

STATE BANK OF MAURITIUS LTD

UNAUDITED ABRIDGED INTERIM FINANCIAL REPORT

The unaudited abridged interim financial report for the three months ended September 30, 2009 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, 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

For the quarter ended September 30, 2009, Bank profit after tax grew from Rs 403.7m to Rs 457.9m while Group profit after tax reached Rs 502.7m, a decrease of Rs 40.0m compared to the same period last year. This is mainly on account of non-recurring dividend income received in 2008 and the temporary doubling of the special levy on banks. Excluding dividend, growth in profit before tax was 15.7% year on year. Net interest income grew by 15.9% on a comparable basis, reflecting the Group's pro-active asset and liability management, while non interest income, excluding dividend, was lower by 2.7% mostly related to the less buoyant foreign exchange market. The cost to income ratio stood at 36.5% for the first quarter.

Whilst end of quarter balances are lower compared to the preceding quarter, the average Group customer deposits and advances increased by 9% and 6% respectively compared to June 2009, with continued focus on international activities, in line with the Group's strategy to diversify its income base. The quality of the asset portfolio remains sound with the gross and net impaired asset ratios at below 2.0% and 0.5% respectively. The liquidity and capital adequacy ratios remain comfortable at 25.9% and 23.5% respectively.

Dividend

In July 2009, a final dividend of Rs 2.75 per share was declared for the financial year ended June 30, 2009 and was paid in October 2009, representing a payout ratio of 35% (2008: 31%).

Prospects

Recent statistics, notably in the US, suggest that the world may be pulling out of recession faster than earlier anticipated and consumer confidence seems to be rebounding. This should help uplift prospects in export-oriented sectors and give a boost to investor confidence. The planned implementation of large scale infrastructure projects locally also augurs well for economic activity. However, the prevailing difficult market conditions warrant continued caution. The Group will continue to consolidate its revenue base through diversification and has positioned itself, through human capital enhancement and other capacity building initiatives, to benefit from an eventual upturn in economic activity.

G.S. Ramdaursingh
Chairman

L. Lai Fat Fur, G.O.S.K
Director (Chairman, Audit Committee)

G.Vir
Chief Executive

November 12, 2009

The logo for the State Bank of Mauritius (SBM) is displayed in white capital letters on a blue rectangular background.

**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 statements of financial position of the Group and of the Bank as at 30 September 2009 and the related condensed unaudited interim income statements, statements of comprehensive income, statements of changes in equity and cash flow statements 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 12, 2009

**UNAUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
SEPTEMBER 30, 2009**

ABRIDGED STATEMENTS OF FINANCIAL POSITION

	-----GROUP-----			-----BANK-----		
	30-Sep 2009 MRs' 000	30-Sep 2008 MRs' 000	30-Jun 2009 MRs' 000	30-Sep 2009 MRs' 000	30-Sep 2008 MRs' 000	30-Jun 2009 MRs' 000
ASSETS						
Cash and cash equivalents	8,607,777	4,497,711	11,764,439	8,379,422	3,702,795	11,481,860
Trading assets	157,794	60,342	196,280	157,793	60,342	196,280
Loans to and placements with banks	2,380,780	2,720,318	2,766,726	2,380,780	2,720,318	2,766,726
Loans and advances to customers	39,403,452	35,575,441	39,793,808	37,698,231	34,138,980	38,062,324
Investment securities	20,688,048	17,893,809	19,011,409	19,181,518	16,216,858	17,470,368
Property and equipment	2,238,731	2,326,189	2,293,755	2,230,149	2,273,264	2,248,934
Intangible assets	72,021	161,801	78,988	80,832	168,248	87,307
Other assets	3,248,375	3,667,515	3,328,233	2,839,176	3,319,103	2,925,879
TOTAL ASSETS	76,796,978	66,903,126	79,233,638	72,947,901	62,599,908	75,239,678
LIABILITIES						
Deposits from banks	164,822	129,060	151,725	250,116	198,668	271,771
Deposits from customers	60,755,179	54,074,086	63,569,375	59,309,966	51,917,084	62,060,356
Trading liabilities	5,520	333	49,071	5,520	-	49,071
Other borrowed funds	1,731,581	411,231	1,057,506	1,731,515	536,799	1,129,568
Current tax liabilities	482,696	321,403	400,615	473,429	306,278	392,220
Deferred tax liabilities	116,215	178,631	133,817	115,886	178,274	133,124
Other liabilities	949,598	1,045,472	928,855	837,923	984,334	859,082
TOTAL LIABILITIES	64,205,611	56,160,216	66,290,964	62,724,355	54,121,437	64,895,192
SHAREHOLDERS' EQUITY						
Share capital	303,740	303,740	303,740	303,740	303,740	303,740
Retained earnings	10,114,715	8,831,763	10,318,964	7,514,466	6,391,965	7,760,462
Other reserves	2,172,912	1,607,407	2,319,970	2,405,340	1,782,766	2,280,284
Total equity attributable to equity holders of the parent	12,591,367	10,742,910	12,942,674	10,223,546	8,478,471	10,344,486
TOTAL EQUITY AND LIABILITIES	76,796,978	66,903,126	79,233,638	72,947,901	62,599,908	75,239,678
MEMORANDUM ITEMS						
Acceptances, guarantees, letters of credit, endorsements, other obligations on account of customers and spot foreign exchange contracts	6,151,415	11,858,861	5,307,272	5,948,949	11,741,383	5,125,241
Credit commitments	6,410,034	3,974,353	5,043,907	6,243,149	3,474,814	4,919,452
Inward bills held for collection	288,728	164,705	296,824	172,264	133,732	215,064
Outward bills sent for collection	144,295	306,970	160,454	130,169	283,558	149,839
	12,994,472	16,304,889	10,808,457	12,494,531	15,633,487	10,409,596

ABRIDGED INCOME STATEMENTS

	-----GROUP-----			-----BANK-----		
	Quarter ended 30-Sep 2009 MRs' 000	Quarter ended 30-Sep 2008 MRs' 000	Year ended 30-Jun 2009 MRs' 000	Quarter ended 30-Sep 2009 MRs' 000	Quarter ended 30-Sep 2008 MRs' 000	Year ended 30-Jun 2009 MRs' 000
Interest income	1,233,420	1,375,052	5,333,274	1,160,984	1,302,175	5,042,294
Interest expense	(612,894)	(839,800)	(2,933,336)	(576,115)	(807,552)	(2,810,846)
Net interest income	620,526	535,252	2,399,938	584,869	494,623	2,231,448
Net fee and commission income	159,641	156,267	746,866	145,634	141,951	690,659
Dividend income	4,781	98,698	310,284	798	508	209,369
Net trading income	3,484	(507)	1,534	3,484	(507)	1,534
Other operating income	133,763	149,214	523,173	121,181	140,540	483,620
Non interest income	301,669	403,672	1,581,857	271,097	282,492	1,385,182
Operating income	922,195	938,924	3,981,795	855,966	777,115	3,616,630
Non interest expense	(328,660)	(324,961)	(1,422,956)	(305,862)	(310,404)	(1,345,199)
Profit before net impairment loss on financial assets	593,535	613,963	2,558,839	550,104	466,711	2,271,431
Net impairment loss on financial assets	(22,526)	(27,913)	(278,737)	(7,856)	(5,735)	(199,138)
Operating profit	571,009	586,050	2,280,102	542,248	460,976	2,072,293
Share of profit of associates	18,552	18,045	64,517	-	-	-
Profit before income tax	589,561	604,095	2,344,619	542,248	460,976	2,072,293
Tax expense	(86,812)	(61,364)	(319,281)	(84,385)	(57,308)	(310,572)
Profit for the period attributable to equity holders of the parent	502,749	542,731	2,025,338	457,863	403,668	1,761,721
Earnings per share (MRs)	1.95	2.10	7.84			

