

# STATE BANK OF MAURITIUS LTD

## Abridged unaudited interim financial report for the six months ended 30 June 2014

State Bank of Mauritius Ltd is pleased to submit its abridged unaudited interim financial report for the six months ended 30 June 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 using the accounting policies as those adopted in the audited financial statements for the eighteen 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 this abridged unaudited interim financial report. The Bank's statutory auditors have reviewed the interim accounts and their report is attached.

### Results

The Group's profit after tax for the six months ended 30 June 2014 amounted to MUR 1,376.55 million, a decrease of 7.96% as compared to MUR 1,495.56 million for the six months ended 30 June 2013. This is mainly due to a substantial increase in credit impairment, lower fee income and rise in non-interest expenses.

For the period under review, interest income increased by MUR 47.58 million since advances continue to stagnate in the current economic climate and large corporates are resorting to capital as well as forex markets for refinancing bank debts accompanied by lower yields in our increasing government securities portfolio. Interest expense increased slightly by MUR 22.44 million during the six months ended June 2014 compared to June 2013. The Group's net interest margin to average assets dropped from 3.90% for the six months ended 30 June 2013 to 3.60% for the six months ended 30 June 2014.

Non interest income amounted to MUR 754.97 million, compared to MUR 769.48 million for the last corresponding period mainly due to lower fee and commission income, cross border card income and forex income. The Bank has signed up with UPI Card Association Payment operator and expects to improve card income from this partnership. Other operating income has increased due to profit on sale of AFS securities during the period.

Non-interest expenses increased by 5.90% to reach MUR 916.68 million mostly due to higher system, business transformation and personnel costs. Cost to income ratio stood at 35.46% for the six months ended 30 June 2014 from 32.48% for the corresponding period in 2013.

The Group's gross advances increased by MUR 1,934.55 million from December 2013 to reach MUR 73,059.44 million as at 30 June 2014 and Group deposits increased by MUR 1,681.90 million to MUR 84,702.74 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 June 2014 standing at 1.01%.

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 launched on 20 December 2013 was oversubscribed and a maximum amount of MUR 1,500 million was retained. 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.

The Group capital adequacy ratio under Basel II was 24.38% as at 30 June 2014, which is comfortably above the minimum regulatory requirement of 10% whereas under the Basel III, the capital adequacy ratio stood at 24.26%.

In line with the policy of payment of dividend on a quarterly basis; an interim dividend of 1.3 cents has been declared for the third quarter of the financial year ending 31 December 2014.

## Outlook

The global economic picture is improving, although 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 geographic-wise.

**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 August 2014

**Report on Review of Interim Financial Information  
To the Board of Directors of  
State Bank of Mauritius Ltd “SBM”**

**Introduction**

We have reviewed the accompanying abridged unaudited interim statements of financial position of the Group and of the Bank as at 30 June 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 August 2014

