



## SBM HOLDINGS LTD

SBM Holdings Ltd ('the Company') and its subsidiaries, here altogether ('the Group'), present the Group and Company abridged audited financial statements for the year ended 31 December 2020. The audited financial statements have been prepared in accordance with the International Financial Reporting Standards.

### REPORT ON THE REVIEW OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 TO THE BOARD OF DIRECTORS OF SBM HOLDINGS LTD

#### **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 2020, the statements of profit or loss, the statements of 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 (the "Group") for the year ended 31 December 2020.

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 31 March 2021. 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 2020. 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

31 March 2021

#### KEY HIGHLIGHTS

Operating income	Profit before impairment and tax	Profit after tax	Earnings per share from continuing operations
MUR 11.2 billion	MUR 5.1 billion	MUR 1.0 billion	39.2 cents
▲ +16.4%	▲ +43.7%	▲	▲ +37.9 cents

Total assets	Gross loans and advances to non-bank customers	Investment securities	Deposits from non-bank customers
MUR 288.4 billion	MUR 136.0 billion	MUR 121.1 billion	MUR 226.9 billion
▲ +11.6%	▲ +11.7%	▲ +20.7%	▲ +13.8%

**SBMHOLDINGS LTD**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	The Group			The Company		
	31 December	Restated	Restated	31 December	Restated	Restated
	2020	31 December	31 December	2020	31 December	31 December
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<b>ASSETS</b>						
Cash and cash equivalents	21,577,245	18,181,126	15,653,515	304,473	178,632	32,890
Mandatory balances with central banks	11,290,363	10,680,287	9,977,260	-	-	-
Loans to and placements with banks	3,130,387	6,942,745	8,582,414	-	-	-
Derivative financial instruments	809,379	936,093	879,742	-	-	-
Loans and advances to non-bank customers	120,239,361	109,475,989	102,108,174	-	-	-
Investment securities	121,053,397	100,290,935	77,347,157	7,005,132	5,898,161	7,333,009
Investment in subsidiaries	-	-	-	29,523,743	29,899,918	28,485,152
Investment in associate	-	1,479,048	1,308,157	-	1,272,977	1,272,977
Property and equipment	3,207,034	3,328,308	3,153,914	2,194	3,865	5,780
Right of use assets	807,230	759,905	-	-	-	-
Goodwill and other intangible assets	2,296,694	2,729,474	3,226,318	883	1,157	44
Deferred tax assets	806,110	355,992	89,440	-	-	-
Other assets	3,204,894	3,235,998	1,679,186	49,719	231,515	153,309
<b>Total assets</b>	<b>288,422,094</b>	<b>258,395,900</b>	<b>224,005,277</b>	<b>36,886,144</b>	<b>37,486,225</b>	<b>37,283,161</b>
<b>LIABILITIES</b>						
Deposits from banks	1,403,315	907,521	716,702	-	-	-
Deposits from non-bank customers	226,862,221	199,397,188	169,384,480	-	-	-
Other borrowed funds	15,017,177	13,373,033	11,964,588	-	-	-
Derivative financial instruments	1,279,984	1,126,364	1,009,171	41,524	47,645	19,356
Current tax liabilities	260,225	712,071	502,109	-	-	503
Deferred tax liabilities	-	-	159,477	-	-	-
Other liabilities	6,711,844	7,457,402	6,501,238	211,206	112,588	91,474
Pension liability	743,807	338,875	173,055	6,914	2,459	-
Lease Liabilities	804,407	795,345	-	-	-	-
Subordinated debts	10,142,786	9,739,981	9,412,677	10,142,786	9,739,981	9,412,677
<b>Total liabilities</b>	<b>263,225,766</b>	<b>233,847,780</b>	<b>199,823,497</b>	<b>10,402,430</b>	<b>9,902,673</b>	<b>9,524,010</b>
<b>SHAREHOLDERS' EQUITY</b>						
Stated capital	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204
Retained earnings	893,576	1,114,355	2,275,054	271,475	780,197	946,651
Other reserves	(3,322,421)	(4,191,408)	(5,718,447)	(1,412,934)	(821,818)	(812,673)
	30,071,359	29,423,151	29,056,811	31,358,745	32,458,583	32,634,182
Treasury shares	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)
<b>Total equity attributable to equity holders of the parent</b>	<b>25,196,328</b>	<b>24,548,120</b>	<b>24,181,780</b>	<b>26,483,714</b>	<b>27,583,552</b>	<b>27,759,151</b>
<b>Total equity and liabilities</b>	<b>288,422,094</b>	<b>258,395,900</b>	<b>224,005,277</b>	<b>36,886,144</b>	<b>37,486,225</b>	<b>37,283,161</b>

