

LISTING PARTICULARS

In relation to the Listing of 30,374,022,300 (including 4,556,103,300 treasury shares) ordinary shares of SBM Holdings Ltd on the Official Market of the Stock Exchange of Mauritius Ltd by way of an Introduction.

And

In relation to the Listing of Class A 1 Series Bond of MUR1,500 million floating interest rate senior unsecured Bonds maturing in 2024 and Class B 1 Series Bond of US\$ 65,037,000 floating interest rate senior unsecured Bonds maturing in 2021 issued by SBM Holdings Ltd on the Official Market of the Stock Exchange of Mauritius Ltd by way of an Introduction.

A minimum of 500 ordinary shares will be made available for sale on its first day of trading on 03 October 2014 at an indicative price equivalent to the closing price of SBM shares on its last day of trading on 25 September 2014. Also a minimum of 100 Class A 1 Series Bonds and 100 Class B 1 Series Bonds (or such higher number as the board may at its sole discretion determine) will be made available for sale on its first day of trading on 03 October 2014 at an indicative price equivalent to the closing price of SBM shares on its last day of trading on 25 September 2014.

This document is dated 18th September 2014.

Listing Particulars code: LEC/I/05/2014



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document is issued by State Bank of Mauritius Ltd (“SBM”) a public company duly established in 1973 with company number 2193 and is currently regulated by Companies Act 2001 and Banking Act 2004 having its registered address at SBM Tower, No 1 Queen Elizabeth II Avenue, Port Louis.

In continuation to our cautionary announcements of 15 May 2014 and 14 August 2014, this document is intended to provide information in relation to the proposed restructuring of the SBM Group. Upon the implementation of the restructuring, shares held by the shareholders of SBM will be exchanged for the shares in SBM Holdings Ltd (“SBMH”) in a 1:1 ratio. The application for the restructuring of the SBM Group under Section 32A of the Banking Act has been submitted to the Bank of Mauritius (“BoM”) for approval.

This document serves as Listing Particulars and contains information in compliance with Chapter 9 of the Listing Rules of the Stock Exchange of Mauritius Ltd (“Listing Rules”) with regard to **the proposed listing of 30,374,022,300 ordinary shares of SBMH by way of an introduction** after the restructuring of the SBM Group. This document also serves as **Listing Particulars for the listing of Senior Unsecured Class A 1 Series 10 Year Bond of MUR 1,500 million bearing floating interest rate maturing in 2024 and Senior Unsecured Class B 1 Series 7 Year Bond of US\$ 65,037,000 bearing floating interest rate maturing in 2021 which had been originally issued by SBM and listed** on the Official Market of the Stock Exchange of Mauritius Ltd and which shall be transferred to **SBMH** on the implementation of the restructuring.

An application has been made to Stock Exchange of Mauritius Ltd [“SEM”] for the listing and permission to deal in the shares of SBMH and a copy of these Listing Particulars (“LP”), has been filed and registered with the Financial Services Commission (“FSC”). These LP have been prepared in accordance with the rules and regulations of the Republic of Mauritius law, regulation and investment environment.



This document must be read in its entirety and you may seek clarification from your banker, stockbroker, legal advisor, accountant or other professional advisor immediately with respect to the action which you should take.

These Listing Particulars is governed by the Mauritian law. Disputes concerning, or related to, the contents of this Listing Particulars shall be subject to the exclusive jurisdiction of the Supreme Court of Mauritius.

This document is issued for the purpose of providing information to the shareholders of SBM and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such solicitation.

Neither the Listing Executive Committee (“LEC”) of the SEM, nor the SEM, nor the FSC assumes any responsibility for the contents of this document. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinion expressed or implied in this document and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof. The SEM, the LEC and the FSC do not vouch for the financial soundness of the company or for the correctness of any statements made or opinions expressed with regard to it

This document has been vetted by the LEC in conformity with the Listing Rules of SEM on 16 September 2014.

Date: XXXXXX

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[1] DEFINITIONS

In this document, where the context permits, the expressions set out below bear the following meanings:

Act	Companies Act 2001
Appointed day	Means a date on which the transfer of undertaking or restructuring becomes effective as determined by the Bank of Mauritius upon approval of the restructuring under Section 32A of the Banking Act
Banking Act	Banking Act 2004 as amended
BoM	Bank of Mauritius
CDS	Central Depository & Settlement Co. Ltd
FSC	Financial Services Commission
LEC	Listing Executive Committee of the SEM
The Restructuring	The restructuring under Section 32A of the Banking Act
SBM	State Bank of Mauritius Ltd {to be renamed after the restructuring to SBM Bank (Mauritius) Ltd}
SBM Group	SBM Group consists of the banking, non- banking financial and non-financial clusters.
SBMH	SBM Holdings Ltd is a company duly incorporated under the laws of Mauritius bearing company number C099120. It is intended that the company be the ultimate financial investment holding company of the Group and be listed on the Official Market of the SEM.
SBM (Bank) Holdings Ltd	A company duly incorporated under the laws of Mauritius bearing company number C119038 The company is incorporated as a special purpose vehicle to act as a conduit for investment of funds from SBM Holdings Ltd to operating companies of the banking segment through dedicated SPVs
SEM	The Stock Exchange of Mauritius Ltd
SPV	Special purpose vehicle

[2] INTRODUCTION

This document was prepared by State Bank of Mauritius Ltd in respect of the proposed Listing of the ordinary shares of SBM Holdings Ltd on the Official Market of the Stock Exchange of Mauritius Ltd (“SEM”) in connection with the proposed restructuring of State Bank of Mauritius Ltd Group under Section 32A of the Banking Act as amended. The restructure exercise involves the transfer of undertaking between State Bank of Mauritius Ltd (“Transferor”) and SBM Holdings Ltd (“Transferee”) and out of which SBM Holdings Ltd will become the holding company of the Group.

[Refer to Appendix 1]

The Board of Directors of SBM and SBMH have approved the restructure under Section 32A of the Banking Act as amended on 14th August 2014 and 11th August 2014 respectively.

We have already submitted our application for the restructure to Bank of Mauritius (BoM) on the 22nd August 2014 and subject to the approval of Bank of Mauritius, the appointed day of the restructure will be determined by BoM.

Upon approval of BoM, on the appointed day, State Bank of Mauritius Ltd will be renamed as SBM Bank (Mauritius) Ltd and will be 100% owned by SBM Holdings Ltd which has become the holding company of the Group.

[3] STATEMENT OF DIRECTORS

These Listing Particulars include particulars given in compliance with the SEM Rules governing the Official Listing of Securities for the purpose of giving information with regard to SBM Group. The directors of SBM, whose names appear in Section 10.1, collectively and individually, accept full responsibility for the accuracy or completeness of the information contained in these Listing Particulars and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Board of Directors of SBM has on 14th August 2014 approved the proposed structuring of SBM and its subsidiaries under Section 32A of the Banking Act as detailed in Section 4 of this document.

Furthermore, the directors of SBM declare that to the best of their knowledge and belief and after having made inquiries in relation to the period from December 2013, the date to which last audited financial statements of SBM and SBM Group have been prepared, to the date of the document:

- (i) There has not been any material adverse change in the financial or trading position of SBM and SBM Group
- (ii) The business of SBM and its subsidiaries has been maintained efficiently.
- (iii) There have been no circumstances adversely impacting the value of the assets of SBM.
- (iv) The current assets of SBM appear in the books at values believed to be realisable in the ordinary course of business
- (v) The working capital available to SBM and SBMH is sufficient for at least 12 months from the date of the issue of this document.
- (vi) There is no change in business of SBM which is contemplated.
- (vii) There have been no legal or arbitration proceedings in the last twelve months which have had any significant effect on the Group's financial position.
- (viii) There is no contract or arrangement subsisting in which a director is materially interested and which is significant in relation to the business of the Group. The aggregate of the remuneration paid to the directors of the Issuer by any member of the Group in respect of the last completed financial year (which was for a period 18 months in view of the change in year end from June to

December) amounted to MUR 151.5 million. The aggregate remuneration of the directors of the Issuer for the current financial year is estimated at MUR 63.4 million.

- (ix) There are neither outstanding loans which have been granted by any member of the Group to the Directors nor guarantees which have been provided by any member of the Group for their benefit.
- (x) There has been no issue or sale of any capital of any member of the group or any director for which special terms or benefits granted to them within two years immediately preceding the issue of the Listing Particulars.
- (xi) There has been no alteration in the capital of the issuer or any member of the group including the price and terms of such issues, whether they are fully or partly paid and any details of discounts or special terms granted within two years immediately preceding the issue of the Listing Particulars.
- (xii) There is no capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option.

Approved by the Board of SBM and signed on its behalf by:

Jairaj Sonoo, C.S.K
Executive Director

Chandradev Appadoo
Executive Director

[4] STATE BANK OF MAURITIUS GROUP

Established in 1973, State Bank of Mauritius Ltd (SBM) is a leading financial services institution in Mauritius. It is also present in India and Madagascar and has a representative office in Yangon; Republic of the Union of Myanmar. SBM is a universal financial services provider and operates with more than 1,200 employees and serves over 340,000 customers through its network of 48 service units in Mauritius, India, Madagascar and a representative office in Myanmar.

In 1995, SBM was listed on the Stock Exchange of Mauritius Ltd and as at 30 September 2014 was owned by nearly 17,600 shareholders including both residents and non-resident individuals and institutions. SBM is the second largest company listed on the Stock Exchange of Mauritius Ltd in terms of market capitalisation of MUR 32,196,463,638 as at 30th June 2014. In Mauritius, SBM has a strong franchise with a market share of around 20% in banking assets and is recognised as a strong and sound financial services group with best operational efficiency among the Mauritian banks.

