

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the twelve months ended 31 December 2015



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Notes	31-Dec-15	31-Dec-14
Assets			
Cash and cash equivalents		85 852 593	65 839 650
Net advances	6	725 495 021	864 629 051
Trade and other receivables		33 454 707	34 976 520
Inventories		-	1 090 632
Current tax assets		1 839 438	2 564 831
Deferred tax assets		37 796 958	32 024 334
Goodwill		81 465 975	110 818 432
Property and equipment	5	10 633 045	12 079 908
Intangible assets		1 233 222	1 012 657
Total Assets		977 770 959	1 125 036 015
Equity and Liabilities			
Equity			
Stated capital	7	300 778 464	151 665 683
Reserves		(255 617 444)	(77 526 398)
Retained earnings		132 729 018	125 801 824
Equity attributable to equity holders of the company		177 890 038	199 941 109
Non-controlling interests		9 823 028	14 200 476
Total Equity		187 713 066	214 141 585
Liabilities			
Bank overdrafts		10 971 579	9 156 989
Trade and other payables		50 748 358	50 702 683
Finance lease obligation		657 315	976 859
Borrowings	8	726 771 586	827 438 391
Other financial liabilities	9	740 228	19 836 481
Current tax liabilities		145 452	2 744 893
Deferred tax liabilities		23 375	38 134
Total Liabilities		790 057 893	910 894 430
Total Equity and Liabilities		977 770 959	1 125 036 015

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Figures in US Dollar	Notes	Three months ended		Twelve months ended	
		31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Interest income		64 098 058	76 210 656	269 679 250	294 178 065
Interest expense		(26 101 287)	(28 490 053)	(106 708 559)	(104 736 051)
Net interest income		37 996 771	47 720 603	162 970 691	189 442 014
Fees and commission income		7 027 250	10 202 605	28 370 543	33 091 595
Dividend income		3 127 095	2 599 567	15 728 505	22 680 356
Other income		2 435 968	1 638 544	5 795 185	9 972 286
Net non-interest Income		12 590 313	14 440 716	49 894 233	65 744 237
Operating income		50 587 084	62 161 319	212 864 924	255 186 251
Operating expenses		(31 618 011)	(40 539 881)	(131 459 687)	(139 289 617)
Foreign exchange (loss)/gain	11	(4 589 996)	4 811 736	873 908	41 385 803
Pre-provision income		14 379 077	26 433 174	82 279 145	157 282 437
Impairment of loans and advances		(33 606 972)	(27 161 058)	(63 515 471)	(95 193 103)
Impairment of goodwill		-	-	-	(12 676 148)
(Loss)/profit before taxation		(19 227 895)	(727 884)	18 763 674	49 413 186
Taxation	3	(2 179 639)	(1 142 202)	(13 168 113)	(10 226 913)
(Loss)/profit for the period/year		(21 407 534)	(1 870 086)	5 595 561	39 186 273
Other comprehensive loss net of income tax					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange differences		(5 196 175)	(23 245 017)	(155 707 289)	(73 674 241)
Effect of cash flow hedges		1 145 698	(177 289)	(1 702 514)	(888 889)
Net fair value (loss)/gain of available for sale investments		(6 451 103)	(1 445 840)	(19 997 315)	9 208 378
Other comprehensive loss for the period/year		(10 501 580)	(24 868 146)	(177 407 118)	(65 354 752)
Total comprehensive loss for the period/year		(31 909 114)	(26 738 232)	(171 811 557)	(26 168 479)
(Loss)/profit for the period/ year attributable to:					
Owners of the company		(20 538 740)	(528 015)	7 671 925	40 079 393
Non-controlling interests		(868 794)	(1 342 071)	(2 076 364)	(893 120)
		(21 407 534)	(1 870 086)	5 595 561	39 186 273
Total comprehensive loss for the period/year attributable to:					
Owners of the company		(32 622 691)	(24 849 419)	(165 994 910)	(21 929 454)
Non-controlling interests		713 577	(1 888 813)	(5 816 647)	(4 239 025)
		(31 909 114)	(26 738 232)	(171 811 557)	(26 168 479)
(Loss)/earnings per share					
Basic weighted average number of shares		30 677 279	24 240 825	27 858 671	24 066 067
Diluted weighted average number of shares		30 697 442	24 287 196	27 878 834	24 112 438
Basic (loss) earnings per share		(0.67)	(0.02)	0.28	1.67
Diluted (loss)/earnings per share		(0.67)	(0.02)	0.28	1.66

