CIEL Finance Limited

November 18, 2022

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating[1]	Rating Action
Bond Issue	500	**CARE MAU A; Stable [Single A; Outlook: Stable]**	**Revised from CARE MAU A+; Stable [Single A Plus; Outlook: Stable]**
Proposed Bond Issue	850	**CARE MAU A; Stable [Single A; Outlook: Stable]**	**Assigned**
Total	**1,350**		

Rating Rationale

The revision in the rating of the bond issue of CIEL Finance Limited ("CFL") primarily factors in the proposed increase in debt to finance the buyback of shares of Amethis Africa Finance Limited ("Amethis") and invest in CFL's affiliates, which will result in leveraged capital structure.

The rating continues to derive strength from the strong parentage of the CIEL Group, experienced and resourceful promoters, professional and experienced management team, strong performance of subsidiaries and affiliates operating in the banking & financial sector both in Mauritius and Madagascar. The major dividend paying group companies (contributing to 80%-90% of total dividends) namely, BNI Madagascar and Bank One Limited showed positive operational and financial parameters for the year ended June 30, 2022, while MITCO and IPRO continue to be profitable and pay regular dividends. KIBO II has also been displaying satisfactory performance till date.

The rating is however constrained by high dependence on the dividend income from affiliates of CFL which in turn is contingent to several factors including macroeconomic conditions and political environment, interest rate risks and industry competition both in Mauritius and Madagascar.

Rating Sensitivities:

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Continued growth in loan book and deposit base for both BNI Madagascar and Bank One
- Significant reduction in debt and improved capital structure
- Sustained maintenance of strong capital and liquidity levels by both BNI Madagascar and Bank One

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Significant dip in Capital Adequacy Ratio for both BNI Madagascar and Bank One from current levels
- Decline in loan book and deposit base for both BNI Madagascar and Bank One
- Deterioration in asset quality of the affiliates
- Regulatory and political risks in Madagascar

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

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BACKGROUND

CIEL Finance Limited ("CFL") is the investment holding company for the banking and financial services cluster of CIEL Limited (CARE MAU A+; Positive/CARE MAU A1). CFL is involved in three sub-sectors of the financial industry namely, banking, fiduciary services, and private equity investment.

CFL was incorporated in 2013 as a wholly owned subsidiary, controlled by Ciel Limited, which is one of the largest business groups and conglomerates in Mauritius. Ciel Limited operates across six strategic business sectors and is present in more than 10 emerging markets across Africa and Asia.

In 2015, Amethis Africa Finance Limited ("Amethis") acquired 24.9% stake of CFL. Amethis is an investment fund manager dedicated to Africa and Europe, with an investment capacity exceeding EUR 800 million.

In 1992, CIEL Group ventured into the financial sector by setting up Investment Professionals Limited ("IPRO") which is licensed by the Financial Services Commission ("FSC") to act as an Investment Adviser and to engage in the distribution of financial products focusing on listed entities in Sub-Saharan Africa, India and Mauritius. CFL holds 95.5% stake in IPRO.

CFL has a strong presence in the Mauritian Global Business Sector through the 63.28% stake which it holds in Mauritius International Trust Company Limited ("MITCO") through MITCO Group Ltd, one of the largest players in its sector for providing Trust & Corporate Services, structuring and overseeing investments in more than 100 countries.

In February 2008, through a joint venture between CFL and I&M Group (Kenya), the CIEL Group made its entry in the banking industry by acquiring First City Bank Ltd which was later renamed as Bank One Limited (rated CARE MAU A+; Stable).

In 2014, CFL acquired a 31.80% stake in BNI Madagascar, the oldest and one of the largest commercial banks in Madagascar.

In 2008, CFL along with other investors set up the KIBO Fund LLC ("KIBO I"), a private equity fund, to make private equity and equity- related investments in private companies. Upon reaching the fund's 10 years' lifetime in 2020, Kibo I has been put in liquidation.

CFL also launched KIBO II in June 2014, for private equity investments in companies located in Sub Saharan Africa and islands of the Indian Ocean. KIBO II holds investments in nine private companies across Africa and as at 30 June 2022, the fund's valuation was USD 63.6 million and capital distributed to 30 June 2022 amounted to USD 11.7 million.

