

STATE BANK OF MAURITIUS LTD

ABRIDGED UNAUDITED INTERIM FINANCIAL REPORT

The abridged unaudited interim financial report for the nine months ended 31 March 2010 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 same accounting policies as those adopted in the financial statements for the financial year ended 30 June 2009 and has been reviewed by the Bank's external auditors, whose report is attached. The interim financial report contains forward-looking statements and risks exist that they may not materialise. Users of the information should therefore not place undue reliance on these statements.

Results

Group profit for the nine months ended 31 March 2010 stood at Rs1.5Bn (2009: Rs1.7Bn). Excluding the drop in investment income, Group gross income was almost at par compared to the same period last year. Net interest income showed a slight growth of 3% despite an increasingly competitive market, in a context of excess liquidity and subdued demand for domestic credit. Fees and exchange income were however negatively impacted by sluggish market conditions and lower trade volumes. Nonetheless, cost to income ratio was contained at a respectable level of 38%.

During the period, the Group also continued to actively manage its asset and liability mix. Group advances posted a reasonable growth of 9% year on year, with continued focus on international business, while Group Deposits were marginally lower as the Group was not active on pursuing deposit growth given ample liquidity to efficiently fund operations. Consequently, the average credit to deposit ratio improved to around 69%. The Group's capital base remained sound with an adequacy ratio of around 24% and the Group's high asset quality was maintained, as reflected in the gross and net impaired advances ratios of 1.7% and 0.7% respectively.

Prospects

Notwithstanding an observed pickup in economic activity, credit growth is likely to remain weak in the short term amidst lingering concerns in the country's main export markets and persisting uncertainty regarding currency dynamics. The market may thus remain highly liquid, exerting pressure on margins. While increased Government capital spending should provide some impetus to activity going forward, a lasting recovery in private sector investment would depend on a more sustained upturn in the global economy accompanied by improved visibility.

The Group continues to favour a medium-term approach through the diversification of risks and the enhancement of internal capabilities. Growth is thus expected to emanate from new and under-penetrated markets, underpinned by continuous investment in people, infrastructure and technology.

G.S. Ramdaursingh
Chairman

G. Dumbell
Director

G.Vir
Chief Executive

07 May 2010

SBM

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 31 March 2010 and the related abridged unaudited interim income statements, statements of comprehensive income, statements of changes in equity and cash flow statements for the nine months 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.

