

## MCB GROUP LIMITED Abridged Audited Financial Statements 30<sup>th</sup> June 2016

Statement of financial	nosition as	at 30th June 2016	

tatement of changes	in equity for	the year	ended 30 <sup>tt</sup>	June 2016

	GROUP		UP				Attributabl	le to ordinary eq						
		30-Jun-16	30-Jun-15		_	Stated	Retained	Capital	Translation	Statutory	General	Total	Non-controlling	Total
ASSETS	Notes	Rs'M	Rs'M			Capital	Earnings	Reserve	Reserve	Reserve	Banking Reserve		Interests	Equity
				Not	ote _	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
Cash and cash equivalents  Mandatory balances with Central Banks	4 13	33,305.6 15,498.8	24,528.6 14,270.1	At 1st July 2014		2,383.3	24,234.9	1,526.8	(205.5)	2,414.1	614.1	30,967.7	1,736.6	32,704.3
Derivative financial instruments	5	315.4	426.1	Profit for the year	_	-	5,722.0	-	-			5,722.0	49.2	5,771.2
Loans to and placements with banks  Loans and advances to customers	6(a) 6(b)	22,419.1 163,827.3	8,851.5 164,443.5	Other comprehensive income/(expense) for the year Total comprehensive income/(expense) for the year	-		95.1 5,817.1	780.5 780.5	(17.7)			857.9 6,579.9	(5.1) 44.1	852.8 6,624.0
Investment securities	7	62,734.8	50,689.3	Dividends 30	0		(1,630.5)	-	- (17.7)	-	-	(1,630.5)	(25.4)	(1,655.9)
Investments in associates Goodwill and other intangible assets	8 10	9,151.9 897.4	7,254.6 840.4	Effect of increase in shareholding in subsidiary Issue of shares following the exercise of			2.3					2.3	(6.4)	(4.1)
Property, plant and equipment	11	5,892.8	6,033.5	Group Employee Share Options Scheme		13.9						13.9		13.9
Deferred tax assets	12	311.3	287.0	Transactions with owners in their capacity as owners	_	13.9	(1,628.2)	- (0.7)		-		(1,614.3)	(31.8)	(1,646.1)
Other assets Total assets	13	3,350.4 317,704.8	2,388.2 280,012.8	Share of transfer by associate Share of other movements in reserves of associate			3.7 (1.5)	(3.7) 1.5	:				:	
				Transfer to general banking reserve			(166.7)				166.7			
				Transfer to statutory reserve At 30 <sup>th</sup> June 2015	-	2,397.2	(757.7) <b>27,501.6</b>	2,305.1	(223.2)	757.7 3,171.8	780.8	35,933.3	1,748.9	37,682.2
LIABILITIES AND SHAREHOLDERS' EQUITY				Profit for the year			6,625.5					6,625.5	179.4	6,804.9
Deposits from banks	14(a)	1,837.7	2,405.0	Other comprehensive (expense)/income for the year Total comprehensive income/(expense) for the year	-	<del></del>	(175.2) 6,450.3	428.4 428.4	(126.6)	<del></del>	<del></del> -	126.6 6,752.1	425.8 605.2	552.4 7,357.3
Deposits from customers	14(b)	253,423.9	218,735.0	Dividends 30	0		(1,964.7)		-			(1,964.7)	(35.1)	(1,999.8)
Derivative financial instruments Other borrowed funds	5 15	307.2 5,193.0	309.6 7.806.4	Effect of increase in shareholding in subsidiaries Issue of shares following the exercise of			(20.4)					(20.4)	(40.3)	(60.7)
Subordinated liabilities	16	5,619.9	5,595.6	Group Employee Share Options Scheme	_	29.6						29.6		29.6
Current tax liabilities	40	812.1 65.4	539.7	Transactions with owners in their capacity as owners	-	29.6	(1,985.1)	- 05.4	-			(1,955.5)	(75.4)	(2,030.9)
Deferred tax liability Other liabilities	12 18	7,437.0	50.2 6,889.1	Share of transfer by associate  Share of other movements in reserves of associate			(35.1)	35.1 (3.1)					:	
Total liabilities		274,696.2	242,330.6	Transfer to general banking reserve		-	(200.2)				200.2			
Shareholders' Equity				Transfer to statutory reserve At 30 <sup>th</sup> June 2016	_	2,426.8	(848.5) 30,886.1	2,765.5	(349.8)	848.5 4,020.3	981.0	40,729.9	2,278.7	43,008.6
Stated capital		2,426.8	2,397.2											
Retained earnings Other components of equity		30,886.1 7,417.0	27,501.6 6,034.5											
Equity attributable to the ordinary equity holders of the parent		40,729.9	35,933.3											
Non-controlling interests  Total equity		2,278.7 43,008.6	1,748.9 37,682.2											
Total equity and liabilities		317,704.8	280,012.8											
				Statement of cash flows for the year ended 30 <sup>th</sup> June 2016									GROU Year ended	Year ended
CONTINGENT LIABILITIES													2016	2015
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers		32,130.8	45,697.1	Operating activities								Notes	Rs'M	Rs'M
endorsements and other obligations on account of customers  Commitments		32,130.8 2,913.5	45,697.1 4,633.0	Operating activities  Net cash flows from trading activities								33	6,717.7	7,568.7
