

# SBM HOLDINGS LTD

## Financial Highlights Period ended 30 Sep-19

Earnings Call – 21<sup>st</sup> November 2019

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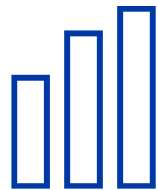
# AGENDA

- Financial Highlights
- Strategy Recap

# SBM HOLDINGS LTD

*Financial Highlights*





**TOTAL ASSETS**

**MUR 240.7 Bn - 30 Sep 19**

MUR 226.4 Bn - 31 Dec18

MUR 227.3 Bn - 30 Sep 18



**TOTAL DEPOSITS**

**MUR 172.8 Bn - 30 Sep 19**

MUR 170.1 Bn - 31 Dec 18

MUR 164.5 Bn - 30 Sep 18



**GROSS LOANS & ADVANCES**

**MUR 119.3 Bn - 30 Sep 19**

MUR 112.4 Bn - 31 Dec 18

MUR 115.4 Bn - 30 Sep 18



**TOTAL LIABILITIES**

**MUR 214.3 Bn - 30 Sep 19**

MUR 202.2 Bn - 31 Dec18

MUR 202.4 Bn - 30 Sep 18



**SHAREHOLDERS' EQUITY**

**MUR 26.3 Bn - 30 Sep 19**

MUR 24.2 Bn - 31 Dec18

MUR 24.9 Bn - 30 Sep 18



**CAPITAL ADEQUACY RATIO**







**25.1% - 30 Sep 19**

24.6% - 31 Dec 18

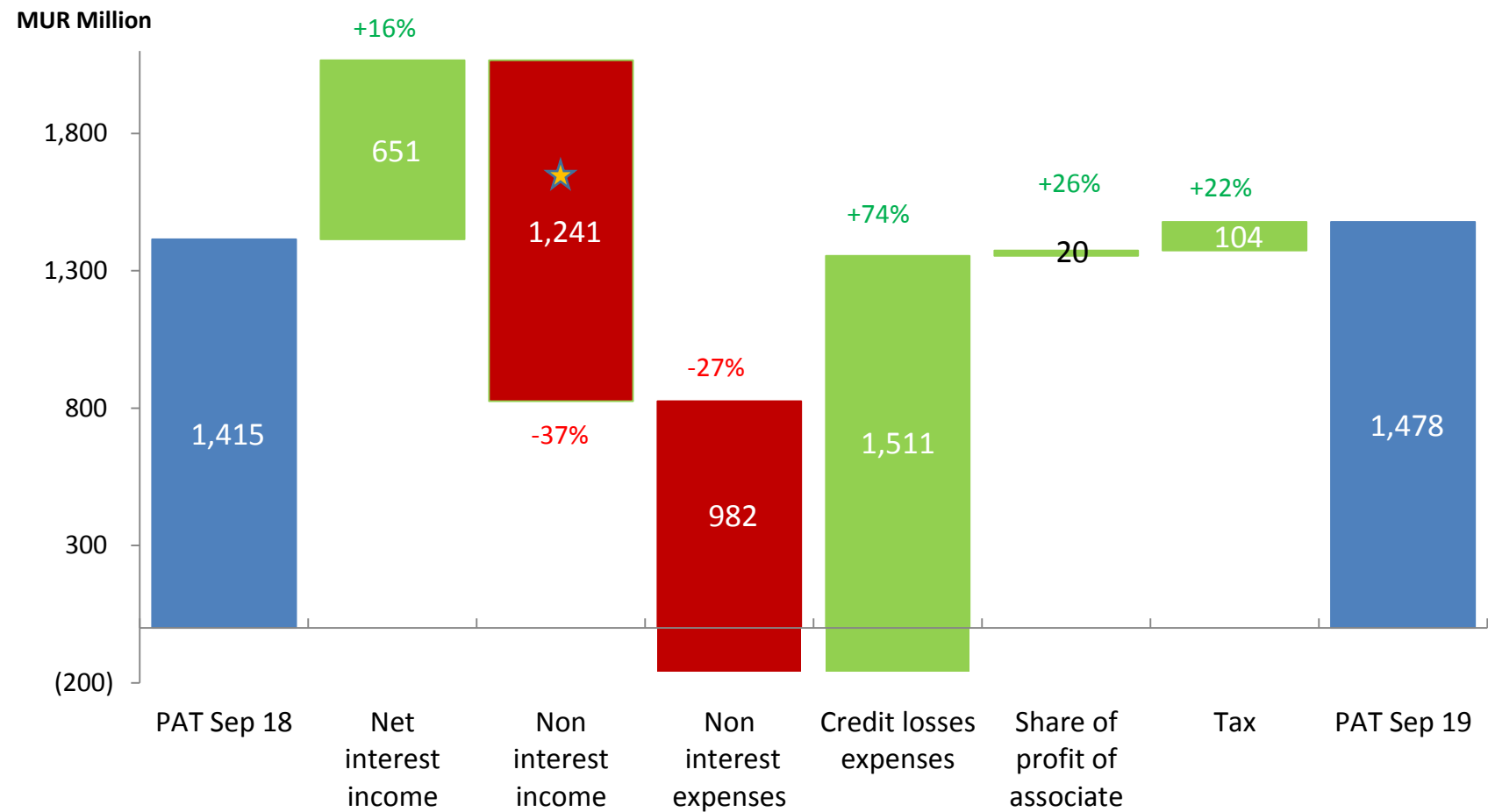
24.1% - 30 Sep 18



**SBM GROUP**  
**KEY FINANCIAL HIGHLIGHTS – PERIOD ENDED 30 SEPTEMBER 2019**

NET INTEREST INCOME	NON INTEREST INCOME	OPERATING INCOME	IMPAIRMENT CHARGE	OPERATING PROFIT	PROFIT AFTER TAX
MUR 4,808 M	MUR 2,078 M	MUR 6,885 M	MUR 527 M	MUR 1,749 M	MUR 1,478 M
(30 Sep 2018: MUR 4,156 M)	(30 Sep 2018 : MUR 3,319 M)	(30 Sep 2018 : MUR 7,475 M)	(30 Sep 2018 : MUR 2,038 M)	(30 Sep 2018 : MUR 1,810 M)	(30 Sep 2018 : MUR 1,415 M)
 by 15.7%	 by 37.4%	 by 7.9%	 by 74.1 %	 by 3.3%	 by 4.5%