Approved by the Board of Directors and authorised for issue on 31 March 2021

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**Abdul Sattar Adam Ali Mamode HAJEEABDOULA**  
Chairman

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**Subhas THECKA**  
Chairman, Audit Committee

**SBM HOLDINGS LTD**  
**STATEMENTS OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	The Group			The Company		
	31 December 2020	Restated 31 December 2019	Restated 31 December 2018	31 December 2020	Restated 31 December 2019	Restated 31 December 2018
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<b>Continuing Operations</b>						
Interest income using the effective interest method	11,031,718	10,813,591	9,000,104	52,286	77,863	84,566
Other interest income	224,685	147,557	278,897	-	-	-
Interest expense using the effective interest method	(3,625,431)	(4,155,476)	(2,949,881)	(444,508)	(476,589)	(309,019)
Other interest expense	(434,831)	(163,906)	(274,326)	(50,728)	(9,784)	(6,653)
<b>Net interest income/(expense)</b>	<b>7,196,141</b>	<b>6,641,766</b>	<b>6,054,794</b>	<b>(442,950)</b>	<b>(408,510)</b>	<b>(231,106)</b>
Fee and commission income	1,451,371	1,476,544	1,169,053	-	-	-
Fee and commission expense	(57,312)	(43,508)	(30,919)	(13)	(150)	(199)
<b>Net fee and commission income/(expense)</b>	<b>1,394,059</b>	<b>1,433,036</b>	<b>1,138,134</b>	<b>(13)</b>	<b>(150)</b>	<b>(199)</b>
<b>Other income</b>						
Net trading income	1,006,014	1,163,225	1,571,826	-	-	-
Net gain/(losses) from financial assets at fair value through profit or loss	48,169	(82,184)	(73,633)	376,448	(8,422)	(19,053)
Net gains on derecognition of financial assets measured at amortised cost	180,325	27,110	33,179	2,372	6,396	28,408
Net gains/(losses) on derecognition of financial assets measured at fair value through other comprehensive income	1,245,740	231,379	4,321	-	371	(794)
Other operating income	151,114	227,569	1,189,766	274,467	1,570,456	1,233,068
<b>Non-interest income</b>	<b>4,025,421</b>	<b>3,000,135</b>	<b>3,863,594</b>	<b>653,274</b>	<b>1,568,651</b>	<b>1,241,430</b>
<b>Total Operating income</b>	<b>11,221,562</b>	<b>9,641,901</b>	<b>9,918,388</b>	<b>210,324</b>	<b>1,160,141</b>	<b>1,010,324</b>
Personnel expenses	(2,859,550)	(2,869,406)	(1,951,225)	(56,583)	(82,994)	(104,253)
Depreciation of property and equipment	(290,351)	(266,120)	(205,246)	(1,671)	(2,142)	(1,946)
Depreciation of right of use assets	(183,479)	(207,061)	-	-	-	-
Amortisation of intangible assets	(575,386)	(616,923)	(621,951)	(274)	(208)	(6)
Other expenses	(2,242,164)	(2,152,971)	(1,953,492)	(529,347)	(338,347)	(283,424)
Impairment of subsidiary	-	-	-	(124,000)	-	-
<b>Non-interest expense</b>	<b>(6,150,930)</b>	<b>(6,112,481)</b>	<b>(4,731,914)</b>	<b>(711,875)</b>	<b>(423,691)</b>	<b>(389,629)</b>
<b>Profit/(loss) before credit loss expense on financial assets</b>	<b>5,070,632</b>	<b>3,529,420</b>	<b>5,186,474</b>	<b>(501,551)</b>	<b>736,450</b>	<b>620,695</b>
Credit loss (expense)/reversal on financial assets	(3,757,402)	(2,916,209)	(3,559,350)	(217)	1,085	(1,646)
<b>Operating profit/(loss)</b>	<b>1,313,230</b>	<b>613,213</b>	<b>1,627,123</b>	<b>(501,768)</b>	<b>737,535</b>	<b>619,049</b>
Share of profit of associate	-	139,237	100,240	-	-	-
<b>Profit/(loss) before income tax</b>	<b>1,313,230</b>	<b>752,450</b>	<b>1,727,363</b>	<b>(501,768)</b>	<b>737,535</b>	<b>619,049</b>
Tax (expense) / income	(300,126)	(717,129)	(379,954)	336	(357)	(10,867)
<b>Profit/(loss) for the year from continuing operations</b>	<b>1,013,104</b>	<b>35,321</b>	<b>1,347,409</b>	<b>(501,432)</b>	<b>737,178</b>	<b>608,182</b>
<b>Discontinued operations</b>						
Profit / (loss) after tax for the year	7,906	(17,965)	(1,398)	-	-	-
<b>Profit/(loss) for the year attributable to equity holders of the parent</b>	<b>1,021,010</b>	<b>17,356</b>	<b>1,346,011</b>	<b>(501,432)</b>	<b>737,178</b>	<b>608,182</b>
<b>Earnings per share:</b>						
<b>From continuing operations</b>						
Basic (Cents)	39.24	1.37	52.19			
Diluted (Cents)	39.24	1.37	52.19			
<b>From continuing and discontinued operations</b>						
Basic (Cents)	39.55	0.67	52.13			
Diluted (Cents)	39.55	0.67	52.13			

