



AFRASIA BANK LIMITED

INFORMATION MEMORANDUM

IN RESPECT OF

A PROPOSED RIGHTS ISSUE OF UP TO 6,944,444
NEW ORDINARY SHARES AT AN ISSUE PRICE OF MUR 72 PER SHARE FOR
AN AMOUNT OF MUR 499,999,968

0.06490 NEW ORDINARY SHARES WILL BE OFFERED FOR EVERY ONE (1)
ORDINARY SHARE HELD ON 02 APRIL 2018 AND THROUGHOUT THE
SUBSCRIPTION PERIOD

THE NUMBER OF NEW ORDINARY SHARES WILL BE ROUNDED DOWN TO
THE NEAREST INTEGER WHEN FRACTIONS OCCUR. SHAREHOLDERS WHO
HAVE TEN (10) SHARES OR LESS AS AT 02 APRIL 2018 WILL BE ENTITLED
TO SUBSCRIBE FOR ONE (1) ORDINARY SHARE.

Date: 17 April 2018

AFRASIA BANK LIMITED

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IF YOU ARE A SHAREHOLDER OF AFRASIA BANK LIMITED (“ABL”), THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

For a full appreciation of this Information Memorandum, this document should be read in its entirety. If you are in doubt about the action you should take, please consult your legal advisor or other professional advisor immediately.

This document is neither an invitation nor a prospectus nor a statement in lieu of a prospectus for the public in Mauritius or elsewhere to subscribe for shares in ABL.

This document is intended only for the use of shareholders registered on the shareholders' register of ABL as at 02 April 2018 and throughout the subscription period. This document is not to be redistributed, reproduced or used, in whole or in part, for any other purpose without the prior written consent of ABL.

If you have any query or require any clarification concerning this Information Memorandum, please address them to the legal department of ABL on the following email address: **G-RightsIssue2018@afasiabank.com** by 12.00 hours on 04 April 2018 at latest. Any query or request for clarification received by the Bank after this deadline will not be considered.

AFRASIA BANK LIMITED

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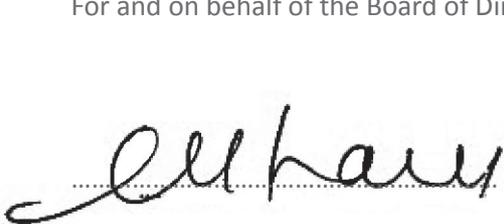
DECLARATION BY DIRECTORS

The Directors of ABL, whose names appear in section 5, collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this Information Memorandum and confirm having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

On 01 March 2018, the Board approved the Rights Issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 per share, subject to the terms and conditions set out in this Information Memorandum. 0.06490 New Ordinary Shares will be offered for every one (1) Ordinary Share held by ABL shareholders registered on 02 April 2018 and throughout the subscription period.

The issue and subscription of the New Ordinary Shares are conditional upon approval of the Rights Issue by the shareholders by way of a special resolution (requiring not less than 75% of the votes of the shareholders present and entitled to vote and voting on the Rights Issue, including the approval of certain shareholders in accordance with ABL's constitution and shareholders agreement) passed at the special meeting of the shareholders to be held on 05 April 2018, no later than the proposed date of issue of the New Ordinary Shares.

For and on behalf of the Board of Directors of ABL



Director



Director

01 March 2018

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Information Memorandum in respect of a proposed Rights Issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 per share

SALIENT FEATURES OF THE RIGHTS ISSUE

New Ordinary Shares	New Ordinary Shares of no par value of ABL, having the same rights and ranking pari passu with the existing Ordinary Shares of ABL
Purpose of the issue	To increase the capital base to meet future growth
Terms of the issue	<p>Rights Issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 each on the terms and conditions set out in this Information Memorandum</p> <p>A shareholder of ABL will be entitled to 0.06490 New Ordinary Shares for every one (1) Ordinary Share registered in its name on 02 April 2018 and throughout the subscription period rounded down to the nearest integer when fractions occur, subject to regulatory constraints. Shareholders who have ten (10) shares or less as at 02 April 2018 will be entitled to subscribe for one (1) ordinary share.</p>
Amount to be raised under the Rights Issue	MUR 499,999,968
Opening of rights subscription	11 April 2018
Closing of rights subscription	24 April 2018
Payment terms	Payable on 24 April 2018 at latest (or, with respect to Excess Ordinary Shares, at a later date agreed by ABL)
Issue date	30 April 2018 (or at such other date(s) as ABL may determine)

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1 DEFINITIONS

In this document, where the context permits, the abbreviations set out below bear the following meanings:

Term	Definition
ABL	AfrAsia Bank Limited
Board	The Board of Directors of ABL
Director	A person appointed as a director of ABL and continuing in office for the time being, in accordance with ABL's constitution.
Employees	Staff in the permanent employment of ABL on 02 April 2018
Excess Ordinary Shares	The New Ordinary Shares for which shareholders have not initially subscribed under section 3.2.1.
FSC	The Financial Services Commission of Mauritius
Group	ABL and its subsidiaries, as defined in accordance with the International Financial Reporting Standards (IFRS)
Information Memorandum	This document, prepared for the purpose of enabling the shareholders of ABL to make an informed decision about the proposed Rights Issue
MUR	Mauritian Rupee
New Ordinary Shares	New ordinary shares of no par value of ABL, having the same rights and ranking pari passu with the existing Ordinary Shares
Ordinary Shares	Ordinary shares of no par value in the capital of ABL
Rights Issue	The issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 each to the Shareholders as particularised in this Information Memorandum
Shareholder	Any natural person, corporation, company, société, partnership, firm, voluntary association, joint venture, trust, unincorporated organisation, authority or any other entity whether acting in an individual, fiduciary or other capacity whose names appear on the register of shares of ABL at the close of business on 02 April 2018 and throughout the subscription period

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2 COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

2.1 Company Background

Headquartered in the Mauritius International Financial Centre with representative offices in South Africa, ABL specialises in banking that builds bridges between Africa, Asia and the world.

ABL's entrepreneurial approach helps to develop flexible financing and investment solutions and provide tailor-made advice while combining expertise in four core divisions:

- Corporate Banking Business
- Global Banking Business
- Consumer Banking Business
- Treasury and Institutional Banking Business

In addition to our anchor Mauritian shareholder, IBL Ltd, the largest conglomerate in the country, other strong strategic partners include National Bank of Canada (NBC), the sixth largest bank in Canada with over 2.4 million clients, Intrasia Capital (Singapore) and other shareholders.

ABL's core banking and transactional capabilities are also complemented by its asset management arm, AfrAsia Capital Management Limited.

With an experienced team and regional foundations giving customers the reliability and trust of a global banking network, ABL helps clients achieve their financial aspirations, all delivered with boutique agility and service.

