Results for the nine months ended 31 March 2025

**Earnings Call held on Wednesday 21 May 2025**

Transcript

## CONFERENCE CALL PARTICIPANTS

**Jean Michel Ng Tseung**

*MCB Group Ltd – Chief Executive*

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*MCB Ltd – Chief Executive Officer*

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*IR Officer*

# Conference call transcript

21 May 2025

**RESULTS FOR THE NINE MONTHS ENDED 31 MARCH 2025**

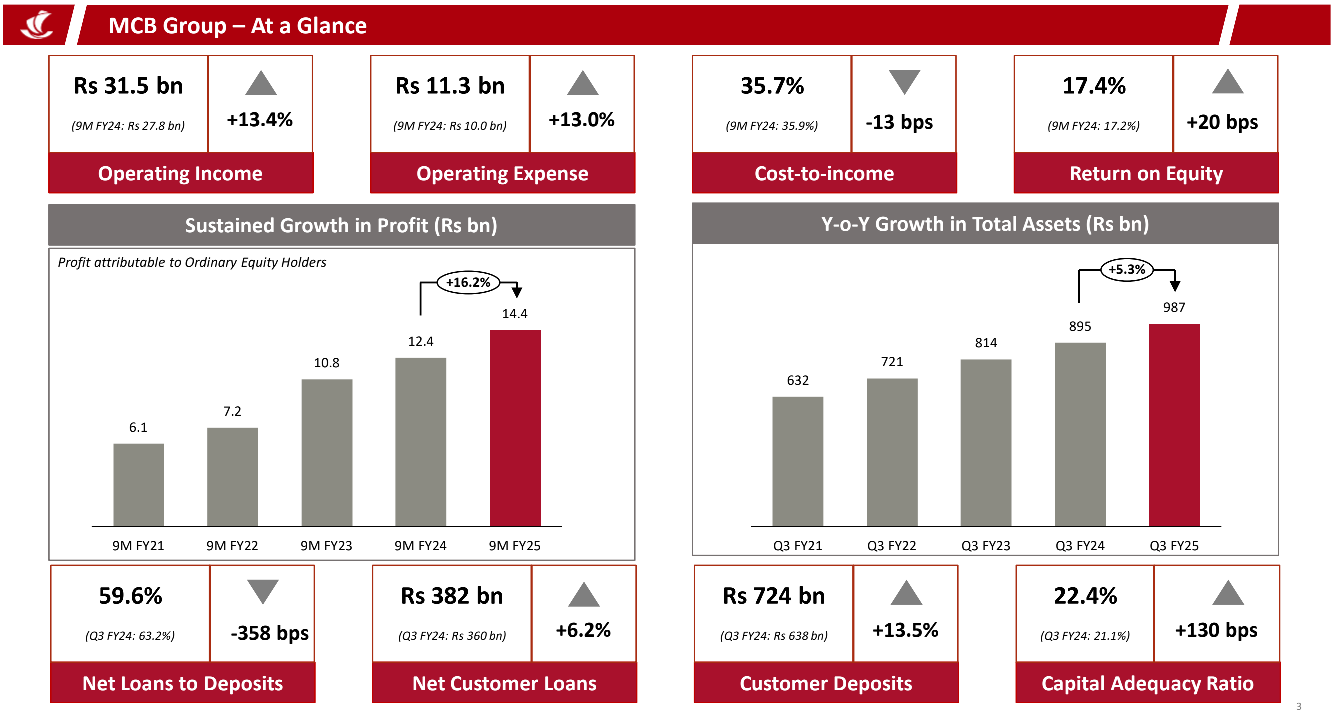
**Operator**

Good day, and welcome to the MCB Group earnings call results for the nine months ended 31 March 2025. All participants will be in listen-only mode. Presentation slides are available for download via the download tab on the webcast link. There will be an opportunity to ask questions later during this event. Participants on the webcast who wish to ask a question may do so at any time by clicking on the Connect with HD Audio button, which appears below their presentation, and follow the instructions. Once connected, you may press the Join the Question Queue button to register your intent to ask a question. I will now hand over to your host, Jean Michel Ng Tseung, who will introduce the panel members. Please go ahead.

**Jean Michel Ng Tseung**

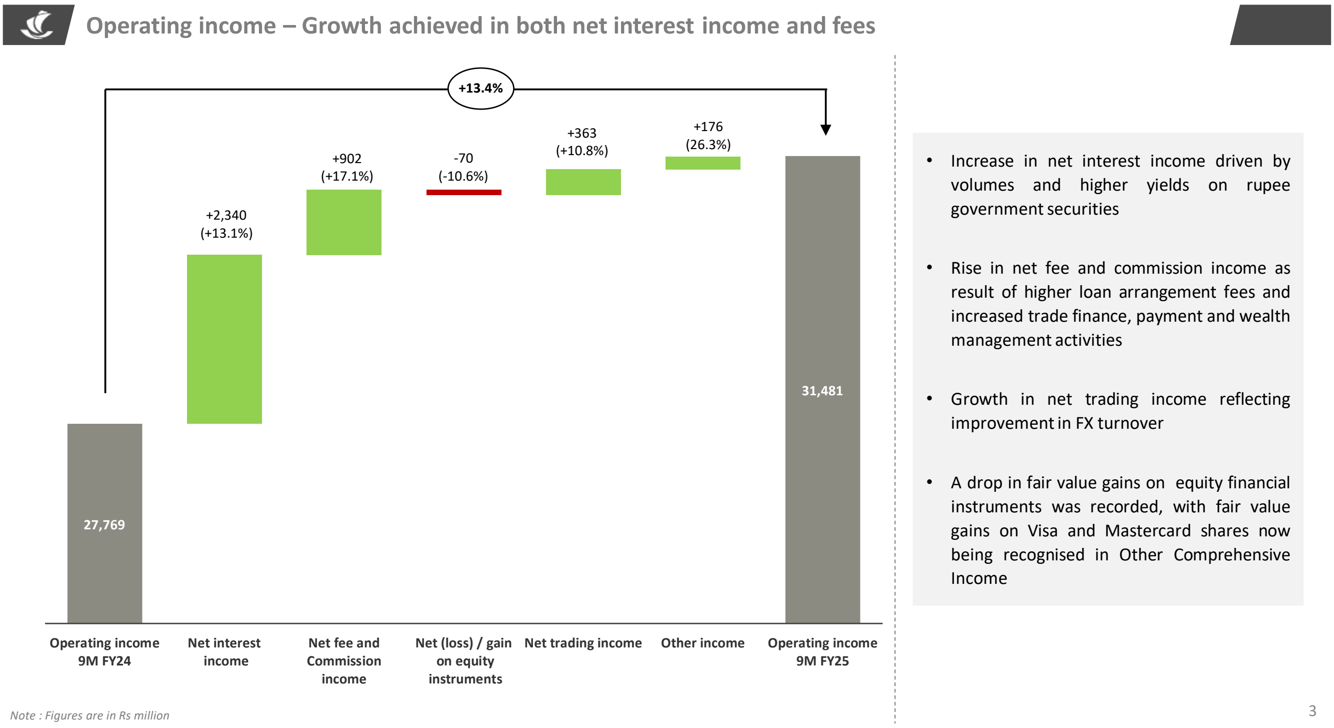
Thank you and good day. A very warm welcome to all the participants on this earnings call of the MCB Group Limited where we will have the opportunity to go through the results of the group for the nine months ended 31st of March 2025. It is a pretty strong performance for the nine months with our profits increasing by 16.2% to Rs 14.4 billion. And what we will be doing right now is I will pass on the mic in a few minutes to my colleague Dipak, who will run us through this presentation. And after that presentation, my other colleagues, Thierry, Vicky, Dipak, Kersley, and I, we will be very happy to answer any questions or queries or clarifications that you may have in relation to this presentation. So, thank you once again for your presence, and Dipak, the floor is yours.

**Dipak Chummun**




Thank you very much, Jean Michel, and it's a pleasure to engage with you for this earnings call for the results of the nine-month period ended 31st of March 2025. For the rest of this presentation, I will just call it Q3 results. The Q3 just means nine months instead of just the Q3 numbers per se. On the screen you will see that the group performed very well during the period under review with profits attributable to ordinary shareholders increasing by 16.2% to Rs 14.4 billion. Return on equity increased to 17.4%, operating income grew by 13.4%. Operating expenses correspondingly increased by 13%, leading to a cost-income ratio of 35.7% compared to 35.9% in the same period last year.

