

Statements of Financial Position

	GROUP			BANK		
	31-Dec-10 Rs'000	31-Dec-09 Rs'000	30-Jun-10 Rs'000	31-Dec-10 Rs'000	31-Dec-09 Rs'000	30-Jun-10 Rs'000
ASSETS						
Cash and cash equivalents	9,151,128	14,954,507	15,352,000	8,379,992	13,421,815	14,032,127
Derivative financial instruments	93,340	20,240	40,195	93,340	20,240	40,195
Loans and advances to banks	1,327,159	1,141,732	1,889,801	1,085,341	971,574	1,940,302
Loans and advances to customers	114,995,982	98,882,106	107,552,548	108,111,021	93,843,869	101,743,388
Investment securities	16,198,836	19,322,477	19,105,410	12,778,555	15,239,239	15,131,136
Investments in associates	6,635,877	6,613,123	6,386,548	876,354	899,728	862,632
Investments in subsidiaries	-	-	-	3,419,587	3,071,972	3,230,761
Goodwill and other intangible assets	1,035,916	524,683	756,231	889,655	379,372	611,353
Property, plant and equipment	5,396,867	4,251,658	4,696,459	4,609,287	3,466,696	3,927,355
Deferred tax assets	29,591	36,549	29,337	6,005	25,084	9,232
Other assets	10,322,941	7,484,980	6,930,640	8,781,256	6,333,637	5,835,482
Total assets	165,187,637	153,232,055	162,739,169	149,030,393	137,673,226	147,363,963
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	1,353,809	1,007,610	1,118,656	2,815,471	2,762,925	3,067,436
Deposits from customers	131,632,514	122,761,574	131,364,901	122,454,979	113,548,871	121,878,417
Derivative financial instruments	32,593	35,630	85,571	32,593	35,630	85,571
Other borrowed funds	2,850,880	2,745,976	1,521,864	2,257,141	2,520,166	1,161,061
Subordinated liabilities	1,374,484	1,354,926	1,454,853	1,374,484	1,354,926	1,454,853
Current tax liabilities	218,983	330,340	292,540	133,808	236,486	266,769
Deferred tax liabilities	34,091	36,963	32,987	-	-	-
Other liabilities	4,267,361	3,596,263	4,991,375	3,579,667	2,964,717	4,291,168
Total liabilities	141,764,715	131,869,282	140,862,747	132,648,143	123,423,721	132,205,275
Shareholders' Equity						
Share capital and share premium	2,574,201	2,553,670	2,554,970	2,574,201	2,553,670	2,554,970
Retained earnings	15,194,899	12,807,964	13,774,324	10,809,735	8,707,530	9,651,949
Other components of equity	4,421,607	4,785,358	4,363,294	3,366,612	3,361,856	3,324,977
	22,190,707	20,146,992	20,692,588	16,750,548	14,623,056	15,531,896
Less treasury shares	(368,298)	(373,551)	(373,208)	(368,298)	(373,551)	(373,208)
Equity attributable to the ordinary equity holders of the parent	21,822,409	19,773,441	20,319,380	16,382,250	14,249,505	15,158,688
Non-controlling interests	1,600,513	1,589,332	1,557,042	-	-	-
Total equity	23,422,922	21,362,773	21,876,422	16,382,250	14,249,505	15,158,688
Total equity and liabilities	165,187,637	153,232,055	162,739,169	149,030,393	137,673,226	147,363,963
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	27,144,694	24,404,255	26,796,327	26,454,288	22,996,635	25,628,905
Commitments	4,915,623	6,089,359	6,450,251	4,895,858	6,010,947	6,239,807
Tax assessments	347,799	342,022	319,900	347,799	342,022	319,900
Other	874,038	1,227,285	777,123	850,717	1,227,285	765,152
	33,282,154	32,062,921	34,343,601	32,548,662	30,576,889	32,953,764

