

STATE BANK OF MAURITIUS LTD

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF STATE BANK OF MAURITIUS LTD

We have audited the financial statements of the Group and of the Bank for the year ended 30 June 2006 set out on pages 4 to 72.

This report is made solely to the company's shareholders, as a body, in accordance with section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Bank. The directors are responsible for the preparation of financial statements which give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Bank, and comply with the provisions of the Banking Act 2004 and of the Companies Act 2001 applicable to banks. They are also responsible for safeguarding the assets of the Group and of the Bank and hence for taking steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with, or interests in, the Bank or any of its subsidiaries, other than in our capacities as auditors and tax advisers, and arm's length dealings with the Group and the Bank in the ordinary course of business.

Opinion

The information and explanations called for and given to us by the officers or agents of the Group and of the Bank were satisfactory. In our opinion:

- proper accounting records have been kept by the Group and the Bank as far as it appears from our examination of those records; and
- the financial statements give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2006 and of the results of their operations and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and comply with the provisions of the Banking Act 2004 and of the Companies Act 2001 applicable to banks, as well as the regulations and guidelines of Bank of Mauritius.

Kemp Chatteris Deloitte
Chartered Accountants
3rd Floor, Cerné House
Port Louis, Mauritius

Chandra K. Gujadhur, FCA
Signing Partner

Date: September 26, 2006

STATE BANK OF MAURITIUS LTD
BALANCE SHEET AT 30 JUNE 2006

	GROUP			BANK		
	2006 MRs'000	2005 MRs'000	2004 MRs'000	2006 MRs'000	2005 (Restated) MRs'000	2004 (Restated) MRs'000
ASSETS						
Cash Resources						
Cash and Balances with Central Banks	3,083,739	1,894,720	2,040,409	2,884,125	1,672,411	2,012,529
Balances with Banks and Interbank Loans	6,174,670	6,378,422	2,090,179	6,163,330	6,360,702	1,788,798
	<u>9,258,409</u>	<u>8,273,142</u>	<u>4,130,588</u>	<u>9,047,455</u>	<u>8,033,113</u>	<u>3,801,327</u>
Securities, Placements and Other Investments						
Investment Securities						
- Available for Sale	2,555,765	2,319,450	2,121,623	2,295,244	2,106,431	1,968,661
- Loans and Receivables	8,938,038	9,253,094	10,844,302	8,703,411	8,787,654	10,118,761
Trading Securities	213,702	144,338	254,791	213,702	144,338	244,937
Placements	45,208	466,261	40,390	45,208	466,261	40,390
Other Investments	-	9,263	8,849	-	-	-
	<u>11,752,713</u>	<u>12,192,406</u>	<u>13,269,955</u>	<u>11,257,565</u>	<u>11,504,684</u>	<u>12,372,749</u>
Loans and Advances						
Personal and Credit Cards	7,045,391	5,753,721	4,934,304	7,034,955	5,744,203	4,927,436
Business	13,909,855	13,621,537	13,130,212	14,831,529	13,290,570	12,782,732
Governments	3,505,159	2,665,379	2,665,791	3,501,730	2,650,114	2,665,791
Entities outside Mauritius	300,035	768,346	652,239	300,035	768,346	652,239
Overseas Operations	2,414,264	2,319,098	2,155,137	1,601,201	1,480,406	1,595,079
	<u>27,174,704</u>	<u>25,128,081</u>	<u>23,537,683</u>	<u>27,269,450</u>	<u>23,933,639</u>	<u>22,623,277</u>
Less: Allowance for Credit Impairment	<u>(811,713)</u>	<u>(626,505)</u>	<u>(865,500)</u>	<u>(694,043)</u>	<u>(541,864)</u>	<u>(809,842)</u>
	<u>26,362,991</u>	<u>24,501,576</u>	<u>22,672,183</u>	<u>26,575,407</u>	<u>23,391,775</u>	<u>21,813,435</u>
Other						
Property and Equipment	2,451,838	2,517,890	1,230,134	2,431,516	2,504,355	1,225,869
Intangible Assets	412,149	476,100	528,972	394,628	454,791	528,936
Other Assets	663,495	645,926	425,889	642,616	620,300	410,671
	<u>3,527,482</u>	<u>3,639,916</u>	<u>2,184,995</u>	<u>3,468,760</u>	<u>3,579,446</u>	<u>2,165,476</u>
TOTAL ASSETS	<u>50,901,595</u>	<u>48,607,040</u>	<u>42,257,721</u>	<u>50,349,187</u>	<u>46,509,018</u>	<u>40,152,987</u>
LIABILITIES AND SHAREHOLDERS EQUITY						
Deposits						
Personal	22,601,767	20,668,106	19,425,906	21,251,279	19,200,585	17,999,420
Business	11,801,195	11,044,220	8,911,278	11,255,186	10,694,070	8,466,462
Governments	5,663,670	3,188,265	4,458,426	5,386,482	2,935,542	4,232,998
Banks	27,307	100,216	76,643	77,270	100,739	80,135
	<u>40,093,939</u>	<u>35,000,807</u>	<u>32,872,253</u>	<u>37,970,217</u>	<u>32,930,936</u>	<u>30,779,015</u>
Borrowings						
Central Banks	452,266	247,829	342,698	452,266	247,829	341,530
Interbank in Mauritius	602,046	566,218	278,107	602,046	566,218	277,817
Interbank abroad	287,519	2,717,466	1,613,735	286,638	2,712,014	1,613,735
Other Financial Institutions	-	67,697	-	-	67,697	-
	<u>1,341,831</u>	<u>3,599,210</u>	<u>2,234,540</u>	<u>1,340,950</u>	<u>3,593,758</u>	<u>2,233,082</u>

