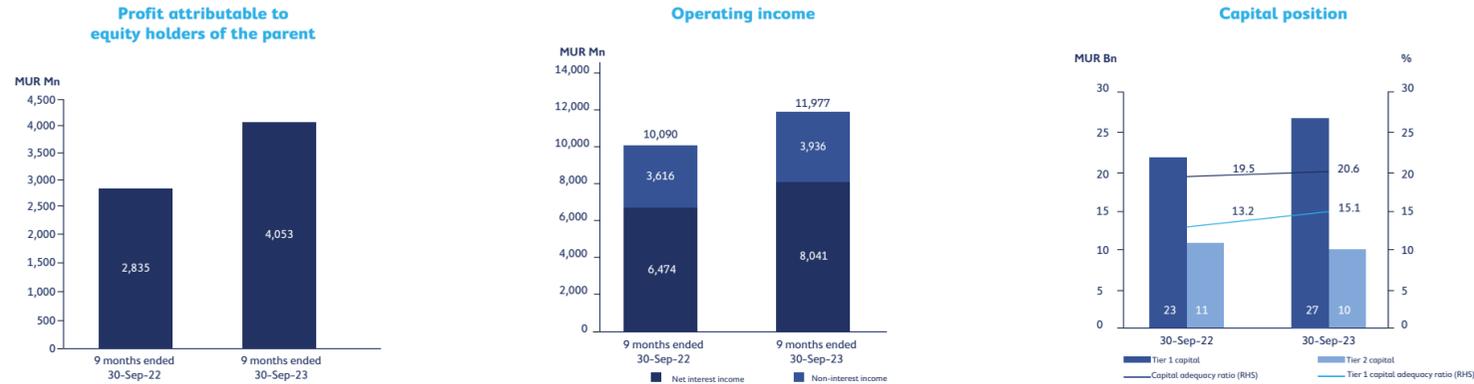


Key highlights



SBM Holdings Ltd (the "Company") and its subsidiaries, here altogether (the "Group"), present the Group's and Company's interim unaudited condensed financial report for the nine months ended 30 September 2023. These 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 of its subsidiaries (the "Group") as of 30 September 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 period then 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: 13 November 2023

INTERIM UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	The Group		
	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 31 December 2022
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	11,470,468	16,712,088	30,275,037
Mandatory balances with central banks	15,318,464	15,431,756	15,723,438
Loans to and placements with banks	1,908,480	1,478,554	1,221,415
Derivative financial instruments	901,547	1,458,673	1,205,168
Loans and advances to non-bank customers	146,986,752	150,711,522	149,994,543
Investment securities	175,137,608	163,160,379	151,977,933
Property and equipment	3,941,275	3,687,827	3,656,696
Right of use assets	712,733	780,012	867,749
Intangible assets	1,947,500	1,708,151	1,752,989
Deferred tax assets	1,568,668	1,388,246	1,265,176
Other assets	3,849,041	4,663,385	4,401,241
Total assets	363,742,536	361,180,593	362,341,385
LIABILITIES			
Deposits from banks	5,950,271	3,310,708	3,802,908
Deposits from non-bank customers	292,763,481	293,765,382	293,350,435
Other borrowed funds	10,086,786	13,457,460	15,489,470
Derivative financial instruments	1,051,048	1,042,603	905,317
Lease liabilities	784,029	790,898	888,617
Current tax liabilities	683,481	506,663	478,499
Pension liability	582,442	401,655	569,093
Other liabilities	8,820,773	10,867,383	9,070,915
Subordinated debts	11,330,264	10,065,622	10,616,492
Total liabilities	332,052,575	334,208,374	335,171,746
SHAREHOLDERS' EQUITY			
Stated capital	32,500,204	32,500,204	32,500,204
Retained earnings	9,390,956	5,053,533	5,909,389
Other reserves	(5,326,168)	(5,706,487)	(6,364,923)
	36,564,992	31,847,250	32,044,670
Less treasury shares	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity holders of the parent	31,689,961	26,972,219	27,169,639
Total equity and liabilities	363,742,536	361,180,593	362,341,385
Memorandum items	65,446,382	53,093,543	56,824,414

Approved by the Board of Directors and authorised for issue on 13 November 2023.