Income Statements

	GROUP					BANK				
	Quarter to	Quarter to	6 mths to	Year to	Quarter to	Quarter to	6 mths to	Year to		
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	30-Jun-10	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	30-Jun-10
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income	2,462,884	2,336,191	4,969,977	4,688,828	9,326,639	2,219,248	2,120,328	4,494,249	4,249,866	8,460,748
Interest expense	(959,479)	(1,057,454)	(2,071,562)	(2,106,872)	(4,181,663)	(847,402)	(951,241)	(1,863,734)	(1,887,659)	(3,773,649)
Net interest income	1,503,405	1,278,737	2,898,415	2,581,956	5,144,976	1,371,846	1,169,087	2,630,515	2,362,207	4,687,099
Fee and commission income	598,231	525,735	1,154,630	958,922	2,008,208	495,706	402,731	944,587	749,750	1,578,795
Fee and commission expense	(88,103)	(87,846)	(160,142)	(147,321)	(311,412)	(69,661)	(62,029)	(125,024)	(113,464)	(240,378)
Net fee and commission income	510,128	437,889	994,488	811,601	1,696,796	426,045	340,702	819,563	636,286	1,338,417
Other income	319,728	319,575	655,189	465,955	1,151,887	243,738	205,072	504,440	375,521	959,442
Operating income	2,333,261	2,036,201	4,548,092	3,859,512	7,993,659	2,041,629	1,714,861	3,954,518	3,374,014	6,984,958
Non-interest expense	(1,082,729)	(920,960)	(2,093,634)	(1,868,041)	(3,714,144)	(903,252)	(754,711)	(1,753,459)	(1,544,298)	(3,088,533)
Operating profit before impairment	1,250,532	1,115,241	2,454,458	1,991,471	4,279,515	1,138,377	960,150	2,201,059	1,829,716	3,896,425
Allowance for credit impairment	(62,813)	(92,388)	(131,437)	(186,784)	(272,180)	(55,554)	(61,375)	(123,774)	(133,241)	(219,852)
Allowance of available-for-sale investments	-	-	-	-	(190,140)	-	-	-	-	-
Operating profit	1,187,719	1,022,853	2,323,021	1,804,687	3,817,195	1,082,823	898,775	2,077,285	1,696,475	3,676,573
Share of profit of associates	71,467	73,511	83,398	213,166	294,842	-	-	-	-	-
Profit before tax	1,259,186	1,096,364	2,406,419	2,017,853	4,112,037	1,082,823	898,775	2,077,285	1,696,475	3,676,573
Income tax expense	(206,338)	(160,108)	(398,405)	(279,258)	(691,918)	(172,107)	(130,273)	(326,073)	(258,537)	(572,197)
Profit for the period	1,052,848	936,256	2,008,014	1,738,595	3,420,119	910,716	768,502	1,751,212	1,437,938	3,104,376
Profit for the period attributable to :-										
Ordinary equity holders of the parent	1,047,313	939,059	1,993,087	1,730,214	3,413,254	910,716	768,502	1,751,212	1,437,938	3,104,376
Non-controlling interests	5,535	(2,803)	14,927	8,381	6,865	-	-	-	-	-
	1,052,848	936,256	2,008,014	1,738,595	3,420,119	910,716	768,502	1,751,212	1,437,938	3,104,376
Statements of Comprehensive Income										
Profit for the period	1,052,848	936,256	2,008,014	1,738,595	3,420,119	910,716	768,502	1,751,212	1,437,938	3,104,376
Other comprehensive (expense)/income:										
Exchange differences on translating foreign operations	21,142	(47,811)	(55,842)	(94,549)	(156,843)	-	-	-	-	-
Reclassification adjustments	-	-	-	-	87,303	-	-	-	-	-
Net fair value (loss)/gain on available-for-sale investments	(52,775)	72,704	(6,917)	167,427	(52,197)	34,727	60,588	41,635	81,241	34,390
Share of other comprehensive income/(expense) of associates	21,852	(120,804)	162,599	(42,380)	(303,961)	-	-	-	-	-
Other comprehensive (expense)/income for the period	(9,781)	(95,911)	99,840	30,498	(425,698)	34,727	60,588	41,635	81,241	34,390
Total comprehensive income for the period	1,043,067	840,345	2,107,854	1,769,093	2,994,421	945,443	829,090	1,792,847	1,519,179	3,138,766
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	1,017,178	854,520	2,065,135	1,722,336	2,974,604	945,443	829,090	1,792,847	1,519,179	3,138,766
Non-controlling interests	25,889	(14,175)	42,719	46,757	19,817	-	-	-	-	-
	1,043,067	840,345	2,107,854	1,769,093	2,994,421	945,443	829,090	1,792,847	1,519,179	3,138,766
Basic earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	4.41	3.96	8.40	7.29	14.38					
Diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	4.41	3.96	8.39	7.29	14.38					
Basic weighted average number of shares (thousands)	237,397	237,275	237,375	237,266	237,305					
Diluted weighted average number of shares (thousands)	237,493	237,322	237,471	237,313	237,359					

