

**BAYPORT MANAGEMENT LTD**  
*(Registration number 54787 C1/GBL)*

**UNAUDITED CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

*for the six months ended 30 June 2016*



**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*As at 30 June 2016*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Figures in US Dollar</b>	<b>Notes</b>	<b>30-Jun-16</b>	<b>31-Dec-15</b>
<b>Assets</b>			
Cash and cash equivalents		85 718 053	85 852 593
Net advances	6	781 869 184	725 495 021
Trade and other receivables		21 476 540	33 454 707
Current tax assets		2 511 189	1 839 438
Goodwill		85 081 122	81 465 975
Deferred tax assets		40 476 433	37 796 958
Property and equipment	5	11 807 934	10 633 045
Intangible assets		13 721 806	1 233 222
<b>Total Assets</b>		<b>1 042 662 261</b>	<b>977 770 959</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital	7	300 778 464	300 778 464
Reserves		(239 171 558)	(255 617 444)
Retained earnings		135 777 666	132 729 018
Equity attributable to equity holders of the company		197 384 572	177 890 038
Non-controlling interests		12 130 273	9 823 028
<b>Total Equity</b>		<b>209 514 845</b>	<b>187 713 066</b>
<b>Liabilities</b>			
Bank overdrafts		2 082 470	10 971 579
Deposit from customers		7 620 617	962 126
Trade and other payables		53 564 383	49 786 232
Other financial liabilities	9	3 370 563	740 228
Borrowings	8	764 623 560	726 771 586
Finance lease obligation		511 624	657 315
Current tax liabilities		1 352 951	145 452
Deferred tax liabilities		21 248	23 375
<b>Total Liabilities</b>		<b>833 147 416</b>	<b>790 057 893</b>
<b>Total Equity and Liabilities</b>		<b>1 042 662 261</b>	<b>977 770 959</b>

**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2016

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

Figures in US Dollar	Notes	Three months ended		Six months ended	
		30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Interest income		66 383 215	68 270 788	127 153 441	139 249 322
Interest expense		(28 396 509)	(27 193 583)	(54 651 357)	(54 532 755)
<b>Net interest income</b>		<b>37 986 706</b>	<b>41 077 205</b>	<b>72 502 084</b>	<b>84 716 567</b>
Fees and commission income		6 776 830	6 577 095	12 998 505	13 275 066
Dividend income		1 815 112	3 758 215	6 504 025	9 543 670
Other income		2 520 508	662 660	4 378 493	2 406 317
<b>Net non-interest income</b>		<b>11 112 450</b>	<b>10 997 970</b>	<b>23 881 023</b>	<b>25 225 053</b>
<b>Operating income</b>		<b>49 099 156</b>	<b>52 075 175</b>	<b>96 383 107</b>	<b>109 941 620</b>
Operating expenses		(31 795 423)	(30 710 815)	(59 719 532)	(64 838 807)
Foreign exchange gain/(loss)	11	10 096 641	(6 936 006)	1 971 664	2 224 531
<b>Pre-provision income</b>		<b>27 400 374</b>	<b>14 428 354</b>	<b>38 635 239</b>	<b>47 327 344</b>
Impairment of loans and advances		(9 796 110)	(8 610 490)	(21 906 099)	(21 119 915)
<b>Profit before taxation</b>		<b>17 604 264</b>	<b>5 817 864</b>	<b>16 729 140</b>	<b>26 207 429</b>
Taxation	3	(4 849 500)	(3 194 324)	(9 018 391)	(7 593 711)
<b>Profit for the period</b>		<b>12 754 764</b>	<b>2 623 540</b>	<b>7 710 749</b>	<b>18 613 718</b>
<b>Other comprehensive income/(loss) net of income tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange differences		6 228 670	(17 081 894)	14 836 258	(63 888 425)
Effect of cash flow hedges		(1 090 888)	(347 972)	(1 118 676)	(1 722 096)
Net fair value loss of available for sale investments		(3 650 681)	(4 679 913)	(96 579)	(6 604 024)
<b>Other comprehensive gain/(loss) for the period</b>		<b>1 487 101</b>	<b>(22 109 779)</b>	<b>13 621 003</b>	<b>(72 214 545)</b>
<b>Total comprehensive gain/(loss) for the period</b>		<b>14 241 865</b>	<b>(19 486 239)</b>	<b>21 331 752</b>	<b>(53 600 827)</b>
<b>Profit/(loss) for the period attributable to:</b>					
Owners of the company		12 646 485	3 082 729	7 135 092	20 230 265
Non-controlling interests		108 279	(459 189)	575 657	(1 616 547)
		<b>12 754 764</b>	<b>2 623 540</b>	<b>7 710 749</b>	<b>18 613 718</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>					
Owners of the company		13 512 730	(18 611 039)	20 202 464	(49 752 783)
Non-controlling interests		729 135	(875 200)	1 129 288	(3 848 044)
		<b>14 241 865</b>	<b>(19 486 239)</b>	<b>21 331 752</b>	<b>(53 600 827)</b>
<b>Earnings per share</b>					
Basic weighted average number of shares		30 720 108	25 740 672	30 718 069	24 997 698
Diluted weighted average number of shares		30 779 344	25 776 137	30 777 305	25 033 162
Basic earnings per share		0.41	0.12	0.23	0.81
Diluted earnings per share		0.41	0.12	0.23	0.81

