



STATE BANK OF MAURITIUS LTD

UNAUDITED ABRIDGED FINANCIAL REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2006

ABRIDGED BALANCE SHEETS AT 31 MARCH 2006

| | -----GROUP----- | | | -----BANK----- | | |
|--|-------------------|-------------------|-------------------|-------------------|------------------------------|------------------------------|
| | 31-Mar 2006 | 31-Mar 2005 | 30-Jun 2005 | 31-Mar 2006 | 31-Mar 2005 (Restated) | 30-Jun 2005 (Restated) |
| | MRs' 000 | MRs' 000 | MRs' 000 | MRs' 000 | MRs' 000 | MRs' 000 |
| ASSETS | | | | | | |
| Cash Resources | | | | | | |
| Cash and Balances with Central Banks | 2,579,731 | 1,972,789 | 1,894,720 | 2,424,749 | 1,777,620 | 1,672,411 |
| Balances with Other Banks | 8,098,112 | 5,598,180 | 6,378,422 | 8,053,183 | 5,252,956 | 6,360,702 |
| | 10,677,843 | 7,570,969 | 8,273,142 | 10,477,932 | 7,030,576 | 8,033,113 |
| Securities, Placements and Other Investments | | | | | | |
| Investment Securities | 9,214,546 | 11,320,503 | 11,572,544 | 8,617,076 | 10,690,343 | 10,894,085 |
| Non Current Assets classified as Held for Sale | 400,678 | - | - | 272,439 | - | - |
| Trading Securities | 33,352 | 9,158 | 144,338 | 33,352 | 9,158 | 144,338 |
| Placements | 180,613 | 452,864 | 466,261 | 180,613 | 452,864 | 466,261 |
| Other Investments | 9,707 | 9,163 | 9,263 | - | - | - |
| | 9,838,896 | 11,791,688 | 12,192,406 | 9,103,480 | 11,152,365 | 11,504,684 |
| Loans and Advances | | | | | | |
| | 27,014,849 | 23,498,969 | 24,501,576 | 25,671,309 | 22,441,782 | 23,391,775 |
| Other | | | | | | |
| Tangible Fixed Assets | 2,916,645 | 2,994,590 | 2,993,990 | 2,882,474 | 2,958,527 | 2,959,146 |
| Other Assets | 466,583 | 466,460 | 645,926 | 448,974 | 417,284 | 620,300 |
| | 3,383,228 | 3,461,050 | 3,639,916 | 3,331,448 | 3,375,811 | 3,579,446 |
| TOTAL | 50,914,816 | 46,322,676 | 48,607,040 | 48,584,169 | 44,000,534 | 46,509,018 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | |
| Deposits | | | | | | |
| | 39,644,809 | 34,048,068 | 35,000,807 | 37,531,310 | 31,991,482 | 32,930,936 |
| Borrowings | | | | | | |
| Central Banks | 315,528 | 277,352 | 247,829 | 315,528 | 277,352 | 247,829 |
| Other Banks | 819,311 | 2,790,177 | 3,283,684 | 819,212 | 2,789,618 | 3,278,232 |
| Other | 34,591 | 179,960 | 67,697 | 34,591 | 179,960 | 67,697 |
| | 1,169,430 | 3,247,489 | 3,599,210 | 1,169,331 | 3,246,930 | 3,593,758 |
| Other | | | | | | |
| Current Tax Liability | 262,191 | 68,518 | 185,088 | 241,304 | 58,563 | 161,699 |
| Deferred Tax liability | 340,914 | 487,441 | 483,324 | 340,907 | 476,382 | 484,900 |
| Obligations under finance leases | - | - | - | 473,263 | 617,080 | 621,404 |
| Other Liabilities | 447,602 | 355,801 | 1,134,782 | 416,792 | 300,283 | 1,062,209 |
| | 1,050,707 | 911,760 | 1,803,194 | 1,472,266 | 1,452,308 | 2,330,212 |
| EQUITY | | | | | | |
| Minority Interest | | | | | | |
| | 18,589 | 21,771 | 21,008 | - | - | - |
| Equity attributable to equity holders of the parent | | | | | | |
| Ordinary Share Capital | 382,414 | 382,414 | 382,414 | 382,414 | 382,414 | 382,414 |
| Reserves and Surplus | 9,497,670 | 8,623,837 | 8,713,070 | 8,920,109 | 7,840,063 | 8,184,361 |
| Amounts recognised directly in equity relating to non-current assets held for sale | 63,860 | - | - | 21,402 | - | - |
| Treasury Shares | (912,663) | (912,663) | (912,663) | (912,663) | (912,663) | (912,663) |
| | 9,031,281 | 8,093,588 | 8,182,821 | 8,411,262 | 7,309,814 | 7,654,112 |
| TOTAL EQUITY | 9,049,870 | 8,115,359 | 8,203,829 | 8,411,262 | 7,309,814 | 7,654,112 |
| TOTAL EQUITY AND LIABILITIES | 50,914,816 | 46,322,676 | 48,607,040 | 48,584,169 | 44,000,534 | 46,509,018 |