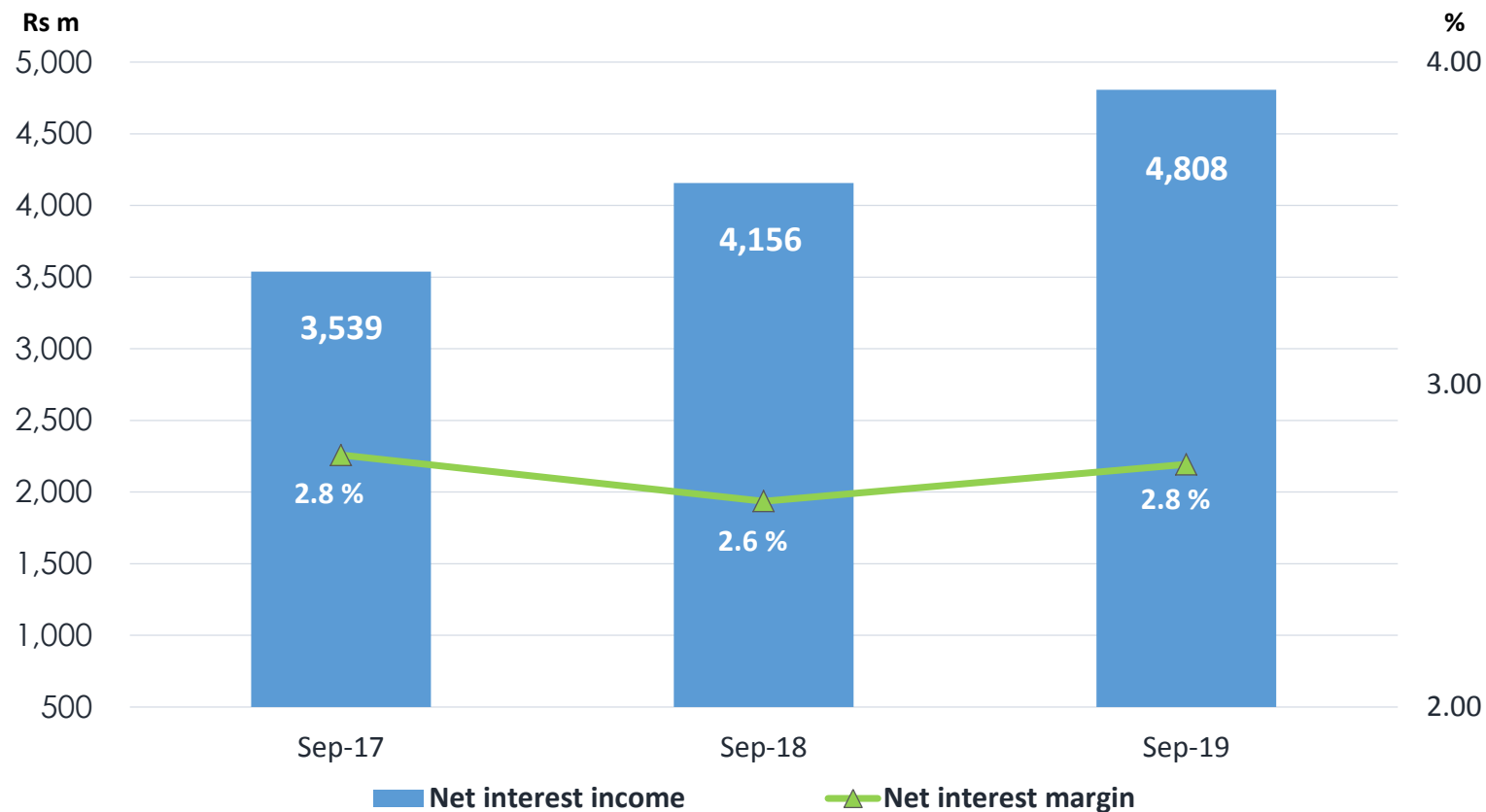
# PAT increased by MUR64M driven mostly by growth in net interest income and lower impairment charge



★ Sep18 included MUR 1.26Bn of Fair value gain on CBLR assets & Liabilities take over

