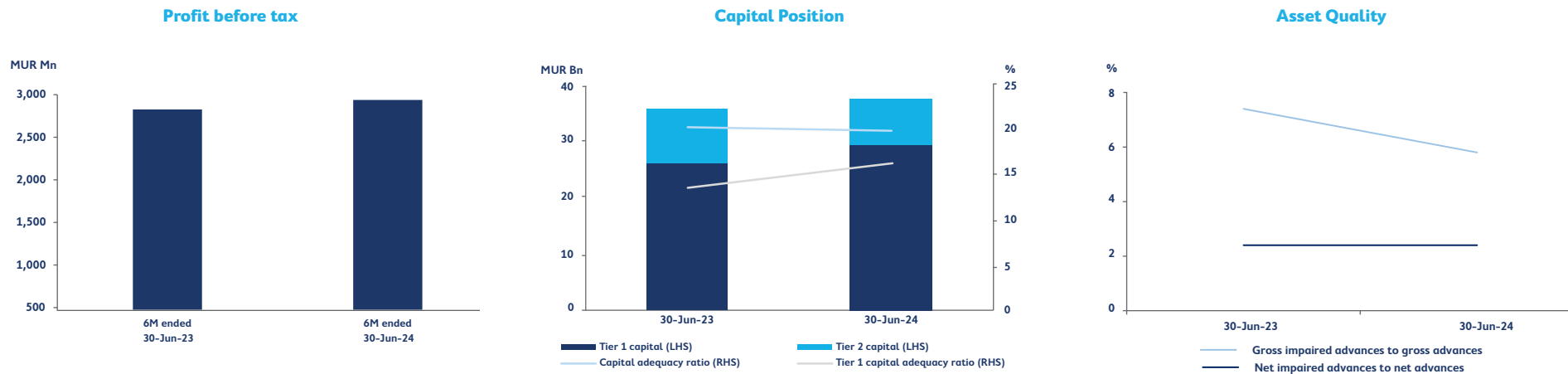


KEY HIGHLIGHTS



SBM Holdings Ltd (the “Company”) and its subsidiaries, here altogether (the “Group”), present the Group’s interim unaudited condensed financial statements for the six months ended 30 June 2024. These interim unaudited condensed financial statements have 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 2023; except for the adoption of new standards and interpretations effective as from 01 January 2024.

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 interim unaudited condensed statements of financial position of SBM Holdings Ltd (the “Company”) and of its subsidiaries (the “Group”) as of 30 June 2024, and the related consolidated and separate interim unaudited condensed statements of profit or loss and interim unaudited condensed statements of other comprehensive income, consolidated and separate interim unaudited condensed statements of changes in equity and consolidated and separate interim unaudited condensed statements of cash flows for the quarter and six 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 International Accounting Standard (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: 12 August 2024

INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	The Group		
	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	40,608,858	11,837,455	23,827,701
Mandatory balances with central banks	18,871,359	14,541,658	16,918,939
Loans to and placements with banks	3,768,541	1,156,410	2,853,065
Derivative financial instruments	1,334,848	903,915	679,073
Loans and advances to non-bank customers	159,671,210	149,039,377	148,259,418
Investment securities	166,446,533	173,301,621	157,532,715
Property and equipment	4,306,219	3,788,126	4,140,212
Right of use assets	790,605	763,892	724,545
Intangible assets	1,745,030	1,959,777	1,851,623
Deferred tax assets	1,333,578	1,126,975	1,390,569
Other assets	5,205,149	4,195,707	4,075,455
Total assets	404,081,930	362,614,913	362,253,315
LIABILITIES			
Deposits from banks	5,322,741	6,637,666	2,662,028
Deposits from non-bank customers	322,963,887	281,782,837	290,639,805
Other borrowed funds	12,840,290	19,722,093	13,405,661
Derivative financial instruments	1,512,858	863,647	782,595
Lease liabilities	880,139	839,001	801,229
Current tax liabilities	489,602	377,356	556,294
Pension liabilities	463,487	578,655	450,863
Other liabilities	15,662,955	10,527,355	10,039,834
Subordinated debts	9,979,336	11,355,515	11,232,173
Total liabilities	370,115,295	332,684,125	330,570,482
SHAREHOLDERS' EQUITY			
Stated capital	32,500,204	32,500,204	32,500,204
Retained earnings	10,804,103	7,687,017	9,511,081
Other reserves	(4,462,641)	(5,381,402)	(5,453,421)
Total equity attributable to owners of the Company	38,841,666	34,805,819	36,557,864
Less: Treasury shares	(4,875,031)	(4,875,031)	(4,875,031)
Total equity and liabilities	404,081,930	362,614,913	362,253,315
Memorandum items	65,620,075	60,329,693	63,591,462

Approved by the Board of Directors and authorised for issue on 12 August 2024.

