

State Bank of Mauritius Ltd

(Now known as SBM Bank (Mauritius) Ltd)

Abridged unaudited interim financial report for the nine months ended 30 September 2014

SBM Bank (Mauritius) Ltd is pleased to report its abridged unaudited interim financial report for the nine months ended 30 September 2014.

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 eighteen months ended 31 December 2013, including the new standards that are effective as from 01 January 2014. The adoption of the revised IAS 19 on Employee Benefits has been applied retrospectively in this abridged unaudited interim financial report. The Bank's statutory auditors have reviewed the interim accounts and their report is attached.

Operating Results

The Board of Directors is pleased to report that the Group's profit after tax for the nine months ended 30 September 2014 amounted to MUR 2,347 million, compared to MUR 2,160 million for the corresponding period of 2013, an increase of more than eight percent; mainly driven by an increase in non-interest income. The earnings per share have gone up to 9.09 cents from 8.36 cents for the nine months ended 30 September 2014 as compared to its corresponding period of 2013 based on the pre restructure exercise.

For the period under review of nine months ended 30 September 2014, interest income revenue increased by MUR 149 million as compared to interest income revenue growth of MUR 180 million for the corresponding period ended September 2013, due to sluggish growth and demand for credit, lower return on advances and lower yields on government securities. Significant investments of MUR 11,379 million were invested in gilt-edged securities during the period of nine months ended 30 September 2014, an increase of more than 41 percent at comparatively much lower yields. Interest expense increased by MUR 101 million during the nine months ended September 2014 compared to decrease in interest expense by MUR 171 million for the corresponding period ended September 2013, mainly due to increases in subordinated debts raised (Tier 2 capital) during the year. The Group's net interest margin to average assets dropped from 3.85 percent for the nine months ended 30 September 2013 to 3.63 percent for the nine months ended 30 September 2014 mainly due to increased volumes in placements and in investment securities with much lower interest rates compared to advances coupled with interest costs on subordinated debts of MUR 3,558 million raised during the year.

Non-interest income amounted to MUR 1,454 million, compared to MUR 1,112 million for the last corresponding period mainly due to the gains on disposal of the investment and trading activities while fee and commission income besides forex income have gone down. The Bank has signed up with Union Pay International (UPI) a Card Association Payment operator and expects increase in the card income.

Non-interest expenses increased by more than 9 percent to reach MUR 1,461 million mostly due to higher system and business transformation costs. Cost to income ratio improved marginally and stood at 34.11 percent for the nine months ended 30 September 2014 from 34.25 percent for the corresponding period in 2013.

Group's capital

The Group's consolidated capital has grown up by more than MUR 3,252 million or an increase of more than 16 percent while the Bank's equity has grown up by more than MUR 1,142 million for the nine months to reach MUR 16,514 million as at end of September 2014.

The Group capital adequacy ratio (CAR) under Basel III was 25.7 percent as at 30 September 2014, which is comfortably above the minimum regulatory limit of 12.5 percent, and the Tier 1 to risk weighted assets ratio stood at 19.7 percent much above the minimum regulatory limit of 10.5 percent. CAR and Tier 1 to risk weighted assets ratio increased to more than 25.7 percent and 19.7 percent as at 30 September 2014 respectively, from 18.9 percent and 18.8 percent as at 31 December 2013.

The Group's gross advances decreased by MUR 3,467 million. Group deposits have increased by MUR 1,778 million to reach MUR 84,794 million over the same period. Impaired advances witnessed an increase during the period under review with net impaired advances to net advances as at 30 September 2014 standing at 1.26 percent.

Tier 2 capital

The public offer for the issue of Subordinated Senior Unsecured Multicurrency Floating Interest Rate Bonds for Class A MUR Bond of MUR 1,000 million opened on 20 December 2013, which was oversubscribed and a maximum amount of MUR 1,500 million was retained including the optional amount. Similarly, an amount of USD 65.04 million was retained for the issue of Class B USD Bond of USD 50 million launched on 15 February 2014 again including the optional amount.

