



SBI (Mauritius) Ltd

Bank to grow with

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2016

The audited Financial Statements for the year ended 31st March 2016 have been prepared in accordance with Bank of Mauritius Guideline on Public Disclosure of Information. The financial report contains forward looking statements and risks assessments based on the Bank's view of the economic situation and may not necessarily materialise. Users of information should therefore not place undue reliance on these statements.

RESULTS

Aggregate deposits was USD 718.22 million as on 31st March 2016 compared to USD 747.16 million as on 31st March 2015. The level of net loans and advances has risen by USD 88.52 million on Y-O-Y basis to reach USD 830.41 million as on 31st March 2016 as against USD 741.89 million as on 31st March 2015. The Bank has posted a profit after tax of USD 9.63 million as on 31st March 2016 as against USD 12.72 million as on 31st March 2015. EPS stood at USD 12.37 per share as on 31st March 2016 as against USD 16.35 per share as on 31st March 2015.

PROSPECTS

Despite the challenges posed by the increasingly competitive operating environment and difficult economic conditions, the Bank posted reasonably good performance for the financial year ended 31st March 2016. With a view to achieve better financial results in the next financial year and to explore the opportunities that would be offered by expected domestic economic growth momentum, the Bank continues to invest in the latest state of the art technology to reengineer products and processes to increase efficiency and productivity and also to support enhanced customer service quality and sustained business growth.

Copies of the Financial Statements can be obtained free of charge upon request at the Head Office of the company, SBI (Mauritius) Ltd, SBI Tower Mindspace, 45 Ebene Cybercity, and can be viewed on our website: www.sbimauritius.com

The statement of direct and indirect interests of officers of the Company in the capital of the Company may also be obtained free of charge upon request at the registered office of the Bank.

By order of the Board

A.B Mosaheb
Company Secretary

Date: 11th May 2016

This communiqué is issued pursuant to Securities Act 2005.

The Board of Directors of SBI (Mauritius) Ltd accepts full responsibility for the accuracy of the information contained in this communiqué.



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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements for the Bank's operations in Mauritius presented in this annual report have been prepared by Management, which is responsible for their integrity, consistency, objectivity and reliability. International Financial Reporting Standards as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder, have been applied and the Management has exercised its judgement and made best estimates where deemed necessary.

The Bank has designed and maintained its accounting systems, related internal controls and supporting procedures, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well defined division of responsibilities, authorization levels and accountability for performance, and the communication of the Bank's policies, procedures manuals and guidelines of the Bank of Mauritius throughout the Bank.

The Bank's Board of Directors, acting in part through the Audit Committee and Conduct Review and Risk Policy Committee, which comprise of Independent Directors, oversees the Management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The Bank's Internal Auditor, who has full and free access to the Audit Committee, conducts a well designed program of internal audits in coordination with the Bank's external auditors. In addition, the Bank's compliance function maintains policies, procedures and programs directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Bank as it deems necessary.

The Bank's external auditors, BDO & Co., have full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations and fairness of financial reporting and the adequacy of internal controls.

S.S. Asthana
Managing Director & CEO

A.K. Mahapatra
Director

G. Gopee
Director



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of SBI (Mauritius) Ltd (the "Bank"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of SBI (Mauritius) Ltd on pages 24 to 71 which comprise the statement of financial position as at March 31, 2016, statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Banking Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 24 to 71 give a true and fair view of the financial position of the Bank as at March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Bank, other than in our capacity as auditors and dealings in the ordinary course of business. We have obtained all information and explanations we have required. In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

Banking Act 2004

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.

The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

The Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the code.

