

BAYPORT MANAGEMENT LIMITED
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

For the nine months ended 31 December 2013



BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Figures in US Dollar	Notes	31-Dec-13	31-Mar-13
Assets			
Cash and cash equivalents		198 717 171	31 286 861
Net advances	6	415 126 907	340 291 175
Other receivables and prepayments		25 659 755	29 346 202
Other investments	12	11 083 800	25 000
Other financial assets	7	-	21 897 451
Property, plant and equipment	5	9 025 734	8 348 138
Intangible assets		260 136	403 411
Deferred tax assets		5 237 958	4 412 218
Deferred expenses		6 444 764	5 101 705
Goodwill		4 156 090	4 027 316
Total assets		675 712 315	445 139 477
Equity and Liabilities			
Equity			
Stated capital	8	124 290 415	10 590 509
Total reserves		(14 287 628)	(9 180 808)
Retained earnings		84 029 093	73 830 159
Equity attributable to owners of the company		194 031 880	75 239 860
Non-controlling interests		16 152 395	17 974 097
Total equity		210 184 275	93 213 957
Liabilities			
Bank overdrafts (secured)		8 242 128	11 906 101
Trade and other payables		35 991 763	43 807 797
Other financial liabilities	9	239 002	-
Current tax payable		754 324	1 401 349
Borrowings	10	411 325 387	287 818 564
Finance lease obligations		897 904	1 359 561
Deferred income		8 077 532	5 632 148
Total Liabilities		465 528 040	351 925 520
Total Equity and Liabilities		675 712 315	445 139 477

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

Figures in US Dollar	Notes	Three months ended		Nine months ended	
		31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Continuing operations					
Interest income		39 872 299	34 492 159	114 255 263	98 878 760
Interest expense		(13 473 421)	(8 948 551)	(34 063 093)	(25 012 914)
Net interest income		26 398 878	25 543 608	80 192 170	73 865 846
Other income		2 826 098	2 404 676	9 937 142	8 573 346
Operating income		29 224 976	27 948 284	90 129 312	82 439 192
Operating expenses		(18 791 239)	(16 306 276)	(53 869 970)	(46 270 570)
Charge for bad and doubtful advances		(1 290 744)	(1 998 963)	(5 794 754)	(4 795 781)
Foreign exchange gain	11	720 431	1 027 667	2 074 612	1 115 715
Profit before taxation		9 863 424	10 670 712	32 539 200	32 488 556
Taxation	3	(5 258 722)	(4 544 624)	(13 737 097)	(12 579 569)
Profit for the period from continuing operations		4 604 702	6 126 088	18 802 103	19 908 987
Discontinued operations					
Loss for the period from discontinued operations		-	(563 906)	-	(1 703 573)
Profit for the period		4 604 702	5 562 182	18 802 103	18 205 414
Other comprehensive (loss)/income, net of income tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences		(10 739 612)	877 922	(14 660 300)	(3 487 637)
Effect of cash flow hedges		(555 870)	1 676 579	(5 068 599)	8 905 029
Net fair value gain of available for sale investment		11 058 800	-	11 058 800	-
Other comprehensive (loss)/ income for the period		(236 682)	2 554 501	(8 670 099)	5 417 392
Total comprehensive income for the period		4 368 020	8 116 683	10 132 004	23 622 806
Profit for the period attributable to:					
Owners of the company		3 853 432	4 383 653	15 888 578	14 937 389
Non-controlling interests		751 314	1 178 529	2 913 525	3 268 025
		4 604 746	5 562 182	18 802 103	18 205 414
Total comprehensive income for the period attributable to:					
Owners of the company		4 611 631	6 630 263	8 412 222	20 266 310
Non-controlling interests		(243 611)	1 486 420	1 719 782	3 356 496
		4 368 020	8 116 683	10 132 004	23 622 806
Earnings per share					
From continuing and discontinued operations					
Basic earnings per share		0.24	0.29	0.98	0.97
Diluted earnings per share		0.24	0.29	0.97	0.96
From continuing operations					
Basic earnings per share		0.24	0.32	0.98	1.08
Diluted earnings per share		0.24	0.32	0.97	1.07
Basic weighted average number of shares		16 292 286	15 226 033	16 292 286	15 376 690
Diluted weighted average number of shares		16 294 010	15 226 033	16 297 400	15 620 650

