

SBM Group

Analyst Meeting

September 2017 Highlights



20 November 2017

SBM

DISCLAIMER

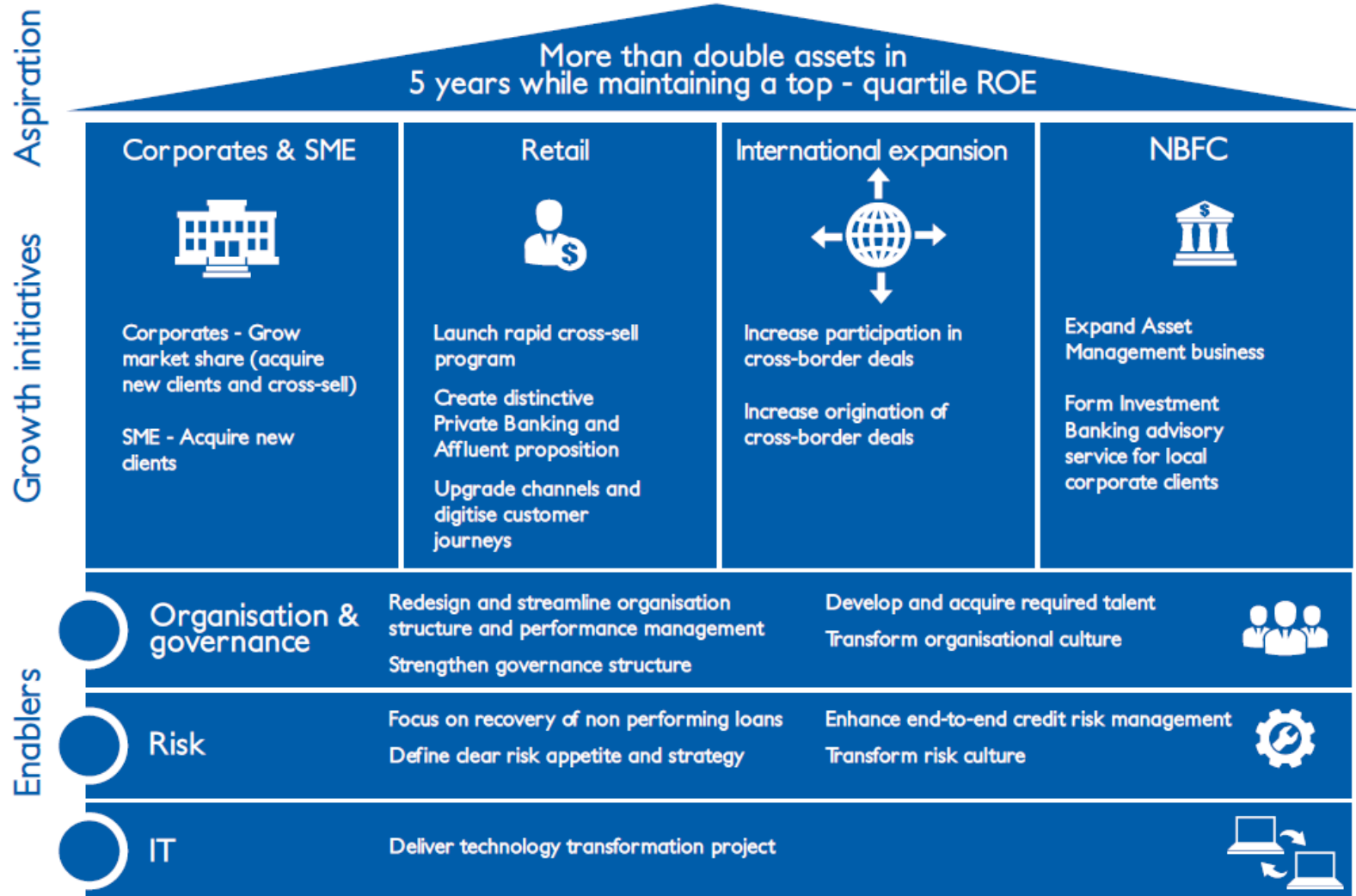
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AGENDA

- **Strategy**
 - Financial Highlights
 - Share Price Info
 - 2017 Forecast
 - Q & A

OUR STRATEGY

2016 - 2020



KEY ACHIEVEMENTS: CONSOLIDATION



Market share:
Personal Banking
increased by
0.6 pp year-on-year
to reach 30.6%
in Sep 17



Market share:
Business Banking
(excl GBL)
increased by
3.0 pp year-on-year
to reach 20.7% in
Sep 17



SME:
Partnership with FSA -
guarantee for bank
loans & resources



Additional dedicated
SME desks in
Central Flacq, Triolet,
Goodlands, Vacoas
and Rose Belle



SBM: Best UPI Issuing Bank
Mauritius 2016



SBM Now
[Debit Card, Internet
Banking, Top Up
& SBM BillPay]



Best Retail Banking
Mauritius 2017

KEY ACHIEVEMENTS: DIVERSIFICATION



Arranger
MUR 1.5 Bn
Secured Notes
Programme - SIT



Investment
Banking licence
July 2017



Raised USD 165 Mn
through depositary
receipts for
Afreximbank



AUM increased by
26.4% year-on-year
to reach nearly
MUR 9 Bn in Sep 17



Africa
Infrastructure and
Industrialisation
Fund, LP



Launch of
structured products
– leveraged notes,
capital protected
notes, Ghana Coco
Bond



SBM Mauritius
Infrastructure
Development
Company

KEY ACHIEVEMENTS: INTERNATIONALISATION



SBM Bank (Kenya) Ltd
May 2017



Segment B advances
significantly increased
from 7.0 Bn in Sep 16 to
Rs 26.9 Bn in Sep 17



Greater synergy
with overseas
operations



Partnered with
pan-African
financial institutions
– Afreximbank/ FSA/
PTA Bank



Pursuing overseas
expansion initiatives

KEY ACHIEVEMENTS: MODERNISATION



SBM Mobile
Banking App



Online Loan
Application



Signature Pad



eStatement
initiative



New Website
October 2017



Partnership with AliPay:
A first in Mauritius

KEY ACHIEVEMENTS: CAPACITY BUILDING



Building and strengthening
staffs and skills



Recruitment in
key positions &
appointment of
Group CEO



Review of
HR Policies



Robust
Risk Management
framework & policies



Streamlined
processes



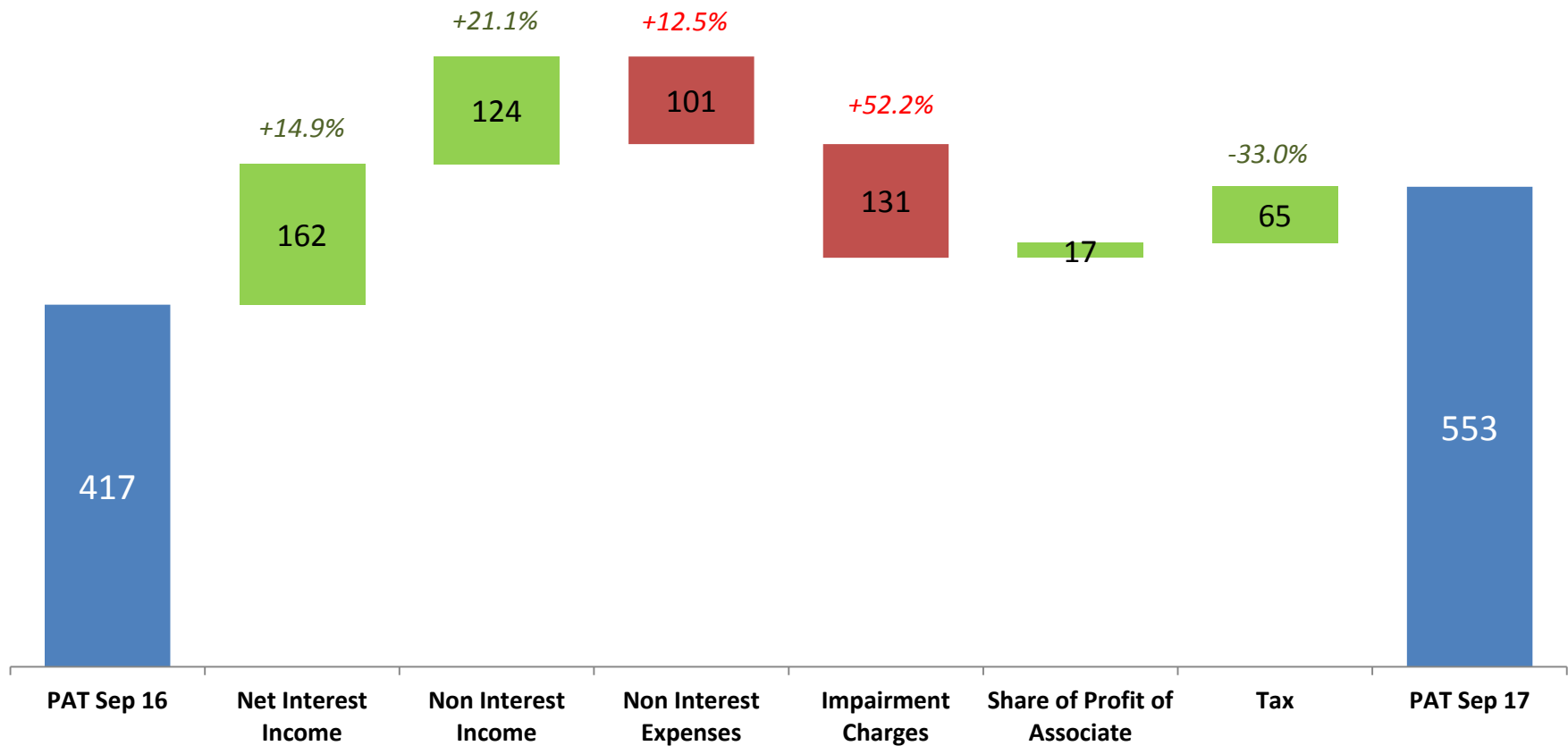
Review of organisation
structure & governance
structure