Incorporated on 12 January 2007, ABL has since shown consistent growth through a balanced growth strategy and an efficient use of capital to create value for our different stakeholders.

ABL's next 3-year strategic vision is based on 3 pillars namely customer centricity, innovation and teamwork. Our focus is to address the needs of the customer to enhance accessibility, convenience and quality of the delivery, leverage on technology to capture ideas and convert them into deliverables and encourage employees to interact for better service level.

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The table below shows an overview of ABL's business lines and its key metrics as at 31 December 2017.

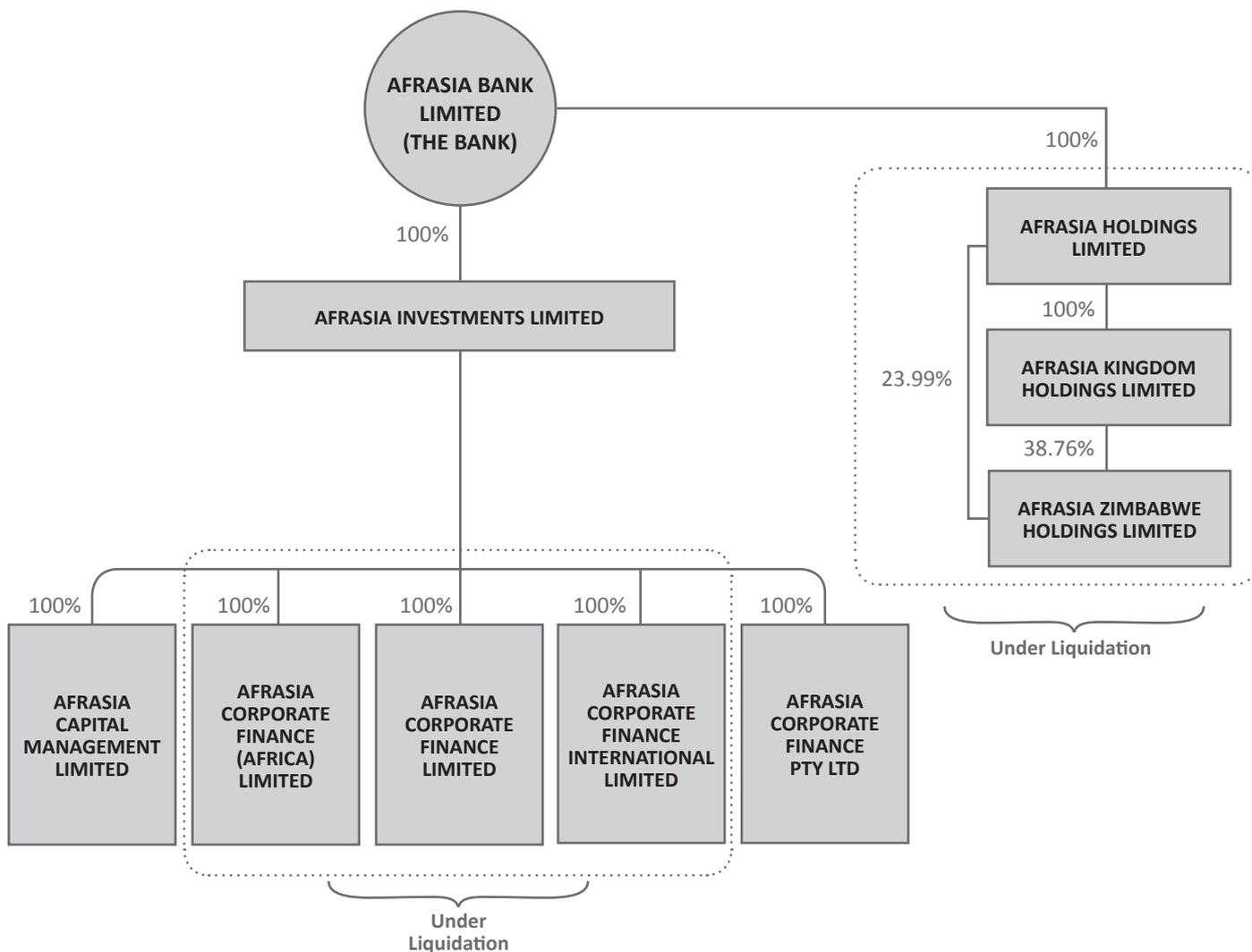
Business lines	Objective	Key Metrics
Corporate Banking Business	To be the best in class corporate banking service provider offering tailor-made expert advices	<u>Loans:</u> MUR 23bn
Global Banking Business	To be the largest global business unit in Mauritius and preferred banker for all global business clients	<u>Deposits:</u> MUR 76bn
Consumer Banking Business	To be the consumer banking reference in Mauritius with a range of tailor-made solutions for our local and international private customers	<u>Assets under Custody:</u> MUR 33bn
Treasury and Institutional Banking Business	To be the most profitable trading room in Mauritius and preferred liquidity and solution provider for African Banks	<u>Trading Income:</u> MUR 396m

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2.2 Group Structure

The organisational structure of ABL as at 31 December 2017 is set out below.



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The shareholding structure of ABL as at 02 April 2018 is as follows:

Shareholder	% Holding
IBL Ltd	30.03
National Bank of Canada	20.35
Intrasia Capital Pte Ltd	9.44
Belle Mare Holding Ltd	6.08
Others (Below 5%)	34.10

ABL has a good combination of renowned institutional investors, both local and foreign.

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3 PARTICULARS OF THE RIGHTS ISSUE

3.1 Background to and Purpose of the Rights Issue

ABL was incorporated in 2007 with the dual aim (i) to become a bank of reference for the corporate and private banking markets in Mauritius and the region and (ii) to capture Mauritius's potential as an International Financial Centre and the compelling opportunities Africa had to offer. Our objectives today are still aligned with the above and, as such, ABL has been strategically based in Mauritius with representations in South Africa to serve the Africa-Asia trade and investment corridor.

ABL offers a diversified range of financial products with the aim of providing a high level of service to customers along with flexibility and transparency through the dedication of its people towards customers. The goal is to deliver innovative products to local and international customers and enhance their banking experience. Since inception, ABL has displayed a consistent and balanced level of growth and, as at 31 December 2017, its customer deposits stand at approximately MUR 100bn while customer loans and advances stand at about MUR 30bn. ABL has also been regularly rewarded for the quality of its private banking offer and level of innovation over the years. ABL has customers domiciled in over 120 countries and has the capability to open accounts in 25 currencies and can undertake 3rd party payments in 100 currencies.

ABL intends to raise capital through the Rights Issue as part of its statutory capital requirements and strategy, to strengthen its capital base and to support the growth of its statement of financial position.

