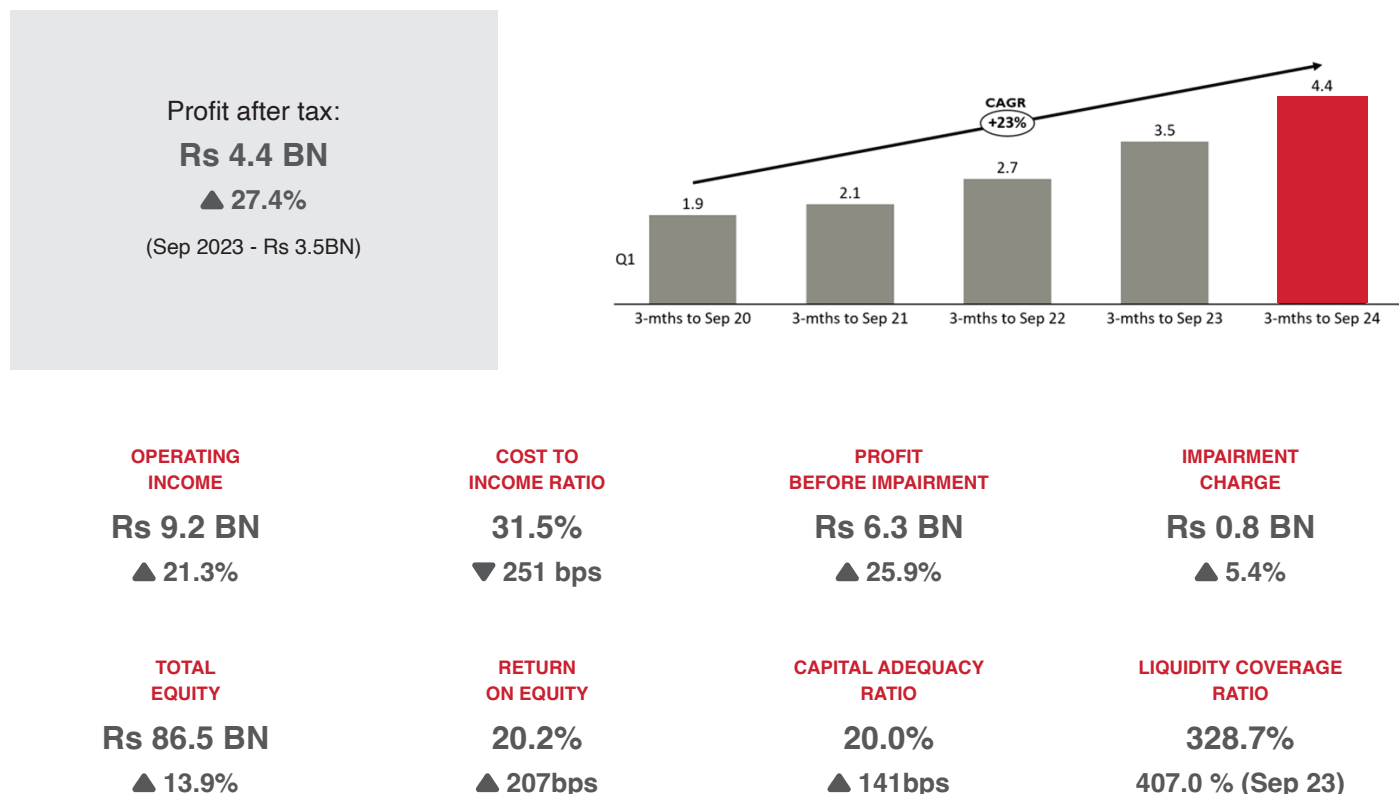


## MCB Ltd results for three months ended 30 Sep 2024

PORT LOUIS, 12 November 2024: MCB Ltd today announced its unaudited results for the three months ended 30 September 24

**BANK FINANCIAL HIGHLIGHTS**


Changes (in % or bps) are in comparison to Sep 23

**OVERALL PERFORMANCE AND OUTLOOK**

The bank recorded a profit of Rs 4,402 million for the first quarter ended 30 September 2024, representing a robust growth of 27.4% compared to the same period last year.

