MCB GROUP LIMITED Abridged Unaudited Interim Financial Statements

31st December 2016

Consolidated statement of financial position as at 31 st December 2016					Consolidated statement of changes in equity for	or the period ende	ed 31 st Decemb	ber 2016	linen:	loro of the				
		31-Dec-16 Rs'M	31-Dec-15 Rs'M	30-Jun-16 Rs'M	-	Stated Capital	At Retained Earnings	tributable to oro Capital Reserve	Translation Reserve	lers of the parent Statutory Reserve	General Banking	Total	Non- controlling	Total Equity
ASSETS		No W	ING IVI	179 M	-	Capital Rs'M	Rs'M	Reserve	Reserve Rs'M	Reserve Rs'M	Reserve Rs'M	Rs'M	Interests Rs'M	Equity Rs'M
Cash and cash equivalents		35,027.9	39,412.7	33.305.6										110 1
Mandatory balances with Central Banks Derivative financial instruments		16,905.8 457.3	14,411.1 231.6		At 1 st July 2015 Profit for the period	2,397.2	27,501.6 3,141.7	2,305.1	(223.2)	3,171.8	780.8	35,933.3 3,141.7	1,748.9 20.6	37,682.2 3,162.3
Loans to and placements with banks		30,301.2	11,049.3	22,419.1	Other comprehensive income/(expense) for the period			- 16.2	(51.6)			(35.4)	(32.0)	(67.4)
Loans and advances to customers Investment securities		166,526.3 66,959.1	163,741.6 51,530.1		Total comprehensive income/(expense) for the period Dividends		3,141.7 (1,011.9)	16.2	(51.6)			3,106.3	(11.4) (33.1)	3,094.9 (1,045.0)
Investments in associates		9,414.8	7,991.0	9,151.9	Effect of changes in effective shareholding in subsidiaries		(1,011.3) (21.4)					(21.4)	(39.4)	(60.8)
Goodwill and other intangible assets Property plant and equipment		939.4 5,928.8	847.8 5,885.2	897.4 5.892.8	Issue of shares following the exercise of Group Employee Share Options Scheme	11.8						11.8		11.8
Deferred tax assets		324.0	298.7	311.3	Transactions with owners in their capacity as owners	11.8	(1,033.3)					(1,021.5)	(72.5)	(1,094.0)
Other assets Total assets		3,202.1 335,986.7	3,960.4 299,359.5	3,350.4 317,704.8			0.6 3.1	(0.6) (3.1)					-	
LIABILITIES AND SHAREHOLDERS' EQUITY					Transfer to general banking reserve At 31 st December 2015	2,409.0	(223.4) 29,390.3	2,317.6	(274.8)	- 3,171.8	223.4 1,004.2	- 38,018.1	- 1,665.0	- 39,683.1
Deposits from banks		2,216.6	1,977.3	1,837.7										
Deposits from customers Derivative financial instruments		264,579.6 368.4	238,312.9 437.3	253,423.9 307.2										
Other borrowed funds		9,835.1	6,123.4	5,193.0										
Subordinated liabilities Current tax liabilities		5,615.2 656.0	5,615.0 453.8		At 1 st July 2015 Profit for the year	2,397.2	27,501.6 6,625.5	2,305.1	(223.2)	3,171.8	- 780.8	35,933.3 6,625.5	1,748.9 179.4	37,682.2 6,804.9
Deferred tax liability		65.2	57.9	65.4	Other comprehensive (expense)/income for the year	<u> </u>	(175.2)	428.4	(126.6)			126.6	425.8	552.4
Other liabilities Total liabilities		7,384.1 290,720.2	6,698.8 259,676.4		Total comprehensive income/(expense) for the year Dividends		6,450.3 (1,964.7)	428.4	(126.6)			6,752.1 (1,964.7)	605.2 (35.1)	7,357.3 (1,999.8)
Shareholders' Equity					Effect of increase in shareholding in subsidiaries Issue of shares following the exercise of	-	(20.4)					(20.4)	(40.3)	(60.7)
Stated capital		2,467.4	2,409.0	2,426.8	Group Employee Share Options Scheme	29.6						29.6		29.6
Retained earnings		33,106.0 7,358.9	29,390.3	30,886.1 7,417.0	Transactions with owners in their capacity as owners Share of transfer by associate	29.6	(1,985.1) (35.1)	- 35.1				(1,955.5)	(75.4)	(2,030.9)
Other components of equity Equity attributable to the ordinary equity holders of the parent		42,932.3	6,218.8 38,018.1	40,729.9	Share of other movements in reserves of associate		3.1	35.1 (3.1)					-	
Non-controlling interests Total equity		2,334.2 45,266.5	1,665.0	2,278.7 43,008.6			(200.2) (848.5)	-		- 848.5	200.2		-	
Total equity and liabilities		45,266.5 335,986.7	299,359.5	317,704.8	At 30 th June 2016	2,426.8	30,886.1	2,765.5	(349.8)	4,020.3	981.0	40,729.9	2,278.7	43,008.6
					Profit for the period Other comprehensive (expense)/income for the period		3,365.6 (113.6)	- 165.8	- (163.5)		:	3,365.6 (111.3)	48.8 14.1	3,414.4 (97.2)
CONTINGENT LIABILITIES					Total comprehensive income/(expense) for the period		3,252.0	165.8	(163.5)			3,254.3	62.9	3,317.2
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers		33,939.4	44,834.3	32,130,8	Dividends Issue of shares following the exercise of		(1,131.6)				•	(1,131.6)	(36.0)	(1,167.6)
