





## **SAMUDRA Art Prize**

We are staunch supporters of the Samudra Art Prize, an art competition aimed at raising public awareness of environmental and societal issues. A strong platform for artists of all levels, the competition also aims to foster creativity and showcase talent. The first edition inspired more than 50 artists to create works of art about marine conservation, resulting in a strong awareness of the issue.

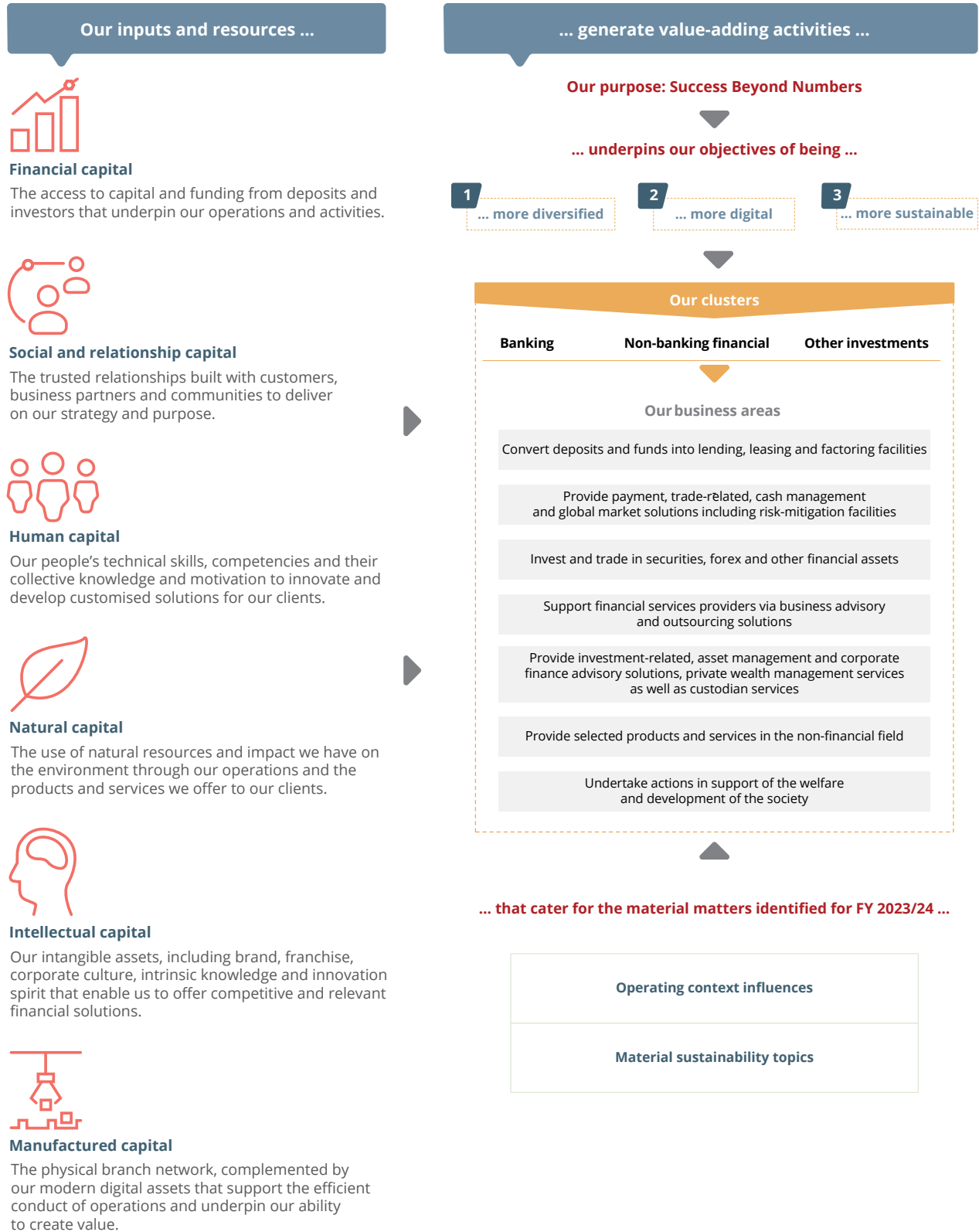


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# Our value-creating business model

We use our resources and expertise to create and protect value while minimising the risk of value erosion.