**Financial performance**

Operating income increased by 21.3% to Rs 9,187 million. Net Interest Income grew by 19.4% to Rs 6,181 million, supported by the full impact of the growth in loans and advances and investment securities over the last 12 months alongside improved net interest margins.

Non-interest income growth was also encouraging, with a year-on-year increase of 25.5%, to Rs 3,006 million. This growth was primarily fueled by higher activities in trade finance, payments, and foreign exchange trading, as well as fair value gains on equity instruments.

Non-interest expense increased by 12.3% to Rs 2,895 million in line with growth in business activities, continued investment in human capital, provision for deposit insurance scheme in Mauritius as well as inflation-linked adjustments. As operating income grew at a higher pace, cost-to-income ratio dropped to 31.5%.

**Asset Quality and Capital Strength**

In terms of asset quality, net impairment of financial assets amounted to Rs837 million for the quarter ended 30 September 2024. The Non-Performing to Total Loans ratio was at 2.8% while Specific Provision Coverage Ratio increased to 80.1%.

Overall, the strong operating performance coupled with effective management of risk-weighted assets, helped further improve the Capital Adequacy and Tier 1 ratios to 20.0% and 17.6% respectively. These levels place the bank comfortably above minimum requirements, providing a solid buffer to support its future growth.

**Outlook**

Global growth has been resilient despite geopolitical conflicts and instability and is projected to remain steady. The decline in inflation paved the way for central banks to pursue monetary policy easing. Nonetheless, uncertainty persists, including risks from escalating regional conflicts, especially in the Middle East, and heightened trade fragmentation. Across Africa, growth is projected to pick up in the near term thanks to reform initiatives, though uneven due to persistent macroeconomic challenges. In Mauritius, after a period of strong expansion, the economic growth is set to moderate slightly over the period ahead in the light of weaker global conditions.

**Strategic focus**

The bank remains committed to its strategic objectives, with a strong focus on expanding internationally within its specialized sectors. However we 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. The Bank will continue to play a key role in promoting sustainable development.

## Bank Management Statement

### Statement of profit or loss

#### Net interest income

The bank reported a solid Net Interest Income (NII) of Rs 6,181 million, reflecting a 19.4% year-on-year increase. This growth was supported by a strong expansion in interest-earning assets, with notable increases across our loan portfolios and excess liquidity, coupled with improved margins. Targeted initiatives also led to substantial inflows into the remunerated foreign deposit base, which helped reduce our dependance on net wholesale funding.

#### Non-interest income

Net fee and commission income grew by a healthy 6.0%, reaching Rs 1,695 million, largely driven by increased trade finance and payment activities. This growth was partly offset by lower bank guarantee fees generated from our regional markets.

In addition, other income experienced a notable increase, rising from Rs 797 million to Rs 1,311 million. This was primarily supported by strong performance in foreign exchange trading activities and fair value gains on US equity instruments.

#### Non-interest expense

Non-interest expense grew by 12.3% to reach Rs 2,895 million, driven largely by sustained investments in human capital and other staff related expenses, the effects of higher inflation, as well as planned contribution to the deposit insurance scheme in Mauritius. The cost-to-income ratio remained low at 31.5%, supported by a faster pace of growth in operating income and a timing difference in some planned expenses for this financial year.

#### Net impairment of financial assets

For the three months ended 30 September 2024, the net impairment of financial assets amounted to Rs837 million, compared to Rs794 million driven mainly by an increase in ECL. Non-Performing Loans ratio and annualised cost of risk (as a percentage of gross loans and advances) stood at 2.8% and 0.8%, respectively.

#### Share of profit of associate

The Share of profit of associate relates to Banque Francaise Commerciale Ocean Indien (BFCOI) which improved slightly compared to last year.

#### Profit for the period

Profit for the period rose by 27.4% to Rs4,402 million driven by strong operating income while operating expenses grew at a much lower pace.

### Statement of financial position

#### Total assets

The bank's total assets rose by 11.5% to Rs859.0 billion compared to last year. This expansion was driven by growth in both loans and advances along with a more significant increase in investment securities boosted by our local and foreign deposits.

