

# SBM



EXPANSION  
IN AFRICA

The background is a solid teal color. There are three decorative elements: a light teal arc starting from the left edge, curving upwards and to the right, ending with a solid teal dot; a second light teal arc starting from a solid teal dot below the first, curving downwards and to the right, ending with a solid teal dot; and a third light teal arc starting from a solid teal dot further down, curving downwards and to the right, ending with a solid teal dot.

# SBM HOLDINGS LTD

**Analyst Meeting**

**20<sup>th</sup> November 2018**

# DISCLAIMER

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# AGENDA

- Financial Highlights
- Progress on Strategy
- Q & A

The background features two large, light teal decorative arcs. The top arc starts from the left edge and curves towards the top right, ending in a solid teal circle. The bottom arc starts from the bottom left and curves towards the top right, also ending in a solid teal circle.

# FINANCIAL HIGHLIGHTS

# SBM GROUP

## KEY FINANCIAL HIGHLIGHTS

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### TOTAL ASSETS

**MUR 227.26 billion**  
30 Sep 2018

30 Sep 2017  
MUR 193.31 billion



### TOTAL DEPOSITS

**MUR 164.53 billion**  
30 Sep 2018

30 Sep 2017  
MUR 148.97 billion



### NET LOANS & ADVANCES

**MUR 107.17 billion**  
30 Sep 2018

30 Sep 2017  
MUR 99.23 billion



### TOTAL LIABILITIES

**MUR 202.41 billion**  
30 Sep 2018

30 Sep 2017  
MUR 168.15 billion



### SHAREHOLDERS' EQUITY

**MUR 24.85 billion**  
30 Sep 2018

30 Sep 2017  
MUR 25.16 billion








### CAPITAL ADEQUACY RATIO

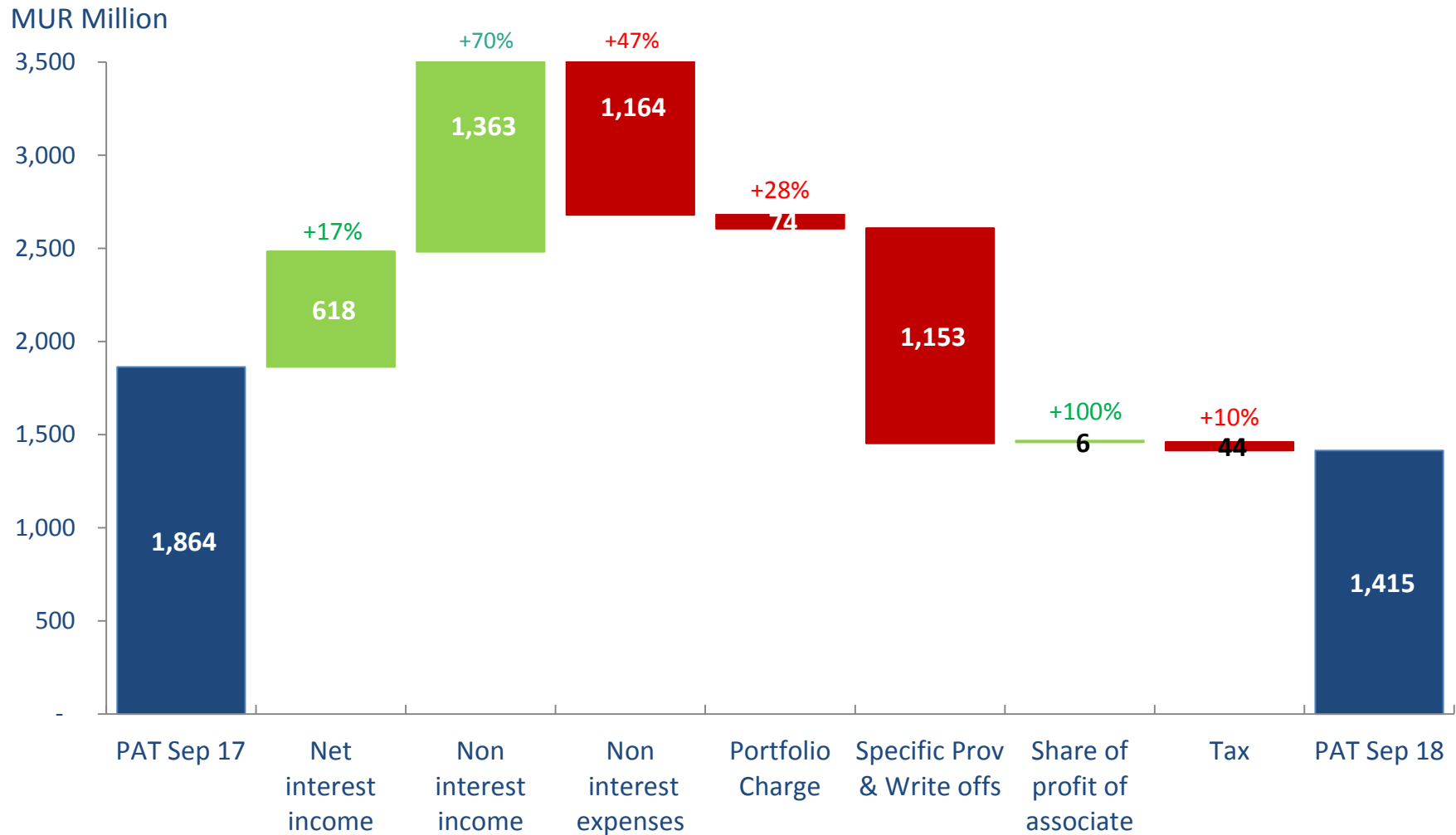
**24.06%**  
30 Sep 2018

30 Sep 2017  
20.54%

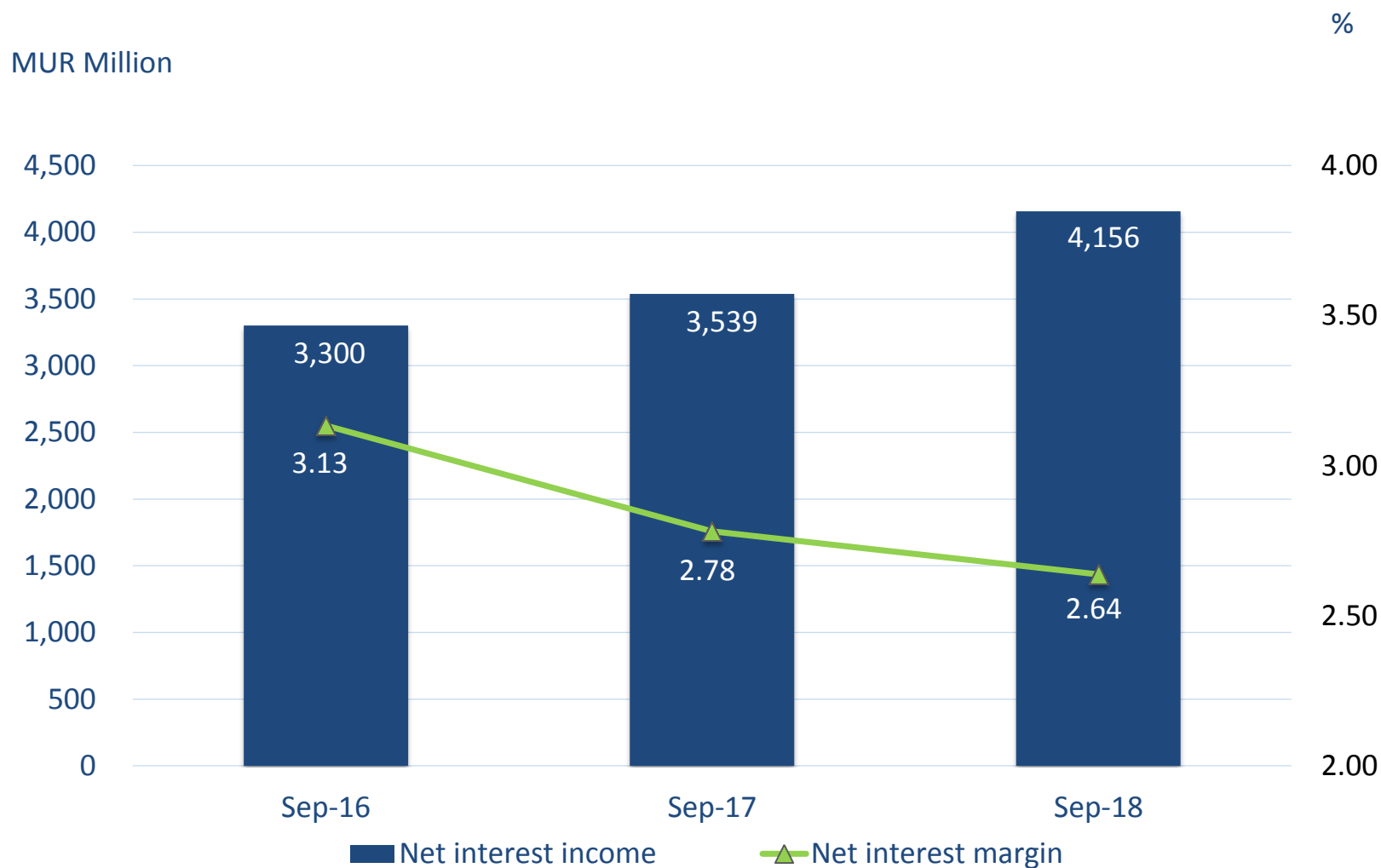


NET INTEREST INCOME	NON INTEREST INCOME	OPERATING INCOME	PRE-IMPAIRMENT PROFIT	PROFIT AFTER TAX
MUR <b>4,156 M</b>	MUR <b>3,319 M</b>	MUR <b>7,475 M</b>	MUR <b>3,847 M</b>	MUR <b>1,415 M</b>
(30 Sep 2017: MUR 3,539 M)	(30 Sep 2017 : MUR 1,955 M)	(30 Sep 2017 : MUR 5,494 M)	(30 Sep 2017 : MUR 3,031 M)	(30 Sep 2017 : MUR 1,864 M)
 by 17.4%	 by 69.8%	 by 36.1%	 by 26.9%	 by 24.1%