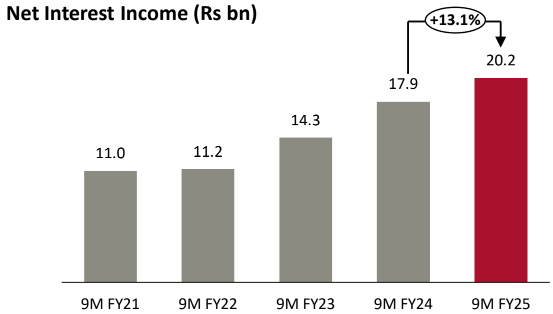
Our balance sheet grew by 5.3% year-on-year, and our customer loans increased by 6.2% in the same period. On the liabilities side, our customer deposits grew by 13.5% driven by both Rupee and foreign currency deposits. We remain very well capitalised with capital adequacy ratio of 22.4%, up 1.3 percentage points compared to last year.

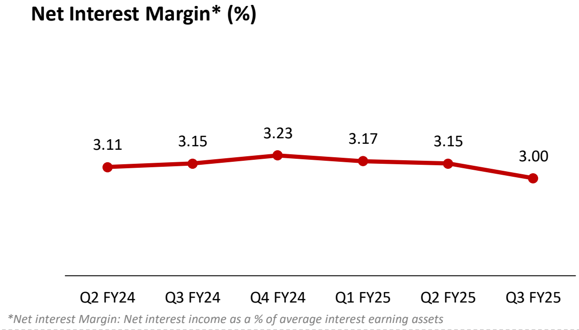


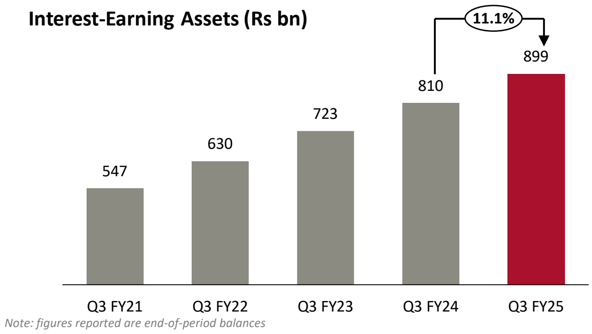

Coming to operating income, on the slide, you will see a vertical chart showing the different lines under operating income. And you can see as expected net interest income has driven a large part of that increase, which represents 13.4% year on year to a figure of Rs 31.5 billion. In the previous quarters we can see that the largest contributor of this growth has been net interest income, like I've already mentioned, which grew by 13.1%. But our net interest income growth is slowing down in line with the stabilisation of interest margins. And we're going to go through this later in the presentation.

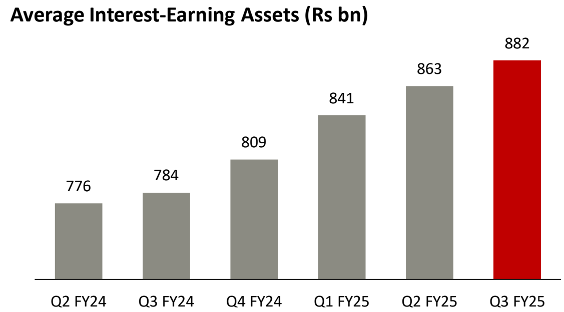
Fee income and commission income also grew by 17.1% year on year, driven by lending, trade finance payments and wealth management activities. For the gains and losses on equity financial instruments, we recorded a gain of Rs 589 million for the nine months to March 2025, but compared to last year, this gain was lower by Rs 70 million or 10.6%. And the reason behind this drop is the movement of the fair value of Visa and Mastercard shares for the two periods. We've mentioned this in the last call for the first half of the financial year, that going forward any fair value adjustments for Visa and MasterCard in our group results will be reflected in other comprehensive income following the reclassification of these shares from the FVPL to the FVOCI portfolio. Net trading income has increased by 10.8% reflecting an improvement in FX sales and trading during the period. Other income grew by 26.3% to Rs 844 million.

## Net Interest Income (NII) – Y-o-Y growth mainly supported by rise in interest-earning assets

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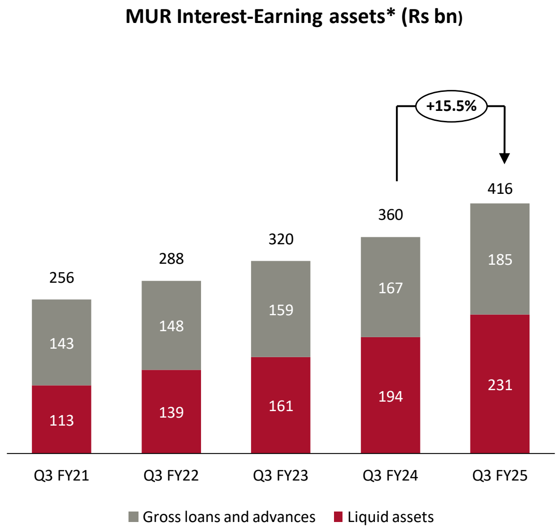
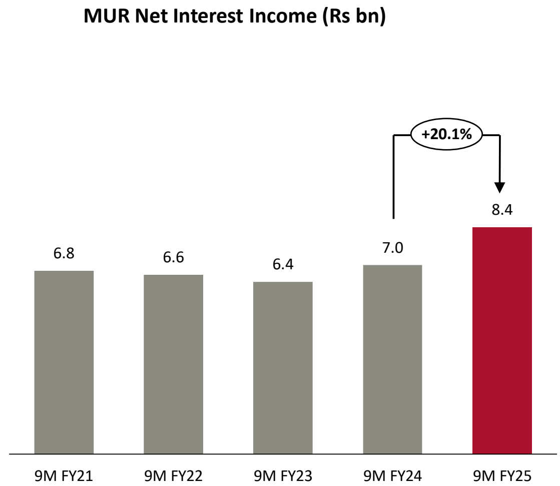
A little bit of a deep dive on net interest income. The increase has been driven by a gradual increase in our interest earning assets. On the bottom left you will see that point-to-point Q3 last year versus Q3 this year there's been an increase of 11% in the point to point interest earning assets. But on an average basis it's roughly a 12% increase. Interest margins have declined slightly on a quarter-on-quarter basis but have increased on a year-on-year basis. Year-to-date margins, i.e. the NIM over the 9-month period also increased by 1 basis point.

## MUR NII – Increase driven by the loan growth and the deployment of excess liquidity at higher rates

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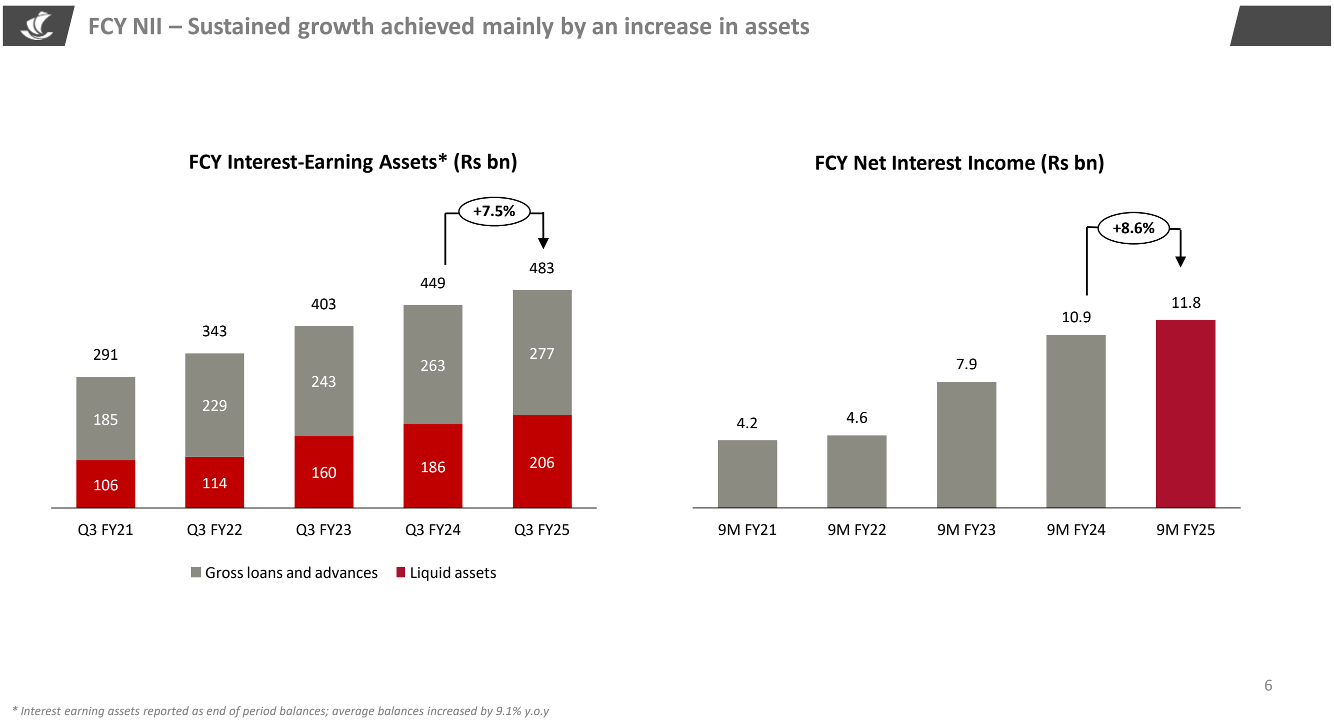
* Interest earning assets reported as end of period balances; average balances increased by 15.3% y.o.y

In our Mauritian rupee book, there has been an increase in interest earning assets of 15.5% year-on-year. This contributed to an increase in net interest income in Mauritian Rupee of 20.1%, which was also driven by higher yields that we generated on our investments into Mauritian government bonds. The increase in government bonds resulted largely from an increase in deposits in Mauritian rupee which were deployed into government securities.

