

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the three months ended 31 March 2015



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2015

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Notes	31-Mar-15	31-Dec-14
Assets			
Cash and cash equivalents		82 254 070	65 839 650
Net advances	6	823 371 089	864 629 051
Trade and other receivables		44 479 683	41 198 468
Inventories		1 441 756	1 090 632
Current tax assets		2 052 021	2 564 831
Deferred tax assets		30 352 507	32 024 334
Goodwill		106 252 123	110 818 432
Property, plant and equipment		11 326 869	12 079 908
Intangible assets		923 377	1 012 657
Total assets		1 102 453 495	1 131 257 963
Equity and Liabilities			
Equity			
Stated capital	7	152 165 671	151 665 683
Reserves		(128 848 067)	(77 526 398)
Retained earnings		145 617 122	125 801 824
Equity attributable to equity holders of the company		168 934 726	199 941 109
Non-controlling interests		11 227 632	14 200 476
Total equity		180 162 358	214 141 585
Liabilities			
Bank overdrafts		14 468 007	9 156 989
Trade and other payables		68 918 797	50 409 702
Finance lease obligation		1 184 958	976 859
Borrowings	8	788 933 926	833 953 320
Other financial liabilities	9	47 879 518	19 836 481
Current tax liabilities		869 565	2 744 893
Deferred tax liabilities		36 366	38 134
Total Liabilities		922 291 137	917 116 378
Total Equity and Liabilities		1 102 453 495	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	
		31-Mar-15	31-Mar-14
Interest income		70 943 459	71 315 920
Interest expense		(27 339 172)	(24 075 313)
Net interest income		43 604 287	47 240 607
Fees and commission income		6 697 988	9 111 547
Dividend income		5 785 455	7 064 548
Other income		1 778 715	2 636 840
Impairment of loans and advances		(12 509 425)	(19 888 475)
Net operating income		45 357 020	46 165 067
Operating expenses		(34 127 993)	(33 103 807)
Foreign exchange gain	10	9 160 537	1 714 370
Impairment of goodwill		-	(12 676 148)
Profit before taxation		20 389 564	2 099 482
Taxation	3	(4 399 387)	(4 298 423)
Profit/(loss) for the period		15 990 177	(2 198 941)
Other comprehensive loss net of income tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences		(46 806 530)	(24 200 093)
Effect of cash flow hedges		(1 374 124)	(77 865)
Net fair value (loss)/gain of available for sale investment		(1 924 111)	1 209 044
Other comprehensive loss for the period		(50 104 765)	(23 068 914)
Total comprehensive loss for the period		(34 114 588)	(25 267 855)
Gain/(loss) for the period attributable to:			
Owners of the company		17 147 536	(2 191 770)
Non-controlling interests		(1 157 359)	(7 171)
		15 990 177	(2 198 941)
Total comprehensive loss for the period attributable to:			
Owners of the company		(31 141 744)	(23 427 144)
Non-controlling interests		(2 972 844)	(1 840 711)
		(34 114 588)	(25 267 855)
Earnings /(loss) per share			
Basic earning /(loss) per share		0.71	(0.12)
Diluted earnings /(loss) per share		0.71	(0.12)
Basic weighted average number of shares		24 244 213	18 072 549
Diluted weighted average number of shares		24 244 841	18 080 582

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 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 2014	24 227	151 391 453	151 415 680	(67 734 114)	2 861 592	2 406 696	28 523 338	(36 108 488)	80 597 599	195 904 791	11 890 506	2 403 757	14 294 263	210 199 054
Profit for the period	-	-	-	-	-	-	-	-	42 271 164	42 271 164	(885 949)	-	(885 949)	41 385 215
Transfer to reserves	-	-	-	-	-	-	(2 933 061)	(2 933 061)	2 933 061	-	253 143	(253 143)	-	-
Other comprehensive loss	-	-	-	(46 128 254)	(811 024)	-	7 999 334	(38 939 944)	(1 510 793)	(38 939 944)	(1 510 793)	-	(1 510 793)	(40 450 737)
Total comprehensive income for the period	-	-	-	(46 128 254)	(811 024)	-	5 066 273	(41 873 005)	45 204 225	3 331 220	(2 143 599)	(253 143)	(2 396 742)	934 478
Issue of shares	14	249 989	250 003	-	-	-	-	-	-	250 003	-	-	-	250 003
Recognition of share based payments	-	-	-	-	-	455 095	-	455 095	-	455 095	-	-	-	455 095
Change in ownership interests	-	-	-	-	-	-	-	-	2 302 955	-	2 302 955	-	2 302 955	2 302 955
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 period	-	-	-	-	-	-	-	-	17 147 536	17 147 536	(1 157 359)	-	(1 157 359)	15 990 177
Transfer to reserves	-	-	-	-	-	-	(2 667 762)	(2 667 762)	2 667 762	-	500 573	(500 573)	-	-
Other comprehensive loss	-	-	-	(44 991 045)	(1 374 124)	-	(1 924 111)	(48 289 280)	(1 815 485)	(48 289 280)	(1 815 485)	-	(1 815 485)	(50 104 765)
Total comprehensive loss for the period	-	-	-	(44 991 045)	(1 374 124)	-	(4 591 873)	(50 957 042)	19 815 298	(31 141 744)	(2 472 271)	(500 573)	(2 972 844)	(34 114 588)
Issue of shares	28	499 960	499 988	-	-	(499 988)	-	(499 988)	-	-	-	-	-	-
Recognition of share based payments	-	-	-	-	-	135 361	-	135 361	-	135 361	-	-	-	135 361
Balance at 31 March 2015	24 269	152 141 402	152 165 671	(158 853 413)	676 444	331 164	28 997 738	(128 848 067)	145 617 122	168 934 726	9 577 591	1 650 041	11 227 632	180 162 358

