

SBM BANK (MAURITIUS) LTD

SBM Bank (Mauritius) Ltd ('the Bank') is pleased to present its abridged interim unaudited condensed financial statements for the six months ended 30 June 2024.

The interim unaudited condensed financial statements have been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and IAS 34 - Interim Financial Reporting and based on the accounting policies adopted in the audited financial statements for the year ended 31 December 2023, except for the adoption of all the new standards and interpretations which are effective as from 01 January 2024.

Operating Results

The Bank achieved a higher net profit of MUR 3.1 billion for the six months ended 30 June 2024 (HY 2024) compared to MUR 2.5 billion for the six months ended 30 June 2023 (HY 2023). This improved performance is mainly attributable to higher net interest income and a lower impairment charge for the current period compared to the same period of last year.

Net interest income grew by MUR 472.7 million and stood at MUR 4,511.3 million for HY 2024 compared to MUR 4,038.6 million for HY 2023. Interest income from loans and advances to non-bank customers recorded an increase of MUR 242.4 million, while interest income from investment securities went up by MUR 662.0 million. Interest expense moved up to reach MUR 2,623.5 million compared to MUR 2,032.3 million for HY 2023. Impairment charge was lower by MUR 477.1 million and a reversal of credit loss expense of MUR 221.6 million was accounted for HY 2024 compared to a credit loss expense of MUR 255.5 million for HY 2023.

Non-interest income also increased during the period under review and stood at MUR 1,577.7 million for HY 2024, higher by MUR 143.0 million compared to HY 2023. The main contributors to this increase are net fee and commission income followed by net trading income which attained MUR 756.9 million and MUR 813.9 million respectively for HY 2024, compared to MUR 684.9 million and MUR 717.6 million for HY 2023. The Bank recorded a higher operating income of MUR 6,088.9 million for HY 2024, against MUR 5,473.2 million for HY 2023.

On the non-interest expense side, an overall increase of MUR 304.7 million was noted for HY 2024, from MUR 2,273.9 million for HY 2023 to MUR 2,578.5 million for HY 2024. The Bank continues to invest in its human capital, with personnel expenses standing at MUR 1,229.5 million for HY 2024, representing an increase of MUR 146.1 million compared to HY 2023.

The Bank's total assets moved further up to reach MUR 310.1 billion as at 30 June 2024 from MUR 281.1 billion as at 31 December 2023, supported mainly by a major increase in the investment securities portfolio, which stood at MUR 131.2 billion compared to MUR 125.4 billion as at 31 December 2023. Net loans and advances to non-bank customers increased by MUR 4.6 billion to stand at MUR 116.7 billion as at 30 June 2024. The gross impaired ratio improved from 5.2% as at 31 December 2023 to 3.1% as at 30 June 2024. Deposits from non-bank customers stood at MUR 264.7 billion as at 30 June 2024 compared to MUR 239.2 billion as at 31 December 2023.

Capital

The Bank comfortably met the regulatory capital requirements for Domestic-Systemically Important Banks. Shareholder's equity increased slightly to MUR 26.2 billion as at 30 June 2024 compared to MUR 25.7 billion as at 31 December 2023 after taking into account dividends payment of MUR 2.5 billion. With a Tier 1 capital of MUR 23.2 billion, the Tier 1 capital to risk weighted assets ratio moved to 17.6%, while the Capital Adequacy Ratio (CAR) stood at 19.0%. Return on average equity for HY 2024 improved to 24.2% compared to 19.5% for the financial year 2023.

Outlook

Latest reports indicate that global economic activity and world trade picked up steam, as cyclical factors fade and activity levels become better aligned with their potential. While global inflation remains on track to decline further during the year, the momentum on global disinflation is slowing down, signalling prospects of higher-for-even-longer interest rates. On the domestic front, growth developments have been strong and broad-based, driven by key sectors such as tourism and construction with positive economy-wide spillover effects. Inflationary pressures are easing, thus maintaining the downtrend projected for the year, although risks to the outlook remain present.

In this context, while it remains steadfast in the prudent execution of its growth agenda, the Bank is attentive to the developments in its operating environment and stands ready to fine-tune its strategies to tap into business opportunities ahead, notwithstanding the simultaneous upgrading of digital capabilities and risk management frameworks aimed at improving customer experience in a secure manner. Overall, the Bank shall continue to work towards the betterment of its customers and the Mauritian society at large.

