



SBM HOLDINGS LTD

INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2021

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 2021.

The interim unaudited condensed financial report has been prepared in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and 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 2020; the Group and the Company having adopted all new standards and interpretations which are effective as from 01 January 2021.

REVIEW REPORT ON THE INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2021

Introduction

We have reviewed the accompanying interim unaudited condensed financial statements which comprise the interim unaudited condensed statements of financial position of **SBM Holdings Ltd ("the Company") and of its subsidiaries ("the Group")** as at 31 March 2021, and the related interim unaudited condensed statements of profit or loss and statements of other comprehensive income for the quarter then ended, interim unaudited condensed statements of changes in equity, interim unaudited condensed statements of cash flows and other explanatory notes. The Board of directors and management are responsible for the preparation and presentation of these unaudited condensed interim financial statements in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these unaudited condensed interim 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: 12 May 2021

KEY HIGHLIGHTS

Operating income		Credit loss expense		Profit after tax		Earnings per share	
MUR 2,874.4 million	▲	MUR 546.6 million	▼	MUR 417.8 million	▲	16.2 cents	▲

Total assets	▲	Net loans and advances to non-bank customers	▲	Investment securities	▲	Deposits from non-bank customers	▲
MUR 298.2 billion		MUR 123.9 billion		MUR 128.6 billion		MUR 234.7 billion	

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	The Group			The Company		
	Unaudited 31 March 2021 MUR' 000	Unaudited 31 March 2020 MUR' 000	Audited 31 December 2020 MUR' 000	Unaudited 31 March 2021 MUR' 000	Unaudited 31 March 2020 MUR' 000	Audited 31 December 2020 MUR' 000
ASSETS						
Cash and cash equivalents	20,280,270	25,682,429	21,577,245	777,207	148,197	304,473
Mandatory balances with central bank	11,342,494	10,378,934	11,290,363	-	-	-
Loans to and placements with banks	3,150,637	6,589,291	3,130,387	-	-	-
Derivative financial instruments	673,818	2,294,729	809,379	-	-	-
Loans and advances to non-bank customers	123,900,750	115,698,366	120,239,361	-	-	-
Investment securities	128,572,501	100,175,654	121,053,397	6,520,995	7,463,971	7,005,132
Investment in subsidiaries	-	-	-	29,523,743	29,779,918	29,523,743
Property and equipment	3,182,674	3,317,922	3,207,034	1,952	3,322	2,194
Right of use assets	788,739	716,353	807,230	-	-	-
Goodwill and other intangible assets	2,116,349	2,658,538	2,296,694	814	1,089	883
Deferred tax assets	773,703	447,580	806,110	-	-	-
Other assets	3,403,143	3,575,682	3,204,894	70,204	211,900	49,719
Total assets	298,185,078	271,535,478	288,422,094	36,894,915	37,608,397	36,886,144
LIABILITIES						
Deposits from banks	1,402,251	877,528	1,403,315	-	-	-
Deposits from non-bank customers	234,702,338	198,675,274	226,862,221	-	-	-
Other borrowed funds	14,239,149	26,411,800	15,017,177	-	-	-
Derivative financial instruments	1,496,212	2,449,575	1,279,984	61,378	88,467	41,524
Lease liabilities	777,989	715,957	804,407	-	-	-
Current tax liabilities	323,865	869,022	260,225	-	-	-
Pension liability	743,913	338,875	743,807	6,842	2,459	6,914
Other liabilities	8,775,220	6,269,061	6,711,844	217,247	119,761	211,206
Subordinated debts	10,400,001	10,243,325	10,142,786	10,400,001	10,243,325	10,142,786
Total liabilities	272,860,938	246,850,417	263,225,766	10,685,468	10,454,012	10,402,430
SHAREHOLDERS' EQUITY						
Stated capital	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204
Retained earnings	1,316,557	880,914	893,576	(2,783)	351,025	271,475
Other reserves	(3,617,590)	(3,821,026)	(3,322,421)	(1,412,943)	(821,813)	(1,412,934)
	30,199,171	29,560,092	30,071,359	31,084,478	32,029,416	31,358,745
Less: Treasury shares	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity holders of the parent	25,324,140	24,685,061	25,196,328	26,209,447	27,154,385	26,483,714
Total equity and liabilities	298,185,078	271,535,478	288,422,094	36,894,915	37,608,397	36,886,144
Memorandum items	35,216,347	25,154,899	33,126,827			

Approved by the Board of Directors and authorised for issue on **12 May 2021**.

