

SBM BANK (MAURITIUS) LTD

SBM Bank (Mauritius) Ltd ('the Bank') is pleased to present a summary of its audited financial statements for the year ended 31 December 2023.

The audited financial statements have been prepared in accordance with International Financial Reporting Standards and the Bank of Mauritius Guideline on Public Disclosure of Information.

Operating Results

The Bank achieved a higher net profit of MUR 4.6 billion for the year ended 31 December 2023 (FY 2023) compared to MUR 3.5 billion for the year ended 31 December 2022 (FY 2022). This improved performance is mainly attributable to higher net interest income and higher non-interest income for the current year compared to last year.

Net interest income grew by MUR 1,562.0 million and stood at MUR 8,492.0 million for FY 2023 compared to MUR 6,930.0 million for FY 2022. Interest income from loans and advances to non-bank customers recorded an increase of MUR 3,075.2 million, while interest income from investment securities went up by MUR 1,421.3 million. Interest expense increased to MUR 4,507.1 million compared to MUR 1,270.1 million for FY 2022.

Non-interest income also increased during the year under review and stood at MUR 2,903.8 million for FY 2023, higher by MUR 449.7 million compared to FY 2022. The main contributors to this increase are net trading income followed by net fee and commission income, which attained MUR 1,467.3 million and MUR 1,403.2 million respectively for FY 2023, compared to MUR 1,181.6 million and 1,244.5 million for FY 2022. The Bank recorded a higher operating income of MUR 11,395.8 million for FY 2023, against MUR 9,384.2 million for FY 2022.

On the non-interest expense side, an overall increase of MUR 1,051.7 million was noted for FY 2023, from MUR 4,186.9 million for FY 2022 to MUR 5,238.6 million for FY 2023. The Bank continues to invest in its human capital, with personnel expenses standing at MUR 2,309.5 million for FY 2023, representing an increase of MUR 295.6 million compared to FY 2022. On the other hand, impairment charge recorded a decrease of MUR 251.0 million or 21.5% and amounted to MUR 919.3 million for FY 2023 compared to MUR 1,170.3 million for FY 2022.

The Bank's total assets moved further up to reach MUR 281.1 billion as at 31 December 2023 from MUR 269.1 billion as at 31 December 2022, supported mainly by a major increase in the investment securities portfolio, which stood at MUR 125.4 billion compared to MUR 113.0 billion as at 31 December 2022. Net loans and advances to non-bank customers increased by MUR 4.0 billion to stand at MUR 112.1 billion as at 31 December 2023. The gross impaired ratio improved from 7.9% as at 31 December 2022 to 5.2% as at 31 December 2023. Total deposits stood at MUR 240.9 billion as at 31 December 2023 compared to MUR 238.6 billion as at 31 December 2022.

Capital

The Bank comfortably met the regulatory capital requirements for Domestic-Systemically Important Banks. Shareholder's equity increased to MUR 25.7 billion as at 31 December 2023 compared to MUR 21.7 billion as at 31 December 2022. With a Tier 1 capital of MUR 22.1 billion, the Tier 1 capital to risk weighted assets ratio moved to 17.9%, while the Capital Adequacy Ratio (CAR) stood at 19.4%. Return on average equity for FY 2023 improved to 19.5% compared to 16.7% for FY 2022.

Outlook

In view of the fragile operating landscape, the global economy is recovering at a modest pace, whilst inflation is receding in a sustained way. As for Mauritius, real GDP growth has proved to be resilient on the back of encouraging sectorial performances and higher investment levels, with the IMF highlighting the country's favourable outlook in a recent statement.

In this context, the Bank is committed to capitalising into growth opportunities and pursuing its diversification strategy in a prudent and steady manner, as it further cements its position as a leading banking player in Mauritius. Towards these ends, it will ensure that key projects and initiatives underway are effectively realised to further improve its inherent capabilities, operational efficiency and customer service quality. At the same time, the Bank will support the advancement of the Mauritian economy, alongside promoting the wellbeing of the country's societies and communities.