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Q3 RESULTS SHOW MARKED IMPROVEMENT IN PAT

MUR Million





TOTAL ASSETS

MUR **193.31 billion**
30 Sep 2017

30 Sep 2016
MUR 146.19 billion



TOTAL DEPOSITS

MUR **148.97 billion**
30 Sep 2017

30 Sep 2016
MUR 113.99 billion



NET LOANS & ADVANCES

MUR **99.23 billion**
30 Sep 2017

30 Sep 2016
MUR 68.13 billion



TOTAL LIABILITIES

MUR **168.15 billion**
30 Sep 2017

30 Sep 2016
MUR 122.86 billion



SHAREHOLDERS' EQUITY

MUR **25.16 billion**
30 Sep 2017

30 Sep 2016
MUR 23.34 billion



NET INTEREST INCOME

MUR 3,539 M
30 Sep 2017

(30 Sep 2016:
MUR 3,300 M)

NON INTEREST INCOME

MUR 1,955 M
30 Sep 2017

(30 Sep 2016 :
MUR 1,670 M)

OPERATING INCOME

MUR 5,494 M
30 Sep 2017

(30 Sep 2016 :
MUR 4,971 M)

PROFIT AFTER TAX

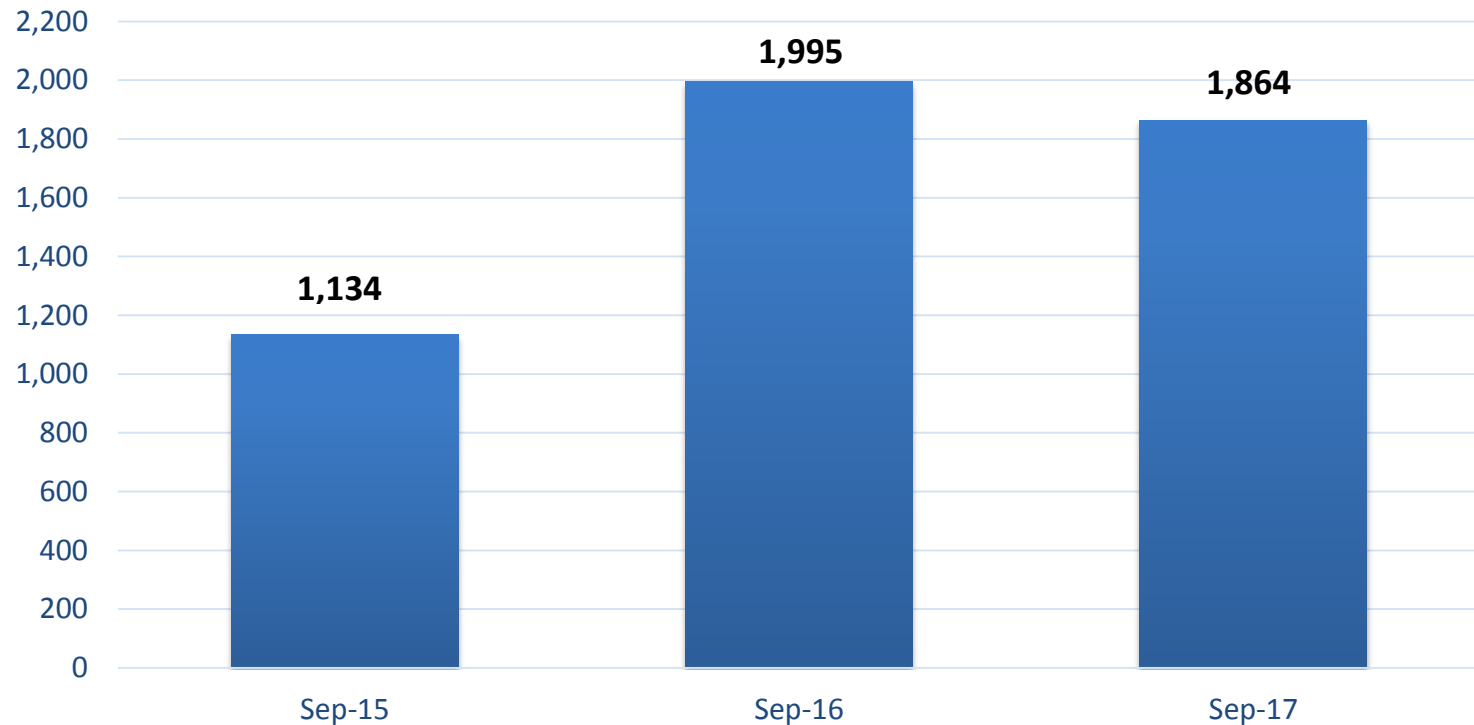
MUR 1,864 M
30 Sep 2017

(30 Sep 2016 :
MUR 1,995 M)

**for period ended 30 September*

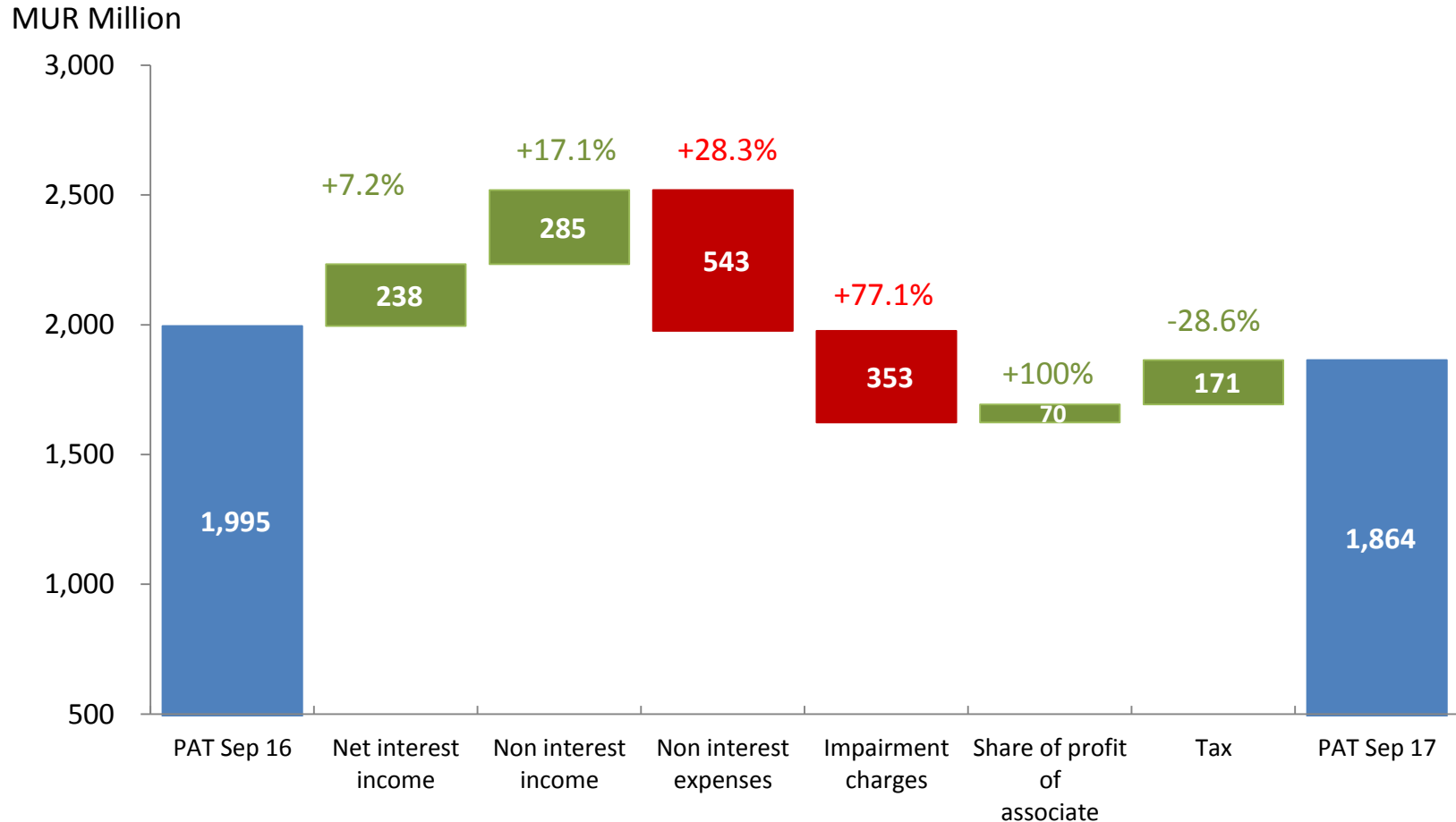
GROUP PROFIT AFTER TAX FOR NINE MONTHS TO SEP 2017 DECREASED...

