

### Statements of Financial Position

#### ASSETS

	GROUP			BANK		
	31-Dec-09 Rs'000	31-Dec-08 Rs'000	30-Jun-09 Rs'000	31-Dec-09 Rs'000	31-Dec-08 Rs'000	30-Jun-09 Rs'000
Cash and cash equivalents	19,077,243	15,334,749	21,945,475	17,544,551	14,378,398	20,725,941
Derivative financial instruments	20,240	172,813	120,408	20,240	172,813	120,408
Loans and advances to banks	1,141,732	2,690,363	2,318,568	971,574	2,639,610	2,222,735
Loans and advances to customers	98,882,106	90,591,317	94,540,496	93,843,869	85,499,774	89,128,211
Investment securities	19,322,477	19,579,917	17,731,647	15,239,239	15,908,584	14,032,673
Investments in associates	6,613,123	6,047,525	6,490,699	899,728	902,817	914,593
Investments in subsidiaries	-	-	-	3,071,972	2,688,754	3,019,830
Goodwill and other intangible assets	524,683	281,970	360,025	379,372	191,703	275,728
Property, plant and equipment	4,205,158	3,523,277	3,839,527	3,420,196	2,611,405	3,008,629
Deferred tax assets	36,549	28,815	29,654	25,084	27,008	26,146
Other assets	3,362,244	3,072,782	3,099,844	2,210,901	1,986,367	1,934,679
<b>Total assets</b>	<b>153,185,555</b>	<b>141,323,528</b>	<b>150,476,343</b>	<b>137,626,726</b>	<b>127,007,233</b>	<b>135,409,573</b>

#### LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits from banks	1,007,610	1,066,822	1,609,655	2,762,925	2,425,622	3,569,403
Deposits from customers	122,761,574	111,084,117	119,631,291	113,548,871	102,866,018	110,937,039
Derivative financial instruments	35,630	96,767	44,544	35,630	96,767	44,544
Other borrowed funds	2,745,976	4,734,302	2,285,933	2,520,166	4,420,917	1,579,269
Subordinated liabilities	1,354,926	1,439,579	1,471,555	1,354,926	1,439,579	1,471,555
Current tax liabilities	321,978	597,793	758,314	228,124	472,191	628,659
Deferred tax liabilities	36,963	28,606	37,365	-	-	-
Other liabilities	3,601,763	3,647,507	4,505,804	2,970,217	3,165,736	3,925,929
<b>Total liabilities</b>	<b>131,866,420</b>	<b>122,695,493</b>	<b>130,344,461</b>	<b>123,420,859</b>	<b>114,886,830</b>	<b>122,156,398</b>

#### Shareholders' Equity

Share capital and share premium	2,553,670	2,544,998	2,544,998	2,553,670	2,544,998	2,544,998
Retained earnings	12,764,326	10,260,400	11,611,885	8,663,892	6,693,519	7,803,419
Other components of equity	4,785,358	4,699,138	4,792,928	3,361,856	3,257,743	3,280,615
Less treasury shares	(373,551)	(375,857)	(375,857)	(373,551)	(375,857)	(375,857)
<b>Equity attributable to the ordinary equity holders of the parent</b>	<b>19,729,803</b>	<b>17,128,679</b>	<b>18,573,954</b>	<b>14,205,867</b>	<b>12,120,403</b>	<b>13,253,175</b>
Non-controlling interests	1,589,332	1,499,356	1,557,928	-	-	-
<b>Total equity</b>	<b>21,319,135</b>	<b>18,628,035</b>	<b>20,131,882</b>	<b>14,205,867</b>	<b>12,120,403</b>	<b>13,253,175</b>
<b>Total equity and liabilities</b>	<b>153,185,555</b>	<b>141,323,528</b>	<b>150,476,343</b>	<b>137,626,726</b>	<b>127,007,233</b>	<b>135,409,573</b>

#### CONTINGENT LIABILITIES

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers, and foreign exchange contracts	27,964,605	32,555,670	27,716,854	26,237,173	30,821,143	25,833,520
Commitments	6,089,359	7,331,611	7,311,152	6,010,947	7,180,819	7,115,364
Tax assessments	342,022	230,083	278,274	342,022	230,083	278,274
Other	1,227,285	1,336,840	969,117	1,227,285	1,114,730	969,117
	<b>35,623,271</b>	<b>41,454,204</b>	<b>36,275,397</b>	<b>33,817,427</b>	<b>39,346,775</b>	<b>34,196,275</b>

