



EFG Hermes Investor presentation

March 2023





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Established some 184 years ago...

The Group is an **integrated regional banking and financial services provider** with presence abroad spanning **10 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 ~ **29%**



Market capitalisation

~ **USD 1.7 billion**



Broad & diversified base

> **22,000** shareholders

Key facts and figures



Total assets > **USD 17 billion**



Workforce > **3,900**



Customers ~ **1.1 million**



~ **360** correspondent banks

Our channels and digital platforms



Branches/Kiosks **63**



ATMs **213**



Internet Banking subscribers
> **323,600**



MCB Juice* subscribers
> **496,000**

*Mobile banking app



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

Credentials and recognition

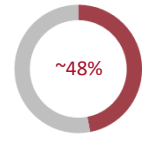
Domestic market shares

Domestic credit to the economy



● MCB Ltd

Local currency deposits



Sustainability status

Constituent of SEM Sustainability Index



MCB Group MSCI ESG Rating



Accolades

Africa

Regional Bank of the Year – Southern Africa

African Banker Awards 2022

77th in Africa in terms of market capitalisation
African Business Top 250 Companies, April 2022



1st in East Africa 18th in Africa

in terms of Tier 1 Capital
The Banker Top 1000 World Banks, July 2022

Leading Regional Bank

in terms of operating income and profitability

L'Eco Austral, Top 500 Regional, Edition 2022

30th in Africa in terms of assets
Jeune Afrique, Top 200 Banks, The Africa Report, October 2022

Best Financial Institution Syndicated Loan in Africa

EMEA Finance 2022

World

609th

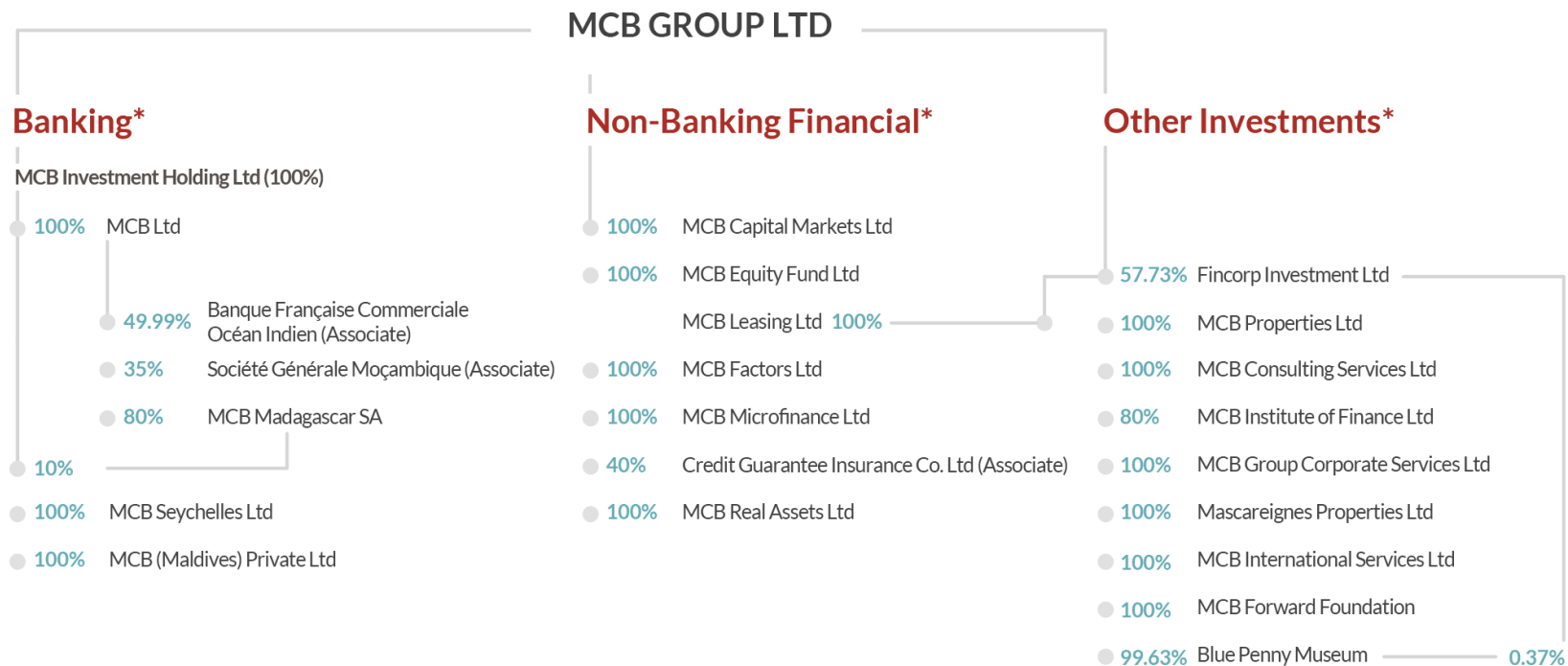
in the world based on Tier 1 capital

The Banker Top 1000 World Banks, July 2022



Mauritius





* Relate to clusters



Our strategic intents



Strengthen our domestic position

Expand our non-bank activities

Grow our international footprint

Embedding sustainability as a key value driver

Our goals are geared towards being ...

