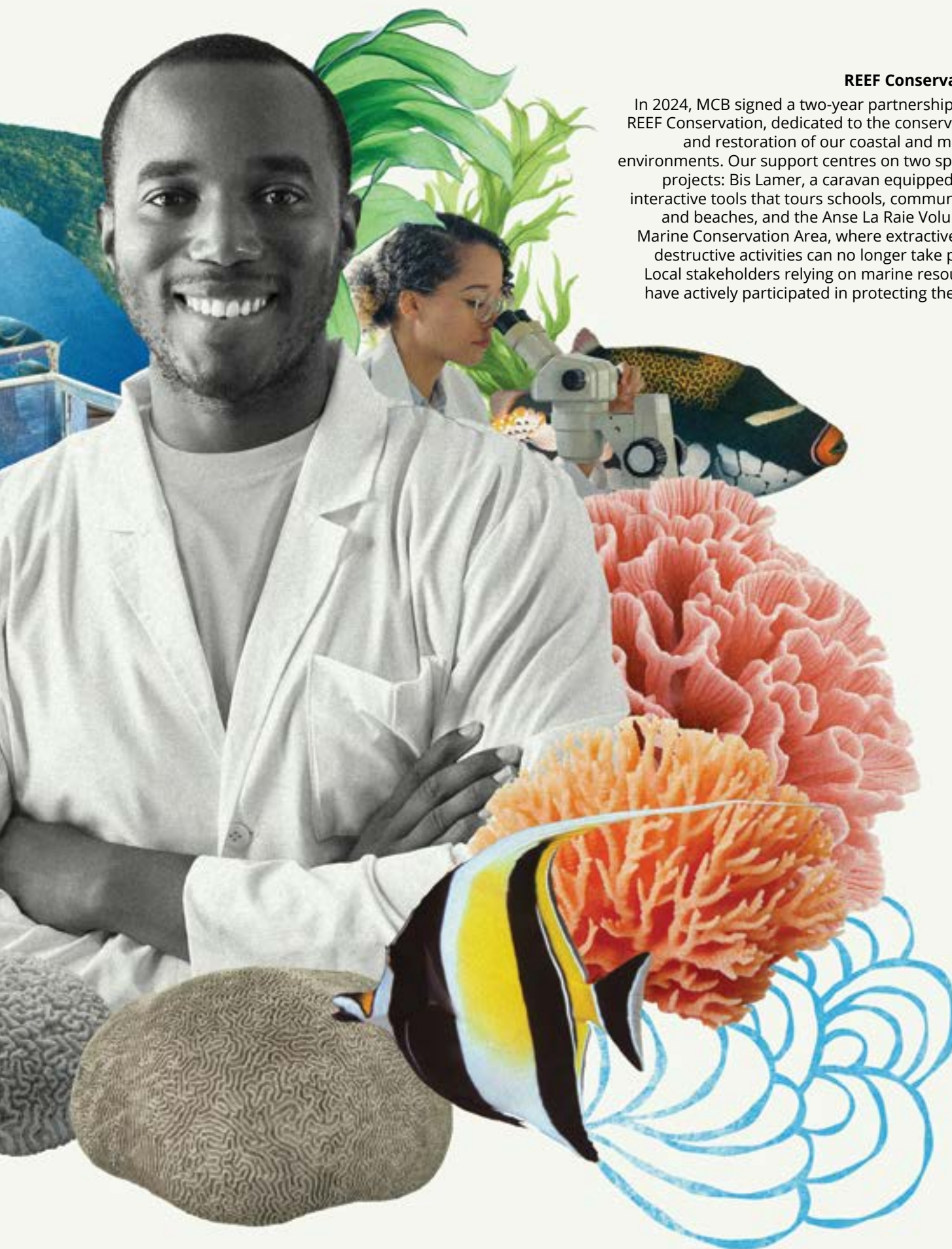




## CONTENTS

Message from the Group Chief Executive	42
Our strategy	46
Executing our strategic objectives to fulfil our purpose	46
Becoming more diversified	48
Becoming more digital	50
Becoming more sustainable	53
Our key value drivers	56
Our performance across entities	60
Banking cluster	60
Non-banking financial cluster	73
Other investments cluster	76



## **REEF Conservation**

In 2024, MCB signed a two-year partnership with REEF Conservation, dedicated to the conservation and restoration of our coastal and marine environments. Our support centres on two specific projects: Bis Lamer, a caravan equipped with interactive tools that tours schools, communities, and beaches, and the Anse La Raie Voluntary Marine Conservation Area, where extractive and destructive activities can no longer take place. Local stakeholders relying on marine resources have actively participated in protecting the site.



*Our strong performance highlights the effectiveness of our strategy, commitment to digital innovation for enhanced customer experience and the strength of our risk management framework."*



# Message from the Group Chief Executive

## Navigating unpredictable waters

In a year where the currents constantly shifted, we maintained our ship on a steady course, keeping our eyes on our purpose and adjusting our sails to forge ahead with determination.

Looking back at the operating environment from a macroeconomic perspective, the global economy exhibited resilience with inflation gradually trending downwards. That said, the ramifications of heightened geopolitical tensions and policy uncertainties in a significant election period continued to impact activity levels worldwide, with ripple effects across countries where the Group is present.

Sub-Saharan Africa is showing signs of recovery from the impact of the Ukraine conflict and the pandemic, but fiscal vulnerabilities, currency difficulties and political instability have triggered sovereign rating downgrades in some key economies on the continent. In our home market, Mauritius, growth momentum has been sustained by the strong performance in the tourism, construction, ICT and financial services sectors. The continued recovery in tourism has also driven economic growth in Seychelles and Maldives but successive sovereign rating downgrades for the Maldives amidst the decline in foreign exchange reserves warrant attention. In Madagascar, growth is being supported by the mining and tourism sectors, though challenges in the vanilla industry and weather-related disruptions continue to pose downside risks.

## A financial performance of which we can be proud

The Group delivered higher income and profits whilst improving the quality of its assets and strengthening its capital base despite ongoing challenges in the operating environment. Profit attributable to ordinary shareholders increased by 13.5% to Rs 16,045 million, reflecting continued growth in core earnings. Operating income for the Group rose by 16.0% to Rs 36,893 million through its continuously improved domestic offering and sustained expansion of its foreign sourced activities with the latter, in particular, making a strong contribution to our results.

Net interest income rose by 22.5% through a combination of a steady balance sheet growth and improved margins arising from high foreign currency interest rates. Non-interest income increased by 5.4%, driven by higher revenues from our trade finance and payments activities as well as improved trading income linked to increased business activities. However, the Group recorded lower fair value gains on equity financial instruments compared to last year as well as a one-off loss arising from the disposal of our stake in our associate, Société Générale Moçambique.

The Group's cost to income ratio increased to 36.5%, up from 35.4% last year as a result of an increase of 19.7% in operating expenses amidst continued investment in human capital and technology. Impairment charge stayed relatively stable as the Group continues to uphold its sound risk profile with the gross NPL ratio falling to 3.1% from 3.3% in the previous year. The Group's funding and liquidity positions were maintained at

healthy levels backed by ongoing efforts to grow and diversify its foreign currency funding base. Comfortable capital buffers were maintained in spite of a notable growth in risk weighted assets, with the overall capital adequacy ratio and Tier 1 ratio standing at 20.5% and 18.0% respectively. Our robust financial results coupled with our solid capital position allowed us to increase our total dividend pay-out to Rs 23.00 per share for FY 2023/24 and deliver on our commitment to provide continuously improving returns to our shareholders.

Our strong performance highlights the effectiveness of our strategy, commitment to digital innovation for enhanced customer experience and the strength of our risk management framework. For us, success goes beyond financial results—it is about making a positive impact on our customers, people, economies, societies and communities. This is embodied in our purpose, Success Beyond Numbers.

## Making a positive difference to customers and economic development

Our universal banking model remains at the heart of our strategy, providing a robust foundation to offer customised solutions to our clients that meet their needs. At the same time, we play a key role in supporting economic growth in countries where we are present, capitalising on enhanced cross-selling capabilities and reinforcing synergies amongst Group entities. In Mauritius, we affirmed our leadership market positioning, despite heightened competitive pressures, by continuing to support economic operators across sectors, with MCB holding market shares of around half of local currency deposits and nearly 40% of domestic credit to the economy. Our new flagship branch in Madagascar should help us strengthen our proximity to our clients and partners, enabling us to better serve their needs and foster deeper relationships in this market. In Seychelles, we proudly contribute to 36% of the domestic corporate credit market, underscoring our vital role in supporting the local economy and fostering business growth.

Our market position is supported by our continuous investments in digital innovation aimed at enhancing client experience. MCB Juice, our flagship mobile banking application, has experienced remarkable success in FY 2023/24 with transaction volumes growing by 74% and now serving over 600,000 clients in Mauritius. This growth reflects a successful response to shifting customer demand since 2023 in favour of a cash-lite society. The application's popularity is also rising in other regions, with subscriber numbers nearly doubling in Madagascar. Additionally, we have streamlined our operations by centralising our core banking system within a private cloud infrastructure, simplifying processes and enhancing our capacity to deliver cutting-edge solutions.

We have continued to advance our strategic objective of becoming more diversified by enhancing our role as a specialist bank, with a particular focus on cross-border activities and regional expansion, predominantly in Africa. We further supported African economies by addressing their energy needs through our Energy and Commodities financing. We

are also expanding our Power and Infrastructure franchise and exploring opportunities to build a metals and minerals business to finance key projects that will drive a successful energy transition. Moreover, we are also strategically positioning MCB as a core banking partner for global and international corporates operating in Africa, tapping into significant cross-border flows. By leveraging the Mauritius International Financial Centre (MIFC) and our strategically-located regional hubs, we are creating opportunities for businesses to thrive across borders through a client offering that goes beyond traditional banking services, including bespoke and specialised solutions. On that note, we hosted the second edition of the GIC Business Series at the Dubai International Financial Centre (DIFC), where representatives from over 100 major corporations, legal firms, and fiduciaries collectively reflected on how to address the challenges of doing business across African corridors. Additionally, we are strengthening our transactional offerings by actively developing and promoting solutions designed to meet our clients' treasury management, cross-border, hedging, and investment needs. Our wealth segment clientele also benefited from an enriched value proposition with personalised wealth management services designed to meet their evolving needs.

Regarding the non-banking financial sector, MCB Capital Markets advised EnVolt's on its inaugural issue of Rs 510 million Green Projects Bond, as part of the latter's Rs 2 billion Multi Currency Green Bond Programme. The issuance represents a major milestone for the Mauritian debt capital markets as it is the first time that a renewable energy project is financed by a bond issue.

## Making a positive difference to our People

We recognise that success requires us to win in the marketplace and in the workplace. This is why, throughout the year, we have reinforced our Shared Ways of Working—a set of guiding principles focused on making things simple, acting responsibly, building partnerships, pushing boundaries and creating a positive impact. As part of a culture that embraces diversity, we have progressed in promoting gender equality, with the share of women in leadership roles having increased to 34%. I am also proud to announce that MCB Group has become the first bank/financial services group in Africa to achieve EQUAL-SALARY certification. This certification, awarded by the Equal Salary Foundation, confirms our commitment to equal pay for equal work and gender equality within our workforce.

Furthermore, reflecting our commitment to fostering a culture of trust, the organisation has improved its score in the 'Great Place to Work' survey compared to the previous assessment. Feedback from earlier surveys has helped shaped several initiatives, including the introduction of a Remuneration Framework following the launch of the Career Architecture Framework in Mauritius, with the latter having been extended to MCB Seychelles this year. While we are proud of these advancements, we recognise that there is still more to be done and we will continue our efforts to enhance our people-focused initiatives, ensuring their well-being and fostering an environment where everyone has the opportunity to thrive.

To drive our strategic plan forward, we have enhanced our capabilities in key areas, notably to uphold customer service, support our international expansion, and reinforce risk and control management. We have also provided our staff with training opportunities, including specialised and technical courses, empowering them to excel in a rapidly evolving

environment. Additionally, to foster strong leadership across the organisation, we introduced the IMPACT Excellence Program and the IMPACT Accelerate Program, both accredited by Stellenbosch University. These programs are designed to equip participants with advanced skills in strategic thinking, team leadership, and negotiation, ensuring they are prepared to navigate complex challenges.

## Making a positive difference to Societies and Communities

We have made significant progress on our journey to become more sustainable, remaining resolute in our efforts to reduce our environmental impact while empowering our clients to transition towards a low-carbon future. Through our Sustainable Loan offering, we have played a key role in supporting local companies in their transition to a greener future, with 20% of our Rs 10 billion credit line already disbursed. In November 2023, MCB entered into a new partnership with Proparco and DEG, with the latter extending a loan of up to USD 120 million to support our ambition to unlock further opportunities to finance climate mitigation and adaptation measures. We also signed our first Sustainability-Linked Syndicated Term Loan of USD 400 million, with the loan's key performance indicators focusing on sustainable financing and gender diversity.

Through the MCB Forward Foundation, we have deepened our engagement with the communities in which the Group operates. Internally, to scale up sustainability initiatives across the Group, we established the Sustainability, Reputation and Engagement SBU, with the Central Sustainability Office at its core. In response to the growing risks posed by climate change, our efforts have also focused on assessing its impact on our activities while working to integrate environmental and social risk management into our operations. This approach aims to promote positive impacts and mitigate potential negative effects on people, communities, and the environment.

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*“For us, success goes beyond financial results - it is about making a positive impact.”*

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## Consolidating the core and building for the future

As we look to the future, I remain confident in our ability to thrive, grow and respond to our clients' needs in an ever-changing operating landscape. While consolidating our core businesses, our focus will be on scaling up in key areas and exploring and seizing emerging opportunities that are aligned with our strategy and competencies. We will refine our business model to adapt to evolving market conditions and respond to our customer needs as they also strive to grow whether domestically or internationally. By leveraging our network and enhancing cross-selling, we aim to enhance our value proposition in both existing and new markets.

Our customers will remain at the core and we will continue our efforts towards delivering excellent customer service, cultivating a talented and engaged workforce and maintaining

rigorous risk and control frameworks. On the latter grounds, we have elevated our Risk and Compliance functions to the Group level to enhance oversight, ensuring we are well-positioned to navigate the evolving financial ecosystem.