### Income Statements

	GROUP					BANK				
	Quarter to 31-Dec-09	Quarter to 31-Dec-08	6 mths to 31-Dec-09	6 mths to 31-Dec-08	Year to 30-Jun-09	Quarter to 31-Dec-09	Quarter to 31-Dec-08	6 mths to 31-Dec-09	6 mths to 31-Dec-08	Year to 30-Jun-09
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	2,336,191	2,738,427	4,688,828	5,474,180	10,348,263	2,120,328	2,541,897	4,249,866	5,045,470	9,416,773
Interest expense	(1,057,454)	(1,495,048)	(2,106,872)	(3,026,802)	(5,312,066)	(951,241)	(1,406,354)	(1,887,659)	(2,828,941)	(4,866,761)
<b>Net interest income</b>	<b>1,278,737</b>	<b>1,243,379</b>	<b>2,581,956</b>	<b>2,447,378</b>	<b>5,036,197</b>	<b>1,169,087</b>	<b>1,135,543</b>	<b>2,362,207</b>	<b>2,216,529</b>	<b>4,550,012</b>
Fee and commission income	525,735	477,524	958,922	902,338	1,871,185	402,731	404,576	749,750	732,950	1,428,753
Fee and commission expense	(87,846)	(66,584)	(147,321)	(116,074)	(286,257)	(62,029)	(61,954)	(113,464)	(107,795)	(233,984)
<b>Net fee and commission income</b>	<b>437,889</b>	<b>410,940</b>	<b>811,601</b>	<b>786,264</b>	<b>1,584,928</b>	<b>340,702</b>	<b>342,622</b>	<b>636,286</b>	<b>625,155</b>	<b>1,194,769</b>
Other income	319,575	525,103	465,955	848,036	1,634,844	205,072	378,335	375,521	633,968	1,376,153
<b>Operating income</b>	<b>2,036,201</b>	<b>2,179,422</b>	<b>3,859,512</b>	<b>4,081,678</b>	<b>8,255,969</b>	<b>1,714,861</b>	<b>1,856,500</b>	<b>3,374,014</b>	<b>3,475,652</b>	<b>7,120,934</b>
Non-interest expense	(972,960)	(873,436)	(1,920,041)	(1,753,696)	(3,478,745)	(806,711)	(736,326)	(1,596,298)	(1,484,089)	(2,831,663)
<b>Operating profit before provisions</b>	<b>1,063,241</b>	<b>1,305,986</b>	<b>1,939,471</b>	<b>2,327,982</b>	<b>4,777,224</b>	<b>908,150</b>	<b>1,120,174</b>	<b>1,777,716</b>	<b>1,991,563</b>	<b>4,289,271</b>
Allowance for credit impairment	(92,388)	(112,569)	(186,784)	(209,437)	(371,226)	(61,375)	(118,162)	(133,241)	(208,695)	(361,115)
<b>Operating profit</b>	<b>970,853</b>	<b>1,193,417</b>	<b>1,752,687</b>	<b>2,118,545</b>	<b>4,405,998</b>	<b>846,775</b>	<b>1,002,012</b>	<b>1,644,475</b>	<b>1,782,868</b>	<b>3,928,156</b>
Share of profit of associates	73,511	132,930	213,166	272,527	527,937	-	-	-	-	-
<b>Profit before tax</b>	<b>1,044,364</b>	<b>1,326,347</b>	<b>1,965,853</b>	<b>2,391,072</b>	<b>4,933,935</b>	<b>846,775</b>	<b>1,002,012</b>	<b>1,644,475</b>	<b>1,782,868</b>	<b>3,928,156</b>
Income tax expense	(151,746)	(266,587)	(270,896)	(446,238)	(887,976)	(121,911)	(203,871)	(250,175)	(343,300)	(675,676)