11th May 2016

Port Louis,
Mauritius

BDO & Co
Chartered Accountants

Ameenah Ramdin, FCCA, ACA
Licensed by FRC



SBI (Mauritius) Ltd

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2016

	Note	2016 USD	2015 USD	2014 USD
ASSETS				
Cash and cash equivalents	16	25,953,859	45,468,800	53,796,512
Loans and advances to banks	17	146,697,985	112,225,166	42,826,599
Loans and advances to customers	18	683,707,592	629,665,359	659,114,323
Investment securities	19	188,545,661	193,687,990	195,801,968
Property, plant and equipment	20	7,614,354	8,215,952	8,688,846
Deferred tax assets	21	1,353,732	978,996	765,692
Other assets	22	16,909,234	22,413,873	20,091,813
Total assets		1,070,782,417	1,012,656,136	981,085,753
LIABILITIES				
Deposits from customers	23	718,216,838	747,162,219	668,790,504
Other borrowed funds	24	159,077,723	78,707,969	131,687,835
Current tax liabilities	25	658,447	600,431	768,698
Retirement benefit obligation	33	1,409,510	786,963	837,437
Other liabilities	26	3,084,389	2,186,116	4,654,213
Total liabilities		882,446,907	829,443,698	806,738,687
Shareholders' Equity				
Stated Capital	27a	48,627,188	48,627,188	48,627,188
Share premium		54,078,062	54,078,062	54,078,062
Retained earnings		67,124,792	62,831,159	55,907,348
Other reserves	34	20,455,131	19,094,133	17,142,080
Actuarial losses reserve	34	(1,949,663)	(1,418,104)	(1,407,612)
Total equity		188,335,510	183,212,438	174,347,066
Total equity and liabilities		1,070,782,417	1,012,656,136	981,085,753

Approved and authorised for issue by the Board of Directors on 11th May 2016

S.S. Asthana
Managing Director & CEO

A.K. Mahapatra
Director

G. Gopee
Director



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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	2016 USD	2015 USD	2014 USD
Interest income		36,148,111	37,462,771	43,113,365
Interest expense		(15,584,949)	(18,673,278)	(22,248,575)
Net interest income	7	20,563,162	18,789,493	20,864,790
Net fee and commission income	8	2,137,868	4,266,619	2,777,527
Net trading income	9	1,606,488	1,365,459	1,429,028
Other operating income	10	627,132	465,914	484,955
		2,233,620	1,831,373	1,913,983
Operating income		24,934,650	24,887,485	25,556,300
Net impairment loss on financial assets	11	(7,141,440)	(3,608,580)	(2,606,505)
Personnel expenses	12	(3,950,314)	(4,032,390)	(3,867,731)
Depreciation	20	(644,923)	(639,510)	(709,065)
Other expenses	13	(2,629,895)	(2,886,121)	(2,725,284)
Profit before income tax		10,568,078	13,720,884	15,647,715
Income tax expense	14	(940,069)	(998,548)	(1,223,925)
Profit for the year		9,628,009	12,722,336	14,423,790
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit obligations, net of deferred tax		(531,559)	(10,492)	(358,103)
Items that may be classified subsequently to profit or loss				
Fair value gains on investment securities		(83,203)	43,703	(83,852)
Other Comprehensive Income for the year		(614,762)	33,211	(441,955)
Total comprehensive income attributable to equity holders of the company		9,013,247	12,755,547	13,981,835
Earnings per share	15	12.37	16.35	18.54

