Building
RESILIENCE

Integrated Report 2022

Cim finance

Dear Shareholders,

The Board of Directors is pleased to present the Integrated Report of CIM Financial Services Ltd for the year ended 30 September 2022.

This report was approved by the Board on 23 December 2022.

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 fourth Integrated 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 2021 to 30 September 2022.

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 2022 up to the date of approval of this report are also disclosed herein.

Theme of this report

BUILDING RESILIENCE

We are living through extraordinary times, with a confluence of shifts in global events, technology, consumer behaviour and the environment. With any great period of change comes either an insurmountable challenge, or a window of opportunity to bring about change for the better.

This Integrated Report offers an overview of Cim Finance's ability to achieve the latter and build resilience.

- To weather the storm of today, without losing sight of our vision for the future.
- To learn, adapt and evolve in the face of adversity.
- To understand that carefully-made plans may need to be abandoned to make place for innovations.
- To view mistakes and failure as lessons to learn and grow from. And to always be prepared for larger, and possibly more disruptive, events to come.

For us, resilience is not a desired outcome or a fixed goal. It is an ongoing, deliberate journey to continuously change ourselves, instead of waiting for events to change us.

Reporting Principles

Our Integrated 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 IIRC's International <IR> Framework. Our discussions about value creation are centred on the six <IR> capitals that are relevant to our Group, namely:

1. Financial
2. Human
3. Intellectual
4. Social & Natural
   (combined for the purpose of this report)
5. Manufactured
6. Relationship Capital

We recognise that integrated reporting is a continuous journey of improvement. We are committed to improving, each year, our reporting practices, as well as the quality of information we provide to our stakeholders. The process of preparing this Integrated Report allows us to better understand the connectivity and interrelatedness between our organisation's different activities and functions, create a culture of collaboration and offer a holistic view of how Cim Finance creates value. Our aim is to continue embedding integrated thinking into our business in a way that enhances decision-making and our resilience.

Our approach to materiality

This report provides information that we believe is of a material nature 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 forward-looking 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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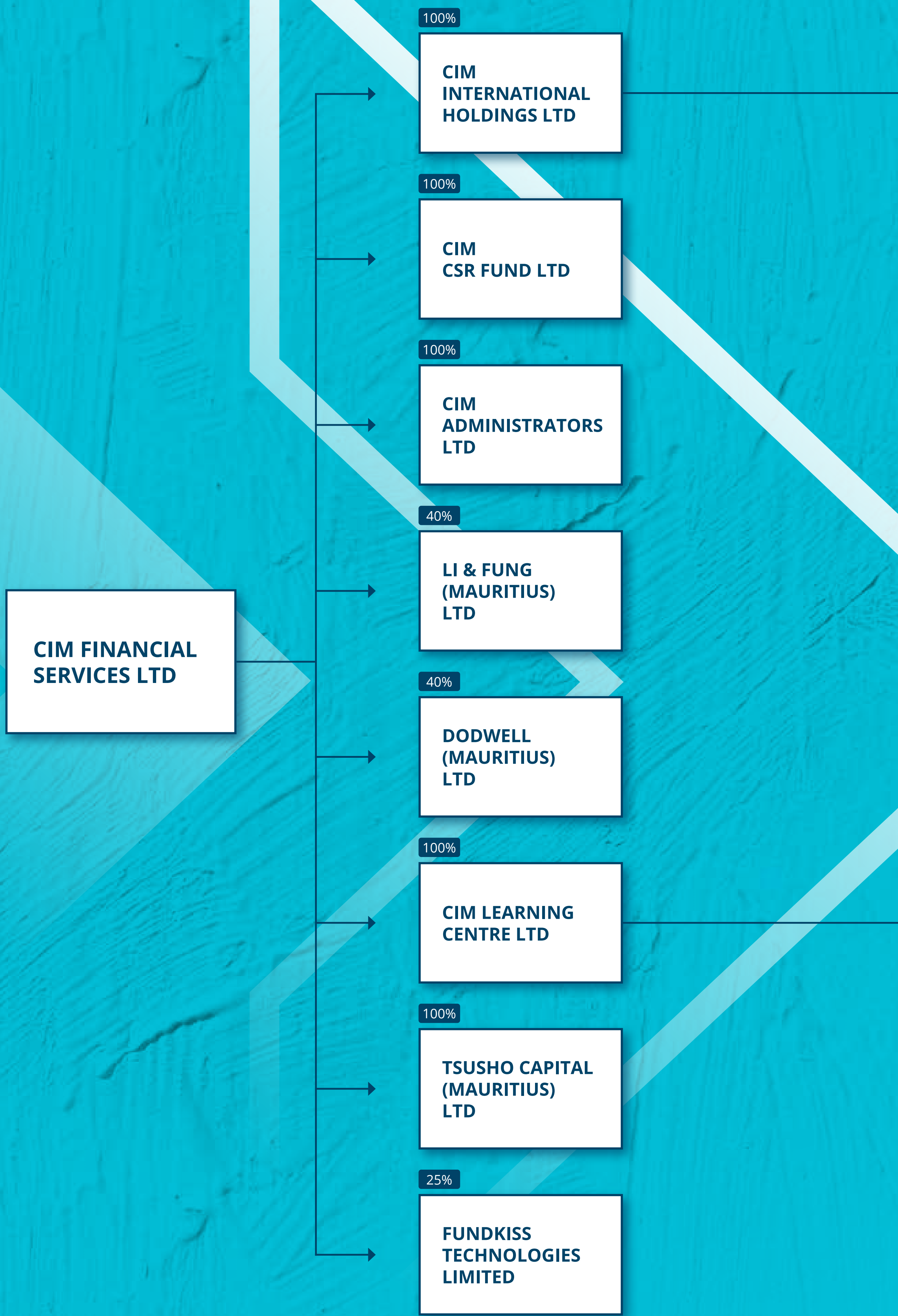

CIM FINANCIAL SERVICES LTD
100%
CIM INTERNATIONAL HOLDINGS LTD
100%
CIM CSR FUND LTD
100%
CIM ADMINISTRATORS LTD
40%
LI & FUNG (MAURITIUS) LTD
40%
DODWELL (MAURITIUS) LTD
100%
CIM LEARNING CENTRE LTD
100%
TSUSHO CAPITAL (MAURITIUS) LTD
25%
FUNDKISS TECHNOLOGIES LIMITED

100%

CIM KENYA LTD

100%

CIM CREDIT KENYA LTD

100%

CIM INSURANCE AGENCY LTD

Group Structure

100%

KEY FINANCIAL SERVICES LTD

100%

THE OCEANIC TRUST LTD

Notes:

- Group structure as at 30 September 2022.
- Excluding companies under liquidation and dormant companies.
- In October 2022, Tsusho Capital (Mauritius) Ltd was amalgamated with and into CIM Financial Services Ltd, with CIM Financial Services Ltd being the surviving entity.

This is Cim

OVER
270,000
CLIENTS

F ▸ **647**
AVERAGE AGE
35yrs old

OVER
830
EMPLOYEES

M ▸ **185**
AVERAGE AGE
38yrs old

91
COUNTERS

9
SUB OFFICES

650
MERCHANTS

CONSUMER FINANCE		CARDS AND PAYMENTS	LEASING	FACTORING	SME	INSURANCE AGENT
Factoring	Leasing	Business credit cards	POS Services	WhatsApp for SMEs	SME Loans	Ecommerce Service

noubiznes by Cim finance
ACCOMPAGNEMENT | FINANCEMENT | NETWORKING

1 SME PLATFORM
www.noubiznes.mu

5
NOUBIZNES DESK

OUR
purpose-driven
approach

We firmly believe that all Mauritians deserve a level playing field and the freedom to build better futures 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 Government for SMEs

STRATEGIC IMPERATIVES

- Sustainable Growth
- Operational Excellence
- Digitalisation
- Customer Centricity

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

RISK MANAGEMENT FRAMEWORK

- Risk Appetite
- Main Risks
- Risk Response

OUTPUTS

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

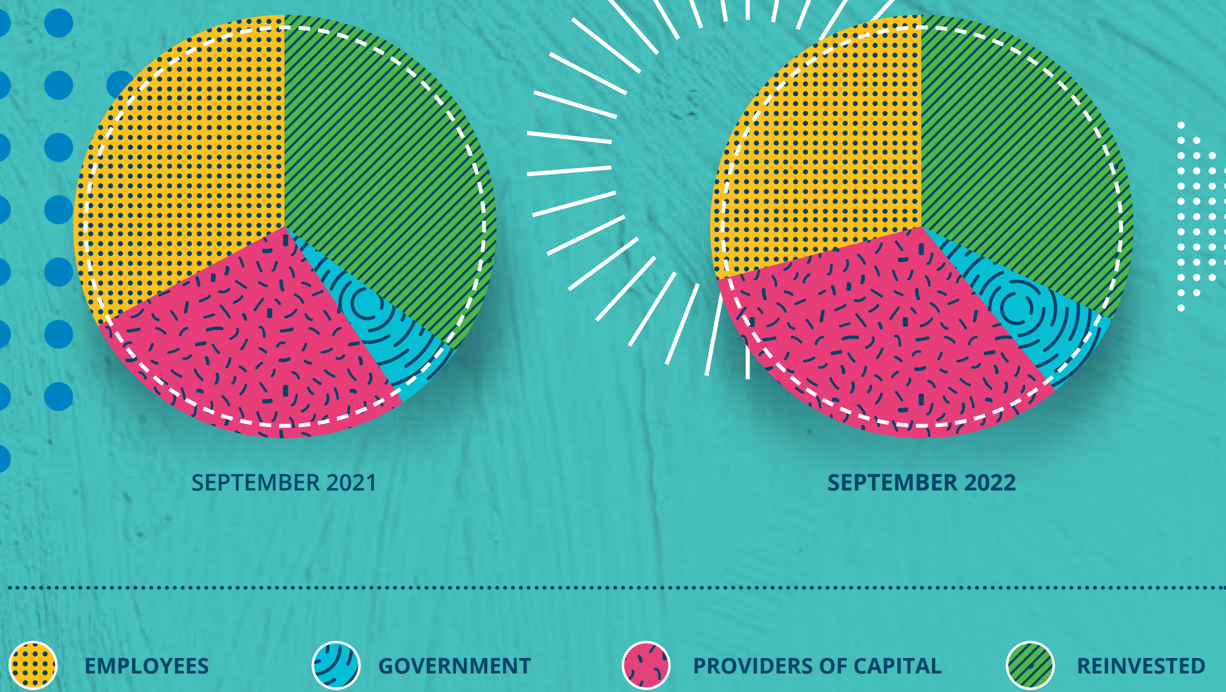
MANUFACTURED CAPITAL

- Accessibility
- Sound credit decisions
- Low impairment levels

SOCIAL & NATURAL CAPITAL

- Responsible lender
- Support to the community

CONSOLIDATED VALUE **ADDED STATEMENT**



FINANCIAL Highlights

NET OPERATING INCOME
+14%
TO REACH MUR 2,573bn

GROUP PROFIT AFTER TAX
+45%
TO REACH MUR 601.3m

Value Added Statement

	Sep 2022 MUR m	Sep 2021 MUR m Restated*
Income	**2,573**	2,256
Bought-in materials & services	**(567)**	(532)
Total value added	**2,006**	1,724
Applied as follows:		
EMPLOYEES		
Wages, salaries, bonuses, pensions & other benefits	**646**	606
GOVERNMENT		
Income Tax	**134**	94
PROVIDERS OF CAPITAL		
Dividends paid to:		
Shareholders of CIM Financial Services Ltd	**211**	68
Banks & other lenders	**428**	396
	639	464
REINVESTED		
Depreciation	**159**	175
Amortisation	**38**	38
Retained Profit	**390**	347
	587	560
	2,006	1,724

* Refer to Note 39 Restatement and reclassifications on page 196.

DIVIDEND PER SHARE
MUR 0.31

EARNINGS PER SHARE
MUR 0.88

NET ASSET VALUE PER SHARE
MUR 7.30

SHARE PRICE
10.05
AS AT 30 SEPTEMBER 2022

DIVIDEND YIELD
3.1%

TOTAL ASSETS
+14%
TO REACH MUR 18,785m

RETURN ON EQUITY
12.6%

Aisha Timol
Independent Director
and Chairperson

Interview with the Chairperson

The theme of this year's report is 'Building resilience', which is evidenced by Cim Finance's strong performance for the year. What explains Cim Finance's ability to rise above challenges even in uncertain times?

It gives me great pleasure to introduce Cim Finance's integrated report for the financial year ended 30 September 2022, which offers an overview of how our organisation once again proved its mettle.

By nature of Cim Finance's activities, we are continually operating somewhere on the crisis spectrum. No business in our industry can survive without a high degree of resilience, which I define as the ability to not just hold the fort in times of tremendous pressure, but also to continue creating business and stakeholder value. This past year, we have lived through a great example of Cim's capacity to do both. We recentred ourselves on our core expertise and bolstered our organisational strength in all aspects of the business; simultaneously, we captured strategic opportunities that will enable us to better serve our customers and reinforce our stance as a purposeful business.

Resilience cannot be built overnight or through one-off actions; instead, it is the outcome of many years of conscientious decisions to channel resources into the right people, processes and systems, and above all, to never waver from one's purpose and values.

In my four and a half years as Chairperson of Cim Finance, I have proudly borne witness to the Group's commitment to its purpose and duty, come rain or shine. Looking back at the accomplishments of the past year, there is no doubt in my mind that Cim Finance's role stretches beyond its lending and financing capabilities — which, to be sure, have been critical in seeing businesses and households through the crisis. Time and time again, the Group has remained anchored in its 35-year-strong legacy of caring deeply for others, uplifting lives and helping people realise their dreams. In my humble opinion, herein lies our resilience.

What underlying macroeconomic and market trends influenced Cim Finance's performance during the year under review?

Over the past financial year, the effects of the pandemic continued to roil the world and the global economy. Mauritius, for its part, continued to operate in a very volatile socioeconomic environment. On the one hand, the tourism sector remained at a standstill until October 2021, with adverse ripple effects across many other industries. On the other hand, we saw encouraging signs of recovery in construction, financial services and manufacturing, with businesses learning how to adapt to the ebbs and flows of supply chain challenges and consumer demand. Whilst we emerged safely from a sanitary crisis, it was only to be faced with rising inflation and the war in Ukraine, both of which are causing food and commodity prices to escalate and are likely to further threaten employment and livelihoods.

Amid this maelstrom, Cim Finance maintained its positive growth momentum and delivered an excellent financial performance. Our figures, shared in greater detail by our Group CEO in his interview, speak for themselves. This has enabled us to continue creating long-term value for our shareholders through sound returns. The Board declared a final dividend of MUR 0.24 per share for the financial year, a healthy pay out given the operating environment.

Interview with the Chairperson

Could you share the key strategic highlights that contributed to positioning Cim Finance as a purposeful business, as you mentioned?

Cim Finance was active on a number of fronts to strengthen our stance as a business led by strong social and environmental values. Our main actions and initiatives can be distilled down to the following points:

- Our strategy over the past few years has been to strengthen our core expertise and areas in which we have a substantial competitive advantage. This led to the sale of our wholly owned subsidiary, Cim Forex. In the same breath, we completed the acquisition of Tsusho Capital in March 2022, a company licensed by the FSC and specialising in vehicle financing and insurance agency services. This amalgamation, after that of Mauritian Eagle Leasing Company Limited in October 2020, is expected to reinforce our leasing business in Mauritius, which currently comprises MUR 3.2bn of our total loan book. This will bode well for the diversification of our portfolio and revenue streams.

- Micro, small and medium-sized businesses are still reeling from the effects of the pandemic - lockdowns, reduced demand, disruptions in supply chains - in the form of severe revenue losses and liquidity challenges. Therefore, I could not be more pleased by the timely launch of Noubiznes, an initiative that recognises that SMEs need more than financing to thrive in the current climate. The online portal grants SME owners the tools, resources, opportunities and confidence they need to grow their business in a competitive and challenging environment that is often stacked against them.

- I am also deeply honoured to announce that Cim Finance became the first company in Mauritius to have developed a Green Bond Framework and issued green bonds to facilitate the development of environmental projects. Our Group CEO, Mark, shares more about the significance of this milestone in his interview.

- Our performance is heavily reliant on the strength of our people. Having endured a global pandemic, successive lockdowns, disruptions in work-life balance, and a prolonged economic and social crisis, employees across the board are understandably plagued by fatigue and high levels of stress. We have done our utmost to respond with empathy and compassion, reenergise our workforce and help them regain a sense of stability.

In this complex regulatory landscape, sound governance practices have never been more important. How is the Board ensuring that Cim Finance is well governed?

This past year, we resolved to hold ourselves accountable to even higher standards of good governance, environmental stewardship and community engagement. We constantly evaluate and evolve our methods to ensure we remain at the forefront of best practices in these areas.

Cim Finance is more than committed to having an independent, high-performing Board of Directors, who discharge their oversight duties with integrity, accountability and ethics. One tool we use to examine our effectiveness is an annual board evaluation, generally performed internally by self-evaluation and peer review. This year, we approved a Board Evaluation Framework, which will help us transition to an unbiased and rigorous assessment of our performance, and that of our sub-committees.

As leaders in the financial industry, we must be mindful of the consequences of our actions over the long term. Our corporate governance and risk management practices are designed to help us plan for long-term changes by taking into account shifting customer demands and an ever-changing operating environment. This is another aspect of resilience.

What progress was made towards the Group's environmental and social goals?

As the pandemic has demonstrated, a crisis can often act as a catalyst for expeditious innovation, leading to rapid advances in areas in which we choose to dedicate our time and efforts. We have also seen diverse interests and parties pull together as allies to face a common challenge. Climate risk is one of those areas that can be addressed effectively if we set our differences aside and cooperate for the greater good. Our many initiatives, like the Green bond and the Green loan, are aligned with the Government's vision to transition to a carbon neutral economy. If we stand united, I believe we can turn the tide on the existential and humanitarian threat that climate change poses to our island.

Deeply embedded in Cim Finance's DNA is a genuine desire to advance the causes of all socioeconomic groups of the country. With food insecurity rising and pushing certain segments of the population into extreme poverty, we continued to lend our support to vulnerable communities, including Cité Coeur

Immaculée de Marie – Cité CIM - in Rivière du Rempart, where our involvement has contributed to improving the quality of life of its residents via decent housing. Our CSR report on pages 58 to 61 sets out the many initiatives carried out during the year to drive progress in the areas of Education, the Environment and Engagement.

How do you see the next year unfolding?

Looking ahead, it is reasonable to assume that we will continue operating in a difficult environment, characterised by high interest rates and persisting inflation. Geopolitical tensions are exacerbating the erosion of purchasing power, while dealing with a major shock to commodity prices. Our efforts will be targeted on protecting our customers to the best of our ability and ensuring they have the means to cover their basic needs.

From a business perspective, I am optimistic that Cim Finance's solid foundations and strategic direction will continue to yield positive results. Having emerged from an unforeseen pandemic on strong footing, with a strong balance sheet, I have full confidence that we will be able to continue leveraging our strengths and competencies to be better positioned to compete in the marketplace. We have ambitious projects underway, several more in the pipeline, and a clear ESG roadmap, all of which are breathing a renewed sense of purpose into the organisation.

This brings me to our people, Cim Finance's workforce, whose tireless efforts have enabled us to overcome these difficult times. Our results hold a mirror to their hard work and combined strength, which will certainly take us to greater heights.

Likewise, our leadership and management teams, led by our CEO, have demonstrated the courage and confidence to offer new, sometimes unconventional, solutions that benefit all our stakeholders. Thank you for setting a wonderful example of steadfast dedication and responsibility.

To my fellow members on the Board, I am grateful for your guidance and perspectives that are helping chart our present and future as a sustainable and community-driven organisation.

A. Timol

Your Chairperson
AISHA TIMOL

Meet *Chesma*

Making an impact through finance is what the Green Lease represents. As an SME Manager, my vigorous work ethic earned me a key role in Green Lease reporting. With surging demand for green leases, our approach to carrying out a smooth audit reporting, and as our duty of responsibility, we ensure that our financial support positively contributes to the environment. At Cim Finance, our efforts are to guide our organisation, clients and the country sustainably.

Meet *Fabrice*

Our Green Lease is poised to finance climate-resilient purchases. It was brought forth on the local market to address increasing pollution and to prompt the communities to become eco-friendlier. As the Team Leader in our leasing department, since its launch in March 2022, we have financed over 100 hybrid and electric cars owing to our attractive interest rates. It gives me immense pride to know we are contributing to potentially driving Mauritius towards the net-zero transition.

Green Bond

As per CIM Financial Services Limited (CFSL) Green Bond Framework, CFSL is committed to finance client purchases that will deliver positive environmental and social impacts over the next 5 years.

GREEN BOND ISSUANCE – 30 SEPT 22

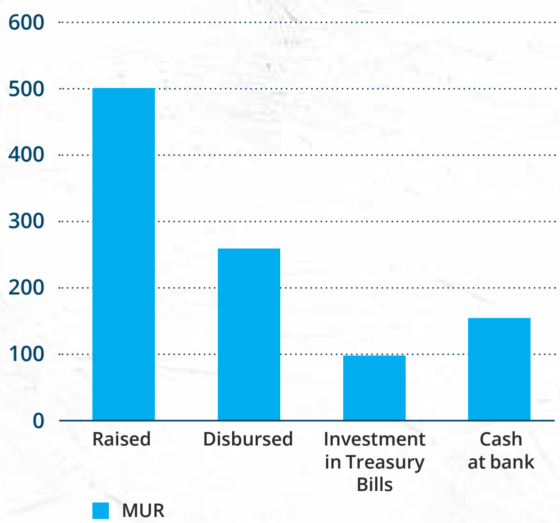


Figure 1 : Distribution of the proceeds (MUR)

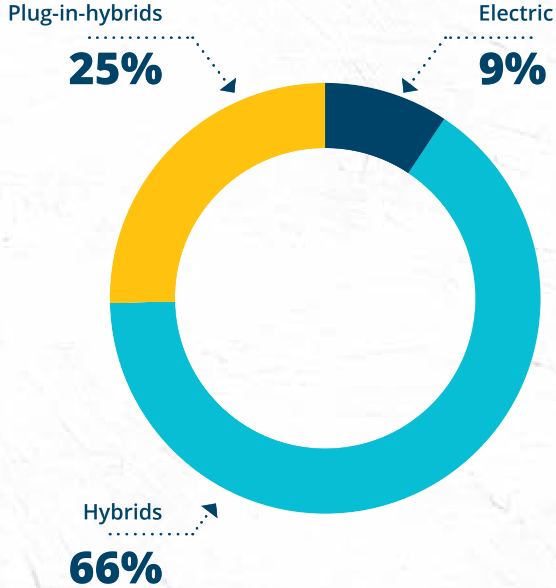


Figure 2 : Portfolio distribution of vehicles financed

KEY ENVIRONMENTAL PERFORMANCE INDICATORS

Table 1 : Summary of data as of 30 September 2022

Project Category	GHG emissions avoided (KgCO2e)	Carbon intensity of the bond (KgCO2e/Rs)	Number of projects sold per category
RENEWABLE ENERGY	15,114	0.00047	1
ENERGY EFFICIENCY	N/A	N/A	N/A
CLEAN TRANSPORTATION	140,803	0.001004	107
GREEN BUILDINGS	N/A	N/A	N/A
SUSTAINABLE AGRICULTURE	N/A	N/A	N/A

The total results of the green bond in the clean transportation category are positive. This is equivalent* to:

- 13,831 gallons of diesel avoided
- 326 barrels of oil avoided

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

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 in February 2023.

Directors' Profiles

AISHA TIMOL – G.O.S.K
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 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.

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: none

MARK VAN BEUNINGEN
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

LOUIS AMEDEE DARGA
Non-Executive Director

Amédée is a Fellow of the Royal Society of Arts (FRSA). 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 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 serves as the Chairperson of the Southern and Eastern African Trade and Information Network (SEATINI), 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 is also the Chairperson of the Audit and Compliance Committee and a member of the Board Investment Committee of CFSL.

Directorship in other listed companies: none

FAREED JAUNBOCUS
Independent Director

Fareed is a Chartered Certified Accountant and currently the CEO of Strategos Ltd, a Mauritius-based Management Consulting firm.

As the Partner heading the Strategic Consulting Services of De Chazal Du Mee/Arthur Andersen (now BDO), where he worked for 30 years, Fareed developed a breadth of experience in Management, Project Consulting and Capacity Building. Having carried out assignments in over 50 countries including the USA, China, Europe and South Africa, he brings highly diversified skills and valuable perspectives to all projects and organisations.

Over and above blue chip companies, the private and public sectors and governments, Fareed is an accredited service provider to a host of commissioning agencies and international donors, including: the African Development Bank, the PTA Bank, the World Bank, the European Union, the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the Indian Ocean Commission (COI), the United States Agency for International Development, the UNDP and other UN agencies. He has also served as a Director on the United Nations Advisory Board in New York.

Fareed is a member of the Audit and Compliance Committee and a member of the Risk Management Committee of CFSL.

Directorship in other listed companies: none

Directors'
Profiles

DENIS MOTET
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 1 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 Group's Risk Management Committee and a member of the Audit and Compliance Committee of CFSL.

Directorship in other listed companies: none

DAVID SOMEN
Independent 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 provider. He is also the co-founder and Chairperson of Eldama Technologies Limited, one of Kenya's leading cloud and IT services providers, and a co-founder and director of Serenity Spa, Kenya's leading spa, wellness and beauty organisation.

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 in 2000.

He also has several years of experience working for McKinsey & Co in London and Hong Kong. David is currently the Chairperson of Cim Credit Kenya Ltd, Cim's Kenyan financial services business.

David is also the Chairperson of the Corporate Governance and Conduct Review Committee of CFSL.

Directorship in other listed companies: none

COLIN TAYLOR

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 was also the Honorary Consul of Sweden in Mauritius.

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

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

MATTHEW TAYLOR

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 Audit and Compliance Committee of CFSL.

Directorship in other listed companies: none

Directors' Profiles

PHILIP TAYLOR
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
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.

He serves as the Chairperson of Scott and Company Limited, one of Mauritius' oldest commercial concerns, and also as the Chairperson of The BrandHouse Ltd. 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

A CEREMONIAL LAUNCH FOR OUR GREEN BONDS

It is our responsibility to encourage more sustainable consumption, says Mark van Beuningen, our Group CEO. With this in mind, we started 2022 as the first non-banking financial institution to have issued green bonds in Mauritius. The Financial Services Commission (FSC) marked the occasion by hosting an official ceremony at its headquarters on 25 January, in the presence of the Minister of Financial Services, the Governor of the Bank of Mauritius and the partners who contributed to making this project possible.

CHIEF EXECUTIVE OFFICER

Mark van Beuningen
Executive Director and
Group Chief Executive Officer

Discussions with the Group CEO

How would you sum up the past year for Cim Finance?

I am pleased to report that this past year, Cim Finance continued to grow as a resilient business that remains very relevant to the needs of households and businesses across the island. The financial year 2022 was marked by major strategic milestones, as well as profound and meaningful changes that will enable us to be a driving force for inclusive and sustainable growth.

We operated in a challenging environment, with strong recovery in most industries, spurred by the tourism industry getting back on its feet; yet, the many uncertainties related to the pandemic continue to linger. The war in Ukraine came as an unexpected and unwelcome threat, with economic ramifications for the world. In Mauritius, we have been witnessing a sharp rise in the price of commodities and food, a trend that is expected to worsen and last well into next year.

Once again, Cim Finance played its full part in this recovery by supporting all players, whether large corporate clients, small businesses or individuals. In light of the rising cost of living, which is impacting households and businesses alike, we remained, and continue to remain, highly attentive to the needs of our customers, working closely with them to provide tailor-made solutions for different socioeconomic circumstances. We balance this with our responsible and prudent lending practices to safeguard both ours and our customers' best interests.

What are the key financial indicators that best reflect Cim's performance?

We ended the year with a strong portfolio and balance sheet. Group net operating income increased by MUR 317m (14%) to reach MUR 2,573m during the year and Group profit after tax increased by MUR 187m (45%) to reach MUR 601.3m. Notable growth in our Consumer Finance and Leasing activities largely contributed to these improved results. I believe this is the payoff from investments made in recent years to strengthen our core business, while also diversifying our portfolio and digitalising our operations.

Could you share more about these strategic milestones?

Our strategy has been to concentrate our resources on our core activities and areas of expertise, which are Consumer Finance, Leasing, Cards & Payments, Factoring and SMEs. The mass market retail and SME segments together represent almost 50% of the country's GDP and employment, and form an integral part of our business. We therefore maintained our focus on serving these segments to the best of our ability.

I would like to draw your attention to three major transactions undertaken during the year to this end. First, Cim Forex Ltd, previously a wholly owned subsidiary, was effectively sold to Swan General Ltd in July 2022. The second, in December 2021, was the acquisition of an equity stake in Fundkiss Technologies Limited, a peer-to-peer digital lending platform that has revolutionised SME financing in Mauritius. This strategic partnership makes perfect sense as we share a common purpose and desire to facilitate the growth and prosperity of SMEs in the country.

A few weeks later, we completed another notable transaction for the acquisition of Tsusho Capital (Mauritius) Ltd, a company licensed by the FSC offering vehicle financing and insurance agency services, and with a strong presence and customer base in the country. This forms part of our strategy to further expand our leasing offering and develop strong relationships with car dealerships.

On another note, Cim Finance became the first company in Mauritius to have issued a Green Bond of MUR 500m, which received an AA rating from Care Ratings (Africa). These funds will serve to finance our Green Lease, as well as other projects that contribute to a greener, carbon-neutral economy. These MUR 500m represent the first tranche of a total of MUR 3bn we have earmarked over the next five years to not just cement our position in the green financing space, but also redirect financial flows towards the investments necessary for Mauritius to combat the effects of climate change.

We recognise that all change must begin internally, with our people. This is why we offer a preferential Green Lease rate of 3.75% per year to our employees, to encourage them to live and breathe our sustainability objectives. We are also setting up photovoltaic panels in our offices and EV chargers in our parkings, with ambitions to join the SEMSI Index in 2023.

Discussions with the Group CEO

In last year's report, you shared that FY 2023 would see a focus on growing Cim Finance's capabilities in Consumer Finance. What progress was made on this front?

As a reminder, the Consumer Finance segment is one of our key strengths. It aims to offer financial solutions to our customers through nine sub-offices and a network of 91 in-store counters across Mauritius and Rodrigues.

During the year, we witnessed an uptick in demand compared to the previous financial year for our consumer finance products, namely Credit Finance Agreements to purchase consumer electronic goods and unsecured loans to finance personal projects. This was achieved in spite of further tightening our credit policies, which is a strong indicator of the revival in consumption, and overall improvement in economic and business sentiment.

In parallel, we have been undergoing a digital transformation in response to a culture of immediacy that has accelerated since the pandemic. Customers have come to demand instant and speedy interactions, without having to queue up. We have fully embraced this digital renaissance and leapfrogged the development of our omnichannel capabilities. As an example, we launched WhatsApp for MoCrédit, enabling clients to apply for an unsecured loan for their personal projects via WhatsApp in a matter of minutes, with just a few clicks. The authentication and verification process is also completed remotely via a Video Know Your Customer (vKYC) solution. Using state-of-the-art technologies such as facial recognition, geo location and matching algorithms with optical character recognition, customers can apply for their loans digitally, from the comfort of their office or home. This brings added convenience to customers, while also relieving our teams of redundant manual work, making them more efficient and focused on delivering a positive customer experience.

At the same time, digital holds great potential to help us achieve a more sustainable future. In automating our processes, we are transitioning away from using paper. Of the 222,148 contracts generated during the year, 80% were paperless.

How did the Leasing segment fare, especially in view of the acquisition of Tsusho Capital (Mauritius) Ltd?

Our Leasing business performed extremely well, as expected following the reopening of borders.

Core to this segment is the ability to develop and nurture strong relationships with vehicle dealerships. Our acquisition of Tsusho Capital (Mauritius) Ltd is expected to be very beneficial to increasing our presence, particularly as they offer in-house leasing at Toyota and CFAO Motors. Cim Finance now has in-house desks at Toyota, Mercedes, Volkswagen, Fuzo and Suzuki, making us the first point of contact for customers and providing great scope for us to further penetrate this segment. It is worth mentioning that following the amalgamation in October 2022, our Human Resources department played an instrumental role in ensuring the integration of both teams through training sessions and change management to ensure a seamless and successful merger.

Alongside this, we successfully launched a new leasing onboarding system for individual clients in collaboration with Seriti, a South African company. The leasing application process is automated from end to end, significantly reducing turnaround times and contributing to Cim Finance claiming a leadership role in the Mauritian leasing market in the near future.

