Unaudited Interim Financial Statements for the nine months ended 31 March 2021 **AFRASIA BANK LIMITED**

V Statement of Financial Position as at 31 March 2021

	THE GROUP			THE BANK				
	As at 31 March 2021 Unaudited	As at 31 March 2020 Unaudited	As at 30 June 2020 Audited	As at 31 March 2021 Unaudited	As at 31 March 2020 Unaudited	As at 30 June 2020 Audited		
ASSETS	MUDIOCO	(Restated*)	(Restated*)	MUDIOCO	(Restated*)	(Restated*)		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000		
Cash and cash equivalents	84,701,350	58,586,711	69,036,975	84,701,339	58,583,287	69,032,249		
ue from banks	19,961,372	16,928,442	11,132,738	19,961,372	16,928,442	11,132,738		
erivative financial instruments	292,324	285,387	321,961	292,324	270,269	321,961		
pans and advances to banks	4,661,136	6,304,100	5,245,927	4,661,136	6,304,100	5,245,927		
bans and advances to customers	18,948,006	24,307,021	23,043,922	18,948,006	24,307,021	23,043,922		
vestment securities	50,128,816	50,478,916	48,696,565	50,101,111	50,387,308	48,664,900		
sset held for distribution	-	-	-	-	-	38,277		
roperty and equipment	148,832	177,357	171,197	148,832	177,051	170,977		
itangible assets	284,682	266,458	269,990	284,682	266,374	269,914		
ight of use assets	52,841	85,583	80,017	52,841	85,583	80,017		
eferred tax assets	133,807	92,130	124,503	133,807	91,421	124,388		
ther assets	2,481,762	2,141,812	2,353,079	2,485,729	2,127,139	2,347,559		
DTAL ASSETS	181,794,928	159,653,917	160,476,874	181,771,179	159,527,995	160,472,829		
QUITY AND LIABILITIES								
IABILITIES								
ue to banks	1,197	15,688	13,252	1,197	15,688	13,252		
eposits from banks	279,147	102,812	96,365	279,147	102,812	96,365		
eposits from customers	171,518,701	150,196,375	150,826,107	171,532,565	150,244,603	150,850,619		
erivative financial instruments	190,825	53,199	107,168	190,825	38,080	107,168		
ebts issued	-	10,334	1,083	, _	-	-		
nancial liabilities measured at fair value through profit or loss	-	65,104	4,398		-	-		
letirement benefit obligations	99,851	67,307	102,031	99,851	64,652	99,851		
Current tax liabilities	121,394	98,249	95,283	121,394	98,249	95,283		
ease liabilities	56,028	87,661	82,571	56,028	87,661	82,571		
ther liabilities	288,592	450,967	497,134	288,173	437,248	486,396		
OTAL LIABILITIES	172,555,735	151,147,696	151,825,392	172,569,180	151,088,993	151,831,505		
					,,	,		
QUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT								
rdinary shares	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049		
ass A shares	1,385,768	1,399,768	1,399,768	1,385,768	1,385,768	1,385,768		
etained earnings	2,972,094	2,378,898	2,285,238	2,944,095	2,333,623	2,297,788		
ther reserves	1,240,282	1,086,506	1,325,427	1,231,087	1,078,562	1,316,719		
TOTAL EQUITY	9,239,193	8,506,221	8,651,482	9,201,999	8,439,002	8,641,324		
TOTAL EQUITY AND LIABILITIES	181,794,928	159,653,917	160,476,874	181,771,179	159,527,995	160,472,829		

