

**BAYPORT MANAGEMENT LTD**  
*(Registration number 54787 C1/GBL)*

**UNAUDITED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

*for the six months ended 30 June 2015*



**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 June 2015*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Figures in US Dollar</b>	<b>Notes</b>	<b>30-Jun-15</b>	<b>31-Dec-14</b>
<b>Assets</b>			
Cash and cash equivalents		189 034 463	65 839 650
Net advances	6	839 099 802	864 629 051
Trade and other receivables		36 698 133	41 198 468
Inventories		32 573	1 090 632
Current tax assets		4 052 172	2 564 831
Deferred tax assets		31 695 408	32 024 334
Goodwill		102 690 782	110 818 432
Property and equipment	5	10 776 584	12 079 908
Intangible assets		776 162	1 012 657
<b>Total assets</b>		<b>1 214 856 079</b>	<b>1 131 257 963</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital	7	300 903 283	151 665 683
Reserves		(148 723 869)	(77 526 398)
Retained earnings		147 021 907	125 801 824
Equity attributable to equity holders of the company		299 201 321	199 941 109
Non-controlling interests		10 351 639	14 200 476
<b>Total equity</b>		<b>309 552 960</b>	<b>214 141 585</b>
<b>Liabilities</b>			
Bank overdrafts		8 231 766	9 156 989
Trade and other payables		44 372 273	50 409 702
Finance lease obligation		1 023 030	976 859
Borrowings	8	813 071 334	833 953 320
Other financial liabilities	9	37 779 708	19 836 481
Current tax liabilities		786 448	2 744 893
Deferred tax liabilities		38 560	38 134
<b>Total Liabilities</b>		<b>905 303 119</b>	<b>917 116 378</b>
<b>Total Equity and Liabilities</b>		<b>1 214 856 079</b>	<b>1 131 257 963</b>

**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2015

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

Figures in US Dollar	Notes	Three months ended		Six months ended	
		30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
Interest income		68 232 572	72 520 654	139 176 031	143 836 574
Interest expense		(27 193 583)	(25 838 804)	(54 532 755)	(49 914 117)
<b>Net interest income</b>		<b>41 038 989</b>	<b>46 681 850</b>	<b>84 643 276</b>	<b>93 922 457</b>
Fees and commission income		6 577 095	5 478 906	13 275 066	14 590 453
Dividend income		3 758 215	6 779 337	9 543 670	13 843 885
Other income		700 876	2 749 629	2 479 608	5 386 469
Impairment of loans and advances		(8 610 490)	(20 987 992)	(21 119 915)	(40 876 467)
<b>Net operating income</b>		<b>43 464 685</b>	<b>40 701 730</b>	<b>88 821 705</b>	<b>86 866 797</b>
Operating expenses		(30 710 815)	(32 134 121)	(64 838 807)	(65 237 928)
Foreign exchange (loss)/gain	11	(6 936 006)	10 250 817	2 224 531	11 965 187
Impairment of goodwill		-	-	-	(12 676 148)
<b>Profit before taxation</b>		<b>5 817 864</b>	<b>18 818 426</b>	<b>26 207 429</b>	<b>20 917 908</b>
Taxation	3	(3 194 324)	(3 051 594)	(7 593 711)	(7 350 017)
<b>Profit for the period</b>		<b>2 623 540</b>	<b>15 766 832</b>	<b>18 613 718</b>	<b>13 567 891</b>
<b>Other comprehensive income/(loss) net of income tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences		(17 081 894)	(12 244 959)	(63 888 425)	(36 445 052)
Effect of cash flow hedges		(347 972)	(316 867)	(1 722 096)	(394 732)
Net fair value (loss)/gain of available for sale investments		(4 679 913)	11 435 896	(6 604 024)	12 644 940
<b>Other comprehensive loss for the period</b>		<b>(22 109 779)</b>	<b>(1 125 930)</b>	<b>(72 214 545)</b>	<b>(24 194 844)</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(19 486 239)</b>	<b>14 640 902</b>	<b>(53 600 827)</b>	<b>(10 626 953)</b>
<b>Profit for the period attributable to:</b>					
Owners of the company		3 082 729	15 605 757	20 230 265	13 413 987
Non-controlling interests		(459 189)	161 075	(1 616 547)	153 904
		<b>2 623 540</b>	<b>15 766 832</b>	<b>18 613 718</b>	<b>13 567 891</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>					
Owners of the company		(18 611 039)	15 194 878	(49 752 783)	(8 232 266)
Non-controlling interests		(875 200)	(553 976)	(3 848 044)	(2 394 687)
		<b>(19 486 239)</b>	<b>14 640 902</b>	<b>(53 600 827)</b>	<b>(10 626 953)</b>
<b>Earnings per share</b>					
Basic earnings per share		0.12	0.64	0.81	0.56
Diluted earnings per share		0.12	0.64	0.81	0.56
Basic weighted average number of shares		25 740 672	24 235 420	24 997 698	23 890 354
Diluted weighted average number of shares		25 776 137	24 262 756	25 033 162	23 917 691

