



EFG Hermes Investor Conference



March 2024



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Established some 185 years ago...

The Group is an **integrated regional banking and financial services provider** with presence abroad spanning **11 countries**, offering customised products and services to a wide range of clients through its **local & foreign subsidiaries, associates and representative/advisory offices**

Our stock profile



No. 1 on local stock exchange

Market share ~ **32%**



Market capitalisation

~ **USD 1.9 billion**



Broad & diversified base

~ **23,000** shareholders

Key facts and figures



Total assets ~ **USD 19 billion**



Workforce > **4,100**



Customers ~ **1.1 million**



~ **350** correspondent banks

Our channels and digital platforms



Branches/Kiosks **62**



ATMs **212**



Internet Banking subscribers
~ **345,000**



MCB Juice* subscribers
> **580,000**

*Mobile banking app.

Credit ratings

Agency	Long-Term	Short-Term	Outlook
Moody's Investor Service	Baa3	P-3	Stable
CARE Ratings (Africa) Private LTD	AAA*		Stable

* Pertains to the servicing of financial obligations in Mauritius

Sustainability highlights

MCB Group MSCI ESG Rating



Stock Exchange of
Mauritius
Sustainability index

MCB Group forms part of the constituents of SEMSI

Both MSCI and SEMSI provide a benchmarking measure against a set of internationally environmental, social and governance criteria

Mauritius



Best Bank in Mauritius

Best Corporate Bank in Mauritius

Best Bank for Digital Solutions in Mauritius

Best Trade Finance Bank in Mauritius
(Global Finance Magazine 2023)

Environmental Awards 2023
(Ministry of Environment, Solid Waste Management and Climate Change)



Best Private Bank in Mauritius
(Professional Wealth Management (PWM) and The Banker)



Brand Purpose Sustainable Brand
(Brand Magic Survey 2023)

World

597th in the world

in terms of Tier 1 Capital
(The Banker Top 1000 World Banks, July 2023)



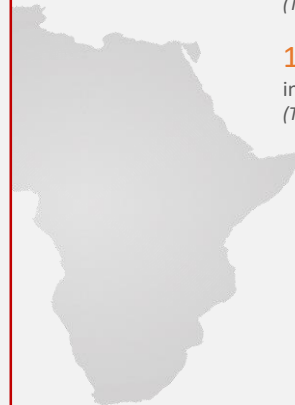
Africa

1st in East Africa

in terms of Tier 1 Capital
(The Banker Top 1000 World Banks, July 2023)

16th in Africa

in terms Tier 1 capital
(The Banker Top 1000 World Banks, July 2023)



**jeune
afrique**

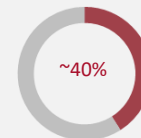
24th in Africa in terms of assets
(Jeune Afrique, Top 200 Banks, The Africa Report, October 2023)

**African
BUSINESS**

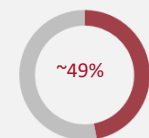
67th in Africa in terms of market capitalisation
(African Business Top 250 Companies, July 2023)

Domestic market share

Credit to the economy



Local currency deposits



● MCB Ltd



MCB GROUP LTD

Banking*

MCB Investment Holding Ltd (100%)

- 100% MCB Ltd
 - 49.99% Banque Française Commerciale Océan Indien (Associate)
 - 35% Société Générale Moçambique(Associate)
 - 80% MCB Madagascar SA
- 10%
- 100% MCB Seychelles Ltd
- 100% MCB (Maldives) Private Ltd

Non-Banking Financial*

- 100% MCB Capital Markets Ltd
- 100% MCB Equity Fund Ltd
- MCB Leasing Ltd 100%
- 100% MCB Factors Ltd
- 100% MCB Microfinance Ltd
- 40% Credit Guarantee Insurance Co. Ltd (Associate)
- 100% MCB Real Assets Ltd
- 100% MCB Trade Services S.A.