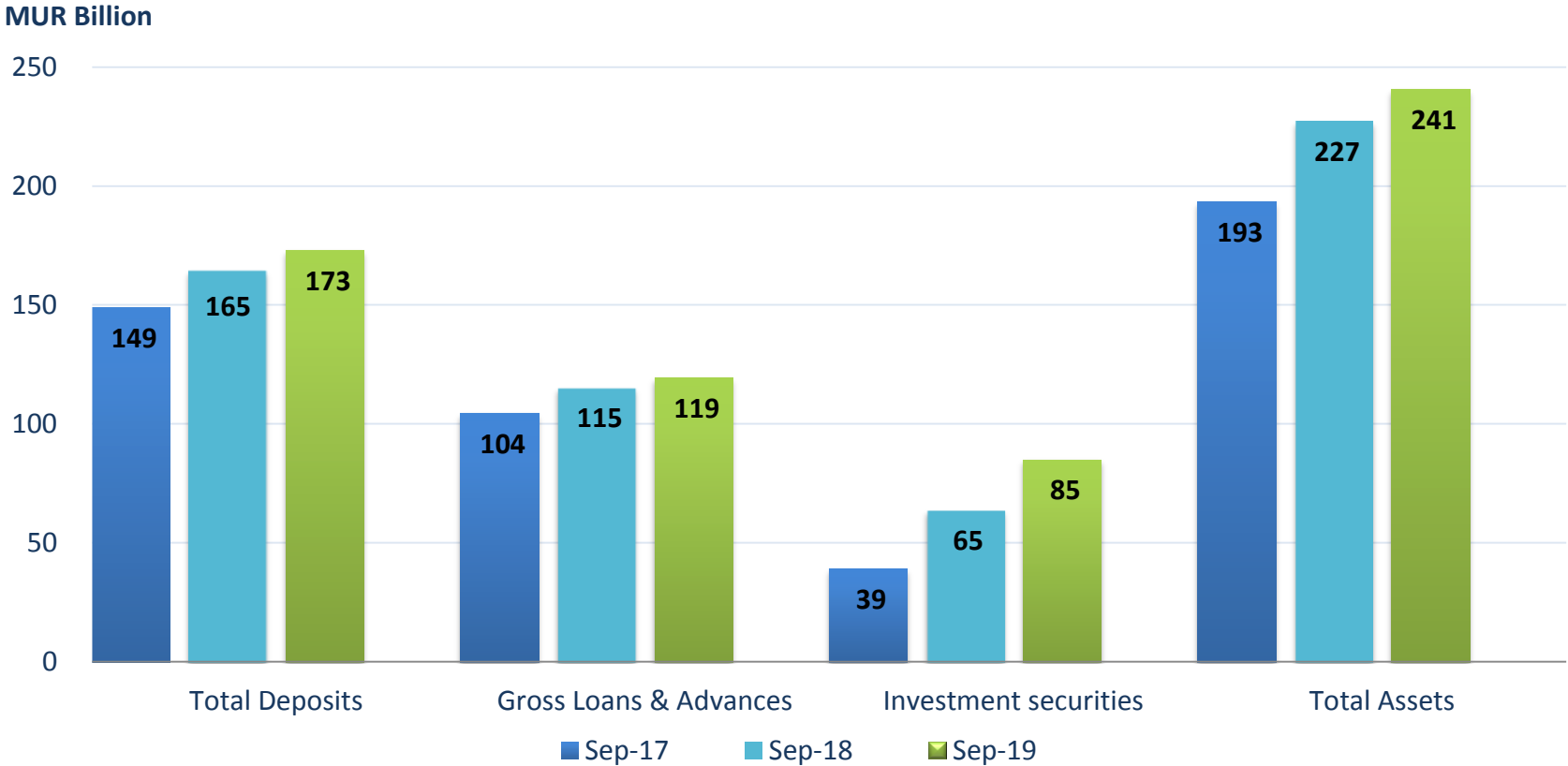


# NET INTEREST INCOME up by 16% driven primarily by growth in average investment securities partly offset by rising cost of liabilities