STATE BANK OF MAURITIUS LTD
BALANCE SHEET AT 30 JUNE 2006 (CONT'D)

	GROUP			BANK		
	2006	2005	2004	2006	2005 (Restated)	2004 (Restated)
	MRs'000	MRs'000	MRs'000	MRs'000	MRs'000	MRs'000
Other						
Current Tax Liability	249,757	185,088	56,519	231,873	161,699	39,113
Deferred Tax Liability	286,714	483,324	51,411	288,202	484,900	51,393
Obligations under Finance Leases	-	-	-	542,613	621,404	743,960
Other Liabilities	1,113,411	1,134,782	889,870	1,202,768	1,062,208	857,886
	<u>1,649,882</u>	<u>1,803,194</u>	<u>997,800</u>	<u>2,265,456</u>	<u>2,330,211</u>	<u>1,692,352</u>
TOTAL LIABILITIES	<u>43,085,652</u>	<u>40,403,211</u>	<u>36,104,593</u>	<u>41,576,623</u>	<u>38,854,905</u>	<u>34,704,449</u>
Minority Interest in Subsidiaries	247	21,008	18,462	-	-	-
Shareholders' Equity						
Ordinary Share Capital	382,414	382,414	382,414	382,414	382,414	382,414
Reserves	7,433,282	7,800,407	5,752,252	8,390,150	7,271,699	5,066,124
Equity attributable to equity holders of the parent	<u>7,815,696</u>	<u>8,182,821</u>	<u>6,134,666</u>	<u>8,772,564</u>	<u>7,654,113</u>	<u>5,448,538</u>
TOTAL EQUITY AND LIABILITIES	<u>50,901,595</u>	<u>48,607,040</u>	<u>42,257,721</u>	<u>50,349,187</u>	<u>46,509,018</u>	<u>40,152,987</u>
US\$/MRs Mid Exchange Rate as at balance sheet date	<u>30.93</u>	<u>29.47</u>	<u>28.15</u>	<u>30.93</u>	<u>29.47</u>	<u>28.15</u>
MEMORANDUM ITEMS						
Acceptances, Guarantees, Letters of Credit, Endorsements and Other Obligations on Account of Customers	3,475,717	5,014,389	4,612,736	3,309,825	4,769,808	4,312,376
Credit Commitments	3,704,839	2,772,432	3,465,270	3,477,041	2,499,278	3,203,172
Inward Bills held for Collection	270,876	335,561	277,156	212,296	229,757	251,163
Outward Bills sent for Collection	568,996	616,699	687,454	487,971	480,669	687,454
	<u>8,020,428</u>	<u>8,739,081</u>	<u>9,042,616</u>	<u>7,487,133</u>	<u>7,979,512</u>	<u>8,454,165</u>

