

Unaudited Interim Financial Statements for the six months ended 31 December 2017



AFRASIA BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	As at 31 December 2017 Unaudited MUR'000	As at 31 December 2016 Unaudited MUR'000	As at 30 June 2017 Audited MUR'000
ASSETS			
Cash and balances with the Central Bank	4,240,629	4,850,523	4,106,323
Due from banks	38,371,512	51,851,853	37,879,933
Derivative financial instruments	451,833	130,133	228,533
Loans and advances to customers	30,166,741	26,043,836	27,512,745
Financial investments held-for-trading	2,682,580	3,029,614	2,944,577
Financial investments available-for-sale	4,154,780	4,808,991	5,726,288
Financial investments held-to-maturity	27,815,574	11,276,060	21,190,422
Investment in subsidiaries	189,563	189,563	189,563
Equipment	200,109	137,402	186,269
Intangible assets	211,508	128,414	155,855
Other assets	315,115	129,532	138,718
Deferred tax assets	151,917	60,441	147,057
TOTAL ASSETS	108,951,861	102,636,362	100,406,283
LIABILITIES AND EQUITY			
Due to banks	738,519	141,118	1,500,815
Derivative financial instruments	271,280	58,600	204,460
Deposits from customers	100,415,801	95,105,517	91,082,564
Debts issued	869,016	1,124,122	1,111,493
Other liabilities	363,778	327,398	361,347
Retirement benefits obligation	23,000	-	23,000
Current tax liabilities	13,163	109,905	130,156
TOTAL LIABILITIES	102,694,557	96,866,660	94,413,835
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Ordinary shares	3,210,406	2,597,609	3,197,608
Class A shares	1,385,768	1,385,768	1,385,768
Share application monies	-	472,060	-
Retained earnings	1,135,214	940,374	944,373
Other reserves	525,916	373,891	464,699
TOTAL EQUITY	6,257,304	5,769,702	5,992,448
TOTAL LIABILITIES AND EQUITY	108,951,861	102,636,362	100,406,283

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Ordinary shares MUR'000	Class A shares MUR'000	Share application monies MUR'000	Retained earnings MUR'000	Other reserves MUR'000	Total MUR'000
At 1 July 2016 (audited)	2,595,363	1,385,768	-	493,283	365,060	4,839,474
Profit for the period	-	-	-	566,902	-	566,902
Other comprehensive loss	-	-	-	-	(39,727)	(39,727)
Total comprehensive income / (loss) for the period	-	-	-	566,902	(39,727)	527,175
Share Application Monies	-	-	472,060	-	-	472,060
Appropriation of reserves	-	-	-	(48,558)	48,558	-
Issue of shares	2,246	-	-	-	-	2,246
Dividends	-	-	-	(71,253)	-	(71,253)
At 31 December 2016 (unaudited)	2,597,609	1,385,768	472,060	940,374	373,891	5,769,702
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 loss	-	-	-	-	(12,259)	(12,259)
Total comprehensive income/(loss) for the year	-	-	-	816,998	(12,259)	804,739
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 (audited)	3,197,608	1,385,768	-	944,373	464,699	5,992,448
At 1 July 2017 (audited)	3,197,608	1,385,768	-	944,373	464,699	5,992,448
Profit for the period	-	-	-	475,917	-	475,917
Other comprehensive income	-	-	-	-	8,262	8,262
Total comprehensive income for the period	-	-	-	475,917	8,262	484,179
Indemnity costs	(2,850)	-	-	-	-	(2,850)
Share-based payments	2,862	-	-	-	(2,862)	-
Appropriation of reserves	-	-	-	(55,817)	55,817	-
Issue of shares	12,786	-	-	-	-	12,786
Dividends	-	-	-	(229,259)	-	(229,259)
At 31 December 2017 (unaudited)	3,210,406	1,385,768	-	1,135,214	525,916	6,257,304

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	Six months ended 31 December 2017 Unaudited MUR'000	Six months ended 31 December 2016 Unaudited MUR'000	Year ended 30 June 2017 Audited MUR'000
Interest income	1,155,003	999,166	2,102,352
Interest expense	(353,611)	(359,307)	(709,355)
Net interest income	801,392	639,859	1,392,997
Fees and commission income	362,626	268,833	608,662
Fees and commission expense	(144,048)	(91,659)	(239,566)
Net fees and commission income	218,578	177,174	369,096
Net trading income	396,048	442,379	686,021
Other operating income	18,237	11,977	17,979
Total operating income	1,434,255	1,271,389	2,466,093
Impairment on placement	(135,532)	-	-
Impairment on loans and advances	(350,656)	(219,015)	(834,258)
Net operating income	948,067	1,052,374	1,631,835
Personnel expenses	(245,035)	(248,833)	(436,358)
Depreciation of equipment	(16,974)	(11,031)	(24,091)
Amortisation of intangible assets	(9,320)	(4,812)	(12,810)
Other operating expenses	(158,888)	(99,596)	(238,902)
Total operating expenses	(430,217)	(364,272)	(712,161)
Profit before tax	517,850	688,102	919,674
Tax expense	(41,933)	(121,200)	(102,676)
Profit for the period/year	475,917	566,902	816,998
Other comprehensive income			
Net gain/(loss) on available-for-sale investments	8,262	(39,727)	(12,259)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	484,179	527,175	804,739

MANAGEMENT COMMENTS

For the six months ended 31 December 2017, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 1.4bn which shows an increase of 12.8% as compared to MUR 1.3bn for the similar period last year. In order to enhance its provisioning level, the Bank made higher provisions during the second quarter of the financial year. As a result, the Net Profit after Tax for the period ended 31 December 2017 was MUR 475.9m as compared to MUR 566.9m during the same period last year.

The result was mainly driven by the growth in the Bank's Net interest income and Net fees and commission income, which represents 71% of the Bank's total operating income. Additionally, the Bank closed its half year with net trading income of MUR 396.0m as compared to MUR 442.4m during the same period last year and cost to income ratio stood at 30%.

Total loans and advances stood at MUR 30.2bn and customer deposits at MUR 100.4bn at end of December 2017, that is, a loan-to-deposit ratio of 30.1% compared to 30.2% of 30 June 2017. The Bank continues to secure a reasonable share of business with its deposit base growing by 6% year on year.

By Order of the Board
Company Secretary
8 February 2018

For the information of stakeholders, AfrAsia Bank Ltd is pleased to present its interim unaudited Financial Statements for the six months ended 31 December 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.afasiabank.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.