2 Statement of Profit or Loss and Other Comprehensive Income for the nine months ended 31 March 2021

			THE GROUP					THE BANK		
	Three months ended 31 March 2021 Unaudited	Three months ended 31 March 2020 Unaudited	Nine months ended 31 March 2021 Unaudited	Nine months ended 31 March 2020 Unaudited	Year ended 30 June 2020 Audited	Three months ended 31 March 2021 Unaudited	Three months ended 31 March 2020 Unaudited	Nine months ended 31 March 2021 Unaudited	Nine months ended 31 March 2020 Unaudited	Year ended 30 June 2020 Audited
		(Restated*)		(Restated*)	(Restated*)		(Restated*)		(Restated*)	(Restated*)
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	399,578	789,456	1,296,479	2,494,467	3,114,028	399,578	789,456	1,296,479	2,494,467	3,114,028
Interest expense	(124,563)	(280,772)	(447,397)	(874,685)	(1,085,830)	(123,857)	(280,727)	(446,691)	(874,640)	(1,085,786)
Net interest income, calculated using EIR method	275,015	508,684	849,082	1,619,782	2,028,198	275,721	508,729	849,788	1,619,827	2,028,242
Fee and commission income	208,485	230,254	629,407	608,235	804,205	208,504	198,229	629,520	576,643	764,389
Fee and commission expense	(89,217)	(81,624)	(265,669)	(242,944)	(299,904)	(89,216)	(79,753)	(267,438)	(241,068)	(297,492)
Net fee and commission income	119,268	148,630	363,738	365,291	504,301	119,288	118,476	362,082	335,575	466,897
Net loss from derecognition of financial assets measured at amortised cost	-	(20,347)	-	(501)	(2,003)		(20,347)	-	(501)	(2,003)
Net trading income	56,364	284,756	68,443	482,311	616,554	56,364	284,756	68,443	482,311	616,554
Net gain on equity instrument measured at fair value through profit or loss	4,173	-	4,384	-	_	4,173	_	4,384	_	-
Net loss from derecognition of financial assets measured at favalue through other comprehensive income	ir -	-	-	(3,056)	(3,046)		-	-	(3,056)	(3,046)
Net gain from foreign exchange and derivatives	165,226	42,397	608,451	497,096	675,795	165,425	46,364	607,385	502,957	685,796
Other operating income	5,097	(772)	11,887	1,623	30,026	5,097	623	11,887	6,470	22,714
Total operating income	625,143	963,348	1,905,985	2,962,546	3,849,825	626,068	938,601	1,903,969	2,943,583	3,815,154
Net impairment credit/(loss) on financial assets	54,570	(313,790)	(282,189)	(445,071)	(839,155)	54,570	(313,790)	(282,189)	(445,071)	(839,095)
Net operating income	679,713	649,558	1,623,796	2,517,475	3,010,670	680,638	624,811	1,621,780	2,498,512	2,976,059
Personnel expenses	(202,268)	(191,942)	(493,724)	(566,562)	(751,396)	(202,268)	(168,605)	(493,724)	(543,225)	(718,079)
Depreciation of property and equipment	(8,628)	(9,092)	(27,125)	(26,302)	(36,152)	(8,628)	(8,738)	(27,125)	(25,948)	(35,713)
Depreciation of right of use assets	(8,157)	(7,890)	(24,522)	(23,835)	(31,735)	(8,157)	(7,890)	(24,522)	(23,835)	(31,735)
Amortisation of intangible assets	(9,326)	(10,123)	(32,398)	(29,712)	(40,934)	(9,326)	(10,119)	(32,398)	(29,708)	(40,923)
Other operating expenses	(77,318)	(101,866)	(245,334)	(282,885)	(378,478)	(77,314)	(96,180)	(244,254)	(276,365)	(366,561)
Total operating expenses	(305,697)	(320,913)	(823,103)	(929,296)	(1,238,695)	(305,693)	(291,532)	(822,023)	(899,081)	(1,193,011)
Discontinuing operations	(1,919)	(84)	(12,831)	-	-	-	_	-	-	-
Operating profit	372,097	328,561	787,862	1,588,179	1,771,975	374,945	333,279	799,757	1,599,431	1,783,048
Impairment credit/(loss) on receivable from subsidiary	, -	-	-	-	-	-	1,199	-	(91,473)	(33,057)
Gain on disposal of subsidiary through dividend in specie	14,170	_	14,170	_	-		-	-	-	-
Profit before tax	386,267	328,561	802,032	1,588,179	1,771,975	374,945	334,478	799,757	1,507,958	1,749,991
Tax expense	(59,460)	(52,329)	(133,966)	(207,720)	(228,980)	(59,460)	(52,329)	(133,966)	(207,720)	(228,436)
Profit for the period/year	326,807	276,232	668,066	1,380,459	1,542,995	315,485	282,149	665,791	1,300,238	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:										
- Gains/(Losses) arising during the period/year	-	10	-	(2,880)	(2,880)	•	10	-	(2,880)	(2,880)
 Reclassification of (losses)/gains included in profit or loss or derecognition 	ו -	(10)	-	3,046	3,046		(10)	-	3,046	3,046
- Expected credit losses	-	-	-	(1,074)	(1,074)		(10)	-	(1,074)	(1,074)
P	-		-	(908)	(1,074)		_	-	(1,074)	(1,074)
Other comprehensive income/(loss) that will not be reclassified to profit or loss:				(,)	(,)				(,,,,,)	(,)
Remeasurement of retirement benefit obligations	-	-	-	-	(20,723)		-	-	-	(21,731)
Deferred tax on remeasurement of retirement benefit obligations	-	_	-	_	1,268	-	_	-	_	1,318
(Losses)/gains on equity instruments designated at fair value										
through other comprehensive income	(1,163)	2,318	386	2,815	4,995		-	(101)	(46)	1,370
	(1,163)	2,318	386	2,815	(14,460)		-	(101)	(46)	(19,043)
Other comprehensive (loss)/income for the period/year $\label{eq:comprehensive}$	(1,163)	2,318	386	1,907	(15,368)	-	-	(101)	(954)	(19,951)
Total comprehensive income for the period/year attributable to equity holders of the parent	325,644	278,550	668,452	1,382,366	1,527,627	315,485	282,149	665,690	1,299,284	1,501,604