Statements of Changes in Equity

GROUP	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
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1st July 2009	2,503,756	41,242	(375,857)	11,611,885	1,240,114	405,616	2,555,814	591,384	18,573,954	1,557,928	20,131,882
Total comprehensive income/(expense) for the period	-	-	-	1,730,214	236,927	(244,805)	-	-	1,722,336	46,757	1,769,093
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
At 31st December 2009	2,503,756	49,914	(373,551)	12,807,964	1,477,041	160,811	2,555,814	591,692	19,773,441	1,589,332	21,362,773
At 1st July 2009	2,503,756	41,242	(375,857)	11,611,885	1,240,114	405,616	2,555,814	591,384	18,573,954	1,557,928	20,131,882
Total comprehensive income/(expense) for the year	-	-	-	3,413,254	87,298	(525,948)	-	-	2,974,604	19,817	2,994,421
Increase in effective shareholding of associate	-	-	-	4,075	-	-	-	-	4,075	3,005	7,080
Dividends	-	-	-	(1,245,874)	-	-	-	-	(1,245,874)	(23,708)	(1,269,582)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	10,014	(10,014)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	-	(7,674)	-	-	-	7,674	-	-	-
Transfer to statutory reserve	-	-	-	(11,356)	-	-	11,356	-	-	-	-
Employee share options exercised	-	9,972	2,649	-	-	-	-	-	12,621	-	12,621
At 30th June 2010	2,503,756	51,214	(373,208)	13,774,324	1,317,398	(120,332)	2,567,170	599,058	20,319,380	1,557,042	21,876,422
Total comprehensive income for the period	-	-	-	1,993,087	48,856	23,192	-	-	2,065,135	42,719	2,107,854
Changes in ownership interest in subsidiaries with no loss of control	-	-	-	2,365	-	-	-	-	2,365	6,425	8,790
Increase in effective shareholding of associate	-	-	-	4,814	-	-	-	-	4,814	3,550	8,364
Dividends	-	-	-	(593,426)	-	-	-	-	(593,426)	(9,223)	(602,649)
Share of transfer on disposal of property, plant & equipment by associate	-	-	-	10,989	(10,989)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	2,746	-	-	-	(2,746)	-	-	-
Employee share options exercised	-	19,231	4,910	-	-	-	-	-	24,141	-	24,141
At 31st December 2010	2,503,756	70,445	(368,298)	15,194,899	1,355,265	(97,140)	2,567,170	596,312	21,822,409	1,600,513	23,422,922
BANK											
At 1st July 2009	2,503,756	41,242	(375,857)	7,803,419	202,037	-	2,544,998	533,580	13,253,175	-	13,253,175
Total comprehensive income for the period	-	-	-	1,437,938	81,241	-	-	-	1,519,179	-	1,519,179
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	-	(533,827)
Employee share options exercised	-	8,672	2,306	-	-	-	-	-	10,978	-	10,978
At 31st December 2009	2,503,756	49,914	(373,551)	8,707,530	283,278	-	2,544,998	533,580	14,249,505	-	14,249,505
At 1st July 2009	2,503,756	41,242	(375,857)	7,803,419	202,037	-	2,544,998	533,580	13,253,175	-	13,253,175
Total comprehensive income for the year	-	-	-	3,104,376	34,390	-	-	-	3,138,766	-	3,138,766
Dividends	-	-	-	(1,245,874)	-	-	-	-	(1,245,874)	-	(1,245,874)
Transfer to statutory reserve	-	-	-	(9,972)	-	-	9,972	-	-	-	-
Employee share options exercised	-	9,972	2,649	-	-	-	-	-	12,621	-	12,621
At 30th June 2010	2,503,756	51,214	(373,208)	9,651,949	236,427	-	2,554,970	533,580	15,158,688	-	15,158,688
Total comprehensive income for the period	-	-	-	1,751,212	41,635	-	-	-	1,792,847	-	1,792,847
Dividends	-	-	-	(593,426)	-	-	-	-	(593,426)	-	(593,426)
Employee share options exercised	-	19,231	4,910	-	-	-	-	-	24,141	-	24,141
At 31st December 2010	2,503,756	70,445	(368,298)	10,809,735	278,062	-	2,554,970	533,580	16,382,250	-	16,382,250