So far, a total amount of 3.7 cents was declared as interim dividend for the three quarters of the financial year ending 31 December 2014 out of which 2.4 cents has already been paid out as at 30 September 2014.

Restructuring exercise

In line with the international trend and at the direction of the regulator namely Bank of Mauritius, the bank has been considering and acting step-by-step since year 2010, the restructuring exercise of the Group by segregating the non-banking operations from the banking operations and the foreign operations from its domestic operations. Bank of Mauritius and the Stock Exchange of Mauritius Ltd have approved the final "Restructuring Exercise" under Section 1 and subsection 32A of the Banking Act including amendments effective as from 02 October 2014 ("the appointed day").

By operation of Section 32A of the Banking Act, on the appointed day, the shares of State Bank of Mauritius Ltd (renamed as SBM Bank (Mauritius) Ltd) have been transferred by operation of the law to SBM Holdings Ltd (SBMH) and in return shares of SBM Holdings Ltd have been issued in exchange to existing shareholders of State Bank of Mauritius Ltd (renamed as SBM Bank (Mauritius) Ltd) on the basis of a 1:1 ratio. As a result of the above, the shareholders of SBM Holdings Ltd will continue to hold the same assets and liabilities of the Group. Similarly, all the bondholders of Class A 1 Series and Class B 1 Series Bonds of MUR 1,500 million and USD 65.04 million respectively was transferred to SBM Holdings Ltd on the same day with corresponding matching investments. Furthermore, Bank of Mauritius has already approved the transfer of the investments held in our Indian Operations to SBM Holdings Ltd; same is currently in progress till our application for the Wholly Owned Subsidiary license is approved by the Reserve Bank of India.

As part of the restructure, SBM Bank (Mauritius) Ltd has transferred its excess capital to SBM Holdings Ltd except for the optimum capital required to comply with Basel III and the additional buffers factored under the CAMEL rating and as also Domestically Systemic Bank as required by Bank of Mauritius. Part of the excess capital built from operations over the period of last two decades will remain in SBM Holdings Ltd, which will be made available *primarily* (a) to support the projected growth year on year for existing operations and for operating banking companies to meet their growth strategies besides any shortfall (b) to ensure that the individual subsidiaries/operations do not build excessively, the credit concentration exposure beyond based on optimum capital and (c) finally for any diversification of revenue streams. The purpose of the excess capital is to be used in the above order of priority.

These transfers were effected in the context of the "Restructuring Exercise" as approved by the Bank of Mauritius. Henceforth, SBM Holdings Ltd will be the new bank financial investments holdings company of the group which was listed on the 03 October 2014.

Outlook

The global economic performance is moderately improving, although still recovery remains laborious and subject to downside risks. The domestic economy also appears headed towards modest growth, amidst weaker-than-expected momentum in economic activity and subdued investment levels. The operating environment continues to face prospects of slow growth in credit demand and persisting excess liquidity within a low interest rate environment. SBM remains prudent in its approach to doing business, particularly with regards to risk management, and focused on pursuing its business-aligned technology transformation initiatives. Besides, SBM is progressing in respect of its strategic initiative to diversify revenue streams and cost management.

Jairaj Sonoo, C.S.K.
Chief Executive

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

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

14 November 2014

**Report on Review of Interim Financial Information
To the Board of Directors of
State Bank of Mauritius Ltd
(Now known as SBM Bank (Mauritius) Ltd)**

Introduction

We have reviewed the accompanying abridged unaudited interim statements of financial position of the Group and of the Bank as at 30 September 2014 and the related abridged unaudited interim statements of profit or loss, statements of profit or loss and other comprehensive income, statements of changes in equity and abridged statements of cash flows for the period then ended. The Board of Directors and management of SBM are responsible for the preparation and presentation of this interim financial information in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and International Financial Reporting Standards. 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 financial information is not prepared, in all material respects, in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information and International Financial Reporting Standards.

