

CIM GROUP REPORTS A PROFIT AFTER TAX (PAT) OF MUR 417.1M FOR THE YEAR ENDED 30 SEPTEMBER 2021

For the year ended 30 September 2021, Cim Group posted a PAT of MUR 417.1M, resulting in a better performance relative to prior year. The overall lending book continued to grow, albeit at a subdued level, with total assets of the Group progressing by 5% year on year to reach MUR 16.6Bn. Whilst we noted a more resilient consumer finance demand, our leasing business contracted during the year with a much lower level of disbursement as compared to pre COVID-19 period.

The Group's Net Operating Income increased by 9% to reach MUR 2.3Bn on the back of the retail sector showing resiliency in the second half of calendar year 2020 with spill-over effects at the beginning of 2021. With new bouts of contamination happening over the course of the year and a second lockdown in March 2021, the economic outlook remained uncertain. For the year under review, Cim Group posted allowance for impairment of MUR 540.0M, an amount lower than last year's MUR 652.6M.

Highlights of the year under review

This year continued to be marked by a very challenging operating context caused by the COVID-19 crisis with new waves of spread happening within the local community, a phenomenon experienced across several countries. As such, a second lockdown was imposed in Mauritius exactly one year after the first one. However, since this lockdown was for a much shorter duration, the positive momentum experienced by the business before March continued to be felt in May onwards.

On the collection side, the progress remained steady, whilst the Group continued to support its most affected customers with rescheduling options. From a liquidity perspective, the Group leveraged on its funding plan that includes a mix of banking facilities and corporate debt capital, supported by consistent collections, to maintain a sound and liquid position during these tumultuous times.

Dividend

The Board has declared a final dividend of MUR0.20 per share payable in respect of all the ordinary shares of the Company which will be payable to the shareholders of the Company registered at close of business on 30 December 2021. The payment of this dividend will take place on or about 14 January 2022.

The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market date of 27 December 2021 and ex-dividend as from 28 December 2021.

Outlook

Given the unpredictability in the evolution of the pandemic, the Board will continue to exercise prudence and expects the performance of the Group for the next financial year to remain volatile.

By Order of the Board
Cim Administrators Ltd
Company Secretary

13 December 2021

The abridged audited financial statements of the Group for the year ended 30 September 2021 have been prepared using the same accounting policies as set out in the audited financial statements for the year ended 30 September 2020, except for the adoption of published standards that are now effective. These abridged audited financial statements are issued pursuant to Listing Rule 12.14 and the Securities Act 2005.

Copies of the statement of direct and indirect interests of Officers pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 and the financial statements are available free of charge upon request made to the Company Secretary at the registered office of CIM Financial Services Ltd.

The Board of Directors of CIM Financial Services Ltd accepts full responsibility for the accuracy of the information contained therein.

STATEMENT OF FINANCIAL POSITION

	Audited September	
	2021 MUR M	2020 MUR M
ASSETS		
Cash and bank balances	341.8	460.7
Deposits with banks	426.1	510.2
Non-current assets classified as held for sale	14.4	-
Net investment in leases and other credit agreements	7,928.2	8,374.1
Loans and advances	6,424.3	5,103.2
Investments securities	128.5	28.9
Other assets	374.1	360.1
Inventories	3.0	2.0
Investments in associates	-	24.9
Equipment	441.0	556.3
Right-of-use assets	192.4	189.3
Deferred tax assets	275.8	188.8
Intangible assets	97.9	109.8
Total Assets	16,647.5	15,908.3
LIABILITIES		
Other borrowed funds	9,831.7	9,836.6
Other liabilities	1,590.0	1,372.0
Lease liabilities	219.8	209.3
Income tax liabilities	265.8	115.6
Deferred tax liabilities	33.2	16.4
Post employment benefit liabilities	119.5	158.9
Total Liabilities	12,060.0	11,708.8
EQUITY		
Stated capital	680.5	680.5
Retained earnings	3,402.8	3,053.7
Other reserves	504.2	465.3
Total Equity	4,587.5	4,199.5
Total Equity and Liabilities	16,647.5	15,908.3