ABRIDGED BALANCE SHEETS AT 31 MARCH 2006 (CONT'D)

| | -----GROUP----- | | | -----BANK----- | | |
|--|-------------------------------------|----------------------------|----------------------------|-------------------------------------|----------------------------|----------------------------|
| | 31-Mar 2006 MRs' 000 | 31-Mar 2005 MRs' 000 | 30-Jun 2005 MRs' 000 | 31-Mar 2006 MRs' 000 | 31-Mar 2005 MRs' 000 | 30-Jun 2005 MRs' 000 |
| CONTINGENT LIABILITIES AND COMMITMENTS | | | | | | |
| Acceptances, Guarantees, Letters of Credit, Endorsements and other Obligations on Account of Customers | 4,800,237 | 5,516,619 | 5,014,389 | 4,339,708 | 5,095,360 | 4,769,808 |
| Credit Commitments | 3,053,740 | 2,038,064 | 2,772,432 | 2,845,086 | 1,878,691 | 2,499,278 |
| Inward Bills held for collection | 288,599 | 291,263 | 335,561 | 218,978 | 231,068 | 229,757 |
| Outward Bills sent for collection | 527,128 | 505,213 | 616,699 | 483,169 | 468,482 | 480,669 |
| | 8,669,704 | 8,351,159 | 8,739,081 | 7,886,941 | 7,673,601 | 7,979,512 |

ABRIDGED STATEMENTS OF INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2006

