

Consolidated summary statement of financial position as at 30 June 2023

	30-June-23 Rs'M	30-June-22 Rs'M
<b>ASSETS</b>		
Cash and cash equivalents	120,570	73,294
Mandatory balances with Central Banks	34,984	27,896
Derivative financial instruments	1,283	477
Loans to and placements with banks	13,780	23,375
Loans and advances to customers	349,285	325,613
Investment securities	267,472	239,684
Investments in associates and joint venture	13,169	12,356
Investment properties	5,139	4,799
Goodwill and other intangible assets	2,799	2,488
Property, plant and equipment	7,534	7,329
Deferred tax assets	3,124	2,181
Post employee benefit asset	455	-
Other assets	10,387	8,636
<b>Total assets</b>	<b>829,981</b>	<b>728,128</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Deposits from banks	10,352	6,979
Deposits from customers	587,414	518,677
Derivative financial instruments	1,285	536
Other borrowed funds	87,657	94,995
Debt securities	15,760	3,848
Subordinated liabilities	8,172	1,793
Preference shares	2,300	3,396
Current tax liabilities	3,135	1,295
Deferred tax liabilities	478	386
Post employee benefit liability	-	460
Other liabilities	20,333	14,721
<b>Total liabilities</b>	<b>736,886</b>	<b>647,086</b>
<b>Shareholders' equity</b>		
Stated capital	4,907	3,109
Retained earnings	71,323	61,612
Other components of equity	13,533	13,191
<b>Equity attributable to the equity holders of the parent</b>	<b>89,763</b>	<b>77,912</b>
Non-controlling interests	3,332	3,130
<b>Total equity</b>	<b>93,095</b>	<b>81,042</b>
<b>Total equity and liabilities</b>	<b>829,981</b>	<b>728,128</b>
<b>CONTINGENT LIABILITIES (NET)</b>	<b>125,670</b>	<b>126,118</b>

Consolidated summary statement of profit or loss for the year ended 30 June 2023

	30-June-23 Rs'M	30-June-22 Rs'M
Interest income using the effective interest method	33,924	18,455
Interest expense	(14,134)	(3,264)
<b>Net interest income</b>	<b>19,790</b>	<b>15,191</b>
Fee and commission income	9,673	8,364
Fee and commission expense	(3,067)	(2,514)
<b>Net fee and commission income</b>	<b>6,606</b>	<b>5,850</b>
Profit arising from dealing in foreign currencies	3,383	2,130
Net gain/(loss) from equity financial instruments carried at fair value through profit or loss	614	(518)
Net gain from other financial instruments carried at fair value	290	160
Dividend income	182	113
Other operating income	927	919
	<b>5,396</b>	<b>2,804</b>
<b>Operating income</b>	<b>31,792</b>	<b>23,845</b>
<b>Non-interest expense</b>		
Salaries and human resource costs	(5,957)	(4,972)
Depreciation of property, plant and equipment	(897)	(855)
Amortisation of intangible assets	(652)	(525)
Other	(3,751)	(2,780)
	<b>(11,257)</b>	<b>(9,132)</b>
<b>Operating profit before impairment</b>	<b>20,535</b>	<b>14,713</b>
Net impairment of financial assets	(3,644)	(3,481)
<b>Operating profit</b>	<b>16,891</b>	<b>11,232</b>
Share of profit of associates	867	799
<b>Profit before tax</b>	<b>17,758</b>	<b>12,031</b>
Income tax expense	(3,445)	(2,070)
<b>Profit for the year</b>	<b>14,313</b>	<b>9,961</b>
<b>Profit for the year attributable to:</b>		
Ordinary equity holders of the parent	14,133	9,637
Preference shareholders	-	160
Non-controlling interests	180	164
	<b>14,313</b>	<b>9,961</b>
<b>Earnings per share:</b>		
Basic (Rs)	57.67	40.14
Diluted (Rs)	57.66	40.13
Basic weighted average number of shares (thousands)	245,074	240,064
Diluted weighted average number of shares (thousands)	245,126	240,119

