

# Chairman Statement

## Dear shareholders, Customers, and Colleagues,

2023 marks my fourth financial year as the Chairman of the Board of Directors of MauBank Ltd. The continued support and trust of our shareholders has been instrumental to the bank's growth and performance. I extend my gratitude to our clients and express my appreciation for their business and loyalty.

I am also grateful to my fellow Board members for their role in shaping the bank's vision and performance, the Management team and the Staff for creating a positive work environment, a good performance and the underlying success of MauBank Ltd.

## The need for resilience in a continually uncertain and ambiguous global environment

The year under review was challenging in many respects, with global and domestic environment impacting our business in many ways. The impact of these events on the Mauritian economy have been felt with varying degrees; some more direct and intense than others.

The widespread and rapid increase in inflation in 2022 prompted monetary policy tightening around the world, which continues to weigh on global growth in 2023. For many economies across the African continent, this has meant higher domestic interest rates, elevated sovereign spreads, and ongoing exchange rate pressures. Adding to high debt levels, these factors have combined to constrain access to external funding - yet another shock for a continent still emerging from the COVID-19 pandemic. The outlook for Mauritius remains reasonably positive according to the IMF. The GDP of Mauritius is expected to be 5.1% in 2023 and is expected to stabilize to a pre-pandemic normal of 3.8% in 2024.

## The Bank's performance in a nutshell

As part of the phase-in arrangements of capital requirements pursuant to the implementation of Basel III, the Bank of Mauritius requires a minimum Capital Adequacy Ratio of 12.50%. Our capital adequacy ratio at the end of 2022-2023 financial year stood comfortably at 15.35%.

The Cost to income Ratio has improved to 65% (from 75% last year) which is in line with banks of similar sizes. This improvement is the result of the incessant effort of the bank to progress and streamline processes through the use of technology on one hand, and to the increased revenues from our products and services on the other.

In spite of the volatile and challenging economic conditions, the bank's Total Assets have improved from MUR 33.23 billion to MUR 35.4 billion, the Loans and Advances have grown by 20% to reach MUR 21.94 billion, and all this while its NPA ratio has been contained at 4.61%. Over the past three (3) financial years, the Return on Equity has improved more than two-fold going from 4.40% in 2021, to 9.59% last year, to 11.12% at end of June 2023. Interest income remains a key driver of growth for our bank. Net interest income has grown to MUR 241.23 million during the 2022-23 financial year. This represents a 27% increase from the previous financial year.

Most importantly, the efforts put in by one and all resulted in the bank posting a Profit After Tax of MUR 380.80 million for the financial year 2022-23, an improvement of 42% from a profitability of MUR 268.58 million in the previous financial year.

## The Bank's ambition and direction for the future

As a commercial bank, traditional banking channels remain a mainstay. However, to keep in line of its strategic objective to "Embark the customers on a journey based on providing them with a package of meaningful and adapted solutions..." it favours agile, fast and close business relationship with clients and therefore MauBank Ltd will continue to pursue its digitalisation programme by building on its already award-winning banking apps in order to enhance the customer journey. Technology in banking enhances security and operational efficiency while providing more features and convenience help to build the overall customer experience.

Additionally, in this competitive market, we will continue to expend, to our best efforts, to ensure that our talented employees are well led, and we will persist on our ability to attract new leaders and retain existing ones. We will provide our continuous support to invest in making sure that the bank is a great place to work for every staff and instill our culture of high performance. Our commitment towards capacity building and continuous professional development of our people remains consistent.

The Mauritian Banking market is stable and mature and therefore to accelerate its growth, the bank needs to cast wider. India, Middle East and Africa regions remain sizeable in terms of potential. The bank, with its new business model - following the restructuring process undertaken in the past years - is now ready to embark on the next level of its transformation within a growth-centered blueprint.

## Sustainability commitments

The United Nations and the World Bank have identified 17 Sustainable Development Goals to which countries around the world have given their commitment to.

As a responsible bank, we believe that as much as shareholder value is of ultimate importance, sustainability is of penultimate significance. In this regard, the bank set up the Sustainability unit and integrated it into the existing Corporate Strategy Unit in September 2022 with the purpose to focus on sustainable values that can trigger financial benefits, mitigate climate-related and environmental financial risk for MauBank, amongst others. The Sustainability Roadmap developed aimed at promoting environmentally sound and sustainable development across its wide range of activities. The bank is committed to act as a responsible partner vis-à-vis its stakeholders.



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## Concluding remarks

The bank remains committed to continued investments in Technology, Innovation, Compliance, Human Capital Development and ESG pillars to achieve its strategic objectives. The challenges that await us are many, diverse and require a combination of proactive management, regulatory compliance, technological investments, and a customer-centric approach to remain competitive and sustainable.

The bank, its Directors, the Management and Staff remain steadfast in delivering on the bank's motto to be "le partenaire de votre progrès. We look forward to continuing to deliver on our strategic objectives and undertake yet another year full of fresh challenges with the support of our shareholders, the trust of our customers and the commitment of our staff.

A handwritten signature in black ink, appearing to read 'G. Sookun', positioned above a horizontal line.

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**Mr. Gooroodeo Sookun**  
Chairperson  
Board of Directors