# PROFIT AFTER TAX DROPPED TO MUR 1,415M PRIMARILY DUE TO AN IMPAIRMENT IN SEGMENT B AND CATCH UP IN KENYA

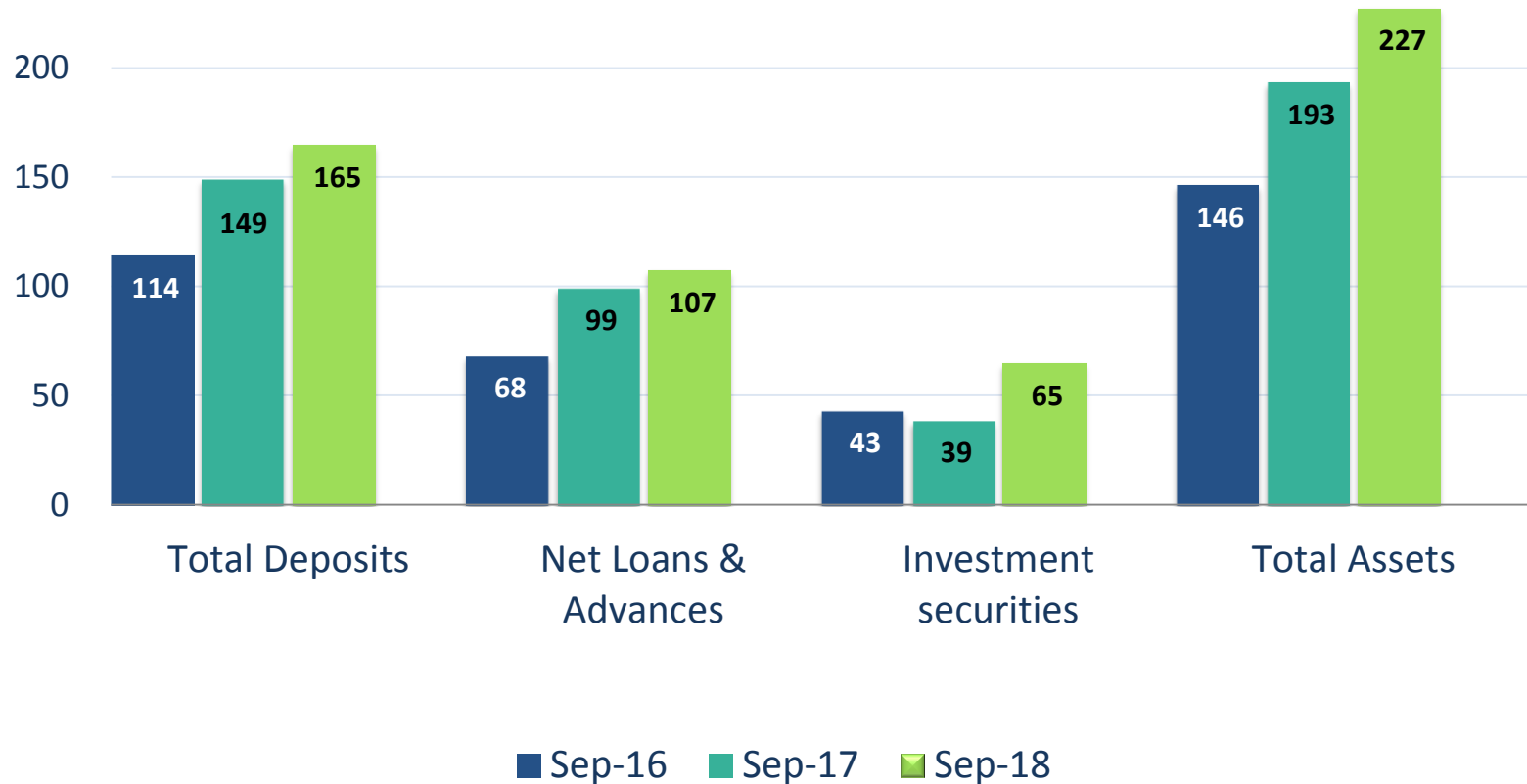


## NET INTEREST INCOME UP BY 17% DRIVEN BY GROWTH OF NEARLY MUR 11BN IN GROSS LOANS & ADVANCES FROM SEP17 TO SEP18



# TOTAL ASSETS GREW SUBSTANTIALLY BY 18% DRIVEN BY SIGNIFICANTLY HIGHER INVESTMENT IN SECURITIES

MUR Billion

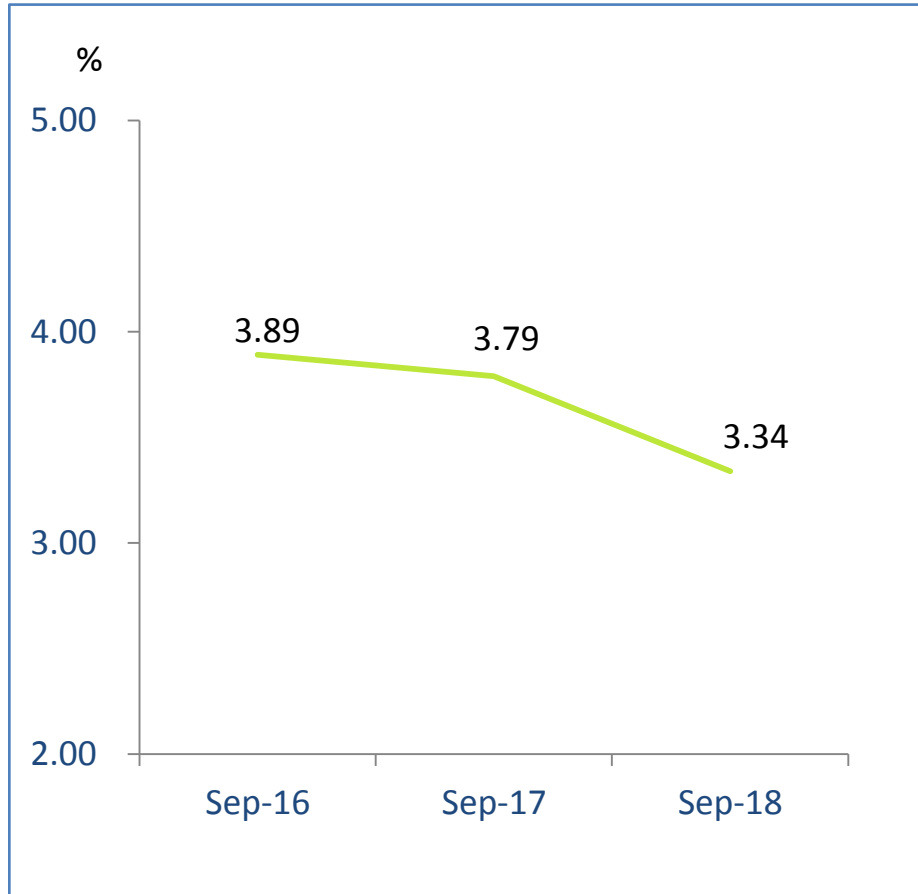


# YIELDS DECLINED DUE TO (i) HIGHER MIX OF SEGMENT B/ FCY ASSETS (ii) EXCESS LIQUIDITY IN DOMESTIC MARKET AND (iii) DROP IN REPO RATE