**SBM HOLDINGS LTD**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	The Group			The Company		
	31 December 2020	31 December 2019	31 December 2018	31 December 2020	31 December 2019	31 December 2018
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<b>Profit/(loss) for the year</b>	<b>1,021,010</b>	17,356	1,346,011	<b>(501,432)</b>	737,178	608,182
<b>Other comprehensive income :</b>						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Increase in revaluation of property	-	255,148	-	-	-	-
Deferred tax on revaluation of property	-	(9,950)	-	-	-	-
Reversal in net property revaluation reserve	-	-	(17,689)	-	-	-
Impact of change in deferred tax rate on revaluation of property	-	118,392	-	-	-	-
Remeasurement of defined benefit pension plan	<b>(747,337)</b>	(203,865)	(27,802)	<b>(7,291)</b>	-	-
Deferred tax on remeasurement of defined benefit pension plan	<b>51,409</b>	14,271	-	-	-	-
Impact of change in deferred tax rate on defined benefit pension plan	-	(7,923)	-	-	-	-
Share of associate-remeasurement of defined benefit pension plan	-	(31,105)	-	-	-	-
Share of other comprehensive income/(loss) of associate	-	76,112	(96,235)	-	-	-
Net (loss)/gain on equity instruments designated at FVTOCI	<b>(591,373)</b>	45,277	(77,085)	<b>(591,373)</b>	-	(77,085)
	<b>(1,287,301)</b>	256,357	(218,811)	<b>(598,664)</b>	-	(77,085)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	<b>89,660</b>	327,378	(176,373)	-	-	-
Exchange differences resulting from share of associate	-	25,496	-	-	-	-
Recycling of reserves on derecognition of investment in associate	<b>24,166</b>	-	-	-	-	-
<b>Investment securities measured at FVTOCI</b>						
Movement in fair value during the year	<b>2,035,417</b>	418,362	(505,354)	<b>258</b>	-	-
Fair value re-cycled on disposal	<b>(1,235,218)</b>	231,379	1,491	-	(9,145)	-
Movement in credit loss expense relating to debt instruments held at FVTOCI	<b>474</b>	(6,356)	24,686	-	-	-
	<b>914,499</b>	996,259	(655,550)	<b>258</b>	(9,145)	-
<b>Total other comprehensive (loss) / income</b>	<b>(372,802)</b>	1,252,616	(874,361)	<b>(598,406)</b>	(9,145)	(77,085)
<b>Total comprehensive income / (loss) for the year</b>	<b>648,208</b>	1,269,972	471,650	<b>(1,099,838)</b>	728,033	531,097

