

CIM GROUP REPORTS A 22% INCREASE IN NET OPERATING INCOME FROM CONTINUING OPERATIONS FOR THE SIX MONTHS ENDED 31 MARCH 2019

The Group's Net Operating Income from continuing operations increased by 22% to reach MUR 859.1m for the six months ended 31 March 2019.

Overall the Group posted a solid half yearly Profit After Tax of MUR191.3m, an increase of 34% compared to last year.

The Finance cluster, which now represents 92% of the total net operating income of the Group, posted a figure of MUR 824.3m for the period. This encouraging performance was on the back of increased sales volume particularly in its Consumer Finance business. The Group's greenfield Fintech hire purchase business in Kenya continues to show encouraging progress in sales.

Interim dividends

The Board has declared an interim dividend of MUR 0.08 per share in respect of the financial year ending 30 September 2019. The dividend will be payable to all shareholders of the Company registered at close of business on 28 May 2019.

The payment of this dividend will take place on or about 12 June 2019. The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market date 23 May 2019 and ex-dividend.

Medium Term Note Programme

The Board has approved the implementation of a Medium Term Note Programme (MTNP) as part of the Group's funding strategy. CIM Financial Services Ltd (the 'Company') proposes to issue up to a maximum of MUR 2.0 billion through the first tranche of notes under this MTNP.

This note programme will be subject to approval from shareholders and all relevant regulatory authorities.

The Company is currently working on the documentation related to this MTNP and shareholders and other stakeholders will be kept informed of further developments in due course.

Outlook

The Group intends to focus its development plans on its core business as a credit-financing institution through its consumer finance, cards and payment, leasing and factoring activities, thus securing more opportunities as a lender on both the Mauritian and the regional markets.

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

9 May 2019

The abridged 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 2018, except for the adoption of published Standards that are effective for accounting period starting 1 October 2018. 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.

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ABRIDGED UNAUDITED FINANCIAL STATEMENTS SIX MONTHS AND QUARTER ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION

	Unaudited 31 March		Audited 30 September
	2019 MUR m	2018 MUR m	2018 MUR m
Cash and bank balances	482.1	436.0	526.1
Deposits with banks	550.0	1,089.7	1,026.0
Net investment in leases and other credit agreements	8,526.5	6,884.2	7,637.7
Loans and advances	3,202.5	2,379.4	2,865.6
Investment in financial assets	379.0	1,699.1	1,598.9
Other assets	450.1	585.7	676.1
Inventories	4.6	6.9	5.6
Investment in associates	164.3	185.4	177.5
Investment properties	-	1,213.7	1,216.5
Property, plant and equipment	524.7	1,171.6	1,585.8
Intangible assets	67.7	69.5	106.7
Post employment benefits assets	5.9	8.0	7.2
Deferred tax assets	113.9	86.5	83.0
Total Assets	14,471.3	15,815.7	17,512.7
LIABILITIES			
Deposits from customers	3,129.8	3,041.9	3,426.6
Interest bearing loans and borrowings	5,867.1	4,930.7	5,949.8
Other liabilities	1,387.9	1,197.4	1,341.4
Income tax liabilities	48.6	53.1	33.0
Post employment benefits liability	86.1	78.9	87.6
Deferred tax liabilities	-	24.8	28.4
Total Liabilities	10,519.5	9,326.8	10,866.8
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	2,799.0	4,898.2	4,999.9
Revaluation and other reserves	472.3	590.5	646.1
Equity attributable to owners of the parent	3,951.8	6,169.2	6,326.5
Non controlling interests	-	319.7	319.4
Total Equity	3,951.8	6,488.9	6,645.9
Total Equity and Liabilities	14,471.3	15,815.7	17,512.7

STATEMENT OF PROFIT OR LOSS

	Unaudited 3 months ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2019 MUR m	2018 MUR m	2019 MUR m	2018 MUR m	2018 MUR m
Continuing operations					
Interest income	359.1	277.4	696.2	554.8	1,189.2
Interest expense	(95.5)	(80.9)	(192.9)	(176.5)	(381.3)
Net interest income	263.6	196.5	503.3	378.3	807.9
Fee and commission income	131.9	136.5	266.4	279.9	539.4
Other income	77.5	32.4	89.4	44.6	64.0
	209.4	168.9	355.8	324.5	603.4
Net operating income	473.0	365.4	859.1	702.8	1,411.3
Operating expenses	(282.7)	(202.9)	(548.5)	(402.3)	(855.7)
Operating profit before impairment	190.3	162.5	310.6	300.5	555.6
Net impairment	(46.8)	(62.7)	(92.5)	(127.5)	(214.9)
Operating profit	143.5	99.8	218.1	173.0	340.7
Foreign exchange gain/(loss)	1.0	(41.2)	3.2	(38.3)	(9.4)
Share of result of associates	0.1	0.3	(2.0)	(7.8)	(14.7)
Net gain on business combination	-	-	-	-	29.5
Profit before tax from continuing operations	144.6	58.9	219.3	126.9	346.1
Income tax expense	(23.1)	(22.2)	(43.8)	(28.8)	(72.7)
Profit for the period/year from continuing operations	121.5	36.7	175.5	98.1	273.4
Discontinued operations					
Profit for the period/year from discontinued operations	-	35.2	15.8	44.6	78.7
Profit for the period/year	121.5	71.9	191.3	142.7	352.1
Attributable to:					
Owners of the parent	121.5	65.0	191.3	138.0	351.4
Non controlling interests	-	6.9	-	4.7	0.7
	121.5	71.9	191.3	142.7	352.1
Earnings per share from continuing operations	MUR 0.18	0.04	0.26	0.14	0.40
Earnings per share	MUR 0.18	0.10	0.28	0.20	0.52
Dividends per share	MUR -	-	0.15	0.60	0.67
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 2019