Moreover, to facilitate the smooth running of the business while delivering on key strategic priorities, the governance of the Group has been reinforced through the creation of dedicated executive committees and forums. In particular, we have set up a Group Executive Committee that drives organisational alignment, appraises developments in our operating environment and manages issues impacting the Group. In addition, the Group Executive Strategy Committee has been established to lead the formulation and execution of the Group's strategy, ensuring that performance is measured against set objectives and targets. To track our strategic progress, we have introduced a Group Scorecard for FY 2024/25, featuring key impact measurement metrics. This will enable us to assess our performance across all stakeholders and focus on sharpening our competitive edge while preserving the legacy of trust and service that has long defined our organisation.

Additionally, as we continue to evolve and grow as a Group, it is imperative that we adapt our structure in line with our strategic priorities. As such, we have brought about some key changes to our management team, reflecting our commitment to promoting talent from within our organisation and leveraging the diverse skills and expertise of our team to drive our business forward.

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*“ I remain confident in our ability to thrive, grow and respond to an ever-changing operating landscape.”*

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## Concluding remarks

As we reflect on this year's achievements, it is evident that our commitment to our purpose has shaped our success. We have not only supported our customers but also made a positive difference in the communities we serve. I want to extend my deepest gratitude to our talented teams, whose hard work and commitment have been the driving force behind our success.

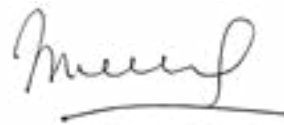
I also extend my thanks to the members of our various Boards for their guidance throughout the year. A special acknowledgment goes to Gilbert Gnany for his remarkable 28 years of dedicated service, including his role as Chief Strategy Officer. Throughout his tenure, Gilbert has not only upheld the Group's values and helped advance our strategic objectives but also fostered crucial interactions with authorities and key stakeholders, strengthening our organisational position. I am pleased to announce that as of 1<sup>st</sup> September 2024, Dipak Chummun has joined the Group to assume the role of Group Chief Finance Officer. His experience at senior levels of global banks and in industry will reinforce our leadership in local and regional markets.

On behalf of the staff, management teams, and myself, I also wish to extend my deepest gratitude to Mr. Didier Harel, who is retiring as Chairperson after eight years of distinguished

service to the organisation. His authentic leadership and objective insight have been instrumental in establishing a solid foundation to drive our transformation and to be recognised and respected as a reputable financial institution in Africa. He has also guided us through a particularly challenging environment, marked by the pandemic. I extend my heartfelt thanks for his outstanding contributions to the Group and wish him continued success in his future endeavours.

As I end this year's statement, a special thought and immense gratitude goes to our former CEO, Pierre Guy Noël, who passed away during the year. His leadership and passion for MCB over three decades transformed our organisation and our people. He leaves an indelible imprint on us all and will be deeply missed.

Finally, as I look to the future, I am confident that our dedication and strategic focus will chart a course towards continued success. We will strive to deliver meaningful value to our stakeholders and stay true to our purpose that defines our journey.



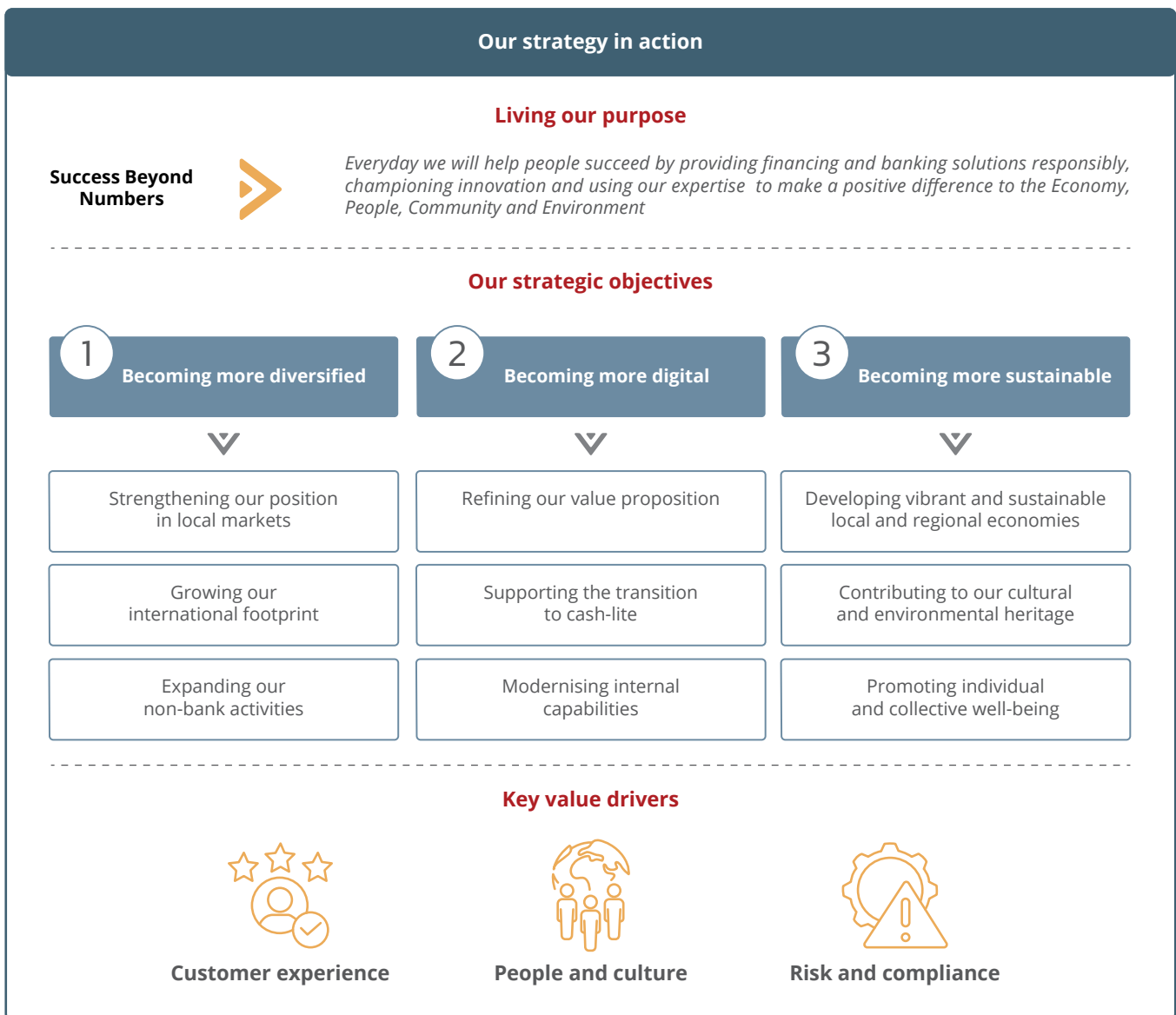
**Jean Michel NG TSEUNG**  
Group Chief Executive

# Our strategy

## Executing our strategic objectives to fulfil our purpose

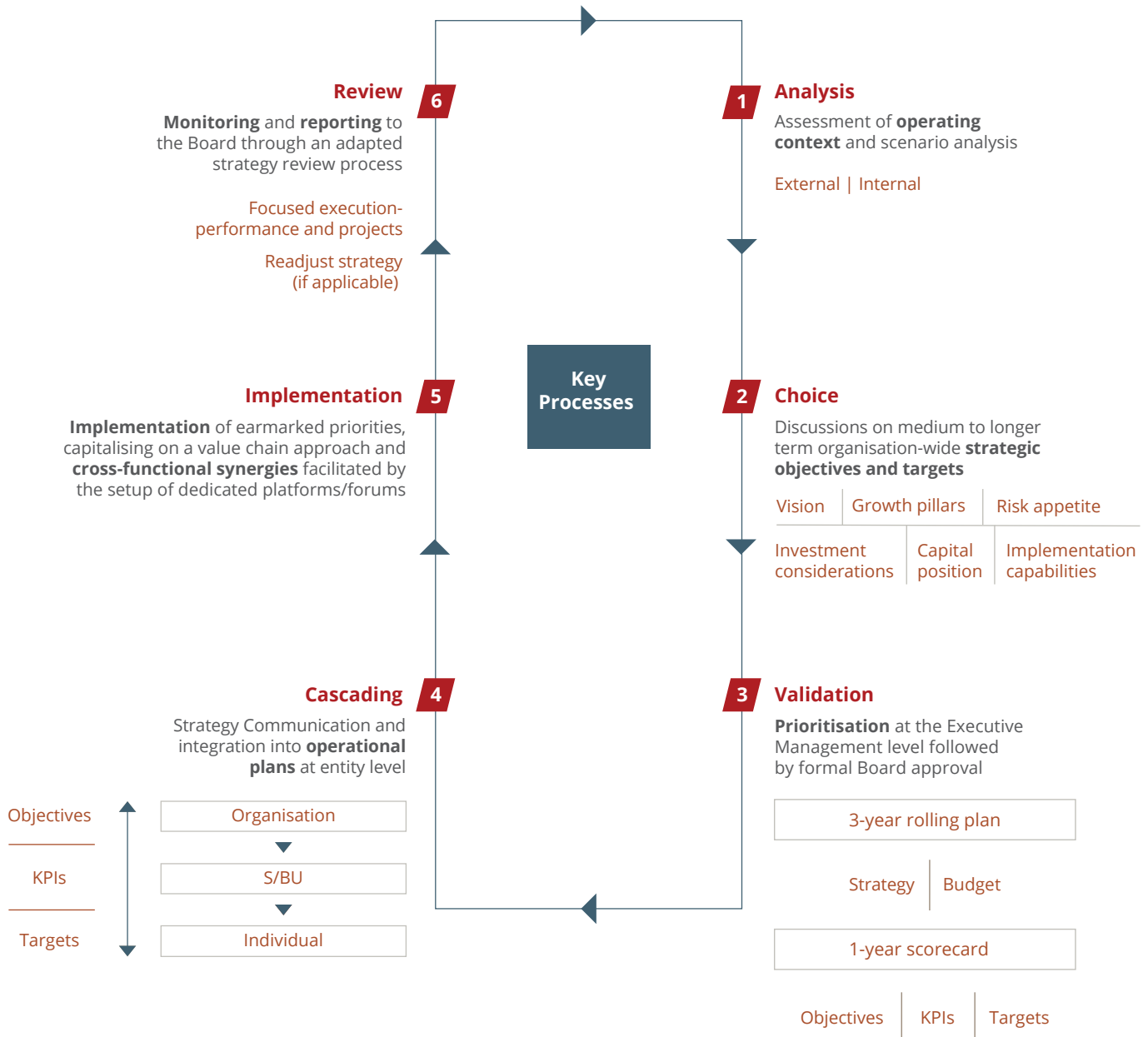
We recognise the challenges of operating in a volatile environment and remain steadfast in our commitment to making a meaningful and positive impact. To translate this conviction into tangible results, we have anchored our efforts in fulfilling our purpose, Success Beyond Numbers, which serves as the cornerstone of our strategy. This purpose drives us to go beyond financial metrics, focusing on creating lasting value for our stakeholders, fostering innovation, and building resilient communities.

Throughout the year, we continued to make headway on our 3-year rolling plan, strategically positioning ourselves to seize opportunities in an ever-evolving landscape. Guided by our proven business model, our strategy focuses on delivering sustained earnings by becoming more diversified, digital and sustainable. As we continue our efforts to make MCB Group a simpler and more efficient organisation, we are focused on delivering excellent customer service and customised offerings, capitalising on our talented workforce while operating within the precinct of our risk appetite.



Our strategy setting and execution process

MCB Group has a well-defined governance framework to underpin the strategy setting and execution process. The Board, with the assistance of the Corporate Strategy Committee, sets the strategic directions of the Group and approves strategic policies while ensuring that they are communicated throughout the organisation and regularly assessed. Consistent with the direction given by the Board, the Group Executive Strategy Committee leads the Group’s strategy setting and execution, and measures the organisation-wide performance against set objectives and targets. While ensuring congruence with the strategic directions set at Group level, entities formulate their strategic objectives, guided by an adapted and pragmatic approach for strategy setting.





## Becoming more diversified

Our universal banking model remains core to our strategy, providing a strong underpinning to support our customers – notably through the continuous adaptation of our offerings to meet their needs – while also contributing to the sustainable development of the local economies in which we operate. We are also committed to strengthening our position as a specialist bank, especially for our cross-border activities and regional diversification agenda, with Africa being our main target. Additionally, we seek to boost our involvement in the provision of non-bank financial services locally and in the region.

*Main initiatives and achievements during the year under review*

### 1 Strengthening our position in local markets

- Upheld our market positioning across both individual and non-individual segments through our contribution to the development of local markets where we operate. Of note, we consolidated our positioning as a strategic partner for the transition and growth of Mauritian and regional corporates.
- Launched innovative end-to-end client solutions with enhanced features, while promoting digital payment solutions to support the transition to cash-lite.
- Improved our cross-selling through refined coverage-product strategies and increased collaboration within the Group, between (i) MCB and other banking subsidiaries, and (ii) MCB Ltd's coverage teams, MCB Factors, and MCB Leasing.
- Strengthened our proximity with client and partner relationships across the region, including through the expansion of our branch network with the set up of a new flagship branch in Madagascar.

#### Market shares

**49%**  
Share of local  
currency deposits  
(Mauritius)

**39%**  
Share of domestic credit  
to the economy  
(Mauritius)

**36%**  
Share of domestic credit to  
corporates in Seychelles

**Reinforced our commitment to SMEs  
via the “Lokal is Beautiful” scheme and  
punch.mu platform**

**Supported the transition  
to renewable energy**

**20%**  
Disbursement of our  
sustainable finance  
facilities of Rs10 billion  
(as at June 2024)

## 2 Growing our international footprint

- Continued to support African economies in their energy needs through our Energy & Commodities financing. We also leveraged our Power and Infrastructure franchise and are building a Metals & Minerals business to finance activities which are crucial for a successful energy transition.
- Pursued our strategy to position MCB as a core banking partner for large corporates, multinational corporations and funds doing business across African and selected Asian, GCC, European and American corridors, while deepening relationships with fiduciaries and intermediaries both in the Mauritius International Financial Centre (MIFC) and in international financial hubs.
- Bolstered our network of correspondent banks to become more prominent in the African as well as regional financial institution landscape and better service the cross-border and investment needs of our corporate client segments.
- Enhanced our transactional offering, notably through a more active development and promotion of our solutions aimed at helping clients better manage and address their treasury management, cross-border, hedging and/or investment needs, while also helping them develop their own network of business partners via, for example, our Global Trade Portal.
- Further grew our International Wealth business, with a focus on External Asset Management and International Private Banking, by enriching our value proposition and boosting business development initiatives.

