# Condensed audited financial statements for the year ended 30 June 2015

(a) THE GROUP



222,645,198

175,031,318 1,249,096,008

(255,509,728)

222,645,198

(64,450,728)

175,031,318

(255,509,728

#### AFRASIA BANK LIMITED AND ITS GROUP ENTITIES

			OMPREHENSIVE IN			
		THE GROUP			THE BANK	
	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2015	Year ended 30 June 2014	Year ended 30 June 2013
	MUR	MUR	MUR	MUR	MUR	MUR
Interest income Interest expense	1,603,346,016 (756,260,493)	1,362,483,541 (701,314,270)	986,611,615 (620,362,470)	1,609,152,800 (748,563,714)	1,353,357,522 (694,338,487)	986,614,164 (620,367,037)
Net interest income	847,085,523	661,169,271	366,249,145	860,589,086	659,019,035	366,247,127
Fees and commission income Fees and commission expense	508,817,561 (73,070,643)	330,712,409 (36,193,075)	179,492,120 (21,367,222)	285,987,554 (72,768,301)	196,663,870 (38,043,390)	176,526,845 (20,730,461)
Net fees and commission income	435,746,918	294,519,334	158,124,898	213,219,253	158,620,480	155,796,384
Net trading income Other operating income	7,485,446 100,027,593	248,816,151 20,594,390	193,093,707 9,336,696	471,081,684 101,863,180	245,815,180 113,104,430	132,453,791 9,336,696
Total operating income (Net allowance for credit impairment)/	1,390,345,480	1,225,099,146	726,804,446	1,646,753,203	1,176,559,125	663,833,998
Reversal of impairment charge	(236,979,654)	(67,710,745)	1,152,052	(500,278,533)	(175,710,745)	1,152,052
Net operating income	1,153,365,826	1,157,388,401	727,956,498	1,146,474,670	1,000,848,380	664,986,050
Personnel expenses Depreciation of equipment Amortisation of intangible assets Other operating expenses	(371,876,577) (15,888,206) (64,546,070) (329,644,606)	(341,433,820) (8,591,580) (48,458,634) (213,474,417)	(197,632,225) (4,695,949) (5,714,166) (118,000,522)	(294,044,111) (13,535,822) (8,729,435) (273,372,535)	(288,876,808) (6,877,644) (6,623,537) (192,258,648)	(197,632,225) (4,694,856) (5,714,166) (116,857,206)
Total operating expenses	(781,955,459)	(611,958,451)	(326,042,862)	(589,681,903)	(494,636,637)	(324,898,453)
Operating profit	371,410,367	545,429,950	401,913,636	556,792,767	506,211,743	340,087,597
Share of profit of joint venture Fair value gain on acquisition of subsidiaries	-	2,664,054 125,845,708	16,283,494	-	-	-
Impairment loss on subsidiary Impairment loss on associate Impairment of available-for-sale investment Share of loss of associate	(118,564,966) (327,647,054)	(144,246,639) - (129,175,128)	- - - (177,483,655)	(302,554,154) - - -	(217,000,000) - - -	- - - -
(Loss)/Profit before tax	(74,801,653)	400,517,945	240,713,475	254,238,613	289,211,743	340,087,597
Tax expense	(101,266,632)	(75,994,166)	(37,678,683)	(79,207,295)	(66,566,545)	(37,491,675)
(Loss)/Profit for the year	(176,068,285)	324,523,779	203,034,792	175,031,318	222,645,198	302,595,922
Other comprehensive income to be reclassified to profit or loss in subsequent period:						
Share of associates other reserves Net gain on available-for-sale investments Exchange differences on translation of foreign	1,998,535	(813,574) 1,977,927	2,122,705 -	:	- -	- -
operations Net gain on hedge of a net investment	(677,597) -	(9,630,208) 7,007,543	527,011 48,401	:	- -	- -
Total other comprehensive income to be reclassified to profit or loss in subsequent period	1,320,938	(1,458,312)	2,698,117	_	-	-
Total comprehensive (loss)/income	(174,747,347)	323,065,467	205,732,909	175.031.318	222,645,198	302,595,922

