

**Statement of financial position**

**ASSETS**

Cash and cash equivalents
Mandatory balances with Central Banks
Derivative financial instruments
Loans to and placements with banks
Loans and advances to customers
Investment securities
Investments in associates
Goodwill and other intangible assets
Property, plant and equipment
Deferred tax assets
Other assets
<b>Total assets</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Deposits from banks
Deposits from customers
Derivative financial instruments
Other borrowed funds
Subordinated liabilities
Current tax liabilities
Deferred tax liabilities
Other liabilities
<b>Total liabilities</b>
<b>Shareholders' Equity</b>
Stated capital
Retained earnings
Other components of equity
<b>Equity attributable to the ordinary equity holders of the parent</b>
Non-controlling interests
<b>Total equity</b>
<b>Total equity and liabilities</b>

**CONTINGENT LIABILITIES**

Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers
Commitments
Tax assessments
Other

	31-Mar-16 Rs'M	31-Mar-15 Rs'M	30-Jun-15 Rs'M
<b>ASSETS</b>			
Cash and cash equivalents	35,436.4	23,402.9	24,528.6
Mandatory balances with Central Banks	15,161.5	13,580.2	14,270.1
Derivative financial instruments	393.4	332.9	421.9
Loans to and placements with banks	16,811.0	7,693.2	8,811.4
Loans and advances to customers	163,964.7	160,826.3	163,442.2
Investment securities	57,367.4	43,878.7	50,369.3
Investments in associates	8,074.7	6,849.9	7,254.6
Goodwill and other intangible assets	880.8	898.5	840.4
Property, plant and equipment	5,855.6	5,942.0	6,033.5
Deferred tax assets	333.4	239.6	287.0
Other assets	3,174.7	4,073.2	3,753.8
<b>Total assets</b>	<b>307,453.6</b>	<b>267,717.4</b>	<b>280,012.8</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from banks	1,955.7	1,871.8	2,405.0
Deposits from customers	244,555.9	205,130.3	217,276.4
Derivative financial instruments	331.2	1,139.0	305.7
Other borrowed funds	5,800.2	8,712.3	7,770.0
Subordinated liabilities	5,594.1	5,594.3	5,555.7
Current tax liabilities	727.5	450.2	539.7
Deferred tax liabilities	58.8	48.5	50.2
Other liabilities	7,138.7	7,855.1	8,427.9
<b>Total liabilities</b>	<b>266,162.1</b>	<b>230,801.5</b>	<b>242,330.6</b>
<b>Shareholders' Equity</b>			
Stated capital	2,426.7	2,397.2	2,397.2
Retained earnings	30,945.9	27,616.9	27,501.6
Other components of equity	6,183.6	5,179.2	6,034.5
<b>Equity attributable to the ordinary equity holders of the parent</b>	<b>39,556.2</b>	<b>35,193.3</b>	<b>35,933.3</b>
Non-controlling interests	1,735.3	1,722.6	1,748.9
<b>Total equity</b>	<b>41,291.5</b>	<b>36,915.9</b>	<b>37,682.2</b>
<b>Total equity and liabilities</b>	<b>307,453.6</b>	<b>267,717.4</b>	<b>280,012.8</b>
<b>CONTINGENT LIABILITIES</b>			
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	34,340.7	57,759.8	45,697.1
Commitments	3,430.0	5,122.4	4,633.0
Tax assessments	813.5	406.9	797.2
Other	1,254.5	1,446.8	1,293.9
	<b>39,838.7</b>	<b>64,735.9</b>	<b>52,421.2</b>