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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	-	-	-	-	-	-	-	-	-	40 079 393	40 079 393	(893 120)	-	(893 120)	39 186 273
Transfer (to)/from reserves	-	-	-	-	-	(1 820 976)	-	(1 820 976)	(1 820 976)	1 820 976	-	201 203	(201 203)	-	-
Other comprehensive (loss)/income	-	-	-	-	(70 328 336)	(888 889)	-	9 208 378	(62 008 847)	-	(62 008 847)	(3 345 905)	-	(3 345 905)	(65 354 752)
Total comprehensive loss for the year	-	-	-	-	(70 328 336)	(888 889)	-	7 387 402	(63 829 823)	41 900 369	(21 929 454)	(4 037 822)	(201 203)	(4 239 025)	(26 168 479)
Issue of shares	7 940	140 867 328	(113 500 000)	27 375 268	-	-	495 431	-	495 431	-	27 375 268	-	-	-	27 375 268
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	495 431	-	-	-	495 431
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	2 244 227	-	2 244 227	2 244 227
Balance at 31 December 2014	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
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 year	-	-	-	-	-	-	-	-	-	7 671 925	7 671 925	(2 076 364)	-	(2 076 364)	5 595 561
Transfer (to)/from reserves	-	-	-	-	-	(4 058 275)	-	(4 058 275)	(4 058 275)	4 058 275	-	921 183	(921 183)	-	-
Other comprehensive loss	-	-	-	-	(151 967 006)	(1 702 514)	-	(19 997 315)	(173 666 835)	-	(173 666 835)	(3 740 283)	-	(3 740 283)	(177 407 118)
Total comprehensive loss for the year	-	-	-	-	(151 967 006)	(1 702 514)	-	(24 055 590)	(177 725 110)	11 730 200	(165 994 910)	(4 895 464)	(921 183)	(5 816 647)	(171 811 557)
Issue of shares	6 460	148 906 391	199 930	149 112 781	-	-	(934 758)	-	(934 758)	-	148 178 023	-	-	-	148 178 023
Recognition of share based payments	-	-	-	-	-	-	455 109	-	455 109	-	455 109	-	-	-	455 109
Change in ownership interests	-	-	-	-	-	-	-	-	-	(4 803 006)	(4 689 293)	1 439 199	-	1 439 199	(3 250 094)
Balance at 31 December 2015	30 701	300 547 833	199 930	300 778 464	(265 715 661)	348 054	216 142	9 534 021	(255 617 444)	132 729 018	177 890 038	8 593 597	1 229 431	9 823 028	187 713 066

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Twelve months ended	
	31-Dec-15	31-Dec-14
Cash flows from operating activities		
Profit before taxation	18 763 674	49 413 186
Adjustments for:		
Depreciation and amortisation	5 079 762	5 463 372
Profit on disposal of property, equipment and intangible assets	(50 215)	(174 039)
Unrealised foreign currency gains	(9 881 246)	(42 875 640)
Finance costs	106 708 559	104 736 051
Dividend recognised in income statement	(15 728 505)	(22 680 356)
Increase in provision for credit impairment	33 500 506	(51 324 515)
Expense recognised in respect of share based payments	455 109	495 431
Impairment loss on goodwill	-	12 676 148
Operating cash flows before movements in working capital	138 847 644	55 729 638
Changes in working capital:		
Decrease in inventories	1 061 501	5 910 050
Increase in trade and other receivables	(11 924 019)	(7 763 371)
Increase in gross advances	(156 378 919)	(97 064 679)
Increase in trade and other payables	12 990 179	7 502 922
Cash used in operations	(15 403 614)	(35 685 440)
Dividend received	15 625 245	22 351 917
Finance costs paid	(107 338 940)	(100 378 120)
Tax paid	(16 025 394)	(21 308 281)
Net cash used in operating activities	(123 142 703)	(135 019 924)
Cash flows from investing activities		
Proceeds on disposal of property, equipment and intangible assets	298 294	1 171 631
Purchase of property, equipment and intangible assets	(7 496 338)	(6 638 098)
Net cash outflow from acquisition of subsidiary	-	(137 045 399)
Net cash (outflow)/ inflow on acquisition of non-controlling interests	(3 470 288)	39 180
Net cash used in investing activities	(10 668 332)	(142 472 686)
Cash flows from financing activities		
Net proceeds from bond issuance and repayments	43 303 730	98 437 794
Net proceeds from issue of shares	147 978 093	27 375 267
Net increase in other borrowings	3 169 652	22 171 906
Payment for unwinding of forward contracts	(40 960 417)	-
Net cash generated from financing activities	153 491 058	147 984 967
Net increase/(decrease) in cash and cash equivalents	19 680 023	(129 507 643)
Net cash and cash equivalents at the beginning of the year	56 682 661	190 634 148
Effect of foreign exchange rate changes	(1 481 670)	(4 443 844)
Total cash and cash equivalents at the end of the year	74 881 014	56 682 661

