



Africa Investors' Conference

(London, 25-27 June 2019)

➤ **Overview of MCB Group**

➤ **Strategic orientations**

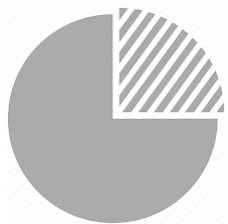
➤ **Outlook & Performance**

➤ **Appendix**

Overview of MCB Group

Established some 180 years ago...

MCB Group is an integrated banking and financial services player



No. 1 on local bourse
Market share ~ **26%**



Market capitalisation
~ **USD 2 bn**



Broad & diversified base
> **20,000** shareholders



Total assets
~ **USD 13 bn**



Workforce
> **3,400**



Customers
> **1 million**

Rankings

The Banker Top 1000 World Banks (July 2018)



Among the
Top 1000 Banks
(in terms of Tier 1 Capital)



In Africa



In East Africa

Financial soundness

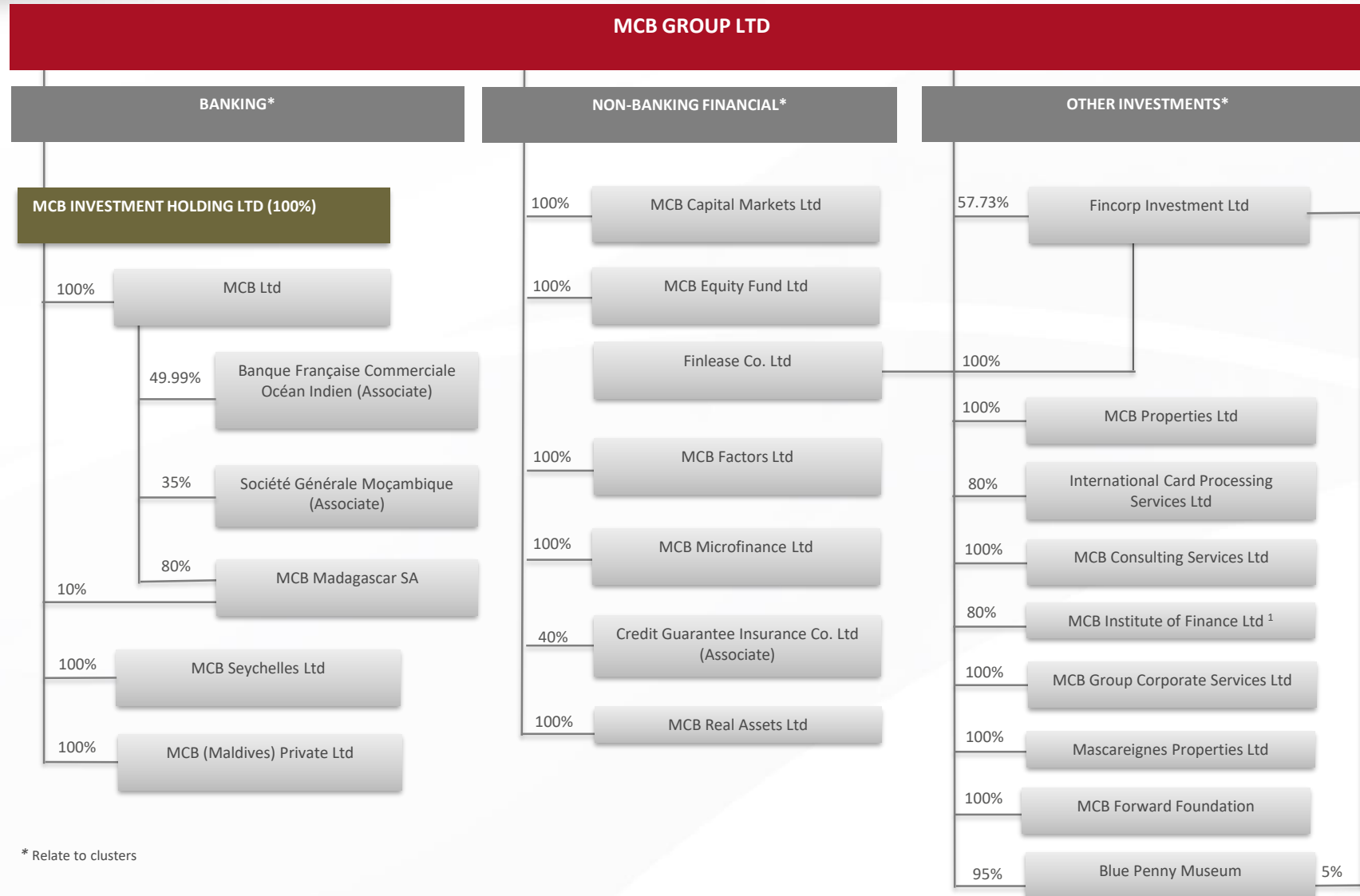
Return on assets: 79th

Capital assets ratio: 119th

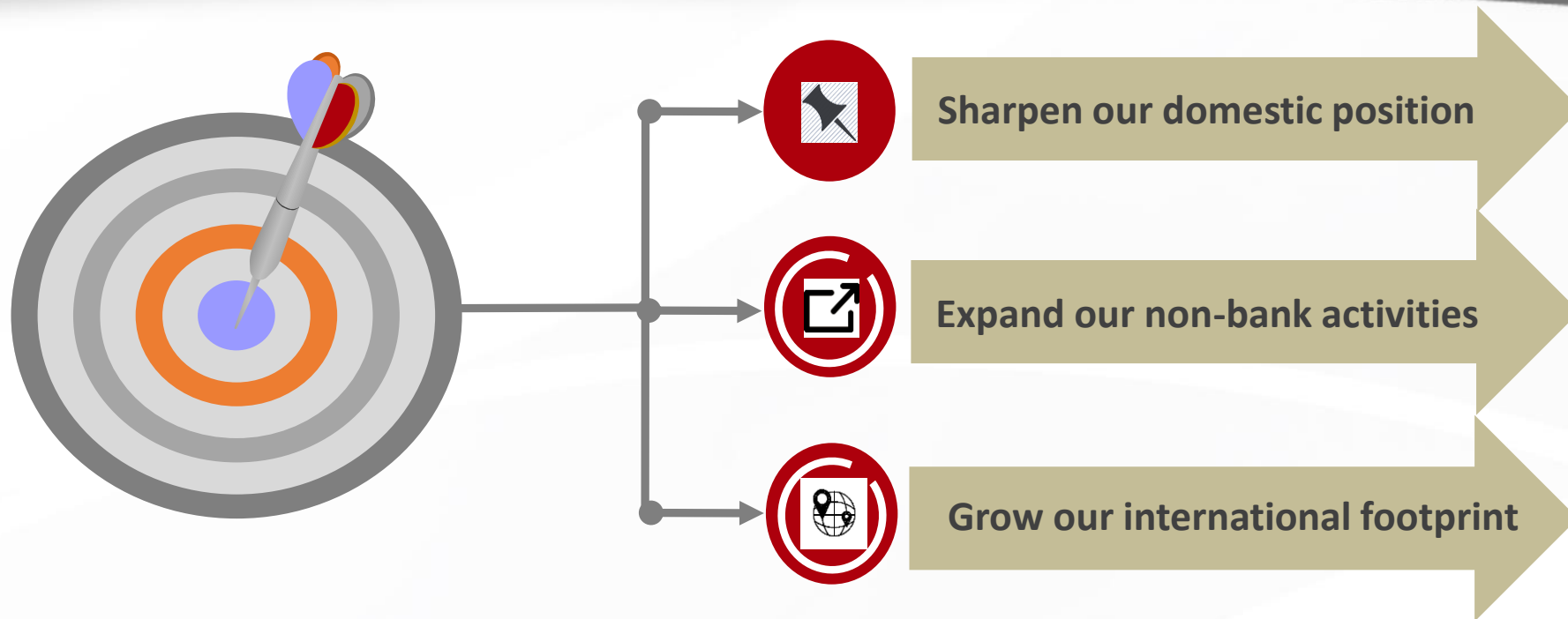
Profit on capital: 180th

Credit Ratings

MCB Ltd		
Agency	Long term/Short term	Outlook
Moody's	Baa3/P-3	Positive
Fitch Ratings	BBB-/F3	Stable



Strategic orientations



Key success factors for sound and balanced business growth

Competent execution

Strong customer focus

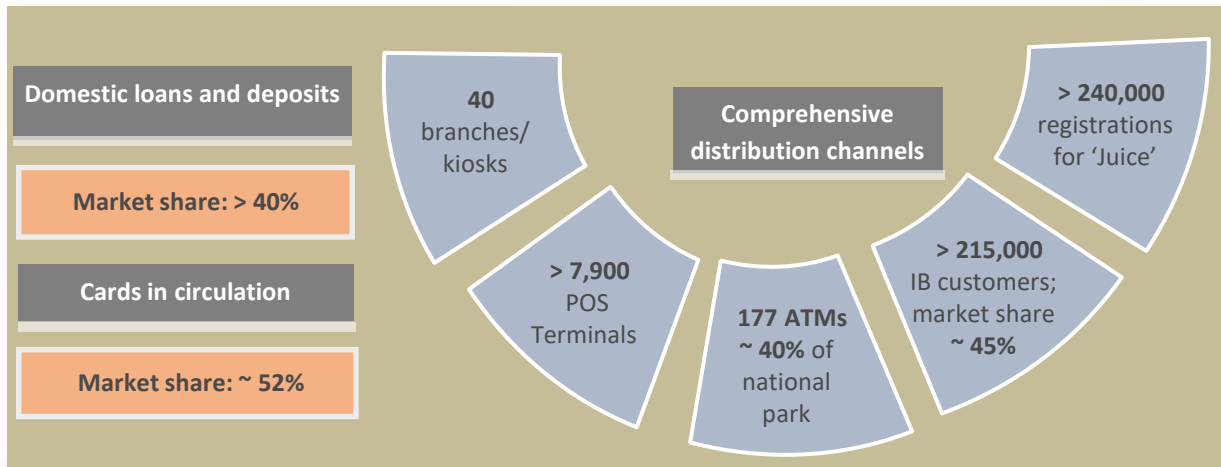
Operational excellence & agility

Technical expertise

Robust risk & compliance framework

Sound financial strength

Our positioning



Mobile banking application 'Juice'



Enabled with broadened functionalities and an enhanced interface



POS Terminals equipped with additional functionalities



Housing loan campaign

Key strategic focus areas

- Enriching value proposition across market segments & deepening of customer relationships and services
- Widening the use of digital technology for simplified customer experiences
- Underpinning the development of small and medium enterprises

Recent developments

- Pursuit of our retail business expansion; extended mortgage involvement; adapted solutions offered across individual segments
- Sustained support provided to SMEs and larger corporate clients, with dedicated assistance in their growth and capacity building endeavours
- Signature of a third line of credit with respect to the provision of 'Green loans' with Agence Française de Développement
- Enhanced client interactions vis-à-vis global business entities, trusts and foundations
- Bolstering of our private banking and wealth management proposition, backed by capacity-building initiatives and enriched value proposition
- Extension and modernisation of channel capabilities and pursuit of digital transformation

Our positioning

MCB Capital Markets

15 dedicated funds
7 structured products

AUM: ~ Rs 30 billion
(~USD 840 million)

Major player in **leasing**
and **factoring**

ICPS Ltd (cards
outsourcing services)
operating in
16 countries

MCB Consulting services Ltd

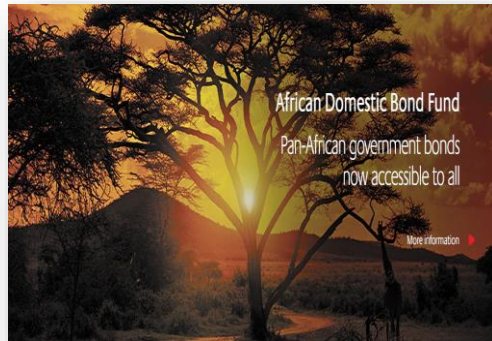
Providing business
solutions in more
than **30** countries

Key strategic focus areas

- Widening our market involvement
- Enriching and adapting our value proposition across segments
- Leveraging brand franchise and distribution capacity

Recent developments

- Reinforced positioning of MCB Capital Markets Ltd in Mauritius and in the region
 - ✓ Diversified product offerings
 - ✓ Established itself as a leading transaction advisor and arranger in respect of corporate finance on the domestic scene
 - ✓ Continued build-up of assets under management
- Growth in business activities of MCB Microfinance, supported by enhanced client relationships
- Launch of the MCB Institute of Finance, offering training in the banking and finance field



Launch of the African Domestic Bond Fund in September 2018



MCB Capital Markets acted as sole Transaction Advisor to Teyliom International in April 2019