**Statement of profit or loss**

	Quarter to 31-Mar-16 Rs'M	Quarter to 31-Mar-15 Rs'M	9 mths to 31-Mar-16 Rs'M	9 mths to 31-Mar-15 Rs'M	Year to 30-Jun-15 Rs'M
Interest income	3,431.0	3,212.9	10,208.3	9,573.6	12,844.3
Interest expense	<b>(1,186.7)</b>	<b>(1,148.0)</b>	<b>(3,562.6)</b>	<b>(3,522.9)</b>	<b>(4,690.1)</b>
<b>Net interest income</b>	<b>2,244.3</b>	<b>2,064.9</b>	<b>6,645.7</b>	<b>6,050.7</b>	<b>8,154.2</b>
Fee and commission income	929.6	1,036.6	3,064.9	3,005.7	4,148.1
Fee and commission expense	<b>(209.3)</b>	<b>(217.5)</b>	<b>(651.5)</b>	<b>(597.5)</b>	<b>(783.7)</b>
<b>Net fee and commission income</b>	<b>720.3</b>	<b>819.1</b>	<b>2,413.4</b>	<b>2,408.2</b>	<b>3,364.4</b>
Other income	494.3	394.5	1,536.0	1,328.1	1,695.6
<b>Operating income</b>	<b>3,458.9</b>	<b>3,278.5</b>	<b>10,595.1</b>	<b>9,787.0</b>	<b>13,214.2</b>
Non-interest expense	<b>(1,361.7)</b>	<b>(1,417.1)</b>	<b>(4,344.8)</b>	<b>(4,154.3)</b>	<b>(5,525.6)</b>
<b>Operating profit before impairment</b>	<b>2,097.2</b>	<b>1,861.4</b>	<b>6,250.3</b>	<b>5,632.7</b>	<b>7,688.6</b>
Net impairment of financial assets	<b>(236.3)</b>	<b>(279.7)</b>	<b>(724.4)</b>	<b>(679.3)</b>	<b>(1,163.1)</b>
<b>Operating profit</b>	<b>1,860.9</b>	<b>1,581.7</b>	<b>5,525.9</b>	<b>4,953.4</b>	<b>6,525.5</b>
Share of profit of associates	<b>230.9</b>	<b>75.8</b>	<b>462.3</b>	<b>228.3</b>	<b>374.8</b>
<b>Profit before tax</b>	<b>2,091.8</b>	<b>1,657.5</b>	<b>5,988.2</b>	<b>5,181.7</b>	<b>6,900.3</b>
Income tax expense	<b>(454.2)</b>	<b>(271.9)</b>	<b>(1,188.3)</b>	<b>(890.3)</b>	<b>(1,129.1)</b>
<b>Profit for the period</b>	<b>1,637.6</b>	<b>1,385.6</b>	<b>4,799.9</b>	<b>4,291.4</b>	<b>5,771.2</b>
<b>Profit for the period attributable to :</b>					
Ordinary equity holders of the parent	1,557.9	1,371.0	4,699.6	4,261.3	5,722.0
Non-controlling interests	79.7	14.6	100.3	30.1	49.2
	<b>1,637.6</b>	<b>1,385.6</b>	<b>4,799.9</b>	<b>4,291.4</b>	<b>5,771.2</b>
<b>Statement of profit or loss and other comprehensive income</b>					
<b>Profit for the period</b>	<b>1,637.6</b>	<b>1,385.6</b>	<b>4,799.9</b>	<b>4,291.4</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	-	-	-	-	(0.1)
	-	-	-	-	95.1
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations	<b>(26.4)</b>	252.7	<b>(77.8)</b>	59.3	(31.5)
Reclassification adjustments	<b>(32.1)</b>	4.1	<b>(88.8)</b>	73.3	71.0
Net fair value gain on available-for-sale investments	<b>34.6</b>	94.5	<b>124.5</b>	630.7	762.9
Share of other comprehensive expense of associates	<b>(23.0)</b>	<b>(39.3)</b>	<b>(72.2)</b>	<b>(93.0)</b>	<b>(44.7)</b>
	<b>(46.9)</b>	312.0	<b>(114.3)</b>	670.3	757.7
<b>Other comprehensive (expense)/income for the period</b>	<b>(46.9)</b>	312.0	<b>(114.3)</b>	670.3	852.8
<b>Total comprehensive income for the period</b>	<b>1,590.7</b>	<b>1,697.6</b>	<b>4,685.6</b>	<b>4,961.7</b>	<b>6,624.0</b>
<b>Total comprehensive income attributable to :-</b>					
Ordinary equity holders of the parent	1,520.4	1,701.8	4,626.7	4,947.2	6,579.9
Non-controlling interests	70.3	(4.2)	58.9	14.5	44.1
	<b>1,590.7</b>	<b>1,697.6</b>	<b>4,685.6</b>	<b>4,961.7</b>	<b>6,624.0</b>
<b>Earnings per share:</b>					
Basic (Rs)	<b>6.54</b>	5.76	<b>19.74</b>	17.90	24.04
Diluted (Rs)	<b>6.54</b>	5.76	<b>19.73</b>	17.90	24.04
Basic weighted average number of shares (thousands)	<b>238,155</b>	238,027	<b>238,105</b>	238,003	238,014
Diluted weighted average number of shares (thousands)	<b>238,186</b>	238,041	<b>238,136</b>	238,017	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>	2,383.3	24,234.9	1,526.8	(205.5)	2,414.1	614.1	30,967.7	1,736.6	32,704.3
Profit for the period	-	4,261.3	-	-	-	-	4,261.3	30.1	4,291.4
Other comprehensive (expense)/income for the period	-	(1.0)	623.4	63.5	-	-	685.9	(15.6)	670.3
Total comprehensive income for the period	-	4,260.3	623.4	63.5	-	-	4,947.2	14.5	4,961.7
Dividends	-	(737.8)	-	-	-	-	(737.8)	(22.1)	(759.9)
Effect of increase in shareholding in subsidiary	-	2.3	-	-	-	-	2.3	(6.4)	(4.1)
Share of transfer by associate	-	3.5	(3.5)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	(0.2)	0.2	-	-	-	-	-	-
Transfer to general banking reserve	-	(146.1)	-	-	-	146.1	-	-	-
Issue of shares following the exercise of Group Employee Share Options Scheme	13.9	-	-	-	-	-	13.9	-	13.9
<b>At 31<sup>st</sup> March 2015</b>	<b>2,397.2</b>	<b>27,616.9</b>	<b>2,146.9</b>	<b>(142.0)</b>	<b>2,414.1</b>	<b>760.2</b>	<b>35,193.3</b>	<b>1,722.6</b>	<b>36,915.9</b>
<b>At 1<sup>st</sup> July 2014</b>	<b>2,383.3</b>	<b>24,234.9</b>	<b>1,526.8</b>	<b>(205.5)</b>	<b>2,414.1</b>	<b>614.1</b>	<b>30,967.7</b>	<b>1,736.6</b>	<b>32,704.3</b>
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>	<b>2,397.2</b>	<b>27,501.6</b>	<b>2,305.1</b>	<b>(223.2)</b>	<b>3,171.8</b>	<b>780.8</b>	<b>35,933.3</b>	<b>1,748.9</b>	<b>37,682.2</b>
Profit for the period	-	4,699.6	-	-	-	-	4,699.6	100.3	4,799.9
Other comprehensive income/(expense) for the period	-	-	4.1	(77.0)	-	-	(72.9)	(41.4)	(114.3)
Total comprehensive income/(expense) for the period	-	4,699.6	4.1	(77.0)	-	-	4,626.7	58.9	4,685.6
Dividends	-	(1,011.9)	-	-	-	-	(1,011.9)	(33.1)	(1,045.0)
Effect of changes in effective shareholding in subsidiaries	-	(21.4)	-	-	-	-	(21.4)	(39.4)	(60.8)
Share of transfer by associate	-	0.8	(0.8)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	3.1	(3.1)	-	-	-	-	-	-
Transfer to general banking reserve	-	(225.9)	-	-	-	225.9	-	-	-
Issue of shares following the exercise of Group Employee Share Options Scheme	29.5	-	-	-	-	-	29.5	-	29.5
<b>At 31<sup>st</sup> March 2016</b>	<b>2,426.7</b>	<b>30,945.9</b>	<b>2,305.3</b>	<b>(300.2)</b>	<b>3,171.8</b>	<b>1,006.7</b>	<b>39,556.2</b>	<b>1,735.3</b>	<b>41,291.5</b>