#### Loans and advances

Loans and advances to customers grew by 4.0% to reach Rs356.7 billion compared to the same period last year driven by both local and international segments.

#### Funding and liquidity

Total deposits from banks and customers increased by 14.7% to Rs 662.8 billion, in line with our strategic focus on attracting foreign deposits. Notably, there has been a shift towards more term deposits within our foreign deposit base, while the composition of our local deposits has remained stable.

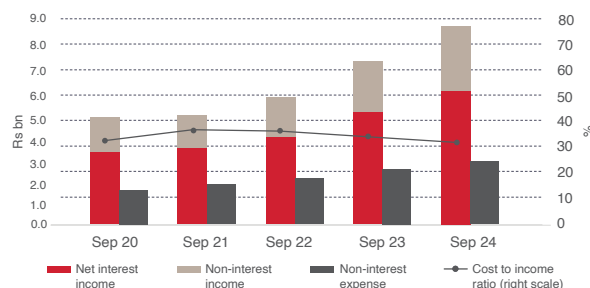
Total borrowings fell to Rs82.4 billion versus Rs95.2 billion for the same period last year with a reduction in our both short and long term bank borrowings which were partly mitigated by an additional Sustainability-linked loan of USD400 million.

As of 30 September 2024, the bank reported a customer loans-to-deposits ratio of 63.4%, while the total loans-to-funding base ratio declined to 56.0%. Liquidity levels remained strong, highlighted by a liquidity coverage ratio of 328.7%.

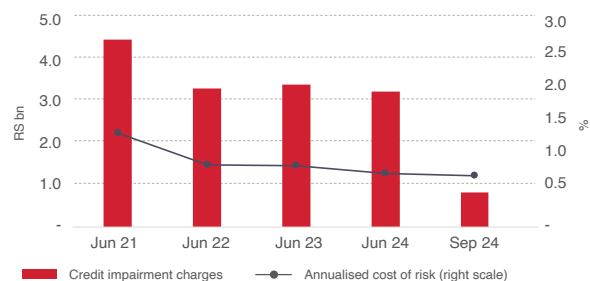
#### Capital position

Shareholders' equity increased by 13.9% to Rs 86.5 billion, driven by higher retained earnings. Effective management of risk-weighted assets further strengthened the bank's capital position, with the Capital Adequacy Ratio improving to 20.0% and the Tier 1 Ratio reaching 17.6%.

#### Income and expenditure evolution

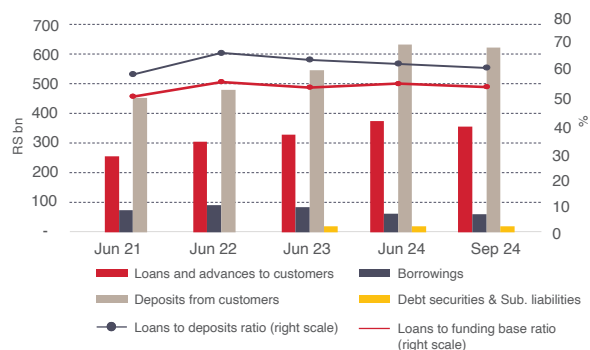


#### Credit impairment charges\* & credit quality

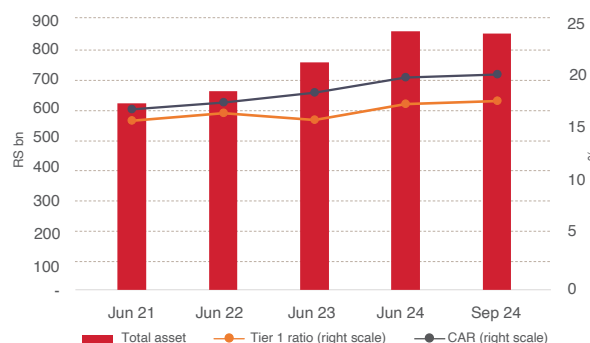


\*Relate to loans & advances (including corporate notes)