Our positioning

Presence

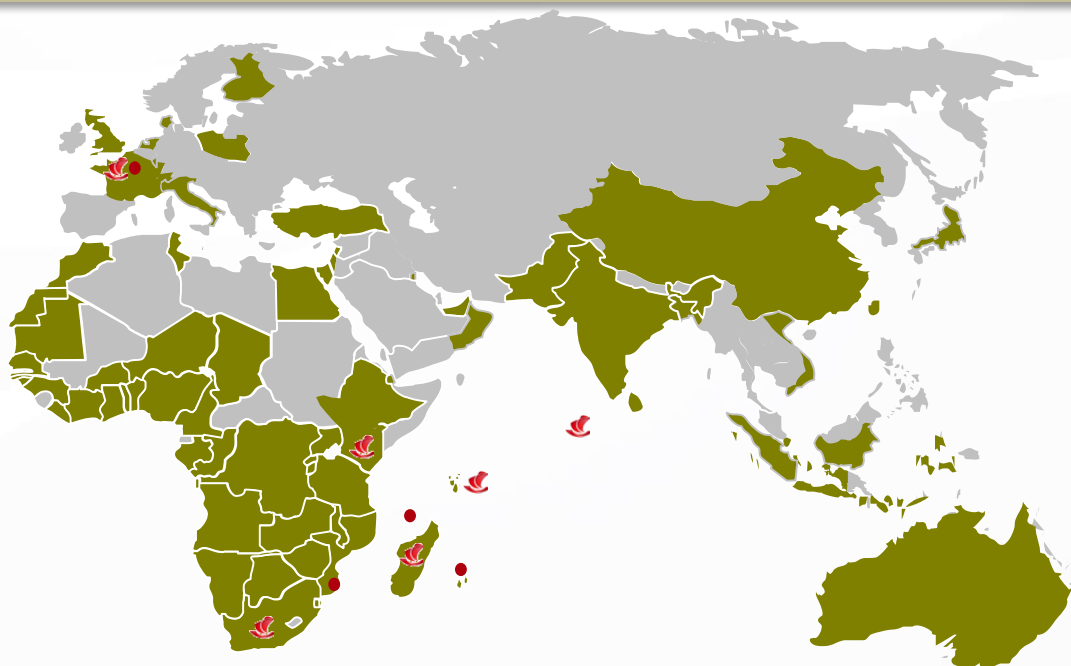
9 countries
outside Mauritius

Correspondent banks

> 1,150
including ~ 200 in Africa

'Bank of Banks' initiative

~ 55 clients serviced in
FY 2017/18



Overseas subsidiaries/
Rep. Offices

● MCB associates

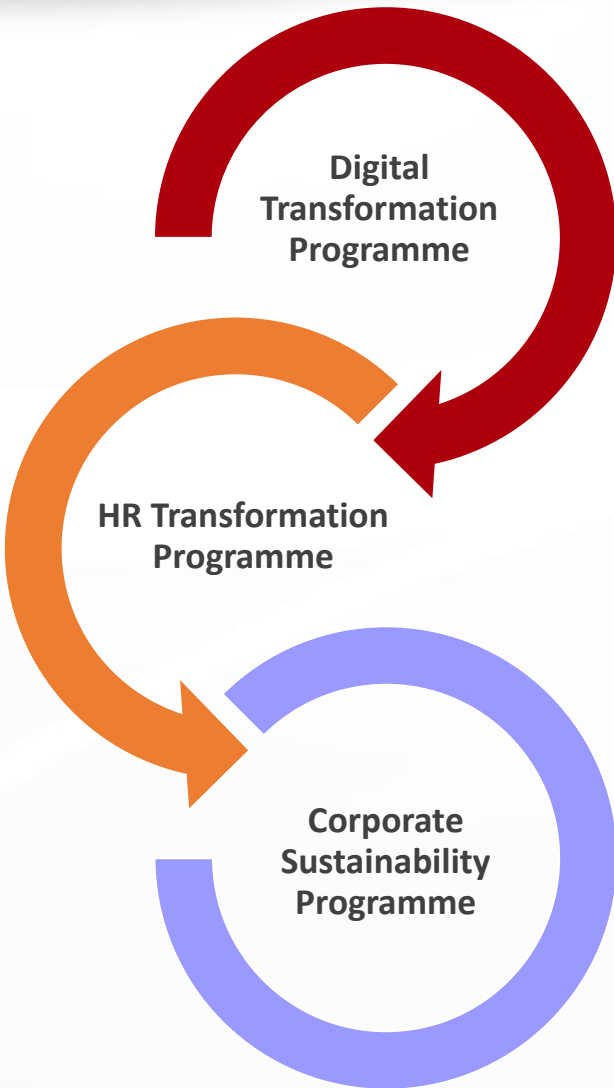
■ Countries in which
MCB is involved

Key strategic focus areas

- Energy & Commodities
- Structured finance
- Private Banking & Wealth Management
- Enrichment of our offerings in foreign banking subsidiaries
- Bank of Banks strategy
 - Platform for providing trade finance services
 - Provision of cards outsourcing and consulting services
 - Payment services for banking counterparts (SWIFT)

Recent developments

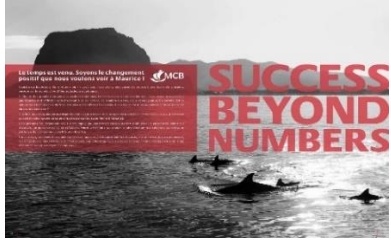
- Widening market coverage of Energy and Commodities business, with inroads notably made in upstream oil and gas business in Africa
- Increased involvement in structured project finance across Africa and beyond, spanning various sectors
- Syndicated term loan facility of USD 800 million secured to be used for general corporate purposes, including trade finance
- Further business development by the Group's foreign banking subsidiaries
- Strengthened partnerships and ongoing operational assistance provided to financial institutions in Africa, notably by MCB Consulting Ltd
- Widened footprint of ICPS Ltd in Africa backed by full-fledged payment solutions
- Further progress made to expand private banking into Africa
- Increased on-the-field visibility and enhanced business relationships with selected market players, by leveraging MCB's representative offices



- Setting up of Digital Factory to work on innovative technological solutions for enhancing customer experiences
- From the 20 earmarked digital customer journeys, 7 expected to be completed by end of the year 2020

- Revamping of the HR Operating model with a focus on governance, talent management, people strategy partnering, amongst others
- Ongoing initiatives under way to enhance the performance management system, HR operations, talent management and acquisition as well as the leadership brand

- Launch of the Corporate Sustainability Programme in November 2018, named '*Success beyond numbers*', anchored on 3 pillars:
 - Pillar 1: Contributing to a dynamic and sustainable local economy
 - Pillar 2: Valuing and safeguarding our cultural and environmental heritage
 - Pillar 3: Acting for the individual and collective well-being of Mauritians



Launch of
'Success Beyond Numbers'



Pottery on the theme 'Earth' at
the Blue Penny Museum



Plogging event in Port
Louis by MCB employees



Sharing of Ecotips to
create staff awareness on
environment preservation



Replacement of MCB debit
cards with eco-friendly
materials (Bio-plastics)

Jan 19

May 19

Jul 19

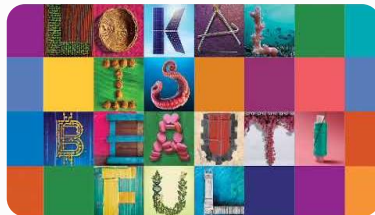
Nov 18

April 19

Jun 19

Sep 19

'Lokal is beautiful' initiative to
promote local enterprises and
support their development



Call for projects
relating to Art and
Culture

Partnership with Mauritian
Wildlife Foundation –
Funding of specific projects



Introduction of a one-day
'Social Leave' for
employees to undertake
social actions

Outlook & Performance

The economic context

Medium Term Macroeconomic Framework

Selected indicators	Units	2018/19	2019/20	2020/21	2021/22
Estimates as per National Budget					
Output and Prices					
GDPmp	Rs bn	496.3	526.9	562.4	600.7
Real GDP Growth Rate - Current market prices	%	3.9	4.0	4.1	4.2
Inflation Rate	%	1.0	2.0	2.5	2.5
Investment Rate	% of GDP	18.8	19.4	19.0	19.0
Public Finance					
Budget Balance	% of GDP	-3.2	-3.2	-3.1	-2.8
Primary Balance	% of GDP	-0.6	-0.6	-0.6	-0.2
Public Debt					
Public Sector Gross Debt	% of GDP	65.0	61.6	59.8	59.3
External Sector					
Current Account Deficit	% of GDP	-6.1	-5.5	-5.4	-5.3
Gross Official International Reserves	Rs bn	245.0	246.0	258.0	268.0

- Total PSIP estimated at around Rs 207.4 billion over the period 2019/20 - 2023/24, including Rs 63.2 billion from private participation in public sector projects
- For FY 2019/20, PSIP amount to Rs 52.0 billion, out of which Rs 9.5 billion is planned to emanate from private participation in public sector projects
- Historical implementation rate stood at around 60% on average over the last 4 FY

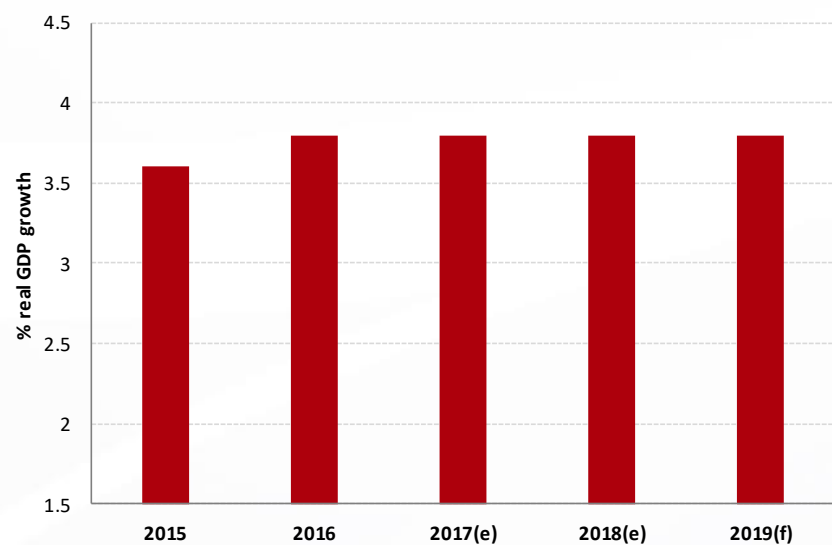
Key thrusts pursued

- ✓ Strengthen the existing economic pillars / consolidating productive sectors
- ✓ Expand the country's economic space, while deepening regional integration
- ✓ Further support the development of micro, small and medium enterprises
- ✓ Boost competitiveness of enterprises, while creating an innovative eco-system
- ✓ Upgrade the physical infrastructure set-up at different levels to meet set ambitions
- ✓ Further position Mauritius as a regional platform for trade and investment, notably towards Africa
- ✓ Promote business facilitation and create more propitious conditions to support investment
- ✓ Secure sound public finances and sustainable debt

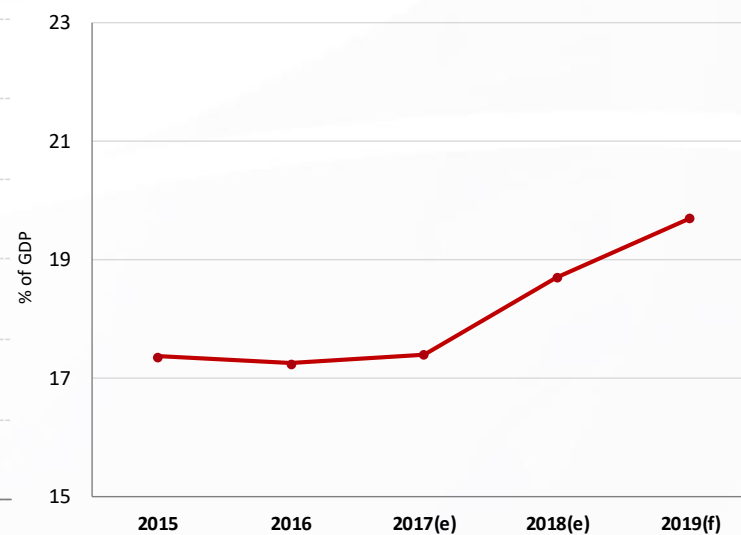
Key areas warranting attention

- ✓ Potentially distortionary outcomes of some policy measures
- ✓ Fostering sound, sustainable and credible debt Management

Economic growth (at market prices)

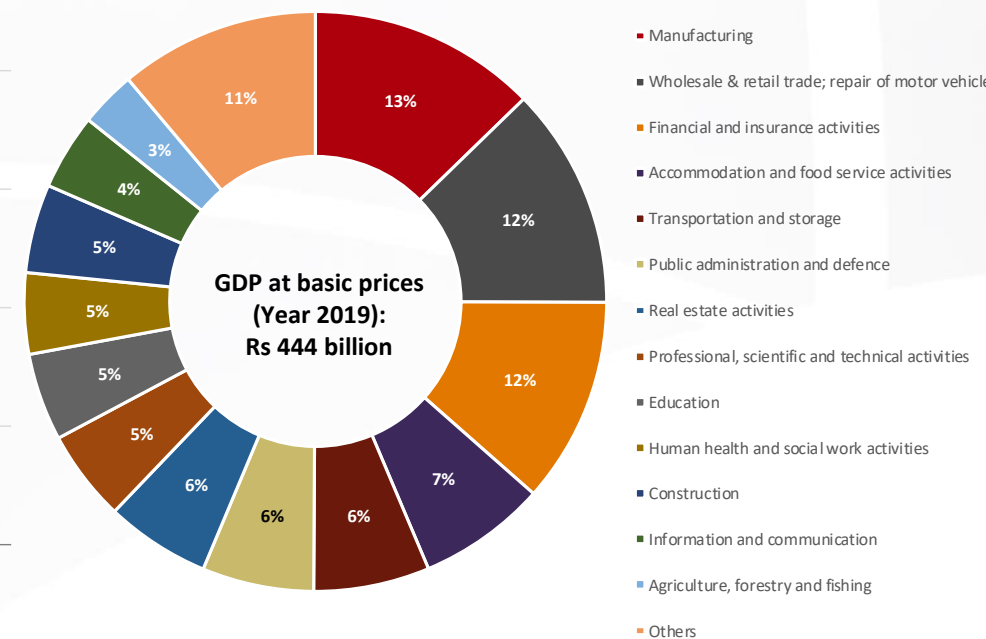


National investment*

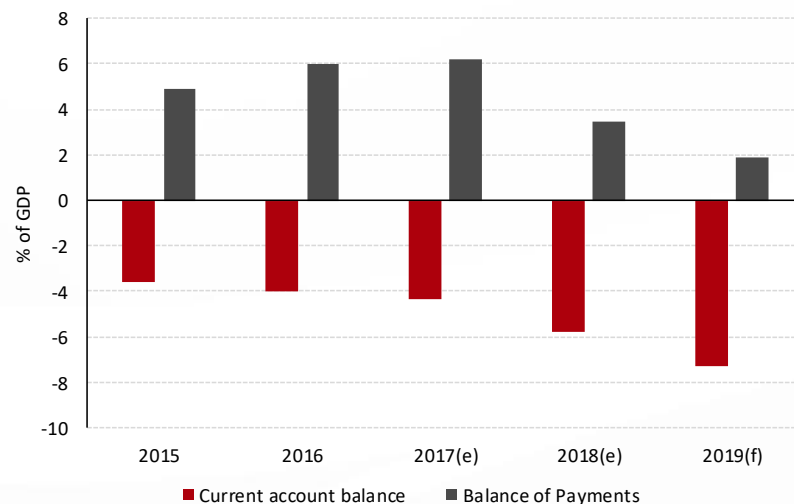


* The national large-scale infrastructure projects are linked with high capital imports

