

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

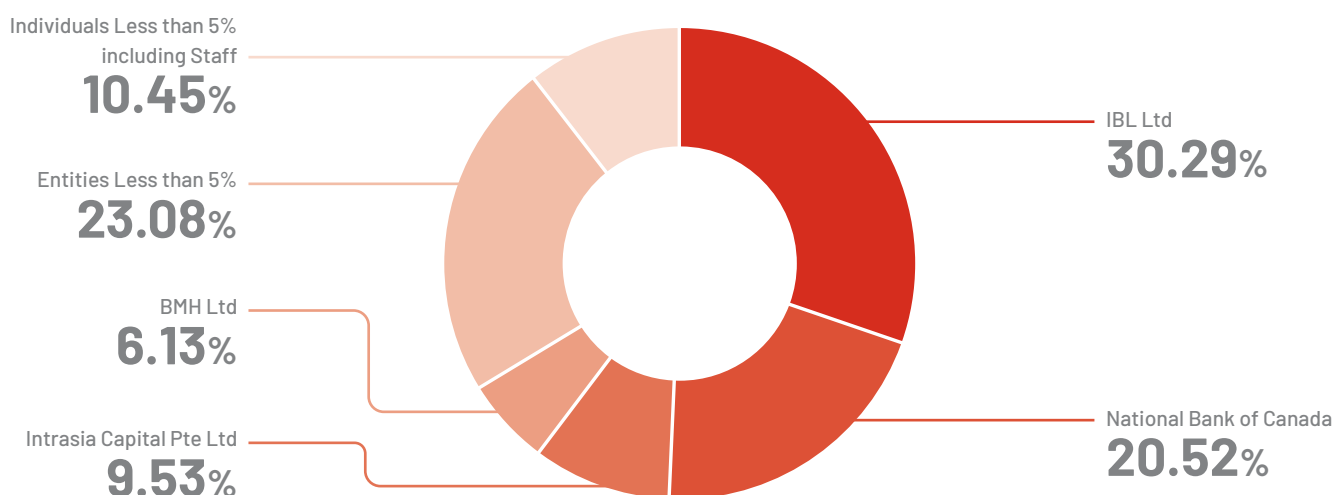
ABL's stakeholders are individuals or groups that have an interest in the Bank or are affected by its actions. The primary stakeholders of the Bank are employees and management, shareholders and investors, and government and regulatory authorities.

### SHAREHOLDING STRUCTURE

AfrAsia Bank has a good mix of local and international private institutional investors of renowned reputation across various continents and had a capital base of MUR 9.1bn as at 30 June 2021. The Bank ensures that there

is proper and efficient information dissemination to all its shareholders and that the rights of minority shareholders are not neglected. It is noted that 0.29% of the Bank's shareholding is held by its staff.

The Bank's shareholding structure as at 30 June 2021 is as follows:



### DIVIDEND POLICY

Dividends are proposed by management to its Board in line with the provisions of The Banking Act 2004 (amended 12 August 2021), the "Guideline on Payment of Dividend" issued by BOM, The Companies Act 2001 of Mauritius and the Bank's Constitution. Once the Board is satisfied with

Management's recommendation and the satisfaction of solvency tests, the Board may approve the payment of dividends, subject to the approval of BOM, after which dividends may be distributed to shareholders.

#### Dividend on Ordinary Shares

The Bank has achieved a satisfactory financial return to allow dividends of MUR 338.9m (MUR 3.00 per share), declared and paid during the year

under review (2020: MUR 429.3m that is, MUR 3.80 per share /2019: MUR 186.4m that is, MUR 1.65 per share). This can be summarised as follows:

Dividends on Ordinary Shares (MUR'm)	2021	2020	2019
Dividend paid	338.9	429.3	186.4

#### Dividend on Class A Shares

Dividend of MUR 66.2m were paid/payable for the 6 months ended 31 December 2020 and MUR 66.7m for the 6 months ended 30 June 2020 (MUR

73.7m were paid for the 6 months ended 31 December 2019 and MUR 73.7m for the 6 months ended 30 June 2019). This can be summarised as follows:

Dividends on Class A Shares - Series 1 and 2 (MUR'm)	2021	2020	2019
Dividend paid	132.9	147.4	147.1

# CORPORATE GOVERNANCE REPORT

## MATERIAL CLAUSES OF CONSTITUTION

Article 21.2 of the Bank's Constitution provides for a list of reserved matters which must be approved by special resolution of the voting shareholders of the Bank.