Kemp Chatteris Deloitte

Chartered Accountants

07 May 2010

**UNAUDITED ABRIDGED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

ABRIDGED STATEMENTS OF FINANCIAL POSITION

	-----GROUP-----			-----BANK-----		
	31-Mar 2010 MRs' 000	31-Mar 2009 MRs' 000	30-Jun 2009 MRs' 000	31-Mar 2010 MRs' 000	31-Mar 2009 MRs' 000	30-Jun 2009 MRs' 000
ASSETS						
Cash and cash equivalents	5,857,640	7,702,831	11,764,439	5,657,279	7,650,844	11,481,860
Trading assets	57,827	520,488	196,280	57,790	520,585	196,280
Loans to and placements with banks	314,136	3,539,013	2,766,726	314,136	3,539,013	2,766,726
Loans and advances to customers	43,477,806	39,629,747	39,793,808	42,790,602	38,121,635	38,062,324
Investment securities	21,727,421	18,168,958	19,011,409	19,809,683	16,195,729	17,470,368
Property and equipment	2,247,295	2,311,878	2,293,755	2,240,223	2,263,842	2,248,934
Intangible assets	65,167	96,566	78,988	70,765	104,676	87,307
Other assets	3,261,169	3,082,098	3,328,233	2,868,567	2,712,316	2,925,879
TOTAL ASSETS	77,008,461	75,051,579	79,233,638	73,809,045	71,108,640	75,239,678
LIABILITIES						
Deposits from banks	168,963	30,815	151,725	233,212	150,760	271,771
Deposits from customers	59,971,706	60,072,131	63,569,375	59,258,304	58,642,319	62,060,356
Trading liabilities	42,909	-	49,071	42,890	-	49,071
Other borrowed funds	1,831,074	1,555,647	1,057,506	1,830,851	1,637,207	1,129,568
Current tax liabilities	225,933	309,609	400,615	220,343	302,017	392,220
Deferred tax liabilities	129,886	145,916	133,817	129,749	145,305	133,124
Other liabilities	899,324	565,895	928,855	776,205	505,592	859,082
TOTAL LIABILITIES	63,269,795	62,680,013	66,290,964	62,491,554	61,383,200	64,895,192
SHAREHOLDERS' EQUITY						
Share capital	303,740	303,740	303,740	303,740	303,740	303,740
Retained earnings	11,176,722	10,037,134	10,318,964	8,703,474	7,512,013	7,760,462
Other reserves	2,258,204	2,030,692	2,319,970	2,310,277	1,909,687	2,280,284
Total equity attributable to equity holders of the parent	13,738,666	12,371,566	12,942,674	11,317,491	9,725,440	10,344,486
TOTAL EQUITY AND LIABILITIES	77,008,461	75,051,579	79,233,638	73,809,045	71,108,640	75,239,678
MEMORANDUM ITEMS						
Acceptances, guarantees, letters of credit, endorsements, other obligations on account of customers and spot foreign exchange contracts	7,386,402	4,608,079	5,307,272	7,311,254	4,428,020	5,125,241
Credit commitments	6,893,095	5,239,471	5,043,907	6,864,901	4,942,717	4,919,452
Inward bills held for collection	297,886	244,229	296,824	220,464	212,483	215,064
Outward bills sent for collection	450,496	308,506	160,454	448,632	296,713	149,839
	15,027,879	10,400,285	10,808,457	14,845,251	9,879,933	10,409,596

ABRIDGED INCOME STATEMENTS

	-----GROUP-----					-----BANK-----				
	Quarter ended 31-Mar 2010	Quarter ended 31-Mar 2009	Period ended 31-Mar 2010	Period ended 31-Mar 2009	Year ended 30-Jun 2009	Quarter ended 31-Mar 2010	Quarter ended 31-Mar 2009	Period ended 31-Mar 2010	Period ended 31-Mar 2009	Year ended 30-Jun 2009
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
Interest income	1,181,012	1,311,235	3,630,903	4,091,002	5,333,274	1,140,545	1,238,643	3,504,030	3,873,203	5,042,294
Interest expense	(578,915)	(679,515)	(1,786,645)	(2,304,974)	(2,933,336)	(562,156)	(647,043)	(1,731,125)	(2,215,889)	(2,810,846)
Net interest income	602,097	631,720	1,844,258	1,786,028	2,399,938	578,389	591,600	1,772,905	1,657,314	2,231,448
Net fee and commission income	163,702	185,876	490,456	539,294	746,866	152,645	172,970	456,292	497,398	690,659
Dividend income	1,767	956	147,926	281,115	310,284	1,767	302	147,329	180,200	209,369
Net trading income	(15,255)	(8,999)	12,554	10,207	1,534	(15,255)	(8,999)	12,554	10,215	1,534
Other operating income	112,054	101,751	370,414	393,522	523,173	103,371	94,268	339,106	366,660	483,620
Non interest income	262,268	279,584	1,021,350	1,224,138	1,581,857	242,528	258,541	955,281	1,054,473	1,385,182
Operating income	864,365	911,304	2,865,608	3,010,166	3,981,795	820,917	850,141	2,728,186	2,711,787	3,616,630
Non interest expense	(340,037)	(329,015)	(1,040,340)	(991,219)	(1,422,956)	(330,806)	(312,453)	(987,329)	(940,080)	(1,345,199)
Profit before net impairment loss on financial assets	524,328	582,289	1,825,268	2,018,947	2,558,839	490,111	537,688	1,740,857	1,771,707	2,271,431
Net impairment loss on financial assets	(17,634)	(57,269)	(88,061)	(122,960)	(278,737)	(1,349)	(40,232)	(53,426)	(72,976)	(199,138)
Operating profit	506,694	525,020	1,737,207	1,895,987	2,280,102	488,762	497,456	1,687,431	1,698,731	2,072,293
Share of profit of associates	21,851	17,913	61,542	36,201	64,517	-	-	-	-	-
Profit before income tax	528,545	542,933	1,798,749	1,932,188	2,344,619	488,762	497,456	1,687,431	1,698,731	2,072,293
Tax expense	(102,540)	(64,258)	(266,219)	(196,354)	(319,281)	(99,516)	(63,867)	(257,966)	(187,283)	(310,572)
Profit for the period attributable to equity holders of the parent	426,005	478,675	1,532,530	1,735,834	2,025,338	389,246	433,589	1,429,465	1,511,448	1,761,721
Earnings per share (MRs)			5.94	6.72	7.84					

