

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the quarter ended 30 June 2014



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the quarter ended 30 June 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Figures in US Dollar | Notes | 30-Jun-14 | 31-Mar-14 |
|--|-------|----------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | | 73 329 059 | 91 404 689 |
| Net advances | 6 | 941 253 009 | 912 828 849 |
| Trade and other receivables | | 33 907 409 | 32 188 391 |
| Inventories | | 2 420 500 | 4 318 402 |
| Goodwill | | 51 925 005 | 52 413 947 |
| Deferred tax assets | | 13 919 484 | 13 355 750 |
| Current tax receivable | | 4 752 238 | 3 535 338 |
| Property, plant and equipment | 5 | 10 991 662 | 11 909 542 |
| Intangible assets | | 1 343 955 | 1 488 989 |
| Total assets | | 1 133 842 321 | 1 123 443 897 |
| Equity and Liabilities | | | |
| Equity | | | |
| Stated capital | 7 | 151 665 683 | 151 415 680 |
| Reserves | | (37 718 163) | (35 776 537) |
| Retained earnings | | 112 253 602 | 93 273 747 |
| Equity attributable to equity holders of the company | | 226 201 122 | 208 912 890 |
| Non-controlling interests | | 13 790 536 | 14 294 263 |
| Total equity | | 239 991 658 | 223 207 153 |
| Liabilities | | | |
| Finance lease obligation | | 485 797 | 630 546 |
| Bank overdraft | | 5 603 359 | 7 225 290 |
| Trade and other payables | | 39 486 113 | 53 700 667 |
| Borrowings | 8 | 840 290 291 | 830 025 971 |
| Deferred tax liabilities | | 28 715 | 27 964 |
| Current tax liabilities | | 7 956 388 | 8 626 306 |
| Total Liabilities | | 893 850 663 | 900 236 744 |
| Total Equity and Liabilities | | 1 133 842 321 | 1 123 443 897 |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

| Figures in US Dollar | Notes | Quarter ended | |
|---|-------|-------------------|---------------------|
| | | 30-Jun-14 | 30-Jun-13 |
| Interest income | | 72 520 654 | 36 497 056 |
| Interest expense | | (25 838 804) | (10 319 472) |
| Net interest income | | 46 681 850 | 26 177 584 |
| Fees and commission income | | 5 478 906 | 1 581 492 |
| Dividend income | | 6 795 987 | 1 323 000 |
| Other income | | 2 732 980 | 615 749 |
| Impairment of loans and advances | | (20 987 992) | (2 091 291) |
| Net operating income | | 40 701 731 | 27 606 534 |
| Operating expenses | | (32 134 125) | (16 904 754) |
| Foreign exchange gain | 9 | 10 250 817 | 11 011 231 |
| Profit before taxation | | 18 818 423 | 21 713 011 |
| Taxation | 3 | (3 051 594) | (4 092 430) |
| Profit for the period | | 15 766 829 | 17 620 581 |
| Other comprehensive gain/(loss) net of income tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences | | (10 234 158) | (6 972 198) |
| Effect of cash flow hedges | | (316 867) | (4 195 863) |
| Net fair value gain of available for sale investment | | 11 128 409 | - |
| Other comprehensive income/(loss) for the period | | 577 384 | (11 168 061) |
| Total comprehensive income for the period | | 16 344 213 | 6 452 520 |
| Profit for the period attributable to: | | | |
| Owners of the company | | 15 605 754 | 16 910 047 |
| Non-controlling interests | | 161 075 | 710 534 |
| | | 15 766 829 | 17 620 581 |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the company | | 16 886 537 | 6 334 604 |
| Non-controlling interests | | (542 324) | 117 916 |
| | | 16 344 213 | 6 452 520 |
| Earnings per share | | | |
| Basic earnings per share | | 0.64 | 1.04 |
| Diluted earnings per share | | 0.64 | 1.04 |
| Basic weighted average number of shares | | 24 228 928 | 16 282 885 |
| Diluted weighted average number of shares | | 24 235 818 | 16 283 567 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in US Dollar