MUR Million



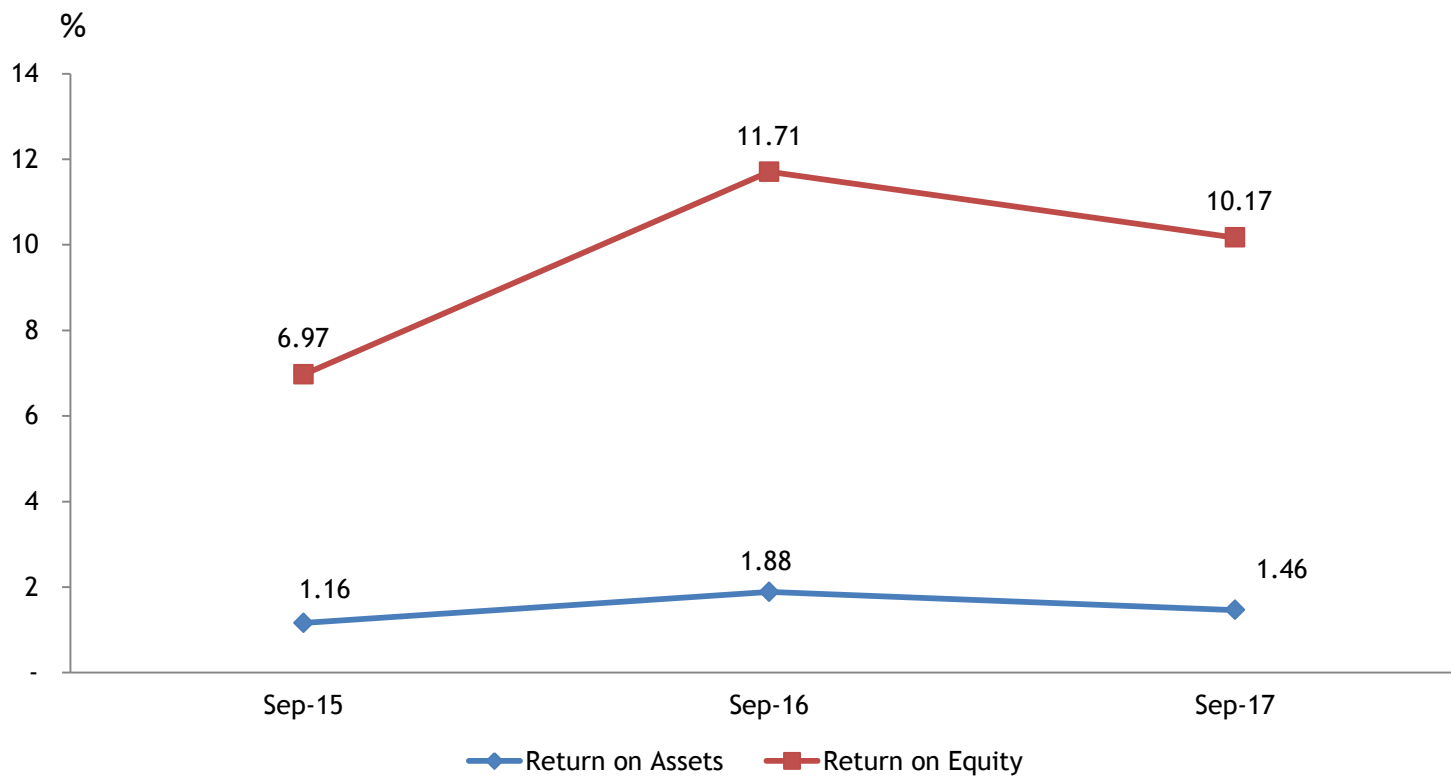
**for period ended 30 September*

... MAINLY DUE TO HIGHER NON INTEREST EXPENSES AND IMPAIRMENT CHARGES...



**for period ended 30 September*

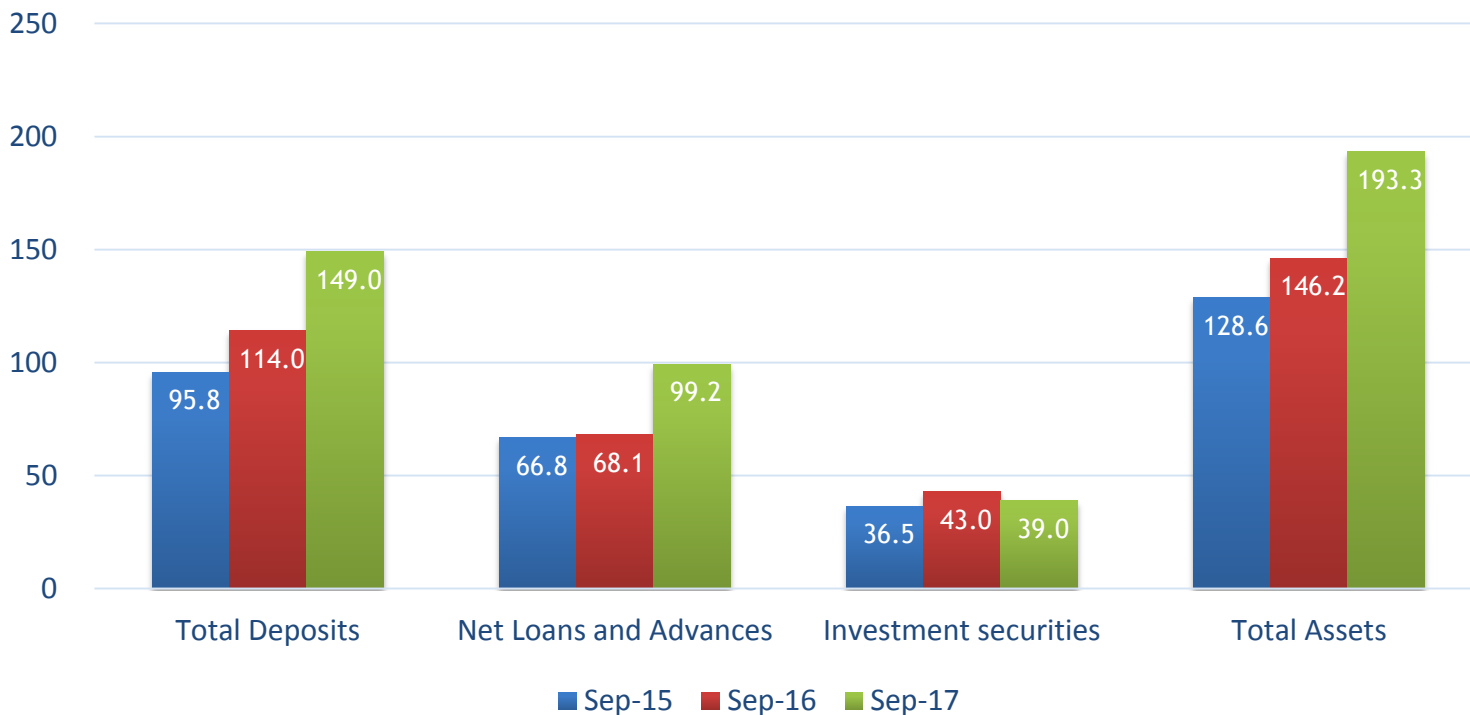
... THEREBY IMPACTING ROE AND ROA



**for period ended 30 September*

TOTAL ASSETS GREW SUBSTANTIALLY BY 32.2% DRIVEN BY AN INCREASE IN DOMESTIC MARKET SHARE AND SIGNIFICANTLY HIGHER SEGMENT B ASSETS

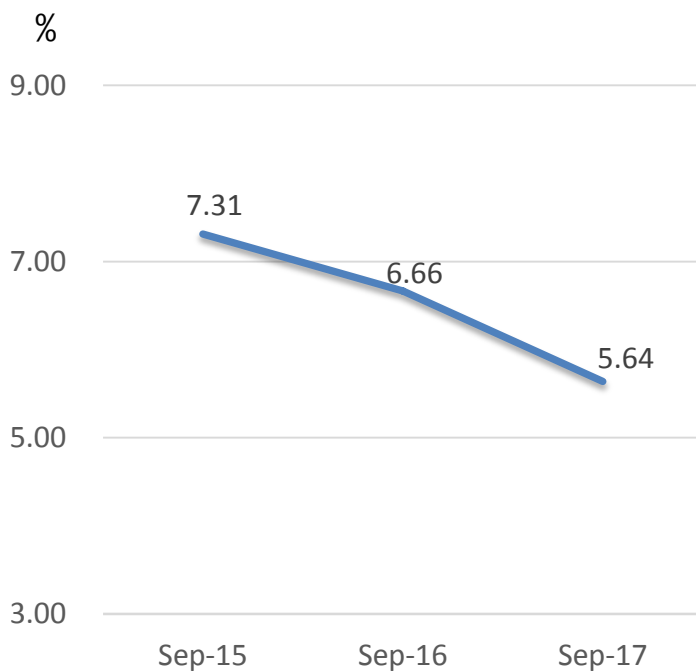
MUR Million



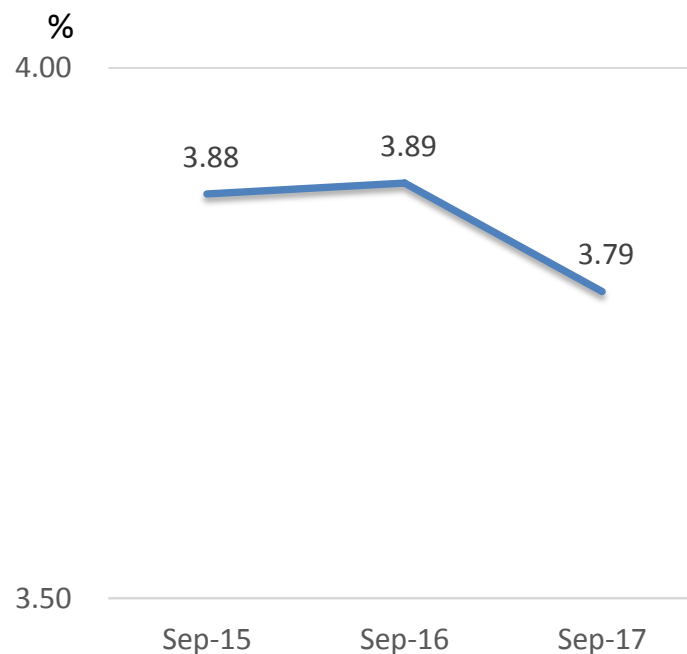
**as at 30 September*

YIELD ON ADVANCES DECLINED DUE TO (i) HIGHER MIX OF SEGMENT B ASSETS (ii) EXCESS LIQUIDITY IN DOMESTIC MARKET AND (iii) DROP IN REPO RATE

