

# GROUP CHIEF FINANCE OFFICER REPORT


| | |
|---|---|
| Message from the Group Chief Finance Officer | 79 |
| Financial performance analysis | 81 |
| Performance by cluster | 87 |
| Value created | 90 |
| Shareholder information | 92 |
| Financial summary table | 93 |
| Outlook | 93 |



# Message from the Group Chief Finance Officer

I am pleased to present the CFO report for MCB Group. One year into the adoption of Vision 2030, we have made steady progress towards our strategic ambitions – strengthening our position in our Home Markets while continuing to build capabilities required to deliver sustainable growth across our African Corporate and Investment Bank and Private Banking (CIBPB) strategic pillar.

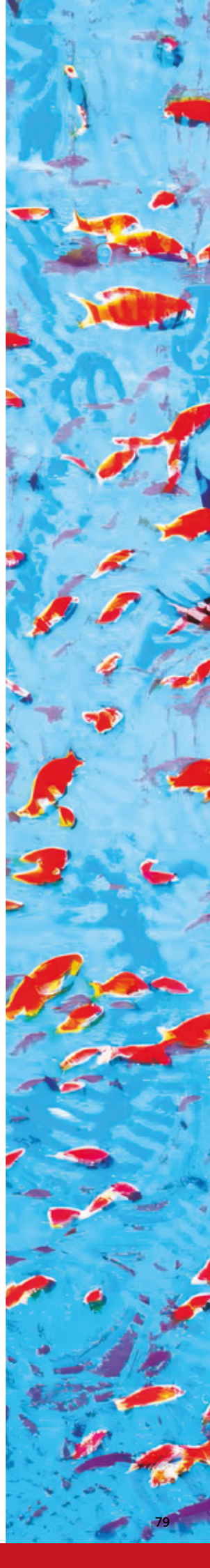
Our resilient and diversified business model enabled the Group to deliver a strong performance during the financial year ended 30 June 2026 (FY26), despite an operating environment marked by geopolitical tensions, economic uncertainty, volatile markets and new fiscal measures in Mauritius. Operating income and profit after tax grew strongly, propelled by an expansion of all of our client-led businesses and supported by a robust deposit and funding base, strong capitalisation and an improved risk profile, evidenced by lower cost of risk and declining gross non-performing loans.

During the year, we maintained momentum in executing our strategic initiatives and continued to invest in our people, technology and organisational capabilities.

These investments, while contributing to higher operating expenses, are essential to strengthening the Group's foundations and supporting its long-term growth ambitions.

Looking ahead, we will remain focused on delivering the priorities set out in Vision 2030. We are well positioned to capture growth opportunities in our Home Markets and across the African continent, while remaining alert and responsive to an evolving operating environment.

Underpinned by our strong fundamentals, a sound risk profile, diversified revenue streams and disciplined execution, we remain confident in our ability to create sustainable, long-term value for all our stakeholders.



## Economic context

### *International*

The global economy was characterised by heightened uncertainty during the year under review, as geopolitical tensions – particularly in the Middle East – weighed on confidence and investment. While advances in artificial intelligence (AI) and broader technology investment supported economic activity, higher commodity prices and supply chain disruptions intensified inflationary pressures, prompting major central banks to maintain a cautious monetary policy stance. Sub-Saharan Africa continued to demonstrate resilience despite an increasingly challenging external environment. Oil-exporting economies benefited from stronger terms of trade, while import-dependent countries faced renewed external pressures. Fiscal and refinancing risks remained elevated across several markets. Nevertheless, ongoing reforms and improved macroeconomic management contributed to stronger sovereign credit profiles in countries such as Nigeria, South Africa, Kenya, Ghana and Morocco.

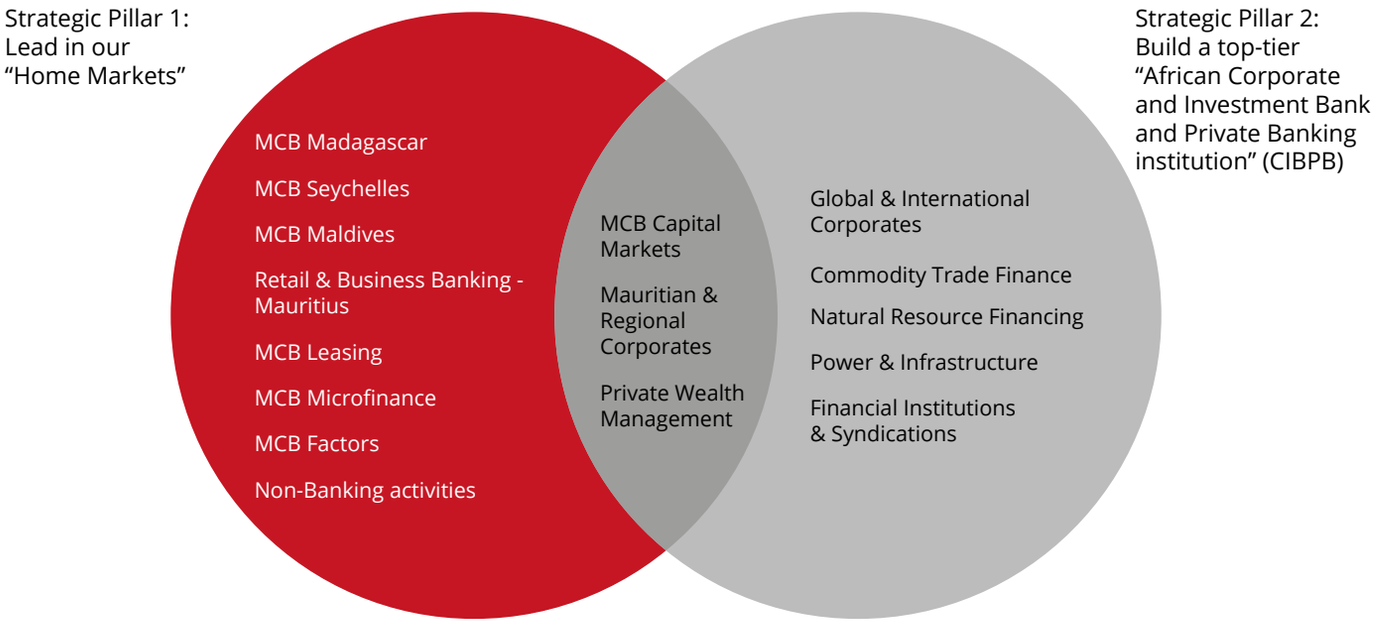
### *Home Markets*

In Mauritius, economic growth remained resilient, although it moderated during the year as the repercussions of the conflict in the Middle East weighed on tourist arrivals from certain European markets and weakened external demand more broadly. In contrast to the previous year, inflation increased during the financial year, reflecting higher global oil prices as well as rising freight and logistics costs.

Against this backdrop, the Bank of Mauritius raised the Key Rate by 25 basis points to 4.75% in May 2026 to anchor medium-term inflation expectations and maintained it at that level in August 2026. The authorities also continued to pursue fiscal consolidation, with measures aimed at narrowing the budget deficit and stabilising the public debt trajectory. In its latest periodic update, Moody's Ratings acknowledged the initial progress on fiscal consolidation while highlighting continuing execution risks. Mauritius's sovereign rating consequently remained at Baa3 with a negative outlook. In our other Home Markets, namely the Seychelles, the Maldives and Madagascar, the Middle East conflict weighed on economic activity, most visibly through disruptions to air connectivity.

## Performance across our strategic pillars

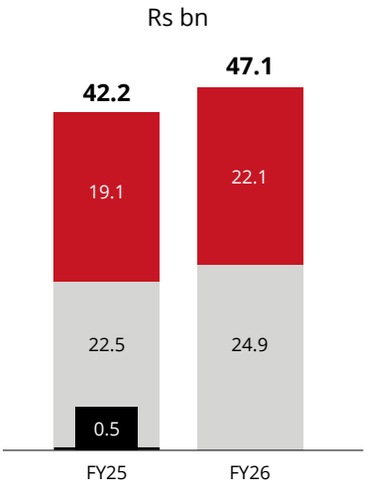
**Our business model**




The Group delivered a strong performance during the year with solid growth in core earnings across both strategic pillars. Operating income under the "Home Markets" strategic pillar - Mauritius, Madagascar, the Seychelles and the Maldives – increased by 15.8% in FY26 to Rs 22,133 million, with growth in both interest as well as non-interest income. The Group maintained its momentum in the retail segment in Mauritius through ongoing enhancements to customer experience and strengthened its market positioning, resulting in market share gains, notably in the housing segment. In line with the Group's commitment to supporting local corporates in their business development initiatives and sustainability ambitions, the related loan portfolios recorded significant growth over the period under review. Higher revenues from payments activities,together with stronger trading income, contributed to the growth in non-interest income.

