

INTERIM CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Valued Partner,

It's been nearly two years since COVID-19 emerged, plunging economies globally into a health crisis followed by a sharp economic one. The past year was further marked by the emerging variants. Such times portrayed the need for clarity, structure and a disciplined approach to analyse, prioritise and action on matters of utmost importance. Adopting this approach, AfrAsia Bank culminated another eventful financial year anchored on resilience spurred by team work, innovative thinking and customer-centricity.

We continued advancing on our customer service excellence and employer of choice journey with heightened consideration for the safety and health of our stakeholders and thoughtful analysis. With customers in more than 169 countries, including 47 African countries, we registered encouraging growth in customer acquisition. Our business segments worked in synergy to promote cross-selling and tailored financial offerings to better suit the needs of our clients in an environment that was marked by acute uncertainty. Our integrated business model's agility and the proximity of the team to our target markets were our pillars against the impacts of global happenings on our Island: the low interest rate environment, the increased volatility on financial markets, the higher prices of raw materials and freight costs resulting into imported inflation for Mauritius, the closing of our border and last but not least the ensuing depreciation of the rupee.

Performance with Purpose

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In the face of the consequences of the pandemic on Mauritius and on our business, we chose to center our activities around 'Performance with purpose'.

The unprecedented scale of the challenges caused by the pandemic and the ensuing consequences of same has led to an agile transformation in our plans from growth to strengthening our balance sheet. Our financials as at 30 June 2021 reflect this change in approach with a Net Profit after Tax (NPAT) of MUR 875.2m - a 42% year-on-year decrease in NPAT. Nevertheless, our customers' ongoing trust in our capabilities is shown by a clear increase in our Total Deposits from MUR 150.9bn to MUR 179.2bn, equivalent to a growth rate of 19%, surpassing the 15% registered in the previous financial year. Our loans-to-deposits ratio stood at 14%, which portrays our prudent lending approach and cautious credit growth strategy. Furthermore, our Liquidity Coverage Ratio was at an average of 288% as at 30 June 2021 against a regulatory limit of 100%. The foundational premise of AfrAsia Bank is our pledge to help our customers fulfil their financial aspirations by navigating through the murky waters together. And, this is why we chose to secure a financial performance anchored on the safety of our customers' assets and their trust in us as well as helping our community rebuild themselves post-pandemic. Following the challenges, we've faced and the change in our strategic approach, we remain confident that our financial robustness protects us against potential impending shocks yet to be unveiled by the ongoing global economic and sanitary crisis.

International Recognitions

The past year has brought a string of upbeat news on the international recognition landscape. For the fourth consecutive year, we were honoured with the Best Bank in Mauritius accolade from EMEA Finance's African Banking Awards 2020. Moreover, the PWM/ The Banker Global Private Banking Awards recognised us as the Best Private Bank in Mauritius 2020 and we also earned the Best Banking & Custody Provider: Global Custodian Award from AGF Africa Service Providers Awards. These recognitions attest to our dedication and passion in continually offering a top-of-the notch product and customer experience to our clients. That said, last year

has taught us how to extend the focus from customer centricity to people centricity. To help our community face the challenging times, we launched our new corporate campaign, The Believers, which aimed to reassure and help our community rebuild their businesses.

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Our campaign has been internationally recognised with the very first Platinum MarCom Award across all Africa and has earned us three Certificates of Excellence from SABRE Africa Awards.

Finding new ways to nurture our privileged relationships

The pandemic has changed the usual schema of how things operate. It has changed how we think and how we act. And, it has also somewhere changed what we traditionally believed in. How things have shaped up over the past year has prompted us to rethink about how we can continue serving our clients from afar in this 'new normal', stand up to the expectations of the privileged relationship we share with our clients and advance on our customer service excellence journey. Adopting a novel approach to offering our clients our expertise, we launched a Webinar series and a podcast series, hosting both our in-house and external experts, to share thought-leadership insights and analyse the dynamic ebb and flow of international financial markets respectively. Going the extra mile, we've pioneered virtual events to continually offer our clients unique experiences.