| | -----GROUP----- | | | | | -----BANK----- | | | | |
|--|---------------------------------------|---------------------------------------|---|---|------------------------------------|---------------------------------------|---------------------------------------|---|---|------------------------------------|
| | Quarter ended 31-Mar 2006 MRs' 000 | Quarter ended 31-Mar 2005 MRs' 000 | Nine Months ended 31-Mar 2006 MRs' 000 | Nine Months ended 31-Mar 2005 MRs' 000 | Year ended 30-Jun 2005 MRs' 000 | Quarter ended 31-Mar 2006 MRs' 000 | Quarter ended 31-Mar 2005 MRs' 000 | Nine Months ended 31-Mar 2006 MRs' 000 | Nine Months ended 31-Mar 2005 MRs' 000 | Year ended 30-Jun 2005 MRs' 000 |
| Interest Income | 938,339 | 758,106 | 2,710,870 | 2,264,470 | 3,071,203 | 877,293 | 702,573 | 2,525,827 | 2,110,456 | 2,860,415 |
| Interest Expense | (514,039) | (365,925) | (1,404,028) | (1,068,787) | (1,446,507) | (491,296) | (349,849) | (1,332,309) | (1,018,979) | (1,379,792) |
| Net Interest Income | 424,300 | 392,181 | 1,306,842 | 1,195,683 | 1,624,696 | 385,997 | 352,724 | 1,193,518 | 1,091,477 | 1,480,623 |
| Net Provisions and Adjustments to Income for Credit Impairment | (7,293) | (11,846) | (187,576) | (58,148) | (78,613) | (7,293) | (11,948) | (149,085) | (28,825) | (51,397) |
| Net Interest Income after Provision for Credit Impairment | 417,007 | 380,335 | 1,119,266 | 1,137,535 | 1,546,083 | 378,704 | 340,776 | 1,044,433 | 1,062,652 | 1,429,226 |
| Other Income | 198,150 | 170,841 | 703,102 | 560,504 | 788,764 | 187,475 | 156,953 | 696,156 | 574,950 | 1,000,094 |
| Net Interest and Other Income | 615,157 | 551,176 | 1,822,368 | 1,698,039 | 2,334,847 | 566,179 | 497,729 | 1,740,589 | 1,637,602 | 2,429,320 |
| Non-Interest Expense | (252,213) | (220,988) | (758,079) | (693,632) | (921,796) | (241,813) | (210,310) | (730,122) | (671,595) | (890,616) |
| | 362,944 | 330,188 | 1,064,289 | 1,004,407 | 1,413,051 | 324,366 | 287,419 | 1,010,467 | 966,007 | 1,538,704 |
| Share of income of associated companies | 18,706 | 12,982 | 56,621 | 52,629 | 75,608 | - | - | - | - | - |
| Net Profit before Income Taxes | 381,650 | 343,170 | 1,120,910 | 1,057,036 | 1,488,659 | 324,366 | 287,419 | 1,010,467 | 966,007 | 1,538,704 |
| Provision for Income Taxes | (53,097) | (46,244) | (186,955) | (180,523) | (292,226) | (45,326) | (39,091) | (173,250) | (166,375) | (269,380) |
| Net Profit for the period | 328,553 | 296,926 | 933,955 | 876,513 | 1,196,433 | 279,040 | 248,328 | 837,217 | 799,632 | 1,269,324 |
| Attributable to : | | | | | | | | | | |
| Equity holders of the parent | 326,785 | 293,932 | 933,236 | 873,367 | 1,191,214 | 279,040 | 248,328 | 837,217 | 799,632 | 1,269,324 |
| Minority Interest | 1,768 | 2,994 | 719 | 3,146 | 5,219 | - | - | - | - | - |
| | 328,553 | 296,926 | 933,955 | 876,513 | 1,196,433 | 279,040 | 248,328 | 837,217 | 799,632 | 1,269,324 |
| Weighted average number of outstanding shares (thousands) | | | 325,052 | 325,052 | 325,052 | | | 325,052 | 325,052 | 325,052 |
| Earnings per Share (Cents) | | | 287 | 269 | 366 | | | 258 | 246 | 390 |