Mr. Abdul Sattar Adam Ali Mamode HAJEE ABDLOULA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	The Group				
	Unaudited Quarter ended 30 September 2023	Unaudited Quarter ended 30 September 2022	Unaudited Nine Months ended 30 September 2023	Unaudited Nine Months ended 30 September 2022	Audited Year ended 31 December 2022
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest income using the effective interest method	5,295,002	3,797,384	15,059,293	10,318,342	14,632,440
Other interest income	63,842	32,105	158,081	74,760	186,826
Interest expense using the effective interest method	(2,466,927)	(1,455,796)	(7,053,446)	(3,790,802)	(5,431,794)
Other interest expense	(41,556)	(36,965)	(122,663)	(128,736)	(465,252)
Net interest income	2,850,361	2,336,728	8,041,265	6,473,564	8,922,220
Fee and commission income	619,968	741,492	1,984,558	1,908,832	2,395,957
Fee and commission expense	(33,501)	(21,088)	(92,984)	(67,718)	(101,796)
Net fee and commission income	586,467	720,404	1,891,574	1,841,114	2,294,161
Net trading income	650,913	508,106	1,718,374	1,572,580	2,083,870
Net (loss)/gain from financial assets at fair value through profit or loss	(109,996)	13,676	(153,065)	(90,430)	8,629
Net gain on derecognition of financial assets measured at amortised cost	151,322	-	123,241	11,382	11,382
Net gain on derecognition of financial assets measured at fair value through other comprehensive income	6,515	22,364	54,581	63,904	94,968
Other operating income	5,044	208,247	301,418	217,920	238,594
Non-interest income	1,290,265	1,472,797	3,936,123	3,616,470	4,731,604
Operating income	4,140,626	3,809,525	11,977,388	10,090,034	13,653,824
Personnel expenses	(1,042,854)	(904,886)	(3,170,547)	(2,724,823)	(3,862,272)
Depreciation of property and equipment	(79,918)	(72,815)	(240,027)	(212,142)	(322,017)
Depreciation of right of use assets	(54,242)	(50,571)	(184,105)	(168,054)	(237,472)
Amortisation of intangible assets	(115,441)	(121,571)	(381,402)	(367,547)	(495,319)
Other expenses	(1,085,714)	(817,121)	(3,022,916)	(2,383,346)	(3,219,963)
Non-interest expense	(2,378,169)	(1,966,964)	(6,998,997)	(5,855,912)	(8,137,043)
Profit before credit loss expense	1,762,457	1,842,561	4,978,391	4,234,122	5,516,781
Credit loss expense on financial assets and memorandum items	(191,802)	(215,298)	(553,576)	(948,297)	(1,332,743)
Profit before income tax	1,571,375	1,627,263	4,424,815	3,285,825	4,184,038
Tax credit/(expense)	(63,793)	(244,927)	(371,362)	(450,720)	(548,377)
Profit for the period/year attributable to equity holders of the parent	1,635,168	1,382,336	4,053,453	2,835,105	3,635,661
Earnings per share:					
Basic (Cents)	63.3	53.5	157.0	109.8	140.8
Diluted (Cents)	63.3	53.5	157.0	109.8	140.8

Performance

The SBM Group has pursued its growth trajectory and delivered a strong financial performance, with profit after tax attaining MUR 4.1 billion for the nine months ended 30 September 2023, which represents a rise of 43.0% compared to last year's corresponding period. The Group has continued to benefit from its prudent strategic endeavours, as it strengthens its business model and sharpens its competitive edge.

Consequently, return on average shareholders' equity improved significantly to attain 18.4%, while earnings per share stood at 157.0 cents for the period under review, up from 109.8 cents for the same period in 2022.

In the wake of the Group's business development and improved margins, net interest income grew by 24.2% during the period under review, while non-interest income increased by 8.8%, on the back of higher levels of net fee and commission income, net trading income and other operating income. As a result, operating income posted by the Group rose by 18.7% to reach nearly MUR 12 billion for the nine months ended 30 September 2023.

While the portfolio of investment securities has widened significantly, revenue generated by the SBM Group was also underpinned by net loans and advances to non-bank customers, which stood at around MUR 147 billion as at 30 September 2023. Deposits from non-bank customers reached MUR 292.8 billion.

Non-interest expense edged up by 19.5% to stand at around MUR 7 billion for the nine months ended 30 September 2023, reflecting business development and capacity building initiatives.

