

**Consolidated summary statement of financial position
as at 30 September 2024**

	Unaudited 30-Sep-24 Rs'M	Unaudited 30-Sep-23 Rs'M	Audited 30-Jun-24 Rs'M
ASSETS			
Cash and cash equivalents	67,671	79,469	89,098
Mandatory balances with Central Banks	42,303	37,006	41,295
Derivative financial instruments	2,999	1,354	2,077
Loans to and placements with banks	15,896	16,539	16,603
Loans and advances to customers	379,635	365,253	399,161
Investment securities	366,493	294,944	345,677
Investments in associates and joint venture	13,449	13,068	13,102
Investment properties	5,395	4,907	5,305
Goodwill and other intangible assets	3,106	2,835	3,144
Property, plant and equipment	7,602	7,548	7,611
Deferred tax assets	4,251	3,293	4,118
Post employee benefit asset	754	455	754
Other assets	23,036	11,006	9,253
Total assets	932,590	837,677	937,198
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits from banks	34,760	24,564	34,395
Deposits from customers	661,824	584,878	672,464
Derivative financial instruments	3,045	1,477	1,996
Other borrowed funds	64,593	78,286	66,579
Debt securities	18,276	18,187	18,342
Subordinated liabilities	6,621	6,477	7,057
Preference shares	1,485	1,855	1,621
Current tax liabilities	4,016	4,057	2,864
Deferred tax liabilities	572	464	548
Other liabilities	27,830	23,087	24,317
Total liabilities	823,022	743,332	830,183
Shareholders' equity			
Stated capital	7,849	5,875	6,975
Retained earnings	83,603	71,986	82,170
Other components of equity	14,217	13,165	14,114
Equity attributable to the equity holders of the parent	105,669	91,026	103,259
Non-controlling interests	3,899	3,319	3,756
Total equity	109,568	94,345	107,015
Total equity and liabilities	932,590	837,677	937,198
CONTINGENT LIABILITIES (NET)	205,104	191,976	190,152

COMMENTS ON RESULTS

The Group has started the year with a robust performance in the first quarter of the financial year 2024/25, with profit attributable to ordinary shareholders increasing by 35.2% to Rs 4,811 million compared to the corresponding quarter last year. This growth reflects a solid improvement in core earnings across most entities within the banking and non-banking financial clusters.

The key highlights of the three-months results are summarised hereunder:

- Operating income grew by 24.8% to Rs 10,372 million.
- Net interest income rose by 21.1% as a result of a year-on-year increase in the average interest-earning assets driven by the continued growth in the international loan book and investment securities. This performance was also supported by an improvement in margins on the overall loan book and rupee-denominated investment securities portfolio.
- Net fee and commission income grew by 11.2% to Rs 1,943 million, mainly reflecting enhanced revenues from trade finance and payment activities, as well as a higher contribution from MCB Capital Markets.
- 'Other income' rose by 68.5% on account of higher profits from foreign currency dealings and fair value gains on equity financial instruments compared to a loss on these instruments recorded one year earlier.
- Non-interest expense increased by 14.5% in line with continued investment in human capital and the provision made in respect of the introduction of the Deposit Insurance Scheme in Mauritius.
- Impairment charge increased by 17.7% to Rs 1,025 million mainly reflecting lower recoveries compared to the corresponding period last year. This resulted in an annualised cost of risk of 83 basis points. The Group's gross NPL ratio remained relatively stable at 3.1%.
- The share of profit of associates declined by 5.7% to Rs 148 million with improved contribution from BFCOI being offset by a dampened performance at the level of Promotion and Development Group.

**Consolidated summary statement of profit or loss for the period
ended 30 September 2024**

	Unaudited 3 months to 30-Sep-24 Rs'M	Unaudited 3 months to 30-Sep-23 Rs'M	Audited Year to 30-Jun-24 Rs'M
Interest income using the effective interest method	12,640	10,866	45,617
Interest expense	(5,920)	(5,315)	(21,378)
Net interest income	6,720	5,551	24,239
Fee and commission income	2,863	2,585	11,019
Fee and commission expense	(920)	(838)	(3,667)
Net fee and commission income	1,943	1,747	7,352
Other income	1,709	1,014	5,302
Operating income	10,372	8,312	36,893
Non-interest expense	(3,508)	(3,064)	(13,470)
Operating profit before impairment	6,864	5,248	23,423
Impairment charge	(1,025)	(871)	(3,684)
Operating profit	5,839	4,377	19,739
Share of profit of associates	148	157	582
Profit before tax	5,987	4,534	20,321
Income tax expense	(1,138)	(935)	(4,126)
Profit for the period	4,849	3,599	16,195
Profit for the period attributable to:			
Ordinary equity holders of the parent	4,811	3,559	16,045
Non-controlling interests	38	40	150
	4,849	3,599	16,195
Earnings per share:			
Basic (Rs)	18.85	14.27	63.69
Diluted (Rs)	18.83	14.26	63.65
Basic weighted average number of shares (thousands)	255,276	249,406	251,911
Diluted weighted average number of shares (thousands)	255,473	249,499	252,080
Consolidated summary statement of comprehensive income for the period ended 30 September 2024			
Profit for the period	4,849	3,599	16,195
Other comprehensive income:			
Items that will not be reclassified to profit or loss	291	55	533
Items that may be reclassified subsequently to profit or loss	25	(400)	506
Other comprehensive income for the period	316	(345)	1,039
Total comprehensive income for the period	5,165	3,254	17,234
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	4,986	3,229	16,767
Non-controlling interests	179	25	467
	5,165	3,254	17,234

The Group continues to maintain a strong capitalisation level with shareholders' funds growing by 16.1% to Rs 105.7 billion, contributing to an overall capital adequacy ratio and Tier 1 ratio of 21.2% and 18.8% respectively.

