

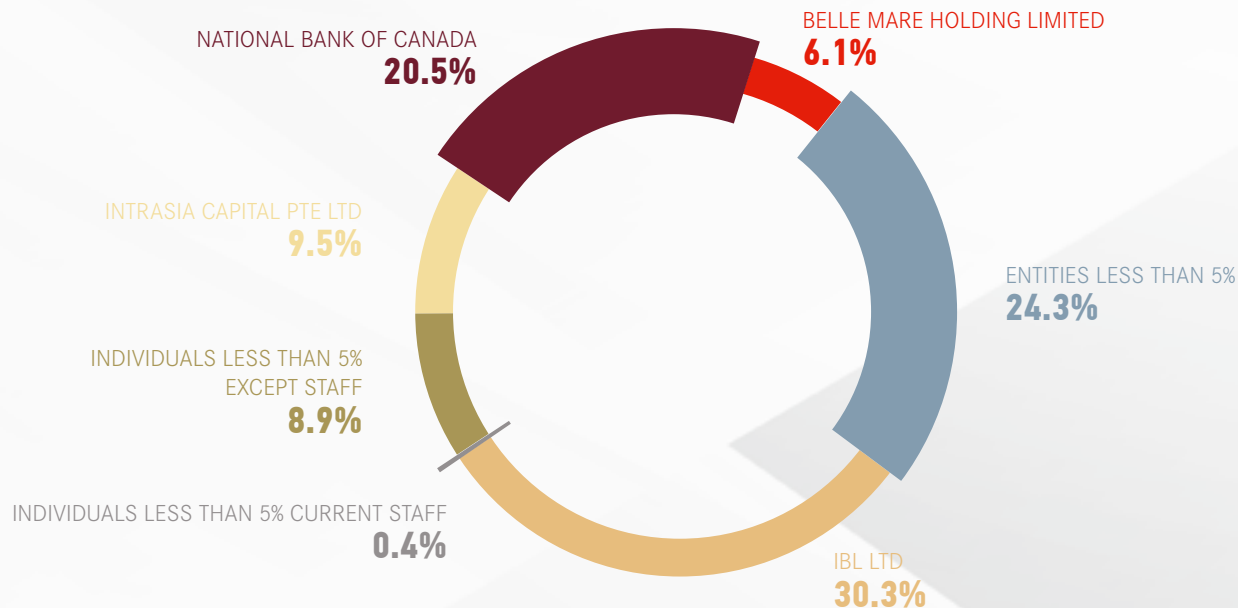
PRINCIPLE EIGHT – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

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 6.9bn as at 30 June 2018. 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 0.4% of the Bank's shareholding is held by its staff.

The Bank's shareholding structure as at 30 June 2018 is as follows:



DIVIDEND POLICY

Dividends are proposed by management to its Board of Directors in line with the provisions of the Banking Act 2004, the Mauritius Companies Act 2001 and the Bank's Constitution. Once the Board is satisfied with the Bank's recommendation and once the solvency tests are met, approval of the Bank of Mauritius is then sought prior to distribution to shareholders.

Dividend on Ordinary Shares

The Bank has achieved a satisfactory financial return to allow dividends of MUR 160.2m (MUR 1.50 per share), declared and paid during the year under review (2017: MUR100.4m that is, MUR 1.00 per share / 2016: MUR 27.3m that is, MUR 0.35 per share).

Dividend on Class A Shares

Dividend of MUR 70.9m were paid for the 6 months ended 31 December 2017 and MUR 69.1m for the 6 months ended 30 June 2017 (MUR 71.3m for the 6 months ended 31 December 2016, MUR 71.3m for the 6 months ended 30 June 2016).

EQUITY-SETTLED SHARE-BASED PLAN

Please refer to the note on "Retained earnings and other reserves" contained on Note 29 of the Annual 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

The provisions of the current shareholders' agreement have for the most part been replicated in the Bank's Constitution. The current shareholders agreement is between IBL Ltd, Intrasia Capital Pte Ltd, National Bank of Canada and the Bank.

SIGNIFICANT CONTRACTS

ABL has not entered into any significant contract with third parties during the financial year ended 30 June 2018.

MANAGEMENT AGREEMENTS

ABL has not entered into any management agreement with third parties during the financial year ended 30 June 2018.

GIFTS AND DONATIONS

The Bank made MUR 1.5m of gifts and donations during the year ended 30 June 2018 (2017: MUR 0.6m / 2016: MUR 0.2m).

POLITICAL DONATIONS

The Bank made no political donations during the year ended 30 June 2018 (2017 & 2016: Nil).

RELATED PARTY TRANSACTIONS

Please refer to the note on “Related Party Disclosures” contained on Note 34 of the Annual Report.

OUR KEY RELATIONSHIPS

A credible Corporate Responsibility approach must include ongoing relations with primary stakeholders. When identifying community and diversity organizations to work with, we select those that align closely with our areas of focus.