**BAYPORT MANAGEMENT LTD**  
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*For the six months ended 30 June 2015*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Figures in US Dollar

	Share capital	Share premium	Share application monies	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
<b>Balance at 01 January 2014</b>	16 301	10 774 114	113 500 000	124 290 415	(43 534 032)	2 939 457	200 360	26 047 065	(14 347 150)	84 056 599	193 999 864	13 898 185	2 297 089	16 195 274	210 195 138
Profit for the period	-	-	-	-	-	-	-	-	-	13 413 987	13 413 987	153 904	-	153 904	13 567 891
Transfer to reserves	-	-	-	-	-	-	-	(2 106 873)	(2 106 873)	2 106 873	-	280 847	(280 847)	-	-
Other comprehensive loss	-	-	-	-	(33 896 461)	(394 732)	-	12 644 940	(21 646 253)	-	(21 646 253)	(2 548 591)	-	(2 548 591)	(24 194 844)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(33 896 461)	(394 732)	-	10 538 067	(23 753 126)	15 520 860	(8 232 266)	(2 113 840)	(280 847)	(2 394 687)	(10 626 953)
Issue of shares	7 940	27 367 328	-	27 375 268	-	-	-	-	-	-	27 375 268	-	-	-	27 375 268
Recognition of share based payments	-	-	-	-	-	-	192 028	-	192 028	-	192 028	-	-	-	192 028
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	38 597	-	38 597	38 597
Additional non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(58 727)	-	(58 727)	(58 727)
<b>Balance at 30 June 2014</b>	24 241	38 141 442	113 500 000	151 665 683	(77 430 493)	2 544 725	392 388	36 585 132	(37 908 248)	99 577 459	213 334 894	11 764 215	2 016 242	13 780 457	227 115 351
<b>Balance at 01 January 2015</b>	24 241	151 641 442	-	151 665 683	(113 862 368)	2 050 568	695 791	33 589 611	(77 526 398)	125 801 824	199 941 109	12 049 862	2 150 614	14 200 476	214 141 585
Profit for the period	-	-	-	-	-	-	-	-	-	20 230 265	20 230 265	(1 616 547)	-	(1 616 547)	18 613 718
Transfer to reserves	-	-	-	-	-	-	-	(1 098 888)	(1 098 888)	1 098 888	-	168 678	(168 678)	-	-
Other comprehensive loss	-	-	-	-	(61 656 928)	(1 722 096)	-	(6 604 024)	(69 983 048)	-	(69 983 048)	(2 231 497)	-	(2 231 497)	(72 214 545)
<b>Total comprehensive loss for the period</b>	-	-	-	-	(61 656 928)	(1 722 096)	-	(7 702 912)	(71 081 936)	21 329 153	(49 752 783)	(3 679 366)	(168 678)	(3 848 044)	(53 600 827)
Issue of shares	6 405	149 231 195	-	149 237 600	-	-	(499 988)	-	(499 988)	-	148 737 612	-	-	-	148 737 612
Recognition of share based payments	-	-	-	-	-	-	270 740	-	270 740	-	270 740	-	-	-	270 740
Change in ownership interests	-	-	-	-	113 713	-	-	-	113 713	(109 070)	4 643	(793)	-	(793)	3 850
<b>Balance at 30 June 2015</b>	30 646	300 872 637	-	300 903 283	(175 405 583)	328 472	466 543	25 886 699	(148 723 869)	147 021 907	299 201 321	8 369 703	1 981 936	10 351 639	309 552 960