STATEMENTS OF COMPREHENSIVE INCOME

	-----GROUP-----					-----BANK-----				
	Quarter ended 31-Mar 2010 MRs' 000	Quarter ended 31-Mar 2009 MRs' 000	Period ended 31-Mar 2010 MRs' 000	Period ended 31-Mar 2009 MRs' 000	Year ended 30-Jun 2009 MRs' 000	Quarter ended 31-Mar 2010 MRs' 000	Quarter ended 31-Mar 2009 MRs' 000	Period ended 31-Mar 2010 MRs' 000	Period ended 31-Mar 2009 MRs' 000	Year ended 30-Jun 2009 MRs' 000
Profit for the period	426,005	478,675	1,532,530	1,735,834	2,025,338	389,246	433,589	1,429,465	1,511,448	1,761,721
Other comprehensive income :										
Exchange differences on translation of foreign operations	80,226	91,146	(60,639)	377,819	326,609	54,599	5,320	25,779	37,159	56,863
Increase / (decrease) in value of available-for-sale investments	10,481	4,276	20,926	(44,361)	288,453	22,516	15,421	218,131	80,244	429,313
Net increase in revaluation surplus of property	16,929	-	16,929	-	-	16,929	-	16,929	-	-
Deferred tax on increase in revaluation surplus of property	(7,306)	-	(7,306)	-	-	(7,306)	-	(7,306)	-	-
Share of other comprehensive income of associates	-	-	3,545	(12,878)	(12,878)	-	-	-	-	-
Other comprehensive income for the period	100,330	95,422	(26,545)	320,580	602,184	86,738	20,741	253,533	117,403	486,176
Total comprehensive income attributable to equity holders of the parent	526,335	574,097	1,505,985	2,056,414	2,627,522	475,984	454,330	1,682,998	1,628,851	2,247,897

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Reserve arising on Share Buy Back	Statutory Reserve	Revenue Reserve	Investment Fluctuation Reserve	Net Unrealised Investment Fair Value Reserve	Net Property Revaluation Reserve	Net Translation Reserve	Net Other Reserve	Total Equity
<u>GROUP</u>	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
At 01 July 2008	303,740	(2,333,286)	236,071	488,633	8,941,255	35,122	2,385,444	1,037,217	(203,503)	82,816	10,973,509
Total comprehensive income for the period	-	-	-	-	1,735,834	-	(44,361)	-	377,819	(12,878)	2,056,414
Transfer to retained earnings	-	-	-	-	18,402	-	-	(18,402)	-	-	-
Dividend	-	-	-	-	(658,357)	-	-	-	-	-	(658,357)
At 31 March 2009	303,740	(2,333,286)	236,071	488,633	10,037,134	35,122	2,341,083	1,018,815	174,316	69,938	12,371,566
At 01 July 2008	303,740	(2,333,286)	236,071	488,633	8,941,255	35,122	2,385,444	1,037,217	(203,503)	82,816	10,973,509
Total comprehensive income for the year	-	-	-	-	2,025,338	-	288,453	-	326,609	(12,878)	2,627,522
Transfer to retained earnings	-	-	-	-	26,280	-	-	(26,280)	-	-	-
Transfer to statutory reserve	-	-	-	15,552	(15,552)	-	-	-	-	-	-
Dividend	-	-	-	-	(658,357)	-	-	-	-	-	(658,357)
At 30 June 2009	303,740	(2,333,286)	236,071	504,185	10,318,964	35,122	2,673,897	1,010,937	123,106	69,938	12,942,674
At 01 July 2009	303,740	(2,333,286)	236,071	504,185	10,318,964	35,122	2,673,897	1,010,937	123,106	69,938	12,942,674
Total comprehensive income for the period	-	-	-	-	1,532,530	-	20,926	9,623	(60,639)	3,545	1,505,985
Transfer to retained earnings	-	-	-	(21,786)	40,188	-	-	(18,402)	-	-	-
Transfer to statutory reserve	-	-	-	4,967	(4,967)	-	-	-	-	-	-
Dividend	-	-	-	-	(709,993)	-	-	-	-	-	(709,993)
At 31 March 2010	303,740	(2,333,286)	236,071	487,366	11,176,722	35,122	2,694,823	1,002,158	62,467	73,483	13,738,666

