

Unaudited Interim Condensed Financial Statements for the
nine months ended **31 March 2022**

AFRASIA BANK LIMITED GROUP



Statements of Financial Position as at 31 March 2022

	THE GROUP			THE BANK		
	As at 31 March 2022 Unaudited	As at 31 March 2021 Unaudited	As at 30 June 2021 Audited	As at 31 March 2022 Unaudited	As at 31 March 2021 Unaudited	As at 30 June 2021 Audited
ASSETS	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Cash and cash equivalents	94,490,868	84,701,350	97,810,111	94,490,858	84,701,339	97,810,099
Due from banks	14,155,913	19,961,372	17,974,090	14,155,913	19,961,372	17,974,090
Derivative financial instruments	439,049	292,324	407,880	439,049	292,324	407,880
Loans and advances to banks	12,573,807	4,661,136	6,638,835	12,573,807	4,661,136	6,638,835
Loans and advances to customers	25,644,311	18,948,006	18,749,929	25,644,311	18,948,006	18,749,929
Investment securities	62,001,139	50,128,816	45,410,195	62,001,139	50,101,111	45,410,195
Property and equipment	130,634	148,832	137,437	130,634	148,832	137,437
Right of use assets	38,318	52,841	44,518	38,318	52,841	44,518
Intangible assets	327,780	284,682	288,679	327,780	284,682	288,679
Deferred tax assets	125,678	133,807	149,593	125,678	133,807	149,593
Other assets	2,678,804	2,481,762	2,471,954	2,678,804	2,485,729	2,471,954
TOTAL ASSETS	212,606,301	181,794,928	190,083,221	212,606,291	181,771,179	190,083,209
EQUITY AND LIABILITIES						
LIABILITIES						
Due to banks	206	1,197	1,000,122	206	1,197	1,000,122
Deposits from banks	436,604	279,147	364,726	436,604	279,147	364,726
Deposits from customers	201,214,530	171,518,701	178,832,286	201,228,592	171,532,565	178,846,558
Borrowings from financial institution	147,514	-	-	147,514	-	-
Derivative financial instruments	255,125	190,825	210,392	255,125	190,825	210,392
Retirement benefit obligations	73,189	99,851	73,189	73,189	99,851	73,189
Current tax liabilities	94,192	121,394	85,647	94,192	121,394	85,647
Lease liabilities	41,596	56,028	47,658	41,596	56,028	47,658
Other liabilities	536,580	288,592	412,507	535,607	288,173	407,993
TOTAL LIABILITIES	202,799,536	172,555,735	181,026,527	202,812,625	172,569,180	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	1,385,768	1,385,768	1,385,768	1,385,768	1,385,768
Retained earnings	3,299,527	2,972,095	2,693,075	3,267,917	2,944,095	2,664,794
Other reserves	1,480,421	1,240,281	1,336,802	1,498,932	1,231,087	1,355,313
TOTAL EQUITY	9,806,765	9,239,193	9,056,694	9,793,666	9,201,999	9,046,924
TOTAL EQUITY AND LIABILITIES	212,606,301	181,794,928	190,083,221	212,606,291	181,771,179	190,083,209

Unaudited Interim Condensed Financial Statements for the nine months ended **31 March 2022**

AFRASIA BANK LIMITED GROUP



Statements of Profit or Loss and Other Comprehensive Income for the nine months ended 31 March 2022

