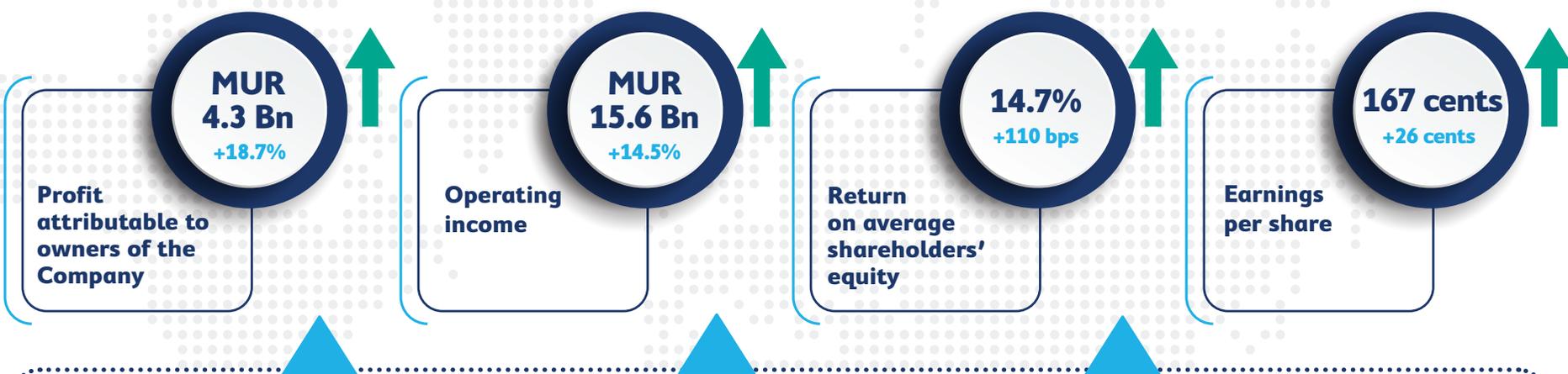


ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Key financial highlights for FY 2023



- Sustained growth momentum of the SBM Group in spite of the challenging context
- Record net profit level registered by the Group as it pursues its strategic journey
- Sound financial ratios upheld, notably in terms of capitalisation and asset quality
- Dividend declaration of 40 cents per share, leading to enhanced shareholder returns