<b>Profit for the period</b>	<b>892,618</b>	<b>1,059,760</b>	<b>1,694,957</b>	<b>1,944,834</b>	<b>4,045,959</b>	<b>724,864</b>	<b>798,141</b>	<b>1,394,300</b>	<b>1,439,568</b>	<b>3,252,480</b>
<b>Profit for the period attributable to :-</b>										
Ordinary equity holders of the parent	895,421	1,047,365	1,686,576	1,898,829	3,964,002	724,864	798,141	1,394,300	1,439,568	3,252,480
Non-controlling interests	(2,803)	12,395	8,381	46,005	81,957	-	-	-	-	-
	<b>892,618</b>	<b>1,059,760</b>	<b>1,694,957</b>	<b>1,944,834</b>	<b>4,045,959</b>	<b>724,864</b>	<b>798,141</b>	<b>1,394,300</b>	<b>1,439,568</b>	<b>3,252,480</b>
<b>Statements of Comprehensive Income</b>										
<b>Profit for the period</b>	<b>892,618</b>	<b>1,059,760</b>	<b>1,694,957</b>	<b>1,944,834</b>	<b>4,045,959</b>	<b>724,864</b>	<b>798,141</b>	<b>1,394,300</b>	<b>1,439,568</b>	<b>3,252,480</b>
<b>Other comprehensive (expense)/income:</b>										
Exchange differences on translating foreign operations	(47,811)	(73,503)	(94,549)	(89,823)	(87,213)	-	-	-	-	-
Transfer on disposal of available-for-sale investments	(331)	(59,679)	(2,294)	(60,920)	(49,834)	-	(49,834)	-	(49,834)	(49,834)
Net fair value gain/(loss) on available-for-sale investments	73,035	(141,224)	169,721	(335,820)	(413,303)	60,588	4,256	81,241	(81,908)	(50,278)
Share of other comprehensive (expense)/income of associates	(120,804)	7,530	(42,380)	(227,219)	(36,194)	-	-	-	-	-
<b>Other comprehensive (expense)/income for the period</b>	<b>(95,911)</b>	<b>(266,876)</b>	<b>30,498</b>	<b>(713,782)</b>	<b>(586,544)</b>	<b>60,588</b>	<b>(45,578)</b>	<b>81,241</b>	<b>(131,742)</b>	<b>(100,112)</b>
<b>Total comprehensive income for the period</b>	<b>796,707</b>	<b>792,884</b>	<b>1,725,455</b>	<b>1,231,052</b>	<b>3,459,415</b>	<b>785,452</b>	<b>752,563</b>	<b>1,475,541</b>	<b>1,307,826</b>	<b>3,152,368</b>
<b>Total comprehensive income attributable to :-</b>										
Ordinary equity holders of the parent	810,882	872,068	1,678,698	1,319,511	3,476,556	785,452	752,563	1,475,541	1,307,826	3,152,368
Non-controlling interests	(14,175)	(79,184)	46,757	(88,459)	(17,141)	-	-	-	-	-
	<b>796,707</b>	<b>792,884</b>	<b>1,725,455</b>	<b>1,231,052</b>	<b>3,459,415</b>	<b>785,452</b>	<b>752,563</b>	<b>1,475,541</b>	<b>1,307,826</b>	<b>3,152,368</b>
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	3.77	4.41	7.11	8.00	16.71					
Basic weighted average number of shares (thousands)	237,275	237,254	237,266	237,247	237,252					
Diluted weighted average number of shares (thousands)	237,322	237,294	237,313	237,278	237,291					