Other Investments*

- 57.73% Fincorp Investment Ltd
 - 100% MCB Properties Ltd
 - 100% MCB Consulting Services Ltd
 - 80% MCB Institute of Finance Ltd
 - 100% MCB Group Corporate Services Ltd
 - 100% Mascareignes Properties Ltd
 - 100% MCB International Services Ltd
 - 100% MCB Forward Foundation Ltd
 - 99.63% Blue Penny Museum — 0.37%

* Relate to clusters



Our strategic intents



A purpose-driven organisation

Success Beyond Numbers

Everyday we will help people succeed by providing financing and banking solutions responsibly, championing innovation and using our expertise to make a positive difference to the Economy, People, Community and Environment.

Our goals are geared towards being ...

1

... more diversified



Strengthening our domestic position

Growing our international footprint

Expanding our non-bank activities

2

... more digital



... anchored on our strategic objectives of:

Refining our value proposition through innovative products and services

Supporting the transition to cash-lite

Developing agility and modernising capabilities

3

... more sustainable



Promoting vibrant and sustainable local and regional economies

Contributing to our cultural and environmental heritage

Fostering individual and collective well-being

Our key value drivers

Customer Experience

People and culture

Risk and Compliance



Our main business strategies



Strengthen our domestic position

- Help our clients and the country transit to a low-carbon economy
- Enhance our value proposition across market segments and deepening of customer relationships and services
- Pursue digitalisation efforts and promote a cash-lite society
- Boost cross-selling opportunities by leveraging organisational synergies and internal data & analytics capabilities
- Support local entrepreneurship and help boost domestic production



Expand our non-bank activities

- Widen our market involvement
- Consolidate our positioning across long-established business areas while diversifying our activities
- Expand our distribution channels by seeking strategic alliances with selected partners
- Broaden investment management activities to alternative assets



Grow our international footprint

- Position MCB as a prominent player within the Energy & Commodities segment to support Africa's development and enable energy transition alongside gradually building an African Power and Infrastructure franchise
- Deepen relationships with regional and international corporates and private equity funds doing business in Africa to facilitate investment and trade flows while leveraging the Mauritian jurisdiction
- Build meaningful relationships with financial institutions and boost syndication whilst transforming MCB as a lead arranger for dedicated deals
- Bolster the Bank's Global Markets offerings by providing adapted trading, liquidity and structuring solutions
- Expand our Private Wealth Management activities by providing a wider range of sophisticated investment solutions and dedicated advisory services
- Drive the cross-border payment strategy focused on the development and deployment of innovative, scalable and differentiating payment solutions
- Reinforce our proximity with our clients in key markets leveraging our strong network of Hub Offices in South Africa, Kenya, Nigeria, UAE and France
- Enrich our offerings in foreign banking subsidiaries



Progress on our strategic objectives



Consolidating and diversifying our business activities (i)



Strengthen our domestic position

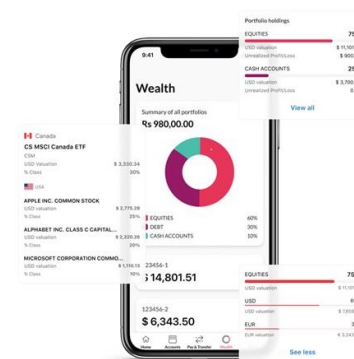
- Pursued efforts for **digital payments solutions** by actively promoting **secure and convenient** digital channels that allow clients to undertake transactions anywhere and anytime.
- Improved our digital value proposition with various refinements brought to our mobile app **'MCB Juice'** including, *inter alia*, the registration of multiple accounts with other local banks. The **mortgage and unsecured loan offering** on **'MCB Juice'** has been well received by the market with promising take-up.
- Strengthened our **SME offering** with a focus on our 'Lokal is Beautiful' scheme. **MCB JuicePro**, the mobile app dedicated to SME clients has been upgraded with new features including instant transfer of funds and credit facilities.
- Leveraged **advanced data analytics** which allow for **cross-selling** opportunities based on more accurate customer profiling as well as improved **credit risk assessment** and disbursement cycle.

