

SBM Group First Half 2017 Highlights



August 2017

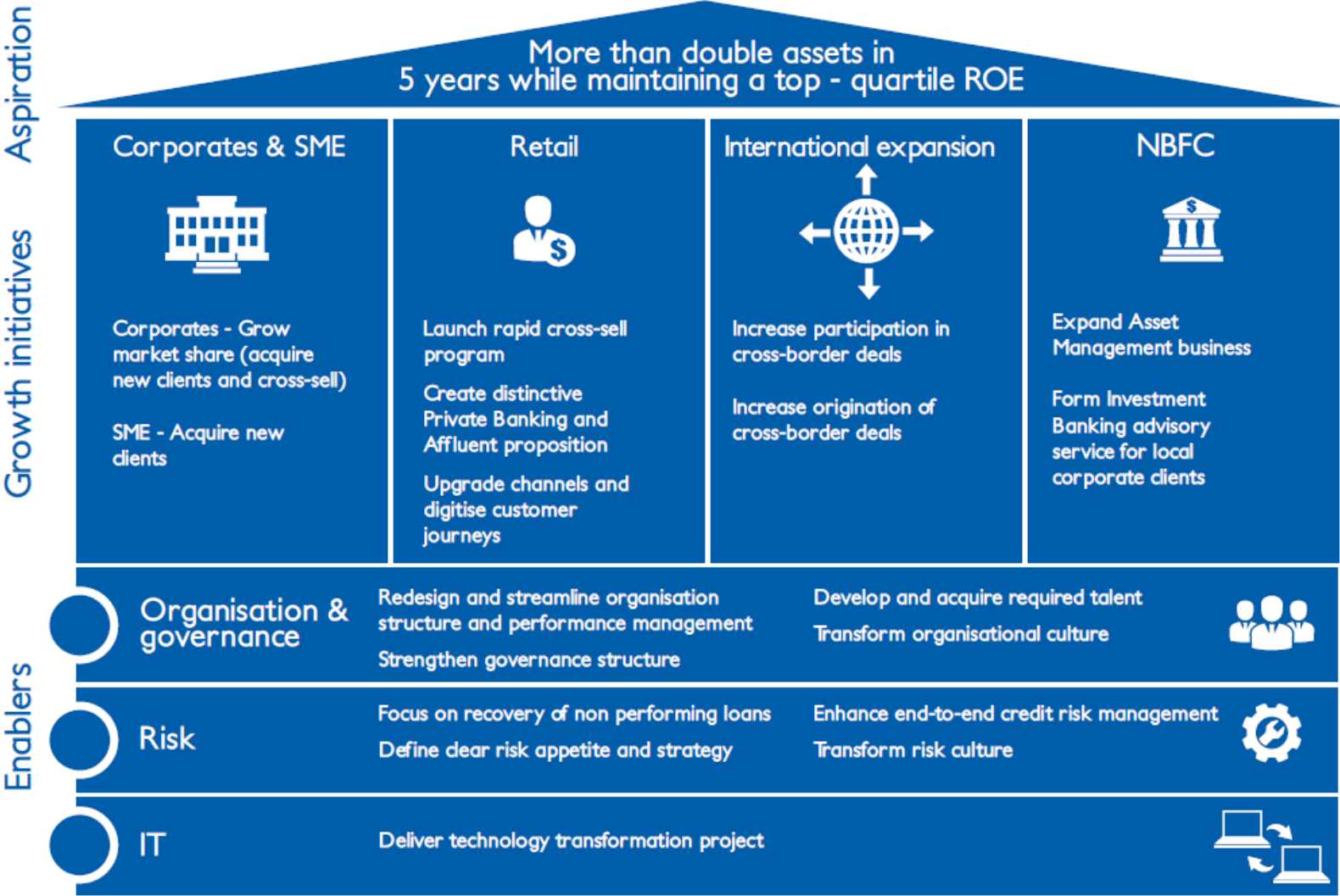
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AGENDA

- **Strategy**
- Financial highlights
- Share price info

OUR STRATEGY 2016-2020



FIVE STRATEGIC PILLARS – PROGRESS MADE IN 2017

Consolidation

- Increase in market share for Retail Banking and Corporate Banking

Diversification

- Listing of the Afreximbank Depository Receipts
- Lead Arranger for MUR 1.5 Bn Secured Notes Programme for local company
- Launch of structured investment products
- Investment Banking license

Internationalisation

- Significant year on year increase of 183% in Segment B advances
- Entry in the Kenyan market through SBM Bank (Kenya) Limited, formerly Fidelity Commercial Bank of Kenya

FIVE STRATEGIC PILLARS – PROGRESS MADE IN 2017

Modernisation

- eStatement
- SBM Mobile Banking

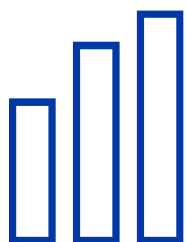
Capacity Building

- Recruitment in key positions
- Review of HR policies
- Ongoing training to employees
- Alignment of risk policies

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SBM HOLDINGS LTD – CONSOLIDATED KEY FINANCIAL HIGHLIGHTS



TOTAL ASSETS

MUR **177.23 billion**
30 June 2017

30 June 2016
MUR 140.31 billion



TOTAL DEPOSITS

MUR **138.98 billion**
30 June 2017

30 June 2016
MUR 107.29 billion



NET LOANS & ADVANCES

MUR **89.85 billion**
30 June 2017

30 June 2016
MUR 66.20 billion



TOTAL LIABILITIES

MUR **152.37 billion**
30 June 2017

30 June 2016
MUR 117.18 billion



SHAREHOLDERS' EQUITY

MUR **24.86 billion**
30 June 2017

30 June 2016
MUR 23.13 billion



SBM HOLDINGS LTD – CONSOLIDATED KEY FINANCIAL HIGHLIGHTS

NET INTEREST INCOME

MUR **2,284 M**
30 June 2017

(30 June 2016:
MUR 2,214 M)

NON INTEREST INCOME

MUR **1,250 M**
30 June 2017

(30 June 2016 :
MUR 1,082 M)

OPERATING INCOME

MUR **3,534 M**
30 June 2017

(30 June 2016 :
MUR 3,297 M)

PROFIT AFTER TAX

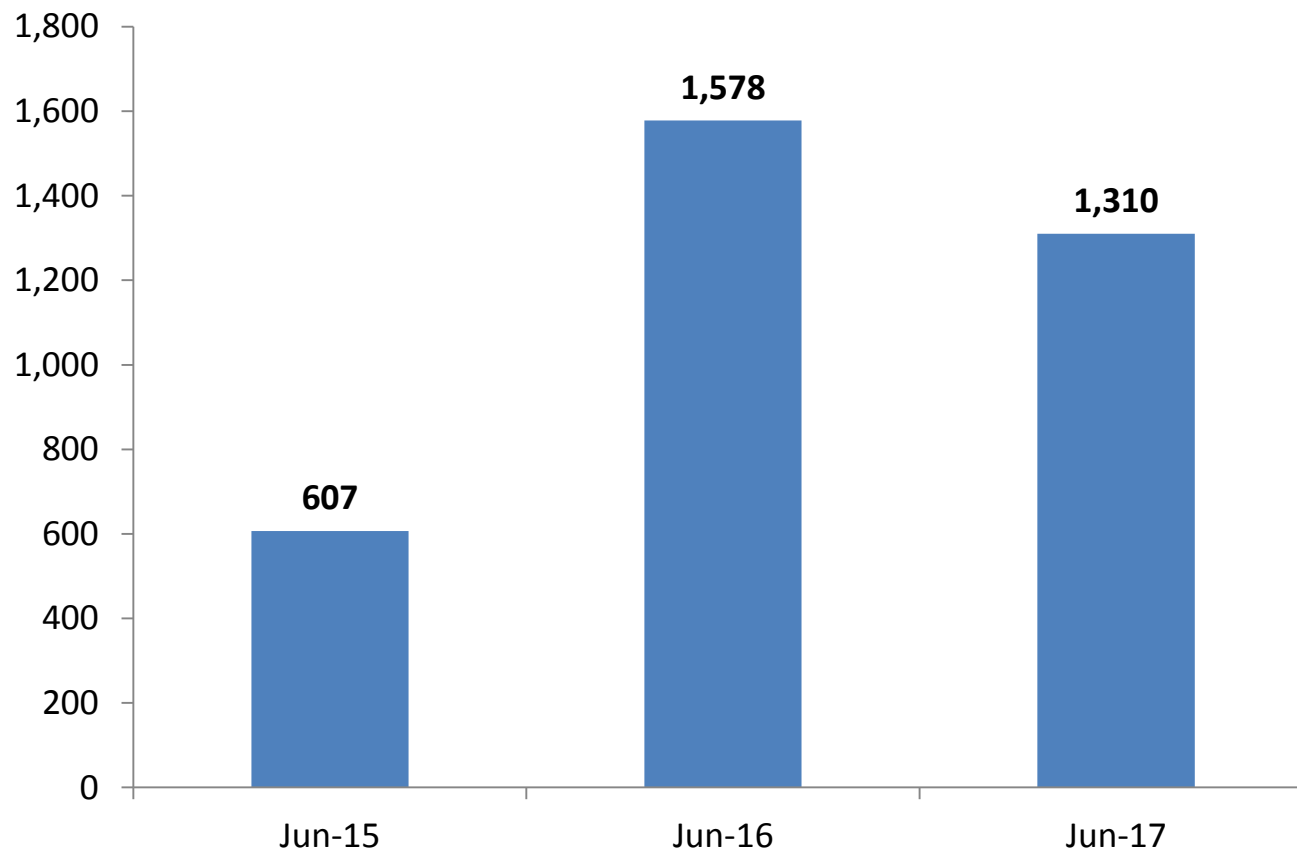
MUR **1,310 M**
30 June 2017

(30 June 2016 :
MUR 1,578 M)

**for half year ended 30 June*

GROUP PROFIT FOR FIRST HALF 2017 DECREASED...