Restrictions concerning the disposal of shares are set out in Articles 15 and 16 of the Bank's Constitution. Such restrictions include the requirement to obtain the Board's approval in connection with the registration of share transfers.

## SHAREHOLDERS' AGREEMENT

There is a Shareholders' Agreement ("SHA") signed on 01 December 2014. Three out of four shareholders who are parties to the agreement sent notices to terminate the SHA. One shareholder does not agree that the SHA has been terminated and has declared a dispute as regards to the said

termination of the SHA. The dispute has been referred to the International Chamber of Commerce ("ICC") for arbitration. The claim was heard in April 2021. The Bank, which is a signatory to the SHA, took a neutral position in the arbitration. The ICC has to give its award imminently.

## SIGNIFICANT CONTRACTS

ABL has not entered into any significant contract with third parties during the financial year ended 30 June 2021.

## MANAGEMENT AGREEMENTS

ABL has not entered into any management agreement with third parties during the financial year ended 30 June 2021.

## GIFTS AND DONATIONS

The Bank has made MUR 0.015m of gifts and donations during the year ended 30 June 2021 (2020: MUR 2.0m/ 2019: MUR 0.8m). The year-on-year drop was mainly driven by lower marketing related initiatives for employee and client gifts in line with dampened economic activity.

## POLITICAL DONATIONS

The Bank has not made any political donations during the year ended 30 June 2021 (2020: MUR 3.5m and 2019: Nil)

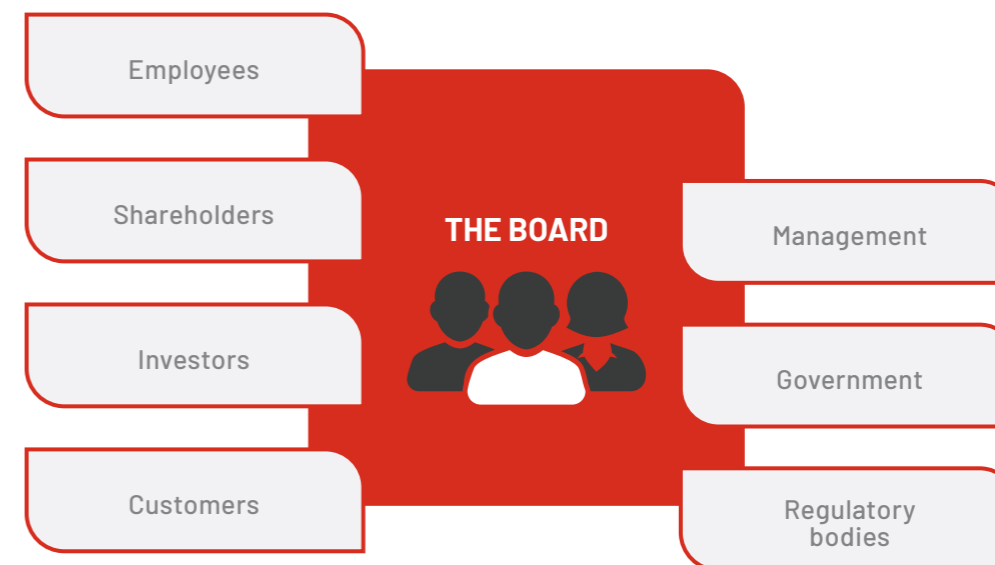
## Related Party

ABL has entered into an Introducer Services Agreement with Intra Capital Pte Ltd during the financial year ended 30 June 2021.

For further details pertaining to related party transactions and balances relating to year ended 30 June 2021, please refer to the note 36 on "Related Party Disclosures" of the Annual Report.

