

SBM BANK (MAURITIUS) LTD

SBM Bank (Mauritius) Ltd ('the Bank') is pleased to present its abridged interim unaudited condensed financial statements for the quarter ended 31 March 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 1.3 billion for the quarter ended 31 March 2024 (Q1 2024) compared to MUR 1.1 billion for the quarter ended 31 March 2023 (Q1 2023). This improved performance is mainly attributable to higher net interest income and a lower impairment charge for the current quarter compared to the same quarter of last year.

Net interest income grew by MUR 281.1 million and stood at MUR 2,232.4 million for Q1 2024 compared to MUR 1,951.3 million for Q1 2023. Interest income from loans and advances to non-bank customers recorded an increase of MUR 114.7 million, while interest income from investment securities went up by MUR 383.7 million. Interest expense moved up to reach MUR 1,288.8 million compared to MUR 997.1 million for Q1 2023. Impairment charge was lower by MUR 345.3 million and amounted to MUR 54.0 million for Q1 2024 compared to MUR 399.3 million for Q1 2023.

The Bank recorded a higher operating income of MUR 2,872.7 million for Q1 2024, against MUR 2,730.6 million for Q1 2023. The other contributor to the increase in operating income is higher net fee and commission income which witnessed a growth of 15.2%, from MUR 318.4 million for Q1 2023 to MUR 366.8 million for Q1 2024. However, a decrease was noted in other income mainly in net trading income due to a decrease in fair value movements on debt securities held for trading.

On the non-interest expense side, an overall increase of MUR 108.8 million was noted for Q1 2024, from MUR 1,121.6 million for Q1 2023 to MUR 1,230.4 million for Q1 2024. The Bank continues to invest in its human capital, with personnel expenses standing at MUR 632.7 million for Q1 2024, representing an increase of MUR 77.8 million compared to Q1 2023.

The Bank's total assets moved further up to reach MUR 283.3 billion as at 31 March 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 131.0 billion compared to MUR 125.4 billion as at 31 December 2023. However, net loans and advances to non-bank customers decreased by merely MUR 295.4 million to stand at MUR 111.8 billion as at 31 March 2024. The gross impaired ratio improved from 5.2% as at 31 December 2023 to 4.3% as at 31 March 2024. Deposits from non-bank customers stood at MUR 244.0 billion as at 31 March 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 25.9 billion as at 31 March 2024 compared to MUR 25.7 billion as at 31 December 2023 after taking into account a dividend payment of MUR 1 billion. With a Tier 1 capital of MUR 22.6 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 the quarter ended 31 March 2024 improved to 20.5% compared to 19.5% for the financial year 2023.

Outlook

As per the IMF in its latest World Economic Outlook report, the global economy remains remarkably resilient in the wake of key challenges faced, with steady growth expected in the near term. In Mauritius, real GDP growth, which stood at an estimated 7.0% last year, is set to pursue its encouraging momentum in 2024, in view of favourable performances by key sectors and rising investment levels.

While capitalising on growth opportunities domestically, the Bank will maintain its prudent approach when diversifying its market footprint and revenue streams. Towards those ends, the Bank will further strengthen its capabilities in terms of people, process and technology. It will aim at further enriching the quality of customer experiences, alongside delivering innovative digital solutions.

Overall, as it positions itself at the forefront of the financial services industry, the Bank will continue to support the sound and sustained socio-economic progress of Mauritius.

By Order of the Board

06 May 2024

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2024

| | Unaudited 31 March 2024 | Unaudited 31 March 2023 | Audited 31 December 2023 |
|--|--|-------------------------------|--------------------------------|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| ASSETS | | | |
| Cash and cash equivalents | 15,473,819 | 10,766,989 | 18,836,899 |
| Mandatory balances with central bank | 14,976,462 | 14,256,005 | 14,911,020 |
| Loans to and placements with banks | 2,792,965 | 1,021,677 | 2,853,065 |
| Derivative financial instruments | 548,856 | 524,499 | 297,875 |
| Loans and advances to non-bank customers | 111,822,501 | 109,192,090 | 112,117,910 |
| Investment securities | 130,993,227 | 130,149,706 | 125,398,628 |
| Property and equipment | 3,429,615 | 3,194,941 | 3,439,903 |
| Right-of-use assets | 157,711 | 211,935 | 174,348 |
| Intangible assets | 1,535,769 | 1,656,307 | 1,623,646 |
| Deferred tax assets | 588,263 | 502,940 | 716,603 |
| Other assets | 953,109 | 697,035 | 743,000 |
| Total assets | 283,272,297 | 272,174,124 | 281,112,897 |
| LIABILITIES | | | |
| Deposits from banks | 1,988,221 | 2,479,017 | 1,716,593 |
| Deposits from non-bank customers | 243,985,155 | 234,817,380 | 239,207,880 |
| Other borrowed funds | 1,636,768 | 1,465,009 | 4,654,000 |
| Derivative financial instruments | 533,941 | 450,097 | 415,277 |
| Lease liability | 171,830 | 163,392 | 183,049 |
| Current tax liabilities | 670,882 | 529,769 | 535,619 |
| Pension liabilities | 438,084 | 553,021 | 425,420 |
| Other liabilities | 7,954,788 | 8,506,123 | 8,247,088 |
| Total liabilities | 257,379,669 | 248,963,808 | 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 | 11,249,355 | 9,124,160 | 10,923,822 |
| Other reserves | 1,189,262 | 632,145 | 1,350,138 |
| Total equity | 25,892,628 | 23,210,316 | 25,727,971 |
| Total liabilities and equity | 283,272,297 | 272,174,124 | 281,112,897 |