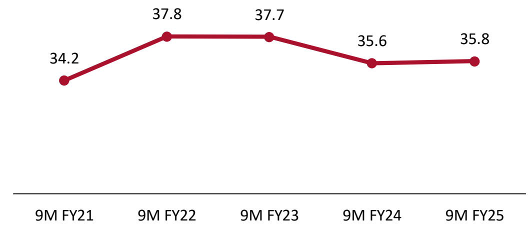



On the foreign currency side, there has been an increase in interest earning assets of 7.5% year on year, contributing to a net interest income increase of 8.6% year on year. There is a slight decline in the net interest margins on foreign currency assets over the last two or three quarters as a result of higher mix of fixed deposits contributing to our stable funding and also lower yields on cash balances.

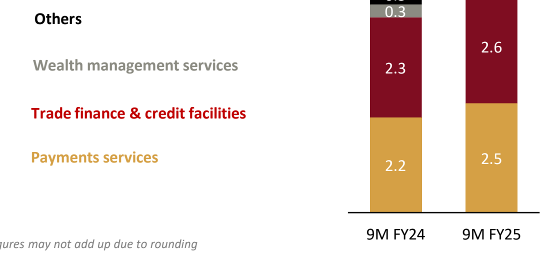
## Non-interest income – Growth driven by both fees and forex profit

| Non-Interest Income *(Figures in Rs bn)* | 9M FY24 | 9M FY25 | %Δ Y-o-Y |
|---|---|---|---|
| **Net Fee and Commission Income** | 5.3 | 6.2 | 17.1% |
| Other Income | 4.6 | 5.1 | 10.2% |
| **Total Non-Interest Income** | **9.9** | **11.3** | **13.9%** |

**Non-Interest Income to Operating Income Ratio (%)**

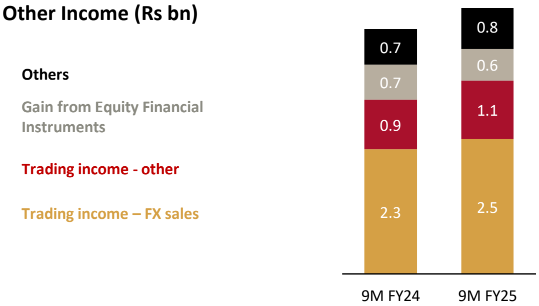



**Net fee and Commission Income (Rs bn)**




*Note: Figures may not add up due to rounding*

**Other Income (Rs bn)**

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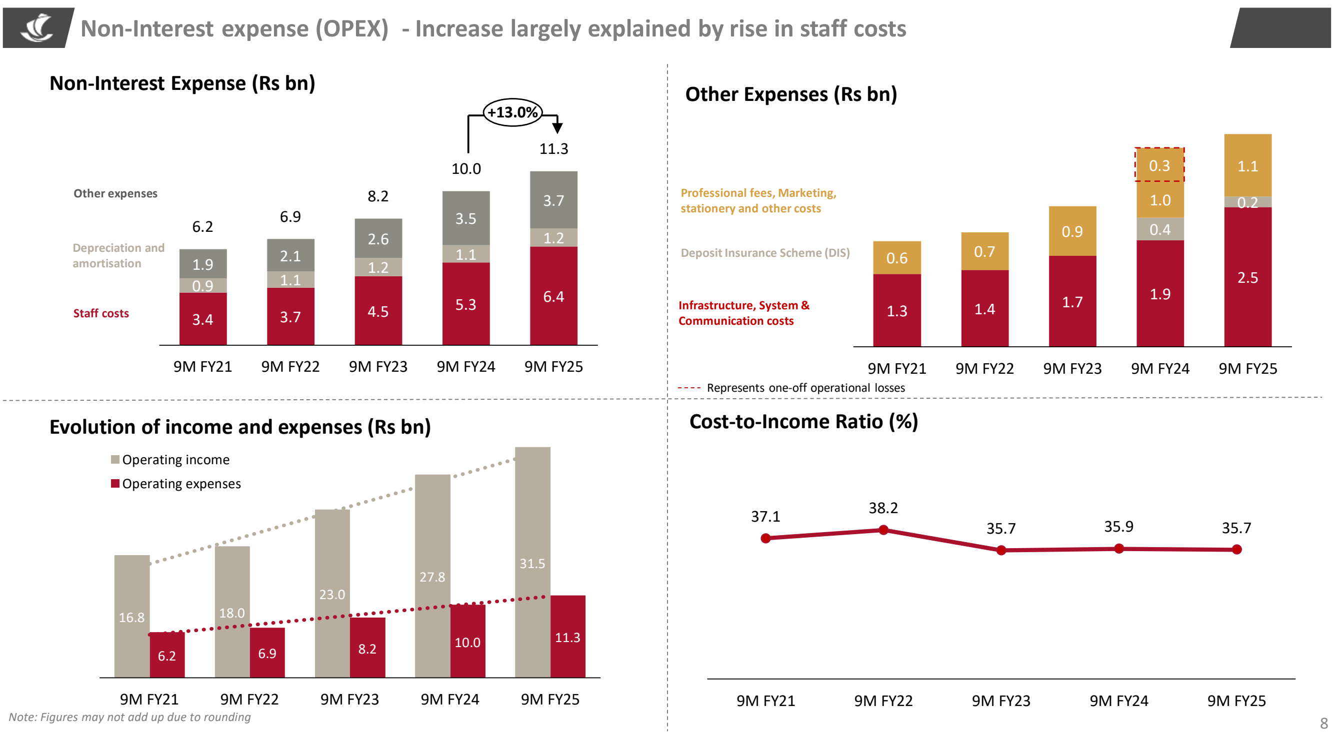
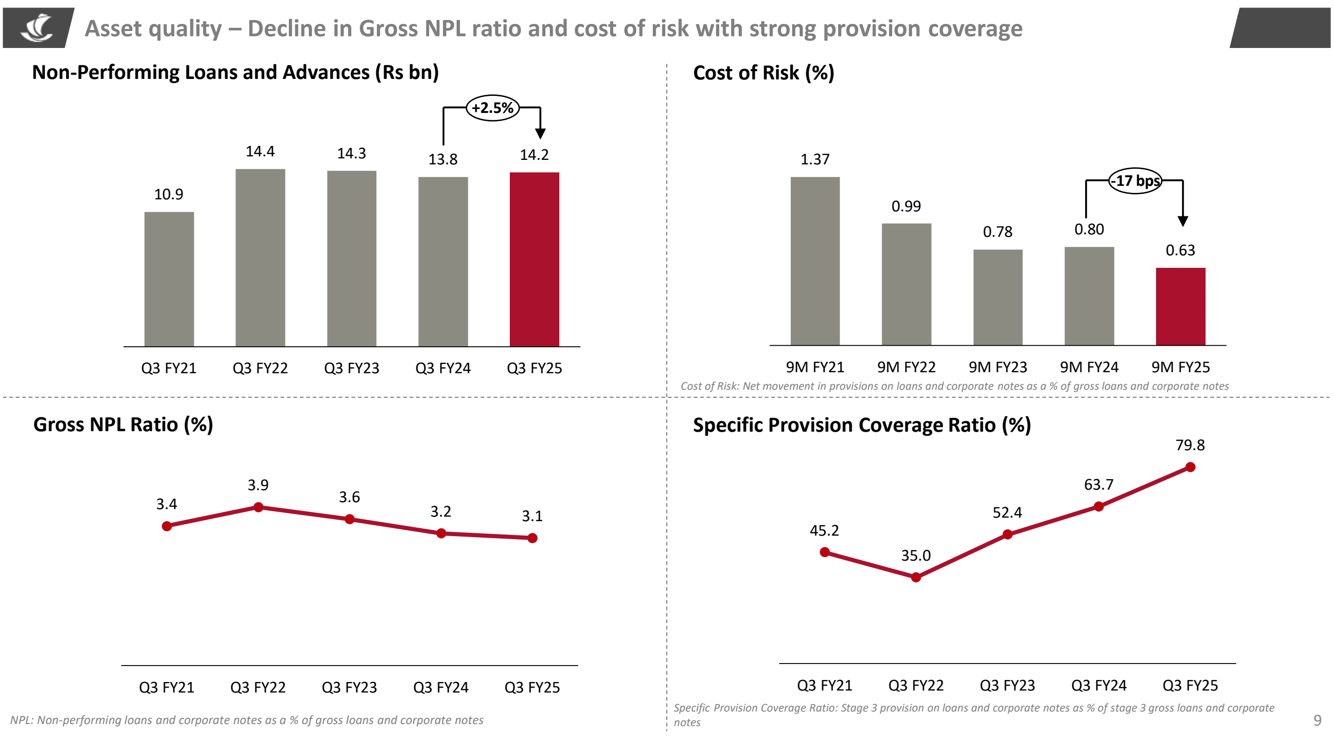
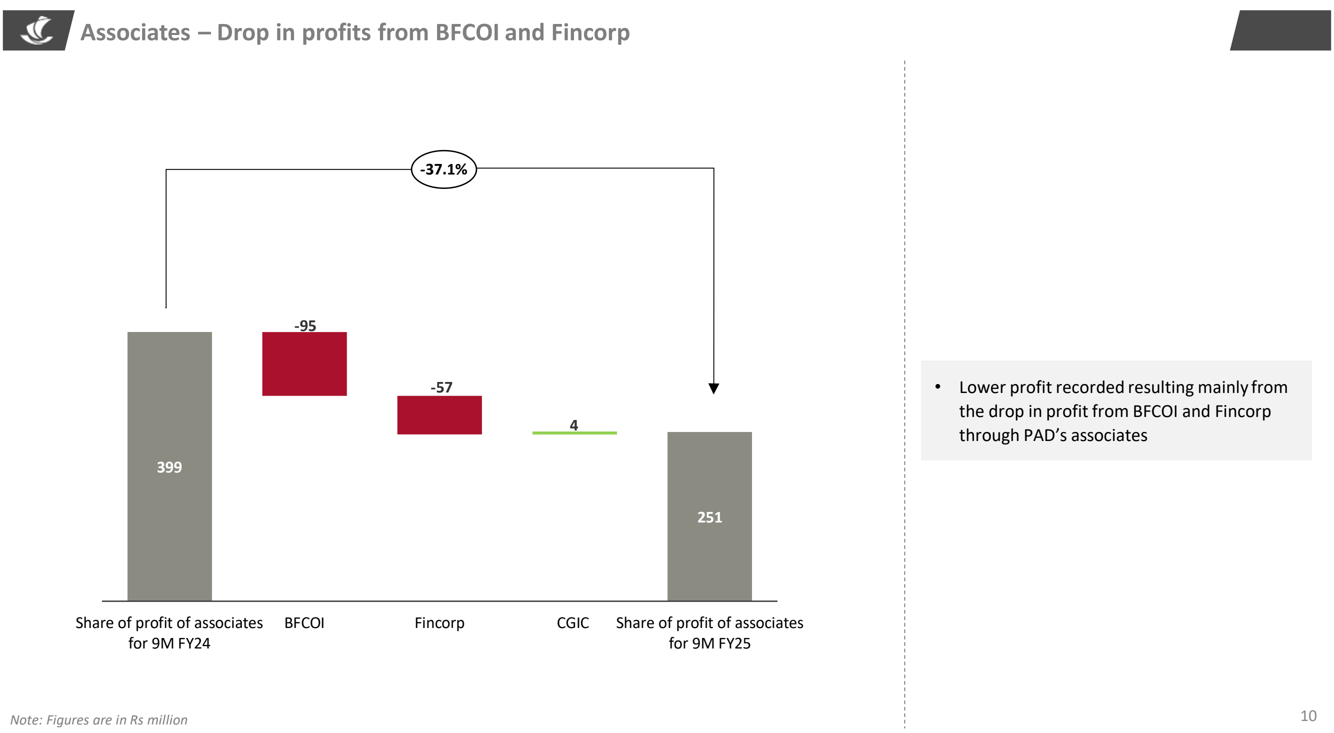
Coming to non-interest income, you can see the figures on the table on the top left hand side. There's an increase of 13.9% year-on-year, explained by an increase of 17.1% growth in net fee and commission income and 10.2% increase in other income. The net fee and commission income resulted from an expansion of lending, trade finance, payments and wealth management activities. And the increase in other income was primarily because of higher trading income. And like I've already mentioned, the fair value gains on equity instruments are no longer being recorded in the P&L since November 2024.



