

**Statement of financial position**

	<u>30-Sep-15</u> Rs'M	<u>30-Sep-14</u> Rs'M	<u>30-Jun-15</u> Rs'M
<b>ASSETS</b>			
Cash and cash equivalents	28,639.1	16,712.7	24,528.6
Mandatory balances with Central Banks	14,081.0	12,522.2	14,270.1
Derivative financial instruments	165.8	165.7	421.9
Loans to and placements with banks	9,731.0	6,202.6	8,811.4
Loans and advances to customers	160,851.5	155,233.0	163,442.2
Investment securities	52,463.1	38,545.9	50,369.3
Investments in associates	7,316.3	6,821.1	7,254.6
Goodwill and other intangible assets	799.9	878.3	840.4
Property, plant and equipment	5,983.7	5,991.6	6,033.5
Deferred tax assets	310.8	223.8	287.0
Other assets	4,025.7	3,658.9	3,753.8
<b>Total assets</b>	<b>284,367.9</b>	<b>246,955.8</b>	<b>280,012.8</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from banks	1,933.8	3,540.6	2,405.0
Deposits from customers	221,541.4	186,485.2	217,276.4
Derivative financial instruments	219.6	1,082.6	305.7
Other borrowed funds	6,715.8	8,339.2	7,770.0
Subordinated liabilities	5,565.5	5,442.5	5,555.7
Current tax liabilities	795.7	620.7	539.7
Deferred tax liabilities	57.5	61.9	50.2
Other liabilities	9,398.8	6,978.9	8,427.9
<b>Total liabilities</b>	<b>246,228.1</b>	<b>212,551.6</b>	<b>242,330.6</b>
<b>Shareholders' Equity</b>			
Stated capital	2,405.2	2,386.8	2,397.2
Retained earnings	27,804.6	25,446.0	27,501.6
Other components of equity	6,227.0	4,829.4	6,034.5
<b>Equity attributable to the ordinary equity holders of the parent</b>	<b>36,436.8</b>	<b>32,662.2</b>	<b>35,933.3</b>
Non-controlling interests	1,703.0	1,742.0	1,748.9
<b>Total equity</b>	<b>38,139.8</b>	<b>34,404.2</b>	<b>37,682.2</b>
<b>Total equity and liabilities</b>	<b>284,367.9</b>	<b>246,955.8</b>	<b>280,012.8</b>
<b>CONTINGENT LIABILITIES</b>			
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	53,727.8	61,848.8	45,697.1
Commitments	3,627.1	4,144.5	4,633.0
Tax assessments	802.8	274.3	797.2
Other	1,265.9	1,570.7	1,293.9
	<b>59,423.6</b>	<b>67,838.3</b>	<b>52,421.2</b>

**Statement of profit or loss**

	<b>3 mths to 30-Sep-15 Rs'M</b>	3 mths to 30-Sep-14 Rs'M	Year to 30-Jun-15 Rs'M
Interest income	3,423.8	3,094.0	12,844.3
Interest expense	<b>(1,197.9)</b>	<b>(1,153.3)</b>	<b>(4,690.1)</b>
<b>Net interest income</b>	<b>2,225.9</b>	<b>1,940.7</b>	<b>8,154.2</b>
Fee and commission income	<b>1,009.7</b>	986.5	4,148.1
Fee and commission expense	<b>(196.5)</b>	<b>(185.0)</b>	<b>(783.7)</b>
<b>Net fee and commission income</b>	<b>813.2</b>	<b>801.5</b>	<b>3,364.4</b>
Other income	<b>450.9</b>	399.8	1,695.6
<b>Operating income</b>	<b>3,490.0</b>	3,142.0	13,214.2
Non-interest expense	<b>(1,508.0)</b>	<b>(1,365.7)</b>	<b>(5,525.6)</b>
<b>Operating profit before impairment</b>	<b>1,982.0</b>	1,776.3	7,688.6
Net impairment of financial assets	<b>(188.7)</b>	<b>(177.2)</b>	<b>(1,163.1)</b>
<b>Operating profit</b>	<b>1,793.3</b>	1,599.1	6,525.5
Share of profit of associates	<b>93.9</b>	86.5	374.8
<b>Profit before tax</b>	<b>1,887.2</b>	1,685.6	6,900.3
Income tax expense	<b>(332.0)</b>	<b>(303.0)</b>	<b>(1,129.1)</b>
<b>Profit for the period</b>	<b>1,555.2</b>	<b>1,382.6</b>	<b>5,771.2</b>
<b>Profit for the period attributable to:-</b>			
Ordinary equity holders of the parent	<b>1,545.6</b>	1,372.5	5,722.0
Non-controlling interests	<b>9.6</b>	10.1	49.2
	<b>1,555.2</b>	<b>1,382.6</b>	<b>5,771.2</b>

