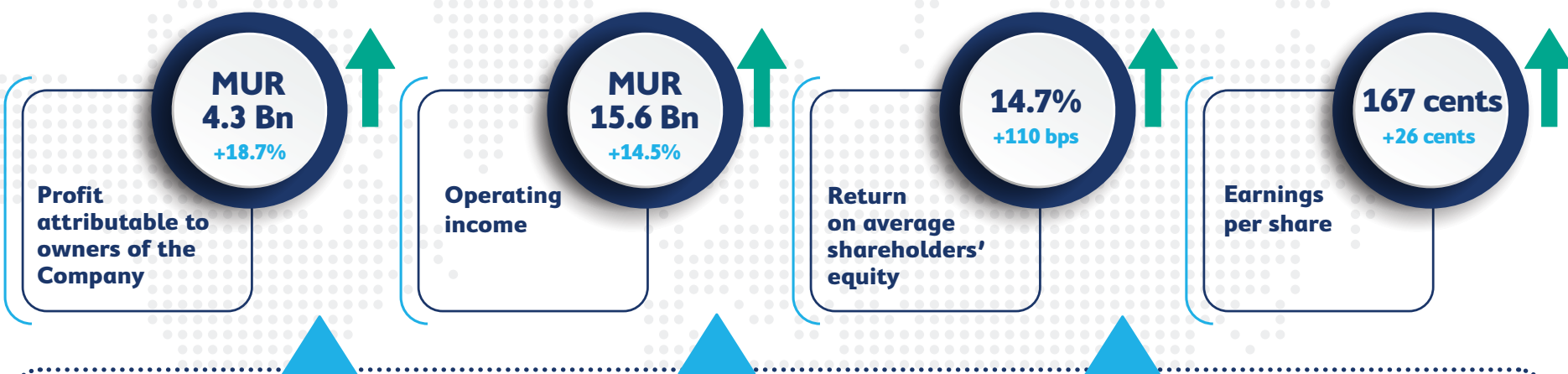


ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Key financial highlights for FY 2023

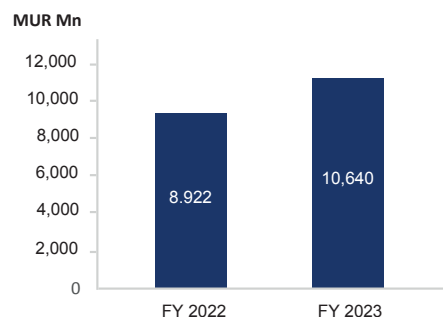


- Sustained growth momentum of the SBM Group in spite of the challenging context
- Record net profit level registered by the Group as it pursues its strategic journey
- Sound financial ratios upheld, notably in terms of capitalisation and asset quality
- Dividend declaration of 40 cents per share, leading to enhanced shareholder returns

