

Statements of Financial Position

	GROUP			BANK		
	31-Mar-11 Rs'000	31-Mar-10 Rs'000	30-Jun-10 Rs'000	31-Mar-11 Rs'000	31-Mar-10 Rs'000	30-Jun-10 Rs'000
ASSETS						
Cash and cash equivalents	8,036,071	14,894,172	15,352,000	7,195,959	13,650,152	14,032,127
Derivative financial instruments	64,789	23,857	40,195	64,789	23,857	40,195
Loans and advances to banks	1,511,374	1,355,036	1,889,801	1,113,979	1,204,295	1,940,302
Loans and advances to customers	115,290,629	100,577,784	107,552,548	108,326,325	95,111,910	101,743,388
Investment securities	16,518,053	18,243,681	19,105,410	12,930,502	14,354,713	15,131,136
Investments in associates	6,703,724	6,503,498	6,386,548	875,481	881,171	862,632
Investments in subsidiaries	-	-	-	3,447,710	3,123,365	3,230,761
Goodwill and other intangible assets	1,039,897	565,821	756,231	897,784	422,163	611,353
Property, plant and equipment	5,676,895	4,334,198	4,696,459	4,896,414	3,575,187	3,927,355
Deferred tax assets	22,809	34,526	29,337	-	20,717	9,232
Mandatory balances with Cental Banks	8,365,622	5,236,074	4,780,076	7,466,799	4,441,092	4,056,680
Other assets	3,095,127	2,370,349	2,150,564	2,934,387	1,778,746	1,778,802
Total assets	166,324,990	154,138,996	162,739,169	150,150,129	138,587,368	147,363,963
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits from banks	1,542,272	1,088,112	1,118,656	3,093,219	2,804,268	3,067,436
Deposits from customers	131,953,890	124,938,591	131,364,901	122,729,924	115,728,455	121,878,417
Derivative financial instruments	25,815	12,695	85,571	25,815	12,695	85,571
Other borrowed funds	2,297,905	1,005,786	1,521,864	1,855,298	784,790	1,161,061
Subordinated liabilities	1,291,473	1,386,517	1,454,853	1,291,473	1,386,517	1,454,853
Current tax liabilities	293,540	360,030	292,540	204,584	239,852	266,769
Deferred tax liabilities	50,636	30,598	32,987	21,752	-	-
Other liabilities	4,154,438	3,312,672	4,991,375	3,373,486	2,573,883	4,291,168
Total liabilities	141,609,969	132,135,001	140,862,747	132,595,551	123,530,460	132,205,275
Shareholders' Equity						
Share capital and share premium	2,578,891	2,554,970	2,554,970	2,578,891	2,554,970	2,554,970
Retained earnings	16,622,219	13,778,160	13,774,324	11,961,441	9,503,541	9,651,949
Other components of equity	4,271,385	4,466,899	4,363,294	3,381,429	3,371,605	3,324,977
	23,472,495	20,800,029	20,692,588	17,921,761	15,430,116	15,531,896
Less treasury shares	(367,183)	(373,208)	(373,208)	(367,183)	(373,208)	(373,208)
Equity attributable to the ordinary equity holders of the parent	23,105,312	20,426,821	20,319,380	17,554,578	15,056,908	15,158,688
Non-controlling interests	1,609,709	1,577,174	1,557,042	-	-	-
Total equity	24,715,021	22,003,995	21,876,422	17,554,578	15,056,908	15,158,688
Total equity and liabilities	166,324,990	154,138,996	162,739,169	150,150,129	138,587,368	147,363,963
CONTINGENT LIABILITIES						
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	30,570,514	26,182,809	26,796,327	29,606,128	24,885,271	25,628,905
Commitments	4,722,211	5,691,685	6,450,251	4,669,285	5,587,843	6,239,807
Tax assessments	352,001	314,428	319,900	352,001	314,428	319,900
Other	898,793	756,598	777,123	889,401	747,225	765,152
	36,543,519	32,945,520	34,343,601	35,516,815	31,534,767	32,953,764

