

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 |

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

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) |

Notes

| | Unaudited 31-Dec-20 Rs'000 | Unaudited 31-Dec-19 Rs'000 | Audited 30-Jun-20 Rs'000 |
|--|----------------------------------|----------------------------------|--------------------------------|
| 1. Plant and equipment | | | |
| Assets under operating leases included under the above caption | 665,161 | 691,155 | 670,862 |
| 2. Finance lease receivables | | | |
| Receivable within one year and included in current assets | 1,194,566 | 1,195,488 | 1,063,906 |
| Receivable after one year | 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 |

4. Operating Segments

| | Group Rs'000 | Leasing Rs'000 | Investing Rs'000 | Eliminations Rs'000 |
|-------------------------------------|-----------------|-------------------|---------------------|------------------------|
| 6 months to 31 December 2020 | | | | |
| Segment revenue | 232,758 | 227,275 | 5,483 | - |
| Operating profit/(loss) | 36,233 | 36,579 | (346) | - |
| 6 months to 31 December 2019 | | | | |
| Segment revenue | 251,670 | 247,576 | 67,552 | (63,458) |
| Operating profit | 25,532 | 43,632 | 45,358 | (63,458) |
| Year ended 30 June 2020 | | | | |
| Segment revenue | 487,742 | 479,215 | 71,985 | (63,458) |
| Operating profit | 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.

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) |

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.