



STATE BANK OF MAURITIUS LTD

UNAUDITED ABRIDGED INTERIM FINANCIAL REPORT

The unaudited abridged interim financial report covering the three months ended September 30, 2008 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 June 30, 2008 and has been reviewed by the Bank's external auditors whose report is attached.

Results

Group profit for the period amounted to Rs542.7M for the three months ended September 30, 2008, representing a growth of 46.7% compared to the same period last year. Earnings per share stood at Rs2.10 compared to Rs1.43 over the same period.

The comparative increase in the first quarter net profit excluding dividend income was 22.0%. Growth in business volumes resulted in higher net interest income and exchange income, which outweighed the increase in non-interest expense. The cost to income ratio consequently further improved to 35.7% for the quarter under review.

The Group continues to actively manage its assets and liabilities and to maintain well-diversified portfolios in order to achieve improved returns. The Group's balance sheet remains sound with a ratio of net impaired advances to net advances of less than 0.5% and a capital adequacy ratio exceeding 20% as at September 30, 2008. The Group continues to proactively manage its risks and holds strong capital and liquidity positions.

Dividend

In July 2008, a dividend of Rs2.55 per share was declared and subsequently paid out in October 2008.

Prospects

Against a backdrop of global financial and economic upheaval, the Group remains alert to the unfolding of the worldwide events and the potential impact on the domestic economy. Growth opportunities nonetheless still exist both in the local and international markets and are being captured by the Group while maintaining best practices in risk and capital management.

G.S. Ramdaursingh
Chairman

G. Dumbell
Director

C. Gunness
Chief Executive

November 13, 2008

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 condensed unaudited interim balance sheets of the Group and of the Bank as at 30 September 2008 and the related condensed unaudited interim statements of income, changes in equity and cash flows for the quarter 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

November 13, 2008



STATE BANK OF MAURITIUS LTD

UNAUDITED ABRIDGED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

ABRIDGED BALANCE SHEETS AT 30 SEPTEMBER 2008

	GROUP			BANK		
	30-Sep 2008	30-Sep 2007	30-Jun 2008	30-Sep 2008	30-Sep 2007	30-Jun 2008
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
ASSETS						
Cash Resources						
Cash and Balances with Central Banks	4,061,479	3,134,839	6,084,542	3,744,096	2,924,930	5,746,740
Balances with Banks and Interbank Loans	5,875,272	10,982,635	7,554,330	5,119,467	9,426,548	6,173,271
Lending to other financial institutions	29,990	-	-	29,990	-	-
	<u>9,966,741</u>	<u>14,117,474</u>	<u>13,638,872</u>	<u>8,893,553</u>	<u>12,351,478</u>	<u>11,920,011</u>
Securities, Placements and Other Investments						
Investment Securities	17,893,370	11,510,039	14,905,859	16,216,419	9,962,569	13,265,996
Trading Securities	31,553	60,250	33,375	31,553	60,250	33,375
Placements	454,080	602,436	464,404	454,080	602,436	464,404
Other Investments						
	<u>18,379,003</u>	<u>12,172,725</u>	<u>15,403,638</u>	<u>16,702,052</u>	<u>10,625,255</u>	<u>13,763,775</u>
Loans and Advances	<u>35,545,451</u>	<u>29,953,680</u>	<u>35,185,082</u>	<u>34,108,990</u>	<u>28,782,418</u>	<u>33,882,993</u>
Other						
Tangible and Intangible Fixed Assets	2,487,990	2,689,321	2,560,799	2,441,512	2,678,420	2,512,120
Other Assets	523,608	375,813	768,503	453,801	348,142	703,309
	<u>3,011,598</u>	<u>3,065,134</u>	<u>3,329,302</u>	<u>2,895,313</u>	<u>3,026,562</u>	<u>3,215,429</u>
TOTAL ASSETS	<u>66,902,793</u>	<u>59,309,013</u>	<u>67,556,894</u>	<u>62,599,908</u>	<u>54,785,713</u>	<u>62,782,208</u>
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits	<u>54,203,146</u>	<u>48,011,960</u>	<u>54,882,256</u>	<u>52,115,752</u>	<u>45,609,639</u>	<u>52,280,429</u>
Borrowings						
Central Banks	175,791	208,741	184,196	175,791	208,741	184,196
Other Banks in Mauritius and abroad	35,193	511,616	182,611	32,899	493,605	177,052
Other Financial Institutions	200,247	-	-	200,247	-	-
	<u>411,231</u>	<u>720,357</u>	<u>366,807</u>	<u>408,937</u>	<u>702,346</u>	<u>361,248</u>