**STATE BANK OF MAURITIUS LTD**
**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	-----Group-----			-----Bank-----		
	<b>30-Jun 2014</b>	30-Jun 2013	31-Dec 2013	<b>30-Jun 2014</b>	30-Jun 2013	31-Dec 2013
	<b>MUR' 000</b>	(Restated) MUR' 000	(Restated) MUR' 000	<b>MUR' 000</b>	(Restated) MUR' 000	(Restated) MUR' 000
<b>ASSETS</b>						
Cash and cash equivalents	<b>5,524,483</b>	4,177,058	6,900,534	<b>5,452,334</b>	3,819,200	6,485,251
Mandatory balances with central banks	<b>6,138,120</b>	4,274,909	5,494,981	<b>6,009,757</b>	3,982,844	5,223,056
Loans to and placements with banks	<b>1,610,401</b>	504,727	932,428	<b>1,610,401</b>	504,727	932,428
Trading assets	<b>230,906</b>	247,155	249,571	<b>230,627</b>	247,153	249,504
Loans and advances to non-bank customers	<b>72,010,997</b>	69,055,727	70,093,266	<b>71,561,545</b>	68,453,004	69,776,577
Investment securities	<b>27,589,720</b>	23,598,610	23,210,737	<b>21,789,193</b>	17,807,793	17,563,894
Property and equipment	<b>1,328,904</b>	1,341,759	1,340,194	<b>1,292,393</b>	1,302,495	1,302,531
Intangible assets	<b>922,243</b>	190,696	638,914	<b>922,225</b>	180,059	638,857
Deferred tax assets	<b>240,889</b>	99,238	223,070	<b>240,889</b>	99,238	223,070
Other assets	<b>2,332,402</b>	844,298	2,238,899	<b>2,365,674</b>	865,136	2,167,910
<b>Total assets</b>	<b>117,929,065</b>	104,334,177	111,322,594	<b>111,475,038</b>	97,261,649	104,563,078
<b>LIABILITIES</b>						
Deposits from banks	<b>399,469</b>	206,186	217,281	<b>406,925</b>	276,439	271,802
Deposits from non-bank customers	<b>84,702,739</b>	77,687,307	83,016,635	<b>83,263,238</b>	75,600,746	81,276,155
Other borrowed funds	<b>7,121,663</b>	4,672,503	6,110,051	<b>7,121,665</b>	4,672,481	6,110,051
Trading liabilities	<b>200,768</b>	204,557	238,555	<b>199,969</b>	204,555	238,469
Current tax liabilities	<b>278,145</b>	317,264	247,198	<b>277,619</b>	315,239	246,591
Deferred tax liabilities	-	21,332	-	-	21,319	-
Other liabilities	<b>1,433,159</b>	1,417,972	2,255,222	<b>1,366,106</b>	1,347,010	2,135,022
Subordinated debts	<b>3,493,012</b>	-	4,200	<b>3,493,012</b>	-	4,200
<b>Total liabilities</b>	<b>97,628,955</b>	84,527,121	92,089,142	<b>96,128,534</b>	82,437,789	90,282,290
<b>SHAREHOLDERS' EQUITY</b>						
Share capital	<b>303,740</b>	303,740	303,740	<b>303,740</b>	303,740	303,740
Retained earnings	<b>17,951,735</b>	16,870,432	16,862,185	<b>16,479,001</b>	15,476,537	15,395,536
Other reserves	<b>4,377,921</b>	4,966,170	4,400,813	<b>897,049</b>	1,376,869	914,798
	<b>22,633,396</b>	22,140,342	21,566,738	<b>17,679,790</b>	17,157,146	16,614,074
Less treasury shares	<b>(2,333,286)</b>	(2,333,286)	(2,333,286)	<b>(2,333,286)</b>	(2,333,286)	(2,333,286)
Total equity attributable to equity holders of the parent	<b>20,300,110</b>	19,807,056	19,233,452	<b>15,346,504</b>	14,823,860	14,280,788
<b>Total equity and liabilities</b>	<b>117,929,065</b>	104,334,177	111,322,594	<b>111,475,038</b>	97,261,649	104,563,078

Exchange rate (USD: MUR)

