

# Unaudited Interim Financial Statements for the six months ended 31 December 2018

## AFRASIA BANK LIMITED

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	As at 31 December 2018 Unaudited	As at 31 December 2017 Unaudited	As at 30 June 2018 Audited
	MUR'000	MUR'000	MUR'000
<b>ASSETS</b>			
Cash and balances with the Central Bank	3,128,274	4,240,629	3,196,233
Due from banks	45,404,601	38,371,512	51,943,156
Derivative financial instruments	64,744	451,833	208,490
Financial investments - held-for-trading	5,878,298	2,682,580	2,958,296
Loans and advances to customers	28,992,574	30,166,741	28,066,483
Debt instruments at fair value through other comprehensive income	3,578,787	-	-
Financial investments - available-for-sale	-	4,154,780	4,055,941
Debt instruments at amortised cost	36,785,065	-	-
Financial investments - held-to-maturity	-	27,815,574	27,360,177
Investment in subsidiary	189,563	189,563	189,563
Property and equipment	181,240	200,109	189,854
Intangible assets	245,521	211,508	249,585
Other assets	2,026,128	315,115	1,841,173
Deferred tax assets	92,159	151,917	141,462
<b>TOTAL ASSETS</b>	<b>126,566,954</b>	<b>108,951,861</b>	<b>120,400,413</b>
<b>LIABILITIES AND EQUITY</b>			
Due to banks	576,613	738,519	932,755
Derivative financial instruments	89,905	271,280	64,382
Deposits from customers	117,990,666	100,415,801	111,385,467
Debts issued	225,963	869,016	600,208
Other liabilities	329,815	363,778	445,380
Retirement benefits obligation	41,688	23,000	41,688
Current tax liabilities	131,676	13,163	31,281
<b>TOTAL LIABILITIES</b>	<b>119,386,326</b>	<b>102,694,557</b>	<b>113,501,161</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>			
Ordinary shares	3,641,049	3,210,406	3,641,049
Class A shares	1,385,768	1,385,768	1,385,768
Retained earnings	1,439,641	1,135,214	1,277,521
Other reserves	714,170	525,916	594,914
<b>TOTAL EQUITY</b>	<b>7,180,628</b>	<b>6,257,304</b>	<b>6,899,252</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>126,566,954</b>	<b>108,951,861</b>	<b>120,400,413</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Six months ended 31 December 2018 Unaudited	Six months ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
	MUR'000	MUR'000	MUR'000
Interest income	1,534,098	1,155,003	2,324,623
Interest expense	(399,649)	(353,611)	(695,565)
<b>Net interest income</b>	<b>1,134,449</b>	<b>801,392</b>	<b>1,629,058</b>
Fee and commission income	368,797	362,626	730,260
Fee and commission expense	(136,978)	(144,048)	(306,402)
<b>Net fee and commission income</b>	<b>231,819</b>	<b>218,578</b>	<b>423,858</b>
Net trading income	427,145	396,048	816,767
Other operating income	6,768	18,237	32,977
<b>Total operating income</b>	<b>1,800,181</b>	<b>1,434,255</b>	<b>2,902,660</b>
Net impairment loss on financial assets	(71,206)	(486,188)	(1,067,581)
<b>Net operating income</b>	<b>1,728,975</b>	<b>948,067</b>	<b>1,835,079</b>
Personnel expenses	(344,152)	(245,035)	(529,664)
Depreciation of property and equipment	(17,757)	(16,974)	(34,370)
Amortisation of intangible assets	(17,920)	(9,320)	(27,005)
Other operating expenses	(207,694)	(158,888)	(336,362)
<b>Total operating expenses</b>	<b>(587,523)</b>	<b>(430,217)</b>	<b>(927,401)</b>
<b>Profit before tax</b>	<b>1,141,452</b>	<b>517,850</b>	<b>907,678</b>
Tax expense	(172,954)	(41,933)	(141,224)
<b>Profit for the period/year</b>	<b>968,498</b>	<b>475,917</b>	<b>766,454</b>
<b>Other comprehensive income that may be subsequently reclassified to profit or loss:</b>			
Net gain on available-for-sale investments	-	8,262	10,722
Net gain on financial investments at fair value through other comprehensive income	916	-	-
<b>Other comprehensive income that will not be reclassified to profit or loss:</b>			
Remeasurement of retirement benefits obligation	-	-	(11,611)
Deferred tax of remeasurement on retirement benefits obligation	-	-	819
	-	-	(10,792)
<b>Other comprehensive income/(loss) for the period/year</b>	<b>916</b>	<b>8,262</b>	<b>(70)</b>
<b>Total comprehensive income for the period/year</b>	<b>969,414</b>	<b>484,179</b>	<b>766,384</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
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
Share-based payments	2,862	-	-	(2,862)	-
Issue of shares	12,786	-	-	-	12,786
Indemnity costs	(2,850)	-	-	-	(2,850)
Appropriation of reserves	-	-	(55,817)	55,817	-
Dividends	-	-	(229,259)	-	(229,259)
At 31 December 2017 (unaudited)	3,210,406	1,385,768	1,135,214	525,916	6,257,304
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
<b>At 30 June 2018 (audited)</b>	<b>3,641,049</b>	<b>1,385,768</b>	<b>1,277,521</b>	<b>594,914</b>	<b>6,899,252</b>
Impact of adopting IFRS 9	-	-	(450,503)	-	(450,503)
Deferred tax effect on IFRS 9	-	-	21,122	-	21,122
Restated opening balance under IFRS 9	3,641,049	1,385,768	848,140	594,914	6,469,871
Profit for the period	-	-	968,498	-	968,498
Other comprehensive income	-	-	-	916	916
Total comprehensive income for the period	-	-	968,498	916	969,414
Appropriation of reserves	-	-	(118,340)	118,340	-
Dividends	-	-	(258,657)	-	(258,657)
At 31 December 2018 (unaudited)	3,641,049	1,385,768	1,439,641	714,170	7,180,628