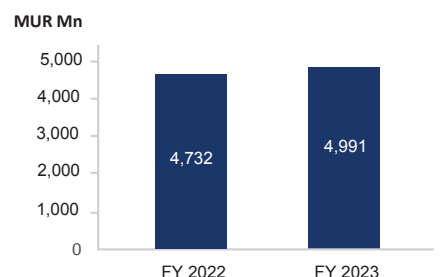
Main trends across key indicators

Revenue generation

Net interest income

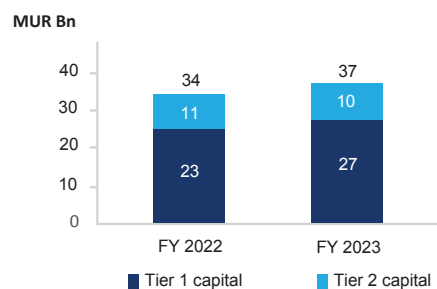


Non-interest income

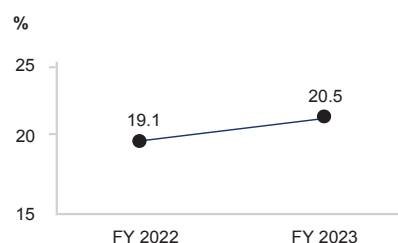


Capitalisation

Capital base

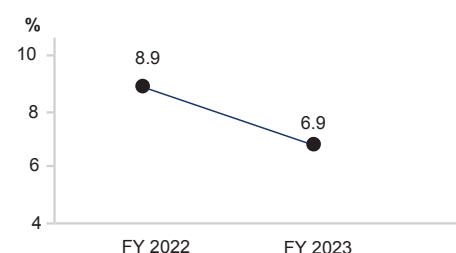


Capital adequacy ratio

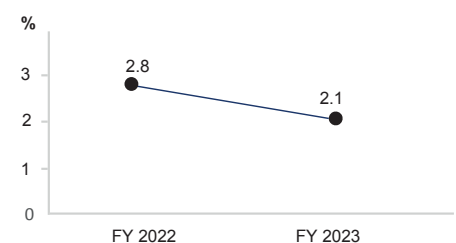


Asset quality

Gross impairment ratio



Net impairment ratio



SBM Holdings Ltd (the "Company") and its subsidiaries, here altogether (the "Group"), present the Group and the Company abridged audited financial statements for the year ended 31 December 2023. The audited financial statements have been prepared in accordance with the International Financial Reporting Standards.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | The Group | | The Company | |
|---|--------------------|--------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 |
| ASSETS | | | | |
| Cash and cash equivalents | 23,827,701 | 30,275,037 | 710,733 | 28,219 |
| Mandatory balances with central banks | 16,918,939 | 15,723,438 | - | - |
| Loans to and placements with banks | 2,853,065 | 1,221,415 | - | - |
| Derivative financial instruments | 679,073 | 1,205,168 | - | - |
| Loans and advances to non-bank customers | 148,259,418 | 149,994,543 | - | - |
| Investment securities | 157,532,715 | 151,977,933 | 6,814,937 | 6,839,138 |
| Investment in subsidiaries | - | - | 31,438,094 | 31,300,001 |
| Property and equipment | 4,140,212 | 3,656,696 | 5,312 | 3,116 |
| Right of use assets | 724,545 | 867,749 | - | - |
| Intangible assets | 1,851,623 | 1,752,989 | 66 | 335 |
| Deferred tax assets | 1,390,569 | 1,265,176 | - | - |
| Other assets | 4,075,455 | 4,401,241 | 113,970 | 62,533 |
| Total assets | 362,253,315 | 362,341,385 | 39,083,112 | 38,233,342 |
| LIABILITIES | | | | |
| Deposits from banks | 2,662,028 | 3,802,908 | - | - |
| Deposits from non-bank customers | 290,639,805 | 293,350,435 | - | - |
| Other borrowed funds | 13,405,661 | 15,489,470 | - | - |
| Derivative financial instruments | 782,595 | 905,317 | - | - |
| Lease liabilities | 801,229 | 888,617 | - | - |
| Current tax liabilities | 556,294 | 478,499 | - | 1,385 |
| Pension liabilities | 450,863 | 569,093 | 13,058 | 10,096 |
| Other liabilities | 10,039,834 | 9,070,915 | 89,296 | 65,362 |
| Subordinated debts | 11,232,173 | 10,616,492 | 9,952,271 | 9,916,536 |
| Total liabilities | 330,570,482 | 335,171,746 | 10,054,625 | 9,993,379 |
| SHAREHOLDERS' EQUITY | | | | |
| Stated capital | 32,500,204 | 32,500,204 | 32,500,204 | 32,500,204 |
| Retained earnings | 9,511,081 | 5,909,389 | 2,148,355 | 1,362,238 |
| Other reserves | (5,453,421) | (6,364,923) | (745,041) | (747,448) |
| Treasury shares | 36,557,864 | 32,044,670 | 33,903,518 | 33,114,994 |
| | (4,875,031) | (4,875,031) | (4,875,031) | (4,875,031) |
| Total equity attributable to owners of the Company | 31,682,833 | 27,169,639 | 29,028,487 | 28,239,963 |
| Total equity and liabilities | 362,253,315 | 362,341,385 | 39,083,112 | 38,233,342 |