### Closed major capital and funding initiatives



**USD 400 million**  
Sustainability Linked  
Syndicated term  
Loan

**USD 120 million**  
Loan from DEG and  
Proparco

### Enhanced market presence through targeted initiatives and our network of hubs in Africa, the Middle East, and Europe, as well as the MIFC

E.g. GIC Business Series and sponsorship of key African and international conferences




## 3 Expanding our non-bank activities

- Strengthened the capabilities and positioning of our investment management and corporate finance activities towards accompanying our clients and partners across key markets.
- Leveraged the brand franchise and distribution capabilities of the Group to consolidate our positioning in the factoring segment, while making further inroads into the microfinance segment.
- Enhanced our capabilities at MCB Leasing with the roll out of a software to improve operational efficiency and deliver faster response to clients.

### Advised EnVolt on its Green Project Bond Issue



 Read more on our initiatives to become more diversified in the 'Our performance across entities' section on pages 60 to 76

## Becoming more digital

We are advancing on our journey to become more digital, with a keen focus on elevating customer experience and driving the shift towards a cash-lite economy. Building on the strong foundation laid in previous years, we are committed to refining our end-to-end customer journeys, ensuring that our solutions are user-friendly, personalised, and seamlessly integrated across all digital platforms. As a key axis of our digital journey, we are modernising our infrastructure to enhance business operations, harnessing advanced analytics to deliver innovative, customer-centric solutions, and bolstering our cybersecurity defenses to protect our customers and our future.

### Main initiatives and achievements during the year under review

#### Refining our value proposition

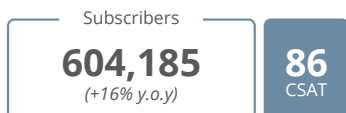
We remain committed to continuously adapting our value proposition and are ensuring that our solutions remain relevant and impactful, aligning with the dynamic expectations of our clients. During the year, our focus was on capitalising on cutting-edge technology to create personalised and lasting customer experiences. Several initiatives have been deployed to upgrade service levels and deliver a seamless customer experience, including:

- New features on our mobile banking solution, MCB Juice, in Mauritius, notably, the extension of the list of recurrent billers on our 'Bill Payment' feature and a 'Government Portal' that allows customers to make direct payments to government bodies.
- A 'Trading' feature accessible through the 'Wealth' entry point of MCB Juice for our affluent and high net worth clients, offering them a suite of convenient tools to actively manage their investments.
- Two key features on MCB Juice Madagascar: (i) Statements feature to enable customers to access their account statements directly through the app and (ii) Card Companion feature to allow users to manage their cards.

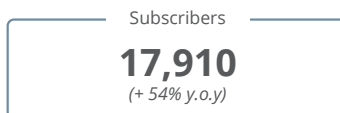
### Becoming more digital - Key performance indicators

#### Payments and channels

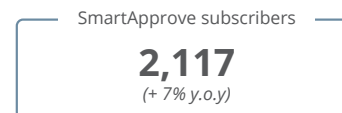
##### MCB Juice Mauritius



##### MCB Juice Seychelles

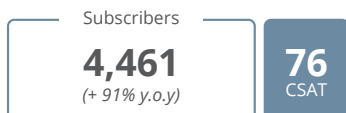


##### CIB transactional payments

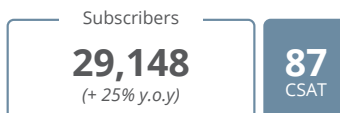


87% digital request  
91% International Funds Transfer Payment STP rate

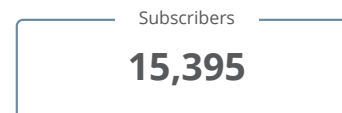
##### MCB Juice Madagascar



##### MCB Juice Pro



##### IB Pro



#### Lending

##### Mortgage

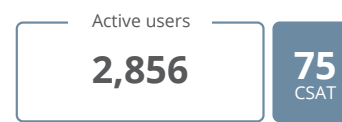


##### Unsecured personal loan



#### Investment

##### Juice Wealth anchored on MCB Juice



##### SME lending (Express overdraft)



##### CIB lending



#### Onboarding

##### SME account opening



#### Notes:

(i) All figures relate to FY 2023/24, unless otherwise stated.

(ii) The number of active users of Juice Wealth relates to June 2024.

(iii) CSAT scores, which indicate customer satisfaction, refer to June 2024. CSAT score for Juice Wealth relates to the 3<sup>rd</sup> quarter of FY 2023/24 while CSAT score for SME account opening relate to FY 2023/24.

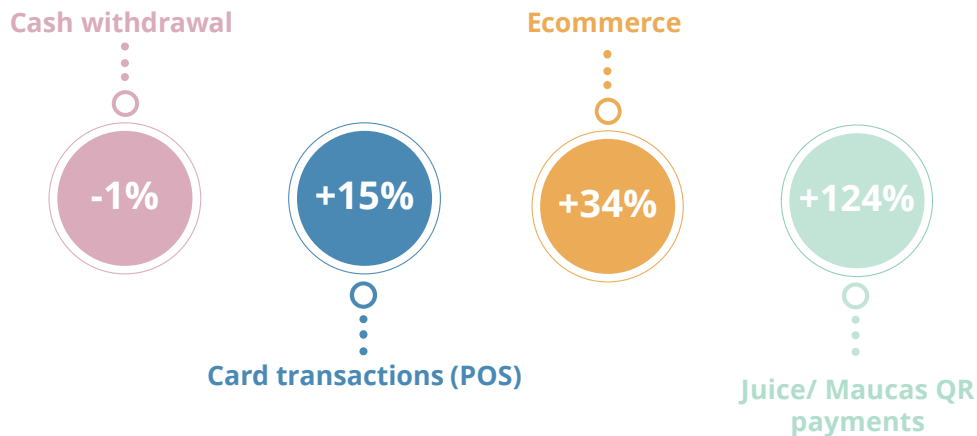
(iv) TAT (turnaround time) includes the time taken for customers to respond and excludes outliers. TAT statistics are not strictly comparable to last year's published figures.



Read more on our digital offerings in the 'Our performance across entities' section on pages 60 to 76

### Supporting the transition to cash-lite

We actively promoted our digital payment solutions through campaigns highlighting our secure digital channels, which enable clients to perform transactions anytime and anywhere. In the same vein, the deployment of a more self-service oriented concept in our branch network locally continued to further the shift to digital. In Mauritius, we pursued our efforts to increase our digital payments acceptance footprint and recruited over 3,000 merchants, with the majority being in the SME segment. Our POS network is now fully contactless-enabled, with an increasing number of merchants offering several digital payment options, namely online, in-store, card or QR enabled payments. Digital payments, encompassing MCB Juice, contactless, and online transactions, exhibited a notable increase in Mauritius, with the volume of MCB Juice transactions experiencing a 74% surge and contactless payments increasing by 45%. We are moving in the right direction in our cash-lite strategy with the proportion of cash to digital payments ratio of MCB Ltd declining from 40% to 35% when compared to the previous period.



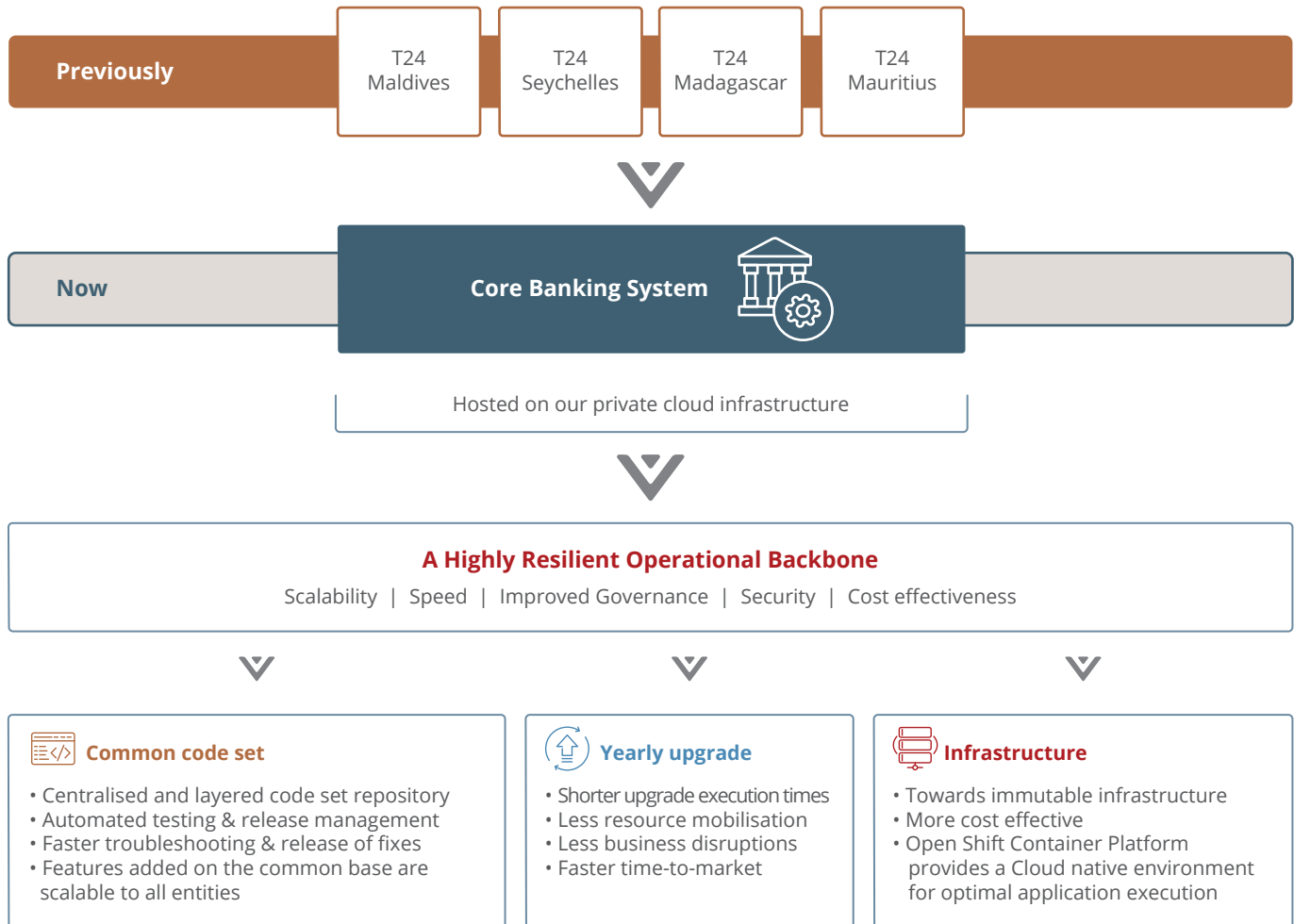
*Note: Above metrics underpin the cash to digital ratio, with figures indicating the y.o.y change in the volume of transactions in FY 2023/24*

### Modernising internal capabilities

#### Building a modern banking infrastructure

Reflecting our commitment to remaining at the forefront of innovation and upholding operational efficiency, we continually strived to upgrade our IT infrastructure by investing in the latest technology. Notable achievements include the following:


- We completed the implementation of our centralised core banking system at Group level. This modern platform integrates all our banking operations into a single, unified system within our private cloud infrastructure, providing a secure and adaptable environment that meets the evolving needs of our customers and the increasing demands of regulatory compliance. This platform enables us to streamline complex processes, enhance our agility, and foster innovation. As a result, the organisation is now able to schedule one core banking upgrade per year, with execution times cut by 50% and the creation of new development environments completed in a single day, reducing workloads by 70% and impacts to our business. The consolidation has also resulted in significant cost savings, notably by downsizing our hardware estate, contributing to a lower environmental impact.
- We obtained the Tier III Certification of Constructed Facility (TCCF) from the Uptime Institute of Technology. This reflects our pledge to ensuring the highest levels of availability and resilience in our data centre, adhering to the stringent standards required for peak performance and reliability. By securing this certification, we are enhancing the efficiency and security of our operations and anticipating the evolving needs of our customers in an increasingly digital landscape.



### Bolstering our cybersecurity defences

During FY 2023/24, we pursued several initiatives to improve our overall cybersecurity defences:

- Established a specialised Information Security Business Unit, ensuring complete independence from the Technology SBU, which has allowed for more focused and effective security operations.
- Created a dedicated Security Incident Monitoring team to better detect and respond to potential threats in real-time.
- Launched a Counter Threat Intelligence team, tasked with proactively identifying and mitigating emerging threats.
- Strengthened our capabilities and refined our processes, positioning us to better safeguard the organisation's assets and information in an increasingly complex threat landscape.

 Read more in 'Risk and capital management report' on pages 145 to 192

### Leveraging data and advanced analytics

The organisation also pursued several initiatives to capitalise on data and analytics:

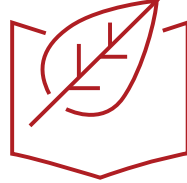
- MCB, through its Data Business Unit and its Technology SBU, implemented a data lake to host its data and analytics operations. This initiative goes hand in hand with a review of MCB's data architecture to ensure that the technology stack, data engineering processes, and data governance are well orchestrated to enable scalability and efficiency. The use of a data lake allows for the consolidation of vast amounts of structured and unstructured data, enhancing advanced analytics capabilities and supporting real-time decision-making in banking analytics use cases.
- We enhanced the Credit Scoring model for SME customers, resulting in more customers being eligible for automatic approval of credit requests. We also implemented a new Credit Scoring model for credit card applications made by individual customers, which led to reduced turnaround times on credit card applications.
- The intake of data practitioners being coached for Business Intelligence (BI) through the MCB Digital Academy increased to two cohorts yearly, compared to one cohort in previous years. To date, 58 people have become BI practitioners with the help of the in-house course.

## Becoming more sustainable

Our sustainability strategy is rooted in our purpose, Success Beyond Numbers, and articulates our commitment to be a responsible organisation and a catalyst to the economic development of countries in which we operate. Guided by our adherence to strong corporate governance and ethical conduct, we strive to become more sustainable through the following three pillars:



**Vibrant and sustainable local and regional economies**



**Our Cultural and environmental heritage**



**Individual and collective well-being**

### *Commitment to responsible practices*

Our actions are underpinned by our adherence to the international principles, standards, and frameworks we have adopted:



Since 2012, MCB Ltd has adopted the Equator Principles, an internationally recognised voluntary framework that guides the Bank's Environmental and Social Risk Policy. This framework ensures effective risk management in lending activities, especially for projects involving loans of USD 5 million or more.



