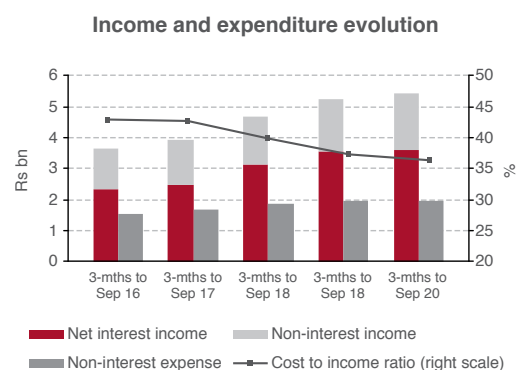
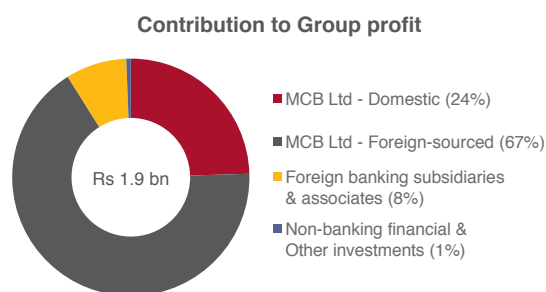


HIGHLIGHTS

- Net interest income up by 2.3%
- Rise of 7.7% in net fee and commission income
- Growth of 2.3% in 'other income'
- Operating expenses up by 0.8%
- Impairment charges rose to Rs 1.2 billion; with additional ECL of Rs 815 million over the quarter; gross NPL ratio standing at 4.1%
- Drop of Rs 96 million in share of profit of associates
- Y-o-y growth of 15.7% in deposits and of 5.1% in gross loans

PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS
Rs 1.9 bn
 ▼ 23.6%

OPERATING INCOME
Rs 5.4 bn
 ▲ 3.3%


Note: The domestic profit contribution has been impacted by a substantial rise recorded in Expected Credit Losses therein.

IMPAIRMENT CHARGES (INCL. ECL)
Rs 1.2 bn
 ▲ 222.6%

Consolidated summary statement of financial position as at 30 September 2020

	30-Sep-20	30-Sep-19	30-Jun-20
	Rs'M	Rs'M (Restated)	Rs'M
ASSETS			
Cash and cash equivalents	57,325	51,201	71,573
Mandatory balances with Central Banks	22,106	21,343	22,211
Derivative financial instruments	1,530	676	1,449
Loans to and placements with banks	36,551	15,024	18,116
Loans and advances to customers	239,268	230,827	240,953
Investment securities	162,182	131,495	148,858
Investments in associates	10,999	10,036	10,834
Investment properties	4,626	3,958	4,444
Goodwill and other intangible assets	1,722	1,447	1,678
Property, plant and equipment	6,834	6,398	6,875
Deferred tax assets	1,297	616	1,263
Other assets	3,482	4,287	3,860
Total assets	547,922	477,308	532,114
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from banks	6,279	2,986	4,314
Deposits from customers	391,322	340,567	386,345
Derivative financial instruments	1,363	714	1,413
Other borrowed funds	58,616	47,270	52,444
Debt securities	2,010	2,012	2,007
Subordinated liabilities	2,007	5,525	2,122
Preference shares	3,396	-	3,396
Current tax liabilities	1,708	1,560	1,444
Deferred tax liabilities	344	290	339
Post employee benefit liability	1,170	360	1,170
Other liabilities	12,541	16,267	12,026
Total liabilities	480,756	417,551	467,020
Shareholders' equity			
Stated capital	2,719	2,612	2,719
Retained earnings	52,385	45,544	50,460
Other components of equity	9,548	9,067	9,366
Equity attributable to the equity holders of the parent	64,652	57,223	62,545
Non-controlling interests	2,514	2,534	2,549
Total equity	67,166	59,757	65,094
Total equity and liabilities	547,922	477,308	532,114
CONTINGENT LIABILITIES	85,194	68,178	72,901

COMMENTS ON RESULTS

The particularly difficult operating context continued to impact the Group's results, with attributable profits to ordinary shareholders falling by 23.6% for the quarter ended September 2020 to reach Rs 1,925 million, largely linked to the substantial increase in Expected Credit Losses (ECL) amidst the deterioration in the economic outlook, notably on the domestic front.

Despite the challenging situation across markets, with some of them being particularly hit by the downturn in tourism, operating income rose by 3.3% to reach Rs 5,431 million. Net interest income increased by 2.3%, in spite of reduced margins on lending activities, reflecting higher investments in Government securities in the context of the high liquidity situation. Notwithstanding lower revenues from MCB Capital Markets Ltd and foreign banking subsidiaries, net fee and commission income rose by 7.7% reflecting an enhanced performance at MCB Ltd level, with higher income notably from regional trade financing activities more than offsetting lower receipts from cards operations. 'Other income' edged up by 2.3%, despite MCB Real Assets Ltd not receiving any rental income, explained by an 8.3% growth in profit on exchange and fair value gains on financial instruments carried at fair value.