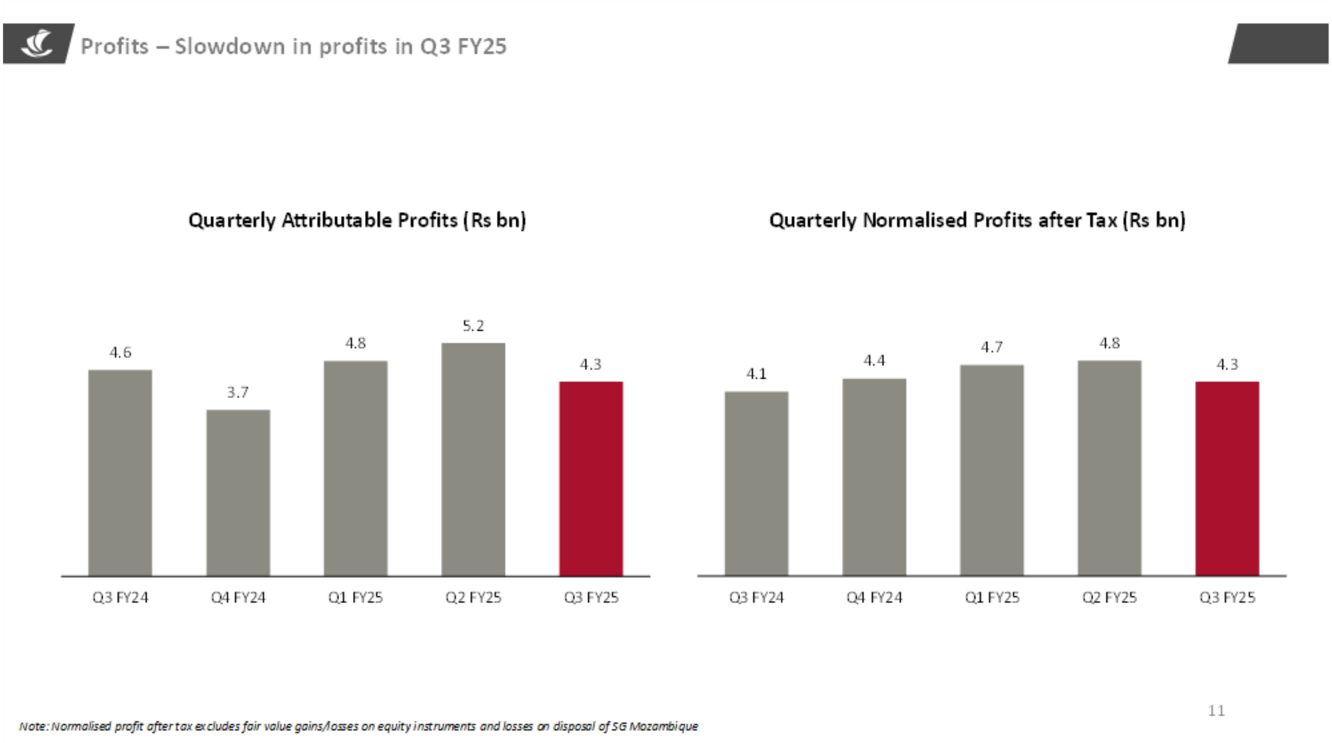

Regarding non-interest expense i.e. operating expenses; these have increased by 13% year on year, largely driven by an increase in staff costs, but we also see an increase in the depreciation and amortisation costs and 'other expenses' in line with inflation. With regards to staff costs, there have been increases during the course of the year as a result of increases in personnel, but also inflation and other increases on the back of government measures taken during the course of the year. Our cost to income ratio nevertheless has stayed reasonably flat, with a minor drop from 35.9% to 35.7% year-on-year.




Asset quality remains strong. Non-performing loans have grown overall by 2.5% from Rs 13.8 billion to Rs 14.2 billion, an increase which is part of the normal course of business. Having said that, our gross NPL ratio has dropped from 3.2% to 3.1% year-on-year. Cost of risk has dropped, largely on account of some successful recoveries during the nine-month period to March 2025, despite having increased our specific provision coverage ratio from 63% to 79.8% year-on- year. So, the specific coverage ratio is fairly comfortable.