I am thrilled by the official launch of the Green lease financing plan, designed to encourage the purchase of environmentally friendly vehicles and equipment. The response has been very favourable so far, as we are seeing significant growth in the purchase of hybrid and electric vehicles. Much of this credit also goes to the government's announcement to make all hybrid and EV vehicles duty-free in a drive to push Mauritian consumers towards more responsible purchasing behaviours.

All of the above measures have contributed positively to growing the Leasing business.

Has the integration of digital payment solutions led to the improved performance of Cim's Cards & Payments segment, as you were aiming for?

Building on our increasing market share in active cards issued, we grew the number of credit cards by 7% and POS acquiring volumes by 50%.

We successfully executed on the initial phase of our digital payments strategy to enhance our digital ecosystem and online payment services. The first step was the approval of our Payment Services Provider licence by the BOM in November 2021. Having integrated the MauCas IPS enablement on our MoFinans app, customers are now able to pay their instalments and have their payments allocated near-instantly.

As evidenced by our investment in Fundkiss, we strongly believe in tying up with established Fintechs who have the required expertise and infrastructure to complement our activities. MIPS and Peach Payments are two examples of businesses we have partnered with that have successfully addressed the growing demand for digital products and contactless payments, and become reputed names in the payment ecosystem in Mauritius. For the time being, this partnership is limited to online card acceptance services for Mauritian companies, but we aim to progressively expand this to other digital payment services and secure a stronger foothold in the payment space.

The business environment is still fragile, given the economic situation. How has that impacted demand for Factoring services?

Factoring is a solution that grants businesses access to immediate liquidity, a solution that several businesses have had recourse to in view of the adverse economic environment.

A central component of Factoring is the provision of credit insurance cover to safeguard our clients against default of their debtors. We onboarded a new credit insurer, Credit Guarantee Insurance. Additionally, we took our partnership with the Mauritius Export Association ('MEXA') a step further by signing an MOU that will now enable us to provide factoring facilities to all their members engaged in export activities. Next, the goal is to explore further supply chain financing solutions among other working capital products, to offer even more flexibility to our customers. This will be a major source of growth for us in the coming years, given the scope and evolution of the market.

SMEs and entrepreneurs are particularly vulnerable to disruptions in the economy. Were any specific measures taken to support them through the crisis?

This year, our commitment to supporting SMEs took on greater meaning and importance. Even before the pandemic, SMEs were facing a slew of headwinds, mainly a lack of access to finance, qualified personnel and appropriate infrastructure, amongst other constraints, making it difficult for them to embark on any expansion project. The pandemic struck heavy blows to SMEs, who are now facing additional challenges in the form of reduced demand and spiralling costs of raw materials. We extended an olive branch through several measures, such as the SME factoring scheme, moratoriums, and extensions of the tenure of their loans.

As emphasised by our Chairperson in her message, supporting SMEs has been one of Cim Finance's missions since its inception. As prolific job creators and the fuel to our national engine, thriving SMEs translate into a thriving economy. The launch of Noubiznes in November 2022 provides the missing link that enables SMEs to scale up their business and play their expected role in revving up economic activities. Through personalised support, access to a large network, mentorship and practical guidance, we will no doubt see aspiring entrepreneurs develop their competencies and take their business to the next level. Five Noubiznes desks have been set up in key locations across the island to better serve them.

Is Cim Finance still pursuing its regional expansion strategy?

Our regional expansion plans remain relevant and continue to gain ground. Aspira, our Kenyan counterpart, has firmly established itself in the Hire Purchase market in the region, mainly for financing consumer electronics goods. Having built the network and expertise, we are now ready to diversify into other product offerings, beginning with leasing, and tap into different customer segments, such as the B2B market.

Besides the digital solutions introduced for the Consumer Finance segment, how is the Group's Technology Transformation programme advancing?

For any digital transformation initiative to be successful, it is important that we have a robust technology backbone and ecosystem to support it. To deliver on our Technology Transformation programme, we have designated an investment of MUR 500m for the upgrade of our IT systems and infrastructure over a four-year period, from 2019 to 2022. As a first step, we migrated our Leasing business to a new core lending system in October 2021 and created a scalable integration infrastructure through which our vehicle dealers can seamlessly log on to the application from their showroom and review the status of customer applications. The second phase of the project, which involves the migration of our Consumer Finance activities to the new core system, has been kicked off and is progressing well.

This integration ecosystem is also benefitting our merchant-partners, who can now provide 'Cim Credit' as a checkout option on their respective e-commerce websites, enabling customers to submit their applications online, be apprised of the status of their application instantly and even sign their credit contracts digitally. This fully automated process is a game-changer for our customers, as they can have access to instant credit without having to visit any store or our office. In my opinion, co-opetition plays an important role in digital transformation and in our endeavour to provide multiple payment avenues to customers. Our collaboration with the Mauritius Post, Peach Payments and MIPS testifies to the power of partnerships in addressing the soaring demand for digital payment services.

Discussions with the Group CEO

Has the 'MoFinans' application evolved since last year?

As a matter of fact, we continuously enhance our flagship consumer app, MoFinans, to ensure it remains relevant to the needs of our customers. This past year, we introduced new features, one of which enables customers to make their payments using the MauCas Instant Payment System, which is operated by the Bank of Mauritius. They can view in real-time the updated amount due on their Cim Finance account, and of course, all payments are completely secure.

While on the subject of security, how does Cim Finance keep its customers' data and information secure?

At Cim Finance, we take privacy and security very seriously, and want our customers to rest assured that their personal data is in good hands. The increase in digital initiatives inevitably brings new threats and vulnerabilities. This has pushed data protection and cybersecurity to the top of our agenda. To this end, we have invested in Mobile Device Management Solutions, a Cloud Access Security Broker, and phishing tools, amongst others, besides continuously carrying out vulnerability scanning and penetration testing to protect our data and those of our clients and partners.

The pandemic has triggered changes in the workplace and employee expectations. How is the Group addressing these changes?

I would be remiss if I do not rightfully credit our resilience to our People. Their hard work, engagement and talent are the biggest drivers of our business. Despite facing the cost of living crisis, amongst many other stressors, they bring their best selves to work each day. I am deeply appreciative of all that they do to serve our customers, and their willingness to embrace experimentation and adapt to new work arrangements.

This is why we do our best to put their concerns at the heart of our priorities and try to create an environment that enhances their wellbeing. For instance, we extended food vouchers and additional transport allowances to eligible employees, to ensure they are able to have their basic needs covered. We also place a lot of emphasis on Wellness Week - a series of events, workshops, seminars and team-bonding exercises - to bring back the sense of camaraderie, collaboration and human connections that are central to our wellbeing and success.

How do you explain this agility demonstrated by Cim's people?

Agility must be continually nurtured. And for this, investment in training and upskilling is an imperative. During the year, we continued to carry our training sessions to ensure they are equipped with the skills they need to thrive in their careers. Through Percipio, an online learning platform, we offer several mediums for our employees to expand their knowledge, whether through videos, audiobooks or hands-on practice labs. We are committed to investing in their personal and professional development such that they gain the confidence to not just do well in their current roles, but also move into new roles and take advantage of the opportunities we offer through our internal mobility programme.

Our training sessions must also be aligned with the needs and objectives of our business. To this end, our technical training sessions were centred on cybersecurity and compliance, two areas that are critical to the smooth running of our operations.

Do you believe Cim Finance will be able to carry this growth trajectory into the next year?

I am extremely confident in our strategic direction and in the investments we have made to build up our resilience. Whether it is building up our capabilities from both a lending and payments perspective, investing in the right technologies and platforms, or partnering with niche businesses that share our values, we are certainly confident about maintaining this upward trajectory. Our priorities and growth drivers for the next year will be the strengthening of our core business in Mauritius and diversification of our activities in Kenya.

That said, we are fully aware that inflation is likely to continue rising. We expect the outlook to be challenging for Mauritian households and businesses, in response to which we will do what we do best: see the world through our customers' eyes, and allow this perspective to guide our decisions and actions. We remain ever more committed to helping them curb the impacts of the uncertainty that lies ahead. At the same time, we remain committed to honouring our prudent and conservative risk principles that have stood us in good stead.

Do you have a final message to share with Cim's stakeholders?

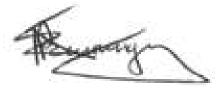
My final message would have to be centred on Cim's role as a financial facilitator. For all intents and purposes, our business is a 'responsible citizen' and has a duty to the common good.

This requires us to look after the interests of our people and customers, as a start, but also to address community imperatives as part of our broader social purpose.

The past few years have demonstrated that it cannot be left to the government, to NGOs or to a single business to address the growing needs of our most vulnerable communities. As well-established financial enablers, we are aware that we are vital actors in the economic landscape, with the resources required to make a tangible difference. I am optimistic that our ESG agenda will drive sustainable changes in the fight against climate change and in uplifting our communities. This agenda is also consistent with shareholder interests over the long term. I would like to end my message by extending my appreciation and gratitude to all our clients, partners and collaborators for placing their trust in us and for working alongside us to exceed the expectations of our customers.

To the Board of Directors, thank you for imparting your extensive knowledge and experience, which never fails to bring fresh perspectives to emerging challenges. I would also like to acknowledge the contributions of our management and executive team, whose leadership has helped steer the organisation into a new and exciting chapter.

Finally, a heartfelt thank you goes out to our 832 employees for their relentless dedication. Their commitment to living our values and mission is what gives me confidence that our future as an organisation, and as a country, are bright.



Mark van Beuningen
Group CEO

Human Capital Report

At Cim Finance, the Human Capital function is a vital enabler of our strategy and key to our long-term success.

We continue to shape and evolve our People agenda alongside growing our numbers. Following two years of uncertainty, lockdowns, economic stress and social distancing, our prime focus this year was to recreate the links between our team members in a fun and engaging environment.

The new post-pandemic realities have drastically altered the talent landscape and shifted employee expectations. To address these new trends, we have placed renewed emphasis on talent development and accelerated our learning offerings in a way that empowers our employees to take control of their upskilling and career mobility journey.

CIM MOMENT OF RECOGNITION PROGRAMME

Our Moment of Recognition programme was designed to celebrate, appreciate and recognise our team members for their positive work behaviours, successes and accomplishments. It aims to transform the way we recognise our people by placing recognition at the heart of our culture and celebrating the moments that matter. We believe that rewarding our people for their hard work drives engagement and motivation, leading to improved business outcomes.

TALENT OUTLOOK

Talent retention is the heart of any People strategy. Like every other business, we have experienced a turnover rate which is higher than the natural trend observed over the past few years. Our internal Talent Marketplace fosters internal mobility by reallocating resources to different roles and offering them a clear path for growth and development.

This has led to the emergence of meta skills – foundational skills that serve as a catalyst for learning and building new skills faster – that have paved the way to cross-functional roles and provided our employees with opportunities for upward and lateral career paths.

Our learning philosophy promotes the continuous development of skills. Our Aspire Career Development programme has delivered a diverse talent bench and skilled pool of employees, ready to embrace new career opportunities.

Alongside this, we have also reviewed our Accelerated Graduate programme and redoubled our efforts to onboard new strategic partnerships to develop young graduates and talents.

EMPLOYMENT OPPORTUNITIES
FOR OUR SPONSORING ALU STUDENTS

Four of our sponsored students were welcomed in the workforce.

ANAIS ANTHOO

Analyst - Digital Centre of Excellence

"In 2017, I became a recipient of the Cim Finance Leadership Bursary, thanks to which I was able to enrol at the African Leadership University to pursue my BA (Hons) in Social Sciences. My time there was life-changing. The curriculum at ALU being centred on hands-on learning, I grew to reach my full potential and improve both my interpersonal and technical skills. We were proffered the 21st century skills needed to work on real-world projects, communicate effectively, develop our entrepreneurial skills, and analyse data. I also had the opportunity to intern in various departments at Cim Finance, first in Human Resources, and then in the Marketing and Communications team. This was invaluable in helping me grasp the organisation's vision and goals. After graduating, I joined Cim's Digital Centre of Excellence (DCOE) team as an Analyst, where I contribute to the human-centred design of digital systems, services, and products predominantly on MoFinans. For this, I am thankful to have received the Cim Finance prize."

SAAHIL GUNNOO

Contact Centre Agent

"I am deeply grateful for the sponsorship offer, which has been the most beautiful turning point of my life. Studying at the African Leadership University was life-changing. I learned and improved my analytical and communication skills, shared different perspectives on various topics with people from different cultures and backgrounds, which in turn helped me broaden my horizons. These experiences also helped me better express my point of view, while also being respectful of others' mindsets. Moreover, my first internship at Cim Finance was a joy in itself as back in 2019, I had the opportunity to work with a team with a very strong sense of camaraderie and collarabotive spirit. The staff were very helpful and knowledgeable. Overall, it has been a really enriching experience! Thank you once again."

Human Capital Report

TALENT OUTLOOK (continued)

20
people promoted
to another position

20
employees
changed careers

PARVEZA JHUGROO-TARSOO

IT Admin

"I have been working at Cim Finance for almost 12 years now, mainly in the Cards department. Three years ago, I was offered an opportunity to explore a position in the IT department.

With no academic qualifications, no experience, and not even basic knowledge in the field of IT, I knew this would be a challenge. However, I took it on to live up to the trust and confidence that the company has placed in me.

The experience so far has been enriching. Besides having my team leaders and colleagues in the IT department help me evolve and learn, Cim Finance also granted me access to the Percipio learning software, an immersive learning platform, which allowed me to self-learn and grow professionally.

Additionally, the company encouraged me to pursue CompTIA A+ courses, for which they supported me financially. I am quite proud to say that I passed with flying colours! Today , I am A+ certified. So after 12 years at Cim Finance, I was finally promoted this month from Help desk to IT Admin! And the adventure is only starting, as Cim is now helping me with my course in Networking!

Thank you Cim! La Vie Avance!"

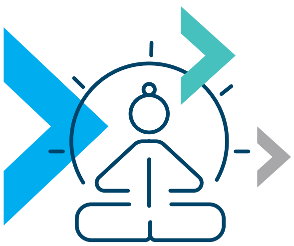
BHISHUM JAHALY

Senior BI and Data Analyst

"Being recognised and appreciated for my hard work and my contribution to the business is a key source of motivation for me. I was absolutely delighted when Cim promoted me earlier this year. Since then, my role and responsibilities have evolved. As the team is growing, I have been empowered to coach and guide newcomers. It is the first time in my career that I have been entrusted with responsibilities of this nature - and I must say I am enjoying my new position as I get to share my knowledge with others and learn from them simultaneously.

Over and above the technical complexities involved in data analysis, being in charge of projects and leading people keeps me stimulated, and has also allowed me to build my people management skills. My boss has fully supported me during this process and provided me with numerous opportunities to grow and advance in my career. It feels great to work in an environment that is conducive to your personal growth, and where hard work and the right attitude towards your job are rewarded commensurately. "

EMPLOYEE WELLBEING



Our Wellbeing Index stood out despite the lingering pandemic effect. This is a candid testimony of our leaders' human-centric approach and an organisation that has successfully adapted its operating model in the face of a crisis. To further enhance the wellbeing of our workforce, the Group offered a Financial Wellbeing programme to alleviate the financial strain caused by rising inflation and the increased cost of living.

97% of our employees across the Group have benefited from the different schemes provided to employees for a period of six months.

WELLNESS DAY INITIATIVE

Cim Group advocates a 'Healthy mind in a Healthy body' for its workforce and endeavours to promote long-term employee health and wellbeing. The Group introduced a one-of-a-kind event in Mauritius for its 900+ workforce to encourage the adoption of healthy behaviours. Through the wellness awareness campaign, employees were guided to connect with their inner selves and discover wellbeing through art, dance, laughter therapy, yoga and healthy eating.

ALIGNMENT WITH OUR ESG AGENDA

The strategic launch of our Green Bond and Green Lease called for awareness sessions around the basics of Carbon Management and Carbon footprint calculations. The objectives of the session were to help our frontline employees gain an understanding of the international institutions, frameworks and agreements that shape the global fight on climate change, as well as the global finance architecture and the role of business in achieving 'mission zero-carbon'. In doing so, we hope that our employees will develop the ability to identify relevant 'impact' projects, understand the latest climate science and reporting best practices, and carry out simple carbon footprint calculations.

STRENGTHENING COMPLIANCE

As a major player in the financial services sector, we were fully aware of the impact of Mauritius being placed on the FATF's grey list, and the urgency to implement remedial measures to help restore trust in our sector and in the Mauritian jurisdiction. To address this, we embarked on a full-fledged training journey around Anti Money Laundering and Combatting Financial Terrorism, adapted to Cim Finance's operational needs. Reinforcing knowledge in this area was instrumental in strengthening our understanding of the associated risks and mitigating any exposure to malpractices.

Human Capital Report

LEARNING AND DEVELOPMENT

People development is one of the key pillars of our People strategy. During the year, we launched two key programmes, the Aspira Maendeleo Pamoja and the Gallup Certified Strength Coaching Programme, offering blended learning solutions that can seamlessly fit into busy work schedules.

ASPIRA MAENDELEO PAMOJA PROGRAMME

Maendeleo Pamoja, which is Swahili for 'Progress Together', is a unique management development programme designed to provide a customised training plan to our managers in Kenya, giving them the tools required to nurture their people, business and sales capabilities, while working to the best of their ability every day. This programme, which runs over a year, includes a combination of formal e-learning, learning circles, strength-based coaching, peer-to-peer learning and team dynamics discovery, offering learners the tools they need to succeed in their current roles, advance in their careers and ultimately contribute to the bottom line.

GALLUP CERTIFIED STRENGTH COACHING PROGRAMME

This programme was initiated with the objective of transforming Cim Finance into a coaching organisation. This year, we began building a cohort of in-house coaches, providing them with the skills and confidence to coach anyone. Once certified, our coaches will eventually accompany several categories of employees in their development journey and help them maximise their potential and perform their best.

LEARNING EXPERIENCE PLATFORM

To respond to our short-term needs, we reached out to external expertise to build capacity in different areas that are critical to our business, namely IT infrastructure and financial standards. Our learning experience platform, which we implemented in the last financial year, is a key contributor to our employees's learning journey. In FY 2022, we witnessed a learning trend focusing on Customer Service, Management Operations, Professional Improvement, Sales and Marketing, Leadership and Management. Content consumption for these topics were at their peak, which confirms our approach of continuously improving our customer centricity and people development through the alignment of behaviours and practices.

ANNUAL REFRESHER COURSE

Following two years of sanitary restrictions, we were pleased to welcome our frontliners back in our training rooms for their annual refresher course. The sessions aim to not only build capacity and take stock of the latest operational developments, but also to celebrate their past accomplishments and strengthen the bond amongst them.

AGGREY ANIARE OJENYI

Collections Officer, Aspira, Kenya

"The Maendeleo Pamoja course provides us with clear cut-out timelines for which to learn. The fact that each topic is broken down into sub-topics of less than 4 minutes each makes it enjoyable, convenient and eliminates fatigue.

We are given access to a wide scope of expertise, with each area handled by a different dedicated expert. Having the option to interact through different mediums, whether on my computer, tablet or smartphone, is another plus for the learner.

Through this programme, I discovered that every area of life, work and management has experienced people with niche knowledge, offering their guidance. Some leaders are born with natural leadership instincts, while others are made and developed; regardless, a leader is a problem solver. I am able to identify my colleagues and bosses' attributes, areas of strength and how best to grow the organisation.

As an individual, I learned how to handle people - which is a critical skill as people are central to any set-up. From family and friends, to teammates and seniors at work, no one should be too complex to associate with. One may have a shortfall in one area, but this can be compensated with one's strength in another area. Additionally, I have found that it is important to pay attention to every minor detail. This can be demonstrated by the response needed to the test after every tutorial.

Through this, I have grown all-round as a family man, as a workmate, as a junior and as a client account manager. The future can only be brighter, given that the strengths assessment was also undertaken and behaviour clusters determined."

Human Capital Report

During the year, we continued to foster a work environment packed with purposeful and meaningful events to create inclusion opportunities, give back to the community, where healthy habits are nurtured and where our people continue to unlock their untapped potential.

Raising awareness of road safety with the Mauritius Police Force

Nurturing a safer workplace through a first-aid course

Empowering our people to respond to emergencies

Prevention in action: Breast Cancer awareness

Cim Finance has always placed the health and wellbeing of its employees at the heart of its concerns. In the context of our 'Safety, Wellness and Wellbeing' programme, a breast cancer awareness and screening campaign was organised for our employees, in collaboration with Link to Life. This awareness campaign aims to sensitise our employees of the importance of early detection, continuous monitoring and best practices.

In Mauritius, for instance, 500 new cases crop up each year. Link to Life is committed to encouraging breast cancer screening as a preventative measure.

160 women at Cim Finance participated in this session, thanks to Link to Life's team, Dr Sirisha Timmiah-Ragudu and Dr Jevisha Erriah.

Human Capital Report

Blood donation

In partnership with the Blood Donors Association, a blood donation drive was organised to contribute to a safe and adequate supply of blood in the country. At Cim Finance, we believe that voluntary blood donations are part of our civic duty and responsibility.

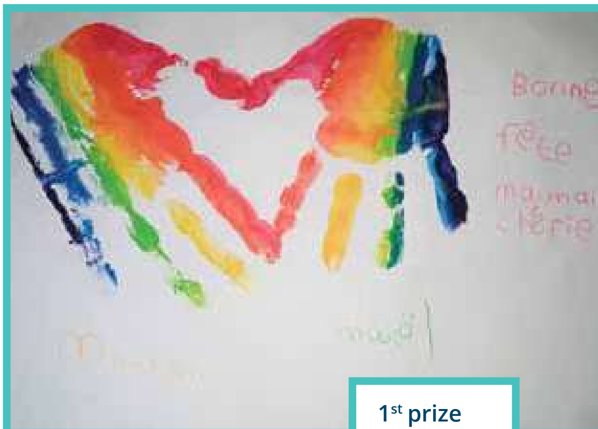
MOTHER'S DAY

"Express your love for your parents through a sweet poem."

This was the theme of the contest organised for the children of our employees in celebration of Mother's and Father's Day. All children aged 3 to 10 were invited to submit their best poem, drawing or video expressing their love for their parents, and stand a chance to win one of many prizes:

- **1st prize:**
  4 entrance tickets to Odysseo Oceanarium
  (2 adults and 2 children)
- **2nd prize:**
  3 entrance tickets to Splash and Fun
  in Belle Mare (lunch included)
- **3rd prize:**
  3 entrance tickets and 2 activities
  at Casela Nature Park

In addition, we were pleased to offer all participants a coupon for the purchase of a pizza to share and enjoy with the family!



1st prize
Mael

2nd prize
Jeremy

3rd prize
Siarra

VIRTUAL TALENT SHOW

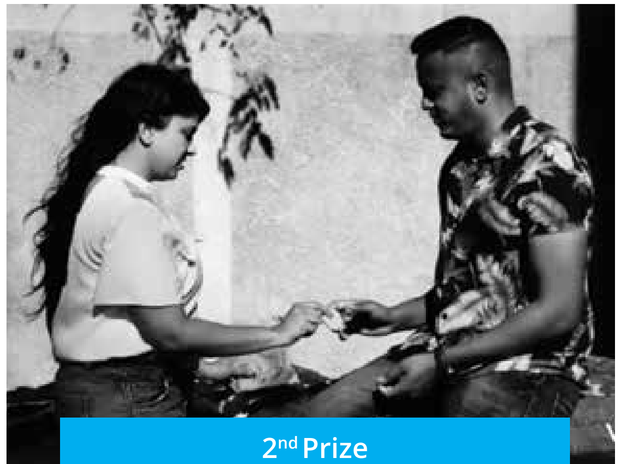
"Music is the universal language of mankind". With this in mind, we organised the Cim Virtual Talent Show to celebrate Music Day, showcase the hidden musical talents of our employees, and give them a chance to shine.

Participants were invited to share a mini-clip of a performance of their choice – a song, an instrument, or a dance performance – either solo or in a group, with colleagues or with family, not exceeding 5 minutes. They were then asked to upload their video on Workplace, our internal Facebook page. The Top 10 performances were selected through voting polls, of which the best 3 were selected by jury members.

Participants stood a chance to win the following prizes:

- **1st prize**
  Voucher 10,000
- **2nd prize**
  Voucher 7,000
- **3rd prize**
  Voucher 5,000

1st Prize
Finance and CoSec Team



2nd Prize
Collections Attorney Team

Best instrument player
Sabrina Hau

Best Voice
Danielle Ayoung

3rd Prize
EX AEQUO

FLACQ WELCOMES A MODERNISED BRANCH

Providing outstanding customer experience is our key priority. This is why we expanded our Flacq branch on 23 March. The redesigned site now includes four checkouts and five counters, a dedicated SME desk and a reinforced team of ten advisors to see to the appropriate guidance of our clients on a regular basis. Flacq promises strides in development. At Cim Finance, we want to accompany inhabitants to up their standards of living.

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 7 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 was appointed as Chief Operating Officer of Cim Group in December 2019. He joined Cim Group in 2014 as Company Secretary and was subsequently appointed as Head of Corporate Affairs in 2016, a function comprising Communications & Investor Relations and Company Secretarial services.

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 (previously the Institute of Chartered Secretaries and Administrators (UK) (ICSA) 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 30 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.

Prior to joining Cim Finance in June 2019, 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.

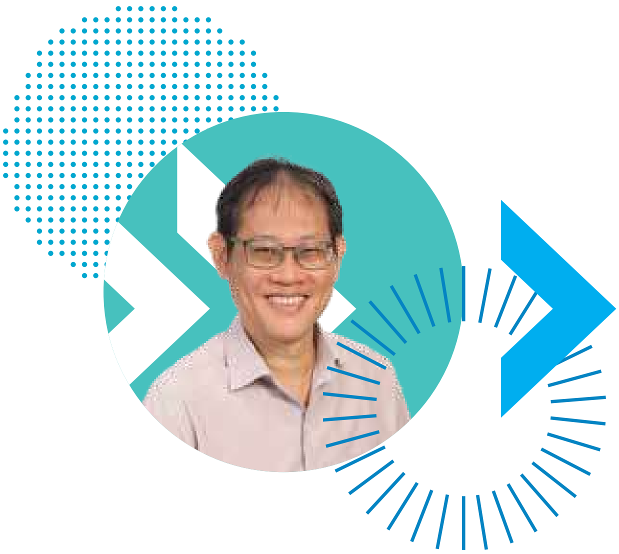
He holds a PhD in Mathematics from Loughborough University (UK), an MBA in Financial Risk Management and a first class BSc (Hons) in Mathematics from the University of Mauritius.

VALERIE HOUBERT
Head of Compliance

Valerie is the Head of Compliance of CFSL.

She has over 15 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 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

KWON LI PAK MAN
Chief Risk Officer

Kwon joined Cim Finance in 2019 as Chief Risk Officer.

He is currently responsible for leading the Risk Function within the Group, defining and overseeing risks related to financial services (Credit, Market, Liquidity and Operational Risks), as well as risk-related strategies, policies and processes. He is a seasoned risk professional with a deep understanding of risk discipline.

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.

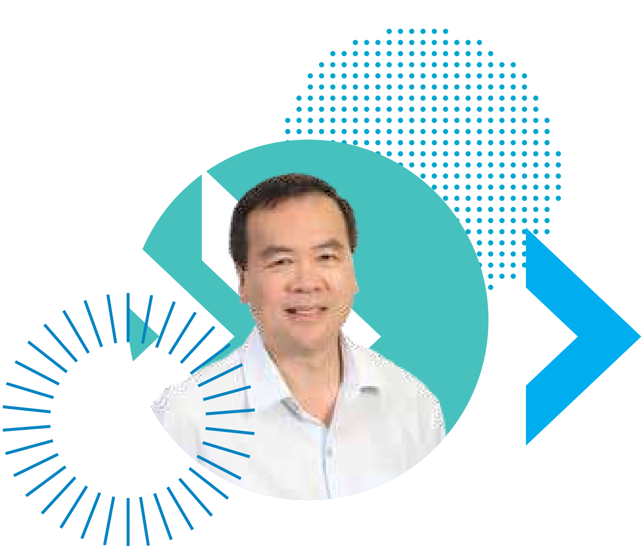
ROGER LI
Head of Consumer Finance

Roger joined the Group in 1989 and is currently the Head of Consumer Finance of CFSL.

He brings to the position a successful track record of more than 33 years in the field of Finance, Operations, Collections and Recovery, Leasing, Factoring, Money Lending and Hire Purchase. His extensive experience, coupled with his strong and effective leadership, enable Roger to motivate his team towards achieving established departmental and corporate objectives, whilst maintaining both a healthy work environment and a positive culture.

Roger is responsible for driving top-line revenue through the opening of new outlets in Mauritius and Rodrigues for a wider reach of Cim Finance's products, while continuously enhancing the customer experience through digital capabilities and positioning the Company for improved financial performance. He has an in-depth understanding of the retail business that has helped to foster professional relationships with merchants and customers, and maintain a culture of trust, respect and open communication for continued 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 (UK).

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.

Management

Team

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. Before joining Cim Finance, he worked at Deutsche Bank Mauritius, prior to which he worked at 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.

MAAFOUZ SUMODHEE
Head of Internal Audit

Maafouz joined Cim Finance in July 2020 as the Head of Internal Audit.

He has well-rounded experience in Audit and Management Consulting on Assurance, Corporate Governance, Information Security, Risks and Controls. Prior to joining the Group, he worked as Department Manager – Internal Audit for ADNOC Distribution, and has held various positions within the Internal and IT Audit functions across the Middle East. He has also worked for PwC Mauritius on internal audit and consulting engagements, both in Mauritius and abroad (mainly in the Indian Ocean Islands and Africa).

Maafouz is a Fellow Member of the Association of Chartered Certified Accountants (UK), Certified Internal Audit (CIA) USA, Certified Information System Auditor (CISA) and Certified Information Systems Security Professional (CISSP) (US). He holds a B.Eng (Hons) in Electrical and Electronic Engineering from University of Mauritius and an MBA from Oxford Brookes University (UK).

LAUNCH OF NOUBIZNES

On 03 November, we launched Noubiznes, our right arm to accompanying SMEs on their transformative journeys. The event was held at the Caudan Arts Centre in the presence of the Honourable Minister of Financial Services and Good Governance, Mr Mahen Seeruttun, who commended our project as a much-needed concept for entrepreneurs, poised to further contribute to the local economy.

mofinans

Meet *Sounaina*

I joined as a CIM/YEP graduate, and today I am a full-time Digital Product Associate. Having mastered the vision for MoFinans, my key focus areas are digital strategy and digital product development. My approach to helping devise MoFinans was intensive research and putting myself in the user's shoes. I am proud to see this mobile app grow in efficiency for our customers and unlock so many opportunities for us as an.

Meet *Madani*

Gone are the queuing-up days with MoFinans! As a digital Product & Innovation Associate, I was a contributor to the development of the MoFinans app from conception to go-live. Customers today are shifting towards digital services seeking ease and convenience.
Today, MoFinans is the flagship app of Cim Finance, enabling us to be even closer to our customers by digitally connecting them to our services 24/7. We consistently strive to improve the overall experience of the app through data analysis, research & customer engagement.

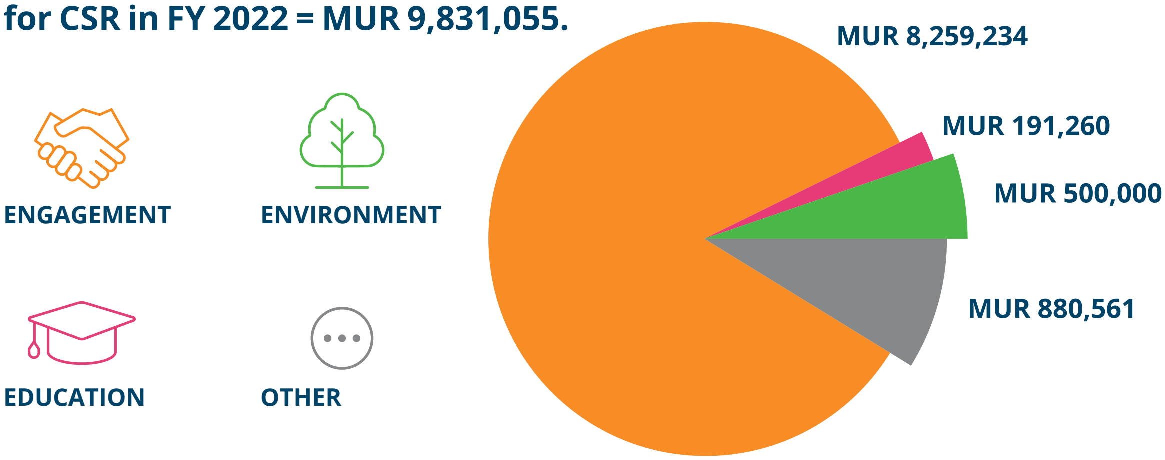
CORPORATE
SOCIAL RESPONSIBILITY

As a corporate citizen and a member of society, Cim Finance strongly believes that our responsibility stretches beyond profit maximisation. We recognise that our critical role as a provider of finance puts us in the unique position to help people achieve social and financial empowerment and prosperity. It is a philosophy that is engrained in the values and culture of Cim, and that guides our everyday actions. This is why, over the past 30 years, we have been striving to use our leading position to drive economic growth and social progress. To take our actions further, we look to our Corporate Social Responsibility (CSR) activities as a means to engage with communities from all walks of life and enact our deeply-held human values.