CONDENSED AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015							
	THE GROUP			THE BANK			
	2015	2014	2013	2015	2014	2013	
	MUR	MUR	MUR	MUR	MUR	MUR	
ASSETS							
Cash and balances with the Central Bank	2,514,212,771	2,021,271,956	1,598,715,632	2,512,469,499	2,019,624,517	1,598,715,632	
Due from banks	41,447,016,418	18,265,309,349	9,009,843,939	41,434,529,360	18,251,137,955	9,009,807,334	
Derivative financial instruments	217,383,148	860,845,449	68,581,360	68,527,133	76,088,274	25,637,161	
Financial investments-held-for-trading	3,045,473,857	2,636,144,938	532,685,518	1,967,124,284	1,911,412,121	532,685,518	
Loans and advances to customers	21,772,734,670	17,227,454,645	14,007,752,016	21,707,867,640	17,397,054,742	14,007,752,016	
Financial investments-available-for-sale	41,049,271	341,340,318	40,722,657	-	-	-	
Financial investments-held-to-maturity	5,071,692,345	6,836,836,907	5,807,802,824	5,071,692,345	6,836,836,907	5,807,802,824	
Investment in subsidiaries	-	-	-	189,562,500	409,800,877	383,115,237	
Investment in joint venture	-	-	55,177,034	-	-	-	
Investment in associates Equipment	103,495,720	118,564,966 71,207,441	225,313,514 28,763,936	98,955,009	66,310,161	28,756,687	
Intangible assets	356,071,478	401,506,929	15,420,212	48,018,166	37,666,566	15,420,212	
Other assets	263,743,208	197,071,143	165,323,024	288,150,481	174,217,269	41,951,992	
Deferred tax assets	24,060,186	12,644,071	8,055,035	19,607,046	8,897,222	8,055,035	
TOTAL ASSETS	74,856,933,072	48,990,198,112	31,564,156,701	73,406,503,463	47,189,046,611	31,459,699,648	
LIABILITIES AND EQUITY							
Due to banks	227,418,091	1,015,349,802	881,908,278	227,411,484	1,015,349,802	881,908,278	
Derivative financial instruments	555,094,453	857,442,085	66,241,883	54,775,438	72,684,910	49,697,684	
Deposits from customers	66,437,715,715	40,413,543,682	27,224,339,709	66,928,650,521	41,089,954,783	27,232,616,080	
Debts issued	2,691,570,175	2,433,941,196	940,323,447	1,094,274,560	1,033,574,296	883,069,803	
Amount due to subsidiary	·		-			57,253,644	
Other liabilities	591,539,131	766,500,126	231,773,086	531,786,209	599,508,601	138,309,815	
Current tax liabilities Deferred tax liabilities	67,835,800 114,281	53,040,200	22,175,979	51,327,383	44,739,421	22,175,979	
TOTAL LIABILITIES		45 520 017 001	20 244 742 202	40 000 225 505	42.055.011.012	20.245.021.202	
	70,571,287,646	45,539,817,091	29,366,762,382	68,888,225,595	43,855,811,813	29,265,031,283	
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS							
OF THE PARENT							
Ordinary shares	2,590,959,243	1,747,639,471	1,694,593,418	2,590,959,243	1,747,639,471	1,694,593,418	
Class A shares	1,399,768,119	1,400,244,201	-	1,385,768,119	1,386,244,201	-	
Treasury shares Share application monies	17,261,328	(405,776,236)	-	17,261,328	(405,776,236)	-	
(Accumulated losses)/Retained earnings	(142,091,309)	434,095,763	290,049,913	107,087,117	332,174,586	290.007.317	
Other reserves	419,748,045	274,177,822	212,750,988	417,202,061	272,952,776	210,067,630	
TOTAL EQUITY	4,285,645,426	3,450,381,021	2,197,394,319	4,518,277,868	3,333,234,798	2,194,668,365	
TOTAL LIABILITIES AND EQUITY	74,856,933,072	48,990,198,112	31,564,156,701	73,406,503,463	47,189,046,611	31,459,699,648	

The financial statements have been approved for issue by the Board of Directors on 24 September 2015.