Commitments		3,530.2	3,225.5	2,913.5	Group Employee Share Options Scheme	40.6						40.6		40.6
Tax assessments Other		848.8 1,390.2	808.1 1,236.1	836.9 1.431.7	Transactions with owners in their capacity as owners Share of changes in ownership interests of associate's	40.6	(1,131.6)					(1,091.0)	(36.0)	(1,127.0)
		39,708.6	50,104.0	37,312.9			40.4					40.4	29.4	69.8
					Share of movements in reserves of subsidiary's associate		(1.7)	0.4				(1.3)	(0.8)	(2.1)
					Share of other movements in reserves of associate		5.2	(5.2)				-	-	-
Consolidated statement of profit or loss for the period ended 31 st December 2016					Transfer from general banking reserve	2,467.4	55.6 33,106.0	- 2,926.5	- (513.3)	4,020.3	(55.6) 925.4	42,932.3	- 2,334.2	- 45,266.5
	Quarter to Quarter to	6 mths to	6 mths to	Year to	_ At 31 st December 2016	2,407.4	33,100.0	2,320.3	(313.3)	4,020.3	323.4	42,032.3	2,334.2	43,200.3
	31-Dec-16 31-Dec-15 Rs'M Rs'M	31-Dec-16 Rs'M	31-Dec-15 Rs'M	30-Jun-16 Rs'M										
					-									
Interest excense	3,529.3 3,353.5 (1,108.1) (1,178.0)	6,992.1 (2,238.3)	6,777.3 (2,375.9)	13,643.6 (4,753.3)	Consolidated statement of cash flows for the p	period ended 31 st	December 2011	6			-	6 mths to	6 mths to	Year to
Net interest income	2,421.2 2,175.5	4,753.8	4,401.4	8,890.3		berioù endea 31_1	December 2010	<u>0</u>				31-Dec-16	31-Dec-15	30-Jun-16
Fee and commission income	1,133.3 1,120.6	2.126.8	2.130.3	4.036.5							-	Rs'M	Rs'M	Rs'M
Fee and commission expense	(254.2) (245.7)	(461.2)	(442.2)	(845.2)	Operating activities									
Net fee and commission income	879.1 874.9	1,665.6	1,688.1	3,191.3	 Net cash flows from trading activities Net cash flows from other operating activities 							4,644.0 (1,780.8)	4,523.6 15,734.6	6,717.7 7,973.3
Other income	748.7 590.8	1,282.2	1,041.7		Dividends received from associates							45.1	36.2	256.0
Operating income Non-interest expense	4,049.0 3,641.2 (1,613.7) (1,470.1)	7,701.6 (3,180.8)	7,131.2 (2,978.1)		Dividends paid Dividends paid to non-controlling interests in subsidiaries							(2,084.3) (36.0)	(1,904.6) (33.1)	(1,904.6) (35.1)
Operating profit before impairment Net impairment of financial assets	2,435.3 2,171.1 (320.0) (299.4)	4,520.8	4,153.1 (488.1)		Income tax paid Net cash flows from operating activities						-	(1,023.4)	(850.7)	(1,259.4)
Operating profit	2,115.3 1,871.7	<u>(525.5)</u> 3,995.3	3,665.0	7,606.9	Investing activities						_	(895.4)	(1,343.4)	(1,910.9)
Share of profit of associates Profit before tax	107.3 137.5 2,222.6 2,009.2	275.5	231.4	10010	_ Net cash flows before financing activities Financing activities						-	(1,130.8)	16,162.6	9,837.0
Income tax expense	(432.2) (402.1)	(856.4)	(734.1)	(1,537.0)	Shares issued/employee share options exercised							40.6	11.8	29.6
Profit for the period	1,790.4 1,607.1	3,414.4	3,162.3	6,804.9	Shares bought back and cancelled by subsidiary Refund of subordinated loan by associate								(21.9)	(21.9) 180.3
Profit for the period attributable to :					Acquisition of non-controlling interest in subsidiary						_			(50.6)
Ordinary equity holders of the parent Non-controlling interests	1,768.7 1,596.1 21.7 11.0	3,365.6 48.8	3,141.7 20.6		Net cash flows from financing activities (Decrease)/Increase in cash and cash equivalents						-	40.6 (1.090.2)	(10.1)	137.4 9.974.4
······································	1,790.4 1,607.1	3,414.4	3,162.3		Net cash and cash equivalents brought forward							33,215.1	23,287.5	23,287.5
Consolidated statement of comprehensive income for the period ended 31 st December 2016					Effect of foreign exchange rate changes Net cash and cash equivalents carried forward						-	(62.3) 32,062.6	(27.3) 39,412.7	(46.8) 33,215.1
					a									
Profit for the period	1,790.4 1,607.1	3,414.4	3,162.3	6,804.9	- The Group posted an encouraging performance in spite of t									
Other comprehensive (expense)/income:					This performance was underpinned by a growth of 8.0% in amidst persisting excess liquidity, with an improvement in a the impact of low oil prices being parity compensated by his transactions and by increased revenues in some non-banking transactions and by increased transactions transactions and by increased transactions tra	operating income which iverage yields also obse	h reached Rs 7.7 b arved. On the other	illion. Net interes r hand, net fee ar	t income rose by 8 nd commission inco	.0% essentially du ome dropped marg	e to higher investme inally with a reduction	ent in Treasury Bills on in contribution f	and Government	securities finance due to
