

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 30 September 2015



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Notes	30-Sep-15	31-Dec-14
Assets			
Cash and cash equivalents		107 781 587	65 839 650
Net advances	6	752 215 980	864 629 051
Trade and other receivables		40 090 196	41 198 468
Inventories		28 656	1 090 632
Current tax assets		4 427 562	2 564 831
Deferred tax assets		29 175 119	32 024 334
Goodwill		90 688 886	110 818 432
Property and equipment	5	9 688 710	12 079 908
Intangible assets		883 125	1 012 657
Total Assets		1 034 979 821	1 131 257 963
Equity and Liabilities			
Equity			
Stated capital	7	300 143 764	151 665 683
Reserves		(241 955 033)	(77 526 398)
Retained earnings		153 566 214	125 801 824
Equity attributable to equity holders of the company		211 754 945	199 941 109
Non-controlling interests		7 352 645	14 200 476
Total Equity		219 107 590	214 141 585
Liabilities			
Bank overdrafts		9 741 887	9 156 989
Trade and other payables		62 156 778	50 409 702
Finance lease obligation		734 368	976 859
Borrowings	8	711 984 734	833 953 320
Other financial liabilities	9	29 638 326	19 836 481
Current tax liabilities		1 579 101	2 744 893
Deferred tax liabilities		37 037	38 134
Total Liabilities		815 872 231	917 116 378
Total Equity and Liabilities		1 034 979 821	1 131 257 963

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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	
		30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Interest income		66 295 286	74 031 511	205 471 317	217 868 085
Interest expense		(26 074 517)	(26 331 881)	(80 607 272)	(76 245 998)
Net interest income		40 220 769	47 699 630	124 864 045	141 622 087
Fees and commission income		8 068 102	8 298 537	21 343 293	22 888 990
Dividend income		3 057 740	6 236 904	12 601 410	20 080 789
Other income		989 486	3 046 597	3 469 092	8 433 066
Impairment of loans and advances		(8 788 584)	(27 155 579)	(29 908 499)	(68 032 045)
Net operating income		43 547 513	38 126 089	132 369 341	124 992 887
Operating expenses		(35 002 870)	(33 511 804)	(99 841 674)	(98 749 736)
Foreign exchange gain	12	3 239 373	24 608 880	5 463 904	36 574 067
Impairment of goodwill		-	-	-	(12 676 148)
Profit before taxation		11 784 016	29 223 165	37 991 571	50 141 070
Taxation	3	(3 394 763)	(1 734 694)	(10 988 474)	(9 084 711)
Profit for the period		8 389 253	27 488 471	27 003 097	41 056 359
Other comprehensive (loss)/income net of income tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange differences		(86 622 610)	(13 984 165)	(150 511 115)	(50 429 224)
Effect of cash flow hedges		(1 126 116)	(316 868)	(2 848 212)	(711 600)
Net fair value (loss)/gain of available for sale investments		(6 942 187)	(1 990 722)	(13 546 211)	10 654 218
Other comprehensive loss for the period		(94 690 913)	(16 291 755)	(166 905 538)	(40 486 606)
Total comprehensive (loss)/income for the period		(86 301 660)	11 196 716	(139 902 441)	569 753
Profit for the period attributable to:					
Owners of the company		7 980 275	27 193 424	28 210 666	40 607 408
Non-controlling interests		408 978	295 047	(1 207 569)	448 951
		8 389 253	27 488 471	27 003 097	41 056 359
Total comprehensive (loss)/income for the period attributable to:					
Owners of the company		(83 619 481)	11 152 239	(133 372 218)	2 919 965
Non-controlling interests		(2 682 179)	44 477	(6 530 223)	(2 350 212)
		(86 301 660)	11 196 716	(139 902 441)	569 753
Earnings per share					
Basic earnings per share		0.26	1.12	1.05	1.69
Diluted earnings per share		0.26	1.12	1.05	1.69
Basic weighted average number of shares					
Basic weighted average number of shares		30 660 796	24 240 825	26 908 810	24 006 750
Diluted weighted average number of shares					
Diluted weighted average number of shares		30 697 508	24 250 114	26 945 523	24 039 096

