Unaudited Interim Condensed Financial Statements for the three months ended 30 September 2021 **AFRASIA BANK LIMITED**

V Statements of Financial Position as at 30 September 2021

	THE GROUP			THE BANK			
	As at 30 September 2021 Unaudited	As at 30 September 2020 Unaudited	As at 30 June 2021 Audited	As at 30 September 2021 Unaudited	As at 30 September 2020 Unaudited	As at 30 June 2021 Audited	
		(Restated*)			(Restated*)		
SSETS	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	
ash and cash equivalents	88,115,360	65,402,584	97,810,111	88,115,350	65,399,920	97,810,099	
ue from banks	18,830,873	17,162,662	17,974,090	18,830,873	17,162,662	17,974,090	
rivative financial instruments	472,881	262,909	407,880	472,881	262,909	407,880	
ans and advances to banks	8,879,244	4,100,622	6,638,835	8,879,244	4,100,622	6,638,835	
ans and advances to customers	19,147,095	21,344,240	18,749,929	19,147,095	21,344,240	18,749,929	
vestment securities	56,209,911	56,094,611	45,410,195	56,209,911	56,066,550	45,410,195	
set held for distribution	-	-	-	-	38,277	-	
operty and equipment	133,789	165,173	137,437	133,789	164,943	137,437	
ght of use assets	36,888	71,384	44,518	36,888	71,384	44,518	
angible assets	308,950	263,559	288,679	308,950	263,294	288,679	
ferred tax assets	122,521	127,977	149,593	122,521	127,862	149,593	
her assets	2,559,064	2,455,019	2,471,954	2,559,064	2,451,119	2,471,954	
DTAL ASSETS	194,816,576	167,450,740	190,083,221	194,816,566	167,453,782	190,083,209	
IABILITIES Due to banks	319	8,365	1,000,122	319	8,365	1,000,122	
posits from banks	406,401	163,458	364,726	406,401	163,458	364,726	
posits from customers	184,056,900	157,485,943	178,832,286	184,070,765	157,508,456	178,846,558	
rivative financial instruments	287,614	127,875	210,392	287,614	127,875	210,392	
bts issued		10					
tirement benefit obligations	73,189	102,031	73,189	73,189	99,851	73,189	
urrent tax liabilities	139,154	139,353	85,647	139,154	139,353	85,647	
ase liabilities	40,004	74,335	47,658	40,004	74,335	47,658	
her liabilities	414,540	400,779	412,507	409,377	390,176	407,993	
DTAL LIABILITIES	185,418,121	158,502,149	181,026,527	185,426,823	158,511,869	181,036,285	
	,,		, ,				
QUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
dinary shares	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049	3,641,049	
iss A shares	1,385,768	1,399,768	1,385,768	1,385,768	1,385,768	1,385,768	
tained earnings	3,037,827	2,584,549	2,693,075	3,010,604	2,601,372	2,664,794	
ther reserves	1,333,811	1,323,225	1,336,802	1,352,322	1,313,724	1,355,313	
OTAL EQUITY	9,398,455	8,948,591	9,056,694	9,389,743	8,941,913	9,046,924	
OTAL EQUITY AND LIABILITIES	194,816,576	167,450,740	190,083,221	194,816,566	167,453,782	190,083,209	

V Statements of Profit or Loss and Other Comprehensive Income for the three months ended 30 September 2021

