

Condensed Audited Statements of Financial Position as at 30 June 2022

ASSETS

Cash and balances with banks	46,935,661
Due from banks	47,333,177
Derivative financial instruments	371,979
Loans and advances to banks	11,990,476
Loans and advances to customers	27,256,624
Investment securities	70,965,299
Other assets	3,423,651
Asset held for distribution	-
Property and equipment	119,206
Right of use assets	101,088
Intangible assets	362,436
Deferred tax assets	140,092
TOTAL ASSETS	208,999,689

EQUITY AND LIABILITIES

LIABILITIES

Due to banks	1,644
Deposits from banks	369,587
Deposits from customers	197,072,336
Borrowings from financial institution	140,547
Derivative financial instruments	166,845
Financial liabilities measured at fair value through profit or loss	-
Current tax liabilities	182,700
Lease liabilities	100,378
Other liabilities	694,194
Debts issued	-
Retirement benefit obligations	79,240
TOTAL LIABILITIES	198,807,471

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Ordinary shares	3,641,049
Class A shares	1,385,768
Retained earnings	3,568,710
Other reserves	1,596,691
TOTAL EQUITY	10,192,218

TOTAL EQUITY AND LIABILITIES

208,999,689

	THE GROUP			THE BANK		
	2022	2021	2020	2022	2021	2020
	Restated*	Restated*		Restated*	Restated*	
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Cash and balances with banks	46,935,661	54,501,687	29,665,426	46,935,652	54,501,675	29,660,700
Due from banks	47,333,177	61,282,514	50,504,287	47,333,177	61,282,514	50,504,287
Derivative financial instruments	371,979	407,880	321,961	371,979	407,880	321,961
Loans and advances to banks	11,990,476	6,638,835	5,245,927	11,990,476	6,638,835	5,245,927
Loans and advances to customers	27,256,624	18,749,929	23,043,922	27,256,624	18,749,929	23,043,922
Investment securities	70,965,299	45,410,195	48,696,565	70,965,299	45,410,195	48,664,900
Other assets	3,423,651	2,471,954	2,353,081	3,423,651	2,471,954	2,347,559
Asset held for distribution	-	-	-	-	-	38,277
Property and equipment	119,206	137,437	171,195	119,206	137,437	170,977
Right of use assets	101,088	44,518	80,017	101,088	44,518	80,017
Intangible assets	362,436	288,679	269,990	362,436	288,679	269,914
Deferred tax assets	140,092	149,593	124,506	140,092	149,593	124,388
TOTAL ASSETS	208,999,689	190,083,221	160,476,877	208,999,680	190,083,209	160,472,829
EQUITY AND LIABILITIES						
LIABILITIES						
Due to banks	1,644	1,000,122	13,252	1,644	1,000,122	13,252
Deposits from banks	369,587	364,726	96,365	369,587	364,726	96,365
Deposits from customers	197,072,336	178,832,286	150,826,106	197,075,719	178,846,558	150,850,619
Borrowings from financial institution	140,547	-	-	140,547	-	-
Derivative financial instruments	166,845	210,392	107,168	166,845	210,392	107,168
Financial liabilities measured at fair value through profit or loss	-	-	4,398	-	-	-
Current tax liabilities	182,700	85,647	95,283	182,700	85,647	95,283
Lease liabilities	100,378	47,658	82,571	100,378	47,658	82,571
Other liabilities	694,194	412,507	497,135	693,221	407,993	486,396
Debts issued	-	-	1,083	-	-	-
Retirement benefit obligations	79,240	73,189	102,034	79,240	73,189	99,851
TOTAL LIABILITIES	198,807,471	181,026,527	151,825,395	198,809,881	181,036,285	151,831,505
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
Ordinary shares	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049
Class A shares	1,385,768	1,385,768	1,399,768	1,385,768	1,385,768	1,385,768
Retained earnings	3,568,710	2,693,075	2,285,239	3,547,780	2,664,794	2,297,788
Other reserves	1,596,691	1,336,802	1,325,426	1,615,202	1,355,313	1,316,719
TOTAL EQUITY	10,192,218	9,056,694	8,651,482	10,189,799	9,046,924	8,641,324
TOTAL EQUITY AND LIABILITIES	208,999,689	190,083,221	160,476,877	208,999,680	190,083,209	160,472,829

* The presentation of the statement of financial position for prior years has been amended in line with the order of liquidity.