**SBM HOLDINGS LTD**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Restated</i>				<i>Restated</i>		
	<b>Stated capital</b>	<b>Treasury shares</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Net property revaluation reserve</b>	<b>Other reserves</b>	<b>Total equity</b>
<b>The Group</b>	<b>MUR' 000</b>	<b>MUR' 000</b>	<b>MUR' 000</b>	<b>MUR' 000</b>	<b>MUR' 000</b>	<b>MUR' 000</b>	<b>MUR' 000</b>
<b>At 01 January 2018</b>							
- As previously stated	32,500,204	(4,875,031)	593,966	1,919,447	120,416	(5,549,797)	24,709,205
- Prior year adjustments	-	-	-	(95,443)	-	-	(95,443)
- As restated	32,500,204	(4,875,031)	593,966	1,824,004	120,416	(5,549,797)	24,613,762
Profit for the year	-	-	-	1,346,011	-	-	1,346,011
Loss allowance relating to debts instruments held at FVTOCI	-	-	-	-	-	24,686	24,686
Other comprehensive loss for the year	-	-	-	(27,802)	(17,689)	(853,556)	(899,047)
Total comprehensive income/(loss) for the year	-	-	-	1,318,209	(17,689)	(828,870)	471,650
Transfer from retained earnings to statutory reserve	-	-	3,108	(3,108)	-	-	-
Revaluation surplus realised on depreciation	-	-	-	39,581	(39,581)	-	-
Dividend	-	-	-	(903,632)	-	-	(903,632)
<b>At 31 December 2018 (As restated)</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>597,074</b>	<b>2,275,054</b>	<b>63,146</b>	<b>(6,378,667)</b>	<b>24,181,780</b>
<b>At 01 January 2019 (As restated)</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>597,074</b>	<b>2,275,054</b>	<b>63,146</b>	<b>(6,378,667)</b>	<b>24,181,780</b>
Profit for the year	-	-	-	17,356	-	-	17,356
Credit loss expense relating to debts instruments held at FVTOCI	-	-	-	-	-	(6,356)	(6,356)
Share of OCI of associate	-	-	-	-	-	101,608	101,608
Other comprehensive (loss)/income for the year	-	-	-	(228,622)	363,590	1,022,396	1,157,364
Total comprehensive income for the year	-	-	-	(211,266)	363,590	1,117,648	1,269,972
Transfer from retained earnings to statutory reserve	-	-	90,000	(90,000)	-	-	-
Revaluation surplus realised on depreciation	-	-	-	43,121	(43,121)	-	-
Transfer to retained earnings	-	-	-	1,078	-	(1,078)	-
Dividend	-	-	-	(903,632)	-	-	(903,632)
<b>At 31 December 2019 (As restated)</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>687,074</b>	<b>1,114,355</b>	<b>383,615</b>	<b>(5,262,097)</b>	<b>24,548,120</b>
<b>At 01 January 2020 (As restated)</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>687,074</b>	<b>1,114,355</b>	<b>383,615</b>	<b>(5,262,097)</b>	<b>24,548,120</b>
Profit for the year	-	-	-	1,021,010	-	-	1,021,010
Credit loss expense relating to debts instruments held at FVTOCI	-	-	-	-	-	474	474
Share of OCI of associate	-	-	-	-	-	24,166	24,166
Other comprehensive (loss)/income for the year	-	-	-	(695,928)	-	298,486	(397,442)
Total comprehensive income for the year	-	-	-	325,082	-	323,126	648,208
Reclassification of reserves	-	-	6,709	(10,125)	2,285	1,131	-
Revaluation surplus realised on depreciation	-	-	-	53,505	(53,505)	-	-
Transfer from retained earnings to general reserve	-	-	-	(589,241)	-	589,241	-
<b>At 31 December 2020</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>693,783</b>	<b>893,576</b>	<b>332,395</b>	<b>(4,348,599)</b>	<b>25,196,328</b>

