



**CONDENSED AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2025**

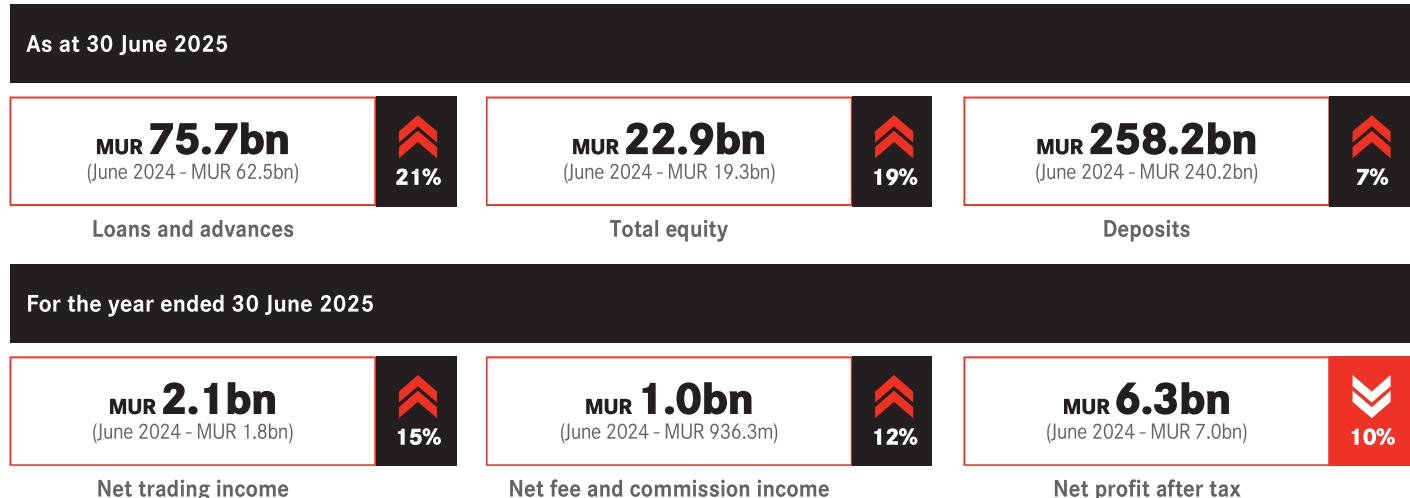
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MANAGEMENT'S DISCUSSION & ANALYSIS

AfrAsia Bank Limited (the “Bank”) is pleased to present its audited condensed financial statements for the year ended 30 June 2025.

Financial Highlights



Results Overview

For the financial year ended 30 June 2025, the Bank recorded a net profit after tax (“NPAT”) of **MUR 6.3bn**. This represents a **10%** decline compared to the corresponding year ended 30 June 2024 (MUR 7.0bn), primarily due to higher impairment charges, increased operating expenses and higher contribution in taxes, attributable to the newly introduced Corporate Climate Responsibility Levy, which came into effect on 01 July 2024.

Net interest income increased marginally to **MUR 7.2bn** for the year ended 30 June 2025, up from MUR 7.1bn for the same period in 2024. The Bank sustained its interest income vis-à-vis the prior financial year, underpinned by the continued growth and resilience of its balance sheet, which helped offset the impact of the falling interest rates, particularly across USD and EUR-denominated assets.

During the current financial year, the Bank’s net trading income, a key contributor to NPAT, rose by **15%** to **MUR 2.1bn**, up from MUR 1.8bn in the prior year. This strong performance was underpinned by the Bank’s proactive sales approach, enabling it to capitalise on new opportunities and drive sustainable growth. This result was further supported by effective management of foreign currency exposures, despite global market volatility.

Net fee and commission income grew by **12%** rising from MUR 936.3m for the year ended 30 June 2024 to **MUR 1.0bn** for the year ended 30 June 2025. This growth was achieved through increased volume of overseas transfers, partly absorbed by higher commission expenses paid to correspondent banks, along with a rise in net card income.

The Bank recorded a net impairment loss on financial assets of **MUR 403.3m**, compared to an impairment credit of MUR 49.3m in the previous year. The impairment loss, during the year, primarily reflects challenges arising from distressed restructurings and a deterioration in the credit profile of certain exposures. The Bank continues to closely monitor economic conditions to reassess its impairment provisions accordingly.

Operating income and operating expenses grew by **4%** and **28%** respectively, compared to the prior year. The cost-to-income ratio increased to reach **21%** as at 30 June 2025, up from 18% as at 30 June 2024.