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2019	2018	2019	2018	2018
	MUR m	MUR m	MUR m	MUR m	MUR m
Profit for the period/year	121.5	71.9	191.3	142.7	352.1
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	-	-	-	-	8.0
Remeasurement of post employment benefits	-	1.5	-	(4.5)	(16.3)
Items that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign entities	(1.2)	(0.2)	(0.8)	(0.2)	(0.3)
Share of other comprehensive income from associates	(0.4)	-	(0.4)	-	(0.9)
Other comprehensive income for the period/year, net of tax	(1.6)	1.3	(1.2)	(4.7)	(9.5)
Total comprehensive income for the period/year, net of tax	119.9	73.2	190.1	138.0	342.6
Attributable to:					
Owners of the parent	119.9	66.3	190.1	133.3	338.2
Non controlling interests	-	6.9	-	4.7	4.4
	119.9	73.2	190.1	138.0	342.6

STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2019	2018	2018
	MUR m	MUR m	MUR m
Net cash flow used in operating activities	(1,155.8)	(93.9)	(887.9)
Net cash flow generated from/ (used in) investing activities	1,599.7	(231.2)	(369.8)
Net cash flow (used in)/ generated from financing activities	(418.4)	364.8	1,201.3
Net increase/(decrease) in cash and cash equivalents	25.5	39.7	(56.4)
Cash and cash equivalents - opening	322.7	379.1	379.1
Cash and cash equivalents - closing	348.2	418.8	322.7

ABRIDGED UNAUDITED FINANCIAL STATEMENTS SIX MONTHS AND QUARTER ENDED 31 MARCH 2019



STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			Total	Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings			
	MUR m	MUR m	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 opening balance under IFRS 9	680.5	646.1	4,913.1	6,239.7	319.4	6,559.1
Profit for the period	-	-	191.3	191.3	-	191.3
Other comprehensive income for the period	-	(1.2)	-	(1.2)	-	(1.2)
Total comprehensive income for the period	-	(1.2)	191.3	190.1	-	190.1
Distribution of non cash assets to owners	-	(172.6)	(2,203.3)	(2,375.9)	(319.4)	(2,695.3)
Dividends	-	-	(102.1)	(102.1)	-	(102.1)
Total transactions with owners	-	(172.6)	(2,305.4)	(2,478.0)	(319.4)	(2,797.4)
At 31 March 2019	680.5	472.3	2,799.0	3,951.8	-	3,951.8

	Attributable to owners of the parent			Total	Non-controlling interests	Total Equity
	Stated capital	Revaluation and other reserves	Retained earnings			
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
At 1 October 2017	680.5	592.1	5,171.6	6,444.2	315.0	6,759.2
Profit for the period	-	-	138.0	138.0	4.7	142.7
Other comprehensive income for the period	-	(4.7)	-	(4.7)	-	(4.7)
Total comprehensive income for the period	-	(4.7)	138.0	133.3	4.7	138.0
Dividends	-	-	(408.3)	(408.3)	-	(408.3)
Transfers	-	3.1	(3.1)	-	-	-
Total transactions with owners	-	3.1	(411.4)	(408.3)	-	(408.3)
At 31 March 2018	680.5	590.5	4,898.2	6,169.2	319.7	6,488.9

SEGMENT ANALYSIS

	Net Operating Income				Profit After Tax			
	3 months ended 31 March		6 months ended 31 March		3 months ended 31 March		6 months ended 31 March	
	2019	2018	2019	2018	2019	2018	2019	2018
	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m	MUR m
Finance	423.6	353.5	824.3	698.4	108.9	99.1	210.6	187.7
Investments	117.1	94.0	328.6	111.1	12.6	(62.4)	(35.1)	(89.6)
Group elimination	(67.7)	(82.1)	(293.8)	(106.7)	-	-	-	-
	473.0	365.4	859.1	702.8	121.5	36.7	175.5	98.1
Discontinued operations	-	58.9	39.9	92.7	-	35.2	15.8	44.6
	473.0	424.3	899.0	795.5	121.5	71.9	191.3	142.7