

Abridged consolidated statement of financial position as at 31 December 2022

	Unaudited 31-Dec-22 Rs'000	Unaudited 31-Dec-21 Rs'000	Audited 30-Jun-22 Rs'000
ASSETS			
Cash and cash equivalents	60,215	56,212	45,396
Net lease receivables ²	3,027,513	3,164,239	3,043,058
Investment securities	867,129	841,710	884,796
Investments in associates	6,520,535	6,288,232	6,476,188
Plant and equipment ¹	1,052,162	855,486	890,181
Intangible assets	15,317	6,146	19,038
Current tax assets	6,069	3,454	12,248
Other assets	165,634	98,705	60,739
Total assets	11,714,574	11,314,184	11,431,644
LIABILITIES			
Deposits from customers	3,582,409	3,556,164	3,591,079
Borrowings	807,520	780,035	668,245
Deferred tax liabilities	18,800	13,937	18,800
Other liabilities	100,507	72,698	62,361
Total liabilities	4,509,236	4,422,834	4,340,485
SHAREHOLDERS' EQUITY			
Share capital	103,355	103,355	103,355
Retained earnings	2,600,990	2,423,951	2,543,804
Other components of equity	4,500,993	4,364,044	4,444,000
Total equity	7,205,338	6,891,350	7,091,159
Total equity and liabilities	11,714,574	11,314,184	11,431,644

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

	Unaudited Quarter to 31-Dec-22 Rs'000	Unaudited Quarter to 31-Dec-21 Rs'000	Unaudited 6 months to 31-Dec-22 Rs'000	Unaudited 6 months to 31-Dec-21 Rs'000	Audited Year to 30-Jun-22 Rs'000
Interest income	47,296	58,247	98,395	114,351	219,092
Interest expense	(37,008)	(35,583)	(70,383)	(73,376)	(141,606)
Net interest income	10,288	22,664	28,012	40,975	77,486
Fee and commission income	3,978	2,931	7,076	6,324	11,885
Other income	63,858	59,613	119,819	121,429	220,796
Operating income	78,124	85,208	154,907	168,728	310,167
Non-interest expense ³	(78,777)	(65,612)	(147,744)	(126,046)	(269,421)
Operating (loss)/profit before impairment	(653)	19,596	7,163	42,682	40,746
Net impairment of financial assets	1,680	1,138	11,358	1,502	(1,991)
Operating Profit	1,027	20,734	18,521	44,184	38,755
Share of profits of associates	26,066	136,669	106,045	177,537	300,901
Profit before tax	27,093	157,403	124,566	221,721	339,656
Income tax expense	(2,983)	(4,602)	(8,396)	(8,614)	(12,960)
Profit attributable to equity holders of the parent	24,110	152,801	116,170	213,107	326,696

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

	Unaudited Quarter to 31-Dec-22 Rs'000	Unaudited Quarter to 31-Dec-21 Rs'000	Unaudited 6 months to 31-Dec-22 Rs'000	Unaudited 6 months to 31-Dec-21 Rs'000	Audited Year to 30-Jun-22 Rs'000
Profit attributable to equity holders of the parent	24,110	152,801	116,170	213,107	326,696
Other comprehensive income:					
Items that will not be reclassified to profit or loss	78,758	45,956	60,702	158,696	253,809
Items that may be reclassified subsequently to profit or loss	(195)	(76)	470	(24)	(400)
Other comprehensive income for the period	78,563	45,880	61,172	158,672	253,409
Total comprehensive income attributable to equity holders of the parent	102,673	198,681	177,342	371,779	580,105
Earnings per share (Rs.) ⁵	0.23	1.48	1.12	2.06	3.16
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 December 2022

