



# SBC Limited and Subsidiaries

## Group Results

for the six months period ended 30 June 2022

(Incorporated in the Kingdom of Eswatini  
Reg. No. 473 of 2011)  
ISIN Code: SZE000331031 Share Code: SBC  
Listed on the Eswatini Stock Exchange

COMMENTARY CONT.

### HIGHLIGHTS OVER THE PERIOD

Group revenue growth **▲ 14.6%** per share **▲ 57.9%** Group earnings **▲ 32.3%** Consumer lending earnings **▲ 32.3%** Loan book growth **▲ 9.2%**

The SBC Group achieved excellent results for the six-month period ended 30 June 2022 with Group Profit after tax up 57.9% to E29.4 million, while the SBC Consumer Lending business noted excellent results with Profit after Tax up 32.3% from the prior comparative period. Management is confident that the SBC Group will continue to deliver favourable returns to stakeholders for the foreseeable future.

Figures in Emalangeni	6 months to 30 June 2022	12 months to 31 December 2021	6 months to 30 June 2021
	Reviewed	Reviewed	Reviewed
<b>CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
Revenue	184,216,490	333,285,534	160,740,216
Operating expenses	(74,617,934)	(129,308,194)	(63,171,149)
Impairment loss on loan and advances	-	(10,991,169)	(3,130,635)
<b>OPERATING PROFIT</b>	<b>109,598,556</b>	<b>192,986,171</b>	<b>94,438,432</b>
Other income	36,988,170	64,887,622	28,203,747
Finance costs	(107,590,447)	(205,419,807)	(95,693,299)
<b>PROFIT BEFORE TAXATION</b>	<b>38,996,279</b>	<b>52,453,986</b>	<b>26,948,880</b>
Taxation	(9,587,099)	(12,582,620)	(8,321,148)
<b>PROFIT FOR THE PERIOD</b>	<b>29,409,180</b>	<b>39,871,366</b>	<b>18,627,732</b>
Other comprehensive income	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>29,409,180</b>	<b>39,871,366</b>	<b>18,627,732</b>

<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the parent	29,405,447	39,864,138	18,626,933
Non-controlling interest	3,733	7,228	799
	<b>29,409,180</b>	<b>39,871,366</b>	<b>18,627,732</b>
Earnings per share (cents)	30	41	19
Headline earnings per share (cents)	30	39	19

<b>CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investment property	337,729,827	331,591,494	320,115,052
Property, plant and equipment	7,867,740	7,032,026	7,246,572
Goodwill	209,448,253	209,448,253	209,448,253
Amounts owing by related parties	190,878,099	199,265,078	15,445,628
Deferred tax asset	22,564,622	14,265,243	9,013,979
Loans and advances	893,737,665	854,638,250	822,079,765
Right of use assets	4,166,560	2,081,434	1,584,270
	<b>1,666,742,860</b>	<b>1,618,321,778</b>	<b>1,384,933,519</b>
<b>CURRENT ASSETS</b>			
Amounts owing by related parties	402,214,048	277,238,586	409,362,193
Current tax receivable	-	3,486,660	3,123
Prepayments to contractor	4,854,108	4,854,108	12,136,368
Loans and advances	285,085,732	276,890,745	257,637,315
Trade and other receivables	39,352,582	34,713,033	23,824,323
Cash and cash equivalents	53,630,649	171,257,949	178,194,277
	<b>785,137,119</b>	<b>768,441,081</b>	<b>881,157,599</b>
<b>TOTAL ASSETS</b>	<b>2,451,879,979</b>	<b>2,386,762,859</b>	<b>2,266,091,118</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	348,329,629	348,329,629	348,329,629
Retained earnings	122,397,114	123,007,916	101,705,185
	<b>470,726,743</b>	<b>471,337,545</b>	<b>450,034,814</b>
Non-controlling interest	36,105	35,476	29,047
	<b>470,762,848</b>	<b>471,373,021</b>	<b>450,063,861</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	1,143,582,946	1,088,154,284	1,024,409,214
Lease liabilities	3,052,087	561,147	339,287
	<b>1,146,635,033</b>	<b>1,088,715,431</b>	<b>1,024,748,501</b>
<b>CURRENT LIABILITIES</b>			
Amounts owing to related parties	4,440,946	146,848,908	133,413,275
Other financial liabilities	808,937,194	671,611,637	587,707,599
Current tax payable	8,712,052	945,335	5,305,869
Trade and other payables	10,715,780	5,689,289	63,258,534
Lease liabilities	1,676,120	1,579,238	1,593,479
	<b>834,482,098</b>	<b>826,674,407</b>	<b>791,278,756</b>
<b>TOTAL LIABILITIES</b>	<b>1,981,117,131</b>	<b>1,915,389,838</b>	<b>1,816,027,257</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,451,879,979</b>	<b>2,386,762,859</b>	<b>2,266,091,118</b>

