

Statement of financial position

	GROUP	PROFORMA	GROUP
	31-Mar-15	31-Mar-14	30-Jun-14
	Rs'M	Rs'M	Rs'M
ASSETS			
Cash and cash equivalents	23,402.9	19,164.2	18,802.0
Mandatory balances with Central Banks	13,580.2	11,140.9	12,356.6
Derivative financial instruments	332.9	183.7	246.8
Loans to and placements with banks	7,693.2	8,209.2	6,325.4
Loans and advances to customers	160,826.3	150,577.1	150,101.2
Investment securities	43,878.7	32,128.7	35,435.3
Investments in associates	6,849.9	6,900.7	6,907.9
Goodwill and other intangible assets	898.5	832.2	911.2
Property, plant and equipment	5,942.0	6,068.0	6,045.3
Deferred tax assets	239.6	128.7	225.7
Other assets	4,073.2	3,508.0	3,529.0
Total assets	267,717.4	238,841.4	240,886.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from banks	1,871.8	2,766.5	1,659.6
Deposits from customers	205,130.3	181,178.6	184,427.9
Derivative financial instruments	1,139.0	557.3	653.6
Other borrowed funds	9,878.8	9,241.4	8,879.2
Subordinated liabilities	5,594.3	5,404.6	5,409.1
Current tax liabilities	450.2	293.1	399.0
Deferred tax liabilities	48.5	42.8	59.1
Other liabilities	6,688.4	6,328.9	6,694.6
Total liabilities	230,801.3	205,813.2	208,182.1
Shareholders' Equity			
Stated capital	2,397.3	2,379.6	2,383.3
Retained earnings	27,617.0	23,820.8	24,234.9
Other components of equity	5,179.2	5,102.0	4,349.5
Equity attributable to the ordinary equity holders of the parent	35,193.5	31,302.4	30,967.7
Non-controlling interests	1,722.6	1,725.8	1,736.6
Total equity	36,916.1	33,028.2	32,704.3
Total equity and liabilities	267,717.4	238,841.4	240,886.4
CONTINGENT LIABILITIES			
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	57,759.8	51,162.4	64,082.9
Commitments	5,122.4	4,539.6	4,660.7
Tax assessments	406.9	269.9	272.1
Other	1,446.8	1,419.4	1,534.5
	64,735.9	57,391.3	70,550.2

Statement of profit or loss

	GROUP	PROFORMA GROUP	GROUP	PROFORMA GROUP	PROFORMA GROUP
	Quarter to 31-Mar-15 Rs'M	Quarter to 31-Mar-14 Rs'M	9 mths to 31-Mar-15 Rs'M	9 mths to 31-Mar-14 Rs'M	Year to 30-Jun-14 Rs'M
Interest income	3,212.9	2,922.1	9,573.6	8,992.0	11,953.7
Interest expense	(1,148.0)	(1,159.3)	(3,522.9)	(3,477.5)	(4,697.4)
Net interest income	2,064.9	1,762.8	6,050.7	5,514.5	7,256.3
Fee and commission income	1,036.6	880.5	3,005.7	2,571.6	3,626.6
Fee and commission expense	(217.5)	(215.2)	(597.5)	(559.5)	(738.7)
Net fee and commission income	819.1	665.3	2,408.2	2,012.1	2,887.9
Other income	394.5	390.3	1,328.1	1,165.7	2,130.7
Operating income	3,278.5	2,818.4	9,787.0	8,692.3	12,274.9
Non-interest expense	(1,435.2)	(1,327.6)	(4,203.8)	(4,099.2)	(5,353.3)
Operating profit before impairment	1,843.3	1,490.8	5,583.2	4,593.1	6,921.6
Allowance for credit impairment	(279.7)	(615.5)	(679.3)	(970.2)	(1,989.0)
Impairment of available-for-sale investments	-	(50.1)	-	(50.1)	(50.1)
Operating profit	1,563.6	825.2	4,903.9	3,572.8	4,882.5
Share of profit of associates	75.8	131.1	228.3	383.3	540.2
Profit before tax	1,639.4	956.3	5,132.2	3,956.1	5,422.7
Income tax expense	(253.8)	(232.2)	(840.8)	(745.0)	(969.6)
Profit for the period	1,385.6	724.1	4,291.4	3,211.1	4,453.1
Profit for the period attributable to :-					
Ordinary equity holders of the parent	1,371.0	692.6	4,261.3	3,147.3	4,365.0
Non-controlling interests	14.6	31.5	30.1	63.8	88.1
	1,385.6	724.1	4,291.4	3,211.1	4,453.1
Profit for the period	1,385.6	724.1	4,291.4	3,211.1	4,453.1
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit pension plan net of deferred tax	-	-	-	-	(232.6)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	252.7	(57.9)	59.3	(97.1)	(116.9)
Reclassification adjustments	4.1	(2.8)	73.3	(9.2)	(467.5)
Net fair value gain/(loss) on available-for-sale investments	94.5	(1.3)	630.7	385.7	369.3
Share of other comprehensive (expense)/income of associates	(39.3)	(56.0)	(93.0)	106.3	67.4
	312.0	(118.0)	670.3	385.7	(147.7)
Other comprehensive income/(expense) for the period	312.0	(118.0)	670.3	385.7	(380.3)
Total comprehensive income for the period	1,697.6	606.1	4,961.7	3,596.8	4,072.8
Total comprehensive income attributable to :-					
Ordinary equity holders of the parent	1,701.8	595.6	4,947.2	3,479.6	3,939.4
Non-controlling interests	(4.2)	10.5	14.5	117.2	133.4
	1,697.6	606.1	4,961.7	3,596.8	4,072.8
Earnings per share:					
Basic & Diluted (Rs)	5.76	2.91	17.90	13.23	18.34
Basic weighted average number of shares (thousands)	238,027	237,960	238,003	237,870	237,977
Diluted weighted average number of shares (thousands)	238,041	238,056	238,017	237,966	238,046

