



Results for the third quarter ended 31 March 2026

Earnings Call held on Wednesday 20 May 2026

[Transcript](#)

CONFERENCE CALL PARTICIPANTS

Jean Michel Ng Tseung

MCB Group Ltd – Chief Executive

Thierry Hebraud

MCB Ltd – Chief Executive Officer

Dipak Chummun

MCB Group Ltd – Chief Finance Officer

Kersley Gaspard

IR Officer

Operator

Good day, ladies and gentlemen, and welcome to the MCB Group Earnings Call, Results for the nine months ended 31 March 2026. 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 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.

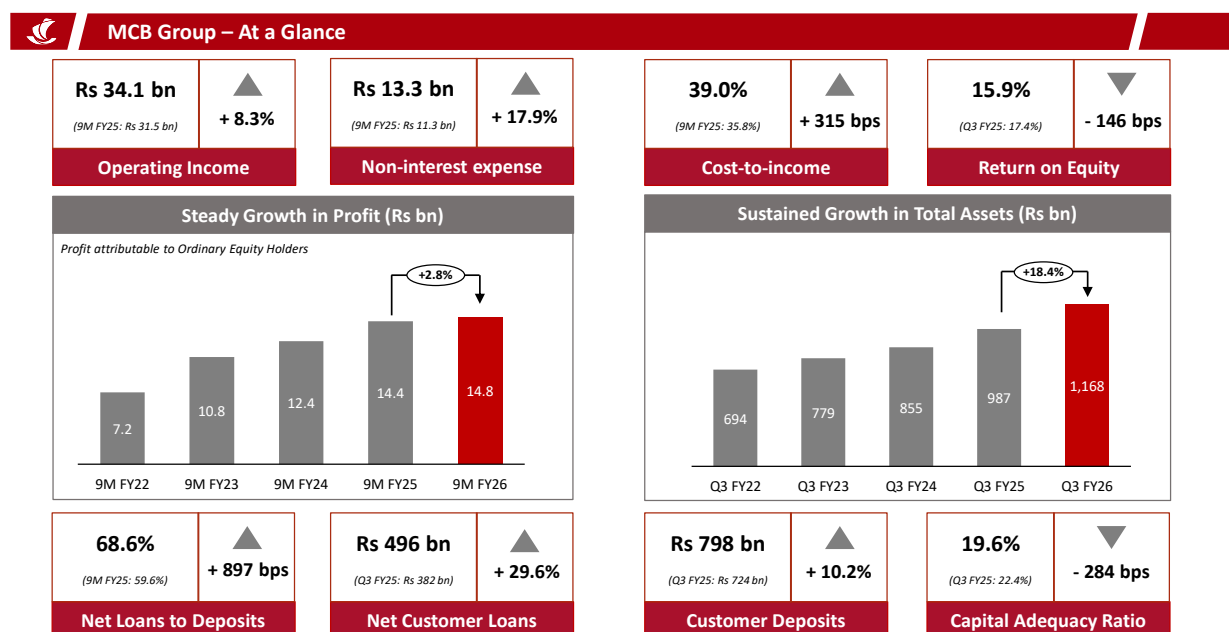
I will now hand over to your host, Mr Jean Michel Ng Tseung, who will introduce the panel members. Please go ahead.

Jean Michel Ng Tseung

Thank you very much. And good afternoon, and a very warm welcome to all of you for this earnings call of the MCB Group that will cover the nine-month period ended 31st March 2026. So around the table, there is Thierry Hebraud, the Chief Executive of MCB Ltd. We have Dipak Chummun, the Group CFO, Anbar Jowaheer, the Head of Strategic Funding, and Kersley Gaspard, our Investor Relations Officer.

So, as we all know, this quarter, the third quarter of our financial year, has been quite eventful, especially with the outbreak of the conflict in the Middle East. So I'm sure we will have ample opportunity to talk about this after the presentation of our nine-month results.

For now, let me pass on to Dipak, who will run us through this presentation that covers the financial performance of the group for that nine-month period. Over to you, Dipak.



