across most industries and businesses. As a direct result of these productivity gains, the liabilities business was able to record a modest 6.8% increase. Global payments to the tune of USD 4.4 billion were also made during the year.

Treasury Business: Due to the Covid-19 pandemic, the most affected Industries were manufacturing and tourism, with the later contributing to around 25% of the GDP. This created a deficit in the foreign exchange supply chain. The local currency weakened by 8% against the USD, 12% against the GBP and 19% against the EUR. Despite the FCY shortage, Treasury contributed 15% in FY20 (FY19: 33%), towards the Bank's non-interest income.

- ***Stable deposit base***

Bank One has a stable deposit base and the term deposits has witnessed good rollover rate (75-80%) in last 2-3 years. Total deposits which remain the Bank`s core source of funding was at the same level in FY20 with CASA proportion at 77% as on December 31, 2020.

Deposits	**FY18**		**FY19**		**FY20**	
	MUR Million	%	***MUR Million***	%	***MUR Million***	%
Deposits-Demand	15,673	47%	24,463	51%	27,470	57%
Deposits-Savings	7,379	22%	9,621	20%	9,556	20%
Deposits-Term	10,379	31%	14,055	29%	11,025	23%
Total Deposits	**33,432**		**48,139**		**48,050**	
CASA	23,053		34,084		37,026	
CASA proportion	69%		71%		77%	
CASA Y-o-Y growth	22%		48%		9%	
Cost of deposit	2.13%		2.36%		1.68%	
Credit to Deposit Ratio	0.83		0.86		0.79	

Bank One offered 0.25 - 0.35% in saving deposit and around 0.55 - 1.5% in term deposits, depending on tenure of maturity. The bank continues its efforts towards improving its cost of funds both in local as well as foreign currencies whilst at the same time maintaining the right balance between short and long-term liabilities for efficient liquidity management. Banks' credit to deposit ratio has improved to 0.79x in FY20.

	FY18	**FY19**	**FY20**
Deposits from customers	***MUR Million***		
Retail customers (Domestic)	8,478	9,903	11,758
Corporate customers (Domestic)	5,568	6,457	4,401
International customers	19,268	30,880	31,136
Government	118	898	756
Total	**33,432**	**48,138**	**48,050**
Maturing within one year	*31,320*	*45,665*	*45,855*
Maturing in more than one year	*2,112*	*2,474*	*2,196*

International customers (both corporate and individuals) have been the major foreign currency deposit raising source for the bank (*contributing around 65% of the total Bank deposits*). Retail Banking (domestic) remains one of the core local deposit raising arm of the Bank contributing around 24% of the total Bank deposits. Furthermore, around 50% of the term deposits are more than Mur 100 million and 5% is less than Mur 5 million.

- ***Comfortable liquidity & asset-liability maturity profile***

Bank One manages its liquidity on a prudent basis and ensures that the related statutory ratios are maintained throughout the year. No regulatory limits have been breached during last 5 years.

The ALCO meets monthly, or on ad hoc basis if required to review the economic outlook as well as the market risks affecting the bank balance sheet including the liquidity position. Daily liquidity management is done at Treasury level and a daily report is circulated to Management. The Bank's funding comprises mainly of customer deposits and borrowings, both short as well as long term. Short-term interbank deposits are taken on a limited basis and the Bank is generally a net lender to interbank market.

Asset-Liability Maturity Profile as on 31 December 2020

	<1 month	1-3 months	3-6 months	6-12 months	1-3 years	>3 years	Non-maturity Items
Assets	**MUR Million**						
Total assets	27,049	4,310	3,041	5,601	7,325	9,784	36
Total Liabilities	38,471	2,304	1,993	2,711	3,826	4,052	3,789
Net liquidity gap	**(11,422)**	**2,006**	**1,048**	**2,890**	**3,500**	**5,732**	**(3,754)**
Cumulative gap	**(11,422)**	**(9,416)**	**(8,368)**	**(5,478)**	**(1,978)**	**3,754**	**-**

Bank One has cumulative negative mismatch in 1-month to 3 year time bucket, primarily considering withdrawal of entire low-cost CASA deposits (demand deposits & savings deposits) within 1 month.

