

MCB GROUP LIMITED | Unaudited Interim Consolidated Summary Financial Statements – 30 September 2023

Consolidated summary statement of financial position as at 30 September 2023

Consolidated summary statement of profit or loss for the period ended 30 September 2023

Unaudited Unaudited

3 mths to 3 mths to

Rs'M

10,866

(5,315)

5.551

2,585

1,747

1,014

8.312

(3,064)

5,248

4,377

4,534

3,599

3.559

3,599

14.27

14.26

249.406

249,499

40

(871)

157

(935)

(838)

30-Sep-23 30-Sep-22 30-Jun-23

Rs'M

6,008

(1,673)

4.335

2,189

1,500

638

6,473

(2,583)

3,890

3,177

3.394

2.807

2.762

2,807

11.35

11.34

243 405

243,473

45

217

(587)

(713)

(689)

Audited

Year to

Rs'M

33,924

(14,134) 19,790

9,673

(3,067)

6,606

5,396 31.792

(11,257)

20,535

(3,644)

16,891

17,758

(3.445)

14.313

14.133

14,313

57 67

57.66

245.074

245,126

180

867

	Unaudited 30-Sep-23 Rs'M	Unaudited 30-Sep-22 Rs'M	Audited 30-Jun-23 Rs'M	
ASSETS	110 1	110101		
Cash and cash equivalents	79,469	65,722	120,570	
Mandatory balances with Central Banks	37,006	28,274	34,984	Interest income using the
Derivative financial instruments	1,354	737	1,283	Interest expense
Loans to and placements with banks	16,539	22,013	13,780	·
Loans and advances to customers	365,253	316,904	349,285	Net interest income
Investment securities	294,944	265,959	267,472	
Investments in associates and joint venture	13,068	12,222	13,169	
Investment properties	4,907	4,470	5,139	Fee and commission inco
Goodwill and other intangible assets	2,835	2,465	2,799	Fee and commission exp
Property, plant and equipment	7,548	7,261	7,534	Net fee and commissio
Deferred tax assets	3,293	2,320	3,124	Net ree and commissio
Post employee benefit asset	455	-	455	
Other assets Total assets	<u>11,006</u> 837,677	<u>6,991</u> 735,338	<u>10,387</u> 829,981	Other income
Total assets	037,077	/ 30,330	029,901	
LIABILITIES AND SHAREHOLDERS' EQUITY				Operating income
Liabilities				Non-interest expense
Deposits from banks	24,564	6,052	10,352	Operating profit before
Deposits from customers	24,564 584,878	520,048	587,414	Net impairment of financ
Derivative financial instruments	1,477	603	1,285	·
Other borrowed funds	78,286	100,234	87,657	Operating profit
Debt securities	18,187	3,849	15,760	Share of profit of associa
Subordinated liabilities	6,477	1,651	8,172	·
Preference shares	1,855	2,689	2,300	Profit before tax
Current tax liabilities	4,057	1,929	3,135	Income tax expense
Deferred tax liabilities	464	364	478	·
Post employee benefit liability	-	460	-	Profit for the period
Other liabilities	23,087	15,556	20,333	Profit for the period att
Total liabilities	743,332	653,435	736,886	Ordinary equity holders
Shareholders' equity				Non-controlling interest
Stated capital	5,875	4,054	4,907	. terr controlling intereet
Retained earnings	71,986	62,129	71,323	
Other components of equity	13,165	12,573	13,533	
Equity attributable to the equity holders		12,010	10,000	
of the parent	91,026	78,756	89,763	Earnings per share:
Non-controlling interests	3,319	3,147	3,332	Basic (Rs)
Total equity	94,345	81,903	93,095	
Total equity and liabilities	837,677	735,338	829,981	Diluted (Rs)
				Basic weighted average
CONTINGENT LIABILITIES (NET)	191,976	135,702	125,670	(thousands)

COMMENTS ON RESULTS

The Group delivered a robust financial performance in the first quarter of the financial year to 30 september 2023, with profit attributable to ordinary shareholders increasing by 28.9% compared to the corresponding quarter in FY 2022/23 to Rs 3,559 million, reflecting the continuing growth of our international operations and the high interest rate environment.

