



Auerbach Grayson

**Emerging & Frontier
Markets
Virtual Investor Conference**



October 2023



Table of contents

- 1 MCB Group at a glance Slides 3-5

- 2 Our strategic intents and progress Slides 7-17

- 3 Economic outlook Slides 19-24

- 4 Financial performance Slides 26-29

- 5 Our share performance Slide 30



Established some 185 years ago...

The Group is an **integrated regional banking and financial services provider** with presence spanning **12 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 ~ **31%**



Market capitalisation

~ **USD 1.8 billion**



Broad & diversified base

~ **23,000** shareholders

Key facts and figures



Total assets ~ **USD 18 billion**



Workforce ~ **4,100**



62 Branches/Kiosks



Customers ~ **1.1 million**



~ **360** correspondent banks



212 ATMs

Our channels and digital platforms



Internet Banking subscribers
> **335,000**



MCB Juice* subscribers
> **535,000**

*Mobile banking app



Credentials and recognition

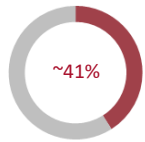
Credit ratings

Agency	Long term/ Short term	Outlook
Moody's Investor Service	Baa3/P-3	Stable

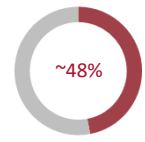
MCB Ltd is **investment-grade rated** and is among the few financial institutions rated as such in sub-Saharan Africa

Domestic market shares

Domestic credit to the economy



Local currency deposits



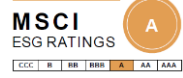
● MCB Ltd

Sustainability status

Constituent of SEM Sustainability Index



MCB Group MSCI ESG Rating



Accolades

Africa



1st in East Africa

16th in Africa

based on Tier 1 capital
The Banker Top 1000 World Banks, July 2023

67th in Africa in terms of market capitalisation
African Business Top 250 companies, May 2023

32nd in Africa in terms of assets
Jeune Afrique, Top 200 Banks, The Africa Report, September 2022

Leading Regional Bank
in terms of operating income and profitability
L'Eco Austral, Top 500 Regional Edition 2022

World



597th in the world based on Tier 1 capital
The Banker Top 1000 World Banks, July 2023

Mauritius

- Best Bank in Mauritius**
 - Best Corporate Bank in Mauritius**
 - Best Bank for Digital Solutions in Mauritius**
- The Banker Bank of the Year Awards 2022*
Euromoney Awards for Excellence 2023

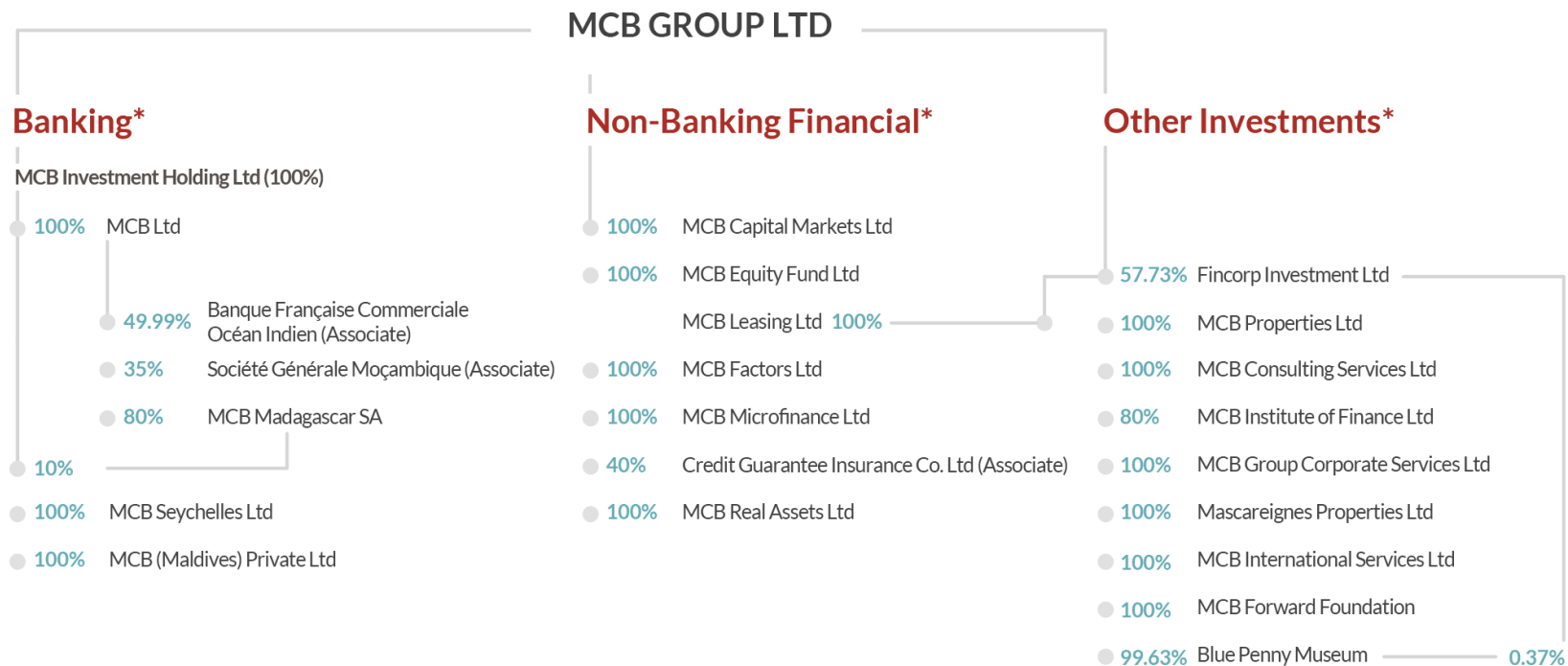
Environmental Awards 2023
Ministry of Environment, Solid Waste Management and Climate Change