		THE GROUP		THE BANK				
	Three months ended 30 September 2021 Unaudited	Three months ended 30 September 2020 Unaudited	Year ended 30 June 2021 Audited	Three months ended 30 September 2021 Unaudited	Three months ended 30 September 2020 Unaudited	Year ended 30 June 2021 Audited		
		(Restated*)			(Restated*)			
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000		
Interest income	406,849	476,508	1,684,412	406,849	476,508	1,684,412		
nterest expense	(125,457)	(167,388)	(613,283)	(125,112)	(167,388)	(611,994)		
let interest income, calculated using EIR method	281,392	309,120	1,071,129	281,737	309,120	1,072,418		
ee and commission income	235,150	219,142	877,757	235,150	211,153	877,870		
ee and commission expense	(85,192)	(90,094)	(313,605)	(85,191)	(89,724)	(315,370)		
et fee and commission income	149,958	129,048	564,152	149,959	121,429	562,500		
et trading income	333,378	222,871	948,341	333,378	222,472	945,243		
ther (losses)/gains	(1,320)	-	1,696	(927)	-	1,696		
ther operating income	-	53	(1,843)	· ·	-	(106)		
otal operating income	763,408	661,092	2,583,475	764,147	653,021	2,581,751		
t impairment loss on financial assets	(8,587)	(24,904)	(470,747)	(8,587)	(24,904)	(465,131)		
et operating income	754,821	636,188	2,112,728	755,560	628,117	2,116,620		
rsonnel expenses	(182,532)	(166,053)	(662,934)	(182,532)	(158,213)	(662,934)		
preciation of property and equipment	(6,931)	(9,663)	(35,633)	(6,931)	(9,595)	(35,633)		
preciation of right of use assets	(7,630)	(8,168)	(32,912)	(7,630)	(8,168)	(32,912)		
nortisation of intangible assets	(9,508)	(13,143)	(41,966)	(9,508)	(13,136)	(41,966)		
her operating expenses	(125,880)	(102,250)	(313,733)	(125,561)	(97,820)	(319,544)		
tal operating expenses	(332,481)	(299,277)	(1,087,178)	(332,162)	(286,932)	(1,092,989)		
perating profit	422,340	336,911	1,025,550	423,398	341,185	1,023,631		
in on disposal of subsidiary	-	-	52,451		-	-		
ofit before tax	422,340	336,911	1,078,001	423,398	341,185	1,023,631		
x expense	(80,579)	(40,596)	(148,405)	(80,579)	(40,596)	(148,405)		
ofit for the period/year from continuing operations	341,761	296,315	929,596	342,819	300,589	875,226		
scontinued operations	·							
oss for the period/year from discontinued operations	-	-	(13,540)		-	-		
rofit for the period/year	341,761	296,315	916,056	342,819	300,589	875,226		
ther comprehensive income/(loss) that will not be eclassified to profit or loss:								
emeasurement of retirement benefit obligations	-	-	41,444		-	41,444		
ferred tax on remeasurement of retirement benefit ligations	-	-	(2,446)		-	(2,446)		
ir value gain/(loss) on equity instruments designated at fair								
lue through other comprehensive income	-	794	(25,736)		-	1,482		
	-	794	13,262	-	-	40,480		
ther comprehensive income for the period/year	-	794	13,262	-	-	40,480		
otal comprehensive income for the period/year ttributable to equity holders of the parent	341,761	297,109	929,318	342,819	300,589	915,706		

* 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.

2 Statements of Changes in Equity for the three months ended 30 September 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 2020 (audited)	3,641,049	1,399,768	2,285,239	1,325,426	8,651,482
Profit for the period	-	-	296,315	-	296,315
Other comprehensive income	-	-	-	794	794
Total comprehensive income for the period	-	-	296,315	794	297,109
Appropriation of reserves	-	-	2,995	(2,995)	-
At 30 September 2020 (unaudited)	3,641,049	1,399,768	2,584,549	1,323,225	8,948,591
At 1 July 2020 (audited)	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 (audited)	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
At 1 July 2021 (audited)	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
Profit for the period	-	-	341,761	-	341,761
Total comprehensive income for the period	-	-	341,761	-	341,761
Appropriation of reserves	-	-	2,991	(2,991)	-
At 30 September 2021 (unaudited)	3,641,049	1,385,768	3,037,827	1,333,811	9,398,455

Ordinary shares MUR'000 3,641,049	Class A shares MUR'000 1,385,768 -	Retained earnings MUR'000 2,297,788 300,589 300,589	Other reserves MUR'000 1,316,719	Total MUR'000 8,641,324 300,589
		2,297,788 300,589		8,641,324
3,641,049	1,385,768 - -	300,589	1,316,719	
	-	,	-	300.589
-	-	300,589		000,007
-			-	300,589
	-	2,995	(2,995)	-
3,641,049	1,385,768	2,601,372	1,313,724	8,941,913
3,641,049	1,385,768	, ,	1,316,719	8,641,324
-	-	,	-	875,226
-	-	38,998	1,482	40,480
-	-	914,224	1,482	915,706
-	-	146,054	(146,054)	-
-	-	(183,166)	183,166	-
-	-	(510,106)	-	(510,106)
3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
3.641.049	1.385.768	2.664.794	1.355.313	9,046,924
-	-		-	342,819
-	-	,	-	342,819
-	-	2,991	(2,991)	, , -
3,641,049	1,385,768	3,010,604	1,352,322	9,389,743
	3,641,049 - - - - - - - - - - - - - - - - - - -	3,641,049 1,385,768 3,641,049 1,385,768 3,641,049 1,385,768 	- - 2,995 3,641,049 1,385,768 2,601,372 3,641,049 1,385,768 2,297,788 3,641,049 1,385,768 2,297,788 - - 875,226 - - 875,226 - - 875,226 - - 875,226 - - 914,224 - - 146,054 - - 146,054 - - (183,166) - - (510,106) 3,641,049 1,385,768 2,664,794 3,641,049 1,385,768 2,664,794 - - 342,819 - - 342,819 - - 2,991	- 2,995 (2,995) 3,641,049 1,385,768 2,601,372 1,313,724 3,641,049 1,385,768 2,297,788 1,316,719 - - 875,226 - - - 38,998 1,482 - - 914,224 1,482 - - 146,054 (146,054) - - (183,166) 183,166 - - (510,106) - 3,641,049 1,385,768 2,664,794 1,355,313 3,641,049 1,385,768 2,664,794 1,355,313 - - 342,819 - - - 342,819 -

