

SBM Holdings Ltd

SBM Holdings Ltd ('the Group') is pleased to present its condensed unaudited interim financial report for the quarter ended 31 March 2016.

The condensed unaudited interim financial report has been prepared in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and IAS 34 - Interim Financial Reporting. The interim financial report has been prepared based on those accounting policies used in the preparation of the audited financial statements for the year ended 31 December 2015, except that the Group and the Company have adopted all new standards and interpretations that are effective as from 01 January 2016.

Operating Results

The Board of Directors is pleased to report that the Group's profit before and after tax have increased for the first quarter of 2016 from MUR 713 million and MUR 539 million respectively for quarter March 2015 to MUR 902 million and MUR 715 million respectively. This indicates the strong fundamentals of the Group. The earnings per share stood at 2.77 cents as at 31 March 2016 compared to 2.09 cents at 31 March 2015. The increase in profit is mainly attributable to an increase in Group's operating income of MUR 234 million, with net interest income increasing by MUR 171 million and net interest margin increased from 3.30 % for the quarter ended March 2015 to 3.34 % for quarter ended March 2016. The Group's non-interest income has also increased by 13.87% owing to diversification initiatives in Trade Finance, Treasury and e-business.

The Group's total assets grew from MUR 136.16 billion as at 31 December 2015 to reach MUR 136.65 billion at 31 March 2016. Gilt-edged investment securities have increased by MUR 2.73 billion, while net loans and advances witnessed a drop of MUR 1.31 billion and deposits from non-bank customers decreased by MUR 2.75 billion. Impaired advances increased from MUR 3.71 billion at 31 December 2015 to MUR 3.88 billion at 31 March 2016. The net impaired advances to net advances ratio, improved slightly from 1.87 % at 31 December 2015 to 1.84 % at 31 March 2016.

SBM Holdings Ltd; the Group capital

The capital base and equity of the Group have improved from MUR 23.72 billion and MUR 22.19 billion respectively as at 31 December 2015 to MUR 23.84 billion and MUR 22.54 billion respectively as at 31 March 2016.

The Group's capital adequacy ratio (CAR), Tier 1 capital and common equity Tier 1 capital ratios increased from 28.26%, 21.75% and 21.75% respectively as at end of 31 December 2015 to 28.70%, 22.20% and 22.20% respectively as at 31 March 2016. The ratios reflect the continued soundness and resilience of the Group.

SBM (Bank) Holdings Ltd; the Banking Group capital

The consolidated capital base of the Banking Group stood at MUR 11.78 billion as at 31 March 2016 with a shareholder's equity of MUR 14.37 billion. CAR under Basel III of the Banking Group stood at 15.75% as at 31 March 2016 and both Tier 1 capital and common equity Tier 1 capital to risk weighted assets ratios stood at 13.73% against the minimum regulatory limits of 10% for CAR, 7.5% for Tier 1 capital and 6% for common equity Tier 1 capital.

Outlook

A marked improvement in the operating environment is yet to be visible and challenges relating to business volumes, asset yields and asset quality continue to influence the Group's performance. In this regard, the Group is pursuing several initiatives to grow its assets and profits, as part of its five-year strategic plan. Indeed, a number of new products were launched in the first quarter of the year, on both the banking and non-banking clusters. On the international front, preparations are well under way towards setting up banking operations in Seychelles. To boost the cross-border business, a Head of Global Business has recently been recruited. With regard to the technology transformation project, the Group is progressing towards the go-live of the new systems for its Madagascar operations in the second quarter of 2016. This should help improve productivity and enhance capabilities of the Madagascar operations, pending the complete release scheduled in the latter half of the year.

We wish to thank the shareholders for their unflinching support.

Kee Chong LI KWONG WING, G.O.S.K.
Chairman

Ouma Shankar OCHIT
Chairman, Audit Committee

12 May 2016

**REVIEW REPORT TO THE BOARD OF DIRECTORS OF
SBM HOLDINGS LTD**

We have reviewed the accompanying interim condensed statement of financial position of SBM Holdings Ltd (the "Company") and its subsidiaries (the "Group") as of 31 March 2016 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and abridged cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 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 condensed financial information does not present fairly, in all material respects, the financial position of the Company and the Group as at 31 March 2016, and of its financial performance and its cash flows for the quarter then ended in accordance with IAS 34 Interim Financial Reporting.