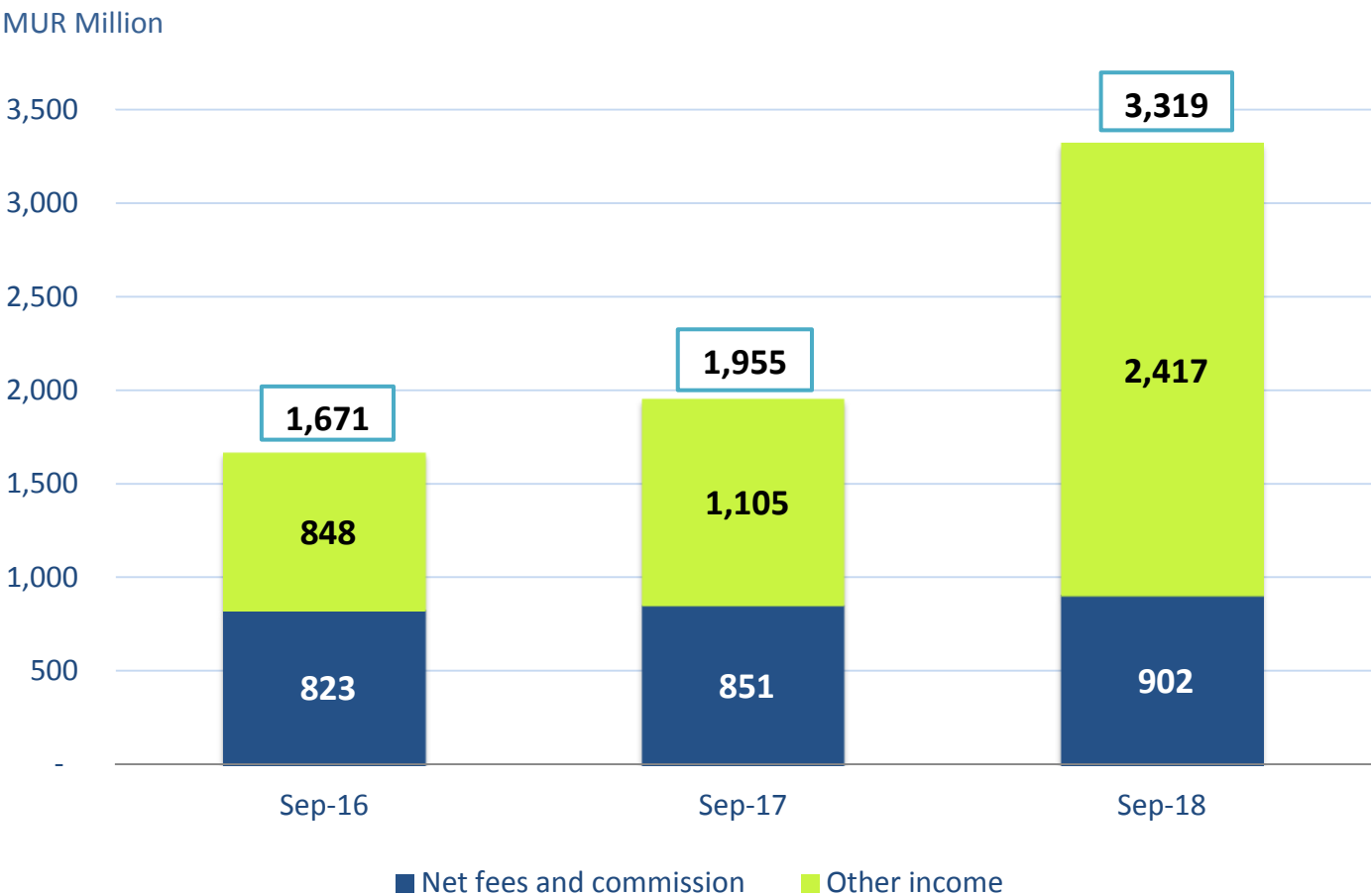
Yield on advances



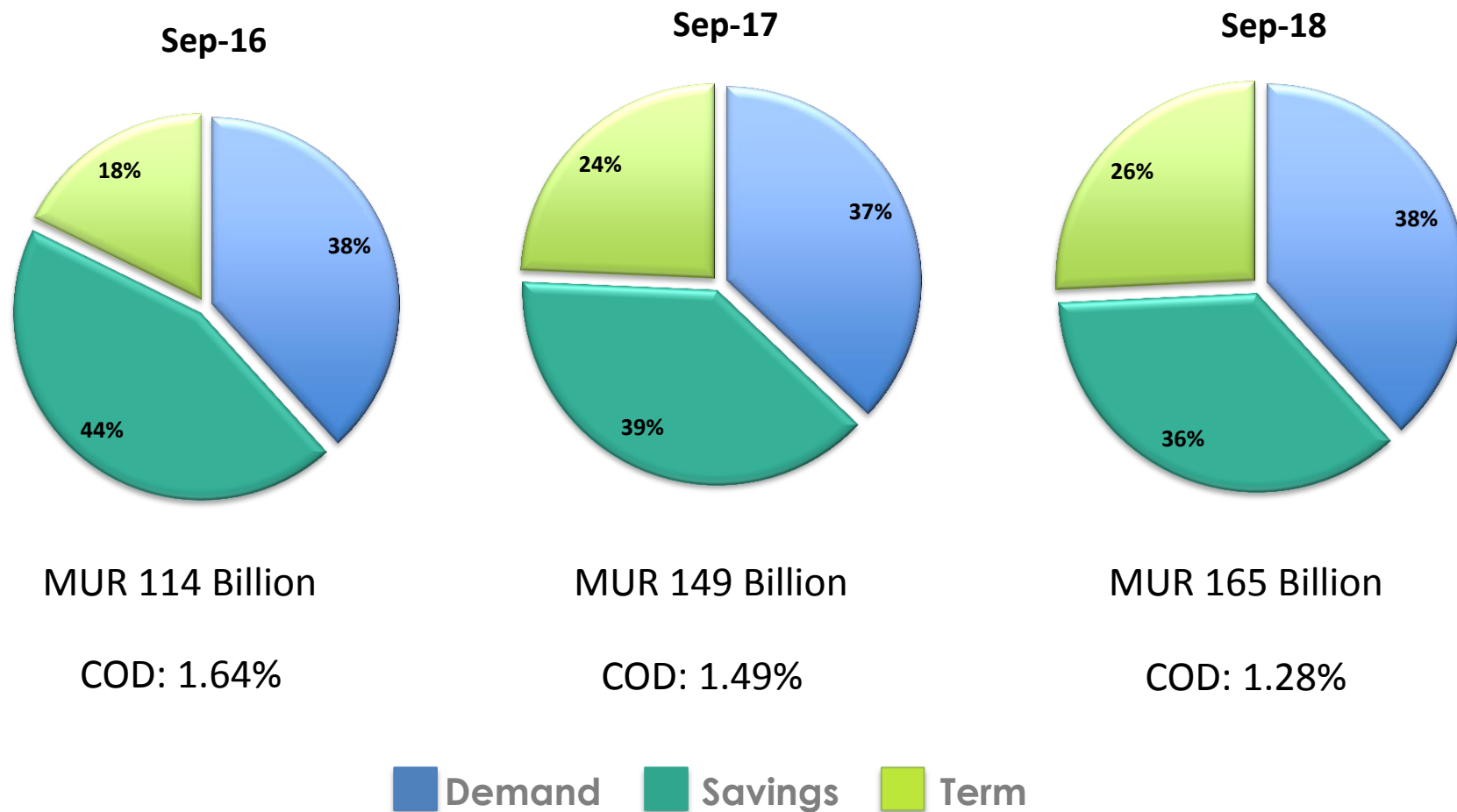
Yield on investment



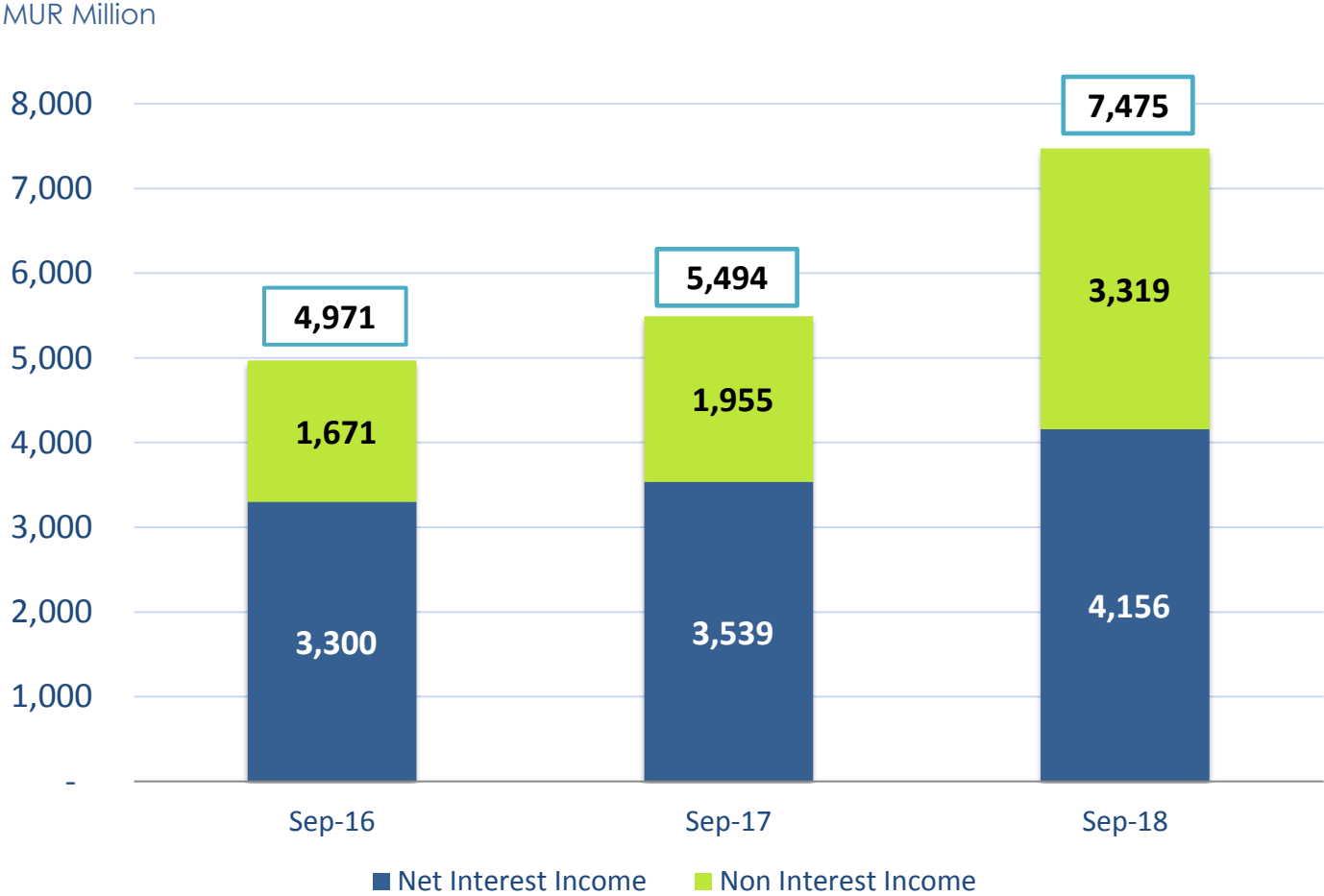
# NON-INTEREST INCOME INCREASED SUBSTANTIALLY MOSTLY IN OTHER INCOME DUE TO GAIN ON FAIR VALUE OF ASSETS & LIABILITIES TAKEN OVER