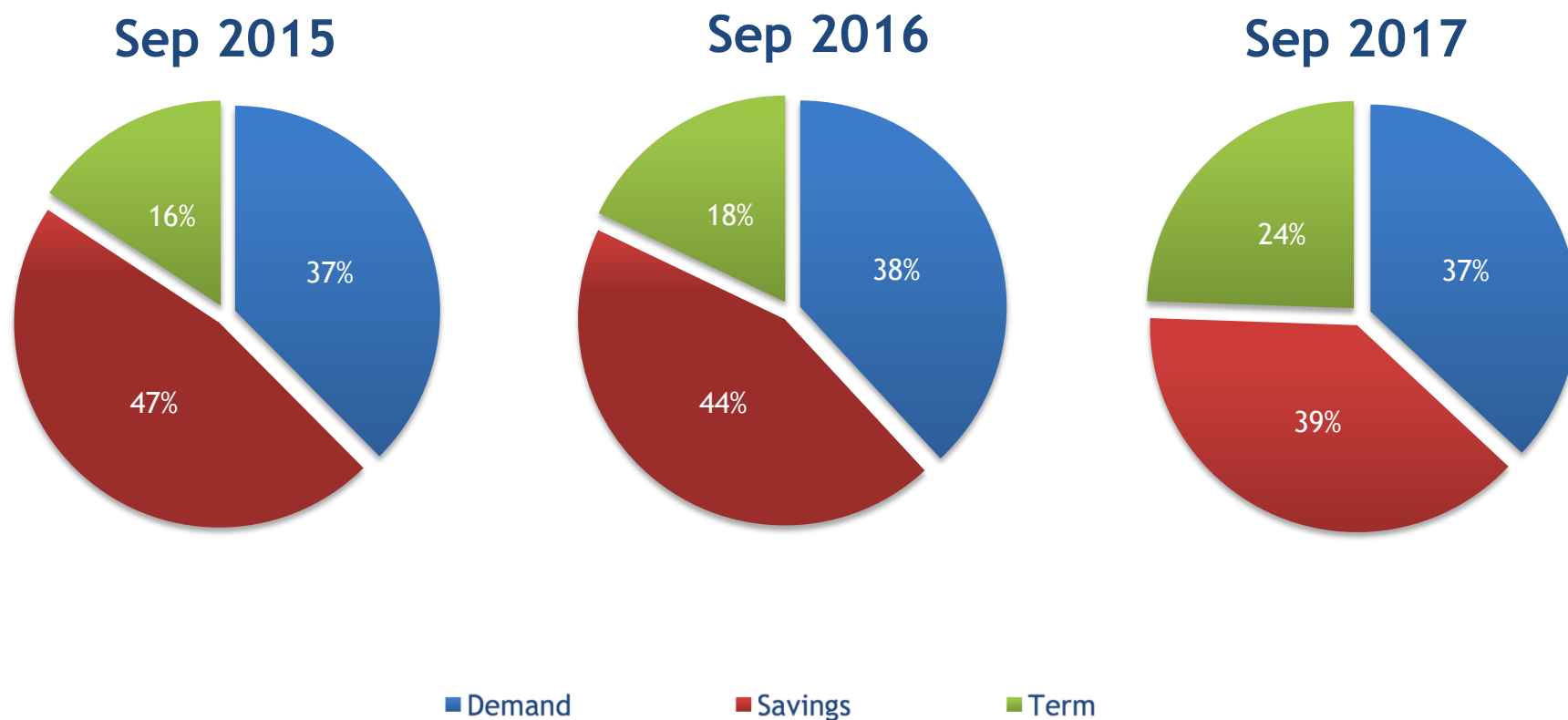
Yield on advances



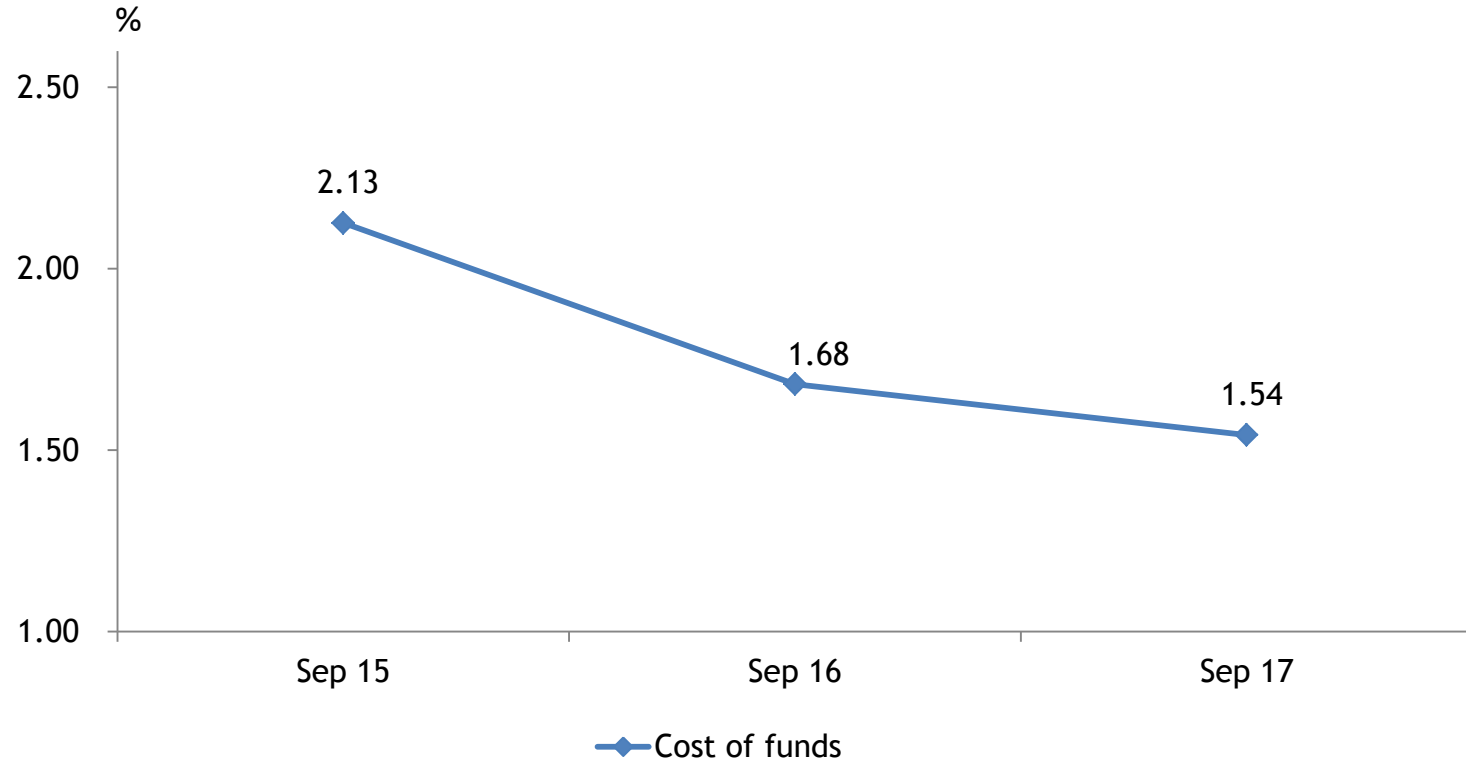
Yield on investment



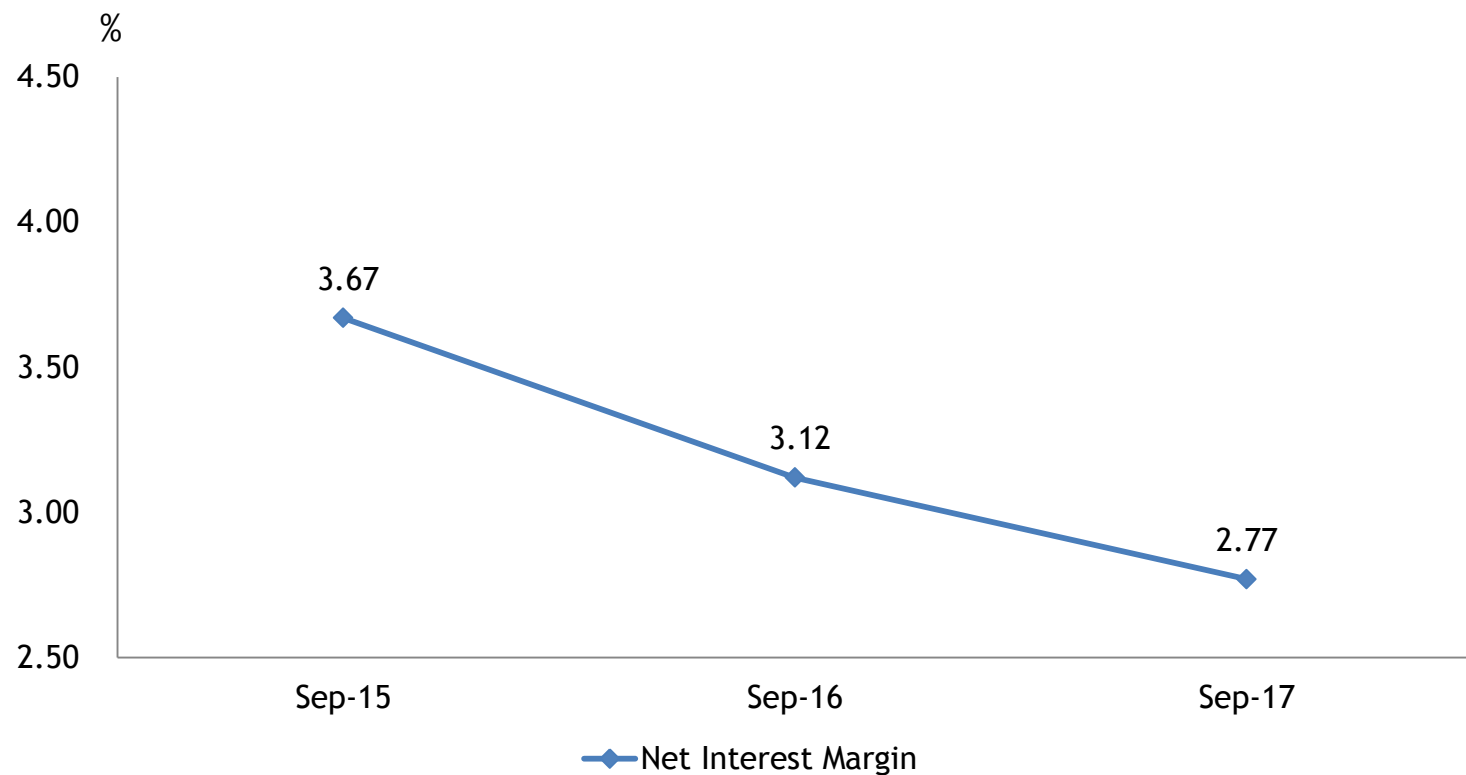
DEPOSIT MIX REMAINED WELL BALANCED



COST OF FUNDS IMPROVED AMIDST HIGH LIQUIDITY AND HIGHER MIX OF FCY DEPOSITS

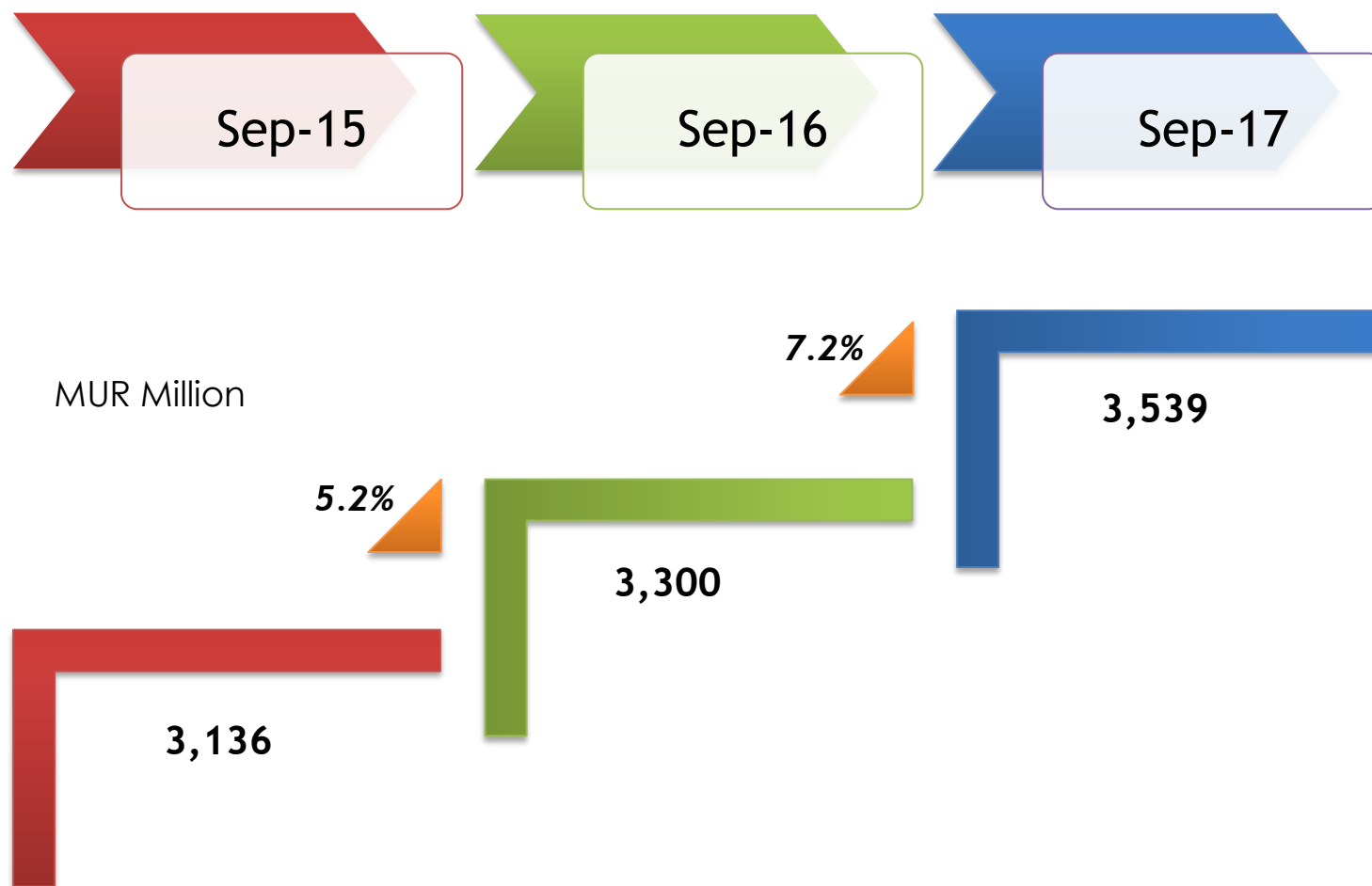


OVERALL, NIM NARROWED BY 35 BPS