### Statements of Changes in Equity

	Attributable to ordinary equity holders of the parent										
	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total	Non-controlling Interests	Total Equity
GROUP	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>At 1st July 2008</b>	<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>8,955,759</b>	<b>1,803,064</b>	<b>330,112</b>	<b>2,512,102</b>	<b>578,750</b>	<b>16,346,356</b>	<b>1,648,034</b>	<b>17,994,390</b>
Total comprehensive income/(expense) for the period	-	-	-	1,898,829	(584,209)	4,891	-	-	1,319,511	(88,459)	1,231,052
Contribution of non-controlling interests in new subsidiary	-	-	-	-	-	-	-	-	-	20,000	20,000
Increase in shareholding of subsidiary	-	-	-	(5,933)	-	-	-	-	(5,933)	(51,257)	(57,190)
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	(28,962)	(562,789)
Transfer to general banking reserve	-	-	-	(4,428)	-	-	-	4,428	-	-	-
Transfer to statutory reserve	-	-	-	(50,000)	-	-	50,000	-	-	-	-
Employee share options exercised	-	1,952	620	-	-	-	-	-	2,572	-	2,572
<b>At 31st December 2008</b>	<b>2,503,756</b>	<b>41,242</b>	<b>(375,857)</b>	<b>10,260,400</b>	<b>1,218,855</b>	<b>335,003</b>	<b>2,562,102</b>	<b>583,178</b>	<b>17,128,679</b>	<b>1,499,356</b>	<b>18,628,035</b>
<b>At 1st July 2008</b>	<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>8,955,759</b>	<b>1,803,064</b>	<b>330,112</b>	<b>2,512,102</b>	<b>578,750</b>	<b>16,346,356</b>	<b>1,648,034</b>	<b>17,994,390</b>
Total comprehensive income/(expense) for the year	-	-	-	3,964,002	(562,950)	75,504	-	-	3,476,556	(17,141)	3,459,415
Increase in shareholding in subsidiary	-	-	-	(5,933)	-	-	-	-	(5,933)	(51,257)	(57,190)
Contribution of non-controlling interests in new subsidiary	-	-	-	-	-	-	-	-	-	20,000	20,000
Dividends	-	-	-	(1,245,597)	-	-	-	-	(1,245,597)	(41,708)	(1,287,305)
Transfer to general banking reserve	-	-	-	(12,634)	-	-	-	12,634	-	-	-
Transfer to statutory reserve	-	-	-	(43,712)	-	-	43,712	-	-	-	-
Employee share options exercised	-	1,952	620	-	-	-	-	-	2,572	-	2,572
<b>At 30th June 2009</b>	<b>2,503,756</b>	<b>41,242</b>	<b>(375,857)</b>	<b>11,611,885</b>	<b>1,240,114</b>	<b>405,616</b>	<b>2,555,814</b>	<b>591,384</b>	<b>18,573,954</b>	<b>1,557,928</b>	<b>20,131,882</b>
Total comprehensive income/(expense) for the period	-	-	-	1,686,576	236,927	(244,805)	-	-	1,678,698	46,757	1,725,455
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	(15,353)	(549,180)
Transfer to general banking reserve	-	-	-	(308)	-	-	-	308	-	-	-
Employee share options exercised	-	8,672	2,306	-	-	-	-	-	10,978	-	10,978
<b>At 31st December 2009</b>	<b>2,503,756</b>	<b>49,914</b>	<b>(373,551)</b>	<b>12,764,326</b>	<b>1,477,041</b>	<b>160,811</b>	<b>2,555,814</b>	<b>591,692</b>	<b>19,729,803</b>	<b>1,589,332</b>	<b>21,319,135</b>
<b>BANK</b>											
<b>At 1st July 2008</b>	<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>5,837,778</b>	<b>302,149</b>	<b>-</b>	<b>2,503,756</b>	<b>533,580</b>	<b>11,343,832</b>	<b>-</b>	<b>11,343,832</b>
Total comprehensive income/(expense) for the period	-	-	-	1,439,568	(131,742)	-	-	-	1,307,826	-	1,307,826
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	-	(533,827)
Transfer to statutory reserve	-	-	-	(50,000)	-	-	50,000	-	-	-	-
Employee share options exercised	-	1,952	620	-	-	-	-	-	2,572	-	2,572
<b>At 31st December 2008</b>	<b>2,503,756</b>	<b>41,242</b>	<b>(375,857)</b>	<b>6,693,519</b>	<b>170,407</b>	<b>-</b>	<b>2,553,756</b>	<b>533,580</b>	<b>12,120,403</b>	<b>-</b>	<b>12,120,403</b>
<b>At 1st July 2008</b>	<b>2,503,756</b>	<b>39,290</b>	<b>(376,477)</b>	<b>5,837,778</b>	<b>302,149</b>	<b>-</b>	<b>2,503,756</b>	<b>533,580</b>	<b>11,343,832</b>	<b>-</b>	<b>11,343,832</b>
Total comprehensive income/(expense) for the year	-	-	-	3,252,480	(100,112)	-	-	-	3,152,368	-	3,152,368
Dividends	-	-	-	(1,245,597)	-	-	-	-	(1,245,597)	-	(1,245,597)
Transfer to statutory reserve	-	-	-	(41,242)	-	-	41,242	-	-	-	-
Employee share options exercised	-	1,952	620	-	-	-	-	-	2,572	-	2,572
<b>At 30th June 2009</b>	<b>2,503,756</b>	<b>41,242</b>	<b>(375,857)</b>	<b>7,803,419</b>	<b>202,037</b>	<b>-</b>	<b>2,544,998</b>	<b>533,580</b>	<b>13,253,175</b>	<b>-</b>	<b>13,253,175</b>
Total comprehensive income for the period	-	-	-	1,394,300	81,241	-	-	-	1,475,541	-	1,475,541
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	-	(533,827)
Employee share options exercised	-	8,672	2,306	-	-	-	-	-	10,978	-	10,978
<b>At 31st December 2009</b>	<b>2,503,756</b>	<b>49,914</b>	<b>(373,551)</b>	<b>8,663,892</b>	<b>283,278</b>	<b>-</b>	<b>2,544,998</b>	<b>533,580</b>	<b>14,205,867</b>	<b>-</b>	<b>14,205,867</b>

