

Consolidated summary statement of financial position as at 30 September 2021

	30-Sep-21 Rs'M	30-Sep-20 Rs'M	30-Jun-21 Rs'M
<b>ASSETS</b>			
Cash and cash equivalents	66,250	57,325	108,706
Mandatory balances with Central Banks	25,465	22,106	25,301
Derivative financial instruments	430	1,530	1,083
Loans to and placements with banks	41,757	36,551	39,579
Loans and advances to customers	277,956	239,268	273,399
Investment securities	220,783	162,182	198,530
Investments in associates	12,308	10,999	12,525
Investment properties	4,901	4,626	5,032
Goodwill and other intangible assets	2,210	1,722	2,089
Property, plant and equipment	7,268	6,834	7,199
Deferred tax assets	1,643	1,297	1,519
Post employee benefit asset	1,218	-	1,218
Other assets	8,279	3,482	6,953
<b>Total assets</b>	<b>670,468</b>	<b>547,922</b>	<b>683,133</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Deposits from banks	15,875	6,279	18,069
Deposits from customers	484,230	391,322	485,903
Derivative financial instruments	581	1,363	1,454
Other borrowed funds	68,408	58,616	77,136
Debt securities	4,007	2,010	4,007
Subordinated liabilities	1,879	2,007	1,984
Preference shares	3,396	3,396	3,396
Current tax liabilities	1,655	1,708	1,097
Deferred tax liabilities	336	344	347
Post employee benefit liability	-	1,170	-
Other liabilities	14,288	12,541	13,944
<b>Total liabilities</b>	<b>594,655</b>	<b>480,756</b>	<b>607,337</b>
<b>Shareholders' equity</b>			
Stated capital	2,776	2,719	2,776
Retained earnings	57,450	52,385	57,746
Other components of equity	12,642	9,548	12,370
<b>Equity attributable to the equity holders of the parent</b>	<b>72,868</b>	<b>64,652</b>	<b>72,892</b>
Non-controlling interests	2,945	2,514	2,904
<b>Total equity</b>	<b>75,813</b>	<b>67,166</b>	<b>75,796</b>
<b>Total equity and liabilities</b>	<b>670,468</b>	<b>547,922</b>	<b>683,133</b>
<b>CONTINGENT LIABILITIES</b>	<b>163,316</b>	<b>85,194</b>	<b>133,837</b>

Consolidated summary statement of profit or loss for the period ended 30 September 2021

	<b>3 mths to 30-Sep-21</b>	3 mths to 30-Sep-20	Year to 30-Jun-21
	Rs'M	Rs'M	Rs'M
Interest income	4,489	4,300	17,477
Interest expense	(621)	(681)	(2,617)
<b>Net interest income</b>	<b>3,868</b>	<b>3,619</b>	<b>14,860</b>
Fee and commission income	1,843	1,361	5,828
Fee and commission expense	(511)	(294)	(1,368)
<b>Net fee and commission income</b>	<b>1,332</b>	<b>1,067</b>	<b>4,460</b>
Other income	467	745	3,084
<b>Operating income</b>	<b>5,667</b>	<b>5,431</b>	<b>22,404</b>
Non-interest expense	(2,249)	(1,982)	(8,271)
<b>Operating profit before impairment</b>	<b>3,418</b>	<b>3,449</b>	<b>14,133</b>
Net impairment of financial assets	(826)	(1,229)	(4,766)
<b>Operating profit</b>	<b>2,592</b>	<b>2,220</b>	<b>9,367</b>
Share of profit of associates	187	97	372
<b>Profit before tax</b>	<b>2,779</b>	<b>2,317</b>	<b>9,739</b>
Income tax expense	(515)	(386)	(1,500)
<b>Profit for the period</b>	<b>2,264</b>	<b>1,931</b>	<b>8,239</b>
<b>Profit for the period attributable to:</b>			
Ordinary equity holders of the parent	2,240	1,925	8,019
Preference shareholders	-	-	160
Non-controlling interests	24	6	60
	<b>2,264</b>	<b>1,931</b>	<b>8,239</b>

