

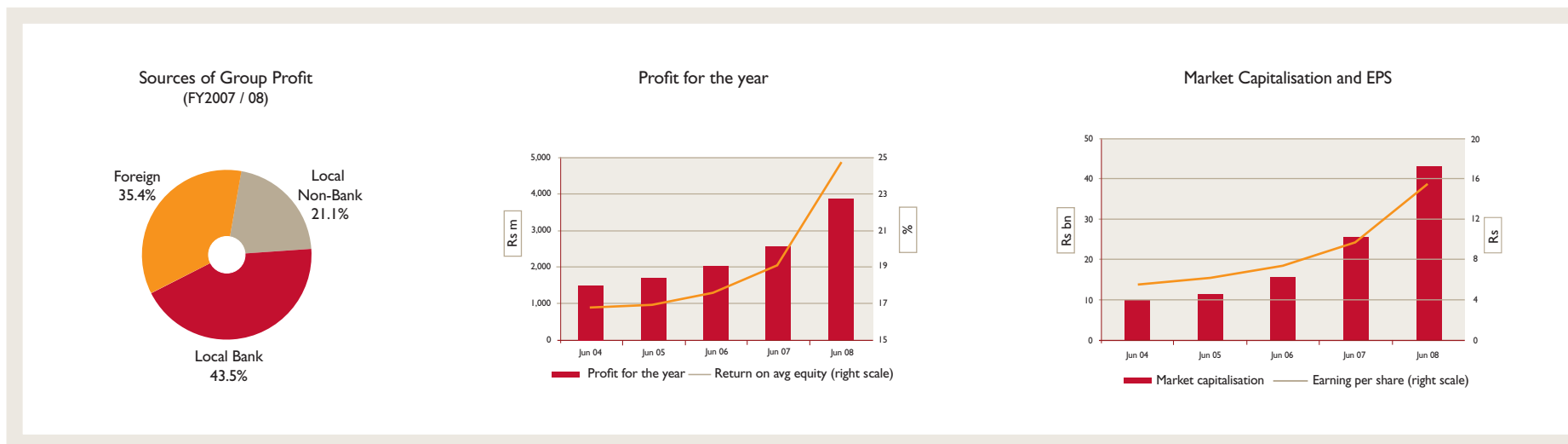
# MCB reaches new heights

The MCB Group has once again achieved excellent financial results. **Group Profit** attributable to its 17,000 shareholders grew by **50%** to reach **Rs 3.7 billion**. Even on excluding non-recurring profit of some Rs 425 million arising from the sale of investments by MCB Equity Fund in Sun Resorts Ltd., overall **Group Profit** was significantly up by **33%**. Despite the challenging operating environment, all major lines of business showed good progress notably in terms of volume growth and efficiency. **Operating Income** increased by **27.7%** to **Rs 7.5 billion** for the Group while **Operating Expenses** edged up by **15.9%** to **Rs 3.2 billion**, thus improving the **Cost to Income Ratio** to **43.2%**.

The diversification strategy, which started in the early 1990s, has been actively pursued last year with the MCB enlarging its regional footprint (by opening a new branch in the Maldives and a representative office in South Africa) while launching new business lines and enriching its palette of products and services. Income from non-banking activities accounted for 21.1% of Group Profit while Income from Foreign Sources increased to 35.4%, thus together representing, for the first time, more than 56% of Group results. The Bank also performed strongly with substantial increases in both loans and deposits.

Over FY 2007/08, the **MCB share price** increased by **67%**, thus considerably outperforming the market. **Dividend per share** rose by **57%** while **Earnings per Share** jumped by **60%** to reach **Rs 15,58**.

While the global financial turmoil could pose a serious test to the country in coming periods, the MCB is well geared to rise up to challenges in its operating environment on the strength of solid fundamentals as reflected in sound profitability, liquidity and capitalisation levels. Overall, the MCB Group remains cautiously optimistic for the coming year. The strategy of diversification will be further pursued while at the same time ensuring the best quality of service to customers. Simultaneously, the MCB will continue to improve its equipment, systems and processes while favouring an even more experienced, qualified and motivated workforce. Results for FY 2008/09, excluding non-recurrent items, are expected to continue to grow.