Asset-Liability Maturity Profile as on September 30, 2021

Assets	**<1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**>3 years**	**Non-maturity**	**Total**
Cash & cash equivalents	8,242	1,168	-	-	-	-	28	**9,439**
Loans & advances	13,531	368	2,396	1,243	503	2,544	-	**20,585**
Investment securities	2,517	3,043	1,009	800	1,252	3,974	33	**12,627**
Other assets	-	-	-	-	-	-	1,961	**1,961**
Total assets	**24,290**	**4,579**	**3,405**	**2,043**	**1,755**	**6,518**	**2,022**	**44,612**
Liabilities								
Deposits	23,912	3,542	3,265	1,926	807	1,816	1,501	**36,769**
Other borrowed funds	-	-	-	-	-	2,195	-	**2,195**
Subordinated liabilities	-	-	-	-	299	1,098	-	**1,397**
Other liabilities	-	-	-	-	-	-	616	**616**
Net worth	-	-	-	-	-	-	3,634	3,634
Total Liabilities	**23,912**	**3,542**	**3,265**	**1,926**	**1,105**	**5,110**	**5,751**	**44,612**
liquidity gap	**378**	**1,037**	**140**	**117**	**649**	**1,408**	**(3,729)**	**0**
Cumulative Liquidity gap	**378**	**1,416**	**1,556**	**1,672**	**2,322**	**3,729**	**0**	**0**

As on September 30, 2021, Bank One does not have any negative mismatch. However, the bank has adequate options available to fund any gaps such as:

- Disposal of its investment in securities held with BOM
- Sale of investments in International Treasuries
- Drawdown on repurchase agreements with BOM and other local banks
- Utilize the credit lines available with local and international banks
- Sale of listed bonds of International Banks, if required.

In October 2017, BOM introduced Guidelines on Liquidity Risk (which was further revised in March 2019) covering the Liquidity Coverage Ratio ("LCR"). The objective of the LCR is to ensure that a bank maintains an adequate stock of unencumbered High- Quality liquid assets (HQLA*) (that consist of cash or assets that can be converted into cash at little or no loss of value in private markets)* to meet its liquidity needs for a 30-calendar daytime period under a severe liquidity stress scenario. The liquidity coverage as per LCR for Dec 2020 and September 2021 submitted by Bank One to BOM are comfortably above the 100% regulatory requirement as shown in table below:

	December 2019	**December 2020**	**September 2021**
LCR* #	295%	394%	358%

#Minimum LCR is 100%

The bank is comfortable as far as its liquidity position is concerned with positive mismatches in the time buckets over 1 month with high amount of excess deposit held with BOM (Mur 431 million as on Dec 2020), healthy term deposit rollover rate as well as its ability to raise subordinated debt and capital. Excess liquidity in the domestic money market of Mur 81 billion in November 2021 can be accessed during times of stress.

- ***Majority of investment in Govt. Securities***

Banks One's break up of investment is as under:

<table>
<tr><th rowspan="2">Investments / As at 31 Dec</th><th colspan="2">2018</th><th colspan="2">2019</th><th colspan="2">2020</th></tr>
<tr><th>Mur million</th><th>%</th><th>Mur million</th><th>%</th><th>Mur million</th><th>%</th></tr>
<tr><td>Investments in Mauritius</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Inv in GOM/BOM Securities</td><td>2,630</td><td>39</td><td>5,347</td><td>32</td><td>4,926</td><td>22</td></tr>
<tr><td>Investment in Shares</td><td>38</td><td>0</td><td>-</td><td>0</td><td>-</td><td>-</td></tr>
<tr><td>Investment in U.S. & U.K. Govt. Treasury Bills</td><td rowspan="2">4,065</td><td rowspan="2">60</td><td>8,773</td><td>52</td><td>14,782</td><td>65</td></tr>
<tr><td>Investment in Corporate Bonds issued by International Banks</td><td>2,743</td><td>15</td><td>2,529</td><td>11</td></tr>
<tr><td>(A) Investments in Mauritius (net)</td><td>6,732</td><td>99</td><td>16,863</td><td>99</td><td>22,237</td><td>99</td></tr>
<tr><td>(B) Investments outside Mauritius (net)</td><td>33.8</td><td>1</td><td>37.2</td><td>1</td><td>27</td><td>1</td></tr>
<tr><td>Total investment (net)</td><td>6,766</td><td>100</td><td>16,900</td><td>100</td><td>22,264</td><td>100</td></tr>
</table>

