

SBM Holdings Ltd

SBM Holdings Ltd ('the Group or SBM Group') is pleased to present its abridged unaudited interim financial report for the three months ended 31 March 2015.

The abridged unaudited interim financial report has been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and IAS 34 - Interim Financial Reporting. The interim financial report has been prepared based on the accounting policies as those adopted in the audited financial statements for the twelve months ended 31 December 2014, and the new standards that are effective as from 01 January 2015.

Operating Results

The Board of Directors is pleased to report that the Group's profit before tax has increased for the first quarter of 2015 by 4.75 percent from MUR 700 million for quarter March 2014 to MUR 734 million. The Group's profit after tax for the three months ended 31 March 2015 amounted to MUR 564 million, compared to MUR 588 million for the corresponding period of 2014. The earnings per share stood at 2.19 cents for the three months ended 31 March 2015 compared to 2.28 cents for the three months ended March 2014 due to higher tax expense during the period under review. The Group's total assets grew by nearly 21 percent compared to March 2014 with nearly 70% increases in investment securities, mainly in gilt-edged. Taking into account (a) change in mix from high yielding interest earning assets to low yielding assets, (b) the cost of optimal capital (c) the cost of excess capital at the average liability cost of Group's balance sheet (d) the cash reserve ratio and (e) the cost of acquiring deposits, the Group's net interest margin decreased from 1.28 percent for the quarter ended December 2014 to 1.17 percent for quarter ended March 2015 due to higher cost of liabilities and decrease in rate of return. The Group has already taken corrective measures in March/ April 2015 to improve the net interest margin, mainly in Mauritius operations.

SBM (Bank) Holdings Ltd; the Banking Group capital

SBM (Bank) Holdings Ltd, the SBM Bank Group, its consolidated capital base stood at MUR 16,241 million as at 31 March 2015 with a shareholder's equity of MUR 17,997 million whereas SBM Holdings Ltd equity has increased by MUR 1,082 million from 31 December 2014 to reach MUR 25,429 million as at end of March 2015. The Group is actively pursuing disinvestments held in "held for sale" portion in SBM Holdings Ltd at an early date.

SBM (Bank) Holdings Ltd capital adequacy ratio (CAR) under Basel III stood at 21.37 percent as at 31 March 2015, which is comfortably above the minimum regulatory limit of 12.5 percent as against CAR of 21.58 percent as at end of December 2014. Both Tier 1 capital and common equity capital to risk weighted assets ratio stood at 20.83 percent which is also much above the minimum regulatory limit. The SBM Holdings Ltd's CAR, Tier 1 capital and common equity capital were 32.84 percent and 28.02 percent respectively as at end of December 2014 while same stood at 32.68 percent and 27.60 percent respectively as at end of March 2015

SBM (Bank) Holdings Ltd's gross loans and advances to non-bank customers increased by MUR 794 million from 31 December 2014 to reach MUR 69,901 million as at 31 March 2015. SBM (Bank) Holdings Ltd deposits have increased by MUR 5,693 million or 6.19 percent, mostly in lower cost current and savings accounts, to reach MUR 97,633 million over the same period. Net Impaired advances stood at 1.80 percent as at end of the reporting date

An amount of 1.0 cents per share has been declared as interim dividend for the first quarter for the financial year ending 31 December 2015, to be paid in June 2015 and an additional amount of 1.1 cents per share has also been declared as interim dividend for the second quarter for the financial year ending 31 December 2015 to be paid in July 2015.

Outlook

The outlook of domestic economy is looking positive since the beginning of 2015 on the back of encouraging growth including a rise in tourist arrivals and national initiatives to stimulate businesses especially SMEs, although its positive outlook in the global economy is met with uncertainties with scenarios of soft commodity prices and continued low interest rates. Demand for credit could be supported by an improvement in general business activity levels during the second half of the year.

The SBM Group has managed to contain costs and maintain asset quality marginally at higher than the targeted levels. The SBM Group is actively pursuing in diversifying its revenue stream by expanding beyond Mauritian borders in Eastern African regions at an earlier date coupled with modernisation of its business-aligned technology transformation initiatives.

We wish to thank the shareholders for their unflinching support.

Alain A.J.G.R. Rey

Chairman, Audit Committee
12 May 2015

Muni Krishna T. Reddy, G.O.S.K., F.S.I.D.