STATEMENTS OF COMPREHENSIVE INCOME

	-----GROUP-----			-----BANK-----		
	Quarter ended 30-Sep 2009 MRs' 000	Quarter ended 30-Sep 2008 MRs' 000	Year ended 30-Jun 2009 MRs' 000	Quarter ended 30-Sep 2009 MRs' 000	Quarter ended 30-Sep 2008 MRs' 000	Year ended 30-Jun 2009 MRs' 000
Profit for the period	502,749	542,731	2,025,338	457,863	403,668	1,761,721
Other comprehensive income :						
Exchange differences on translation of foreign operations	(140,394)	(8,769)	326,609	(45,724)	(46,412)	56,863
(Decrease) / increase in value of available-for-sale investments	(7,214)	(93,326)	288,453	176,914	24,626	429,313
Share of other comprehensive income of associates	3,545	(12,878)	(12,878)	-	-	-
Other comprehensive income for the period	(144,063)	(114,973)	602,184	131,190	(21,786)	486,176
Total comprehensive income attributable to equity holders of the parent	358,686	427,758	2,627,522	589,053	381,882	2,247,897

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2009

	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
	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000	MRs' 000
<u>GROUP</u>											
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
Total comprehensive income for the period	-	-	-	-	542,731	-	(93,326)	-	(8,769)	(12,878)	427,758
Transfer to retained earnings	-	-	-	-	6,134	-	-	(6,134)	-	-	-
Dividend	-	-	-	-	(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
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
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)	-	-	-
Dividend	-	-	-	-	(658,357)	-	-	-	-	-	(658,357)
Transfer to statutory reserve	-	-	-	15,552	(15,552)	-	-	-	-	-	-
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 1 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	-	-	-	-	502,749	-	(7,214)	-	(140,394)	3,545	358,686
Transfer to retained earnings	-	-	-	-	6,134	-	-	(6,134)	-	-	-
Dividend	-	-	-	-	(709,993)	-	-	-	-	-	(709,993)
Transfer to statutory reserve	-	-	-	3,139	(3,139)	-	-	-	-	-	-
At 30 September 2009	303,740	(2,333,286)	236,071	507,324	10,114,715	35,122	2,666,683	1,004,803	(17,288)	73,483	12,591,367

STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2009

	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
<u>BANK</u>									
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	-	-	-	403,668	-	24,626	-	(46,412)	381,882
Transfer to retained earnings	-	-	-	6,134	-	-	(6,134)	-	-
Dividend	-	-	-	(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
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)	-	-
Dividend	-	-	-	(658,357)	-	-	-	-	(658,357)
Transfer to statutory reserve	-	-	9,702	(9,702)	-	-	-	-	-
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 1 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	-	-	-	457,863	-	176,914	-	(45,724)	589,053
Transfer to retained earnings	-	-	-	6,134	-	-	(6,134)	-	-
Dividend	-	-	-	(709,993)	-	-	-	-	(709,993)
At 30 September 2009	303,740	(2,333,286)	448,843	7,514,466	35,122	3,190,212	1,004,803	59,646	10,223,546

ABRIDGED CASH FLOW STATEMENTS

	-----GROUP-----			-----BANK-----		
	30-Sep 2009 MRs' 000	30-Sep 2008 MRs' 000	30-Jun 2009 MRs' 000	30-Sep 2009 MRs' 000	30-Sep 2008 MRs' 000	30-Jun 2009 MRs' 000
Net cash (used in) / provided by operating activities	(1,454,656)	(3,435,584)	4,043,815	(1,437,907)	(2,824,752)	5,300,369
Net cash (used in) / from financing activities	(35,918)	(613,933)	32,342	(108,045)	(659,131)	(34,726)
Net cash used in investing activities	(1,666,088)	(2,987,520)	(3,846,466)	(1,556,486)	(2,906,928)	(3,877,389)
Net change in cash and cash equivalents	(3,156,662)	(7,037,037)	229,691	(3,102,438)	(6,390,811)	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	8,607,777	4,497,711	11,764,439	8,379,422	3,702,795	11,481,860

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.

By Order of the Board

C. Appadoo
Company Secretary

November 12, 2009

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 unaudited abridged interim financial report for the period ended September 30, 2009.

SBM