Proposed Exit of Amethis from CFL

Amethis is a limited life fund which is reaching the end of its lifespan and accordingly, the fund has approached CFL to buy back its 24.9% stake in the Company. CFL has agreed to buy back the shares of Amethis, which shall thereafter be redeemed and cancelled. The buyback of the 24.9% stake of Amethis by CFL will be financed by utilizing part of the proceeds from the proposed bond issue of MUR 850 million.

Subsequent to the bond issue, the overall gearing of CFL is expected to increase from current levels.

Experienced and resourceful promoters with strong promoters

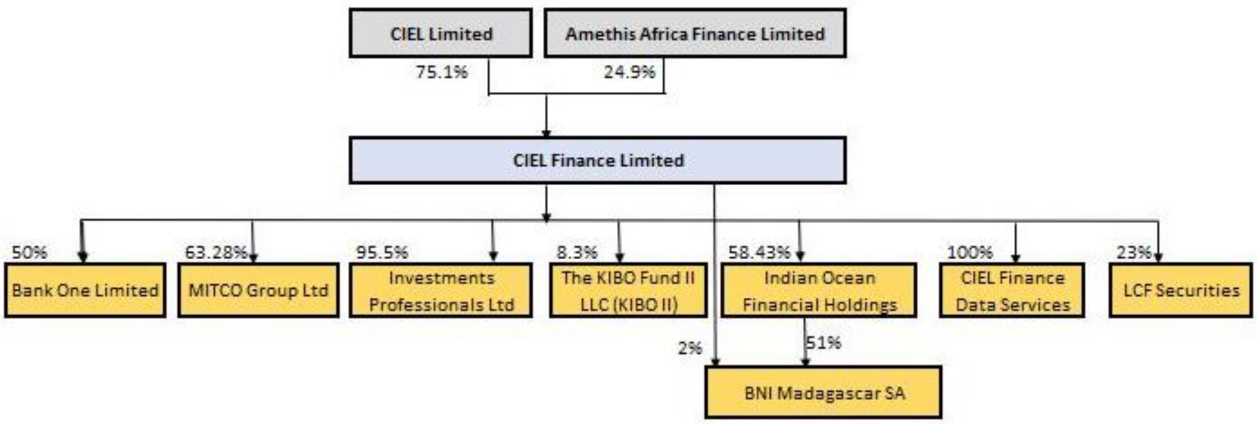
Incorporated in 2013, CFL is an investment holding company with subsidiaries, joint ventures and associates providing banking, fiduciary services and private equity investment. The promoter, CIEL Limited (holding 75.1% stake), is one of the largest business and investment groups in Mauritius with operations spanning across six business sectors namely, Healthcare, Textile, Hospitality, financial services, agriculture and property development/management.

Professional and highly qualified management team

CIEL Finance Limited is headed by a highly qualified senior management team comprising of professionals with extensive experience in banking and financial services.

Mr. Paul Leech is the Chairperson of the board of directors of CFL while the day-to-day operations of the company are looked after by Mr. Lakshmana Bheenick, who was appointed in March 2021 as Chief Executive Officer bringing with him more than 20 years of experience in the banking sector.

The group structure of CFL at 30 June 2022 was as per below:



	Reporting Period	Stake (%)	Revenue (MUR million)		PAT (MUR million)		Dividend Payout (MUR million)		Total Debt* (MUR million)	
			FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20
BNI Madagascar (BNI)	Dec-21	2	4,075	3,277	809	696	626	541	37,175	28,788
Bank One Limited	Dec-21	50	2,050	2,375	414	(492)	-	-	41,369	53,205
IOFHL**	Dec-21	58.43	323	339	316	335	284	333	-	-
MITCO Group Ltd	Jun-22	63.28	225	210	51	58	44	78	-	-
IPRO	Jun-22	95.5	41	35	6	3	7	-	-	1.66
The KIBO Fund LLC	Dec-21	8.3	441	55	421	(58)	-	-	-	-

** Includes deposits for banks*

*** CFL holds 58.43% of IOFHL which is the holding company with a 51% stake in BNI Madagascar*

Consistent flow of dividends from Group companies

As an investment holding entity, CFL derives its revenue mainly in the form of dividend income from its group companies. The below table illustrates the history of dividend income received by CFL:

Group Companies	Income	FY18	FY19	FY20	FY21	FY22
		MUR Million				
IOFHL/ BNI Madagascar	Dividend	114	132	170	164	188
Indian Ocean Financial Holdings Ltd*	Dividends**	13	11	15	18	17
Bank One Limited	Dividend	40	69	-	-	84
MITCO group	Dividend	28	18	12	49	28
IPRO	Dividend	2	-	3	-	7
Total Dividend received		**197**	**230**	**200**	**231**	**324**