SBM caters for a wide range of customer segments including Personal, SME, Institutional, Cross Border, Sovereign and Financial Institutions and offers an extensive suite of products and services that covers deposits, lending, trade finance, cards, leasing, treasury, banc-assurance and investment products, as well as a range of payment services. It also has multi-channel capabilities including physical service units, ATMs, POS, internet, mobile and call centre.

Apart from banking activities, SBM has over the years expanded its activities into non-banking services including asset management, wealth management, securities and insurance. SBM has been laying the ground for geographical expansion of its business, particularly in emerging regional emerging economies such as India and Myanmar in Asia, Dubai in Middle East, Madagascar and Eastern African countries in Africa.

SBM has also embarked on important initiatives to bolster revenue generating potential and other internal capabilities notably it has embarked upon an ambitious and comprehensive overhaul of its technology platform solutions which is expected, upon successful execution, to significantly improve SBM's capabilities for regional expansion and to support above expansion strategy for rapid roll over.



SBM is rated Baa1 for long/short term deposits and Bank Financial Strength Rating (BFSR) of C- (mapping to Baa2 standalone credit assessment) by Moody's Investors Services, the latest review being 22 August 2014.

SBM has been awarded the Bank of the Year Mauritius 2013' by The Banker, 'Best Bank in Mauritius' in the 'Euro money Awards for Excellence 2013', and 'Best Bank Mauritius 2013' Capital Finance International of London that is 3 prestigious awards in the same year. SBM was ranked by the Banker July 2014, a periodical of the Financial Times Group, London 12th, 23rd and 109th on Return on assets, Profit on capital and capital to assets ratio respectively for the year ending December 2013 from among the Top 1000 World Bankers.

INDIAN OPERATIONS

SBM India Operations continued to grow and expanded its presence in India via the opening of a fourth branch in the outskirts of Hyderabad metropolitan city in July 2013. In addition, SBM has applied to the Reserve Bank of India to convert its Indian branches into wholly owned subsidiaries, as allowed under new regulations which should relax restrictions on branch expansion.

India remains a market with high growth potential. In pursuit of its expansion strategy in India, SBM has planned necessary technology and business transformation initiatives going forward. Amongst others, SBM will undertake technology upgrade, build low cost deposits further, grow its loan book, consolidate its corporate and personal banking activities and expand into SME banking.

MADAGASCAR OPERATIONS

Despite political and related social problems which continued to nag Madagascar, the banking sector is estimated to have grown by 5% in 2013. During the financial year 2014, SBM strengthened the management of Banque SBM Madagascar SA (BSBMM) with the appointment of a new Chief Executive. The Group has also focused on a broader visibility of the SBM brand and empowerment of local staff. BSBMM is exploring avenues to increase profit generation potential through opportunities to lend in consortium, introduction of new products and services and an expansion in SBM's footprint.



NON-BANKING FINANCIAL SEGMENT AND OTHER INVESTMENT SEGMENT

SBM has diversified into non-banking financial segment and non-bank non-financial segments through establishment of subsidiaries for the different line of activities as explained below.

SEGREGATION OF BANKING ACTIVITIES FROM NON BANKING ACTIVITIES

While SBM continues to be the holding company of the SBM Group, the segregation process of the non-banking activities from the banking activities has started since 2011.

We shall now proceed with the restructuring of the SBM Group whereby a new investment holding company, SBMH has been set to hold (i) the banking activities through an SPV, namely SBM (Bank) Holdings Ltd, (ii) the non-banking financial activities through another SPV, namely SBM (NBFC) Holdings Ltd and (iii) other investments/properties through a SPV, SBM (NFC) Holdings Ltd.

The principal establishment of the group will remain SBM situated at SBM Tower, 1 Queen Elizabeth II Avenue, Port Louis.

We have covered the restructuring exercise in more details under Section 5

The table below provides details on the Subsidiaries and Associate of the State Bank of Mauritius Ltd [Note (ii)]

	Subsidiaries	Country	Business Activity	Issued Capital	Effective % Holding		
					Dec-13	Jun-12	Jun-11
	SBM Holdings Ltd	Mauritius	SBM Group Financial Holding Entity/ Company	MUR125,000	100	100	100
A	<u>Banking Segment : Non-Operating entities</u>						
	SBM (Bank) Holdings Ltd	Mauritius	Special Purpose Vehicle -Bank Investment Holdings Company	MUR75,000	100		
	SBM Mauritius Ltd	Mauritius	Special Purpose Vehicle /Proposed Investment in SBM Bank (Mauritius) Ltd	MUR1	100		
	SBM Madagascar Ltd	Mauritius	Special Purpose Vehicle /Proposed Investment Holding Company	MUR60,960	100	100	100
	SBM India Ltd	Mauritius	Special Purpose Vehicle /Proposed Investment Holding Company	MUR500,000	100	100	
	SBM Myanmar Ltd	Mauritius	Special Purpose Vehicle /Proposed Investment Holding Company	USD 20,000	100	100	
	<u>Banking Segment : Operating entities</u>						
	Banque SBM Madagascar SA	Madagascar	Commercial Banking Operations	MGS7.4Bn	100	100	100
	SBM Bank (India) Ltd [Note (i)]	India	Commercial Banking Operations	INR5.4Bn	100	100	100
B	<u>Non-Bank Financial Segment</u>						
	SBM (NBFC) Holdings Ltd	Mauritius	Special Purpose Vehicle /Proposed non- banking financial Investment Holding	MUR25,000	100	100	100
	<u>Non- Banking Financial Segment Operating Entities</u>						
	SBM Fund Services Ltd	Mauritius	Fiduciary Services/Back office Processing	MUR0.5m	100	100	100
	SBM Mauritius Asset Managers Ltd	Mauritius	Asset Management	MUR1.5m	100	100	100
	SBM Securities Limited	Mauritius	Stockbroking	MUR1.0m	100	100	100
	SBM Asset Management Limited (GBL1)	Mauritius	Asset Management	USD40,000	100	100	100
	SBM Capital Management Limited (GBL1)	Mauritius	Investment Activities	USD125,000	100	100	100
	SBM E-Commerce Ltd	Mauritius	Card Acquiring & Processing		100		
C	<u>Non- Financial Entities</u>						
	SBM (NFC) Holdings Ltd	Mauritius	Investments	MUR25,000	100	100	
D	<u>Other</u>						
	SBM 3S Ltd	Mauritius	Shared Support Services	MUR15	100		
(ii)	<u>Associate</u>						
	SICOM [Note (iii)]	Mauritius	Insurance	MUR25.0 m	20	20	20

Note (i) Currently Indian Ops is under “branch mode” and is expected to be converted into a Wholly Owned Subsidiary (WOS) once the approval of RBI has been received.

Note (ii) Upon restructure, State Bank of Mauritius Ltd will be renamed SBM Bank (Mauritius) Ltd.

Note (iii) Same has been reclassified to unquoted equity investment

[5] THE RESTRUCTURING

5.1 RATIONALE FOR PROPOSED RESTRUCTURING

In line with the international trend and at the direction of the Bank of Mauritius, the Board of Directors has been considering since year 2010 the restructuring of the Group into Banking and Non-Banking segments. The need for restructuring is now more compelling with our expansion strategies in other geographies including Asia and Eastern Africa and our diversification into new lines of business.

The merits of restructuring the Group entailing mainly the segregation of the non-banking activities and foreign operations from domestic banking activities are as follows:

- (a) Segregation of Banking activities and Non- Banking activities will enhance the protection of Bank depositors' interest.
- (b) Transforming SBMH into a bank financial investment holding company gives greater flexibility for the Group to raise or use existing excess capital and hold outside banking entity, which therefore avoids excess concentration of risk in the Bank as it needs to work on optimum capital.
- (c) Limit contagion risks stemming from the non-banking operations to the banking operations and effectively ring-fence the shareholders/ prospective investors' capital of each banking and non-banking entities.
- (d) Enables shareholders/ prospective investors to assess the performance of the different segments and companies in different regions within the group.
- (e) Flexibility to induct strategic partner or partners at the individual company/entity level and /or raise capital from local public offer in local currency to effectively mitigate and minimise the currency translation risks.

