

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST DECEMBER 2007)
[BALANCE SHEETS]

	GROUP			BANK		
	31-Dec-07 Rs'000	31-Dec-06 Rs'000	30-Jun-07 Rs'000	31-Dec-07 Rs'000	31-Dec-06 Rs'000	30-Jun-07 Rs'000
ASSETS						
Cash resources						
Cash and balances with Central Banks	5,428,254	6,492,875	6,235,477	4,589,757	4,773,226	4,042,455
Balances with banks and interbank loans	165,549	83,376	345,645	95,633	70,082	147,802
Balances with banks abroad	13,237,160	8,363,150	9,863,254	13,151,475	8,313,336	9,987,990
	18,830,963	14,939,401	16,444,376	17,836,865	13,156,644	14,178,247
Securities and other investments						
Securities	13,818,712	16,507,403	13,252,182	11,508,350	12,474,427	10,573,779
Other investments - available-for-sale	3,207,964	2,398,150	3,535,001	1,276,591	646,091	1,334,009
- derivative financial instruments	64,369	4,240	23,795	64,369	4,240	23,795
Investments in associates	5,654,665	5,212,619	5,281,108	875,425	883,754	875,530
Investments in subsidiaries	-	-	-	2,278,357	1,952,065	2,126,099
	22,745,710	24,122,412	22,092,086	16,003,092	15,960,577	14,933,212
Loans	71,127,340	64,009,944	65,844,648	66,083,732	59,239,947	60,939,145
Other						
Goodwill and other intangible assets	266,199	328,175	288,302	207,987	278,718	229,201
Property, plant and equipment	3,401,076	3,333,747	3,443,069	2,497,909	2,295,553	2,449,780
Deferred tax assets	12,837	41,770	15,844	12,347	40,952	15,096
Other assets	2,223,567	2,413,142	2,014,397	1,827,644	1,759,135	1,771,334
	5,903,679	6,116,834	5,761,612	4,545,887	4,374,358	4,465,411
	118,607,692	109,188,591	110,142,722	104,469,576	92,731,526	94,516,015

[BALANCE SHEETS - CONTD]

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits	94,255,686	84,883,392	85,157,623	86,111,130	74,285,740	75,437,459
Borrowings						
Borrowings from the Bank of Mauritius	612,965	982,541	840,329	612,965	982,541	840,329
Borrowings from other banks in Mauritius and banks abroad	1,891,377	4,152,833	3,938,310	2,884,910	4,503,954	4,284,574
Subordinated debt	1,294,365	1,474,126	1,411,108	1,294,365	1,474,126	1,411,108
	3,798,707	6,609,500	6,189,747	4,792,240	6,960,621	6,536,011
Other						
Other liabilities	3,591,612	3,364,301	3,475,399	3,062,217	2,581,041	2,918,087
Outstanding lease obligations	-	-	-	1,101	4,401	2,327
Current tax liabilities	595,793	465,009	383,833	491,508	396,048	327,374
Deferred tax liabilities	31,617	11,439	21,732	-	-	-
	4,219,022	3,840,749	3,880,964	3,554,826	2,981,490	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	4,444,246	4,198,615	4,589,731	2,750,891	2,406,662	2,738,331
Retained earnings	8,213,614	6,086,908	6,765,698	5,135,713	3,986,087	4,436,959
	15,161,616	12,789,279	13,859,185	10,390,360	8,896,505	9,679,046
Less treasury shares	(378,980)	(394,080)	(384,289)	(378,980)	(392,830)	(384,289)
	14,782,636	12,395,199	13,474,896	10,011,380	8,503,675	9,294,757
Minority interest	1,551,641	1,459,751	1,439,492	-	-	-
Total equity	16,334,277	13,854,950	14,914,388	10,011,380	8,503,675	9,294,757
	118,607,692	109,188,591	110,142,722	104,469,576	92,731,526	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	22,942,337	20,574,753	25,892,067	21,258,481	19,289,198	24,663,631
Commitments	3,684,410	3,945,195	4,487,776	3,401,947	3,861,711	4,366,559
Assets pledged against facilities granted by the Bank of Mauritius	-	827,278	-	-	827,278	-
Tax assessment	211,203	192,321	201,762	211,203	192,321	201,762
Other	965,102	1,073,715	1,071,586	965,102	1,073,360	995,853
	27,803,052	26,613,262	31,653,191	25,836,733	25,243,868	30,227,805

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST DECEMBER 2007)

[INCOME STATEMENTS]