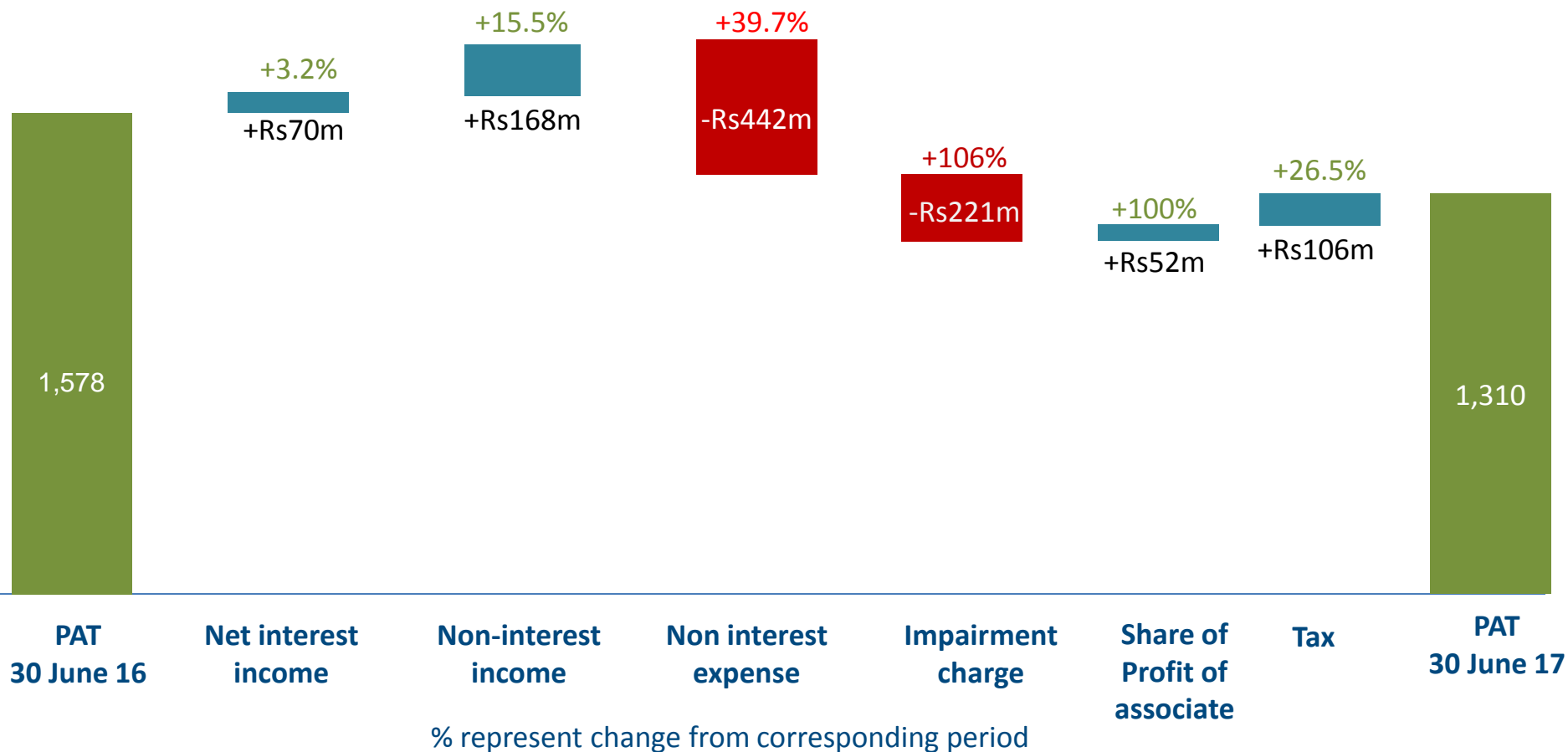
MUR Million



**for half year ended 30 June*

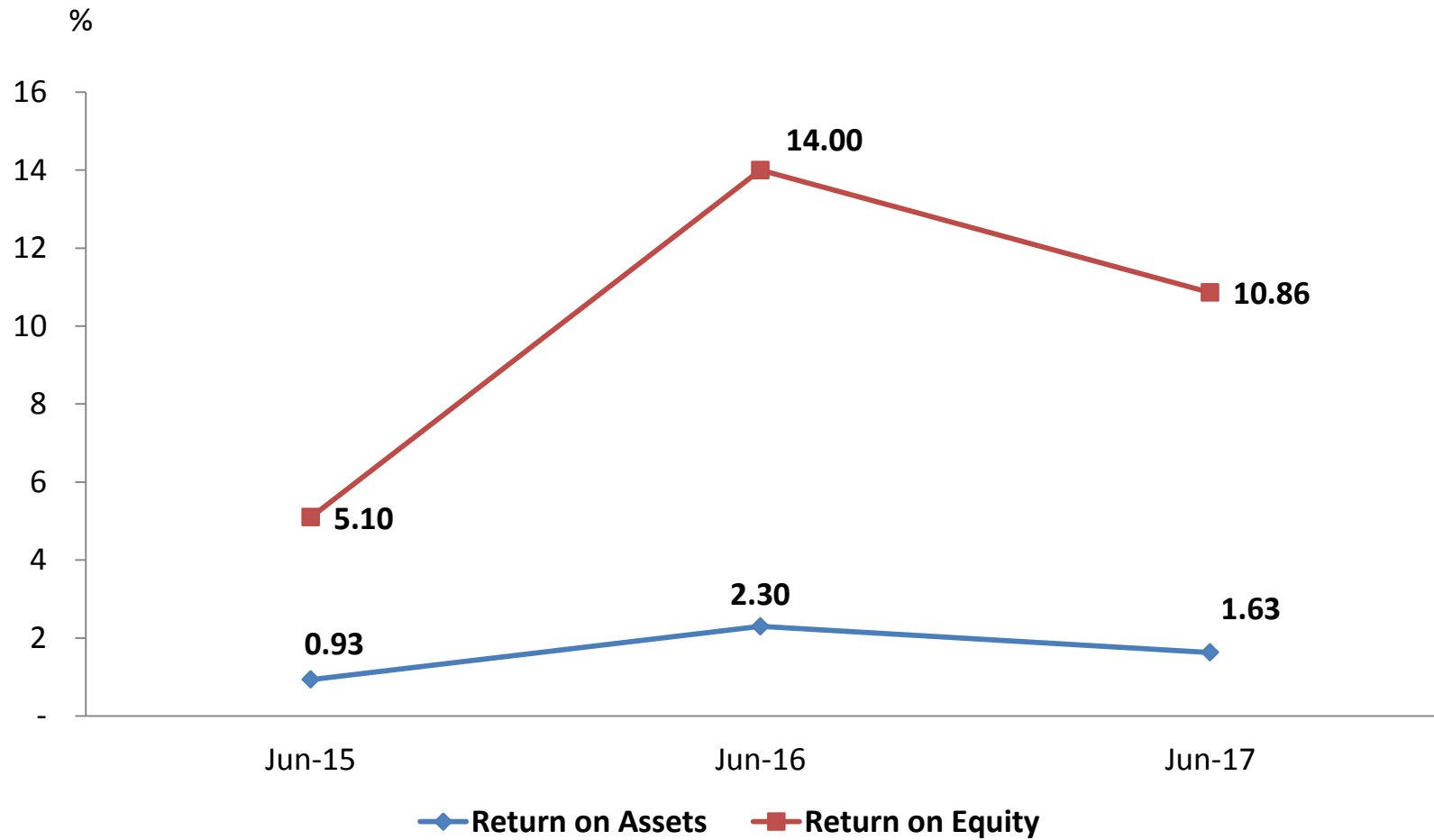
... MAINLY DUE TO INCREASE IN HR AND IT COSTS, AND HIGHER PORTFOLIO PROVISIONING IN LINE WITH A RISE IN ADVANCES