Other reserves in the Statements of financial position comprise of statutory reserve, net property revaluation reserve and other reserve.

**SBM HOLDINGS LTD**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Stated capital	Treasury shares	Retained earnings	Net unrealised investment fair value reserve	Total equity
<u>The Company</u>	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<b>At 01 January 2018</b>	32,500,204	(4,875,031)	1,242,101	(735,588)	28,131,686
Profit for the year	-	-	608,182	-	608,182
Other comprehensive loss for the year	-	-	-	(77,085)	(77,085)
Total comprehensive income/(loss) for the year	-	-	608,182	(77,085)	531,097
Dividend	-	-	(903,632)	-	(903,632)
<b>At 31 December 2018</b>	32,500,204	(4,875,031)	946,651	(812,673)	27,759,151
<b>At 01 January 2019</b>	32,500,204	(4,875,031)	946,651	(812,673)	27,759,151
Profit for the year	-	-	737,178	-	737,178
Other comprehensive loss for the year	-	-	-	(9,145)	(9,145)
Total comprehensive income/(loss) for the year	-	-	737,178	(9,145)	728,033
Dividend	-	-	(903,632)	-	(903,632)
<b>At 31 December 2019</b>	32,500,204	(4,875,031)	780,197	(821,818)	27,583,552
<b>At 01 January 2020</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>780,197</b>	<b>(821,818)</b>	<b>27,583,552</b>
Loss for the year	-	-	(501,432)	-	(501,432)
Other comprehensive loss for the year	-	-	(7,290)	(591,116)	(598,406)
Total comprehensive loss for the year	-	-	(508,722)	(591,116)	(1,099,838)
<b>At 31 December 2020</b>	<b>32,500,204</b>	<b>(4,875,031)</b>	<b>271,475</b>	<b>(1,412,934)</b>	<b>26,483,714</b>

**SBM HOLDINGS LTD**  
**ABRIDGED STATEMENTS OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group			Company		
	31 December 2020	Restated 31 December 2019	Restated 31 December 2018	31 December 2020	Restated 31 December 2019	Restated 31 December 2018
	MUR' 000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net cash from/(used in) operating activities	<b>2,238,552</b>	2,483,188	(4,182,626)	<b>(648,801)</b>	895,232	(2,217,210)
Net cash flow from/ (used in) financing activities	<b>1,439,646</b>	333,246	3,542,808	<b>500,175</b>	(903,632)	4,768,453
Net cash (used in)/ from investing activities	<b>(282,079)</b>	(288,823)	(38,205)	<b>274,467</b>	154,142	(2,591,576)
<b>Net change in cash and cash equivalents</b>	<b>3,396,119</b>	2,527,611	(678,023)	<b>125,841</b>	145,742	(40,333)
Cash and cash equivalents at start of year	<b>18,181,126</b>	15,653,515	16,331,538	<b>178,632</b>	32,890	73,223
<b>Cash and cash equivalents at end of year</b>	<b>21,577,245</b>	18,181,126	15,653,515	<b>304,473</b>	178,632	32,890

## COMMENTS ON THE OPERATING RESULTS

Despite a difficult year in 2020 with the outbreak of the COVID-19 pandemic, the Board of Directors is pleased to report a profit after tax of MUR 1.0 billion for the year ended 31 December 2020 as compared to MUR 17.4 million for prior year as restated. The higher profit for 2020, is mainly driven by an increase of 16.4% or MUR 1.6 billion in operating income even though impairment charges on financial assets have increased by MUR 841.2 million as compared to last year.