	GROUP					BANK				
	Quarter to 31-Dec-07	Quarter to 31-Dec-06	6 mths to 31-Dec-07	6 mths to 31-Dec-06	Year to 30-Jun-07	Quarter to 31-Dec-07	Quarter to 31-Dec-06	6 mths to 31-Dec-07	6 mths to 31-Dec-06	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	2,593,865	2,269,612	5,070,383	4,334,524	8,938,406	2,345,026	2,034,623	4,624,526	3,916,620	8,068,243
Interest expense	(1,558,123)	(1,340,605)	(3,116,030)	(2,544,060)	(5,325,676)	(1,477,584)	(1,280,427)	(2,920,131)	(2,430,922)	(5,041,657)
Net interest income	1,035,742	929,007	1,954,353	1,790,464	3,612,730	867,442	754,196	1,704,395	1,485,698	3,026,586
Other income	1,320,981	638,599	2,037,816	1,128,434	2,652,886	586,713	431,361	1,097,000	790,481	1,929,145
Operating income	2,356,723	1,567,606	3,992,169	2,918,898	6,265,616	1,454,155	1,185,557	2,801,395	2,276,179	4,955,731
Non-interest expense	(871,811)	(702,862)	(1,626,579)	(1,367,653)	(2,782,158)	(695,266)	(579,204)	(1,358,592)	(1,149,829)	(2,273,780)
Operating profit before provisions	1,484,912	864,744	2,365,590	1,551,245	3,483,458	758,889	606,353	1,442,803	1,126,350	2,681,951
Allowance for credit impairment	(80,088)	(121,128)	(177,098)	(186,769)	(375,928)	(96,372)	(111,642)	(186,109)	(173,235)	(370,598)
Profit before tax	1,404,824	743,616	2,188,492	1,364,476	3,107,530	662,517	494,711	1,256,694	953,115	2,311,353
Income tax expense	(133,969)	(112,102)	(265,253)	(208,592)	(560,822)	(83,936)	(76,189)	(166,883)	(147,242)	(389,932)
Profit for the period	1,270,855	631,514	1,923,239	1,155,884	2,546,708	578,581	418,522	1,089,811	805,873	1,921,421
Attributable to:										
Ordinary equity holders of the parent	1,204,977	624,053	1,850,937	1,140,393	2,460,845	578,581	418,522	1,089,811	805,873	1,921,421
Minority interest	65,878	7,461	72,302	15,491	85,863	-	-	-	-	-
	1,270,855	631,514	1,923,239	1,155,884	2,546,708	578,581	418,522	1,089,811	805,873	1,921,421
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	5.08	2.33	7.81	4.26	9.74					
Basic weighted average number of shares (thousands)	237,038	267,364	237,000	267,882	252,534					
Diluted weighted average number of shares (thousands)	237,040	267,365	237,008	267,883	252,544					

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST DECEMBER 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
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	-	-	-	132,940	127,785	-	-	12,229	272,954	-	272,954
Currency translation difference	-	-	-	-	74,779	-	-	-	74,779	10,881	85,660
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	-	-	-	173,136	-	-	-	-	173,136	-	173,136
Income recognised directly in equity	-	-	-	315,609	202,065	-	-	167,470	685,144	1,348,526	2,033,670
Profit for the period	-	-	-	-	-	-	-	1,140,393	1,140,393	15,491	1,155,884
Total recognised income for the period	-	-	-	315,609	202,065	-	-	1,307,863	1,825,537	1,364,017	3,189,554
Dividends	-	-	-	-	-	-	-	(308,659)	(308,659)	(3,074)	(311,733)
Shares bought back and cancelled	(317,349)	-	-	-	-	-	-	(1,113,525)	(1,430,874)	-	(1,430,874)
Transfer to general banking reserve	-	-	-	-	-	-	6,877	(6,877)	-	-	-
At 31st December 2006	2,503,756	-	(394,080)	1,277,025	510,226	1,832,578	578,786	6,086,908	12,395,199	1,459,751	13,854,950

[STATEMENTS OF CHANGES IN EQUITY - CONTD]

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	-	-	-	96,752	(2,896)	-	-	(169)	93,687	71,214	164,901
Release of fair value on disposal of investments	-	-	-	(237,760)	-	-	-	-	(237,760)	-	(237,760)
Currency translation difference	-	-	-	-	(130,785)	-	-	-	(130,785)	(5,838)	(136,623)
Increase in holding of subsidiary	-	-	-	-	-	-	-	-	-	(12,694)	(12,694)
Fair value gain	-	-	-	96,826	-	-	-	-	96,826	-	96,826
Net (expense)/income recognised directly in equity	-	-	-	(44,182)	(133,681)	-	-	(169)	(178,032)	52,682	(125,350)
Profit for the period	-	-	-	-	-	-	-	1,850,937	1,850,937	72,302	1,923,239
Total recognised (expense)/income for the period	-	-	-	(44,182)	(133,681)	-	-	1,850,768	1,672,905	124,984	1,797,889
Dividends	-	-	-	-	-	-	-	(391,057)	(391,057)	(12,835)	(403,892)
Transfer to general banking reserve	-	-	-	-	-	-	4,539	(4,539)	-	-	-
Transfer to statutory reserve	-	-	-	-	-	7,256	-	(7,256)	-	-	-
Employee share options exercised	-	20,583	5,309	-	-	-	-	-	25,892	-	25,892
At 31st December 2007	2,503,756	36,835	(378,980)	1,472,946	267,561	2,089,834	577,070	8,213,614	14,782,636	1,551,641	16,334,277