**Indian Ocean Financial Holdings Limited ("IOFHL") is the holding company of BNI Madagascar.*

Indian Ocean Financial Holdings Limited - holding company of BNI Madagascar

Indian Ocean Financial Holdings Limited (IOFHL) was incorporated in Mauritius in December 2011. The shareholders of IOFHL are CFL (58.43%) and Axian Financial Services Ltd, a subsidiary of Axian Group (41.57%). In June 2014, through IOFHL, CFL and Axian acquired a 51% stake in BNI Madagascar from Crédit Agricole SA. The principal activity of IOFHL is to act as an investment holding company to hold its' shareholders' investment in BNI Madagascar. IOFHL derives the major source of its revenue in the form of dividends and a minor portion being management fees from BNI Madagascar. IOFHL is a debt free company which generated PAT of MUR 316 million in FY21 (FY20: MUR 335 million) against a revenue of MUR 323 million (FY20: MUR 339 million).

Strong operational and financial parameters of BNI Madagascar

BNI Madagascar (BNI) is one of the largest commercial banks in Madagascar (out of 11 commercial banks) and controls more than 20% of the Malagasy banking sector with a deposit base of MUR 31,938 million and advances of MUR 24,263 million as on December 31, 2021. It is the Number 1 bank in the corporate banking segment of Madagascar with over 900 employees, 100 branches and network of more than 129 ATMs.

As on June 30, 2022, the shareholders of the Bank were as listed below:

Shareholders	***Stake in BNI***
Indian Ocean Financial Holdings Limited	51.00%
Government of Madagascar	32.58%
Axian Financial Services	10.00%
Individual Personnel of BNI Madagascar	4.42%
CIEL Finance	2.00%

BNI Madagascar ownership comprises of a mix of private and public sector, given that its second largest shareholder is the Government of Madagascar with a 32.58% stake.

At December 31, 2021, the CAR of BNI fell from 9.64% FY 20) to 8.55% in FY21 while Tier I was down to 7.59% from 9.31% in FY20. However, the Bank's capital was strengthened by June 30, 2022 with its CAR and Tier I ratios standing at 9.93% and 8.13% respectively. CFL management has also indicated there will be an equity infusion in BNI in order to boost the CAR and to maintain it well above Regulatory requirement, which is expected to be increased.

Consistent growth in deposits

The table below shows that BNI has over the last four years consistently grown its deposit book across all categories namely, demand, savings and term deposits. While Current Account and Savings Account (CASA) deposits continue to make up the core of the Bank's funding source, term deposits are starting to make a higher portion of the book with a 17% share, indicating that BNI is benefiting from satisfactory rollover rates on its deposits and can therefore lock in both short-term and long-term funds at reasonable cost. Overall, the deposit book of BNI grew by 21% to reach MUR 31,938 million in FY21 and CASA deposits made up 81% of the total book.

Deposits	FY18		FY19		FY20		FY21	
	MUR Million	%	MUR Million	%	MUR Million	%	MUR Million	%
Deposits-Demand	14,023	71%	15,992	69%	17,890	68%	20,215	63%
Deposits-Savings	3,477	18%	4,435	19%	4,350	16%	5,428	17%
Deposits-Term	2,118	11%	2,846	12%	3,335	13%	5,377	17%
Deposits- Others					882	3%	918	3%
Total Deposits	**19,617**	**100**	**23,273**	**100**	**26,457**	**100**	**31,938**	**100**
CASA	17,499		20,427		22,240		25,643	
CASA proportion	89%		88%		84%		81%	
CASA Y-o-Y growth	16%		17%		9%		15%	
Average Cost of deposit	8.77%		8.83%		8.34%		8.43%	
Credit to Deposit Ratio (times)	0.63		0.68		0.69		0.76	

During FY21, BNI improved its efficiency in deploying its deposits as showed by its higher Credit-to-Deposit ratio of 0.76 times.

Comfortable liquidity profile

BNI manages its liquidity on a prudent basis and ensures that the statutory minimum cash reserve requirements are maintained throughout the year. No statutory limits have been breached by the bank.