	THE GROUP					THE BANK				
	Three months ended 31 March 2022 Unaudited	Three months ended 31 March 2021 Unaudited	Nine months ended 31 March 2022 Unaudited	Nine months ended 31 March 2021 Unaudited	Year ended 30 June 2021 Audited	Three months ended 31 March 2022 Unaudited	Three months ended 31 March 2021 Unaudited	Nine months ended 31 March 2022 Unaudited	Nine months ended 31 March 2021 Unaudited	Year ended 30 June 2021 Audited
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	503,623	399,578	1,356,086	1,296,479	1,684,412	503,623	399,578	1,356,086	1,296,479	1,684,412
Interest expense	(125,381)	(124,563)	(382,923)	(447,397)	(613,283)	(127,876)	(123,857)	(384,725)	(446,691)	(611,994)
Net interest income, calculated using EIR method	378,242	275,015	973,163	849,082	1,071,129	375,747	275,721	971,361	849,788	1,072,418
Fee and commission income	248,790	213,688	747,563	641,400	877,757	248,790	213,707	747,563	641,513	877,870
Fee and commission expense	(88,562)	(89,217)	(259,749)	(265,669)	(313,605)	(88,562)	(89,216)	(259,748)	(267,438)	(315,370)
Net fee and commission income	160,228	124,471	487,814	375,731	564,152	160,228	124,491	487,815	374,075	562,500
Net trading income	266,646	221,590	890,118	676,894	948,341	263,517	221,789	887,690	675,828	945,243
Other (losses)/gains	(197)	4,173	(1,170)	4,384	1,696	(197)	4,173	(1,170)	4,384	1,696
Other operating loss	-	(106)	-	(106)	(1,843)	-	(106)	-	(106)	(106)
Total operating income	804,919	625,143	2,349,925	1,905,985	2,583,475	799,295	626,068	2,345,696	1,903,969	2,581,751
Net impairment (loss)/credit on financial assets	(21,696)	54,570	(34,833)	(282,189)	(470,747)	(21,696)	54,570	(34,833)	(282,189)	(465,131)
Net operating income	783,223	679,713	2,315,092	1,623,796	2,112,728	777,599	680,638	2,310,863	1,621,780	2,116,620
Personnel expenses	(197,522)	(202,268)	(569,468)	(493,724)	(662,934)	(197,522)	(202,268)	(569,468)	(493,724)	(662,934)
Depreciation of property and equipment	(6,108)	(8,628)	(19,312)	(27,125)	(35,633)	(6,108)	(8,628)	(19,312)	(27,125)	(35,633)
Depreciation of right of use assets	(7,936)	(8,157)	(23,347)	(24,522)	(32,912)	(7,936)	(8,157)	(23,347)	(24,522)	(32,912)
Amortisation of intangible assets	(10,866)	(9,326)	(29,699)	(32,398)	(41,966)	(10,866)	(9,326)	(29,699)	(32,398)	(41,966)
Other operating expenses	(243,275)	(77,318)	(452,866)	(245,334)	(313,733)	(243,191)	(77,314)	(451,966)	(244,254)	(319,544)
Total operating expenses	(465,707)	(305,697)	(1,094,692)	(823,103)	(1,087,178)	(465,623)	(305,693)	(1,093,792)	(822,023)	(1,092,989)
Operating profit	317,516	374,016	1,220,400	800,693	1,025,550	311,976	374,945	1,217,071	799,757	1,023,631
Gain on disposal of subsidiary	-	14,170	-	14,170	52,451	-	-	-	-	-
Profit before tax	317,516	388,186	1,220,400	814,863	1,078,001	311,976	374,945	1,217,071	799,757	1,023,631
Tax expense	(35,186)	(59,460)	(170,508)	(133,966)	(148,405)	(35,186)	(59,460)	(170,508)	(133,966)	(148,405)
Profit for the period/year from continuing operations	282,330	328,726	1,049,892	680,897	929,596	276,790	315,485	1,046,563	665,791	875,226
Discontinued operations										
Loss for the period/year from discontinued operations	-	(1,919)	-	(12,831)	(13,540)	-	-	-	-	-
Profit for the period/year	282,330	326,807	1,049,892	668,066	916,056	276,790	315,485	1,046,563	665,791	875,226
Other comprehensive (loss)/income that will not be reclassified to profit or loss:										
Remeasurement of retirement benefit obligations	-	-	-	-	41,444	-	-	-	-	41,444
Deferred tax on remeasurement of retirement benefit obligations	-	-	-	-	(2,446)	-	-	-	-	(2,446)
Fair value (loss)/gain on equity instruments designated at fair value through other comprehensive income	-	(1,163)	209	386	(25,736)	-	-	209	(101)	1,482
	-	(1,163)	209	386	13,262	-	-	209	(101)	40,480
Other comprehensive (loss)/income for the period/year	-	(1,163)	209	386	13,262	-	-	209	(101)	40,480
Total comprehensive income for the period/year attributable to equity holders of the parent	282,330	325,644	1,050,101	668,452	929,318	276,790	315,485	1,046,772	665,690	915,706

Prior year figures have been regrouped to conform to current year presentation.

Statements of Changes in Equity for the nine months ended 31 March 2022

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	-	-	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 Guideline	-	-	146,054	(146,054)	-
Deconsolidation adjustment	-	(14,000)	-	-	(14,000)
Appropriation of reserves	-	-	(60,523)	60,523	-
Dividends	-	-	(66,741)	-	(66,741)
At 31 March 2021 (unaudited)	3,641,049	1,385,768	2,972,095	1,240,281	9,239,193
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	-	-	1,049,892	-	1,049,892
Other comprehensive income	-	-	-	209	209
Total comprehensive income for the period	-	-	1,049,892	209	1,050,101
Appropriation of reserves	-	-	(143,410)	143,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 31 March 2022 (unaudited)	3,641,049	1,385,768	3,299,527	1,480,421	9,806,765
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 (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
At 1 July 2020 (audited)	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 (audited)	3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
At 1 July 2021 (audited)	3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
Profit for the period	-	-	1,046,563	-	1,046,563
Other comprehensive income	-	-	-	209	209
Total comprehensive income for the period	-	-	1,046,563	209	1,046,772
Appropriation of reserves	-	-	(143,410)	143,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 31 March 2022 (unaudited)	3,641,049	1,385,768	3,267,917	1,498,932	9,793,666

Unaudited Interim Condensed Financial Statements for the nine months ended **31 March 2022**