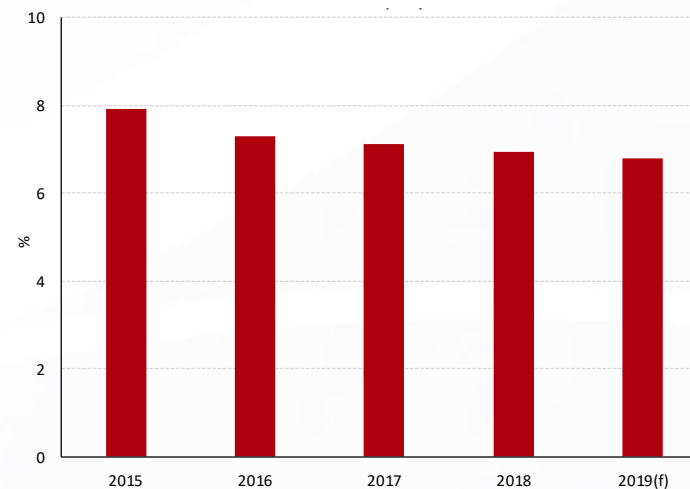
Distribution of GDP, 2019



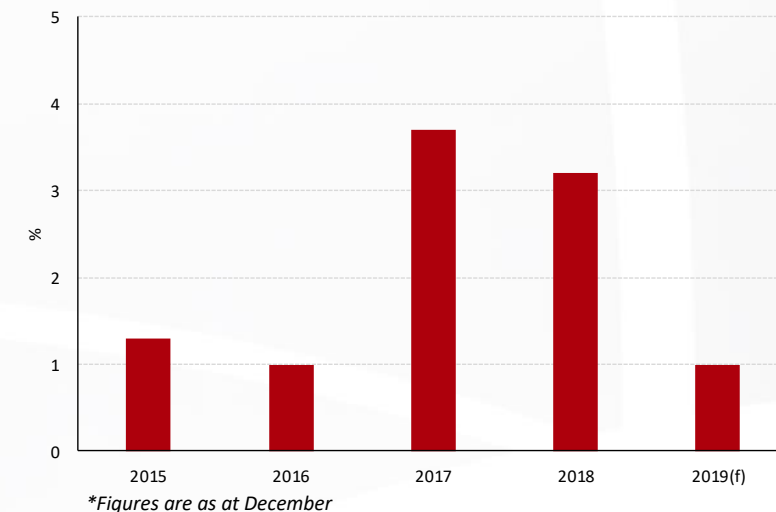
Current account balance & Balance of payments



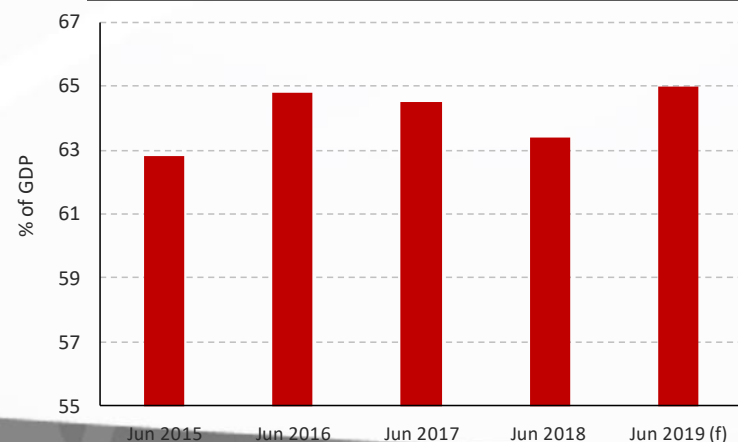
Unemployment



Headline inflation



Public sector debt



Effective exchange rate (MERI2) *



Evolution of rupee vis-à-vis main currencies*



Underlying enablers for economic progress

- ⇒ Political and social stability
- ⇒ Dynamic and bilingual workforce
- ⇒ Open and market-based economy
- ⇒ Judicious economic diversification strategy
- ⇒ Institutional and regulatory support
- ⇒ Reliable infrastructure set-up
- ⇒ Relatively low tax system
- ⇒ Investment grade (Moody's: Baa1)
- ⇒ Compliant by OECD
- ⇒ Government-Private sector partnership



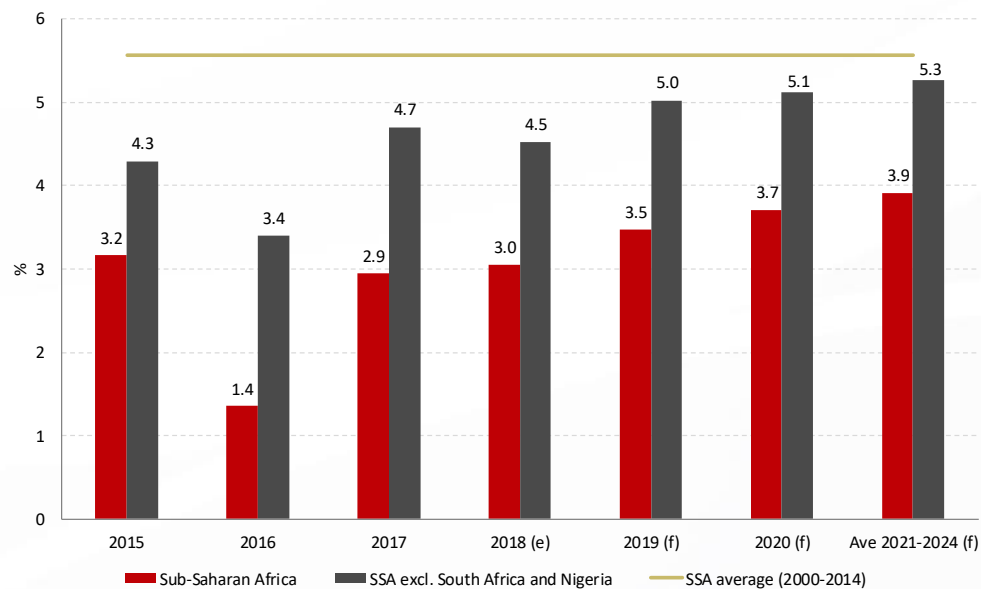
Gearing up and enhancement of international involvement

- ⇒ Openness to foreign capital and talents
- ⇒ Network of bilateral agreements
- ⇒ Close historical ties with countries on the competitive edge of technology

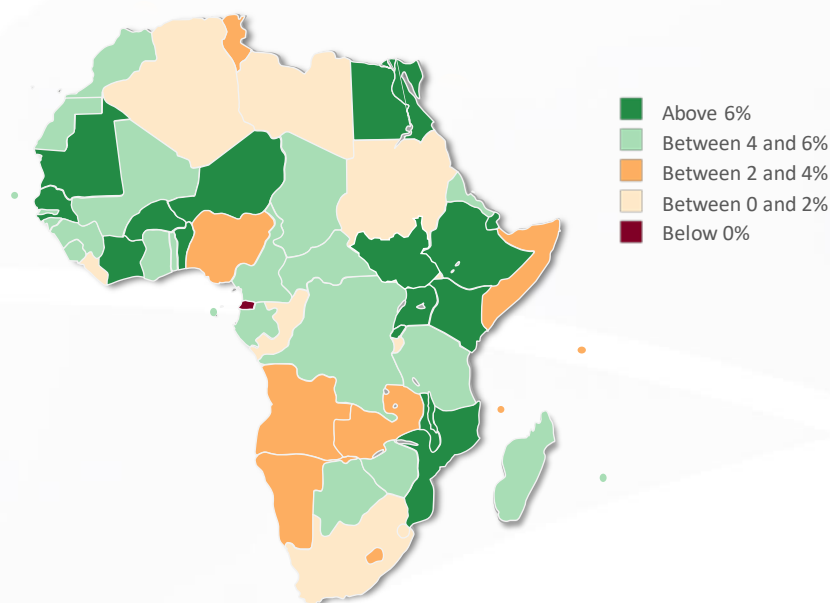


Indicator	Global Rank	Regional rank
World Bank Doing Business Survey (2019)	20 th out of 190	1 st
Global Competitiveness Index (2018)	49 th out of 140	1 st
Corruption Perceptions Index (2018)	56 th out of 180	6 th
Forbes Survey of Best Countries for Business (2019)	39 th out of 161	1 st
Human Capital Index (2017)	74 th out of 130	4 th
Index of Economic Freedom (2019)	25 th out of 180	1 st
Global Innovation Index (2018)	75 th out of 126	2 nd
Travel & Tourism Competitiveness Index (2017)	55 th out of 136	2 nd
Networked Readiness Index (2016)	49 th out of 139	1 st

Evolution of real GDP growth



Average real GDP growth rates for 2021-2024



- The recovery underway in the sub-Saharan African region is set to continue in 2019 and 2020 with output growth anticipated to pick up to 3.5% in 2019 and further to 3.7% in 2020 as per the IMF. Nonetheless, as for the medium term, growth in the region is expected to remain at slightly below 4%, partly reflecting difficulties faced by commodity exporting economies amidst the soft outlook for commodity prices and rising debt-service costs as financial conditions tighten globally.
- That said, the region is deemed to be engaged into a generally favourable socio-economic transformation process, with several constituent economies anticipated to capitalise on appreciable megatrends over time. In fact, on excluding Nigeria and South Africa, the real GDP growth of sub-Saharan Africa is likely to stand at relatively appreciable rates.

Financial performance and soundness

Income statement	Year ended to:			Nine months to:		
	30-Jun-17	30-Jun-18	Growth	31-Mar-18	31-Mar-19	Growth
	Rs m	Rs m	%	Rs m	Rs m	%
Net interest income	9,556	10,729	12.3	7,816	9,628	23.2
Non-interest income	5,950	6,222	4.6	4,720	5,010	6.2
Non-interest expense	6,388	6,802	6.5	5,184	5,683	9.6
Operating profit before provisions	9,118	10,149	11.3	7,353	8,955	21.8
Net impairment charges	1,064	1,330	25.0	1,006	1,077	7.1
Share of profit of associates	338	307	(9.3)	301	249	(17.1)
Income tax expense	1,644	1,885	14.6	1,181	1,339	13.4
Profit attributable to ordinary equity holders	6,702	7,221	7.7	5,448	6,749	23.9

Balance sheet	As at			As at		
	30-Jun-17	30-Jun-18	Growth	31-Mar-18	31-Mar-19	Growth
	Rs m	Rs m	%	Rs m	Rs m	%
Total assets	345,210	386,370	11.9	375,457	443,273	18.1
Cash & cash equivalents*	60,321	49,886	(17.3)	44,898	57,245	27.5
Investment securities	74,730	88,747	18.8	94,664	109,863	16.1
Net loans	171,887	204,236	18.8	192,320	228,921	19.0
Total deposits	274,863	297,719	8.3	294,962	319,086	8.2
Equity	45,949	51,306	11.7	50,650	54,965	8.5

