

V Statements of Financial Position as at 31 December 2021

	THE GROUP			THE BANK			
	As at 31 December 2021 Unaudited	As at 31 December 2020 Unaudited	As at 30 June 2021 Audited	As at 31 December 2021 Unaudited	As at 31 December 2020 Unaudited	As at 30 June 2021 Audited	
ASSETS	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	
Cash and cash equivalents	87,272,873	68,023,154	97,810,111	87,272,863	68,023,142	97,810,099	
Due from banks	16,547,048	19,321,943	17,974,090	16,547,048	19,321,943	17,974,090	
Derivative financial instruments	429,745	257,214	407,880	429,745	257,214	407,880	
Loans and advances to banks	10,479,160	5,122,957	6,638,835	10,479,160	5,122,957	6,638,835	
Loans and advances to customers	24,916,761	19,577,413	18,749,929	24,916,761	19,577,413	18,749,929	
Investment securities	56,730,000	54,954,658	45,410,195	56,730,000	54,925,789	45,410,195	
Asset held for distribution	-	13,619	-	-	38,277	-	
Property and equipment	131,754	156,277	137,437	131,754	156,277	137,437	
Right of use assets	46,254	62,722	44,518	46,254	62,722	44,518	
Intangible assets	327,528	289,406	288,679	327,528	289,406	288,679	
Deferred tax assets	123,853	149,302	149,593	123,853	149,302	149,593	
Other assets	2,631,280	2,371,814	2,471,954	2,631,280	2,377,599	2,471,954	
TOTAL ASSETS	199,636,256	170,300,479	190,083,221	199,636,246	170,302,041	190,083,209	
EQUITY AND LIABILITIES LIABILITIES							
Due to banks	323	3,033	1,000,122	323	3,033	1,000,122	
Deposits from banks	465,913	163,573	364,726	465,913	163,573	364,726	
Deposits from customers	188,681,686	160,376,669	178,832,286	188,695,301	160,393,662	178,846,558	
Borrowings from financial institution	146,323	-	-	146,323	-	-	
Derivative financial instruments	263,776	175,036	210,392	263,776	175,036	210,392	
Retirement benefit obligations	73,189	99,851	73,189	73,189	99,851	73,189	
Current tax liabilities	87,953	88,574	85,647	87,953	88,574	85,647	
Lease liabilities	48,927	65,937	47,658	48,927	65,937	47,658	
Other liabilities	343,731	359,175	412,507	337,665	359,123	407,993	
Liabilities directly associated with asset held for distribution	-	12,617	-	-	-	-	
TOTAL LIABILITIES	190,111,821	161,344,465	181,026,527	190,119,370	161,348,789	181,036,285	
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	1,399,768	1,385,768	1,385,768	1,385,768	1,385,768	
Retained earnings	3,036,152	2,695,109	2,693,075	3,010,082	2,716,705	2,664,794	
Other reserves	1,461,466	1,220,088	1,336,802	1,479,977	1,209,730	1,355,313	
TOTAL EQUITY	9,524,435	8,956,014	9,056,694	9,516,876	8,953,252	9,046,924	
TOTAL EQUITY AND LIABILITIES	199,636,256	170,300,479	190,083,221	199,636,246	170,302,041	190,083,209	

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V Statements of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2021

