Cim finance

Annual Report 2023

Dear Shareholders,

The Board of Directors is pleased to present the Annual Report of CIM Financial Services Ltd for the year ended 30 September 2023.

This report was approved by the Board on 20 December 2023.

Aisha Timol
Independent Director and Chairperson

Mark van Beuningen
Executive Director and Group Chief Executive Officer

About this Report

Reporting Period, Scope and Boundary

This fifth Annual Report communicates financial and non-financial information about CIM Financial Services Ltd's ('CFSL') strategy, business model, operating context, material risks and opportunities, governance and operational performance for the period 1 October 2022 to 30 September 2023.

This report covers CFSL and its subsidiaries (collectively referred to as 'Cim Finance' or the 'Group') and provides a comprehensive overview of all matters that materially affect the Group. Significant events after 30 September 2023 up to the date of approval of this report are also disclosed herein.

Theme of this Report

In the dynamic landscape of our organisation, this Annual Report is an exploration of three interconnected themes that have strongly defined the past financial year: **social responsibility, sustainability and innovation**. The narrative in these pages is centred on the synergies between these pivotal elements, and sheds light on how the fusion of responsible social practices, environmental stewardship and inventive thinking can catalyse transformative change for our business, while fostering positive outcomes for all our stakeholders and the environment.

At the heart of Cim Finance's organisational ethos lies an unwavering commitment to social responsibility. By prioritising inclusivity, community engagement and ethical business practices, we aim to contribute meaningfully to society and pave the way for a more equitable future for all. Environmental responsibility is crucial for the long-term viability of our company and the planet. Our sustainable practices, carefully designed to minimise our ecological footprint, aim to align our operations with the delicate balance of the natural world.

Tackling complex challenges such as vulnerability and resource depletion necessitates innovative thinking and inventive approaches to problem-solving. By embracing responsible practices and fostering a culture of creativity in all aspects of our organisation, we are not only preserving our planet's resources and enhancing the resilience of society, but we are also positioning ourselves as leaders in sustainable financing. This report stands as a testament to our commitment to using our influence to create a sustainable and innovative future for all.

Reporting Principles

Our Annual Report complies with the International Financial Reporting Standards, the National Code of Corporate Governance 2016, the Mauritian Companies Act 2001 and the Mauritian Financial Reporting Act 2004.

In preparing this report, we have also been guided by the principles and requirements contained in the International Integrated Reporting Council (IIRC) International <IR> Framework. Our discussions about value creation are centred on the six <IR> capitals that are relevant to our Group, namely:

- Financial
- Human
- Intellectual
- Social & Natural (combined for the purpose of this report)
- Manufactured
- Relationship Capital

Our approach to materiality

This report provides information that we believe is material to the ability of the Group to generate value over the short, medium and long term. In determining our materiality, we have considered our business models, our interactions with our relevant capitals, our operating context, the relevance to our key stakeholders and our business strategies.

Forward-looking statements

This report contains certain statements relating to the Group's performance, financial standing, future prospects and objectives. These statements are based on the beliefs and assumptions of the Group's management, as well as on information currently available to us. These statements are, by their nature, subject to significant risks and uncertainties and are not a guarantee of future performance or developments. Actual results and events may differ materially from information contained in the forward-looking statements.

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Group Structure

CIM FINANCIAL SERVICES LTD

- 100% — CIM INTERNATIONAL HOLDINGS LTD
- 100% — CIM CSR FUND LTD
- 100% — CIM ADMINISTRATORS LTD
- 40% — LI & FUNG (MAURITIUS) LTD
- 40% — DODWELL (MAURITIUS) LTD
- 100% — CIM LEARNING CENTRE LTD
- 29.57% — FUNDKISS TECHNOLOGIES LIMITED
- 75% — LOINETTE CAPITAL LIMITED

100% CIM KENYA LTD

100% CIM CREDIT KENYA LTD

100% CIM INSURANCE AGENCY LTD

100% KEY FINANCIAL SERVICES LTD

100% THE OCEANIC TRUST CO. LTD

Notes:

1. Group structure as at 30 September 2023
2. Excluding companies under liquidation and dormant companies

OUR YEAR AT A GLANCE

This is Cim

OVER
270,000+ Clients

1000+ Employees

75% Female

25% Male

100 Counters

9 Sub Offices

650+ Merchants

Our services

- Consumer Finance
- Factoring
- Leasing
- Business credit cards
- POS services
- SME Loans
- Ecommerce service
- Insurance

Platforms

- WhatsApp for Business
- noubiznes by Cim finance — ACCOMPAGNEMENT | FINANCEMENT | NETWORKING
- mofinans by Cim finance

Key Milestones

- First to list **green bonds** on the **Stock Exchange of Mauritius**
- First to cross MUR **50 million** in repayments through Instant Payment Service (IPS)
- Winner of **Environmental Awards 2023** in the non-banking category

Our Purpose-Driven Approach

We firmly believe that all Mauritians deserve a level playing field and the freedom to build a better future for themselves.

Driven by this purpose, Cim Finance develops innovative products and flexible financing solutions designed to meet the various needs of individual and corporate consumers and enhance their financial wellbeing.

Through our agile and customer-centred approach, we help households finance the everyday purchases that improve their quality of life; we empower entrepreneurs to start, grow and sustain their businesses; we partner with SMEs so they can fulfil their role as powerful engines of growth and employment; and we strive to help underserved communities break free of their financial constraints. In rising to achieve our mission, we have established ourselves as a reliable alternative to traditional lenders and as the leading non-banking financial institution in the country.

Our Brand Pillars

Our brand pillars guide us in all that we do and help us build authentic and trusting relationships with our employees, customers, partners and community members.

Leading Edge

We remain at the forefront of a fast-changing world by harnessing digital technologies and nurturing a growth mindset that values continuous learning and improvement above all.

Caring

We care about building a world in which everyone has access to the things they need. We vow to be warm, transparent and supportive as we guide you on your path to financial freedom.

Connected

We operate as one team, one Cim, as we strive to help you meet your financial obligations. We break down the silos and bring together our various teams, areas of expertise and ideas so we can focus on offering you the best solution and the best experience.

Agile

We understand that your financial needs are constantly changing. As your trusted financial partner, we adapt our solutions to your unique circumstances and grant you greater flexibility and freedom over your spending.

Value Creation Model

INPUTS

FINANCIAL CAPITAL

- Shareholders' funds
- Reinvestment
- Debt

HUMAN CAPITAL

- Diversified, competent and engaged workforce
- Continuous development
- Strong leadership team

INTELLECTUAL CAPITAL

- Branding
- Innovation
- Values

RELATIONSHIP CAPITAL

- Wide network of merchants
- Visa and MasterCard accreditation

MANUFACTURED CAPITAL

- Proprietary scorecard
- Network of counters

SOCIAL & NATURAL CAPITAL

- Corporate Social Responsibility
- Responsible lender
- Partnership with the Government for SMEs

STRATEGIC IMPERATIVES

Sustainable Growth

Operational Excellence

OUR ACTIVITIES & OPERATIONS

- **Credit facilities to individuals for the purchase of mobile phones, consumer electronic goods and furniture**
- **Personal unsecured loans to individuals to finance projects or personal requirements**
- **Credit protection plan to protect customers against unforeseen circumstances**
- **Cards and Payment Solutions**
- **Solutions for the acquisition of vehicles and equipment**
- **Help SMEs meet their cashflow needs through our Factoring services**

OUTPUTS

Digitalisation

Customer Centricity

RISK MANAGEMENT FRAMEWORK

- Risk Appetite
- Main Risks
- Risk Response

FINANCIAL CAPITAL

- Optimal funding mix
- Achieving targeted ROE

HUMAN CAPITAL

- Employer of choice
- Empowered employees
- Work-life balance

INTELLECTUAL CAPITAL

- New products
- Cim Culture
- Strong brand & reputation

RELATIONSHIP CAPITAL

- Helping our partners grow their business

MANUFACTURED CAPITAL

- Accessibility
- Sound credit decisions
- Low impairment levels

SOCIAL & NATURAL CAPITAL

- Responsible lender
- Support to the community

Financial Highlights

NET OPERATING INCOME

13% ↑

TO REACH MUR 2,915.9bn

GROUP PROFIT AFTER TAX

60% ↑

TO REACH MUR 961.0m

NET ASSET VALUE PER SHARE

MUR 8.23 ↑

TOTAL ASSETS

15% ↑

TO REACH MUR 21,582.7M

RETURN ON EQUITY

18.2% ↑

DIVIDEND PER SHARE

MUR 0.42 ↑

EARNINGS PER SHARE

MUR 1.41 ↑

AS AT 30 SEPTEMBER 2023

SHARE PRICE

MUR 11.00 ↑

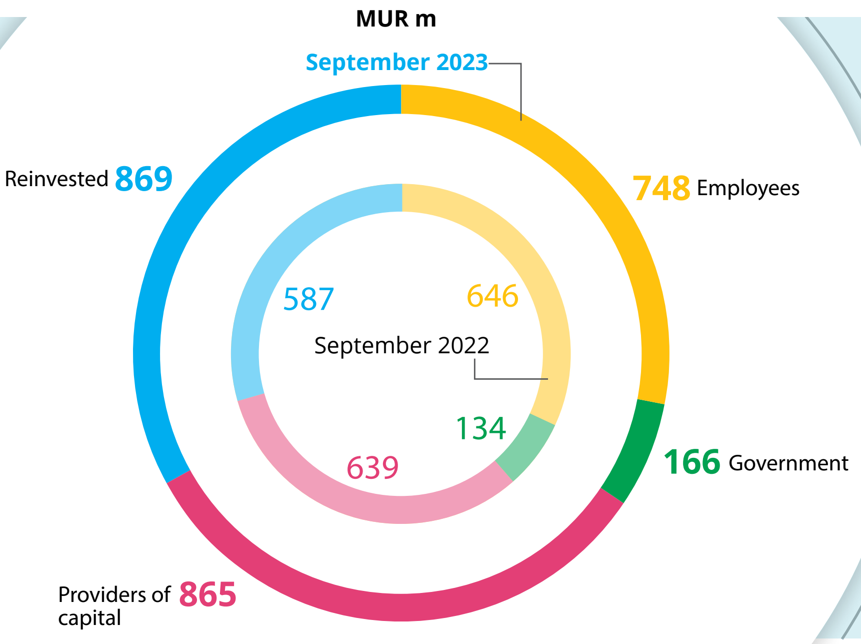
AS AT 30 SEPTEMBER 2023

DIVIDEND YIELD

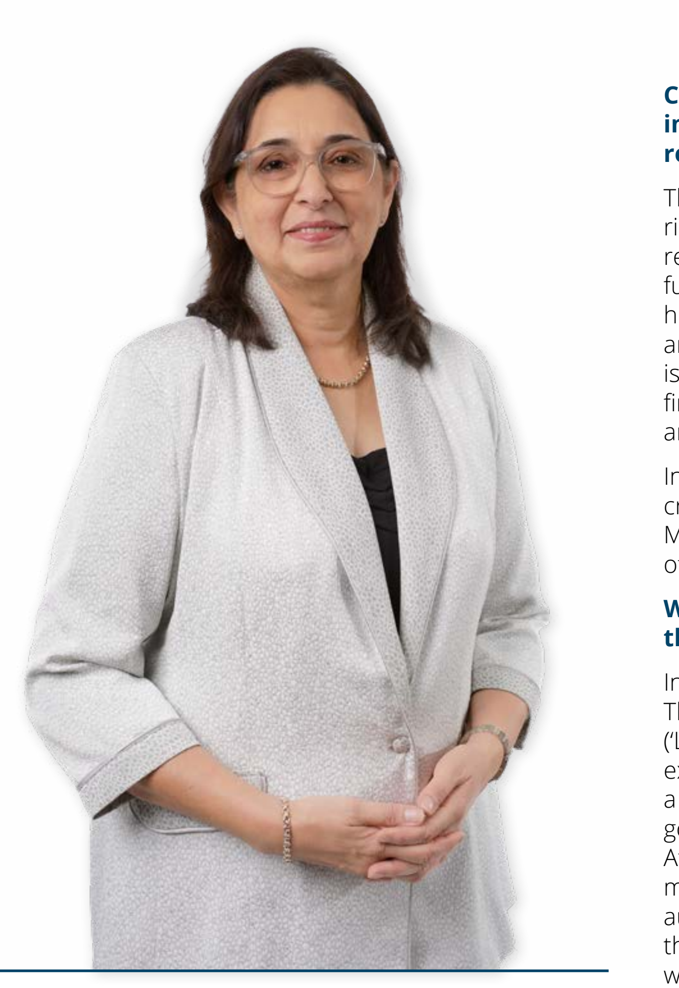
3.8% ↑

Consolidated Value Added Statement

	GROUP			
	September 2023		September 2022	
	MUR m	%	MUR m	%
Value Added Statement				
Income	**2,916**		**2,573**	
Bought-in materials & services	**(268)**		**(567)**	
Total value added	**2,648**		**2,006**	
Applied as follows:				
EMPLOYEES				
Wages, salaries, bonuses, pensions & other benefits	**748**	28	**646**	32
GOVERNMENT				
Income Tax	**166**	6	**134**	7
PROVIDERS OF CAPITAL				
Dividends paid to:				
Shareholders of CIM Financial Services Ltd	**286**	11	**211**	11
Banks & other lenders	**579**	22	**428**	21
	865	33	**639**	32
REINVESTED				
Depreciation	**158**	6	**159**	8
Amortisation	**36**	1	**38**	2
Retained Profit	**675**	26	**390**	19
	869	33	**587**	29
	2,648	100	**2,006**	100



Interview with the Chairperson



Independent Director & Chairperson
Aisha Timol

How would you evaluate CFSL's overall performance this past year?

I am pleased to report that CFSL has had an admirable performance in FY 2023, despite the challenges posed by the external environment. While adhering to prudent financial principles and sound risk management practices, we remained steadfast in growing our core areas of expertise, which traditionally have been consumer finance and leasing. We continued to provide support to our customers and partners, reaffirming our role as a dependable and meaningful partner in their growth; and we undertook an important strategic investment that has enabled us to gain a firm foothold in Africa, marking a significant step in our regional expansion plans. With our digitalisation drive and environmental ambitions also gaining momentum, we emerged from the past year with a strong sense of accomplishment and a clear path towards making sustainable finance a reality. As always, I remain in admiration of the commitment and resourcefulness displayed by our talented team, who never cease to exceed our expectations.

Could you shed some light on the market conditions that impacted CFSL? What measures did the Group take in response to these circumstances?

The external market environment was undeniably volatile and riddled with challenges. As a non-banking financial institution, we rely on a strong capital base, borrowings and debt instruments to fund our activities and extend credit to customers. The prevailing high-interest rate environment took a toll on our financing costs, and by extension, on our net interest margins. Elevated inflation is also affecting the way consumers and businesses plan their finances, stretching the capacity of borrowers to repay their debts, and eroding the purchasing power of lower-income households.

In the face of these adversities, we reassessed our lending practices, credit scoreboard and loan portfolio at the level of the Group's Risk Management Committee to protect the Company against the risk of non-payment.

Were there any noteworthy strategic developments during the year?

Indeed, the year was shaped by positive strategic developments. The acquisition of a controlling stake in Loinette Capital Limited ('Loinette Capital') marked a momentous milestone in our regional expansion journey and diversification strategy. Loinette Capital is a well-established specialist in asset-based financing, with a clear goal to support SMEs across East, Central and West Sub-Saharan Africa. Above all, this enables CFSL to extend the impact of its mission - to uplift lives and build better futures - to a broader audience across Pan-Africa. Another noteworthy initiative was the introduction of the Noubiznes Booster Programme, through which we lend targeted support to SMEs to improve their odds of success, even in the face of economic downturns and volatility.

What value was delivered to the Group's shareholders?

Our strong financial performance enabled us to deliver enhanced returns to our esteemed shareholders in appreciation of their loyalty and support. We declared a final dividend of MUR 0.38, up from MUR 0.24 in 2022, reflecting our commitment to creating long-term value for our shareholders.

Without question, this is a testament to the passion and professionalism of our people, who form the backbone of our success. I am sincerely grateful for the hard work and contributions of our employees. As the world finds itself in the midst of a war for talent, CFSL is wholly committed to nurturing and retaining its team members.

How have CFSL's governance practices evolved over the past year? Were any changes made to the Board to enhance its effectiveness and stewardship role?

Good governance and a responsible business culture play a vital role in driving positive outcomes for all our stakeholder groups, from our shareholders, customers and employees, to our communities and the environment. As overseers of risk and stewards of long-term value, we recognise that the ownership of this mission lies firmly with our Board of Directors. ESG matters have gained more prominence at Board level, and we have made encouraging progress in establishing the structures, processes and control systems needed to cascade down an ESG-focused mindset throughout the entire organisation.

During the year, we continued to strengthen our governance practices and processes. In July 2023, we welcomed a new member to our Board of Directors, Sharona Ramdoss, who brings 15 years of invaluable experience in financial services and whose unique insights will no doubt enrich our strategic discussions. Additionally, Sharona has been appointed to the Audit and Compliance Committee, contributing to a committee now composed of a majority of independent directors.

What progress has the Group made in delivering on its environmental and social commitments?

At the heart of CFSL's activities lies an unequivocal mission to become a sustainable and impactful company, more so as the effects of climate change become increasingly pronounced. We believe that we have both the responsibility and capabilities to pioneer solutions that are better for the planet and people, and I am proud when I look at the progress made from this standpoint.

The first Green Bond we issued in 2022, earmarked exclusively for environmental and community-driven projects, marked a groundbreaking stride towards sustainable financing. More recently, in October 2023, we made history as the first company to raise and list green bonds on the SEM's Official Market, of which MUR 5 million were traded on the very first day of listing. In the aftermath of our initiatives, we are not only seeing a noticeable shift in Mauritius towards electric mobility and responsible consumption, but above all, we are pleased that our customers are selecting CFSL as their preferred partner to help them make more impactful and responsible purchasing decisions. As we work towards making our own operations greener through digitalisation, we are equally intent on improving our climate-related governance practices, excluding enhanced disclosures.

Our community initiatives are grounded in the profound understanding of the symbiotic connection between our operations and the wellbeing of the communities we are privileged to be a part of. We pursued our social uplifting programme, making measurable progress in our flagship project in Cité CIM by completing the construction and renovation of 25 houses for vulnerable families at the cost of MUR 21 million, further demonstrating our commitment to making a positive lasting impact in the communities we serve. We are also very pleased with our collaboration with the UNODC and the Government to launch Family UNited, a three-day training programme designed to tackle the pervasive issue of drug abuse on the island. Sixty social workers received training in parenting knowledge and family practices, led by experts from Vienna. The objective is for these trained professionals to impart that knowledge to parents, empowering them in turn to create a healthy environment for the wellbeing of their children.

What are CFSL's priorities for the coming year?

As we turn the page on another financial year, we expect volatility, interest rates and inflation to persist. In this environment, consumers and businesses alike will likely grapple with the increasing cost of living. As is customary at CFSL, we are closely monitoring the dynamic operating environment to stay ahead of potential disruptions and remain attuned to the evolving needs of our customers.

Despite these uncertainties, we are confident in our strategies and approaches, which have proved their mettle and served us well in the recent past. We intend to continue making thoughtful and targeted investments in our core business, in technology and in our human capital, while continuing to explore regional opportunities to cement our foothold in Africa. As we chart our responsible course ahead, we eagerly anticipate more traction in the financing of environmentally sound and sustainable projects, which will play a pivotal role in steering the island towards a net-zero economy.

Do you have any closing remarks or special acknowledgments?

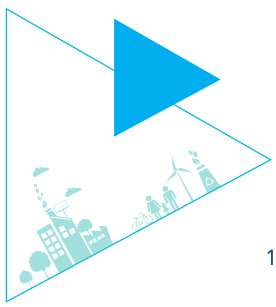
My biggest thank you goes out to Cim's 1000 employees. Within our team, each employee is regarded as an integral piece of a larger whole, with unique skill sets, ideas and contributions. Each individual effort, no matter how seemingly small, has come together to create a unified force that has propelled us forward in our pursuit of a higher purpose.

I would also like to express my gratitude to the management team for exemplifying remarkable leadership and strategic foresight under the guidance of our Group CEO Mark van Beuningen. I am confident that the inspiration derived from our leaders will continue to drive excellence and innovation in all facets of our organisation.

To my fellow Board members, thank you for the insightful considerations that you bring to our Board deliberations, and for setting a strong ethical culture within CFSL.

Lastly, I am sincerely thankful for the ongoing support of our shareholders. Your trust in our vision and strategies has been a beacon inspiring us to explore new horizons and create value in innovative ways. We remain dedicated to upholding the standards that have earned your confidence.

Aisha Timol
Your Chairperson



OUR PEOPLE AND GOVERNANCE

Directors' Profiles

The Board of CIM Financial Services Ltd ('CFSL') is made up of a mix of independent, non-executive and executive directors whose combination of skills and independence of opinion bring diversity to Board deliberations. The range of competencies, experience and expertise of the directors is one of the aspects that allows CFSL to successfully navigate a constantly evolving operational and financial context.

Bottom row – left to right: Louis Amédée Darga, Aisha Timol, Mark van Beuningen, Fareed Jaunbocus
Top row – left to right: Tim Taylor, Denis Motet, David Somen, Sharona Ramdoss, Colin Taylor, Philip Taylor, Matthew Taylor

Aisha Timol – G.O.S.K

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INDEPENDENT DIRECTOR AND CHAIRPERSON

Aisha was appointed as Independent Director and Chairperson of CFSL in July 2020. She also held the position of Chairperson of Cim Finance Ltd ('CFL'), a wholly owned subsidiary of CFSL, from April 2018 until its amalgamation with and into CFSL on 01 October 2020.

Aisha has had a long career in the public service, as well as in the private sector and academia, and has held directorship positions at the Budget Bureau and Economic Affairs Division of the Ministry of Finance and at the Ministry of Financial Services. She was previously the CEO of the Mauritius Bankers Association and a Senior Lecturer at the University of Mauritius. She now serves on the Board of both domestic and international private sector companies and is a fellow member of the Mauritius Institute of Directors, where she also acts as a Consultant on governance matters.

Aisha holds various academic qualifications, notably from the University of St Andrews, Scotland, Université d'Aix Marseille, France and the Institute of Social Studies of The Hague, Netherlands.

She is also the Chairperson of the Board Investment Committee and a member of the Corporate Governance and Conduct Review Committee of CFSL.

Directorship in other listed companies: CIEL Limited

Mark van Beuningen

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EXECUTIVE DIRECTOR AND GROUP CEO

Mark is currently the Group CEO and Executive Director of CFSL. He joined the Group in January 2016 as the Managing Director of Cim Finance Ltd (a wholly owned subsidiary of CFSL, which amalgamated with and into CFSL on 01 October 2020). In October 2017, he was appointed as the CEO of the Group while occupying the function of Acting Managing Director of Cim Finance Ltd.

Before joining the Group, Mark worked for the Boston Consulting Group (BCG) in Sydney for two years, and in Johannesburg for four years.

Prior to that, he worked in the Structured Products team at Macquarie Funds Group in Sydney, and as Audit Manager for KPMG Financial Services Assurance in Cape Town. Mark holds a Bachelor of Business Science (Hons) in Finance and Accounts from the University of Cape Town and an MBA from the Australian Graduate School of Management. He qualified as a Chartered Financial Analyst in 2007 and as a Chartered Accountant (SA) in 2005.

He is also a member of the Corporate Governance and Conduct Review Committee, a member of the Risk Management Committee, as well as a member of the Board Investment Committee of CFSL.

Directorship in other listed companies: none

Directors' Profiles
Continued

Louis Amédée Darga

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NON-EXECUTIVE DIRECTOR

Amédée Darga is a Fellow of the Royal Society of Arts (FRSA) U.K. He is the Chairperson of the Mauritius Africa Business Club, and is also the Managing Partner of StraConsult, a management and economic development consulting firm. He is also the National Partner of Afrobarometer for Mauritius.

He served as the Chairperson of Enterprise Mauritius until December 2014. He is an Honorary Fellow of the Institute of Engineers in Mauritius, as well as a Fellow of the Mauritius Institute of Directors. He is a former member of parliament in Mauritius and a former Minister. He also served as Mayor of the town of Curepipe.

Amédée Darga has been a member of the African Association of Political Science since 1977, and is a former executive member of the organisation. From 2005 to 2011, he served as a Member of the Bureau of the Committee on Human Development and Civil Society of the U.N Economic Commission for Africa.

Amédée Darga is also the Chairperson of the Audit and Compliance Committee, the Chairperson of the IT sub-committee and a member of the Board Investment Committee of CFSL.

Directorship in other listed companies: none

Fareed Jaunbocus

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INDEPENDENT DIRECTOR

Fareed Jaunbocus is the CEO of Strategos Co Ltd, a top of the mind management consulting firm, with 31 years of experience in the field. He has been a partner for 31 years at DCDM/Arthur Andersen/BDO, heading the Strategic Consulting services.

He has also served as a part-time lecturer for ACCA and MBA students.

Fareed has a unique width of experience in consulting assignments, and in capacity building, and a recognised track record of high delivery. He works with all blue chip companies and the leading CEOs in Mauritius and has intervened in over fifty countries worldwide. He has been the Engagement Partner and Lead Consultant on all strategic consulting assignments of DCDM/BDO up to July 2017. He is also a specialist in structured and strategic thinking, having carried out more than a thousand stakeholder assignments for leading organisations, both locally and overseas.

His services ranges from Facilitation, Strategic Planning, Strategic Thinking, Climate Change, Effective Brainstorming, Organisation Review and Restructuring, Family Business Consulting, Implementation of Balanced Scorecard, Change Management, Team Building and 360 degree analysis, facilitation services, Customer Service Excellence, Risk Management, Coaching and Capacity Building. He has been a regular spokesperson in international conferences. He has also been a resource person in different international teams from the USA and also for International Organisations like WORLD BANK, UNDP among others. He is a proven facilitator with a unique track record.

He adheres to the highest standards of professional excellence and ensures a positive memorable experience for his clients.

He also serves as Board Director and has been a Director on the United Nations Advisory Board in New York.

Fareed has received numerous awards, including the Africa Most Respected CEO Award in Management Consultancy in July 2022 and the Global Respected CEOs in Management Consulting in Singapore in 2023.

He is a member of the Audit and Compliance Committee, a member of the Risk Management Committee and a member of the IT sub-committee of CFSL.

Directorship in other listed companies: none

Denis Motet

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INDEPENDENT DIRECTOR

Denis was appointed as an Independent Director of CFSL in July 2020. He held the position of Chairperson of the Risk Management Committee of Cim Finance Ltd, a wholly owned subsidiary of CFSL, for two years until its amalgamation with and into CFSL on 01 October 2020.

Until his early retirement at the end of 2015, he served as the Chief Risk Officer of The Mauritius Commercial Bank Ltd, where he was directly responsible for segments like Credit Management, Credit Risk, Information Risk Management, Market Risk, Operational Risk, Security and Recovery. Prior to this, he worked in various divisions within the MCB Group, namely International, Corporate and Credit Risk, as well as in its overseas banking subsidiaries based in Mozambique and Seychelles. Denis holds a 'BTS Action Commerciale' and a 'Diplôme d'Enseignement Supérieur Commercial Administratif et Financier' (France).

He is also the Chairperson of the Risk Management Committee, a member of the Audit and Compliance Committee and a member of the IT sub-committee of CFSL.

Directorship in other listed companies: none

Sharona Ramdoss

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INDEPENDENT DIRECTOR

Sharona was appointed as Independent Director of CFSL in July 2023. She also sits on the Audit and Compliance Committee of CFSL.

She is the founder of Adaptiv Global Partners, a boutique advisory firm.

She has previously served as a director on the Boards of Ascencia and private equity firms.

Sharona is a CFA Charterholder with a Master's degree in economics & management from the University of Science and Technology of Lille and a Master's degree in international financial analysis from École Supérieure des Affaires de Lille.

Sharona volunteers with Les Restos du Coeur in Paris and is actively working on digital inclusion initiatives.

Directorship in other listed companies: none

Directors' Profiles
Continued

David Somen

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NON-EXECUTIVE DIRECTOR

David Somen holds a Law Degree from Oxford University and an MBA from Harvard Business School.

He is the co-founder and Managing Director of Virtual IT Limited, a UK-based IT managed services and security provider. He is also the co-founder and Chairperson of Eldama Technologies Limited, one of Kenya's leading cloud and IT services providers, a co-founder and director of Serenity Spa, Kenya's leading spa and wellness organisation, and a co-founder and Chairman of Jani Beauty, a manufacturer of African sourced sustainable body and facial products.

Prior to Eldama and Virtual IT, David was the co-founder and Executive Deputy Chairperson of AccessKenya Group, Kenya's leading corporate Internet Services Provider which was listed on the Nairobi Stock Exchange and later sold to Dimension Data Group, as well as the co-founder and CEO of the LCR Telecom Group, which was sold to NASDAQ listed PRIMUS Telecommunications.

He also has several years of experience working for McKinsey & Co in London and Hong Kong and serves on the board of Enasoit Ranch and is a trustee of May Measurement Month, an international hypertension charity. David is currently the Chairperson of Cim Credit Kenya Ltd (Aspira), Cim's Kenyan financial services business. David is also the Chairman of the Corporate Governance and Conduct Review Committee of CFSL.

Directorship in other listed companies: none

Colin Taylor

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NON-EXECUTIVE DIRECTOR

Colin was appointed as a Non-Executive Director of CFSL in March 2010 and served as Chairperson of the Board from January 2017 to July 2020.

He is currently the Chairperson and CEO of Taylor Smith Investment Ltd, a diversified group of companies involved in Marine Services, Logistics and Distribution, Manufacturing, Services and Property. Colin is also the Chairperson of Lavastone Ltd, a company which acquires, develops, leases and manages a portfolio of commercial and industrial properties in Mauritius and Rodrigues.

Colin holds an MSc in Management from Imperial College, London and a BSc (Hons) in Engineering with Business Studies from Portsmouth Polytechnic.

He is also a member of the Board Investment Committee of CFSL.

Directorship in other listed companies: Non-Executive Director of Lavastone Ltd

Matthew Taylor

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NON-EXECUTIVE DIRECTOR

Matthew holds a BSc (Hons) in Retail Management from the University of Surrey.

He joined Rogers in 2000 as Project Manager in the Planning and Development Department. He became the Executive Director Retail of Scott and Company Limited from 2007 to January 2013 and is currently the firm's CEO.

Matthew is also a member of the Risk Management Committee and of the IT sub-committee of CFSL.

Directorship in other listed companies: none

Philip Taylor

10

NON-EXECUTIVE DIRECTOR

Philip Taylor graduated from the University of Surrey in 1989 after studying Hotel Management.

After completing an MBA in England 1994, Philip moved back to the Rogers Group in Mauritius, and headed the Group's diversified international development. In 2004, he left Rogers to set up his own businesses with a focus on the Indian Ocean Islands and Africa.

His diverse experience over the past few years have been focused on the region's hospitality and tourism industry. He currently heads the development of a fast-growing hospitality and tourism technology service company by the name of www. hospitality-plus travel.

Philip is the Honorary Consul of Finland in Mauritius.

He is also a member of the Corporate Governance and Conduct Review Committee of CFSL.

Directorship in other listed companies: Non-Executive Director of Lavastone Ltd

Tim Taylor

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NON-EXECUTIVE DIRECTOR

Tim holds a BA (Hons) in Industrial Economics from Nottingham University. He worked in the United Kingdom until 1972, before returning to Mauritius and joining Rogers & Co.

He became Chief Executive of Rogers in 1999 and retired in December 2006. He was then appointed Non-Executive Chairperson of Rogers from 2007 to October 2012.

Tim serves as the Chairperson of Scott and Company Limited, one of Mauritius' oldest commercial concerns. He is a former Chairperson of the National Committee on Corporate Governance and a former President of the Mauritius Chamber of Commerce and Industry. He is also the Honorary Consul of Norway in Mauritius. Having always had a keen interest in environmental and conservation issues, he has been an active member of the Council of the Mauritian Wildlife Foundation since 2006 and became President of the Foundation in 2009.

Tim is also a member of the Corporate Governance and Conduct Review Committee, as well as a member of the Board Investment Committee of CFSL.

Directorship in other listed companies: none

Discussion with the Group CEO

Executive Director &
Group Chief Executive Officer

Mark van Beuningen

Are you satisfied with CFSL's performance for the year, given the challenging operating environment?

In the face of a challenging operating environment, CFSL delivered a noteworthy performance and celebrated several milestones. In addition to delivering an improved turnover, several of the metrics used to measure our progress have shown positive trends, including: continued growth in our asset book, growth in our net interest income margin as well as non-interest revenue, reduction in our cost-to-income ratio, and continued improvement in our non-performing loan ratios post COVID. These indicators stand as a testament to the soundness of our business model and our clear strategic direction.

This past year, we also grew our core activities and strengthened our expertise, which I credit to each one of our 1000 outstanding team members; we have made great progress on our digital transformation journey; and we completed a key acquisition that is paving the way for purposeful expansion in rapidly growing markets in Africa. I am very encouraged by these results.

That said, the year was not without its challenges. The high interest rate and high inflationary environment proved equally difficult for businesses, consumers and households. Higher financing and operating costs affected businesses' ability to invest and expand, while households have been compelled to reprioritise their finances and revise their plans for the future in view of their eroding purchasing power. At the same time, our focus never wavered from supporting our clients facing financial hardships and constraints, working closely with them to restructure their facilities to more affordable and manageable monthly payments.

How does the theme of this report tie to CFSL's performance?

The theme of this report resonates profoundly with our performance this past year. As pioneers in our domain, innovation has always been integral to CFSL's identity and ways of working. We understand that our actions reverberate far beyond our walls, impacting a significant portion of the Mauritian population, and that it is our duty to wield our influence and position responsibly to set new industry standards and stand as positive agents of change.

The launch of a Green Bond to support our Green Leasing product, Noubiznes for our SME clients, and our new digital in-app MoCrédit loan are only a few examples that underscore how innovation, when strategically cultivated and harnessed, can serve as a powerful tool for enhancing societal wellbeing and contributing to a greener future–two of our strategic imperatives. The stories of ingenuity and forward-thinking initiatives contained in the pages of this report further shed light on how CFSL is actively contributing to a positive impact on the world around us through sustainable innovation.

Could you share the most noteworthy developments across CFSL's Consumer Finance activities?

I am pleased to share that we sustained growth across all our business lines and ventured into new segments, reflecting both the resilience of the Mauritian economy, and an operational performance fuelled by purpose and innovation.

The Consumer Finance segment continues to be the biggest contributor to our bottom line, driven by an impactful digital transformation journey that has reshaped our capabilities, redefined customer experiences and broadened access to financial resources.

The pursuit of digitalisation in all facets of our organisation also stands as an important driver in our growth plans. Digital technologies have not only revolutionised how we work as a team and delivered important productivity gains, but they have also proved their worth as an invaluable tool to realise cost savings and elevate customer experience. We have continued to innovate through our digital offerings in our MoFinans App, which now counts over 70,000 active users. As mentioned previously, we also launched an in-app digital MoCredit loan facility, in addition to a host of new customer service features.

The 'Cim Paye Ta Mensualité' initiative, a monthly Facebook game, played a part in this success as it offers customers the chance to qualify for a MUR 5,000 deduction from their installments when making payments through IPS on MoFinans.

How did the Leasing segment perform, especially since the acquisition of Tsusho Capital by CFSL?

We have a firm resolve to continue to be the leader in the Leasing segment in Mauritius. With the amalgamation of Tsusho Capital (Mauritius) Ltd into CFSL, we strengthened our in-house presence across dealerships in the country, that include Toyota, Mercedes Benz, Volkswagen, Suzuki, HINO, FUSO in addition to our existing partners Hyundai and Volvo. We cemented our position as the market leader in green leases for electric vehicles and plug-in hybrids, funded through our Green Bond programme. All these initiatives, as well as the excellent customer service delivered by our Leasing team, helped us double our leasing volumes compared to the previous financial year. Additionally, we developed a new vehicle insurance proposition in partnership with major players on the market, including MUA, SWAN, SICOM and Jubilee-Allianz, which enables customers to obtain their motor insurance through CFSL.

Could you provide insights into the growth and sustainability initiatives in the Cards & Payments segment?

In the Cards & Payments segment, we grew our number of active cards issued, and POS acquiring volumes also saw a healthy growth. The adoption of the IPS digital payment system through its integration into our MoFinans app has been a major driving force behind our digital offerings, providing customers with a swift and convenient way to repay their loans, while maintaining high standards of security. Our MoFinans digital payment solution has already reached MUR 50 million in monthly transactions through IPS–representing the highest monthly volume of transactions through the IPS system in Mauritius. We take great satisfaction and pride in this achievement, and seeing the increasing trust in and reliance on digital payments in Mauritius, we are more committed than ever to upholding our leading position in this sphere.

A new Head of Cards and Payments was appointed to drive our strategy in this market, which also holds an important sustainability component as we progressively shift to QR code payments and e-statements.

How do activities like Factoring, and initiatives like Noubiznes, contribute to supporting businesses in this difficult environment?

Factoring continues to stand out as an excellent financing solution for cash-strapped SMEs in light of the current economic climate, where borrowing, financing and operating costs have risen exponentially. The number of SME clients using our factoring solutions continues to grow, indicating that SMEs see a lot of value in this working capital solution, which includes the outsourcing of debtor management to CFSL.

We also launched the Noubiznes Booster Programme, which was designed to support and accelerate the growth of businesses showing strong innovation and scalability potential. Through a nine-month programme, the Noubiznes Booster Programme equips a selected few entrepreneurs with the financial literacy, strategic guidance, networking opportunities, personalised coaching and other practical tools they need to improve the competitiveness of their business and fulfil their roles as engines of socioeconomic development.

Fundkiss has also proven to be a valuable investment and a crucial enabler of our SME strategy. Since its creation, it has provided loans amounting to over MUR 300 million, of which MUR 158 million were raised in 2023 alone, grown its lending community to over 5,000 individual and institutional lenders, and extended its impact to almost 400 SMEs and entrepreneurs.

Discussion with the Group CEO
Continued

How is the Group's regional expansion faring?

Over the years, we have pursued our regional expansion ambitions with a keen eye on prudent, progressive and sustainable growth. Our foray into the region began in 2018 through Kenya, where we set up our wholly-owned subsidiary, Aspira, to offer Hire Purchase solutions to customers. Since then, our expansion strategy has been dynamic and responsive to the needs of the Kenyan market, allowing Aspira to gain prominent ground in the region.

Aspira's 'Bizna Financing' was launched in March 2023 in line with our ardent commitment to support the SME sector – a vital yet underserved cornerstone of the economy – and promote entrepreneurship. Bizna Financing provides eligible entrepreneurs with access to asset financing to immediately purchase the equipment they need to scale up their ventures.

Closing yet another gap in the market, we introduced the Aspira Soma Education Loan, a school financing loan facility. Having gained an understanding of the needs of the market and recognising the high premium placed on quality education in Kenya, we have developed a product to support parents to finance their children's education at one of the lowest interest rates in the market. The loan covers all educational levels, from kindergarten to university and training institutions, to support the future of their children.

How does the Group's recent acquisition of Loinette Capital contribute to this regional expansion strategy?

In March 2023, we completed the acquisition of a controlling stake in Loinette Capital, providing a significant boost in our regional expansion strategy from a market coverage perspective. With its 15 years of well-established operations in yellow metal equipment financing in ten African countries, Loinette focuses on offering asset financing solutions to mid-sized companies engaged in the mining, construction and agricultural sectors. To date, Loinette Capital has channelled over USD 300 million to SMEs in Sub-Saharan Africa, stimulating not only economic growth in that region, but also job creation and the development of critical infrastructure that was not previously available in those areas. To bolster our presence on the continent and to support Loinette's growth into East and West Africa, we have strategically established hubs in Nairobi and Abidjan.

Looking at our journey and our progressive expansion beyond the traditional hire purchase into SME financing and impactful educational loans, CFSL now holds a diversified and risk-adjusted portfolio, and is well-positioned to contribute meaningfully to the financial services landscape in the region.

CFSL announced its firm commitment to play its part in combatting the effects of climate change. What are your personal convictions, as a leader, on how climate change and finance intersect?

There is a very clear and compelling case for intersecting finance with responsibility to maximise our positive impact on the world. Addressing climate change is just as much our moral imperative as it is a strategic necessity, and this intersection is, in my view, no longer a niche concept. Sustainable finance is poised to become a cornerstone of global finance in the coming decades, with listed green financial products crossing the $300 billion threshold in terms of new issues in 2023 alone.

CFSL's Green Bond offering to support our Green Lease product are recent flagship projects and a symbol of our commitment to a greener, more sustainable Mauritius. After successfully launching our initial MUR 500 million Green Bond in January 2022, earmarked for environmentally and socially sustainable projects, we achieved another historic milestone by becoming the first company in Mauritius to list and trade a Green Bond, a new asset class, on the Stock Exchange of Mauritius. Our most recent Green Bond offering in October 2023 was oversubscribed, leading us to issue MUR 1.5 billion, of which MUR 1.1 billion bonds were listed. We have also seen an impressive uptick in the purchase of electric vehicles on the island with our Green Lease product offering. These outcomes are gratifying for us at Cim Finance, and signal a strong readiness among consumers to shift towards a cashless society. They are also an indication that Mauritius is ready to take the driver's seat on the sustainability front and become a more active participant in the global conversation.

We also continue to strategically allocate resources to more environmentally-friendly practices within our operations. For instance, we are strongly championing the shift to hybrid/electric vehicles within CFSL's fleet and among our workforce by offering attractive schemes to our employees. Along with this, we are working towards obtaining the LEED certification at Cim House to make our infrastructure more energy-efficient and climate-resilient. Other notable initiatives include the sponsorship of an EV charging station, recycling and waste management actions, and the pursuit of digital solutions to phase out our consumption of paper.

In light of the labour challenges plaguing almost all industries, what steps is CFSL taking to maintain a motivated and engaged workforce?

There has been a noticeable shift in the labour market since the end of the pandemic, with a range of challenges threatening the long-term sustainability of businesses if left unaddressed. Talent shortages, skills gaps, intense competition and changing demographics have come together to create a perfect storm for the financial services industry. Ensuring a stable pipeline of engaged, fulfilled and skilled talents has become our utmost priority.

While continuing to meet our employees' expectations with respect to flexibility, work-life balance and wellbeing, we also adapted our employee value proposition to address the need of the hour–easing the impact of inflation on our employees. We strongly emphasised learning and development to ensure our people are equipped with the know-how, knowledge and mindset to take on greater challenges, move into more complex roles, and develop leadership skills.

It is with great enthusiasm that I would like to share two momentous initiatives in this regard: the launch of Cim's

Capabilities Academy, which, as its name suggests, provides a structured learning environment where our team members can hone and acquire skills, a build a robust talent pool; and the ACE Cim Graduate Programme, aimed at offering new graduates the chance to cultivate their skills and be fully-equipped to enter the workforce. 25 graduates will be benefitting from bespoke learning and mentoring through the programme. While these two projects foster organisational excellence and learning within CFSL, their collective impact will also elevate the broader knowledge base and intellectual environment of Mauritius.

How does CFSL fulfil its social responsibility towards communities and society at large?

CFSL exists to ease access to finance to individuals and businesses who have been traditionally underserved. We open up opportunities for a wide range of groups and demographics, helping them to secure the funding to meet essential needs such as housing, education and entrepreneurship. The nature of our activities means that we inherently operate as an enabler of financial inclusion, economic prosperity and social wellbeing. As described by our Chairperson, and further in the CSR report on page 48, our CSR agenda serves to tackle the deep-rooted issues that affect our communities through activities in the realm of education, engagement and the environment.

What is your outlook for the coming year, and what will be CFSL's key strategic focuses?

Despite the adverse macroeconomic context, Mauritius has demonstrated a high level of resilience. We remain very mindful of these challenges, and their impact on our different stakeholder groups, and we intend to continue operating with our signature prudence, foresight and sound judgement to help our customers navigate the complexities of the economy. We also aim to continue strengthening our engagement with our stakeholders, whether with our employees, partners, retailers or merchant networks, recognising the interconnected nature of our relationship, where our success is intertwined with theirs.

This past year marked a robust drive towards our regional expansion in Africa, a market holding tremendous potential. Now, we aim to position ourselves to seize all the opportunities it presents. At the same time, having laid strong foundational blocks for a compelling digital ecosystem, our goal is to evolve into a fully digitalised business model, ensuring that every aspect of our business is streamlined to better serve our customers.

As we wrap up this interview, do you have a final message to share with CFSL's stakeholders?

2023 has been a year of many firsts and many milestones, all made possible by the unparalleled dedication and positive energy of our people. Thank you for your exceptional work and teamwork, and for always going the extra mile to serve our customers.

I would also like to thank our esteemed Board members, whose strategic vision and insights have played a pivotal role in our accomplishments. On behalf of the management team, we thank you for your endless support.

None of this would have been possible without our partners and customers, who are at the heart of everything we undertake. They fuel our determination to innovate and stretch our limits, contributing to our shared success.

The journey ahead is exciting, with several historic chapters yet to unfold. With the trust and support of our valued stakeholders, we look forward to blazing a trail for sustainable finance.

Mark van Beuningen
Group CEO

Human Capital Report

Our people are fundamental to delivering on our organisation's growth strategy. We adopt a win–win outlook, where the voice of our employees matters and helps us solidify employee experiences.

Employee Engagement

CFSL considers the voice of employees as an essential strategy for the business and an equally crucial element to support a workplace culture that is enabling and thriving for each employee.

Cim's employee engagement journey was crafted three years back, coinciding with the massive disruption caused by COVID-19 and hard economic times, where the leadership team renewed their commitment to bringing the voice of the employee to the decision-making table. Collectively, we believe that a company can only be as good as its employees are and how they function together as a team.

This year we have received the highest level of Employee Engagement Index since we started our journey. Today, we are leading the employee engagement index not only at a regional level but also in the industry. Our vision is to be amongst the best-in-class companies globally and be a global reference. To enable this, we continue to pursue our journey with boldness to:

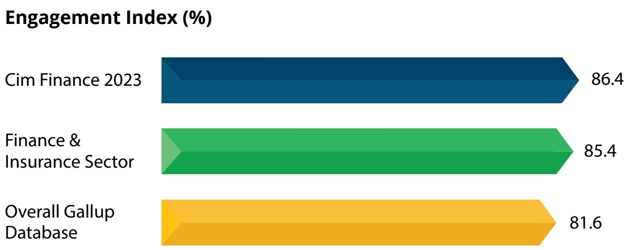
Nurture our leadership bench & DNA through strength–based coaching	Cultivate a culture of employee engagement	Offer cutting edge learning opportunities where our employees experienced optimal growth	Empower recognition to amplify workplace culture	Integrate wellbeing within the design of work

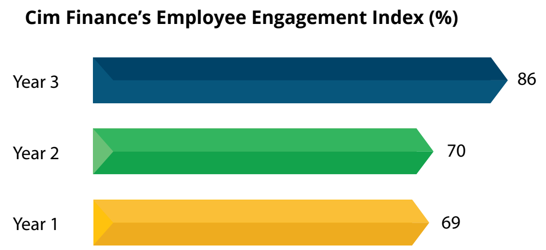
We used the employee engagement pyramid developed by Gallup.