By Order of the Board

05 August 2024

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	34,702,447	7,060,114	18,836,899
Mandatory balances with central bank	16,582,469	12,326,614	14,911,020
Loans to and placements with banks	3,768,541	1,156,410	2,853,065
Derivative financial instruments	597,101	502,402	297,875
Loans and advances to non-bank customers	116,726,988	109,718,416	112,117,910
Investment securities	131,217,495	134,410,876	125,398,628
Property and equipment	3,520,471	3,180,501	3,439,903
Right-of-use assets	163,480	186,901	174,348
Intangible assets	1,473,182	1,723,991	1,623,646
Deferred tax assets	460,016	398,004	716,603
Other assets	873,445	809,427	743,000
Total assets	310,085,635	271,473,656	281,112,897
LIABILITIES			
Deposits from banks	3,153,799	2,749,754	1,716,593
Deposits from non-bank customers	264,726,516	230,070,224	239,207,880
Other borrowed funds	602,906	4,682,649	4,654,000
Derivative financial instruments	574,977	437,538	415,277
Lease liability	173,461	190,525	183,049
Current tax liabilities	470,239	366,945	535,619
Pension liabilities	438,927	558,943	425,420
Other liabilities	13,731,351	9,209,796	8,247,088
Total liabilities	283,872,176	248,266,374	255,384,926
SHAREHOLDER'S EQUITY			
Stated capital	400,000	400,000	400,000
Capital contribution	13,054,011	13,054,011	13,054,011
Retained earnings	11,574,683	8,986,244	10,923,822
Other reserves	1,184,765	767,027	1,350,138
Total equity	26,213,459	23,207,282	25,727,971
Total liabilities and equity	310,085,635	271,473,656	281,112,897

Approved by the Board of Directors and authorised for issue on 05 August 2024

Premchand Mungar
Chief Executive

Imalambaal Kichenin
Chairperson, Audit Committee

Ranpartab Tacouri
Chairman, Board

The financial information has been extracted from the interim unaudited condensed financial statements for the six months ended 30 June 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited Quarter ended 30 June 2024	Unaudited Quarter ended 30 June 2023	Unaudited Six months ended 30 June 2024	Unaudited Six months ended 30 June 2023	Audited Year ended 31 December 2023
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Continuing Operations					
Interest income using the effective interest method	3,523,024	3,080,169	6,949,792	5,976,561	12,787,297
Other interest income	90,505	42,293	184,930	94,239	214,294
Interest expense using the effective interest method	(1,300,992)	(993,713)	(2,553,527)	(1,951,143)	(4,354,676)
Other interest expense	(33,689)	(41,470)	(69,931)	(81,107)	(152,389)
Net interest income	2,278,848	2,087,279	4,511,264	4,038,550	8,494,526
Fee and commission income	410,850	386,511	799,022	726,495	1,502,375
Fee and commission expense	(20,767)	(19,997)	(42,163)	(41,554)	(101,735)
Net fee and commission income	390,083	366,514	756,859	684,941	1,400,640
Other income					
Net trading income	511,928	287,682	813,869	717,558	1,467,259
Net gains / (losses) from financial assets at FVTPL	9,010	3,685	(14,398)	12,781	19,781
Net losses on derecognition of financial assets measured at amortised cost	-	-	(11,443)	-	(21,394)
Net gains / (losses) on derecognition of financial assets measured at FVTOCI	24,121	(7,191)	24,295	10,251	21,565
Other operating income	2,247	4,708	8,499	9,149	13,462
	547,306	288,884	820,822	749,739	1,500,673
Non-interest income	937,389	655,398	1,577,681	1,434,680	2,901,313
Operating income	3,216,237	2,742,677	6,088,945	5,473,230	11,395,839
Personnel expenses	(596,814)	(528,507)	(1,229,505)	(1,083,436)	(2,309,521)
Depreciation of property and equipment	(56,784)	(51,477)	(112,118)	(103,158)	(214,614)
Depreciation of right-of-use assets	(12,868)	(20,935)	(35,313)	(43,149)	(72,652)
Amortisation of intangible assets	(131,003)	(108,674)	(255,704)	(213,904)	(425,194)
Other expenses	(550,673)	(442,660)	(945,883)	(830,210)	(2,216,586)
Non-interest expense	(1,348,142)	(1,152,253)	(2,578,523)	(2,273,857)	(5,238,567)
Profit before credit loss expense	1,868,095	1,590,424	3,510,422	3,199,373	6,157,272
Credit loss movement on financial assets and memorandum items	275,580	143,840	221,624	(255,455)	(919,304)
Profit before income tax	2,143,675	1,734,264	3,732,046	2,943,918	5,237,968
Tax expense	(330,274)	(284,106)	(605,039)	(410,102)	(613,311)
Profit for the quarter / period / year	1,813,401	1,450,158	3,127,007	2,533,816	4,624,657