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2006

| | ----- Attributable to equity holders of the parent ----- | | | | | | | | | | Minority Interest | Total Equity | |
|---|--|-----------------|---------------|-------------------|-----------------|--------------------|--------------------------------|------------------------------|----------------------|---------------|-------------------|--------------|-----------|
| | Share Capital | Treasury Shares | Share Premium | Statutory Reserve | Revenue Reserve | Unrealised | Investment Fluctuation Reserve | Property Revaluation Reserve | *Translation Reserve | Other Reserve | | | Total |
| | | | | | | Fair Value Reserve | | | | | | | |
| GROUP | MRs' 000 | MRs' 000 | 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 2004 | 382,414 | (912,663) | 570,000 | 465,825 | 4,180,559 | 1,246,673 | 53,868 | - | 76,901 | 71,088 | 6,134,665 | 18,462 | 6,153,127 |
| Changes in Equity for the period | | | | | | | | | | | | | |
| Surplus on Revaluation of Tangible Fixed Assets | - | - | - | - | - | - | - | 1,264,588 | - | - | 1,264,588 | - | 1,264,588 |
| Deferred Tax on Revaluation Surplus of Buildings | - | - | - | - | - | - | - | (290,028) | - | - | (290,028) | - | (290,028) |
| Increase in value of Available-for-Sale Investments | - | - | - | - | - | 8,280 | - | - | - | - | 8,280 | - | 8,280 |
| Net Gain released on disposal of Available-for Sale Investments | - | - | - | - | - | (646) | - | - | - | - | (646) | - | (646) |
| Translation Difference | - | - | - | - | - | - | - | - | 97,758 | - | 97,758 | 2,000 | 99,758 |
| Share of increase in Reserves of Associates | - | - | - | - | - | - | - | - | - | 5,604 | 5,604 | - | 5,604 |
| Net Income recognised directly in equity | - | - | - | - | - | 7,634 | - | 974,560 | 97,758 | 5,604 | 1,085,556 | 2,000 | 1,087,556 |
| Net Profit for the Period | - | - | - | - | 873,367 | - | - | - | - | - | 873,367 | 3,146 | 876,513 |
| Total recognised income and expense for the period | - | - | - | - | 873,367 | 7,634 | - | 974,560 | 97,758 | 5,604 | 1,958,923 | 5,146 | 1,964,069 |
| Dividend | - | - | - | - | - | - | - | - | - | - | - | (1,837) | (1,837) |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 16,495 | - | - | (16,495) | - | - | - | - | - |
| Transfer | - | - | - | (86) | 86 | - | - | - | - | - | - | - | - |
| At 31 March 2005 | 382,414 | (912,663) | 570,000 | 465,739 | 5,070,507 | 1,254,307 | 53,868 | 958,065 | 174,659 | 76,692 | 8,093,588 | 21,771 | 8,115,359 |
| At 01 July 2004 | 382,414 | (912,663) | 570,000 | 465,825 | 4,180,559 | 1,246,673 | 53,868 | - | 76,901 | 71,088 | 6,134,665 | 18,462 | 6,153,127 |
| Changes in Equity for the year | | | | | | | | | | | | | |
| Surplus on Revaluation of Tangible Fixed Assets | - | - | - | - | - | - | - | 1,282,643 | - | - | 1,282,643 | - | 1,282,643 |
| Deferred Tax on Revaluation Surplus of Buildings | - | - | - | - | - | - | - | (298,639) | - | - | (298,639) | - | (298,639) |
| Increase in value of Available-for-Sale Investments | - | - | - | - | - | 213,234 | - | - | - | - | 213,234 | - | 213,234 |
| Net Loss Released on Disposal of Available-for Sale Investments | - | - | - | - | - | 587 | - | - | - | - | 587 | - | 587 |
| Translation Difference | - | - | - | - | - | - | - | - | 76,731 | - | 76,731 | 163 | 76,894 |
| Share of increase in Reserves of Associates | - | - | - | - | - | - | - | - | - | 4,954 | 4,954 | - | 4,954 |
| Net Income recognised directly in equity | - | - | - | - | - | 213,821 | - | 984,004 | 76,731 | 4,954 | 1,279,510 | 163 | 1,279,673 |
| Net Profit for the Year | - | - | - | - | 1,191,214 | - | - | - | - | - | 1,191,214 | 5,219 | 1,196,433 |
| Total recognised income and expense for the year | - | - | - | - | 1,191,214 | 213,821 | - | 984,004 | 76,731 | 4,954 | 2,470,724 | 5,382 | 2,476,106 |
| Dividend | - | - | - | - | (422,568) | - | - | - | - | - | (422,568) | (2,836) | (425,404) |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 21,994 | - | - | (21,994) | - | - | - | - | - |
| Transfer | - | - | - | 9,192 | (13,680) | - | 4,488 | - | - | - | - | - | - |
| Transfer made by Associates | - | - | - | 5,232 | - | - | - | - | - | (5,232) | - | - | - |
| At 30 June 2005 | 382,414 | (912,663) | 570,000 | 480,249 | 4,957,519 | 1,460,494 | 58,356 | 962,010 | 153,632 | 70,810 | 8,182,821 | 21,008 | 8,203,829 |
| At 01 July 2005 | 382,414 | (912,663) | 570,000 | 480,249 | 4,957,519 | 1,460,494 | 58,356 | 962,010 | 153,632 | 70,810 | 8,182,821 | 21,008 | 8,203,829 |
| Changes in Equity for the period | | | | | | | | | | | | | |
| Decrease in value of Available-for-Sale Investments | - | - | - | - | - | (121,443) | - | - | - | - | (121,443) | - | (121,443) |
| Translation Difference | - | - | - | - | - | - | - | - | 35,753 | - | 35,753 | (2,938) | 32,815 |
| Share of increase in Reserves of Associates | - | - | - | - | - | - | - | - | - | 914 | 914 | - | 914 |
| Net Income recognised directly in equity | - | - | - | - | - | (121,443) | - | - | 35,753 | 914 | (84,776) | (2,938) | (87,714) |
| Net Profit for the Period | - | - | - | - | 933,236 | - | - | - | - | - | 933,236 | 719 | 933,955 |
| Total recognised income and expense for the period | - | - | - | - | 933,236 | (121,443) | - | - | 35,753 | 914 | 848,460 | (2,219) | 846,241 |
| Dividend | - | - | - | - | - | - | - | - | - | - | - | (200) | (200) |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 16,495 | - | - | (16,495) | - | - | - | - | - |
| At 31 March 2006 | 382,414 | (912,663) | 570,000 | 480,249 | 5,907,250 | 1,339,051 | 58,356 | 945,515 | 189,385 | 71,724 | 9,031,281 | 18,589 | 9,049,870 |