By Order of the Board

27 March 2024

The accompanying summary financial statements, without reference to the detailed notes, are derived from the audited financial statements of SBM Bank (Mauritius) Ltd (the "Bank") for the year ended 31 December 2023. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001, the Financial Reporting Act 2004, the Banking Act 2004 and guidelines issued by the Bank of Mauritius, can be obtained, free of charge, upon request to the Company Secretary at the registered office of the Bank, 1, Queen Elizabeth II Avenue, Port-Louis and can be viewed on our website: www.sbmgroup.mu.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

The Board of Directors of SBM Bank (Mauritius) Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.

Independent auditor's report to the Shareholder of SBM Bank (Mauritius) Ltd

Opinion

The summary financial statements, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the abridged statement of cash flows for the year then ended and the related directors' comments and notes, are extracted from the audited financial statements of SBM Bank (Mauritius) Ltd (the "Bank") for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements of the Bank which are prepared in accordance with International Financial Reporting Standards (IFRSs), and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking 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 financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 March 2024. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the 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 financial statements of the Bank for the year ended 31 December 2023. The audited financial statements have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and the Banking 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 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 Bank's Shareholder in accordance with Section 34(6)(b)(ii) of the Banking Act 2004 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

27 March 2024



SBM BANK (MAURITIUS) LTD

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

	31 December 2023	31 December 2022	31 December 2021
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	18,836,899	26,534,212	40,281,422
Mandatory balances with central bank	14,911,020	13,316,978	11,203,833
Loans to and placements with banks	2,853,065	1,221,415	837,970
Derivative financial instruments	297,875	637,903	579,946
Loans and advances to non-bank customers	112,117,910	108,118,967	97,916,200
Investment securities	125,398,628	113,044,546	119,399,335
Property and equipment	3,439,903	3,134,713	3,019,187
Right-of-use assets	174,348	234,150	212,037
Intangible assets	1,623,646	1,518,510	1,816,509
Deferred tax assets	716,603	511,001	518,443
Other assets	743,000	801,351	787,947
Total assets	281,112,897	269,073,746	276,572,829
LIABILITIES			
Deposits from banks	1,716,593	1,757,243	1,481,854
Deposits from non-bank customers	239,207,880	236,885,327	241,528,828
Other borrowed funds	4,654,000	757,808	5,275,400
Derivative financial instruments	415,277	574,694	565,655
Lease liability	183,049	189,756	184,665
Current tax liabilities	535,619	411,835	307,887
Pension liabilities	425,420	549,107	395,928
Other liabilities	8,247,088	6,244,460	6,249,910
Total liabilities	255,384,926	247,370,230	255,990,127
SHAREHOLDER'S EQUITY			
Stated capital	400,000	400,000	400,000
Capital contribution	13,054,011	13,054,011	11,854,011
Retained earnings	10,923,822	8,028,574	6,675,006
Other reserves	1,350,138	220,931	1,653,685
Total equity	25,727,971	21,703,516	20,582,702
Total liabilities and equity	281,112,897	269,073,746	276,572,829

Approved by the Board of Directors and authorised for issue on 27 March 2024.