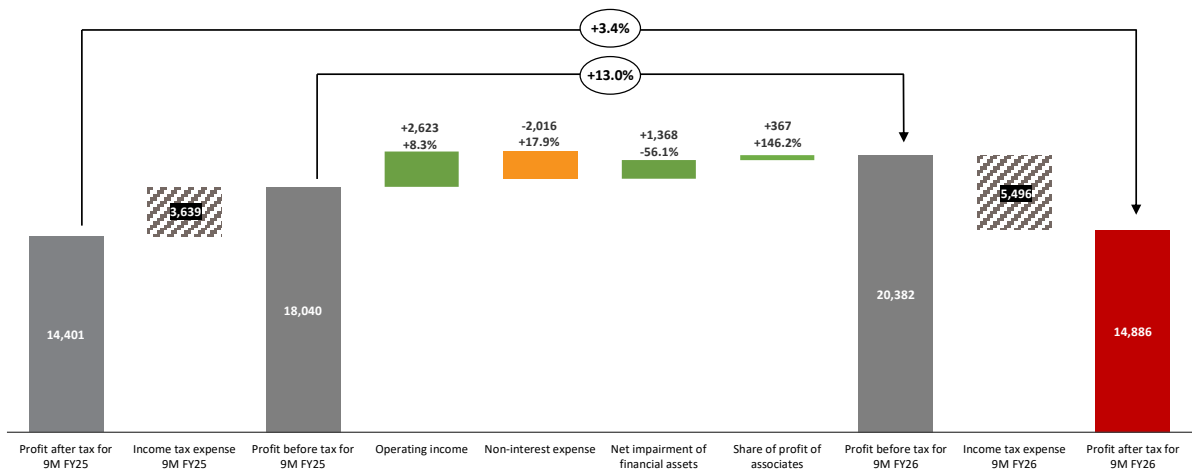
Dipak Chummun

Thank you very much, Jean Michel. As usual, a pleasure to engage with you and present the results for the nine-month period ended 31st March 2026. I just want to make sure you can see the slides.

So this is the overall, at-a-glance slide, where you can see that our operating income, reported operating income, is up 8.3% to Rs 34.1 billion for the nine-month period. Our non-interest expenses, otherwise known as operating expenses, have increased by 17.9%. Cost-to-income ratio has increased by 315 basis points to 39%. Return on equity sits at 15.9% compared to 17.4% for the equivalent period last year.

Right at the bottom, you'll see that our loan-to-deposit ratio has increased to 68.6% compared to 59.6% last year. Net customer loans are up 29.6% year-on-year, deposits are up 10%, and our capital adequacy ratio is down from 22.4% as of quarter three of last year, down to 19.6% this year.

Significant impact of tax rate changes on profit after tax.



Note : Figures are in Rs million and percentage changes refer to year-on-year changes for each item

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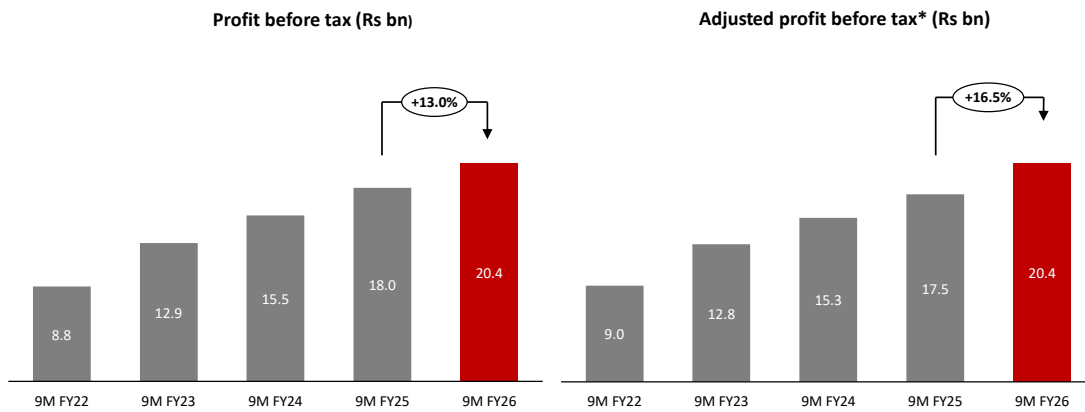
A quick view of profit after tax. What I want to share with you are the different components that have driven our profit after tax. On the two ends, on the left and the right, you have the profit after taxes for the two different periods. And you'll see that that has increased by 3.4%.

But as I've indicated in previous calls, taxes in Mauritius have risen considerably as a result of the fiscal measures adopted at the start of the financial year. And Mauritius being the jurisdiction from which we operate, that's impacted us. The two columns in grey in the middle show you what the profit before tax has been, and how those have behaved. And year-on-year, we've seen an increase in profit before tax of 13%, comprising the elements that you see in the middle in green and yellow.

Operating income has increased by 8.3%, as already mentioned. Our expenses have increased by 17.9%. And we've had a decrease in our provisions during the nine-month period this year. So that's created a swing

compared to last year, which is positive, so Rs 1.3 billion net swing. And we've had an improvement in our profit from associates.

Reported PBT increased by 13.0%. However, adjusted (core) PBT increased by 16.5%.

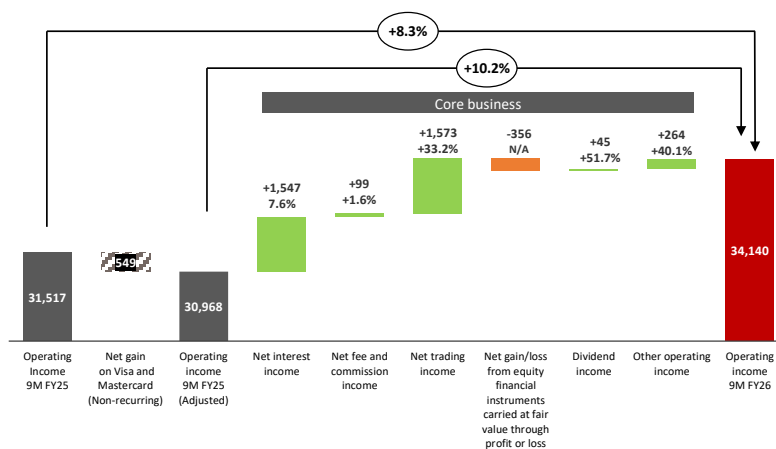


*Adjusted PBT defined as reported PBT excluding the effect of fair value changes of Visa and Mastercard shares