The Bank’s total assets stood at **MUR 283.4bn**, representing a year-on-year rise of **8%**, with funds increasingly channelled towards interbank placements, loans and advances. Loans and advances saw a strong increase of **21%**, reaching **MUR 75.7bn** as at 30 June 2025 (30 June 2024: MUR 62.5bn), mainly resulting from multiple new disbursements during the current year. This growth contributed to an improvement in the loan-to-deposit ratio, which rose to **29%** from 26% for last year.

On the liability side of the balance sheet, the Bank’s deposit base increased by **7%**, rising from MUR 240.2bn as at 30 June 2024 to **MUR 258.2bn** as at 30 June 2025. This rise was driven by the stickiness of our deposits in a relatively lower yield environment, where customers prioritised stability and secured returns and this favoured fixed deposits. Additionally, the growing customer portfolio further affirmed the Bank’s strong market position.

The Bank’s total capital adequacy ratio stood at **20.30%** as at 30 June 2025, as compared to 20.55% as at 30 June 2024.

The Bank’s shareholders’ equity grew significantly by **19%** period-on-period, reaching **MUR 22.9bn** as at 30 June 2025 (30 June 2024: MUR 19.3bn).

■ MANAGEMENT'S DISCUSSION & ANALYSIS (CONTINUED)

Global Economy

In its latest report, the International Monetary Fund ("IMF") reviewed its projected global growth for 2025 to 3% (up from 2.8% in April 2025), and to 3.1% for 2026. The upward adjustment reflects stronger-than-expected accelerated economic activity in anticipation of higher tariffs, lower average effective US tariff rates, improved financial conditions due to a weaker US dollar and fiscal expansion in some major jurisdictions.

Accordingly, global headline inflation is projected to fall to 4.2% in 2025 and 3.6% in 2026, according to the IMF. The European Central Bank has responded with eight rate cuts, bringing the benchmark deposit rate to 2.0%, from its peak of 4.0% in June 2024. Following its September 2025 meeting, the Federal Reserve, through the Federal Open Market Committee ("FOMC"), has decided to lower the target range for the federal funds rate to 4.00%–4.25%, with expectations being for further changes to the rate by the end of 2025.

Source: IMF, European Central Bank & FED.

Domestic Economy

The Mauritian economy continued to expand in 2024, although at a slower pace than initially projected, with real GDP growth reaching 4.9%. While the Bank of Mauritius had forecasted GDP growth for 2025 at 3.0–3.5% in May 2025, the August 2025 Monetary Policy Committee ("MPC") now anticipates growth closer to 3.0%, reflecting the impact of fiscal tightening and ongoing uncertainty. Headline inflation edged up for the fourth consecutive month to 3.1% in July 2025 while year on year inflation remained elevated at 5.2%. Following the MPC in August 2025, the Bank of Mauritius maintained the Key Rate at 4.50% per annum.

Moody's rating for Mauritius has been kept at Baa3 negative and the main challenge remains the significant debt burden, with public debt at 90% of GDP (MUR 642bn). According to the Bank of Mauritius, global inflation stemming from tariffs may pose a more entrenched risk to medium-term price stability. On the back of this, coordinated fiscal and monetary policy responses will be expected, along with ongoing reform efforts to sustain growth and enhance resilience.

Source: Bank of Mauritius, Moody's & Mauritius Chamber of Commerce and Industry.



Olivier Emmanuel Jauffret

Chairperson



Thierry Vallet

Chief Executive Officer



Alastair James Bryce

Director

Date: 22 September 2025

■ 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 2025

	THE GROUP			THE BANK		
	2025	2024	2023	2025	2024	2023
ASSETS						
Cash and balances with banks	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
14,140,601	18,847,227	16,757,284	14,140,601	18,847,227	16,757,277	
Due from banks	54,374,971	38,511,567	47,682,116	54,374,971	38,511,567	47,682,116
Derivative financial instruments	136,312	366,664	385,550	136,312	366,664	385,550
Loans and advances to banks	20,955,184	14,647,416	13,189,589	20,955,184	14,647,416	13,189,589
Loans and advances to customers	54,733,965	47,857,486	39,266,981	54,733,965	47,857,486	39,266,981
Investment securities	130,601,501	134,697,387	108,685,735	130,601,501	134,697,387	108,685,735
Other assets	6,578,196	5,608,828	4,751,969	6,578,190	5,608,822	4,751,962
Property and equipment	796,515	604,442	159,161	796,515	604,442	159,161
Right of use assets	441,847	45,421	65,779	441,847	45,421	65,779
Intangible assets	262,569	265,545	362,778	262,569	265,545	362,778
Deferred tax assets	379,952	294,219	280,787	379,952	294,219	280,787
TOTAL ASSETS	283,401,613	261,746,202	231,587,729	283,401,607	261,746,196	231,587,715
EQUITY AND LIABILITIES						
LIABILITIES						
Due to banks	2	868	-	2	868	-
Deposits from banks	200,548	335,051	358,723	200,548	335,051	358,723
Deposits from customers	257,972,767	239,910,949	213,229,467	257,974,800	239,913,413	213,232,468
Borrowings from financial institution	157,253	167,183	150,918	157,253	167,183	150,918
Derivative financial instruments	78,394	224,771	204,959	78,394	224,771	204,959
Current tax liabilities	431,413	522,721	821,973	431,413	522,721	821,973
Lease liabilities	444,038	44,582	64,663	444,038	44,582	64,663
Other liabilities	979,142	1,082,422	1,197,332	978,222	1,081,555	1,196,336
Employee benefits	188,174	186,599	110,936	188,174	186,599	110,936
TOTAL LIABILITIES	260,451,731	242,475,146	216,138,971	260,452,844	242,476,743	216,140,976
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	12,470,049	10,379,176	7,724,718	12,450,419	10,359,062	7,704,188
Other reserves	5,453,016	3,865,063	2,697,223	5,471,527	3,883,574	2,715,734
TOTAL EQUITY	22,949,882	19,271,056	15,448,758	22,948,763	19,269,453	15,446,739
TOTAL EQUITY AND LIABILITIES	283,401,613	261,746,202	231,587,729	283,401,607	261,746,196	231,587,715