Gallup defines employee engagement as the involvement and enthusiasm of employees in their work and workplace. Gallup uses its proprietary Q12 survey questions to measure the employee engagement.

The Employee Engagement Pyramid consists of 12 questions that assess how employees feel about various aspects of their work, such as expectations, recognition, development and purpose. The questions are grouped into four levels of engagement: basic needs, individual needs, teamwork needs and growth needs. The engagement pyramid helps leaders and managers to identify areas where employees' emotional and social needs have been met and areas of improvement to revisit their engagement strategy. By owning the feedback, leaders act on what matters most to our employees. CFSL is ranked on the 92nd percentile on the global Gallup database comprising of over 5000 companies and we have steadily positioned ourselves amongst the best in class companies worldwide.

Cim Finance's engagement score compared to the global landscape





A Culture of Recognition

Building on the feedback from our Employee Engagement Survey, M.O.R (Moment of Recognition programme) was celebrated with great allure this year, to reward and appreciate our employees in our Achiever Award, Milestone Achievement and Rising Star categories. Acting on such an important and valuable employee feedback have been phenomenal and our overall employee experience on recognition has improved by 22%.

For our employees nominated and have received awards, the satisfaction rate is at 93%.

M.O.R has boosted employee confidence on our intent of building a culture of recognition.

Recognition is now embedded in the flow of work. Anyone in the organisation can appreciate through our various celebration badges and make recognition instant and authentic.

Human Capital Report
Continued

LEARNING AND DEVELOPMENT

Becoming a Learning Organisation is one of our strategic intents that drives our learning pursuit. Learning remains fundamental for skilling, reskilling and upskilling our workforce to enable them to remain relevant and competitive in their field and to quickly adapt to the evolving needs of our business landscape.

Our learning Experience:

CFSL offers an immersive digital learning platform enabled through mobile and social connect where learning can happen with a 'nomad' outlook and at each individual pace. Amongst the different modalities to develop and grow our people, we have also empowered our people to transition into non-traditional career path for their own individual development and power the organisation success.

Our in-built AI and machine learning embedded on the learning platform definitely makes learning more accessible and targeted. Our learning circles branded as 'Community of Practice' and our 'Thought Leadership Lab' where industry expert leaders connect to share invaluable insights to nurture not only knowledge but sharing of good practice, build confidence of our learners and great mind connection.

Overall, our learning is carefully crafted to meet the learners' learning preference, in compliance with regulations, internal policies and annual recertification of mandatory trainings.

- Manager Bootcamp – Mauritius and Kenya

As a continuation of our strengths-based learning strategy, which began with our identified Talents, we resumed the Manager Bootcamp journey for the middle management band. This training programme, in partnership with Gallup Certified Coaches, was designed to enhance their leadership and management skills by focusing on their unique individual strengths. Leveraging the Clifton Assessment tool, we identified the dominant strengths of our middle management team, and shared the insights gained from the assessment to build their self-awareness on their top talents and how to leverage their strengths to become better managers. This initiative not only supports Leadership alignment and fosters a more engaging workplace, but it also deepens the capabilities of our managers and teaches them how to take action to develop their full potential as leaders. The Manager Bootcamp will be a continuous component in our learning and development plan for newly appointed Managers in the foreseeable future, and will also be extended to managers at Aspira in Kenya.

- Group CEO Power Hour: Lessons learnt about Leadership

The 'Group CEO Power Hour' initiative provides a platform for middle management to learn valuable leadership lessons and practical insights directly from the Group CEO. The series kickstarted with an enriching session on the professional pathway of our Group CEO. This interactive session marks the beginning of a quarterly series, where our middle management team will have the opportunity to engage in interactive learning sessions on different topics critical to their roles within the organisation, including Leadership, Strategy, Human Centricity and Digitalisation.

Manager Bootcamp

- Green Bond and Climate Change Workshops

Following the launch of our Green Bond and Green Lease product in 2021, we developed a relevant training programme to equip our employees with the knowledge and tools needed to drive our green initiatives. Selected employees undertook introductory training to understand the concepts linked to climate change and the calculation of our carbon footprint. This year, we provided a refresher on theoretical knowledge, also offering a platform to review best practices, share previous priorities, and reflect on lessons learnt since the launch of the Green Lease product. Additionally, new employees directly involved in the Green Lease participated in an in-house introductory training to understand the main concepts of carbon footprint and the Green Bond. The training taught employees how to carry out carbon calculations, and encouraged lively discussions around the Green Bond framework and how it can finance environmentally sustainable projects.

- Called to Lead Programme

The 'Called to Lead' programme is a self-driven curated learning path and a replication of the Aspira 'Maendaleo Pamoja Programme' which was carried out for the Aspira Management team in 2022. Tailored for the supervisory bench of the frontline team, the programme is a learning journey spanning a year and aiming to inculcate relevant leadership knowledge, provide insights into what it takes to be a leader, instil a sense of accountability, and introduce the basics of coaching, managing teams and managing performance.

- Anti Money Laundering and Combating Financial Terrorism training

As a major player in the financial services sector, it is of utmost importance for us to strengthen the knowledge base of our employees, their understanding of any risks associated with our business, and the ability to mitigate any exposure to non-compliant practices. As part of our annual mandatory training pack, we strongly emphasised Compliance training in 2023. The Compliance team facilitated the training for an audience composed of all frontliners at Cim, which entailed equipping our teams with the skills to identify and assess high-risk customers prior to onboarding them. This interactive session allowed for a constructive exchange on the various compliance aspects of our business, creating greater alignment across the entire frontline team.

Human Capital Report
Continued

ACE CIM GRADUATE PROGRAMME

Cim Finance launched ACE Cim Graduate Programme to equip young graduates to Accelerate, Cultivate, and Excel in their professional pursuit. This third edition of Cim Graduate Programme has been thoughtfully curated around the graduate interest, organisation needs and embedded industry evolving skills requirement including digital.

Through carefully curated learning journeys and collaboration opportunities with our thought leaders, they will have exposure working on projects, gain cross-departmental learning opportunities, access to world-class learning faculty and, most importantly, gain on-the-job experience to fuel their careers with Cim. This diverse slate of candidates will definitely be a catalyst to our innovation and transformation initiatives.

In the face of widespread labour challenges affecting almost every industry, including ours, Cim Finance is determined to get ahead of this issue by building a sustainable talent pipeline, rich in diverse capabilities, able to drive and support CFSL's relentless pursuit of innovation.

ACE graduate programme

WOMEN AGILITY AT CIM

An inclusive work environment is not just a social responsibility, but it also fosters a culture of innovation. From Customer Service to Senior Management and the Board of CFSL, women play pivotal roles in shaping CFSL's business and make meaningful contributions in driving sustainable progress towards gender equality. With this in mind, several training sessions are specifically tailored for women at Cim Finance, designed to address any disparities in the workplace and promote gender equality.

This year, our celebration of Women's Day and Mother's Day took the form of an engaging talk, led by Female industry leaders. The theme, 'The innate Power and Innate Dance of Women', provided a platform for our female colleagues to share their individual experience and career journeys, while providing tips and insights to the younger female generation. The talk featured a diverse panel, including members from the Senior Management to the Customer Service Supervisory team, a leadership coach, and a Systemic Development Practitioner

MOMENTS OF **AWARENESS**

Mental Health Awareness


Pink October

Road safety Awareness

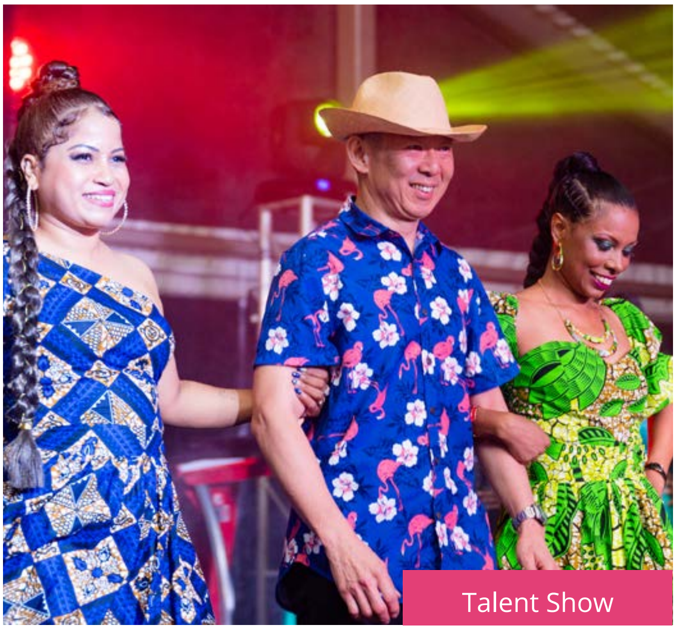

Human Capital Report
Continued

MOMENTS OF CELEBRATION

Music day

Qigong

Spring Festival



Talent Show

INTERN TESTIMONY

My internship at Cim Finance has been an extremely enriching journey. The exposure to real-world finance practices, the mentorship received from seasoned professionals and the collaborative environment here at Cim have been invaluable.

Dhanishta Sookoorree
Finance Trainee

My internship at Cim Finance was a valuable learning experience, which encouraged me to develop new skills and gain practical experience.

Yasmine Ameraly Raaidah
Finance Trainee

Cim Finance's commitment to innovation and excellence in the finance industry has provided me with a rich learning environment that will no doubt serve me well in my career.

Kaishwaria Balgobin
Intern - Marketing

Diversity, Equity, and Inclusion (DEI) for a sustainable future

In an increasingly globalised world, and in a multicultural country like Mauritius, organisations have an imperative to adequately represent individuals from diverse cultural backgrounds, genders, ages, abilities and socioeconomic backgrounds. This representation is fundamental in fostering a just and balanced society.

In recent years, this call for DEI (Diversity, Equity and Inclusion) has become an integral part of CFSL's culture. Strongly endorsed by our Executive team, our DEI journey is embedded in our mission to help people uplift their lives and build better futures, and aims to improve the standard of living of both staff and our customers, whilst treating everyone with dignity and respect. By starting this journey within our walls, with our own people, we aim to set the wheels of positive change in motion at Cim first, before extending our positive impact beyond our corporate boundaries. Our Human Capital initiatives are rooted in putting people first and promoting a culture of inclusivity, ensuring that every member of our staff, regardless of their background, is given equal opportunities for career advancement.

Our commitment to DEI is reflected in our fair treatment and empowerment of all individuals to express their most authentic selves every day. Key programmes such as our Health Awareness Campaign initiatives, WeCare Platform, Women Agility Talk, Culture Reinforcement Programme, Engagement Survey and celebration of different cultures, have been designed to cultivate a diverse, equitable and inclusive workplace.

In line with this endeavour and our philosophy of continuous improvement, our human capital policies undergo annual reviews, ensuring they evolve to bring favourable and relevant changes that nurture an all-inclusive culture and offer sustainable career paths at all levels of the organisation. Similarly, we believe that diversity should not only be embraced, but also celebrated as a cornerstone of our identity. We shine a light on the richness and uniqueness of the various ethnic groups through thematic cultural programmes, embarking everyone on a journey of cross-cultural appreciation and understanding. For instance, during the Chinese New Year celebration in January 2023, we organised a qi-gong session, led by an experienced practitioner, to pay homage to the Chinese community's cultural heritage, while also promoting a holistic approach to wellbeing. A large group of CFSL employees enthusiastically partook in the Qi-gong session.

Balancing DEI with business success

We recognise that DEI is a pivotal pillar for successfully executing our business strategy. In the financial services industry, the future will be dominated by the interplay between people, the environment, and technology. With this in mind, we approach DEI like any other business priority, where progress is monitored by closely listening to the voice of our people through insights from the annual engagement survey. The employee engagement survey helps us measure and gain a deeper understanding of employee sentiment related to fairness, safety, learning & development, and their connection with the Company. This feedback supports the identification of areas of improvement, enabling us to refine our value proposition.

Likewise, our leaders have taken a very thoughtful and balanced approach to DEI to ensure its meaningful contribution to our organisational success, without compromising other vital business objectives. Recognising the direct relationship between diversity and business performance, measured by the profitability index and a healthy work culture, we remain committed to strengthening our DEI practices as a strategic means to enhance employee engagement and achieve company objectives.

Driving innovation through diversity

DEI is viewed as a powerful tool to unlock innovation, drive creativity and achieve sustainable development. It is a known fact that diversity promotes nonlinear innovative thinking, fuelling a myriad of ideas and bringing a wide range of perspectives to the table. In line with this conviction, CFSL makes significant and meaningful investments in building a gender-balanced leadership team to drive business transformation through innovation.

The demographic composition of CFSL's workforce is 24 % male and 76% female employees. Over the past years, there has been a remarkable upswing in the representation of women at various organisational levels, including management, mid-management, and senior management. These reflect the Executive Team's strong advocacy for greater diversity and inclusion of women as an essential step towards progress and social transformation. We are proud that women at mid-management level currently account for nearly 50%, while the representation of women in senior leadership positions stands at nearly 30%.

Highlighting our dedication to gender diversity, we offer tailor-made development programmes to nurture women's leadership potential and capabilities and advance them up the leadership ladder.

CSFL hosted the 'Women Agility' platform during the year, dedicated to recognising and celebrating women's accomplishments. The thought-provoking forum brought together around eighty women to address pressing matters in their professional spheres and foster candid conversations about the challenges and opportunities that women encounter in their careers. The platform provided a space for insightful dialogue and constructive solutions, not only inspiring others, but also building a supportive ecosystem that encourages gender diversity and a sense of belonging.

As we progress on this transformative journey, we reaffirm our commitment to making diversity an integral part in achieving our sustainable development goals. Achieving gender equality is a collective effort, and we appreciate the collaboration and strong support received from male counterparts to support women in ascending to leadership roles. While DEI comes with a number of challenges, the positive impact of these practices far outweighs the inherent difficulties, helping to create a workplace culture characterised by a sense of belonging, psychological safety, and career development opportunities for all team members at CFSL.

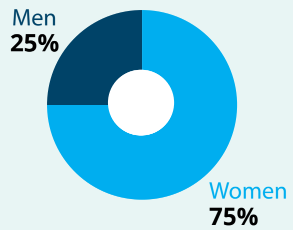
Our **Human Capital initiatives** are rooted in putting people first and promoting a culture of inclusivity, ensuring that every member of our staff, regardless of their background, is given **equal opportunities** for career advancement.

OUR FOCUS is to **improve** the standard of living of both staff and our customers, whilst treating everyone with **dignity** and **respect.**

1000+
Employees

10.7%
Employee Turnover

Gender



7
Average years of service

Representation of Women of CFSL

50%
Mid Management level

30%
Senior Leadership Positions

Senior Executive Team

Nick Chin

Group Chief Financial Officer

Prior to joining the Group, Nick occupied the position of Head of Finance at ABC Banking Corporation Ltd for nearly seven years, and previously held senior roles at RBS Insurance, UK and Barclays Capital, UK. His experience in the financial sector spans more than 15 years.

Nick holds a BSc. First Class Honours in Actuarial Science and an MSc. in Applied Statistics (Oxon). He is a fellow of the Institute of Chartered Accountants (England & Wales) and has been the Chief Financial Officer of Cim Group since January 2019.

Priya Madhow

Group Head of Human Resources

Priya joined the Group in 2019 and has been responsible for human resources in Mauritius and Kenya. Prior to joining Cim Group, she worked for The Bank of N.T. Butterfield as Head of Human Resources and at Deutsche Bank as Country Head of Human Resources, where she contributed strategically to key global business initiatives and HR projects. She also held executive positions in Insurance and Healthcare institutions. She joined the Group in 2019 and has been responsible for managing human resources in both Mauritius and Kenya.

Priya has more than 20 years of work experience across several jurisdictions for leading International Corporate and Investment Banks, local conglomerates and luxury hotel brands. Before joining the financial sector, she worked extensively in the hospitality industry in Mauritius, as well as in Dubai, Singapore, Seychelles and Scotland.

She is a Senior Certified Professional of the Society of Human Resources Management and studied at the Institute of Commercial Management for her Advanced Diploma in Human Resources Management and Development, and the University of Salford for her MSc in HRMD. She is also affiliated with world renowned universities like Harvard and Cornell.

Ambrish Maharahaje

Group Chief Operating Officer

Ambrish has been the Chief Operating Officer of Cim Group since December 2019. He joined Cim Group in 2014 as Company Secretary and was subsequently appointed as Head of Corporate Affairs in 2016.

Prior to working for Cim Group, Ambrish was successively Corporate Manager, Legal Compliance at Rogers and Company Limited and Executive Secretary at the Mauritius Institute of Directors.

He is an Associate of The Chartered Governance Institute and holds a BSc in Management from the University of Mauritius.

Sudheer Prabhu

Group Chief Technology Officer

Sudheer is an experienced technologist with a career spanning more than 32 years in banking and non-banking Technology and Operations, having worked with large international banks like ABN AMRO and The Royal Bank of Scotland, in addition to working in the public sector, private sector, and the MNC and banking environments in India.

Sudheer has been driving the Technology and Digital Strategy along with Cyber Security Strategy of Cim Finance since 2019. Prior to joining Cim Finance, he served as the Chief Information & Digital Officer at MauBank. There, he played a key role in developing and executing MauBank's digital strategy, and established market-first products like chatbots and Online Leasing Lending, amongst others.

Sudheer holds a Bachelor's degree in Commerce (First Class) from the Karnataka University, India, and a Diploma in Software Technology from NIIT. He has also completed his Post Graduate Diploma in Digital Business from Emeritus in collaboration with MIT Sloan and Columbia Business School.

Sudheer is also a junior associate of the Indian Institute of Bankers and a Certified Information Systems Auditor (ISACA, Illinois, USA).

Management Team

Pravesh Bacorisen
Head of Analytics

Pravesh leads the analytics function that guides business strategies through data-driven insights by leveraging advanced analytics and business intelligence capabilities.

He joined Cim Finance in 2016 as a Risk Manager and was promoted to Senior Risk Manager in 2018. In 2020, he transitioned from risk management into a full-fledged data strategist role after successfully setting up the Data & Analytics team.

Pravesh has accumulated over 15 years of experience in the banking and financial services industry. Prior to joining CFSL, he worked at the State Bank of Mauritius for 5 years in the Risk Management and Strategy departments, and gained central banking expertise at the Bank of Mauritius where he spent 3 years early on in his career.

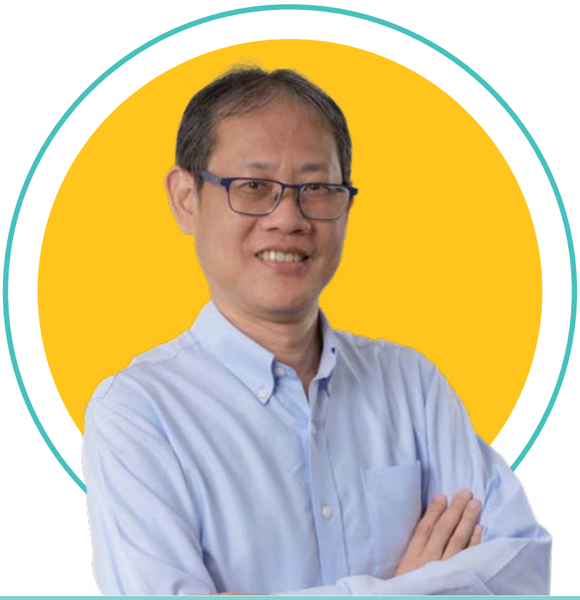
He holds a PhD in Mathematics from Loughborough University (UK), an MBA in Financial Risk Management and a first class BSc (Hons) in Mathematics from the University of Mauritius.

Valerie Houbert
Head of Compliance

Valerie is the Head of Compliance of CFSL.

She has over 17 years of experience in the financial services industry. She has worked in the Banking industry for 12 years, with extensive experience as Senior Officer in the Legal and Compliance fields at Standard Chartered Bank Mauritius Limited and Banque des Mascareignes Ltée (now known as BCP Bank Mauritius Ltd).

Valerie holds a Master's Degree in Law from the University of Aix-Marseille III in France. Her main areas of expertise are in Banking Law, Corporate Finance, Company Law, Commercial Law, Financial Crime Risk and Compliance. She is also a certified compliance professional accredited by the Financial Services Institute of Mauritius.



Stephan Vee Foung How Poo

Head of IT

Stephan is the Head of IT. He initially joined the Group as a software analyst programmer and gradually climbed the corporate ladder until he attained his current position in 2008.

He ensures the alignment of the IT strategy with the Group's strategy, defines the roadmap for IT systems and infrastructure, and puts in place the disaster recovery systems and processes. He also participates in research, evaluation and recommendation of new technologies to improve processes and tap into business opportunities.

Stephan holds a Master of Business Administration with a specialisation in Finance and a Bachelor's Degree (Hons) in Computer Science and Engineering from the University of Mauritius.

Anielle Jia Young Ching

Head of SME

Since joining the Group in 2017, Anielle has been leading the Group's factoring activities. She is a seasoned factoring professional, certified by the FCI (previously known as Factors Chain International), who brings over 17 years of experience in the field. Prior to joining Cim Finance, Anielle was the Marketing and Sales Executive at MCB Factors Ltd and part of the Senior Executive team.

Under her leadership, Cim Finance was admitted as an associate member of FCI and successfully launched the 'import and export' factoring services.

In 2021, she was appointed in her current role as Head of SME, with responsibilities that include overseeing the Group's SME segment, as well as its leasing and factoring business and SME sales activities.

Management Team
Continued

Kwon Li Pak Man
Chief Risk officer

Kwon joined Cim Finance in 2019 as Chief Risk Officer.

He is a seasoned risk professional with a deep understanding of risk discipline. He has over 23 years of experience in the banking and financial services industry.

He is currently responsible for leading the risk management function within the Group, defining and overseeing all risks related to financial services (credit risk, market risk, liquidity risk and operational risk), as well as risk-related strategies, policies and processes.

Prior to joining Cim Finance, Kwon was the Head of Risk at SBM Bank (Mauritius) Ltd, where he spent over 18 years, and successfully built a robust risk management framework. He also held various senior roles at SBM, including Treasury, Compliance and Risk Management.

Kwon holds an MSc in Business Finance from Brunel University London and the ACI Dealing Certificate.

Kaamil Nakhasi
Head of Cards and Payments

Kaamil joined Cim Group in July 2023 as Head of Cards and Payments.

Prior to occupying this position, he worked at one of the largest Card issuing Banks RBL Bank in India from June 2017 to June 2023, where he was responsible for end to end Unsecured lending business (Loans, EMI and Insurance) and also headed the digital channels (MyCard Mobile App, Chatbot, WhatsApp Banking).

From June 2014 to June 2016, Kaamil worked as Senior Manager for Snapdeal – which is one of the largest e-commerce companies in India – where he contributed to shaping up multiple business categories.

After obtaining his MBA, he started his career with the Times group in the Media sales domain. He was entrusted with the responsibility of handling Sales for three major categories – Consumer Durables, IT and Telecom, and also handled/closed sales deals for major clients like Olx, Airtel, Idea, Quikr, Flipkart, Samsung and more.

Kaamil holds a Master of Business Administration (MBA), Marketing from the Institute of Management Technology, Ghaziabad and a degree in Computer Science Engineering from Jaypee University of Engineering and Technology, India.

Roger Li
Head of Consumer Finance

Roger became part of the Group in 1989 and presently serves as the Head of Consumer Finance at CFSL. With over 34 years of experience covering Finance, Operations, Collections and Recovery, Leasing, Factoring, Money Lending, and Hire Purchase, he brings a rich history of successful accomplishments. Roger's adept leadership, complemented by his extensive expertise, motivates his team to meet established departmental and corporate objectives while upholding a positive work culture.

His responsibilities include expanding Cim Finance's presence by establishing new outlets in Mauritius and Rodrigues, aimed at boosting top-line revenue. Concurrently, he prioritises leveraging digital capabilities to elevate customer experiences and enhance the company's financial performance. Roger's deep understanding of the retail business has played a crucial role in fostering robust connections with merchants and customers, fostering an atmosphere centered on trust, respect, and transparent communication, all contributing to sustained sales growth.

Roger holds a Diploma in Management Accounting (CIMA Dip MA).

Steeve Low
General Manager Collection and Recovery

Steeve joined Cim Finance Ltd in 1996 and has held the position of General Manager Collection and Recovery since November 2018.

Over the years, he has been in charge of various departments namely, Leasing, Finance, Factoring, Card and Customer Accounts. He also served as an Executive Director of Cim Finance Ltd from October 2014 to October 2017.

Steeve is a Fellow Member of the Association of Chartered Certified Accountants.

Management Team
Continued

Diane Maurel
Head of Credit Underwriting

Diane joined Cim Finance in January 2015 as a Senior Analyst for Cim Management Services Ltd and was appointed to the position of Manager of Corporate Credit of Cim Finance Ltd in February 2016. In 2018, Diane was appointed as the Head of Corporate Credit, and later in the same year, she was called upon to take over the retail credit underwriting department as Head of Credit Underwriting.

Prior to joining the Group, Diane worked in the Macquarie Corporate Asset Finance Division of The Macquarie Bank in Melbourne for two years. Before that, she worked at Ford Credit Ltd in roles including Credit Risk and Recovery and Legal.

Diane holds a Bachelor of Business Commerce in Marketing and Economics from Melbourne University and a Master's in applied Commerce from Melbourne University.

Pradeep Rawa
Head of Treasury

Pradeep joined Cim Finance in September 2009 as Treasurer, where he successfully set up the Treasury function. He was successively promoted to Manager, followed by Senior Manager, before being appointed as Head of Treasury of the Group in 2018.

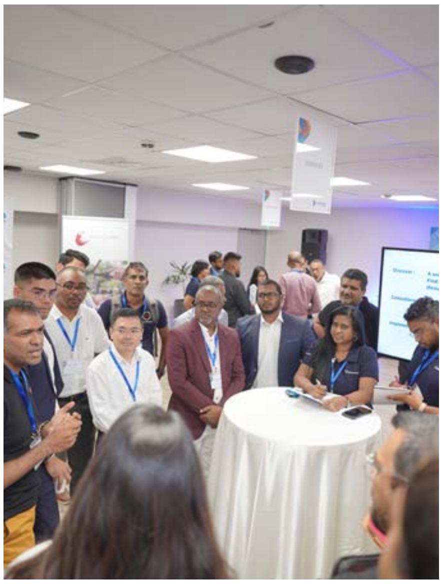
In his current role as Head of Treasury, he is responsible for leading the Group's relationships with its banking partners and investors in Mauritius.

Pradeep has more than 19 years of experience in the banking and financial services sector, having previously worked at Deutsche Bank Mauritius and State Bank of Mauritius Lease Ltd.

Pradeep holds a BSc (Hons) in Accounting & Finance from the University of Mauritius and is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) (UK). He is also a member of MIPA.

KEY EVENTS OF **THE YEAR**

Noubiznes Booster Programme



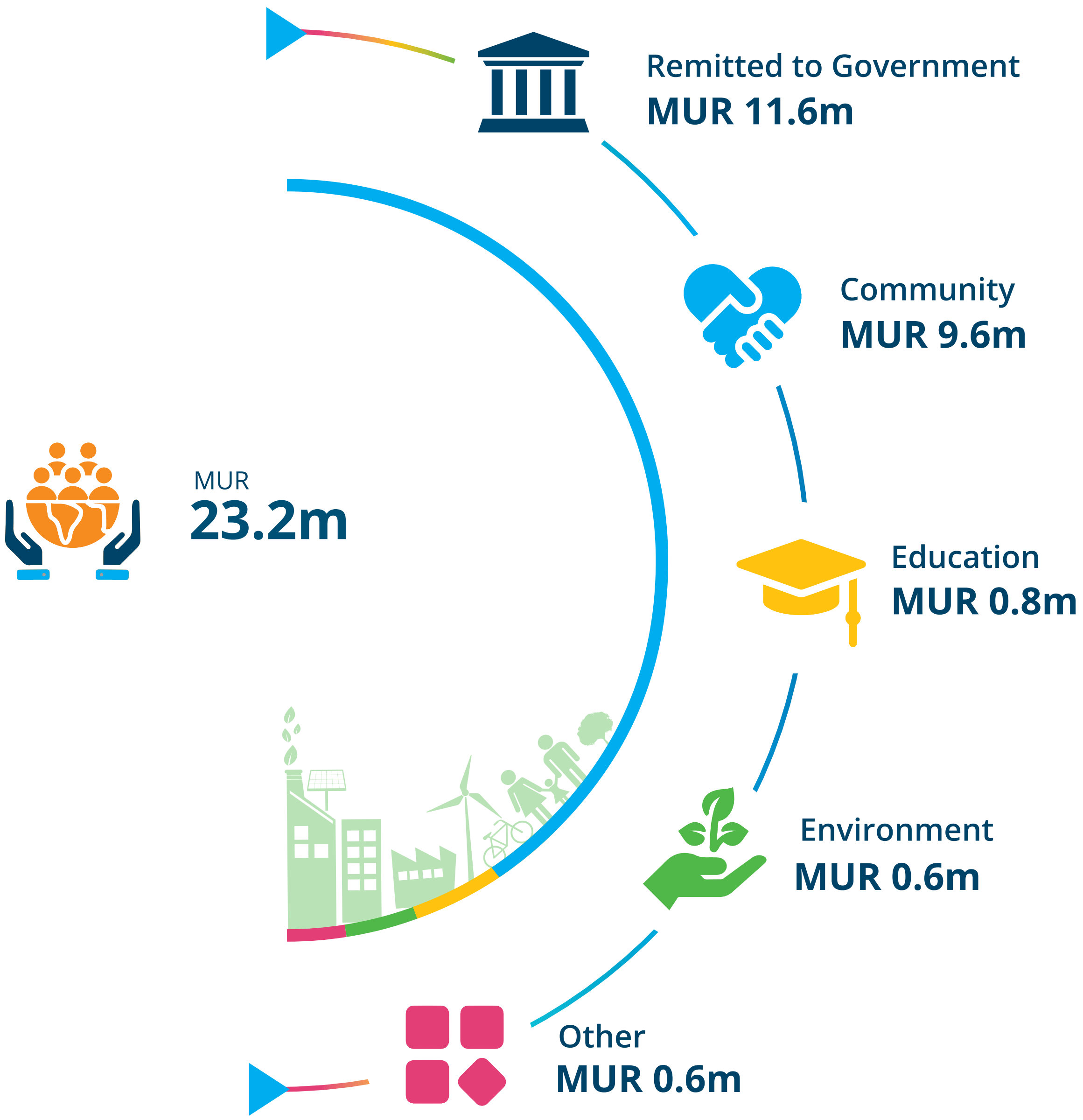
Salon de l'Automobile

Salon du Prêt à Partir

Listing of Green Bonds on SEM

Corporate Social Responsibility

Our 2023 CSR performance



At Cim, we believe that all businesses have a vital role to play in making the world a better place to live in. Our very existence and identity as a facilitator of capital gives us the responsibility to catalyse inclusive growth and progress, making us part of the social fabric of the areas we serve, and of the communities within them. Guided by our core value of being a caring corporate citizen, we strive to go beyond our traditional role and use our ingenuity, innovation capacity and capabilities, carefully honed over many decades, to address the most pressing challenges facing our environment and society.

In 2023, the surge in inflation and soaring prices of energy, goods and services have affected vulnerable communities around the island, who are still recovering from the adverse effects of the pandemic. The harsh reality of the cost of living crisis has hindered their ability to afford even the most basic necessities. In this context, we have intensified our efforts to steer Cim Finance's initiatives towards community support programmes to restore their resilience. The Cim CSR Fund remains the vehicle through which we channel our CSR funds, which are then deployed across three main pillars, THE THREE "E"s.

We engage closely and constructively with social groups for more impactful actions, on a larger scale. We strive to build more resilient and sustainable communities by paying particular attention to children, teenagers and women. We also believe in promoting the social values of sports as a crucial enabler of community wellbeing.

Community

Education is a basic right that shapes the quality of an individual's life and empowers people to contribute to their community and their country. Financial literacy serves as a foundation for making smarter decisions, and achieving both personal and financial goals.

Education

Environmental sustainability is about making responsible and thoughtful decisions that contribute positively to the environment. With long-term progress in mind, we leverage our capital and resources to provide crucial social and environmental infrastructure.

Environment

Corporate Social Responsibility
Continued

Pillar 1

Promoting local talents

At Cim Finance, we strongly advocate for arts and culture as a pathway to the holistic wellbeing and development of communities. Under this pillar, we continue to lend our support to initiatives that promote our local talents and showcase their creativity. Several events were sponsored to this end, including, amongst others: Gaata Rahe Mera Dil, Cassiya Roots, Humour 2023% morisien, Nando's Royal Life Saving Society Open Water Swim, Festival du Livre de Trou d'Eau Douce, Collection Maurice and two classical music contests (Rameau à Ravel and Vivaldi à Puccini).

Housing projects in Cité CIM, Rivière Du Rempart

Beneficiaries | **25 families** at Cité CIM

It is our core belief that decent housing and living conditions are a basic human need that can positively transform the life and future of a family. Besides instilling a sense of dignity and security, they also enhance health outcomes, reducing the spread of diseases and providing shelter; they influence educational outcomes, leading to improved academic performance and future opportunities; and above all, they address the root causes of poverty, contributing to breaking the cycle of homelessness and poverty.

Cim Finance has been engaging closely with the inhabitants of Cité CIM since 2015, offering food donations and ad hoc support when they needed it. In the aftermath of the devastating floods that struck Cité CIM in 2016, several families were abruptly rendered homeless, almost overnight, jeopardising their immediate wellbeing, and threatening their long-term livelihoods and futures. Having nurtured a close relationship with the community members, we made it our responsibility to rebuild Cité CIM. Our goal? To offer stable housing that is less vulnerable to disasters, and that allows these families to focus on their personal and professional development.

Fast forward to today, seven years later, MUR 21 million has been invested into building and renovating 25 homes. And this marks only the beginning of our ardent commitment to uplift lives at Cité CIM.

Panchavati Housing Project in Rivière Du Rempart

On 07 March 2023, Cyclone Freddy became the longest-lived tropical cyclone ever recorded and became officially, at the time, Earth's most energetic storm on record. The storm travelled from Australia across the southern Indian Ocean, striking Mozambique, Malawi, Madagascar, Reunion Island and Mauritius. Destructive winds and extreme rainfall generated severe floods, uprooted trees, swept away homes and displaced thousands of people. In Panchavati Village, in the North of Mauritius, the inhabitants of the village called upon us to help rebuild a house that was burned down during the cyclone.

Pillar 2

École Renganaden Seeneevassen in Cassis

Beneficiaries

ZEP school - École Renganaden Seeneevassen in Cassis

In pursuit of our efforts to raise the level of education at École Renganaden Seeneevassen, we revamped the library and reorganised the space to be more inviting, and spark interest in reading among the children. In addition to that, between August 2023 and October 2023, we set up remedial after-school classes in an effort to enhance the academic achievements of 34 children in Grades 5 and 6. These sessions, conducted three times a week, provided personalised support for students requiring additional help, as well as refreshments and transportation.

Drug Prevention Programme for the community – Family United Training Workshop

Beneficiaries

60 participants from the National Empowerment Foundation, Ministry of Education, Ministry of Youth Empowerment, Sports and Recreation and 4 NGOs.

Partners: National Drug Secretariat, Prime Minister's Office and the United Nations Office on Drugs and Crime

Through the Cim CSR Fund, we proudly initiated the Drug Prevention Programme - Families United Training Workshop, in collaboration with esteemed partners. The first workshop was graced by the presence of the Honourable Minister Fazila Jeewa-Daureeawo, and aimed to empower the community in the prevention of drug use. 60 participants from diverse organisations, including NGOs and certain national institutions, enthusiastically participated in the training and were equipped with the knowledge and tools to deliver primary drug prevention to parents, caregivers and young people within the community. To ensure the effectiveness and impact of this programme, an Implementation Plan and Evaluation Plan were formulated, laying out how to transform the acquired skills into tangible actions, and how to measure and monitor the progress made. We are extremely grateful to the participating NGOs, who actively contributed to these discussions and imparted their deep knowledge of the topic.

Corporate Social Responsibility
Continued

Pillar 2

Gender Links – Boot Camp in Rodrigues

Beneficiaries | **70 youths**

This initiative tackled the issue of poor sexual education and health, which has particularly devastating consequences for women, such as unwanted sex, early or unplanned pregnancies, health risks, stigma and vulnerability to violence, amongst others. Carried out by Gender Links, a South-African organisation committed to promoting gender equality, ending gender violence, and building the capacity of women, the Adolescent Sexual and Reproductive Health and Rights (ASRHR) bootcamp took place in Rodrigues in 2023. The objective was to empower the youth in Rodrigues with extensive knowledge, practical skills, and the confidence to make well-informed decisions about their sexual and reproductive health.

The Barbarians Sport Trust - DEVELOPMENT OF WOMEN'S SPORT

Beneficiaries | **3 Rugby players from underprivileged backgrounds**

The Mauritian Barbarians women's team received an invitation to participate in the prestigious 2023 Emirates Dubai 7's. In recognition of the outstanding achievements of these women in 2022, we sponsored three players from the team hailing from underprivileged backgrounds. One of the core objectives of the Mauritian Barbarians is to identify and develop rugby talent across all sectors, including in socially vulnerable and disadvantaged communities in Mauritius. The aim is to cultivate and hone existing talent, providing aspiring rugby players with the discipline and preparation they require to represent their clubs, and potentially their country.

Pillar 3

Energy transition

Energy transition stands at the heart of our environmental initiatives. Cim Finance is proud to be actively helping Mauritians transition to green mobility and shaping a more climate-friendly future for our island through environmentally-impactful projects. In addition to decarbonising our own internal activities through the incorporation of hybrid vehicles in our fleet, and offering a car-charging facility for electric vehicles, our flagship project under our Energy Transition pillar is the Green Lease financing plan introduced in 2021. Since its launch, we are pleased to report that MUR 342 million have already disbursed and used to finance eligible green vehicles under the clean transportation category. To ensure that this transition is sustainable, it must be anchored in genuine awareness and consciousness. To this end, 60 employees received training on the science behind global warming and the impacts of climate change, such as greenhouse gases as the root cause and the economic sources of these gases. This knowledge empowers our team to provide stakeholders with accurate data and insights, and prepares them to respond to any queries and scenarios related to the Green Bond.

Consolidated data at portfolio level from January 2022 to December 2022

Clean Transportation	Number of vehicles	Disbursement amount (MUR 'm)
Electric Vehicles	32	91
Hybrids Vehicles	145	79
Plug-in hybrid Vehicles	57	172
Total	234	342

Although these outcomes have exceeded our expectations in terms of the pace at which Mauritians are transitioning to green mobility using our Green Bond solution, these disclosures only serve as a baseline for the more comprehensive impact report that is currently being worked on and expected to be produced in March 2024.

Alongside our digital solutions, which have played an instrumental role in reducing our overall paper consumption, we also carry out waste management initiatives through: an ongoing partnership with Molok bins, the elimination of single-use plastic, the use of filtered water taps, and the recycling of coffee pods, amongst others. In recognition of our efforts, we are honoured to have earned the top spot in the 'Non-banking' category at the Environmental Awards 2023, which testifies to our efforts towards environmental transformation and carbon footprint reduction.

Corporate Social Responsibility
Continued

Pillar 3

Mauritius Wildlife Foundation

Beneficiaries | Mondrain Nature Reserve

Partners: The Mauritian Wildlife Foundation

Cim Finance remains committed to environmental stewardship and conservation by protecting Mauritian endemic species and restoring entire ecosystems. Our support extends to The Mauritian Wildlife Foundation (MWF), which is the largest NGO in Mauritius exclusively dedicated to the conservation and preservation of the nation's endangered plant and animal species.

In a tangible display of our commitment, Cim employees engaged in weeding activities at Mondrain Nature Reserve, a protected natural areas covering five hectares, and a treasure trove of biodiversity. They also participated in a guided visit led by the Flora Conservation Biologist to foster greater awareness and a sense of responsibility in safeguarding the unique biodiversity of our island.

Pillar 3

Martello Tower Heritage – NGO Friends of the Environment

Beneficiaries | NGO Friends of the Environment

Partners: The community around Martello Tower

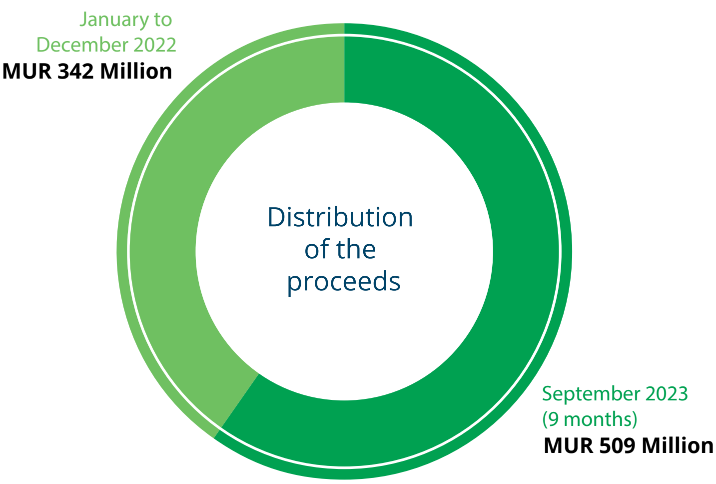
In the 1990's, Friends of the Environment initiated a noteworthy project to restore the historic Martello Tower on the coast of La Preneuse. This declared national monument serves as an important fragment of the island's history, having been built during the 19th century as a coastal defensive fort. Over time, the tower fell into a state of neglect and served as a dumping ground for waste. We extended our support to this commendable project in line with our commitment to restore and preserve our natural heritage, while also enriching the local community through the employment of local guides.

The restoration of the tower was a multifaceted project encompassing several components, including investments in modern and dynamic marketing strategies, the installation of directional road signs, the development of a dedicated website for visitors reservations, structural improvements, and the refurbishment of the museum.

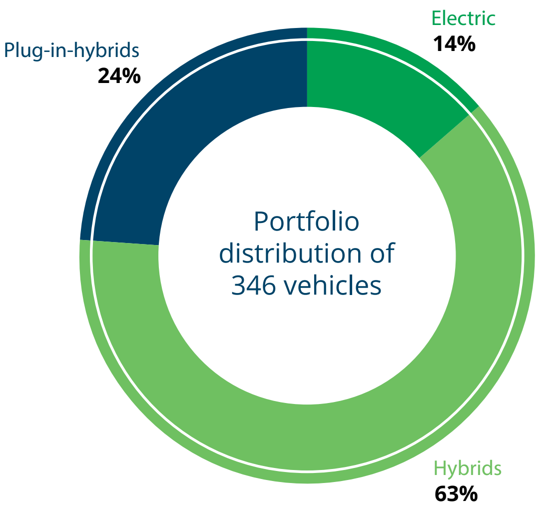
Green Bond

As per CIM Financial Services Ltd's (CFSL) Green Bond Framework, CFSL is committed to financing client purchases that will deliver positive environmental and social impacts.

Disbursement



January to September 2023



Key Environmental Performance Indicators

Project Category per CFSL Green Bond Framework	GHG emissions avoided ($KgCO_2e$) per year	Carbon intensity of the bond ($KgCO_2e$/MUR) using disbursement	Numbers of projects sold per category from January to September 2023
Renewable Energy	16,341.40	0	1
Energy Efficiency	N/A	N/A	N/A
Clean Transportation	459,611.65	0.00089	346
Green Buildings	N/A	N/A	N/A
Sustainable Agriculture	N/A	N/A	N/A

Comprehensive details on the calculation methodology, the glossary of terms and further explanations will be available in the Green Bond Progress Report which will be published on the Company's website.

Clean transportation summary

Clean transportation projects	Share of total disbursement %	No of clean vehicles deployed	Total estimated annual Kms	Total annual GHG emissions avoided in $KgCO_2e$	Average GHG emissions avoided per car in $KgCO_2e$	Carbon intensity ($+CO_2e$/MUR) per year (Based on Disbursement)
Electric Vehicles	45.2	77	611,000	26,108	339	0.00079
Hybrids	28.2	219	1,649,000	338,915	1,548	0.00153
Plug-in hybrids	26.6	50	363,000	94,589	1,892	0.00040
TOTAL	100.0	346	2,623,000	459,612		0.00089

In addition, the total impact results of the green bond in the clean transportation category are still positive. This is equivalent to:

51,717 gallons of gasoline avoided

45,149 gallons of diesel consumed

514,836 pounds of coal avoided

1,063 barrels of oil avoided

Source : https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results

Renewable Energy summary

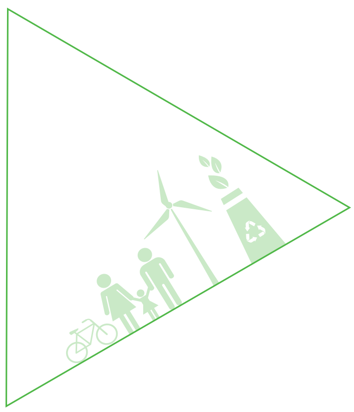
	Number of projects	Expected annual generation in kwh	GHG emissions avoided ($KgCO_2e$)
Photovoltaic panels	1	17,115	16,341.4

The above shows the total impact results of the green bond in the renewable energy category which is still overwhelmingly positive. This is equivalent to:

1,605 gallons of diesel avoided

OIL

37.8 barrels of oil avoided



Risk Management Report

Integrating sustainability into risk management

Risk management is an essential management tool in driving innovation and sustainable value creation. Our focus remains to create and protect value by managing risks, encouraging innovation, supporting our customers' green transition and improving performance within our means and tolerances for risk.

Our approach to risk

The primary role of risk management is to protect the interests of our stakeholders, the finances and the reputation of the Group, while ensuring we are able to support our strategy, provide sustainable growth, and there is an appropriate balance between risk and reward in order to maximise shareholder value. This is supported through our Enterprise Risk Management ('ERM') framework and applying the three lines of defence model as described on page 59.

The Group is exposed to financial risks, non-financial risks and strategic risks arising from its operations. These risks are managed through the Group's ERM framework, which continuously evolves to accommodate changes in the operating environment, a better practice approach, and shifting regulatory and customer expectations. ERM is supported by risk policies and standards which govern each risk type.

Risk profile and performance

The Group has continued to support its customers amid the cost-of-living increases and global and domestic economic uncertainty. We continue to witness sustainable growth in the credit portfolio. Our overall credit performance has improved over the last 12 months and is on track to return to pre-COVID levels.

The Group's strategy will see ongoing investments in technology, driving the evolution of processes and further strengthening of the Group's operational resilience, amid continuously evolving threats, such as cyber risk. The Group is also committed to improving the wellbeing and health of our staff in line with the Group's strategy to build capacity.

Overall, the Group's key risks continue to be managed effectively and the Group is well-positioned to safely progress its strategic ambitions.

