

KEY HIGHLIGHTS

- Encouraging start to the new financial year, in spite of the challenging operating context
- Continued execution of growth initiatives across market segments and jurisdictions
- Sound financial ratios upheld, thus supporting ongoing growth endeavours

PROFIT AFTER TAX

Mar-23: **MUR 752.0 Mn**
Mar-22: MUR 714.5 Mn

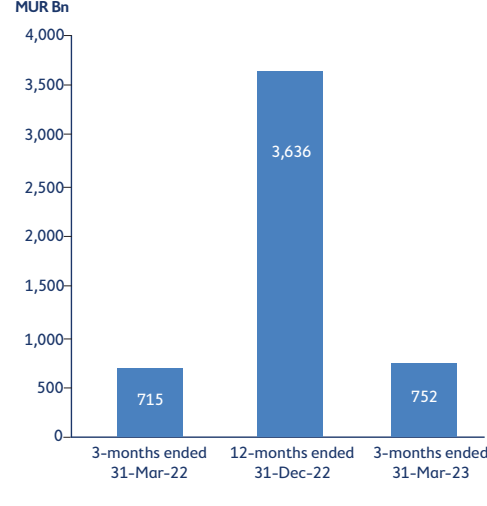
5.3%

CAPITAL ADEQUACY RATIO

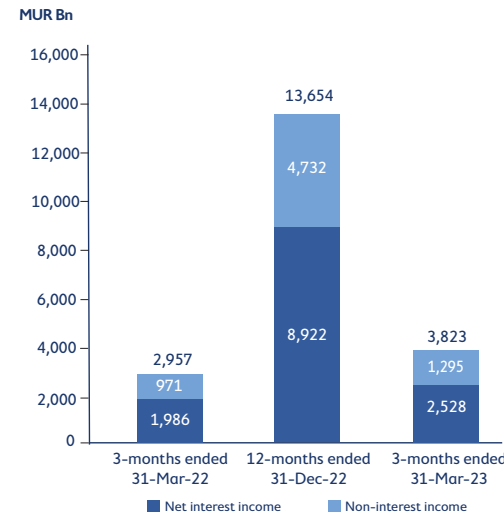
Mar-23: **19.5%**
Dec-22: 19.1%

40 bps

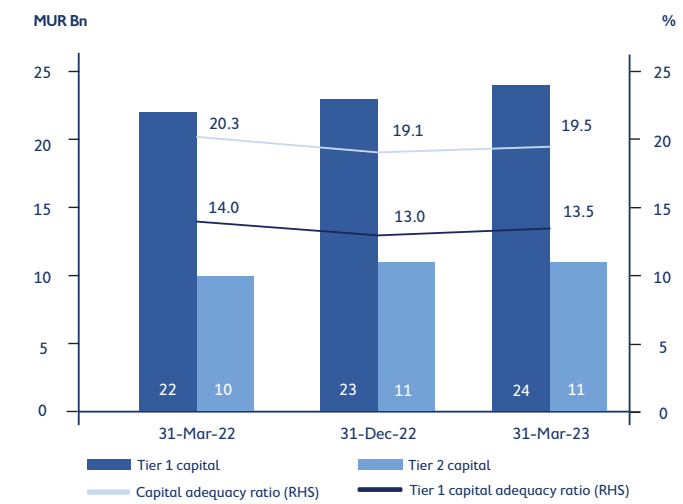
Profit attributable to equity holders of the parent



Operating income



Capital position



Performance

The SBM Group has begun the year on a resilient note despite the challenging market environment, with profit attributable to equity holders of the parent increasing by 5.3% to attain MUR 752.0 million for the quarter ended 31 March 2023. The Group has continued to benefit from strategic initiatives being pursued across presence countries and the further strengthening of its capabilities.

On the back of this performance, earnings per share stood at 29.1 cents for the quarter ended 31 March 2023, compared to 27.7 cents for the same period of the preceding year.

In view of the Group's business development across jurisdictions, net interest income grew by 27.3% during the period under review, while non-interest income expanded by 33.4% on account of higher net fee and commission income and net trading income. Consequently, operating income rose by 29.3% to reach MUR 3.8 billion for the quarter ended 31 March 2023.

While the portfolio of investment securities has broadened, revenue generated by the SBM Group was also underpinned by net loans and advances to non-bank customers, which stood at MUR 150.1 billion as at 31 March 2023. Deposits from non-bank customers reached MUR 291.0 billion as at 31 March 2023.

Alongside embarking on its strategic drive, the Group maintained sound financial ratios in support of its growth endeavours. The capital base of the Group stayed comfortable at MUR 34.6 billion as at 31 March 2023, leading to a capital adequacy ratio of 19.5%, which is well above regulatory thresholds. The Group also preserved healthy asset quality, funding, liquidity and efficiency positions.

Outlook

As per the latest World Economic Outlook of the IMF, the global economic recovery remains on track, but faces an uncertain outlook in view of high inflation, geopolitical tensions and financial sector turmoil in some countries. In this conjuncture, world GDP growth is anticipated to decline from 3.4% in 2022 to attain 2.8% in 2023, before slightly edging up to 3.0% in 2024.