Best Private Bank in Mauritius
PWM/ The Banker 2022

Best Domestic Private Bank in Mauritius
Euromoney Global Private Banking Awards 2023

Best Domestic Private Bank in Mauritius
Euromoney Global Private Banking Awards 2023



* Relate to clusters



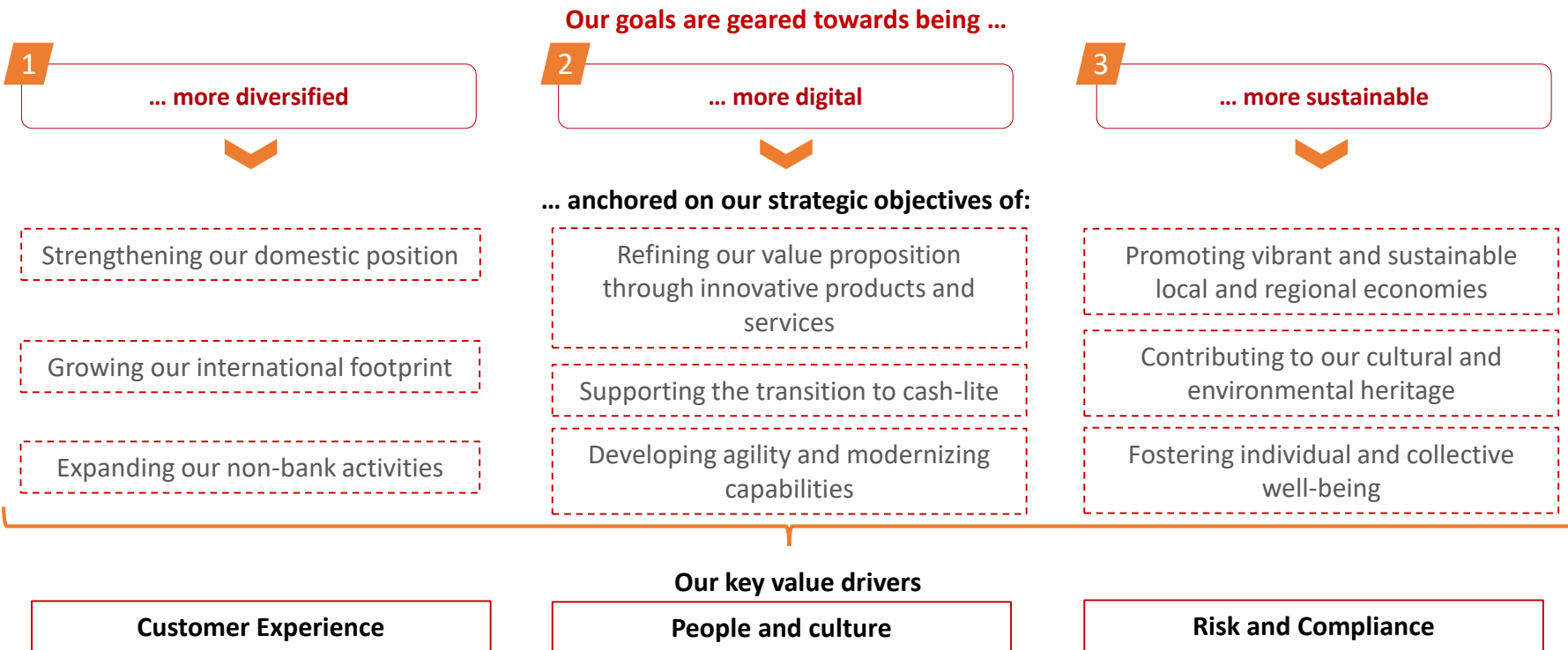
Our strategic intents



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.





Strengthen our domestic position

- Support the country in its transition to a greener economy and promote responsible entrepreneurship
- Deliver a world-class customer experience through digital and reinforce our position as a strong and innovative payments provider
- Enhance value proposition across market segments and deepening of customer relationships and services
- Boost cross-selling opportunities by leveraging organisational synergies and internal data & analytics capabilities



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



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 (PWM) activities by providing a wider range of sophisticated investment solutions and dedicated advisory services
- Drive the Payments strategy focused on the development and deployment of innovative, scalable and differentiating payment solutions
- Enrich our offerings in foreign banking subsidiaries



Progress on our strategic objectives



Consolidating and diversifying our business activities (i)



Strengthen our domestic position

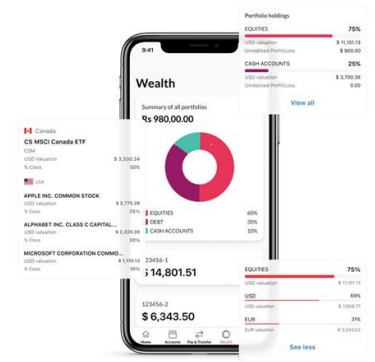
- Pursued efforts for **digital payments solutions** by actively promoting **secure and convenient** digital channels that allow clients to undertake transactions anywhere and anytime.
- Improved our digital value proposition with various refinements brought to our mobile app **'MCB Juice'** including, *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.**
- 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 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 deep 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 **PWM** 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



