Condensed audited financial statements for the year ended 30 June 2014

AFRASIA BANK LIMITED

CONDENSED AUDITED STATEMENTS OF PROI	FIT OR LOSS AN	D OTHER COMP	REHENSIVE IN	COME FOR THE	YEAR ENDED 30	0 JUNE 2014	
		THE GROUP		THE BANK			
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	
	30 June 2014	30 June 2013	30 June 2012	30 June 2014	30 June 2013	30 June 2012	
	MUR	MUR	MUR	MUR	MUR	MUR	
Interest income	1,362,483,541	986,611,615	829,224,426	1,353,357,522	986,614,164	829,230,689	
Interest expense	(701,314,270)	(620,362,470)	(506,702,114)	(694,338,487)	(620,367,037)	(506,702,307)	
Net interest income	661,169,271	366,249,145	322,522,312	659,019,035	366,247,127	322,528,382	
Fees and commission income	330,712,409	179,492,120	116,006,675	196,663,870	176,526,845	116,006,675	
Fees and commission expense	(36,193,075)	(21,367,222)	(14,620,861)	(38,043,390)	(20,730,461)	(14,576,701)	
Net fees and commission income	294,519,334	158,124,898	101,385,814	158,620,480	155,796,384	101,429,974	
Net trading income	248,816,151	193,093,707	62,062,243	245,815,180	132,453,791	62,056,737	
Other operating income	20,594,390	9,336,696	1,608,361	113,104,430	9,336,696	11,210,410	
Total operating income	1,225,099,146	726,804,446	487,578,730	1,176,559,125	663,833,998	497,225,503	
(Net allowance for credit impairment)/							
Reversal of impairment charge	(67,710,745)	1,152,052	(24,874,478)	(175,710,745)	1,152,052	(24,874,478)	
Net operating income	1,157,388,401	727,956,498	462,704,252	1,000,848,380	664,986,050	472,351,025	
Personnel expenses	(341,433,820)	(197,632,225)	(172,852,372)	(288,876,808)	(197,632,225)	(172,852,372)	
Depreciation of equipment	(8,591,580)	(4,695,949)	(3,227,502)	(6,877,644)	(4,694,856)	(3,226,406)	
Amortisation of intangible assets	(48,458,634)	(5,714,166)	(4,031,198)	(6,623,537)	(5,714,166)	(4,031,198)	
Other operating expenses	(213,474,417)	(118,000,522)	(92,310,605)	(192,258,648)	(116,857,206)	(91,881,232)	
Total operating expenses	(611,958,451)	(326,042,862)	(272,421,677)	(494,636,637)	(324,898,453)	(271,991,208)	
Operating profit	545,429,950	401,913,636	190,282,575	506,211,743	340,087,597	200,359,817	
Share of profit of joint venture	2,664,054	16,283,494	6,777,014	-	-	-	
Fair value gain on acquisition of subsidiaries	125,845,708	-	-	-	-	-	
Impairment loss on subsidiary	-	-	-	(217,000,000)	-	-	
Impairment loss on associate	(144,246,639)	-	-	-	-	-	
Share of (loss)/ profit of associates	(129,175,128)	(177,483,655)	93,403,802	-	-	-	
Profit before tax	400,517,945	240,713,475	290,463,391	289,211,743	340,087,597	200,359,817	
Tax expense	(75,994,166)	(37,678,683)	(20,086,630)	(66,566,545)	(37,491,675)	(20,092,051)	
Profit for the year	324,523,779	203,034,792	270,376,761	222,645,198	302,595,922	180,267,766	
Other comprehensive income to be							
reclassified to profit or loss in subsequent period:							
Share of associates other reserves	(813,574)	2,122,705	-	-	-	-	
Net gain on available-for-sale financial assets	1,977,927	-	-	-	-	-	
Exchange differences on translation of foreign operations	(9,630,208)	527,011	17,414,350	-	-	-	
Net gain/(loss) on hedge of a net investment	7,007,543	48,401	(17,429,109)	-	-	-	
Total other comprehensive income to be							
reclassified to profit or loss in subsequent period	(1,458,312)	2,698,117	(14,759)	-	-	-	
Total comprehensive income for the year	323,065,467	205,732,909	270,362,002	222,645,198	302,595,922	180,267,766	

