



**CONDENSED AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2024**

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## **MANAGEMENT'S DISCUSSION & ANALYSIS**

AfrAsia Bank Limited (the "Bank") is pleased to present its audited condensed financial statements for the year ended 30 June 2024.

### **Financial Highlights**




#### **As at 30 June 2024**

Key figures (compared to last financial year)

<b>MUR 62.5bn</b> (2023 - MUR 52.5bn)	 <b>19%</b>	<b>MUR 19.3bn</b> (2023 - MUR 15.4bn)	 <b>25%</b>	<b>MUR 240.2bn</b> (2023 - MUR 213.6bn)	 <b>12%</b>
<b>Loans and advances</b>		<b>Total equity</b>		<b>Deposits</b>	

#### **For the year ended 30 June 2024**

Key figures (compared to last financial year)

<b>MUR 7.0bn</b> (2023 - MUR 5.9bn)	 <b>19%</b>	<b>MUR 7.1bn</b> (2023 - MUR 5.7bn)	 <b>25%</b>	<b>MUR 9.9bn</b> (2023 - MUR 8.0bn)	 <b>23%</b>
<b>Net profit after tax</b>		<b>Net interest income</b>		<b>Total operating income</b>	

### **Results Overview**

The Bank delivered solid financial results for the year ended 30 June 2024, reporting a net profit after tax ("NPAT") of **MUR 7.0bn**, reflecting a robust **19%** growth compared to the last financial year (2023: MUR 5.9bn).

For the year ended 30 June 2024, the Bank's net interest income grew by **25%** year-on-year, reaching **MUR 7.1bn**, up from MUR 5.7bn in the prior year. This increase was primarily driven by the sustained high-yield environment and the expansion of the Bank's average interest-bearing assets.

Net trading income ("NTI"), another important contributor to NPAT, increased by **23%**, rising from MUR 1.5bn in June 2023 to **MUR 1.8bn** by the end of June 2024. This rise was propelled by income generated from new acquisitions of debt instruments which also benefitted from yield movements during the current financial year. Additionally, NTI benefitted from the effective management of foreign exposure. The Bank has demonstrated strong resilience to high foreign exchange volatility despite ongoing foreign exchange liquidity constraints and rupee depreciation in the domestic market throughout 2024. This resilience was further underpinned by a general pickup in forex business volumes.

Net fee and commission income went up by **11%**, growing from MUR 842.6m in the prior financial year to **MUR 936.3m** for the year ended 30 June 2024. This growth was largely driven by higher transactional volumes of overseas transfers.

The Bank recorded a net impairment credit on financial assets of **MUR 49.3m** (2023: MUR 243.6m). This impairment credit primarily resulted from the recovery of bad debts, which was partly offset by adjustments made to the Expected Credit Losses model during the current financial year.

On the operating expenses side, an increase of **6%** was noted as compared to the previous financial year. As a result of the enhanced operating income and relatively stable operating expenses year-on-year, the cost-to-income ratio decreased to **18%** as at 30 June 2024, down from 20% in the previous financial year.

The Bank's balance sheet remains strong, with total assets rising to **MUR 261.7bn** as at 30 June 2024, reflecting a **13%** increase from MUR 231.6bn as at 30 June 2023. This growth was enabled by the expansion of the Bank's deposit base.

In line with its focus on diversifying investments and enhancing its lending strategy while maintaining a prudent approach, the Bank's loans and advances grew actively by **19%** to reach **MUR 62.5bn** as at 30 June 2024 (2023: MUR 52.5bn), resulting in a slight rise in the loan-to-deposit ratio to **26%** from 25% in the previous financial year, triggered by the relative increase in both determinants of the ratio.

On the liability side of the balance sheet, the Bank's deposit base grew by **12%**, rising from MUR 213.6bn as at 30 June 2023 to **MUR 240.2bn** as at 30 June 2024. This growth, despite a challenging economic climate, underscores the Bank's strong market position and the strength of its client-focused strategies.

The Bank's total capital adequacy ratio stood at **20.55%** as at 30 June 2024, up from 19.40% as at 30 June 2023.

## 7 MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)

### Results Overview (Continued)

The Bank's shareholders' equity witnessed a significant year-on-year increase of **25%**, reaching **MUR 19.3bn** as at 30 June 2024 (2023: MUR 15.4bn). This notable expansion is due to the ongoing improvement in the Bank's profitability.