Bank One's investment in GOM and BOM securities amounted to Mur 4,926 million, which forms 22% (FY19: 32%) of the aggregate investments as on Dec 31, 2020. In line with the fall in general interest rates, yield on investments excluding treasury profits decreased to 1.14% in FY20. In FY20, Bank has increased its investment in U.S. & U.K. Govt. Treasury Bills.

The bank's investment in HTM securities is primarily in Bonds/T-Bills/T-Notes issued by GOM and Bank of Mauritius and other corporates. In FY20 total investment in U.S. & U.K. Govt. Treasury Bills and Corporate Bonds were Mur 17,311 million (Mur 11,516 million in FY19). AFS investment securities include mainly investment in BOM/GOM securities.

- ***Diversified advances portfolio with customer concentration risk***

During FY20, bank's advances declined by 31% due to the management's decision to exit exposures to corporates engaged in tourism sector in Mauritius (including Sun Limited) and financial sector outside Mauritius. However, bank's exposure to retail customers in Mauritius has increased by 12%.

	Dec-18	Dec-19	Dec-20
Loans & Advances to	**MUR Million**		
Retail customers (credit card, mortgages and other retail loans)	4,067	6,004	6,718
Corporate customers (Domestic)	9,504	10,279	8,589
Corporate customers (International)	7,098	6,645	3,350
Banks in and outside Mauritius	2,944	4,912	1,983
Securities purchased under agreement to resell	-	2,038	-
Total	**23,613**	**29,878**	**20,640**

Bank One is exposed to corporate customer concentration risk, since its top 20 domestic corporate customers account for 55% of domestic exposure and top 20 International Corporate customers' accounts for 98% of international exposure.

Bank One's exposure to related party (CIEL group & I&M group) as on December 31, 2020 was 4.9% of net advances and 34% of Tier I Capital.

The bank's fund-based exposure to major industries is as under:

Sector	FY18	FY19	FY20
Construction	16%	22%	28%
Financial services	22%	17%	16%
Trade	15%	14%	14%
Tourism	10%	11%	11%
Agriculture & fishing	6%	5%	3%
GBC	4%	3%	3%
Manufacturing	4%	1%	0.3%
Other (Transport, Personal, Professional etc.)	23%	27%	25%
Total	**100%**	**100%**	**100%**

Exposures by region is shown in the table below:

	FY18	FY19	FY20
North America	0.3%	14%	37%
Europe	20%	29%	28%
Asia Pacific	25%	9%	15%
Eastern Africa	31%	15%	9%
Southern Africa	11%	14%	6%
Middle East	9%	5%	3%
Western Africa & Others	4%	10%	2%

- ***Satisfactory Asset Quality***

Particulars	FY18	FY19	FY20	9MFY21
Gross NPAs at beginning of the year	1,345	1,169	1,226	1,955
Additions during the year	51	348	1,931	187
Reduction during the year (asset up gradation, cash recovery and technical write –off)	227	291	1,202	1,310
Gross NPAs at the closing of the year	**1,169**	**1,226**	**1,955**	**832**
Gross Advances	24,657	29,000	22,547	21,497
Net Advances	23,613	27,841	20,640	20,585
Net worth	2,480	3,316	3,210	3,634
Gross NPA/Advances (%)	4.74%	4.23%	8.67%	3.87%
Net NPA /Advances (%)	1.79%	1.13%	2.05%	1.10%
Net NPA/Net worth (%)	17.09%	9.42%	13.21%	6.22%
Provision Coverage (%)	63.75%	74.52%	78.31%	72.84%

Gross NPA of the bank as on December 31, 2020, and September 30, 2021 was Mur 1,955 million and 832 million respectively. The Top 15 NPAs contributes 90% of the Gross NPAs value.