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share Capital	Treasury Shares	Statutory Reserve	Revenue Reserve	Investment Fluctuation Reserve	Net Unrealised Investment Fair Value Reserve	Net Property Revaluation Reserve	Net Translation Reserve	Total Equity
<u>BANK</u>	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
At 1 July 2008	303,740	(2,333,286)	439,141	6,640,520	35,122	2,583,985	1,037,217	48,507	8,754,946
Total comprehensive income for the period	-	-	-	1,511,448	-	80,244	-	37,159	1,628,851
Transfer to retained earnings	-	-	-	18,402	-	-	(18,402)	-	-
Dividend	-	-	-	(658,357)	-	-	-	-	(658,357)
At 31 March 2009	303,740	(2,333,286)	439,141	7,512,013	35,122	2,664,229	1,018,815	85,666	9,725,440
At 1 July 2008	303,740	(2,333,286)	439,141	6,640,520	35,122	2,583,985	1,037,217	48,507	8,754,946
Total comprehensive income for the year	-	-	-	1,761,721	-	429,313	-	56,863	2,247,897
Transfer to retained earnings	-	-	-	26,280	-	-	(26,280)	-	-
Transfer to statutory reserve	-	-	9,702	(9,702)	-	-	-	-	-
Dividend	-	-	-	(658,357)	-	-	-	-	(658,357)
At 30 June 2009	303,740	(2,333,286)	448,843	7,760,462	35,122	3,013,298	1,010,937	105,370	10,344,486
At 01 July 2009	303,740	(2,333,286)	448,843	7,760,462	35,122	3,013,298	1,010,937	105,370	10,344,486
Total comprehensive income for the period	-	-	-	1,429,465	-	218,131	9,623	25,779	1,682,998
Amalgamation with subsidiary	-	-	-	206,967	-	(206,967)	-	-	-
Transfer to retained earnings	-	-	-	18,402	-	-	(18,402)	-	-
Transfer to statutory reserve	-	-	1,829	(1,829)	-	-	-	-	-
Dividend	-	-	-	(709,993)	-	-	-	-	(709,993)
At 31 March 2010	303,740	(2,333,286)	450,672	8,703,474	35,122	3,024,462	1,002,158	131,149	11,317,491

ABRIDGED STATEMENTS OF CASH FLOWS

	-----GROUP-----			-----BANK-----		
	31-Mar 2010 MRs' 000	31-Mar 2009 MRs' 000	30-Jun 2009 MRs' 000	31-Mar 2010 MRs' 000	31-Mar 2009 MRs' 000	30-Jun 2009 MRs' 000
Net cash (used in) / provided by operating activities	(3,433,262)	(1,321,700)	4,043,815	(3,697,437)	(174,782)	5,300,369
Net cash from / (used in) financing activities	63,575	530,483	32,342	(8,710)	472,913	(34,726)
Net cash used in investing activities	(2,537,112)	(3,040,700)	(3,846,466)	(2,118,434)	(2,740,893)	(3,877,389)
Net change in cash and cash equivalents	(5,906,799)	(3,831,917)	229,691	(5,824,581)	(2,442,762)	1,388,254
Cash and cash equivalents at beginning of period	11,764,439	11,534,748	11,534,748	11,481,860	10,093,606	10,093,606
Cash and cash equivalents at end of period	5,857,640	7,702,831	11,764,439	5,657,279	7,650,844	11,481,860

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.sbmonline.com.

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

C Appadoo
Company Secretary

07 May 2010

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 period ended 31 March 2010.