

Chief Executive Statement

Dear Shareholders and Stakeholders,

I am pleased to address you in this annual report, a reflection of yet another successful year for MauBank, and a testament to our bank's resilience and commitment to excellence. As we reflect on the past years, marked by unprecedented challenges, I am proud to report that MauBank has not only weathered the storm but also emerged stronger and more resilient than ever.

Despite the economic uncertainties, the bank continued to demonstrate solid and improving financial performance. Our prudent risk practices, diversified portfolio, and forward-thinking strategies allowed us to navigate the challenging economic landscape successfully. We remained focused on delivering value to our shareholders, maintaining a strong capital position, and ensuring the stability of our business. Our resilience in the face of various challenges has been tested. Our dedicated team has been at the forefront of our success, consistently delivering exceptional service to our valued customers. I am immensely proud of their dedication and hard work.

MauBank maintained a strong financial position, with solid growth in various areas of our business. Our business decisions and strategic focus have paid off, resulting in sustained profitability and value creation for our shareholders. In fact, being bestowed with the 'Best Growth Strategy in Banking, Mauritius' in late 2022 by Capital Finance International (CFI.co) gave us the reassurance that we were sailing in the right direction, with adequate torque.

Operating income for the year ended 30 June 2023 stood at Rs 1.60 Bn, i.e. 23.19% higher compared to Rs 1.29 Bn for the year 2022. Total Interest Income increased by 53.3% over a year, while Non-Interest Income improved by 15.9%. Our Total Asset increase, attributable to a 20% expansion of our Loan and Advances portfolio, was to the tune of 6.6%.

Of particular note, we exceeded our own targets in many areas. I will not do justice to my team if I do not underscore that Revenue Growth was 26% above our own set target, Return on Equity was 43.3% above, and we were 52.9% over on Return on Assets.

Improving our financial indicators also meant curbing our costs. The successful reduction of our cost-to-income ratio from 84.97% to 64.97% in two years demonstrated our commitment to strategic cost management. We implemented rigorous cost-cutting measures that have not only improved our financial performance but also enhanced our overall operation efficiency.

Our efforts in operational streamlining have played a pivotal role in achieving this remarkable reduction. We have scrutinized every aspect of our operations to identify areas where cost reductions could be made without compromising the quality of service. We have optimized our resource allocation, ensuring that we allocate resources to high-impact areas while curbing unnecessary expenses. This approach has not only resulted in cost containment but has allowed us to redirect resources to areas with growth potential.

Technological innovation remains a cornerstone of our strategy. The new competitors have raised the bar on customer expectation. Over the past year, we have enhanced our digital transformation efforts to meet the journey integration of our customers. We have continued to invest in cutting-edge technology, enhancing our digital capabilities to provide customers with seamless and convenient banking experiences. In awarding us with the Best Digital Transformation 2022 accolade, Capital Finance International (CFI.co) recognized that our investments in technology have resulted in enhanced online and mobile banking experiences, making it easier for customers to manage their finances conveniently and

securely. Conversely, embracing technology and automation has been instrumental in reducing costs. We have shifted to systems and processes – namely our end-to-end online lending platforms for Asset Finance and Credit Card - that save time and significantly reduce manual labor and associated costs.

Maintaining cost containment while keeping the customer experience at the forefront of our operations has been a priority. We've achieved this by delivering innovative services and products efficiently, alongside nurturing proximity and relationships with our customers, in particular our business ones, from SME to Corporate. Our quick turnaround time has demarcated us in the industry. In turn, our approach has contributed to revenue growth. With a lowered cost-to-income ratio, we are better positioned for sustained profitability and growth. This provides us with the financial resilience to navigate through challenges and seize opportunities in the ever-evolving banking industry.

Sustainability is therefore a key focus for us. For the bank, and for the world in which we live. We are committed to responsible banking practices that prioritize the well-being of our planet and communities. Internally we have made environmentally responsible choices that will, in the long run, reduce energy and resource consumption. We have also taken steps to reduce our environmental impact, support financial inclusion, and contribute to social causes that matter. The bank developed its roadmap towards the application of the Bank of Mauritius guideline on Climate-related and Environmental Financial Risk for the short, medium and long term, including capacity building program to empower our teams in the implementation of an enhanced risk framework addressing the identification, assessment and management of risks associated with climate or environment that may impact on the bank's operations and financial performance.

Back in June 2021, we were energized by a declaration of profit of Rs 119.02 Mn. In 2022, a declared profit of Rs 268.58 Mn was a validation of our corporate strategy, and elevated our determination to bring this bank to new heights. More importantly, we had the immense satisfaction of announcing a payment of dividends of Rs 40M to our shareholders, representing 15% of our profit.



One year down the line, I am extremely proud to present the performance of MauBank in this annual report, with a profit after tax and impairment of **Rs 380.80 Mn** for the year ended 30 June 2023. A three-fold increase in two years, and a growth of **41.78%** in one year.





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Looking ahead, we are optimistic about the opportunities that unfold. As the future of banking continues to evolve, MauBank is well-positioned to adapt, innovate and thrive. Our bank is well-prepared to adjust to changing market dynamics, seize opportunities, and overcome challenges. We will continue to explore new avenues for growth, strengthen customer relationships, and deliver sustainable value to our stakeholders.

I want to express my gratitude to our dedicated employees, loyal customers, supportive shareholders, and the communities we are privileged to serve. Together, we have demonstrated our strength and resilience, and I am confident that our collective efforts will drive MauBank to another altitude in the coming year.

Thank you for being part of the MauBank journey. We are thrilled about the possibilities that lie ahead and look forward to another year of growth, innovation and shared success.

A handwritten signature in black ink, appearing to read 'Premchand Mungar', with a horizontal line underneath it.

Mr. Premchand Mungar
Chief Executive