.....
C. Guinness
Chief Executive

.....
M.K.T. Reddy, G.O.S.K.
Chairman

.....
M. Ng Thow Hing
Director (Chairperson, Audit Committee)

.....
A.J. Poncini, G.O.S.K.
Director

Date: September 26, 2006

STATE BANK OF MAURITIUS LTD
STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2006

	GROUP			BANK		
	2006	2005	2004	2006	2005 (Restated)	2004 (Restated)
	MRs'000	MRs'000	MRs'000	MRs'000	MRs'000	MRs'000
Interest Income						
Loans and Advances	2,784,927	2,300,563	2,132,163	2,591,664	2,145,708	1,979,785
Securities	575,521	617,760	778,709	537,178	569,679	715,624
Placements and Loans to Banks	306,149	152,880	71,251	306,325	145,028	68,581
	<u>3,666,597</u>	<u>3,071,203</u>	<u>2,982,123</u>	<u>3,435,167</u>	<u>2,860,415</u>	<u>2,763,990</u>
Interest Expense						
Deposits	(1,813,723)	(1,324,486)	(1,400,570)	(1,656,957)	(1,182,264)	(1,214,069)
Deposits and Borrowings from Banks	(102,346)	(118,446)	(100,870)	(101,817)	(116,695)	(100,688)
Lease Finance Charges	-	-	-	(63,349)	(77,258)	(82,534)
Other	(7,258)	(3,575)	-	(7,258)	(3,575)	-
	<u>(1,923,327)</u>	<u>(1,446,507)</u>	<u>(1,501,440)</u>	<u>(1,829,381)</u>	<u>(1,379,792)</u>	<u>(1,397,291)</u>
Net Interest Income	1,743,270	1,624,696	1,480,683	1,605,786	1,480,623	1,366,699
Provisions for Credit Impairment	(223,583)	(78,613)	(164,401)	(184,092)	(51,397)	(127,898)
Net Interest Income after Provisions for Credit Impairment	<u>1,519,687</u>	<u>1,546,083</u>	<u>1,316,282</u>	<u>1,421,694</u>	<u>1,429,226</u>	<u>1,238,801</u>
Non Interest Income and Gain						
Net Fee and Commission Income	512,041	400,889	320,121	467,118	354,607	284,347
Net Gain from Dealings in Foreign Currencies	237,585	288,288	331,105	224,829	275,263	320,460
Dividend Income	129,515	69,032	72,114	203,368	342,375	215,049
Net (Loss)/Gain from Dealings in Trading Securities and Derivatives	(16,232)	(14,877)	89,576	(16,232)	(15,448)	87,343
Net Gain on Investment Securities	97,261	40,257	63,796	179,011	38,122	18,905
Net Gain on Disposal of Tangible Fixed Assets	635	5,175	11,620	542	5,175	11,616
	<u>960,805</u>	<u>788,764</u>	<u>888,332</u>	<u>1,058,636</u>	<u>1,000,094</u>	<u>937,720</u>
Net Interest and Other Income after Provision for Credit Impairment	<u>2,480,492</u>	<u>2,334,847</u>	<u>2,204,614</u>	<u>2,480,330</u>	<u>2,429,320</u>	<u>2,176,521</u>
Non-Interest Expense						
Salaries and Human Resource Development	(321,173)	(285,680)	(314,044)	(313,150)	(279,126)	(306,624)
Pension Contributions and Other Staff Benefits	(79,589)	(77,535)	(136,258)	(76,963)	(76,165)	(136,009)
Depreciation of Tangible Assets	(134,800)	(131,915)	(118,182)	(131,205)	(132,076)	(116,979)
Amortisation of Intangible Assets	(120,289)	(113,383)	(75,685)	(115,767)	(109,104)	(75,630)
Other	(374,786)	(313,283)	(260,832)	(351,488)	(294,145)	(249,082)
	<u>(1,030,637)</u>	<u>(921,796)</u>	<u>(905,001)</u>	<u>(988,573)</u>	<u>(890,616)</u>	<u>(884,324)</u>
Income from Operations	1,449,855	1,413,051	1,299,613	1,491,757	1,538,704	1,292,197
Share of Profit of Associates	74,567	75,607	60,733	-	-	-
Net Income before Tax	1,524,422	1,488,658	1,360,346	1,491,757	1,538,704	1,292,197
Income Tax Expense	(204,181)	(292,226)	(230,173)	(185,637)	(269,380)	(211,459)
Net Income after Tax	1,320,241	1,196,432	1,130,173	1,306,120	1,269,324	1,080,738
Attributable to:						
Equity holders of the parent	1,318,998	1,191,213	1,126,521	1,306,120	1,269,324	1,080,738
Minority Interest	1,243	5,219	3,652	-	-	-
	<u>1,320,241</u>	<u>1,196,432</u>	<u>1,130,173</u>	<u>1,306,120</u>	<u>1,269,324</u>	<u>1,080,738</u>
Weighted Average Number of Outstanding Shares (thousands)	325,052	325,052	325,282	325,052	325,052	325,282
Earnings Per Share (Cents)	406	366	346	403	390	332