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On the next slide, just wanted to share with you the PBT excluding the impact of fair value gains that we had in the nine-month period running up to March 2025 on profit before tax. And if I exclude those, you'll see that the column, the nine-month FY25 figure on the right-hand side, is lower by approximately Rs 500 million, which was the gain reported last year which is non-recurring this year. And without that, basically doing a like-for-like comparison, our profit before tax has actually increased by 16.5%.

Whilst reported operating income showed a growth of 8.3%, core business revenue increased by 10.2%

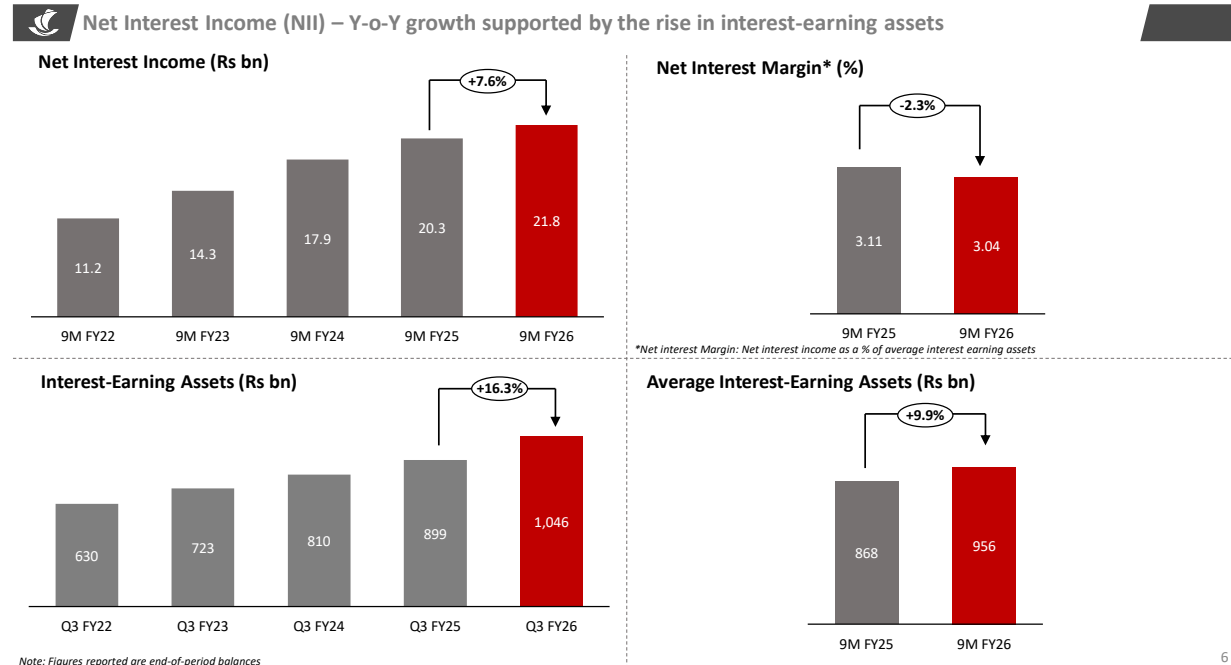


- Increase in net interest income driven by balance sheet growth despite a contraction in overall margins.
- Rise in net fee and commission income explained by stronger performance in payment & wealth management activities and loan arrangement fees.
- Growth in net trading income reflecting stronger foreign exchange and fixed income transaction volumes.
- Fair value loss of Rs 316 million on equity financial instruments mainly linked to investments of MCB Equity Fund.

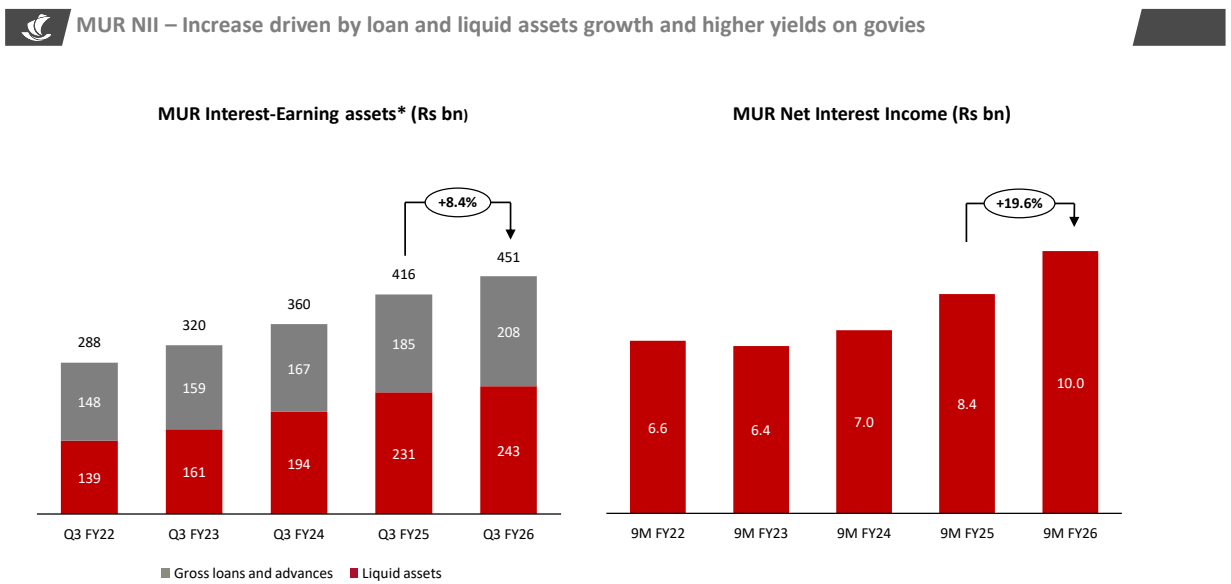
Note : Figures are in Rs million and percentage changes refer to year-on-year changes for each item