AFRASIA BANK LIMITED GROUP



Statements of Cash Flows for the nine months ended 31 March 2022

	THE GROUP			THE BANK		
	Nine months ended 31 March 2022 Unaudited	Nine months ended 31 March 2021 Unaudited	Year ended 30 June 2021 Audited	Nine months ended 31 March 2022 Unaudited	Nine months ended 31 March 2021 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	(2,912,258)	15,754,647	29,285,044	(2,912,256)	15,758,464	29,288,763
Net cash flows used in investing activities	(82,994)	(61,456)	(79,698)	(82,994)	(60,558)	(78,706)
Net cash flows used in financing activities	(325,808)	(25,141)	(424,475)	(325,808)	(25,141)	(424,475)
Net cash flows for the period/year	(3,321,060)	15,668,050	28,780,871	(3,321,058)	15,672,765	28,785,582
Movement in cash and cash equivalents						
Cash and cash equivalents at start of period/year	97,810,014	69,030,100	69,030,099	97,810,002	69,025,374	69,025,376
Net (decrease)/increase in cash and cash equivalents	(3,321,060)	15,668,050	28,780,871	(3,321,058)	15,672,765	28,785,582
Effect of IFRS 9 impairment credit/(charge)	1,708	2,004	(956)	1,708	2,004	(956)
Cash and cash equivalents at end of period/year	94,490,662	84,700,154	97,810,014	94,490,652	84,700,143	97,810,002

Management Comments

Financial Highlights

For the nine months ended 31 March 2022, AfrAsia Bank Limited (the "Bank") has sustained a steady financial performance to achieve a net profit after tax ("NPAT") of **MUR 1.0bn**, representing a significant increase of **57%** compared to the same period last year (March 2021: MUR 665.8m). This performance was mainly driven by a general uptick in yield levels, bettered trading income, improved fee income and lower impairment loss on financial assets compared to the same period last year.

As a result of an increase in loans and advances, the Bank witnessed a rise of **14%** in net interest income to reach **MUR 971.4m** in this period from MUR 849.8m in March 2021.

Net fee and commission income, a major contributor to the NPAT rose by **30%** to stand at **MUR 487.8m** as at end of March 2022, compared to MUR 374.1m as at March 2021. This increase was primarily supported by a higher volume of transactions resulting in a growth in commissions.

Net trading income, being another major contributor to the increase in NPAT, climbed sharply by **MUR 211.9m** – a **31%** increase – to reach **MUR 887.7m** (March 2021: MUR 675.8m).

In the financial statements, net impairment on financial assets of **MUR 34.8m** has been catered for, including bad debt recovery of **MUR 33.6m**. The Bank will continuously monitor the prevailing economic conditions and reassess its impairment level accordingly.

Operating income and operating expenses grew by **23%** and **33%** respectively as compared to the same period last year. Cost-to-income ratio stood at **47%** as at end of March 2022 in spite of a strong surge in business volumes.

The Bank's Balance Sheet remains robust, with Total Assets standing at **MUR 212.6bn**, up **17%** compared to March 2021. Loans and advances improved by **MUR 14.6bn** to reach **MUR 38.2bn** (March 2021: MUR 23.6bn) as at end of March 2022 and loan-to-deposit ratio increased to **19%** from 14% in the same period last year.

On the liability side of the Balance sheet, the Bank's deposits base rose from MUR 171.8bn as at end of March 2021 to **MUR 201.7bn** by the end of March 2022, representing a growth of **17%**, which demonstrates our customers' confidence level in the AfrAsia brand.

The Bank's total Capital Adequacy Ratio stood at **14.82%** against a regulatory limit of 12.88% as at March 2022, in comparison to 16.84% as at March 2021.

The shareholders' equity of the Bank witnessed a slight growth of **6%** period-on-period to reach **MUR 9.8bn** (March 2021: MUR 9.2bn) as at end of March 2022 attributed to the positive bottom-line performance.

Economic Outlook

Global Economy

While the pandemic phase of COVID-19 appears to be winding down, heightened waves of uncertainty and fear are coming on the horizon. China's aggressive measures to curb the pandemic spread are posing a risk of higher production prices and delays in shipments. On the other side, the Russo-Ukrainian war and massive sanctions imposed on Russia have dramatically elevated the risk of commodity prices rising. Given the constantly-evolving situation, there is an ongoing uncertainty over how the conflict will play out over the medium and long term. The International Monetary Fund has revised down the Global growth from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023.

Domestic Economy

Despite our restricted exposure with Russia and Ukraine, Mauritius is not insulated from its ramifications, including amongst others, an acute rise in input costs disrupting consumption levels and supply chains. This also brings its tremors on our economic output's efficiency whereby forecasted growth levels in core sectors have to be toned down but we remain hopeful that an offset will be brought about through higher tourist arrivals. The determining factors, however, will depend on the magnitude and duration of the evolution of the ongoing conflict. In the face of heightened risks to inflation while continuing to promote macroeconomic conditions conducive to recovery, on the 09th March 2022, the Monetary Policy Committee (MPC) raised the Key Repo Rate (KRR) by 15 basis points to 2.00% per annum.

By Order of the Board
12 May 2022

For the information of stakeholders, AfrAsia Bank Limited is pleased to present its unaudited interim condensed financial statements for the nine months ended 31 March 2022.

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.