

AFRASIA BANK LIMITED

CONDENSED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP			THE BANK		
	Year ended 30 June 2017	Year ended 30 June 2016	Year ended 30 June 2015	Year ended 30 June 2017	Year ended 30 June 2016	Year ended 30 June 2015
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	2,102,937	1,745,056	1,603,346	2,102,352	1,740,611	1,609,153
Interest expense	(716,175)	(797,206)	(756,260)	(709,355)	(774,912)	(748,564)
Net interest income	1,386,762	947,850	847,086	1,392,997	965,699	860,589
Fees and commission income	680,539	581,849	563,837	608,662	457,243	341,006
Fees and commission expense	(242,283)	(159,458)	(73,071)	(239,566)	(159,440)	(72,768)
Net fees and commission income	438,256	422,391	490,766	369,096	297,803	268,238
Net trading income	685,705	590,892	7,485	686,021	594,683	47,108
Other operating income	15,048	4,170	45,008	17,979	5,975	46,844
Total operating income	2,525,771	1,965,303	1,390,345	2,466,093	1,864,160	1,646,753
Net allowance for credit impairment	(834,258)	(644,557)	(236,980)	(834,258)	(644,557)	(500,279)
Net operating income	1,691,513	1,320,746	1,153,365	1,631,835	1,219,603	1,146,474
Personnel expenses	(463,512)	(452,346)	(371,877)	(436,358)	(396,790)	(294,044)
Depreciation of equipment	(25,271)	(22,788)	(15,888)	(24,091)	(20,504)	(13,536)
Amortisation of intangible assets	(23,185)	(33,145)	(64,546)	(12,810)	(9,224)	(8,729)
Other operating expenses	(258,893)	(343,440)	(329,643)	(238,902)	(269,564)	(273,373)
Total operating expenses	(770,861)	(851,719)	(781,954)	(712,161)	(696,082)	(589,682)
Operating profit	920,652	469,027	371,411	919,674	523,521	556,792
Loss on winding up of subsidiary	(5,004)	(4,185)	-	-	-	-
Impairment loss on subsidiary	-	-	-	-	-	(302,554)
Impairment loss on associate	-	-	(118,565)	-	-	-
Impairment of intangible assets	-	(100,514)	-	-	-	-
Impairment of available-for-sale investment	(5,128)	-	(327,647)	-	-	-
Gain on liquidation of subsidiaries	-	372,447	-	-	-	-
Profit/(loss) before tax	910,520	736,775	(74,801)	919,674	523,521	254,238
Tax expense	(106,411)	(97,036)	(101,267)	(102,676)	(89,885)	(79,207)
Profit/(loss) for the year	804,109	639,739	(176,068)	816,998	433,636	175,031
Other comprehensive income that may be subsequently reclassified to profit or loss:						
Net (loss)/gain on available-for-sale investments	(9,888)	(6,867)	1,999	(12,259)	(579)	-
Movement in other reserves	-	(1,309)	-	-	-	-
Exchange differences on translation of foreign operations	3,331	(17,165)	(678)	-	-	-
Other comprehensive (loss)/income for the year	(6,557)	(25,341)	1,321	(12,259)	(579)	-
Total comprehensive income/(loss) for the year	797,552	614,398	(174,747)	804,739	433,057	175,031