The key highlights of the results of the first quarter are as follows of Tier 1

• Operating income grew by 28.4% to Rs 8,312 million.

- Net interest income rose by 28.1% driven by OUTLOOK improved yields on our interest-earning assets in foreign currency benefiting from the high interest rate environment and the expansion in our margins on rupee-denominated earning assets The global economic environment is set to remain dropped mainly as a result of the cost of deposits rising more rapidly than the yield on investment securities which take longer to be repriced.
- banking cluster
- for the corresponding period last year. Notwithstanding the global uncertainties, the Board remains cautiously confident about achieving its
- Impairment charges increased by 22.2% to full year. Rs 871 million, representing an annualised cost of risk of 79 basis points and reflecting the increase in specific provision coverage to 72%. Gross NPL ratio By order of the Board remained relatively stable at 3.1%.

. The share of profit of associates declined by Rs 60 million to Rs 157 million as a result of reduced contribution from both BFCOI and Promotion and Development Group.

• The tax charge for the period increased by 59.3% to Rs 935 million, in line with increased profits and the impact of the recent changes in tax laws in Mauritius. Our capitalisation level has improved with shareholders funds increasing to Rs 91 billion, contributing to a capital adequacy ratio of 19.7%, of which 17.1% in the form

foreign currency loan book. Conversely, following successive increases in the key rate, net interest periods of the previous financial year.

challenging and volatile in view of the heightened geopolitical uncertainty caused by rising tensions in the Middle East. While cooling inflation trends have allowed Net fee and commission income grew by 16.5% to Rs 1,747 million, driven by regional trade most central banks to slow the pace of tightening, interest rates are set to stay higher for longer given the gradual financing, lending and payment activities in the disinflation pace. Economic activity is consequently expected to be subdued in key markets. Against this Other income' rose by 58.9%, mainly due to an increase in presures promotive on their such as the increase of the such as Other income rose by 58.9%, mainly due to an increase in profit on forex and lower fair value losses on equity financial instruments.
 Investment in technology and human capabilities Investment in technology and human capabilities,
 economy continues to sustain its growth path, supported coupled with the impact of high inflation on operating costs, resulted in an increase of 18.6% in non-interest expenses to Rs 3,064 million. However,

expectations regarding operating performance for the

Interest income using the effective interest method
Interest expense
Net interest income
Fee and commission income
Fee and commission expense
Net fee and commission income
Other income
Operating income
Non-interest expense
Operating profit before impairment
Net impairment of financial assets
Operating profit
Share of profit of associates
Profit before tax
Income tax expense
Profit for the period
Profit for the period attributable to:
Ordinary equity holders of the parent
Non-controlling interests
Earnings per share:
Basic (Rs)
Diluted (Rs)
Basic weighted average number of shares
(thousands)

Diluted weighted average number of shares

(thousands)

14 November 2023

Consolidated summary statement of comprehensive income for the
period ended 30 September 2023

Profit for the period	3,599	2,807	14,313
Other comprehensive (expense)/income:		_,	,
Items that will not be reclassified to profit or loss	55	(80)	(32)
Items that may be reclassified subsequently			
to profit or loss	(400)	(556)	292
Other comprehensive (expense)/income			
for the period	(345)	(636)	260
Total comprehensive income for the period	3,254	2,171	14,573
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	3,229	2,145	14,331
Non-controlling interests	25	26	242
	3,254	2,171	14,573