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Share application monies	Total stated capital	Translation reserve	Cash flow hedging reserve	Equity Settled Reserve	Investment revaluation reserves	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 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	-	-	-	-	-	-	-	-	1 719 778	1 719 778	13 217 611	14 937 389	2 837 238	430 787	3 268 025	18 205 414
Other comprehensive (loss)/income	-	-	-	-	(3 576 108)	8 905 029	-	-	-	5 328 921	88 471	5 328 921	88 471	-	88 471	5 417 392
Total comprehensive (loss)/income	-	-	-	-	(3 576 108)	8 905 029	-	-	1 719 778	7 048 699	13 217 611	20 266 310	2 925 709	430 787	3 356 496	23 622 806
Issue of shares	1 833	3 671 927	-	3 673 760	-	-	-	-	-	-	-	3 673 760	-	-	-	3 673 760
Changes in ownership interest	-	-	-	-	48 396	-	-	-	-	48 396	(197 986)	(149 590)	149 590	-	149 590	-
Non-controlling interest on incorporation of new subsidiary	-	-	-	-	-	-	-	-	-	-	4 209	-	4 209	-	4 209	-
Balance at 31 December 2012	16 135	8 995 072	-	9 011 207	(22 341 780)	9 490 404	-	-	11 026 625	(1 824 751)	71 088 106	78 274 562	17 084 891	1 914 696	18 999 587	97 274 149
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	-	-	-	-	-	-	-	-	2 189 212	2 189 212	13 699 366	15 888 578	2 859 837	53 688	2 913 525	18 802 103
Other comprehensive (loss)/income	-	-	-	-	(13 466 557)	(5 068 599)	-	11 058 800	-	(7 476 356)	(1 193 743)	(7 476 356)	(1 193 743)	-	(1 193 743)	(8 670 099)
Total comprehensive (loss)/income	-	-	-	-	(13 466 557)	(5 068 599)	-	11 058 800	-	(5 287 144)	13 699 366	8 412 222	1 666 094	53 688	1 719 782	10 132 004
Issue of shares	19	199 887	-	199 906	-	-	-	-	-	-	-	199 906	-	-	-	199 906
Share application monies	-	-	113 500 000	113 500 000	-	-	-	-	-	-	-	113 500 000	-	-	-	113 500 000
Changes in ownership interest	-	-	-	-	-	-	-	-	-	-	(3 500 432)	(3 500 432)	(3 541 484)	-	(3 541 484)	(7 041 916)
Recognition of share based payments	-	-	-	-	-	-	180 324	-	-	180 324	-	180 324	-	-	-	180 324
Balance at 31 December 2013	16 301	10 774 114	113 500 000	124 290 415	(43 474 510)	2 939 457	200 360	11 058 800	14 988 265	(14 287 628)	84 029 093	194 031 880	13 855 306	2 297 089	16 152 395	210 184 275

Figures in US Dollar

BAYPORT MANAGEMENT LIMITED
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2013

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

Figures in US Dollar	Nine months ended	
	31-Dec-13	31-Dec-12
Operating activities		
Profit for the period	18 802 103	18 205 414
Adjustments for:		
Income tax expense recognised in profit or loss	13 737 097	12 579 569
Finance costs recognised in profit or loss	34 063 093	25 012 914
Expense recognised in respect of share based payments	180 324	-
Depreciation of property, plant and equipment and intangibles	2 093 411	1 864 665
Profit on disposal of property, plant and equipment	(62 807)	(56 901)
Increase in provision for credit impairment	5 676 589	5 131 861
Foreign currency gain	(3 136 718)	(1 084 685)
Loss on disposal of loan book	-	21 179
Operating cash flows before movements in working capital	71 353 092	61 674 016
Increase in gross advances	(100 427 831)	(92 742 790)
Decrease in inventories	-	7 770
Increase in other receivables and prepayments	(11 842 840)	(2 829 729)
Increase in deferred expenses	(1 660 208)	(1 548 434)
Increase in trade and other payables	2 578 037	7 723 384
Increase in deferred income	2 743 931	1 353 608
Net increase in loan receivable under share incentive scheme	(51 336)	-
Cash used in operations	(37 307 155)	(26 362 175)
Finance costs	(38 731 752)	(23 714 936)
Income taxes paid	(14 260 000)	(15 184 430)
Net cash used in operating activities	(90 298 907)	(65 261 541)
Investing activities		
Proceeds on disposal of property, plant and equipment	123 815	238 517
Purchases of property, plant and equipment and intangibles	(3 134 360)	(3 984 631)
Acquisition of non controlling interests	(2 500 000)	-
Proceeds from issue of shares to non-controlling interests	-	2 066
Net cash used in investing activities	(5 510 545)	(3 744 048)
Financing activities		
Proceeds from issue of bonds	103 112 552	112 103 626
Net increase/(decrease) in other borrowings	25 270 696	(9 506 200)
Proceeds from unwinding of cross currency swaps	25 080 000	-
Proceeds from share application monies	113 500 000	-
Proceeds from issue of warrant shares	-	3 673 760
Proceeds from issue of shares under share incentive scheme	199 907	-
Net cash generated from financing activities	267 163 155	106 271 186
Net increase in cash and cash equivalents	171 353 703	37 265 597
Net cash and cash equivalents at the beginning of the period	19 380 760	9 033 458
Effect of foreign exchange rate changes	(259 420)	85 025
Net cash and cash equivalents at the end of the period:		
Cash and bank balances and bank overdraft	190 475 043	46 384 080

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
Bayport FIMSA SAS	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 SAPI de CV, SOFOM, ENR (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 SAPI de CV, SOFOM, ENR.

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, 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 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 period ended 31 December 2013, no dividends were paid or declared.