Key components of our risk management framework

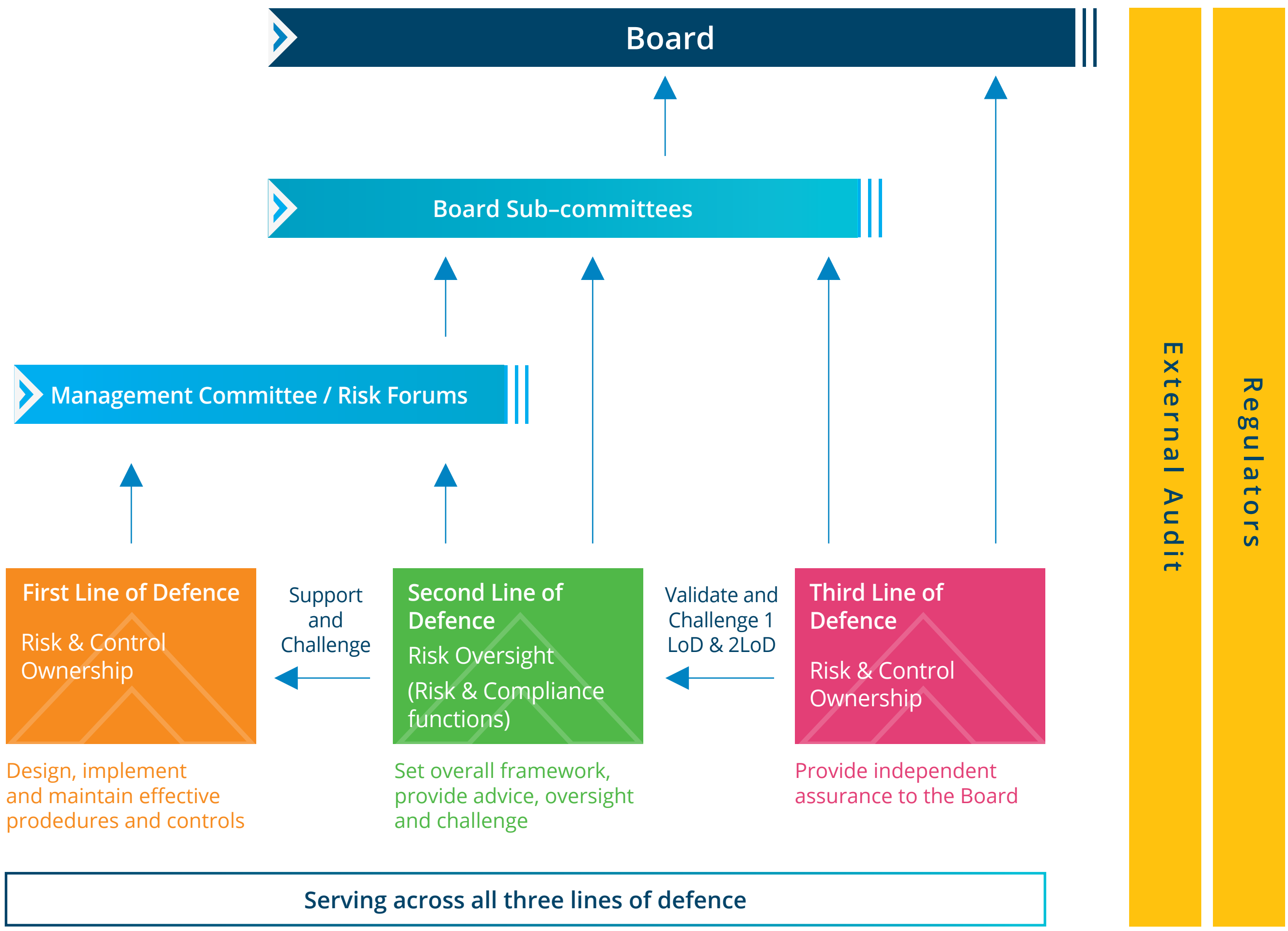
Risk governance

Recognising that good risk management goes hand in hand with strong governance, the Group has a well-established risk governance structure based on the three lines of defence approach, which facilitates the identification and escalation of risks, while providing assurance to the Board. Our governance structure is supported by an active and engaged Board of Directors and a dedicated Risk Management team, which operates independently of the Business Units. The Chief Risk Officer reports directly to the Chair of the Risk Management Committee.

Roles and Responsibilities – Three lines of defence

To create a robust control environment to manage risks, the Group has adopted the three lines of defence model. The overarching principle of the model is that risk management capability must be embedded within the business to be effective.

- **First Line** – Businesses own risks and obligations, and the controls and mitigation strategies that help manage them.
- **Second Line** – A functionally segregated Risk and Compliance function responsible for developing the risk management and compliance frameworks, defines risk boundaries, provides objective reviews and challenges regarding the effectiveness of risk management within the first line businesses, and executes specific risk management activities where a functional segregation of duties and/or specific risk capability is required.
- **Third Line** – Internal audit function, which is fully independent to give the Board, as well as the Audit and Compliance Committee assurance on the effectiveness of governance, risk management and internal control.


Board
Board Sub–committees
Management Committee / Risk Forums
First Line of Defence
Risk & Control Ownership
Support and Challenge
Second Line of Defence
Risk Oversight
(Risk & Compliance functions)
Validate and Challenge 1 LoD & 2LoD
Third Line of Defence
Risk & Control Ownership
Design, implement and maintain effective prodedures and controls
Set overall framework, provide advice, oversight and challenge
Provide independent assurance to the Board
Serving across all three lines of defence
External Audit
Regulators

Risk Management Report
Continued

Our risk management process and framework

The Group has processes in place to identify/assess, monitor, manage and report risks to help ensure we remain within our risk appetite:

STRATEGIC LAYER	L1	**Board of Directors**	The Group's risk management governance structure begins with oversight by the Board of Directors, either directly or through its Committees to ensure that decision-making is aligned with the Board's approved risk appetite.	**TOP-DOWN APPROACH** Identification of the Group's principal risks
STRATEGIC LAYER	L2	**Board Committees**	The executive management is responsible for translating the high-level overall guidance from the Board into operational aspects and then monitoring and reporting them back periodically to the Board/ Board Committees.	
MANAGEMENT LAYER	L3	**Management Forum**	The aggregate enterprise-wide risk profile and portfolio appetite are discussed at the respective risk management forums and further reported to the Risk Management Committee on a quarterly basis.	
MANAGEMENT LAYER	L3	**Risk Management Team** **Compliance Team**	The Risk Management Team and Compliance Team are independent of the Business Units. • The Risk Management team is responsible for identifying, measuring, monitoring and reporting significant risks across the organisation. • The Compliance Team ensures that there are appropriate controls to comply with applicable laws and regulations, and escalate significant non-compliance matters to Management and to the Audit & Compliance Committee.	**BOTTOM-UP APPROACH** Identification of all important risks, and definition and implementation of risk policies and procedures that control daily decision-making

Underpinned by our risk management process

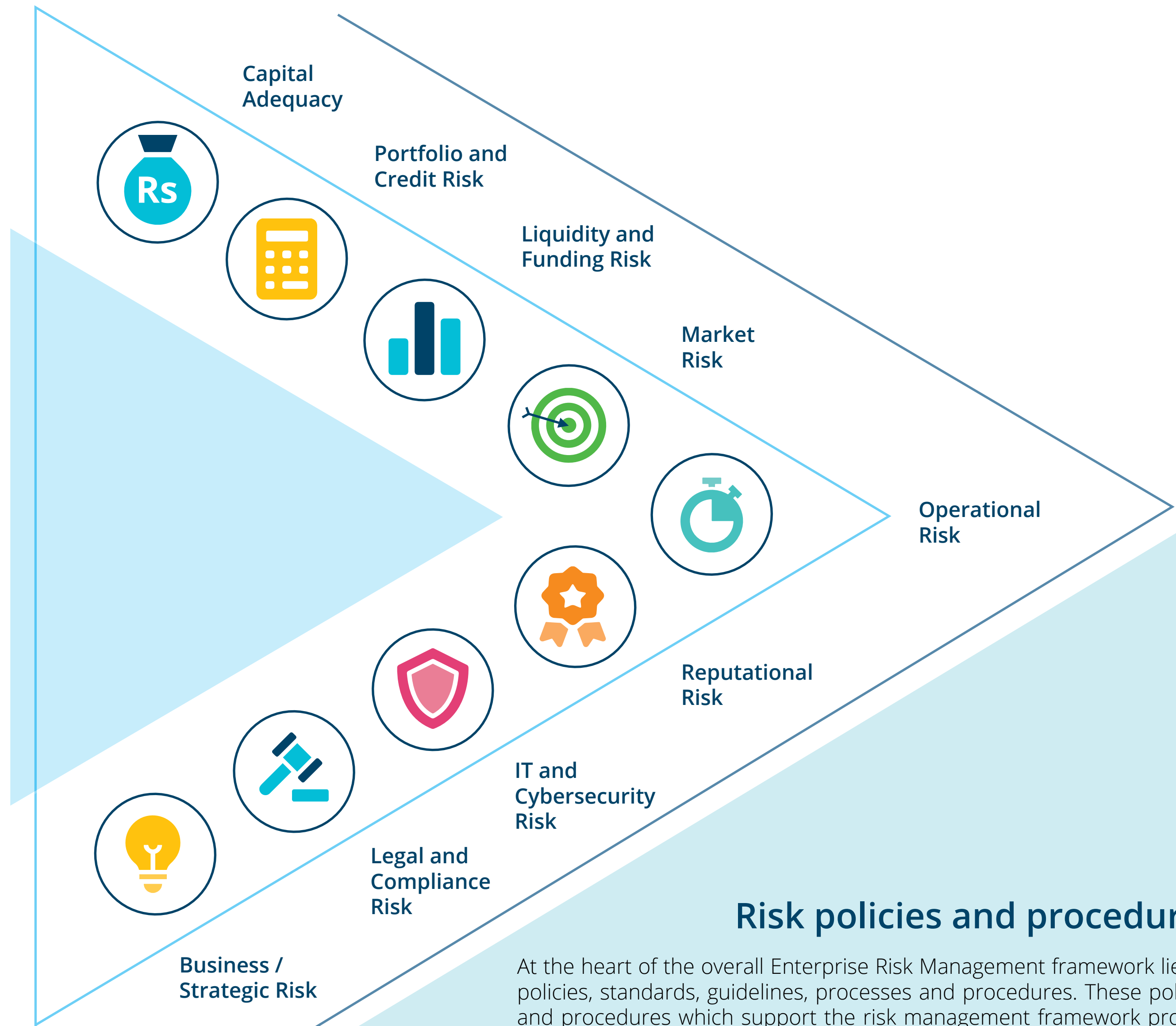
IDENTIFY key risks → **ASSESS** the potential impact and likelihood → **MITIGATE** using appropriate controls and management actions → **MONITOR** the potential for internal and external changes to risks and the continued efficacy of controls → **REPORT & ESCALATE** regularly and proactively to the Risk Management Forums and the sub-committees of the Board

Our risk appetite

In pursuing its strategic objectives and upon evaluation of threats and opportunities, CFSL has defined a risk appetite statement that sets out the amount of risk we can afford to take, need to take and prefer to take in achieving our objectives. The Group's approach is to minimise exposure to financial risk, operational risk and reputational risk, while accepting a risk/reward trade-off in supporting the delivery of its strategic objectives.

The risk appetite, along with the risk tolerance and limits, have been reviewed during the year to take into consideration the prevailing economic environment. These are independently monitored by the Risk Management team, who then reports them to the Risk Management forums and to the Risk Management Committee.

The articulation of risk appetite levels for CFSL is founded on the following pillars:

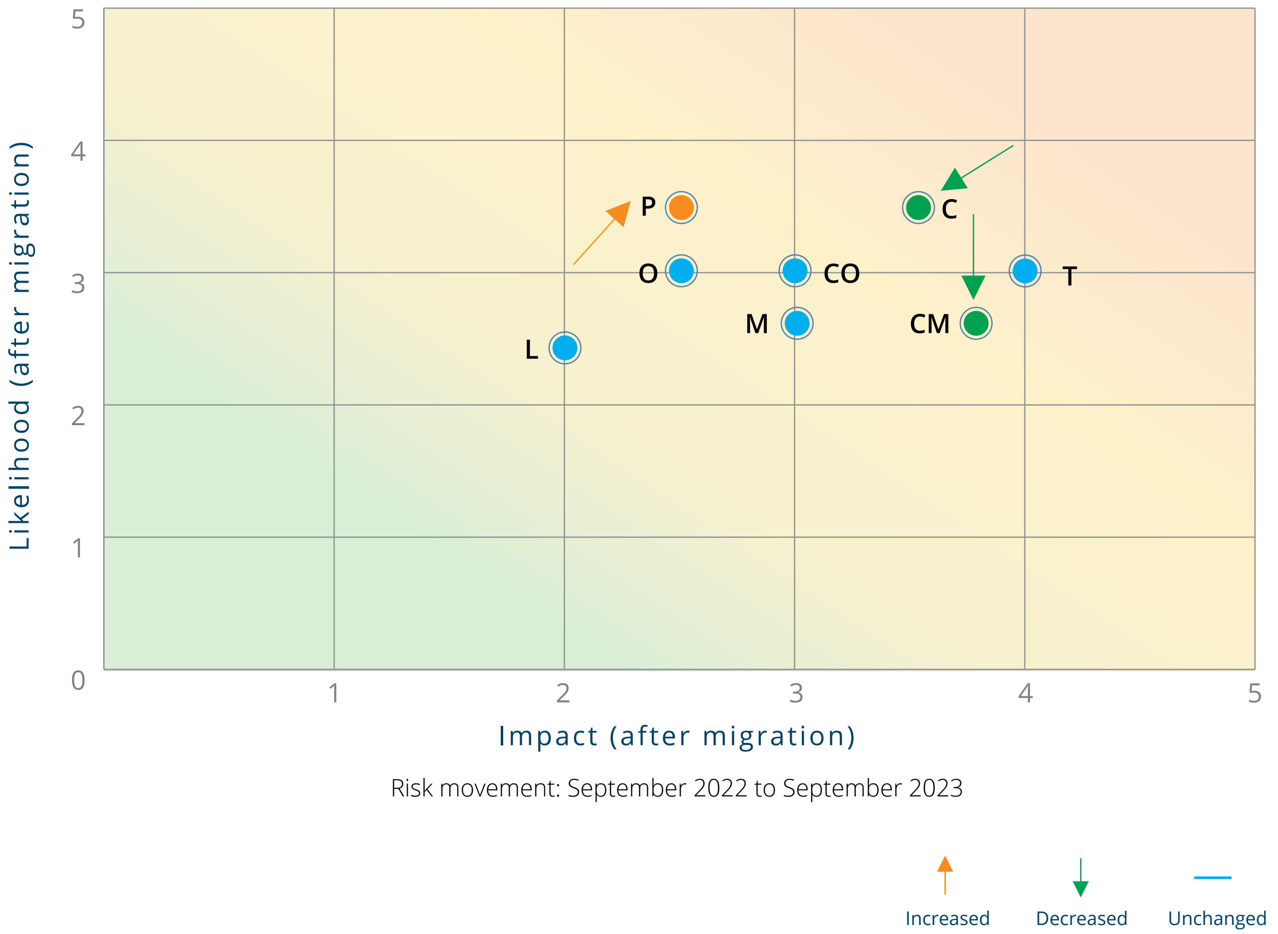


Risk policies and procedures

At the heart of the overall Enterprise Risk Management framework lie key policies, standards, guidelines, processes and procedures. These policies and procedures which support the risk management framework provide guidance and define the minimum requirements for controls to the business. The policies are reviewed on an annual basis, or as and when required, to cater for changes in the business operating environment, new products, best practice approach and regulatory requirements. All relevant documents are accessible to the staff through an online Policy portal.

Risk Management Report
Continued

Risk assessment map



Principal Risks		Risk Trend 2023
C	Credit Risk	↓
M	Market Risk	—
L	Funding & Liquidity Risk	—
CM	Model Risk	↓
O	Operational Risk	—
T	Technology and Cyber Risk	—
P	People Risk	↑
CO	Compliance Risk	—

Our principal risks

The Group is exposed to a variety of continually changing risks that have the potential to affect our business and financial condition.

Credit risk

Risk description	Key controls and risk mitigation
Credit risk is the risk of financial loss if a customer or counterparty fails to meet a contractual obligation. The risk arises principally from direct lending via our various core products such as consumer finance, leasing, factoring and credit card activities. Our proactive risk management and effective control of our credit portfolio have allowed us to reduce the risk profile in this uncertain environment. The NPL ratio continued to improve in 2023.	• Credit risk policies, standards, prudential limits, including credit risk indicators. • Regular independent monitoring and reporting of credit quality, concentration, arrears, Policy exceptions and breaches by the Risk Management team. • Monitoring of performance of the credit scorecards and Policy rules in credit decisioning tools. • The Debtors Monitoring Committee and the Risk Analytics Forum regularly meet to review exposures and early warning signs, and recommend appropriate treatment strategies. • Helping impaired customers or those at risk of becoming so by providing support measures where appropriate and working closely with them. • Risk-based approach to credit decision-making, with higher risk applications or complex applications being referred to a higher credit approval authority. • Appropriate pricing for the risks. • Taking collaterals where appropriate. • Review of IFRS 9 ECL models, system, policies, processes and controls. • Incorporating stress testing when assessing provisioning adequacy.

Key developments

Refer to page 70 for details on key developments.

▲ Increased ▼ Decreased — Unchanged

Risk Management Report
Continued

Market risk

Risk description	Key controls and risk mitigation
Market risk is the risk that the Group will suffer losses caused by changes in the market value of financial assets and liabilities resulting from changes in market prices or rates. The primary source of market risk for the Group is interest rate risk: the risk of losses the Group will incur as a result of an increase or a decrease in interest rates. The operations of the Group are subject to the risk of interest rate fluctuations, to the extent that there is a difference between the amount of interest-earning assets and interest-bearing liabilities that mature or reprice in specified periods. The effective management of market risk is essential to the maintenance of stable earnings, the preservation of capital resources and the achievement of the Group's strategic objectives.	• Market risks are overseen by the Asset and Liability Committee ('ALCO') with delegation for day-to-day management given to Treasury. • Board–approved policy and prudential limits. • A product approval process incorporates the review of product terms and conditions from a market risk perspective, to ensure compliance with the existing risk appetite, policy and process. • Appropriate pricing for risk. • Monitoring of any gap or mismatch between risks arising from holding assets and liabilities. • Monitoring of net interest earnings at risk. • Scenario analysis. • Reporting to ALCO and the Risk Management Committee.

Liquidity and funding risk

Risk description	Key controls and risk mitigation
Liquidity risk arises from differences in timing between cash inflows and outflows. Funding risk can occur where there is an over-reliance on a particular type of funding, a funding gap or a concentration of funding maturities.	• Day-to-day management of liquidity by Treasury. • Management of the mismatch between asset and liability maturities. • Funding strategy approved by the Board. • Maintenance of a diverse yet stable pool of potential funding sources. • Maintenance of sufficient liquidity buffers. • Contingency Funding Plan and Recovery Plan in place. • The Group seeks to increase its level of Green Bond issuance over time to support the increasing demand in green loans and leases.

Model risk

Risk description	Key controls and risk mitigation
Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk includes model design error, model usage error and data and other input limitations. CFSL has a number of models which cover credit models, e.g. Probability Default, Loss Given Default, Exposure at Default, to compute the expected credit loss in line with IFRS 9 and the credit scorecards which are used for credit decision-making.	• Credit scorecards performance is regularly reviewed and reported at the Risk Analytics Forum. • Performance of IFRS 9 ECL models is monitored and any issues are reported to the Risk Management Committee. • Models are reviewed and updated to reflect the latest performance and latest macroeconomic forward-looking variables. • IFRS 9 ECL models are independently maintained by the Risk Management team. • Detailed model documentation and ECL standards, including the governance as approved by the Board, are in place.

Key developments

- IFRS 9 ECL models have been updated with the latest dataset in 2023 to consider the most recent performance and latest macroeconomic forward-looking variables.

Risk Management Report
Continued

Operational risk

Risk description	Key controls and risk mitigation
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk remained stable in 2023 and operational losses remained insignificant. Technology, cyber and people risk continue to be the most material operational risk areas.	• An effective operational risk management programme, which includes the three lines of defence. The Group seeks to operate an effective framework for the identification, assessment, mitigation and control of operational risk. • The Group seeks to have optimal control of all types of operational risk and seeks to mitigate operational risk to a level consistent with its risk appetite and thresholds. • The Group recognises that Operational Risk exists as an inherent part of doing business and the objective generally is not to eliminate the risk, but to ensure the risk is effectively managed at an acceptable level in a cost-effective manner. • Non-financial risk policies and procedures have been implemented and are reviewed on a periodical basis to keep up-to-date with evolving business needs and the control environment. • Identification and assessment of risk and controls via the Risk Control Self-Assessment ('RCSA') methodology. • Incident reporting, oversight and independent monitoring by the risk team. • Operational risk management information analysis and reporting to the Operational Risk Forum and to the Risk Management Committee.

Key developments

- The Group continues to enhance its operational risk management practices and to further embed the effective use of the operational risk tools.
- Work continues to enhance the existing control environment and risk identification assessment mechanisms and approach.
- The Group is in the middle of a digital transformation journey which requires constant review, assessment and improvement in controls to mitigate and manage operational risk, including technology and cyber risk.
- Focus has been on enhancing the Technology and Cyber Risk Framework in line with the Bank of Mauritius' new Guideline on Technology and Cyber Risk while ensuring IT and operational resilience.

Operational risk

Risk description

Technology risk is the risk that system-related failures, such as service outages or information security incidents, may disrupt business. Technology risk is inherent not only in our IT assets, but also in the people and processes that interact with them, including through dependency on third-party suppliers.

Cyber risk, which can be driven by people, process and/or technology, is the risk that the Group will be compromised because of cyber attacks, security breaches, unauthorised access, loss or destruction of data, unavailability of service, computer viruses and malware, employee misconduct or other events that could have an adverse security or resilience impact.

With the advent of digitalisation, and given the fact that technology is a key enabler, and dependency in the success of our business, the management of IT risks is a must in order to meet our strategic objectives and to ascertain the continuity of our operations.

Disruption to technology may adversely impact the Group's reputation and operations.

Key controls and risk mitigation

- IT Operations are responsible for capturing and tracking IT risks that relate to core aspects of technology service provision (e.g. infrastructure risks, failure of the core IT system and/or cyber attacks).
- The dedicated IT Security team is responsible for the monitoring and reporting of cyber security risks.
- From the second line of defence perspective, the Risk Management team has developed and implemented a framework for the measurement and monitoring of the technology and cyber risk profile, and control environment measurement.
- Policies, standards and procedures have been implemented and are reviewed on a periodic basis.
- Regular training and awareness, especially on emerging trends in cyber attacks.
- Due diligence and clear contracts in place for third party engagement.
- IT and cyber security risks are also independently tracked by the Risk Management team and the risks are reported to the risk forums and to the Risk Management Committee, at least on a quarterly basis.

Key developments

- The threat landscape associated with cyber risk continues to evolve and there is growing regulatory attention on this subject.
- The Group continues to invest heavily to protect the Group against cyber attacks. Further investment into IT security with the replacement of our core antivirus system, deployment of data leakage prevention across all endpoints, shifting from signature-based technology to a more user behavioural technology, are amongst the latest initiatives.
- Development of an array of IT standards, encompassing all key activities within IT and cyber security, so as to create better consistency and alignment with business strategy. Moreso, the standards have been refreshed to keep up-to-date with evolving business needs, the threat landscape associated with cyber risk, while ensuring alignment with the recent guideline issued by the Bank of Mauritius on Cyber and Technology Risk Management issued in May 2023.
- IT resilience: the Group continues to optimise its approach to IT and operational resilience by investing in technology improvements and enhancing the resilience of systems that support the Group's critical business processes and important business services.

Constant effort is made with respect to updating Business Impact Analysis ('BIA') documents for all departments, as well as the overall Business Continuity Plan for the organisation. A Disaster Recovery Test, as well as a Call Tree Test was performed this year as part of overall BCM efforts.

Risk Management Report
Continued

People risk

Risk description	Key controls and risk mitigation
People risk refers to the risk that the Group may not be able to attract and retain qualified staff necessary to accomplish its goals while complying with relevant regulations. Like many employers in Mauritius, CFSL experienced an increase in people risk. This was due largely to heightened competition for some of the specialised skills the Group requires, coupled with a generalised brain drain issue which the country is currently facing. CFSL took steps to address these pressures.	• Continued focus on the Group's culture by developing and delivering initiatives that reinforce appropriate behaviours. • Strategies to attract, retain and develop high calibre people together with management of rigorous succession planning. • Launching of the ACE Cim Graduate Programme – a tailor-made programme designed for young graduates, introducing them to vast opportunities within the Group, but also providing valuable experience as they chart their career courses. • Process re-engineering and automation of processes. • Prevention and promotion of health and well-being, including prevention awareness sessions, free medical check-ups and yoga classes, among others. • Performance management process has been revamped and an employee engagement survey is performed once yearly from which concrete actions are derived to improve employee experience with CFSL. • Attraction and retention trends and other HR-related key risk indicators are monitored closely to form focused responses when necessary.

Compliance risk

Risk description	Key controls and risk mitigation
Risk description Compliance risk is the risk of sanctions and financial loss CFSL may suffer from failure to act in accordance with their laws and regulations, internal policies or best practices. CFSL is exposed to compliance risk primarily through: • Laws and regulatory requirements • Confidentiality and Data protection responsibilities • Regulatory and statutory reporting obligations	• Independent compliance function which forms part of the second line of defence. • Mandatory training for all employees. • Periodic review of policies and procedures is conducted to ensure that regulatory requirements and existing/potential risks are taken into account and covered accordingly in the said documents. • Effective customer onboarding processes in place, with enhanced customer due diligence for high-risk customers. • Pre-employment due diligence carried out. • Risk assessments of processes, products, clients and channels to ensure CFSL understands money laundering and terrorist financing risks. • Thorough monitoring of customer transactions. • Enhancement to the existing customer screening capabilities. • Adherence to statutory reporting requirements.

Credit Risk

Overview

Credit risk is the risk of financial loss if a customer or counterparty fails to meet a contractual obligation. The risk arises principally from direct lending via our various core products such as consumer finance, leasing, factoring and credit card activities.

Key highlights

12.5% growth

CFSL's overall credit book witnessed a year-on-year growth of 17.6%.

Total credit exposure increased to MUR 20.5 billion as of 30 September 2023, from MUR 17.4 billion (September 2022), with growth reflected primarily in the consumer finance portfolio.

Sustainable growth in the consumer finance portfolio is expected in 2023/2024.

The portfolio concentration remains consistent with the Group's risk appetite and risk/return expectations.

IFRS 9

Positive trends in credit quality of the credit portfolio.

Modest ECL increase of 3.2% as at end of September 2023 as compared to September 2022, mainly due to portfolio growth in the consumer finance portfolio which grew by 11.4%.

The IFRS 9 ECL models have been updated with no major impact on the total reported ECL.

NPL ratio net of provisioning remains under 5%.

Ensuring sufficient provisions: NPL coverage ratio was at 58.7% at end of September 2023.

Other risk types

In addition to the above material risks, managing the Strategic Risk is another major component of CFSL's Risk Management framework.

Strategic risk is the risk of inadequate returns over the long-term. It includes the failure to develop an effective and sustainable long-term strategy, the inadequate execution of a chosen strategy, or failure to adapt a chosen strategy where fundamental assumptions underpinning the strategy have changed. Strategic risks for CFSL arise mostly from the exposure to the macroeconomic environment, changes in the competitive landscape, regulatory and technological developments. It also implicitly includes elements of non-standard risks such as reputational risk.

CFSL's Risk Management framework provides the mechanism for the Board and Management to consider such matters.

KEY DEVELOPMENTS IN 2022/2023

- Sustainable growth in the credit portfolio. The credit profile is consistently on an improving trend and is on track to return to a level similar to pre-COVID 19 norms.
- ECL is on the declining trend, reflecting the positive trends in portfolio performance alongside a related net release of judgmental post-model adjustments.
- ECL models have been updated with the latest dataset in 2023 to consider the most recent performance and latest macroeconomic forward-looking variables.
- We continued to closely monitor the performance of the portfolio and with respect to the credit scorecards and credit policies.
- We adjusted our Credit Decision Policy rules during the year to further improve the risk profile.
- Sector appetite was reviewed for those sectors with increasing risk, whereas for some sectors and business segments with consistent improvement in performance, the appetite was prudently increased.

Governance

The Credit Risk function is independent of the Business Units and provides oversight and challenge of the Business Unit's credit risk management activities. Governance activities include:

- Oversight of the first line of defense to ensure that credit risk remains within the appetite set by the Board, and that controls are being operated adequately and effectively.
- Defining the credit risk appetite measures for the management of concentration risk, recommending changes to credit policies and enhancement in controls that must be in place to mitigate credit risk.
- Assessing and recommending the ECL provisions, including the key IFRS 9 inputs and any necessary in-model and post-model adjustment provisions. Material changes to the ECL Standard and to the models are reviewed and approved by the Risk Management Committee.
- Independent monitoring and reporting of the performance of credit scorecards and risk profile of the portfolio.

Credit risk management principles

CFSL has an established credit risk management framework, which incorporates governing principles that are defined in a series of credit-related policies and standards. The same are further supported by more specific processes and operating procedures applying to each lending segment. The objective of CFSL's credit risk management framework is to ensure all material credit risks to which the Group is exposed are identified, measured, managed, monitored, mitigated and reported on a consistent basis.

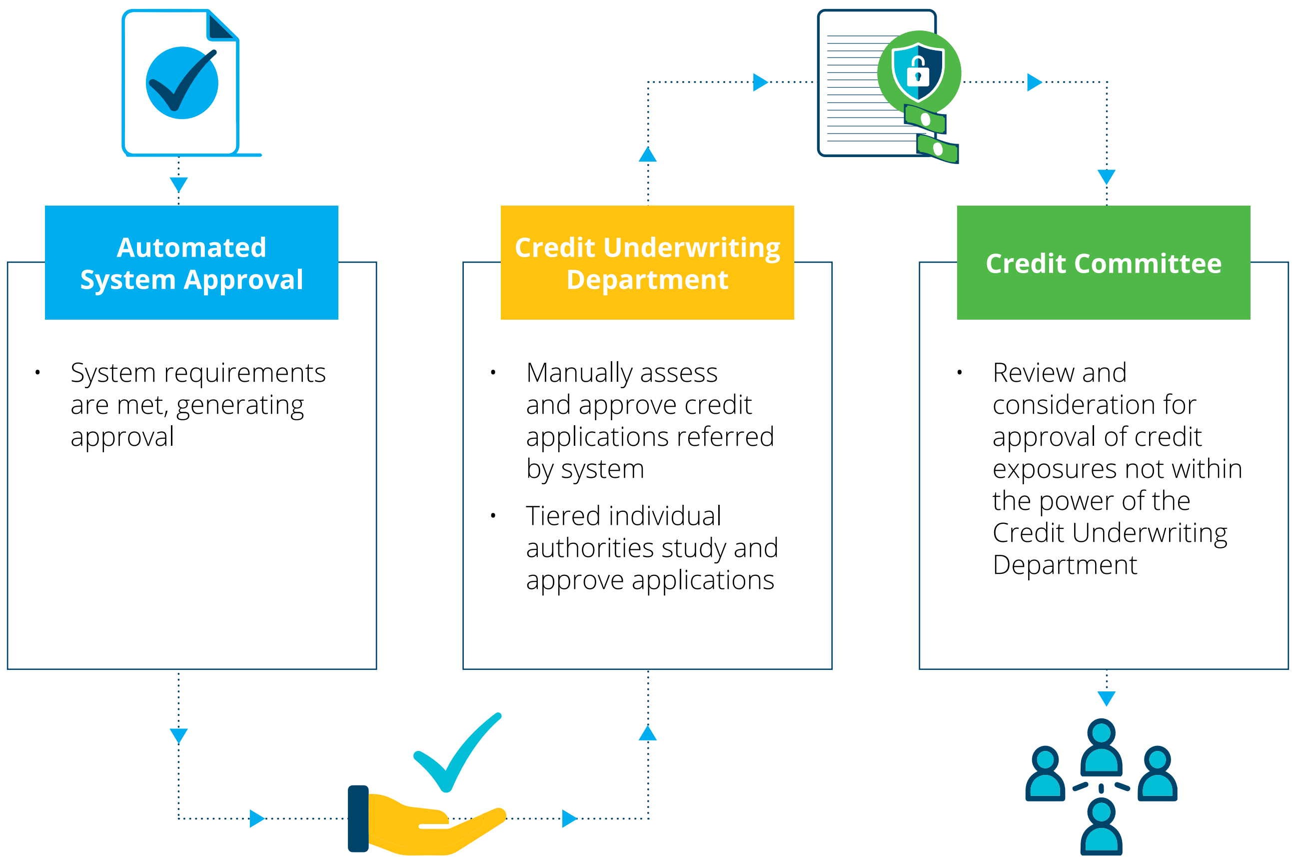
This requires careful consideration of proposed extensions of credit, the setting of specific limits, monitoring during the life of the exposure, active use of credit mitigation tools and a disciplined approach to recognising credit impairment.

CFSL's credit processes are designed with the aim of combining an appropriate level of authority in its credit approval processes with timely and responsible decision-making and customer services. Within the powers to act granted by the Board of Directors, credits are approved by decision-making authorities at different levels of the organisation, depending on the riskiness and the credit exposure of the customer. For consumer finance products, the Company has a robust credit scorecard and Policy rules integrated in the credit decision-automated engine. The performance of the scorecard and the Policy rules are regularly reviewed by an independent team to ensure any elevated risks are promptly addressed. The Credit Underwriting team focuses on exceptions and higher risk cases, where necessary, feeding back into the decisioning framework.

The risk management function is responsible for the independent oversight of credit risk and for overall risk reporting to the Risk Management Committee and the Board on developments in credit risk and compliance with specific risk policies and limits. Large credit risk exposures are subject to regular monitoring through the Debtors Monitoring Committee on a periodic basis for closer attention and action to be taken, when appropriate.

Credit approval process

CFSL's credit processes are designed with the aim of combining an appropriate level of authority in its credit approval processes, with timely and responsible decision-making. Within the powers to act granted by the Board of Directors, credits are approved by decision-making authorities at different levels of the organisation, depending on the riskiness and the credit exposure of the customer.

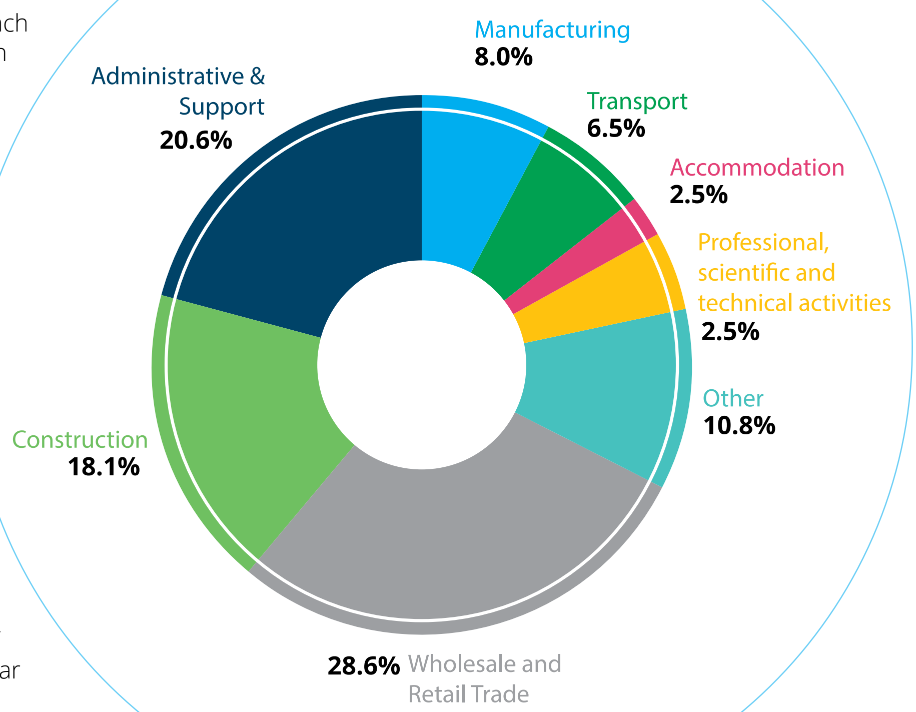


Credit concentration risk

Concentrations of credit risk arise when a few clients are engaged in similar economic characteristics or operate in the same geographical areas or industry sectors, so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political, or other conditions.

Several controls and measures are used to minimise undue concentration of exposure in our portfolios.

- CFSL has adopted a very prudent approach with respect to customer concentration limits (both single and group of closely related customers), which are more prudent than the levels recommended by local regulators to bank and non-banks in Mauritius.
- Prudential limits set at borrower level, product level, industry level and by quality of credit, and these are independently monitored by an independent risk management function.
- CFSL has a very well diversified portfolio of customers, with 270,000+ customers. The largest single and group of closely related customers was at 8.1% of the Group's Tier 1 Capital as at 30 September 2023 (Sep 22: 7%). The Top 20 group of closely related customers was 14% of the Group's Tier Capital at the financial year end (Sep 22: 16%).
- With consumer finance being the core business, exposures to households represented the largest portion of the total credit book at 81% at end of September 2023 (Sep 22: 78%).
- Exposures to the industry sectors other than to households are diversified as follows:



Credit scorecards

CFSL uses an Experian-developed application and behavioural-developed scorecards to assign credit scores to clients and to approve credit applications up to a certain amount for eligible borrowers for credit finance and personal loans through a robust credit decisioning tool with respect to consumer finance clients.

The tool uses a scorecard approach based on a combination of factors, which may include the client's historical experience with CFSL, and updated information provided by the client. Applications that do not meet scorecard decisioning requirements may be referred to an independent credit underwriting team for manual assessment.

The scorecards are regularly reviewed to ensure that the predictive variables reflect the current credit quality and are within risk/return expectations.

Measurement of the Expected Credit Loss ('ECL')

CFSL adopted the international accounting norms IFRS 9, which requires the incorporation of past events, current conditions and reasonable and supportable unbiased forward-looking information over the life of existing exposures to measure ECLs. Consistent with the requirements of IFRS 9, CFSL has considered both quantitative and qualitative information in the assessment of significant increases in risk. The ECL model was last updated in 2023.

Governance and post-model adjustments

The IFRS 9 probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD') models are subject to the Group's ECL standard approved by the Risk Management Committee and the Board.

Post-model adjustments were applied where management and/or the Board judged they were necessary to ensure an adequate level of overall ECL provision. Post-model adjustments are categorised as follows:

- Economic uncertainty – ECL adjustments primarily arising from uncertainties associated with the macroeconomic environment along with the residual effect of COVID-19 and government support. In all cases, management judged that additional ECL was required until further credit performance data became available as the full effects of these issues matures.
- Deferred model calibrations – ECL adjustments where PD model monitoring indicated that actual defaults were below estimated levels, but where it was judged that an implied ECL release was not supportable due to the influence of any support granted to the clients. Consequently, any potential ECL release is deferred until modelled ECL levels are affirmed by new model parallel runs or similar analyses.
- Other adjustments – ECL adjustments where it was judged that the modelled ECL required amendment.

Stage classification

CFSL classifies its financial assets into three stages, conditional on material changes in the credit risk:

- Stage 1 (Low credit risk) – as soon as a financial instrument is originated or purchased, 12-month ECLs are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses. Interest revenue is calculated on the loan's gross carrying amount (without deduction for ECLs).
- Stage 2 (Significant increase in credit risk since initial recognition) – if the credit risk increases significantly and is not considered low, full lifetime ECLs are recognised in profit or loss. The calculation of interest revenue is the same as for Stage 1.
- Stage 3 (Credit impaired) – if the credit risk of a financial asset increases to the point that it is considered credit-impaired, interest revenue is calculated based on the amortised cost (gross carrying amount less the loss allowance). This is similar to the point at which an incurred loss would have been recognised. These financial assets are classified in Stage 3 and are assessed individually. Lifetime ECLs are recognised on these financial assets.

The transition from recognising 12-month ECLs (i.e. Stage 1) to lifetime ECLs (i.e. Stage 2) in IFRS 9 is assessed based on the notion of a significant increase in credit risk over the remaining life of the instrument in comparison with the credit risk on initial recognition.

Significant increase in credit risk ('SICR')

CFSL monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been significant increase in credit risk, CFSL will measure the loss allowance based on lifetime rather than 12-month ECLs.

In making this assessment, both quantitative and qualitative information that is reasonable and supportable are considered, including historical experience and forward-looking information that is available without undue cost or effort, based on the historical experience and expert credit assessment, including forward-looking information.

At each reporting date, Cim assesses whether the credit risk on a financial asset has increased significantly since initial recognition as follows:

(i) A 30-days past due backstop criterion is also used for SICR identification.

(ii) The Company compares the risk of a default occurring on the financial asset at the reporting date based on the remaining maturity of the asset, with the risk of default that was anticipated for the remaining maturity at the current reporting date when the financial asset was first recognised.

(iii) If an asset is considered 'low risk' at the reporting date, the Company may assume that it is not subject to SICR.

In addition to the above, other qualitative factors that are showing early signs of warning are considered.

The ECL calculation

ECLs are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information, including that which is forward-looking. It also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument, unless the Company has the legal right to call it earlier.

The ECL is the product of PD, LGD and EAD. These parameters are derived and are adjusted to reflect forward-looking information as described below:

The **probability of default ('PD')** refers to the likelihood that a borrower will default over a particular time horizon. The PD of an obligor is a fundamental risk parameter in credit risk analysis and depends on obligor-specific characteristics as well as on macroeconomic risk factors.

The PD models are derived using logistic regression and Vasicek approach to model monthly default rates. As part of the modelling phase, the variables having the most significant predictive default power were identified using the information value statistics. Variables were shortlisted based on their significance in predictive default and possible combinations were assessed using multivariate analysis to achieve the best-fit model. The performance of the final models was assessed to test the fit of the estimated PD curves against the historical default rate.

The PD term structures have been updated in 2023 based on latest available macroeconomic information and any data from external sources as required in the PD model framework. For the different segments, different features including macroeconomic variables have been chosen for inclusion in the logit models based on their statistical significance in explaining defaults as well as intuitiveness of the coefficients.

By definition, **loss given default ('LGD')** refers to the magnitude of the likely loss on a given facility in the event of default. It takes into account the loss of principal, interest foregone and workout expenses.

The LGD estimation for Cim has been updated with additional data for the recent period.

The LGD estimates include the following key elements within the methodology: (i) Cure Rate, (ii) Recovery Rate, (iii) Discounting Rate, (iv) Administration Cost.

The models were derived using the logistic regression technique and yielded to statistically significant estimates. Where historical data was insufficient for modelling, Basel estimates of LGD for unsecured exposures were applied.

The **exposure at default ('EAD')** refers to the gross carrying amount of the financial instruments in the event of obligor default.

The period over which cash flows are determined is generally limited to the maximum contractual period for which the Company is exposed to credit risk, with the exception of credit cards – the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier.

These expected cash flows are discounted using the effective interest rate on the financial instruments.

Incorporation of forward-looking information

CFSL incorporates forward-looking information into ECL models, that are available without undue cost, and effort into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

CFSL updated the macroeconomic and correlation analysis along with sense check to determine key macro-economic variables, which will be considered for the purpose of PIT PDs. CFSL has considered macroeconomic factors which are published by the IMF as part of its estimates.

CFSL formulates a 'baseline' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. When estimating the macroeconomic variables used in ECL calculation, the CFSL considers three scenarios (a baseline, an upside and a downside).

These economic scenarios are subject to different assumptions, with the base scenario being the best estimate. The baseline scenario represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

An analysis of the Group's credit loss allowances at 30 September 2023 is set out in note 10, 15 and 16 of the financial statements on page 98.

Corporate Governance Report

1. COMPLIANCE STATEMENT

CIM Financial Services Ltd ('CFSL' or the 'Company'), a company listed on the Official Market of The Stock Exchange of Mauritius ('SEM'), is classified as a public interest entity under the Mauritian Financial Reporting Act 2004. In accordance with the National Code of Corporate Governance (2016) (the 'Code'), CFSL is required to adopt and report on its corporate governance practices. This Corporate Governance Report thus sets out how the Code's principles have been applied throughout the Company.

2. GOVERNANCE STRUCTURE

2.1 The Board

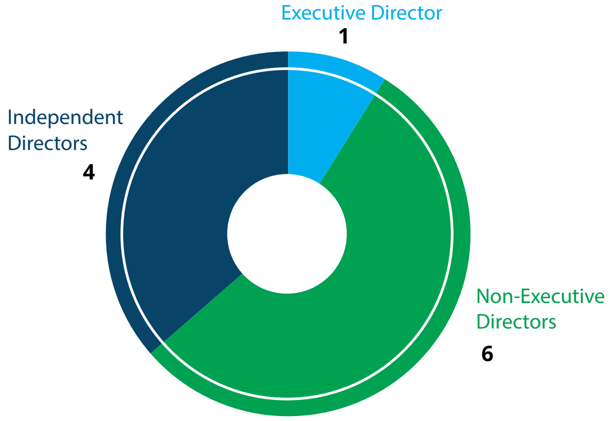
Setting the tone at the top is a prerequisite for a strong governance culture, and this begins with the Board of Directors. The Board of Directors ('Board') of CFSL is fully dedicated to applying the principles of the Code, thus ensuring the Company's commitment to maintaining and enhancing the resilience of the business, and creating long-term value for its shareholders and other stakeholders. The Board is responsible for embodying and promoting a culture of transparency, accountability and ethics in order to guarantee efficient and ethical decision-making processes and to ensure sustainable growth.

According to the Constitution of the Company, the Board shall consist of a minimum of six and a maximum of twelve directors.

The Company is headed by a unitary board, comprised of eleven members, under the chairpersonship of Mrs Aisha Timol. Recognising that a more diverse board will help to produce better quality decisions and bring in additional innovative insights and fresh perspective, Ms Sharona Ramdoss was appointed as Independent Director in June 2023. Ms Sharona Ramdoss brings in more than 15 years of experience in the financial sector. Her profile is set out at on page 23. As at 30 September 2023, the Board comprises six non-executive Directors, one executive Director and four independent Directors, including the Chairperson, who operate collectively within a clearly defined governance framework. The categorisation of each director is set out in the table on page 81.

Having completed nine years on the Board, both Messrs Amédée Darga and David Somen are now classified as non-executive directors as they are no longer considered as independent as per the Mauritian Companies Act 2001. However, the Board has thought it fit to maintain Mr Darga as Chair of the Audit and Compliance Committee (ACC) given his track record, independence of character and judgement, and the fact that he meets all of the other criteria set out to test for director independence in the National Code of Corporate Governance. Furthermore, with the appointment of Ms Sharona Ramdoss as member of ACC, the committee is now composed of a majority of independent directors (3 out of 4), Mr Matthew Taylor having stepped down from the ACC and having been appointed as a member of the Risk Management Committee.

Composition of the Board



The Board is of the view that there is an adequate balance between independent, non-executive and executive Directors on the Board and that all Board members have the necessary skills, expertise, experience, independence of opinion and knowledge to discharge their respective duties and responsibilities properly and effectively. The increasing diversity among Board members helps the Board to make constructive criticism and overcome any risks of 'groupthink'.

Although there is only one executive Director on the Board, the Board is of view that the input of the Group Chief Financial Officer and the Group Chief Operating Officer, who are both in attendance at Board meetings, provides an appropriate balance to Board deliberations. Moreover, the input of other members of the Senior Management Team is sought when needed at Board and/Committee meetings.