Items that will not be reclassified to profit or loss: Remeasurement of defined benefit pension plan, net of deferred tax				(173.7)	the impact of low oil prices being partly compensated by hig transactions and by increased revenues in some non-banking	gher revenues from wea ing business lines.	alth management a	ind payment activ	vities. Other income	e rose by 23.1%, d	friven by higher prof	fit on exchange on	the back of a rise	in the volume of
Share of other comprehensive (expense)/income of associates	(113.6) -	(113.6)		664.0 490.3	 Operating expenses rose by 6.8% with our cost to income r representing an annualised rate of 60 basis points of our group 	ratio falling to 41.3% as ross loan portfolio, com	compared to 41.89 pared to 57 basis p	% for the corresp points as at 30 Ju	onding period in th ne 2016.	e previous year. F	or its part, allowanc	ce for credit impairr	nent stood at Rs 5	25.5 million,
Items that may be reclassified subsequently to profit or loss:	(113.6) -	(113.6)	· ·	490.3	The share of income from associates grew by 19.1% mainly									
Exchange differences on translating foreign operations Reclassification adjustments on disposal of available-for-sale investments	(128.2) (41.0) 0.1 (54.6)	(164.1) (5.2)	(51.4) (56.7)	(129.0) (268.5)		lers' funds increasing to	Rs 42.9 billion, co	entributing to a ca	pital adequacy rati	o of 18.3% as at D	December 2016, of v	which 15.6% in the	form of Tier 1.	
Net fair value (loss)/gain on available-for-sale investments	(70.6) 99.4	143.1	89.9	77.5		stic banking system still	l being subject to h	igh liquidity cond	itions both in rupee	and in foreign cur	rrencies. However, t	the expansion of ou	ır loan portfoljo is a	n encouraging
Share of other comprehensive (expense)/income of associates	(0.3) (8.6) (199.0) (4.8)	42.6	(49.2) (67.4)	382.1 62.1	The operating environment remains difficult, with the domes sign which is being confirmed by our pipeline of projects. The expected to improve compared to last year.	he latter should be furth	ier boosted in the p	periods ahead if c	fomestic public and	f private investmen	nt projects are execu	uted as planned. O	n the whole, full ye	ar results are
Other comprehensive (expense)/income for the period	(312.6) (4.8)	(97.2)	(67.4)	552.4										
Total comprehensive income for the period	1,477.8 1,602.3	3,317.2	3,094.9	7,357.3	a 14th February 2017									
Total comprehensive income attributable to :														
Ordinary equity holders of the parent Non-controlling interests	1,466.3 1,598.9 11.5 3.4	3,254.3 62.9	3,106.3 (11.4)	6,752.1 605.2										
	1,477.8 1,602.3	3,317.2	3,094.9	7,357.3										
Earnings per share: Basic (Rs)	7.42 6.70	14.13	13.20	27.82										
Diluted (Rs) Basic weighted average number of shares (thousands)	7.42 6.70 238,240 238,094	14.12 238.214	13.19 238.080	27.82 238.125	The abridged unaudited interim financial statements have be	een prepared using the	same accounting	policies as those	adopted in the fina	ancial statements f	or the year ended 3	30th June 2016 and	comply with IAS 3	14.
Basic weighted average number of shares (thousands) Diluted weighted average number of shares (thousands)	238,240 238,094 238,307 238,137	238,214 238,281	238,080	238,125 238,167	 Copies of the abridged unaudited interim financial statemen Port-Louis and can be viewed on our website: www.mcbgro 		oublic, free of charg	ge, upon request	to the Company Se	ecretary at the regi	istered office of the	Company, 9-15, S	ir William Newton	Street,
					Where necessary, comparative figures have been amended		es in presentation	or in accounting	policies.					
					The statement of direct and indirect interests of officers of th	-				ons of Reporting Is	ssuers) Rules 2007	is available upon r	equest, free of cha	irge, at the
					registered office of the Company.	,,			Jongan			upoll	,,	
					This communiqué is issued pursuant to Listing Rule 12.20 a The Board of Directors of the MCB Group Limited accepts fi	and Securities Act 2005. full responsibility for the	accuracy of the inf	formation contain	ed in this commun	iqué.				