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

GROUP

	----- Attributable to equity holders of the parent -----											Minority Interest	Total Equity	
	Share Capital	Treasury Shares	Shares held by Subsidiary	Share Premium	Statutory Reserve	Revenue Reserve	Unrealised Investment Fair Value Reserve	Investment Fluctuation Reserve	Property Revaluation Reserve	Translation Reserve	Other Reserve			Total
	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	MRs'000
At 1 July 2003														
- As Previously Stated	336,203	-	-	-	455,865	4,077,654	1,845	36,938	-	170,957	59,430	5,138,892	-	5,138,892
- Effect of applying IAS 39	-	-	-	-	-	(714,978)	1,126,838	-	-	-	-	411,860	-	411,860
- As Previously Restated	336,203	-	-	-	455,865	3,362,676	1,128,683	36,938	-	170,957	59,430	5,550,752	-	5,550,752
- Reclassified	46,297	(726,117)	-	570,000	-	109,820	-	-	-	-	-	-	28,193	28,193
As Restated	382,500	(726,117)	-	570,000	455,865	3,472,496	1,128,683	36,938	-	170,957	59,430	5,550,752	28,193	5,578,945
Changes in Equity for the Year														
Increase in value of Available-for-Sale Investments	-	-	-	-	-	-	151,720	-	-	-	-	151,720	-	151,720
Net Gain Released on Disposal of Available-for-Sale Investments	-	-	-	-	-	-	(33,730)	-	-	-	-	(33,730)	-	(33,730)
Translation Difference	-	-	-	-	-	-	-	-	-	(94,056)	-	(94,056)	(11,581)	(105,637)
Dividend received by Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,802)	(1,802)
Share of Increase in Reserves of Associates	-	-	-	-	-	-	-	-	-	-	11,658	11,658	-	11,658
Net Income recognised directly in equity	-	-	-	-	-	-	117,990	-	-	(94,056)	11,658	35,592	(13,383)	22,209
Net Profit for the Year	-	-	-	-	-	1,126,521	117,990	-	-	(94,056)	11,658	1,126,521	3,652	1,130,173
Total recognised income and expense for the year	-	-	-	-	-	1,126,521	117,990	-	-	(94,056)	11,658	1,162,113	(9,731)	1,152,382
Dividend	-	-	-	-	-	(389,983)	-	-	-	-	-	(389,983)	-	(389,983)
Buy Back of Treasury Shares	-	(186,750)	-	-	-	-	-	-	-	-	-	(186,750)	-	(186,750)
Shares Bought back and cancelled	(86)	204	-	-	-	(1,584)	-	-	-	-	-	(1,466)	-	(1,466)
Transfer	-	-	-	-	9,960	(26,890)	-	16,930	-	-	-	-	-	-
At 30 June 2004	382,414	(912,663)	-	570,000	465,825	4,180,560	1,246,673	53,868	-	76,901	71,088	6,134,666	18,462	6,153,128
At 01 July 2004	382,414	(912,663)	-	570,000	465,825	4,180,560	1,246,673	53,868	-	76,901	71,088	6,134,666	18,462	6,153,128
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)
Realisation of Revaluation Surplus of Buildings	-	-	-	-	-	21,994	-	-	(21,994)	-	-	-	-	-
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
Dividend received by Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,836)	(2,836)
Share of Increase in Reserves of Associates	-	-	-	-	-	-	-	-	-	-	4,954	4,954	-	4,954
Net Income recognised directly in equity	-	-	-	-	-	21,994	213,821	-	962,010	76,731	4,954	1,279,510	(2,673)	1,276,837
Net Profit for the Year	-	-	-	-	-	1,191,213	-	-	-	-	-	1,191,213	5,219	1,196,432
Total recognised income and expense for the year	-	-	-	-	-	1,213,207	213,821	-	962,010	76,731	4,954	2,470,723	2,546	2,473,269
Dividend	-	-	-	-	-	(422,568)	-	-	-	-	-	(422,568)	-	(422,568)
Transfer	-	-	-	-	14,424	(13,680)	-	4,488	-	-	(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

