

Consolidated Statement of Financial Position

| | Unaudited 31-Mar-20 Rs'000 | Unaudited 31-Mar-19 Rs'000 | Audited 30-Jun-19 Rs'000 |
|--|----------------------------------|----------------------------------|--------------------------------|
| ASSETS EMPLOYED | | | |
| NON-CURRENT ASSETS | | | |
| Intangible assets | 22,291 | 25,275 | 24,706 |
| Property, plant and equipment ¹ | 699,458 | 674,575 | 694,910 |
| Investments in associates | 5,013,217 | 5,228,452 | 5,374,078 |
| Investment securities | 801,195 | 661,529 | 521,439 |
| Loan receivable | 327,037 | 298,955 | 308,868 |
| Finance lease receivables ² | 2,250,206 | 2,288,230 | 2,214,331 |
| Deposits with financial institutions | 57,176 | 110,307 | 55,842 |
| | 9,170,580 | 9,287,323 | 9,194,174 |
| CURRENT ASSETS | 1,639,272 | 1,358,141 | 1,592,522 |
| CURRENT LIABILITIES | (2,646,805) | (1,461,318) | (1,535,123) |
| NET CURRENT (LIABILITIES)/ASSETS | (1,007,533) | (103,177) | 57,399 |
| | 8,163,047 | 9,184,146 | 9,251,573 |
| FINANCED BY | | | |
| Share capital | 103,355 | 103,355 | 103,355 |
| Retained earnings | 2,073,362 | 1,953,036 | 2,110,286 |
| Other components of equity | 3,297,065 | 3,586,050 | 3,565,190 |
| SHAREHOLDERS' INTERESTS | 5,473,782 | 5,642,441 | 5,778,831 |
| NON-CURRENT LIABILITIES | | | |
| Deposits | 2,334,870 | 3,191,624 | 3,122,089 |
| Borrowings | 339,389 | 332,771 | 334,414 |
| Deferred tax liabilities | 15,006 | 17,310 | 16,239 |
| | 2,689,265 | 3,541,705 | 3,472,742 |
| | 8,163,047 | 9,184,146 | 9,251,573 |

RESULTS

Fincorp posted a consolidated profit after tax amounting to Rs 17.3 million for the nine months period ended March 31, 2020 compared to Rs 58.6 million for the corresponding period last year.

The operating profit before taking into consideration the share of profits of associates declined from Rs 39.7 million to Rs 20.7 million in view of the inferior performance of MCB Leasing Limited (previously Finlease Company Limited). This was mainly driven by expected credit losses of Rs 13 million charged on its performing lease portfolio during the last quarter of the current reporting period, as a result of our forward-looking assessment of the impact of the Covid-19 pandemic on its operations.

The Company's associates also performed below par, contributing to a loss of Rs 4.4 million to the group results compared to a profit of Rs 32.3 million for the corresponding period last year. This was mainly due to losses incurred by Medine resulting from lower land sales amidst a difficult operating environment characterising the sugar industry. Caudan's results were also adversely affected by higher financing costs linked to its phase 3, which has not yet reached cruising speed.

PROSPECTS

The outbreak of Covid-19 will have significant adverse consequences for Mauritius and the different sectors of the economy. The full extent of the impact of this pandemic is difficult to assess at this stage since it is dependent upon the duration and the magnitude of the economic slowdown. Accordingly, the results for the full year ending June 30, 2020 are expected to be significantly lower than the previous year. The Board will continue to monitor the situation closely and take necessary measures to address these challenges in the best possible manner.