MUR Million



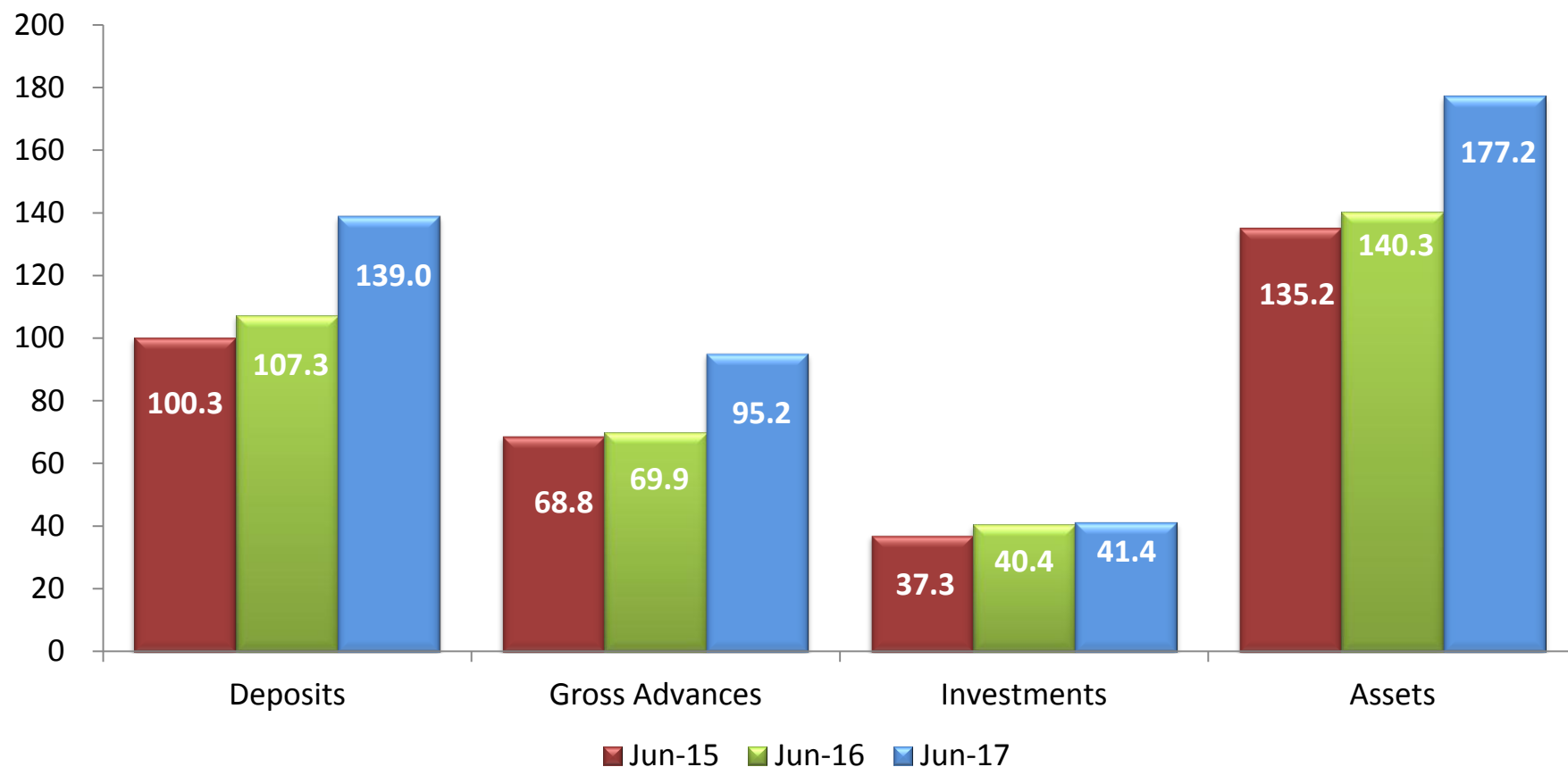
**for half year ended 30 June*

THEREBY IMPACTING ROE AND ROA



TOTAL ASSETS GREW SUBSTANTIALLY BY 26.3% DRIVEN BY AN INCREASE IN DOMESTIC MARKET SHARE AND SIGNIFICANTLY HIGHER SEGMENT B ASSETS

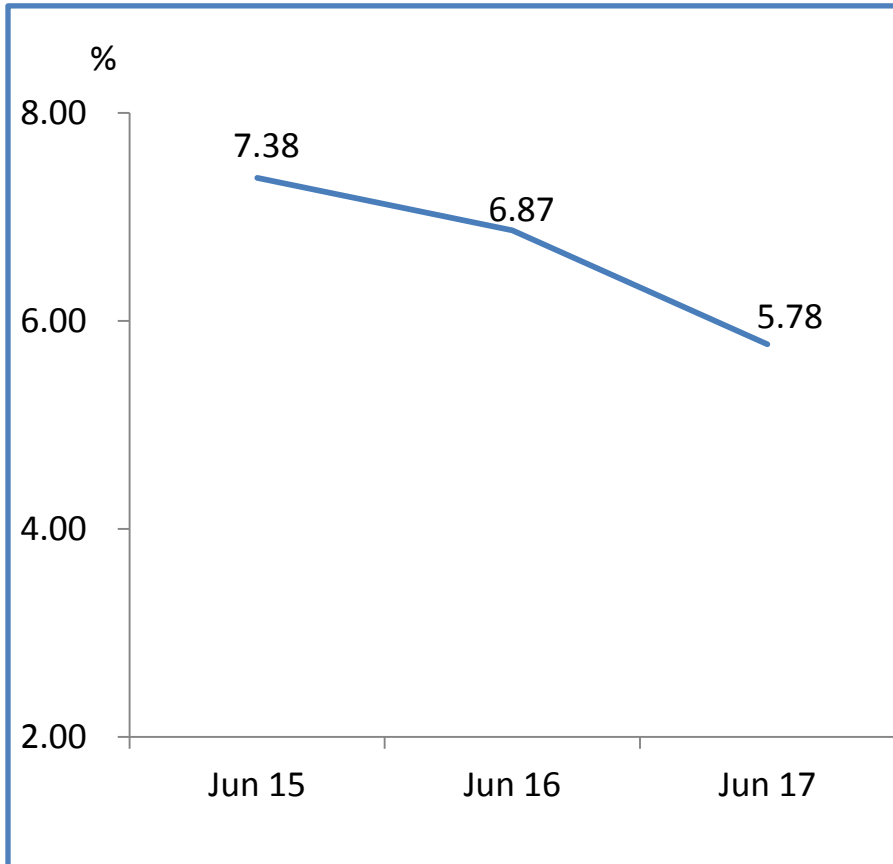
MUR Million



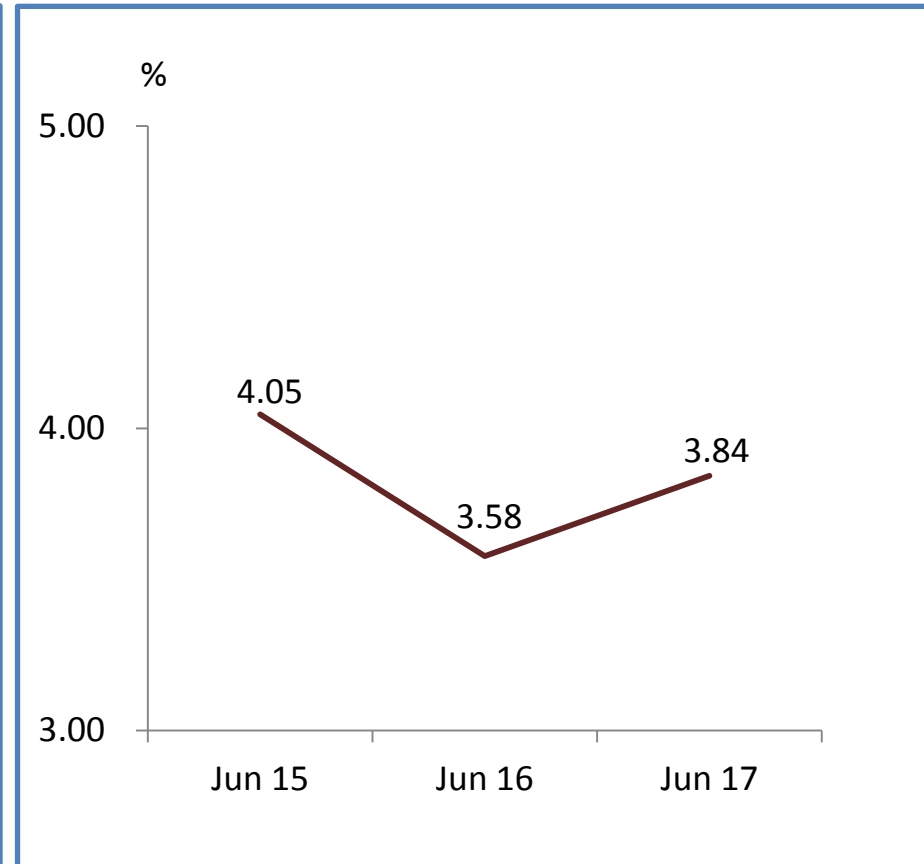
**as at 30 June*

YIELD ON ADVANCES DECLINED DUE TO (i) HIGHER MIX OF SEGMENT B ASSETS (ii) EXCESS LIQUIDITY IN DOMESTIC MARKET AND (iii) DROP IN REPO RATE

