As at 21 December 2022



MANAGEMENT COMMENTS

AfrAsia Bank Limited (the "Bank") is pleased to present its unaudited interim condensed financial statements for the six months ended 31 December 2023.

Financial Highlights



Six months ended 31 December 2023 Key figures (compared to same period last year)

3.5bn (Dec 2022 - MUR 2.0bn) Net profit after tax

3.5bn : 2022 - MUR 2.2bn) Net interest income

4.8bn

Results Overview

For the six months ended 31 December 2023, the Bank achieved a robust financial performance, reporting a net profit after tax ("NPAT") of MUR 3.5bn. This marks a notable rise of **77%** compared to the same period last year (December 2022: MUR

Net interest income being the strongest driver to the increase in NPAT, rose by 58% to reach MUR 3.5bn for the current period compared to MUR 2.2bn for the same period last year. These performances have been driven by the upward trajectory of the Bank's interest-bearing assets amidst a prevailing high yield market.

Net trading income, another significant participant to the NPAT, rose by 34%, reaching MUR 876.4m for the six months ended 31 December 2023 compared to MUR 655.6m for the same period last year. This increase was driven by rising yields, combined with an increase in volume for investment securities portfolios and growth in foreign exchange ("FX") business volumes, along with effective management of FX exposure.

Net fee and commission income grew by 16%, rising from MUR 405.5m for the period ended 31 December 2022 to MUR 472.3m for the period ended 31 December 2023. This growth was mainly attributed to higher commission received from increased volume of transactions and custody income recorded during the current period.

The Bank recorded a net impairment credit on financial assets of MUR 106.0m, compared to a net impairment loss of MUR 186.2m for the same period last year. The release in impairment for the current period was as a result of bad debts recovered and payment of impaired facility. The Bank continuously monitors the prevailing economic conditions and reassesses its impairment level accordingly.

Operating income surged by 48%, while operating expenses declined by 14% compared to the same period last year. As of 31 December 2023, the cost-to-income ratio was 17%, indicating a decrease from the 29% reported for the same period last year.

The Bank's balance sheet is robust, with total assets reaching MUR 232.6bn as at 31 December 2023, reflecting a 5% growth compared to MUR 220.7bn as at 31 December 2022. Loans and advances grew by **9%** to reach MUR 53.3bn as at 31 December 2023 (December 2022: MUR 49.0bn), leading to a slight increase in the loan-to-deposit ratio to 25% from 24% for the same period last year.

On the liability side of the balance sheet, the Bank's deposit base increased from MUR 207.6bn as at 31 December 2022 to MUR 214.2bn as at 31 December 2023

The total capital adequacy ratio of the Bank stood at 21.27% as at 31 December 2023 compared to 17.37% as at 31 December 2022.

The Bank's shareholders' equity witnessed a significant growth of 44% period-on-period, reaching MUR 16.7bn as at 31 December 2023 (December 2022: MUR 11.6bn). This significant expansion is attributed to the consistent rise in the Bank's profitability.

Global Economy

In the last quarter of 2023, inflation numbers experienced a more rapid decline than expected across major economies, indicating a potential normalisation in the interest rate cycle for central banks. The economic outlook for 2024 remains notably uncertain due to the lagging effect of tighter monetary policies impacting on global consumption, despite the continued trend of declining inflation. According to the World Bank, global growth is projected to slow for the third year in a row, from 2.6% in 2023 to 2.4% in 2024.

Domestic Economy

The local economy sustained its growth in the last quarter of 2023, driven by major infrastructure projects and the tourism sector, constituting nearly 30% of the economy. Real GDP is forecasted to have grown by 7.0% in 2023 and inflation pressures eased, with December's headline inflation dropping to 7% from 10.8% in 2022. Consequently, the Monetary Policy Committee unanimously opted to maintain the Key Rate at 4.50% since the last increase in December 2022.