**Deloitte
Chartered Accountants**

14 November 2014

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)
STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	-----Group-----			-----Bank-----		
	30-Sep 2014	30-Sep 2013	31-Dec 2013	30-Sep 2014	30-Sep 2013	31-Dec 2013
	MUR' 000	(Restated) MUR' 000	(Restated) MUR' 000	MUR' 000	(Restated) MUR' 000	(Restated) MUR' 000
ASSETS						
Cash and cash equivalents	4,893,260	2,387,706	6,900,534	4,865,972	2,274,184	6,485,251
Mandatory balances with central banks	6,190,749	4,242,514	5,494,981	5,986,826	3,962,861	5,223,056
Loans to and placements with banks	1,653,660	260,414	932,428	1,653,660	260,414	932,428
Trading assets	197,383	365,050	249,571	197,023	365,050	249,504
Loans and advances to non-bank customers	66,626,207	69,496,623	70,093,266	66,183,381	68,956,042	69,776,577
Investment securities	34,590,214	24,509,024	23,210,737	26,894,607	18,548,083	17,563,894
Property and equipment	2,762,385	2,622,600	2,623,064	2,724,032	2,584,211	2,585,400
Intangible assets	1,000,884	206,257	638,914	1,000,868	196,189	638,857
Deferred tax assets	125,666	20,151	145,100	125,666	20,151	145,100
Other assets	2,698,682	1,049,997	2,238,899	2,622,358	1,053,697	2,167,910
Total assets	120,739,090	105,160,336	112,527,494	112,254,393	98,220,882	105,767,977
LIABILITIES						
Deposits from banks	725,124	391,181	217,281	759,299	390,560	271,802
Deposits from non-bank customers	84,794,029	76,914,591	83,016,635	83,393,013	75,037,275	81,276,155
Other borrowed funds	5,580,153	4,845,885	6,110,051	5,580,153	4,845,885	6,110,051
Trading liabilities	210,261	349,020	238,555	209,912	349,019	238,469
Current tax liabilities	359,380	457,988	247,198	358,149	455,000	246,591
Deferred tax liabilities	91,041	89,185	114,457	91,041	89,181	114,457
Other liabilities	1,848,317	1,728,242	2,255,222	1,795,159	1,650,026	2,135,022
Subordinated debts	3,557,950	-	4,200	3,557,950	-	4,200
Total liabilities	97,166,255	84,776,092	92,203,599	95,744,676	82,816,946	90,396,747
SHAREHOLDERS' EQUITY						
Share capital	303,740	303,740	303,740	303,740	303,740	303,740
Retained earnings	18,189,785	16,529,164	16,862,186	16,599,778	15,129,578	15,395,536
Other reserves	7,412,596	5,884,626	5,491,255	1,939,485	2,303,904	2,005,240
	25,906,121	22,717,530	22,657,181	18,843,003	17,737,222	17,704,516
Less treasury shares	(2,333,286)	(2,333,286)	(2,333,286)	(2,333,286)	(2,333,286)	(2,333,286)
Total equity attributable to equity holders of the parent	23,572,835	20,384,244	20,323,895	16,509,717	15,403,936	15,371,230
Total equity and liabilities	120,739,090	105,160,336	112,527,494	112,254,393	98,220,882	105,767,977

Exchange rate (USD: MUR)

31.34 31.05 30.00

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)