Yield on advances

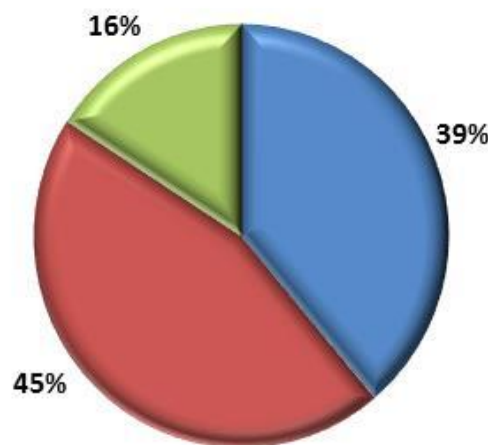


Yield on investment

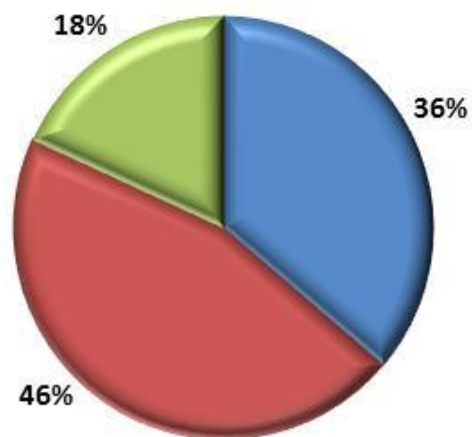


DEPOSIT MIX REMAINED WELL BALANCED

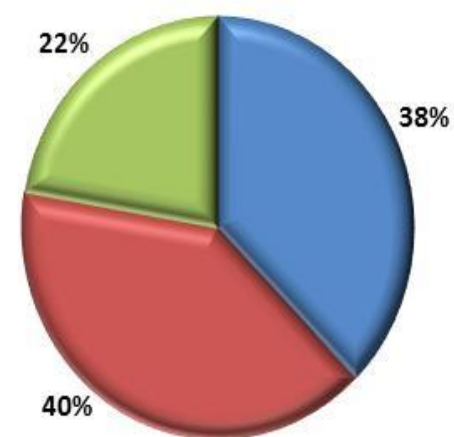
June 2015



June 2016

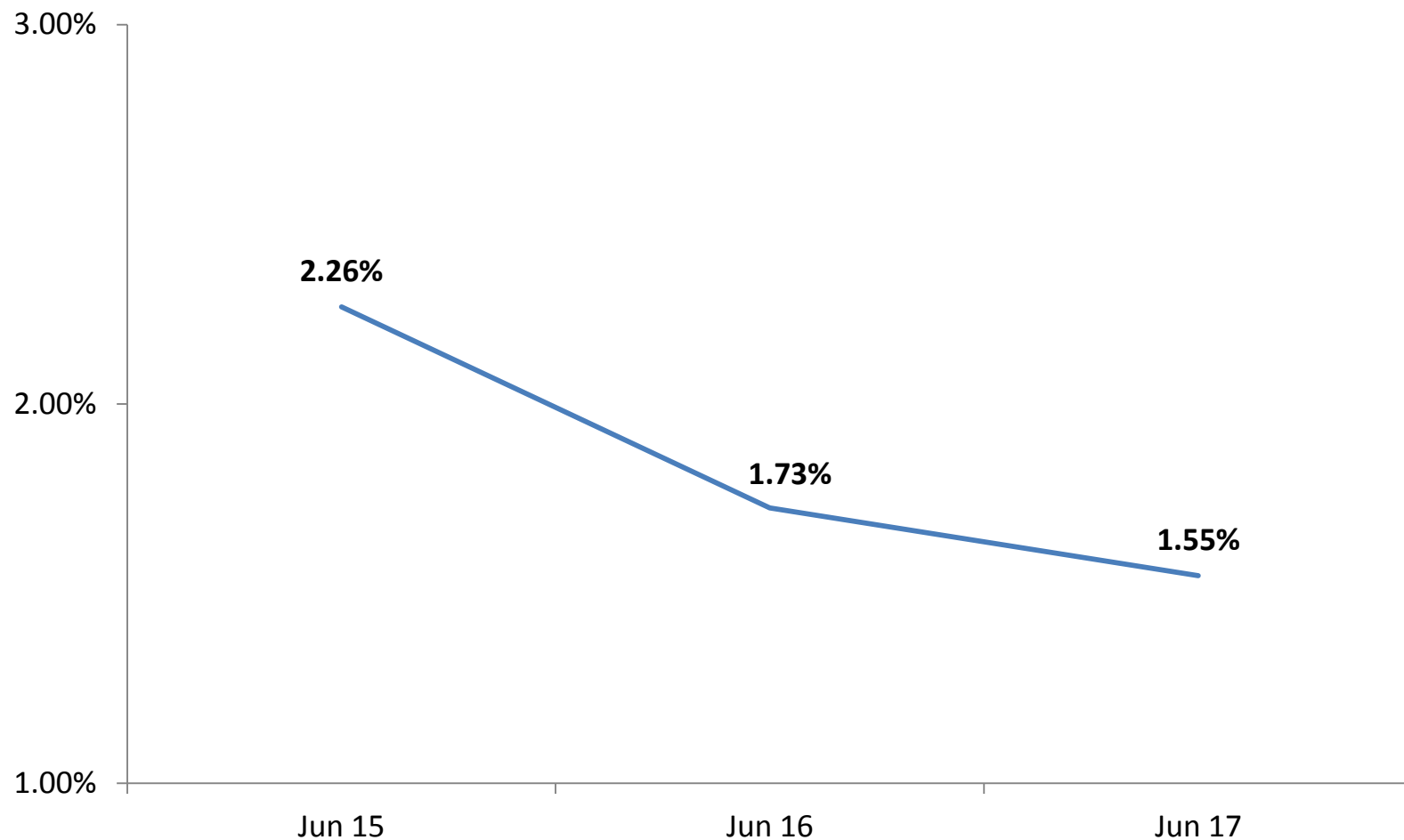


June 2017

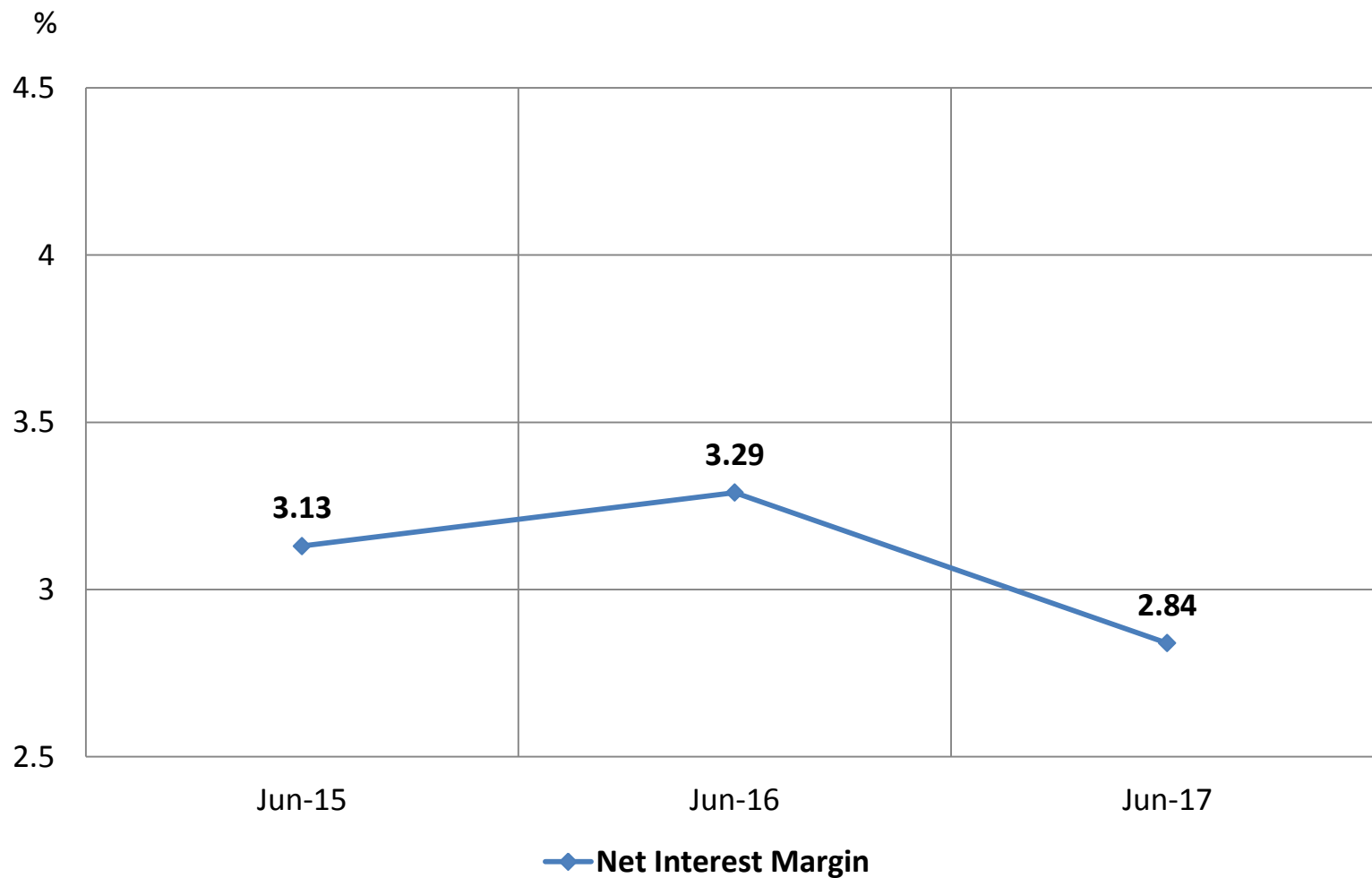


■ Demand ■ Savings ■ Term

COST OF FUNDS IMPROVED AMIDST HIGH LIQUIDITY AND HIGHER MIX OF FCY DEPOSITS

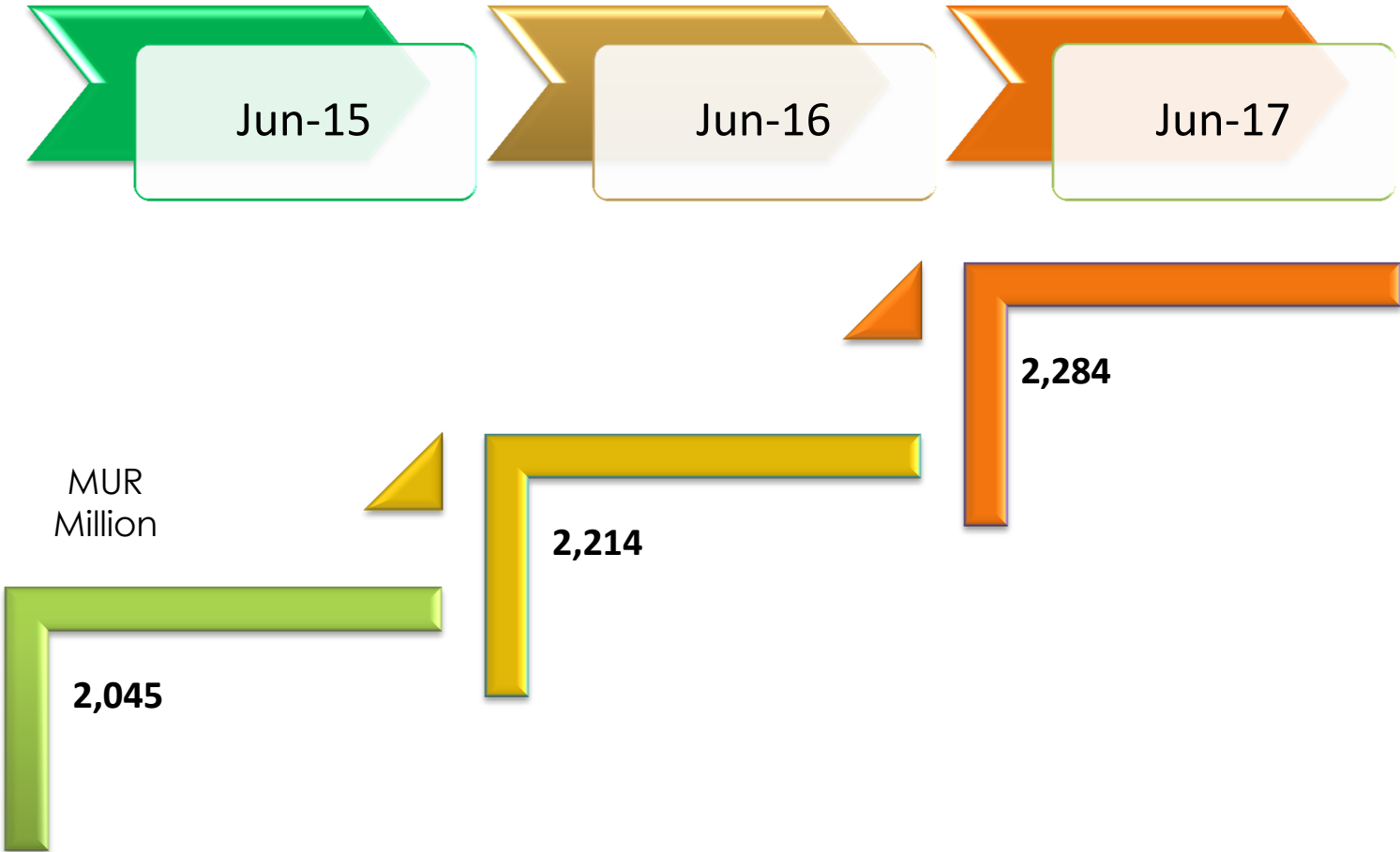