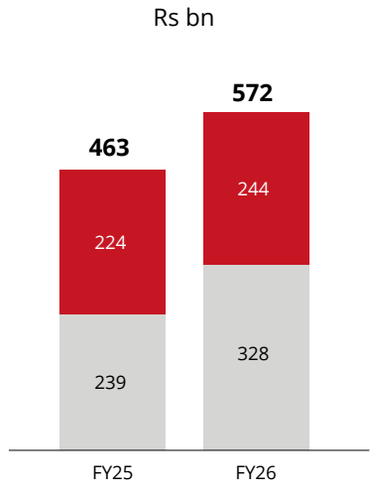
Operating income from the "African CIBPB" strategic pillar increased by 10.8% in FY26 to Rs 24,919 million. This performance reflects the continued development of the Group's structured finance franchise and its growing presence across key African markets. By supporting clients in the energy, commodities, power and infrastructure sectors as well as private equity funds, the Group successfully captured new business opportunities contributing to a significant growth in its loan book in these segments while concurrently diversifying its portfolio in line with its strategy. This translated to higher net interest income as well as non-interest income delivered through increased transaction volumes and higher wealth management fees, establishing the Group as a preferred financial partner for strategic investments across Africa.

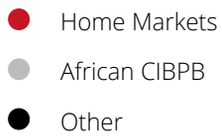
**Operating income by strategic pillar**




*Figures may not add up due to rounding*

**Customer loans and advances[1] by strategic pillar**




[1]*Includes gross customer loans and corporate notes and bonds*

*Notes: (i) The "Mauritian and Regional Corporates" business line (MRC) is managed within the Corporate and Institutional banking coverage structure and serves large Mauritian and regional groups in their domestic operations and accompanies them in their development and expansion beyond the "Home Markets". For the purposes of describing the performance by strategic pillar, MRC has been classified under "Home Markets" reflecting the larger mix of domestic business they do in domestic currency. "Private Wealth Management" and "MCB Capital Markets" on the other hand serve both domestic and foreign clients and are considered as fundamental in the development of the African CIBPB and have been classified as such in the charts above. (ii) Other represents the fair value of Mastercard and Visa in FY25 which are non-recurring items.*

# Financial performance analysis

## Performance highlights

Operating income increased by 11.6%, reflecting the solid performance of the banking and other investment clusters, partly offset by a lower contribution from the non-banking segment.

Cost-to-income ratio increased to 38.1% mainly reflecting continued investment in human capital and technology to support the Group's expansion.

Impairment charge declined by 33.5% mainly due to the successful recoveries made during the first half of the financial year. The Gross NPL ratio and cost of risk dropped to 2.0% and 0.39% respectively.

Share of profit of associates increased by Rs 764 million.

The Group's liquidity position remained healthy with a net customer loans and advances to customer deposits ratio of 62.4% and net customer loans and advances to funding base of 49.4%.

Capital adequacy ratios declined while remaining above the regulatory requirements.

### Key figures

**Profit attributable to shareholders**

Rs **20.1 bn** +11.3% ▲

**Operating income**

Rs **47.1 bn** +11.6% ▲

**Non-interest expense**

Rs **17.9 bn** +13.8% ▲

**Impairment charge**

Rs **2.3 bn** -33.5% ▼

**Gross customer loans and advances**

Rs **571.7 bn** +23.6% ▲

**Total assets**

Rs **1,283.4 bn** +27.4% ▲

## Key ratios

**Return on equity**
**16.0%**
(FY25: 16.4%)
34 bps ▼

**Cost-to-income ratio**
**38.1%**
(FY25: 37.4%)
75 bps ▲

**Cost of risk**
**0.39%**
(FY25: 0.74%)
35 bps ▼

**Loan-to-deposit ratio**
**62.4%**
(FY25: 60.6%)
182 bps ▲

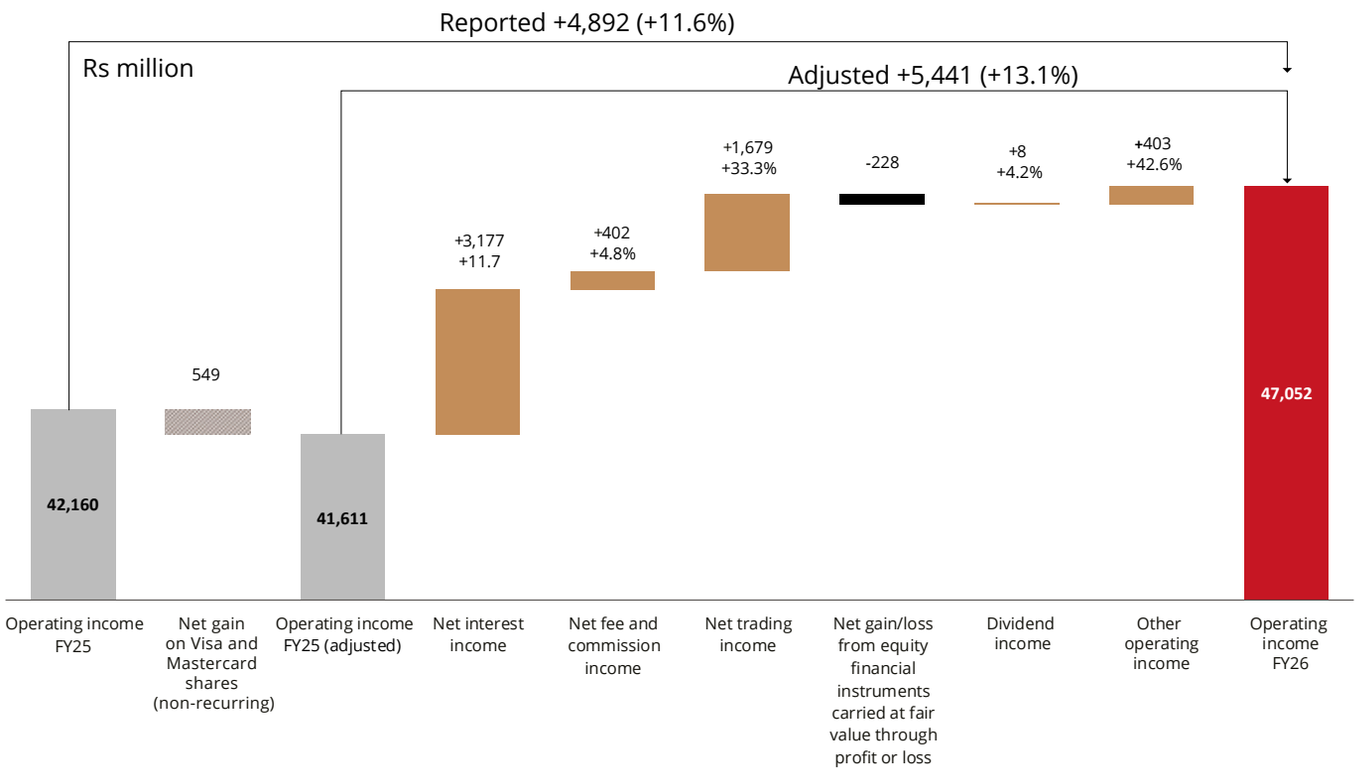
**Gross NPL ratio**
**2.0%**
(FY25: 3.0%)
99 bps ▼

**Capital adequacy ratio**
**20.3%**
(FY25: 22.0%)
171 bps ▼

*Note: (i) Loan-to-deposit ratio is calculated as net customer loans and corporate notes and bonds divided by customer deposit, (ii) Gross NPL ratio is calculated as stage 3 customer loans, loans to banks and corporate notes (adjusted for suspended interest) divided by gross customer loans, loans to banks and corporate notes and bonds, (iii) Cost of risk is calculated as the impairment charge divided by gross customer loans, loans to banks and corporate notes and bonds.*

## Income statement analysis

*The Group reported an increase in operating income of Rs 4,892 million (+11.6%), supported by growth in both net interest income and non-interest income*




*Note: Percentages refer to year-on-year changes for each item*

Excluding the fair value gains on Visa and Mastercard shares of Rs 549 million in FY25, operating income from the Group's core activities increased by 13.1%.