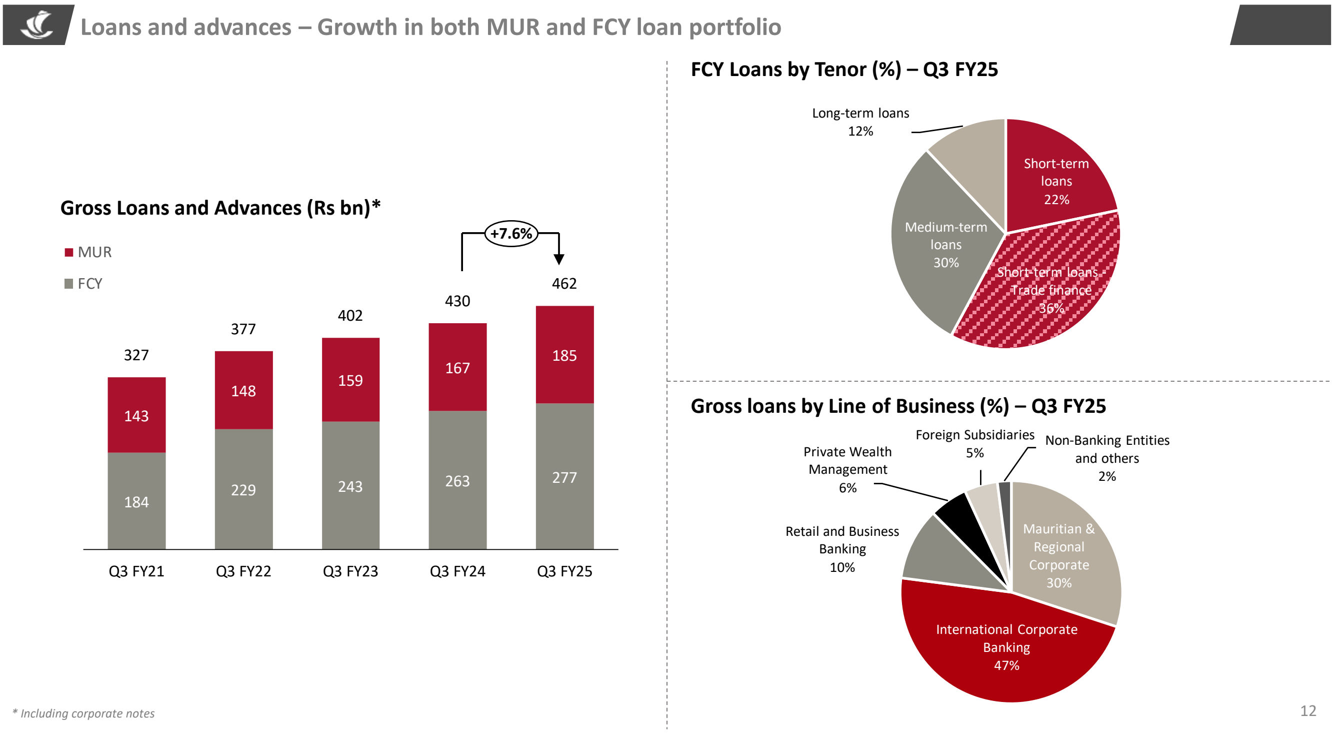


We've had a decline in the share of profits generated by our associates, namely BFCOI and Fincorp during the period, driving our share of profits from associates down from Rs 399 million to Rs 251 million representing a decline of 37.1%



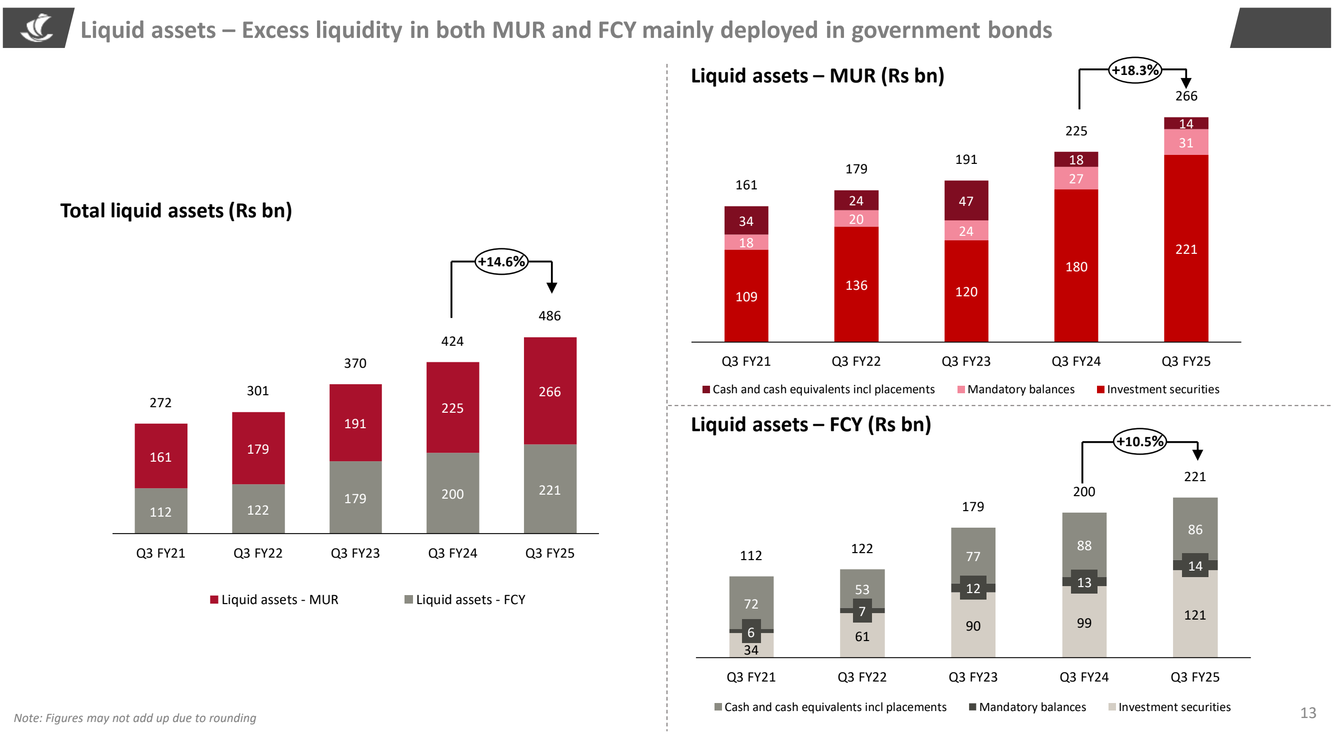

The next slide shows quarterly attributable profits as reported on the left-hand side versus normalised profit after tax numbers after taking out the effect of what I mentioned before, the gains and losses on equity investments year-on-year or quarter-on-quarter, as well as the losses from the disposal of SG Mozambique in Q4FY24. And you will see that the quarterly profits have been gradually rising from Q3 2024 to Q2 2025 with a decline in the last quarter of 2025 under review. But there are specific reasons for that.

We have had a decline in net interest margin quarter-on-quarter. We've had an increase in the cost of overall funding as a result of higher fixed deposits mix and lower yields on cash balances leading to lower net interest income. This is also partly due to the lower funded income from our CTF business during the quarter. And in addition, we had lower balances with the one of our major clients in Nigeria following the opening of the Dangote Refinery. Furthermore, we had some very strong one-off recoveries in the last quarter which did not recur in this quarter, explaining the lower profit in this quarter.



