

**Condensed Audited Statements of Financial Position as at 30 June 2023**

|  | THE GROUP          |                    |                    | THE BANK           |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2023               | 2022               | 2021               | 2023               | 2022               | 2021               |
| <b>ASSETS</b>  | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     |
| Cash and balances with banks                               | 16,757,284         | 46,935,661         | 54,501,687         | 16,757,277         | 46,935,652         | 54,501,675         |
| Due from banks   | 47,682,116         | 47,333,177         | 61,282,514         | 47,682,116         | 47,333,177         | 61,282,514         |
| Derivative financial instruments                           | 385,550            | 371,979            | 407,880            | 385,550            | 371,979            | 407,880            |
| Loans and advances to banks                                | 13,189,589         | 11,990,476         | 6,638,835          | 13,189,589         | 11,990,476         | 6,638,835          |
| Loans and advances to customers                            | 39,266,981         | 27,256,624         | 18,749,929         | 39,266,981         | 27,256,624         | 18,749,929         |
| Investment securities                                      | 108,685,735        | 70,965,299         | 45,410,195         | 108,685,735        | 70,965,299         | 45,410,195         |
| Other assets   | 4,751,969          | 3,423,651          | 2,471,954          | 4,751,962          | 3,423,651          | 2,471,954          |
| Property and equipment                                     | 159,161            | 119,206            | 137,437            | 159,161            | 119,206            | 137,437            |
| Right of use assets  | 65,779             | 101,088            | 44,518             | 65,779             | 101,088            | 44,518             |
| Intangible assets  | 362,778            | 362,436            | 288,679            | 362,778            | 362,436            | 288,679            |
| Deferred tax assets  | 280,787            | 140,092            | 149,593            | 280,787            | 140,092            | 149,593            |
| <b>TOTAL ASSETS</b>  | <b>231,587,729</b> | <b>208,999,689</b> | <b>190,083,221</b> | <b>231,587,715</b> | <b>208,999,680</b> | <b>190,083,209</b> |
| <b>EQUITY AND LIABILITIES</b>                              |                    |                    |                    |                    |                    |                    |
| <b>LIABILITIES</b>   |                    |                    |                    |                    |                    |                    |
| Due to banks   | -                  | 1,644              | 1,000,122          | -                  | 1,644              | 1,000,122          |
| Deposits from banks  | 358,723            | 369,587            | 364,726            | 358,723            | 369,587            | 364,726            |
| Deposits from customers                                    | 213,229,467        | 197,072,336        | 178,832,286        | 213,232,468        | 197,075,719        | 178,846,558        |
| Borrowings from financial institution                      | 150,918            | 140,547            | -                  | 150,918            | 140,547            | -                  |
| Derivative financial instruments                           | 204,959            | 166,845            | 210,392            | 204,959            | 166,845            | 210,392            |
| Current tax liabilities                                    | 821,973            | 182,700            | 85,647             | 821,973            | 182,700            | 85,647             |
| Lease liabilities  | 64,663             | 100,378            | 47,658             | 64,663             | 100,378            | 47,658             |
| Other liabilities  | 1,197,332          | 694,194            | 412,507            | 1,196,336          | 693,221            | 407,993            |
| Retirement benefit obligations                             | 110,936            | 79,240             | 73,189             | 110,936            | 79,240             | 73,189             |
| <b>TOTAL LIABILITIES</b>                                   | <b>216,138,971</b> | <b>198,807,471</b> | <b>181,026,527</b> | <b>216,140,976</b> | <b>198,809,881</b> | <b>181,036,285</b> |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> |                    |                    |                    |                    |                    |                    |
| 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          | 1,385,768          | 1,385,768          | 1,385,768          | 1,385,768          |
| Retained earnings  | 7,724,718          | 3,568,710          | 2,693,075          | 7,704,188          | 3,547,780          | 2,664,794          |
| Other reserves   | 2,697,223          | 1,596,691          | 1,336,802          | 2,715,734          | 1,615,202          | 1,355,313          |
| <b>TOTAL EQUITY</b>  | <b>15,448,758</b>  | <b>10,192,218</b>  | <b>9,056,694</b>   | <b>15,446,739</b>  | <b>10,189,799</b>  | <b>9,046,924</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>231,587,729</b> | <b>208,999,689</b> | <b>190,083,221</b> | <b>231,587,715</b> | <b>208,999,680</b> | <b>190,083,209</b> |