Consolidated summary statement of comprehensive income for the year ended 30 June 2023

	30-June-23 Rs'M	30-June-22 Rs'M
<b>Profit for the year</b>	<b>14,313</b>	<b>9,961</b>
<b>Other comprehensive income/(expense):</b>		
Items that will not be reclassified to profit or loss	(32)	(1,360)
Items that may be reclassified subsequently to profit or loss	292	(34)
<b>Other comprehensive income/(expense) for the year</b>	<b>260</b>	<b>(1,394)</b>
<b>Total comprehensive income for the year</b>	<b>14,573</b>	<b>8,567</b>
<b>Total comprehensive income attributable to:</b>		
Ordinary equity holders of the parent	14,331	8,150
Preference shareholders	-	160
Non-controlling interests	242	257
	<b>14,573</b>	<b>8,567</b>

Consolidated summary statement of changes in equity for the year ended 30 June 2023

	Attributable to equity holders of the parent					Non-Controlling Interests Rs'M	Total Equity Rs'M	
	Stated Capital Rs'M	Retained Earnings Rs'M	Capital Reserve Rs'M	Translation Reserve Rs'M	Statutory Reserve Rs'M			Total Rs'M
<b>At 1 July 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 year	-	9,797	-	-	-	9,797	164	9,961
Other comprehensive (expense)/income for the year	-	(1,506)	24	(5)	-	(1,487)	93	(1,394)
Total comprehensive income/(expense) for the year	-	8,291	24	(5)	-	8,310	257	8,567
Dividends to ordinary shareholders	-	(3,462)	-	-	-	(3,462)	(32)	(3,494)
Dividends to preference shareholders	-	(160)	-	-	-	(160)	-	(160)
Shares issued under the Scrip Dividend Scheme	247	-	-	-	-	247	-	247
Issue of shares following the exercise of Group Employee Share Options Scheme	86	-	-	-	-	86	-	86
Transactions with owners	333	(3,622)	-	-	-	(3,289)	(32)	(3,321)
Transfers/movements in reserves	-	(803)	(94)	-	896	(1)	1	-
<b>At 30 June 2022</b>	<b>3,109</b>	<b>61,612</b>	<b>2,684</b>	<b>1,550</b>	<b>8,957</b>	<b>77,912</b>	<b>3,130</b>	<b>81,042</b>
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	-	-	-
<b>At 30 June 2023</b>	<b>4,907</b>	<b>71,323</b>	<b>2,655</b>	<b>1,913</b>	<b>8,965</b>	<b>89,763</b>	<b>3,332</b>	<b>93,095</b>

Consolidated summary statement of cash flows for the year ended 30 June 2023

	30-June-23 Rs'M	30-June-22 Rs'M
<b>Operating activities</b>		
Net cash flows from trading activities	15,785	31,772
Net cash flows from other operating activities	22,916	(63,231)
Dividends received from associates	501	457
Dividends paid to ordinary shareholders	(2,734)	(3,765)
Dividends paid to preference shareholders	-	(160)
Dividends paid to non-controlling interests in subsidiaries	(40)	(32)
Income tax paid	(2,408)	(2,247)
<b>Net cash flows from operating activities</b>	<b>34,020</b>	<b>(37,206)</b>
<b>Net cash flows from investing activities</b>	<b>(2,260)</b>	<b>(1,650)</b>
<b>Net cash flows from financing activities</b>	<b>17,733</b>	<b>(211)</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>49,493</b>	<b>(39,067)</b>
Net cash and cash equivalents as at 1 July	70,774	108,768
Effect of foreign exchange rate changes	142	1,073
<b>Net cash and cash equivalents as at 30 June</b>	<b>120,409</b>	<b>70,774</b>

**COMMENTS ON RESULTS**

The Group delivered a strong performance with profits attributable to ordinary shareholders for the year ended June 2023 increasing by 46.7% to Rs 14,133 million. The results were driven by an improvement in core earnings across operating entities, and in particular from our international activities which contributed 62% of Group profits.