Cash and cash equivalents has been changed to Cash and balances with bank which entailed that short term placements are now excluded from cash and bank balances and Due from banks now includes the short term placements.

Condensed Audited Statements of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

Continuing operations

Interest income	2,009,725
Interest expense	(515,805)
Net interest income, calculated using EIR method	1,493,920
Fee and commission income	1,049,649
Fee and commission expense	(347,114)
Net fee and commission income	702,535
Net loss from derecognition of financial assets measured at amortised cost	-
Net trading income	1,168,066
Other (losses)/gains	(1,191)
Other operating income	-
Total operating income	3,363,330
Net impairment loss on financial assets	(65,818)
Net operating income	3,297,512
Personnel expenses	(801,729)
Depreciation of property and equipment	(40,062)
Depreciation of right of use assets	(31,669)
Amortisation of intangible assets	(52,236)
Other operating expenses	(677,129)
Total operating expenses	(1,602,825)
Operating profit	1,694,687
Impairment credit/(loss) on receivable from subsidiary	-
Gain on disposal of subsidiary	-
Profit before tax	1,694,687
Tax expense	(265,421)
Profit for the year from continuing operations	1,429,266
Discontinued operations	
Loss for the year from discontinued operations	-
Profit for the year	1,429,266
Other comprehensive income/(loss) that may be subsequently reclassified to profit or loss:	
Movement in fair value reserve for debt instrument measured at fair value through other comprehensive income:	
- Losses arising during the year	-
- Reclassification of gains included in profit or loss on derecognition	-
- Expected credit losses	-
Other comprehensive income/(loss) that will not be reclassified to profit or loss:	
Remeasurement of retirement benefit obligations	5,114
Deferred tax on remeasurement of retirement benefit obligations	(305)
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	2,381
Revaluation (loss)/gain on equity instruments designated at fair value through other comprehensive income	(902)
Other comprehensive income/(loss) for the year	6,288
Total comprehensive income for the year attributable to equity holders of the parent	1,435,554