The Board of Directors approved the restructuring of the activities of the Group into 3 main segments as follows:

- (i) Bank
- (ii) Non -Bank Financial
- (iii) Non -Financial (Other Investments)

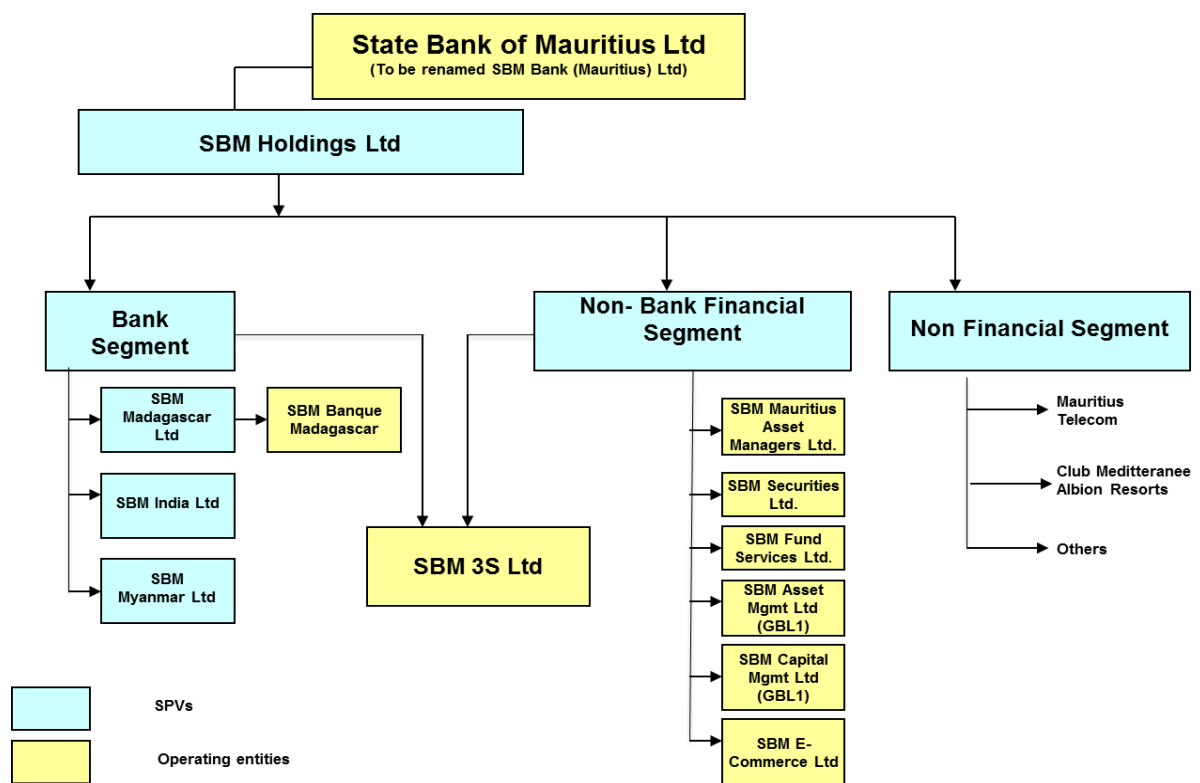
The segregation of the Group activities into the above categories has been presented in a chart labelled Proposed Group Structure in Section 5.2 below. **Please refer to Appendix 2 for the new Group structure.**

The Board of Directors considered various options to achieve the proposed Group restructuring, namely:

- (i) Take- over offer by SBM Holdings Ltd,
- (ii) Scheme of Arrangement by virtue of Section 262 of Companies Act
- (iii) Restructuring under Section 32A of the Banking Act [as amended in 2013]

After carefully analysing the pros and cons of the above options, the Board of Directors has decided to proceed with the restructuring of the Group under Section 32A of Banking Act.

The Chart below sets out the existing Group Structure.



As illustrated above, State Bank of Mauritius Ltd is currently the holding company of all the entities within the SBM Holdings Ltd. Three companies have been set up namely; SBM (Bank) Holdings Ltd, SBM (NBFC) Holdings Ltd and SBM (NFC) Holdings Ltd to as SPVs to cluster the different segments of activities as requested by the Bank of Mauritius. It may also be observed from the chart above that the non-banking subsidiaries and the other non-financial equity investments have already been moved under their respective segments.

5.2 PROPOSED GROUP STRUCTURE

SBM HOLDINGS LTD [“SBMH”]

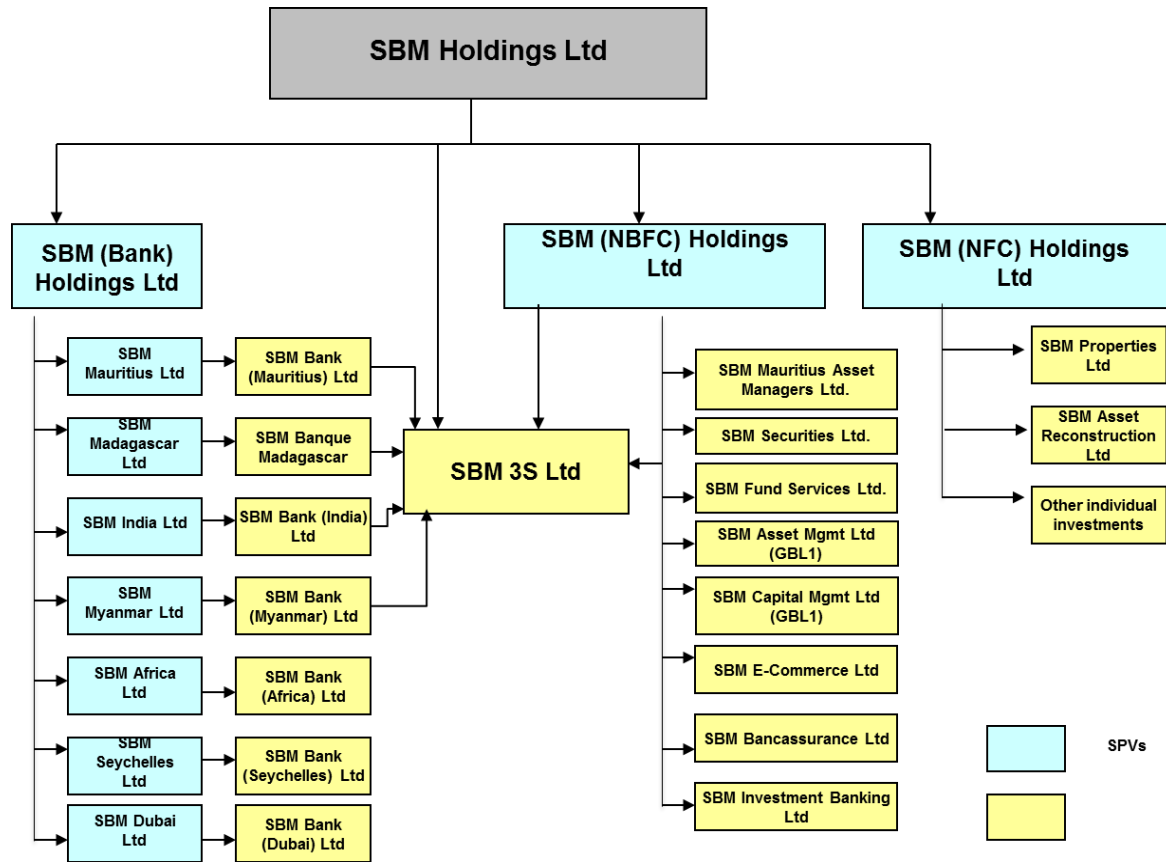
SBMH is a public company incorporated in Mauritius under Companies Act 2001 which is set up as a subsidiary of SBM Ltd and having its registered address at SBM Tower, No 1 Queen Elizabeth II Avenue, Port Louis. SBMH will become the Bank Financial Investment Holding Company of the group after the completion of the restructuring exercise. The share capital of SBMH will be 30,374,022,300 ordinary shares which will be based on the indicative price equivalent to the closing price of SBM shares on its last day of trading on 25 September 2014. The securities will be in registered form.

In effect, upon the restructure, SBMH would be merely a “bank financial investment holding company”. SBMH will inject by way of debt instruments and/or share capital or both the desired qualifying instruments required by the operating companies through the conduits which have been set up both at the segmental level and at the individual investment entity level as depicted in the chart above.

The individual conduits which are being used to route the investment from the companies at segmental level into the operating entities have been set up with a capital of MUR1.00. The Constitutions of the companies which will be used as conduits clearly spell out their limitations in that they can invest in only one operating entity in a defined segment.

SBM has also applied the FSC to seek (1) waiver of the mandatory offer under Section 34(1)(a) of the Securities (Take-over) Rule 2010 and (2) approval for the exchange of shares of SBM for the shares of SBMH to be conducted off market.

Proposed Group Structure



Upon the approval of BoM under Section 32A of the Banking Act on the appointed day, the shareholders of SBM will cease being shareholders of SBM and will instead become shareholders [holding similar percentage of shares] of SBMH and in its turn the existing capital of MUR125, 000 held by SBM in SBMH will be bought back by SBMH and cancelled. The listing of SBM shares will be cancelled immediately upon the exchange of the shares as it will no longer meet the criteria to be listed given it will be held solely by SBMH. The shares of SBMH will be listed on the Official Market on the Stock Exchange of Mauritius in lieu and stead of those of SBM. SBMH through the segmental and individual conduits will invest optimum capital required in SBM.



[a] BANKING SEGMENT

SBM (Bank) Holdings Ltd is a special purpose vehicle which will hold investments in the entities of the banking segment. It will facilitate investment in the banking operating companies through SPV which will hold a single investment, i.e. the banking operating company which is incorporated in a specific country. For instance, SBM will be held by SBM Mauritius Ltd.

[b] NON-BANKING FINANCIAL SEGMENT

SBM (NBFC) Holdings Ltd, a SPV will hold investment as a vehicle for the non-banking financial segment. The same principle for investment in operating companies through SPVs as above will apply. SPVs will hold single investment in non-banking operating companies.

[c] NON-FINANCIAL SEGMENT

SBM (NFC) Holdings Ltd, a SPV which will hold investments in entities other than banking and non-banking financial segments.