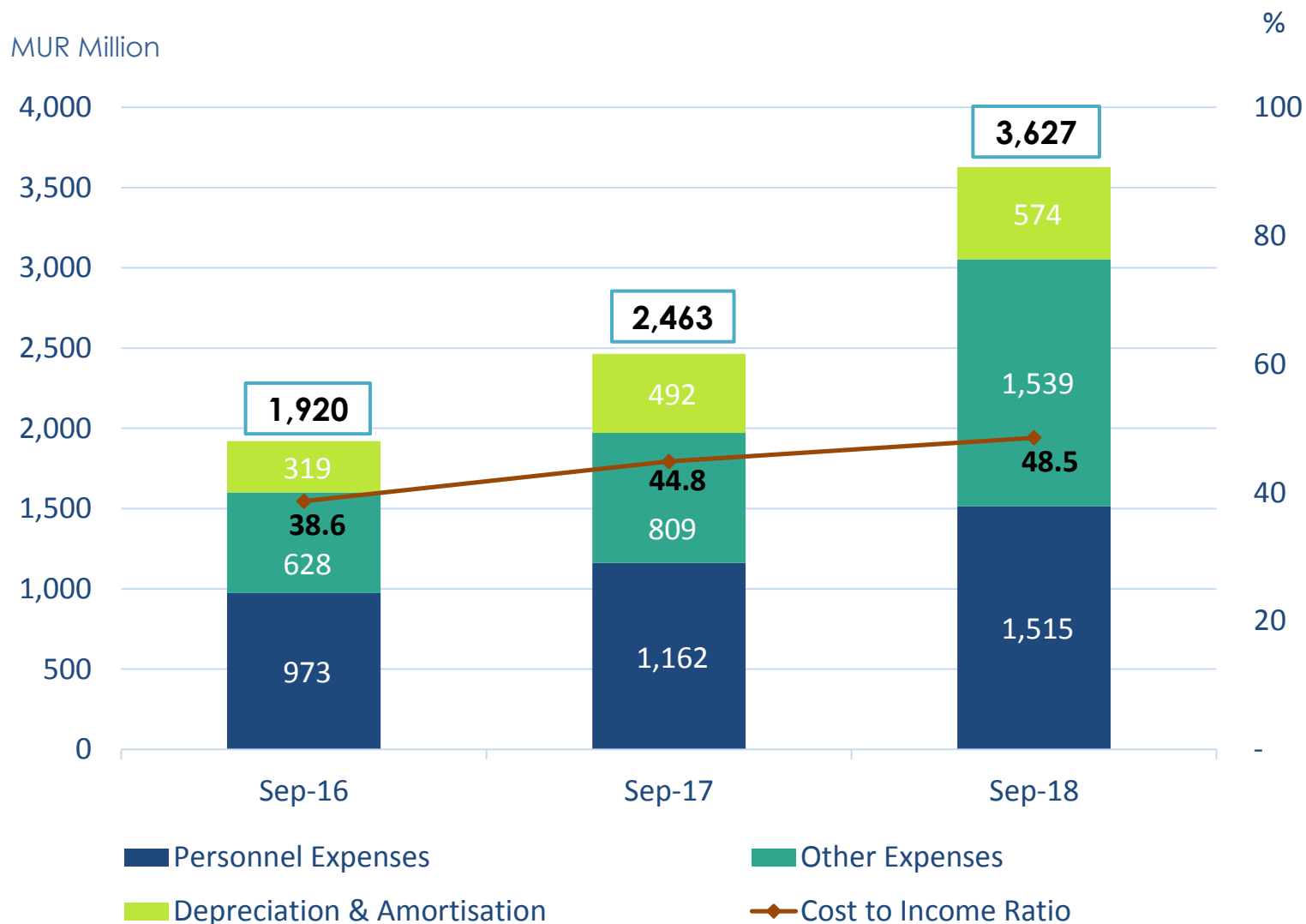
# DEPOSIT MIX REMAINED WELL BALANCED AND COST OF DEPOSITS IMPROVED AMIDST HIGH LIQUIDITY AND HIGHER MIX OF FCY DEPOSITS