#### Loans and funding base



#### Total asset and capital adequacy



## Interim unaudited condensed consolidated and separate statements of financial position as at 30 September 2024

	GROUP			BANK		
	30-Sep-24	30-Sep-23	30-Jun-24	30-Sep-24	30-Sep-23	30-Jun-24
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
<b>ASSETS</b>						
Cash and cash equivalents	65,657	75,464	91,907	64,885	75,171	90,669
Mandatory balances with Central Banks	38,603	33,582	37,556	37,686	32,937	36,696
Derivative financial instruments	2,989	1,294	2,071	2,989	1,294	2,071
Loans to and placements with banks	14,676	16,718	12,623	15,431	16,913	13,582
Loans and advances to customers	363,642	349,884	382,533	356,682	342,994	375,404
Investment securities	345,687	276,876	324,562	342,518	275,372	322,210
Investments in subsidiaries	-	-	-	121	118	121
Investments in associates	5,665	5,901	5,495	5,665	5,901	5,495
Intangible assets	2,551	2,292	2,593	2,515	2,244	2,551
Property, plant and equipment	5,404	5,433	5,461	4,962	4,963	5,028
Deferred tax assets	3,834	2,871	3,740	3,814	2,852	3,719
Post employment benefit asset	754	455	754	754	455	754
Other assets	21,564	9,821	7,781	20,932	9,160	7,152
<b>Total assets</b>	<b>871,026</b>	<b>780,591</b>	<b>877,076</b>	<b>858,954</b>	<b>770,374</b>	<b>865,452</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>						
<b>Liabilities</b>						
Deposits from banks	38,478	29,000	41,001	38,567	29,826	41,021
Deposits from customers	632,137	555,248	641,637	624,247	547,929	634,292
Derivative financial instruments	3,036	1,418	1,990	3,036	1,418	1,990
Other borrowed funds	64,353	77,406	65,355	61,593	75,032	62,529
Debt securities	14,238	13,694	14,314	14,238	13,694	14,314
Subordinated liabilities	6,621	6,477	7,057	6,621	6,477	7,057
Current tax liabilities	3,940	3,865	2,706	3,926	3,815	2,697
Other liabilities	20,926	16,825	16,117	20,194	16,192	15,437
<b>Total liabilities</b>	<b>783,729</b>	<b>703,933</b>	<b>790,177</b>	<b>772,422</b>	<b>694,383</b>	<b>779,337</b>
<b>Shareholder's equity</b>						
Stated capital	8,880	8,880	8,880	8,880	8,880	8,880
Retained earnings	68,099	58,202	67,843	67,215	57,380	66,975
Other components of equity	10,142	9,421	9,997	10,437	9,731	10,260
<b>Equity attributable to the equity holders of the parent</b>	<b>87,121</b>	<b>76,503</b>	<b>86,720</b>	<b>86,532</b>	<b>75,991</b>	<b>86,115</b>
Non-controlling interest	176	155	179	-	-	-
<b>Total equity</b>	<b>87,297</b>	<b>76,658</b>	<b>86,899</b>	<b>86,532</b>	<b>75,991</b>	<b>86,115</b>
<b>Total equity and liabilities</b>	<b>871,026</b>	<b>780,591</b>	<b>877,076</b>	<b>858,954</b>	<b>770,374</b>	<b>865,452</b>
<b>CONTINGENT LIABILITIES (NET)</b>	<b>200,097</b>	<b>187,962</b>	<b>189,087</b>	<b>197,951</b>	<b>186,641</b>	<b>187,311</b>

These financial statements were approved by the Board of Directors and authorised for issue on the 12 November 2024.


**Thierry HEBRAUD**  
 Director  
 Chief Executive Officer


**Jean-François DESVAUX DE MARIGNY**  
 Director  
 Chairperson - Board of Directors


**Su Lin ONG**  
 Director  
 Chairperson Audit Committee



Interim unaudited condensed consolidated and separate statements of profit or loss for the period ended 30 September 2024