**Condensed Audited Statements of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023**

|   | THE GROUP          |                    |                    | THE BANK           |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 2023               | 2022               | 2021               | 2023               | 2022               | 2021               |
| <b>Continuing operations</b>  | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     | <b>MUR'000</b>     |
| Interest income   | 7,292,926          | 2,009,725          | 1,684,412          | 7,292,926          | 2,009,725          | 1,684,412          |
| Interest expense  | (1,580,744)        | (515,805)          | (613,283)          | (1,580,744)        | (517,607)          | (611,994)          |
| <b>Net interest income, calculated using EIR method</b>   | <b>5,712,182</b>   | <b>1,493,920</b>   | <b>1,071,129</b>   | <b>5,712,182</b>   | <b>1,492,118</b>   | <b>1,072,418</b>   |
| Fee and commission income   | 1,241,015          | 1,049,649          | 877,757            | 1,241,015          | 1,049,649          | 877,870            |
| Fee and commission expense  | (398,389)          | (347,114)          | (313,605)          | (398,388)          | (347,113)          | (315,370)          |
| <b>Net fee and commission income</b>  | <b>842,626</b>     | <b>702,535</b>     | <b>564,152</b>     | <b>842,627</b>     | <b>702,536</b>     | <b>562,500</b>     |
| Net trading income  | 1,489,505          | 1,168,066          | 948,341            | 1,489,502          | 1,166,494          | 945,243            |
| Other gains/(losses)  | 391                | (1,191)            | 1,696              | 391                | (1,191)            | 1,696              |
| Other operating income  | 629                | -                  | (1,843)            | 629                | -                  | (106)              |
| <b>Total operating income</b>   | <b>8,045,333</b>   | <b>3,363,330</b>   | <b>2,583,475</b>   | <b>8,045,331</b>   | <b>3,359,957</b>   | <b>2,581,751</b>   |
| Net impairment credit/(loss) on financial assets  | 243,645            | (65,818)           | (470,747)          | 243,645            | (65,818)           | (465,131)          |
| <b>Net operating income</b>   | <b>8,288,978</b>   | <b>3,297,512</b>   | <b>2,112,728</b>   | <b>8,288,976</b>   | <b>3,294,139</b>   | <b>2,116,620</b>   |
| Personnel expenses  | (959,075)          | (801,729)          | (662,934)          | (959,075)          | (801,729)          | (662,934)          |
| Depreciation of property and equipment  | (28,599)           | (40,062)           | (35,633)           | (28,599)           | (40,062)           | (35,633)           |
| Depreciation of right of use assets   | (35,309)           | (31,669)           | (32,912)           | (35,309)           | (31,669)           | (32,912)           |
| Amortisation of intangible assets   | (60,495)           | (52,236)           | (41,966)           | (60,495)           | (52,236)           | (41,966)           |
| Other operating expenses  | (555,514)          | (677,129)          | (313,733)          | (555,112)          | (676,229)          | (319,544)          |
| <b>Total operating expenses</b>   | <b>(1,638,992)</b> | <b>(1,602,825)</b> | <b>(1,087,178)</b> | <b>(1,638,590)</b> | <b>(1,601,925)</b> | <b>(1,092,989)</b> |
| <b>Operating profit</b>   | <b>6,649,986</b>   | <b>1,694,687</b>   | <b>1,025,550</b>   | <b>6,650,386</b>   | <b>1,692,214</b>   | <b>1,023,631</b>   |
| Impairment credit on receivable from subsidiary   | -                  | -                  | -                  | -                  | 9,824              | -                  |
| Gain on disposal of subsidiary  | -                  | -                  | 52,451             | -                  | -                  | -                  |
| <b>Profit before tax</b>  | <b>6,649,986</b>   | <b>1,694,687</b>   | <b>1,078,001</b>   | <b>6,650,386</b>   | <b>1,702,038</b>   | <b>1,023,631</b>   |
| Tax expense   | (771,416)          | (265,421)          | (148,405)          | (771,416)          | (265,421)          | (148,405)          |
| <b>Profit for the year from continuing operations</b>   | <b>5,878,570</b>   | <b>1,429,266</b>   | <b>929,596</b>     | <b>5,878,970</b>   | <b>1,436,617</b>   | <b>875,226</b>     |
| <b>Discontinued operations</b>  |                    |                    |                    |                    |                    |                    |
| Loss for the year from discontinued operations  | -                  | -                  | (13,540)           | -                  | -                  | -                  |
| <b>Profit for the year</b>  | <b>5,878,570</b>   | <b>1,429,266</b>   | <b>916,056</b>     | <b>5,878,970</b>   | <b>1,436,617</b>   | <b>875,226</b>     |
| <b>Other comprehensive income/(loss) that will not be reclassified to profit or loss:</b>                 |                    |                    |                    |                    |                    |                    |
| Remeasurement of retirement benefit obligations   | 3,371              | 5,114              | 41,444             | 3,371              | 5,114              | 41,444             |
| Deferred tax on remeasurement of retirement benefit obligations   | (693)              | (305)              | (2,446)            | (693)              | (305)              | (2,446)            |
| Fair value gain/(loss) on equity investments designated at fair value through other comprehensive income  | 917                | 2,381              | (26,740)           | 917                | 2,381              | 478                |
| Revaluation gain/(loss) on equity investments designated at fair value through other comprehensive income | 756                | (902)              | 1,004              | 756                | (902)              | 1,004              |
| <b>Other comprehensive income for the year</b>  | <b>4,351</b>       | <b>6,288</b>       | <b>13,262</b>      | <b>4,351</b>       | <b>6,288</b>       | <b>40,480</b>      |
| <b>Total comprehensive income for the year attributable to equity holders of the parent</b>               | <b>5,882,921</b>   | <b>1,435,554</b>   | <b>929,318</b>     | <b>5,883,321</b>   | <b>1,442,905</b>   | <b>915,706</b>     |