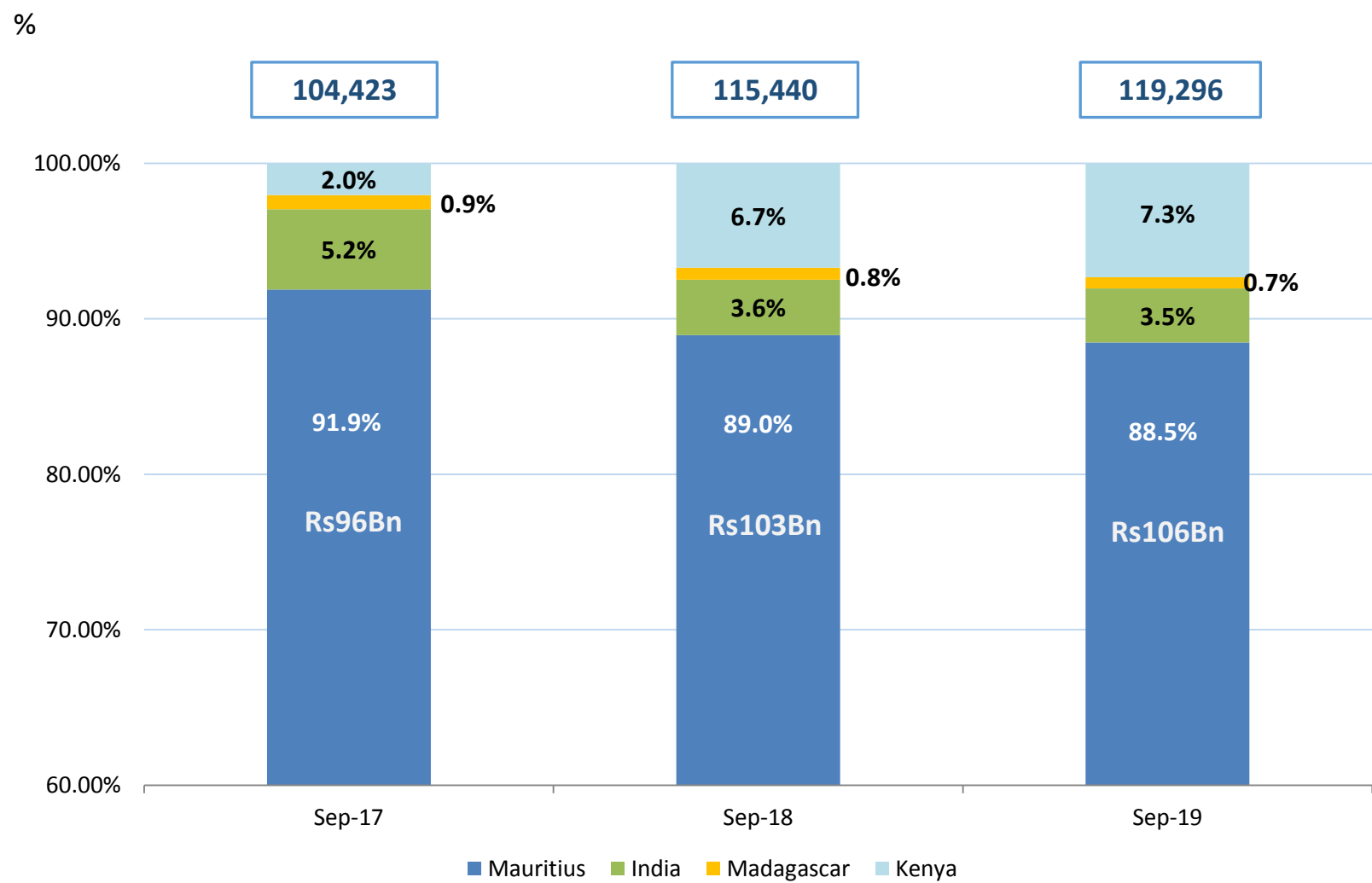




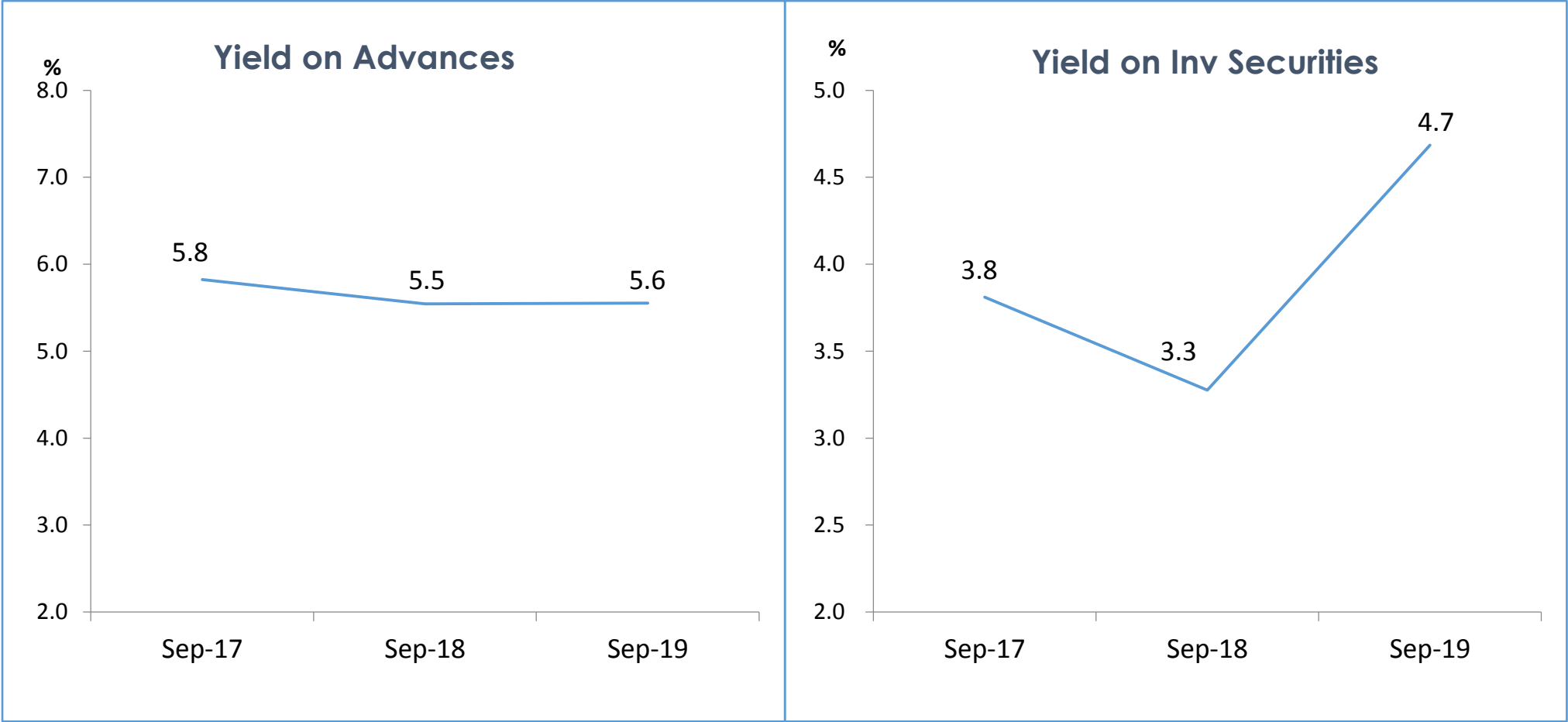
# TOTAL ASSETS y-o-y growth of 6% with higher investment in securities



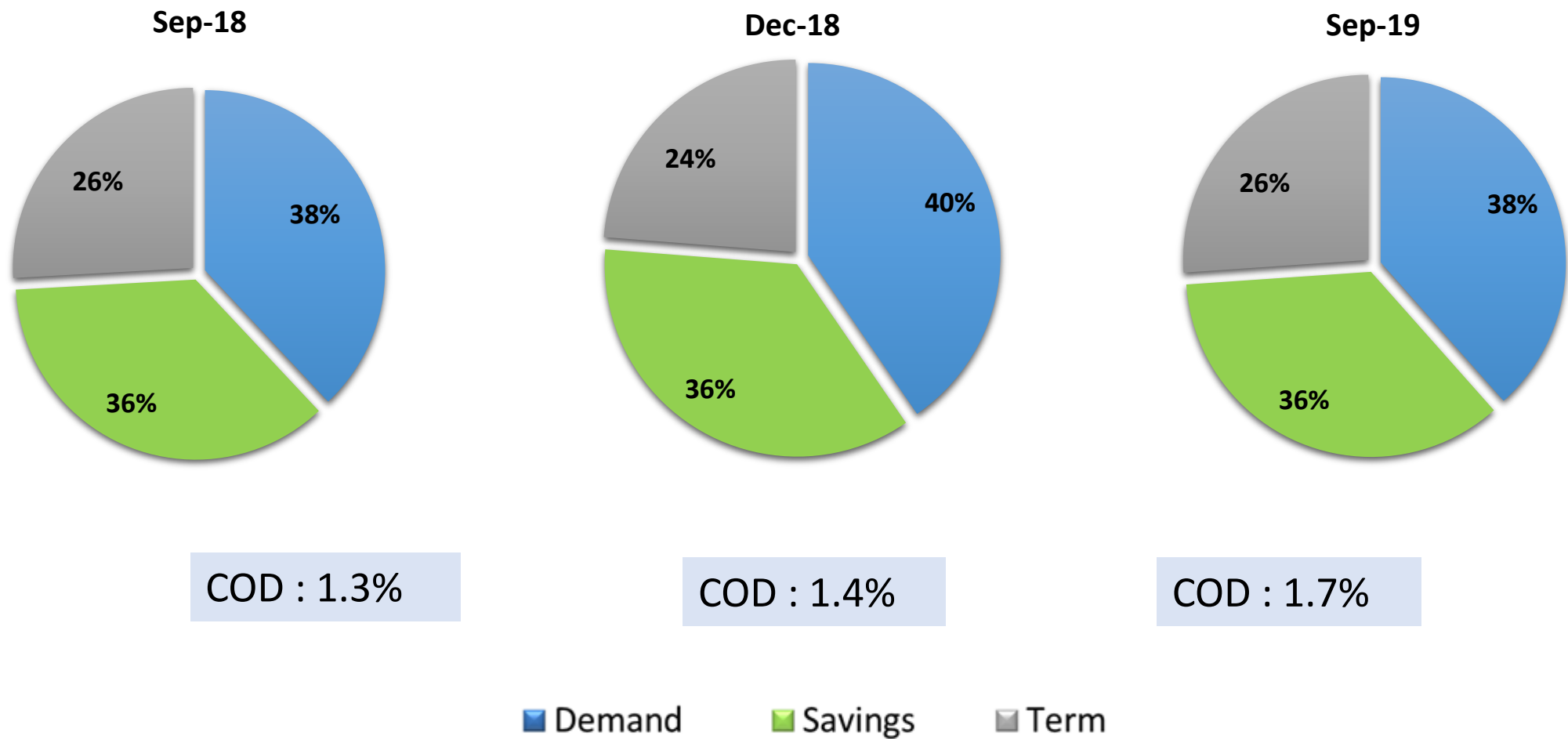
# GROSS ADVANCES BY ENTITY – increased mainly from SBM Mauritius & Kenya (MUR million)