**Statement of profit or loss and other comprehensive income**

<b>Profit for the period</b>	<b>1,555.2</b>	<b>1,382.6</b>	<b>5,771.2</b>
<b>Other comprehensive (expense)/income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Remeasurement of defined benefit pension plan net of deferred tax	-	-	95.2
Share of other comprehensive expense of associates	-	-	<b>(0.1)</b>
	-	-	95.1
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations	<b>(10.4)</b>	(134.8)	(31.5)
Reclassification adjustments	<b>(2.1)</b>	(10.1)	71.0
Net fair value (loss)/gain on available-for-sale investments	<b>(9.5)</b>	480.9	762.9
Share of other comprehensive expense of associates	<b>(40.6)</b>	<b>(0.1)</b>	<b>(44.7)</b>
	<b>(62.6)</b>	335.9	757.7
<b>Other comprehensive (expense)/income for the period</b>	<b>(62.6)</b>	335.9	852.8
<b>Total comprehensive income for the period</b>	<b>1,492.6</b>	<b>1,718.5</b>	<b>6,624.0</b>
<b>Total comprehensive income attributable to :-</b>			
Ordinary equity holders of the parent	<b>1,507.4</b>	1,691.0	6,579.9
Non-controlling interests	<b>(14.8)</b>	27.5	44.1
	<b>1,492.6</b>	<b>1,718.5</b>	<b>6,624.0</b>
<b>Earnings per share:</b>			
Basic & Diluted (Rs)	<b>6.49</b>	5.77	24.04
Basic weighted average number of shares (thousands)	<b>238,065</b>	237,983	238,014
Diluted weighted average number of shares (thousands)	<b>238,096</b>	238,043	238,063

**Statement of changes in equity**

	Attributable to ordinary equity holders of the parent							Non-controlling Interests	Total Equity
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve	Total		
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M		
<b>At 1<sup>st</sup> July 2014</b>	<u>2,383.3</u>	<u>24,234.9</u>	<u>1,526.8</u>	<u>(205.5)</u>	<u>2,414.1</u>	<u>614.1</u>	<u>30,967.7</u>	<u>1,736.6</u>	<u>32,704.3</u>
Profit for the period	-	1,372.5	-	-	-	-	1,372.5	10.1	1,382.6
Other comprehensive income/(expense) for the period	-	-	449.2	(130.7)	-	-	318.5	17.4	335.9
Total comprehensive income/(expense) for the period	-	1,372.5	449.2	(130.7)	-	-	1,691.0	27.5	1,718.5
Dividends	-	-	-	-	-	-	-	(22.1)	(22.1)
Share of transfer by associate	-	0.9	(0.9)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	(2.6)	2.6	-	-	-	-	-	-
Transfer to general banking reserve	-	(159.7)	-	-	-	159.7	-	-	-
Issue of shares following the exercise of Group Employee Share Options Scheme	3.5	-	-	-	-	-	3.5	-	3.5
<b>At 30<sup>th</sup> September 2014</b>	<u>2,386.8</u>	<u>25,446.0</u>	<u>1,977.7</u>	<u>(336.2)</u>	<u>2,414.1</u>	<u>773.8</u>	<u>32,662.2</u>	<u>1,742.0</u>	<u>34,404.2</u>
<b>At 1<sup>st</sup> July 2014</b>	<u>2,383.3</u>	<u>24,234.9</u>	<u>1,526.8</u>	<u>(205.5)</u>	<u>2,414.1</u>	<u>614.1</u>	<u>30,967.7</u>	<u>1,736.6</u>	<u>32,704.3</u>
Profit for the year	-	5,722.0	-	-	-	-	5,722.0	49.2	5,771.2
Other comprehensive income/(expense) for the year	-	95.1	780.5	(17.7)	-	-	857.9	(5.1)	852.8
Total comprehensive income/(expense) for the year	-	5,817.1	780.5	(17.7)	-	-	6,579.9	44.1	6,624.0
Dividends	-	(1,630.5)	-	-	-	-	(1,630.5)	(25.4)	(1,655.9)
Effect of increase in shareholding in subsidiary	-	2.3	-	-	-	-	2.3	(6.4)	(4.1)
Share of transfer by associate	-	3.7	(3.7)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	(1.5)	1.5	-	-	-	-	-	-
Transfer to general banking reserve	-	(166.7)	-	-	-	166.7	-	-	-
Transfer to statutory reserve	-	(757.7)	-	-	757.7	-	-	-	-
Issue of shares following the exercise of Group Employee Share Options Scheme	13.9	-	-	-	-	-	13.9	-	13.9
<b>At 30<sup>th</sup> June 2015</b>	<u>2,397.2</u>	<u>27,501.6</u>	<u>2,305.1</u>	<u>(223.2)</u>	<u>3,171.8</u>	<u>780.8</u>	<u>35,933.3</u>	<u>1,748.9</u>	<u>37,682.2</u>
Profit for the period	-	1,545.6	-	-	-	-	1,545.6	9.6	1,555.2
Other comprehensive expense for the period	-	-	(28.6)	(9.6)	-	-	(38.2)	(24.4)	(62.6)
Total comprehensive income/(expense) for the period	-	1,545.6	(28.6)	(9.6)	-	-	1,507.4	(14.8)	1,492.6
Dividends	-	(1,011.9)	-	-	-	-	(1,011.9)	(31.1)	(1,043.0)
Share of transfer by associate	-	0.5	(0.5)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	2.6	(2.6)	-	-	-	-	-	-
Transfer to general banking reserve	-	(233.8)	-	-	-	233.8	-	-	-
Issue of shares following the exercise of Group Employee Share Options Scheme	8.0	-	-	-	-	-	8.0	-	8.0
<b>At 30<sup>th</sup> September 2015</b>	<u>2,405.2</u>	<u>27,804.6</u>	<u>2,273.4</u>	<u>(232.8)</u>	<u>3,171.8</u>	<u>1,014.6</u>	<u>36,436.8</u>	<u>1,703.0</u>	<u>38,139.8</u>