THE BANK

As at 21 December 2022 As at 20 June 2022

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS

Cash and balances with banks

Due from banks

Derivative financial instruments Loans and advances to banks

Loans and advances to customers

Investment securities

Other assets

Property and equipment Right of use assets

Intangible assets Deferred tax assets

TOTAL ASSETS

EQUITY AND LIABILITIES

LIABILITIES Due to banks

Deposits from banks

Deposits from customers

Borrowings from financial institution

Derivative financial instruments

Current tax liabilities

Lease liabilities Other liabilities

Retirement benefit obligations

TOTAL LIABILITIES

EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Ordinary shares Class A shares Retained earnings TOTAL EQUITY

TOTAL FOUITY AND LIABILITIES

As at 31 December 2023 Unaudited	As at 31 December 2022 Unaudited	As at 30 June 2023 Audited	As at 31 December 2023 Unaudited	As at 31 December 2022 Unaudited	As at 30 June 2023 Audited
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
20,619,196	56,480,704	16,757,284	20,619,189	56,480,697	16,757,277
21,038,286	24,802,871	47,682,116	21,038,286	24,802,871	47,682,116
302,051	370,332	385,550	302,051	370,332	385,550
12,547,723	13,211,271	13,189,589	12,547,723	13,211,271	13,189,589
40,780,415	35,831,902	39,266,981	40,780,415	35,831,902	39,266,981
131,016,038	85,383,445	108,685,735	131,016,038	85,383,445	108,685,735
5,170,511	3,879,831	4,751,969	5,170,511	3,879,831	4,751,962
449,654	126,715	159,161	449,654	126,715	159,161
51,214	83,288	65,779	51,214	83,288	65,779
369,507	359,866	362,778	369,507	359,866	362,778
295,045	139,079	280,787	295,045	139,079	280,787
232,639,640	220,669,304	231,587,729	232,639,633	220,669,297	231,587,715
10	877	-	10	877	-
279,978	380,392	358,723	279,978	380,392	358,723
213,941,422	207,249,933	213,229,467	213,943,915	207,252,976	213,232,468
169,322	140,302	150,918	169,322	140,302	150,918
175,686	196,363	204,959	175,686	196,363	204,959
392,327	165,312	821,973	392,327	165,312	821,973
51,263	84,051	64,663	51,263	84,051	64,663
789,389	804,668	1,197,332	788,502	803,632	1,196,336
173,876	95,151	110,936	173,876	95,151	110,936
215,973,273	209,117,049	216,138,971	215,974,879	209,119,056	216,140,976
3,641,049	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049
1,385,768	1,385,768	1,385,768	1,385,768	1,385,768	1,385,768
8,438,342	4,655,195	7,724,718	8,418,218	4,634,670	7,704,188
3,201,208	1,870,243	2,697,223	3,219,719	1,888,754	2,715,734
16,666,367	11,552,255	15,448,758	16,664,754	11,550,241	15,446,739
232,639,640	220,669,304	231,587,729	232,639,633	220,669,297	231,587,715