Statement of changes in equity

	Attributable to ordinary equity holders of the parent							Non-controlling Interests	Total Equity	
	Stated Capital	Treasury Shares	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve			Total
PROFORMA GROUP	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	
At 1st July 2013										
As previously stated	2,615.8	(360.1)	22,412.2	1,616.0	(100.0)	2,643.6	604.7	29,432.2	1,622.1	31,054.3
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	(926.6)	-	-	-	-	(926.6)	(0.3)	(926.9)
As restated	<u>2,615.8</u>	<u>(360.1)</u>	<u>21,485.6</u>	<u>1,616.0</u>	<u>(100.0)</u>	<u>2,643.6</u>	<u>604.7</u>	<u>28,505.6</u>	<u>1,621.8</u>	<u>30,127.4</u>
Profit for the period	-	-	3,147.3	-	-	-	-	3,147.3	63.8	3,211.1
Other comprehensive (expense)/income for the period	-	-	(1.3)	421.2	(87.6)	-	-	332.3	53.4	385.7
Total comprehensive income/(expense) for the period	-	-	<u>3,146.0</u>	<u>421.2</u>	<u>(87.6)</u>	-	-	<u>3,479.6</u>	<u>117.2</u>	<u>3,596.8</u>
Increase in effective shareholding of associate	-	-	0.2	-	-	-	-	0.2	-	0.2
Dividends	-	-	(713.5)	-	-	-	-	(713.5)	(13.2)	(726.7)
Share of transfer on disposal of property, plant & equipment by associate	-	-	1.3	(1.3)	-	-	-	-	-	-
Transfer to general banking reserve	-	-	(5.5)	-	-	-	5.5	-	-	-
Transfer from statutory reserve	-	-	0.1	-	-	(0.1)	-	-	-	-
Employee share options exercised	26.1	4.4	-	-	-	-	-	30.5	-	30.5
Cancellation of treasury shares	(262.3)	355.7	(93.4)	-	-	-	-	-	-	-
At 31st March 2014	<u>2,379.6</u>	<u>-</u>	<u>23,820.8</u>	<u>2,035.9</u>	<u>(187.6)</u>	<u>2,643.5</u>	<u>610.2</u>	<u>31,302.4</u>	<u>1,725.8</u>	<u>33,028.2</u>
At 1st July 2013										
As previously stated	2,615.8	(360.1)	22,412.2	1,616.0	(100.0)	2,643.6	604.7	29,432.2	1,622.1	31,054.3
Effect of adopting IAS 19 (revised) net of deferred tax	-	-	(926.6)	-	-	-	-	(926.6)	(0.3)	(926.9)
As restated	<u>2,615.8</u>	<u>(360.1)</u>	<u>21,485.6</u>	<u>1,616.0</u>	<u>(100.0)</u>	<u>2,643.6</u>	<u>604.7</u>	<u>28,505.6</u>	<u>1,621.8</u>	<u>30,127.4</u>
Profit for the year	-	-	4,365.0	-	-	-	-	4,365.0	88.1	4,453.1
Other comprehensive (expense)/income for the year	-	-	(232.6)	(87.5)	(105.5)	-	-	(425.6)	45.3	(380.3)
Total comprehensive income/(expense) for the year	-	-	<u>4,132.4</u>	<u>(87.5)</u>	<u>(105.5)</u>	-	-	<u>3,939.4</u>	<u>133.4</u>	<u>4,072.8</u>
Increase in effective shareholding of associate	-	-	0.2	-	-	-	-	0.2	-	0.2
Dividends	-	-	(1,510.7)	-	-	-	-	(1,510.7)	(18.6)	(1,529.3)
Effect of increase in shareholding in subsidiary	-	-	(1.0)	-	-	-	-	(1.0)	-	(1.0)
Share of transfer on disposal of property, plant & equipment by associate	-	-	2.2	(2.2)	-	-	-	-	-	-
Share of other movements in reserves of associate	-	-	(0.5)	0.5	-	-	-	-	-	-
Transfer to general banking reserve	-	-	(9.4)	-	-	-	9.4	-	-	-
Transfer from statutory reserve	-	-	229.5	-	-	(229.5)	-	-	-	-
Employee share options exercised	26.1	4.4	-	-	-	-	-	30.5	-	30.5
Issue of shares following the exercise of Group Employee Share Options Scheme	3.7	-	-	-	-	-	-	3.7	-	3.7
Cancellation of treasury shares	(262.3)	355.7	(93.4)	-	-	-	-	-	-	-
At 30th June 2014	<u>2,383.3</u>	<u>-</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	-	-	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	-	-	<u>4,260.3</u>	<u>623.4</u>	<u>63.5</u>	-	-	<u>4,947.2</u>	<u>14.5</u>	<u>4,961.7</u>
Dividends	-	-	(737.8)	-	-	-	-	(737.8)	(22.1)	(759.9)
Effect of increase in shareholding in subsidiary	-	-	2.4	-	-	-	-	2.4	(6.4)	(4.0)
Share of transfer on disposal of property, plant & equipment 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	14.0	-	-	-	-	-	-	14.0	-	14.0
At 31st March 2015	<u>2,397.3</u>	<u>-</u>	<u>27,617.0</u>	<u>2,146.9</u>	<u>(142.0)</u>	<u>2,414.1</u>	<u>760.2</u>	<u>35,193.5</u>	<u>1,722.6</u>	<u>36,916.1</u>