| | Share capital | Share premium | Total stated capital | Translation reserve | Cash flow hedging reserve | Equity Settled Reserve | Other reserves | Total reserves | Retained earnings | Attributable to owners of company | Retained earnings attributable to non-controlling interests | Other reserves attributable to non-controlling interests | Total non-controlling interests | Total equity |
|--|---------------|--------------------|----------------------|---------------------|---------------------------|------------------------|-------------------|---------------------|--------------------|-----------------------------------|---|--|---------------------------------|--------------------|
| Balance at 01 April 2013 | 16 282 | 10 574 227 | 10 590 509 | (30 007 953) | 8 008 056 | 20 036 | 12 799 053 | (9 180 808) | 73 830 159 | 75 239 860 | 15 730 696 | 2 243 401 | 17 974 097 | 93 213 957 |
| Profit for the period | - | - | - | - | - | - | - | - | 16 912 549 | 16 912 549 | 710 534 | - | 710 534 | 17 623 083 |
| Transfer to reserves | - | - | - | - | - | - | (2 502) | (2 502) | (5 799) | (2 502) | (5 799) | 5 799 | - | (2 502) |
| Other comprehensive (loss)/income | - | - | - | (6 379 580) | (4 195 863) | - | - | (10 575 443) | - | (10 575 443) | (692 618) | - | (592 618) | (11 168 061) |
| Total comprehensive (loss)/income | - | - | - | (6 379 580) | (4 195 863) | - | (2 502) | (10 577 945) | 16 912 549 | 6 334 604 | 112 117 | 5 799 | 117 916 | 6 452 520 |
| Issue of shares | 19 | 199 888 | 199 907 | - | - | - | - | - | - | 199 907 | - | - | - | 199 907 |
| Recognition of share based payments | - | - | - | - | - | 60 108 | - | 60 108 | - | 60 108 | - | - | - | 60 108 |
| Balance at 30 June 2013 | 16 301 | 10 774 115 | 10 790 416 | (36 387 533) | 3 812 193 | 80 144 | 12 796 551 | (19 698 645) | 90 742 708 | 81 834 479 | 15 842 813 | 2 249 200 | 18 092 013 | 99 926 492 |
| Balance at 01 April 2014 | 24 227 | 151 391 453 | 151 415 680 | (67 402 163) | 2 861 592 | 240 696 | 28 523 338 | (35 776 537) | 93 273 747 | 208 912 890 | 11 890 506 | 2 403 757 | 14 294 263 | 223 207 153 |
| Profit for the period | - | - | - | - | - | - | - | - | 18 979 855 | 18 979 855 | 161 075 | - | 161 075 | 19 140 930 |
| Transfer to reserves | - | - | - | - | - | - | (3 374 101) | (3 374 101) | (3 374 101) | (3 374 101) | 387 516 | (387 516) | - | (3 374 101) |
| Other comprehensive (loss)/income | - | - | - | (9 530 759) | (316 867) | - | 11 128 409 | 1 280 783 | - | 1 280 783 | (703 399) | - | (703 399) | 577 384 |
| Total comprehensive (loss)/income | - | - | - | (9 530 759) | (316 867) | - | 7 754 308 | (2 093 318) | 18 979 855 | 16 886 537 | (154 808) | (387 516) | (542 324) | 16 344 213 |
| Issue of shares | 14 | 249 989 | 250 003 | - | - | - | - | - | - | 250 003 | - | - | - | 250 003 |
| Recognition of share based payments | - | - | - | - | - | 151 692 | - | 151 692 | - | 151 692 | - | - | - | 151 692 |
| Change in ownership interest | - | - | - | - | - | - | - | - | - | - | 38 597 | - | 38 597 | 38 597 |
| Balance at 30 June 2014 | 24 241 | 151 641 442 | 151 665 683 | (76 932 922) | 2 544 725 | 392 388 | 36 277 646 | (37 718 163) | 112 253 602 | 226 201 122 | 11 774 295 | 2 016 241 | 13 790 536 | 239 991 658 |

