

CIM GROUP REPORTS A 26% INCREASE IN NET OPERATING INCOME FROM CONTINUING OPERATIONS FOR THE NINE MONTHS ENDED 30 JUNE 2019

The Group's Net Operating Income from continuing operations increased by 26% to reach MUR1,309.7m for the nine months ended to 30 June 2019.

Cim Group posted overall a satisfactory Profit After Tax (PAT) of MUR281.8M for the period under review.

Over the recent quarter, there has been continuous progress in sales from the Group's greenfield Fintech Consumer Finance business in Kenya.

Surrender of Non-Bank Deposit Taking licence (NBDT) and Amalgamation

Following the decision made by CFSL's subsidiaries Cim Finance Ltd (CFL) and Mauritian Eagle Leasing Co Ltd (MELCO) to surrender their NBDT licence, the Board wishes to report that all the deposit holders of CFL and MELCO have been successfully refunded their deposits. Accordingly, CFL and MELCO have lodged an application for the surrender of the said NBDT licence with the Bank of Mauritius.

Furthermore, with the objective of streamlining the structure of the group and improving efficiency, the Board of CFSL had approved the 'in principle' amalgamation of the following entities with and into CFSL (subject to regulatory approval):

- Cim Finance Ltd;
- Cim Agencies Ltd;
- Mauritian Eagle Leasing Company Limited;
- Cim Management Services Ltd; and
- Cim Shared Services Ltd.

Shareholders and other stakeholders will be kept informed of future developments on this matter.

Outlook

With the surrender of the NBDT licence being completed and the announced amalgamation, the Company is on track to deliver on its strategy to focus on and strengthen its core consumer finance lending business within an improved governance framework and through securing more opportunities as a lender on both the local and the regional markets.

By Order of the Board
Cim Administrators Ltd
Company Secretary

14 August 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 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.

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ABRIDGED UNAUDITED FINANCIAL STATEMENTS NINE MONTHS AND QUARTER ENDED 30 JUNE 2019



STATEMENT OF FINANCIAL POSITION

	Unaudited 30 June		Audited 30 September
	2019	2018	2018
	MUR m	MUR m	MUR m
Cash and bank balances	347.0	454.4	526.1
Deposits with banks	508.6	969.5	1,026.0
Net investment in leases and other credit agreements	8,737.2	6,967.3	7,637.7
Loans and advances	3,405.3	2,650.6	2,865.6
Investment in financial assets	9.3	1,745.9	1,598.9
Other assets	472.8	689.4	676.1
Inventories	3.5	6.2	5.6
Investment in associates	159.0	177.6	177.5
Investment properties	-	1,213.7	1,216.5
Property, plant and equipment	578.4	1,167.9	1,585.8
Intangible assets	69.1	107.9	106.7
Post employment benefits assets	5.9	8.0	7.2
Deferred tax assets	118.2	90.7	83.0
Total Assets	14,414.3	16,249.1	17,512.7
LIABILITIES			
Deposits from customers	-	2,778.0	3,426.6
Interest bearing loans and borrowings	8,880.9	5,888.6	5,949.8
Other liabilities	1,431.4	804.6	1,341.4
Income tax liabilities	33.2	41.0	33.0
Post employment benefits liability	86.1	78.9	87.6
Deferred tax liabilities	0.4	25.8	28.4
Total Liabilities	10,432.0	9,616.9	10,866.8
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	2,835.1	5,043.8	4,999.9
Revaluation and other reserves	466.7	590.3	646.1
Equity attributable to owners of the parent	3,982.3	6,314.6	6,326.5
Non controlling interests	-	317.6	319.4
Total Equity	3,982.3	6,632.2	6,645.9
Total Equity and Liabilities	14,414.3	16,249.1	17,512.7

