

# Unaudited Interim Financial Statements for the six months ended 31 December 2016



## AFRASIA BANK LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

|  | As at<br>31 December 2016<br>Unaudited | As at<br>31 December 2015<br>Unaudited | As at<br>30 June 2016<br>Audited |
|--|--|--|----------------------------------|
|  | MUR'000                                | MUR'000                                | MUR'000                          |
| <b>ASSETS</b>  |  |  |                                  |
| Cash and balances with the Central Bank                    | 4,850,523                              | 2,517,510                              | 3,029,129                        |
| Due from banks   | 51,851,853                             | 49,841,892                             | 46,000,675                       |
| Derivative financial instruments                           | 130,133                                | -                                      | 33,644                           |
| Financial investments - held-for-trading                   | 3,029,614                              | 3,522,898                              | 3,542,070                        |
| Loans and advances to customers                            | 26,043,836                             | 21,848,970                             | 21,958,341                       |
| Financial investments - available-for-sale                 | 4,808,991                              | -                                      | 316,033                          |
| Financial investments - held-to-maturity                   | 11,276,060                             | 4,609,334                              | 11,538,879                       |
| Investment in subsidiary                                   | 189,563                                | 189,563                                | 189,563                          |
| Equipment  | 137,402                                | 122,641                                | 135,991                          |
| Intangible assets  | 128,414                                | 43,907                                 | 111,841                          |
| Other assets   | 129,532                                | 298,834                                | 206,184                          |
| Deferred tax assets  | 60,441                                 | 16,005                                 | 60,441                           |
| <b>TOTAL ASSETS</b>  | <b>102,636,362</b>                     | <b>83,011,554</b>                      | <b>87,122,791</b>                |
| <b>LIABILITIES AND EQUITY</b>                              |  |  |                                  |
| Due to banks   | 141,118                                | 350,354                                | 173,510                          |
| Derivative financial instruments                           | 58,600                                 | 5,310                                  | 127,914                          |
| Deposits from customers                                    | 95,105,517                             | 76,333,712                             | 80,378,976                       |
| Debts issued   | 1,124,122                              | 1,107,132                              | 1,111,032                        |
| Other liabilities  | 109,905                                | 80,921                                 | 84,379                           |
| Current tax liabilities                                    | 327,398                                | 179,888                                | 407,506                          |
| <b>TOTAL LIABILITIES</b>                                   | <b>96,866,660</b>                      | <b>78,057,317</b>                      | <b>82,283,317</b>                |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> |  |  |                                  |
| Ordinary shares  | 2,597,609                              | 2,608,220                              | 2,595,363                        |
| Class A shares   | 1,385,768                              | 1,385,768                              | 1,385,768                        |
| Share application monies                                   | 472,060                                | -                                      | -                                |
| Retained earnings  | 940,374                                | 460,087                                | 493,283                          |
| Other reserves   | 373,891                                | 500,162                                | 365,060                          |
| <b>TOTAL EQUITY</b>  | <b>5,769,702</b>                       | <b>4,954,237</b>                       | <b>4,839,474</b>                 |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>102,636,362</b>                     | <b>83,011,554</b>                      | <b>87,122,791</b>                |

### STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

|   | Ordinary shares  | Treasury shares | Class A shares   | Share application monies | Retained earnings | Other reserves | Total            |
|---|------------------|-----------------|------------------|--------------------------|-------------------|----------------|------------------|
|   | MUR'000          | MUR'000         | MUR'000          | MUR'000                  | MUR'000           | MUR'000        | MUR'000          |
| <b>At 1 July 2015 (audited)</b>           | 2,590,959        | -               | 1,385,768        | 17,261                   | 107,086           | 417,202        | 4,518,276        |
| Profit for the period                     | -                | -               | -                | -                        | 435,961           | -              | 435,961          |
| Other comprehensive income                | -                | -               | -                | -                        | -                 | -              | -                |
| Total comprehensive income for the period | -                | -               | -                | -                        | 435,961           | -              | 435,961          |
| Issue of shares                           | 17,261           | -               | -                | -                        | -                 | -              | 17,261           |
| Share application monies                  | -                | -               | -                | (17,261)                 | -                 | -              | (17,261)         |
| Appropriation of reserves                 | -                | -               | -                | -                        | (82,960)          | 82,960         | -                |
| <b>At 31 December 2015 (unaudited)</b>    | <b>2,608,220</b> | <b>-</b>        | <b>1,385,768</b> | <b>-</b>                 | <b>460,087</b>    | <b>500,162</b> | <b>4,954,237</b> |
| <b>At 1 July 2015 (audited)</b>           | 2,590,959        | -               | 1,385,768        | 17,261                   | 107,086           | 417,202        | 4,518,276        |
| Profit for the year                       | -                | -               | -                | -                        | 433,636           | -              | 433,636          |
| Other comprehensive loss                  | -                | -               | -                | -                        | -                 | (579)          | (579)            |
| Total comprehensive income for the year   | -                | -               | -                | -                        | 433,636           | (579)          | 433,057          |
| Issue of shares                           | 17,261           | -               | -                | (17,261)                 | -                 | -              | -                |
| Indemnity costs                           | (12,857)         | -               | -                | -                        | -                 | -              | (12,857)         |
| Appropriation of reserves                 | -                | -               | -                | -                        | 51,563            | (51,563)       | -                |
| Dividends                                 | -                | -               | -                | -                        | (99,002)          | -              | (99,002)         |
| <b>At 30 June 2016 (audited)</b>          | <b>2,595,363</b> | <b>-</b>        | <b>1,385,768</b> | <b>-</b>                 | <b>493,283</b>    | <b>365,060</b> | <b>4,839,474</b> |
| <b>At 1 July 2016 (audited)</b>           | 2,595,363        | -               | 1,385,768        | -                        | 493,283           | 365,060        | 4,839,474        |
| Profit for the period                     | -                | -               | -                | -                        | 566,902           | -              | 566,902          |
| Other comprehensive loss                  | -                | -               | -                | -                        | -                 | (39,727)       | (39,727)         |
| Total comprehensive income for the period | -                | -               | -                | -                        | 566,902           | (39,727)       | 527,175          |
| Issue of shares                           | 2,246            | -               | -                | -                        | -                 | -              | 2,246            |
| Share application monies                  | -                | -               | -                | 472,060                  | -                 | -              | 472,060          |
| Appropriation of reserves                 | -                | -               | -                | -                        | (48,558)          | 48,558         | -                |
| Dividends                                 | -                | -               | -                | -                        | (71,253)          | -              | (71,253)         |
| <b>At 31 December 2016 (unaudited)</b>    | <b>2,597,609</b> | <b>-</b>        | <b>1,385,768</b> | <b>472,060</b>           | <b>940,374</b>    | <b>373,891</b> | <b>5,769,702</b> |