<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>			
<b>SHARE CAPITAL</b>			
Balance at the beginning of the period/year	9,649	9,649	9,649
	9,649	9,649	9,649
<b>SHARE PREMIUM</b>	<b>348,319,980</b>	<b>348,319,980</b>	<b>348,319,980</b>
Balance at the beginning of the period/year	348,319,980	348,319,980	348,319,980
<b>RETAINED EARNINGS</b>	<b>122,397,114</b>	<b>123,007,916</b>	<b>101,705,185</b>
Balance at the beginning of the period/year	123,007,916	113,078,252	113,078,252
Dividends declared	(30,000,000)	(30,000,000)	(30,000,000)
Profit for the period/year	29,405,447	39,864,138	18,626,933
Derecognition of subsidiary	-	65,526	-
Share option charge	(16,249)	-	-
<b>NON-CONTROLLING INTEREST</b>	<b>36,105</b>	<b>35,476</b>	<b>29,047</b>
Balance at the beginning of the period/year	35,476	31,352	31,352
Movement for the period/year	629	4,124	(2,305)
<b>TOTAL EQUITY</b>	<b>470,762,848</b>	<b>471,373,021</b>	<b>450,063,861</b>

<b>CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	16,503,849	166,796,240	216,783,853
Interest income	34,449,821	60,813,595	27,523,872
Interest paid	(107,590,447)	(214,839,623)	(110,867,097)
Tax paid	(6,633,101)	(28,794,166)	(11,437,360)
<b>NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES</b>	<b>(63,269,878)</b>	<b>(16,023,954)</b>	<b>122,003,268</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	(5,494,151)	(3,587,635)	(1,597,205)
Proceeds on sale of property, plant and equipment	80,601	76,930	45,021
Expenditure incurred for investment property	(6,138,333)	(26,696,299)	(17,687,440)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(11,551,883)</b>	<b>(30,207,004)</b>	<b>(19,239,624)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from other financial liabilities	219,098,420	550,231,791	160,551,661
Repayment of other financial liabilities	(230,797,153)	(412,793,818)	(164,917,530)
Repayment of lease liabilities	(1,103,702)	(784,504)	(1,038,935)
Dividends paid	(30,003,104)	(27,497,525)	(27,497,526)
<b>NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES</b>	<b>(42,805,539)</b>	<b>109,155,944</b>	<b>(32,902,330)</b>
<b>TOTAL CASH MOVEMENT FOR THE PERIOD/ YEAR</b>	<b>(117,627,300)</b>	<b>62,924,986</b>	<b>69,861,314</b>
Cash at the beginning of the period/year	171,257,949	108,332,963	108,332,963
<b>TOTAL CASH AT END OF THE PERIOD/ YEAR</b>	<b>53,630,649</b>	<b>171,257,949</b>	<b>178,194,277</b>