STATEMENT OF PROFIT OR LOSS

	Unaudited 3 months ended 30 June		Unaudited 9 months ended 30 June		Audited Year ended 30 September
	2019	2018	2019	2018	2018
	MUR m	MUR m	MUR m	MUR m	MUR m
Continuing operations					
Interest income	379.2	303.3	1,075.4	858.1	1,189.2
Interest expense	(100.0)	(102.7)	(292.9)	(279.2)	(381.3)
Net interest income	279.2	200.6	782.5	578.9	807.9
Fee and commission income	134.5	133.8	400.9	413.7	539.4
Other income	36.9	3.5	126.3	48.1	64.0
	171.4	137.3	527.2	461.8	603.4
Net operating income	450.6	337.9	1,309.7	1,040.7	1,411.3
Operating expenses	(289.6)	(209.5)	(838.1)	(611.8)	(855.7)
Operating profit before impairment	161.0	128.4	471.6	428.9	555.6
Net impairment	(49.0)	(44.6)	(141.5)	(172.1)	(214.9)
Operating profit	112.0	83.8	330.1	256.8	340.7
Foreign exchange gain/(loss)	0.7	123.9	3.9	85.6	(9.4)
Share of result of associates	0.3	(7.6)	(1.7)	(15.4)	(14.7)
Net gain on business combination	-	-	-	-	29.5
Profit before tax from continuing operations	113.0	200.1	332.3	327.0	346.1
Income tax expense	(22.5)	(22.2)	(66.3)	(51.0)	(72.7)
Profit for the period/year from continuing operations	90.5	177.9	266.0	276.0	273.4
Discontinued operations					
Profit for the period/year from discontinued operations	-	13.3	15.8	57.9	78.7
Profit for the period/year	90.5	191.2	281.8	333.9	352.1
Attributable to:					
Owners of the parent	90.5	193.3	281.8	331.3	351.4
Non controlling interests	-	(2.1)	-	2.6	0.7
	90.5	191.2	281.8	333.9	352.1
Earnings per share from continuing operations	MUR 0.13	0.26	0.39	0.40	0.40
Earnings per share	MUR 0.13	0.28	0.41	0.49	0.52
Dividends per share	MUR 0.08	-	0.23	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 NINE MONTHS AND QUARTER ENDED 30 JUNE 2019

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 3 months ended 30 June		Unaudited 9 months ended 30 June		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	90.5	191.2	281.8	333.9	352.1
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Gain on revaluation of land and buildings	-	-	-	-	8.0
Remeasurement of post employment benefits	-	-	-	(4.5)	(16.3)
Items that may be reclassified subsequently to profit or loss:					
Exchange difference on translation of foreign entities	(0.1)	(0.2)	(0.9)	(0.4)	(0.3)
Share of other comprehensive income from associates	(5.5)	-	(5.9)	-	(0.9)
Other comprehensive income for the period/year, net of tax	(5.6)	(0.2)	(6.8)	(4.9)	(9.5)
Total comprehensive income for the period/year, net of tax	84.9	191.0	275.0	329.0	342.6
Attributable to:					
Owners of the parent	84.9	193.1	275.0	326.4	338.2
Non controlling interests	-	(2.1)	-	2.6	4.4
	84.9	191.0	275.0	329.0	342.6

STATEMENT OF CASH FLOWS

	Unaudited 9 months ended 30 June		Audited Year ended 30 September
	2019	2018	2018
	MUR m	MUR m	MUR m
Net cash flow used in operating activities	(1,464.6)	(467.5)	(887.9)
Net cash flow generated from/ (used in) investing activities	1,931.2	(203.7)	(369.8)
Net cash flow (used in)/ generated from financing activities	(608.8)	597.4	1,201.3
Net decrease in cash and cash equivalents	(142.2)	(73.8)	(56.4)
Cash and cash equivalents - opening	322.7	379.1	379.1
Cash and cash equivalents - closing	180.5	305.3	322.7

ABRIDGED UNAUDITED FINANCIAL STATEMENTS NINE MONTHS AND QUARTER ENDED 30 JUNE 2019



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 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	-	-	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
Distribution of non cash assets to owners	-	(172.6)	(2,203.3)	(2,375.9)	(319.4)	(2,695.3)
Dividends	-	-	(156.5)	(156.5)	-	(156.5)
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

	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 2017	680.5	592.1	5,171.6	6,444.2	315.0	6,759.2
Profit for the period	-	-	331.3	331.3	2.6	333.9
Other comprehensive income for the period	-	(4.9)	-	(4.9)	-	(4.9)
Total comprehensive income for the period	-	(4.9)	331.3	326.4	2.6	329.0
Dividends	-	-	(456.0)	(456.0)	-	(456.0)
Transfers	-	3.1	(3.1)	-	-	-
Total transactions with owners	-	3.1	(459.1)	(456.0)	-	(456.0)
At 30 June 2018	680.5	590.3	5,043.8	6,314.6	317.6	6,632.2

SEGMENT ANALYSIS

	Net Operating Income 3 months ended 30 June		Net Operating Income 9 months ended 30 June		Profit After Tax 3 months ended 30 June		Profit After Tax 9 months ended 30 June	
	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	427.7	349.0	1,252.0	1,047.4	106.1	99.7	316.7	287.4
Investments	41.0	5.0	369.6	116.1	(15.6)	78.2	(50.7)	(11.4)
Group elimination	(18.1)	(16.1)	(311.9)	(122.8)	-	-	-	-
	450.6	337.9	1,309.7	1,040.7	90.5	177.9	266.0	276.0
Discontinued operations	-	36.9	39.9	129.6	-	13.3	15.8	57.9
	450.6	374.8	1,349.6	1,170.3	90.5	191.2	281.8	333.9