

Unaudited Interim Financial Statements for the quarter ended 30 September 2014

AFRASIA BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2014		
	Quarter ended 30 Sept 2014	Year ended 30 June 2014
	MUR	MUR
Interest income	381,967,258	1,353,357,522
Interest expense	(186,933,637)	(694,338,487)
Net interest income	195,033,621	659,019,035
Fees and commission income	60,045,504	196,663,870
Fees and commission expense	(14,621,454)	(38,043,390)
Net fees and commission income	45,424,050	158,620,480
Net trading income	91,093,867	245,815,180
Other operating income	7,211,876	113,104,430
Total operating income	338,763,414	1,176,559,125
Net allowance for credit impairment	(15,024,375)	(175,710,745)
Net operating income	323,739,039	1,000,848,380
Personnel expenses	(66,298,551)	(288,876,808)
Depreciation of equipment	(2,476,986)	(6,877,644)
Amortisation of intangible assets	(2,101,470)	(6,623,537)
Other operating expenses	(64,734,362)	(192,258,648)
Total operating expenses	(135,611,369)	(494,636,637)
Operating profit	188,127,670	506,211,743
Impairment loss on subsidiary	-	(217,000,000)
Profit before tax	188,127,670	289,211,743
Tax expense	(32,909,766)	(66,566,545)
Profit for the quarter/year	155,217,904	222,645,198

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2014						
THE BANK	Ordinary shares	Treasury shares	Class A Shares	Retained earnings	Other reserves	Total
	MUR	MUR	MUR	MUR	MUR	MUR
At 1 July 2013	1,694,593,418	-	-	290,007,317	210,067,630	2,194,668,365
Total comprehensive income for the year	-	-	-	222,645,198	-	222,645,198
Issue of shares	53,046,053	-	1,386,244,201	-	-	1,439,290,254
Acquisition of shares	-	(405,776,236)	-	-	-	(405,776,236)
Share-based payments	-	-	-	-	(1,565,582)	(1,565,582)
Appropriation of reserves	-	-	-	(64,450,728)	64,450,728	-
Dividends paid	-	-	-	(116,027,201)	-	(116,027,201)
At 30 June 2014	1,747,639,471	(405,776,236)	1,386,244,201	332,174,586	272,952,776	3,333,234,798
At 1 July 2014	1,747,639,471	(405,776,236)	1,386,244,201	332,174,586	272,952,776	3,333,234,798
Total comprehensive income for the period	-	-	-	155,217,904	-	155,217,904
Share-based payments	-	-	-	-	3,150,776	3,150,776
Expense arising on class A shares	-	-	(926,082)	-	-	(926,082)
Appropriation of reserves	-	-	-	(18,434,530)	18,434,530	-
At 30 September 2014	1,747,639,471	(405,776,236)	1,385,318,119	468,957,960	294,538,082	3,490,677,396

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014		
	As at 30 Sept 2014	As at 30 June 2014
	MUR	MUR
ASSETS		
Cash and balances with the Central Bank	2,083,055,867	2,019,624,517
Due from banks	21,697,384,667	18,251,137,955
Derivative financial instruments	2,305,008	76,088,274
Financial investments - held-for-trading	1,541,546,708	1,911,412,121
Loans and advances to customers	18,219,072,924	17,397,054,742
Financial investments held-to-maturity	6,140,421,321	6,836,836,907
Investment in subsidiary	425,725,964	409,800,877
Equipment	66,233,683	66,310,161
Intangible assets	35,565,096	37,666,566
Other assets	188,434,075	174,217,269
Deferred tax assets	8,897,222	8,897,222
TOTAL ASSETS	50,408,642,535	47,189,046,611
LIABILITIES AND EQUITY		
Due to banks	320,758,081	1,015,349,802
Derivative financial instruments	-	72,684,910
Deposits from customers	45,286,463,407	41,089,954,783
Debts issued	1,054,257,828	1,033,574,296
Current tax liabilities	77,649,187	44,739,421
Other liabilities	178,836,636	599,508,601
TOTAL LIABILITIES	46,917,965,139	43,855,811,813
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Ordinary shares	1,747,639,471	1,747,639,471
Class A shares	1,385,318,119	1,386,244,201
Treasury shares	(405,776,236)	(405,776,236)
Retained earnings	468,957,960	332,174,586
Other reserves	294,538,082	272,952,776
TOTAL EQUITY	3,490,677,396	3,333,234,798
TOTAL LIABILITIES AND EQUITY	50,408,642,535	47,189,046,611

MANAGEMENT'S COMMENTS

AfrAsia Bank recorded a good performance for its first quarter ended 30 September 2014, with a net profit after tax of MUR155,2m, an increase of 58% as compared to the corresponding quarter of the previous financial year. This was primarily driven by a net interest income of MUR195,0m and net trading income of MUR91,1m. Controlled operating expenses of MUR135,6m contributed to a drop in the cost to income ratio to 42%, compared to 49% for the last financial year ended 30 June 2014.

The Bank pursues its 'Bank Different' strategy and has achieved a growth of 5% in its customer loans and advances and a 10% increase in its customer deposits, as compared to 30 June 2014, reaching MUR18,2bn and MUR45,3bn respectively. The loan to deposit ratio was at 40% as at 30 September 2014.

AfrAsia Bank reported its Capital Adequacy for the first time under the BASEL III framework and was comfortable across all the regulatory thresholds.