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
Convence Med (Pty) Ltd (i) (Dormant) (Previously known as BayMobile Proprietary Limited)	South Africa
BFS SA Executive Holdings Proprietary Limited (i) (Dormant)	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
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 Convence Med(Pty) Ltd, 100% of BFS SA Executive Holdings Proprietary 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 year.

3. Taxation

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

4. Dividends

During the twelve months ended 31 December 2015, no dividends were paid or declared.

5. Property and equipment

During the year, the Group spent USD 7.5 million 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

	31-Dec-15	31-Dec-14
Gross advances	855 021 801	991 258 536
Carrying value of written off book	31 314 369	47 660 558
	886 336 170	1 038 919 094
Impairment provision	(160 841 149)	(174 290 043)
Net advances	725 495 021	864 629 051
Gross advances		
Advances to customers	825 346 475	935 568 159
Deferred origination fees	(16 505 192)	(14 594 047)
Deferred origination costs	12 061 046	9 772 235
Carrying value of net premiums	34 119 472	60 512 189
	855 021 801	991 258 536
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	63 515 471	75 304 628
Utilisation of allowance for impairment	(30 014 965)	(125 504 359)
Foreign exchange differences	(46 657 669)	(27 317 852)
Closing balance	160 841 149	174 290 043

7. Stated capital

	31-Dec-15	31-Dec-14
Share capital	30 701	24 241
Share premium	300 747 763	151 641 442
	300 778 464	151 665 683

	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	6 460 627	6 460	148 906 391	148 912 851
Share application monies	-	-	199 930	199 930
Balance at 31 December 2015	30 701 452	30 701	300 747 763	300 778 464

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

8. Borrowings

	<u>31-Dec-15</u>	<u>31-Dec-14</u>
Corporate Bonds	405 979 869	386 783 952
Loan notes	150 304 619	278 853 555
Other term loans	176 297 652	168 022 832
	732 582 140	833 660 339
Less: deferred transaction costs	(5 810 554)	(6 221 948)
	726 771 586	827 438 391

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 SEK 125,000,000 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. In October 2015, further Corporate Bonds with nominal amount of SEK 1,100,000 were sold at a coupon rate of 12% payable annually on the anniversary date and are due to be redeemed in October 2018. In November 2015, the Company repaid Corporate Bonds with a nominal amount of SEK 700,000,000. These Bonds constitute direct, general, unconditional, subordinated and unsecured obligations of the company. The Bonds are listed on Nasdaq OMX Stockholm AB.

In December 2015, Bayport Financial Services Ghana issued corporate bonds of GHS 78.5 million. The issuance comprised both fixed and floating rate bonds each with a tenor of 3 years. The fixed bonds were issued at an interest rate of 28%, and the floating bonds were issued at 182 days Ghana treasury bill rate (currently 24.5%) plus 4%. The Bonds are listed on the Ghana Alternative Market.

9. Other financial liabilities

	<u>31-Dec-15</u>		<u>31-Dec-14</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Cash flow hedge	-	740 228	-	19 836 481

The Company entered into forward foreign exchange contracts during September 2015 and October 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	September 2015	March 2016	SEK 639 million
Forward exchange contract 2	SEK	October 2015	October 2016	SEK 186 million
Forward exchange contract 3	SEK	October 2015	October 2016	SEK 800 million

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

	<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
	<u>-</u>

11. Foreign currency (loss)/gain

	Three months ended		Twelve months ended	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Net foreign exchange gain on retranslation of Bonds and forward exchange contracts	1 315 344	6 289 482	9 129 198	43 879 858
Other exchange loss	(5 905 340)	(1 477 746)	(8 255 290)	(2 494 055)
	<u>(4 589 996)</u>	<u>4 811 736</u>	<u>873 908</u>	<u>41 385 803</u>

"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 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.