In addition to its local consolidation, ABL seeks to continuously position itself to capture opportunities while ensuring that risks are well managed and mitigated. ABL plans on enhancing its footprint in Africa through durable partnerships with key players on the continent including private equity funds as well as banks. In its Regional Economic Outlook on Sub-Saharan Africa, the International Monetary Fund reported that despite the fact that there had been an overall weakness as to the region's recent growth momentum, "medium-term growth prospects remain favourable".

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3.2 Terms of the Rights Issue

3.2.1 *New Ordinary Shares*

ABL will issue up to 6,944,444 New Ordinary Shares of no par value at an issue price of MUR 72 each.

The Shareholders will be entitled to subscribe for 0.06490 New Ordinary Shares for every one (1) Ordinary Share registered in their names at the close of business on 02 April 2018 and throughout the subscription period, subject to customary regulatory constraints. ABL will not issue fractional shares. The number of New Ordinary Shares will be rounded down to the nearest integer when fractions occur. Shareholders who have ten (10) shares or less as at 02 April 2018 will be entitled to subscribe for one (1) ordinary share.

Any Excess Ordinary Shares will be allocated based on the percentage holding as at 02 April 2018 of only those applying for excess shares and will be placed under the control of the Board to be issued at its discretion, but at the issue price of not less than MUR 72 per share.

3.2.2 *Issue Price for New Ordinary Shares*

An issue price of MUR 72 per New Ordinary Share has been decided by the Board on 01 March 2018.

The Directors confirm that they have made due enquiry and consultation and are satisfied that the issue price for the proposed Rights Issue is fair and reasonable to ABL and all existing shareholders of ABL in accordance with Section 56(1) of the Companies Act 2001.

3.2.3 *Opening and Closing Date for the proposed Rights Issue*

The proposed Rights Issue will open on 11 April 2018 and will close on 24 April 2018.

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3.2.4 Rights Attached to the New Ordinary Shares

Immediately following the completion of the proposed Rights Issue, the New Ordinary Shares will have the same rights and privileges as, will be subject to the same conditions as, and will rank pari passu in all respect with the existing Ordinary Shares. These rights, privileges and conditions are reproduced below:

- (a) the right to vote at meetings of shareholders and on a poll to cast one vote for each share held;
- (b) subject to the rights of holders of class A shares of ABL, the right to an equal share in dividends and other distributions made by ABL; and
- (c) subject to the rights of holders of class A shares of ABL, the right to an equal share in the distribution of the surplus assets of ABL in its liquidation.

3.3 Subscription Procedure for Rights Issue

The section below provides information about the subscription procedure for the proposed Rights Issue.

The proposed Rights Issue consists of the offer of up to 6,944,444 New Ordinary Shares of ABL at an issue price of MUR 72 in a proportion of 0.06490 New Ordinary Shares for every one (1) Ordinary Share held by the shareholders on 02 April 2018 and throughout the subscription period, subject to customary regulatory constraints.

An Offer Letter will be sent via email or by post on 09 April 2018 to the Shareholders (with a hard copy to follow by private courier for those Shareholders who have opted to receive such communication by post), detailing the number of New Ordinary Shares to which the relevant Shareholder is entitled, along with the Application Form and Bank Transfer Form (or equivalent document from another bank).

3.3.1 Acceptance

Shareholders will be entitled to apply for New Ordinary Shares starting on 11 April 2018.

Acceptances are irrevocable and may therefore not be withdrawn.

Shareholders may decide to fully or partially subscribe to New Ordinary Shares by completing and returning parts A, B and C of the Application Form and the Bank Transfer Form for the shares subscribed to ABL's Share Registry Agent, **DTOS Ltd at 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene**. The completed forms and corresponding subscription monies should reach ABL's Share Registry Agent, not later than **24 April 2018 at 12.00 hours, Mauritius time**.

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Scanned copies of the completed Application Form and the Bank Transfer Form (or equivalent document from another bank) will be accepted by email on the following email address; services@dtos-outsourcing.com **not later than 24 April 2018 at 12.00 hours**, Mauritius time, provided that hard copies of these two forms are also delivered to ABL's Share Registry Agent, **DTOS Ltd at 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius by private courier, not later than 27 April 2018 at 12.00 hours, Mauritius time.**

A Shareholder will be deemed to have declined the offer to subscribe for New Ordinary Shares if it fails to abide by any deadline set out in this section 3.3.1.

Incomplete applications will be rejected.

3.3.2 Entitlement to the Rights Issue

This offer is personal to each Shareholder and is non-renounceable. This means that a Shareholder's entitlement to participate in the proposed Rights Issue is not transferable. If a Shareholder does not take up its entitlement to the Rights Issue in full or in part, such entitlement may not be sold or otherwise transferred.

3.4 Payment

Subject to the following paragraph, payment for New Ordinary Shares should be made electronically by using the attached Bank Transfer Form (or equivalent document from another bank) not later than 24 April 2018 at 12.00 hours, Mauritius time.

Shareholders whose application for Excess Ordinary Shares have been accepted in whole or in part by the Board, if any, will be contacted by ABL's Share Registry Agent, DTOS Ltd, who will indicate the number of Excess Ordinary Shares being allocated and the purchase price, and shall make arrangements for immediate payment of the Excess Ordinary Shares in full by bank transfer.

ABL will reject applications for New Ordinary Shares if payment is not effected in accordance with this Information Memorandum (on account of the failure of an electronic transfer, a dishonoured cheque, or otherwise), or as otherwise agreed.

No cash payments will be accepted.

3.5 Share Fractions

ABL will not issue any fractions of New Ordinary Shares. Fractions will be rounded down to the nearest integer. Shareholders, who have ten (10) shares or less as at 02 April 2018 will be entitled to subscribe for one (1) ordinary shares. Fractional shares will be pooled together and will remain under the control of the Board who may allot them at its discretion, but at an issue price of not less than MUR 72 per share.

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3.6 New Ordinary Shares not Subscribed For

The New Ordinary Shares in respect of which no duly completed and signed Application Form and payment have been received at the closure of subscription period will remain under the control of the Board who may allot them, at its sole discretion, to Shareholders who have applied for Excess Ordinary Shares, subject to customary regulatory constraints.

3.7 Issue of New Ordinary Shares

The issue of New Ordinary Shares will be effected on 30 April 2018, or at such other date(s) as the Board may determine in respect of New Ordinary Shares. ABL's Share Registry Agent, DTOS Ltd, will send a communiqué to Shareholders who subscribed to the New Ordinary Shares to confirm the number of New Ordinary Shares issued to them.

All New Ordinary Shares issued under the Rights Issue will be in nominal certificated form.

3.8 Approval by Shareholders

The terms and conditions of the Rights Issue require the approval of the shareholders of ABL by way of a special resolution (requiring not less than 75% of the votes of the shareholders present and entitled to vote and voting on the Rights Issue, including the approval of certain shareholders in accordance with ABL's constitution and shareholders agreement) passed at the special meeting of the shareholders to be held on 05 April 2018, no later than the proposed date of issue of the New Ordinary Shares.