# CORPORATE GOVERNANCE REPORT

## OUR KEY RELATIONSHIPS



## EMPLOYEES AND MANAGEMENT

We continue to take a proactive approach towards our relations with primary stakeholders. When selecting suppliers, contractors or non-governmental organisations, we look for those that align closely to our values and areas of focus.

is going well and improving areas of concern. We regularly review how we communicate with our stakeholders to ensure it is still appropriate in an ever-changing fast-moving world.

We offer a variety of ways for stakeholders to interact with us and provide feedback; we use this information towards understanding what

Below is an overview of our main stakeholders and how the Bank engages with them:

<b>HOW WE ENGAGE WITH OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Face to face meetings</li> <li>• CEO town halls</li> <li>• Social events/activities</li> <li>• Training and coaching</li> <li>• External learning and growth opportunities</li> <li>• Committees</li> <li>• Recognition and rewards</li> <li>• Engagement Surveys/Pulse Checks</li> <li>• Breakfast meetings with EXCO</li> <li>• Virtual workshops and meetings</li> </ul>
<b>THEIR CONTRIBUTION TO VALUE CREATION</b>	<ul style="list-style-type: none"> <li>• Work towards achievement of our strategy - Key Performance Indicators</li> <li>• Demonstrate passion towards a positive customer experience</li> <li>• Help create and build positive working relationships</li> <li>• Enhance trust on the market</li> <li>• Help create a positive employer and corporate brand</li> </ul>
<b>WHAT OUR STAKEHOLDERS EXPECT FROM US</b>	<ul style="list-style-type: none"> <li>• An environment that encourages growth and open communication</li> <li>• The opportunity to achieve personal goals whilst aligning to the Bank's objectives</li> </ul>

# CORPORATE GOVERNANCE REPORT

## OUR KEY RELATIONSHIPS (Cont'd)

### EMPLOYEES AND MANAGEMENT (Cont'd)

<b>WHAT CONCERNS OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• A safe and healthy place to work</li> <li>• Continued career growth</li> <li>• Open door management style; with mutual trust</li> <li>• A positive work culture</li> <li>• Sustainability and CSR actions</li> <li>• Regular feedback and coaching</li> <li>• Competitive remuneration</li> <li>• Financial and non-financial rewards</li> <li>• Recognition</li> <li>• A high level of empowerment and autonomy</li> </ul>
---------------------------------------	--

### SHAREHOLDERS AND INVESTORS

<b>HOW WE ENGAGE WITH OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Annual reports, media releases and published results</li> <li>• Board meetings</li> <li>• Annual general meetings</li> <li>• Investor Relations web page</li> <li>• Presentations and factsheets to provide comfort with regard to our liquidity and risk management, as well as initiatives taken by the Bank to cope with the impact of COVID-19 on the organisation</li> <li>• External workshops and seminars</li> <li>• Newsletters</li> <li>• Sustainability and CSR microsite</li> <li>• Social media platforms</li> <li>• Webinars</li> </ul>
<b>THEIR CONTRIBUTION TO VALUE CREATION</b>	<ul style="list-style-type: none"> <li>• Investors provide the financial capital necessary to sustain growth</li> </ul>
<b>WHAT OUR STAKEHOLDERS EXPECT FROM US</b>	<ul style="list-style-type: none"> <li>• Providing sustained returns on investment through strong fundamentals, franchise, resilience, sound risk profile, strategic growth opportunities and good governance practices while building a sustainable business model</li> </ul>
<b>WHAT CONCERNS OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Sustainability issues (Environment, Social, Economic)</li> <li>• Delivering sustainable returns</li> <li>• Leadership and strategic direction</li> <li>• Corporate governance and ethics</li> <li>• Progress with project pipelines, business plans and future growth initiatives</li> <li>• A high level of employee engagement, empowerment and autonomy, a positive employer brand</li> </ul>

