

INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2020

SBM Holdings Ltd ('the Company') and its subsidiaries here altogether ('the Group') present the Group and Company interim unaudited condensed ancial report for the quarter ended 31 March 2020

The interim unaudited condensed financial report has been prepared in accordance with the Bank of Mauritius Guidelines on Public Disclosure of Information and IAS 34 - Interim Financial Reporting. The report has also been prepared based on those accounting policies applied in the preparation of the audited financial statements for the year ended 31 December 2019; the Group and the Company having adopted all new standards and interpretations which are effective as from 01 January 2020.

The operating environment

The operating environment is faced with unprecedented disruption and uncertainty in economic activities as a consequence of the COVID-19 pandemic activities activitie

Central banks and governments across the world have adopted several accommodative fiscal and monetary measures to support their economies. In Mauritius, the Key Repo Rate has been cut by 150 basis points since the beginning of the year (50 basis points on 10 March 2020 and 100 basis points on 16 April 2020). The cash reserve ratio has also been reduced by 100 basis points since 13 March 2020. Wage support schemes have been launched by the Government of Mauritius while banks have been called upon to grant moratoriums on repayment of credit facilities, among others. Similar measures have been adopted by the central banks and governments of the countries where the Group is present.

With the reduction in reporate, interest rates have gone down putting pressure on the already squeezed margins. Several sectors of the economy have been or will be impacted; leading to a rise in credit loss expense while at the same time demand for credit has slowed down. The local currency has also seen a depreciating trend

The prevailing challenging context has impacted the results of the Group in this first quarter of 2020.

Operating results

The Group profit before credit loss stood at MUR 985.0 million for the quarter ending 31 March 2020 as compared to MUR 764.8 million for same period last year, representing an increase of 28.8%. The operating income has also shown positive improvements, going up by 15.5% to reach MUR 2.4 billion even on account of an exchange loss of MUR 209.1 million. SBM Holdings Ltd holds USD 140 million subordinated debts in its books for which an unrealized exchange loss of MUR 363.9 million was recorded, as a result of the depreciation of the Mauritian rupee against the US Dollar in

However, profit after tax for the Group for this quarter stood at MUR 180.1 million (March 2019; MUR 600.6 million) which is due to high credit loss review, print and the tack of the Globy for this quarter stood at Flork 2011 million (in fact) 2013. The Globy for the Cover and the impact of the COVID-19 pandemic. A review of our credit modeling has been made based on certain forward-looking assumptions on our operations despite high levels of uncertainties on the evolution of the operating environment.

Net interest income has reached MUR 1.7 billion for this quarter, a rise of MUR 211.5 million as compared to the same period last year. Interest income has grown by MUR 307.9 million mainly driven by growth in loans and advances and investment securities. As at 31 March 2020, gross loans and advances have reached MUR 129.0 billion (March 2019: MUR 111.8 billion) and investment securities stood at MUR 93.5 billion (March 2019: MUR 77.3 billion).

Interest expense has increased by only MUR 96.4 million, supported by lower interest rates and low costs deposits

Non-interest income has increased by MUR 114.1 million (18.8%), from MUR 605.5 million for the quarter ended 31 March 2019 to MUR 719.6 million NON-interest income nas increased by MUK 114.1 million (18.8%), from MUK 003.5 million for the quarter ended 3.1 March 2017 to MUK 719.6 million for quarter ended 3.1 March 2020. The increase is mainly driven by gain on sale of securities and net fee and commission income net of unrealized loss on exchange of MUR 363.9 million. Non-interest expenses also rose by MUR 105.3 million (7.9%) for the quarter ended 31 March 2020, as compared. to the same period last year. The increase includes special levy imposed on banks, previously accounted for under tax expenses, now reclassified under erest expenses as from the second quarter of 2019. The cost to income ratio stood at 59.5% (March 2019: 63.7%)

Despite the current COVID-19 situation, the total assets of the Group in this quarter have grown by 5.0% from MUR 260.5 billion as at 31 December 2019 o MUR 273.5 billion as at 31 March 2020, driven by increases in loans and advances and cash balances. Gross loans and advances rose by 5.9% from MUR 121.7 billion as at 31 December 2019 to MUR 129.0 billion as at 31 March 2020. Cash and cash equivalents increased significantly by 41.2% from MUR 18.2 billion as at 31 December 2019 to MUR 25.7 billion as at 31 March 2020. Deposits stood at MUR 198.7 billion as at 31 March 2020, down from MUR 199.4 billion as at 31 December 2019. Other borrowed funds rose to MUR 29.0 billion as at 31 March 2020.