✓ CONDENSED AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	THE GROUP			THE BANK		
	2025	2024	2023	2025	2024	2023
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Interest income	12,258,030	11,402,418	7,292,926	12,258,030	11,402,418	7,292,926
Interest expense	(5,047,070)	(4,258,025)	(1,580,744)	(5,047,070)	(4,258,025)	(1,580,744)
Net interest income, calculated using EIR method	7,210,960	7,144,393	5,712,182	7,210,960	7,144,393	5,712,182
Fee and commission income	1,571,052	1,412,811	1,241,015	1,571,052	1,412,811	1,241,015
Fee and commission expense	(521,808)	(476,540)	(398,389)	(521,808)	(476,539)	(398,388)
Net fee and commission income	1,049,244	936,271	842,626	1,049,244	936,272	842,627
Net trading income	2,099,321	1,829,991	1,489,505	2,099,329	1,829,986	1,489,502
Other (losses)/gains	(874)	1,187	391	(874)	1,187	391
Other operating income	658	4,069	629	658	4,069	629
Total operating income	10,359,309	9,915,911	8,045,333	10,359,317	9,915,907	8,045,331
Net impairment (loss)/credit on financial assets	(403,278)	49,315	243,645	(403,278)	49,315	243,645
Net operating income	9,956,031	9,965,226	8,288,978	9,956,039	9,965,222	8,288,976
Personnel expenses	(1,361,808)	(968,260)	(959,075)	(1,361,808)	(968,260)	(959,075)
Depreciation of property and equipment	(30,411)	(30,419)	(28,599)	(30,411)	(30,419)	(28,599)
Depreciation of right of use assets	(27,654)	(23,586)	(35,309)	(27,654)	(23,586)	(35,309)
Amortisation of intangible assets	(38,805)	(92,981)	(60,495)	(38,805)	(92,981)	(60,495)
Other operating expenses	(765,284)	(624,036)	(555,514)	(764,808)	(623,616)	(555,112)
Total operating expenses	(2,223,962)	(1,739,282)	(1,638,992)	(2,223,486)	(1,738,862)	(1,638,590)
Profit before tax	7,732,069	8,225,944	6,649,986	7,732,553	8,226,360	6,650,386
Tax expense	(1,418,518)	(1,201,419)	(771,416)	(1,418,518)	(1,201,419)	(771,416)
Profit for the year	6,313,551	7,024,525	5,878,570	6,314,035	7,024,941	5,878,970
Other comprehensive (loss)/income that will not be reclassified to profit or loss:						
Remeasurement of employee benefits	(20,450)	(97,115)	3,371	(20,450)	(97,115)	3,371
Deferred tax on remeasurement of employee benefits	6,934	13,151	(693)	6,934	13,151	(693)
Fair value gain on equity investments designated at fair value through other comprehensive income	3,090	631	917	3,090	631	917
Exchange gain on equity investments designated at fair value through other comprehensive income	807	330	756	807	330	756
Other comprehensive (loss)/income for the year	(9,619)	(83,003)	4,351	(9,619)	(83,003)	4,351
Total comprehensive income for the year attributable to equity holders of the parent	6,303,932	6,941,522	5,882,921	6,304,416	6,941,938	5,883,321

