

KEY HIGHLIGHTS

- Continued improvement of the SBM Group's bottom-line performance as it pursues its strategic journey
- Encouraging expansion of business activities across market segments and geographies
- Sound financial ratios maintained, thus reflecting the Group's resilience and growth foundations

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

Sep-22: MUR 2,835 Mn

Sep-21: MUR 1,211 Mn

134.2%

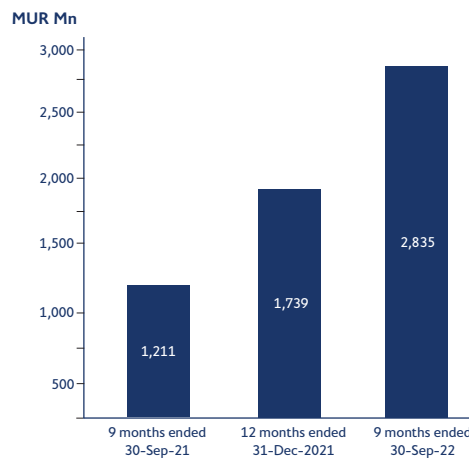
GROSS LOANS AND ADVANCES TO NON-BANK CUSTOMERS

Sep-22: MUR 166,051 Mn

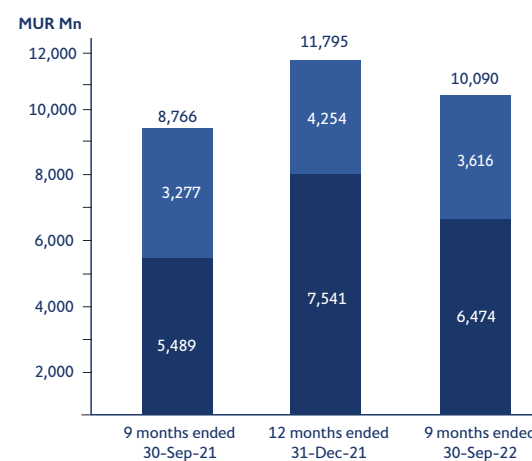
Dec-21: MUR 145,086 Mn

14.5%

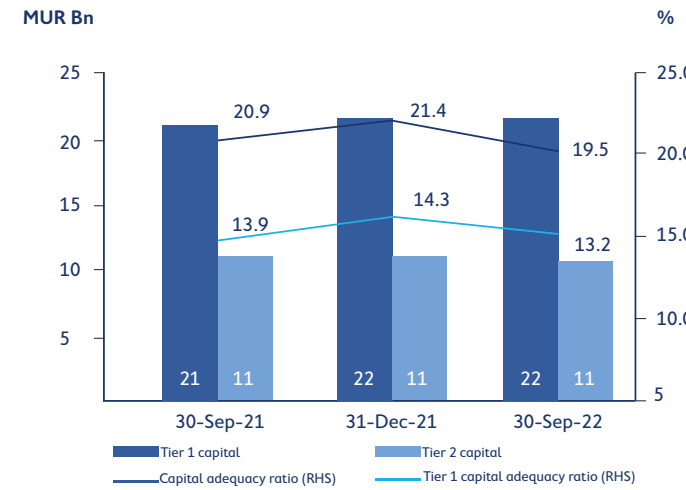
Profit attributable to equity holders of the parent



Operating income



Capital position



Performance

The SBM Group further consolidated its growth momentum, with profit attributable to equity holders of the parent standing at MUR 2,835.1 million for the nine months ended 30 September 2022, which is a substantial improvement from the outturn of MUR 1,210.8 million registered during the corresponding period of the preceding year. Despite the challenging context, this performance was supported by expanding business volumes and improved yields as well as lower credit loss expense in the wake of a recovery in macroeconomic conditions and prudent risk management. It reiterates that the organisation is on the right track amidst key strategic initiatives unleashed across jurisdictions.

Gross loans and advances to non-bank customers went up by 14.5% during the period under review to attain MUR 166,051 million. Deposits from non-bank customers reached MUR 293,765 million. Accordingly, net interest income increased by 17.9%, while net fee and commission income moved up by 56.7% on the back of ongoing market diversification initiatives. As a result, operating income posted by the Group rose by 15.1% to reach MUR 10,090 million. Supported by disciplined cost management, the growth in non-interest expense was contained at 8.8%, whereas major investments are underway to further reinforce the organisation's human resource and technological capabilities. Earnings per share from continuing operations stood at 109.8 cents for the nine months ended 30 September 2022, compared to 46.8 cents for the preceding year.

In support of its growth ambitions, the Group preserved healthy capitalisation, efficiency, funding, liquidity and asset quality positions. The capital base of the Group rose to attain MUR 33,354 million as at 30 September 2022. After making allowance for the business development impetus observed across different entities, the overall capital adequacy ratio reached 19.5%, which is well above regulatory thresholds.

Reflecting the continued expansion of activities across presence countries, Group results were underpinned by broad-based foundations. While the banking entities have further scaled up their strategic endeavours, the contribution of the Non-Banking Financial Cluster to Group profit was appreciable.