In addition, the composition of the Board meets the requirements of the Code in terms of gender diversity, with two women having experience in the financial sector appointed as Directors on the Board of CFSL. Recognising the valuable contribution to board deliberations from having a diverse board, CFSL is determined to move beyond compliance in this regard and is considering appointing additional women Directors.

The Board assumes the collective responsibility for leading and controlling the organisation, providing strategic guidance and ensuring, in collaboration with Management, the sustainability of CFSL's business model, reviewing strategic plans together with financial plans, monitoring performance, ensuring that a robust risk management system is in place and providing accurate information to shareholders, the public and regulators. It also ensures that the Company adheres to all legal, regulatory requirements, applicable corporate governance practices and relevant sustainability principles.

The Board has set up five sub-committees to assist in the discharge of its duties, as morefully set out on pages 79 to 80.

The profiles and the full directorship list of the members of the Board are set out on pages 20 to 25 of the Annual Report. Except for Mr David Somen, all the Directors reside in Mauritius.

The Board has adopted an Equal Opportunity Policy pursuant to the requirements of the Mauritian Equal Opportunity Act 2008. The Policy provides for the promotion of equal opportunity between persons, and also prohibits discrimination on the grounds of status and by victimisation. The Policy sets out the Company's position on equal opportunity in each and every stage of the employment process, a process that is applied equally to all Board members and employees. The Company will regularly review its procedures and selection criteria to ensure that individuals are selected, promoted and treated solely based on their individual abilities and merits.

The skills set of the members of the board is diverse ranging from expertise in areas such as risk, compliance, legal, international and regional business management, banking/quasi banking, commercial, accounting and finance.

In accordance with the requirements of the Code, the following documents, as approved by the Board, are available for consultation on the Company's website https://www.cim.mu/governance-cfsl.html

Corporate Governance Report
Continued

2. GOVERNANCE STRUCTURE Continued

2.1 The Board Continued

Constitution of CFSL	The Constitution has been drafted in accordance with the provisions of the Mauritian Companies Act 2001 and the Listing Rules established by the Stock Exchange of Mauritius.
Board Charter	Adopted in October 2019, the Board Charter provides the terms of reference of the Board as well as a concise overview of the objectives, role, composition and responsibilities of the Board of the Company.
Code of Ethics	The Code of Ethics highlights areas such as personal conduct, conflicts of interest, personal dealings in securities and related investments, and employment practices which the Company believes are essential in maintaining fair business practices. The Board will regularly monitor and evaluate compliance with the Code of Ethics. Following the review of the Code of Ethics during the previous financial year, a condensed version of the Code of Ethics will be published on the Company's website. All employees and Directors have received a copy of the Code of ethics of the Company, and new employees and Directors are provided with a copy of the Code of Ethics upon their induction.
Position statements of the Chairperson, of the Chief Executive Officer, of the Company Secretary, of the Chairperson of the Audit and Compliance Committee, of the Chairperson of the Risk Management Committee, of the Chairperson of the Corporate Governance and Conduct Review Committee and of the Chairperson of the Board Investment Committee	The function and role of the Chair and that of the Chief Executive Officer are separate. These position statements provide a clear definition of the respective roles and duties of the Chief Executive Officer, of the Company Secretary, of the Chairperson of the Board as well as of the Chairperson of each committee.
Organisational Chart and Statement of main accountabilities	CFSL operates within a clearly defined governance structure and such framework provides for clear lines of responsibility and delegation of authority while enabling the Board to retain effective control.
Nomination and appointment process for Directors	It highlights the process of identifying candidates, recommending potential Directors to the Board for approval and providing them with an induction programme once their appointment has been approved.

To promote a culture of integrity and reaffirm its commitment in conducting business matters in an ethical manner, the Group has adopted a Whistleblowing policy which provides a channel of effective and safe communication of concerns. Employees are encouraged to report any malpractice of which they become aware, without running the risk of being victimised or discriminated. The policy, which is available on the website of the Group, https://www.cimfinance.mu/en/whistleblowing, outlines the reporting mechanism and the defined process on how reported concerns will be handled and investigated in strict confidentiality.

The Board Charter, the organisation's Code of Ethics, the position statements, the organisational chart and the statement of main accountabilities have already been approved by the Board following the recommendation of the Corporate Governance and Conduct Review Committee. These documents are reviewed by the Corporate Governance and Conduct Review Committee only when there are any changes proposed by Management. For this year under review, no changes were made to these documents.

2.2 Board committees

The Board of CFSL is assisted in its functions by five main sub-committees: (i) the Audit and Compliance Committee, (ii) the Risk Management Committee, (iii) the Corporate Governance and Conduct Review Committee, which also acts as a Remuneration and Nomination Committee, (iv) the Board Investment Committee, and (v) the IT Sub Committee.

These sub-committees, which operate within approved terms of reference/charter/mandate, have been set up in line with the Code, to assist the Board in the effective discharge of its duties, as well as to provide support and in-depth focus as well as specialist guidance on particular matters which relate to CFSL's activities. The minutes of each committee's proceedings are recorded and submitted to the Board for their reference and consideration. The Chair of each sub-committee provides the members of the Board with a report on important matters which might have an impact on the Company and its activities. For the year under review, the Board is satisfied that all committees have effectively honoured their responsibilities and fulfilled their role of providing oversight to the Board on specific matters while assisting the Board in dealing with existing and new challenges.

The Corporate Governance and Conduct Review Committee ('CGCRC')

The CGCRC oversees all governance issues relating to the business activities of the Company and all its subsidiaries. The CGCRC is composed of three non-executive Directors, namely Mr. David Somen (Chair), Mr. Tim Taylor and Mr. Philip Taylor, one independent director, namely Mrs Aisha Timol, and one executive Director, namely Mr. Mark van Beuningen.

"During the year under review, the CGCRC met four times. Besides looking at the general corporate governance and remuneration matters, the CGCRC recommended the appointment of Ms Sharona Ramdoss as Independent Director of CFSL and member of the Audit and Compliance Committee, considered the assessment carried out following the evaluation of the Board, its Committees and its directors and the subsequent action plan and reviewed, assessed the initiatives as per the ESG framework and, discussed the proposed allocation mechanism for the Employee Share Options Scheme (ESOS)." David Somen, Chair

The Risk Management Committee ('RMC')

The RMC oversees the risk-related issues of the Group and helps in maintaining an effective internal control system and risk management systems. It is currently composed of two independent Directors, namely Mr. Denis Motet (Chair) and Mr. Fareed Jaunbocus, one non-executive Director, namely Mr. Matthew Taylor and one executive Director, namely Mr. Mark van Beuningen.

"During the year under review, the RMC met four times. As part of its mandate, the RMC discussed the risk appetite of the Group, the principal risks faced by the Group and the actions taken to mitigate such risks as well as took note of the reports issued by the Risk Management function. During the meetings held, significant emphasis was placed on the mitigation of emerging risks via dedicated analysis. The RMC also monitored the implementation of the various contingency plans set up to ensure business continuity as well as the progress made on the optimisation of the IT Risk Framework in order to address IT related risks and had also discussed the Company's impact of the interest rates and its impact on the funding strategy." Denis Motet, Chair

The Audit and Compliance Committee ('ACC')

The ACC monitors the audit-related and compliance-related issues of the Group. With regard to audit-related matters, the ACC monitors the implementation of the internal audit recommendations, as well as the integrity of the annual report and the financial statements. The ACC also makes recommendations to the Board with regard to the appointment or removal of the external auditor. Moreover, it reports to the Board on significant financial reporting issues and judgements relating to financial statements. The ACC also has oversight responsibilities in terms of the management of compliance risks, maintaining internal controls and complying with established policies, procedures controls and relevant laws and regulations. Furthermore, the Committee makes recommendations to the Board concerning the implementation of internal controls and procedures to combat money laundering and the financing of terrorism.

Corporate Governance Report
Continued

2. GOVERNANCE STRUCTURE Continued

2.2 Board committees Continued

The ACC is composed of three independent Directors, namely, Ms Sharona Ramdoss and Messrs. Fareed Jaunbocus and Denis Motet, and one non-executive Director, namely Mr Amédée Darga (Chair).

All the members of the ACC are financially literate, with Mr Fareed Jaunbocus being a Chartered Accountant and Ms Sharona Ramdoss being a Chartered Financial Analyst.

"During the year under review, the ACC met six times and received reports from the Head of Internal Audit on the various internal audit and investigations carried out by the Internal Audit Team, as well as the action plans taken accordingly, and also took note of and approved the internal audit plan for the financial year. The Committee also took note of the external audit plan and received the report of the external auditors on the audited financial statements of CFSL for the year ended 30 September 2023, reviewed the audited accounts, the management letters as well as quarterly financial statements presented by the Group Chief Financial Officer. The ACC also received regular reports from the Head of Compliance, who ensures that the Group complies with established internal procedures and policies as well as with standards of good practices and applicable regulations and laws."
Amédée Darga, Chair

The Board Investment Committee ('BIC')

The BIC assists the Board of the Group by recommending investment and/or acquisition decisions within the mandate of the Committee or any other matter delegated to it by the Board. The BIC meets on an ad hoc basis as and when there are investment projects to be considered.

It is composed of one independent Director, namely Mrs Aisha Timol (Chair) and, three non-executive Directors, namely Mr. Amédée Darga, Mr. Colin Taylor and Mr. Tim Taylor, and one executive Director, namely Mr. Mark van Beuningen. Given the ad hoc nature of the BIC and the fact that the BIC does not have any decision-making authority, the Board is of view that the BIC can be chaired by the Board Chairperson.

During the year under review, the BIC met four times to discuss potential strategic investment opportunities including the acquisition of a controlling interest in Loinette Capital Limited.

IT sub committee

The Board has constituted an ad hoc IT sub-committee whose role is to review and recommend to the Board any IT expenditure above a value of MUR 5 million.

During the financial year under review, the IT sub-committee met four times and has provided valuable input in assessing Management's proposals for new software acquisitions.

The IT sub-committee is composed of Messrs Fareed Jaunbocus, Matthew Taylor, Denis Motet with Mr Amédée Darga as Chairperson.

When necessary, other committees are set up by the Board on an ad hoc basis to consider specific matters.

In accordance with the requirements of the Code, the following documents are available for consultation on the Company's website:

i. Terms of Reference of the Corporate Governance and Conduct Review Committee;
ii. Audit and Compliance Committee Charter;
iii. Terms of Reference of the Risk Management Committee;
iv. Terms of Reference of the Board Investment Committee; and
v. Mandate given to the IT Sub Committee.

The Audit and Compliance Committee Charter, the Terms of Reference of the Corporate Governance and Conduct Review Committee and the Terms of Reference of the Risk Management Committee were approved by the Board on 16 December 2020. The terms of reference/charter/mandate of these committees are reviewed as and when there are material changes, by each committee and any proposed amendments are submitted to the Board for approval. It is to be noted that for the year under review, no major changes were made to the scope of the terms of reference of the Corporate Governance and Conduct Review Committee, the Audit and Compliance Committee Charter, the terms of reference of the Risk Management Committee and the terms of reference of the Board Investment Committee and to the mandate of the IT Sub Committee.

2.3 Directors' remuneration and attendance

The remuneration of non-executive Directors consists of a mix of attendance and retainer fees and are aligned with market norms. Non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance.

The executive Director does not receive additional remuneration for serving on the Board of the Company or its committees. His remuneration package as an employee of the Company, including performance bonuses, is in accordance with market rates.

The remuneration of the executive and non-executive Directors are reviewed and recommended for approval to Board on an annual basis by the Corporate Governance and Conduct Review Committee. The non-executive Directors are not paid any performance bonuses.

Directors' attendance at Board and Committee meetings as well as their remuneration from CFSL during the financial year ended 30 September 2023 are as set out in the table below. The frequency of Board meetings is determined in such a way that Directors can consider general matters as well as deal with emerging business opportunities effectively and in a timely manner. The Directors were able to commit sufficient time to their respective Committees and to Board meetings and serve the company effectively. The Company Secretary ensures that board papers are sent to the Directors in good time to facilitate the decision-making progress and strategic discussions and attends Board and committee meetings in order to take note of the key discussions and decisions taken by the Board.

		Attendance						Interests		Remuneration
	Category	Board meetings	ACC	CGCRC	RMC	BIC	ITSC	Direct	Indirect	MUR
TIMOL, Aisha	IND	8/8	n/a	4/4	n/a	4/4	n/a	0.0012	nil	1,660,000
DARGA, Amédée	NED	8/8	6/6	n/a	n/a	4/4	4/4	0.0013	nil	980,000
JAUNBOCUS Fareedooddeen	IND	8/8	6/6	n/a	4/4	n/a	4/4	nil	nil	940,000
MOTET, Denis	IND	8/8	6/6	n/a	4/4	n/a	4/4	0.015	nil	1,100,000
RAMDOSS, Sharona[1]	IND	2/2	1/1	n/a	n/a	n/a	n/a	nil	nil	155,000
SOMEN, David	NED	8/8	n/a	4/4	n/a	n/a	n/a	nil	nil	1,030,875
TAYLOR, Colin[2]	NED	8/8	n/a	n/a	4/4	4/4	n/a	nil	4.20	870,000
TAYLOR, Matthew[3]	NED	8/8	6/6	n/a	n/a	n/a	4/4	0.0059	1.64	710,000
TAYLOR, Philip	NED	8/8	n/a	3/4	n/a	n/a	n/a	nil	4.20	640,000
TAYLOR, Timothy	NED	8/8	n/a	4/4	n/a	4/4	n/a	0.4108	8.09	700,000
VAN BEUNINGEN, Mark	ED	8/8	n/a	4/4	4/4	4/4	4/4	nil	nil	21,750,238

Note 1: Ms Sharona Ramdoss was appointed as Independent Director in June 2023.

Note 2: Colin Taylor stepped down as Member of the RMC on 09 August 2023.

Note 3: Matthew Taylor stepped down as Member of the ACC and was appointed as Member of the RMC on 09 August 2023.

Key: IND – Independent Director | NED – Non-Executive Director | ED – Executive Director

2. GOVERNANCE STRUCTURE Continued

2.4 Appointment

The Board, supported by the CGCRC, assumes the responsibilities for succession planning and for recommending the appointment of new Directors to the shareholders of the Company. Identifying key candidates for leadership positions helps ensure business continuity and enables the continuous execution of the Group's strategy. The process for the appointment of Directors, which is made in a transparent and formal manner, is available on the website of the Company (https://www.cim.mu/governance-cfsl.html).

When appointing Directors, the Board considers its needs in terms of size, experience, skills and diversity. The total number of Directors shall not at any time exceed the number fixed in accordance with the constitution. It is to be noted that any Director over the age of 70 is appointed at the Annual Meeting of Shareholders ('AMS') in accordance with section 138(6) of the Companies Act 2001.

All Directors will stand for re-election by way of separate resolutions at the Annual Meeting of Shareholders of the Company scheduled in February 2024.

2.5 Induction and Orientation

The Board is responsible for the induction of new Directors to the Board, a process facilitated by the Company Secretary. The induction programme has been designed to make Directors fully aware of their legal duties and to acquaint them with the Company's structure, strategies, mission and values, thus enabling them to effectively participate in strategic discussion as from the beginning. Ms Sharona Ramdoss was appointed as Independent Director of CFSL during the financial year under review. She was given an induction pack and was also given the opportunity to meet the Board Chairperson, the ACC Chairperson and some of CFSL's key personnel.

2.6 Professional Development

The Board reviews the professional development needs of Directors during the Board evaluation process and directors are encouraged to develop their skills and expertise on an on-going basis. They also receive regular updates on the latest trends and legislations affecting the business from management and/or other industry experts. A board evaluation exercise was carried out in October 2023 and the results were discussed at the CGCRC in November 2023. A workshop on Anti-Money Laundering was organised in collaboration with Temple Professionals and the Chambers of Urmilla Boolell SC so that Directors are given recent updates on AML/CFT Compliance & Governance for Board of Directors and the Board's Role and Responsibilities.

2.7 Board access to information and advice

All Directors have access to the Company Secretary to discuss issues or to obtain information on specific areas or items to be considered at Board meetings or any other area they consider appropriate.

Furthermore, Directors have unrestricted access to the Company's records and the right to request independent professional advice at the Company's expense.

2.8 Company Secretary

Cim Administrators Ltd, through its representative Mr Tioumitra (Ambrish) Maharahaje, provides corporate secretarial services to CFSL and its subsidiaries. The Company Secretary is responsible for ensuring that Board processes and procedures are followed and that all Board decisions are implemented. The Company Secretary is in attendance at all Committee and Board meetings. His profile is set out on Page 41.

2.9 Directors' duties and performance

The Directors are aware of their legal duties and may seek independent professional or legal advice, at the expense of the Company, in respect of any aspect of their duties and responsibilities. The Code of Ethics and the Board Charter provide guidance to the Directors in fulfilling their roles.

All Directors have a duty to act in the best interests of the Company and are expected to ensure that his or her other responsibilities do not encroach on his or her responsibilities as a Director of CIM Financial Services Ltd.

2.10 Interests of directors and conflicts of interest

All Directors, including the Chairperson, declare their direct and indirect interests in the shares of the Company as well as their interests in any transaction undertaken by the Company in accordance with the Mauritian Companies Act 2001. They also follow the Model Code for Securities Transactions as detailed in Appendix 6 of the Stock Exchange of Mauritius Listing Rules whenever they deal in the shares of the Company, with the Company Secretary keeping the Directors informed of the closed periods. The interests' register of the Company is maintained by the Company Secretary and is available for consultation by shareholders upon written request to the Company Secretary.

In addition, the Group has adopted a Related Party Policy which sets out the framework of risk management put in place with regard to the identification, monitoring and reporting of related party transactions. The Policy's underlying principles are derived from the Guidelines of the Bank of Mauritius on related party transactions and the Listing Rules.

The Code of Ethics of the Group also sets out instances which could lead to a conflict of interest and the procedure for dealing with such potential conflicts. Any conflicts-of-interest and related-party transactions are in accordance with the Conflict of interest, Related Party Transactions policy and Code of Ethics.

For the year under review, all conflicts of interest were effectively managed.

For the year under review, only one Director, namely Mr. Denis Motet dealt in the shares of the Company and acquired 70,000 ordinary shares.

The direct and indirect interests of Directors in the shares of the Company are set out in the table on page 81.

2.11 Information, Information Technology (IT) and Information Security policy

The Board oversees information governance within the organisation and ensures that the performance of information and information technology (IT) systems leads to business benefits and creates value.

The Group has adopted various IT policies, namely a Firewall Policy, which was implemented to mitigate the risks associated with security threats, and a Data Privacy Policy, which complies with the requirements of the Data Protection Act 2017 and was set up to protect and ensure the confidentiality of personal or sensitive personal data. The Group has also adopted a Data Retention and Disposal Policy to minimise data storage amount and retention time. Matters of importance with regard to information security policies are also taken up by the Risk Management Committee and recommendations are submitted to the Board for approval.

The Board, through its committees, ensures that proper policies have been implemented for the protection of the Company's information assets. Policies have also been set up to protect the integrity, ensure the confidentiality and control the usage of and access to the information essential for the smooth running of the Company's business activities.

Furthermore, awareness sessions are held for staff on cybersecurity risks through Saba, the e-learning platform of the Group, thus contributing to the improvement of the Information Security framework.

The Board approves material investments in information technology and security, as set out in the annual budget, according to the business needs of the Group.

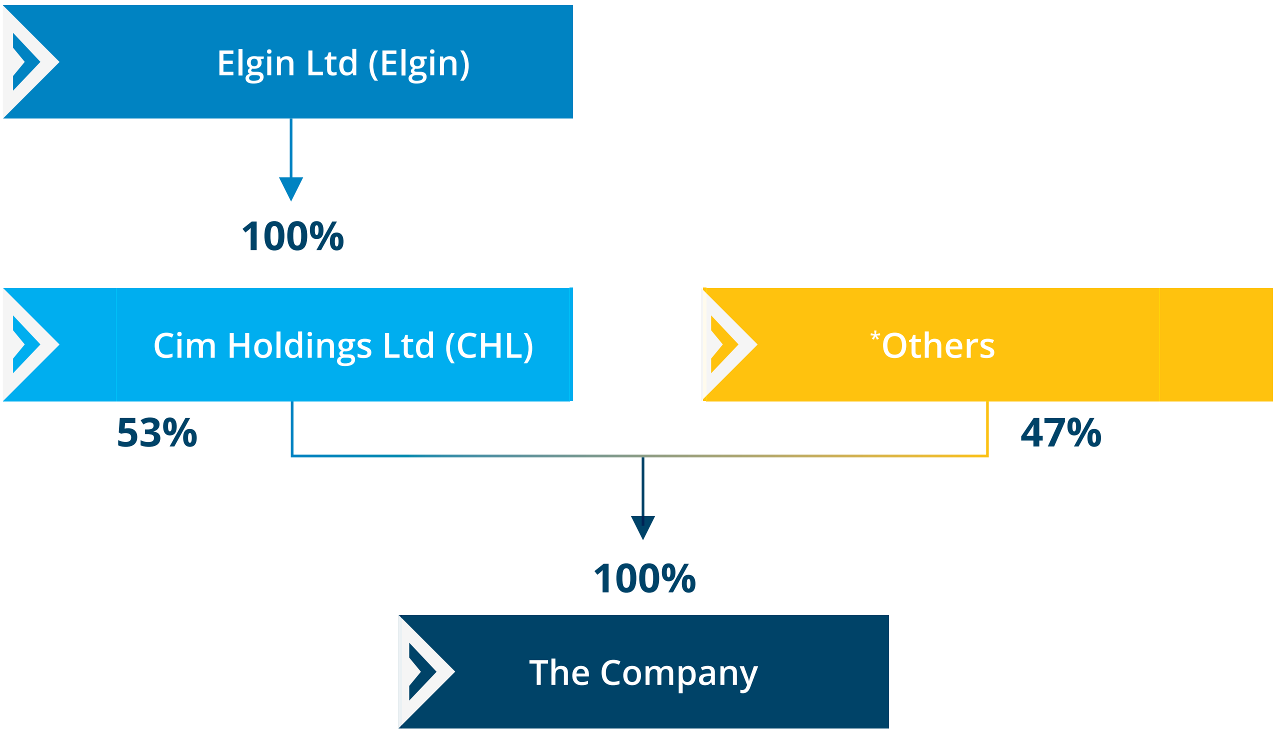
2.12 Board performance review

Following recommendations made by the Corporate Governance and Conduct Review Committee, the Board approved a board evaluation framework that will allow the company to transition in a smooth manner from an internally led board evaluation to an externally led exercise to ensure the Company complies with best practices in terms of board evaluation. The evaluation for this year was conducted internally by way of a peer evaluation in addition to a questionnaire circulated to each Director to obtain their views on the effectiveness of the Board, to assess their contribution to the Board's performance and to identify areas of improvement. The results have been analysed by the Corporate Governance and Conduct Review Committee and no major issues were noted. These results have been reported at Board level at the Company's board meeting held in December 2023.

Corporate Governance Report
Continued

3. Relations with shareholders and other stakeholders

The shareholding structure of CFSL as at 30 September 2023 is as follows:



* *The National Pensions Fund has a direct interest of 5.06% in the share capital of the Company.*

No shareholders' agreement which could affect the governance of the Company has been disclosed to the Board and/or the Company.

The share ownership analysis per holding percentage and categories of shareholders as at 30 September 2023 is as follows:

Spread	Number of shareholders	Number of shares held	% Holding
1 – 50,000	3,407	24,865,022	3.6539
50,001 – 250,000	315	33,896,889	4.9811
250,001 – 500,000	54	19,359,129	2.8447
Over 500,000	67	602,401,270	88.5204
Total	**3,843**	**680,522,310**	**100**

Category	Number of shareholders	Number of shares held	% Holding
Individuals	3,472	91,335,077	13.4213
Insurance & Assurance	17	80,030,769	11.7602
Investment & Trust	57	49,022,647	7.2037
Pension & Provident	67	70,653,837	10.3823
Other Corporate Bodies	230	389,479,980	57.2325
Total	**3,843**	**680,522,310**	**100**

Communication with shareholders and stakeholders is mainly done through the Annual Report, Investors' Briefings, the published unaudited results, the Annual Meeting of Shareholders ('AMS'), dividends declarations, press communiqués and the website. An "Investors' Corner" section is available on CFSL's website and such section provides shareholders and stakeholders with information in a timely manner on audited financial statements, interim and final dividends, share price information, communiqués on activities of the Company amongst others, and also includes the digital version of the annual reports of the Company.

The Group interacts with its internal stakeholders namely its employees via Workplace, a collaborative platform run by Facebook which offers social networks features in a corporate environment. Through the platform, employees can communicate with one another via groups.

The external stakeholders of the Group namely its customers, suppliers, shareholders, the Government/Regulators and the public are reached via social media platforms such as Facebook and LinkedIn, as well as via advertisements. As and when required, focus groups are held with clients to assess their expectations from the Group. Regular channels of communication are also maintained with the regulators and the Government.

In addition, shareholders are invited to the AMS on an annual basis to approve the financial statements and vote on the re-appointment/appointment of Directors and the external auditor. The AMS for the year 2023 was held in March 2023. The next AMS of the Company is scheduled in February 2024, and shareholders will receive the notice of the AMS at least 21 days prior to the meeting in accordance with the law.

The Annual Report, which also includes the notice of annual meeting, is published in full on the Company's website. Shareholders also have the option to request a hard copy of the Annual Report.

4. Risk Management

The Group is subject to a number of risks and uncertainties in carrying out its activities. The activities related to Risk Management, the material risks and steps taken to address known weaknesses in internal controls are set out in the Risk Management Report on pages 58 to 75.

5. Internal Audit Function

Governance and structure

During the year under review, the Internal Audit Function performed audit, advisory and investigation engagements for CIM Financial Services Ltd ('CFSL') as per the Risk-Based Internal Audit Plan approved by the Audit and Compliance Committee ('ACC') of CFSL. There are no significant areas which have not been covered. The main role of the function is to provide independent, objective assurance and consulting activity designed to add value and improve the company's operations.

The Internal Audit Function is independent of Executive Management and functionally reports to the ACC on a quarterly basis. The Head of Internal Audit presents audit reports to the ACC, and discusses key issues contained therein.

The Head of Internal Audit has a direct reporting line to the Chair of the ACC, and has regular meetings with the Chair, thereby further establishing Internal Audit's independence.

The ACC approves the Risk-Based Internal Audit plan, ensures adequate resources are available to deliver on the plan and evaluates the effectiveness of the Internal Audit Function. In addition, the ACC monitors the progress in achieving the Risk-Based Internal Audit plan on a quarterly basis. Moreover, in the performance of their duties, the Internal Audit Function has unrestricted access to all documents, key personnel, and Management staff. There was no limitation of scope placed on the internal auditors in conducting the audits.

Internal audits are carried out in accordance with the Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). Internal audit staff also abide by the Code of Ethics established by the IIA and by CFSL.

The Internal Audit Function was restructured and segregated into two units, namely Risk-Based unit and IT unit. The Risk-Based unit performed assurance engagements in line with the definition of the IIA as well as investigations, independent reviews, etc. The IT unit, for its part, performed engagements where a high reliance on Information Systems and Technology was required. Both units use a risk-based approach when building up the Internal Audit Plan for the year. The structure, organisation and qualifications of the key members of the Internal Audit team are listed on the Company's website.

During the year under review, the Internal Audit team carried out 21 internal audit assignments for CFSL consisting of risk-based, IT, advisory and investigation engagements. In addition, follow-up audits (review of the implementation status of recommendations) along with fraud monitoring using data analytics were also carried out throughout the year.

5. Internal Audit Function Continued

Independence and objectivity

The Internal Audit Function confirms that independence and objectivity were maintained throughout the year by ensuring the following:

- There was no interference by any element in the company, including matters of audit selection, scope, procedures, frequency, timing, or report content.
- Internal audit staff have no direct operational responsibility or authority over any of the activities audited and hence do not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair judgment.

Internal audit staff also refrained from reviewing specific operations for which they were previously responsible; made proper disclosures if independence or objectivity was impaired, or if there was any conflict of interest; have not accepted anything that may impair or be presumed to impair their professional judgment; and were aware of the threat of over-familiarity.

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

6. External Audit

The external auditor of the Company is BDO & Co Ltd (BDO), first appointed as external auditor at the AMS held in July 2020 in replacement of Ernst and Young following a tender issued by the RMAC in November 2019. BDO has been re-appointed as the external auditor by the shareholders of CIM Financial Services Ltd at the annual meeting held in February 2022.

The ACC discusses critical policies, judgements and estimates, and external audit issues with BDO as and when necessary, and meets them at least once a year without management being present.

The ACC assesses the effectiveness of the external audit process via feedback received from the Management team. Areas of improvement are thereafter discussed with the external auditor.

The Group has implemented a policy for the provision of non-audit service by the external auditor. The objectives of the policy are:

- To ensure that neither the nature of service nor the level of reliance placed on it by the Group could be perceived to impair the independence and objectivity of the external auditor's opinion on financial statements.
- To establish a straightforward and transparent process and reporting mechanism to enable the ACC to monitor and control the independence of the external auditor and compliance with this policy.
- To avoid unnecessary restrictions on the purchase of services from the external auditor who are expected to provide a higher quality and a more cost effective service than other providers.

No non-audit work has been provided by external auditor to the Company for the year under review. To guarantee objectivity and independence, the Board ensures that the team providing non-audit services is different from the one providing audit services.

7. Reporting with Integrity

This report has been prepared in line with the principles set out by the International Framework established by the International Integrated Reporting Council (IIRC). It provides key information which allows for the assessment of the strategy, business model, operating context, material risks and opportunities, governance and operational performance of CFSL for the period 01 October 2022 to 30 September 2023.

8. Human Resources

The human resource initiatives of the Group are set out on pages 30 to 39.

9. Profiles of Senior Executive Team

The profiles of the senior executive team can be found on pages 40 to 41.

10. Other Matters

10.1 Related party transactions

Please refer to page 83 of the Annual Report.

10.2 Management agreements

The Company has no management contracts.

10.3 Dividend Policy

An interim dividend is usually declared in May and paid in June and a final dividend is declared in December and paid in January. The payment of dividends is subject to the net profits of the Company, its cash flow and its needs with regard to capital expenditure. A final dividend amounting to MUR 0.24 cents per share was declared in December 2022 and paid in January 2023, while an interim dividend amounting to MUR 0.18 cents per share was declared in May 2023 and paid in June 2023.

10.4 Donations

The Company did not make any political donations during the year under review.

10.5 Corporate social responsibility (CSR) and environmental issues

Cim CSR Fund Ltd was set up on 12 April 2016 under the laws of Mauritius pursuant to the Mauritian Companies Act 2001. Cim CSR Fund Ltd receives annual statutory contributions from all entities within the Group for the purposes of corporate social responsibility ("CSR").

The Group's CSR activities, which reflect its commitment to creating sustainable value for the social, environmental and economic well-being of society, are set out on pages 48 to 55.

Information on the major projects undertaken by Cim CSR Fund Ltd is available for consultation on https://www.cim.mu/corporate-engagement.html

Tioumitra Maharahaje
For Cim Administrators Ltd
Company Secretary

20 December 2023

Other Statutory Disclosures

(Pursuant to Section 221 of the Mauritius Companies Act 2001)

Activity of the Company

The activities of CFSL are disclosed on pages 12 to 13.

Group structure with activities of subsidiaries

The Group structure of CFSL has been disclosed on pages 6 and 7.

Directors' remuneration

The remuneration of directors who have held office as at 30 September 2023 has been disclosed on page 81.

Moreover, the executive and non-executive directors had received remuneration for holding position as directors in subsidiary companies as per the details set out in the table below:

	2023		2022	
	No of directors	**MUR m**	**No of directors**	**MUR m**
Directors of Subsidiary companies				
Executive	**4**	**26.4**	5	29.5
Non Executive	**1**	**1.1**	4	1.4
		27.5		30.9

Directors' interest in shares

The interests of the directors in the shares of CFSL as at 30 September 2023 are listed on page 81.

Particulars of entry in the interest register

An Interest Register, which is updated on an annual basis, is maintained by the Company Secretary. Any disclosure of interest as required under the Mauritius Companies Act 2001 is recorded in the Interest Register, which is available for inspection during normal office hours upon written request made to the Company Secretary.

Directors of Subsidiary companies

The list of directorships of Subsidiary companies as at 30 September 2023 are listed on page 207.

Audit fees as at 30 September 2023

For the year under review, the fees incurred for audit services by their respective auditors were as follows:

	30 Sept 2023 MUR 000'	30 Sept 2022 MUR 000'	Auditors
Cim Financial Services Ltd	5,000	3,200	BDO & CO
Cim Administrators Ltd	46	38	BDO & CO
Cim Learning Centre Ltd	32	27	BDO & CO
Key Financial Services Ltd	32	27	BDO & CO
The Oceanic Trust Co Ltd	32	27	BDO & CO
Cim Kenya Ltd	81	64	BDO & CO
Cim International Holdings Ltd	81	64	BDO & CO
Cim CSR Fund Ltd	46	38	BDO & CO
Cim Credit Kenya Ltd	195	170	BDO & CO - KE
Cim Insurance Agency Ltd	90	80	BDO & CO - KE
Loinette Capital Ltd	736	N/A	Pricewater houseCoopers

The external auditors have not carried out non-audit activities for the Company and its subsidiaries during the year under review.

Donations

During the year under review, no political donations were made by CFSL and its subsidiaries.

Moreover, as at 30 September 2023, only CFSL has contributed the following amount to CSR activities:

Company	Donations (MUR)
CFSL	MUR 11.6m

Directors' service contracts

None of the directors of the Company and its subsidiaries have service contracts that need to be disclosed under Section 221 of the Mauritius Companies Act 2001.

Major Transactions

During the year under review, neither the Company nor its subsidiaries had carried out any major transaction under Section 130 (2) of the Mauritius Companies Act 2001.

Directors' Report

(a) Financial statements

The Directors of CIM Financial Services Ltd (the 'Company') are responsible for the integrity of the financial statements of the Group and the Company, and the objectivity of the other information presented in these statements.

Company law requires the Directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company and the Group.

The Board confirms that, in preparing the financial statements, it has:

(i) selected suitable accounting policies and applied them consistently;

(ii) made judgements they estimate to be reasonable and prudent;

(iii) stated whether International Financial Reporting Standards have been followed, subject to any material departures explained in the financial statements;

(iv) kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company;

(v) safeguarded the assets of the Company by maintaining internal accounting and administrative control systems and procedures;

(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities;

(vii) ensure that the Code of Corporate Governance (the "Code") has been adhered to and where any material deviation from any guidance contained within the Code has occurred, explanations have been provided accordingly; and

(viii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group at any time and enable them to ensure that the financial statements are compliant with the Companies Act 2001.

(b) Going Concern Statement

On the basis of current projections, we are confident that the Group and the Company have adequate resources to continue operating for the foreseeable future and consider that it is appropriate that the going concern basis in preparing the financial statements be adopted.

(c) Internal Control and Risk Management

The Board is responsible for the system of Internal Control and Risk Management for the Company and its subsidiaries. The Group is committed to continuously maintain a sound system of risk management and adequate control procedures with a view to safeguarding the assets of the Group.

The Board believes that the Group's systems of internal control and risk management provide reasonable assurance that control and risk issues are identified, reported on and dealt with appropriately.

(d) Donations

The Company did not make any political contributions in this financial year. For details on the charitable donations made by the Company, please refer to page 88.

(e) Governance

The Board strives to apply the principles of good governance within the Company and its subsidiaries.

(f) Financial Statements

The financial statements of the Group and the Company which appear from pages 98 to 206 were approved by the Board on 20 December 2023 and are signed on their behalf by:

Aisha Timol
Independent Director and Chairperson

Mark van Beuningen
Executive Director and Group Chief Executive Officer

Secretary's Certificate

In our capacity as Company Secretary of CIM Financial Services Ltd (the 'Company'), we hereby confirm that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, for the financial year ended 30 September 2023, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Tioumitra Maharahaje
For Cim Administrators Ltd
Company Secretary
20 December 2023

STATEMENT OF COMPLIANCE

(Section 75 (3) of the Financial Reporting Act)

Name of PIE: CIM Financial Services Ltd (the 'Company')

Reporting Period: FINANCIAL YEAR 2022-2023

CIM Financial Services Ltd is a public interest entity and is, as such, required to adopt corporate governance principles in accordance with the National Code of Corporate Governance (2016) (the 'Code').

Throughout the year ended 30 September 2023, to the best of the Board's knowledge, the Company has complied and applied all the principles set out in the Code and explained how these principles have been applied, except for the following:

i. 'the Chairperson of the Audit Committee should be an independent director'; and

ii. 'the Board should have an executive management presence with at least two executive directors'.

Having completed nine years on the Board, Mr Amédée Darga is now classified as a Non-Executive director. However, the Board has thought it fit to maintain Mr Darga as Chair of the Audit and Compliance Committee given his track record, independence of character and judgement and the fact that he meets all of the other criteria set out to test for director independence in the National Code of Corporate Governance.

Although there is only one executive director on the Board of the Company, the Board is aware of the need to have a strong executive management presence in the Company and is of opinion that the attendance of the Chief Operating Officer and of the Chief Financial Officer at the meetings and sub-committees of the Board fulfils the spirit of the Code.

SIGNED BY:

Aisha Timol
Independent Director and Chairperson
20 December 2023

Mark van Beuningen
Executive Director and Group Chief Executive Officer
20 December 2023

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CIM Financial Services Ltd

Report on the Audit of the Consolidated And Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Cim Financial Services Ltd (the "Company") and its subsidiaries (together the "Group"), and the Company's separate financial statements set out on pages 98 to 206, which comprise the consolidated and separate statements of financial position as at September 30, 2023, and the consolidated and separate statements of profit or loss, consolidated and separate statements of other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and of the Company as at September 30, 2023, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' (*International Code of Ethics for Professional Accountants (including International Independence Standards*) / (the *"IESBA Code"*). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of net investment in leases and other credit agreements and loans and advances

Key Audit Matter

At September 30, 2023, the Group and the Company have net investment in leases and other credit agreements, and loans and advances (collectively referred to as "Facilities") amounting to MUR 18,581m and MUR 17,985m, representing 86% and 83% of the Group's and Company's total assets respectively.

These facilities are measured at amortised costs under IFRS 9, less an allowance for the expected credit loss, amounting to MUR 1,473m and MUR 1,626m for credit impaired facilities and MUR 440m and MUR 432m for non credit impaired facilities of the Group and Company respectively.

IFRS 9 requires the Group and Company to recognise expected credit losses (ECL) on financial instruments which involves significant judgement and estimates to be made by the Group and Company. The determination of ECL on facilities which are not credit impaired involves the highest level of management judgement, thus requiring greater audit attention. Specific areas of judgement and estimation uncertainty include:

- Identification of significant increase in credit risk (SICR), and in particular the selection of criteria to identify a SICR. These criteria are highly judgemental and can materially impact the ECL recognised for certain portfolios where the life of the facilities is greater than 12 months.
- Complexity of the ECL model involving a number of critical assumptions in the determination of probabilities of default (PD), loss given default (LGD) and exposure at default (EAD).
- Use of forward-looking information to determine the likelihood of future losses being incurred.
- Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental.

Facilities are considered to be credit impaired in accordance with IFRS 9 when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Failure to recognise adequate allowance for credit impairment can result in a potential overstatement of the net investment in leases and other credit agreements, loans and advances balance in the consolidated and separate financial statements. Identification of credit-impaired facilities (i.e. those classified in Stage 3) and determination of the expected credit losses thereon involves significant judgement, estimates and assumptions regarding (i) determination of whether a facility is credit impaired and (ii) in estimating the forecasted cash flows the Group and Company expect to receive from the obligors. This includes an estimate of what the Group and Company can realise from the collaterals they hold as security on the impaired facilities.

Given the inherent risk associated, the management overlays used and the nature of the business and size of the facilities, we deemed the expected credit loss allowance to be a key audit matter.

Related Disclosures

Refer to notes 10, 15, 16 and note 2.7 (accounting policies), 3 (Significant accounting estimates and judgements) and note 4.1 (financial risks) of the accompanying financial statements.

Audit Response

- We discussed and understood from management the impairment process, governance, approval and implementation of the ECL model.
- We used our IT Specialist and discussed with management to assess the completeness, accuracy and validity of data and inputs used during the development and application of the ECL models scoped; CFA and Cards, Personal Loans, Finance Leases and Factoring.
- We assessed the competence, independence and integrity of the management's credit specialist.
- We obtained and tested loan arrears reports and ensured all those arrears exceeding 90 days past due were included in the impaired portfolio category for specific impairment assessment.
- We assessed proper staging of all financial asset portfolios.
- We obtained explanation for customers on caution lists and assessed their staging.
- We engaged with our credit specialist and:
  - Gained an understanding of the nature of the underlying loans in the loan portfolio.
  - Reviewed the ECL methodology for compliance with IFRS 9 Financial Instruments principles and best practice.
  - Reviewed and reperformed the management ECL revised model calculations for accuracy.
  - Obtained the appropriate management data and performed the relevant procedures to prepare the management data for the challenger ECL model using independent inputs (PD, LGD, EAD, CCF and forward-looking macro- economic factors).
  - Held regular discussions with management to understand and resolve the differences arrived at based on managagement's calculations and the challenger model.
- We reviewed minutes of Risk Management Committee to identify any matter relating to ECL such as inputs used in calculation of post-model management adjustments.
- We performed an analytical review and analysed year on year variances and movement in ECL and linked to movement in facilities and obtained explanations from management.
- Where exposures are collateralised, we evaluated the Company's legal rights to the collateral, as well as the appropriateness of the valuations of the collateral in relation to ECL determination, and the linking of collateral to the corresponding accounts. We reviewed the reconciliation and allocation of the General Ledger balances to which the impairment parameters are applied.
- We also reviewed and assessed the completeness of the disclosures in the Financial Statements for compliance with International Financial Reporting Standards including disclosure on significant inputs.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and separate financial statements and our auditor's report thereon. We have obtained prior to the date of this auditor's report, the statement of compliance, the corporate governance report, the other statutory disclosures and the statement of directors' responsibilities and the company secretary's certificate. All other information in the Annual Report will be made available to us after the auditor's report date. If we conclude there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Information Continued

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated And Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated And Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements for current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company and its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

National Payment Systems Act 2018

- In our opinion, the consolidated and separate financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the provisions of the National Payment Systems Act 2018 and the regulations and guidelines of the Bank of Mauritius; and
- the explanations or information called for or given to us by the officers or agents of the payment service provider were satisfactory.

Other Matter

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & CO
Chartered Accountants

Ameenah Ramdin, FCCA, FCA
Licensed by FRC

Port Louis,
Mauritius

20 December 2023

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

30 SEPTEMBER 2023

	NOTES	GROUP Sep-23 MUR m	GROUP Sep-22 MUR m	COMPANY Sep-23 MUR m	COMPANY Sep-22 MUR m
Interest income	5(a)	**2,954.6**	2,502.3	**2,899.7**	2,450.5
Interest expense	5(b)	**(579.0)**	(427.5)	**(574.1)**	(407.7)
Net interest income		**2,375.6**	2,074.8	**2,325.6**	2,042.8
Lending and agency related income	6	**430.6**	396.8	**416.5**	370.6
Other income	7	**109.7**	101.1	**103.5**	99.7
Non interest income		**540.3**	497.9	**520.0**	470.3
Net operating income		**2,915.9**	2,572.7	**2,845.6**	2,513.1
Operating expenses					
Employee benefit expenses	8	**(748.5)**	(645.5)	**(717.9)**	(591.8)
Depreciation	22/23	**(158.2)**	(159.4)	**(157.1)**	(156.3)
Amortisation	24	**(35.8)**	(38.2)	**(34.6)**	(35.7)
Other operating expenses	9	**(541.7)**	(449.6)	**(502.3)**	(409.1)
		(1,484.2)	(1,292.7)	**(1,411.9)**	(1,192.9)
Profit before impairment		**1,431.7**	1,280.0	**1,433.7**	1,320.2
Net impairment losses on financial assets	10	**(328.2)**	(560.7)	**(509.4)**	(598.7)
Impairment of investment in subsidiary	20	**–**	–	**–**	(45.7)
		(328.2)	(560.7)	**(509.4)**	(644.4)
Profit after impairment		**1,103.5**	719.3	**924.3**	675.8
Foreign exchange gain		**5.5**	1.6	**5.7**	0.4
Gain on bargain purchase	36	**18.5**	–	**–**	–
Net gain on disposal of investment in subsidiary	20(a)	**–**	16.4	**–**	57.4
Fair value gain on investment securities	17	**2.9**	–	**–**	–
Share of results of associates	21	**(3.2)**	(2.5)	**–**	–
Profit before tax		**1,127.2**	734.8	**930.0**	733.6
Income tax expense	11(a)	**(166.2)**	(133.5)	**(165.8)**	(113.6)
Profit for the year		**961.0**	601.3	**764.2**	620.0
Attributable to:					
Equity owners of the parent					
Profit for the year		**959.9**	601.3	**764.2**	620.0
		959.9	601.3	**764.2**	620.0
Non controlling interests					
Profit for the year	31	**1.1**	–	**–**	–
		1.1	–	**–**	–
		961.0	601.3	**764.2**	620.0
Basic and diluted earnings per share (MUR)	32	**1.41**	0.88		

The notes on pages 104 to 206 form an integral part of these financial statements.

Independent auditor's report on pages 94 to 97.

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

30 SEPTEMBER 2023

		GROUP		COMPANY	
	NOTES	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Profit for the year		**961.0**	601.3	**764.2**	620.0
Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit, net of tax	12	**(29.5)**	(19.1)	**(28.9)**	(18.0)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign entities	12	**(27.5)**	17.0	**–**	–
Other comprehensive loss for the year, net of tax		**(57.0)**	(2.1)	**(28.9)**	(18.0)
Total comprehensive income for the year, net of tax		**904.0**	599.2	**735.3**	602.0
Attributable to:					
Owners of the parent		**907.0**	599.2	**735.3**	602.0
Non controlling interests	31	**(3.0)**	–	**–**	–
		904.0	599.2	**735.3**	602.0

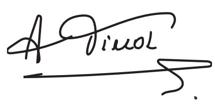
The notes on pages 104 to 206 form an integral part of these financial statements.
Independent auditor's report on pages 94 to 97.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

30 SEPTEMBER 2023

		GROUP		COMPANY	
	NOTES	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
ASSETS					
Cash and bank balances	13	**397.8**	681.8	**304.7**	593.3
Deposits with banks	14	**490.7**	482.9	**490.7**	482.9
Net investment in leases and other credit agreements	15	**10,056.6**	8,909.9	**10,056.6**	7,951.5
Loans and advances	16	**8,524.8**	7,079.8	**7,928.7**	8,114.4
Other assets	18	**618.3**	431.5	**614.4**	408.5
Investment securities	17	**302.5**	120.4	**120.4**	120.4
Inventories	19	**3.4**	3.0	**3.4**	3.0
Investment in subsidiaries	20	**–**	–	**948.4**	236.2
Investment in associates	21	**14.0**	12.5	**19.7**	15.0
Equipment	22	**481.4**	417.6	**480.7**	409.7
Right-of-use assets	23(a)	**170.6**	176.9	**166.9**	175.7
Deferred tax assets	26	**371.5**	312.2	**366.2**	321.2
Intangible assets	24	**151.1**	126.1	**105.0**	83.5
Total assets		**21,582.7**	18,754.6	**21,605.8**	18,915.3
LIABILITIES					
Bank overdrafts	13	**180.3**	72.7	**119.7**	5.3
Other borrowed funds	27	**13,212.0**	11,735.1	**13,344.4**	11,863.5
Other liabilities	28	**1,805.1**	1,402.9	**1,975.0**	1,339.7
Lease liabilities	23(b)	**210.1**	209.4	**206.2**	207.7
Income tax liabilities	11(b)	**184.6**	210.0	**182.6**	209.4
Post employment benefit liabilities	25	**174.8**	155.3	**172.5**	151.2
Total liabilities		**15,766.9**	13,785.4	**16,000.4**	13,776.8
EQUITY					
Stated capital	30	**680.5**	680.5	**680.5**	680.5
Retained earnings	30	**4,460.7**	3,786.6	**3,927.3**	3,384.7
Other reserves	30	**458.3**	502.1	**997.6**	1,073.3
Equity attributable to owners of the parent		**5,599.5**	4,969.2	**5,605.4**	5,138.5
Non controlling interests	31	**216.3**	–	**–**	–
Total equity		**5,815.8**	4,969.2	**5,605.4**	5,138.5
Total equity and liabilities		**21,582.7**	18,754.6	**21,605.8**	18,915.3

These financial statements have been approved for issue by the Board of Directors on 20 December 2023.