Tax assessments		836.9	797.2	Net cash flows from other operating activities								34	7,973.3	4,833.0
Other	20	1,431.7 37,312.9	1,293.9 52,421.2	Dividends received from associates Dividends paid									256.0 (1,904.6)	131.9 (1,535.0)
	20	31,012.0	0 E, 7 E 1. E	Dividends paid to non-controlling interests in subsidiaries									(35.1)	(25.4)
				Income tax paid  Net cash flows from operating activities									(1,259.4) 11,747.9	9,899.0
Statement of profit or loss for the year ended 30 <sup>th</sup> June 2016		GRO	UP	Investing activities									(1,910.9)	(2,505.8)
		Year ended	Year ended	Net cash flows before financing activities									9,837.0	7,393.2
		2016 Rs'M	2015 Rs'M	Financing activities Shares issued/employee share options exercised									29.6	13.9
		No m	IXO M	Shares bought back and cancelled by associate									(21.9)	-
Interest income	21	13,643.6	12,844.3	Refund of subordinated loan by associate									180.3	-
Interest expense  Net interest income	22	(4,753.3) 8,890.3	(4,690.1) 8,154.2	Acquisition of non-controlling interest in subsidiary  Net debt securities matured									(50.6)	(4.1) (1,793.0)
Fee and commission income	23	4,036.5	4,148.1	Net cash flows from financing activities									137.4	(1,783.2)
Fee and commission expense  Net fee and commission income	24	(845.2)	(783.7) 3,364.4	Increase in cash and cash equivalents  Net cash and cash equivalents at 1 <sup>st</sup> July									9,974.4 23,287.5	5,610.0 17,483.5
Other income		3,191.3	3,364.4	Effect of foreign exchange rate changes									(46.8)	194.0
Profit arising from dealing in foreign currencies		1,672.6	1,101.7	Net cash and cash equivalents at 30 <sup>th</sup> June								4	33,215.1	23,287.5
Net (loss)/gain from financial instruments carried at fair value	25	(100.5)	147.8											
		1,572.1	1,249.5											
Dividend income  Net gain on sale of securities	26	76.4 301.1	86.2 97.3											
Other operating income		386.6	262.6											
A continue to cont		2,336.2	1,695.6											
Operating income Non-interest expense		14,417.8	13,214.2											
Salaries and human resource development	27(a)	(3,311.0)	(3,084.4)	INDEPENDENT AUDITORS' REPORT										
Depreciation Amortisation of intangible assets		(520.6) (219.1)	(512.7) (247.0)											
Other	27(b)	(1,738.3)	(1,681.5)	TO THE SHAREHOLDERS OF MCB GROUP LIMITED										
Operating profit before impairment		(5,789.0) 8,628.8	(5,525.6) 7,688.6	This report is made solely to the shareholders of MCB Group Limited (the "C	'Comp	oany"), as a boo	dy, in accordanc	e with Section 20	05 of the Mauritia	an Companies A	Act 2001. Our auc	dit work has bee	n undertaken so tha	at we might
Net impairment of financial assets	28	(1,021.9)	(1,163.1)	state to the Company's shareholders those matters we are required to state other than the Company and the Company's shareholders, for our audit wor	e to th ork, for	nem in an audit r this report, or	ors' report and for for the opinions	or no other purpo we have formed	ose. To the fulles l.	t extent permitte	ed by law, we do	not accept or as	ssume responsibility	/ to anyone
Operating profit		7,606.9	6,525.5	Report on the Financial Statements										
Share of profit of associates Profit before tax		735.0 8,341.9	6,900.3	We have audited the accompanying consolidated financial statements of Mi Company's statements of financial position as at 30 June 2016 and their re-	ICB G	Broup Limited a	nd its subsidiarie	es (together the "	'Group") and sep	arate financial s	statements of the	Company which	h comprise the Grou	up's and the
Income tax expense	29	(1,537.0)	(1,129.1)	summary of significant accounting policies and other explanatory information	on.	are diatements	or prome or rood,	Comprehensive	moome, onunger	o iii oquity uno c	2001 110110 101 010	your trion ondo	a, ana notos, somp	og u
Profit for the year		6,804.9	5,771.2	Directors' Responsibility for the Financial Statements The Company's directors are responsible for the preparation and fair preser	entatio	n of these fina-	ncial statements	in accordance "	vith International	Financial Reco	rting Standarde	nd in compliance	e with the requirem	ents of the
Profit for the year attributable to :-				Mauritian Companies Act 2001, and for such internal control as the director	rs dete	ermine is nece	ssary to enable	the preparation of	of financial staten	nents that are fr	ee from material	misstatement, v	whether due to frauc	d or error.
