

## THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 2008)

### [BALANCE SHEETS]

	<b>GROUP</b>			<b>BANK</b>		
	30-Sep-08 <i>Rs'000</i>	30-Sep-07 <i>Rs'000</i>	30-Jun-08 <i>Rs'000</i>	30-Sep-08 <i>Rs'000</i>	30-Sep-07 <i>Rs'000</i>	30-Jun-08 <i>Rs'000</i>
<b>ASSETS</b>						
<b>Cash resources</b>						
Cash and balances with Central Banks	9,243,870	5,354,875	5,776,456	7,587,378	4,521,737	4,434,230
Balances with banks and interbank loans	160,193	991,267	236,869	17,197	648,240	51,322
Balances with banks abroad	8,357,458	10,036,853	11,072,046	8,410,633	10,052,305	11,031,840
	<b>17,761,521</b>	<b>16,382,995</b>	<b>17,085,371</b>	<b>16,015,208</b>	<b>15,222,282</b>	<b>15,517,392</b>
<b>Securities and other investments</b>						
Securities	20,053,105	13,366,227	22,839,217	17,843,863	10,810,063	20,885,824
Other investments - available-for-sale	3,301,722	3,561,465	3,469,831	969,023	1,317,361	1,187,714
- derivative financial instruments	192,713	33,434	137,261	192,713	33,434	137,261
Investments in associates	5,861,792	5,433,101	6,022,694	857,545	885,626	885,586
Investments in subsidiaries	-	-	-	2,578,147	2,160,872	2,391,412
	<b>29,409,332</b>	<b>22,394,227</b>	<b>32,469,003</b>	<b>22,441,291</b>	<b>15,207,356</b>	<b>25,487,797</b>
<b>Loans</b>						
<b>Other</b>						
Goodwill and other intangible assets	273,276	268,746	284,835	186,806	209,467	202,246
Property, plant and equipment	3,535,936	3,434,862	3,371,104	2,612,848	2,492,374	2,458,313
Deferred tax assets	16,011	13,408	15,140	14,171	12,667	13,153
Other assets	2,526,199	2,153,599	2,116,862	2,000,622	1,877,278	1,782,642
	<b>6,351,422</b>	<b>5,870,615</b>	<b>5,787,941</b>	<b>4,814,447</b>	<b>4,591,786</b>	<b>4,456,354</b>
	<b>137,809,588</b>	<b>110,929,871</b>	<b>132,971,661</b>	<b>122,144,664</b>	<b>96,370,754</b>	<b>117,355,234</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Deposits</b>						
	<b>109,133,410</b>	<b>87,388,762</b>	<b>106,978,099</b>	<b>99,195,225</b>	<b>78,600,656</b>	<b>97,546,025</b>
<b>Borrowings</b>						
Borrowings from the Bank of Mauritius	360,126	767,752	449,630	360,126	767,752	449,630
Borrowings from other banks in Mauritius and banks abroad	4,789,557	2,466,737	1,405,723	6,284,872	3,107,618	2,555,126
Subordinated debt	1,272,581	1,374,330	1,237,128	1,272,581	1,374,330	1,237,128
	<b>6,422,264</b>	<b>4,608,819</b>	<b>3,092,481</b>	<b>7,917,579</b>	<b>5,249,700</b>	<b>4,241,884</b>

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### [BALANCE SHEETS]

#### Other

Other liabilities	3,194,838	2,791,358	3,726,564	2,643,616	2,307,389	3,187,315
Outstanding lease obligations	-	-	-	370	1,661	554
Proposed dividend	-	-	687,981	-	-	687,981
Current tax liabilities	556,314	495,096	455,102	459,179	407,892	347,643
Deferred tax liabilities	38,150	20,529	37,044	-	-	-
	<u>3,789,302</u>	<u>3,306,983</u>	<u>4,906,691</u>	<u>3,103,165</u>	<u>2,716,942</u>	<u>4,223,493</u>