2 Statements of Cash Flows for the three months ended 30 September 2021

		THE GROUP			THE BANK			
	Three months ended 30 September 2021 Unaudited	Three months ended 30 September 2020 Unaudited	Year ended 30 June 2021 Audited	Three months ended 30 September 2021 Unaudited	Three months ended 30 September 2020 Unaudited	Year ended 30 June 2021 Audited		
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000		
Net cash flows (used in)/generated from operating activities	(9,571,596)	(3,605,249)	29,285,044	(9,571,594)	(3,603,461)	29,288,763		
Net cash flows used in investing activities	(33,775)	(17,024)	(79,698)	(33,775)	(16,750)	(78,706)		
Net cash flows used in financing activities	(93,057)	(8,237)	(424,475)	(93,057)	(8,237)	(424,475)		
Net cash flows for the period/year	(9,698,428)	(3,630,510)	28,780,871	(9,698,426)	(3,628,448)	28,785,582		
Novement in cash and cash equivalents								
Cash and cash equivalents at 1 July	97,810,014	69,030,100	69,030,099	97,810,002	69,025,374	69,025,376		
et (decrease)/increase in cash and cash equivalents	(9,698,428)	(3,630,510)	28,780,871	(9,698,426)	(3,628,448)	28,785,582		
ffect of IFRS 9 impairment credit/(charge)	3,455	1,273	(956)	3,455	1,273	(956)		
ash and cash equivalents at end of period/year	88,115,041	65,400,863	97,810,014	88,115,031	65,398,199	97,810,002		
Operational cash flows from interest								
nterest paid	(140,513)	(196,736)	(672,285)	(140,167)	(196,736)	(672,285)		
nterest received	349,931	694,940	1,996,165	349,931	694,940	1,996,165		

Management's Comments

Financial Highlights

AfrAsia Bank Limited (the "Bank") has continued to deliver a steady financial result despite the difficult economic and market conditions. For the quarter ended 30 September 2021, the Bank reported a net profit after tax ("NPAT") of MUR 342.8m (September 2020: MUR 300.6m) resulting in an increase of 14% as compared to the quarter ended 30 September 2020.

In comparison to same quarter last year, the Bank's net interest income decreased by MUR 27.4m, being 9%, primarily due to lower interest rate prevailing on the market to stand at MUR 281.7m (September 2020: MUR 309.1m).

Net fee and commission income were 23% higher than in September 2020 to reach MUR 150.0m (September 2020: MUR 121.4m) at end of September 2021 owing particularly to an increase in transactional flows on transfer driven commissions and arrangement fees at the back of a new business venture focused over wealth management.

Net trading income, being another major contributor to the increase in NPAT improved by MUR 110.9m to reach MUR 333.4m (September 2020: MUR 222.5m) representing an increase of 50% compared to same quarter last year.

Impairment on financial assets of **MUR 8.6m** has been provided for in the financial statements. The Bank will continue to reassess its impairment level taking into consideration the current economic condition.

Operating income and Operating expenses were higher by 17% and 16% respectively as compared to the same quarter last year. Cost to income ratio decreased from 44% in September 2020 to 43% in September 2021.

The Bank's Balance Sheet remains sound with robust capital and liquidity ratios. The Total Assets grew by 16% compared to September 2020 to reach **MUR 194.8bn**, being favourable to the Bank. The change in assets mix and shift towards more liquid assets consequently reduced the loans to deposits to 15%.

On the liability side of the Balance sheet, the Bank's deposits base grew from MUR 157.7bn at end of September 2020 to reach **MUR 184.5bn** by the end of September 2021 i.e. a growth of **17%**, thereby demonstrating our customers' confidence level in the Bank.

The Capital Adequacy Ratio stood at 16.09% as at end of September 2021 (September 2020: 16.04%) against a regulatory limit of 12.88%.

The shareholders' equity of the Bank witnessed a slight growth of 5% period-on-period to reach MUR 9.4bn (September 2020: MUR 8.9bn) as at end of September 2021 due to positive bottom-line performance.

Economic Outlook

The country exited the grey list of Financial Action Task Force ("FATF"). The European Commission ("EU") previously confirmed that removal of Mauritius from the FATF list of jurisdictions under increased monitoring will also lead to delisting of Mauritius from the EU list of High-Risk Third Countries for AML/CFT purposes. Another positive outlook for Mauritius, being a tourism-dependent economy, the country has reopened its borders to fully vaccinated visitors as from October 2021 while respecting sanitary and safety protocols.

By Order of the Board 10 November 2021

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its unaudited interim condensed financial statements for the three months ended 30 September 2021.

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

Copies of the unaudited interim condensed 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.

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