			THE GROUP					THE BANK	
	Three months ended 31 December 2021 Unaudited	Three months ended 31 December 2020 Unaudited	Six months ended 31 December 2021 Unaudited	Six months ended 31 December 2020 Unaudited	Year ended 30 June 2021 Audited	Three months ended 31 December 2021 Unaudited	Three months ended 31 December 2020 Unaudited	Six months ended 31 December 2021 Unaudited	Six months endec 31 December 202 Unaudited
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	445,614	420,393	852,463	896,901	1,684,412	445,614	420,393	852,463	896,901
Interest expense	(132,085)	(155,446)	(257,542)	(322,834)	(613,283)	(131,737)	(155,446)	(256,849)	(322,834)
Net interest income, calculated using EIR method	313,529	264,947	594,921	574,067	1,071,129	313,877	264,947	595,614	574,067
Fee and commission income	263,623	208,570	498,773	427,712	877,757	263,623	216,653	498,773	427,806
Fee and commission expense	(85,995)	(86,358)	(171,187)	(176,452)	(313,605)	(85,995)	(88,498)	(171,186)	(178,222)
Net fee and commission income	177,628	122,212	327,586	251,260	564,152	177,628	128,155	327,587	249,584
Net trading income	290,094	232,433	623,472	455,304	948,341	290,795	231,567	624,173	454,039
Other (losses)/gains	347	211	(973)	211	1,696	(46)	211	(973)	211
Other operating income	-	(53)	-	-	(1,843)	-	-	-	-
Total operating income	781,598	619,750	1,545,006	1,280,842	2,583,475	782,254	624,880	1,546,401	1,277,901
Net impairment loss on financial assets	(4,550)	(311,855)	(13,137)	(336,759)	(470,747)	(4,550)	(311,855)	(13,137)	(336,759)
Net operating income	777,048	307,895	1,531,869	944,083	2,112,728	777,704	313,025	1,533,264	941,142
Personnel expenses	(189,414)	(125,403)	(371,946)	(291,456)	(662,934)	(189,414)	(133,243)	(371,946)	(291,456)
Depreciation of property and equipment	(6,273)	(8,834)	(13,204)	(18,497)	(35,633)	(6,273)	(8,902)	(13,204)	(18,497)
Depreciation of right of use assets	(7,781)	(8,197)	(15,411)	(16,365)	(32,912)	(7,781)	(8,197)	(15,411)	(16,365)
Amortisation of intangible assets	(9,325)	(9,929)	(18,833)	(23,072)	(41,966)	(9,325)	(9,936)	(18,833)	(23,072)
Other operating expenses	(83,711)	(65,766)	(209,591)	(168,016)	(313,733)	(83,214)	(69,120)	(208,775)	(166,940)
Total operating expenses	(296,504)	(218,129)	(628,985)	(517,406)	(1,087,178)	(296,007)	(229,398)	(628,169)	(516,330)
Operating profit	480,544	89,766	902,884	426,677	1,025,550	481,697	83,627	905,095	424,812
Gain on disposal of subsidiary	-	-	-	-	52,451	-	-	-	-
Profit before tax	480,544	89,766	902,884	426,677	1,078,001	481,697	83,627	905,095	424,812
Tax expense	(54,743)	(33,910)	(135,322)	(74,506)	(148,405)	(54,743)	(33,910)	(135,322)	(74,506)
Profit for the period/year from continuing operations	425,801	55,856	767,562	352,171	929,596	426,954	49,717	769,773	350,306
Discontinued operations									
Loss for the period/year from discontinued operations	-	(10,912)	-	(10,912)	(13,540)	-	-	-	-
Profit for the period/year	425,801	44,944	767,562	341,259	916,056	426,954	49,717	769,773	350,306
Other comprehensive income/(loss) that will not be reclassified to profit or loss:									
Remeasurement of retirement benefit obligations	-	-	-	-	41,444	-	-	-	-
Deferred tax on remeasurement of retirement benefit obligations	-	-	-	-	(2,446)		-		-
Fair value (loss)/gain on equity instruments designated at									
fair value through other comprehensive income	209	756	209	1,550	(25,736)	209	(101)	209	(101)
	209	756	209	1,550	13,262	209	(101)	209	(101)
Other comprehensive income/(loss) for the period/year	209	756	209	1,550	13,262	209	(101)	209	(101)
Total comprehensive income for the period/year attributable to equity holders of the parent	426,010	45,700	767,771	342,809	929,318	427,163	49,616	769,982	350,205



V Statements of Changes in Equity for the six months ended 31 December 2021

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4,506) (148,405) 0,306 875,226 - - 0,306 875,226 - 41,444 - (2,446) (101) 1,482 (101) 40,480 (101) 40,480	4,812	1,023,631
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- (2,446) (101) 1,482 (101) 40,480 (101) 40,480	0,306	875,226
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	(101)	40,480
0,205 915,706	(101)	40,480
	0,205	915,706

