

# Unaudited Interim Financial Statements for the six months ended 31 December 2014

## AFRASIA BANK LIMITED

| STATEMENT OF COMPREHENSIVE INCOME<br>FOR THE SIX MONTHS ENDED 31 DECEMBER 2014 |                                      |                            |
|--|--------------------------------------|----------------------------|
|  | Six months ended<br>31 December 2014 | Year ended<br>30 June 2014 |
|  | MUR                                  | MUR                        |
| Interest income  | 779,968,927                          | 1,353,357,522              |
| Interest expense   | (365,415,114)                        | (694,338,487)              |
| <b>Net interest income</b>   | <b>414,553,813</b>                   | <b>659,019,035</b>         |
| Fees and commission income   | 128,103,196                          | 196,663,870                |
| Fees and commission expense  | (25,544,942)                         | (38,043,390)               |
| <b>Net fees and commission income</b>  | <b>102,558,254</b>                   | <b>158,620,480</b>         |
| Net trading income   | 178,998,547                          | 245,815,180                |
| Other operating income   | 16,525,931                           | 113,104,430                |
| <b>Total operating income</b>  | <b>712,636,545</b>                   | <b>1,176,559,125</b>       |
| Net allowance for credit impairment  | (35,805,518)                         | (175,710,745)              |
| <b>Net operating income</b>  | <b>676,831,027</b>                   | <b>1,000,848,380</b>       |
| Personnel expenses   | (129,561,258)                        | (288,876,808)              |
| Depreciation of equipment  | (5,891,173)                          | (6,877,644)                |
| Amortisation of intangible assets  | (3,915,673)                          | (6,623,537)                |
| Other operating expenses   | (118,023,350)                        | (192,258,648)              |
| <b>Total operating expenses</b>  | <b>(257,391,454)</b>                 | <b>(494,636,637)</b>       |
| <b>Operating profit</b>  | <b>419,439,573</b>                   | <b>506,211,743</b>         |
| Impairment loss on subsidiary  | -                                    | (217,000,000)              |
| <b>Profit for the period/year</b>  | <b>419,439,573</b>                   | <b>289,211,743</b>         |
| Tax expense  | (68,687,548)                         | (66,566,545)               |
| <b>Profit for the period/year</b>  | <b>350,752,025</b>                   | <b>222,645,198</b>         |

| STATEMENT OF CHANGES IN EQUITY<br>FOR THE SIX MONTHS ENDED 31 DECEMBER 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        |
| Profit for the year   | -                    | -                    | -                    | 222,645,198         | -                  | 222,645,198          |
| Other comprehensive income  | -                    | -                    | -                    | -                   | -                  | -                    |
| Total comprehensive income for the year                                     | -                    | -                    | -                    | 222,645,198         | -                  | 222,645,198          |
| Expense arising from equity-settled share-based payment                     | -                    | -                    | -                    | -                   | (1,565,582)        | (1,565,582)          |
| Issue of shares   | 53,046,053           | -                    | 1,386,244,201        | -                   | -                  | 1,439,290,254        |
| Acquisition of shares   | -                    | (405,776,236)        | -                    | -                   | -                  | (405,776,236)        |
| 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        |
| <b>At 1 July 2014</b>   | <b>1,747,639,471</b> | <b>(405,776,236)</b> | <b>1,386,244,201</b> | <b>332,174,586</b>  | <b>272,952,776</b> | <b>3,333,234,798</b> |
| <b>Profit for the period</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>350,752,025</b>  | <b>-</b>           | <b>350,752,025</b>   |
| <b>Other comprehensive income</b>   | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>-</b>           | <b>-</b>             |
| <b>Total comprehensive income for the period</b>                            | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>350,752,025</b>  | <b>-</b>           | <b>350,752,025</b>   |
| <b>Expense arising from equity-settled share-based payment</b>              | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>6,301,549</b>   | <b>6,301,549</b>     |
| <b>Incidental cost on issue of shares</b>                                   | <b>-</b>             | <b>-</b>             | <b>(926,082)</b>     | <b>-</b>            | <b>-</b>           | <b>(926,082)</b>     |
| <b>Issue of shares</b>  | <b>-</b>             | <b>405,776,236</b>   | <b>-</b>             | <b>-</b>            | <b>-</b>           | <b>405,776,236</b>   |
| <b>Capital reserve</b>  | <b>(35,677,303)</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>-</b>           | <b>(35,677,303)</b>  |
| <b>Statutory reserve</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>(35,207,507)</b> | <b>35,207,507</b>  | <b>-</b>             |
| <b>Appropriation of reserves</b>  | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>(72,141,499)</b> | <b>72,141,499</b>  | <b>-</b>             |
| <b>Dividends paid</b>   | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>(67,930,269)</b> | <b>-</b>           | <b>(67,930,269)</b>  |
| At 31 December 2014   | 1,711,962,168        | -                    | 1,385,318,119        | 507,647,336         | 386,603,331        | 3,991,530,954        |