Aisha Timol
Independent Director and Chairperson

Mark van Beuningen
Executive Director and Group Chief Executive Officer

The notes on pages 104 to 206 form an integral part of these financial statements.
Independent auditor's report on pages 94 to 97.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

30 SEPTEMBER 2023

	NOTES	Stated capital MUR m	Capital reserves MUR m	Share-based payments reserves MUR m	Other reserves MUR m	Retained earnings MUR m	Actuarial reserves MUR m	Attributable to owners of the parent MUR m	Non controlling interests MUR m	Total equity MUR m
GROUP										
At 1 October 2022		**680.5**	**536.6**	**–**	**27.7**	**3,786.6**	**(62.2)**	**4,969.2**	**–**	**4,969.2**
Profit for the year		**–**	**–**	**–**	**–**	**959.9**	**–**	**959.9**	**1.1**	**961.0**
Other comprehensive loss for the year	12	**–**	**–**	**–**	**(23.4)**	**–**	**(29.5)**	**(52.9)**	**(4.1)**	**(57.0)**
Total comprehensive (loss)/income for the year		**–**	**–**	**–**	**(23.4)**	**959.9**	**(29.5)**	**907.0**	**(3.0)**	**904.0**
Acquisition of subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**219.3**	**219.3**
Dividends	29	**–**	**–**	**–**	**–**	**(285.8)**	**–**	**(285.8)**	**–**	**(285.8)**
Equity-settled share-based payment	38	**–**	**–**	**9.1**	**–**	**–**	**–**	**9.1**	**–**	**9.1**
Transfers		**–**	**–**	**–**	**(28.7)**	**–**	**28.7**	**–**	**–**	**–**
Total transactions with owners of parent		**–**	**–**	**9.1**	**(28.7)**	**(285.8)**	**28.7**	**(276.7)**	**219.3**	**(57.4)**
At 30 September 2023		**680.5**	**536.6**	**9.1**	**(24.4)**	**4,460.7**	**(63.0)**	**5,599.5**	**216.3**	**5,815.8**
At 1 October 2021		680.5	536.6	–	10.7	3,396.2	(43.1)	4,580.9	–	4,580.9
Profit for the year		–	–	–	–	601.3	–	601.3	–	601.3
Other comprehensive income/(loss) for the year	12	–	–	–	17.0	–	(19.1)	(2.1)	–	(2.1)
Total comprehensive income/(loss) for the year		–	–	–	17.0	601.3	(19.1)	599.2	–	599.2
Dividends	29	–	–	–	–	(210.9)	–	(210.9)	–	(210.9)
Total transactions with owners of parent		–	–	–	–	(210.9)	–	(210.9)	–	(210.9)
At 30 September 2022		680.5	536.6	–	27.7	3,786.6	(62.2)	4,969.2	–	4,969.2

* Refer to note 30 for description of reserves

The notes on pages 104 to 206 form an integral part of these financial statements.

Independent auditor's report on pages 94 to 97.

SEPARATE STATEMENTS OF CHANGES IN EQUITY

30 SEPTEMBER 2023

	NOTES	Stated capital MUR m	Capital Reserves MUR m	Share-based payments reserves MUR m	Other reserves MUR m	Actuarial reserves MUR m	Amalga-mation reserves MUR m	Retained earnings MUR m	Total equity MUR m
COMPANY									
At 1 October 2022		**680.5**	**519.2**	**–**	**(0.5)**	**(32.8)**	**587.4**	**3,384.7**	**5,138.5**
Amalgamation adjustment		**–**	**–**	**–**	**1.2**	**(0.4)**	**(56.7)**	**64.2**	**8.3**
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**764.2**	**764.2**
Other comprehensive loss	12	**–**	**–**	**–**	**–**	**(28.9)**	**–**	**–**	**(28.9)**
Dividends	29	**–**	**–**	**–**	**–**	**–**	**–**	**(285.8)**	**(285.8)**
Equity-settled share-based payment	38	**–**	**–**	**9.1**	**–**	**–**	**–**	**–**	**9.1**
At 30 September 2023		**680.5**	**519.2**	**9.1**	**0.7**	**(62.1)**	**530.7**	**3,927.3**	**5,605.4**
At 1 October 2021		680.5	519.2	–	(0.5)	(14.8)	587.4	2,975.6	4,747.4
Profit for the year		–	–	–	–	–	–	620.0	620.0
Other comprehensive loss	12	–	–	–	–	(18.0)	–	–	(18.0)
Dividends	29	–	–	–	–	–	–	(210.9)	(210.9)
At 30 September 2022		680.5	519.2	–	(0.5)	(32.8)	587.4	3,384.7	5,138.5

*Refer to note 30 for description of reserves

The notes on pages 104 to 206 form an integral part of these financial statements.

Independent auditor's report on pages 94 to 97.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

30 SEPTEMBER 2023

		GROUP		COMPANY	
	NOTES	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	33	**(2,896.9)**	(1,879.4)	**(2,821.6)**	(2,748.0)
Interest paid	5(b)	**(552.5)**	(407.7)	**(545.3)**	(394.7)
Interest received	5(a)	**2,945.7**	2,252.3	**2,889.0**	2,185.5
Income tax paid	11(b)	**(229.2)**	(246.2)	**(228.7)**	(245.8)
Net cash flows used in operating activities		**(732.9)**	(281.0)	**(706.6)**	(1,203.0)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets at amortised cost	17(b)	**174.4**	–	**174.4**	–
Purchase of financial assets at amortised cost	17(b)	**(174.4)**	–	**(174.4)**	–
Purchase of equipment		**(213.7)**	(124.3)	**(213.7)**	(123.3)
Proceeds from sale of equipment		**34.9**	43.8	**34.9**	43.2
Purchase of intangible assets	24(a)	**(12.3)**	(22.6)	**(12.3)**	(22.6)
Proceeds from share buy back of associate company		**–**	14.4	**–**	–
Net proceeds from disposal of subsidiary		**–**	15.1	**–**	72.4
Acquisition of subsidiary	36	**(623.6)**	(123.7)	**(644.6)**	(150.0)
Acquisition of associate	21(a)	**(4.7)**	(15.0)	**(4.7)**	(15.0)
Net cash flows used in investing activities		**(819.4)**	(212.3)	**(840.4)**	(195.3)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from other borrowed funds	27(f)	**16,232.7**	13,384.9	**16,232.7**	13,009.9
Repayment of other borrowed funds	27(f)	**(14,760.0)**	(12,357.6)	**(14,757.6)**	(11,082.6)
Principal paid on lease liabilities	23(b)	**(33.6)**	(31.6)	**(33.1)**	(31.4)
Interest paid on lease liabilities	23(b)	**(12.3)**	(10.9)	**(12.2)**	(10.6)
Dividends paid	29	**(285.8)**	(210.9)	**(285.8)**	(210.9)
Net cash flows generated from financing activities		**1,141.0**	773.9	**1,144.0**	1,674.4
Net (decrease) / increase in cash and cash equivalents		**(411.3)**	280.6	**(403.0)**	276.1
Cash and cash equivalents at beginning of year		**609.1**	317.3	**588.0**	311.9
Effect of exchange rate changes on cash and cash equivalents		**19.7**	11.2	**–**	–
Cash and cash equivalents at year end	13	**217.5**	609.1	**185.0**	588.0

The notes on pages 104 to 206 form an integral part of these financial statements.

Independent auditor's report on pages 94 to 97.

1. GENERAL INFORMATION

CIM Financial Services Ltd ('CFSL' or the 'Company') is a public company limited by shares, incorporated on 15 July 2005 and domiciled in Mauritius. The principal segments of activities of the Company are Consumer Finance, Cards & Payments, Leasing, Insurance Agency and Factoring. The Company's main place of business is at Cim House, cnr Edith Cavell & Mère Barthélémy Streets, Port-Louis.

As at 30 September 2023, its holding company is Cim Holdings Ltd and its registered address is Taylor Smith House, Old Quay D Road, Port Louis.

Effective 1 October 2022, Tsusho Capital (Mauritius) Ltd has been amalgamated with and into Cim Financial Services Ltd, whereby Cim Financial Services Ltd was the surviving entity. (Refer to Note 2.5 below)

These financial statements have been prepared for the year ended 30 September 2023 and will be submitted for consideration and approval at the forthcoming annual meeting of the shareholders of the company.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of Cim Financial Services Ltd include the consolidated financial statements of the parent company and its subsidiary companies (the "Group") and the separate financial statements of the parent company (the "Company"). The financial statements are presented in Mauritian Rupees and all values are rounded to the nearest one decimal place of million (MUR m), except when otherwise indicated. These policies have been consistently applied to all the years presented, unless otherwise stated and where necessary, comparative figures have been amended to conform to changes in presentation in the current year.

Following the amalgamation of entities under common control in October 2022 (note 2.5), management has opted to not restate the comparative year figures in the annual report.

The financial statements are prepared under the historical cost convention except that:

- Relevant financial assets and financial liabilities are stated at their fair value.

The Group and the Company present their statements of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 43 of the financial statements.

2.2 Going concern

The Group's and the Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 Statement of compliance

The financial statements of CIM Financial Services Ltd comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standard Board (IASB).

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of CIM Financial Services Ltd and its subsidiaries as at 30 September 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the cumulative translation differences, recorded in equity
- Recognises any surplus or deficit in profit or loss, and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings as appropriate.

2.5 Amalgamation of entity under common control

In October 2022 Tsusho Capital (Mauritius) Ltd was amalgamated with and into the surviving Company, CIM Financial Services Ltd.

The amalgamation was done in line with the objective to streamline the group structure and to improve performance, efficiency, dynamism and creativity.

Common control transactions fall outside the scope of IFRS 3 Business Combinations because there is no change in control over the assets by the ultimate parent. As a result, the Company adopted accounting principles similar to the pooling-of-interest method based on the predecessor values. No consideration was paid to any shareholders as effect of the amalgamation.

Assets and liabilities transferred to the surviving Company, were not stepped up to fair value and were amalgamated at their actual carrying values as at 1 October 2022.

The customer portfolio and goodwill have been recognized as assets at Group and Company level (refer to note 24).

Effective 1 October 2022, the stated capital of the Company was MUR 680,522,310.

The amalgamation generated in a negative amalgamation reserve of MUR 57.1m resulting in a net amalgamation reserve of MUR 530.3m which is shown under other reserves.

2. ACCOUNTING POLICIES Continued

2.5 Amalgamation of entity under common control Continued

Identifiable assets and liabilities on amalgamation are as follows:

ASSETS	MUR m
Non current assets	649.9
Current assets	418.9
Total assets	1,068.8

LIABILITIES	
Non current liabilities	703.0
Current liabilities	210.7
Total liabilities	913.7

2.6 Impairment of investment in subsidiaries

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators as available.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years unless a longer period can be justified. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

2.7 Changes in accounting policies and disclosures

Application of new and revised International Financial Reporting Standards (IFRSs)

In the current period, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to their operations and effective for accounting periods beginning on 1 January 2023.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 1 First-time Adoption of International Financial Reporting Standards

Annual Improvements to IFRS Standards 2018– 2020: Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture. The amendments have no impact on the Group's financial statements.

IFRS 3 Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments have no impact on the Group's financial statements.

IFRS 9 Financial Instruments

Annual Improvements to IFRS Standards 2018 – 2020: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. The amendments have no impact on the Group's financial statements.

IAS 16 Property, Plant and Equipment

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments have no impact on the Groups financial statements.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making. The amendments have no impact on the Group's financial statements.

IAS 41 Agriculture

Annual Improvements to IFRS Standards 2018 – 2020: The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendments have no impact on the Group's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2022 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Effective date January 1, 2023

IFRS 17 Insurance contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and take into account any uncertainty relating to insurance contracts. The financial statements of an entity will reflect the time value of money in estimated payments required to settle incurred claims. Insurance contracts are required to be measured based only on the obligations created by the contracts. An entity will be required to recognize profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4 – Insurance Contracts.

IAS 1 Presentation of Financial Statements

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The amendment clarifies how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The aim of the amendments is to reduce diversity in the reporting of deferred

2. ACCOUNTING POLICIES Continued

2.7 Changes in accounting policies and disclosures Continued

tax on leases and decommissioning obligations, by clarifying when the exemption from recognising deferred tax would apply to the initial recognition of such items

International Tax Reform – Pillar Two Model Rules: The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Effective date January 1, 2024

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Non-current Liabilities with Covenants: Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

IFRS 16 Leases

Lease Liability in a Sale and Leaseback: The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

IAS 7 Statement of Cash Flows & IFRS 7 Financial Instruments: Disclosures

Supplier Finance Arrangements: The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Effective date January 1, 2025

IAS 21 The Effects of Changes in Foreign Exchange Rates

Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Amendment for which effective date has been deferred indefinitely until further notice.

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The Group anticipate that these amendments will be adopted in the financial statements for the annual periods beginning on the respective dates as indicated above. The Group have not yet had an opportunity to consider the potential impact of the adoption of these amendments, except for amendments effective 1 January 2023, which the Group is still assessing the impact.

2.8 Significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred with one exception. The costs to issue debt or equity securities shall be recognised in accordance with IAS 32 and IFRS 9.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is thereafter assessed for impairment on an annual basis. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) Investments in subsidiaries

Subsidiaries are fully consolidated in the Group's financial statements from the date control is obtained by the Group until the date that control ceases.

Separate financial statements of the investor

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, net of any impairment.

Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

For basis of consolidation, refer to Note 2.3

(c) Investments in associates

An associate is an entity over which the Company has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights.

(i) Separate financial statements of the investor

In the separate financial statements of the investor, investments in associates are carried at cost (which includes transaction costs). Where the carrying amount of an investment is greater than its estimated recoverable amount,

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(c) Investments in associates Continued

it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(ii) Consolidated financial statements

The Company's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associates.

Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of associates is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of result of associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) IFRS 9 – Financial Instruments

Financial Assets

The Group and the Company classify its financial assets into one of the categories discussed below. The classification of financial asset is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

(i) Fair value through profit or loss

The Group and the Company classify the following financial assets at fair value through profit or loss (FVTPL):

- Debts investments that do not qualify for measurement at either amortised cost or FVOCI

(ii) Amortised cost

These assets arose principally from loans to and receivables from customers but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within net impairment on financial assets in the statement of profit or loss and comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward- looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group and the Company elect to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's and Company's financial assets measured at amortised cost comprise trade and other receivables, loans and advances to customers, net investment in leases and other credit and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

The Group and the Company derecognise a financial asset when the rights to receive cash flows from the asset have expired or the Group and the Company have transferred substantially all the risks and rewards relating to the assets to a third party.

Financial liabilities

The Group and the Company classify its financial liabilities into one of the two categories discussed below:

(i) Fair value through profit or loss

This category comprises only out-of-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the profit or loss.

(ii) Amortised cost

Financial liabilities at amortised cost include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purpose of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Refer to note 2(n) for Initial recognition and subsequent measurement of financial instruments.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(d) IFRS 9 – Financial Instruments Continued

Financial Guarantee Contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of the debt instrument. Financial guarantees are initially recognised at fair value on the date that the guarantee was given. Other than where the fair value option is applied subsequent to initial recognition, the Group's liabilities under such guarantees are measured under IFRS 9 (2018) at the higher of the initial measurement, less amortisation calculated to recognise in profit or loss any fee income earned over the reporting period, and the amount of the loss allowance expected from the guarantee at the reporting date. Any increase in the liability relating to guarantees is recognised in profit or loss. For financial guarantee contracts the cash shortfalls are future payments to reimburse the holder for a credit loss that it incurs less any amounts that the entity would expect to receive from the holder, the receivable or any other party.

(e) Recognition of income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise revenue when it transfers control over a product or service to a customer.

(i) Lending and agency related income

The Group and the Company earn income from the financial service they provide to their customers being insurance agency services, card related activities (note (f)(ii)) and card related factoring activities (note (f)(iii)). Income related to lending and agency activities is recognised at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for providing the services . The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Group's and the Company's revenue contracts do not typically include multiple performance obligations.

Insurance agency services

The Group and the Company acts as an agent and sells insurance policies on behalf of some insurance companies. Revenue is recognised, on a net basis, when the distinct performance obligation has been satisfied by the Group and the Company and the service has been rendered. The distinct performance obligation is satisfied over time based on monthly time increment.

(ii) Income related to card activities

The Group and the Company provide its customers with credit card processing services (i.e., authorisation and settlement of transactions) where it is entitled to a fee for each transaction. These services represent a single performance obligation comprised of a series of distinct daily services that are substantially the same and have the same pattern of transfer over the contract period. The fees vary based on the number of transactions processed and are structured as either a fixed rate per transaction processed or at a fixed percentage of the underlying cardholder transaction. The variable income is allocated to each distinct day, based on the number and value of transactions processed that day, and the allocated revenue is recognised as the entity performs. Revenue from these fees is recognised at a point in time.

(iii) Income related to factoring activities

The Group and the Company provide factoring services to its customers and receive fees at a percentage for each transaction agreed with the counterparties. Factoring fees can be with or without recourse. Factoring of assets with full recourse are ones where the risks and rewards of collecting the amount due from the receivables' (end customer) will remain with the transferor. As such the Group and the Company will bear no credit risk towards the end customer since the transferor has given full guarantee to compensate CIM for all credit losses that are likely to occur in relation to the amount disbursed. However, CIM bears credit risk towards the transferor and this is treated separately and accounted as a loan receivable from the transferor.

In a non-recourse factoring arrangement, the transferor does not provide any guarantee about the total receivables's performance. As such, the Group and the Company obtain credit insurance on the portfolio of receivables prior to factoring them. On factoring, the Group and the Company become the beneficiary of the credit insurance. The Group and the Company do not disburse any amount higher than the credit insurance received. Furthermore, the Group and the Company take credit insurance and then charge those costs to the transferor within its commission receivables. These costs form part of the commission charge to the transferor.

The performance obligation is satisfied at the acceptance of the invoice for which it provides the factoring service and the revenue is recognised at this point.

(iv) Interest and similar income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Income that the Group and the Company consider to be an integral part of these financial instruments are recognised in the EIR.

Earnings from finance leases are recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Income or discounts received from merchants on financing of credit agreements, commitment fees and signing fees are initially recognised and presented in net investment in leases and other credit agreements, other liabilities in the statement of financial position. The release to profit or loss is recognised in interest income line in the statement of profit or loss.

(v) Rental income

Rental income is derived from operating leases. Rental net of value added tax is recognised on a straight line basis over the lease term.

(vi) Penalty and late payment fees

Penalty and late payment fees on card activities are recognised over the period to which they accrue. Also included in penalty and late payment fees, contingent rent arising on leases, hire purchase and other credit agreement which are recognised as income in the period they are incurred.

(vii) Dividend Income

Dividend Income is recognised when the Group's and the Company's right to receive the payment is established.

(viii) Management and administration fees

Revenue from management and administration services are recognised over time as the services are received and consumed simultaneously, measured at the transaction price as per agreements.

(f) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's and the Company's entities are measured using Mauritian Rupee, the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupees, which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Mauritian Rupees using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(iii) Group companies

The results and financial position of the Group entities that have a functional currency different from Mauritian Rupee are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates;

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(f) Foreign currencies Continued

- all resulting exchange differences are recognised in other comprehensive income;
- goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate; and
- on disposal of foreign entities, such translation differences are recognised in the profit or loss as part of the gain or loss.

(g) Inventories

Inventories are valued at lower of cost and net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business less any estimated costs associated with the sale.

When an inventory item is initially recognised, it is measured at cost. In subsequent periods, inventory is measured at the lower of cost and net realisable value.

(h) Leases

Accounting for leases - where Group and Company is the lessor

Lease income from operating leases where the Group and the Company are a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining the lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. On the other hand, lease income from finance leases where the Group and the Company are a lessor is recognised as disclosed in Note 2.8(e)(iv). The respective leased assets are included in the balance sheet based on their nature. The leased assets are moveable assets (mainly motor vehicles).

Accounting for leases - where Group and Company is the lessee

From 1 October 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability, except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Group and the Company account for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a) There is an identified asset;

b) The Group and the Company obtain substantially all the economic benefits from use of the asset; and

c) The Group and the Company have the right to direct use of the asset.

The Group and the Company consider whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group and the Company obtain substantially all the economic benefits from use of the asset, the Group and the Company consider only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group and the Company have the right to direct use of the asset, the Group and the Company consider whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group and the Company consider whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group and the Company apply other applicable IFRSs rather than IFRS 16.

Measuring Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company/Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group and the Company revise its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at a revised discount rate that applied on lease commencement. On the other hand, the carrying value of lease liabilities is revised using same discount rate when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right- of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group and the Company to use an identified asset and require services to be provided to the Group and the Company by the lessor, the Group and the Company have elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(i) Equipment

Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts previously included in revaluation reserves are transferred to retained earnings.

Depreciation on equipment and vehicles are calculated on the straight line method to write off the costs or revalued amounts of the assets to their residual values as follows:

	%
Equipment	15 – 100
Vehicles	15 – 25

The assets' residual values, depreciation method and useful lives are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

(j) Intangible assets (excluding goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised on a straight line basis over their estimated useful economic lives of 3 to 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Expenditure that enhances or extends the benefits of intangible assets beyond their original specifications and lives is recognised as a capital improvement and added to the original cost of the intangible asset.

The amortisation rates on intangible assets vary from 12% to 50% per annum.

Customer portfolio represents the value of the customer list and is being amortised using straight line method over a period of ten years.

An intangible asset is derecognised on disposal or when no future benefits are expected from its use or disposal. The gain or loss on derecognition is the difference between any net disposal proceeds and carrying amount of the asset and is recognised in the statement of profit or loss when the asset is derecognised.

(k) Current and deferred income tax

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Deferred tax is provided in full at the rate of 17%, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if, and only if:

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Corporate Social Responsibility (CSR) Tax

Entities in the Group and the Company are required to set up a Corporate Social Responsibility (CSR) Fund of 2% of its taxable profit of the preceding year. If the amount spent on CSR activities is less than the amount provided under the Fund, the difference is payable to the tax authorities as a tax ("CSR tax"). The CSR tax is included in income tax expense and the net amount of CSR fund payable is included in other liabilities in the statement of financial position.

(iv) Value Added Tax

Revenue, expenses and assets are recognized net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the asset of as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of value added tax included.
- The net amount of value added taxes recoverable from or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(l) Impairment of non-financial assets

Impairment of non-financial assets excluding goodwill

The carrying amounts of assets such as investment in subsidiaries and associate, equipment, right-of-use- assets, and intangible assets are assessed at each reporting date to determine whether there is any indication of impairment. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, the asset is subject to impairment. The recoverable amount of the asset is estimated, being the higher of the asset's net selling price and its value in use, to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

The impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Post employment benefits

(i) State plan and defined contribution pension plans

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity. The Group and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the National Pension Scheme and the Group's and the Company's defined contribution pension plan are expensed to profit or loss in the period in which they fall due.

(ii) Defined benefit pension plans and other retirement benefits

The following pension benefits are also in place:

- The Group and the Company contribute to a pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) that their benefits would not be worse than what they would have earned under a previous defined benefit plan.
- The Group and the Company recognise a net liability for employees whose benefits under the current pension plan are not expected to fully offset the retirement gratuity obligations under the Mauritian Workers Rights Act 2019.
- The Group and the Company recognise a liability in respect of employees who are not members of any supplementary pension plan and are entitled to retirement gratuities under the Mauritian Workers Rights Act 2019.
- The Group and the Company recognise a liability in respect of pensions paid out of the Group's and Company's cashflow for some former employees.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified to profit or loss in subsequent period.

The Group and Company determine the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

For employees who are not covered or who are insufficiently covered by the current pension plan, the net present value of gratuity on retirement payable under the Mauritian Worker's Right Act 2019 is calculated by an actuary and provided for. The obligations arising under this item are funded under the Portable Retirement Gratuity Fund.

(iii) Gratuity on retirement

The net present value of gratuity on retirement payable under the Mauritian Worker's Right Act 2019 has been provided for in respect of those employees who are not covered or who are insufficiently covered by the above retirement benefit plan. The Mauritian Worker's Right Act 2019 stipulates that the gratuity paid on retirement should be based on the remuneration (which is inclusive of payment for extra work, productivity bonus, attendance bonus, commission in return for services and any other regular payment) of the employee instead of the earnings. The amount due per year of service is 15 days remuneration based on a month of 26 days (15/26).

(n) Financial instruments - Initial recognition and subsequent measurement

(i) Date of recognition

Financial assets and liabilities, with the exception of and other borrowed funds, are initially recognised on the trade date, i.e., the date that the Group and the Company become a party to the contractual provisions of the instrument. Deposits from customers and other borrowed funds are recognised when funds reach the Group's and the Company's account.

(ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. All financial instruments are measured initially at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL transaction costs are added to, or subtracted from, this amount. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group and the Company account for the Day 1 profit or loss, as described below.

(iii) Day 1 profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique with the variables including only data from observable markets, the Group and the Company immediately recognise the difference between the transaction price and fair value (a Day 1 profit or loss) in profit or loss. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(n) Financial instruments - Initial recognition and subsequent measurement Continued

(iv) Measurement categories of financial assets and liabilities

The Group and the Company classify all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost.
- Fair value through profit or loss (FVTPL).

The measurement of amortised cost is explained in note (n)(v) and fair value through profit or loss is explained in note (n)(ix). The Group's and the Company's financial liabilities are measured at amortised cost.

(v) Deposits with banks, loans and advances, and financial assets at amortised cost.

Deposits with banks and loans, advances to customers and receivables consisted of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, amounts due from these financial assets are subsequently measured at amortised cost using the EIR methodology, less allowances for expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of EIR. Therefore, the Group and the Company recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised, the adjustment is booked as a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest and similar income in profit or loss.

The Group and the Company only measure deposits with banks, loans and advances to customers, receivables and financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(vi) Effective interest rate

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability. The amortised cost of the financial asset or financial liability is adjusted if the Group and the Company revise its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as 'interest income' for financial assets and 'interest expense' for financial liabilities.

(vii) Business model assessment

An assessment of the objective of a business model in which an asset is held at a portfolio level is made because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

(viii) Solely Payments of Principal and Interest (SPPI) test

Assessment of whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and the Company consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(ix) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented at other operating income in the Statement of Profit or Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(x) Other borrowed funds

Financial instruments issued by the Group and the Company that are not held for trading or designated at FVTPL, are classified as liabilities as other borrowed funds, where the substance of the contractual arrangement results in the Group and the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, other borrowed funds are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Group and the Company also derecognise the assets if it has both transferred the asset, and the transfer qualifies for derecognition. The Group and the Company have transferred the asset if, and only if, either it has transferred its contractual rights to receive cash flows from the asset or it retains the rights to the cash flow.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(n) Financial instruments - Initial recognition and subsequent measurement Continued

It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions when the Group and the Company retain the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- the Group and the Company have no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates
- the Group and the Company cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows
- the Group and the Company have to remit any cash flows they collect on behalf of the eventual recipients without material delay. In addition, the Group and the Company are not entitled to reinvest such cash flows, except for investments in cash or cash equivalent during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

A transfer only qualifies for derecognition if:

- The Group and the Company have transferred substantially all the risks and rewards of the asset.
- The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

In relation to the above, the Group and the Company consider the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass– through arrangement, and have neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Company's continuing involvement in it. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

The Group and the Company also derecognise a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference, i.e. difference between the original loan's carrying amount and the new loan's carrying amount (present value), recognised as impairment in the profit or loss.

(ii) Derecogition of financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(o) Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Group and the Company have access to at the measurement date. The Group and the Company consider markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at the reporting date.

Level 2 financial instruments−Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group and the Company will classify the instruments as Level 3.

Level 3 financial instruments −Those that include one or more unobservable inputs that are significant to the measurement as whole.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(p) Impairment of financial assets

The Group and Company recognise loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVTPL);

- Loans and advances
- Deposits with banks
- Net investment in leases and other credit agreements
- Investment securities at amortised cost
- Other assets

No impairment loss is recognised on debt investments designated at FVOCI.

a. Overview of ECL principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Group's and Company's policy for grouping financial assets measured on a collective basis.

The Group and Company have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

b. The calculation of ECLs

For financial assets for which the Group and Company have no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a derecognition or partial derecognition of the financial asset respectively.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(p) Impairment of financial assets Continued

Expected Credit losses are computed to measure the expected cash shortfalls, discounted at the original effective interest rates (EIR). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 4.1 (d).

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments. The EAD is further explained in Note 4.1 (d).

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 4.1 (d).

Expected Credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money and considering all reasonable and supportable information including that which is forward-looking. It also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group and Company has the legal right to call it earlier.

The mechanics of the ECL method are summarised below:

Stage 1	The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group and Company calculate the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.
Stage 2	When a loan has shown a significant increase in credit risk since origination, the Group and Company record an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
Stage 3	For loans considered credit-impaired, the Group and Company recognise the lifetime expected credit losses for these loans and interest is computed on the net carrying amount of the loan. The method is similar to that for Stage 2 assets, with the PD set at 100%.
Undrawn commitments	When estimating LTECLs for undrawn commitments, the Group and Company estimate the expected portion of the commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the facility is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

c. Credit card and other revolving facilities

For credit card facilities and other revolving facilities that include both a loan and an undrawn commitment component, the Group and Company measure ECL over a period longer than the maximum contractual period if the Group's and Company's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's and Company's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group and Company can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group and Company become aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group and Company expect to take and that serve to mitigate ECL. These may include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms and set-offs against balances in case of factoring. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. A capped lifetime approach of 12 months is used on credit card and other revolving facilities.

d. Forward looking information

In its ECL models, the Group and Company rely on a broad range of forward-looking information as macroeconomic factors inputs using weighted average forward projection scenarios which are adjusted in the base model.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Detailed information about these inputs are provided in Note 4.1 (d).

e. Collateral valuation

The Group and Company seek to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, guarantees, real estate, receivables, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and when the Group and Company determine there is a requirement to do so.

To the extent possible, the Group and Company use active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by independent surveyors.

f. Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Group and Company renegotiate loans to customers in financial difficulties to maximise collection and minimise the risk have of default. Indicators of financial difficulties include default on covenants, bankruptcy, or significant concerns raised. Once the terms been renegotiated, any impairment is measured using the original interest rates as calculated before the modification of terms.

In the case where the financial asset is derecognised, the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. If modifications are substantial either quantitatively or qualitatively, the loan is derecognised as explained under write-offs.

g. Write-offs

Financial assets are written off either partially or in their entirety only when the Group and Company have no reasonable expectations of recovering the financial assets. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

2. ACCOUNTING POLICIES Continued

2.8 Significant accounting policies Continued

(q) Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of taxes, from proceeds. When the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. When such shares are subsequently reissued, any net consideration received is included in equity attributable to the Company's equity holders.

(r) Segment reporting

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

(s) Dividend distribution

Dividend distribution to the Group's and Company's shareholders is recognised as a liability in the financial statements and deducted from equity in the period in which the dividends are declared.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(t) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. The Group and the Company record a contingent liability if the contingency is likely and the amount of the liability can be reasonably estimated. Where the contingency loss cannot be estimated, the contingent liability is disclosed in the notes to the financial statements.

(u) Share-based payments

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account.

(v) Non-controlling put options

Put option liability issued to non-controlling interest, to be settled in cash by the Company, which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount. At the end of each reporting period, the put option liability with non-controlling interest is accounted for at fair value with changes to the put option liability being recognised in profit or loss (refer to Note 20).

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Company's control and are reflected in the assumptions if and when they occur.

Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below:

(a) Incremental Borrowing rate

The Group and the Company apply a number of significant judgements to estimate the Incremental Borrowing Rate for leases, such as:

a the credit risk;

b the term of the lease, and

c the economic environment (the country, the currency and the date that the lease is entered into) in which the transaction occurs.

Refer to note 23

(b) Amalgamation of entities

Effective 1 October 2022, Tsusho Capital (Mauritius) Ltd has been amalgamated with and into a single entity, CIM Financial Services Limited. The amalgamation meets the definition of a business combination under common control, hence scoped out IFRS3 Business Combinations.

In line with IAS8 Accounting Policies, Changes in Accounting Estimates and Errors, management has used its judgement in developing an accounting policy choice which reflect the substance of the transaction. Management has therefore applied the pooling of interests method to the amalgamation as it is more of a business re-organisation.

The following steps were applied:

- The assets and liabilities of the amalgamation entities are reflected at their carrying amounts with no adjustments made to reflect fair values.
- No new assets or liabilities were recognized, at the date of the amalgamation that would otherwise be done under the acquisition method in compliance with IFRS3.
- No goodwill or gain on bargain purchase were recognized as a result of the amalgamation.

Refer to note 2.5 and 20(a)(i)

(c) Calculation of ECL allowance

The Group and the Company apply a number of significant judgements in applying the accounting requirements for the calculation of ECL, such as:

- Determining criteria for significant increase of credit risk:

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group and the Company take into account qualitative and quantitative reasonable and supportable forward-looking information.

- Choosing appropriate models and assumptions used:

The Group and the Company use model and assumptions in measuring fair value of financial assets as well as in estimating ECL.

Refer to note 10,15,16,17 and 18.

Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

- Establishing groups of assets with similar credit risk characteristics:

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group and the Company monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that, should credit risk characteristics change, there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS Continued

(c) Calculation of ECL allowance Continued

significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differs.

There has been a refresh in historical data used for ECL methodology (refer to Risk and Capital management report).

(d) Fair value estimation

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

(e) Effective Interest Rate (EIR) method

The Group's and the Company's EIR methodology, recognise interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes in the base rate and other fee income/ expense that are integral parts of the instrument.

(f) Impairment of non-financial assets

Goodwill is considered for impairment at least annually. Investment in subsidiaries and associate, equipment, right-of-use- assets and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary.

Future cash flows expected to be generated by an asset or cash-generating assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. The impairment loss is first allocated to goodwill and then to the other assets of a cash-generating unit.

Information about the specific techniques and inputs is disclosed in note 20, 21 and 24.

(g) Pension Benefits

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these. Any changes in these assumptions will impact the carrying amount of pension obligations.

Refer to note 25

(h) Deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences to the extent that it is probable that future taxable profit will be available which these temporary differences can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

(i) Asset lives and residual values

Equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

(j) Classification of lease

The extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee determined the classification of the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The major considerations that the Group and the Company take into account in determining the classification of a lease as a finance lease include:

- the transfer of ownership to the lessee at the end of the lease,
- the option to purchase the asset at a price significantly lower than the fair value,
- the present value of minimum lease payment is almost the fair value of the leased asset,
- and the lease term covers the major part of the economic life of the asset.

(k) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is correlation between the assumptions and other factors. It should be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's and the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's and the Company's view of possible near-term market changes that cannot be predicted with any certainty.

(l) Uncertainty over income tax treatments

The Group and the Company are subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group and the Company recognise tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Group's and the Company's belief that their tax return positions are supportable, the Group and the Company believe it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group and the Company record their tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Group and the Company believe that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 30 September 2023, except for the tax assessment (refer to notes 35). This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

(m) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4 FINANCIAL RISK MANAGEMENT

Whilst risks are inherent in the Group's and the Company's activities, they are managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Group and the Company are accountable for the risk exposures relating to his or her responsibilities. The Group and the Company operate a three-line of defense risk management model whereby front office functions, risk management oversight and assurance roles are played by functions independent of one another.

The Group and the Company are exposed to financial risks including credit risk, market risk, funding risk, liquidity risk and these risks are managed through established risk management processes in line with Board approved internal policies. The assessment of current risks is complemented by a view on emerging risks applying on a forward-looking perspective.

The Group and the Company regularly review their risk management policies and systems to reflect changes in markets, products and emerging best practices. In addition, whilst the identified risks are closely monitored, assessed and reported to risk management forums and to the Board / Risk Management Committee on periodical basis by the Risk Management team, the emerging risks applying a forward looking perspective are also considered whilst performing stress testing on the book based on various scenarios.

A description of the significant risk factors is given below together with the risk management policies applicable.

4.1 Financial risk factors

The Group's and Company's activities expose it to a variety of financial risks, which consist of market risk, credit risk and liquidity risk. Market risk includes foreign currency risk, interest rate risk and equity price risk.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Written principles have been established throughout the Group for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, equity price risk, credit risk and liquidity risk.

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to certain major currencies. Entities in the Group use forward contracts to mitigate their exposure to foreign currency risk. Each subsidiary is responsible for managing the net position in each currency by using the relevant strategy, under advice from the Group's Treasury.

The Group holds foreign currency forwards and swaps. Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index.

The currency profile of the Group's and the Company's financial assets and financial liabilities is set out below:

	Equivalent in MUR m GROUP					Equivalent in MUR m COMPANY			
	EURO	USD	MUR / OTHERS	KES	Total	EURO	USD	MUR / OTHERS	Total
30 September 2023									
Financial assets									
Cash and bank balances	**2.8**	**96.9**	**295.8**	**2.3**	**397.8**	**2.8**	**6.9**	**295.0**	**304.7**
Deposits with banks	**–**	**265.8**	**224.9**	**–**	**490.7**	**–**	**265.8**	**224.9**	**490.7**
Net investment in leases and other credit agreements	**0.4**	**0.4**	**10,055.8**	**–**	**10,056.6**	**0.4**	**0.4**	**10,055.8**	**10,056.6**
Loans and advances	**2.4**	**595.8**	**7,856.1**	**70.5**	**8,524.8**	**2.4**	**16.2**	**7,910.1**	**7,928.7**
Investment securities	**–**	**177.7**	**120.4**	**4.4**	**302.5**	**–**	**–**	**120.4**	**120.4**
Other assets	**2.7**	**16.1**	**478.1**	**5.9**	**502.8**	**2.7**	**15.1**	**486.9**	**504.7**
	8.3	**1,152.7**	**19,031.1**	**83.1**	**20,275.2**	**8.3**	**304.4**	**19,093.1**	**19,405.8**
Financial liabilities									
Bank overdrafts	**2.7**	**–**	**117.0**	**60.6**	**180.3**	**2.7**	**–**	**117.0**	**119.7**
Other borrowed funds	**0.5**	**388.9**	**12,822.6**	**–**	**13,212.0**	**0.5**	**523.7**	**12,820.2**	**13,344.4**
Other liabilities	**3.3**	**36.6**	**1,758.8**	**6.4**	**1,805.1**	**3.3**	**9.4**	**1,962.3**	**1,975.0**
Lease liabilities	**–**	**2.8**	**206.4**	**0.9**	**210.1**	**–**	**–**	**206.2**	**206.2**
	6.5	**428.3**	**14,904.8**	**67.9**	**15,407.5**	**6.5**	**533.1**	**15,105.7**	**15,645.3**
Net exposure	**1.8**	**724.4**	**4,126.3**	**15.2**	**4,867.7**	**1.8**	**(228.7)**	**3,987.4**	**3,760.5**
30 September 2022									
Financial assets									
Cash and bank balances	2.9	137.1	541.8	–	681.8	2.9	137.1	453.3	593.3
Deposits with banks	–	130.0	352.9	–	482.9	–	130.0	352.9	482.9
Net investment in leases and other credit agreements	1.5	0.4	8,908.0	–	8,909.9	1.5	0.4	7,949.6	7,951.5
Loans and advances	–	–	7,018.0	61.8	7,079.8	–	–	8,114.4	8,114.4
Investment securities	–	–	120.4	–	120.4	–	–	120.4	120.4
Other assets	–	0.3	366.8	7.6	374.7	–	–	350.8	350.8
	4.4	267.8	17,307.9	69.4	17,649.5	4.4	267.5	17,341.4	17,613.3
Financial liabilities									
Bank overdrafts	–	–	5.3	67.4	72.7	–	–	5.3	5.3
Other borrowed funds	1.7	4.5	11,728.9	–	11,735.1	1.7	131.2	11,730.6	11,863.5
Other liabilities	–	0.2	1,396.5	6.2	1,402.9	–	–	1,339.7	1,339.7
Lease liabilities	–	–	207.7	1.7	209.4	–	–	207.7	207.7
	1.7	4.7	13,338.4	75.3	13,420.1	1.7	131.2	13,283.3	13,416.2
Net exposure	2.7	263.1	3,969.5	(5.9)	4,229.4	2.7	136.3	4,058.1	4,197.1

4 FINANCIAL RISK MANAGEMENT Continued

4.1 Financial risk factors Continued

(a) Foreign exchange risk Continued

The sensitivity of the profit before tax with regards to the Group's financial assets and liabilities and the EURO to Mauritian Rupee, USD to Mauritian Rupee and KES to Mauritian Rupee exchange rate is shown below.

If Mauritian Rupee had weakened/strengthened by 4% against EURO, USD and KES respectively, the financial impact would be as follows:

	GROUP				COMPANY		
Sep-23	**EUR MUR m**	**USD MUR m**	**KES MUR m**	**Total**	**EUR MUR m**	**USD MUR m**	**Total**
Effect on profit before tax (+/-)	**0.1**	**29.0**	**0.6**	**29.7**	**0.1**	**(9.1)**	**(9.0)**
Equity (+/-)	**0.1**	**24.1**	**0.5**	**24.7**	**0.1**	**(7.6)**	**(7.5)**

	GROUP				COMPANY		
Sep-22	**EUR MUR m**	**USD MUR m**	**KES MUR m**	**Total**	**EUR MUR m**	**USD MUR m**	**Total**
Effect on profit before tax (+/-)	**0.1**	**10.5**	**(0.2)**	**10.4**	**0.1**	**5.5**	**5.6**
Equity (+/-)	**0.1**	**8.7**	**(0.2)**	**8.6**	**0.1**	**4.6**	**4.7**

In 2023 the 4% change in rates used (2022: 4%) above is derived from the average fluctuation in the respective foreign currencies for the last 3 years (2022: 5 years).

Due to high volatility in the foreign exchange rates, in 2023 the average fluctuation rate in foreign currencies has been calculated using three years of historic data.

(b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair value of financial instruments. The Group's and Company's exposure to interest rate risk (IRR) and positive balances relate primarily to its borrowings and lendings with floating interest rates.

The Group and Company mitigate its interest rate risk by having a mixed portfolio of fixed and variable interest bearing lendings and borrowings.

For those lendings and borrowings with floating interest rates, the Group and Company ensure that the losses that may be created or reduced following interest margins change are not significant by setting limits on the level of mismatch in interest rate repricing that may be undertaken.

The sensitivity of the profit before tax to a reasonably possible change in interest rate of + or - 88 basis points (2022: +/- 12 basis points), with all other variables held constant is shown below. The sensitivity has been based on the net exposure of financial assets and liabilities at the reporting date. These changes are considered to be reasonably possible based on observations of current market conditions.

	GROUP		COMPANY	
	Sep-23 MUR m	**Sep-22 MUR m**	**Sep-23 MUR m**	**Sep-22 MUR m**
Effect on profit before tax (+/-)	**11.3**	0.5	**11.3**	0.5

(c) Equity price risk

Equity price risk is the risk that the fair value of equity securities fluctuates as a result of the changes in the prices of those securities. The Group and Company are not exposed to significant equity price risks as it does not have any significant equity financial assets.

(d) Credit risk

Credit risk is defined as the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Credit Risk at the Group and Company arise mainly from various forms of lending covering all the credit portfolios; credit facilities, money lending, credit cards, factoring, and leasing as well as deposits and balances held with banks. The effective management of credit risk is a critical component of risk management and essential to the long-term success of the organization. The Risk Management Committee has oversight of the management of the credit risk framework.

The Group and Company regularly monitor any significant concentration of credit risk, to single or group of connected customers, to industry sectors, and customer segments. The analysis of concentration by industry sector is disclosed in the Risk Management section of the annual report.

Leases and other credit agreements granted are also effectively secured as the rights to the leased assets revert to the lessor in the event of default. The majority of the assets financed under lease are motor vehicles with the remaining being various types of equipment. The period is normally up to 7 years for leases and up to 5 years for other credit agreement; and the interest are a mix of both fixed and floating rates.

The risk associated with any rights retained under operating lease arrangements in the underlying assets being leased are reduced through buy-back arrangements, residual value guarantees and variable lease payments for use in excess of specified limits .

The Group and Company also make the calculations of credit impairment, in line with the IFRS 9 Financial Instruments standard. In light of COVID-19 and the macro economic uncertainties, CIM has adopted a probabilitistic approach on forward looking scenarios incorporated in the base model so as to cater for the higher level of uncertainty in the economy, represented by three severities (baseline /most likely, upside and downside) with assigned weights suggesting the likelihood of such event occuring based on assessments of economic and market conditions.

Various stress tests are conducted on the ECL to ensure adequacy of provision so as to withstand any loss arising from significant exposure to a sector, single customer and group of closely-related customers. With the revised models, the adequacy of provision has been reassessed for the three stages considering COVID-19 impact and the macroeconomic environment.

4 FINANCIAL RISK MANAGEMENT Continued

4.1 Financial risk factors Continued

(d) Credit risk Continued

The Group and Company maintain a credit risk rating based on the days past due and qualitative factor as explained above. The obligor is categorized as follows:

Risk rating	Description
Performing	None of the facilities of the obligor have been due for more than 30 days.
Watchlist	Any one of the facilities granted to the obligor has been in arrears for more than 30 days but is not considered to be credit-impaired.
Non-performing	Any one of the facilities granted to the obligor has been in arrears for more than 90 days or the obligor is unlikely to pay its credit obligations in full, without recourse to actions such as realising security.

For financial assets within stage 2, these can only be transferred to stage 1 when they no longer considered to have experienced a significant increase in credit risk. Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the criteria is no longer met. Where instruments were transferred to stage 2 due to assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1.

For financial assets within the Non-Peforming category, it is the Group's and Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit score, reliable information on the client on the outlook for the client at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

Once an account has been classified as forborne, it will remain forborne for a minimum probation period of 6 months. In order for the accounts to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities has to be considered performing;
- The minimum probation of period of 6 months has passed; and
- Regular payments have been made in accordance with the terms and conditions agreed

If modifications are substantial either quantitatively or qualitatively, the loan is derecognised as explained under write-offs (note 2.8 (p) g).

