

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the three months ended 31 March 2016



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Notes	31-Mar-16	31-Dec-15
Assets			
Cash and cash equivalents		82 428 094	85 852 593
Net advances	6	757 883 758	725 495 021
Trade and other receivables		20 388 381	33 454 707
Other financial assets	9	7 126 640	-
Current tax assets		2 351 005	1 839 438
Deferred tax assets		39 279 969	37 796 958
Goodwill		85 406 681	81 465 975
Property and equipment	5	11 638 120	10 633 045
Intangible assets		12 591 841	1 233 222
Total Assets		1 019 094 489	977 770 959
Equity and Liabilities			
Equity			
Stated capital	7	300 778 464	300 778 464
Reserves		(241 460 514)	(255 617 444)
Retained earnings		125 356 264	132 729 018
Equity attributable to equity holders of the company		184 674 214	177 890 038
Non-controlling interests		10 231 021	9 823 028
Total Equity		194 905 235	187 713 066
Liabilities			
Bank overdrafts		6 416 471	10 971 579
Trade and other payables		65 171 222	50 748 358
Finance lease obligation		567 494	657 315
Borrowings	8	750 748 062	726 771 586
Other financial liabilities	9	-	740 228
Current tax liabilities		1 263 288	145 452
Deferred tax liabilities		22 717	23 375
Total Liabilities		824 189 254	790 057 893
Total Equity and Liabilities		1 019 094 489	977 770 959

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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-16	31-Mar-15
Interest income		60 770 354	70 978 534
Interest expense		(26 348 534)	(27 339 172)
Net interest income		34 421 820	43 639 362
Fees and commission income		6 221 677	6 697 971
Dividend income		4 688 913	5 785 455
Other income		1 951 655	1 743 658
Net non-interest Income		12 862 245	14 227 084
Operating income		47 284 065	57 866 446
Operating expenses		(27 924 257)	(34 127 994)
Foreign exchange (loss)/gain	11	(8 125 046)	9 160 537
Pre-provision income		11 234 762	32 898 989
Impairment of loans and advances		(12 110 022)	(12 509 425)
(Loss)/profit before taxation		(875 260)	20 389 564
Taxation	3	(4 168 847)	(4 399 387)
(Loss)/profit for the period		(5 044 107)	15 990 177
Other comprehensive income/(loss) net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences		8 593 248	(46 751 183)
Effect of cash flow hedges		(27 788)	(1 374 124)
Net fair value gain/(loss) of available for sale investments		3 554 102	(1 924 111)
Other comprehensive gain/(loss) for the period		12 119 562	(50 049 418)
Total comprehensive gain/(loss) for the period		7 075 455	(34 059 241)
(Loss)/profit for the period attributable to:			
Owners of the company		(5 511 486)	17 147 536
Non-controlling interests		467 379	(1 157 359)
		(5 044 107)	15 990 177
Total comprehensive income/(loss) for the period attributable to:			
Owners of the company		6 667 462	(31 086 397)
Non-controlling interests		407 993	(2 972 844)
		7 075 455	(34 059 241)
(Loss)/earnings per share			
Basic weighted average number of shares		30 716 213	24 254 414
Diluted weighted average number of shares		30 743 760	24 275 348
Basic (loss)/ earnings per share		(0.18)	0.71
Diluted (loss)/earnings per share		(0.18)	0.71

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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 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/(loss) for the period	-	-	-	-	-	-	-	-	-	17 147 536	17 147 536	(1 157 359)	-	(1 157 359)	15 990 177
Transfer (to)/from reserves	-	-	-	-	-	-	-	(2 667 762)	(2 667 762)	2 667 762	-	500 573	(500 573)	-	-
Other comprehensive loss	-	-	-	-	(44 935 698)	(1 374 124)	-	(1 924 111)	(48 233 933)	-	(48 233 933)	(1 815 485)	-	(1 815 485)	(50 049 418)
Total comprehensive income/(loss) for the period	-	-	-	-	(44 935 698)	(1 374 124)	-	(4 591 873)	(50 901 695)	19 815 298	(31 086 397)	(2 472 271)	(500 573)	(2 972 844)	(34 059 241)
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	(158 798 066)	676 444	331 164	28 997 738	(128 792 720)	145 617 122	168 990 073	9 577 591	1 650 041	11 227 632	180 217 705
Balance at 01 January 2016	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
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(5 511 486)	(5 511 486)	467 379	-	467 379	(5 044 107)
Transfer (to)/from reserves	-	-	-	-	-	-	-	1 861 268	1 861 268	(1 861 268)	-	(385 221)	385 221	-	-
Other comprehensive income/(loss)	-	-	-	-	8 652 634	(2 788)	-	3 554 102	12 178 948	-	12 178 948	(59 386)	-	(59 386)	12 119 562
Total comprehensive income/(loss) for the period	-	-	-	-	8 652 634	(2 788)	-	5 415 370	14 040 216	(7 372 754)	6 667 462	22 772	385 221	407 993	7 075 455
Issue of shares	19	199 911	(199 930)	-	-	-	-	-	-	-	-	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	116 714	-	116 714	-	116 714	-	-	-	116 714
Balance at 31 March 2016	30 720	300 747 744	-	300 778 464	(257 063 027)	320 266	332 856	14 949 391	(241 460 514)	125 356 264	184 674 214	8 616 369	1 614 652	10 231 021	194 905 235