Premchand Mungar
Chief Executive Officer

Imalambaal Kichenin
Chairperson, Audit Committee

Visvanaden Soondram
Chairman, Board

SBM BANK (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022	31 December 2021
	MUR' 000	MUR' 000	MUR' 000
Continuing Operations			
Interest income using the effective interest method	12,784,767	8,062,262	6,458,236
Other interest income	214,294	137,868	202,837
Interest expense using the effective interest method	(4,354,676)	(1,099,822)	(548,130)
Other interest expense	(152,389)	(170,299)	(395,716)
Net interest income	8,491,996	6,930,009	5,717,227
Fee and commission income	1,504,905	1,309,677	1,151,849
Fee and commission expense	(101,735)	(65,224)	(53,630)
Net fee and commission income	1,403,170	1,244,453	1,098,219
Other income			
Net trading income	1,467,259	1,181,648	950,750
Net gains/(losses) from financial assets at FVTPL	19,781	(24,334)	228,083
Net losses on derecognition of financial assets measured at amortised cost	(21,394)	-	-
Net gains on derecognition of financial assets measured at FVTOCI	21,565	34,914	588,098
Other operating income	13,462	17,497	23,304
	1,500,673	1,209,725	1,790,235
Non-interest income	2,903,843	2,454,178	2,888,454
Operating income	11,395,839	9,384,187	8,605,681
Personnel expenses	(2,309,521)	(2,013,950)	(1,748,224)
Depreciation of property and equipment	(214,614)	(195,532)	(149,112)
Depreciation of right-of-use assets	(72,652)	(71,319)	(64,107)
Amortisation of intangible assets	(425,194)	(419,552)	(411,081)
Other expenses	(2,216,586)	(1,486,545)	(1,347,241)
Non-interest expense	(5,238,567)	(4,186,898)	(3,719,765)
Profit before credit loss expense	6,157,272	5,197,289	4,885,916
Credit loss movement on financial assets and memorandum items	(919,304)	(1,170,348)	(2,347,518)
Profit before income tax	5,237,968	4,026,941	2,538,398
Tax expense	(613,311)	(499,001)	(448,211)
Profit for the year	4,624,657	3,527,940	2,090,187

SBM BANK (MAURITIUS) LTD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022	31 December 2021
	MUR' 000	MUR' 000	MUR' 000
Profit for the year	4,624,657	3,527,940	2,090,187
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)	(23,742)	366,917
Deferred tax on remeasurement of defined benefit pension plan	27,784	1,662	(25,684)
Fair value gains on equity instruments measured at FVTOCI	653	1,531	404
	(246,946)	(20,549)	341,637
<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 year	1,134,291	(1,318,535)	(663,969)
Fair value gains reclassified to profit or loss on disposals	(21,565)	(34,914)	(588,098)
Credit loss movement relating to debt instruments held at FVTOCI	134,018	(33,128)	6,514
	1,246,744	(1,386,577)	(1,245,553)
Total other comprehensive income / (loss)	999,798	(1,407,126)	(903,916)
Total comprehensive income for the year	5,624,455	2,120,814	1,186,271

SBM BANK (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	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 2021	400,000	11,854,011	4,595,878	400,000	1,242,935	1,303,607	19,796,431
Profit for the year	-	-	2,090,187	-	-	-	2,090,187
Other comprehensive income/(loss) for the year	-	-	341,233	-	(1,245,149)	-	(903,916)
Total comprehensive income for the year	-	-	2,431,420	-	(1,245,149)	-	1,186,271
Revaluation surplus realised on depreciation	-	-	47,708	-	-	(47,708)	-
At 31 December 2021	400,000	11,854,011	6,675,006	400,000	(2,214)	1,255,899	20,582,702
At 01 January 2022	400,000	11,854,011	6,675,006	400,000	(2,214)	1,255,899	20,582,702
Profit for the year	-	-	3,527,940	-	-	-	3,527,940
Other comprehensive loss for the year	-	-	(22,080)	-	(1,385,046)	-	(1,407,126)
Total comprehensive income for the year	-	-	3,505,860	-	(1,385,046)	-	2,120,814
Capital contribution received during the year	-	1,200,000	-	-	-	-	1,200,000
Revaluation surplus realised on depreciation	-	-	47,708	-	-	(47,708)	-
Cash dividend	-	-	(2,200,000)	-	-	-	(2,200,000)
At 31 December 2022	400,000	13,054,011	8,028,574	400,000	(1,387,260)	1,208,191	21,703,516
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 (loss) / 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

The financial information has been extracted from the audited financial statements for the year ended 31 December 2023.

SBM BANK (MAURITIUS) LTD

ABRIDGED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000
Net cash (used in) / generated from operating activities	(8,876,432)	(7,675,010)	30,508,554
Net cash used in investing activities	(1,079,749)	(455,494)	(677,513)
Net cash generated from / (used in) financing activities	2,258,757	(5,618,020)	(6,293,161)
Net change in cash and cash equivalents	(7,697,424)	(13,748,524)	23,537,880
Expected credit loss on cash and cash equivalents	111	1,314	(5,793)
Cash and cash equivalents at start of year	26,534,212	40,281,422	16,749,335
Cash and cash equivalents at end of year	18,836,899	26,534,212	40,281,422