... that create long-term value for our stakeholders

**Employees**

We act as an employer of choice and are committed to supporting the development and well-being of our people



**Customers**

We support the goals of our clients with a tailored offering delivered through top-quality services and appealing digital platform



**Shareholders and investors**

We deliver consistent returns for our shareholders and investors

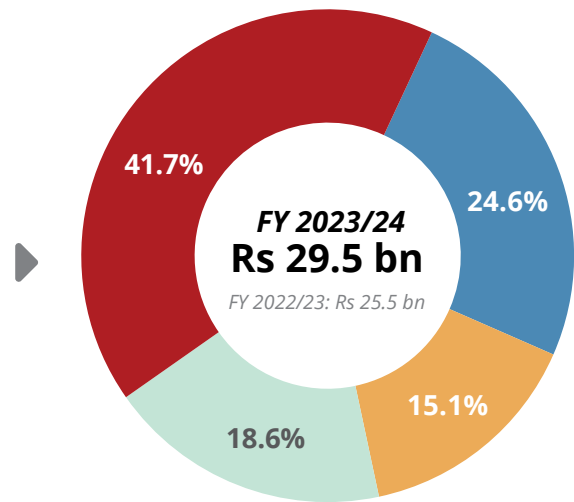


**Economies, societies and communities**

We foster financial stability by collaborating with authorities and economic agents, while promoting social progress, inclusion, environmental and cultural preservation in the countries where we operate



**Wealth created by MCB Group**



- Employees
- Authorities & Society
- Providers of capital
- Retention to support growth

## Stakeholder engagement

Our proactive stakeholder engagement model informs and guides our actions and behaviours. We embrace an integrated vision that aims at making a solid contribution to and meeting the needs and expectations of our valued stakeholders.

	EMPLOYEES	CUSTOMERS				
What they expect from us?	<ul style="list-style-type: none"> <li>• Safe and enriching working conditions with flexible work practices</li> <li>• Empowering environment that embraces diversity, inclusivity and meritocracy principles</li> <li>• Strong leadership and change management</li> <li>• Competitive reward and effective performance management system</li> <li>• Training, development and career opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative and customised financial solutions</li> <li>• Excellent service quality and competitive pricing</li> <li>• Safe and convenient access to financial solutions</li> <li>• Security and privacy of transactions and data</li> <li>• Effective process for dealing with complaints</li> <li>• Responsible banking solutions</li> </ul>				
How did we maintain engagement with them?	<ul style="list-style-type: none"> <li>• Ongoing quest to identify, attract, grow and retain talents</li> <li>• Regular surveys to gauge employee engagement</li> <li>• Enrichment of our training courses, in-class and digital</li> <li>• Adapted career architecture to align with current business realities and global best practices</li> <li>• Fair and robust remuneration philosophy</li> <li>• Provision of various fringe benefits, including staff banking facilities at preferential rates as well as the employee share option scheme</li> <li>• Initiatives to cater for employee health/well-being, including Flexible Working Arrangements</li> <li>• Social leave policy offering paid leave to engage in impactful activities</li> <li>• Gender Equality Charter to promote a balanced and diversified workforce</li> <li>• Gold Standard Management Routines to promote desired corporate culture</li> <li>• Succession planning to ensure the organisation's continuity, stability and long-term success</li> <li>• Maintenance of healthy relationships with employee representatives</li> <li>• Application of Group Code of Ethics and Code of Banking Practice</li> <li>• Adoption of Group Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure prompt service and communication via our multiple channels, including ATMs, digital platforms, contact centers, and adapted branch networks</li> <li>• Enrichment of our offerings in line with customer needs and market trends</li> <li>• Efforts to reduce waiting times and improve turnaround efficiency as well as address complaints</li> <li>• Ongoing client interactions to better understand and anticipate their needs by leveraging our dedicated customer lab</li> <li>• Compliance with data protection regulations and investments to ensure the safety and confidentiality of client information and reliability of our channels</li> <li>• Fair pricing and effective management of new and existing product offerings by dedicated committees</li> </ul>				
Key performance indicators	<p style="text-align: center;"><b>56%</b> Trust Index score <i>(+6 p.p compared to the previous survey)</i></p> <p style="text-align: center;">~ 8%                      ~ Rs 111 million Turnover rate              Investment in training</p>	<p style="text-align: center;">Customer satisfaction scores (MCB Ltd)</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>82</b> Retail</td> <td style="text-align: center;"><b>75</b> Business Banking</td> </tr> <tr> <td style="text-align: center;"><b>77</b> Corporate and Institutional Banking</td> <td style="text-align: center;"><b>84</b> Private Wealth Management</td> </tr> </table>	<b>82</b> Retail	<b>75</b> Business Banking	<b>77</b> Corporate and Institutional Banking	<b>84</b> Private Wealth Management
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Note: Figures are as at June 2024, unless otherwise stated

