

# Unaudited Interim Financial Statements

## for the three months ended 30 September 2017



### AFRASIA BANK LIMITED

#### STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

|  | As at<br>30 September 2017<br>Unaudited | As at<br>30 September 2016<br>Unaudited | As at<br>30 June 2017<br>Audited |
|--|---|---|----------------------------------|
|  | MUR'000                                 | MUR'000                                 | MUR'000                          |
| <b>ASSETS</b>  |   |   |                                  |
| Cash and balances with the Central Bank                    | 5,912,809                               | 3,735,756                               | 4,106,323                        |
| Due from banks   | 36,536,621                              | 41,417,466                              | 37,879,933                       |
| Derivative financial instruments                           | 344,025                                 | 54,994                                  | 228,533                          |
| Financial investments - held-for-trading                   | 2,479,247                               | 3,221,643                               | 2,944,577                        |
| Loans and advances to customers                            | 29,645,671                              | 24,061,058                              | 27,512,745                       |
| Financial investments - available-for-sale                 | 5,333,112                               | 4,726,655                               | 5,726,288                        |
| Financial investments - held-to-maturity                   | 23,156,073                              | 10,150,451                              | 21,190,422                       |
| Investment in subsidiaries                                 | 189,563                                 | 189,563                                 | 189,563                          |
| Equipment  | 191,129                                 | 132,517                                 | 186,269                          |
| Intangible assets  | 190,974                                 | 123,818                                 | 155,855                          |
| Other assets   | 146,323                                 | 209,928                                 | 138,718                          |
| Deferred tax assets  | 154,652                                 | 60,441                                  | 147,057                          |
| <b>TOTAL ASSETS</b>  | <b>104,280,199</b>                      | <b>88,084,290</b>                       | <b>100,406,283</b>               |
| <b>LIABILITIES AND EQUITY</b>                              |   |   |                                  |
| Due to banks   | 625,769                                 | 265,714                                 | 1,500,815                        |
| Derivative financial instruments                           | 301,356                                 | 74,436                                  | 204,460                          |
| Deposits from customers                                    | 95,334,219                              | 80,584,676                              | 91,082,564                       |
| Debts issued   | 1,115,682                               | 1,120,732                               | 1,111,493                        |
| Other liabilities  | 450,159                                 | 901,406                                 | 361,347                          |
| Retirement benefits obligation                             | 23,000                                  | -                                       | 23,000                           |
| Current tax liabilities                                    | 177,943                                 | 122,145                                 | 130,156                          |
| <b>TOTAL LIABILITIES</b>                                   | <b>98,028,128</b>                       | <b>83,069,109</b>                       | <b>94,413,835</b>                |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> |   |   |                                  |
| Ordinary shares  | 3,200,470                               | 2,597,609                               | 3,197,608                        |
| Class A shares   | 1,385,768                               | 1,385,768                               | 1,385,768                        |
| Retained earnings  | 1,201,967                               | 630,876                                 | 944,373                          |
| Other reserves   | 463,866                                 | 400,928                                 | 464,699                          |
| <b>TOTAL EQUITY</b>  | <b>6,252,071</b>                        | <b>5,015,181</b>                        | <b>5,992,448</b>                 |
| <b>TOTAL LIABILITIES AND EQUITY</b>                        | <b>104,280,199</b>                      | <b>88,084,290</b>                       | <b>100,406,283</b>               |

#### STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017

|  | Ordinary shares<br>MUR'000 | Class A shares<br>MUR'000 | Retained earnings<br>MUR'000 | Other reserves<br>MUR'000 | Total<br>MUR'000 |
|--|----------------------------|---------------------------|------------------------------|---------------------------|------------------|
| At 1 July 2016 (audited)                       | 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                   | -                |
| Dividends                                      | -                          | -                         | (242,949)                    | -                         | (242,949)        |
| At 30 June 2017 (audited)                      | 3,197,608                  | 1,385,768                 | 944,373                      | 464,699                   | 5,992,448        |
| At 1 July 2016 (audited)                       | 2,595,363                  | 1,385,768                 | 493,283                      | 365,060                   | 4,839,474        |
| Profit for the period                          | -                          | -                         | 243,255                      | -                         | 243,255          |
| Other comprehensive income                     | -                          | -                         | -                            | 1,280                     | 1,280            |
| Total comprehensive income for the period      | -                          | -                         | 243,255                      | 1,280                     | 244,535          |
| Issue of shares                                | 2,246                      | -                         | -                            | -                         | 2,246            |
| Appropriation of reserves                      | -                          | -                         | (34,588)                     | 34,588                    | -                |
| Dividends                                      | -                          | -                         | (71,074)                     | -                         | (71,074)         |
| At 30 September 2016 (unaudited)               | 2,597,609                  | 1,385,768                 | 630,876                      | 400,928                   | 5,015,181        |
| At 1 July 2017 (audited)                       | 3,197,608                  | 1,385,768                 | 944,374                      | 464,699                   | 5,992,449        |
| Profit for the period                          | -                          | -                         | 315,679                      | -                         | 315,679          |
| Other comprehensive loss                       | -                          | -                         | -                            | 12,804                    | 12,804           |
| Total comprehensive income for the period      | -                          | -                         | 315,679                      | 12,804                    | 328,483          |
| Issue of shares                                | 2,862                      | -                         | -                            | (2,862)                   | -                |
| Appropriation of reserves                      | -                          | -                         | 10,775                       | (10,775)                  | -                |
| Dividends                                      | -                          | -                         | (68,861)                     | -                         | (68,861)         |
| At 30 September 2017 (unaudited)               | 3,200,470                  | 1,385,768                 | 1,201,967                    | 463,866                   | 6,252,071        |