521,000 users

+22% y.o.y

55 million transactions

+55% y.o.y

15,109 merchants

+30% y.o.y

Internet Banking



>308,000 users

+8% y.o.y

3.4 million transactions

+5% y.o.y



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

19 million

+51% y.o.y

contactless transactions

92%

of merchant POS devices are contactless

40% Cash to Digital ratio



+27% y.o.y

Debit Cardholders transacting online



+30% 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 2018, MCB Group launched its **Corporate Sustainability Agenda, Success Beyond Numbers**

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

1. The development of a vibrant and sustainable economy
2. The protection and valorisation of our cultural and environmental heritage
3. The promotion of individual and collective well-being

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.





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)

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 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 is increasingly liaising with the Group's subsidiaries on their social, environmental and economic initiatives.



Success
Beyond
Numbers

Sustainability initiatives

Pillar 1 The development of a vibrant and sustainable economy

Pillar 2 The protection and valorisation of our cultural and environmental heritage

Pillar 3 The promotion of individual and collective well-being

SDGs impacted



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 the MCB Sustainable Loan and the Sustainable Supply Chain Finance
- 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

- **Rs 73 million** spent on various projects during FY 2022/23 by **MCB Forward Foundation**, 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

RESPONSIBLE BEHAVIOUR





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)