Income Statements

	GROUP					BANK				
	Quarter to 31-Mar-11	Quarter to 31-Mar-10	9 mths to 31-Mar-11	9 mths to 31-Mar-10	Year to 30-Jun-10	Quarter to 31-Mar-11	Quarter to 31-Mar-10	9 mths to 31-Mar-11	9 mths to 31-Mar-10	Year to 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	2,397,825	2,283,003	7,367,802	6,971,831	9,326,639	2,182,068	2,071,954	6,676,317	6,321,820	8,460,748
Interest expense	(930,771)	(1,034,212)	(3,002,333)	(3,141,084)	(4,181,663)	(847,755)	(942,559)	(2,711,489)	(2,830,218)	(3,773,649)
Net interest income	1,467,054	1,248,791	4,365,469	3,830,747	5,144,976	1,334,313	1,129,395	3,964,828	3,491,602	4,687,099
Fee and commission income	596,526	538,344	1,751,156	1,497,266	2,008,208	468,753	431,903	1,413,340	1,181,653	1,578,795
Fee and commission expense	(94,915)	(64,983)	(255,057)	(212,304)	(311,412)	(72,461)	(64,071)	(197,485)	(177,535)	(240,378)
Net fee and commission income	501,611	473,361	1,496,099	1,284,962	1,696,796	396,292	367,832	1,215,855	1,004,118	1,338,417
Other income	429,114	358,897	1,084,303	824,852	1,151,887	303,207	250,526	807,647	626,047	959,442
Income from out-of-court settlement	250,000	-	250,000	-	-	250,000	-	250,000	-	-
Operating income	2,647,779	2,081,049	7,195,871	5,940,561	7,993,659	2,283,812	1,747,753	6,238,330	5,121,767	6,984,958
Non-interest expense	(1,040,679)	(933,401)	(3,134,313)	(2,801,442)	(3,714,144)	(874,411)	(765,126)	(2,627,870)	(2,309,424)	(3,088,533)
Operating profit before impairment	1,607,100	1,147,648	4,061,558	3,139,119	4,279,515	1,409,401	982,627	3,610,460	2,812,343	3,896,425
Allowance for credit impairment	(49,403)	(27,357)	(180,840)	(214,141)	(272,180)	(46,789)	(34,208)	(170,563)	(167,449)	(219,852)
Allowance of available-for-sale investments	-	-	-	-	(190,140)	-	-	-	-	-
Operating profit	1,557,697	1,120,291	3,880,718	2,924,978	3,817,195	1,362,612	948,419	3,439,897	2,644,894	3,676,573
Share of profit of associates	111,629	67,558	195,027	280,724	294,842	-	-	-	-	-
Profit before tax	1,669,326	1,187,849	4,075,745	3,205,702	4,112,037	1,362,612	948,419	3,439,897	2,644,894	3,676,573
Income tax expense	(233,691)	(204,617)	(632,096)	(483,875)	(691,918)	(210,906)	(152,408)	(536,979)	(410,945)	(572,197)
Profit for the period	1,435,635	983,232	3,443,649	2,721,827	3,420,119	1,151,706	796,011	2,902,918	2,233,949	3,104,376
Profit for the period attributable to :-										
Ordinary equity holders of the parent	1,425,963	971,333	3,419,050	2,701,547	3,413,254	1,151,706	796,011	2,902,918	2,233,949	3,104,376
Non-controlling interests	9,672	11,899	24,599	20,280	6,865	-	-	-	-	-
	1,435,635	983,232	3,443,649	2,721,827	3,420,119	1,151,706	796,011	2,902,918	2,233,949	3,104,376

