

THE MCB LTD. | ABRIDGED UNAUDITED FINANCIAL STATEMENTS (30TH SEPTEMBER 2007)

[BALANCE SHEETS]

	GROUP			BANK		
	30-Sep-07 Rs'000	30-Sep-06 Rs'000	30-Jun-07 Rs'000	30-Sep-07 Rs'000	30-Sep-06 Rs'000	30-Jun-07 Rs'000
ASSETS						
Cash resources						
Cash and balances with Central Banks	5,354,875	6,010,252	6,235,477	4,521,737	4,268,586	4,042,455
Balances with banks and interbank loans	991,267	355,340	345,645	648,240	335,618	147,802
Balances with banks abroad	10,036,853	6,964,862	9,863,254	10,052,305	6,979,162	9,987,990
	16,382,995	13,330,454	16,444,376	15,222,282	11,583,366	14,178,247
Securities and other investments						
Securities	13,366,227	17,289,929	13,252,182	10,810,063	13,029,487	10,573,779
Other investments - available-for-sale	3,561,465	1,855,298	3,535,001	1,317,361	621,091	1,334,009
- derivative financial instruments	33,434	40,790	23,795	33,434	40,790	23,795
Investments in associates	5,433,101	3,431,632	5,281,108	885,626	889,582	875,530
Investments in subsidiaries	-	-	-	2,160,872	1,778,270	2,126,099
	22,394,227	22,617,649	22,092,086	15,207,356	16,359,220	14,933,212
Loans	66,282,034	61,322,006	65,844,648	61,349,330	57,497,162	60,939,145
Other						
Goodwill and other intangible assets	268,746	349,701	288,302	209,467	307,292	229,201
Property, plant and equipment	3,434,862	3,089,508	3,443,069	2,492,374	2,227,153	2,449,780
Deferred tax assets	13,408	40,697	15,844	12,667	40,268	15,096
Other assets	2,153,599	1,924,681	2,014,397	1,877,278	1,550,022	1,771,334
	5,870,615	5,404,587	5,761,612	4,591,786	4,124,735	4,465,411
	110,929,871	102,674,696	110,142,722	96,370,754	89,564,483	94,516,015

[BALANCE SHEETS - CONTD]

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	87,388,762	80,938,759	85,157,623	78,600,656	71,616,781	75,437,459
Borrowings						
Borrowings from the Bank of Mauritius	767,752	1,053,597	840,329	767,752	1,053,597	840,329
Borrowings from other banks in Mauritius and banks abroad	2,466,737	4,285,994	3,938,310	3,107,618	4,502,470	4,284,574
Subordinated debt	1,374,330	-	1,411,108	1,374,330	-	1,411,108
	4,608,819	5,339,591	6,189,747	5,249,700	5,556,067	6,536,011
Other						
Other liabilities	2,791,358	2,866,174	3,475,399	2,307,389	2,239,131	2,918,087
Outstanding lease obligations	-	5,256	-	1,661	5,073	2,327
Current tax liabilities	495,096	359,263	383,833	407,892	319,175	327,374
Deferred tax liabilities	20,529	627	21,732	-	-	-
	3,306,983	3,231,320	3,880,964	2,716,942	2,563,379	3,247,788
Capital and reserves attributable to the ordinary equity holders of the parent						
Share capital	2,503,756	2,821,105	2,503,756	2,503,756	2,821,105	2,503,756
Reserves and surplus	4,628,738	3,867,395	4,589,731	2,735,800	2,406,662	2,738,331
Retained earnings	7,404,149	6,738,856	6,765,698	4,948,189	4,993,319	4,436,959
	14,536,643	13,427,356	13,859,185	10,187,745	10,221,086	9,679,046
Less treasury shares	(384,289)	(394,080)	(384,289)	(384,289)	(392,830)	(384,289)
	14,152,354	13,033,276	13,474,896	9,803,456	9,828,256	9,294,757
Minority interest	1,472,953	131,750	1,439,492	-	-	-
Total equity	15,625,307	13,165,026	14,914,388	9,803,456	9,828,256	9,294,757
	110,929,871	102,674,696	110,142,722	96,370,754	89,564,483	94,516,015

[BALANCE SHEETS - CONTD]

