

Consolidated Statement of Financial Position

| | Unaudited 31-Mar-21 Rs'000 | Unaudited 31-Mar-20 (Restated) Rs'000 | Audited 30-Jun-20 Rs'000 |
|--|----------------------------------|--|--------------------------------|
| ASSETS EMPLOYED | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 18,898 | 22,291 | 21,294 |
| Plant and equipment ¹ | 723,772 | 699,458 | 674,034 |
| Investments in associates | 5,117,203 | 5,241,573 | 5,193,719 |
| Investment securities | 791,013 | 801,195 | 726,954 |
| Loan receivable | 362,201 | 327,037 | 342,937 |
| Finance lease receivables ² | 2,108,762 | 2,250,206 | 2,230,566 |
| Deposits with financial institutions | - | 57,176 | - |
| | 9,121,849 | 9,398,936 | 9,189,504 |
| CURRENT ASSETS | 1,292,815 | 1,639,272 | 1,796,107 |
| CURRENT LIABILITIES | (2,122,256) | (2,646,805) | (2,744,889) |
| NET CURRENT LIABILITIES | (829,441) | (1,007,533) | (948,782) |
| FINANCED BY | | | |
| Share capital | 103,355 | 103,355 | 103,355 |
| Retained earnings | 2,032,263 | 2,073,362 | 1,993,687 |
| Other components of equity | 3,513,751 | 3,525,421 | 3,579,782 |
| SHAREHOLDERS' INTERESTS | 5,649,369 | 5,702,138 | 5,676,824 |
| NON-CURRENT LIABILITIES | | | |
| Deposits from customers | 2,248,390 | 2,334,870 | 2,192,914 |
| Borrowings | 381,591 | 339,389 | 353,934 |
| Deferred tax liabilities | 13,058 | 15,006 | 17,050 |
| | 2,643,039 | 2,689,265 | 2,563,898 |
| | 8,292,408 | 8,391,403 | 8,240,722 |

Consolidated Statement of Profit or Loss

| | Unaudited Quarter to 31-Mar-21 Rs'000 | Unaudited Quarter to 31-Mar-20 Rs'000 | Unaudited 9 Months to 31-Mar-21 Rs'000 | Unaudited 9 Months to 31-Mar-20 Rs'000 | Audited Year to 30-Jun-20 Rs'000 |
|---|--|--|---|---|---|
| Revenue | 124,579 | 127,177 | 357,337 | 378,847 | 487,742 |
| Other income | 64,071 | 61,611 | 188,273 | 175,180 | 224,253 |
| Profit/(Loss) on exchange | 51 | (264) | (258) | (299) | (540) |
| Finance income | 68,332 | 68,389 | 190,850 | 206,490 | 269,060 |
| Finance costs | (38,173) | (54,826) | (130,388) | (165,894) | (218,106) |
| Operating expenses ³ | (55,725) | (61,577) | (167,635) | (181,916) | (238,791) |
| Operating profit before impairment | 38,556 | 13,333 | 80,842 | 33,561 | 35,876 |
| Net impairment of financial assets | (14,183) | (18,181) | (20,236) | (12,877) | (9,718) |
| Operating profit /(loss) | 24,373 | (4,848) | 60,606 | 20,684 | 26,158 |
| Share of losses of associates | (22,645) | (32,617) | (21,604) | (4,413) | (76,608) |
| Profit/(Loss) before tax | 1,728 | (37,465) | 39,002 | 16,271 | (50,450) |
| Income tax (expense)/credit | (5,744) | 1,885 | (3,668) | 1,080 | (965) |
| (Loss)/Profit attributable to equity holders of the parent | (4,016) | (35,580) | 35,334 | 17,351 | (51,415) |
| (Loss)/Earnings per share (Re.) ⁵ | (0.04) | (0.34) | 0.34 | 0.17 | (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-Mar-21 Rs'000 | Unaudited Quarter to 31-Mar-20 Rs'000 | Unaudited 9 Months to 31-Mar-21 Rs'000 | Unaudited 9 Months to 31-Mar-20 Rs'000 | Audited Year to 30-Jun-20 Rs'000 |
|---|--|--|---|---|---|
| (Loss)/Profit attributable to equity holders of the parent | (4,016) | (35,580) | 35,334 | 17,351 | (51,415) |
| Other comprehensive expense: | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Net fair value gain/(loss) on equity investments | - | 18,000 | (7,877) | 31,500 | 50,625 |
| Share of other comprehensive expense of associates | (75,974) | (410,169) | (55,481) | (281,909) | (254,711) |
| | (75,974) | (392,169) | (63,358) | (250,409) | (204,086) |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Share of other comprehensive income/(expense) of associates | 556 | 21 | 569 | 44 | (26) |
| | 556 | 21 | 569 | 44 | (26) |
| Other comprehensive expense for the period | (75,418) | (392,148) | (62,789) | (250,365) | (204,112) |
| Total comprehensive expense attributable to equity holders of the parent | (79,434) | (427,728) | (27,455) | (233,014) | (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 | - | - | 17,351 | - | - | - | 17,351 |
| Other comprehensive expense for the period | - | - | (96) | - | (250,269) | - | (250,365) |
| Total comprehensive income/(expense) for the period | - | - | 17,255 | - | (250,269) | - | (233,014) |
| Share of transfer by associate | - | - | 10,446 | - | (10,446) | - | - |
| Share of other movements in reserves of associate | - | - | 8,388 | - | (7,410) | - | 978 |
| Dividends | - | - | (62,013) | - | - | - | (62,013) |
| Dividends to non-cumulative preference shareholders | - | - | (11,000) | - | - | - | (11,000) |
| At 31 March 2020 | 103,355 | 200,000 | 2,073,362 | 610,428 | 2,605,816 | 109,177 | 5,702,138 |
| 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 | - | - | 35,334 | - | - | - | 35,334 |
| Other comprehensive income/(expense) for the period | - | - | - | 15,081 | (77,870) | - | (62,789) |
| Total comprehensive income/(expense) for the period | - | - | 35,334 | 15,081 | (77,870) | - | (27,455) |
| Share of other movements in reserves of associate | - | - | 3,242 | - | (3,242) | - | - |
| At 31 March 2021 | 103,355 | 200,000 | 2,032,263 | 625,509 | 2,571,015 | 117,227 | 5,649,369 |