ABRIDGED STATEMENTS OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	-----Group-----					-----Bank-----				
	Quarter ended 30-Sep <u>2014</u>	Quarter ended 30-Sep <u>2013</u> (Restated)	9 months ended 30-Sep <u>2014</u>	9 months ended 30-Sep <u>2013</u> (Restated)	18 months ended 31-Dec <u>2013</u> (Restated)	Quarter ended 30-Sep <u>2014</u>	Quarter ended 30-Sep <u>2013</u> (Restated)	9 months ended 30-Sep <u>2014</u>	9 months ended 30-Sep <u>2013</u> (Restated)	18 months ended 31-Dec <u>2013</u> (Restated)
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Interest income	1,635,789	1,534,800	4,841,961	4,693,386	9,333,865	1,598,840	1,499,330	4,731,342	4,581,416	9,095,940
Interest expense	(617,576)	(539,109)	(1,779,356)	(1,678,447)	(3,417,785)	(603,883)	(524,561)	(1,736,753)	(1,625,375)	(3,302,038)
Net interest income	1,018,213	995,691	3,062,605	3,014,939	5,916,080	994,957	974,769	2,994,589	2,956,041	5,793,902
Net fee and commission income	214,802	255,169	645,310	768,007	1,534,266	201,998	240,701	604,311	720,492	1,443,284
Dividend income	27,694	3,066	29,696	4,803	823,026	458	36,395	61,899	275,132	871,403
Net trading income	91,871	88,605	244,988	266,657	575,464	80,008	76,544	215,414	226,351	497,143
Other operating income	364,491	(4,669)	533,828	72,179	460,200	364,491	(4,669)	533,828	72,179	460,122
Non interest income	698,858	342,171	1,453,822	1,111,646	3,392,956	646,955	348,971	1,415,452	1,294,154	3,271,952
Operating income	1,717,071	1,337,862	4,516,427	4,126,585	9,309,036	1,641,912	1,323,740	4,410,041	4,250,195	9,065,854
Non interest expenses	(544,365)	(444,613)	(1,461,045)	(1,331,351)	(3,013,541)	(519,921)	(424,824)	(1,390,283)	(1,274,117)	(2,886,783)
Profit before net impairment loss on financial assets	1,172,706	893,249	3,055,382	2,795,234	6,295,495	1,121,991	898,916	3,019,758	2,976,078	6,179,071
Net impairment loss on financial assets	(18,148)	(115,196)	(232,621)	(239,129)	(830,273)	(9,741)	(106,971)	(217,046)	(255,626)	(829,086)
Operating profit	1,154,558	778,053	2,822,761	2,556,105	5,465,222	1,112,250	791,945	2,802,712	2,720,452	5,349,985
Share of profit of associates	17,579	24,680	62,993	81,360	141,671	-	-	-	-	-
Profit before income tax	1,172,137	802,733	2,885,754	2,637,465	5,606,893	1,112,250	791,945	2,802,712	2,720,452	5,349,985
Tax expense	(201,350)	(120,759)	(538,421)	(477,880)	(896,335)	(195,583)	(116,085)	(520,434)	(460,468)	(857,800)
Profit attributable to equity holders of the parent	970,787	681,974	2,347,333	2,159,585	4,710,558	916,667	675,860	2,282,278	2,259,984	4,492,185
Earnings per share (Cents)			9.09	8.36	18.25					

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	-----Group-----					-----Bank-----				
	Quarter ended 30-Sep 2014	Quarter ended 30-Sep 2013	9 months ended 30-Sep 2014	9 months ended 30-Sep 2013	18 months ended 31-Dec 2013	Quarter ended 30-Sep 2014	Quarter ended 30-Sep 2013	9 months ended 30-Sep 2014	9 months ended 30-Sep 2013	18 months ended 31-Dec 2013
		(Restated)		(Restated)	(Restated)		(Restated)		(Restated)	(Restated)
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Profit attributable to equity holders of the parent	970,787	681,974	2,347,333	2,159,585	4,710,558	916,667	675,860	2,282,278	2,259,984	4,492,185
Other comprehensive income :										
<i>Items that will not be reclassified subsequently to profit or loss:</i>										
Decrease in revaluation of property	(4,249)	-	(4,249)	-	-	(6,693)	-	(6,693)	-	-
Deferred tax on revaluation surplus of property	4,792	-	4,792	-	-	4,792	-	4,792	-	-
Deferred tax on disposal of property	-	-	-	200	200	-	-	-	200	200
Effect of change in deferred tax rate	-	-	-	(804)	(804)	-	-	-	(804)	(804)
Share of other comprehensive (loss) / income of associate	(9,537)	-	(9,537)	8,812	(5,668)	-	-	-	-	-
Remeasurement of defined benefit pension plan	18,719	-	18,719	-	(25,220)	18,719	-	18,719	-	(25,220)
	9,725	-	9,725	8,208	(31,492)	16,818	-	16,818	(604)	(25,824)
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Exchange differences on translation of foreign operations	24,311	(224,314)	97,295	(419,347)	(443,034)	32,943	(216,802)	121,373	(418,025)	(520,100)
Increase in value of available-for-sale investments	2,098,831	25,905	2,119,549	155,893	552,536	27,714	27,397	42,980	30,906	282,106
Fair value realised on disposal of available-for-sale investments	(250,104)	-	(369,699)	-	(357,127)	(250,104)	-	(369,699)	-	(357,127)
	1,873,038	(198,409)	1,847,145	(263,454)	(247,625)	(189,447)	(189,405)	(205,346)	(387,119)	(595,121)
Other comprehensive income / (loss) for the period	1,882,763	(198,409)	1,856,870	(255,246)	(279,117)	(172,629)	(189,405)	(188,528)	(387,723)	(620,945)
Total comprehensive income attributable to equity holders of the parent	2,853,550	483,565	4,204,203	1,904,339	4,431,441	744,038	486,455	2,093,750	1,872,261	3,871,240

