

**Statements of financial position**

	Notes	GROUP			BANK		
		30-Jun-11 Rs'000	30-Jun-10 Rs'000	30-Jun-09 Rs'000	30-Jun-11 Rs'000	30-Jun-10 Rs'000	30-Jun-09 Rs'000
<b>ASSETS</b>							
Cash and cash equivalents	3	9,211,566	15,352,000	17,922,610	8,257,202	14,032,127	16,703,076
Derivative financial instruments	4	55,357	40,195	120,408	55,357	40,195	120,408
Loans and advances to banks	5(a)	2,538,727	1,889,801	2,318,568	2,268,761	1,940,302	2,222,735
Loans and advances to customers	5(b)	119,901,032	107,552,548	94,540,496	112,345,481	101,743,388	89,128,211
Investment securities	6	17,555,272	19,105,410	17,731,647	13,617,560	15,131,136	14,032,673
Investments in associates	7	6,740,979	6,386,548	6,490,699	879,012	862,632	914,593
Investments in subsidiaries	8	-	-	-	3,447,710	3,230,761	3,019,830
Goodwill and other intangible assets	9	1,079,472	756,231	360,025	919,264	611,353	275,728
Property, plant and equipment	10	5,918,072	4,696,459	3,839,527	5,147,598	3,927,355	3,008,629
Deferred tax assets	11	18,944	29,337	29,654	-	9,232	26,146
Mandatory balances with Central Banks	12	7,475,414	4,780,076	5,041,531	6,262,909	4,056,680	4,222,836
Other assets	12	2,194,644	2,150,564	2,081,178	2,096,442	1,778,802	1,734,708
<b>Total assets</b>		<b>172,689,479</b>	<b>162,739,169</b>	<b>150,476,343</b>	<b>155,297,296</b>	<b>147,363,963</b>	<b>135,409,573</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
Deposits from banks	13(a)	1,711,987	1,118,656	1,609,655	2,829,395	3,067,436	3,569,403
Deposits from customers	13(b)	134,497,780	131,364,901	119,631,291	124,849,823	121,878,417	110,937,039
Derivative financial instruments	4	41,619	85,571	44,544	41,619	85,571	44,544
Other borrowed funds	14	5,153,730	1,521,864	2,285,933	4,499,307	1,161,061	1,579,269
Subordinated liabilities	15	1,278,856	1,454,853	1,471,555	1,278,856	1,454,853	1,471,555
Current tax liabilities		323,105	292,540	758,314	297,809	266,769	628,659
Deferred tax liabilities	11	46,212	32,987	37,365	13,095	-	-
Other liabilities	17	4,335,680	4,991,375	4,505,804	3,660,851	4,291,168	3,925,929
<b>Total liabilities</b>		<b>147,388,969</b>	<b>140,862,747</b>	<b>130,344,461</b>	<b>137,470,755</b>	<b>132,205,275</b>	<b>122,156,398</b>
<b>Shareholders' Equity</b>							
Share capital and share premium		2,581,709	2,554,970	2,544,998	2,581,709	2,554,970	2,544,998
Retained earnings		16,898,668	13,774,324	11,611,885	12,164,060	9,651,949	7,803,419
Other components of equity		4,615,779	4,363,294	4,792,928	3,447,955	3,324,977	3,280,615
		24,096,156	20,692,588	18,949,811	18,193,724	15,531,896	13,629,032
Less treasury shares		(367,183)	(373,208)	(375,857)	(367,183)	(373,208)	(375,857)
<b>Equity attributable to the ordinary equity holders of the parent</b>		<b>23,728,973</b>	<b>20,319,380</b>	<b>18,573,954</b>	<b>17,826,541</b>	<b>15,158,688</b>	<b>13,253,175</b>
Non-controlling interests		1,571,537	1,557,042	1,557,928	-	-	-
<b>Total equity</b>		<b>25,300,510</b>	<b>21,876,422</b>	<b>20,131,882</b>	<b>17,826,541</b>	<b>15,158,688</b>	<b>13,253,175</b>
<b>Total equity and liabilities</b>		<b>172,689,479</b>	<b>162,739,169</b>	<b>150,476,343</b>	<b>155,297,296</b>	<b>147,363,963</b>	<b>135,409,573</b>
<b>CONTINGENT LIABILITIES</b>							
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers		33,143,144	26,796,327	22,646,581	31,627,552	25,628,905	21,342,230
Commitments		3,922,272	6,450,251	7,473,105	3,832,368	6,239,807	7,277,317
Tax assessments		315,356	319,900	278,274	315,356	319,900	278,274
Other		1,000,997	777,123	969,117	987,508	765,152	969,117
	19	<b>38,381,769</b>	<b>34,343,601</b>	<b>31,367,077</b>	<b>36,762,784</b>	<b>32,953,764</b>	<b>29,866,938</b>