*Interest-earning assets growth drove net interest income up despite a slight decrease in the overall net interest margin*

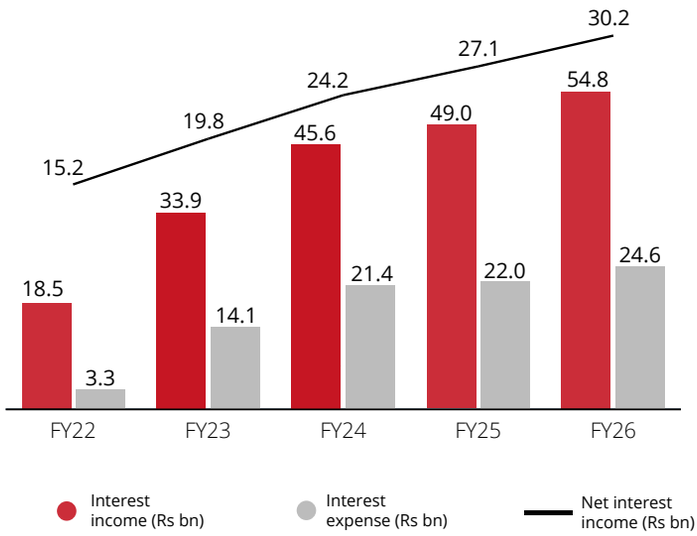
Net interest income increased by 11.7% to Rs 30,229 million as a result of the growth in interest-earning assets notwithstanding a fall in the overall net interest margin.

In Mauritius, the growth in the Group's loan book and the reinvestment of liquid assets at higher rates contributed to an increase in rupee-denominated net interest income. Conversely, margins on rupee-denominated customer loans and advances declined slightly amidst heightened competition and reflecting preferential rates offered on sustainable finance facilities. In the Group's overseas banking subsidiaries, net interest income increased in the Maldives and Madagascar but remained relatively flat in the Seychelles.

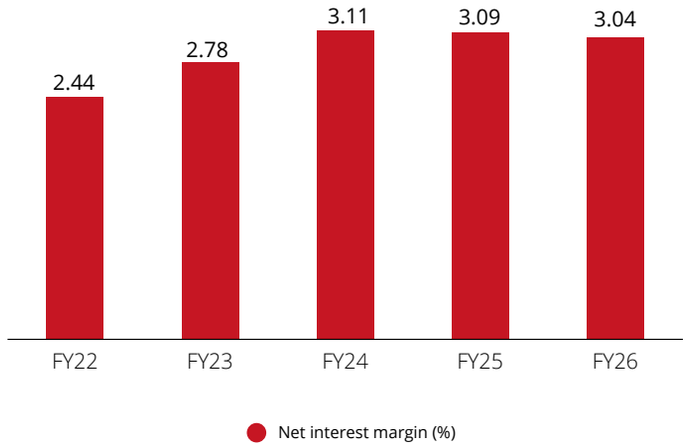
Foreign currency net interest income increased despite a decline in margins, with growth in customer loans and advances and liquid assets more than offsetting the impact of lower margins. The drop in net interest margins reflected the fall in the USD benchmark rate, heightened competition and a higher proportion of borrowings and foreign currency term deposits in the funding mix.

The Group achieved a CAGR of 19.0% over the last five years, supported by its underlying business growth and a favourable interest rate environment.

**Net interest income**




**Net interest margin**



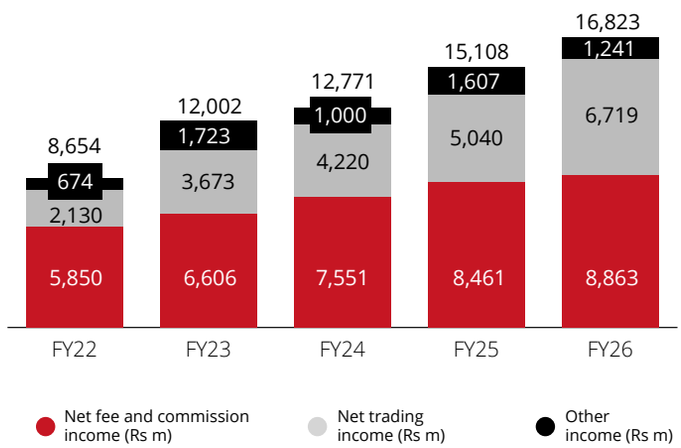

*The growth of financial markets, wealth management and payments activities contributed to the growth in non-interest income*

Non-interest income increased by 11.4% to Rs 16,823 million in FY26, representing a five-year CAGR of 18.1%, in line with the Group's strategy to grow its non-funded income. The growth in non-interest income is explained by:

- a 4.8% rise in net fee and commission income supported by payments and wealth management activities;
- a 33.3% increase in trading income reflecting higher volumes of foreign exchange activity and fixed income transactions;
- other operating income increasing by Rs 403 million, benefitting from gains realised on the sale of financial instruments.

The growth in non-interest income was mitigated by fair value losses of Rs 306 million on equity financial instruments linked to investments in the MCB Equity Fund compared to gains of Rs 471 million in the previous year. Of note, most of the gains on financial instruments recorded in FY25 were related to Visa and Mastercard shares. Fair value changes on these shares are no longer recorded in the income statement since November 2024.

**Non-interest income**



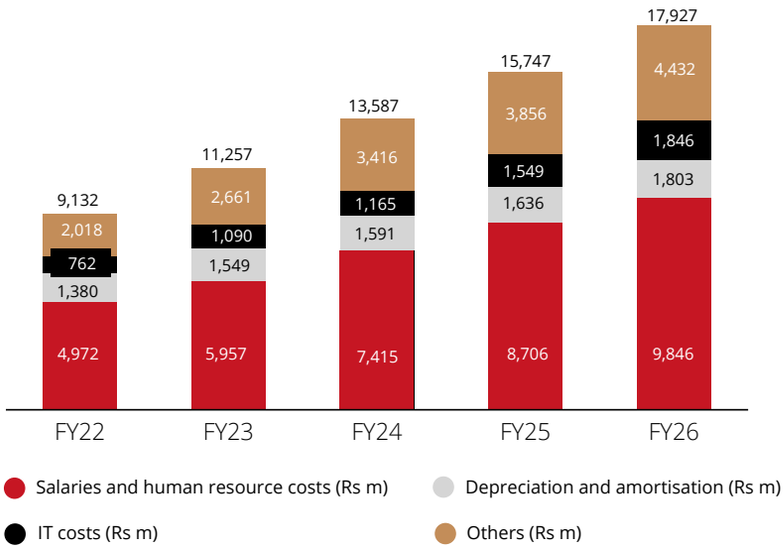
### *Ongoing investment in people, technology and organisational capabilities led to higher non-interest expenses*

Non-interest expenses rose by 13.8% to Rs 17,927 million, in line with continued investment to support the Group's growth ambitions. The year-on-year increase in non-interest expenses is explained by:

- an increase of 13.1% in staff costs, driven by increased headcount in support of business expansion, especially in specialised and high growth areas as well as the annual salary adjustments;
- a rise of 19.2% in IT costs in line with increased investment in technology as well as higher system costs associated with the Group's cloudification strategy, cybersecurity initiatives, the deployment of AI and inflation-linked adjustments;
- higher premiums for the Deposit Insurance Scheme in Mauritius of Rs 537 million compared to initial contribution of Rs 256 million in FY25;
- an increase of 25.6% in legal and professional fees to Rs 1,454 million, in line with business growth and reflecting higher consultancy fees incurred linked to the implementation of initiatives to support the Group's strategic ambitions.

As a result, the cost-to-income ratio increased by 75 basis points to 38.1%.