We offer a variety of ways for stakeholders to contact us and let us know their needs and concerns. We actively maintain various channels of communication to learn what we are doing well and where we need to improve. In addition, based on different feedback received from all stakeholders, the Bank reviews its ways of communication and its involvement with them in order to enhance relationships with various stakeholders.

An overview of the Bank’s prime stakeholders, how the Bank engages with them and the general nature of their expectations, is provided in the table below:

EMPLOYEES AND MANAGEMENT

HOW WE ENGAGE WITH OUR STAKEHOLDERS

- Face to face meetings
- CEO road-shows
- Social events/activities
- Training and coaching
- External learning and growth opportunities
- Committees
- Recognition and reward

THEIR CONTRIBUTION TO VALUE CREATION

- Clear Key Performance Indicators and targets are communicated
- Passion and right attitude

WHAT OUR STAKEHOLDERS EXPECT FROM US

- An environment that encourages growth and open communication
- The opportunity to achieve personal goals whilst aligning to the Bank's objectives

WHAT CONCERNS OUR STAKEHOLDERS

- A safe and healthy place to work
- Continued career enhancement
- Open door management style; with mutual trust and positive culture
- Regular feedback and coaching
- Competitive remuneration and non-financial rewards
- A high level of empowerment and autonomy

SHAREHOLDERS AND INVESTORS

HOW WE ENGAGE WITH OUR STAKEHOLDERS

- Started exercise to engage with all stakeholders including shareholders and Investors on sustainability issues (Materiality Assessment)
- Regular presentations and road-shows
- External newsletters
- Integrated reports, media releases and published results
 - Board meetings
 - Annual general meetings
 - Investor relations microsite

THEIR CONTRIBUTION TO VALUE CREATION

- Investors provide the financial capital necessary to sustain growth

WHAT OUR STAKEHOLDERS EXPECT FROM US

- Providing sustained returns on investment through sound risk management, strategic growth opportunities and good governance practices

WHAT CONCERNS OUR STAKEHOLDERS

- Sustainability issues (Environment, Social, Economic)
- Delivering sustainable returns
- Leadership and strategic direction
- Corporate governance and ethics
- Progress with project pipelines, business plans and future growth projects
- A high level of empowerment and autonomy

GOVERNMENT AND REGULATORY AUTHORITIES

HOW WE ENGAGE WITH OUR STAKEHOLDERS

- Regular meetings with the regulators
- Workgroups with Bank of Mauritius and Financial Services Commission on regulatory guidelines, new laws and other matters
- Written communication
- Regulatory returns
- Onsite and offsite supervision by the regulators
- Trilateral meeting between the Bank of Mauritius, External Auditors and the Bank
- Regulatory approvals
- Providing information during Parliamentary debates through the Mauritius Bankers Association

THEIR CONTRIBUTION TO VALUE CREATION

- The regulator provides the enabling regulatory framework
- Guidelines and instructions from the regulators issued from time to time

WHAT OUR STAKEHOLDERS EXPECT FROM US

- Providing banking and financial services in a transparent, secure and responsible way
- Ensuring and maintaining customer satisfaction
- Complying with acts, regulations and guidelines

WHAT CONCERNS OUR STAKEHOLDERS

- Products and services being provided and their communication
- Compliance with acts and regulations
- Transparency and accessibility to accurate and up to date information
- The Bank's duty of confidentiality and data protection
- Duties of the Board of Directors and senior management
- Appropriate Customer Due Diligence and Know Your Client (KYC) exercise
- Risk management and internal control
- Complaints handling and customer care
- Compliance with the principles of corporate governance

SOME KEY DATES

SHAREHOLDERS' CALENDAR

Financial Year End	June
Annual Meeting of Shareholders	November

PUBLICATION OF FINANCIAL STATEMENTS

30 September quarter end	November
31 December quarter end	February
31 March quarter end	May
30 June year end	September

DIVIDENDS

Ordinary shares Dividends

Declaration	September
Payment	Upon receipt of approval from local regulators

Class A shares Dividends

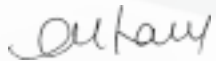
Payment	Post June and December
	Upon receipt of approval from local regulators, post June and December

The Annual Report is published in its entirety on the Bank's website: www.afasiabank.com

(SECTION 75(3) OF THE FINANCIAL REPORTING ACT 2004)

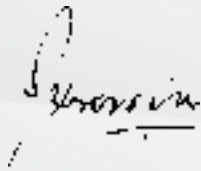
AfrAsia Bank Limited and its Group Entities
Year ended 30 June 2018

We, the Directors of AfrAsia Bank Limited, confirm that to the best of our knowledge AfrAsia Bank Limited and its Group Entities have complied with all of its obligations and requirements under the National Code of Corporate Governance 2016 in all material aspects.



Lim Sit Chen LAM PAK NG
Chairman

20 September 2018



Sanjiv BHASIN
Chief Executive Officer