Asset-Liability Maturity (ALM) Profile as on December 31, 2021

At December 31, 2021	Up to 1 month	1-3 months	3-12 months	1-5 years	> 5 years	Total
ASSETS	MUR Million					
Balances with Central Bank	5,461	-	-	-	-	5,461
Deposits with FIs	1,959	1,728	1	-	-	3,688
Loans and advances	6,325	3,460	1,704	4,310	8,464	24,263
Investment Securities	-	-	-	6,109	-	6,109
Other assets	2,530	-	32	67	793	3,422
Total assets	**16,275**	**5,188**	**1,737**	**10,487**	**9,257**	**42,944**
LIABILITIES						
Borrowings from FIs	4,772	-	-	465	-	5,237
Customer Deposits	20,215	268	3,354	1,847	6,254	31,938
Other liabilities	2,685	853	6	19	2,207	5,769
Total liabilities	**27,672**	**1,121**	**3,360**	**2,330**	**8,461**	**42,944**
Liquidity gap	**(11,397)**	**4,067**	**(1,623)**	**8,157**	**796**	**-**
	(11,397)	(7,330)	(8,953)	(796)	-	

BNI has a significant negative maturity in the one-month bucket which is due to the very short-term nature of its deposits. As stated above, the Bank has 81% of its deposits in CASA deposits which have very short maturities. However, the negative mismatch gets offset in buckets ranging over 1 year given that most of the loans & advances provided by the Bank have longer-dated maturities. The classification of these deposits as short-term are a feature of the Madagascar banking market, where deposit holders are not willing to commit funds over the medium/long term. However, BNI has a track record of successfully rolling over these a priori short term deposits. As such, the bank's deposit base can be viewed as being stable and the risks of a liquidity squeeze are minimal.

Summary of financials for BNI Madagascar

For the year ended/ as at 31 December	FY18	FY19	FY20	FY21
	MUR million			
Interest Income	1,578	1,804	2,085	2,525
Non-Interest Income	896	1,124	1,192	1,550
Total Income	2,474	2,928	3,277	4,075
Net Interest Income	1,086	1,249	1,359	1,560
PAT	543	753	696	809
Dividend Paid	365.2	444	541	626
Deposits	19,617	23,273	26,457	31,938
Borrowings	437	1,423	2,331	5,237
Tangible Networth	1,985	2,322	2,433	2,961
Advances	12,422	15,798	18,160	24,263
Investments (G-Secs)	3,835	4,427	4,338	6,126
Cash & cash equivalents	3,087	3,277	5,382	9,149
Total Assets	24,265	29,378	33,509	42,868
Gross NPAs	1,132	1,273	1,568	2,311
Key Ratios (%)				
Net Interest Margin (%)	4.76	4.66	4.38	4.08
Cost to income ratio (%)	48.29	46.41	46.50	45.50
ROTA (%)	2.38	2.81	2.24	2.12
RONW (%)	29.01	34.99	29.07	30.00
Overall Gearing (times)	10.10	10.64	11.83	12.56
Tier I Capital Adequacy Ratio (%)	9.2	8.3	9.31	7.59
Capital Adequacy Ratio (%)	10.5	9.5	9.64	8.55
Credit/Deposit ratio (times)	0.63	0.68	0.69	0.76
CASA Proportion (%)	89	88	84	81
Gross NPA to Gross Advances (%)	9.11	8.06	8.17	9.05
Net NPA to Net Advances (%)	1.89	2.21	2.99	4.28
Net NPA to Tangible Net worth (%)	11.85	15.04	22.33	35.10

Strong operational and financial parameters of BANK ONE [CARE MAU A+; Stable]

Bank One is a mid-sized private sector bank which operates a network of 7 branches and a well-distributed ATM network, serving over 50,000 clients in Mauritius and overseas, particularly in Africa. As at June 30, 2022, Bank One had a deposit base of MUR 36,769 million and a net loan & advances book of MUR 20,094 million.

Over the last five years, Bank One has managed to maintain its CAR comfortably above the regulatory requirement of 11.875%, as shown below:

	FY17	FY18	FY19	FY20	FY21
Tier 1 Ratio (%)	9.40	9.09	10.97	12.45	14.16
Capital Adequacy Ratio (%)	12.93	12.99	14.71	19.81	20.89

At June 30, 2022, the Bank's CAR stood at 20.19%.