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

| Figures in US Dollar | Quarter ended | |
|---|---------------------|---------------------|
| | 30-Jun-14 | 30-Jun-13 |
| Cash flows from operating activities | | |
| Profit for the year | 15 766 829 | 17 620 581 |
| Income tax expense recognised in profit or loss | 3 051 594 | 4 092 430 |
| Adjustments for: | | |
| Depreciation and amortisation | 1 306 231 | 667 568 |
| Profit on disposal of property, equipment and intangible assets | (16 650) | (83) |
| Foreign currency (gain)/loss | (10 693 332) | (11 061 030) |
| Finance costs | 25 838 804 | 10 319 452 |
| Dividend receivable | (6 779 338) | - |
| Increase in provision for credit impairment | 11 221 992 | 1 973 126 |
| Expense recognised in respect of share based payments | 151 693 | 60 108 |
| Operating cash flows before movements in working capital | 39 847 823 | 23 672 152 |
| Changes in working capital: | | |
| Decrease in inventories | 1 871 537 | - |
| Increase in trade and other receivables | (3 970 743) | (29 085) |
| Increase in gross advances | (42 428 782) | (33 103 133) |
| Increase in trade and other payables | (1 284 455) | 2 010 111 |
| Cash used in operations | (5 964 620) | (7 449 955) |
| Dividend received | 6 867 407 | - |
| Finance costs | (38 381 491) | (17 451 394) |
| Tax paid | (3 653 853) | (4 421 637) |
| Net cash used in operating activities | (41 132 557) | (29 322 986) |
| Cash flows from investing activities | | |
| Proceeds on disposal of property, equipment and intangible assets | 35 011 | 4 430 |
| Purchase of property, equipment and intangible assets | (610 173) | (914 325) |
| Proceeds from issue of shares to non-controlling interests | 38 507 | - |
| Net cash used in investing activities | (536 655) | (909 895) |
| Cash flows from financing activities | | |
| Net increase in other borrowings | 25 278 277 | 12 010 963 |
| Proceeds from unwinding of cross currency swaps | - | 25 080 000 |
| Proceeds from share issue | 250 003 | 199 907 |
| Net increase in loan receivable under share incentive scheme | (33 833) | (60 186) |
| Net cash generated from financing activities | 25 494 447 | 37 230 684 |
| Net increase in cash and cash equivalents | (16 174 765) | 6 997 803 |
| Net cash and cash equivalents at the beginning of the period | 84 179 399 | 19 380 760 |
| Effect of foreign exchange rate changes | (278 934) | (73 881) |
| Total cash and cash equivalents at the end of the period | 67 725 700 | 26 304 682 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Bayport Management Ltd (the "Company") is incorporated in Mauritius and listed on the Stock Exchange of Mauritius. The Company is the holding company for the following entities whose operations are based in Africa, South America and the United Kingdom:

| Name of subsidiaries | Place of incorporation |
|---|-------------------------------|
| Bayport Financial Services Limited | Zambia |
| Bayport Financial Services Ghana Limited | Ghana |
| Bayport Financial Services Uganda Limited | Uganda |
| Bayport Financial Services (T) Limited | Tanzania |
| Consumer Finance Corporation Limited | Ghana |
| Money Quest Investments (Proprietary) Limited | Botswana |
| Bayport FIMSA S.A.S | Colombia |
| Libraval S.A.S (i) | Colombia |
| Bayport Financial Services 2010 Proprietary Limited | South Africa |
| Zenthyme Investments Proprietary Limited | South Africa |
| Bayport Securitisation (RF) Limited (ii) | South Africa |
| M-Stores Proprietary Limited (ii) | South Africa |
| BayMobile Proprietary Limited (ii) | South Africa |
| Bayport Financial Services Mozambique (MCB) S.A | Mozambique |
| Actvest Mexico SAPI de CV, SOFOM, ENR (iii) | Mexico |
| Bayport Financial Services Rwanda SARL (Dormant) | Rwanda |
| Cashfoundry Limited | United Kingdom |
| Actvest Limited | Mauritius |
| Bayport Latin America Holdings Ltd | Mauritius |

The Company's registered office is at DTOS Ltd, 10th Floor, Raffles Tower, 19, Cybercity, Ebene, Mauritius and the Company's principal place of business is at 3rd Floor, Ebene Skies, Rue De L'Institut, Ebene, Mauritius.

The Company is a holding company to businesses involved in provision of retail financial services.

- (i) Actvest Limited (a fully owned subsidiary of Bayport Management Limited) owns 82.91 % of the ordinary shares in Libraval S.A.S.
- (ii) Bayport Financial Services 2010 Proprietary Limited owns 95% of M-Stores Proprietary Limited, 100% of BayMobile Proprietary Limited and 100% of the preference shares of Bayport Securitisation (RF) Limited.
- (iii) Bayport Management Ltd effectively owns 100% of Actvest Mexico SAPI de CV, SOFOM, ENR.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

2. Basis of preparation

2.1 Statement of compliance

The unaudited condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRSs") and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2.2 Significant accounting policies

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain non-current assets and financial instruments at fair value.