	THE GROUP			THE BANK		
	2022	2021	2020	2022	2021	2020
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	2,009,725	1,684,412	3,114,028	2,009,725	1,684,412	3,114,028
Interest expense	(515,805)	(613,283)	(1,085,786)	(517,607)	(611,994)	(1,085,786)
Net interest income, calculated using EIR method	1,493,920	1,071,129	2,028,242	1,492,118	1,072,418	2,028,242
Fee and commission income	1,049,649	877,757	786,703	1,049,649	877,870	787,478
Fee and commission expense	(347,114)	(313,605)	(297,502)	(347,113)	(315,370)	(297,492)
Net fee and commission income	702,535	564,152	489,201	702,536	562,500	489,986
Net loss from derecognition of financial assets measured at amortised cost	-	-	(2,003)	-	-	(2,003)
Net trading income	1,168,066	948,341	1,302,350	1,166,494	945,243	1,302,350
Other (losses)/gains	(1,191)	1,696	(3,046)	(1,191)	1,696	(3,046)
Other operating income	-	(1,843)	(5,372)	-	(106)	(375)
Total operating income	3,363,330	2,583,475	3,809,372	3,359,957	2,581,751	3,815,154
Net impairment loss on financial assets	(65,818)	(470,747)	(839,095)	(65,818)	(465,131)	(839,095)
Net operating income	3,297,512	2,112,728	2,970,277	3,294,139	2,116,620	2,976,059
Personnel expenses	(801,729)	(662,934)	(718,079)	(801,729)	(662,934)	(718,079)
Depreciation of property and equipment	(40,062)	(35,633)	(35,714)	(40,062)	(35,633)	(35,713)
Depreciation of right of use assets	(31,669)	(32,912)	(31,735)	(31,669)	(32,912)	(31,735)
Amortisation of intangible assets	(52,236)	(41,966)	(40,923)	(52,236)	(41,966)	(40,923)
Other operating expenses	(677,129)	(313,733)	(369,248)	(676,229)	(319,544)	(366,561)
Total operating expenses	(1,602,825)	(1,087,178)	(1,195,699)	(1,601,925)	(1,092,989)	(1,193,011)
Operating profit	1,694,687	1,025,550	1,774,578	1,692,214	1,023,631	1,783,048
Impairment credit/(loss) on receivable from subsidiary	-	-	-	9,824	-	(33,057)
Gain on disposal of subsidiary	-	52,451	-	-	-	-
Profit before tax	1,694,687	1,078,001	1,774,578	1,702,038	1,023,631	1,749,991
Tax expense	(265,421)	(148,405)	(228,436)	(265,421)	(148,405)	(228,436)
Profit for the year from continuing operations	1,429,266	929,596	1,546,142	1,436,617	875,226	1,521,555
Discontinued operations						
Loss for the year from discontinued operations	-	(13,540)	(3,146)	-	-	-
Profit for the year	1,429,266	916,056	1,542,996	1,436,617	875,226	1,521,555
Other comprehensive income/(loss) that may be subsequently reclassified to profit or loss:						
Movement in fair value reserve for debt instrument measured at fair value through other comprehensive income:						
- Losses arising during the year	-	-	(2,880)	-	-	(2,880)
- Reclassification of gains included in profit or loss on derecognition	-	-	3,046	-	-	3,046
- Expected credit losses	-	-	(1,074)	-	-	(1,074)
Other comprehensive income/(loss) that will not be reclassified to profit or loss:						
Remeasurement of retirement benefit obligations	5,114	41,444	(20,723)	5,114	41,444	(21,731)
Deferred tax on remeasurement of retirement benefit obligations	(305)	(2,446)	1,268	(305)	(2,446)	1,318
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	2,381	(26,740)	4,290	2,381	478	665
Revaluation (loss)/gain on equity instruments designated at fair value through other comprehensive income	(902)	1,004	705	(902)	1,004	705
Other comprehensive income/(loss) for the year	6,288	13,262	(15,368)	6,288	40,480	(19,951)
Total comprehensive income for the year attributable to equity holders of the parent	1,435,554	929,318	1,527,628	1,442,905	915,706	1,501,604

Condensed Audited Statements of Changes in Equity for the year ended 30 June 2022

THE GROUP	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2019	3,641,049	1,399,768	1,801,294	858,427	7,700,538
Profit for the year	-	-	1,542,996	-	1,542,996
Other comprehensive (loss)/income	-	-	(19,455)	4,087	(15,368)
Total comprehensive income for the year	-	-	1,523,541	4,087	1,527,628
Additional provision in relation to Bank of Mauritius Guideline	-	-	(146,054)	146,054	-
Appropriation of reserves	-	-	(316,858)	316,858	-
Dividends	-	-	(576,684)	-	(576,684)
At 30 June 2020	3,641,049	1,399,768	2,285,239	1,325,426	8,651,482
At 1 July 2020	3,641,049	1,399,768	2,285,239	1,325,426	8,651,482
Profit for the year	-	-	916,056	-	916,056
Other comprehensive income/(loss)	-	-	38,998	(25,736)	13,262
Total comprehensive income/(loss) for the year	-	-	955,054	(25,736)	929,318
Reversal of provision in relation to Bank of Mauritius Guideline	-	-	146,054	(146,054)	-
Appropriation of reserves	-	-	(183,166)	183,166	-
Deconsolidation adjustment	-	(14,000)	-	-	(14,000)
Dividends	-	-	(510,106)	-	(510,106)
At 30 June 2021	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
At 1 July 2021	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
Profit for the year	-	-	1,429,266	-	1,429,266
Other comprehensive income	-	-	4,809	1,479	6,288
Total comprehensive income for the year	-	-	1,434,075	1,479	1,435,554
Appropriation of reserves	-	-	(258,410)	258,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 30 June 2022	3,641,049	1,385,768	3,568,710	1,596,691	10,192,218