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4 ISSUED CAPITAL

4.1 Issued Capital

The issued capital of ABL as at 31 December 2017 is as follows:

Description of shares	Currency	Value	No of Shares
Ordinary Shares	MUR' 000	3,210,406	106,996,067
Class A Shares	MUR' 000	1,385,768	2,000,000 Class A Series 1 8,000,000 Class A Series 2

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4.2 Alterations to issued capital

Other than the share issues, offers and repurchases described below, there has been no alteration to the issued stated capital of ABL and any of ABL's subsidiaries during the years ended 30 June 2014, 30 June 2015 and 30 June 2016, 30 June 2017 and 30 June 2018 (up to 31 December 2017).

Period Ended	Closing Share Capital	Increase during the year	Date of issue and Price
Financial year 30 June 2014	MUR 1,747,639,471	MUR 53,046,053 (Issued by ABL to SJP Capital Ltd, James Benoit, Kamben Padayachy, Thierry Vallet and Rouben Chocalingum) (ABL also bought back 6,544,778 of its shares from Asiabridge Fund I, LLC. which were then held as Treasury shares)	Aug and Dec 2013 at a cost of MUR 58 per share and June 2014 at a cost of MUR 62 per share June 2014 at a cost of MUR 62 per share
Financial year 30 June 2015	MUR 2,590,959,243	MUR 843,319,772 (Purchase of 6,544,778 shares by National Bank of Canada (Treasury Shares)) <u>Issue Cost MUR 73,945,321</u> (Rights Issue of 18,782,600 shares in June 2015) <u>Issue Cost MUR 7,990,891</u>	12 Dec 2014 at a cost of MUR 62.75 against treasury shares (MUR 62) 25 June 2015 at a cost of MUR 49
Financial year 30 June 2016	MUR 2,595,363,310	MUR 4,404,067 (Issue of 352,272 shares to Founding Executives) <u>Issue Cost MUR 12,857,261</u>	14 July 2015 at a cost of MUR 49

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Period Ended	Closing Share Capital	Increase during the year	Date of issue and Price
Financial year 30 June 2017	MUR 3,197,608,216	MUR 2,245,734 (Issue of 44,034 shares to founders shareholders – Thierry Vallet on 29 July 2016 MUR 599,999,172 (Rights issue of 9,677,406 shares) – December 2016 to February 2017	29 July 2016 at a cost of MUR 51 23 February 2017 at a cost of MUR 62
Financial year 30 June 2018 (up to 31 December 2017)	MUR 3,210,406,872	MUR 2,862,210 (44,034 Ordinary shares issued to founders shareholders Thierry Vallet) MUR 2,850,000 (Payment of Loan Indemnity to National Bank of Canada) MUR 12,786,446 (206,233 shares issued to National Bank of Canada)	11 August 2017 at a cost of MUR 65 24 November 2017 14 December 2017 at a cost of MUR 62

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4.3 Dilution Impact

	Total number of Ordinary Shares
Current	106,996,067
Following Rights Issue	Up to 113,940,511
Maximum Dilution	6.09%

As a result of the Rights Issue, the maximum dilution per share for a shareholder not subscribing to the Rights Issue has been estimated to be 6.09%.

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5 DIRECTORS

5.1 Directors Details as at 28 February 2018

Name	Residential address
Lim Sit Chen Lam Pak Ng Chairman	Singapore, Singapore
Sanjiv Bhasin Chief Executive Officer	Black River, Mauritius
Jean-Claude Béga	Calodyne, Grand Gaube, Mauritius
Henri Calvet	Paris, France
Yves Jacquot	Paris, France
Philippe Jewtoukoff	Boulogne-Billancourt, France
Boon Huat Lee	Singapore, Singapore
Luc Paiement	Quebec, Canada
Graeme Robertson	Singapore, Singapore
Arvind Sethi	Gurgaon, India
Nicolas Weiss	Poste Lafayette, Mauritius
Dominic Joseph Pierre Jacques (Alternative Director to Yves Jacquot & Luc Paiement)	Montreal, Canada

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5.2 Directors' Profiles

The name of all Directors, their categories and their profiles are provided hereafter. As at 31 December 2017, the Board of Directors of ABL is as follows:

LIM SIT CHEN LAM PAK NG

Independent Non-Executive Chairman

Appointed as Director: 12 February 2007

Appointed as Chairman: 12 February 2015

Qualifications: MBA degree from the Graduate School of Business of Columbia University, New York, N.Y, USA.

Lim Sit Chen Lam Pak Ng (Maurice) is the founding partner of Stewardship Consulting, based in Singapore, providing strategy consulting services to family owned companies and government organisations. Prior to Stewardship Consulting, Maurice was in banking, advising public and private sector clients in treasury and risk management, financial strategy and investment management. He has worked in London, Montreal, New York, Singapore and Tokyo. A Mauritian and Canadian citizen, he lives in Singapore. Lim Sit Chen Lam Pak Ng is a director of a listed company in Mauritius, namely Gamma Civic Ltd.

Committees:

Corporate Governance Committee (Chairman)

Credit Committee

Risk Management/Conduct Review Committee

SANJIV BHASIN

Chief Executive Officer and Executive Director

Appointed: 19 November 2015

Qualifications: MBA in Finance (XLRI Jamshedpur), B.Com (Hons) degree in Accounting and Finance (Delhi University)

Sanjiv has over 38 years of banking experience having held senior positions in Asia, Africa and UK markets, and has headed international banks over the past 18 years as the CEO. He started his career with HSBC in 1979 and, over the years, worked in various capacities mainly in the Corporate Banking, Investment Banking and Credit & Risk Management divisions in India, UK & Mauritius until 2004. His last role at HSBC was Chief Operating Officer HSBC India. From 2004 to 2008 he was the Managing Director & CEO of RaboBank in India growing the franchise to become the largest one in all Asia. He thereafter joined as CEO DBS India, leading them to be the fourth largest foreign bank in India during his tenure, launched DBS India's Digital Banking Foreign locally.

He is a successful leader of change and a major driver of growth at both corporate and operational levels, with a track record of delivering results in competitive markets. Sanjiv continues to build beneficial customer and staff relationships while driving banks to embrace the digital change.

Committees:

Corporate Governance Committee

Risk Management/Conduct Review Committee

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JEAN-CLAUDE BÉGA

Non-Executive Director

Appointed: 28 October 2011

Qualifications: Fellow of the Association of Chartered Certified Accountants

Jean-Claude joined GML in 1997 and has been nominated as Group Head of Financial Services and Business Development of IBL Ltd on 1 July 2016 following the amalgamation between Ireland Blyth Limited and GML Investissement Limitée. He started his career in 1980 and spent 7 years as external auditor. He then joined a sugar group and performed various functions within accounting and finance. Jean-Claude currently oversees IBL Group's financial services activities as well as business development activities including M&A, Strategic Initiatives and integration.

