

Abridged consolidated statement of financial position as at 31 March 2022

	Unaudited 31-Mar-22 Rs'000	Unaudited 31-Mar-21 Rs'000	Audited 30-Jun-21 Rs'000
ASSETS			
Cash and cash equivalents	143,619	58,463	55,694
Net lease receivables ²	3,056,915	3,226,989	3,151,121
Loan receivable	-	362,201	386,282
Investment securities	893,106	791,013	828,630
Investments in associates	6,375,921	5,117,203	6,032,764
Plant and equipment ¹	856,398	723,772	722,473
Intangible assets	6,095	18,898	11,830
Current tax assets	8,837	6,282	191
Other assets	97,768	110,028	56,949
Total assets	11,438,659	10,414,849	11,245,934
LIABILITIES			
Deposits from customers	3,646,855	3,453,817	3,395,373
Borrowings	664,232	1,188,467	1,175,917
Current tax liabilities	-	-	4,917
Deferred tax liabilities	16,270	13,058	14,637
Other liabilities	84,813	110,138	69,214
Total liabilities	4,412,170	4,765,480	4,660,058
SHAREHOLDERS' EQUITY			
Share capital	103,355	103,355	103,355
Retained earnings	2,406,886	2,032,263	2,139,113
Other components of equity	4,516,248	3,513,751	4,343,408
Total equity	7,026,489	5,649,369	6,585,876
Total equity and liabilities	11,438,659	10,414,849	11,245,934

Abridged consolidated statement of profit or loss for the period ended 31 March 2022

	Unaudited Quarter to 31-Mar-22 Rs'000	Unaudited Quarter to 31-Mar-21 Rs'000	Unaudited 9 months to 31-Mar-22 Rs'000	Unaudited 9 months to 31-Mar-21 Rs'000	Audited Year to 30-Jun-21 Rs'000
Interest income	53,173	68,332	167,524	190,850	249,036
Interest expense	(34,105)	(38,173)	(107,481)	(130,388)	(166,880)
Net interest income	19,068	30,159	60,043	60,462	82,156
Fee and commission income	2,464	2,558	8,788	8,600	11,505
Other income	51,224	61,564	172,653	179,415	269,583
Operating income	72,756	94,281	241,484	248,477	363,244
Non-interest expense ³	(66,467)	(55,725)	(192,513)	(167,635)	(231,576)
Operating profit before impairment	6,289	38,556	48,971	80,842	131,668
Net impairment of financial assets	(11,086)	(14,183)	(9,584)	(20,236)	(18,680)
Operating (loss)/profit	(4,797)	24,373	39,387	60,606	112,988
Share of (losses)/profits of associates	(12,377)	(22,645)	165,160	(21,604)	64,442
(Loss)/Profit before tax	(17,174)	1,728	204,547	39,002	177,430
Income tax expense	(629)	(5,744)	(9,243)	(3,668)	(13,108)
(Loss)/Profit attributable to equity holders of the parent	(17,803)	(4,016)	195,304	35,334	164,322

Abridged consolidated statement of other comprehensive income for the period ended 31 March 2022

	Unaudited Quarter to 31-Mar-22 Rs'000	Unaudited Quarter to 31-Mar-21 Rs'000	Unaudited 9 months to 31-Mar-22 Rs'000	Unaudited 9 months to 31-Mar-21 Rs'000	Audited Year to 30-Jun-21 Rs'000
(Loss)/Profit attributable to equity holders of the parent	(17,803)	(4,016)	195,304	35,334	164,322
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss	152,868	(75,974)	311,564	(63,358)	782,846
Items that may be reclassified subsequently to profit or loss	74	556	50	569	(29)
Other comprehensive income/(expense) for the period	152,942	(75,418)	311,614	(62,789)	782,817
Total comprehensive income/(expense) attributable to equity holders of the parent	135,139	(79,434)	506,918	(27,455)	947,139
(Loss)/Earnings per share (Rs.) ⁵	(0.17)	(0.04)	1.89	0.34	1.59
Number of shares in issue (thousands)	103,355	103,355	103,355	103,355	103,355

Abridged consolidated statement of changes in equity for the period ended 31 March 2022