### Income statements

	Notes	GROUP			BANK		
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		2011	2010	2009	2011	2010	2009
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Interest income		9,924,655	9,326,639	10,348,263	8,995,292	8,460,748	9,416,773
Interest expense	21	(4,038,370)	(4,181,663)	(5,312,066)	(3,643,407)	(3,773,649)	(4,866,761)
<b>Net interest income</b>		<b>5,886,285</b>	<b>5,144,976</b>	<b>5,036,197</b>	<b>5,351,885</b>	<b>4,687,099</b>	<b>4,550,012</b>
Fee and commission income	22	2,225,100	2,008,208	1,871,185	1,852,414	1,578,795	1,428,753
Fee and commission expense	23	(343,537)	(311,412)	(286,257)	(263,212)	(240,378)	(233,984)
<b>Net fee and commission income</b>		<b>1,881,563</b>	<b>1,696,796</b>	<b>1,584,928</b>	<b>1,589,202</b>	<b>1,338,417</b>	<b>1,194,769</b>
<b>Other income</b>							
Profit arising from dealing in foreign currencies		1,038,326	1,054,932	1,355,855	891,404	832,739	1,101,582
Net income/(loss) from financial instruments carried at fair value	24	59,086	(43,795)	41,752	59,115	(43,795)	41,752
Dividend income	25	86,828	89,257	69,393	157,823	148,249	186,368
Net gain on sale of securities		102,204	3,218	76,211	5,648	44	43,648
Other operating income		138,901	48,489	91,633	61,389	22,370	2,803
		1,425,345	1,152,101	1,634,844	1,175,379	959,607	1,376,153
<b>Income from out-of-court settlement</b>	26	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>
<b>Operating income</b>		<b>9,443,193</b>	<b>7,993,873</b>	<b>8,255,969</b>	<b>8,366,466</b>	<b>6,985,123</b>	<b>7,120,934</b>
<b>Non-interest expense</b>							
Salaries and human resource development	27(a)	(1,952,134)	(1,765,138)	(1,740,503)	(1,705,403)	(1,550,543)	(1,552,114)
Employee benefits	16	(201,443)	(191,512)	(110,547)	(201,443)	(191,512)	(110,547)
Depreciation		(412,063)	(371,745)	(318,317)	(285,172)	(254,482)	(204,818)
Amortisation of intangible assets		(209,993)	(89,272)	(104,518)	(189,444)	(73,015)	(91,169)
Other	27(b)	(1,246,038)	(1,296,477)	(1,204,860)	(1,024,174)	(1,018,981)	(873,015)
		(4,021,671)	(3,714,144)	(3,478,745)	(3,405,636)	(3,088,533)	(2,831,663)
<b>Operating profit before impairment</b>		<b>5,421,522</b>	<b>4,279,729</b>	<b>4,777,224</b>	<b>4,960,830</b>	<b>3,896,590</b>	<b>4,289,271</b>
Allowance for credit impairment	28	(315,089)	(272,180)	(371,226)	(305,405)	(219,852)	(361,115)
Impairment of available-for-sale investment		-	(190,140)	-	-	-	-
Impairment of intangible assets		(24,428)	(214)	-	(24,428)	(165)	-
<b>Operating profit</b>		<b>5,082,005</b>	<b>3,817,195</b>	<b>4,405,998</b>	<b>4,630,997</b>	<b>3,676,573</b>	<b>3,928,156</b>
Share of profit of associates		288,020	294,842	527,937	-	-	-
<b>Profit before tax</b>		<b>5,370,025</b>	<b>4,112,037</b>	<b>4,933,935</b>	<b>4,630,997</b>	<b>3,676,573</b>	<b>3,928,156</b>
Income tax expense	29	(853,365)	(691,918)	(887,976)	(726,653)	(572,197)	(675,676)
<b>Profit for the year</b>		<b>4,516,660</b>	<b>3,420,119</b>	<b>4,045,959</b>	<b>3,904,344</b>	<b>3,104,376</b>	<b>3,252,480</b>
<b>Profit for the year attributable to :-</b>							
Ordinary equity holders of the parent		4,491,121	3,413,254	3,964,002	3,904,344	3,104,376	3,252,480
Non-controlling interests		25,539	6,865	81,957	-	-	-
		<b>4,516,660</b>	<b>3,420,119</b>	<b>4,045,959</b>	<b>3,904,344</b>	<b>3,104,376</b>	<b>3,252,480</b>
<b>Statements of comprehensive income</b>							
<b>Profit for the year</b>		<b>4,516,660</b>	<b>3,420,119</b>	<b>4,045,959</b>	<b>3,904,344</b>	<b>3,104,376</b>	<b>3,252,480</b>
<b>Other comprehensive income/(expense):</b>							
Exchange differences on translating foreign operations		(68,303)	(156,843)	(87,213)	-	-	-
Reclassification adjustments		(2,787)	87,303	(49,834)	-	-	(49,834)