Gross impaired advances to gross advances ratio and net impaired advances to net advances ratio stood at 13.4% and 5.4% respectively as at

No dividend payment is envisaged for this quarter

The capital base and equity of the Group increased from MUR 30.2 billion and MUR 24.5 billion respectively as at 31 December 2019, to MUR 30.8 billion and MUR 24.8 billion respectively as at 31 March 2020.

 $The Group's capital \ adequacy \ ratio \ (CAR), Tier\ 1\ capital\ and\ common\ equity\ Tier\ 1\ capital\ ratios\ decreased\ from\ 22.1\%,\ 14.6\%\ and\ 14.6\%,\ respectively.$ at 31 December 2019 to 21.4%, 14.1% and 14.1%, respectively, as at 31 March 2020, which are above the minimum regulatory limits of 13.9%, 11.9% and

The journey to recovery remains challenging despite a gradual resumption in economic activity, fiscal and monetary stimulus measures taken by the nents and central banks around the world. In this context, the Group has started an exercise to review and strengthen its strategy, risk appetit and governance framework across all its operating entities.

As an important financial partner, SBM Holdings Ltd will support key sectors of our economy and empower our clients to face the upcoming challenges

We thank all our stakeholders for their continued trust and support.

25 June 2020

Chairman, Audit Committee

The Company

REPORT ON THE REVIEW OF THE INTERIM UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2020 TO THE BOARD OF DIRECTORS OF SBM HOLDINGS LTD

The Company

We have reviewed the accompanying interim unaudited condensed financial statements which comprise the interim unaudited consolidated and separate statements of financial position of SBM Holdings Ltd (the "Company") and its subsidiaries (the "Group") as at 31 March 2020 and the related interim unaudited consolidated and separate statements of profit or loss and other comprehensive income, interim unaudited consolidated and separate statements of changes in equity, interim unaudited consolidated and separate statement of cash flows for the three months then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim unaudited condensed financial statements in accordance with IAS 34 Interim Financial Reporting. Our onsibility is to express a conclusion on this interim unaudited condensed financial statements based on our review,

We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 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,

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim ungudited condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

The comparative interim unaudited condensed financial statements of the Group and the Company as of 31 March 2019 and 31 December 2019 and for the three months ended 31 March 2019 and the year ended 31 December 2019 were reviewed and audited respectively by another auditor who issued an unqualified conclusion and opinion respectively.

The Group

INTERIM UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE QUARTER ENDED

Profit/(loss) for the quarter/year attributable to equity

holders of the paren

Basic (Cents)

Diluted (Cents)

Earnings per share (cents)

31 MARCH 2020

INTERIM UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020 The Group

					,	
	Unaudited 31 March 2020	Unaudited 31 March 2019	Audited 31 December 2019	Unaudited 31 March 2020	Unaudited 31 March 2019	Audited 31 December 2019
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
ASSETS						
Cash and cash equivalents	25,682,429	11,506,296	18,181,126	148,197	67,709	178,632
Mandatory balances with central banks	10,378,934	9,878,692	10,680,287	-		-
Loans to and placements with banks	9,224,376	8,729,143	9,240,131	-	-	-
Derivative financial instruments	1,667,553	1,047,488	874,269	-	-	-
Loans and advances to non-bank customers	115,740,198	101,699,553		-	-	-
Investment securities	93,454,955	77,321,882	94,276,665	1,757,235	2,783,284	
Equity investments	5,241,652	5,902,019	6,014,270	4,227,683	4,227,683	
Investment in subsidiaries	-	-		29,779,918	28,730,768	
Investment in associate	1,480,040	1,348,565	1,479,048	1,272,977	1,272,977	
Property and equipment	4,034,275	4,156,601	4,088,213	3,322	5,243	
Goodwill and other intangible assets	2,658,538	3,129,452	2,729,474	1,089	47	1,157
Deferred tax assets	447,580	91,795	355,992			
Other assets	3,444,703	1,944,796	3,159,878	211,906	170,701	
Total assets	273,455,233	226,756,282	260,475,993	37,402,327	37,258,412	37,486,225
LIABILITIES Deposits from banks Deposits from non-bank customers Other borrowed funds Derivative financial instruments Current tax liabilities Deferred tax liabilities Other liabilities Subordinated debts	877,528 198,675,274 29,013,715 1,584,387 652,011 - 7,572,801 10,243,325	679,607 167,479,396 17,170,108 1,015,067 795,315 146,965 4,886,729 9,576,594	907,521 199,397,188 15,670,968 881,176 536,283 - 8,824,992 9,739,981	- - - - 132,129 10,243,325	- - 8,772 - 223,862 9,576,594	117,340
Total liabilities	248,619,041	201,749,781	235,958,109	10,375,454	9,809,228	9,857,321
SHAREHOLDERS' EQUITY Stated capital Retained earnings Other reserves	32,500,204 1,048,222 (3,837,203)	32,500,204 2,751,220 (5,369,892)	32,500,204 1,107,260 (4,214,549)	32,500,204 223,514 (821,814)	32,500,204 646,016 (822,005)	825,549
Los Torres Los	29,711,223	29,881,532	29,392,915	31,901,904	32,324,215	
Less: Treasury shares	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)	(4,875,031)
Total equity attributable to equity						
holders of the parent	24,836,192	25,006,501	24,517,884	27,026,873	27,449,184	27,628,904
Total equity and liabilities	273,455,233	226,756,282	260,475,993	37,402,327	37,258,412	37,486,225