		THE GROUP			THE BANK			
	2014	2013	2012	2014	2013	2012		
	MUR	MUR	MUR	MUR	MUR	MUR		
ASSETS								
Cash and balances with the Central Bank	2,021,271,956	1,598,715,632	676,371,624	2,019,624,517	1,598,715,632	676,371,624		
Due from banks	18,265,309,349	9,009,843,939	3,527,186,481	18,251,137,955	9,009,807,334	3,527,119,302		
Derivative financial instruments	860,845,449	68,581,360	190,544,328	76,088,274	25,637,161	123,782,046		
inancial investments - held-for-trading	2,636,144,938	532,685,518	1,162,543,500	1,911,412,121	532,685,518	1,162,543,500		
oans and advances to customers	17,227,454,645	14,007,752,016	12,784,321,295	17,397,054,742	14,007,752,016	12,784,435,754		
inancial investments - available-for-sale	341,340,318	40,722,657	14,999,997	-	-	-		
inancial investments - held-to-maturity	6,836,836,907	5,807,802,824	3,506,007,725	6,836,836,907	5,807,802,824	3,506,007,725		
nvestment in subsidiaries	-	-	-	409,800,877	383,115,237	363,163,638		
nvestment in joint venture	-	55,177,034	53,393,539	-	-	-		
nvestment in associates	118,564,966	225,313,514	408,444,360	-	-	-		
quipment	71,207,441	28,763,936	14,321,946	66,310,161	28,756,687	14,313,604		
ntangible assets	401,506,929	15,420,212	17,094,812	37,666,566	15,420,212	17,094,812		
Other assets	197,071,143	165,323,024	29,440,868	174,217,269	41,951,992	29,365,439		
eferred tax assets	12,644,071	8,055,035	7,681,088	8,897,222	8,055,035	7,637,567		
OTAL ASSETS	48,990,198,112	31,564,156,701	22,392,351,563	47,189,046,611	31,459,699,648	22,211,835,01		
ABILITIES AND EQUITY								
ue to banks	1,015,349,802	881,908,278	8,516,013	1,015,349,802	881,908,278	8,516,013		
erivative financial instruments	857,442,085	66,241,883	126,912,147	72,684,910	49,697,684	63,249,865		
eposits from customers	40,413,543,682	27,224,339,709	19,626,670,732	41,089,954,783	27,232,616,080	19,628,367,164		
ebts issued	2,433,941,196	940,323,447	688,625,890	1,033,574,296	883,069,803	565,479,715		
mount due to subsidiary	, , , , , , , , , , , , , , , , , , ,	-	-	- '-	57,253,644	123,146,176		
Current tax liabilities	53,040,200	22,175,979	9,631,747	44,739,421	22,175,979	9,631,747		
Other liabilities	766,500,126	231,773,086	150,243,695	599,508,601	138,309,815	131,281,959		
OTAL LIABILITIES	45,539,817,091	29,366,762,382	20,610,600,224	43,855,811,813	29,265,031,283	20,529,672,639		
QUITY ATTRIBUTABLE TO						, , , , , , , , , , , , , , , , , , , ,		
QUITY HOLDERS OF THE PARENT								
Ordinary shares	1,747,639,471	1,694,593,418	1,398,457,492	1,747,639,471	1,694,593,418	1,398,457,492		
lass A shares	1,400,244,201	-	-	1,386,244,201	-	-		
reasury shares	(405,776,236)	_		(405,776,236)	_	_		
etained earnings	434,095,763	290,049,913	289,421,575	332,174,586	290,007,317	189,817,849		
Other reserves	274,177,822	212,750,988	93,872,272	272,952,776	210,067,630	93,887,03		
OTAL EQUITY	3,450,381,021	2,197,394,319	1,781,751,339	3,333,234,798	2,194,668,365	1,682,162,372		
OTAL LIABILITIES AND EQUITY	48,990,198,112	31,564,156,701	22,392,351,563	47,189,046,611	31,459,699,648	22,211,835,011		

The condensed audited financial statements have been approved for issue by the Board of Directors on 25 September 2014.

ARNAUD LAGESSE IAMES BENOIT JEAN DE FONDAUMIÈRE Chairman Chief Executive Officer

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 2014, from which the summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 25 September 2014, we expressed an unqualified opinion on the consolidated and separate financial statements from which the summarised financial statements were derived.

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.

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

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") which comprise the statements of financial position as at 30 June 2014, 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 8 to 103.

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 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 and Banking 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.