Net fair value gain/(loss) on available-for-sale investments		236,202	(52,197)	(413,303)	96,239	34,390	(50,278)
Share of other comprehensive income/(expense) of associates		76,289	(303,961)	(36,194)	-	-	-
<b>Other comprehensive income/(expense) for the year</b>		<b>241,401</b>	<b>(425,698)</b>	<b>(586,544)</b>	<b>96,239</b>	<b>34,390</b>	<b>(100,112)</b>
<b>Total comprehensive income for the year</b>		<b>4,758,061</b>	<b>2,994,421</b>	<b>3,459,415</b>	<b>4,000,583</b>	<b>3,138,766</b>	<b>3,152,368</b>
<b>Total comprehensive income attributable to :-</b>							
Ordinary equity holders of the parent		4,735,144	2,974,604	3,476,556	4,000,583	3,138,766	3,152,368
Non-controlling interests		22,917	19,817	(17,141)	-	-	-
		<b>4,758,061</b>	<b>2,994,421</b>	<b>3,459,415</b>	<b>4,000,583</b>	<b>3,138,766</b>	<b>3,152,368</b>
Earnings per share :							
Basic (Rs)	31(a)	18.91	14.38	16.71	-	-	-
Diluted (Rs)	31(b)	18.90	14.38	16.71	-	-	-
Dividends per share (Rs)		5.75	5.25	5.25	-	-	-
Basic weighted average number of shares (thousands)		237,460	237,305	237,252	-	-	-
Diluted weighted average number of shares (thousands)		237,585	237,359	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	Note	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 for the year		-	-	-	3,964,002	(562,950)	75,504	-	-	3,476,556	(17,141)	3,459,415
Increase in shareholding in subsidiaries		-	-	-	(5,933)	-	-	-	-	(5,933)	(51,257)	(57,190)
Contribution of non-controlling interests in new subsidiary		-	-	-	-	-	-	-	-	-	20,000	20,000
Dividends	30	-	-	-	(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 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	30	-	-	-	(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
<b>At 30th June 2010</b>		<b>2,503,756</b>	<b>51,214</b>	<b>(373,208)</b>	<b>13,774,324</b>	<b>1,317,398</b>	<b>(120,332)</b>	<b>2,567,170</b>	<b>599,058</b>	<b>20,319,380</b>	<b>1,557,042</b>	<b>21,876,422</b>
Total comprehensive income for the year		-	-	-	4,491,121	219,287	24,736	-	-	4,735,144	22,917	4,758,061
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	30	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	(18,397)	(1,383,891)
Share of transfer on disposal of property, plant & equipment by associate		-	-	-	20,230	(20,230)	-	-	-	-	-	-
Transfer from general banking reserve		-	-	-	1,785	-	-	-	(1,785)	-	-	-
Transfer to statutory reserve		-	-	-	(30,477)	-	-	30,477	-	-	-	-
Employee share options exercised		-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
<b>At 30th June 2011</b>		<b>2,503,756</b>	<b>77,953</b>	<b>(367,183)</b>	<b>16,898,668</b>	<b>1,516,455</b>	<b>(95,596)</b>	<b>2,597,647</b>	<b>597,273</b>	<b>23,728,973</b>	<b>1,571,537</b>	<b>25,300,510</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 for the year		-	-	-	3,252,480	(100,112)	-	-	-	3,152,368	-	3,152,368
Dividends	30	-	-	-	(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 year		-	-	-	3,104,376	34,390	-	-	-	3,138,766	-	3,138,766
Dividends	30	-	-	-	(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
<b>At 30th June 2010</b>		<b>2,503,756</b>	<b>51,214</b>	<b>(373,208)</b>	<b>9,651,949</b>	<b>236,427</b>	<b>-</b>	<b>2,554,970</b>	<b>533,580</b>	<b>15,158,688</b>	<b>-</b>	<b>15,158,688</b>
Total comprehensive income for the year		-	-	-	3,904,344	96,239	-	-	-	4,000,583	-	4,000,583
Dividends	30	-	-	-	(1,365,494)	-	-	-	-	(1,365,494)	-	(1,365,494)
Transfer to statutory reserve		-	-	-	(26,739)	-	-	26,739	-	-	-	-
Employee share options exercised		-	26,739	6,025	-	-	-	-	-	32,764	-	32,764
<b>At 30th June 2011</b>		<b>2,503,756</b>	<b>77,953</b>	<b>(367,183)</b>	<b>12,164,060</b>	<b>332,666</b>	<b>-</b>	<b>2,581,709</b>	<b>533,580</b>	<b>17,826,541</b>	<b>-</b>	<b>17,826,541</b>

