

SBM HOLDINGS LTD

INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH 2021

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021

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SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021

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Management Discussion and Analysis

The management of SBM Holdings Ltd (the "Group") is pleased to present their Management Discussion and Analysis, in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information for the quarter ended 31 March 2021.

Financial Review

Group key financial highlights

	Unaudited Quarter 31 March 2021	Unaudited Quarter 31 March 2020	Audited Year ended 31 December 2020
<u>Key Financial indicators</u>			
Statement of Profit or Loss (MUR million)			
Net interest income	1,720	1,768	7,196
Operating income	2,874	2,697	11,222
Profit before credit loss expense	1,076	937	5,071
Credit loss expense on financial assets and memorandum items	547	864	3,757
Profit from continuing operations	416	1	1,013
Statement of Financial position (MUR million)			
Total assets	298,185	271,535	288,422
Total gross loans and advances to non bank customers	137,855	128,919	135,983
Deposits from non-bank customers	234,702	198,675	226,862
Tier 1 capital	20,947	20,088	20,626
Total regulatory capital	29,633	30,626	30,669
Risk weighted assets	151,978	144,446	148,284
Shareholders' equity	25,324	24,685	25,196
Share information			
Market price per share (MUR)	3.5	4.7	3.6
Earnings per share (Cents)	16.1	0.0	39.2
Efficiency Ratio (%)			
Cost to income	62.6	65.3	54.8
Performance Ratios (%)			
Capital adequacy ratio	19.5	21.2	20.7
Tier 1 capital adequacy ratio	13.8	13.9	13.9
Return on average shareholders' equity	6.6	0.0	4.1
Return on average assets	0.6	0.0	0.4
Return on average risk-weighted assets	1.1	0.0	0.7
Asset Quality Ratios (%)			
Gross impaired advances to gross advances	12.3	13.4	13.8
Net impaired advances to net advances	4.2	5.3	4.1
Provision coverage ratio	69.4	64.2	64.2
Liquidity Ratio (%)			
Credit to deposit ratio	58.7	64.9	59.9

Management Discussion and Analysis (continued)

Financial Review (continued)

Revenue

Net interest income has decreased by 2.8% or 48.7 million from March 20 to March 21. This is a direct result of Bank of Mauritius to reduce the Key Repo Rate (KRR) to 1.85% per annum since the outbreak of COVID-19.

Interest expense increased by MUR 140.4 million compared to the same quarter last year, and this was driven by an increase in deposits from non bank customers (MUR 234.7 million at 31 March 2021 as opposed to MUR 198.7 million at 31 March 2020).

Non-interest income has increased by MUR 198.4 million as compared to same period last year. The main increases were on account of net trading income amounting to MUR 157.4 million and net gains on derecognition of financial assets measured at amortised cost amounting to MUR 265.7 million, offset by a decrease of MUR 263.0 million in net gains on derecognition of financial assets measured at fair value through other comprehensive income.

The Group has made a profit before credit loss expense of MUR 1.1 billion for this period as compared to MUR 937 million for same period last year.

Profit after tax for the quarter stood at MUR 417.8 million.

Cost Control

Non-interest expense of the Group for the quarter ended 31 March 2021 stood at MUR 1,798.0 million.

	Unaudited Quarter 31 March 2021	Unaudited Quarter 31 March 2020	Audited Year ended 31 December 2020
	MUR million	MUR million	MUR million
Personnel expenses	801.4	693.2	2,859.6
Depreciation of property and equipment	71.0	72.0	290.4
Depreciation of right-of-use assets	51.0	17.1	183.5
Amortisation of intangible assets	201.2	138.5	575.4
Other expenses	673.4	839.3	2,242.2
Non-interest expense	1,798.0	1,760.1	6,151.1

Total non-interest expense has decreased by 2.1% as compared to same period last year. Depreciation of property and equipment, right of use assets and amortisation of intangible assets has increased by MUR 95.5 million for the quarter ended March 2021 as compared to the same period last year. Other expenses have also been reduced. However the overall decrease has been mitigated by rise in personnel expense by MUR 108.2 million due to annual increase in salary and headcount.

Credit Exposure

The Group regularly reviews the diversification of its credit portfolio and factors affecting its operating environment. As far as possible, the Group refrains from having concentrations of risk associated with large exposures, representing credit risk concentration through large advances to a single or a group of related clients. While being an important element in the management of risk exposure, the capital strength is a factor that quite often influences the appetite.

The Group strives to achieve a right balance between growth, liquidity and profitability through a well-diversified portfolio spread across different sectors of the economy and in line with the industry best practices. The breakdown of the loan book is provided in note 7(a).

Management Discussion and Analysis (continued)

Financial Review (continued)

Credit Quality

IFRS 9 addresses classification, measurement and derecognition of financial assets and liabilities, the impairment of financial assets measured at amortised cost or fair value through other comprehensive income and general hedge accounting.

Details on impairment of financial assets are provided in notes 6,7(b), 10 and 16.

Assets and Liabilities

Total assets have increased from MUR 288.4 billion as at December 2020 to MUR 298.2 billion as at March 2021, mainly on account of increase in investment securities, loans and advances as well as cash balances.

Investment in securities amounted to MUR 128.6 billion at 31 March 2021 compared to MUR 121.1 billion at December 2020 representing an increase of MUR 7.5 billion. Investment securities accounted for 43.12% of total assets at 31 March 2021 (December 2020: 42.0%)

Gross loans and advances to non bank customers stood at MUR 137.9 billion as at March 2021 compared to MUR 136.0 billion as at December 2020, representing an increase of MUR 1.9 billion (1.4%).

Deposits from non-bank customers have increased to reach MUR 234.7 billion as at March 2021 as compared to MUR 226.9 billion as at December 2020.

Capital Structure

The Group has followed the Guidelines of the Bank of Mauritius and has implemented the Standardised Approach to the measurement of credit, market and operational risk.

The Group maintains its capital structure within prudential and supervisory limits and ensures it has adequate capacity for future development and growth.

The table below shows the components of Tier 1 and Tier 2 Capital for the Group and the resulting capital adequacy ratios which stood at 19.5% at 31 March 21 as compared to the statutory requirement of 13.875% including provision for Domestically Systemic Important Banks (D-SIBs) and Capital Conservation Buffer.

	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR million	MUR million	MUR million
Capital Base			
Tier 1	20,947	20,088	20,626
Tier 2	8,686	10,538	10,043
	29,633	30,626	30,669
Risk Weighted Assets			
On balance sheet	128,334	124,036	125,316
Off balance sheet	11,380	8,645	10,663
Operational Risk	11,566	10,525	11,566
Market Risk	698	1,240	739
	151,978	144,446	148,284
Capital Adequacy Ratio (%)	19.5	21.2	20.7
Tier 1 Capital Adequacy Ratio (%)	13.8	13.9	13.9

The Capital Adequacy Ratio has decreased from 20.7% at December 2020 to 19.5% at 31 March 2021.

Management Discussion and Analysis (Continued)

Financial Review (continued)

Capital Structure (continued)

Credit Risk

The Group applies the Guidelines issued by the Bank of Mauritius on Standardised approach to Credit Risk for its evaluation of the Capital requirements for Credit Risk. The regulatory credit risk capital requirement is determined by applying the appropriate risk weights provided in the guidelines to the credit based on its rating assigned by External Credit Assessment Institutions for risk weighted exposures, particularly for sovereign, Central banks of other countries as well as other banking institutions, to each credit exposure.

Risk Management Policies and Controls

The Group has a comprehensive risk management framework to identify, measure, monitor, evaluate and manage the risks assumed in conducting its activities.

The Group has adopted the Basel III recommendations and is compliant with the Bank of Mauritius guidelines.

The Group Risk Management team is responsible for the design and application of risk management framework, and is independent of business units.

The framework is integrated within the Group strategy and business planning processes. The effectiveness of this framework is enhanced by strong risk governance, which includes active participation of the Board of Directors, senior executives and business line management in the risk management process.