## THE MCB LTD. | ABRIDGED AUDITED FINANCIAL STATEMENTS (30TH JUNE 2008)

### [BALANCE SHEETS]

	Notes	GROUP			BANK		
		30-Jun-08 Rs'000	30-Jun-07 Rs'000	30-Jun-06 Rs'000	30-Jun-08 Rs'000	30-Jun-07 Rs'000	30-Jun-06 Rs'000
<b>ASSETS</b>							
<b>Cash resources</b>							
Cash and balances with Central Banks	3	5,776,456	6,235,477	5,509,108	4,434,230	4,042,455	4,015,691
Balances with banks and interbank loans	4	236,869	345,645	214,156	51,322	147,802	204,565
Balances with banks abroad	4	11,072,046	9,863,254	6,480,484	11,031,840	9,987,990	6,622,201
		<u>17,085,371</u>	<u>16,444,376</u>	<u>12,203,748</u>	<u>15,517,392</u>	<u>14,178,247</u>	<u>10,842,457</u>
<b>Securities and other investments</b>							
Securities	5	22,839,217	13,252,182	18,364,266	20,885,824	10,573,779	14,874,838
Other investments - available-for-sale	7	3,469,831	3,535,001	1,824,931	1,187,714	1,334,009	622,177
- derivative financial instruments	7	137,261	23,795	16,125	137,261	23,795	16,125
Investments in associates	8	6,022,694	5,281,108	3,256,832	885,586	875,530	872,151
Investments in subsidiaries	9	-	-	-	2,391,412	2,126,099	1,766,732
		<u>32,469,003</u>	<u>22,092,086</u>	<u>23,462,154</u>	<u>25,487,797</u>	<u>14,933,212</u>	<u>18,152,023</u>
<b>Loans</b>							
Personal and credit cards		14,933,346	14,761,071	11,385,708	14,579,503	12,969,386	11,085,228
Business		57,233,320	47,550,037	44,595,234	51,849,602	44,475,277	41,316,947
Governments		93,110	126,636	6,366	-	-	-
Entities outside Mauritius		8,565,944	6,652,786	5,736,880	8,565,944	6,652,786	5,736,880
		<u>80,825,720</u>	<u>69,090,530</u>	<u>61,724,188</u>	<u>74,995,049</u>	<u>64,097,449</u>	<u>58,139,055</u>
Less allowances for credit impairment		<u>(3,196,374)</u>	<u>(3,245,882)</u>	<u>(3,358,912)</u>	<u>(3,101,358)</u>	<u>(3,158,304)</u>	<u>(3,270,487)</u>
		<u>77,629,346</u>	<u>65,844,648</u>	<u>58,365,276</u>	<u>71,893,691</u>	<u>60,939,145</u>	<u>54,868,568</u>
<b>Other</b>							
Goodwill and other intangible assets	6	284,835	288,302	354,111	202,246	229,201	314,138
Property, plant and equipment	10	3,371,104	3,443,069	3,036,585	2,458,313	2,449,780	2,193,777
Deferred tax assets	11	15,140	15,844	31,980	13,153	15,096	31,647
Other assets	12	2,116,862	2,014,397	1,955,893	1,782,642	1,771,334	1,600,962
		<u>5,787,941</u>	<u>5,761,612</u>	<u>5,378,569</u>	<u>4,456,354</u>	<u>4,465,411</u>	<u>4,140,524</u>
		<u>132,971,661</u>	<u>110,142,722</u>	<u>99,409,747</u>	<u>117,355,234</u>	<u>94,516,015</u>	<u>88,003,572</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
<b>Deposits</b>							
Personal		69,217,086	61,893,853	56,951,011	63,854,268	57,229,612	53,748,473
Business		35,001,767	20,973,361	17,801,612	31,207,990	16,418,950	13,709,024
Governments		361,069	758,576	1,449,191	110,752	252,469	753,478
Banks		2,398,177	1,531,833	993,046	2,373,015	1,536,428	997,600
	15	<u>106,978,099</u>	<u>85,157,623</u>	<u>77,194,860</u>	<u>97,546,025</u>	<u>75,437,459</u>	<u>69,208,575</u>