* The restated figures are on account of Special Levy re-classification to tax expense instead of being previously classified as other operating expenses. This reclassification does not have any impact on the Total Comprehensive Income of the Group and the Bank.

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V Statement of Changes in Equity for the nine months ended 31 March 2021

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 (audited)	3,641,049	1,399,768	1,801,299	858,428	7,700,544
Profit for the period	-	-	1,380,459	-	1,380,459
Other comprehensive income	-	-	-	1,907	1,907
Total comprehensive income for the period	-	-	1,380,459	1,907	1,382,366
Appropriation of reserves	-	-	(226,171)	226,171	-
Dividends	-	-	(576,689)	-	(576,689
At 31 March 2020 (unaudited), as restated	3,641,049	1,399,768	2,378,898	1,086,506	8,506,221
At 1 July 2019 (audited)	3,641,049	1,399,768	1,801,299	858,428	7,700,544
Profit for the year	-	-	1,542,995	-	1,542,995
Other comprehensive (loss)/income	-	-	(19,455)	4,087	(15,368
Total comprehensive income for the year	-	-	1,523,540	4,087	1,527,627
Additional provision in relation to Bank of Mauritius Guideline	-	-	(146,054)	146,054	
Appropriation of reserves	-	-	(316,858)	316,858	
Dividends	-	-	(576,689)	-	(576,689
At 30 June 2020 (audited)	3,641,049	1,399,768	2,285,238	1,325,427	8,651,482
At 1 July 2020 (audited)	3,641,049	1,399,768	2,285,238	1,325,427	8,651,482
Profit for the period	-	-	668,066	-	668,066
Other comprehensive income	-	-	-	386	386
Total comprehensive income for the period	-	-	668,066	386	668,452
Reversal of provision in relation to Bank of Mauritius Guide	eline -	-	146,054	(146,054)	
Appropriation of reserves	-	-	(60,523)	60,523	-
Deconsolidation adjustment		(14,000)	-	-	(14,000
Dividends		-	(66,741)	-	(66,741
At 31 March 2021 (unaudited)	3,641,049	1,385,768	2,972,094	1,240,282	9,239,193

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 (audited)	3,641,049	1,385,768	1,836,242	853,345	7,716,404
Profit for the period	-	-	1,300,238	-	1,300,238
Other comprehensive loss	-	-	-	(954)	(954)
Total comprehensive income/(loss) for the period	-	-	1,300,238	(954)	1,299,284
Appropriation of reserves	-	-	(226,171)	226,171	-
Dividends	-	-	(576,686)	-	(576,686)
At 31 March 2020 (unaudited), as restated	3,641,049	1,385,768	2,333,623	1,078,562	8,439,002
At 1 July 2019 (audited)	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 (audited)	3,641,049	1,385,768	2,297,788	1,316,719	8,641,324
At 1 July 2020 (audited)	3,641,049	1,385,768	2,297,788	1,316,719	8,641,324
Profit for the period	-	-	665,791	-	665,791
Other comprehensive loss	-	-	-	(101)	(101)
Total comprehensive income/(loss) for the period	-	-	665,791	(101)	665,690
Reversal of provision in relation to Bank of Mauritius Guideline	-	-	146,054	(146,054)	-
Appropriation of reserves	-	-	(60,523)	60,523	-
Dividends	-	-	(105,015)	-	(105,015)
At 31 March 2021 (unaudited)	3,641,049	1,385,768	2,944,095	1,231,087	9,201,999