Credit Risk Concentration

The Group has complied with the Bank of Mauritius requirements on credit concentration limit and remains within the regulatory limits. Total outstanding credit facilities, net of deposits where there is a right of set off, including guarantees, acceptances, and other similar commitments extended by the Banking Group to any one customer or group of closely-related customers for amounts aggregating more than 10% of its Tier 1 capital amounted to MUR 23.6 billion representing only 112.7% of its Tier 1 capital, well within the 800% allowed under the BOM guideline on credit concentration risk.

Related Party Transactions

The Group provides regular banking services to some of its related parties in the ordinary course of business which are at arm's length and are on terms similar to those offered to non-related parties.

Outstanding loans to executive officers of Group totalled MUR 231.0 million as at 31 March 2021.

On and off balance sheet exposures to related parties after set off amounted to MUR 5,187.6 million representing 3.4% of aggregate on and off balance sheet exposures and 24.8% of Tier 1 Capital, well within the limit of 60% as per the BOM Guideline on related party transactions.

There is no related party exposure which is non-performing as at the reporting date.

Market risk

Market risk is the risk of loss resulting from adverse movement in market rates or prices such as interest rates, foreign exchange rates and equity prices. The Group's market risks are monitored by the Market Risk Team and reported to the Market Risk Forum and Board Risk Committee on a regular basis.

A description of each market risk category is provided below:

Interest rate risk

The Group's interest rate risk arises mostly from mismatches in the repricing of its assets and liabilities. The Group uses an interest rate gap analysis to measure and monitor the interest rate risk. Prudential limits for currency wise gaps, expressed as a percentage of assets, have been set for specific time buckets and earnings at risk is calculated based on different shock scenarios across major currencies.

Management Discussion and Analysis (continued)

Risk Management Policies and Controls (continued)

Market risk (continued)

Interest rate risk (continued)

The Group actively manages its interest rate exposures with the objective of enhancing net interest income within established risk tolerances limits. Interest rate risk arising from the Group's funding and investment activities is managed in accordance with established procedures which are designed to control the risk to income and economic value of shareholders' equity. The impact of the effect of a specified shift in interest rates on the Group's annual net income and the economic value are periodically assessed.

Equity risk

This is the risk of loss due to changes in the prices, volatility of individual equity instruments and equity indices.

Market risk is monitored consistently and reported to the senior management on a daily basis and to Group Asset and Liability Committee ("ALCO"). Movements of major currencies, trends and forecasts are analysed in ALCO. Furthermore, the matching of Group Assets and Liabilities is closely monitored through gap analysis between assets and liabilities.

Foreign Exchange risk

Foreign exchange risk is defined as the risk arising from movement in exchange rate from one currency to another. The Group mitigates this risk by exercising stringent control over its foreign currency exposure by setting prudential limits. The overall exposure to foreign exchange is reported by the Chief Risk Officer to the Group Risk Management Committee ("RMC").

Liquidity risk

Liquidity risk is the risk of potential earnings volatility arising from being unable to fund assets at reasonable rates over required maturities. The Group ensures that sufficient liquidity is maintained to fund its day-to-day operations, meet deposit withdrawals and loan disbursements. Liquidity risk is managed by setting prudential limits on maturity mismatches, liquid assets ratios, concentration of deposits by type and entity. Liquidity gap analysis is used to measure and monitor the mismatches by time buckets and currency under realistic and stress scenarios.

RMC provides senior management oversight of liquidity risk and meets on a monthly basis to review the Group's liquidity profile or more frequently if required.

Operational risk

Operational risk is the risk of loss, whether direct or indirect, to which the Group is exposed due to external events, human error, or the inadequacy or failure of processes, systems or controls. According to the Basel Committee, it is defined as: "the risk of loss resulting from inadequate or failed internal processes, people, systems or external events." Operational risk, in some form, exists in each of the Group's business and support activities, can result in financial loss, regulatory sanctions and damage to Group reputation.

The Group has developed policies, standards and assessment methodologies to ensure that operational risk is appropriately identified, managed and controlled.

Internal audit

The internal audit team directly reports to the Audit Committee. It performs an independent appraisal of the Group's compliance with internal control systems, accounting practices, information systems, providing assurance regarding the Group corporate governance, control systems and risk management processes. This function operates as per good corporate governance practices.

Compliance

The Group is committed to the highest standards of business integrity, transparency and professionalism in its activities. The purpose of the compliance function is to ensure that all business transactions and activities comply with appropriate laws, regulations, policies, guidelines and ethical standards.

The compliance function operates as per good corporate governance practices. This unit is fully operational and attends regularly all the Compliance Committees organised by the Bank of Mauritius. During the period under review, the Group has complied with all regulatory requirements, policies, guidelines and ethical standards.

Statement of Corporate Governance Practices

Company law requires the Board to prepare financial statements for each financial period/year which indicates fairly the financial position, financial performance, changes in equity and cash flows of the Group and the Company. In preparing those financial statements, the Board shall:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board confirms that the above requirements in preparing the financial statements have been respected and that these interim unaudited condensed financial statement have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Directors of the Group are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Banking Act 2004 and the Mauritius Companies Act 2001 as applicable. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors delegates the day to day running of the Group and the Company to Management. The Board of Directors is made up of Non Executive Members which are as follows:

	<u>Appointment date</u>	<u>Independent/ Non independent</u>
(1) Mr. Abdul Sattar Adam Ali Mamode Hajee Abdoula - Chairman	11 Mar 20	Independent
(2) Mr Jean Paul Emmanuel Arouff	11 Mar 20	Non-Independent
(3) Ms. Shakilla Bibi Jhungeer	13 Mar 20	Independent
(4) Mr Varun Krishn Munooosingh	13 Aug 20	Non-Independent
(5) Mr. Roodesh Muttylall	30 Jun 15	Independent
(6) Ms. Sharon Ramdenee	14 Dec 18	Independent
(7) Mr Visvanaden Soondram	11 Mar 20	Non-Independent
(8) Mr. Subhas Thecka	23 Jun 17	Independent

The Committees reporting to the Board are as follows:

- Audit Committee
- Corporate Governance & Conduct Review Committee
- Nomination & Remuneration Committee
- Risk Management Committee
- Strategy Committee
- Committee of Special Examination
- IT Committee

Membership of the committees is reviewed on an on-going basis and is approved by the SBM Holdings Ltd Board.

Statement of Management's Responsibility for Financial Reporting

The Group's interim unaudited condensed financial statements have been prepared by management, which is responsible for their integrity, consistency, objectivity and reliability. International Financial Reporting Standards, as well as the requirements of the Banking Act 2004, the Mauritius Companies Act 2001 and other applicable laws and regulations have been applied and management has exercised its judgement and made best estimates as deemed necessary.

The Group has designed and maintained its accounting systems, related internal controls and stringent procedures, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These processes include careful selection and training of qualified staff, the implementation of organisational and governance structures providing a well defined division of responsibilities, authorisation levels and accountability for performance, and the communication of the Group policies, procedures manuals and guidelines throughout the Group.


The Group's Board of Directors, acting in part through the Audit Committee, which consists of independent directors, oversees management's responsibility for financial reporting, internal controls, assessment and control of major risk areas and assessment of significant related party transactions.

The Group's Internal Auditor, who has full and free access to the Audit Committee, conducts a well designed programme of internal audits in coordination with the Group's external auditor. In addition, the Group's compliance function maintains policies, procedures and programmes directed at ensuring compliance with regulatory requirements.


Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Group as it deems necessary.

The Group's External Auditor, Deloitte, has full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.