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)
STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Group	Share Capital MUR' 000	Treasury Shares MUR' 000	Reserve arising on Share Buy Back MUR' 000	Statutory Reserve MUR' 000	Capital Conservation Reserve MUR' 000	Revenue Reserve (Restated) MUR' 000	Net	Net	Net Translation Reserve MUR' 000	Net Other Reserve MUR' 000	Total Equity MUR' 000
							Unrealised Investment Fair Value Reserve MUR' 000	Property Revaluation Reserve (Restated) MUR' 000			
At 01 January 2013											
- As previously stated	303,740	(2,333,286)	236,071	526,500	-	15,540,320	3,857,519	293,404	(555,309)	78,358	17,947,317
- Reversal of revaluation of leasehold buildings	-	-	-	-	-	-	-	1,056,173	-	-	1,056,173
- Adjustment of supplementary depreciation	-	-	-	-	-	-	-	88,116	-	-	88,116
- Effect of adopting IAS 19 (revised)	-	-	-	-	-	(47,457)	-	-	-	-	(47,457)
- Reversal of portfolio provision, net of tax	-	-	-	-	-	468,473	-	-	-	-	468,473
- Transfer to capital conservation reserve	-	-	-	-	551,145	(551,145)	-	-	-	-	-
- As restated	303,740	(2,333,286)	236,071	526,500	551,145	15,410,191	3,857,519	1,437,693	(555,309)	78,358	19,512,622
Profit for the period	-	-	-	-	-	2,159,585	-	-	-	-	2,159,585
Other comprehensive loss for the period	-	-	-	-	-	-	155,893	(604)	(419,347)	8,812	(255,246)
Transfer to retained earnings	-	-	-	-	-	37,951	-	(37,951)	-	-	-
Transfer to statutory reserve	-	-	-	45,846	-	(45,846)	-	-	-	-	-
Dividend	-	-	-	-	-	(1,032,717)	-	-	-	-	(1,032,717)
At 30 September 2013 (as Restated)	303,740	(2,333,286)	236,071	572,346	551,145	16,529,164	4,013,412	1,399,138	(974,656)	87,170	20,384,244
At 01 July 2012											
- As previously stated	303,740	(2,333,286)	236,071	520,133	551,145	14,660,857	3,480,601	295,271	(544,566)	78,358	17,248,324
- Reversal of revaluation of leasehold buildings	-	-	-	-	-	-	-	1,056,173	-	-	1,056,173
- Adjustment of supplementary depreciation	-	-	-	-	-	-	-	88,116	-	-	88,116
- Effect of adopting IAS 19 (revised)	-	-	-	-	-	(47,457)	-	-	-	-	(47,457)
- As restated	303,740	(2,333,286)	236,071	520,133	551,145	14,613,400	3,480,601	1,439,560	(544,566)	78,358	18,345,156
Profit for the period	-	-	-	-	-	4,710,558	-	-	-	-	4,710,558
Other comprehensive loss for the period	-	-	-	-	-	(25,220)	195,409	(604)	(443,034)	(5,668)	(279,117)
Revaluation reserve realised on disposal of property	-	-	-	-	-	6,749	-	(6,749)	-	-	-
Transfer to retained earnings	-	-	-	-	-	61,614	-	(61,614)	-	-	-
Transfer to statutory reserve	-	-	-	52,213	-	(52,213)	-	-	-	-	-
Dividend	-	-	-	-	-	(2,452,702)	-	-	-	-	(2,452,702)
At 31 December 2013 (as Restated)	303,740	(2,333,286)	236,071	572,346	551,145	16,862,186	3,676,010	1,370,593	(987,600)	72,690	20,323,895
At 01 January 2014	303,740	(2,333,286)	236,071	572,346	551,145	16,862,186	3,676,010	1,370,593	(987,600)	72,690	20,323,895
Profit for the period	-	-	-	-	-	2,347,333	-	-	-	-	2,347,333
Other comprehensive income for the period	-	-	-	-	-	18,719	1,749,850	543	97,295	(9,537)	1,856,870
Transfer to capital conservation reserve	-	-	-	-	171,162	(171,162)	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	92,823	-	(29,670)	-	(63,153)	-
Transfer to statutory reserve	-	-	-	4,851	-	(4,851)	-	-	-	-	-
Dividend	-	-	-	-	-	(955,263)	-	-	-	-	(955,263)
At 30 September 2014	303,740	(2,333,286)	236,071	577,197	722,307	18,189,785	5,425,860	1,341,466	(890,305)	-	23,572,835