**BAYPORT MANAGEMENT LTD**  
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For the six months ended 30 June 2015

**UNAUDITED CONDENSED STATEMENT OF CASH FLOW**

Figures in US Dollar	Six months ended	
	30-Jun-15	30-Jun-14
<b>Cash flows from operating activities</b>		
Profit before taxation	26 207 429	20 917 908
<b>Adjustments for:</b>		
Depreciation and amortisation	2 644 233	2 753 206
Profit on disposal of property, equipment and intangible assets	(22 947)	(115 074)
Foreign currency gains	(3 469 770)	(12 793 534)
Finance costs	54 532 755	49 914 117
Dividend recognised in income statement	(9 543 670)	(13 843 885)
Increase in provision for credit impairment	3 704 011	13 972 412
Expense recognised in respect of share based payments	270 740	192 028
Impairment of goodwill	-	12 676 148
<b>Operating cash flows before movements in working capital</b>	<b>74 322 781</b>	<b>73 673 326</b>
<b>Changes in working capital:</b>		
Decrease in inventories	1 026 464	4 688 655
(Increase)/decrease in trade and other receivables	(1 953 764)	2 638 380
Increase in gross advances	(80 060 069)	(88 296 445)
Increase in trade and other payables	1 537 462	1 002 409
<b>Cash used in operations</b>	<b>(5 127 126)</b>	<b>(6 293 675)</b>
Dividend received	9 829 619	11 866 750
Finance costs paid	(55 894 719)	(54 163 025)
Tax paid	(7 497 666)	(8 449 591)
<b>Net cash used in operating activities</b>	<b>(58 689 892)</b>	<b>(57 039 541)</b>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of property, equipment and intangible assets	39 449	657 980
Purchase of property, equipment and intangible assets	(2 841 989)	(2 078 240)
Net cash outflow from acquisition of subsidiary	-	(130 491 639)
Acquisition to non-controlling interests	-	38 507
<b>Net cash used in investing activities</b>	<b>(2 802 540)</b>	<b>(131 873 392)</b>
<b>Cash flows from financing activities</b>		
Net proceeds on issue of bonds	18 332 346	-
Net proceeds from issue of shares	148 737 612	27 375 268
Net increase in other borrowings	18 469 739	39 562 240
<b>Net cash generated from financing activities</b>	<b>185 539 697</b>	<b>66 937 508</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>124 047 265</b>	<b>(121 975 425)</b>
Net cash and cash equivalents at the beginning of the period	56 682 661	190 634 148
Effect of foreign exchange rate changes	72 771	(933 023)
<b>Total cash and cash equivalents at the end of the period</b>	<b>180 802 697</b>	<b>67 725 700</b>

## 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:

<b>Name of subsidiaries</b>	<b>Place of incorporation</b>
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 Colombia S.A.S	Colombia
Bayport Financial Services 2010 Proprietary Limited	South Africa
Zenthyme Investments Proprietary Limited	South Africa
Bayport Securitisation (RF) Limited (i)	South Africa
M-Stores Proprietary Limited (i)	South Africa
Convence Med (Pty) Ltd (ii) (Dormant) (Previously known as BayMobile Proprietary Limited)	South Africa
Bayport Financial Services Mozambique (MCB) S.A	Mozambique
Actvest Mexico SAPI de CV, SOFOM, ENR (ii)	Mexico
Financiera Fortaleza, S.A de C.V SOFOM E.N.R (iii)	Mexico
Bayport Financial Services Rwanda SARL (Dormant)	Rwanda
Toriclox (Pty) Ltd (Dormant)	South Africa
Lintpale Investments (Pty) Ltd (Dormant)	South Africa
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) Bayport Financial Services 2010 Proprietary Limited owns 95% of M-Stores Proprietary Ltd, 100% of Convence Med(Pty) Ltd Limited and 100% of the preference shares of Bayport Securitisation (RF) Limited.
- (ii) Bayport Management Ltd effectively owns 100% of Actvest Mexico SAPI de CV, SOFOM, ENR.
- (iii) Actvest Mexico SAPI de CV, SOFOM ,ENR owns 60% of Financiera Fortaleza,S.A de C.V SOFOM E.N.R

## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Figures in US Dollar

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### **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 ("IFRS") 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 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 period ended 31 December 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 six months ended 30 June 2015, no dividends were paid or declared.

