

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



## AFRASIA BANK LIMITED AND ITS GROUP ENTITIES

	CONDENSED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015					
	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	1,603,346,016	1,362,483,541	966,611,615	1,609,152,800	1,353,357,522	986,614,164
Interest expense	(756,260,493)	(701,314,270)	(620,362,470)	(748,563,714)	(694,338,487)	(620,367,037)
<b>Net interest income</b>	<b>847,085,523</b>	<b>661,169,271</b>	<b>346,249,145</b>	<b>860,589,086</b>	<b>659,019,035</b>	<b>366,247,127</b>
Fees and commission income	508,817,561	330,712,409	179,492,120	285,987,554	196,663,870	176,526,845
Fees and commission expense	(73,070,643)	(36,193,075)	(21,367,222)	(72,768,301)	(38,043,390)	(20,730,461)
<b>Net fees and commission income</b>	<b>435,746,918</b>	<b>294,519,334</b>	<b>158,124,898</b>	<b>213,219,253</b>	<b>158,620,480</b>	<b>155,796,384</b>
Net trading income	7,485,446	248,816,151	193,093,707	471,081,684	245,815,180	132,453,791
Other operating income	100,027,593	20,594,390	9,336,696	101,863,180	113,104,430	9,336,696
<b>Total operating income</b>	<b>1,390,345,480</b>	<b>1,225,099,146</b>	<b>726,804,446</b>	<b>1,646,753,203</b>	<b>1,176,559,125</b>	<b>663,833,998</b>
(Net allowance for credit impairment)/ Reversal of impairment charge	(236,979,654)	(67,710,745)	1,152,052	(500,278,533)	(175,710,745)	1,152,052
<b>Net operating income</b>	<b>1,153,365,826</b>	<b>1,157,388,401</b>	<b>727,956,498</b>	<b>1,146,474,670</b>	<b>1,000,848,380</b>	<b>664,986,050</b>
Personnel expenses	(371,876,577)	(341,433,820)	(197,632,225)	(294,044,111)	(288,876,808)	(197,632,225)
Depreciation of equipment	(15,888,206)	(8,591,580)	(4,695,949)	(13,535,822)	(6,877,644)	(4,694,856)
Amortisation of intangible assets	(64,546,070)	(48,458,634)	(5,714,166)	(8,729,435)	(6,623,537)	(5,714,166)
Other operating expenses	(329,644,606)	(213,474,417)	(118,000,522)	(273,372,535)	(192,258,648)	(116,857,206)
<b>Total operating expenses</b>	<b>(781,955,459)</b>	<b>(611,958,451)</b>	<b>(326,042,862)</b>	<b>(589,681,903)</b>	<b>(494,636,637)</b>	<b>(324,898,453)</b>
<b>Operating profit</b>	<b>371,410,367</b>	<b>545,429,950</b>	<b>401,913,636</b>	<b>556,792,767</b>	<b>506,211,743</b>	<b>340,087,597</b>
Share of profit of joint venture	-	2,664,054	16,283,494	-	-	-
Fair value gain on acquisition of subsidiaries	-	125,845,708	-	-	-	-
Impairment loss on subsidiary	-	-	-	(302,554,154)	(217,000,000)	-
Impairment loss on associate	(118,564,966)	(144,246,639)	-	-	-	-
Impairment of available-for-sale investment	(327,647,054)	-	-	-	-	-
Share of loss of associate	-	(129,175,128)	(177,483,655)	-	-	-
<b>(Loss)/Profit before tax</b>	<b>(74,801,653)</b>	<b>400,517,945</b>	<b>240,713,475</b>	<b>254,238,613</b>	<b>289,211,743</b>	<b>340,087,597</b>
Tax expense	(101,266,632)	(75,924,166)	(37,678,683)	(79,207,295)	(66,566,545)	(37,491,675)
<b>(Loss)/Profit for the year</b>	<b>(176,068,285)</b>	<b>324,523,779</b>	<b>203,034,792</b>	<b>175,031,318</b>	<b>222,645,198</b>	<b>302,595,922</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent period:</b>						
Share of associates other reserves	-	(813,574)	2,122,705	-	-	-
Net gain on available-for-sale investments	1,998,535	1,977,927	-	-	-	-
Exchange differences on translation of foreign operations	(677,597)	(9,630,208)	527,011	-	-	-
Net gain on hedge of a net investment	-	7,007,543	48,401	-	-	-
<b>Total other comprehensive income to be reclassified to profit or loss in subsequent period</b>	<b>1,320,938</b>	<b>(1,458,312)</b>	<b>2,698,117</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(174,747,347)</b>	<b>323,065,467</b>	<b>205,732,909</b>	<b>175,031,318</b>	<b>222,645,198</b>	<b>302,595,922</b>

