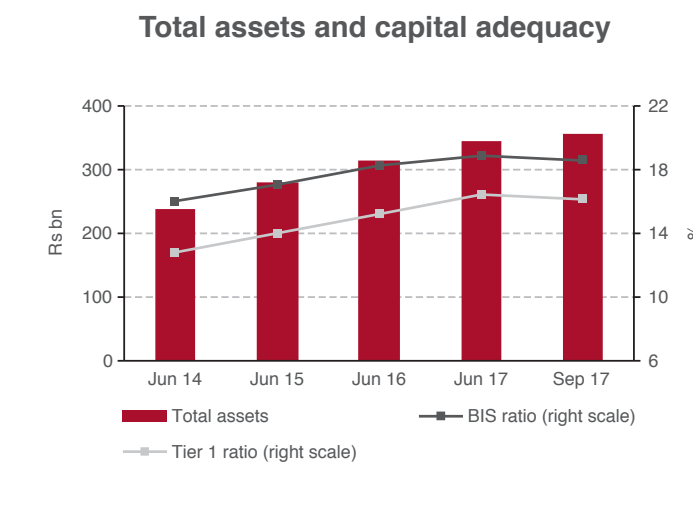
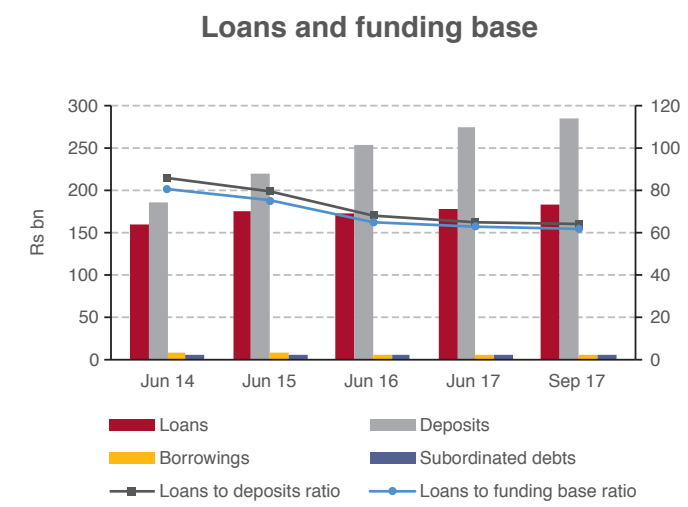
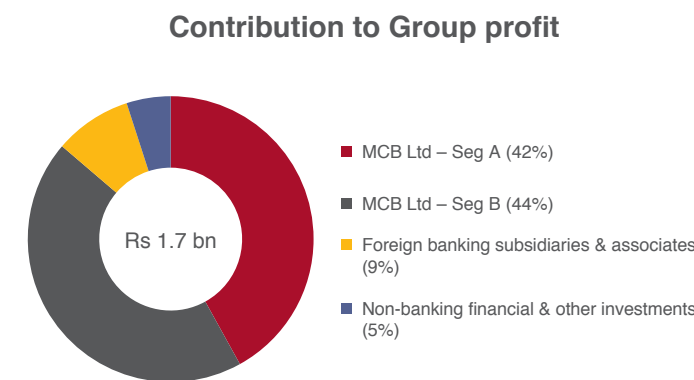
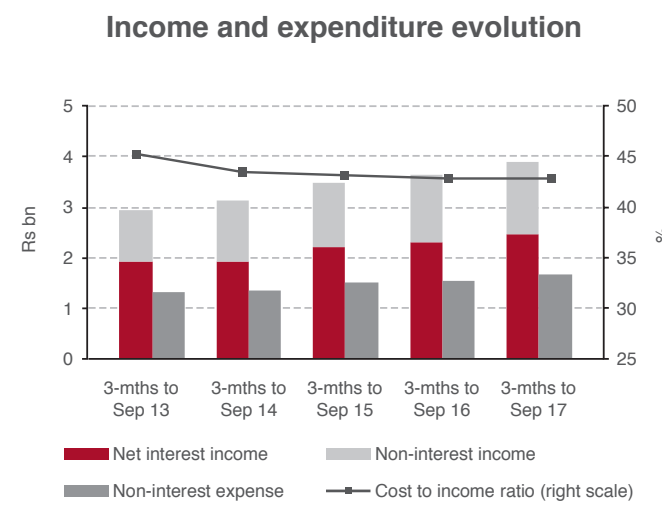