#### 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	4,862,127	4,628,738	5,263,318	3,293,133	2,735,800	3,378,775
Retained earnings	9,833,826	7,404,149	8,955,759	6,508,116	4,948,189	5,837,778
	<u>17,199,709</u>	<u>14,536,643</u>	<u>16,722,833</u>	<u>12,305,005</u>	<u>10,187,745</u>	<u>11,720,309</u>
Less treasury shares	(376,310)	(384,289)	(376,477)	(376,310)	(384,289)	(376,477)
	<u>16,823,399</u>	<u>14,152,354</u>	<u>16,346,356</u>	<u>11,928,695</u>	<u>9,803,456</u>	<u>11,343,832</u>
Minority interest	1,641,213	1,472,953	1,648,034	-	-	-
Total equity	<u>18,464,612</u>	<u>15,625,307</u>	<u>17,994,390</u>	<u>11,928,695</u>	<u>9,803,456</u>	<u>11,343,832</u>
	<u>137,809,588</u>	<u>110,929,871</u>	<u>132,971,661</u>	<u>122,144,664</u>	<u>96,370,754</u>	<u>117,355,234</u>

#### CONTINGENT LIABILITIES

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers, and foreign exchange contracts	36,309,927	27,616,920	36,460,790	34,606,329	25,509,768	34,242,458
Commitments	6,956,430	4,267,169	6,000,729	6,801,626	4,113,007	5,815,689
Tax assessment	225,363	206,483	220,642	225,363	206,483	220,642
Other	1,115,799	1,040,649	1,085,998	974,727	970,794	996,426
	<u>44,607,519</u>	<u>33,131,221</u>	<u>43,768,159</u>	<u>42,608,045</u>	<u>30,800,052</u>	<u>41,275,215</u>

**THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 2008)**  
**[INCOME STATEMENTS]**

	GROUP			BANK		
	3 mths to 30-Sep-08 Rs'000	3 mths to 30-Sep-07 Rs'000	Year to 30-Jun-08 Rs'000	3 mths to 30-Sep-08 Rs'000	3 mths to 30-Sep-07 Rs'000	Year to 30-Jun-08 Rs'000
Interest income	2,737,166	2,476,518	10,285,550	2,504,986	2,279,500	9,444,442
Interest expense	(1,531,754)	(1,557,907)	(6,119,650)	(1,422,587)	(1,442,547)	(5,777,095)
<b>Net interest income</b>	<b>1,205,412</b>	<b>918,611</b>	<b>4,165,900</b>	<b>1,082,399</b>	<b>836,953</b>	<b>3,667,347</b>
Other income	698,387	690,441	3,305,217	536,753	510,287	2,704,125
<b>Operating income</b>	<b>1,903,799</b>	<b>1,609,052</b>	<b>7,471,117</b>	<b>1,619,152</b>	<b>1,347,240</b>	<b>6,371,472</b>
Non-interest expense	(881,803)	(793,347)	(3,225,159)	(747,763)	(663,326)	(2,666,626)
<b>Operating profit before provisions</b>	<b>1,021,996</b>	<b>815,705</b>	<b>4,245,958</b>	<b>871,389</b>	<b>683,914</b>	<b>3,704,846</b>
Allowance for credit impairment	(96,868)	(97,010)	(425,889)	(90,533)	(89,737)	(408,417)
<b>Operating profit</b>	<b>925,128</b>	<b>718,695</b>	<b>3,820,069</b>	<b>780,856</b>	<b>594,177</b>	<b>3,296,429</b>
Share of income of associated companies	139,597	64,973	640,839	-	-	-
<b>Profit before tax</b>	<b>1,064,725</b>	<b>783,668</b>	<b>4,460,908</b>	<b>780,856</b>	<b>594,177</b>	<b>3,296,429</b>
Income tax expense	(150,740)	(131,284)	(575,180)	(110,518)	(82,947)	(395,394)
<b>Profit for the period</b>	<b>913,985</b>	<b>652,384</b>	<b>3,885,728</b>	<b>670,338</b>	<b>511,230</b>	<b>2,901,035</b>
<b>Attributable to :-</b>						
Ordinary equity holders of the parent	880,375	645,960	3,693,734	670,338	511,230	2,901,035
Minority interest	33,610	6,424	191,994	-	-	-
	<b>913,985</b>	<b>652,384</b>	<b>3,885,728</b>	<b>670,338</b>	<b>511,230</b>	<b>2,901,035</b>
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	<u>3.71</u>	<u>2.73</u>	<u>15.58</u>			
Basic weighted average number of shares (thousands)	<u>237,239</u>	<u>236,962</u>	<u>237,112</u>			
Diluted weighted average number of shares (thousands)	<u>237,260</u>	<u>236,984</u>	<u>237,133</u>			

**THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 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	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
<b>GROUP</b>											
<b>At 1st July 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>
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)	-	-	-
<b>At 30th September 2007</b>	<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>1,576,225</b>	<b>373,643</b>	<b>2,089,834</b>	<b>572,784</b>	<b>7,404,149</b>	<b>14,152,354</b>	<b>1,472,953</b>	<b>15,625,307</b>
<b>At 1st July 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>
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 of subsidiaries	-	-	-	-	-	-	-	-	-	(15,576)	(15,576)
Net asset disposed of by subsidiary	-	-	-	-	-	-	-	-	-	11,377	11,377
Profit on deemed disposal of subsidiary	-	-	-	-	-	-	-	11,108	11,108	1,234	12,342
Dividends	-	-	-	-	-	-	-	(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>

## THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 2008)

### [STATEMENTS OF CHANGES IN EQUITY]

Share of decrease in reserves of associates	-	-	-	(59,363)	(131,615)	-	-	-	(190,978)	(43,771)	(234,749)
Transfer on disposal of investment	-	-	-	(1,241)	-	-	-	-	(1,241)	-	(1,241)
Currency translation difference	-	-	-	-	(13,340)	-	-	-	(13,340)	(2,980)	(16,320)
Fair value (loss)/gain	-	-	-	(198,462)	-	-	-	-	(198,462)	3,866	(194,596)
Net expense recognised directly in equity	-	-	-	(259,066)	(144,955)	-	-	-	(404,021)	(42,885)	(446,906)
Profit for the period	-	-	-	-	-	-	-	880,375	880,375	33,610	913,985
Total recognised (expense)/income for the period	-	-	-	(259,066)	(144,955)	-	-	880,375	476,354	(9,275)	467,079
Contribution of minority in new subsidiary	-	-	-	-	-	-	-	-	-	20,000	20,000
Dividends	-	-	-	-	-	-	-	-	-	(17,546)	(17,546)
Transfer to general banking reserve	-	-	-	-	-	-	2,308	(2,308)	-	-	-
Employee share options exercised	-	522	167	-	-	-	-	-	689	-	689
<b>At 30th September 2008</b>	<b>2,503,756</b>	<b>39,812</b>	<b>(376,310)</b>	<b>1,543,998</b>	<b>185,157</b>	<b>2,512,102</b>	<b>581,058</b>	<b>9,833,826</b>	<b>16,823,399</b>	<b>1,641,213</b>	<b>18,464,612</b>

### BANK

<b>At 1st July 2007</b>	<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>105,921</b>	<b>-</b>	<b>2,082,578</b>	<b>533,580</b>	<b>4,436,959</b>	<b>9,294,757</b>	<b>-</b>	<b>9,294,757</b>
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
<b>At 30th September 2007</b>	<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>103,390</b>	<b>-</b>	<b>2,082,578</b>	<b>533,580</b>	<b>4,948,189</b>	<b>9,803,456</b>	<b>-</b>	<b>9,803,456</b>

<b>At 1st July 2007</b>	<b>2,503,756</b>	<b>16,252</b>	<b>(384,289)</b>	<b>105,921</b>	<b>-</b>	<b>2,082,578</b>	<b>533,580</b>	<b>4,436,959</b>	<b>9,294,757</b>	<b>-</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	-	-	-	-	-	-	-	(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>-</b>	<b>2,503,756</b>	<b>533,580</b>	<b>5,837,778</b>	<b>11,343,832</b>	<b>-</b>	<b>11,343,832</b>
Fair value loss recognised directly in equity	-	-	-	(86,164)	-	-	-	-	(86,164)	-	(86,164)
Profit for the period	-	-	-	-	-	-	-	670,338	670,338	-	670,338
Total recognised (expense)/income for the period	-	-	-	(86,164)	-	-	-	670,338	584,174	-	584,174
Employee share options exercised	-	522	167	-	-	-	-	-	689	-	689
<b>At 30th September 2008</b>	<b>2,503,756</b>	<b>39,812</b>	<b>(376,310)</b>	<b>215,985</b>	<b>-</b>	<b>2,503,756</b>	<b>533,580</b>	<b>6,508,116</b>	<b>11,928,695</b>	<b>-</b>	<b>11,928,695</b>

## THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 2008)

### [CASH FLOW STATEMENTS]

	GROUP			BANK		
	3 mths to 30-Sep-08 <i>Rs'000</i>	3 mths to 30-Sep-07 <i>Rs'000</i>	Year to 30-Jun-08 <i>Rs'000</i>	3 mths to 30-Sep-08 <i>Rs'000</i>	3 mths to 30-Sep-07 <i>Rs'000</i>	Year to 30-Jun-08 <i>Rs'000</i>
Net cash flows from trading activities	248,673	(66,033)	4,142,007	178,146	(120,096)	3,672,373
Net cash flows from other operating activities	(1,845,455)	1,990,741	629,434	(2,339,661)	2,568,296	531,464
Dividends received from associates	38,714	34,668	34,668	-	-	-
Dividends paid	(687,981)	-	(391,057)	(687,981)	-	(391,057)
Dividends paid to minority shareholders in subsidiaries	(17,546)	(4,058)	(26,294)	-	-	-
Income tax paid	(48,724)	(14,750)	(476,005)	-	-	(373,182)
<b>Net cash flows from operating activities</b>	<b>(2,312,319)</b>	<b>1,940,568</b>	<b>3,912,753</b>	<b>(2,849,496)</b>	<b>2,448,200</b>	<b>3,439,598</b>
Investing activities	(326,526)	(178,940)	146,192	(371,126)	(153,966)	193,272
<b>Net cash flows before financing</b>	<b>(2,638,845)</b>	<b>1,761,628</b>	<b>4,058,945</b>	<b>(3,220,622)</b>	<b>2,294,234</b>	<b>3,632,870</b>
Issue of shares by new subsidiary	20,000	-	23,719	-	-	-
Employee share options exercised	689	-	28,842	689	-	28,842
Subordinated loan to subsidiary	-	-	-	-	-	(200,647)
Refund of subordinated loan by subsidiary	-	-	-	77,691	-	-
Capital element of finance lease rental payments	-	-	-	(184)	(666)	(1,773)
<b>Increase in cash and cash equivalents</b>	<b>(2,618,156)</b>	<b>1,761,628</b>	<b>4,111,506</b>	<b>(3,142,426)</b>	<b>2,293,568</b>	<b>3,459,292</b>
Cash and cash equivalents brought forward	15,230,018	11,665,737	11,665,737	12,512,636	9,053,344	9,053,344
Effect of foreign exchange rate changes	(26)	(278,859)	(547,225)	-	-	-
<b>Cash and cash equivalents carried forward</b>	<b>12,611,836</b>	<b>13,148,506</b>	<b>15,230,018</b>	<b>9,370,210</b>	<b>11,346,912</b>	<b>12,512,636</b>

## THE MCB LTD. | ABRIDGED UNAUDITED INTERIM FINANCIAL STATEMENTS (30TH SEPTEMBER 2008)

### [COMMENTS ON FINANCIAL STATEMENTS]

#### RESULTS

Group results for the quarter to 30th September, 2008 reached Rs 880 million, an increase of 36% over those of the corresponding period in 2007, and earnings per share climbed to Rs 3.71.

This excellent performance reflects the momentum gained in Balance sheet growth during the latter part of the last financial year and which has continued during the quarter under review. Group loans and deposits grew by 27% and 25% respectively during the year to 30th September, 2008.

All our lines of business are still growing at a very good pace and have healthily contributed to the rise in operating income. Non-interest expenses, which increased by 11% for the quarter, have been kept well under control and the positive trend in the level of non-performing loans, noted over the previous years, has continued, with NPL ratios further down from their 30th June 2008 positions.

#### PROSPECTS

While the pace of asset growth is not expected to persist, the strong performance of the first quarter will weigh positively on the results of the rest of the financial year. However, there seems to be little doubt that the current global financial crisis will have an impact on several sectors of the Mauritian economy. The direct consequences thereof and any spill-over effects in the medium term are, at present, very difficult to evaluate. The MCB Group is not exposed to any of the highly speculative or risky products and transactions which were at the root of the banking disasters elsewhere in the developed world and has a Capital adequacy ratio above 15%, which is well in excess of international regulatory norms.

Based on current available data, and notwithstanding any sudden or systemic deterioration of the economic environment in Mauritius and in the region, results of the MCB Group for the first half of the current financial year, excluding profits from sale of securities, should show a growth rate in excess of 25%.

#### DIVIDEND DECLARATION

The Board of directors have declared an interim dividend of Rs 2.25 per share for the year to 30th June, 2009.

#### By order of the Board

*14th November 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 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.*