**Condensed Audited Statements of Changes in Equity for the year ended 30 June 2023**

| THE GROUP  | Ordinary shares  | Class A shares   | Retained earnings | Other reserves   | Total             |
|--|------------------|------------------|-------------------|------------------|-------------------|
|  | MUR'000          | MUR'000          | MUR'000           | MUR'000          | MUR'000           |
| <b>Attributable to equity holders of the parent</b>                    |                  |                  |                   |                  |                   |
| 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        |
| <b>At 1 July 2022</b>  | <b>3,641,049</b> | <b>1,385,768</b> | <b>3,568,710</b>  | <b>1,596,691</b> | <b>10,192,218</b> |
| <b>Profit for the year</b>   | -                | -                | <b>5,878,570</b>  | -                | <b>5,878,570</b>  |
| <b>Other comprehensive income</b>                                      | -                | -                | <b>2,678</b>      | <b>1,673</b>     | <b>4,351</b>      |
| <b>Total comprehensive income for the year</b>                         | -                | -                | <b>5,881,248</b>  | <b>1,673</b>     | <b>5,882,921</b>  |
| <b>Appropriation of reserves</b>                                       | -                | -                | <b>(897,820)</b>  | <b>897,820</b>   | -                 |
| <b>Additional provision in relation to Bank of Mauritius Guideline</b> | -                | -                | <b>(201,039)</b>  | <b>201,039</b>   | -                 |
| <b>Dividends</b>   | -                | -                | <b>(626,381)</b>  | -                | <b>(626,381)</b>  |
| <b>At 30 June 2023</b>   | <b>3,641,049</b> | <b>1,385,768</b> | <b>7,724,718</b>  | <b>2,697,223</b> | <b>15,448,758</b> |

| 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 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        |
| <b>At 1 July 2022</b>  | <b>3,641,049</b> | <b>1,385,768</b> | <b>3,547,780</b>  | <b>1,615,202</b> | <b>10,189,799</b> |
| <b>Profit for the year</b>   | -                | -                | <b>5,878,970</b>  | -                | <b>5,878,970</b>  |
| <b>Other comprehensive income</b>                                      | -                | -                | <b>2,678</b>      | <b>1,673</b>     | <b>4,351</b>      |
| <b>Total comprehensive income for the year</b>                         | -                | -                | <b>5,881,648</b>  | <b>1,673</b>     | <b>5,883,321</b>  |
| <b>Appropriation of reserves</b>                                       | -                | -                | <b>(897,820)</b>  | <b>897,820</b>   | -                 |
| <b>Additional provision in relation to Bank of Mauritius Guideline</b> | -                | -                | <b>(201,039)</b>  | <b>201,039</b>   | -                 |
| <b>Dividends</b>   | -                | -                | <b>(626,381)</b>  | -                | <b>(626,381)</b>  |
| <b>At 30 June 2023</b>   | <b>3,641,049</b> | <b>1,385,768</b> | <b>7,704,188</b>  | <b>2,715,734</b> | <b>15,446,739</b> |