Main trends across key indicators

Revenue generation

Net interest income

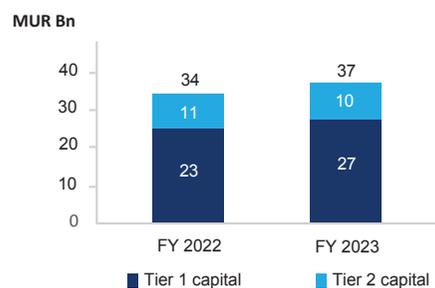


Non-interest income

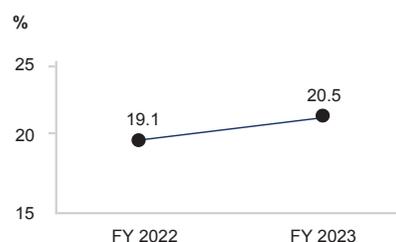


Capitalisation

Capital base

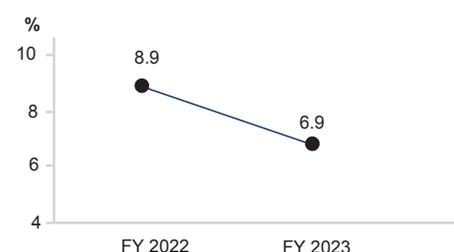


Capital adequacy ratio

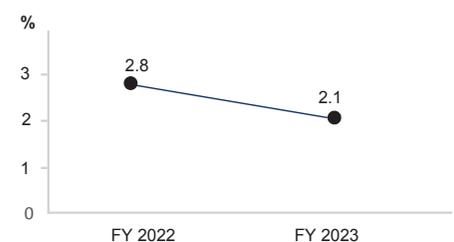


Asset quality

Gross impairment ratio



Net impairment ratio



SBM Holdings Ltd (the "Company") and its subsidiaries, here altogether (the "Group"), present the Group and the Company abridged audited financial statements for the year ended 31 December 2023. The audited financial statements have been prepared in accordance with the International Financial Reporting Standards.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	The Group		The Company	
	2023	2022	2023	2022
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS				
Cash and cash equivalents	23,827,701	30,275,037	710,733	28,219
Mandatory balances with central banks	16,918,939	15,723,438	-	-
Loans to and placements with banks	2,853,065	1,221,415	-	-
Derivative financial instruments	679,073	1,205,168	-	-
Loans and advances to non-bank customers	148,259,418	149,994,543	-	-
Investment securities	157,532,715	151,977,933	6,814,937	6,839,138
Investment in subsidiaries	-	-	31,438,094	31,300,001
Property and equipment	4,140,212	3,656,696	5,312	3,116
Right of use assets	724,545	867,749	-	-
Intangible assets	1,851,623	1,752,989	66	335
Deferred tax assets	1,390,569	1,265,176	-	-
Other assets	4,075,455	4,401,241	113,970	62,533
Total assets	362,253,315	362,341,385	39,083,112	38,233,342
LIABILITIES				
Deposits from banks	2,662,028	3,802,908	-	-
Deposits from non-bank customers	290,639,805	293,350,435	-	-
Other borrowed funds	13,405,661	15,489,470	-	-
Derivative financial instruments	782,595	905,317	-	-
Lease liabilities	801,229	888,617	-	-
Current tax liabilities	556,294	478,499	-	1,385
Pension liabilities	450,863	569,093	13,058	10,096
Other liabilities	10,039,834	9,070,915	89,296	65,362
Subordinated debts	11,232,173	10,616,492	9,952,271	9,916,536
Total liabilities	330,570,482	335,171,746	10,054,625	9,993,379
SHAREHOLDERS' EQUITY				
Stated capital	32,500,204	32,500,204	32,500,204	32,500,204
Retained earnings	9,511,081	5,909,389	2,148,355	1,362,238
Other reserves	(5,453,421)	(6,364,923)	(745,041)	(747,448)
Treasury shares	36,557,864	32,044,670	33,903,518	33,114,994
	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to owners of the Company	31,682,833	27,169,639	29,028,487	28,239,963
Total equity and liabilities	362,253,315	362,341,385	39,083,112	38,233,342

Approved by the Board of Directors and authorised for issue on 28 March 2024

Abdul Sattar Adam Ali Mamode HAJEE ABDOULA **Dr. Subhas THECKA**
Chairman Chairman, Audit Committee

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SBM HOLDINGS LTD

Opinion

The summary financial statements, which comprise the statements of financial position as at 31 December 2023, the statements of profit or loss, the statements of other comprehensive income, the statements of changes in equity and the abridged statements of cash flows for the year then ended, are extracted from audited consolidated and separate financial statements of SBM Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2023.

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

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 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 consolidated and separate 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 consolidated and separate financial statements of the Group and the Company for the year ended 31 December 2023. The audited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting 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 consolidated and separate 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 Company's shareholders in accordance with Section 12.14(i) of the Listing Rules of the Stock Exchange of Mauritius 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