Jean DE FONDAUMIÈRE Catherine MCILRAITH Lim Sit Chen LAM PAK NG

The above information, including the independent auditors' report has been extracted from the audited financial statements for the year ended 30 June 2015. It should therefore be read in conjunction with the rest of the audited financial statements.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AFRASIA BANK LIMITED

We have audited the consolidated and separate financial statements of AfrAsia Bank Limited (the 'Bank') for the year ended 30 June 2015, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 28 September 2015, we expressed an unqualified opinion on the consolidated and separate financial statements from which the summarised financial statements were derived.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the consolidated and separate financial statements from which they

For a better understanding of the Bank's consolidated and separate financial position, financial performance and cash flows for the year and of the scope of our audit, the summarised financial statements should be read in conjunction with the consolidated and separate financial statements from which the summarised financial statements were derived and our audit report thereon

KPMG **ERNST & YOUNG** Mauritius Mauritius

The audit report on the complete set of financial statements reads as follows

Report on the Financial Statements

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AFRASIA BANK LIMITED

We have audited the consolidated and separate financial statements of AfrAsia Bank Limited (the 'Bank'), which comprise the statements of financial position as at 30 June 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 102.

This report is made solely to the Bank's members, as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Bank's members those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members, as a body, for our audit work, for this report, or for the opinions we have formed.

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, Banking Act 2004 and Financial Reporting Act 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of AfrAsia Bank Limited as at 30 June 2015 and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting as Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act 2004.

## Report on Other Legal and Regulatory Requirements

We have no relationship with or interests in the Bank other than in our capacities as auditors and tax advisors.

We have obtained all the information and explanations we have required In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the

Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius. The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Total comprehensive income for

53,046,053

1,747,639,471

1,747,639,471

843,319,772

2,590,959,243

Issue of shares Acquisition of shares Share-based payments

Appropriation of reserves

Profit for the year Other comprehensive incom Total comprehensive income for the year

Share application monies

Appropriation of reserves Dividends

At 30 June 2014

At 1 July 2014

Issue of shares Incidental cost on issue of

At 30 lune 2015

The Financial Reporting Act 2004 The directors are responsible for preparing the corporate governance report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance (the

'Code') as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code In our opinion, the disclosures in the corporate governance report are consistent with the requirements of the Code.

its Ordinary shareholders an amount of MUR1.65 per share during the year ending June 2015.

Ebène. Mauritius ANDRE LAI WAN LOONG, A.C.A. JEAN CLAUDE LIONG

Date: 28 September 2015

### MANAGEMENT'S COMMENTS

AfrAsia Bank Limited closed its 8th financial year ending 30 June 2015 reporting a satisfactory Net Profit after Tax of MUR175m, while maintaining a solid statement of financial position consolidating its capital base and gaining on market share across all business segments

Despite a volatile global economic environment, AfrAsia Bank Ltd reported a total operating income of MUR1,6bn, representing a strong growth of 40% on a year-over-year basis. This outstanding result is accounted by a steady increase in its net interest income from MUR659m to MUR861m together with a net fee income increase of 34% as compared to the same period in the previous year. Net trading income almost doubled compared to the previous year to MUR471m.

The Bank also fully provided for its remaining exposure on its Zimbabwean investment, which was closed during the year under review. Such an exposure has affected the statement of profit or loss and other comprehensive income of the Bank by MUR707m during the year. The net result is a net profit after tax of MUR175m at the Bank level and a net loss after tax of MUR176m on a consolidated basis.

On the assets side, the Bank successfully grew its loan book by MUR4,3bn across both segments while maintaining a conservative overall loan to deposit ratio of 32%, reflecting its

objective of meeting credit demand while maintaining assets quality in its loan portfolio. Furthermore, customer confidence in the Bank translated by its customer deposits increased by 63% to reach MUR67bn by the end of June 2015, across both segments A and B.

