

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 31 December 2014



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Notes	31-Dec-14	31-Mar-14 (Restated)
Assets			
Cash and cash equivalents		65 839 650	91 404 689
Net advances	6	864 629 051	824 145 895
Trade and other receivables		41 183 983	32 188 391
Inventories		1 090 632	4 318 402
Goodwill	12	110 854 773	116 265 674
Deferred tax assets	13	43 809 979	38 186 977
Current tax receivable		2 564 831	3 535 338
Property, plant and equipment	5	12 079 908	11 909 542
Intangible assets		1 012 657	1 488 989
Total assets		1 143 065 464	1 123 443 897
Equity and Liabilities			
Equity			
Stated capital	7	151 665 683	151 415 680
Reserves		(78 360 964)	(35 776 537)
Retained earnings		138 477 972	93 273 747
Equity attributable to equity holders of the company		211 782 691	208 912 890
Non-controlling interests		14 200 476	14 294 263
Total equity		225 983 167	223 207 153
Liabilities			
Finance lease obligation		976 859	630 546
Bank overdraft		9 156 989	7 225 290
Trade and other payables		50 395 217	53 700 667
Borrowings	8	833 953 320	830 025 971
Other financial liabilities	9	19 836 481	-
Deferred tax liabilities		38 134	27 964
Current tax liabilities		2 725 297	8 626 306
Total Liabilities		917 082 297	900 236 744
Total Equity and Liabilities		1 143 065 464	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	Three months ended		Nine months ended	
		31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Interest income		76 176 180	39 872 299	222 728 345	114 255 263
Interest expense		(28 490 053)	(13 968 249)	(80 660 738)	(35 215 976)
Net interest income		47 686 127	25 904 050	142 067 607	79 039 287
Fees and commission income		7 967 521	2 220 722	16 685 583	5 629 657
Dividend income		2 599 567	-	15 615 808	2 410 628
Other income		3 908 104	605 376	14 763 711	1 896 857
Impairment of loans and advances		(27 161 058)	(1 290 744)	(75 304 628)	(5 794 754)
Net operating income		35 000 261	27 439 404	113 828 081	83 181 675
Operating expenses		(40 539 880)	(18 296 411)	(106 185 809)	(52 717 087)
Foreign exchange gain	10	4 811 736	720 431	39 671 433	2 074 612
(Loss)/profit before taxation		(727 883)	9 863 424	47 313 705	32 539 200
Taxation	3	(1 142 202)	(5 258 722)	(5 928 490)	(13 737 097)
(Loss) /profit for the period		(1 870 085)	4 604 702	41 385 215	18 802 103
Other comprehensive loss net of income tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences		(23 578 952)	(10 739 612)	(48 805 564)	(14 660 300)
Effect of cash flow hedges		(177 289)	(555 870)	(811 024)	(5 068 599)
Net fair value (loss)/gain of available for sale investment		(1 445 840)	11 058 800	7 999 334	11 058 800
Other comprehensive loss for the period		(25 202 081)	(236 682)	(41 617 254)	(8 670 099)
Total comprehensive (loss)/gain for the period		(27 072 166)	4 368 020	(232 039)	10 132 004
(Loss)/Gain for the period attributable to:					
Owners of the company		(528 014)	3 853 388	42 271 164	15 888 578
Non-controlling interests		(1 342 071)	751 314	(885 949)	2 913 525
		(1 870 085)	4 604 702	41 385 215	18 802 103
Total comprehensive (loss)/gain for the period attributable to:					
Owners of the company		(25 183 352)	4 611 631	2 164 703	8 412 222
Non-controlling interests		(1 888 814)	(243 611)	(2 396 742)	1 719 782
		(27 072 166)	4 368 020	(232 039)	10 132 004
(Loss)/earnings per share					
Basic (loss)/earnings per share		(0.02)	0.24	1.74	0.98
Diluted (loss)/earnings per share		(0.02)	0.24	1.74	0.97
Basic weighted average number of shares		24 240 825	16 292 286	24 236 012	16 292 286
Diluted weighted average number of shares		24 249 792	16 294 010	24 262 719	16 297 400