Mr. Abdul Sattar Adam Ali Mamode HAJEE ABDLOUA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	The Group				
	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
Interest income using the effective interest method	5,441,374	4,979,416	10,750,956	9,766,725	20,223,838
Other interest income	175,018	42,293	322,115	94,239	328,406
Interest expense using the effective interest method	(2,850,596)	(2,315,234)	(5,510,592)	(4,586,519)	(9,245,282)
Other interest expense	(97,894)	(41,470)	(200,072)	(81,107)	(664,631)
Net interest income	2,667,902	2,665,005	5,362,407	5,193,338	10,642,331
Fee and commission income	524,054	682,153	1,178,255	1,362,155	2,582,141
Fee and commission expense	(35,113)	(28,313)	(65,156)	(59,483)	(137,358)
Net fee and commission income	488,941	653,840	1,113,099	1,302,672	2,444,783
Other income	695,238	424,768	1,128,672	1,067,461	2,180,663
Net trading income	695,238	424,768	1,128,672	1,067,461	2,180,663
Net gain/(loss) from financial assets measured at FVTPL	37,436	(19,735)	25,406	(43,069)	40,253
Net loss on derecognition of financial assets measured at amortised cost	-	(15,021)	(11,443)	(28,081)	(21,394)
Net gain on derecognition of financial assets measured at FVTOCI	11,661	23,325	29,637	48,066	44,962
Other operating income	462,776	281,756	476,938	296,374	299,249
Non-interest income	1,696,052	1,348,933	2,762,309	2,643,423	4,988,516
Operating income	4,363,954	4,013,938	8,124,716	7,836,761	15,630,847
Personnel expenses	(1,170,375)	(1,066,257)	(2,327,979)	(2,127,692)	(4,275,825)
Depreciation of property and equipment	(100,550)	(80,321)	(187,485)	(160,109)	(330,262)
Depreciation of right of use assets	(55,281)	(63,517)	(118,315)	(129,863)	(238,631)
Amortisation of intangible assets	(160,424)	(134,746)	(313,807)	(265,960)	(531,095)
Other expenses	(1,210,184)	(824,612)	(2,317,258)	(1,937,201)	(4,228,071)
Non-interest expense	(2,696,814)	(2,169,453)	(5,264,844)	(4,620,825)	(9,603,884)
Profit before credit loss expense	1,667,140	1,844,485	2,859,872	3,215,936	6,026,963
Credit loss movement on financial assets and memorandum items	217,351	120,987	104,234	(362,494)	(1,047,247)
Profit before income tax	1,884,491	1,965,472	2,964,106	2,853,442	4,979,716
Tax expense	(350,891)	(299,225)	(656,950)	(435,155)	(662,779)
Profit for the quarter/period/year attributable to owners of the Company	1,533,600	1,666,247	2,307,156	2,418,287	4,316,937
Earnings per share:					
Basic and Diluted (Cents)	59.4	64.5	89.4	93.7	167.2

Performance

The SBM Group demonstrates sustained performance for the semester – profit before tax increased from MUR 2.9 billion to MUR 3.0 billion for the six months ended 30 June 2024, whilst profit after tax shows a marginal decrease due to changes in taxes and levies.

Net loans and advances to non-bank customers stood at MUR 159.7 billion as at 30 June 2024, an increase of MUR 11.4 billion compared to 31 December 2023. Along with a widened portfolio of investment securities and improved market yields, this contributed to the Group's net interest income reaching MUR 5.4 billion for the semester – a year-on-year increase of 3.3%. Deposits from non-bank customers grew by MUR 32.3 billion during the semester, reaching MUR 323.0 billion as at 30 June 2024.