Over the past year, in light of the challenging environment, we have intensified our efforts to address the most acute issues facing our communities. Our actions are focused on the three Es — Education, Environment and Engagement —, three areas in which we believe we can drive long-term and meaningful transformation. Our initiatives are carried out through the Cim CSR Fund Ltd, an entity devoted to social projects aiming to improve lives and build a better future.

During the year under review, after channelling 75% of our CSR contributions to the Mauritius Revenue Authority (MRA) as mandated by the Government, we dedicated an aggregate amount of MUR 9,831,055 to our community projects.

Total disbursement for CSR in FY 2022 = MUR 9,831,055.



PILLAR 1: ENGAGEMENT (SOCIAL)

1. CITE CIM, RIVIERE DU REMPART – THE HOUSING PROJECTS

Cité Cim was severely impacted by flooding in February 2016. After observing the damage caused, Cim Group endeavoured to make a difference in the lives of its inhabitants by providing them with decent housing and living conditions. At Cim, we are passionate advocates for adequate housing as a fundamental human right and the foundation of success. Home, the most important place in the world and the centre of family life, is inextricably connected to living a life of dignity and opportunity, free from exclusion, fear and neglect. Through our CSR initiatives, we have been able to demonstrate, time and time again, that home is a vital way for families to access improved health, education and employment opportunities, and achieve the stability, strength and sense of pride they need to break out of the vicious cycle of poverty.

Over the past six years, we have built and renovated 21 houses for vulnerable families in Cité Cim, offering them support in key focus areas:

- Improving the quality of life for families in vulnerable living conditions
- Alleviating long-term poverty through affordable social housing
- Setting a foundation for families to focus on life skills and employment
- Improving educational prospects for children

2. FOOD DONATIONS IN VULNERABLE AREAS

The pandemic shone a light on the existing issues of unequal access to food and essential goods and services for lower-income communities. During the lockdown period and throughout the year, we delivered basic food packs to vulnerable regions in collaboration with the NGO Caritas:

- Tranquebar
- Cité La Cure
- Cité Cim at Rivière du Rempart
- Pointe Aux Sables
- Panchavati Village in Rivière du Rempart

CORPORATE
SOCIAL RESPONSIBILITY
(continued)

3. FOUNDATION GEORGES CHARLES' 40TH ANNIVERSARY

Cim Finance was honoured to mark the 40th anniversary of Foundation George Charles, an NGO whose mission is to support children with intellectual disabilities and promote their integration into society through education and training. The foundation, which operates as a school for children with special educational needs, is supported by a team of teachers, carers, social workers and psychologists. Beyond its strong academic component, the NGO also places equal emphasis on technical and manual skills to help students achieve their full potential and maximise their chances to join the labour market.

On this joyous occasion on 30 July 2022, the school's 65 children engaged in various activities and proudly exhibited their creations: paintings, wooden handicraft items, handmade jewellery, amongst many others.

4. THE BARBARIANS SPORT TRUST - DEVELOPMENT OF WOMEN'S SPORTS

The Mauritian Barbarians, a local women's rugby team, was invited to participate in the 2022 Emirates Dubai Sevens, one of the biggest tournaments in the world. Cim Finance is a proud sponsor of the team, which has consistently placed Mauritius on the map in international competitions. Last year, for instance, they successfully earned sixth place out of 19 teams.

We are thrilled to be lending our support to a team of women who are committed to inspiring aspiring rugby players from all stations of life - including from socially vulnerable and disadvantaged communities - to hone their skills and represent their clubs, and potentially, their country.

PILLAR 2 : EDUCATION

ECOLE RENGANADEN SEENEEVASSEN AT CASSIS

In partnership with Clavis Private School, we have embarked on a project to help Ecole Renganaden Seeneevassen, a ZEP (Zone d'Education Prioritaire) school, enhance the level and quality of education offered to its students.

During the year, the teachers of Ecole Renganaden Seeneevassen participated in several workshops and training sessions aimed at developing a new approach to basic education with the support of Clavis teachers' expertise and knowledge.

PILLAR 3 : ENVIRONMENT

1. MAURITIAN WILDLIFE FOUNDATION (MWF)

Cim Finance continues to engage in the fight to protect the environment and Mauritius' endemic species through the restoration of entire ecosystems. This year, we renewed our commitment to supporting the MWF, the largest NGO in Mauritius to be exclusively engaged in the conservation and preservation of the nation's endangered plant and animal species.

2. ACTION FOR ENVIRONMENT PROTECTION (AEP)

Action for Environment Protection (AEP) is committed to showing solidarity for and supporting disadvantaged individuals and families most affected by the pandemic. With escalating food prices and a significant reduction in income, many families in Tranquebar are struggling to access healthy and nourishing meals. AEP believes that compassion and solidarity are key in helping these families through these difficult times.

A community garden and a charity shop were set up to provide highly discounted basic food items and organic fresh vegetables and fruits to the local area, contributing to food security and community empowerment, while also embellishing the area.

3. FRIENDS OF THE ENVIRONMENT: RESTORATION AND ENHANCEMENT OF THE WESTERN CEMETERY 2022

The Western Cemetery in Cassis, Port Louis, is the oldest functioning cemetery in Mauritius containing eight Commonwealth burials of World War I. The original cemetery was located in the centre of the capital and transferred to the West in 1771 by Lieutenant Bernardin de St-Pierre. However, in 2003, the remaining few tombs and bones were disinterred from the Jardin de la Compagnie during building works and were moved to join the others, previously transferred to Cassis. The cemetery contains 25 declared national monuments (of 201 monuments), the highest concentration of national heritage items in Mauritius. The NGO Friends of the Environment has been working towards improving the security of the burial ground and restoring its historic significance.

Since 2020, Cim Finance has been supporting the NGO and contributed to the following achievements:

1. **Cemetery Archive safeguarding**
2. **Security:** a security camera surveillance system was installed
3. **Repair works:** some 150 vaults, which had previously been opened and the coffins removed, were repaired and restored, and the access stone replaced.
4. **Enhancement works:** The main alleys within the historic part of the cemetery were carefully levelled.
5. **Communication:** meetings were held with the local parish authorities in order to get school teachers and students involved in the environmental and heritage management of the cemetery
6. **Guided tours:** setting up guided tours will greatly contribute to raising awareness of the value of the historic cemetery and hopefully strengthen its security.
7. **A website:** www.cimetiere.mu was created with the goal of providing information on the history of the site and details of those who were buried there.

4. FAM-UNIE FOUNDATION IN CITÉ LA CURE

Fam-Unie Foundation, located in Ti-Rodrigues, was born from the desire to pass on values, life tools and therapeutic support to the disadvantaged women of the region, empowering them to become independent and resilient. Cim Finance provided the funds to set up a sewing centre, designed for the manufacturing of local handicraft.

In the coming years, Cim Finance aims to pursue its endeavours to uplift and empower communities. Having earmarked MUR 9,537,210 for our social and environmental projects, we are sure to make a difference in the communities we serve.

RISK MANAGEMENT **REPORT**

1. RISK MANAGEMENT FRAMEWORK

STRENGTHENING RISK RESILIENCE

Our focus remains to create and protect value by managing risks, building greater resilience, encouraging innovation and improving performance within our means and tolerances for risk in a highly dynamic environment.

Effective risk management is fundamental to the success and resilience of the Group. The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the Group's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximise shareholder value.

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 Risk Management framework, which continuously evolves to accommodate changes in the operating environment, a better practice approach, and shifting regulatory and customer expectations.

We are committed to creating sustainable value through a thorough understanding of the needs of all our stakeholders, identifying and managing material risks to which the Group is exposed, as well as maximising value-adding opportunities that can be pursued while managing downside risk.

The Group is subject to a number of risks and uncertainties in carrying out its activities and the material risks are highlighted in this risk report. The Group has in place measures to identify, monitor and, to mitigate such risks, and has taken necessary steps to address known weaknesses in internal controls during the year. Such measures include, among others, the enterprise risk management programme, the work performed by various committees at the Board and management levels, as well as the enforcement of numerous policies and procedures.

1.1. COMPONENTS OF CFSL'S INTEGRATED RISK MANAGEMENT FRAMEWORK

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.

L2 – Board Committees

The executive management is responsible for translating the Board's high-level guidance into operational realities, before monitoring and reporting them back periodically to the Board/Board Committees.

MANAGEMENT LAYER

L3

Management Forums

The aggregate enterprise-wide risk profile and portfolio appetite are discussed at the respective risk management forums, and further reported to the Board's Risk Management Committee on a quarterly basis.

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.

STRATEGIC RISK	FINANCIAL RISKS			NON-FINANCIAL RISKS	
Strategic Risk	**Credit Risk**	**Market Risk**	**Funding & Liquidity Risk**	**Compliance Risk**	**Operational Risk**
Value destruction or less than planned value creation due to changes in the external and internal operating environments	Possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations	The risk of a loss resulting from unfavourable changes in market rates and prices. CFSL is exposed primarily to interest rate risk	Inability to obtain funding and to meet financial obligations as they fall due	Fines or sanctions from non-compliance to laws and regulations	Losses from inadequate or failed internal processes, people or systems

Sub-risk types

- Reputational risk
- Competitive risk
- Capability and culture risk
- Capital adequacy risk
- Environmental and Social Risk
- Investment risk

Sub-risk types

- Cybersecurity risk
- Technology risk
- Data Management risk
- Fraud risk
- Model risk
- Business disruption
- People risk
- Third party risk

EMERGING RISKS

Macro-economic	**Competition**	**Technology**	**Regulatory**	**Customer expectations**	**Climate and environmental**

RISK MANAGEMENT **REPORT**

1.1.1. RISK GOVERNANCE

Recognising that good risk management goes hand in hand with strong governance, Cim Group has a well-established risk governance structure based on the three lines of defence approach, which facilitates the identification and escalation of risks, whilst 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 Chairman of the Risk Management Committee of the Board.

1.1.2. 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 to the business on the management of each material risk. 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 a policy portal.

1.1.3. 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 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 Board's Risk Management Committee.

1.2. RISK APPETITE PILLARS

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

2. MATERIAL RISK TYPES

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

The material risks, together with other significant and emerging risks facing the Group and key controls and mitigating considerations, are summarised in the table below.

MAIN RISK TYPE	GOVERNANCE	KEY CONTROLS & RISK MITIGATION
CREDIT RISK		
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.	**Governing Policies** • Credit risk policy **Key Board / Management Committees** • Debtors Monitoring Committee • Portfolio & Credit Risk Forum • Risk Analytics Forum • Management Credit Committee • Risk Management Committee	• 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 the exposures and any 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 risks. • Taking collateral where appropriate. • Enhancement to IFRS 9 ECL models, and reviews of the system, processes and controls.
LIQUIDITY AND FUNDING RISK		
Liquidity risk arises from differences in timing between cash inflows and outflows.	**Governing Policies** • Treasury Policy **Key Board / Management Committees** • Asset and Liability Committee • Risk Management Committee	• Approval of policy and prudential limits by the Board. • Funding strategy approved by the Board. • Maintenance of a diverse yet stable pool of potential funding. • Maintenance of sufficient liquidity buffers. • Contingency Funding Plan and Recovery Plan in place.

2. MATERIAL RISK TYPES (continued)

MAIN RISK TYPE	GOVERNANCE	KEY CONTROLS & RISK MITIGATION
INTEREST RATE RISK		
The risk arising from changes in interest rates or the prices of interest rate-related securities, with the potential to impact CFSL's earnings. The management of interest rate risk is a critical component of market risk management at CFSL.	**Governing Policies** • Treasury Policy **Key Board / Management Committees** • Asset and Liability Committee • Risk Management Committee	• Approval of policy and prudential limits. • 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. • Reporting to ALCO and Risk Management Committee.
OPERATIONAL RISK		
Operational risk is the risk of loss arising from inadequate or failed internal processes, people, and systems or from external events. CFSL is exposed to operational risk primarily through: • Technology risks • Cybersecurity risks • Internal and external fraud risks • Model risks • People risks • Process risks • Business disruption • Third-party risks • Physical security • Legal risks	**Governing Policies** • Operational Risk Policy • Business Continuity Management Policy • IT Security Policy **Key Board / Management Committees** • Operational Risk Forum • Fraud Response Committee • Service Quality Forum • IT Risk Exception Sub Forum • Risk Management Committee • Corporate Governance and Conduct Review Committee	• An effective operational risk management programme, which includes the three lines of defence. • The Operational Risk Framework consisting of policies, processes and standards, aims to embed effective risk management practices. • Risk and Control Self Assessment (RCSA) to assess key risks and controls. • Processes are in place to support the reporting, investigation, resolution and remediation of incidents. • Key risk indicators to monitor changes in risks and take appropriate actions in a timely manner. • Training and awareness. • Due diligence and clear contracts in place for third party engagement. • Regular internal audits and testing carried out to ensure adequacy of controls. • Business Continuity Management and Crisis Management Framework enable resilience, and swift response and recovery from external events. • IT security function to protect CFSL's infrastructure against cyber attacks.

2. MATERIAL RISK TYPES (continued)

MAIN RISK TYPE	GOVERNANCE	KEY CONTROLS & RISK MITIGATION
COMPLIANCE RISK		
Compliance risk is the risk of sanctions and financial loss CFSL may suffer from failure to act in accordance with the 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	**Governing Policies** • Anti-Money Laundering Policy • Anti-Bribery and Corruption Policy • Compliance policy and Charter • Data Privacy Policy and Policy Statement **Key Board / Management Committees** • Operational risk forum • Management Committee • Audit and Compliance Committee • Corporate Governance and Conduct Review Committee	• Mandatory training for all employees. • Independent compliance function in place. • Second and third line of controls. • Effective customer onboarding processes in place. • Pre-employment due diligence carried out. • Enhanced customer due diligence for high-risk customers. • Risk assessments of processes, products, clients and channels to ensure CFSL understands the money laundering and terrorist financing risks. • Thorough monitoring of customer transactions. • Enhancement to the existing customer screening capabilities. • Adherence to statutory reporting requirements.

2.2. OTHER RISK TYPES

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

2.2.1. STRATEGIC RISK

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. The strategic risks and opportunities we are prioritising include:

- **Digital adoption** – CFSL continues to effectively manage a range of technology programmes, including supporting the Group's strategy to accelerate its transition to digital, complying with the evolving regulatory environment, whilst continuing to invest in improving resilience, efficiencies and customer experience across channels.

- **Climate action** – CFSL was the first institution in Mauritius to issue green bonds. Momentum has been building fast around the world and Mauritius for organisations to transit to net zero emissions. The Group's strategy is to continue this challenge by adapting our products, processes and services. The Group also intends to harness the emerging opportunities to support our customers in reducing their emission.

2.2.1. STRATEGIC RISK (continued)

- We continue to track changes in the external environment and carry out market research to stay abreast of the latest developments whereby new strategies and products are developed accordingly.

CFSL mitigates strategic risk through regular updates to the Board on industry developments, the macroeconomic environment and associated trends which may impact the Group's activities, or require a review of the competitive environment and strategies.

3. CREDIT RISK

3.1. CREDIT RISK MANAGEMENT PRINCIPLES

CREDIT RISK SUMMARY

- CFSL's overall credit book as of 30 September 2022 increased to MUR 17.4bn versus MUR 16.2bn as of 30 September 2021 with growth reflected primarily in the retail credit segment.
- The retail credit segment, which accounts for 92% of the total credit book, is composed of 77% of consumer finance clients, 21% of credit card clients and 1% of leasing clients.
- The non-individual segment accounts for 8% of the total credit book, primarily concentrated in the leasing business. This segment comprises small and medium enterprises, as well as large corporate clients operating in diverse industry sectors.
- The portfolio concentration remains consistent with the Group's risk appetite and risk/return expectations.
- CFSL's expected credit loss models were recalibrated in 2022 to consider past performance and macroeconomic forward-looking variables.

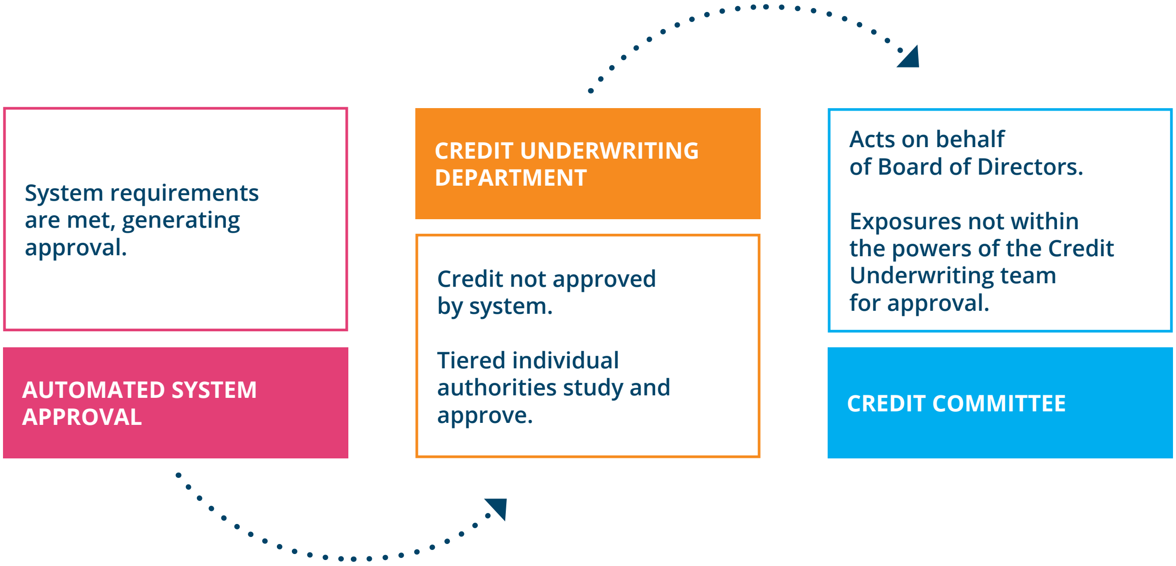
CFSL's credit Risk Management framework incorporates governing principles that are defined in credit related policies and standards, which are further supported with more specific processes and operating procedures applying to each lending segment.

CFSL's credit policies and standards include prudential limits, which are set to achieve portfolio outcomes that are consistent with the Group's risk appetite and risk/return expectations. Furthermore, the policies set the minimum credit requirements in assessing the integrity and ability of borrowers to meet their financial obligations and repayments.

The Risk Management function is responsible for the independent oversight of credit risk and for overall risk reporting to the Risk Management Committee of the Board and the Board on developments in credit risk and compliance with specific risk policies and limits.

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 in the organisation, depending on the riskiness and the credit exposure of the customer.

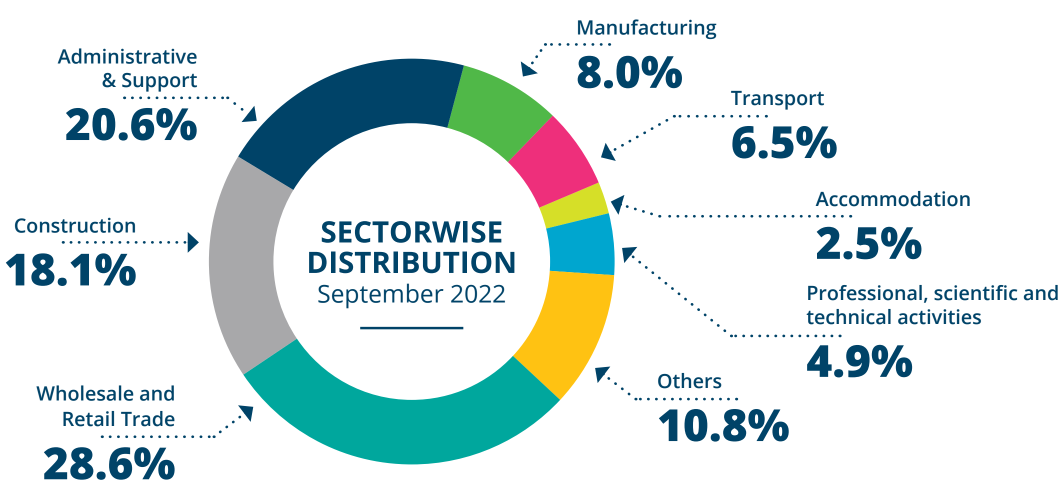


CREDIT RISK CONCENTRATION

Concentrations of credit risk arise when a number of 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. A number of controls and measures is used to minimise undue concentration of exposure in our portfolios. It includes 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 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 banks and non-banks in Mauritius. The credit risk profile is reported every quarter to the Risk Management Committee by the Chief Risk Officer and any deviation to the prudential limits are brought to the attention of the Committee.

- CFSL has a very well diversified portfolio of customers with 250,000+ customers. The largest single and group of closely related customers was 8.1% of the Group's Tier 1 Capital as at 30 September 2022 (Sep 21: 7%). The top 20 group of closely related customers was 14% of the Group's Tier Capital at the financial year end (Sep 21: 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 2022 (Sep 21: 78%),
- Exposures to the industry sectors other than to households are diversified as follows;



3.2. CREDIT RISK MEASUREMENT

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 performance has not deteriorated and are recalibrated as appropriate. The scorecard models were last enhanced in 2022 with more predictive variables to ensure that the portfolio credit quality remains within risk/return expectations.

LOAN IMPAIRMENT UNDER IFRS 9

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 expected credit losses (ECL). Commensurate with the requirements of IFRS 9, CFSL has considered both quantitative and qualitative information in the assessment of significant increases in risk. As planned, the ECL models were revalidated in 2022 by taking into consideration past performance, including recent datasets considering the Covid-19 impacted economic performance and other forward-looking macroeconomic variables as inputs.

Although the models have been revalidated, it is likely to be difficult at this time to incorporate the specific effects of Covid-19, the impact of Russian-Ukraine war, an elevated inflation and other unknown variables in the models. CFSL has therefore taken steps to continue to consider post-model overlays or adjustment in the models. The environment is subject to rapid change and updated facts and circumstances continue to be monitored as new information becomes available.

CFSL generates a forward-looking base case scenario and other forward-looking as key inputs into the expected credit loss provisioning models.

The Expected Credit Loss is the product of PD, LGD and EAD.

ECL = PD (PROBABILITY OF DEFAULT) X LGD (LOSS GIVEN DEFAULT) X EAD

Probability of Default (PD)

- The likelihood that a borrower will default over a particular time horizon.
- A fundamental risk parameter in credit risk analysis and depends on obligor specific characteristics as well as on macroeconomic risk factors.

Loss given Default (LGD)

- The magnitude of the likely loss on a given facility in the event of default.
- Takes into account the loss of principal, interest foregone and workout expenses.

Exposure at Default (EAD)

- The gross carrying amount of the financial instruments in the event of obligor default.
- For Stage 1 exposures, the EAD is derived based on possible default events within 12 months.
- For Stage 2 and Stage 3 exposures, the exposure at default is considered for events over the lifetime of the instruments.

4. OUR CURRENT RISK PRIORITIES

RISK PRIORITIES	KEY ACTIONS WE ARE TAKING
MACROECONOMIC ENVIRONMENT	
Considering the challenging economic environment which has an impact on our book, we constantly monitor and manage the performance and quality of the credit portfolio and by achieving the targeted risk-return profile.	• We regularly discuss the macroeconomic environment and we undertake scenario analysis and stress tests to understand how our business performs. • We continue to take appropriate measures to manage credit risk exposures by reviewing the risk appetite, credit risk policies, reviewing internal limits, credit scorecards and by providing support to impacted customers in order to maintain risk at an acceptable level. • We maintain a prudent credit loss provisioning approach with appropriate provisioning coverage by keeping adequate 'buffers' to stay in a strong position as new risks or uncertainties arise. • We are strengthening our modelling capabilities through the development/refinement of credit models to enhance the accuracy and predictive power of the models whilst making adjustments to reflect the ongoing economic downturn risk. • We maintain a set of key risk metrics, including early warning signals, which are closely monitored and appropriate actions taken. • We continue to improve our operational efficiency, which will ensure that we are able manage our costs, while enabling faster and better quality decision-making.
CONTINUOUSLY EVOLVING BUSINESS PROCESSES AND HUMAN CAPITAL RISKS	
With the constant evolution of business operations to adapt to macroeconomic changes, customer expectations and ongoing system improvements, business processes are continuously changing, requiring time and effort to not only update salient documentation to align with governance expectations and regulatory obligations, but also to keep staff abreast of new changes to processes to ensure compliance. The aftermath of Covid-19 has put employees' physical, mental, social and financial health into the spotlight. Like most organisations, we are experiencing increasing human capital risks.	• We have embarked on a company-wide project to refresh process documentation to bring about better consistency and effectiveness in the way we do business. In doing so, we aim to streamline complex processes in order to enhance simplicity and transparency in the way our people operate, diminish operating costs and decrease turnaround times, thus resulting in an improved client experience. • We have identified champions across all key functions of the business to ensure continuity in the documentation effort, as well as to empower our staff to actively participate in the maturity progress of our governance framework. • We have implemented an internal process approval guideline with an internal policy portal to standardise the approach to process development and facilitate their dissemination. • Our control functions continuously ensure oversight of all policies and processes to ensure various weaknesses are proactively identified and addressed with suitable preventive or detective controls. • We have launched a recognition programme and are providing the necessary support to our employees with the aim of improving employee engagement and morale. • Training programmes have been enhanced for the purpose of technical upskilling, enhancing soft skills, increasing digital awareness, improving wellness and wellbeing, and ensuring compliance with policies and regulatory requirements, thus building more resilience into our workforce.

RISK MANAGEMENT
REPORT

4. OUR CURRENT RISK PRIORITIES (continued)

RISK PRIORITIES	KEY ACTIONS WE ARE TAKING
RISING CYBERSECURITY RISKS AND TECHNOLOGY-RELATED RISKS IN GENERAL	
In the context of our digitalisation strategy and vision, we are conscious of the risk posed by increasing cyber attacks. The heart of our existence lies in our IT systems and communication infrastructure. This reliance can heavily impact business operations if key systems are down, or if the network is unavailable.	• We are continuously maturing up our existing cybersecurity programme to strengthen our detection capabilities, hence improving our resilience to threats and vulnerabilities. • Our application ecosystem is continuously being refreshed with more performing systems to allow for enhanced resource optimisation, a better turnaround time and sustainable controls, allowing a forward-looking vision to adapt to evolving business strategy. • Our dedicated IT Security Team acts as a security tollgate for all major deployments into production. • Our existing cyber-liability insurance cover has been strengthened this year to provide additional safeguards in protecting infrastructure and data assets. • We have created further redundancy in our connectivity lines with the acquisition of our own static public IP address.
THREATS TO THE CONTINUITY OF BUSINESS	
In a world of evolving uncertainties, the role of business continuity is no longer an option. The aftermath of Covid-19 has bolstered business continuity requirements across all functions of the organisation.	• Business Continuity plans are continuously updated whenever there are changes to the organisational structure, processes or resources. • Continuity and resiliency conversations are being integrated as part of any major project or undertaking. • We have implemented 'WhatsApp for Business' and 'Video-KYC' as part of our service offerings to ensure continuity in our services and to offer a digital option for interacting with our clients. • We continue to evolve our payment app 'MoFinans' by providing a convenient digital payment platform to clients, enabling them to avoid physically visiting our counters. We have recently also integrated an instant payment technology to provide for a faster and more seamless payment experience. CFSL has embarked on a digitalisation journey not only to enhance the customer experience, but also to offer sustainable services to our client base, the aim being to embed the business continuity strategy into business-as-usual, where client interactions can be performed without any degradation in service or without affecting our risk posture.

Inclusivity at the core of our CSR activities

For over 30 years, Cim Finance has placed economic growth and social progress at the heart of its activities, says Mark van Beuningen, our Group CEO. This year, we deemed it paramount to shoulder Fondation Georges Charles, a Special Education Needs School, equipping children and adults with disabilities with appropriate skills. On 1 August, our CSR department sponsored the 40th anniversary celebration of the NGO. We also equipped all the children with quality sports gear and school materials to start the new semester enthusiastically.

Meet *Shamir*

Noubiznes is a project that has come to life following 19 months of assiduous work. As a trade receivable specialist and financial advisor for our SME clients, I am responsible for accompanying them through sound business advice and disruptive financial tools on their transformative journey. Part of my job is to know the current products available and determine how I can help an SME take its business to the next level.

noubiznes
by Cim finance

ACCOMPAGNEMENT | FINANCEMENT | NETWORKING

CORPORATE **GOVERNANCE**

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

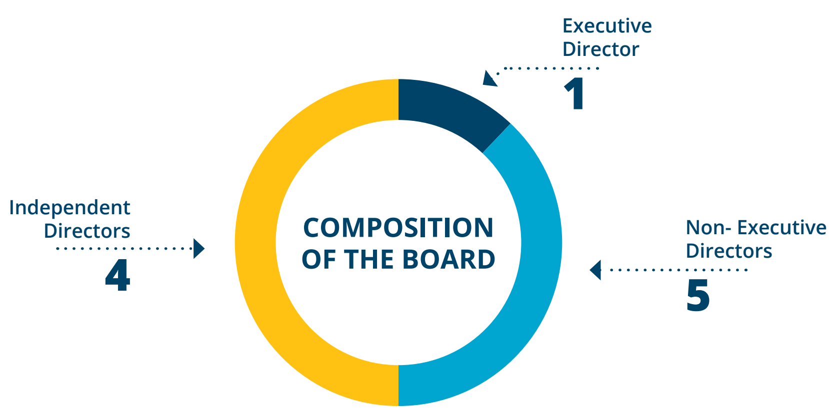
2.1 THE BOARD

We believe that setting the tone at the top is a prerequisite for a strong governance culture, and this begins with our 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 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.

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 ten members, under the chairpersonship of Mrs Aisha Timol. The Board comprises five non-executive Directors, one executive Director and four independent Directors, including the Chair, 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 9 years on the Board, Mr Amédée Darga is now classified as a Non-Executive director as he is 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 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.



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 effectively.

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.

In addition, the composition of the Board meets the requirements of the Code in terms of gender. The Board is determined to move beyond compliance in this regard and is considering appointing additional women Directors to further improve its gender balance.

The Board assumes responsibility for leading and controlling the organisation, providing strategic guidance, 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 and applicable corporate governance practices.

The Board has set up five sub committees to assist in the discharge of its duties, as morefully set out on pages 79 to 81.

The profiles and the full directorship lists of the members of the Board are set out on pages 24 to 28 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 at 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 skill sets of the members of the Board are set out in the chart below.

Skills

2. GOVERNANCE STRUCTURE

2.1 THE BOARD (continued)

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://about.cimfinance.mu/en/about/about-cim-finance/governance:**

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	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. The Code of Ethics was updated during the year under review in order to reflect the Group's wider objectives. The Code of Ethics will soon be uploaded 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 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 against. 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 processes and frequency to review, monitor and approve the Board Charter, the organisation's Code of Ethics, the position statements, the organisational chart and the statement of main accountabilities are reviewed on an annual basis by the Corporate Governance and Conduct Review Committee and updated (where required) once Board approval has been obtained.

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, 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 on particular matters. 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. 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 two independent Directors, namely Mr. David Somen (Chair) and Mrs Aisha Timol, two non-executive Directors, namely Mr. Tim Taylor and Mr. Philip Taylor, and one executive Director, namely Mr. Mark van Beuningen.

"During the year under review, the CGCRC met 4 times. Besides looking at the general corporate governance and remuneration matters, the CGCRC considered the assessment carried out following the evaluation of the Board, its committees and its Directors, the setting up of a Delegation of Authority framework, and the setting up a support plan for employees following the rising cost of living. " 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. It is composed of two independent Directors, namely Mr. Denis Motet (Chair) and Mr. Fareed Jaunbocus, one non-executive Director, namely Mr. Colin Taylor and one executive Director, namely Mr. Mark van Beuningen.