... more diversified

... more digital

... more sustainable

Our purpose

Success
Beyond
Numbers

<< Every day, 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.**

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





Strengthen our domestic position

- Help build back the country better by financing key projects, support 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 and gradually build an African Power and Infrastructure franchise
- Deepen relationships with regional and international corporates and private equity funds while leveraging the Mauritian jurisdiction
- Develop stronger and more meaningful partnerships with regional banks and financial institutions in line with our 'Bank of Banks' initiative and 'Africa Forward Together' strategy
- Transform MCB as a lead arranger for dedicated deals, while boosting syndication with Financial Institutions (FI)
- Enhance our transactional value proposition through adapted trade finance, global markets and payment solutions
- Expand our Private Wealth Management (PWM) activities by providing a wider range of sophisticated investment solutions and dedicated advisory services
- Enrich our offerings in foreign banking subsidiaries



Progress on our strategic objectives



Consolidating and diversifying our business activities



Strengthen our domestic position

- **Supported clients** to build resilience and better navigate ongoing challenges whilst accompanying them notably in their capacity building moves and restructuring initiatives
- Enriched our value proposition to individual clients – e.g. new features on our mobile app **‘MCB Juice’ including housing loan application** and the launch of our unsecured loan providing instant approval and same day disbursement
- **Strengthened the SME ecosystem** through innovative solutions – e.g. banking app ‘Juice Pro’, set-up of the first digital SME lending product, Express Overdraft, while forging business partnerships
- Leveraged **advanced analytics** which allow for **cross-selling opportunities based on customer profiles** (e.g. Launch of the **‘Next Best Offer’** within the retail segment)
- Operationalised our **new Payments Organisation** regrouping all cards and other payments services to boost innovation capabilities and enrich our payment offerings
- Launched a **‘Sustainable Loan’** product with an envelope of **Rs 5 billion** earmarked to finance ESG projects to help the country and our customers transit to a low-carbon economy



Expand our non-bank activities

- **MCB Equity Fund Ltd** partnering with Metier-led consortium to invest **USD 36 million** in Africa Mobile Networks Ltd (currently operating across 12 countries)
- 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 to augment its palette of offerings
- **MCB Leasing Ltd** launched its **‘Green lease’** which provides another layer of support to its customers in promoting an eco-friendly consumption



Grow our international footprint

- Entrenched our commodity trade finance activity and **positioning** within the **Oil & Gas upstream** value chain and played an increasing role in financing key infrastructure projects in Africa
- 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
- **Upgraded** our **Dubai’s Representative Office license to Advisory Office** to tap into opportunities in the region and concomitantly promoting the Mauritius IFC



Delivering a world-class customer experience through digital

Some recent achievements

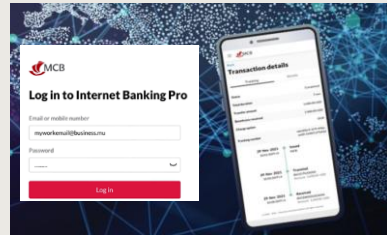
Juice Wealth



Portfolio PWM launched in Dec 22

SmartApprove

The innovative payment approval solutions for Corporates



Since its launch in Dec 2021:-
• 1,762 registrations (+ 198%)
• 176K transactions (+ >900%)

Acceleration in the adoption of **digital forms of payment** triggered by the pandemic...

MCB Juice



479,576 users

+20% y.o.y

+23% 3-year CAGR

46 million transactions

+57% y.o.y

13,436 merchants

+28% y.o.y

Internet Banking



>295,000 users

+8% y.o.y

3.6 million transactions

+9% y.o.y



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

~ 16 million

+96% y.o.y

contactless transactions

91%

of merchant **POS devices** are contactless

> 40% Cash to Digital ratio



+9% y.o.y

Cardholders transacting online



+22% y.o.y

Merchants offering online payments



Success
Beyond
Numbers

Embedding our sustainability agenda...