*As at 31 March 2006, the translation reserve includes an amount of Rs 63.9m relating to non current assets classified as held for sale.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2006

| | Share Capital | Treasury Shares | Share Premium | Statutory Reserve | Revenue Reserve | *Unrealised Investment Fair Value Reserve | Investment Fluctuation Reserve | Property Revaluation Reserve | Translation Reserve | 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 |
| BANK | | | | | | | | | | | |
| At 01 July 2004 | | | | | | | | | | | |
| - As previously stated | 382,414 | (912,663) | 570,000 | 465,825 | 4,180,559 | 1,246,673 | 53,868 | - | 76,901 | 71,088 | 6,134,665 |
| - Change in Accounting Policy | - | - | - | (22,959) | (761,927) | 198,245 | - | - | (28,399) | (71,088) | (686,128) |
| As Restated | 382,414 | (912,663) | 570,000 | 442,866 | 3,418,632 | 1,444,918 | 53,868 | - | 48,502 | - | 5,448,537 |
| Changes in Equity for the period | | | | | | | | | | | |
| Surplus on Revaluation of Tangible Fixed Assets | - | - | - | - | - | - | - | 1,264,588 | - | - | 1,264,588 |
| Deferred Tax on Revaluation Surplus | - | - | - | - | - | - | - | (290,028) | - | - | (290,028) |
| Increase in value of Available-for-Sale Investments | - | - | - | - | - | 17,328 | - | - | - | - | 17,328 |
| Translation Difference | - | - | - | - | - | - | - | - | 69,757 | - | 69,757 |
| Net Income recognised directly in equity | - | - | - | - | - | 17,328 | - | 974,560 | 69,757 | - | 1,061,645 |
| Net Profit for the Period | - | - | - | - | 799,632 | - | - | - | - | - | 799,632 |
| Total recognised income and expense for the period | - | - | - | - | 799,632 | 17,328 | - | 974,560 | 69,757 | - | 1,861,277 |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 16,495 | - | - | (16,495) | - | - | - |
| Transfer | - | - | - | (86) | 86 | - | - | - | - | - | - |
| At 31 March 2005 | 382,414 | (912,663) | 570,000 | 442,780 | 4,234,845 | 1,462,246 | 53,868 | 958,065 | 118,259 | - | 7,309,814 |
| At 01 July 2004 | | | | | | | | | | | |
| - As previously stated | 382,414 | (912,663) | 570,000 | 465,825 | 4,180,559 | 1,246,673 | 53,868 | - | 76,901 | 71,088 | 6,134,665 |
| - Change in Accounting Policy | - | - | - | (22,959) | (761,927) | 198,245 | - | - | (28,399) | (71,088) | (686,128) |
| As Restated | 382,414 | (912,663) | 570,000 | 442,866 | 3,418,632 | 1,444,918 | 53,868 | - | 48,502 | - | 5,448,537 |
| Changes in Equity for the year | | | | | | | | | | | |
| Surplus on Revaluation of Tangible Fixed Assets | - | - | - | - | - | - | - | 1,282,643 | - | - | 1,282,643 |
| Deferred Tax on Revaluation Surplus of Buildings | - | - | - | - | - | - | - | (298,639) | - | - | (298,639) |
| Increase in value of Available-for-Sale Investments | - | - | - | - | - | 291,578 | - | - | - | - | 291,578 |
| Translation Difference | - | - | - | - | - | - | - | - | 83,237 | - | 83,237 |
| Net Income recognised directly in equity | - | - | - | - | - | 291,578 | - | 984,004 | 83,237 | - | 1,358,819 |
| Net Profit for the Year | - | - | - | - | 1,269,324 | - | - | - | - | - | 1,269,324 |
| Total recognised income and expense for the year | - | - | - | - | 1,269,324 | 291,578 | - | 984,004 | 83,237 | - | 2,628,143 |
| Dividend | - | - | - | - | (422,568) | - | - | - | - | - | (422,568) |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 21,994 | - | - | (21,994) | - | - | - |
| Transfer | - | - | - | 9,192 | (13,680) | - | 4,488 | - | - | - | - |
| At 30 June 2005 | 382,414 | (912,663) | 570,000 | 452,058 | 4,273,702 | 1,736,496 | 58,356 | 962,010 | 131,739 | - | 7,654,112 |
| At 01 July 2005 | | | | | | | | | | | |
| - As previously stated | 382,414 | (912,663) | 570,000 | 480,249 | 4,957,519 | 1,460,494 | 58,356 | 962,010 | 153,632 | 70,810 | 8,182,821 |
| - Change in Accounting Policy | - | - | - | (28,191) | (683,817) | 276,002 | - | - | (21,893) | (70,810) | (528,709) |
| As Restated | 382,414 | (912,663) | 570,000 | 452,058 | 4,273,702 | 1,736,496 | 58,356 | 962,010 | 131,739 | - | 7,654,112 |
| Changes in Equity for the period | | | | | | | | | | | |
| Decrease in value of Available-for-Sale Investments | - | - | - | - | - | (100,097) | - | - | - | - | (100,097) |
| Translation Difference | - | - | - | - | - | - | - | - | 20,030 | - | 20,030 |
| Net Income recognised directly in equity | - | - | - | - | - | (100,097) | - | - | 20,030 | - | (80,067) |
| Net Profit for the Period | - | - | - | - | 837,217 | - | - | - | - | - | 837,217 |
| Total recognised income and expense for the period | - | - | - | - | 837,217 | (100,097) | - | - | 20,030 | - | 757,150 |
| Realisation of Revaluation Surplus of Buildings | - | - | - | - | 16,495 | - | - | (16,495) | - | - | - |
| At 31 March 2006 | 382,414 | (912,663) | 570,000 | 452,058 | 5,127,414 | 1,636,399 | 58,356 | 945,515 | 151,769 | - | 8,411,262 |