Ordinary equity holders of the parent Non-controlling interests		6,625.5 179.4	5,722.0 49.2	Auditors' Responsibility Our responsibility is to express an opinion on these financial statements ba:	ngad -	n our andir ter	e conducted ar-	audit in second	nce with Interes	ional Standard	on Auditine The	nse Standards	equire that we com-	oly with
		6,804.9	5,771.2	Our responsibility is to express an opinion on these financial statements base ethical requirements and plan and perform the audit to obtain reasonable as	assura	ince about whe	ther the financia	al statements are	free from materi	ial misstatemen	t.	o o o anuaros f	oquire irlait we comp	pry wall
Statement of comprehensive income for the year ended 30 <sup>th</sup> June 2016				An audit involves performing procedures to obtain audit evidence about the risks of material misstatement of the financial statements, whether due to fr	amoi	unts and disclo	sures in the fina	ancial statements	. The procedures	s selected depe	nd on the auditor	s' judgement, in	cluding the assessr	ment of the
Profit for the year		6,804.9	5,771.2	risks of material misstatement of the financial statements, whether due to fre- financial statements in order to design audit procedures that are appropriate evaluating the appropriateness of accounting policies used and the reasons	te in th	ne circumstanc	es, but not for th	ne purpose of exp	pressing an opini	on on the effect	tiveness of the en	itity's internal co	ntrol. An audit also	includes
Other comprehensive income:				evaluating the appropriateness of accounting policies used and the reasonal We believe that the audit evidence we have obtained is sufficient and appropriate the sufficient and s			-		ບາວ, ສວ Well as e\	raruating the ov	eran presentation	v ure imancial	otatements.	
Items that will not be reclassified to profit or loss:					opriate	e to provide a t	ous ioi our aud	м ориноп.						
Remeasurement of defined benefit pension plan, net of deferred tax  Share of other comprehensive (income)/expense of associates		(173.7) 664.0	95.2 (0.1)	Opinion	darr	A the firm	nesition of the		3	O home part	and and advantage	al and	and seet #-	
Andrew or or and the contribution of survey to the contribution of an analysis of		490.3	95.1	In our opinion, the accompanying financial statements give a true and fair viended in accordance with International Financial Reporting Standards and of	comp	n trie financial p bly with the Mau	ວວຣແເວກ of the G uritian Companie	s Act 2001.	company as at 3	o June 2016, ar	iu or their financi	ы репоrmance	and cash flows for t	ie year then
Items that may be reclassified subsequently to profit or loss:				Report on Other Legal and Regulatory Requirements										
Exchange differences on translating foreign operations Reclassification adjustments on disposal of available-for-sale investments		(129.0) (268.5)	(31.5) 71.0	Mauritian Companies Act 2001										
Net fair value gain on available-for-sale investments		77.5	762.9	The Mauritian Companies Act 2001 requires that in carrying out our audit w										
Share of other comprehensive income/(expense) of associates		382.1 62.1	(44.7) 757.7	(a) we have no relationship with or interests in the Company or any of its su	ubsidia	aries other than	n in our capacity	as auditors and	dealings in the o	ordinary course	of business;			
Other comprehensive income for the year		552.4	852.8	(b) we have obtained all information and explanations we have required; an	nd									
Total comprehensive income for the year		7,357.3	6,624.0	(c) in our opinion, proper accounting records have been kept by the Compa	any as	s far as it appea	ars from our exa	mination of those	e records.					
Total comprehensive income attributable to :-				Financial Reporting Act 2004										
Ordinary equity holders of the parent		6,752.1	6,579.9	The directors are responsible for preparing the corporate governance report	rt. Our	r responsibility	is to report on th	ne extent of comp	pliance with the 0	Code of Corpora	ate Governance (	the "Code") as o	disclosed in the ann	ual report
Non-controlling interests		7,357.3	44.1 6,624.0	and on whether the disclosure is consistent with the requirements of the Co		ente ci th - C	to.							
Earnings per share :				In our opinion, the disclosure in the annual report is consistent with the requ	uireme	ents of the Cod	ж.							