**[BALANCE SHEETS]**

**Borrowings**

Borrowings from the Bank of Mauritius	<b>449,630</b>	840,329	1,056,122	<b>449,630</b>	840,329	1,056,122
Borrowings from other banks in Mauritius and banks abroad	<b>1,405,723</b>	3,938,310	5,184,415	<b>2,555,126</b>	4,284,574	5,380,538
Subordinated debt	<b>1,237,128</b>	1,411,108	-	<b>1,237,128</b>	1,411,108	-

14	<b>3,092,481</b>	6,189,747	6,240,537	<b>4,241,884</b>	6,536,011	6,436,660
----	------------------	-----------	-----------	------------------	-----------	-----------

**Other**

Other liabilities	<b>3,726,564</b>	3,475,399	3,245,244	<b>3,187,315</b>	2,918,087	2,671,798
Outstanding lease obligations	-	-	6,366	<b>554</b>	2,327	6,133
Proposed dividend	<b>687,981</b>	-	-	<b>687,981</b>	-	-
Current tax liabilities	<b>455,102</b>	383,833	271,598	<b>347,643</b>	327,374	239,501
Deferred tax liabilities	<b>37,044</b>	21,732	616	-	-	-

	<b>4,906,691</b>	3,880,964	3,523,824	<b>4,223,493</b>	3,247,788	2,917,432
--	------------------	-----------	-----------	------------------	-----------	-----------

**Capital and reserves attributable to the ordinary equity holders of the parent**

Share capital	<b>2,503,756</b>	2,503,756	2,821,105	<b>2,503,756</b>	2,503,756	2,821,105
Reserves and surplus	<b>5,263,318</b>	4,589,731	3,703,209	<b>3,378,775</b>	2,738,331	2,406,662
Retained earnings	<b>8,955,759</b>	6,765,698	6,203,437	<b>5,837,778</b>	4,436,959	4,605,968

	<b>16,722,833</b>	13,859,185	12,727,751	<b>11,720,309</b>	9,679,046	9,833,735
--	-------------------	------------	------------	-------------------	-----------	-----------

Less treasury shares

	<b>(376,477)</b>	(384,289)	(394,080)	<b>(376,477)</b>	(384,289)	(392,830)
	<b>16,346,356</b>	13,474,896	12,333,671	<b>11,343,832</b>	9,294,757	9,440,905

**Minority interest**

<b>Total equity</b>	<b>17,994,390</b>	14,914,388	12,450,526	<b>11,343,832</b>	9,294,757	9,440,905
---------------------	-------------------	------------	------------	-------------------	-----------	-----------

	<b>132,971,661</b>	110,142,722	99,409,747	<b>117,355,234</b>	94,516,015	88,003,572
--	--------------------	-------------	------------	--------------------	------------	------------

**CONTINGENT LIABILITIES**

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers, and foreign exchange contracts	<b>36,460,790</b>	25,892,067	16,707,977	<b>34,242,458</b>	24,663,631	15,888,362
Commitments	<b>6,000,729</b>	4,487,776	4,622,812	<b>5,815,689</b>	4,366,559	4,484,731

Assets pledged against facilities granted by the Bank of Mauritius

	-	-	1,014,515	-	-	1,014,515
--	---	---	-----------	---	---	-----------

Tax assessment	<b>220,642</b>	201,762	182,880	<b>220,642</b>	201,762	182,880
----------------	----------------	---------	---------	----------------	---------	---------

Other	<b>1,085,998</b>	1,071,586	782,368	<b>996,426</b>	995,853	765,011
-------	------------------	-----------	---------	----------------	---------	---------