MCB Ltd is a founding signatory of the UN Environment Programme's Principles for Responsible Banking. These Principles provide a unified framework for integrating sustainability into banking strategies, portfolios, and transactions, enabling banks to contribute to society's goals.



MCB Ltd is committed to embedding relevant principles in its strategy and operations and adheres to the United Nations Global Compact at the participant level. As the world's largest voluntary corporate responsibility initiative, it guides businesses to align with universally accepted principles in human rights, labour, environment, and anti-corruption.



The SDGs reflect an ambitious international agreement to eradicate poverty and inequality, protect health and prevent climate change by Agenda 2030 through 17 specific outcomes that are universally recognised. The organisation has identified 16 of the 17 SDGs of the United Nations where it believes it can generate meaningful value through its operations.



*Read more in the Sustainability Report on our website*

### *Main initiatives and achievements during the year under review*

- We have further progressed on our sustainability journey, remaining steadfast in our commitment to reducing environmental impact while aiding clients in their transition to a low-carbon economy. Through our Sustainable Loan offering, we have played a key role in supporting local companies and African players in their transition to a greener future. In response to the growing risks posed by climate change, our efforts have concentrated on assessing its impact on our operations and integrating environmental and social risk management into our credit value chain.
- To strengthen the foundation for scaling up sustainability initiatives across the Group, we established the Sustainability, Reputation, & Engagement SBU, with the Central Sustainability Office at its core. This office is integral to our sustainability ambitions and drives the Group's agenda under three core pillars: (i) developing vibrant and sustainable local and regional economies; (ii) contributing to our cultural and environmental heritage; and (iii) promoting individual and collective well-being.

## Developing vibrant and sustainable local and regional economies

We strive to positively impact our local and regional economies by boosting domestic production and contributing to the socio-economic development of the countries in which we operate. We are increasing our efforts to foster entrepreneurship and innovation while ensuring our products and services support positive development. Some key initiatives during FY 2023/24 include:

- MCB Ltd organised several '**PUNCH Meets** events', themed (i) Unifying Innovators for a smarter island, (ii) Responsible Tourism, and (iii) Inspiring Women Entrepreneurship, to foster collaboration among entrepreneurs towards boosting local economic growth.
- We held **Coffee circle events** with members from PUNCH, AMFCE (Association Mauricienne des Femmes Chefs d'Entreprises) and 'Made in Moris' to help address key topics to power business growth.
- In collaboration with '**La Turbine**', we supported Mauritian entrepreneurship, by rewarding viable and impactful business ideas. The 10<sup>th</sup> edition of Test Drive focused on the circular economy and green innovation, in line with Sustainable Development Goals.
- With **MCB Juice, Juice Pro and PUNCH being awarded the 'Made in Moris' label**, we have asserted our commitment to supporting local entrepreneurship and fostering inclusiveness.

### Financial inclusion

MCB Ltd offers **accessible accounts with low minimum balances** and zero-cost savings bundles, **encourages youth savings through junior accounts**, and provides unsecured personal loans, which is often sought for education and housing, to both MCB Ltd customers and non-customers.

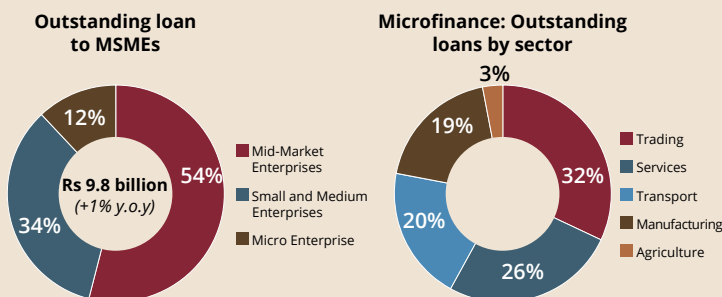
MCB Ltd delivers an **inclusive banking experience** through a range of physical touchpoints (namely 39 branches and kiosks as well as 181 ATMs, with more than 50% located in rural areas), self-service solutions (604,185 subscribers on MCB Juice and 325,465 Internet Banking subscribers) and remote assistance (Contact Centre). Though our efforts towards a cash-lite society is prominent, we continue to support in-cash transaction for more vulnerable/less digitally versed parties through cash deposit solutions in our branches. Our digital channels have **expanded financial access** beyond branch hours, as evidenced by increase in pay to mobile transactions.

We also have a financial well-being programme for women with the goal of fostering an investment culture and involving them as ambassadors to raise awareness on this important issue within the broader community.

**MCB Madagascar partnered with MVola** to enable customers to make transfers between their MVola account and their bank account. This partnership makes financial services more accessible, simple, instant, and secure, while also extending payment options beyond traditional methods such as cash, cheques, and bank transfers.

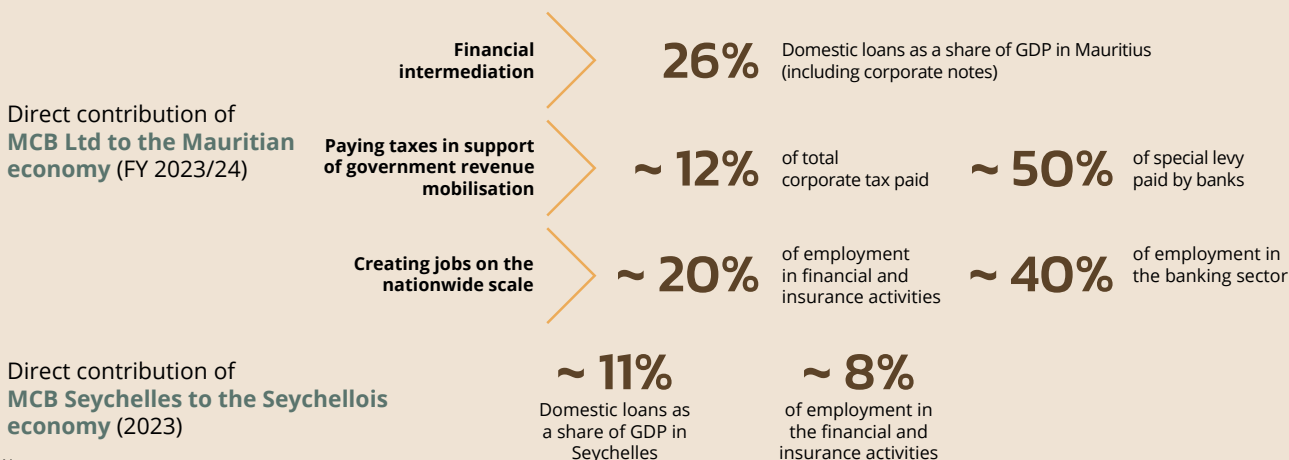
We offer innovative, customised solutions to SMEs, micro-enterprises, and self-employed individuals to meet their needs. Of note, our online platform, **punch.mu**, enables the community of entrepreneurs (from micro businesses to mid-market enterprises) to access new markets, opportunities and alternative sources of finance, acts as a knowledge centre for entrepreneurs and supports them in their development.

Additionally, our payment solution, **Pay+**, is a small payment acceptance device, designed primarily for merchants, which is wireless and easy to carry. It is a more convenient alternative to traditional point of sale terminals used in various businesses such as stores and supermarkets.



Of note, MCB Microfinance Ltd financed and disbursed **7,175 loans** totaling **Rs 1,529 million** as at 30 June 2024.

### Contribution to socio-economic development



Notes:  
 (i) Total corporate tax paid includes levies charged on income  
 (ii) The estimates do not cater for the indirect implications of our operations and banking activities  
 (iii) Figures displayed above are indicative, based on officially-reported data and MCB Staff estimates

## Contributing to our cultural and environmental heritage

We are committed to being a responsible corporate citizen and actively contribute to mitigating the negative impacts of climate change. Some key initiatives during FY 2023/24 include:

- Proparco and DEG announced a **new partnership with MCB** to support the Bank in expanding its climate finance offering in Mauritius and Sub-Saharan Africa. A loan of up to USD 120 million was provided to accompany the Bank in its ambition to unlock further opportunities to finance climate mitigation and adaptation measures.
- MCB Madagascar launched the **Your Card for Change Programme**, where each debit card transaction results in a donation to support biodiversity projects.
- The organisation sponsored several NGOs in Mauritius that pursue impactful environmental initiatives, including a new partnership with **Reef Conservation** for restoring marine ecosystems.
- We organised the second edition of the inter-college debate competition '**Deba Klima**' in collaboration with Rajiv Gandhi Science Centre and Dr. François Gemenne.
- We sponsored the reintroduction of an **extinct plant species, Cyllindrocline lorencei**, enabled by the National Park and Conservation Service.
- We supported arts, culture, and the protection of Mauritius' heritage through the Blue Penny Museum. This included the "**Les Brèdes: Un trésor caché**" exhibition, showcasing the importance of these local plants in culinary heritage and health.
- The organisation conducted a **staff campaign for digital clean-up**, focusing on the disposal of unused personal equipment to ensure proper handling of electronic waste, resulting in the collection of 280kg of electronic waste.
- MCB Ltd launched a **Direct Environmental Impact cross-functional working group** tasked with identifying, implementing, and overseeing initiatives to reduce our environmental footprint and enhance our overall sustainability practices.

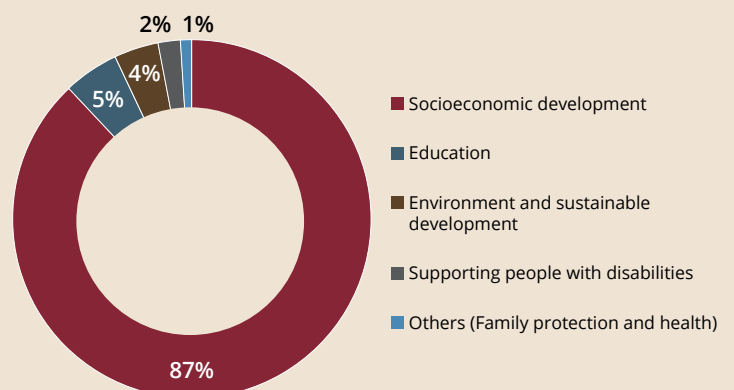
## Promoting individual and collective well-being

In addition to promoting the development and welfare of our people, we regularly engage with the communities in which the Group is involved, facilitated mainly by the MCB Forward Foundation (MCBFF), which is responsible for our corporate social responsibility efforts. For FY 2023/24, an aggregate amount of around Rs 67.7 million was entrusted to MCBFF by MCB Group, of which **Rs 57.4 million was spent on 22 projects**, with 19 still ongoing.

Some key initiatives from MCBFF and the organisation:

- MCBFF supported **Collectif Arc en Ciel** in providing parent counseling sessions to families in need of mental health support.
- MCBFF continued its support of socioeconomic development through its MCB Football Academy project, which welcomed **600 beneficiaries** during the year.
- In collaboration with the foundation Mc2H, MCBFF provided support to the **education sector in Nigeria** through the Radio School Programme, which was developed as a literacy and numeracy intervention for out-of-school children.
- Since 1988, **35 scholarships** have been awarded to Mauritian students ranked next in line after those eligible for the State of Mauritius scholarships on the Economics side at the Higher School Certificate examinations. Additionally, **45 scholarships** have been awarded since 2000 to students from Rodrigues under the MCB Rodrigues Scholarship, enabling them to pursue tertiary studies at the University of Mauritius.
- Approximately 170 of our employees participated in our **Social Leave Programme**, which gives each employee the opportunity to take a one-day paid leave to carry out social work by helping NGOs in their day-to-day activities.

Projects financed by MCBFF during FY 2023/24



~ **Rs 2.1 billion student loans approved** by MCB Ltd as at June 2024 (under normal banking terms and the Government Guarantee Scheme), accounting for a market share of around 65% (over the period April 2013 - June 2024)



## Our key value drivers

We continue to build our capabilities, with an emphasis on our key value drivers: (i) customer experience, (ii) people and culture, and (iii) risk and compliance. Our progress in these areas provides us with a strong foundation to execute our strategic objectives.

### Customer experience

We are continuously investing to build more meaningful relationships with our customers alongside providing customised financial products and excellent customer service across all touchpoints based on their feedback. Main initiatives and achievements in FY 2023/24 include:

- Following the review of the Marketing and Communication SBU, a Customer Experience and Marketing SBU has been established at MCB Ltd to focus on our quest for continuous customer experience enhancements and improved integration within our activities, channels, processes and client engagement.
- Our Customer Lab, which serves as an essential platform for the centralisation and analysis of all customer feedback, has made further headway towards embedding the voice of the customer as a key value driver. New surveys and methodologies were developed to reinforce our capacity to measure our clients' experience on different channels. Customer Lab reinforced their pool of customers, which has grown to over 2,200, willing to participate in the development and enhancement of our products and services, notably through user testing and discovery exercises. To gauge customer satisfaction, a CX (Customer Experience) framework was implemented for CIB, while progress was also made on a CX framework for MCB Seychelles.
- We leveraged customer complaints received to identify areas for improvement, enabling us to enhance our products and services. Regarding complaints during FY 2023/24, the share of complaints resolved within 5 days stood at around 70%, slightly down compared to the previous year due to an increase in complex complaints (e.g fraud cases, card issues, and payment recalls), where investigations typically take longer.
- To help us deliver superior value to our customers, we are also laying emphasis on enhancing our process efficiency by streamlining our operations and adopting best practices. Of note, MCB Seychelles implemented an appointment system for onboarding customers to reduce waiting times, while a new card tracking system was introduced to improve service delivery across branches. MCB Maldives implemented a contact management strategy for corporate clients to ensure optimal service levels.
- The entire web architecture of MCB Group was migrated to a new Content Management System, facilitating unified content management across all digital platforms. This upgrade enables prompt and accessible content distribution on any device, making the user experience even more fluid and pleasant.
- The organisation actively participated in promotional and commercial initiatives, including international seminars, conferences, and roadshows. These activities aim to strengthen client relationships, expand networks, and showcase the Group's capabilities and value proposition.