THE BANK	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2019	3,641,049	1,385,768	1,836,242	853,345	7,716,404
Profit for the year	-	-	1,521,555	-	1,521,555
Other comprehensive (loss)/income	-	-	(20,413)	462	(19,951)
Total comprehensive income for the year	-	-	1,501,142	462	1,501,604
Additional provision in relation to Bank of Mauritius Guideline	-	-	(146,054)	146,054	-
Appropriation of reserves	-	-	(316,858)	316,858	-
Dividends	-	-	(576,684)	-	(576,684)
At 30 June 2020	3,641,049	1,385,768	2,297,788	1,316,719	8,641,324
At 1 July 2020	3,641,049	1,385,768	2,297,788	1,316,719	8,641,324
Profit for the year	-	-	875,226	-	875,226
Other comprehensive income	-	-	38,998	1,482	40,480
Total comprehensive income for the year	-	-	914,224	1,482	915,706
Reversal of provision in relation to Bank of Mauritius Guideline	-	-	146,054	(146,054)	-
Appropriation of reserves	-	-	(183,166)	183,166	-
Dividends	-	-	(510,106)	-	(510,106)
At 30 June 2021	3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
At 1 July 2021	3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
Profit for the year	-	-	1,436,617	-	1,436,617
Other comprehensive income	-	-	4,809	1,479	6,288
Total comprehensive income for the year	-	-	1,441,426	1,479	1,442,905
Appropriation of reserves	-	-	(258,410)	258,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 30 June 2022	3,641,049	1,385,768	3,547,780	1,615,202	10,189,799

Condensed Audited Statements of Cash Flows for the year ended 30 June 2022

	THE GROUP			THE BANK		
	2022	2021	2020	2022	2021	2020
	MUR'000	Restated MUR'000	Restated MUR'000	MUR'000	Restated MUR'000	Restated MUR'000
OPERATING ACTIVITIES						
Cash flows (used in)/generated from operating activities	(13,730,319)	4,883,803	1,753,199	(13,730,316)	4,887,525	1,789,416
Payment of gratuity and pension	(100)	-	(1,485)	(100)	-	(1,485)
Tax paid	(159,094)	(185,651)	(328,641)	(159,094)	(185,651)	(328,641)
Net cash flows (used in) / generated from operating activities	(13,889,513)	4,698,152	1,423,073	(13,889,510)	4,701,874	1,459,290
INVESTING ACTIVITIES						
Purchase of property and equipment	(23,250)	(7,635)	(23,859)	(23,250)	(7,635)	(23,859)
Purchase of intangible assets	(115,049)	(71,387)	(67,523)	(115,049)	(71,387)	(67,439)
Asset held for distribution	-	-	-	-	-	(38,277)
Proceeds from sale of property and equipment	-	1,169	4,145	-	1,169	3,040
Disposal of subsidiary	-	(992)	-	-	-	-
Net cash flows used in investing activities	(138,299)	(78,845)	(87,237)	(138,299)	(77,853)	(126,535)
FINANCING ACTIVITIES						
Repayment of subordinated debt	-	-	(170,556)	-	-	(170,556)
Repayment of principal portion of lease liabilities	(35,309)	(33,516)	(31,025)	(35,309)	(33,516)	(31,025)
Dividends paid	(384,788)	(387,071)	(576,684)	(384,788)	(387,071)	(576,684)
Net cash flows used in financing activities	(420,097)	(420,587)	(778,265)	(420,097)	(420,587)	(778,265)
Net cash flows for the year	(14,447,909)	41,198,720	557,571	(14,447,906)	41,203,434	554,490
Movement in Cash and cash equivalents						
Cash and cash equivalents at 1 July	89,562,560	48,363,840	47,806,269	89,562,548	48,359,114	47,804,624
Net (decrease)/increase in cash and cash equivalents	(14,447,909)	41,198,720	557,571	(14,447,906)	41,203,434	554,490
Cash and cash equivalents at 30 June	75,114,651	89,562,560	48,363,840	75,114,642	89,562,548	48,359,114

Management Comments – June 2022

Financial Highlights

This financial year has been complex and challenging from an economic and social perspective. The global economy saw an uneven recovery across markets due to differing vaccination coverage and pandemic control, and the outsized impact of the Russo-Ukrainian war on the global supply chain. As the end of the financial year 2021-22 approached, the order of the day was runaway inflation - all central banks of the world were embarking on a high-wire mission to ramp up interest rates to combat the latter. On a more positive note, the year was also marked by motivating conclusions, such as rebounding global trade. This surge has contributed to an improved outlook and there has been an increase in client activities, loan demand, deal flows, capital market volume and a general uptick in yield levels.