"During the year under review, the RMC met 4 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. During the meetings held, significant emphasis was placed on the mitigation of emerging risks via dedicated analysis. The RMC also monitored the progress of the digital transformation of the Group and has also overseen the recalibration of the IFRS 9 Expected Credit Loss (ECL) framework in order to improve its accuracy and ensure adequacy of provisioning." Denis Motet, Chair.

2. GOVERNANCE STRUCTURE

2.2 BOARD COMMITTEES (continued)

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 and controls. 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.

The ACC is composed of two independent Directors, namely, Mr. Fareed Jaunbocus and Mr Denis Motet and two non-executive Directors, namely Mr Amédée Darga (Chair) and Mr Matthew Taylor. The composition of the ACC will be reviewed to ensure that it composes of a majority of independent directors.

All the members of the ACC are financially literate, with Mr Fareed Jaunbocus being a Chartered Accountant.

"During the year under review, the ACC met 8 times and received reports from the Head of Internal Audit on the various internal audit and investigations carried out by the internal audit team and also took note of and approved the internal audit plan for the financial year. The Committee also reviewed the audited accounts, the management letters as well as quarterly financial statements presented by the Group Chief Financial Officer. The ACC also receives regular reports from the Head of Compliance who ensures that the Group complies with standards of good practices as well as 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 5 times to discuss potential strategic opportunities.

IT SUB COMMITTEE

The Board constituted an ad hoc IT sub committee whose role is to advise management on IT related issues. During the financial year under review, the IT sub committee met one time and provided valuable input into the finalisation of the acquisition of a fit-for-purpose, flexible, micro services-based digital insurance management system. Such a system would contribute to the enhancement of operational effectiveness, as well as help in ensuring compliance with regulatory requirements.

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; and
IV. Terms of Reference of the Board Investment Committee.

The terms of reference/charter of these committees are reviewed on an annual basis 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.

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.

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 the 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 (including remuneration received from subsidiaries) during the financial year ended 30 September 2022 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 Company Secretary ensures that Board papers are sent to the Directors in good time to facilitate the decision-making process and strategic discussions.

	Attendance					Interests			Remuneration
	Category	Board meetings	ACC	CGCRC	RMC	BIC	Direct	Indirect	MUR
TIMOL Aisha	IND	8/8	n/a	4/4	n/a	5/5	0.0012	nil	1,700,000
DARGA Amédée	NED	8/8	8/8	n/a	n/a	5/5	0.0013	nil	1,020,000
JAUNBOCUS Fareedooddeen	IND	8/8	8/8	n/a	4/4	n/a	nil	nil	940,000
MOTET Denis	IND	8/8	8/8	n/a	4/4	n/a	0.0044	nil	1,100,000
SOMEN David	IND	8/8	n/a	4/4	n/a	n/a	nil	nil	1,043,625
TAYLOR Colin	NED	8/8	n/a	n/a	4/4	5/5	nil	5.02	890,000
TAYLOR Matthew	NED	8/8	8/8	n/a	n/a	n/a	0.0059	1.20	720,000
TAYLOR Philip	NED	8/8	n/a	4/4	n/a	n/a	nil	5.02	670,000
TAYLOR Timothy	NED	8/8	n/a	4/4	n/a	5/5	0.4108	8.86	720,000
VAN BEUNINGEN Mark	ED	8/8	n/a	4/4	4/4	5/5	nil	nil	19,706,595

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

CORPORATE **GOVERNANCE**

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://about.cimfinance.mu/en/about/about-cim-finance/governance).

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 Mauritian 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 March 2023.

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. No Director was appointed during the financial year under review.

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 2022 and the results were discussed at the CGCRC in November 2022. A workshop on Anti Money Laundering is scheduled so that Directors are given recent updates on ML/TF risks.

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 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.

2.9 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. 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.

For the year under review, only one Director, namely Mr. Colin Taylor dealt in the shares of the Company and disposed of 283,300 shares.

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

2.10 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 Mauritian 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.

Mitigation actions were taken by management following the advent of the COVID-19 outbreak to minimise information security risks. Management also ensured that all employees were provided with the appropriate tools to ensure a smooth transition to teleworking, thus guaranteeing business continuity. 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.

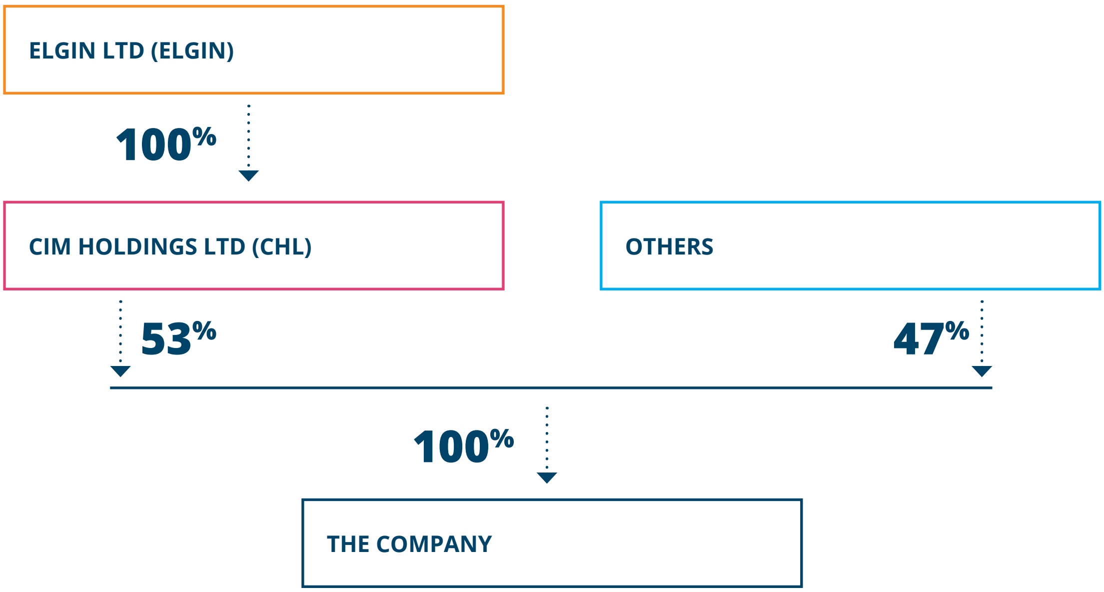
The Board approves material investments in information technology and security according to the business needs of the Group, as set out in the annual budget.

2.11 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, over a three-year period, 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 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 2022.

3. RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The shareholding structure of CFSL as at 30 September 2022 is as follows:



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 2022 is as follows:

Spread	Number of shareholders	Number of shares held	% Holding
1 - 50,000	3,435	25,252,583	3.7108
50,001-250,000	321	35,278,687	5.1841
250,001-500,000	61	21,243,912	3.1217
Over 500,000	71	598,747,128	87.9835
Total	**3 ,888**	**680,522,310**	**100**

Category	Number of shareholders	Number of shares held	% Holding
Individuals	3,510	94,872,769	13.9412
Insurance & Assurance	18	77,002,635	11.3152
Investment & Trust	65	51,205,682	7.5245
Pension & Provident	72	75,481,224	11.0917
Other Corporate Bodies	223	381,960,000	56.1275
Total	**3,888**	**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.

The Group interacts with its internal stakeholders, namely its employees, via Workplace, a collaborative platform run by Facebook where employees can access and use social networking 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 2022 was held in February 2022. The next AMS of the Company is scheduled in March 2023, and shareholders will receive the notice of the AMS at least 21 days prior to the meeting in accordance with the law.

The Integrated 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 soft copy of the Integrated 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 Report on pages 62 to 72.

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. 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 the 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 26 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 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 judgement.

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 judgement; 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 meetings held in February 2021 and February 2022.

The ACC discusses critical policies 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.

For the year under review, the fees paid to the external auditor for non-audit work are set out on page 88. 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 1 October 2021 to 30 September 2022.

8. HUMAN RESOURCES

The human resource initiatives of the Group are set out on pages 36 to 47.

9. PROFILES OF SENIOR EXECUTIVE TEAM

The profiles of the senior executive team can be found on pages 48 to 49.

10. OTHER MATTERS

10.1 RELATED PARTY TRANSACTIONS

Please refer to page 205 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 MUR0.20 per share was declared in December 2021 and paid in January 2022, while an interim dividend amounting to MUR0.11 per share was declared in June 2022 and paid in July 2022.

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 58 to 61.

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

23 December 2022

OTHER STATUTORY
DISCLOSURES

DIRECTORS' REMUNERATION AND BENEFITS

			2022	2021
			MUR m	MUR m
Directors of Cim Financial Services		**2021**		
1	Executive	1	19.7	16.4
9	Non Executive	9	8.8	9.0
Directors of Subsidiary companies				
5	Executive	5	29.5	24.6
4	Non Executive	4	1.4	1.1

Donations

	GROUP		COMPANY	
	2022	2021	2022	2021
	MUR m	MUR m	MUR m	MUR m
CSR	9.8	4.8	9.8	4.8
Donations (charitable)	-	-	-	-

Auditors' fees

	GROUP		COMPANY	
	2022	2021	2022	2021
	MUR m	MUR m	MUR m	MUR m
Audit fees paid to :				
BDO	3.4	2.6	3.2	2.4
Other	1.3	0.6	-	-
Fees paid for other services provided by :				
Other	1.2	-	1.2	-

Principal activities of the subsidiary companies
The principal activities of the subsidiary companies are disclosed in note 20 of the annual report.

DIRECTORS' **REPORT**

(A) FINANCIAL STATEMENTS

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

The Board confirms that, in preparing the audited 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 applicable accounting 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; and
(vi) taken reasonable steps for the prevention and detection of fraud and other irregularities.

(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) AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Group and the Company which appear from pages 98 to 213 were approved by the Board on 23 December 2022 and are signed on their behalf by:

A. Timol

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 2022, all such returns as are required of the Company under the Mauritian Companies Act 2001.

Tioumitra Maharahaje
For Cim Administrators Ltd
Company Secretary

23 December 2022

STATEMENT
OF COMPLIANCE

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

Name of PIE: CIM Financial Services Ltd

Reporting Period: FINANCIAL YEAR 2021-2022

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 2022, to the best of the Board's knowledge, CIM Financial Services Ltd has complied with and applied all the principles set out in the Code and explained how these principles have been applied, except for Principle 2, which requires that 'the Chairperson of the Audit Committee should be an independent director.

Having completed 9 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.

A. Timol

Aisha Timol
Independent Director
and Chairperson

23 December 2022

Mark van Beuningen
Executive Director and
Group Chief Executive Officer

23 December 2022

Meet *Yashna*

Pacing up our customer onboarding process in a faster, more secure, and less tedious manner requiring no travel for our customers - such is the goal of our Video Know Your Customer initiative. The Video KYC project was one of the most challenging and innovative projects I have worked on this year as a Customer Service Assistant. I am certain that it will prove to be a hassle-free norm in the future, long after the pandemic is over.

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 and its subsidiaries (the "Group"), and the Company's separate financial statements on pages 98 to 213 which comprise the consolidated and separate statements of financial position as at September 30, 2022, and the consolidated, and separate statements of profit or loss and consolidated and separate of 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 consolidated and separate financial statements on pages 98 to 213 give a true and fair view of the financial position of the Group and of the Company as at September 30, 2022, 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 in accordance with the I*nternational 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 period. 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.

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

Key Audit Matter

At September 30, 2022, 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 15,990m and MUR 16,066m, representing 85% 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 1,524m and MUR 1,488m for impaired facilities and MUR 291m and MUR 293m for non-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 a key audit matter.

Related Disclosures

Refer to note 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.

INDEPENDENT
AUDITOR'S REPORT

To the Shareholders of Cim Financial Services Ltd

Report on the Audit of the Consolidated And Separate Financial Statements (Cont'd)

Key Audit Matters (Continued)

Audit Response

- We carried out test of controls around 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 updated ECL methodology for compliance with IFRS 9 Financial Instruments principles and best practice.
  - Reviewed and reperformed the management ECL revisedmodel calculations for accuracy and consistency with theupdated ECL methodology.
  - Obtained the appropriate management data and perform 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 gross loans 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 Integrated Report 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 in respect of the presentation of the consolidated and separate financial statements and the company secretary's certificate. All other information in the Integrated Report will be made available to us after that date.

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 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, 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 and Those Charged with Governance 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 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 the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Company's financial reporting process.

INDEPENDENT
AUDITOR'S REPORT

To the Shareholders of Cim Financial Services Ltd

Report on the Audit of the Consolidated And Separate Financial Statements (Cont'd)

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 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 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 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 and separate 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 to communicate with 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 with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the 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.

INDEPENDENT **AUDITOR'S REPORT**

To the Shareholders of Cim Financial Services Ltd

Report on the Audit of the Consolidated And Separate Financial Statements (Cont'd)

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 public interest entity has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

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.

Port Louis,
Mauritius

23 December 2022

BDO & CO
Chartered Accountants
Ameenah Ramdin, FCCA, FCA
Licensed by FRC

CONSOLIDATED AND SEPARATE STATEMENTS **OF PROFIT OR LOSS**
30 SEPTEMBER 2022

	Notes	GROUP		COMPANY	
		Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
			Restated*		Restated*
Interest income	5(a)	**2,502.3**	2,172.3	**2,450.5**	2,159.6
Interest expense	5(b)	**(427.5)**	(396.1)	**(407.7)**	(395.5)
Net interest income		**2,074.8**	1,776.2	**2,042.8**	1,764.1
Lending and agency related income	6	**396.8**	350.0	**370.6**	336.0
Other income	7	**101.1**	129.9	**99.7**	125.0
Non interest income		**497.9**	479.9	**470.3**	461.0
Net operating income		**2,572.7**	2,256.1	**2,513.1**	2,225.1
Operating expenses					
Employee benefit expenses	8	**(645.5)**	(606.0)	**(591.8)**	(570.4)
Depreciation	22/23	**(159.4)**	(174.8)	**(156.3)**	(173.3)
Amortisation	24	**(38.2)**	(37.5)	**(35.7)**	(32.8)
Other operating expenses	9	**(449.6)**	(390.9)	**(409.1)**	(372.7)
		(1,292.7)	(1,209.2)	**(1,192.9)**	(1,149.2)
Profit before impairment		**1,280.0**	1,046.9	**1,320.2**	1,075.9
Net impairment losses on financial assets	10	**(560.7)**	(540.0)	**(598.7)**	(534.8)
Impairment of investment in subsidiary	20	**-**	-	**(45.7)**	-
		(560.7)	(540.0)	**(644.4)**	(534.8)
Profit after impairment		**719.3**	506.9	**675.8**	541.1
Foreign exchange gain		**1.6**	5.4	**0.4**	7.0
Net gain on disposal of investment in subsidiary	20/37	**16.4**	-	**57.4**	-
Share of results of associates	21	**(2.5)**	(3.8)	**-**	-
Profit before tax		**734.8**	508.5	**733.6**	548.1
Income tax expense	11(a)	**(133.5)**	(93.9)	**(113.6)**	(93.6)
Profit for the year		**601.3**	414.6	**620.0**	454.5
Basic earnings per share (MUR)	31	**0.88**	0.61		

*Refer to Note 39 Restatement and reclassifications.
The notes on pages 104 to 213 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 2022

	Notes	GROUP		COMPANY	
		Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
			Restated*		Restated*
Profit for the year		**601.3**	414.6	**620.0**	454.5
Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit, net of tax	12	**(19.1)**	32.9	**(18.0)**	31.8
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign entities	12	**17.0**	1.6	**-**	-
Share of other comprehensive income of associates	12/21(a)	**-**	4.4	**-**	-
Other comprehensive (loss)/income for the year, net of tax		**(2.1)**	38.9	**(18.0)**	31.8
Total comprehensive income for the year, net of tax		**599.2**	453.5	**602.0**	486.3

*Refer to Note 39 Restatement and reclassifications.
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Independent auditor's report on pages 94 to 97.

CONSOLIDATED AND SEPARATE STATEMENTS **OF FINANCIAL POSITION**

30 SEPTEMBER 2022

		GROUP			COMPANY	
	Notes	**Sep-22 MUR m**	Sep-21 MUR m	1 Oct-20 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
			Restated*	Restated*		Restated*
ASSETS						
Cash and bank balances	13	**681.8**	341.8	460.7	**593.3**	280.7
Deposits with banks	14	**482.9**	426.1	510.2	**482.9**	426.1
Non-current assets classified as held for sale	35	**-**	14.4	-	**-**	-
Net investment in leases and other credit agreements	15	**8,909.9**	7,787.0	8,242.9	**7,951.5**	7,787.0
Loans and advances	16	**7,079.8**	6,338.3	5,036.9	**8,114.4**	6,502.3
Other assets	18	**431.5**	374.1	360.1	**408.5**	393.1
Investment securities	17	**120.4**	128.5	28.9	**120.4**	120.4
Inventories	19	**3.0**	3.0	2.0	**3.0**	3.0
Investment in subsidiaries	20	**-**	-	-	**236.2**	154.8
Investment in associates	21	**12.5**	-	24.9	**15.0**	-
Equipment	22	**417.6**	441.0	556.3	**409.7**	438.8
Right-of-use assets	23(a)	**176.9**	192.4	189.3	**175.7**	190.4
Deferred tax assets	26	**342.1**	275.8	188.8	**350.9**	275.8
Intangible assets	24	**126.1**	97.9	109.8	**83.5**	96.6
Total assets		**18,784.5**	16,420.3	15,710.8	**18,945.0**	16,669.0
LIABILITIES						
Bank overdrafts	13	**72.7**	24.5	-	**5.3**	1.7
Other borrowed funds	27	**11,735.1**	9,807.2	9,836.6	**11,863.5**	9,929.8
Other liabilities	28	**1,402.9**	1,370.6	1,179.4	**1,339.7**	1,356.4
Lease liabilities	23(b)	**209.4**	219.8	209.3	**207.7**	217.8
Income tax liabilities	11(b)	**210.0**	264.6	114.8	**209.4**	264.6
Deferred tax liabilities	26	**29.9**	33.2	16.4	**29.7**	33.1
Post employment benefit liabilities	25	**155.3**	119.5	158.9	**151.2**	118.2
Total liabilities		**13,815.3**	11,839.4	11,515.4	**13,806.5**	11,921.6
EQUITY						
Stated capital	30	**680.5**	680.5	680.5	**680.5**	680.5
Retained earnings	30	**3,786.6**	3,396.2	3,049.6	**3,384.7**	2,975.6
Other reserves	30	**502.1**	504.2	465.3	**1,073.3**	1,091.3
Total equity		**4,969.2**	4,580.9	4,195.4	**5,138.5**	4,747.4
Total equity and liabilities		**18,784.5**	16,420.3	15,710.8	**18,945.0**	16,669.0

These financial statements have been approved for issue by the Board of Directors on 23 December 2022.

Aisha Timol
Independent Director and Chairperson

Mark van Beuningen
Executive Director and Group Chief Executive Officer

*Refer to Note 39 Restatement and reclassifications.
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Independent auditor's report on pages 94 to 97.

CONSOLIDATED STATEMENTS **OF CHANGES IN EQUITY**
30 SEPTEMBER 2022

GROUP	Notes	Stated capital MUR m	Capital reserves MUR m	Other reserves MUR m	Retained earnings MUR m	Actuarial reserves MUR m	Total equity MUR m
At 1 October 2021							
As previously stated		680.5	536.6	10.7	3,402.8	(43.1)	4,587.5
Effect of prior year adjustment	39	-	-	-	(6.6)	-	(6.6)
As restated*		680.5	536.6	10.7	3,396.2	(43.1)	4,580.9
Profit for the year		-	-	-	601.3	-	601.3
Other comprehensive income / (loss) for the year	12	-	-	17.0	-	(19.1)	(2.1)
Total comprehensive income / (loss) for the year		-	-	17.0	601.3	(19.1)	599.2
Dividends	29	-	-	-	(210.9)	-	(210.9)
Total transactions with owners of parent		-	-	-	(210.9)	-	(210.9)
At 30 September 2022		**680.5**	**536.6**	**27.7**	**3,786.6**	**(62.2)**	**4,969.2**

	Notes	Stated capital MUR m	Capital reserves MUR m	Other reserves MUR m	Retained earnings MUR m	Actuarial reserves MUR m	Total equity MUR m
At 1 October 2020							
As previously stated		680.5	536.6	4.7	3,053.7	(76.0)	4,199.5
Effect of prior year adjustment	39	-	-	-	(4.1)	-	(4.1)
As restated*		680.5	536.6	4.7	3,049.6	(76.0)	4,195.4
Profit for the year - restated		-	-	-	414.6	-	414.6
Other comprehensive income for the year	12	-	-	6.0	-	32.9	38.9
Total comprehensive income for the year		-	-	6.0	414.6	32.9	453.5
Dividends	29	-	-	-	(68.0)	-	(68.0)
Total transactions with owners of parent		-	-	-	(68.0)	-	(68.0)
At 30 September 2021		**680.5**	**536.6**	**10.7**	**3,396.2**	**(43.1)**	**4,580.9**

*Refer to Note 39 Restatement and reclassifications.
**Refer to Note 30 for description of reserves.
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Independent auditor’s report on pages 94 to 97.

SEPARATE STATEMENTS **OF CHANGES IN EQUITY**
30 SEPTEMBER 2022

	Notes	Stated capital MUR m	Capital reserves MUR m	Other reserves MUR m	Actuarial reserves MUR m	Amalgamation reserves MUR m	Retained earnings MUR m	Total equity MUR m
COMPANY								
At 1 October 2021								
As previously stated		680.5	519.2	(0.5)	(14.8)	587.4	2,982.2	4,754.0
Effect of prior year adjustment	39	-	-	-	-	-	(6.6)	(6.6)
As restated*		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**
At 1 October 2020		680.5	-	-	(14.2)	-	2,434.3	3,100.6
Profit for the year - restated	39	-	-	-	-	-	454.5	454.5
Other comprehensive income	12	-	-	-	31.8	-	-	31.8
Amalgamation adjustment - restated		-	519.2	(0.5)	(32.4)	587.4	154.8	1,228.5
Dividends	29	-	-	-	-	-	(68.0)	(68.0)
At 30 September 2021		**680.5**	**519.2**	**(0.5)**	**(14.8)**	**587.4**	**2,975.6**	**4,747.4**

*Refer to Note 39 Restatement and reclassifications.
**Refer to Note 30 for description of reserves.
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Independent auditor’s report on pages 94 to 97.

CONSOLIDATED AND SEPARATE STATEMENTS **OF CASH FLOWS**

30 SEPTEMBER 2022

	Notes	GROUP		COMPANY	
		Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
			Restated*		Restated*
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	32	**(1,879.4)**	(1,217.4)	**(2,748.0)**	(1,031.6)
Interest paid	5(b)	**(407.7)**	(428.7)	**(394.7)**	(428.6)
Interest received	5(a)	**2,252.3**	1,939.3	**2,185.5**	1,938.5
Income tax paid	11	**(246.2)**	(61.6)	**(245.8)**	(61.2)
Net cash flow (used in) / generated from operating activities		**(281.0)**	231.6	**(1,203.0)**	417.1
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets at FVTPL	17	**-**	20.0	**-**	20.0
Purchase of financial assets at amortised cost	17	**-**	(119.6)	**-**	(119.6)
Purchase of equipment		**(124.3)**	(49.0)	**(123.3)**	(48.6)
Proceeds from sale of equipment		**43.8**	26.8	**43.2**	26.6
Purchase of intangible assets	24	**(22.6)**	(25.5)	**(22.6)**	(25.5)
Proceeds from share buy back of associate company		**14.4**	6.8	**-**	-
Net proceeds from disposal of subsidiary	37	**15.1**	-	**72.4**	-
Acquisition of subsidiary	36	**(123.7)**	-	**(150.0)**	-
Acquisition of associate	21	**(15.0)**	-	**(15.0)**	-
Net cash flow used in investing activities		**(212.3)**	(140.5)	**(195.3)**	(147.1)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from other borrowed funds	27	**13,384.9**	9,276.5	**13,009.9**	9,399.1
Repayment of other borrowed funds	27	**(12,357.6)**	(9,411.7)	**(11,082.6)**	(9,411.7)
Principal paid on lease liabilities	23	**(31.6)**	(28.1)	**(31.4)**	(27.9)
Interest paid on lease liabilities	23	**(10.9)**	(11.3)	**(10.6)**	(11.1)
Dividends paid	29	**(210.9)**	(68.0)	**(210.9)**	(68.0)
Net cash flow generated from /(used in) financing activities		**773.9**	(242.6)	**1,674.4**	(119.6)
Net increase / (decrease) in cash and cash equivalents		**280.6**	(151.5)	**276.1**	150.4
Cash and cash equivalents - opening		**317.3**	460.7	**311.9**	161.5
Effect of exchange rate changes on cash and cash equivalents		**11.2**	8.1	**-**	-
Cash and cash equivalents - closing	13	**609.1**	317.3	**588.0**	311.9

*Refer to Note 39 Restatement and reclassifications.
The notes on pages 104 to 213 form an integral part of these financial statements.
Independent auditor's report on pages 94 to 97.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

1. GENERAL INFORMATION

CIM Financial Services Ltd ('CFSL') 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 and Factoring.

As at 30 September 2022, its holding company is Cim Holdings Ltd and its registered address is Taylor Smith House, Old Quay D Road, Port Louis. The Company's main place of business is at Cim House, cnr Edith Cavell & Mere Barthelemy Streets, Port-Louis.

These financial statements have been prepared for the year ended 30 September 2022 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.

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 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).

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of CIM Financial Services Ltd and its subsidiaries as at 30 September 2022. 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.

2. ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (Cont'd)

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. ACCOUNTING POLICIES (CONT'D)

2.4 Amalgamation of entity under common control

In financial year 2021 CIM Financial Services Ltd ("CFSL"), [Ex-] Cim Finance Ltd, [Ex-] Mauritian Eagle Leasing Company Limited, [Ex-] Cim Agencies Ltd, [Ex-] Cim Management Services Ltd and [Ex-] Cim Shared Services Ltd were 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 2020.

Effective 1 October 2020, the stated capital of the company was MUR 680,522,310.

The amalgamation resulted in a positive amalgamation reserve of MUR 587.4m which is shown under other reserves.

Identifiable assets and liabilities on amalgamation are as follows:

	MUR m
ASSETS	
Non current assets	**8,629.4**
Current assets	**7,400.4**
Total assets	**16,029.8**
LIABILITIES	
Non current liabilities	**5,570.6**
Current liabilities	**6,126.1**
Total liabilities	**11,696.7**

2.5 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. ACCOUNTING POLICIES (CONT'D)

2.6 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 2022.

Interest Rate Benchmark Reform Phase 2

IFRS 4 *Insurance Contracts:* The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 4 enables an insurer applying the temporary exemption from IFRS 9 to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments have no impact on the Company's financial statements.

IFRS 7 *Financial Instruments: Disclosures:* The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company. The amendments have no impact on the Company's financial statements.

IFRS 9 *Financial Instruments:* The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform. The amendments to IFRS 9 enable (and require) companies to continue hedge accounting in circumstances when changes to hedged items and hedging instruments arise as a result of changes required by the IBOR reform, by requiring companies to amend their hedging relationships to reflect:

- designating an alternative benchmark rate as the hedged risk; or
- changing the description of the hedged item, including the designated portion, or of the hedging instrument.

The amendments have no impact on the Company's financial statements.

IFRS 16 *Leases:* The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures. The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Changes in accounting policies and disclosures (Cont'd)

IFRS 16 Leases

COVID-19 related rent concessions: Effective June 1, 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments have no impact on the Company'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 Company 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, 2022

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.

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.

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.

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.

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.

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.

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 recognise profits as an insurance service is delivered, rather than on receipt of premiums. This standard replaces IFRS 4-Insurance Contracts.

2. ACCOUNTING POLICIES (CONT'D)

2.6 Changes in accounting policies and disclosures (Cont'd)

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.

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

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*
Annual Improvements to IFRS Standards 2018-2020: The amendment removes the requirement for entities to exclude taxation 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 Company anticipate that these amendments will be adopted in the financial statements for the annual periods beginning on the respective dates as indicated above. The Company have not yet had an opportunity to consider the potential impact of the adoption of these amendments, except for amendments effective 1 January 2022, which the Company is still assessing the impact.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

2. ACCOUNTING POLICIES (CONT'D)

2.7 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. 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

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(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, 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(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 impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS9 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 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 Comapny 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(d) IFRS 9 - Financial Instruments (Cont'd)

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) Other financial liabilities at amortised cost

Other 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.

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 Bank'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. 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.

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(e) Recognition of income (Cont'd)

(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 perfomance obligation is satisfied at the acceptance of the invoice for which it provides the factoring service and the reveniue 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 recognised in accordance with the substance of the relevant agreement. Rental income from operating leases net of value added taxes 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(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;
- 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;
- 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 recognized, it is measured at cost. In subsequent periods, inventory is measured at the lower of cost and net realizable value.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(h) Leases

Accounting for leases - where Company is the lessor

Lease income from 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. The respective leased assets are included in the balance sheet based on their nature.

Accounting for leases - where 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;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(h) Leases (Cont'd)

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. The carrying value of lease liabilities is similarly revised 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 remeasured 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 (CONT'D)

2.7 Significant accounting policies (Cont'd)

(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, useful lives and depreciation method are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

(j) Intangible assets

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.

The amortisation rates on computer software 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 five 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(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 deferre tax liabilities or assets are expected to be settled or recovered.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(k) Current and deferred income tax (Cont'd)

(iii) Corporate Social Responsible (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

(l) Impairment of non-financial assets

The carrying amounts of 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.

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(m) Post employment benefits (Cont'd)

(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 Comapny 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 Comapny 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 cash flow 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 not funded.

(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 obligations arising under this item are not funded. 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).

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(n) Financial instruments - Initial recognition and subsequent measurement

(i) Date of recognition
Financial assets and liabilities, with the exception of deposits from customers 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 recognises 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.

(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 receivables.
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 impairment. 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 investments 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(n) Financial instruments - Initial recognition and subsequent measurement (Cont'd)

(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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(n) Financial instruments - Initial recognition and subsequent measurement (Cont'd)

(x) Deposit from customers and 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 either deposit from customers or 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, deposit from customers and 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) 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.

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 it collects 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(n) Financial instruments - Initial recognition and subsequent measurement (Cont'd)

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) Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. 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.

(p) 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.

The Group's and the Company's management determine the policies and procedures for both recurring fair value measurement, such as investment properties, unquoted available for sale financial assets and derivatives, and for non-recurring measurement, such as assets acquired and liabilities assumed in a business combination.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is determined annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's and the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed according to the Group's and the Company' s accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. Management, in conjunction with the Group's and the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(q) Impairment of financial assets

(i) 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 Group's and the Company's policies for determining if there has been a significant increase in credit risk are set in Note 4.1(d).

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 the Company's policy for grouping financial assets are measured on a collective basis.

The Group and the 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.

Based on the above process, the Group and the Company group its loans into Stage 1, Stage 2, Stage 3 as described below:

- Stage 1: When loans are first recognised, the group and the Company recognise an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group and the Company record an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Group and the Company record an allowance for the LTECLs.

(ii) The calculation of ECLs

For financial assets for which the Group and the 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 (partial) derecognition of the financial asset.

Expected Credit losses are computed to measure the expected cash shortfalls, discounted at the original 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).

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(q) Impairment of financial assets (Cont'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 Group and the Company considered various methodologies including pooling, statistical, structural and reduced form. Taking into consideration, the large quantum of data, statistical regression model has been adopted for determining how the characteristic of an obligor affect its estimated PD. It also allows the analysis of macro-economic variable on the PD.

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.

Provisions for ECLs for undrawn lease commitments are assessed as have been included within lease receivable.

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 the 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 the 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 the Company recognise the lifetime expected credit losses for these loans. 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 the 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.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(q) Impairment of financial assets (Cont'd)

(iii) Credit card and other revolving facilities

For factoring debtors and credit card facilities that include both a loan and an undrawn commitment component, the Group and the Company measure ECL over a period longer than the maximum contractual period if the Group's and the Company's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's and the 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 the 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 the 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 the Company expect to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan.

(iv) Forward looking information

In its ECL models, the Group and the Company rely on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Inflation rates

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.

(v) Collateral valuation

The Group and the 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 the Company determine there is a requirement to do so.

To the extent possible, the Group and the 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.

(vi) Write-offs

Financial assets are written off either partially or in their entirety only when the Group and the Company have stopped pursuing the recovery. 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.