CONDENSED AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

	THE GROUP			THE BANK		
	2017 MUR'000	2016 MUR'000	2015 MUR'000	2017 MUR'000	2016 MUR'000	2015 MUR'000
ASSETS						
Cash and balances with the Central Bank	4,106,323	3,029,129	2,514,213	4,106,323	3,029,129	2,512,469
Due from banks	37,899,776	46,009,527	41,447,016	37,879,933	46,000,675	41,434,529
Derivative financial instruments	318,120	138,647	217,383	228,533	33,644	68,527
Financial investments - held-for-trading	3,806,253	4,893,741	3,045,474	2,944,577	3,542,070	1,967,124
Loans and advances to customers	27,512,745	21,958,341	21,772,735	27,512,745	21,958,341	21,707,868
Financial investments - available-for-sale	5,745,972	350,798	41,049	5,726,288	316,033	-
Financial investments - held-to-maturity	21,190,422	11,538,879	5,071,692	21,190,422	11,538,879	5,071,692
Investment in subsidiaries	-	-	-	189,563	189,563	189,563
Equipment	189,287	140,101	103,496	186,269	135,991	98,955
Intangible assets	334,494	300,804	356,071	155,855	111,841	48,018
Other assets	148,173	130,207	263,743	138,718	206,184	288,150
Deferred tax assets	147,057	60,441	24,060	147,057	60,441	19,607
TOTAL ASSETS	101,398,622	88,550,615	74,856,932	100,406,283	87,122,791	73,406,502
LIABILITIES AND EQUITY						
Due to banks	1,500,815	173,510	227,418	1,500,815	173,510	227,411
Derivative financial instruments	294,047	232,917	555,094	204,460	127,914	54,775
Deposits from customers	90,601,331	80,012,268	66,437,716	91,082,564	80,378,976	66,928,651
Debts issued	1,673,625	1,489,943	1,655,238	1,111,493	1,111,032	1,094,275
Other liabilities	1,243,266	1,770,876	1,627,871	361,347	407,506	531,787
Retirement benefits obligation	23,000	-	-	23,000	-	-
Current tax liabilities	130,156	84,510	67,836	130,156	84,379	51,327
Deferred tax liabilities	129	125	114	-	-	-
TOTAL LIABILITIES	95,466,369	83,764,149	70,571,287	94,413,835	82,283,317	68,888,226
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
Ordinary shares	3,197,608	2,595,363	2,590,959	3,197,608	2,595,363	2,590,959
Class A shares	1,399,768	1,399,768	1,399,768	1,385,768	1,385,768	1,385,768
Share application monies	-	-	17,261	-	-	17,261
Retained earnings/(Accumulated losses)	870,794	448,491	(142,091)	944,373	493,283	107,086
Other reserves	464,083	342,844	419,748	464,999	365,060	417,202
TOTAL EQUITY	5,932,253	4,786,466	4,285,645	5,992,448	4,839,474	4,518,276
TOTAL LIABILITIES AND EQUITY	101,398,622	88,550,615	74,856,932	100,406,283	87,122,791	73,406,502

The financial statements have been approved for issue by the Board of Directors on 21 September 2017.

CONDENSED AUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

(a) THE GROUP	Ordinary shares	Treasury shares	Class A shares	Share application monies	Retained earnings/(Accumulated losses)	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2014	1,747,639	(405,776)	1,400,244	-	434,096	274,178	3,450,381
Loss for the year	-	-	-	-	(176,068)	-	(176,068)
Other comprehensive income	-	-	-	-	-	1,321	1,321
Total comprehensive income/(loss) for the year	-	-	-	-	(176,068)	1,321	(174,747)
Issue of shares	843,320	405,776	-	-	-	-	1,249,096
Incidental cost on issue of shares	-	-	(476)	-	-	-	(476)
Share application monies	-	-	-	17,261	-	-	17,261
Share-based payments	-	-	-	-	-	(360)	(360)
Appropriation of reserves	-	-	-	-	(144,609)	144,609	-
Dividends	-	-	-	-	(255,510)	-	(255,510)
At 30 June 2015	2,590,959	-	1,399,768	17,261	(142,091)	419,748	4,285,645
At 1 July 2015	2,590,959	-	1,399,768	17,261	(142,091)	419,748	4,285,645
Profit for the year	-	-	-	-	639,739	-	639,739
Other comprehensive income	-	-	-	-	-	(25,341)	(25,341)
Total comprehensive income/(loss) for the year	-	-	-	-	639,739	(25,341)	614,398
Issue of shares	17,261	-	-	(17,261)	-	-	-
Indemnity costs	(12,857)	-	-	-	-	-	(12,857)
Consolidation adjustment	-	-	-	-	(1,718)	-	(1,718)
Appropriation of reserves	-	-	-	-	51,563	(51,563)	-
Dividends	-	-	-	-	(99,002)	-	(99,002)
At 30 June 2016	2,595,363	-	1,399,768	-	448,491	342,844	4,786,466
At 1 July 2016	2,595,363	-	1,399,768	-	448,491	342,844	4,786,466
Profit for the year	-	-	-	-	804,109	-	804,109
Other comprehensive income	-	-	-	-	-	(6,557)	(6,557)
Total comprehensive income/(loss) for the year	-	-	-	-	804,109	(6,557)	797,552
Deconsolidation adjustment	-	-	-	-	(15,898)	15,898	-
Share-based payments	-	-	-	-	-	(11,061)	(11,061)
Appropriation of reserves	-	-	-	-	(122,959)	122,959	-
Issue of shares	602,245	-	-	-	-	-	602,245
Dividends	-	-	-	-	(242,949)	-	(242,949)
At 30 June 2017	3,197,608	-	1,399,768	-	870,794	464,083	5,932,253
(b) THE BANK	Ordinary shares	Treasury shares	Class A shares	Share application monies	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2014	1,747,639	(405,776)	1,386,244	-	332,174	272,953	3,333,234
Profit for the year	-	-	-	-	175,031	-	175,031
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	175,031	-	175,031
Issue of shares	843,320	405,776	-	-	-	-	1,249,096
Incidental cost on issue of shares	-	-	(476)	-	-	-	(476)
Share application monies	-	-	-	17,261	-	-	17,261
Share-based payments	-	-	-	-	-	(360)	(360)
Appropriation of reserves	-	-	-	-	(144,609)	144,609	-
Dividends	-	-	-	-	(255,510)	-	(255,510)
At 30 June 2015	2,590,959	-	1,385,768	17,261	107,086	417,202	4,518,276
At 1 July 2015	2,590,959	-	1,385,768	17,261	107,086	417,202	4,518,276
Profit for the year	-	-	-	-	433,636	-	433,636
Other comprehensive income	-	-	-	-	-	(579)	(579)
Total comprehensive income/(loss) for the year	-	-	-	-	433,636	(579)	433,057
Issue of shares	17,261	-	-	(17,261)	-	-	-
Indemnity costs	(12,857)	-	-	-	-	-	(12,857)
Appropriation of reserves	-	-	-	-	51,563	(51,563)	-
Dividends	-	-	-	-	(99,002)	-	(99,002)
At 30 June 2016	2,595,363	-	1,385,768	-	493,283	365,060	4,839,474
At 1 July 2016	2,595,363	-	1,385,768	-	493,283	365,060	4,839,474
Profit for the year	-	-	-	-	816,998	-	816,998
Other comprehensive income	-	-	-	-	-	(12,259)	(12,259)
Total comprehensive income/(loss) for the year	-	-	-	-	816,998	(12,259)	804,739
Share-based payments	-	-	-	-	-	(11,061)	(11,061)
Issue of shares	602,245	-	-	-	-	-	602,245
Appropriation of reserves	-	-	-	-	(122,959)	122,959	-