MCB has concluded a transaction worth **Rs 350 million (USD 8 million)** with GreenYellow, an expert in solar photovoltaic production, to finance one of the largest solar photovoltaic power plant in Mauritius



Launching of Pay+, an innovative payments acceptance solution designed for merchants

'MCB Juice' has been upgraded with the option for PWM customers to access their investment portfolio





Consolidating and diversifying our business activities (ii)



Expand our non-bank activities

- Reinforced positioning of **MCB Capital Markets Ltd** in Mauritius and in the region
 - Established itself as a **leading finance transaction advisor and arranger** in respect of corporate finance on the domestic scene
 - Continued efforts in the **building-up** of **assets under management**.
 - Furthered its African footprint through its flagship **African Domestic Bond Fund** in partnership with the African Development Bank.
- Enhanced relationships and **customised solutions** for **MCB Factors Ltd** and **MCB Microfinance Ltd** clients.
- Continued **reinforcement** of **internal capabilities** by **MCB Consulting Ltd** while pursuing its business development efforts.
- MCB Leasing Ltd** consolidated its deposits base to finance the expansion of its lease portfolio, including the **'Green Lease'** launched last year.



*MCB Capital Markets acted as Transaction Advisor on EnVolt's inaugural issue of **MUR 510 million (USD 11 million)** in Green Project Bonds*



MCB Equity Fund partnered with Metier-led consortium to invest in Africa Mobile Networks Ltd (AMN) to expand coverage in remote rural Africa

MCB Capital Markets has acted as Transaction Advisor to the shareholders of Ceejay Gas Ltd (A leading and fully integrated importer, bottler and distributor of liquefied petroleum gas in Mayotte) on the sale of their shares to Vivo Energy

MCB Leasing continued to grow its 'Green Lease' portfolio





Consolidating and diversifying our business activities (iii)



Grow our international footprint

- Support **African** economies in their **energy requirements** and **transition** through oil and gas financing as well as project financing with commitment towards making a difference in the African energy landscape.
- Enhanced **relationships** with **anchor clients** doing business in Africa such as private equity funds and large regional corporates by our **global & international corporate team**.
- Nurtured relationships with Tier 1 and upper Tier 2 **African Financial Institutions**, providing **bundled offerings** (Treasury, Custody, etc.).
- Listed a **USD 3 billion** Global Medium Term **Notes Programme** on the International Securities Market of the **LSE** to consolidate our funding and capital position.
- Reinforced our **Private Wealth Management** presence in the region leveraging our representative offices and developing a strong network with foreign **External Asset Managers**.
- Strengthened our **Global Markets** offerings by providing adapted trading, liquidity and structuring solutions.
- Setting up a **Representative Office** in **Nigeria** to strengthen the Group's involvement in **Energy and Commodities** in **West Africa**.



Acquisition financing for purchase of Lekela Power, Africa's largest renewable energy platform

USD 120 million

Acted as Mandated Lead Arranger in Apex's Egyptian natural gas investment

USD 45 million



Acted as a lead arranger for one of the biggest private equity deals in West Africa

Financing for the acquisition of JA Delmas, the exclusive Caterpillar dealer in West Africa

EUR 135 million





Delivering a world-class customer experience through digital

Acceleration in the adoption of digital forms of payment

MCB Juice



~ 566,000 users

+18% y.o.y

69.5 million transactions

+52% y.o.y

16,194 merchants

+21% y.o.y

Internet Banking



>316,000 users

+6% y.o.y

3.4 million transactions

+1% y.o.y



... whilst accompanying customers in its transition towards a **cash-lite society**...

23.7 million

+46% y.o.y

contactless transactions

92%

of merchant POS devices are contactless

36% Cash to Digital ratio



+14% y.o.y

Cardholders transacting online



+14% y.o.y

Merchants offering online payments

Our responsibility is to create sustainable prosperity for our customers, communities, people, and the countries in which we operate.