mher 2022 As at 30 June 2023 As at 31 December 2023



THE BANK

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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	THE GROUP						THE BANK					
	Three months ended	Three months ended	Six months ended	Six months ended	Year ended	Three months ended	Three months ended	Six months ended	Six months ended	Year ended		
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	30 June 2023	31 December 2023	31 December 2022	31 December 2023	31 December 2022	30 June 2023		
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000		
Interest income	2,721,179	1,592,331	5,344,293	2,659,447	7,292,926	2,721,179	1,592,331	5,344,293	2,659,447	7,292,926		
Interest expense	(1,012,240)	(298,050)	(1,875,716)	(463,469)	(1,580,744)	(1,012,240)	(298,050)	(1,875,716)	(463,469)	(1,580,744)		
Net interest income, calculated using EIR method	1,708,939	1,294,281	3,468,577	2,195,978	5,712,182	1,708,939	1,294,281	3,468,577	2,195,978	5,712,182		
Fee and commission income	365,039	304,556	700,206	588,206	1,241,015	365,039	304,556	700,206	588,206	1,241,015		
Fee and commission expense	(121,463)	(97,513)	(227,909)	(182,719)	(398,389)	(121,463)	(97,512)	(227,909)	(182,718)	(398,388)		
Net fee and commission income	243,576	207,043	472,297	405,487	842,626	243,576	207,044	472,297	405,488	842,627		
Net trading income	418,953	393,811	876,430	655,603	1,489,505	418,957	393,813	876,435	655,607	1,489,502		
Other gains	302	63	321	109	391	302	63	321	109	391		
Other operating income	-	-	-	629	629	-	-	-	629	629		
Total operating income	2,371,770	1,895,198	4,817,625	3,257,806	8,045,333	2,371,774	1,895,201	4,817,630	3,257,811	8,045,331		
Net impairment credit/(loss) on financial assets	115,360	(29,072)	105,967	(186,167)	243,645	115,360	(29,072)	105,967	(186, 167)	243,645		
Net operating income	2,487,130	1,866,126	4,923,592	3,071,639	8,288,978	2,487,134	1,866,129	4,923,597	3,071,644	8,288,976		
Personnel expenses	(207,602)	(345,723)	(439,147)	(576,934)	(959,075)	(207,602)	(345,723)	(439,147)	(576,934)	(959,075)		
Depreciation of property and equipment	(7,592)	(8,255)	(14,810)	(14,672)	(28,599)	(7,592)	(8,255)	(14,810)	(14,672)	(28,599)		
Depreciation of right of use assets	(5,724)	(8,900)	(14,710)	(17,800)	(35,309)	(5,724)	(8,900)	(14,710)	(17,800)	(35,309)		
Amortisation of intangible assets	(13,510)	(15,401)	(27,424)	(29,067)	(60,495)	(13,510)	(15,401)	(27,424)	(29,067)	(60,495)		
Other operating expenses	(141,570)	(144,112)	(309,998)	(294, 129)	(555,514)	(141,570)	(144,067)	(309,597)	(293,729)	(555,112)		
Total operating expenses	(375,998)	(522,391)	(806,089)	(932,602)	(1,638,992)	(375,998)	(522,346)	(805,688)	(932,202)	(1,638,590)		
Profit before tax	2,111,132	1,343,735	4,117,503	2,139,037	6,649,986	2,111,136	1,343,783	4,117,909	2,139,442	6,650,386		
Tax expense	(322,869)	(95,682)	(612,544)	(162,791)	(771,416)	(322,869)	(95,682)	(612,544)	(162,791)	(771,416)		
Profit for the period/year	1,788,263	1,248,053	3,504,959	1,976,246	5,878,570	1,788,267	1,248,101	3,505,365	1,976,651	5,878,970		
Other comprehensive (loss)/income that will not be reclassified to profit or loss:												
Remeasurement of retirement benefit obligations Deferred tax on remeasurement of retirement benefit	(93,476)	10,760	(93,476)	10,760	3,371	(93,476)	10,760	(93,476)	10,760	3,371		
obligations	12,456	(591)	12,456	(591)	(693)	12,456	(591)	12,456	(591)	(693)		
Fair value gain on equity investments designated at												
fair value through other comprehensive income	8	3	8	3	917	8	3	8	3	917		
Revaluation gain on equity investments designated at												
fair value through other comprehensive income	-	-	-	-	756	-	-	-	-	756		
Other comprehensive (loss)/income for the												
period/year	(81,012)	10,172	(81,012)	10,172	4,351	(81,012)	10,172	(81,012)	10,172	4,351		
Total comprehensive income for the period/year attributable to equity holders of the parent	1,707,251	1,258,225	3,423,947	1,986,418	5,882,921	1,707,255	1,258,273	3,424,353	1,986,823	5,883,321		

