

CIM GROUP REPORTS A SUBDUED PROFIT AFTER TAX (PAT) OF MUR 138.4M FOR THE NINE MONTHS ENDED 30 JUNE 2020.

Cim Group posted an overall PAT of MUR 138.4m for period ended 30 June 2020, representing a drop of 48% on prior year figure of MUR 266m. The Group's Net Operating Income (NOI) crossed the MUR 1.5bn at June, representing an 18% growth year on year.

As at the end of June, the net loans and advances portfolio grew 10% to reach MUR 13.3bn, contributing positively to the overall revenue line and improved NOI.

The Group has so far estimated an allowance for credit impairment on its financial assets of MUR 433.7m for the period (prior year MUR 141.5m) to cater for changes in credit risk and bearish macroeconomic forecasts. Although encouraging collection and sales performances have been noted amidst much uncertainty since lockdown was lifted, the full impact of Covid-19 on our business remains a challenge to quantify as the extent of the deteriorating economic impact will be felt in the coming months.

Outlook

Leveraging on its funding strategy set in 2019, the Group has raised MUR 3bn on the debt capital market at end of July. This second Medium Term Note Programme allowed the Group to take advantage of the attractive interest rate environment and was oversubscribed despite the prevailing difficult market conditions.

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 uncertain economic environment.

By Order of the Board
Cim Administrators Ltd
Company Secretary
12 August 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

PERIOD ENDED 30 JUNE 2020

STATEMENT OF FINANCIAL POSITION

	Unaudited 30 June		Audited 30 September
	2020	2019	2019
	MUR m	MUR m	MUR m
ASSETS			
Cash and bank balances	563.4	347.0	444.5
Deposits with banks	507.2	508.6	507.0
Net investment in leases and other credit agreements	8,796.6	8,737.2	8,769.1
Loans and advances	4,506.7	3,405.3	3,708.7
Investment in financial assets	8.9	9.3	8.9
Other assets	363.8	472.8	435.3
Inventories	2.4	3.5	3.7
Investment in associates	28.0	159.0	141.0
Property, plant and equipment	774.9	578.4	638.9
Intangible assets	97.6	69.1	88.3
Income tax assets	-	-	18.3
Post employment benefits asset	0.7	5.9	-
Deferred tax assets	89.7	118.2	47.1
Total Assets	15,739.9	14,414.3	14,810.8
LIABILITIES			
Other borrowed funds	9,874.9	8,880.9	9,094.8
Other liabilities	1,528.1	1,431.4	1,438.7
Income tax liabilities	47.7	33.2	6.1
Post employment benefits liability	95.0	86.1	94.4
Deferred tax liabilities	1.3	0.4	1.3
Total Liabilities	11,547.0	10,432.0	10,635.3
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	3,002.8	2,835.1	2,983.7
Revaluation and other reserves	509.6	466.7	511.3
Total Equity	4,192.9	3,982.3	4,175.5
Total Equity and Liabilities	15,739.9	14,414.3	14,810.8

STATEMENT OF PROFIT OR LOSS

	Unaudited Quarter ended 30 June		Unaudited 9 months ended 30 June		Audited Year ended 30 September
	2020	2019	2020	2019	2019
	MUR m	MUR m	MUR m	MUR m	MUR m
Continuing operations					
Interest income	430.4	379.2	1,284.7	1,075.4	1,442.6
Interest expense	(108.6)	(100.0)	(323.0)	(292.9)	(388.2)
Net interest income	321.8	279.2	961.7	782.5	1,054.4
Fee and commission income	126.9	134.5	418.1	400.9	541.1
Other income	41.2	36.9	159.4	126.3	214.4
	168.1	171.4	577.5	527.2	755.5
Net operating income	489.9	450.6	1,539.2	1,309.7	1,809.9
Operating expenses	(279.8)	(289.6)	(899.7)	(838.1)	(1,148.0)
Operating profit before impairment	210.1	161.0	639.5	471.6	661.9
Net impairment	(168.7)	(49.0)	(433.7)	(141.5)	(180.9)
Operating profit	41.4	112.0	205.8	330.1	481.0
Foreign exchange profit	0.4	0.7	0.9	3.9	4.4
Share of result of associates	(2.3)	0.3	(2.8)	(1.7)	(32.3)
Profit before tax	39.5	113.0	203.9	332.3	453.1
Income tax expense	(31.8)	(22.5)	(65.5)	(66.3)	(86.2)
Profit after tax for the period/year	7.7	90.5	138.4	266.0	366.9
Profit for the period/year from discontinued operations	-	-	-	15.8	15.8
Profit for the period/year	7.7	90.5	138.4	281.8	382.7
Attributable to:					
Owners of the parent	7.7	90.5	138.4	281.8	382.7
Earnings per share from continuing operations	MUR 0.05	0.13	0.24	0.39	0.54
Earnings per share	MUR 0.05	0.13	0.24	0.41	0.56
Dividends per share	MUR -	0.08	0.16	0.23	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