* Includes placements

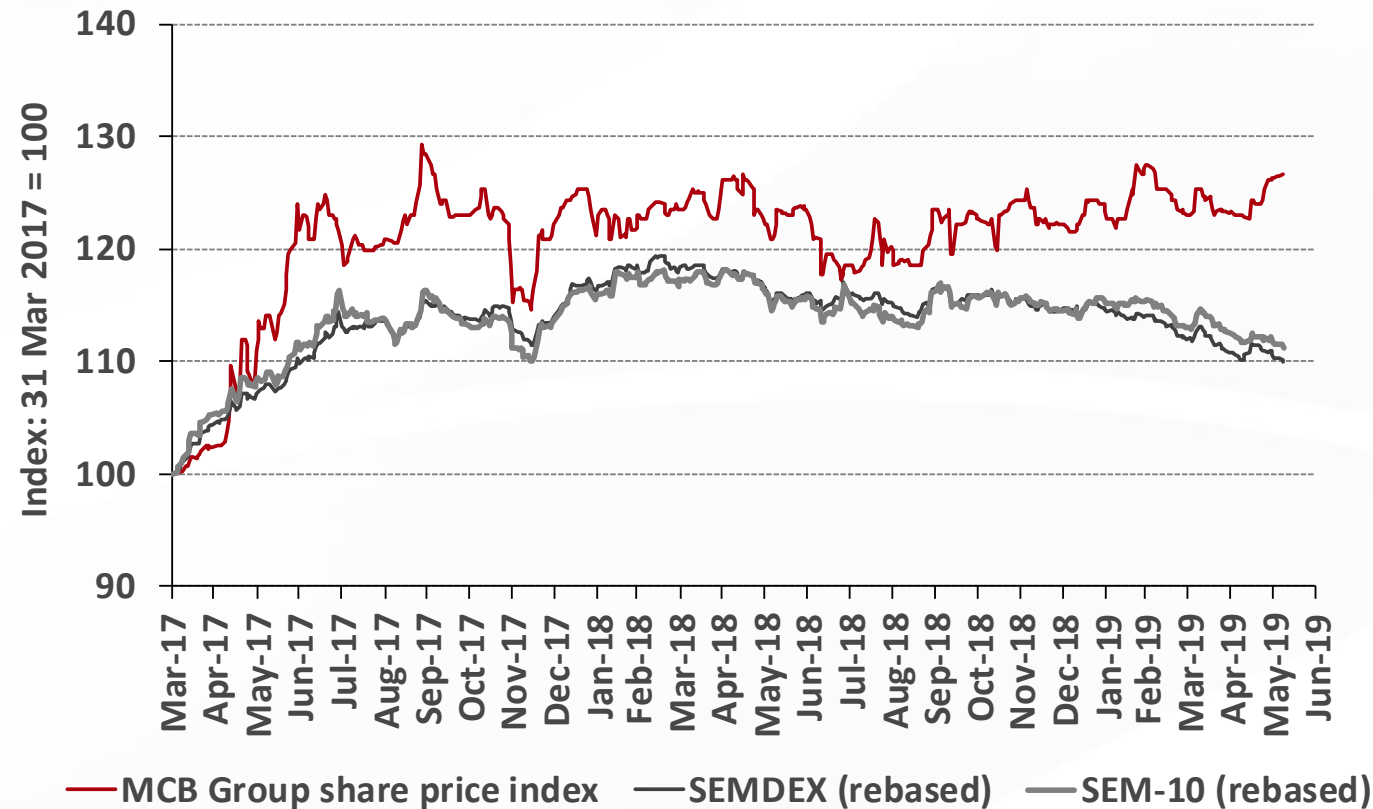
	Mar-19	Mar-18	Jun-18
Profitability			
Return on average total assets ¹	2.2	2.0	2.0
Return on average equity ¹	16.9	15.0	14.8
Return on average Tier 1 capital ¹	17.5	15.8	15.5
Efficiency			
Cost-to-income	38.8	41.3	40.1
Asset quality			
Gross NPL/Gross loans and advances	4.0	4.9	4.5
Net NPL/Net loans and advances	2.8	3.3	3.1
Liquidity			
Liquid assets ² /Total assets	38.9	38.6	37.0
Loans to deposits	74.1	67.5	70.9
Loans to deposits and borrowings ³	63.6	63.6	66.0
Capital adequacy			
Shareholders equity to assets	12.4	13.5	13.3
BIS risk adjusted ratio ⁴	17.6	17.8	17.3
<i>o/w Tier 1⁴</i>	16.0	15.7	15.3

¹ Annualised rate for March figures

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

³ Borrowings include debt instruments

⁴ Based on Basel III



Salient features

As at May 2019

15%

Foreign shareholding

> 40%

Market share for value traded

MCB Group Ltd is a constituent of the Stock Exchange of Mauritius Sustainability Index (SEMSI)* since its launch in Sep. 2015