Statements of Comprehensive Income

Profit for the period	1,435,635	983,232	3,443,649	2,721,827	3,420,119	1,151,706	796,011	2,902,918	2,233,949	3,104,376
Other comprehensive (expense)/income:										
Exchange differences on translating foreign operations	(56,811)	(88,543)	(112,653)	(183,092)	(156,843)	-	-	-	-	-
Reclassification adjustments	-	(448)	-	(2,742)	87,303	-	-	-	-	-
Net fair value (loss)/gain on available-for-sale investments	(67,667)	(114,080)	(74,584)	55,641	(52,197)	14,817	9,749	56,452	90,990	34,390
Share of other comprehensive (expense)/income of associates	(24,863)	(140,582)	137,736	(182,962)	(303,961)	-	-	-	-	-
Other comprehensive (expense)/income for the period	(149,341)	(343,653)	(49,501)	(313,155)	(425,698)	14,817	9,749	56,452	90,990	34,390
Total comprehensive income for the period	1,286,294	639,579	3,394,148	2,408,672	2,994,421	1,166,523	805,760	2,959,370	2,324,939	3,138,766
Total comprehensive income attributable to :-										
Ordinary equity holders of the parent	1,277,098	651,737	3,342,233	2,374,073	2,974,604	1,166,523	805,760	2,959,370	2,324,939	3,138,766
Non-controlling interests	9,196	(12,158)	51,915	34,599	19,817	-	-	-	-	-
	1,286,294	639,579	3,394,148	2,408,672	2,994,421	1,166,523	805,760	2,959,370	2,324,939	3,138,766
Basic earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	6.00	4.09	14.40	11.39	14.38					
Diluted earnings per share for profit attributable to the ordinary equity holders of the parent (Rs)	6.00	4.09	14.39	11.38	14.38					
Basic weighted average number of shares (thousands)	237,534	237,341	237,427	237,290	237,305					
Diluted weighted average number of shares (thousands)	237,628	237,401	237,521	237,341	237,359					

Statements of Changes in Equity

	Attributable to ordinary equity holders of the parent								Non-controlling Interests	Total Equity	
	Share Capital	Share Premium	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve			Total
GROUP	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	-	-	-	2,701,547	109,912	(437,386)	-	-	2,374,073	34,599	2,408,672
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	(15,353)	(549,180)
Transfer to general banking reserve	-	-	-	(1,445)	-	-	-	1,445	-	-	-
Employee share options exercised	-	9,972	2,649	-	-	-	-	-	12,621	-	12,621
At 31st March 2010	2,503,756	51,214	(373,208)	13,778,160	1,350,026	(31,770)	2,555,814	592,829	20,426,821	1,577,174	22,003,995
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/(expense) for the period	-	-	-	3,419,050	(38,830)	(37,987)	-	-	3,342,233	51,915	3,394,148
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	-	-	-	13,418	(13,418)	-	-	-	-	-	-
Transfer from general banking reserve	-	-	-	1,674	-	-	-	(1,674)	-	-	-
Employee share options exercised	-	23,921	6,025	-	-	-	-	-	29,946	-	29,946
At 31st March 2011	2,503,756	75,135	(367,183)	16,622,219	1,265,150	(158,319)	2,567,170	597,384	23,105,312	1,609,709	24,715,021
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	-	-	-	2,233,949	90,990	-	-	-	2,324,939	-	2,324,939
Dividends	-	-	-	(533,827)	-	-	-	-	(533,827)	-	(533,827)
Employee share options exercised	-	9,972	2,649	-	-	-	-	-	12,621	-	12,621
At 31st March 2010	2,503,756	51,214	(373,208)	9,503,541	293,027	-	2,544,998	533,580	15,056,908	-	15,056,908
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	-	-	-	2,902,918	56,452	-	-	-	2,959,370	-	2,959,370
Dividends	-	-	-	(593,426)	-	-	-	-	(593,426)	-	(593,426)
Employee share options exercised	-	23,921	6,025	-	-	-	-	-	29,946	-	29,946
At 31st March 2011	2,503,756	75,135	(367,183)	11,961,441	292,879	-	2,554,970	533,580	17,554,578	-	17,554,578

