

**PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**
**Rs 8.0 bn**  
 ▲ 1.4%

**OPERATING INCOME**
**Rs 22.4 bn**  
 ▲ 2.0%

**IMPAIRMENT CHARGES (Incl. ECL)**
**Rs 4.8 bn**  
 ▼ 6.1%

**GROSS LOANS**
**Rs 303.3 bn**  
 ▲ 18.9%

**DEPOSITS**
**Rs 504.0 bn**  
 ▲ 29.0%

**ASSETS**
**Rs 683.1 bn**  
 ▲ 28.4%

**Consolidated summary statement of financial position as at 30 June 2021**

	30-Jun-21	30-Jun-20
	Rs'M	Rs'M
<b>ASSETS</b>		
Cash and cash equivalents	108,706	71,573
Mandatory balances with Central Banks	25,301	22,211
Derivative financial instruments	1,083	1,449
Loans to and placements with banks	39,579	18,116
Loans and advances to customers	273,399	240,953
Investment securities	198,530	148,858
Investments in associates	12,525	10,834
Investment properties	5,032	4,444
Goodwill and other intangible assets	2,089	1,678
Property, plant and equipment	7,199	6,875
Deferred tax assets	1,519	1,263
Post employee benefit asset	1,218	-
Other assets	6,953	3,860
<b>Total assets</b>	<b>683,133</b>	<b>532,114</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Deposits from banks	18,069	4,314
Deposits from customers	485,903	386,345
Derivative financial instruments	1,454	1,413
Other borrowed funds	77,136	52,444
Debt securities	4,007	2,007
Subordinated liabilities	1,984	2,122
Preference shares	3,396	3,396
Current tax liabilities	1,097	1,444
Deferred tax liabilities	347	339
Post employee benefit liability	-	1,170
Other liabilities	13,944	12,026
<b>Total liabilities</b>	<b>607,337</b>	<b>467,020</b>
<b>Shareholders' equity</b>		
Stated capital	2,776	2,719
Retained earnings	57,746	50,460
Other components of equity	12,370	9,366
<b>Equity attributable to the equity holders of the parent</b>	<b>72,892</b>	<b>62,545</b>
Non-controlling interests	2,904	2,549
<b>Total equity</b>	<b>75,796</b>	<b>65,094</b>
<b>Total equity and liabilities</b>	<b>683,133</b>	<b>532,114</b>
<b>CONTINGENT LIABILITIES</b>	<b>133,837</b>	<b>72,901</b>

**Consolidated summary statement of profit or loss for the year ended 30 June 2021**

	30-Jun-21	30-Jun-20
	Rs'M	Rs'M
Interest income	17,477	19,995
Interest expense	(2,617)	(5,586)
<b>Net interest income</b>	<b>14,860</b>	<b>14,409</b>
Fee and commission income	5,828	5,340
Fee and commission expense	(1,368)	(1,403)
<b>Net fee and commission income</b>	<b>4,460</b>	<b>3,937</b>
<b>Other income</b>		
Profit arising from dealing in foreign currencies	1,700	1,616
Net gain from financial instruments	581	1,040
	2,281	2,656
Dividend income	104	83
Net gain on sale of financial instruments	26	216
Other operating income	673	654
	3,084	3,609
<b>Operating income</b>	<b>22,404</b>	<b>21,955</b>
<b>Non-interest expense</b>		
Salaries and human resource costs	(4,571)	(4,432)
Depreciation of property, plant and equipment	(839)	(810)
Amortisation of intangible assets	(421)	(329)
Other	(2,440)	(2,221)
	(8,271)	(7,792)
<b>Operating profit before impairment</b>	<b>14,133</b>	<b>14,163</b>
Net impairment of financial assets	(4,766)	(5,076)
<b>Operating profit</b>	<b>9,367</b>	<b>9,087</b>
Share of profit of associates	372	401
<b>Profit before tax</b>	<b>9,739</b>	<b>9,488</b>
Income tax expense	(1,500)	(1,494)
<b>Profit for the year</b>	<b>8,239</b>	<b>7,994</b>
<b>Profit for the year attributable to :</b>		
Ordinary equity holders of the parent	8,019	7,912
Preference shareholders	160	54
Non-controlling interests	60	28
	8,239	7,994

**Consolidated summary statement of comprehensive income for the year ended 30 June 2021**

	30-Jun-21	30-Jun-20
	Rs'M	Rs'M
<b>Profit for the year</b>	<b>8,239</b>	<b>7,994</b>
<b>Other comprehensive income/(expense):</b>		
Items that will not be reclassified to profit or loss	3,086	(693)
Items that may be reclassified subsequently to profit or loss	1,272	548
<b>Other comprehensive income/(expense) for the year</b>	<b>4,358</b>	<b>(145)</b>
<b>Total comprehensive income for the year</b>	<b>12,597</b>	<b>7,849</b>
<b>Total comprehensive income attributable to :</b>		
Ordinary equity holders of the parent	12,033	7,741
Preference shareholders	160	54
Non-controlling interests	404	54
	12,597	7,849
<b>Earnings per share:</b>		
Basic (Rs)	33.51	33.09
Diluted (Rs)	33.48	33.09
Basic weighted average number of shares (thousands)	239,330	239,072
Diluted weighted average number of shares (thousands)	239,518	239,072

These financial statements were approved for issue by the Board of Directors on 28 September 2021.