STATEMENT OF PROFIT OR LOSS

	Audited September	
	2021 MUR M	2020 MUR M
Interest income	1,929.2	1,714.7
Interest expense	(396.1)	(431.4)
Net interest income	1,533.1	1,283.3
Non interest income	726.0	798.7
Net operating income	2,259.1	2,082.0
Operating expenses	(1,209.2)	(1,176.1)
Profit before impairment	1,049.9	905.9
Net impairment losses on financial assets	(540.0)	(652.6)
Profit after impairment	509.9	253.3
Foreign exchange gain	5.4	0.9
Net gain on derecognition of subsidiaries	-	13.5
Share of results of associates	(3.8)	0.5
Profit before tax	511.5	268.2
Income tax expense	(94.4)	(77.4)
Profit for the year	417.1	190.8
Basic and diluted earnings per share	MUR 0.61	0.28
Dividends per share	MUR 0.10	0.16
Number of ordinary shares used in calculation	680,522,310	680,522,310

STATEMENT OF COMPREHENSIVE INCOME

	Audited September	
	2021	2020
	MUR M	MUR M
Profit for the year	417.1	190.8
Other comprehensive income/ (loss)		
Items that will not be reclassified to profit or loss		
Remeasurement of post employment benefit, net of tax	32.9	(53.1)
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign entities	1.6	11.1
Share of other comprehensive income of associates	4.4	2.9
Other comprehensive income/(loss) for the year, net of tax	38.9	(39.1)
Total comprehensive income for the year, net of tax	456.0	151.7

STATEMENT OF CASH FLOWS

	Audited September	
	2021	2020
	MUR M	MUR M
Net cash flow generated from / (used in) operating activities	231.6	(450.3)
Net cash flow used in investing activities	(140.5)	(30.1)
Net cash flow (used in) / generated from financing activities	(242.6)	512.7
Net (decrease)/increase in cash and cash equivalents	(151.5)	32.3
Cash and cash equivalents - opening	460.7	428.0
Effect of exchange rate changes on cash and cash equivalents	8.1	0.4
Cash and cash equivalents - closing	317.3	460.7

SEGMENT ANALYSIS

	Net Operating Income September		Profit After Tax September	
	2021 MUR M	2020 MUR M	2021 MUR M	2020 MUR M
Finance	2,170.9	1,993.1	461.1	305.8
Investments	162.2	313.9	(44.0)	(115.0)
Group elimination	(74.0)	(225.0)	-	-
	2,259.1	2,082.0	417.1	190.8

STATEMENT OF CHANGES IN EQUITY

	Stated capital MUR M	Other reserves MUR M	Retained earnings MUR M	Total Equity MUR M
At 1 October 2020	680.5	465.3	3,053.7	4,199.5
Profit for the year	-	-	417.1	417.1
Other comprehensive income for the year	-	38.9	-	38.9
Total comprehensive income for the year	-	38.9	417.1	456.0
Dividends	-	-	(68.0)	(68.0)
Total transactions	-	-	(68.0)	(68.0)
At 30 September 2021	680.5	504.2	3,402.8	4,587.5

	Stated capital MUR M	Other reserves MUR M	Retained earnings MUR M	Total Equity MUR M
At 1 October 2019	680.5	511.3	2,971.8	4,163.6
Profit for the year	-	-	190.8	190.8
Other comprehensive loss for the year	-	(39.1)	-	(39.1)
Total comprehensive (loss)/income for the year	-	(39.1)	190.8	151.7
Dividends	-	-	(108.9)	(108.9)
Effect of share buyback of associates	-	(6.9)	-	(6.9)
Total transactions	-	(6.9)	(108.9)	(115.8)
At 30 September 2020	680.5	465.3	3,053.7	4,199.5