CONTINGENT LIABILITIES

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers, and foreign exchange contracts	27,616,920	22,555,945	25,892,067	25,509,768	21,395,370	24,663,631
Commitments	4,267,169	4,167,834	4,487,776	4,113,007	4,167,834	4,366,559
Assets pledged against facilities granted by the Bank of Mauritius	-	827,278	-	-	827,278	-
Tax assessment	206,483	187,600	201,762	206,483	187,600	201,762
Other	1,040,649	931,309	1,071,586	970,794	931,070	995,853
	33,131,221	28,669,966	31,653,191	30,800,052	27,509,152	30,227,805

THE MCB LTD. | ABRIDGED UNAUDITED FINANCIAL STATEMENTS (30TH SEPTEMBER 2007)

[INCOME STATEMENTS]

	3 mths to 30-Sep-07 Rs'000	3 mths to 30-Sep-06 Rs'000	Year to 30-Jun-07 Rs'000	3 mths to 30-Sep-07 Rs'000	3 mths to 30-Sep-06 Rs'000	Year to 30-Jun-07 Rs'000
Interest income	2,476,518	2,064,912	8,938,406	2,279,500	1,881,997	8,068,243
Interest expense	(1,557,907)	(1,203,455)	(5,325,676)	(1,442,547)	(1,150,495)	(5,041,657)
Net interest income	918,611	861,457	3,612,730	836,953	731,502	3,026,586
Other income	716,835	489,835	2,652,886	510,287	359,120	1,929,145
Operating income	1,635,446	1,351,292	6,265,616	1,347,240	1,090,622	4,955,731
Non-interest expense	(754,768)	(664,791)	(2,782,158)	(663,326)	(570,625)	(2,273,780)
Operating profit before provisions	880,678	686,501	3,483,458	683,914	519,997	2,681,951
Allowance for credit impairment	(97,010)	(65,641)	(375,928)	(89,737)	(61,593)	(370,598)
Profit before tax	783,668	620,860	3,107,530	594,177	458,404	2,311,353
Income tax expense	(131,284)	(96,490)	(560,822)	(82,947)	(71,053)	(389,932)
Profit for the period	652,384	524,370	2,546,708	511,230	387,351	1,921,421
Attributable to:						
Ordinary equity holders of the parent	645,960	516,340	2,460,845	511,230	387,351	1,921,421
Minority interest	6,424	8,030	85,863	-	-	-
	652,384	524,370	2,546,708	511,230	387,351	1,921,421
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	2.73	1.92	9.74			
Basic weighted average number of shares (thousands)	236,962	268,399	252,534			
Diluted weighted average number of shares (thousands)	236,984	N/A	252,544			

THE MCB LTD. | ABRIDGED UNAUDITED FINANCIAL STATEMENTS (30TH SEPTEMBER 2007)

[STATEMENTS OF CHANGES IN EQUITY]

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
GROUP											
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
Share of increase in reserves of associates	-	-	-	20,167	59,761	-	-	13,642	93,570	-	93,570
Currency translation difference	-	-	-	-	65,607	-	-	-	65,607	6,865	72,472
Fair value gain	-	-	-	24,088	-	-	-	-	24,088	-	24,088
Net income recognised directly in equity	-	-	-	44,255	125,368	-	-	13,642	183,265	6,865	190,130
Profit for the period	-	-	-	-	-	-	-	516,340	516,340	8,030	524,370
Total recognised income for the period	-	-	-	44,255	125,368	-	-	529,982	699,605	14,895	714,500
Transfer from general banking reserve	-	-	-	-	-	-	(5,437)	5,437	-	-	-
At 30th September 2006	2,821,105	-	(394,080)	1,034,816	433,529	1,832,578	566,472	6,738,856	13,033,276	131,750	13,165,026
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	-	-	-	67,833	96,414	-	-	7,294	171,541	-	171,541
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	1,286,000	1,450,275
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 in reserves of associates	-	-	-	40,105	40,897	-	-	-	81,002	29,570	110,572
Currency translation difference	-	-	-	-	(68,496)	-	-	-	(68,496)	(2,533)	(71,029)
Fair value gain	-	-	-	18,992	-	-	-	-	18,992	-	18,992
Net income/(expense) recognised directly in equity	-	-	-	59,097	(27,599)	-	-	-	31,498	27,037	58,535
Profit for the period	-	-	-	-	-	-	-	645,960	645,960	6,424	652,384
Total recognised income/(expense) for the period	-	-	-	59,097	(27,599)	-	-	645,960	677,458	33,461	710,919
Transfer to general banking reserve	-	-	-	-	-	-	253	(253)	-	-	-
Transfer to statutory reserve	-	-	-	-	-	7,256	-	(7,256)	-	-	-
At 30th September 2007	2,503,756	16,252	(384,289)	1,576,225	373,643	2,089,834	572,784	7,404,149	14,152,354	1,472,953	15,625,307