#### Embedding the voice of the customer at the heart of our strategy



~ 20,000

Customer participation in surveys/research projects



>120

Number of research projects/initiatives undertaken



37

Recurrent surveys (monthly/quarterly)



30

Real Time Dashboards

#### Customer Satisfaction scores (MCB Ltd)

82

**Retail**  
(FY 2022/23: 84)

84

**Private Wealth Management**  
(FY 2022/23: 81)

75

**Business Banking**  
(FY 2022/23: 76)

77

**Corporate and Institutional Banking**  
(FY 2022/23: 75)



Read more on our initiatives to deliver excellent customer experiences in the 'Our performance across entities' section on pages 60 to 76

*People and culture*

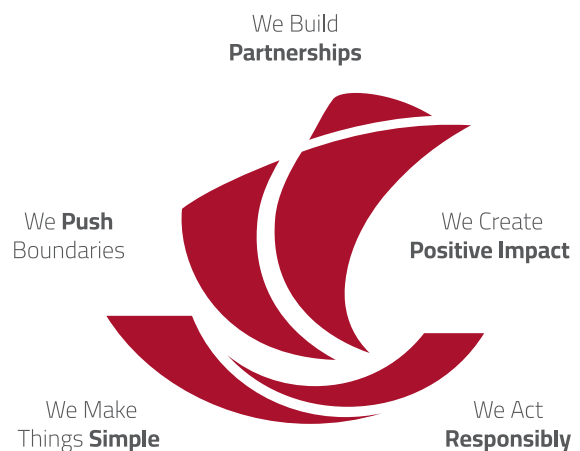
Our people are a key priority for us, and we recognise that fostering their engagement and development is essential for our success. We have, during the year, reinforced our capabilities in key areas, notably to uphold customer service, support our international expansion, and reinforce risk and control management. We also focused on enhancing our Employee Value Proposition which defines the value and experience an employee can expect from working at the organisation. This is reflected in four pillars, namely: Joining with Purpose, Work Rewarded, Work and Thrive, and Growing beyond Titles which guide our efforts to create a supportive and fulfilling work environment that adapts to the evolving operating context and supports our employees' growth and success.

**Joining with Purpose**

We ensure that employees are part of an inspiring culture that delivers a positive experience, values authenticity, embraces diversity, and nurtures long-lasting relationships.

- Further embed the five Shared Ways of Working as part of our culture. This included upholding the Gold Management Routines which encompass management activities such as one-on-one sessions, team meetings, communication through SBU townhall and regular walk around.
- Reviewed the recruitment and onboarding journey to enhance the employee experience.
- Tailored the Corporate Induction Programme to the needs of new employees, ensuring they are equipped with the necessary skills and knowledge to perform in their roles.
- Regularly interacted with employees to understand and respond to their needs, and to gauge their level of motivation and engagement, notably through collaboration with Great Place to Work® for our annual employee engagement survey.
- Actively promoted diversity and inclusive practices:
  - Established a Diversity, Equity and Inclusion (DEI) function within the Human Resources SBU to define and implement DEI initiatives, fostering an inclusive and equitable work environment that supports the Group's sustainability strategy and commitment.
  - Increased the share of women in middle and senior management at MCB to 34%, on track to reach our goal of 35% by the end of 2024 and 40% by 2026.
  - Enrolled some 60 women in the 'Women in Leadership' Programme during the FY 2023/24, reflecting the organisation's ongoing commitment to gender diversity and inclusion. A Gender Working Group Roadshow was also conducted across the Bank during SBU Townhall meetings to showcase all initiatives and projects undertaken.
  - Enrolled 126 people managers on the 'Allies for Change' Programme, which focuses on promoting gender inclusivity within the organisation.
  - Updated our recruitment process to attract a broader and more diverse range of internal and external candidates. Job advertisements requiring educational certifications now also include "or equivalent experience" to diversify the talent pool, value experience, and align with industry trends.

**Our Shared Ways of Working**



**Trust Index Survey 2024  
(Great place to work)**

**77%**  
*Participation rate*

**56%**  
*Trust Index score  
(+6 p.p compared to  
previous survey)*

## Work Rewarded

We strive to provide a combination of meaningful incentives, recognition, and reward programmes that align with employee and company interests.

- Launched MCB's new Remuneration Framework in October 2023, aligning the Group's compensation strategy with the new career architecture introduced in July 2023. The objective is to ensure that every role within the career architecture is appropriately benchmarked against industry standards to offer competitive and equitable remuneration to all employees.

This includes:

- Competitive remuneration packages to attract and retain our people
- Performance-based rewards to acknowledge individual and team performance
- Group Employee Share Option Scheme to value our employees for their long-term commitment
- Other incentives such as pensions, medical plans, subsidised interest rates, amongst others, that promote the well-being of our employees
- Recognised the potential and contributions of our employees through dedicated events, including: (i) the IMPACT Programmes Graduation Ceremony, and (ii) the Loyalty Recognition Programme, which honours employees for their years of service.
- Recognised as the first African bank/financial services group to receive the Equal Salary certification, confirming our commitment to equal pay and gender equality. This accomplishment aligns with UN Women's Empowerment Principles and the UN Global Compact.

## Work and Thrive

We are committed to providing and fostering an enriching and supportive work environment that promotes staff well-being while maintaining high performance standards to ensure our success.

- Fostered an enriching and supportive work environment that promotes staff well-being, including through: (i) the MCB Wellness Tour, which offers a range of services and activities to highlight the importance of health care, (ii) events promoting employee well-being, such as corporate massages and health talks, and (iii) special offers and discounts for staff. Additionally, we organised a fun version of the Olympic Games in Mauritius, Zozolympik, to bring together our employees and foster team spirit.
- Launched the monthly Childcare Allowance, starting from 1<sup>st</sup> August 2024, with an amount of Rs 6,500 granted to employees with children aged 14 weeks to three years. This initiative aligns with our Success Beyond Numbers purpose and underscores our commitment to supporting employee well-being.

## Growing beyond Titles

We are creating an environment where employees are empowered to take ownership of their professional and personal growth

- Implemented the career architecture framework in MCB Seychelles in June 2024 to support the growth and career development of employees.
- Established a robust and integrated talent management framework that aligns with our strategic objectives. This framework is designed to attract, develop, and retain high-potential employees by fostering a collaborative environment. Additionally, it helps us maintain a competitive edge, drive innovation, and ensure long-term success.



**Growing at MCB  
through our Talent  
Management  
Framework**

### Learning & development

- Soft and technical competencies
- Leadership Development

### Assessment & measurement

- Assess desired behaviours and competencies for developmental purposes
- Monitor performance on a recurring basis

### Talent management - succession Plan

- Identification of critical roles and assessment of high potentials
- Build up internal bench strength

### Strategic talent acquisition

- Build and nurture a pipeline of external talents
- Acquire talents to reinforce our talent workforce capabilities

- Advanced leadership development through the launch of the IMPACT Excellence Program and the IMPACT Accelerate Program. Both programs, accredited by Stellenbosch University, aim to equip participants with the knowledge, tools, and techniques for strategic thinking, team management and negotiation. In total, some 90 participants graduated in May 2024. Similarly, the 'Lead with Impact Academy' programme empowers people managers to create a conducive environment for employee development and promote desired leadership behaviours. The second cohort of some 430 participants concluded in March 2024.
- Launched the Beyond Graduate Programme in August 2023, which aims to strengthen our talent pipeline at a junior level by recruiting graduates who show potential for growth and flexibility in various roles within the Group. For the FY 2023/24, 9 graduates have been recruited and enrolled in the programme.
- ESG training with Moody's to reinforce MCB's commitment to understanding and applying ESG principles. Key topics included sustainability and ESG, an introduction to ESG and climate risk, and sustainable finance's role in decarbonisation. The training concluded with an ESG knowledge test to assess collective understanding of these concepts.
- Provided a range of training courses, both in-class and digital, to equip employees to better respond to evolving customer needs. A number of specialised/technical courses were also provided to strengthen our capabilities across the value chain to support the organisation's strategic objectives.

Field of expertise	Specialised courses	No of employees (MCB Ltd)
Relationship Management (RM)	Relationship Managers Development Programme with Moody's	7
Credit Analysis (CA)	Banking and Credit Analyst Programme with Corporate Finance Institute	16
Trade Finance	MCB Trade Finance Program accredited with LIBF	34
Product Ownership (PO)	PO learning journey accredited with LIBF	12
Digital Academy	Software Engineering / Data Scientist / Product Designer/ QA Engineer	12
Wealth Management	CWMA (Certified Wealth Management Advisor)	10

**Percipio (our online learning platform) statistics for FY 2023/24**

**3,885**  
Employees, representing 89% of our workforce, engaged on 'Percipio'

**41,224**  
Number of learning units completed

**18,624**  
Number of hours

- Sponsored around 50 employees in their academic studies through the 'Study Assistance Scheme' (SAS), a financial support programme available to all staff across the Group. With the organisation becoming increasingly present in international and specialised markets, we also sponsored a number of employees for international certifications and accreditations with global institutions in their respective fields of expertise.



Read more in the Sustainability Report on our website

### Risk and compliance

We pursue our activities by leveraging our sound business model and adopting a prudent business development strategy. This approach enables us to navigate the complexities of a volatile risk landscape effectively, supported by a solid risk and compliance framework. Importantly, our risk profile has remained within the established limits of our risk appetite during the year in review, thanks to our stringent policies, processes, and proactive risk management across the Group, as evidenced by the following actions:

- We continued to actively identify and assess risks from both external and internal sources, allowing us to tackle potential threats and seize opportunities.
- We leveraged our Enterprise Risk Heat Map to cater for the dynamic environment and focus on the risks that could have a significant impact on the Group's operations, financial performance, solvency, or strategic direction.
- We embedded a strong risk culture across the organisation through the implementation of the Risk Culture Programme, which defines the proper behaviours necessary to guide our operations and ensure that our daily business activities are consistently within our risk appetite.
- We have maintained proactive engagement with regulators and strengthened the Group's risk management and compliance capabilities to ensure strict adherence to mandatory rules and established norms.

As a key move to strengthen the risk governance and oversight, the Risk and Compliance functions of MCB Ltd have been elevated at the Group level since August 2023.



Read more in 'Risk and capital management report' on pages 145 to 192

## Our performance across entities

Despite the challenges posed by a volatile operating environment affecting certain activities, Group entities made headway progress on the execution of their strategic objectives during FY 2023/24. In addition to driving business development, the entities have reinforced internal capabilities and bolstered their risk and compliance practices.

### Banking cluster

MCB Ltd

#### Financial performance



Navigating an operating landscape marked by mixed economic fortunes, net profit after tax of MCB Ltd increased by 19.2% to Rs 15,446 million, with continued robust contribution from its international activities, which accounted for some 66% of the results. Operating income grew by 17.9% as a result of a strong growth of 21.3% in net interest income, supported by improved foreign currency margins in the context of high global interest rates, alongside an increase in loans and advances as well as investment securities. For its part, non-interest income grew by 11.3%, with net fee and commission income increasing by 14.3%, aided by our trade finance and payment activities. After accounting for a one-off loss on disposal of our stake in Soci t  G n rale Mo ambique and lower fair value gains on equity financial instruments, other income grew by 6.8%, reflecting the strong performance in our global markets and foreign exchange activities. This performance resulted in a cost-to-income ratio of 33.6%, marking an increase of 72 basis points on account of a 20.5% growth in operating expenses in line with our ongoing investments in people and technology as well as an increase in operational risk losses and other business-related expenses. Our share of profit of associates declined by 43.8% mainly due to reduced profitability at the level of BFCOI as compared to FY 2022/23 when notable recoveries led to provision releases. As a major source of satisfaction in view of the volatile context, the Bank preserved its financial soundness as evidenced by relatively stable asset quality, comfortable capital adequacy ratios and healthy liquidity and funding positions.

The solid set of financial results realised in FY 2023/24 reflects the continued progress across the various business lines of the Bank. They have pursued efforts to enrich their value proposition to meet the evolving needs of customers alongside consolidating growth enablers. The Bank also continued to conduct business realignment initiatives to support its strategic endeavours. In particular, to enrich our Mauritian business proposition, the Retail and Business Banking units were regrouped under the newly created Domestic Banking function while the Securities Services BU has been repositioned within the Financial Markets SBU to enhance the approach to business development by reinforcing synergies with the Global Markets coverage team.

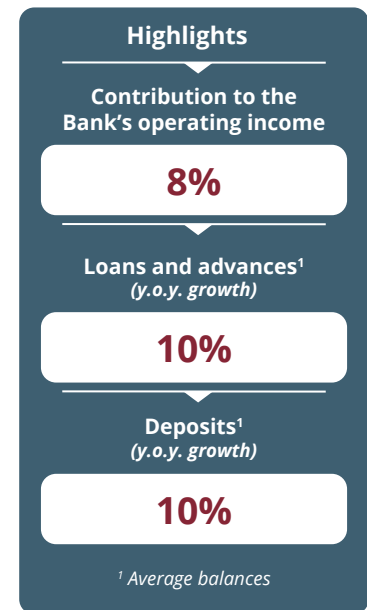
Retail

Key clients

- Mass and mass affluent individual customers
- Junior and youth segments

Strategic priorities

- Expand our portfolio underpinned by reinforced commercial capabilities and enhanced offerings
- Diversify our revenue streams and leverage data analytics to boost cross-selling
- Deliver a more seamless customer experience by capitalising on digitally-enabled solutions and our omni-channel strategy
- Reduce cost to serve through process optimisation



Main initiatives and achievements during the year under review

Consolidating our market positioning

- We maintained our positioning as a prominent player in this segment despite a highly competitive environment. Our campaigns and commercial efforts helped us achieve a steady increase with regard to our housing loan portfolio. In the same vein, we witnessed significant growth in our unsecured loan portfolio, backed by our same-day disbursement capabilities.
- To enhance the in-branch journey and improve customer experience, we are progressively deploying Instabank, in replacement of traditional kiosk platforms. The new platform integrates the MCB Juice user interface for a more intuitive navigation, thereby facilitating self-service banking. The Appointment Booking System has also been extended to five more branches, bringing the total to 14 branches.
- We continued to modernise our network of ATMs while also reviewing their geographical location to enhance accessibility to our facilities. During the year under review, we have added new ATMs in affluent places notably malls, thereby increasing the total to 181, representing a market share of around 40%.

Enriching our value proposition

- We brought further enhancements to MCB Juice to offer increased value and convenience to customers, thus strengthening its position as the leading mobile banking application on the market. Recent upgrades resulted in faster login, with latest features and functionalities, also including the integration of a 'Government Portal' and the extension of the list of recurrent billers to new partners such as the Central Water Authority. The new 'Juice Mwa' feature enables users to request payments and split bills. Furthermore, e-commerce transactions can now be authorised directly via Juice notifications, offering greater flexibility for customers on local e-commerce platforms, which encompass over 100 merchants. The introduction of the Prepaid Card functionality offers added convenience to clients.
- As part of our efforts to become more sustainable, we further promoted our Green Loan offer and are exploring new avenues for mortgage financing such as Container House, which are more affordable than traditional concrete houses.