Jean-Claude is a director of six listed companies on the Stock Exchange of Mauritius namely Alteo Limited, Lux* Island Resorts Ltd, Mauritian Eagle Insurance Company Limited (Non- Executive Chairman), Phoenix Investment Company Limited, Phoenix Beverages Limited and The Bee Equity Partners Ltd (Non-Executive Chairman).

Committee:

Corporate Governance Committee

HENRI CALVET

Independent Non-Executive Director

Appointed: 23 March 2015

Qualifications: Graduate of Ecole Normale Supérieure de Cachan and University degree (Economics, Paris-I Panthéon-Sorbonne)

Henri is the founder of H2C CONSEIL, a company offering advisory and training services to credit institutions and securities firms, in the main following fields: banking accounting, prudential rules, internal control (including risk management and compliance control). Prior to setting up his own business, Henri had worked for numerous banks, namely, BRED-BANQUE POPULAIRE, Compagnie Financière Edmond de Rothschild Banque and Compagnie Parisienne de Reescompte, inter-alia. Henri Calvet is not a director of any listed company in Mauritius.

Committees:

Audit Committee

Credit Committee

Risk Management/Conduct Review Committee (Chairman)

YVES JACQUOT

Non-Executive Director

Appointed: 16 January 2015

Qualifications: MBA Degree, ESSEC

Yves has a wide experience in the banking sector. He is presently the First Vice-President of International Development for the National Bank of Canada Group and the Deputy Chief Executive of NATCAN INVESTISSEMENTS INTERNATIONAUX SAS which is a subsidiary of National Bank of Canada. Previously, he was the Deputy Chief Executive of BRED BANQUE POPULAIRE and Managing Director of COFIBRED. Yves Jacquot is not a director of any listed company in Mauritius.

Committees:

Corporate Governance Committee Credit Committee

Risk Management/Conduct Review Committee

AFRASIA BANK LIMITED

Information Memorandum in respect of a proposed Rights Issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 per share

PHILLIPPE JEWTOUKOFF

Independent Non-Executive Director

Appointed: 16 May 2017

Qualifications: Université Paris-Saclay - ENSAE Paris, Université Paris VI - DEA - Mathematics and Université Panthéon Sorbonne - Masters in Economic Sciences

During his 33 years long career in the banking sector, Philippe has got a wide experience in the finance, asset-management and audit fields. He retired from the bank as CEO of the “Credit Cooperatif”, a nationwide retail bank in France. Since 2011, he became an independent consultant specialised in restructuring. Philippe has also created a micro- finance network in West-Africa (Mali) in the nineties and has a strong knowledge of Madagascar where he had lived after his student life. Philippe is not a director of any company listed in Mauritius.

Committee:

Audit Committee

BOON HUAT LEE

Independent Non-Executive Director

Appointed: 30 January 2018

Qualifications: Western Australian Institute of Technology (now known as Curtin University) - Bachelor of Business (Accounting) degree, Member of Singapore Institute of Director

A financial services veteran with a proven record in the emerging markets financial sector. He has extensive experience in the building and up-scaling of businesses in Asian financial services. His broad and deep expertise enabled business to connect with emerging industry trends and establish best practices ahead of the game to build a successful and sustainable operating model. With experience in financial markets, business management and governance across both the public and private sectors, Boon Huat is a keen and sturdy helmsman with astute judgment for navigating the sensitive terrain of financial services and operations. Boon Huat is not a director of any company listed in Mauritius.

Committee:

None

LUC PAIEMENT

Non-Executive Director

Appointed: 19 December 2016

Qualifications: Bachelor of Commerce, Concordia University Montréal

With 35 years of experience in the banking industry, Luc is recognized for his strong interpersonal skills and his ability to foster a culture of customer service excellence within his teams. He has held a variety of strategic positions in the wealth management and investment banking and institutional equity sectors. During his time at National Bank, he has been a key contributor to a series of transactions that have profoundly changed the organization and positioned it as a leader in Canada in a range of disciplines and in 1999 was named one of Canada’s Top 40 under 40. Luc has been ranked among the Top 25 of Quebec’s financial industry five times. Luc Paiement is not a director of any listed company in Mauritius.

Committee:

None

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GRAEME ROBERTSON

Non-Executive Director

Appointed: 16 August 2011

Qualifications: University of New South Wales (BA (Sociology)) and FAICD (Fellow) - Australian Institute of Company Directors

Educated in Sydney, Australia, Graeme has spent most of his life in Southeast Asia and Africa. He has been responsible for pioneering the development and management of world class mining, energy and infrastructure operations. He is the recipient of the ASEAN Development, Millennium 500 and Coaltrans Life Achievement Awards for his business achievements in emerging nations. Graeme is a humanitarian with strong interests in poverty alleviation, education and health improvement. In Mauritius he advises the DPM and Minister of Energy and Public Utilities on Energy, grows diabetic friendly Mighty Rice, and provides corporate and financial services with Intrasia Investments Limited and actively supports AfrAsia Group. Graeme Robertson is not a director of any listed company in Mauritius.

Committee:

None

ARVIND SETHI

Independent Non-Executive Director

Appointed: 20 April 2016

Qualifications: Keble, Oxford University, UK (MA Hons in PPE, Philosophy, Politics and Economics)

After a brief career in financial journalism, as Assistant Editor for the Economic Times from 1979 to 1980, Arvind joined Grindlays Bank in 1981. He spent virtually all his career in foreign exchange, fixed income and derivatives, occupying senior roles in India such as Manager Treasury HSBC, General Manager Global Markets ANZ Grindlays and Managing Director Global Markets at Bank of America. Arvind was also the Head of Retail Banking at HSBC India in 1995- 96 and during his career he had assignments with the ANZ treasury in Melbourne and HSBC's Debt Capital Markets in London. From 2001 to 2012, he was a Financial Advisor and Trainer in Financial instruments and Derivatives. He started the Fixed Income & Money Market Association of India (FIMMDA) and was its Chairman in 1999 & 2000, and was also part of the RBI's Committees on Foreign Exchange and Bond Market. He led a turnaround of Tata Asset Management as its MD & CEO from 2012 to 2015 and has also served as an Independent Director on the Board of Rabo India Finance Limited and Canara Robeco Asset Management. Arvind is not a Director of any company listed in Mauritius.