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This slide is showing you a waterfall on our operating income. So year-on-year, we have shown an 8.3% increase. As already mentioned, a Rs 549 million gain was reported last year under operating income. If I exclude that, you get to Rs 30,968 million of operating income. And the figure achieved this year has been Rs 34,140 million, which represents a 10.2% growth year-on-year of our core businesses.



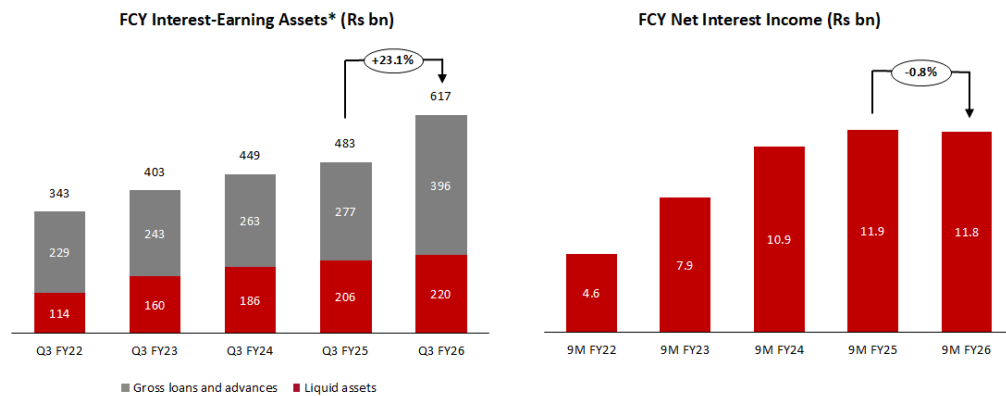
Net interest income has risen overall by 7.6%, comprising of an overall increase in average earning assets of 9.9%, but offset by 2.3% overall decline in net interest margins, principally on our dollar book.



* Interest earning assets reported as end of period balances; average balances increased by 12.1% y.o.y

So let's take a look at Mauritian rupee NII. On the left-hand side, you'll see gross loans and advances and liquid assets. Both have grown. Overall increase, 8.4% year-on-year, and overall net interest income has risen by 19.6% in Mauritian rupees year-on-year.

 FCY NII – Remain relatively flat due lower customer margins



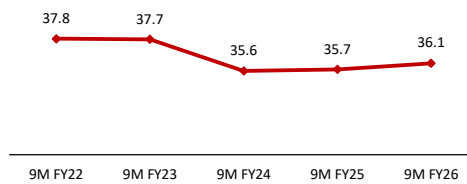
* Interest earning assets reported as end of period balances; average balances increased by 9.3% y.o.y

In foreign currency, we've had an overall increase in our balance sheet of 23%. This is a spot balance. We've had a fairly significant increase in our customer loans and advances in the last quarter of this period, principally as a result of ongoing business development initiatives and the increase in oil prices.

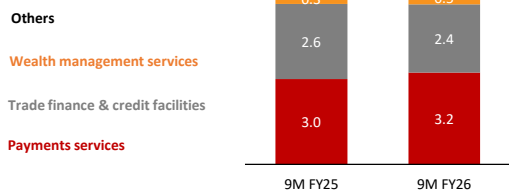
The increase in loans happened at the end of the quarter and the impact of this increase hasn't fully materialised into our income stream. And this is why you see the increase of 23.1%, increase in our overall earning assets. But on average, if you see the footnote right at the bottom, on average, our balances have increased by 9.3% year-on-year. The reason why foreign currency net interest income is lower by 0.8% year-on-year is because our net margin on our foreign currency book has declined by roughly 9% too.