Chairman

SBM HOLDINGS LTD**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015**

	-----Group-----			-----Company-----		
	31 March <u>2015</u>	31 March <u>2014</u>	31 December <u>2014</u>	31 March <u>2015</u>	31 March <u>2014</u>	31 December <u>2014</u>
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS						
Cash and cash equivalents	10,264,746	3,507,332	7,720,105	58,344	125	3,702
Mandatory balances with Central Banks	6,845,408	5,755,122	6,548,749	-	-	-
Loans to and placements with banks	724,748	1,696,214	702,133	-	-	-
Trading assets	439,645	387,473	205,223	-	-	-
Loans and advances to non-bank customers	68,591,363	69,712,003	68,054,252	-	-	-
Investment securities	34,504,304	20,343,445	30,369,883	4,512,029	-	3,915,754
Equity investments	6,729,323	4,114,698	6,721,917	6,319,881	-	6,319,881
Investment in associate	-	873,743	-	-	-	-
Investment in subsidiaries	-	-	-	20,999,183	-	20,999,183
Property and equipment	2,764,636	2,603,344	2,753,303	-	-	-
Intangible assets	1,181,391	751,187	1,067,774	-	-	-
Deferred tax assets	183,178	159,722	162,190	-	-	-
Other assets	2,852,473	1,832,264	2,954,753	6,260	-	287,791
Total assets	135,081,215	111,736,547	127,260,282	31,895,697	125	31,526,311
LIABILITIES						
Deposits from banks	591,575	117,968	593,899	-	-	-
Deposits from non-bank customers	97,537,630	81,260,997	91,784,990	-	-	-
Other borrowed funds	5,140,612	5,342,381	5,113,005	-	-	-
Trading liabilities	425,823	248,192	146,634	-	-	-
Current tax liabilities	267,440	385,907	87,953	1,790	-	-
Deferred tax liabilities	61,571	89,333	77,329	-	-	-
Other liabilities	1,740,079	2,101,497	1,510,880	52,023	-	8,919
Subordinated debts	3,887,704	1,505,425	3,598,209	3,887,704	-	3,598,209
Total liabilities	109,652,434	91,051,700	102,912,899	3,941,517	-	3,607,128
SHAREHOLDERS' EQUITY						
Stated capital	32,500,204	303,740	32,500,204	32,500,204	125	32,500,204
Retained earnings	1,004,324	16,868,417	439,069	320,567	-	307,529
Other reserves	(3,200,716)	5,845,976	(3,716,859)	8,440	-	(13,519)
	30,303,812	23,018,133	29,222,414	32,829,211	125	32,794,214
Less treasury shares	(4,875,031)	(2,333,286)	(4,875,031)	(4,875,031)	-	(4,875,031)
Total equity attributable to equity holders of the parent	25,428,781	20,684,847	24,347,383	27,954,180	125	27,919,183
Total equity and liabilities	135,081,215	111,736,547	127,260,282	31,895,697	125	31,526,311
Contingent Liabilities	14,457,299	14,053,217	14,724,355			

Approved by the Board of Directors and authorised for issue on 12 May 2015.

Alain A.J.G.R. Rey
Chairman, Audit Committee

Muni Krishna T Reddy G.O.S.K., F.S.I.D
Chairman

SBM HOLDINGS LTD
ABRIDGED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH 2015

	-----Group-----			-----Company-----		
	Quarter ended 31 March <u>2015</u>	Quarter ended 31 March <u>2014</u>	Year ended 31 December <u>2014</u>	Quarter ended 31 March <u>2015</u>	Quarter ended 31 March <u>2014</u>	Year ended 31 December <u>2014</u>
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest income	1,578,174	1,575,690	6,451,246	40,251	-	29,631
Interest expense	(616,092)	(573,553)	(2,400,808)	(34,035)	-	(32,650)
Net interest income	962,082	1,002,137	4,050,438	6,216	-	(3,019)
Fee and commission income	221,326	206,757	930,238	-	-	-
Fee and commission expense	(8,707)	(6,894)	(29,345)	-	-	-
Net fee and commission income	212,619	199,863	900,893	-	-	-
Dividend income	3	898	179,339	-	-	6,971,350
Net trading income	148,129	74,885	403,700	2,915	-	185
Other operating income	89,159	50,610	712,116	6,634	-	-
Non interest income	449,910	326,256	2,196,048	9,549	-	6,971,535
Operating income	1,411,992	1,328,393	6,246,486	15,765	-	6,968,516
Personnel expenses	(293,125)	(240,804)	(1,117,287)	-	-	(792)
Depreciation and amortisation	(38,119)	(46,866)	(166,022)	-	-	-
Other expenses	(112,979)	(160,385)	(695,082)	(937)	20	(4,681)
Non interest expense	(444,223)	(448,055)	(1,978,391)	(937)	20	(5,473)
Profit before net impairment loss on financial assets	967,769	880,338	4,268,095	14,828	20	6,963,043
Net impairment loss on financial assets	(234,122)	(208,523)	(473,732)	-	-	(6,319,881)
Operating profit	733,647	671,815	3,794,363	14,828	20	643,162
Share of profit of associate	-	28,569	62,993	-	-	-
Profit before income tax	733,647	700,384	3,857,356	14,828	20	643,162
Tax expense	(169,216)	(112,867)	(695,944)	(1,790)	-	-
Profit for the quarter / year attributable to equity holders of the parent	564,431	587,517	3,161,412	13,038	20	643,162
Earnings per share (Cents)	2.19	2.28	12.25			

