

# CIEL FINANCE

## EXECUTIVE REPORT



CIEL owns 75.1% of CIEL Finance Limited, in partnership with Amethis Finance, an investment vehicle dedicated to Africa, with a total investment capacity of USD 530M.

### Quote from the CEO

**“In a difficult international context, the cluster has been able to deliver improved results, thanks to a good mix of business lines and the teams’ capacity to address challenges in a timely manner.**

**CIEL Finance has also reinforced its capacity in digital banking, risks management and its ability to manage complex projects or implement innovations.**

**Investments in management capacity and in technology will be maintained as we enter 2016-2017, and should allow the cluster to further develop its revenues and profit over the next years, while benefitting from increased synergies.”**

**Marc-Emmanuel Vives**, CEO of CIEL Finance

### Management Team



**Marc-Emmanuel Vives**  
CEO of CIEL Finance



**Ravneet Chowdhury**  
CEO of Bank One



**Alexandre Mey**  
CEO of BNI Madagascar



**Thierry Hugnin**  
Managing Partner of  
Kibo Capital Partners

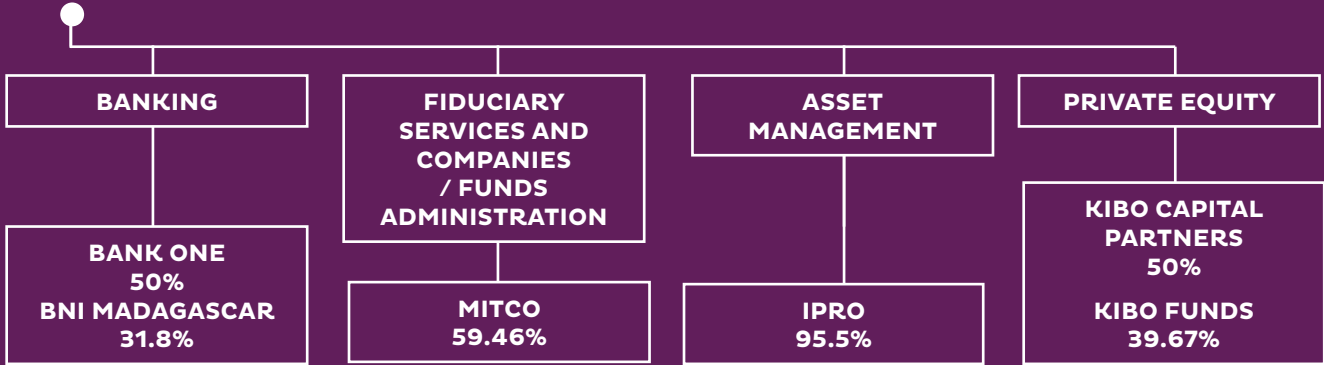


**Robert Houenier**  
CEO of MITCO



**Stephane Henry**  
CEO of IPRO

**CIEL Finance**  
Main Investments (% ownership)

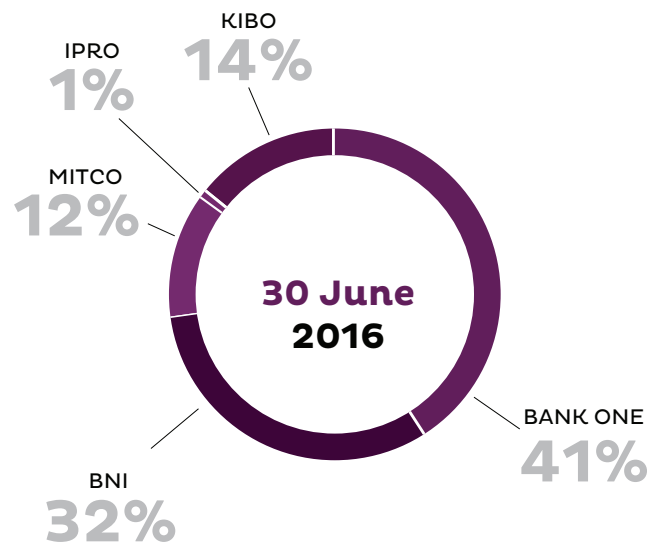


**Key Facts and Figures**

**INTERNATIONAL PARTNERS**

AMETHIS FINANCE, FRANCE  
I&M BANK, KENYA  
AXIAN, MADAGASCAR

**INVESTMENT PORTFOLIO**



**COUNTRIES OF ACTIVITIES**

**PERMANENT OFFICES**

- BOTSWANA
- KENYA
- MADAGASCAR
- MAURITIUS
- SOUTH AFRICA

**INVESTMENTS**

- MADAGASCAR
- TANZANIA
- ZAMBIA

**WORKFORCE OVER**

**1,200**

**16%**  
**OF OUR PORTFOLIO**

# CIEL FINANCE

## EXECUTIVE REPORT (CONT'D)

### Financial Performance

#### FULL YEAR RESULTS

CIEL Finance	Year ended 30 June		
	2016 MUR'M	2015 MUR'M	Variance MUR'M
Revenue	<b>1,932</b>	1,929	3
EBITDA	<b>791</b>	899	(108)
Profit before non-recurring item and tax	<b>827</b>	885	(58)
Increase in fair value of investment properties (BNI)	<b>137</b>	-	137
Profit after tax	<b>792</b>	727	65
Profit attributable to CIEL shareholders	<b>315</b>	296	19

- CIEL Finance cluster showed an overall good performance for the financial year under review with its banking activities as the main growth engine. However, its profitability was impacted by adverse exchange rate fluctuations in Madagascar, thus reducing BNI Madagascar's contribution.
- Bank One performed better than last year with treasury and e-commerce activities posting improved contributions and expenses being well contained.
- BNI Madagascar also showed improved results in local currency thanks in particular to dynamic commercial activities and a well contained cost of risk. The liberalisation of the foreign exchange (FX) market in September 2015, combined with stronger FX controls, has however had a negative impact on the FX gains.