Non-Interest Income (Figures in Rs bn)	9M FY25	9M FY26	%Δ Y-o-Y
Net Fee and Commission Income	6.3	6.4	1.6%
Net trading income	3.6	5.2	43.7%
Other Income	1.3	0.7	-44.6%
Total Non-Interest Income	11.3	12.3	9.6%

Non-interest income to operating income ratio (%)

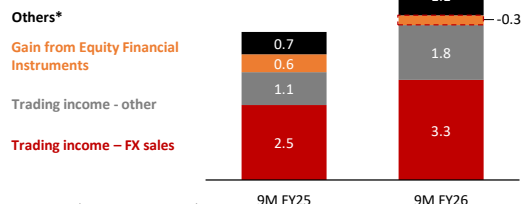


Net fee and commission income (Rs bn)



Note: Figures may not add up due to rounding

Net trading and other income (Rs bn)



----- Pertains to FV losses on MCB Equity Fund

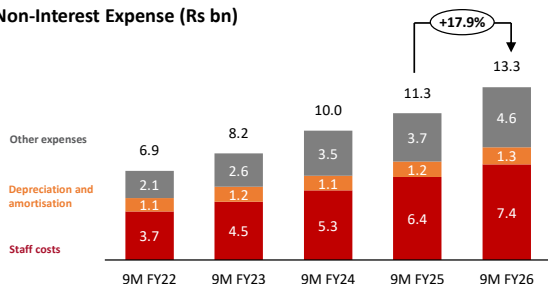
* Includes dividend income and other operating income

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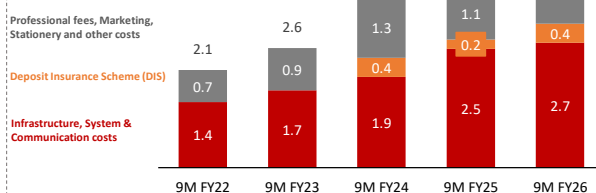
Let's take a look at non-interest income. This comprises our net fee and commission line, as well as net trading income. You can see that net fee and commission has increased year-on-year by only 1.6%, but this is largely attributable to the decline for the first part of the year of our trade finance business, principally in Nigeria, where last year we still had some high-yielding off-balance sheet exposures.

Having said that, we are doing well in our financial markets activities and net trading income has increased by 43.7% year-on-year, largely as a result of customer transactions and better trading performance. So as we've mentioned in previous calls, this is one of the biggest drives of the bank. We want to increase our non-interest income, in particular from clients' business.

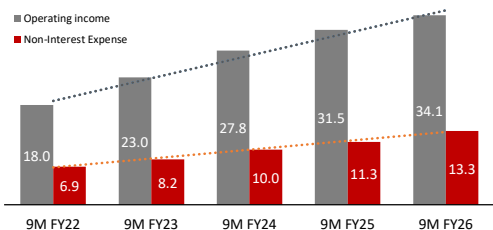
Non-Interest Expense (Rs bn)



Other Expenses (Rs bn)

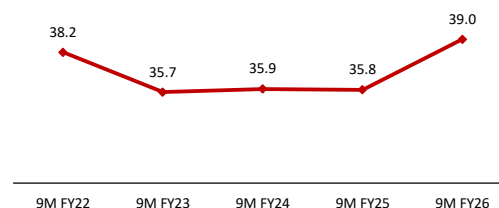


Evolution of income and expenses (Rs bn)



Note: Figures may not add up due to rounding

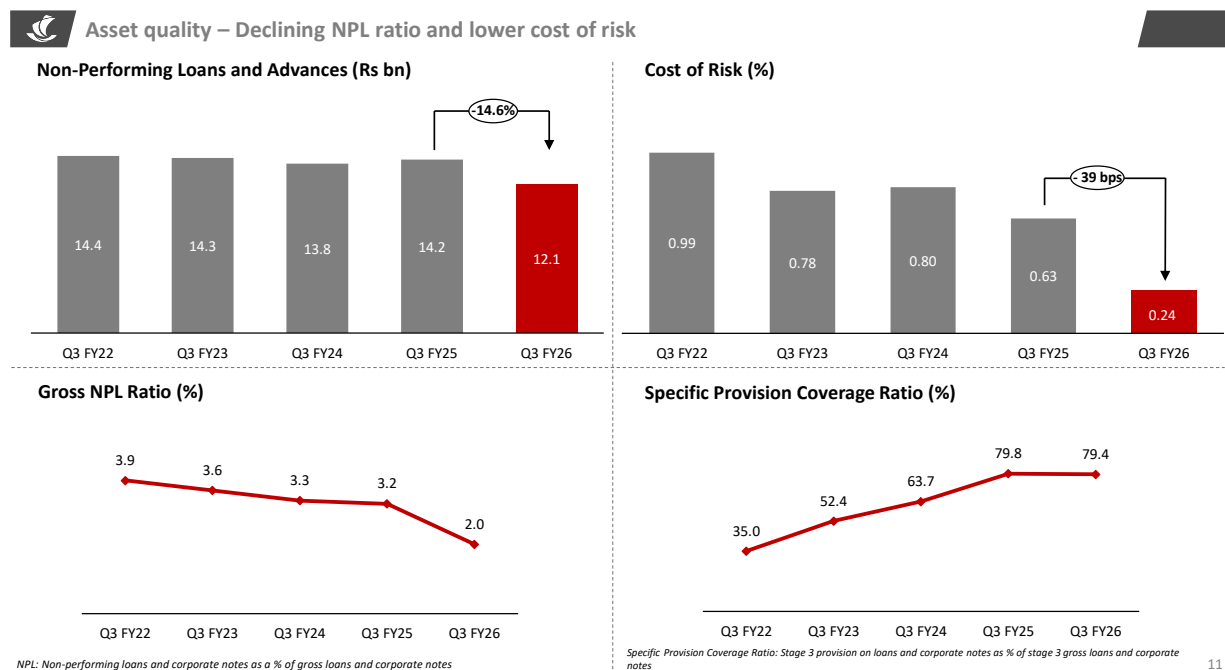
Cost-to-Income Ratio (%)