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

- Our 'Punch' online platform to connect local entrepreneurs with companies/service providers to help them grow their business is gaining momentum with more than **2,400 members** since its introduction in 2021
- Launch of the **first digital and fully-automated express overdraft** (up to Rs 1 million) for SMEs and MMEs
- Investment in 'Katapult Mauritius Accelerator' to help local and international start-ups focusing on regenerative food and agritech solutions for Africa
- Continuous monitoring of our **Net Promoter Score** and **Customer Satisfaction Score** with a view to improving customer experiences

- Continued efforts to **reduce** our **operational footprint**
- No new financing of coal infrastructure & trade and new-coal fired power plants as from 2022
- Commitment to invest **EUR 5 million** over the period 2021-2040 in the **Livelihoods Carbon Fund 3** to offset the Bank's direct carbon emissions
- **Environmental and Social Risk (ESR) Policy** reviewed, with a threshold at **USD 5 million** for applying the ESR management process as per the Equator Principles

- **Rs 63.5 million** spent on 40 projects during FY 2021/22 by **MCB Forward Foundation**, in support of vulnerable groups
- As part of the Group's **Gender Equality commitment**, we launched (i) '**Women in Leadership**' programme to provide MCB women with the skills and competencies to fulfil managerial roles and (ii) '**Lean in Circles**' for women leaders
- **Online learning platform** as well as **on-going training** provided to staff to support key areas of people development
- **Extension of maternity leave** from 14 to 18 weeks and **paternity leave** from 5 to 10 days respectively; with the latter extended to unmarried fathers as well
- **GreenDrive**: Car loan facilities offered to staff to encourage the purchase of electric and hybrid vehicles
- **Wellness-related activities** organised for the well-being of staff

RESPONSIBLE BEHAVIOUR



... with a focus on further positioning MCB as a key sustainable finance player

Review **Governance**

Creation of **Sustainability Office** within MCB Group

Set-up of **ESG Business Unit** within CIB SBU

Integration of 2 new functions within Risk SBU – **ESRM** and **Climate Risk**

Appointment of **ESG Advisor**

Consolidate Sustainable Finance **value proposition**

Finalisation of a **Green Taxonomy**

Launched of a **Rs 5 billion ESG Line**

Deliver on **Climate Risk** journey (Bank of Mauritius Guideline)

A roadmap for **integrating climate-related** and **environmental financial risks** into our business **risk management** submitted to the Central Bank

Selection of Service Provider for **risk measurement** and **reporting**



Set-up of a **dedicated Taskforce** to deploy Sustainable Finance efforts

Climate Risk – Roadmap implementation | Risk Appetite framework

Sustainable Finance – Strategy for deployment of ESG Line (local and regional)
| Transition Roadmap for international portfolio | Offering for PE and major
Pan African & International Corporate Groups



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 context

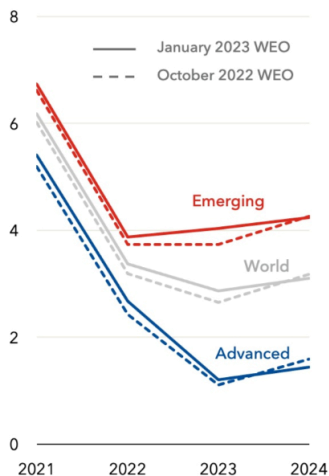


While the outlook is slightly less gloomy, global growth is poised to remain well below historical average ...

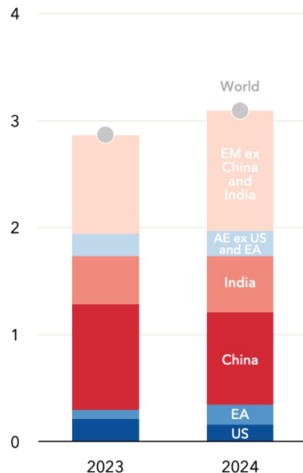
China and India will be the major engines of growth this year

	2022 (e)	2023 (f)	2024 (f)
World Output	3.4%	2.9%	3.1%

Growth projections
(percent; year over year)



Contribution to world GDP growth
(percent share of world growth)



Growth projections across selected economies (%)