30.16

31.05

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STATE BANK OF MAURITIUS LTD

ABRIDGED STATEMENTS OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2014

	-----Group-----					-----Bank-----				
	Quarter ended	Quarter ended	6 months ended	6 months ended	18 months ended	Quarter ended	Quarter ended	6 months ended	6 months ended	18 months ended
	30-Jun	30-Jun	30-Jun	30-Jun	31-Dec	30-Jun	30-Jun	30-Jun	30-Jun	31-Dec
	2014	2013	2014	2013	2013	2014	2013	2014	2013	2013
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000				
Interest income	1,630,482	1,591,552	3,206,172	3,158,585	9,333,865	1,592,731	1,553,585	3,132,502	3,082,085	9,095,940
Interest expense	(588,228)	(567,831)	(1,161,780)	(1,139,337)	(3,417,785)	(573,870)	(550,057)	(1,132,870)	(1,100,813)	(3,302,038)
<b>Net interest income</b>	<b>1,042,254</b>	<b>1,023,721</b>	<b>2,044,392</b>	<b>2,019,248</b>	<b>5,916,080</b>	<b>1,018,861</b>	<b>1,003,528</b>	<b>1,999,632</b>	<b>1,981,272</b>	<b>5,793,902</b>
Net fee and commission income	230,645	263,990	430,508	512,838	1,534,266	214,204	244,185	402,313	479,792	1,443,284
Dividend income	1,104	270	2,002	1,737	823,026	544	270	61,441	238,736	871,403
Net trading income	78,232	77,529	153,117	178,052	575,464	67,537	66,622	135,407	149,807	497,143
Other operating income	118,727	59,571	169,337	76,848	460,200	118,727	59,571	169,337	76,848	460,122
<b>Non interest income</b>	<b>428,708</b>	<b>401,360</b>	<b>754,964</b>	<b>769,475</b>	<b>3,392,956</b>	<b>401,012</b>	<b>370,648</b>	<b>768,498</b>	<b>945,183</b>	<b>3,271,952</b>
<b>Operating income</b>	<b>1,470,962</b>	<b>1,425,081</b>	<b>2,799,356</b>	<b>2,788,723</b>	<b>9,309,036</b>	<b>1,419,873</b>	<b>1,374,176</b>	<b>2,768,130</b>	<b>2,926,455</b>	<b>9,065,854</b>
<b>Non interest expenses</b>	<b>(479,184)</b>	<b>(418,270)</b>	<b>(916,680)</b>	<b>(865,622)</b>	<b>(2,950,192)</b>	<b>(455,063)</b>	<b>(399,404)</b>	<b>(870,362)</b>	<b>(828,176)</b>	<b>(2,823,434)</b>
Profit before net impairment loss on financial assets	991,778	1,006,811	1,882,676	1,923,101	6,358,844	964,810	974,772	1,897,768	2,098,279	6,242,420
Net impairment loss on financial assets	(5,950)	(81,970)	(214,473)	(123,934)	(830,273)	(2,293)	(94,105)	(207,305)	(148,655)	(829,086)
<b>Operating profit</b>	<b>985,828</b>	<b>924,841</b>	<b>1,668,203</b>	<b>1,799,167</b>	<b>5,528,571</b>	<b>962,517</b>	<b>880,667</b>	<b>1,690,463</b>	<b>1,949,624</b>	<b>5,413,334</b>
Share of profit of associates	16,846	36,940	45,415	56,680	141,671	-	-	-	-	-
<b>Profit before income tax</b>	<b>1,002,674</b>	<b>961,781</b>	<b>1,713,618</b>	<b>1,855,847</b>	<b>5,670,242</b>	<b>962,517</b>	<b>880,667</b>	<b>1,690,463</b>	<b>1,949,624</b>	<b>5,413,334</b>
Tax expense	(222,619)	(181,383)	(337,070)	(360,290)	(905,838)	(216,069)	(175,121)	(324,851)	(347,549)	(867,302)
<b>Profit attributable to equity holders of the parent</b>	<b>780,055</b>	<b>780,398</b>	<b>1,376,548</b>	<b>1,495,557</b>	<b>4,764,404</b>	<b>746,448</b>	<b>705,546</b>	<b>1,365,612</b>	<b>1,602,075</b>	<b>4,546,032</b>
Earnings per share (Cents)			5.33	5.79	18.45					