# CORPORATE GOVERNANCE REPORT

## OUR KEY RELATIONSHIPS (Cont'd)

### CUSTOMERS

<b>HOW WE ENGAGE WITH OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Dedicated relationship managers proposing tailored financial solutions</li> <li>• Business meetings and visits</li> <li>• Online Conferences, Roadshows and Presentations</li> <li>• Networking Events</li> <li>• Newsletters</li> <li>• Website</li> <li>• Social media platforms</li> <li>• Satisfaction surveys</li> <li>• Webinars</li> </ul>
<b>THEIR CONTRIBUTION TO VALUE CREATION</b>	<ul style="list-style-type: none"> <li>• Customers are at the heart of our business and provide a solid base for our growth prospects</li> <li>• Customers turning into our strategic partners as we leverage on their brand equity</li> </ul>
<b>WHAT OUR STAKEHOLDERS EXPECT FROM US</b>	<ul style="list-style-type: none"> <li>• Quality of the Bank's product suite and service</li> <li>• Continuous assistance and clear guidance, especially during a pandemic context</li> <li>• Sustainability and financial solidity of the Bank</li> <li>• Efficient complaint mechanism</li> <li>• Enhanced customer relationship management practices</li> <li>• Seamless front-end experience with an easy, fast and secured banking environment, including for online channels</li> </ul>
<b>WHAT CONCERNS OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Transparent and timely insights that could impact their financial situation</li> <li>• Security and confidentiality of transactions</li> <li>• Corporate governance and ethics</li> <li>• Sustainability issues (Environment, Social, Economic)</li> </ul>

### GOVERNMENT AND REGULATORY AUTHORITIES

<b>HOW WE ENGAGE WITH OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Workgroups with Bank of Mauritius and Financial Services Commission on regulatory guidelines, new legislations, laws and other matters</li> <li>• Written communication</li> <li>• Regulatory returns</li> <li>• Onsite and offsite supervision by the regulators</li> <li>• Trilateral meeting between the Bank of Mauritius, External Auditors and the Bank</li> <li>• Regulatory approvals</li> <li>• Providing information during Parliamentary debates through the Mauritius Bankers Association, Business Mauritius and National CSR Foundation</li> <li>• Virtual Committees and conferences</li> </ul>
<b>THEIR CONTRIBUTION TO VALUE CREATION</b>	<ul style="list-style-type: none"> <li>• The regulator provides the enabling regulatory framework</li> <li>• Guidelines and instructions from the regulators issued from time to time</li> </ul>

# CORPORATE GOVERNANCE REPORT

## OUR KEY RELATIONSHIPS (Cont'd)

### GOVERNMENT AND REGULATORY AUTHORITIES (Cont'd)

<b>WHAT OUR STAKEHOLDERS EXPECT FROM US</b>	<ul style="list-style-type: none"> <li>• Providing banking and financial services in a transparent, secure and sustainable way</li> <li>• Ensuring and maintaining customer satisfaction</li> <li>• Complying with acts, regulations and guidelines</li> </ul>
<b>WHAT CONCERNS OUR STAKEHOLDERS</b>	<ul style="list-style-type: none"> <li>• Products and services being provided and the communication around same</li> <li>• Compliance with laws, acts and regulations</li> <li>• Transparency and accessibility to accurate, relevant and current information</li> <li>• The Bank's duty of confidentiality and data protection</li> <li>• Duties of the Board and senior management</li> <li>• Appropriate Customer Due Diligence and Know Your Client (KYC) processes and reviews</li> <li>• Risk management and internal controls</li> <li>• Complaints handling and customer care</li> <li>• Compliance with the principles of corporate governance</li> <li>• Sustainable financing</li> </ul>

# CORPORATE GOVERNANCE REPORT

## SOME KEY DATES

### SHAREHOLDERS' CALENDAR

Financial Year End	June
Annual Meeting of Shareholders	November/December

### PUBLICATION OF FINANCIAL STATEMENTS

30 September quarter end	November
31 December quarter end	February
31 March quarter end	May
30 June year end	September or any other dates permitted by the Bank's regulators

### DIVIDENDS

#### Ordinary shares Dividends

Declaration	Post 30 June 2021 upon closure of accounts
Payment	Upon receipt of approval from local regulators

#### Class A Shares Dividends

Payment	Post June and December
	Upon receipt of approval from local regulators

The Annual Report is published in its entirety on the Bank's website.  
(<https://www.afriasiabank.com/en/about/investors/annual-reports>).



The Corporate Governance Report have been approved on behalf of the Board of Directors:

**INDERJIT SINGH BEDI**  
Chairperson

**JOAN JILL WAN BOK NALE**  
Director

Date: 17 September 2021