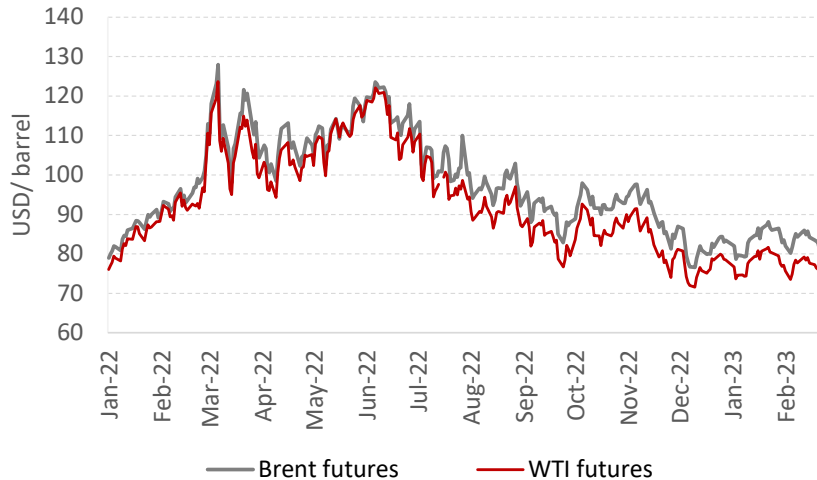
Growth in most economies across the world is projected to slow this year as monetary tightening continues to work its way, with geopolitical tensions posing a key downside to the outlook.

	2022 (e)	2023 (f)	2024 (f)
United States	2.0	1.4	1.0
Euro area	3.5	0.7	1.6
Germany	1.9	0.1	1.4
France	2.6	0.7	1.6
United Kingdom	4.1	-0.6	0.9
India	6.8	6.1	6.8
China	3.0	5.2	4.5
Sub-saharan Africa	3.8	3.8	4.1
Nigeria	3.0	3.2	2.9
South Africa	2.6	1.2	1.3

