

SBM BANK (MAURITIUS) LTD

SBM Bank (Mauritius) Ltd ('the Bank') is pleased to present its interim unaudited condensed financial statements for the quarter ended 31 March 2020.

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. The interim financial statements have been prepared, based on the accounting policies used in the audited financial statements for the year ended 31 December 2019, except for the adoption of all the new standards and interpretations which are effective as from 01 January 2020.

Operating Results

The Bank's total assets grew to MUR 218.65 billion from MUR 212.04 billion as at 31 December 2019, registering 3.12% increase. This increase was on account of a higher balance maintained with the Central Bank at the reporting date. The loan book also grew by MUR 2.52 billion to reach MUR 101.83 billion as at 31 March 2020.

Due to the COVID-19 Pandemic which involved a high level of uncertainty regarding liquidity situation on the market, the Bank increased its borrowings by MUR 12.90 billion, from MUR 12.44 billion as at 31 December 2019 to MUR 25.34 billion as at 31 March 2020. Excluding the large bulk short term deposit amounting to MUR 9.92 billion received as at 31 December 2019 and paid off in Q1 2020, deposits of the Bank witnessed an increase of MUR 2.89 billion, or 1.76%. Total deposits of the Bank stood at MUR 167.16 billion as at 31 March 2020.

The results for Q1 2020 continue to demonstrate the Bank's strong fundamentals and robust performance as evidenced by the MUR 2.32 billion operating income registered for the current quarter against MUR 1.96 billion for Q1 2019. Net interest income rose to MUR 1.48 billion (growth of 4.72%) owing to a respectable spurt in our loans and investments portfolio aggregating MUR 181.82 billion at the reporting date. Fee income went up by 3.08% to MUR 270.73 million while non-interest income contributed MUR 297.39 million.

The Bank continues its vigorous cost containment drive as always. Barring the impact of reclassification of Bank Levy amounting to MUR 42.84 million, the Bank managed to keep the Cost to Income ratio at 33.28% for Q1 2020 compared to 40.20% in Q1 2019.

The Bank continues to scale down its cross border risk appetite as a strategic risk containment measure. The Bank generated a profit of MUR 1.51 billion (Q1 2019: MUR 1.17 billion) before providing prudentially for expected credit losses as well as taxes resulting in recording a net profit of MUR 612.92 million for Q1 2020 against a profit of MUR 719 million for Q1 2019. Credit loss expense charged to profit or loss amounted to MUR 864.46 million for Q1 2020 against MUR 176.10 million for Q1 2019.

Capital

The Bank comfortably met the regulatory capital requirements for Domestic-Systemically Important banks. Shareholder's equity increased marginally to MUR 18.60 billion as at 31 March 2020 from MUR 18.07 billion as at 31 December 2019. With a tier 1 capital base of MUR 14.49 billion, the capital adequacy ratio (CAR) stood at 14.50% and the tier 1 capital to risk weighed assets ratio moved to 12.83%. Return on equity for the quarter stood at 13.41%.

By Order of the Board

19 June 2020

Copies of the abridged interim unaudited condensed financial statements can be obtained, free of charge, upon request to the Company Secretary at the registered office of the Bank, 1, Queen Elizabeth II Avenue, Port-Louis and can be viewed on our website: www.sbmgroup.mu.

SBM BANK (MAURITIUS) LTD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

	Unaudited 31 March 2020	Unaudited 31 March 2019	Audited 31 December 2019
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	19,981,536	5,754,389	15,386,899
Mandatory balances with central bank	9,129,006	8,668,999	9,326,006
Loans to and placements with banks	9,060,660	8,473,098	7,471,474
Derivative financial instruments	1,591,180	976,421	783,603
Loans and advances to non-bank customers	101,825,839	94,393,347	99,302,829
Investment securities	70,926,989	57,106,372	73,456,719
Equity investments	3,411	3,411	3,411
Property, equipment and right-of-use assets	2,815,506	2,750,057	2,846,736
Intangible assets	2,462,854	2,851,444	2,526,156
Deferred tax assets	275,514	-	219,302
Other assets	579,398	623,837	714,259
Total assets	218,651,893	181,601,375	212,037,394
LIABILITIES			
Deposits from banks	976,695	739,343	929,357
Deposits from non-bank customers	166,183,022	143,896,809	173,258,702
Other borrowed funds	25,339,690	13,869,092	12,438,151
Derivative financial instruments	1,511,478	973,196	794,275
Current tax liabilities	395,906	761,891	311,351
Deferred tax liabilities	-	151,661	-
Pension liability	330,358	106,152	334,005
Other liabilities	5,313,758	2,898,893	5,902,557
Total liabilities	200,050,907	163,397,037	193,968,398
SHAREHOLDER'S EQUITY			
Stated capital	400,000	310,000	400,000
Capital contribution	11,854,011	11,044,011	11,854,011
Retained earnings	4,429,005	5,545,945	3,804,163
Other reserves	1,917,970	1,304,382	2,010,822
Total equity	18,600,986	18,204,338	18,068,996
Total liabilities and equity	218,651,893	181,601,375	212,037,394

Approved by the Board of Directors and authorised for issue on 19 June 2020.

