

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST MARCH 2008)

[BALANCE SHEETS]

	GROUP			BANK		
	31-Mar-08	31-Mar-07	30-Jun-07	31-Mar-08	31-Mar-07	30-Jun-07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
ASSETS						
Cash resources						
Cash and balances with Central Banks	6,451,367	7,040,198	6,235,477	5,316,123	5,051,719	4,042,455
Balances with banks and interbank loans	112,270	51,213	345,645	10,724	21,588	147,802
Balances with banks abroad	9,754,903	13,138,619	9,863,254	9,834,309	13,119,582	9,987,990
	16,318,540	20,230,030	16,444,376	15,161,156	18,192,889	14,178,247
Securities and other investments						
Securities	17,822,023	12,664,556	13,252,182	15,739,680	9,596,139	10,573,779
Other investments - available-for-sale	3,198,283	2,677,377	3,535,001	1,351,956	684,682	1,334,009
- derivative financial instruments	137,102	10,395	23,795	137,102	10,395	23,795
Investments in associates	5,640,264	5,372,700	5,281,108	867,243	883,561	875,530
Investments in subsidiaries	-	-	-	1,945,226	2,121,316	2,126,099
	26,797,672	20,725,028	22,092,086	20,041,207	13,296,093	14,933,212
Loans	72,999,224	63,809,630	65,844,648	68,325,004	59,226,311	60,939,145
Other						
Goodwill and other intangible assets	274,508	296,732	288,302	199,509	247,850	229,201
Property, plant and equipment	3,340,185	3,240,352	3,443,069	2,468,015	2,289,202	2,449,780
Deferred tax assets	12,988	38,468	15,844	12,691	37,670	15,096
Other assets	1,999,251	2,008,120	2,014,397	1,667,517	1,670,433	1,771,334
	5,626,932	5,583,672	5,761,612	4,347,732	4,245,155	4,465,411
	121,742,368	110,348,360	110,142,722	107,875,099	94,960,448	94,516,015

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	98,289,540	86,514,933	85,157,623	89,946,775	76,592,102	75,437,459
Borrowings						
Borrowings from the Bank of Mauritius	532,002	911,921	840,329	532,002	911,921	840,329
Borrowings from other banks in Mauritius and banks abroad	1,191,029	3,736,424	3,938,310	2,381,287	4,488,990	4,284,574
Subordinated debt	1,182,701	1,458,031	1,411,108	1,182,701	1,458,031	1,411,108
	2,905,732	6,106,376	6,189,747	4,095,990	6,858,942	6,536,011
Other						
Other liabilities	3,165,245	2,811,682	3,475,399	2,513,530	2,280,056	2,918,087
Outstanding lease obligations	-	-	-	734	3,740	2,327
Current tax liabilities	326,004	288,262	383,833	215,331	207,378	327,374
Deferred tax liabilities	34,768	12,335	21,732	-	-	-
	3,526,017	3,112,279	3,880,964	2,729,595	2,491,174	3,247,788
Capital and reserves attributable to the ordinary equity holders of the parent						
Share capital	2,503,756	2,503,756	2,503,756	2,503,756	2,503,756	2,503,756
Reserves and surplus	4,296,309	4,299,438	4,589,731	2,873,028	2,461,279	2,738,331
Retained earnings	9,067,724	6,678,611	6,765,698	6,104,488	4,437,615	4,436,959
	15,867,789	13,481,805	13,859,185	11,481,272	9,402,650	9,679,046
Less treasury shares	(378,533)	(384,420)	(384,289)	(378,533)	(384,420)	(384,289)
	15,489,256	13,097,385	13,474,896	11,102,739	9,018,230	9,294,757
Minority interest	1,531,823	1,517,387	1,439,492	-	-	-
Total equity	17,021,079	14,614,772	14,914,388	11,102,739	9,018,230	9,294,757
	121,742,368	110,348,360	110,142,722	107,875,099	94,960,448	94,516,015