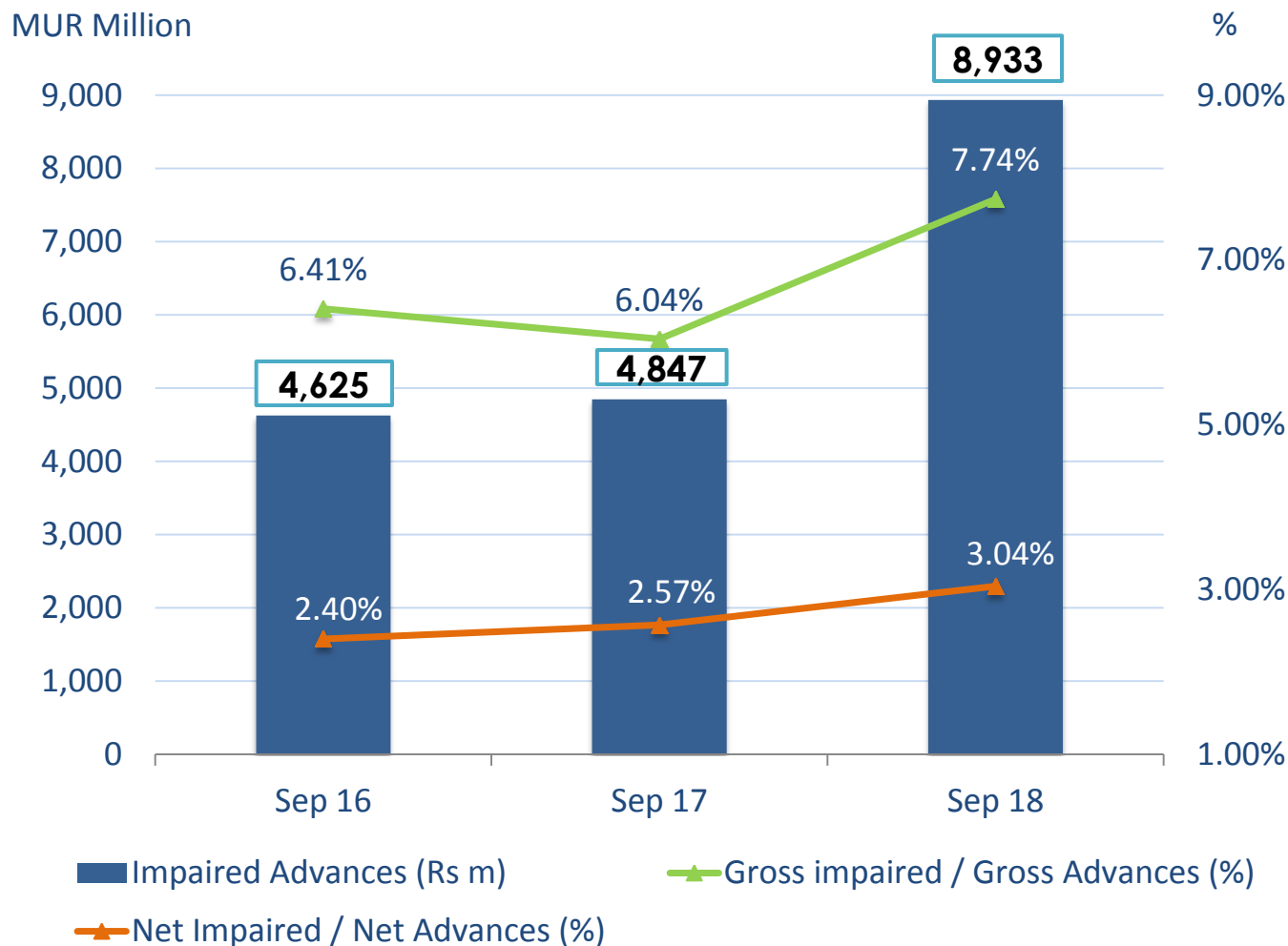
# HENCE, GROSS OPERATING INCOME GREW BY 36%



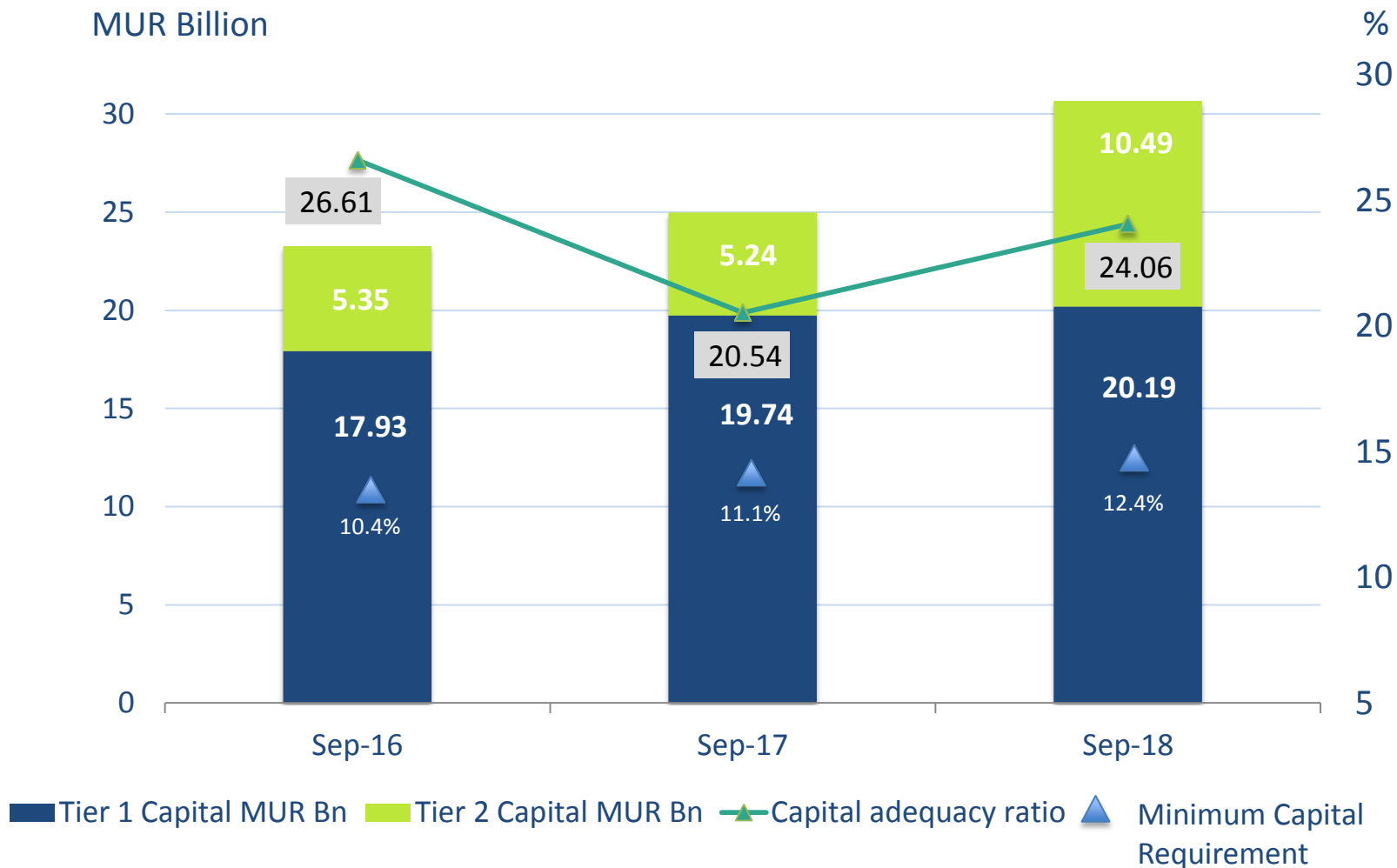
# OPERATING COSTS INCREASED BY 47% MOSTLY IN OTHER EXPENSES ARISING FROM BOOKING OF WRITE OFF OF GOODWILL, OPERATIONAL LOSS FROM SBM INDIA & ADD ON FROM ENLARGED OPERATIONS IN KENYA