Statements of cash flows

	Notes	GROUP			BANK		
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		2011	2010	2009	2011	2010	2009
		Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Net cash flows from trading activities</b>	33	<b>2,101,764</b>	5,539,269	4,005,310	<b>1,855,053</b>	4,923,545	3,423,801
<b>Net cash flows from other operating activities</b>	34	<b>(7,029,581)</b>	(3,099,688)	4,930,372	<b>(6,580,033)</b>	(3,220,770)	5,008,301
Dividends received from associates		38,713	52,247	56,758	-	-	-
Dividends paid		<b>(1,305,473)</b>	(1,245,597)	(1,221,808)	<b>(1,305,473)</b>	(1,245,597)	(1,221,808)
Dividends paid to non-controlling interests in subsidiaries		<b>(20,302)</b>	(21,803)	(41,708)	-	-	-
Income tax paid		<b>(795,935)</b>	(1,160,491)	(574,675)	<b>(673,286)</b>	(917,173)	(407,653)
<b>Net cash flows from operating activities</b>		<b>(7,010,814)</b>	63,937	7,154,249	<b>(6,703,739)</b>	(459,995)	6,802,641
Investing activities		<b>(2,630,692)</b>	(1,832,923)	(1,375,694)	<b>(2,435,508)</b>	(1,958,319)	(1,341,230)
<b>Net cash flows before financing</b>		<b>(9,641,506)</b>	(1,768,986)	5,778,555	<b>(9,139,247)</b>	(2,418,314)	5,461,411
Contribution of non-controlling interests in subsidiaries		8,790	-	20,000	-	-	-
Employee share options exercised		28,076	11,693	2,393	28,076	11,693	2,393
(Grant)/refund of subordinated loan to associate/subsidiary		(2,000)	(1,620)	-	(2,000)	153,880	77,691
Capital element of finance lease rental payments		-	-	-	-	-	(654)
<b>(Decrease)/Increase in cash and cash equivalents</b>		<b>(9,606,640)</b>	(1,758,913)	5,800,948	<b>(9,113,171)</b>	(2,252,741)	5,540,941
Net cash and cash equivalents at 1st July 2010		13,830,136	15,636,677	10,129,875	12,871,066	15,123,807	9,582,866
Effect of foreign exchange rate changes		(165,660)	(47,628)	(294,146)	-	-	-
<b>Net cash and cash equivalents at 30th June 2011</b>	35	<b>4,057,836</b>	13,830,136	15,636,677	<b>3,757,895</b>	12,871,066	15,123,807