	GROUP			BANK		
	3 months to 30-Sep-24	3 months to 30-Sep-23	Year to 30-Jun-24	3 months to 30-Sep-24	3 months to 30-Sep-23	Year to 30-Jun-24
	Rs'M	Rs'M	RS'M	RS'M	RS'M	RS'M
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income using the effective interest method	12,089	10,455	43,791	11,828	10,247	42,936
Interest expense	(5,780)	(5,160)	(20,908)	(5,647)	(5,069)	(20,515)
<b>Net interest income</b>	<b>6,309</b>	<b>5,295</b>	<b>22,883</b>	<b>6,181</b>	<b>5,178</b>	<b>22,421</b>
Fee and commission income	2,545	2,353	9,917	2,470	2,299	9,728
Fee and commission expense	(811)	(731)	(3,183)	(775)	(700)	(3,051)
<b>Net fee and commission income</b>	<b>1,734</b>	<b>1,622</b>	<b>6,734</b>	<b>1,695</b>	<b>1,599</b>	<b>6,677</b>
<b>Other income</b>	<b>1,323</b>	<b>767</b>	<b>4,089</b>	<b>1,311</b>	<b>797</b>	<b>4,052</b>
<b>Operating income</b>	<b>9,366</b>	<b>7,684</b>	<b>33,706</b>	<b>9,187</b>	<b>7,574</b>	<b>33,150</b>
<b>Non-interest expense</b>	<b>(2,996)</b>	<b>(2,659)</b>	<b>(11,470)</b>	<b>(2,895)</b>	<b>(2,577)</b>	<b>(11,135)</b>
<b>Operating profit before impairment</b>	<b>6,370</b>	<b>5,025</b>	<b>22,236</b>	<b>6,292</b>	<b>4,997</b>	<b>22,015</b>
Net impairment of financial assets	(889)	(832)	(3,485)	(837)	(794)	(3,329)
<b>Operating profit</b>	<b>5,481</b>	<b>4,193</b>	<b>18,751</b>	<b>5,455</b>	<b>4,203</b>	<b>18,686</b>
Share of profit of associates	93	86	306	93	86	306
<b>Profit before tax</b>	<b>5,574</b>	<b>4,279</b>	<b>19,057</b>	<b>5,548</b>	<b>4,289</b>	<b>18,992</b>
Income tax expense	(1,152)	(840)	(3,570)	(1,146)	(834)	(3,546)
<b>Profit for the period</b>	<b>4,422</b>	<b>3,439</b>	<b>15,487</b>	<b>4,402</b>	<b>3,455</b>	<b>15,446</b>
<b>Profit for the period attributable to:</b>						
Ordinary equity holders of the parent	4,418	3,434	15,471	4,402	3,455	15,446
Non-controlling interest	4	5	16	-	-	-
	<b>4,422</b>	<b>3,439</b>	<b>15,487</b>	<b>4,402</b>	<b>3,455</b>	<b>15,446</b>
<b>Earnings per share (Rs)</b>	<b>4.98</b>	<b>3.87</b>	<b>17.42</b>	<b>4.96</b>	<b>3.89</b>	<b>17.39</b>
<b>Weighted average number of shares (thousands)</b>	<b>887,960</b>	<b>887,960</b>	<b>887,960</b>	<b>887,960</b>	<b>887,960</b>	<b>887,960</b>

Interim unaudited condensed consolidated and separate statements of comprehensive income for the period ended 30 September 2024

<b>Profit for the period</b>	<b>4,422</b>	<b>3,439</b>	<b>15,487</b>	<b>4,402</b>	<b>3,455</b>	<b>15,446</b>
<b>Other comprehensive income:</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Net fair value gain on equity investments	69	83	31	69	83	31
Share of other comprehensive income of associate	-	-	12	-	-	12
Remeasurement of defined benefit pension plan, net of deferred tax	-	-	117	-	-	117
	<b>69</b>	<b>83</b>	<b>160</b>	<b>69</b>	<b>83</b>	<b>160</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Exchange differences on translating foreign operations	30	(255)	198	69	(241)	152
Reclassification adjustment on disposal of associate	-	-	192	-	-	192
Change in fair value of hedge instrument	(17)	-	-	(17)	-	-
Reclassification of effective portion of hedge	2	-	-	2	-	-
Net fair value gain/(loss) on debt instruments	54	-	(29)	54	-	(29)
	<b>69</b>	<b>(255)</b>	<b>361</b>	<b>108</b>	<b>(241)</b>	<b>315</b>
<b>Other comprehensive income for the period</b>	<b>138</b>	<b>(172)</b>	<b>521</b>	<b>177</b>	<b>(158)</b>	<b>475</b>
<b>Total comprehensive income for the period</b>	<b>4,560</b>	<b>3,267</b>	<b>16,008</b>	<b>4,579</b>	<b>3,297</b>	<b>15,921</b>
<b>Total comprehensive income attributable to:</b>						
Ordinary equity holders of the parent	4,563	3,266	15,983	4,579	3,297	15,921
Non-controlling interest	(3)	1	25	-	-	-
	<b>4,560</b>	<b>3,267</b>	<b>16,008</b>	<b>4,579</b>	<b>3,297</b>	<b>15,921</b>