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Abdul Sattar Adam Ali Mamode HAJEE ABDOULA
Chairman

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Subhas THECKA
Director

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 MARCH 2021

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021 MUR' 000	Unaudited Quarter ended 31 March 2020 MUR' 000	Audited Year ended 31 December 2020 MUR' 000	Unaudited Quarter ended 31 March 2021 MUR' 000	Unaudited Quarter ended 31 March 2020 MUR' 000	Audited Year ended 31 December 2020 MUR' 000
Continuing Operations						
Interest income using the effective interest method	2,675,307	2,882,244	11,054,390	12,630	13,149	52,286
Other interest income	81,379	63,544	202,013	-	-	-
Interest expense using the effective interest method	(882,205)	(1,095,933)	(3,625,431)	(105,253)	(118,235)	(444,508)
Other interest expense	(154,751)	(81,386)	(434,831)	(18,281)	(7,129)	(50,728)
Net interest income / (expense)	1,719,730	1,768,469	7,196,141	(110,904)	(112,215)	(442,950)
Fee and commission income	424,352	405,448	1,451,371	-	-	-
Fee and commission expense	(19,109)	(12,980)	(57,312)	(1)	(140)	(13)
Net fee and commission income / (expense)	405,243	392,468	1,394,059	(1)	(140)	(13)
Net trading income	449,509	292,113	1,049,474	-	(17)	-
Net (losses)/gain from financial assets at fair value through profit or loss	(15,694)	(70,023)	4,708	(5,927)	163,101	376,448
Net gains on derecognition of financial assets measured at amortised cost	288,229	22,528	180,325	772	-	2,372
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	27,341	290,333	1,245,740	-	-	-
Other operating income	-	1,501	151,114	15,000	35,000	274,467
Non-interest income	1,154,628	928,920	4,025,420	9,844	197,944	653,274
Operating income / (loss)	2,874,358	2,697,389	11,221,561	(101,060)	85,729	210,324
Personnel expenses	(801,375)	(693,152)	(2,859,550)	(16,539)	(16,272)	(56,583)
Depreciation of property and equipment	(70,982)	(72,036)	(290,350)	(242)	(543)	(1,671)
Depreciation of right-of-use assets	(50,965)	(17,080)	(183,480)	-	-	-
Amortisation of intangible assets	(201,217)	(138,506)	(575,386)	(69)	(69)	(274)
Other expenses	(673,483)	(839,313)	(2,242,163)	(156,348)	(373,827)	(529,347)
Impairment of investment in subsidiaries	-	-	-	-	(124,000)	(124,000)
Non-interest expense	(1,798,022)	(1,760,087)	(6,150,929)	(173,198)	(514,711)	(711,875)
Profit/(loss) before credit loss expense	1,076,336	937,302	5,070,632	(274,258)	(428,982)	(501,551)
Credit loss expense on financial assets and memorandum items	(546,561)	(864,148)	(3,757,402)	-	(190)	(217)
Profit/(loss) before income tax	529,775	73,154	1,313,230	(274,258)	(429,172)	(501,768)
Tax (expense) / income	(113,869)	(72,014)	(300,126)	-	-	336
Profit/(loss) for the quarter/year from continuing operations	415,906	1,140	1,013,104	(274,258)	(429,172)	(501,432)
Discontinued operations						
Profit for the quarter/year from discontinued operations	1,881	4,583	7,906	-	-	-
Profit/(loss) for the quarter/year attributable to equity holders of the parent	417,787	5,723	1,021,010	(274,258)	(429,172)	(501,432)
Earnings per share:						
From continuing operations						
Basic (Cents)	16.1	0.0	39.2			
Diluted (Cents)	16.1	0.0	39.2			
From continuing operations and discontinued operations						
Basic (Cents)	16.2	0.2	39.5			
Diluted (Cents)	16.2	0.2	39.5			

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2021

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021 MUR' 000	Unaudited Quarter ended 31 March 2020 MUR' 000	Audited Year ended 31 December 2020 MUR' 000	Unaudited Quarter ended 31 March 2021 MUR' 000	Unaudited Quarter ended 31 March 2020 MUR' 000	Audited Year ended 31 December 2020 MUR' 000
Profit/(loss) for the quarter/year from continuing operations	417,787	5,723	1,021,010	(274,258)	(429,172)	(501,432)
Other comprehensive income :						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Increase in revaluation of property	-	-	754	-	-	-
Remeasurement of defined benefit pension plan	-	-	(747,337)	-	-	(7,291)
Deferred tax on remeasurement of defined benefit pension plan	-	-	51,409	-	-	-
Net gain on equity instruments designated at FV TOCI	-	-	(591,373)	-	-	(591,373)
	-	-	(1,286,547)	-	-	(598,664)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	208,544	212,498	88,905	-	-	-
Recycling of reserves on derecognition of investment in associate	-	-	24,166	-	-	-
Investment securities measured at FV TOCI						
Movement in fair value during the quarter/year	(243,663)	(356,265)	2,035,417	(9)	5	258
Reclassification of (losses)/gains included in profit or loss on derecognition	(288,229)	290,333	(1,235,218)			
Movement in credit loss expense relating to debt instruments held at FV TOCI	33,373	(15,349)	474	-	-	-
	(289,975)	131,217	913,744	(9)	5	258
Total other comprehensive (loss) / income	(289,975)	131,217	(372,803)	(9)	5	(598,406)
Total comprehensive income / (loss) attributable to equity holders of the parent	127,812	136,940	648,207	(274,267)	(429,167)	(1,099,838)