Committees:

Audit Committee (Chairman as from 27 July 2016)

Risk Management/ Conduct Review Committee

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NICOLAS WEISS

Non-Executive Director

Appointed: 1 November 2013

Qualifications: ESSEC – Ingénieur Telecoms – MBA Cranfield University (UK)

Nicolas is a Telecommunications engineer. He started his career in 1988 at Deltabanque, where he developed an interest rate risk management system. He later developed portfolio insurance and market arbitrage models. In 1991, he joined M.Philippe Oddo and helped raise the clientele of Institutional Investors for mutual funds actions, bonds and derivatives. In 1993, he joined Mr. Le Baron Edmond de Rothschild and was General Manager and Shareholder to the creation of AssMgt subsidiaries of the Rothschild Group in Europe: Rothschild Asset Management (EUR20bn), E.de AssMgt Rothschild Investment Services (USD4bn), and Rothschild Multi Management (EUR5bn). Nicolas Weiss was also director and treasurer for 'Rothschild Foundations' since 1997. He left the Rothschild Group in 2010 to settle in Mauritius. Nicolas Weiss has been teaching finance at ESSEC, at Paris Dauphine and at Arts et Métiers. He is a jury member at ESSEC since 1987. Nicolas is not a director of any company listed in Mauritius.

Committee:

None

DOMINIC JACQUES

Alternate Director Appointed: 07 August 2017

Qualifications: Certified Professional Accountant - CPA, CA, CFA Institute (US) – CFA and BAA in Business DESSCP in Accounting - HEC Montreal

Dominic Jacques holds the position of Deputy Vice-President, International Development at National Bank of Canada. As such, he manages the Bank's portfolio of international investments. Mr. Jacques started his career at PricewaterhouseCoopers and joined National Bank of Canada in 2010 as Senior Manager, Strategy and Corporate Development. Mr. Jacques has a sound knowledge of the banking industry, having spent 15 years advising financial institutions on transactions and partnerships. Over the years, he has been based in Montreal, London, Paris and San Jose, California. Dominique is not a director of any company listed in Mauritius.

Committee:

None

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6 CORPORATE INFORMATION

6.1 Company Information

Company Name	AfrAsia Bank Limited
Country of incorporation	Mauritius
Year of incorporation	2007
Business Registration Number	C07067923
Registered Office	Bowen Square, 10 Dr Ferrière Street, Port Louis Tel : (+230) 208 5500

6.2 Third Party Information

Company Secretary	IBL Management Ltd IBL Ltd IBL House, Caudan Waterfront 11307, Port Louis Mauritius Tel : (+230) 203 2000
Share Registry	DTOS Ltd Share Registry Agent 10th Floor, Standard Chartered Tower 19 Cybercity Ebene Mauritius Tel: (+230) 404 6000
Auditors	Deloitte 7th-8th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201 Mauritius Tel: (+230) 403 5800
Legal Advisor for the Rights Issue	Sheena Ellayah Legal Manager AfrAsia Bank Limited 5th Floor, NeXTeracom Tower III Ebène Mauritius Tel : (+230) 403 5500

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7 FINANCIAL INFORMATION

7.1 Auditors

Deloitte, Chartered Accountants, have acted as the external auditors for the financial year ended 30 June 2017 and have issued an unmodified audit report on the financial statements.

Deloitte has also issued an unmodified conclusion in respect of the limited review on the financial statements for the period ended 31 December 2017.

7.2 Condensed Statement of Financial Position as at 31 December 2017

	Notes	THE GROUP		THE BANK	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
		Unaudited	Audited	Unaudited	Audited
		MUR'000	MUR'000	MUR'000	MUR'000
ASSETS					
Cash and balances with the Central Bank	6	4,240,629	4,106,323	4,240,629	4,106,323
Due from banks	7	38,376,187	37,899,776	38,371,512	37,879,933
Derivative financial instruments		545,583	318,120	451,833	228,533
Loans and advances to customers	8	30,166,741	27,512,745	30,166,741	27,512,745
Financial investments - held-for-trading	9a	3,918,759	3,806,253	2,682,580	2,944,577
Financial investments - available-for-sale	9b	4,173,346	5,745,972	4,154,780	5,726,288
Financial investments - held-to-maturity	9c	27,815,574	21,190,422	27,815,574	21,190,422
Investment in subsidiaries		-	-	189,563	189,563
Equipment		202,722	189,287	200,109	186,269
Intangible assets		384,992	334,494	211,508	155,855
Other assets		173,710	148,173	315,115	138,718
Deferred tax assets		151,917	147,057	151,917	147,057
TOTAL ASSETS		110,150,160	101,398,622	108,951,861	100,406,283
LIABILITIES AND EQUITY					
LIABILITIES					
Due to banks	10	738,519	1,500,815	738,519	1,500,815
Derivative financial instruments		365,030	294,047	271,280	204,460
Deposits from customers	11	100,024,451	90,601,331	100,415,801	91,082,564
Debts issued		1,163,886	1,673,625	869,016	1,111,493
Other liabilities		1,617,300	1,243,266	363,778	361,347
Retirement benefits obligation		23,000	23,000	23,000	23,000
Current tax liabilities		14,247	130,156	13,163	130,156
Deferred tax liabilities		129	129	-	-
TOTAL LIABILITIES		103,946,562	95,466,369	102,694,557	94,413,835
EQUITY					
Ordinary shares		3,210,406	3,197,608	3,210,406	3,197,608
Class A shares		1,399,768	1,399,768	1,385,768	1,385,768
Retained earnings		1,068,347	870,794	1,135,214	944,373
Other reserves	12	525,077	464,083	525,916	464,699
TOTAL EQUITY		6,203,598	5,932,253	6,257,304	5,992,448
TOTAL LIABILITIES AND EQUITY		110,150,160	101,398,622	108,951,861	100,406,283

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7.3 Interim Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2017

	Notes	THE GROUP		THE BANK	
		Six months ended 31 December 2017	Year ended 30 June 2017	Six months ended 31 December 2017	Year ended 30 June 2017
		Unaudited MUR'000	Audited MUR'000	Unaudited MUR'000	Audited MUR'000
Interest income	3	1,155,161	2,102,937	1,155,003	2,102,352
Interest expense	4	(357,358)	(716,175)	(353,611)	(709,355)
Net interest income		797,803	1,386,762	801,392	1,392,997
Fees and commission income		400,403	680,539	362,626	608,662
Fees and commission expense		(145,810)	(242,283)	(144,048)	(239,566)
Net fees and commission income		254,593	438,256	218,578	369,096
Net trading income	5	403,622	685,705	396,048	686,021
Other operating income		18,237	15,048	18,237	17,979
Total operating income		1,474,255	2,525,771	1,434,255	2,466,093
Impairment on placement		(135,532)	-	(135,532)	-
Impairment on loan and advances		(350,656)	(834,258)	(350,656)	(834,258)
Net operating income		988,067	1,691,513	948,067	1,631,835
Personnel expenses		(260,395)	(463,512)	(245,035)	(436,358)
Depreciation of equipment		(17,580)	(25,271)	(16,974)	(24,091)
Amortisation of intangible assets		(14,473)	(23,185)	(9,320)	(12,810)
Other operating expenses		(162,916)	(258,893)	(158,888)	(238,902)
Total operating expenses		(455,364)	(770,861)	(430,217)	(712,161)
Operating profit		532,703	920,652	517,850	919,674
Loss on winding up of subsidiary		(4,914)	(5,004)	-	-
Impairment of available-for-sale investment		-	(5,128)	-	-
Profit before tax		527,789	910,520	517,850	919,674
Tax expense		(45,160)	(106,411)	(41,933)	(102,676)
Profit for the period/year		482,629	804,109	475,917	816,998
Other comprehensive income/(loss) that may be subsequently reclassified to profit or loss:					
Net gain/(loss) on available-for-sale investments		8,262	(9,888)	8,262	(12,259)
Exchange differences on translation of foreign operations		(223)	3,331	-	-
Other Comprehensive income/(loss) for the period/year		8,039	(6,557)	8,262	(12,259)
Total comprehensive income for the period/year		490,668	797,552	484,179	804,739