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Three months ended	
	31-Mar-16	31-Mar-15
Cash flows from operating activities		
(Loss)/profit before taxation	(875 260)	20 389 564
Adjustments for:		
Depreciation and amortisation	1 234 768	1 403 536
Profit on disposal of property, equipment and intangible assets	(14 242)	(28 399)
Foreign currency gains/(loss)	7 807 236	(9 502 149)
Finance costs	26 348 534	27 339 172
Dividend recognised in income statement	(4 688 913)	(5 785 455)
Increase in provision for credit impairment	8 298 171	287 547
Expense recognised in respect of share based payments	116 714	135 361
Negative goodwill on acquisition of subsidiary	(15 762)	-
Operating cash flows before movements in working capital	38 211 246	34 239 177
Changes in working capital:		
Increase in inventories	-	(385 796)
Increase in trade and other receivables	(3 766 833)	(2 894 031)
Increase in gross advances	(26 090 384)	(34 821 956)
Increase in trade and other payables	3 157 997	9 473 081
Cash generated by operations	11 512 026	5 610 475
Dividend received	4 724 225	5 786 285
Finance costs paid	(14 623 340)	(16 262 968)
Tax paid	(3 266 693)	(2 922 973)
Net cash used in operating activities	(1 653 782)	(7 789 181)
Cash flows from investing activities		
Proceeds on disposal of property, equipment and intangible assets	22 977	29 704
Purchase of property, equipment and intangible assets	(2 180 564)	(1 841 449)
Net cash inflow from acquisition of subsidiary	1 051 481	-
Net cash used in investing activities	(1 106 106)	(1 811 745)
Cash flows from financing activities		
Net proceeds from bond issuance and repayments	-	18 332 346
Net increase in other borrowings	2 745 219	3 284 352
Payment for unwinding of forward contracts	(1 046 658)	-
Net cash generated from financing activities	1 698 561	21 616 698
Net (decrease)/increase in cash and cash equivalents	(1 061 327)	12 015 772
Net cash and cash equivalents at the beginning of the period	74 881 014	56 682 661
Effect of foreign exchange rate changes	2 191 936	(912 370)
Total cash and cash equivalents at the end of the period	76 011 623	67 786 063

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 Plc Limited	Ghana
Bayport Financial Services Uganda Limited	Uganda
Bayport Financial Services (T) Limited	Tanzania
CFC Savings and Loans 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)	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, 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 Cooperatief U.A (iv)	Netherlands
Actvest (Proprietary) Limited (refer to note 10)	South Africa

The Company's registered office is DTOS Ltd, 10th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius and the Company's principal place of business is 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, ENR.
- (iii) Actvest Mexico SAPI de CV, 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 Cooperatief 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 year ended 31 December 2015.

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 the reporting date. Income and expenditure are translated at average rates of exchange for the period.

3. Taxation

Income tax for the period 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 2016, no dividends were paid or declared.

5. Property and equipment

During the period, the Group spent USD 2.2 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-Mar-16	31-Dec-15
Gross advances	901 091 828	855 021 801
Carrying value of written off book	32 906 817	31 314 369
	<u>933 998 645</u>	<u>886 336 170</u>
Impairment provision	(176 114 887)	(160 841 149)
Net advances	757 883 758	725 495 021
Gross advances		
Advances to customers	866 694 802	825 346 475
Deferred origination fees	(16 672 145)	(16 505 192)
Deferred origination costs	12 433 681	12 061 046
Carrying value of net premiums	38 635 490	34 119 472
	<u>901 091 828</u>	<u>855 021 801</u>
Impairment provision		
Opening balance	160 841 149	174 290 043
Derecognised on disposal of subsidiary	-	(291 731)
Net impairment recognised in profit or loss	12 110 022	63 515 471
Utilisation of allowance for impairment	(3 811 851)	(30 014 965)
Foreign exchange differences	6 975 567	(46 657 669)
Closing balance	176 114 887	160 841 149

7. Stated capital

	31-Mar-16	31-Dec-15
Share capital	30 720	30 701
Share premium	300 747 744	300 747 763
	<u>300 778 464</u>	<u>300 778 464</u>

	Number of shares	Share capital	Share premium	Total Stated capital
Balance at 1 January 2016	30 701 452	30 701	300 747 763	300 778 464
Share application monies	-	-	(199 930)	(199 930)
Issue of shares	18 656	19	199 911	199 930
Balance at 31 March 2016	30 720 108	30 720	300 747 744	300 778 464

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

8. Borrowings

	<u>31-Mar-16</u>	<u>31-Dec-15</u>
Corporate Bonds	419 381 898	405 979 869
Other term loans	201 147 629	176 297 652
Loan notes	138 781 995	150 304 619
	759 311 522	732 582 140
Less: deferred transaction costs	(8 563 460)	(5 810 554)
	750 748 062	726 771 586

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

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 Assets/liabilities

	<u>31-Mar-16</u>		<u>31-Dec-15</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Cash flow hedge	7 126 640	-	-	740 228

The Company entered into forward foreign exchange contracts during March 2016 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, and 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 2015	October 2016	SEK 186 million
Forward exchange contract 2	SEK	October 2015	October 2016	SEK 800 million
Forward exchange contract 3	SEK	March 2016	April 2016	SEK 540.5 million

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

10. Acquisition of subsidiary

On 1 February 2016, the Group acquired 100% of the voting share capital of Actvest (Proprietary) Limited, a company registered in South Africa. The company has as its main business the provision of consulting services to companies within the Group.

Assets acquired and liabilities recognised at the date of acquisition

	<u>USD</u>
Assets	7 623 316
Liabilities	7 607 548
Negative goodwill arising at acquisition	
Consideration	6
Less: fair value of identifiable net assets acquired	(15 768)
	<u>(15 762)</u>

11. Foreign currency (loss)/gain

	Three months ended	
	31-Mar-16	31-Mar-15
Net foreign exchange (loss)/gain on retranslation of Bonds and forward exchange contracts	(8 416 928)	10 897 021
Other exchange gain/(loss)	291 882	(1 736 484)
	<u>(8 125 046)</u>	<u>9 160 537</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.