25,154,899 21,047,060 24,629,940

Approved by the Board of Directors and authorised for issue on 25 June 2020.

Sattar HAJEE ABDOULA Subhas THECKA Chairman, Audit Committee

	Ine Group				The Company						
	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019					
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000					
Interest income	2,809,337	2,501,424	10,644,090	6,020	24,845	68,079					
Interest expense	(1,097,513)	(1,001,070)	(4,156,726)	(118,235)	(118,875)	(476,589)					
Net interest income/(expense)	1,711,824	1,500,354	6,487,364	(112,215)	(94,030)	(408,510)					
Fee and commission income	471,294	346,604	1,616,807	-	-	-					
Fee and commission expense	(12,981)	(7,795)	(43,508)	(141)	(39)	(150)					
Net fee and commission income/(expense)	458,313	338,809	1,573,299	(141)	(39)	(150)					
(Loss)/profit arising from dealing in foreign currencies	(209,141)	109,329	381,611	(363,936)	(68,457)	(289,253)					
Net gain on sale of securities	417,808	106,273	665,904	(17)	(220)	6,767					
Dividend income	1,500	-	223,076	35,000	-	1,570,456					
Net gain/(loss) from financial instruments	51,112	50,231	107,592	(9,765)	15,422	17,879					
Other operating income		879	4,493								
Non-interest income/(expense)	719,592	605,521	2,955,975	(338,859)	(53,294)	1,305,699					
Operating income/(expense)	2,431,416	2,105,875	9,443,339	(451,074)	(147,324)	897,189					
Personnel expenses	(697,673)	(666,036)	(2,883,912)	(16,272)	(22,296)	(82,994)					
Depreciation of property and equipment	(90,899)	(98,507)	(476,839)	(543)	(531)	(2,142)					
Amortisation of intangible assets	(139,083)	(182,196)	(617,833)	(69)	(2)	(208)					
Impairment of investment in subsidiaries	-	-	-	(124,000)	-	-					
Other expenses	(475,962)	(394,385)	(1,873,960)	(9,887)	(12,659)	(49,096)					
Bank Levy	(42,843)		(171,368)								
Non-interest expense	(1,446,460)	(1,341,124)	(6,023,912)	(150,771)	(35,488)	(134,440)					
Profit/(loss) before credit loss expense	984,956	764,751	3,419,427	(601,845)	(182,812)	762,749					
Credit loss (expense)/income on financial assets	(784,779)	101,294	(2,996,142)	(190)	484	1,085					
Operating profit/(loss)	200,177	866,045	423,285	(602,035)	(182,328)	763,834					
Share of profit of associate	4,357	23,557	139,237	-		-					
Profit/(loss) before income tax	204,534	889,602	562,522	(602,035)	(182,328)	763,834					
Tax expense	(24,406)	(288,990)	(547,487)	-	(8,270)	(357)					

180,128

23.3

23.3

600,612 15,035 **(602,035)** (190,598)