Approved by the Board on **12 May 2021** and signed on its behalf by:



Sattar HAJEE ABDOLA
Chairman



Subhas THECKA
Director

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

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Notes	The Group			The Company		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS						
Cash and cash equivalents	20,280,270	25,682,429	21,577,245	777,207	148,197	304,473
Mandatory balances with central bank	11,342,494	10,378,934	11,290,363	-	-	-
Loans to and placements with banks	3,150,637	6,589,291	3,130,387	-	-	-
Derivative financial instruments	673,818	2,294,729	809,379	-	-	-
Loans and advances to non-bank customers	123,900,750	115,698,366	120,239,361	-	-	-
Investment securities	128,572,501	100,175,654	121,053,397	6,520,995	7,463,971	7,005,132
Investment in subsidiaries	-	-	-	29,523,743	29,779,918	29,523,743
Property and equipment	3,182,674	3,317,922	3,207,034	1,952	3,322	2,194
Right of use assets	788,739	716,353	807,230	-	-	-
Goodwill and other intangible assets	2,116,349	2,658,538	2,296,694	814	1,089	883
Deferred tax assets	773,703	447,580	806,110	-	-	-
Other assets	3,403,143	3,575,682	3,204,894	70,204	211,900	49,719
Total assets	298,185,078	271,535,478	288,422,094	36,894,915	37,608,397	36,886,144
LIABILITIES						
Deposits from banks	1,402,251	877,528	1,403,315	-	-	-
Deposits from non-bank customers	234,702,338	198,675,274	226,862,221	-	-	-
Other borrowed funds	14,239,149	26,411,800	15,017,177	-	-	-
Derivative financial instruments	1,496,212	2,449,575	1,279,984	61,378	88,467	41,524
Lease liabilities	777,989	715,957	804,407	-	-	-
Current tax liabilities	323,865	869,022	260,225	-	-	-
Pension liability	743,913	338,875	743,807	6,842	2,459	6,914
Other liabilities	8,775,220	6,269,061	6,711,844	217,247	119,761	211,206
Deferred tax liabilities	-	-	-	-	-	-
Subordinated debts	10,400,001	10,243,325	10,142,786	10,400,001	10,243,325	10,142,786
Total liabilities	272,860,938	246,850,417	263,225,766	10,685,468	10,454,012	10,402,430
SHAREHOLDERS' EQUITY						
Stated capital	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204
Retained earnings	1,316,557	880,914	893,576	(2,783)	351,025	271,475
Other reserves	(3,617,590)	(3,821,026)	(3,322,421)	(1,412,943)	(821,813)	(1,412,934)
	30,199,171	29,560,092	30,071,359	31,084,478	32,029,416	31,358,745
Less: Treasury shares	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity holders of the parent	25,324,140	24,685,061	25,196,328	26,209,447	27,154,385	26,483,714
Total equity and liabilities	298,185,078	271,535,478	288,422,094	36,894,915	37,608,397	36,886,144
Memorandum items	35,216,347	25,154,899	33,126,827	-	-	-

Approved by the Board of Directors and authorised for issue on 12 May 2021.


Abdul Sattar Adam Ali Mamode HAJEE ABDOULA
Chairman


Subhas THECKA
Director

The notes on page 16 to 32 form an integral part of these financial statements.

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 MARCH 2021

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Notes	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended 31 March 2021	Quarter ended 31 March 2020	Year ended 31 December 2020	Quarter ended 31 March 2021	Quarter ended 31 March 2020	Year ended 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Continuing Operations						
Interest income using the effective interest method	2,675,307	2,882,244	11,054,390	12,630	13,149	52,286
Other interest income	81,379	63,544	202,013	-	-	-
Interest expense using the effective interest method	(882,205)	(1,095,933)	(3,625,431)	(105,253)	(118,235)	(444,508)
Other interest expense	(154,751)	(81,386)	(434,831)	(18,281)	(7,129)	(50,728)
Net interest income / (expense)	1,719,730	1,768,469	7,196,141	(110,904)	(112,215)	(442,950)
Fee and commission income	424,352	405,448	1,451,371	-	-	-
Fee and commission expense	(19,109)	(12,980)	(57,312)	(1)	(140)	(13)
Net fee and commission income / (expense)	405,243	392,468	1,394,059	(1)	(140)	(13)
Net trading income	449,509	292,113	1,049,474	-	(17)	-
Net (losses)/gain from financial assets at fair value through profit or loss	(15,694)	(70,023)	4,708	(5,927)	163,101	376,448
Net gains on derecognition of financial assets measured at amortised cost	288,229	22,528	180,325	772	-	2,372
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	27,341	290,333	1,245,740	-	-	-
Other operating income	-	1,501	151,114	15,000	35,000	274,467
Non-interest income	1,154,628	928,920	4,025,420	9,844	197,944	653,274
Operating income / (loss)	2,874,358	2,697,389	11,221,561	(101,060)	85,729	210,324
Personnel expenses	(801,375)	(693,152)	(2,859,550)	(16,539)	(16,272)	(56,583)
Depreciation of property and equipment	(70,982)	(72,036)	(290,350)	(242)	(543)	(1,671)
Depreciation of right-of-use assets	(50,965)	(17,080)	(183,480)	-	-	-
Amortisation of intangible assets	(201,217)	(138,506)	(575,386)	(69)	(69)	(274)
Other expenses	(673,483)	(839,313)	(2,242,163)	(156,348)	(373,827)	(529,347)
Impairment of investment in subsidiaries	-	-	-	-	(124,000)	(124,000)
Non-interest expense	(1,798,022)	(1,760,087)	(6,150,929)	(173,198)	(514,711)	(711,875)
Profit/(loss) before credit loss expense	1,076,336	937,302	5,070,632	(274,258)	(428,982)	(501,551)
Credit loss expense on financial assets and memorandum items	(546,561)	(864,148)	(3,757,402)	-	(190)	(217)
Profit/(loss) before income tax	529,775	73,154	1,313,230	(274,258)	(429,172)	(501,768)
Tax (expense) / income	(113,869)	(72,014)	(300,126)	-	-	336
Profit/(loss) for the quarter/year from continuing operations	415,906	1,140	1,013,104	(274,258)	(429,172)	(501,432)
Discontinued operations						
Profit for the quarter/year from discontinued operations	1,881	4,583	7,906	-	-	-
Profit/(loss) for the quarter/year attributable to equity holders of the parent	417,787	5,723	1,021,010	(274,258)	(429,172)	(501,432)
Earnings per share:						
From continuing operations						
Basic (Cents)	16.1	0.0	39.2			
Diluted (Cents)	16.1	0.0	39.2			
From continuing operations and discontinued operations						
Basic (Cents)	16.2	0.2	39.5			
Diluted (Cents)	16.2	0.2	39.5			

The notes on page 16 to 32 form an integral part of these financial statements.

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2021

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	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended	Quarter ended	Quarter ended	Year ended
	31 March 2021	31 March 2020	31 December 2020	31 March 2021	31 March 2020	31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit/(loss) for the quarter/year from continuing operations	417,787	5,723	1,021,010	(274,258)	(429,172)	(501,432)
Other comprehensive income :						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Increase in revaluation of property	-	-	754	-	-	-
Remeasurement of defined benefit pension plan	-	-	(747,337)	-	-	(7,291)
Deferred tax on remeasurement of defined benefit pension plan	-	-	51,409	-	-	-
Net gain on equity instruments designated at FVTOCI	-	-	(591,373)	-	-	(591,373)
	-	-	(1,286,547)	-	-	(598,664)
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	208,544	212,498	88,905	-	-	-
Recycling of reserves on derecognition of investment in associate	-	-	24,166	-	-	-
Investment securities measured at FVTOCI						
Movement in fair value during the quarter/year	(243,663)	(356,265)	2,035,417	(9)	5	258
Reclassification of (losses)/gains included in profit or loss on derecognition	(288,229)	290,333	(1,235,218)			
Movement in credit loss expense relating to debt instruments held at FVTOCI	33,373	(15,349)	474	-	-	-
	(289,975)	131,217	913,744	(9)	5	258
Total other comprehensive (loss) / income	(289,975)	131,217	(372,803)	(9)	5	(598,406)
Total comprehensive income / (loss) attributable to equity holders of the parent	127,812	136,940	648,207	(274,267)	(429,167)	(1,099,838)

The notes on page 16 to 32 form an integral part of these financial statements.