The Group has a well-established governance and operational framework to ensure that stakeholder engagement is managed in a transparent way, in alignment with international practices and regulatory stipulations. Stakeholders are kept informed about the Group's business and strategy on a regular basis through various channels. Their views and concerns, gathered through ongoing dialogues, meetings and surveys, help in shaping our strategic priorities and guiding our initiatives.

### SHAREHOLDERS AND INVESTORS

- Good financial performance and adequate dividends
  - Protection and growth of investment
  - Robust business model
  - Sound ESG practices
  - Rigorous risk management
  - Strong, experienced and diverse management
  - Transparent reporting and effective communication
- Ensure sustainable returns through the diligent execution of our strategic endeavours
  - Interactions with shareholders and investors to better understand their perspectives and update them on our performance, strategy and sustainability commitments
  - Corporate announcements and publications, in particular quarterly Financial and Group Management Statements, roadshow presentations, and annual reports
  - Open, constructive and regular dialogue with rating agencies to report on our performance and prospects as well as provide comfort on our risk management and business growth foundations
  - Interactions with players across capital and debt markets to consolidate our FCY funding resources to support our international diversification strategy

### ECONOMIES, SOCIETIES AND COMMUNITIES

- Initiatives to promote socio-economic progress and financial inclusion and literacy
  - Efficient use of natural resources and eco-friendly operations
  - Responsible banking practices and adherence to laws and regulations
  - Participation in and promotion of discussions on topical, regulatory and economic issues
- Regular engagement with communities and stakeholders across presence countries facilitated mainly by the MCB Forward Foundation
  - No political donations made during FY 2023/24
  - Continuous support to local economies and modernisation of sectors across jurisdictions
  - Contribution to the positioning of Mauritius as a credible and competitive IFC
  - Full compliance with regulatory requirements and guidelines
  - Policies and procedures in place to detect and prevent financial crimes and prompt attendance to submission of regulatory reviews and reports
  - Thought leadership initiatives, conferences on topical issues, such as the GIC Business Series, and social media blog posts, notably on the MCB Group's 'TH!NK' website and LinkedIn as well as financial literacy promotion events

**16.6%**

Return on equity

**6.1%**

Dividend yield

~ **Rs 3.9 billion** value traded  
~ **45%** of market turnover  
*(Excludes one-off transactions)*

**+21%**  
Increase in share price of MCB Group over FY 2023/24

**BBB**

MCB Group MSCI ESG rating

**Rs 57.4 million**

Amount spent by MCB Forward Foundation

**61%**  
of total procurement expenditure sourced from local suppliers (MCB Ltd)

**3,875**  
Reports sent to the Bank of Mauritius (MCB Ltd)

*Note: Figures are as at June 2024, unless otherwise stated*



Read more on our employees and customers in the 'Our key value drivers' section on pages 56 to 59  
Read more on our economies, societies and communities in the 'Becoming more sustainable' section on pages 53 to 55

## Material matters

### How we determine our material matters

In a volatile and challenging environment, we remain focused on our material matters as we drive our strategy forward. The determination of our material matters took into consideration the impact of developments in the operating context on our business and the growing prominence of sustainability considerations. In the latter respect, we recently conducted a comprehensive materiality assessment for the Bank with the help of an external consultant, engaging stakeholders at different levels to identify a set of material sustainability topics.