Operating expenses remained relatively flat, resulting in a fall in the cost to income ratio to 36.5% compared to 37.4% for the corresponding period last year. Impairment charges increased by Rs 848 million to reach Rs 1,229 million, of which Rs 815 million in respect of ECL. The cost of risk, on an annualised basis, stood at 164 basis points of gross loans and advances compared to 184 basis points for the last financial year while gross NPL ratio remained stable at 4.1%.

Consolidated summary statement of profit or loss for the period ended 30 September 2020

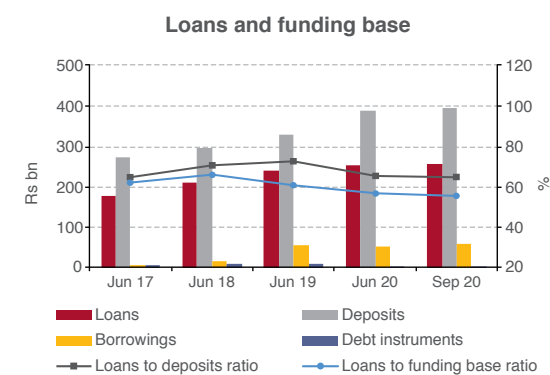
	3 mths to 30-Sep-20	3 mths to 30-Sep-19	Year to 30-Jun-20
	Rs'M	Rs'M (Restated)	Rs'M
Interest income	4,300	5,204	19,995
Interest expense	(681)	(1,665)	(5,586)
Net interest income	3,619	3,539	14,409
Fee and commission income	1,361	1,354	5,340
Fee and commission expense	(294)	(362)	(1,403)
Net fee and commission income	1,067	992	3,937
Other income	745	728	3,609
Operating income	5,431	5,259	21,955
Non-interest expense	(1,982)	(1,966)	(7,792)
Operating profit before impairment	3,449	3,293	14,163
Net impairment of financial assets	(1,229)	(381)	(5,076)
Operating profit	2,220	2,912	9,087
Share of profit of associates	97	193	401
Profit before tax	2,317	3,105	9,488
Income tax expense	(386)	(548)	(1,494)
Profit for the period	1,931	2,557	7,994
Profit for the period attributable to:			
Ordinary equity holders of the parent	1,925	2,521	7,912
Preference shareholders	-	-	54
Non-controlling interests	6	36	28
	1,931	2,557	7,994
Consolidated summary statement of comprehensive income for the period ended 30 September 2020			
Profit for the period	1,931	2,557	7,994
Other comprehensive income:			
Items that will not be reclassified to profit or loss	(118)	1	(695)
Items that may be reclassified subsequently to profit or loss	259	5	550
Other comprehensive income/(expense) for the period	141	6	(145)
Total comprehensive income for the period	2,072	2,563	7,849
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	2,107	2,526	7,741
Preference shareholders	-	-	54
Non-controlling interests	(35)	37	54
	2,072	2,563	7,849
Earnings per share:			
Basic and Diluted (Rs)	8.05	10.55	33.10
Basic weighted average number of shares (thousands)	239,252	238,908	239,072
Diluted weighted average number of shares (thousands)	239,252	238,994	239,072

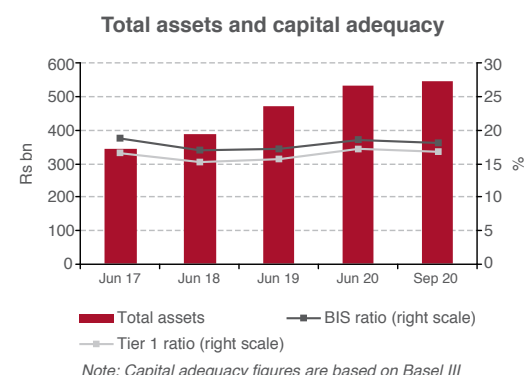
The share of profit of associates declined by Rs 96 million to Rs 97 million as a result of reduced contribution from both Promotion and Development Group and BFCOI.

Our capitalisation level remains comfortable with shareholders' funds increasing to Rs 64.7 billion, contributing to a capital adequacy ratio of 18.2%, of which 16.8% in the form of Tier 1. The Group continued to display healthy liquidity positions, both in rupee and foreign currency, with the Bank's US dollar Liquidity Coverage Ratio standing at 189% as at September 2020.

Despite positive news about COVID-19 vaccines in trials being at an advanced stage, the operating environment is likely to remain challenging for some time to come, the more so when considering a resurgence of the virus in many developed countries. In this context, local operators should continue to face notable difficulties, the extent of which being dependent on the effectiveness of support measures being deployed, notably at the level of SMEs and through Mauritius Investment Corporation. Against this backdrop, the Group is projected to record another subdued performance for the next quarter to December 2020.