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2021

13

	Stated capital	Treasury shares	Statutory reserve	General reserve	Retained earnings	Fair value reserve on financial instruments recognised in OCI	Net property revaluation reserve	Net translation reserve	Restructure reserve	Total equity
The Group	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2020	32,500,204	(4,875,031)	687,074	-	1,114,355	(149,143)	383,615	267,387	(5,380,340)	24,548,121
Profit for the quarter	-	-	-	-	5,723	-	-	-	-	5,723
Other comprehensive (loss) / income for the quarter	-	-	-	-	-	(81,281)	-	212,498	-	131,217
Total comprehensive income / (loss) for the quarter	-	-	-	-	5,723	(81,281)	-	212,498	-	136,940
Revaluation surplus realised on depreciation	-	-	-	-	11,927	-	(11,927)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	251,093	(251,093)	-	-	-	-	-
At 31 March 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>687,074</u>	<u>251,093</u>	<u>880,912</u>	<u>(230,424)</u>	<u>371,688</u>	<u>479,885</u>	<u>(5,380,340)</u>	<u>24,685,061</u>
At 01 January 2020	32,500,204	(4,875,031)	687,074	-	1,114,355	(149,143)	383,615	267,387	(5,380,340)	24,548,121
Profit for the year	-	-	-	-	1,021,010	-	-	-	-	1,021,010
Other comprehensive (loss) / income for the year	-	-	-	-	(695,928)	209,300	754	113,071	-	(372,803)
Total comprehensive income for the year	-	-	-	-	325,082	209,300	754	113,071	-	648,207
Reclassification of reserves	-	-	6,709	1,131	(10,125)	-	2,285	-	-	-
Revaluation surplus realised on depreciation	-	-	-	-	53,505	-	(53,505)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	589,241	(589,241)	-	-	-	-	-
At 31 December 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>693,783</u>	<u>590,372</u>	<u>893,576</u>	<u>60,157</u>	<u>333,149</u>	<u>380,458</u>	<u>(5,380,340)</u>	<u>25,196,328</u>
At 01 January 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>693,783</u>	<u>590,372</u>	<u>893,576</u>	<u>60,157</u>	<u>333,149</u>	<u>380,458</u>	<u>(5,380,340)</u>	<u>25,196,328</u>
Profit for the quarter	-	-	-	-	417,787	-	-	-	-	417,787
Other comprehensive (loss) / income for the quarter	-	-	-	-	-	(498,519)	-	208,544	-	(289,975)
Total comprehensive income / (loss) for the quarter	-	-	-	-	417,787	(498,519)	-	208,544	-	127,812
Revaluation surplus realised on depreciation	-	-	-	-	12,866	-	(12,866)	-	-	-
Transfer from retained earnings to general reserve	-	-	-	7,672	(7,672)	-	-	-	-	-
31 March 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>693,783</u>	<u>598,044</u>	<u>1,316,557</u>	<u>(438,362)</u>	<u>320,283</u>	<u>589,002</u>	<u>(5,380,340)</u>	<u>25,324,140</u>

The notes on page 16 to 32 form an integral part of these financial statements.

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2021

14

	Stated capital	Treasury shares	Retained earnings	Net unrealised investment fair value reserve	Total equity
<u>The Company</u>	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2020	32,500,204	(4,875,031)	780,197	(821,818)	27,583,552
Loss for the quarter	-	-	(429,172)	-	(429,172)
Other comprehensive income for the quarter	-	-	-	5	5
Total comprehensive (loss)/ income for the quarter	-	-	(429,172)	5	(429,167)
At 31 March 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>351,025</u>	<u>(821,813)</u>	<u>27,154,385</u>
At 01 January 2021	32,500,204	(4,875,031)	780,197	(821,818)	27,583,552
Loss for the year	-	-	(501,432)	-	(501,432)
Other comprehensive loss for the year	-	-	(7,290)	(591,116)	(598,406)
Total comprehensive loss for the year	-	-	(508,722)	(591,116)	(1,099,838)
At 31 December 2020	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>271,475</u>	<u>(1,412,934)</u>	<u>26,483,714</u>
At 01 January 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>271,475</u>	<u>(1,412,934)</u>	<u>26,483,714</u>
Loss for the quarter	-	-	(274,258)	-	(274,258)
Other comprehensive loss for the quarter	-	-	-	(9)	(9)
Total comprehensive loss for the quarter	-	-	(274,258)	(9)	(274,267)
At 31 March 2021	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>(2,783)</u>	<u>(1,412,943)</u>	<u>26,209,447</u>

The notes on page 16 to 32 form an integral part of these financial statements.

SBM HOLDINGS LTD
INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2021

15

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
Note	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net cash (used in)/generated from operating activities	(401,614)	(5,738,373)	2,197,241	472,734	(26,435)	(400,801)
Net cash (used in) /generated from financing activities	(828,595)	13,342,745	1,377,245	-	-	350,000
Net cash (used in)/generated from investing activities	(67,208)	(105,107)	(181,545)	-	(4,000)	176,642
Net change in cash and cash equivalents	(1,297,417)	7,499,265	3,392,941	472,734	(30,435)	125,841
Expected credit loss allowance on cash and cash equivalents	442	2,038	3,178		-	-
Cash and cash equivalents at beginning of quarter/year	21,577,245	18,181,126	18,181,126	304,473	178,632	178,632
Cash and cash equivalents at quarter/year end	20,280,270	25,682,429	21,577,245	777,207	148,197	304,473

The notes on page 16 to 32 form an integral part of these financial statements.

1 General information

SBM Holdings Ltd (the "Company") is a public company incorporated on 18 November 2010 and domiciled in Mauritius. The Company is listed on the Stock Exchange of Mauritius as from 03 October 2014 pursuant to the Group restructuring approved by the Bank of Mauritius. The address of its registered office is SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis, Mauritius.

The Group operates in the financial services sector, principally commercial banking. The interim unaudited condensed financial statements are presented in Mauritian Rupee, which is the Group's and Company's functional and presentation currency. All values are rounded to the nearest thousand (MUR'000), except where otherwise indicated.

2 Application of new and revised International Financial Reporting Standards (IFRSs)

In the current period, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to their operations and effective for accounting periods beginning on 01 January 2021.

(a) New and revised IFRSs and IFRICs that are effective for the financial period

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting treatment for future transactions or arrangements.

IAS 39	Financial Instruments: Recognition and Measurement Amendments regarding replacement issues in the context of the IBOR reform
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform
IFRS 9	Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19 - related rent concession is a lease modification

Other standards, amendments and interpretations, which are effective for the period beginning on 01 January 2020, are not relevant to the Group.

(b) New and revised IFRSs and IFRICs in issue but not yet effective

IAS 1	Presentation of Financial Statements - Amendments regarding classification of liabilities (effective 1 January 2023)
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective 01 January 2023)
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 01 January 2023)
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 01 January 2022)
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 01 January 2022)
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018 - 2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)
IFRS 16	Leases - Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification (effective 1 April 2021)

The directors anticipate that these amendments will be adopted in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the adoption of these amendments.

3 Accounting policies

These interim unaudited condensed financial statements do not include all the information and disclosures contained in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020, which have been prepared under International Financial Reporting Standards (IFRSs).

(a) Basis of preparation

These interim unaudited condensed financial statements for the quarter ended 31 March 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies adopted in the preparation of the interim unaudited condensed financial statements for the quarter ended 31 March 2021 are consistent with those followed in the preparation of the Group's audited financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations effective as from 01 January 2021. The nature and the effect of these changes are disclosed above in 2(a).

3 Accounting policies (Continued)**(b) Comparative figures**

Where necessary, the figures for the quarter ended 31 March 2020 are restated or reclassified to conform with changes in presentation or in accounting policies applied in the audited financial statements for the year ended 31 December 2020.

