

Abridged consolidated statement of financial position as at 31 March 2023

	Unaudited 31-Mar-23 Rs'000	Unaudited 31-Mar-22 Rs'000	Audited 30-Jun-22 Rs'000
ASSETS			
Cash and cash equivalents	27,442	143,619	45,396
Net lease receivables ²	3,125,139	3,056,915	3,043,058
Investment securities	953,276	893,106	884,796
Investments in associates	6,515,321	6,375,921	6,476,188
Plant and equipment ¹	1,126,284	856,398	890,181
Intangible assets	17,608	6,095	19,038
Current tax assets	2,856	8,837	12,248
Other assets	100,907	97,768	60,739
Total assets	11,868,833	11,438,659	11,431,644
LIABILITIES			
Deposits from customers	3,763,090	3,646,855	3,591,079
Borrowings	717,449	664,232	668,245
Deferred tax liabilities	18,800	16,270	18,800
Other liabilities	103,186	84,813	62,361
Total liabilities	4,602,525	4,412,170	4,340,485
SHAREHOLDERS' EQUITY			
Share capital	103,355	103,355	103,355
Retained earnings	2,641,041	2,406,886	2,543,804
Other components of equity	4,521,912	4,516,248	4,444,000
Total equity	7,266,308	7,026,489	7,091,159
Total equity and liabilities	11,868,833	11,438,659	11,431,644

Abridged consolidated statement of profit or loss for the period ended 31 March 2023

	Unaudited Quarter to 31-Mar-23 Rs'000	Unaudited Quarter to 31-Mar-22 Rs'000	Unaudited 9 months to 31-Mar-23 Rs'000	Unaudited 9 months to 31-Mar-22 Rs'000	Audited Year to 30-Jun-22 Rs'000
Interest income	55,100	53,173	153,495	167,524	219,092
Interest expense	(40,208)	(34,105)	(110,591)	(107,481)	(141,606)
Net interest income	14,892	19,068	42,904	60,043	77,486
Fee and commission income	3,153	2,464	10,229	8,788	11,885
Other income	85,865	51,224	205,684	172,653	220,796
Operating income	103,910	72,756	258,817	241,484	310,167
Non-interest expense ³	(79,883)	(66,467)	(227,627)	(192,513)	(269,421)
Operating profit before impairment	24,027	6,289	31,190	48,971	40,746
Net impairment of financial assets	11,514	(11,086)	22,872	(9,584)	(1,991)
Operating profit/(loss)	35,541	(4,797)	54,062	39,387	38,755
Share of profits/(losses) of associates	3,175	(12,377)	109,220	165,160	300,901
Profit/(loss) before tax	38,716	(17,174)	163,282	204,547	339,656
Income tax expense	(5,357)	(629)	(13,753)	(9,243)	(12,960)
Profit/(loss) attributable to equity holders of the parent	33,359	(17,803)	149,529	195,304	326,696

Abridged consolidated statement of other comprehensive income for the period ended 31 March 2023

	Unaudited Quarter to 31-Mar-23 Rs'000	Unaudited Quarter to 31-Mar-22 Rs'000	Unaudited 9 months to 31-Mar-23 Rs'000	Unaudited 9 months to 31-Mar-22 Rs'000	Audited Year to 30-Jun-22 Rs'000
Profit/(loss) attributable to equity holders of the parent	33,359	(17,803)	149,529	195,304	326,696
Other comprehensive income:					
Items that will not be reclassified to profit or loss	26,731	152,868	87,433	311,564	253,809
Items that may be reclassified subsequently to profit or loss	268	74	738	50	(400)
Other comprehensive income for the period	26,999	152,942	88,171	311,614	253,409
Total comprehensive income attributable to equity holders of the parent	60,358	135,139	237,700	506,918	580,105
Earnings/(loss) per share (Rs.) ⁵	0.32	(0.17)	1.45	1.89	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 March 2023

	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	-	-	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
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	-	-	149,529	-	-	-	149,529
Other comprehensive (expense)/income for the period	-	-	-	(40,903)	129,074	-	88,171
Total comprehensive income/(expense) for the period	-	-	149,529	(40,903)	129,074	-	237,700
Dividends to ordinary shareholders	-	-	(62,013)	-	-	-	(62,013)
Transactions with owners	-	-	(62,013)	-	-	-	(62,013)
Other movements in reserves	-	-	9,721	(10,259)	-	-	(538)
At 31 March 2023	103,355	200,000	2,641,041	1,196,002	2,990,323	135,587	7,266,308

Abridged consolidated statement of cash flows for the period ended 31 March 2023

	Unaudited 9 Months to 31-Mar-23 Rs'000	Unaudited 9 Months to 31-Mar-22 Rs'000	Audited Year to 30-Jun-22 Rs'000
Net cash flows from other operating activities	407,812	164,818	515,318
Income tax paid	(4,361)	(21,173)	(25,771)
Net cash flows from operating activities	403,451	143,645	489,547
Net cash flows from investing activities	(408,596)	(254,585)	80,842
Net cash flows from financing activities	38,022	219,575	(567,664)
Increase in cash and cash equivalents	32,877	108,635	2,725
Net cash and cash equivalents brought forward	(602,183)	(604,908)	(604,908)
Net cash and cash equivalents carried forward	(569,306)	(496,273)	(602,183)

RESULTS

Fincorp Investment Limited (“Fincorp”) posted a consolidated profit after tax amounting to Rs 149.5 million for the nine months to March 31, 2023, down by 23.5% compared to the corresponding period last year (2022: Rs 195.3 million).

The profit of Fincorp’s only subsidiary, MCB Leasing Limited, improved by 59.1% to Rs 67.3 million (2022: Rs 42.3 million) as a result of reversals in impairment provision during the period under review following some successful recovery actions.

The contribution of Fincorp’s associates dropped from Rs 165.2 million to Rs 109.2 million mainly on the back of lower profits derived from the sale of land by Medine.

Fincorp’s Group results were also adversely impacted by the increase in financial charges of the company following successive interest rate increases as well as fair value losses on its equity investments.

PROSPECTS

While we witnessed signs of improvement in the global economy, there are heightened uncertainties arising from rising inflation together with high interest rates which are likely to impede economic growth. Nonetheless, the Group will continue to closely monitor the situation with a view to preserve the resilience of its activities.

By order of the Board
11 May 2023

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

Unaudited 31-Mar-23 Rs'000	Unaudited 31-Mar-22 Rs'000	Audited 30-Jun-22 Rs'000
1,124,175	854,388	887,312

2. Net lease receivables

Receivable within one year

996,589 915,845 973,270

Receivable after one year

2,128,550 2,141,070 2,069,788

3,125,139 3,056,915 3,043,058

3. Non-interest expense

Depreciation of assets under operating leases included under the above caption

155,419 129,582 176,202

4. Operating segments

9 months to 31 March 2023

Gross income

369,408 366,443 100,142 (97,177)

Operating profit

54,062 81,031 70,208 (97,177)

9 months to 31 March 2022

Gross income

348,965 337,087 96,913 (85,035)

Operating profit

39,387 51,468 72,954 (85,035)

Year ended 30 June 2022

Gross income

451,773 456,177 98,675 (103,079)

Operating profit

38,755 74,719 67,115 (103,079)

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.

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.