*As at 31 March 2006, the unrealised investment fair value reserve includes an amount of Rs 21.4m relating to non current assets classified as held for sale.

ABRIDGED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2006

| | -----GROUP----- | | | -----BANK----- | | |
|--|--|--|---|--|--|---|
| | Nine Months ended 31-Mar 2006 MRs' 000 | Nine Months ended 31-Mar 2005 MRs' 000 | Year ended 30-Jun 2005 MRs' 000 | Nine Months ended 31-Mar 2006 MRs' 000 | Nine Months ended 31-Mar 2005 MRs' 000 | Year ended 30-Jun 2005 MRs' 000 |
| Net Cash Provided by Operating Activities | 3,337,344 | (1,487,350) | 1,588,935 | 3,484,553 | (1,450,683) | 1,681,010 |
| Net Cash (used in)/from Financing Activities | (694,240) | 72,375 | 19,192 | (842,480) | 31,801 | (99,360) |
| Net Cash from Investing Activities | 1,919,706 | 1,588,651 | 1,581,849 | 1,955,406 | 1,536,262 | 1,702,720 |
| Net Change in Cash and Cash Equivalents | 4,562,810 | 173,676 | 3,189,976 | 4,597,479 | 117,380 | 3,284,370 |
| Cash and Cash Equivalents at beginning of period | 5,507,542 | 2,238,746 | 2,317,566 | 5,272,965 | 1,909,775 | 1,988,595 |
| Cash and Cash Equivalents at end of period | 10,070,352 | 2,412,422 | 5,507,542 | 9,870,444 | 2,027,155 | 5,272,965 |