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7.4 Condensed Statement of Changes in Equity for year ended 31 December 2017

THE GROUP

	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
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/ (loss)	-	-	-	(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
At 1 July 2017	3,197,608	1,399,768	870,794	464,083	5,932,253
Profit for the period	-	-	482,629	-	482,629
Other comprehensive income	-	-	-	8,039	8,039
Total comprehensive income for the period	-	-	482,629	8,039	490,668
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	3,210,406	1,399,768	1,068,347	525,077	6,203,598

THE BANK

	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
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/(loss)	-	-	-	(12,259)	(12,259)
Total comprehensive income for the year/(loss)	-	-	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	3,197,608	1,385,768	944,373	464,699	5,992,448
At 1 July 2017	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	3,210,406	1,385,768	1,135,214	525,916	6,257,304

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8 RISK FACTORS

Investing in any business comprises risks. The risks relevant to ABL include the following:

Exchange rate risks

Foreign exchange risk is defined as the risk that ABL's foreign currency positions during a period may be affected by adverse movements in exchange rates.

ABL's open positions arising from foreign exchange transactions with counterparties are monitored daily relative to trading limits and policies, with daily reporting of open positions to Bank of Mauritius for monitoring within set regulatory limits.

Profits or losses arising from ABL's foreign currency deposits and loan book together with operational cash flows in foreign currencies are managed on an on-going basis.

Risks of market fluctuations

ABL's activities are subject to interest rate risks and also to foreign exchange. ABL makes profit primarily from a spread between the interests earned on assets less interest paid on liabilities. Changes in interest rate levels, yield curves and spreads may affect this interest rate margin (reinvestment risk) and the market value of the ABL's assets and the ABL's equity (price risk). The performance of financial markets may cause changes in the value of the ABL's investment and trading portfolios. ABL has implemented risk management methods to mitigate and control these and other market risks factor to which ABL is exposed.

Operational risks

The management of operational risk is a key feature of sound risk management practice in modern financial markets precisely in Banking. The recognition of operational risk as a specific category next to market and credit risk by the Basel Committee on Banking Supervision in the Revised International Capital Framework demonstrates its growing importance. While the management of operational risk is the primary responsibility of each function or service responsible, the implementation of an integrated Operational Risk Management Framework is coordinated by a dedicated and independent team to achieve operational excellence and to ensure alignment with best market practice. Operational risks include risk of losses resulting from inadequate or failed internal processes, people and system or from external events. The Bank limits its operational risks with business procedures and internal controls that updated and adjusted to its current business conditions on an on- going basis. The Bank has been computing its operational risk capital requirement computation in line with requirement from Bank of Mauritius where the capital charge for Operational Risk is taken at 15% of average gross income over the past 3 years.

The Bank's operational risk management process involves a structured and uniform approach across the Bank. It includes risk identification and assessments, the monitoring of risk indicators, controls and risk mitigation plans for key operational risks.

On an annual basis, the Bank performs a complete review of all its processes and its procedures across all the areas of operation to mitigate the risk arising from the fast growing operations. Each subsidiary, business unit and resource area is now responsible for the day- to-day monitoring of its operational risks and for reducing and preventing losses caused by operational risks.

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To that end, all Heads of Departments have participated in this review using methods adapted from the ISO 31000 standard which provides a structured approach to management risk and each department/Risk unit has nominated an Operational Risk Business Coordinator who worked closely with risk management. Procedures and processes have been updated accordingly and action plans designed for each department.

The review conducted during the financial year ended June 2017 showed that risk ranges from low to medium. The overall results were unchanged from last financial year end. Additional controls have been put in place, in line with the various structural changes brought during the year, including re-organisation of the service hub and the customer facing teams to ensure higher controls. The risk at the cybersecurity level was pronounced with more recurrent phishing attacks and ransomware incidents across the world. Prudent measures and control remained our focus to ensure safeguard of systems and data.

Inherent level of Risk increasing in the Treasury operations was further mitigated through implementation of new treasury system, which is currently in its post implementation phase. The Bank has embarked on digital transformation initiatives and technology platforms to support Bank growth have been identified and implementation has already been initiated which includes ALM (Assets & Liabilities Management) Systems, ERP (Enterprise Resource Planning) amongst many others.

Country risks

Assessment of country risk involves the determination of the nature of risks associated with individual country exposure and the evaluation of country conditions. In this connexion, the Bank conducts a thorough evaluation of risks associated with its cross-border operations and which have the potential to adversely affect its risk profile. The aim is to identify the risk of a shock, such as an economic crisis or a sudden change in the political environment that would affect those conducting business within a country.

Credit and Risk team analyses the following elements:

- The short and long term Economic Risk: The aim is to assess the degree to which the country approximates the ideal of non-inflationary growth, contained fiscal and external deficits, and manageable debt ratios. The analysis takes into account GDP growth, unemployment, inflation, real interest rates, exchange rates, the fiscal balance, the current account balance, external debt and a number of other structural factors; and
- The short and long term Political Risk: The political risk assessment compares the state against a theoretical ideal state, essentially a liberal state and a homogenous society in terms of ethnicity and income equality, with the premise that democracies are more able to contain and manage direct threats to the political system and offers template for greater long-term stability.

Country risks also arise where borrowers in a particular country are, or are expected to be, unwilling and unable to fulfil their foreign obligations for reasons beyond the usual risk that arise in relation to lending. Political, social and economic factors may give rise to instability in these markets. Thus, in order to mitigate those risks, a country risk management is undertaken by ABL to determine the level of risk on a Case to Case basis but within each assigned country limit. The country risk policy is set in line with BOM's guidelines for country risk management (April 2010). Adherence must therefore be made to the Bank's country risk policy which covers country risk authorization request process for all cross-border exposure approvals, including security arrangement mechanisms will then need to be established.