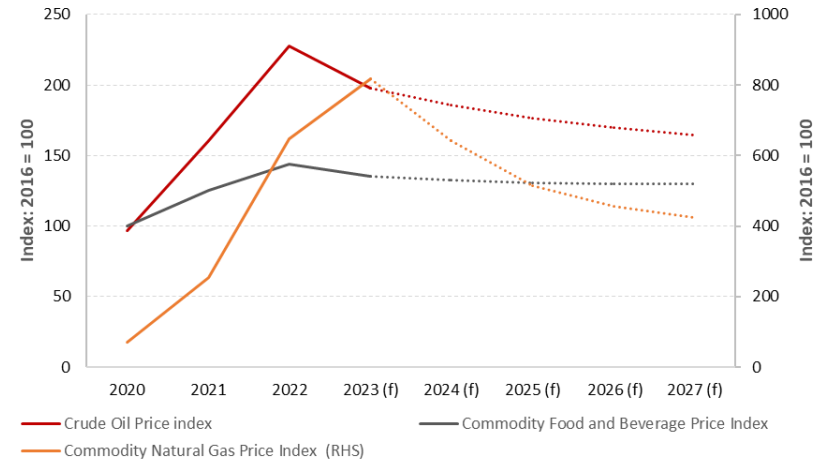


... with commodity prices remaining elevated

Evolution in oil prices



Projections as per the IMF



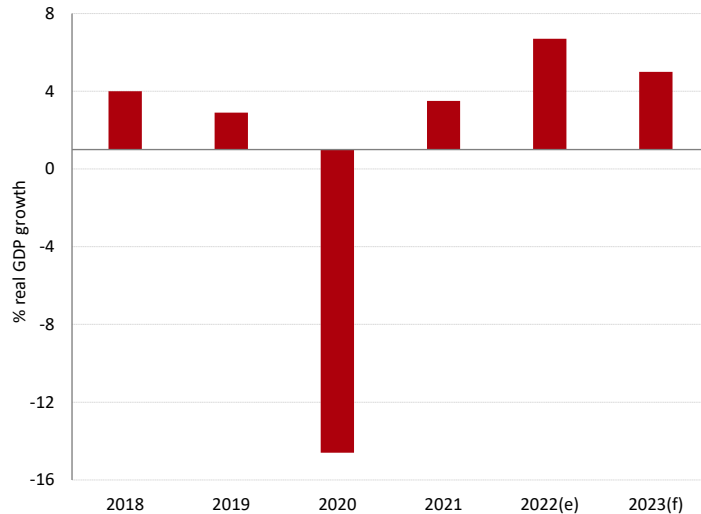


Local context

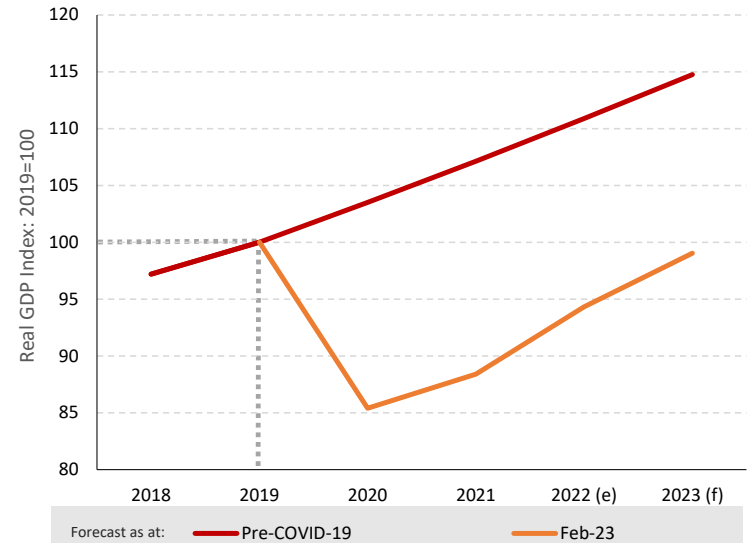


The economic recovery in Mauritius continues

Real GDP growth (%)



Pre-COVID vs Post-COVID path



For 2023, the ongoing economic recovery is expected to be driven by:

- Further expansion in tourism
- Solid performance of ICT and financial services sector
- Nationwide investment supported by ongoing and earmarked execution of large infrastructure projects, property development ventures and new growth segments like renewable energy and pharmaceutical

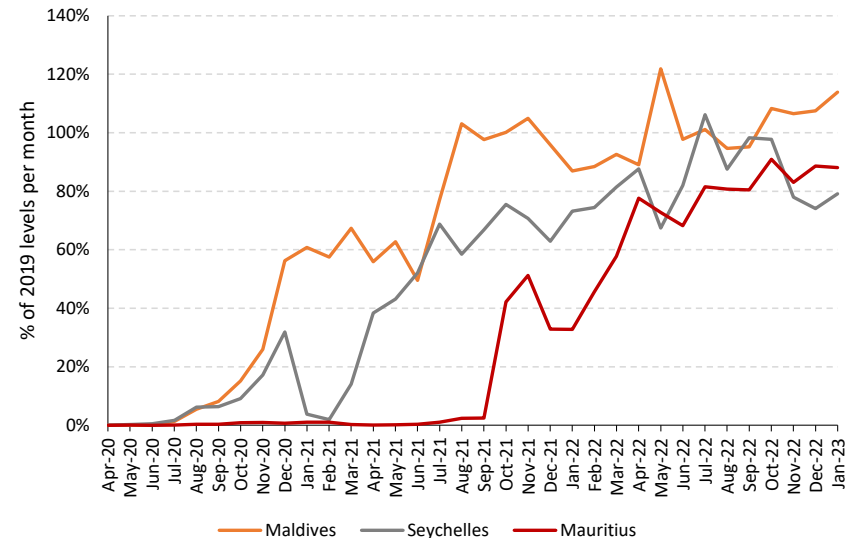


Tourist arrivals by main markets

Tourist arrivals	Jan-Dec 2022	Jan-Dec 2019	% of pre-pandemic level
All countries	997,290	1,383,488	72.1%
Europe	674,511	835,946	80.7%
<i>France</i>	238,864	302,038	79.1%
<i>Germany</i>	96,767	129,100	75.0%
<i>United Kingdom</i>	140,847	141,520	99.5%
<i>Switzerland</i>	28,350	42,045	67.4%
<i>Italy</i>	23,035	41,991	54.9%
Asia	90,960	189,849	47.9%
<i>India</i>	36,956	75,673	48.8%
<i>China</i>	1,734	42,740	4.1%
Africa	207,010	310,928	66.6%
<i>Reunion</i>	73,336	137,570	53.3%
<i>South Africa</i>	96,316	118,556	81.2%
Others	24,809	46,765	53.1%