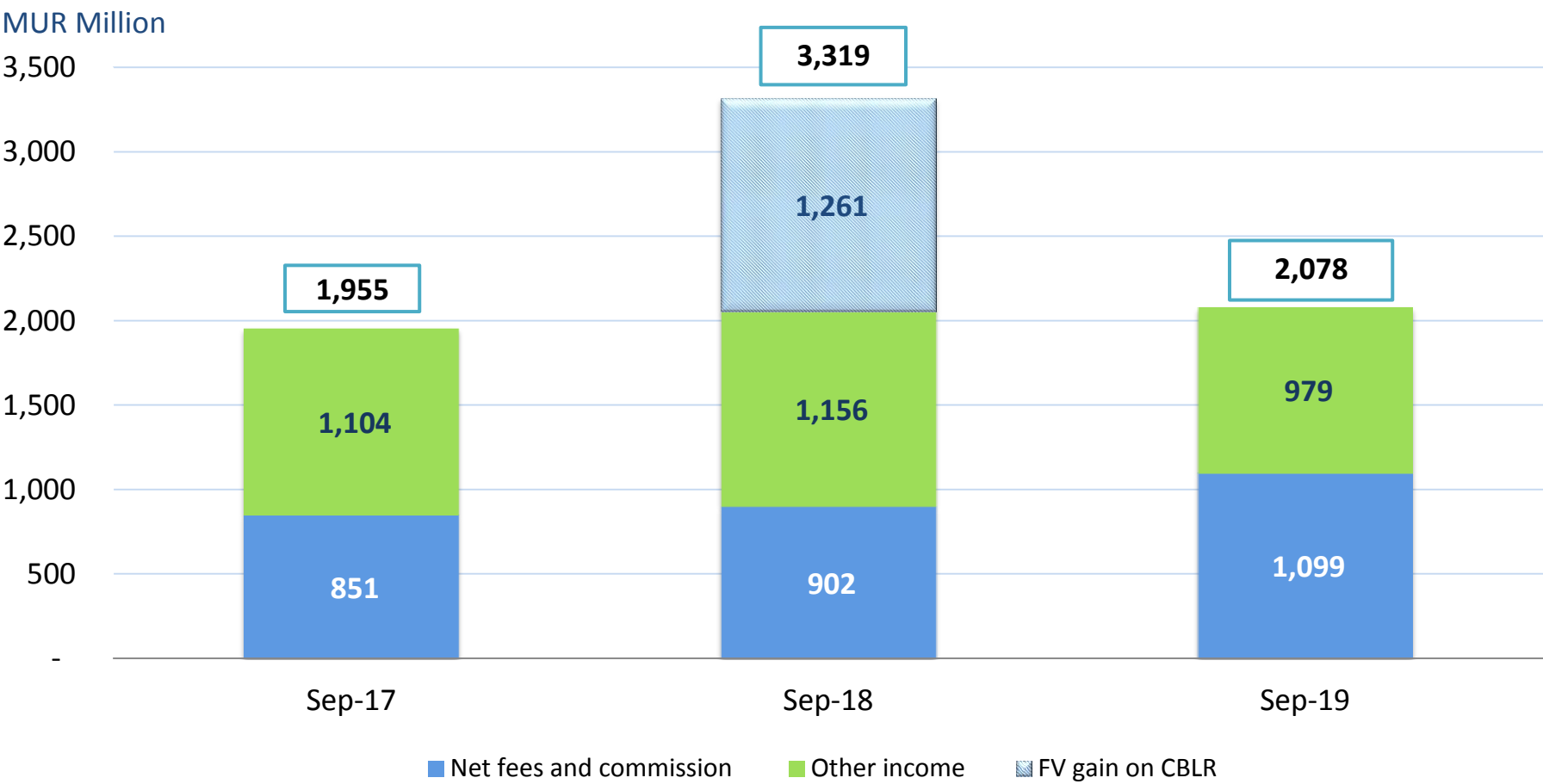
# Increasing yield on Investment Securities coming mostly from overseas operations



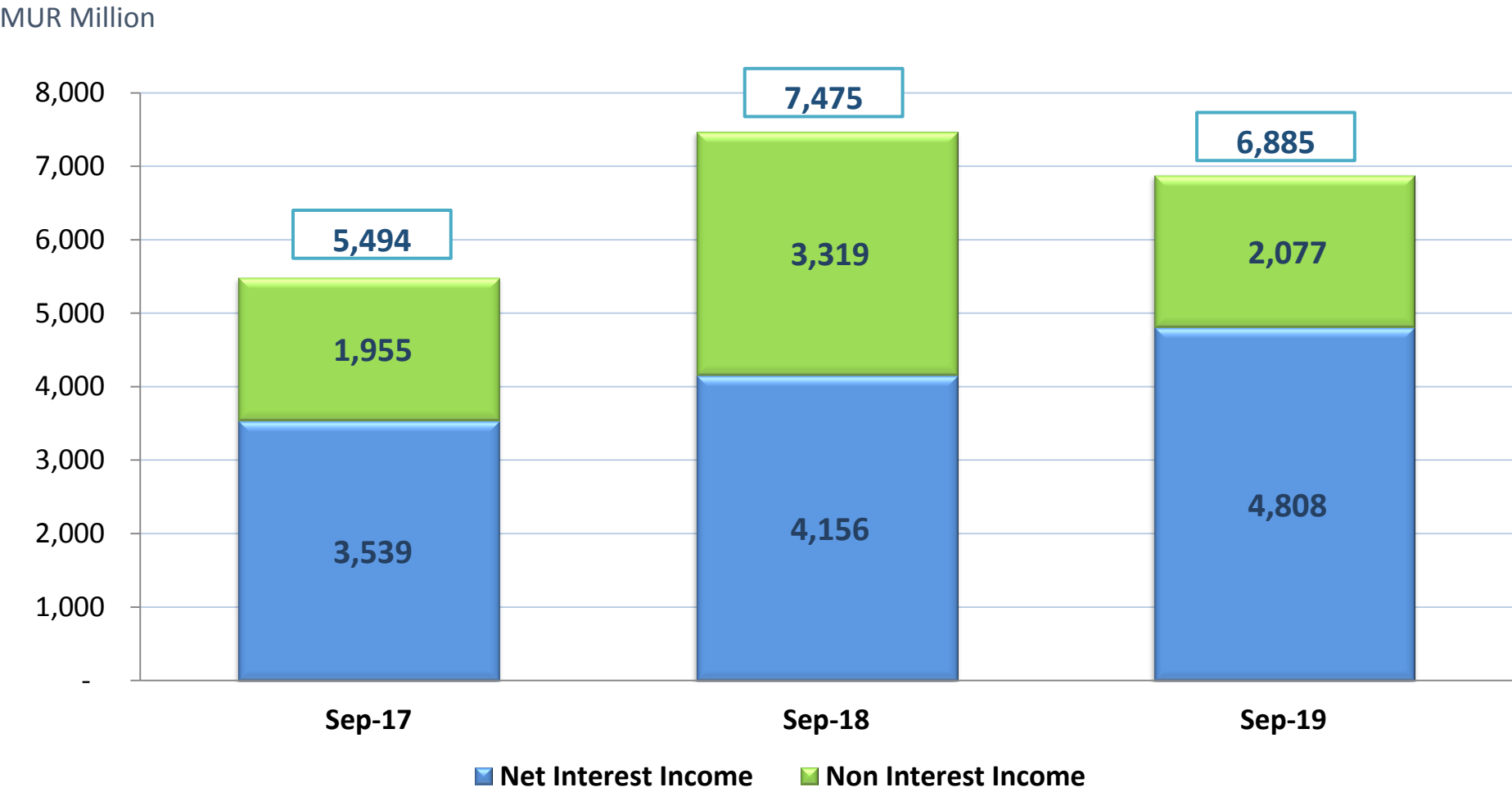
DEPOSIT MIX remained well balanced and increase in COD mostly on account of higher mix of Term Deposits from overseas operations