4 Significant accounting judgements and estimates

The preparation of interim unaudited condensed financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim unaudited condensed financial statements, the significant judgements made by the directors in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

5 Cash and cash equivalents

	The Group			The Company		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Cash in hand	1,406,924	1,652,588	2,016,632	-	-	-
Foreign currency notes and coins	985,531	971,385	1,318,174	-	-	-
Unrestricted balances with central banks	10,797,402	11,415,955	11,290,418	-	-	-
Loans and placements with banks	1,650,351	5,337,486	2,543,251	-	-	-
Balances with banks	5,441,291	6,307,826	4,410,441	777,207	148,197	304,473
	20,281,499	25,685,240	21,578,916	777,207	148,197	304,473
Less expected credit loss allowance	(1,229)	(2,811)	(1,671)	-	-	-
	20,280,270	25,682,429	21,577,245	777,207	148,197	304,473

An analysis of changes in the corresponding ECL allowances is, as follows:

	THE GROUP		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR' 000	MUR' 000	MUR' 000
	Stage 1	Stage 1	Stage 1
ECL allowance as at 01 Janaury	2,811	1,671	4,849
Movement for the year	1,229	2,811	1,671
Assets repaid	(2,811)	(1,671)	(4,849)
ECL allowance as at 31 December	1,229	2,811	1,671

6 Loans to and placements with banks

	The Group		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR' 000	MUR' 000	MUR' 000
Loans to and placements with banks			
- In Mauritius	308,706	2,002,153	353,508
- Outside Mauritius	2,862,325	4,622,569	2,797,237
	3,171,031	6,624,722	3,150,745
Less expected credit loss allowance	(20,394)	(35,431)	(20,358)
	3,150,637	6,589,291	3,130,387

6 Loans to and placements with banks (Continued)

Gross carrying amount for loans to and placements with banks based on the Group's internal credit and stage classification

	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	Stage 1 MUR' 000	Stage 1 MUR' 000	Stage 1 MUR' 000
Internal rating grade			
Performing			
High grade	-	399,738	-
Standard grade	2,842,677	4,835,470	2,807,724
Sub-standard grade	328,354	1,389,514	343,021
	3,171,031	6,624,722	3,150,745
Less expected credit loss allowance	(20,394)	(35,431)	(20,358)
Total	3,150,637	6,589,291	3,130,387

An analysis of changes in the gross carrying amount and the corresponding ECL allowances by staging is as follows

	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	Stage 1 MUR' 000	Stage 1 MUR' 000	Stage 1 MUR' 000
Gross carrying amount as at 1 January	3,150,746	6,968,226	6,968,226
New assets originated or purchased	5,275	2,276,570	2,698,297
Assets derecognised or repaid (excluding write offs)	(61,610)	(2,858,885)	(6,589,629)
Exchange adjustment	76,620	238,811	73,851
Gross carrying amount as at 31 March/31 December	3,171,031	6,624,722	3,150,745

	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	Stage 1 MUR' 000	Stage 1 MUR' 000	Stage 1 MUR' 000
ECL allowance as at 1 January	20,357	25,481	25,481
New assets originated or purchased	460	12,082	18,004
Assets derecognised or repaid (excluding write offs)	(423)	(2,169)	(22,614)
Discontinued operations of SBMBS	-	-	(513)
Exchange adjustment	-	37	-
ECL allowance as at 31 March / 31 December	20,394	35,431	20,358

7 Loans and advances to non-bank customers

	The Group		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR' 000	MUR' 000	MUR' 000
Retail customers	41,779,396	40,710,733	41,555,983
- Credit cards	455,855	487,837	510,114
- Mortgages	27,933,660	26,068,065	27,601,971
- Other retail loans	13,389,881	14,154,831	13,443,898
Corporate customers	47,185,190	47,092,594	47,903,770
Government	17,984	19,022	7,705
Entities outside Mauritius (including offshore / Global Business Licence Holders)	48,872,479	41,097,041	46,515,477
Gross Loans and advances	137,855,049	128,919,390	135,982,935
Less expected credit loss allowance	(13,954,299)	(13,221,023)	(15,743,574)
Net Loans and advances	123,900,750	115,698,366	120,239,361

(a) Gross advances by sectors

	The Group		
	Unaudited	Unaudited	Audited
	31 March	31 March	31 December
	2021	2020	2020
	MUR' 000	MUR' 000	MUR' 000
Agriculture and fishing	4,732,206	4,446,723	4,884,288
Manufacturing	11,567,391	8,978,354	12,257,856
<i>of which EPZ</i>	1,900,321	1,682,568	1,778,560
Tourism	16,136,503	12,918,800	16,326,449
Transport	4,029,130	3,864,639	3,745,354
Construction	12,593,154	10,206,575	11,705,352
Financial and business services	10,273,794	13,122,082	9,383,774
Traders	15,102,302	14,394,502	14,678,244
Personal	44,414,324	41,115,885	42,908,381
<i>of which credit cards</i>	1,239,848	521,030	577,282
Professional	220,299	185,594	379,839
Global Business Licence holders	4,609,177	6,625,410	8,565,272
Others	14,176,769	13,060,826	11,148,126
	137,855,049	128,919,390	135,982,935

7 Loans and advances to non-bank customers (Cont'd)

(b) Credit quality and risk exposure

The Group Unaudited				
31 March 2021				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	43,958,421	578,250	-	44,536,671
Standard grade	43,239,775	10,074,274	-	53,314,049
Sub-standard grade	9,642,130	10,349,749	-	19,991,879
Past due but not impaired	-	2,999,951	-	2,999,951
Non-performing				
Individually impaired	-	-	17,012,499	17,012,499
Total	96,840,326	24,002,224	17,012,499	137,855,048
Less expected credit loss allowance	(950,011)	(1,201,145)	(11,803,142)	(13,954,299)
Net loans and advances	95,890,315	22,801,079	5,209,357	123,900,749

The Group made a write off of MUR 2.7 billion during the first quarter of 2021.

The Group Unaudited				
31 March 2020				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	41,865,900	2,649,875	-	44,515,775
Standard grade	39,283,372	7,760,624	-	47,043,996
Sub-standard grade	5,149,949	5,823,709	-	10,973,658
Past due but not impaired	12,378	9,121,468	-	9,133,846
Non-performing				
Individually impaired	-	-	17,252,115	17,252,115
Total	86,311,599	25,355,676	17,252,115	128,919,391
Less expected credit loss allowance	(744,429)	(1,408,955)	(11,067,639)	(13,221,023)
Net loans and advances	85,567,170	23,946,721	6,184,476	115,698,369

The Group Audited				
31 December 2020				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	41,942,338	1,442,105	-	43,384,443
Standard grade	44,793,986	8,836,941	-	53,630,927
Sub-standard grade	11,176,371	7,333,128	-	18,509,499
Past due but not impaired	-	1,736,224	-	1,736,224
Non-performing				
Individually impaired	-	-	18,721,842	18,721,842
Total	97,912,695	19,348,398	18,721,842	135,982,935
Less expected credit loss allowance	951,035	1,050,019	13,742,518	(15,743,574)
Net loans and advances	98,863,730	20,398,417	32,464,360	120,239,361

8 Investment securities

	The Group			The Company		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
Measured at:	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Amortised cost	53,409,710	33,567,988	45,901,246	1,023,136	1,106,427	1,077,577
Fair value through other comprehensive income	61,931,509	50,316,925	58,899,447	8,976	8,299	8,637
Fair value through profit or loss	6,514,529	8,871,156	9,580,368	230,994	643,260	661,057
Equity securities designated at FVTOCI	5,194,485	6,042,883	5,181,355	3,636,229	4,227,683	3,636,307
Equity shares measured at FVTPL	1,622,331	1,479,049	1,622,852	1,622,331	1,479,053	1,622,332
	128,672,564	100,278,001	121,185,268	6,521,666	7,464,722	7,005,911
Less expected credit loss allowance	(100,063)	(102,347)	(131,871)	(696)	(751)	(778)
	128,572,501	100,175,654	121,053,397	6,520,970	7,463,971	7,005,132

Note: All investment securities subject to ECL are classified under Stage 1 in the ECL model.