In FY20, Bank One has impaired an exposure of USD 25 million to a UAE Group that has been subject to shareholder fraud. This resulted in an increase of Bank's Gross NPA ratio to 8.67% as against 4.23% during FY19. Furthermore, Net NPA stood at 2.05% as against 1.13% during FY19.

In 9MFY21 (Jan-Sept), Bank One has sold its exposure in UAE Group companies at Mur 120 million. Post such write off, Bank One NPL's has improved substantially from 8.67% as at December 31, 2020 to 3.87% as at September 30, 2021. Accordingly, Net NPA impairment ratio has improved to 1.10%.

Bank One follows a prudent impairment policy, whereby all loans and advances past due above 90 days are automatically classified as impaired.

Adoption of IFRS 9 and classification of a few large non-performing assets also resulted in an increase in the net impairment charge from FY18-20. Provision coverage ratio was 78% during FY20 indicating reasonable provisioning in the existing NPA assets. Sufficient tangible collateral covered the remaining 22%. In compliance with the `Macro-prudential policy measures for the Banking Sector` issued by the Bank of Mauritius, the Bank maintained additional portfolio provisions on certain specific sectors.

- ***Moderate financial performance***

For the period ended (MUR Million)	FY18	FY19	FY20
Interest income			
Income from Investment in securities	172	316	254
Loans and advances to customers	1,078	1,143	1,063
Loans and advances to banks	77	94	127
Int. from Inter Bank Lending	68	131	43
Total Interest Income	**1,396**	**1,684**	**1,487**
Fees and commission Income	500	671	689
Profit/(loss) on Sale of Investment (Treasury profit)	148	7	39
Profit/(loss) on Exchange Transaction	103	138	160
Non-Interest income	**751**	**816**	**888**
TOTAL INCOME	**2,147**	**2,500**	**2,375**

Due to the tough competition, instability in economic conditions, revision of the repo rates by the Government and the pressure on margins, Bank One's total interest income decreased by 12% in FY20.

Industry Risk

As on June 30, 2020, 20 banks were licensed by the Bank of Mauritius, of which 5 were local banks, 9 were subsidiaries of foreign banks, 1 is a joint venture, 4 were the branches of foreign bank and 1 private bank. Mauritius banking sector is dominated by 2 large banks Mauritius Commercial Bank (MCB) and State Bank of Mauritius (SBM).

The banking industry is characterized by excess liquidity (Mur 81 billion in November 2021) and low non-performing loan ratio (6.21% in December 2020). The economy of Mauritius is among the most dynamic in the Sub-Saharan region despite its relatively low level of growth.

Although the service industry is the major contributor to the country's GDP, Mauritius possesses a diversified economy in several sectors including offshore financial activities, the textile industry, and the production of sugarcane. In addition, other developing sectors such as medical tourism, outsourcing, new technologies and the luxury industries also contributed to the economic growth of the country. Medical tourism, outsourcing, new technologies and the luxury industry are among the growing sectors.

Prospects

Bank's prospects depend upon its ability to shore up its capital, continue the momentum to raise low-cost deposit, expand its presence in the retail sector and maintain its profitability, asset quality & CAR at satisfactory levels. Equity infusion by the promoters to support growth is a key rating sensitivity.