The Group's and Company's maximum exposure to credit risk at the reporting date was as follows:

	GROUP		COMPANY	
	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m
Cash at bank and in hand	**397.8**	681.8	**304.7**	593.3
Deposits with banks	**490.7**	482.9	**490.7**	482.9
Net investment in leases and other credit agreements	**10,056.6**	8,909.9	**10,056.6**	7,951.5
Loans and advances	**8,524.8**	7,079.8	**7,928.7**	8,114.4
Other assets*	**502.8**	374.7	**504.7**	350.8
	19,972.7	17,529.1	**19,285.4**	17,492.9

(*) Other assets exclude prepayments

The Group and Company held collaterals on finance lease which include heavy equipments, vehicles and other equipments. The fair value of collaterals of impaired lease facilities is estimated at MUR 220.5m (2022: MUR 147.9m).

The Group and Company may recover amounts not settled by the debtors from the customers for factoring facilities with recourse while the non-recourse factoring facilities are insured. Other credit agreements and loans with exposure of MUR 14,414m (2022: MUR 12,766m) are mitigated by insurance covers which are directly linked to the facilities and entered at the same time of the credit origination. Other credit agreements also contain the right for the Group and Company to recover the collateral which the Group and Company estimated not to be significant at recovery. Other credit agreements also contain the exposure in respect of credit cards not backed by collaterals.

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group and Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Group and Company on acceptable terms. To limit this risk, management has arranged for diversified funding sources including corporate bonds and keeping committed credit facilities with banks. The Group and Company also maintain a certain level of cash and deposits with banks to cater for its liquidity needs.

Contractual maturities of undiscounted cash flows of financial assets and liabilities

GROUP	Up to 3 months	3 - 6 months	6 - 12 months	1 to 5 years	Over 5 years	Total
30 September 2023	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Assets						
Cash and bank balances	397.8	–	–	–	–	397.8
Deposits with banks	136.7	–	130.4	220.0	–	487.1
Net investment in leases and other credit agreements	1,777.3	1,459.4	2,574.5	6,908.0	369.4	13,088.6
Loans and advances	2,307.1	1,136.9	1,947.2	6,502.7	2.3	11,896.2
Investment securities	177.8	–	–	119.7	0.8	298.3
Other assets	502.8	–	–	–	–	502.8
Total assets	5,299.5	2,596.3	4,652.1	13,750.4	372.5	26,670.8
Liabilities						
Bank overdrafts	180.3	–	–	–	–	180.3
Other borrowed funds	5,865.5	487.8	459.9	6,118.4	280.4	13,212.0
Other liabilities	925.1	51.0	24.2	228.9	–	1,229.2
Lease liabilities	12.2	11.8	23.1	191.4	2.5	241.0
Total liabilities	6,983.1	550.6	507.2	6,538.7	282.9	14,862.5
Net liquidity gap	(1,683.6)	2,045.7	4,144.9	7,211.7	89.6	11,808.3

4 FINANCIAL RISK MANAGEMENT Continued

4.1 Financial risk factors Continued

Contractual maturities of undiscounted cash flows of financial assets and liabilities Continued

GROUP 30 September 2022	Up to 3 months MUR m	3 - 6 months MUR m	6 - 12 months MUR m	1 to 5 years MUR m	Over 5 years MUR m	Total MUR m
Assets						
Cash and bank balances	681.8	–	–	–	–	681.8
Deposits with banks	2.1	2.1	133.0	148.0	220.2	505.4
Net investment in leases and other credit agreements	1,743.4	1,345.2	2,304.5	5,484.9	512.0	11,390.0
Loans and advances	1,544.0	1,099.8	1,835.6	5,402.8	–	9,882.2
Investment securities	–	0.8	119.6	–	–	120.4
Other assets	295.8	23.6	55.3	–	–	374.7
Total assets	4,267.1	2,471.5	4,448.0	11,035.7	732.2	22,954.5
Liabilities						
Bank overdrafts	72.7	–	–	–	–	72.7
Other borrowed funds	3,531.4	479.5	3,173.4	4,269.5	281.3	11,735.1
Other liabilities	699.2	70.3	22.4	611.0	–	1,402.9
Lease liabilities	11.3	11.4	22.6	173.2	88.3	306.8
Total liabilities	4,314.6	561.2	3,218.4	5,053.7	369.6	13,517.5
Net liquidity gap*	(47.5)	1,910.3	1,229.6	5,982.0	362.6	9,437.0

*The Group manages the net negative liquidity gaps through its undrawn bank facilities.

COMPANY 30 September 2023	Up to 3 months MUR m	3 - 6 months MUR m	6 - 12 months MUR m	1 to 5 years MUR m	Over 5 years MUR m	Total MUR m
Assets						
Cash and bank balances	**304.7**	**–**	**–**	**–**	**–**	**304.7**
Deposits with banks	**136.7**	**–**	**130.4**	**220.0**	**–**	**487.1**
Net investment in leases and other credit agreements	**1,777.3**	**1,459.4**	**2,574.5**	**6,908.0**	**369.4**	**13,088.6**
Loans and advances	**1,872.2**	**969.9**	**1,858.3**	**6,739.7**	**4.8**	**11,444.9**
Investment securities	**–**	**–**	**–**	**119.7**	**0.8**	**120.5**
Other assets	**504.7**	**–**	**–**	**–**	**–**	**504.7**
Total assets	**4,595.6**	**2,429.3**	**4,563.2**	**13,987.4**	**375.0**	**25,950.5**
Liabilities						
Bank overdrafts	**119.7**	**–**	**–**	**–**	**–**	**119.7**
Other borrowed funds	**5,865.5**	**487.9**	**592.5**	**6,118.4**	**280.5**	**13,344.8**
Other liabilities	**891.4**	**50.0**	**14.2**	**228.2**	**–**	**1,183.8**
Lease liabilities	**11.7**	**11.6**	**22.6**	**157.8**	**2.5**	**206.2**
Total liabilities	**6,888.3**	**549.5**	**629.3**	**6,504.4**	**283.0**	**14,854.5**
Net liquidity gap	**(2,292.7)**	**1,879.8**	**3,933.9**	**7,483.0**	**92.0**	**11,096.0**

The Company manages the net negative liquidity gaps through its undrawn bank facilities.

COMPANY 30 September 2022	Up to 3 months MUR m	3 - 6 months MUR m	6 - 12 months MUR m	1 to 5 years MUR m	Over 5 years MUR m	Total MUR m
Assets						
Cash and bank balances	593.3	–	–	–	–	593.3
Deposits with banks	2.1	2.1	133.0	148.0	220.2	505.4
Net investment in leases and other credit agreements	1,652.0	1,276.7	2,086.0	5,036.7	155.1	10,206.5
Loans and advances	1,480.8	1,094.3	2,049.0	6,277.6	–	10,901.7
Investment securities	–	0.8	119.6	–	–	120.4
Other assets	291.6	0.9	58.3	–	–	350.8
Total assets	4,019.8	2,374.8	4,445.9	11,462.3	375.3	22,678.1
Liabilities						
Bank overdrafts	5.3	–	–	–	–	5.3
Other borrowed funds	3,529.8	479.5	3,303.4	4,269.5	281.3	11,863.5
Other liabilities	731.0	93.0	22.4	493.3	–	1,339.7
Lease liabilities	11.1	11.2	22.2	171.5	88.3	304.3
Total liabilities	4,277.2	583.7	3,348.0	4,934.3	369.6	13,512.8
Net liquidity gap*	(257.4)	1,791.1	1,097.9	6,528.0	5.7	9,165.3

*The Company manages the net negative liquidity gaps through its undrawn bank facilities.

4.2 Capital risk management

The primary objective of the Group's and the Company's capital management is to maximise shareholders' value. The Company aims at distributing an adequate dividend whilst ensuring that sufficient resources are maintained to continue as a going concern and for expansion.

The Group and the Company manage their capital structure and make adjustments in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The ratio of net debt to equity is used to monitor capital and the ratio is kept at a reasonable level. For the purpose of capital management, net debt includes other borrowed funds net of cash and bank balances. Equity consists of stated capital, retained earnings and other reserves.

The Group monitors its Capital Adequacy Ratio (CAR) on a regular basis and uses the latter as a key metric to assess its robustness to sustain economic shocks in the period under review, despite this significant increase in the impairment charges, the Capital Adequacy Ratio remained at a very reasonable level.

The Company, being licenced by the regulatory authority as a payment service provider is exposed to externally imposed capital requirement. The Company is required to maintain at all times a minimum stated unimpaired capital requirement of MUR 5million after deducting its accumulated losses. As at reporting date, the Company is in adherence to the externally imposed capital requirement.

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Debt (note 13, 23 and 27)	**13,602.4**	12,017.2	**13,670.3**	12,076.5
Less: Cash balance (note 13)	**(397.8)**	(681.8)	**(304.7)**	(593.3)
	13,204.6	11,335.4	**13,365.6**	11,483.2
Equity	**5,815.8**	4,969.2	**5,605.4**	5,138.5
Net debt/equity ratio	**2.3**	2.3	**2.4**	2.2

The net debt to equity ratio has remained unchanged for the Group and increased from 2.2 times in 2022 to 2.4 times in 2023 for the Company.

5 NET INTEREST INCOME

(a) Interest income

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Credit facilities		**1,314.1**	1,142.5	**1,270.4**	1,114.5
Corporate credit facilities		**32.9**	14.3	**35.3**	26.2
Credit cards		**67.0**	69.9	**67.0**	69.9
Factoring		**10.3**	8.4	**10.3**	8.4
Placements with financial institutions		**27.8**	13.2	**27.8**	13.2
Finance leases		**267.1**	189.1	**267.1**	153.4
Other credit agreements		**1,235.4**	1,064.9	**1,221.8**	1,064.9
		2,954.6	2,502.3	**2,899.7**	2,450.5
Analysed as follows:					
Recognised in the Cash Flow as received		**2,945.7**	2,252.3	**2,889.0**	2,185.5
Accrued		**8.9**	250.0	**10.7**	265.0
		2,954.6	2,502.3	**2,899.7**	2,450.5

(b) Interest expense

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Bank overdrafts		**8.3**	4.8	**1.1**	0.4
Bank loans		**343.6**	222.8	**342.2**	210.6
Other loans		**–**	4.0	**3.8**	4.0
Bond		**214.8**	182.1	**214.8**	182.1
Amortisation of deferred consideration		**–**	2.9	**–**	–
Leases	23(b)	**12.3**	10.9	**12.2**	10.6
		579.0	427.5	**574.1**	407.7
Analysed as follows:					
Recognised in the Cash Flow as paid		**564.8**	418.6	**557.5**	405.3
Accrued		**14.2**	8.9	**16.6**	2.4
		579.0	427.5	**574.1**	407.7
Net interest income		**2,375.6**	2,074.8	**2,325.6**	2,042.8

6 LENDING AND AGENCY RELATED INCOME

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Income for services provided over time				
Income relating to merchant and agency activities	**318.6**	264.4	**318.6**	264.4
Income for services provided at a point in time				
Income relating to factoring activities	**10.7**	10.5	**10.7**	10.5
Others	**7.3**	28.4	**7.3**	9.2
Other income provided at a point in time				
Other fees*	**94.0**	93.5	**79.9**	86.5
	430.6	396.8	**416.5**	370.6

*Other fees include late payment fees and fees related to other credit agreements.

7 OTHER INCOME

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Operating lease income	**86.9**	90.7	**86.9**	89.1
Leasing residual value	**9.1**	6.5	**9.1**	6.5
Others*	**12.5**	3.3	**6.3**	3.2
Profit on disposal of property, plant and equipment	**1.2**	0.6	**1.2**	0.9
	109.7	101.1	**103.5**	99.7

* Main components of others include management fees, secretarial fees and administration fees.

EXPLANATORY NOTES

30 SEPTEMBER 2023

8 EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Wages, salaries and related expenses	**710.1**	588.6	**680.7**	537.0
Pension and other retirement benefit costs	**38.4**	56.9	**37.2**	54.8
	748.5	645.5	**717.9**	591.8

9 OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Administration	**428.4**	349.4	**399.1**	346.2
Professional fees	**59.4**	67.3	**53.6**	32.2
Advertising and marketing	**53.9**	32.9	**49.6**	30.7
	541.7	449.6	**502.3**	409.1

10 NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

		GROUP		COMPANY	
	NOTES	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Provision for credit impairment					
- Finance leases	15	**(0.8)**	(59.9)	**(0.8)**	(56.0)
- Other credit agreements	15	**113.0**	288.4	**113.0**	288.4
Loans and advances					
- Credit facilities	16	**245.8**	359.6	**233.0**	349.5
- Corporate credit facilities	16	**(7.7)**	8.9	**203.6**	8.9
- Factoring receivables	16	**(1.4)**	(4.2)	**(1.4)**	(4.2)
- Card receivables	16	**8.2**	(10.7)	**8.2**	(10.7)
Others		**15.7**	0.4	**4.7**	51.9
Bad debts written off		**16.1**	24.9	**9.8**	17.8
Bad debts recovered					
- Finance leases		**(16.5)**	1.5	**(16.5)**	(0.5)
- Other credit agreements		**(23.8)**	(12.9)	**(23.8)**	(12.9)
- Credit facilities		**(12.1)**	(16.2)	**(12.1)**	(14.4)
- Factoring receivables		**–**	5.5	**–**	5.5
- Card receivables		**(8.3)**	(24.6)	**(8.3)**	(24.6)
		328.2	560.7	**509.4**	598.7

11 TAXATION

(a) Income tax expense

	NOTES	GROUP Sep-23 MUR m	GROUP Sep-22 MUR m	COMPANY Sep-23 MUR m	COMPANY Sep-22 MUR m
Current income tax at 15%-30% (2022:15% - 30%)		**183.4**	175.9	**178.0**	173.9
Corporate Social Responsibility tax at 2% (2022: 2%)		**23.7**	23.4	**23.7**	23.2
Over provision in previous year		**0.4**	(7.9)	**(0.8)**	(7.9)
Deferred tax credit	**26**	**(41.3)**	(57.9)	**(35.1)**	(75.6)
Income tax expense		**166.2**	133.5	**165.8**	113.6

The tax charge shown in profit or loss differs from the tax charge that would apply if all profits had been charged at the Company's statutory rate. A reconciliation between the tax expense and the accounting profit at 17% is as follows:

	GROUP Sep-23 MUR m	GROUP Sep-22 MUR m	COMPANY Sep-23 MUR m	COMPANY Sep-22 MUR m
Accounting profit before tax	**1,127.2**	734.8	**930.0**	733.6
Statutory income tax rate of 15% (2022: 15%)	**169.1**	110.2	**139.5**	110.0
Corporate social responsibility tax at 2% (2022: 2%)	**23.7**	23.4	**23.7**	23.2
Effect of temporary difference on CSR	**(4.8)**	(9.5)	**(4.8)**	(9.5)
Over provision in previous year	**0.4**	(7.9)	**(0.8)**	(7.9)
Income not subject to tax	**(39.4)**	(38.0)	**(4.0)**	(17.2)
Non–deductible expenses	**6.7**	9.4	**6.7**	9.5
Other adjustments	**10.5**	45.9	**5.5**	5.5
Income tax expense	**166.2**	133.5	**165.8**	113.6

Main items of non deductible expense include unrealised exchange losses, fair value loss on financial asset and expense attributable to exempt income.

Income not subject to tax includes mainly lease payments for right-of-use assets and foreign exchange gain on translation of other borrowed funds.

(b) Income tax liabilities

	GROUP Sep-23 MUR m	GROUP Sep-22 MUR m	COMPANY Sep-23 MUR m	COMPANY Sep-22 MUR m
At 1 October	**210.0**	264.6	**209.4**	264.6
Amalgamation adjustment	**–**	–	**0.6**	–
Acquisition of subsidiary	**0.9**	–	**–**	–
Paid during the year	**(229.2)**	(246.2)	**(228.7)**	(245.8)
Refund for the year	**0.4**	0.2	**0.4**	1.4
Charge for the year	**202.1**	199.3	**201.7**	197.1
Under provision in previous year	**0.4**	(7.9)	**(0.8)**	(7.9)
	184.6	210.0	**182.6**	209.4

12 OTHER COMPREHENSIVE (LOSS) / INCOME

GROUP	Other Reserves MUR m	Actuarial Reserves MUR m	Total MUR m
Year ended 30 September 2023			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit (note 25)	**–**	**(31.6)**	**(31.6)**
Deferred tax on remeasurement of post employment benefit (note 26)	**–**	**2.1**	**2.1**
	–	**(29.5)**	**(29.5)**
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign entities	**(27.5)**	**–**	**(27.5)**
Other comprehensive loss for the year, net of tax	**(27.5)**	**(29.5)**	**(57.0)**
Equity owners of the parent	**(23.4)**	**(29.5)**	**(52.9)**
Non controlling interest	**(4.1)**	**–**	**(4.1)**
	(27.5)	**(29.5)**	**(57.0)**

GROUP	Other Reserves MUR m	Actuarial Reserves MUR m	Total MUR m
Year ended 30 September 2022			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit (note 25)	–	(22.0)	(22.0)
Deferred tax on remeasurement of post employment benefit (note 26)	–	2.9	2.9
	–	(19.1)	(19.1)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign entities	17.0	–	17.0
	17.0	–	17.0
Other comprehensive income/(loss) for the year, net of tax	17.0	(19.1)	(2.1)

COMPANY	Actuarial Reserves MUR m
Year ended 30 September 2023	
Items that will not be reclassified to profit or loss	
Remeasurement of post employment benefit (note 25)	**(31.0)**
Deferred tax on remeasurement of post employment benefit (note 26)	**2.1**
Other comprehensive loss for the year, net of tax	**(28.9)**
Year ended 30 September 2022	
Items that will not be reclassified to profit or loss	
Remeasurement of post employment benefit (note 25)	(20.9)
Deferred tax on remeasurement of post employment benefit (note 26)	2.9
Other comprehensive loss for the year, net of tax	(18.0)

Other reserves

Other reserves includes all foreign currency differences arising from the translation of the financial statements.

Actuarial reserves

The actuarial reserve represents the cumulative remeasurement of defined benefit obligation recognised.

13 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Cash and bank balances	**397.8**	681.8	**304.7**	593.3
Bank overdrafts	**(180.3)**	(72.7)	**(119.7)**	(5.3)
Cash and cash equivalents	**217.5**	609.1	**185.0**	588.0

The bank overdrafts are secured by floating charges on the assets of the borrowing companies.
The rate of interest varies between 4.8% and 17.1% (2022: 5.15% and 12%) for the bank overdrafts.

14 DEPOSITS WITH BANKS

	GROUP & COMPANY	
	Sep-23 MUR m	Sep-22 MUR m
Deposit with banks	**491.1**	483.3
Expected credit loss	**(0.4)**	(0.4)
	490.7	482.9
The deposit with banks are analysed as follows:		
Current	**269.8**	131.0
Non current	**220.9**	351.9
	490.7	482.9

	GROUP & COMPANY	
	Gross carrying amount Stage 1 MUR m	ECL Stage 1 MUR m
At 1 October 2022	**483.3**	**0.4**
Additions	**157.0**	**–**
Recovered	**(147.0)**	**–**
Exchange difference	**(2.2)**	**–**
At 30 September 2023	**491.1**	**0.4**

	GROUP & COMPANY	
	Gross carrying amount Stage 1 MUR m	ECL Stage 1 MUR m
At 1 October 2021	426.7	0.6
Additions	188.0	(0.2)
Recovered	(131.2)	–
Movement in ECL	(0.2)	–
At 30 September 2022	483.3	0.4

The above deposits carry interest rates ranging between 2.80% and 4.25% and have maturity dates ranging from October 2023 to November 2026. All the deposits are performing and classified under stage 1.

15 NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS

GROUP AND COMPANY	Finance leases MUR m	Other credit agreements MUR m	Total MUR m
30 September 2023			
Gross investment			
Within one year	**1,203.4**	**4,520.0**	**5,723.4**
After one year and before five years	**2,701.2**	**4,110.4**	**6,811.6**
After five years	**366.7**	**–**	**366.7**
	4,271.3	**8,630.4**	**12,901.7**
Unearned future finance income	**(647.9)**	**(1,302.6)**	**(1,950.5)**
	3,623.4	**7,327.8**	**10,951.2**
Expected credit loss	**(159.4)**	**(735.2)**	**(894.6)**
	3,464.0	**6,592.6**	**10,056.6**
Present value of lease payments before impairment analysed as follows:			
Within one year	966.1	3,707.3	4,673.4
After one year and before five years	2,309.1	3,620.5	5,929.6
After five years	348.2	–	348.2
	3,623.4	7,327.8	10,951.2
Representing:			
Current receivables	966.1	3,707.3	4,673.4
Non current receivables	2,657.3	3,620.5	6,277.8
	3,623.4	7,327.8	10,951.2
Net Amount represented by:			
Current receivables	856.6	3,147.2	4,003.8
Non current receivables	2,607.4	3,445.4	6,052.8
	3,464.0	6,592.6	10,056.6

The Group and Company have no unguaranteed residual value as at 30 September 2023 (2022: Nil)

	GROUP & COMPANY	
Guaranteed residual amount receivable under Finance lease agreements	Sep-23 MUR m	Sep-22 MUR m
Year 1	**13.4**	11.2
Year 2	**4.9**	6.3
Year 3 to 5	**25.4**	12.8
Onwards	**19.1**	6.2
	62.8	36.5

GROUP	Finance leases MUR m	Other credit agreements MUR m	Total MUR m
30 September 2022			
Gross investment			
Within one year	1,209.4	4,231.8	5,441.2
After one year and before five years	1,991.2	3,445.4	5,436.6
After five years	512.2	–	512.2
	3,712.8	7,677.2	11,390.0
Unearned future finance income	(468.1)	(1,068.1)	(1,536.2)
	3,244.7	6,609.1	9,853.8
Expected credit loss	(165.4)	(778.5)	(943.9)
	3,079.3	5,830.6	8,909.9
Present value of lease payments before impairment analysed as follows:			
Within one year	1,024.8	3,549.2	4,574.0
After one year and before five years	1,568.0	3,059.9	4,627.9
After five years	651.9	–	651.9
	3,244.7	6,609.1	9,853.8
Representing:			
Current receivables	1,024.8	3,549.2	4,574.0
Non current receivables	2,219.9	3,059.9	5,279.8
	3,244.7	6,609.1	9,853.8
Net Amount represented by:			
Current receivables	1,232.4	2,867.9	4,100.3
Non current receivables	1,846.9	2,962.7	4,809.6
	3,079.3	5,830.6	8,909.9

15 NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS
Continued

COMPANY	Finance leases MUR m	Other credit agreements MUR m	Total MUR m
30 September 2022			
Gross investment			
Within one year	843.9	4,231.8	5,075.7
After one year and before five years	1,530.5	3,445.4	4,975.9
After five years	154.9	–	154.9
	2,529.3	7,677.2	10,206.5
Unearned future finance income	(287.7)	(1,068.1)	(1,355.8)
	2,241.6	6,609.1	8,850.7
Expected credit loss	(120.7)	(778.5)	(899.2)
	2,120.9	5,830.6	7,951.5
Present value of lease payments before impairment analysed as follows:			
Within one year	725.9	3,549.2	4,275.1
After one year and before five years	1,367.8	3,059.9	4,427.7
After five years	147.9	–	147.9
	2,241.6	6,609.1	8,850.7
Representing:			
Current receivables	725.9	3,549.2	4,275.1
Non current receivables	1,515.7	3,059.9	4,575.6
	2,241.6	6,609.1	8,850.7
Net Amount represented by:			
Current receivables	644.5	2,867.9	3,512.4
Non current receivables	1,476.4	2,962.7	4,439.1
	2,120.9	5,830.6	7,951.5

Net investment in leases

Credit quality

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1 (d).

	2023			
GROUP AND COMPANY	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**3,205.6**	–	**–**	3,205.6
Watchlist	**–**	163.6	**–**	163.6
Non-performing	**–**	–	**254.2**	254.2
	3,205.6	163.6	**254.2**	3,623.4

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	2,693.5	–	–	2,693.5
Watchlist	–	299.1	–	299.1
Non-performing	–	–	252.1	252.1
	2,693.5	299.1	252.1	3,244.7

COMPANY	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	1,819.4	–	–	1,819.4
Watchlist	–	232.7	–	232.7
Non-performing	–	–	189.5	189.5
	1,819.4	232.7	189.5	2,241.6

Gross carrying amount

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance leases is as follows:

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**2,693.5**	**299.1**	**252.1**	**3,244.7**
New assets originated or purchased	**1,559.1**	**–**	**–**	**1,559.1**
Transfers on new assets originated or purchased	**(74.4)**	**43.6**	**30.8**	**–**
Assets derecognised or repaid (excluding write offs)	**(961.4)**	**(83.5)**	**(130.1)**	**(1,175.0)**
Transfers to Stage 1	**147.2**	**(114.0)**	**(33.2)**	**–**
Transfers to Stage 2	**(83.1)**	**103.1**	**(20.0)**	**–**
Transfers to Stage 3	**(75.1)**	**(84.3)**	**159.4**	**–**
Amounts written off	**(0.2)**	**(0.4)**	**(4.8)**	**(5.4)**
At 30 September 2023	**3,205.6**	**163.6**	**254.2**	**3,623.4**

COMPANY	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**1,819.4**	**232.7**	**189.5**	**2,241.6**
Amalgamation adjustment	**862.0**	**65.9**	**60.6**	**988.5**
New assets originated or purchased	**1,573.7**	**–**	**–**	**1,573.7**
Transfers on new assets originated or purchased	**(76.9)**	**44.1**	**32.8**	**–**
Assets derecognised or repaid (excluding write offs)	**(961.4)**	**(83.5)**	**(130.1)**	**(1,175.0)**
Transfers to Stage 1	**147.2**	**(114.0)**	**(33.2)**	**–**
Transfers to Stage 2	**(83.1)**	**103.1**	**(20.0)**	**–**
Transfers to Stage 3	**(75.1)**	**(84.3)**	**159.4**	**–**
Amounts written off	**(0.2)**	**(0.4)**	**(4.8)**	**(5.4)**
At 30 September 2023	**3,205.6**	**163.6**	**254.2**	**3,623.4**

15 NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS Continued

Net investment in leases Continued

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	1,766.8	443.3	291.9	2,502.0
Subsidiary acquired	900.2	88.2	62.1	1,050.5
New assets originated or purchased	808.3	–	–	808.3
Transfers on new assets originated or purchased	(48.9)	45.9	3.0	–
Assets derecognised or repaid (excluding write offs)	(866.9)	(118.0)	(101.7)	(1,086.6)
Transfers to Stage 1	325.0	(293.0)	(32.0)	–
Transfers to Stage 2	(156.6)	212.3	(55.7)	–
Transfers to Stage 3	(34.1)	(79.5)	113.6	–
Amounts written off	(0.3)	(0.1)	(29.1)	(29.5)
At 30 September 2022	2,693.5	299.1	252.1	3,244.7

COMPANY	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	1,766.8	443.3	291.9	2,502.0
New assets originated or purchased	681.4	–	–	681.4
Transfers on new assets originated or purchased	(41.0)	39.5	1.5	–
Assets derecognised or repaid (excluding write offs)	(718.0)	(104.7)	(89.6)	(912.3)
Transfers to Stage 1	263.1	(249.7)	(13.4)	–
Transfers to Stage 2	(115.4)	158.3	(42.9)	–
Transfers to Stage 3	(17.2)	(53.9)	71.1	–
Amounts written off	(0.3)	(0.1)	(29.1)	(29.5)
At 30 September 2022	1,819.4	232.7	189.5	2,241.6

Expected credit loss

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**37.1**	**18.5**	**109.8**	**165.4**
New assets originated or purchased	**36.8**	**–**	**–**	**36.8**
Transfers on new assets originated or purchased	**(17.0)**	**0.5**	**16.5**	**–**
Assets derecognised or repaid (excluding write offs)	**(15.2)**	**(4.3)**	**(35.8)**	**(55.3)**
Transfers to Stage 1	**12.2**	**(2.9)**	**(9.3)**	**–**
Transfers to Stage 2	**(0.8)**	**6.1**	**(5.3)**	**–**
Transfers to Stage 3	**(0.9)**	**(1.8)**	**2.7**	**–**
Impact of year end ECL of exposures transferred between stages	**(11.8)**	**(4.9)**	**35.6**	**18.9**
Changes to estimates and assumptions used for ECL calculations	**(1.2)**	**–**	**–**	**(1.2)**
Amounts written off	**(0.2)**	**(0.1)**	**(4.9)**	**(5.2)**
At 30 September 2023	**39.0**	**11.1**	**109.3**	**159.4**

COMPANY	**2023** Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**22.4**	**16.2**	**82.1**	**120.7**
Amalgamation adjustment	**14.6**	**2.3**	**27.8**	**44.7**
New assets originated or purchased	**36.8**	**–**	**–**	**36.8**
Transfers on new assets originated or purchased	**(17.0)**	**0.5**	**16.5**	**–**
Assets derecognised or repaid (excluding write offs)	**(15.2)**	**(4.3)**	**(35.8)**	**(55.3)**
Transfers to Stage 1	**12.2**	**(2.9)**	**(9.3)**	**–**
Transfers to Stage 2	**(0.8)**	**6.1**	**(5.3)**	**–**
Transfers to Stage 3	**(0.9)**	**(1.8)**	**2.7**	**–**
Impact of year end ECL of exposures transferred between stages	**(11.8)**	**(4.9)**	**35.6**	**18.9**
Changes to estimates and assumptions used for ECL calculations	**(1.2)**	**–**	**–**	**(1.2)**
Amounts written off	**(0.2)**	**(0.1)**	**(4.9)**	**(5.2)**
At 30 September 2023	**38.9**	**11.1**	**109.4**	**159.4**

GROUP	**2022** Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	26.7	26.9	151.0	204.6
Acquisition of subsidiary	19.3	3.2	26.1	48.6
New assets originated or purchased	12.1	–	–	12.1
Transfers on new assets originated or purchased	(8.4)	3.2	5.2	–
Assets derecognised or repaid (excluding write offs)	(10.6)	(3.6)	(27.7)	(41.9)
Transfers to Stage 1	21.2	(12.5)	(8.7)	–
Transfers to Stage 2	(1.9)	20.2	(18.3)	–
Transfers to Stage 3	(0.5)	(2.2)	2.7	–
Impact of year end ECL of exposures transferred between stages	(19.4)	(14.7)	29.4	(4.7)
Changes to estimates and assumptions used for ECL calculations	(1.4)	(2.0)	(22.0)	(25.4)
Amounts written off	–	–	(27.9)	(27.9)
At 30 September 2022	37.1	18.5	109.8	165.4

COMPANY	**2022** Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	26.7	26.9	151.0	204.6
New assets originated or purchased	12.1	–	–	12.1
Transfers on new assets originated or purchased	(8.4)	3.2	5.2	–
Assets derecognised or repaid (excluding write offs)	(10.6)	(3.6)	(27.7)	(41.9)
Transfers to Stage 1	14.0	(10.9)	(3.1)	–
Transfers to Stage 2	(1.0)	15.8	(14.8)	–
Transfers to Stage 3	(0.1)	(1.3)	1.4	–
Impact of year end ECL of exposures transferred between stages	(12.5)	(12.2)	19.2	(5.5)
Changes to estimates and assumptions used for ECL calculations	2.2	(1.7)	(21.2)	(20.7)
Amounts written off	–	–	(27.9)	(27.9)
At 30 September 2022	22.4	16.2	82.1	120.7

Included in Finance leases an amount of repossessed assets of MUR 24.3m (2022: MUR 5.2m). During the year, a loss of MUR 1.3m (2022: MUR 0.7m) was received on sale of MUR 4.9m (2022: MUR 2.8m) of repossessed assets.

15 NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS Continued

Other credit agreements

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1(d).

	2023			
GROUP AND COMPANY	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**5,965.5**	**–**	**–**	**5,965.5**
Watchlist	**–**	**458.6**	**–**	**458.6**
Non-performing	**–**	**–**	**903.7**	**903.7**
	5,965.5	**458.6**	**903.7**	**7,327.8**

	2022			
GROUP AND COMPANY	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	5,116.0	–	–	5,116.0
Watchlist	–	460.9	–	460.9
Non-performing	–	–	1,032.2	1,032.2
	5,116.0	460.9	1,032.2	6,609.1

Gross carrying amount

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance leases and other credit agreements is as follows:

	2023			
GROUP AND COMPANY	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**5,116.0**	**460.9**	**1,032.2**	**6,609.1**
New assets originated or purchased	**4,786.1**	**–**	**–**	**4,786.1**
Transfers on new assets originated or purchased	**(602.9)**	**284.4**	**318.5**	**–**
Assets derecognised or repaid (excluding write offs)	**(3,179.1)**	**(253.4)**	**(470.3)**	**(3,902.8)**
Transfers to Stage 1	**204.3**	**(162.9)**	**(41.4)**	**–**
Transfers to Stage 2	**(201.9)**	**237.5**	**(35.6)**	**–**
Transfers to Stage 3	**(154.5)**	**(105.7)**	**260.2**	**–**
Amounts written off	**(2.5)**	**(2.2)**	**(159.9)**	**(164.6)**
At 30 September 2023	**5,965.5**	**458.6**	**903.7**	**7,327.8**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance leases and other credit agreements is as follows:

	2022			
GROUP AND COMPANY	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	4,501.3	570.6	1,093.4	6,165.3
New assets originated or purchased	4,209.0	–	–	4,209.0
Transfers on new assets originated or purchased	(612.0)	285.0	327.0	–
Assets derecognised or repaid (excluding write offs)	(2,786.8)	(275.8)	(511.2)	(3,573.8)
Transfers to Stage 1	214.6	(179.0)	(35.6)	–
Transfers to Stage 2	(224.5)	232.6	(8.1)	–
Transfers to Stage 3	(184.2)	(170.7)	354.9	–
Amounts written off	(1.4)	(1.8)	(188.2)	(191.4)
At 30 September 2022	5,116.0	460.9	1,032.2	6,609.1

Expected credit loss

GROUP AND COMPANY	2023 Stage 1 MUR m	2023 Stage 2 MUR m	2023 Stage 3 MUR m	2023 Total MUR m
At 1 October 2022	**77.4**	**19.9**	**681.2**	**778.5**
New assets originated or purchased	**166.2**	**–**	**–**	**166.2**
Transfers on new assets originated or purchased	**(118.9)**	**3.6**	**115.3**	**–**
Assets derecognised or repaid (excluding write offs)	**(30.2)**	**(2.7)**	**(109.5)**	**(142.4)**
Transfers to Stage 1	**15.2**	**(3.3)**	**(11.9)**	**–**
Transfers to Stage 2	**(2.0)**	**12.0**	**(10.0)**	**–**
Transfers to Stage 3	**(1.6)**	**(2.4)**	**4.0**	**–**
Impact of year end ECL of exposures transferred between stages	**(13.7)**	**(9.0)**	**66.5**	**43.8**
Changes to estimates and assumptions used for ECL calculations	**57.0**	**7.6**	**(19.2)**	**45.4**
Amounts written off	**–**	**(0.1)**	**(156.2)**	**(156.3)**
At 30 September 2023	**149.4**	**25.6**	**560.2**	**735.2**

GROUP AND COMPANY	2022 Stage 1 MUR m	2022 Stage 2 MUR m	2022 Stage 3 MUR m	2022 Total MUR m
At 1 October 2021	46.1	32.0	597.6	675.7
New assets originated or purchased	236.1	–	–	236.1
Transfers on new assets originated or purchased	(201.4)	6.2	195.2	–
Assets derecognised or repaid (excluding write offs)	(11.6)	(1.8)	(41.2)	(54.6)
Transfers to Stage 1	5.2	(2.1)	(3.1)	–
Transfers to Stage 2	(1.6)	3.0	(1.4)	–
Transfers to Stage 3	(1.5)	(2.6)	4.1	–
Impact of year end ECL of exposures transferred between stages	(3.8)	(0.4)	90.6	86.4
Changes to estimates and assumptions used for ECL calculations	9.9	(14.4)	25.0	20.5
Amounts written off	–	–	(185.6)	(185.6)
At 30 September 2022	77.4	19.9	681.2	778.5

The contractual amount outstanding were written off and are still subject to enforcement activity amounted to MUR 84.8m (2022: MUR 43.5m).

Finance income on the net investment in the lease is disclosed in Note 5(a).

The changes in the loss allowance are mainly explained by the fact that the Group and Company have adopted a prudent approach on the back of continued uncertainty and the inherent increase in credit risk.

16 LOANS AND ADVANCES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Credit facilities (a)	**8,232.3**	7,343.2	**8,143.7**	7,266.9
Corporate credit facilities (b)	**909.3**	202.5	**546.0**	1,324.9
Factoring receivables (c)	**81.0**	98.0	**81.0**	98.0
Card receivables (d)	**321.3**	307.0	**321.3**	307.0
	9,543.9	7,950.7	**9,092.0**	8,996.8
Expected credit loss	**(1,019.1)**	(870.9)	**(1,163.3)**	(882.4)
	8,524.8	7,079.8	**7,928.7**	8,114.4

Expected credit loss is analysed as follows:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Credit facilities (a)	**864.7**	781.4	**846.7**	766.8
Corporate credit facilities (b)	**120.2**	56.2	**282.4**	82.3
Factoring receivables (c)	**8.7**	10.1	**8.7**	10.1
Card receivables (d)	**25.5**	23.2	**25.5**	23.2
	1,019.1	870.9	**1,163.3**	882.4

(a) Credit facilities

(i) Credit facilities receivables breakdown before impairment:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Within one year	**3,085.7**	2,769.8	**2,997.1**	2,693.5
After one year and before five years	**5,146.6**	4,573.4	**5,146.6**	4,573.4
	8,232.3	7,343.2	**8,143.7**	7,266.9

(ii) Credit quality - Credit facilities

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1 (d).

	2023			
GROUP	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**6,504.5**	**–**	**–**	**6,504.5**
Watchlist	**–**	**607.6**	**–**	**607.6**
Non-performing	**–**	**–**	**1,120.2**	**1,120.2**
	6,504.5	**607.6**	**1,120.2**	**8,232.3**

COMPANY	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**6,456.3**	**–**	**–**	**6,456.3**
Watchlist	**–**	**601.1**	**–**	**601.1**
Non-performing	**–**	**–**	**1,086.3**	**1,086.3**
	6,456.3	**601.1**	**1,086.3**	**8,143.7**

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	5,564.6	–	–	5,564.6
Watchlist	–	523.5	–	523.5
Non-performing	–	–	1,255.1	1,255.1
	5,564.6	523.5	1,255.1	7,343.2

COMPANY	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	5,526.5	–	–	5,526.5
Watchlist	–	515.7	–	515.7
Non-performing	–	–	1,224.7	1,224.7
	5,526.5	515.7	1,224.7	7,266.9

(iii) Gross carrying amount - Credit facilities

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities is as follows:

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**5,564.6**	**523.5**	**1,255.1**	**7,343.2**
New assets originated	**4,304.2**	**–**	**–**	**4,304.2**
Transfers on new assets originated	**(643.1)**	**322.4**	**320.7**	**–**
Assets derecognised or repaid (excluding write offs)	**(2,534.4)**	**(245.2)**	**(453.4)**	**(3,233.0)**
Transfers to Stage 1	**249.5**	**(177.1)**	**(72.4)**	**–**
Transfers to Stage 2	**(251.5)**	**314.4**	**(62.9)**	**–**
Transfers to Stage 3	**(171.6)**	**(126.7)**	**298.3**	**–**
Amounts written off	**(2.8)**	**(2.7)**	**(163.0)**	**(168.5)**
Exchange difference	**(10.4)**	**(1.0)**	**(2.2)**	**(13.6)**
At 30 September 2023	**6,504.5**	**607.6**	**1,120.2**	**8,232.3**

16 LOANS AND ADVANCES Continued

(a) Credit facilities Continued

(iii) Gross carrying amount - Credit facilities Continued

	2023			
COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**5,526.5**	**515.7**	**1,224.7**	**7,266.9**
New assets originated	**4,225.6**	**–**	**–**	**4,225.6**
Transfers on new assets originated	**(624.7)**	**317.7**	**307.0**	**–**
Assets derecognised or repaid (excluding write offs)	**(2,488.4)**	**(247.0)**	**(460.2)**	**(3,195.6)**
Transfers to Stage 1	**235.5**	**(173.6)**	**(61.9)**	**–**
Transfers to Stage 2	**(250.7)**	**313.6**	**(62.9)**	**–**
Transfers to Stage 3	**(167.5)**	**(125.2)**	**292.7**	**–**
Amounts written off	**–**	**(0.1)**	**(153.1)**	**(153.2)**
At 30 September 2023	**6,456.3**	**601.1**	**1,086.3**	**8,143.7**

	2022			
GROUP	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	4,758.3	640.0	915.0	6,313.3
New assets originated	3,610.8	–	–	3,610.8
Transfers on new assets originated	(582.1)	252.4	329.7	–
Assets derecognised or repaid (excluding write offs)	(1,944.8)	(203.7)	(370.3)	(2,518.8)
Transfers to Stage 1	258.8	(206.4)	(52.4)	–
Transfers to Stage 2	(265.7)	273.6	(7.9)	–
Transfers to Stage 3	(269.2)	(230.4)	499.6	–
Amounts written off	(1.5)	(2.0)	(58.6)	(62.1)
At 30 September 2022	5,564.6	523.5	1,255.1	7,343.2

	2022			
COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	4,744.9	634.1	885.2	6,264.2
New assets originated	3,538.4	–	–	3,538.4
Transfers on new assets originated	(567.6)	247.1	320.5	–
Assets derecognised or repaid (excluding write offs)	(1,908.6)	(205.1)	(373.6)	(2,487.3)
Transfers to Stage 1	248.5	(203.7)	(44.8)	–
Transfers to Stage 2	(265.0)	273.0	(8.0)	–
Transfers to Stage 3	(264.1)	(229.7)	493.8	–
Amounts written off	–	–	(48.4)	(48.4)
At 30 September 2022	5,526.5	515.7	1,224.7	7,266.9

(iv) Expected credit loss - Credit facilities

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**89.9**	**30.5**	**661.0**	**781.4**
New assets originated	**258.6**	**–**	**–**	**258.6**
Transfers on new assets originated	**(208.2)**	**12.2**	**196.0**	**–**
Assets derecognised or repaid (excluding write offs)	**(34.4)**	**(2.0)**	**(61.2)**	**(97.6)**
Transfers to Stage 1	**27.2**	**(6.2)**	**(21.0)**	**–**
Transfers to Stage 2	**(2.6)**	**15.7**	**(13.1)**	**–**
Transfers to Stage 3	**(2.1)**	**(4.0)**	**6.1**	**–**
Impact of impairment losses and year end ECL of exposures transferred between stages	**(14.3)**	**(10.0)**	**75.8**	**51.5**
Changes to estimates and assumptions used for ECL calculations	**37.5**	**6.1**	**(7.8)**	**35.8**
Exchange difference	**(0.4)**	**(0.3)**	**(1.8)**	**(2.5)**
Amounts written off	**(0.3)**	**(1.3)**	**(160.9)**	**(162.5)**
At 30 September 2023	**150.9**	**40.7**	**673.1**	**864.7**

COMPANY	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**87.1**	**26.5**	**653.2**	**766.8**
New assets originated	**242.3**	**–**	**–**	**242.3**
Transfers on new assets originated	**(195.1)**	**9.5**	**185.6**	**–**
Assets derecognised or repaid (excluding write offs)	**(22.8)**	**(3.4)**	**(70.4)**	**(96.6)**
Transfers to Stage 1	**17.2**	**(4.4)**	**(12.8)**	**–**
Transfers to Stage 2	**(2.6)**	**15.7**	**(13.1)**	**–**
Transfers to Stage 3	**(1.8)**	**(3.4)**	**5.2**	**–**
Impact of impairment losses and year end ECL of exposures transferred between stages	**(14.3)**	**(10.0)**	**75.8**	**51.5**
Changes to estimates and assumptions used for ECL calculations	**37.5**	**6.1**	**(7.8)**	**35.8**
Amounts written off	**–**	**–**	**(153.1)**	**(153.1)**
At 30 September 2023	**147.5**	**36.6**	**662.6**	**846.7**

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	50.4	39.3	386.2	475.9
New assets originated	231.6	–	–	231.6
Transfers on new assets originated	(198.5)	9.1	189.4	–
Assets derecognised or repaid (excluding write offs)	(8.7)	(0.1)	(4.3)	(13.1)
Transfers to Stage 1	13.7	(3.7)	(10.0)	–
Transfers to Stage 2	(1.8)	3.3	(1.5)	–
Transfers to Stage 3	(2.4)	(3.9)	6.3	–
Impact of impairment losses and year end ECL of exposures transferred between stages	(3.1)	1.4	120.0	118.3
Changes to estimates and assumptions used for ECL calculations	8.9	(13.9)	27.8	22.8
Amounts written off	(0.2)	(1.0)	(52.9)	(54.1)
At 30 September 2022	89.9	30.5	661.0	781.4

16 LOANS AND ADVANCES Continued

(a) Credit facilities Continued

(iv) Expected credit loss - Credit facilities Continued

COMPANY	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	48.1	35.4	381.3	464.8
New assets originated	221.5	–	–	221.5
Transfers on new assets originated	(190.9)	7.3	183.6	–
Assets derecognised or repaid (excluding write offs)	–	(1.1)	(12.0)	(13.1)
Transfers to Stage 1	6.3	(2.3)	(4.0)	–
Transfers to Stage 2	(1.8)	3.3	(1.5)	–
Transfers to Stage 3	(1.9)	(3.6)	5.5	–
Changes to estimates and assumptions used for ECL calculations	8.9	(13.9)	27.8	22.8
Impact of impairment losses and year end ECL of exposures transferred between stages	(3.1)	1.4	120.0	118.3
Amounts written off	–	–	(47.5)	(47.5)
At 30 September 2022	87.1	26.5	653.2	766.8

The contractual amount outstanding were written off and are still subject to enforcement activity amounted to MUR 84.2m (2022: MUR 5.4m)

(b) Corporate credit facilities

(i) Corporate loans receivables breakdown before impairment:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Within one year	**787.1**	123.7	**474.4**	160.2
After one year and before five years	**117.8**	74.4	**71.6**	959.4
After five years	**4.4**	4.4	**–**	205.3
	909.3	202.5	**546.0**	1,324.9

(ii) Credit quality - Corporate credit facilities

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1 (d).