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)
STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (CONT'D)

Bank	Share	Treasury	Statutory	Capital	Revenue	Net	Net	Net	Total
	<u>Capital</u>	<u>Shares</u>	<u>Reserve</u>	<u>Conservation</u>	<u>Reserve</u>	Investment	Property	Translation	Equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	Fair Value	Reserve	Reserve	MUR' 000
					(Restated)	MUR' 000	(Restated)	(Restated)	MUR' 000
At 01 January 2013									
- As previously stated	303,740	(2,333,286)	476,467	-	14,039,907	574,356	293,404	(355,501)	12,999,087
- Reversal of revaluation of leasehold buildings	-	-	-	-	-	-	1,056,173	-	1,056,173
- Adjustment of supplementary depreciation	-	-	-	-	-	-	88,116	-	88,116
- Effect of adopting IAS 19 (revised)	-	-	-	-	(47,457)	-	-	-	(47,457)
- Reversal of portfolio provision, net of tax	-	-	-	-	468,473	-	-	-	468,473
- Transfer to capital conservation reserve	-	-	-	551,145	(551,145)	-	-	-	-
- As restated	303,740	(2,333,286)	476,467	551,145	13,909,778	574,356	1,437,693	(355,501)	14,564,392
Profit for the period	-	-	-	-	2,259,984	-	-	-	2,259,984
Other comprehensive loss for the period	-	-	-	-	-	30,906	(604)	(418,025)	(387,723)
Transfer to retained earnings	-	-	-	-	37,951	-	(37,951)	-	-
Transfer to statutory reserve	-	-	45,418	-	(45,418)	-	-	-	-
Dividend	-	-	-	-	(1,032,717)	-	-	-	(1,032,717)
At 30 September 2013 (as Restated)	303,740	(2,333,286)	521,885	551,145	15,129,578	605,262	1,399,138	(773,526)	15,403,936
At 01 July 2012									
- As previously stated	303,740	(2,333,286)	476,467	551,145	13,405,785	420,917	295,271	(264,179)	12,855,860
- Reversal of revaluation of leasehold buildings	-	-	-	-	-	-	1,056,173	-	1,056,173
- Adjustment of supplementary depreciation	-	-	-	-	-	-	88,116	-	88,116
- Effect of adopting IAS 19 (revised)	-	-	-	-	(47,457)	-	-	-	(47,457)
- As restated	303,740	(2,333,286)	476,467	551,145	13,358,328	420,917	1,439,560	(264,179)	13,952,692
Profit for the period	-	-	-	-	4,492,185	-	-	-	4,492,185
Other comprehensive loss for the period	-	-	-	-	(25,220)	(75,021)	(604)	(520,100)	(620,945)
Revaluation reserve realised on disposal of property	-	-	-	-	6,749	-	(6,749)	-	-
Transfer to retained earnings	-	-	-	-	61,614	-	(61,614)	-	-
Transfer to statutory reserve	-	-	45,418	-	(45,418)	-	-	-	-
Dividend	-	-	-	-	(2,452,702)	-	-	-	(2,452,702)
At 31 December 2013 (as Restated)	303,740	(2,333,286)	521,885	551,145	15,395,536	345,896	1,370,593	(784,279)	15,371,230
At 01 January 2014	303,740	(2,333,286)	521,885	551,145	15,395,536	345,896	1,370,593	(784,279)	15,371,230
Profit for the period	-	-	-	-	2,282,278	-	-	-	2,282,278
Other comprehensive loss for the period	-	-	-	-	18,719	(326,719)	(1,901)	121,373	(188,528)
Transfer to capital conservation reserve	-	-	-	171,162	(171,162)	-	-	-	-
Transfer to retained earnings	-	-	-	-	29,670	-	(29,670)	-	-
Dividend	-	-	-	-	(955,263)	-	-	-	(955,263)
At 30 September 2014	303,740	(2,333,286)	521,885	722,307	16,599,778	19,177	1,339,022	(662,906)	16,509,717