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Let me go to page ten. So non-interest expenses have increased by 17.9% year-on-year, the chart on the top left-hand side. The main driver of this growth was staff costs, which increased by 15.1% year-on-year. And as mentioned in previous calls, we've been adding to our headcount in previous years to support the growth of the group, and you see that through the revenue line increase and volume increase. We've also, obviously, in the last few years had salary increases, which compound the impact on our staff cost line.

Other expenses have increased as well. A large part of that relates to infrastructure and technology, and I've mentioned this on previous calls as well, on which we are impacted from three different angles. One is the inflationary cost increases in dollars, the currency impact of dollars as rupee has depreciated over time, and number three, we've had more licences that we've had to procure as a result of our increased activity and headcount. So, hence, cost-to-income ratio for this period has increased to 39%, as we continue to invest, in particular, in technology.



Take a look at asset quality. Our non-performing loans have dropped compared to quarter three of last year, and that's principally as a result of having made a significant amount of recovery during the period. So we've basically recovered a long-outstanding stage three loan from the NPL. So the NPL ratio now sits at 2.0%.

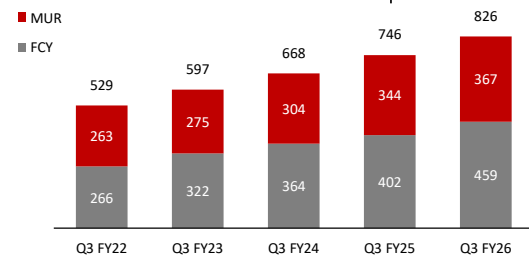
As a result of the recovery, which has resulted in an impairment release in the books for the first nine months of this year, our cost of risk has dropped to 24 basis points compared to what we normally say. Our normalised cost of risk sits between 60 and 80 basis points. So for the first nine months of this year, this has significantly declined, but it's not necessarily a recurring number.

As already mentioned, our gross NPL ratio has dropped, hence why the gross NPL ratio is down to 2%, and our specific provision coverage ratio sits at close to 80%, which is fairly consistent compared to last year.

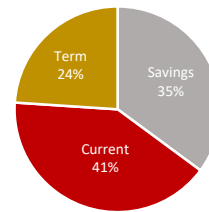


Funding and liquidity – Growth in funding base driven by higher deposits and additional borrowings

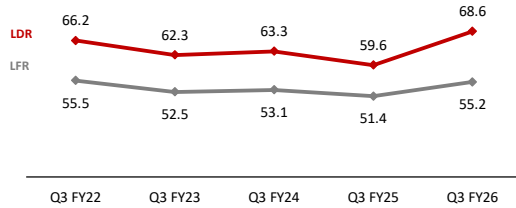
Deposits (Rs bn)



MCB Ltd deposit mix (%) – Q3 FY 26

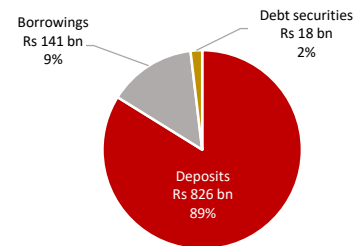


Liquidity ratios (%)



LDR: Net customer loans and advances (including corporate notes) to customer deposit ratio
LFR: Loan-to-funding base (including borrowings) ratio

Funding base composition (%) – Q3 FY 26

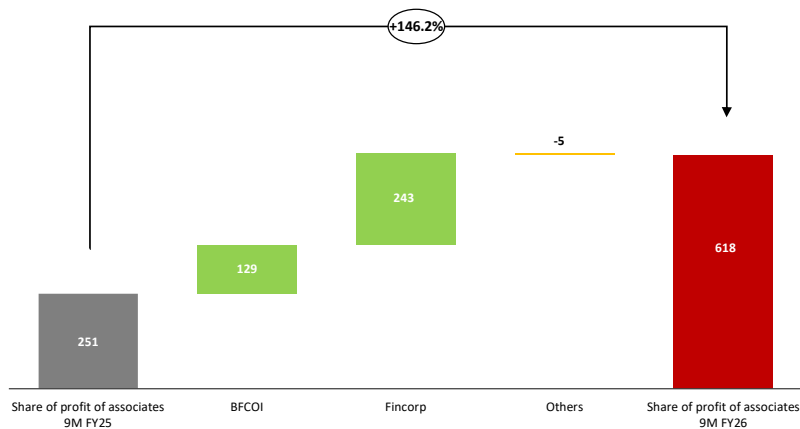


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Our share of profits from associates have improved significantly compared to last year. BFCOI has done quite well, as well as the results that we've consolidated from Fincorp as a result of better results from Medine, which itself has been generated from an increased volume of land sales during the period, relative to the year before.