5.3 IMPLEMENTATION OF THE PROPOSED RESTRUCTURE

At its meeting of 14th August 2014, the Board of Directors of SBM has approved the restructuring of the Group under Section 32A of the Banking Act 2004 as amended and we have applied to the Bank of Mauritius under S32A of the Banking Act to restructure SBM Group as follows:

[1] TRANSFER OF SHARES

On the appointed day, all the equity shares of SBM in issue will be transferred to SBMH including the 4,556,103,300 Treasury shares in issue and held by SBM so that the number of shares of SBMH will remain same as that of SBM prior to the transfer of undertaking.

As a result of the restructuring, all shares that are currently held by shareholders of SBM and treasury shares of SBM will be transferred to the new entity i.e. SBMH leading to:

- 1 Current shareholders of SBM will hold shares in SBMH, issued by the latter in the proportion of 1 SBMH share for every 1 share of SBM.



- 2 The treasury shares of SBM being transferred to SBMH in the proportion of 1:1 share exchange.
- 3 SBMH eventually holding 100% of the shares of SBM.

The above transfers are being effected in the context of the restructuring exercise undertaken by SBM whereby the shareholding structure of SBMH will be a replica of the current SBM, i.e. all the shareholders of SBM immediately prior to the appointed day will be the same shareholders who will hold shares in SBMH immediately after the appointed day i.e. 01st October 2014 the first day of listing and trading. Similarly, the 4,556,103,300 treasury shares which are actually held by SBM will be transferred to SBMH given that a subsidiary (SBM) may not hold shares in its parent company (SBMH) as per Companies Act 2001.

The opening price of SBMH shares on the first day of trading will be the last trading price of SBM shares on the official market of SEM.

The ordinary shares of SBM confer voting rights to its holders, entitlement to dividends, all shares of the Company shall in all respects rank “pari-passu” and confer the same rights and privileges on their holders.

[2] TRANSFER OF ASSETS AND LIABILITIES

During the appointed day, reserves of SBM except all the statutory reserves required by SBM Bank (Mauritius) Ltd will be streamed up to SBMH and will be brought back to SBM Bank (Mauritius) Ltd through the corresponding conduits. The retained earnings in SBM will be transferred to SBMH by declaring as dividend in cash and/ or in specie by SBM i.e. gilt edged securities and bank bonds for an equivalent amount.

[3] TRANSFER OF BONDS

As part of the restructuring, all the listed senior and unsecured 10 year MUR Bonds [Class-A 1 Series] amounting to MUR 1,500 million and 7 year US dollar quoted bonds [Class-B 1 Series] amounting to US \$ 65,037,000 will be transferred to SBMH from SBM. This will take place by operation of law upon the approval of the Bank of Mauritius of the restructuring. SBM will also transfer investment securities including bank bonds and Treasury Bills of same amount and same denomination to SBMH to match the above senior and unsecured MUR and USD bonds raised by SBM in 2014. Upon the transfer of the bonds into SBMH, the latter will in turn invest the funds as unlisted unsecured subordinated bonds into SBM (Bank) Holdings Ltd. SBM (Bank) Holdings Ltd will inject the US \$ 65,037,000 as unlisted unsecured subordinated bonds on similar terms in SBM.

The above mentioned bonds are currently listed on the SEM and once the bonds have been transferred to SBMH during the appointed day, these bonds will be listed as per the present LP.

5.4 LISTING OF MUR AND US Dollar BONDS

An application was made to the SEM for the listing and permission to deal in the MUR and US Dollar bonds referred above which was approved by the Listing Executive Committee of the SEM. Trading of the said bonds had initially started on 25 March 2014 for the MUR bond and 18 June 2014 for the US dollar bond. These Senior and Unsecured Bonds herein referred as Class A 1 Series for the MUR and Class B 1 Series for the US dollar have the following features:

- Class A Bond is denominated in Mauritian Currency of MUR 1.5 billion of MUR 10,000 notes with half yearly Floating coupon payment of Repo rate + 1.35% per annum; and
- Class B Bond of US\$ 65,037,000 of USD 1,000 notes with half yearly payment of Floating Coupon 6-Months LIBOR + 175bps per annum and/or Fixed half yearly Coupon payment 4.00% per annum.



As part of the restructuring of the Group, we have also requested the Bank of Mauritius to approve the transfer of these bonds to SBMH. SBMH undertakes to inform the SEM as and when there are changes to the Repo rate and the market will be also kept informed accordingly.

The information of the above Bonds as required under Chapter 9.74 onwards are provided above and the General terms and specific terms for each category of bonds are in Appendix 3 to this present Listing Particulars.

The bonds shall rank

- (a) Junior to any present and future claims of any depositors of the Issuer, any secured creditor and other unsubordinated creditors
- (b) At all times at least equally with all other present and future senior unsecured obligations
- (c) Pari passu and without any preference among themselves
- (d) Senior to the Issuer Tier 1 classes of capital

Interest paid by the issuer to a bondholder who is an individual, society or succession is exempt from Income tax. Interest paid by the issuer to a bondholder who is a company is subject to income tax at the current rate of 15% per annum.

[6] IMPACT ON SHAREHOLDERS

On the standalone SBMH level, SBMH will issue shares at the market value of MUR 32.3 billion based on the ruling price of SBM on the last trading day represented by the investments in the three segmental subsidiaries, namely (i) SBM (Bank) Holdings Ltd, (ii) SBM (NBFC) Holdings Ltd and (iii) SBM (NFC) Holdings Ltd.

The assets and liabilities of the new Group (SBMH) and the original Group (SBM) remain the same immediately before and after the restructuring. In addition, the owners of the original parent have the same relative and absolute interests in the net assets of the new Group both before and after the restructuring.

Largest Shareholders as at 30th June 2014

<i>Name of Shareholder</i>	<i>No of shares held</i>	<i>% Holding</i>
National Pensions Fund	4,651,023,814	15.31
State Bank of Mauritius Ltd -Treasury Shares	4,556,103,300	15.00
State Insurance Company of Mauritius Ltd and its Group Company	4,410,842,100	14.52
Government of Mauritius	1,495,261,500	4.92
SSLN C/O SSB Boston Old Mutual Life Assurance Co (South Africa) Ltd. FD56Z9	664,533,700	2.19
Pictet et Cie A/C Blakeney LP	638,520,900	2.10
Development Bank of Mauritius Ltd	577,950,000	1.90
The Anglo Mauritius Assurance Society Ltd	565,093,716	1.86
The Africa Emerging Markets Fund-NTGS Lux A/C	504,872,567	1.66
State Investment Corporation Ltd	487,167,100	1.60

Estimated amount of expenses of the issue and of the application for listing is MUR 10 million. These expenses shall be borne by SBM and none of these expenses shall be charged specifically to the shareholders or bondholders

Printing and postage	2,000,000
Listing fees	300,000
Legal advisers	4,000,000
Auditors	3,000,000

[7] RISK FACTORS

Forward Looking Statements

These Listing Particulars contain certain statements that are, or may be, forward looking with respect to SBM and SBM Holdings Ltd.

By their very nature, forward-looking statements involve certain risks and uncertainties because they relate to events and depend on circumstances that will occur in the future, some of which are, or may be, beyond the Company's control. No assurance can be given that the future results or developments covered by such forward looking statements will be achieved.

There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward looking statements.

Listing and Share Price of SBM Holdings Ltd

Upon the successful implementation of the reorganisation, SBM Holdings Ltd will hold the entire issued ordinary share capital of SBM; SBM will thereby no longer be listed on the Official List of the Stock Exchange of Mauritius Ltd. The issue and allotment of SBM Holdings Ltd shares to the Shareholders of SBM will have no dilution effect, nor will it affect the net asset value per share, except for the cost of the transaction, estimated at around MUR 10m.

The directors have taken all reasonable steps to ensure that the shares of SBM Holdings Ltd is listed on the Official List of the Stock Exchange of Mauritius Ltd as soon as practicable.

Risks

- (a.) Credit risk: Investors in the Bond carry a credit risk relating to the performance of the Bank's business and financial position at the time of both the interest payments and at maturity. An increase in credit risk will increase the risk premium of the bond and will have a negative impact on the value of the Bond.
- (b.) Liquidity risk: there is a risk that the market will be illiquid at the time investors are willing to sell their investment. The result may be that the bondholders cannot sell their bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.
- (c.) Interest rate risk: the local bank savings rate and repo rate in Mauritius may go up as well down giving Bond holders exposure to interest-rate risk. This also applies to LIBOR.
- (d.) Price risk: the higher the risk in a given bond, the higher its yield needs to be to compensate the investor for taking the risk. When the market perceives the yield on a bond to be too low, its price fall to bring the yield in line with market expectations or prevailing interest rates.
- (e.) Amended or new legislation: This SP and LP and the terms and conditions for the Bonds are based on the Republic of Mauritius law in force at the date of this prospectus. No assurance can be given on the impact of any possible future legislative measures or changes or modifications to administrative practices in Mauritius after the issue.

[8] FINANCIALS

- 8.1 We provide below the abridged audited statements of financial position of SBM on a consolidated basis as at 30 June 2011, 2012, 31 December 2013 and the abridged unaudited statement of financial position as at 30 June 2014. SBMH has applied for a waiver for the provision of an accountant's report on the fact that SBMH is a new company with no operating record. However, SBMH will be using the financial statements of SBM as after the restructure SBMH will be the holding company.

