

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE PROFILE

AfrAsia Bank Limited's ('ABL') core banking and transactional capabilities are in Mauritius along with representative office in Johannesburg. The Bank serves the Africa-Asia trade corridor, combining its strengths and expertise in four core divisions:

- › Corporate Banking;
- › Global Banking;
- › Private Banking and Personal Banking; and
- › Treasury and Markets.

The Bank's core shareholders include amongst others (a) IBL Ltd, the largest conglomerate on the island (b) National Bank of Canada (NBC) and (c) Intrasia Capital Pte Ltd. AfrAsia Bank's core banking and transactional capabilities are 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, AfrAsia Bank helps clients achieve their financial aspirations, all delivered with boutique agility and service. AfrAsia Bank has obtained a number of awards for the quality of its private banking offers and level of innovation over the years.

The Bank offers a diversified range of financial products and a high quality of service to its customers along with flexibility and transparency through the commitment of its people towards customers. The goal is to deliver innovative products to local and international customers to enhance their banking experience. Since inception, the Bank has displayed a consistent and balanced level of growth. As at 30 June 2018, the Bank's deposits base stood at MUR 111.4bn while customer loans and advances stood at MUR 28.1bn, net of impairment provision.

BUSINESS SEGMENTS ACHIEVEMENTS

CORPORATE BANKING

The division was awarded 'Best Corporate Bank 2018' by Banker Africa for a second consecutive year.

The award is a testimony to the relentless efforts in delivering a superior service to the core element that drives our Bank – our customers. Our success is defined by the extent to which our existing customers continue to bank with us and our ability to attract new customers by providing a truly differentiated banking experience.

Our corporate strategy is mainly geared towards consolidating our position on the local market in terms of financing of conglomerates whilst diversifying our asset exposure across emerging markets in Africa and Asia on the international front. Our approach revolves around engaging with customers with an 'entrepreneurial mindset' to understand their needs, objectives and aspirations. Here, our experienced team of relationship managers accompany clients in their projects and advise them on the most profitable way to structure their financing requirements.

To the international segment, the Division primarily acts as a debt house and originator of assets in foreign currency focused on providing lending solutions ranging from short-term lending, term lending, debt advisory products and corporate syndications. On the domestic front, the Division acts as the custodian of the entire client relationship providing a full suite of products across transactional banking, trade finance, debt advisory, lending and FX solutions.

The Corporate Banking segment delivered an 11% growth in income on a comparative basis to last year despite the asset book remaining relatively constant. This commendable result was achieved against a challenging backdrop of low domestic growth, pressure on interest margins and increased capital requirements with the implementation of IFRS 9.