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
Profit for the period	-	-	-	-	-	-	-	387,351	387,351	-	387,351
At 30th September 2006	2,821,105	-	(392,830)	40,504	-	1,832,578	533,580	4,993,319	9,828,256	-	9,828,256
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 loss recognised directly in equity	-	-	-	(2,531)	-	-	-	-	(2,531)	-	(2,531)
Profit for the period	-	-	-	-	-	-	-	511,230	511,230	-	511,230
Total recognised (expense)/income for the period	-	-	-	(2,531)	-	-	-	511,230	508,699	-	508,699
At 30th September 2007	2,503,756	16,252	(384,289)	103,390	-	2,082,578	533,580	4,948,189	9,803,456	-	9,803,456

THE MCB LTD. | ABRIDGED UNAUDITED FINANCIAL STATEMENTS (30TH SEPTEMBER 2007)

[CASH FLOW STATEMENTS]

	GROUP			BANK		
	3 mths to 30-Sep-07	3 mths to 30-Sep-06	Year to 30-Jun-07	3 mths to 30-Sep-07	3 mths to 30-Sep-06	Year to 30-Jun-07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net cash flows from trading activities	(66,033)	121,755	3,365,649	(120,096)	(1,537)	2,898,742
Net cash flows from other operating activities	1,990,741	1,959,630	5,024,226	2,568,296	1,751,324	4,180,147
Dividends received from associates	34,668	-	11,898	-	-	-
Dividends paid	-	-	(723,335)	-	-	(723,335)
Dividends paid to minority shareholders in subsidiaries	(4,058)	-	(33,675)	-	-	-
Income tax paid	(14,750)	(19,263)	(431,917)	-	-	(285,508)
Net cash flows from operating activities	1,940,568	2,062,122	7,212,846	2,448,200	1,749,787	6,070,046
Investing activities	(178,940)	(179,647)	(1,530,757)	(153,966)	(127,225)	(1,476,333)
Net cash flows before financing	1,761,628	1,882,475	5,682,089	2,294,234	1,622,562	4,593,713
Employee share options exercised	-	-	22,743	-	-	22,743
Subordinated loan to subsidiary	-	-	-	-	-	(4,785)
Proceeds from subordinated debt	-	-	1,474,126	-	-	1,474,126
Share buy back	-	-	(1,430,626)	-	-	(1,434,444)
Capital element of finance lease rental payments	-	(1,110)	(1,835)	(666)	(1,060)	(3,806)
Increase in cash and cash equivalents	1,761,628	1,881,365	5,746,497	2,293,568	1,621,502	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	(278,859)	146,287	(43,971)	-	-	-
Cash and cash equivalents carried forward	13,148,506	7,990,863	11,665,737	11,346,912	6,027,299	9,053,344

THE MCB LTD. | ABRIDGED UNAUDITED FINANCIAL STATEMENTS (30TH SEPTEMBER 2007)

[COMMENTS ON FINANCIAL STATEMENTS]

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

Operating income was up by 21 % for the quarter and attributable profits increased by 25.1% over the corresponding period in 2006. Earnings per share for the quarter went up substantially by 42% by reason of the reduced number of shares in issue following the buy back of Lloyds TSB's shares in December 2006. All the Group's businesses, local and international, continue to make good progress, with a good balance between net interest income and non-interest income.

3. Prospects

Current indications are that consolidated results for the half year to 31st December 2007 will show similar growth to that realised during the first quarter.

4. Declaration of Interim Dividend

In view of the above, the Board of Directors have declared an interim dividend of Rs.1.65 per share (2006 : Rs.1.15), which will be payable around the 21th December 2007.

By order of the Board

14th November 2007

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

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.