	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
<b>ASSETS</b>						
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	-	118,564,966	55,177,034	-	-	-
Investment in associates	-	71,207,441	225,313,514	-	-	-
Equipment	103,495,720	118,564,966	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
<b>TOTAL ASSETS</b>	<b>74,856,933,072</b>	<b>48,990,198,112</b>	<b>31,564,156,701</b>	<b>73,406,503,463</b>	<b>47,189,046,611</b>	<b>31,459,699,648</b>
<b>LIABILITIES AND EQUITY</b>						
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	67,835,800	53,040,200	22,175,979	51,327,383	44,739,421	22,175,979
Deferred tax liabilities	114,281	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>70,571,287,646</b>	<b>45,539,817,091</b>	<b>29,366,762,382</b>	<b>68,888,225,595</b>	<b>43,855,811,813</b>	<b>29,265,031,283</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>						
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	-	(405,776,236)	-	-	(405,776,236)	-
Share application monies	-	-	-	17,261,328	-	-
(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
<b>TOTAL EQUITY</b>	<b>4,285,645,426</b>	<b>3,450,381,021</b>	<b>2,197,394,319</b>	<b>4,518,277,868</b>	<b>3,333,234,798</b>	<b>2,194,668,365</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>74,856,933,072</b>	<b>48,990,198,112</b>	<b>31,564,156,701</b>	<b>73,406,503,463</b>	<b>47,189,046,611</b>	<b>31,459,699,648</b>

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

Lim Sit Chen LAM PAK NG  
Chairman

Jean DE FONDAUMIÈRE  
Director

Catherine MCILRAITH  
Director

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 were derived.

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.

ERNST & YOUNG  
Ebène  
Mauritius

KPMG  
Ebène  
Mauritius

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

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

#### Report on the Financial Statements

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.

#### Directors' Responsibility for the Financial Statements

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 material misstatement.

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.

#### 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 Standards and in compliance with the requirements of the Mauritius Companies Act and Financial Reporting Act 2004.

#### Report on Other Legal and Regulatory Requirements

##### Mauritius Companies Act

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.

##### Banking Act 2004

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.

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

(a) THE GROUP	Ordinary shares	Treasury shares	Class A shares	Share application monies	Retained earnings	Other reserves	Total
	MUR	MUR	MUR	MUR	MUR	MUR	MUR
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
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,034,792</b>	<b>2,698,117</b>	<b>205,732,909</b>
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)
<b>At 30 June 2013</b>	<b>1,694,593,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,049,913</b>	<b>212,750,988</b>	<b>2,197,394,319</b>
At 1 July 2013	1,694,593,418	-	-	-	290,049,913	212,750,988	2,197,394,319
Profit for the year	-	-	-	-	324,523,779	-	324,523,779
Other comprehensive income	-	-	-	-	-	(1,458,312)	(1,458,312)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,523,779</b>	<b>(1,458,312)</b>	<b>323,065,467</b>
Issue of shares	53,046,053	-	1,400,244,201	-	-	-	1,453,290,254
Acquisition of shares	-	(405,776,236)	-	-	-	-	(405,776,236)
Share-based payments	-	-	-	-	-	(1,565,582)	(1,565,582)
Appropriation of reserves	-	-	-	-	(		