763,477

		The Group			The Company	
	Unaudited Quarter ended 31 March	Unaudited Quarter ended 31 March	Audited Year ended 31 December	Unaudited Quarter ended 31 March	Unaudited Quarter ended 31 March	Audited Year ended 31 December
	2020 MUR' 000	2019 MUR' 000	2019 MUR' 000	2020 MUR' 000	2019 MUR' 000	2019 MUR' 000
Profit/(loss) for the quarter/year attributable to equity holders of the parent	180,128	600,612	15,035	(602,035)	(190,598)	763,477
Other comprehensive income:						
ems that will not be reclassified subsequently to profit or loss:						
ncrease in revaluation of property	_	-	255,148	_	=	-
eferred tax on revaluation of property		=	(9,950)	_	=	-
npact of change in deferred tax rate on revaluation of property	_	_	118,392	_	-	_
emeasurement of defined benefit pension plan	_	_	(203,865)	_	-	_
eferred tax on remeasurement of defined benefit pension plan	_	=	14,271	_	=	-
npact of change in deferred tax rate on defined benefit pension plan		-	(7,923)	_	=	-
are of associate-remeasurement of defined benefit pension plan		45,277	(31,105)	_	-	-
hare of other comprehensive (loss)/income of associate	(13,252)	15,124	76,112	_	-	-
et gain/(loss) on equity instruments designated at FVTOCI		133,061	45,277	_	-	-
	(13,252)	193,462	256,357	-	<u> </u>	
ms that may be reclassified subsequently to profit or loss:		·				
change differences on translation of foreign operations	212,671	213,261	327,378	_	=	-
change differences resulting from share of associate	9,885	1,739	25,496	-	-	-
restment securities measured at FVTOCI						
vement in fair value during the quarter/year	(346,108)	(20,715)	395,221	4	(9,332)	(9,145)
r value re-cycled on disposal	290,333	(9,332)	231,379	-	=	=
ovement in credit loss expense relating to debt instruments held at FVTOCI	(15,349)	(20,442)	(6,356)	-		
	151,432	164,511	973,118	4	(9,332)	(9,145)
al other comprehensive income/(loss)	138,180	357,973	1,229,475	4	(9,332)	(9,145)
tal comprehensive income/(loss) attributable to equity holders of the parent	318,308	958,585	1,244,510	(602,031)	(199,930)	754,332