ERNST & YOUNG
Ebène, Mauritius

PATRICK NG TSEUNG, A.C.A.
Licensed by FRC

Date: 12 May 2016

SBM HOLDINGS LTD
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	The Group			The Company		
	31 March 2016	31 March 2015	31 December 2015	31 March 2016	31 March 2015	31 December 2015
	MUR' 000	Restated MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS						
Cash and cash equivalents	7,087,790	10,884,048	9,174,135	22,747	58,344	178,060
Mandatory balances with Central Banks	6,964,875	6,845,408	6,919,908	-	-	-
Loans to and placements with banks	1,783,600	724,748	1,208,945	-	-	-
Trading assets	238,282	508,380	144,142	-	-	-
Loans and advances to non-bank customers	67,478,831	67,999,568	68,784,195	-	-	-
Investment securities	40,103,287	34,504,304	37,375,824	5,864,470	4,512,029	5,896,350
Equity investments	6,542,994	6,729,323	6,066,176	5,534,324	6,319,881	5,534,324
Investment in subsidiaries	-	-	-	20,999,183	20,999,183	20,999,183
Property and equipment	2,815,451	2,764,636	2,827,601	5,211	-	5,512
Intangible assets	2,509,021	1,523,021	2,370,629	-	-	-
Deferred tax assets	316,092	203,591	276,756	-	-	-
Other assets	812,593	936,411	1,013,780	1,169	6,260	126,773
Total assets	136,652,816	133,623,438	136,162,091	32,427,104	31,895,697	32,740,202
LIABILITIES						
Deposits from banks	2,530,352	591,575	751,719	-	-	-
Deposits from non-bank customers	101,528,752	97,537,630	104,281,103	-	-	-
Other borrowed funds	3,116,770	5,140,610	2,132,497	-	-	-
Trading liabilities	216,510	494,558	120,781	-	-	-
Current tax liabilities	620,358	267,440	391,954	21,845	1,790	16,389
Deferred tax liabilities	-	-	-	38	-	19
Other liabilities	2,289,964	2,574,370	2,433,536	3,344	52,023	3,493
Subordinated debts	3,809,431	3,887,704	3,862,138	3,809,431	3,887,704	3,862,138
Total liabilities	114,112,137	110,493,887	113,973,728	3,834,658	3,941,517	3,882,039
SHAREHOLDERS' EQUITY						
Stated capital	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204	32,500,204
Retained earnings	10,643	(570,489)	(430,006)	1,769,395	320,567	2,030,144
Other reserves	(5,095,137)	(3,925,133)	(5,006,804)	(802,122)	8,440	(797,154)
	27,415,710	28,004,582	27,063,394	33,467,477	32,829,211	33,733,194
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	22,540,679	23,129,551	22,188,363	28,592,446	27,954,180	28,858,163
Total equity and liabilities	136,652,816	133,623,438	136,162,091	32,427,104	31,895,697	32,740,202
Contingent liabilities	14,861,717	16,134,219	14,806,879			

Approved by the Board of Directors and authorised for issue on 12 May 2016.

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Kee Chong LI KWONG WING, G.O.S.K.
Chairman

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Ouma Shankar OCHIT
Chairman, Audit Committee

SBM HOLDINGS LTD
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 MARCH 2016

	The Group			The Company		
	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015
	MUR' 000	Restated MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest income	1,603,545	1,578,174	6,424,315	68,528	40,251	249,758
Interest expense	(470,073)	(616,093)	(2,171,580)	(35,510)	(34,035)	(133,221)
Net interest income	1,133,472	962,081	4,252,735	33,018	6,216	116,537
Fee and commission income	291,727	225,347	1,058,126	-	-	-
Fee and commission expense	(6,381)	(8,707)	(29,340)	-	-	-
Net fee and commission income	285,346	216,640	1,028,786	-	-	-
Dividend income	-	3	157,273	-	-	2,597,724
Net trading income / (expenses)	121,958	148,129	527,636	(1,698)	2,915	3,697
Other operating income	109,589	89,159	288,863	2,484	6,634	16,224
Non-interest income	516,893	453,931	2,002,558	786	9,549	2,617,645
Operating income	1,650,365	1,416,012	6,255,293	33,804	15,765	2,734,182
Personnel expenses	(310,375)	(293,125)	(1,237,004)	(49)	-	(1,355)
Depreciation and amortisation	(39,916)	(38,119)	(161,535)	(301)	-	(501)
Other expenses	(213,965)	(165,845)	(871,912)	(4,731)	(937)	(38,040)
Non-interest expense	(564,256)	(497,089)	(2,270,451)	(5,081)	(937)	(39,896)
Profit before net impairment loss on financial assets	1,086,109	918,923	3,984,842	28,723	14,828	2,694,286
Net impairment loss on financial assets	(184,474)	(206,200)	(1,936,840)	-	-	-
Profit before tax	901,635	712,723	2,048,002	28,723	14,828	2,694,286
Income tax expense	(186,665)	(173,802)	(440,448)	(5,475)	(1,790)	(16,408)
Profit for the quarter / year attributable to equity holders of the	714,970	538,921	1,607,554	23,248	13,038	2,677,878
Earnings per share (Cents)	2.77	2.09	6.23			