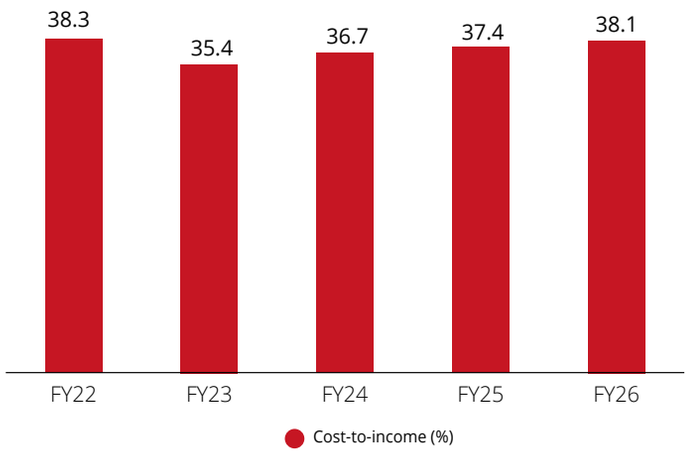
**Breakdown of non-interest expenses**




### *Improving asset quality and significant recoveries led to a decrease in the cost of risk*

Impairment charges decreased by 33.5% to Rs 2,330 million, reflecting strong recoveries made during the first half of the financial year. Consequently, the cost of risk for FY26 improved to 0.39% compared to 0.74% in the previous year. The specific provision coverage ratio remained robust at 78.1% as at June 2026 compared to 87.6% last year.

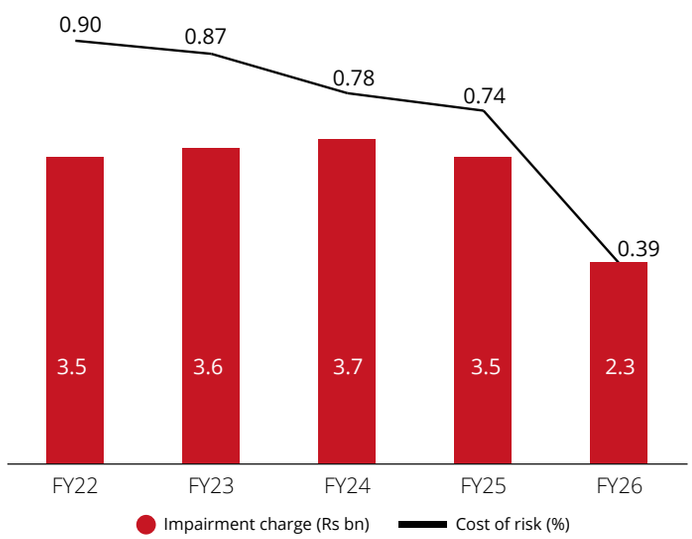
**Cost-to-income ratio**




### *Increase in the share of profit of associates*

The share of profit of associates increased to Rs 798 million compared to Rs 34 million in FY25 driven by the stronger performance of BFCOI as well as an improvement in the results of Fincorp's associate, namely Promotion and Development Ltd (PAD). Of note, the Group recorded a share of loss from PAD last year due to the one-off write-down of property value linked to damage caused by a cyclone in 2024.

**Credit impairment charge**

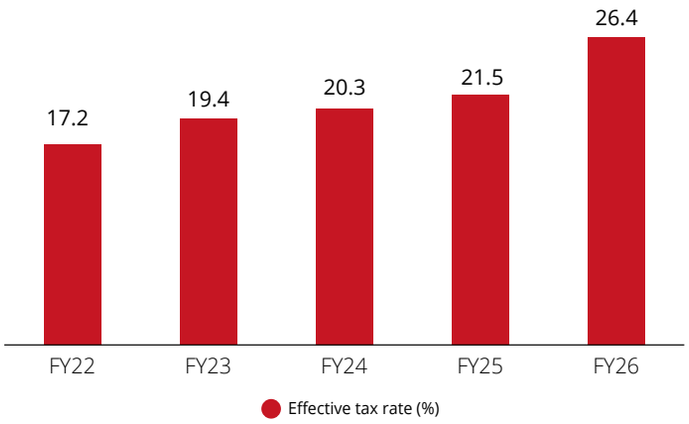



*Note: Specific provision coverage ratio is calculated as stage 3 provisions on customer loans, loans to banks and corporate notes and bonds net of suspended interest divided by stage 3 customer loans , loans to banks and corporate notes and bonds.*

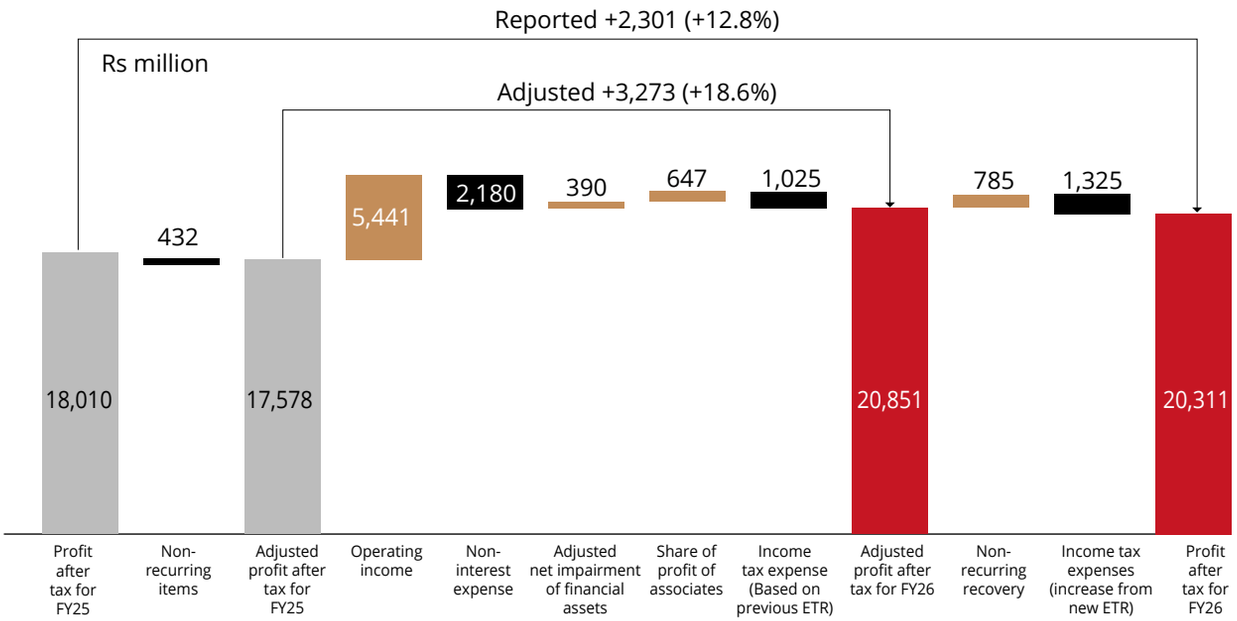
*New fiscal measures led to an increase in taxes*

The tax charge increased by 47.6% to Rs 7,282 million in line with the growth in profit before tax and the introduction of new fiscal measures in Mauritius at the start of the financial year. The effective tax rate increased from 21.5% last year to 26.4% for FY26.

**Effective tax rate**




*Reported profit after tax (PAT) increased by 12.8%. Adjusted for non-recurring items and changes in tax legislation, the Group delivered an 18.6% increase in PAT*




Reported profit after tax increased by 12.8% to Rs 20,311 million. However, on a like-to-like basis, excluding the one-off adjustments in FY25 and taking into account the recovery of a significant impaired loan together with the increase in the Group's effective tax rate linked to the new tax legislation in Mauritius in FY26, profit after tax was up by 18.6%.

*Note: One-off adjustments include the non-recurring fair value gains on Visa and Mastercard shares of Rs 549 million and the write-down of assets held by one of PAD's associates (Caudan) of Rs 117 million.*

## Financial position statement analysis

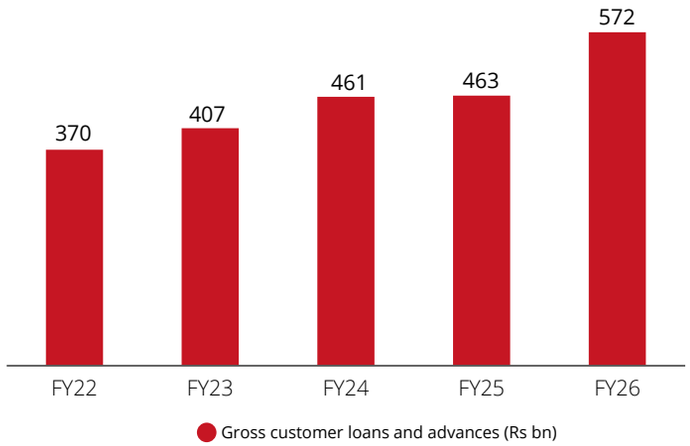
### *Growth in gross customer loans and advances across the Group's strategic pillars*

Gross customer loans and advances (including corporate notes and bonds) increased by 23.6% year on year to Rs 571.7 billion, driven by continued growth across both strategic pillars. The loan book in the "Home Markets" grew by 8.8%, while lending to the international segment under the "African CIBPB" strategic pillar rose by 37.4%, reflecting sustained business momentum across key markets. In Mauritius, loan growth was supported by higher disbursements to the individual segment, particularly for housing loans, as well as increased lending to corporates. In addition, loans and advances increased slightly in the Seychelles and declined, in local currency terms, in the Maldives and Madagascar. Under the "African CIBPB" strategic pillar, foreign currency loan growth was supported by broad-based increases across the corporate banking franchise whereby double-digit growth was recorded across the Natural Resources Finance, Global and International Corporates, and the Power and Infrastructure segments. In addition, funded exposures within the Commodity Trade Finance portfolio increased significantly, reflecting both the continued expansion of business activity and the impact of higher oil prices. As regards asset quality, the gross NPL ratio improved to 2.0% as at June 2026, compared to 3.0% as at June 2025.