Our flagship mobile application, MCB Juice has gained significant traction with more than 600,000 subscribers as at June 2024, including some 83,000 over the past year representing a year-on-year increase of 16%.

**Biometric login**

- faster login
- improved functionality

**PayPal**

- secure international transactions

**Investing functionality**

- on-the-go portfolio access
- overview of asset allocation and portfolio holdings

**Push notifications**

**Cardless withdrawal**

**Scan to Pay**



**Everyday banking**

- open additional savings/current accounts
- access bank accounts held with other local banks

**Bills payment**

**Account re-activation**

**Loan initiation, status & overview**

- swift approval and disbursement

**Bills presentment**

**Government Portal**

**Standing order**

### Diversifying our revenue base through synergies and cross-selling

- Leveraging market penetration and diversification opportunities, we promoted our adjacent products such as insurance and investment, capitalising on intra-Bank as well as intra-Group synergies. Our cross-selling efforts were underpinned by reinforced commercial capabilities, enhanced offerings and integration of analytical tools to drive better customer insights, which, *inter alia*, led to targeted solutions including bundling options for new or revamped segments such as MCB Junior.
- Our dedicated Outbound Team successfully contacted 22,000 customers during the year under review, achieving a conversion rate of 6%. Additionally, we pursued our efforts in promoting our NEO bundle through two tailored packages for the Mass Affluent segment, resulting in a penetration rate of 56% in that segment

### Building capabilities and upskilling

- We have further progressed with the automation of our customer journeys from front to back, particularly in our unsecured and secured lending processes, by capitalising on our technological infrastructure and our credit scoring model.
- We are also in the process of reviewing our operational structures by setting up a Middle Office to streamline operations, thereby enabling a greater focus on customer service. We have also implemented several initiatives to reduce turnaround time.
- Sales training has been extended to the branch network to boost our product retention rate, while customer service training was delivered across the Contact Centre and branches, aimed at enhancing customer service and improving onboarding. Furthermore, our contact centre management system has been migrated on the Cloud platform, thereby opening possibilities for the rollout of other enhancements and functionalities.

### *Private Wealth Management (PWM)*

#### Key clients

- Affluent individuals
- High Net Worth and Ultra High Net Worth individuals
- Domestic and international External Asset Managers & Financial Intermediaries such as fiduciaries, family offices and financial advisors

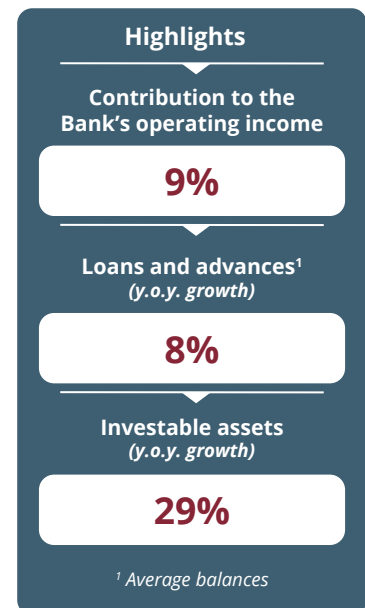
#### Strategic priorities

- Reinforce our domestic foothold and boost our international business development, with key focus on aligning our value proposition to client needs and market dynamics while strengthening our growth foundations
- Accelerate deployment of digital solutions towards enhancing customer experience and improving operational efficiency
- Foster quality relationships and uphold our brand image and visibility

#### Main initiatives and achievements during the year under review

### Enriching our client offerings and experience

- The Private Wealth Management SBU has further consolidated its domestic positioning by launching innovative investment solutions tailored to the evolving needs of its clientele as well as adapted to the evolving market dynamics and upcoming trends.
  - With a view to enhancing the appeal of Lombard credit facilities amidst a high-interest rate environment, the PWM SBU undertook a comprehensive refinement of these facilities, which involved the inclusion of more complex asset classes and investment products like structured products, specifically targeting international clients. We have also enhanced the competitiveness of our FCY loans as part of the review of our product offerings.
  - In line with global trends and reflecting the unit's commitment to entrenching sustainability principles as a key value driver alongside meeting the increasing demand for sustainability-linked investment options, ESG structured products were launched in collaboration with the Financial Markets unit. An ESG offering in high-end residential financing was also conceptualised to promote sustainable design, biodiversity conservation and job creation. Additionally, a 3-year MCB structured deposit linked to the MSCI Global Climate Change Multi-Asset Select Index was also introduced.



- The PWM SBU also focused on enhancing customer experience and expanding its wealth management services. The lounge at the Port Louis branch underwent a complete revamp to offer clients an elevated experience. Building on the recent access to client portfolios via the MCB Juice application, which allows for an aggregated view and detailed portfolio insights, the Bank launched Juice Trading. This new feature, being rolled out in phases, currently supports foreign market trading, offering a user-friendly interface, straight-through execution, near real-time market data, and features like a watchlist to enable the tracking of favourite securities and market order tracking, empowering clients to make informed investment decisions with ease.

#### Consolidating our growth enablers

- With the objective of promoting sound business growth, the unit has maintained continuous risk monitoring processes, underpinned by improved compliance mechanisms, ongoing review of internal guidelines and staff training.
- The Customer Relationship Management (CRM) platform was also enhanced to enable a global view of all asset holdings (including adjacent holdings with other MCB entities). This holistic overview of the client would enable us to better gauge preferences and devise adapted solutions to assist them.

#### Upholding our brand image & fostering relationships

- The PWM SBU reinforced the competitive positioning of MCB as a reference player in the region for premium banking and wealth management expertise, by pursuing expansion endeavours through its network of Representative/ Advisory Offices in Kenya, Dubai and South Africa and leveraging our business introducers and referrals in sub-Saharan Africa, Europe and MENA region. Concomitantly, we broadened interactions with External Asset Managers and Financial Intermediaries in these regions.
- Towards enhancing brand visibility and image, we hosted a series of events including golf tournaments, art exhibitions, and private wine tasting, amongst others. In particular, we hosted our flagship MCB Tour Championship which is a tournament of the European Senior Tour, ranking highly on the Staysure Tour calendar and is the most prestigious golf contest held in Mauritius. We also sponsored The Tenth Annual Wealth Briefing MENA Awards for Excellence 2023 event, held in Dubai, which recognises innovative products and services across the global wealth management industry in the MENA region.
- The PWM SBU collaborated with the Corporate and Institutional Business SBU on a series of 'Ateliers d'échanges', which is a dynamic platform for increasing knowledge sharing of teams' value proposition, perspectives, and fostering long-term partnership and synergies for international business development.

### **Platinum sponsor at the Juristconsult Investment Summit 2024**

- PWM SBU was the Platinum Sponsor at Juristconsult Investment Summit 2024 which featured six panel discussions, a keynote speech and networking opportunities and serves as a knowledge sharing platform with industry leaders.
- The event helped the team to engage with industry peers, experts, and visionaries to explore the latest trends and insights in ESG, Impact Investing, Artificial Intelligence, Fintech, Data protection, Dispute Resolution, the Mauritius International Financial, Administrative and Corporate Centre.





## Business Banking

### Key clients

- Micro enterprises (Less than Rs 10 million turnover)
- Small enterprises (Between Rs 10 million and Rs 30 million turnover)
- Medium enterprises (Between Rs 30 million and Rs 100 million turnover)
- Mid-market enterprises (Between Rs 100 million and Rs 250 million turnover)

### Strategic priorities

- Promote the growth of the local economy by connecting Mauritian entrepreneurs and facilitating their access to finance
- Improve customer experience through enhanced value offering and operational efficiency while promoting cross-selling and digital sales
- Encourage the migration to digital by promoting the adoption of digital payment solutions by merchants

### Main initiatives and achievements during the year under review

#### Consolidating our domestic market foothold

- Our 'Lokal is Beautiful' scheme has been revamped to provide accessible financing to enterprises, which are 'Made in Moris' certified or promote a SMART or CIRCULAR economy.
- We made further inroads with respect to merchant acquisition, successfully onboarding over 3,000 new merchants during the year under review while concomitantly promoting digital payments solutions, with a view to catalysing the shift to cashless alternatives. We are also boosting the use of our Business Banking debit cards through a loyalty and rewards program, with discounts on Amazon Cloud services, amongst others.
- We pursued our efforts to maintain a strong brand presence in the local community leveraging our SME Partners for incubator and accelerator programmes. For example, we sponsored the Turbine's Test Drive 10 with the Green Champion Award. We reinforced our connections with the MSME community on the back of our actions to boost the visibility of entrepreneurs and prominence of their businesses through a series of tailored events for our MSME community, namely PUNCH Meets and PUNCH Talks.

### 'PUNCH Meets' event – Responsible tourism

- Featuring insights from three panelists from the hospitality industry, the event concluded with a networking cocktail, allowing our customers to forge new connections, exchange ideas and explore collaboration avenues.



#### Enhancing our digital value proposition

- We leveraged our collaborative community digital platform, punch.mu, to generate synergies among local entrepreneurs, to increase financial literacy, enhance ecosystem value and strengthen community presence. It is gaining traction with more than 4,000 entrepreneurs (+30% compared to the previous year) and 175 growth partners registered as at June 2024.
- We continued to promote our dedicated mobile application MCB JuicePro, through commercial campaigns and feature enhancements including direct debit, standing order management and consolidated Account Position view.
- The back-end platform MONETA that hosts our end-to-end credit application, paved the way for the first end-to-end digital non-individual journey in the Indian Ocean. During the year, Express Overdraft registered a twofold increase in disbursement, while the new Express Loan offering gained prominence since its launch in October 2023. Total disbursement under these products amounted to Rs 340 million.

### Highlights

Contribution to the  
Bank's operating income

**6%**

Loans and advances<sup>1</sup>  
(y.o.y. growth)

**1%**

Deposits<sup>1</sup>  
(y.o.y. growth)

**17%**

<sup>1</sup> Average balances

### Reinforcing foundations for growth

- To upgrade service levels, several initiatives have been deployed to further improve the efficiency of internal processes. As a result, customer experience is being enhanced through simplified and less time-consuming processes as part of a roadmap to improve the customer journey.
- With a view to bolstering risk and compliance management, we undertook a comprehensive review of our end-to-end credit workflow, alongside efforts to enhance the review of the revolving facility process and develop an improved credit model tailored for Business Banking clients across micro, small and medium enterprises.

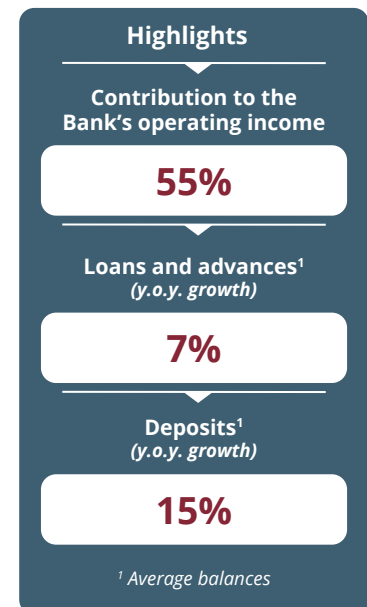
### Corporate and Institutional Banking (CIB)

#### Key clients

- Large Mauritian and regional corporate clients
- International corporates with specialised finance needs; entities within the energy and commodities (e.g. majors, traders and refineries) and power and infrastructure fields
- Global business companies, funds, trusts and foundations as well as other entities using the Mauritius International Financial Centre as a gateway for doing business or investing abroad, notably in Africa; private equity firms; investment and asset management companies; Government bodies and other multinational and pan-African corporates
- Financial institutions

#### Strategic priorities

- Uphold our market leadership on the domestic front as the pro-choice financier accompanying local corporates in their sustainability transition and growth ambitions
- Deploy targeted commercial strategies towards accompanying clients doing business in the Group's presence countries in collaboration with our overseas banking subsidiaries and associates
- Bolster our expansion strategy by enhancing proximity with clients and their ecosystem and expand our network of intermediaries and partners in the Mauritius IFC and other key international financial hubs
- Position MCB as a prominent provider of financing solutions geared towards helping clients achieve their sustainability and transition ambitions
- 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;
- Leverage our strong Power and Infrastructure franchise and explore opportunities to build our Metals and Minerals franchise to finance activities which are core to a successful energy transition
- Reinforce our coverage efforts with financial institutions across Africa to consolidate our syndication capabilities and strengthen our network with correspondent banks
- Boost transactional banking through adapted solutions
- Bolster customer service experience by ensuring a client-centric approach in our service delivery and providing high-end solutions, including innovative digital offerings



## Main initiatives and achievements during the year under review

The CIB SBU has been actively working on the development of its domestic and international client segments through new products and business strategies, with client centricity and people centricity at the core of its approach. The team has been supporting clients in their economic development, as well as in managing financial risks, including foreign exchange, credit, and interest rate risks, while also assisting them in their ecological transition. The SBU is also reinforcing internal capabilities, notably on the people front with the recruitment of key personnel including in our regional hubs to support business undertakings. Key initiatives taken across CIB SBU's four coverage teams and its product team are outlined below.

### Mauritian & Regional Corporates (MRC)

- Deeply engaged with our local corporate community, the MRC team worked closely with its corporate clients to gain a better understanding of their unique business needs and how the prevailing market dynamics impact their operations. This approach has allowed the team to offer bespoke solutions, enabling clients to seize opportunities, meet their strategic objectives and address some of their challenges and market uncertainties. In line with our sustainability objectives, the unit actively introduced and deployed tailored solutions with preferential conditions to its clients committed to making a positive impact in the ESG landscape of Mauritius. These initiatives not only support clients in their transition towards more sustainable practices but also contribute to broader national efforts in promoting environmental stewardship, social responsibility, and strong governance frameworks. By offering attractive conditions, we incentivise businesses to adopt green technologies, improve energy efficiency, and implement socially responsible practices, reinforcing our shared vision of building a more sustainable future.
- The unit leveraged its long-standing and proven track record to foster and deepen relationships with clients conducting or seeking to conduct business in Madagascar, Maldives and Seychelles where MCB Group has a physical presence. Through the strategic support of our Overseas Banking Subsidiaries located in these regions, we not only strengthened our foothold in these markets but also reinforced our ability to facilitate cross-border transactions, support regional growth, and enhance our clients' access to key opportunities in these dynamic economies.

