

SBM BANK (MAURITIUS) LTD

SBM Bank (Mauritius) Ltd ('the Bank') is pleased to present its abridged interim unaudited condensed financial statements for the nine months ended 30 September 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 5.2 billion for the nine months ended 30 September 2024 (9M 2024) compared to MUR 4.3 billion for the nine months ended 30 September 2023 (9M 2023). This improved performance is mainly attributable to higher net interest income and a reversal of impairment charge for the current period compared to the same period of last year.

Net interest income grew by MUR 677.6 million and stood at MUR 6,970.1 million for 9M 2024 compared to MUR 6,292.5 million for 9M 2023. Interest income from loans and advances to non-bank customers recorded an increase of MUR 358.8 million, while interest income from investment securities went up by MUR 846.5 million. Interest expense moved up to reach MUR 4,090.3 million compared to MUR 3,230.5 million for 9M 2023. Impairment charge was lower by MUR 781.6 million and a reversal of credit loss expense of MUR 510 million was accounted for 9M 2024 compared to a credit loss expense of MUR 271.6 million for 9M 2023.

Non-interest income also increased during the period under review and stood at MUR 2,702.8 million for 9M 2024, higher by MUR 489.3 million compared to 9M 2023. The main contributors to this increase are net trading income followed by net fee and commission income which attained MUR 1,520.5 million and MUR 1,134.8 million respectively for 9M 2024, compared to MUR 1,148.9 million and MUR 1,015.4 million for 9M 2023. The Bank recorded a higher operating income of MUR 9,673 million for 9M 2024, against MUR 8,506 million for 9M 2023.

On the non-interest expense side, an overall increase of MUR 297.6 million was noted for 9M 2024, from MUR 3,639.4 million for 9M 2023 to MUR 3,937 million for 9M 2024. The Bank continues to invest in its human capital, with personnel expenses standing at MUR 1,831.9 million for 9M 2024, representing an increase of MUR 185.6 million compared to 9M 2023.

The Bank's total assets moved further up to reach MUR 310.1 billion as at 30 September 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 132.9 billion compared to MUR 125.4 billion as at 31 December 2023. Net loans and advances to non-bank customers increased by MUR 10.9 billion to stand at MUR 123.0 billion as at 30 September 2024. The gross impaired ratio improved from 5.2% as at 31 December 2023 to 3.7% as at 30 September 2024. Deposits from non-bank customers stood at MUR 266.5 billion as at 30 September 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 to MUR 29.1 billion as at 30 September 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 25.3 billion, the Tier 1 capital to risk weighted assets ratio moved to 18.4%, while the Capital Adequacy Ratio (CAR) stood at 19.9%. Return on average equity for 9M 2024 improved to 25.4% compared to 19.5% for the financial year 2023.

Outlook

In spite of the challenging global context and downside risks faced, the Mauritian economy is pursuing a resilient growth path, helped by a favorable business environment. Worth noting also, headline inflation has trended downward in recent months, supported by domestic and international factors.

By Order of the Board

05 November 2024

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

| | Unaudited 30 September 2024 | Unaudited 30 September 2023 | Audited 31 December 2023 |
|--|--|-----------------------------------|--------------------------------|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| ASSETS | | | |
| Cash and cash equivalents | 26,635,362 | 5,977,802 | 18,836,899 |
| Mandatory balances with central bank | 15,535,995 | 13,061,094 | 14,911,020 |
| Loans to and placements with banks | 4,724,267 | 1,908,480 | 2,853,065 |
| Derivative financial instruments | 478,105 | 474,587 | 297,875 |
| Loans and advances to non-bank customers | 123,012,385 | 111,121,644 | 112,117,910 |
| Investment securities | 132,893,138 | 139,217,126 | 125,398,628 |
| Property and equipment | 3,565,627 | 3,304,292 | 3,439,903 |
| Right-of-use assets | 186,369 | 176,098 | 174,348 |
| Intangible assets | 1,362,227 | 1,711,826 | 1,623,646 |
| Deferred tax assets | 489,846 | 861,791 | 716,603 |
| Other assets | 1,169,246 | 865,784 | 743,000 |
| Total assets | 310,052,567 | 278,680,524 | 281,112,897 |
| LIABILITIES | | | |
| Deposits from banks | 1,666,784 | 2,597,717 | 1,716,593 |
| Deposits from non-bank customers | 266,524,207 | 240,706,320 | 239,207,880 |
| Other borrowed funds | 572,761 | 663,984 | 4,654,000 |
| Derivative financial instruments | 566,661 | 577,801 | 415,277 |
| Lease liability | 194,597 | 178,638 | 183,049 |
| Current tax liabilities | 793,984 | 671,452 | 535,619 |
| Pension liabilities | 450,195 | 562,867 | 425,420 |
| Other liabilities | 10,208,241 | 7,166,538 | 8,247,088 |
| Total liabilities | 280,977,430 | 253,125,317 | 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 | 12,844,383 | 10,759,625 | 10,923,822 |
| Other reserves | 2,776,743 | 1,341,571 | 1,350,138 |
| Total equity | 29,075,137 | 25,555,207 | 25,727,971 |
| Total liabilities and equity | 310,052,567 | 278,680,524 | 281,112,897 |