| STATEMENT OF FINANCIAL POSITION<br>AS AT 31 DECEMBER 2014  |                           |                       |
|--|---------------------------|-----------------------|
|  | As at<br>31 December 2014 | As at<br>30 June 2014 |
|  | MUR                       | MUR                   |
| <b>ASSETS</b>  |                           |                       |
| Cash and balances with the Central Bank                    | 1,328,403,253             | 2,019,624,517         |
| Due from banks   | 23,768,476,442            | 18,251,137,955        |
| Derivative financial instruments                           | 106,678,322               | 76,088,274            |
| Other financial assets held-for-trading                    | 1,304,849,232             | 1,911,412,121         |
| Loans and advances to customers                            | 21,012,957,958            | 17,397,054,742        |
| Investment in subsidiary                                   | 430,050,761               | 409,800,877           |
| Financial investments held-to-maturity                     | 6,350,927,260             | 6,836,836,907         |
| Equipment  | 95,507,938                | 66,310,161            |
| Intangible assets  | 37,099,580                | 37,666,566            |
| Deferred tax assets  | 9,681,599                 | 8,897,222             |
| Other assets   | 191,709,365               | 174,217,269           |
| <b>TOTAL ASSETS</b>  | <b>54,636,341,710</b>     | <b>47,189,046,611</b> |
| <b>LIABILITIES AND EQUITY</b>                              |                           |                       |
| Due to banks   | 305,669,530               | 1,015,349,802         |
| Derivative financial instruments                           | 66,340,535                | 72,684,910            |
| Deposits from customers                                    | 48,856,095,750            | 41,089,954,783        |
| Debts issued   | 1,051,632,171             | 1,033,574,296         |
| Current tax liabilities                                    | 54,239,414                | 44,739,421            |
| Other liabilities  | 310,833,356               | 599,508,601           |
| <b>TOTAL LIABILITIES</b>                                   | <b>50,644,810,756</b>     | <b>43,855,811,813</b> |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> |                           |                       |
| Issued capital   | 1,711,962,168             | 1,747,639,471         |
| Treasury shares  | -                         | (405,776,236)         |
| Class A shares   | 1,385,318,119             | 1,386,244,201         |
| Retained earnings  | 507,647,336               | 332,174,586           |
| Other reserves   | 386,603,331               | 272,952,776           |
| <b>TOTAL EQUITY</b>  | <b>3,991,530,954</b>      | <b>3,333,234,798</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>54,636,341,710</b>     | <b>47,189,046,611</b> |

### MANAGEMENT'S COMMENTS

AfrAsia Bank reported a good performance for the first six months ended 31 December 2014, with a net profit after tax of MUR350,8m, an increase of 50% compared to the corresponding first half of the previous financial year. This growth was mainly fuelled by a net interest income of MUR414,6m and net trading income of MUR179,0m. Tight controls on operating expenses contributed to achieve a low cost to income ratio of 36%, compared to 41% for the previous corresponding period.

The Bank has continued to provide excellent customer service and attractive market rates which enabled our loan book to grow by 21% over the six months to reach MUR21,0bn. Customer deposits increased by 19% over the semester to reach MUR48,9bn as at 31 December 2014, reflecting a conservative loan to deposit ratio of 43% at closure of this reporting period.

During this quarter, the Bank announced the addition of an important world-class strategic partner, National Bank of Canada, to its shareholding structure. This represents a major vote of confidence in its business model, financial standing and unique positioning in regional and international markets. National Bank of Canada acquired a 9.5% stake in AfrAsia Bank, with the aim of further increasing its shareholding in the near future.