		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
At 1 July 2022	3,109	61,612	2,684	1,550	8,957	77,912	3,130	81,042
Profit for the period	-	2,762	-	-	-	2,762	45	2,807
Other comprehensive expense for the period	-	-	(106)	(511)	-	(617)	(19)	(636)
Total comprehensive income/(expense) for the period	-	2,762	(106)	(511)	-	2,145	26	2,171
Dividends to ordinary shareholders	-	(2,183)	-	-	-	(2,183)	(8)	(2,191)
Dividends to preference shareholders	-	(63)	-	-	-	(63)	-	(63)
Shares issued under the Scrip Dividend Scheme	234	-	-	-	-	234	-	234
Issue of shares following conversion of preference shares into								
ordinary shares	707	-	-	-	-	707	-	707
Issue of shares following the exercise of Group Employee Share								
Options Scheme	4	-	-	-	-	4	-	4
Transactions with owners	945	(2,246)	-	-	-	(1,301)	(8)	(1,309)
Transfers/movements in reserves	-	1	(1)	-	-	-	(1)	(1)
At 30 September 2022	4,054	62,129	2,577	1,039	8,957	78,756	3,147	81,903
At 1 July 2022	3,109	61,612	2,684	1,550	8,957	77,912	3,130	81,042
Profit for the year	-	14,133	-	-	-	14,133	180	14,313
Other comprehensive (expense)/income for the year	-	(168)	3	363	-	198	62	260
Total comprehensive income for the year	-	13,965	3	363	-	14,331	242	14,573
Dividends to ordinary shareholders	-	(4,278)	-	-	-	(4,278)	(40)	(4,318)
Issue of shares following conversion of preference shares into								
ordinary shares	1,096	-	-	-	-	1,096	-	1,096
Shares issued under the Scrip Dividend Scheme	634	-	-	-	-	634	-	634
Issue of shares following the exercise of Group Employee Share								
Options Scheme	68	-	-	-	-	68	-	68
Transactions with owners	1,798	(4,278)	-	-	-	(2,480)	(40)	(2,520)
Transfers/movements in reserves	-	24	(32)	-	8	-	-	-
At 30 June 2023	4,907	71,323	2,655	1,913	8,965	89,763	3,332	93,095
Profit for the period	-	3,559	-	-	-	3,559	40	3,599
Other comprehensive income/(expense) for the period	-	-	63	(393)	-	(330)	(15)	(345)
Total comprehensive income/(expense) for the period	-	3,559	63	(393)	-	3,229	25	3,254
Dividends to ordinary shareholders	-	(2,933)	-	-	-	(2,933)	(38)	(2,971)
Shares issued under the Scrip Dividend Scheme	515	-	-	-	-	515	-	515
Issue of shares following conversion of preference shares into								
ordinary shares	445	-	-	-	-	445	-	445
Issue of shares following the exercise of Group Employee Share								
Options Scheme	8	-		-	-	8	-	8
Transactions with owners	968	(2,933)	-	-	-	(1,965)	(38)	(2,003)
Transfers/movements in reserves	-	37	(38)	-	-	(1)	-	(1)
At 30 September 2023	5,875	71,986	2,680	1,520	8,965	91,026	3,319	94,345

Operating activities Net cash flows from trading a Net cash flows from other ope Dividends received from associa Dividends paid to ordinary share Dividends paid to non-controlling Income tax paid

Net cash flows from operating a Net cash flows from investing Net cash flows from financing (Decrease)/Increase in cash a Net cash and cash equivalents I Effect of foreign exchange rate Net cash and cash equivalent

Consolidated summary statement of changes in equity for the period ended 30 September 2023

Consolidated summary statement of cash flows for the period ended 30 September 2023

	Unaudited	Unaudited	Audited
	3 mths to	3 mths to	Year to
	30-Sep-23	30-Sep-22	30-Jun-23
	Rs'M	Rs'M	Rs'M
activities	3,680	(7,084)	15,785
erating activities	(43,966)	1,089	22,916
iates	18	18	501
eholders	(1,598)	(1,185)	(2,734)
ng interests in subsidiaries	(10)	(8)	(40)
	(198)	(112)	(2,408)
activities	(42,074)	(7,282)	34,020
g activities	(393)	(343)	(2,260)
g activities	1,115	(191)	17,733
and cash equivalents	(41,352)	(7,816)	49,493
brought forward	120,409	70,774	70,774
changes	(67)	(129)	142
ts carried forward	78,990	62,829	120,409

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 2023.

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: 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.