Outlook

As it steps into the final quarter of the year, the SBM Group remains confronted by a volatile operating landscape, with the global economy being exposed to notable strains and downside risks, mainly due to the war in Ukraine and widespread inflationary pressures. With regard to Mauritius, whilst key challenges call for attention, the country is, on an encouraging note, witnessing sustained and broad-based signs of economic recovery, spurred by re-igniting business confidence. The country is emerging from the shocks that the pandemic had triggered, as gauged by accelerating tourist arrivals, improved performances by other sectors as well as higher exports and foreign direct investment.

In this environment, the SBM Group will pursue its growth agenda in a prudent and informed manner, with its sound business model, strengthening capabilities and diligent risk management positioning it well to cope with fast-paced market and industry conditions. While diversifying its revenue streams across market segments and geographies, the Group is focused on reinforcing its foundations in view of building an increasingly resilient and agile organisation. Along the way, the SBM Group is committed to actively accompanying and assisting the customers, economies and societies that it serves, towards creating long-term value and a sustainable future for all its stakeholders.

Mr. Sattar HAJEE ABDOULA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

10 November 2022

SBM Holdings Ltd ("the Company") and its subsidiaries, here altogether ("the Group"), present the Group and Company interim unaudited condensed financial report for the nine months ended 30 September 2022.

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 2021; the Group and the Company having adopted all new standards and interpretations which are effective as from 01 January 2022.

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 at 30 September 2022, 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 nine months 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: 10 November 2022

INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	The Group		
	Unaudited 30 September 2022	Unaudited 30 September 2021	Audited 31 December 2021
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	16,712,088	40,853,350	47,636,821
Mandatory balances with central banks	15,431,756	12,929,249	13,645,545
Loans to and placements with banks	1,478,554	1,917,808	837,970
Derivative financial instruments	1,458,673	724,746	784,250
Loans and advances to non-bank customers	150,711,522	127,264,962	130,393,807
Investment securities	163,160,379	145,309,595	153,426,747
Property and equipment	3,687,827	3,348,508	3,585,755
Right of use assets	780,012	775,759	728,417
Intangible assets	1,708,151	1,783,145	1,963,123
Deferred tax assets	1,388,246	982,461	1,087,074
Other assets	4,663,385	3,535,594	3,578,472
Total assets	361,180,593	339,425,177	357,667,981
LIABILITIES			
Deposits from banks	3,310,708	2,398,468	2,770,002
Deposits from non-bank customers	293,765,382	278,106,531	298,580,858
Other borrowed funds	13,457,460	11,921,436	9,512,912
Derivative financial instruments	1,042,603	801,230	759,896
Lease liabilities	790,898	770,951	740,902
Current tax liabilities	506,663	253,474	314,671
Pension liability	401,655	744,135	410,183
Other liabilities	10,867,383	8,949,452	8,322,917
Subordinated debts	10,065,622	9,908,203	9,877,346
Total liabilities	334,208,374	313,853,880	331,289,687
SHAREHOLDERS' EQUITY			
Stated capital	32,500,204	32,500,204	32,500,204
Retained earnings	5,053,533	1,975,556	2,807,788
Other reserves	(5,706,487)	(4,029,432)	(4,054,667)
Total equity attributable to equity holders of the parent	26,972,219	25,571,297	26,378,294
Total equity and liabilities	361,180,593	339,425,177	357,667,981
Memorandum items	53,093,542	39,312,054	44,523,675