STATE BANK OF MAURITIUS LTD				
STATEMENTS OF FINANCIAL POSITION AS AT				
		-----Group-----		
	30-Jun 2014 Unaudited	31-Dec 2013 Audited Restated	30-Jun 2012 Audited Restated	30-Jun 2011 Audited Restated
	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS				
Cash and cash equivalents	5,524,483	6,900,534	6,993,395	6,744,422
Mandatory balances with central banks	6,138,120	5,494,981	4,966,156	4,180,104
Loans to and placements with banks	1,610,401	932,428	1,511,936	943,359
Trading assets	230,906	249,571	269,532	149,114
Loans and advances to non-bank customers	72,010,997	70,093,266	62,824,618	57,189,330
Investment securities	27,589,720	23,210,737	19,430,791	23,570,849
Property and equipment	1,328,904	1,340,194	1,326,665	1,398,467
Intangible assets	922,243	638,914	86,865	54,148
Deferred tax assets	240,889	223,070	67,671	33,023
Other assets	2,332,402	2,238,899	533,102	582,044
Total assets	117,929,065	111,322,594	98,010,731	94,844,860
LIABILITIES				
Deposits from banks	399,469	217,281	115,946	218,252
Deposits from non-bank customers	84,702,739	83,016,635	76,158,615	70,888,333
Other borrowed funds	7,121,663	6,110,051	2,924,795	7,124,674
Trading liabilities	200,768	238,555	170,025	141,216
Current tax liabilities	278,145	247,198	287,931	176,292
Deferred tax liabilities	-	-	28,327	72,978
Other liabilities	1,433,159	2,255,222	1,124,225	1,031,188
Subordinated debts	3,493,012	4,200	-	-
Total liabilities	97,628,955	92,089,142	80,809,864	79,652,933
SHAREHOLDERS' EQUITY				
Share capital	303,740	303,740	303,740	303,740
Retained earnings	17,951,735	16,862,185	14,613,400	12,828,335
Other reserves	4,377,921	4,400,813	4,617,013	4,393,138
	22,633,396	21,566,738	19,534,153	17,525,213
Less treasury shares	(2,333,286)	(2,333,286)	(2,333,286)	(2,333,286)
Total equity attributable to equity holders of the parent	20,300,110	19,233,452	17,200,867	15,191,927
Total equity and liabilities	117,929,065	111,322,594	98,010,731	94,844,860

Note: The audited figures in the table above have been restated further to the adoption of the revised IAS 19, Employee Benefits.

- 8.2 We provide below the abridged audited statements of Profit or Loss of SBM on a consolidated basis for the years ended 30 June 2011 and 2012 and for the 18 months

ended 31 December 2013 and the abridged unaudited statement of Profit or Loss for the 6 months ended 30 June 2014.

STATE BANK OF MAURITIUS LTD				
STATEMENTS OF PROFIT OR LOSS				
	6 months ended 30-Jun 2014 <u>Unaudited</u> MUR' 000	18 months ended 31-Dec 2013 <u>Audited</u> MUR' 000	12 months ended 30-Jun 2012 <u>Audited</u> MUR' 000	12 months ended 30-Jun 2011 <u>Audited</u> MUR' 000
Interest income	3,206,172	9,333,865	5,897,800	4,901,190
Interest expense	(1,161,780)	(3,417,785)	(2,699,107)	(2,402,661)
Net interest income	2,044,392	5,916,079	3,198,693	2,498,529
Net fee and commission income	430,508	1,534,266	1,154,899	880,348
Dividend income	2,002	823,026	230,714	219,821
Net trading income	153,117	575,464	449,810	490,286
Other operating income	169,337	460,200	34,094	115,526
Non interest income	754,964	3,392,956	1,869,517	1,705,981
Operating income	2,799,356	9,309,036	5,068,210	4,204,510
Non interest expenses	(916,680)	(2,950,192)	(1,623,512)	(1,455,387)
Profit before net impairment loss on financial assets	1,882,676	6,358,844	3,444,698	2,749,123
Net impairment loss on financial assets	(214,473)	(830,273)	(253,560)	(319,255)
Operating profit	1,668,203	5,528,571	3,191,138	2,429,868
Share of profit of associates	45,415	141,671	81,515	87,027
Profit before income tax	1,713,618	5,670,242	3,272,653	2,516,895
Tax expense	(337,070)	(905,838)	(619,258)	(467,902)
Profit attributable to equity holders of the parent	1,376,548	4,764,404	2,653,395	2,048,993
Earnings per share (Cents)	5.33	18.45	10.28	7.94

8.3 The table below shows the abridged audited statements of cash flows of SBM on a consolidated basis for the years ended 30 June 2011 and 2012 and for the 18 months ended 31 December 2013 and the abridged unaudited statement of cash flows for the 6 months ended 30 June 2014.

STATE BANK OF MAURITIUS LTD				
ABRIDGED STATEMENTS OF CASH FLOWS				
	-----Group-----			
	6 months ended 30-Jun 2014 MUR' 000	18 months ended 31-Dec 2013 MUR' 000	12 months ended 30 June 2012 MUR' 000	12 months ended 30 June 2011 MUR' 000
Net cash used in operating activities	(5,258,596)	(932,784)	5,322,990	(3,262,081)
Net cash from / (used in) financing activities	4,216,427	1,253,112	(4,974,417)	4,331,392
Net cash (used in) / from investing activities	(333,889)	(413,189)	(99,600)	173,289
Net change in cash and cash equivalents	(1,376,058)	(92,861)	248,973	1,242,600
Cash and cash equivalents at beginning of period	6,900,534	6,993,395	6,744,422	5,501,822
Cash and cash equivalents at end of period	5,524,476	6,900,534	6,993,395	6,744,422

8.4 FINANCIAL PERFORMANCE AND OUTLOOK

There is little doubt that significant strides were achieved by SBM Group during the financial year gone by, in spite of the challenging operating environment notably sluggish credit growth, cutthroat competition, excess liquidity, deterioration in asset quality and more stringent regulatory framework.

Moreover, SBM has continued to operate at high efficiency levels even as it engaged in strategic investments to increase robustness and sustainability of future performance. SBM views efficiency as a key strategic objective, particularly within the context of a difficult economic environment, as it gives more agility to the organisation to respond to challenges on its results and invest for the future. While the cost to income ratio is expected to go up in subsequent years, as a result of large scale investments in technology and enhanced capabilities, it should still remain well below the 45% mark in initial years, as the focus on efficiency is maintained and, looking further forward, as the gains from the investments in technology and building other capabilities materialise.



Alongside the commendable financial performance, SBM continued to sow the seeds for solid and sustainable growth in the years to come, with the pursuit of its business and technology transformation journey, which revolves around the following areas: SBM has been upping its plans to increase the share of revenue from overseas operations. Hence, it has been actively pursuing opportunities for expanding its footprint in different geographies, namely Indian Ocean, East Africa, India and South East Asia and in May 2014 SBM has obtained the approval from the Central Bank of Myanmar to open a representative office and the office is now operational.

We are also aiming at improving our customers' experience, enhancing the operational efficiency and increase synergy across business lines and geographies. At the same time, the Group will be set on a strong technology platform for pursuing its geographic expansion objective.

8.5 PRO-FORMA FINANCIALS

The table below set out the statements of financial position for SBMH on a consolidated basis. The pro-forma figures before and after the restructure exercises are based on the abridged unaudited statements of financial position as at 30 June 2014 after reflecting certain adjustments as detailed below.

SBM HOLDINGS LTD (SBMH)		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	Proforma 30-Jun-14 MUR' 000 Pre restructure	Proforma 30-Jun-14 MUR' 000 Post restructure
ASSETS		
Cash and cash equivalents	5,774,662	5,774,662
Mandatory balances with Central Bank	6,138,120	6,138,120
Loans to and placements with banks	1,610,401	1,610,401
Trading assets	230,906	230,906
Loans to and advances to non-bank customers	72,010,997	72,010,997
Investment securities	29,782,424	29,782,424
Property and equipments	2,893,227	2,893,227
Intangible assets	922,243	922,243
Deferred tax assets	152,576	152,576
Other assets	2,332,402	2,332,402
TOTAL ASSETS	121,847,958	121,847,958
LIABILITIES		
Deposits from banks	399,469	399,469
Deposits from non-bank customers	84,702,739	84,702,739
Trading liabilities	200,768	200,768
Other borrowed funds	7,121,663	7,121,663
Current tax liabilities	278,145	278,145
Deferred tax liabilities	146,334	146,334
Other liabilities	1,433,159	1,433,159
Senior unsecured bonds	3,493,012	3,493,012
TOTAL LIABILITIES	97,775,289	97,775,289
SHAREHOLDERS' EQUITY		
Share capital	303,740	32,196,464
Retained earnings	17,701,631	-
Less treasury shares	(2,333,286)	(4,829,469)
Capital conservation reserve	551,145	551,145
Net investment revaluation reserve	6,270,121	(8,548)
Net property revaluation reserve	1,607,975	278,301
Statutory reserve	577,197	583,457
Net translation reserve	(914,616)	(914,616)
Reserve arising on share buyback	236,071	-
Other reserve	72,690	72,690
Restructure reserve	-	(3,856,754)
Total equity	24,072,669	24,072,669
TOTAL EQUITY AND LIABILITIES	121,847,958	121,847,958

The following adjustments have been made to the 30 June 2014 accounts:

- 1 The unquoted investments held by the non-banking financial company has been reflected at fair value.
- 2 Properties plant and equipment has been revalued and reflected in the accounts after tax adjustments being made.