Consolidated Statement of Cash Flows

| | Unaudited 9 Months to 31-Mar-21 | Unaudited 9 Months to 31-Mar-20 | Audited Year to 30-Jun-20 |
|---|--|---------------------------------------|---------------------------------|
| | Rs'000 | Rs'000 | Rs'000 |
| Net cash flows (used in)/from operating activities | (766,791) | 724,565 | 885,491 |
| Income tax paid | (3,155) | (2,042) | (3,264) |
| Investing activities | (12,052) | (363,349) | (374,384) |
| Net cash flows before financing activities | (781,998) | 359,174 | 507,843 |
| Financing activities | | | |
| Net increase/(decrease) in borrowings | 367,378 | (107,705) | (113,680) |
| Dividends paid | - | (73,013) | (73,013) |
| Net cash flows from/(used in) financing activities | 367,378 | (180,718) | (186,693) |
| (Decrease)/Increase in cash and cash equivalents | (414,620) | 178,456 | 321,150 |
| Net cash and cash equivalents brought forward | (249,606) | (570,756) | (570,756) |
| Net cash and cash equivalents carried forward | (664,226) | (392,300) | (249,606) |

RESULTS

Fincorp posted a consolidated profit after tax of Rs 35.3 million for the nine months period ended March 31, 2021 compared to Rs 17.4 million for the corresponding period last year.

Operating profit before impairment increased from Rs 33.6 million to Rs 80.8 million. This increase is mainly on the back of a fair value gain of Rs 22.0 million recorded by Fincorp on its investment portfolio as well as a drop of Rs 7.2 million in its finance charges in line with the declining interest rate environment. MCB Leasing Limited contributed a further Rs 18.1 million of this increase, reflecting an improvement in net interest margins as well as 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 20.2 million for the 9 months to March 31, 2021 compared to Rs 12.9 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 as well as a deterioration in credit quality giving rise to additional specific provisions booked this quarter.

The share of losses of associates increased from Rs 4.4 million last year to Rs 21.6 million in the current financial year. Caudan's results improved during the reporting period, contributing Rs 5.7 million to group profits compared to Rs 2.8 million in the corresponding period last year. This improved performance can be attributed primarily to lower financing charges resulting from a drop in interest rate. On the other hand, PAD's direct investments (excluding Caudan) and associates contributed to a loss of Rs 27.4 million this year compared to a loss of Rs 7.2 million last year due to the significant drop in its investment income.

PROSPECTS

Looking ahead, global economic outlook has improved amidst progress of the vaccination rollout and gradual removal of lockdown restrictions in a number of countries. The operating context locally is likely to remain challenging with the impact of the recent lockdown expected to be moderate. The pace of the recovery will critically hinge on the easing of travel and border restrictions, which remains dependent on the implementation of the vaccination programme.

By order of the Board

12 May 2021

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

| Unaudited 31-Mar-21 Rs'000 | Unaudited 31-Mar-20 Rs'000 | Audited 30-Jun-20 Rs'000 |
|----------------------------------|----------------------------------|--------------------------------|
| 720,977 | 696,187 | 670,862 |

2. Finance lease receivables

Receivable within one year and included in current assets

Receivable after one year

| | | |
|-----------|-----------|-----------|
| 1,118,227 | 1,158,375 | 1,063,906 |
| 2,108,762 | 2,250,206 | 2,230,566 |
| 3,226,989 | 3,408,581 | 3,294,472 |

3. Operating expenses

Depreciation of assets under operating leases included in operating expenses

| | | |
|---------|---------|---------|
| 110,600 | 117,304 | 155,501 |
|---------|---------|---------|

4. Operating Segments

9 months to 31 Mar 2021

Segment revenue

Operating profit

| Group Rs'000 | Leasing Rs'000 | Investing Rs'000 | Eliminations Rs'000 |
|-----------------|-------------------|---------------------|------------------------|
| 357,337 | 349,920 | 7,417 | - |
| 60,606 | 57,567 | 3,039 | - |

9 months to 31 Mar 2020

Segment revenue

Operating profit

| | | | |
|---------|---------|--------|----------|
| 378,847 | 372,690 | 69,615 | (63,458) |
| 20,684 | 45,025 | 39,117 | (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. (Loss)/Earnings per share

(Loss)/Earnings per share is calculated by dividing the (loss)/profit 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.