The Group posted a year-on-year increase of 13.9% in non-interest expense for the period under review. This is attributable to its continued investment in human capital and technology, whilst also catering for inflationary pressures and the effect of the US dollar appreciation.

The Group's overall capital adequacy ratio stood at 19.9%, which is well above regulatory requirements, providing ample buffers to sustain its growth trajectory. The Group further improved its funding, liquidity and asset quality metrics on account of its strengthened risk management setup, with its gross NPL ratio at 5.8% as at 30 June 2024. It is worth noting that the Group's credit loss movement shifted to a credit of MUR 104.2 million for the six months ended 30 June 2024, as compared to a loss of MUR 362.5 million posted for the same period of the preceding year.

Outlook

As per the IMF, the world economy is expanding at a restrained pace, with risks to the outlook remaining balanced, whereas global inflation has embarked on a declining trend. In Mauritius, official figures show that the economy is pursuing its favourable growth momentum despite challenges faced. This has been corroborated by the recent Rating Action of Moody's, in which the latter affirmed the sovereign credit rating.

In this environment, the SBM Group is implementing its growth agenda in a conscientious and informed way, mindful of the challenges confronting the jurisdictions in which it operates. High emphasis is being laid on the further reinforcement of the Group's inherent capabilities and risk management framework.

Concurrently, the SBM Group is committed to generating meaningful and sustainable value for all its stakeholders, while supporting the continued progress of the Mauritian economy and society.

Mr. Abdul Sattar Adam Ali Mamode HAJEE ABDLOUA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

12 August 2024

INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

	The Group				
	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 attributable to owners of the Company	1,533,800	1,666,247	2,307,156	2,418,287	4,316,937
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss:					
Gain on property revaluation	-	-	-	30,815	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 plan	-	-	-	-	(204,466)
Deferred tax on remeasurement of defined benefit pension plan	-	-	-	-	27,784
Net gain/(loss) on equity instruments designated at FVTOCI	553	14,879	(5,204)	14,879	77,347
	553	14,879	(5,204)	45,694	(145,448)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	172,809	(195,445)	972,300	(42,816)	(566,236)
Debt securities measured at FVTOCI					
- Movement in fair value during the quarter/period/year	200,923	322,549	222,659	886,847	1,335,432
- Fair value gain reclassified to profit or loss on derecognition	(11,661)	(23,325)	(29,637)	(48,066)	(44,962)
- Credit loss movement relating to debt instruments held at FVTOCI	(107,510)	(41,621)	(150,755)	17,561	133,829
	254,561	62,158	1,014,567	813,526	858,063
Total other comprehensive income attributable to owners of the Company	255,114	77,037	1,009,363	859,220	712,615
Total comprehensive income attributable to owners of the Company	1,788,914	1,743,284	3,316,519	3,277,507	5,029,552

INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	The Group		
	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	19,503,148	(22,096,284)	(2,652,351)
Net cash (used in)/generated from financing activities	(3,203,554)	3,640,642	(2,252,101)
Net cash used in investing activities	(560,705)	(733,182)	(1,227,496)
Net change in cash and cash equivalents	15,738,889	(19,188,824)	(6,131,948)
Effect of foreign exchange rate changes	1,049,561	758,671	(309,149)
Expected credit loss allowance on cash and cash equivalents	(7,293)	(7,429)	(6,239)
Cash and cash equivalents at beginning of period/year	23,827,701	30,275,037	30,275,037
Cash and cash equivalents at end of period/year	40,608,858	11,837,455	23,827,701

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

	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
The Group							
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 period	-	-	-	2,418,287	-	-	2,418,287
Other comprehensive income for the period	-	-	-	-	30,815	828,405	859,220
Total comprehensive income for the period	-	-	-	2,418,287	30,815	828,405	3,277,507
Appropriation of reserves	-	-	28,731	(150,045)	-	121,314	-
Revaluation surplus realised on depreciation	-	-	-	25,744	(25,744)	-	-
Dividend	-	-	-	(516,358)	-	-	(516,358)
At 30 June 2023	32,500,204	(4,875,031)	763,991	7,687,017	278,930	(6,424,323)	29,930,788
At 01 January 2024	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	-	-	-	-	(39,667)	935,410	5,029,552
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)	