CONTINGENT LIABILITIES

Acceptances, guarantees, letters of credit, endorsements and other

obligations on account of customers, and foreign exchange contracts	32,269,652	22,239,551	25,892,067	30,729,567	21,127,644	24,663,631
Commitments	3,922,438	3,823,249	4,487,776	3,782,781	3,721,727	4,366,559
Assets pledged against facilities granted by the Bank of Mauritius	-	827,278	-	-	827,278	-
Tax assessment	215,924	197,042	201,762	215,924	197,042	201,762
Other	868,129	863,098	1,071,586	868,129	863,098	995,853
	37,276,143	27,950,218	31,653,191	35,596,401	26,736,789	30,227,805

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[INCOME STATEMENTS]

	GROUP					BANK				
	Quarter to 31-Mar-08	Quarter to 31-Mar-07	9 mths to 31-Mar-08	9 mths to 31-Mar-07	Year to 30-Jun-07	Quarter to 31-Mar-08	Quarter to 31-Mar-07	9 mths to 31-Mar-08	9 mths to 31-Mar-07	Year to 30-Jun-07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	2,581,677	2,268,849	7,652,060	6,603,373	8,938,406	2,410,831	2,055,767	7,035,357	5,972,387	8,068,243
Interest expense	(1,527,803)	(1,401,630)	(4,643,833)	(3,945,690)	(5,325,676)	(1,475,606)	(1,295,078)	(4,395,737)	(3,726,000)	(5,041,657)
Net interest income	1,053,874	867,219	3,008,227	2,657,683	3,612,730	935,225	760,689	2,639,620	2,246,387	3,026,586
Other income	869,196	717,105	2,907,012	1,845,539	2,652,886	891,825	488,638	1,988,825	1,279,119	1,929,145
Operating income	1,923,070	1,584,324	5,915,239	4,503,222	6,265,616	1,827,050	1,249,327	4,628,445	3,525,506	4,955,731
Non-interest expense	(820,609)	(704,745)	(2,447,188)	(2,072,398)	(2,782,158)	(672,227)	(580,118)	(2,030,819)	(1,729,947)	(2,273,780)
Operating profit before provisions	1,102,461	879,579	3,468,051	2,430,824	3,483,458	1,154,823	669,209	2,597,626	1,795,559	2,681,951
Allowance for credit impairment	(99,023)	(127,866)	(276,121)	(314,635)	(375,928)	(89,387)	(117,561)	(275,496)	(290,796)	(370,598)
Profit before tax	1,003,438	751,713	3,191,930	2,116,189	3,107,530	1,065,436	551,648	2,322,130	1,504,763	2,311,353
Income tax expense	(130,543)	(140,345)	(395,796)	(348,937)	(560,822)	(96,661)	(100,120)	(263,544)	(247,362)	(389,932)
Profit for the period	872,895	611,368	2,796,134	1,767,252	2,546,708	968,775	451,528	2,058,586	1,257,401	1,921,421
Attributable to:										
Ordinary equity holders of the parent	857,037	585,100	2,707,974	1,725,493	2,460,845	968,775	451,528	2,058,586	1,257,401	1,921,421
Minority interest	15,858	26,268	88,160	41,759	85,863	-	-	-	-	-
	872,895	611,368	2,796,134	1,767,252	2,546,708	968,775	451,528	2,058,586	1,257,401	1,921,421
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	3.61	2.47	11.42	6.70	9.74					

Basic weighted average number of shares (thousands)	237,217	236,905	237,072	257,707	252,534
Diluted weighted average number of shares (thousands)	237,223	236,925	237,088	257,713	252,544

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[STATEMENTS OF CHANGES IN EQUITY]