Associates – Increase explained by improved performance of BFCOI and PAD



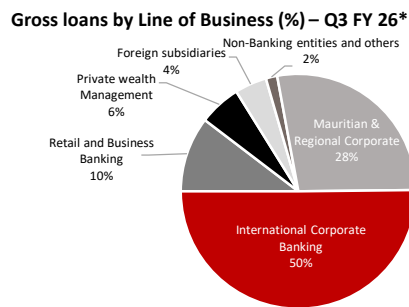
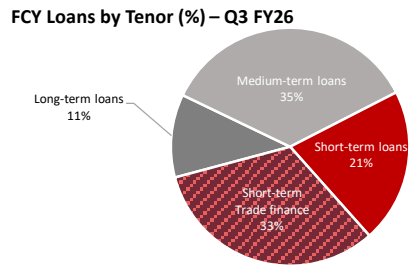
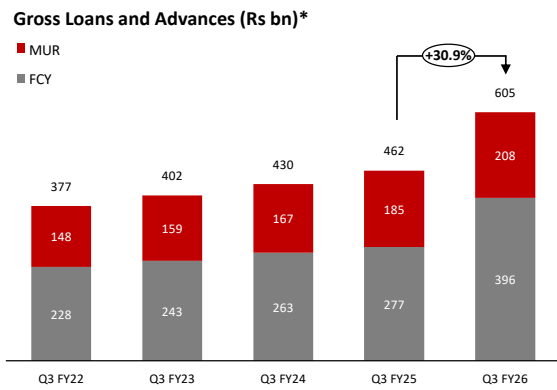
Note: Figures are in Rs million

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On the funding side, taking a look at the balance sheet, you can see that our overall deposit base has increased by 10.8%, and you'll see increases both in local currency as well as foreign currency. Liquidity ratios, loan-to-deposit sits at 68.6%. And on the right-hand side, the pie charts show you a fairly well diversified mix in terms of tenor buckets.

And at the bottom, you'll see that close to 90% of funding comes from deposits. We've also got borrowings of Rs 141 billion and debt securities of Rs 18 billion.

Loans and advances – Growth supported by increased disbursements in both rupee and foreign currency



* Including corporate notes

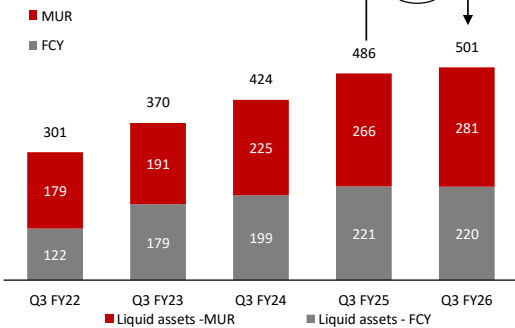
On loans and advances, as already mentioned, at the end of quarter three, we've seen an increase of loans and advances, partially resulting from our trade finance activity, itself driven to some extent by oil prices. We've had an increase in volume, and hence the quarter-end number is steady, 30.9% higher than the previous year.

From a tenor perspective, the pie chart on the top right shows you that our short-term trade finance activity represents 33% of our overall loans and advances, short-term loans 21%, and medium-term loans 35%, with long-term loans remaining at 11%.

From a business perspective, in the pie chart on the bottom right, our international corporate banking business represents 50% of our loans and advances, with Mauritian and regional corporates just over a quarter of the portfolio.

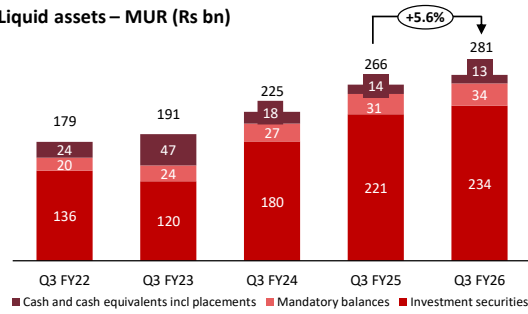
Liquid assets – Excess MUR liquidity deployed in government securities

Total liquid assets (Rs bn)

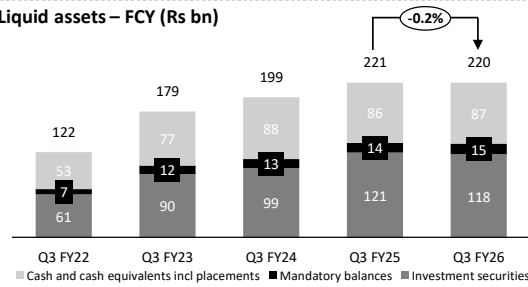


Note: Figures may not add up due to rounding

Liquid assets – MUR (Rs bn)



Liquid assets – FCY (Rs bn)