### **5. Property and equipment**

During the period, the Group spent USD 2.8million 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**

	<b>30-Jun-15</b>	<b>31-Dec-14</b>
Gross advances	955 018 473	991 258 536
Carrying value of written off book	49 115 008	47 660 558
	<u>1 004 133 481</u>	<u>1 038 919 094</u>
Impairment provision	(165 033 679)	(174 290 043)
<b>Net advances</b>	<b>839 099 802</b>	<b>864 629 051</b>
<b>Gross advances</b>		
Advances to customers	909 730 620	935 568 159
Deferred origination fees	(16 915 430)	(14 594 047)
Deferred origination costs	10 219 168	9 772 235
Carrying value of net premiums	51 984 115	60 512 189
	<u><b>955 018 473</b></u>	<u><b>991 258 536</b></u>
<b>Impairment provision</b>		
Opening balance	174 290 043	251 094 294
Additions through business combinations	-	713 332
Derecognised on disposal of subsidiary	(291 731)	-
Net impairment recognised in profit or loss	21 119 915	75 304 628
Utilisation of allowance for impairment	(17 415 903)	(125 504 359)
Foreign exchange differences	(12 668 645)	(27 317 852)
<b>Closing balance</b>	<b>165 033 679</b>	<b>174 290 043</b>

**7. Stated capital**

	<b>30-Jun-15</b>	<b>31-Dec-14</b>
Share capital	30 646	24 241
Share premium	300 872 637	151 641 442
	<u><b>300 903 283</b></u>	<u><b>151 665 683</b></u>

	<b>Number of shares</b>	<b>Share Capital</b>	<b>Share premium</b>	<b>Total stated capital</b>
<b>Balance at 1 January 2015</b>	24 240 825	24 241	151 641 442	151 665 683
Issue of shares	6 405 655	6 405	149 231 195	149 237 600
<b>Balance at 30 June 2015</b>	<b>30 646 480</b>	<b>30 646</b>	<b>300 872 637</b>	<b>300 903 283</b>



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

### 8. Borrowings

	<u>30-Jun-15</u>	<u>31-Dec-14</u>
Corporate Bonds	377 550 025	387 076 933
Loan notes	257 279 299	278 853 555
Other terms loans	178 242 010	168 022 832
	<b>813 071 334</b>	<b>833 953 320</b>

#### 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.

#### Corporate Bonds

In January 2015 and March 2015, the Company issued Corporate Bonds with a nominal amount of SEK125,000,000 and SEK 9,000,000 at a coupon rate of 13% payable annually on the anniversary date and are due to be redeemed in June 2017. These Bonds constitutes direct, general, unconditional, subordinated and unsecured obligations of the company. The Bonds are listed on Nasdaq OMX Stockholm AB.

### 9. Other financial liabilities

	<u>30-Jun-15</u>		<u>31-Dec-14</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Cash flow hedge	-	<b>37 779 708</b>	-	<b>19 836 481</b>

The Company entered into forward foreign exchange contracts during September , October 2014 and May 2015 with a view to hedge its exposure to movements in SEK/USD exchange rate relating to its Bond liabilities denominated in Swedish Krona. In May 2015, the company booked a counter-hedge in its SEK/USD exposure in order to achieve the Company's strategic objective of 50% coverage target. Details of the contracts entered into are as follows:

	<b>Currency</b>	<b>Trade date</b>	<b>Maturity date</b>	<b>Notional amount</b>
Forward exchange contract 1	SEK	September 2014	September 2015	SEK639million
Forward exchange contract 2	SEK	October 2014	October 2015	SEK689million
Forward exchange contract 3	SEK	October 2014	October 2015	SEK800million
Forward exchange contract 4	USD	May 2015	October 2015	USD 95million

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

Figures in US Dollar

**10. Disposal of subsidiary**

On 1 June 2015, the Group disposed of its investment in LibraVal SAS, a company incorporated in Colombia. The net consideration receivable as at 30 June 2015 is USD 7,878.

**Analysis of assets and liabilities of subsidiary disposed**

	<b>USD</b>
<b>Assets</b>	
Cash and cash equivalents	11 464
Net advances	148 626
Other receivables	2 291 202
Plant and equipment	9 398
	<b>2 460 690</b>
<b>Liabilities</b>	
Trade and other payables	2 185 416
Current tax liabilities	265 772
	<b>2 451 188</b>
<b>Gain or loss on disposal of subsidiary</b>	
Consideration received	7 878
Less: net asset disposed of	(9 502)
Add: Non-controlling interests	1 624
Gain/Loss on disposal	-

**11. Foreign currency (loss)/gain**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30-Jun-15</b>	<b>30-Jun-14</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>
Net Foreign exchange (loss)/gain on retranslation of Bonds and forward exchange contracts	(6 445 164)	10 750 126	4 451 857	13 000 106
Other exchange losses	(490 842)	(499 309)	(2 227 326)	(1 034 919)
	<b>(6 936 006)</b>	<b>10 250 817</b>	<b>2 224 531</b>	<b>11 965 187</b>

*"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.*