HIGHLIGHTS

- Rise of 5.7% in net interest income
- Growth of 6.4% in net fee and commission income
- Profit on exchange and net gain on financial instruments carried at fair value up by 13.1%
- Increase of 7.0% in operating expenses
- Impairment charges higher by Rs 68 million
- Share of profit of associates lower by Rs 70 million

OPERATING INCOME
Rs 3,918.0 m
▲ 7.3%
OPERATING PROFIT BEFORE IMPAIRMENT
Rs 2,242.8 m
▲ 7.5%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
Rs 1,683.1 m
▲ 5.4%
GROSS LOANS
Rs 183.0 bn
▲ 4.6%
DEPOSITS
Rs 285.2 bn
▲ 8.7%
ASSETS
Rs 357.8 bn
▲ 9.6%
FINANCIAL SOUNDNESS INDICATORS (%)

	Sep-16	Jun-17	Sep-17
Profitability			
Return on average total assets ¹	2.0	2.0	1.9
Return on average equity ¹	15.6	15.5	14.5
Return on average Tier 1 capital ¹	16.4	16.2	15.2
Efficiency			
Cost-to-income	42.9	41.2	42.8
Asset quality			
Gross NPL/Gross loans and advances	6.1	6.1	5.7
Net NPL/Net loans and advances	3.9	4.6	4.0
Liquidity			
Liquid assets ² /Total assets	40.1	41.6	41.3
Loans to deposits	66.6	65.0	64.1
Loans to deposits and borrowings ³	64.0	62.4	61.7
Capital adequacy			
Shareholders equity to assets	12.7	13.3	13.1
BIS risk adjusted ratio ⁴	18.2	18.9	18.6
O/w Tier 1 ⁴	15.4	16.5	16.2



¹ Annualised rate for September figures
² In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bills and Government securities
³ Borrowings include subordinated debts
⁴ Based on Basel III

Note: Capital adequacy figures are based on Basel III

Consolidated statement of financial position as at 30th September 2017

	30-Sep-17	30-Sep-16	30-Jun-17
	Rs'M	Rs'M	Rs'M
ASSETS			
Cash and cash equivalents	36,100.7	33,215.2	35,711.4
Mandatory balances with Central Banks	17,854.5	16,100.4	17,170.7
Derivative financial instruments	511.7	368.4	479.7
Loans to and placements with banks	23,732.9	28,036.9	25,716.3
Loans and advances to customers	173,680.4	165,193.0	171,223.7
Investment securities	83,331.9	63,934.2	74,729.7
Investments in associates	9,738.2	9,286.0	9,552.3
Goodwill and other intangible assets	927.2	897.3	949.4
Property, plant and equipment	6,166.9	5,892.6	6,196.8
Deferred tax assets	323.8	324.4	282.2
Other assets	5,463.4	3,285.7	3,664.5
Total assets	357,831.6	326,534.1	345,676.7
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from banks	2,766.4	2,752.3	2,489.5
Deposits from customers	282,452.5	259,589.8	272,373.8
Derivative financial instruments	546.8	303.7	401.7
Other borrowed funds	5,921.4	5,370.4	5,968.4
Subordinated liabilities	5,559.6	5,595.3	5,587.0
Current tax liabilities	1,199.2	1,075.5	905.9
Deferred tax liability	54.3	65.0	53.4
Other liabilities	10,097.0	8,099.2	9,560.4
Total liabilities	308,597.2	282,851.2	297,340.1
Shareholders' equity			
Stated capital	2,499.0	2,427.6	2,477.8
Retained earnings	35,230.3	31,352.7	34,761.0
Other components of equity	9,101.7	7,606.8	8,710.4
Equity attributable to the ordinary equity holders of the parent			
Non-controlling interests	2,403.4	2,295.8	2,387.4
Total equity	49,234.4	43,682.9	48,336.6
Total equity and liabilities	357,831.6	326,534.1	345,676.7
CONTINGENT LIABILITIES			
Acceptances, guarantees, letters of credit, endorsements and other obligations on account of customers	49,865.6	32,553.1	43,102.9
Others	8,453.2	4,865.9	9,554.0
	58,318.8	37,419.0	52,656.9

Consolidated statement of profit or loss for the period ended 30th September 2017