### MANAGEMENT COMMENTS

For the six months ended 31 December 2018, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 1.8bn, a healthy increase of 25.5% compared to MUR 1.4bn for the same period last year. The Profit after tax for the period stood at MUR 968.5m (MUR 475.9m for same period last year).

Total loans and advances to customers stood at MUR 29.0bn and deposits from customers at MUR 118.0bn as at the end of December 2018, that is, a loan-to-deposit ratio of 24.6% compared to 25.2% at 30 June 2018. Deposits grew by 5.9% from June 2018 to December 2018. The Bank continues to secure a reasonable share of the market while remaining prudent in its lending.

The Bank's Capital Adequacy Ratio stood at 15.84% as at end of December 2018 against a regulatory limit of 12.00%. The Capital Adequacy Ratio was at 13.85% for the same quarter last year.

By Order of the Board  
Company Secretary  
8 February 2019

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited financial statements for the six months ended 31 December 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](http://www.afrasiabank.com)) is available free of charge, upon request made to the Company Secretary, 4<sup>th</sup> 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.

### STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2018

	Six months ended 31 December 2018 Unaudited	Six months ended 31 December 2017 Unaudited	Year ended 30 June 2018 Audited
	MUR'000	MUR'000	MUR'000
Net cash flows (used in)/generated from operating activities	(8,705,261)	1,962,478	14,967,122
Net cash flows (used in)/generated from investing activities	(22,996)	1,481,375	(145,190)
Net cash flows used in financing activities	(601,430)	(216,460)	(539,193)
<b>Net cash flows for the period/year</b>	<b>(9,329,687)</b>	<b>3,227,393</b>	<b>14,282,739</b>
<b>Movement in cash and cash equivalents</b>			
Cash and cash equivalents at start of period/year	49,974,647	35,691,911	35,691,908
Net (decrease)/increase in cash and cash equivalents	(9,329,687)	3,227,393	14,282,739
<b>Cash and cash equivalents at end of period/year</b>	<b>40,644,960</b>	<b>38,919,304</b>	<b>49,974,647</b>
<b>Operational cash flows from interest</b>			
Interest paid	(181,107)	(302,317)	(662,889)
Interest received	1,186,211	1,150,412	2,808,635