**(S) Pierre Guy NOEL**  
 Director  
 Chief Executive

**(S) Didier HAREL**  
 Director  
 Chairperson

**(S) San T SINGARAVELLOO**  
 Director  
 Chairperson Audit Committee

**Consolidated summary statement of changes in equity for the year ended 30 June 2021**

	Attributable to 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			
<b>At 1 July 2019</b>	2,608	44,791	2,262	(336)	6,935	249	56,509	2,526	59,035
Profit for the year	-	7,966	-	-	-	-	7,966	28	7,994
Other comprehensive (expense)/income for the year	-	(673)	(27)	529	-	-	(171)	26	(145)
Total comprehensive income/(expense) for the year	-	7,293	(27)	529	-	-	7,795	54	7,849
Dividends to ordinary shareholders	-	(1,816)	-	-	-	-	(1,816)	(31)	(1,847)
Dividends to preference shareholders	-	(54)	-	-	-	-	(54)	-	(54)
Issue of shares following the exercise of Group Employee Share Options Scheme	111	-	-	-	-	-	111	-	111
Transactions with owners	111	(1,870)	-	-	-	-	(1,759)	(31)	(1,790)
Transfers/movements in reserves	-	246	(9)	-	12	(249)	-	-	-
<b>At 30 June 2020</b>	<b>2,719</b>	<b>50,460</b>	<b>2,226</b>	<b>193</b>	<b>6,947</b>	<b>-</b>	<b>62,545</b>	<b>2,549</b>	<b>65,094</b>
Profit for the year	-	8,179	-	-	-	-	8,179	60	8,239
Other comprehensive income for the year	-	2,108	544	1,362	-	-	4,014	344	4,358
Total comprehensive income for the year	-	10,287	544	1,362	-	-	12,193	404	12,597
Dividends to ordinary shareholders	-	(1,736)	-	-	-	-	(1,736)	(22)	(1,758)
Dividends to preference shareholders	-	(160)	-	-	-	-	(160)	-	(160)
Impact of disposal of subsidiary	-	-	-	-	-	-	-	(21)	(21)
Issue of shares following the exercise of Group Employee Share Options Scheme	57	-	-	-	-	-	57	-	57
Transactions with owners	57	(1,896)	-	-	-	-	(1,839)	(43)	(1,882)
Transfers/movements in reserves	-	(1,105)	(16)	-	1,114	-	(7)	(6)	(13)
<b>At 30 June 2021</b>	<b>2,776</b>	<b>57,746</b>	<b>2,754</b>	<b>1,555</b>	<b>8,061</b>	<b>-</b>	<b>72,892</b>	<b>2,904</b>	<b>75,796</b>

**Consolidated summary statement of cash flows for the year ended 30 June 2021**

	30-Jun-21	30-Jun-20
	Rs'M	Rs'M
<b>Operating activities</b>		
<b>Net cash flows from trading activities</b>	<b>2,848</b>	13,953
<b>Net cash flows from other operating activities</b>	<b>35,533</b>	14,742
Dividends received from associates	134	80
Dividends paid to ordinary shareholders	-	(3,106)
Dividends paid to preference shareholders	(160)	(54)
Dividends paid to non-controlling interests in subsidiaries	(22)	(31)
Income tax paid	(2,341)	(1,607)
<b>Net cash flows from operating activities</b>	<b>35,992</b>	23,977
<b>Net cash flows from investing activities</b>	<b>(1,310)</b>	(1,571)
<b>Net cash flows from financing activities</b>	<b>1,809</b>	(142)
<b>Increase in cash and cash equivalents</b>	<b>36,491</b>	22,264
Net cash and cash equivalents as at 1 July	71,141	49,329
Effect of foreign exchange rate changes	1,136	(452)
<b>Net cash and cash equivalents as at 30 June</b>	<b>108,768</b>	71,141

**Note 1**

The accompanying consolidated summary financial statements, without reference to the detailed notes, are derived from the audited consolidated financial statements of MCB Group Limited (the "Company") for the year ended 30 June 2021. These audited financial statements, which have been prepared in accordance with International Financial Reporting Standards, Financial Reporting Act 2004 and in compliance with the Mauritian Companies Act 2001, are available at 9-15 Sir William Newton Street, Port Louis, Mauritius and can be viewed on our website: [www.mcbbgroup.com](http://www.mcbbgroup.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.*

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

The summary financial statements, which comprise the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, are extracted from audited consolidated and separate financial statements of MCB Group Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2021.