Approved by the Board of Directors and authorised for issue on 28 March 2024

Abdul Sattar Adam Ali Mamode HAJEE ABDOULA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SBM HOLDINGS LTD

Opinion

The summary financial statements, which comprise the statements of financial position as at 31 December 2023, the statements of profit or loss, the statements of other comprehensive income, the statements of changes in equity and the abridged statements of cash flows for the year then ended, are extracted from audited consolidated and separate financial statements of SBM Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited consolidated and separate financial statements of the Group and the Company which are prepared in accordance with International Financial Reporting Standards (IFRSs), and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 March 2024. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year.

Responsibilities of Directors for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements, without reference to the detailed notes, extracted from the audited consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023. The audited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Other Matter

This report, including our opinion, has been prepared for and only for the Company's shareholders in accordance with Section 12.14(i) of the Listing Rules of the Stock Exchange of Mauritius and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Deloitte
Chartered Accountants

Date: 28 March 2024

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

| | The Group | | The Company | |
|--|--------------------|--------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 |
| Interest income using the effective interest method | 20,221,308 | 14,632,440 | 32,765 | 9,289 |
| Other interest income | 328,406 | 186,826 | - | - |
| Interest expense using the effective interest method | (9,245,282) | (5,431,794) | (534,993) | (484,779) |
| Other interest expense | (664,631) | (465,252) | - | - |
| Net interest income/(expense) | 10,639,801 | 8,922,220 | (502,228) | (475,490) |
| Fee and commission income | 2,584,671 | 2,395,957 | - | - |
| Fee and commission expense | (137,358) | (101,796) | - | - |
| Net fee and commission income | 2,447,313 | 2,294,161 | - | - |
| Other income | | | | |
| Net trading income | 2,180,663 | 2,083,870 | - | - |
| Net gains from financial assets measured at FVTPL | 40,253 | 8,629 | 35,342 | 33,166 |
| Net (losses)/gains on derecognition of financial assets measured at amortised cost | (21,394) | 11,382 | - | 11,382 |
| Net gains on derecognition of financial assets measured at FVTOCI | 44,962 | 94,968 | - | - |
| Other operating income | 299,249 | 238,594 | 2,046,581 | 2,483,941 |
| Non-interest income | 4,991,046 | 4,731,604 | 2,081,923 | 2,528,489 |
| Total operating income | 15,630,847 | 13,653,824 | 1,579,695 | 2,052,999 |
| Personnel expenses | (4,275,825) | (3,862,272) | (182,456) | (77,562) |
| Depreciation of property and equipment | (330,262) | (322,017) | (372) | (273) |
| Depreciation of right of use assets | (238,631) | (237,472) | - | - |
| Amortisation of intangible assets | (531,095) | (495,319) | (269) | (274) |
| Other expenses | (4,228,071) | (3,219,963) | (76,087) | (54,639) |
| Impairment of investment in subsidiary | - | - | (13,816) | (14,366) |
| Non-interest expense | (9,603,884) | (8,137,043) | (273,000) | (147,114) |
| Profit before credit loss expense | 6,026,963 | 5,516,781 | 1,306,695 | 1,905,885 |
| Credit loss on financial assets and memorandum items | (1,047,247) | (1,332,743) | (185) | (45) |
| Profit before income tax | 4,979,716 | 4,184,038 | 1,306,510 | 1,905,840 |
| Tax (expense)/credit | (662,779) | (548,377) | 1,221 | (2,189) |
| Profit for the year attributable to owners of the Company | 4,316,937 | 3,635,661 | 1,307,731 | 1,903,651 |
| Earnings per share: | | | | |
| Basic and Diluted (Cents) | 167.2 | 140.8 | - | - |

