

CIM GROUP REPORTS A PROFIT AFTER TAX (PAT) OF MUR 130.7M FOR THE SIX MONTHS ENDED 31 MARCH 2020.

Cim Group posted overall a PAT of MUR 130.7m, down 26% on prior year figure of MUR 175.5m. The Group's Net Operating Income closed above a billion rupees for the period under review (prior year MUR859m).

The result achieved over the first six months was on the back of an increasing loans and advances book reaching MUR 14.2bn at the end of March 2020, representing a 21% growth on March 2019 figure.

The Group has deemed appropriate to post an allowance for credit impairment on its financial assets of MUR 265m for the first six months (prior year MUR 92.5m) to reflect partly the estimated changes in credit risk following the Covid-19 pandemic. At this stage, it is not possible to quantify the full impact of Covid-19 on our business. It is anticipated that the loans and advances portfolio which the group holds would probably be affected as a result of market volatility and the deteriorating economic and employment environment. The impact of this outbreak on the assets and exposures as well as on the macroeconomic forecasts, as and when they unfold, will be further incorporated in the estimates on impairment assessment provisions for the quarter ending June 2020 as well as its financial year ending September 2020.

Interim dividends

Given the precarious environment and uncertainties we are all facing, the Board has prudently decided not to declare any interim dividends at this stage and will consider to do so when there is more visibility on how the outbreak pans out and its economic impact as well as on the financial results of the Group.

Outlook

On the back of the digital transformation strategy announced in the Annual Report 2019 and initiated since the start of this financial year, Cim Finance was able to introduce an online payment portal to facilitate online payments by its clients during the confinement period. The company also introduced its consumer 'app' called 'Mo Finans' which has been enthusiastically welcomed by clients with more than 25,000 downloads so far. Mo Finans will allow Cim Finance to fast track the implementation of the digital lending platform strategy.

Since the opening of our offices as from 15 May 2020, we have seen a steady flow of clients settling their instalments for the period March to May 2020. From a liquidity perspective, the Board is of the view that the Group, under its funding strategy, will have adequate funds to ensure any future commitments and obligations that may arise are settled.

The Board will continue to monitor the developing situation very closely and expects that the results of the Group over the coming quarters will be subject to a degree of volatility in light of the current uncertain economic environment prevailing.

**By Order of the Board
Cim Administrators Ltd
Company Secretary**

10 June 2020

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 2019, 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.

ABRIDGED UNAUDITED FINANCIAL STATEMENTS - SIX MONTHS AND QUARTER ENDED 31 MARCH 2020

STATEMENT OF FINANCIAL POSITION

	Unaudited 31 March		Audited 30 September
	2020	2019	2019
	MUR m	MUR m	MUR m
ASSETS			
Cash and bank balances	494.3	482.1	444.5
Deposits with banks	509.4	550.0	507.0
Net investment in leases and other credit agreements	9,503.5	8,526.5	8,769.1
Loans and advances	4,651.7	3,202.5	3,708.7
Investment in financial assets	8.9	379.0	8.9
Other assets	314.5	450.1	435.3
Inventories	2.9	4.6	3.7
Investment in associates	28.6	164.3	141.0
Property, plant and equipment	815.2	524.7	638.9
Intangible assets	75.4	67.7	88.3
Income tax assets	-	-	18.3
Post employment benefits assets	-	5.9	-
Deferred tax assets	56.9	113.9	47.1
Total Assets	16,461.3	14,471.3	14,810.8
LIABILITIES			
Deposits from customers	-	3,129.8	-
Other borrowed funds	10,598.0	5,867.1	9,094.8
Other liabilities	1,577.8	1,387.9	1,438.7
Income tax liabilities	2.9	48.6	6.1
Post employment benefits liability	94.3	86.1	94.4
Deferred tax liabilities	1.3	-	1.3
Total Liabilities	12,274.3	10,519.5	10,635.3
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	2,995.1	2,799.0	2,983.7
Revaluation and other reserves	511.4	472.3	511.3
Total Equity	4,187.0	3,951.8	4,175.5
Total Equity and Liabilities	16,461.3	14,471.3	14,810.8