Investor Relations Unit

Kersley GASPARD – IR Officer

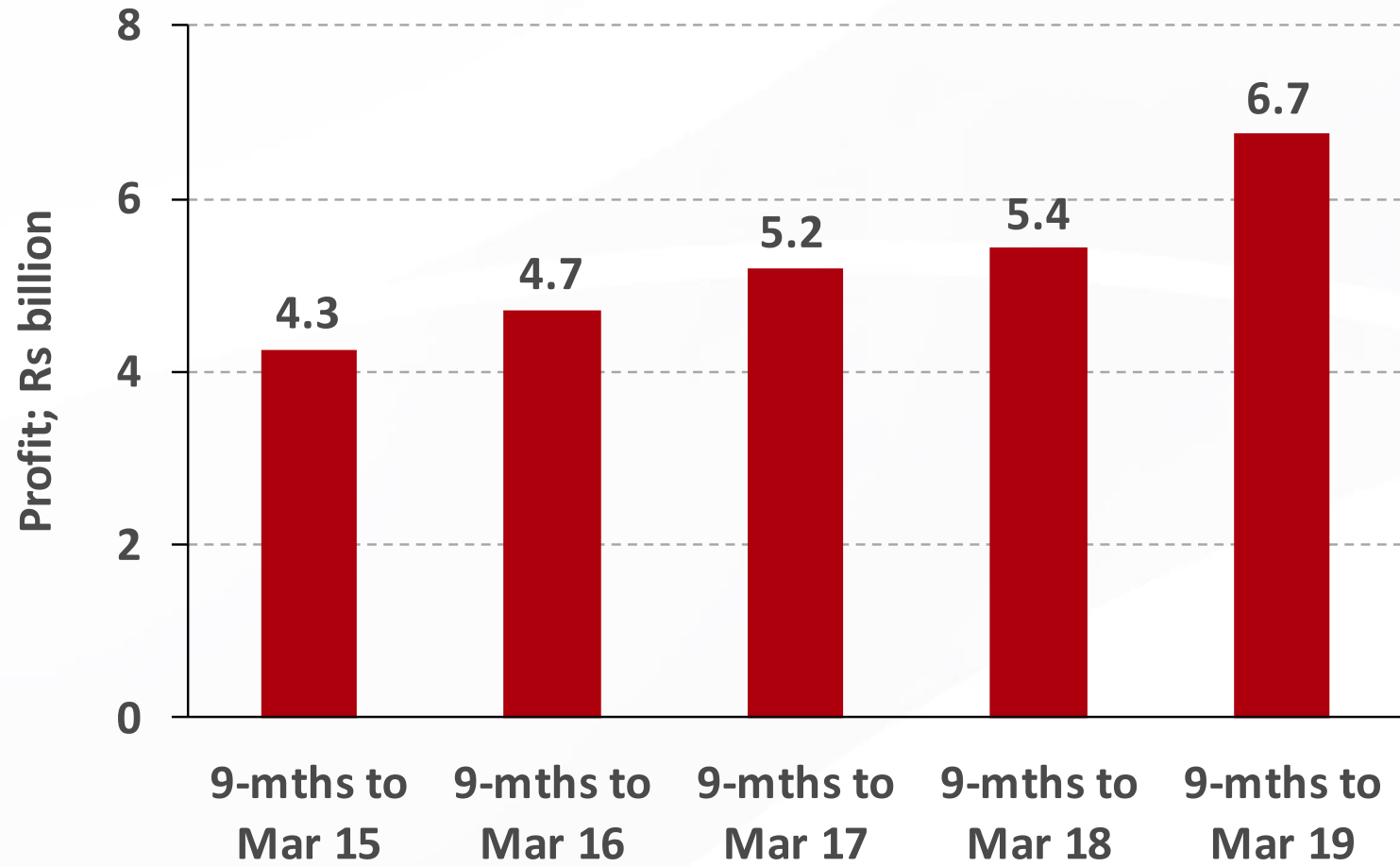
Tel: (230) 202-5134 /(230) 202-5558

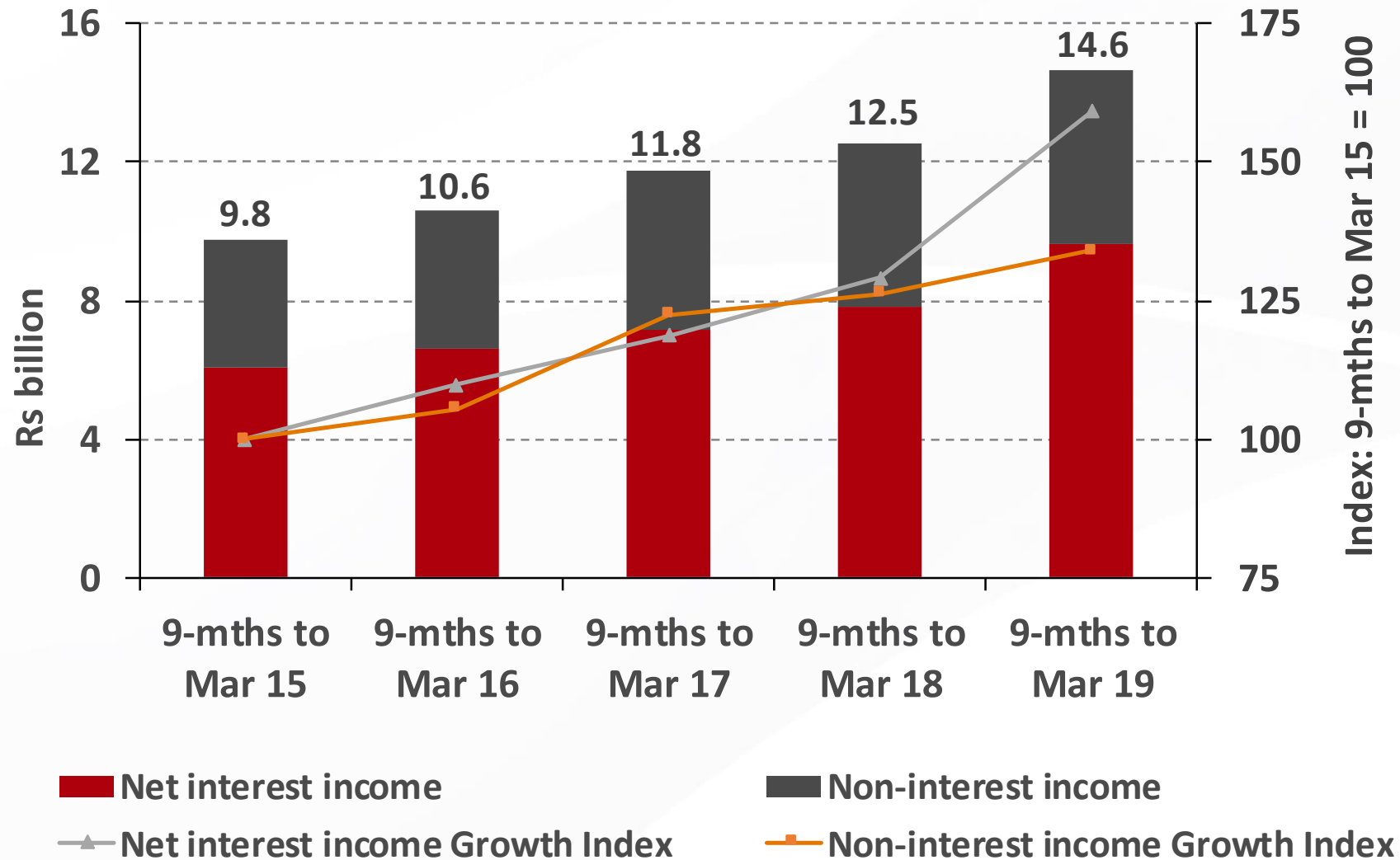
Email: investor.relations@mcbgroup.com

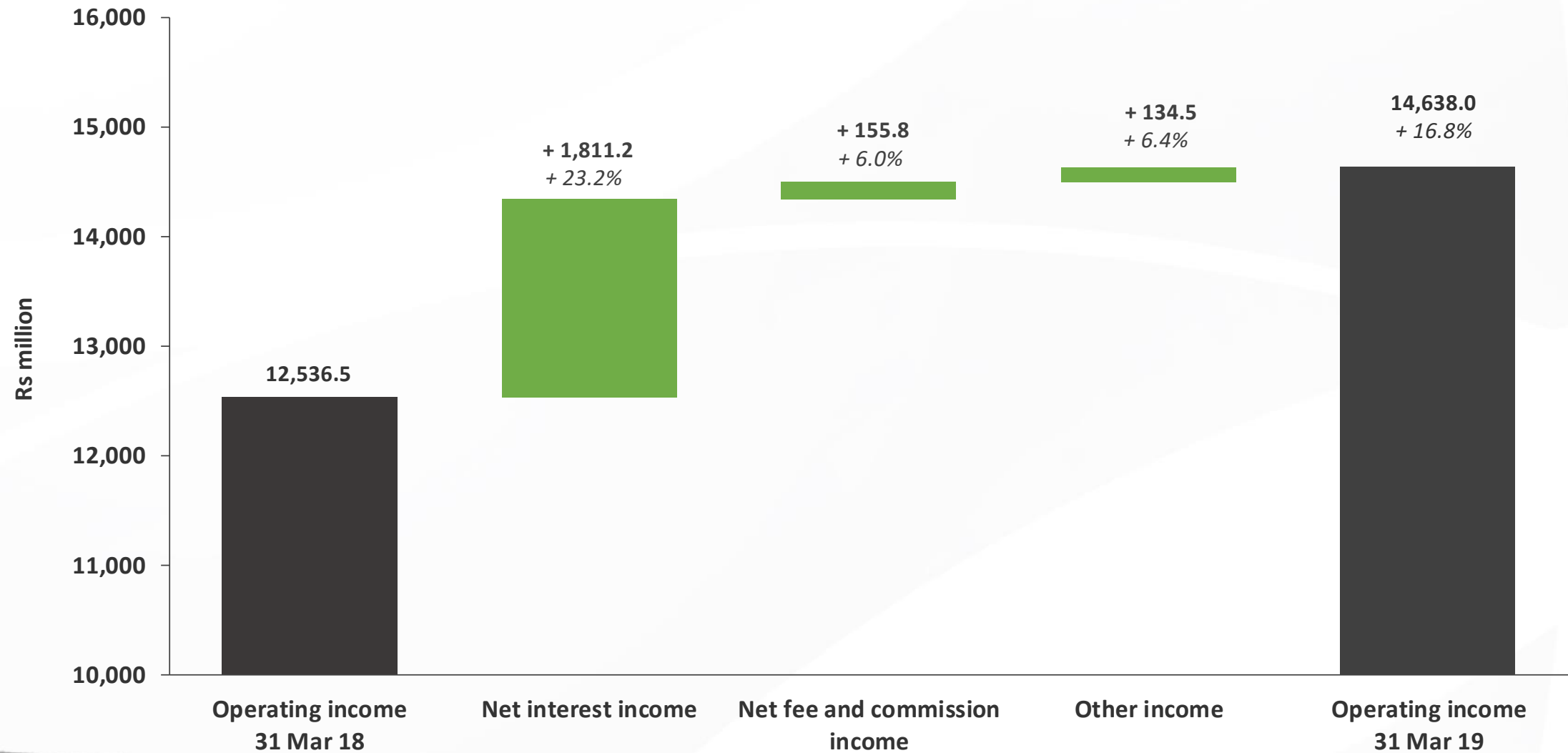
Website: www.mcbgroup.com