20	<b>43,768,159</b>	31,653,191	23,310,552	<b>41,275,215</b>	30,227,805	22,335,499
----	-------------------	------------	------------	-------------------	------------	------------

## THE MCB LTD. | ABRIDGED AUDITED FINANCIAL STATEMENTS (30TH JUNE 2008)

### [INCOME STATEMENTS]

	GROUP			BANK		
	Year ended 30-Jun-08	Year ended 30-Jun-07	Year ended 30-Jun-06	Year ended 30-Jun-08	Year ended 30-Jun-07	Year ended 30-Jun-06
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Interest income</b>						
Interest on loans	8,197,694	7,068,108	5,494,526	7,530,085	6,475,536	5,057,539
Interest on investments in securities	1,364,311	1,232,702	1,157,577	1,232,742	1,012,713	994,082
Interest on placements with other banks	723,545	637,596	254,336	681,615	579,994	211,544
	21					
	<b>10,285,550</b>	<b>8,938,406</b>	<b>6,906,439</b>	<b>9,444,442</b>	<b>8,068,243</b>	<b>6,263,165</b>
<b>Interest expense</b>						
Interest on deposits	(5,862,395)	(4,889,524)	(3,449,997)	(5,493,414)	(4,616,568)	(3,296,931)
Interest on borrowings from banks and financial institutions	(246,102)	(428,923)	(350,365)	(274,384)	(418,632)	(296,272)
Other interest expense	(11,153)	(7,229)	(12,889)	(9,297)	(6,457)	(12,230)
	22					
	<b>(6,119,650)</b>	<b>(5,325,676)</b>	<b>(3,813,251)</b>	<b>(5,777,095)</b>	<b>(5,041,657)</b>	<b>(3,605,433)</b>
<b>Net interest income</b>	<b>4,165,900</b>	<b>3,612,730</b>	<b>3,093,188</b>	<b>3,667,347</b>	<b>3,026,586</b>	<b>2,657,732</b>
<b>Other income</b>						
Fee income and commissions	1,377,965	1,108,301	835,757	1,024,181	839,650	716,235
Profit arising from dealing in foreign currencies	1,223,559	987,138	670,908	1,074,286	863,657	596,670
Dividend income	118,668	82,713	58,829	206,486	221,374	149,875
Net gain on sale of securities	536,448	9,903	30,051	397,191	-	58,995
Other	48,577	50,439	41,275	1,981	4,464	10,283
	<b>3,305,217</b>	<b>2,238,494</b>	<b>1,636,820</b>	<b>2,704,125</b>	<b>1,929,145</b>	<b>1,532,058</b>
<b>Operating income</b>	<b>7,471,117</b>	<b>5,851,224</b>	<b>4,730,008</b>	<b>6,371,472</b>	<b>4,955,731</b>	<b>4,189,790</b>
<b>Non-interest expense</b>						
Salaries and human resource development	(1,581,067)	(1,280,699)	(1,122,296)	(1,441,237)	(1,166,005)	(1,035,480)
Employee benefits	(13,228)	(63,337)	(67,782)	(13,228)	(63,337)	(67,782)
Depreciation	(436,823)	(303,730)	(236,127)	(335,961)	(217,780)	(192,736)
Amortisation of intangible assets	(104,897)	(110,935)	(97,178)	(96,114)	(106,003)	(96,158)
Other	(1,089,144)	(1,023,457)	(834,453)	(780,086)	(720,655)	(603,366)
	24					
	<b>(3,225,159)</b>	<b>(2,782,158)</b>	<b>(2,357,836)</b>	<b>(2,666,626)</b>	<b>(2,273,780)</b>	<b>(1,995,522)</b>
<b>Operating profit before provisions</b>	<b>4,245,958</b>	<b>3,069,066</b>	<b>2,372,172</b>	<b>3,704,846</b>	<b>2,681,951</b>	<b>2,194,268</b>
Allowance for credit impairment	(425,889)	(375,928)	(320,154)	(408,417)	(370,598)	(313,203)
	25					
	<b>3,820,069</b>	<b>2,693,138</b>	<b>2,052,018</b>	<b>3,296,429</b>	<b>2,311,353</b>	<b>1,881,065</b>
<b>Operating profit</b>	<b>640,839</b>	<b>414,392</b>	<b>282,390</b>	<b>-</b>	<b>-</b>	<b>-</b>
Share of income of associated companies	-	-	78,675	-	-	37,800
Exceptional items	-	-	-	-	-	-
<b>Profit before tax</b>	<b>4,460,908</b>	<b>3,107,530</b>	<b>2,413,083</b>	<b>3,296,429</b>	<b>2,311,353</b>	<b>1,918,865</b>
Income tax expense	(575,180)	(560,822)	(399,632)	(395,394)	(389,932)	(311,802)
	26					
	<b>3,885,728</b>	<b>2,546,708</b>	<b>2,013,451</b>	<b>2,901,035</b>	<b>1,921,421</b>	<b>1,607,063</b>