#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017

|   | Three months ended<br>30 September 2017<br>Unaudited | Three months ended<br>30 September 2016<br>Unaudited | Year ended<br>30 June 2017<br>Audited |
|---|--|--|---------------------------------------|
|   | MUR'000  | MUR'000  | MUR'000                               |
| Interest income                                       | 576,571  | 489,916  | 2,102,352                             |
| Interest expense                                      | (180,617)  | (192,279)  | (709,355)                             |
| <b>Net interest income</b>                            | <b>395,954</b>                                       | <b>297,637</b>                                       | <b>1,392,997</b>                      |
| Fees and commission income                            | 155,557  | 119,636  | 608,662                               |
| Fees and commission expense                           | (63,418)   | (45,165)   | (239,566)                             |
| <b>Net fees and commission income</b>                 | <b>92,139</b>  | <b>74,471</b>  | <b>369,096</b>                        |
| Net trading income                                    | 201,828  | 206,650  | 686,021                               |
| Other operating income                                | 15,907   | 5,077  | 17,979                                |
| <b>Total operating income</b>                         | <b>705,828</b>                                       | <b>583,835</b>                                       | <b>2,466,093</b>                      |
| Net allowance for credit impairment                   | (135,229)  | (122,226)  | (834,258)                             |
| <b>Net operating income</b>                           | <b>570,599</b>                                       | <b>461,609</b>                                       | <b>1,631,835</b>                      |
| Personnel expenses                                    | (127,289)  | (126,762)  | (436,358)                             |
| Depreciation of equipment                             | (7,462)  | (5,529)  | (24,091)                              |
| Amortisation of intangible assets                     | (4,662)  | (2,421)  | (12,810)                              |
| Other operating expenses                              | (73,533)   | (45,876)   | (238,902)                             |
| <b>Total operating expenses</b>                       | <b>(212,946)</b>                                     | <b>(180,588)</b>                                     | <b>(712,161)</b>                      |
| <b>Profit before tax</b>                              | <b>357,653</b>                                       | <b>281,021</b>                                       | <b>919,674</b>                        |
| Tax expense   | (41,974)   | (37,766)   | (102,676)                             |
| <b>Profit for the period/year</b>                     | <b>315,679</b>                                       | <b>243,255</b>                                       | <b>816,998</b>                        |
| <b>Other comprehensive income</b>                     |  |  |                                       |
| Net gain/(loss) on available-for-sale investments     | 12,804   | 1,280  | (12,259)                              |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b> | <b>328,483</b>                                       | <b>244,535</b>                                       | <b>804,739</b>                        |

#### MANAGEMENT COMMENTS

For the first Quarter Ended 30 September 2017, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 705.8m which shows a healthy increase of 20.9% as compared to MUR 583.8m for the similar quarter last year. The Net Profit after Tax for the period ended 30 September 2017 stood at MUR 315.7m which represent 38.6% of previous year Profit after Tax MUR 817m.

The performance was mainly driven by the growth in Net interest income and Net fees and commission income, which represents 69% of the Bank's total operating income. Additionally, the Bank closed its first quarter with net trading income of MUR 201.8m and cost to income ratio of 30%.

Total loans and advances stood at MUR 29.6bn and customer deposits MUR 95.3bn at end of September 2017, that is, a loan-to-deposit ratio of 31.1% compared to 30.2% of 30 June 2017. The Bank continues to secure a reasonable share of the market while remaining prudent in its lending.

Company Secretary  
10 November 2017

For the information of stakeholders, AfrAsia Bank Ltd is pleased to present its interim unaudited Financial Statements for the three months ended 30 September 2017.

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

Copies of the unaudited interim financial statements (which can also be viewed on the Company's website [www.afrasiabank.com](http://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.