### Global Economy

The global economy has outpaced most forecasts in 2024 with inflation not moderating as quickly as expected. Inflation has been largely driven by strong consumption in the services sector, lowering the risk of a global recession, while the global manufacturing sector is still in excess supply. The latest International Monetary Fund report maintained its growth forecasts for the world economy at 3.2% for 2024 and 3.3% for 2025. The easing of financial and monetary conditions, as started by the Swiss National Bank, the European Central Bank, the Bank of England and the most recent rate cut by the Federal Reserve Bank, indicates a continued trend towards lowering interest rates. However, geopolitical risks and the outcome of the U.S. elections on the United States - China relationship continue to weigh on an uncertain outlook in a slowing global economy.

Source: International Monetary Fund

### Domestic Economy

The local economy continues to expand, with GDP growing by 7% in 2023, driven by robust household spending, rising tourism revenue, major construction projects and a strong financial sector. Real GDP growth is expected to be 6.5% in 2024. Economic indicators showed a positive trend, with the tourism industry contributing to a reduction in the current account deficit, expected to decrease to 4.0% in 2024 from 4.5% in 2023. In addition, headline inflation dropped significantly to 4.5% in June 2024, down from 10.5% in June 2023, bringing inflation back within the Bank of Mauritius' target range of 2% to 5% for the first time since the introduction of the new monetary policy framework in January 2023. On 20<sup>th</sup> September 2024, the Bank of Mauritius has reduced the Key Rate by 50 basis points from 4.50 per cent to 4.00 per cent per annum. The labour market remained resilient, with an unemployment rate of 6.3% for the first quarter of 2024.

Source: Bank of Mauritius & Statistics Mauritius



**Olivier Emmanuel Jauffret**  
Chairperson



**Thierry Vallet**  
Chief Executive Officer



**Joan Jill Wan Bok Nale**  
Audit Committee Chairperson

Date: 25 September 2024

## 7 INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

### Approval of consolidated and separate financial statements

The audited consolidated and separate financial statements have been approved by the Board and abridged for purposes of this report. Ernst & Young has expressed an unmodified audit opinion on the consolidated and separate financial statements.

The audited consolidated and separate financial statements are available for inspection at the Bank's registered address. This abridged report is extracted from audited information and the auditor's report is on the consolidated and separate financial statements as a whole but not on the abridged financial information. The auditor's report does not necessarily cover all of the information contained in this announcement.

Stakeholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work they should view the report together with the accompanying financial information.

**CONDENSED AUDITED STATEMENTS OF FINANCIAL POSITION**  
AS AT 30 JUNE 2024

	THE GROUP			THE BANK		
	2024	2023	2022	2024	2023	2022
<b>ASSETS</b>	<b>MUR'000</b>	<b>MUR'000</b>	<b>MUR'000</b>	<b>MUR'000</b>	<b>MUR'000</b>	<b>MUR'000</b>
Cash and balances with banks	18,847,227	16,757,284	46,935,661	18,847,227	16,757,277	46,935,652
Due from banks	38,511,567	47,682,116	47,333,177	38,511,567	47,682,116	47,333,177
Derivative financial instruments	366,664	385,550	371,979	366,664	385,550	371,979
Loans and advances to banks	14,647,416	13,189,589	11,990,476	14,647,416	13,189,589	11,990,476
Loans and advances to customers	47,857,486	39,266,981	27,256,624	47,857,486	39,266,981	27,256,624
Investment securities	134,697,387	108,685,735	70,965,299	134,697,387	108,685,735	70,965,299
Other assets	5,608,828	4,751,969	3,423,651	5,608,822	4,751,962	3,423,651
Property and equipment	604,442	159,161	119,206	604,442	159,161	119,206
Right of use assets	45,421	65,779	101,088	45,421	65,779	101,088
Intangible assets	265,545	362,778	362,436	265,545	362,778	362,436
Deferred tax assets	294,219	280,787	140,092	294,219	280,787	140,092
<b>TOTAL ASSETS</b>	<b>261,746,202</b>	<b>231,587,729</b>	<b>208,999,689</b>	<b>261,746,196</b>	<b>231,587,715</b>	<b>208,999,680</b>
<b>EQUITY AND LIABILITIES</b>						
<b>LIABILITIES</b>						
Due to banks	868	-	1,644	868	-	1,644
Deposits from banks	335,051	358,723	369,587	335,051	358,723	369,587
Deposits from customers	239,910,949	213,229,467	197,072,336	239,913,413	213,232,468	197,075,719
Borrowings from financial institution	167,183	150,918	140,547	167,183	150,918	140,547
Derivative financial instruments	224,771	204,959	166,845	224,771	204,959	166,845
Current tax liabilities	522,721	821,973	182,700	522,721	821,973	182,700
Lease liabilities	44,582	64,663	100,378	44,582	64,663	100,378
Other liabilities	1,082,422	1,197,332	694,194	1,081,555	1,196,336	693,221
Employee benefits	186,599	110,936	79,240	186,599	110,936	79,240
<b>TOTAL LIABILITIES</b>	<b>242,475,146</b>	<b>216,138,971</b>	<b>198,807,471</b>	<b>242,476,743</b>	<b>216,140,976</b>	<b>198,809,881</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>						
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	10,379,176	7,724,718	3,568,710	10,359,062	7,704,188	3,547,780
Other reserves	3,865,063	2,697,223	1,596,691	3,883,574	2,715,734	1,615,202
<b>TOTAL EQUITY</b>	<b>19,271,056</b>	<b>15,448,758</b>	<b>10,192,218</b>	<b>19,269,453</b>	<b>15,446,739</b>	<b>10,189,799</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>261,746,202</b>	<b>231,587,729</b>	<b>208,999,689</b>	<b>261,746,196</b>	<b>231,587,715</b>	<b>208,999,680</b>