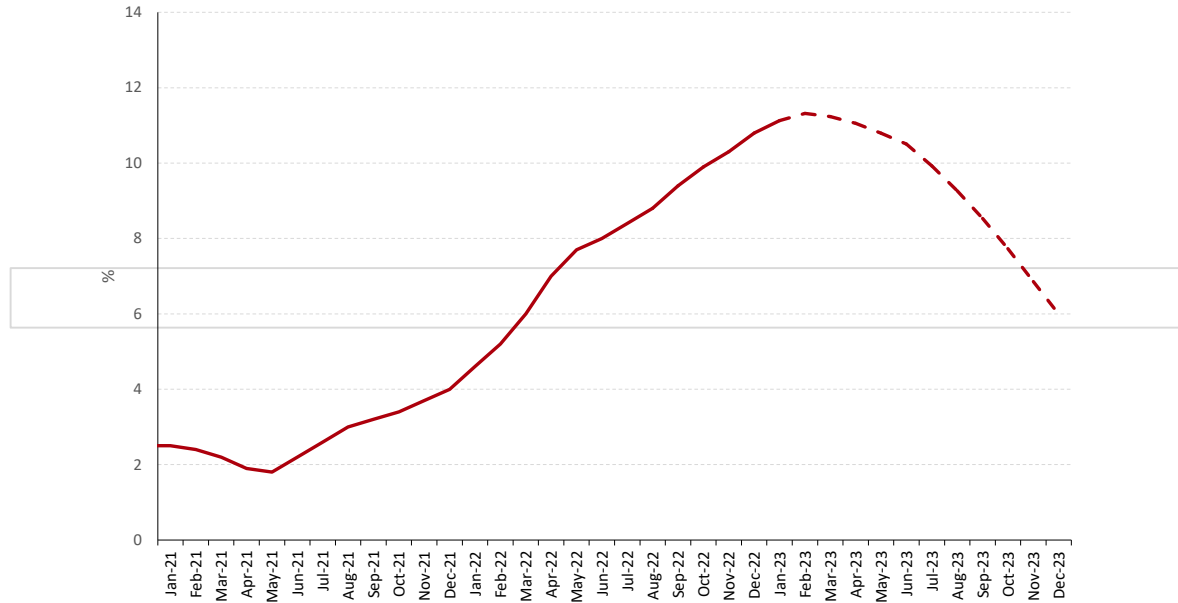
2023 Tourist arrivals	
January	107,684
1-15 February (By Air)	49,352
Year to Date	157,036

Pickup in tourist arrivals relative to pre-pandemic levels (Mauritius vs peers)





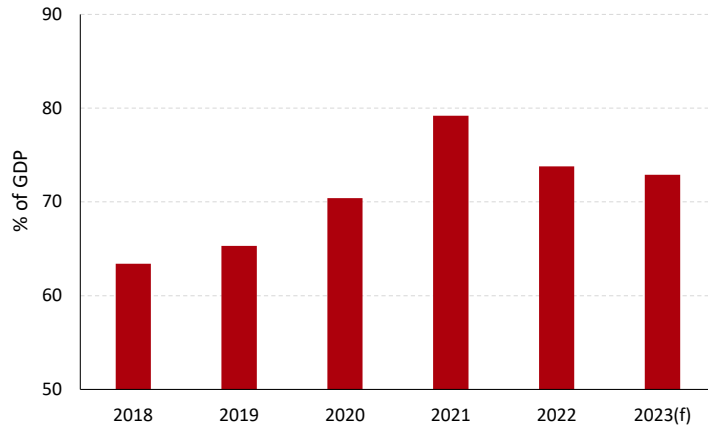
Headline inflation would remain stickier



- Annual average headline inflation should hover around 6% by December 2023, barring further major shocks