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' judgment, 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, these financial statements give a true and fair view of the consolidated and separate financial position of AfrAsia Bank Limited as at 30 June 2014 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 and separate financial performance and consolidated a with the requirements of the Mauritius Companies Act.

				Retained		
(a) THE GROUP		Treasury shares		earnings	Other reserves	Total
	MUR	MUR	MUR	MUR	MUR	MUR
At 1 July 2011	921,638,335	-	-	100,758,107	46,487,399	1,068,883,841
Profit for the year Other comprehensive income	-	-	-	270,376,761	(14,759)	270,376,761
Total comprehensive income for the year	-			270,376,761	(14,759)	(14,759) 270,362,002
Issue of shares	476,819,157	_	-	270,370,701	(14,737)	476,819,157
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	-	-	289,421,575	93,872,272	1,781,751,339
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	-	-	-	-	296,135,926
Share-based payments	-	-	-		1,842,167	1,842,167
Appropriation of reserves	-	-	-	(114,338,432)	114,338,432	-
Dividends	1 404 502 410		-	(88,068,022)	212 750 000	(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 Profit for the year	1,694,593,418			290,049,913 324,523,779	212,750,988	2,197,394,319 324,523,779
Other comprehensive income		-		324,323,779	(1,458,312)	(1,458,312)
Total comprehensive income for the year				324,523,779	(1,458,312)	323,065,467
Issue of shares	53,046,053	-	1,400,244,201	324,323,779	(1,436,312)	1,453,290,254
Acquisition of shares	-	(405,776,236)	-	-		(405,776,236)
Share-based payments	-	(400,770,200)	_	_	(1,565,582)	(1,565,582)
						(1,000,002)
Appropriation of reserves	-	-	-	(64.450.728)	64.450.728	-
Appropriation of reserves Dividends	-	-	-	(64,450,728) (116,027,201)	64,450,728	(116,027,201)
	- - 1,747,639,471	- (405,776,236)	1,400,244,201		64,450,728	(116,027,201) 3,450,381,021
Dividends	- - 1,747,639,471	- - (405,776,236)	- 1,400,244,201	(116,027,201) 434,095,763		
Dividends At 30 June 2014	, , ,	(405,776,236) Treasury shares	, ,	(116,027,201)		
Dividends At 30 June 2014	, , ,	Treasury shares	Class A shares	(116,027,201) 434,095,763 Retained earnings	274,177,822 Other reserves	3,450,381,021 Total
Dividends At 30 June 2014 (b) THE BANK	Ordinary shares		, ,	(116,027,201) 434,095,763 Retained earnings MUR	274,177,822 Other reserves MUR	3,450,381,021 Total MUR
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011	Ordinary shares	Treasury shares	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376	274,177,822 Other reserves	3,450,381,021 Total MUR 1,059,389,110
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR	Total MUR 1,059,389,110 180,267,766
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376	274,177,822 Other reserves MUR	3,450,381,021 Total MUR 1,059,389,110
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR	Total MUR 1,059,389,110 180,267,766 180,267,766
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves	Ordinary shares MUR 921,638,335	Treasury shares MUR -	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 476,819,157 247,217
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends	Ordinary shares MUR 921,638,335 - 476,819,157	Treasury shares MUR	Class A shares MUR - - - - - - - - - - - - -	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217 (34,560,878)
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year	Ordinary shares MUR 921,638,335 - 476,819,157 - 1,398,457,492	Treasury shares MUR	Class A shares MUR - - - - - - - - - - - - -	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217 (34,560,878) 1,682,162,372 1,682,162,372 302,595,922
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766 - (47,152,415) (34,560,878) 189,817,849 189,817,849	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217 (34,560,878) 1,682,162,372 1,682,162,372
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217 (34,550,878) 1,682,162,372 1,682,162,372 302,595,922 302,595,922
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766 (47,152,415) (34,560,878) 189,817,849 189,817,849 302,595,922 302,595,922	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217 - (34,560,878) 1,682,162,372 1,682,162,372 302,595,922 302,595,922 296,135,926 1,842,167
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends	Ordinary shares MUR 921,638,335 476,819,157 1,398,457,492 1,398,457,492 296,135,926	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 - (47,152,415) (34,560,878) 189,817,849 302,595,922 302,595,922 302,595,922 (114,338,432) (88,068,022)	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,267 247,217 245,60,878 1,682,162,372 302,595,922 302,595,922 296,135,926 1,842,167 (88,068,022) 2,194,668,365
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013	Ordinary shares MUR 921,638,335 476,819,157 1,398,457,492 1,398,457,492 296,135,926	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766 (47,152,415) (34,560,878) 189,817,849 189,817,849 189,817,849 20,595,922 302,595,922 302,595,922 (114,338,432) (88,068,022) (88,068,022) 290,007,317	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 476,819,157 247,217 (34,560,878) 1,682,162,372 1,682,162,372 302,595,922 302,595,922 296,135,926 1,842,167 (88,068,022) 2,194,668,365
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 (47,152,415) (34,560,878) 189,817,849 302,595,922 302,595,922 302,595,922 (88,068,022) 290,007,317 2290,007,317 222,645,198	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766 (47,152,415) (34,560,878) 189,817,849 189,817,849 189,817,849 20,595,922 302,595,922 302,595,922 (114,338,432) (88,068,022) (88,068,022) 290,007,317	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,260,878 1,682,162,372 1,682,162,372 2,96,135,926 1,842,167 1,842,167 1,842,167 2,194,668,365 2,194,668,365 222,645,198
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year Issue of shares	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 (47,152,415) (34,560,878) 189,817,849 302,595,922 302,595,922 302,595,922 (88,068,022) 290,007,317 2290,007,317 222,645,198	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 476,819,157 247,217 - (34,550,878) 1,682,162,372 1,682,162,372 2,964,135,926 1,842,167 (88,068,022) 2,194,668,365 222,645,198 1,439,290,254
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year Issue of shares Acquisition of shares	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 (47,152,415) (34,560,878) 189,817,849 302,595,922 302,595,922 302,595,922 (88,068,022) 290,007,317 2290,007,317 222,645,198	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 476,819,157 247,217
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Acquisition of shares Acquisition of shares Share-based payments	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 476,819,157 247,217 - (34,550,878) 1,682,162,372 1,682,162,372 2,964,135,926 1,842,167 (88,068,022) 2,194,668,365 222,645,198 1,439,290,254
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year Issue of shares Acquisition of shares Acquisition of shares Share-based payments Appropriation of reserves	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 180,267,766 247,217 247,217 247,217 2302,595,922 302,595,922 296,135,926 1,842,167 (88,068,022) 2,194,668,365 222,645,198 222,645,198 1,439,290,254 (405,776,236) (1,565,582)
Dividends At 30 June 2014 (b) THE BANK At 1 July 2011 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2012 At 1 July 2012 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Appropriation of reserves Dividends At 30 June 2013 At 1 July 2013 Profit for the year Total comprehensive income for the year Issue of shares Share-based payments Acquisition of shares Acquisition of shares Share-based payments	Ordinary shares MUR 921,638,335	Treasury shares MUR	Class A shares MUR	(116,027,201) 434,095,763 Retained earnings MUR 91,263,376 180,267,766	274,177,822 Other reserves MUR 46,487,399	Total MUR 1,059,389,110 180,267,766 180,267,766 180,267,766 476,819,157 247,217