[STATEMENTS OF CHANGES IN EQUITY - CONTD]

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	-	-	-	-	-	-	-	805,873	805,873	-	805,873
Dividends	-	-	-	-	-	-	-	(308,659)	(308,659)	-	(308,659)
Shares bought back and cancelled	(317,349)	-	-	-	-	-	-	(1,117,095)	(1,434,444)	-	(1,434,444)
At 31st December 2006	2,503,756	-	(392,830)	40,504	-	1,832,578	533,580	3,986,087	8,503,675	-	8,503,675

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	-	-	-	(8,023)	-	-	-	-	(8,023)	-	(8,023)
Profit for the period	-	-	-	-	-	-	-	1,089,811	1,089,811	-	1,089,811
Total recognised (expense)/income for the period	-	-	-	(8,023)	-	-	-	1,089,811	1,081,788	-	1,081,788
Dividends	-	-	-	-	-	-	-	(391,057)	(391,057)	-	(391,057)
Employee share options exercised	-	20,583	5,309	-	-	-	-	-	25,892	-	25,892
At 31st December 2007	2,503,756	36,835	(378,980)	97,898	-	2,082,578	533,580	5,135,713	10,011,380	-	10,011,380

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST DECEMBER 2007)

[CASH FLOW STATEMENTS]

	GROUP			BANK		
	6 mths to	6 mths to	Year to	6 mths to	6 mths to	Year to
	31-Dec-07	31-Dec-06	30-Jun-07	31-Dec-07	31-Dec-06	30-Jun-07
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net cash flows from trading activities	1,679,129	1,037,561	3,365,649	1,424,423	850,365	2,898,742
Net cash flows from other operating activities	3,601,998	3,361,981	5,024,226	4,546,521	3,120,859	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	(27,154)	(36,708)	(431,917)	-	-	(285,508)
Net cash flows from operating activities	4,884,749	4,062,999	7,212,846	5,579,887	3,662,565	6,070,046
Investing activities	273,693	(438,077)	(1,530,757)	(318,907)	(436,163)	(1,476,333)
Net cash flows before financing	5,158,442	3,624,922	5,682,089	5,260,980	3,226,402	4,593,713
Employee share options exercised	25,892	-	22,743	25,892	-	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)	(1,226)	(1,732)	(3,806)
Increase in cash and cash equivalents	5,184,334	3,666,339	5,746,497	5,285,646	3,264,352	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	(523,450)	174,477	(43,971)	-	-	-
Cash and cash equivalents carried forward	16,326,621	9,804,027	11,665,737	14,338,990	7,670,149	9,053,344

THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (31ST DECEMBER 2007)

[COMMENTS ON HALF YEAR RESULTS TO 31ST DECEMBER 2007]

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 six months to 31st December, 2007 reached Rs 1851 million, an increase of 62.4% over the corresponding period in 2006, while Earnings per share grew by an even better rate of 83%, reflecting the smaller number of shares in issue after the December 2006 buy-back of Lloyds TSB's stake in MCB.

These exceptional results were boosted by a non recurrent profit of Rs 425 million realized by the MCB Equity Fund Ltd on sale of part of its investments in Sun Resorts Ltd. Excluding this one off transaction, profits for the half year grew by a healthy 25% while Earnings per share for the period increased by 41.1% to reach Rs 6.01.

At bank level, Net Interest Income grew by 14.7% in spite of continuing downward pressure on investment yields resulting from a sharp drop in the bank rate in a very liquid market characterised by no repo activity.

On the other hand, substantial growth was realized in Non-interest income, profits from foreign currency dealings having increased by 60% and Commissions and Fees by 35% over the 2006 Group figures, which were abnormally low.

3. Prospects

The downward pressures experienced in the first semester on yields of Government stocks seem to be persisting, with issues of short-term paper systematically falling short of the excess liquidity.

Concurrently, the healthy improvement in the balance of payments is resulting in the firming up of the Mauritian Rupee, which, coupled with excess liquidity in the foreign exchange market, is putting increasing negative pressures on foreign currency profits and will affect, through translation differences, contributions from foreign banking operations.

Notwithstanding the above, the excellent momentum gathered on operations during the first half year and the expected growth in our loan book, in view of projects currently in the pipeline, will enable underlying growth in Earnings per share to be very healthy for the year overall, short of us being able to predict any further fall-out from the disruption in international financial markets.

By order of the Board

14th February 2008

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 12.21

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