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

GROUP

	----- Attributable to equity holders of the parent -----											Minority Interest	Total Equity	
	Share Capital	Treasury Shares	Shares held by Subsidiary	Share Premium	Statutory Reserve	Revenue Reserve	Unrealised Investment Fair Value Reserve	Investment Fluctuation Reserve	Property Revaluation Reserve	Translation Reserve	Other Reserve			Total
	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	MRs'000
At 1 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 Year														
Realisation of Revaluation Surplus of Buildings	-	-	-	-	-	22,382	-	-	(22,382)	-	-	-	-	-
Change in deferred tax rate on Revaluation Surplus	-	-	-	-	-	-	-	-	27,604	-	-	27,604	-	27,604
Increase in value of Available-for-Sale Investments	-	-	-	-	-	-	382,352	-	-	-	-	382,352	-	382,352
Net Gain Released on Disposal of Available-for-Sale Investments	-	-	-	-	-	-	(386)	-	-	-	-	(386)	-	(386)
Translation reserve released on disposal of Associate	-	-	-	-	-	-	-	-	-	(64,120)	-	(64,120)	-	(64,120)
Purchase of Minority Interest Share	-	-	-	-	-	-	-	-	-	-	-	-	(19,166)	(19,166)
Translation Difference	-	-	-	-	-	-	-	-	-	31,004	-	31,004	(438)	30,566
Dividend received by Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	(2,400)	(2,400)
Share of Increase in Reserves of Associates	-	-	-	-	-	-	-	-	-	-	178	178	-	178
Net Income recognised directly in equity	-	-	-	-	-	22,382	381,966	-	5,222	(33,116)	178	376,632	(22,004)	354,628
Net Profit for the Year	-	-	-	-	-	1,318,998	-	-	-	-	-	1,318,998	1,243	1,320,241
Total recognised income and expense for the year	-	-	-	-	-	1,341,380	381,966	-	5,222	(33,116)	178	1,695,630	(20,761)	1,674,869
Impairment of capital on acquisition of subsidiary (See Note 7E)	-	-	(1,543,321)	-	-	-	-	-	-	-	-	(1,543,321)	-	(1,543,321)
Dividend	-	-	-	-	-	(519,434)	-	-	-	-	-	(519,434)	-	(519,434)
Transfer	-	-	-	-	7,261	(10,234)	-	9,209	-	-	(6,236)	-	-	-
At 30 June 2006	382,414	(912,663)	(1,543,321)	570,000	487,510	5,769,231	1,842,460	67,565	967,232	120,516	64,752	7,815,696	247	7,815,943