Outlook

Global growth has been resilient in the face of multiple economic challenges, regional conflicts, geopolitical tensions and extreme weather events, with projections suggesting it will remain steady. The recent decline in inflation has allowed central banks to ease on their monetary policy. However, the outlook remains clouded by downside risks in view of escalating regional conflicts, especially in the Middle East, and the impact they could have on global trade. Whilst growth in Africa is expected to be supported by ongoing reforms, some volatility is expected to persist due to complex macroeconomic challenges. The Group will continue to execute its strategic initiatives with prudence, aiming to sustain its business growth while supporting its customers and delivering sustainable returns to its shareholders. We also anticipate a deceleration in the growth of our results over the forthcoming quarters as interest margins from our international activities start to decline, in line with the anticipated continuing drop in interest rates across international markets.

By order of the Board

13 November 2024

Consolidated summary statement of changes in equity for the period ended 30 September 2024

	Attributable to equity holders of the parent						Total	Non-Controlling Interests	Total Equity
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash Flow Hedge Reserve			
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M			
At 1 July 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 for the period	-	-	63	(393)	-	-	(330)	(15)	(345)
Total comprehensive income 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
At 1 July 2023	4,907	71,323	2,655	1,913	8,965	-	89,763	3,332	93,095
Profit for the year	-	16,045	-	-	-	-	16,045	150	16,195
Other comprehensive income for the year	-	131	51	540	-	-	722	317	1,039
Total comprehensive income for the year	-	16,176	51	540	-	-	16,767	467	17,234
Dividends to ordinary shareholders	-	(5,339)	-	-	-	-	(5,339)	(43)	(5,382)
Issue of shares following conversion of preference shares into ordinary shares	679	-	-	-	-	-	679	-	679
Shares issued under the Scrip Dividend Scheme	1,275	-	-	-	-	-	1,275	-	1,275
Issue of shares following the exercise of Group Employee Share Options Scheme	114	-	-	-	-	-	114	-	114
Transactions with owners	2,068	(5,339)	-	-	-	-	(3,271)	(43)	(3,314)
Transfers/movements in reserves	-	10	(39)	24	5	-	-	-	-
At 30 June 2024	6,975	82,170	2,667	2,477	8,970	-	103,259	3,756	107,015
Profit for the period	-	4,811	-	-	-	-	4,811	38	4,849
Other comprehensive income for the period	-	17	190	(17)	-	(15)	175	141	316
Total comprehensive income for the period	-	4,828	190	(17)	-	(15)	4,986	179	5,165
Dividends to ordinary shareholders	-	(3,450)	-	-	-	-	(3,450)	(36)	(3,486)
Shares issued under the Scrip Dividend Scheme	702	-	-	-	-	-	702	-	702
Issue of shares following conversion of preference shares into ordinary shares	136	-	-	-	-	-	136	-	136
Issue of shares following the exercise of Group Employee Share Options Scheme	36	-	-	-	-	-	36	-	36
Transactions with owners	874	(3,450)	-	-	-	-	(2,576)	(36)	(2,612)
Transfers in reserves	-	55	(55)	-	-	-	-	-	-
At 30 September 2024	7,849	83,603	2,802	2,460	8,970	(15)	105,669	3,899	109,568

Consolidated summary statement of cash flows for the period ended 30 September 2024

	Unaudited 3 months to 30-Sep-24 Rs'M	Unaudited 3 months to 30-Sep-23 Rs'M	Audited Year to 30-Jun-24 Rs'M
Net cash flows from operating activities	(13,631)	(4,942)	68,054
Net cash flows from investing activities	(8,643)	(26,257)	(77,846)
Net cash flows from financing activities	879	(10,153)	(21,848)
Decrease in cash and cash equivalents	(21,395)	(41,352)	(31,640)
Net cash and cash equivalents brought forward	88,967	120,409	120,409
Effect of foreign exchange rate changes	103	(67)	198
Net cash and cash equivalents carried forward	67,675	78,990	88,967

Cash and cash equivalents as shown in the consolidated statement of cash flows

	Unaudited 3 months to 30-Sep-24 Rs'M	Unaudited 3 months to 30-Sep-23 Rs'M	Audited Year to 30-Jun-24 Rs'M
Cash and cash equivalents	67,671	79,469	89,098
Allowance for credit impairment	46	55	38
Short term borrowed funds	(42)	(534)	(169)
Net cash and cash equivalents	67,675	78,990	88,967

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 2024 except for the adoption of new and revised standards and interpretations effective as from 1 July 2024 and Hedge Accounting that the Group adopted in this new financial year.

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](https://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.