

# Condensed audited financial statements for the year ended 30 June 2014

## AFRASIA BANK LIMITED

### CONDENSED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	THE GROUP			THE BANK		
	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 30 June 2012	Year ended 30 June 2014	Year ended 30 June 2013	Year ended 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)
<b>Net interest income</b>	<b>661,169,271</b>	<b>366,249,145</b>	<b>322,522,312</b>	<b>659,019,035</b>	<b>366,247,127</b>	<b>322,528,382</b>
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)
<b>Net fees and commission income</b>	<b>294,519,334</b>	<b>158,124,898</b>	<b>101,385,814</b>	<b>158,620,480</b>	<b>155,796,384</b>	<b>101,429,974</b>
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
<b>Total operating income</b>	<b>1,225,099,146</b>	<b>726,804,446</b>	<b>487,578,730</b>	<b>1,176,559,125</b>	<b>663,833,998</b>	<b>497,225,503</b>
(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)
<b>Net operating income</b>	<b>1,157,388,401</b>	<b>727,956,498</b>	<b>462,704,252</b>	<b>1,000,848,380</b>	<b>664,986,050</b>	<b>472,351,025</b>
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)
<b>Total operating expenses</b>	<b>(611,958,451)</b>	<b>(326,042,862)</b>	<b>(272,421,677)</b>	<b>(494,636,637)</b>	<b>(324,898,453)</b>	<b>(271,991,208)</b>
<b>Operating profit</b>	<b>545,429,950</b>	<b>401,913,636</b>	<b>190,282,575</b>	<b>506,211,743</b>	<b>340,087,597</b>	<b>200,359,817</b>
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	-	-	-
<b>Profit before tax</b>	<b>400,517,945</b>	<b>240,713,475</b>	<b>290,463,391</b>	<b>289,211,743</b>	<b>340,087,597</b>	<b>200,359,817</b>
Tax expense	(75,994,166)	(37,678,683)	(20,086,630)	(66,566,545)	(37,491,675)	(20,092,051)
<b>Profit for the year</b>	<b>324,523,779</b>	<b>203,034,792</b>	<b>270,376,761</b>	<b>222,645,198</b>	<b>302,595,922</b>	<b>180,267,766</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 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)	-	-	-
<b>Total other comprehensive income to be reclassified to profit or loss in subsequent period</b>	<b>(1,458,312)</b>	<b>2,698,117</b>	<b>(14,759)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>323,065,467</b>	<b>205,732,909</b>	<b>270,362,002</b>	<b>222,645,198</b>	<b>302,595,922</b>	<b>180,267,766</b>

### CONDENSED AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

	THE GROUP			THE BANK		
	2014	2013	2012	2014	2013	2012
	MUR	MUR	MUR	MUR	MUR	MUR
<b>ASSETS</b>						
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
Financial 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
Loans 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
Financial investments - available-for-sale	341,340,318	40,722,657	14,999,997	-	-	-
Financial 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
Investment in subsidiaries	-	-	-	409,800,877	383,115,237	363,163,638
Investment in joint venture	-	55,177,034	53,393,539	-	-	-
Investment in associates	118,564,966	225,313,514	408,444,360	-	-	-
Equipment	71,207,441	28,763,936	14,321,946	66,310,161	28,756,687	14,313,604
Intangible 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
Deferred tax assets	12,644,071	8,055,035	7,681,088	8,897,222	8,055,035	7,637,567
<b>TOTAL ASSETS</b>	<b>48,990,198,112</b>	<b>31,564,156,701</b>	<b>22,392,351,563</b>	<b>47,189,046,611</b>	<b>31,459,699,648</b>	<b>22,211,835,011</b>
<b>LIABILITIES AND EQUITY</b>						
Due to banks	1,015,349,802	881,908,278	8,516,013	1,015,349,802	881,908,278	8,516,013
Derivative financial instruments	857,442,085	66,241,883	126,912,147	72,684,910	49,697,684	63,249,865
Deposits 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
Debts issued	2,433,941,196	940,323,447	688,625,890	1,033,574,296	883,069,803	565,479,715
Amount 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
<b>TOTAL LIABILITIES</b>	<b>45,539,817,091</b>	<b>29,366,762,382</b>	<b>20,610,600,224</b>	<b>43,855,811,813</b>	<b>29,265,031,283</b>	<b>20,529,672,639</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>						
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
Class A shares	1,400,244,201	-	-	1,386,244,201	-	-
Treasury shares	(405,776,236)	-	-	(405,776,236)	-	-
Retained 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	93,887,031
<b>TOTAL EQUITY</b>	<b>3,450,381,021</b>	<b>2,197,394,319</b>	<b>1,781,751,339</b>	<b>3,333,234,798</b>	<b>2,194,668,365</b>	<b>1,682,162,372</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>48,990,198,112</b>	<b>31,564,156,701</b>	<b>22,392,351,563</b>	<b>47,189,046,611</b>	<b>31,459,699,648</b>	<b>22,211,835,011</b>

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

ARNAUD LAGESSE  
Chairman

JAMES BENOIT  
Chief Executive Officer

JEAN DE FONDAUMIÈRE  
Director

### 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.

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 OF 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 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.

#### 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' 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.

#### 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 with the requirements of the Mauritius Companies Act.

### CONDENSED AUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

(a) THE GROUP	Ordinary shares	Treasury shares	Class A shares	Retained 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	-	-	-	270,376,761	-	270,376,761
Other comprehensive income	-	-	-	-	(14,759)	(14,759)
Total comprehensive income for the year	-	-	-	270,376,761	(14,759)	270,362,002
Issue of shares	476,819,157	-	-	-	-	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	-	-	-	(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	-	-	-	324,523,779	-	324,523,779
Other comprehensive income	-	-	-	-	(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	-	-	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	-	-	-	(64,450,728)	64,450,728	-
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