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

BANK

	Share Capital MRs'000	Treasury Shares MRs'000	Share Premium MRs'000	Statutory Reserve MRs'000	Revenue Reserve MRs'000	Unrealised Investment Fair Value Reserve MRs'000	Investment Fluctuation Reserve MRs'000	Property Revaluation Reserve MRs'000	Translation Reserve MRs'000	Other Reserve MRs'000	Total Equity MRs'000
At 1 July 2003											
- As Previously Stated	336,203	-	-	455,865	4,077,654	1,845	36,938	-	170,957	59,430	5,138,892
- Effect of applying IAS 39	-	-	-	-	(714,978)	1,126,838	-	-	-	-	411,860
- As Previously Restated	336,203	-	-	455,865	3,362,676	1,128,683	36,938	-	170,957	59,430	5,550,752
- Reclassified	46,297	(726,117)	570,000	-	109,820	-	-	-	-	-	-
- Change in Accounting Policy As Restated	-	-	-	(21,808)	(717,296)	168,371	-	-	(99,535)	(59,430)	(729,698)
	<u>382,500</u>	<u>(726,117)</u>	<u>570,000</u>	<u>434,057</u>	<u>2,755,200</u>	<u>1,297,054</u>	<u>36,938</u>	<u>-</u>	<u>71,422</u>	<u>-</u>	<u>4,821,054</u>
Changes in Equity for the Year											
Increase in value of Available-for-Sale Investments	-	-	-	-	-	166,770	-	-	-	-	166,770
Net Gain released on Disposal of Available-for-Sale Investments	-	-	-	-	-	(18,905)	-	-	-	-	(18,905)
Translation Difference	-	-	-	-	-	-	-	-	(22,920)	-	(22,920)
Net Income recognised directly in equity	-	-	-	-	-	147,865	-	-	(22,920)	-	124,945
Net Profit for the Year	-	-	-	-	1,080,738	-	-	-	-	-	1,080,738
Total recognised income and expense for the year	-	-	-	-	1,080,738	147,865	-	-	(22,920)	-	1,205,683
Dividend	-	-	-	-	(389,983)	-	-	-	-	-	(389,983)
Buy Back of Treasury Shares	-	(186,750)	-	-	-	-	-	-	-	-	(186,750)
Shares Bought back and cancelled	(86)	204	-	-	(1,584)	-	-	-	-	-	(1,466)
Transfer	-	-	-	8,809	(25,739)	-	16,930	-	-	-	-
At 30 June 2004	<u>382,414</u>	<u>(912,663)</u>	<u>570,000</u>	<u>442,866</u>	<u>3,418,632</u>	<u>1,444,919</u>	<u>53,868</u>	<u>-</u>	<u>48,502</u>	<u>-</u>	<u>5,448,538</u>
At 01 July 2004, as restated	382,414	(912,663)	570,000	442,866	3,418,632	1,444,919	53,868	-	48,502	-	5,448,538
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)
Realisation of Revaluation Surplus of Buildings	-	-	-	-	21,994	-	-	(21,994)	-	-	-
Increase in value of Available-for-Sale Investments	-	-	-	-	-	291,578	-	-	-	-	291,578
Translation Difference	-	-	-	-	-	-	-	-	83,237	-	83,237
Net Income recognised directly in equity	-	-	-	-	21,994	291,578	-	962,010	83,237	-	1,358,819
Net Profit for the Year	-	-	-	-	1,269,324	-	-	-	-	-	1,269,324
Total recognised income and expense for the year	-	-	-	-	1,291,318	291,578	-	962,010	83,237	-	2,628,143
Dividend	-	-	-	-	(422,568)	-	-	-	-	-	(422,568)
Transfer	-	-	-	9,192	(13,680)	-	4,488	-	-	-	-
At 30 June 2005	<u>382,414</u>	<u>(912,663)</u>	<u>570,000</u>	<u>452,058</u>	<u>4,273,702</u>	<u>1,736,497</u>	<u>58,356</u>	<u>962,010</u>	<u>131,739</u>	<u>-</u>	<u>7,654,113</u>