All the banks are required to compute, at the end of each quarter, their Liquidity Coverage Ratio (LCR), which is the percentage of high-quality liquid assets to total net outflows over the next 30 days under a severe stress scenario. For the

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last three years, Bank One has managed to maintain a relatively strong LCR as against a regulatory requirement of 100%, as shown below:

	FY19	FY20	FY21	Q2FY22
LCR*	295%	394%	298%	397%

Stock of HQLA/Total net cash outflows over the next 30 calendar days

Asset-Liability Maturity (ALM) Profile at 30 June 2022								
	Up to 1 month	1-3 months	3-6 months	6-12 months	1-3 years	>3 years	Non-Maturity	Total
	MUR Million							
Total Assets	18,890	3,836	2,760	3,776	6,028	7,291	3,211	45,009
Total Liabilities	20,027	2,571	2,694	3,412	4,418	5,876	2,252	41,249
Liquidity gap	(1,137)	1,265	65	364	1,610	1,415	959	3,759
	(1,137)	128	193	558	2,168	3,583	3,759	

The ALM negative mismatch in the one-month time bucket arises strictly due to contractual maturities. However, given that the Bank's deposits are likely to be sticky to a large extent implies satisfactory rollover rates of the bank deposits and hence, mitigating any liquidity risk.

Bank One ensures that it carefully manages its exposures by closely monitoring the performance of its assets and adopts a prudent approach through adequate provisioning.

After the defaults of two major borrowers in FY20 leading to the GNPA ratio of the Bank rising to 8.67%, same has stabilized to only 3.23% in FY21. Moreover, the Bank also adopted a higher level of provisioning to mitigate the effect of any potential defaults which may arise.

	FY17	FY18	FY19	FY20	FY21
Gross NPA/Advances	6.06%	4.74%	4.23%	8.67%	3.23%
Net NPA /Advances	3.82%	1.79%	1.12%	2.05%	0.56%
Net NPA/Net worth	35.19%	17.09%	9.42%	13.21%	3.46%
Provision Coverage	39.13%	63.75%	74.52%	78.31%	83.26%

Summary of financials for Bank One Limited

For the year ended/ as at 31 December	FY17	FY18	FY19	FY20	FY21
	MUR million				
Interest Income	1,081	1,395	1,685	1,487	1,155
Non-Interest Income	369	751	816	888	895
Total Income	1,450	2,147	2,501	2,375	2,050
Net Interest Income	714	954	1,087	927	815
PAT	374	393	630	(492)	414
Deposits	28,299	33,432	48,139	48,050	37,916
Borrowings	636	3,390	3,163	5,154	3,540
Tangible Networth	2,326	2,480	3,316	3,210	3,386
Advances	21,454	23,613	29,879	20,640	20,811
Investments	4,218	6,732	16,900	22,263	12,404
Cash & cash equivalents	4,222	7,685	6,648	12,177	10,449

For the year ended/ as at 31 December	FY17	FY18	FY19	FY20	FY21
	MUR million				
Total Assets	31,582	39,758	55,388	56,939	45,568
Key Ratios (%)					
Net Interest Margin (%)	2.51	2.67	2.29	1.65	1.59
Core Spread (%)	2.31	2.50	1.23	1.74	2.29
ROTA (%)	1.32	1.10	1.32	-	0.81
RONW (%)	17.26	16.37	21.74	-	12.54
Overall Gearing (times)	12.44	14.85	15.47	16.58	12.22
Tier I Capital Adequacy Ratio (%)	9.40	9.09	10.97	11.97	14.16
Capital Adequacy Ratio (%)	12.93	12.99	14.71	19.81	20.89
Credit/Deposit ratio (times)	0.79	0.83	0.86	0.59	0.74
CASA Proportion (%)	66.90	68.95	70.80	77.06	67.08

MITCO Group Ltd – steady dividend paying & debt free subsidiary of CIEL Finance

MITCO Group Ltd. ("MITCO") is an investment holding company with subsidiaries providing advisory, structuring, set-up, administration, company secretarial, compliance, professional outsourcing and back-office services in the Global Business Sector. CFL holds a 63.28% stake in MITCO while a major portion of the minority stake is owned by Family-Force Ltd.

The financial performance of the company for the last 4 years is as under:

For the year ended/ as at June 30,	FY19	FY20	FY21	FY22
	MUR million			
Revenue	222	225	210	225
Administrative expenses	184	196	150	145
EBITDA	44	43	73	80
Depreciation & Amortisation	3	3	2	2
PAT	39	34	58	55
GCA	42	37	61	57
Dividend Paid	39	20	78	44
Tangible Networth	52	71	78	65
Cash and Cash Equivalents	61	93	95	99
Total Debt	-	-	-	-
EBIDTA margin (%)	20	19	34	35
PAT margin (%)	17	15	28	24

Investment Professionals Limited

Investment Professionals Limited (IPRO), incorporated in August 1992, is licensed by the Financial Services Commission (FSC) under the Financial Reporting Act 2007 and Securities Act 2005 to act as an Investment Adviser (Unrestricted).