OVERALL, NIM NARROWED BY 45 BPS



**for half year ended 30 June*

NET INTEREST INCOME RECORDED SUSTAINED GROWTH



**for half year ended 30 June*

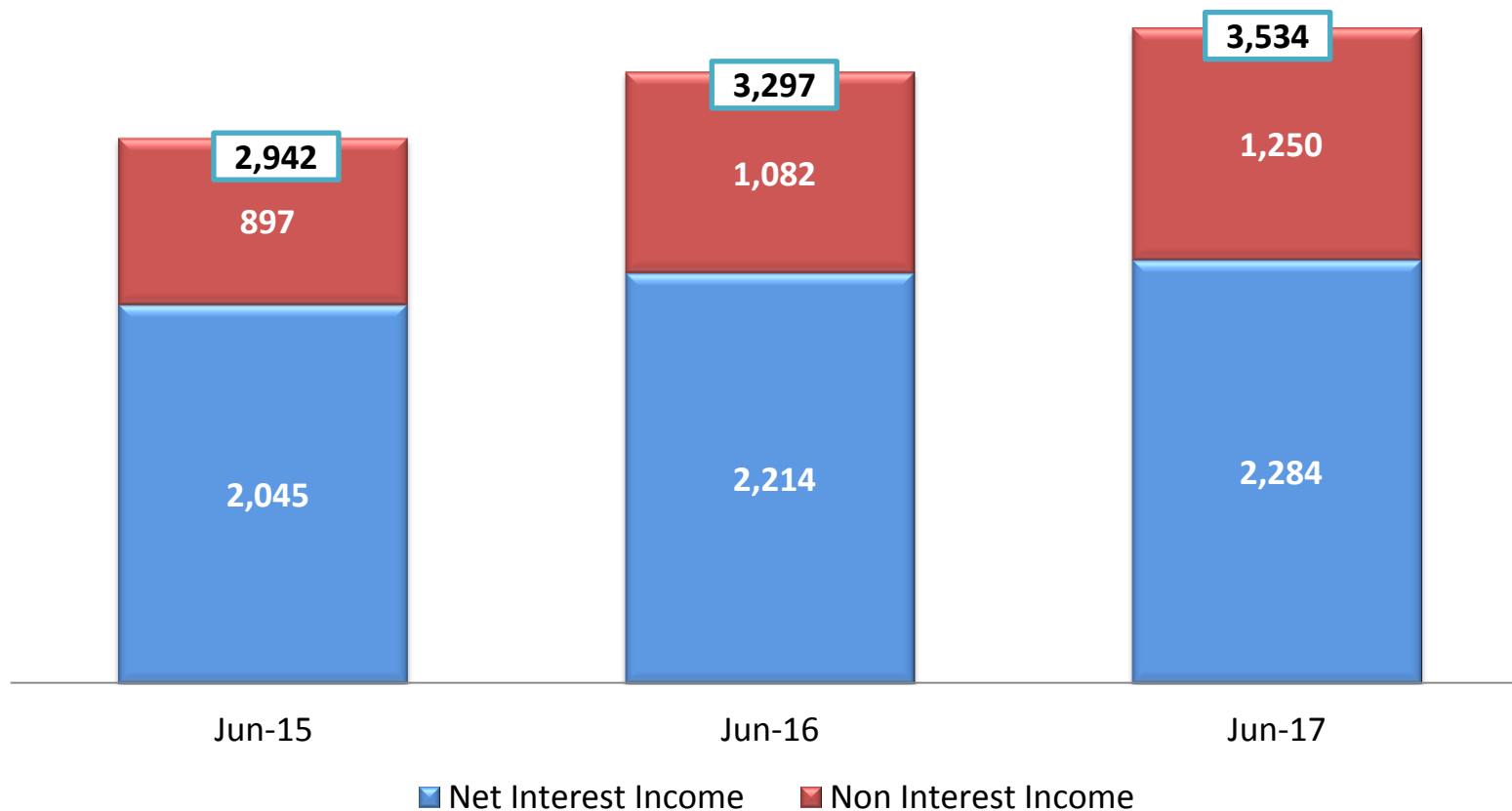
NON-INTEREST INCOME WAS SUPPORTED BY A SIGNIFICANT INCREASE IN NET TRADING INCOME

	30 Jun 15	30 Jun 16		30 Jun 17
Net Fees & Commission	466	558	-6%	524
Dividend Income	1	1	+600%	7
Net trading income	275	260	+87%	486
Other income (e-business, etc.)	156	264	-12%	232
Total Non-Interest Income	897	1,082	+15%	1,250