The financial information has been extracted from the interim unaudited condensed financial statements for the six months ended 30 June 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED
30 JUNE 2024

	Unaudited Quarter ended 30 June 2024	Unaudited Quarter ended 30 June 2023	Unaudited Six months ended 30 June 2024	Unaudited Six months ended 30 June 2023	Audited Year ended 31 December 2023
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter / period / year	1,813,401	1,450,158	3,127,007	2,533,816	4,624,657
Other comprehensive income :					
<i>Items that will not be reclassified to profit or loss:</i>					
Deferred tax arising following change in rate:					
- Revaluation of property	-	-	-	-	(70,482)
- Defined benefit pension plans	-	-	-	-	(6,446)
Remeasurement of defined benefit pension plan	-	-	-	-	(198,455)
Deferred tax on remeasurement of defined benefit pension plan	-	-	-	-	27,784
Fair value gains on equity instruments measured at FVTOCI	384	653	384	653	653
	384	653	384	653	(246,946)
<i>Items that may be reclassified subsequently to profit or loss:</i>					
<u>Debt securities measured at FVTOCI</u>					
Movement in fair value during the quarter / period / year	84,922	180,586	(20,428)	561,987	1,134,291
Fair value (gains) / losses reclassified to profit or loss on disposals	(24,121)	7,191	(24,295)	(10,251)	(21,565)
Credit loss movement relating to debt instruments held at FVTOCI	(53,755)	(41,621)	(97,180)	17,561	134,018
	7,046	146,156	(141,903)	569,297	1,246,744
Total other comprehensive income / (loss)	7,430	146,809	(141,519)	569,950	999,798
Total comprehensive income for the quarter / period / year	1,820,831	1,596,967	2,985,488	3,103,766	5,624,455

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SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Stated capital	Capital contribution	Retained earnings	Statutory reserve	Fair value reserve	Property Revaluation reserve	Total equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2023	400,000	13,054,011	8,028,574	400,000	(1,387,260)	1,208,191	21,703,516
Profit for the period	-	-	2,533,816	-	-	-	2,533,816
Other comprehensive income for the period	-	-	-	-	569,950	-	569,950
Total comprehensive income for the period	-	-	2,533,816	-	569,950	-	3,103,766
Revaluation surplus realised on depreciation	-	-	23,854	-	-	(23,854)	-
Cash dividend	-	-	(1,600,000)	-	-	-	(1,600,000)
At 30 June 2023	400,000	13,054,011	8,986,244	400,000	(817,310)	1,184,337	23,207,282
At 01 January 2023	400,000	13,054,011	8,028,574	400,000	(1,387,260)	1,208,191	21,703,516
Profit for the year	-	-	4,624,657	-	-	-	4,624,657
Other comprehensive income for the year	-	-	(177,117)	-	1,247,397	(70,482)	999,798
Total comprehensive income for the year	-	-	4,447,540	-	1,247,397	(70,482)	5,624,455
Revaluation surplus realised on depreciation	-	-	47,708	-	-	(47,708)	-
Cash dividend	-	-	(1,600,000)	-	-	-	(1,600,000)
At 31 December 2023	400,000	13,054,011	10,923,822	400,000	(139,863)	1,090,001	25,727,971
At 01 January 2024	400,000	13,054,011	10,923,822	400,000	(139,863)	1,090,001	25,727,971
Profit for the period	-	-	3,127,007	-	-	-	3,127,007
Other comprehensive loss for the period	-	-	-	-	(141,519)	-	(141,519)
Total comprehensive income for the period	-	-	3,127,007	-	(141,519)	-	2,985,488
Revaluation surplus realised on depreciation	-	-	23,854	-	-	(23,854)	-
Cash dividend	-	-	(2,500,000)	-	-	-	(2,500,000)
At 30 June 2024	400,000	13,054,011	11,574,683	400,000	(281,382)	1,066,147	26,213,459

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SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited Six months ended 30 June 2024	Unaudited Six months ended 30 June 2023	Audited Year ended 31 December 2023
	MUR' 000	MUR' 000	MUR' 000
Net cash generated from / (used in) operating activities	22,722,521	(21,227,994)	(8,876,432)
Net cash (used in) / generated from financing activities	(6,551,094)	2,324,841	2,258,757
Net cash used in investing activities	(297,926)	(568,331)	(1,079,749)
Net change in cash and cash equivalents	15,873,501	(19,471,484)	(7,697,424)
Expected credit loss on cash and cash equivalents	(7,953)	(2,614)	111
Cash and cash equivalents at start of period / year	18,836,899	26,534,212	26,534,212
Cash and cash equivalents at end of period / year	34,702,447	7,060,114	18,836,899

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