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

Premchand Mungar
Chief Executive

Imalambaal Kichenin
Chairperson, Audit Committee

Ranapartab Tacouri
Chairman, Board

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

| | Unaudited Quarter ended 30 September 2024 | Unaudited Quarter ended 30 September 2023 | Unaudited Nine months ended 30 September 2024 | Unaudited Nine months ended 30 September 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 | 3,843,284 | 3,388,327 | 10,793,076 | 9,364,888 | 12,787,297 |
| Other interest income | 82,410 | 63,842 | 267,340 | 158,081 | 214,294 |
| Interest expense using the effective interest method | (1,429,745) | (1,156,692) | (3,983,272) | (3,107,835) | (4,354,676) |
| Other interest expense | (37,087) | (41,556) | (107,018) | (122,663) | (152,389) |
| Net interest income | 2,458,862 | 2,253,921 | 6,970,126 | 6,292,471 | 8,494,526 |
| Fee and commission income | 400,434 | 355,836 | 1,199,456 | 1,082,331 | 1,502,375 |
| Fee and commission expense | (22,477) | (25,349) | (64,640) | (66,903) | (101,735) |
| Net fee and commission income | 377,957 | 330,487 | 1,134,816 | 1,015,428 | 1,400,640 |
| Other income | | | | | |
| Net trading income | 706,616 | 431,292 | 1,520,485 | 1,148,850 | 1,467,259 |
| Net gains from financial assets at FVTPL | 18,326 | 3,123 | 3,928 | 15,904 | 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 | 17,819 | 9,440 | 42,114 | 19,691 | 21,565 |
| Other operating income | 4,441 | 4,489 | 12,940 | 13,638 | 13,462 |
| | 747,202 | 448,344 | 1,568,024 | 1,198,083 | 1,500,673 |
| Non-interest income | 1,125,159 | 778,831 | 2,702,840 | 2,213,511 | 2,901,313 |
| Operating income | 3,584,021 | 3,032,752 | 9,672,966 | 8,505,982 | 11,395,839 |
| Personnel expenses | (602,373) | (562,828) | (1,831,878) | (1,646,264) | (2,309,521) |
| Depreciation of property and equipment | (57,896) | (51,666) | (170,014) | (154,824) | (214,614) |
| Depreciation of right-of-use assets | (16,592) | (14,556) | (51,905) | (57,705) | (72,652) |
| Amortisation of intangible assets | (148,372) | (88,422) | (404,076) | (302,326) | (425,194) |
| Other expenses | (533,279) | (648,022) | (1,479,162) | (1,478,232) | (2,216,586) |
| Non-interest expense | (1,358,512) | (1,365,494) | (3,937,035) | (3,639,351) | (5,238,567) |
| Profit before credit loss expense | 2,225,509 | 1,667,258 | 5,735,931 | 4,866,631 | 6,157,272 |
| Credit loss movement on financial assets and memorandum items | 288,367 | (16,136) | 509,991 | (271,591) | (919,304) |
| Profit before income tax | 2,513,876 | 1,651,122 | 6,245,922 | 4,595,040 | 5,237,968 |
| Tax expense | (429,759) | 69,999 | (1,034,798) | (340,103) | (613,311) |
| Profit for the quarter / period / year | 2,084,117 | 1,721,121 | 5,211,124 | 4,254,937 | 4,624,657 |

