

Unaudited Interim Financial Statements for the three months ended 30 September 2018



AFRASIA BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	As at 30 September 2018 Unaudited	As at 30 September 2017 Unaudited	As at 30 June 2018 Audited
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and balances with the Central Bank	4,520,745	4,510,827	3,196,233
Due from banks	49,918,297	36,536,621	51,943,156
Derivative financial instruments	82,693	344,025	208,490
Financial investments - held-for-trading	4,391,493	2,479,247	2,958,296
Loans and advances to customers	28,304,740	29,645,671	28,066,483
Debt instruments at fair value through other comprehensive income	3,887,954	-	-
Financial investments - available-for-sale	-	5,333,112	4,055,941
Debt instruments at amortised cost	26,336,739	-	-
Financial investments - held-to-maturity	-	23,156,073	27,360,177
Investment in subsidiary	189,563	189,563	189,563
Property and equipment	187,535	191,129	189,854
Intangible assets	251,638	190,974	249,585
Other assets	1,981,325	1,548,305	1,841,173
Deferred tax assets	100,793	154,652	141,462
TOTAL ASSETS	120,153,515	104,280,199	120,400,413
LIABILITIES AND EQUITY			
Due to banks	580,024	625,769	932,755
Derivative financial instruments	99,352	301,356	64,382
Deposits from customers	111,515,634	95,334,219	111,385,467
Debts issued	589,469	1,115,682	600,208
Other liabilities	393,393	450,159	445,380
Retirement benefits obligation	41,688	23,000	41,688
Current tax liabilities	104,684	177,943	31,281
TOTAL LIABILITIES	113,324,244	98,028,128	113,501,161
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Ordinary shares	3,641,049	3,200,470	3,641,049
Class A shares	1,385,768	1,385,768	1,385,768
Retained earnings	1,210,682	1,201,967	1,277,521
Other reserves	591,772	463,866	594,914
TOTAL EQUITY	6,829,271	6,252,071	6,899,252
TOTAL LIABILITIES AND EQUITY	120,153,515	104,280,199	120,400,413

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

	Ordinary shares MUR'000	Class A shares MUR'000	Retained earnings MUR'000	Other reserves MUR'000	Total MUR'000
At 1 July 2017 (audited)	3,197,608	1,385,768	944,373	464,699	5,992,448
Profit for the period	-	-	315,679	-	315,679
Other comprehensive income	-	-	-	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	-	-	(68,860)	-	(68,860)
At 30 September 2017 (unaudited)	3,200,470	1,385,768	1,201,967	463,866	6,252,071
At 1 July 2017 (audited)	3,197,608	1,385,768	944,373	464,699	5,992,448
Profit for the year	-	-	766,454	-	766,454
Other comprehensive (loss)/income	-	-	(10,792)	10,722	(70)
Total comprehensive income for the year	-	-	755,662	10,722	766,384
Share-based payments	-	-	-	(2,862)	(2,862)
Issue of shares	446,291	-	-	-	446,291
Indemnity costs	(2,850)	-	-	-	(2,850)
Appropriation of reserves	-	-	(122,355)	122,355	-
Dividends	-	-	(300,159)	-	(300,159)
At 30 June 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
At 30 June 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
Impact of adopting IFRS 9	-	-	(667,382)	-	(667,382)
Restated opening balance under IFRS 9	3,641,049	1,385,768	610,139	594,914	6,231,870
Profit for the period	-	-	594,357	-	594,357
Other comprehensive income	-	-	-	3,044	3,044
Total comprehensive income for the period	-	-	594,357	3,044	597,401
Appropriation of reserves	-	-	6,186	(6,186)	-
At 30 September 2018 (unaudited)	3,641,049	1,385,768	1,210,682	591,772	6,829,271

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

	Three months ended 30 September 2018 Unaudited	Three months ended 30 September 2017 Unaudited	Year ended 30 June 2018 Audited
	MUR'000	MUR'000	MUR'000
Interest income	738,382	535,605	2,324,623
Interest expense	(187,784)	(180,617)	(695,565)
Net interest income	550,598	354,988	1,629,058
Fee and commission income	169,202	155,557	730,260
Fee and commission expense	(56,726)	(63,418)	(306,402)
Net fee and commission income	112,476	92,139	423,858
Net trading income	192,853	201,828	816,767
Other operating income	3,710	15,907	32,977
Total operating income	859,637	664,862	2,902,660
Net impairment credit/(loss) on financial assets	89,017	(94,263)	(1,067,581)
Net operating income	948,654	570,599	1,835,079
Personnel expenses	(146,896)	(127,289)	(529,664)
Depreciation of property and equipment	(8,531)	(7,462)	(34,370)
Amortisation of intangible assets	(8,209)	(4,662)	(27,005)
Other operating expenses	(76,590)	(73,533)	(336,362)
Total operating expenses	(240,226)	(212,946)	(927,401)
Profit before tax	708,428	357,653	907,678
Tax expense	(114,071)	(41,974)	(141,224)
Profit for the period/year	594,357	315,679	766,454
Other comprehensive income that may be subsequently reclassified to profit or loss:			
Net gain on available-for-sale investments	-	12,804	10,722
Net gain on financial investment at fair value through other comprehensive income	3,044	-	-
Other comprehensive income that will not be reclassified to profit or loss:			
Remeasurement of retirement benefit obligation	-	-	(11,611)
Deferred tax of remeasurement on retirement benefit obligation	-	-	819
	-	-	(10,792)
Other comprehensive income/(loss) for the period/year	3,044	12,804	(70)
Total comprehensive income for the period/year	597,401	328,483	766,384

MANAGEMENT COMMENTS

For the first Quarter Ended 30 September 2018, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 859.6m, a healthy increase of 29.3% compared to MUR 664.9m for the same quarter last year. The Profit after tax for the period stood at MUR 594.4m (MUR 315.7m for same period last year).

The performance was mainly driven by the growth in its Net interest income. Additionally, the Bank closed its first quarter with net trading income of MUR 192.9m (MUR 201.8m for the quarter ended 30 September 2017) and cost to income ratio stood at 28% (32% for quarter ended 30 September 2017).

Total loans and advances to customers stood at MUR 28.3bn and deposits from customers at MUR 111.5bn as at the end of September 2018, that is, a loan-to-deposit ratio of 25.4% compared to 25.2% at 30 June 2018. Deposits grew by 17% from September 2017 to September 2018. The Bank continues to secure a reasonable share of the market while remaining prudent in its lending.

The adoption of IFRS 9 as from 1 July 2018 has resulted in a charge of MUR 667.4m to retained earnings.

The Bank's Capital Adequacy Ratio stood at 13.8% as at end of September 2018 against a regulatory limit of 12.00%. The Capital Adequacy Ratio was at 12.8% for the same quarter last year.

By Order of the Board
Company Secretary
13 November 2018

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited financial statements for the three months ended 30 September 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 Bank'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.