CFL held 95.5% stake in IPRO until 6 October 2022 while the remaining 4.5% stake is held by the CEO, Mr. Stephane Henry.

Summary of financials for IPRO

For the year ended/ as at June 30,	FY19	FY20	FY21	FY22
	MUR million			
Revenue	21	37	35	41
EBITDA	2	7	4	7
PAT	1	6	3	6
GCA	2	7	4	7
Dividend Paid/Proposed	-	3	-	7
Tangible Networth	18	8	12	29
Total Debt	-	2.5	1.7	-
EBIDTA margin (%)	7	18	11	17
PAT margin (%)	3	17	10	15

The KIBO Fund II LLC

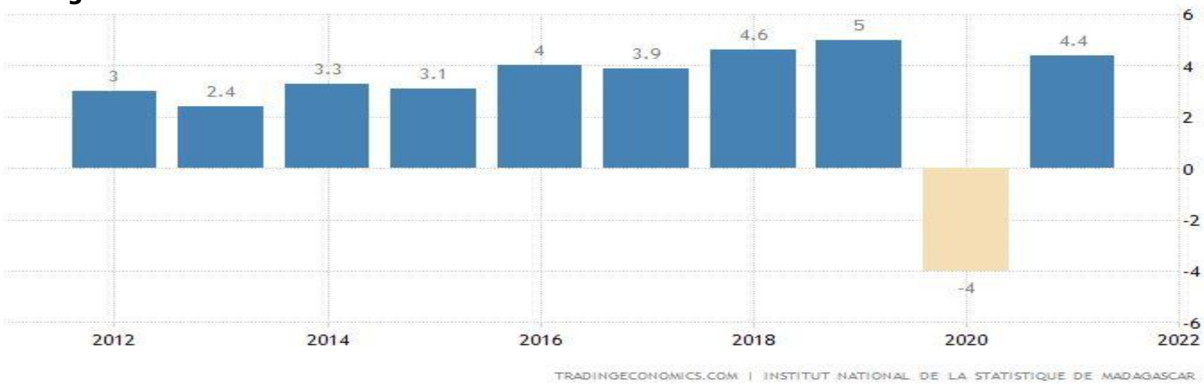
The KIBO FUND II LLC (KIBO II) was incorporated in the Republic of Mauritius in June 2014 as a private company limited by shares and designated as a Limited Life Fund with a life span of 10 years. The principal activity of KIBO II is to make private equity and equity-related investments in companies located in Sub-Saharan Africa and in islands located in the Indian Ocean region. The Fund is a multi-country, multi-sector and multi-strategy investment vehicle targeting fast growing small and medium-sized enterprises and mid-market segment where KIBO Capital Partners Limited, the Investment Manager has prior experience, although it remains opportunistic as regards to possible investments in other segments of the market. As at June 30, 2022, the fund had a net asset value of USD 63.6 million.

Industry Risk

Banking Industry in Madagascar

The banking sector in Madagascar comprises of 11 commercial banks, including three microfinance institutions (MFIs) with a banking license. The sector is, however, highly concentrated around four banks (including BNI Madagascar), which control around 90% of total banking sector assets, 85% of total deposits, 86% of the loans and share between them around 90% of sector's profit. The banking penetration rate i.e., access to a bank account, among Madagascar's population stood around 8% in 2019. The microfinance sector is developing, with a 17% penetration rate among households. Despite a difficult context and protracted crisis situation, Madagascar's financial sector remains dynamic and resilient to the crisis. With the launch of new services and facilities like, Mobile Money, the banking sector is trying to improve the bank penetration rate and offering opportunities to increase financial inclusion. Percentage of adults with an account at a financial institution or mobile money service in Madagascar has doubled over the past three years. Prior to 2020, Madagascar has been achieving GDP growth rates ranging between 2.4% to 5.0%. The economy contracted by 4.0% in 2020 as a result of the Covid-19 pandemic before recovering by 4.4% in 2021.