**for half year ended 30 June*

HENCE, GROSS OPERATING INCOME GREW BY 7.2%

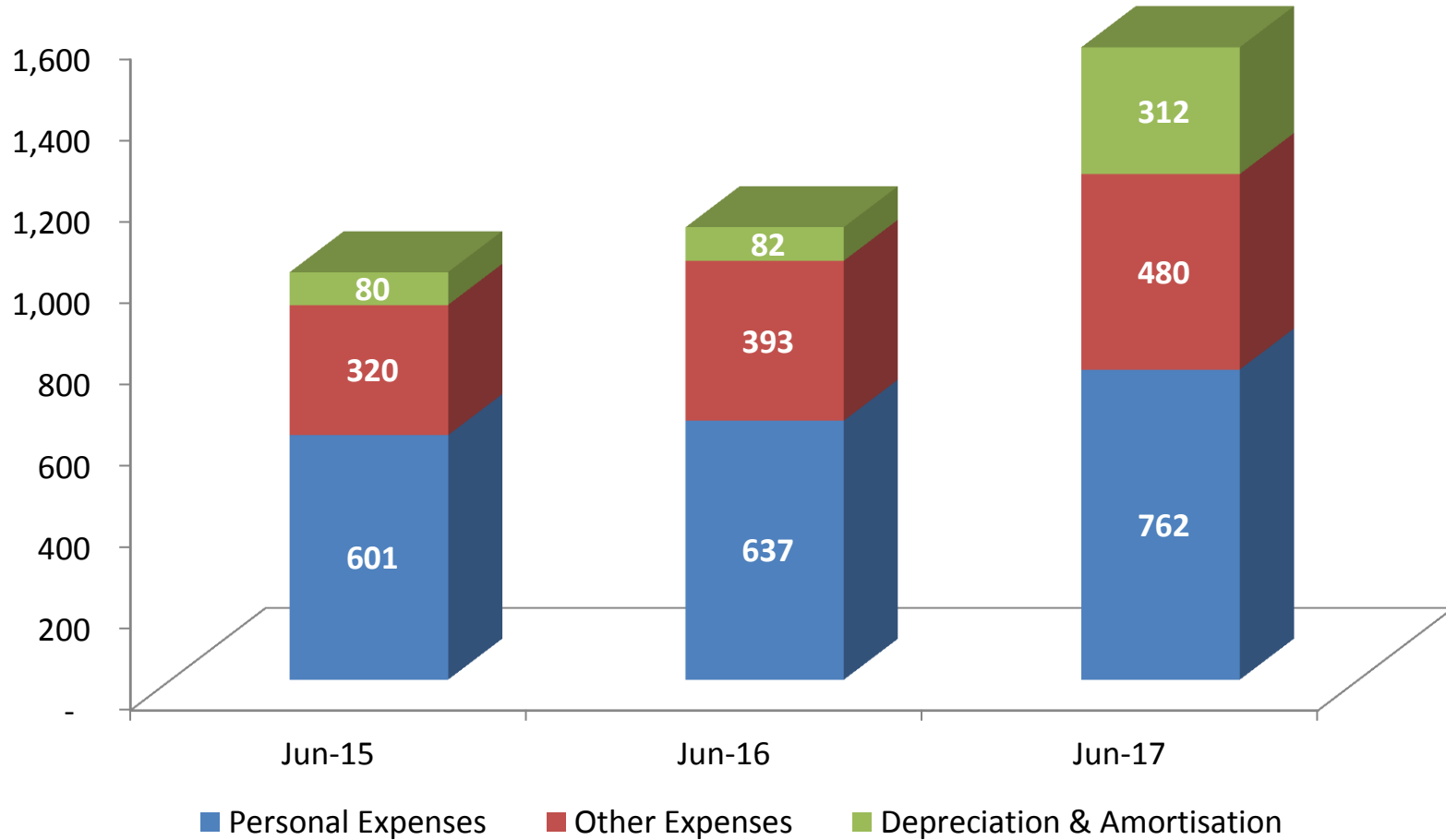
MUR Million



**for half year ended 30 June*

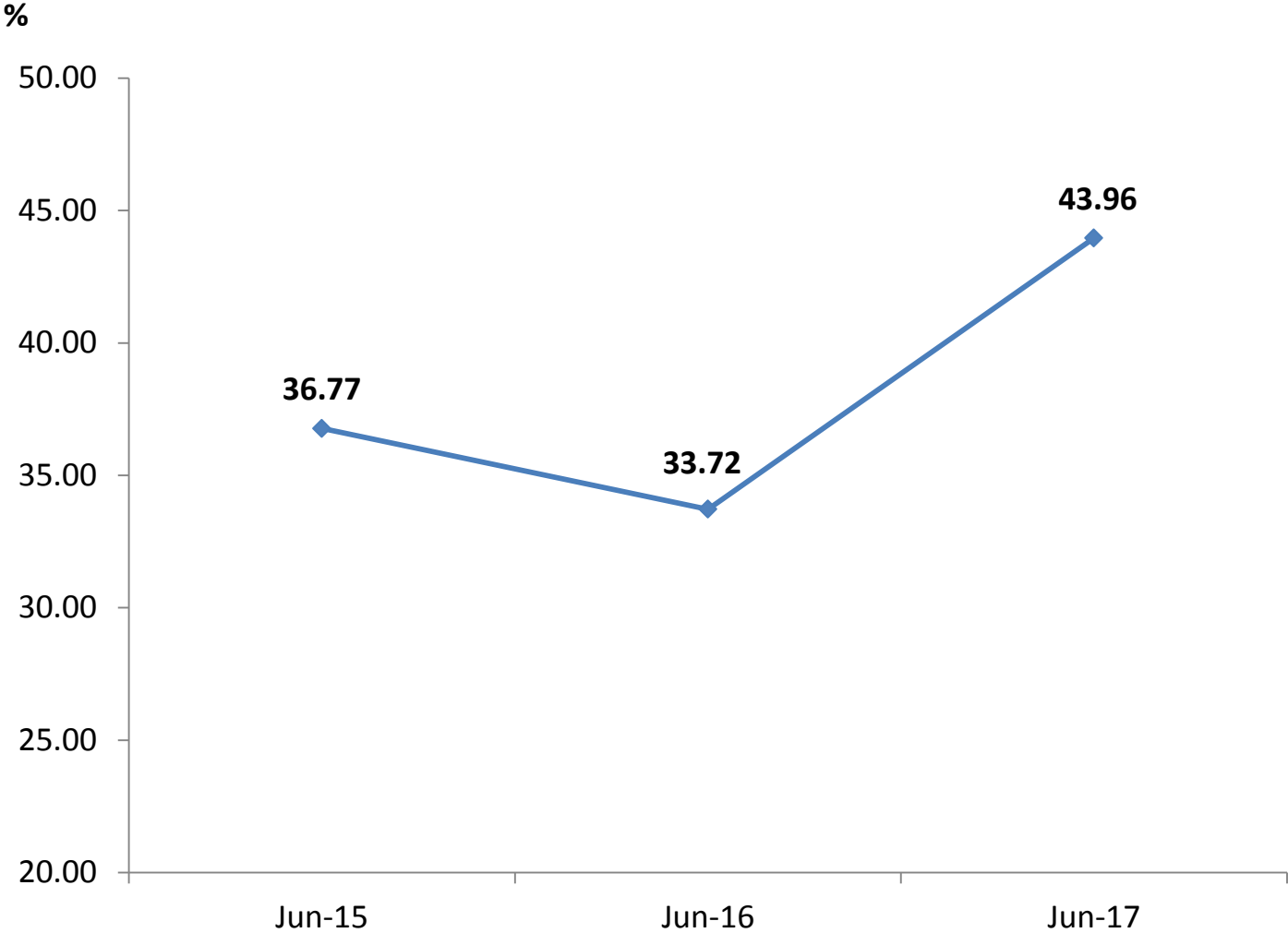
WHILE NON INTEREST EXPENSES INCREASED SIGNIFICANTLY AMIDST CAPACITY BUILDING INITIATIVES...