V Statement of Cash Flows for the nine months ended 31 March 2021

		THE GROUP			THE BANK			
	Nine months ended 31 March 2021 Unaudited	Nine months ended 31 March 2020 Unaudited	Year ended 30 June 2020 Audited	Nine months ended 31 March 2021 Unaudited	Nine months ended 31 March 2020 Unaudited	Year ended 30 June 2020 Audited		
	MUR'000	(Restated*) MUR'000	(Restated*) MUR'000	MUR'000	(Restated*) MUR'000	(Restated*) MUR'000		
Net cash flows generated from operating activities	15,754,647	8,735,838	19,172,869	15,758,464	8,734,713	19,209,087		
Net cash flows used in investing activities	(61,456)	(73,583)	(87,269)	(60,558)	(74,236)	(126,567)		
Net cash flows used in financing activities	(25,141)	(770,388)	(778,266)	(25,141)	(770,388)	(778,266)		
Net cash flows for the period/year	15,668,050	7,891,867	18,307,334	15,672,765	7,890,089	18,304,254		
Movement in cash and cash equivalents								
Cash and cash equivalents at 1 July	69,030,100	50,725,937	50,699,991	69,025,374	50,724,291	50,698,345		
Net increase in cash and cash equivalents	15,668,050	7,891,867	18,307,334	15,672,765	7,890,089	18,304,254		
Effect of IFRS 9 impairment credit/(charge)	2,004	(37,640)	22,774	2,004	(37,640)	22,774		
Cash and cash equivalents end of period/year	84,700,154	58,580,164	69,030,099	84,700,143	58,576,740	69,025,373		
Operational cash flows from interest								
Interest paid	(499,122)	(809,184)	(1,411,062)	(498,416)	(809,139)	(1,051,776)		
Interest received	1,609,141	2,160,104	2,906,096	1,609,141	2,160,104	2,821,688		

V Management's Comments

Despite the roll-out of vaccination programmes globally, the spread of COVID-19 however continues with various countries now experiencing second and third waves since December 2020, with India experiencing record daily infection and death rates. Until such time as the highly contagious variants are deemed under control by the WHO, increased level of uncertainty and volatility in international markets shall continue to impede on economic activities across the world.

Similarly and unfortunately, Mauritius has not been spared, and is currently facing its second wave with the inevitable continued delay in opening its international borders and exacerbating the economic difficulties faced by certain key contributors (such as Tourism) of the local economy.

The Government of Mauritius continues to deliver financial support to borrowers via its various measures including the Mauritius Investment Corporation Ltd (MIC), and Banks continue to respond to the need of borrowers with corresponding loan interest and moratorium periods relief measures. Given the wide-ranging impact that COVID-19 has had across all sectorial activities of the economy, there is now an increased expectation for Banks to play a societal role beyond shareholders' return.

Given the above inherent uncertainty and the low interest rate environment, AfrAsia Bank Limited (the "Bank") continues to remain very cautious and is maintaining its effort on capital preservation, with more investments geared towards high-quality liquid assets.

In the context of this ongoing volatile environment, the Bank has over the last nine months registered a profit after tax of MUR 665.8m, which represents a decrease of 48.8% compared to MUR 1.3bn for the corresponding period last year.

Continued interest rates contraction has had a considerable impact on the Bank's Net Interest Income which dropped by 47.5% to reach MUR 849.8m for the nine-month period ended 31 March 2021. The Bank's combined Net Trading Income and Net Gain from foreign exchange and derivatives decreased by 31.4% to reach MUR 675.8m for the nine-month period ended 31 March 2021.

Impairment on financial assets of MUR 282.2m has been provided for in the financial statements in line with the provision requirements of "IFRS 9 - Financial Instruments". The Bank will continue to reassess its impairment level taking into consideration the Covid-19 global pandemic.

Operating income and Operating expenses were lower by 35.3% and 8.6% respectively as compared to the same period last year. Cost to income ratio increased from 30.5% in March 2020 to 43.2% in March 2021.

The Bank's Balance Sheet however remains sound with robust capital and liquidity ratios. Total Assets grew by 13.9% compared to March 2020 to reach MUR 181.8bn, being favourable to the Bank. The change in assets mix and shift towards more liquid assets consequently reduced the loans to deposits ratio to 13.7%.

On the other side of the Balance Sheet, our deposit base stood at MUR 171.8bn as at end of March 2021, an increase of 14.3% from March 2020, thereby demonstrating our customers' confidence level in the Bank.

The Bank remains well capitalized with a Capital Adequacy Ratio of 16.84% as at end of March 2021 against a regulatory limit of 12.88% compared to 14.79% last year.

By Order of the Board 17 May 2021

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its interim unaudited financial statements for the nine months ended 31 March 2021.

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 www.afrasiabank.com) are available free of charge at the registered office of the Bank, Bowen Squ Street, Port Louis, Mauritius. The statement of direct and indirect interests of officers, pursuant to Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, is also available free of charge, registered office of the Bank.

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