Approved and authorised for issue by the Board of Directors on 11th May 2016

S.S. Asthana
Managing Director & CEO

A.K. Mahapatra
Director

G. Gopee
Director



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	2016 USD	2015 USD	2014 USD
Cash flows from operating activities				
Profit for the year		9,628,009	12,722,336	14,423,790
<i>Adjustments for:</i>				
Depreciation	20	644,923	639,510	709,065
Profit on disposal of investments		(424,650)	(257,351)	-
Exchange rate difference		165,504	(909,583)	171,206
Loss/(Profit) on disposal of assets		(1,699)	656	(18,695)
Profit on disposal of non banking asset		(8,266)	-	(292,054)
(Decrease)/increase in provision for retirement benefit obligation		(2,817)	(62,818)	77,332
Impairment on financial assets - loans	11	7,141,440	3,608,580	2,606,505
Net interest income	7	(20,563,162)	(18,789,493)	(20,864,790)
Income tax expense	14	940,069	998,548	1,223,925
		(2,480,649)	(2,049,615)	(1,963,716)
Changes in operating assets and liabilities				
(Increase)/decrease in loans and advances to banks		(35,365,007)	(69,388,920)	36,749,429
(Increase)/decrease in loans and advances to customers		(58,681,476)	26,685,279	30,535,573
Decrease/(increase) in other assets		5,567,538	(3,932,488)	774,323
(Decrease)/Increase in deposits from customers		(25,770,957)	80,774,079	(250,111,203)
(Decrease)/increase in other liabilities		898,273	(2,468,097)	1,484,588
Interest received		33,799,587	37,869,877	43,705,679
Interest paid		(18,763,506)	(21,500,436)	(28,084,733)
Income tax paid		(1,162,984)	(1,378,267)	(700,294)
Net cash (used in)/generated from operating activities		(101,959,181)	44,611,412	(167,610,354)
Cash flows from investing activities				
(Increase)/decrease in investment securities		(15,055,546)	(14,193,956)	2,511,673
Proceeds from sale of investment securities		21,012,484	16,538,926	-
Purchase of property, plant and equipment	20	(66,581)	(167,272)	(242,239)
Proceeds from sale of property, plant and equipment		24,954	-	19,500
Proceeds from sale of non banking asset		16,864	1,328,904	211,000
Net cash generated from investing activities		5,932,175	3,506,602	2,499,934
Cash flows from financing activities				
Other borrowed funds		(26,835,000)	(47,497,499)	362,149
Dividend paid	27b	(3,890,175)	(3,890,175)	(3,890,175)
Net cash used in financing activities		(30,725,175)	(51,387,674)	(3,528,026)
Net decrease in cash and cash equivalents		(126,752,181)	(3,269,660)	(168,638,446)
Cash and cash equivalents at 01 April 2015	16b	44,047,968	47,317,628	215,956,075
Cash and cash equivalents at 31 March 2016	16b	(82,704,214)	44,047,968	47,317,629



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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2016

Notes	Stated capital USD	Share premium USD	Statutory reserve USD	General banking reserve USD	Other reserve USD	Actuarial losses reserve USD	Retained earnings USD	Total
Balance at 1 April 2013								
As restated	48,627,188	54,078,062	14,332,344	603,175	126,844	(1,049,509)	47,537,302	164,255,406
Profit for the year	-	-	-	-	-	-	14,423,790	14,423,790
Other Comprehensive Income for the year	-	-	-	-	(83,852)	(358,103)	-	(441,955)
Transfer to Statutory reserves	-	-	2,163,569	-	-	-	(2,163,569)	-
Dividend paid	27b	-	-	-	-	-	(3,890,175)	(3,890,175)
Balance at 31 March 2014	48,627,188	54,078,062	16,495,913	603,175	42,992	(1,407,612)	55,907,348	174,347,066
Balance at 1 April 2014								
Profit for the year	-	-	-	-	-	-	12,722,336	12,722,336
Other Comprehensive Income for the year	-	-	-	-	43,703	(10,492)	-	33,211
Transfer to Statutory reserves	-	-	1,908,350	-	-	-	(1,908,350)	-
Dividend paid	27b	-	-	-	-	-	(3,890,175)	(3,890,175)
Balance at 31 March 2015	48,627,188	54,078,062	18,404,263	603,175	86,695	(1,418,104)	62,831,159	183,212,438
Balance at 1 April 2015								
Profit for the year	-	-	-	-	-	-	9,628,009	9,628,009
Other Comprehensive Income for the year	-	-	-	-	(83,203)	(531,559)	-	(614,762)
Transfer to Statutory reserves	-	-	1,444,201	-	-	-	(1,444,201)	-
Dividend paid	27b	-	-	-	-	-	(3,890,175)	(3,890,175)
Balance at 31 March 2016	48,627,188	54,078,062	19,848,464	603,175	3,492	(1,949,663)	67,124,792	188,335,510