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group and the Company first assess whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group and the Company determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2. ACCOUNTING POLICIES (CONT'D)

2.7 Significant accounting policies (Cont'd)

(q) Impairment of financial assets (Cont'd)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

The Group's and Company's impairment loss provision is established to recognise incurred impairment losses either on specific assets or within a portfolio of financial assets. Individually impaired financial assets are those against which individual impairment provisions have been raised. Portfolio impairment provision cover the inherent losses in the portfolio that exist at the reporting date, but have not been individually identified.

(r) 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. Where any Group and Company purchase 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 Group's and 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.

(s) Segment reporting

Segment information presented relates to operating segments that engage in business activities for which revenues are earned and expenses incurred.

(t) Dividend distribution

Dividend distribution to the 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.

(u) Non-current assets and disposal group held for sale or distribution

The Group and the Company classify non-current assets and disposal groups as held for sale or distribution if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use or the Group and the Company is committed to distribute the asset of disposal group to the shareholders. Non-current assets and disposal groups classified as held for sale or distribution are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. In order to be classified a held for distribution, the asset or disposal group must be available for immediate distribution in its present condition and the distribution must be highly probable. Actions required to complete the sale or distribution should indicate that it is unlikely that significant changes to the sale or distribution will be made or that the decision to sell or distribute will be withdrawn. Management must be committed to the plan to sell or distribute the asset and the sale expected to be completed within one year from the date of the classification.

Equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(v) 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.

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 have 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) 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.

(b) 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. 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 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.

(c) 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) 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.

(e) Impairment of non-financial assets

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.

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(k) 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 2022. 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.

4. FINANCIAL RISK MANAGEMENT

Whilst risk is inherent in normal activities, it is 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 Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities. The Group is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non–trading risks. It is also subject to country risk and various operating and business risks.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and control, and to monitor the risks and adherence to limits by means of reliable and up-to-date administrative and information systems.

The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice. The Board recognises the critical importance of having efficient and effective risk management policies and systems in place. To this end, there is a clear organisational structure with delegated authorities and responsibilities from the Board to Board Committees, executives and senior management. Individual responsibility and accountability are designed to deliver a disciplined, conservative and constructive culture of risk management and control.

A description of the significant financial risk factors is given below together with the risk management policies applicable.

4.1 Financial risk factors

The Group'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.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) Foreign exchange risk (Cont'd)

The currency profile of the Group's and the Company's financial assets and financial liabilities is set out below:

	Equivalent in MUR m					Equivalent in MUR m			
	GROUP					COMPANY			
	EURO	USD	MUR / OTHERS	KES	Total	EURO	USD	MUR / OTHERS	Total
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	423.6	7.6	**431.5**	-	-	408.5	**408.5**
	4.4	267.8	17,364.7	69.4	**17,706.3**	4.4	267.5	17,399.1	**17,671.0**
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**	**4,026.3**	**(5.9)**	**4,286.2**	**2.7**	**136.3**	**4,115.8**	**4,254.8**
30 September 2021 - restated									
Financial assets									
Cash and bank balances	68.6	11.6	260.6	1.0	341.8	25.0	4.8	250.9	280.7
Deposits with banks	-	102.1	324.0	-	426.1	-	102.1	324.0	426.1
Net investment in leases and other credit agreements	4.4	0.9	7,781.7	-	7,787.0	4.4	0.9	7,781.7	7,787.0
Loans and advances	-	7.9	6,290.5	39.9	6,338.3	-	7.9	6,494.4	6,502.3
Investment securities	-	-	128.5	-	128.5	-	-	120.4	120.4
Other assets	0.3	4.1	306.8	14.4	325.6	0.3	4.1	340.9	345.3
	73.3	126.6	15,092.1	55.3	15,347.3	29.7	119.8	15,312.3	15,461.8
Financial liabilities									
Bank overdrafts	1.7	-	-	22.8	24.5	1.7	-	-	1.7
Other borrowed funds	1.8	0.4	9,805.0	-	9,807.2	1.8	124.9	9,803.1	9,929.8
Other liabilities	0.4	9.0	1,330.7	30.5	1,370.6	0.4	9.0	1,347.0	1,356.4
Lease liabilities	-	-	217.8	2.0	219.8	-	-	217.8	217.8
	3.9	9.4	11,353.5	55.3	11,422.1	3.9	133.9	11,367.9	11,505.7
Net exposure	**69.4**	**117.2**	**3,738.6**	**-**	**3,925.2**	**25.8**	**(14.1)**	**3,944.4**	**3,956.1**

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(a) Foreign exchange risk (Cont'd)

The sensitivity of the profit before tax with regards to the Group's financial assets and liabilities and the USD to Mauritian Rupee and EURO to Mauritian Rupee exchange rate is shown below.

If Mauritian Rupee had weakened/strengthened by 4% against USD and EURO respectively, the financial impact would be as follows:

	GROUP		COMPANY	
	Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
Effect on profit before tax (+/-)	**10.4**	7.5	**5.6**	1.5
Equity (+/-)	**5.8**	6.2	**6.2**	-

The 4% change in rates used above was derived from the average fluctuation in the respective foreign currencies for the last 5 years.

(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 exposure to interest rate risk (IRR) and positive balances relate primarily to its borrowings and lendings with floating interest rates.

The Group mitigates its interest rate risk by having a mixed portfolio of fixed and variable interest bearing lendings and borrowings.

The scenario management tools through microsoft excel method and the Local Sensivity Analysis approach has been used to analyse the sensivity analysis. The local sensivity analysis is a one-at-a-time (OAT) technique analyses the impact of one parameter on the cost function at a time, keeping the other parameters fixed.

For those lendings and borrowings with floating interest rates, the Group ensures 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 - 50 basis points (2021: +/- 50 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-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
Effect on profit before tax (+/-)	**2.3**	3.2	**2.3**	3.2

(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 is 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 in the Group arises mainly from various forms of lending from all its core activities 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 organisation. The Risk Management Committee has oversight of the management of the credit risk framework.

The objective of the Group's credit risk management framework is to ensure all material credit risks to which the organisation is exposed are identified, measured, managed, monitored, mitigated and reported on a consistent basis.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(d) Credit risk (Cont'd)

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. The Group'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 in the organisation depending on the riskiness and the credit exposure of the customer.

The Group's credit risk management framework incorporates governing principles that are defined in a series of credit-related policies and standards, which are further applied to more specific operating procedures.

The Group's policies and procedures include the setting of limits on the amount of risk it is willing to accept for individual counterparties and industry concentrations, by monitoring exposures in relation to such limits. The Group maintains a credit risk grading to categorise exposures according to their risk of default. Large credit risk exposures are subject to regular monitoring through the Debtors Monitoring Committee on a monthly basis for closer attention and action to be taken, when appropriate.

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers and counterparties. The proportion of leases of the Group contracted with Corporates is 41% and 59% are with individuals.

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 normally varies between 3 to 7 years for leases and between 1 to 4 years for other credit agreements; and the interest is principally at fixed rates.

The Group has reviewed its credit risk framework into a more dynamic one to deal with the rapidly evolving situation. The Consumer Finance automated scorecards were adjusted to reflect increase in risk emerging from the post-lockdown uncertain environment (scorecard tightening). Similarly, for the other lending products, a more conservative approach is being adopted by the credit underwriting team for approval of new facilities.

Impairment assessment

Definition of default and cure

The Group considers default of a financial asset for the purpose of determining expected credit losses, that is credit impaired assets classified in stage 3, when:

- Instalments of principal and/or interest are due from an obligor and remain unpaid for 90 days or more; and/or
- The Group considers that the obligor is 'unlikely to pay' its credit obligations in full, without recourse to actions such as realising security (if held).

The indicators for unlikeliness to pay include the following:

i. The Group puts the credit obligation on non-accrual status.

ii. The Group makes account-specific provision resulting from a significant perceived decline in credit quality subsequent to the Group granting the credit facility.

iii. The Group sells other credit obligations from the same counterparty at a material credit-related economic loss.

iv. The Group consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant.

v. The Group has filed for the debtor's bankruptcy or a similar order in respect of the obligor's credit obligation to theGroup.

vi. The debtor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the financial institution.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(d) Credit risk (Cont'd)

Impairment assessment (Cont'd)

Definition of default and cure (Cont'd)

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk. Where a significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the criteria are 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.

It is the Group'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 grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The calculation of the Expected Credit Losses

Expected Credit losses are computed as probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering the reasonable and supportable information including that which is forward-looking. The Group makes use of logistic regression techniques to determined the PD, LGD and EAD where adequate default data is available.

The Group calculates expected credit losses ('ECLs') under IFRS 9 using forward-looking judgements, models and data. As such, under the current economic conditions and uncertainty arising due to COVID-19, management overlays have been applied to cater for the risks and uncertainties that cannot be adequately reflected in the existing models. The Group continues to monitor the overlays as the environment is subject to change and updated facts as new information becomes available.

The period over which cash flows are determined is generally limited to the maximum contractual period for which the Group 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 Group has the legal right to call it earlier. These expected cash flows are discounted using the effective interest rate on the financial instruments.

ECL for financial assets classified under stage 3 is measured at the individual obligor level except for individually insignificant facilities with similar risk characteristics which are grouped together and the ECL is determined based on history of losses.

Probability of Default

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 Group has adopted the IFRS 9 macroeconomic sensitive model for PD computation, which is based on following set of assumptions:

Assumption	Description
Default observation	An obligator is assumed to enter default state in any month wherein it crosses 90 days past due. Any observation following such default has been excluded
Macro-sensitive PD	PD is assumed to be sensitive to changes in macroeconomic conditions
Term structure	The PD term structure is computed for a period of next 5 years and considered constant above this horizon. The basis for the assumption is validated by the convergence of macroeconomic forecasts post the 5 year period

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(d) Credit risk (Cont'd)

Impairment assessment (Cont'd)

Probability of Default (Cont'd)

There are two levels of PD relevant for ECL calculation:

i. 12-month PD – This represents the estimated probability of default occurring within the next 12 months from the reporting date.

ii. Lifetime PDs – This represents the estimated probability of a default occurring over the remaining life of the financial instrument and may be further broken down into marginal probabilities for smaller time periods within the remaining life.

The PD models were derived using logistic regression. 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 multifactor 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.

Loss Given Default

By definition, loss given default 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.

CIM has derived estimates of LGD for Stage 1 and Stage 2 exposures using the Cured LGD methodology for its credit facilities as adequate historical information was available. The LGD methodology takes into consideration recoveries through insurance covers and value of collaterals. The models were derived using logistic regression and yielded to statistically significant estimates. Where historical data was insufficient for modelling, Basel estimates of loss given default for unsecured exposures were applied.

Exposure at Default

The exposure at default (EAD) refers to the gross carrying amount of the financial instruments in the event of obligor default. For Stage 1 exposures, the EAD is derived based on possible default events within 12 months. For Stage 2 exposures, the exposure at default is considered for events over the lifetime of the instruments.

The EAD framework adopted by the Group considers two separate methods dependent on the underlying financial asset; the current exposure method for deposit with banks, leases, hire purchase and other credit agreements, and loan and advances except for revolving facilities such as factoring debtors and off-balance sheet items where the credit conversion factor approach is used. Under the current exposure method, the expected outstanding exposure is derived from the expected future cash flows as the best estimate of EAD. The credit conversion factor method takes into account the sum of the actual outstanding exposure and expected drawdown until default as the best estimate of EAD.

Forward looking information

Forward-looking economic assumptions are incorporated into ECL models. The Group has taken into account GDP growth rate forecasts when deriving the expected credit losses. This variable was significant in the models that were built. The GDP forecasts are constantly updated with new estimates and are sourced from reputed local and international organisations.

Credit quality

For stage classification, the Group utilises a combination of quantitative and qualitative factors to determine whether the credit risk of a borrower has increased significantly since initial recognition.
Exposures are considered to have resulted in a significant increase in credit risk and are moved to stage 2 when:

On a quantitative basis, the days past due (dpd) indicator is employed and exposures above 30 dpd are classified under Stage 2.

On a qualitative basis, accounts show signs of deteriorating early warning indicators (such as default on covenants), macroeconomic factors and external market information where relevant.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(d) Credit risk (Cont'd)

Impairment assessment (Cont'd)

Credit quality (Cont'd)

The Group maintains a credit risk rating based on the days past due and the obligor is categorised 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.

Write-offs

Financial assets are written off either partially or in their entirety only when there is no reasonable expectation of recovery such as the death or liquidation of a debtor. 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. It constitutes a derecognition event. Any subsequent recoveries are credited to the credit loss expense.

Modified loans

Sometimes the Group makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce disposal/repossession of collateral. Indicators of financial difficulties include default on covenants, bankruptcy, or significant concerns raised. Once the terms have been renegotiated, any impairment is measured using the original interest rates as calculated before the modification of terms.

These accounts are classified as high risk and derecognition decisions and classifications between stage 2 and stage 3 are determined on a case-by-case basis. If the accounts were impaired, they will be closely monitored until it is collected or written off. And if the accounts were classified in the underperforming category, the Group will reassess whether there has been a significant increase in credit risk.

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.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(d) Credit risk (Cont'd)

Impairment assessment (Cont'd)

If modifications are substantial either quantitatively or qualitatively, the loan is derecognised as explained under write offs.

The Group calculates ECL on a collective basis for all assets classified under stage 1 and stage 2.

The Group combines these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristic of the facilities which are described below.

The Group considers the customer type for grouping of the portfolio which are grouped under Corporate customers or individuals.

For individual lendings which include retail leasing, credit facilities, hire purchase and other credit agreements, and card customers, the groupings are as follows:

• Product type
• Age band
• Salary band

For corporate lendings which include factoring, corporate leasing, and corporate loans, the grouping are as follows:

• Product type
• Industry sector

The Group 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 147.9m (2021: MUR 195.2m).

The Group 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 12,136m (2021: MUR 10,484m) 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 to recover the collateral which the Group estimated not to be significant at recovery. Other credit agreements also contain the exposure in respect of credit cards is not backed bycollaterals.

(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 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 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 also maintains a certain level of cash and deposits with banks to cater for its liquidity needs.

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(e) Liquidity risk (Cont'd)

Contractual maturities of undiscounted cash flows of financial assets and liabilities

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**
Investments 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						
Banks 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.

GROUP 30 September 2021 - restated	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	341.8	-	-	-	-	341.8
Deposits with banks	8.9	16.4	99.9	300.9	-	426.1
Net investment in leases and other credit agreements	1,739.7	1,235.7	2,196.1	4,773.2	102.7	10,047.4
Loans and advances	1,035.1	708.6	1,814.2	5,041.9	18.6	8,618.4
Investments securities	-	-	0.8	127.7	-	128.5
Other assets	320.7	2.3	2.6	-	-	325.6
Total assets	3,446.2	1,963.0	4,113.6	10,243.7	121.3	19,887.8
Liabilities						
Banks overdrafts	24.5	-	-	-	-	24.5
Other borrowed funds	2,837.0	62.6	125.2	6,501.9	280.5	9,807.2
Other liabilities	1,172.2	22.6	92.7	83.1	-	1,370.6
Lease liabilities	7.1	7.2	14.7	154.9	35.9	219.8
Total liabilities	4,040.8	92.4	232.6	6,739.9	316.4	11,422.1
Net liquidity gap	(594.6)	1,870.6	3,881.0	3,503.8	(195.1)	8,465.7

4. FINANCIAL RISK MANAGEMENT (CONT'D)

4.1 Financial risk factors (Cont'd)

(e) Liquidity risk (Cont'd)

Contractual maturities of undiscounted cash flows of financial assets and liabilities (Cont'd)

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**
Investments 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.

COMPANY 30 September 2021 - restated	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	280.7	-	-	-	-	280.7
Deposits with banks	8.9	16.4	99.9	300.9	-	426.1
Net investment in leases and other credit agreements	1,739.7	1,235.7	2,196.1	4,773.2	102.7	10,047.4
Loans and advances	995.6	704.8	1,811.9	5,237.3	18.1	8,767.7
Investments securities	-	-	0.8	119.6	-	120.4
Other assets	99.5	-	245.8	-	-	345.3
Total assets	3,124.4	1,956.9	4,354.5	10,431.0	120.8	19,987.6
Liabilities						
Bank overdrafts	1.7	-	-	-	-	1.7
Other borrowed funds	2,901.0	128.0	2,745.1	3,861.4	294.3	9,929.8
Other liabilities	1,027.9	22.6	92.7	83.1	-	1,226.3
Lease liabilities	11.1	11.2	22.2	171.7	88.3	304.5
Total liabilities	3,941.7	161.8	2,860.0	4,116.2	382.6	11,462.3
Net liquidity gap	(817.3)	1,795.1	1,494.5	6,314.8	(261.8)	8,525.3

4. FINANCIAL RISK MANAGEMENT (CONT'D)

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.

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated*		Restated*
Debt (note 23 and 27)	**11,944.5**	10,051.5	**12,071.2**	10,149.3
Less: Cash and cash equivalents (note 13)	**(609.1)**	(317.3)	**(588.0)**	(311.9)
	11,335.4	9,734.2	**11,483.2**	9,837.4
Equity - restated	**4,969.2**	4,580.9	**5,138.5**	4,747.4
Net debt/equity ratio	**2.3**	2.1	**2.2**	2.1

The net debt to equity ratio changed from 2.1 times in 2021 to 2.3 times in 2022 for the Group and from 2.1 times in 2021 to 2.2 times in 2022 for the Company.

*Refer to Note 39 Restatement and reclassifications.

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5. NET INTEREST INCOME

(a) Interest income

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated*		Restated*
Credit facilities	**1,142.5**	903.3	**1,114.5**	883.5
Corporate credit facilities	**14.3**	9.9	**26.2**	19.5
Credit cards	**69.9**	65.7	**69.9**	65.7
Factoring	**8.4**	8.0	**8.4**	8.0
Placements with financial institutions	**13.2**	12.1	**13.2**	11.6
Finance leases	**189.1**	175.2	**153.4**	175.2
Other credit agreements	**1,064.9**	995.6	**1,064.9**	995.6
Debt at FVTPL	**-**	2.5	**-**	0.5
	2,502.3	2,172.3	**2,450.5**	2,159.6
Analysed as follows:				
Recognised in the Cash Flow as received	**2,252.3**	1,939.3	**2,185.5**	1,938.5
Accrued	**250.0**	233.0	**265.0**	221.1
	2,502.3	2,172.3	**2,450.5**	2,159.6

(b) Interest expense

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated*		Restated*
Bank overdrafts	**4.8**	1.1	**0.4**	0.4
Bank loans	**222.8**	193.0	**210.6**	193.0
Other loans	**4.0**	0.1	**4.0**	0.4
Bond	**182.1**	190.6	**182.1**	190.6
Amortisation of deferred consideration	**2.9**	-	**-**	-
Leases (note 23)	**10.9**	11.3	**10.6**	11.1
	427.5	396.1	**407.7**	395.5
Analysed as follows:				
Recognised in the Cash Flow as paid	**407.7**	428.7	**394.7**	428.6
Accrued	**19.8**	(32.6)	**13.0**	(33.1)
	427.5	396.1	**407.7**	395.5
Net interest income	**2,074.8**	1,776.2	**2,042.8**	1,764.1

6. LENDING AND AGENCY RELATED INCOME

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated*		Restated*
Income for services provided over time				
Income relating to merchant and agency activities	**264.4**	236.8	**264.4**	236.8
Income for services provided at a point in time				
Income relating to factoring activities	**10.5**	10.3	**10.5**	10.3
Others	**28.4**	25.3	**9.2**	25.3
Other income provided at a point in time				
Other fees	**93.5**	77.6	**86.5**	63.6
	396.8	350.0	**370.6**	336.0

Other fees include late payment fees and fees related to other credit agreements.

*Refer to Note 39, Restatements and reclassifications.

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7. OTHER INCOME

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Operating lease income	**90.7**	112.7	**89.1**	112.7
Leasing residual value	**6.5**	6.9	**6.5**	6.9
Others*	**3.3**	8.0	**3.2**	3.1
Profit on disposal of property, plant and equipment	**0.6**	2.3	**0.9**	2.3
	101.1	129.9	**99.7**	125.0

*Main components of others include management fees, secretarial fees and administration fees.

8. EMPLOYEE BENEFIT EXPENSES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Wages, salaries and related expenses	**588.6**	551.7	**537.0**	524.2
Pension and other retirement benefit costs	**56.9**	54.3	**54.8**	46.2
	645.5	606.0	**591.8**	570.4

9. OTHER OPERATING EXPENSES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Administration	**349.4**	323.5	**346.2**	310.0
Professional fees	**67.3**	31.6	**32.2**	29.1
Advertising and marketing	**32.9**	35.8	**30.7**	33.6
	449.6	390.9	**409.1**	372.7

10. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Provision for credit impairment				
- Finance leases	**(59.9)**	56.1	**(56.0)**	56.1
- Other credit agreements	**288.4**	197.2	**288.4**	197.2
Loans and advances				
- Credit facilities	**359.6**	305.7	**349.5**	300.4
- Corporate credit facilities	**8.9**	29.7	**8.9**	29.7
- Factoring receivables	**(4.2)**	1.3	**(4.2)**	1.3
- Card receivables	**(10.7)**	(3.6)	**(10.7)**	(3.6)
Others	**0.4**	(1.9)	**51.9**	(1.9)
Bad debts written off	**24.9**	7.3	**17.8**	11.2
Bad debts recovered				
- Finance leases	**1.5**	(0.3)	**(0.5)**	(0.3)
- Other credit agreements	**(12.9)**	(18.9)	**(12.9)**	(18.9)
- Credit facilities	**(16.2)**	(22.3)	**(14.4)**	(26.1)
- Factoring receivables	**5.5**	(2.9)	**5.5**	(2.9)
- Card receivables	**(24.6)**	(7.4)	**(24.6)**	(7.4)
	560.7	540.0	**598.7**	534.8

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11. TAXATION

(a) Income tax expense	GROUP Sep-22 MUR m	GROUP Sep-21 MUR m Restated*	COMPANY Sep-22 MUR m	COMPANY Sep-21 MUR m Restated*
Current income tax at 15% - 30% (2021:15% - 30%)	**175.9**	168.1	**173.9**	167.8
Corporate Social Responsibility tax at 2% (2021 : 2%)	**23.4**	19.6	**23.2**	19.6
Over provision in previous year	**(7.9)**	-	**(7.9)**	-
Deferred tax credit (note 26)	**(57.9)**	(93.8)	**(75.6)**	(93.8)
Income tax expense	**133.5**	93.9	**113.6**	93.6

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-22 MUR m	GROUP Sep-21 MUR m Restated*	COMPANY Sep-22 MUR m	COMPANY Sep-21 MUR m Restated*
Accounting profit before tax	**734.8**	508.5	**733.6**	548.1
Statutory income tax rate of 15% (2021: 15%)	**110.2**	76.3	**110.0**	82.2
Corporate social responsibility tax at 2% (2021: 2%)	**23.4**	19.6	**23.2**	19.6
Tax losses	**-**	6.3	**-**	-
CSR impact on permanent differences	**(9.5)**	(11.0)	**(9.5)**	(11.0)
Over provision in previous year	**(7.9)**	-	**(7.9)**	-
Income not subject to tax	**(38.0)**	(10.2)	**(17.2)**	(10.2)
Non–deductible expenses	**9.4**	12.9	**9.5**	13.0
Other adjustments	**45.9**	-	**5.5**	-
Income tax expense	**133.5**	93.9	**113.6**	93.6

Main items of non deductible expense include unrealised exchange losses, fair value loss on financial asset and expense attributable to exempt income.

(b) Income tax liabilities	GROUP Sep-22 MUR m	GROUP Sep-21 MUR m Restated*	COMPANY Sep-22 MUR m	COMPANY Sep-21 MUR m Restated*
At 1 October				
As previously stated	**265.8**	115.6	**265.8**	4.6
Effect of prior year adjustment (note 39)	**(1.2)**	(0.7)	**(1.2)**	(0.7)
As restated*	**264.6**	114.9	**264.6**	3.9
Amalgamation adjustment	**-**	-	**-**	134.5
Paid during the year	**(246.2)**	(61.6)	**(245.8)**	(61.2)
Refund for the year	**1.4**	-	**1.4**	-
Charge for the year	**199.3**	188.2	**197.1**	187.9
Reclassified from other liabilities	**-**	23.6	**-**	-
Over provision in previous year	**(9.1)**	(0.5)	**(7.9)**	(0.5)
	210.0	264.6	**209.4**	264.6

*Refer to Note 39 Restatement and reclassifications.

12. OTHER COMPREHENSIVE INCOME

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)**

GROUP	Other Reserves MUR m	Actuarial Reserves MUR m	Total MUR m
Year ended 30 September 2021			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit (note 25)	-	56.4	56.4
Deferred tax on remeasurement of post employment benefit (note 26)	-	(23.5)	(23.5)
	-	32.9	32.9
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign entities	1.6	-	1.6
Movement in reserves of associates (note 21 (a))	4.4	-	4.4
	6.0	-	6.0
Other comprehensive income for the year, net of tax	**6.0**	**32.9**	**38.9**

COMPANY	Actuarial Reserves MUR m
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 defined benefit obligations (note 26)	2.9
Other comprehensive income for the year, net of tax	**(18.0)**
Year ended 30 September 2021	
Items that will not be reclassified to profit or loss	
Remeasurement of post employment benefit (note 25)	55.3
Deferred tax on remeasurement of defined benefit obligations (note 26)	(23.5)
Other comprehensive loss for the year, net of tax	31.8

Other reserves

Other reserves includes all foreign currency differences arising from the translation of the financial statements.

Actuarial reserve

The actuarial reserve represents the cumulative remeasurement of defined benefit obligation recognised.

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13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Cash and bank balances	**681.8**	341.8	**593.3**	280.7
Loans at call receivable (note 18)	**-**	-	**-**	32.9
Bank overdrafts	**(72.7)**	(24.5)	**(5.3)**	(1.7)
Cash and cash equivalents	**609.1**	317.3	**588.0**	311.9

The bank overdrafts are secured by floating charges on the assets of the borrowing companies.
The rate of interest varies between 2.7% and 6.3% for the year 2021 for the loans. The rate of interest varies between 5.15% and 12% for 2022 (2021: 3.45% and 12%) for the bank overdrafts.

14. DEPOSITS WITH BANKS

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Deposit with banks	**483.3**	426.7	**483.3**	426.7
Expected credit loss	**(0.4)**	(0.6)	**(0.4)**	(0.6)
	482.9	426.1	**482.9**	426.1
The deposit with banks are analysed as follows:				
Current	**131.0**	125.2	**131.0**	125.2
Non current	**351.9**	300.9	**351.9**	300.9
	482.9	426.1	**482.9**	426.1

	GROUP		COMPANY	
	Gross carrying amount	**ECL**	**Gross carrying amount**	ECL
	Stage1	**Stage1**	**Stage1**	Stage1
	MUR m	**MUR m**	**MUR m**	MUR m
At 1 October 2021	426.7	0.6	426.7	0.6
Additions	188.0	(0.2)	188.0	(0.2)
Recovered	(131.2)	-	(131.2)	-
Movement in ECL	(0.2)	-	(0.2)	-
At 30 September 2022	**483.3**	**0.4**	**483.3**	**0.4**

	GROUP		COMPANY	
	Gross carrying amount	**ECL**	**Gross carrying amount**	ECL
	Stage1	**Stage1**	**Stage1**	Stage1
	MUR m	**MUR m**	**MUR m**	MUR m
At 1 October 2020	510.8	0.6	**-**	-
Amalgamation effect	-	-	510.8	0.6
Additions	102.1	-	102.1	-
Transfer	(48.2)	-	(48.2)	-
Recovered	(138.0)	-	(138.0)	-
At 30 September 2021	426.7	0.6	426.7	0.6

The above deposits carry interest rates ranging between 1.25% and 3.05% and have maturity dates ranging from June 2023 to November 2026. All the deposits are performing and classified under stage 1.

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS

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**

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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

GROUP AND COMPANY	Finance leases MUR m	Other credit agreements MUR m	Total MUR m
30 September 2021 - restated			
Gross investment			
Within one year	998.9	4,092.8	5,091.7
After one year and before five years	1,715.5	2,996.6	4,712.1
After five years	102.4	-	102.4
	2,816.8	7,089.4	9,906.2
Unearned future finance income	(314.8)	(924.1)	(1,238.9)
	2,502.0	6,165.3	8,667.3
Expected credit loss	(204.6)	(675.7)	(880.3)
	2,297.4	**5,489.6**	**7,787.0**
Present value of minimum lease payments before impairment analysed as follows:			
Within one year	858.9	3,431.5	4,290.4
After one year and before five years	1,546.0	2,733.8	4,279.8
After five years	97.1	-	97.1
	2,502.0	**6,165.3**	**8,667.3**
Representing:			
Current receivables	858.9	3,431.5	4,290.4
Non current receivables	1,643.1	2,733.8	4,376.9
	2,502.0	**6,165.3**	**8,667.3**
Net Amount represented by:			
Current receivables	708.7	2,833.9	3,542.6
Non current receivables	1,588.7	2,655.7	4,244.4
Net investment in leases	**2,297.4**	**5,489.6**	**7,787.0**

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).

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	-	299.7
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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Net investment in leases (Cont'd)

Credit quality (Cont'd)

GROUP AND COMPANY

	2021			
	Stage 1 MUR m	**Stage 2 MUR m**	**Stage 3 MUR m**	**TOTAL MUR m**
Performing	1,766.8	-	-	1,766.8
Watchlist	-	443.3	-	443.3
Non-performing	-	-	291.9	291.9
	1,766.8	**443.3**	**291.9**	**2,502.0**

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

	2022			
	Stage 1 MUR m	**Stage 2 MUR m**	**Stage 3 MUR m**	**TOTAL MUR m**
At 1 October 2021				
As previously stated	1,772.3	444.7	292.8	2,509.8
Effect of prior year adjustment (note 39)	(5.5)	(1.4)	(0.9)	(7.8)
As restated	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	759.4	45.9	3.0	808.3
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				
As previously stated	1,772.3	444.7	292.8	2,509.8
Effect of prior year adjustment (note 39)	(5.5)	(1.4)	(0.9)	(7.8)
As restated	1,766.8	443.3	291.9	2,502.0
New assets originated or purchased	640.4	39.5	1.5	681.4
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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Net investment in leases (Cont'd)

Gross carrying amount (Cont'd)

GROUP	2021			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
At 1 October 2020				
As previously stated	1,861.0	757.0	393.3	3,011.3
Effect of prior year adjustment (note 39)	(3.0)	(1.2)	(0.6)	(4.8)
As restated	1,858.0	755.8	392.7	3,006.5
New assets originated or purchased	466.9	60.0	16.6	543.5
Assets derecognised or repaid (excluding write offs)	(758.4)	(158.3)	(72.3)	(989.0)
Transfers to Stage 1	322.2	(277.8)	(44.4)	-
Transfers to Stage 2	(93.4)	136.2	(42.8)	-
Transfers to Stage 3	(28.3)	(72.5)	100.8	-
Amounts written off	(0.2)	(0.1)	(58.7)	(59.0)
At 30 September 2021	**1,766.8**	**443.3**	**291.9**	**2,502.0**

COMPANY	2021			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
At 1 October 2020				
Amalgamation adjustment	1,861.0	757.0	393.3	3,011.3
Effect of prior year adjustment (note 39)	(3.0)	(1.2)	(0.6)	(4.8)
As restated	1,858.0	755.8	392.7	3,006.5
New assets originated or purchased	466.9	60.0	16.6	543.5
Assets derecognised or repaid (excluding write offs)	(758.4)	(158.3)	(72.3)	(989.0)
Transfers to Stage 1	322.2	(277.8)	(44.4)	-
Transfers to Stage 2	(93.4)	136.2	(42.8)	-
Transfers to Stage 3	(28.3)	(72.5)	100.8	-
Amounts written off	(0.2)	(0.1)	(58.7)	(59.0)
At 30 September 2021	**1,766.8**	**443.3**	**291.9**	**2,502.0**

Expected credit loss

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
Effect of acquisition of subsidiary	19.3	3.2	26.1	48.6
New assets originated or purchased	3.7	3.2	5.2	12.1
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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Net investment in leases (Cont'd)

Expected credit loss (Cont'd)

	2022			
COMPANY	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	26.7	26.9	151.0	204.6
New assets originated or purchased	3.7	3.2	5.2	12.1
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**

	2021			
GROUP	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	15.5	31.8	155.7	203.0
New assets originated or purchased	3.3	2.0	9.7	15.0
Assets derecognised or repaid (excluding write offs)	(5.8)	(3.8)	17.1	7.5
Transfers to Stage 1	17.5	(6.8)	(10.7)	-
Transfers to Stage 2	(0.7)	13.9	(13.2)	-
Transfers to Stage 3	(0.3)	(2.6)	2.9	-
Impact of year end ECL of exposures transferred between stages	(11.5)	(11.4)	17.7	(5.2)
Changes to estimates and assumptions used for ECL calculations	8.9	3.9	26.0	38.8
Amounts written off	(0.2)	(0.1)	(54.2)	(54.5)
At 30 September 2021	**26.7**	**26.9**	**151.0**	**204.6**

	2021			
COMPANY	**Stage 1**	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-	-
Amalgamation adjustment	15.5	31.8	155.7	203.0
New assets originated or purchased	3.3	2.0	9.7	15.0
Assets derecognised or repaid (excluding write offs)	(5.8)	(3.8)	17.1	7.5
Transfers to Stage 1	17.5	(6.8)	(10.7)	-
Transfers to Stage 2	(0.7)	13.9	(13.2)	-
Transfers to Stage 3	(0.3)	(2.6)	2.9	-
Impact of year end ECL of exposures transferred between stages	(11.5)	(11.4)	17.7	(5.2)
Changes to estimates and assumptions used for ECL calculations	8.9	3.9	26.0	38.8
Amounts written off	(0.2)	(0.1)	(54.2)	(54.5)
At 30 September 2021	**26.7**	**26.9**	**151.0**	**204.6**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

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).

