

For the period ended 31 Mar 2023, CFSL's bottom line result amounted to MUR 413.9M. The performance over the period has been encouraging with asset growth driving the revenue line. However, in an environment where key base rate is on the ascent, CFSL's cost of funds has also been on the rise.

Dividend

The Board has declared an interim dividend of MUR 0.18 per share. This dividend is in respect of the financial year ending 30 September 2023 and will be payable in full to all shareholders of the Company holding ordinary shares registered at close of business on 30 May 2023.

The payment of this dividend will take place on or about 14 June 2023. The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market day of 25 May 2023 and ex-dividend as from 26 May 2023.

Outlook

CFSL expects its results to be impacted by tightening margins over the coming months as financing cost follows the upward trend. The Board will adopt continued prudence in managing its baseline cost and loan portfolio.

By Order of the Board
Cim Administrators Ltd
Company Secretary

11 May 2023

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 2022, 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited March		Audited September
	2023 MUR m	2022 MUR m	2022 MUR m
		Restated	
ASSETS			
Cash and bank balances	3,086.3	831.2	681.8
Deposits with banks	485.2	459.8	482.9
Net investment in leases and other credit agreements	9,586.8	9,115.1	8,909.9
Loans and advances	7,288.0	6,792.8	7,079.8
Other assets	517.1	450.9	431.5
Investments securities	120.5	130.0	120.4
Inventories	2.8	2.6	3.0
Investments in associates	11.2	13.9	12.5
Equipment	442.8	406.4	417.6
Right-of-use assets	157.1	188.5	176.9
Deferred tax assets	357.1	324.8	342.1
Intangible assets	108.6	102.0	126.1
Total assets	22,163.5	18,818.0	18,784.5
LIABILITIES			
Bank overdraft	93.3	59.5	72.7
Other borrowed funds	14,899.9	11,801.2	11,735.1
Other liabilities	1,386.9	1,715.4	1,402.9
Lease liabilities	192.2	218.5	209.4
Income tax liabilities	195.9	177.4	210.0
Deferred tax liabilities	24.3	28.0	29.9
Post employment benefit liabilities	158.5	125.0	155.3
Total Liabilities	16,951.0	14,125.0	13,815.3
EQUITY			
Stated capital	680.5	680.5	680.5
Retained earnings	4,037.2	3,499.5	3,786.6
Other reserves	494.8	513.0	502.1
Total equity	5,212.5	4,693.0	4,969.2
Total equity and liabilities	22,163.5	18,818.0	18,784.5

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited Year ended 30 September
	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m	2022 MUR m
		Restated		Restated	
Interest income	722.4	609.7	1,407.7	1,199.7	2,502.3
Interest expense	(136.3)	(100.4)	(246.4)	(194.8)	(427.5)
Net interest income	586.1	509.3	1,161.3	1,004.9	2,074.8
Non interest income	123.3	117.3	252.5	231.4	497.9
Net operating income	709.4	626.6	1,413.8	1,236.3	2,572.7
Operating expenses	(357.7)	(310.6)	(706.8)	(628.8)	(1,292.7)
Profit before impairment	351.7	316.0	707.0	607.5	1,280.0
Net impairment losses on financial assets	(100.9)	(149.5)	(205.7)	(299.3)	(560.7)
Profit after impairment	250.8	166.5	501.3	308.2	719.3
Foreign exchange gain	10.0	0.3	8.0	2.6	1.6
Net gain on disposal of investment in subsidiary	-	-	-	-	16.4
Share of results of associates	(0.6)	(0.6)	(1.3)	(1.1)	(2.5)
Profit before tax	260.2	166.2	508.0	309.7	734.8
Income tax expense	(42.2)	(33.1)	(94.1)	(60.5)	(133.5)
Profit for the period/year	218.0	133.1	413.9	249.2	601.3
Basic earnings per share	MUR 0.32	0.20	MUR 0.61	0.37	0.88
Dividends per share	MUR -	-	MUR 0.24	0.20	0.31
Number of ordinary shares used in calculation	680,522,310	680,522,310	680,522,310	680,522,310	680,522,310

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Quarter ended 31 March		Unaudited 6 months ended 31 March		Audited 30 September
	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m	2022 MUR m
		Restated		Restated	
Profit for the period/year	218.0	133.1	413.9	249.2	601.3
Other comprehensive income/(loss)					
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit, net of tax	-	-	-	-	(19.1)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translation of foreign entities	1.5	(0.3)	(7.3)	14.5	17.0
Share of other comprehensive loss of associates	-	-	-	(15.5)	-
Other comprehensive income/(loss) for the period/year, net of tax	1.5	(0.3)	(7.3)	(1.0)	(2.1)
Total comprehensive income for the period/year, net of tax	219.5	132.8	406.6	248.2	599.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 March		Audited 30 September
	2023 MUR m	2022 MUR m	2022 MUR m
Net cash flow used in operating activities	(585.0)	(352.6)	(281.0)
Net cash flow used in investing activities	(48.9)	(191.6)	(212.3)
Net cash flow generated from financing activities	3,014.0	997.6	773.9
Net increase in cash and cash equivalents	2,380.1	453.4	280.6
Cash and cash equivalents - opening	609.1	317.3	317.3
Effect of exchange rate changes on cash and cash equivalents	3.8	1.0	11.2
Cash and cash equivalents - closing	2,993.0	771.7	609.1

SEGMENT ANALYSIS

	Net Operating Income				Profit After Tax			
	Quarter ended 31 March		6 months ended 31 March		Quarter ended 31 March		6 months ended 31 March	
	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m	2023 MUR m	2022 MUR m
		Restated		Restated		Restated		Restated
Finance	681.9	604.6	1,359.0	1,190.8	234.0	140.7	437.8	269.4
Investments	45.4	41.3	104.2	83.0	(16.0)	(7.6)	(23.9)	(20.2)
Group elimination	(17.9)	(19.3)	(49.4)	(37.5)	-	-	-	-
	709.4	626.6	1,413.8	1,236.3	218.0	133.1	413.9	249.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital MUR m	Other reserves MUR m	Retained earnings MUR m	Total Equity MUR m
At 1 October 2022	680.5	502.1	3,786.6	4,969.2
Profit for the period	-	-	413.9	413.9
Other comprehensive loss for the period	-	(7.3)	-	(7.3)
Total comprehensive (loss)/income for the period	-	(7.3)	413.9	406.6
Dividends	-	-	(163.3)	(163.3)
Total transactions with owners of parent	-	-	(163.3)	(163.3)
At 31 March 2023	680.5	494.8	4,037.2	5,212.5
	Stated capital MUR m	Other reserves MUR m	Retained earnings MUR m	Total Equity MUR m
At 1 October 2021				
As previously stated	680.5	504.2	3,402.8	4,587.5
Effect of prior year adjustment	-	-	(6.6)	(6.6)
As restated	680.5	504.2	3,396.2	4,580.9
Profit for the period	-	-	249.2	249.2
Other comprehensive income/(loss) for the period	-	8.8	(9.8)	(1.0)
Total comprehensive income for the period	-	8.8	239.4	248.2
Dividends	-	-	(136.1)	(136.1)
Total transactions with owners of parent	-	-	(136.1)	(136.1)
At 31 March 2022	680.5	513.0	3,499.5	4,693.0