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According to ABL's country risk policy, the Bank would set exposure limits for individual countries to manage and monitor Country risk. Country exposure limits should apply to all on and off balance sheet exposures to foreign borrowers. While it is the responsibility of the BRC to approve the proposed structure of limits, investment strategy and the related limits with regards to the Bank risk appetite, the Board of Directors is also responsible for setting the Bank's tolerance for country risks.

Country risk ratings issued by external credit agency (S&P, Moody's or BMI research) are also used by the Bank to evaluate risk of each country. The Bank utilizes two other types of approach:

1. A bottom-up approach: analysis of the country risk pertaining in each cross-border credit files, placements, financial products;
2. A top-down approach:
 - Analysis of the concentration/diversification of country risk in the Bank's portfolio; and
 - Analysis of the global or regional economic and political movements and their adverse effects on the country risk profiles.

Liquidity risk

Liquidity risk is the risk of not being able to meet cash flow requirements when they fall due and at a reasonable price.

ABL runs forward-looking models to project expected available liquidity and assesses the likelihood of a funding stress point at any future point in time.

ABL has, in this respect, set its Net Funding Requirement Ratio in line with the new guidelines on Liquidity Risk Management issued by the Bank of Mauritius.

Any indicator below risk tolerance limits would trigger an early warning signal and a change in ABL's strategy.

Risks concerning borrower credit

The granting of credit is one of the Bank's major sources of income and, a principal risk, the Bank dedicates considerable resources to its control.

Credit risk arises from the possibility of financial losses stemming from the failure of clients or counterparties to meet their financial obligations to the Bank. Credit processes control the credit risk of individual and corporate clients. Other sources of credit risk arise from trading activities, including: debt securities, settlement balances with market counterparties, amongst others.

The credit risk management objective is to maintain a rigorous and effective integrated risk management framework to ensure that all controls are in line with risk processes based on international best practices.

The Bank has structured the responsibilities of credit risk management so that decisions are taken as close as possible to the business, whilst ensuring that there is an adequate segregation of tasks. Credit policies and the credit processes monitor and manage credit risk in a manner that complies with the Bank of Mauritius guidelines and AfrAsia Bank's risk appetite.

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Concentration Risk

Key focus of ABL's macro credit risk management approach is to avoid any undue concentrations in its credit portfolio, whether in terms of counterparty, group, portfolio, product, country, sovereign, or currency. ABL's portfolio management supports a comprehensive assessment of concentrations within its credit risk portfolio for provision of subsequent risk mitigating actions and diversification across various geographical boundaries, sectors, borrower groups and products, with the main objectives of maximising shareholder value.

Regulatory Risk

ABL, being a licensed bank, operates in a highly regulated environment. ABL is subject to capital adequacy guidelines adopted by the Bank of Mauritius and (with reference to the third Capital Accord of the Basel Committee on Banking Supervision) which provide for a minimum ratio of capital to risk-adjusted assets. Any failure by ABL to maintain its ratios may result in action taken by ABL's main regulator, the Bank of Mauritius, which may in turn impact on its ability to fulfil its obligations.

The nature and impact of future changes in laws, regulations and regulatory policies are not predictable and are beyond ABL's control. Changes in such laws, regulations and regulatory policies may have an adverse effect on ABL's financial condition and results of operations.

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9 LEGAL PROCEEDINGS LODGED AGAINST ABL AS AT 31 DECEMBER 2017

Jurisdiction	Date case lodged	Brief details of case
Mauritius – Intermediate Court	15 March 2013	<p>Accepting payment in cash in excess of MUR 500,000, contrary to section 5(1) of the Financial Intelligence and Anti Money Laundering Act 2002.</p> <p>The case was heard in January 2015 and judgment was delivered on 23 April 2015 by the Intermediate Court. Although ABL and its client were found guilty, they were both absolutely discharged, notably because the Court found that there was no criminal intent and the money deposited was not the proceeds of a crime.</p> <p>No fine was imposed on ABL, which is only required to pay Court costs of MUR 500. The law has since been amended and if the transactions had taken place now, they would arguably have been treated as Exempt Transactions, i.e. no breach of section 5 of FIAMLA.</p>
Mauritius – Supreme Court (Appeal)		<p>Appeal was lodged before the Appellate Court (Supreme Court), however, the Supreme Court could not hear the appeal as the sentence part of the judgment was not compliant with the law. The case had to be remitted back to the trial court with a direction that the trial court complies with section 8 of FIAMLA. ABL and the customer were both fined MUR 5,000 plus MUR 500 as costs by the trial court. An appeal against conviction was lodged again before the Supreme Court and has been fixed for Merits on 14 January 2019.</p>
Mauritius – Supreme Court	3 April 2014	<p>This is a claim for an alleged breach of contract on the basis that ABL allowed a customer to make payments in excess of MUR 500,000.</p> <p>The defence was filed and the matter was fixed for Argument. ABL is currently awaiting the Court to fix the matter for hearing</p>
Mauritius – Supreme Court	30 November 2017	<p>This is a claim for an alleged breach of contractual arrangements between ABL and the Plaintiffs on the basis that ABL, acting through its former CEO and a former Relationship Manager of ABL, employed fraudulent means in an attempt to create an instrument to defraud the Plaintiffs of their capital investment. ABL will file a Demand of Particulars before the Supreme Court on 27 March 2018 and, upon receipt of the requested information from the Plaintiffs, ABL will file its defence accordingly.</p>

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10 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board is responsible for:

- The preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flow of ABL and which comply with the Companies Act 2001 and with the International Financial Reporting Standards ('IFRS');
- Safeguarding the assets of ABL and for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- Assessment of the management team's performance relative to corporate objectives;
- Overseeing the implementation and upholding of good corporate practices;
- Acting as the central coordination body for the monitoring and reporting of the sustainability performance of ABL; and
- Ensuring timely and comprehensive communication to all stakeholders on events which are significant to ABL.

The Board must ensure that accounting records:

- Are correctly recorded and can explain the transactions of ABL;
- At any time, enable the financial position of ABL to be determined with reasonable accuracy; and
- Enable the directors to prepare financial statements that comply with the Companies Act 2001 and IFRS.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether or not the Companies Act 2001 and IFRS have been adhered to and explain material departures thereto; and
- Prepare these financial statements on the going concern basis, unless it is inappropriate to presume that ABL will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements for the year ended 31 December 2017.

AFRASIA BANK LIMITED

Information Memorandum in respect of a proposed Rights Issue of up to 6,944,444 New Ordinary Shares at an issue price of MUR 72 per share

11 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal business hours (8.30 to 16.30) from 19 March 2018 to 09 April 2018 at the offices of ABL's Company Secretary, IBL Management Ltd, 4th Floor, IBL House, Caudan Waterfront, 11307, Port Louis, Mauritius.

- the constitution of ABL;
- the original Information Memorandum; and
- the interim financial statements of ABL for the period ended 31 December 2017

For and on behalf of the Board of Directors of ABL



Director



Director