	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 Equity Rs'000
At 01 July 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)
Other movements in reserves	-	-	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
At 01 July 2020	103,355	200,000	1,993,687	610,428	2,652,127	117,227	5,676,824
Profit for the year	-	-	164,322	-	-	-	164,322
Other comprehensive income for the year	-	-	245	663,895	118,677	-	782,817
Total comprehensive income for the year	-	-	164,567	663,895	118,677	-	947,139
Dividends to non-cumulative preference shareholders	-	-	(22,000)	-	-	-	(22,000)
Transactions with owners	-	-	(22,000)	-	-	-	(22,000)
Other movements in reserves	-	-	2,859	-	(28,030)	9,084	(16,087)
At 30 June 2021	103,355	200,000	2,139,113	1,274,323	2,742,774	126,311	6,585,876
Profit for the period	-	-	195,304	-	-	-	195,304
Other comprehensive income for the period	-	-	-	72,727	238,887	-	311,614
Total comprehensive income for the period	-	-	195,304	72,727	238,887	-	506,918
Dividends to ordinary shareholders	-	-	(62,013)	-	-	-	(62,013)
Transactions with owners	-	-	(62,013)	-	-	-	(62,013)
Other movements in reserves	-	-	134,482	(140,087)	1,313	-	(4,292)
At 31 March 2022	103,355	200,000	2,406,886	1,206,963	2,982,974	126,311	7,026,489

Abridged consolidated statement of cash flows for the period ended 31 March 2022

	Unaudited 9 Months to 31-Mar-22 Rs'000	Unaudited 9 Months to 31-Mar-21 Rs'000	Audited Year to 30-Jun-21 Rs'000
Net cash flows from other operating activities	164,818	(766,791)	(433,277)
Income tax paid	(21,173)	(3,155)	(9)
Net cash flows from operating activities	143,645	(769,946)	(433,286)
Net cash flows from investing activities	(254,585)	(12,052)	15,613
Net cash flows from financing activities	219,575	367,378	62,371
Increase/(Decrease) in cash and cash equivalents	108,635	(414,620)	(355,302)
Net cash and cash equivalents brought forward	(604,908)	(249,606)	(249,606)
Net cash and cash equivalents carried forward	(496,273)	(664,226)	(604,908)

RESULTS

FinCorp's consolidated profit after tax increased significantly from Rs 35.3 million to Rs 195.3 million for the nine months to March 31, 2022 on account of the much improved financial performance of its associates.

Operating profit before impairment decreased from Rs 80.8 million to Rs 49.0 million as:

- operating income fell by Rs 7.0 million to Rs 241.5 million despite an encouraging increase in operating lease income, mainly due to a lower fair value gain recorded by FinCorp on its investment portfolio, down by Rs 13.4 million; and
- non-interest expense witnessed an increase of Rs 24.9 million to Rs 192.5 million resulting from a higher depreciation charge on the operating lease assets as well as an accelerated amortisation of the Core Leasing Software.

MCB Leasing Limited recorded impairment charges of Rs 9.6 million for the nine months to March 31, 2022 compared with a charge of Rs 20.2 million for the corresponding period last year.

The share of profits of associates improved significantly from a loss of Rs 21.6 million to a positive contribution of Rs 165.1 million for the nine months of this financial year as a result of higher investment income generated by PAD and a strong performance by Medine arising from increased sale of land alongside improved performances in operating activities.

The tax charge for the year amounted to Rs 9.2 million compared with Rs 3.7 million in the corresponding period of last year following the abolition of partial exemption provisions on interest income.

PROSPECTS

The operating context remains uncertain due to the impact of the Ukraine/Russia conflict on an already fragile post Covid global economic recovery. The economic environment will remain challenging with its recovery dependent upon the evolution of the global macro-economic parameters, the performance of the tourism industry and the ramifications of rising inflation. Looking ahead, the Group's performance is expected to remain resilient across all operations despite the uncertain outlook.

By order of the Board
11 May 2022

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

Unaudited 31-Mar-22 Rs'000	Unaudited 31-Mar-21 Rs'000	Audited 30-Jun-21 Rs'000
854,388	720,977	719,971

2. Net lease receivables

Receivable within one year
Receivable after one year

915,845	1,118,227	1,103,122
2,141,070	2,108,762	2,047,999
3,056,915	3,226,989	3,151,121

3. Non-interest expense

Depreciation of assets under operating leases included under the above caption

129,582	110,600	143,105
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4. Operating segments

9 months to 31 March 2022

Gross income
Operating profit

Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
348,965	337,087	96,913	(85,035)
39,387	51,468	72,954	(85,035)

9 months to 31 March 2021

Gross income
Operating profit

378,865	349,755	29,110	-
60,606	57,567	3,039	-

Year ended 30 June 2021

Gross income
Operating profit

530,124	456,023	92,145	(18,044)
112,988	73,667	57,365	(18,044)

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 2021.

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.