GROUP	Attributable to ordinary equity holders of the parent										
	Share Capital	Share Premium	Treasury Shares	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Retained Earnings	Total	Minority Interest	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1st July 2006	2,821,105	-	(394,080)	990,561	308,161	1,832,578	571,909	6,203,437	12,333,671	116,855	12,450,526
Prior year adjustment in the financial statements of Fincorp Group	-	-	-	(29,145)	-	-	-	4,669	(24,476)	(18,047)	(42,523)
As restated	2,821,105	-	(394,080)	961,416	308,161	1,832,578	571,909	6,208,106	12,309,195	98,808	12,408,003
Share of increase in reserves of associates	-	-	-	173,773	127,138	-	-	12,229	313,140	30,105	343,245
Currency translation difference	-	-	-	-	14,182	-	-	-	14,182	13,470	27,652
Fair value gain	-	-	-	284,871	-	-	-	-	284,871	-	284,871
Income recognised directly in equity	-	-	-	458,644	141,320	-	-	12,229	612,193	43,575	655,768
Profit for the period	-	-	-	-	-	-	-	1,725,493	1,725,493	41,759	1,767,252
Total recognised income for the period	-	-	-	458,644	141,320	-	-	1,737,722	2,337,686	85,334	2,423,020
Dividends	-	-	-	-	-	-	-	(308,659)	(308,659)	(3,074)	(311,733)
Shares bought back and cancelled by the Group	(317,349)	-	1,250	-	-	-	-	(1,113,449)	(1,429,548)	(1,326)	(1,430,874)
Release of share value/recognition of minority interest following shares bought back & cancelled by Fincorp	-	-	-	9,533	(499)	-	-	155,241	164,275	1,337,645	1,501,920
Transfer to general banking reserve	-	-	-	-	-	-	350	(350)	-	-	-
Employee share options exercised	-	16,026	8,410	-	-	-	-	-	24,436	-	24,436
At 31st March 2007	2,503,756	16,026	(384,420)	1,429,593	448,982	1,832,578	572,259	6,678,611	13,097,385	1,517,387	14,614,772

At 1st July 2006	2,821,105	-	(394,080)	990,561	308,161	1,832,578	571,909	6,203,437	12,333,671	116,855	12,450,526
Prior year adjustment in the financial statements of Fincorp Group	-	-	-	(29,145)	-	-	-	4,669	(24,476)	(18,047)	(42,523)
As restated	2,821,105	-	(394,080)	961,416	308,161	1,832,578	571,909	6,208,106	12,309,195	98,808	12,408,003
Share of increase/(decrease) in reserves of associates	-	-	-	67,833	96,414	-	-	7,294	171,541	(51,645)	119,896
Transfer on disposal of property, plant and equipment	-	-	-	(21,618)	-	-	-	21,618	-	-	-
Currency translation difference	-	-	-	-	(2,834)	-	-	-	(2,834)	3,822	988
Release of share value/recognition of minority interest following shares bought back & cancelled by Fincorp	-	-	-	9,533	(499)	-	-	155,241	164,275	1,337,645	1,501,920
Fair value gain	-	-	-	499,964	-	-	-	-	499,964	-	499,964
Net income recognised directly in equity	-	-	-	555,712	93,081	-	-	184,153	832,946	1,289,822	2,122,768
Profit for the year	-	-	-	-	-	-	-	2,460,845	2,460,845	85,863	2,546,708
Total recognised income for the year	-	-	-	555,712	93,081	-	-	2,644,998	3,293,791	1,375,685	4,669,476
Dividends	-	-	-	-	-	-	-	(723,335)	(723,335)	(33,675)	(757,010)
Transfer to general banking reserve	-	-	-	-	-	-	622	(622)	-	-	-
Transfer to statutory reserve	-	-	-	-	-	250,000	-	(250,000)	-	-	-
Shares bought back and cancelled by the Group	(317,349)	-	1,250	-	-	-	-	(1,113,449)	(1,429,548)	(1,326)	(1,430,874)
Employee share options exercised	-	16,252	8,541	-	-	-	-	-	24,793	-	24,793
At 30th June 2007	2,503,756	16,252	(384,289)	1,517,128	401,242	2,082,578	572,531	6,765,698	13,474,896	1,439,492	14,914,388
Share of increase/(decrease) in reserves of associates	-	-	-	58,615	(38,990)	-	-	-	19,625	43,219	62,844
Release of fair value on disposal of investments	-	-	-	(255,218)	-	-	-	-	(255,218)	-	(255,218)
Currency translation difference	-	-	-	-	(211,691)	-	-	-	(211,691)	(10,637)	(222,328)
Increase in holding of subsidiary	-	-	-	-	-	-	-	-	-	(15,576)	(15,576)
Fair value gain	-	-	-	115,879	-	-	-	-	115,879	-	115,879
Net (expense)/income recognised directly in equity	-	-	-	(80,724)	(250,681)	-	-	-	(331,405)	17,006	(314,399)
Profit for the period	-	-	-	-	-	-	-	2,707,974	2,707,974	88,160	2,796,134
Total recognised (expense)/income for the period	-	-	-	(80,724)	(250,681)	-	-	2,707,974	2,376,569	105,166	2,481,735
Dividends	-	-	-	-	-	-	-	(391,057)	(391,057)	(12,835)	(403,892)
Transfer to general banking reserve	-	-	-	-	-	-	7,635	(7,635)	-	-	-