- MITCO's performance is slightly better than last year given a challenging environment for the sector (uncertainty around the revised Double Taxation Avoidance Agreements (DTAA) with India, as well as the anticipated evolution of Common Reporting Standards and Base Erosion and Profit Shifting (BEPS) mechanism).

## **KEY ACHIEVEMENTS**

# **IN 2015-16**

- **STRENGTHENING OF SHAREHOLDER BASE**

Second injection of capital from Amethis Finance in CIEL Finance ("CFL") in August 2015, bringing their stake to 24.9%.

- **CIEL FINANCE RECOGNISED AS "PARTENAIRE FINANCIER DE REFERENCE" IN MADAGASCAR**

CIEL Finance has been recognised by the banking regulator in Madagascar as "key financial partner" ("partenaire financier de référence") for BNI Madagascar, in compliance with local regulations.

- **NEW ACQUISITIONS**

CFL has acquired the remaining 30% held by CIEL in IOFHL (the company holding the investment in BNI) in September 2015. CFL now holds 58.43% in IOFHL (which in turns holds 51% of BNI's capital) and 2% directly in BNI, amounting to a total effective stake of 31.8% in BNI Madagascar.

- **TALENT ACQUISITION TO CONSOLIDATE TOP MANAGEMENT TEAM**

2015-2016 has seen a strengthening of the management team of the companies within the CIEL Finance cluster to ensure they are better equipped to achieve their respective strategic plans.

## **STRATEGIC DIRECTIONS**

# **FOR 2016-17**

- **MAXIMISING THE VALUE OF EXISTING INVESTMENTS**

CIEL Finance will be concentrating on the maximisation of the value of its existing investments, by focusing on the improvement by its affiliates of their market position, revenue generation and profitability.

- **REINFORCING SYNERGIES WITHIN PORTFOLIO OF COMPANIES AND WITH ITS PARTNERS**

CIEL Finance will be looking at increasing synergies among its portfolio of companies, as well as with its strategic partners, to better serve its clients through a complimentary range of products and services, reduce time-to-market and build on scale to generate savings.

- **STRENGTHENING OPERATIONAL EXCELLENCE**

CIEL Finance is strengthening its operations through the implementation of new tools and processes as well as with the sharing of best practices within its portfolio of companies.

- **DEVELOPING MOBILE FINANCIAL SERVICES IN MADAGASCAR**

BNI, in cooperation with CIEL Finance's local partner, will be shortly launching advanced mobile financial services in Madagascar. The objective is for the traditionally unbanked population to have access to financial services from mobile phones.

- **INCREASED FOCUS ON MANAGING RISKS**

CIEL Finance will improve its risk management framework to ensure continued adherence to the highest international standards.