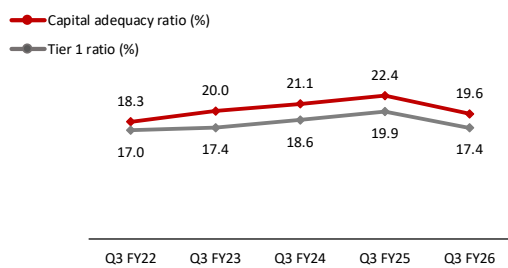


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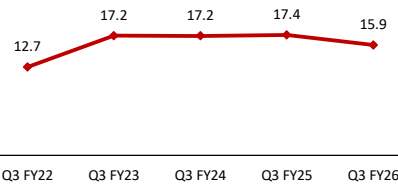
Liquid assets on this chart. You'll see, year-on-year, total liquid assets have risen by 3%. The chart on the top right-hand side, you will see a 5.6% increase in liquid assets in Mauritian rupees, with liquid assets in foreign currency remaining reasonably flat.

Capital adequacy and ROE – Drop in CAR due to loan expansion and ROE impacted by the higher tax charges

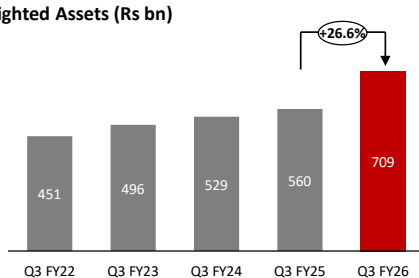
Capital Adequacy Ratio (%)



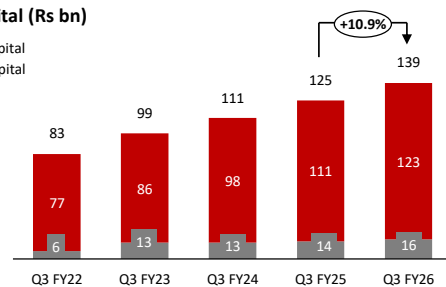
Return on Equity (%)



Risk-Weighted Assets (Rs bn)



Total Capital (Rs bn)

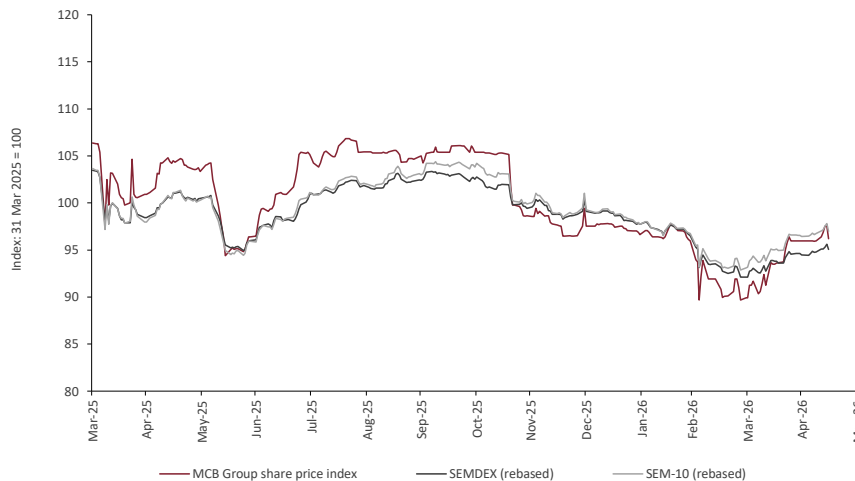


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Capital adequacy and return on equity. So, as already mentioned, our capital adequacy ratio has dropped from 22.4% to 19.6% in quarter three of FY26. But this is based on the period-end balance sheets and RWA calculations, which do not reflect the revenues attributable to this increase in assets. So we should see this capital adequacy ratio increase at the end of quarter four and potentially going into the next financial year.

Corresponding to what I've just mentioned, our return on equity has also seen a decline to 15.9% at the end of this nine-month period. You'll see on the bar chart on the bottom left of this slide that year-on-year, there's a 26.6% increase in risk-weighted assets. And this is what I just mentioned, that the full benefits from the increase in risk-weighted assets haven't yet been seen in the P&L. So they are going to be accrued in the periods to come. Total capital is now sitting at Rs 139 billion, so an increase of 10.9% compared to last year.

 MCB Group share price evolution



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On the final slide, it shows you that there has been a decline over the last year in our share price, especially resulting from the conflict in the Middle East. But there's been a slight rebound since April, and the business is doing well. Whilst we do have some concerns over the macroeconomic scenario and geopolitical scenario, we're confident in the growth of the Group.

Jean Michel NG Tseung

Well, we obviously are at your disposal. If you have anything you would like to clarify over the course of the next week or few weeks, by all means get in touch with us. And I'd just like to thank you for your participation, and we look forward to meet you in October.

It's going to be a little break between now and the next earnings call, because we are going to close this financial year on June 30. And by the time we release the annual report, it will be end of September. So we look forward to meeting you all in October. Thank you very much, once again, for your participation and presence, and see you soon. Thank you. Bye-bye.

Operator

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