**[INCOME STATEMENTS]**

**Attributable to:**

Ordinary equity holders of the parent	<b>3,693,734</b>	2,460,845	1,986,423	<b>2,901,035</b>	1,921,421	1,607,063
Minority interest	<b>191,994</b>	85,863	27,028	-	-	-
	<b>3,885,728</b>	2,546,708	2,013,451	<b>2,901,035</b>	1,921,421	1,607,063

Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent after exceptional items (Rs)	28	<b>15.58</b>	9.74	7.40
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent before exceptional items (Rs)	28	<b>15.58</b>	9.74	7.11
Dividends per share (Rs)		<b>4.55</b>	2.90	2.12
Basic weighted average number of shares (thousands)	28	<b>237,112</b>	252,534	268,399
Diluted weighted average number of shares (thousands)	28	<b>237,133</b>	252,544	268,399

**THE MCB LTD. | ABRIDGED AUDITED FINANCIAL STATEMENTS (30TH JUNE 2008)**

**[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 Reserve	General Banking	Retained Earnings	Total	Minority Interest	Total Equity
Notes		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>GROUP</b>												
	<b>At 1st July 2005</b>	<b>2,821,105</b>	-	<b>(393,789)</b>	<b>406,616</b>	<b>162,064</b>	<b>1,582,578</b>	<b>537,499</b>	<b>5,116,005</b>	<b>10,232,078</b>	<b>110,537</b>	<b>10,342,615</b>
	Adjustment of fair value of assets in associate	-	-	-	-	-	-	-	(45,575)	(45,575)	-	(45,575)
	As restated	2,821,105	-	(393,789)	406,616	162,064	1,582,578	537,499	5,070,430	10,186,503	110,537	10,297,040
	Share of increase in reserves of associates	-	-	-	568,213	131,484	-	-	-	699,697	-	699,697
	Investment in subsidiary	-	-	-	-	-	-	-	-	-	25	25
	Transfer on disposal of investment	-	-	-	(6,339)	-	-	-	-	(6,339)	-	(6,339)
	Currency translation difference	-	-	-	-	14,613	-	-	-	14,613	(637)	13,976
	Fair value gain	-	-	-	22,071	-	-	-	-	22,071	-	22,071
	Net income/(expense) recognised directly in equity	-	-	-	583,945	146,097	-	-	-	730,042	(612)	729,430
	Profit for the year	-	-	-	-	-	-	-	1,986,423	1,986,423	27,028	2,013,451
	Total recognised income for the year	-	-	-	583,945	146,097	-	-	1,986,423	2,716,465	26,416	2,742,881
	Dividends	-	-	-	-	-	-	-	(569,006)	(569,006)	(20,098)	(589,104)
	Transfer to general banking reserve	-	-	-	-	-	-	34,410	(34,410)	-	-	-
	Transfer to statutory reserve	-	-	-	-	-	250,000	-	(250,000)	-	-	-
	Purchase of treasury shares	-	-	(291)	-	-	-	-	-	(291)	-	(291)
	<b>At 30th June 2006</b>	<b>2,821,105</b>	-	<b>(394,080)</b>	<b>990,561</b>	<b>308,161</b>	<b>1,832,578</b>	<b>571,909</b>	<b>6,203,437</b>	<b>12,333,671</b>	<b>116,855</b>	<b>12,450,526</b>
	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
	<b>At 30th June 2007</b>	<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>1,517,128</b>	<b>401,242</b>	<b>2,082,578</b>	<b>572,531</b>	<b>6,765,698</b>	<b>13,474,896</b>	<b>1,439,492</b>	<b>14,914,388</b>