Total assets also sustained a positive growth to reach MUR 288.4 billion as at 31 December 2020 (2019: MUR 258.4 billion). Gross loans and advances to non-bank customers increased by 11.7% from 2019 to MUR 136.0 billion and investment securities, by 21.2% to MUR 114.2 billion by year end. These have been largely funded by a healthy increase of 13.8% in deposits from non-bank customers to reach MUR 226.9 billion by December 2020, reflecting continued trust in the Group.

The growth in business volumes has, in turn, enabled the Group to generate net interest income of MUR 7.2 billion, representing an increase of 8.3% from last year. Non-interest income rose from MUR 3.0 billion in FY 2019 to MUR 4.0 billion in FY 2020, primarily driven by a substantial increase in net gains on sale of securities.

The Group has been actively optimising on costs and was able to contain non-interest expenses at MUR 6.2 billion during the year under review, as compared to MUR 6.1 billion for FY 2019. Consequently, the Group's cost to income ratio improved from 63.4% in 2019 to 54.8% in 2020.

As a result of the above, profit before net impairment loss on financial assets improved by 43.7% from MUR 3.5 billion in FY 2019 to MUR 5.1 billion in FY 2020. However, given the difficult operating conditions in the year 2020, the Group has provided for credit loss of MUR 3.8 billion (2019: MUR 2.9 billion), consequently addressing largely the Segment B issues that arose in previous years. With growth in gross loans and advances as mentioned above, along with an increase in provision coverage ratio from 58.9% for 2019 to 73.4% for 2020, the net impaired advances ratio has improved from 6.2% in 2019 to 4.1% in 2020.

Earnings per share on continuing operations stood at 39.2 cents for FY 2020. As a result of prevailing conditions, no dividend has been declared for the year ended 31 Dec 2020.

## CAPITAL POSITION

The capital base of the Group increased from MUR 30.2 billion as at 31 December 2019 to reach at MUR 30.7 billion as at 31 December 2020. Shareholders' equity rose by MUR 0.7 billion to MUR 25.2 billion by the end of FY 2020 (2019: MUR 24.5 billion).



The capital adequacy ratio of the Group stood at 20.7% as at 31 December 2020 as compared to 22.2% as at 31 December 2019 which was well above the minimum regulatory limit of 13.9%. The common equity ratio and the Tier 1 capital ratio for December 2020 stood at 13.9% and 13.9% respectively and also favourably higher than the respective prescribed minimum limits of 10.4% and 11.9%.

#### OUTLOOK

The year 2021 is expected to witness a recovery from the unprecedented slowdowns and contractions observed in economic activity during 2020. Indeed, widespread vaccination campaigns and phased opening of borders should support recovery. The Group will continue to focus on its strategy to consolidate its presence in existing jurisdictions with greater attention to customer needs, managing costs more closely, and building essential human and technology capabilities to execute its strategy.

We thank you for your continued support.

**Sattar HAJEE ABDOULA**

Chairman

**31 March 2021**

**Subhas THECKA**

Chairman, Audit Committee

Copies of the Audited Financial Statements are available to the public free of charge at the registered office of the Company, SBM Tower, 1, Queen Elizabeth II Avenue, Port Louis and can be viewed on our website: [www.sbmgroup.mu](http://www.sbmgroup.mu).

The statement of direct and indirect interests of officers of the Company in the capital of the Company and its subsidiaries may also be obtained free of charge upon request at the registered office of the Company.

By order of the Board

**D. Ramjug Chumun**

**Company Secretary**

31 March 2021

The Communiqué is issued pursuant to Listing Rule 12.14 and 12.16 as well as Securities Act 2005.

The Board of Directors of SBM Holdings Ltd accepts full responsibility for the accuracy of the information contained in this Communiqué.

*The financial information, including the review report, has been extracted from the audited financial statements for the year ended 31 December 2020.*