

Unaudited Interim Financial Statements for the six months ended 31 December 2012

AFRASIA BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2012		
	6 months ended 31 December 2012	Year ended 30 June 2012
	Rs.	Rs.
Interest income	476,450,370	829,230,689
Interest expense	(307,696,459)	(506,702,307)
Net interest income	168,753,911	322,528,382
Fees and commission income	55,082,190	116,006,675
Fees and commission expense	(8,039,533)	(14,576,701)
Net fees and commission income	47,042,657	101,429,974
Net trading income	51,060,547	62,056,737
Other operating income	643,834	11,210,410
Total operating income	267,500,949	497,225,503
Net allowance for credit impairment	(6,015,946)	(24,874,478)
Net operating income	261,485,003	472,351,025
Personnel expenses	(66,008,871)	(172,852,372)
Depreciation of equipment	(1,837,129)	(3,226,406)
Amortisation of intangible assets	(2,778,187)	(4,031,198)
Other operating expenses	(62,930,534)	(91,881,232)
Total operating expenses	(133,554,721)	(271,991,208)
Profit before tax	127,930,282	200,359,817
Tax expense	(15,858,019)	(20,092,051)
Profit for the period/year	112,072,263	180,267,766
Other comprehensive income	-	-
Total comprehensive income for the period/year	112,072,263	180,267,766

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012		
	As at 31 December 2012	As at 30 June 2012
	Rs.	Rs.
ASSETS		
Cash and balances with the Central Bank	1,390,439,623	676,371,624
Due from banks	5,242,538,079	3,527,119,302
Derivative financial instruments	29,105,255	123,782,046
Other financial assets-held-for-trading	960,690,135	1,162,543,500
Loans and advances to customers	12,889,282,841	12,784,435,754
Financial investments held-to-maturity	4,514,533,037	3,506,007,725
Investment in subsidiaries	380,501,593	363,163,638
Equipment	18,259,936	14,313,604
Intangible assets	18,340,074	17,094,812
Deferred tax assets	10,328,244	7,637,567
Other assets	48,477,433	29,365,439
TOTAL ASSETS	25,502,496,250	22,211,835,011
LIABILITIES AND EQUITY		
Due to banks	38,404,260	8,516,013
Derivative financial instruments	2,477,631	63,249,865
Deposits from customers	22,408,983,075	19,628,367,164
Debts issued	827,112,370	565,479,715
Amount due to subsidiary	128,546,042	123,146,176
Current tax liabilities	12,830,966	9,631,747
Other liabilities	81,782,320	131,281,959
TOTAL LIABILITIES	23,500,136,664	20,529,672,639
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Issued capital	1,694,593,418	1,398,457,492
Retained earnings	208,127,942	189,817,849
Other reserves	99,638,226	93,887,031
TOTAL EQUITY	2,002,359,586	1,682,162,372
TOTAL LIABILITIES AND EQUITY	25,502,496,250	22,211,835,011

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2012				
	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	-	112,072,263	-	112,072,263
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	112,072,263	-	112,072,263
Share-based payments	-	-	57,046	57,046
Appropriation of reserves	-	(5,694,149)	5,694,149	-
Dividends paid	-	(88,068,021)	-	(88,068,021)
At 31 December 2012	1,694,593,418	208,127,942	99,638,226	2,002,359,586

MANAGEMENT'S COMMENTS

Considering the unstable economic environment and relatively slow growth in the domestic economy, AfrAsia Bank is pleased to publish a half yearly net profit after tax of Rs112,1m for the period ended 31st December 2012; the main driver being a steady growth in its net interest income, from Rs79,8m in the first quarter of the financial year to Rs88,9m in the second quarter. A good progress of 15% was also noted in net fees and commission income.

AfrAsia Bank continues to invest in its delivery capabilities and its people to better serve its customers. The Bank's operating results reflect its commitment to building and maintaining collaborative and privileged relationships with its customers, which grew deposits by 14% to reach Rs22,4bn over the half year under review. Challenging economic conditions however caused the loan book to stagnate at around Rs12,9bn.

The "bank different" strategy has also captured the attention of international investors. AfrAsia Bank successfully attracted a new shareholder, bringing an additional Tier 1 capital of Rs296,1m in November 2012, raising total issued capital to Rs1,7bn. Given the strong financial performance for the year ended 30 June 2012, a dividend per share of Rs1.25 amounting to Rs88,1m was paid during the second quarter of the financial year.