**Condensed Audited Statements of Cash Flows for the year ended 30 June 2023**

|   | THE GROUP           |                     |                   | THE BANK            |                     |                   |
|---|---------------------|---------------------|-------------------|---------------------|---------------------|-------------------|
|   | 2023                | 2022                | 2021              | 2023                | 2022                | 2021              |
|   | MUR'000             | MUR'000             | MUR'000           | MUR'000             | MUR'000             | MUR'000           |
| <b>OPERATING ACTIVITIES</b>   |                     |                     |                   |                     |                     |                   |
| Cash flows (used in)/generated from operating activities            | (25,251,310)        | (13,730,419)        | 41,883,803        | (25,251,308)        | (13,730,416)        | 41,887,525        |
| Tax paid  | (272,354)           | (159,094)           | (185,651)         | (272,354)           | (159,094)           | (185,651)         |
| <b>Net cash flows (used in)/generated from operating activities</b> | <b>(25,523,664)</b> | <b>(13,889,513)</b> | <b>41,698,152</b> | <b>(25,523,662)</b> | <b>(13,889,510)</b> | <b>41,701,874</b> |
| <b>INVESTING ACTIVITIES</b>   |                     |                     |                   |                     |                     |                   |
| Purchase of property and equipment                                  | (69,101)            | (23,250)            | (7,635)           | (69,101)            | (23,250)            | (7,635)           |
| Purchase of intangible assets                                       | (57,563)            | (115,049)           | (71,387)          | (57,563)            | (115,049)           | (71,387)          |
| Proceeds from sale of property and equipment                        | -                   | -                   | 1,169             | -                   | -                   | 1,169             |
| Disposal of subsidiary  | -                   | -                   | (992)             | -                   | -                   | -                 |
| <b>Net cash flows used in investing activities</b>                  | <b>(126,664)</b>    | <b>(138,299)</b>    | <b>(78,845)</b>   | <b>(126,664)</b>    | <b>(138,299)</b>    | <b>(77,853)</b>   |
| <b>FINANCING ACTIVITIES</b>   |                     |                     |                   |                     |                     |                   |
| Repayment of principal portion of lease liabilities                 | (34,999)            | (35,309)            | (33,516)          | (34,999)            | (35,309)            | (33,516)          |
| Dividends paid  | (626,380)           | (384,788)           | (387,071)         | (626,380)           | (384,788)           | (387,071)         |
| <b>Net cash flows used in financing activities</b>                  | <b>(661,379)</b>    | <b>(420,097)</b>    | <b>(420,587)</b>  | <b>(661,379)</b>    | <b>(420,097)</b>    | <b>(420,587)</b>  |
| <b>Net cash flows for the year</b>                                  | <b>(26,311,707)</b> | <b>(14,447,909)</b> | <b>41,198,720</b> | <b>(26,311,705)</b> | <b>(14,447,906)</b> | <b>41,203,434</b> |
| <b>Movement in cash and cash equivalents</b>                        |                     |                     |                   |                     |                     |                   |
| Cash and cash equivalents at 1 July                                 | 75,114,651          | 89,562,560          | 48,363,840        | 75,114,642          | 89,562,548          | 48,359,114        |
| Net (decrease)/increase in cash and cash equivalents                | (26,311,707)        | (14,447,909)        | 41,198,720        | (26,311,705)        | (14,447,906)        | 41,203,434        |
| Net foreign exchange difference                                     | 1,749,257           | -                   | -                 | 1,749,257           | -                   | -                 |
| <b>Cash and cash equivalents at 30 June</b>                         | <b>50,552,201</b>   | <b>75,114,651</b>   | <b>89,562,560</b> | <b>50,552,194</b>   | <b>75,114,642</b>   | <b>89,562,548</b> |

 **Management Comments**
**Financial Highlights**

AfrAsia Bank Limited (the “Bank”) has delivered strong financial results for the year ended 30 June 2023 with a net profit after tax (“NPAT”) of **MUR 5.9bn**, marking a healthy increase compared to the last financial year (2022: MUR 1.4bn). This strong performance was primarily driven by a general increase in yield, along with a change in our asset mix towards investment securities and loans and advances relative to the last financial year.

For the year ended 30 June 2023, the Bank recorded a net interest income of **MUR 5.7bn** (2022: MUR 1.5bn), representing a notable growth year-on-year. This growth was generated throughout all interest-bearing assets and liabilities following the expansion of the Bank’s investment securities portfolio and loan book bearing higher yield as a result of multiple interest rate hikes.