Mauritius: Economic performance and outlook



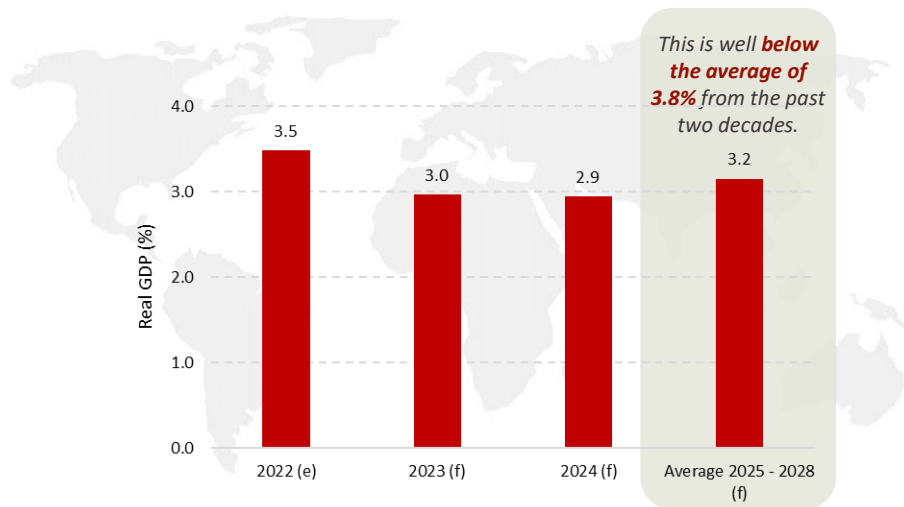
International landscape



Latest indications indicate that the global economic recovery is weaker and increasingly more uneven ..

Economic growth remains lacklustre by historical standards

Global growth is set to remain weak, at **around 3%** over the next five years.



- 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

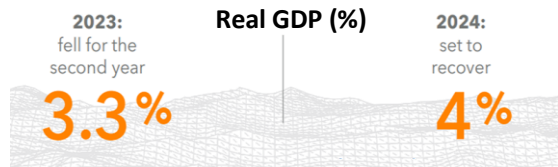
Spotlight on our key markets

	2022 (e)	2023 (f)	2024 (f)	Average 2025 - 2028 (f)
United States	2.1	2.1	1.5	2.0
Euro area	3.3	0.7	1.2	1.6
France	2.5	1.0	1.3	1.6
Germany	1.8	-0.5	0.9	1.5
United Kingdom	4.1	0.5	0.6	1.8
China	3.0	5.0	4.2	3.8
India	7.2	6.3	6.3	6.3
Sub-Saharan Africa	4.0	3.3	4.0	4.2
Nigeria	3.3	2.9	3.1	3.1
South Africa	1.9	0.9	1.8	1.5



Whilst Africa is faced with headwinds in the short-term, the continent's potential over the medium-term remains positive

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



Key challenges:



Persistent inflation

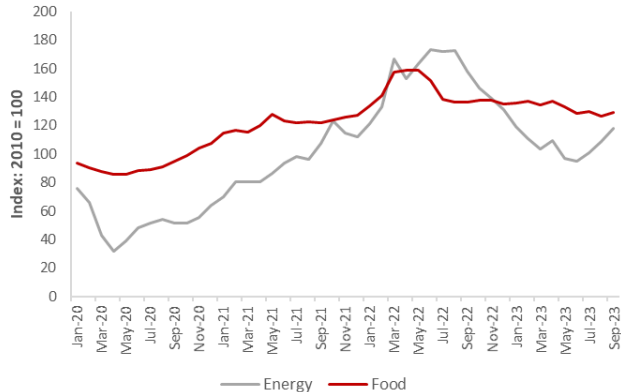


Exchange-rate pressures



Divergent recoveries

Movement in energy and food indices

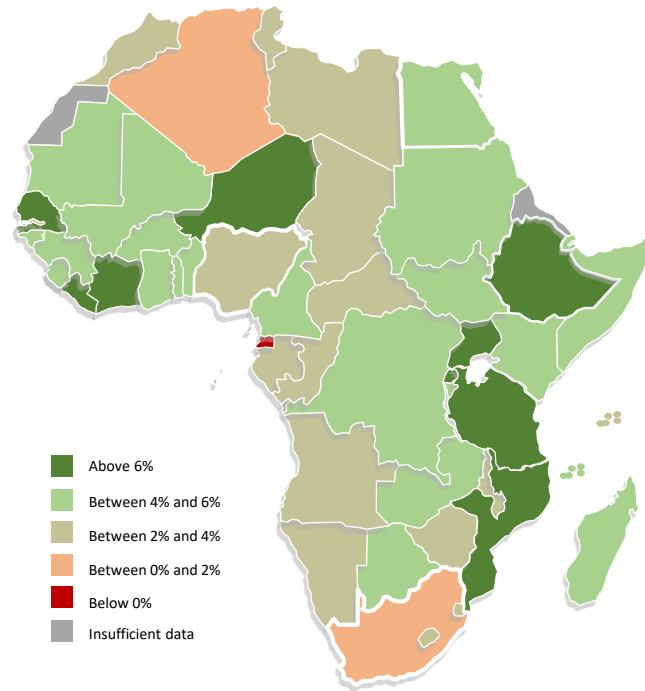


In USD	2022	2023 (f)	2024 (f)	Avg 2025 - 28 (f)
Crude oil	96.4	80.5	79.9	71.5

Note: Simple average of three spot prices (Brent, West Texas Intermediate, and the Dubai Fateh)