**Statement of cash flows**

	<b>3 mths to 30-Sep-15 Rs'M</b>	3 mths to 30-Sep-14 Rs'M	Year to 30-Jun-15 Rs'M
<b>Net cash flows from trading activities</b>	<b>4,560.1</b>	2,337.6	4,672.9
<b>Net cash flows from other operating activities</b>	<b>2,101.8</b>	(2,719.7)	7,704.1
Dividends received from associates	<b>36.2</b>	27.1	131.9
Dividends paid	<b>(892.7)</b>	(797.2)	(1,535.0)
Dividends paid to non-controlling interests in subsidiaries	<b>(31.1)</b>	(22.1)	(25.4)
Income tax paid	<b>(94.5)</b>	(78.1)	(1,074.2)
<b>Net cash flows from operating activities</b>	<b>5,679.8</b>	(1,252.4)	9,874.3
<b>Investing activities</b>	<b>(299.2)</b>	(1,037.3)	(2,485.2)
<b>Net cash flows before financing activities</b>	<b>5,380.6</b>	(2,289.7)	7,389.1
<b>Financing activities</b>			
Shares issued/employee share options exercised	<b>8.0</b>	3.5	13.9
Net debt securities matured	<b>-</b>	-	(1,793.0)
<b>Net cash flows from financing activities</b>	<b>8.0</b>	3.5	(1,779.1)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>5,388.6</b>	(2,286.2)	5,610.0
Net cash and cash equivalents brought forward	<b>23,287.5</b>	17,483.5	17,483.5
Effect of foreign exchange rate changes	<b>(56.4)</b>	(29.1)	194.0
<b>Net cash and cash equivalents carried forward</b>	<b>28,619.7</b>	15,168.2	23,287.5

**Comment on results**

MCB Group posted an encouraging performance for the quarter ended 30<sup>th</sup> September 2015 with attributable profits increasing by 12.6% to reach Rs 1,546 million.

Operating income went up by 11.1% to reach Rs 3,490 million. The rise was mainly driven by a growth of 14.7% in net interest income, reflecting enhanced performance linked to foreign activities of MCB Ltd and better yields within our overseas subsidiaries. Net interest income was also helped by the decline in excess liquidity following measures taken by the Bank of Mauritius. On the other hand, net fee and commission income increased marginally, with higher contribution from non-banking operations compensating for a drop in the Bank's revenues from regional trade financing amidst lower international oil prices. 'Other income' grew by 12.8%, supported by a 14.6% growth in profit on exchange and enhanced receipts from non-banking activities.

Expenses grew by 10.4% to support business expansion. Despite increasing slightly in nominal terms, allowance for credit impairment effectively dropped on an annualised basis as compared to FY 2014/15.

The share of income from associates rose by 8.6% to reach Rs 93.9 million in line with an improved performance of BFCOI over the period under review. Given strong performances achieved by the international segment of MCB Ltd and most of the overseas banking subsidiaries, foreign-sourced earnings within the banking cluster accounted for some 55% of Group results.

**Post Balance Sheet Event**

The partnership agreement with Société Générale for the latter to inject additional equity in MCB Moçambique SA was concluded on 2<sup>nd</sup> October 2015. This entity will thus be treated as an associate as from the next reporting period.

**Outlook**

On current trends, results for the semester to December 2015 are projected to improve on last year despite the generally subdued operating environment. In this respect, the recent drop in the key Repo Rate amidst low inflation in Mauritius should help boost private investment.

By order of the Board

13<sup>th</sup> November 2015

The abridged unaudited interim financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30<sup>th</sup> June 2015 and comply with IAS 34.

Copies of the abridged unaudited interim financial statements are available to the public, free of charge, upon request to the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: [www.mcbgroup.com](http://www.mcbgroup.com)

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 MCB Group Limited accepts full responsibility for the accuracy of the information contained in this communiqué.*