**CONDENSED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 30 JUNE 2024

	THE GROUP			THE BANK		
	2024	2023	2022	2024	2023	2022
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	11,402,418	7,292,926	2,009,725	11,402,418	7,292,926	2,009,725
Interest expense	(4,258,025)	(1,580,744)	(515,805)	(4,258,025)	(1,580,744)	(517,607)
<b>Net interest income, calculated using EIR method</b>	<b>7,144,393</b>	<b>5,712,182</b>	<b>1,493,920</b>	<b>7,144,393</b>	<b>5,712,182</b>	<b>1,492,118</b>
Fee and commission income	1,412,811	1,241,015	1,049,649	1,412,811	1,241,015	1,049,649
Fee and commission expense	(476,540)	(398,389)	(347,114)	(476,539)	(398,388)	(347,113)
<b>Net fee and commission income</b>	<b>936,271</b>	<b>842,626</b>	<b>702,535</b>	<b>936,272</b>	<b>842,627</b>	<b>702,536</b>
Net trading income	1,829,991	1,489,505	1,168,066	1,829,986	1,489,502	1,166,494
Other gains/(losses)	1,187	391	(1,191)	1,187	391	(1,191)
Other operating income	4,069	629	-	4,069	629	-
<b>Total operating income</b>	<b>9,915,911</b>	<b>8,045,333</b>	<b>3,363,330</b>	<b>9,915,907</b>	<b>8,045,331</b>	<b>3,359,957</b>
Net impairment credit/(loss) on financial assets	49,315	243,645	(65,818)	49,315	243,645	(65,818)
<b>Net operating income</b>	<b>9,965,226</b>	<b>8,288,978</b>	<b>3,297,512</b>	<b>9,965,222</b>	<b>8,288,976</b>	<b>3,294,139</b>
Personnel expenses	(968,260)	(959,075)	(801,729)	(968,260)	(959,075)	(801,729)
Depreciation of property and equipment	(30,419)	(28,599)	(40,062)	(30,419)	(28,599)	(40,062)
Depreciation of right of use assets	(23,586)	(35,309)	(31,669)	(23,586)	(35,309)	(31,669)
Amortisation of intangible assets	(92,981)	(60,495)	(52,236)	(92,981)	(60,495)	(52,236)
Other operating expenses	(624,036)	(555,514)	(677,129)	(623,616)	(555,112)	(676,229)
<b>Total operating expenses</b>	<b>(1,739,282)</b>	<b>(1,638,992)</b>	<b>(1,602,825)</b>	<b>(1,738,862)</b>	<b>(1,638,590)</b>	<b>(1,601,925)</b>
<b>Operating profit</b>	<b>8,225,944</b>	<b>6,649,986</b>	<b>1,694,687</b>	<b>8,226,360</b>	<b>6,650,386</b>	<b>1,692,214</b>
Impairment credit on receivable from subsidiary	-	-	-	-	-	9,824
<b>Profit before tax</b>	<b>8,225,944</b>	<b>6,649,986</b>	<b>1,694,687</b>	<b>8,226,360</b>	<b>6,650,386</b>	<b>1,702,038</b>
Tax expense	(1,201,419)	(771,416)	(265,421)	(1,201,419)	(771,416)	(265,421)
<b>Profit for the year</b>	<b>7,024,525</b>	<b>5,878,570</b>	<b>1,429,266</b>	<b>7,024,941</b>	<b>5,878,970</b>	<b>1,436,617</b>
<b>Other comprehensive (loss)/income that will not be reclassified to profit or loss:</b>						
Remeasurement of employee benefits	(97,115)	3,371	5,114	(97,115)	3,371	5,114
Deferred tax on remeasurement of employee benefits	13,151	(693)	(305)	13,151	(693)	(305)
Fair value gain on equity investments designated at fair value through other comprehensive income	631	917	2,381	631	917	2,381
Revaluation gain/(loss) on equity investments designated at fair value through other comprehensive income	330	756	(902)	330	756	(902)
<b>Other comprehensive (loss)/income for the year</b>	<b>(83,003)</b>	<b>4,351</b>	<b>6,288</b>	<b>(83,003)</b>	<b>4,351</b>	<b>6,288</b>
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>	<b>6,941,522</b>	<b>5,882,921</b>	<b>1,435,554</b>	<b>6,941,938</b>	<b>5,883,321</b>	<b>1,442,905</b>