Statements of Cash Flows

Net cash flows from trading activities
Net cash flows from other operating activities
Dividends received from associates
Dividends paid
Dividends paid to non-controlling interests in subsidiaries
Income tax paid
Net cash flows from operating activities
Investing activities
Net cash flows before financing
Employee share options exercised
Grant/refund of subordinated loan to associate/subsidiary
Decrease in cash and cash equivalents
Net cash and cash equivalents brought forward
Effect of foreign exchange rate changes
Net cash and cash equivalents carried forward

	GROUP			BANK		
6 mths to	6 mths to	Year to	6 mths to	6 mths to	Year to	
31-Dec-10	31-Dec-09	30-Jun-10	31-Dec-10	31-Dec-09	30-Jun-10	
Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	
(838,904)	1,649,606	5,539,269	(666,686)	1,427,432	4,923,545	
(3,206,025)	(2,377,884)	(3,099,688)	(2,929,534)	(2,976,841)	(3,220,770)	
20,669	34,203	52,247	-	-	-	
(1,305,473)	(1,245,597)	(1,245,597)	(1,305,473)	(1,245,597)	(1,245,597)	
(11,128)	(15,353)	(21,803)	-	-	-	
(471,582)	(718,561)	(1,160,491)	(455,807)	(649,646)	(917,173)	
(5,812,443)	(2,673,586)	63,937	(5,357,500)	(3,444,652)	(459,995)	
(1,638,768)	(832,157)	(1,832,923)	(1,411,532)	(943,235)	(1,958,319)	
(7,451,211)	(3,505,743)	(1,768,986)	(6,769,032)	(4,387,887)	(2,418,314)	
22,817	10,229	11,693	22,817	10,229	11,693	
(2,000)	-	(1,620)	(2,000)	155,500	153,880	
(7,430,394)	(3,495,514)	(1,758,913)	(6,748,215)	(4,222,158)	(2,252,741)	
13,830,136	15,636,677	15,636,677	12,871,066	15,123,807	15,123,807	
(99,494)	67,368	(47,628)	-	-	-	
6,300,248	12,208,531	13,830,136	6,122,851	10,901,649	12,871,066	

COMMENTS ON HALF YEAR RESULTS TO 31ST DECEMBER 2010

1. Comparatives have been restated to ensure comparability

2. RESULTS

Group attributable profits rose by 15.2% to reach nearly Rs 2 billion for the semester ending December 2010.

Supported by a growing contribution from foreign sources, net interest income and commission income rose by 12.3% and 22.5% respectively. However, the former was affected by a decline in income from securities, partly linked to the low yields achievable on the Treasury Bills market. Furthermore, profits from foreign exchange operations, which had been affected last year by unfavourable market dynamics, increased substantially for the period.

Operating expenses, weighed down by increased depreciation charges following substantial investments in systems and infrastructure were nonetheless relatively well contained, with an increase of 12.1% over last year. On the other hand, the Group share of income from associates fell by some 61%, following a much decreased contribution from BFCOI.

The declining trend in impairment charges is continuing, reflective of the sustained improvement in asset quality, which is further evidenced by the non-performing loan ratios, which now stand at 3.8% and 1.7% in gross and net terms respectively.

3. OUTLOOK

Notwithstanding the current vulnerabilities which characterise the Mauritian economy, notably subdued private sector investment and low demand for credit, MCB's results for the rest of the year should capitalise on the momentum in asset growth already achieved over the last year, with full year results expected to reflect the trend of the first semester.

By order of the Board

11th February 2011

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 2010 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.