In Mauritius, the economic upturn is being sustained, amidst improved business sentiment and the execution of key infrastructure-upgrading projects by the authorities. However, the operating environment remains challenging, especially given headwinds faced by the country's key export markets.

In this landscape, the SBM Group will pursue its growth agenda in a prudent manner. It will continuously reinforce its capabilities in terms of people, process and technology, alongside ensuring that ongoing projects and initiatives are effectively executed. This should help to further enrich the quality of customer experiences across channels, while supporting business development endeavours.

The SBM Group remains on course to cement its position as an influential banking and financial services player, along with further underpinning the welfare and advancement of the economies and societies in which it operates.

Mr. Sattar Hajee Abdoula
Chairman
11 May 2023

Dr. Subhas THECKA
Chairman, Audit Committee

SBM Holdings Ltd ("the Company") and its subsidiaries, here altogether ("the Group"), present the Group and Company interim unaudited condensed financial report for the quarter ended 31 March 2023.

The interim unaudited condensed financial report has been prepared in accordance with IAS 34 - Interim Financial Reporting. The report has also been prepared based on those accounting policies applied in the preparation of the audited financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective as from 01 January 2023.

REPORT ON REVIEW OF THE INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SBM HOLDINGS LTD

Introduction

We have reviewed the accompanying interim unaudited condensed financial statements which comprise the consolidated and separate statements of financial position of **SBM Holdings Ltd ("the Company") and its subsidiaries ("the Group")** as at 31 March 2023, and the related consolidated and separate statements of profit or loss and statements of other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the quarter ended and other explanatory notes. The Board of directors and management are responsible for the preparation and presentation of these interim unaudited condensed financial statements in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim unaudited condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim unaudited condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Deloitte
Chartered Accountants

Date: 11 May 2023

INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	The Group		
	Unaudited 31 March 2023	Unaudited 31 March 2022	Audited 31 December 2022
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	14,929,640	61,620,222	30,275,037
Mandatory balances with central banks	17,124,507	13,608,368	15,723,438
Loans to and placements with banks	1,021,677	841,438	1,221,415
Derivative financial instruments	897,292	963,056	1,205,168
Loans and advances to non-bank customers	150,062,596	135,452,467	149,994,543
Investment securities	171,756,030	158,676,447	151,977,933
Property and equipment	3,754,669	3,602,558	3,656,696
Right of use assets	820,863	676,657	867,749
Intangible assets	1,916,258	1,897,372	1,752,989
Deferred tax assets	1,264,892	1,158,744	1,265,176
Other assets	4,099,858	3,398,354	4,401,241
Total assets	367,648,282	381,895,683	362,341,385
LIABILITIES			
Deposits from banks	6,138,157	3,527,340	3,802,908
Deposits from non-bank customers	291,009,927	323,056,872	293,350,435
Other borrowed funds	17,580,133	7,873,891	15,489,470
Derivative financial instruments	694,352	718,801	905,317
Lease liabilities	842,499	688,297	888,617
Current tax liabilities	624,603	440,671	478,499
Pension liability	572,873	410,641	569,093
Other liabilities	10,566,024	8,390,449	9,070,915
Subordinated debts	10,915,849	10,032,872	10,616,492
Total liabilities	338,944,417	355,139,834	335,171,746
SHAREHOLDERS' EQUITY			
Stated capital	32,500,204	32,500,204	32,500,204
Retained earnings	6,590,669	3,479,856	5,909,389
Other reserves	(5,511,977)	(4,349,180)	(6,364,923)
	33,578,896	31,630,880	32,044,670
	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity holders of the parent	28,703,865	26,755,849	27,169,639
Total equity and liabilities	367,648,282	381,895,683	362,341,385
Memorandum items	55,363,371	51,531,753	56,824,414

Approved by the Board of Directors and authorised for issue on 11 May 2023.

Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula

Chairman

Dr. Subhas THECKA
Chairman,
Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH 2023

	The Group		
	Unaudited Quarter ended 31 March 2023	Unaudited Quarter ended 31 March 2022	Audited Year ended 31 December 2022
	MUR' 000	MUR' 000	MUR' 000
Continuing operations			
Interest income using the effective interest method	4,786,657	3,112,212	14,632,440
Other interest income	51,946	19,362	186,826
Interest expense using the effective interest method	(2,271,284)	(1,095,952)	(5,431,794)
Other interest expense	(39,637)	(49,824)	(465,252)
Net interest income	2,527,682	1,985,798	8,922,220
Fee and commission income	680,654	536,588	2,395,957
Fee and commission expense	(31,170)	(21,006)	(101,796)
Net fee and commission income	649,484	515,582	2,294,161
Net trading income	642,693	448,191	2,083,870
Net (loss)/gain from financial assets at fair value through profit or loss	(23,334)	(30,008)	8,629
Net (loss)/gain on derecognition of financial assets measured at amortised cost	(13,060)	17,599	11,382
Net gain on derecognition of financial assets measured at fair value through other comprehensive income	24,741	19,655	94,968
Other operating income/(loss)	14,619	(74)	238,594
Non-interest income	1,295,143	970,945	4,731,604
Operating income	3,822,825	2,956,743	13,653,824
Personnel expenses	(1,061,435)	(937,517)	(3,862,272)
Depreciation of property and equipment	(79,788)	(70,080)	(322,017)
Depreciation of right-of-use assets	(66,345)	(54,641)	(237,472)
Amortisation of intangible assets	(131,214)	(123,666)	(495,319)
Other expenses	(1,112,589)	(700,662)	(3,219,963)
Non-interest expense	(2,451,371)	(1,886,566)	(8,137,043)
Profit before credit loss expense	1,371,454	1,070,177	5,516,781
Credit loss expense on financial assets and memorandum items	(483,480)	(241,372)	(1,332,743)
Profit before income tax	887,974	828,805	4,184,038
Tax expense	(135,930)	(114,298)	(548,377)
Profit for the period/year attributable to equity holders of the parent	752,044	714,507	3,635,661
Earnings per share:			
Basic (Cents)	29.1	27.7	140.8
Diluted (Cents)	29.1	27.7	140.8

INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2023

	The Group		
	Unaudited Quarter ended 31 March 2023	Unaudited Quarter ended 31 March 2022	Audited Year ended 31 December 2022
	MUR' 000	MUR' 000	MUR' 000
Profit for the period/year attributable to equity holders of the parent	752,044	714,507	3,635,661
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on property revaluation	30,815	-	-
Revaluation gains on equity instruments measured at FVTOCI	-	-	289,862
Remeasurement of defined benefit pension plan	-	628	(20,693)
Deferred tax on remeasurement of defined benefit pension plan	-	205	1,662
	30,815	833	270,831
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	152,629	10,947	(598,644)
<i>Investment securities measured at FVTOCI (debt instruments)</i>			
Movement in fair value during the period/year	564,297	(287,222)	(1,872,049)
Reclassification of gains included in profit or loss on derecognition	(24,741)	(19,655)	(94,968)
Credit losses relating to debt instruments held at FVTOCI	59,182	(41,855)	(33,128)
	751,367	(337,785)	(2,598,789)
Total other comprehensive income/(Loss)	782,182	(336,952)	(2,327,958)
Total comprehensive income attributable to equity holders of the parent	1,534,226	377,555	1,307,703

INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2023

	The Group		
	Unaudited Quarter ended 31 March 2023	Unaudited Quarter ended 31 March 2022	Audited Year ended 31 December 2022
	MUR' 000	MUR' 000	MUR' 000
Net cash (used in)/generated from operating activities	(16,927,725)	16,474,992	(22,762,016)
Net cash generated from/(used in) financing activities	2,038,857	(2,345,768)	(536,208)
Net cash (used in)/generated from investing activities	(441,423)	(144,745)	5,929,849
Net change in cash and cash equivalents	(15,330,291)	13,984,479	(17,368,375)
Expected credit loss allowance on cash and cash equivalents	(15,106)	(1,078)	6,591
Cash and cash equivalents at beginning of period/year	30,275,037	47,636,821	47,636,821
Cash and cash equivalents at period/year end	14,929,640	61,620,222	30,275,037

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2023

	Stated capital	Treasury shares	Statutory reserve	Retained earnings	Net property revaluation reserve	Other reserves*	Total equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
The Group							
At 01 January 2022	32,500,204	(4,875,031)	802,086	2,807,788	280,886	(5,137,639)	26,378,294
Profit for the period	-	-	-	714,507	-	-	714,507
Other comprehensive income/(loss) for the period	-	-	-	833	-	(337,785)	(336,952)
Total comprehensive income/(loss) for the period	-	-	-	715,340	-	(337,785)	377,555
Revaluation surplus realised on depreciation	-	-	-	11,927	(11,927)	-	-
Transfer from retained earnings to other reserves	-	-	-	(55,199)	-	55,199	-
At 31 March 2022	32,500,204	(4,875,031)	802,086	3,479,856	268,959	(5,420,225)	26,755,849
At 01 January 2023	32,500,204	(4,875,031)	802,086	2,807,788	280,886	(5,137,639)	26,378,294
Profit for the year	-	-	-	3,635,661	-	-	3,635,661
Other comprehensive loss for the year	-	-	-	(19,031)	-	(2,308,927)	(2,327,958)
Total comprehensive income/(loss) for the year	-	-	-	3,616,630	-	(2,308,927)	1,307,703
Reclassification between reserves	-	-	(100,408)	143,169	44,441	(87,202)	-
Transfer from retained earnings to statutory reserve	-	-	33,582	(33,582)	-	-	-
Revaluation surplus realised on depreciation	-	-	-	51,468	(51,468)	-	-
Transfer from retained earnings to other reserves	-	-	-	(159,726)	-	159,726	-
Dividend	-	-	-	(516,358)	-	-	(516,358)
At 31 December 2022	32,500,204	(4,875,031)	735,260	5,909,389	273,859	(7,374,042)	27,169,639
At 01 January 2023	32,500,204	(4,875,031)	735,260	5,909,389			