Our approach strengthens the Group's resilience and responsiveness to market dynamics while assessing the environmental and social impacts of our activities on a wide range of stakeholders. Guided by the Integrated Reporting Framework and the Global Reporting Initiative, our process for determining material matters enables us to prioritise issues that shape the content of our Integrated Annual Report and Sustainability Report.

### Our materiality determination process

#### 1. Identification

We identify a list of factors taking into account:

- Our operating environment
- Stakeholder needs and expectations
- Risks and opportunities

#### 2. Prioritisation

This involves ranking material matters in order of importance through an impact evaluation by ensuring:

- Alignment with the Group's strategic objectives and sustainability goals
- Stakeholder interests

#### 3. Strategic integration

The matters that are crucial to value creation are integrated into our strategic planning process. This allows for the formulation of short, medium, and long-term business plans and strategic targets.

#### 4. Monitoring

We regularly evaluate and reassess the impact and relevance of material matters, including risks to strategy, reputation, performance, and operations.

## Material matters identified for the period under review

Material matters derived from the appraisal of the operating context are detailed below, while the material sustainability topics identified as part of the afore-described assessment are outlined in the report on Materiality Analysis for MCB Ltd which can be accessed on our website.

### Operating context influences

- 1 Geopolitical and macroeconomic conditions**  
Intensifying geopolitical tensions; sovereign rating downgrades of some countries of interest; FX pressures; Higher-for-longer interest rate regime
- 2 Heightened regulatory demands**  
More complex regulatory and supervisory requirements; blacklisting/greylisting of some African countries
- 3 Climate, environmental and social considerations**  
Prominent emphasis on climate change; growing awareness on gender diversity and transparency
- 4 Cybersecurity and technological disruptions**  
Data protection and privacy; increased interconnectedness, digital adoption and more sophisticated demand
- 5 Workplace transformations and employee engagement**  
Workplace culture; Skills shortages and talent retention; talent development; flexibility and wellbeing; succession planning
- 6 Customer loyalty in a competitive market**  
Innovative product offerings and competitive pricing models; new players such as fintech or mobile money companies










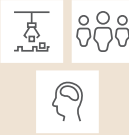




Read more in the Sustainability Report and our report on Materiality Analysis for MCB Ltd



## Our response to operating context influences

We remain agile and responsive to risks from a changing environment globally and the opportunities unfolding therein.

Geopolitical and macroeconomic conditions	Stakeholder impacted	Capital impacted
<ul style="list-style-type: none"> <li>Global growth remains steady, but heightened geopolitical tensions are keeping freight costs and commodity prices volatile, while high interest rates have persisted amidst gradual disinflation although central banks have started lowering rates</li> <li>SSA region on track for a gradual recovery, but key challenges remain, with elections and social tensions creating policy uncertainty</li> <li>Business operations impacted by FX pressures across markets</li> <li>Economic momentum sustained in Mauritius with robust tourism, inflation down to 4.0% in August 2024, but external imbalances continue to warrant attention. The Key Rate was cut by 50 basis points to 4.0% in September 2024</li> <li>Economic growth in Seychelles and Madagascar being supported by the upturn in tourism</li> <li>Sovereign rating of Maldives downgraded by ratings agencies on account of declining gross foreign reserves</li> </ul>		
<h3>Heightened regulatory demands</h3> <ul style="list-style-type: none"> <li>Introduction, in Mauritius, of a Corporate Climate Responsibility Levy, equivalent to 2% of chargeable income of companies with a turnover over Rs 50 million to create a Climate and Sustainability Fund to pursue climate change initiatives</li> <li>Deposit Insurance Scheme Act has been amended, requiring banks and non-bank deposit taking institutions to contribute to the Fund in Mauritius</li> <li>BoM guideline on classification, provisioning and write-off of credit exposures revised and new guidelines issued relating to net stable funding ratio and regulatory sandbox authorisation</li> <li>Promulgation of Financial Crimes Commission (FCC) Act, establishing FCC as Mauritius' apex financial crimes agency</li> <li>Key African countries of interest in the FATF's greylist (Kenya, Nigeria, South Africa, Tanzania)</li> <li>Madagascar: Change in basis of computation of the Capital Adequacy Ratio to Basel II and III; announcement of new liquidity ratio requirement; increase in reserve requirement rate from 9% to 12%</li> </ul>		
<h3>Climate, environmental and social considerations</h3> <ul style="list-style-type: none"> <li>Growing need to address Africa's energy demands by emphasising both traditional and sustainable financing</li> <li>Need to incorporate climate-related risks and opportunities into operations and reporting practices, notably in line with BoM Guideline on Climate-related and Environmental Financial Risk Management</li> <li>Growing focus on addressing gender pay gap to ensure fair and equitable compensation</li> <li>Extension of maternity and paternity leaves in Mauritius</li> </ul>		
<h3>Cybersecurity and technological disruptions</h3> <ul style="list-style-type: none"> <li>Heightened AI adoption and new technologies such as Cloud computing potentially enhancing efficiency and customer experiences while introducing new risks</li> <li>Increased focus on data protection and privacy amidst growing concern of cyber risks (E.g, Seychelles: Enactment of Data Protection Act 2023; introduction of whistleblowing laws)</li> </ul>		
<h3>Workplace transformations and employee engagement</h3> <ul style="list-style-type: none"> <li>Skills gap in the labour market and high demand for new skills, notably in the technology and specialised fields</li> <li>Evolving world of work, with hybrid working arrangements gaining prominence</li> <li>Introduction of incentives to boost openness of Mauritius to foreign talents</li> <li>Mauritius: Increase in 'Revenu Minimum Garanti' to Rs 20,000; announcement of wage adjustment for Private Sector workers earning up to Rs 50,000</li> </ul>		
<h3>Customer loyalty in a competitive market</h3> <ul style="list-style-type: none"> <li>Increasingly sophisticated customer expectations calling for tailored solutions and enhanced engagement</li> <li>Heightened competition across individual, corporate as well as payment segments; aggressive mortgage loan campaign by Mauritian banks</li> <li>New entrants like fintechs and peer-to-peer lenders locally and in presence countries</li> </ul>		