Net fee and commission income, a key contributor to the Bank’s NPAT, went up by **20%** to reach **MUR 842.6m** by 30 June 2023 in contrast to MUR 702.5m for the prior financial year. This increase is mainly attributed to the higher volume of transactions, predominantly on commission generated on overseas transfers principally in USD.

Net trading income also registered a rise from MUR 1.2bn in June 2022 to reach **MUR 1.5bn** at end of June 2023, representing an increase of **28%** year-on-year, despite a highly volatile market environment. The growth in net trading income can be attributed to the effective management of foreign exposure and a general pickup in the forex business volumes.

On net impairment on financial assets, the Bank registered a credit of **MUR 243.6m** as at 30 June 2023, in contrast to a net impairment loss of MUR 65.8m in the last financial year. This was mainly driven by improvements in exposures in the hospitality sector during the year. In addition, the total impairment credit has been further benefitted by bad debts recovered. The Bank continues to maintain a vigorous monitoring of the prevailing economic climate, analysing any shifts and promptly reviewing its impairment level.

The Bank’s total operating expenses remained more or less at par, amounting to **MUR 1.6bn** for the year ended 30 June 2023. The cost-to-income ratio stood at **20%**, lower by 28% when compared to last year, driven by the growth of the Bank’s total operating income.

Our balance sheet remains a source of strength, with total assets standing at **MUR 231.6bn** as of 30 June 2023, representing an increase of **11%** compared to MUR 209.0bn as at 30 June 2022. This growth was mainly on account of the Bank’s growing deposit base, directed towards investment securities and loans and advances.

With the Bank’s progressive yet prudent lending strategy, net loans and advances improved by **MUR 13.2bn**, reaching **MUR 52.5bn** as of 30 June 2023 (2022: MUR 39.2bn) and net loan-to-deposit ratio increased to **25%**, in contrast to the 20% recorded in the last financial year. This increase has been triggered by the relative rise in both determinants of the ratio, that is, deposits from banks and customers, as well as net loans and advances to banks and customers.

On the liability side of the balance sheet, the Bank’s deposit base rose from MUR 197.4bn at the end of June 2022 to reach **MUR 213.6bn** by the close of June 2023. This signifies a strong growth of **8%**, highlighting the continued trust clients have in the AfrAsia franchise and its “bank different” customer service approach.

The Bank’s total Capital Adequacy Ratio stood at **19.40%**, which is above the minimum regulatory requirements as at 30 June 2023.

Driven by a positive bottom-line performance, the shareholders’ equity of the Bank witnessed a **52%** year-on-year growth, reaching **MUR 15.4bn** (2022: MUR 10.2bn) by the end of June 2023, indicating a steady improvement in the Bank’s core earnings.

**Global Economy**

The year 2023 has so far witnessed a rigorous effort by Central Banks to control inflation, exemplified by the Federal Reserve and European Central Bank embarking on their most rapid rate hikes in over three decades. Rating agencies such as Moody’s and Fitch have highlighted profitability pressures within the banking industry, leading to downgrades for several banks. Headline and core inflation have been showing signs of moderation in major economies, but Central Banks will likely maintain interest rates higher for longer to avoid a resurgence of inflationary pressures. This restrictive monetary stance and heightened lending standards are likely to result in global growth moderation with the services sector activity fading as excess savings drop for consumers. Headwinds continue to build up on demand, with a sharp deterioration in the growth momentum in China. The International Monetary Fund is henceforth forecasting a decline in global growth from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024, which remains weak historically.

**Domestic Economy**

The Mauritian economy continued to recover in financial year 2023 with an estimated GDP growth of 5%. Despite the high inflation environment, the economy remained resilient with stronger-than-expected consumer spending, much higher tourist arrivals and our financial services sectors which produced strong financial results benefitting from the appreciation of the USD and higher interest rates. Following the normalisation of global supply chains, falling global commodity prices, and the effects of policy tightening, inflation in Mauritius has been declining recently although it remains at a high level. In the latest national budget, prioritising social objectives, the Government expects a GDP growth of 8% in financial year 2024.

By Order of the Board  
Company Secretary  
22 September 2023

AfrAsia Bank Limited is pleased to present its condensed audited financial statements for the year ended 30 June 2023. A copy of the said condensed audited financial statements has been published on the Bank’s website [www.afrasiabank.com](http://www.afrasiabank.com).

 **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](http://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.