Financial Performance **Mur Million**

As on	31/12/2018	31/12/2019	31/12/2020	30/09/2021
	12m	12m	12m	9M
	Audited			Provisional
Interest Income	1,395	1,685	1,487	
Non-Interest Income	751	816	888	
Total Income	**2,147**	**2,501**	**2,375**	**1,319**
Interest Expenses	442	597	560	256
Net Interest Income	**954**	**1,087**	**927**	**604**
Operating Expenses (Incl. Depreciation)	1,206	1,164	2,268	
Provisions (excl tax)	340	95	1,074	
PBT	**449**	**661**	**(532)**	
PAT	**393**	**630**	**(492)**	**337**
Deposits	33,432	48,139	48,050	36,769
Borrowings (exc. Deposits)	3,390	3,163	5,154	3,592
Tangible Net worth	2,480	3,316	3,210	3,634
Advances	23,613	29,879	20,640	20,585
Investments	6,732	16,900	22,263	12,627
Cash & cash equivalents	7,685	6,648	12,177	9,439
Total Assets	39,758	55,388	55,388	44,612
Key Ratios (%)				
Interest Income/Avg. Interest Earning Assets (a)	4.52	3.75	2.83	-
Interest Expenses / Avg. Interest Bearing Liabilities (b)	2.28	2.49	2.13	-
Interest Spread (a-b)	**2.24**	**1.26**	**0.71**	-
Net Interest Margin (NIM)	**2.67**	2.29	1.65	-
Operational Expenses / Avg. Total Assets	3.38	2.45	4.04	-
Cost / Income	65%	0.51	1.34	-
Operational Expenses / Total Income	0.43	0.31	0.75	-

As on	31/12/2018	31/12/2019	31/12/2020	30/09/2021
	12m	**12m**	**12m**	**9M**
	Audited			**Provisional**
Yield on advances (Int on Adv/Avg Adv)	4.63	3.58	4.71	-
Cost of Deposits (Interest on deposits/ Av. Deposits)	2.13	2.36	1.68	-
Core Spread	**2.50**	1.23	3.03	-
Credit Cost [Prov. & Write-off / Avg. Total Assets] (%)	**1.68%**	0.50%	4.25%	-
ROTA	**1.10**	1.32	(0.88)	0.76
RONW	**16.37**	21.74	(15.07)	9.27
Overall Gearing (times)	14.85	15.47	16.58	11.11
Capital Adequacy Ratio (BASEL III)	12.99	14.71	19.81	21.12
Tier I Capital Adequacy Ratio	9.09	10.97	12.45	14.23
Credit/Deposit ratio (times)	0.83	0.86	0.79	-
CASA Proportion (%)	68.95	70.80	77.06	-
Gross NPA to Gross Advances (%)	4.74	4.23	8.67	3.87
Net NPA to Net Advances (%)	1.79	1.05	2.05	1.10
Net NPA to Tangible Net worth (%)	17.09	9.42	13.20	6.22
Restructured assets to total net advances (%)	1.49	0.01	0.02	-
Restructured assets to net worth (%)	14.23	0.1	0.15	-
Gross Stressed Assets as a % of Gross Advances	6.45%	4.11%	9.47%	-
Net Stressed Assets as a % of net worth	31.31%	9.52%	13.21%	-

Financial Performance:

Bank One reported a loss of MUR 492 million in FY20 (FY19: PAT – MUR 630 million). This was due to provisions in FY20 of MUR 1,074 million and expected losses due to COVID-19 pandemic.

The promoters infused MUR 300 million equity in FY20 to boost the capital. The Bank also raised MUR 600 million of Tier II Bonds to strengthen its capital.

In 9MFY21, interest income declined by 28% over 9MFY20 due to decline in loans book from MUR 22 billion in 9MFY20 to MUR 20.5 billion in 9MFY21. In these uncertain times, the strategy of the bank has been to be very prudent and selective in offshore lending which resulted in a contraction of the loans portfolio in 9MFY21. Non-interest income remains stable as 9MFY21. Bank One closed 9MFY21, with profit after tax of Mur 337 million against a loss of Mur 419 million in 9MFY20. The bank deposit book experienced a drop during in 9MFY21. As part of its strategy, the total deposits were consciously brought down from Mur 48 billion as at December 31, 2020 to Mur 37 billion as at September 30, 2021.

Adjustments

1. Tangible net worth is calculated by netting off intangible assets from total equity.
2. GCA is calculated as PAT+ Depreciation + deferred tax+ other non-cash expenditure.
3. Overall Gearing ratio is calculated as total debt (long and short-term debt)/Tangible Net worth.
4. Total Assets and Total AUM is calculated after deducting Deferred Tax and Intangible Assets from Total Assets

Details of Instrument

1. Details of proposed Bond Issue

Instrument	Amt. (MUR Million)	Repayment
Tier II Bond (Unsecured and Subordinated)	600	10 years (June 2030) Callable after June 2025