Approach founded on the **material issues** of MCB Group and Mauritius and is underpinned by

international principles, standards and frameworks

adopted by MCB

In addition to the **UN Sustainable Development Goals (SDGs)**, the Group's way of doing business is also governed by the following set of principles:-

- ✓ **UN Global Compact**
- ✓ **Equator Principles**
- ✓ **UN Environment Programme Finance Initiative Principles for Responsible Banking**

The approach also includes an **assessment** and **management** of **several aspects** such as human rights, labour, environment, climate, natural resources and culture, amongst others, throughout the organisation's value chain.

In 2018, MCB Group launched its **Corporate Sustainability Agenda, Success Beyond Numbers**

The agenda revolves around initiatives executed under the following 3 pillars:-

1. Vibrant and sustainable local and regional economies
2. Our environmental and cultural heritage
3. Individual and collective well-being





Engaging Board and Executives

Board commitment and monitoring by the Remuneration, Corporate Governance, Ethics and Sustainability Committee, together with people participating at various levels, show our **strong dedication** to **achieving sustainability**

Governance structure

BOARD OF DIRECTORS

Remuneration, Corporate Governance, Ethics & Sustainability Committee (RCGESC)

Corporate Sustainability Committee (CSC)

(a sub-committee of the RCGESC)

Sustainability Strategic Council (SSC)

Central Sustainability Office (CSO)

ESG Business

ESG Risk Management

Climate Risk Management

Mandates

- The **RCGESC** monitors the implementation of the Group's **Corporate Sustainability Agenda**.
- The **CSC** assists the RCGESC in discharging its duty to monitor the progress of our sustainability engagement. It also assesses all aspects relating to sustainable development as well as ensuring implementation of strategies.
- The **SSC** ensures that the proposed initiatives are aligned with the objectives of our sustainability agenda and approves the budget for their implementation. It met twice a year. The SSC is composed of Chief Executives (Bank & Group), Heads of Strategic Business Units and members of the CSO.
- The **CSO** provides advice and guidance on sustainability matters and participates in implementing the Group's sustainability agenda. It has a cross-functional role across the Group and liaises with the Group's subsidiaries on their social, environmental and economic initiatives.
- The **ESG Business** role is responsible for identifying opportunities to leverage the business potential of ESG.
- **ESG Risk Management** manages ESG-related risks in our financial activities.
- The **Climate Risk Management** function is responsible for the integration of climate-related risks into our risk management framework. It also undertakes the reporting of climate risks to the relevant regulatory authorities.



Success Beyond Numbers

Sustainability initiatives

Pillar 1 Vibrant and sustainable local and regional economies

Pillar 2 Our environmental and cultural heritage

Pillar 3 Individual and collective well-being

SDGs impacted



RESPONSIBLE BEHAVIOUR

Key progress/developments

- Revamped our ‘Lokal is Beautiful’ loan scheme to ensure it meets the needs of a wider range of entrepreneurs
 - Launched ‘Punch Meets’, creating opportunities for entrepreneurs to collaborate and share ideas to support local economic development
 - Invested in Katapult Mauritius Accelerator to help local entrepreneurs and international start-ups focusing on regenerative food and agritech solutions for Africa
 - Continued to improve customer experience by monitoring the Net Promoter Score and Customer Satisfaction Score
 - Ran awareness campaigns on digital banking fraud detection and prevention in all retail branches
-
- Reviewed our governance structures and established a task force and dedicated climate risk workstreams
 - Hosted ‘Climate Week’ and organized various activities attended by our clients, NGOs, teachers, students, and our employees – reaching approximately 550 stakeholders
 - Strengthened our sustainable financing offer with the launch of our Sustainable Supply Chain Finance facility
 - Reinforced our Sustainable Loan offering with dedicated funding of Rs 10 billion to support local companies in their transition to a low carbon business model
 - Continued to engage in impact partnerships across Mauritius to deliver meaningful positive environmental and cultural impact.
 - Continued our efforts to reduce our operational footprint
-
- MCB Forward Foundation spent Rs 73 million on various projects during FY 2022/23 by, in support of environmental and social community projects
 - Launched our new MCB Career Architecture to support our employees’ professional and personal development
 - Developed our ‘Shared Ways of Working’ which comprise a set of behaviours that MCB believes are important to create trust internally and externally
 - Continued to drive gender equality and workplace diversity