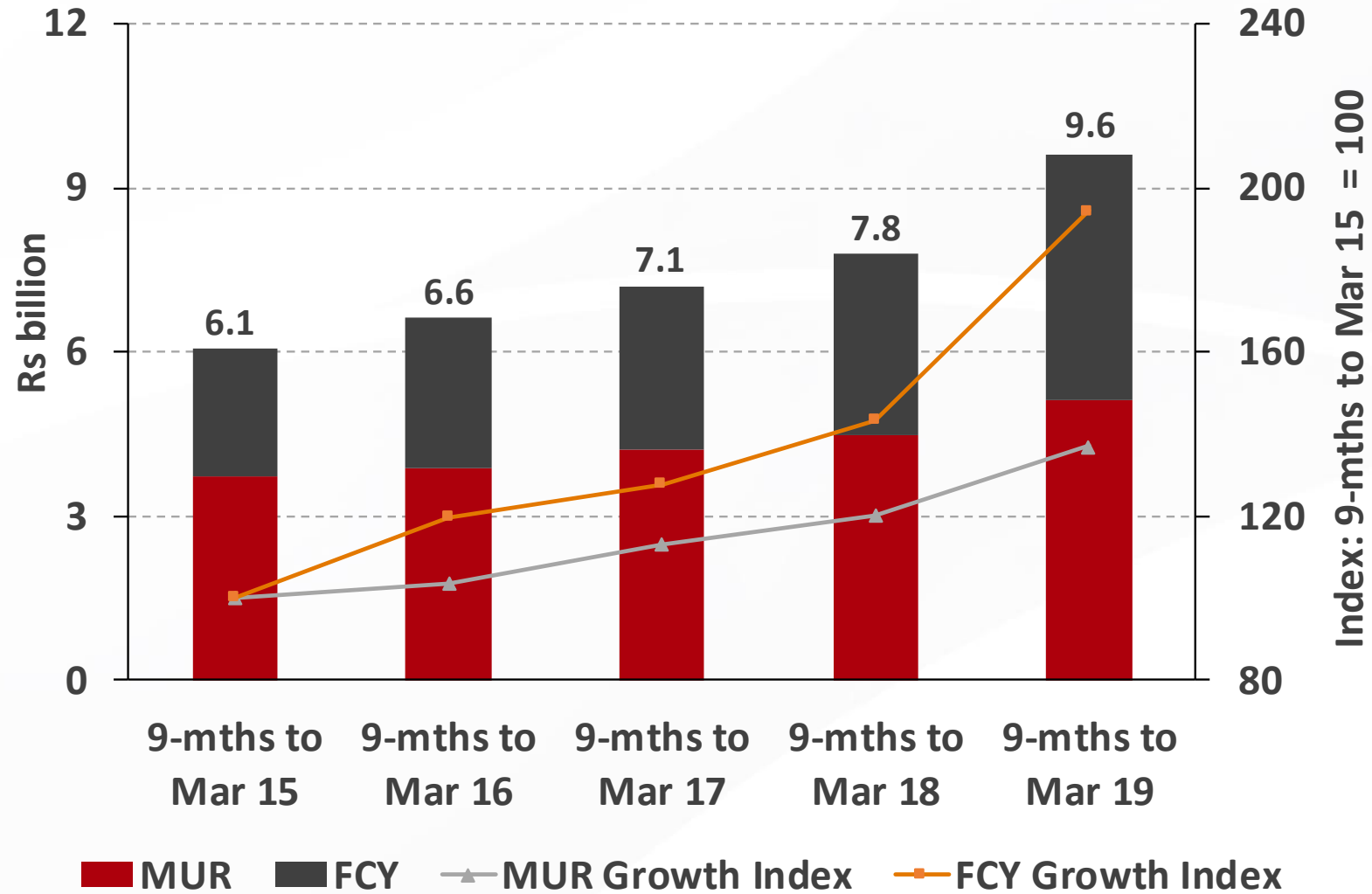
Appendix

Analysis of the nine months results to March 2019

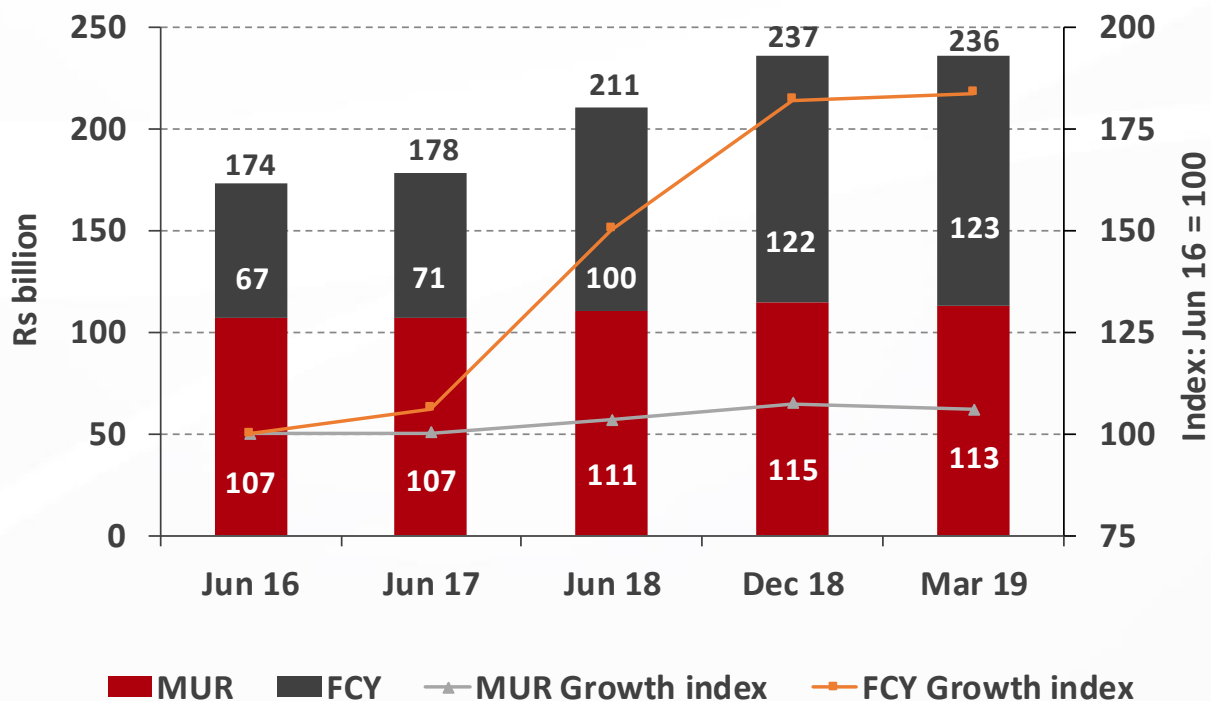




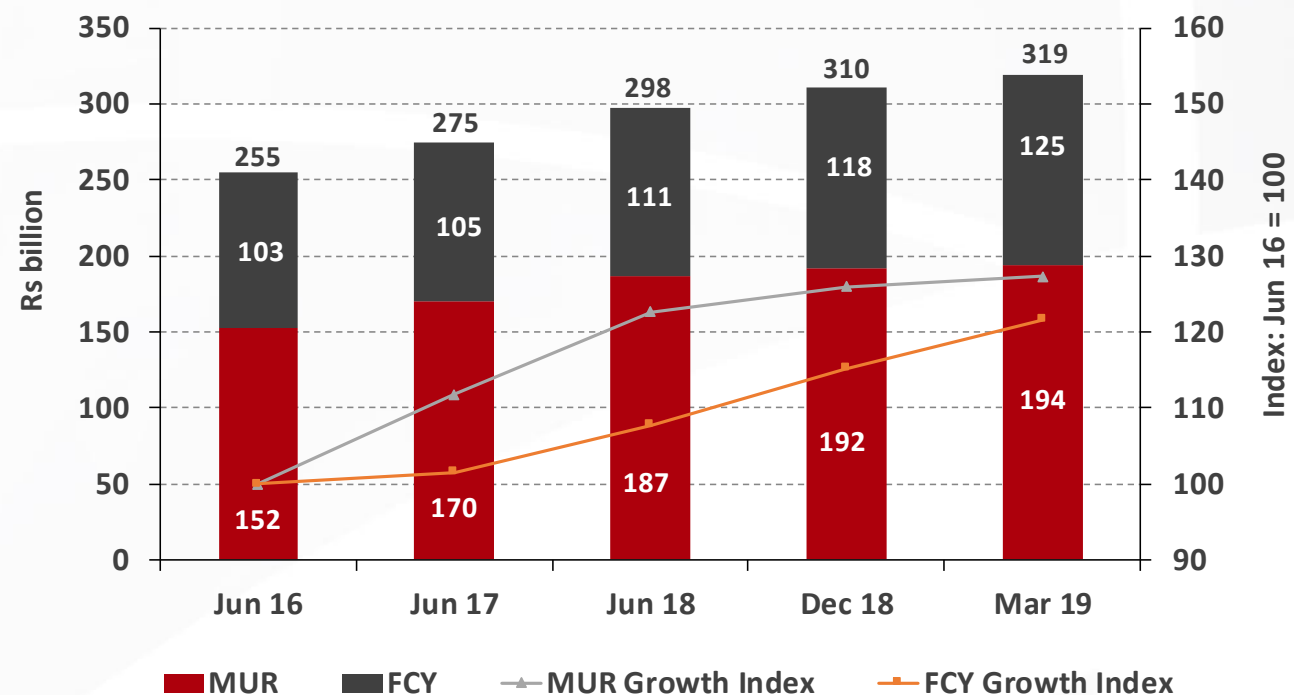


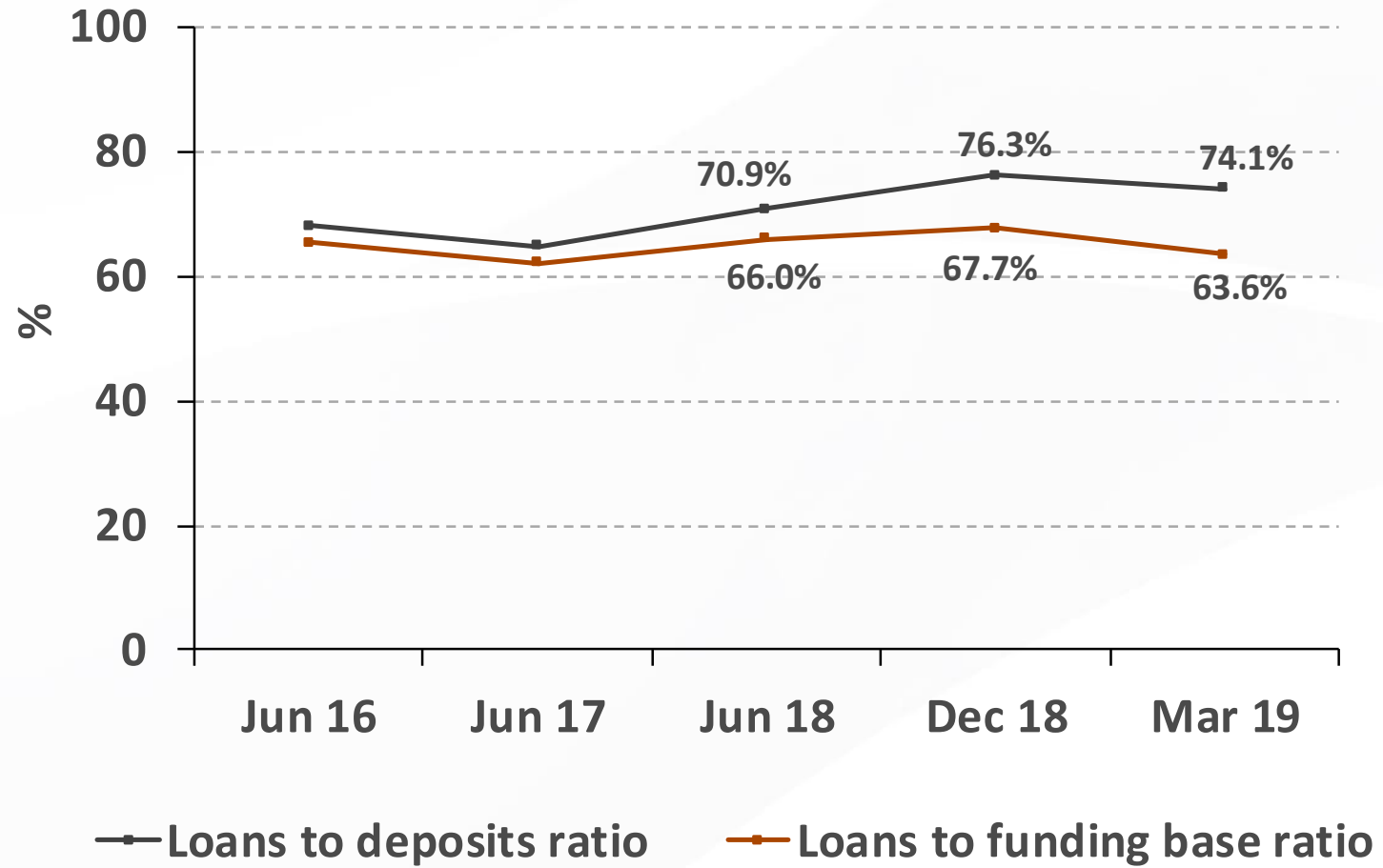


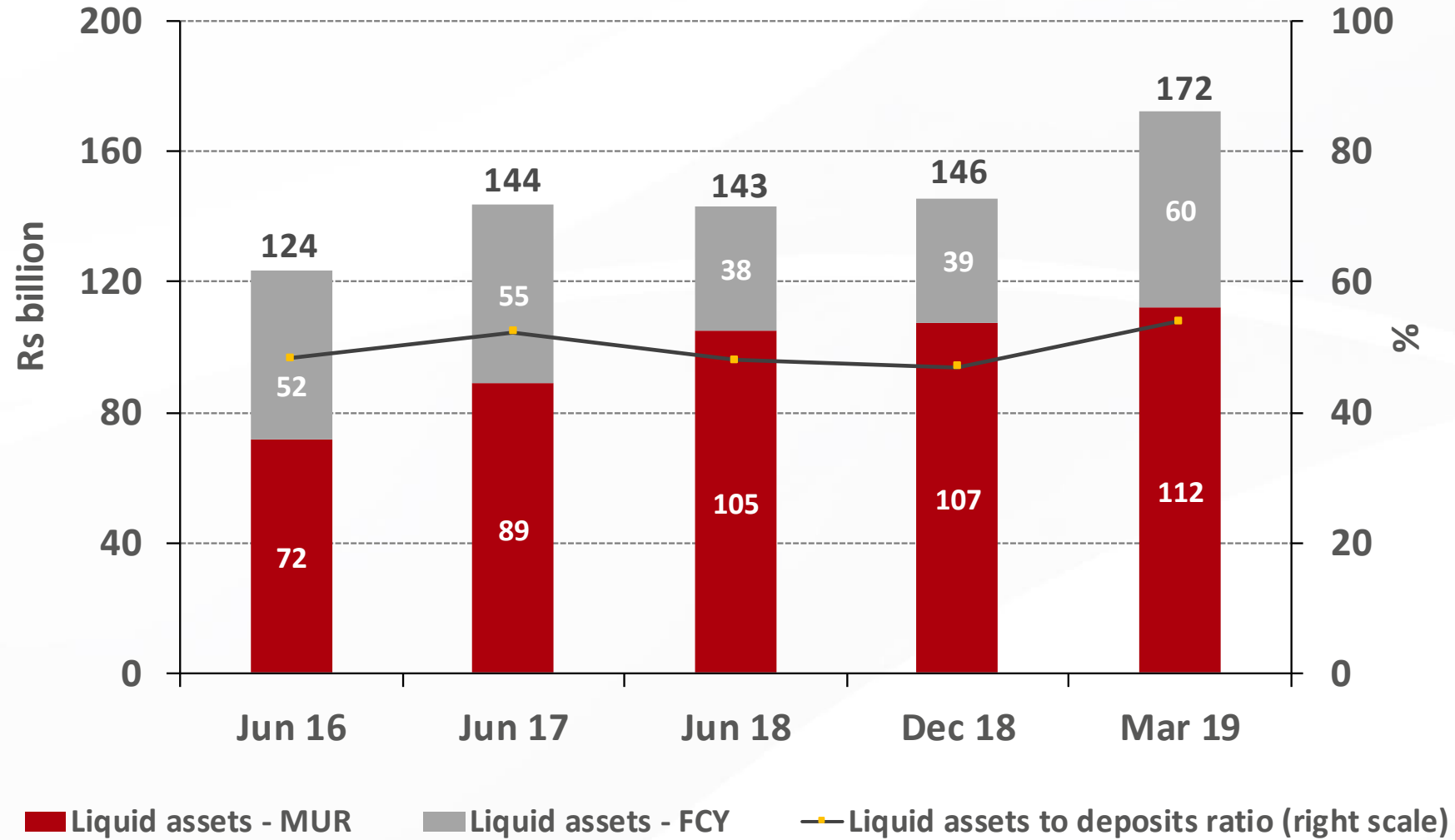