GROUP AND COMPANY		2022		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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**

GROUP AND COMPANY		2021		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	4,501.3	-	-	4,501.3
Watchlist	-	570.6	-	570.6
Non-performing	-	-	1,093.4	1,093.4
	4,501.3	**570.6**	**1,093.4**	**6,165.3**

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:

GROUP		2022		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021				
As previously stated	4,598.7	582.9	1,117.1	6,298.7
Effect of prior year adjustment (note 39)	(97.4)	(12.3)	(23.7)	(133.4)
As restated	4,501.3	570.6	1,093.4	6,165.3
New assets originated or purchased	3,597.0	285.0	327.0	4,209.0
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**

COMPANY		2022		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021				
As previously stated	4,598.7	582.9	1,117.1	6,298.7
Effect of prior year adjustment (note 39)	(97.4)	(12.3)	(23.7)	(133.4)
As restated	4,501.3	570.6	1,093.4	6,165.3
New assets originated or purchased	3,597.0	285.0	327.0	4,209.0
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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Other credit agreements (Cont'd)

Gross carrying amount (Cont'd)

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:

GROUP	2021			
	Stage 1 MUR m	**Stage 2 MUR m**	**Stage 3 MUR m**	**TOTAL MUR m**
At 1 October 2020				
As previously stated	4,028.4	1,029.1	1,120.0	6,177.5
Effect of prior year adjustment (note 39)	(82.4)	(21.1)	(22.9)	(126.4)
As restated	3,946.0	1,008.0	1,097.1	6,051.1
New assets originated or purchased	3,154.5	373.4	299.5	3,827.4
Assets derecognised or repaid (excluding write offs)	(2,595.6)	(441.8)	(539.8)	(3,577.2)
Transfers to Stage 1	378.8	(320.5)	(58.3)	-
Transfers to Stage 2	(206.2)	227.5	(21.3)	-
Transfers to Stage 3	(175.7)	(275.4)	451.1	-
Amounts written off	(0.5)	(0.6)	(134.9)	(136.0)
At 30 September 2021	**4,501.3**	**570.6**	**1,093.4**	**6,165.3**

COMPANY	2021			
	Stage 1 MUR m	**Stage 2 MUR m**	**Stage 3 MUR m**	**TOTAL MUR m**
At 1 October 2020				
Amalgamation adjustment	4,028.4	1,029.1	1,120.0	6,177.5
Effect of prior year adjustment (note 39)	(82.4)	(21.1)	(22.9)	(126.4)
As restated	3,946.0	1,008.0	1,097.1	6,051.1
New assets originated or purchased	3,154.5	373.4	299.5	3,827.4
Assets derecognised or repaid (excluding write offs)	(2,595.6)	(441.8)	(539.8)	(3,577.2)
Transfers to Stage 1	378.8	(320.5)	(58.3)	-
Transfers to Stage 2	(206.2)	227.5	(21.3)	-
Transfers to Stage 3	(175.7)	(275.4)	451.1	-
Amounts written off	(0.5)	(0.6)	(134.9)	(136.0)
At 30 September 2021	**4,501.3**	**570.6**	**1,093.4**	**6,165.3**

Expected credit loss

GROUP	2022			
	Stage 1 MUR m	**Stage 2 MUR m**	**Stage 3 MUR m**	**TOTAL MUR m**
At 1 October 2021	46.1	32.0	597.6	675.7
New assets originated or purchased	34.7	6.2	195.2	236.1
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**

15. NET INVESTMENT IN LEASES AND OTHER CREDIT AGREEMENTS (CONT'D)

Other credit agreements (Cont'd)

Expected credit loss (Cont'd)

COMPANY	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	46.1	32.0	597.6	675.7
New assets originated or purchased	34.7	6.2	195.2	236.1
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**

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	21.3	29.6	560.8	611.7
New assets originated or purchased	20.2	2.3	94.9	117.4
Assets derecognised or repaid (excluding write offs)	(11.4)	(9.7)	(103.0)	(124.1)
Transfers to Stage 1	17.3	(8.7)	(8.6)	-
Transfers to Stage 2	(1.2)	4.0	(2.8)	-
Transfers to Stage 3	(1.1)	(7.4)	8.5	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(15.7)	(2.8)	71.9	53.4
Changes to estimates and assumptions used for ECL calculations	16.7	24.7	109.1	150.5
Amounts written off	-	-	(133.2)	(133.2)
At 30 September 2021	**46.1**	**32.0**	**597.6**	**675.7**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment	21.3	29.6	560.8	611.7
New assets originated or purchased	20.2	2.3	94.9	117.4
Assets derecognised or repaid (excluding write offs)	(11.4)	(9.7)	(103.0)	(124.1)
Transfers to Stage 1	17.3	(8.7)	(8.6)	-
Transfers to Stage 2	(1.2)	4.0	(2.8)	-
Transfers to Stage 3	(1.1)	(7.4)	8.5	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(15.7)	(2.8)	71.9	53.4
Changes to estimates and assumptions used for ECL calculations	16.7	24.7	109.1	150.5
Amounts written off	-	-	(133.2)	(133.2)
At 30 September 2021	**46.1**	**32.0**	**597.6**	**675.7**

Finance income on the net investment in the lease is disclosed in note 5(a).
Undiscounted lease payments to be received amount to MUR2,254.6m (2021: MUR2,509.8m).
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 risks.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

16. LOANS AND ADVANCES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated		Restated
Credit facilities (a)	**7,343.2**	6,313.3	**7,266.9**	6,264.2
Corporate credit facilities (b)	**202.5**	162.2	**1,324.9**	390.3
Factoring receivables (c)	**98.0**	139.0	**98.0**	139.0
Card receivables (d)	**307.0**	303.9	**307.0**	303.9
	7,950.7	6,918.4	**8,996.8**	7,097.4
Expected credit loss	**(870.9)**	(580.1)	**(882.4)**	(595.1)
	7,079.8	6,338.3	**8,114.4**	6,502.3

Expected credit loss is analysed as follows:

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated		Restated
Credit facilities (a)	**781.4**	475.9	**766.8**	464.8
Corporate credit facilities (b)	**56.2**	47.3	**82.3**	73.4
Factoring receivables (c)	**10.1**	15.6	**10.1**	15.6
Card receivables (d)	**23.2**	41.3	**23.2**	41.3
	870.9	580.1	**882.4**	595.1

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(a) Credit facilities				
(i) Credit facilities receivables breakdown before impairment:				
Within one year	**2,769.8**	2,184.4	**2,693.5**	2,140.8
After one year and before five years	**4,573.4**	4,125.8	**4,573.4**	4,120.3
After five years	**-**	3.1	**-**	3.1
	7,343.2	6,313.3	**7,266.9**	6,264.2

(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).

GROUP	**2022**			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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**

16. LOANS AND ADVANCES (CONT'D)

(a) Credit facilities *(Cont'd)*

(ii) Credit quality - Credit facilities (cont'd)

GROUP	2021			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
Performing	4,758.2	-	-	4,758.2
Watchlist	-	640.0	-	640.0
Non-performing	-	-	915.1	915.1
	4,758.2	**640.0**	**915.1**	**6,313.3**

COMPANY	2021			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
Performing	4,744.8	-	-	4,744.8
Watchlist	-	634.1	-	634.1
Non-performing	-	-	885.3	885.3
	4,744.8	**634.1**	**885.3**	**6,264.2**

(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	2022			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
At 1 October 2021				
As previously stated	4,823.4	648.7	927.2	6,399.3
Effect of prior year adjustment (note 39)	(65.1)	(8.7)	(12.2)	(86.0)
As restated	4,758.3	640.0	915.0	6,313.3
New assets originated	3,028.7	252.4	329.7	3,610.8
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**

COMPANY	2022			
	Stage 1 MUR m	Stage 2 MUR m	Stage 3 MUR m	TOTAL MUR m
At 1 October 2021				
As previously stated	4,810.0	642.8	897.4	6,350.2
Effect of prior year adjustment (note 39)	(65.1)	(8.7)	(12.2)	(86.0)
As restated	4,744.9	634.1	885.2	6,264.2
Amalgamation adjustment	-	-	-	-
New assets originated	2,970.8	247.1	320.5	3,538.4
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**

16. LOANS AND ADVANCES (CONT'D)

(a) Credit facilities *(Cont'd)*

(iii) Gross carrying amount - Credit facilities (cont'd)

GROUP	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020				
As previously stated	3,320.2	849.7	585.6	4,755.5
Effect of prior year adjustment (note 39)	(46.8)	(11.9)	(7.6)	(66.3)
As restated	3,273.4	837.8	578.0	4,689.2
New assets originated	3,054.4	354.6	284.4	3,693.4
Assets derecognised or repaid (excluding write offs)	(1,402.5)	(282.1)	(255.4)	(1,940.0)
Transfers to Stage 1	317.6	(279.7)	(37.9)	-
Transfers to Stage 2	(238.1)	251.3	(13.2)	-
Transfers to Stage 3	(203.7)	(241.6)	445.3	-
Amounts written off	-	-	(58.8)	(58.8)
Transfer to Corporate credit facilities	(42.9)	(0.3)	(27.3)	(70.5)
At 30 September 2021	**4,758.2**	**640.0**	**915.1**	**6,313.3**

COMPANY	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-	-
Amalgamation adjustment	3,317.1	846.2	536.4	4,699.7
Effect of prior year adjustment (note 39)	(46.8)	(11.9)	(7.6)	(66.3)
As restated	3,270.3	834.3	528.8	4,633.4
New assets originated	3,020.6	351.1	280.2	3,651.9
Assets derecognised or repaid (excluding write offs)	(1,381.0)	(281.8)	(248.3)	(1,911.1)
Transfers to Stage 1	317.4	(279.5)	(37.9)	-
Transfers to Stage 2	(238.1)	251.3	(13.2)	-
Transfers to Stage 3	(201.5)	(241.0)	442.5	-
Amounts written off	-	-	(39.5)	(39.5)
Transfer to Corporate credit facilities	(42.9)	(0.3)	(27.3)	(70.5)
At 30 September 2021	**4,744.8**	**634.1**	**885.3**	**6,264.2**

(iv) Expected credit loss - Credit facilities

GROUP	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	50.4	39.3	386.2	475.9
New assets originated	33.1	9.1	189.4	231.6
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
Transfer from Credit facilities	-	-	-	-
Amounts written off	(0.2)	(1.0)	(52.9)	(54.1)
At 30 September 2022	**89.9**	**30.5**	**661.0**	**781.4**

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16. LOANS AND ADVANCES (CONT'D)

(a) Credit facilities *(Cont'd)*

(iv) Expected credit loss - Credit facilities (cont'd)

COMPANY	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	48.1	35.4	381.3	464.8
New assets originated	30.6	7.3	183.6	221.5
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	-
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	-	-	(47.5)	(47.5)
At 30 September 2022	**87.1**	**26.5**	**653.2**	**766.8**

GROUP	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	19.5	27.7	181.8	229.0
New assets originated	21.0	2.9	97.2	121.1
Assets derecognised or repaid (excluding write offs)	(4.8)	(13.3)	(7.5)	(25.6)
Transfers to Stage 1	4.8	(3.0)	(1.8)	-
Transfers to Stage 2	(1.2)	1.7	(0.5)	-
Transfers to Stage 3	(2.7)	(3.4)	6.1	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(3.1)	-	89.1	86.0
Changes to estimates and assumptions used for ECL calculations	19.2	26.7	95.7	141.6
Transfer from Credit facilities	(2.3)	-	(15.1)	(17.4)
Amounts written off	-	-	(58.8)	(58.8)
At 30 September 2021	**50.4**	**39.3**	**386.2**	**475.9**

COMPANY	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-	-
Amalgamation adjustment	15.9	25.2	158.9	200.0
New assets originated	18.9	1.1	94.1	114.1
Assets derecognised or repaid (excluding write offs)	(3.1)	(13.3)	(7.5)	(23.9)
Transfers to Stage 1	4.8	(3.0)	(1.8)	-
Transfers to Stage 2	(1.2)	1.7	(0.5)	-
Transfers to Stage 3	(1.0)	(3.0)	4.0	-
Changes to estimates and assumptions used for ECL calculations	(3.1)	-	89.1	86.0
Transfer from Credit facilities	19.2	26.7	95.7	141.6
Impact of impairment losses and year end ECL of exposures transferred between stages	(2.3)	-	(15.1)	(17.4)
Amounts written off	-	-	(35.6)	(35.6)
At 30 September 2021	**48.1**	**35.4**	**381.3**	**464.8**

16. LOANS AND ADVANCES (CONT'D)

(b) Corporate credit facilities

(i) Corporate loans receivables breakdown before impairment:

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Within one year	**123.7**	92.2	**160.2**	119.4
After one year and before five years	**74.4**	58.3	**959.4**	259.2
After five years	**4.4**	11.7	**205.3**	11.7
	202.5	162.2	**1,324.9**	390.3

(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		**2022**		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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**

GROUP		**2021**		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	74.0	-	-	74.0
Watchlist	-	0.3	-	0.3
Non-performing	-	-	87.9	87.9
	74.0	**0.3**	**87.9**	**162.2**

COMPANY		**2022**		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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**

COMPANY		**2021**		
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	302.0	-	-	302.0
Watchlist	-	0.3	-	0.3
Non-performing	-	-	88.0	88.0
	302.0	**0.3**	**88.0**	**390.3**

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16. LOANS AND ADVANCES (CONT'D)

(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	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	74.0	0.3	87.9	162.2
On acquisition	28.5	-	-	28.5
New assets originated	56.6	1.5	6.1	64.2
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**

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	69.9	-	57.0	126.9
New assets originated	3.4	-	3.6	7.0
Assets derecognised or repaid (excluding write offs)	(42.2)	-	-	(42.2)
Transfer from Credit facilities	42.9	0.3	27.3	70.5
At 30 September 2021	**74.0**	**0.3**	**87.9**	**162.2**

COMPANY	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	302.0	0.3	88.0	390.3
New assets originated	978.3	2.3	6.4	987.0
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**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	7,320.5	-	-	7,320.5
Amalgamation adjustment	(7,050.8)	-	57.0	(6,993.8)
New assets originated	31.6	-	3.7	35.3
Assets derecognised or repaid (excluding write offs)	(42.2)	-	-	(42.2)
Transfer from Credit facilities	42.9	0.3	27.3	70.5
At 30 September 2021	**302.0**	**0.3**	**88.0**	**390.3**

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16. LOANS AND ADVANCES (CONT'D)

(b) Corporate credit facilities (cont'd)

(iv) Expected credit loss - Corporate credit facilities (cont'd)

GROUP	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	3.0	0.1	44.2	47.3
New assets originated	5.1	0.1	-	5.2
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	**8.6**	**0.6**	**47.0**	**56.2**

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	0.5	-	17.1	17.6
New assets originated	-	-	4.7	4.7
Assets derecognised or repaid (excluding write offs)	(0.4)	-	-	(0.4)
Reclassification	2.3	-	15.1	17.4
Changes to estimates and assumptions used for ECL calculations	0.6	0.1	7.3	8.0
At 30 September 2021	**3.0**	**0.1**	**44.2**	**47.3**

COMPANY	COMPANY 2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	29.3	0.1	44.0	73.4
New assets originated	5.1	0.1	-	5.2
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**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	26.1	-	-	26.1
Amalgamation adjustment	0.7	-	16.9	17.6
New assets originated	-	-	4.7	4.7
Assets derecognised or repaid (excluding write offs)	(0.4)	-	-	(0.4)
Reclassification	2.3	-	15.1	17.4
Changes to estimates and assumptions used for ECL calculations	0.6	0.1	7.3	8.0
At 30 September 2021	**29.3**	**0.1**	**44.0**	**73.4**

16. LOANS AND ADVANCES (CONT'D)

(c) Factoring receivables

(i) Factoring receivables breakdown before impairment:

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Receivable from customers	**194.8**	264.7	**194.8**	264.7
Fund of guarantee	**(96.8)**	(125.7)	**(96.8)**	(125.7)
	98.0	**139.0**	**98.0**	**139.0**

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 & COMPANY	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	90.1	-	-	90.1
Non-performing	-	-	7.9	7.9
	90.1	**-**	**7.9**	**98.0**

GROUP & COMPANY	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	123.7	-	-	123.7
Watchlist	-	2.0	-	2.0
Non-performing	-	-	13.3	13.3
	123.7	**2.0**	**13.3**	**139.0**

(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:

GROUP	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	123.7	2.0	13.3	139.0
New assets originated or purchased	29.4	-	0.8	30.2
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**

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16. LOANS AND ADVANCES (CONT'D)

(c) Factoring receivables (cont'd)

(iii) Gross carrying amount - Factoring debtors (cont'd)

COMPANY	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	123.7	2.0	13.3	139.0
New assets originated or purchased	29.4	-	0.8	30.2
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**

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	196.4	6.9	16.1	219.4
New assets originated or purchased	81.9	0.4	1.0	83.3
Assets derecognised or repaid (excluding write offs)	(157.0)	(3.8)	-	(160.8)
Transfers to Stage 1	1.5	(1.5)	-	-
Transfers to Stage 3	0.9	-	(0.9)	-
Amounts written off	-	-	(2.9)	(2.9)
At 30 September 2021	**123.7**	**2.0**	**13.3**	**139.0**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment	196.4	6.9	16.1	219.4
New assets originated or purchased	81.9	0.4	1.0	83.3
Assets derecognised or repaid (excluding write offs)	(157.0)	(3.8)	-	(160.8)
Transfers to Stage 1	1.5	(1.5)	-	-
Transfers to Stage 3	0.9	-	(0.9)	-
Amounts written off	-	-	(2.9)	(2.9)
At 30 September 2021	**123.7**	**2.0**	**13.3**	**139.0**

(iv) Expected credit loss - Factoring receivables

GROUP	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	2.3	-	13.3	15.6
New assets originated	0.2	-	0.9	1.1
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 (CONT'D)

(c) Factoring receivables

(iv) Expected credit loss - Factoring receivables (cont'd)

COMPANY	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2021	2.3	-	13.3	15.6
New assets originated	0.2	-	-	0.2
Assets derecognised or repaid (excluding write offs)	(1.0)	-	(5.2)	(6.2)
Transfers to Stage 3	(0.1)	-	0.1	-
Impact of impairement losses and year end ECL of exposures transferred between stages	-	-	1.0	1.0
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**

GROUP	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	1.0	-	16.2	17.2
New assets originated	1.0	-	-	1.0
Assets derecognised or repaid (excluding write offs)	(0.2)	-	-	(0.2)
Changes to estimates and assumptions	0.5	-	-	0.5
Amounts written off	-	-	(2.9)	(2.9)
At 30 September 2021	**2.3**	**-**	**13.3**	**15.6**

COMPANY	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-	-
Amalgamation adjustment	1.0	-	16.2	17.2
New assets originated	1.0	-	-	1.0
Assets derecognised or repaid (excluding write offs)	(0.2)	-	-	(0.2)
Changes to estimates and assumptions	0.5	-	-	0.5
Amounts written off	-	-	(2.9)	(2.9)
At 30 September 2021	**2.3**	**-**	**13.3**	**15.6**

16. LOANS AND ADVANCES (CONT'D)

(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).

GROUP AND COMPANY	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	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**

GROUP AND COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
Performing	205.6	-	-	205.6
Watchlist	-	44.7	-	44.7
Non-performing	-	-	53.6	53.6
	205.6	**44.7**	**53.6**	**303.9**

(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:

GROUP	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021	205.6	44.7	53.6	303.9
New assets originated or purchased	85.3	4.4	5.0	94.7
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**

COMPANY	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2021				
Amalgamation adjustment	205.6	44.7	53.6	303.9
New assets originated or purchased	85.3	4.4	5.0	94.7
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**

16. LOANS AND ADVANCES (CONT'D)

(d) Card receivables (Cont'd)

(ii) Gross carrying amount - Card receivables (Cont'd)

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	192.6	45.4	77.4	315.4
New assets originated or purchased	66.9	14.0	12.9	93.8
Assets derecognised or repaid (excluding write offs)	(66.8)	(5.4)	(27.8)	(100.0)
Transfers to Stage 1	37.6	(26.5)	(11.1)	-
Transfers to Stage 2	(19.5)	24.6	(5.1)	-
Transfers to Stage 3	(5.2)	(7.4)	12.6	-
Amounts written off	-	-	(5.3)	(5.3)
At 30 September 2021	**205.6**	**44.7**	**53.6**	**303.9**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment	192.6	45.4	77.4	315.4
New assets originated or purchased	66.9	14.0	12.9	93.8
Assets derecognised or repaid (excluding write offs)	(66.8)	(5.4)	(27.8)	(100.0)
Transfers to Stage 1	37.6	(26.5)	(11.1)	-
Transfers to Stage 2	(19.5)	24.6	(5.1)	-
Transfers to Stage 3	(5.2)	(7.4)	12.6	-
Amounts written off	-	-	(5.3)	(5.3)
At 30 September 2021	**205.6**	**44.7**	**53.6**	**303.9**

(iii) Expected credit loss - Card receivables

GROUP	2022			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	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**

16. LOANS AND ADVANCES (CONT'D)

(d) Card receivables (cont'd)

(iii) Expected credit loss - Card receivables

COMPANY

	2022			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**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**

GROUP

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	0.5	1.4	48.3	50.2
New assets originated or purchased	0.2	(0.1)	3.3	3.4
Assets derecognised or repaid (excluding write offs)	(0.3)	(1.3)	(28.0)	(29.6)
Transfers to Stage 1	1.1	-	(1.1)	-
Transfers to Stage 2	-	0.6	(0.6)	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(1.0)	(0.5)	4.9	3.4
Changes to estimates and assumptions	4.6	2.6	12.0	19.2
Amounts written off	-	-	(5.3)	(5.3)
At 30 September 2021	**5.1**	**2.7**	**33.5**	**41.3**

COMPANY

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-	-
Amalgamation adjustment	0.5	1.4	48.3	50.2
New assets originated or purchased	0.2	(0.1)	3.3	3.4
Assets derecognised or repaid (excluding write offs)	(0.3)	(1.3)	(28.0)	(29.6)
Transfers to Stage 1	1.1	-	(1.1)	-
Transfers to Stage 2	-	0.6	(0.6)	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(1.0)	(0.5)	4.9	3.4
Changes to estimates and assumptions	4.6	2.6	12.0	19.2
Amounts written off	-	-	(5.3)	(5.3)
At 30 September 2021	**5.1**	**2.7**	**33.5**	**41.3**

17. INVESTMENT SECURITIES

	GROUP		COMPANY	
	Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
Financial assets at FVTPL (a)	**0.8**	0.8	**0.8**	0.8
Financial assets at amortised cost (b)	**119.6**	127.7	**119.6**	119.6
	120.4	128.5	**120.4**	120.4

	GROUP			COMPANY		
	MUR m	MUR m	**MUR m**	MUR m	MUR m	**MUR m**
(a) Financial assets at FVTPL	Level 1	Level 3	**Total**	Level 1	Level 3	**Total**
Non current						
At 1 October 2020	20.0	0.8	**20.8**	20.0	0.8	**20.8**
Disposal	(20.0)	-	**(20.0)**	(20.0)	-	**(20.0)**
At 30 September 2021 and 2022	-	0.8	**0.8**	-	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.

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 assets at amortised cost	GROUP		COMPANY	
	Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
At 1 October	**127.7**	8.1	**119.6**	-
Additions	**-**	119.6	**-**	119.6
Disposal of subsidiary	**(8.1)**	-	**-**	-
At 30 September	**119.6**	127.7	**119.6**	119.6

The financial assets' additions for last year comprise of one five-year Government of Mauritius bond amounting to MUR 119.6m with a yield of 2.7% per annum. There were no addition in the current year. The bonds are classified as level 2.

18. OTHER ASSETS

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Trade receivables	**0.9**	0.4	**-**	-
Less impairment	**(0.6)**	-	**-**	-
	0.3	0.4	**-**	-
Prepayments	**56.8**	48.5	**57.7**	47.8
Other receivables	**374.4**	325.2	**345.0**	305.1
	431.5	374.1	**402.7**	352.9
Receivables from subsidiaries (a)	**-**	-	**20.4**	8.5
Loan at call to subsidiaries (a)	**-**	-	**38.5**	32.9
Expected credit loss (a)	**-**	-	**(53.1)**	(1.2)
	-	-	**5.8**	40.2
	431.5	374.1	**408.5**	393.1

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.

(a) Receivables from subsidiaries

Receivables from subsidiaries and related companies are unsecured and carry an interest rate ranging of 4.8% (2021 : from 2.7% to 6.3%). An analysis of the changes in the gross carrying amounts and the corresponding ECL allowance is as follows :

Receivables from subsidiaries	**Gross carrying amount**	**ECL Stage 3**
	MUR m	**MUR m**
At 1 October 2020	48.0	0.5
Amalgamation adjustment	(39.5)	-
At 30 September 2021	8.5	0.5
Additions	11.9	14.1
At 30 September 2022	**20.4**	**14.6**

Loan at call to subsidiaries	**Gross carrying amount**	**ECL Stage 3**
	MUR m	**MUR m**
At 1 October 2020	143.4	0.7
Amalgamation adjustment	(119.9)	-
Additions	9.4	-
At 30 September 2021	32.9	0.7
Additions	5.6	37.8
At 30 September 2022	**38.5**	**38.5**

As at 30 September 2022, the Company is applying the IFRS9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables from subsidiaries and thus the Company recognises a loss allownace based on a lifetime ECL at the end of reporting period. The amount of impairment charged recognised for 2022 is MUR51.9 m. (2021 : MUR nil).

19. INVENTORIES

	GROUP & COMPANY	
	Sep-22	Sep-21
	MUR m	MUR m
Cost		
Consumables	**3.0**	3.0

20. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	Sep-22	Sep-21
	MUR m	MUR m
(a) At 1 October	**154.8**	1,118.1
Addition	**147.1**	-
Elimination of investment on amalgamation (i)	**-**	(963.3)
Impairment (ii)	**(45.7)**	-
Disposal (iii)	**(20.0)**	-
At 30 September	**236.2**	154.8

(i) Elimination of investment on amalgamation

In 2021, on amalgamation of the 5 subsidiaries with and into Cim Financial Services Ltd (refer to Accounting policies 2.4), the investments of the respective companies by the Holding company were eliminated against cost of investments.

(ii) 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 2022, 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% (2021: 5.3%). The amount of impairment charge recognised for 2022 MUR45.7m relates Cim International Holdings Ltd.

(iii) Disposal

In July 2022, the Group disposed of one of its wholly owned subsidiary, Cim Forex Ltd to Swan General Ltd for MUR77.4m, resulting in a gain of MUR57.4m - refer to note 37.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

20. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Details pertaining to the subsidiaries

Name of subsidiaries	Principal activity	Stated Capital (MUR000s)	Proportion of direct ownership (%)		Proportion of indirect ownership (%)		Year end
			Sep-22	Sep-21	**Sep-22**	Sep-21	
Finance							
Swan Forex Ltd (previously known as Cim Forex Ltd*)	Forex dealer	27,000	**-**	100.0	**-**	-	30 September
Tsusho Capital (Mauritius)Ltd**	Leasing	48,069	**100.0**	-	**-**	-	31 March
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

All the companies have only ordinary shares.
The above subsidiaries are incorporated in Mauritius except for Cim Credit Kenya Ltd and Cim Insurance Agency Ltd which are incorporated in Kenya.
Swan Forex Ltd (previously known as Cim Forex Ltd) has been disposed in July 2022.
**Tsusho Capital (Mauritius) Ltd was acquired on March 2022 and amalgamated in and into CIM Financial Services Ltd on 1 October 2022. Refer to Note 36.
***Cim CSR Fund Ltd is not consolidated in the Group accounts as it is a charitable institution.
Excluding companies under liquidation and dormant companies.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

21. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
(a) Movement in investment in associates	**MUR m**	MUR m	**MUR m**	MUR m
At 1 October	**-**	24.9	**-**	-
Additions (i)	**15.0**	-	**15.0**	-
Share of (loss) / profit	**(2.5)**	11.4	**-**	-
Impairment (ii)	**-**	(21.6)	**-**	-
Movement in other reserves	**-**	4.4	**-**	-
Dividends	**-**	(4.7)	**-**	-
Transfer to non-current assets classified as held for sale (note 35)	**-**	(14.4)	**-**	-
At 30 September	**12.5**	-	**15.0**	-

(i) In November 2021, Cim Financial Services Ltd entered in a strategic partnership with Fundkiss Technologies Ltd acquiring 25% of shares in this 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 5.3% (2021 : 5.3%). As a result of the assessments the directors have recorded the necessary impairment adjustments to the fair value of its investment in associates and it is treated as held for sale. In October 2021, a sharebuy back of the 2 companies Iveri Payment Technologies (Pty) Ltd and Touchpoint Payment Proprietary Ltd has been effected.
In 2021, an impairment loss was recognised at Group level amounting to MUR 21.6M for its investment in Iveri payment Technologies Ltd so as to approximate it at its fair value.

(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-22**	**Sep-21**	**Sep-22**	**Sep-21**	**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
iVeri Payment Technologies Proprietary Ltd (ii)	Payment solutions provider	South Africa	South Africa	**-**	-	**-**	49.0	31 December
Touchpoint Payment Proprietary Limited (ii)	Payment solutions provider	South Africa	South Africa	**-**	-	**-**	41.7	31 December
Fundkiss Technologies Ltd (iii)	Digital lending platform	Mauritius	Mauritius	**25.0**	-	**-**	-	30 June

(i) All of the above associates are accounted for using the equity method in the consolidated financial statements.
(ii) iVeri Payment Technologies Proprietary Ltd and its subsidiary Touchpoint Proprietary Ltd have been disposed during the year.
(iii) Fundkiss Technologies Ltd has been acquired during the year.

21. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) Summarised financial information in respect of the Group's material associates

2022	**Fundkiss Technologies Ltd**
	MUR m
Current assets	14.7
Non current assets	4.5
Current liabilities	(14.0)
Net assets	5.2
Ownership interest	25%
Share of net assets	1.3
Goodwill on acquisition	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 profit for the year	(2.5)
Group's share of total comprehensive income for the year	-
Dividend paid during the year	**-**

2021	**iVeri Payment Technologies Proprietary Ltd**	**Touchpoint Payment Proprietary Limited**
	MUR m	**MUR m**
Current assets	40.7	39.9
Non current assets	1.3	-
Current liabilities	(10.0)	1.1
Net assets	32.0	41.0
Ownership interest	49%	42%
Share of net assets	15.7	17.1
Goodwill/(impairment)	(15.7)	(2.7)
Transfer to Non-current assets classified as held for sale	-	(14.4)
Carrying value of associates	-	-
Revenue	53.0	194.6
Profit for the year	8.4	18.7
Other comprehensive income for the year	5.1	-
Total comprehensive income for the year	13.5	18.7
Group's share of profit for the year	4.1	7.8
Group's share of total comprehensive income for the year	2.2	2.2
Dividend paid during the year	-	(4.7)

22. EQUIPMENT

GROUP	Equipment	Vehicles	Total
Cost or Valuation	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	425.5	528.2	953.7
Additions	23.3	25.7	49.0
Scrapped assets	(78.1)	(0.5)	(78.6)
Disposals	(8.2)	(82.5)	(90.7)
Forex adjustment	0.1	-	0.1
At 30 September 2021	362.6	470.9	833.5
Additions	53.5	80.8	134.3
Effect of acquisition of subsidiary	4.4	19.3	23.7
Scrapped assets	(15.4)	-	(15.4)
Disposals	(51.7)	(130.1)	(181.8)
Forex adjustment	(0.1)	-	(0.1)
Disposal of subsidiary	(0.4)	(3.0)	(3.4)
At 30 September 2022	**352.9**	**437.9**	**790.8**

	Equipment	Vehicles	Total
Depreciation and impairment	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	278.5	118.9	397.4
Charge for the year	53.7	86.2	139.9
Scrapped assets	(77.9)	(0.5)	(78.4)
Disposal adjustment	(6.7)	(59.7)	(66.4)
At 30 September 2021	247.6	144.9	392.5
Charge for the year	52.9	69.6	122.5
Effect of acquisition of subsidiary	4.0	10.7	14.7
Scrapped assets	(15.5)	-	(15.5)
Disposal adjustment	(41.9)	(97.3)	(139.2)
Disposal of subsidiary	(0.2)	(1.6)	(1.8)
At 30 September 2022	**246.9**	**126.3**	**373.2**
Carrying value			
At 30 September 2022	**106.0**	**311.6**	**417.6**
At 30 September 2021	115.0	326.0	441.0

COMPANY	Equipment	Vehicles	Total
Cost or Valuation	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-
Amalgamation adjustment	430.5	693.3	1,123.8
Additions	22.9	25.7	48.6
Scrapped assets	(78.1)	(0.5)	(78.6)
Disposals	(8.2)	(82.2)	(90.4)
At 30 September 2021	367.1	636.3	1,003.4
Additions	52.5	80.8	133.3
Scrapped assets	(15.5)	-	(15.5)
Disposals	(33.4)	(123.9)	(157.3)
At 30 September 2022	**370.7**	**593.2**	**963.9**

	Equipment	Vehicles	Total
Depreciation and impairment	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020	-	-	-
Amalgamation adjustment	282.1	288.3	570.4
Charge for the year	53.0	85.9	138.9
Scrapped assets	(77.9)	(0.5)	(78.4)
Disposal adjustment	(6.6)	(59.7)	(66.3)
At 30 September 2021	250.6	314.0	564.6
Charge for the year	52.2	68.0	120.2
Scrapped assets	(15.5)	-	(15.5)
Disposal adjustment	(23.2)	(91.9)	(115.1)
At 30 September 2022	**264.1**	**290.1**	**554.2**
Carrying value			
At 30 September 2022	**106.6**	**303.1**	**409.7**
At 30 September 2021	116.5	322.3	438.8

Bank borrowings are secured by floating charges on all the assets of the Group (note 27)

23. (a) RIGHT-OF-USE ASSETS

	GROUP	COMPANY
	Buildings	Buildings
	MUR m	MUR m
At 1 October 2020	189.3	-
Amalgamation adjustment	-	189.3
Additions	29.1	26.9
Depreciation	(34.9)	(34.4)
Other adjustments	8.9	8.6
At 30 September 2021	192.4	190.4
Additions	18.1	18.1
Depreciation	(36.9)	(36.1)
Variable payment adjustment	3.3	3.3
At 30 September 2022	**176.9**	**175.7**

23. (b) LEASE LIABILITIES

	GROUP	COMPANY
	Buildings	Buildings
	MUR m	MUR m
At 1 October 2020	209.3	-
Amalgamation adjustment	-	209.3
Additions	29.1	26.9
Interest expense (note 5(b))	11.3	11.1
Lease payments	(39.4)	(39.0)
Other adjustments	9.5	9.5
At 30 September 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)	-
Variable payment adjustment	3.2	3.2
At 30 September 2022	**209.4**	**207.7**
Current	34.2	33.8
Non current	175.2	173.9
	209.4	**207.7**

Nature of leasing activities (in the capacity of lessee)

The Group leases 19 properties in Mauritius, 2 properties in Rodrigues and 1 property in Kenya. For 16 properties it is customary for the lease contracts to provide for payments to increase each year by inflation. For the remaining 6 properties the lease payments are reset periodically to market rates.

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.

GROUP	Sensitivity		Number of Lease Contracts		Variable payments %	
	Sep-22	Sep-21	**Sep-22**	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m				
Property leases with payments linked to inflation	**9.8**	10.6	**16**	16	**93%**	93%
Property leases with periodic uplifts to market rentals	**0.7**	0.9	**6**	6	**7%**	7%
	10.5	11.5	**22**	22	**100%**	100%

23. RIGHT-OF-USE ASSETS (CONT'D)

(b) LEASE LIABILITIES (CONT'D)

Variable lease payments (CONT'D)

COMPANY	Sensitivity		Number of Lease Contracts		Variable payments %	
	Sep-22	Sep-21	**Sep-22**	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m				
Property leases with payments linked to inflation	**9.8**	10.0	**16**	16	**76%**	76%
Property leases with periodic uplifts to market rentals	**0.7**	0.9	**5**	5	**24%**	24%
	10.5	10.9	**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 2022, 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.

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Interest expense (included in finance cost)	**10.9**	11.3	**10.6**	11.1

The total cash outflow for leases in Group in 2022 was MUR42.5m (2021: MUR39.4m); made of capital MUR31.6m (2021: MUR28.1m) and interest MUR10.9m (2021: MUR11.3m); and in Company was MUR42m (2021:MUR39m): made up of capital MUR31.4m (2021: MUR27.9m) and interest MUR10.6m (2021:MUR11.1m).

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

24. INTANGIBLE ASSETS

(a) GROUP	Customer portfolio MUR m	Goodwill on acquisition MUR m	Software MUR m	TOTAL MUR m
Cost				
At 1 October 2020	-	-	269.7	269.7
Additions	-	-	25.5	25.5
Disposal	-	-	(0.1)	(0.1)
Scrapped assets	-	-	(0.3)	(0.3)
Forex adjustment	-	-	1.3	1.3
At 30 September 2021	-	-	296.1	296.1
Effect of acquisition of subsidiary (note 36)	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**
Amortisation/Impairment				
At 1 October 2020	-	-	159.9	159.9
Charge for the year	-	-	37.5	37.5
Scrapped assets	-	-	(0.1)	(0.1)
Forex adjustments	-	-	0.9	0.9
At 30 September 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**
Carrying value				
At 30 September 2022	**29.2**	**12.8**	**84.1**	**126.1**
At 30 September 2021	-	-	97.9	97.9

(b) COMPANY	**Sep-22 MUR m**	Sep-21 MUR m
Software		
Cost		
At 1 October	**249.1**	0.3
Amalgamation adjustment	**-**	240.3
Additions	**22.6**	25.5
Scrapped assets	**-**	(16.9)
Disposal	**-**	(0.1)
At 30 September	**271.7**	249.1
Amortisation		
At 1 October	**152.5**	0.3
Amalgamation adjustment	**-**	136.3
Charge for the year	**35.7**	32.8
Scrapped assets	**-**	(16.9)
At 30 September	**188.2**	152.5
Carrying value		
At 30 September	**83.5**	96.6

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

25. POST EMPLOYMENT BENEFIT LIABILITIES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Amount recognised in the Statements of financial position:				
Pension benefits (a)	**50.8**	33.5	**50.8**	33.5
Unfunded pension schemes (b)	**23.6**	24.4	**23.6**	24.4
Other retirement benefits (c)	**71.3**	50.3	**67.2**	49.0
Other long term employee benefit plan (e)	**9.6**	11.3	**9.6**	11.3
	155.3	119.5	**151.2**	118.2
Amount charged / (credited) to profit or loss:				
Pension benefits (a)	**4.5**	4.9	**4.5**	4.9
Unfunded pension schemes (b)	**1.0**	1.2	**1.0**	1.2
Other retirement benefits (c)	**15.4**	6.5	**14.2**	6.2
Other long term employee benefit plan (e)	**(1.7)**	11.3	**(1.7)**	11.3
Total included in employee benefit expense	**19.2**	23.9	**18.0**	23.6
Amount charged / (credited) to other comprehensive income:				
Pension benefits (a)	**14.6**	(21.2)	**14.6**	(21.2)
Unfunded pension schemes (b)	**1.7**	(17.6)	**1.7**	(17.6)
Other retirement benefits (c)	**5.7**	(17.6)	**4.6**	(16.5)
	22.0	(56.4)	**20.9**	(55.3)

EXPLANATORY **NOTES**

30 SEPTEMBER 2022

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

(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-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
(i) Amount recognised in the Statements of financial position are as follows:				
Present value of funded obligations	**105.8**	95.1	**105.8**	95.1
Fair value of plan assets	**(55.0)**	(61.6)	**(55.0)**	(61.6)
Liability in the Statements of Financial Position	**50.8**	33.5	**50.8**	33.5
The reconciliation of the opening balances to the closing balances for the net defined benefit liability is as follows:				
At 1 October	**33.5**	51.8	**33.5**	-
Amalgamation adjustment	**-**	-	**-**	51.8
Charged to profit or loss	**4.5**	4.9	**4.5**	4.9
Charged (credited) to other comprehensive income	**14.6**	(21.2)	**14.6**	(21.2)
Contributions paid	**(1.8)**	(2.0)	**(1.8)**	(2.0)
At 30 September	**50.8**	33.5	**50.8**	33.5
(ii) Amount recognised in profit or loss and other comprehensive income are as follows:				
Service cost:				
Current service cost	**3.1**	3.5	**3.1**	3.5
Net interest	**1.4**	1.4	**1.4**	1.4
Components of amount recognised in profit or loss	**4.5**	4.9	**4.5**	4.9
Return on plan assets below/(above) interest income	**2.8**	(11.1)	**2.8**	(11.1)
Liability experience loss	**0.3**	4.9	**0.3**	4.9
Liability loss/(gain) due to change in financial assumptions	**11.5**	(15.0)	**11.5**	(15.0)
Components of amount recognised in other comprehensive income	**14.6**	(21.2)	**14.6**	(21.2)

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

	GROUP		COMPANY	
	Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
(a) Pension benefits (cont'd)				
(iii) Movements in the defined benefit obligations over the year are as follows:				
At 1 October	**95.1**	99.0	**95.1**	-
Amalgamation adjustment	**-**	-	**-**	99.0
Current service cost	**3.1**	3.5	**3.1**	3.5
Interest expense	**3.9**	2.7	**3.9**	2.7
Other benefits paid	**(8.1)**	-	**(8.1)**	-
Liability experience loss	**0.3**	4.9	**0.3**	4.9
Liability loss / (gain) due to change in financial assumptions	**11.5**	(15.0)	**11.5**	(15.0)
At 30 September	**105.8**	95.1	**105.8**	95.1
(iv) Movements in the fair value of plan assets over the year are as follows:				
At 1 October	**61.6**	47.2	**61.6**	-
Amalgamation adjustment	**-**	-	**-**	47.2
Interest income	**2.4**	1.3	**2.4**	1.3
Employer contribution	**1.8**	2.0	**1.8**	2.0
Benefits paid	**(8.1)**	-	**(8.1)**	-
Return on plan assets excluding interest income	**(2.7)**	11.1	**(2.7)**	11.1
At 30 September	**55.0**	61.6	**55.0**	61.6
(v) Sensitivity analysis on defined benefit obligation at end of year				
Increase due to 1% decrease in discount rate	**32.5**	30.3	**32.5**	30.3
Decrease due to 1% increase in discount rate	**26.1**	24.3	**26.1**	24.3
Increase due to 1% increase in salary increase rate	**8.9**	9.0	**8.9**	9.0
Increase due to 1% decrease in salary increase rate	**8.4**	8.4	**8.4**	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 67.5m as at 30 September 2022. 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-22 %	Sep-21 %	**Sep-22 %**	Sep-21 %
(vi) Allocation of plan assets at end of year:				
Equity - local quoted	**37**	32	**37**	32
Equity - overseas quoted	**22**	27	**22**	27
Debt - local unquoted	**18**	17	**18**	17
Debt - overseas quoted	**12**	12	**12**	12
Property - local	**2**	2	**2**	2
Investment funds	**2**	2	**2**	2
Cash and other	**7**	8	**7**	8
	100	100	**100**	100

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

(a) Pension benefits (cont'd)

(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 MUR 11.1m.
- The average duration of the defined benefit obligations is 5 years.

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
(viii) Principal actuarial assumptions at end of year:				
Discount rate	**4.9%**	4.5%	**4.9%**	4.5%
Rate of salary increases	**4.3%**	4.0%	**4.3%**	4.0%
Rate of pension increases	**2.0%**	1.0%	**2.0%**	1.0%
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 0.3m 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 11.6m 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 3.5% pa in 2021 to 2.9% pa in 2022, 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 0.5% pa in 2021 to 0.6% pa in 2022.

The plan exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary 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.

There has been no plan amendment, curtailment or settlement during the year.

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

(b) Unfunded pension schemes

Unfunded pension schemes comprise of pensions paid out of cash flow.

	GROUP & COMPANY	
	Sep-22 MUR m	Sep-21 MUR m
(i) Amount recognised in the Statements of Financial Position are as follows:		
Present value of unfunded obligation	**23.6**	24.4
Liability in the Statements of Financial Position	**23.6**	24.4
(ii) Amount recognised in profit or loss and other comprehensive income are as follows:		
Net interest on net defined benefit liability	**1.0**	1.2
Components of amount recognised in profit or loss	**1.0**	1.2
Liability experience loss/(gain)	**2.1**	(15.2)
Liability gain due to change in financial assumptions	**(0.4)**	(2.4)
Components of amount recognised in other comprehensive income	**1.7**	(17.6)
(iii) Movements in liability recognised in Statements of Financial Position:		
At 1 October	**24.4**	45.1
Interest expense	**1.0**	1.2
Other benefits paid	**(3.5)**	(4.3)
Liability experience loss / (gain)	**2.1**	(15.2)
Liability loss due to change in financial assumptions	**(0.4)**	(2.4)
At 30 September	**23.6**	24.4
(iv) Sensitivity Analysis on defined benefit obligation at end of period		
Increase due to 1% decrease in discount rate	**1.1**	1.3
Decrease due to 1% increase in discount rate	**1.0**	1.2

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.

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

(b) Unfunded pension schemes (cont'd)

(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 2023 MUR3.7m.

- The weighted average duration of the defined benefit obligations is 5 years.

	GROUP & COMPANY	
	Sep-22 MUR m	Sep-21 MUR m
(vi) Principal actuarial assumptions at end of year:		
Discount rate	**4.9%**	4.5%
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 MUR2.1m 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 increase in the net post-retirement discount rate (the difference between the discount rate and the rate of pension increases) from -0.5% pa in 2021 to -0.1% pa in 2022.

(c) Other retirement benefits

Other post retirement benefits comprise mainly of gratuity on retirement payable under the Mauritian Workers' Rights Act 2019 (2018-Employment Rights Act 2008) and other benefits. Other retirement benefits comprise full and residual retirement gratuities.

	GROUP		COMPANY	
	Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
(i) Amounts recognised in the Statements of Financial Position are as follows:				
Present value of unfunded obligation	**71.3**	50.3	**67.2**	49.0
Liability in the Statements of Financial Position	**71.3**	50.3	**67.2**	49.0
(ii) Amounts recognised in profit or loss and other comprehensive income are as follows:				
Service cost:				
Current service cost	**5.6**	4.8	**5.2**	4.6
Past service cost	**7.4**	-	**6.7**	-
Net interest on net defined benefit liability	**2.4**	1.7	**2.3**	1.6
Components of amount recognised in profit or loss	**15.4**	6.5	**14.2**	6.2
Liability experience loss / (gain)	**5.3**	(15.9)	**4.6**	(15.0)
Liability loss / (gain) due to change in financial assumptions	**0.4**	(1.7)	**-**	(1.5)
Components of amount recognised in other comprehensive income	**5.7**	(17.6)	**4.6**	(16.5)

25. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(c) Other retirement benefits (cont'd)				
(iii) Movements in liability recognised in Statements of Financial Position:				
At 1 October	**50.3**	62.0	**49.0**	-
Amalgamation adjustment	**-**	-	**-**	59.9
Current service cost	**5.4**	4.8	**5.2**	4.6
Past service cost	**7.4**	-	**6.7**	-
Interest expense	**2.4**	1.7	**2.3**	1.6
Other benefits paid	**(0.8)**	(0.6)	**(0.6)**	(0.6)
Liability experience loss/(gain)	**5.3**	(15.9)	**4.6**	(15.0)
Liability loss/(gain) due to change in financial assumptions	**0.4**	(1.7)	**-**	(1.5)
Effect of acquisition of subsidiary (note 36)	**0.9**	-	**-**	-
At 30 September	**71.3**	50.3	**67.2**	49.0
(iv) Sensitivity Analysis on defined benefit obligation at end of period				-
Increase due to 1% decrease in discount rate	**23.4**	18.3	**21.9**	17.3
Decrease due to 1% increase in discount rate	**18.4**	14.4	**17.2**	13.6
Decrease due to 0.5% increase in discount rate	**20.0**	n/a	**19.6**	n/a
Increase due to 0.3% decrease in discount rate	**15.8**	n/a	**15.5**	n/a

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 Employment Rights Act 2008 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 149.3m as at 30 September 2022.

(v) Future cash flows

- The funding policy is to pay benefits out of the Group's cashflow as and when due.

- The weighted average duration of the defined benefit obligations is 16 years.

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(vi) Principal actuarial assumptions at end of year:				
Discount rate	**4.9%**	4.5%	**4.9%**	4.5%
Future salary increases	**4.3%**	4.0%	**4.3%**	4.0%
Future pension increases	**2.0%**	1.0%	**2.0%**	1.0%
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**	21 years	**22 years**	23 years

(d) Contribution to the defined contribution plans amounted to MUR12.8m (2021: MUR12.6m).

25. POST-EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(e) Other long term employee benefit plan				
At 1 October	**11.3**	-	**11.3**	-
Credited to profit or loss	**(1.7)**	-	**(1.7)**	-
Effect of adopting amendments to WRA 2019	**-**	11.3	**-**	11.3
At 30 September	**9.6**	11.3	**9.6**	11.3

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 leaves 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 Statement of Financial Position:

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Deferred tax assets	**342.1**	275.8	**350.9**	275.8
Deferred tax liabilities	**(29.9)**	(33.2)	**(29.7)**	(33.1)
	312.2	242.6	**321.2**	242.7

At the end of the 2022 and 2021, the Group had no unused tax losses.

Deferred tax assets/(liabilities)
GROUP

	Impair-ment allowance	Post employment benefit	Excess of lease liabili-ties over right-of-use assets	Accelerated tax depreciation	Tax losses	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	165.3	13.4	3.0	(16.4)	7.1	172.4
Credited/(charged) to profit or loss	85.8	30.3	1.5	(16.7)	(7.1)	93.8
Credited to other comprehensive income (note 12)	-	(23.5)	-	-	-	(23.5)
At 30 September 2021	251.1	20.2	4.5	(33.1)	-	242.7
Credited to profit or loss	51.1	2.6	0.8	3.4	-	57.9
Effect of acquisition of subsidiary (note 36)	8.3	0.3	-	0.1	-	8.7
Credited to comprehensive income (note 12)	-	2.9	-	-	-	2.9
At 30 September 2022	**310.5**	**26.0**	**5.3**	**(29.6)**	**-**	**312.2**
Deferred tax asset	310.5	26.0	5.3	0.3	-	342.1
Deferred tax liability	-		-	(29.9)	-	(29.9)
	310.5	**26.0**	**5.3**	**(29.6)**	**-**	**312.2**

COMPANY	Impair-ment allowance	Post employment benefit	Right of use	Accelerated tax depreciation	Tax losses	Total
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-	-	-
Amalgamation adjustment	165.3	13.4	3.0	(16.4)	7.1	172.4
Credited/(charged) to profit or loss	85.8	30.3	1.5	(16.7)	(7.1)	93.8
Charge to comprehensive income (note 12)	-	(23.5)	-	-	-	(23.5)
At 30 September 2021	251.1	20.2	4.5	(33.1)	-	242.7
Credited to profit or loss	68.7	2.7	0.8	3.4	-	75.6
Charged to comprehensive income (note 12)	-	2.9	-	-	-	2.9
At 30 September 2022	**319.8**	**25.8**	**5.3**	**(29.7)**	**-**	**321.2**
Deferred tax asset	319.8	25.8	5.3	-	-	350.9
Deferred tax liability	-	-	-	(29.7)		(29.7)
	319.8	**25.8**	**5.3**	**(29.7)**	**-**	**321.2**

27. OTHER BORROWED FUNDS

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(a) Non current				
Bank and other borrowings - Secured (d)	**1,425.2**	2,680.4	**1,425.2**	2,680.4
Bank and other borrowings - Unsecured	**3,125.8**	4,035.9	**3,125.8**	4,035.9
	4,551.0	6,716.3	**4,551.0**	6,716.3
Current				
Bank and other borrowings - Secured (d)	**5,305.3**	2,932.4	**5,305.3**	2,932.4
Bank and other borrowings - Unsecured	**1,878.8**	158.5	**2,007.2**	281.1
	7,184.1	3,090.9	**7,312.5**	3,213.5
Total	**11,735.1**	9,807.2	**11,863.5**	9,929.8

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
(b) Non current borrowings analysed as follows:				
Repayable otherwise than by instalments:				
After one year and before two years				
Others	**1,075.0**	1,609.7	**1,075.0**	1,609.7
After two years and before three years				
Others	**-**	-	**-**	-
After three years and before five years				
Others	**1,059.2**	2,134.2	**1,059.2**	2,134.2
After five years	**280.5**	280.5	**280.5**	280.5
Repayable by instalments:				
After one year and before two years	**1,416.0**	2,623.4	**1,416.0**	2,623.4
After two years and before three years	**16.7**	52.9	**16.7**	52.9
After three years and before five years	**703.6**	15.6	**703.6**	15.6
	4,551.0	6,716.3	**4,551.0**	6,716.3

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	%	%	**%**	%
(c) The effective interest rates at the end of the reporting period were as follows:				
Bank and other borrowings - Secured	**2.25-5.40**	2.50 - 5.40	**2.50 - 4.00**	4.25
Bank and other borrowings - Unsecured	**0.35-4.85**	0.75 - 5.00	**0.35 - 4.85**	0.75 - 5.00

27. OTHER BORROWED FUNDS (CONT'D)

(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-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
MUR	**11,728.9**	9,803.3	**11,730.6**	9,801.8
EURO	**1.7**	3.5	**1.7**	3.5
USD	**4.5**	0.4	**131.2**	124.5
	11,735.1	9,807.2	**11,863.5**	9,929.8

Reconciliation of liabilities arising from financing activities:

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
At 1 October	**9,807.2**	9,836.6	**9,929.8**	5,487.2
Amalgamation adjustment	**-**	-	**-**	4,349.4
Effect of acquisition of subsidiary	**900.0**	-	**-**	-
Proceeds	**13,384.9**	9,276.5	**13,009.9**	9,399.1
Repayments	**(12,357.6)**	(9,411.7)	**(11,082.6)**	(9,411.7)
	1,927.3	(135.2)	**1,927.3**	(12.6)
Interest movement	**0.6**	105.5	**0.6**	105.5
Foreign exchange difference	**-**	0.3	**5.8**	0.3
	0.6	105.8	**6.4**	105.8
At 30 September	**11,735.1**	9,807.2	**11,863.5**	9,929.8

28. OTHER LIABILITIES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
		Restated*		Restated*
Trade payables	**369.4**	470.3	**360.9**	468.0
Accruals	**167.8**	101.3	**160.3**	130.1
Other payables**	**865.7**	799.0	**818.5**	758.3
	1,402.9	1,370.6	**1,339.7**	1,356.4

The carrying amount of the payables is considered as a reasonable approximation of fair value due to their short term nature.

Trade payables and other payables are secured by floating charge on all assets of the Group and Company, interest free and payable within 3 months.

*Refer to Note 39 Restatement and reclassifications
** Other payables include mainly Credit Agreement dealers.

29. DIVIDENDS

	COMPANY	
	Sep-22	Sep-21
	MUR m	MUR m
Amounts recognised as distributions to equity holders in the year:		
Final dividend declared in December 2021 for year ended 30 September 2021 MUR 0.20	**136.1**	-
Interim dividend declared in June 2022 MUR 0.11(2021: MUR 0.10)	**74.8**	68.0
	210.9	68.0

The directors have proposed dividends of MUR 0.24 per share on 23 December 2022. These dividends have not been provided for in the statement of final position as at 30 September 2022.

30. EQUITY

Stated Capital

	COMPANY 2022 & 2021	
	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 MUR587.4m 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.

Other Reserves

Reserves not dealt in above are accounted as other reserves and include mainly Foreign exchange reserves.

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31. EARNINGS PER SHARE

		GROUP	
		Sep-22 MUR m	Sep-21 MUR m Restated*
Profit for the year		**601.3**	414.6
Number of shares used in calculation		**680,522,310**	680,522,310
Basic earnings per share	MUR	**0.88**	0.61

*Refer to Note 39 Restatement and reclassifications

32. NOTES TO THE STATEMENTS OF CASH FLOWS

		GROUP		COMPANY	
		Sep-22 MUR m	Sep-21 MUR m	**Sep-22 MUR m**	Sep-21 MUR m
(a) Cash generated from operations			Restated*		Restated*
Profit before tax		**734.8**	508.5	**733.6**	548.1
Adjustments					
Depreciation of equipment	22	**122.5**	139.9	**120.2**	138.9
Depreciation of right of use asset	23	**36.9**	34.9	**36.1**	34.4
Amortisation	24	**38.2**	37.5	**35.7**	32.8
Interest income	5(a)	**(2,502.3)**	(2,172.3)	**(2,450.5)**	(2,159.6)
Interest expense	5(b)	**427.5**	396.1	**407.7**	395.5
Impairment of investment in subsidiary	20	**-**	-	**45.7**	-
Profit on disposal of subsidiary		**(16.4)**	-	**(57.4)**	-
Net impairment losses on financial assets	10	**560.7**	540.0	**598.7**	534.8
Profit on disposal of equipment		**(0.7)**	(2.3)	**(0.9)**	(2.3)
Foreign exchange gain		**(1.6)**	(5.4)	**(0.4)**	(7.0)
Share of results of associates	21	**2.5**	3.8	**-**	-
Post employment benefit expense	25	**13.1**	17.0	**12.1**	16.9
		(584.8)	(502.3)	**(519.4)**	(467.5)
(b) Changes in working capital					
Deposit with banks		**(56.8)**	84.1	**(56.8)**	84.1
Inventories		**-**	(1.0)	**-**	(1.0)
Net investment in finance leases and other credit agreements		**(281.0)**	249.1	**(324.6)**	249.1
Loan and advances		**(1,118.3)**	(1,391.0)	**(1,986.2)**	(1,375.1)
Other assets		**(53.5)**	(14.4)	**(60.9)**	120.5
Other liabilities		**215.0**	358.1	**199.9**	358.3
Cash used in operations		**(1,879.4)**	(1,217.4)	**(2,748.0)**	(1,031.6)

*Refer to Note 39 Restatement and reclassifications

(c) Non Cash transactions

During 2022, non cash transactions are as follows:

(i) an amount of MUR10m arising from refinancing of residual value for air conditioning under operating lease;

(ii) an amount of MUR18.1m arising from additions of building under right-of-use;

(iii) deferred consideration receivable on disposal of subsidiary of MUR5m.

33. COMMITMENTS

	GROUP AND COMPANY	
	Sep-22	Sep-21
	MUR m	MUR m
Operating lease commitments - where the Group is the lessor		
The future undiscounted lease payments under operating leases are as follows:		
Within one year	**79.2**	102.3
After one year and before five years	**148.6**	143.6
Later than 5 years	**14.9**	6.5
	242.7	252.4

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.

34. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	Sep-22	Sep-21	**Sep-22**	Sep-21
	MUR m	MUR m	**MUR m**	MUR m
Financial guarantee	**74.0**	57.6	**74.0**	57.6

At 30 September 2022, the Company had contingent liabilities in respect of guarantees from which it is anticipated that no material liabilities would arise.
The Group and Company has given guarantee amounting to MUR74m (2021: MUR57.6m) on behalf of a subsidiary.

35. NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	GROUP	GROUP
	Sep-22	Sep-21
	MUR m	MUR m
Disposal of associate	**-**	14.4

In 2021, the Group entered into a buy back with iVeri Payment Technology Ltd to disinvest its 49 shares held for a consideration of USD 340,000 and the Group recognised an impairment of MUR22.0m. The consideration was fully recovered in November 2021.

36. BUSINESS COMBINATION

Acquisition of subsidiary

On 24 March 2022, CIM Financial Services Ltd acquired 100% of the issued share capital of Tsusho Capital (Mauritius) Ltd (TCAP) in view of the expansion of the Group's operation.

TCAP is an in-house leasing and insurance agent company for the CFAO and Toyota brands and qualifies as a business combination as defined in IFRS 3.

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 31 March 2022 based on Audited Financial statement of TCAP	GROUP
	MUR m
Cash at bank	26.3
Net investment in leases	1,002.0
Other assets	5.0
Right-of-Use Assets	0.5
Equipment	9.0
Identifiable intangible asset - Customer portfolio	31.0
Deferred tax asset	8.7
Current tax asset	0.4
Bank Loans	(900.0)
Lease liabilities	(0.5)
Other liabilities	(46.0)
Post employment benefit liabilities	(2.1)
Total idenfiable assets acquired and liabilities assumed	134.3
Goodwill on consolidation	12.8
Total consideration	147.1
Satisfied by:	
Cash	130.0
Deferred Contingent Consideration (Earnout)	17.1
Total consideration transferred	147.1
Net cash outflow arising on acquisition:	
Cash consideration	150.0
Less: cash and cash equivalent balances acquired	(26.3)
Net cash outflow on acquisition	123.7

The fair value of the financial assets includes net investment in leases ,other assets, with a fair value of MUR 1.02Bn.

Post employment benefit liabilities of MUR 2.1m is in line with the actuarial report.

Customer portfolio of MUR 31.0m and goodwill of MUR 12.8m arising from the acquisition is the value arising in excess of the fair value of the net assets acquired. The goodwill recognised relates to synergies from combining operations of the acquiree and acquirer.

The potential undiscounted amount of all future payments that CFSL is required to make under the contingent consideration arrangement is MUR 20.0m. The fair value of the contingent consideration arrangement of MUR 17.1m was estimated by applying a Weighted Average Cost of Capital of 7.0%.

From the date of the acquisition,TCAP contributed MUR 29.5m of net operating income and MUR 10.1m of profit after tax from continuing operation.

Had the acquired subsidiary been consolidated from 1 October 2021, the revenue from continuing operation of the Group would have been increased by MUR 62.0m and the profit after tax from continuing operation would have been MUR 5.0m.

37. DISPOSAL OF SUBSIDIARY

In July 2022, the Group disposed of one of its wholly owned subsidiary, Cim Forex Ltd to Swan General Ltd. This sale is in line with CFSL's strategic intent to concentrate its resources on the growth of its core activities.

The results of this disposal in the Group's financial statements are as follows:

	GROUP
	MUR m
Gain on disposal of subsidiary	
Cash consideration received	72.4
Deferred consideration receivable	5.0
Net assets disposed of	(61.0)
	16.4
Net cash inflow on disposal of subsidiary	
Consideration received in cash and cash equivalent	72.4
Less cash and cash equivalent disposed of	(57.3)
Net cash inflow	15.1

The results of this disposal in the Company's financial statements are as follows:

	COMPANY
	MUR m
Gain on disposal of subsidiary	
Cash consideration received	72.4
Deferred consideration receivable	5.0
Cost of investment	(20.0)
	57.4

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38. EVENTS AFTER REPORTING DATE

On 1 October 2022 ,Tsusho Capital(Mauritius) Ltd, a newly owned subsidiary, has been granted approval to amalgamate in and into CIM Financial Services Ltd in view of streamlining the structure of the Group.

The amalgamated Company's assets and liabilities had the amalgamation already done at 30 Sept 2022 would have been as follows :

STATEMENT OF FINANCIAL POSITION	30 Sept 2022
	MUR m
ASSETS	
Cash and bank balances	651.8
Deposits with banks	482.9
Net investment in leases and other credit agreements	9,075.9
Loans and advances	8,208.1
Investments in financial assets	239.1
Other assets	120.4
Inventories	419.7
Investments in subsidiaries	3.0
Investments in associates	15.0
Equipment	417.1
Right-of-use assets	175.7
Deferred tax assets	281.3
Intangible assets	83.5
Total assets	20,173.5
LIABILITIES	
Bank overdraft	12,755.3
Other liabilities	1,682.9
Lease liabilities	207.7
Income tax liabilities	116.6
Deferred tax liabilities	24.5
Post employment benefit liabilities	152.9
Total liabilities	14,939.9
EQUITY	
Stated capital	680.5
Retained earnings	3,430.8
Other reserves	1,122.3
Total equity	5,233.6
Total equity and liabilities	20,173.5

39. RESTATEMENT AND RECLASSIFICATIONS

The Group and the Company made the following correction of error and reclassifications as described below:

An independent IFRS compliance review of the various charges and fees that make up the Company's revenue streams was undertaken during the financial year. Based on the recommendations of the report the deferred merchant discount, the leasing and loan processing fees have been reclassified from income under IFRS 15 to income falling under the scope of IFRS 9, Financial Instruments under the Effective Interest Rate (EIR). Thus the Company reclassified the amount recognised in respect of deferred merchant discount, leasing processing fees and loan processing fees from 'Lending and agency related income' to 'Interest Income' in the statements of profit or loss. The amount recognised for deferred merchant discount has also been reclassified from 'Other liabilities' to 'Net investment in leases and other credit agreement' in the statements of financial position. The deferred leasing processing fees were restated and reclassified under 'Net investment in leases and other credit agreement'. The loan processing fees has been reclassified from 'Other liabilities' to 'Loan and advances' in the statements of financial position.