Transfer to statutory reserve	-	-	-	-	-	7,256	-	(7,256)	-	-	-
Employee share options exercised	-	23,092	5,756	-	-	-	-	-	28,848	-	28,848
At 31st March 2008	2,503,756	39,344	(378,533)	1,436,404	150,561	2,089,834	580,166	9,067,724	15,489,256	1,531,823	17,021,079

BANK

At 1st July 2006	2,821,105	-	(392,830)	40,504	-	1,832,578	533,580	4,605,968	9,440,905	-	9,440,905
Fair value gain recognised directly in equity	-	-	-	38,591	-	-	-	-	38,591	-	38,591
Profit for the period	-	-	-	-	-	-	-	1,257,401	1,257,401	-	1,257,401
Total recognised income for the period	-	-	-	38,591	-	-	-	1,257,401	1,295,992	-	1,295,992
Dividends	-	-	-	-	-	-	-	(308,659)	(308,659)	-	(308,659)
Shares bought back and cancelled by the Bank	(317,349)	-	-	-	-	-	-	(1,117,095)	(1,434,444)	-	(1,434,444)
Employee share options exercised	-	16,026	8,410	-	-	-	-	-	24,436	-	24,436
At 31st March 2007	2,503,756	16,026	(384,420)	79,095	-	1,832,578	533,580	4,437,615	9,018,230	-	9,018,230

At 1st July 2006	2,821,105	-	(392,830)	40,504	-	1,832,578	533,580	4,605,968	9,440,905	-	9,440,905
Fair value gain recognised directly in equity	-	-	-	65,417	-	-	-	-	65,417	-	65,417
Profit for the year	-	-	-	-	-	-	-	1,921,421	1,921,421	-	1,921,421
Total recognised income for the year	-	-	-	65,417	-	-	-	1,921,421	1,986,838	-	1,986,838
Dividends	-	-	-	-	-	-	-	(723,335)	(723,335)	-	(723,335)
Transfer to statutory reserve	-	-	-	-	-	250,000	-	(250,000)	-	-	-
Shares bought back and cancelled by the Bank	(317,349)	-	-	-	-	-	-	(1,117,095)	(1,434,444)	-	(1,434,444)
Employee share options exercised	-	16,252	8,541	-	-	-	-	-	24,793	-	24,793
At 30th June 2007	2,503,756	16,252	(384,289)	105,921	-	2,082,578	533,580	4,436,959	9,294,757	-	9,294,757
Fair value gain recognised directly in equity	-	-	-	111,605	-	-	-	-	111,605	-	111,605
Profit for the period	-	-	-	-	-	-	-	2,058,586	2,058,586	-	2,058,586
Total recognised income for the period	-	-	-	111,605	-	-	-	2,058,586	2,170,191	-	2,170,191
Dividends	-	-	-	-	-	-	-	(391,057)	(391,057)	-	(391,057)
Employee share options exercised	-	23,092	5,756	-	-	-	-	-	28,848	-	28,848
At 31st March 2008	2,503,756	39,344	(378,533)	217,526	-	2,082,578	533,580	6,104,488	11,102,739	-	11,102,739