**COMMENTS ON FINANCIAL STATEMENTS****RESULTS**

The MCB registered a strong performance for the year ended 30th June 2011, with net profit expanding by 32% to reach Rs 4.5 billion, depicting due resilience against the challenging context in Mauritius and the region. This amount included non-recurrent gains of some Rs 410 million in respect of the sale of an equity investment and the out-of-court settlement of an insurance claim. On excluding these gains and the impairment of an investment in FY 2009/10, the underlying growth in results was 14.3%, in line with the diligent strategic positioning of the MCB.

Broad-based balance sheet growth prompted an increase of more than 14% in Group net interest income, which reached Rs 5886 million for the year, in spite of the depressed state of private investment locally and of pressures on interest margins as a result of successive hikes in minimum cash reserve ratios and persistently low yields on treasury bills. Core earnings were further boosted by a rise in net fee and commission income, which grew by 11% for the Group and by 19% for the Bank to Rs 1881 million and Rs 1589 million respectively, the latter figure underpinned by a particularly strong achievement in terms of regional trade financing. On the other hand, profit on foreign exchange dealings was hampered by volatile conditions across markets, albeit recovering at Bank level.

On the whole, the MCB continued to benefit from its entrenched diversification strategy domestically and in the region, as gauged by foreign-source income accounting for above 40% of results, even though earnings from our foreign subsidiaries and those of our associate, BFCOI, were impacted negatively by country-specific circumstances.

Increase in operating expenses was controlled at 8.3%, in spite of capacity-building initiatives, while impairment charges rose by 15.8% to reach Rs 315 million for FY 2010/11. The latter figure represents only 0.2% of the consolidated loan portfolio at 30th June 2011, a ratio which is well within international best practice. Furthermore, non performing loan metrics continued to improve, the Gross and net NPL ratios standing at 3.4% and 1.5% respectively at 30th June 2011.

**OUTLOOK**

Weakened activity in major developed countries points to an ever more testing operating environment in periods ahead, although prospects for the region are more encouraging. Specifically, the already subdued growth pattern of the Mauritian economy is likely to persist, leading the MCB to reinforce its vigilance alongside pursuing its thrust to further enhance its value proposition and extend its market reach. Whilst the MCB remains well positioned to face the challenges on the strength of its solid fundamentals, be it in terms of capitalisation, liquidity and asset quality, the difficult context could have a notable bearing on its activities, with results for FY 2011/12 likely to remain close to current levels when excluding non-recurrent items.

Copies of the audited 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.  
These financial statements were approved for issue by the Board of Directors on the 29th September 2011.

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

**(S) Antony R. WITHERS**  
*Chief Executive (Banking)*

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

**(S) Bertrand de CHAZAL**  
*Director*  
Chairman Audit Committee

**TO THE SHAREHOLDERS OF THE MAURITIUS COMMERCIAL BANK LTD****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

This report is made solely to the members of The Mauritius Commercial Bank Ltd (the "Bank"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on the Financial Statements**

We have audited the financial statements of The Mauritius Commercial Bank Ltd and its subsidiaries (the "Group") and the Bank's separate financial statements on pages 3 to 80 which comprise the statements of financial position at June 30, 2011 and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Directors' Responsibility for the Financial Statements*

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Bank and for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Banking Act 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements on pages 3 to 80 give a true and fair view of the financial position of the Group and of the Bank at June 30, 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

**Report on Other Legal and Regulatory Requirements***Companies Act 2001*

We have no relationship with, or interests in, the Bank or any of its subsidiaries, other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

*Banking Act 2004*

In our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius. The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

*The Financial Reporting Act 2004*

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code of Corporate Governance of Mauritius ("Code"). Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BDO & Co  
Chartered Accountants

**Yacoob Ramtoola, FCA**  
Licensed by FRC

29th September 2011  
Port Louis  
Mauritius

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 12.14 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.*