The Bank is now pleased to present the following results for the year ended 30 June 2022.

The Bank registered a net profit after tax (“NPAT”) of **MUR 1.4bn** (2021: MUR 0.9bn) representing a healthy increase of **64%** as compared to last year.

The Bank reported a net interest income of **MUR 1.5bn** (2021: MUR 1.1bn) which represents a comforting growth of **39%** year-on-year. This performance was mainly driven by a growth in its average interest-bearing assets as compared to last year.

An overall year-on-year increase of **24%** was noted for non-interest income which represents 56% of the total operating income for the year being reported, compared to 58% in the last financial year. Net fee and commission grew by a solid **25%** from MUR 562.5m to **MUR 702.5m**. Net trading income, being another major contributor to the increase in NPAT, climbed sharply from MUR 0.9 bn to **MUR 1.2bn**, representing an increase of **23%**. This performance was mainly driven from the FX side, the money markets and fixed income side, which contributed to **35%** of total operating income.

The Bank registered a net impairment charge of **MUR 65.8m** (2021: MUR 465.1m) which is a positive drop for the Bank. This drop sourced mainly some major settlements and unwinding of provisions. However, these positive effects were absorbed by additional provisioning on some counterparties. The Bank will continuously monitor the prevailing economic conditions and reassess its impairment level accordingly.

The Bank’s asset base grew by **10%** (MUR 18.9bn) and reached **MUR 209.0bn** (2021: MUR 190.1bn) by end of this year under review. This expansion primarily, as a result of the continued growth in the asset base, was mainly channeled towards investment securities which grew by **56%**, and loans and advances by **55%** while cash and balances with banks and due from banks commended a fall.

The Bank continued to provide its clients with a seamless experience, living up to its “Bank Different” philosophy. The confidence of the client base in the Bank resulted in a solid **10%** increase in the deposits base growing from MUR 179.2bn end of June 2021 to reach **MUR 197.4bn** by the end of June 2022 - a strong testimony of the continued trust in the franchise.

The Capital Adequacy Ratio stood at **15.76%** as at end of June 2022 (2021: 16.18%) against a regulatory limit of 13.50%.

The shareholders’ equity of the Bank witnessed a growth of **13%** year-on-year to reach **MUR 10.2bn** (2021: MUR 9.0bn) as at end of June 2022 due to the positive bottom-line performance.

By Order of the Board

31 October 2022

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its condensed audited financial statements for the year ended 30 June 2022.

This notice is issued pursuant to the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007.

Copies of the condensed audited financial statements (which can also be viewed on the Bank’s website www.afrasiabank.com) are available free of charge at the registered office of the Bank, Bowen Square, 10, Dr Ferrière Street, 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 at the registered office of the Bank.

Independent Auditor’s Report on the Summary Financial Statements

Approval of consolidated and separate financial statements

The audited consolidated and separate financial statements have been approved by the Board and abridged for purposes of this report. Ernst & Young has expressed an unmodified audit opinion on the consolidated and separate financial statements. The signed auditor’s report is available for viewing at AfrAsia Bank Limited’s website (www.afrasiabank.com).

The audited consolidated and separate financial statements are available for inspection at the Bank’s registered address. This abridged report is extracted from audited information and the auditor’s report is on the consolidated and separate financial statements as a whole but not on the abridged financial information. The auditor’s report does not necessarily cover all of the information contained in this announcement.

Stakeholders are therefore advised that in order to obtain a full understanding of the nature of the auditor’s work they should view the report together with the accompanying financial information.