Impact on Shareholders equity	30 June 2014
	MUR Million
Net assets value as per interim financial statements	20,300
Adjustment for fair valuation of unquoted investments	2,443
Revaluation of properties (Land and Buildings), net of tax	1,330
Net assets value reported on pre restructure	24,073

- (1) Borrowings of SBM Group as at 30 June 2014 amounted to MUR 10,615 million of which secured portion amounted to MUR 278 million.
- (2) Contingent liabilities comprising guarantees and acceptances stood at MUR 17,967 million as at 30 June 2014.
- (3) There are no mortgages or charges inscribed on the SBM Group.

SBM policy of payment of dividend is on a quarterly basis and the same policy will prevail under the new group.

The table below set out the Earnings per share and dividend per share for SBM for the years ended 30 June 2011, 2012, and the 18 months ended 31 December 2013 and for the 6 months ended 30 June 2014:

	6 months ended 30-Jun 2014 MUR Cents	18 months ended 31-Dec 2013 MUR Cents	12 months ended 30 June 2012 MUR Cents	12 months ended 30 June 2011 MUR Cents
Earnings per share	5.33	18.45	10.28	7.94
Dividend per share	2.40	6.00	3.50	3.00

[9] LISTING OF SHARES AND BONDS IN THE NAME OF SBMH

The application for listing of shares and bonds of SBMH will be undertaken with the Listing Executive Committee (LEC) and FSC to list the shares of SBMH on the Official Market of the Stock Exchange of Mauritius. The admission of the 30,374,022,300 shares, the MUR 1.5Bn and USD 65,037,000 Bonds of SBMH described above will be effected by way of introduction pursuant to Listing Rules 5.14 to 5.16.

Upon the allotment of shares in SBMH on the appointed day, the share certificates of SBM Ltd will be cancelled in the register of shareholders and new share certificates will be issued to all shareholders who have not deposited their share certificates in CDS whereas shareholders in CDS will have their account credited with SBMH shares and debited with SBM shares at the close of business of 30th September 2014, the appointed day.

The listing of SBM shares will be cancelled on 30th September 2014 and the SBMH shares and bonds will be listed simultaneously. The first day of trading of the SBM shares and bonds (both MUR and US dollar) will be 01st October 2014.

[10] CORPORATE GOVERNANCE

10.1 CORPORATE GOVERNANCE POLICY

The Board of Directors continuously reviews the implications of corporate governance best practices, and adheres to the BoM's guideline on corporate governance, the Code of Banking Practice of the Mauritius Bankers Association and the Code of Corporate Governance.

SBM was among the first companies in Mauritius, and the first listed Company to comply with international best practices in corporate governance as far back as 1997, well ahead of the BoM Guideline on Corporate Governance first issued in 2001 - and which has now been superseded by the new guideline issued in August 2012 - and the introduction of the Code in 2003

10.2 **BOARD OF DIRECTORS**

Since the shareholders of State Bank of Mauritius Ltd have elected the directors for the oversight and stewardship of the SBM Group, it would be fair and reasonable that the same directors except for the executive directors are appointed at the Board of SBM Holdings Ltd as basically there is no fundamental change on the appointed day of the restructuring. However, as the SBM Group spreads its activities internationally in Asia, Africa, implements the centralisation models, develops the non-banking financial segment, there is a need to revisit the whole governance structure.

The BOM Guideline on Corporate Governance provides that a director of an immediate holding company or a director in any entity related to the holding company shall not be considered as an independent director of the financial institution. As part of the reorganisation exercise we have sought the approval of BoM to be exempted from such requirement until we convene a general meeting of shareholders to elect the directors.

10.2.1 BIOGRAPHIES OF DIRECTORS

Mr. Muni Krishna T. Reddy, MSc (Agriculture), G.O.S.K., F.S.I.D.

Indian nationality with address 22, Angus Lane, Vacoas

Mr Muni Krishna T. Reddy has a master degree with over 44 years of experience in financial services industry. He was the Chief Executive Officer of the State Bank of Mauritius Ltd (SBM) for over 16 years until October 2003 when he was elected as Director and Chairman of the Board of SBM. During his tenure as Chief Executive, SBM was listed on the Mauritian Stock Exchange in 1995, implemented for the first time the bank's automation of its operations and other infrastructure, including SBM tower. SBM also expanded into Madagascar and India. Prior to joining SBM, Mr Reddy has worked in the banking sector in India and Singapore for 17 years.

He is a director of various boards of large companies both in Mauritius and outside Mauritius, including Arcelor Mittal Point Lisas Limited (Trinidad), Arcelor Mittal Steel USA Inc (Chicago), and was a director of Mauritius Telecom (Mauritius), Air Mauritius, NEDC etc. Mr Reddy was conferred with the title Grand Officer of the Star and Key of the Indian Ocean (G.O.S.K) by the Government of Mauritius coinciding with the first anniversary of the Republic of Mauritius in 1993 for distinguished services in the banking industry and for significant contribution to the economic development of Mauritius.

Mr. Reddy has been, once again, elected as an independent non-executive director on 17 December 2010 and was designated as Chairman of the SBM Group.

Mrs. Kalindee Bhanji, BA (Hons) Economics, MSc Public Sector Management. Mauritian nationality with address Royal Road, Bois Pignolet, Terre Rouge

Mrs Bhanji has held senior positions in various ministries of the Government of Mauritius and is currently the Permanent Secretary at the Prime Minister's Office. She joined the Board in December 2006 and is a non-executive director.

Mr. Dheerendra Kumar Dabee, S.C. ,G.O.S.K, LLB (Hons)

Mauritian nationality with address 41, Avenue des Goyavier, Quatre Bornes

Mr Dabee, a Birmingham University graduate in Law and Political Science, Barrister at Law of Middle Temple since 1981 and a Senior Counsel, is currently the Solicitor-General in the Attorney General's Office.

He is a director of Air Mauritius Ltd and Mauritius Telecom and acts as Legal Adviser to a number of public organisations. He joined the Board in May 2008 and is a non-executive director.

Mr. Aakash Krishan Kalachand ,BSC (Hons) Accounting and Finance , ACA

Mauritian nationality with address Avenue John Kennedy, Floreal

Mr. Aakash Krishan Kalachand is a graduate in Accounting and Finance from the London School of Economics, and qualified as a Chartered Accountant since 2010. He is currently Executive Director of J. Kalachand & Co. Ltd. Mr. Kalachand has also worked in the investment team at a Private Equity Firm in London for 2 years till 2013 and was a Senior Consultant at Deloitte LLP, London where he worked for 4 years. He joined the Board in June 2014 and is an independent non-executive director.

Mr. Rohit Ramnawaz G.O.S.K., FCCA, LLB

Mauritian nationality with address Royal Road, Moka

Mr Ramnawaz is a Fellow of the Association of Chartered Certified Accountants and also holds a degree in law. He has over 25 years of experience in the fields of banking, finance, and accounting, tax advisory and financial services. He is currently the Managing Director of African Links Ltd, a consultancy firm principally engaged in providing value-added services to clients and multinationals in the Global Business sector. He also acts as independent director on the board of various companies in the Global Business sector. He has previously been a freelance country note sender for Mauritius for the Economist Intelligence Unit. Mr Ramnawaz joined the Board in December 2006 and is an independent non-executive director.

Mr. Alfred Joseph Gerard Robert Alain Rey, BSC (Hons) Economics, ACA

Mauritian nationality with address 41C Queen Mary Avenue, Floreal

Mr Rey is a graduate in Economics from the London School of Economics and qualified as a Chartered Accountant in 1985. He is currently Project Director as well as a director of various companies. Mr Rey has wide financial experience having served as Chief Financial Officer of a NASDAQ listed company as well as Regional Corporate Director of a leading bank in Mauritius. He joined the Board in December 2009 and is an independent non-executive director.

Professor Andrew Scott, BA, MSC, D Phil

English nationality with address 120 Banbury Road, Oxford, OX2 6JU

Professor Scott is Professor and Deputy Dean at the London Business School. He holds a Doctorate in Philosophy from Oxford University was a Fellow of All Souls, Oxford and has taught at Harvard and Oxford Universities. He is a non-executive director of the UK's Financial Services Authority. Also Economic Advisor to the Prime Minister of Mauritius. He joined the Board in December 2009 and is an independent non-executive director.

Mr. Shakeel Summun, FCCA

Mauritian nationality with address Royal Road, Notre Dame

Mr Summun is a Fellow of the Association of Chartered Certified Accountants. He has over 10 years of professional experience in the financial services sector. He is a member of the Mauritius Institute of Professional Accountants and a regular member of the Society of Financial Analyst of Mauritius (SFAM). He was a former Panel Network Member of ACCA Mauritius. Mr Summun has been in practice with Deloitte & Touche and Ernst & Young and was in charge of the audit of bank, insurance, investment companies and hotels in Mauritius. He also worked in the offshore sector as Client's Accountant during his stay at DTOS Ltd. He joined BAI Co (Mtius) Ltd in 2003 and is currently the Chief Operating Officer and Chief Financial Officer. Mr Summun joined the Board in December 2011 and is an independent non-executive director.

Mr. Régis Yat Sin C.S.K., G.O.S.K., BA (Hons),

Mauritian nationality with address 101, Avenue Trianon 2, Quatre Bornes

Mr Yat Sin, C.S.K, former senior civil servant, held the position of Secretary of the Cabinet and Head of Civil Service. He was also Chairman of the Public Service Commission and the Disciplined Forces Service Commission from 2005 to August 2011. He served on various boards, including Bank of Mauritius, Air Mauritius, Development Bank of Mauritius and Airports of Mauritius. He has been the Chairman of the Board of SBM from December 1996 to December 1999. He joined the Board of SBM again in December 2011 and is an independent non-executive director.