Medium-term prospects remain favourable

Average real GDP growth, 2025-2028 (f)

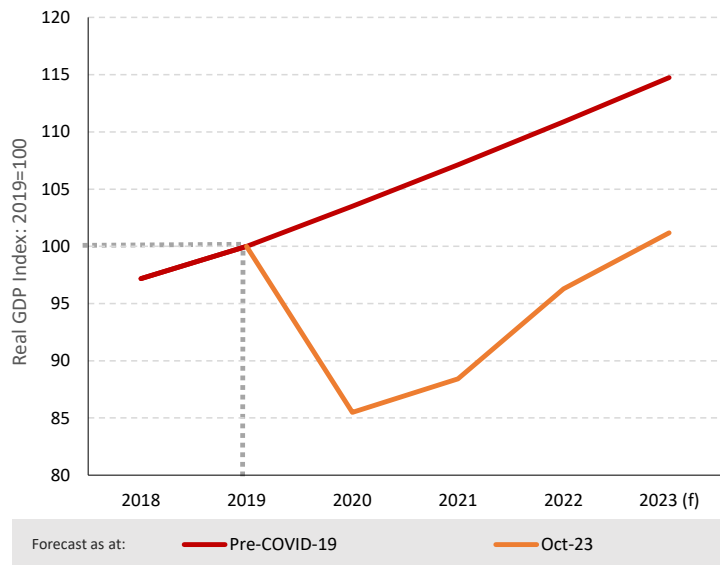




Domestic scene



Pre-COVID vs Post-COVID path



Key developments in 2023:

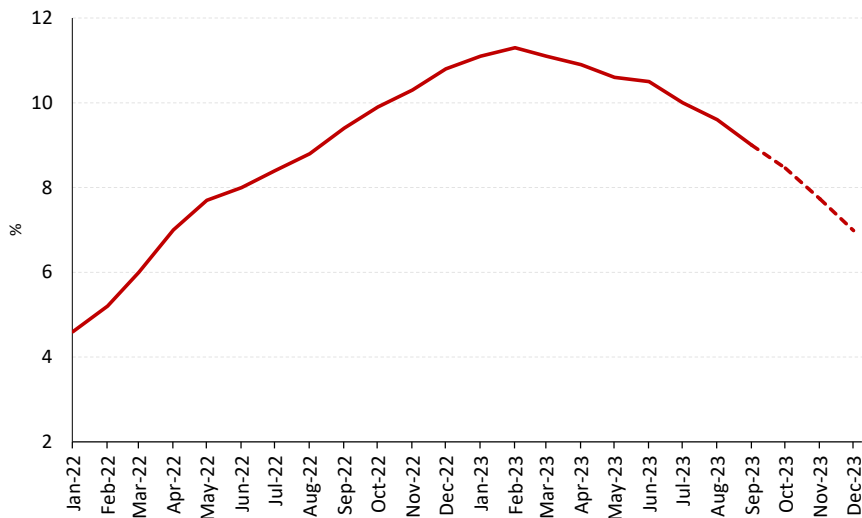
- On-going recovery in the tourism sector
- Solid performance of the financial services sector
- Continued expansion of construction sector amidst the execution of large infrastructure projects and residential private projects as well as gradual implementation of ventures in the green segment
- Downside risks prevail in view of the testing conditions in our key export markets

Medium-term growth outlook:

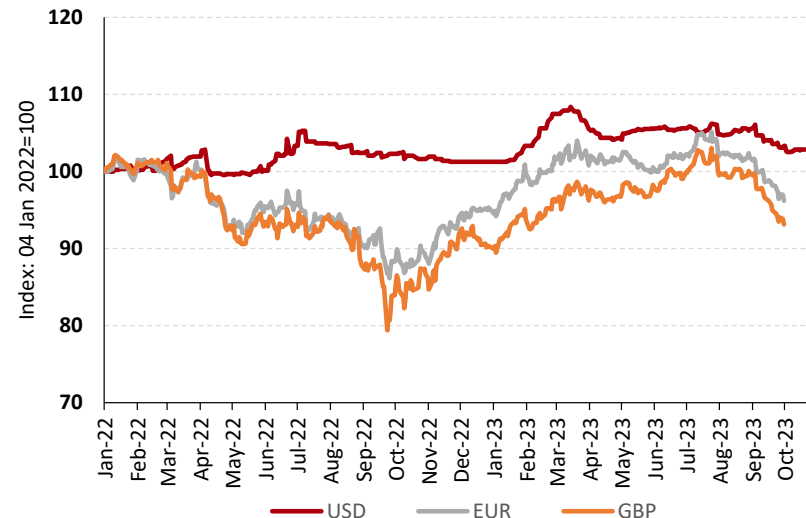
- IMF has a growth projection of 3.5% for Mauritius over the period 2024-2028



Evolution of Headline inflation



Exchange rate movements



- Annual average headline inflation rate expected to trend down but remain above historical average at 7% in December 2023
- The still elevated inflation environment has caused interest rates to remain unchanged at 4.5% at the last MPC meeting
- Whilst external imbalances remain elevated, a relative stabilisation has been observed in the rupee lately on the back of Bank of Mauritius interventions on the domestic FX market
- Other indicators:-
 - Gross Official International Reserves (GOIR) remained broadly adequate as a buffer against external shocks as at end September 2023 (9.9 months of imports)
 - Public sector net debt on a downtrend (68.8% of GDP in June 2023 compared with 72% of GDP as at March 2023)



Financial performance



Key financial indicators – Income Statement

	FY 22 Rs m	FY 23 Rs m	FY23/FY22 Change %
Net interest income	15,191	19,790	30.3
Net fee and commission income	5,850	6,606	12.9
Other Income	2,804	5,396	92.4
Operating income	23,845	31,792	33.3
Non-interest expense	9,132	11,257	23.3
Operating profit before impairment	14,713	20,535	39.6
Net impairment of financial assets	3,481	3,644	4.7
Operating profit	11,232	16,891	50.4
Share of profit of associates	799	867	8.5
Income tax expense	2,070	3,445	66.4
Profit for the period	9,961	14,313	43.7
Profit for the period attributable to ordinary equity holders	9,637	14,133	46.7



Key financial indicators – Statement of financial position

	June 2022 Rs m	June 2023 Rs m	Jun 23/Jun 22 Change %
Total assets	728,128	829,981	14.0
Cash and cash equivalents*	73,294	120,570	64.5
Investment securities	239,684	267,472	11.6
Net loans	343,262	363,065	5.8
Total Deposits	525,656	597,766	13.7
Total Equity	81,042	93,095	14.9

* Includes placements



Financial soundness indicators (%)

	Jun 2021	Jun 2022	Jun 2023
Profitability			
Return on average total assets	1.3	1.4	1.8
Return on average equity	11.8	12.8	16.8
<u>Return on average Tier 1 capital</u>	<u>11.9</u>	<u>12.9</u>	<u>17.1</u>
Efficiency			
<u>Cost-to-income</u>	<u>36.9</u>	<u>38.3</u>	<u>35.4</u>
Asset quality			
Gross NPL/Gross loans and advances	3.6	3.7	3.2
<u>Net NPL/Net loans and advances</u>	<u>2.3</u>	<u>2.4</u>	<u>1.1</u>
Liquidity			
Liquid assets ¹ /Total assets	47.2	41.7	44.5
Loans to deposits	60.2	68.0	64.0
<u>Loans to deposits and borrowings²</u>	<u>51.7</u>	<u>57.1</u>	<u>53.9</u>
Capital adequacy			
Shareholders equity to assets	10.7	10.7	10.8
BIS risk adjusted ratio ³	17.4	18.1	19.2
<u>o/w Tier 1³</u>	<u>16.1</u>	<u>16.8</u>	<u>16.7</u>

¹ In the computation, liquid assets comprise cash, balances with BoM, placements, T-Bill and Government securities

² Borrowings include debt instruments

³ 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/events-presentations>





Share price performance



MCBG share price performance





Investor Relations Unit

Kersley GASPARD – IR Officer

Tel: (230) 202-5134 / (230) 202-5558

Email: investor.relations@mcbgroup.com

Website: www.mcbgroup.com



THANK YOU