Consolidated summary statement of comprehensive income for the period ended 30 September 2021

<b>Profit for the period</b>	<b>2,264</b>	1,931	8,239
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss	(66)	(118)	3,086
Items that may be reclassified subsequently to profit or loss	120	259	1,272
<b>Other comprehensive income for the period</b>	<b>54</b>	141	4,358
<b>Total comprehensive income for the period</b>	<b>2,318</b>	<b>2,072</b>	<b>12,597</b>
<b>Total comprehensive income attributable to:</b>			
Ordinary equity holders of the parent	2,251	2,107	12,033
Preference shareholders	-	-	160
Non-controlling interests	67	(35)	404
	<b>2,318</b>	<b>2,072</b>	<b>12,597</b>
<b>Earnings per share:</b>			
Basic (Rs)	9.35	8.05	33.51
Diluted (Rs)	9.34	8.05	33.48
Basic weighted average number of shares (thousands)	<b>239,493</b>	239,252	239,330
Diluted weighted average number of shares (thousands)	<b>239,737</b>	239,252	239,518

## Consolidated summary statement of changes in equity for the period ended 30 September 2021

	Attributable to equity holders of the parent							
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Total	Non-Controlling Interests	Total Equity
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
<b>At 1 July 2020</b>	<b>2,719</b>	<b>50,460</b>	<b>2,226</b>	<b>193</b>	<b>6,947</b>	<b>62,545</b>	<b>2,549</b>	<b>65,094</b>
Profit for the period	-	1,925	-	-	-	1,925	6	1,931
Other comprehensive income/(expense) for the period	-	-	35	147	-	182	(41)	141
Total comprehensive income/(expense) for the period	-	1,925	35	147	-	2,107	(35)	2,072
<b>At 30 September 2020</b>	<b>2,719</b>	<b>52,385</b>	<b>2,261</b>	<b>340</b>	<b>6,947</b>	<b>64,652</b>	<b>2,514</b>	<b>67,166</b>
<b>At 1 July 2020</b>	<b>2,719</b>	<b>50,460</b>	<b>2,226</b>	<b>193</b>	<b>6,947</b>	<b>62,545</b>	<b>2,549</b>	<b>65,094</b>
Profit for the year	-	8,179	-	-	-	8,179	60	8,239
Other comprehensive income for the year	-	2,108	544	1,362	-	4,014	344	4,358
Total comprehensive income for the year	-	10,287	544	1,362	-	12,193	404	12,597
Dividends to ordinary shareholders	-	(1,736)	-	-	-	(1,736)	(22)	(1,758)
Dividends to preference shareholders	-	(160)	-	-	-	(160)	-	(160)
Impact of disposal of subsidiary	-	-	-	-	-	-	(21)	(21)
Issue of shares following the exercise of Group Employee Share Options Scheme	57	-	-	-	-	57	-	57
Transactions with owners	57	(1,896)	-	-	-	(1,839)	(43)	(1,882)
Transfers/movements in reserves	-	(1,105)	(16)	-	1,114	(7)	(6)	(13)
<b>At 30 June 2021</b>	<b>2,776</b>	<b>57,746</b>	<b>2,754</b>	<b>1,555</b>	<b>8,061</b>	<b>72,892</b>	<b>2,904</b>	<b>75,796</b>
Profit for the period	-	2,240	-	-	-	2,240	24	2,264
Other comprehensive income/(expense) for the period	-	58	(76)	29	-	11	43	54
Total comprehensive income/(expense) for the period	-	2,298	(76)	29	-	2,251	67	2,318
Dividends to ordinary shareholders	-	(2,275)	-	-	-	(2,275)	(26)	(2,301)
Transactions with owners	-	(2,275)	-	-	-	(2,275)	(26)	(2,301)
Transfers/movements in reserves	-	(319)	-	-	319	-	-	-
<b>At 30 September 2021</b>	<b>2,776</b>	<b>57,450</b>	<b>2,678</b>	<b>1,584</b>	<b>8,380</b>	<b>72,868</b>	<b>2,945</b>	<b>75,813</b>