The impact on financial statements are as follows:

GROUP	**30-Sep-21**			
Statement of Profit or Loss	**As previously reported**	**Reclassification**	**Correction of error**	**As restated**
	MUR m	MUR m	MUR m	**MUR m**
Interest income (note 5(a))	1,929.2	246.1	(3.0)	**2,172.3**
Lending and agency related income (note 6)	596.1	(246.1)	-	**350.0**
Profit before tax	511.5	-	(3.0)	**508.5**
Income tax expense (note 11(a))	(94.4)	-	0.5	**(93.9)**
Profit for the year	417.1	-	(2.5)	**414.6**

GROUP	**30-Sep-20**				**30-Sep-21**			
Statement of Financial Position	As previously reported	Reclassification	Correction of error	As restated	As previously reported	Reclassification	Correction of error	As restated
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Net investment in leases and other credit agreements (note 15)	8,374.1	(126.4)	(4.8)	8,242.9	7,928.2	(133.4)	(7.8)	7,787.0
Loans and advances (note 16)	5,103.2	(66.3)	-	5,036.9	6,424.3	(86.0)	-	6,338.3
Other liabilities (note 28)	1,372.0	(192.7)	-	1,179.3	1,590.0	(219.4)	-	1,370.6
Income tax liabilities (note 11(b))	115.6	-	(0.7)	114.9	265.8	-	(1.2)	264.6
Retained earnings note 30)	3,053.7	-	(4.1)	3,049.6	3,402.8	-	(6.6)	3,396.2

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

COMPANY

Statement of Profit or Loss		**30-Sep-21**		
	As previously reported	Reclassification	Correction of error	As restated
	MUR m	MUR m	MUR m	MUR m
Interest income (note 5(a))	1,916.5	246.1	(3.0)	2,159.6
Lending and agency related income (note 6)	582.1	(246.1)	-	336.0
Profit before tax	551.1	-	(3.0)	548.1
Income tax expense (note 11(a))	(94.1)	-	0.5	(93.6)
Profit for the year	457.0	-	(2.5)	454.5

COMPANY

Statement of Financial Position		**30-Sep-21**		
	As previously reported	Reclassification	Correction of error	As restated
	MUR m	MUR m	MUR m	MUR m
Net investment in leases and other credit agreements (note 15)	7,928.2	(133.4)	(7.8)	7,787.0
Loans and advances (note 16)	6,588.3	(86.0)	-	6,502.3
Other liabilities (note 28)	1,575.8	(219.4)	-	1,356.4
Income tax liabilities (note 11(b))	265.8	-	(1.2)	264.6
Retained earnings	2,982.2	-	(6.6)	2,975.6

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

Net investment in leases and other credit agreements

GROUP AND COMPANY	Finance leases	Other credit agreements	TOTAL
	MUR m	MUR m	MUR m
30 September 2021			
Gross investment			
Within one year	998.9	4,092.8	5,091.7
After one year and before five years	1,715.5	2,996.6	4,712.1
After five years	102.4	-	102.4
	2,816.8	7,089.4	9,906.2
Unearned future finance income	(314.8)	(924.1)	(1,238.9)
	2,502.0	6,165.3	8,667.3
Expected credit loss	(204.6)	(675.7)	(880.3)
	2,297.4	**5,489.6**	**7,787.0**

Net investment in leases

Changes in credit quality

GROUP AND COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
Performing	1,766.8	-	-	1,766.8
Watchlist	-	443.3	-	443.3
Non-performing	-	-	291.9	291.9
	1,766.8	**443.3**	**291.9**	**2,502.0**

Changes in gross carrying amount

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020				
As previously stated	1,861.0	757.0	393.3	3,011.3
Effect of prior year adjustment	(3.0)	(1.2)	(0.6)	(4.8)
As restated	1,858.0	755.8	392.7	3,006.5
New assets originated or purchased-restated	466.9	60.0	16.6	543.5
Assets derecognised or repaid (excluding write offs)	(758.4)	(158.3)	(72.3)	(989.0)
Transfers to Stage 1	322.2	(277.8)	(44.4)	-
Transfers to Stage 2	(93.4)	136.2	(42.8)	-
Transfers to Stage 3	(28.3)	(72.5)	100.8	-
Amounts written off	(0.2)	(0.1)	(58.7)	(59.0)
At 30 September 2021	**1,766.8**	**443.3**	**291.9**	**2,502.0**

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

Net investment in leases (cont'd)

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020				
Amalgamation adjustment				
As previously stated	1,861.0	757.0	393.3	3,011.3
Effect of prior year adjustment	(3.0)	(1.2)	(0.6)	(4.8)
As restated	1,858.0	755.8	392.7	3,006.5
New assets originated or purchased-restated	466.9	60.0	16.6	543.5
Assets derecognised or repaid (excluding write offs)	(758.4)	(158.3)	(72.3)	(989.0)
Transfers to Stage 1	322.2	(277.8)	(44.4)	-
Transfers to Stage 2	(93.4)	136.2	(42.8)	-
Transfers to Stage 3	(28.3)	(72.5)	100.8	-
Amounts written off	(0.2)	(0.1)	(58.7)	(59.0)
At 30 September 2021	**1,766.8**	**443.3**	**291.9**	**2,502.0**

No changes in expected credit loss

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	15.5	31.8	155.7	203.0
New assets originated or purchased	3.3	2.0	9.7	15.0
Assets derecognised or repaid (excluding write offs)	(5.8)	(3.8)	17.1	7.5
Transfers to Stage 1	17.5	(6.8)	(10.7)	-
Transfers to Stage 2	(0.7)	13.9	(13.2)	-
Transfers to Stage 3	(0.3)	(2.6)	2.9	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(11.5)	(11.4)	17.7	(5.2)
Changes to estimates and assumptions used for ECL calculations	8.9	3.9	26.0	38.8
Amounts written off	(0.2)	(0.1)	(54.2)	(54.5)
At 30 September 2021	**26.7**	**26.9**	**151.0**	**204.6**

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

Net investment in leases (cont'd)

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment	15.5	31.8	155.7	203.0
New assets originated or purchased	3.3	2.0	9.7	15.0
Assets derecognised or repaid (excluding write offs)	(5.8)	(3.8)	17.1	7.5
Transfers to Stage 1	17.5	(6.8)	(10.7)	-
Transfers to Stage 2	(0.7)	13.9	(13.2)	-
Transfers to Stage 3	(0.3)	(2.6)	2.9	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(11.5)	(11.4)	17.7	(5.2)
Changes to estimates and assumptions used for ECL calculations	8.9	3.9	26.0	38.8
Amounts written off	(0.2)	(0.1)	(54.2)	(54.5)
At 30 September 2021	**26.7**	**26.9**	**151.0**	**204.6**

Other credit agreements

Changes in credit quality

GROUP AND COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
Performing	4,501.3	-	-	4,501.3
Watchlist	-	570.6	-	570.6
Non-performing	-	-	1,093.4	1,093.4
	4,501.3	**570.6**	**1,093.4**	**6,165.3**

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

Other credit agreements (cont'd)

Changes in gross carrying amount

GROUP	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020				
as previously stated	4,028.4	1,029.1	1,120.0	6,177.5
Effect of prior year adjustment	(82.4)	(21.1)	(22.9)	(126.4)
As restated	3,946.0	1,008.0	1,097.1	6,051.1
New assets originated or purchased - restated	3,154.5	373.4	299.5	3,827.4
Assets derecognised or repaid (excluding write offs)	(2,595.6)	(441.8)	(539.8)	(3,577.2)
Transfers to Stage 1	378.8	(320.5)	(58.3)	-
Transfers to Stage 2	(206.2)	227.5	(21.3)	-
Transfers to Stage 3	(175.7)	(275.4)	451.1	-
Amounts written off	(0.5)	(0.6)	(134.9)	(136.0)
At 30 September 2021	**4,501.3**	**570.6**	**1,093.4**	**6,165.3**

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020				
Amalgamation adjustment				
As previously stated	4,028.4	1,029.1	1,120.0	6,177.5
Effect of prior year adjustment	(82.4)	(21.1)	(22.9)	(126.4)
As restated	3,946.0	1,008.0	1,097.1	6,051.1
New assets originated or purchased - restated	3,154.5	373.4	299.5	3,827.4
Assets derecognised or repaid (excluding write offs)	(2,595.6)	(441.8)	(539.8)	(3,577.2)
Transfers to Stage 1	378.8	(320.5)	(58.3)	-
Transfers to Stage 2	(206.2)	227.5	(21.3)	-
Transfers to Stage 3	(175.7)	(275.4)	451.1	-
Amounts written off	(0.5)	(0.6)	(134.9)	(136.0)
At 30 September 2021	**4,501.3**	**570.6**	**1,093.4**	**6,165.3**

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

Other credit agreements (cont'd)

No changes in expected credit loss

GROUP

	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	21.3	29.6	560.8	611.7
New assets originated or purchased	20.2	2.3	94.9	117.4
Assets derecognised or repaid (excluding write offs)	(11.4)	(9.7)	(103.0)	(124.1)
Transfers to Stage 1	17.3	(8.7)	(8.6)	-
Transfers to Stage 2	(1.2)	4.0	(2.8)	-
Transfers to Stage 3	(1.1)	(7.4)	8.5	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(15.7)	(2.8)	71.9	53.4
Changes to estimates and assumptions used for ECL calculations	16.7	24.7	109.1	150.5
Amounts written off	-	-	(133.2)	(133.2)
At 30 September 2021	**46.1**	**32.0**	**597.6**	**675.7**

COMPANY

	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment	21.3	29.6	560.8	611.7
New assets originated or purchased	20.2	2.3	94.9	117.4
Assets derecognised or repaid (excluding write offs)	(11.4)	(9.7)	(103.0)	(124.1)
Transfers to Stage 1	17.3	(8.7)	(8.6)	-
Transfers to Stage 2	(1.2)	4.0	(2.8)	-
Transfers to Stage 3	(1.1)	(7.4)	8.5	-
Impact of impairment losses and year end ECL of exposures transferred between stages	(15.7)	(2.8)	71.9	53.4
Changes to estimates and assumptions used for ECL calculations	16.7	24.7	109.1	150.5
Amounts written off	-	-	(133.2)	(133.2)
At 30 September 2021	**46.1**	**32.0**	**597.6**	**675.7**

LOANS AND ADVANCES

	2021	
	GROUP	COMPANY
	MUR m	MUR m
	Restated	Restated
Credit facilities	6,313.3	6,264.2
Corporate credit facilities	162.2	390.3
Factoring receivables	139.0	139.0
Card receivables	303.9	303.9
	6,918.4	7,097.4
Expected credit loss	(580.1)	(595.1)
	6,338.3	6,502.3

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

(a) Credit facilities

Changes in credit quality

GROUP

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	4,758.2	-	-	4,758.2
Watchlist	-	640.0	-	640.0
Non-performing	-	-	915.1	915.1
	4,758.2	**640.0**	**915.1**	**6,313.3**

COMPANY

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
Performing	4,744.8	-	-	4,744.8
Watchlist	-	634.1	-	634.1
Non-performing	-	-	885.3	885.3
	4,744.8	**634.1**	**885.3**	**6,264.2**

Changes in gross carrying amount

GROUP

	2021			
	Stage 1	**Stage 2**	**Stage 3**	**TOTAL**
	MUR m	**MUR m**	**MUR m**	**MUR m**
At 1 October 2020				
As previously stated	3,320.2	849.7	585.6	4,755.5
Effect of prior year adjustment	(46.8)	(11.9)	(7.6)	(66.3)
As restated	3,273.4	837.8	578.0	4,689.2
New assets originated or purchased	3,054.4	354.6	284.4	3,693.4
Assets derecognised or repaid (excluding write offs)	(1,402.5)	(282.1)	(255.4)	(1,940.0)
Transfers to Stage 1	317.6	(279.7)	(37.9)	-
Transfers to Stage 2	(238.1)	251.3	(13.2)	-
Transfers to Stage 3	(203.7)	(241.6)	445.3	-
Amounts written off	-	-	(58.8)	(58.8)
Transfer to corporate credit facilities	(42.9)	(0.3)	(27.3)	(70.5)
At 30 September 2021	**4,758.2**	**640.0**	**915.1**	**6,313.3**

39. RESTATEMENT AND RECLASSIFICATIONS (CONT'D)

COMPANY	2021			
	Stage 1	Stage 2	Stage 3	TOTAL
	MUR m	MUR m	MUR m	MUR m
At 1 October 2020	-	-	-	-
Amalgamation adjustment as previously stated	3,317.1	846.2	536.4	4,699.7
Effect of prior year adjustment (note 39)	(46.8)	(11.9)	(7.6)	(66.3)
As restated	3270.3	834.3	528.8	4633.4
New assets originated or purchased	3,020.6	351.1	280.2	3,651.9
Assets derecognised or repaid (excluding write offs)	(1,381.0)	(281.8)	(248.3)	(1,911.1)
Transfers to Stage 1	317.4	(279.5)	(37.9)	-
Transfers to Stage 2	(238.1)	251.3	(13.2)	-
Transfers to Stage 3	(201.5)	(241.0)	442.5	-
Amounts written off	-	-	(39.5)	(39.5)
Transfer to corporate credit facilities	(42.9)	(0.3)	(27.3)	(70.5)
At 30 September 2021	**4,744.8**	**634.1**	**885.3**	**6,264.2**

The effect on earnings per share is as follows:	30 September 2021
Decrease in basic and diluted earning per share (MUR)	(0.004)

	GROUP AND COMPANY
The effect on the statement of profit or loss is as follows;	30 September 2021
	MUR m
Decrease in other income	(3.0)
Decrease in income tax	0.5
Decrease in profit	(2.5)

With the restatement and reclassifications there has been no impact on cashflow.

40. 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	
	Sep-22 MUR m	Sep-21 MUR m	Sep-22 MUR m	Sep-21 MUR m
Interest income from loans				
Subsidiaries	-	-	12.1	9.4
Management fees				
Associates	2.2	2.2	2.2	2.2
Income related to merchant activities				
Companies with common shareholders	7.2	7.3	7.2	7.3
Purchase of goods & services from				
Companies with common shareholders	10.0	14.8	10.0	14.8
Sales of goods & services to				
Companies with common shareholders	60.5	115.0	60.5	115.0
Purchase of plant and equipment				
Companies with common shareholders	-	14.6	-	-
Dividend income				
Associates	-	4.7	-	-
Financial charges				
Subsidiaries	-	-	1.8	-
Loans payable to				
Subsidiaries	-	-	130.0	123.9
Loans and leases receivable from				
Companies with common shareholders	92.1	84.7	92.1	84.7
Subsidiaries	-	-	1,122.3	231.3
Loan at call receivable				
Subsidiaries	-	-	-	41.4
Amount owed to				
Companies with common shareholders	52.2	47.0	52.2	47.0
Right-of-use assets				
Companies with common shareholders	149.8	170.1	149.8	170.1
Lease liabilities				
Companies with common shareholders	180.7	196.7	180.7	196.7
Remuneration of key management personnel				
Short term employee benefit	138.9	116.2	121.6	101.8
Post employment benefit	7.9	6.9	6.9	5.7
	146.8	123.1	128.5	107.5

The above transactions have been made at arms' length, on normal commercial terms and in the normal course of business.

The Company has given guarantees to related companies as per Note 34.

The Company has recorded impairment of loans (MUR34.5m) and intercompany receivables (MUR17.7m) relating to amounts owed by related parties. The impairment assessments of these companies were based on ECL.

41. BUSINESS SEGMENTS

	Finance	Investments	Group elimination	Total
	MUR m	MUR m	MUR m	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
Net gain on disposal of subsidiary	-	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/(loss) for the year	667.1	(111.5)	45.7	601.3
Assets	18,876.8	7,011.3	(7,103.6)	18,784.5
Liabilities	15,213.2	5,705.7	(7,103.6)	13,815.3
Capital expenditure	174.8	0.3	-	175.1
Depreciation and amortisation	193.4	4.2	-	197.6

41. BUSINESS SEGMENTS (CONT'D)

	Finance	Investments	Group elimination	Total
	MUR m	MUR m	MUR m	MUR m
Year ended 30 September 2021 - restated*				
Interest income	2,155.8	294.4	(277.9)	2,172.3
Interest expense	(457.6)	(216.4)	277.9	(396.1)
Net interest income	1,698.2	78.0	-	1,776.2
Lending and agency related income	346.6	3.4	-	350.0
Other income	123.1	80.8	(74.0)	129.9
Net operating income	2,167.9	162.2	(74.0)	2,256.1
Operating expenses	(1,091.2)	(192.0)	74.0	(1,209.2)
Profit/(loss) before impairment	1,076.7	(29.8)	-	1,046.9
Net impairment losses on financial assets	(534.9)	(5.1)	-	(540.0)
Profit/(loss) after impairment	541.8	(34.9)	-	506.9
Foreign exchange gain	5.2	0.2	-	5.4
Share of results of associates	-	(3.8)	-	(3.8)
Profit/(loss) before tax	547.0	(38.5)	-	508.5
Income tax expense	(88.9)	(5.0)	-	(93.9)
Profit/(loss) for the year	458.1	(43.5)	-	414.6
Assets	16,722.8	7,923.9	(8,226.4)	16,420.3
Liabilities	14,008.4	6,072.4	(8,241.4)	11,839.4
Capital expenditure	72.6	1.9	-	74.5
Investments in associates	-	-	-	-
Depreciation & amortisation	202.5	9.8	-	212.3

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-22**	Sep-21
Revenue	**MUR m**	MUR m
		Restated*
- from customers in Mauritius	**2,977.7**	2,639.2
- located in Kenya	**22.5**	16.0
	3,000.2	2,655.2
Non-current assets**		
- located in Mauritius	**544.4**	537.4
- located in Kenya	**2.3**	4.5
	546.7	541.9

*Refer to Note 39 Restatement and reclassifications.

**Non-current assets exclude financial instruments, deferred tax assets and post employment benefit assets.

42. 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.

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities based on when they are expected to be recovered or settled.

GROUP	2022						2021					
	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	**681.8**	**-**	**-**	**-**	**-**	**681.8**	341.8	-	-	-	-	341.8
Deposits with banks	**1.3**	**0.9**	**261.1**	**219.6**	**-**	**482.9**	8.9	16.4	99.9	300.9	-	426.1
Non-current assets classified as held for sale	**-**	**-**	**-**	**-**	**-**	**-**	14.4	-	-	-	-	14.4
Net investment in leases and other credit agreements	**1,476.6**	**1,111.5**	**1,201.2**	**4,664.8**	**455.8**	**8,909.9**	1,508.0	1,036.5	998.1	4,198.9	45.5	7,787.0
Loans and advances	**1,410.5**	**616.1**	**480.1**	**4,569.2**	**3.9**	**7,079.8**	816.2	497.6	887.1	4,122.2	15.2	6,338.3
Investments securities	**-**	**0.8**	**119.6**	**-**	**-**	**120.4**	-	-	0.8	127.7	-	128.5
Other assets	**352.6**	**23.6**	**55.3**	**-**	**-**	**431.5**	321.5	2.3	50.3	-	-	374.1
Inventories	**-**	**-**	**-**	**3.0**	**-**	**3.0**	-	-	-	3.0	-	3.0
Investments in associates	**-**	**-**	**-**	**-**	**12.5**	**12.5**	-	-	-	-	-	-
Equipment	**-**	**-**	**-**	**-**	**417.6**	**417.6**	-	-	-	-	441.0	441.0
Right-of-use assets	**-**	**-**	**-**	**-**	**176.9**	**176.9**	-	-	-	7.0	185.4	192.4
Deferred tax assets	**-**	**-**	**342.1**	**-**	**-**	**342.1**	-	-	-	-	275.8	275.8
Intangible assets	**-**	**-**	**-**	**-**	**126.1**	**126.1**	-	-	-	-	97.9	97.9
Total assets	**3,922.8**	**1,752.9**	**2,459.4**	**9,456.6**	**1,192.8**	**18,784.5**	3,010.8	1,552.8	2,036.2	8,759.7	1,060.8	16,420.3
Bank overdrafts	**72.7**	**-**	**-**	**-**	**-**	**72.7**	24.5	-	-	-	-	24.5
Other borrowed funds	**3,531.4**	**479.5**	**3,173.4**	**4,269.5**	**281.3**	**11,735.1**	2,837.0	62.6	125.2	6,501.9	280.5	9,807.2
Other liabilities	**699.2**	**70.3**	**22.4**	**611.0**	**-**	**1,402.9**	1,323.1	10.9	31.9	4.7	-	1,370.6
Lease liabilities	**8.3**	**8.5**	**16.9**	**173.9**	**1.8**	**209.4**	7.1	7.2	14.7	154.9	35.9	219.8
Income tax liabilities			**210.0**			**210.0**	-	264.6	-	-	-	264.6
Deferred tax liabilities			**29.9**			**29.9**	-	-	33.2	-	-	33.2
Post employment benefit liabilities			**155.3**			**155.3**	-	-	119.5	-	-	119.5
Total liabilities	**4,311.6**	**558.3**	**3,607.9**	**5,054.4**	**283.1**	**13,815.3**	4,191.7	345.3	324.5	6,661.5	316.4	11,839.4

EXPLANATORY **NOTES**
30 SEPTEMBER 2022

43. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D)

The table below shows an analysis of assets and liabilities based on when they are expected to be recovered or settled.

COMPANY

	2022						2021					
	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	**593.3**	**-**	**-**	**-**	**-**	**593.3**	280.7	-	-	-	-	280.7
Deposits with banks	**1.3**	**0.9**	**261.1**	**219.6**	**-**	**482.9**	8.9	16.4	99.9	300.9	-	426.1
Net investment in leases and other credit agreements	**1,402.3**	**1,062.0**	**1,028.2**	**4,348.7**	**110.3**	**7,951.5**	1,508.0	1,036.5	998.1	4,198.9	45.5	7,787.0
Loans and advances	**1,352.4**	**614.1**	**664.0**	**5,480.0**	**3.9**	**8,114.4**	780.2	496.6	886.5	4,123.0	216.0	6,502.3
Investments securities	**-**	**0.8**	**119.6**	**-**	**-**	**120.4**	-	-	0.8	119.6	-	120.4
Other assets	**349.3**	**0.9**	**58.3**	**-**	**-**	**408.5**	294.3	2.3	96.5	-	-	393.1
Inventories	**-**	**-**	**-**	**3.0**	**-**	**3.0**	-	-	-	3.0	-	3.0
Investments in subsidiaries	**-**	**-**	**-**	**-**	**236.2**	**236.2**	-	-	-	-	154.8	154.8
Investments in associates	**-**	**-**	**-**	**-**	**15.0**	**15.0**	-	-	-	-	-	-
Equipment	**-**	**-**	**-**	**-**	**409.7**	**409.7**	-	-	-	-	438.8	438.8
Right-of-use assets	**-**	**-**	**-**	**-**	**175.7**	**175.7**	-	-	-	7.0	183.4	190.4
Deferred tax assets	**-**	**-**	**350.9**	**-**	**-**	**350.9**	-	-	-	-	275.8	275.8
Intangible assets	**-**	**-**	**-**	**-**	**83.5**	**83.5**	-	-	-	-	96.6	96.6
Total assets	**3,698.6**	**1,678.7**	**2,482.1**	**10,051.3**	**1,034.3**	**18,945.0**	2,872.1	1,551.8	2,081.8	8,752.4	1,410.9	16,669.0
LIABILITIES												
Bank overdrafts	**5.3**	**-**	**-**	**-**	**-**	**5.3**	1.7	-	-	-	-	1.7
Other borrowed funds	**3,529.8**	**479.5**	**3,303.4**	**4,269.5**	**281.3**	**11,863.5**	2,901.0	128.0	2,745.1	3,861.4	294.3	9,929.8
Other liabilities	**731.0**	**93.0**	**22.4**	**493.3**	**-**	**1,339.7**	1,309.4	10.9	31.9	4.2	-	1,356.4
Lease liabilities	**8.3**	**8.5**	**16.9**	**172.2**	**1.8**	**207.7**	7.1	7.2	14.7	152.9	35.9	217.8
Income tax liabilities			**209.4**			**209.4**	-	264.6	-	-	-	264.6
Deferred tax liabilities			**29.7**			**29.7**	-	-	33.1	-	-	33.1
Post employment benefit liabilities			**151.2**			**151.2**	-	-	118.2	-	-	118.2
Total liabilities	**4,274.4**	**581.0**	**3,733.0**	**4,935.0**	**283.1**	**13,806.5**	4,219.2	410.7	2,943.0	4,018.5	330.2	11,921.6

44. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except for financial assets and liabilities at fair value through profit or loss, the Group does 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.

30 September 2022	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	**Total**
	MUR m	MUR m	MUR m	MUR m	**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**
Investment securities	119.6	-	117.8	-	**117.8**
	15,737.6	-	117.8	15,822.3	**15,940.1**
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**

Financial instruments for which the fair value approximates the carrying amount	
Financial assets	
Cash at bank balances	681.8
Deposits with banks	482.9
Loans and advances	
Factoring receivables	87.9
Card receivables	283.8
Investments securities	0.8
Other assets	374.7
	1,911.9
Financial liabilities	
Other liabilities	1,402.9

For financial assets and financial liabilities that have a short-term maturity, the carrying amounts, which are net of impairment, represent a reasonable approximation of their fair value. Such instruments include cash and bank balances, deposits with banks, factoring and card receivables and other liabilities.

The fair value of the net investment in leases and 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 uses historical experience. The discount rates used represent the market rates.

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 Bank'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. This level includes listed equity securities and debt instruments on exchanges.

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). This level includes the majority of the OTC derivative contracts, traded loans and issued structured debt.

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 Bank considers relevant and observable market prices in its valuations where possible.

44. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

30 September 2021 - restated	Carrying amounts	Fair value			
		Level 1	Level 2	Level 3	Total
	MUR m	MUR m	MUR m	MUR m	MUR m
Financial assets not measured at fair value					
Net investment in leases and other credit agreements	7,787.0	-	-	8,389.1	8,389.1
Loans and advances					
Credit facilities	5,923.4	-	-	6,054.3	6,054.3
Corporate credit facilities	114.9	-	-	130.0	130.0
Investments securities	127.7	-	127.7	-	127.7
	13,953.0	-	127.7	14,573.4	14,701.1
Financial liabilities not measured at fair value					
Other borrowed funds	9,831.7	-	-	9,831.7	9,831.7
	9,831.7	-	-	9,831.7	9,831.7
Financial instruments for which the fair value approximates the carrying amount					
Financial assets					
Cash at bank balances	341.8				
Deposits with banks	426.1				
Loans and advances					
Factoring receivables	123.4				
Card receivables	262.6				
Investments securities	0.8				
Other assets	325.6				
	1,480.3				
Financial liabilities					
Other liabilities	1,370.6				

For financial assets and financial liabilities that have a short-term maturity, the carrying amounts, which are net of impairment, represent a reasonable approximation of their fair value. Such instruments include cash and bank balances, deposits with banks, factoring and card receivables and other liabilities.

The fair value of the net investment in leases and 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 uses historical experience. The discount rates used represent the market rates.

Refer to Note 17 for further details regarding financial assets measured at fair value.

The Companies' financial assets and liabilities approximates its fair value as at 30 September 2021 and 2022.

45. 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 and IAS 39 respectively.

Categories under IFRS 9

30 September 2022	Group			Company		
Financial assets	**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**
	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	**-**	**7,951.5**	**7,951.5**	**-**	**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	**-**	**374.7**	**374.7**	**-**	**408.5**	**408.5**
	0.8	**16,690.3**	**16,691.1**	**0.8**	**17,670.2**	**17,671.0**

	Group			Company		
Financial liabilties	**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**
	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**

Categories under IFRS 9

30 September 2021 - restated	Group			Company		
Financial assets	**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**
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Cash and bank balances	-	341.8	341.8	-	280.7	280.7
Deposits with banks	-	426.1	426.1	-	426.1	426.1
Net investment in leases and other credit agreements	-	7,787.0	7,787.0	-	7,928.2	7,928.2
Loans and advances	-	6,424.3	6,424.3	-	6,588.3	6,588.3
Investments securities	0.8	127.7	128.5	0.8	119.6	120.4
Other assets	-	325.6	325.6	-	393.1	393.1
	0.8	15,432.5	15,433.3	0.8	15,736.0	15,736.8

	Group			Company		
Financial liabilties	**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**
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Other borrowed funds	-	9,831.7	9,831.7	-	9,931.5	9,931.5
Other liabilities	-	1,590.0	1,590.0	-	1,575.8	1,575.8
	-	11,421.7	11,421.7	-	11,507.3	11,507.3

46. FINANCIAL SUMMARY

GROUP		Sep-22 MUR m	Sep-21 MUR m Restated*	Sep-20 MUR m Restated*
Consolidated Statements of Profit or Loss and Other Comprehensive Income from continuing operations				
Interest income		**2,502.3**	2,172.3	1,709.9
Interest expense		**(427.5)**	(396.1)	(431.4)
Net interest income		**2,074.8**	1,776.2	1,278.5
Lending and agency related income		**396.8**	350.0	644.8
Other income		**101.1**	129.9	153.9
Net operating income		**2,572.7**	2,256.1	2,077.2
Operating expenses		**(1,292.7)**	(1,209.2)	(1,176.1)
Profit before impairment		**1,280.0**	1,046.9	901.1
Net impairment losses on financial assets		**(560.7)**	(540.0)	(652.6)
Net gain on disposal of investment in subsidiary		**16.4**	-	13.5
Share of results of associates		**(2.5)**	(3.8)	0.5
Foreign exchange gain		**1.6**	5.4	0.9
Profit before tax		**734.8**	508.5	263.4
Income tax expense		**(133.5)**	(93.9)	(76.7)
Profit for the year		**601.3**	414.6	186.7
Other comprehensive income for the year, net of tax		**(2.1)**	38.9	(39.1)
Total comprehensive income for the year, net of tax		**599.2**	453.5	147.6
Basic earnings per share (MUR)		**0.88**	0.61	0.27
Statements of Financial Position				
Assets		**18,784.5**	16,420.3	15,710.8
Stated capital		**680.5**	680.5	680.5
Retained earnings		**3,786.6**	3,396.2	3,049.6
Other reserves		**502.1**	504.2	465.3
Liabilities		**13,815.3**	11,839.4	11,515.4
		18,784.5	16,420.3	15,710.8
Stated Capital				
Number of ordinary shares - issued and fully paid	**Units**	**680,522,310**	680,522,310	680,522,310

*Refer to Note 39 Restatement and reclassifications

CIM FINANCIAL SERVICES LTD & SBU'S

LIST OF DIRECTORS AS AT 30 SEPTEMBER 2022

	Koon Siw Piang Cheong Chin (Nick Chin)	Darga Louis Amédée	Jaunbocus Fareedooddeen	Jia Young Chin Anielle	Lo Fong Audrey	Maharahaje Panday Woogra Tioumitra (Ambrish)	Motet Denis	Ramtoola Ashraf	Sathan Davina	Somen David	Soo Him Low Kwan San (Steeve Low)	Taylor Colin Geoffrey	Taylor Alexander Matthew	Taylor Philip Simon	Taylor Sebastian Callum	Taylor Timothy	Timol Aisha	Van Beuningen Mark	Vaudin Dominique	Vaudin Nicolas
Cim Administrators Ltd						X			X											
Cim CSR Fund Ltd																C		X		R
Cim Ethiopia Ltd *																				
CIM Financial Services Ltd		X	X				X			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												
The Oceanic Trust Co. Ltd								X												
Tsusho Capital (Mauritius) Ltd	A			A		A					A							A		

C- Chairperson X-In office as director A-Appointed as director R-Resigned as director
Alt-Alternate Director D-Deceased

* Under Liquidation
** Dormant Company

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