Date: 28 March 2024

STATEMENTS OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023	2022	2023	2022
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest income using the effective interest method	20,221,308	14,632,440	32,765	9,289
Other interest income	328,406	186,826	-	-
Interest expense using the effective interest method	(9,245,282)	(5,431,794)	(534,993)	(484,779)
Other interest expense	(664,631)	(465,252)	-	-
Net interest income/(expense)	10,639,801	8,922,220	(502,228)	(475,490)
Fee and commission income	2,584,671	2,395,957	-	-
Fee and commission expense	(137,358)	(101,796)	-	-
Net fee and commission income	2,447,313	2,294,161	-	-
Other income				
Net trading income	2,180,663	2,083,870	-	-
Net gains from financial assets measured at FVTPL	40,253	8,629	35,342	33,166
Net (losses)/gains on derecognition of financial assets measured at amortised cost	(21,394)	11,382	-	11,382
Net gains on derecognition of financial assets measured at FVTOCI	44,962	94,968	-	-
Other operating income	299,249	238,594	2,046,581	2,483,941
Non-interest income	4,991,046	4,731,604	2,081,923	2,528,489
Total operating income	15,630,847	13,653,824	1,579,695	2,052,999
Personnel expenses	(4,275,825)	(3,862,272)	(182,456)	(77,562)
Depreciation of property and equipment	(330,262)	(322,017)	(372)	(273)
Depreciation of right of use assets	(238,631)	(237,472)	-	-
Amortisation of intangible assets	(531,095)	(495,319)	(269)	(274)
Other expenses	(4,228,071)	(3,219,963)	(76,087)	(54,639)
Impairment of investment in subsidiary	-	-	(13,816)	(14,366)
Non-interest expense	(9,603,884)	(8,137,043)	(273,000)	(147,114)
Profit before credit loss expense	6,026,963	5,516,781	1,306,695	1,905,885
Credit loss on financial assets and memorandum items	(1,047,247)	(1,332,743)	(185)	(45)
Profit before income tax	4,979,716	4,184,038	1,306,510	1,905,840
Tax (expense)/credit	(662,779)	(548,377)	1,221	(2,189)
Profit for the year attributable to owners of the Company	4,316,937	3,635,661	1,307,731	1,903,651
Earnings per share:				
Basic and Diluted (Cents)	167.2	140.8	-	-

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023	2022	2023	2022
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the year	4,316,937	3,635,661	1,307,731	1,903,651
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Gain on revaluation of property	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 plans	(204,466)	(20,693)	(5,256)	1,643
Deferred tax on remeasurement of defined benefit pension plans	27,784	1,662	-	-
Net gain on equity instruments designated at FVTOCI	77,347	289,862	-	298,708
	(145,448)	270,831	(5,256)	300,351
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	(566,236)	(598,644)	-	-
<i>Debt securities measured at FVTOCI</i>				
- Movement in fair value during the year	1,335,432	(1,872,049)	2,596	(705)
- Fair value gains reclassified to profit or loss on derecognition	(44,962)	(94,968)	-	-
- Credit loss movement relating to debt instruments held at FVTOCI	133,829	(33,128)	(189)	-
	858,063	(2,598,789)	2,407	(705)
Total other comprehensive income/(loss) attributable to owners of the Company	712,615	(2,327,958)	(2,849)	299,646
Total comprehensive income for the year attributable to owners of the Company	5,029,552	1,307,703	1,304,882	2,203,297

Performance

The SBM Group registered a record profit of MUR 4.3 billion for the year ended 31 December 2023, which represents an increase of 18.7% when compared to the preceding year. This performance is the outcome of sustained strategic endeavours and capacity building initiatives put in place over the past four years, while being also the result of the rigorous revision of the risk management policy, which has led to lower impairment loss on financial assets.

Key metrics have improved significantly. Return on average shareholders' equity attained 14.7% for the year under review, compared to 13.6% in FY 2022. Besides, earnings per share stood at 167.2 cents in FY 2023, compared to 140.8 cents in FY 2022.

In spite of the challenging market landscape across the jurisdictions where the SBM Group is involved, operating income surged by 14.5%, rising from MUR 13.7 billion in FY 2022 to MUR 15.6 billion in FY 2023. This outcome has been supported by a growth of 19.3% in net interest income, mainly driven by higher income from the loan book and investment securities. Of note, gross loans and advances to and deposits from non-bank customers stood at MUR 157.8 billion and MUR 290.6 billion respectively as at 31 December 2023. The core earnings of the Group were also boosted by an increase of 6.7% in net fee and commission income in the wake of rising business volumes, while net trading income moved up given favourable market conditions.

Non-interest expenses edged up to MUR 9.6 billion for the year ended 31 December 2023, with the main increases being registered with respect to staff and other operational costs, partly linked to inflationary pressures.