Public sector debt *



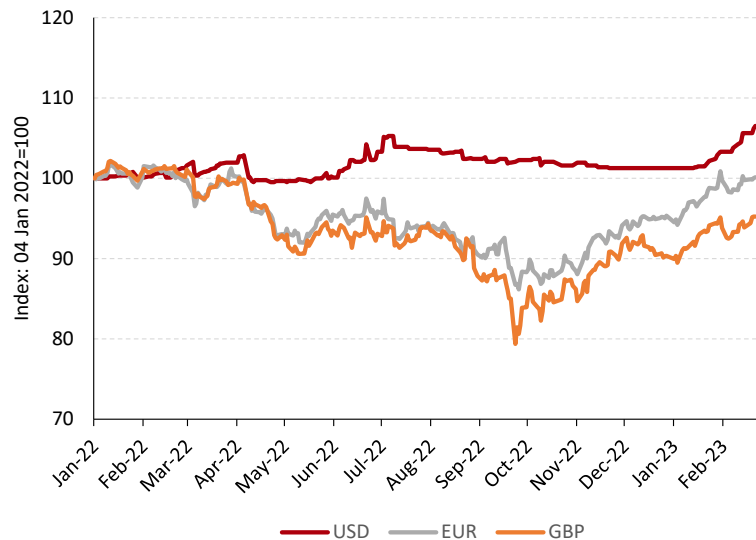
Medium Term Cost and Risk Indicators

	End Jun-21 Actual	End Jun-22 Revised estimates	End Jun-25 Estimates	Benchmarks/limits	Tolerance levels (%)
Government Debt					
As % of GDP (End of Period)	87	77.3	63.3	65	+/-5
Cost Indicators (Cash Basis) (Financial Year)					
Interest Payments as % of GDP	2.8	2.5	2.3	< or = 3.5	-
Interest Payments as % of Recurrent Revenue	9.5	9.5	8.8	10.5	+/-10
Average Interest on Debt (%)	3.5	3.3	3.7	4	+/-10
Composition (%) (End of Period)					
Foreign	22.4	19.6	15.2	20	+/-5
Domestic	77.6	80.4	84.8	80	+/-5
Interest Rate Mix of External Debt (%)					
Fixed Interest Loans	64.9	64.9	65.1	65	+/-10
Variable Interest Rate Loans	33.8	33.7	33.5	33	+/-10
Interest Free Loans	1.3	1.4	1.4	2	+/-10

* Figures as from 2020 are based on the new definition as provided for in the amended Public Debt Management Act i.e. public sector gross debt minus cash and cash equivalent and equity investment held by Government and public sector bodies in private entities. This figure is not strictly comparable to debt figures for previous years which are in gross terms.

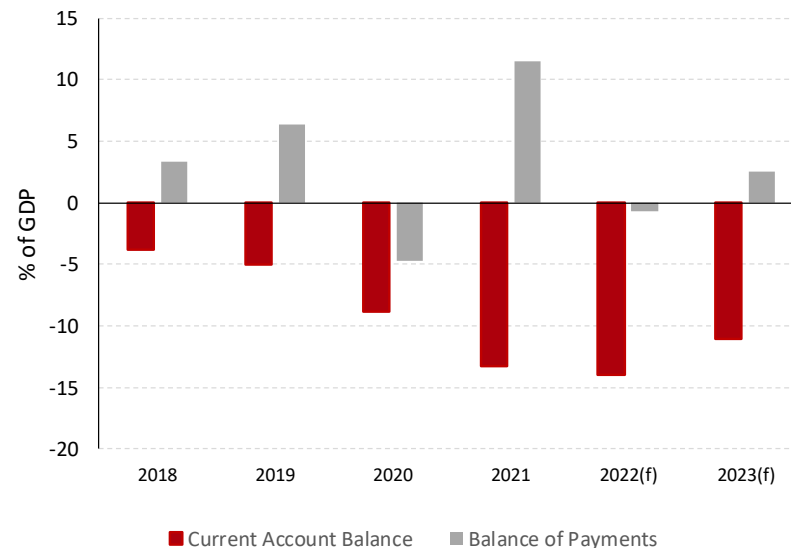


Exchange rate evolution



An increase (decrease) in the index indicates a depreciation (appreciation) of the MUR versus other currencies.

Current account balance & Balance of payments





Embrace structural transformation



Quality and effectiveness of institution

Fiscal consolidation plan

Public-Private Partnerships



Financial performance



Key financial indicators – Income Statement

	6 months to Dec 2021 Rs m	6 months to Dec 2022 Rs m	Dec 22/ Dec 21 Change %
Net interest income	7,566	9,166	21.1
Net fee and commission income	2,968	3,361	13.2
Other Income	1,495	2,083	39.3
Operating income	12,029	14,610	21.5
Non-interest expense	4,532	5,390	18.9
Operating profit before impairment	7,497	9,220	23.0
Net impairment of financial assets	1,904	1,696	(10.9)
Operating profit	5,593	7,524	34.5
Share of profit of associates	475	500	5.3
Income tax expense	995	1,236	24.2
Profit for the period	5,073	6,788	33.8
Profit for the period attributable to ordinary equity holders	4,900	6,663	36.0



Key financial indicators – Statement of financial position

	6 months to Dec 2021 Rs m	6 months to Dec 2022 Rs m	Dec 22/ Dec 21 Change %
Total assets	705,428	782,614	10.9
Cash and cash equivalents*	116,785	113,360	(2.9)
Investment securities	230,063	279,593	21.5
Net loans	311,062	343,129	10.3
Total deposits	508,560	577,721	13.6
Equity	75,910	84,103	10.8

* Includes placements



Financial soundness indicators (%)

	Dec 2021	Jun 2022	Dec 2022
Profitability			
Return on average total assets ¹	1.4	1.4	1.8
Return on average equity ¹	13.2	12.8	16.5
Return on average Tier 1 capital ¹	13.4	12.9	16.7
Efficiency			
Cost-to-income	37.7	38.3	36.9
Asset quality			
Gross NPL/Gross loans and advances	3.8	3.7	3.5
Net NPL/Net loans and advances	2.1	2.4	1.8
Liquidity			
Liquid assets ² /Total assets	45.8	41.7	47.3
Loans to deposits	63.9	68.0	61.4
Loans to deposits and borrowings ³	53.3	57.1	52.4
Capital adequacy			
Shareholders equity to assets	10.8	10.7	10.7
BIS risk adjusted ratio ⁴	17.9	18.1	18.6
o/w Tier 1 ⁴	16.5	16.8	17.2

