

Unaudited Interim Financial Statements for the nine months ended 31 March 2018



AFRASIA BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	As at 31 March 2018 Unaudited	As at 31 March 2017 Unaudited	As at 30 June 2017 Audited
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and balances with the Central Bank	4,594,844	4,321,574	4,106,323
Due from banks	45,040,744	42,753,455	37,879,933
Derivative financial instruments	351,009	122,445	228,533
Loans and advances to customers	27,410,945	28,588,562	27,512,745
Financial investments held-for-trading	3,010,745	3,459,732	2,944,577
Financial investments available-for-sale	4,457,337	6,524,799	5,726,288
Financial investments held-to-maturity	29,840,403	19,005,847	21,190,422
Investment in subsidiary	189,563	189,563	189,563
Equipment	196,874	148,130	186,269
Intangible assets	226,965	134,258	155,855
Other assets	302,534	126,675	138,718
Deferred tax assets	178,459	82,993	147,057
TOTAL ASSETS	115,800,422	105,458,033	100,406,283
LIABILITIES AND EQUITY			
Due to banks	265,421	2,039,575	1,500,815
Derivative financial instruments	79,537	105,660	204,460
Deposits from customers	108,029,766	95,583,287	91,082,564
Debts issued	692,282	1,127,999	1,111,493
Other liabilities	347,976	377,632	361,347
Retirement benefits obligation	23,000	-	23,000
Current tax liabilities	6,511	173,539	130,156
TOTAL LIABILITIES	109,444,493	99,407,692	94,413,835
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Ordinary shares	3,210,407	3,197,608	3,197,608
Class A shares	1,385,768	1,385,768	1,385,768
Retained earnings	1,234,240	1,060,360	944,373
Other reserves	525,514	406,605	464,699
TOTAL EQUITY	6,355,929	6,050,341	5,992,448
TOTAL LIABILITIES AND EQUITY	115,800,422	105,458,033	100,406,283

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2016 (audited)	2,595,363	1,385,768	493,283	365,060	4,839,474
Profit for the period	-	-	866,408	-	866,408
Other comprehensive loss	-	-	-	(18,506)	(18,506)
Total comprehensive income/(loss) for the period	-	-	866,408	(18,506)	847,902
Appropriation of reserves	-	-	(60,051)	60,051	-
Issue of shares	602,245	-	-	-	602,245
Dividends	-	-	(239,280)	-	(239,280)
At 31 March 2017 (unaudited)	3,197,608	1,385,768	1,060,360	406,605	6,050,341
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	-	-	644,243	-	644,243
Other comprehensive income	-	-	-	9,459	9,459
Total comprehensive income for the period	-	-	644,243	9,459	653,702
Indemnity costs	(2,850)	-	-	-	(2,850)
Appropriation of reserves	-	-	(54,218)	54,218	-
Issue of shares	15,649	-	-	(2,862)	12,787
Dividends	-	-	(300,158)	-	(300,158)
At 31 March 2018 (unaudited)	3,210,407	1,385,768	1,234,240	525,514	6,355,929

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2018

	Nine months ended 31 March 2018 Unaudited	Nine months ended 31 March 2017 Unaudited	Year ended 30 June 2017 Audited
	MUR'000	MUR'000	MUR'000
Interest income	1,637,238	1,548,616	2,102,352
Interest expense	(513,387)	(534,504)	(709,355)
Net interest income	1,123,851	1,014,112	1,392,997
Fees and commission income	542,830	423,629	608,662
Fees and commission expense	(227,173)	(158,034)	(239,566)
Net fees and commission income	315,657	265,595	369,096
Net trading income	575,091	573,222	686,021
Other operating income	21,830	13,722	17,979
Total operating income	2,036,429	1,866,651	2,466,093
Net allowance for impairment - credit and due from banks	(684,428)	(276,507)	(834,258)
Net operating income	1,352,001	1,590,144	1,631,835
Personnel expenses	(393,162)	(357,032)	(436,358)
Depreciation of equipment	(25,204)	(17,636)	(24,091)
Amortisation of intangible assets	(15,523)	(7,372)	(12,810)
Other operating expenses	(227,030)	(152,944)	(238,902)
Total operating expenses	(660,919)	(534,984)	(712,161)
Profit before tax	691,082	1,055,160	919,674
Tax expense	(46,839)	(188,752)	(102,676)
Profit for the period/year	644,243	866,408	816,998
Other comprehensive income			
Net gain/(loss) on available-for-sale investments	9,459	(18,506)	(12,259)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	653,702	847,902	804,739

MANAGEMENT COMMENTS

For the nine months ended 31 March 2018, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 2.0bn which shows an increase of 9.1% as compared to MUR 1.9bn for the similar period last year. The Bank made higher provisions during the second and third quarter of the financial year, as a result, the Net Profit after Tax for the period ended 31 March 2018 was MUR 644.2m as compared to MUR 866.4m 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 70.7% of the Bank's total operating income. Additionally, the Bank closed its third quarter with net trading income of MUR 575.1m as compared to MUR 573.2m during the same period last year and cost to income ratio stood at 32.5%.

Total loans and advances stood at MUR 27.4bn and customer deposits at MUR 108.0bn at end of March 2018, that is, a loan-to-deposit ratio of 25.4% compared to 30.2% of 30 June 2017. The Bank continues to secure a reasonable share of business with its deposit base growing by 13% year on year.

The Board and Shareholders continue to have confidence in the Bank's business and its prospects and have approved an increase in capital of up to MUR 500m at a Special Meeting held on 5 April 2018 to cater for its growth and associated capital requirements.

By Order of the Board
Company Secretary
3 May 2018

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited Financial Statements for the nine months ended 31 March 2018.

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) 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.