Approved by the Board of Directors and authorised for issue on 06 May 2024

Premchand Mungar
Chief Executive Officer

Imalambaal Kichenin
Chairperson, Audit Committee

Ranapartab Tacouri
Director

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH
2024

| | Unaudited Quarter ended 31 March 2024 | Unaudited Quarter ended 31 March 2023 | Audited Year ended 31 December 2023 |
|--|--|---|---|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| Continuing Operations | | | |
| Interest income using the effective interest method | 3,426,768 | 2,896,393 | 12,787,297 |
| Other interest income | 94,425 | 51,946 | 214,294 |
| Interest expense using the effective interest method | (1,252,535) | (957,430) | (4,354,676) |
| Other interest expense | (36,242) | (39,637) | (152,389) |
| Net interest income | 2,232,416 | 1,951,272 | 8,494,526 |
| Fee and commission income | 388,172 | 339,984 | 1,502,375 |
| Fee and commission expense | (21,396) | (21,557) | (101,735) |
| Net fee and commission income | 366,776 | 318,427 | 1,400,640 |
| Other income | | | |
| Net trading income | 301,941 | 429,876 | 1,467,259 |
| Net (losses) / gains from financial assets at FVTPL | (23,408) | 9,096 | 19,781 |
| Net losses on derecognition of financial assets measured at amortised cost | (11,443) | - | (21,394) |
| Net gains on derecognition of financial assets measured at FVTOCI | 174 | 17,442 | 21,565 |
| Other operating income | 6,252 | 4,441 | 13,462 |
| | 273,516 | 460,855 | 1,500,673 |
| Non-interest income | 640,292 | 779,282 | 2,901,313 |
| Operating income | 2,872,708 | 2,730,554 | 11,395,839 |
| Personnel expenses | (632,691) | (554,929) | (2,309,521) |
| Depreciation of property and equipment | (55,334) | (51,681) | (214,614) |
| Depreciation of right-of-use assets | (22,445) | (22,214) | (72,652) |
| Amortisation of intangible assets | (124,701) | (105,230) | (425,194) |
| Other expenses | (395,210) | (387,550) | (2,216,586) |
| Non-interest expense | (1,230,381) | (1,121,604) | (5,238,567) |
| Profit before credit loss expense | 1,642,327 | 1,608,950 | 6,157,272 |
| Credit loss movement on financial assets and memorandum items | (53,956) | (399,295) | (919,304) |
| Profit before income tax | 1,588,371 | 1,209,655 | 5,237,968 |
| Tax expense | (274,765) | (125,996) | (613,311) |
| Profit for the quarter / year | 1,313,606 | 1,083,659 | 4,624,657 |

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2024

| | Unaudited Quarter ended 31 March 2024 | Unaudited Quarter ended 31 March 2023 | Audited Year ended 31 December 2023 |
|--|--|---|---|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| Profit for the quarter / year | 1,313,606 | 1,083,659 | 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 | - | - | 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 / year | (105,350) | 381,401 | 1,134,291 |
| Fair value gains reclassified to profit or loss on disposals | (174) | (17,442) | (21,565) |
| Credit loss movement relating to debt instruments held at FVTOCI | (43,425) | 59,182 | 134,018 |
| | (148,949) | 423,141 | 1,246,744 |
| Total other comprehensive (loss) / income | (148,949) | 423,141 | 999,798 |
| Total comprehensive income for the quarter / year | 1,164,657 | 1,506,800 | 5,624,455 |

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 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 quarter | - | - | 1,083,659 | - | - | - | 1,083,659 |
| Other comprehensive income for the quarter | - | - | - | - | 423,141 | - | 423,141 |
| Total comprehensive income for the quarter | - | - | 1,083,659 | - | 423,141 | - | 1,506,800 |
| Revaluation surplus realised on depreciation | - | - | 11,927 | - | - | (11,927) | - |
| At 31 March 2023 | 400,000 | 13,054,011 | 9,124,160 | 400,000 | (964,119) | 1,196,264 | 23,210,316 |
| 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 quarter | - | - | 1,313,606 | - | - | - | 1,313,606 |
| Other comprehensive loss for the quarter | - | - | - | - | (148,949) | - | (148,949) |
| Total comprehensive income for the quarter | - | - | 1,313,606 | - | (148,949) | - | 1,164,657 |
| Revaluation surplus realised on depreciation | - | - | 11,927 | - | - | (11,927) | - |
| Cash dividend | - | - | (1,000,000) | - | - | - | (1,000,000) |
| At 31 March 2024 | 400,000 | 13,054,011 | 11,249,355 | 400,000 | (288,812) | 1,078,074 | 25,892,628 |

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2024.

SBM BANK (MAURITIUS) LTD
INTERIM UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2024

| | Unaudited Quarter ended 31 March 2024 | Unaudited Quarter ended 31 March 2023 | Audited Year ended 31 December 2023 |
|---|--|--|--|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| Net cash generated from / (used in) operating activities | 748,853 | (16,109,165) | (8,876,432) |
| Net cash (used in) / generated from financing activities | (4,017,232) | 707,201 | 2,258,757 |
| Net cash used in investing activities | (81,870) | (354,937) | (1,079,749) |
| Net decrease in cash and cash equivalents | (3,350,249) | (15,756,901) | (7,697,424) |
| Expected credit loss on cash and cash equivalents | (12,831) | (10,322) | 111 |
| Cash and cash equivalents at start of quarter / year | 18,836,899 | 26,534,212 | 26,534,212 |
| Cash and cash equivalents at end of quarter / year | 15,473,819 | 10,766,989 | 18,836,899 |

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2024.