												EQUITY FOR THE QUARTER ENDED 31 MARCH 2020					
The Group	Stated capital	Treasury shares MUR' 000	Statutory reserve MUR' 000	General reserve MUR' 000	Retained earnings	Fair value reserve on financial instruments recognised in OCI MUR' 000	Net property revaluation reserve MUR' 000	Net translation reserve MUR' 000	Net other reserve	Restructure reserve MUR' 000	Total equity MUR' 000	7. 6	Stated capital	Treasury shares	Retained earnings	Net unrealised investment fair value reserve	Total equity
At 01 January 2019		(4,875,031)	597,074		2,270,280		63,146	(66,526)		(5,380,340)		The Company	MUR'000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit for the quarter	32,300,204	(4,073,031)	377,074		600,612	(037,132)	03,140	(00,320)	(34,003)	(3,380,340)	600,612	At 01 January 2019	32,500,204	(4 875 031)	965 704	(812,673)	27 778 204
Credit loss expense relating to debts instruments held at FVTOCI	_	_	_	_	-	(20,442)	_	_	_	_	(20,442)	Ac 01 Junuary 2017	32,300,204	(4,075,051)	703,704	(012,073)	27,770,204
Share of OCI of associate	_	_	_	_	_	15,124	_	1,739	_	_	16,863	Loss for the quarter	-	-	(190,598)	-	(190,598)
Other comprehensive income for the quarter	_	_	_	_	_	148,291	_	213,261	_	_	361,552						
					(00 (12							Other comprehensive loss for the quarter	-	-	-	(9,332)	(9,332)
Total comprehensive income for the quarter Reclassification of associate to their respective reserve	-	-	-	-	600,612	142,973 (78,351)	-	215,000 (16,318)	94,669	-	958,585						
Fransfer to retained earnings	_	-	_	_	9,418		(9,418)	(10,310)	94,009	_	_	Total comprehensive loss			(100 500)	(0.222)	(100.030)
Dividend	_	_	_	_	(129,090)	_	(7,410)	_		_	(129,090)	for the quarter	-	-	(190,598)	(9,332)	(199,930)
												Dividend	-	-	(129,090)	-	(129,090)
At 31 March 2019	32,500,204	(4,875,031)	597,074		2,751,220	<u>(772,510)</u>	53,728	132,156		(5,380,340)	25,006,501						
At 01 January 2019	32,500,204	(4,875,031)	597,074	-	2,270,280	(837,132)	63,146	(66,526)	(94,669)	(5,380,340)	24,177,006	At 31 March 2019	32,500,204	(4,875,031)	646,016	(822,005)	27,449,184
Profit for the quarter	-	-	-	-	15,035	-	-	-	-	-	15,035						
Credit loss expense relating to debts instruments held at FVTOCI $$	-	-	-	-	-	(6,356)	-	-	-	-	(6,356)	At 01 January 2019	32,500,204	(4,875,031)	965,704	(812,673)	27,778,204
Share of OCI of associate	-	-	-	-	-	76,112	-	25,496	-	-	101,608						
Other comprehensive (loss)/income for the quarter	_	-	-	-	(228,622)	671,877	363,590	327,378	-	_	1,134,223	Profit for the year	-	-	763,477	-	763,477
Total comprehensive income for the quarter	-	-	-	-	(213,587)	741,633	363,590	352,874	-	_	1,244,510	Other comprehensive loss					
Reclassification of associate to their respective reserve	-	-	-	-	-	(76,785)	-	(17,884)	94,669	-	-	for the quarter	-	-	-	(9,145)	(9,145)
Transfer to statutory reserve	-	-	90,000	-	(90,000)	-	-	-	-	_	-	-					
Transfer to retained earnings	-	-	-	-	44,199	-	(43,121)	(1,078)	-	_	-	Total comprehensive income/(loss) for the year	_	_	763,477	(9,145)	754,332
Dividend	-	-	-	-	(903,632)	-	-	-	-	-	(903,632)				•	(7,143)	
At 31 December 2019	32,500,204	(4,875,031)	687,074		1,107,260	(172,284)	383,615	267,386		(5,380,340)	24,517,884	Dividend	-	-	(903,632)	-	(903,632)
At 01 January 2020	32,500,204	(4,875,031)	687,074	-	1,107,260	(172,284)	383,615	267,386	-	(5,380,340)	24,517,884	At 31 December 2019	32,500,204	(4,875,031)	825,549	(821,818)	27,628,904
Profit for the quarter	-	-	-	-	180,128	-	-	-	-	_	180,128						
Credit loss expense relating to debts instruments held at FVTOCI $$	-	-	-	-	-	(15,349)	-	-	-	_	(15,349)	At 01 January 2020	32,500,204	(4,875,031)	825,549	(821,818)	27,628,904
Share of OCI of associate	-	-	-	-	-	(13,252)	-	9,885	-	_	(3,367)						
Other comprehensive (loss)/income for the quarter	_	_	-	-	-	(55,775)	-	212,671	-		156,896	Loss for the quarter	-	-	(602,035)	-	(602,035)
otal comprehensive income for the quarter	-	-	-	-	180,128	(84,376)	-	222,556	-	-	318,308	Other comprehensive income for the quarter	-	-	-	4	4
Fransfer to retained earnings Fransfer to statutory reserve	-	-	-	-	11,927	-	(11,927)	-		-	-						
ransfer to statutory reserve Fransfer to general reserve				251,093	(251,093)							Total comprehensive loss for the quarter	-	-	(602,035)	4	(602,031)
												quareer					
At 31 March 2020	32,500,204	(4,875,031)	687,074	251,093	1,048,222	(256,660)	371,688	489,942		(5,380,340)	24,836,192	At 31 March 2020	32,500,204	(4,875,031)	223,514	(821,814)	27,150,873

NTERIM UNAUDITED CONDENSED STATEM	ENTS OF CAS	H FLOWS FOR	THE QUARTER	ENDED 31 MA	ARCH 2020				
		The Group		The Company					
	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019	Unaudited Quarter ended 31 March 2020	Unaudited Quarter ended 31 March 2019	Audited Year ended 31 December 2019			
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000			
et cash (used in)/generated from operating activities	(5,531,513)	(6,698,751)	2,560,472	(26,435)	196,928	2,465,688			
et cash generated from/(used in) financing activities	13,342,746	2,731,531	73,684	-	83,507	(903,632)			
t cash used in investing activities	(105,107)	(179,999)	(488,656)	(4,000)	(245,616)	(1,416,314)			
et change in cash and cash equivalents	7,706,126	(4,147,219)	2,145,500	(30,435)	34,819	145,742			
t foreign exchange differences	(204,823)	-	382,111	-	-	=			
sh and cash equivalents at beginning of quarter/year	18,181,126	15,653,515	15,653,515	178,632	32,890	32,890			
sh and cash equivalents at quarter/year end	25,682,429	11,506,296	18,181,126	148,197	67,709	178,632			

INTERIM UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2020

Copies of the interim unaudited condensed financial statements are available to the public free or 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

Mrs D Ramjug Chumur Company Secretary

information contained in this Communiqué

25 June 2020

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

The financial information, including the review report, has been extracted from the interim unaudited condensed financial statements for the quarter ended 31 March 2020.