

**REVIEW REPORT TO THE BOARD OF DIRECTORS OF
SBM BANK (MAURITIUS) LTD**

We have reviewed the accompanying interim condensed statements of financial position of SBM Bank (Mauritius) Ltd (the "Bank") as of 31 March 2019 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information does not present fairly, in all material respects, the financial position of the Bank as at 31 March 2019, and of its financial performance and its cash flows for the quarter then ended in accordance with IAS 34 Interim Financial Reporting.

ERNST & YOUNG
Ebène, Mauritius

09 May 2019

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

SBM BANK (MAURITIUS) LTD
STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Unaudited 31 March 2019	Unaudited 31 March 2018	Audited 31 December 2018
	MUR' 000	(Restated) MUR' 000	MUR' 000
ASSETS			
Cash and cash equivalents	5,754,389	16,138,632	11,211,712
Mandatory balances with central banks	8,668,999	8,632,261	8,767,767
Loans to and placements with banks	8,473,098	9,371,103	11,764,358
Derivative financial instruments	976,421	1,796,950	762,855
Loans and advances to non-bank customers	94,393,347	101,622,395	94,296,051
Investment securities	57,106,372	43,153,447	50,934,309
Equity investments	3,411	370	3,411
Property and equipment	2,750,057	2,610,985	2,458,814
Intangible assets	2,851,444	3,427,192	2,962,920
Deferred tax assets	-	93,961	-
Other assets	623,837	1,179,835	823,653
Total assets	181,601,375	188,027,131	183,985,850
LIABILITIES			
Deposits from banks	739,343	775,548	796,117
Deposits from non-bank customers	143,896,809	149,543,804	147,530,840
Other borrowed funds	13,869,092	12,848,227	11,773,938
Derivative financial instruments	973,196	1,474,136	758,642
Current tax liabilities	761,891	192,392	474,487
Deferred tax liabilities	151,661	181,327	163,996
Other liabilities	3,005,045	4,533,405	5,020,635
Total liabilities	163,397,037	169,548,839	166,518,655
SHAREHOLDER'S EQUITY			
Stated capital	310,000	310,000	310,000
Capital contribution	11,044,011	9,063,106	11,044,011
Retained earnings	5,545,945	8,104,209	4,817,518
Other reserves	1,304,382	1,000,977	1,295,666
Total equity	18,204,338	18,478,292	17,467,195
Total equity and liabilities	181,601,375	188,027,131	183,985,850

Approved by the Board of Directors and authorised for issue on 09 May 2019.

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 Parvataneni Venkateswara Rao
 Chief Executive Officer

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 Ishwar Anoopum Gaya
 Chairman, Audit Committee

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 Nayen Koomar Ballah, G.O.S.K.
 Chairman

SBM BANK (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS FOR THE QUARTER ENDED 31 MARCH 2019

	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Year ended 31 December 2018
		(Restated)	
	MUR' 000	MUR' 000	MUR' 000
Interest income	1,881,254	1,635,452	7,156,372
Interest expense	(470,172)	(359,798)	(1,665,006)
Net interest income	1,411,082	1,275,654	5,491,366
Fee and commission income	268,618	281,240	1,061,666
Fee and commission expense	(5,969)	(5,257)	(23,015)
Net fee and commission income	262,649	275,983	1,038,651
Other income			
Profit arising from dealing in foreign currencies	153,798	172,599	679,738
Net gain from financial instruments	30,708	146,116	500,133
Net gain on sale of securities	98,052	22,448	173,554
Other operating income	800	-	-
	283,358	341,163	1,353,425
Non-interest income	546,007	617,146	2,392,076
Operating income	1,957,089	1,892,800	7,883,442
Personnel expenses	(415,898)	(364,170)	(1,336,294)
Depreciation of property and equipment	(47,658)	(36,338)	(145,188)
Amortisation of intangible assets	(139,079)	(133,550)	(549,948)
Other expenses	(184,055)	(199,525)	(703,303)
Non-interest expense	(786,690)	(733,583)	(2,734,733)
Profit before credit loss expense	1,170,399	1,159,217	5,148,709
Credit loss expense on financial assets	(176,097)	(178,784)	(3,010,356)
Profit before income tax	994,302	980,433	2,138,353
Tax expense	(275,293)	(121,925)	(676,988)
Profit for the quarter / year from continuing operations	719,009	858,508	1,461,365
Discontinued operations			
Loss after tax for the quarter / year from discontinued operations	-	(18,867)	(221,374)
Loss on distribution of dividend in specie	-	-	(685,838)
Loss for the quarter / year from discontinued operations	-	(18,867)	(907,212)
Profit for the quarter / year	719,009	839,641	554,153

SBM BANK (MAURITIUS) LTD
STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2019