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

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

| | Unaudited Quarter ended 30 September 2024 | Unaudited Quarter ended 30 September 2023 | Unaudited Nine months ended 30 September 2024 | Unaudited Nine months ended 30 September 2023 | Audited Year ended 31 December 2023 |
|---|---|---|---|---|---|
| | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 | MUR' 000 |
| Profit for the quarter / period / year | 2,084,117 | 1,721,121 | 5,211,124 | 4,254,937 | 4,624,657 |
| Other comprehensive income : | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Deferred tax arising following change in rate: | | | | | |
| - Revaluation of property | - | (72,151) | - | (72,151) | (70,482) |
| - Defined benefit pension plans | - | 40,333 | - | 40,333 | (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 | 653 |
| | - | (31,818) | 384 | (31,165) | (246,946) |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| <u>Debt securities measured at FVTOCI</u> | | | | | |
| Movement in fair value during the quarter / period / year | 812,117 | 586,383 | 791,689 | 1,148,370 | 1,134,291 |
| Fair value gains reclassified to profit or loss on disposals | (17,819) | (9,440) | (42,114) | (19,691) | (21,565) |
| Credit loss movement relating to debt instruments held at FVTOCI | (16,737) | 81,679 | (113,917) | 99,240 | 134,018 |
| | 777,561 | 658,622 | 635,658 | 1,227,919 | 1,246,744 |
| Total other comprehensive income | 777,561 | 626,804 | 636,042 | 1,196,754 | 999,798 |
| Total comprehensive income for the quarter / period / year | 2,861,678 | 2,347,925 | 5,847,166 | 5,451,691 | 5,624,455 |

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

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

| | Stated capital | Capital contribution | Retained earnings | Provision reserve | Statutory reserve | Fair value reserve | Property Revaluation reserve | Total equity |
|---|----------------|----------------------|--------------------|-------------------|-------------------|--------------------|------------------------------|--------------------|
| | MUR' 000 | 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 | - | - | 4,254,937 | - | - | - | - | 4,254,937 |
| Other comprehensive income/ (loss) for the period | - | - | 40,333 | - | - | 1,228,572 | (72,151) | 1,196,754 |
| Total comprehensive income/ (loss) for the period | - | - | 4,295,270 | - | - | 1,228,572 | (72,151) | 5,451,691 |
| Revaluation surplus realised on depreciation | - | - | 35,781 | - | - | - | (35,781) | - |
| Cash dividend | - | - | (1,600,000) | - | - | - | - | (1,600,000) |
| At 30 September 2023 | 400,000 | 13,054,011 | 10,759,625 | - | 400,000 | (158,688) | 1,100,259 | 25,555,207 |
| 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 (loss)/ 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 | - | - | 5,211,124 | - | - | - | - | 5,211,124 |
| Other comprehensive income for the period | - | - | - | - | - | 636,042 | - | 636,042 |
| Total comprehensive income for the period | - | - | 5,211,124 | - | - | 636,042 | - | 5,847,166 |
| Transfer to provision reserve | - | - | (826,344) | 826,344 | - | - | - | - |
| Revaluation surplus realised on depreciation | - | - | 35,781 | - | - | - | (35,781) | - |
| Cash dividend | - | - | (2,500,000) | - | - | - | - | (2,500,000) |
| At 30 September 2024 | 400,000 | 13,054,011 | 12,844,383 | 826,344 | 400,000 | 496,179 | 1,054,220 | 29,075,137 |

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

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

| | Unaudited Nine months ended 30 September 2024 | Unaudited Nine months ended 30 September 2023 | Audited Year ended 31 December 2023 |
|---|--|--|--|
| | MUR' 000 | MUR' 000 | MUR' 000 |
| Net cash generated from / (used in) operating activities | 14,826,453 | (18,039,561) | (8,876,432) |
| Net cash (used in) / generated from financing activities | (6,581,239) | (1,693,824) | 2,258,757 |
| Net cash used in investing activities | (438,396) | (820,045) | (1,079,749) |
| Net change in cash and cash equivalents | 7,806,818 | (20,553,430) | (7,697,424) |
| Expected credit loss on cash and cash equivalents | (8,355) | (2,980) | 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 | 26,635,362 | 5,977,802 | 18,836,899 |

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