Interim unaudited condensed consolidated statement of changes in equity for the period ended 30 September 2024

GROUP	Attributable to equity holders of the parent								
	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash flow hedge reserve	Total	Non-controlling interest	Total Equity
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
<b>At 1 July 2023</b>	<b>8,880</b>	<b>57,468</b>	<b>42</b>	<b>667</b>	<b>8,880</b>	<b>-</b>	<b>75,937</b>	<b>164</b>	<b>76,101</b>
Profit for the period	-	3,434	-	-	-	-	3,434	5	3,439
Other comprehensive income for the period	-	-	83	(251)	-	-	(168)	(4)	(172)
Total comprehensive income for the period	-	3,434	83	(251)	-	-	3,266	1	3,267
Dividends	-	(2,700)	-	-	-	-	(2,700)	(10)	(2,710)
Transactions with owner	-	(2,700)	-	-	-	-	(2,700)	(10)	(2,710)
<b>At 30 September 2023</b>	<b>8,880</b>	<b>58,202</b>	<b>125</b>	<b>416</b>	<b>8,880</b>	<b>-</b>	<b>76,503</b>	<b>155</b>	<b>76,658</b>
<b>At 1 July 2023</b>	<b>8,880</b>	<b>57,468</b>	<b>42</b>	<b>667</b>	<b>8,880</b>	<b>-</b>	<b>75,937</b>	<b>164</b>	<b>76,101</b>
Profit for the year	-	15,471	-	-	-	-	15,471	16	15,487
Other comprehensive income for the year	-	129	2	381	-	-	512	9	521
Total comprehensive income for the year	-	15,600	2	381	-	-	15,983	25	16,008
Dividends	-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transactions with owner	-	(5,200)	-	-	-	-	(5,200)	(10)	(5,210)
Transfer	-	(25)	-	25	-	-	-	-	-
<b>At 30 June 2024</b>	<b>8,880</b>	<b>67,843</b>	<b>44</b>	<b>1,073</b>	<b>8,880</b>	<b>-</b>	<b>86,720</b>	<b>179</b>	<b>86,899</b>
Profit for the period	-	4,418	-	-	-	-	4,418	4	4,422
Other comprehensive income for the period	-	-	123	37	-	(15)	145	(7)	138
Total comprehensive income for the period	-	4,418	123	37	-	(15)	4,563	(3)	4,560
Dividends	-	(4,162)	-	-	-	-	(4,162)	-	(4,162)
Transactions with owner	-	(4,162)	-	-	-	-	(4,162)	-	(4,162)
<b>At 30 September 2024</b>	<b>8,880</b>	<b>68,099</b>	<b>167</b>	<b>1,110</b>	<b>8,880</b>	<b>(15)</b>	<b>87,121</b>	<b>176</b>	<b>87,297</b>



Interim unaudited condensed separate statement of changes in equity for the period ended 30 September 2024