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2021

	Stated capital	Treasury shares	Statutory reserve	General reserve	Retained earnings	Fair value reserve on financial instruments recognised in OCI	Net property revaluation reserve	Net translation reserve	Restructure reserve	Total equity
The Group	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2020	32,500,204	(4,875,031)	687,074	-	1,114,355	(149,143)	383,615	267,387	(5,380,340)	24,548,121
Profit for the quarter	-	-	-	-	5,723	-	-	-	-	5,723
Other comprehensive (loss) / income for the quarter	-	-	-	-	-	(81,281)	-	212,498	-	131,217
Total comprehensive income / (loss) for the quarter	-	-	-	-	5,723	(81,281)	-	212,498	-	136,940
Revaluation surplus realised on depreciation	-	-	-	-	11,927	-	(11,927)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	251,093	(251,093)	-	-	-	-	-
At 31 March 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>687,074</u>	<u>251,093</u>	<u>880,912</u>	<u>(230,424)</u>	<u>371,688</u>	<u>479,885</u>	<u>(5,380,340)</u>	<u>24,685,061</u>
At 01 January 2020	32,500,204	(4,875,031)	687,074	-	1,114,355	(149,143)	383,615	267,387	(5,380,340)	24,548,121
Profit for the year	-	-	-	-	1,021,010	-	-	-	-	1,021,010
Other comprehensive (loss) / income for the year	-	-	-	-	(695,928)	209,300	754	113,071	-	(372,803)
Total comprehensive income for the year	-	-	-	-	325,082	209,300	754	113,071	-	648,207
Reclassification of reserves	-	-	6,709	1,131	(10,125)	-	2,285	-	-	-
Revaluation surplus realised on depreciation	-	-	-	-	53,505	-	(53,505)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	589,241	(589,241)	-	-	-	-	-
At 31 December 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>693,783</u>	<u>590,372</u>	<u>893,576</u>	<u>60,157</u>	<u>333,149</u>	<u>380,458</u>	<u>(5,380,340)</u>	<u>25,196,328</u>
At 01 January 2021	32,500,204	(4,875,031)	693,783	590,372	893,576	60,157	333,149	380,458	(5,380,340)	25,196,328
Profit for the quarter	-	-	-	-	417,787	-	-	-	-	417,787
Other comprehensive (loss) / income for the quarter	-	-	-	-	-	(498,519)	-	208,544	-	(289,975)
Total comprehensive income / (loss) for the quarter	-	-	-	-	417,787	(498,519)	-	208,544	-	127,812
Revaluation surplus realised on depreciation	-	-	-	-	12,866	-	(12,866)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	7,672	(7,672)	-	-	-	-	-
31 March 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>693,783</u>	<u>598,044</u>	<u>1,316,557</u>	<u>(438,362)</u>	<u>320,283</u>	<u>589,002</u>	<u>(5,380,340)</u>	<u>25,324,140</u>

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2021

	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
At 01 January 2020	32,500,204	(4,875,031)	780,197	(821,818)	27,583,552
Loss for the quarter	-	-	(429,172)	-	(429,172)
Other comprehensive income for the quarter	-	-	-	5	5
Total comprehensive (loss)/ income for the quarter	-	-	(429,172)	5	(429,167)
At 31 March 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>351,025</u>	<u>(821,813)</u>	<u>27,154,385</u>
At 01 January 2020	32,500,204	(4,875,031)	780,197	(821,818)	27,583,552
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)
At 31 December 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>271,475</u>	<u>(1,412,934)</u>	<u>26,483,714</u>
At 01 January 2021	32,500,204	(4,875,031)	271,475	(1,412,934)	26,483,714
Loss for the quarter	-	-	(274,258)	-	(274,258)
Other comprehensive loss for the quarter	-	-	-	(9)	(9)
Total comprehensive loss for the quarter	-	-	(274,258)	(9)	(274,267)
At 31 March 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>(2,783)</u>	<u>(1,412,943)</u>	<u>26,209,447</u>