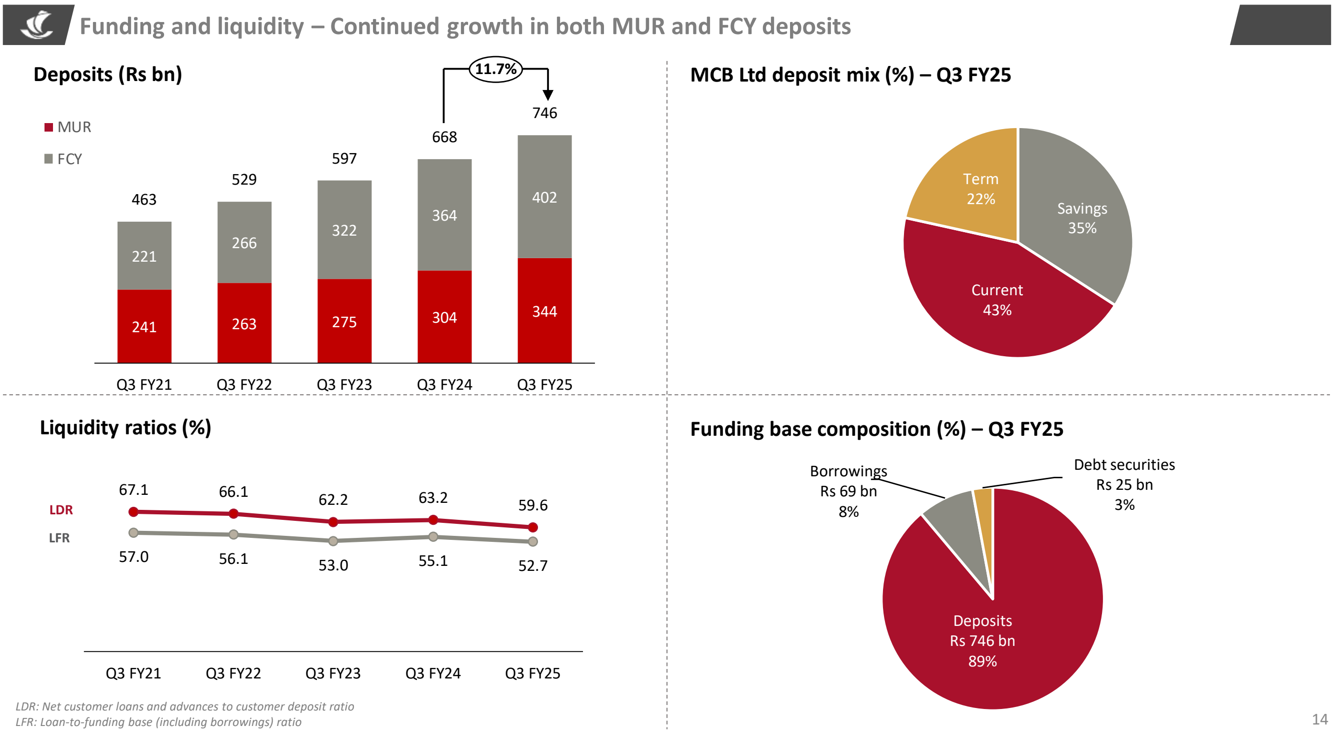

Coming to loans and advances, the table on the left hand side shows the mix between Mauritian Rupee and foreign currency. You can see that year on year both sides have increased contributing to an overall increase of 7.6%. So, the Mauritian Rupee grew by 7.2% and in foreign currency it has increased by 5.3% year-on-year. The lower year-on-year FCY loan growth is explained mainly the lower balances with one of our major clients in Nigeria.

From a mix point of view, foreign currency loans by tenor is shown on the pie chart on the top right. And you can see vast majority of the loans are short-term loans or short-term trade finance loans with a 30% mix of medium-term loans. Long-term loans are only 12% of the overall foreign currency loans. By business, the chart on the bottom right, you'll see that our international corporate banking business contributes 47% of our overall book today.



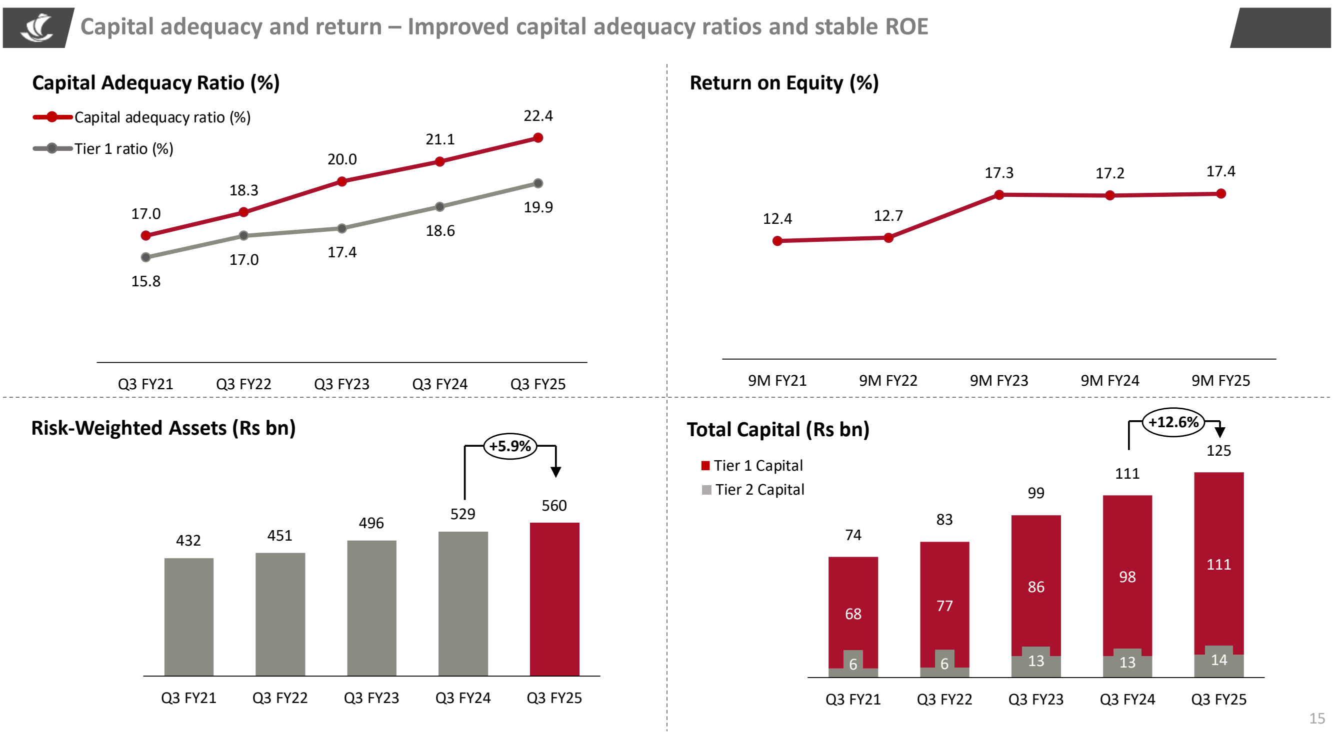

The next slide shows the Group's liquid assets. We can see that they have increased by 14.6% to Rs 486 billion overall. Rupee liquid assets increased by 18.3%. We can see an important increase in investment securities, which are basically Government of Mauritius and Bank of Mauritius bills and bonds. The Bank of Mauritius has been issuing more bonds compared to last year to mop up excess liquidity, and we are deploying our own excess liquidity in those government bonds.

On the foreign currency side, liquid assets have increased by 10.5% to Rs 222 billion. We have deployed Rs 121 billion of excess liquidity in government bonds, mainly US treasuries, trying to lock in higher rates given the expectation of a fall in Fed fund rates going forward. The remainder of the foreign currency liquid assets are the mandatory balances kept with the Bank of Mauritius and the placements and nostro balances we have with foreign banks.

