

Consolidated Statement of Financial Position

	Unaudited 31-Dec-20 Rs'000	Unaudited 31-Dec-19 (Restated) Rs'000	Audited 30-Jun-20 Rs'000
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Intangible assets	19,660	22,691	21,294
Plant and equipment ¹	668,224	694,633	674,034
Investments in associates	5,215,264	5,680,092	5,193,719
Investment securities	731,336	533,325	726,954
Loan receivable	369,032	311,270	342,937
Finance lease receivables ²	2,030,855	2,263,160	2,230,566
Deposits with financial institutions	-	56,972	-
	9,034,371	9,562,143	9,189,504
CURRENT ASSETS	1,459,529	1,670,010	1,796,107
CURRENT LIABILITIES	(2,056,731)	(2,537,990)	(2,744,889)
NET CURRENT LIABILITIES	(597,202)	(867,980)	(948,782)
	8,437,169	8,694,163	8,240,722
FINANCED BY			
Share capital	103,355	103,355	103,355
Retained earnings	2,037,094	2,109,124	1,993,687
Other components of equity	3,588,354	3,913,141	3,579,782
SHAREHOLDERS' INTERESTS	5,728,803	6,125,620	5,676,824
NON-CURRENT LIABILITIES			
Deposits from customers	2,305,918	2,226,928	2,192,914
Borrowings	391,557	324,698	353,934
Deferred tax liabilities	10,891	16,917	17,050
	2,708,366	2,568,543	2,563,898
	8,437,169	8,694,163	8,240,722

Consolidated Statement of Profit or Loss

	Unaudited Quarter to 31-Dec-20 Rs'000	Unaudited Quarter to 31-Dec-19 Rs'000	Unaudited 6 months to 31-Dec-20 Rs'000	Unaudited 6 months to 31-Dec-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Revenue	113,030	125,762	232,758	251,670	487,742
Other income	64,161	57,877	124,202	113,569	224,253
Loss on exchange	(133)	(152)	(309)	(35)	(540)
Finance income	60,380	68,182	122,518	138,101	269,060
Finance costs	(43,278)	(55,890)	(92,215)	(111,068)	(218,106)
Operating expenses ³	(56,792)	(62,567)	(111,910)	(120,339)	(238,791)
Operating profit before impairment	24,338	7,450	42,286	20,228	35,876
Net impairment of financial assets	1,490	5,033	(6,053)	5,304	(9,718)
Operating profit	25,828	12,483	36,233	25,532	26,158
Share of (losses)/profits of associates	(4,013)	(10,952)	1,041	28,204	(76,608)
Profit/(Loss) before tax	21,815	1,531	37,274	53,736	(50,450)
Income tax (expense)/credit	(892)	1,030	2,076	(805)	(965)
Profit/(Loss) attributable to equity holders of the parent	20,923	2,561	39,350	52,931	(51,415)
Earnings/(Loss) per share (Re.)⁵	0.20	0.02	0.38	0.51	(0.50)
Number of shares in issue (thousands)	103,355	103,355	103,355	103,355	103,355

Consolidated Statement of Comprehensive Income

	Unaudited Quarter to 31-Dec-20 Rs'000	Unaudited Quarter to 31-Dec-19 Rs'000	Unaudited 6 months to 31-Dec-20 Rs'000	Unaudited 6 months to 31-Dec-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Profit/(loss) attributable to equity holders of the parent	20,923	2,561	39,350	52,931	(51,415)
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Net fair value gain/(loss) on equity investments	-	1,800	(7,875)	13,500	50,625
Share of other comprehensive income/(expense) of associates	114,024	109,059	20,491	128,260	(254,711)
	114,024	110,859	12,616	141,760	(204,086)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income/(expense) of associates	6	255	13	23	(26)
	6	255	13	23	(26)
Other comprehensive income/(expense) for the period	114,030	111,114	12,629	141,783	(204,112)
Total comprehensive income/(expense) attributable to equity holders of the parent	134,953	113,675	51,979	194,714	(255,527)

Consolidated Statement of Changes in Equity

	Share Capital Rs'000	Capital Contribution Rs'000	Retained Earnings Rs'000	Capital Reserve Rs'000	Revaluation & Other Reserve Rs'000	Statutory Reserve Rs'000	Total Rs'000
At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Profit for the period	-	-	52,931	-	-	-	52,931
Other comprehensive income for the period	-	-	373	-	141,410	-	141,783
Total comprehensive income for the period	-	-	53,304	-	141,410	-	194,714
Share of transfer by associate	-	-	10,446	-	(10,446)	-	-
Share of other movements in reserves of associate	-	-	8,101	-	(11,369)	-	(3,268)
Dividends	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
At 31 December 2019	103,355	200,000	2,109,124	610,428	2,993,536	109,177	6,125,620
At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Loss for the year	-	-	(51,415)	-	-	-	(51,415)
Other comprehensive expense for the year	-	-	(329)	-	(203,783)	-	(204,112)
Total comprehensive expense for the year	-	-	(51,744)	-	(203,783)	-	(255,527)
Share of transfer by associate	-	-	10,836	-	(10,836)	-	-
Effect of employee share options exercised in associate	-	-	(3,011)	-	-	-	(3,011)
Share of other movements in reserves of associate	-	-	-	-	(7,195)	-	(7,195)
Share of impact of change in shareholding in associates	-	-	8,383	-	-	-	8,383
Dividends	-	-	(73,013)	-	-	-	(73,013)
Transfer to statutory reserve	-	-	(8,050)	-	-	8,050	-
At 30 June 2020	103,355	200,000	1,993,687	610,428	2,652,127	117,227	5,676,824
Profit for the period	-	-	39,350	-	-	-	39,350
Other comprehensive income for the period	-	-	-	11,100	1,529	-	12,629
Total comprehensive income for the period	-	-	39,350	11,100	1,529	-	51,979
Share of transfer by associate	-	-	4,057	-	(4,057)	-	-
At 31 December 2020	103,355	200,000	2,037,094	621,528	2,649,599	117,227	5,728,803