[STATEMENTS OF CHANGES IN EQUITY]

Share of increase in reserves of associates	-	-	45,149	44,052	-	-	-	89,201	33,289	122,490
Transfer on disposal of investment	-	-	(240,321)	-	-	-	-	(240,321)	-	(240,321)
Currency translation difference	-	-	-	(115,182)	-	-	-	(115,182)	12,518	(102,664)
Fair value gain	-	-	481,108	-	-	-	-	481,108	-	481,108
Net income/(expense) recognised directly in equity	-	-	285,936	(71,130)	-	-	-	214,806	45,807	260,613
Profit for the year	-	-	-	-	-	-	3,693,734	3,693,734	191,994	3,885,728
Total recognised income/(expense) for the year	-	-	285,936	(71,130)	-	-	3,693,734	3,908,540	237,801	4,146,341
Increase in shareholding in subsidiaries	-	-	-	-	-	-	-	-	(15,576)	(15,576)
Net assets disposed of by subsidiary	-	-	-	-	-	-	-	-	11,377	11,377
Profit on deemed disposal of subsidiary	-	-	-	-	-	-	11,108	11,108	1,234	12,342
Dividends	27	-	-	-	-	-	(1,079,038)	(1,079,038)	(26,294)	(1,105,332)
Transfer to general banking reserve	-	-	-	-	-	6,219	(6,219)	-	-	-
Transfer to statutory reserve	-	-	-	-	429,524	-	(429,524)	-	-	-
Employee share options exercised	-	23,038	7,812	-	-	-	-	30,850	-	30,850
<b>At 30th June 2008</b>		<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>1,803,064</b>	<b>330,112</b>	<b>2,512,102</b>	<b>578,750</b>	<b>8,955,759</b>	<b>16,346,356</b>
									<b>1,648,034</b>	<b>17,994,390</b>

**BANK**

<b>At 1st July 2005</b>		<b>2,821,105</b>	-	<b>(392,539)</b>	<b>45,550</b>	-	<b>1,582,578</b>	<b>503,610</b>	<b>3,847,881</b>	<b>8,408,185</b>	-	<b>8,408,185</b>
Transfer on disposal of investments	-	-	-	(36,571)	-	-	-	-	(36,571)	-	(36,571)	
Fair value gain	-	-	-	31,525	-	-	-	-	31,525	-	31,525	
Net expense recognised directly in equity	-	-	-	(5,046)	-	-	-	-	(5,046)	-	(5,046)	
Profit for the year	-	-	-	-	-	-	-	1,607,063	1,607,063	-	1,607,063	
Total recognised (expense)/income for the year	-	-	-	(5,046)	-	-	-	1,607,063	1,602,017	-	1,602,017	
Dividends	27	-	-	-	-	-	-	(569,006)	(569,006)	-	(569,006)	
Transfer to general banking reserve	-	-	-	-	-	-	29,970	(29,970)	-	-	-	
Transfer to statutory reserve	-	-	-	-	-	250,000	-	(250,000)	-	-	-	
Purchase of treasury shares	-	-	(291)	-	-	-	-	-	(291)	-	(291)	
<b>At 30th June 2006</b>		<b>2,821,105</b>	-	<b>(392,830)</b>	<b>40,504</b>	-	<b>1,832,578</b>	<b>533,580</b>	<b>4,605,968</b>	<b>9,440,905</b>	-	<b>9,440,905</b>
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	27	-	-	-	-	-	-	(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	
<b>At 30th June 2007</b>		<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>105,921</b>	-	<b>2,082,578</b>	<b>533,580</b>	<b>4,436,959</b>	<b>9,294,757</b>	-	<b>9,294,757</b>
Fair value gain recognised directly in equity	-	-	-	196,228	-	-	-	-	196,228	-	196,228	
Profit for the year	-	-	-	-	-	-	-	2,901,035	2,901,035	-	2,901,035	
Total recognised income for the year	-	-	-	196,228	-	-	-	2,901,035	3,097,263	-	3,097,263	
Dividends	27	-	-	-	-	-	-	(1,079,038)	(1,079,038)	-	(1,079,038)	
Transfer to statutory reserve	-	-	-	-	-	421,178	-	(421,178)	-	-	-	
Employee share options exercised	-	23,038	7,812	-	-	-	-	-	30,850	-	30,850	
<b>At 30th June 2008</b>		<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>302,149</b>	-	<b>2,503,756</b>	<b>533,580</b>	<b>5,837,778</b>	<b>11,343,832</b>	-	<b>11,343,832</b>

