

**STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019**

	2019	2018	2017
	MUR 000	MUR 000	MUR 000
<b>ASSETS</b>			
Cash and bank balances	269,633	189,824	267,279
Deposits with banks	453,658	450,004	482,798
Net finance lease receivables	2,712,744	2,416,568	2,392,580
Hire purchase and other credit agreements	5,587,786	4,594,729	4,217,183
Loans and advances	3,641,508	2,857,120	2,371,707
Other assets	236,325	231,317	162,134
Income tax recoverable	16,509	-	-
Inventories	3,703	5,578	8,245
Plant and equipment	256,350	173,689	185,281
Intangible assets	74,388	42,324	17,102
Deferred tax assets	16,520	80,929	64,020
<b>Total assets</b>	<b>13,269,124</b>	<b>11,042,082</b>	<b>10,168,329</b>
<b>LIABILITIES</b>			
Deposits from customers	-	2,641,848	3,134,395
Other borrowed funds	10,191,213	5,808,143	4,671,435
Current tax liabilities	-	17,672	11,031
Other liabilities	1,225,291	1,012,090	1,041,262
Post-employment benefits	43,015	29,415	20,434
<b>Total liabilities</b>	<b>11,459,519</b>	<b>9,509,168</b>	<b>8,878,557</b>
<b>Shareholders' equity</b>			
Share capital	860,000	660,000	660,000
General risk reserve	150,626	150,626	119,608
Actuarial reserve	(601)	6,071	13,098
Statutory reserve	366,238	324,367	286,841
Retained earnings	433,342	391,850	210,225
<b>Total equity</b>	<b>1,809,605</b>	<b>1,532,914</b>	<b>1,289,772</b>
<b>Total equity and liabilities</b>	<b>13,269,124</b>	<b>11,042,082</b>	<b>10,168,329</b>

These financial statements have been approved for issue by the Board of Directors on 12 December 2019.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017
	MUR 000	MUR 000	MUR 000
<b>Interest income</b>			
Interest income using EIR method	500,799	389,892	347,025
Other interest income	872,712	730,473	684,702
Interest expense	(397,226)	(348,017)	(350,561)
<b>Net interest income</b>	<b>976,285</b>	<b>772,348</b>	<b>681,166</b>
Fee and commission income	367,557	371,792	416,911
Operating lease income	26,879	27,980	36,918
Other operating income	9,628	18,066	15,352
	<b>404,064</b>	<b>417,838</b>	<b>469,181</b>
<b>Operating income</b>	<b>1,380,349</b>	<b>1,190,186</b>	<b>1,150,347</b>
<b>Operating expenses</b>			
Employee benefit expense	(401,747)	(341,063)	(290,513)
Depreciation	(66,434)	(51,746)	(55,485)
Amortisation	(17,526)	(13,014)	(13,245)
Other operating expenses	(373,672)	(269,179)	(295,773)
	<b>(859,379)</b>	<b>(675,002)</b>	<b>(655,016)</b>
Operating profit before impairment	520,970	515,184	495,331
Expected credit loss/credit impairment	(156,947)	(214,591)	(186,297)
<b>Profit before income tax</b>	<b>364,023</b>	<b>300,593</b>	<b>309,034</b>
Income tax expense	(84,881)	(50,424)	(58,511)
<b>Profit for the year</b>	<b>279,142</b>	<b>250,169</b>	<b>250,523</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit obligations, net of tax	(6,672)	(7,027)	1,148
<b>Total comprehensive income for the year</b>	<b>272,470</b>	<b>243,142</b>	<b>251,671</b>
Basic and diluted earnings per share	3.67	3.79	5.52

**STATEMENT OF CHANGES IN EQUITY - YEAR ENDED SEPTEMBER 30, 2019**

	Share Capital	General Risk Reserve	Actuarial Reserve	Statutory Reserve	Retained Earnings	Total
	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000
At October 1, 2016	335,000	79,982	11,950	249,263	196,906	873,101
Profit for the year	-	-	-	-	250,523	250,523
Other comprehensive income for the year	-	-	1,148	-	-	1,148
Issue of shares	325,000	-	-	-	-	325,000
Transfer	-	39,626	-	37,578	(77,204)	-
Dividends	-	-	-	-	(160,000)	(160,000)
<b>At September 30, 2017</b>	<b>660,000</b>	<b>119,608</b>	<b>13,098</b>	<b>286,841</b>	<b>210,225</b>	<b>1,289,772</b>
At October 1, 2017	660,000	119,608	13,098	286,841	210,225	1,289,772
Profit for the year	-	-	-	-	250,169	250,169
Other comprehensive income	-	-	(7,027)	-	-	(7,027)
Transfer	-	31,018	-	37,526	(68,544)	-
<b>At September 30, 2018</b>	<b>660,000</b>	<b>150,626</b>	<b>6,071</b>	<b>324,367</b>	<b>391,850</b>	<b>1,532,914</b>
At October 1, 2018	660,000	150,626	6,071	324,367	391,850	1,532,914
Impact of adopting IFRS9	-	-	-	-	4,221	4,221
Restated opening balance on adopting IFRS9	660,000	150,626	6,071	324,367	396,071	1,537,135
Profit for the period	-	-	-	-	279,142	279,142
Other comprehensive income	-	-	(6,672)	-	-	(6,672)
Deferred tax rate differential	-	-	-	-	-	-
Issue of shares	200,000	-	-	-	-	200,000
Dividends	-	-	-	-	(200,000)	(200,000)
Transfer	-	-	-	41,871	(41,871)	-
<b>At September 30, 2019</b>	<b>860,000</b>	<b>150,626</b>	<b>(601)</b>	<b>366,238</b>	<b>433,342</b>	<b>1,809,605</b>

