

Unaudited Interim Financial Statements for the three months ended 30 September 2019



AFRASIA BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	As at 30 September 2019 Unaudited	As at 30 September 2018 Unaudited	As at 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
ASSETS			
Cash and cash equivalents	49,596,775	41,733,112	50,698,992
Due from banks	14,014,833	12,703,351	12,967,930
Derivative financial instruments	57,695	82,693	92,413
Loans and advances to banks	5,658,862	6,483,723	6,019,048
Loans and advances to customers	22,891,607	21,811,424	22,150,196
Investment securities	59,490,642	34,620,726	45,308,171
Investment in subsidiary	-	189,563	-
Property and equipment	265,848	187,535	185,675
Intangible assets	245,246	251,638	243,398
Deferred tax assets	98,545	100,793	100,953
Other assets	2,204,943	1,974,144	2,106,722
TOTAL ASSETS	154,524,996	120,138,702	139,873,498
LIABILITIES			
Due to banks	32,172	580,024	30,434
Deposits from customers	145,099,333	111,515,634	131,208,365
Derivative financial instruments	25,677	99,352	49,995
Debts issued	188,317	589,469	184,205
Retirement benefits obligation	64,654	41,688	64,652
Current tax liabilities	164,522	79,577	112,116
Other liabilities	633,030	415,593	507,327
TOTAL LIABILITIES	146,207,705	113,321,337	132,157,094
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Ordinary Shares	3,641,049	3,641,049	3,641,049
Class A shares	1,385,768	1,385,768	1,385,768
Retained earnings	2,422,034	1,198,228	1,836,242
Other reserves	868,440	592,320	853,345
TOTAL EQUITY	8,317,291	6,817,365	7,716,404
TOTAL EQUITY AND LIABILITIES	154,524,996	120,138,702	139,873,498

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

	Ordinary shares MUR'000	Class A shares MUR'000	Retained earnings MUR'000	Other reserves MUR'000	Total MUR'000
At 01 July 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
Effect of adopting IFRS 9	-	-	(429,380)	547	(428,833)
At 01 July 2018 (as restated)	3,641,049	1,385,768	848,141	595,461	6,470,419
Profit for the period	-	-	343,902	-	343,902
Other comprehensive income	-	-	-	3,044	3,044
Total comprehensive income for the period	-	-	343,902	3,044	346,946
Appropriation of reserves	-	-	6,185	(6,185)	-
At 30 September 2018 (unaudited)	3,641,049	1,385,768	1,198,228	592,320	6,817,365
At 01 July 2018 (audited)	3,641,049	1,385,768	1,277,521	594,914	6,899,252
Effect of adopting IFRS 9	-	-	(429,380)	547	(428,833)
At 01 July 2018 (as restated)	3,641,049	1,385,768	848,141	595,461	6,470,419
Profit for the year	-	-	1,584,783	-	1,584,783
Other comprehensive (loss)/income	-	-	(8,888)	3,598	(5,290)
Total comprehensive income for the year	-	-	1,575,895	3,598	1,579,493
Appropriation of reserves	-	-	(254,286)	254,286	-
Dividends	-	-	(333,508)	-	(333,508)
At 30 June 2019 (audited)	3,641,049	1,385,768	1,836,242	853,345	7,716,404
At 30 June 2019 (audited)	3,641,049	1,385,768	1,836,242	853,345	7,716,404
Profit for the period	-	-	601,961	-	601,961
Other comprehensive loss	-	-	-	(1,074)	(1,074)
Total comprehensive income/(loss) for the period	-	-	601,961	(1,074)	600,887
Appropriation of reserves	-	-	(16,169)	16,169	-
At 30 September 2019 (unaudited)	3,641,049	1,385,768	2,422,034	868,440	8,317,291