**for period ended 30 September*

NET INTEREST INCOME RECORDED SUSTAINED GROWTH



**for period ended 30 September*

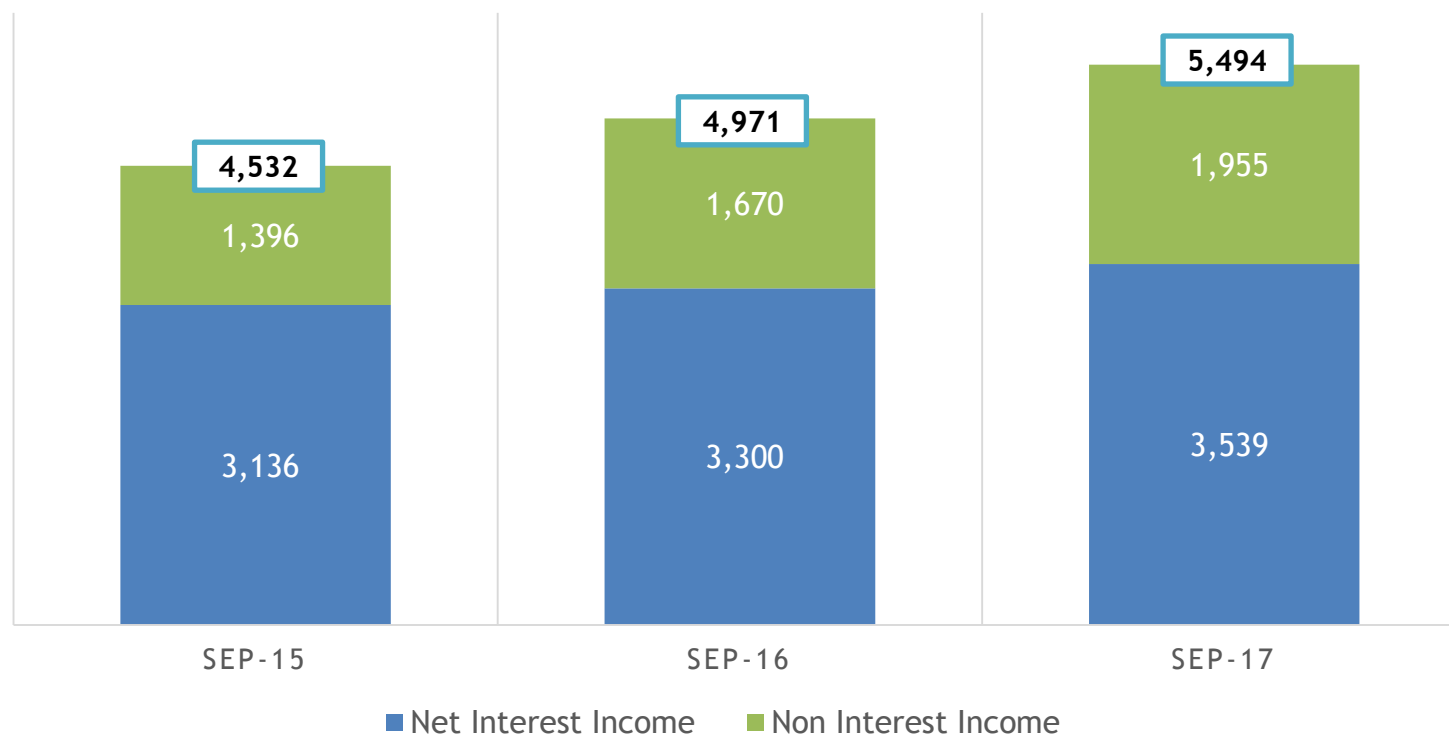
NON-INTEREST INCOME GREW BY 17%

	30 Sep 15	30 Sep 16		30 Sep 17
Net Fees & Commission	730	823	+3%	851
Dividend Income	30	7	-57%	3
Net trading income (incl. FX income)	397	439	+74%	765
Other income (e-business, etc.)	239	401	-16%	337
Total Non-Interest Income	1,396	1,670	+17%	1,956