Culture

- ✓ Shared ways of working
- ✓ High performance culture



People

- ✓ Talent management and Leadership
- ✓ Career and rewards architecture
- ✓ Employee engagement and well-being



Risk

- ✓ Risk framework
- ✓ Risk culture
- ✓ Emerging risks (Cybersecurity and Climate risks)



Economic Context and Outlook

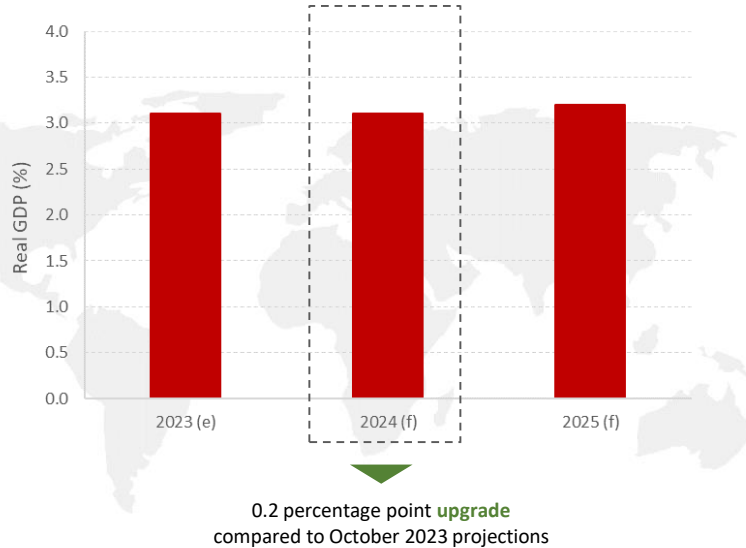


International landscape



The global economy has been more resilient than previously envisaged, but risks remain

Global growth



The projected global growth rates for 2024 and 2025 remain below the historical (2000–19) annual average of 3.8 percent, reflecting restrictive monetary policies and withdrawal of fiscal support, as well as low underlying productivity growth.

Key themes for 2024

- Interest rates set to remain higher for longer
- Mounting geoeconomic fragmentation
- Marked divergences in growth prospects: slowdown of Chinese economy and EU markets while US economy proving more resilient
- Challenging near term outlook for SSA

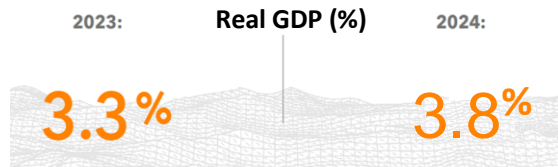
Spotlight on our key markets

	2023 (f)	2024 (f)	2025 (f)
United States	2.5	2.1	1.7
Euro area	0.5	0.9	1.7
<i>Germany</i>	-0.3	0.5	1.6
<i>France</i>	0.8	1.0	1.7
United Kingdom	0.5	0.6	1.6
China	5.2	4.6	4.1
India	6.7	6.5	6.5
Sub-Saharan Africa	3.3	3.8	4.1
<i>Nigeria</i>	2.8	3.0	3.1
<i>South Africa</i>	0.6	1.0	1.3



For its part, Africa is still facing short-term headwinds, but the potential over the medium-term remains positive

Emerging from a difficult year in 2023, activity in the region is expected to rebound this year



Key challenges:



Persistent inflation

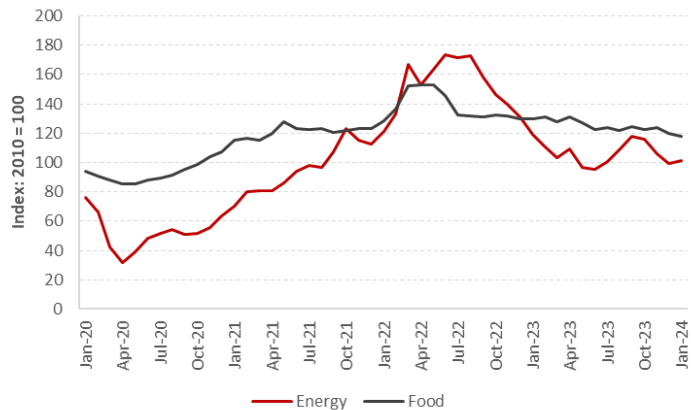


Exchange-rate pressures



Divergent recoveries

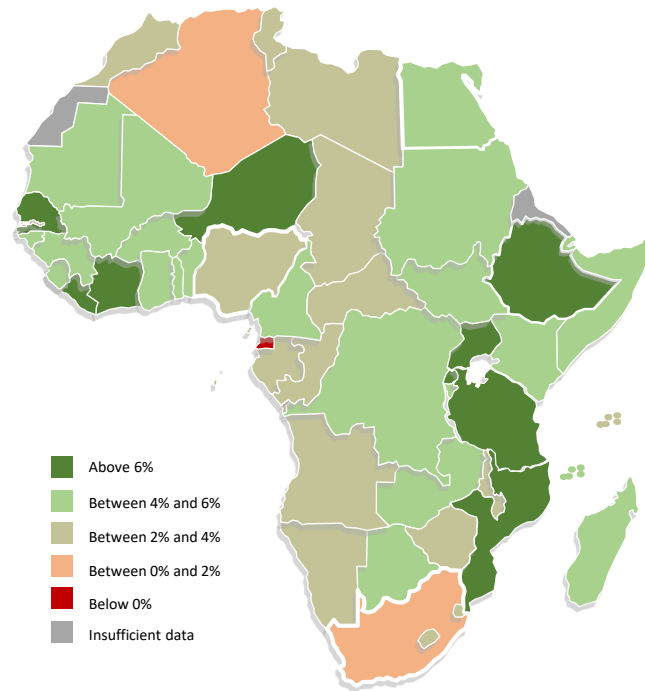
Movement in energy and food indices



In USD	2021	2022	2023 (e)	2024 (f)	2025 (f)
Brent crude oil	70.4	99.8	83.1	81.0	78.0

Medium-term prospects remain favourable

Average real GDP growth, 2025-2028 (f)





Domestic scene

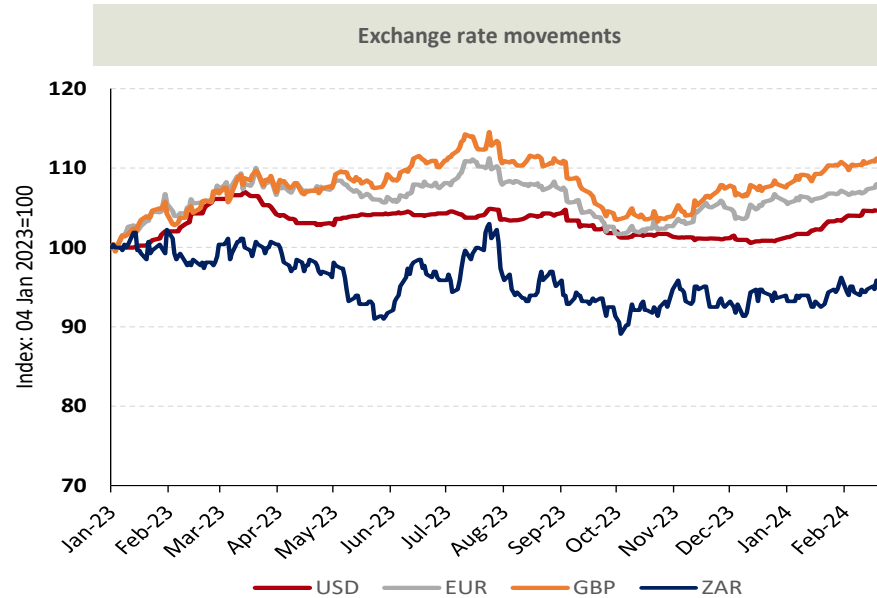


Performance in 2023

- The Mauritian economy has pursued its post-COVID recovery and is estimated to have returned to its 2019 levels in real terms in 2023
- Growth was underpinned by the continued expansion in tourism – arrivals have attained nearly 1.3 million with earnings of around Rs 86 bn
- Good performance of financial services, construction sector in view of public investment in major infrastructure projects and ICT
- However, some export-oriented sectors facing difficulties – notably the textile sector which contracted last year

