

CIM GROUP REPORTS A 28% INCREASE IN NET OPERATING INCOME FROM CONTINUING OPERATIONS FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Group's Net Operating Income from continuing operations increased by 28% to reach MUR1.8billion whilst its Profit After Tax (PAT) rose to MUR382.7million overall for the year under review.

The Group's local Consumer Finance and Leasing businesses have experienced satisfactory growth over the year, translating into an encouraging 2019 bottom line result from continuing operations. Similarly, the Group's Fintech Consumer Finance business in Kenya has shown positive progress in sales for 2019.

Highlights of the year under review

At the start of 2019, the Property cluster of the Group (trading now as Lavastone Ltd) was carved out and listed separately on the Development and Enterprise Market (DEM). The Statement of Financial Position of the Group as at end of September 2019 reflects this event.

During the year, the Group, through its subsidiaries Cim Finance Ltd (CFL) and Mauritian Eagle Leasing Co Ltd (MELCO), decided to surrender their Non-Bank Deposit Taking (NBDT) licences. All deposits holders of CFL and MELCO were subsequently refunded their deposits. The surrender of the NBDT licences is near completion.

With the objective of streamlining the structure of the group and improving efficiency, the Board of CIM Financial Services Ltd (CFSL) also approved the 'in principle' amalgamation of five of its subsidiaries into CFSL in August 2019 (subject to regulatory approval). The amalgamation is expected to be completed in first quarter of 2020.

In line with its strategic goals, the Group raised MUR 2billion by way of senior unsecured fixed rate notes through a private placement in October 2019, which was well received by investors.

Final Dividend

The Board has declared a final dividend of MUR0.16 per share payable in respect of all the ordinary shares of the Company which will be payable to the shareholders of the Company registered at close of business on 3 January 2020.

The payment of this dividend will take place on or about 20 January 2020.

The shares of the Company will be traded cum-dividend on the Stock Exchange up to the market date of 27 December 2019 and ex-dividend as from 30 December 2019.

Outlook

With the planned amalgamation and the surrender of the NBDT licences on track for completion, the Group is looking to build up on the good momentum achieved in 2019 to continue to generate value for its stakeholders in 2020.

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

12 December 2019

The abridged audited financial statements of the Group for the year ended 30 September 2019 have been prepared using the same accounting policies as set out in the audited financial statements for the year ended 30 September 2018, except for the adoption of published standards that are now effective. These abridged audited financial statements are issued pursuant to Listing Rule 12.14 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 financial statements 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

	Audited 30 September	
	2019 MUR m	2018 MUR m
Cash and bank balances	444.5	526.1
Deposits with banks	507.0	1,026.0
Net investment in leases and other credit agreements	8,769.1	7,637.7
Loans and advances	3,708.7	2,865.6
Investment in financial assets	8.9	1,598.9
Other assets	435.3	676.1
Inventories	3.7	5.6
Investment in associates	141.0	177.5
Investment properties	-	1,216.5
Property, plant and equipment	638.9	1,585.8
Intangible assets	88.3	106.7
Income tax assets	18.3	-
Post employment benefits assets	-	7.2
Deferred tax assets	47.1	83.0
Total Assets	14,810.8	17,512.7
LIABILITIES		
Deposits from customers	-	3,426.6
Interest bearing loans and borrowings	9,094.8	5,949.8
Other liabilities	1,438.7	1,341.4
Income tax liabilities	6.1	33.0
Post employment benefits liability	94.4	87.6
Deferred tax liabilities	1.3	28.4
Total Liabilities	10,635.3	10,866.8
EQUITY		
Stated capital	680.5	680.5
Retained earnings	2,983.7	4,999.9
Revaluation and other reserves	511.3	646.1
Equity attributable to owners of the parent	4,175.5	6,326.5
Non controlling interests	-	319.4
Total Equity	4,175.5	6,645.9
Total Equity and Liabilities	14,810.8	17,512.7