STATE BANK OF MAURITIUS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

BANK

	Share Capital MRs'000	Treasury Shares MRs'000	Share Premium MRs'000	Statutory Reserve MRs'000	Revenue Reserve MRs'000	Unrealised Investment Fair Value Reserve MRs'000	Investment Fluctuation Reserve MRs'000	Property Revaluation Reserve MRs'000	Translation Reserve MRs'000	Other Reserve MRs'000	Total Equity MRs'000
At 1 July 2005, as restated	382,414	(912,663)	570,000	452,058	4,273,702	1,736,497	58,356	962,010	131,739	-	7,654,113
Changes in Equity for the Year											
Realisation of Revaluation Surplus of Buildings	-	-	-	-	22,382	-	-	(22,382)	-	-	-
Change in deferred tax rate on Revaluation Surplus	-	-	-	-	-	-	-	27,604	-	-	27,604
Increase in value of Available-for-Sale Investments	-	-	-	-	-	462,587	-	-	-	-	462,587
Net Profit Released on Disposal of Available-for-Sale Investments	-	-	-	-	-	(21,402)	-	-	-	-	(21,402)
Translation Difference	-	-	-	-	-	-	-	-	(6,353)	-	(6,353)
Net Income recognised directly in equity	-	-	-	-	22,382	441,185	-	5,222	(6,353)	-	462,436
Net Profit for the Year	-	-	-	-	1,306,120	-	-	-	-	-	1,306,120
Total recognised income and expense for the year	-	-	-	-	1,328,502	441,185	-	5,222	(6,353)	-	1,768,556
Dividend	-	-	-	-	(650,105)	-	-	-	-	-	(650,105)
Transfer	-	-	-	5,108	(14,317)	-	9,209	-	-	-	-
At 30 June 2006	382,414	(912,663)	570,000	457,166	4,937,782	2,177,682	67,565	967,232	125,386	-	8,772,564

STATE BANK OF MAURITIUS LTD
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	GROUP			BANK		
	2006 MRs'000	2005 MRs'000 (Restated)	2004 MRs'000 (Restated)	2006 MRs'000	2005 MRs'000 (Restated)	2004 MRs'000 (Restated)
Net Cash Provided by Operating Activities	4,629,131	1,588,935	4,626,070	3,163,914	1,681,010	4,101,932
Net Cash from/(used in) Financing Activities	(806,315)	19,192	(729,428)	(882,706)	(99,360)	(741,409)
Net Cash from/(used in) Investing Activities	<u>(961,514)</u>	<u>1,581,849</u>	<u>(3,520,801)</u>	<u>604,598</u>	<u>1,702,720</u>	<u>(2,971,246)</u>
Net Change in Cash and Cash Equivalents	2,861,302	3,189,976	375,841	2,885,806	3,284,370	389,277
Cash and Cash Equivalents at 1 July	<u>5,507,542</u>	<u>2,317,566</u>	<u>1,941,725</u>	<u>5,272,965</u>	<u>1,988,595</u>	<u>1,599,318</u>
Cash and Cash Equivalents at 30 June	<u>8,368,844</u>	<u>5,507,542</u>	<u>2,317,566</u>	<u>8,158,771</u>	<u>5,272,965</u>	<u>1,988,595</u>

Notes to the accounts which form an integral part of the audited accounts can be obtained free of charge upon request from the Bank. The accounts were approved by the Board of Directors on September 26, 2006 .

The abridged audited financial statements are issued pursuant to Listing Rules 12.20.

The Board of Directors of the State Bank of Mauritius Ltd accepts full responsibility for the accuracy of the information contained in these financial statements.

By order of the Board

C. Appadoo
Company Secretary