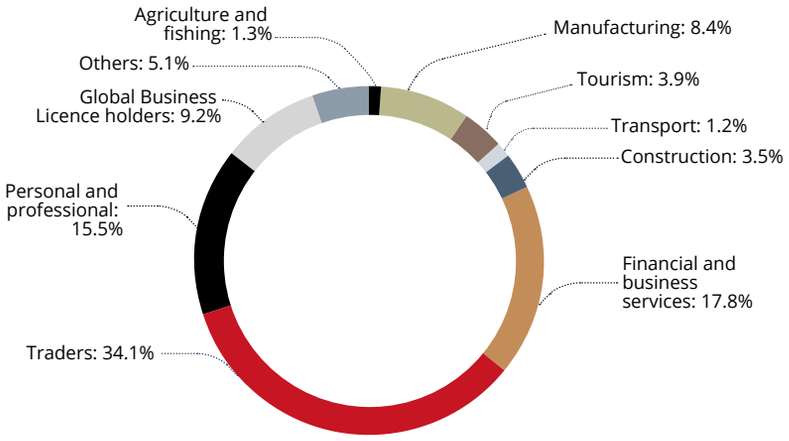
### *Increase in borrowings to diversify the Group's funding base*

Total deposits increased by 24.5% to Rs 921.4 billion as at June 2026, underpinned by growth across all banking entities. Continued efforts to mobilise foreign currency funding contributed to a 35.8% increase in foreign currency deposits, while rupee-denominated deposits grew by 6.7%. In a bid to continue to diversify its funding base and increase the amount of stable funding, the Group has completed several funding initiatives during the year. As a result, other borrowed funds also rose by 68.5%, reflecting the higher use of repos and the successful closure of a USD 450 million syndicated loan facility, which also strengthened the Group's capacity to support future growth of its loan portfolio. Debt securities increased to Rs 36.9 billion following the issuance of Senior Unsecured Notes on the London Stock Exchange for a nominal amount of USD 400 million as part of the Global Medium Term Note Programme. Supported by the successful funding initiatives, the Group maintained a healthy liquidity position, with the net customer loans and advances-to-customer deposits ratio and the net customer loans and advances-to-funding base ratio standing at 62.4% and 49.4% respectively, as at June 2026.

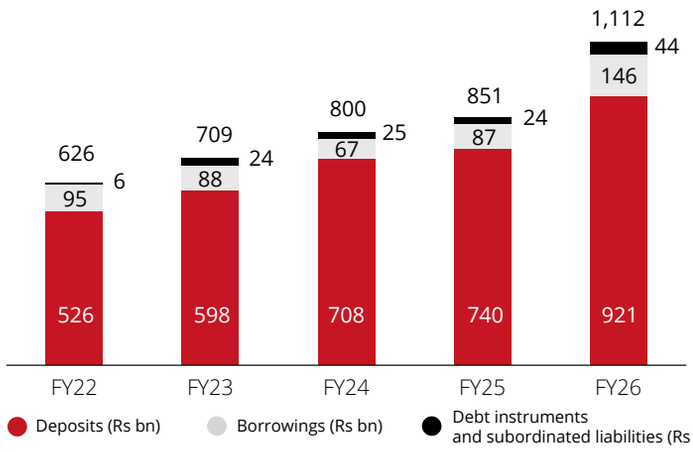
**Gross customer loans and advances**




**Loans to customers - Sector distribution**




**Funding base**

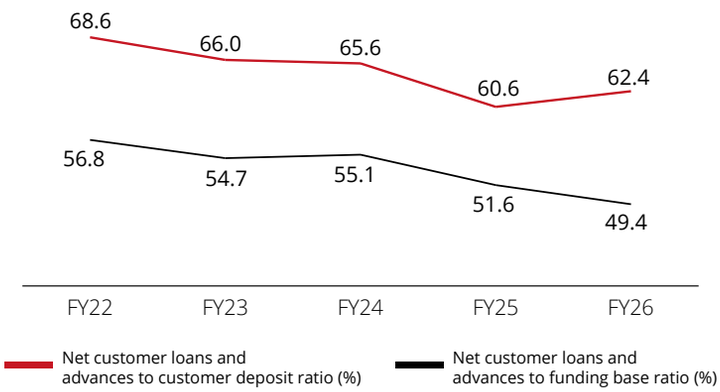


### *Excess liquidity deployed in short-term treasury bills and balances with banks*

Total liquid assets increased by 29.5% to Rs 644.8 billion, reflecting the faster growth rate in the Group's funding base compared to loans and advances. Investment securities, excluding corporate notes and bonds went up by 23.1% while cash and cash equivalents increased by 59.4%, driven by an increase in short-term foreign currency treasury bills while a decline was observed in money market placements. Overall, the liquid assets-to-total assets stood at 50.2% as at June 2026.

*Note: Liquid assets include cash and cash equivalents, placements with banks, mandatory balances with central banks and government securities.*

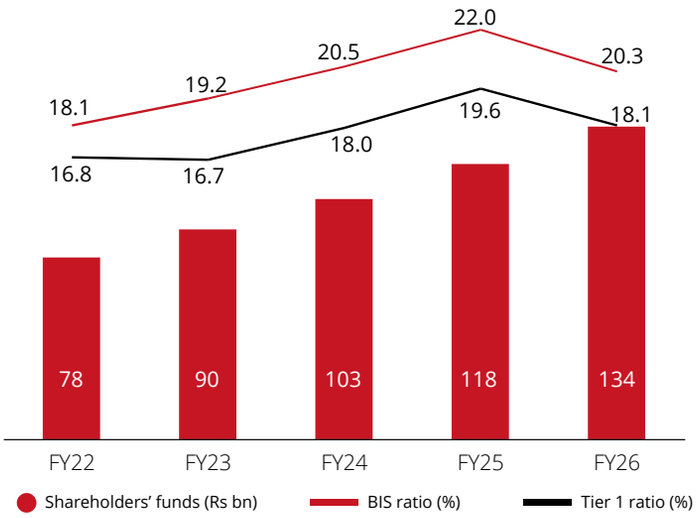
**Funding ratios**




### *Comfortable capital adequacy despite strong growth in loans and advances*

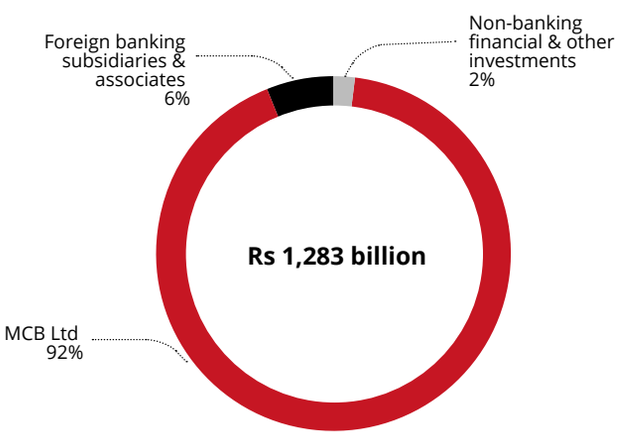
Shareholders' funds increased by 13.5% to Rs 133.6 billion in line with an increase of Rs 13.2 billion in retained earnings, after accounting for dividends of Rs 6.8 billion during the financial year. Shares issued under the Group's scrip dividend scheme and conversion of preference shares also contributed to the growth in shareholders' equity. Total eligible and Tier 1 capital increased by 12.9% to Rs 142.6 billion and 12.9% to Rs 127.0 billion. Combined with a rise of 22.4% in risk-weighted assets, linked to the significant expansion of the Group's lending activities, the capital adequacy ratio and Tier 1 ratio declined to 20.3% and 18.1% respectively.