Condensed audited financial statements for the year ended 30 June 2017

AFRASIA BANK LIMITED

CONDENSED AUDITED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	THE GROUP			THE BANK		
	2017	2016	2015	2017	2016	2015
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
OPERATING ACTIVITIES						
Profit/(loss) before tax	910,520	736,775	(74,801)	919,674	523,521	254,238
Adjustments for:						
Change in operating assets	(12,440,144)	(5,740,790)	(12,738,312)	(12,860,122)	(5,627,759)	(13,662,319)
Change in operating liabilities	11,634,753	13,105,528	25,007,791	12,062,926	13,291,390	25,017,056
Non-cash items included in profit before tax	1,112,186	1,155,062	606,033	1,099,963	1,024,496	1,150,817
Tax paid	(147,375)	(116,730)	(97,773)	(143,508)	(97,667)	(83,326)
Net cash flows from operating activities	1,069,940	9,139,845	12,702,938	1,078,933	9,113,981	12,676,466
INVESTING ACTIVITIES						
Purchase of equipment	(80,287)	(76,808)	(48,858)	(79,532)	(69,330)	(46,868)
Purchase of intangible assets	(61,256)	(78,392)	(19,110)	(61,209)	(73,047)	(19,081)
Purchase of available-for-sale financial investments	(5,405,061)	(316,615)	(25,357)	(5,422,514)	(316,612)	-
Net cash flows used in investing activities	(5,546,604)	(471,815)	(93,325)	(5,563,255)	(458,989)	(65,949)
FINANCING ACTIVITIES						
Issue of shares	602,245	-	820,436	602,245	-	820,436
Indemnity paid on shares issued	-	(12,857)	-	-	(12,857)	-
Disposal/(acquisition) of treasury shares	-	-	405,776	-	-	405,776
Dividends paid	(242,949)	(99,002)	(185,649)	(242,949)	(99,002)	(185,649)
Net cash flows (used in)/from financing activities	359,296	(111,859)	1,040,563	359,296	(111,859)	1,040,563
Net cash flows for the year	(4,117,368)	8,556,171	13,650,176	(4,125,026)	8,543,133	13,651,080
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 July	39,825,786	31,288,032	17,638,539	39,816,934	31,273,801	17,622,721
Net increase in cash and cash equivalents	(4,117,368)	8,556,171	13,650,176	(4,125,026)	8,543,133	13,651,080
Net foreign exchange difference	3,333	(18,417)	(683)	-	-	-
Cash and cash equivalents at 30 June	35,711,751	39,825,786	31,288,032	35,691,908	39,816,934	31,273,801
Operational cash flows from interest						
Interest paid	(714,991)	(867,855)	(695,169)	(708,169)	(845,561)	(687,473)
Interest received	1,947,515	1,535,327	1,506,181	1,946,930	1,530,882	1,511,988

MANAGEMENT COMMENTS

AfrAsia Bank Limited (the 'Bank') closed its 2017 financial year with a Net Profit after Tax and Other Comprehensive Income of MUR 804.7m compared to MUR 433.1m in the previous financial year, representing a 86% growth year on year. At Group level, a Net Profit after Tax and Other Comprehensive Income of MUR 797.6m was reported for the year against MUR 614.4m last year, an increase of 30%.