Consolidated Statement of Cash Flows

	Unaudited 6 Months to 31-Dec-20 Rs'000	Unaudited 6 Months to 31-Dec-19 Rs'000	Audited Year to 30-Jun-20 Rs'000
Net cash flows (used in)/from operating activities	(600,171)	415,812	885,491
Income tax paid	(2,508)	(1,212)	(3,264)
Investing activities	131,436	(170,561)	(374,384)
Net cash flows before financing activities	(471,243)	244,039	507,843
Financing activities			
Net increase/(decrease) in borrowings	120,866	(74,994)	(113,680)
Dividends paid	-	(73,013)	(73,013)
Net cash flows from/(used in) financing activities	120,866	(148,007)	(186,693)
(Decrease)/Increase in cash and cash equivalents	(350,377)	96,032	321,150
Net cash and cash equivalents brought forward	(249,606)	(570,756)	(570,756)
Net cash and cash equivalents carried forward	(599,983)	(474,724)	(249,606)

RESULTS

Fincorp posted a consolidated profit after tax of Rs 39.4 million for the period ended December 31, 2020 compared to Rs 52.9 million for the corresponding period last year.

Operating profit before impairment increased from Rs 20.2 million to Rs 42.3 million. This increase is mainly on the back of a fair value gain of Rs 12.7 million recorded by Fincorp on its investment portfolio as well as a drop of Rs 5.2 million in its financial charges in line with the declining interest rate environment. MCB Leasing Limited contributed a further Rs 2.2 million of this increase, reflecting a drop in operating expenses achieved by some cost-cutting measures in the midst of the exceptionally difficult economic context.

Net impairment charges amounted to Rs 6.1 million for the 6 months to December 31, 2020 compared to net recoveries of Rs 5.3 million for the corresponding period last year. MCB Leasing Limited was impacted by additional expected credit losses in line with continued uncertainties in the local economy as a result of the pandemic.

The share of profits of associates dropped from Rs 28.2 million last year to Rs 1.0 million in the current financial year. Caudan's results improved during the reporting period, contributing Rs 8.4 million to group

profits compared to Rs 0.4 million in the corresponding period last year. This improved performance can be attributed primarily to a better performance of the Security Services cluster. On the other hand, PAD's direct investments (excluding Caudan) and associates contributed to a loss of Rs 7.3 million this year compared to a profit of Rs 27.8 million last year due to the significant drop in its investment income.

PROSPECTS

The operating context remains challenging, with little visibility on the evolution of the situation going forward, especially in relation to the opening of our borders, the spread of the new variants of the coronavirus and continued lockdowns in many countries despite the progress made with the widening vaccination campaigns. Against this backdrop, we will continue to monitor the situation closely in order to preserve the financial soundness of the group.

By order of the Board

10 February 2021

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

Unaudited 31-Dec-20 Rs'000	Unaudited 31-Dec-19 Rs'000	Audited 30-Jun-20 Rs'000
665,161	691,155	670,862

2. Finance lease receivables

Receivable within one year and included in current assets

Receivable after one year

1,194,566	1,195,488	1,063,906
2,030,855	2,263,160	2,230,566
3,225,421	3,458,648	3,294,472

3. Operating expenses

Depreciation of assets under operating leases included in operating expenses

72,104	77,235	155,501
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4. Operating Segments

6 months to 31 December 2020

Segment revenue

Operating profit/(loss)

Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
232,758	227,275	5,483	-
36,233	36,579	(346)	-

6 months to 31 December 2019

Segment revenue

Operating profit

251,670	247,576	67,552	(63,458)
25,532	43,632	45,358	(63,458)

Year ended 30 June 2020

Segment revenue

Operating profit

487,742	479,215	71,985	(63,458)
26,158	54,480	35,136	(63,458)

5. Earnings/(loss) per share

Earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

The abridged unaudited interim consolidated financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2020.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies and restatements made.

Copies of the abridged unaudited interim consolidated financial statements are available to the public and can be obtained free of charge from the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.fincorp.mu

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of Fincorp Investment Limited accepts full responsibility for the accuracy of the information contained in this communiqué.