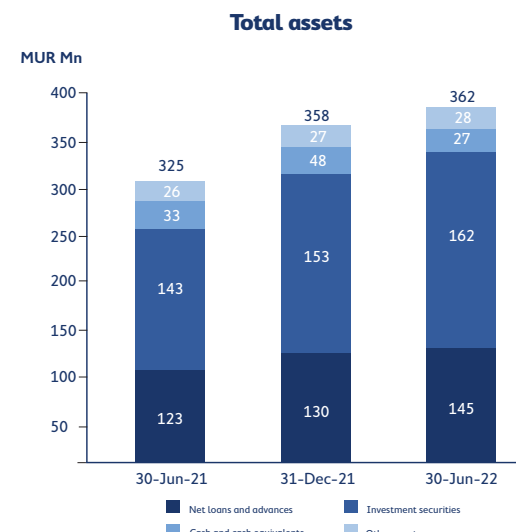
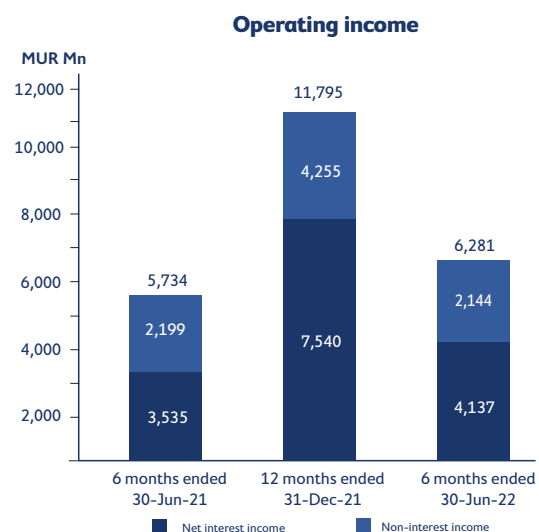
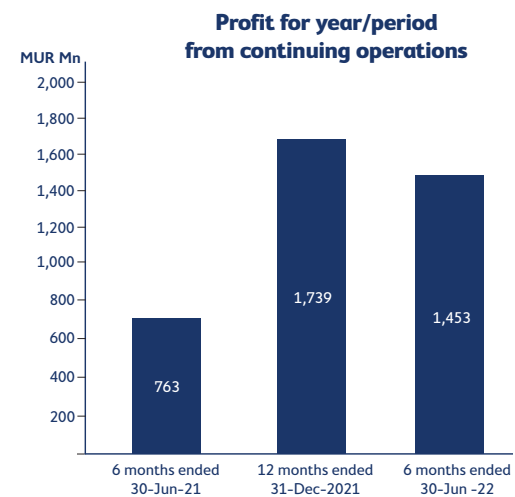


INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

KEY HIGHLIGHTS

- SBM Group further boosts its profitability level across operating entities and markets
- Key fundamentals of the organisation being upheld amidst continuously sound financial ratios
- Sustained efforts to further strengthen and diversify the Group's growth trajectory over the periods ahead



Performance

The SBM Group has sustained its business growth momentum during the second quarter of the year, while benefitting from strategic initiatives being put into place across presence countries. Against this backdrop, profit attributable to equity holders of the parent attained MUR 1,452.8 million for the six months ended 30 June 2022, representing an increase of 90.4% when compared to the corresponding period of the preceding year. Bearing in mind the challenging market and economic conditions, the performance posted by the Group is encouraging insofar as it testifies that the organisation is on the right track and that its strategy is gradually working.

The improved Group outcome was underpinned by a decline in credit loss expense and higher core earnings. Net interest income grew by 17.0% to stand at MUR 4,136.8 million, while net fee and commission income went up by 44.9%. This contributed to operating income reaching MUR 6,280.5 million during the first semester of the year, representing a year-on-year growth of 9.5%. Continued emphasis was laid on effective cost management, with operating expenses edging up by 7.0% amidst sustained capacity-building initiatives across entities.

Reflecting the organisation's business development endeavours, gross loans and advances to non-bank customers rose by 10.8% to reach MUR 160.8 billion, compared to MUR 145.1 billion as at 31 December 2021, while deposits from non-bank customers stood at MUR 298.3 billion.

Earnings per share from continuing operations stood at 56.3 cents for the six months ended 30 June 2022, compared to 29.5 cents for the preceding year.

The Group results were driven by broad-based foundations. While foreign banking entities have continued to capitalise on stabilisation and growth-enabling initiatives, SBM Bank (Mauritius) Ltd has reinforced its positioning as the mainstay of the Group. Reflecting the diversification of revenue streams, the contribution of the Non-Banking Financial Cluster to Group profit has increased.

Alongside expanding its market reach, the Group has preserved the foundations in support of its resilience and future strategic endeavours. The capital base of the Group stood at MUR 32.6 billion as at 30 June 2022. Consequently, after taking into consideration the business development impetus registered in several areas, the overall capital adequacy ratio reached 19.3%, which is above regulatory thresholds. In spite of the challenges faced, the Group upheld relatively healthy asset quality, funding, liquidity and efficiency positions.

