

Unaudited Interim Financial Statements for the nine months ended 31 March 2013

AFRASIA BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2013

	9 months ended 31 March 2013	Year ended 30 June 2012
	Rs.	Rs.
Interest income	720,744,438	829,230,689
Interest expense	(463,772,039)	(506,702,307)
Net interest income	256,972,399	322,528,382
Fees and commission income	103,568,862	116,006,675
Fees and commission expense	(12,994,432)	(14,576,701)
Net fees and commission income	90,574,430	101,429,974
Net trading income	82,087,986	62,056,737
Other operating income	1,340,225	11,210,410
Total operating income	430,975,040	497,225,503
Net allowance for credit impairment	(9,436,775)	(24,874,478)
Net operating income	421,538,265	472,351,025
Personnel expenses	(101,629,527)	(172,852,372)
Depreciation of equipment	(2,816,474)	(3,226,406)
Amortisation of intangible assets	(4,243,450)	(4,031,198)
Other operating expenses	(95,325,600)	(91,881,232)
Total operating expenses	(204,015,051)	(271,991,208)
Profit before tax	217,523,214	200,359,817
Tax expense	(27,951,133)	(20,092,051)
Profit for the period/year	189,572,081	180,267,766
Other comprehensive income	-	-
Total comprehensive income for the period/year	189,572,081	180,267,766

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	As at 31 March 2013	As at 30 June 2012
	Rs.	Rs.
ASSETS		
Cash and balances with the Central Bank	1,345,032,462	676,371,624
Due from banks	7,420,037,215	3,527,119,302
Derivative financial instruments	34,464,752	123,782,046
Other financial assets held-for-trading	948,398,038	1,162,543,500
Loans and advances to customers	13,402,636,724	12,784,435,754
Financial investments held-to-maturity	4,955,692,145	3,506,007,725
Investment in subsidiary	385,244,874	363,163,638
Equipment	18,914,891	14,313,604
Intangible assets	16,874,811	17,094,812
Deferred tax assets	10,290,229	7,637,567
Other assets	45,900,767	29,365,439
TOTAL ASSETS	28,583,486,908	22,211,835,011
LIABILITIES AND EQUITY		
Due to banks	494,368,502	8,516,013
Derivative financial instruments	31,897,845	63,249,865
Deposits from customers	24,920,458,318	19,628,367,164
Debts issued	839,672,640	565,479,715
Amount due to subsidiary	131,273,189	123,146,176
Current tax liabilities	20,402,124	9,631,747
Other liabilities	63,781,646	131,281,959
TOTAL LIABILITIES	26,501,854,264	20,529,672,639
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Issued capital	1,694,593,418	1,398,457,492
Retained earnings	278,349,588	189,817,849
Other reserves	108,689,638	93,887,031
TOTAL EQUITY	2,081,632,644	1,682,162,372
TOTAL LIABILITIES AND EQUITY	28,583,486,908	22,211,835,011

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2013

	Issued capital	Retained earnings	Other reserves	Total
	Rs.	Rs.	Rs.	Rs.
At 1 July 2011	921,638,335	91,263,376	46,487,399	1,059,389,110
Issue of shares	476,819,157	-	-	476,819,157
Profit for the year	-	180,267,766	-	180,267,766
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	180,267,766	-	180,267,766
Share-based payments	-	-	247,217	247,217
Appropriation of reserves	-	(47,152,415)	47,152,415	-
Dividends	-	(34,560,878)	-	(34,560,878)
At 30 June 2012	1,398,457,492	189,817,849	93,887,031	1,682,162,372
At 1 July 2012	1,398,457,492	189,817,849	93,887,031	1,682,162,372
Issue of shares	296,135,926	-	-	296,135,926
Profit for the period	-	189,572,081	-	189,572,081
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	189,572,081	-	189,572,081
Share-based payments	-	-	1,830,286	1,830,286
Appropriation of reserves	-	(12,972,321)	12,972,321	-
Dividends paid	-	(88,068,021)	-	(88,068,021)
At 31 March 2013	1,694,593,418	278,349,588	108,689,638	2,081,632,644

MANAGEMENT'S COMMENTS

AfrAsia Bank recorded a net profit after tax of Rs189,6m for the nine months ended 31 March 2013, an increase of 14% compared to the previous corresponding period. This was primarily driven by a net interest income of Rs257,0m. Net trading income also performed remarkably to reach Rs82,1m for the period. Controlled operating expenses of Rs204,0m contributed to maintain a cost to income ratio of 50%.

Collaborative and privileged relationship with customers grew deposits by 11% over the quarter to reach Rs24,9bn as at 31 March 2013. However, due to slow economic growth in the region, our loan book increased by only 4% over the three months to reach Rs13,4bn. Loans to deposits ratio stood at 54% at end of this reporting period.

Economic conditions are expected to remain challenging, both locally and internationally, affecting credit pattern. AfrAsia Bank however continues to pursue its "bank different" strategy and is ready to respond to the changing client needs.