STATEMENT OF PROFIT OR LOSS

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2020	2019	2020	2019	2019
	MUR m	MUR m	MUR m	MUR m	MUR m
Continuing operations					
Interest income	446.4	359.1	854.3	696.2	1,442.6
Interest expense	(110.0)	(95.5)	(214.4)	(192.9)	(388.2)
Net interest income	336.4	263.6	639.9	503.3	1,054.4
Fee and commission income	142.5	131.9	291.2	266.4	541.1
Other income	62.2	77.5	118.2	89.4	214.4
	204.7	209.4	409.4	355.8	755.5
Net operating income	541.1	473.0	1,049.3	859.1	1,809.9
Operating expenses	(313.1)	(282.7)	(619.9)	(548.5)	(1,148.0)
Operating profit before impairment	228.0	190.3	429.4	310.6	661.9
Net impairment	(179.0)	(46.8)	(265.0)	(92.5)	(180.9)
Operating profit	49.0	143.5	164.4	218.1	481.0
Foreign exchange profit	2.4	1.0	0.5	3.2	4.4
Share of result of associates	1.5	0.1	(0.5)	(2.0)	(32.3)
Profit before tax	52.9	144.6	164.4	219.3	453.1
Income tax expense	(12.9)	(23.1)	(33.7)	(43.8)	(86.2)
Profit after tax for the period/year	40.0	121.5	130.7	175.5	366.9
Profit for the period/year from discontinued operations	-	-	-	15.8	15.8
Profit for the period/year	40.0	121.5	130.7	191.3	382.7
Attributable to:					
Owners of the parent	40.0	121.5	130.7	191.3	382.7
Earnings per share from continuing operations	MUR 0.06	0.18	0.19	0.26	0.54
Earnings per share	MUR 0.06	0.18	0.19	0.28	0.56
Dividends per share	MUR -	-	0.16	0.15	0.23
Number of ordinary shares used in calculation	680,522,310	680,522,310	680,522,310	680,522,310	680,522,310

ABRIDGED UNAUDITED FINANCIAL STATEMENTS - SIX MONTHS AND QUARTER ENDED 31 MARCH 2020

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2020	2019	2020	2019	2019
	MUR m	MUR m	MUR m	MUR m	MUR m
Profit for the period/year	40.0	121.5	130.7	191.3	382.7
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of post employment benefits	-	-	-	-	(9.2)
Items that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign entities	7.9	(1.2)	6.3	(0.8)	(1.6)
Share of other comprehensive income from associates	(1.1)	(0.4)	0.3	(0.4)	6.7
Other comprehensive income for the period/year, net of tax	6.8	(1.6)	6.6	(1.2)	(4.1)
Total comprehensive income for the period/year, net of tax	46.8	119.9	137.3	190.1	378.6
Attributable to:					
Owners of the parent	46.8	119.9	137.3	190.1	378.6

STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2020	2019	2019
	MUR m	MUR m	MUR m
Net cash flow used in operating activities	(1,189.1)	(1,155.8)	(2,497.3)
Net cash flow generated from/(used in) investing activities	59.2	1,599.7	(576.6)
Net cash flow generated from/(used in) financing activities	747.5	(418.4)	3,179.2
Net (decrease)/increase in cash and cash equivalents	(382.4)	25.5	105.3
Cash and cash equivalents - opening	428.0	322.7	322.7
Cash and cash equivalents - closing	45.6	348.2	428.0

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	
	2020	2019	2020	2019	2020	2019	2020	2019
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Finance	509.8	423.6	994.2	824.3	66.8	108.9	190.1	210.6
Investments	50.0	117.1	172.6	328.6	(26.8)	12.6	(59.4)	(35.1)
Group elimination	(18.7)	(67.7)	(117.5)	(293.8)	-	-	-	-
Discontinued operations	541.1	473.0	1,049.3	859.1	40.0	121.5	130.7	175.5
Property	-	-	-	39.9	-	-	-	15.8
	541.1	473.0	1,049.3	899.0	40.0	121.5	130.7	191.3

STATEMENT OF CHANGES IN EQUITY

At 1 October 2019
Impact of adopting IFRS 16
Restated balance
Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period
Dividends
Disposal of investment in associates
Total transactions with owners

At 31 March 2020

	Attributable to owners of the parent				Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings	Total		
	MUR m	MUR m	MUR m	MUR m		
	680.5	511.3	2,983.7	4,175.5	-	4,175.5
	-	-	(10.4)	(10.4)	-	(10.4)
	680.5	511.3	2,973.3	4,165.1	-	4,165.1
	-	-	130.7	130.7	-	130.7
	-	6.6	-	6.6	-	6.6
	-	6.6	130.7	137.3	-	137.3
	-	-	(108.9)	(108.9)	-	(108.9)
	-	(6.5)	-	(6.5)	-	(6.5)
	-	(6.5)	(108.9)	(115.4)	-	(115.4)
	680.5	511.4	2,995.1	4,187.0	-	4,187.0

At 1 October 2018
Impact of adopting IFRS 9
Restated balance
Profit for the period
Other comprehensive income for the period
Total comprehensive income for the period
Dividends
Distribution of non cash assets to owners
Total transactions with owners

At 31 March 2019

	Attributable to owners of the parent				Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings	Total		
	MUR m	MUR m	MUR m	MUR m		
	680.5	646.1	4,999.9	6,326.5	319.4	6,645.9
	-	-	(86.8)	(86.8)	-	(86.8)
	680.5	646.1	4,913.1	6,239.7	319.4	6,559.1
	-	-	191.3	191.3	-	191.3
	-	(1.2)	-	(1.2)	-	(1.2)
	-	(1.2)	191.3	190.1	-	190.1
	-	-	(102.1)	(102.1)	-	(102.1)
	-	(172.6)	(2,203.3)	(2,375.9)	(319.4)	(2,695.3)
	-	(172.6)	(2,305.4)	(2,478.0)	(319.4)	(2,797.4)
	680.5	472.3	2,799.0	3,951.8	-	3,951.8