Appropriation of reserves

Dividends

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	-	-	341,259	-	341,259
Other comprehensive income	-	-	-	1,550	1,550
otal comprehensive income for the period	-	-	341,259	1,550	342,809
Reversal of provision in relation to Bank of Mauritius Guideline	-	-	146,054	(146,054)	-
Appropriation of reserves	-	-	(39,166)	39,166	-
Dividends	-	-	(38,277)	-	(38,277
At 31 December 2020 (unaudited)	3,641,049	1,399,768	2,695,109	1,220,088	8,956,014
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
otal 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
t 1 July 2021 (audited)	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
Profit for the period	-	-	767,562	-	767,562
Other comprehensive income	-	-	-	209	209
otal comprehensive income for the period	-	-	767,562	209	767,771
Appropriation of reserves	-	-	(124,455)	124,455	-
Dividends	-	-	(300,030)	-	(300,030)
At 31 December 2021 (unaudited)	3,641,049	1,385,768	3,036,152	1,461,466	9,524,435
THE BANK	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
			2,297,788	1,316,719	8,641,324
t 1 July 2020 (audited)	3,641,049	1,385,768	2,277,700	1,010,717	0,0+1,02+
	3,641,049	1,385,/68	350,306	-	
Profit for the period	3,641,049	1,385,768		(101)	350,306
Profit for the period Other comprehensive loss	-	-		-	350,306 (101
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period	-	-	350,306	(101)	350,306 (101
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline	-	-	350,306 - 350,306	(101)	350,306 (101
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves	-	-	350,306 - 350,306 146,054	(101) (101) (146,054)	350,306 (101 350,205 -
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends	-	-	350,306 - 350,306 146,054 (39,166)	(101) (101) (146,054)	350,306 (101 350,205 - - (38,277
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends At 31 December 2020 (unaudited)			350,306 - 350,306 146,054 (39,166) (38,277)	(101) (101) (146,054) 39,166	350,306 (101 350,205 - - (38,277 8,953,252
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends At 31 December 2020 (unaudited)		- - - - 1,385,768	350,306 - 350,306 146,054 (39,166) (38,277) 2,716,705	(101) (101) (146,054) 39,166 - 1,209,730	350,306 (101 350,205 (38,277 8,953,252 8,641,324
Profit for the period Other comprehensive loss Fotal comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends At 31 December 2020 (unaudited) At 1 July 2020 (audited) Profit for the year		- - - - 1,385,768	350,306 - 350,306 146,054 (39,166) (38,277) 2,716,705 2,297,788	(101) (101) (146,054) 39,166 - 1,209,730	350,306 (101 350,205 - - (38,277 8,953,252 8,641,324 875,226
Profit for the period Other comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends At 31 December 2020 (unaudited) At 1 July 2020 (audited) Profit for the year Other comprehensive income		- - - - 1,385,768	350,306 - 350,306 146,054 (39,166) (38,277) 2,716,705 2,297,788 875,226	(101) (101) (146,054) 39,166 - 1,209,730 1,316,719	350,306 (101 350,205 (38,277 8,953,252 8,641,324 875,226 40,480
At 1 July 2020 (audited) Profit for the period Dther comprehensive loss Total comprehensive income/(loss) for the period Reversal of provision in relation to Bank of Mauritius Guideline Appropriation of reserves Dividends At 31 December 2020 (unaudited) At 1 July 2020 (audited) Profit for the year Dther comprehensive income Total comprehensive income for the year Reversal of provision in relation to Bank of Mauritius Guideline		- - - - 1,385,768	350,306 - 350,306 146,054 (39,166) (38,277) 2,716,705 2,297,788 875,226 38,998	(101) (101) (146,054) 39,166 - 1,209,730 1,316,719 - 1,482	8,641,324 8,641,324 8,641,324 8,75,226 40,480 915,706

9,046,924 At 30 June 2021 (audited) 3,641,049 1,385,768 2,664,794 1,355,313 At 1 July 2021 (audited) 3,641,049 1,385,768 2,664,794 1,355,313 9,046,924 Profit for the period - 769,773 769,773 ----209 209 Other comprehensive income --Total comprehensive income for the period - 769,773 209 769,982 - (124,455) 124,455 Appropriation of reserves --Dividends -- (300,030) -(300,030) 3,641,049 1,385,768 3,010,082 1,479,977 9,516,876 At 31 December 2021 (unaudited)

- - (183,166) - - (510,106)

(510,106)

183,166

-

-

(510,106)



2 Statements of Cash Flows for the six months ended 31 December 2021

		THE GROUP			THE BANK	
	Six months ended 31 December 2021 Unaudited	Six months ended 31 December 2020 Unaudited	Year ended 30 June 2021 Audited	Six months ended 31 December 2021 Unaudited	Six months ended 31 December 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	(10,071,271)	(1,016,739)	29,285,044	(10,071,269)	(934,941)	29,288,763
Net cash flows used in investing activities	(66,009)	(55,214)	(79,698)	(66,009)	(54,651)	(78,706)
Net cash flows used in financing activities	(401,661)	(16,634)	(424,475)	(401,661)	(16,634)	(424,475)
Net cash flows for the period/year	(10,538,941)	(1,088,587)	28,780,871	(10,538,939)	(1,006,226)	28,785,582
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 July	97,810,014	69,111,765	69,030,099	97,810,002	69,025,374	69,025,376
Net (decrease)/increase in cash and cash equivalents	(10,538,941)	(1,088,587)	28,780,871	(10,538,939)	(1,006,226)	28,785,582
Effect of IFRS 9 impairment credit/(charge)	1,477	960	(956)	1,477	960	(956)
Cash and cash equivalents at end of period/year	87,272,550	68,024,138	97,810,014	87,272,540	68,020,108	97,810,002