10.2.2 STATEMENT OF DIRECTORS' INTEREST IN SBM AND ITS SUBSIDIARIES

The directors of SBM adhere to the principles of the model code on securities transaction as detailed in Appendix 6 of the Mauritius Stock Exchange Listing Rules.

The table below outlines the interests of the Directors of the company in the share capital of SBM as at 30 June 2014.

Directors	Direct shareholding	Indirect shareholding	Phantom shares options outstanding
Mr Muni Krishna T Reddy, <i>G.O.S.K.</i>	1,000,000	-	-
Mr Chandradev Appadoo	342,000	151,000	2,675,000*
Mr Regis Yat Sin, <i>C.S.K., G.O.S.K.</i>	135,400	-	-

**The phantom shares options held by Mr Chandradev Appadoo represent the cumulative options granted to him on an annual basis till 2008 based on his performance and the performance of the Group.*

Apart from the above mentioned Directors, no other director had an equity stake in the company either direct or indirect as at 11 September 2014.

[11] BOARD COMMITTEES

The Board Charter and terms of reference of the Board Committees are available on our website: www.sbmgroup.mu

[12] SUMMARY OF CONSTITUTION OF SBM HOLDINGS LTD

Provisions	Summary of Constitution of SBMH [to be adopted upon the approval of BoM under S32 of the Banking Act
Objects	<p>The Company shall be a non-operating financial investments holding company.</p> <p>In carrying out its role as a non-operating financial investments holding company:(i)The Company shall invest not less than 90% of the capital and reserves and borrowings of the Company in the banking investments at all times and (ii) raise or borrow money which shall be used in accordance with (i) above.</p>
Supervision [Preliminary]	<p>The Group is being restructured under S32A of Banking Act. The main investment of the Company will continue to be in banking business and as such the Company subjects itself to the oversight by the Bank of Mauritius and undertakes to comply with the provisions of the Banking Act, applicable guidelines of the Bank of Mauritius and any directives issued by the Bank of Mauritius.</p>
Limitation on Share ownership	<p>No shareholder shall hold directly or indirectly more than THREE PER CENT (3%) of the issued share capital of the Company with voting rights by a single individual/body or corporate without previous authorisation of the Board of Directors of the Company save a shareholder who has been issued on the reorganization of the Group a portion of the share capital which is superior to 3% [Three percent] shall be entitled to continue hold that higher percentage.</p>
Cancellation of share capital [Clause 3.2]	<p>Cancellation can be effected by way of ordinary resolution and in compliance with the Act or as per the regulations of “buy- back programme</p>

<p>Pre-emptive rights on issue of shares [Clause 2.6]</p>	<p>The Company shall be listed on the stock exchange(s) following the reorganization of the State Bank of Mauritius Ltd and as such the pre-emptive rights provision in the Act shall not apply.</p>
<p>Power enabling Director to vote on proposal in which he is interested. [Section 15.2.5]</p>	<p>Where any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by the Director voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any such Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.</p>
<p>Power enabling Director to vote on remuneration. [Clause 15.2.3]</p>	<p>Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices of employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment or the appointment of the competing Director or Directors to the same office</p>
<p>Borrowing powers [Section 19.1]</p>	<p>The business of the Company is to be managed by the Directors who may exercise all such powers as permitted under the Act which includes and is not limited to raise money, to borrow, to charge any business of the company, to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other subsidiary of the Company</p>
<p>Retirement or non retirement of directors under an age limit</p>	<p>There is no age limit for retirement of Directors</p>

<p>Directors' qualification shares [Section 14.2]</p>	<p>No director shall hold shares in the Company to be qualified as a Director.</p>
<p>Alteration in capital [Section 3]</p>	<p>The Company may by ordinary resolution increase its share capital in accordance with the provisions of the Act.</p> <p>The cancellation of Share Capital can be effected by way of ordinary resolution and in compliance with the Act or as per the regulations of “buy back programme”</p> <p>Subject to any applicable enactment or rule or law, the Company may by special resolution reduce its share capital and any capital redemption reserve fund or share premium account.</p>
<p>Time limit whereby the entitlement to dividend lapses [Section 25.3.3]</p>	<p>All Dividends and any other moneys payable to any member or former member in respect of shares in the Company and/or interest in respect of debt or securities issued by the Company remaining unclaimed for five years after having been declared or otherwise having become payable, may, at the expiry of such period of five years after having been declared or otherwise having become payable, be forfeited by the Directors for the benefit of the Company</p>
<p>Freedom to transfer of securities [Section 5.1]</p>	<p>Freedom to transfer securities is unlimited.</p>

[13] SUMMARY OF TIMETABLE

	Details	Dates
1	Approval of Board of Directors	14 th Aug 2014
2	Cautionary Announcement issued	15 th and 16 th Aug 2014
3	Application to Bank of Mauritius under Section 32A of the Banking Act	22 nd Aug 2014
4	Approval by Bank of Mauritius and communicate the appointed date	16 th Sep 2014
5	Communiqué to inform shareholders of the following: Restructure Suspension of SBM shares and MUR Bonds Closing date of the share register Transfer of shareholders Delisting of SBM shares and bonds Listing of SBMH shares and bonds	19 th Sep 2014
6	Last day of trading of SBM shares and bonds	25 th Sep 2014
7	Last day to deposit share certificates of SBM at CDS	26 th Sep 2014
8	Suspension of trading of SBM shares and SBM Bonds	As from 26 th Sep 2014
9	Allotment of shares and bonds in SBMH & crediting of CDS	Close of business 30 th September 2014
10	Despatch of allotment letters and share certificates to shareholders	On or about 30 th September 2014
11	1st day of trading of SBMH shares and bonds	03 rd October 2014

Shares of SBM will be withdrawn from the Official Market of SEM as soon as possible following the suspension of trading. Shareholders who hold shares in a CDS account at the close of books will receive their corresponding number of shares in SBM Holdings Ltd and these will be directly credited to their CDS accounts.

Upon the allotment of shares in SBM Holdings Ltd, SBM share certificates will be cancelled in the register of shareholders and new share certificates will be issued to all shareholders who have not deposited their share certificates in a CDS account on or about 20th September 2014 or any later date that may be subsequently communicated.



[14]. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at registered office of SBM Ltd, SBM Tower, No 1 Queen Elizabeth II Avenue, Port-Louis, Mauritius during normal business hours on any weekday [excluding Saturdays, Sundays and public holidays].

[1] Constitution of SBM Holdings Ltd

[2] Constitution of SBM

[3] Constitution of SBM (Bank) Holdings Ltd

[4] Audited financial statements of SBM for the past 3 financial years

[5] Unaudited interim financial statements of SBM as at June 2014

[6] Listing particulars of SBM Holdings Ltd and bonds of SBM Holdings Ltd

The documents above will also be available on our website [www.sbmgroup.mu]

[15]. CORPORATE PROFILE

Name of Companies	1. State Bank of Mauritius Ltd 2. SBM Holdings Ltd
Registered office	SBM Tower, No 1, Queen Elizabeth II Avenue, Port-Louis, Mauritius
Key licenses	Banking Licence issued by BoM Banking Branch licence issued by RBI Banking licence issued by Central Bank of Madagascar Foreign Institutional Investor Licence from SEBI Custodian license by FSC Representative Office licence from Central Bank of Myanmar
Secretary	1. Mr B Kallee (ICSA) 2. Ms Dovinassy Pillay (LLB)
Bankers	State Bank of Mauritius Ltd
Auditors	Deloitte Chartered Accountants Raffle Tower, Ebene Cybercity
Legal Advisors	Sir Hamid and Iqbal Moollan Chambers of Sir Hamid Moollan, Q.C, G.O.S.K 6 th Floor PCL Building 43, Sir William Newton Street, Port-Louis

[16] APPENDIX 1: LEGAL OPINION

Iqbal Moollan

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43 Sir William Newton Street
Port Louis
Mauritius
Tel: (230) 212-6913
Fax: (230) 208-8351
E-mail: I.Moollan@Chambers.SirHamid.intnet.mu*

18 September 2014

Mr. Jairaj Sonoo
Chief Executive
State Bank of Mauritius Ltd.
Port Louis

My dear Jairaj,

I refer to our conversation of this morning with the meeting of the Listing Committee.

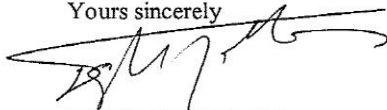
I set out hereunder the advice I tendered thereat.

The Reorganisation exercise is being undertaken by the licensee of the Bank of Mauritius which is also presently listed on the Stock Exchange of Mauritius, i.e. the State Bank of Mauritius Ltd.

That entity has applied to the Bank of Mauritius under section 32 (a) of the Banking Act. Although the Banking Act does not expressly purport to supersede the Companies Act or the Code Civile, any requirement under those Acts for notification or approval by either the shareholder or bondholder would have been impliedly qualified or repealed by the passing of the later provisions of the Banking Act, so that a shareholder approval, or notification or consent of the bondholder would no longer and now would not be required for the SBM to carry out its reorganization exercise.