Outlook

Whereas some signs of recovery are being witnessed, the economic environment warrants close attention on the back of the uncertain global landscape, amidst recurring shocks and persisting inflationary pressures. This has led the IMF to recently downgrade its short to medium term GDP growth projection for the world economy, with the institution also highlighting the overwhelming downside risks to this outlook.

In this context, the Board will ensure that the SBM Group remains vigilant to the challenges faced and adopts a disciplined approach when capturing growth opportunities. Overall, the Group is focused on achieving its strategic priorities in line with its vision and risk appetite. Towards this end, it will capitalise on an increasingly robust and adaptable business model, a strengthened risk management set-up as well as an improved customer value proposition. As a key thrust, SBM Group will actively support the holistic advancement of economies and societies in which it operates as it moves forward to create meaningful value for all its stakeholders.

Sattar HAJEE ABDOLA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

11 August 2022

SBM Holdings Ltd ("the Company") and its subsidiaries, here altogether ("the Group"), present the Group and Company interim unaudited condensed financial report for the six months ended 30 June 2022.

The interim unaudited condensed financial report has been prepared in accordance with IAS 34 – Interim Financial Reporting. The report has also been prepared based on those accounting policies applied in the preparation of the audited financial statements for the year ended 31 December 2021; the Group and the Company having adopted all new standards and interpretations which are effective as from 01 January 2022.

REPORT ON REVIEW OF THE INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SBM HOLDINGS LTD

Introduction

We have reviewed the accompanying interim unaudited condensed financial statements which comprise the consolidated and separate statements of financial position of SBM Holdings Ltd ("the Company") and of its subsidiaries ("the Group") as at 30 June 2022, and the related consolidated and separate statements of profit or loss and statements of other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the six months then ended and other explanatory notes. The Board of directors and management are responsible for the preparation and presentation of these interim unaudited condensed financial statements in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on these interim unaudited condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and

accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim unaudited condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Deloitte
Chartered Accountants

Date: 11 August 2022

INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	The Group		
	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
	MUR' 000	MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	26,690,697	32,753,097	47,636,821
Mandatory balances with central banks	14,266,572	12,306,063	13,645,545
Loans to and placements with banks	1,297,973	1,941,829	837,970
Derivative financial instruments	1,134,768	795,804	784,250
Loans and advances to non-bank customers	145,439,858	123,248,096	130,393,807
Investment securities	162,147,996	142,985,705	153,426,747
Property and equipment	3,621,858	3,291,539	3,585,755
Right of use assets	729,310	780,528	728,417
Intangible assets	1,789,509	1,961,087	1,963,123
Deferred tax assets	1,384,536	943,741	1,087,074
Other assets	3,749,868	3,667,355	3,578,472
Total assets	362,252,945	324,674,844	357,667,981
LIABILITIES			
Deposits from banks	4,313,233	1,726,566	2,770,002
Deposits from non-bank customers	298,313,608	263,935,693	298,580,858
Other borrowed funds	12,537,736	12,649,671	9,512,912
Derivative financial instruments	756,373	879,211	759,896
Lease liabilities	746,663	774,775	740,902
Current tax liabilities	368,686	150,930	314,671
Pension liability	404,983	744,206	410,183
Other liabilities	8,549,731	8,853,731	8,322,917
Subordinated debts	10,040,771	9,823,959	9,877,346
Total liabilities	336,031,784	299,538,742	331,289,687
SHAREHOLDERS' EQUITY			
Stated capital	32,500,204	32,500,204	32,500,204
Retained earnings	3,663,653	1,516,699	2,807,788
Other reserves	(5,067,665)	(4,005,770)	(4,054,667)
	31,096,192	30,011,133	31,253,325
Less treasury shares	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity holders of the parent	26,221,161	25,136,102	26,378,294
Total equity and liabilities	362,252,945	324,674,844	357,667,981
Memorandum items	49,758,095	38,255,085	44,523,675

Approved by the Board of Directors and authorised for issue on 11 August 2022.