STATE BANK OF MAURITIUS LTD

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2014

	-----Group-----					-----Bank-----				
	Quarter ended 30-Jun 2014	Quarter ended 30-Jun 2013	6 months ended 30-Jun 2014	6 months ended 30-Jun 2013	18 months ended 31-Dec 2013	Quarter ended 30-Jun 2014	Quarter ended 30-Jun 2013	6 months ended 30-Jun 2014	6 months ended 30-Jun 2013	18 months ended 31-Dec 2013
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
<b>Profit attributable to equity holders of the parent</b>	<b>780,055</b>	780,398	<b>1,376,548</b>	1,495,557	4,764,404	<b>746,448</b>	705,546	<b>1,365,612</b>	1,602,075	4,546,032
<b>Other comprehensive income :</b>										
<i>Items that will not be reclassified subsequently to profit or loss:</i>										
Deferred tax on disposal of property	-	-	-	200	200	-	-	-	200	200
Effect of change in deferred tax rate	-	(804)	-	(804)	(804)	-	(804)	-	(804)	(804)
Share of other comprehensive income of associate	-	8,812	-	8,812	(5,668)	-	-	-	-	-
Remeasurement of defined benefit pension plan	-	-	-	-	(25,220)	-	-	-	-	(25,220)
	-	8,008	-	8,208	(31,492)	-	(804)	-	(604)	(25,824)
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Exchange differences on translation of foreign operations	(18,764)	(304,513)	72,984	(195,030)	(443,034)	(11,131)	(307,590)	88,430	(201,223)	(520,100)
Increase/(decrease) in value of available-for-sale investments	2,941	20,775	20,718	129,988	552,536	(2,511)	(92,610)	15,266	3,509	282,106
Fair value realised on disposal of available-for-sale investments	(67,503)	-	(119,595)	-	(357,127)	(67,503)	-	(119,595)	-	(357,127)
	(83,326)	(283,738)	(25,893)	(65,042)	(247,625)	(81,145)	(400,200)	(15,899)	(197,714)	(595,121)
Other comprehensive loss for the period	(83,326)	(275,730)	(25,893)	(56,834)	(279,117)	(81,145)	(401,004)	(15,899)	(198,318)	(620,945)
<b>Total comprehensive income attributable to equity holders of the parent</b>	<b>696,729</b>	504,668	<b>1,350,655</b>	1,438,723	4,485,287	<b>665,303</b>	304,542	<b>1,349,713</b>	1,403,757	3,925,087

**STATE BANK OF MAURITIUS LTD**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014**

Group	Share	Treasury	Reserve	Statutory	Revenue	Capital	Net	Net	Net	Net	Total
	Capital	Shares	arising on Share Buy Back	Reserve	Reserve (Restated)	Conservation Reserve	Unrealised Investment Fair Value Reserve	Property Revaluation Reserve	Translation Reserve	Other Reserve	Equity
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	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
- 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	15,410,191	551,145	3,857,519	293,404	(555,309)	78,358	18,368,333
Profit for the period	-	-	-	-	1,495,557	-	-	-	-	-	1,495,557
Other comprehensive loss for the period	-	-	-	-	-	-	129,988	(604)	(195,030)	8,812	(56,834)
Transfer to retained earnings	-	-	-	-	10,102	-	-	(10,102)	-	-	-
Transfer to statutory reserve	-	-	-	45,418	(45,418)	-	-	-	-	-	-
At 30 June 2013 (as Restated)	303,740	(2,333,286)	236,071	571,918	16,870,432	551,145	3,987,507	282,698	(750,339)	87,170	19,807,056
At 01 July 2012											
- As previously stated	303,740	(2,333,286)	236,071	520,133	14,660,857	551,145	3,480,601	295,271	(544,566)	78,358	17,248,324
- Effect of adopting IAS 19 (revised)	-	-	-	-	(47,457)	-	-	-	-	-	(47,457)
- As restated	303,740	(2,333,286)	236,071	520,133	14,613,400	551,145	3,480,601	295,271	(544,566)	78,358	17,200,867
Profit for the period	-	-	-	-	4,764,404	-	-	-	-	-	4,764,404
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	-	-	-	-	7,767	-	-	(7,767)	-	-	-
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	16,862,185	551,145	3,676,010	280,151	(987,600)	72,690	19,233,452
At 01 January 2014	303,740	(2,333,286)	236,071	572,346	16,862,185	551,145	3,676,010	280,151	(987,600)	72,690	19,233,452
Profit for the period	-	-	-	-	1,376,548	-	-	-	-	-	1,376,548
Other comprehensive loss for the period	-	-	-	-	-	-	(98,877)	-	72,984	-	(25,893)
Transfer to retained earnings	-	-	-	-	1,850	-	-	(1,850)	-	-	-
Transfer to statutory reserve	-	-	-	4,851	(4,851)	-	-	-	-	-	-
Dividend	-	-	-	-	(283,997)	-	-	-	-	-	(283,997)
At 30 June 2014	303,740	(2,333,286)	236,071	577,197	17,951,735	551,145	3,577,133	278,301	(914,616)	72,690	20,300,110