**Shareholders funds and capital adequacy**

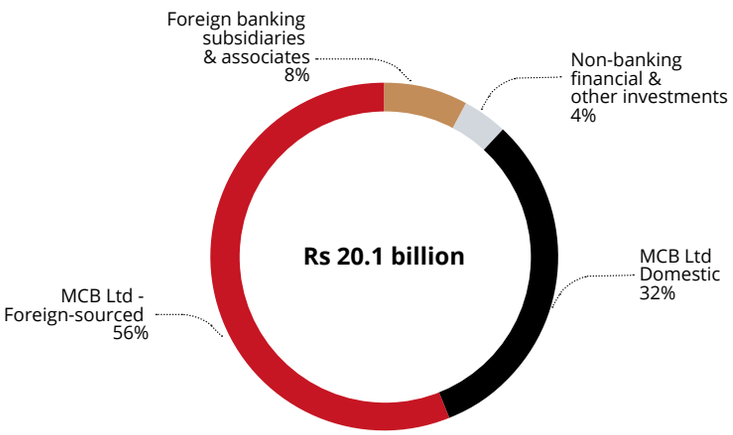



## Performance by cluster

**Assets by cluster**




**Contribution to Group profit**




The growth in Group results was supported by an encouraging performance within the banking cluster with income in Mauritius from foreign activities as well as foreign subsidiaries and associates accounting for an aggregate 64% of Group profits. The share of Group's profit derived in Mauritius improved to 32% while the contribution from the Group's non-banking segment contributed to 4%.

## Banking cluster

### *MCB Ltd*

The Bank delivered a strong financial performance despite the challenging operating environment with profit before tax increasing by 15.6% to Rs 25,099 million. However, bottom-line results were impacted by the introduction of new fiscal measures in Mauritius at the start of the financial year, resulting in profit after tax rising by 7.8% to Rs 18,549 million.

In Mauritius, the Bank further strengthened its leadership position by continuously enhancing its value proposition and delivering an improved customer experience. In corporate banking, the Bank remains the foremost banking partner of many local companies and affirmed its commitment to the country's transition to a green economy, partly through the deployment of our sustainable finance credit line. The Bank also reinforced its leading role in supporting entrepreneurs and individuals, with strong growth in loan book across both segments, reflecting its tailored offerings and a customer-centric approach.

Within the African Corporate and Investment Banking and Private Banking (CIBPB) strategic pillar, the Bank's various business lines continued to contribute strongly to revenue growth, supported by its strong franchise in selected market niches. The Bank continued to expand its Commodity Trade Finance business whilst simultaneously growing its loans and advances portfolio across Natural Resources Financing and Power and Infrastructure business lines. It also reinforced its position as a strategic partner to multinational corporations and large enterprises doing business in or with Africa, offering bespoke solutions that contributed to the diversification of its revenue streams.

Supported by the continued growth of its commercial activities, the Bank recorded an 11.7% increase in operating income, driven by higher net interest income and non-interest income, which grew by 11.9% and 11.3%, respectively. Net interest income growth was supported by the continued expansion of the interest-earning assets portfolio and the reinvestment of liquid assets at higher yields, while non-interest income benefited from the growth of the Bank's payments and wealth management activities, as well as higher volumes of foreign exchange and fixed income transactions. Non-interest expenses increased by 14.8%, reflecting higher staff costs, IT-related expenditure and professional fees incurred to support the Bank's long-term growth ambitions. Impairment charges declined by 27.7%, mainly driven by higher recoveries during the period under review, while the Bank's share of profit from BFCOI increased by Rs 77 million. The tax charge rose by 45.4% to Rs 6,550 million, resulting in an effective tax rate of 26.1%.

Balance sheet growth remained strong, with gross loans and advances (including corporate notes and bonds) increasing by 25.4%. This growth was supported by a larger and more diversified funding base. Total deposits increased by 25.1% to Rs 874.9 billion, while borrowings and debt securities rose to Rs 144.8 billion and Rs 33.3 billion respectively, following the successful execution of wholesale funding initiatives.

The Bank's risk profile continued to improve, with the gross non-performing loan ratio declining to 1.7% and the cost of risk decreasing to 0.40%. The balance sheet remained highly liquid, as reflected by a Liquidity Coverage Ratio of 401%, while the Bank maintained a strong capital position with Capital Adequacy and Tier 1 ratios of 19.5% and 17.3%, respectively.

### *MCB Madagascar*

MCB Madagascar strengthened its funding and liquidity profile during FY26, with customer deposits growing by 33%, following successful deposit mobilisation initiatives. At the same time, the gross loans and advances portfolio contracted by 7%, resulting in higher levels of liquidity, that was largely redeployed into investment securities, driving a 55% increase in that portfolio.

Net interest income was broadly stable over the year, with margins remaining under pressure amid heightened competition. Strong growth in fee and commission income (+20%) and trading income (+80%), nevertheless contributed to an 18% increase in operating income. However, these gains were more than offset by a 41% rise in operating expenses, mainly reflecting higher staff costs and business support function costs, together with a 16% increase in impairment charges. Consequently, profit after tax declined by 44% to MGA 9.1 billion, resulting in MCB Madagascar's contribution to Group profit decreasing to Rs 88 million in FY26, compared with Rs 146 million in the previous financial year.

### *MCB Maldives*

MCB Maldives delivered a strong improvement in profitability during FY26, supported by both balance sheet growth and enhanced revenue generation. Customer deposits increased by 9% while the gross loans portfolio contracted by 6%, resulting in a 16% rise in excess liquidity. Through prudent and effective management of this excess liquidity, net interest income grew by 17%, while non-interest income increased by 6%, contributing to a 14% increase in operating income.

Performance was, however, partly offset by a 25% rise in operating expenses, mainly reflecting higher business operating costs. In addition, recoveries of MVR 44 million from historical non-performing facilities supported the bottom line. As a result, profit after tax increased by 59%, lifting MCB Maldives' contribution to Group profit to Rs 520 million in FY26, compared with Rs 322 million in the previous financial year.

### *MCB Seychelles*

MCB Seychelles recorded a modest balance sheet growth during the period under review with gross loans and advances to customers and deposits increasing by 3% and 6%, respectively. Against this backdrop, coupled with the decreasing interest rates on foreign currency-denominated assets, net interest income witnessed a decrease of 3%. Lower card-related revenues outweighed the growth of 11% in foreign exchange income, resulting in a 2% reduction in non-interest income. As a result, operating income recorded a contraction of 3%. Overall performance was further impacted by a 15% growth in operating expenses, which reflected continued investment in human capital and higher costs incurred across business support functions. Impairment charges for the year stood at SCR 32 million, with provision coverage ratio improving from 47% to 54% over the year. Profit after tax declined to SCR 172 million, resulting in a lower contribution to Group profit of Rs 562 million in FY26 (FY25: Rs 712 million).

### *Banque Française Commerciale Océan Indien (BFCOI)*

Despite a slight decline in both loans and deposits during the period under review, BFCOI recorded a 18% increase in net interest income, supported by the gradual decline in interest rates. While non-interest income declined by 3%, mainly due to lower commission income resulting from reduced transaction volumes across certain activities, gross operating income increased by 5%. Impairment charges decreased significantly to EUR 5 million, including EUR 1.7 million in provision reversals, compared to EUR 6 million in the prior year. Consequently, MCB Group's share of profit amounted to some Rs 371 million in FY26 (FY25: Rs 294 million). BFCOI maintained a strong capital position, with a Tier 1 ratio of 13.0% and a capital adequacy ratio of 15.1%, both comfortably above the regulatory thresholds of 9.5% and 11.3%, respectively.

## Non-banking financial cluster

### *MCB Capital Markets*

MCBCM's consolidated revenues amounted to Rs 732 million in FY26 (FY25: Rs 701 million) while its contribution to Group profits rose from Rs 264 million in FY25, (including an exceptional loss of Rs 83 million), to Rs 362 million in FY26. Results were supported primarily by its corporate finance activities and the continued growth of its structured products, securities business and growth in assets under management.