**CONDENSED AUDITED STATEMENTS OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 30 JUNE 2024

	THE GROUP				
	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
<b>Attributable to equity holders of the parent</b>					
At 1 July 2021	3,641,049	1,385,768	2,693,075	1,336,802	9,056,694
Profit for the year	-	-	1,429,266	-	1,429,266
Other comprehensive income	-	-	4,809	1,479	6,288
Total comprehensive income for the year	-	-	1,434,075	1,479	1,435,554
Appropriation of reserves	-	-	(258,410)	258,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 30 June 2022	3,641,049	1,385,768	3,568,710	1,596,691	10,192,218
At 1 July 2022	3,641,049	1,385,768	3,568,710	1,596,691	10,192,218
Profit for the year	-	-	5,878,570	-	5,878,570
Other comprehensive income	-	-	2,678	1,673	4,351
Total comprehensive income for the year	-	-	5,881,248	1,673	5,882,921
Appropriation of reserves	-	-	(897,820)	897,820	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(201,039)	201,039	-
Dividends	-	-	(626,381)	-	(626,381)
At 30 June 2023	3,641,049	1,385,768	7,724,718	2,697,223	15,448,758
<b>At 1 July 2023</b>	<b>3,641,049</b>	<b>1,385,768</b>	<b>7,724,718</b>	<b>2,697,223</b>	<b>15,448,758</b>
<b>Profit for the year</b>	-	-	<b>7,024,525</b>	-	<b>7,024,525</b>
<b>Other comprehensive (loss)/income</b>	-	-	<b>(83,964)</b>	<b>961</b>	<b>(83,003)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>6,940,561</b>	<b>961</b>	<b>6,941,522</b>
<b>Appropriation of reserves</b>	-	-	<b>(1,087,670)</b>	<b>1,087,670</b>	-
<b>Additional provision in relation to Bank of Mauritius Guideline</b>	-	-	<b>(79,209)</b>	<b>79,209</b>	-
<b>Dividends</b>	-	-	<b>(3,119,224)</b>	-	<b>(3,119,224)</b>
<b>At 30 June 2024</b>	<b>3,641,049</b>	<b>1,385,768</b>	<b>10,379,176</b>	<b>3,865,063</b>	<b>19,271,056</b>