ABRIDGED BALANCE SHEETS AT 30 SEPTEMBER 2008 (CONT'D)

	GROUP			BANK		
	30-Sep 2008	30-Sep 2007	30-Jun 2008	30-Sep 2008	30-Sep 2007	30-Jun 2008
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
Other						
Current and Deferred Tax Liability	500,034	552,182	445,851	484,552	529,547	434,430
Obligations under finance leases	-	-	-	127,862	261,152	144,689
Other Liabilities	1,045,472	751,848	888,471	984,334	709,465	806,466
	<u>1,545,506</u>	<u>1,304,030</u>	<u>1,334,322</u>	<u>1,596,748</u>	<u>1,500,164</u>	<u>1,385,585</u>
TOTAL LIABILITIES	56,159,883	50,036,347	56,583,385	54,121,437	47,812,149	54,027,262
Shareholders' Equity						
Ordinary Share Capital	303,740	303,740	303,740	303,740	303,740	303,740
Reserves	10,439,170	8,968,926	10,669,769	8,174,731	6,669,824	8,451,206
Equity attributable to equity holders of the parent	<u>10,742,910</u>	<u>9,272,666</u>	<u>10,973,509</u>	<u>8,478,471</u>	<u>6,973,564</u>	<u>8,754,946</u>
TOTAL EQUITY AND LIABILITIES	66,902,793	59,309,013	67,556,894	62,599,908	54,785,713	62,782,208
US\$/MRs Mid Exchange Rate as at balance sheet date	<u>27.86</u>	<u>30.15</u>	<u>27.15</u>	<u>27.86</u>	<u>30.15</u>	<u>27.15</u>
MEMORANDUM ITEMS						
Acceptances, Guarantees, Letters of Credit, Endorsements, Other Obligations on Account of Customers and Spot Foreign Exchange Contracts	11,858,861	6,248,059	5,215,439	11,741,383	6,101,471	5,050,897
Credit Commitments	3,974,353	3,693,184	3,802,679	3,474,814	3,241,875	3,555,717
Inward Bills held for Collection	164,705	259,220	191,463	133,732	202,101	167,202
Outward Bills sent for Collection	306,970	245,950	322,755	283,558	232,524	302,214
	<u>16,304,889</u>	<u>10,446,413</u>	<u>9,532,336</u>	<u>15,633,487</u>	<u>9,777,971</u>	<u>9,076,030</u>

G S Ramdaursingh
Chairman

G Dumbell
Director

C Gunness
Chief Executive

November 13, 2008

STATE BANK OF MAURITIUS LTD

ABRIDGED STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008

	-----GROUP-----			-----BANK-----		
	Quarter ended 30-Sep 2008	Quarter ended 30-Sep 2007	Year ended 30-Jun 2008	Quarter ended 30-Sep 2008	Quarter ended 30-Sep 2007	Year ended 30-Jun 2008
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
Interest Income	1,375,052	1,280,186	5,328,702	1,302,175	1,207,445	5,016,977
Interest Expense	(839,800)	(824,426)	(3,284,535)	(807,552)	(789,442)	(3,153,611)
Net Interest Income	535,252	455,760	2,044,167	494,623	418,003	1,863,366
Provision for Credit Impairment	(27,913)	(14,761)	(386,900)	(5,735)	(10,443)	(235,126)
Net Interest Income after Provision for Credit Impairment	507,339	440,999	1,657,267	488,888	407,560	1,628,240
Non Interest Income and Gains	403,672	263,591	2,056,238	282,492	240,167	1,948,441
Net Interest and Other Income after Provision for Credit Impairment	911,011	704,590	3,713,505	771,380	647,727	3,576,681
Non Interest Expense	(324,961)	(300,039)	(1,377,516)	(310,404)	(285,696)	(1,314,828)
Income from Operations	586,050	404,551	2,335,989	460,976	362,031	2,261,853
Share of Profit of Associates	18,045	10,774	61,019	-	-	-
Net Income before Tax	604,095	415,325	2,397,008	460,976	362,031	2,261,853
Income Tax Expense	(61,364)	(45,346)	(283,035)	(57,308)	(40,730)	(272,912)
Profit for the Period	542,731	369,979	2,113,973	403,668	321,301	1,988,941
Attributable to :						
Equity holders of the parent	542,731	369,979	2,113,973	403,668	321,301	1,988,941
Minority Interest	-	-	-	-	-	-
	542,731	369,979	2,113,973	403,668	321,301	1,988,941
Weighted Average Number of Outstanding Shares (thousands)	258,179	258,179	258,179			
Earnings per Share (MRs)	2.10	1.43	8.19			