NOTES TO THE INTERIM ACCOUNTS

FOR THE NINE MONTHS ENDED 31 MARCH 2006

SEGMENTAL INFORMATION

Primary Reporting Format - Business Segments

| | Banking | Leasing | Others | Consolidation | Group |
|--|------------------|----------------|----------------|----------------------|------------------|
| | MRs'000 | MRs'000 | MRs'000 | Adjustments | MRs'000 |
| | | | | MRs'000 | |
| Total Gross Income | <u>3,330,485</u> | <u>121,706</u> | <u>30,597</u> | <u>(68,816)</u> | <u>3,413,972</u> |
| Profit Before Provision for Credit Impairment | 1,167,147 | 58,161 | 26,557 | | 1,251,865 |
| Net Provisions and Adjustments to Income for Credit Impairment | <u>(187,576)</u> | <u>-</u> | <u>-</u> | | <u>(187,576)</u> |
| Profit After Provision for Credit Impairment | <u>979,571</u> | <u>58,161</u> | <u>26,557</u> | | <u>1,064,289</u> |
| Share of Profit of Associates | | | | | <u>56,621</u> |
| Net Profit before Income Taxes | | | | | <u>1,120,910</u> |
| Provision for Income Taxes | | | | | <u>(186,955)</u> |
| Net Profit for the period | | | | | <u>933,955</u> |

UNAUDITED ABRIDGED INTERIM FINANCIAL REPORT

The unaudited interim Financial Report covering the nine months ended March 31, 2006 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 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. The user of the information should therefore not place undue reliance on these statements and is encouraged to consult his own advisers.

Results

Group operating pre-tax profit excluding dividend income and provision for credit impairment for the nine months ended March 31, 2006 is higher by 12.97% compared to the corresponding period last year. The result is mainly attributable to growth in net interest income by 9.3% while non interest income excluding dividend income grew by 16.7% on account of higher transaction based income.

The Group Net Income after Income Taxes amounted to Rs 934m for the current nine months compared to Rs 876.5m for the corresponding period last year, an increase of Rs 57.4m or 6.6%. Cost to income ratio for the current period is 41.1% compared to 40.2% for the same period last financial year. The provision for credit impairment made during the current period has brought the Group's net impaired advances to less than 0.5% of net advances compared to 1% at June 30, 2005. Group Advances before provision for credit impairment as at March 31, 2006 is higher by 11% compared to June 30, 2005 while deposits grew by 13% over the same period. The Group has reclassified two of its investments as 'Non Current Assets Classified as Held for sale' since the Bank entered into an agreement to sell these investments within one year.

Accounting Policies & Practices

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, 2005 except that the Group and the Bank have adopted the new IFRSs and revised IASs including IFRS 2 (Share Based Payment), IFRS 5 (Non Current Assets Held for Sale and Discontinued operations), revised IAS 1 and revised IAS 27 that are applicable for annual periods beginning on or after 1 January 2005.

Therefore the Bank has adopted a change in its accounting policy with respect to its investment in subsidiaries and associates in the Bank's financial statements. These investments, which were previously accounted for using the equity method, are now accounted for in accordance with IAS 39 under the available-for-sale classification. Thus, they are remeasured at fair value unless they do not have a quoted price in an active market and their fair value cannot be reliably remeasured in which case they are shown at cost less any impairment loss. Comparative figures have been restated or reclassified, as necessary, to conform to the current period's presentation.

The Group and the Bank have also measured their liability in respect of Phantom share options in accordance with IFRS 2. This change has not been accounted for retrospectively since the amount is not significant. Accordingly, comparative figures have not been restated in this respect.

The adoption of IAS 1 has resulted in some presentation changes to the financial information.

Prospects

SBM continues to pursue its objective to create economic value added through all possible revenue generating activities and is expected to achieve a reasonable profit growth for the financial year 2005/2006.

In March 2006, it was mutually agreed that the strategic alliance with Nedcor Group would be terminated. Discussions are being held with potential strategic partners to pursue the long term objectives of the Group.

M.K. T. Reddy *GOSK*
Chairman

M. Ng Thow Hing
Audit Committee Chairperson

C. Guinness
Chief Executive

Date: May 04, 2006

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 31 March 2006 and the related condensed unaudited interim statements of income, changes in equity and cash flows for the quarter and 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**

Date: May 04, 2006

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 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

May 04, 2006