SBM HOLDINGS LTD
INTERIM CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2016

	The Group			The Company		
	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015
	MUR' 000	Restated MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter / year attributable to equity holders of the parent	714,970	538,921	1,607,554	23,248	13,038	2,677,878
Other comprehensive income :						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Decrease in revaluation of property	-	(2,686)	(2,680)	-	-	-
Remeasurement of defined benefit pension plan (net of deferred tax)	-	-	(10,877)	-	-	-
	-	(2,686)	(13,557)	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	(62,786)	436,371	202,833	-	-	-
Movement in value of available-for-sale investments	(15,871)	83,282	(726,867)	(4,968)	21,959	(783,635)
	(78,657)	519,653	(524,034)	(4,968)	21,959	(783,635)
Total other comprehensive (loss) / income for the quarter / year	(78,657)	516,967	(537,591)	(4,968)	21,959	(783,635)
Total comprehensive income attributable to equity holders of the parent for the quarter / year	636,313	1,055,888	1,069,963	18,280	34,997	1,894,243

SBM HOLDINGS LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2016

Group	Stated	Treasury	Statutory	Capital	Revenue	Net	Net	Net	Restructure	Total
	Capital	Shares	Reserve	Conservation	Reserve	Unrealised	Property	Translation	Reserve	Equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	(Restated)	Fair Value	Revaluation	Reserve	MUR' 000	MUR' 000
At 01 January 2015										
- As previously stated	32,500,204	(4,875,031)	583,457	725,242	439,068	27,947	273,609	53,227	(5,380,340)	24,347,383
- Restatement	-	-	-	(725,242)	(1,548,478)	-	-	-	-	(2,273,720)
- As restated	32,500,204	(4,875,031)	583,457	-	(1,109,410)	27,947	273,609	53,227	(5,380,340)	22,073,663
Profit for the quarter as previously stated	-	-	-	-	564,431	-	-	-	-	564,431
Restatement	-	-	-	-	(25,510)	-	-	-	-	(25,510)
Profit for the quarter as restated	-	-	-	-	538,921	-	-	-	-	538,921
Other comprehensive income for the quarter	-	-	-	-	-	83,282	(2,686)	436,371	-	516,967
Total comprehensive income for the quarter	-	-	-	-	538,921	83,282	(2,686)	436,371	-	1,055,888
<i>Movement in respect of macro prudential provisioning:</i>										
As previously stated	-	-	-	824	-	-	-	-	-	(824)
Restatement	-	-	-	(824)	824	-	-	-	-	-
Transfer to allowance for credit impairment	-	-	-	-	(824)	-	-	-	-	824
As restated	-	-	-	-	-	-	-	-	-	-
At 31 March 2015 (as Restated)	32,500,204	(4,875,031)	583,457	-	(570,489)	111,229	270,923	489,598	(5,380,340)	23,129,551
At 01 January 2015										
- Previously stated	32,500,204	(4,875,031)	583,457	725,242	439,068	27,947	273,609	53,227	(5,380,340)	24,347,383
- Restatement	-	-	-	(725,242)	(1,548,478)	-	-	-	-	(2,273,720)
- As restated	32,500,204	(4,875,031)	583,457	-	(1,109,410)	27,947	273,609	53,227	(5,380,340)	22,073,663
Profit for the year	-	-	-	-	1,607,554	-	-	-	-	1,607,554
Other comprehensive income for the year	-	-	-	-	(10,877)	(726,867)	(2,680)	202,833	-	(537,591)
Total comprehensive income for the year	-	-	-	-	1,596,677	(726,867)	(2,680)	202,833	-	1,069,963
Transfer to retained earnings	-	-	-	-	46,720	-	(46,720)	-	-	-
Transfer to statutory reserve	-	-	8,730	-	(8,730)	-	-	-	-	-
Dividend	-	-	-	-	(955,263)	-	-	-	-	(955,263)
At 31 December 2015	32,500,204	(4,875,031)	592,187	-	(430,006)	(698,920)	224,209	256,060	(5,380,340)	22,188,363
At 01 January 2016	32,500,204	(4,875,031)	592,187	-	(430,006)	(698,920)	224,209	256,060	(5,380,340)	22,188,363
Profit for the quarter	-	-	-	-	714,970	-	-	-	-	714,970
Other comprehensive income for the quarter	-	-	-	-	-	(15,871)	-	(62,786)	-	(78,657)
Total comprehensive income for the quarter	-	-	-	-	714,970	(15,871)	-	(62,786)	-	636,313
Transfer to retained earnings	-	-	-	-	9,676	-	(9,676)	-	-	-
Dividend	-	-	-	-	(283,997)	-	-	-	-	(283,997)
At 31 March 2016	32,500,204	(4,875,031)	592,187	-	10,643	(714,791)	214,533	193,274	(5,380,340)	22,540,679