SBM HOLDINGS LTD**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE QUARTER ENDED 31 MARCH 2015**

	-----Group-----			-----Company-----		
	Quarter ended 31 March 2015	Quarter ended 31 March 2014	Year ended 31 December 2014	Quarter ended 31 March 2015	Quarter ended 31 March 2014	Year ended 31 December 2014
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter / year attributable to equity holders of the parent	564,431	587,517	3,161,412	13,038	20	643,162
Other comprehensive income :						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Decrease in revaluation of property	(2,686)	-	(4,396)	-	-	-
Deferred tax on revaluation surplus of property	-	-	4,788	-	-	-
Share of other comprehensive loss of associate	-	-	(9,535)	-	-	-
Remeasurement of defined benefit pension plan (net of deferred tax)	-	-	11,855	-	-	-
	(2,686)	-	2,712	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translation of foreign operations	436,371	91,749	87,574	-	-	-
Increase / (decrease) in value of available-for-sale investments	83,282	17,777	2,104,952	21,959	-	(13,519)
Fair value realised on disposal of available-for-sale investments	-	(52,092)	(377,897)	-	-	-
	519,653	57,434	1,814,629	21,959	-	(13,519)
Other comprehensive income / (loss)	516,967	57,434	1,817,341	21,959	-	(13,519)
Total comprehensive income attributable to equity holders of the parent	1,081,398	644,951	4,978,753	34,997	20	629,643

SBM HOLDINGS LTD
STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2015

Group	Stated Capital MUR' 000	Treasury Shares MUR' 000	Statutory Reserve MUR' 000	Capital Conservation Reserve MUR' 000	Reserve arising on Share Buy Back MUR' 000	Revenue Reserve (Restated) MUR' 000	Net Unrealised Investment Fair Value Reserve MUR' 000	Net Property Revaluation Reserve (Restated) MUR' 000	Net Translation Reserve (Restated) MUR' 000	Net Other Reserve MUR' 000	Restructure reserve MUR' 000	Total Equity MUR' 000
At 01 January 2014												
- As previously stated	303,740	(2,333,286)	572,346	551,145	236,071	16,862,185	3,676,010	280,151	(987,600)	72,690	-	19,233,452
- Effect of adopting IAS 19 (revised)	-	-	-	-	-	-	-	1,002,325	-	-	-	1,002,325
- Transfer of translation loss to profit or loss	-	-	-	-	-	(307,188)	-	-	307,188	-	-	-
- Adjustment of supplementary depreciation	-	-	-	-	-	-	-	88,116	-	-	-	88,116
- As restated	303,740	(2,333,286)	572,346	551,145	236,071	16,554,997	3,676,010	1,370,592	(680,412)	72,690	-	20,323,893
Profit for the quarter	-	-	-	-	-	587,517	-	-	-	-	-	587,517
Other comprehensive income for the quarter	-	-	-	-	-	-	(34,315)	-	91,749	-	-	57,434
Transfer to retained earnings	-	-	-	-	-	9,900	-	(9,900)	-	-	-	-
Dividend	-	-	-	-	-	(283,997)	-	-	-	-	-	(283,997)
At 31 March 2014 (as Restated)	303,740	(2,333,286)	572,346	551,145	236,071	16,868,417	3,641,695	1,360,692	(588,663)	72,690	-	20,684,847
At 01 January 2014	303,740	(2,333,286)	572,346	551,145	236,071	16,554,997	3,676,010	1,370,592	(680,412)	72,690	-	20,323,893
Profit for the year	-	-	-	-	-	3,161,412	-	-	-	-	-	3,161,412
Other comprehensive income for the year	-	-	-	-	-	11,855	1,727,055	392	87,574	(9,535)	-	1,817,341
Transfer to restructure reserve	32,196,464	(2,541,745)	-	-	(236,071)	(18,155,810)	(5,402,243)	(1,063,164)	646,064	-	(5,443,495)	-
Transfer to capital conservation reserve	-	-	-	174,097	-	(174,097)	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	7,086	27,125	(34,211)	-	(63,155)	63,155	-
Transfer to statutory reserve	-	-	11,111	-	-	(11,111)	-	-	-	-	-	-
Dividend	-	-	-	-	-	(955,263)	-	-	-	-	-	(955,263)
At 31 December 2014	32,500,204	(4,875,031)	583,457	725,242	-	439,069	27,947	273,609	53,226	-	(5,380,340)	24,347,383
At 01 January 2015	32,500,204	(4,875,031)	583,457	725,242	-	439,069	27,947	273,609	53,226	-	(5,380,340)	24,347,383
Profit for the quarter	-	-	-	-	-	564,431	-	-	-	-	-	564,431
Other comprehensive income for the quarter	-	-	-	-	-	-	83,282	(2,686)	436,371	-	-	516,967
Transfer to retained earnings	-	-	-	(824)	-	824	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2015	32,500,204	(4,875,031)	583,457	724,418	-	1,004,324	111,229	270,923	489,597	-	(5,380,340)	25,428,781