9 Deposits from non-bank customers

	The Group		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR'000	MUR'000	MUR'000
Retail	109,304,128	96,393,832	104,387,700
Corporate	111,054,449	84,565,430	106,532,550
Government	14,343,761	17,716,012	15,941,971
	234,702,338	198,675,274	226,862,221

10 Memorandum Items

Acceptance, guarantees, letter of credit, endorsements and other obligations on account of customers

	The Group		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR'000	MUR'000	MUR'000
Acceptances on account of customers	494,033	867,411	361,590
Guarantees on account of obligations on account of customers	13,052,433	9,345,616	11,433,868
Undrawn credit facilities	2,296,209	1,190,596	3,974,549
Other contingent items	14,777,224	12,234,589	15,342,522
	2,747,050	130,363	202,295
	33,366,949	23,768,575	31,314,824

Others

	The Group		
	Unaudited 31 March 2021	Unaudited 31 March 2020	Audited 31 December 2020
	MUR'000	MUR'000	MUR'000
Inward bills held for collection	377,466	152,691	227,129
Outward bills sent for collection	1,471,932	1,233,633	1,584,874
	1,849,398	1,386,324	1,812,003
Total	35,216,347	25,154,899	33,126,827

10 Memorandum Items (continued)

Acceptance, guarantees, letter of credit, endorsements and other obligations on account of customers (Continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification.

Unaudited 31 March 2021				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	16,127,488	22,428	-	16,149,916
Standard grade	12,453,822	558,509	-	13,012,331
Sub-standard grade	4,217,057	1,651,234	-	5,868,291
Non-performing				
Individually impaired	-	-	185,809	185,809
Total	32,798,367	2,232,171	185,809	35,216,347
Less: expected credit losses classified under other liabilities	(128,117)	(106,004)	(153,243)	(387,364)
	32,670,250	2,126,167	32,566	34,828,983

Unaudited 31 March 2020				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	15,085,964	168,314	-	15,254,278
Standard grade	3,178,986	1,059,577	-	4,238,563
Sub-standard grade	4,549,407	1,111,647	-	5,661,054
Non-performing				
Individually impaired	-	-	1,005	1,005
Total	22,814,357	2,339,538	1,005	25,154,899
Less: expected credit losses classified under other liabilities	(87,027)	(16,022)	(5,882)	(108,931)
	22,727,330	2,323,516	(4,877)	25,045,968

Audited 31 December 2020				
Internal rating grade	Stage 1 Individual	Stage 2 Individual	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Performing				
High grade	16,897,993	8,047	-	16,906,040
Standard grade	8,939,807	334,060	-	9,273,867
Sub-standard grade	5,652,054	1,050,223	-	6,702,277
Past due but not impaired	-	54,140	-	54,140
Non-performing				
Individually impaired	-	-	190,503	190,503
Total	31,489,854	1,446,470	190,503	33,126,827
Less: expected credit losses classified under other liabilities	(106,504)	(111,407)	(150,812)	(368,723)
	31,383,350	1,335,063	39,691	32,758,104

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11 Net interest income/(expense)

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest Income using the effective interest method						
Cash and cash equivalents	23,609	39,426	120,984	-	-	-
Loans to and placements with banks	14,608	42,442	133,551	-	-	-
Loans and advances to non bank customers	1,718,622	1,773,969	6,782,849	-	-	-
Investment securities at amortised cost	720,765	697,974	2,942,378	12,539	13,038	51,929
Investment securities at FVTOCI	197,703	328,433	1,051,956	91	111	357
Other	-	-	22,672	-	-	-
	2,675,307	2,882,244	11,054,390	12,630	13,149	52,286
Other interest income						
Investment securities	(7,424)	571	13,591	-	-	-
Derivative financial instruments	88,803	62,973	188,422	-	-	-
	81,379	63,544	202,013	-	-	-
Total interest income	2,756,686	2,945,788	11,256,403	12,630	13,149	52,286
Interest expense						
Deposits from non-bank customers	(619,991)	(807,726)	(2,450,927)	-	-	-
Other borrowed funds	(141,578)	(157,860)	(669,903)	-	-	-
Subordinated debts	(105,253)	(118,235)	(444,508)	(105,253)	(118,235)	(444,508)
Interest expense on lease liabilities	(15,383)	(12,112)	(60,093)	-	-	-
Total interest expense	(882,205)	(1,095,933)	(3,625,431)	(105,253)	(118,235)	(444,508)
Other interest expense						
Derivatives	(154,751)	(81,386)	(434,831)	(18,281)	(7,129)	(50,728)
Total interest expense	(1,036,956)	(1,177,319)	(4,060,262)	(123,534)	(125,364)	(495,236)
Net interest income/(expense)	1,719,730	1,768,469	7,196,141	(110,904)	(112,215)	(442,950)

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12 Net fee and commission income

	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended	Quarter ended	Quarter ended	Year ended
	31 March 2021	31 March 2020	31 December 2020	31 March 2021	31 March 2020	31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Fee and commission income						
Retail banking customer fees	88,122	75,736	331,815	-	-	-
Corporate banking customer fees	175,320	138,780	461,586	-	-	-
Brokerage income	28,226	20,445	43,213	-	-	-
Assets Management fees	10,213	9,782	40,684	-	-	-
Card income	86,735	101,703	370,742	-	-	-
Other	35,736	59,002	203,331	-	-	-
Total fee and commission income	424,352	405,448	1,451,371	-	-	-
Fee and commission expense						
Interbank transaction fees	(11,414)	(5,236)	(37,467)	-	-	-
Brokerage	-	(2,815)	(1,042)	-	-	-
Other	(7,695)	(4,929)	(18,803)	(1)	(140)	(13)
Total fee and commission expense	(19,109)	(12,980)	(57,312)	(1)	(140)	(13)
Net fee and commission income	405,243	392,468	1,394,059	(1)	(140)	(13)

13 Net trading income

	The Group			The Company		
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended	Quarter ended	Quarter ended	Year ended
	31 March 2021	31 March 2020	31 December 2020	31 March 2021	31 March 2020	31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit arising from dealing in foreign currencies	317,973	121,605	734,553	-	-	-
Debt securities	(10,555)	91,274	177,802	-	(17)	-
Other interest rate instruments	142,091	79,234	137,119	-	-	-
	449,509	292,113	1,049,474	-	(17)	-

14 Net gain /(losses) from financial assets at fair value through profit or loss

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Financial assets mandatorily measured at FVTPL	(3,214)	(19,569)	(13,377)	(4,797)	196,307	366,601
Derivatives held for risk management purposes	(12,480)	(50,454)	18,085	(1,130)	(33,206)	9,847
	(15,694)	(70,023)	4,708	(5,927)	163,101	376,448

15 Credit loss expense on financial assets

	The Group				The Group			
	Unaudited Quarter 31 March 2021				Unaudited Quarter 31 March 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Loans and advances to non bank customers	(8,519)	147,869	401,162	540,512	14,580	(487,023)	1,409,433	936,990
Loans and placements with banks	(432)	-	-	(432)	9,002	-	-	9,002
Debt instruments measured at amortised cost	(24,385)	22,875	26,504	24,994	(14,872)	-	-	(14,872)
Other receivables	-	-	-	-	-	-	-	-
Loan commitments	26,805	-	-	26,805	(54,186)	-	-	(54,186)
Off balance sheet items (Guarantees, Letters of credit, Acceptances)	(6,158)	(5,366)	2,405	(9,119)	3,881	329	(2,550)	1,660
Total credit loss under IFRS 9	(12,689)	165,378	430,071	582,760	(41,595)	(486,694)	1,406,883	878,594
Write off	-	-	-	63,973	-	-	-	235,469
Recoveries	-	-	-	(100,172)	-	-	-	(249,915)
Total credit loss/(income)	(12,689)	165,378	430,071	546,561	(41,595)	(486,694)	1,406,883	864,148