The Bank's performance was driven by a steady growth across all business segments with overall total operating income rise of 32% to reach MUR 2.5bn. Net interest income increased from MUR 965.7m to MUR 1.4bn during the year under review, along with a Net fee income growth of 24% as compared to last year. Net trading income of MUR 686.0m was recorded reflecting a 15% growth for the same period last year.

The Bank continues to secure a reasonable share of the market with its deposit base growing by 13% over the last year to reach MUR 91.1bn (2016: MUR 80.4bn).

The Bank successfully increased its share capital by MUR 602m during the course of the year which demonstrates the support of the shareholders to the Bank. The Capital Adequacy Ratio stood at 13.09% as at end of June 2017.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AFRASIA BANK LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion
We have audited the consolidated and separate financial statements of AfrAsia Bank Limited (the "Bank") and its subsidiaries (the "Group") set out on pages 5 to 95, which comprise the consolidated and separate statements of financial position as at 30 June 2017, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Bank as at 30 June 2017, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and comply with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking Act 2004.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the IESBA Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter
The financial statements of the Group and the Bank for the year ended 30 June 2016, were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 September 2016.

Key Audit Matters
Key audit matters are those matters, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated and separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Loans and Advances – Allowance for credit impairment	
Allowance for credit impairment on loans and advances at 30 June 2017 amount to MUR 1,739,552,018 and the charge to profit or loss for the year amount to MUR 834,258,788.	
Due to the substantial amount of the loans and advances outstanding at the reporting date and the significance of the judgements applied, allowance for credit impairment on loans and advances is considered a key audit matter.	
The determination of assumptions for the measurement of impairment is subjective due to the level of judgement applied by Management. Changes in the assumptions and the methodology applied may have a major impact on the measurement of allowance for credit impairment.	
The details on loans and advances and assumptions used in determining allowance for credit impairment are disclosed in Notes 2C, 16 and 37 to the financial statements.	
The most significant judgments are: - whether impairment events have occurred - Valuation of collateral and future cash flows - management judgements and assumptions used	Our audit procedures included among others: <ul style="list-style-type: none">Obtaining audit evidence in respect of key controls over the processes for impairment events identification and collateral valuation.Inspecting the minutes of Credit Committee and Board to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment.Challenging the methodologies applied by using our industry knowledge and experience.Assessing the key changes in the assumptions against industry standards and historical data.Obtaining audit evidence of management judgments and assumptions, especially focusing on the consistency of the approach.Performing a risk-based test of loans and advances to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment. We found the assumptions used in determining the allowance for credit impairment and disclosures in the financial statements to be appropriate.

The Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:
• we have no relationship with, or interest in, the Bank and its subsidiaries other than in our capacity as auditor;
• we have obtained all information and explanations that we have required; and
• in our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

The 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 provisions of the Banking Act 2004 and the regulations and guidelines issued by Bank of Mauritius in relation to banks; and
• the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

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 as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the Corporate Governance Report is consistent with the requirements of the Code.

Other information

The directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Risk Management Report, Statement of Management's Responsibility for financial reporting and Certificate from the Company Secretary which we obtained prior to the date of this auditor's report. It also includes other reports to be included in the Annual Report which are expected to be made available after that date. The other information, does not include the consolidated and separate financial statements, the Corporate Governance Report and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other reports which are expected to be made available to us after the date of the auditor's report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, and in compliance with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004, and the Financial Reporting Act 2004 and they are also responsible 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.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This report is made solely to the Bank's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Chartered Accountants
Jacques de C. Du Mée, ACA
Licensed by FRC

By Order of the Board
Company Secretary
21 September 2017

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its condensed audited Financial Statements for the year ended 30 June 2017.

This notice is issued pursuant to the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

Copies of the condensed audited Financial Statements (which can also be viewed on the Company's website www.afrasiabank.com) is available free of charge, upon request made to the Company Secretary, 4th Floor, IBL House, Caudan Waterfront, Port Louis, Mauritius. The statement of direct and indirect interests of officers, pursuant to Rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is also available free of charge, upon request from the Company Secretary.