By order of the Board
8 June 2020

Notes

| | Unaudited 31-Mar-20 Rs'000 | Unaudited 31-Mar-19 Rs'000 | Audited 30-Jun-19 Rs'000 |
|--|----------------------------------|----------------------------------|--------------------------------|
| 1. Property, Plant and Equipment | | | |
| Assets under operating leases included under the above caption | 696,187 | 673,307 | 693,753 |
| 2. Finance Lease Receivables | | | |
| Receivable within one year and included in current assets | 1,158,375 | 1,180,199 | 1,264,845 |
| Receivable after one year | 2,250,206 | 2,288,230 | 2,214,331 |
| | 3,408,581 | 3,468,429 | 3,479,176 |
| 3. Operating Expenses | | | |
| Depreciation of assets under operating leases included in operating expenses | 117,304 | 102,879 | 134,918 |

Consolidated Statement of Profit or Loss

| | Unaudited Quarter to 31-Mar-20 Rs'000 | Unaudited Quarter to 31-Mar-19 Rs'000 | Unaudited 9 Months to 31-Mar-20 Rs'000 | Unaudited 9 Months to 31-Mar-19 Rs'000 | Audited Year to 30-Jun-19 Rs'000 |
|---|--|--|---|---|---|
| Revenue | 127,177 | 125,913 | 378,847 | 367,053 | 501,423 |
| Other income | 61,611 | 51,726 | 175,180 | 155,635 | 220,318 |
| (Loss)/profit on exchange | (264) | 43 | (299) | 309 | 68 |
| Finance income | 68,389 | 73,011 | 206,490 | 212,670 | 281,812 |
| Finance costs | (54,826) | (53,953) | (165,894) | (164,187) | (218,466) |
| Operating expenses ³ | (61,577) | (54,001) | (181,916) | (157,577) | (209,374) |
| Operating profit before impairment | 13,333 | 16,826 | 33,561 | 46,850 | 74,358 |
| Net impairment of financial assets | (18,181) | 703 | (12,877) | (7,129) | (6,105) |
| Operating (loss)/profit | (4,848) | 17,529 | 20,684 | 39,721 | 68,253 |
| Share of (losses)/profits of associates | (32,617) | (4,963) | (4,413) | 32,319 | 152,044 |
| (Loss)/profit before tax | (37,465) | 12,566 | 16,271 | 72,040 | 220,297 |
| Income tax credit/(expense) | 1,885 | (8,261) | 1,080 | (13,431) | (7,323) |
| (Loss)/profit attributable to equity holders of the parent | (35,580) | 4,305 | 17,351 | 58,609 | 212,974 |
| (Loss)/earnings per share (Rs.) ⁵ | (0.34) | 0.04 | 0.17 | 0.57 | 2.06 |
| 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-20 Rs'000 | Unaudited Quarter to 31-Mar-19 Rs'000 | Unaudited 9 Months to 31-Mar-20 Rs'000 | Unaudited 9 Months to 31-Mar-19 Rs'000 | Audited Year to 30-Jun-19 Rs'000 |
|--|--|--|---|---|---|
| (Loss)/profit attributable to equity holders of the parent | (35,580) | 4,305 | 17,351 | 58,609 | 212,974 |
| Other comprehensive (expense)/income: | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Net fair value gain/(loss) on equity investments | 18,000 | - | 31,500 | (28,350) | (72,225) |
| Share of other comprehensive (expense)/income of associates | (410,169) | 42,761 | (281,909) | 52,912 | 69,138 |
| | (392,169) | 42,761 | (250,409) | 24,562 | (3,087) |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Share of other comprehensive income of associates | 21 | 301 | 44 | 903 | 4,441 |
| Other comprehensive (expense)/income for the period | (392,148) | 43,062 | (250,365) | 25,465 | 1,354 |
| Total comprehensive (expense)/income attributable to equity holders of the parent | (427,728) | 47,367 | (233,014) | 84,074 | 214,328 |

4. Operating Segments

| | Group Rs'000 | Leasing Rs'000 | Investing Rs'000 | Eliminations Rs'000 |
|--------------------------------|-----------------|-------------------|---------------------|------------------------|
| <i>9 months to 31 Mar 2020</i> | | | | |
| Segment revenue | 378,847 | 372,690 | 69,615 | (63,458) |
| Operating profit | 20,684 | 45,025 | 39,117 | (63,458) |
| <i>9 months to 31 Mar 2019</i> | | | | |
| Segment revenue | 367,053 | 360,970 | 66,834 | (60,751) |
| Operating profit | 39,721 | 66,092 | 34,380 | (60,751) |
| <i>Year ended 30 June 2019</i> | | | | |
| Segment revenue | 501,423 | 485,903 | 128,360 | (112,840) |
| Operating profit | 68,253 | 97,365 | 83,728 | (112,840) |

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.

