

Unaudited Interim Financial Statements for the three months ended 30 September 2016



AFRASIA BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	30 September 2016 Reviewed	30 June 2016 Audited
	MUR'000	MUR'000
ASSETS		
Cash and balances with the Central Bank	3,735,756	3,029,129
Due from banks	41,417,466	46,000,675
Derivative financial instruments	54,994	33,644
Financial investments - held-for-trading	3,221,643	3,542,070
Loans and advances to customers	24,061,058	21,958,341
Financial investments - available-for-sale	4,726,655	316,033
Financial investments - held-to-maturity	10,150,451	11,538,879
Investment in subsidiaries	189,563	189,563
Equipment	132,517	135,991
Intangible assets	123,818	111,841
Other assets	209,928	206,184
Deferred tax assets	60,441	60,441
TOTAL ASSETS	88,084,290	87,122,791
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks	265,714	173,510
Derivative financial instruments	74,436	127,914
Deposits from customers	80,584,676	80,378,976
Debts issued	1,120,732	1,111,032
Other liabilities	901,406	407,506
Current tax liabilities	122,145	84,379
TOTAL LIABILITIES	83,069,109	82,283,317
EQUITY		
Ordinary shares	2,597,609	2,595,363
Class A shares	1,385,768	1,385,768
Retained earnings	630,876	493,283
Other reserves	400,928	365,060
TOTAL EQUITY	5,015,181	4,839,474
TOTAL LIABILITIES AND EQUITY	88,084,290	87,122,791

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2016

	Ordinary shares	Class A shares	Share application monies	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2015 (audited)	2,590,959	1,385,768	17,261	107,086	417,202	4,518,276
Profit for the period	-	-	-	233,242	-	233,242
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	233,242	-	233,242
Expense arising from equity-settled share-based payment	-	-	-	-	788	788
Issue of shares	17,261	-	(17,261)	-	-	-
Appropriation of reserves	-	-	-	(22,287)	22,287	-
At 30 September 2015 (unaudited)	2,608,220	1,385,768	-	318,041	440,277	4,752,306
At 1 July 2016 (audited)	2,595,363	1,385,768	-	493,283	365,060	4,839,474
Profit for the period	-	-	-	243,255	-	243,255
Other comprehensive income	-	-	-	-	1,280	1,280
Total comprehensive income for the period	-	-	-	243,255	1,280	244,535
Issue of shares	2,246	-	-	-	-	2,246
Appropriation of reserves	-	-	-	(34,588)	34,588	-
Dividends paid - Class A shares	-	-	-	(71,074)	-	(71,074)
At 30 September 2016 (reviewed)	2,597,609	1,385,768	-	630,876	400,928	5,015,181

MANAGEMENT COMMENTS

The Bank's operating income at MUR583.8m shows a healthy increase of 30% from the level achieved during the first quarter of the previous year which stood at MUR450m. Also, Net Profit after Tax for quarter ended 30 September 2016 was MUR243.3m as compared MUR108.4m, being the quarterly average for Financial Year 2015/16.

The performance shows growth in net interest income of 28% and a marginal drop in net fees and commission income of 3%. In addition, net trading income for the quarter was at MUR206.7m, reflecting a 47% growth compared to same quarter of previous financial year.

Operating expenses grew by 41% principally as Management and Board have decided to accrue for performance bonus payable after the end of the year on a monthly basis. For previous years, it was booked annually, which, if netted off, reflects the operating expenses growth of 7%.

Total loans and advances reached MUR24.1bn and customer deposits MUR80.6bn by end of September 2016, that is, a loans-to-deposits ratio of 30% compared to 27% of 30 June 2016. The Bank continues to secure a reasonable share of the market while remaining prudent in its lending.

The Management and the Board have also decided to pursue a prudent strategy as regards to provisioning for non-performing assets and this has resulted in specific provisioning increasing to MUR122.2m from MUR41.4m in the first quarter of the previous year. This has resulted in the Net Profit being at a level of MUR243.3m showing a marginal increase of 4%. This however remains ahead of our quarterly budget for the current year.

At the end of its first quarter, the Bank's capital base was MUR5.2bn, that is, a capital adequacy ratio of 10.9%.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2016

	Three months period ended 30 September 2016	Three months period ended 30 September 2015	Twelve months period ended 30 June 2016
	Reviewed MUR'000	Unaudited MUR'000	Audited MUR'000
Interest income	489,916	433,012	1,740,611
Interest expense	(192,279)	(200,990)	(774,912)
Net interest income	297,637	232,022	965,699
Fees and commission income	119,636	104,983	457,243
Fees and commission expense	(45,165)	(28,593)	(159,440)
Net fees and commission income	74,471	76,390	297,803
Net trading income	206,650	140,859	594,683
Other operating income	5,077	687	5,975
Total operating income	583,835	449,958	1,864,160
Net allowance for credit impairment	(122,226)	(41,410)	(644,557)
Net operating income	461,609	408,548	1,219,603
Personnel expenses	(126,762)	(67,021)	(396,790)
Depreciation of equipment	(5,529)	(3,917)	(20,504)
Amortisation of intangible assets	(2,421)	(2,250)	(9,224)
Other operating expenses	(45,876)	(54,481)	(269,564)
Total operating expenses	(180,588)	(127,669)	(696,082)
Profit before tax	281,021	280,879	523,521
Tax expense	(37,766)	(47,637)	(89,885)
Profit for the period	243,255	233,242	433,636
Other comprehensive income/(loss)			
Net gain/(loss) on available-for-sale investments	1,280	-	(579)
Total comprehensive income for the period	244,535	233,242	433,057