

CIM GROUP REPORTS A PROFIT AFTER TAX (PAT) OF MUR 83.4M FOR THE QUARTER ENDED 31 DECEMBER 2020

Cim Group posted a PAT of MUR 83.4M, down 8% on prior year figure. The Group's Net Operating Income increased by 2.6% to reach MUR 521.3M for the period under review.

The result of the first quarter was driven by the Finance cluster which recorded a growth in Net Operating Income on the back of an expansion of its lending book at an albeit subdued pace when compared to the pre- Covid19 period. The results were also positively impacted by measures taken to contain costs across the Group.

Given the persisting morose economic environment, allowance for credit impairment was MUR 113.9M, up as compared to same period last year.

Outlook

While vaccination campaigns around the world and in Mauritius are underway, the international and domestic business and economic horizons still remain uncertain and challenging with no clear visibility on how long it would take for countries to recover. The Group will thus continue to exercise prudence and reinforce measures put in place to mitigate the downside risks caused by pandemic.

By Order of the Board
Cim Administrators Ltd
Company Secretary

11 February 2021

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 2020, 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.

STATEMENT OF FINANCIAL POSITION

	Unaudited 31 December		Audited 30 September
	2020	2019	2020
	MUR M	MUR M	MUR M
ASSETS			
Cash and bank balances	559.3	503.8	460.7
Deposits with banks	509.5	511.2	510.2
Net investment in leases and other credit agreements	8,571.8	9,556.0	8,374.1
Loans and advances	5,459.0	4,238.8	5,103.2
Investments in financial assets	8.9	18.9	28.9
Other assets	362.8	269.4	360.1
Inventories	1.5	3.2	2.0
Investments in associates	23.5	138.8	24.9
Equipment	528.8	654.4	556.3
Right-of-use assets	181.1	197.3	189.3
Deferred tax assets	184.8	48.4	188.8
Intangible assets	100.1	82.1	109.8
Total Assets	16,491.1	16,222.3	15,908.3
LIABILITIES			
Other borrowed funds	9,736.1	9,462.9	9,836.6
Other liabilities	1,954.9	2,298.3	1,372.0
Lease liabilities	202.7	215.3	209.3
Income tax liabilities	147.6	4.9	115.6
Deferred tax liabilities	3.2	1.3	16.4
Post employment benefit liabilities	158.8	92.8	158.9
Total Liabilities	12,203.3	12,075.5	11,708.8
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	3,137.1	2,955.2	3,053.7
Other reserves	470.2	511.1	465.3
Total Equity	4,287.8	4,146.8	4,199.5
Total Equity and Liabilities	16,491.1	16,222.3	15,908.3

STATEMENT OF PROFIT OR LOSS

	Unaudited Period ended 31 December		Audited Year ended 30 September
	2020	2019	2020
	MUR M	MUR M	MUR M
Interest income	451.9	407.9	1,714.7
Interest expense	(105.9)	(104.4)	(431.4)
Net interest income	346.0	303.5	1,283.3
Fee and commission income	128.9	148.7	569.2
Other operating income	46.4	56.0	229.5
	175.3	204.7	798.7
Net operating income	521.3	508.2	2,082.0
Operating expenses	(292.8)	(306.8)	(1,176.1)
Operating profit before impairment	228.5	201.4	905.9
Allowance for credit impairment	(113.9)	(86.0)	(652.6)
Operating profit	114.6	115.4	253.3
Foreign exchange gain/(loss)	0.3	(1.9)	0.9
Net gain on derecognition of subsidiaries	-	-	13.5
Net gain on share buy back of associate	-	-	6.2
Share of results of associates	(4.1)	(2.0)	(5.7)
Profit before tax	110.8	111.5	268.2
Income tax expense	(27.4)	(20.8)	(77.4)
Profit for the period/year	83.4	90.7	190.8
Basic and diluted earnings per share	MUR 0.12	0.13	0.28
Dividends per share	MUR -	0.16	0.16
Number of ordinary shares used in calculation	680,522,310	680,522,310	680,522,310

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Period ended 31 December		Audited Year ended 30 September
	2020 MUR M	2019 MUR M	2020 MUR M
Profit for the period/year	83.4	90.7	190.8
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit, net of tax	-	-	(53.1)
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of foreign entities	2.1	(1.6)	11.1
Movement in reserves of associates	2.8	1.4	2.9
Other comprehensive income/(loss) for the period/year, net of tax	4.9	(0.2)	(39.1)
Total comprehensive income for the period/year, net of tax	88.3	90.5	151.7

STATEMENT OF CASH FLOWS

	Unaudited Period ended 31 December		Audited Year ended 30 September
	2020 MUR M	2019 MUR M	2020 MUR M
Net cash flow generated from/(used in) operating activities	215.5	(229.9)	(450.3)
Net cash flow used in investing activities	(7.2)	(68.6)	(30.1)
Net cash flow (used in)/generated from financing activities	(109.8)	320.8	512.7
Net increase in cash and cash equivalents	98.5	22.3	32.3
Cash and cash equivalents - opening	460.7	428.0	428.0
Effect of exchange rate changes on cash and cash equivalents	(1.6)	-	0.4
Cash and cash equivalents - closing	557.6	450.3	460.7

SEGMENT ANALYSIS

	Net Operating Income Period ended 31 December		Profit After Tax Period ended 31 December	
	2020	2019	2020	2019
	MUR M	MUR M	MUR M	MUR M
Finance	499.7	484.4	95.6	123.3
Investments	40.2	122.6	(12.2)	(32.6)
Group elimination	(18.6)	(98.8)	-	-
	521.3	508.2	83.4	90.7

STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent			
	Stated capital	Other reserves	Retained earnings	Total Equity
	MUR M	MUR M	MUR M	MUR M
At 1 October 2020	680.5	465.3	3,053.7	4,199.5
Profit for the period	-	-	83.4	83.4
Other comprehensive income for the period	-	4.9	-	4.9
Total comprehensive income for the period	-	4.9	83.4	88.3
Dividends	-	-	-	-
Total transactions with owners of parent	-	-	-	-
At 31 December 2020	680.5	470.2	3,137.1	4,287.8

	Attributable to owners of the parent			
	Stated capital	Other reserves	Retained earnings	Total Equity
	MUR M	MUR M	MUR M	MUR M
At 1 October 2019				
As previously stated	680.5	511.3	2,983.7	4,175.5
Impact of adopting IFRS 16	-	-	(10.3)	(10.3)
As restated	680.5	511.3	2,973.4	4,165.2
Profit for the period	-	-	90.7	90.7
Other comprehensive loss for the period	-	(0.2)	-	(0.2)
Total comprehensive (loss) / income for the period	-	(0.2)	90.7	90.5
Dividends	-	-	(108.9)	(108.9)
Total transactions with owners of parent	-	-	(108.9)	(108.9)
At 31 December 2019	680.5	511.1	2,955.2	4,146.8