<b>CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>			
<b>SHARE CAPITAL</b>			
Balance at the beginning of the period/year	9,649	9,649	9,649
	9,649	9,649	9,649
<b>SHARE PREMIUM</b>	<b>348,319,980</b>	<b>348,319,980</b>	<b>348,319,980</b>
Balance at the beginning of the period/year	348,319,980	348,319,980	348,319,980
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Share option charge	(16,249)	-	-
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8. SEGMENTAL ANALYSIS	Consumer lending segments by geographic region						Segmental reporting by product group					
	Eswatini Consumer Lending		Lesotho Consumer Lending		Total Consumer Lending		Eswatini Property		Group		Group	
Segmental reporting	30 June 2022	31 Dec 2021*	30 June 2021**	30 June 2022	31 Dec 2021*	30 June 2021**	30 June 2022	31 Dec 2021*	30 June 2021**	30 June 2022	31 Dec 2021*	30 June 2021**
Revenue	106,042,119	205,035,960	100,208,639	70,704,565	119,537,439	56,742,939	176,746,684	324,573,399	156,951,578	7,469,806	8,712,135	3,788,638
Profit before taxation	34,643,351	50,503,990	25,902,646	21,276,917	35,664,207	19,171,634	55,920,268	86,168,197	45,074,280	(16,923,989)	(33,714,211)	(18,125,400)
Taxation	(8,412,236)	(12,597,127)	(7,822,419)	(5,474,848)	(9,097,448)	(5,474,591)	(13,887,084)	(21,694,575)	(13,297,010)	4,299,985	9,111,955	4,975,862
<b>Profit for the period</b>	<b>26,231,115</b>	<b>37,906,863</b>	<b>18,080,227</b>	<b>15,802,069</b>	<b>26,566,759</b>	<b>13,697,043</b>	<b>42,033,184</b>	<b>64,473,622</b>	<b>31,777,270</b>	<b>(12,624,004)</b>	<b>(24,602,256)</b>	<b>(13,149,538)</b>
Gross advances to customers	738,409,273	728,152,933	719,286,997	476,440,178	436,156,341	391,651,439	1,214,840,449	1,164,309,274	1,110,938,436	-	-	-
Impairment provisions	(25,495,462)	(23,521,335)	(23,270,372)	(10,521,590)	(9,258,944)	(9,258,944)	(36,017,052)	(32,780,279)	(31,221,356)	-	-	-
Net advances	712,904,311	704,631,598	696,016,625	465,918,586	426,897,397	383,700,455	1,178,823,397	1,131,528,995	1,079,717,080	-	-	-
Borrowings	1,623,185,179	1,758,588,765	1,598,206,041	312,724,177	294,704,229	260,283,310	1,935,909,356	1,885,602,292	1,745,450,006	395,739,301	367,600,722	332,450,204
Total segment assets	1,966,014,260	2,084,873,420	1,974,618,762	486,765,860	448,567,604	402,338,186	2,452,780,110	2,374,946,249	2,243,917,603	373,787,440	358,404,795	334,543,637
Total segment liabilities	(1,636,762,995)	(1,763,071,605)	(1,661,471,421)	(321,392,575)	(298,996,398)	(265,636,696)	(1,958,155,570)	(1,892,335,540)	(1,814,068,772)	(397,649,132)	(369,642,483)	(334,328,607)
<b>Equity</b>	<b>329,251,265</b>	<b>321,801,815</b>	<b>313,147,341</b>	<b>165,373,275</b>	<b>149,571,206</b>	<b>136,701,490</b>	<b>494,624,540</b>	<b>482,610,709</b>	<b>449,848,831</b>	<b>(23,861,692)</b>	<b>(11,237,688)</b>	<b>215,030</b>

The segments are aligned with management's approach to business. As a result in the increased investment in property it is now appropriate to identify property as a distinct segment from the existing consumer lending business. Total segment assets, borrowings and Total segment liabilities are after the elimination of cross holdings between the segments.

### NOTES

**1. STATEMENT OF COMPLIANCE**  
The interim financial results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34, in the manner required by the Companies Act of Eswatini. The accounting policies and methods of compilation applied in these financial results are consistent with those applied in the preparation of the annual financial statements for the year ended 31 December 2021 other than in relation to the following accounting policy changes which became mandatory in the current period:  
• Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Benchmark Reform.  
The accounting policy changes did not have a significant impact on the Group Results.  
The financial results have been prepared under the supervision of the Group Chief Financial Officer, Mr S. Leas.

Figures in Emalangeni	6 months to 30 June 2022	12 months to 31 December 2021	6 months to 30 June 2021
	Reviewed	Reviewed	Reviewed