Encouragingly, the Group's gross and net impaired advances ratios improved substantially to reach 6.9% and 2.1% respectively as at 30 September 2023, reflecting the organisation's cautious growth strategy and strengthened risk stewardship. Moreover, in support of its growth ambitions, the Group's capital adequacy ratio stood at 20.6%, while sound funding and liquidity positions were also upheld.

Outlook

While growth remains slow, the world economy is, as per the latest report by the IMF, gradually recovering from recent crises. The Mauritian economy has posted a resilient performance on various fronts. Real GDP growth is expected to remain appreciable in 2023, driven by favourable sectorial performances and improved investment levels.

As the SBM Group embarks into the final quarter of the year, it remains committed to pursuing its growth endeavours across jurisdictions, alongside accompanying its clients and helping them achieve their ambitions. While moving forward, the Group will continue to adopt a vigilant approach, supported by the further reinforcement of its risk management framework and its capabilities in terms of people, process and technology.

Along the way, the Group will actively promote initiatives underpinning the sustained advancement of the Mauritian economy and society.

Mr. Abdul Sattar Adam Ali Mamode HAJEE ABDLOULA
Chairman

13 November 2023

Dr. Subhas THECKA
Chairman, Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	The Group				
	Unaudited Quarter ended 30 September 2023	Unaudited Quarter ended 30 September 2022	Unaudited Nine Months ended 30 September 2023	Unaudited Nine Months ended 30 September 2022	Audited Year ended 31 December 2022
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the period/year attributable to equity holders of the parent	1,635,168	1,382,336	4,053,453	2,835,105	3,635,661
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation	-	-	30,815	-	-
Deferred tax on revaluation of property	(72,151)	-	(72,151)	-	-
Impact of change in deferred tax rate on revaluation of property	40,333	-	40,333	-	-
Revaluation gains on equity instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI)	64,004	-	78,883	-	289,862
Remeasurement of defined benefit pension plan	-	-	-	236	(20,693)
Deferred tax on remeasurement of defined benefit pension plan	-	-	-	(105)	1,662
	32,186	-	77,880	131	270,831
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(348,751)	(540,281)	(391,567)	(346,121)	(598,644)
Investment securities measured at FVTOCI (debt instrument)					
Movement in fair value during the period/year	447,088	(77,332)	1,333,934	(1,268,707)	(1,872,049)
Reclassification of gains included in profit or loss on derecognition	(6,515)	(22,364)	(54,581)	(63,904)	(94,968)
Credit losses relating to debt instruments held at FVTOCI	-	9,403	17,561	(46,221)	(33,128)
	91,822	(630,574)	905,347	(1,724,822)	(2,598,789)
Total other comprehensive income/(loss)	124,008	(630,574)	983,227	(1,724,822)	(2,327,958)
Total comprehensive income attributable to equity holders of the parent	1,759,176	751,762	5,036,680	1,110,283	1,307,703

INTERIM UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	The Group		
	Unaudited Nine Months ended 30 September 2023	Unaudited Nine Months ended 30 September 2022	Audited Year ended 31 December 2022
	MUR'000	MUR'000	MUR'000
Net cash used in from operating activities	(11,672,993)	(33,790,246)	(22,762,016)
Net cash (used in)/generated from financing activities	(6,052,720)	3,287,710	5,929,849
Net cash used in from investing activities	(1,069,362)	(421,602)	(536,208)
Net change in cash and cash equivalents	(18,795,075)	(30,924,138)	(17,368,375)
Expected credit loss allowance on cash and cash equivalents	(9,494)	(595)	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	11,470,468	16,712,088	30,275,037

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	2,835,105	-	-	2,835,105
Other comprehensive income/(loss) for the period	-	-	-	131	-	(1,724,953)	(1,724,822)
Total comprehensive income/(loss) for the period	-	-	-	2,835,236	-	(1,724,953)	1,110,283
Revaluation surplus realised on depreciation	-	-	-	38,664	(38,664)	-	-
Transfer from retained earnings to statutory reserve	-	-	74,144	(74,144)	-	-	-
Transfer from retained earnings to other reserves	-	-	-	(37,653)	-	37,653	-
Dividend	-	-	-	(516,358)	-	-	(516,358)
At 30 September 2022	32,500,204	(4,875,031)	876,230	5,053,533	242,222	(6,824,939)	26,972,219
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	