The same accounting policies and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2014.

2.3 Functional and presentation currency

For the purpose of presenting unaudited condensed consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at reporting date. Income and expenditure are translated at average rates of exchange for the period.

3. Taxation

Interim period income tax is accrued based on actual annual effective income tax rates for each entity within the Group.

4. Dividends

During the quarter ended 30 June 2014, no dividends were paid or declared.

5. Property, plant and equipment

During the year, the Group spent USD 0.6 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

6. Net advances

| | 30-Jun-14 | 31-Mar-14 |
|---|-----------------------------|-----------------------------|
| Gross advances | 1 094 810 578 | 1 058 684 436 |
| Carrying value of written off book | 18 005 333 | 16 555 753 |
| | <u>1 112 815 911</u> | <u>1 075 240 189</u> |
| Impairment provision | (171 562 902) | (162 411 340) |
| Net advances | 941 253 009 | 912 828 849 |
| | | |
| Gross advances | | |
| Advances to customers | 1 032 327 469 | 1 008 967 094 |
| Deferred origination fees | (14 173 724) | (13 056 522) |
| Deferred origination costs | 7 549 581 | 6 717 631 |
| Carrying value of net premiums | 69 107 252 | 56 056 233 |
| | <u>1 094 810 578</u> | <u>1 058 684 436</u> |
| | | |
| Impairment provision | | |
| Balance at the beginning of the period | 162 411 340 | 8 634 524 |
| Additions through business combinations | - | 147 571 944 |
| Net impairment recognised in profit or loss | 20 987 992 | 25 683 229 |
| Utilisation of allowance for impairment | (9 766 000) | (17 139 214) |
| Foreign exchange differences | (2 070 430) | (2 339 143) |
| Total impairment provision | <u>171 562 902</u> | <u>162 411 340</u> |

7. Stated capital

| | 30-Jun-14 | 31-Mar-14 |
|---------------|---------------------------|---------------------------|
| Share capital | 24 241 | 24 227 |
| Share premium | 151 641 442 | 151 391 453 |
| | <u>151 665 683</u> | <u>151 415 680</u> |

| | Number of shares | Share Capital | Share premium | Total stated capital |
|-------------------------|-----------------------------|--------------------------|---------------------------|-------------------------------------|
| Balance at 1 April 2014 | 24 226 772 | 24 227 | 151 391 453 | 151 415 680 |
| Issue of shares | 14 053 | 14 | 249 989 | 250 003 |
| Balance at 30 June 2014 | <u>24 240 825</u> | <u>24 241</u> | <u>151 641 442</u> | <u>151 665 683</u> |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

8. Borrowings

| | <u>30-Jun-14</u> | <u>31-Mar-14</u> |
|-------------------|--------------------|--------------------|
| Corporate Bonds | 333 790 774 | 316 826 595 |
| Loan notes | 363 172 018 | 365 218 600 |
| Other terms loans | 143 327 499 | 147 980 776 |
| | 840 290 291 | 830 025 971 |

Loan notes

The loan notes are issued by Bayport Securitisation (RF) Limited ("BSL"). BSL is considered a special purpose entity under IFRS and is consolidated into the Group's results.

9. Foreign currency gain/(loss)

| | <u>Quarter ended</u> | |
|---|----------------------|-------------------|
| | <u>30-Jun-14</u> | <u>30-Jun-13</u> |
| Foreign exchange gain on retranslation of Bonds | 10 750 126 | 11 613 055 |
| Other exchange loss | (499 309) | (601 824) |
| | 10 250 817 | 11 011 231 |

The above unaudited condensed Financial Statements are issued pursuant to Listing Rules 12.20 of the Stock Exchange of Mauritius Ltd, the Securities Act 2005 of Mauritius and Listing Rule 3.2 (Fixed Income Instrument) of the NASDAQ OMX Stockholm Stock Exchange.

The Board of Directors of Bayport Management Ltd accepts full responsibility for the accuracy of the information contained in this unaudited condensed Financial Statements.