Madagascar GDP Growth Rate from 2011 to 2021



Madagascar is one of the poorest countries in the world with over 70 percent of the population living below the poverty line. Madagascar's economy depends mainly on agriculture, ecotourism and mining (graphite, chromie). Despite possessing tremendous amount of natural sources, Madagascar has for long struggled to fully developed its economy and bring its population out of poverty primarily due to the ongoing political instability in the country. This, combined with frequent social unrest and lack of transparency from institutions have led to outflows of foreign direct investments from the country, leaving the economy sinking.

For 2022, Madagascar is expected to achieve a GDP of USD 14.50 billion.

Banking Industry in Mauritius

As on June 30, 2021, 19 banks were licensed by the Bank of Mauritius (BOM), of which 6 were domestic-owned banks (MUR 1,210 billion in assets), 10 foreign-owned banks (MUR 650 billion in assets) and 3 branches of foreign banks (MUR 50 billion in assets). All the banks combined employed 8,129 persons at June 2021 and had 160 branches and 450 ATMs across Mauritius. The Mauritian banking sector remains dominated by two large banks namely, The Mauritius Commercial Bank (MCB) Ltd and State Bank of Mauritius (SBM) with total assets of MUR 728,128 million and MUR 362,252 million respectively at June 30, 2022. Following the issuance of the Guideline for Dealing with Domestic-Systemically Important Banks (D-SIBs) in June 2014, five banks were identified as being systemic to the Mauritian banking sector and its economy given that these bank's Segment A (domestic/resident) assets represented at least 3.5% of GDP at market prices. Following an assessment carried out in June 2022, these five same banks have been determined as being D-SIBs and they are The MCB Ltd, SBM Bank Ltd, Absa Bank (Mauritius) Limited, The Hongkong and Shanghai Banking Corporation Limited and AfrAsia Bank Limited.

The banking sector in Mauritius remained adequately liquid throughout 2021 with a Liquidity coverage ratio of 237% at December 2021, despite declining from 259% in September 2021.

Monetary Policy of the BOM

The Bank of Mauritius (BOM) actively pursues its objective to achieve price stability by making use of its monetary policy tools and instruments and given the upward trajectory that the inflation rate is maintaining, the Monetary Policy Committee of the BOM decided, at its latest meeting, to raise the Key Repo Rate (KRR) by 100 basis points. Since the beginning of 2022, the BOM has raised the KRR by an aggregate of 215 basis points to reach the current level of 4.00% per annum.

Summary of financials for CIEL Finance Limited:

For the year ended/ as at 30 June	**FY19**	**FY20**	**FY21**	**FY22**
	MUR million			
Revenue	231	199	232	324
Total Income	235	203	253	329
EBITDA	139	132	148	222
Depreciation	-	2	2	2
Interest	16	21	25	24
PBT	123	109	121	196
PAT	123	103	121	196
Gross Cash Accruals (GCA)	123	105	123	198
Financial Position				
Equity share capital	2,033	2,033	2,033	2,002
Tangible networth	2,081	2,162	2,063	2,037
Total debt	181	542	548	515
- Long term debt	148	514	515	515
- Short term debt	33	28	33	-
Cash & Bank balances	15	6	135	234
Key Ratios				
Profitability (%)				
EBITDA/Total income (%)	59.24	65.03	58.39	67.51
PAT/Total income (%)	52.39	50.83	47.82	59.60
ROCE- operating (%)	6.02	5.25	5.48	8.51
RONW (%)	5.89	4.86	5.73	9.57
Solvency				
Long term debt to equity ratio (times)	0.07	0.24	0.25	0.25
Overall gearing ratio (times)	0.09	0.25	0.27	0.25
Interest coverage (times)	8.82	6.17	5.97	9.25
Total Debt/ GCA (times)	1.47	5.18	4.45	2.60
Total Debt/ EBITDA (times)	1.30	4.11	3.71	2.32

Details of Rated Instruments

Instruments	Amount (MUR Million)	Repayment
Bond Issue	500	September 2024 – MUR 150 million September 2025 – MUR 175 million September 2026 – MUR 175 million
Proposed Bond Issue	850	**Indicative repayment terms, subject to change in line with investor subscriptions:** November 2027 – MUR 75 million November 2028 – Between MUR 90 million and MUR 150 million November 2029 – Between MUR 180 million and MUR 230 million November 2030 – Between MUR 180 million and MUR 230 million November 2031 – Between MUR 180 million and MUR 230 million

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About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF’s Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.