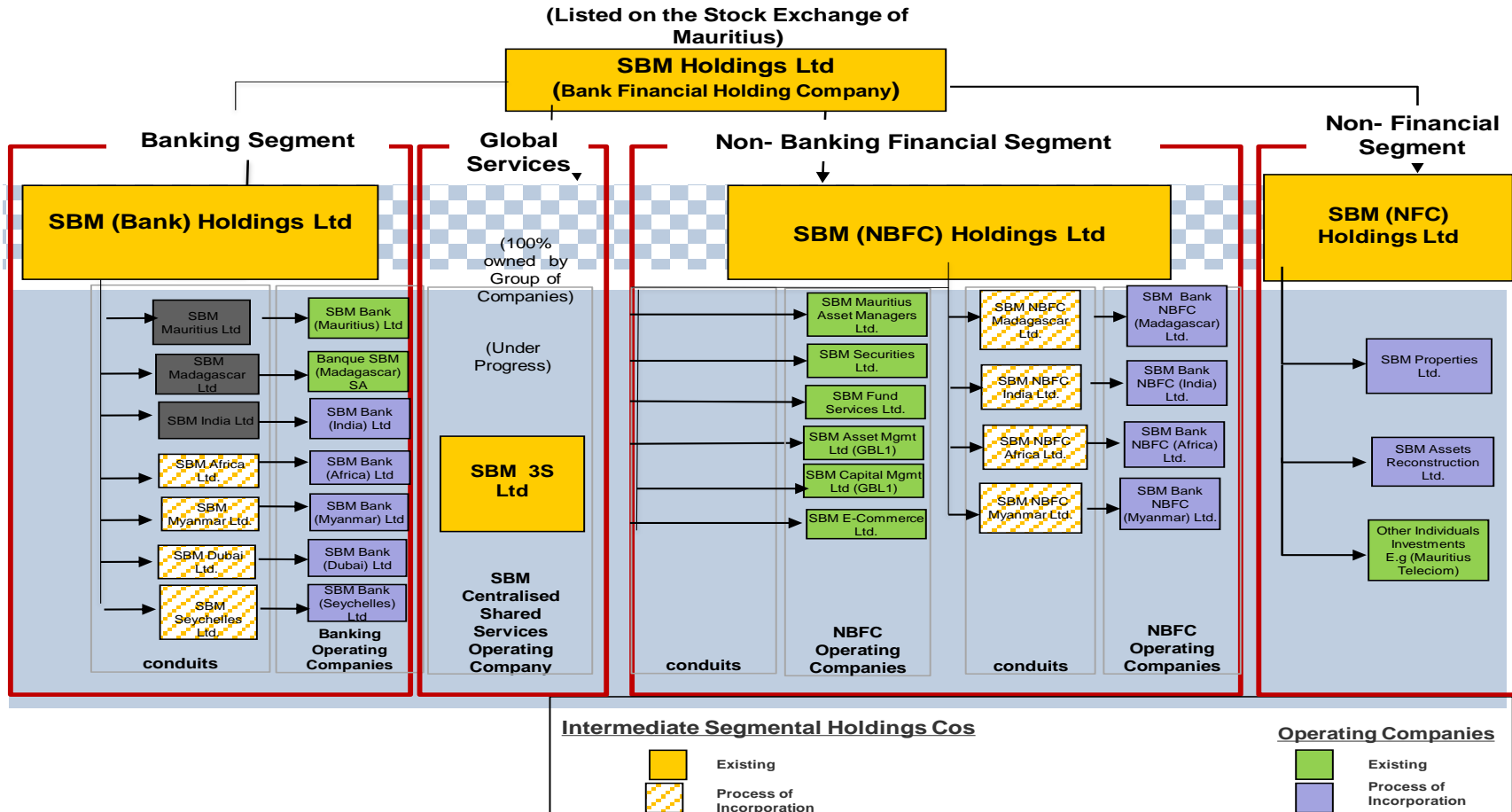
It should be noted that it is only as a result of that exercise that SBM Holdings Ltd will become headlisted company of the group.

I remain,
Yours sincerely



IQBAL MOOLLAN

17] APPENDIX 2: PROPOSED GROUP STRUCTURE



18] APPENDIX 3: TERM SHEET FOR MUR AND USD BONDS

Term Sheet			
	Key Attributes	CLASS A 1 SERIES	CLASS B 1 SERIES
1.	Issuer	▪ State Bank Of Mauritius Ltd	▪ State Bank Of Mauritius Ltd
2.	Issuer's Rating by Moodys	▪ Baa1 ▪ Bank Financial Strength C- ▪ Long-term Global Local currency deposits Rating – Baa1	▪ Baa1 ▪ Bank Financial Strength C- ▪ Long-term and short-term FCY deposits rating – Baa1/Prime-2
3.	Country of Incorporation	▪ Republic of Mauritius	▪ Republic of Mauritius
4.	Issue Amount	▪ Rs 1 billion, with an option to the Bank to retain maximum 50% over and above the issue amount in the event of oversubscription. (Maximum RS 1.5 billion)	▪ USD 50 m, with an option to the Bank to retain maximum 50% over and above the issue amount in the event of oversubscription. (Maximum USD 75 m)
5.	Purpose	▪ Tier 2 Capital	▪ Tier 2 Capital
6.	Status of the Bond	▪ Senior Unsecured Bond due 2024	▪ Senior Unsecured Bond due 2021
7.	Principal Amount Per Bond	▪ Rs10,000	▪ USD 1,000
8.	Issue Price	▪ 100% of the subscription amount along with application form	▪ 100% of the subscription amount along with application form
9.	Redemption Amount	▪ 100% of the Principal amount	▪ 100% of the Principal amount
10.	Interest Rate	▪ Floating coupon payment of Repo Rate + 1.35% per annum (Presently Repo Rate 4.65%)	▪ Floating Coupon 6-Months LIBOR + 175bps per annum (Presently 6-Months LIBOR 0.35%)
11.	Interest Payment Period and date	▪ Half yearly ▪ On 10 March and 10 September in each year commencing on 10 September 2014	▪ Half yearly ▪ On 30 May and 30 November in each year commencing on 30 November 2014. The interest rate payable will be based on effective 6-months LIBOR applicable on 30 May and 30 November of each year at 11:00 am
12.	Minimum Subscription Amount	▪ Rs 50,000 and in multiples of Rs10,000 above Rs 50,000	▪ USD 10,000 and in multiples USD 1,000 above USD 10,000
13.	Target Investors	▪ Domestic Market – Institutions, Trusts and Individuals	▪ Domestic Market – Institutions, Trusts and Individuals
14.	Currency	▪ Denominated in Mauritian currency	▪ Denominated in United State of American Dollar (USD) currency

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Term Sheet

	Key Attributes	CLASS A 1 SERIES	CLASS B 1 SERIES
15.	Risk	<ul style="list-style-type: none"> Refer to Section 5 of the LP. Investors are encouraged to seek advice from independent professionals. 	<ul style="list-style-type: none"> Refer to Section 5 of the LP. Investors are encouraged to seek advice from independent professionals.
16.	Offer Open Date/Time	<ul style="list-style-type: none"> 20 December 2013 at 9.30 am at all SBM Branches in Mauritius, Rodrigues and our appointed agents 	<ul style="list-style-type: none"> 15 February 2014 at 9.30 am at all SBM Branches in Mauritius, Rodrigues and our appointed agents
17.	Offer end Date/Time	<ul style="list-style-type: none"> Remains open up to 15 February 2014 at 4.30 p.m and may close earlier if oversubscribed but not before 15 January 2014. 	<ul style="list-style-type: none"> 16 May 2014 at 4.30 p.m; but may close earlier if oversubscribed but not before 31 March 2014.
18.	Issue Date	<ul style="list-style-type: none"> 10 March 2014 	<ul style="list-style-type: none"> 30 May 2014
19.	Interest Commencement Date	<ul style="list-style-type: none"> 10 March 2014 Subscriptions monies will be credited into a Subscription Account at SBM. Interest will be paid at SBM Savings Rate 	<ul style="list-style-type: none"> 30 May 2014 Subscriptions monies will be credited into a Subscription Account at SBM. Interest will be paid at 0.25% per annum
20.	Allotment Date	<ul style="list-style-type: none"> 18 March 2014 	<ul style="list-style-type: none"> 9 June 2014
21.	Listing date	<ul style="list-style-type: none"> Around 25 March 2014 	<ul style="list-style-type: none"> Around 18 June 2014
22.	First Date of Trading	<ul style="list-style-type: none"> Around 25 March 2014 	<ul style="list-style-type: none"> Around 18 June 2014
23.	Maturity	<ul style="list-style-type: none"> 10 years from issue date 	<ul style="list-style-type: none"> 7 years from issue date
24.	Taxation (Current)	<ul style="list-style-type: none"> Maximum of 15% for Institutional Investors Exemption for individual Investors 	<ul style="list-style-type: none"> Maximum of 15% for Institutional Investors Exemption for individual Investors
25.	Listed	<ul style="list-style-type: none"> On the Official Market of Mauritius - SEM 	<ul style="list-style-type: none"> On the Official Market of Mauritius - SEM
26.	Lead Arranger	<ul style="list-style-type: none"> SBM Mauritius Asset Managers Ltd 	<ul style="list-style-type: none"> SBM Mauritius Asset Managers Ltd
27.	Registry, Calculation, Transfer and Paying Agent	<ul style="list-style-type: none"> SBM Fund Services Ltd 	<ul style="list-style-type: none"> SBM Fund Services Ltd
28.	Bond Holder Representative	<ul style="list-style-type: none"> Prime Partners Ltd 	<ul style="list-style-type: none"> Prime Partners Ltd
29.	Governing laws and legislation	<ul style="list-style-type: none"> By the laws and legislation of the Republic of Mauritius 	<ul style="list-style-type: none"> By the laws and legislation of the Republic of Mauritius

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