**Statement of cash flows**

	9 mths to 31-Mar-16 Rs'M	9 mths to 31-Mar-15 Rs'M	Year to 30-Jun-15 Rs'M
<b>Net cash flows from trading activities</b>	<b>6,923.7</b>	6,179.9	7,006.1
<b>Net cash flows from other operating activities</b>	<b>9,439.6</b>	1,254.8	5,370.9
Dividends received from associates	45.2	36.1	131.9
Dividends paid	(1,904.6)	(1,535.0)	(1,535.0)
Dividends paid to non-controlling interests in subsidiaries	(33.1)	(22.1)	(25.4)
Income tax paid	(1,062.1)	(870.4)	(1,074.2)
<b>Net cash flows from operating activities</b>	<b>13,408.7</b>	5,043.3	9,874.3
<b>Investing activities</b>	<b>(1,356.6)</b>	(1,841.2)	(2,485.2)
<b>Net cash flows before financing activities</b>	<b>12,052.1</b>	3,202.1	7,389.1
<b>Financing activities</b>			
Shares issued/employee share options exercised	29.5	13.9	13.9
Shares bought back and cancelled by subsidiary	(21.9)	-	-
Refund of subordinated loan by associate	180.3	-	-
Net debt securities matured	-	(1,793.0)	(1,793.0)
<b>Net cash flows from financing activities</b>	<b>187.9</b>	(1,779.1)	(1,779.1)
<b>Increase in cash and cash equivalents</b>	<b>12,240.0</b>	1,423.0	5,610.0
Net cash and cash equivalents brought forward	23,287.5	17,483.5	17,483.5
Effect of foreign exchange rate changes	(96.7)	257.5	194.0
<b>Net cash and cash equivalents carried forward</b>	<b>35,430.8</b>	19,164.0	23,287.5

**Comments on results**

Group profits for the nine months to March 2016 grew by 10.3% to reach Rs 4,700 million, with earnings from foreign sources and non-banking operations contributing 52% thereof.

Operating income grew by 8.3% to Rs 10.6 billion, driven mainly by a rise of 9.8% in net interest income and of 19.8% in profit on exchange. Net fee and commission income remained at similar level to that achieved in the corresponding period last year, with the anticipated decrease in contribution from regional trade finance being compensated by improved performance from other revenue segments.

Growth in operating expenses was contained to 4.6%, leading to a further drop in the cost to income ratio to 41.0%. Allowance for credit impairment rose by 6.6% to Rs 724 million, representing an annualised rate of 56 basis points of the gross loans portfolio, in line with the annualised rate experienced for the first semester of the current financial year.

Share of profit of associates more than doubled to Rs 462 million on account of improved performance at the level of BFCOI and contribution from PAD Group reaching Rs 177 million as a result of a major disposal of investment.

In the current context of low credit expansion our Group capital adequacy ratio improved further to 17.6%, of which 15.0% in terms of Tier 1.

On current trends, MCB Group results for the financial year to June 2016 are expected to achieve a satisfactory growth compared to the last financial year.

By order of the Board

13<sup>th</sup> May 2016

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.*