	3 mths to 30-Sep-17	3 mths to 30-Sep-16	Year to 30-Jun-17
	Rs'M	Rs'M	Rs'M
Interest income	3,586.4	3,462.8	13,888.9
Interest expense	(1,121.9)	(1,130.2)	(4,478.0)
Net interest income	2,464.5	2,332.6	9,410.9
Fee and commission income	1,084.9	992.0	4,279.8
Fee and commission expense	(249.3)	(207.0)	(930.0)
Net fee and commission income	835.6	785.0	3,349.8
Other income	617.9	533.5	2,745.3
Operating income	3,918.0	3,651.1	15,506.0
Non-interest expense	(1,675.2)	(1,565.6)	(6,388.2)
Operating profit before impairment	2,242.8	2,085.5	9,117.8
Net impairment of financial assets	(273.6)	(205.5)	(1,063.8)
Operating profit	1,969.2	1,880.0	8,054.0
Share of profit of associates	98.6	168.2	338.2
Profit before tax	2,067.8	2,048.2	8,392.2
Income tax expense	(366.4)	(424.2)	(1,643.8)
Profit for the period	1,701.4	1,624.0	6,748.4
Profit for the period attributable to the non-controlling interests			
	(18.3)	(27.1)	(46.3)
Profit for the period attributable to the ordinary equity holders of the parent			
	1,683.1	1,596.9	6,702.1
Profit for the period attributable to:			
Ordinary equity holders of the parent	1,683.1	1,596.9	6,702.1
Non-controlling interests	18.3	27.1	46.3
	1,701.4	1,624.0	6,748.4

Consolidated statement of comprehensive income for the period ended 30th September 2017

	3 mths to 30-Sep-17	3 mths to 30-Sep-16	Year to 30-Jun-17
	Rs'M	Rs'M	Rs'M
Profit for the period	1,701.4	1,624.0	6,748.4
Other comprehensive income:			
Items that will not be reclassified to profit or loss	-	-	166.2
Items that may be reclassified subsequently to profit or loss	391.6	215.4	506.9
Other comprehensive income for the period	391.6	215.4	673.1
Total comprehensive income for the period	2,093.0	1,839.4	7,421.5
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	2,051.9	1,788.0	7,272.2
Non-controlling interests	41.1	51.4	149.3
	2,093.0	1,839.4	7,421.5
Earnings per share:			
Basic (Rs)	7.06	6.70	28.12
Diluted (Rs)	7.05	6.70	28.10

Our share of profit of associates declined by Rs 70 million, reflecting reduced contribution from PAD Group and our foreign banking associates.

Shareholders' funds of the Group reached Rs 46.8 billion, resulting in an increase of our capital adequacy ratio to 18.6%, of which 16.2% in the form of Tier 1.

Whilst the economic environment is expected to improve globally, our operating context is likely to remain challenging. Locally, the high liquidity conditions should continue to weigh down on our operations despite the recent drop in the Repo Rate and the anticipated pick up in investment in infrastructure projects while, regionally, our business pipeline remains encouraging.

By order of the Board
 14th November 2017

COMMENTS ON RESULTS

Group attributable profits went up by 5.4% to reach Rs 1,683 million for the quarter ended September 2017.

This performance was underpinned by the continued growth in operating income, up by 7.3%. Net interest income rose by 5.7% mainly due to increased income from overseas activities of MCB Ltd and higher investment in Government securities amidst the persisting excess liquidity situation. Net fee and commission income grew by 6.4% on the back of increased revenues both at banking and non-banking levels. In addition, 'Other income' recorded a growth of 15.8%, largely supported by a rise of 13.1% in profit on exchange and net gain on financial instruments carried at fair value.

Operating expenses were up by 7.0% reflecting capacity building initiatives implemented throughout the Group. Net impairment charges rose by Rs 68 million compared to the corresponding period of last year, representing 59 basis points of gross loans and advances on an annualised basis with the gross NPL ratio declining to 5.7%.