Deepening the breadth and depth of our human capital

The past year and Mauritius' two lockdowns have taught us a key lesson: how to be more intentional with our time. Attesting to same, our people have chosen to upskill themselves in the most meaningful manner.

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A first for Mauritius, two of our colleagues have earned an Elliott Wave International Certification and have joined the global elite group of technical analysts.

To support the upskilling and re-skilling of our employees, online courses were also made available on different areas of interests, with 4,400 hours of mandatory trainings during this financial year. Moreover, the past financial year has also been marked by a new addition to our team - we welcomed Alvin Peerthy as our new Head of Sustainability and CSR to continue actioning on our sustainability agenda 2030. Deepening our inhouse expertise and diversity of skills, underpins our objective of sourcing novel inspiration from teams whose individualities and different thinking parameters stimulate innovative solutions to continually enhance our customer experience and our offerings.

Digital transformation goes beyond technology

The pandemic created a profound transformation in businesses' operating models worldwide. Significant disruptions like these are catalysing the digital transformation agenda of companies globally on a wide scale and with an amplitude that has seldom been witnessed before. Imitating this rapid pace of technological innovation in the banking arena is not impossible but it definitely demands a bigger effort from our part. The banking sphere is highly regulated and requires rigorous decision-making and multi-fold check posts to minimise risk exposure and protect our customer data stringently. Over the past year, the pandemic shackled our ability to roll-out our technological projects that were in the pipeline. Albeit our entrepreneurial and prudent risk-taking approach, we purposefully choose to innovate cautiously for two reasons. Firstly, COVID-19 has mandated a shift in culture and in our mindset. Our priorities were shifted from keeping up with our planned technological investments to finding the right solution to the pandemic's new challenges. Anchored on our drive to help our clients and simultaneously uphold our customer service standards, we tailored debt structuring offerings and credit facilities to match our customers' short-term cashflow needs. Secondly, we believe in a digital transformation journey that creates the highest value for our customers in a sustainable manner.

Shaping a sustainable Value Creation Ecosystem

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Sustainability remains one of the core concerns of companies globally.

The pandemic has gifted us many challenges but also a key opportunity to start afresh, that is, to build and re-build in a sustainable manner. COVID-19 has shown us that we need to look beyond value creation for ourselves, our shareholders and clients. We need to create long-term value for our clients, employees, partners, shareholders, the community and our Island by looking through a wider lens. Our sustainability agenda 2030 places at its center the embarking of our clients on a sustainable journey by tailoring green products to meet their financial requirements. That said, it also lays a strong emphasis on reinforcing our ties with the international community such as the United Nations to promote sustainability for we believe now is the time to seed a sustainable recovery and growth for a better tomorrow.

Succeeding Together

Succeeding Together ... this is how we chose to navigate through the past financial year and this remains our mantra for this year too. I remain confident that our four pillars - customer focus, team work, innovation and sustainability-will be our anchor to have a more successful year. I wish to extend my appreciation to our Board who has guided the Bank's path with enterprise and valuable support. I also thank my Senior Management Team for their unwavering collaboration and trust in my leadership capabilities.

My heartfelt gratitude goes to all AfrAsians - from Relationship Managers to our Customers Services Hub Team, from cybersecurity experts to data scientists, from Human Resources team to our Tellers, from our South African Representative Office Team to every single AfrAsian, everyone has commendably played their part! On behalf of the Board and the Senior Management Team, I thank you all for always depicting the highest standards of commitment and work ethics during a year of great change. Thank you to all our Clients and Shareholders for their trust and belief in us. Last but not least, I thank our AfrAsia Foundation Team who has worked relentlessly and with continued focus to help our underprivileged communities keep afloat amidst these trying times.

THIERRY VALLET

Interim Chief Executive Officer