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

**Other matter**

The summary financial statements of MCB Group Limited for the year ended 30 June 2020 were extracted from the audited consolidated and separate financial statements audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 28 September 2020.

**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 consolidated and separate 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 2021. 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, without reference to the detailed notes, extracted from the audited consolidated and separate financial statements of the Group and the Company for the year ended 30 June 2021. The audited consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001 and the Financial Reporting Act 2004.

**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 shareholders in accordance with Section 12.14(i) of the Listing Rules of the Stock Exchange of Mauritius and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Deloitte**  
 Chartered Accountants  
 28 September 2021

**Twalee Butonkee, FCA**  
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**COMMENTS ON RESULTS**

Notwithstanding the particularly difficult economic and market conditions which exerted pressures on revenue lines across segments and prompted us to maintain a prudent stance by building additional provisions, in the form of Expected Credit Losses, the Group posted a resilient performance, with profit attributable to ordinary shareholders edging up by 1.4% to reach Rs 8,019 million.

Operating income increased by 2.0% compared to last year. Net interest income rose by 3.1%, driven primarily by increased investment in Government securities as a result of the persisting excess liquidity situation prevailing in most of our markets. Our diversification strategy led to a healthy expansion of the Bank's international loan book, helped further by the weakness of the Mauritian Rupee. However, net interest income in foreign currency declined marginally due to the drop in LIBOR rates. Net fee and commission income recovered from its contraction in the previous year to grow by 13.3%, supported by higher revenues from regional trade financing and wealth management activities. In contrast, 'other income' bore the brunt of the challenging context and declined by 14.5%. Lower volumes of trading in foreign exchange coupled with high volatility in money and foreign exchange markets, contributed to a drop of Rs 459 million in net gain from financial instruments. On the other hand, other operating income remained stable, the profit of Rs 356 million realised on the disposal of our shares in ICPS Ltd being largely offset by the absence of rental income at the level of COVIFRA, as a result of our borders being closed throughout the whole financial year.

Operating expenses increased by 6.1% on the back of ongoing investment in capacity building initiatives, notably linked to our digitalisation efforts, thus leading to a rise in the cost-to-income ratio from 35.5% to 36.9%. However, impairment charges declined by 6.1% to Rs 4,766 million. The cost of risk in relation to loans and advances, while decreasing from 1.84% to 1.39%, remained high as we continued to increase our Expected Credit Losses (ECL) which reached Rs 8,854 million as at June 2021. Excluding ECL provisions, cost of risk for the year decreased from 64 to 55 basis points.

The share of profit of associates fell by Rs 29 million, principally due to lower contribution from BFCOI more than offsetting improved results at the level of Promotion and Development Ltd.

The Group continued to display strong capitalisation levels with capital adequacy ratios remaining comfortably above minimum requirements. The BIS and Tier 1 ratios stood at 17.4% and 16.1% respectively despite a significant growth of 21.1% in risk-weighted assets. Furthermore, asset quality improved slightly with NPL declining from 4.2% to 3.9% while healthy liquidity and funding positions were maintained.

After a year during which no dividend was paid by the Group as a result of the substantial uncertainty resulting from the outbreak of the pandemic, we have resumed payment of dividend this year, albeit at a reduced rate compared to previous years. In addition to the interim dividend of Rs 7.25 per share paid in July 2021, a dividend of Rs 9.50 per share has today been declared and will be payable in December 2021. The total dividend payable this year will thus amount to Rs 16.75 per share, equivalent to 25% of profit attributable to ordinary shareholders in relation to Financial Years 2020 and 2021. The Board of Directors has also approved, subject to regulatory approval, a Scrip Dividend Scheme. This scheme will provide to the shareholders of the Group an option to convert a designated portion of their future dividends into shares of the Group. The successful implementation of this scheme will potentially enable the Group to consolidate its capital base in order to support its future expansion and/or, alternatively, provide it with additional capacity to increase its dividend payout.

**OUTLOOK**

The operating context is still subject to uncertainties, with the global economic recovery remaining uneven and fragile. Notwithstanding some encouraging trends in Seychelles and Maldives on the tourism front, the future evolution of long haul travel is yet to be firmly ascertained, while further adverse dynamics, especially amidst market volatilities and supply chain constraints, could continue to impact the domestic economy. However, progress made on the vaccination front and the opening of the borders should help economic recovery, with further support expected, should the country promptly exit the FATF and EU caution lists. On the basis of our strong fundamentals and continued execution of our diversification strategy, the Group is well equipped to reap the benefits of economic recovery, with prospects on the international front in particular being encouraging.