In particular, the Corporate Finance Advisory team further strengthened its position as Mauritius' leading advisor on Sustainability Finance by assisting its clients on defining their ESG objectives, integrating ESG considerations into their financing and investment strategies, drafting their Sustainability Frameworks and raising capital aligned with these frameworks.

### *Private Equity*

MCB Equity Fund is the Group's captive USD 100 million evergreen fund that provides expansion capital to established businesses across Africa. The fund is managed by MCB Capital Partners Ltd, a wholly owned subsidiary of MCB Capital Markets Ltd. During FY26, the fund manager continued to focus on the realisation of existing investments and the redeployment of proceeds into new investment opportunities where appropriate.

MCB Equity Fund recorded a loss of Rs 251 million (FY25: profit of Rs 29 million), primarily due to fair value losses recognised on its portfolio of unquoted investments.

### *MCB Real Assets Ltd*

During FY26 MCB Real Assets Ltd acquired the remaining shareholding in Compagnie des Villages de Vacances de L'Isle de France Limitée (COVIFRA) by way of a Scheme of Arrangement, making COVIFRA a wholly owned subsidiary of MCB Group Ltd. COVIFRA is the owner of the Club Med hotel resort located at Pointe aux Canonniers, Mauritius. Total contribution of MCB Real Assets to Group results amounted to Rs 180 million for FY26 (FY25: Profit of Rs 222 million). The decrease in profit is primarily due to movements in deferred tax.

### *MCB Leasing Ltd*

The lease portfolio increased by 19%, across both the finance and operating leases, to reach Rs 6,985 million whilst the deposit book expanded by 16% to Rs 6,812 million. Increase in profits after tax is explained by increases in net interest income and net operating lease income stemming from the growth in the lease portfolio. Correspondingly, operating expenses increased by 14% while the impairment charge for the year amounted to Rs 10 million (FY25: Rs 8 million). Overall profit after tax reached Rs 73 million for the year (FY25: Rs 55 million).

### *MCB Factors Ltd*

MCB Factors Ltd continued to strengthen its leadership position in the Mauritian factoring market by providing businesses with tailored working capital solutions that improve cash flow, unlock liquidity and enhance protection against trade credit risks. During the year under review, client assignments increased by 17% to Rs 10.4 billion, driving an 18% growth in operating income to Rs 124 million. Supported by disciplined cost management and strong funding spreads, profit before tax rose by 28% to Rs 60 million, while profit after tax increased by 19% to Rs 45 million.

Looking ahead, MCB Factors will continue to enhance its value proposition by remaining well positioned to support the evolving working capital needs of businesses while pursuing sustainable growth opportunities.

### *MCB Microfinance Ltd*

Since inception, MCB Microfinance has disbursed some 9,321 loans, corresponding to a gross amount of Rs 2,162 million, of which 52% relate to investment loans. Since the creation of its office in Rodrigues in March 2017, around 1,000 micro-loans have been disbursed, corresponding to a gross amount of Rs 168 million. As at 30 June 2026, MCB Microfinance's loans stood at around Rs 496 million while a net profit of Rs 0.9 million was recorded in FY26.

## Other investment cluster

*Fincorp Investment Ltd*

Fincorp Investment Ltd (Fincorp) is an investment company listed on the Stock Exchange of Mauritius. Its main investments include MCB Leasing Ltd (a wholly owned subsidiary), MFD Limited and PAD Ltd (Associate). PAD's main investments are, in turn, Caudan Development Ltd (wholly owned subsidiary), Medine Ltd (Associate), MFD Ltd (Associate) and Eudcos Ltd (Associate).

Fincorp returned to profitability during the year under review, reversing the losses incurred in the previous year, which were primarily attributable to the write down of investment property value related to damage to the quays at Caudan caused by a cyclone. The improved performance was supported by the following factors:

- The yielding assets of Caudan Development Ltd performed well during the year under review with good rental growth and improved occupancy levels and effective cost management initiatives;
- Medine delivered an improved performance driven by the successful execution of property transactions through strategic bulk and parcelling land sales;
- Increased profitability of MCB Leasing Ltd as explained in the previous section.

As a result of the above, the company recorded a consolidated profit of Rs 367 million in FY26 compared to a loss after tax of Rs 202 million in FY25.

# Value created

**The Group plays an important role in driving value creation across our home and African markets. In Mauritius, it is a significant contributor to economic development through the wide range of products and services it provides to individuals and businesses, facilitating transactions, supporting investment and enabling wealth creation. MCB Group is the largest corporate taxpayer, has the widest shareholder base, is a major customer of local suppliers and is one of the largest employers of professionals on the island.**

The Group derives 47% of its revenue from customers in its Home Markets, with its banking operations in Mauritius representing approximately 40% of domestic credit and 50% of rupee deposits in the banking sector as at June 2026. Through its extensive network across the island, the Group plays a significant role in supporting individuals and businesses, fostering economic activity and contributing to wealth creation within the wider community.

Our international business, under the African CIBPB strategic pillar, accounts for the remaining 53% of the Group's revenue. This performance is driven by the provision of bespoke and specialised products and services to international corporates and high-net-worth clients, primarily those conducting business in Africa. Through its growing international business, MCB Group reinforces the reputation and credibility of Mauritius as an International Financial Centre.

Our rich history, innovative mindset and customer-centric approach have enabled us to earn the trust of more than one million customers and build a strong franchise over the years both in Mauritius and abroad. Our robust financial performance allows us to invest in new products, digital capabilities and service enhancements that directly benefit our growing customer base. This supports sustained business growth, strengthening our ability to create value for our stakeholders whilst retaining enough capital to fund future investments. We recognise the interdependency between the value the Group generates and the value it creates for its stakeholders, as each reinforces the other in driving long-term sustainable success.

### Employees

We offer fair compensation to our employees as well as several non-salary benefits with opportunities for upskilling and career development. For the year under review, a total of Rs 9.8 billion was spent on our employees – a reflection of our commitment to their growth, development and well-being.

### Suppliers

We foster long-term partnerships with both local and foreign suppliers of products and services with a key focus on promoting local and responsible procurement to favour the development of the local economy. Payment to third-party providers of products and services, including capitalised expenditure, amounted to around Rs 6.8 billion during FY26.

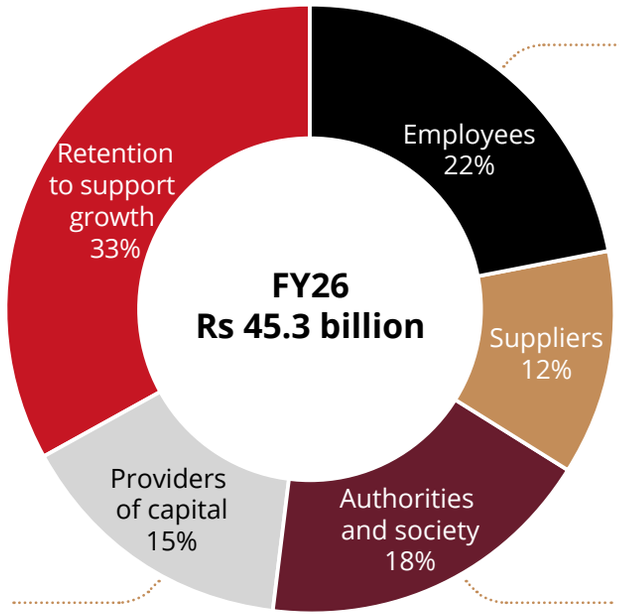
### Authorities and Society

We are committed to making meaningful contributions to the socio-economic development of countries where we operate. With our status as the largest contributor to corporate tax revenue and banking levy in Mauritius, the amount of tax and levies charged as well as premiums for the Deposit Insurance Scheme in Mauritius, worked out to approximately Rs 8.3 billion in FY26. Moreover, we promote social progress and financial inclusion, environmental protection, sports, arts and culture through sponsorship programmes and initiatives channeled via MCB Forward Foundation, amongst others.

### Shareholders and Investors

We deliver consistent and sustainable financial returns with sound risk and capital management. Dividends amounted to Rs 6.8 billion, allowing the Group to maintain its dividend payout of around a third of its profits.

**Wealth created by MCB Group**




We employ more than 5,000 people across the Group, which remains one of the largest employers in Mauritius. Out of the remuneration paid to employees, our colleagues contributed about Rs 659 million as pay-as-you-earn income tax in Mauritius in FY26.