Statements of Cash Flows

	GROUP			BANK		
	9 mths to 31-Mar-11	9 mths to 31-Mar-10	Year to 30-Jun-10	9 mths to 31-Mar-11	9 mths to 31-Mar-10	Year to 30-Jun-10
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Net cash flows from trading activities	(498,721)	2,529,143	5,539,269	(1,013,111)	2,273,940	4,923,545
Net cash flows from other operating activities	(3,563,303)	(962,622)	(3,099,688)	(2,817,771)	(1,424,860)	(3,220,770)
Dividends received from associates	38,713	52,247	52,247	-	-	-
Dividends paid	(1,305,473)	(1,245,597)	(1,245,597)	(1,305,473)	(1,245,597)	(1,245,597)
Dividends paid to non-controlling interests in subsidiaries	(11,128)	(15,353)	(21,803)	-	-	-
Income tax paid	(606,329)	(888,448)	(1,160,491)	(568,180)	(794,323)	(917,173)
Net cash flows from operating activities	(5,946,241)	(530,630)	63,937	(5,704,535)	(1,190,840)	(459,995)
Investing activities	(1,973,048)	(1,150,485)	(1,832,923)	(1,851,946)	(1,234,798)	(1,958,319)
Net cash flows before financing	(7,919,289)	(1,681,115)	(1,768,986)	(7,556,481)	(2,425,638)	(2,418,314)
Employee share options exercised	28,076	11,693	11,693	28,076	11,693	11,693
Grant/refund of subordinated loan to associate/subsidiary	(2,000)	-	(1,620)	(2,000)	155,500	153,880
Decrease in cash and cash equivalents	(7,893,213)	(1,669,422)	(1,758,913)	(7,530,405)	(2,258,445)	(2,252,741)
Net cash and cash equivalents brought forward	13,830,136	15,636,677	15,636,677	12,871,066	15,123,807	15,123,807
Effect of foreign exchange rate changes	(198,757)	(78,869)	(47,628)	-	-	-
Net cash and cash equivalents carried forward	5,738,166	13,888,386	13,830,136	5,340,661	12,865,362	12,871,066

COMMENTS ON RESULTS TO 31ST MARCH 2011

1. Comparatives have been restated to ensure comparability.

2. RESULTS

Group results for the nine months period to 31st March 2011 were up by 26.6% to Rs 3.4 billion, after accounting for the recovery of Rs 250 million from an out of court settlement with MCB's insurers and for a profit of Rs 160 million, following a successful exit from an equity investment.

Excluding the above, and in spite of persisting challenges in the current international and local environment, MCB's various lines of business continued to perform well. Net interest income was up by nearly 14%, on the back of sustained loan book growth. Indeed, the loan to deposit ratio has climbed to around 90%, reflecting the Group's firm commitment to the support of economic development, both locally and in the region.

Fee and commission income, boosted by foreign-sourced transactions, increased by 16.4% for the period while profits on dealings in foreign currencies recovered from last year's reduced level, though a slowdown has been observed since the beginning of 2011, with the return of unfavourable conditions on the local foreign exchange market.

Operating costs rose by 12%, mostly on account of a rise in system and communication expenses, but were otherwise well contained, leading to an improvement in the cost to income ratio.

Asset quality continued to improve, gross and net non-performing loan ratios standing at 3.7% and 1.7% respectively at 31st March 2011 while the level of capitalisation remained solid, with the Group capital adequacy ratio increasing to 15.5% at the end of the period.

3. OUTLOOK

Based on current trends, MCB's performance is on course to return to pre-crisis levels. Notwithstanding the impact of non recurrent items of revenue in the quarter to March 2011, net results are expected to exceed the Rs 4 billion mark for the full year to June 2011.

Whilst prevailing economic conditions coupled with some concerns relating to the money and foreign exchange markets could impact its revenue generation capacity, the Board is confident that MCB's underlying fundamentals, organisation and business strengths and diversification strategies should provide the basis for good progress in its performance.

By order of the Board

13th May 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.