### Our response

- Diversified revenue streams while adopting a prudent approach and remaining focused on niche segments where we have developed expertise
- Remained focused on large corporates/multinational corporates with a solid track record
- Offered adapted products and services to customers to meet their foreign currency needs
- Reinforced market vigilance by regularly monitoring country risk across markets as well as leveraging representative offices
- Assessed our activities, notably in countries that have been downgraded or have their ratings under review for downgrade thus ensuring ring-fencing of exposures

### Main risks impacted

- Credit
- Country
- Market
- Funding and Liquidity
- Capital
- Model
- Strategic and business

### Our response

- Maintained a proactive engagement with regulators
- Strengthened the Group's risk management and compliance capabilities to ensure strict adherence to mandatory rules and advocated norms
- Continued to promote transparency and enhanced disclosure

- Market
- Funding and Liquidity
- Capital
- Model
- Cyber and information security
- Regulatory and compliance
- Strategic and business
- Climate
- Environmental and social

### Our response

- Expanded our sustainable finance offering both locally and abroad
- Ongoing initiatives aimed at reducing our environmental footprint and enhancing sustainability practices
- Reinforced the structure and process in respect of climate, environmental and social risks
- Initiatives in favour of promoting diversity, equity, and inclusion and employee well-being

- Regulatory and compliance
- Strategic and business
- Business continuity
- Reputation
- Climate
- Environmental and social

### Our response

- Client engagement enhanced through digital innovations and initiatives to further improve customer experience
- Reinforced our cybersecurity framework and embedded a strong risk culture across the organisation
- Conducted Group-wide training/ quizzes to increase cybersecurity knowledge and awareness
- Equipped employees with more sophisticated tools, leveraging machine learning

- Model
- Operational
- Business continuity
- Cyber and information security
- Regulatory and compliance
- Strategic and business
- Reputation

### Our response

- Career architecture in place to support the growth and career development of our employees
- Regular interaction with employees to adequately understand and respond to their needs and gauge their level of motivation and engagement, notably by way of surveys
- Flexible working environment and continuous investment in learning and development

- Model
- Operational
- Business continuity
- Cyber and information security
- Strategic and business
- Reputation

### Our response

- Pursued our investment in innovative technologies to refine our product offering
- Maintained our proximity with our clients and adapting our offering to their needs
- Ongoing brand promotion initiatives showcasing our products and services

- Strategic and business



Read more in the 'Risk and capital management' report