BANK	Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve	Cash flow hedge reserve	Total Equity
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
<b>At 1 July 2023</b>	<b>8,880</b>	<b>56,625</b>	<b>42</b>	<b>967</b>	<b>8,880</b>	<b>-</b>	<b>75,394</b>
Profit for the period	-	3,455	-	-	-	-	3,455
Other comprehensive income for the period	-	-	83	(241)	-	-	(158)
Total comprehensive income for the period	-	3,455	83	(241)	-	-	3,297
Dividends	-	(2,700)	-	-	-	-	(2,700)
Transactions with owner	-	(2,700)	-	-	-	-	(2,700)
<b>At 30 September 2023</b>	<b>8,880</b>	<b>57,380</b>	<b>125</b>	<b>726</b>	<b>8,880</b>	<b>-</b>	<b>75,991</b>
<b>At 1 July 2023</b>	<b>8,880</b>	<b>56,625</b>	<b>42</b>	<b>967</b>	<b>8,880</b>	<b>-</b>	<b>75,394</b>
Profit for the year	-	15,446	-	-	-	-	15,446
Other comprehensive income for the year	-	129	2	344	-	-	475
Total comprehensive income for the year	-	15,575	2	344	-	-	15,921
Dividends	-	(5,200)	-	-	-	-	(5,200)
Transactions with owner	-	(5,200)	-	-	-	-	(5,200)
Transfer	-	(25)	-	25	-	-	-
<b>At 30 June 2024</b>	<b>8,880</b>	<b>66,975</b>	<b>44</b>	<b>1,336</b>	<b>8,880</b>	<b>-</b>	<b>86,115</b>
Profit for the period	-	4,402	-	-	-	-	4,402
Other comprehensive income for the period	-	-	123	69	-	(15)	177
Total comprehensive income for the period	-	4,402	123	69	-	(15)	4,579
Dividends	-	(4,162)	-	-	-	-	(4,162)
Transactions with owner	-	(4,162)	-	-	-	-	(4,162)
<b>At 30 September 2024</b>	<b>8,880</b>	<b>67,215</b>	<b>167</b>	<b>1,405</b>	<b>8,880</b>	<b>(15)</b>	<b>86,532</b>

## Interim unaudited condensed consolidated and separate statements of cash flows for the period ended 30 September 2024

	GROUP			BANK		
	3 months to 30-Sep-24	3 months to 30-Sep-23	Year to 30-Jun-24	3 months to 30-Sep-24	3 months to 30-Sep-23	Year to 30-Jun-24
	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
<b>Net cash flows from operating activities</b>	<b>(15,775)</b>	(2,763)	74,225	<b>(16,233)</b>	(2,432)	73,365
<b>Net cash flows from investing activities</b>	<b>(9,541)</b>	(26,471)	(74,817)	<b>(8,581)</b>	(26,341)	(74,058)
<b>Net cash flows from financing activities</b>	<b>(1,037)</b>	(9,681)	(21,523)	<b>(970)</b>	(9,959)	(22,254)
Decrease in cash and cash equivalents	<b>(26,353)</b>	(38,915)	(22,115)	<b>(25,784)</b>	(38,732)	(22,947)
Net cash and cash equivalents brought forward	<b>91,935</b>	114,104	114,104	<b>90,696</b>	113,643	113,643
Effect of foreign exchange rate changes	<b>103</b>	17	(54)	-	-	-
<b>Net cash and cash equivalents carried forward</b>	<b>65,685</b>	75,206	91,935	<b>64,912</b>	74,911	90,696
<b>Cash and cash equivalents as shown in the statements of cash flows</b>						
Cash and cash equivalents	<b>65,657</b>	75,464	91,907	<b>64,885</b>	75,171	90,669
Allowances for credit impairment	<b>43</b>	41	34	<b>42</b>	39	33
Short term borrowed funds	<b>(15)</b>	(299)	(6)	<b>(15)</b>	(299)	(6)
<b>Net cash and cash equivalents</b>	<b>65,685</b>	75,206	91,935	<b>64,912</b>	74,911	90,696

The Interim unaudited condensed consolidated and separate financial statements have been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information, IAS 34 - Interim Financial Reporting and using the same accounting policies as those adopted in the audited 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 Bank adopted in this new financial year.

The financial information has been extracted from the interim unaudited condensed consolidated and separate financial statements for the period ended 30 September 2024 and are available upon request from the Company Secretary at the registered office of the Company.

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

*The Board of Directors of The Mauritius Commercial Bank Limited accepts full responsibility for the accuracy of the information contained in this communiqué.*