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

| | The Group | | The Company | |
|--|------------------|--------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 |
| Profit for the year | 4,316,937 | 3,635,661 | 1,307,731 | 1,903,651 |
| Other comprehensive income: | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | |
| Gain on revaluation of property | 30,815 | - | - | - |
| Deferred tax arising following change in rate: | | | | |
| - Revaluation of property | (70,482) | - | - | - |
| - Defined benefit pension plans | (6,446) | - | - | - |
| Remeasurement of defined benefit pension plans | (204,466) | (20,693) | (5,256) | 1,643 |
| Deferred tax on remeasurement of defined benefit pension plans | 27,784 | 1,662 | - | - |
| Net gain on equity instruments designated at FVTOCI | 77,347 | 289,862 | - | 298,708 |
| | (145,448) | 270,831 | (5,256) | 300,351 |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | |
| Exchange differences on translation of foreign operations | (566,236) | (598,644) | - | - |
| <i>Debt securities measured at FVTOCI</i> | | | | |
| - Movement in fair value during the year | 1,335,432 | (1,872,049) | 2,596 | (705) |
| - Fair value gains reclassified to profit or loss on derecognition | (44,962) | (94,968) | - | - |
| - Credit loss movement relating to debt instruments held at FVTOCI | 133,829 | (33,128) | (189) | - |
| | 858,063 | (2,598,789) | 2,407 | (705) |
| Total other comprehensive income/(loss) attributable to owners of the Company | 712,615 | (2,327,958) | (2,849) | 299,646 |
| Total comprehensive income for the year attributable to owners of the Company | 5,029,552 | 1,307,703 | 1,304,882 | 2,203,297 |

Performance

The SBM Group registered a record profit of MUR 4.3 billion for the year ended 31 December 2023, which represents an increase of 18.7% when compared to the preceding year. This performance is the outcome of sustained strategic endeavours and capacity building initiatives put in place over the past four years, while being also the result of the rigorous revision of the risk management policy, which has led to lower impairment loss on financial assets.

Key metrics have improved significantly. Return on average shareholders' equity attained 14.7% for the year under review, compared to 13.6% in FY 2022. Besides, earnings per share stood at 167.2 cents in FY 2023, compared to 140.8 cents in FY 2022.

In spite of the challenging market landscape across the jurisdictions where the SBM Group is involved, operating income surged by 14.5%, rising from MUR 13.7 billion in FY 2022 to MUR 15.6 billion in FY 2023. This outcome has been supported by a growth of 19.3% in net interest income, mainly driven by higher income from the loan book and investment securities. Of note, gross loans and advances to and deposits from non-bank customers stood at MUR 157.8 billion and MUR 290.6 billion respectively as at 31 December 2023. The core earnings of the Group were also boosted by an increase of 6.7% in net fee and commission income in the wake of rising business volumes, while net trading income moved up given favourable market conditions.

Non-interest expenses edged up to MUR 9.6 billion for the year ended 31 December 2023, with the main increases being registered with respect to staff and other operational costs, partly linked to inflationary pressures.

In support of its growth ambitions, the Group upheld sound financial ratios. While robust funding and liquidity positions were maintained, the overall capital adequacy ratio stood at 20.5%, which is well above regulatory requirements, hence providing adequate buffers to sustain the growth momentum. The Group posted enhanced asset quality ratios on the back of further headway realised in terms of risk management, with the net impaired advances to net advances ratio improving to 2.1% in FY 2023, from 2.8% in FY 2022.