## THE MCB LTD. | ABRIDGED AUDITED FINANCIAL STATEMENTS (30TH JUNE 2008)

### [CASH FLOW STATEMENTS]

	GROUP			BANK			
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	
	2008	2007	2006	2008	2007	2006	
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
Net cash flows from trading activities	30	4,142,007	3,365,649	3,615,927	3,672,373	2,898,742	3,216,461
Net cash flows from other operating activities	31	629,434	5,024,226	2,248,394	531,464	4,180,147	2,435,644
Dividends received from associates		34,668	11,898	45,235	-	-	-
Dividends paid		(391,057)	(723,335)	(842,824)	(391,057)	(723,335)	(842,824)
Dividends paid to minority shareholders in subsidiaries		(26,294)	(33,675)	(20,098)	-	-	-
Income tax paid		(476,005)	(431,917)	(447,467)	(373,182)	(285,508)	(337,493)
<b>Net cash flows from operating activities</b>		<b>3,912,753</b>	<b>7,212,846</b>	<b>4,599,167</b>	<b>3,439,598</b>	<b>6,070,046</b>	<b>4,471,788</b>
Investing activities		146,192	(1,530,757)	(1,227,843)	193,272	(1,476,333)	(1,101,416)
<b>Net cash flows before financing</b>		<b>4,058,945</b>	<b>5,682,089</b>	<b>3,371,324</b>	<b>3,632,870</b>	<b>4,593,713</b>	<b>3,370,372</b>
Purchase of treasury shares		-	-	(291)	-	-	(291)
Issue of shares by local subsidiary		23,719	-	-	-	-	-
Employee share options exercised		28,842	22,743	-	28,842	22,743	-
Subordinated loan to subsidiary		-	-	-	(200,647)	(4,785)	(21,870)
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		-	(1,835)	(5,052)	(1,773)	(3,806)	(4,861)
<b>Increase in cash and cash equivalents</b>		<b>4,111,506</b>	<b>5,746,497</b>	<b>3,365,981</b>	<b>3,459,292</b>	<b>4,647,547</b>	<b>3,343,350</b>
Cash and cash equivalents at 1st July 2007		11,665,737	5,963,211	2,549,498	9,053,344	4,405,797	1,062,447
Effect of foreign exchange rate changes		(547,225)	(43,971)	47,732	-	-	-
<b>Cash and cash equivalents at 30th June 2008</b>	32	<b>15,230,018</b>	<b>11,665,737</b>	<b>5,963,211</b>	<b>12,512,636</b>	<b>9,053,344</b>	<b>4,405,797</b>

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

These financial statements were approved for issue by the Board of Directors on the 29th September 2008.

(S) Pierre-Guy NOEL  
Chief Executive (Group)

(S) Antony Withers  
Chief Executive (Banking)

(S) J. Gérard HARDY  
Director  
President of the Board

(S) Bertrand de CHAZAL  
Director  
Chairman Audit Committee

*This communiqué is issued pursuant to Listing Rule 12.20.*

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