

BAYPORT MANAGEMENT LIMITED
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the quarter ended 30 June 2013



BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended 30 June 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Figures in US Dollar	Notes	30-Jun-13	31-Mar-13
Assets			
Cash and cash equivalents		30 029 450	31 286 861
Net advances	7	361 606 975	340 291 175
Other receivables and prepayments		13 203 209	29 346 202
Other financial assets		25 000	21 922 451
Property, plant and equipment	5	8 436 709	8 348 138
Intangible assets		348 912	403 411
Deferred tax assets		4 777 558	4 412 218
Deferred expenses		5 413 197	5 101 705
Goodwill		4 156 090	4 027 316
Total assets		427 997 100	445 139 477
Equity and Liabilities			
Equity			
Stated capital	8	10 790 416	10 590 509
Total reserves		(19 698 645)	(9 180 808)
Retained earnings		90 742 708	73 830 159
Equity attributable to owners of the company		81 834 479	75 239 860
Non-controlling interests		18 092 013	17 974 097
Total equity		99 926 492	93 213 957
Liabilities			
Bank overdrafts (secured)		3 724 768	11 906 101
Trade and other payables		24 517 790	43 807 797
Current tax payable		830 952	1 401 349
Borrowings	9	291 500 318	287 818 564
Finance lease obligations		1 262 939	1 359 561
Deferred income		6 233 841	5 632 148
Total Liabilities		328 070 608	351 925 520
Total Equity and Liabilities		427 997 100	445 139 477

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in US Dollar	Notes	Quarter ended	
		30-Jun-13	30-Jun-12
Continuing operations			
Interest income		36 497 056	30 905 127
Interest expense		(9 999 378)	(6 970 047)
Net interest income		26 497 678	23 935 080
Other income		3 520 241	2 786 551
Operating income		30 017 919	26 721 631
Operating expenses		(17 224 848)	(14 662 800)
Charge for bad and doubtful advances		(2 091 291)	(677 580)
Foreign exchange gain	10	11 011 231	481 221
Profit before taxation		21 713 011	11 862 472
Taxation	3	(4 092 430)	(3 998 430)
Profit for the period from continuing operations		17 620 581	7 864 042
Discontinued operations			
Loss for the period from discontinued operations		-	(778 670)
Profit for the period		17 620 581	7 085 372
Other comprehensive loss			
Exchange differences		(6 972 198)	(3 764 260)
Effect of cash flow hedges	11	(4 195 863)	(304 388)
Other comprehensive loss for the period		(11 168 061)	(4 068 648)
Total comprehensive income for the period		6 452 520	3 016 724
Profit attributable to:			
Owners of the company		16 910 047	6 042 939
Non-controlling interests		710 534	1 042 433
		17 620 581	7 085 372
Total comprehensive income attributable to:			
Owners of the company		6 334 604	2 177 145
Non-controlling interests		117 916	839 579
		6 452 520	3 016 724
Earnings per share			
From continuing and discontinued operations			
Basic earnings per share		1.04	0.42
Diluted earnings per share		1.04	0.41
From continuing operations			
Basic earnings per share		1.04	0.47
Diluted earnings per share		1.04	0.46
Basic weighted average number of shares		16 282 885	14 452 658
Diluted weighted average number of shares		16 283 567	14 702 742

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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 the 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 2012	14 302	5 323 145	5 337 447	(18 814 068)	585 375	-	9 306 847	(8 921 846)	58 068 481	54 484 082	14 005 383	1 483 909	15 489 292	69 973 374
Profit for the period	-	-	-	-	-	-	(419 628)	(419 628)	6 462 567	6 042 939	1 102 040	(59 607)	1 042 433	7 085 372
Other comprehensive loss	-	-	-	(3 561 406)	(304 388)	-	-	(3 865 794)	(202 854)	(3 865 794)	(202 854)	-	(202 854)	(4 068 648)
Total comprehensive (loss)/income	-	-	-	(3 561 406)	(304 388)	-	(419 628)	(4 285 422)	6 462 567	2 177 145	899 186	(59 607)	839 579	3 016 724
Issue of shares	1 833	3 671 927	3 673 760	-	-	-	-	-	-	3 673 760	-	-	-	3 673 760
Balance at 30 June 2012	16 135	8 995 072	9 011 207	(22 375 474)	280 987	-	8 887 219	(13 207 268)	64 531 048	60 334 987	14 904 569	1 424 302	16 328 871	76 663 858
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	-	-	-	-	-	-	(2 502)	(2 502)	16 912 549	16 910 047	704 735	5 799	710 534	17 620 581
Other comprehensive loss	-	-	-	(6 379 580)	(4 195 863)	-	-	(10 575 443)	(592 618)	(10 575 443)	(592 618)	-	(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