		THE GROUP		THE BANK			
	2014	2013	2012	2014	2013	2012	
	MUR	MUR	MUR	MUR	MUR	MUR	
PERATING ACTIVITIES							
Profit before tax	400,517,945	240,713,475	290,463,391	289,211,743	340,087,597	200,359,81	
djustments for:							
change in operating assets	(8,182,496,447)	(3,252,573,700)	(6,214,707,025)	(7,214,283,174)	(3,151,902,485)	(6,228,100,50	
hange in operating liabilities	16,126,764,207	8,699,014,329	4,768,890,790	14,702,515,769	8,677,131,579	4,783,074,01	
lon-cash items included in profit before tax	186,165,231	205,464,727	(50,137,685)	329,478,856	43,861,873	23,769,56	
ax paid	(55,408,902)	(25,508,399)	(33,987,059)	(44,845,290)	(25,364,911)	(33,987,05	
let cash flows from /							
(used in) operating activities	8,475,542,034	5,867,110,432	(1,239,477,588)	8,062,077,904	5,883,813,653	(1,254,884,16	
NVESTING ACTIVITIES							
Purchase of equipment	(46,704,683)	(19,964,487)	(4,306,677)	(44,733,223)	(19,964,487)	(4,306,67	
rurchase of investment in associates	(144,693,183)	(643,843)	(307,355,868)	-	=	(9,696,69	
urchase of intangible assets	(29,383,716)	(4,039,565)	(7,534,988)	(28,869,891)	(4,039,565)	(7,534,98	
nvestment in subsidiaries		-	=	(250,693,183)	(20,000,000)	(320,734,52	
nvestment in joint venture		(500,000)	_	-	-	=	
urchase of available-for-sale		(,)					
nancial investments	(300,575,661)	(25,662,280)	(14,999,997)	-	_	_	
roceeds from sale of investment in associates	=	=	=	-	-	23,562,50	
equisition of subsidiaries, net of cash acquired	(225,689,438)	_	_	-	-	=	
Dividend income		23,413,740	_	-	-	_	
let cash flows used in investing activities	(747,046,681)	(27,396,435)	(334,197,530)	(324,296,297)	(44,004,052)	(318,710,39	
INANCING ACTIVITIES	(7.17)0.10,00.17	(27,070,100)	(001)177,000)	(021,270,277)	(11,001,002)	(010), 10)07	
ssue of shares	1,453,290,254	296,135,926	476,819,157	1,439,290,254	296,135,926	476,819,15	
equisition of treasury shares	(405,776,236)	=	=	(405,776,236)	=	-	
Dividends paid	(116,027,201)	(88,068,022)	(34,560,878)	(116,027,201)	(88,068,022)	(34,560,87	
let cash flows from financing activities	931,486,817	208,067,904	442,258,279	917,486,817	208,067,904	442,258,27	
let cash flows for the year	8,659,982,170	6,047,781,901	(1,131,416,839)	8,655,268,424	6,047,877,505	(1,131,336,27	
Novement in cash and cash equivalents	-,,,,		(1)121/112/22/	-,,,	5,5,5,5	(.,,,	
ash and cash equivalents at 1 July	8,967,488,944	2,919,642,013	4,051,058,852	8,967,452,339	2,919,574,834	4,050,911,10	
let increase / (decrease)	0,707,100,711	2,717,012,010	,,00,,000,002	0,707,102,007	2,717,071,001	1,000,711,10	
cash and cash equivalents	8,659,982,170	6,047,781,901	(1,131,416,839)	8,655,268,424	6,047,877,505	(1,131,336,27	
let foreign exchange difference	11,068,482	65.030	(1,101,410,007)	-	-	(1,101,000,27	
ash and cash equivalents at 30 June	17,638,539,596	8,967,488,944	2,919,642,013	17,622,720,763	8,967,452,339	2,919,574,83	
perational cash flows from interest	.,,555,367,676	0,707,700,744	2,7.7,372,010	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5,757,702,007	2,7.7,074,00	
nterest paid	567,015,589	566,729,381	443,083,735	560,039,807	576,208,690	454,110,19	
nterest paid	1,311,305,734	725,408,056	651,789,243	1,302,179,715	725,410,605	780,458,90	