Credit loss expense on financial assets

	The Group				The Company		
	Audited Year ended				Unaudited Quarter ended	Audited Year ended	
	31 December 2020				31 March 2021	31 March 2020	31 December 2020
	Stage 1 MUR'000	Stage 2 MUR'000	Stage 3 MUR'000	Total MUR'000	Stage 1 MUR' 000	Stage 1 MUR' 000	Stage 1 MUR' 000
Loans and advances to non bank customers	240,789	(861,268)	4,286,735	3,666,256	-	-	-
Loans and placements with banks	(7,732)	-	-	(7,732)	-	-	-
Debt instruments measured at amortised cost	(36,353)	-	-	(36,353)	-	-	-
Loan commitments	(18,351)	-	-	(18,351)	-	-	-
Other receivables	13,338	-	-	13,338	-	(190)	(217)
Off balance sheet items (Guarantees, Letters of credit, Acceptances)	(11,729)	95,898	142,355	226,524	-	-	-
Total credit loss under IFRS 9	179,962	(765,370)	4,429,090	3,843,682	-	(190)	(217)
Write off	-	-	-	185,371	-	-	-
Recoveries	-	-	-	(271,651)	-	-	-
Total credit loss	179,962	(765,370)	4,429,090	3,757,402	-	(190)	(217)

SBM HOLDINGS LTD**NOTES TO AND FORMING PART OF THE INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021****27****16 Taxation**

(a) Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

As from 01 January 2020, a new tax regime is applicable for the banking sector in Mauritius. Mauritian banks are being taxed at 5% on the first MUR 1.5 billion of their chargeable income, at 15% of the chargeable income between MUR 1.5 billion and the base year income, and at 5% on the remainder, subject to meeting prescribed conditions.

(b) Deferred tax asset is calculated at the rate of 7% for Segment A and 5% for Segment B.

(c) SBM Bank (Mauritius) Ltd is liable to pay a special levy as per the VAT Act enacted under the Finance Act 2018. Special levy is calculated as a percentage of the Bank's leviable income from residents excluding Global Business Licence holders. Special Levy is accounted as an income tax expense as at the reporting dates.

	The Group			The Company		
	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Income tax						
Income tax expense	9,208	90,201	456,707	-	-	-
Movement in deferred tax	41,871	(79,002)	(398,481)	-	-	-
Corporate social responsibility contribution	19,948	17,973	70,531	-	-	(336)
Bank levy	42,842	42,842	171,369	-	-	-
	113,869	72,014	300,126	-	-	(336)

17 Dividend

No dividend has been proposed and/or paid during the period under review.

18 Segment Information

	The Group Unaudited 31 March 2021				
	Banking MUR' 000	Non-bank financial institutions MUR' 000	Non financial institutions MUR' 000	Intersegment adjustments MUR' 000	Group Total MUR' 000
Revenue from external customers	3,862,521	45,431	22,474	-	3,930,426
Revenue from other segments of the entity	-	42,769	-	(42,769)	-
Total gross revenue	3,862,521	88,200	22,474	(42,769)	3,930,426
Net interest income	1,819,832	10,802	(110,904)	-	1,719,730
Operating income	2,930,914	79,967	(101,060)	(35,462)	2,874,359
Profit after tax	661,218	26,505	(275,650)	5,714	417,787
Segment assets	317,693,206	3,479,664	37,065,799	(60,053,591)	298,185,078
Segment liabilities	263,431,072	1,393,560	10,689,932	(2,653,626)	272,860,938
The Group Unaudited 31 March 2020					
	Banking MUR' 000	Non-bank financial institutions MUR' 000	Non financial institutions MUR' 000	Intersegment adjustments MUR' 000	Group Total MUR' 000
Revenue from external customers	3,860,751	(125,795)	152,732	-	3,887,688
Revenue from other segments of the entity	-	240,713	60,000	(300,713)	-
Total gross revenue	3,860,751	114,918	212,732	(300,713)	3,887,688
Net interest income	1,866,541	14,143	(112,215)	-	1,768,469
Operating income	2,789,437	106,970	87,229	(286,247)	2,697,389
Profit after tax	611,206	67,516	(428,428)	(244,571)	5,723
Segment assets	289,490,003	4,045,987	38,251,338	(60,251,850)	271,535,478
Segment liabilities	237,044,912	1,401,054	10,455,058	(2,050,607)	246,850,417
The Group Audited 31 December 2020					
	Banking MUR' 000	Non-bank financial institutions MUR' 000	Non financial institutions MUR' 000	Intersegment adjustments MUR' 000	Group Total MUR' 000
Revenue from external customers	14,725,097	92,299	521,739	-	15,339,135
Revenue from other segments of the entity	-	409,161	215,000	(624,161)	-
Total gross revenue	14,725,097	501,460	736,739	(624,161)	15,339,135
Net interest income	7,544,024	72,395	(420,278)	-	7,196,141
Operating income	11,129,516	508,422	241,490	(657,867)	11,221,561
Profit after tax	1,416,704	310,603	(484,065)	(222,232)	1,021,010
Segment assets	307,642,895	3,981,468	37,059,449	(60,261,718)	288,422,094
Segment liabilities	253,740,545	1,432,582	10,406,916	(2,354,277)	263,225,766

19 Fair value of Financial Assets And Financial Liabilities

<u>The Group</u>	Unaudited		Unaudited		Audited	
	31 March 2021		31 March 2020		31 December 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets						
Cash and cash equivalents	20,280,270	20,280,270	25,682,429	25,682,429	21,577,245	21,577,245
Mandatory balances with Central bank	11,342,494	11,342,494	10,378,934	10,378,934	11,290,363	11,290,363
Loans to and placements with banks	3,150,637	3,150,637	6,589,291	6,589,291	3,130,387	3,130,387
Derivative financial instruments	673,818	673,818	2,294,729	2,294,729	809,379	809,379
Loans and advances to non-bank customers	123,900,750	123,747,839	115,698,366	115,545,455	120,239,361	120,051,834
Investment securities	128,572,501	129,797,847	100,175,654	101,401,000	121,053,397	123,216,788
Other assets	2,788,708	2,788,708	3,023,713	3,023,713	2,650,217	2,650,217
	290,709,179	291,781,615	263,843,118	264,915,553	280,750,347	282,726,212
Financial liabilities						
Deposits from banks	1,402,251	1,402,251	877,528	877,528	1,403,315	1,403,315
Deposits from non-bank customers	234,702,338	234,727,753	198,675,274	198,700,689	226,862,221	226,889,978
Other borrowed funds	14,239,149	14,239,149	26,411,800	26,411,800	15,017,177	15,017,177
Derivative financial instruments	1,496,212	1,496,212	2,449,575	2,449,575	1,279,984	1,279,984
Lease liabilities	777,989	777,989	715,957	715,957	804,407	804,407
Other liabilities	7,953,369	7,953,369	4,413,524	4,413,524	6,009,465	6,009,465
Subordinated debts	10,400,001	10,400,001	10,243,325	10,243,325	10,142,786	10,142,786
	270,971,309	270,996,723	243,786,983	243,812,398	261,519,355	261,547,112
The Company						
	Unaudited		Unaudited		Audited	
	31 March 2021		31 March 2020		31 December 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets						
Cash and cash equivalents	777,207	777,207	148,197	148,197	304,473	304,473
Investment securities	6,520,995	7,532,223	7,463,971	8,475,199	7,005,132	7,519,611
Other assets	69,437	69,437	211,384	211,384	48,900	48,900
	7,367,639	8,378,867	7,823,552	8,834,780	7,358,505	7,872,984
Financial liabilities						
Derivative financial instruments	61,378	61,378	88,467	88,467	41,524	41,524
Other liabilities	217,247	217,247	119,761	119,761	211,206	211,206
Subordinated debts	10,400,001	10,400,001	10,243,325	10,243,325	10,142,786	10,142,786
	10,678,626	10,678,626	10,451,553	10,451,553	10,395,516	10,395,516

- For loans and advances to non-bank customers, all the fixed loans and advances maturing after one year has been fair valued based on the current prevailing lending rate and are classified as level 2 assets.