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[CASH FLOW STATEMENTS]

	GROUP			BANK		
	9 mths to 31-Mar-08	9 mths to 31-Mar-07	Year to 30-Jun-07	9 mths to 31-Mar-08	9 mths to 31-Mar-07	Year to 30-Jun-07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net cash flows from trading activities	2,320,076	1,689,587	3,365,649	1,796,926	1,355,455	2,898,742
Net cash flows from other operating activities	1,829,358	9,166,379	5,024,226	1,811,515	8,215,504	4,180,147
Dividends received from associates	34,668	11,898	11,898	-	-	-
Dividends paid	(391,057)	(308,659)	(723,335)	(391,057)	(308,659)	(723,335)
Dividends paid to minority shareholders in subsidiaries	(12,835)	(3,074)	(33,675)	-	-	-
Income tax paid	(417,587)	(350,254)	(431,917)	(373,182)	(285,508)	(285,508)
Net cash flows from operating activities	3,362,623	10,205,877	7,212,846	2,844,202	8,976,792	6,070,046
Investing activities	218,052	(658,891)	(1,530,757)	323,066	(652,336)	(1,476,333)
Net cash flows before financing	3,580,675	9,546,986	5,682,089	3,167,268	8,324,456	4,593,713
Employee share options exercised	28,848	24,436	22,743	28,848	24,436	22,743
Subordinated loan to subsidiary	-	-	-	-	-	(4,785)
Proceeds from subordinated debt	-	1,474,126	1,474,126	-	1,474,126	1,474,126
Share buy back	-	(1,430,874)	(1,430,626)	-	(1,434,444)	(1,434,444)
Capital element of finance lease rental payments	-	(1,835)	(1,835)	(1,593)	(2,393)	(3,806)
Increase in cash and cash equivalents	3,609,523	9,612,839	5,746,497	3,194,523	8,386,181	4,647,547
Cash and cash equivalents brought forward	11,665,737	5,963,211	5,963,211	9,053,344	4,405,797	4,405,797
Effect of foreign exchange rate changes	(679,751)	5,635	(43,971)	-	-	-
Cash and cash equivalents carried forward	14,595,509	15,581,685	11,665,737	12,247,867	12,791,978	9,053,344

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[COMMENTS ON RESULTS TO 31ST MARCH 2008]

1. The Interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2007 and comply with IAS34.

2. RESULTS

Group results for the nine months to 31st March, 2008 grew by 57.0% to reach Rs 2708 million, while Earnings per share, at Rs 11.42, increased by 70.4% over those of the corresponding period in 2006/07.

These figures include a non-recurrent profit of Rs 425 million realised by the MCB Equity Fund on the sale of shares in Sun Resorts Ltd. Notwithstanding this transaction, results and earnings per share for the nine months period show excellent growth rates of 32.3% and 43.7% respectively.

Net interest income for the Bank increased by 17.5% to Rs 2640 million. The corresponding figure for the Group grew by a reduced rate of 13.2% to reach Rs 3008 million, contributions from our foreign subsidiaries being affected by negative translation differences on account of the strengthening mauritian rupee.

Growth in non-interest income was quite strong, group figures, excluding the profit on the sale of Sun Resorts shares, increasing by 34.5% to Rs 2482 million.

3. PROSPECTS

Underlying results for the fourth quarter are expected to be in line with the performance of the first nine months, excluding non-recurrent items.

This communiqué is issued pursuant to Listing Rule 11.3

The Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.

By order of the Board

14th May 2008

Copies of the abridged financial statements can be obtained free of charge upon request at the registered office of the Company.