Outlook for 2024

- For 2024, the IMF expects GDP growth in Mauritius at 4.9%
- In addition to factoring the high base effect triggered by the technical rebound witnessed in recent years, the slower growth path also takes into account the persistently testing economic conditions, especially in our key export markets
- Tourism is expected to maintain its good performance, with financial services and construction keeping a good momentum
- Outside of tourism, focus is being laid on manufacturing higher-value-added industrial goods such as certain medical devices, technical textiles and pharmaceuticals. The push to increase the share of renewable energy could also support investment over the next years



- Headline inflation pursued its downtrend, having attained 7% in December last and 6.5% in January 2024. Going forward, inflation is expected to hover around 4% in December 2024.
- On the FX front, after witnessing a relative stabilisation on the back of successive Bank of Mauritius interventions at the end of last year, the rupee has lost some 3.5% since the beginning of the year against the USD.

Other indicators:-

- Gross Official International Reserves (GOIR) remained at a comfortable level as a buffer against external shocks as at end January 2024 (10.9 months of imports)
- Public sector net debt on a downtrend (69.9% of GDP as at December 2023)



Financial performance



Key financial indicators – Income Statement

	H1 2023 USD m	H1 2024 USD m	H1 24/ H1 23 Change %	FY23 USD m
Net interest income	202	258	27.6	440
Net fee and commission income	72	81	12.2	147
Other Income	49	62	26.0	120
Operating income	323	401	23.9	706
Non-interest expense	120	150	25.5	250
Operating profit before impairment	203	250	23.0	456
Net impairment of financial assets	38	40	6.1	81
Operating profit	166	210	26.8	375
Share of profit of associates	11	7	(39.0)	19
Income tax expense	27	43	55.9	77
Profit for the period	149	174	16.6	318
Profit for the period attributable to ordinary equity holders	148	173	16.7	314

USD/MUR conversion rate = 45.00

H1 denotes the 6-month period from July to end of December

FY denotes the 12-month period from July to end of June



Key financial indicators – Statement of financial position

	H1 2023 USD m	H1 2024 USD m	H1 2024/H1 2023 Change %	FY23 USD m
Total assets	17,391	19,334	11.2	18,444
Cash and cash equivalents	2,045	1,832	(10.4)	2,679
Investment securities	6,213	7,058	13.6	5,944
Net loans	7,625	8,258	8.3	8,068
Total deposits	12,838	14,455	12.6	13,284
Equity	1,939	2,216	14.2	2,069

USD/MUR conversion rate = 45.00

H1 denotes the 6-month period as at end of December

FY denotes the 12-month period as at end of June



Financial soundness indicators (%)

	Dec 2022	Jun 2023	Dec 2023
Profitability			
Return on average total assets ¹	1.8	1.8	1.8
Return on average equity ¹	16.5	16.9	16.7
Return on average Tier 1 capital ¹	16.7	17.1	17.2
Efficiency			
Cost-to-income	37.1	35.4	37.5
Asset quality			
Gross NPL/Gross loans and advances	3.5	3.2	3.1
Net NPL/Net loans and advances	1.8	1.1	1.2
Liquidity			
Liquid assets ² /Total assets	47.3	44.5	45.9
Loans to deposits	61.4	64.0	60.2
Loans to deposits and borrowings ³	52.4	53.9	52.6
Capital adequacy			
BIS risk adjusted ratio ⁴	18.6	19.2	20.5
<i>o/w Tier 1</i> ⁴	17.2	16.7	17.9

