

Unaudited Interim Financial Statements for the six months ended 31 December 2013

AFRASIA BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2013		
	Six months ended 31 December 2013	Year ended 30 June 2013
	MUR	MUR
Interest income	632,757,080	986,614,164
Interest expense	(327,370,179)	(620,367,037)
Net interest income	305,386,901	366,247,127
Fees and commission income	106,215,185	176,526,845
Fees and commission expense	(16,565,678)	(20,730,461)
Net fees and commission income	89,649,507	155,796,384
Net trading income	97,175,705	132,453,791
Other operating income	1,500,471	9,336,696
Total operating income	493,712,584	663,833,998
(Net allowance for credit impairment)/ Reversal of impairment charge	(14,441,397)	1,152,052
Net operating income	479,271,187	664,986,050
Personnel expenses	(99,488,888)	(197,632,225)
Depreciation of equipment	(2,781,280)	(4,694,856)
Amortisation of intangible assets	(2,800,340)	(5,714,166)
Other operating expenses	(99,395,048)	(116,857,206)
Total operating expenses	(204,465,556)	(324,898,453)
Profit before tax	274,805,631	340,087,597
Tax expense	(40,270,902)	(37,491,675)
Profit for the period/year	234,534,729	302,595,922
Other comprehensive income	-	-
Total comprehensive income for the period/year	234,534,729	302,595,922

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2013				
	Issued capital	Retained earnings	Other reserves	Total
	MUR	MUR	MUR	MUR
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 year	-	302,595,922	-	302,595,922
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	302,595,922	-	302,595,922
Share-based payments	-	-	1,842,167	1,842,167
Appropriation of reserves	-	(114,338,432)	114,338,432	-
Dividends paid	-	(88,068,022)	-	(88,068,022)
At 30 June 2013	1,694,593,418	290,007,317	210,067,630	2,194,668,365
At 1 July 2013	1,694,593,418	290,007,317	210,067,630	2,194,668,365
Issue of shares	20,431,776	-	-	20,431,776
Profit for the period	-	234,534,729	-	234,534,729
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	234,534,729	-	234,534,729
Share-based payments	-	-	(11,999,279)	(11,999,279)
Appropriation of reserves	-	(19,742,795)	19,742,795	-
Dividends paid	-	(116,027,201)	-	(116,207,201)
At 31 December 2013	17,715,025,194	388,772,050	217,811,146	2,321,608,390

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013		
	As at 31 December 2013	As at 30 June 2013
	MUR	MUR
ASSETS		
Cash and balances with the Central Bank	1,354,344,655	1,598,715,632
Due from banks	11,740,973,978	9,009,807,334
Derivative financial instruments	36,379,097	25,637,161
Financial investments held-for-trading	652,093,909	532,685,518
Loans and advances to customers	18,252,451,753	14,007,752,016
Financial investments held-to-maturity	5,468,993,002	5,807,802,824
Investment in subsidiaries	481,666,350	383,115,237
Equipment	29,244,515	28,756,687
Intangible assets	12,885,544	15,420,212
Deferred tax assets	8,055,035	8,055,035
Other assets	86,789,386	41,951,992
TOTAL ASSETS	38,123,877,224	31,459,699,648
LIABILITIES AND EQUITY		
Due to banks	1,144,679,879	881,908,278
Derivative financial instruments	25,355,936	49,697,684
Deposits from customers	33,225,219,606	27,232,616,080
Debts issued	1,029,901,048	883,069,803
Amount due to subsidiary	59,657,818	57,253,644
Current tax liabilities	32,986,184	22,175,979
Other liabilities	284,468,363	138,309,815
TOTAL LIABILITIES	35,802,268,834	29,265,031,283
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Issued capital	1,715,025,194	1,694,593,418
Retained earnings	388,772,050	290,007,317
Other reserves	217,811,146	210,067,630
TOTAL EQUITY	2,321,608,390	2,194,668,365
TOTAL LIABILITIES AND EQUITY	38,123,877,224	31,459,699,648

MANAGEMENT'S COMMENTS

AfrAsia Bank experienced a very good performance for the first six months of its financial year 30 June 2014, with a net profit after tax of MUR234.5m, an increase of 109% compared to the corresponding first half of the previous financial year. This growth was mainly fuelled by a net interest income of MUR305.4m and net trading income of MUR97.2m. Tight controls on operating expenses contributed to achieve a low cost to income ratio of 41%, compared to 50% for the previous corresponding period.

We have continued to provide excellent customer service and attractive market rates which grew our loan book by 30% over the six months to reach MUR18.3bn. Customer deposits increased by 22% over the semester to reach MUR33.2bn as at 31 December 2013, reflecting a conservative loan to deposit ratio of 55% at closure of this reporting period.

As previously announced, we are currently undergoing a group restructure and have consolidated our stake in Axy's Capital Management Limited, rebranded AfrAsia Capital Management Limited, and in AfrAsia Corporate Finance Limited to henceforth hold 100% stake in these entities.