	Share Capital	Capital Contribution	Retained Earnings	Capital Reserve	Revaluation & Other Reserve	Statutory Reserve	Total Equity
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
At 1 July 2021	103,355	200,000	2,139,113	1,274,323	2,742,774	126,311	6,585,876
Profit for the period	-	-	213,107	-	-	-	213,107
Other comprehensive income for the period	-	-	-	72,907	85,765	-	158,672
Total comprehensive income for the period	-	-	213,107	72,907	85,765	-	371,779
Dividends to ordinary shareholders	-	-	(62,013)	-	-	-	(62,013)
Transactions with owners	-	-	(62,013)	-	-	-	(62,013)
Other movements in reserves	-	-	133,744	(139,349)	1,313	-	(4,292)
At 31 December 2021	103,355	200,000	2,423,951	1,207,881	2,829,852	126,311	6,891,350
At 1 July 2021	103,355	200,000	2,139,113	1,274,323	2,742,774	126,311	6,585,876
Profit for the year	-	-	326,696	-	-	-	326,696
Other comprehensive (expense)/income for the year	-	-	(170)	135,191	118,388	-	253,409
Total comprehensive income for the year	-	-	326,526	135,191	118,388	-	580,105
Dividends to ordinary shareholders	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
Transactions with owners	-	-	(73,013)	-	-	-	(73,013)
Other movements in reserves	-	-	151,178	(162,350)	87	9,276	(1,809)
At 30 June 2022	103,355	200,000	2,543,804	1,247,164	2,861,249	135,587	7,091,159
Profit for the period	-	-	116,170	-	-	-	116,170
Other comprehensive (expense)/income for the period	-	-	-	(8,405)	69,577	-	61,172
Total comprehensive income/(expense) for the period	-	-	116,170	(8,405)	69,577	-	177,342
Dividends to ordinary shareholders	-	-	(62,013)	-	-	-	(62,013)
Transactions with owners	-	-	(62,013)	-	-	-	(62,013)
Other movements in reserves	-	-	3,029	(4,179)	-	-	(1,150)
At 31 December 2022	103,355	200,000	2,600,990	1,234,580	2,930,826	135,587	7,205,338

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

	Unaudited 6 Months to 31-Dec-22 Rs'000	Unaudited 6 Months to 31-Dec-21 Rs'000	Audited Year to 30-Jun-22 Rs'000
Net cash flows from other operating activities	163,590	(140,392)	515,318
Income tax paid	(2,217)	(17,494)	(25,771)
Net cash flows from operating activities	161,373	(157,886)	489,547
Net cash flows from investing activities	(223,816)	(211,299)	80,842
Net cash flows from financing activities	122,284	342,720	(567,664)
Increase/(Decrease) in cash and cash equivalents	59,841	(26,465)	2,725
Net cash and cash equivalents brought forward	(602,183)	(604,908)	(604,908)
Net cash and cash equivalents carried forward	(542,342)	(631,373)	(602,183)

RESULTS

Fincorp Investment Limited (“Fincorp”) posted a consolidated profit after tax amounting to Rs 116.2 million for the half year to December 31, 2022, down by 45.5% compared to the corresponding period last year (2021: Rs 213.1 million).

Operating profit decreased from Rs 44.2 million to Rs 18.5 million mainly as a result of the fair value losses recorded on its listed equity investments amounting to Rs 19.1 million compared to a fair value gain of Rs 9.7 million last year. The profit of Fincorp’s only subsidiary, MCB Leasing Limited, dropped marginally by 1.8% to Rs 38.7 million with NPL rate and provision coverage remaining stable at 3.1% and 73.4% respectively.

The contribution of the Company’s associates dropped from Rs 177.5 million to Rs 106.0 million on the back of lower profits derived from the sale of land by Medine.

As a result, Fincorp posted a consolidated profit before tax of Rs 124.6 million for the current period against Rs 221.7 million last year.

PROSPECTS

The economic environment in Mauritius continues its recovery amid some key challenges linked to the persistently high inflation, increasing interest rates and uncertain evolution of the global economy. As such, we will continue to pursue our business development diligently, with a focus on operational efficiencies and resilience in order to deliver sustainable value to our shareholders.

By order of the Board
13 February 2023

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

Unaudited 31-Dec-22 Rs'000	Unaudited 31-Dec-21 Rs'000	Audited 30-Jun-22 Rs'000
1,049,758	853,237	887,312

2. Net lease receivables

Receivable within one year
Receivable after one year

952,145	947,224	973,270
2,075,368	2,217,015	2,069,788
3,027,513	3,164,239	3,043,058

3. Non-interest expense

Depreciation of assets under operating leases included under the above caption

100,558	82,138	176,202
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4. Operating segments

6 months to 31 December 2022

Gross income
Operating profit

Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
225,290	235,527	86,940	(97,177)
18,521	47,046	68,652	(97,177)

6 months to 31 December 2021

Gross income
Operating profit

242,104	229,164	97,975	(85,035)
44,184	47,932	81,287	(85,035)

Year ended 30 June 2022

Gross income
Operating profit

451,773	456,177	98,675	(103,079)
38,755	74,719	67,115	(103,079)

5. Earnings per share

Earnings per share is calculated by dividing the 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 2022.

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.