	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Year ended 31 December 2018
	MUR' 000	(Restated) MUR' 000	MUR' 000
Profit for the quarter / year	719,009	839,641	554,153
Other comprehensive income :			
<i>Items that will not be reclassified subsequently to profit or loss (net of deferred tax):</i>			
Remeasurement of defined benefit pension plan	-	-	(27,802)
	-	-	(27,802)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	-	(31,425)	564,044
<i>Investment securities measured at FVTOCI (Debt instruments):</i>			
Movement in fair value during the year	38,576	(95,385)	(138,912)
Fair value re-cycled on disposal	-	-	1,491
Movement in credit loss expense relating to debt instruments held at FVTOCI	(20,442)	8,682	26,415
	18,134	(118,128)	453,038
Total other comprehensive income / (loss)	18,134	(118,128)	425,236
Total comprehensive income for the quarter / year	737,143	721,513	979,389

SBM BANK (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2019

	Stated capital	Capital contribution	Retained earnings	Statutory reserve	Fair value reserve on financial instruments recognised in OCI	Property revaluation reserve	Foreign currency translation reserve	Total equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
At 01 January 2018	310,000	9,063,106	7,855,520	530,390	(18,712)	1,180,889	(564,044)	18,357,149
Impact of adopting IFRS 9	-	-	(250,070)	-	34,993	-	-	(215,077)
Restated opening balance under IFRS 9	310,000	9,063,106	7,605,450	530,390	16,281	1,180,889	(564,044)	18,142,072
Profit for the period	-	-	839,641	-	-	-	-	839,641
Other comprehensive loss for the quarter	-	-	-	-	(121,696)	-	(31,425)	(153,121)
Total comprehensive income / (loss) for the quarter	-	-	839,641	-	(121,696)	-	(31,425)	686,520
Transfer to retained earnings	-	-	9,418	-	-	(9,418)	-	-
Dividend	-	-	(350,300)	-	-	-	-	(350,300)
At 31 March 2018	310,000	9,063,106	8,104,209	530,390	(105,415)	1,171,471	(595,469)	18,478,292
At 01 January 2018	310,000	9,063,106	7,855,520	530,390	(18,712)	1,180,889	(564,044)	18,357,149
Impact of adopting IFRS 9	-	-	(250,070)	-	34,993	-	-	(215,077)
Restated opening balance under IFRS 9	310,000	9,063,106	7,605,450	530,390	16,281	1,180,889	(564,044)	18,142,072
Profit for the year	-	-	554,153	-	-	-	-	554,153
Loss allowance relating to debt instruments held at FVTOCI	-	-	-	-	26,415	-	-	26,415
Other comprehensive (loss) / income for the year	-	-	(27,802)	-	(137,421)	-	564,044	398,821
Total comprehensive income for the year	-	-	526,351	-	(111,006)	-	564,044	979,389
Capital contribution received during the year	-	1,980,905	-	-	-	-	-	1,980,905
Transfer to retained earnings	-	-	37,690	-	-	(37,690)	-	-
Cash dividend	-	-	(1,100,500)	-	-	-	-	(1,100,500)
Distribution in specie leading to derecognition of foreign operations	-	-	(2,251,473)	(220,390)	-	(62,808)	-	(2,534,671)
At 31 December 2018	310,000	11,044,011	4,817,518	310,000	(94,725)	1,080,391	-	17,467,195
At 01 January 2019	310,000	11,044,011	4,817,518	310,000	(94,725)	1,080,391	-	17,467,195
Profit for the quarter	-	-	719,009	-	-	-	-	719,009
Movement in credit loss expense relating to debt instruments held at FVTOCI	-	-	-	-	(20,442)	-	-	(20,442)
Other comprehensive income for the quarter	-	-	-	-	38,576	-	-	38,576
Total comprehensive income for the quarter	-	-	719,009	-	18,134	-	-	737,143
Transfer to retained earnings	-	-	9,418	-	-	(9,418)	-	-
At 31 March 2019	310,000	11,044,011	5,545,945	310,000	(76,591)	1,070,973	-	18,204,338

The financial information, including the independent auditor's review report to the member of SBM Bank (Mauritius) Ltd, has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2019.

SBM BANK (MAURITIUS) LTD
ABRIDGED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2019

	Quarter ended 31 March 2019	Quarter ended 31 March 2018	Year ended 31 December 2018
	MUR' 000	MUR' 000	MUR' 000
Net cash (used in) / from operating activities	(7,499,988)	909,606	(3,486,978)
Net cash from/ (used in) financing activities	2,095,155	(268,365)	1,248,015
Net cash used in investing activities	(52,490)	(123,387)	(371,002)
Net change in cash and cash equivalents	(5,457,323)	517,854	(2,609,965)
Net foreign exchange difference	-	-	(71,792)
Cash transfer upon distribution in specie of the Indian Operations	-	-	(1,727,309)
Cash and cash equivalents at start of period / year	11,211,712	15,620,778	15,620,778
Cash and cash equivalents at end of period / year	5,754,389	16,138,632	11,211,712