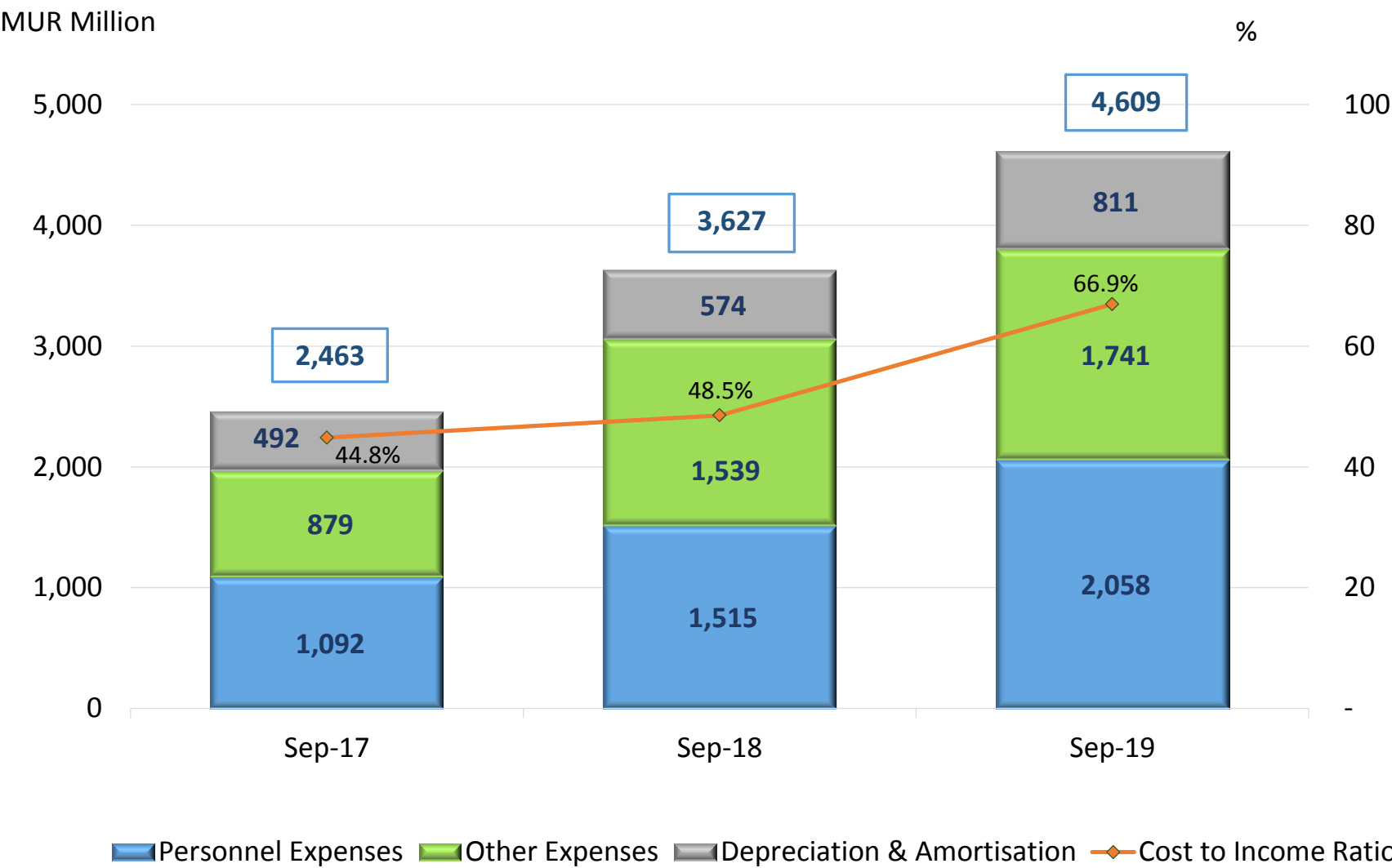
**NON-INTEREST INCOME dropped by MUR1.24Bn compared to SEP-18, as 2018 includes exceptional gain of MUR1.26Bn on the acquisition of CBLR selected assets & liabilities**



**GROSS OPERATING INCOME** dropped by 7.9% compared to Sep-18, but excluding the one-off gain of MUR1.26Bn, y-o-y growth in Gross Operating Income would have been 10.8%