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

----- Attributable to equity holders of the parent -----

GROUP	Share Capital MRs' 000	Treasury Shares MRs' 000	Reserve arising on Share Buy Back MRs' 000	Statutory Reserve MRs' 000	Revenue Reserve MRs' 000	Investment Fluctuation Reserve MRs' 000	Net Unrealised Investment Fair Value Reserve MRs' 000	Net Property Revaluation Reserve MRs' 000	Net Translation Reserve MRs' 000	Net Other Reserve MRs' 000	Total Equity MRs' 000
At 1 July 2007	303,740	(2,333,286)	236,071	437,466	7,357,333	72,139	2,036,500	1,072,730	264,358	68,330	9,515,381
Changes in Equity for the Period											
Realisation of Revaluation Surplus of Property	-	-	-	-	5,614	-	-	(5,614)	-	-	-
Increase in Value of Available-for-Sale Investments	-	-	-	-	-	-	41,635	-	-	-	41,635
Translation Difference	-	-	-	-	-	-	-	-	(112,153)	-	(112,153)
Net Income Recognised directly in Equity	-	-	-	-	5,614	-	41,635	(5,614)	(112,153)	-	(70,518)
Profit for the Period	-	-	-	-	369,979	-	-	-	-	-	369,979
Total Recognised Income and Expense for the Period	-	-	-	-	375,593	-	41,635	(5,614)	(112,153)	-	299,461
Dividend	-	-	-	-	(542,176)	-	-	-	-	-	(542,176)
Transfer	-	-	-	295	(295)	-	-	-	-	-	-
At 30 September 2007	303,740	(2,333,286)	236,071	437,761	7,190,455	72,139	2,078,135	1,067,116	152,205	68,330	9,272,666
At 1 July 2007	303,740	(2,333,286)	236,071	437,466	7,357,333	72,139	2,036,500	1,072,730	264,358	68,330	9,515,381
Changes in Equity for the Year											
Realisation of Revaluation Surplus of Property	-	-	-	-	26,275	-	-	(26,275)	-	-	-
Effect of Change in deferred tax rate on Revaluation Surplus of Property	-	-	-	-	-	-	-	(9,238)	-	-	(9,238)
Increase in Value of Available-for-Sale Investments	-	-	-	-	-	-	348,944	-	-	-	348,944
Translation Difference	-	-	-	-	-	-	-	-	(467,861)	-	(467,861)
Share of Increase in Reserves of Associates	-	-	-	-	-	-	-	-	-	14,486	14,486
Net Income Recognised directly in Equity	-	-	-	-	26,275	-	348,944	(35,513)	(467,861)	14,486	(113,669)
Profit for the Year	-	-	-	-	2,113,973	-	-	-	-	-	2,113,973
Total Recognised Income and Expense for the Year	-	-	-	-	2,140,248	-	348,944	(35,513)	(467,861)	14,486	2,000,304
Dividend	-	-	-	-	(542,176)	-	-	-	-	-	(542,176)
Transfer	-	-	-	51,167	(14,150)	(37,017)	-	-	-	-	-
At 30 June 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
At 1 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
Changes in Equity for the Period											
Realisation of Revaluation Surplus of Property	-	-	-	-	6,134	-	-	(6,134)	-	-	-
Decrease in Value of Available-for-Sale Investments	-	-	-	-	-	-	(93,326)	-	-	-	(93,326)
Translation Difference	-	-	-	-	-	-	-	-	(8,769)	-	(8,769)
Share of decrease in Reserves of Associates	-	-	-	-	-	-	-	-	-	(12,878)	(12,878)
Net Income Recognised directly in Equity	-	-	-	-	6,134	-	(93,326)	(6,134)	(8,769)	(12,878)	(114,973)
Profit for the Period	-	-	-	-	542,731	-	-	-	-	-	542,731
Total Recognised Income and Expense for the Period	-	-	-	-	548,865	-	(93,326)	(6,134)	(8,769)	(12,878)	427,758
Dividend payable	-	-	-	-	(658,357)	-	-	-	-	-	(658,357)
At 30 September 2008	303,740	(2,333,286)	236,071	488,633	8,831,763	35,122	2,292,118	1,031,083	(212,272)	69,938	10,742,910