PERIOD ENDED 30 JUNE 2020

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended 30 June		Unaudited 9 months ended 30 June		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	7.7	90.5	138.4	281.8	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	(2.8)	(0.1)	3.5	(0.9)	(1.6)
Share of other comprehensive income from associates	1.0	(5.5)	1.3	(5.9)	6.7
Other comprehensive (loss) income for the period/year, net of tax	(1.8)	(5.6)	4.8	(6.8)	(4.1)
Total comprehensive income for the period/year, net of tax	5.9	84.9	143.2	275.0	378.6
Attributable to:					
Owners of the parent	5.9	84.9	143.2	275.0	378.6

STATEMENT OF CASH FLOWS

	Unaudited 9 months ended 30 June		Audited Year ended 30 September
	2020	2019	2019
	MUR m	MUR m	MUR m
Net cash flow used in operating activities	(1,831.5)	(1,464.6)	(2,497.3)
Net cash flow generated from/(used in) investing activities	27.7	1,931.2	(576.6)
Net cash flow generated from/(used in) financing activities	1,844.7	(608.8)	3,179.2
Net increase/(decrease) in cash and cash equivalents	40.9	(142.2)	105.3
Cash and cash equivalents - opening	428.0	322.7	322.7
Cash and cash equivalents - closing	468.9	180.5	428.0

ABRIDGED UNAUDITED FINANCIAL STATEMENTS

PERIOD ENDED 30 JUNE 2020



STATEMENT OF CHANGES IN EQUITY

	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		
At 1 October 2019	680.5	511.3	2,983.7	4,175.5	-	4,175.5
Impact of adopting IFRS 16	-	-	(10.4)	(10.4)	-	(10.4)
Restated balance	680.5	511.3	2,973.3	4,165.1	-	4,165.1
Profit for the period	-	-	138.4	138.4	-	138.4
Other comprehensive income for the period	-	4.8	-	4.8	-	4.8
Total comprehensive income for the period	-	4.8	138.4	143.2	-	143.2
Dividends	-	-	(108.9)	(108.9)	-	(108.9)
Disposal of investment in associates	-	(6.5)	-	(6.5)	-	(6.5)
Total transactions with owners	-	(6.5)	(108.9)	(115.4)	-	(115.4)
At 30 June 2020	680.5	509.6	3,002.8	4,192.9	-	4,192.9

	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		
At 1 October 2018	680.5	646.1	4,999.9	6,326.5	319.4	6,645.9
Impact of adopting IFRS 9	-	-	(86.8)	(86.8)	-	(86.8)
Restated balance	680.5	646.1	4,913.1	6,239.7	319.4	6,559.1
Profit for the period	-	-	281.8	281.8	-	281.8
Other comprehensive income for the period	-	(6.8)	-	(6.8)	-	(6.8)
Total comprehensive income for the period	-	(6.8)	281.8	275.0	-	275.0
Dividends	-	-	(156.5)	(156.5)	-	(156.5)
Distribution of non cash assets to owners	-	(172.6)	(2,203.3)	(2,375.9)	(319.4)	(2,695.3)
Total transactions with owners	-	(172.6)	(2,359.8)	(2,532.4)	(319.4)	(2,851.8)
At 30 June 2019	680.5	466.7	2,835.1	3,982.3	-	3,982.3

SEGMENT ANALYSIS

	Net Operating Income Quarter ended 30 June		Net Operating Income 9 months ended 30 June		Profit After Tax Quarter ended 30 June		Profit After Tax 9 months ended 30 June	
	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	467.1	427.7	1,461.3	1,252.0	26.0	106.1	216.1	316.7
Investments	39.4	41.0	212.0	369.6	(18.3)	(15.6)	(77.7)	(50.7)
Group elimination	(16.6)	(18.1)	(134.1)	(311.9)	-	-	-	-
	489.9	450.6	1,539.2	1,309.7	7.7	90.5	138.4	266.0
Discontinued operations : Property	-	-	-	39.9	-	-	-	15.8
	489.9	450.6	1,539.2	1,349.6	7.7	90.5	138.4	281.8