**STATE BANK OF MAURITIUS LTD**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONT'D)**

<b>Bank</b>	Share Capital MUR' 000	Treasury Shares MUR' 000	Statutory Reserve MUR' 000	Revenue Reserve (Restated) MUR' 000	Capital Conservation Reserve MUR' 000	Net Unrealised Investment Fair Value Reserve MUR' 000	Net Property Revaluation Reserve MUR' 000	Net Translation Reserve MUR' 000	Total Equity 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
- 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	13,909,778	551,145	574,356	293,404	(355,501)	13,420,103
Profit for the period	-	-	-	1,602,075	-	-	-	-	1,602,075
Other comprehensive loss for the period	-	-	-	-	-	3,509	(604)	(201,223)	(198,318)
Transfer to retained earnings	-	-	-	10,102	-	-	(10,102)	-	-
Transfer to statutory reserve	-	-	45,418	(45,418)	-	-	-	-	-
At 30 June 2013 (as Restated)	303,740	(2,333,286)	521,885	15,476,537	551,145	577,865	282,698	(556,724)	14,823,860
At 01 July 2012									
- As previously stated	303,740	(2,333,286)	476,467	13,405,785	551,145	420,917	295,271	(264,179)	12,855,860
- Effect of adopting IAS 19 (revised)	-	-	-	(47,457)	-	-	-	-	(47,457)
- As restated	303,740	(2,333,286)	476,467	13,358,328	551,145	420,917	295,271	(264,179)	12,808,403
Profit for the period	-	-	-	4,546,032	-	-	-	-	4,546,032
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	-	-	-	7,767	-	-	(7,767)	-	-
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	15,395,536	551,145	345,896	280,151	(784,279)	14,280,788
At 01 January 2014	303,740	(2,333,286)	521,885	15,395,536	551,145	345,896	280,151	(784,279)	14,280,788
Profit for the period	-	-	-	1,365,612	-	-	-	-	1,365,612
Other comprehensive loss for the period	-	-	-	-	-	(104,329)	-	88,430	(15,899)
Transfer to retained earnings	-	-	-	1,850	-	-	(1,850)	-	-
Dividend	-	-	-	(283,997)	-	-	-	-	(283,997)
At 30 June 2014	303,740	(2,333,286)	521,885	16,479,001	551,145	241,567	278,301	(695,849)	15,346,504

**STATE BANK OF MAURITIUS LTD**

**ABRIDGED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	-----Group-----			-----Bank-----		
	<b>6 months ended 30-Jun 2014</b>	6 months ended 30-Jun 2013	18 months ended 31-Dec 2013	<b>6 months ended 30-Jun 2014</b>	6 months ended 30-Jun 2013	18 months ended 31-Dec 2013
	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000	MUR' 000
Net cash used in operating activities	<b>(5,258,589)</b>	(3,576,695)	(932,784)	<b>(4,975,387)</b>	(3,776,716)	(3,314,695)
Net cash from / (used in) financing activities	<b>4,216,427</b>	(567,546)	1,253,112	<b>4,216,429</b>	(567,568)	1,253,112
Net cash (used in) / from investing activities	<b>(333,889)</b>	276,640	(413,189)	<b>(273,959)</b>	375,123	1,582,559
Net change in cash and cash equivalents	<b>(1,376,051)</b>	(3,867,601)	(92,861)	<b>(1,032,917)</b>	(3,969,161)	(479,024)
Cash and cash equivalents at beginning of period	<b>6,900,534</b>	8,044,659	6,993,395	<b>6,485,251</b>	7,788,361	6,964,275
<b>Cash and cash equivalents at end of period</b>	<b>5,524,483</b>	4,177,058	6,900,534	<b>5,452,334</b>	3,819,200	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.

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](http://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 August 2014

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

The Board of Directors of State Bank of 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 six months ended 30 June 2014.*