Consolidated statement of changes in equity for the period ended 30th September 2017

	Attributable to ordinary equity holders of the parent						Non-controlling interests	Total Equity	
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	General Banking Reserve			
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	
At 1st July 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	-	1,596.9	-	-	-	-	1,596.9	27.1	1,624.0
Other comprehensive income/(expense) for the period	-	-	231.6	(40.5)	-	-	191.1	24.3	215.4
Total comprehensive income/(expense) for the period	-	1,596.9	231.6	(40.5)	-	-	1,788.0	51.4	1,839.4
Dividends	-	(1,131.6)	-	-	-	-	(1,131.6)	(34.3)	(1,165.9)
Issue of shares following the exercise of Group Employee Share Options Scheme	0.8	-	-	-	-	-	0.8	-	0.8
Transactions with owners in their capacity as owners	0.8	(1,131.6)	-	-	-	-	(1,130.8)	(34.3)	(1,165.1)
Transfers/movements in reserves	-	1.3	(3.4)	-	-	2.1	-	-	-
At 30th September 2016	2,427.6	31,352.7	2,993.7	(390.3)	4,020.3	983.1	41,387.1	2,295.8	43,682.9
At 1st July 2017	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 year	-	6,702.1	-	-	-	-	6,702.1	46.3	6,748.4
Other comprehensive income/(expense) for the year	-	164.7	589.3	(183.9)	-	-	570.1	103.0	673.1
Total comprehensive income/(expense) for the year	-	6,866.8	589.3	(183.9)	-	-	7,272.2	149.3	7,421.5
Dividends	-	(2,144.9)	-	-	-	-	(2,144.9)	(40.8)	(2,185.7)
Effect of increase in shareholding in subsidiary	-	2.0	-	-	-	-	2.0	(28.4)	(26.4)
Issue of shares following the exercise of Group Employee Share Options Scheme	51.0	-	-	-	-	-	51.0	-	51.0
Transactions with owners in their capacity as owners	51.0	(2,142.9)	-	-	-	-	(2,091.9)	(69.2)	(2,161.1)
Transfers/movements in reserves	-	(849.0)	(0.9)	-	940.1	(51.2)	39.0	28.6	67.6
At 30th June 2017	2,477.8	34,761.0	3,353.9	(533.7)	4,960.4	929.8	45,949.2	2,387.4	48,336.6
Profit for the period	-	1,683.1	-	-	-	-	1,683.1	18.3	1,701.4
Other comprehensive income for the period	-	0.4	315.1	53.3	-	-	368.8	22.8	391.6
Total comprehensive income for the period	-	1,683.5	315.1	53.3	-	-	2,051.9	41.1	2,093.0
Dividends	-	(1,193.0)	-	-	-	-	(1,193.0)	(26.2)	(1,219.2)
Issue of shares following the exercise of Group Employee Share Options Scheme	21.2	-	-	-	-	-	21.2	-	21.2
Transactions with owners in their capacity as owners	21.2	(1,193.0)	-	-	-	-	(1,171.8)	(26.2)	(1,198.0)
Transfers/movements in reserves	-	(21.2)	-	-	(0.1)	23.0	1.7	1.1	2.8
At 30th September 2017	2,499.0	35,230.3	3,669.0	(480.4)	4,960.3	952.8	46,831.0	2,403.4	49,234.4

Consolidated statement of cash flows for the period ended 30th September 2017

	3 mths to 30-Sep-17	3 mths to 30-Sep-16	Year to 30-Jun-17
	Rs'M	Rs'M	Rs'M
Operating activities			
Net cash flows from trading activities	(9,410.5)	2,373.2	959.6
Net cash flows from other operating activities	11,016.7	(1,189.7)	6,040.0
Dividends received from associates	52.8	45.1	305.1
Dividends paid	(1,013.3)	(952.7)	(2,084.4)
Dividends paid to non-controlling interests in subsidiaries	(26.2)	(34.3)	(40.8)
Income tax paid	(112.8)	(173.1)	(1,568.1)
Net cash flows from operating activities	506.7	68.5	3,611.4
Net cash flows from investing activities	(100.1)	(181.8)	(943.4)
Net cash flows from financing activities	21.2	0.8	51.0
Increase/(Decrease) in cash and cash equivalents	427.8	(112.5)	2,719.0
Net cash and cash equivalents brought forward	35,660.7	33,215.1	33,215.1
Effect of foreign exchange rate changes	(31.0)	(46.3)	(273.4)
Net cash and cash equivalents carried forward	36,057.5	33,056.3	35,660.7

The unaudited interim consolidated summary financial statements have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30th June 2017 and comply with IAS 34.

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: www.mcbgroup.com

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies.

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.