By order of the Board
13 November 2020

GROSS LOANS
Rs 257.2 bn
 ▲ 5.1%

DEPOSITS
Rs 397.6 bn
 ▲ 15.7%

ASSETS
Rs 547.9 bn
 ▲ 14.8%

FINANCIAL SOUNDNESS INDICATORS (%)

	Sep-20	Jun-20	Sep-19
Profitability			
Return on average total assets ¹	1.4	1.6	2.1
Return on average equity ¹	12.1	13.3	17.7
Return on average Tier 1 capital ¹	11.9	13.4	18.3
Efficiency			
Cost-to-income	36.5	35.5	37.4
Asset quality			
Gross NPL/Gross loans and advances	4.1	4.2	4.1
Net NPL/Net loans and advances	2.6	2.9	2.8
Liquidity			
Liquid assets ² /Total assets	44.3	42.6	39.1
Loans to deposits	64.7	65.3	71.2
Loans to deposits and borrowings ³	55.9	57.0	61.4
Capital adequacy			
Shareholders equity to assets	11.8	11.8	12.0
BIS risk adjusted ratio ⁴	18.2	18.6	17.6
<i>o/w Tier 1⁴</i>	<i>16.8</i>	<i>17.2</i>	<i>16.0</i>

¹ Annualised for September
² In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bills, Government securities and bonds
³ Borrowings include debt instruments
⁴ Based on Basel III

Consolidated summary statement of changes in equity for the period ended 30 September 2020

	Attributable to 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	Rs'M		
At 01 July 2019, as restated	2,608	44,791	2,262	(336)	6,935	249	56,509	2,526	59,035	
Profit for the period	-	2,521	-	-	-	-	2,521	36	2,557	
Other comprehensive income/(expense) for the period	-	-	27	(22)	-	-	5	1	6	
Total comprehensive income/(expense) for the period	-	2,521	27	(22)	-	-	2,526	37	2,563	
Dividends	-	(1,816)	-	-	-	-	(1,816)	(29)	(1,845)	
Issue of shares following the exercise of Group Employee Share Options Scheme	4	-	-	-	-	-	4	-	4	
Transactions with owners	4	(1,816)	-	-	-	-	(1,812)	(29)	(1,841)	
Transfers/movements in reserves	-	48	-	-	8	(56)	-	-	-	
At 30 September 2019	2,612	45,544	2,289	(358)	6,943	193	57,223	2,534	59,757	
At 01 July 2019, as restated	2,608	44,791	2,262	(336)	6,935	249	56,509	2,526	59,035	
Profit for the year	-	7,966	-	-	-	-	7,966	28	7,994	
Other comprehensive (expense)/income for the year	-	(673)	(27)	529	-	-	(171)	26	(145)	
Total comprehensive income/(expense) for the year	-	7,293	(27)	529	-	-	7,795	54	7,849	
Dividends to ordinary shareholders	-	(1,816)	-	-	-	-	(1,816)	(31)	(1,847)	
Dividends to preference shareholders	-	(54)	-	-	-	-	(54)	-	(54)	
Issue of shares following the exercise of Group Employee Share Options Scheme	111	-	-	-	-	-	111	-	111	
Transactions with owners	111	(1,870)	-	-	-	-	(1,759)	(31)	(1,790)	
Transfers/movements in reserves	-	246	(9)	-	12	(249)	-	-	-	
At 30 June 2020	2,719	50,460	2,226	193	6,947	-	62,545	2,549	65,094	
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	
At 30 September 2020	2,719	52,385	2,261	340	6,947	-	64,652	2,514	67,166	

Consolidated summary statement of cash flows for the period ended 30 September 2020

	3 mths to 30-Sep-20	3 mths to 30-Sep-19	Year to 30-Jun-20
	Rs'M	Rs'M (Restated)	Rs'M
Operating activities			
Net cash flows from trading activities	4,309	12,199	13,954
Net cash flows from other operating activities	(17,478)	(9,833)	14,742
Dividends received from associates	-	56	80
Dividends paid to ordinary shareholders	-	(1,290)	(3,106)
Dividends paid to preference shareholders	-	-	(54)
Dividends paid to non-controlling interests in subsidiaries	-	(29)	(31)
Income tax paid	(152)	(31)	(1,607)
Net cash flows from operating activities	(13,321)	1,072	23,978
Net cash flows from investing activities	(375)	(295)	(1,571)
Net cash flows from financing activities	(89)	(71)	(143)
(Decrease)/Increase in cash and cash equivalents	(13,785)	706	22,264
Net cash and cash equivalents brought forward	71,141	49,329	49,329
Effect of foreign exchange rate changes	(150)	79	(452)
Net cash and cash equivalents carried forward	57,206	50,114	71,141

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 2020.

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

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

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.