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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	Investment revaluation 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	-	-	-	-	-	-	-	-	-	-	15 888 578	15 888 578	2 913 525	-	2 913 525	18 802 103
Transfer (to)/from reserves	-	-	-	-	-	-	-	-	2 189 212	2 189 212	(2 189 212)	-	(53 688)	53 688	-	-
Other comprehensive loss	-	-	-	-	(13 466 557)	(5 068 599)	-	11 058 800	-	(7 476 356)	(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	2 189 212	(5 287 144)	13 693 366	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	-	-	113 500 000	113 500 000	-	-	-	-	-	-	-	113 500 000	-	-	-	113 500 000
Recognition of share based payments	-	-	-	-	-	-	180 324	-	-	180 324	-	-	-	-	-	180 324
Changes in ownership interests	-	-	-	-	-	-	-	-	-	(3 500 432)	(3 500 432)	-	-	-	(3 541 484)	(7 041 916)
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
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	-	-	-	-	-	-	-	-	-	-	42 271 164	42 271 164	(885 949)	-	(885 949)	41 385 215
Transfer (to)/from reserves	-	-	-	-	-	-	-	-	(2 933 061)	(2 933 061)	2 933 061	-	253 143	(253 143)	-	-
Other comprehensive (loss)/income	-	-	-	-	(47 294 771)	(811 024)	-	-	7 999 334	(40 106 461)	(40 106 461)	-	(1 510 793)	-	(1 510 793)	(41 617 254)
Total comprehensive (loss)/income	-	-	-	-	(47 294 771)	(811 024)	-	-	5 066 273	(43 039 522)	45 204 225	2 164 703	(2 143 599)	(253 143)	(2 396 742)	(232 039)
Issue of shares	14	249 989	-	250 003	-	-	-	-	-	-	-	250 003	-	-	-	250 003
Recognition of share based payments	-	-	-	-	-	-	455 095	-	-	455 095	-	-	-	-	-	455 095
Change in ownership interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 302 955	2 302 955
Balance at 31 December 2014	24 241	151 641 442	-	151 665 683	(114 696 934)	2 050 568	695 791	-	33 589 611	(78 360 964)	138 477 972	211 782 691	12 049 862	2 150 614	14 200 476	225 983 167

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2014

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

Figures in US Dollar	Notes	Nine months ended	
		31-Dec-14	31-Dec-13
Cash flows from operating activities			
Profit before taxation		47 313 705	32 539 200
Adjustments for:			
Depreciation and amortisation		4 016 397	2 093 411
Profit on disposal of property, equipment and intangible assets		(75 615)	(62 807)
Foreign currency gains		(40 766 289)	(3 136 718)
Finance costs		80 660 738	35 215 976
Dividend recognised in income statement		(15 615 809)	(2 410 628)
Increase in provision for credit impairment		(54 073 777)	5 676 589
Expense recognised in respect of share based payments		455 095	180 324
Operating cash flows before movements in working capital		21 914 445	70 095 347
Changes in working capital:			
Decrease in inventories		3 090 076	-
Increase in trade and other receivables		(13 254 453)	(11 894 176)
Increase in gross advances		(48 545 485)	(99 344 108)
Increase in trade and other payables		5 263 652	2 578 037
Cash used in operations		(31 531 765)	(38 564 900)
Dividend received		17 352 215	2 410 628
Finance costs paid		(85 749 480)	(39 884 635)
Tax paid		(16 512 543)	(14 260 000)
Net cash used in operating activities		(116 441 573)	(90 298 907)
Cash flows from investing activities			
Proceeds on disposal of property, equipment and intangible assets		570 133	123 815
Purchase of property, equipment and intangible assets		(5 189 378)	(3 134 360)
Proceeds from issue of shares to non-controlling interests		38 507	-
Acquisition of non-controlling interests		-	(2 500 000)
Net cash outflow from acquisition of subsidiary	11.3	(6 553 760)	-
Net cash used in investing activities		(11 134 498)	(5 510 545)
Cash flows from financing activities			
Net proceeds on issue of bonds		98 437 794	103 112 552
Proceeds from issue of shares		250 003	-
Net increase in other borrowings		5 521 732	25 270 696
Proceeds from unwinding of cross currency swaps		-	25 080 000
Proceeds from share application		-	113 500 000
Proceeds from share issue under share incentive scheme		-	199 907
Net cash generated from financing activities		104 209 529	267 163 155
Net (decrease)/ increase in cash and cash equivalents		(23 366 542)	171 353 703
Net cash and cash equivalents at the beginning of the period		84 179 399	19 380 760
Effect of foreign exchange rate changes		(4 130 196)	(259 420)
Total cash and cash equivalents at the end of the period		56 682 661	190 475 043

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) (Dormant)	South Africa
Bayport Financial Services Mozambique (MCB) S.A	Mozambique
Actvest Mexico SAPI de CV, SOFOM, ENR (iii)	Mexico
Financiera Fortaleza, S.A de C.V SOFOM E.N.R (iv)	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) 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.
- (iv) Actvest Mexico SAPI de CV, SOFOM, ENR owns 60% of Financiera Fortaleza, S.A de C.V SOFOM E.N.R

The Company has changed its year end from 31 March to 31 December during this financial year.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

4. Dividends

During the nine months ended 31 December 2014, no dividends were paid or declared.