MUR Million



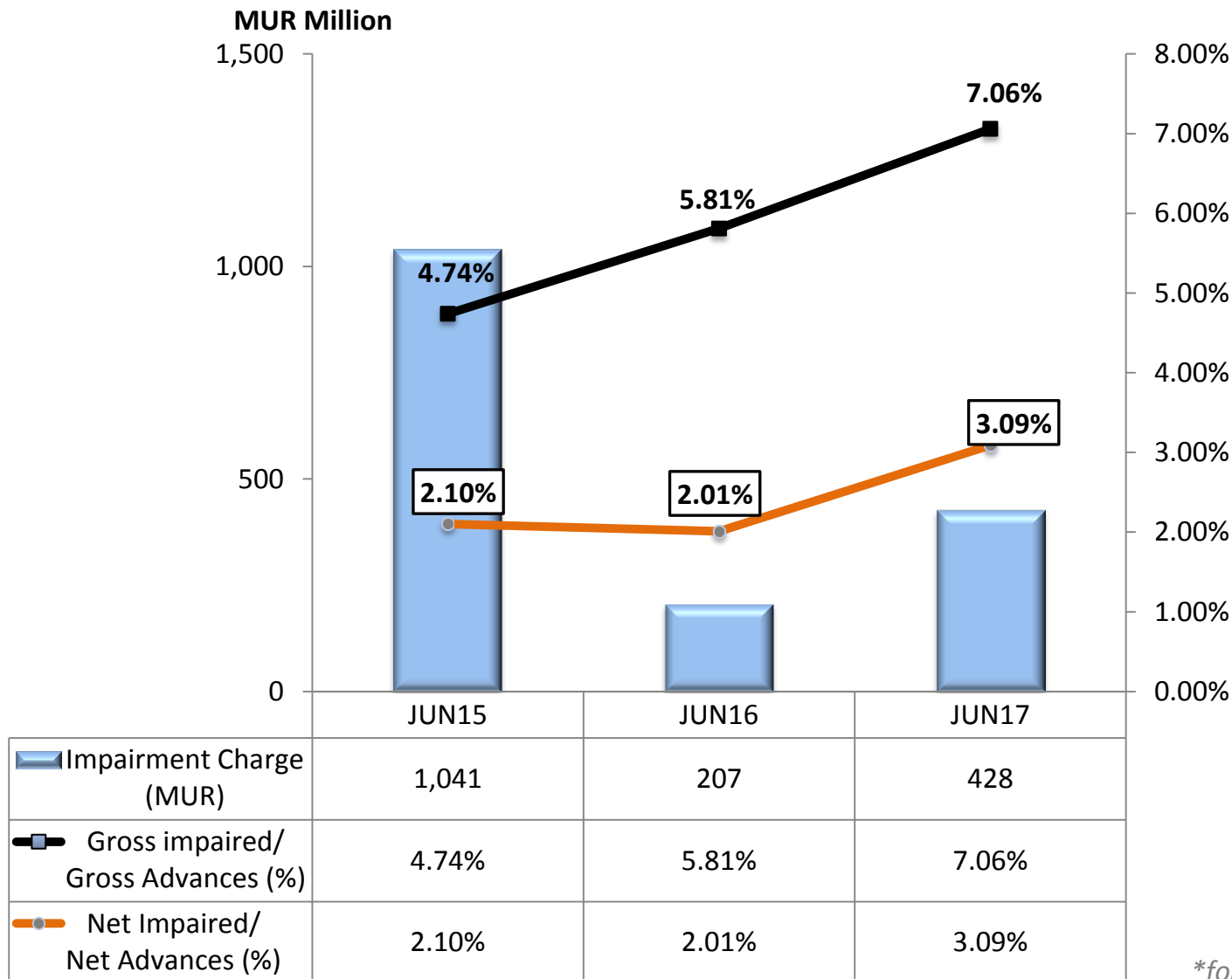
**for half year ended 30 June*

... RESULTING IN A RISE IN THE COST TO INCOME RATIO



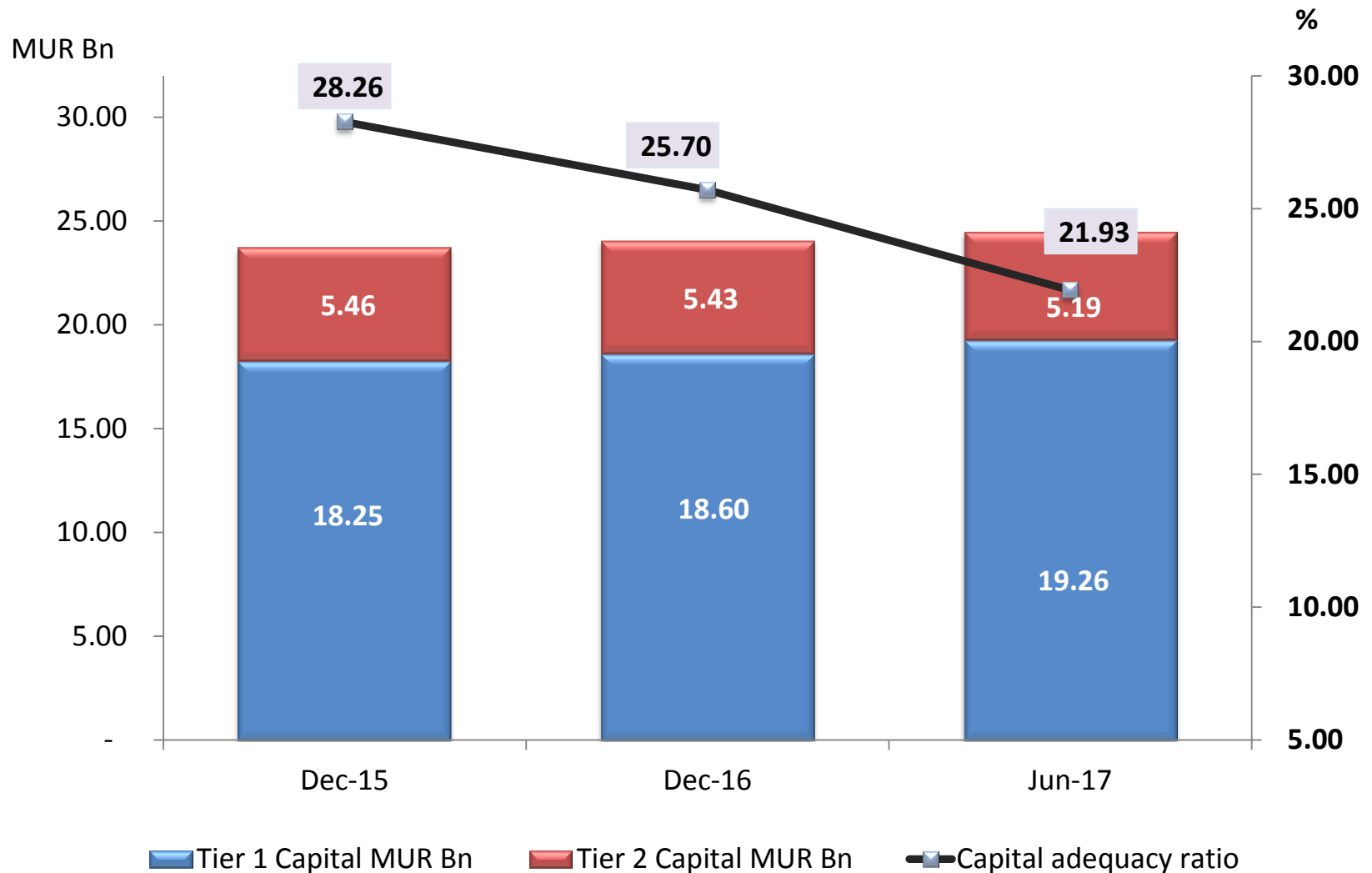
**for half year ended 30 June*

GROSS IMPAIRMENT RATIO INCREASED MAINLY DUE TO CONSOLIDATION OF OPERATIONS IN KENYA, BUT IT WAS ADEQUATELY PROVIDED FOR



**for half year ended 30 June*

CAPITAL ADEQUACY RATIO REMAINED WELL ABOVE REGULATORY REQUIREMENTS, ALBEIT DECREASING IN LINE WITH STRONG ADVANCES GROWTH