Sattar HAJEE ABDOLA
Chairman

Dr. Subhas THECKA
Chairman, Audit Committee

INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	The Group				
	Unaudited Quarter ended 30 June 2022	Unaudited Quarter ended 30 June 2021	Unaudited Six Months ended 30 June 2022	Unaudited Six Months ended 30 June 2021	Audited Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Continuing Operations					
Interest income using the effective interest method	3,408,747	2,825,142	6,520,958	5,500,449	11,722,105
Other interest income	23,294	41,715	42,656	123,094	135,483
Interest expense using the effective interest method	(1,239,054)	(952,024)	(2,335,006)	(1,834,228)	(3,921,301)
Other interest expense	(41,947)	(99,726)	(91,772)	(254,477)	(395,716)
Net interest income	2,151,040	1,815,107	4,136,836	3,534,838	7,540,571
Fee and commission income	630,752	389,322	1,167,340	813,673	1,763,384
Fee and commission expense	(25,625)	(20,928)	(46,630)	(40,037)	(79,610)
Net fee and commission income	605,127	368,394	1,120,710	773,636	1,683,774
Net trading income	616,283	470,424	1,064,474	919,933	1,491,013
Net (loss)/gain from financial assets at fair value through profit or loss	(74,098)	(29,343)	(104,106)	(45,036)	207,999
Net (loss)/ gain on derecognition of financial assets measured at amortised cost	(6,217)	(281,905)	11,382	6,324	5,890
Net gain on derecognition of financial assets measured at fair value through other comprehensive income	21,885	528,174	41,540	555,515	720,847
Other operating income/(loss)	9,747	(10,846)	9,673	(10,846)	145,056
Non-interest income	1,172,728	1,044,898	2,143,673	2,199,526	4,254,579
Operating income	3,323,768	2,860,005	6,280,510	5,734,365	11,795,150
Personnel expenses	(882,420)	(797,209)	(1,819,937)	(1,595,984)	(3,389,361)
Depreciation of property and equipment	(69,246)	(72,673)	(139,326)	(143,655)	(288,042)
Depreciation of right-of-use assets	(62,843)	(52,770)	(117,483)	(103,735)	(212,381)
Amortisation of intangible assets	(122,309)	(200,769)	(245,975)	(401,985)	(488,986)
Other expenses	(865,563)	(712,675)	(1,566,225)	(1,388,758)	(2,763,180)
Non-interest expense	(2,002,381)	(1,836,096)	(3,888,947)	(3,634,117)	(7,141,950)
Profit before credit loss expense	1,321,386	1,023,909	2,391,563	2,100,248	4,653,200
Credit loss expense on financial assets and memorandum items	(491,627)	(615,508)	(732,999)	(1,162,069)	(2,474,893)
Profit before income tax	829,759	408,401	1,658,565	938,178	2,178,307
Tax expense	(91,495)	(63,337)	(205,793)	(177,206)	(441,319)
Profit for the quarter/period/year from continuing operations	738,264	345,064	1,452,771	760,972	1,736,988
Discontinued operations					
Profit for the period/year from discontinued operations	-	-	-	1,881	1,881
Profit for the quarter/period/year attributable to equity holders of the parent	738,264	345,064	1,452,771	762,853	1,738,869
Earnings per share:					
From continuing operations					
Basic (Cents)	28.6	13.4	56.3	29.5	67.3
Diluted (Cents)	28.6	13.4	56.3	29.5	67.3
From continuing operations and discontinued operations					
Basic (Cents)	28.6	13.4	56.3	29.5	67.4
Diluted (Cents)	28.6	13.4	56.3	29.5	67.4

INTERIM UNAUDITED CONDENSED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

	The Group				
	Unaudited Quarter ended 30 June 2022	Unaudited Quarter ended 30 June 2021	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter/period/year attributable to equity holders of the parent	738,264	345,064	1,452,771	762,853	1,738,869
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation gains on equity instruments measured at FVTOCI	-	404	-	404	367,885
Remeasurement of defined benefit pension plan	-	-	628	-	377,899
Deferred tax on remeasurement of defined benefit pension plan	-	-	205	-	(25,667)
	-	404	833	404	720,117
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	183,213	369,931	194,160	578,475	518,515
Reclassification of translation reserve to profit or loss on deconsolidation of subsidiary	-	(44,423)	-	(44,423)	(44,423)
Investment securities measured at FVTOCI					
Movement in fair value during the quarter/period/year	(904,153)	(588,790)	(1,191,375)	(832,453)	(1,036,779)
Relaxification of losses included in profit or loss on derecognition	(21,885)	(267,286)	(41,540)	(555,515)	(720,847)
Credit (loss)/allowance relating to debt instruments held at FVTOCI	(13,769)	(2,940)	(55,624)	30,433	6,514
	(756,594)	(533,508)	(1,094,379)	(823,483)	(1,277,020)
Total other comprehensive (loss)	(756,594)	(533,104)	(1,093,547)	(823,079)	(556,903)
Total comprehensive (loss)/income attributable to equity holders of the parent	(18,330)	(188,040)	359,225	(60,226)	1,181,966

INTERIM UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	The Group		
	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
	MUR'000	MUR'000	MUR'000
Net cash (used in)/generated from operating activities	(23,113,520)	14,587,195	33,070,280
Net cash generated from/(used in) financing activities	2,414,834	(3,118,288)	(6,343,388)
Net cash used in investing activities	(244,435)	(293,656)	(661,708)
Net change in cash and cash equivalents	(20,943,121)	11,175,251	26,065,184
Expected credit loss allowance on cash and cash equivalents	(3,003)	601	(5,608)
Cash and cash equivalents at beginning of period/year	47,636,821	21,577,245	21,577,245
Cash and cash equivalents at period/year end	26,690,697	32,753,097	47,636,821

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Stated capital	Treasury shares	Statutory reserve	Retained earnings	Net Property revaluation reserve	Other reserves*	Total equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
The Group							
At 01 January 2021	32,500,204	(4,875,031)	693,783	893,576	333,149	(4,349,353)	25,196,328
Profit for the period	-						