	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 2021	3,641,049	1,385,768	2,664,794	1,355,313	9,046,924
Profit for the year	-	-	1,436,617	-	1,436,617
Other comprehensive income	-	-	4,809	1,479	6,288
Total comprehensive income for the year	-	-	1,441,426	1,479	1,442,905
Appropriation of reserves	-	-	(258,410)	258,410	-
Dividends	-	-	(300,030)	-	(300,030)
At 30 June 2022	3,641,049	1,385,768	3,547,780	1,615,202	10,189,799
At 1 July 2022	3,641,049	1,385,768	3,547,780	1,615,202	10,189,799
Profit for the year	-	-	5,878,970	-	5,878,970
Other comprehensive income	-	-	2,678	1,673	4,351
Total comprehensive income for the year	-	-	5,881,648	1,673	5,883,321
Appropriation of reserves	-	-	(897,820)	897,820	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(201,039)	201,039	-
Dividends	-	-	(626,381)	-	(626,381)
At 30 June 2023	3,641,049	1,385,768	7,704,188	2,715,734	15,446,739
<b>At 1 July 2023</b>	<b>3,641,049</b>	<b>1,385,768</b>	<b>7,704,188</b>	<b>2,715,734</b>	<b>15,446,739</b>
<b>Profit for the year</b>	-	-	<b>7,024,941</b>	-	<b>7,024,941</b>
<b>Other comprehensive (loss)/income</b>	-	-	<b>(83,964)</b>	<b>961</b>	<b>(83,003)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>6,940,977</b>	<b>961</b>	<b>6,941,938</b>
<b>Appropriation of reserves</b>	-	-	<b>(1,087,670)</b>	<b>1,087,670</b>	-
<b>Additional provision in relation to Bank of Mauritius Guideline</b>	-	-	<b>(79,209)</b>	<b>79,209</b>	-
<b>Dividends</b>	-	-	<b>(3,119,224)</b>	-	<b>(3,119,224)</b>
<b>At 30 June 2024</b>	<b>3,641,049</b>	<b>1,385,768</b>	<b>10,359,062</b>	<b>3,883,574</b>	<b>19,269,453</b>

**CONDENSED AUDITED STATEMENTS OF CASH FLOWS**  
FOR THE YEAR ENDED 30 JUNE 2024

	THE GROUP			THE BANK		
	2024	2023	2022	2024	2023	2022
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
<b>OPERATING ACTIVITIES</b>						
Cash flows used in operating activities	(2,768,991)	(25,251,310)	(13,730,419)	(2,768,984)	(25,251,308)	(13,730,416)
Tax paid	(1,500,952)	(272,354)	(159,094)	(1,500,952)	(272,354)	(159,094)
<b>Net cash flows used in operating activities</b>	<b>(4,269,943)</b>	<b>(25,523,664)</b>	<b>(13,889,513)</b>	<b>(4,269,936)</b>	<b>(25,523,662)</b>	<b>(13,889,510)</b>
<b>INVESTING ACTIVITIES</b>						
Purchase of property and equipment	(475,700)	(69,101)	(23,250)	(475,700)	(69,101)	(23,250)
Purchase of intangible assets	(77,387)	(57,563)	(115,049)	(77,387)	(57,563)	(115,049)
<b>Net cash flows used in investing activities</b>	<b>(553,087)</b>	<b>(126,664)</b>	<b>(138,299)</b>	<b>(553,087)</b>	<b>(126,664)</b>	<b>(138,299)</b>
<b>FINANCING ACTIVITIES</b>						
Repayment of principal portion of lease liabilities	(23,589)	(34,999)	(35,309)	(23,589)	(34,999)	(35,309)
Dividends paid	(3,119,224)	(626,380)	(384,788)	(3,119,224)	(626,380)	(384,788)
<b>Net cash flows used in financing activities</b>	<b>(3,142,813)</b>	<b>(661,379)</b>	<b>(420,097)</b>	<b>(3,142,813)</b>	<b>(661,379)</b>	<b>(420,097)</b>
<b>Net cash flows for the year</b>	<b>(7,965,843)</b>	<b>(26,311,707)</b>	<b>(14,447,909)</b>	<b>(7,965,836)</b>	<b>(26,311,705)</b>	<b>(14,447,906)</b>
<b>Movement in cash and cash equivalents</b>						
Cash and cash equivalents at 1 July	50,552,201	75,114,651	89,562,560	50,552,194	75,114,642	89,562,548
Net decrease in cash and cash equivalents	(7,965,843)	(26,311,707)	(14,447,909)	(7,965,836)	(26,311,705)	(14,447,906)
Net foreign exchange difference	1,608,183	1,749,257	-	1,608,183	1,749,257	-
<b>Cash and cash equivalents at 30 June</b>	<b>44,194,541</b>	<b>50,552,201</b>	<b>75,114,651</b>	<b>44,194,541</b>	<b>50,552,194</b>	<b>75,114,642</b>

By Order of the Board  
Company Secretary  
25 September 2024

AfrAsia Bank Limited is pleased to present its condensed audited financial statements for the year ended 30 June 2024. A copy of the said condensed audited financial statements has been published on the Bank's website [www.afrasiabank.com](http://www.afrasiabank.com).