- For investment securities, all the government bonds and BOM bonds have been fair valued based on the latest weighted yield rate and are classified as level 2 assets.

- For deposits from non-bank customers, all the term deposits maturing after one year have been fair valued based on the current prevailing savings rate and are classified as level 2 assets..

19 Fair value of Financial Assets And Financial Liabilities (Continued)

Fair value measurement hierarchy

The fair value of equity investments that are quoted on active markets are based on the quoted prices for these instruments. Valuation techniques used to estimate the fair value of unquoted equity investments include the dividend growth, discounted cash flows and net assets. Management has made certain assumptions for inputs in the models, such as risk free rate, risk premium, dividend growth rate, future cash flows, weighted average cost of capital, and earnings before interest depreciation and tax, which may be different from actual. Inputs are based on information available at the reporting date.

The determination of fair values, estimated by discounting future cash flows and by determining the relative interest rates, is subjective. The estimated fair value was calculated according to interest rates prevailing at the reporting date and does not consider interest rate fluctuations. Given other interest rate assumptions, fair value estimates may differ.

Fair value measurements of financial instruments can be grouped into level 1 to 3 based on the degree to which the fair value is observable, namely:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The table below analyses financial instruments measured at fair value at the end of the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

The Group

	Unaudited			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
31 March 2021				
Derivative financial assets	-	673,818	-	673,818
Investment securities mandatorily measured at FVTPL				
Debt securities	5,719,283	-	795,245	6,514,529
Equity securities	-	1,622,331	-	1,622,331
Investments at FVTOCI (debt and equity instruments)				
Debt securities	61,806,977	-	124,533	61,931,509
Equity securities	69,736	702,475	4,422,273	5,194,485
Total assets	67,595,996	2,998,624	5,342,052	75,936,672
Derivative financial liabilities	-	1,496,212	-	1,496,212
Total liabilities	-	1,496,212	-	1,496,212

	Unaudited			
	Level 1	Level 2	Level 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
31 March 2020				
Derivative financial assets	-	2,294,729	-	2,294,729
Investment securities mandatorily measured at FVTPL				
Debt securities	8,051,092	-	820,065	8,871,156
Equity securities	-	1,479,049	-	1,479,049
Investments at FVTOCI (debt and equity instruments)				
Debt securities	50,199,674	-	117,251	50,316,925
Equity securities	70,067	827,597	5,145,218	6,042,883
Total assets	58,320,833	4,601,375	6,082,534	69,004,742
Derivative financial liabilities	-	2,449,575	-	2,449,575
Total liabilities	-	2,449,575	-	2,449,575

19 Fair value of Financial Assets And Financial Liabilities (Continued)

	Audited			
	Level 1	Level 2	Level 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<u>31 December 2020</u>				
Derivative financial assets	-	809,379	-	809,379
Investment securities mandatorily measured at FVTPL				
Debt securities	9,580,368	-	-	9,580,368
Equity securities	-	1,622,852	-	1,622,852
Investments at FVTOCI (debt and equity instruments)				
Debt securities	58,644,453	-	254,994	58,899,447
Equity securities	70,959	695,204	4,415,192	5,181,355
Total assets	68,295,779	3,127,435	4,670,186	76,093,401
Derivative financial liabilities	-	1,279,984	-	1,279,984
Total liabilities	-	1,279,984	-	1,279,984

There was no transfer between levels during the period

The Company

The Company

	Unaudited			
	Level 1	Level 2	Level 3	Total
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<u>31 March 2021</u>				
Investment securities mandatorily measured at FVTPL				
Debt securities	230,994	-	-	230,994
Equity securities	-	1,622,331	-	1,622,331
Investments at FVTOCI (debt and equity instruments)				
Debt securities	8,976	-	-	8,976
Equity securities	-	-	3,636,229	3,636,229
Total assets	239,970	1,622,331	3,636,229	1,853,325
Derivative financial liabilities	-	61,378	-	61,378
Total liabilities	-	61,378	-	61,378

31 March 2020

Investment securities mandatorily measured at FVTPL				
Debt securities	643,260	-	-	643,260
Equity securities	-	1,479,049	-	1,479,049
Investments at FVTOCI (debt and equity instruments)				
Debt securities	8,299	-	-	8,299
Equity securities	-	-	4,227,683	4,227,683
Total assets	651,559	1,479,049	4,227,683	6,358,291
Derivative financial liabilities	-	88,467	-	88,467
Total liabilities	-	88,467	-	88,467

31 December 2020

Investment securities mandatorily measured at FVTPL				
Debt securities	661,057	-	-	661,057
Equity securities	-	1,622,331	-	1,622,331
Investments at FVTOCI (debt and equity instruments)				
Debt securities	8,637	-	-	8,637
Equity securities	-	-	3,636,307	3,636,307
Total assets	669,694	1,622,331	3,636,307	5,928,332
Derivative financial liabilities	-	41,524	-	41,524
Total liabilities	-	41,524	-	41,524

20 COVID-19

COVID-19 has shaken the world since the beginning of the year 2020. The Group has, however, proactively built up a significant liquidity cushion and undertaken a detailed review of its asset portfolio. The asset review has been based on three scenarios of increasing severity to assess the impact on the Group's profitability, liquidity, capital adequacy and asset quality. The results of the stress testing have been presented to and agreed by the Board.

As at 31 March 2021, the increase in the overall credit risk has been factored into the Group's quarterly results which have resulted in an increase in the provisioning levels to the extent known/identified as of the balance sheet date, without anticipating/speculating on the trajectory of the pandemic going forward which is not possible to ascertain given the nature and breadth of the global crisis.

The environment remains very dynamic and any new information available is promptly fed in our scenarios. The updated results are then reviewed by management and communicated to the Board on a regular basis.

21 Discontinued operations

The Board has approved the exit of SBM Bank (Seychelles) Ltd ("SBMBS") in the Seychelles. The approval from the Central Bank of Seychelles has been received on 30 July 2020 and it has submitted its banking license to the Central Bank of Seychelles on 18 December 2020. At 31 March 2021, the results of SBMBS were reported as a one line item under "Discontinued Operations" in the Statements of Profit or Loss. The results of the foreign subsidiary for the quarter ended 31 March 2021 are presented below:

	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR' 000	MUR' 000	MUR' 000
Interest income using the effective interest method	24	2,320	5,141
Interest expense using the effective interest method	-	(154)	(311)
Net interest income	24	2,166	4,830
Fee and commission income	-	10	87
Fee and commission expense	-	(2)	(2)
Net fee and commission income	-	8	85
Other income			
Net trading income	1,857	801	52,084
	1,857	801	52,084
Non- interest income	1,857	809	52,169
Operating income	1,881	2,975	56,999
Personnel expenses	-	(2,224)	(8,655)
Depreciation of property and equipment	-	(515)	(1,597)
Depreciation of right-of-use assets	-	(1,269)	(2,277)
Amortisation of intangible assets	-	(577)	(243)
Other expenses	-	(212)	(36,307)
Non- interest expense	-	(4,797)	(49,079)
Profit/(loss) before credit loss expense	1,881	(1,822)	7,920
Credit loss gain on financial assets and memorandum items	-	20	470
Profit/(loss) before income tax	1,881	(1,802)	8,390
Tax credit/(charge)	-	6,385	(484)
Profit for the quarter/year from discontinued operations	1,881	4,583	7,906

The net cash flows incurred by SBMBS are as follows:

	Unaudited Quarter ended 31 March 2021	Unaudited Quarter ended 31 March 2020	Audited Year ended 31 December 2020
	MUR'000	MUR'000	MUR'000
Operating cash flows	77,913	18,731	60,252
Investing cash flows	-	(1,995)	30,175
	77,913	16,736	90,427