

CIM GROUP REPORTS A PROFIT AFTER TAX (PAT) OF MUR 174.6M FOR THE SIX MONTHS ENDED 31 MARCH 2021

For the first six months, Cim Group posted a PAT of MUR 174.6M as compared to prior year of MUR 130.7M. Since the beginning of the financial year, the lending book of the Group grew modestly with total assets of the Group increasing by 1% to reach MUR 16.1Bn.

Given the continuing challenging environment, the Board maintained its prudent approach with an allowance for credit impairment of MUR 224.1M for the period.

Outlook

Although the Group benefited from the initiatives implemented by management to control costs, the domestic economic horizon more than ever remains uncertain. The Board will therefore continue to exercise prudence and monitor closely the developing situation.

By Order of the Board
Cim Administrators Ltd
Company Secretary
10 May 2021

The condensed financial statements of the Group (Interim Report) are unaudited and have been prepared using the same accounting policies as the audited statements for the year ended 30 September 2020, except for the adoption of published Standards that are now effective.

This Interim Report is issued pursuant to Listing Rule 12.20 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 Interim Report 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

	Unaudited 31 March		Audited 30 September
	2021 MUR M	2020 MUR M	2020 MUR M
ASSETS			
Cash and bank balances	458.1	494.3	460.7
Deposits with banks	470.3	509.4	510.2
Net investment in leases and other credit agreements	8,299.4	9,503.5	8,374.1
Loans and advances	5,684.8	4,651.7	5,103.2
Investments in financial assets	8.9	8.9	28.9
Other assets	174.1	314.5	360.1
Inventories	2.1	2.9	2.0
Investments in associates	23.6	28.6	24.9
Equipment	495.2	625.3	556.3
Right-of-use assets	173.1	189.9	189.3
Deferred tax assets	205.2	56.9	188.8
Intangible assets	109.5	75.4	109.8
Total Assets	16,104.3	16,461.3	15,908.3
LIABILITIES			
Other borrowed funds	9,961.2	10,598.0	9,836.6
Other liabilities	1,245.8	1,373.4	1,372.0
Lease liabilities	196.2	204.4	209.3
Income tax liabilities	161.4	2.9	115.6
Deferred tax liabilities	3.2	1.3	16.4
Post employment benefit liabilities	158.8	94.3	158.9
Total Liabilities	11,726.6	12,274.3	11,708.8
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	3,228.3	2,995.1	3,053.7
Other reserves	468.9	511.4	465.3
Total Equity	4,377.7	4,187.0	4,199.5
Total Equity and Liabilities	16,104.3	16,461.3	15,908.3

STATEMENT OF PROFIT OR LOSS

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2021 MUR M	2020 MUR M	2021 MUR M	2020 MUR M	2020 MUR M
Interest income	468.0	446.4	919.9	854.3	1,714.7
Interest expense	(103.5)	(110.0)	(209.4)	(214.4)	(431.4)
Net interest income	364.5	336.4	710.5	639.9	1,283.3
Fee and commission income	125.6	142.5	254.5	291.2	569.2
Other operating income	22.5	62.2	68.9	118.2	229.5
	148.1	204.7	323.4	409.4	798.7
Net operating income	512.6	541.1	1,033.9	1,049.3	2,082.0
Operating expenses	(296.9)	(313.1)	(589.7)	(619.9)	(1,176.1)
Operating profit before impairment	215.7	228.0	444.2	429.4	905.9
Allowance for credit impairment	(110.2)	(179.0)	(224.1)	(265.0)	(652.6)
Operating profit	105.5	49.0	220.1	164.4	253.3
Foreign exchange gain	1.4	2.4	1.7	0.5	0.9
Net gain on derecognition of subsidiaries	-	-	-	-	13.5
Net gain on share buy back of associate	-	-	-	-	6.2
Share of results of associates	(0.1)	1.5	(4.2)	(0.5)	(5.7)
Profit before tax	106.8	52.9	217.6	164.4	268.2
Income tax expense	(15.6)	(12.9)	(43.0)	(33.7)	(77.4)
Profit for the period/year	91.2	40.0	174.6	130.7	190.8
Basic and diluted earnings per share	MUR 0.14	0.06	MUR 0.26	0.19	0.28
Dividends per share	MUR -	-	MUR -	0.16	0.16
Number of ordinary shares used in calculation	680,522,310	680,522,310	680,522,310	680,522,310	680,522,310