¹ Annualised for December

² In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bills, Government securities and bonds

³ Borrowings include debt instruments

⁴ Based on Basel III

* More details on the Group's latest financial performance in our Earnings Call presentation on our website

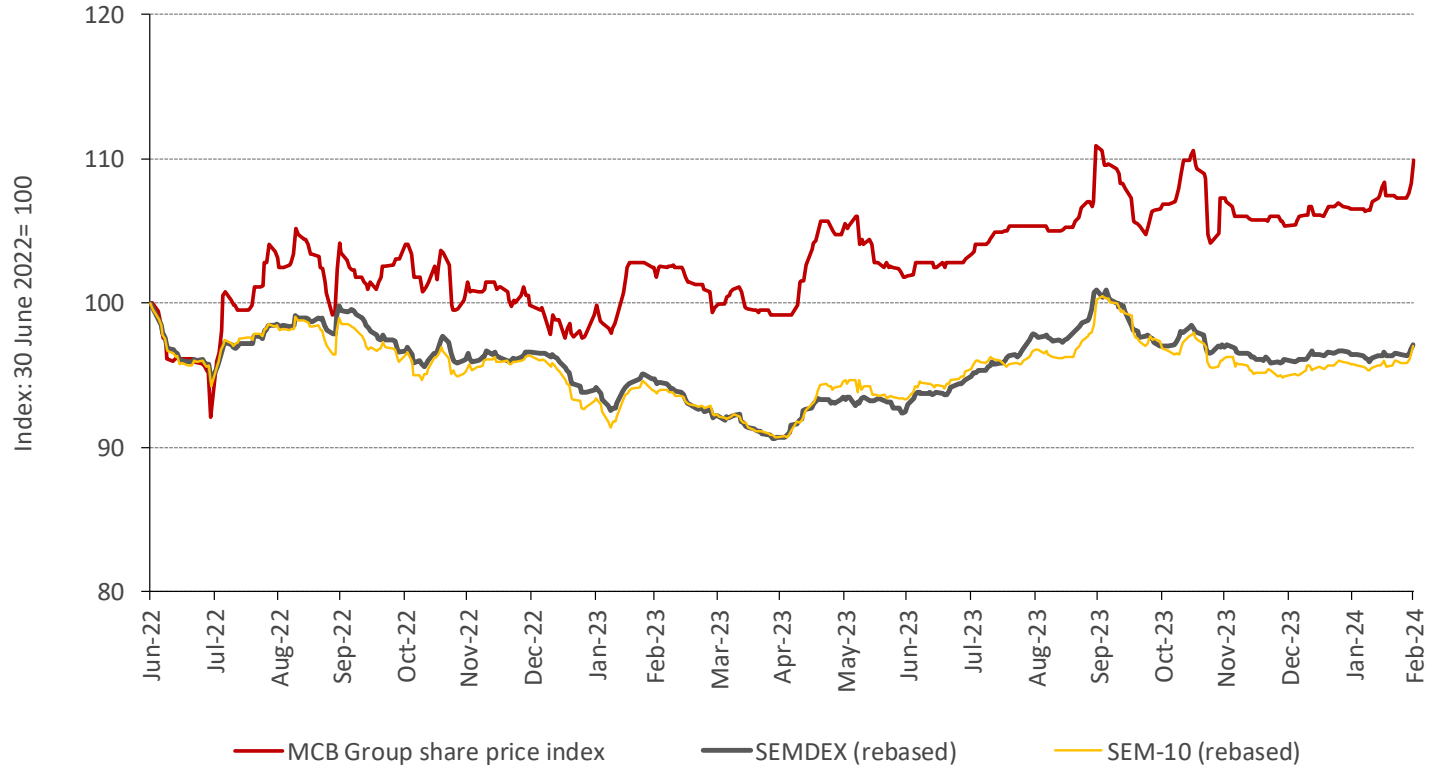
Link: <https://mcbgroup.com/investors-centre/financials-annual-reports>



Share price performance



MCBG share price performance





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THANK YOU