### Acted as the Lead arranger for a local syndicated loan to UBP

- The transaction represents the first syndication in the domestic market, with six local banking institutions, including MCB, granting the loan.
- By facilitating this deal, MCB has not only demonstrated its capability in executing large-scale financial transactions but also reinforced its commitment to supporting the growth ambitions of its Mauritian corporate clients.



### Financial Institutions and Syndication (FI&S)

- The unit reinforced its engagement and collaboration with Development Finance Institutions (DFIs), as part of its effort to accompany the Bank's sustainability agenda. The FI&S team further collaborated with Proparco on extending financing guarantees and credit lines to banks in developing regions, particularly in Africa, in a bid to boost intra-African trade and reinforce the Bank's commitment and contribution to sustainable development.
- The unit also expanded on MCB's Bank of Banks coverage through increased cross-selling efforts with African banks while at the same time strengthening our business relationship with correspondent banks.
- The FI&S team also actively participated in local and international events to enhance brand visibility, including the 2024 Bonds, Loans & Sukuk Middle East conferences in Dubai and Cape Town, and the "Women in Green Technologies" forum organised by the US Embassy in Mauritius.

### USD 120 million unlocked for climate finance

- Proparco and DEG provided MCB with a loan of up to USD 120 million to support the Bank in its ambition to unlock further opportunities to finance climate mitigation, adaptation and climate resilient measures.
- This new investment continues the success of the AFD Group's SUNREF lending programme, which has been active in Mauritius since 2009. This transaction also marks the fourth joint operation between Proparco, DEG and MCB, which is testimony to the long-standing relationship between these institutions.



### First USD 400 million sustainability-linked syndicated term loan

- The FI&S team also contributed to the Bank successfully signing its first sustainability-linked syndicated loan (SLSL), in the order of USD 400 million. The Bank's successful closing of this facility underscored its commitment to fostering sustainability, addressing climate change, and promoting gender equality. The facility attracted 24 banks and investors in Europe, Middle East and Asia.



#### Specialised Finance

- Building on our established track record, our team of experts within the Energy and Commodities segment further consolidated our Oil and Gas franchise while gradually shifting focus towards the growing gas market. We continued to develop and nurture a strong network of world-class oil and gas operators and traders present in Africa while promoting our unique value proposition and brand as a reliable and trusted solutions provider. The Energy and Commodities segment also remains committed to diversifying its portfolio with cleaner fossil fuels while strategically exploring opportunities in the metals and minerals industry, with a particular focus on base metals which are key for the global energy transition.
- With regard to the Power & Infrastructure segment, we continued to provide support to the best-in-class players for their infrastructure investments within key geographical markets and contributing to the transition towards cleaner energy and improving electrification rate on the continent. In addition, MCB participated in the 2024 Africa Energy Forum (AEF), held in Barcelona, which centered on the theme "Energy Systems of the Future – Balancing Africa's Needs with Global Goals" a critical discussion in the evolving energy landscape. The panel explored the significant impacts of high inflation and interest rates on power projects across Africa and the innovative structures stakeholders are adopting to mitigate these challenges.

### Participated in Aéroport International Blaise Diagne (AIBD) senior secured syndicated facility

- MCB was one of the main lenders in the EUR 300 million Senior Secured Syndicated Facility raised by AIBD. The facility was structured into 2 tranches – A Euro Tranche (EUR 100 million) and a local currency tranche (EUR 200 million).
- These facilities will be used to continue developing the Blaise Diagne International Airport, which includes enhancing the annual passenger capacity by 40% to over 5 million by 2035, the construction of a cargo terminal, and to the renovation of various domestic airports.



#### Global and International Corporates (GIC)

- Notable inroads were made towards establishing MCB as the core banking partner for private equity and capital funds, strategically positioned multinational corporations, and large enterprises seeking to expand into African and Asian markets, while capitalising on business opportunities through the Mauritius IFC but also increasingly through other international financial hubs.
- The unit actively deepened and broadened its partnerships with fiduciaries and other intermediaries both in Mauritius and across different key African, European and Asian markets.
- The unit has also enhanced its ability to deliver a bespoke value proposition tailored to the complex needs of its diverse corporate client base, with robust support from the product houses of the organisation, including the Financial Markets SBU, as well as the Cash & Business Solutions and Trade Finance units within the CIB SBU.
- The GIC team actively advanced on its branding and visibility efforts by sponsoring pivotal events for its target clients such as the Africa Venture Capitalist Association (AVCA) Forum in Lagos, while also pursuing its own thought leadership efforts. Indeed, the MCB Business Series was introduced by the team, which aimed at rallying industry leaders and clients around critical business themes. The inaugural edition was held in Mauritius, in collaboration with the Financial Markets team, and was followed by a second edition in the 4<sup>th</sup> quarter of the financial year in the Dubai International Financial Centre (DIFC) where representatives from over 100 major corporations, legal firms, and fiduciaries collectively reflected on how to address challenges in doing business across African corridors.

### Served as the sole financing provider for Adenia – one of the biggest private equity investors in Africa

- As part of our tailored financing solutions provided to Funds clients, MCB has extended a Subscription Finance Facility to Adenia Partners' fifth fund.
- The transaction was structured by leveraging the long-standing business relationship with the Bank, the Fund's impressive momentum and the quality of its responsible investors, while providing Adenia with the required bilateral support for the fund's forthcoming investments.



### One of the Mandated Lead Arrangers on a listed UK-based telecom company

- MCB acted as one of the Mandated Lead Arrangers on a listed UK based tower telecommunications company, committing a ticket size of USD 110 million, with the purpose of re-financing existing indebtedness of the company and for general corporate facilities.
- The total syndication closed at USD 600 million. This was the first of a kind for MCB in this space on the international market.



#### Global Transaction Banking

- The unit actively promoted its Global Trade Portal by extending access to users across our presence countries Madagascar, Seychelles and Maldives. The Portal goes beyond information-sharing by providing a one-stop-shop platform for identifying best international trade opportunities and connecting more than 9,300 clients to over 1 million potential business partners worldwide, while better navigating the complexities of international trade regulations.
- Further reinforcing our proven commitment towards contributing to environmental protection and socioeconomic development, we actively promoted our Sustainable Supply Chain finance scheme, which allowed our customers to incorporate new eco-friendly practices in their way of doing trade. We have also more recently developed a Sustainable Trade Finance facility dedicated to the trade of sustainable equipment and successfully launched our first triangular supply chain finance offering. More specifically, leveraging synergy between MCB Ltd and MCB Madagascar and the core offerings of the MIFC to influence intra-Africa trade, MCB Ltd financed this deal which involved three parties, an end-buyer in Madagascar, a well-reputed firm in the Mauritian Global Business sector and a well-known company in the food and agribusiness from Indonesia as the end-supplier.
- The unit also hosted the second edition of our Trade Week series, entitled "Enabling African Trade Growth with a Sustainable Lens," which offered a deep dive into the complexities and potentials of the African trade landscape. The event featured a series of conferences, training sessions, and masterclasses dedicated to the subject of Global Trade, with the collaboration of Dr. Rebecca Harding, an expert in the field, sharing her valuable insights to the audience.
- Reaffirming our pledge to provide our corporate customers with the most innovative and customer-centric solutions to remain at the forefront of digital finance, we completed the successful migration to our new IBPro and increased our flexibility through new cut-off times for transfers in USD, EUR and GBP on Internet Banking. Furthermore, our digital platforms have been ring-fenced to create greater digital resilience but most of all to protect our customers' transactions.

### Product houses

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In the conduct of their business development initiatives, business lines have reinforced capabilities and continued to leverage synergies between their coverage teams and product houses, such as the Financial Markets and Payments SBUs, as well as other units across the organisation to maximise their share of wallet across business segments whilst co-creating customer solutions and business value proposition.

- Following on some of the strategic initiatives undertaken in the previous year, the Financial Markets SBU further ramped up its value proposition with the deployment of structured and be-spoke solutions aimed at helping clients hedge their positions across asset classes, namely interest rates, foreign exchange and commodities. Additionally, the SBU also helped clients achieve their ESG ambitions through the development of sustainability-linked financial instruments in line with the Bank's over-arching "Success Beyond Numbers" purpose. On the Trading front, the team has made great strides towards becoming a prominent player in G-10 currency trading in the region, leveraging technical, fundamental expertise and specialisation in currency trading. The team has also extended its trading capabilities to other asset classes prudently, whilst adhering to sound risk management principles. On the Coverage front, the team has optimised its structure and has significantly increased its presence on the ground through active recruitment, enabling more fruitful client engagement both locally and in foreign markets in collaboration with the different business lines across the organisation. The Securities Services segment of the Financial Markets SBU successfully collaborated with the coverage teams to explore new horizons and prospective new clients. The team further cemented its leadership position in Mauritius with over 55% of local custody assets and more than 85% of local custody trades. The SBU also made inroads in increasing its digitalisation means and reducing manual interventions.
- In line with the Bank's goal to transform Mauritius into a cash-lite society, the Payments SBU further encouraged the use of its secure and convenient digital channels, enabling clients to conduct transactions anytime, anywhere. The diverse enhancements brought to MCB Juice have contributed to boost the number of Juice subscribers and transactions. The unit has also actively supported the growth of SMEs by providing them with tailored digital payment solutions, fostering financial inclusion and business expansion. In FY 2023/24, more than 2,000 mPOS devices were deployed, and over 13,000 debit cards were issued to SME customers.

## MCB Madagascar

### Financial performance



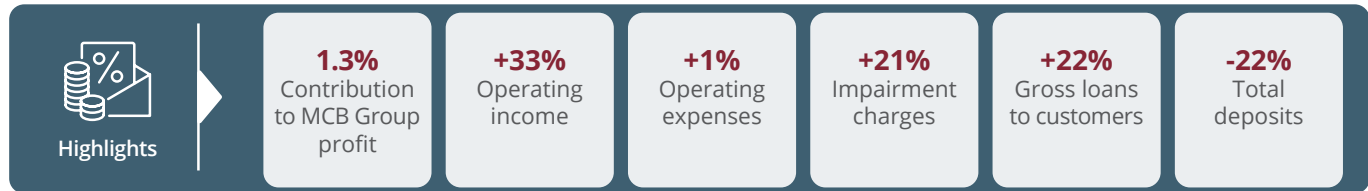
On the funding side, whereas a contraction was noted in the deposits book owing to competitive pressures and tightening of the monetary policy, borrowings expanded to support growth endeavours. Liquid asset to deposit ratio remained comfortable at around 60%. All in all, net interest income registered a strong expansion of 49%, contributing to a rise of 16% in operating income, after factoring in a decrease in forex income as well as in net fee and commission income following a fall in cards and trade finance related fees. As for operating costs, they grew by 15%, mainly driven by an increase in staff costs as well as in administrative expenses. Combined with the significant rise in impairment charges to MGA 15.3 billion (Rs 155 million) comprising mainly specific provisions, this contributed to a reduction in attributable profits which stood at MGA 8.1 billion (Rs 81 million). As a result, MCB Madagascar contributed Rs 73 million to MCB Group profits for the year (FY 2022/23: Rs 118 million).

### Main initiatives and achievements

MCB Madagascar pursued its efforts to consolidate its positioning in established market segments alongside promoting market visibility through targeted marketing campaigns and participation in conferences. The bank capitalised on enhanced synergies with the Mauritian and Regional Corporates unit of MCB Ltd for co-financing initiatives for the benefit of corporate clients. In the retail segment, the bank's value proposition was enriched through the partnership with MVola which enabled bank-to-wallet integration that allows customers to conduct transactions from their mobile wallet securely while new features were added on MCB Juice mobile banking application such as account statements and card companion. These initiatives helped to increase the customer base of MCB Madagascar. To reinforce client access and support its business development objectives, the bank also expanded its footprint with the opening of a new branch in Sambava, taking the total network to 15 branches. To promote a sound execution of its business strategy, MCB Madagascar has bolstered its risk management framework by establishing dedicated units and implementing new processes to ensure alignment with Group standards. Compliance has also been strengthened through the implementation of new technological tools for AML monitoring and a comprehensive KYC update exercise.

## MCB Maldives

### Financial performance



While gross loans and advances of MCB Maldives increased by 22% on the back of various lending initiatives, the deposits book, comprising mainly demand deposits from corporates, posted a decline following outflows by some big players mainly in USD terms to meet their transactional needs as well as reflecting heightened competition. However, the liquid asset to deposit ratio remained comfortable at some 90%. In line with an efficient management of excess liquidity, the unrestricted balances with Central Banks decreased markedly while investments in US government securities and top rated foreign corporate bonds registered a growth of 14%. These movements contributed to an expansion of 52% in net interest income, resulting in an increase of 33% in operating income. With operating expenses growing by only 1%, attributable profits for the year reached MVR 68 million despite higher specific provisions leading to impairment charges standing at MVR 20 million. The contribution of MCB Maldives to Group results therefore increased to Rs 203 million in FY 2023/24 (FY 2022/23: Rs 134 million).

### Main initiatives and achievements

MCB Maldives sustained its support to corporates across economic sectors, helping them cope with the challenging operating context. The bank implemented a robust contact management strategy for corporate clients, ensuring optimal service levels to strengthen its competitive positioning. Similarly, a new business development manager was recruited and the bank also developed an in-house tool for forecasting client income and transaction volumes to help provide customised solutions. Brand visibility was promoted with MCB Maldives being an Associate Sponsor for the Maldives Finance Forum 2024. The event, which is the largest annual gathering of financial institutions, focused on pension sustainability and highlighted the bank's role in addressing key financial issues in the country. Additionally, in line with the roll-out of the Group's risk culture campaign, an IT security awareness campaign was run for all bank staff while enhanced synergies were leveraged to foster alignment on risk and compliance matters within the Group.



## MCB Seychelles

### Financial performance



MCB Seychelles' gross loans to customers as well as deposits maintained their progression, posting growth rates of 3% and 9% respectively. Placements with banks increased and investments in foreign bonds posted a notable rise as the bank endeavoured to deploy its excess liquidity. As such, net interest income improved by 13%, contributing to a growth of 6% in operating income, with higher forex income resulting from an upsurge in turnover being offset by a decline in net fee and commission income mainly attributable to a fall in cards and related fees. The results were further eroded by a 14% rise in operating expenses, arising mainly from increased staff costs. After factoring in higher impairment charges which attained SCR 21 million, attributable profits for the year declined to SCR 161 million. However, excluding a one-off adjustment relating to retirement benefit obligations pertaining to previous years, results would have improved by 3%. Overall, the contribution of MCB Seychelles to Group profits stood at Rs 529 million (FY 2022/23: Rs 580 million).