The Bank's capital base was strengthened with the coming on board of a shareholder of international renown namely the National Bank of Canada which as at June 2015, became the Bank's 2nd largest shareholder with a 17.5% stake. Capital adequacy ratio of 13.7%, under Basel III also reflected a well-positioned statement of financial position. Furthermore, the Bank fully recognised its Class A shareholders' entitlement to their dividends according to the terms and conditions of the Class A shares programme memorandum and paid

Whilst the Bank has remained conservative in its approach, a new vision and a reorganisation of its internal structure is warranted to better serve its banking and non-banking clients. With a new organisational transformation, AfrAsia Bank Limited will be well-positioned to reinforce its foothold in the market and create more value for its shareholders

At 1 July 2012	1,398,457,492	-	-	-	289,421,575	93,872,272	1,781,751,339
Profit for the year	-	-	-	-	203,034,792	-	203,034,792
Other comprehensive income	_		-		-	2,698,117	2,698,117
Total comprehensive income for the year					203,034,792	2,698,117	205,732,909
Issue of shares	296,135,926	-	-	-	203,034,792	2,090,117	296,135,926
Share-based payments	290,133,920	-	-	-	-	1,842,167	1,842,167
Appropriation of reserves	_	-	-	-	(114,338,432)	114,338,432	1,042,107
Dividends	-	=	-	-	(88,068,022)	-	(88,068,022)
At 30 June 2013	1,694,593,418	_	_	_	290,049,913	212,750,988	2,197,394,319
At 1 July 2013	1,694,593,418				290,049,913	212,750,988	2,197,394,319
Profit for the year	1,094,393,410				324,523,779	212,730,900	324,523,779
Other comprehensive income	_	_	_	_	-	(1,458,312)	(1,458,312)
Total comprehensive income for						(1,122,212)	(1,100,000,000,000,000,000,000,000,000,0
the year	-	-	-	-	324,523,779	(1,458,312)	323,065,467
Issue of shares	53,046,053	-	1,400,244,201	-	-	-	1,453,290,254
Acquisition of shares	-	(405,776,236)	-	-	-	- (1.5/5.500)	(405,776,236)
Share-based payments Appropriation of reserves	-	-	-	-	(64,450,728)	(1,565,582) 64,450,728	(1,565,582)
Dividends	-	-	-	_	(116,027,201)	-	(116,027,201)
At 30 June 2014	1,747,639,471	(405,776,236)	1,400,244,201	_	434,095,763	274,177,822	3,450,381,021
At 1 July 2014	1,747,639,471	(405,776,236)	1,400,244,201		434,095,763	274,177,822	3,450,381,021
Loss for the year	1,747,039,471	(405,776,230)	1,400,244,201	<del></del>	(176,068,285)	- 2/4,1/7,022	(176,068,285)
Other comprehensive income	_	-	-	_	-	1,320,938	1,320,938
Total comprehensive (loss)/						.,020,700	.,020,700
income for the year	<del>.</del>	<del>-</del>	-	-	(176,068,285)	1,320,938	(174,747,347)
Issue of shares	843,319,772	405,776,236	-	-	-	-	1,249,096,008
Incidental cost on issue of shares	-	-	(476,082)	-	-	-	(476,082)
Share application monies	-	-	-	17,261,328	-	-	17,261,328
Share-based payments	-	-	-	´- ´	-	(359,774)	(359,774)
Appropriation of reserves	-	-	-	-	(144,609,059)	144,609,059	<del>.</del>
Dividends		<del>-</del>	-	-	(255,509,728)	-	(255,509,728)
At 30 June 2015	2,590,959,243	<u>-</u>	1,399,768,119	17,261,328	(142,091,309)	419,748,045	4,285,645,426
(b) THE BANK				Share application	Retained		
	Ordinary shares	Treasury shares	Class A shares	monies	earnings	Other reserves	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
At 1 July 2012	1,398,457,492	-	-	-	189,817,849	93,887,031	1,682,162,372
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
Issue of shares	296,135,926	-	_	-	-	-	296,135,926
Share-based payments	-	-	=	-	-	1,842,167	1,842,167
Appropriation of reserves	-	-	-	-	(114,338,432)	114,338,432	-
Dividends		-	-		(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 1,694,593,418	-	-	-	290,007,317 290,007,317	210,067,630 210,067,630	2,194,668,365
At 1 July 2013 Profit for the year		- - -	- - -				