Management Comments

Financial Highlights

For the second quarter ended 31 December 2021, AfrAsia Bank Limited (the "Bank") has continued to deliver a steady financial performance despite the direct and indirect impacts of COVID-19 pandemic, including new variant fears, as well as restrictions on business and individual activities. For the six months ended 31 December 2021, the Bank achieved a net profit after tax ("NPAT") of **MUR 769.8m**, up **120%** from the same period last year (December 2020: MUR 350.3m), driven by broad-based growth in trading income and fee income and lower impairment loss on financial assets compared to same period last year.

In comparison to same period last year, the Bank's net interest income increased by **4%** to reached **MUR 595.6m** in this quarter from MUR 574.1m, despite a low interest rate environment.

Net fee and commission income rose by **31%** to stand at **MUR 327.6m** as at end of December 2021 versus MUR 249.6m at December 2020, primarily supported by higher commissions and arrangement fees from wealth management activities.

Net trading income, being another major contributor to the increase in NPAT saw a rise of **37%** by **MUR 170.1m** to reach **MUR 624.2m** (December 2020: MUR 454.0m).

Impairment on financial assets of **MUR 13.1m** has been provided for in the financial statements. This includes bad debt recovered of **MUR 33m**. The Bank will continue to reassess its impairment level taking into consideration the current economic condition.

Operating income and Operating expenses were higher by **21%** and **22%** respectively as compared to the same period last year. Cost to income ratio remained stable at **41%** at end of December 2021 despite strong growth in business volumes.

The Bank's Balance Sheet remains robust, with Total Assets standing at **MUR 199.6bn**, up **17%** compared to December 2020. Loans and advances improved by **MUR 10.7bn** to reach **MUR 35.4bn** (December 2020: MUR 24.7bn) at end of December 2021 while loan-to-deposit ratio increased to **19 %** from 15% in the same period last year. The Bank continues to enjoy a high asset quality as a result of strict adherence to maintaining a disciplined and focused approach to lending, recovery and funding.

On the liability side of the Balance sheet, the Bank's deposits base grew from MUR 160.6bn at end of December 2020 to reach **MUR 189.2bn** by the end of December 2021 i.e. a growth of **18%**, thereby demonstrating our customers' confidence level in the Bank.

The Bank remains well capitalised with Capital Adequacy Ratio at **15.08%** as at December 2021 versus 17.23% at December 2020, maintaining a comfortable position against a regulatory limit of 12.88%.

The shareholders' equity of the Bank witnessed a slight growth of 6% period-on-period to reach **MUR 9.5bn** (December 2020: MUR 9.0bn) as at end of December 2021 due to positive bottom-line performance.

Economic Outlook

Global economy

Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The anxieties over the financial health of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects. The International Monetary Fund downgraded its global growth forecasts from 5.9 in 2021 to 4.4 percent in 2022–half a percentage point lower for 2022 than in the October World Economic Outlook.

Mauritian economy

On the domestic front, the economic outlook is now arguably the highest it has been since the start of the pandemic in early 2020. Confidence continues to be maintained through ongoing progress in the booster dose vaccination campaign. The opening of borders effective since 01 October 2021 and Mauritius exiting France's Scarlet Red list, on 08 December 2021, to ease ban on all business and tourist travels have brought on a collective sigh of relief for tourism operators. For the quarter October to December, Mauritius has welcomed over 170,000 tourists, with the majority coming from European countries such as France and the UK. The positive momentum given to the tourism sector has also benefited other economic sectors and helped uplift sentiment. The manufacturing sector is already showing encouraging signs amid the recovery in external demand, with strong orders for textile. Delisting of Mauritius from EU list of high-risk third countries.

The European Commission has confirmed that Mauritius no longer has strategic deficiencies in their Anti-Money Laundering / Combatting the Financing of Terrorism regime and that the country has established the legal and regulatory framework to meet the commitments in their action plans regarding the strategic deficiencies that the Financial Action Task Force ("FATF") had identified. Mauritius was previously removed from the FATF list of jurisdictions under increased monitoring in October 2021.

By Order of the Board 11 February 2022

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its unaudited interim condensed financial statements for the six months ended 31 December 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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