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

Figures in US Dollar	Notes	Quarter ended	
		30-Jun-13	30-Jun-12
Operating activities			
Profit for the period		17 620 581	7 085 372
Adjustments for:			
Income tax expense recognised in profit or loss		4 092 430	3 998 430
Finance costs recognised in profit or loss		9 999 378	6 970 047
Expense recognised in respect of share based payments		60 108	-
Depreciation of property, plant and equipment and intangibles		667 568	555 064
Profit on disposal of property, plant and equipment		(83)	(13 094)
Increase in provision for credit impairment		1 973 126	935 872
Foreign currency (gain)/losses		(11 061 030)	72 425
Operating cash flows before movements in working capital		23 352 078	19 604 116
Increase in gross advances		(33 402 245)	(28 735 084)
Decrease in inventories		-	103
Increase in other receivables and prepayments		(29 085)	(3 464 011)
Increase in deferred expenses		(463 406)	(378 462)
Increase in trade and other payables		2 010 111	2 378 170
Increase in deferred income		762 518	181 553
Cash used in operations		(7 770 029)	(10 413 615)
Finance costs		(17 131 320)	(3 828 758)
Income taxes paid		(4 421 637)	(3 907 620)
Net cash used in from operating activities		(29 322 986)	(18 149 993)
Investing activities			
Proceeds on disposal of property, plant and equipment		4 430	187 281
Purchases of property, plant and equipment and intangibles		(914 325)	(1 068 114)
Proceeds from issue of shares to non-controlling interests		-	2 066
Net cash used in investing activities		(909 895)	(878 767)
Financing activities			
Proceeds from issue of bonds		-	98 870 057
Proceeds from unwinding of cross currency swaps		25 080 000	-
Proceeds from issue of warrant shares		-	3 673 760
Proceeds from issue of shares under share incentive scheme		199 907	-
Net increase in loan receivable under share incentive scheme		(60 186)	-
Net increase/(decrease) in borrowings		12 010 963	(13 967 645)
Net increase in shareholders loan		-	279 009
Net cash generated from financing activities		37 230 684	88 855 181
Net increase in cash and cash equivalents		6 997 803	69 826 421
Cash and cash equivalents at the beginning of the period		19 380 760	9 033 458
Effect of foreign exchange rate changes		(73 881)	(467 245)
Cash and cash equivalents at the end of the period		26 304 682	78 392 634
Bank balances and cash			

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Bayport Management Limited (the “Company”) was initially incorporated in the British Virgin Isles. As from 2 March 2005, the Company was migrated to Mauritius and is now incorporated as a Mauritian entity. On 28 July 2011, the Company converted from a private company to a public company. On 22 March 2013, the company was 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 Financial Services Mozambique (MCB) S.A	Mozambique
Empresa de Microcredito S.A. Fimsa S.A. (“FIMSA”)	Colombia
LibraVal S.A.S. (i)	Colombia
Cashfoundry Limited	United Kingdom
Actvest Limited	Mauritius
Bayport Latin America Holdings Ltd (previously known as Invik (Mauritius) Ltd)	Mauritius
Actvest Mexico (ii)	Mexico
Bayport Financial Services Rwanda SARL (dormant)	Rwanda

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 Management Limited effectively owns 100% of Actvest Mexico.

2. Basis of preparation

2.1 Statement of compliance

The 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 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, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group’s consolidated financial statements for the year ended 31 March 2013.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

2.3 Functional and presentation currency

For the purpose of presenting 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 2013, no dividends were paid or declared.

5. Property, plant and equipment

During the year, the Group spent USD 0.9 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Incorporation of subsidiary

Actvest Mexico

In June 2013, the group incorporated Actvest Mexico, registered in Mexico. The Company will be involved in the provision of retail financial services. Bayport Management Limited effectively owns 100% of Actvest Mexico.

7. Net advances

	<u>30-Jun-13</u>	<u>31-Mar-13</u>
Gross advances	371 930 848	348 925 699
Impairment provision	(10 323 873)	(8 634 524)
Net advances	<u>361 606 975</u>	<u>340 291 175</u>
Impairment provision		
Balance at the beginning of the year	8 634 524	7 349 439
Foreign exchange differences	(283 777)	(758 835)
Charge for bad and doubtful debt	2 091 291	6 793 977
Amounts written off against the impairment provision	(118 165)	(4 750 057)
Total impairment provision	<u>10 323 873</u>	<u>8 634 524</u>

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Figures in US Dollar

8. Stated capital

	<u>30-Jun-13</u>	<u>31-Mar-13</u>
Share capital	16 301	16 282
Share premium	10 774 115	10 574 227
	10 790 416	10 590 509

	<u>Number of shares</u>	<u>Share Capital</u>	<u>Share premium</u>	<u>Total Stated capital</u>
Balance at 1 April 2013	16 282 323	16 282	10 574 227	10 590 509
Issue under share incentive scheme	18 648	19	199 888	199 907
Balance at 30 June 2013	16 300 971	16 301	10 774 115	10 790 416

9. Borrowings

	<u>30-Jun-13</u>	<u>31-Mar-13</u>
Corporate Bonds	208 768 268	215 318 363
Other terms loans	82 732 050	72 500 201
	291 500 318	287 818 564

10. Foreign currency gain

	<u>Quarter ended</u>	
	<u>30-Jun-13</u>	<u>30-Jun-12</u>
Foreign exchange gain on retranslation of Bonds	11 613 055	-
Other exchange (losses)/gains	(601 824)	481 221
	11 011 231	481 221

11. Cross Currency Swaps

In April 2013, the Company unwound its cross currency swap contracts that were used to hedge the two Corporate Bonds. The Company received a total of USD 25.1 million as settlement for the unwinds. Under IAS 39, the gain of USD 25.1 million on the cross currency swaps has been netted off against the exchange loss on the Bond liabilities of USD 21.0 million. The remaining net gain of USD 4.1 million has been recognised according to IAS 39 guidelines.

Each of the Bond liabilities of SEK 700 million and their associated interest payments are now unhedged. During the quarter ended 30 June 2013, the net gain on the retranslation of the Bonds has been recognised in profit or loss (refer to note 10).

The cross currency swaps were unwound at an average rate of 6.3791. A 1% depreciation of Swedish Krona against US Dollar will lead to an unrealised foreign currency gain of approximately USD 2.2 million on the total capital amount of SEK 1,400 million for both bonds. A appreciation of 1% will lead to an unrealised foreign currency loss of the same amount.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

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 Limited accepts full responsibility for the accuracy of the information contained in this unaudited condensed Financial Statements.