Gross loans

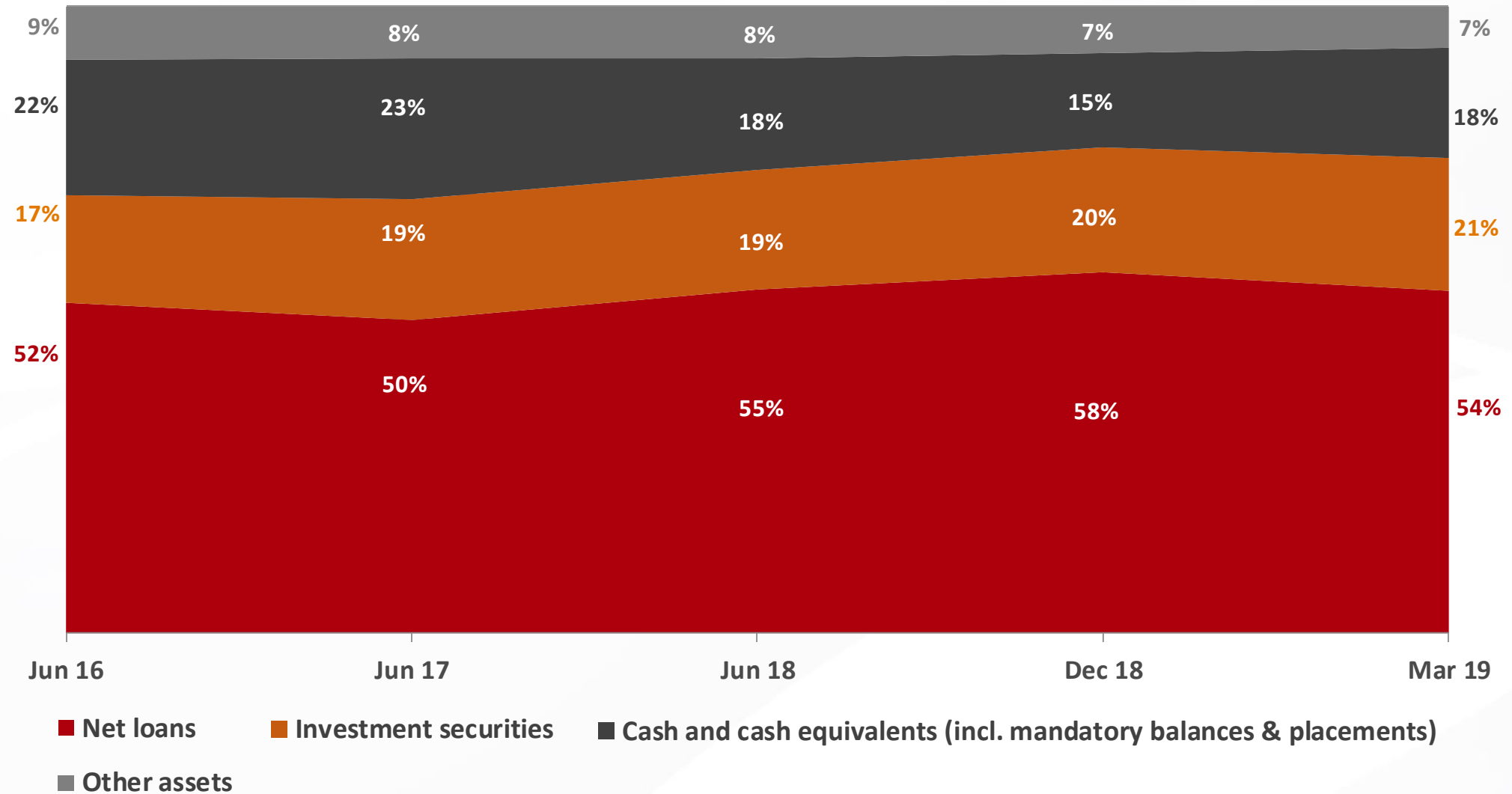


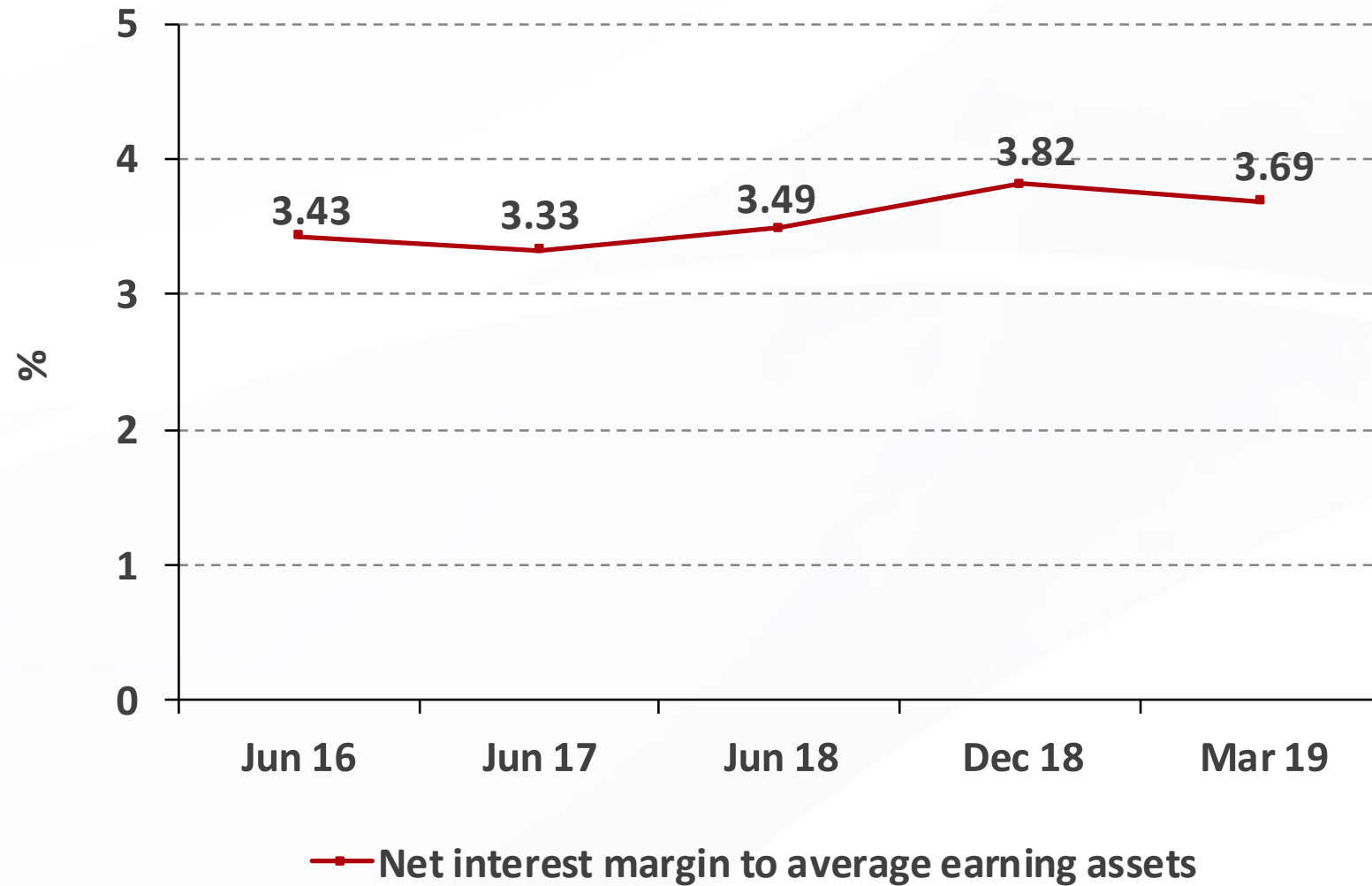
Deposits

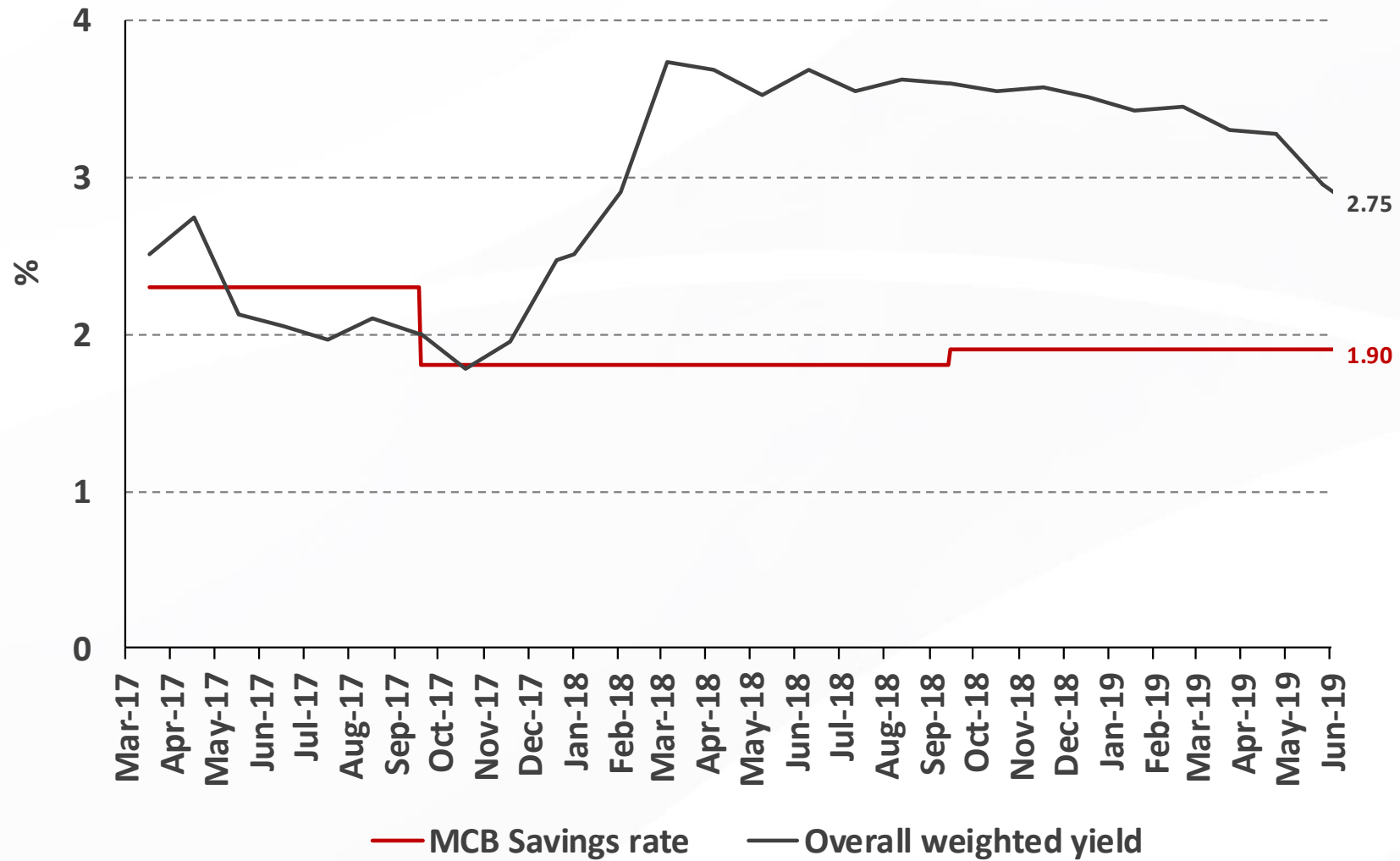


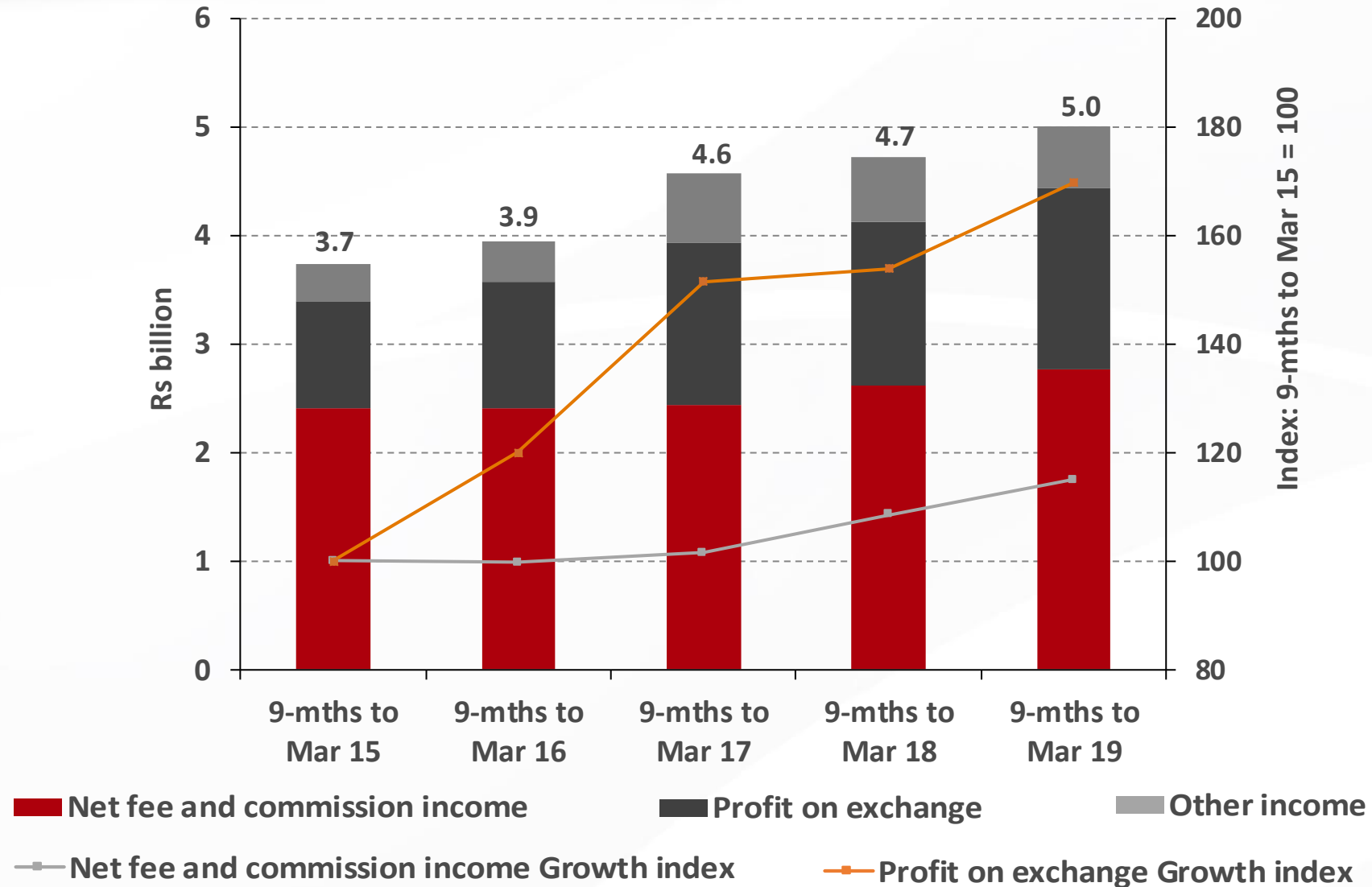


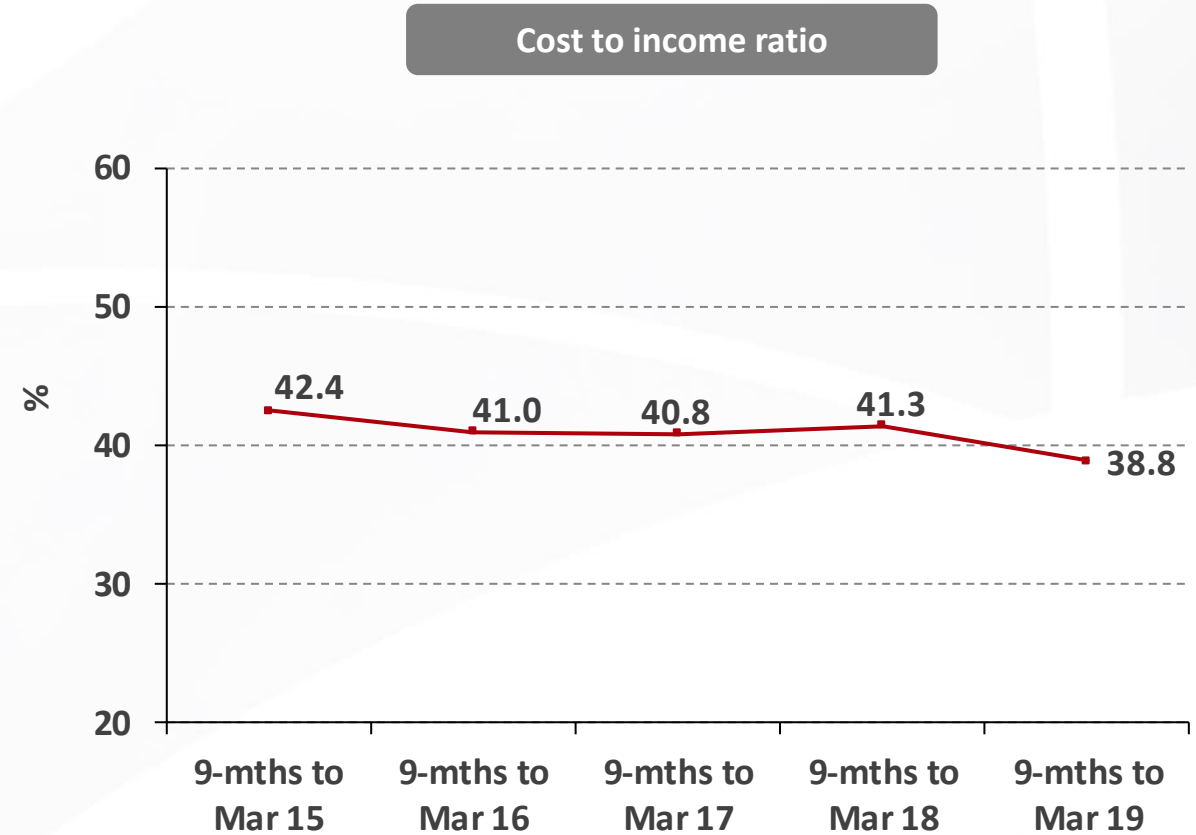
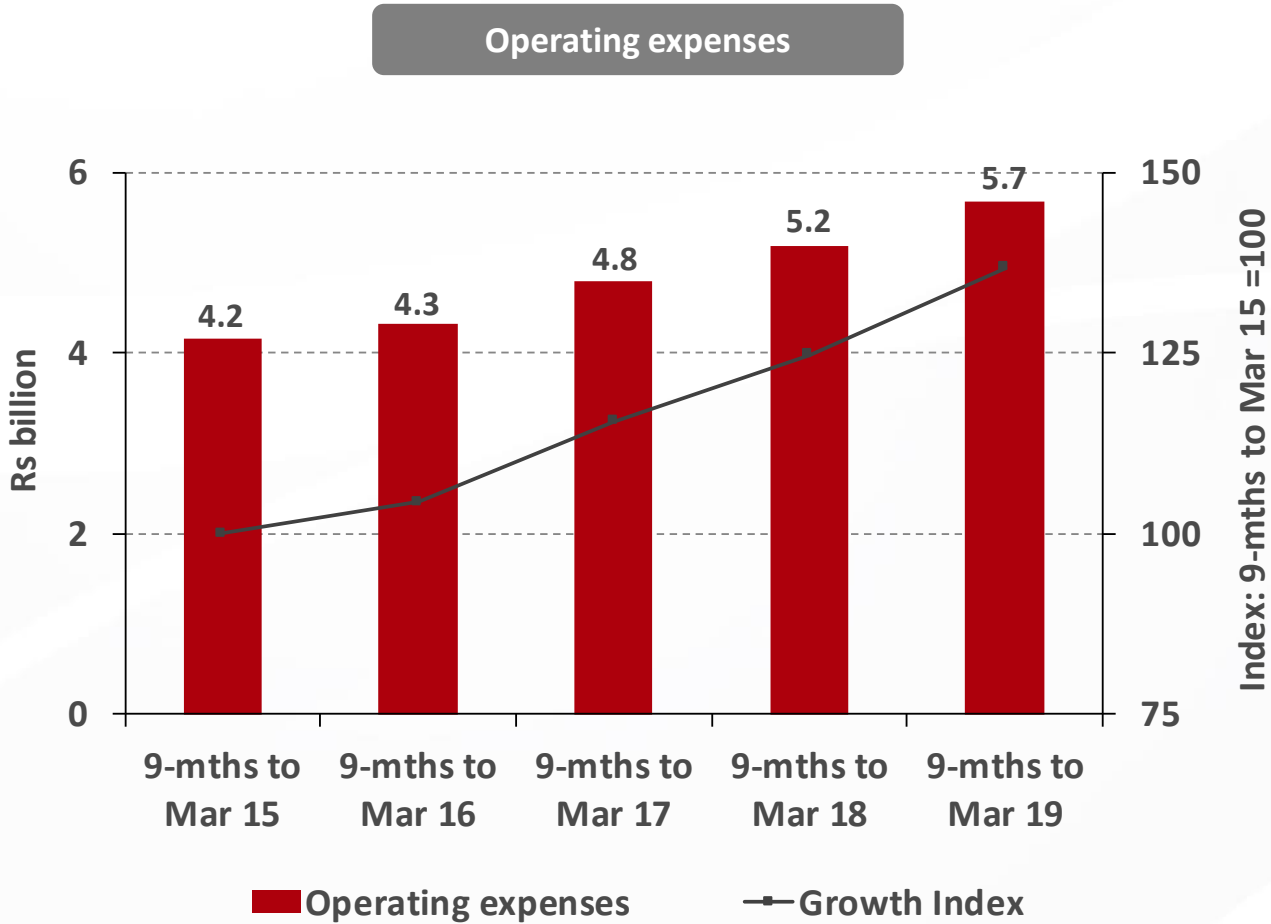