STATEMENT OF PROFIT OR LOSS

	Audited Year ended 30 September	
	2019 MUR m	2018 MUR m
Continuing operations		
Interest income	1,442.6	1,189.2
Interest expense	(388.2)	(381.3)
Net interest income	1,054.4	807.9
Fee and commission income	541.1	539.4
Other income	214.4	72.0
	755.5	611.4
Net operating income	1,809.9	1,419.3
Operating expenses	(1,148.0)	(863.8)
Operating profit before impairment	661.9	555.5
Net impairment	(180.9)	(214.9)
Operating profit	481.0	340.6
Foreign exchange gain/(loss)	4.4	(9.3)
Share of result of associates	(32.3)	(14.7)
Net gain on business combination	-	29.5
Profit before tax from continuing operations	453.1	346.1
Income tax expense	(86.2)	(72.7)
Profit for the year from continuing operations	366.9	273.4
Discontinued operations		
Profit for the year from discontinued operations	15.8	78.7
Profit for the year	382.7	352.1
Attributable to:		
Owners of the parent	382.7	351.4
Non controlling interests	-	0.7
	382.7	352.1
Earnings per share from continuing operations	MUR 0.54	0.40
Earnings per share	MUR 0.56	0.52
Dividends per share	MUR 0.23	0.67
Number of ordinary shares used in calculation	680,522,310	680,522,310

STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30 September	
	2019	2018
	MUR m	MUR m
Profit for the year	382.7	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	(9.2)	(16.3)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign entities	(1.6)	(0.3)
Share of other comprehensive income from associates	6.7	(0.9)
Other comprehensive income for the year, net of tax	(4.1)	(9.5)
Total comprehensive income for the year, net of tax	378.6	342.6
Attributable to:		
Owners of the parent	378.6	338.2
Non controlling interests	-	4.4
	378.6	342.6

STATEMENT OF CASH FLOWS

	Audited Year ended 30 September	
	2019	2018
	MUR m	MUR m
Net cash flow used in operating activities	(2,497.5)	(887.9)
Net cash flow used in investing activities	(576.4)	(369.8)
Net cash flow generated from financing activities	3,179.2	1,201.3
Net increase/(decrease) in cash and cash equivalents	105.3	(56.4)
Cash and cash equivalents - opening	322.7	379.1
Cash and cash equivalents - closing	428.0	322.7

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	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	-	-	2.8	2.8	-	2.8
Restated opening balance under IFRS 9	680.5	646.1	5,002.7	6,329.3	319.4	6,648.7
Profit for the year	-	-	382.7	382.7	-	382.7
Other comprehensive income for the year	-	(4.1)	-	(4.1)	-	(4.1)
Total comprehensive income for the year	-	(4.1)	382.7	378.6	-	378.6
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)
Transfer	-	41.9	(41.9)	-	-	-
Total transactions with owners	-	(130.7)	(2,401.7)	(2,532.4)	(319.4)	(2,851.8)
At 30 September 2019	680.5	511.3	2,983.7	4,175.5	-	4,175.5

	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	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 year	-	-	351.4	351.4	0.7	352.1
Other comprehensive income for the year	-	(13.2)	-	(13.2)	3.7	(9.5)
Total comprehensive income for the year	-	(13.2)	351.4	338.2	4.4	342.6
Dividends	-	-	(455.9)	(455.9)	-	(455.9)
Transfers	-	67.2	(67.2)	-	-	-
Total transactions with owners	-	67.2	(523.1)	(455.9)	-	(455.9)
At 30 September 2018	680.5	646.1	4,999.9	6,326.5	319.4	6,645.9

SEGMENT ANALYSIS

	Net Operating Income		Profit After Tax	
	Year ended 30 September		Year ended 30 September	
	2019	2018	2019	2018
	MUR m	MUR m	MUR m	MUR m
Finance	1,721.7	1,405.9	432.1	378.8
Investments	472.0	146.9	(65.2)	(105.4)
Group elimination	(383.8)	(133.5)	-	-
	1,809.9	1,419.3	366.9	273.4
Discontinued operations	39.9	199.0	15.8	78.7
	1,849.8	1,618.3	382.7	352.1