Operating income maintained its upward trend, growing by 33.3% to Rs 31,792 million. Net interest income rose by 30.3%, boosted by the increase in interest rates and the resulting improved margins on our interest-earning assets in foreign currency as well as an expansion in both our foreign loan book and investment securities portfolio. However, interest margins on interest-earning assets denominated in rupees dropped slightly. Non-interest income grew by 38.7% to Rs 12,002 million. Net fee and commission income increased by 12.9%, as a result of higher revenue from trade financing and payment activities while other income grew by 92.4%, driven by profits arising from foreign currency dealings and fair value gains from equity financial instruments.

Operating expenses increased by 23.3%, reflecting the ongoing investments in human capital and technological capabilities. Given the relatively higher increase in revenues, the cost-to-income ratio improved to 35.4% compared to 38.3% for the corresponding period last year. As a result of an increase in the specific provision coverage, impairment charges rose by 4.7% to Rs 3,644 million, corresponding to a cost of risk of 86 basis points on gross loans and advances.

The share of profit of associates increased by 8.5% driven by the enhanced performance of BFCOI.

The Group strengthened its financial soundness with the gross NPL ratio declining to 3.2% as at June 2023 compared to 3.7% one year earlier. The Group maintained prudent funding and liquidity position and remained well capitalised with overall CAR and Tier 1 ratios of 19.2% and 16.7% respectively.

**OUTLOOK**

The global economic environment is still highly uncertain and volatile, with inflation, albeit on a slight downtrend, remaining persistent and geopolitical tensions mounting. Against this backdrop, the economic outlook for countries where we operate will remain subject to various headwinds, although the ongoing recovery driven by the momentum in tourism is encouraging. As we continue to monitor the implications of the challenging context on our business activities, we will remain focused on implementing our strategic initiatives and gearing up our internal capabilities. As a consequence, we are cautiously confident about FY2023/24.

By order of the Board  
28 September 2023

**Note 1**

The summary financial statements, without reference to the detailed notes, are derived from the audited financial statements of MCB Group Limited for the year ended 30 June 2023. The audited financial statements, which have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, are available at our registered address at 9-15 Sir William Newton Street, Port Louis and can be viewed on our website on [www.mcbgroup.com](http://www.mcbgroup.com)

**Note 2**

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 12.14 and Securities Act 2005.*

*The Board of Directors of MCB Group Limited accepts full responsibility for the accuracy of the information contained in the communiqué.*

These financial statements were approved by the Board of Directors and authorised for issue on the 28 September 2023.

**(S) Jean Michel NG TSEUNG**

Director

*Group Chief Executive*

**(S) Didier HAREL**

Director

*Chairperson-Board of Directors*

**(S) San T SINGARAVELLOO**

Director

*Chairperson-Audit Committee*

**Independent auditor's report to the Shareholders of MCB Group Limited****Opinion**

The summary financial statements of MCB Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated summary statement of financial position as at 30 June 2023, the consolidated summary statement of profit or loss, the consolidated summary statement of other comprehensive income, the consolidated summary statement of changes in equity, the consolidated summary statement of cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of the Group and Company for the year ended 30 June 2023.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited consolidated summary financial statements of the Group and Company which are prepared in accordance with International Financial Reporting Standards (IFRSs), and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

**Summary financial statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

**The audited consolidated and separate financial statements and our report thereon**

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 September 2023. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year.

**Responsibilities of Directors for the Summary Financial Statements**

The directors are responsible for the preparation of the summary financial statements on the basis described in note 1 of the summary financial statements.

**Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

**Use of this report**

This report, including our opinion, has been prepared for and only for the Company's Board of Directors in accordance with Section 12.14(i) of the Listing Rules of the Stock Exchange of Mauritius and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, for our audit work for this report, or for the opinion we have formed.

**(S) Deloitte**  
**Chartered Accountants**

28 September 2023

**(S) Vishal Agrawal, FCA**  
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