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://www.mcbgroup.com/en/investor-centre/events-presentations>

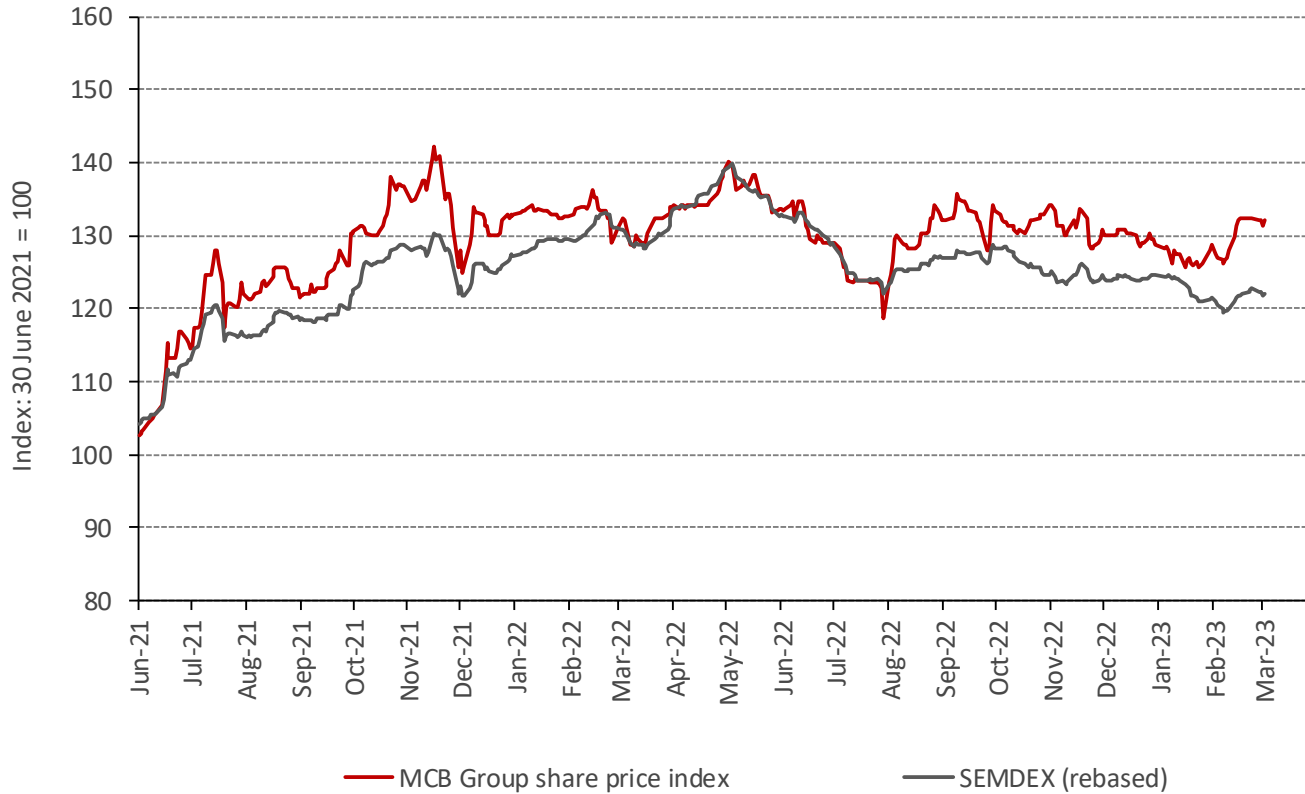




Share price performance



MCBG share price performance





Our approach to sustainability

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 Programme, Success Beyond Numbers**

The programme 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





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)

Sustainability Team (ST)

Sustainability Coordinating Team (SCT)

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 Sustainability Team.*
- The **ST** provides advice and guidance on sustainability matters and participates in implementing the Group's sustainability agenda. The team has a cross-functional role across the Group and is increasingly liaising with the Group's subsidiaries on their social, environmental and economic initiatives. *The ST is composed of six members.*
- The **SCT** discusses on sustainability ideas and potential solutions to blocking issues and shares the progress on ongoing projects. It also validates projects that need to be presented to the SSC. *The SCT is composed of various Heads of Business Units and the Sustainability Team.*



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THANK YOU