## GROSS IMPAIRED RATIO AND NET IMPAIRED RATIO INCREASED DUE TO TAKE-OVER OF THE CARVED-OUT ASSETS AND SELECTED LIABILITIES OF CBLR



# CAPITAL ADEQUACY RATIO REMAINED WELL ABOVE REGULATORY REQUIREMENTS, WHICH PROVIDES RESILIENCE





# PROGRESS ON STRATEGY

# PROGRESS ON STRATEGY: MAURITIUS

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- ✓ Established a remediation plan for Segment B where clear timelines and accountability have been assigned.
- ✓ Some key activities completed:
  - New country risk appetite structure
  - Enhanced compliance procedures
  - Strengthened segregation of duties and authorities
  - Tighter credit standards and thresholds introduced



**Customers**

- ✓ Launched ShopNCash to enhance customer experience and reduce waiting time at ATMs.
- ✓ 19 new Intelligent ATMs deployed across the country, with instant cash deposit feature.

# PROGRESS ON STRATEGY: EXPANSION



- ✓ Acquisition of the carved out assets and assumption of the specific liabilities of CBLR through SBM Bank (Kenya) Ltd
- ✓ Appointment of New CEO in October 2018
- ✓ Currently integrating and stabilising the combined entity
- ✓ Focus on IT integration, change management, customer engagement, risk and compliance



- ✓ WOS Go-Live: by end of 2018
- ✓ New CEO appointed for SBM India
- ✓ New Internet Banking platform will be launched in India by the end of this year
- ✓ Mobile Banking to be launched subject to RBI approval



- ✓ Seychelles Go-Live planned in 2019 Q1

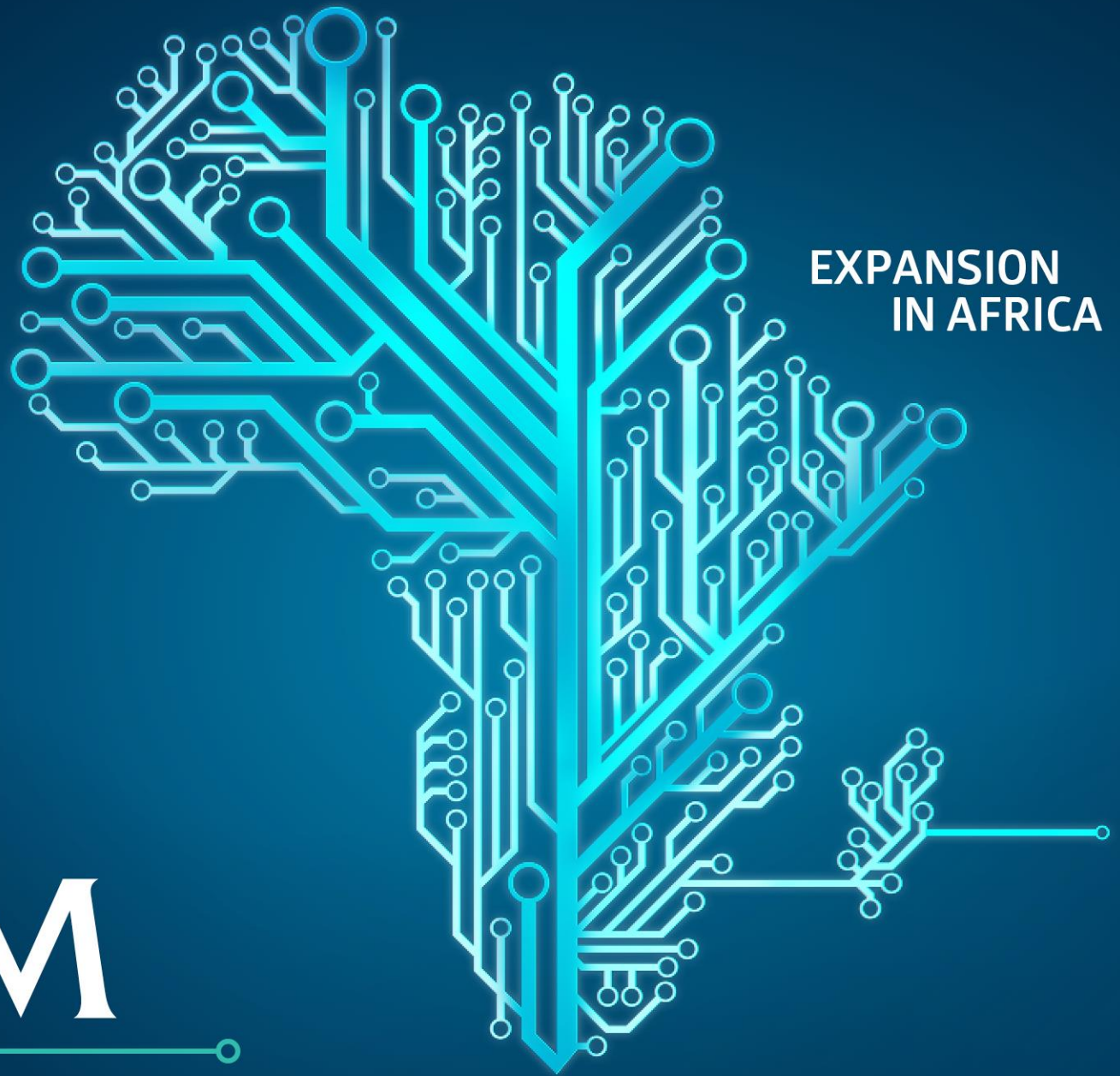


Q&A



# THANK YOU

# SBM



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IN AFRICA