SBMHOLDINGS LTD
STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2015

<u>Company</u>	<u>Stated capital</u>	<u>Treasury shares</u>	<u>Revenue reserve</u>	<u>Net unrealised investment fair value reserve</u>	<u>Total equity</u>
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2014	125	-	(20)	-	105
Profit for the quarter	-	-	20	-	20
At 31 March 2014	<u>125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125</u>
At 01 January 2014	125	-	-	-	125
Shares held by SBM Bank (Mauritius) Ltd cancelled	(125)	-	-	-	(125)
Profit for the year	-	-	643,162	-	643,162
Other comprehensive loss for the year	-	-	-	(13,519)	(13,519)
Transfer of shares from SBM Bank (Mauritius) Ltd upon group restructure	32,500,204	-	-	-	32,500,204
Transfer of treasury shares upon group restructure	-	(4,875,031)	-	-	(4,875,031)
Dividend	-	-	(335,633)	-	(335,633)
At 31 December 2014	<u>32,500,204</u>	<u>(4,875,031)</u>	<u>307,529</u>	<u>(13,519)</u>	<u>27,919,183</u>
At 01 January 2015	32,500,204	(4,875,031)	307,529	(13,519)	27,919,183
Profit for the quarter	-	-	13,038	-	13,038
Other comprehensive income for the quarter	-	-	-	21,959	21,959
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>

SBM HOLDINGS LTD**ABRIDGED STATEMENTS OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2015**

	-----Group-----			-----Company-----		
	Quarter ended 31 March 2015 MUR' 000	Quarter ended 31 March 2014 MUR' 000	Year ended 31 December 2014 MUR' 000	Quarter ended 31 March 2015 MUR' 000	Quarter ended 31 March 2014 MUR' 000	Year ended 31 December 2014 MUR' 000
Net cash from / (used in) operating activities	2,369,403	(3,993,347)	(91,435)	(234,852)	14	(333,881)
Net cash from / (used in) financing activities	317,102	733,555	1,125,342	289,494	-	(314,296)
Net cash (used in) / from investing activities	(141,864)	(133,410)	(214,336)	-	-	651,768
Net change in cash and cash equivalents	2,544,641	(3,393,202)	819,571	54,642	14	3,591
Cash and cash equivalents at beginning of quarter / year	7,720,105	6,900,534	6,900,534	3,702	111	111
Cash and cash equivalents at end of quarter / year	10,264,746	3,507,332	7,720,105	58,344	125	3,702

ACCOUNTING POLICIES

The abridged unaudited interim financial report has been prepared using the accounting policies as those adopted in the audited financial statements for the year ended 31 December 2014 and comply with IAS 34.

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.Pillay / D. Ramjug Chumun
Company Secretaries

12 May 2015

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 has been extracted from the abridged unaudited interim financial report for the quarter ended 31 March 2015