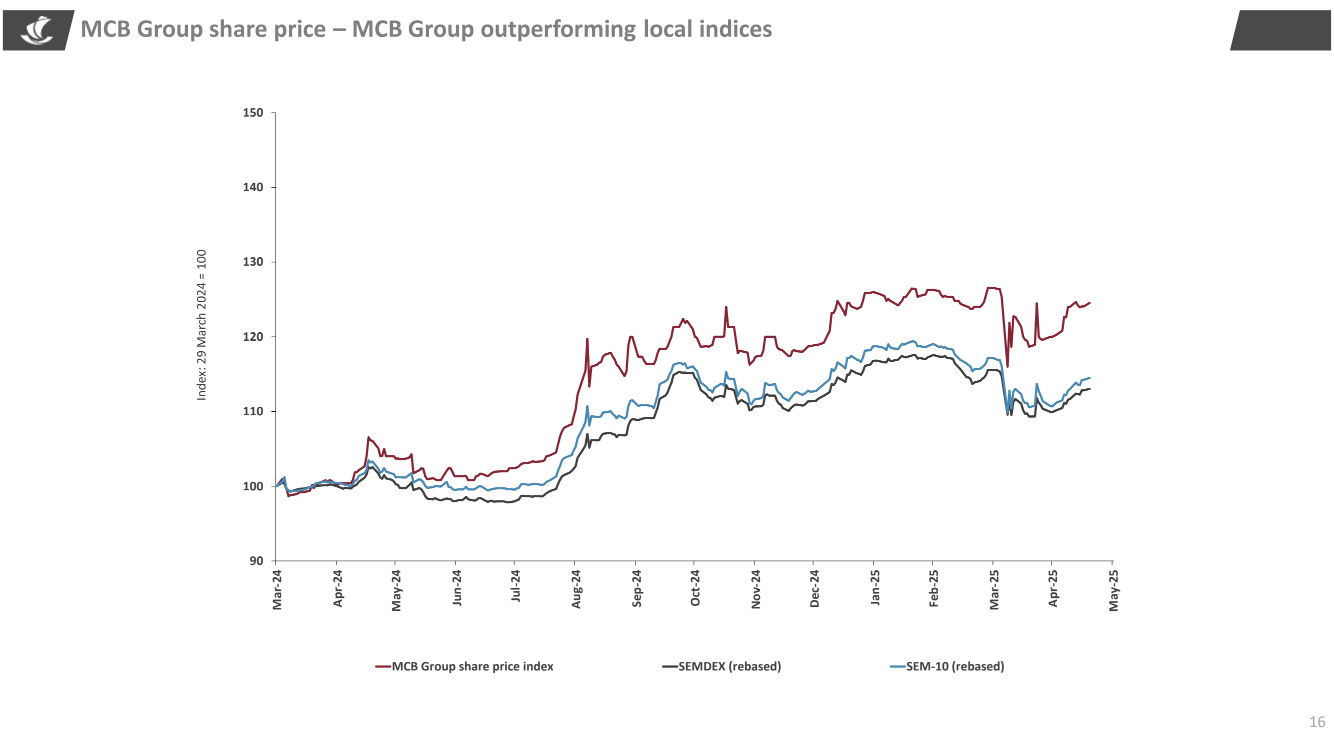



Next slide shows our funding and liquidity. Total deposits have increased by 11.7% year on year with Mauritian Rupee deposits increasing by 13.2% to Rs 344 billion and foreign currency deposits by 10.5% to Rs 402 billion. The increase in foreign currency deposits is the result of our continued efforts to mobilise foreign currency funding. On the Rupee side, the growth in deposits is mainly related to an increase in money supply in the economy. The group's liquidity ratios remains healthy, with a net customer loan to deposit ratio of 59.6% and a customer loan to funding base of 52.7%.

Coming to deposit mix, 43% of deposits are current accounts and not remunerated. We have term deposits equivalent to 22% of our total deposits. And this has increased from 18% in Q3 2024. This increase in term deposits partly contributed to the decrease in foreign currency net interest margin.




Next slide is on capital adequacy and returns. As we already mentioned, our capital adequacy is 22.4% and our tier 1 ratio is 19.9%. Our capital supply increased by 12.6% whilst RWA grew by 5.9% year on year, therefore leading to the improved capital adequacy ratio. Return on equity remains stable at 17.4% and remains amongst the higher tier of Mauritian banks. We've also declared a dividend of Rs 10.50 per share, which will be paid on 9 July 2025.



Final slide is Group share price. You can see Group share price on the chart. The drop in share price which you can see in April is a result of market turmoil related to the announcement of tariffs from the USA. However, the share price has somewhat recovered since then. This concludes the presentation from my side. I'll pass the mic back to Jean Michel.

**Jean Michel Ng Tseung**

Thank you very much, Dipak, for this very succinct presentation. And as I mentioned earlier on, my colleagues and I will be very pleased to take on any questions that you may have on the presentation made by Dipak. Thank you.

**Operator**

Thank you, sir. Ladies and gentlemen, for the participants on the webcast who wish to ask a question, may do so by clicking on the Connect with HD Audio button which appears below the presentation and follow the instructions. Once connected, you may press the Join the Question Queue button to register your intent to ask a question. You will hear a confirmation tone that you have joined the queue. You may click the Withdraw from the Question Queue to remove yourself from the queue. For participants on the conference call, you may press * and then 1 on the touchtone phone or on the keypad on your screen. You will hear a confirmation tone that you have joined the question queue. You may press * and then 2 to remove yourself from the question queue. Our first question comes from Mohamed Dintra of Swan Wealth Managers Limited. Please go ahead.

**Mohamed Dintra**

Good evening. I would like to know whether the trend in the increase of dividend to shareholders will continue and whether the company will maintain the increasing trajectory over the future quarters.

**Jean Michel Ng Tseung**

Okay, I'll answer that question. As you know, we have a dividend policy at the MCB where we are distributing every year 35% of the net profits of the group taking into account our scrip share scheme. We are distributing part of the undistributed cash from the scrip shares. So, every year we have a percentage of the dividends which are not paid out in cash but in shares. We distribute also 35% of the undistributed cash of these scrip shares. So, if our profits keep on increasing, yes, we should expect dividends to increase year on year. So, what maybe is worth mentioning is that we have declared a dividend of Rs 10.50 in the last board meeting in May 2025. And, with a payout ratio of 35% we should as in previous years expect in September to have a final dividend which is higher than the interim dividend that we declared in May.

**Operator**

Our next question comes from Timothy Wambu of Absa. Please go ahead.

**Timothy Wambu**

Good evening. Thank you for the presentation. Just a couple of questions from my side. The first one is could you shed some light on the loan contraction quarter on quarter? There was some good momentum at half year, then you saw that contraction. Just give us your thoughts on what led to that. My second question is, you've mentioned that you continue to invest in US treasuries, hoping to obviously benefit when yields begin to ease. Give us roughly what your average tenor is on US treasuries. And maybe tied to that question as well is, with regards to the foreign currency liquid assets, going forward, is it possible to be giving us the currency splits, or are we to assume all of these are simply US Dollars? Are these US Treasuries, US Dollars only? And my last question is on the payment services. We saw quite a bit of fees being generated by the payments business. Could you give us a sense of the breakdown? Is this predominantly from MCB Juice? Is this predominantly from cards businesses? Thank you.

**Thierry Hebraud**

Thank you very much for your question. I will take the first question about the loan contraction. I think we spoke about that already, but this is clearly connected to the review of the operating model for the oil trade in Nigeria between NNPC and Dangote refinery, which is now fully up and running. And that has effectively had an impact on our financing structure in Nigeria, where more or less $500 million in the CTF business has been impacted. So, that's the magnitude of this impact. But at the same time, the split and movement between unfunded exposure and funded exposure of the CTF business also explained the quarter-on-quarter contraction. So, part of the drag we have, the funded loans have been compensated by the unfunded exposure of the CTF business as well. So, that's the main reason why.

We expect to step by step regain the funded exposure of the CTF, connected to increasing of business with Dangote itself as well with our clients in the trade. The traders are diverting their businesses to other countries, like Angola for example. And so, they are themselves reassessing the structure of their business and repositioning in some other countries. As you know, the oil and gas sector in Africa is in a good momentum right now with the development of production in new countries. There is new discovery of gas particularly. Cote d'Ivoire, for example, where I was last week. So, that explains the loan contraction.

**Jean Michel Ng Tseung**

So, maybe just a few words concerning the loan portfolio in Rupees. You would have seen on the other hand that the loan portfolio in Rupees has been increasing over the last 12 months and the bank has indeed been a lot more proactive, more competitive, especially in view of the liquidity situation in Mauritius. The competition is pretty high and we have made a conscious effort to also be as competitive as the market to gain back some market share. So, you would have seen an improvement in our loan portfolio on the Rupee side.

Concerning your question in relation to our holding in US Treasuries for our excess liquidity, we are indeed very much concentrated on the lower end in terms of the tenor. We are pretty short in the tenure. Dipak has mentioned that we have invested a little bit more on the longer tenor to get a bit more of margins of late. But given that we're talking here about our liquid assets, the very significant chunk of our holding in US Treasuries is in the short tenor instruments. In terms of liquid assets, it's predominantly in US Dollars. We do have a little bit of liquidity in Euro, but once again the very large majority of our liquid assets is in US Dollar. Concerning your last question, I heard MCB Juice. I'm not sure I picked up the…

**Thierry Hebraud**

The split between the different sources of revenue from the payment activities I don't know if my colleagues have the details, I don't have it, but what I can say is that the growth of our business is connected to the growth of tourism in our country. So, the cards business has experienced a visible growth. As you know, we are the major bank in payment in the country. So, I would rather say tourism is part of the growth. And naturally, in Juice, that we are expanding in the country. We have today more than 660,000 Juice clients in a country of 1.3 million inhabitants. And this is still growing. So yes, our payment business is very positive in the country and this is reflecting by the increase in fees and commissions.

**Dipak Chummun**

Completely agree, Thierry. Those are the biggest components. Obviously, there's a little bit of loan arrangement fees going into the fee income, but the three largest components are cards, payments and trade finance.

**Timothy Wambu**

Thank you. Could I maybe just follow up quickly if you don't mind? Thank you. So, cards are the main driver, you would say, not really Juice. So, in terms of the tourism numbers, there was a contraction in Q1 of this year. Is this something that concerns you with regards to that? And then the second follow up is, you've mentioned obviously you're looking at growing more of your Mauritian Rupee loans. Of course, given what you're seeing from a fiscal standpoint, there's a clear desire for there to be some fiscal consolidation. Do you think this impacts negatively on your capacity to grow your Rupee loans? Thank you.

**Jean Michel Ng Tseung**

Okay. Yes, concerning tourism, you're right that the first quarter was a little bit timid. Actually, I think there was 5% drop in tourist arrivals for the first three months. But in April we actually picked up quite significantly and there was a 13.2% increase in tourist arrival, which means that for the first four months of the year we are almost square compared to the same period of last year. And we still understand that the forward bookings are pretty good, so we have therefore now better visibility that for the first six months we should have good performance insofar as tourism is concerned.