Report on other legal and regulatory requirements

Mauritius Companies Act

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

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.

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MANAGEMENT'S COMMENTS

AfrAsia Bank Limited (the "Bank") has grown significantly whilst pursuing regional expansion across its core business lines of Corporate Banking, Corporate Finance, Private Banking and Wealth Management. Its strong growth is derived partly from the level of service the Bank offers and the unique competitive advantage the Mauritian market offers to investors locally and internationally.

AfrAsia Bank Limited closed its seventh year of operations on a solid note reporting an operating profit of MUR 506m, a 49% increase on the previous year. However, unfavourable liquidity situation prevailing in Zimbabwe and significant losses incurred by AfrAsia Bank Zimbabwe Limited affected the Bank's results considerably giving rise to an impairment loss of MUR 217m on its investment in Zimbabwe and a net credit impairment of MUR 108m on a loan to its subsidiary. As a result, the Profit of the Bank for the year ended 30 June 2014 amounted to MUR 223m.

Condensed Statements of Financial Position were quite strong with customer loans and advances at MUR 17bn and customer deposits at MUR 41bn, a 24% increase and 51% increase from the previous year respectively. Year-on-year, the Bank continues to draw interest from local and international investors and raised additional capital of MUR 1,56bn.

Moreover, it is worth noting that the Bank continued to invest in consolidating its brand, investing in its people and in IT infrastructure to ensure growth is done in a conservative and disciplined manner. In line with its growth strategy, it decentralised some of its back office operations to Ebene and work is under way for the opening of a new branch there to better service its customer base.