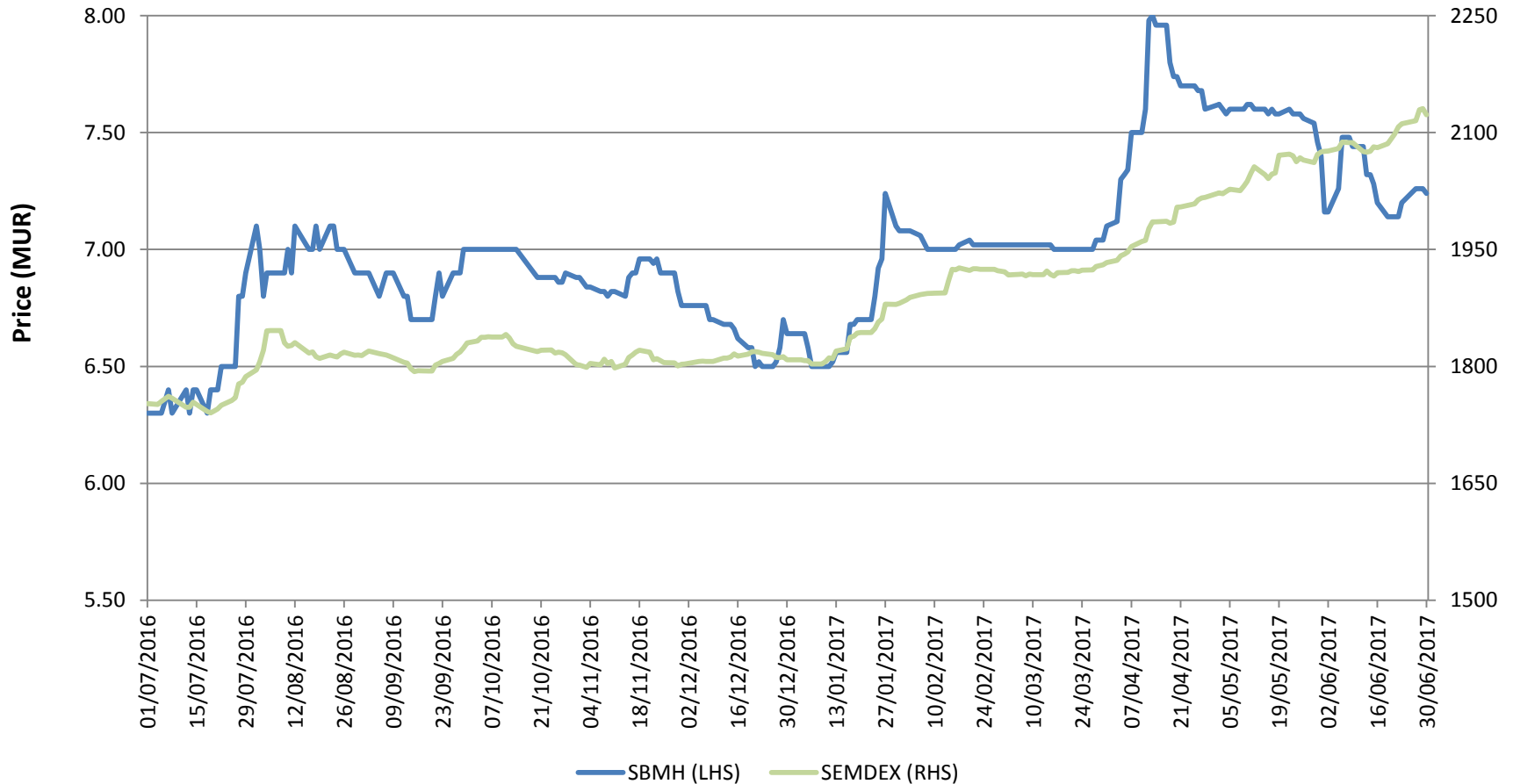


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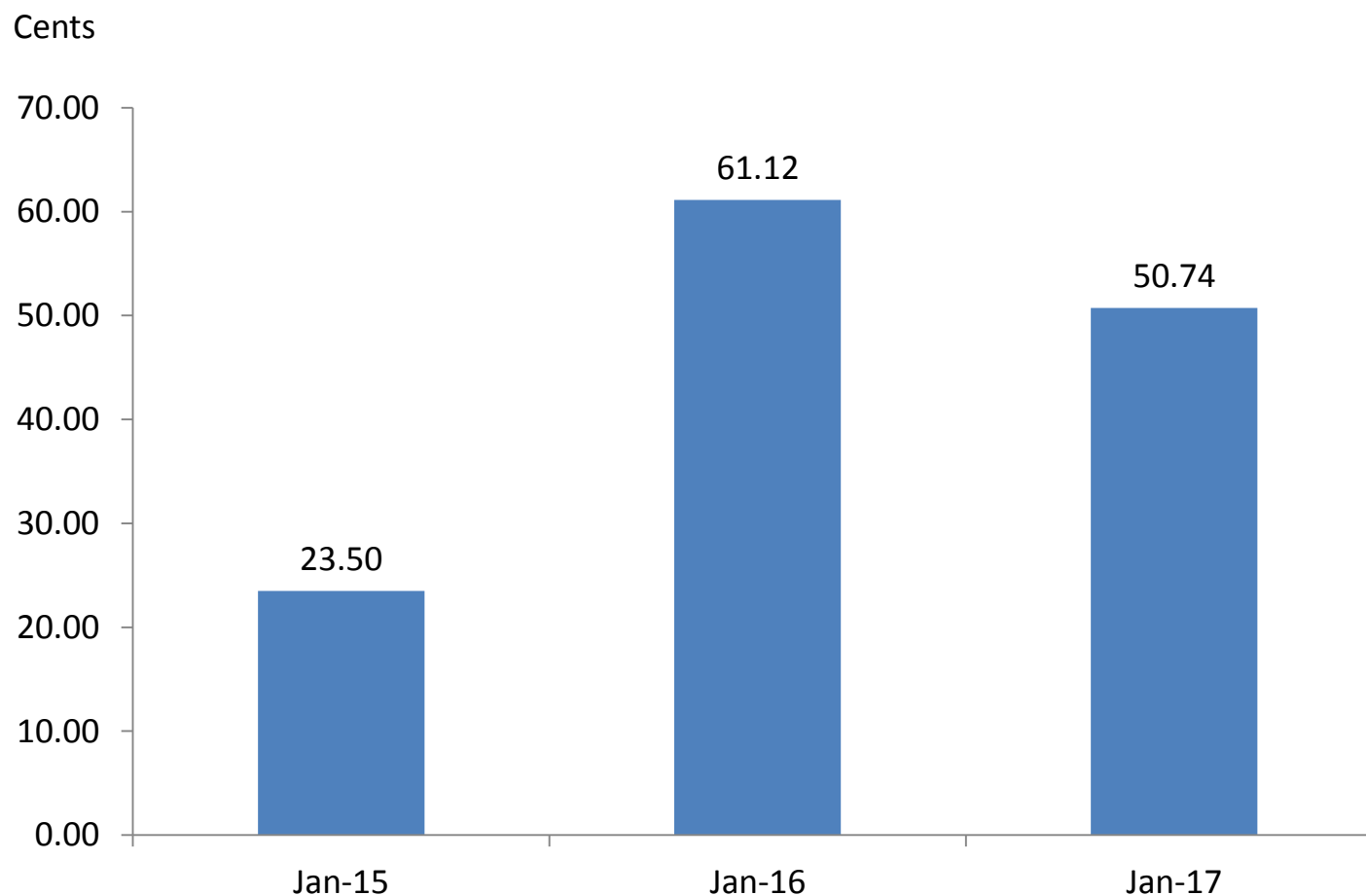
THE SHARE PRICE HAS BEEN TRENDING UPWARD OVER THE PAST YEAR

SBMH (July 2016 - Jun 2017)



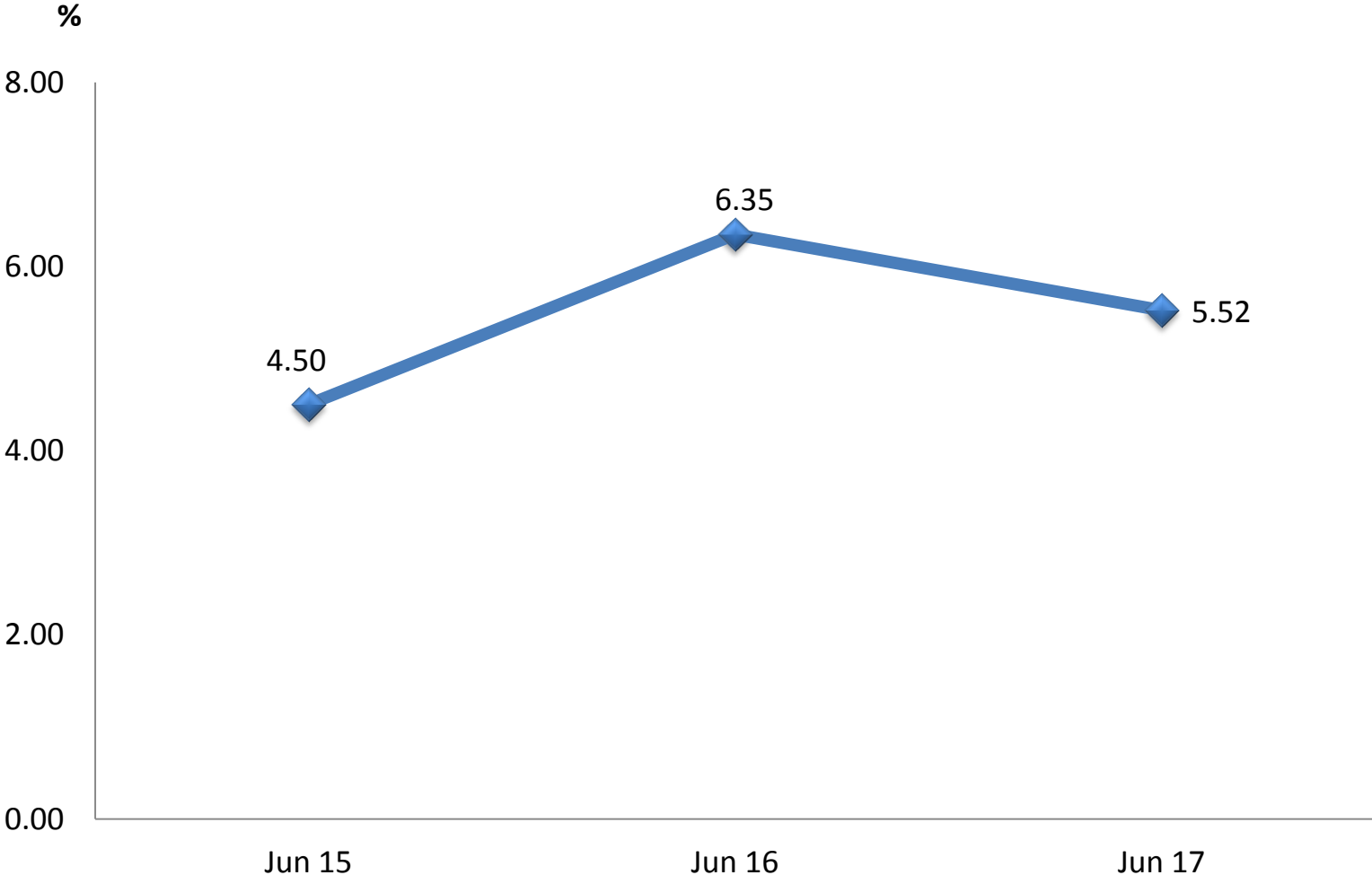
Note: Share information prior to 19 October 2016 has been restated to reflect reverse share split of 10:1 effective that date.

EARNINGS PER SHARE DECLINED, REFLECTING THE PROFIT TREND



Note: Share information prior to 19 October 2016 has been restated to reflect reverse share split of 10:1 effective that date.

DIVIDEND YIELD HAS REMAINED STRONG



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