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**737.1**	**–**	**–**	**737.1**
Watchlist	**–**	**9.9**	**–**	**9.9**
Non-performing	**–**	**–**	**162.3**	**162.3**
	737.1	**9.9**	**162.3**	**909.3**

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	112.1	–	–	112.1
Watchlist	–	1.6	–	1.6
Non-performing	–	–	88.8	88.8
	112.1	1.6	88.8	202.5

COMPANY	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	**199.6**	**–**	**–**	**199.6**
Watchlist	**–**	**4.4**	**–**	**4.4**
Non-performing	**–**	**–**	**342.0**	**342.0**
	199.6	**4.4**	**342.0**	**546.0**

COMPANY	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
Performing	1,233.3	–	–	1,233.3
Watchlist	–	2.4	–	2.4
Non-performing	–	–	89.2	89.2
	1,233.3	2.4	89.2	1,324.9

(iii) Gross carrying amount - Corporate credit facilities

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Corporate Credit facilities is as follows:

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**112.1**	**1.6**	**88.8**	**202.5**
Acquisition of subsidiary	**545.0**	**16.3**	**116.0**	**677.3**
New assets originated	**434.5**	**–**	**–**	**434.5**
Transfers on new assets originated	**(7.1)**	**2.0**	**5.1**	**–**
Assets derecognised or repaid (excluding write offs)	**(341.8)**	**(11.1)**	**(48.6)**	**(401.5)**
Transfers to Stage 1	**0.2**	**(0.2)**	**–**	**–**
Transfers to Stage 2	**(2.9)**	**2.9**	**–**	**–**
Transfers to Stage 3	**(2.9)**	**(1.6)**	**4.5**	**–**
Amounts written off	**–**	**–**	**(3.5)**	**(3.5)**
At 30 September 2023	**737.1**	**9.9**	**162.3**	**909.3**

16 LOANS AND ADVANCES Continued

(b) Corporate credit facilities Continued

(iii) Gross carrying amount - Corporate credit facilities Continued

	2022			
GROUP	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	74.0	0.3	87.9	162.2
Acquisition of subsidiary	28.5	–	–	28.5
New assets originated	64.2	–	–	64.2
Transfers on new assets originated	(7.6)	1.5	6.1	–
Assets derecognised or repaid (excluding write offs)	(47.3)	(0.5)	(4.6)	(52.4)
Transfers to Stage 1	0.3	(0.3)	–	–
Transfers to Stage 2	–	0.6	(0.6)	–
At 30 September 2022	112.1	1.6	88.8	202.5

	2023			
COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**1,233.3**	**2.4**	**89.2**	**1,324.9**
Amalgamation adjustment	**(886.2)**	**–**	**–**	**(886.2)**
New assets originated	**237.7**	**–**	**–**	**237.7**
Transfers on new assets originated	**(72.0)**	**2.0**	**70.0**	**–**
Assets derecognised or repaid (excluding write offs)	**(71.9)**	**(1.1)**	**(53.9)**	**(126.9)**
Transfers to Stage 1	**0.2**	**(0.2)**	**–**	**–**
Transfers to Stage 2	**(2.9)**	**2.9**	**–**	**–**
Transfers to Stage 3	**(238.6)**	**(1.6)**	**240.2**	**–**
Amounts written off	**–**	**–**	**(3.5)**	**(3.5)**
At 30 September 2023	**199.6**	**4.4**	**342.0**	**546.0**

	2022			
COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	302.0	0.3	88.0	390.3
New assets originated	987.0	–	–	987.0
Transfers on new assets originated	(8.7)	2.3	6.4	–
Assets derecognised or repaid (excluding write offs)	(47.3)	(0.5)	(4.6)	(52.4)
Transfers to Stage 1	0.3	(0.3)	–	–
Transfers to Stage 2	–	0.6	(0.6)	–
At 30 September 2022	1,233.3	2.4	89.2	1,324.9

(iv) Expected credit loss - Corporate credit facilities

GROUP	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**8.6**	**0.6**	**47.0**	**56.2**
Acquisition of subsidiary	**–**	**0.5**	**73.9**	**74.4**
New assets originated	**(2.7)**	**–**	**–**	**(2.7)**
Transfers on new assets originated	**11.3**	**(0.4)**	**(10.9)**	**–**
Assets derecognised or repaid (excluding write offs)	**(4.1)**	**(0.5)**	**(9.8)**	**(14.4)**
Impact of impairment losses and year end ECL of exposures transferred between stages	**–**	**–**	**0.5**	**0.5**
Amounts written off	**–**	**–**	**(2.7)**	**(2.7)**
Changes to estimates and assumptions used for ECL calculations	**(0.9)**	**–**	**9.8**	**8.9**
At 30 September 2023	**12.2**	**0.2**	**107.8**	**120.2**

GROUP	2022 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2021	3.0	0.1	44.2	47.3
New assets originated	5.2	–	–	5.2
Transfers on new assets originated	(0.1)	0.1	–	–
Assets derecognised or repaid (excluding write offs)	(1.0)	–	(2.8)	(3.8)
Transfers to Stage 2	–	0.6	(0.6)	–
Impact of impairment losses and year end ECL of exposures transferred between stages	–	(0.6)	–	(0.6)
ECL calculations	1.5	0.4	6.2	8.1
At 30 September 2022	8.6	0.6	47.0	56.2

COMPANY	2023 Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	Total MUR m
At 1 October 2022	**34.9**	**0.6**	**46.8**	**82.3**
New assets originated	**217.5**	**–**	**–**	**217.5**
Transfers on new assets originated	**(208.9)**	**(0.6)**	**209.5**	**–**
Assets derecognised or repaid (excluding write offs)	**(4.1)**	**–**	**(9.8)**	**(13.9)**
Transfers to Stage 3	**(26.2)**	**–**	**26.2**	**–**
Impact of impairment losses and year end ECL of exposures transferred between stages	**–**	**–**	**1.3**	**1.3**
Amounts written off	**–**	**–**	**(3.5)**	**(3.5)**
Changes to estimates and assumptions used for ECL calculations	**(1.3)**	**–**	**–**	**(1.3)**
At 30 September 2023	**11.9**	**–**	**270.5**	**282.4**

16 LOANS AND ADVANCES Continued

(b) Corporate credit facilities Continued

(iv) Expected credit loss - Corporate credit facilities Continued

COMPANY	2022 Stage 1 MUR m	 Stage 2 MUR m	 Stage 3 MUR m	 Total MUR m
At 1 October 2021	29.3	0.1	44.0	73.4
New assets originated	5.2	–	–	5.2
Transfers on new assets originated	(0.1)	0.1	–	–
Assets derecognised or repaid (excluding write offs)	(1.0)	–	(2.8)	(3.8)
Transfers to Stage 2	–	0.6	(0.6)	–
Impact of impairment losses and year end ECL of exposures transferred between stages	–	(0.6)	–	(0.6)
Changes to estimates and assumptions used for ECL calculations	1.5	0.4	6.2	8.1
At 30 September 2022	34.9	0.6	46.8	82.3

(c) Factoring receivables

(i) Factoring receivables breakdown before impairment:

	GROUP Sep-23 MUR m	 Sep-22 MUR m	COMPANY Sep-23 MUR m	 Sep-22 MUR m
Receivable from customers	**175.0**	194.8	**175.0**	194.8
Fund of guarantee	**(94.0)**	(96.8)	**(94.0)**	(96.8)
	81.0	98.0	**81.0**	98.0

Fund of guarantee represents the portion of the receivables from customers for which the Company has not financed.

(ii) Credit quality - Factoring receivables

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1 (d).

GROUP AND COMPANY	2023 Stage 1 MUR m	 Stage 2 MUR m	 Stage 3 MUR m	 Total MUR m
Performing	**73.8**	**–**	**–**	**73.8**
Non-performing	**–**	**–**	**7.2**	**7.2**
	73.8	**–**	**7.2**	**81.0**

GROUP AND COMPANY	2022 Stage 1 MUR m	 Stage 2 MUR m	 Stage 3 MUR m	 Total MUR m
Performing	90.1	–	–	90.1
Non-performing	–	–	7.9	7.9
	90.1	–	7.9	98.0

(iii) Gross carrying amount - Factoring debtors

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities is as follows:

	2023			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**90.1**	**–**	**7.9**	**98.0**
New assets originated or purchased	**40.8**	**–**	**–**	**40.8**
Assets derecognised or repaid (excluding write offs)	**(57.1)**	**–**	**(0.7)**	**(57.8)**
At 30 September 2023	**73.8**	**–**	**7.2**	**81.0**

	2022			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	123.7	2.0	13.3	139.0
New assets originated or purchased	30.2	–	–	30.2
Transfers on new assets originated or purchased	(0.8)	–	0.8	–
Assets derecognised or repaid (excluding write offs)	(62.8)	(1.8)	(5.3)	(69.9)
Transfers to Stage 3	(0.2)	(0.2)	0.4	–
Amounts written off	–	–	(1.3)	(1.3)
At 30 September 2022	90.1	–	7.9	98.0

(iv) Expected credit loss - Factoring receivables

	2023			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**2.1**	**–**	**8.0**	**10.1**
New assets originated	**(0.1)**	**–**	**–**	**(0.1)**
Assets derecognised or repaid (excluding write offs)	**(0.6)**	**–**	**(0.7)**	**(1.3)**
At 30 September 2023	**1.4**	**–**	**7.3**	**8.7**

	2022			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	2.3	–	13.3	15.6
New assets originated	1.1	–	–	1.1
Transfers on new assets originated or purchased	(0.9)	–	0.9	–
Assets derecognised or repaid (excluding write offs)	(1.0)	–	(5.1)	(6.1)
Transfers to Stage 3	(0.1)	–	0.1	–
Changes to estimates and assumptions	0.7	–	0.1	0.8
Amounts written off	–	–	(1.3)	(1.3)
At 30 September 2022	2.1	–	8.0	10.1

16 LOANS AND ADVANCES Continued

(d) Card receivables

Card receivables are receivable within 3 months.

(i) Credit quality – Card receivables before impairment

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year end stage classification. The amounts presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 4.1 (d).

	2023			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
Performing	**288.7**	**–**	**–**	**288.7**
Watchlist	**–**	**8.7**	**–**	**8.7**
Non-performing	**–**	**–**	**23.9**	**23.9**
	288.7	**8.7**	**23.9**	**321.3**

	2022			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
Performing	268.0	–	–	268.0
Watchlist	–	16.8	–	16.8
Non-performing	–	–	22.2	22.2
	268.0	16.8	22.2	307.0

(ii) Gross carrying amount - Card receivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to credit facilities is as follows:

	2023			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**268.0**	**16.8**	**22.2**	**307.0**
New assets originated or purchased	**101.4**	**–**	**–**	**101.4**
Transfers on new assets originated or purchased	**(8.8)**	**2.4**	**6.4**	**–**
Assets derecognised or repaid (excluding write offs)	**(70.0)**	**(0.8)**	**(9.4)**	**(80.2)**
Transfers to Stage 1	**10.9**	**(9.7)**	**(1.2)**	**–**
Transfers to Stage 2	**(5.2)**	**5.8**	**(0.6)**	**–**
Transfers to Stage 3	**(6.8)**	**(5.6)**	**12.4**	**–**
Amounts written off	**(0.8)**	**(0.2)**	**(5.9)**	**(6.9)**
At 30 September 2023	**288.7**	**8.7**	**23.9**	**321.3**

	2022			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	205.6	44.7	53.6	303.9
New assets originated or purchased	94.7	–	–	94.7
Transfers on new assets originated or purchased	(9.4)	4.4	5.0	–
Assets derecognised or repaid (excluding write offs)	(70.0)	(2.1)	(2.6)	(74.7)
Transfers to Stage 1	56.5	(36.9)	(19.6)	–
Transfers to Stage 2	(5.6)	10.4	(4.8)	–
Transfers to Stage 3	(3.5)	(3.0)	6.5	–
Amounts written off	(0.3)	(0.7)	(15.9)	(16.9)
At 30 September 2022	268.0	16.8	22.2	307.0

(iii) Expected credit loss - Card receivables

	2023			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2022	**5.7**	**0.7**	**16.8**	**23.2**
New assets originated or purchased	**(1.5)**	**–**	**–**	**(1.5)**
Transfers on new assets originated or purchased	**2.7**	**1.5**	**(4.2)**	**–**
Assets derecognised or repaid (excluding write offs)	**(0.1)**	**–**	**1.9**	**1.8**
Transfers to Stage 1	**0.4**	**–**	**(0.4)**	**–**
Impact of impairment losses and year end ECL of exposures transferred between stages	**(0.4)**	**0.6**	**7.4**	**7.6**
Changes to estimates and assumptions	**–**	**0.3**	**–**	**0.3**
Amounts written off	**–**	**–**	**(5.9)**	**(5.9)**
At 30 September 2023	**6.8**	**3.1**	**15.6**	**25.5**

	2022			
GROUP AND COMPANY	**Stage 1 MUR m**	**Stage 2 MUR m**	**Stage 3 MUR m**	**Total MUR m**
At 1 October 2021	5.1	2.7	33.5	41.3
New assets originated or purchased	0.5	–	–	0.5
Assets derecognised or repaid (excluding write offs)	(0.2)	–	(1.8)	(2.0)
Transfers to Stage 1	5.7	(0.1)	(5.6)	–
Transfers to Stage 2	–	1.1	(1.1)	–
Impact of impairment losses and year end ECL of exposures transferred between stages	(5.4)	(1.1)	2.2	(4.3)
Changes to estimates and assumptions	–	(1.9)	(3.0)	(4.9)
Amounts written off	–	–	(7.4)	(7.4)
At 30 September 2022	5.7	0.7	16.8	23.2

The contractual amount outstanding were written off and are still subject to enforcement activity amounted to MUR 6.6m (2022: MUR 3.1m)

17 INVESTMENT SECURITIES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Financial assets at FVTPL (a)	**182.9**	0.8	**0.8**	0.8
Financial assets at amortised cost (b)	**119.6**	119.6	**119.6**	119.6
	302.5	120.4	**120.4**	120.4

(a) Financial asset at FVTPL

	GROUP		COMPANY	
	MUR m Level 3	MUR m Total	MUR m Level 3	MUR m Total
Non current				
At 1 October 2021 and September 2022	**0.8**	**0.8**	**0.8**	**0.8**
Acquisition of subsidiary	**174.9**	**174.9**	**–**	**–**
Additions	**4.3**	**4.3**	**–**	**–**
Fair value adjustment	**2.9**	**2.9**	**–**	**–**
At 30 September 2023	**182.9**	**182.9**	**0.8**	**0.8**

The Company has an investment in a company based in India. Each year a fair value assessment of the investment is done using the net assets approach which as per management reflects as fair value. There has been no fair value movement in FY23 and FY22. The Financial assets at FVTPL are classified as Level 3.

The Net Assets Approach uses the following technique. The value of the investee is determined on the basis of the value of the assets and liabilities as disclosed in its financial statements as at the reporting date. The carrying amount is adjusted for the increase or decrease in the net asset value of the investee.

(b) Financial asset at amortised cost

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
At 1 October	**119.6**	127.7	**119.6**	119.6
Additions	**174.4**	–	**174.4**	–
Disposal	**(174.4)**	–	**(174.4)**	–
Interest accrued	**0.6**	–	**0.6**	–
Interest received	**(0.6)**	–	**(0.6)**	–
Disposal of subsidiary	**–**	(8.1)	**–**	–
Fair value gain	**–**	–	**–**	–
At 30 September	**119.6**	119.6	**119.6**	119.6

The financial assets' additions for FY23 comprise of Bank of Mauritius Bills amounting to MUR 174.4m with a yield of 1.45% per annum.

The financial asset at amortised costs is a government bill and is risk free. As the bills carry stable ratings, management has determined that there is no significant increase in credit risk.

18 OTHER ASSETS

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Trade receivables	**–**	0.9	**–**	–
Prepayments	**115.5**	56.8	**109.7**	57.7
Other receivables	**509.9**	374.4	**494.0**	345.0
	625.4	432.1	**603.7**	402.7
Receivables from subsidiaries (a)	**–**	–	**28.1**	20.4
Loan at call to subsidiaries (b)	**–**	–	**40.6**	38.5
Expected credit loss	**(7.1)**	(0.6)	**(58.0)**	(53.1)
	(7.1)	(0.6)	**10.7**	5.8
	618.3	431.5	**614.4**	408.5

The carrying amount of other assets approximate their fair values due to their short term nature.
Included in other receivables are card debtors, lease receivables and agency related income.
Included in receivables from subsidiaries are current accounts for expenses paid on behalf of a subsidiary.

(a) Receivables from subsidiaries

Receivables from subsidiaries and related companies are unsecured and carry an interest rate of 4.8% (2022: 4.8%). An analysis of the changes in the gross carrying amounts and the corresponding ECL allowance is as follows :

	Gross carrying amount MUR m	ECL Stage 3 MUR m
At 1 October 2021	8.5	0.5
Additions	11.9	14.1
At 30 September 2022	**20.4**	**14.6**
Additions	**7.7**	**2.8**
At 30 September 2023	**28.1**	**17.4**

(b) Loan at call to subsidiaries

	Gross carrying amount MUR m	ECL Stage 3 MUR m
At 1 October 2021	32.9	0.7
Additions	5.6	37.8
At 30 September 2022	**38.5**	**38.5**
Additions	**2.1**	**2.1**
At 30 September 2023	**40.6**	**40.6**

As at 30 September 2023, the Company is applying the IFRS 9 general approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables from subsidiaries and thus the Company recognises a loss allowance based on a lifetime ECL at the end of the reporting period. The amount of impairment charged to profit or loss for 2023 is MUR 4.7m. (2022:MUR 51.9m).

19 INVENTORIES

	GROUP & COMPANY	
	Sep-23 MUR m	Sep-22 MUR m
Cost		
Consumables	**3.4**	3.0

20 INVESTMENT IN SUBSIDIARIES

		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m
(a)	At 1 October	**236.2**	154.8
	Addition (i)	**859.4**	147.1
	Release of deferred consideration	**1.4**	–
	Amalgamation adjustment (ii)	**(148.6)**	–
	Impairment (iii)	**–**	(45.7)
	Disposal (iii)	**–**	(20.0)
	At 30 September	**948.4**	236.2

(i) Acquisition of subsidiary

The addition above refers to the acquisition of Loinette Capital Limited (refer to Note 36).

Included in addition are the put options in favour of Loinette Capital Limited. The non-controlling shareholders of the company have an option to offload their shareholding to the Company in accordance with the terms mentioned in the SPA at fair value of shares on the date of Put for cash. Put option liability with non-controlling interest is accounted for at fair value. Subsequent changes to the put option liability are recognised in profit or loss (Refer Note 2.8(v)).

(ii) Elimination of investment on amalgamation

On 01 October 2022, Tsusho Capital (Mauritius) Limited amalgamated with and into Cim Financial Services Ltd (refer to Accounting policies 2.5), the investments of the respective companies by the Holding company were eliminated against cost of investment.

(iii) Impairment of investments

In preparing the financial statements, the directors make an assessment regarding the recoverability of its investment in subsidiaries to determine if any impairment is required. In cases where the carrying amounts are greater than the recoverable amounts, the carrying amounts are reduced to their recoverable amounts.

As at 30 September 2023, the Company assessed for impairment of its investments in subsidiaries, in accordance with IAS 36 - Impairment of Assets where a value in use approach has been used, with a pre-tax rate of 5.3% (2022: 5.3%) No impairment was recognised for the year ended 30 September 2023 (2022: MUR 45.7m).

(iv) Disposal

In July 2022, the Group disposed of one of its wholly owned subsidiary, Cim Forex Ltd to Swan General Ltd for MUR 77.4m, resulting in a gain of MUR 57.4m.

(b) Details pertaining to the subsidiaries

Name of subsidiaries	Principal activity	Stated Capital (MUR 000s)	Proportion of direct ownership (%) Sep-23	Proportion of direct ownership (%) Sep-22	Proportion of indirect ownership (%) Sep-23	Proportion of indirect ownership (%) Sep-22	Year end	Non Controlling Interest (%)
Investments								
Cim International Holdings Ltd	Investment holding	195,943	**100.0**	100.0	**–**	–	30 September	–
Cim Kenya Ltd	Holding company	–	**100.0**	100.0	**–**	–	30 September	–
Cim Credit Kenya Ltd	Provision of retail credit	3	**–**	–	**100.0**	100.0	30 September	–
Cim Insurance Agency Ltd	Insurance agent	37	**–**	–	**100.0**	100.0	30 September	–
Cim Administrators Ltd	Secretarial services	25	**100.0**	100.0	**–**	–	30 September	–
Cim Learning Centre Ltd	Investment holding	1,000	**100.0**	100.0	**–**	–	30 September	–
Key Financial Services Ltd	Investment holding	300	**–**	–	**100.0**	100.0	30 September	–
The Oceanic Trust Co. Ltd	Corporate trustee	426	**–**	–	**100.0**	100.0	30 September	–
Cim Investments Ltd	Dormant	–	**100.0**	100.0	**–**	–	30 September	–
Cim CSR Fund Ltd	Charitable institution	–	**100.0**	100.0	**–**	–	30 September	–
Loinette Capital Limited*	Asset based finance provider SME	422,511	**75.0**	–	**–**	–	31 December	25.0
Tsusho Capital (Mauritius) Ltd**	Leasing	–	**–**	100.0	**–**	–	31 March	–

All the companies have only ordinary shares, except for Cim CSR Fund Ltd which has management shares.

The Company has provided letters of support in favour of subsidiaries having financial difficulties.

The above subsidiaries are incorporated in Mauritius except for Cim Credit Kenya Ltd and Cim Insurance Agency Ltd which are incorporated in Kenya.

Excluding companies under liquidation and dormant companies.

* Loinette Capital Limited is a SME focused lender across sub-Saharan Africa. Refer to note 36.

** Tsusho Capital (Mauritius) Ltd has been amalgamated to the holding company on 1 October 2022.

21 INVESTMENT IN ASSOCIATES

(a) Movement in investment in associates

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
At 1 October	**12.5**	–	**15.0**	–
Addition (i)	**4.7**	15.0	**4.7**	15.0
Share of loss	**(3.2)**	(2.5)	**–**	–
At 30 September	**14.0**	12.5	**19.7**	15.0

(i) The addition for 2022 relates to the acquisition of Fundkiss Technologies Ltd.

In May 2023, CIM Financial Services Ltd acquired additional 4.57% stake in Fundkiss Technologies Ltd increasing the shareholding to 29.57% in the digital lending platform.

(ii) Impairment of investments

The Group tested for impairment for its investments in associates. Impairment tests were done in accordance with IAS 36 - Impairment of Assets where a value in use approach has been used, with a pre-tax rate of 5.01% (2022: 4.52%). As a result of the assessments the directors have recognised no impairment for the year ended 30 September 2023.

(b) Details of the associates

Details of the associates at the reporting date are as follows:

				Proportion of direct ownership (%)		Proportion of indirect ownership (%)		
Name of associates	Principal activity	Principal place of business	Country of incorporation	Sep-23	Sep-22	Sep-23	Sep-22	Year end
Li & Fung (Mauritius) Ltd	Buying agent	Mauritius	Mauritius	**40.0**	40.0	**–**	–	31 December
Dodwell (Mauritius) Ltd	Buying agent	Mauritius	Hong Kong	**40.0**	40.0	**–**	–	31 December
Fundkiss Technologies Ltd (ii)	Digital lending platform	Mauritius	Mauritius	**29.6**	25.0	**–**	–	30 June

(i) All of the above associates are accounted for using the equity method in the consolidated financial statements.

(ii) Acquistion of additional stake of 4.57% in Fundkiss Technologies Ltd during the year. The associate's activities are strategic to CFSL activities as it is concentrated in the money lending sector.

(iii) For the purposes of applying the equity method of accounting, the financial statements of Fundkiss Technologies Ltd for the year ended 30 September 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 June 2023.

(iv) For the purposes of applying the equity method of accounting, the financial statements of Li & Fung (Mauritius) Ltd and Dodwell (Mauritius) Ltd for the year ended 30 September 2023 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2022.

(c) Summarised financial information in respect of the Group's material associate

2023	Fundkiss Technologies Ltd MUR m
Current assets	**20.6**
Non current assets	**2.8**
Current liabilities	**(2.8)**
Non Current liabilities	**(19.1)**
Net assets	**1.5**
Ownership interest	**29.57%**
Share of net assets	**0.4**
Goodwill on acquisition	**13.6**
Carrying value of associates	**14.0**
Revenue	**9.6**
Loss for the year	**(11.9)**
Other comprehensive income for the year	**–**
Total comprehensive income for the year	**(11.9)**
Group's share of loss for the year	**(3.2)**
Group's share of total comprehensive income for the year	**–**
Dividend paid during the year	**–**

2022	Fundkiss Technologies Ltd MUR m
Current assets	14.7
Non current assets	4.5
Current liabilities	(1.3)
Non current liabilities	(12.7)
Net assets	5.2
Ownership interest	25%
Share of net assets	1.3
Goodwill on net assets	11.2
Carrying value of associates	12.5
Revenue	5.2
Loss for the year	(9.8)
Other comprehensive income for the year	–
Total comprehensive income for the year	(9.8)
Group's share of loss for the year	(2.5)
Group's share of total comprehensive income for the year	–
Dividend paid during the year	–

22 Equipment

GROUP	Equipment	Vehicles owned	Vehicles leased	Total
COST	**MUR m**	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	394.6	28.6	607.3	1,030.5
Additions	53.5	8.1	72.7	134.3
Acquisition of subsidiary	5.2	1.0	16.3	22.5
Scrapped assets	(15.4)	–	–	(15.4)
Disposals	(57.9)	(6.6)	(117.3)	(181.8)
Forex adjustment	(0.1)	–	–	(0.1)
Disposal of subsidiary	(0.4)	(3.0)	–	(3.4)
At 30 September 2022	379.5	28.1	579.0	986.6
Additions	**37.6**	**13.6**	**162.5**	**213.7**
Acquisition of subsidiary	**0.5**	**–**	**–**	**0.5**
Disposals	**(1.3)**	**(7.8)**	**(110.1)**	**(119.2)**
Forex adjustment	**(0.4)**	**–**	**–**	**(0.4)**
At 30 September 2023	**415.9**	**33.9**	**631.4**	**1,081.2**

Depreciation and impairment	Equipment MUR m	Vehicles owned MUR m	Vehicles leased MUR m	Total MUR m
At 1 October 2021	274.3	15.2	298.1	587.6
Charge for the year	52.9	4.3	65.3	122.5
Acquisition of subsidiary	4.0	0.8	10.6	15.4
Scrapped assets	(15.5)	–	–	(15.5)
Disposal adjustment	(47.3)	(4.3)	(87.6)	(139.2)
Disposal of subsidiaries	(0.2)	(1.6)	–	(1.8)
At 30 September 2022	268.2	14.4	286.4	569.0
Charge for the year	**51.3**	**4.7**	**61.1**	**117.1**
Acquisition of subsidiary	**0.3**	**–**	**–**	**0.3**
Disposal adjustment	**(0.9)**	**(6.5)**	**(79.2)**	**(86.6)**
At 30 September 2023	**318.9**	**12.6**	**268.3**	**599.8**
Carrying value				
At 30 September 2023	**97.0**	**21.3**	**363.1**	**481.4**
At 30 September 2022	111.3	13.7	292.6	417.6

COMPANY	**Equipment**	**Vehicles owned**	**Vehicles leased**	**Total**
COST	**MUR m**	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	367.1	26.6	609.7	1,003.4
Additions	52.5	8.1	72.7	133.3
Scrapped assets	(15.5)	–	–	(15.5)
Disposals	(33.4)	(6.6)	(117.3)	(157.3)
At 30 September 2022	370.7	28.1	565.1	963.9
Amalgamation adjustment	**5.2**	**1.0**	**16.3**	**22.5**
Additions	**37.6**	**13.6**	**162.5**	**213.7**
Disposals	**(1.3)**	**(8.8)**	**(110.1)**	**(120.2)**
At 30 September 2023	**412.2**	**33.9**	**633.8**	**1,079.9**

	Equipment	**Vehicles owned**	**Vehicles leased**	**Total**
Depreciation and impairment	**MUR m**	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	250.6	14.3	299.7	564.6
Charge for the year	52.2	4.3	63.7	120.2
Scrapped assets	(15.5)	–	–	(15.5)
Disposal adjustment	(23.2)	(4.3)	(87.6)	(115.1)
At 30 September 2022	264.1	14.3	275.8	554.2
Amalgamation adjustment	**4.2**	**0.8**	**10.6**	**15.6**
Charge for the year	**50.9**	**4.7**	**61.1**	**116.7**
Disposal adjustment	**(0.9)**	**(7.2)**	**(79.2)**	**(87.3)**
At 30 September 2023	**318.3**	**12.6**	**268.3**	**599.2**
Carrying value				
At 30 September 2023	**93.9**	**21.3**	**365.5**	**480.7**
At 30 September 2022	106.6	13.8	289.3	409.7

Bank borrowings are secured by floating charges on all the assets of the Group (note 27)

23 RIGHT-OF-USE ASSETS

	Group	Company
	Buildings	
	MUR m	MUR m
At 1 October 2021	192.4	190.4
Additions	18.1	18.1
Depreciation	(36.9)	(36.1)
Other adjustments	3.3	3.3
At 30 September 2022	176.9	175.7
Variable payment adjustment	**24.9**	**24.9**
Remeasurement of lease liability	**0.4**	**0.4**
Acquisition of subsidiary	**3.2**	**–**
Derecognition	**(0.7)**	**(0.7)**
Additions	**7.0**	**7.0**
Depreciation	**(41.1)**	**(40.4)**
At 30 September 2023	**170.6**	**166.9**

(b) LEASE LIABILITIES

	Group	Company
	Buildings	
	MUR m	MUR m
At 1 October 2021	219.8	217.8
Additions	18.1	18.1
Interest expense (note 5(b))	10.9	10.6
Lease payments	(42.5)	(42.0)
Foreign exchange difference	(0.1)	–
Other adjustments	3.2	3.2
At 30 September 2022	209.4	207.7
Variable payment adjustment	**24.9**	**24.9**
Remeasurement of lease liability	**0.4**	**0.4**
Derecognition	**(0.7)**	**(0.7)**
Additions	**7.0**	**7.0**
Acquisition of subsidiary	**3.2**	**–**
Interest expense (note 5(b))	**12.3**	**12.2**
Lease payments	**(45.9)**	**(45.3)**
Foreign exchange difference	**(0.5)**	**–**
At 30 September 2023	**210.1**	**206.2**
Current	**48.1**	**45.9**
Non current	**162.0**	**160.3**
	210.1	**206.2**

Nature of leasing activities (in the capacity of lessee)

The Group leases 22 properties in Mauritius, 2 properties in Rodrigues and 1 property in Kenya. For 17 properties it is customary for the lease contracts to provide for payments to increase each year by inflation. For the remaining 5 properties the lease payments are reset periodically to market rates.

Administrative buildings are leased for the operations of the Group's activities.

During the year the Group terminated the leasing of 2 properties in Mauritius.

Variable lease payments

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the reporting date of lease payments that are variable.

	Sensitivity		Number of Lease Contracts		Variable payments %	
GROUP	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Property leases with payments linked to inflation	**9.6**	9.8	**17**	16	**93%**	93%
Property leases with periodic uplifts to market rentals	**0.7**	0.7	**5**	6	**7%**	7%
	10.3	10.5	**22**	22	**100%**	100%

	Sensitivity		Number of Lease Contracts		Variable payments %	
COMPANY	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Property leases with payments linked to inflation	**9.6**	9.8	**17**	16	**81%**	76%
Property leases with periodic uplifts to market rentals	**0.7**	0.7	**4**	5	**19%**	24%
	10.3	10.5	**21**	21	**100%**	100%

Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of administrative buildings the following factors are normally the most relevant:

If there are significant penalties to terminate, the Group is typically reasonably certain not to terminate.

If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend.

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 30 September 2023, no potential future cash outflows in respect of termination and extension of lease has been recognised.

The lease term is reassessed if an option is actually exercised or the Group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there is no financial effect of revising lease terms to reflect the effect of exercising extension.

23 RIGHT-OF-USE ASSETS Continued

(b) LEASE LIABILITIES Continued

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Interest expense (included in finance cost) (note 5(b))	**12.3**	10.9	**12.2**	10.6
Expense relating to short-term leases (included in other operating expenses)	**0.4**	–	**0.4**	–
	12.7	10.9	**12.6**	10.6

The total cash outflow for leases in Group in 2023 was MUR 45.9m (2022: MUR 42.5m); made of capital MUR 33.6m (2022: MUR 31.6m) and interest MUR 12.3m (2022: MUR 10.9m); and in Company was MUR 45.1m (2022: MUR 42m): made up of capital MUR 32.9m (2022: MUR 31.4m) and interest MUR 12.2m (2022:MUR 10.6m).

24 INTANGIBLE ASSETS

(a) GROUP

	Customer portfolio	Goodwill on acquisition	Dealer relationship	Software / others	TOTAL
COST	MUR m	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	–	–	–	296.1	296.1
Acquisition of subsidiary	31.0	12.8	–	–	43.8
Additions	–	–	–	22.6	22.6
Forex adjustment	–	–	–	(1.4)	(1.4)
At 30 September 2022	31.0	12.8	–	317.3	361.1
Additions	**–**	**–**	**–**	**12.3**	**12.3**
Acquisition of subsidiary (note 36)	**–**	**–**	**48.5**	**–**	**48.5**
Forex adjustment	**–**	**–**	**–**	**(4.8)**	**(4.8)**
At 30 September 2023	**31.0**	**12.8**	**48.5**	**324.8**	**417.1**
Amortisation/Impairment					
At 1 October 2021	–	–	–	198.2	198.2
Charge for the year	1.8	–	–	36.4	38.2
Forex adjustments	–	–	–	(1.4)	(1.4)
At 30 September 2022	1.8	–	–	233.2	235.0
Acquisition of subsidiary	**–**	**–**	**–**	**–**	**–**
Charge for the year	**3.1**	**–**	**2.7**	**30.0**	**35.8**
Forex adjustments	**–**	**–**	**–**	**(4.8)**	**(4.8)**
At 30 September 2023	**4.9**	**–**	**2.7**	**258.4**	**266.0**
Carrying value					
At 30 September 2023	**26.1**	**12.8**	**45.8**	**66.4**	**151.1**
At 30 September 2022	29.2	12.8	–	84.1	126.1

(b) COMPANY

COST	Customer portfolio MUR m	Goodwill on acquisition MUR m	Software / others MUR m	TOTAL MUR m
At 1 October 2021	–	–	249.1	249.1
Additions	–	–	22.6	22.6
At 30 September 2022	–	–	271.7	271.7
Amalgamation adjustment	31.0	12.8	0.3	44.1
Additions	–	–	12.3	12.3
	31.0	12.8	284.3	328.1
Amortisation				
At 1 October 2021	–	–	152.5	152.5
Charge for the year	–	–	35.7	35.7
At 30 September 2022	–	–	188.2	188.2
Amalgamation adjustment	**–**	**–**	**0.3**	**0.3**
Charge for the year	**4.9**	**–**	**29.7**	**34.6**
At 30 September 2023	**4.9**	**–**	**218.2**	**223.1**
Carrying value				
At 30 September 2023	**26.1**	**12.8**	**66.1**	**105.0**
At 30 September 2022	–	–	83.5	83.5

Impairment test on goodwill

With the amalgamation of Tsusho Capital (Mauritius) Ltd with the Company, the Customer porfolio and Goodwill on acquisition is now recognised at Company level.

At the year end, the business operations of ex-Tsusho Capital (Mauritius) Ltd has been treated as a cash generating unit (CGU) in the Finance segment to assess whether the goodwill has been impaired.

The recoverable amount of the CGU has been determined based on fair value calculation. Th post-tax cash flow projections are based on financial budgets approved by management covering a five-year period. The pre-tax discount rate applied represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The recoverable amount of the CGU has been determined based on a value in use (VIU) approach using a discount rate of 5.01%.

The key assumptions used for preparing the cash flow forecasts are based on management's past experience of the industry, required resources needed to service new and existing operations as well as the current economic environment.

The discount rate takes into account both debt and equity, proportionately weighted. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Cash flows beyond the five-year period has been assumed to have a zero per cent terminal growth.

Because of the inputs used in the discounted cash flow (DCF), the DCF assessment falls in level 3 of the fair value hierarchy.

No impairment on goodwill has been recognised in 2023.

25 POST EMPLOYMENT BENEFIT LIABILITIES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Amount recognised in the Statements of financial position:				
Pension benefits (a)	**63.3**	50.8	**63.3**	50.8
Unfunded pension schemes (b)	**23.5**	23.6	**23.5**	23.6
Other retirement benefits (c)	**78.7**	71.3	**76.4**	67.2
Other long term employee benefit plan (d)	**9.3**	9.6	**9.3**	9.6
	174.8	155.3	**172.5**	151.2
Amount charged / (credited) to profit or loss:				
Pension benefits (a)	**6.0**	4.5	**6.0**	4.5
Unfunded pension schemes (b)	**1.0**	1.0	**1.0**	1.0
Other retirement benefits (c)	**(7.4)**	15.4	**(6.9)**	14.2
Other long term employee benefit plan (d)	**(0.3)**	(1.7)	**(0.3)**	(1.7)
Total included in employee benefit expense	**(0.7)**	19.2	**(0.2)**	18.0
Amount charged to other comprehensive income:				
Pension benefits (a)	**13.3**	14.6	**13.3**	14.6
Unfunded pension schemes (b)	**2.7**	1.7	**2.7**	1.7
Other retirement benefits (c)	**15.6**	5.7	**15.0**	4.6
	31.6	22.0	**31.0**	20.9

The plans expose the Group to normal risks associated with all pensions schemes such as investment, interest, longevity and salary risks. Except for unfunded pensions which is subject to only interest and longevity risks.

- *Investment risk*

  The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus. Currently the Plan has a relatively balanced investment in equity securities, debt instruments and real estate to leverage the return generated by the plan assets.

- *Interest risk*

  A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

- *Longevity risk*

  The plan liability is calculated with reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

- *Salary risk*

  The plan liability is calculated with reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

(a) Pension benefits

The Group operates a final salary defined benefit pension plan for some employees. The assets are held separately from the Group under the control of the Management Committee of Rogers Pension Fund (RPF). The Group contributes to the pension plan in respect of some employees who have a No Worse Off Guarantee (NWOG) so that their benefits would not be worse than what they would have earned under a previous defined benefit plan.

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(i)	**Amount recognised in the Statements of financial position are as follows:**				
	Present value of funded obligations	**124.3**	105.8	**124.3**	105.8
	Fair value of plan assets	**(61.0)**	(55.0)	**(61.0)**	(55.0)
	Liability in the Statements of Financial Position	**63.3**	50.8	**63.3**	50.8
	The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:				
	At 1 October	**50.8**	33.5	**50.8**	33.5
	Charged to profit or loss	**6.0**	4.5	**6.0**	4.5
	Charged to other comprehensive income	**13.4**	14.6	**13.4**	14.6
	Contributions paid	**(6.9)**	(1.8)	**(6.9)**	(1.8)
	At 30 September	**63.3**	50.8	**63.3**	50.8

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(ii)	**Amount recognised in profit or loss and other comprehensive income are as follows:**				
	Service cost:				
	Current service cost	**3.7**	3.1	**3.7**	3.1
	Net interest	**2.3**	1.4	**2.3**	1.4
	Components of amount recognised in profit or loss	**6.0**	4.5	**6.0**	4.5
	Return on plan assets below interest income	**0.5**	2.8	**0.5**	2.8
	Liability experience loss	**1.6**	0.3	**1.6**	0.3
	Liability loss due to change in financial assumptions	**11.2**	11.5	**11.2**	11.5
	Components of amount recognised in other comprehensive income	**13.3**	14.6	**13.3**	14.6
(iii)	**Movements in the defined benefit obligations over the year are as follows:**				
	At 1 October	**105.8**	95.1	**105.8**	95.1
	Current service cost	**3.7**	3.1	**3.7**	3.1
	Interest expense	**5.2**	3.9	**5.2**	3.9
	Other benefits paid	**(3.2)**	(8.1)	**(3.2)**	(8.1)
	Liability experience loss	**1.6**	0.3	**1.6**	0.3
	Liability loss due to change in financial assumptions	**11.2**	11.5	**11.2**	11.5
	At 30 September	**124.3**	105.8	**124.3**	105.8

25 POST EMPLOYMENT BENEFIT LIABILITIES Continued

(a) Pension benefits Continued

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(iv) Movements in the fair value of plan assets over the year are as follows:				
At 1 October	**55.0**	61.6	**55.0**	61.6
Interest income	**2.8**	2.4	**2.8**	2.4
Employer contribution	**6.9**	1.8	**6.9**	1.8
Benefits paid	**(3.2)**	(8.1)	**(3.2)**	(8.1)
Return on plan assets excluding interest income	**(0.5)**	(2.7)	**(0.5)**	(2.7)
At 30 September	**61.0**	55.0	**61.0**	55.0
(v) Sensitivity analysis on defined benefit obligation at end of year				
Increase due to 1% decrease in discount rate	**34.9**	32.5	**34.9**	32.5
Decrease due to 1% increase in discount rate	**28.2**	26.1	**28.2**	26.1
Increase due to 1% increase in salary increase rate	**8.3**	8.9	**8.3**	8.9
Increase due to 1% decrease in salary increase rate	**7.9**	8.4	**7.9**	8.4

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. The results are particularly sensitive to a change in the discount rate due to the nature of the liabilities being the difference between a minimum defined benefit liability and the projected defined contribution liabilities, the latter being MUR 69.2m as at 30 September 2023. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The defined benefit pension plan exposes the Group to actuarial risks such as longevity risk, currency risk, interest rate risk and market risk.

	GROUP		COMPANY	
	Sep-23 %	Sep-22 %	Sep-23 %	Sep-22 %
(vi) Allocation of plan assets at end of year:				
Equity - local quoted	**30**	37	**30**	37
Equity - overseas quoted	**22**	22	**22**	22
Debt - local unquoted	**20**	18	**20**	18
Debt - overseas quoted	**16**	12	**16**	12
Property - local	**2**	2	**2**	2
Investment funds	**2**	2	**2**	2
Cash and other	**8**	7	**8**	7
	100	100	**100**	100

(vii) Future cash flows

- The funding policy is to pay contributions to an external legal entity at the rate recommended by the entity's actuary.
- Expected employer contribution for the next year is MUR 1.9m.
- The average duration of the defined benefit obligations is 4 years.

	GROUP		COMPANY	
	Sep-23 %	**Sep-22 %**	**Sep-23 %**	**Sep-22 %**
(viii) Principal actuarial assumptions at end of year:				
Discount rate	**4.5**	4.9	**4.5**	4.9
Rate of salary increases	**4.2**	4.3	**4.2**	4.3
Rate of pension increases	**2.0**	2.0	**2.0**	2.0
Average retirement age (ARA)	**60**	60	**60**	60
Average life expectancy for:				
- Male at ARA	**19.5 years**	19.5 years	**19.5 years**	19.5 years
- Female at ARA	**24.2 years**	24.2 years	**24.2 years**	24.2years

Comments on the results:

The liability experience loss of MUR 1.6m is mainly due to actual average salary increases being higher than expected over the past year and due to NWOG injection made in respect of one employee at age 60 being higher than the provision previously held for the employee, partly offset by a gain due to investment return earned on members' PMA being higher than anticipated over the past year.

The liability loss due to change in financial assumptions of MUR 11.2m is mainly due to the decrease in the net post-retirement discount rate (the difference between the discount rate and the pension increase rate) from 2.9% p.a in 2022 to 2.5% p.a in 2023, partly offset by a gain due to the increase in the net pre-retirement discount rate (the difference between the discount rate and the salary increase rate) from 0.6% p.a in 2022 to 0.3% p.a in 2023.

There has been no plan amendment, curtailment or settlement during the year.

25 POST EMPLOYMENT BENEFIT LIABILITIES Continued

(b) Unfunded pension schemes

Unfunded pension schemes comprise of pensions paid out of cash flow and relates to contribution for retired members.

		GROUP Sep-23 MUR m	COMPANY Sep-22 MUR m
(i)	**Amount recognised in the Statements of Financial Position are as follows:**		
	Present value of unfunded obligation	**23.5**	23.6
	Liability in the Statements of Financial Position	**23.5**	23.6
(ii)	**Amount recognised in profit or loss and other comprehensive income are as follows:**		
	Net interest on net defined benefit liability	**1.0**	1.0
	Components of amount recognised in profit or loss	**1.0**	1.0
	Liability experience loss	**2.3**	2.1
	Liability loss/(gain) due to change in financial assumptions	**0.4**	(0.4)
	Components of amount recognised in other comprehensive income	**2.7**	1.7
(iii)	**Movements in liability recognised in Statements of Financial Position:**		
	At 1 October	**23.6**	24.4
	Interest expense	**1.0**	1.0
	Other benefits paid	**(3.8)**	(3.5)
	Liability experience loss	**2.3**	2.1
	Liability loss /(gain) due to change in financial assumptions	**0.4**	(0.4)
	At 30 September	**23.5**	23.6
(iv)	**Sensitivity Analysis on defined benefit obligation at end of period**		
	Increase due to 1% decrease in discount rate	**1.1**	1.1
	Decrease due to 1% increase in discount rate	**1.0**	1.0

The above sensitivity analysis has been carried out by recalculating the present value of the obligation at the end of the period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

(v) Future cash flows

- The funding policy is to pay benefits out of the Group's cashflow as and when due.
- Expected employer contributions to post-employment benefit plans for the year ending 30 September 2024 MUR 3.9m. The weighted average duration of the defined benefit obligations is 4 years.

		GROUP Sep-23 MUR m	COMPANY Sep-22 MUR m
(vi)	**Principal actuarial assumptions at end of year:**		
	Discount rate	**4.5%**	4.9%
	Future pension increases	**5.0%**	5.0%
	Average retirement age (ARA)	**60**	60
	Average life expectancy for:		
	- Male at ARA	**19.5 years**	19.5 years
	- Female at ARA	**24.2 years**	24.2 years

Comments on the results:

The liability experience loss of MUR 2.3m is mainly due to actual mortality experience being lower than expected over the past year..

The liability gain due to change in financial assumptions of MUR 0.4m is mainly due to the decrease in the discount rate from 4.9% p.a in 2022 to 4.5% p.a in 2023.

(c) Other retirement benefits

Other post retirement benefits comprise mainly of gratuity on retirement payable under the Mauritian Workers' Rights Act 2019 and other benefits. Other retirement benefits comprise full and residual retirement gratuities.

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(i)	**Amounts recognised in the Statements of Financial Position are as follows:**				
	Present value of unfunded obligation	**78.7**	71.3	**76.4**	67.2
	Liability in the Statements of Financial Position	**78.7**	71.3	**76.4**	67.2
(ii)	**Amounts recognised in profit or loss and other comprehensive income are as follows:**				
	Service cost:				
	Current service cost	**7.2**	5.6	**6.9**	5.2
	Past service cost	**(18.0)**	7.4	**(17.1)**	6.7
	Net interest on net defined benefit liability	**3.4**	2.4	**3.3**	2.3
	Components of amount recognised in profit or loss	**(7.4)**	15.4	**(6.9)**	14.2
	Liability experience loss	**7.8**	5.3	**7.6**	4.6
	Liability loss due to change in financial assumptions	**7.8**	0.4	**7.4**	–
	Components of amount recognised in other comprehensive income	**15.6**	5.7	**15.0**	4.6

25 POST EMPLOYMENT BENEFIT LIABILITIES Continued

(c) Other retirement benefits Continued

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(iii)	**Movements in liability recognised in Statements of Financial Position:**				
	At 1 October	**71.3**	50.3	**67.2**	49.0
	Amalgamation adjustment	**–**	–	**1.9**	–
	Current service cost	**7.2**	5.4	**6.9**	5.2
	Past service cost	**(18.0)**	7.4	**(17.1)**	6.7
	Interest expense	**3.5**	2.4	**3.3**	2.3
	Other benefits paid	**(0.9)**	(0.8)	**(0.9)**	(0.6)
	Liability experience loss	**7.8**	5.3	**7.6**	4.6
	Liability loss due to change in financial assumptions	**7.8**	0.4	**7.4**	–
	Acquisition of subsidiary		0.9	**–**	–
	At 30 September	**78.7**	71.3	**76.3**	67.2
(iv)	**Sensitivity Analysis on defined benefit obligation at end of period**				
	Increase due to 1% decrease in discount rate	**25.5**	23.4	**24.5**	21.9
	Decrease due to 1% increase in discount rate	**20.3**	18.4	**19.5**	17.2
	Decrease due to 1% increase in salary increase rate	**22.7**	20.0	**21.9**	19.6
	Decrease due to 1% decrease in salary increase rate	**18.2**	15.8	**17.6**	15.5

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In relation to the residual retirement gratuities, the results are particularly sensitive to a change in the discount rate due to the nature of liabilities being the difference between the pure retirement gratuities under the Mauritian Workers' Rights Act 2019 and the deductions allowable, being five times the annual pension provided and half the lump sum received by the member at retirement from the pension fund with reference to the Company's share of contributions. The latter's amount is MUR 4.6m as at 30 September 2023.