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 1 July 2018 | 103,355 | 200,000 | 1,902,231 | 377,792 | 2,944,193 | 95,584 | 5,623,155 |
| Profit for the period | - | - | 58,609 | - | - | - | 58,609 |
| Other comprehensive income for the period | - | - | 78 | 903 | 24,484 | - | 25,465 |
| Total comprehensive income for the period | - | - | 58,687 | 903 | 24,484 | - | 84,074 |
| Share of transfer by associate | - | - | 54,131 | - | (54,131) | - | - |
| Share of other movements in reserves of associate | - | - | - | - | (2,775) | - | (2,775) |
| Dividends | - | - | (62,013) | - | - | - | (62,013) |
| | 103,355 | 200,000 | 1,953,036 | 378,695 | 2,911,771 | 95,584 | 5,642,441 |
| At 31 March 2019 | 103,355 | 200,000 | 1,902,231 | 377,792 | 2,944,193 | 95,584 | 5,623,155 |
| Profit for the year | - | - | 212,974 | - | - | - | 212,974 |
| Other comprehensive income/(expense) for the year | - | - | 68 | 4,280 | (2,994) | - | 1,354 |
| Total comprehensive income/(expense) for the year | - | - | 213,042 | 4,280 | (2,994) | - | 214,328 |
| Share of transfer by associate | - | - | 64,479 | - | (64,479) | - | - |
| Effect of employee share options exercised in associate | - | - | 6,804 | - | - | - | 6,804 |
| Share of other movements in reserves of associate | - | - | - | - | (2,779) | - | (2,779) |
| Share of impact of change in shareholding in associates | - | - | (664) | - | - | - | (664) |
| Dividends | - | - | (62,013) | - | - | - | (62,013) |
| Transfer to statutory reserve | - | - | (13,593) | - | - | 13,593 | - |
| | 103,355 | 200,000 | 2,110,286 | 382,072 | 2,873,941 | 109,177 | 5,778,831 |
| At 30 June 2019 | 103,355 | 200,000 | 2,110,286 | 382,072 | 2,873,941 | 109,177 | 5,778,831 |
| 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) |
| | 103,355 | 200,000 | 2,073,362 | 382,072 | 2,605,816 | 109,177 | 5,473,782 |
| At 31 March 2020 | 103,355 | 200,000 | 2,073,362 | 382,072 | 2,605,816 | 109,177 | 5,473,782 |

Consolidated Statement of Cash Flows

| | Unaudited 9 Months to 31-Mar-20 Rs'000 | Unaudited 9 Months to 31-Mar-19 Rs'000 | Audited Year to 30-Jun-19 Rs'000 |
|---|---|---|---|
| Net cash flows from operating activities | 724,565 | 308,414 | 303,690 |
| Income tax paid | (2,042) | (17,365) | (22,510) |
| Investing activities | (363,349) | (377,266) | (333,996) |
| Net cash flows before financing activities | 359,174 | (86,217) | (52,816) |
| Financing activities | | | |
| Net decrease in borrowings | (107,705) | (107,316) | (166,117) |
| Dividends paid | (73,013) | (62,013) | (62,013) |
| Net cash flows used in financing activities | (180,718) | (169,329) | (228,130) |
| Increase/(decrease) in cash and cash equivalents | 178,456 | (255,546) | (280,946) |
| Net cash and cash equivalents brought forward | (570,756) | (289,810) | (289,810) |
| Net cash and cash equivalents carried forward | (392,300) | (545,356) | (570,756) |

The abridged unaudited interim consolidated financial statement 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 2019.

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

Copies of the abridged unaudited interim consolidated financial statement 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.