**for period ended 30 September*

OVERALL, GROSS OPERATING INCOME GREW BY 10.5%

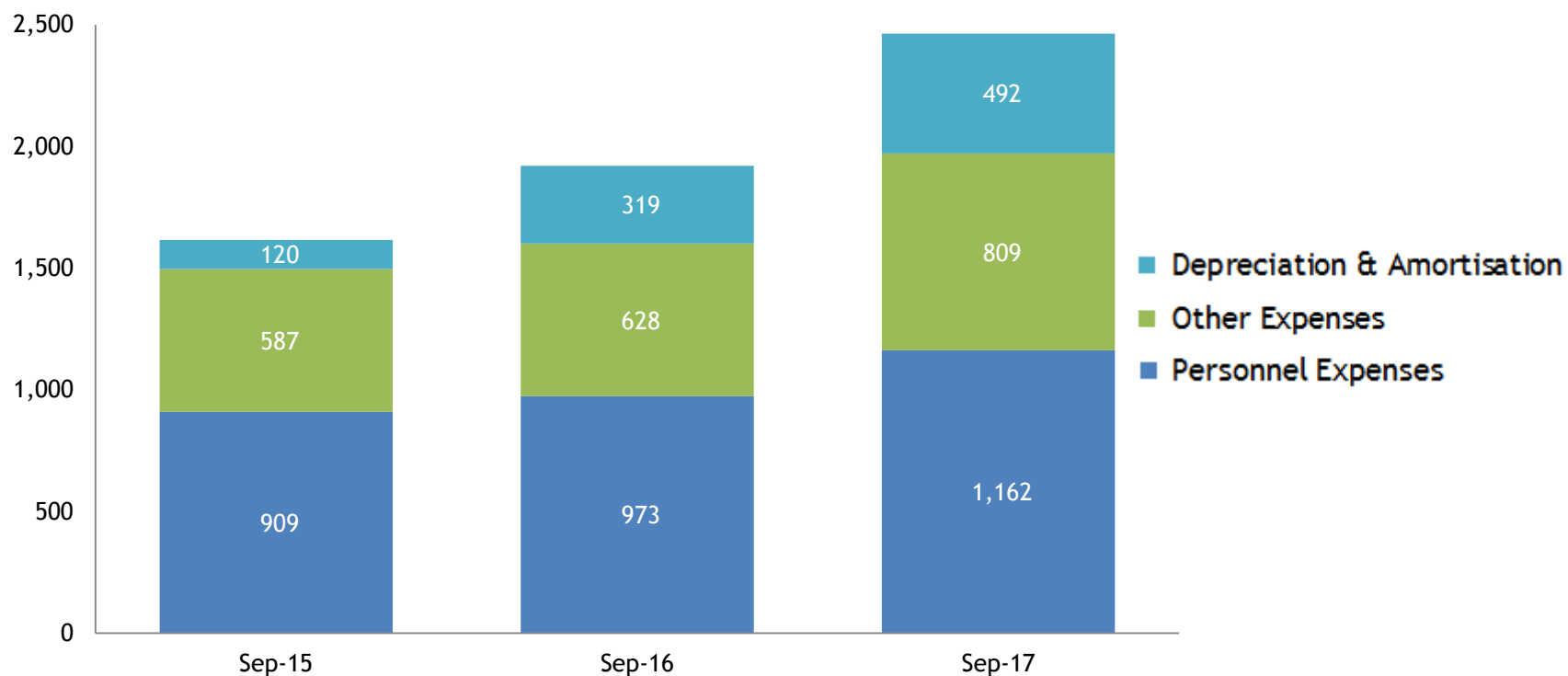
MUR Million



**for period ended 30 September*

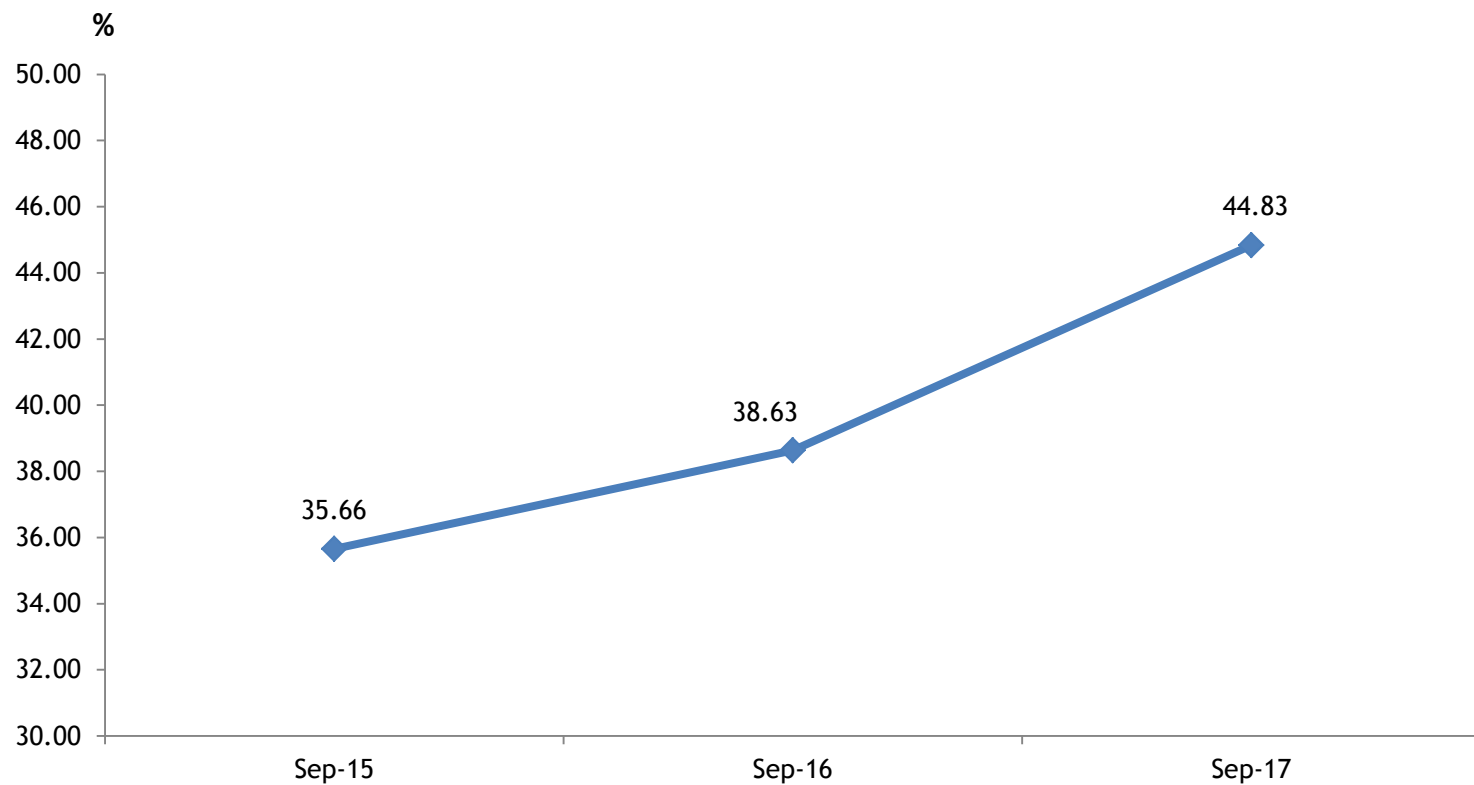
WHILE NON INTEREST EXPENSES INCREASED SIGNIFICANTLY AMIDST CAPACITY BUILDING INITIATIVES AND CONTINUOUS INVESTMENT IN IT...