5. Property, plant and equipment

During the period, the Group spent USD 3 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Net advances

	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Gross advances	428 695 713	348 925 699
Impairment provision	(13 568 806)	(8 634 524)
Net advances	415 126 907	340 291 175
Impairment provision		
Balance at the beginning of the period	8 634 524	7 349 439
Foreign exchange differences	(742 307)	(758 835)
Charge for bad and doubtful debt	5 794 754	6 793 977
Amounts written off against the impairment provision	(118 165)	(4 750 057)
Total impairment provision	13 568 806	8 634 524

7. Other financial assets

	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Derivative instruments in designated hedge accounting relationships		
Cross Currency Swaps	-	21 897 451

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

8. Stated capital

	31-Dec-13	31-Mar-13
Share capital	16 301	16 282
Share premium	10 774 114	10 574 227
Share application monies	113 500 000	-
	124 290 415	10 590 509

	Number of shares	Share Capital	Share premium	Share application monies	Total Stated capital
Balance at 1 April 2013	16 282 323	16 282	10 574 227	-	10 590 509
Issue under share incentive scheme	18 648	19	199 887	-	199 906
Share application monies	-	-	-	113 500 000	113 500 000
Balance at 31 December 2013	16 300 971	16 301	10 774 114	113 500 000	124 290 415

In October 2013, the Company entered into a subscription agreement with Takwa Holdco Limited (a company affiliated with Helios Investment Partners LLP), Kinnevik New Ventures AB, Groundsel Investments Limited and Grant Kurland. Under this agreement, the parties agreed to invest USD 100 million, USD 5.3 million, USD 27 million and USD 5 million, respectively, in the Company by subscribing to new shares.

As at 31 December 2013, the Company received advances in relation to the above new subscription of shares of USD 100 million from Takwa Holdco Limited and USD 13.5 million from Groundsel Investments Limited, totalling USD 113.5 million. This amount is included in stated capital as 'share application monies'. The subscription to news shares was completed on 7 January 2014.

9. Other financial liabilities

	31-Dec-13		31-Mar-13	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge	-	239 002	-	-

In November 2013, the company entered into forward foreign exchange contracts to purchase ZAR 1,625,950,000 for a notional principle amount of USD 155 million in view of the acquisition of 100% of the share capital of BFS and Zenthyme.

The net loss arising on the valuation of the hedge as at 31 December 2013 of USD239,002 was accounted in other comprehensive income as the hedge is considered a cash flow hedge under IAS39.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

10. Borrowings

	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Corporate Bonds	316 673 244	215 318 363
Other terms loans	94 652 143	72 500 201
	<u>411 325 387</u>	<u>287 818 564</u>

Corporate Bonds

In September 2013, the Company issued Corporate Bonds with a nominal amount of SEK 600,000,000 at a premium of SEK 57,775,608 and a coupon rate of 13% payable annually on the anniversary date and are due to be redeemed on 12 June 2017. The terms of the Bonds require that certain financial covenants are met. The Corporate Bonds are listed on Nasdaq OMX Stockholm AB.

11. Foreign currency gain

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>31-Dec-13</u>	<u>31-Dec-12</u>	<u>31-Dec-13</u>	<u>31-Dec-12</u>
Foreign exchange gain on retranslation of Bonds	457 036	-	3 154 986	-
Other exchange gain/(loss)	263 395	1 027 667	(1 080 374)	1 115 715
	<u>720 431</u>	<u>1 027 667</u>	<u>2 074 612</u>	<u>1 115 715</u>

12. Other Investments

During the year, the group adopted IFRS13, Fair Value Measurement prospectively and accordingly reviewed the appropriateness of the fair value measurement techniques associated with its Available for Sale investment in Guardrisk Limited. The expansion of Guardrisk activities into new markets resulted in a change in valuation technique in terms of paragraph 65(a) of IFRS13.

The adoption of IFRS 13 resulted in the following financial impact:

	<u>31-Dec-13</u>	<u>31-Mar-13</u>
Guardrisk Limited		
At fair value		
At 1 April	25 000	25 000
Increase in fair value	11 058 800	-
At 31 December 2013 / 31 March 2013	<u>11 083 800</u>	<u>25 000</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

12. Other Investments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

31-Dec-13	Level 1	Level 2	Level 3	Total
Investment in Guardrisk Limited	-	-	11 083 800	11 083 800
31-Mar-13	Level 1	Level 2	Level 3	Total
Investment in Guardrisk Limited	-	-	25 000	25 000

13. Events after the reporting period

Acquisition of new subsidiaries

In October 2013, the Company entered into a subscription and repurchase agreement with Bayport Financial Services 2010 Proprietary Limited ("BFS"), Zenthyme Investments Proprietary Limited ("Zenthyme") and Transaction Capital Limited ("TC") to acquire 100% of the share capital of BFS and Zenthyme, subject to the fulfilment or waiver of certain conditions precedent. As at 31 December 2013, all conditions precedent were fulfilled. The purchase price was agreed at ZAR 1,616,478,055 (approx. USD 154 million) for the acquisitions. The transaction was completed, and the cash consideration paid to TC, on 10 January 2014.

The business conducted by BFS and Zenthyme includes the provision of unsecured credit, cellular handset and airtime subscription agreements and related products.

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.