(v) Future cash flows

- The funding policy is to pay benefits out of the Group's cash flow in line with the Mauritian Workers' Rights Act 2019.
- The weighted average duration of the defined benefit obligations is 16 years.
- Expected employer contribution for the next year is MUR 1.9m.

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(vi)	**Principal actuarial assumptions at end of year:**				
	Discount rate	**4.5%**	4.9%	**4.5%**	4.9%
	Future salary increases	**4.2%**	4.3%	**4.2%**	4.3%
	Future pension increases	**2.0%**	2.0%	**2.0%**	2.0%
	Average retirement age (ARA)	**65**	65	**65**	65
	Average life expectancy for:				
	- Male at ARA	**15.9 years**	15.9 years	**15.9 years**	15.9 years
	- Female at ARA	**20 years**	20 years	**20 years**	22 years

(vii) The negative past service cost of MUR 18m can be explained as follows:

	Sep-23 MUR m
Past Service Cost	**–**
Change in the retirement gratuity formula reversion 15/26	**(17.8)**
Previously non-scheme employees who joined Superfund and RPF during the year	**(0.2)**
Total Past service cost	**(18.0)**

(d) Other long term employee benefit plan

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
At 1 October	**9.6**	11.3	**9.6**	11.3
Credited to profit or loss	**(0.3)**	(1.7)	**(0.3)**	(1.7)
At 30 September	**9.3**	9.6	**9.3**	9.6

Section 47 (1) of the Mauritian Workers Right Act 2019 (WRA 2019) requires that a worker who remains in continuous employment with the same employer for a period of at least 5 consecutive years shall be entitled to vacation leave of not more than 30 days, whether taken consecutively or otherwise, for every period of 5 consecutive years, to be spent abroad, locally or partly abroad and partly locally.

The Group has recognised in the Statement of Profit or Loss the expected costs of the vacation leaves.

The provision for vacation leave does not take into account any period of employment prior to 24 October 2019 to meet the requirement of the WRA 2019.

26 DEFERRED TAXATION

The following amounts are shown in the Statements of Financial Position:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Deferred tax assets	**395.7**	342.1	**397.5**	350.9
Deferred tax liabilities	**(24.2)**	(29.9)	**(31.3)**	(29.7)
	371.5	312.2	**366.2**	321.2

At the end of the 2023 and 2022, the Group had no unused tax losses.

Deferred tax assets/(liabilities)

GROUP

GROUP	Impairment allowance MUR m	Post employment benefit MUR m	Excess of lease liabilities over right-of-use assets MUR m	Accelerated tax depreciation MUR m	Share Based Options MUR m	Total MUR m
At 1 October 2021	251.1	20.2	4.5	(33.1)	–	242.7
Credited to profit or loss (note 11)	51.1	2.6	0.8	3.4	–	57.9
Acquisition of subsidiary	8.3	0.3	–	0.1	–	8.7
Credited to other comprehensive income (note 12)	–	2.9	–	–	–	2.9
At 30 September 2022	310.5	26.0	5.3	(29.6)	–	312.2
Credited to profit or loss (note 11)	**38.7**	**1.1**	**1.4**	**(1.5)**	**1.6**	**41.3**
Acquisition of subsidiary	**8.6**	**–**	**–**	**7.3**	**–**	**15.9**
Credited to other comprehensive income (note 12)	**–**	**2.1**	**–**	**–**	**–**	**2.1**
At 30 September 2023	**357.8**	**29.2**	**6.7**	**(23.8)**	**1.6**	**371.5**
Deferred tax asset	**357.8**	**29.2**	**7.1**	**–**	**1.6**	**395.7**
Deferred tax liability	**–**	**–**	**(0.4)**	**(23.8)**	**–**	**(24.2)**
	357.8	**29.2**	**6.7**	**(23.8)**	**1.6**	**371.5**

COMPANY	Impairment allowance	Post employment benefit	Right of use	Accelerated tax depreciation	Share Based Options	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	251.1	20.2	4.5	(33.1)	–	242.7
Credited to profit or loss (note 11)	68.7	2.7	0.8	3.4	–	75.6
Charged to other comprehensive income (note 12)	–	2.9	–	–	–	2.9
At 30 September 2022	319.8	25.8	5.3	(29.7)	–	321.2
Amalgamation adjustment	**7.6**	**0.3**	**–**	**(0.1)**	**–**	**7.8**
Credited to profit or loss (note 11)	**32.5**	**1.1**	**1.4**	**(1.5)**	**1.6**	**35.1**
Charged to other comprehensive income (note 12)	**–**	**2.1**	**–**	**–**	**–**	**2.1**
At 30 September 2023	**359.9**	**29.3**	**6.7**	**(31.3)**	**1.6**	**366.2**
Deferred tax asset	**359.9**	**29.3**	**6.7**	**–**	**1.6**	**397.5**
Deferred tax liability	**–**	**–**	**–**	**(31.3)**	**–**	**(31.3)**
	359.9	**29.3**	**6.7**	**(31.3)**	**1.6**	**366.2**

27 OTHER BORROWED FUNDS

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(a)	**Non current**				
	Bank and other borrowings - Secured (d)	**1,391.9**	1,425.2	**1,391.9**	1,425.2
	Bank and other borrowings - Unsecured	**5,006.9**	3,125.8	**5,006.9**	3,125.8
		6,398.8	4,551.0	**6,398.8**	4,551.0
	Current				
	Bank and other borrowings - Secured (d)	**6,803.1**	5,305.3	**6,803.1**	5,305.3
	Bank and other borrowings - Unsecured	**10.1**	1,878.8	**142.5**	2,007.2
		6,813.2	7,184.1	**6,945.6**	7,312.5
	Total	**13,212.0**	11,735.1	**13,344.4**	11,863.5

27 OTHER BORROWED FUNDS Continued

		GROUP		COMPANY	
		Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
(b)	**Non current borrowings analysed as follows:**				
	Repayable otherwise than by instalments:				
	After one year and before two years				
	Others	**2,129.2**	1,075.0	**2,129.2**	1,075.0
	After two years and before three years				
	Others	**1,045.2**	–	**1,045.2**	–
	After three years and before five years				
	Others	**1,544.9**	1,059.2	**1,544.9**	1,059.2
	After five years	**280.5**	280.5	**280.5**	280.5
	Repayable by instalments:				
	After one year and before two years	**685.8**	1,416.0	**685.8**	1,416.0
	After two years and before three years	**544.4**	16.7	**544.4**	16.7
	After three years and before five years	**168.8**	703.6	**168.8**	703.6
		6,398.8	4,551.0	**6,398.8**	4,551.0

		GROUP		COMPANY	
		Sep-23 %	Sep-22 %	Sep-23 %	Sep-22 %
(c)	**The effective interest rates at the end of the reporting period were as follows:**				
	Bank and other borrowings - Secured	**0.50-8.26**	2.25-5.40	**0.50-8.26**	2.50 - 4.00
	Bank and other borrowings - Unsecured	**2.95-5.80**	0.35-4.85	**2.95-5.80**	0.35 - 4.85

(d) The secured bank and other borrowings are secured by floating charges over all the respective assets of the relevant companies of the Group.

(e) The carrying amounts of the other borrowed funds are denominated in the following currencies:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
MUR	**12,822.6**	11,728.9	**12,820.2**	11,730.6
EURO	**0.5**	1.7	**0.5**	1.7
USD	**388.9**	4.5	**523.7**	131.2
	13,212.0	11,735.1	**13,344.4**	11,863.5

(f) Reconciliation of liabilities arising from financing activities:

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
At 1 October	**11,735.1**	9,807.2	**11,863.5**	9,929.8
Acquisition of subsidiary	**–**	900.0	**–**	–
Proceeds	**16,232.7**	13,384.9	**16,232.7**	13,009.9
Repayments	**(14,760.0)**	(12,357.6)	**(14,757.6)**	(11,082.6)
	1,472.7	1,927.3	**1,475.1**	1,927.3
Interest movement	**17.7**	0.6	**17.7**	0.6
Foreign exchange difference	**(13.5)**	-	**(11.9)**	5.8
	4.2	0.6	**5.8**	6.4
At 30 September	**13,212.0**	11,735.1	**13,344.4**	11,863.5

28 OTHER LIABILITIES

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Trade payables	**507.4**	369.4	**513.6**	360.9
Accruals	**185.4**	167.8	**182.4**	160.3
Other payables*	**1,112.3**	865.7	**1,279.0**	818.5
	1,805.1	1,402.9	**1,975.0**	1,339.7

The carrying amount of the payables is considered as a reasonable approximation of fair value due to their short term nature.

Trade payables are secured by floating charge on all assets of the Group and Company, interest free and payable within 3 months.

* Other payables include mainly Credit Agreement dealer/Insurance unearned premium and the put option to the non-controlling interest holder. The put option may be exercised in 3 years time (note 20(a)(i)).

29 DIVIDENDS

	GROUP & COMPANY	
	Sep-23 MUR m	Sep-22 MUR m
Amounts recognised as distributions to equity holders in the year:		
Final dividend declared in December 2022 for the year ended 30 September 2022 MUR 0.24	**163.3**	136.1
Interim dividend declared in June 2023 MUR 0.18 (2022: MUR 0.11)	**122.5**	74.8
	285.8	210.9

30 Equity

Stated Capital

	COMPANY	
	2023 & 2022	
	No of shares	Ordinary shares
	Million	MUR m
No par value shares	**680.5**	**680.5**

The Company has authorised and issued 680,522,310 shares of no par value issued at the reporting date. All shares are fully paid and carry equal voting rights. The ordinary shares are classified as equity.

Capital Reserves

The capital reserves comprise mainly of the previous Statutory Reserve and General Banking Reserve that were set aside for unforeseeable losses under the Mauritian Banking Act for one subsidiary of the Group. As the subsidiary is no longer regulated by the Bank of Mauritius, these reserves are no longer legally required. Nonetheless, the board would prefer to maintain these reserves separately from retained earnings. These undistributable reserves are available to be freely transferred within equity if management chooses to do so. Otherwise, they are available for distribution on winding up.

Retained Earnings

Retained earnings arise from the accumulation of profits from the profit or loss less any dividends payable for the period.

Actuarial Reserves

Actuarial reserves arise on remeasurement of net defined benefit liability. Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), is recognised immediately in other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified to profit or loss in subsequent periods.

Amalgamation Reserves

The amalgamation reserves comprise of an amount of MUR 530.7m which occurred upon the amalgamation of entities of the Group which were under common control. The Company adopted accounting principles similar to the pooling-of-interest method based on predecessor values and the amalgamation reserve arose as a result of the elimination of the share capital and the investments in the related companies. During the year there has been a reduction of MUR 56.7m in respect to an amalgamation (note 2.5).

Other Reserves

Reserves not dealt in above are accounted as other reserves and include mainly Foreign exchange reserves and share-based payments reserves.

31 NON CONTROLLING INTERESTS

Group	Sep-23 MUR m
Statement of Profit or Loss and other Comprehensive Income	
Revenue for the period	**36.5**
Profit for the period	**4.4**
Other comprehensive loss for the period	**(16.1)**
Total comprehensive loss for the period	**(11.7)**
Profit for the period attributable to Non Controlling Interest	**1.1**
Other comprehensive loss for the period attributable to Non Controlling Interest	**(4.1)**
Total comprehensive loss for the period attributable to Non Controlling Interest (NCI)	**(3.0)**
Statement of Financial Position	
Non current assets	**290.0**
Current assets	**623.6**
Non current liabilities	**(9.3)**
Current liabilities	**(39.3)**
Accumulated NCI	**216.3**
Statement of Cash Flows	
Net cash flow generated from operating activities	**46.3**
Net cash flow used in investing activities	**(3.1)**
Net cash flow used in financing activities	**(0.2)**
Net increase in Cash and cash equivalents	**43.0**

The summarised financial information is before any intercompany elimination.

32 EARNINGS PER SHARE

	GROUP	
	Sep-23 MUR m	**Sep-22 MUR m**
Profit for the year	**959.9**	601.3
Number of shares used in calculation	**680,522,310**	680,522,310
Basic and diluted earnings per share (MUR)	**1.41**	0.88

33 NOTES TO THE STATEMENTS OF CASH FLOWS

		NOTES	GROUP Sep-23 MUR m	GROUP Sep-22 MUR m	COMPANY Sep-23 MUR m	COMPANY Sep-22 MUR m
(a)	**Cash generated from operations**					
	Profit before tax		**1,127.2**	734.8	**930.0**	733.6
	Adjustments					
	Depreciation of equipment	22	**117.1**	122.5	**116.7**	120.2
	Depreciation of right of use asset	23	**41.1**	36.9	**40.4**	36.1
	Amortisation	24	**35.8**	38.2	**34.6**	35.7
	Interest income	5(a)	**(2,954.6)**	(2,502.3)	**(2,899.7)**	(2,450.5)
	Interest expense	5(b)	**579.0**	427.5	**574.1**	407.7
	Impairment of subsidiary	20	**–**	–	**–**	45.7
	Profit on disposal of subsidiary		**–**	(16.4)	**–**	(57.4)
	Net impairment losses on financial assets	10	**328.2**	560.7	**509.4**	598.7
	Profit on disposal of equipment		**(1.2)**	(0.6)	**(1.2)**	(0.9)
	Foreign exchange gain		**(5.5)**	(1.6)	**(5.7)**	(0.4)
	Share of results of associates	21	**3.2**	2.5	**–**	–
	Share-based payment expensed		**9.1**	–	**9.1**	–
	Gain on bargain purchase		**(18.5)**	–	**–**	–
	Fair value gain on investment securities		**(2.9)**	–	**–**	–
	Post employment benefit expense	25	**(12.3)**	13.1	**(11.8)**	12.1
			(754.3)	(584.7)	**(704.1)**	(519.4)
(b)	**Changes in working capital**					
	Deposit with banks		**(7.8)**	(56.8)	**(7.8)**	(56.8)
	Inventories		**(0.4)**	–	**(0.4)**	–
	Net investment in finance leases and other credit agreements		**(1,267.7)**	(281.0)	**(1,282.2)**	(324.6)
	Loan and advances		**(1,096.2)**	(1,118.3)	**(1,145.5)**	(1,986.2)
	Other assets		**(121.5)**	(53.5)	**(209.4)**	(60.9)
	Other liabilities		**351.0**	214.9	**527.8**	199.9
	Cash used in operations		**(2,896.9)**	(1,879.4)	**(2,821.6)**	(2,748.0)

(c) Non Cash transactions

During 2023, non cash transactions comprised of an amount of MUR 7.0m arising from additions of building under right-of-use.

34 COMMITMENTS

	GROUP & COMPANY	
	Sep-23 MUR m	Sep-22 MUR m
Operating lease commitments - where the Group is the lessor		
The future undiscounted lease payments under operating leases are as follows:		
Within 1 year	**80.5**	79.2
After one year and before two years	**70.2**	62.4
After two years and before three years	**55.1**	56.8
After three years and before four years	**43.8**	10.9
After four years and before five years	**26.9**	18.5
After 5 years	**23.2**	14.9
	299.7	242.7

The Group has entered into operating leases for motor vehicles that include revenue-related rental payments that are contingent on future levels of revenue. These leases have terms ranging from 1 to 7 years.

35 CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE CONTRACTS

(a) CONTINGENT LIABILITIES

During the year, the Company received a tax assessment for the year ended September 2020, to which the Company has objected. To date, the Objections, Appeals Dispute Resolutions Department of the Mauritius Revenue Authority has not determined the assessment and the outcome is unknown. The treatment adopted by the company is consistent with the economics characteristics of its transactions and most importantly is consistent with the general accepted principles of tax policy on neutrality.

(b) FINANCIAL GUARANTEE CONTRACTS

	GROUP		COMPANY	
	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Financial guarantee	**90.0**	74.0	**90.0**	74.0

At 30 September 2023, the Company had contingent liabilities in respect of guarantees from which it is anticipated that no material liabilities would arise.

Financial guarantees relate to bank guarantees of MUR 90m (2022: MUR 74m) have been given on behalf of subsidiary companies with respect to long term debt contracted by the latter arising in the ordinary course of business from which it is anticipated that no material losses will arise. The Directors consider that no liabilities will arise as the probability for default in respect of the guarantee is remote.

36 BUSINESS COMBINATION

Acquisition of subsidiary

On 17 July 2023, CIM Financial Services Ltd acquired 75% of the issued share capital of Loinette Capital Limited.

Loinette Capital Limited is an asset-based finance provider present across multiple African regions, which offers tailored funding solutions to SMEs across sub-Saharan Africa. The Company expects to expand its business in the African regions with the acquisition of Loinette Capital Limited.

The following table summarises the purchase consideration and the fair value of the identifiable amounts of the assets acquired and liabilities assumed at the acquisition date:

Identifiable assets acquired at 30 June 2023 (effective date) based on Audited Financial statement of Loinette Capital Limited.

		Group MUR m
Cash at bank		**21.0**
Loans and advances		**602.9**
Other assets		**69.6**
Investment securities		**174.9**
Fair value of dealer relationships		**48.5**
Equipment		**0.1**
Right of use Asset		**3.2**
Net deferred tax asset		**15.9**
Other liabilities		**(50.8)**
ROU liability		**(3.2)**
Total idenfiable assets acquired and liabilities assumed		**882.1**
	75%	**661.6**
Gain on bargain purchase		**(18.5)**
Total consideration		**643.1**
Satisfied by:		
Cash		**629.1**
Deferred Contingent Consideration (Earnout)		**14.0**
Total consideration transferred		**643.1**
Net cash outflow arising on acquisition:		
Cash consideration		**644.6**
Less: cash and cash equivalent balances acquired		**(21.0)**
Net cash outflow on acquisition		**623.6**

The fair value of the financial assets includes loans and advances, other assets, investment securities and fair value of dealer relationships with a fair value of MUR 911.0m.

Gain on bargain purchase arises principally due to the intangible assets pertainning to the dealer relationships which was not identified at the time of the transaction.

The potential undiscounted amount of all future payments that CFSL is required to make under the contingent consideration arrangement is MUR 15.5m. The fair value of the contingent consideration arrangement of MUR 14.2m was estimated by applying a Weighted Average Cost of Capital of 9.4%. The outflow is dependent on future outcome.

From the date of the acquisition, Loinette Capital Limited contributed MUR 37.0m of net operating income and MUR 7.4m of profit after tax from continuing operation to the Group.

The non controlling interest has been measured using proportionate basis.

Had the acquired subsidiary been consolidated from 1 October 2022, the revenue from continuing operation of the Group would have been MUR 95.7m and the profit after tax from continuing operation would have been MUR 22.9m.

37 EVENTS AFTER REPORTING DATE

On 20 December 2023 the Board of Directors of CFSL has declared a final dividend of MUR 0.38 per share (total amounting to MUR 258.6m) payable in respect of all ordinary shares of CFSL.

38 EMPLOYEE OPTION PLAN

The establishment of the CIM Financial Services Ltd (the 'Company') Employee Share Option Scheme ('ESOS') was approved by shareholders on 11 February 2022 and first batch of options was made available in November 2022 and a second batch in December 2022. The grant date of the ESOS is deemed to be the date when the company makes the offer and the employee accepts the offer by signing the contract. The ESOS is designed to provide long-term incentives for the Company's members of its executive committee and management committee (including executive directors) to deliver and create long-term shareholder value. Under the plan, participants are granted options which only vest if certain service conditions standards are met. Participation in the plan is at the board's discretion, and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The amount of options that will vest depends on the Company's members of Executive Committee and Management Committee have satisfied the service conditions of 3 years. Once vested, the options remain exercisable, in whole or in part, through two (2) specific windows namely (i) a period of 14 day following the publication of the 6 monthly interim reports of the Company and (ii) a period of 14 days following the publication of the preliminary 12 months reports of the Company over a period of 5 years from the Vesting Date. Beyond this period, the Option to subscribe to the Option Shares shall lapse.

Options are granted under the Scheme for no consideration and will rank pari passu in all respects with existing ordinary shares issued, including voting purposes and in full for all dividends and distributions on ordinary shares declared.

When exercisable, each option is convertible into one ordinary share 14 days after the release of the half-yearly and annual financial results of the Company to the market.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Stock Exchange of Mauritius over the last 3 months prior to the announcement of the annual performance bonus (adjusted to reflect any change in capital structure), less a discount, which does not exceed 25%.

Set out below are summaries of options granted under the plan:

	2023		2022	
	Average exercise price per share option	Number of options	Average exercise price per share	Number of options
As at 01 October	-	-	-	–
Granted during the year	8.12	2,571,667	-	–
Exercised during the year *	-	-	-	–
Forfeited during the year	8.12	211,667	-	–
As at 30 September	8.12	2,360,000	-	–
Vested and exercisable at 30 September	8.12	2,360,000	-	–

* The weighted average share price at the date of exercise of options exercised during the year ended 30 September 2023 was MUR 8.12 (2022 – not applicable).

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

38 EMPLOYEE OPTION PLAN Continued

Grant date	Expiry date	Exercise price MUR	Share options 2023 MUR m	Share options 2022 MUR m
11 November 2022	11–Nov–27	7.75	**1.5**	–
13 December 2022	13–Dec–27	8.48	**0.8**	–
Total			**2.3**	–

The weighted average remaining contractual life of options outstanding at end of period is 4.2 years.

Fair value of options granted

The assessed fair value at grant date of options granted during the year ended 30 September 2023 was MUR 2.0 per option (2022 – N/a). The fair value at grant date is determined using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The model inputs for options granted during the year ended 30 September 2023 included:

(a) options are granted for no consideration and vest over a three-year period. Vested options are exercisable for a period of five years after vesting

(b) exercise price: November 2022: MUR 7.75 (2022 – N/A); December 2022: MUR 8.48 (2022 – N/A)

(c) grant date: 11 November 2022 (2022 – N/A); 13 December 2022 (2022 – N/A)

(d) expiry date: Nov 2027 (2022 - N/A); 13 December 2027 (2022 – N/A)

(e) share price at grant date: 11 November 2022 MUR 10.00 (2022 – N/A); 13 December 2022 MUR 10.30 (2022 - N/A)

(f) expected price volatility of the company's shares: 20.21% (2022 – N/A)

(g) expected dividend yield: 3.48% (2022 – N/A), and

(h) risk-free interest rate: 3.45% (2022 – N/A).

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2023 MUR m	2022 MUR m
Options issued under employee option plan	**9.1**	N/A
Total	**9.1**	N/A

39 RELATED PARTY TRANSACTIONS

(a) During the year the Group transacted with related parties.

Transactions which are not dealt with elsewhere in the financial statements are as follows:

		GROUP		COMPANY	
	NOTES	Sep-23 MUR m	Sep-22 MUR m	Sep-23 MUR m	Sep-22 MUR m
Interest income from loans					
Subsidiaries	5	**-**	-	**11.6**	12.1
Management fees					
Associates	7	**1.3**	2.2	**1.3**	2.2
Income related to merchant activities					
Companies with common shareholders	6	**6.9**	7.2	**6.9**	7.2
Purchase of goods & services from					
Companies with common shareholders		**17.4**	10.0	**17.4**	10.0
Sales of goods & services from					
Companies with common shareholders		**60.2**	60.5	**59.0**	60.5
Financial charges					
Subsidiaries		**-**	-	**3.8**	1.8
Loans payable to					
Subsidiary	27	**-**	-	**134.8**	130.0
Loans and leases receivable from					
Companies with common shareholders	16	**101.4**	92.1	**101.4**	92.1
Subsidiaries	16	**-**	-	**54.1**	1,087.8
Amount owed to					
Companies with common shareholders	28	**57.0**	52.2	**57.0**	52.2
Right-of-use assets					
Companies with common shareholders	23	**138.3**	149.8	**138.3**	149.8
Lease liabilities					
Companies with common shareholders	23	**175.1**	180.7	**175.1**	180.7
Remuneration of key management personnel					
Short term employee benefit		**144.8**	138.9	**129.4**	121.6
Post employment benefit		**8.3**	7.9	**7.4**	6.9
		153.1	146.8	**136.8**	128.5

The Company has given guarantees to related companies as per Note 35. The Company has recorded impairment of loans of MUR 220.5m (2022: MUR 34.5m) and intercompany receivables of MUR 4.7m (2022: MUR 17.7m) relating to amounts owed by related parties. The impairment assessments of these companies were based on ECL.

Leases receivable from companies with common shareholders are unsecured facilities bearing interest from 3.75% to 10.25%, repayable on demand.

The loans receivable from subsidiaries refers to an unsecured loan given to a subsidiary which is repayable to the Lender when the Borrower starts making profits, which is not expected to be realised in the next 12 months. The loan bears interest at a rate of 4% p.a.

Amount owed to companies with common shareholders relate to normal trade creditors which is generally repayable within 3 months.

The loan payable to subsidiary refers to a loan at call bearing variable interest at deposit rate less 0.2% (fees and charges). The loan is unsecured and repayable on demand.

Settlement of amounts oustanding as at September 2023 and 2022 occurs in cash.

40 BUSINESS SEGMENTS

	Finance MUR m	Investments MUR m	Group elimination MUR m	Total MUR m
Year ended 30 September 2023				
Interest income	2,888.5	347.5	(281.4)	2,954.6
Interest expense	(620.7)	(239.7)	281.4	(579.0)
Net interest income	2,267.8	107.8	–	2,375.6
Lending and agency related income	416.5	14.1	–	430.6
Other income	102.3	106.6	(99.2)	109.7
Non interest income	518.8	120.7	(99.2)	540.3
Net operating income	2,786.6	228.5	(99.2)	2,915.9
Operating expenses	(1,347.7)	(235.7)	99.2	(1,484.2)
Profit/(loss) before impairment	1,438.9	(7.2)	–	1,431.7
Net impairment losses on financial assets	(284.0)	(44.2)	–	(328.2)
Profit/(loss) after impairment	1,154.9	(51.4)	–	1,103.5
Foreign exchange gain	4.6	0.9	–	5.5
Gain on bargain purchase	–	18.5	–	18.5
Fair value gain on investment securities	–	2.9	–	2.9
Share of results of associates	–	(3.2)	–	(3.2)
Profit/(loss) before tax	1,159.5	(32.3)	–	1,127.2
Income tax expense	(165.8)	(0.4)	–	(166.2)
Profit/(loss) for the year	993.7	(32.7)	–	961.0
Assets	21,576.6	7,323.8	(7,317.7)	21,582.7
Liabilities	16,899.7	6,184.9	(7,317.7)	15,766.9
Capital expenditure	232.2	0.8	–	233.0
Investment in associates	–	14.0	–	14.0
Depreciation and amortisation	186.2	7.8	–	194.0

	Finance MUR m	Investments MUR m	Group elimination MUR m	Total MUR m
Year ended 30 September 2022				
Interest income	2,475.8	270.7	(244.2)	2,502.3
Interest expense	(474.2)	(197.5)	244.2	(427.5)
Net interest income	2,001.6	73.2	–	2,074.8
Lending and agency related income	396.8	–	–	396.8
Other income	88.7	87.5	(75.1)	101.1
Net operating income	2,487.1	160.7	(75.1)	2,572.7
Operating expenses	(1,145.9)	(221.9)	75.1	(1,292.7)
Profit/(loss) before impairment	1,341.2	(61.2)	–	1,280.0
Net impairment losses on financial assets	(544.7)	(16.0)	–	(560.7)
Impairment of investment in subsidiary	–	(45.7)	45.7	–
Profit/(loss) after impairment	796.5	(122.9)	45.7	719.3
Foreign exchange gain	1.0	0.6	–	1.6
Gain on bargain purchase	–	16.4	–	16.4
Share of results of associates	–	(2.5)	–	(2.5)
Profit/(loss) before tax	797.5	(108.4)	45.7	734.8
Income tax expense	(130.4)	(3.1)	–	(133.5)
Profit for the year from continuing operations	667.1	(111.5)	45.7	601.3
Profit for the year from discontinued operations	–	–	–	–
Profit/(loss) for the year	667.1	(111.5)	45.7	601.3
Assets	18,846.9	7,011.3	(7,103.6)	18,754.6
Liabilities	15,183.3	5,705.7	(7,103.6)	13,785.4
Capital expenditure	174.8	0.3	–	175.1
Investment in associates	–	12.5	–	12.5
Depreciation & amortisation	193.4	4.2	–	197.6

For management purposes, the Group is organised into two business segments based on the products and services as follows:

Finance - consumer credit, leasing, card acquiring and issuing, factoring and foreign exchange dealing.

Investments - strategy monitoring, support to SBUs, performance monitoring and statutory reporting.

No operating segments have been aggregated to form the above reportable operating segments.

Geographical information	Sep-23 MUR m	Sep-22 MUR m
Revenue		
- From customers in Mauritius	**3,463.7**	2,977.7
- located in Kenya	**31.2**	22.5
	3,494.9	3,000.2
Non-current assets**		
- located in Mauritius	**634.4**	544.4
- located in Kenya	**1.5**	2.3
	635.9	546.7

* Non-current assets exclude financial instruments, deferred tax assets and post employment benefit assets.

41 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The immediate holding and ultimate holding companies of CIM Financial Services Ltd are Cim Holdings Ltd and Elgin Ltd respectively. Both companies are incorporated in Mauritius.

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of financial assets and financial liabilities based on when they are expected to be recovered or settled.

GROUP	2023						2022					
	Up to 3 months	3 - 6 months	6 - 12 months	1 to 5 years	Over 5 years	Total	Up to 3 months	3 - 6 months	6 - 12 months	1 to 5 years	Over 5 years	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
ASSETS												
Cash and bank balances	**397.8**	**–**	**–**	**–**	**–**	**397.8**	681.8	–	–	–	–	681.8
Deposits with banks	**138.5**	**0.8**	**130.5**	**220.9**	**–**	**490.7**	1.3	0.9	261.1	219.6	–	482.9
Net investment in leases and other credit agreements	**1,255.4**	**1,020.0**	**1,728.4**	**5,744.2**	**308.6**	**10,056.6**	1,476.6	1,111.5	1,201.2	4,664.8	455.8	8,909.9
Loans and advances	**1,614.1**	**691.3**	**1,133.9**	**5,084.5**	**1.0**	**8,524.8**	1,410.5	616.1	480.1	4,569.2	3.9	7,079.8
Investments securities	**182.1**	**–**	**–**	**119.6**	**0.8**	**302.5**	–	0.8	119.6	–	–	120.4
Other assets	**544.2**	**–**	**74.1**	**–**	**–**	**618.3**	352.6	23.6	55.3	–	–	431.5
Total assets	**4,132.1**	**1,712.1**	**3,066.9**	**11,169.2**	**310.4**	**20,390.7**	3,922.8	1,752.9	2,117.3	9,453.6	459.7	17,706.3
LIABILITIES												
Bank overdrafts	**180.3**	**–**	**–**	**–**	**–**	**180.3**	72.7	–	–	–	–	72.7
Other borrowed funds	**5,865.5**	**487.8**	**459.9**	**6,118.4**	**280.4**	**13,212.0**	3,531.4	479.5	3,173.4	4,269.5	281.3	11,735.1
Other liabilities	**899.5**	**149.8**	**316.2**	**439.6**	**–**	**1,805.1**	699.2	70.3	22.4	611.0	–	1,402.9
Lease liabilities	**12.9**	**12.0**	**23.1**	**159.6**	**2.5**	**210.1**	8.3	8.5	16.9	173.9	1.8	209.4
Total liabilities	**6,958.2**	**649.6**	**799.2**	**6,717.6**	**282.9**	**15,407.5**	4,311.6	558.3	3,212.7	5,054.4	283.1	13,420.1

COMPANY	2023						2022					
	Up to 3 months	3 - 6 months	6 - 12 months	1 to 5 years	Over 5 years	Total	Up to 3 months	3 - 6 months	6 - 12 months	1 to 5 years	Over 5 years	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
ASSETS												
Cash and bank balances	**304.7**	**–**	**–**	**–**	**–**	**304.7**	593.3	–	–	–	–	593.3
Deposits with banks	**138.5**	**0.8**	**130.5**	**220.9**	**–**	**490.7**	1.3	0.9	261.1	219.6	–	482.9
Net investment in leases and other credit agreements	**1,255.4**	**1,020.0**	**1,728.4**	**5,744.2**	**308.6**	**10,056.6**	1,402.3	1,062.0	1,028.2	4,348.7	110.3	7,951.5
Loans and advances	**1,268.8**	**529.5**	**1,053.9**	**5,075.5**	**1.0**	**7,928.7**	1,352.4	614.1	664.0	5,480.0	3.9	8,114.4
Investments securities	**–**	**–**	**–**	**119.6**	**0.8**	**120.4**	–	0.8	119.6	–	–	120.4
Other assets	**540.3**	**–**	**74.1**	**–**	**–**	**614.4**	349.3	0.9	58.3	–	–	408.5
Total assets	**3,507.7**	**1,550.3**	**2,986.9**	**11,160.2**	**310.4**	**19,515.5**	3,698.6	1,678.7	2,131.2	10,048.3	114.2	17,671.0
LIABILITIES												
Bank overdrafts	**119.7**	**–**	**–**	**–**	**–**	**119.7**	5.3	–	–	–	–	5.3
Other borrowed funds	**5,865.5**	**487.8**	**592.4**	**6,118.3**	**280.4**	**13,344.4**	3,529.8	479.5	3,303.4	4,269.5	281.3	11,863.5
Other liabilities	**815.5**	**149.8**	**354.7**	**655.0**	**–**	**1,975.0**	731.0	93.0	22.4	493.3	–	1,339.7
Lease liabilities	**11.6**	**11.7**	**22.6**	**157.8**	**2.5**	**206.2**	8.3	8.5	16.9	172.2	1.8	207.7
Total liabilities	**6,812.3**	**649.3**	**969.7**	**6,931.1**	**282.9**	**15,645.3**	4,274.4	581.0	3,342.7	4,935.0	283.1	13,416.2

43 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Group and the Company consider relevant and observable market prices in its valuations where possible.

For financial assets and financial liabilities that have a short-term maturity, the carrying amounts, which are net of impairment, for both Group and Company, represent a reasonable approximation of their fair value. Such instruments include cash and bank balances, deposits with banks, factoring and card receivables, other assets and other liabilities.

The fair value of the net investment in leases and other credit agreements, credit facilities, corporate credit facilities (included in loans and advances) and other borrowed funds are estimated using cash flow models discounted at the relevant discount rate taking into consideration credit risk, foreign exchange risk, of default and loss given default estimates. As a result, these balances fall under Level 3 of the fair value hierarchy. Market observable data is used when appropriate and when such data is not available, the Group and the Company use historical experience. The discount rates used represent the market rates.

Included in investment securities are bonds allocated as level 2 items in the fair value hierarchy, with the significant input in determining fair value being the applicable interest rates. The technique used to determine the fair value is the discounted cash flow method.

Refer to Note 17 for further details regarding financial assets measured at fair value.

Except for financial assets and liabilities at fair value through profit or loss, the Group and the Company do not measure its financial assets and financial liabilities at fair value. The table below shows, by class of financial instruments, the comparison of their carrying amounts with their fair values. These fair values are calculated for disclosure purposes only.

	GROUP				
	Carrying amounts	Fair value			
30 September 2023	MUR m	Level 1 MUR m	Level 2 MUR m	Level 3 MUR m	Total MUR m
Financial assets not measured at fair value					
Net investment in leases and other credit agreements	**10,056.6**	**-**	**-**	**11,091.7**	**11,091.7**
Loans and advances:					
Credit facilities	**7,367.6**	**-**	**-**	**7,734.6**	**7,734.6**
Corporate credit facilities	**789.1**	**-**	**-**	**736.6**	**736.6**
Investment securities	**119.6**	**-**	**120.5**	**-**	**120.5**
	18,332.9	**-**	**120.5**	**19,562.9**	**19,683.4**
Financial assets measured at fair value					
Investment securities	**182.9**	**-**	**-**	**182.9**	**182.9**
Financial liabilities not measured at fair value					
Other borrowed funds	**13,212.0**	**–**	**–**	**13,212.0**	**13,212.0**
	13,212.0	**–**	**–**	**13,212.0**	**13,212.0**

Financial instruments for which the fair value approximates the carrying amount

	GROUP MUR m
Financial assets	
Cash at bank balances	**397.8**
Deposits with banks	**490.7**
Loans and advances:	
Factoring receivables	**72.3**
Card receivables	**295.8**
Other assets*	**509.9**
	1,766.5
Financial liabilities	
Bank overdrafts	**180.3**
Other liabilities	**1,805.1**
	1,985.4

*Other assets exclude prepayment

	GROUP				
		Fair value			
30 September 2022	Carrying amounts MUR m	Level 1 MUR m	Level 2 MUR m	Level 3 MUR m	Total MUR m
Financial assets not measured at fair value					
Net investment in leases and other credit agreements	8,909.9	–	–	8,779.2	8,779.2
Loans and advances:					
Credit facilities	6,561.8	–	–	6,909.4	6,909.4
Corporate credit facilities	146.3	–	–	133.7	133.7
Investments securities	119.6	–	117.8	-	117.8
	15,737.6	–	117.8	15,822.3	15,940.1
Financial assets measured at fair value					
Investment securities	0.8	–	–	0.8	0.8
Financial liabilities not measured at fair value					
Other borrowed funds	11,735.1	–	–	11,735.1	11,735.1
	11,735.1	–	–	11,735.1	11,735.1

43 FAIR VALUE OF FINANCIAL INSTRUMENTS Continued

Fair value hierarchy Continued

Financial instruments for which the fair value approximates the carrying amount

	GROUP MUR m
Financial assets	
Cash at bank balances	681.8
Deposits with banks	482.9
Loans and advances:	
Factoring receivables	87.9
Card receivables	283.8
Other assets*	375.3
	1,911.7
Financial liabilities	
Bank overdrafts	72.7
Other liabilities	1,402.9
	1,475.6

*Other assets exclude prepayment

	COMPANY				
		Fair value			
30 September 2023	**Carrying amounts MUR m**	**Level 1 MUR m**	**Level 2 MUR m**	**Level 3 MUR m**	**Total MUR m**
Financial assets not measured at fair value					
Net investment in leases and other credit agreements	**10,056.6**	**–**	**–**	**11,091.7**	**11,091.7**
Loans and advances:					
Credit facilities	**7,297.0**	**–**	**–**	**7,734.6**	**7,734.6**
Corporate credit facilities	**263.6**	**–**	**–**	**157.0**	**157.0**
Investment securities	**119.6**	**–**	**120.5**	**–**	**120.5**
	17,736.8	**–**	**120.5**	**18,983.3**	**19,103.8**
Financial assets measured at fair value					
Investment securities	**120.4**	**–**	**–**	**120.4**	**120.4**
Financial liabilities not measured at fair value					
Other borrowed funds	**13,344.4**	**–**	**–**	**13,344.4**	**13,344.4**
	13,344.4	**–**	**–**	**13,344.4**	**13,344.4**

Financial instruments for which the fair value approximates the carrying amount

	COMPANY MUR m
Financial assets	
Cash at bank balances	**304.7**
Deposits with banks	**490.7**
Loans and advances:	
Factoring receivables	**72.3**
Card receivables	**295.8**
Other assets*	**494.0**
	1,657.5
Financial liabilities	
Bank overdrafts	**119.7**
Other liabilities	**1,975.0**
	2,094.7

30 September 2022	COMPANY Carrying amounts MUR m	COMPANY Fair value Level 1 MUR m	Level 2 MUR m	Level 3 MUR m	Total MUR m
Financial assets not measured at fair value					
Net investment in leases and other credit agreements	7,951.5	–	–	8,779.2	8,779.2
Loans and advances:					
Credit facilities	6,500.1	–	–	6,909.4	6,909.4
Corporate credit facilities	1,242.6	–	–	1,256.0	1,256.0
Investments securities	119.6	–	117.8	–	117.8
	15,813.8	–	117.8	16,944.6	17,062.4
Financial assets measured at fair value					
Investment securities	120.4	–	–	120.4	120.4
Financial liabilities not measured at fair value					
Other borrowed funds	11,863.5	–	–	11,863.5	11,863.5
	11,863.5	–	–	11,863.5	11,863.5

	COMPANY MUR m
Financial assets	
Cash at bank balances	593.3
Deposits with banks	482.9
Loans and advances:	
Factoring receivables	87.9
Card receivables	283.8
Other assets*	345.0
	1,792.9
Financial liabilities	
Bank overdrafts	5.3
Other liabilities	1,339.7
	1,345.0

*Other assets exclude prepayment

44 CLASSIFICATION OF FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below shows the financial assets and liabilities of the Group and the Company classified according to the categories under IFRS 9.

	Categories under IFRS 9					
	GROUP			COMPANY		
30 September 2023	Assets at fair value through profit or loss	Assets at amortised costs	Total	Assets at fair value through profit or loss	Assets at amortised costs	Total
Financial assets	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Cash and bank balances	–	397.8	397.8	–	304.7	304.7
Deposits with banks	–	490.7	490.7	–	490.7	490.7
Net investment in leases and other credit agreements	–	10,056.6	10,056.6	–	10,056.6	10,056.6
Loans and advances	–	8,524.8	8,524.8	–	7,928.7	7,928.7
Investments securities	182.9	119.6	302.5	0.8	119.6	120.4
Other assets	–	618.3	618.3	–	614.4	614.4
	182.9	20,207.8	20,390.7	0.8	19,514.7	19,515.5

	GROUP			COMPANY		
	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
Financial liabilties	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Other borrowed funds	–	13,212.0	13,212.0	–	13,344.4	13,344.4
Other liabilities	–	1,805.1	1,805.1	216.3	1,758.7	1,975.0
	–	15,017.1	15,017.1	216.3	15,103.1	15,319.4

Categories under IFRS 9

	GROUP			COMPANY		
30 September 2022	Assets at fair value through profit or loss	Assets at amortised costs	Total	Assets at fair value through profit or loss	Assets at amortised costs	Total
Financial assets	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Cash and bank balances	–	681.8	681.8	–	593.3	593.3
Deposits with banks	–	482.9	482.9	–	482.9	482.9
Net investment in leases and other credit agreements	–	8,909.9	8,909.9	–	7,951.5	7,951.5
Loans and advances	–	7,079.8	7,079.8	–	8,114.4	8,114.4
Investments securities	0.8	119.6	120.4	0.8	119.6	120.4
Other assets	–	375.3	375.3	–	408.5	408.5
	0.8	17,649.3	17,650.1	0.8	17,670.2	17,671.0

	GROUP			COMPANY		
	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total	Liabilities at fair value through profit or loss	Liabilities at amortised cost	Total
Financial liabilties	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Other borrowed funds	–	11,735.1	11,735.1	–	11,863.5	11,863.5
Other liabilities	–	1,402.9	1,402.9	–	1,339.7	1,339.7
	–	13,138.0	13,138.0	–	13,203.2	13,203.2

45 FINANCIAL SUMMARY

Group

Consolidated Statements of Profit or Loss and Other Comprehensive Income from continuing operations

		Sep-23 MUR m	Sep-22 MUR m	Sep-21 MUR m
Interest income		**2,954.6**	2,502.3	2,172.3
Interest expense		**(579.0)**	(427.5)	(396.1)
Net interest income		**2,375.6**	2,074.8	1,776.2
Lending and agency related income		**430.6**	396.8	350.0
Other income		**109.7**	101.1	129.9
Net operating income		**2,915.9**	2,572.7	2,256.1
Operating expenses		**(1,484.2)**	(1,292.7)	(1,209.2)
Profit before impairment		**1,431.7**	1,280.0	1,046.9
Net impairment losses on financial assets		**(328.2)**	(560.7)	(540.0)
Net gain on disposal of investment in subsidiary		**–**	16.4	–
Share of results of associates		**(3.2)**	(2.5)	(3.8)
Foreign exchange gain		**5.5**	1.6	5.4
Profit before non-recurring items		**1,105.8**	734.8	508.5
Non-recurring items:				
Gain on bargain purchase		**18.5**	–	–
Fair value gain on investment securities		**2.9**	–	–
Profit before tax		**1,127.2**	734.8	508.5
Income tax expense		**(166.2)**	(133.5)	(93.9)
Profit for the year		**961.0**	601.3	414.6
Other comprehensive income for the year, net of tax		**(57.0)**	(2.1)	38.9
Total comprehensive income for the year, net of tax		**904.0**	599.2	453.5
Basic and diluted earnings per share (MUR)		**1.41**	0.88	0.61
Statements of Financial Position				
Assets		**21,582.7**	18,754.6	16,420.3
Stated capital		**680.5**	680.5	680.5
Retained earnings		**4,460.7**	3,786.6	3,396.2
Other reserves		**458.3**	502.1	504.2
Liabilities		**15,766.9**	13,785.4	11,839.4
		21,366.4	18,754.6	16,420.3
Stated Capital				
Number of ordinary shares - issued and fully paid	**Units**	**680,522,310**	680,522,310	680,522,310

CIM Financial Services Ltd & SBU's

List of Directors

AS AT 30 SEPTEMBER 2023

	Koon Siw Piang Cheong Chin (Nick Chin)	Darga Louis Amédée	Jaunbocus Fareedoodeen	Lo Fong Audrey	Maharahaje Panday Woogra Tioumitra	Motet Denis	Ramdoss Itysha Sharona	Ramtoola Ashraf	Sathan Davina	Somen David	Taylor Colin Geoffrey	Taylor Alexander Matthew	Taylor Philip Simon	Taylor Sebastian Callum	Taylor Timothy	Timol Aisha	Van Beuningen Mark	Vaudin Dominique
Cim Administrators Ltd					X				X									
Cim CSR Fund Ltd					X										C		X	
Cim Ethiopia Ltd *																		
CIM Financial Services Ltd		X	X			X	A			X	X	X	X	Alt	X	C	X	Alt
Cim Kenya Ltd					X												X	
Cim Credit Kenya Ltd	X				X					C							X	
Cim Insurance Agency Limited	X				X					C							X	
Cim International Holdings Ltd					X												X	
Cim Investments Ltd**	X																X	
Cim Learning Centre Ltd				X													X	
Key Financial Services Ltd								X										
Loinette Capital Ltd	A										A						A	
The Oceanic Trust Co. Ltd								X										

C - Chairperson
X - In office as director
A - Appointed as director
R - Resigned as director
Alt - Alternate Director
D - Deceased

CIM Financial Services Ltd

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