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2021	2020	2021	2020	2020
	MUR M	MUR M	MUR M	MUR M	MUR M
Profit for the period/year	91.2	40.0	174.6	130.7	190.8
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit, net of tax	-	-	-	-	(53.1)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign entities	0.1	7.9	0.7	6.3	11.1
Movement in reserves of associates	-	(1.1)	2.9	0.3	2.9
Other comprehensive income/(loss) for the period/year, net of tax	0.1	6.8	3.6	6.6	(39.1)
Total comprehensive income for the period/year, net of tax	91.3	46.8	178.2	137.3	151.7
Attributable to:					
Owners of the parent	91.3	46.8	178.2	137.3	151.7

STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2021	2020	2020
	MUR M	MUR M	MUR M
Net cash flow used in operating activities	(113.9)	(1,189.1)	(450.3)
Net cash flow (used in)/generated from investing activities	(5.3)	59.2	(30.1)
Net cash flow generated from financing activities	110.6	747.5	512.7
Net (decrease)/increase in cash and cash equivalents	(8.6)	(382.4)	32.3
Cash and cash equivalents - opening	460.7	428.0	428.0
Effect of exchange rate changes on cash and cash equivalents	1.5	-	0.4
Cash and cash equivalents - closing	453.6	45.6	460.7

SEGMENT ANALYSIS

	Net Operating Income Quarter ended 31 March		Net Operating Income 6 months ended 31 March		Profit After Tax Quarter ended 31 March		Profit After Tax 6 months ended 31 March	
	2021	2020	2021	2020	2021	2020	2021	2020
	MUR M	MUR M	MUR M	MUR M	MUR M	MUR M	MUR M	MUR M
Finance	491.1	509.8	990.8	994.2	97.8	66.8	193.4	190.1
Investments	39.1	50.0	79.3	172.6	(6.6)	(26.8)	(18.8)	(59.4)
Group elimination	(17.6)	(18.7)	(36.2)	(117.5)	-	-	-	-
	512.6	541.1	1,033.9	1,049.3	91.2	40.0	174.6	130.7

STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			
	Stated capital	Other reserves	Retained earnings	Total Equity
	MUR M	MUR M	MUR M	MUR M
At 1 October 2020	680.5	465.3	3,053.7	4,199.5
Profit for the period	-	-	174.6	174.6
Other comprehensive income for the period	-	3.6	-	3.6
Total comprehensive income for the period	-	3.6	174.6	178.2
	680.5	468.9	3,228.3	4,377.7

At 31 March 2021

	Attributable to owners of the parent			
	Stated capital	Other reserves	Retained earnings	Total Equity
	MUR M	MUR M	MUR M	MUR M
At 1 October 2019				
As previously stated	680.5	511.3	2,983.7	4,175.5
Impact of adopting IFRS 16	-	-	(10.4)	(10.4)
As restated	680.5	511.3	2,973.3	4,165.1
Profit for the period	-	-	130.7	130.7
Other comprehensive income for the period	-	6.6	-	6.6
Total comprehensive income for the period	-	6.6	130.7	137.3
Dividends	-	-	(108.9)	(108.9)
Disposal of investment in associates	-	(6.5)	-	(6.5)
Total transactions with owners of parent	-	(6.5)	(108.9)	(115.4)
	680.5	511.4	2,995.1	4,187.0

At 31 March 2020