MUR Million



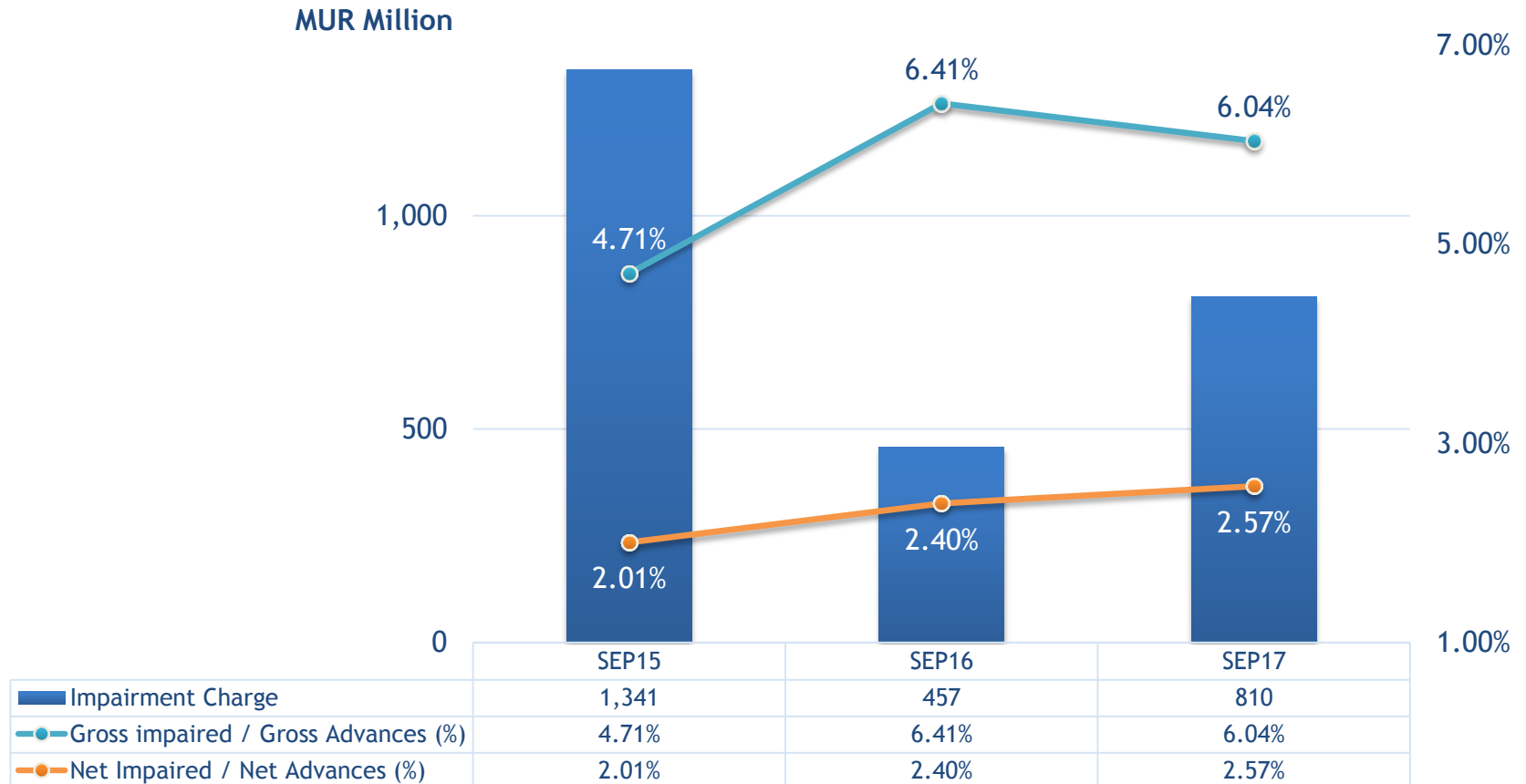
**for period ended 30 September*

... RESULTING IN A RISE IN THE COST TO INCOME RATIO



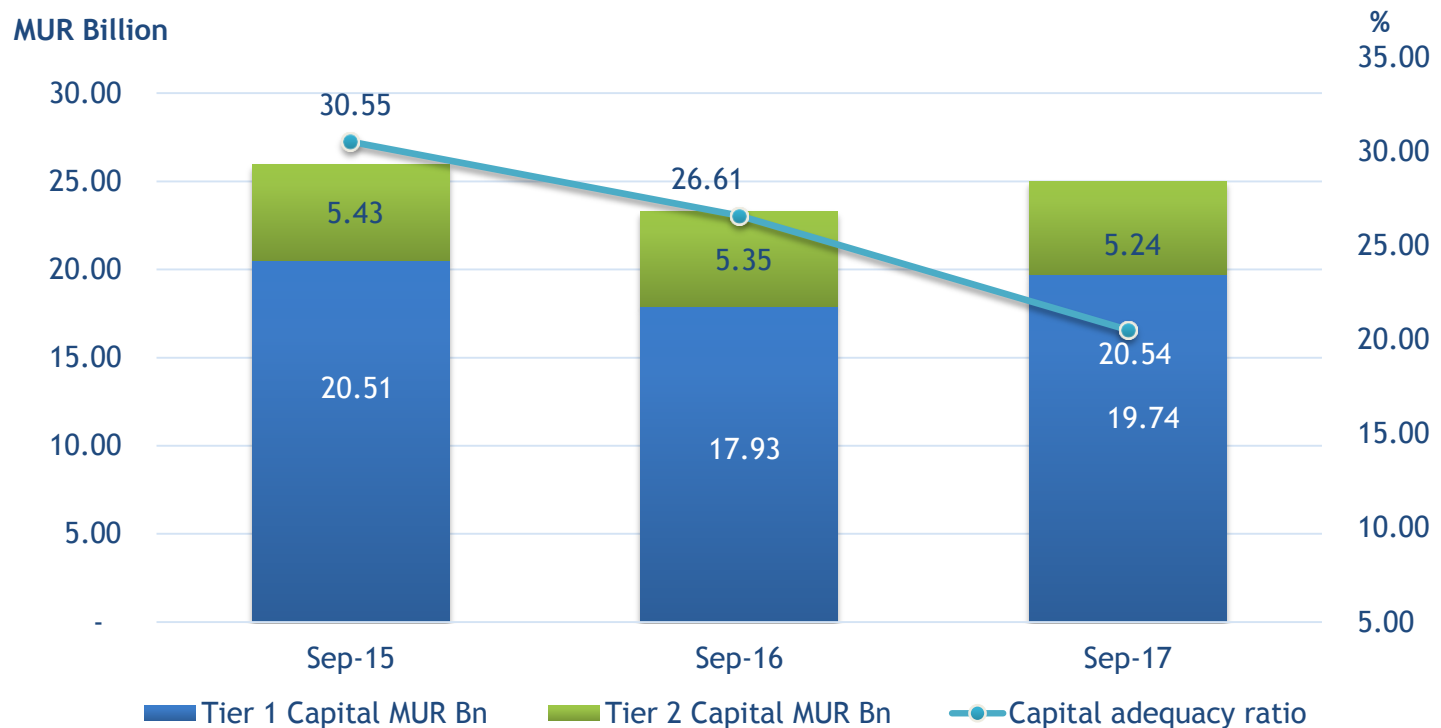
**for period ended 30 September*

GROSS IMPAIRMENT RATIO IMPROVED WHILE NET IMPAIRED RATIO WAS CONTAINED AT LOW LEVELS



**for period ended 30 September*

CAPITAL ADEQUACY RATIO REMAINED WELL ABOVE REGULATORY REQUIREMENTS, ALBEIT DECREASING IN LINE WITH STRONG ADVANCES GROWTH