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

	Three months ended 30 September 2019 Unaudited	Three months ended 30 September 2018 Unaudited	Year ended 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
Interest income	873,602	750,397	3,169,047
Interest expense	(294,909)	(187,784)	(858,274)
Net interest income	578,693	562,613	2,310,773
Fee and commission income	183,619	157,187	718,151
Fee and commission expense	(64,389)	(56,726)	(291,379)
Net fee and commission income	119,230	100,461	426,772
Net gain from derecognition of financial assets measured at amortised cost	-	-	23,927
Net trading income	151,372	40,535	228,862
Net (loss)/gain from derecognition of financial assets measured at fair value through other comprehensive income	(2,460)	-	98
Net gain from foreign exchange and derivatives	218,484	152,318	687,941
Other operating income	2,418	3,710	15,118
Total operating income	1,067,737	859,637	3,693,491
Net impairment loss on financial assets	(81,433)	(140,315)	(468,380)
Net operating income	986,304	719,322	3,225,111
Personnel expenses	(198,114)	(146,896)	(646,296)
Depreciation on property and equipment	(16,546)	(8,531)	(36,361)
Amortisation of intangible assets	(9,795)	(8,209)	(38,586)
Other operating expenses	(105,073)	(101,697)	(387,303)
Total operating expenses	(329,528)	(265,333)	(1,108,546)
Operating profit	656,776	453,989	2,116,565
Impairment loss on investment in subsidiary	-	-	(189,563)
Impairment loss on receivable from subsidiary	-	-	(103,000)
Profit before tax	656,776	453,989	1,824,002
Tax expense	(54,815)	(110,087)	(239,219)
Profit for the period/year	601,961	343,902	1,584,783
Other comprehensive (loss)/income that may be subsequently reclassified to profit or loss:			
Movement in investment revaluation reserve for debt instruments measured at fair value through other comprehensive income:			
- (loss)/gain arising during the period/year	(3,534)	3,044	2,574
- reclassification of gain/(loss) included in profit or loss on derecognition	2,460	-	(98)
Gain on equity instruments designated at fair value through other comprehensive income	-	-	1,122
	(1,074)	3,044	3,598
Other comprehensive loss that will not be reclassified to profit or loss:			
Remeasurement of retirement benefits obligation	-	-	(9,269)
Deferred tax on remeasurement of retirement benefits obligation	-	-	381
	-	-	(8,888)
Other comprehensive (loss)/income for the period/year	(1,074)	3,044	(5,290)
Total comprehensive income for the period/year attributable to equity holders of the parent	600,887	346,946	1,579,493

STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

	Three months ended 30 September 2019 Unaudited	Three months ended 30 September 2018 Unaudited	Year ended 30 June 2019 Audited
	MUR'000	MUR'000	MUR'000
Net cash flows (used in)/generated from operating activities	(1,005,253)	(8,181,357)	1,536,015
Net cash flows used in investing activities	(108,821)	(16,410)	(67,183)
Net cash flows used in financing activities	-	-	(718,541)
Net cash flows for the period/year	(1,114,074)	(8,197,767)	750,291
Movement in cash and cash equivalents			
Cash and cash equivalents at start of period/year	50,724,938	49,974,646	49,974,647
Net (decrease)/increase in cash and cash equivalents	(1,114,074)	(8,197,767)	750,291
Cash and cash equivalents at end of period/year	49,610,864	41,776,879	50,724,938
Operational cash flows from interest			
Interest paid	(224,051)	(243,697)	(881,183)
Interest received	823,656	641,402	2,864,516

MANAGEMENT'S COMMENTS

For the first Quarter Ended 30 September 2019, AfrAsia Bank Limited (the 'Bank') registered an operating income of MUR 1.1bn, a healthy increase of 24.2% compared to MUR 0.9bn for the same quarter last year. The Profit after tax for the period stood at MUR 0.6bn against MUR 0.3bn for the same period last year.

The performance was mainly driven by the growth in its total operating income. Additionally, the Bank closed its first quarter with net trading income and net gain from foreign exchange and derivatives amounting to MUR 369.9m against MUR 192.9m for the quarter ended 30 September 2018. The Bank's cost to income ratio stood at 30.9% same as quarter ended 30 September 2018.

Loans and advances stood at MUR 28.6bn and deposits from customers at MUR 145.1bn as at the end of September 2019, that is, a loan-to-deposit ratio of 19.7% compared to 25.4% at 30 September 2018. Deposits grew by 30.1% from September 2018 to September 2019. 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 15.26% as at end of September 2019 against a regulatory limit of 12.88%. The Capital Adequacy Ratio was at 13.83% for the same quarter last year.

By Order of the Board
Company Secretary
11 November 2019

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited financial statements for the three months ended 30 September 2019.

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) are 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.