We work with around 1,000 suppliers, of whom more than 70% are local.

We contribute to the development of the communities across markets while being the largest taxpayer in Mauritius.

Dividends to more than 24,000 shareholders.

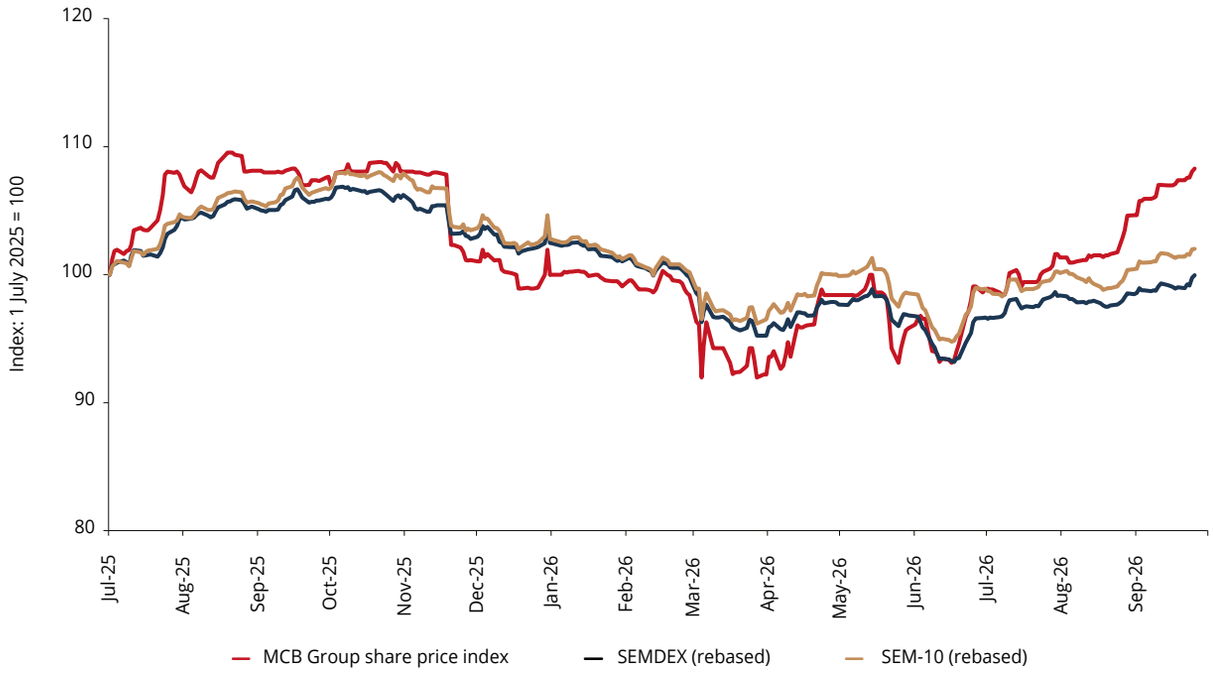
# Shareholder information

The Group aims to provide adequate and consistent returns to shareholders whilst preserving enough capital for growth. To that end, the Group declared an interim dividend of Rs 11.00 in May 2026 compared to Rs 10.50 in May 2025. The final dividend declared also increased from Rs 15.00 for FY25 to Rs 16.50 for FY26, with the total dividend for FY26 increasing to Rs 27.50.

| Year ending June | 2024 | 2025 | 2026 |
|---|---|---|---|
| **Share price (Rs)** | | | |
| High | 399.50 | 474.50 | **476.50** |
| Low | 313.50 | 378.00 | **400.00** |
| Average | 342.07 | 441.24 | **441.31** |
| Closing - Year end | 380.00 | 430.25 | **430.00** |
| **Market capitalisation** | | | |
| Market capitalisation as at 30 June (Rs m) | 96,187 | 111,617 | **113,490** |
| Market capitalisation as % of SEMDEX[1] | 36.1 | 36.3 | **38.4** |
| Value of shares traded (Rs m) | 3,988 | 4,944 | **5,579** |
| MCB market share[2] (%) | 45 | 52 | **43** |
| **Dividends** | | | |
| Total | 23.00 | 25.50 | **27.50** |
| Interim | 9.50 | 10.50 | **11.00** |
| Final | 13.50 | 15.00 | **16.50** |
| **Returns and ratios** | | | |
| Price Return | 21.3% | 13.2% | **-0.1%** |
| Dividend Yield | 6.1% | 5.9% | **6.4%** |
| Price/NAV ratio (times) | 0.9 | 0.9 | **0.9** |
| Price earnings ratio (times) | 6.0 | 6.1 | **6.1** |

*[1] excludes foreign currency denominated, GBL and international companies*
*[2] excludes one-off transactions*

**Share price evolution**



## Financial summary table

| Group financial summary | Jun-26 | Jun-25 | Jun-24 | Jun-23 | Jun-22 |
|---|---|---|---|---|---|
| **Statement of profit or loss (Rs m)** | | | | | |
| Operating income | **47,052** | 42,160 | 37,010 | 31,792 | 23,845 |
| Operating profit before impairment | **29,125** | 26,413 | 23,423 | 20,535 | 14,713 |
| Operating profit | **26,795** | 22,908 | 19,739 | 16,891 | 11,232 |
| Profit before tax | **27,593** | 22,942 | 20,321 | 17,758 | 12,031 |
| Profit attributable to ordinary equity holders of the parent | **20,114** | 18,065 | 16,045 | 14,133 | 9,637 |
| **Statement of financial position (Rs m)** | | | | | |
| Total assets | **1,283,413** | 1,006,994 | 938,747 | 829,981 | 728,128 |
| Net customer loans and advances | **499,667** | 391,118 | 399,161 | 349,285 | 325,613 |
| Investment securities | **426,154** | 355,436 | 345,677 | 267,472 | 239,684 |
| Total deposits | **921,425** | 740,373 | 708,408 | 597,766 | 525,656 |
| Subordinated liabilities | **6,997** | 6,707 | 7,057 | 8,172 | 1,793 |
| Other borrowed funds | **146,151** | 86,761 | 66,579 | 87,657 | 94,995 |
| Debt securities | **36,935** | 17,543 | 18,342 | 15,760 | 3,848 |
| Shareholders' funds | **133,614** | 117,703 | 103,259 | 89,763 | 77,912 |
| **Performance ratios (%)** | | | | | |
| Return on average total assets | **1.8** | 1.9 | 1.8 | 1.8 | 1.4 |
| Return on average equity | **16.0** | 16.4 | 16.6 | 16.9 | 12.8 |
| Net customer loans and advances to customer deposit ratio | **62.4** | 60.6 | 65.6 | 66.0 | 68.6 |
| Cost to income ratio | **38.1** | 37.4 | 36.7 | 35.4 | 38.3 |
| **Capital adequacy ratios (%)** | | | | | |
| BIS risk adjusted ratio | **20.3** | 22.0 | 20.5 | 19.2 | 18.1 |
| *of which Tier 1* | ***18.1*** | *19.6* | *18.0* | *16.7* | *16.8* |
| **Asset quality** | | | | | |
| Non-performing loans (Rs m) | **11,757** | 13,988 | 14,436 | 13,636 | 14,331 |
| Gross NPL ratio (%) | **2.0** | 3.0 | 3.1 | 3.3 | 3.7 |
| Cost of risk (%) | **0.39** | 0.74 | 0.78 | 0.87 | 0.90 |

*Note: Non-performing loans include Stage 3 customer loans, loans to bank and corporate notes and bonds.*

## Outlook

The global economic environment remains mixed, with inflationary pressures, financing costs and geopolitical tensions – including those in the Middle East – likely to weigh on confidence, trade flows and investment activity and create uncertainty. Nevertheless, economic growth across many core markets in Africa is expected to remain resilient and long term prospects remain compelling. We believe the continent's growth trajectory is established and supported by favourable demographics, which will fuel investments, trade flows and demand for infrastructure and financial services. Against this backdrop, we remain focused on the disciplined execution of Vision 2030 – consolidating our leadership position in our Home Markets whilst purposefully expanding our CIBPB franchise. Growth will be pursued prudently with careful attention to risk, capital allocation, funding and liquidity. Supported by the strength of our franchise and business model, we are confident in our ability to support our growing client base and create sustainable value to our shareholders.



**Dipak CHUMMUN**
Group Chief Finance Officer