**Dipak Chummun**

If I may just add on that, Jean Michel. When we reported our first half results in February, it was just after the months of December and January. And that was the point where we made our comments that tourism arrivals were a little bit lower than corresponding periods last year. And the speculation was that because it had rained a little bit more frequently last year, maybe tourists decided to stay away in the months of December and January. But this year, the rain actually didn't come in the months of December and January. It came a little bit later. But the arrivals in the month of April picked up quite well.

**Jean Michel Ng Tseung**

Yeah. And concerning your question in relation to the Rupee loans, yes, we are tabling on a continuing growth, consistent growth in our Rupee loans, both at the level of the retail and the corporate segments in Mauritius.

**Timothy Wambu**

All right, thank you very much.

**Operator**

Thank you. Ladies and gentlemen, to the participants on the webcast, if you wish to ask a question, you may do so by clicking on the Connect with HD Audio button, which appears below your presentation and follow the instructions. Once connected you may press the Join the Question Queue button to register your intent to ask a question. For the participants on the telephone lines, you may press * and then 1 to place yourself in the question queue. Our next question comes from Raj Madha. Please go ahead.

**Raj Madha**

I just wanted to ask about the balance sheet structure. The first part of that was the near-term expectations for the loan to deposit ratio, and further out, whether you're expecting to change the structure of the balance sheet, particularly the structure of interest earning assets. And then I have one second question, which is what your appetite for FX risk is, currency risk?

**Jean Michel Ng Tseung**

Okay. So, I'll take the first question concerning our balance sheet structure, and I think we need to look at the Rupee balance sheet and the foreign currency balance sheet separately. The Rupee balance sheet as you know has been pretty liquid and our loan to deposit has been below 60% year in year out. And we expect this situation to persist. We don't expect necessarily any improvement in the loan-to-deposit ratio. As you would have seen earlier on, our deposit base in rupee has been increasing almost on a linear basis by some 13% to 15% per annum.

Our loan portfolio in Rupee has been growing at a slower pace and we have seen therefore a decline year on year of our loan to deposit. Hopefully we will be able to maintain this going forward if we manage to grow our Rupee loan book a bit faster this year and in the next few years. But I believe that the excess liquidity situation will not be addressed in the foreseeable future. So, it will continue to be pretty liquid.

On the foreign currency side, as Dipak has mentioned, we keep on being quite active on the market in terms of the mobilisation of Dollar deposits. We've been doing quite well and we expect to continue to maintain our loan-to-deposit ratio in foreign currency in the region of 70% to 80%. We are at the end of March around 70% of loan-to-deposit ratio in Dollars, so we are pretty liquid and we expect to maintain that situation over the forthcoming quarters. 70% to 80% is what we consider to be a conservative ratio to maintain in terms of our foreign currency balance sheet.

Foreign currency risk, no I mean we could have used our Rupee liquidity to fund our Dollar assets. We will not do that. We will continue to keep our Rupee balance sheet and our foreign currency balance sheet totally separate. We won't mix them. So, our Rupee deposits will continue to finance our Rupee loan book. And the difference will be in the form of liquid assets. And likewise, we will maintain our foreign currency balance sheet just like our Rupee balance sheet where our foreign currency deposits and foreign currency borrowings will be funding our foreign currency loan book. We won't mix them, so our FX risk will be kept really at minimal level. We have today a foreign currency net open position of 1% or 2% of our tier 1 capital and we will continue to maintain this at that level. We are not going to take foreign currency risk by mixing our foreign currency and Rupee balance sheets.

**Operator**

We have a question coming through from Kato Arnold Mukuru of EFC. Please go ahead.

**Kato Mukuru**

Thank you. I wanted to understand in Nigeria, what is the outlook with regards to the loan growth, the demand for your services, given what you mentioned happened in the last quarter? I'm more interested in the outlook. Number two. How does this change with regards to you have a rep office in Nigeria and you mentioned that a lot of your trading partners are now looking to go to Angola. Is that where you want to move that office to? Is that what's happening or is this just a temporary issue? So, that's the first question.

The other question I wanted to understand is, if we get in a world where oil prices stay low or go even lower, imagine we get to a $50 oil price, what does that do to your loan growth? What does that do to the demand for your loans? I just want to get an understanding of your sensitivity to low oil prices. That would be greatly appreciated. Thank you.

**Thierry Hebraud**

Okay, thank you very much. So, as far as Nigeria and how we see the business in Nigeria, let's not be confused. What is changing in Nigeria is the business model around the oil and gas sector, because as you know probably, Nigeria used to be a major exporter of crude oil, a major importer of refined products. Part of the business now is transformed because the crude oil from Nigeria, for its vast majority now, it is refined in Nigeria. And Nigeria is becoming through Dangote an exporter of refined products in the region.

This change had an impact on the structure of our portfolio because we were positioning ourselves on the flows of NNPC in between exporter of crude and importer of refined products. And the impact of that is a reduction of our loans in the CTF business by around $500 billion. But it is being rebuilt. And we are now working more with Dangote because the business has shifted partly to Dangote. What I was speaking about, so Nigeria is remaining the major oil and gas country in Africa. And there is a transfer of assets right now between the international oil companies to local oil companies and major Nigerian traders.

So, that remains a major activity for the country, which means that our rep office, which has been inaugurated officially last month, is at the very beginning of its development. It's not only for Nigeria, but it is considering our development as well in the Western, English-speaking Africa. And for us, that's just a beginning of this rep office, which makes a lot of sense for us to be in Lagos, in Nigeria, for both the oil and gas, but because of the expansion of other businesses in the country. By the way, we consider Nigeria's economic situation to be improving, the measures taken by the government such as the free-floating of the Naira, which was quite courageous, are stabilising the economy. At the same time, this is setting the base for the further growth and improvement of the country. So, we are very satisfied with this.

Regarding the lower price of oil, I would like just to remind that not so long time ago, during the COVID time, we had a very specific moment where the oil price was even negative. The ones who had the oil were paying the ones who were buying the oil to take the oil off their hands. That didn't impact our business. First of all, because we secure our prices on one side and the volume of this market is huge.

The level of our activity in this sector remains in our control. We do not want to grow too fast because we want to remain reasonably exposed in terms of the proportion of oil and gas exposures in our loan portfolio and not to become an oil and gas bank. So, lower price would lead us to financing higher volumes. That's what it means. And so, we compensate by increasing in volumes on a lower price effect in our activity. So, we have gone through these ups and downs over the last few years and this did not impact visibly the volume of our operations, which is more under our own management to limit the growth rather than being impacted by the price in other areas.

**Kato Mukuru**

Very clear. Thank you so much for that.

**Operator**

We have a follow-up question from Raj Madha. Please go ahead, sir.

**Raj Madha**

Just following up on the regional expansions. Do you have any intention of potentially any inorganic expansions in Africa or applying for new banking licenses anywhere else in Africa?

**Thierry Hebraud**

Inorganic expansion, no, this is not in our plans. When we look at our development in the continent, you know that what we are developing in the continent is a CIB business, Corporate and Investment banking. We strongly believe in what we call a hub strategy, which means bankers in the regions where we are developing business. So, we have a hub in Johannesburg, we have a hub in Nairobi, we have a hub in Dubai, and Dubai is looking at the corridors between Asia and Africa, GCC countries and Africa. We have now our rep office in Nigeria, and we believe that will become a hub for the region. We have an office in Paris as well.

We are reinforcing this hub by recruiting bankers. Three major sectors for us, the FI sector, the private banking sector and the corporate, being private equity funds, Pan-African corporates, multinational corporates, investment and trade flows. So, we want to have bankers close to our regions of interest and our clients. This is the way we are developing our business.

Do we have other regions of expansion? We believe that for the time being, we lack presence in the French-speaking Africa. I do not announce anything at this stage, but I would not be surprised to see one day that we have an office and a hub in Abidjan for the French-speaking Africa. We believe that London is a financial centre for the continent. We travel regularly to London to visit partners, banks and clients who are in London and working with the continent. So, that gives you a little bit of some flavour of the strategy we have on the continent.

**Raj Madha**

Thank you very much.

**Operator**

Ladies and gentlemen, that was the final question. I will now hand back for closing remarks.

**Jean Michel Ng Tseung**

Thank you very much once again to all the participants for your presence and participation today. We hope you found it useful and interesting. We are nearly at year-end, June 30. So, we will be presenting our audited financial statements closer to the end of September, and we look forward to our next earnings call that will be at the beginning of October. So, thanks once again for your presence and have a good day. Thank you.

**Operator**

Thank you sir. Ladies and gentlemen, that concludes today's event. Thank you for joining us, and you may now disconnect your lines.

END OF TRANSCRIPT