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

THE GROUP	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total	THE BANK	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
Attributable to equity holders of the parent	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000		MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 1 July 2022 (audited)	3,641,049	1,385,768	3,568,710	1,596,691	10,192,218	At 1 July 2022 (audited)	3,641,049	1,385,768	3,547,780	1,615,202	10,189,799
Profit for the period	-	-	1,976,246	-	1,976,246	Profit for the period	-	-	1,976,651	-	1,976,651
Other comprehensive income	-	-	10,169	3	10,172	Other comprehensive income	-	-	10,169	3	10,172
Total comprehensive income for the period	-	-	1,986,415	3	1,986,418	Total comprehensive income for the period	-	-	1,986,820	3	1,986,823
Appropriation of reserves	-	-	(273,549)	273,549	-	Appropriation of reserves	-	-	(273,549)	273,549	-
Dividends	-	-	(626,381)	-	(626,381)	Dividends	-	-	(626,381)	-	(626,381)
At 31 December 2022 (unaudited)	3,641,049	1,385,768	4,655,195	1,870,243	11,552,255	At 31 December 2022 (unaudited)	3,641,049	1,385,768	4,634,670	1,888,754	11,550,241
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At 1 July 2022 (audited)	3,641,049	1,385,768	3,568,710	1,596,691	10,192,218	At 1 July 2022 (audited)	3,641,049	1,385,768	3,547,780	1,615,202	10,189,799
Profit for the year	-	-	5,878,570	-	5,878,570	Profit for the year	-	-	5,878,970	-	5,878,970
Other comprehensive income	-	-	2,678	1,673	4,351	Other comprehensive income	-	-	2,678	1,673	4,351
Total comprehensive income for the year	-	-	5,881,248	1,673	5,882,921	Total comprehensive income for the year	-	-	5,881,648	1,673	5,883,321
Appropriation of reserves	-	-	(897,820)	897,820	-	Appropriation of reserves	-	-	(897,820)	897,820	-
Additional provision in relation to Bank of						Additional provision in relation to Bank of					
Mauritius Guideline	-	-	(201,039)	201,039	-	Mauritius Guideline	-	-	(201,039)	201,039	-
Dividends		-	(626,381)	-	(626,381)	Dividends		-	(626,381)	-	(626,381)
At 30 June 2023 (audited)	3,641,049	1,385,768	7,724,718	2,697,223	15,448,758	At 30 June 2023 (audited)	3,641,049	1,385,768	7,704,188	2,715,734	15,446,739
At 1 July 2023 (audited)	3,641,049	1,385,768	7,724,718	2,697,223	15,448,758	At 1 July 2023 (audited)	3,641,049	1,385,768	7,704,188	2,715,734	15,446,739
Profit for the period	-	-	3,504,959	-	3,504,959	Profit for the period	-	-	3,505,365	-	3,505,365
Other comprehensive (loss)/income	-	-	(81,020)	8	(81,012)	Other comprehensive (loss)/income	-	-	(81,020)	8	(81,012)
Total comprehensive income for the period	-	-	3,423,939	8	3,423,947	Total comprehensive income for the period	-	-	3,424,345	8	3,424,353
Appropriation of reserves	-	-	(496,864)	496,864	-	Appropriation of reserves	-	-	(496,864)	496,864	-
Additional provision in relation to Bank of						Additional provision in relation to Bank of					
Mauritius Guideline	-	-	(7,113)	7,113	-	Mauritius Guideline	-	-	(7,113)	7,113	-
Dividends	-	-	(2,206,338)	-	(2,206,338)	Dividends	-	-	(2,206,338)	-	(2,206,338)
At 31 December 2023 (unaudited)	3,641,049	1,385,768	8,438,342	3,201,208	16,666,367	At 31 December 2023 (unaudited)	3,641,049	1,385,768	8,418,218	3,219,719	16,664,754

STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

Net cash flows used in operating activities Net cash flows used in investing activities Net cash flows used in financing activities

Net cash flows for the period/year

Movement in cash and cash equivalents

Cash and cash equivalents at start of period/year
Net decrease in cash and cash equivalents
Net foreign exchange difference
Cash and cash equivalents at end of period/year

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Six months ended 31 December 2023 Unaudited	Six months ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited	Six months ended 31 December 2023 Unaudited	Six months ended 31 December 2022 Unaudited	Year ended 30 June 2023 Audited
MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
(16,222,667)	(14,172,700)	(25,523,664)	(16,222,667)	(14,172,698)	(25,523,662)
(336,229)	(40,857)	(126,664)	(336,229)	(40,857)	(126,664)
(2,219,669)	(640,402)	(661,379)	(2,219,669)	(640,402)	(661,379)
(18,778,565)	(14,853,959)	(26,311,707)	(18,778,565)	(14,853,957)	(26,311,705)
50,552,201	75,114,651	75,114,651	50,552,194	75,114,642	75,114,642
(18,778,565)	(14,853,959)	(26,311,707)	(18,778,565)	(14,853,957)	(26,311,705)
(46,705)	109,999	1,749,257	(46,705)	109,999	1,749,257
31,726,931	60,370,691	50,552,201	31,726,924	60,370,684	50,552,194

By Order of the Board Company Secretary 13 February 2024

AfrAsia Bank Limited is pleased to present its unaudited interim condensed financial statements for the six months ended 31 December 2023. A copy of the said unaudited interim condensed financial statements has been published on the Bank's website www.afrasiabank.com.