In support of its growth ambitions, the Group upheld sound financial ratios. While robust funding and liquidity positions were maintained, the overall capital adequacy ratio stood at 20.5%, which is well above regulatory requirements, hence providing adequate buffers to sustain the growth momentum. The Group posted enhanced asset quality ratios on the back of further headway realised in terms of risk management, with the net impaired advances to net advances ratio improving to 2.1% in FY 2023, from 2.8% in FY 2022.

Outlook

The international economic recovery is gradually gathering momentum, albeit at a relatively slow pace, while global inflation is declining at a sustained speed. As for the Mauritius economy, it has stayed resilient in the face of challenges faced, as gauged by its ongoing GDP growth trajectory, helped by improved sectorial performances and higher investment levels. Comfortingly, the IMF has, in a recent statement, highlighted that the country's growth outlook remains favourable.

The Board will continue to deliver the necessary guidance and oversight to ensure that the SBM Group further strengthens its operational resilience and growth impetus across the jurisdictions in which it is present, while adhering to strong risk management practices. Mindful of the fast-changing operating context, the Group remains committed to capitalising on business opportunities in a conscientious and steady manner, alongside diversifying its revenue streams.

Along the way, the SBM Group is dedicated to generating meaningful and long-term value for all its stakeholders, including its shareholders, customers, employees, Governments and regulators as well as the societies in which it is involved.

Dividend payment

In view of SBM Group's improving profitability and encouraging prospects going forward, the Board of SBM Holdings Ltd is pleased to declare a dividend payment of 40 cents per share, to be paid in June 2024, subject to regulatory approval. This dividend is based on a careful assessment of the Group's financial and capital positions as well as unfolding market conditions. It is twice the dividend that was paid last year, thus reflecting the Group's commitment to delivering increasingly attractive and, most importantly, sustainable returns to its shareholders, through a clear dividend policy.

Abdul Sattar Adam Ali Mamode HAJEE ABDOULA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

28 March 2024

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

The Group	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
At 01 January 2022	32,500,204	(4,875,031)	802,086	2,807,788	280,886	(5,137,639)	26,378,294
Profit for the year	-	-	-	3,635,661	-	-	3,635,661
Other comprehensive loss for the year	-	-	-	(19,031)	-	(2,308,927)	(2,327,958)
Total comprehensive income/(loss) for the year	-	-	-	3,616,630	-	(2,308,927)	1,307,703
Reclassification between reserves	-	-	(100,408)	143,169	44,441	(87,202)	-
Appropriation of reserves	-	-	33,582	(193,308)	-	159,726	-
Revaluation surplus realised on depreciation	-	-	-	51,468	(51,468)	-	-
Dividend	-	-	-	(516,358)	-	-	(516,358)
At 31 December 2022	32,500,204	(4,875,031)	735,260	5,909,389	273,859	(7,374,042)	27,169,639
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 year	-	-	-	4,316,937	-	-	4,316,937
Other comprehensive (loss)/income for the year	-	-	-	(183,128)	(39,667)	935,410	712,615
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)	31,682,833

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	The Group		The Company	
	2023	2022	2023	2022
	MUR'000	MUR'000	MUR'000	MUR'000
Net cash used in operating activities	(2,652,351)	(22,283,388)	(537,676)	(795,208)
Investing activities				
Acquisition of property and equipment	(814,626)	(421,883)	(2,568)	(2,279)
Acquisition of intangible assets	(686,252)	(314,941)	-	-
Disposal of property and equipment	5,615	(5,947)	-	-
Dividend received	267,767	206,563	1,942,488	2,447,632
Net cash (used in)/generated from investing activities	(1,227,496)	(536,208)	1,939,920	2,445,353
Financing activities				
Capital contribution granted to existing subsidiaries	-	-	(151,909)	(1,200,000)
Net movement in other borrowed funds	(2,083,809)	5,976,557	-	-
Subordinated debts issued	583,039	735,949	-	-
Dividend paid on ordinary shares	(516,358)	(516,358)	(516,358)	(516,358)