Outlook

The international economic recovery is gradually gathering momentum, albeit at a relatively slow pace, while global inflation is declining at a sustained speed. As for the Mauritius economy, it has stayed resilient in the face of challenges faced, as gauged by its ongoing GDP growth trajectory, helped by improved sectorial performances and higher investment levels. Comfortingly, the IMF has, in a recent statement, highlighted that the country's growth outlook remains favourable.

The Board will continue to deliver the necessary guidance and oversight to ensure that the SBM Group further strengthens its operational resilience and growth impetus across the jurisdictions in which it is present, while adhering to strong risk management practices. Mindful of the fast-changing operating context, the Group remains committed to capitalising on business opportunities in a conscientious and steady manner, alongside diversifying its revenue streams.

Along the way, the SBM Group is dedicated to generating meaningful and long-term value for all its stakeholders, including its shareholders, customers, employees, Governments and regulators as well as the societies in which it is involved.

Dividend payment

In view of SBM Group's improving profitability and encouraging prospects going forward, the Board of SBM Holdings Ltd is pleased to declare a dividend payment of 40 cents per share, to be paid in June 2024, subject to regulatory approval. This dividend is based on a careful assessment of the Group's financial and capital positions as well as unfolding market conditions. It is twice the dividend that was paid last year, thus reflecting the Group's commitment to delivering increasingly attractive and, most importantly, sustainable returns to its shareholders, through a clear dividend policy.

Abdul Sattar Adam Ali Mamode HAJEE ABDOULA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

28 March 2024

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

| The Group | Stated capital | Treasury shares | Statutory reserve | Retained earnings | Property revaluation reserve | Other reserves | Total equity |
|--|-------------------|--------------------|-------------------|-------------------|------------------------------|--------------------|-------------------|
| | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 |
| 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 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) | - |
| Appropriation of reserves | - | - | 33,582 | (193,308) | - | 159,726 | - |
| Revaluation surplus realised on depreciation | - | - | - | 51,468 | (51,468) | - | - |
| 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 | 273,859 | (7,374,042) | 27,169,639 |
| Profit for the year | - | - | - | 4,316,937 | - | - | 4,316,937 |
| Other comprehensive (loss)/income for the year | - | - | - | (183,128) | (39,667) | 935,410 | 712,615 |
| Total comprehensive income/(loss) for the year | - | - | - | 4,133,809 | (39,667) | 935,410 | 5,029,552 |
| Appropriation of reserves | - | - | 28,731 | (67,642) | - | 38,911 | - |
| Revaluation surplus realised on depreciation | - | - | - | 51,883 | (51,883) | - | - |
| Dividend | - | - | - | (516,358) | - | - | (516,358) |
| At 31 December 2023 | 32,500,204 | (4,875,031) | 763,991 | 9,511,081 | 182,309 | (6,399,721) | 31,682,833 |

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

| | The Group | | The Company | |
|---|--------------------|---------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | MUR'000 | MUR'000 | MUR'000 | MUR'000 |
| Net cash used in operating activities | (2,652,351) | (22,283,388) | (537,676) | (795,208) |
| Investing activities | | | | |
| Acquisition of property and equipment | (814,626) | (421,883) | (2,568) | (2,279) |
| Acquisition of intangible assets | (686,252) | (314,941) | - | - |
| Disposal of property and equipment | 5,615 | (5,947) | - | - |
| Dividend received | 267,767 | 206,563 | 1,942,488 | 2,447,632 |
| Net cash (used in)/generated from investing activities | (1,227,496) | (536,208) | 1,939,920 | 2,445,353 |
| Financing activities | | | | |
| Capital contribution granted to existing subsidiaries | - | - | (151,909) | (1,200,000) |
| Net movement in other borrowed funds | (2,083,809) | 5,976,557 | - | - |
| Subordinated debts issued | 583,039 | 735,949 | - | - |
| Dividend paid on ordinary shares | (516,358) | (516,358) | (516,358) | (516,358) |
| Payment of principal portion of lease liabilities | (234,9 | | | |