SBM HOLDINGS LTD
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE QUARTER ENDED 31 MARCH 2016

<u>Company</u>	<u>Stated capital</u> MUR' 000	<u>Treasury shares</u> MUR' 000	<u>Retained earnings</u> MUR' 000	<u>Net unrealised investment fair value reserve</u> MUR' 000	<u>Total equity</u> MUR' 000
At 01 January 2015	32,500,204	(4,875,031)	307,529	(13,519)	27,919,183
Profit for quarter	-	-	13,038	-	13,038
Other comprehensive income for the quarter	-	-	-	21,959	21,959
Total comprehensive income for the quarter	-	-	13,038	21,959	34,997
At 31 March 2015	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>320,567</u>	<u>8,440</u>	<u>27,954,180</u>
At 01 January 2015	32,500,204	(4,875,031)	307,529	(13,519)	27,919,183
Profit for the year	-	-	2,677,878	-	2,677,878
Other comprehensive loss for the year	-	-	-	(783,635)	(783,635)
Total comprehensive income for the year	-	-	2,677,878	(783,635)	1,894,243
Dividend (Note 9.9)	-	-	(955,263)	-	(955,263)
At 31 December 2015	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>2,030,144</u>	<u>(797,154)</u>	<u>28,858,163</u>
At 01 January 2016	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>2,030,144</u>	<u>(797,154)</u>	<u>28,858,163</u>
Profit for the quarter	-	-	23,248	-	23,248
Other comprehensive loss for the quarter	-	-	-	(4,968)	(4,968)
Total comprehensive income / (loss) for the quarter	-	-	23,248	(4,968)	18,280
Dividend	-	-	(283,997)	-	(283,997)
At 31 March 2016	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>1,769,395</u>	<u>(802,122)</u>	<u>28,592,446</u>

SBM HOLDINGS LTD
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2016

	The Group			The Company		
	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015	Quarter ended 31 March 2016	Quarter ended 31 March 2015	Year ended 31 December 2015
		Restated				
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Net cash (used in)/ from operating activities	(2,051,019)	2,988,704	6,230,508	181,391	(234,852)	1,108,974
Net cash from / (used in) financing activities	647,568	317,102	(3,909,112)	(336,703)	289,494	(928,603)
Net cash (used in) investing activities	(682,894)	(141,863)	(1,341,386)	-	-	(6,013)
Net change in cash and cash equivalents	(2,086,345)	3,163,943	980,010	(155,312)	54,642	174,358
Cash and cash equivalents at beginning of quarter / year	9,174,135	7,720,105	8,194,125	178,060	3,702	3,702
Cash and cash equivalents at end of quarter / year	7,087,790	10,884,048	9,174,135	22,748	58,344	178,060

Copies of the interim report are available to the public free of charge at the registered office of the Company, SBM Tower, 1, Queen Elizabeth II Avenue, Place D'Armes, Port Louis and can be viewed on our website: www.sbmgroup.mu.

The statement of direct and indirect interests of officers of the Company in the capital of the Company and its subsidiaries may also be obtained free of charge upon request at the registered office of the Company.

By order of the Board

D. Ramjug Chumun

Company Secretary

12 May 2016

The Communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of SBM Holdings Ltd accepts full responsibility for the accuracy of the information contained in this Communiqué.

The financial information, including the review report of interim condensed financial statements, has been extracted from the unaudited interim condensed financial statements for the quarter ended 31 March 2016.