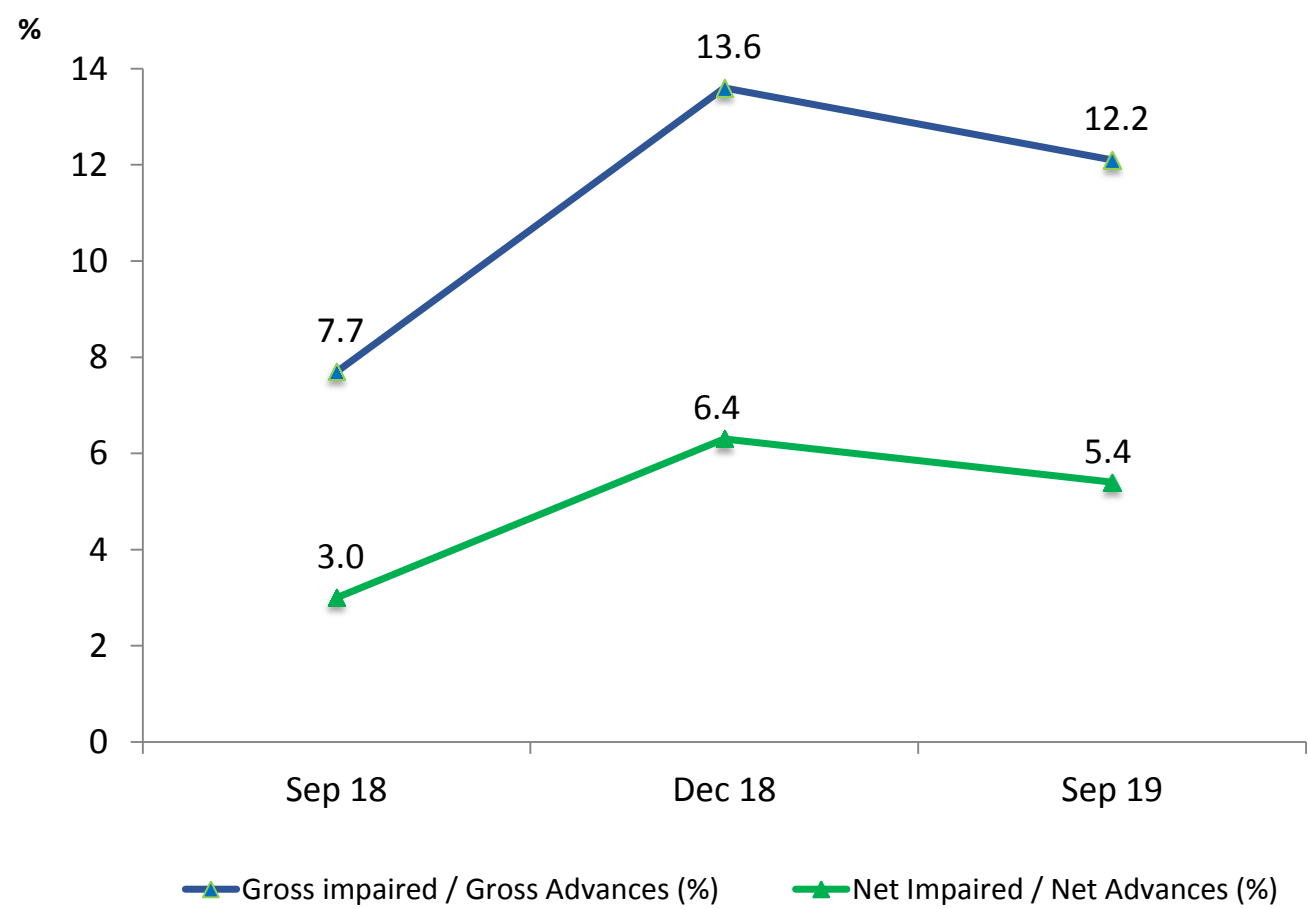


# OPERATING COSTS INCREASED BY 27% TRIGGERED BY ENLARGED OPERATIONS IN KENYA, INCREASE IN INDIA OPERATING COSTS & INCLUSION OF BANK LEVY FOR SBM BANK MTIUS