Basic & diluted (Rs) Dividends per share (Rs)	31	27.82 8.75	24.04 8.00											
Basic weighted average number of shares (thousands)		238,125	238,014											
Diluted weighted average number of shares (thousands)		238,167	238,063	PricewaterhouseCoopers					BDO & Co					
Comments on results														
The Group posted a commendable performance in spite of the challenging operating environment across markets with Group profits increas share rising from Rs 24.04 to Rs 27.82.	ing by 15.8	3% to Rs 6,626 million a	and earnings per	Gilles Beesoo					Ameenah Ra	amdin				
Operating income grew by 9.1% to reach Rs 14,418 million. Net interest income rose by 9.0% despite a slightly lower loan portfolio, driver	mainly by	increased revenue from	n investmente in	Licensed by FRC					Licensed by					
Operating income grew by 9.1% to reach Rs 14,418 million. Net interest income rose by 9.0% despite a slightly lower loan portfolio, driver Government securities.	анну БУ		mresemients in											
Notwithstanding a drop in net fee and commission income, essentially due to the impact of low oil prices on regional trade financing, non-inter on the back of a 25.8% rise in profit on exchange and a gain associated with the successful exit from an investment at the level of our equity f	est income	grew by 9.2% to attain F	Rs 5,528 million,											
				29th September 2016 Port Louis										
Growth in operating expenses was contained at 4.8%, leading to a fall in our cost to income ratio to 40.2%. Net impairment charges dropped 0.57% of the loan portfolio while the Non Performing Loans to Gross loans ratio was maintained at 6.2%.	by 12.3%	to stand at Rs 988 million	on, representing	Mauritius										
Group profits were also boosted by the share of profit of associates almost doubling to Rs 735 million on account of improved results from	both BFCC	OI and the PAD Group, t	the latter having											
benefited from non-recurrent gains from the disposal of shares.														
Results of the banking cluster grew by some 11% during the year but, due to the excellent performance of the non-banking activities, its cont. The share of Segment A (domestically-sourced) income increased by one percentage point to reach 40% while the strong performance at the same of the strong performance at the same of the s	ribution to C the level of	Group profits dropped fro our foreign subsidiaries	om 94% to 90%. s and associates											
boosted their contribution from 11% to 14%.														
Enhanced financial performance in a context of limited growth in risk weighted assets resulted in further improvements to our capital adequal 15.3% by way of Tier 1 ratio.	cy ratio whi	cn reached 18.3% at ye	ar end, of which											

The financial information, including the audit report, has been extracted from the audited financial statements for the year ended 30° June 2016. The audit report should be read in conjunction with the full set of financial statements.

Copies of the audited financial statements can be obtained free of charge upon request 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 Obliqations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the resistered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.14 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.

These financial statements were approved for issue by the Board of Directors on the 29<sup>th</sup> September 2016.

(S) Pierre Guy NOEL (S) J. Gérard HARDY (S) Sunil BAI Director Director Director Chief Executive Chargerson Chargerson

Enhanced financial performance in a context of limited growth in risk weighted assets resulted in further improvements to our capital adequacy ratio which reached 18.3% at year end, of which 15.3% by way of Tier 1 ratio.

The operating environment is likely to remain challenging amidst persisting global uncertainties with our markets continuing to suffer from excess liquidity, in both local and foreign currencies. Whilst the retail segment is anticipated to sustain its growth momentum, further expansion of credit will be largely dependent on regional economic performance and on the implementation of public and private sector projects in the wake of recent budgeary measures. Against this background, we expect moderate growth in operating profils for the confining year.

(S) Sunil BANYMANDHUB Director Chairperson Audit Committee