### Main initiatives and achievements

MCB Seychelles pursued its business growth, while enriching its value proposition. The number of subscribers to its MCB Juice platform rose to 18,000 by end of FY 2023/24 backed by an upgraded platform and new features added. The bank fostered greater brand visibility through the participation in and sponsorship of various events. It organised a first Trade fair in Seychelles and ran trade finance workshops with the collaboration of teams from MCB Ltd to strengthen client relationships and promote trade solutions. The bank also launched a VISA Olympic Promotion campaign, aimed at further boosting the usage of cards either online or on POS terminals and encouraging a shift from cash to card payments. On the operational front, an appointment system for onboarding customers was set up to reduce waiting times, while a new card tracking system was introduced to improve service delivery across branches. Capacity building was also fostered with the bank launching a dedicated training for all front liners as part of its commitment to equip them with the necessary skills. As part of the talent management program and succession planning for the bank, the 'Lead With Impact' Course was launched. A Group Career Architecture aligned with MCB Group standards was also introduced, providing employees with clearer career paths. Moreover, as from July 2024, a new Managing Director (MD) was appointed in MCB Seychelles in replacement of the former MD who has been called upon to take other responsibilities at the level of MCB Ltd.

## Banque Française Commerciale Océan Indien (BFCOI)

With both loans and deposits of BFCOI registering a slight drop, operating income witnessed a contraction of 3% compared to the previous year, mostly driven by a fall in net interest income. On the cost side, operating expenses declined slightly, provision for loan losses increased significantly to EUR 9 million as compared to FY 2022/23 when notable recoveries led to releases in ECL. As such, profits attributable to shareholders dropped to EUR 12 million (Rs 613 million), with MCB Group's share of profits in BFCOI results amounting to Rs 306 million for the year (FY 2022/23: Rs 489 million). Of note, BFCOI remained well capitalised, with Tier 1 ratio and capital adequacy ratio of 13.4% and 15.6% respectively, which are above the minimum regulatory requirements of 9.5% for Tier 1 ratio and 11% for capital adequacy ratio.

## Non-banking financial cluster

### MCB Capital Markets Ltd and its subsidiaries (MCBCM)

In FY 2023/24, MCBCM's consolidated revenues amounted to Rs 626 million (FY 2022/23: Rs 566 million) while its contribution to Group profits stood at Rs 340 million compared to Rs 317 million for FY 2022/23. Results were driven primarily by an increase in the size and margins of its credit-linked notes portfolio, improved performance by its stockbroking activities and the strong assets under management.

#### *Corporate Finance Advisory*

The Corporate Finance Advisory business completed twelve debt capital market transactions for an aggregate value of approximately MUR 16.5 billion. The revenues generated for the year were lower than FY 2022/23, which included certain exceptional revenues.

During the financial year, we focused on developing and building our sustainable finance advisory business. In this respect, MCB Financial Advisors was the first Mauritian entity to become a full member of the International Capital Markets Association (ICMA) and 10 of our employees successfully completed the ICMA *Introduction to Sustainable Bonds* course, reflecting our commitment to staff training.

The team achieved a key milestone with the issuance of the first Green Project Bond: MCB Financial Advisors acted as arranger and sustainable finance advisor to EnVolt on its MUR 510 million inaugural bond issue as part of a MUR 2 billion Multi Currency Green Bond Programme. It is the first time in Mauritius that a renewable energy project is financed by a green bond under the standards of the ICMA. FSD Africa provided technical assistance while Morningstar Sustainalytics conducted an independent review of the instrument.

Another landmark during FY 2023/24 relates to a sell-side M&A transaction, where our team advised the shareholders of Somagaz, the largest importer and distributor of domestic LPG in Mayotte, on the disposal of their shares to Vivo.

Looking ahead, our advisory business will be oriented increasingly towards Africa related transactions, where we believe we can draw upon our experience in Mauritius to help develop the local currency debt capital markets in Africa while continuing to focus on service excellence and the development of the sustainable finance markets in Mauritius. The development of local currency debt capital markets is particularly important in the current context, where it has become relatively more expensive and challenging for African borrowers to access financing in hard currencies. In parallel, we will continue to advise existing and new clients on their financing strategy and on M&A transactions, both locally and across the continent. The team remains committed to delivering tailored financial solutions that meet evolving client needs in a dynamic market environment.

#### *Investment Management*

For 2023/24, fee income from investment management reached Rs 240 million compared to Rs 215 million in the preceding year. This growth is primarily attributable to favourable market conditions whereby foreign equities saw a notable increase of approximately 24% while the local market experienced a 13% rise. Fixed income market continued to feel the impact of "higher-for-longer" interest rates globally.

One of our main challenges during the year in review was linked to the relatively tight foreign exchange market and MUR came under pressure versus the USD and EUR. This affected our ability to execute non-domestic investment strategies efficiently by limiting our investment options and forcing us to adapt our strategies to available resources.

In April 2024, we successfully launched the MCB USD Short Duration Fund. This fund is designed to offer short-term USD liquidity management with a daily dealing facility, catering to clients with a minimum investment of USD 100,000. We also re-engineered our range of collective investment schemes in response to evolving investor needs and risk appetite given the volatile market conditions that prevailed for most of the year.

Looking ahead, financial inclusion and foreign expansion will be focal points. We plan to promote investment education among a relatively younger generation of investors while improving customer experience through enhanced technology, ensuring that our products are accessible to a broader range of investors. Whilst appetite for frontier investments remain timid but improving in the face of rate cuts globally, we will aim to improve distribution among USD based investors both on and offshore.

### *Stockbroking*

Amidst a challenging environment, exacerbated by timid foreign participation in line with the general trend noticed in frontier markets and local investors reducing their allocation to MUR-denominated assets, MCB Stockbrokers had a buoyant year which saw revenues reaching new highs, with a surge of more than 20% after crossing the Rs 100 million mark for the first time in FY 2022/23. These results can be attributed to the company's ongoing strategy to build sustainable revenues from its different lines of business whilst reinforcing its position as the market leader. Income from its trading activity witnessed a solid growth of 31% over last year, in spite of trading volumes on the local stock exchange being under pressure for the second year in a row and witnessing a sharp 28% decline over the previous year (after adjusting for one-off large trades linked to corporate restructurings). The company won and successfully handled three sizeable IPO mandates (including one major equity capital raise) during the year. With a view to providing its clients with an enhanced user experience and facilitating access to investment products and services, the company embarked onto a major digitalisation of its processes and successfully launched a paperless subscription portal solution. Going forward, Management's efforts will be focused on growing revenues, redefining client experience to provide best-in-class solutions to investors and ensuring employees' wellness and engagement so as to increase shareholder's value.

### *Registry & Transfer Agent*

MCB Registry & Securities delivered a solid financial performance with income rising by 13%, while profits demonstrated a notable growth of 11% to Rs 30.4 million. These results were driven by high volumes of corporate activity during the year. Recurring costs increased by some 10% primarily due to recruitment efforts and higher salary costs. Despite the prevailing shortages in the labour market, the company successfully attracted good talent and remains committed to further strengthening its human capital through training. Going forward, digitalisation will play a key role in ensuring operational efficiency and sustained growth.

### *Private Equity*

MCB Equity Fund is the MCB Group's USD 100 million evergreen fund that provides expansion capital to established businesses in Africa. The core strategy of the fund is to co-invest in equity and quasi-equity alongside reputable partners, including development finance institutions, private equity firms, family offices and strategic investors. The fund is flexible in its evaluation of investment opportunities, specifically with regard to criteria such as target countries and sectors, ticket size and investment horizon.

FY 2023/24 has been marked by continued volatile macro-economic conditions, specifically rapid inflation and high interest rates triggered primarily by geo-political events. This has resulted in subdued appetite for frontier market investments and limited exit options for private equity. Against this background, the fund manager adopted a cautious approach and focused its efforts on realising existing investments and re-investing the proceeds wherever possible. Our team continues to monitor the key themes that have been shaping the private equity landscape on the continent and are actively evaluating new opportunities in the green/sustainable space. MCB Equity Fund generated a loss of Rs 130 million for FY 2023/24 (FY 2022/23: Profit of Rs 74 million) linked mainly to marked to market fair value losses resulting in a slight reduction in Net Asset Value to Rs 3.8 billion at year-end.

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### MCB Leasing Ltd

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As part of MCB Leasing's digital transformation journey, the company has pursued initiatives to integrate technology into its business processes and create new opportunities for growth and efficiency. This led to the successful implementation of a new cutting-edge core leasing software. Amidst a year of transition and challenged by the emergence of new competitors, the lease portfolio of MCB Leasing grew slightly by 1%, across both the finance and operating leases portfolios, to reach Rs 4,423 million (FY 2022/23: Rs 4,392 million) whilst the deposit book expanded by 8% to Rs 4,251 million (FY 2022/23: Rs 3,952 million) amidst the excess liquidity in the market. Correspondingly, total operating income increased by 2% year-on-year. At the same time, operating expenses experienced an increase of 11% principally explained by further investments in human capital and additional depreciation charges on the back of the growth in the operating lease portfolio. Overall, with reversals of impairment losses of Rs 20 million, the company achieved a net profit after tax of Rs 62 million for the year ended 30 June 2024 (FY 2022/23: Rs 91 million).

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**MCB Factors Ltd**

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MCB Factors Ltd is positioned as a prominent player in the field of factoring in Mauritius. It provides funding to clients against assignment of trade receivables as well as full sales ledger administration of the debtors book. Both recourse and non-recourse factoring are offered, the latter implying protection against debtors' insolvency. The year under review has seen a growth of 12% in assignment of invoices to the company, while contribution to Group results grew by 11% to reach Rs 39 million. Pursuant to the volatile economic environment, notable emphasis has been placed on enhancing risk management by the continuous investment in specialised training and by leveraging the usage of data and tech in trend and predictive analysis.

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**MCB Microfinance Ltd**

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As part of MCB Group's pledge to fostering the financial inclusion and empowerment of small entrepreneurs, MCB Microfinance Ltd was launched in July 2016 as a wholly-owned subsidiary of MCB Group Ltd. Its aim is to facilitate access to business loans for micro-enterprises and self-employed individuals. Clients have access to three types of micro-loans: (i) working capital loans, which aim at meeting the working capital needs such as raw materials or stock; (ii) investment loans, which are targeted to meet the capital spending requirements of businesses; and (iii) since October 2020, start-up loans to help for the setting up of a micro-enterprise. The entity lays key emphasis on customer proximity, with its Relationship Officers dedicated to spending adequate time on the field to duly understand the characteristics and requirements of clients and offer them customised solutions that suit their repayment capacities. Since inception, MCB Microfinance has disbursed some 7,175 loans, corresponding to a gross amount of Rs 1,529 million, of which 52% relate to investment loans. Since the creation of its office in Rodrigues in March 2017, around 702 micro-loans have been disbursed, corresponding to a gross amount of Rs 112 million. As at 30 June 2024, MCB Microfinance's loans stood at around Rs 420 million, while a loss of Rs 14.1 million was recorded, which includes a one-off adjustment of Rs 12.0 million in relation to deferred tax asset (FY 2022/23: loss of Rs 0.9 million).

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**MCB Real Assets Ltd**

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MCB Real Assets Ltd owns 93.4% in Compagnie des Villages de Vacances de L'Isle de France Limitée (COVIFRA), owner of the Club Med hotel resort located at Pointe aux Canoniers, Mauritius. The resort, a 394-key property is located on one of the prime beach spots of Mauritius and is managed by Club Med under a long-term lease agreement. Total contribution of MCB Real Assets Ltd to Group results was Rs 209 million (FY 2022/23: Profit of Rs 213 million). The reduction in profit is attributable to higher EURIBOR rates which impacted the cost relating to debt servicing in FY 2023/24. Following the company's debt restructuring in April 2024 and an expected reduction in Eurozone interest rates, we anticipate that the company's interest expense will fall in the coming financial year.

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**Credit Guarantee Insurance Co. Ltd**

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This associate, in which MCB has a 40% stake, is a joint venture with La Prudence Holding and provides credit insurance services to its customers by ensuring protection in respect of their trade receivables. For the year ended 30 June 2024, the contribution to Group results stood at Rs 14 million.

## Other investments cluster

The challenging operating environment impacted the performance of some entities in the cluster whilst the Group sustained its involvement in Corporate Social Responsibility and philanthropic activities. A summary of the performance of key entities is provided below.

### *Fincorp Investment Ltd*

Fincorp Investment Ltd (Fincorp) is an investment company which is listed on the Official Market of the Stock Exchange of Mauritius. Its financial performance is directly correlated to its main investments, namely MCB Leasing Ltd, a wholly owned subsidiary offering both finance and operating lease services, and Promotion and Development Ltd (PAD), an investment company listed on the local stock market in which Fincorp has a 46.4% stake.

Fincorp recorded a consolidated profit after tax of Rs 299 million for the financial year ended June 2023 compared to Rs 360 million in the previous year, reflecting a drop in results of MCB Leasing Ltd and dampened performance at the level of PAD. The contribution of PAD to Fincorp's results decreased from Rs 300 million in FY 2022/23 to Rs 261 million this year. This is explained mainly by a reduced profitability of its subsidiary, Caudan Development Ltd (Caudan) whose results were impacted by higher repairs and maintenance costs and bad debt provisions as well as a slightly lower contribution from its associates.

### *MCB Consulting Services Ltd (MCBC) and MCB Institute of Finance Ltd (MCBIF)*

In response to challenges arising from both internal and external factors, MCBC and MCBIF are currently undergoing a restructuring, while the team is focusing primarily on delivery, stakeholder engagement, and project management. During the year under review, the 2 companies recorded a loss of Rs 373 million.

### *MCB Forward Foundation (MCBFF)*

MCBFF is the Group's dedicated vehicle responsible for fulfilling its engagement as a caring corporate citizen. Essentially, its vision is to be instrumental in the creation of sustainable value for the social, environmental and economic well-being through the provision of human, logistical and financial resources in support of specific corporate social responsibility initiatives. For FY 2023/24, an aggregate amount of around Rs 67.7 million was entrusted to MCBFF, of which Rs 57.4 million was spent on 22 projects, with 19 still ongoing. Approximately 87% of the funds were allocated to socioeconomic development, with the remaining portion attributed mainly to education, environment and sustainable development.



**Jean Michel NG TSEUNG**  
Group Chief Executive