Statements of Cash Flows

	GROUP			BANK		
	6 mths to 31-Dec-09	6 mths to 31-Dec-08	Year to 30-Jun-09	6 mths to 31-Dec-09	6 mths to 31-Dec-08	Year to 30-Jun-09
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net cash flows from trading activities	1,749,477	2,304,184	4,922,669	1,527,303	1,877,147	4,341,160
Net cash flows from other operating activities	(2,377,884)	(2,489,168)	4,930,372	(2,976,841)	(2,742,893)	5,008,301
Dividends received from associates	34,203	38,714	56,758	-	-	-
Dividends paid	(1,245,597)	(1,221,808)	(1,221,808)	(1,245,597)	(1,221,808)	(1,221,808)
Dividends paid to non-controlling interests in subsidiaries	(15,353)	(28,962)	(41,708)	-	-	-
Income tax paid	(718,561)	(293,301)	(574,675)	(649,646)	(232,607)	(407,653)
<b>Net cash flows from operating activities</b>	<b>(2,573,715)</b>	<b>(1,690,341)</b>	<b>8,071,608</b>	<b>(3,344,781)</b>	<b>(2,320,161)</b>	<b>7,720,000</b>
Investing activities	(832,157)	(554,330)	(1,375,694)	(943,235)	(465,601)	(1,341,230)
<b>Net cash flows before financing</b>	<b>(3,405,872)</b>	<b>(2,244,671)</b>	<b>6,695,914</b>	<b>(4,288,016)</b>	<b>(2,785,762)</b>	<b>6,378,770</b>
Contribution of non-controlling interests in new subsidiary	-	20,000	20,000	-	-	-
Employee share options exercised	10,229	2,572	2,393	10,229	2,572	2,393
Refund of subordinated loan by subsidiary	-	-	-	155,500	77,691	77,691
Capital element of finance lease rental payments	-	-	-	-	(554)	(554)
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(3,395,643)</b>	<b>(2,222,099)</b>	<b>6,718,307</b>	<b>(4,122,287)</b>	<b>(2,706,053)</b>	<b>6,458,300</b>
Cash and cash equivalents brought forward	19,659,542	13,235,381	13,235,381	19,146,672	12,688,372	12,688,372
Effect of foreign exchange rate changes	67,368	(387,997)	(294,146)	-	-	-
<b>Cash and cash equivalents carried forward</b>	<b>16,331,267</b>	<b>10,625,285</b>	<b>19,659,542</b>	<b>15,024,385</b>	<b>9,982,319</b>	<b>19,146,672</b>

**COMMENTS ON HALF YEAR RESULTS TO 31ST DECEMBER 2009**

1. Comparatives have been restated to ensure comparability for income tax expense to reflect the doubling of the special levy on Banks following a change in Legislation in July 2009.

**2. Results**

Results of the MCB Group for the half year ended 31st December 2009 amounted to Rs1,687 million, down 11.2% on the corresponding period in 2008, while those of the Bank decreased by only 3.1% to Rs1,394 million.

At Bank level, despite a certain stagnation in portfolio growth, the core revenue line of net interest income improved by 6.6% to Rs 2,362 million. However, Other Income dropped by 40% to Rs 375 million compared to Rs 634 million for the corresponding period last year. This poor performance is primarily due to the massive drop in profits arising from dealings and holdings in foreign currencies due to the strengthening of our Rupee in a totally illiquid market characterized by the absence of intervention.

At group level, results of our Seychelles and Madagascar subsidiaries were greatly affected by the local economic and political conditions. In the Seychelles, abnormal volatility of the local currency, which also appreciated sharply during the period following a massive devaluation at the end of calendar year 2008 in the wake of major economic reforms, contributed to further exacerbate the drop in Other Income at Group Level. MCB Madagascar's activities were greatly curtailed by the continuing political situation, with the Bank registering much lower fee income and increased impairment charges. Contribution from the Seychelles operations to Group profits decreased by some Rs 90 million to almost nothing while that of MCB Madagascar was nearly halved to Rs 28 million.

On the more positive side, the quality of MCB's loan portfolio continued to improve, with impairment charges down 36% to Rs 133 million and the ratio of non performing loans falling to 4.4% from 4.9% six months earlier.

**3. Prospects**

While the impact of the global economic crisis would seem to be gradually fading away, with some positive signs of a return to better confidence levels for consumers and investors, it is MCB's opinion that this process will be relatively slow and fragile.

The MCB Group remains well positioned to capitalise from new opportunities likely to arise from better economic conditions and an improved performance can therefore be anticipated for the second half of the current financial year. Progress however will be slow and it seems unlikely that profits' improvement for the six months to June 2010 will claw back the whole of the shortfall experienced over the semester to December 2009.

By order of the Board

11th February 2010

The unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2009 and comply with IAS34.

Copies of the unaudited interim financial statements can be obtained free of charge upon request at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis.

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company.

*This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.*

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