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

|   | Six months ended<br>31 December 2016<br>Unaudited | Six months ended<br>31 December 2015<br>Unaudited | Year ended<br>30 June 2016<br>Audited |
|---|---|---|---------------------------------------|
|   | MUR'000   | MUR'000   | MUR'000                               |
| Interest income                                       | 999,166   | 867,356   | 1,740,611                             |
| Interest expense                                      | (359,307)   | (401,312)   | (774,912)                             |
| <b>Net interest income</b>                            | <b>639,859</b>                                    | <b>466,044</b>                                    | <b>965,699</b>                        |
| Fees and commission income                            | 268,833   | 170,276   | 457,243                               |
| Fees and commission expense                           | (91,659)  | (68,784)  | (159,440)                             |
| <b>Net fees and commission income</b>                 | <b>177,174</b>                                    | <b>101,492</b>                                    | <b>297,803</b>                        |
| Net trading income                                    | 442,379   | 280,454   | 594,683                               |
| Other operating income                                | 11,977  | 72,779  | 5,975                                 |
| <b>Total operating income</b>                         | <b>1,271,389</b>                                  | <b>920,769</b>                                    | <b>1,864,160</b>                      |
| Net allowance for credit impairment                   | (219,015)   | (93,601)  | (644,557)                             |
| <b>Net operating income</b>                           | <b>1,052,374</b>                                  | <b>827,168</b>                                    | <b>1,219,603</b>                      |
| Personnel expenses                                    | (248,833)   | (167,781)   | (396,790)                             |
| Depreciation of equipment                             | (11,031)  | (9,771)   | (20,504)                              |
| Amortisation of intangible assets                     | (4,812)   | (4,363)   | (9,224)                               |
| Other operating expenses                              | (99,596)  | (113,618)   | (269,564)                             |
| <b>Total operating expenses</b>                       | <b>(364,272)</b>                                  | <b>(295,533)</b>                                  | <b>(696,082)</b>                      |
| <b>Profit before tax</b>                              | <b>688,102</b>                                    | <b>531,635</b>                                    | <b>523,521</b>                        |
| Tax expense   | (121,200)   | (95,674)  | (89,885)                              |
| <b>Profit for the period/year</b>                     | <b>566,902</b>                                    | <b>435,961</b>                                    | <b>433,636</b>                        |
| <b>Other comprehensive loss</b>                       |   |   |                                       |
| Net loss on available-for-sale investments            | (39,727)  | -   | (579)                                 |
| <b>Total comprehensive income for the period/year</b> | <b>527,175</b>                                    | <b>435,961</b>                                    | <b>433,057</b>                        |

### MANAGEMENT COMMENTS

The Bank registered an operating income of MUR 1.3bn which shows a healthy increase of 38% from the level achieved during similar period in the previous year which stood at MUR 0.9bn. The Net Profit after Tax for the six months ended 31 December 2016 was MUR 567.0m as compared to MUR 436.0m during the same period in FY 2015/16.

The performance shows growth in net interest income of 37.3% and a significant increase in net fees and commission income of 74.6%. In addition, the net trading income for the six months ended stood at MUR442.4m, reflecting a 57.7% growth compared to same period of previous financial year.

Total loans and advances stood at MUR26.0bn and customer deposits MUR95.1bn at end of December 2016. The Bank continues to maintain a reasonable share of the market while remaining prudent in its lending.

The Bank successfully completed its capital raising in total MUR 600m between December 2016 and January 2017. Of note, our capital adequacy ratio stood at 11.47% with CET1 at 7.46% and Tier 1 capital at 10.19% as at 31 December 2016.

By Order of the Board  
Company Secretary  
23 February 2017

For the information of stakeholders, AfrAsia Bank Ltd is pleased to present its interim unaudited Financial Statements for the six months ended 31 December 2016.

This notice is issued pursuant to the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

Copies of the unaudited interim financial statements (which can also be viewed on the Company's website [www.afasiabank.com](http://www.afasiabank.com)) is available free of charge, upon request made to the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius. The statement of direct and indirect interests of officers, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is also available free of charge, upon request from the Company Secretary.