Parvataneni Venkateswara Rao
 Chief Executive

Imalambaal Kichenin
 Chairperson, Audit Committee

Mohit Dhoorundhur
 Chairperson

SBM BANK (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH 2020

	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019
	MUR' 000	MUR' 000	MUR' 000
Interest income	1,949,425	1,881,254	7,688,851
Interest expense	(471,725)	(470,172)	(2,023,529)
Net interest income	1,477,700	1,411,082	5,665,322
Fee and commission income	279,306	268,618	1,206,321
Fee and commission expense	(8,576)	(5,969)	(31,716)
Net fee and commission income	270,730	262,649	1,174,605
Other income			
Profit arising from dealing in foreign currencies	103,744	153,798	534,430
Net gain from financial instruments	74,421	30,708	118,175
Net gain on sale of securities	394,503	98,052	626,674
Other operating income	-	800	884
	572,668	283,358	1,280,163
Non-interest income	843,398	546,007	2,454,768
Operating income	2,321,098	1,957,089	8,120,090
Personnel expenses	(354,553)	(392,978)	(1,719,592)
Depreciation of property, equipment and right-of-use assets	(39,923)	(47,658)	(193,062)
Amortisation of intangible assets	(106,723)	(139,079)	(474,547)
Other expenses	(271,222)	(206,975)	(1,072,553)
Bank levy	(42,842)	-	(171,368)
Non-interest expense	(815,263)	(786,690)	(3,631,122)
Profit before credit loss expense	1,505,835	1,170,399	4,488,968
Credit loss expense on financial assets & memorandum items	(864,463)	(176,097)	(3,606,666)
Profit before income tax	641,372	994,302	882,302
Tax expense	(28,457)	(275,293)	(331,810)
Profit for the quarter / year	612,915	719,009	550,492

SBM BANK (MAURITIUS) LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2020

	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019
	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter / year	612,915	719,009	550,492
Other comprehensive (loss) / income :			
<i>Items that will not be reclassified subsequently to profit or loss (net of deferred tax):</i>			
Increase in revaluation of property	-	-	204,398
Deferred tax on revaluation of property	-	-	(9,950)
Change in deferred tax rate on revaluation of property	-	-	118,392
Change in deferred tax rate on defined benefit pension plan	-	-	(7,923)
Remeasurement of defined benefit pension plan	-	-	(203,865)
Deferred tax on remeasurement of defined benefit pension plan	-	-	14,272
	-	-	115,324
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Investment securities measured at FVTOCI (Debt instruments)			
Movement in fair value during the year	224,757	38,576	585,735
Fair value re-cycled on disposal	(290,333)	-	(224,380)
Loss allowance relating to debt instruments held at FVTOCI	(15,349)	(20,442)	(6,370)
	(80,925)	18,134	354,985
Total other comprehensive (loss) / income	(80,925)	18,134	470,309
Total comprehensive income for the quarter / year	531,990	737,143	1,020,801

SBM BANK (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2020

	Stated capital	Capital Contribution	Retained earnings	Statutory reserve	Fair value reserve on financial instruments recognised in OCI	Property revaluation reserve	Total equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2019	310,000	11,044,011	4,817,518	310,000	(94,725)	1,080,391	17,467,195
Profit for the quarter	-	-	719,009	-	-	-	719,009
Movement in credit loss expense relating to debt instruments held at FVTOCI	-	-	-	-	(20,442)	-	(20,442)
Other comprehensive income for the quarter	-	-	-	-	38,576	-	38,576
Total comprehensive income for the quarter	-	-	719,009	-	18,134	-	737,143
Transfer to retained earnings	-	-	9,418	-	-	(9,418)	-
At 31 March 2019	310,000	11,044,011	5,545,945	310,000	(76,591)	1,070,973	18,204,338
At 01 January 2019	310,000	11,044,011	4,817,518	310,000	(94,725)	1,080,391	17,467,195
Profit for the year	-	-	550,492	-	-	-	550,492
Loss allowance relating to debt instruments held at FVTOCI	-	-	-	-	(6,370)	-	(6,370)
Other comprehensive income for the year	-	-	(197,517)	-	361,355	312,841	476,679
Total comprehensive income for the year	-	-	352,975	-	354,985	312,841	1,020,801
Capital contribution received during the year	-	900,000	-	-	-	-	900,000
Conversion of capital contribution	90,000	(90,000)	-	-	-	-	-
Transfer to retained earnings	-	-	42,670	-	-	(42,670)	-
Transfer to statutory reserve	-	-	(90,000)	90,000	-	-	-
Cash dividend	-	-	(1,319,000)	-	-	-	(1,319,000)
At 31 December 2019	400,000	11,854,011	3,804,163	400,000	260,260	1,350,562	18,068,996
At 01 January 2020	400,000	11,854,011	3,804,163	400,000	260,260	1,350,562	18,068,996
Profit for the quarter	-	-	612,915	-	-	-	612,915
Movement in credit loss expense relating to debt instruments held at FVTOCI	-	-	-	-	(15,349)	-	(15,349)
Other comprehensive income for the quarter	-	-	-	-	(65,576)	-	(65,576)
Total comprehensive income for the quarter	-	-	612,915	-	(80,925)	-	531,990
Transfer to retained earnings	-	-	11,927	-	-	(11,927)	-
At 31 March 2020	400,000	11,854,011	4,429,005	400,000	179,335	1,338,635	18,600,986

The financial information has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2020.

SBM BANK (MAURITIUS) LTD

ABRIDGED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2020

	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019
	MUR' 000	MUR' 000	MUR' 000
Net cash (used in) / from operating activities	(8,254,789)	(7,499,988)	4,142,618
Net cash from financing activities	12,901,539	2,095,155	173,220
Net cash used in investing activities	(52,113)	(52,490)	(140,651)
Net change in cash and cash equivalents	4,594,637	(5,457,323)	4,175,187
Cash and cash equivalents at start of quarter / year	15,386,899	11,211,712	11,211,712
Cash and cash equivalents at end of quarter / year	19,981,536	5,754,389	15,386,899