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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	Other reserves	Total reserves	Retained earnings	Equity 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 January 2014	16 301	10 774 114	113 500 000	124 290 415	(43 534 032)	2 939 457	200 360	26 202 209	(14 192 006)	83 901 455	193 999 864	13 843 457	2 351 817	16 195 274	210 195 138
Profit for the period	-	-	-	-	-	-	-	-	-	40 607 408	40 607 408	448 951	-	448 951	41 056 359
Transfer (to)/from reserves	-	-	-	-	-	(711 600)	-	2 878	2 878	(2 878)	(79 086)	(79 086)	79 086	-	-
Other comprehensive (loss)/income	-	-	-	-	(47 630 061)	(711 600)	-	10 654 218	(37 687 443)	(2 799 163)	(37 687 443)	(2 799 163)	-	(2 799 163)	(40 486 606)
Total comprehensive loss for the period	-	-	-	-	(47 630 061)	(711 600)	-	10 657 096	(37 684 565)	40 604 530	2 919 965	(2 429 298)	79 086	(2 350 212)	569 753
Issue of shares	7 940	27 367 328	-	27 375 268	-	-	-	-	-	-	27 375 268	-	-	-	27 375 268
Recognition of share based payments	-	-	-	-	-	-	343 721	-	343 721	-	343 721	-	-	-	343 721
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	(20 130)	-	(20 130)	(20 130)
Balance at 30 September 2014	24 241	38 141 442	113 500 000	151 665 683	(91 164 093)	2 227 857	544 081	36 859 305	(51 532 850)	124 505 985	224 638 818	11 394 029	2 430 903	13 824 932	238 463 750
Balance at 01 January 2015	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	-	-	-	-	-	-	-	-	-	28 210 666	28 210 666	(1 207 569)	-	(1 207 569)	27 003 097
Transfer (to)/from reserves	-	-	-	-	-	-	-	(2 786 799)	(2 786 799)	2 786 799	-	464 285	(464 285)	-	-
Other comprehensive (loss)/income	-	-	-	-	(145 188 461)	(2 848 212)	-	(13 546 211)	(161 582 884)	(1 611 582 884)	(1 611 582 884)	(5 322 654)	-	(5 322 654)	(166 905 538)
Total comprehensive loss for the period	-	-	-	-	(145 188 461)	(2 848 212)	-	(16 333 010)	(164 369 683)	30 997 465	(133 372 218)	(6 065 938)	(464 285)	(6 530 223)	(139 902 441)
Issue of shares	6 436	148 471 645	-	148 478 081	-	-	(499 988)	-	(499 988)	-	147 978 093	-	-	-	147 978 093
Recognition of share based payments	-	-	-	-	-	-	327 323	-	327 323	-	327 323	-	-	-	327 323
Change in ownership interests	-	-	-	-	-	-	-	-	113 713	(3 233 075)	(3 119 362)	(317 608)	-	(317 608)	(3 436 970)
Balance at 30 September 2015	30 677	300 113 087	-	300 143 764	(258 937 116)	(797 644)	523 126	17 256 601	(241 955 033)	153 566 214	211 754 945	5 666 316	1 686 329	7 352 645	219 107 590

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Nine months ended	
	30-Sep-15	30-Sep-14
Cash flows from operating activities		
Profit before taxation	37 991 571	50 141 070
Adjustments for:		
Depreciation and amortisation	3 892 694	4 054 961
Profit on disposal of property, equipment and intangible assets	(33 520)	(131 086)
Unrealised foreign currency gains	(9 027 282)	(37 166 263)
Finance costs	80 607 272	76 245 998
Dividend recognised in income statement	(12 601 410)	(20 080 789)
Increase in provision for credit impairment	10 695 092	30 412 377
Expense recognised in respect of share based payments	327 323	343 721
Impairment of goodwill	-	12 676 148
Operating cash flows before movements in working capital	111 851 740	116 496 137
Changes in working capital:		
Decrease in inventories	1 032 765	5 531 625
Increase in trade and other receivables	(5 741 513)	(3 286 667)
Increase in gross advances	(132 911 679)	(141 701 866)
Increase in trade and other payables	9 966 835	4 347 316
Cash used in operations	(15 801 852)	(18 613 455)
Dividend received	13 533 031	17 755 806
Finance costs paid	(71 126 700)	(70 070 787)
Tax paid	(11 877 105)	(12 782 682)
Net cash used in operating activities	(85 272 626)	(83 711 118)
Cash flows from investing activities		
Proceeds on disposal of property, equipment and intangible assets	238 629	680 815
Purchase of property, equipment and intangible assets	(4 834 102)	(3 717 736)
Net cash outflow from acquisition of subsidiary	-	(130 491 639)
Net cash (outflow)/ inflow on acquisition of non-controlling interests	(3 470 288)	39 180
Net cash used in investing activities	(8 065 761)	(133 489 380)
Cash flows from financing activities		
Net proceeds from bonds	18 332 346	31 642 398
Net proceeds from issue of shares	147 978 094	27 375 267
Net (decrease)/ increase in other borrowings	(16 236 298)	26 831 973
Payment for unwinding of forward contract	(11 801 383)	-
Net cash generated from financing activities	138 272 759	85 849 638
Net increase/(decrease) in cash and cash equivalents	44 934 372	(131 350 860)
Net cash and cash equivalents at the beginning of the period	56 682 661	190 634 148
Effect of foreign exchange rate changes	(3 577 333)	(2 817 333)
Total cash and cash equivalents at the end of the period	98 039 700	56 465 955