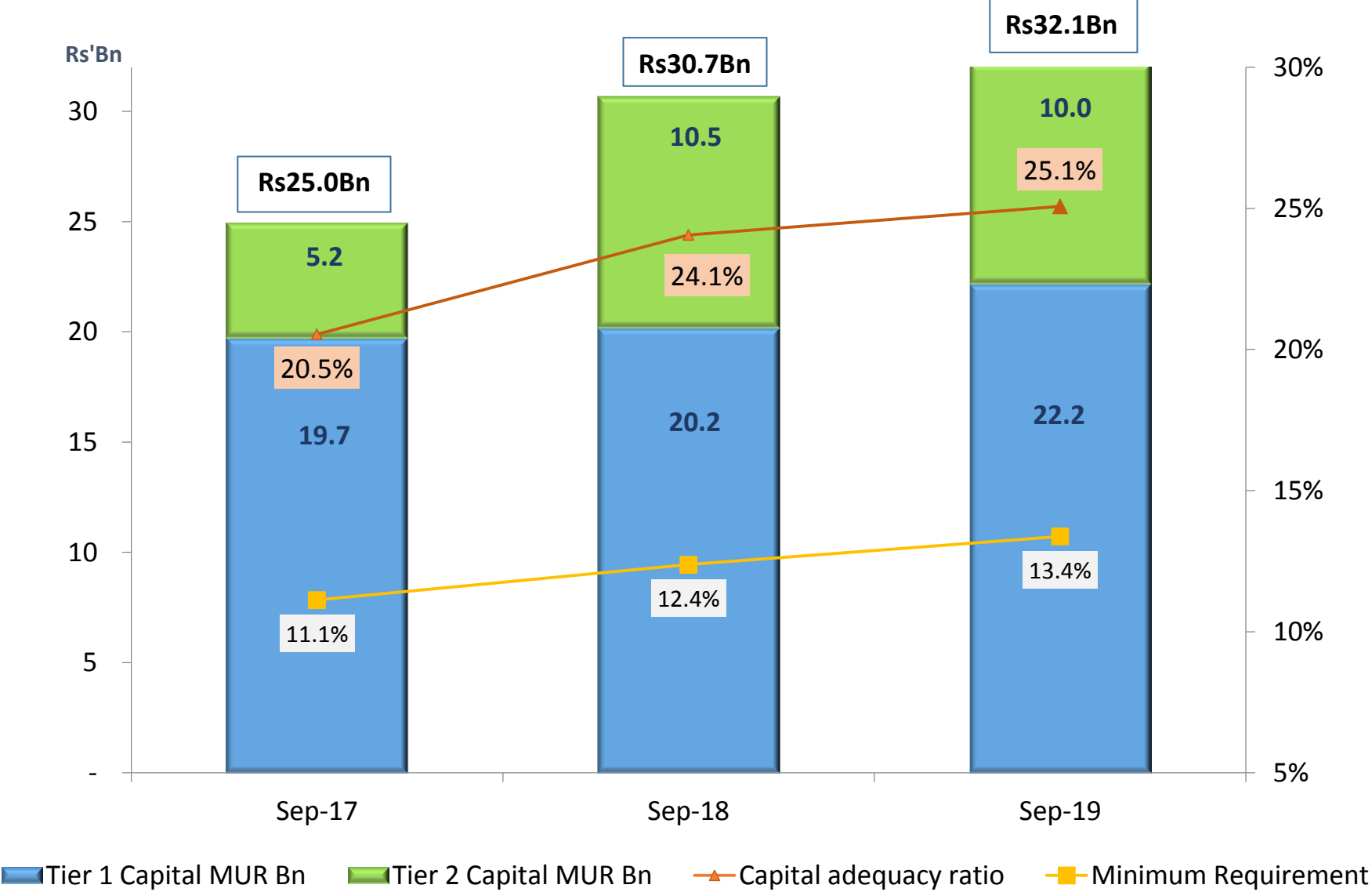


# GROSS & NET IMPAIRED RATIOS IMPROVED SLIGHTLY WITH GROWTH IN LOAN BOOK

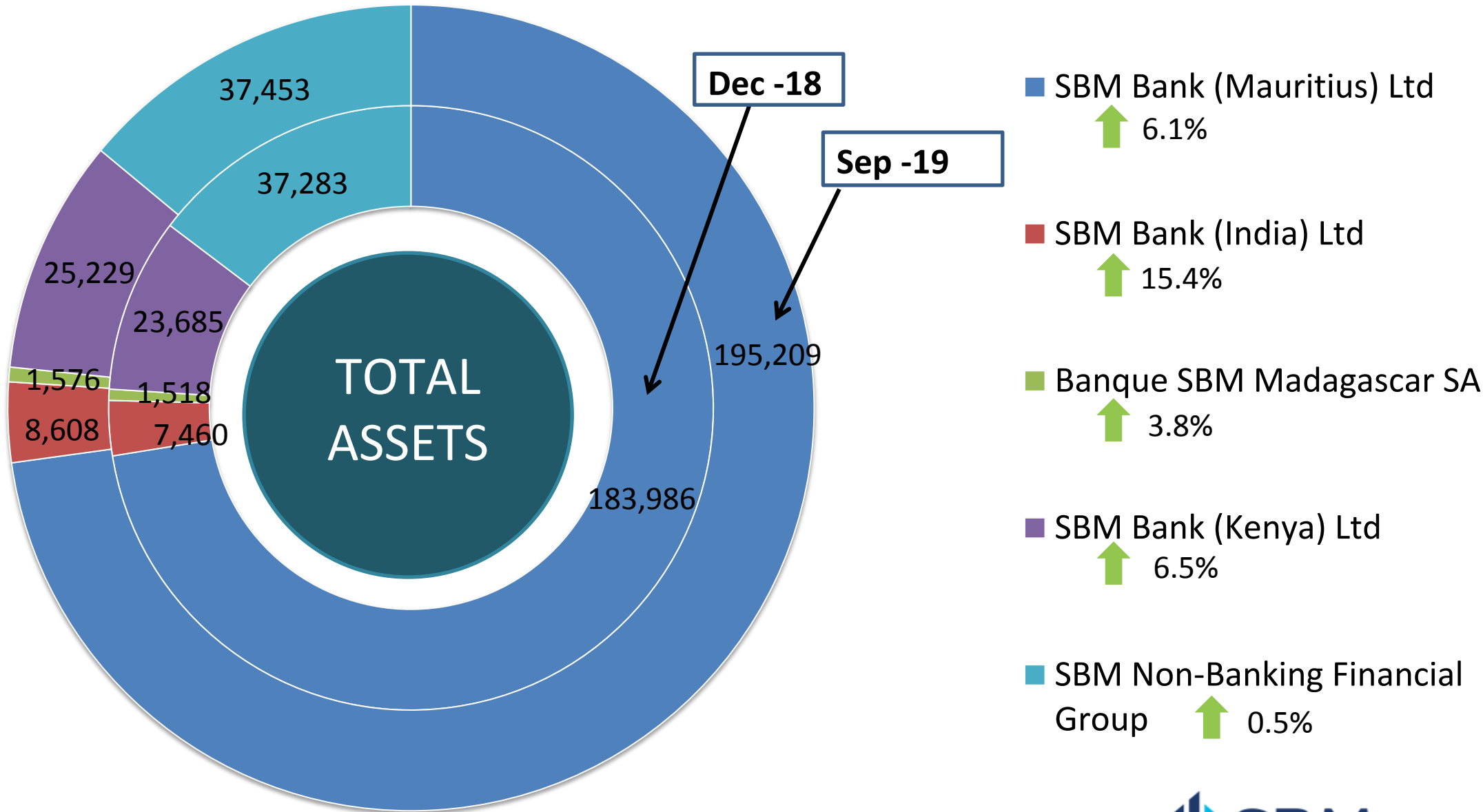


	Sep 18	Dec 18	Sep 19
Gross Impaired Advances (net of cash collateral) (MUR m)	8,933	14,810	14,077
Net Impaired Advances (Net of cash collateral) (MUR m)	3,249	6,274	5,710

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



TOTAL ASSETS BY ENTITY – DEC-18 V.S SEP-19 (MUR' MILLION)



## ENTITY-WISE PAT DECOMPOSITION (MUR' 000)

[For period ended]	9m2018	FY2018	9m2019
SBM Bank (Mauritius) Ltd	1,599,851	1,461,365	1,879,440
SBM Bank (India) Ltd	(172,762)	(221,916)	(247,197)
Banque SBM Madagascar SA	8,233	(33,130)	(8,594)
SBM Bank (Kenya) Ltd	581,546	757,026	177,189
SBM Bank (Seychelles) Ltd	0	(1,398)	(3,506)
SBM Non-Banking Financial Group	101,168	109,556	101,848

## KEY METRICS

[Annualised]	9m2018	FY2018	9m2019
Return on average shareholders' equity	7.6%	5.0%	7.8%
Return on average assets	0.9%	0.6%	0.8%
[For period ended]	9m2018	FY2018	9m2019
Earnings per share (cents)	54.8	48.3	57.3
Dividend per share (cents)	25.0	30.0	30.0
Credit to deposit ratio	70.4%	66.4%	69.6%
Provision coverage ratio	63.6%	57.6%	59.4%

# STRATEGY RECAP



# GROUP AMBITION

*To become a preferred financial services provider in the region*



Tap into Kenya and rest of Africa linkages with the Indian Ocean and Asia



Tap into Seychelles linkages with Africa and the Indian Ocean



Tap into Madagascar-Mauritius linkages with selective Corporate Banking focus



Tap into India-Mauritius capital flows and India-Kenya trade flows



Consolidate the domestic business and diversify sources of revenue



## MAURITIUS



- ❑ Remediation nearing finalisation
- ❑ Growth to pick up on a safer and more sustainable basis.

## INDIA



- ❑ Monthly CASA Openings of over 500
- ❑ Targeting a niche market and focus on mid-sized Corporates and high-end established SMEs.

**Potential cross-selling opportunities**

## KENYA



- ❑ Integration and stabilisation
- ❑ Business Development

## MADAGASCAR & SEYCHELLES



- ❑ Looking at strategic options to rebuild Madagascar
- ❑ Seychelles started operations with one branch on 12<sup>th</sup> August 2019
- ❑ Completes our Indian Ocean presence



**Q&As**

**THANK YOU**