Figures in US Dollar

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UNAUDITED CONDENSED STATEMENT OF CASH FLOW

Figures in US Dollar	Three months ended	
	31-Mar-15	31-Mar-14
Cash flows from operating activities		
Profit before taxation	20 389 564	2 099 482
Adjustments for:		
Depreciation and amortisation	1 403 536	1 446 975
Profit on disposal of property, equipment and intangible assets	(28 399)	(98 424)
Foreign currency gains	(9 502 149)	(2 100 202)
Finance costs	27 339 172	24 075 313
Dividend recognised in income statement	(5 785 455)	(7 064 548)
Increase in provision for credit impairment	287 547	2 749 261
Expense recognised in respect of share based payments	135 361	40 335
Impairment of goodwill	-	12 676 148
Operating cash flows before movements in working capital	34 239 177	33 824 340
Changes in working capital:		
(Increase)/decrease in inventories	(385 796)	2 817 118
(Increase)/decrease in trade and other receivables	(2 894 031)	6 642 956
Increase in gross advances	(34 821 956)	(45 867 663)
Increase in trade and other payables	9 473 081	2 286 864
Cash used in operations	5 610 475	(296 385)
Dividend received	5 786 285	4 999 703
Finance costs paid	(16 262 968)	(15 781 534)
Tax paid	(2 922 973)	(4 795 738)
Net cash used in operating activities	(7 789 181)	(15 873 954)
Cash flows from investing activities		
Proceeds on disposal of property, equipment and intangible assets	29 704	622 969
Purchase of property, equipment and intangible assets	(1 841 449)	(1 468 067)
Net cash outflow from acquisition of subsidiary	-	(130 491 639)
Net cash used in investing activities	(1 811 745)	(131 336 737)
Cash flows from financing activities		
Net proceeds on issue of bonds	18 332 346	-
Net proceeds from issue of shares	-	27 125 264
Net increase in other borrowings	3 284 352	14 283 963
Net cash generated from financing activities	21 616 698	41 409 227
Net increase/(decrease) in cash and cash equivalents	12 015 772	(105 801 464)
Net cash and cash equivalents at the beginning of the period	56 682 661	190 634 148
Effect of foreign exchange rate changes	(912 370)	(653 285)
Total cash and cash equivalents at the end of the period	67 786 063	84 179 399

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
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

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.

2.2 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 three months ended 31 March 2015, no dividends were paid or declared.

5. Property, plant and equipment

During the period, the Group spent USD 1.8million 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

	31-Mar-15	31-Dec-14
Gross advances	939 850 016	991 258 536
Carrying value of written off book	48 723 024	47 660 558
	<u>988 573 040</u>	<u>1 038 919 094</u>
Impairment provision	(165 201 951)	(174 290 043)
Net advances	823 371 089	864 629 051
Gross advances		
Advances to customers	887 869 103	935 568 159
Deferred origination fees	(15 225 586)	(14 594 047)
Deferred origination costs	10 116 043	9 772 235
Carrying value of net premiums	57 090 456	60 512 189
	<u>939 850 016</u>	<u>991 258 536</u>
Impairment provision		
Opening balance	174 290 043	251 094 294
Additions through business combinations	-	713 332
Net impairment recognised in profit or loss	12 509 425	75 304 628
Utilisation of allowance for impairment	(12 221 878)	(125 504 359)
Foreign exchange differences	(9 375 639)	(27 317 852)
Closing balance	165 201 951	174 290 043

7. Stated capital

	31-Mar-15	31-Dec-14
Share capital	24 269	24 241
Share premium	152 141 402	151 641 442
	<u>152 165 671</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	28 105	28	499 960	499 988
Balance at 31 March 2015	24 268 930	24 269	152 141 402	152 165 671

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

8. Borrowings

	31-Mar-15	31-Dec-14
Corporate Bonds	363 314 282	387 076 933
Loan notes	261 311 923	278 853 555
Other terms loans	164 307 721	168 022 832
	788 933 926	833 953 320

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 issued 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

	31-Mar-15		31-Dec-14	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge	-	47 879 518	-	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	
	31-Mar-15	31-Mar-14
Net Foreign exchange gain on retranslation of Bonds and forward exchange contracts	10 897 021	2 249 980
Other exchange loss	(1 736 484)	(535 610)
	9 160 537	1 714 370

"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.