STATE BANK OF MAURITIUS LTD (NOW KNOWN AS SBM BANK (MAURITIUS) LTD)
ABRIDGED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	-----Group-----			-----Bank-----		
	9 months ended 30-Sep 2014 MUR' 000	9 months ended 30-Sep 2013 MUR' 000	18 months ended 31-Dec 2013 MUR' 000	9 months ended 30-Sep 2014 MUR' 000	9 months ended 30-Sep 2013 MUR' 000	18 months ended 31-Dec 2013 MUR' 000
Net cash used in operating activities	(3,789,729)	(4,479,309)	(932,784)	(3,464,384)	(4,469,976)	(3,314,695)
Net cash from / (used in) financing activities	2,404,222	(1,426,880)	1,253,112	2,404,225	(1,426,881)	1,253,112
Net cash (used in) / from investing activities	(621,767)	249,236	(413,189)	(559,120)	382,680	1,582,559
Net change in cash and cash equivalents	(2,007,274)	(5,656,953)	(92,861)	(1,619,279)	(5,514,177)	(479,024)
Cash and cash equivalents at beginning of period	6,900,534	8,044,659	6,993,395	6,485,251	7,788,361	6,964,275
Cash and cash equivalents at end of period	4,893,260	2,387,706	6,900,534	4,865,972	2,274,184	6,485,251

ACCOUNTING POLICIES

The interim financial report has been prepared using the accounting policies as those adopted in the audited financial statements for the 18 months ended 31 December 2013, except new standards that are effective as from 01 January 2014. The adoption of the revised IAS 19, Employee Benefits has been applied retrospectively in the abridged unaudited interim financial report.

The Group has changed its accounting policy with respect to the valuation of buildings on leasehold land from cost to fair value and the comparative amounts have been restated accordingly.

The investment in associate has been reclassified in August 2014 to investment in equity as the Group has no more significant influence on the Company. Up to August 2014, an amount of MUR 62.99 million has been recognised as the share of profits through the Statement of Profit or Loss. This investment is now being reported as "Available for Sale investment securities - other equity investments".

Valuation techniques used to estimate the fair value of unquoted equity investments include the dividend growth, discounted cash flows and net assets. Management has made certain assumptions for inputs in the models, such as risk free rate, risk premium, dividend growth rate, future cash flows, weighted average cost of capital, and earnings before interest depreciation and tax, which may be different from actual. Inputs are based on information available at the reporting date.

Investment securities include certain investments which the Group has decided to dispose of.

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 Bank.

By order of the Board

B. M. Kallee
Company Secretary

14 November 2014

The Communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of SBM Bank (Mauritius) Ltd accepts full responsibility for the accuracy of the information contained in this Communiqué.

The financial information, including the report on review of interim financial information, has been extracted from the abridged unaudited interim financial report for the nine months ended 30 September 2014.