**STATEMENT OF CASH FLOWS - YEAR ENDED SEPTEMBER 30, 2019**

	2019	2018	2017
	MUR 000	MUR 000	MUR 000
<b>Operating activities</b>			
Profit before taxation	364,023	300,593	309,034
Adjustments for:			
(Profit)/loss on disposal of plant and equipment	(936)	273	(887)
Foreign Exchange differences	(1,044)	807	4,224
Expected credit loss/credit impairment	175,900	219,212	193,663
Amortisation of intangible assets	17,526	13,014	13,245
Depreciation of plant and equipment	66,434	51,746	55,485
Increase in post-employment benefits	6,466	515	3,959
<b>Changes in operating assets and liabilities:</b>			
(Decrease)/increase in deposits from customers	(2,641,848)	(492,547)	339,046
Increase in finance leases receivable	(309,693)	(22,764)	(273,123)
Increase in hire purchase and other credit agreements	(1,110,955)	(531,007)	(819,696)
Increase in loan and advances	(823,928)	(552,388)	(723,854)
(Increase)/ decrease in deposits with banks	(4,229)	32,794	(7,217)
Decrease/ (Increase) in inventories	1,875	2,667	(3,476)
(Increase)/ decrease in other assets	(5,008)	(69,183)	743
Increase/(decrease) in other liabilities	210,829	(37,018)	(8,298)
	(4,054,587)	(1,083,286)	(917,152)
Income tax paid	(51,968)	(51,407)	(62,345)
<b>Net cash flows used in operating activities</b>	<b>(4,106,555)</b>	<b>(1,134,693)</b>	<b>(979,497)</b>
<b>Investing activities</b>			
Proceeds from disposal of plant and equipment	8,240	11,240	13,538
Purchase of intangible assets	(49,590)	(38,236)	(2,170)
Purchase of plant and equipment	(156,400)	(51,667)	(72,909)
<b>Net cash flows used in investing activities</b>	<b>(197,750)</b>	<b>(78,663)</b>	<b>(61,541)</b>
<b>Financing activities</b>			
Issue of shares	200,000	-	325,000
Dividends paid	(200,000)	-	(160,000)
Proceeds from borrowings	17,282,404	10,807,053	10,356,575
Repayment of borrowings	(12,639,498)	(9,792,415)	(9,268,682)
<b>Net cash flows from financing activities</b>	<b>4,642,907</b>	<b>1,014,639</b>	<b>1,252,893</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>338,602</b>	<b>(198,717)</b>	<b>(211,855)</b>
<b>Movement in cash and cash equivalents</b>			
At October 1,	(162,543)	36,981	(170,650)
Effect of exchange rate changes on cash and cash equivalents	1,044	(807)	(4,224)
Increase/(decrease)	338,602	(198,717)	211,855
<b>At year end</b>	<b>177,103</b>	<b>(162,543)</b>	<b>36,981</b>
<b>Operational cash flows from interest</b>			
Interest paid	(467,090)	(351,140)	(351,778)
Interest received	1,370,406	1,149,871	1,025,303

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS  
TO THE MEMBERS OF CIM FINANCE LTD**

**Opinion**

The summary financial statements which comprise the statement of financial position as at September 30, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, are derived from the audited financial statements of CIM Finance Ltd (the "Company") for the year ended September 30, 2019

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the requirements of the Banking Act 2004 as disclosed in the summary financial statements.

**Summary Financial Statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004. Reading the summary financial statements and auditor's report thereon, therefore, is not a substitute for reading the audited financial statements of the Company and the auditor's report thereon.

The summary financial statements and audited financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our reports dated December 12, 2019. That report also includes

- The communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.
- Use of our report paragraph which describes that the report is made solely to the Company's members in accordance with Section 205 of the Companies Act 2001 and for no other purpose.
- Report on other legal and regulatory requirements includes reporting as per:
  - Companies Act 2001 that no relationship with or interests in the Company other than in our capacity as auditors, tax advisors and dealings in the ordinary course of business, all required information have been obtained and proper accounting records have been kept by the Company.
  - Banking Act 2004 that financial statement complies with the requirement of the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.
- Corporate governance report which report on the compliance with the requirement of the National Code of Corporate Governance

**Management's Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of the summary financial statements in accordance with the requirements described in the Banking Act 2004.

**Auditor's Responsibility**

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

**ERNST & YOUNG**  
Ebène, Mauritius

**Li Kune Lan Pookim, F.C.A, F.C.C.A**  
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Date: December 12, 2019