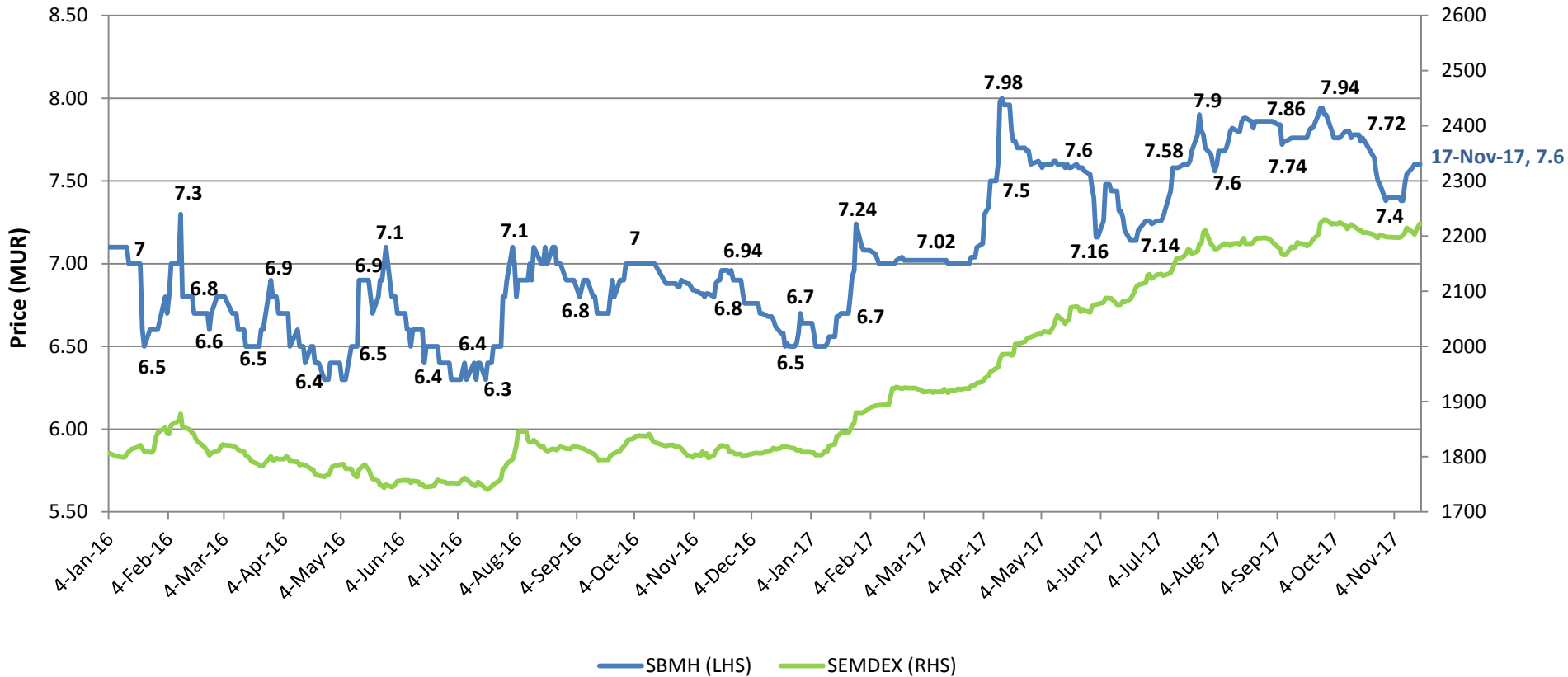


AGENDA

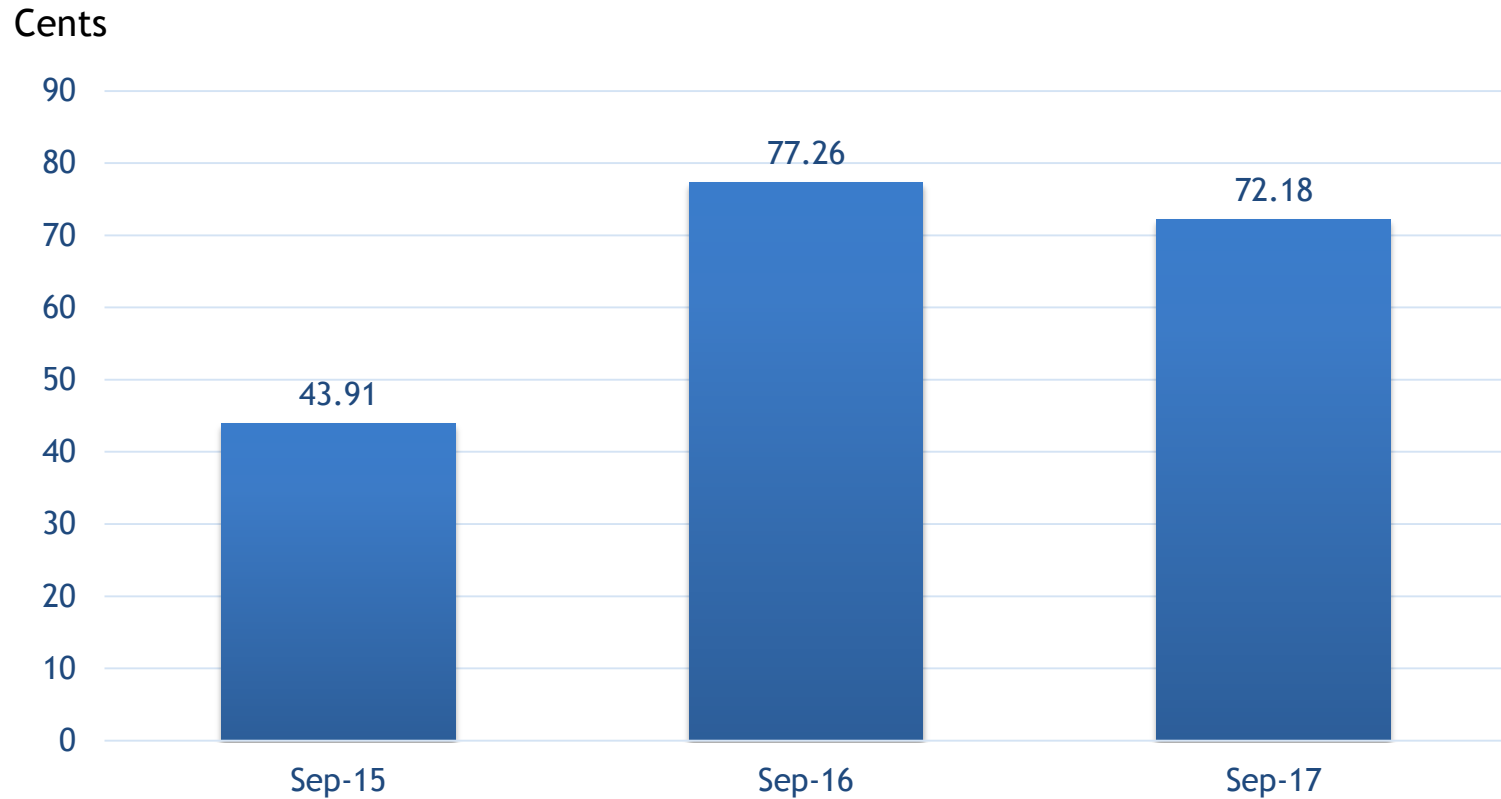
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SHARE PRICE PERFORMANCE

SBHM (Jan 2016 - 17 Nov 2017)



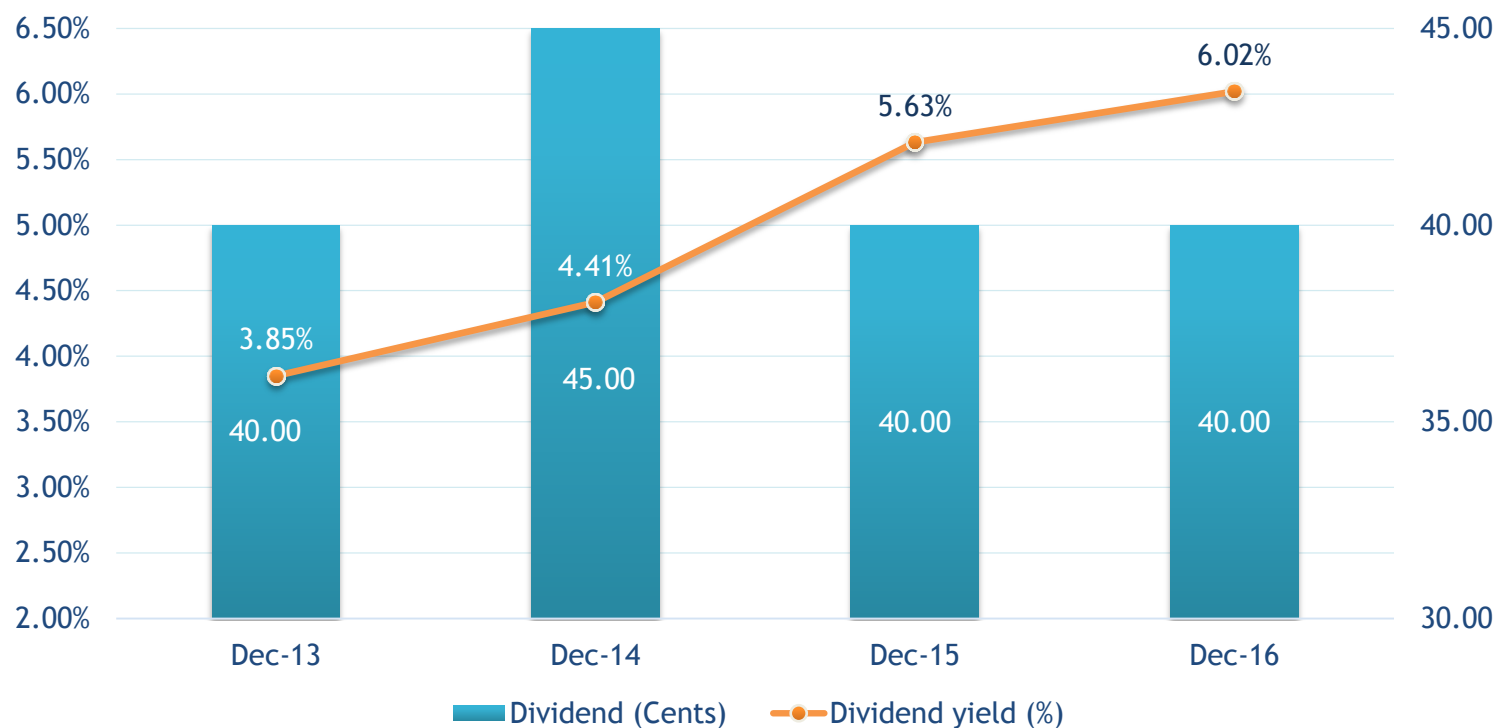
EARNINGS PER SHARE DECLINED, REFLECTING THE PROFIT TREND



Note:

Share information prior to 19 October 2016 has been restated to reflect reverse share split of 10:1 effective that date.

DIVIDEND YIELD REMAINED STRONG



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2017 FORECAST

Indicator	Achievements 2016	2017 Forecast
Return on Average Assets	1.6%	At least 1.65%
Return on Average Equity	10.0%	At least 11%
Operating income growth (excl. dividend income)	5.1%	18% to 20%
Cost to income ratio	42.5%	Less than 44%
Gross advances growth	4.8%	At least 45%
Deposits growth	4.8%	At least 30%
Net impairment to net advances	2.6%	Less than 2.2%
Assets under management growth	32.1%	At least 25%
Group total assets growth	7.9%	At least 30%
Group PAT growth	43.6%	Min of 20%

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QUESTIONS & ANSWERS



THANK YOU