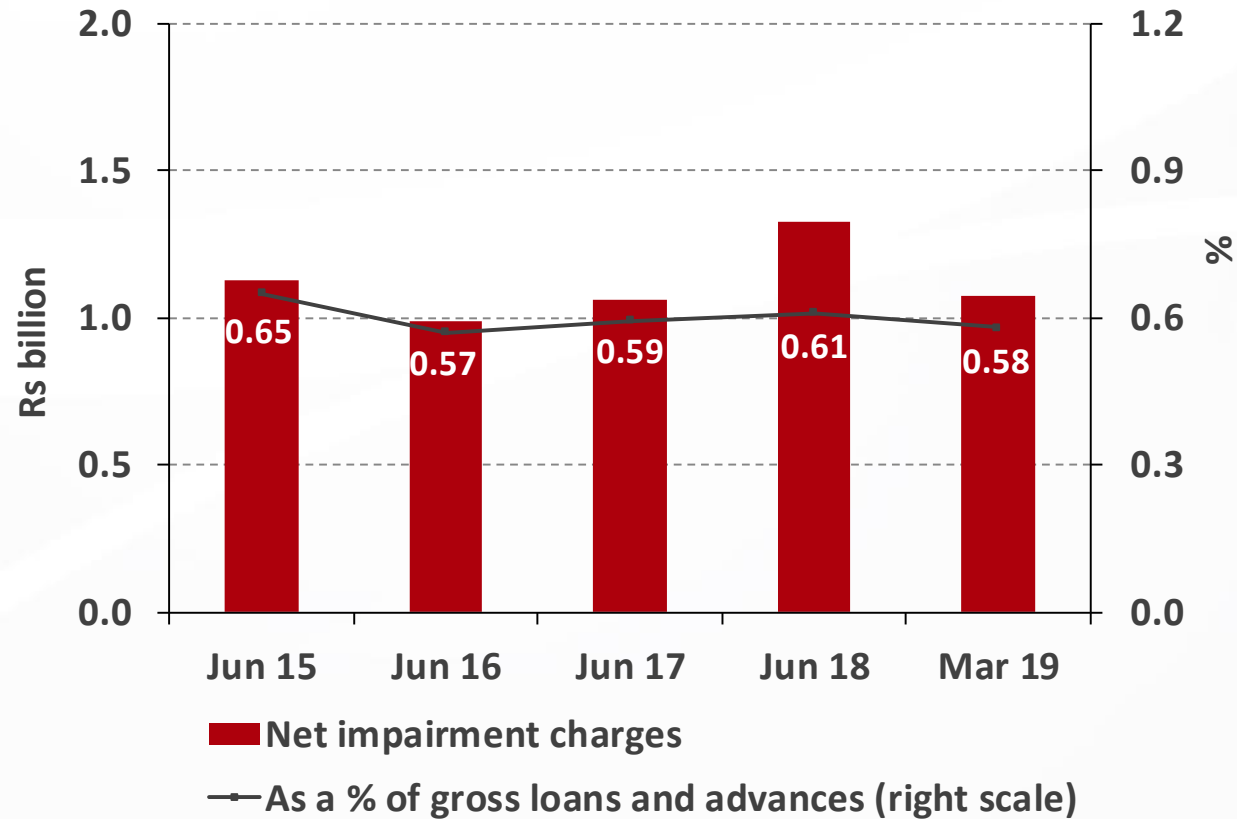




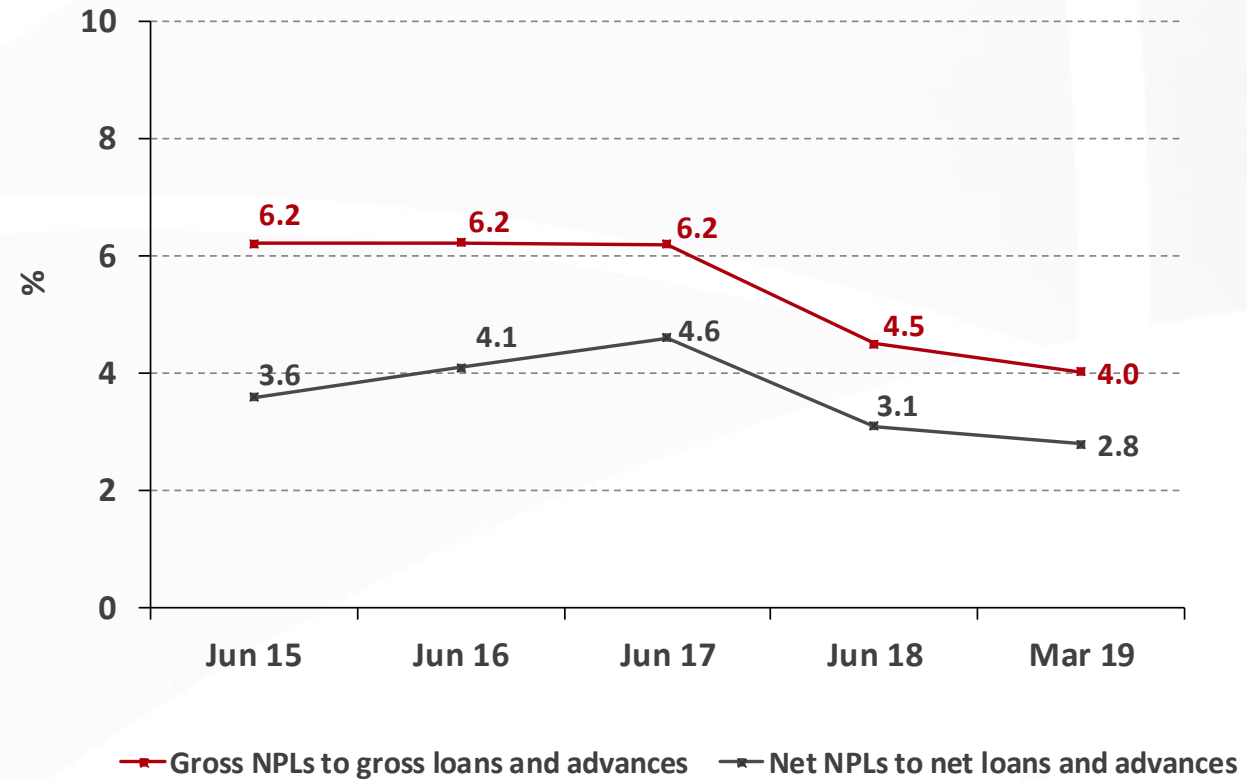


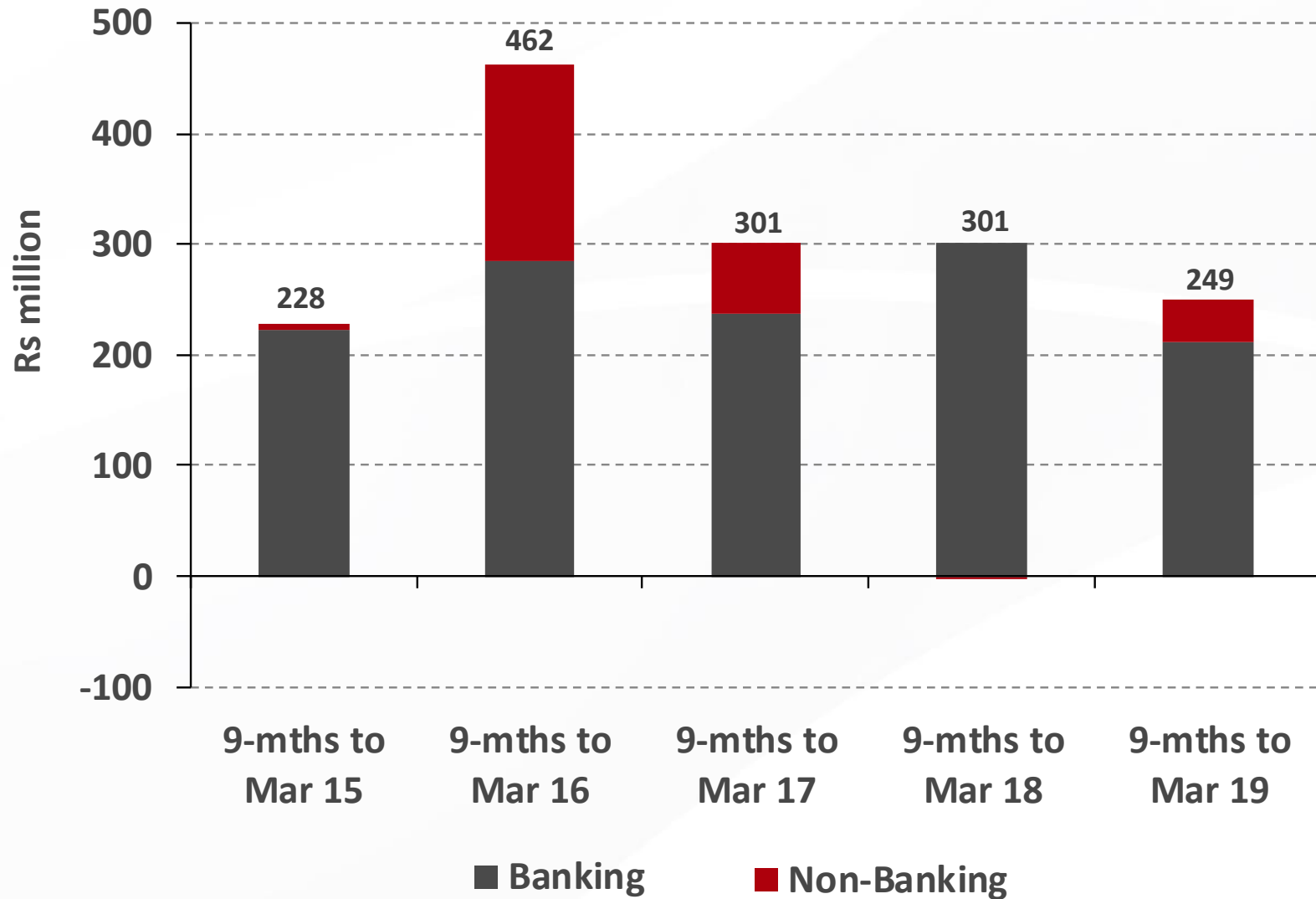


Net impairment charges

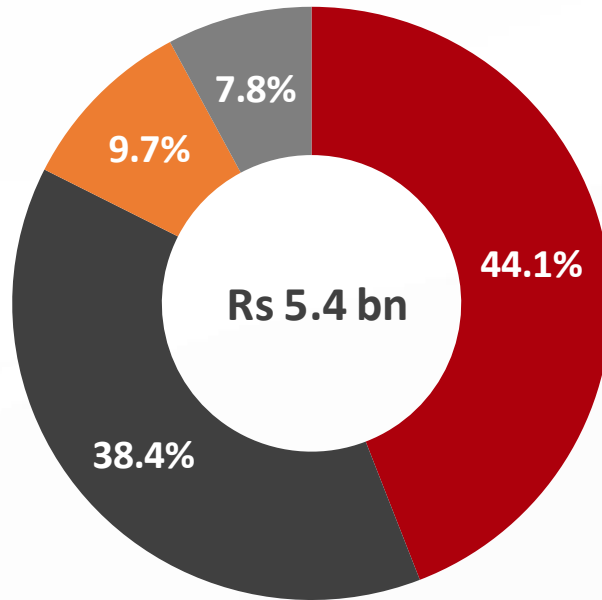


NPL ratios





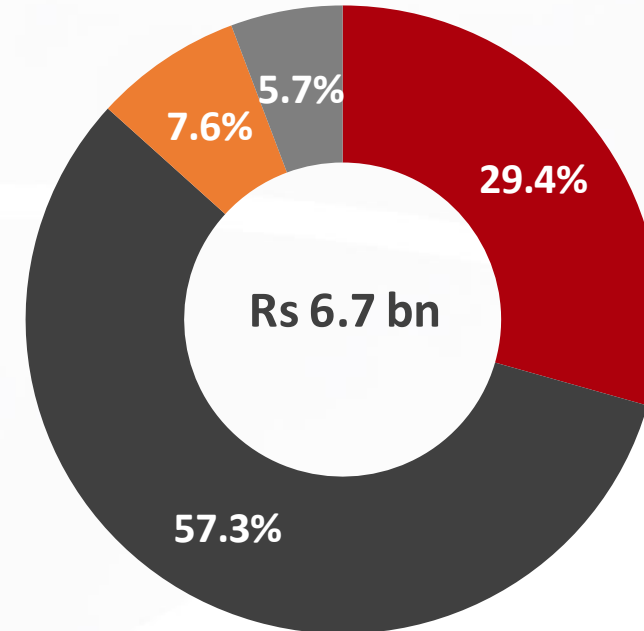
Mar 18



■ MCB Ltd - Seg A

■ MCB Ltd - Seg B

Mar 19



■ Foreign banking subsidiaries & associates

■ Non-banking financial & other investments