1,386,244,201

(476,082)

17,261,328

(405,776,236)

405,776,236

CONDENSED AUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

COND	ENSED AUDITED STA	TEMENTS OF CASH F	LOWS FOR THE YEA	AR ENDED 30 JUNE 2015 THE BANK			
	2015	2014	2013	2015	2014	2013	
	MUR	MUR	MUR	MUR	MUR	MUR	
OPERATING ACTIVITIES	WOK	WOK	WOK	WOR	WOK	WOK	
(Loss)/Profit before tax	(74,801,653)	400,517,945	240,713,475	254,238,613	289,211,743	340,087,597	
Adjustments for: Change in operating assets Change in operating liabilities Non-cash items included in profit before tax	(12,738,312,383) 25,007,791,177 606,032,212	(8,182,496,447) 16,126,764,207 186,165,231	(3,252,573,700) 8,699,014,329 205,464,727	(13,662,318,708) 25,017,056,326 1,150,817,452	(7,214,283,173) 14,702,515,768 329,478,856	(3,151,902,485) 8,677,131,579 43,861,873	
Tax paid	(97,772,866)	(55.408.902)	(25,508,399)	(83,329,156)	(44,845,290)	(25,364,911)	
Net cash flows from operating activities	12,702,936,487	8,475,542,034	5,867,110,432	12,676,464,527	8,062,077,904	5,883,813,653	
INVESTING ACTIVITIES							
Purchase of equipment Purchase of investment in associates	(48,857,517)	(46,704,683) (144,693,183)	(19,964,487) (643,843)	(46,867,164)	(44,733,223)	(19,964,487)	
Purchase of intangible assets Investment in subsidiaries	(19,110,619)	(29,383,716)	(4,039,565)	(19,081,035) -	(28,869,891) (250,693,183)	(4,039,565) (20,000,000)	
Investment in joint venture Purchase of available-for-sale financial investments Acquisition of subsidiaries, net of cash acquired	- (25,357,471) -	(300,575,661) (225,689,438)	(500,000) (25,662,280) -	:	- - -	- - -	
Dividend income	-		23,413,740	-	-		
Net cash flows used in investing activities	(93,325,607)	(747,046,681)	(27,396,435)	(65,948,199)	(324,296,297)	(44,004,052)	
FINANCING ACTIVITIES Issue of shares Disposal/(acquisition) of treasury shares Dividends paid	820,436,380 405,776,236 (185,649,039)	1,453,290,254 (405,776,236) (116,027,201)	296,135,926 - (88,068,022)	820,436,380 405,776,236 (185,649,039)	1,439,290,254 (405,776,236) (116,027,201)	296,135,926 - (88,068,022)	
Net cash flows from financing activities	1,040,563,577	931,486,817	208,067,904	1,040,563,577	917,486,817	208,067,904	
Net cash flows for the year	13,650,174,457	8,659,982,170	6,047,781,901	13,651,079,905	8,655,268,424	6,047,877,505	
Movement in cash and cash equivalents							
Cash and cash equivalents at 1 July Net increase in cash and cash equivalents Net foreign exchange difference	17,638,539,596 13,650,174,457 (683,055)	8,967,488,944 8,659,982,170 11,068,482	2,919,642,013 6,047,781,901 65,030	17,622,720,763 13,651,079,905 -	8,967,452,339 8,655,268,424 -	2,919,574,834 6,047,877,505 -	
Cash and cash equivalents at 30 June	31,288,030,998	17,638,539,596	8,967,488,944	31,273,800,668	17,622,720,763	8,967,452,339	
Operational cash flows from interest							
Interest paid	(695,169,298)	567,015,589	566,729,381	(687,472,519)	560,039,806	576,208,690	
Interest received	1,506,180,943	1,311,305,734	725,408,056	1,511,987,727	1,302,179,715	725,410,605	