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2008

	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
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
BANK									
At 1 July 2007	303,740	(2,333,286)	393,796	5,175,808	72,139	2,185,756	1,072,730	269,952	7,140,635
Changes in Equity for the Period									
Realisation of Revaluation Surplus of Property	-	-	-	5,614	-	-	(5,614)	-	-
Increase in Value of Available-for-Sale Investments	-	-	-	-	-	81,932	-	-	81,932
Translation Difference	-	-	-	-	-	-	-	(28,128)	(28,128)
Net Income Recognised directly in Equity	-	-	-	5,614	-	81,932	(5,614)	(28,128)	53,804
Net Profit for the Period	-	-	-	321,301	-	-	-	-	321,301
Total Recognised Income and Expense for the Period	-	-	-	326,915	-	81,932	(5,614)	(28,128)	375,105
Dividend paid	-	-	-	(542,176)	-	-	-	-	(542,176)
At 30 September 2007	303,740	(2,333,286)	393,796	4,960,547	72,139	2,267,688	1,067,116	241,824	6,973,564
At 1 July 2007	303,740	(2,333,286)	393,796	5,175,808	72,139	2,185,756	1,072,730	269,952	7,140,635
Changes in Equity for the Year									
Deferred Tax on Increase in Revaluation Surplus of Property	-	-	-	26,275	-	-	(26,275)	-	-
Effect of Change in deferred tax rate on Revaluation Surplus of Property	-	-	-	-	-	-	(9,238)	-	(9,238)
Increase in Value of Available-for-Sale Investments	-	-	-	-	-	398,229	-	-	398,229
Translation Difference	-	-	-	-	-	-	-	(221,445)	(221,445)
Net Income Recognised directly in Equity	-	-	-	26,275	-	398,229	(35,513)	(221,445)	167,546
Profit for the Year	-	-	-	1,988,941	-	-	-	-	1,988,941
Total Recognised Income and Expense for the Year	-	-	-	2,015,216	-	398,229	(35,513)	(221,445)	2,156,487
Dividend	-	-	-	(542,176)	-	-	-	-	(542,176)
Transfer	-	-	45,345	(8,328)	(37,017)	-	-	-	-
At 30 June 2008	303,740	(2,333,286)	439,141	6,640,520	35,122	2,583,985	1,037,217	48,507	8,754,946
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
Changes in Equity for the Period									
Realisation of Revaluation Surplus of Property	-	-	-	6,134	-	-	(6,134)	-	-
Increase in Value of Available-for-Sale Investments	-	-	-	-	-	24,626	-	-	24,626
Translation Difference	-	-	-	-	-	-	-	(46,412)	(46,412)
Net Income Recognised directly in Equity	-	-	-	6,134	-	24,626	(6,134)	(46,412)	(21,786)
Net Profit for the Period	-	-	-	403,668	-	-	-	-	403,668
Total Recognised Income and Expense for the Period	-	-	-	409,802	-	24,626	(6,134)	(46,412)	381,882
Dividend payable	-	-	-	(658,357)	-	-	-	-	(658,357)
At 30 September 2008	303,740	(2,333,286)	439,141	6,391,965	35,122	2,608,611	1,031,083	2,095	8,478,471

STATE BANK OF MAURITIUS LTD
ABRIDGED CASH FLOW STATEMENTS
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008

	-----GROUP-----			-----BANK-----		
	Quarter ended 30-Sep 2008	Quarter ended 30-Sep 2007	Year ended 30-Jun 2008	Quarter ended 30-Sep 2008	Quarter ended 30-Sep 2007	Year ended 30-Jun 2008
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
Net Cash (used in) / provided by Operating Activities	(70,676)	(256,278)	1,885,978	539,604	(137,255)	2,053,296
Net Cash used in Financing Activities	(642,305)	(407,047)	(691,275)	(659,131)	(460,187)	(842,868)
Net cash used in Investing Activities	(2,987,520)	(533,086)	(2,800,395)	(2,938,566)	(484,095)	(2,648,551)
Net Change in Cash and Cash Equivalents	(3,700,501)	(1,196,411)	(1,605,692)	(3,058,093)	(1,081,537)	(1,438,123)
Cash and Cash Equivalents at beginning of period	13,456,261	15,061,953	15,061,953	11,742,960	13,181,083	13,181,083
Cash and Cash equivalents at end of period	9,755,760	13,865,542	13,456,261	8,684,867	12,099,546	11,742,960

Copies of the interim report are available to the public free of charge at the registered office of the Company, State Bank 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.

The Communiqué is issued pursuant to Listing Rule 11.3

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

By Order of the Board

C APPADOO
COMPANY SECRETARY

November 13, 2008