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2021

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net cash (used in)/generated from operating activities	(401,614)	(5,738,373)	2,197,241	472,734	(26,435)	(400,801)
Net cash (used in) /generated from financing activities	(828,595)	13,342,745	1,377,245	-	-	350,000
Net cash (used in)/generated from investing activities	(67,208)	(105,107)	(181,545)	-	(4,000)	176,642
Net change in cash and cash equivalents	(1,297,417)	7,499,265	3,392,941	472,734	(30,435)	125,841
Expected credit loss allowance on cash and cash equivalents	442	2,038	3,178	-	-	-
Cash and cash equivalents at beginning of quarter/year	21,577,245	18,181,126	18,181,126	304,473	178,632	178,632
Cash and cash equivalents at quarter/year end	20,280,270	25,682,429	21,577,245	777,207	148,197	304,473

COMMENTS ON THE OPERATING RESULTS

The Board of Directors is pleased to report a profit after tax of MUR 417.8 million for the quarter ended 31 March 2021, as compared to MUR 5.7 million for the same quarter last year. The positive outcome is the result of a sustained growth in the balance sheet, as well as a mix of efforts to managing operational efficiency and costs containment, despite the continuous challenges posed by the COVID-19 pandemic.

Total assets reached MUR 298.2 billion at 31 March 2021, up from MUR 288.4 billion at 31 December 2020, representing a 3.4% growth. Loans and advances to non-bank customers rose by MUR 3.7 billion (+3.0%) from MUR 120.2 billion at 31 December 2020 to MUR 123.9 billion at 31 March 2021. Investment securities increased to MUR 128.6 billion (31 December 2020: MUR 121.1 billion). Maintaining the growth momentum, deposits from non-bank customers grew by MUR 7.8 billion (+3.5%) from MUR 226.9 billion at 31 December 2020 to MUR 234.7 billion at 31 March 2021.

COMMENTS ON THE OPERATING RESULTS (CONTINUED)

The Group reported operating income of MUR 2,874.4 million for the quarter, higher by 6.6% as compared to the same quarter last year, mainly driven by an increase in non-interest income. Net interest income was MUR 1,719.7 million for the quarter ended March 2021 (March 2020: MUR 1,768.5 million) which is due to a low interest rates context. Non-interest income, supported by higher trading income, was MUR 1,154.6 million for the quarter under review (March 2020: MUR 928.9 million). Non-interest expenses amounted to MUR 1,798.0 million for the quarter ended March 2021, relatively higher than MUR 1,760.1 million for the same quarter last year on account of capacity-building initiatives. The cost to income has improved from 65.3% for the period 31 March 2020 to 62.6% for the period under review.

The above resulted in a profit before credit loss expense of MUR 1,076.3 million (March 2020: MUR 937.3 million). Credit loss expense for the period under review was MUR 546.6 million (March 2020: MUR 864.1 million). The gross and net impaired advances ratios as at 31 March 2021 stood at 12.3% and 4.2% respectively (31 March 2020: 13.4% and 5.3%).

Earnings per share stood at 16.2 cents for the quarter ended 31 March 2021.

CAPITAL POSITION

Shareholders' equity rose to MUR 25.3 billion as at 31 March 2021 (31 December 2020: MUR 25.2 billion). The capital base of the Group stood at MUR 29.6 billion as at 31 March 2021 (31 December 2020: MUR 30.7 billion).

The capital adequacy ratio of the Group stood at 19.5% as at 31 March 2021 compared to 20.7% as at 31 December 2020 while both the common equity ratio and the Tier 1 capital ratio stood at 13.8% (31 December 2020: 13.9%) and compare favourably with minimum regulatory limits of 13.875%, 10.375% and 11.875% respectively

OUTLOOK

The operating environment remains challenging with the evolution of the pandemic in the different countries where the Group operates. Nonetheless, continuous progress in vaccination campaigns and phased lifting up of lockdown conditions, particularly in Mauritius, provide hope for recovery.

However, the Group remains focused to executing its strategy and has, in this wake, been strengthening its management team to better prepare for potential recovery.

We thank you for your continued support.

Sattar HAJEE ABDOULA

Chairman

12 May 2021

Subhas THECKA

Chairman, Audit Committee

Copies of the Interim Unaudited Condensed Financial Statements are available to the public free of charge at the registered office of the Company, SBM Tower, 1, Queen Elizabeth II Avenue, Place D'Armes, Port Louis and can be viewed on our website: 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

Mrs D. Ramjug Chumun

Company Secretary

12 May 2021

The Communiqué is issued pursuant to Listing Rule 12.14 and 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 interim unaudited condensed financial statements for the quarter ended 31 March 2021.