5. Property, plant and equipment

During the period, the Group spent USD 5.2million 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

	31-Dec-14	31-Mar-14
		(Restated)
Gross advances	991 258 536	1 058 684 436
Carrying value of written off book	47 660 558	16 555 753
	<u>1 038 919 094</u>	<u>1 075 240 189</u>
Impairment provision	(174 290 043)	(251 094 294)
Net advances	864 629 051	824 145 895
Gross advances		
Advances to customers	935 568 159	1 008 967 094
Deferred origination fees	(14 594 047)	(13 056 522)
Deferred origination costs	9 772 235	6 717 631
Carrying value of net premiums	60 512 189	56 056 233
	<u>991 258 536</u>	<u>1 058 684 436</u>
Impairment provision		
Opening balance	251 094 294	8 634 524
Additions through business combinations	713 332	147 571 944
Net impairment recognised in profit or loss	108 307 082	25 683 229
Utilisation of allowance for impairment	(158 506 813)	(17 139 214)
Foreign exchange differences	(27 317 852)	(2 339 143)
Closing balance (as previously reported)	174 290 043	162 411 340
Additions through business combinations – additional provision recognised under IFRS 3 (Note 12)	-	88 682 954
Closing balance	<u>174 290 043</u>	<u>251 094 294</u>

7. Stated capital

	31-Dec-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 31 December 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

	31-Dec-14	31-Mar-14
Corporate Bonds	387 076 933	316 826 595
Loan notes	278 853 554	365 218 600
Other terms loans	168 022 833	147 980 776
	833 953 320	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.

Corporate Bonds

In November 2014, the Company issued Corporate Bonds with a nominal amount of SEK650,000,000 at a coupon rate of 14% payable annually on the anniversary date and are due to be redeemed in November 2019. These Bonds constitutes direct, general, unconditional, subordinated and unsecured obligations of the company. The Bonds are listed on Nasdaq OMX Stockholm AB.

During the year, Bayport Financial Services Limited, a subsidiary of the Company incorporated in Zambia issued Corporate Bonds of USD31million. The Bonds are denominated in Zambian Kwacha, secured over the Net Advances of the subsidiary and have tenures ranging from three to five years.

9. Other financial liabilities

	31-Dec-14		31-Mar-14	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge	-	19 836 481	-	-

The Company entered into forward foreign exchange contracts during September and October 2014 with a view to hedge its exposure to movements in SEK/USD exchange rate relating to its Bond liabilities denominated in Swedish Krona. Details of the contracts entered into are as follows:

	Currency	Trade date	Maturity date	Notional amount
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

10. Foreign currency gain

	Three months ended		Nine months ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
Net Foreign exchange gain on retranslation of Bonds and forward exchange contracts	6 289 482	457 036	41 629 878	3 154 986
Other exchange (loss)/ gain	(1 477 746)	263 395	(1 958 445)	(1 080 374)
	4 811 736	720 431	39 671 433	2 074 612

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

11. Business combinations

Acquisition of subsidiary

In November 2014, Actvest Mexico, a wholly owned company of the group, acquired 60% of the share capital of Financiera Fortaleza, S.A. de C.V., SOFOM, E.N.R, a private limited company registered in Mexico. The company is involved in the provision of financial services.

11.1 Assets acquired and liabilities recognised at the date of acquisition

Assets	USD
Cash and cash equivalents	2 023 407
Net advances	10 378 449
Trade and other receivables	1 886 773
Property and equipment	30 751
	14 319 380
Liabilities	
Trade and other payables	816 002
Borrowings	7 131 016
Current tax payable	318 413
	8 265 431

11.2 Goodwill arising at acquisition

Consideration transferred	8 577 167
Less: fair value of identifiable net assets acquired	(3 632 369)
Goodwill arising on acquisition	4 944 798
Foreign exchange differences	(302 126)
Goodwill at end of reporting period	4 642 672

11.3 Net cash flow on acquisition of subsidiaries

Consideration paid in cash	8 577 167
Less: cash and cash equivalent balances acquired	(2 023 407)
	6 553 760

11.4 Impact of acquisitions on the results of the Group

Included in the profit for the period are losses of USD105,930 attributable to the additional businesses generated by Financiera Fortaleza. Interest income for the period includes USD437,944 in respect of the acquired subsidiary.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

12. Goodwill

	31-Dec-14	31-Mar-14
		(Restated)
Opening balance	116 265 674	4 027 316
Additions through business combinations (Note 11)	4 944 798	48 428 915
Foreign exchange movements	(10 355 699)	(42 284)
Closing balance (as previously reported)	110 854 773	52 413 947
Additions through business combinations – additional goodwill recognised under IFRS 3(i)	-	63 851 727
Closing balance	110 854 773	116 265 674

- (i) The adjustment to Goodwill relates to the acquisition of Bayport Financial Services 2010 Proprietary Limited ('BFS') and Zenthyme Investments Proprietary Limited ('Zenthyme') completed in January 2014. From the date of publication of the last consolidated financial statements, the Company received new information on the fair value of net advances of BFS. The adjustment of USD63,851,727 represents the after tax impact of increase in impairment provisions against advances of BFS .

13. Deferred tax assets

	31-Dec-14	31-Mar-14
		(Restated)
Opening balance	38 186 977	4 412 218
Movement during the period /year	5 623 002	8 943 532
Closing balance (as previously reported)	43 809 979	13 355 750
Additions through business combinations - additional deferred tax asset recognised under IFRS 3 (note 12)	-	24 831 227
Closing balance	43 809 979	38 186 977

The above unaudited condensed Financial Statements are issued pursuant to Listing Rules 11.3 and 11.5 of the Stock Exchange of Mauritius Ltd, the Securities Act 2005 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.