## Consolidated summary statement of cash flows for the period ended 30 September 2021

	<b>3 mths to 30-Sept-21</b>	3 mths to 30-Sept-20	Year to 30-Jun-21
	<b>Rs'M</b>	Rs'M	Rs'M
<b>Operating activities</b>			
<b>Net cash flows from trading activities</b>	<b>13,373</b>	4,295	2,848
<b>Net cash flows from other operating activities</b>	<b>(55,174)</b>	(17,464)	35,533
Dividends received from associates	<b>18</b>	-	134
Dividends paid to ordinary shareholders	<b>(1,736)</b>	-	-
Dividends paid to preference shareholders	-	-	(160)
Dividends paid to non-controlling interests in subsidiaries	<b>(26)</b>	-	(22)
Income tax paid	<b>(84)</b>	(152)	(2,341)
<b>Net cash flows from operating activities</b>	<b>(43,629)</b>	(13,321)	35,992
<b>Net cash flows from investing activities</b>	<b>(580)</b>	(375)	(1,310)
<b>Net cash flows from financing activities</b>	<b>237</b>	(89)	1,809
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(43,972)</b>	(13,785)	36,491
Net cash and cash equivalents brought forward	<b>108,768</b>	71,141	71,141
Effect of foreign exchange rate changes	<b>518</b>	(150)	1,136
<b>Net cash and cash equivalents carried forward</b>	<b>65,314</b>	57,206	108,768

## COMMENTS ON RESULTS

Profit attributable to ordinary shareholders increased by 16.4% for the quarter ended September 2021 to Rs 2,240 million, due to an improvement in core earnings and the decrease in net impairment charges recorded in the banking cluster.

Operating income grew by 4.3% to Rs 5,667 million. Net interest income increased by 6.9% to Rs 3,868 million resulting from an expansion in the loan portfolio, notably linked to the international activities of MCB Ltd, despite a contraction in margins. Lower yields were also recorded in the deployment of our excess liquidity domestically, leading to a drop in revenues from Government securities. Net fee and commission income grew by 24.8% to Rs 1,332 million, driven by higher revenues across banking subsidiaries, with a strong performance recorded from regional trade financing and payments activities. On the other hand, 'Other income' declined by 37.3% to Rs 467 million, mainly explained by market volatility giving rise to fair value losses on equity instruments.

Operating expenses increased by 13.5% to Rs 2,249 million, reflecting continued investments in human capital and technology and the impact of the depreciation of the Rupee on the expenses denominated in foreign currencies. As a result, the cost to income ratio rose to 39.7% compared to 36.5% for the corresponding period last year. Impairment charges fell by Rs 403 million to Rs 826 million due to lower provision for expected credit losses ('ECL') during the quarter. The cost of risk, on an annualised basis, stood at 88 basis points of gross loans and advances, compared to 139 basis points in June 2021, while gross NPL ratio declined to 3.4%.

The share of profit of associates rose by Rs 90 million mainly on improved results at the level of BFCOI and Promotion and Development Group.

Our capitalisation level remains comfortable, with shareholders' funds increasing to Rs 72.9 billion, contributing to a capital adequacy ratio of 18.4%, of which 17.0% in the form of Tier 1.

The exit of Mauritius from the FATF grey list, which should trigger the removal of the country from the EU black list, and the pick-up in tourism amidst the full-fledged reopening of our borders recently are positive developments that should contribute to the domestic economic recovery. However, uncertainties still prevail considering the evolution of the Covid-19 pandemic both locally and globally. Against this backdrop, the Group will continue to closely monitor the evolution of the situation while pursuing the implementation of its strategic objectives.

By order of the Board

12 November 2021

The unaudited interim consolidated summary financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2021.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

Copies of the unaudited interim consolidated summary 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.*