Approved by the Board of Directors and authorised for issue on 10 November 2022

Mr. Sattar HAJEE ABDOULA

Chairman

Dr. Subhas THECKA

Chairman,
Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	The Group				
	Unaudited Quarter ended 30 September 2022	Unaudited Quarter ended 30 September 2021	Unaudited Nine Months ended 30 September 2022	Unaudited Nine Months ended 30 September 2021	Audited Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Continuing operations					
Interest income using the effective interest method	3,797,384	2,998,639	10,318,342	8,499,088	11,722,105
Other interest income	32,105	54,635	177,729	135,483	74,760
Interest expense using the effective interest method	(1,455,796)	(1,012,709)	(3,790,802)	(2,846,937)	(3,921,301)
Other interest expense	(36,965)	(86,710)	(128,736)	(341,188)	(395,716)
Net interest income	2,336,728	1,953,855	6,473,564	5,488,692	7,540,571
Fee and commission income	741,492	417,251	1,908,832	1,230,924	1,763,384
Fee and commission expense	(21,088)	(16,019)	(67,718)	(56,056)	(79,610)
Net fee and commission income	720,404	401,232	1,841,114	1,174,868	1,683,774
Net trading income	508,106	224,027	1,572,580	1,143,960	1,491,013
Net gain from financial assets at fair value through profit or loss	13,676	146,098	(90,430)	101,061	207,999
Net gain on derecognition of financial assets measured at amortised cost	-	1,897	11,382	8,220	5,890
Net gain on derecognition of financial assets measured at fair value through other comprehensive income	22,364	164,081	63,904	719,597	720,847
Other operating income	208,247	140,009	217,920	129,163	145,056
Non-interest income	1,472,797	1,077,344	3,616,470	3,276,869	4,254,579
Operating income	3,809,525	3,031,199	10,090,034	8,765,561	11,795,150
Personnel expenses	(904,886)	(828,274)	(2,724,823)	(2,424,258)	(3,389,361)
Depreciation of property and equipment	(72,815)	(72,244)	(212,442)	(215,898)	(288,042)
Depreciation of right-of-use assets	(50,571)	(54,166)	(168,054)	(157,901)	(212,381)
Amortisation of intangible assets	(121,571)	(199,447)	(367,547)	(601,432)	(488,986)
Other expenses	(817,122)	(595,986)	(2,383,346)	(1,984,743)	(2,763,180)
Non-interest expense	(1,966,964)	(1,750,117)	(5,855,912)	(5,384,232)	(7,141,950)
Profit before credit loss expense	1,842,561	1,281,082	4,234,122	3,381,329	4,653,200
Credit loss expense on financial assets and memorandum items	(215,298)	(679,219)	(948,297)	(1,841,288)	(2,474,893)
Profit before income tax	1,627,263	601,863	3,285,825	1,540,041	2,178,307
Tax expense	(244,927)	(153,937)	(450,720)	(331,142)	(441,319)
Profit for the period/year from continuing operations	1,382,336	447,926	2,835,105	1,208,899	1,736,988
Discontinued operations					
Profit for the period/year from discontinued operations	-	-	-	1,881	1,881
Profit for the period/year attributable to equity holders of the parent	1,382,336	447,926	2,835,105	1,210,780	1,738,869
Earnings per share:					
From continuing operations					
Basic (Cents)	53.5	17.3	109.8	46.8	67.3
Diluted (Cents)	53.5	17.3	109.8	46.8	67.3
From continuing operations and discontinued operations					
Basic (Cents)	53.5	17.3	109.8	46.9	67.4
Diluted (Cents)	53.5	17.3	109.8	46.9	67.4

INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	The Group				
	Unaudited Quarter ended 30 September 2022	Unaudited Quarter ended 30 September 2021	Unaudited Nine Months ended 30 September 2022	Unaudited Nine Months ended 30 September 2021	Audited Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the period/year attributable to equity holders of the parent	1,382,336	447,926	2,835,105	1,210,780	1,738,869
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation gains on equity instruments measured at FVTOCI	-	-	-	404	367,885
Remeasurement of defined benefit pension plan	-	-	236	-	377,899
Deferred tax on remeasurement of defined benefit pension plan	-	-	(105)	-	(25,667)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(540,281)	(99,604)	(346,121)	478,870	518,515
Reclassification of translation reserve to profit or loss on deconsolidation of subsidiary	-	-	-	(44,423)	(44,423)
Investment securities measured at FVTOCI					
Movement in fair value during the period/year	(77,332)	250,955	(1,268,707)	(581,498)	(1,036,779)
Reclassification of losses included in profit or loss on derecognition	(22,364)	(164,081)	(63,904)	(719,597)	(720,847)
Credit (loss)/allowance relating to debt instruments held at FVTOCI	9,403	-	(46,221)	30,433	6,514
Total other comprehensive (loss)/income	(630,574)	(12,730)	(1,724,822)	(836,215)	(1,277,020)
Total comprehensive income attributable to equity holders of the parent	751,762	435,196	1,110,283	374,569	1,181,966

INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	The Group		
	Unaudited Nine Months ended 30 September 2022	Unaudited Nine Months ended 30 September 2021	Audited Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000
Net cash (used in)/generated from operating activities	(33,790,246)	23,611,089	33,070,280
Net cash generated from/(used in) financing activities	3,287,710	(3,891,079)	(6,343,388)
Net cash used in from investing activities	(421,602)	(443,372)	(661,708)
Net change in cash and cash equivalents	(30,924,138)	19,276,638	26,065,184
Expected credit loss allowance on cash and cash equivalents	(595)	(533)	(5,608)
Cash and cash equivalents at beginning of period/year	47,636,821	21,577,245	21,577,245
Cash and cash equivalents at period/year end	16,712,088	40,853,350	47,636,821

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	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 2021	32,500,204	(4,875,031)	693,783	893,576	333,149	(4,349,353)	25,196,328
Profit for the period	-	-	-	1,210,780	-	-	1,210,780
Other comprehensive loss for the period	-	-	-	-	-	(835,811)	(835,811)
Total comprehensive income/(loss) for the period	-	-	-	1,210,780	-	(835,811)	374,969
Transfer from retained earnings to statutory reserve	-	-	87,669	(87,669)	-	-	-
Transfer from statutory reserve to other reserve	-	-	-	(18,808)	-	18,808	-
Transfer from retained earnings to other reserve	-	-	-	(61,014)	-	61,014	-
At 30 September 2021	32,500,204	(4,8					