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 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
Convене Med (Pty) Ltd (i) (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
Bayport Latam Investments B.V (iv)	Netherlands
Bayport Latam Investments Cooperatif U.A (iv)	Netherlands

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 100% of Convене 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.
- (iv) Bayport Management Ltd effectively owns 100% of Bayport Latam Investments B.V and Bayport Latam Investments Cooperatif U.A.

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 ("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 nine months ended 30 September 2015, no dividends were paid or declared.

5. Property and equipment

During the period, the Group spent USD 4.8million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

6. Net advances

	30-Sep-15	31-Dec-14
Gross advances	863 207 797	991 258 536
Carrying value of written off book	41 910 179	47 660 558
	<u>905 117 976</u>	<u>1 038 919 094</u>
Impairment provision	(152 901 996)	(174 290 043)
Net advances	752 215 980	864 629 051
Gross advances		
Advances to customers	825 610 018	935 568 159
Deferred origination fees	(15 091 490)	(14 594 047)
Deferred origination costs	11 041 144	9 772 235
Carrying value of net premiums	41 648 125	60 512 189
	<u>863 207 797</u>	<u>991 258 536</u>
Impairment provision		
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	29 908 499	75 304 628
Utilisation of allowance for impairment	(19 213 407)	(125 504 359)
Foreign exchange differences	(31 791 408)	(27 317 852)
Closing balance	<u>152 901 996</u>	<u>174 290 043</u>

7. Stated capital

	30-Sep-15	31-Dec-14
Share capital	30 677	24 241
Share premium	300 113 087	151 641 442
	<u>300 143 764</u>	<u>151 665 683</u>

	Number of shares	Share Capital	Share premium	Total stated capital
Balance at 1 January 2015	24 240 825	24 241	151 641 442	151 665 683
Issue of shares	6 436 188	6 436	148 471 645	148 478 081
Balance at 30 September 2015	<u>30 677 013</u>	<u>30 677</u>	<u>300 113 087</u>	<u>300 143 764</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

8. Borrowings

	<u>30-Sep-15</u>	<u>31-Dec-14</u>
Corporate Bonds	360 887 270	387 076 933
Loan notes	203 172 448	278 853 555
Other terms loans	147 925 016	168 022 832
	<u>711 984 734</u>	<u>833 953 320</u>

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 sold 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-Sep-15</u>		<u>31-Dec-14</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Cash flow hedge	-	29 638 326	-	19 836 481

The Company entered into forward foreign exchange contracts during October 2014, May 2015 and September 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:

	Currency	Trade date	Maturity date	Notional amount
Forward exchange contract 1	SEK	October 2014	October 2015	SEK689million
Forward exchange contract 2	SEK	October 2014	October 2015	SEK800million
Forward exchange contract 3	USD	May 2015	October 2015	USD 95million
Forward exchange contract 4	SEK	September 2015	March 2016	SEK639million

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 Libralval 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

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

11. Incorporation of subsidiaries

In September 2015, the group incorporated Bayport Latam Investments B.V and Bayport Latam Investments Cooperatif U.A, registered in Netherlands. The companies are investment holding companies.

12. Foreign currency gain

	Three months ended		Nine months ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Net foreign exchange gain on retranslation of bonds and forward exchange contracts	3 361 997	24 590 270	7 813 854	37 590 376
Other exchange (loss)/gain	(122 624)	18 610	(2 349 950)	(1 016 309)
	<u>3 239 373</u>	<u>24 608 880</u>	<u>5 463 904</u>	<u>36 574 067</u>

"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.