Statement of cash flows

	GROUP	PROFORMA GROUP	PROFORMA GROUP
	9 mths to 31-Mar-15 Rs'M	9 mths to 31-Mar-14 Rs'M	Year to 30-Jun-14 Rs'M
Net cash flows from trading activities	5,508.8	4,236.8	4,186.7
Net cash flows from other operating activities	1,876.4	2,864.1	2,008.7
Dividends received from associates	36.1	28.8	129.2
Dividends paid	(1,535.0)	(1,510.2)	(1,510.2)
Dividends paid to non-controlling interests in subsidiaries	(22.1)	(13.2)	(18.6)
Income tax paid	(820.9)	(698.4)	(853.0)
Net cash flows from operating activities	5,043.3	4,907.9	3,942.8
Investing activities	(1,841.2)	(322.7)	(350.0)
Net cash flows before financing activities	3,202.1	4,585.2	3,592.8
Financing activities			
Shares issued/employee share options exercised	14.0	26.6	30.3
Subordinated liabilities issued	-	5,415.6	5,415.6
Net debt securities (matured)/issued	(1,793.1)	145.8	145.8
Net cash flows from financing activities	(1,779.1)	5,588.0	5,591.7
Increase in cash and cash equivalents	1,423.0	10,173.2	9,184.5
Net cash and cash equivalents brought forward	17,483.5	8,442.8	8,442.8
Effect of foreign exchange rate changes	257.5	(126.7)	(143.8)
Net cash and cash equivalents carried forward	19,164.0	18,489.3	17,483.5

COMMENTS

The Group posted an encouraging performance amidst a challenging operating context, with attributable profits reaching Rs 4,261 million for the first nine months to March 2015, compared to Rs 3,147 million for the corresponding period of the preceding financial year.

In spite of the subdued private investment level and excess liquidity situation in Mauritius, net interest income grew by 9.7% to Rs 6,051 million, driven by an expansion in our international activities. Net fee and commission income increased by nearly 20%, in line with the strong growth in revenues from asset management activities and international trade finance. Furthermore, 'other income' rose by 13.9% on the back of enhanced contribution from the non-bank financial entities of the Group.

Growth in operating expenses was contained to 2.6%, while impairment charges were down by 30% as compared to the corresponding period last year.

Despite lower contribution from associates, Group net profits for the nine months grew by 35.4 % compared to last financial year, with earnings from foreign sources and non-banking activities accounting for slightly above 50% thereof.

On current trends, MCB Group results for FY 2014/15 are anticipated to post a good improvement compared to those of the previous year.

By order of the Board

14th May 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 30th June 2014 and comply with IAS 34.

Proforma financial statements have been provided for a better understanding of the financial statements of the MCB Group Limited and for comparative purposes.

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

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.