CareEdge RATINGS AFRICA
A subsidiary of CARE Ratings Limited, India

Loinette Capital Limited

09 September 2026

Ratings

Facilities/Instruments	Amount (MUR Million)	Rating[1]	Rating Action
Bank Facilities – TL 1	**240**	**CARE MAU AA+ (SO); Stable***	Reaffirmed with removal of the provisional prefix
Bank Facilities – TL 2	**187**	**CARE MAU AA+ (SO); Stable***	Reaffirmed
Bank Facilities – TL 3	**144**	**CARE MAU AA+ (SO); Stable***	Reaffirmed
Bank Facilities – TL 4	**960**	**CARE MAU AA- (SO); Stable#**	Reaffirmed

* *The Structured Obligation (SO) rating is based on the unconditional and irrevocable Corporate Guarantee and letter of Undertaking provided by the parent company, CIM Financial Services Ltd* ("CFSL"-CARE MAU AA+; Stable/ CARE MAU A1+), *which undertakes to the lenders to meet any cashflow shortfall from Loinette Capital Limited.*

The Structured Obligation (SO) rating is backed by an unconditional & irrevocable first loss partial credit guarantee from the parent company, CIM Financial Services Ltd whereby they guarantee to pay up to the maximum of 50% of the total obligation of Loinette Capital Limited.

Rating Rationale

The rating assigned to Loinette Capital Limited ("Loinette Capital") continues to derive strength from its strong and resourceful promoter, CIM Financial Services Ltd ("CFSL"-CARE MAU AA+; Stable/ CARE MAU A1+), which is a key player in the consumer finance industry in Mauritius, with an established track record spanning over more than two decades. The rating also factors in that CFSL has provided corporate guarantee on the various bank facilities availed to Loinette Capital, whereby CFSL undertakes to meet any cash flow shortfalls incurred by the latter. The rating further reflects the sustained growth in the lending portfolio since CFSL's acquisition of a majority stake in July 2023, supported by strong portfolio collateralisation, improving asset quality, and a comfortable liquidity position, underpinned by the short-tenor nature of the facilities and the liquid nature of the underlying assets.

The rating is, however, constrained by the concentration risk associated with the asset-backed loan portfolio, which is predominantly exposed to the mining sector in Sub-Saharan Africa. Furthermore, the lending book exhibits geographic concentration risk, thereby increasing its susceptibility to adverse country-specific events that could weigh on the overall portfolio performance. The rating also factors in that the recent growth in the lending book has been financed through external debt, which may put pressure on the Company's credit profile going forward. Furthermore, profitability metrics weakened year-on-year (y-o-y) in FY25 due to higher operating and finance expenses.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: *Factors that could individually or collectively lead to positive rating action/upgrade:*

- Sustained improvement in asset quality, with GNPA consistently falling below 4.5%.
- Continued healthy disbursement and assets under management (AUM), without a commensurate rise in credit risk
- Greater diversification across geographies and sectors

Negative factors: *Factors that could individually or collectively lead to negative rating action/downgrade:*

- Decline in revenue with material impact on the Company's debt servicing capacity.
- Deterioration in the asset quality with GNPA risking above 10%
- Weakening credit profile with the overall gearing breaching the 2x mark

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

Analytical approach

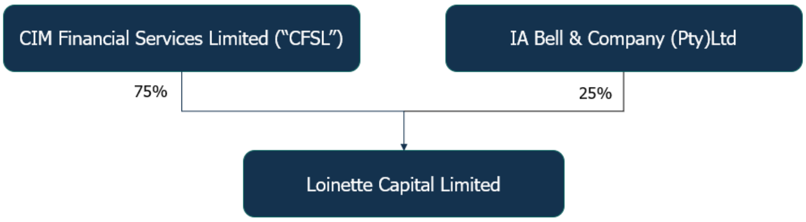
CRAF has adopted a standalone approach in its analysis of Loinette Capital but has also factored in the strong linkages with its parent company, CIM Financial Services Ltd, which has provided corporate guarantees for the various facilities availed to the Company.

Outlook: Stable

The Stable Outlook is underpinned by the strong promoter support from CFSL, evidenced by its corporate guarantees on Loinette Capital's various bank facilities, the sustained demand for financing of mining and agricultural machinery in Sub-Saharan Africa and with the lending portfolio backed by strong and liquid collateral.

About the company

Loinette Capital, a 75% subsidiary of CFSL (rated CARE MAU AA+; Stable/ CARE MAU A1+), was incorporated in the British Virgin Islands in October 1997 and thereafter re-domiciled in Mauritius in October 2019. The company holds a Global Business Licence and is regulated by the Financial Services Commission (FSC) in Mauritius. It also holds a Credit Finance Licence under Section 14 of the Mauritian Financial Services Act 2007. Operating in the East, Central and West Sub-Saharan Africa since 1998, Loinette Capital engages with SMEs and equipment dealers to provide asset-backed financing. It provides financing to African SMEs for the purchase of equipment to be used for undertaking extractive industries, infrastructure, agricultural, and materials handling projects. Additionally, Loinette Capital finances dealers, which supply the equipment to operators; maximum funding is capped at 85% of the equipment value. CFSL acquired a 75% stake in Loinette Capital in July 2023, while the remaining 25% is held by IA Bell & Company (Pty) Ltd, the majority shareholder in Bell Equipment Limited.



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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.