✓ CONDENSED AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	THE GROUP				
	Ordinary shares	Class A shares	Retained earnings	Other reserves	Total
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Attributable to equity holders of the parent					
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
At 1 July 2023	3,641,049	1,385,768	7,724,718	2,697,223	15,448,758
Profit for the year	-	-	7,024,525	-	7,024,525
Other comprehensive (loss)/income	-	-	(83,964)	961	(83,003)
Total comprehensive income for the year	-	-	6,940,561	961	6,941,522
Appropriation of reserves	-	-	(1,087,670)	1,087,670	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(79,209)	79,209	-
Dividends	-	-	(3,119,224)	-	(3,119,224)
At 30 June 2024	3,641,049	1,385,768	10,379,176	3,865,063	19,271,056
At 1 July 2024	3,641,049	1,385,768	10,379,176	3,865,063	19,271,056
Profit for the year	-	-	6,313,551	-	6,313,551
Other comprehensive (loss)/income	-	-	(13,516)	3,897	(9,619)
Total comprehensive income for the year	-	-	6,300,035	3,897	6,303,932
Appropriation of reserves	-	-	(902,196)	902,196	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(681,860)	681,860	-
Dividends	-	-	(2,625,106)	-	(2,625,106)
At 30 June 2025	3,641,049	1,385,768	12,470,049	5,453,016	22,949,882
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 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
At 1 July 2023	3,641,049	1,385,768	7,704,188	2,715,734	15,446,739
Profit for the year	-	-	7,024,941	-	7,024,941
Other comprehensive (loss)/income	-	-	(83,964)	961	(83,003)
Total comprehensive income for the year	-	-	6,940,977	961	6,941,938
Appropriation of reserves	-	-	(1,087,670)	1,087,670	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(79,209)	79,209	-
Dividends	-	-	(3,119,224)	-	(3,119,224)
At 30 June 2024	3,641,049	1,385,768	10,359,062	3,883,574	19,269,453
At 1 July 2024	3,641,049	1,385,768	10,359,062	3,883,574	19,269,453
Profit for the year	-	-	6,314,035	-	6,314,035
Other comprehensive (loss)/income	-	-	(13,516)	3,897	(9,619)
Total comprehensive income for the year	-	-	6,300,519	3,897	6,304,416
Appropriation of reserves	-	-	(902,196)	902,196	-
Additional provision in relation to Bank of Mauritius Guideline	-	-	(681,860)	681,860	-
Dividends	-	-	(2,625,106)	-	(2,625,106)
At 30 June 2025	3,641,049	1,385,768	12,450,419	5,471,527	22,948,763

■ CONDENSED AUDITED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	THE GROUP			THE BANK		
	2025	2024	2023	2025	2024	2023
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
OPERATING ACTIVITIES						
Cash flows generated from/(used in) operating activities						
Tax paid						
Net cash flows generated from/(used in) operating activities	19,130,388 (1,588,625)	(2,768,991) (1,500,952)	(25,251,310) (272,354)	19,130,388 (1,588,625)	(2,768,984) (1,500,952)	(25,251,308) (272,354)
	17,541,763	(4,269,943)	(25,523,664)	17,541,763	(4,269,936)	(25,523,662)
INVESTING ACTIVITIES						
Purchase of property and equipment						
Proceeds from disposal of property and equipment						
Purchase of intangible assets						
Net cash flows used in investing activities	(202,436) 1,000 (35,829)	(475,700) - (77,387)	(69,101) - (57,563)	(202,436) 1,000 (35,829)	(475,700) - (77,387)	(69,101) - (57,563)
	(237,265)	(553,087)	(126,664)	(237,265)	(553,087)	(126,664)
FINANCING ACTIVITIES						
Repayment of principal portion of lease liabilities						
Dividends paid						
Net cash flows used in financing activities	(24,545) (2,625,045) (2,649,590)	(23,589) (3,119,224) (3,142,813)	(34,999) (626,380) (661,379)	(24,545) (2,625,045) (2,649,590)	(23,589) (3,119,224) (3,142,813)	(34,999) (626,380) (661,379)
Net cash flows for the year	14,654,908	(7,965,843)	(26,311,707)	14,654,908	(7,965,836)	(26,311,705)
Movement in cash and cash equivalents						
Cash and cash equivalents at 1 July						
Net increase/(decrease) in cash and cash equivalents						
Net foreign exchange difference						
Cash and cash equivalents at 30 June	44,194,541 14,654,908 (790,634)	50,552,201 (7,965,843) 1,608,183	75,114,651 (26,311,707) 1,749,257	44,194,541 14,654,908 (790,634)	50,552,194 (7,965,836) 1,608,183	75,114,642 (26,311,705) 1,749,257
	58,058,815	44,194,541	50,552,201	58,058,815	44,194,541	50,552,194

By Order of the Board
Company Secretary
22 September 2025

AfrAsia Bank Limited is pleased to present its condensed audited financial statements for the year ended 30 June 2025. A copy of the said condensed audited financial statements has been published on the Bank's website www.afrasiabank.com.