**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
*For the six months ended 30 June 2016*

**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 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
<b>Balance at 01 January 2015</b>	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	2 150 614	14 200 476	214 141 585
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	20 230 265	(1 616 547)	-	(1 616 547)	18 613 718
Transfer (to)/from reserves	-	-	-	-	-	-	-	(1 098 888)	(1 098 888)	1 098 888	168 678	(168 678)	-	-
Other comprehensive loss	-	-	-	-	(61 656 928)	(1 722 096)	-	(6 604 024)	(69 983 048)	(69 983 048)	(2 231 497)	-	(2 231 497)	(72 214 545)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	(61 656 928)	(1 722 096)	-	(7 702 912)	(71 081 936)	21 329 153	(49 752 783)	(168 678)	(3 848 044)	(53 600 827)
Issue of shares	6 405	149 231 195	-	149 237 600	-	-	(499 988)	-	(499 988)	-	148 737 612	-	-	148 737 612
Recognition of share based payments	-	-	-	-	-	-	270 740	-	270 740	-	270 740	-	-	270 740
Change in ownership interests	-	-	-	-	113 713	-	-	-	113 713	(109 070)	4 643	(793)	(793)	3 850
<b>Balance at 30 June 2015</b>	30 646	300 872 637	-	300 903 283	(175 405 583)	328 472	466 543	25 886 699	(148 723 869)	147 021 907	299 201 321	1 981 936	10 351 639	309 552 960
<b>Balance at 01 January 2016</b>	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	1 229 431	9 823 028	187 713 066
Profit for the period	-	-	-	-	-	-	-	-	-	7 135 092	7 135 092	-	575 657	7 710 749
Transfer from/(to) reserves	-	-	-	-	-	-	-	3 146 873	3 146 873	(3 146 873)	(656 551)	656 551	-	-
Other comprehensive income/(loss)	-	-	-	-	14 282 627	(1 118 676)	-	(96 579)	13 067 372	(96 579)	13 067 372	-	553 631	13 621 003
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	14 282 627	(1 118 676)	-	3 050 294	16 214 245	3 988 219	20 202 464	472 737	1 129 288	21 331 752
Issue of shares	19	199 911	(199 930)	-	-	-	-	-	-	-	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	233 428	-	233 428	-	233 428	-	-	233 428
Change in ownership interests	-	-	-	-	(1 787)	-	-	-	(1 787)	(939 571)	(941 358)	-	1 177 957	236 599
<b>Balance at 30 June 2016</b>	30 720	300 747 744	-	300 778 464	(251 434 821)	(770 622)	449 570	12 584 315	(239 171 558)	135 777 666	197 384 572	1 885 982	12 130 273	209 514 845

**BAYPORT MANAGEMENT LTD**  
**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2016

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**

Figures in US Dollar	Six months ended	
	30-Jun-16	30-Jun-15
<b>Cash flows from operating activities</b>		
Profit before taxation	16 729 140	26 207 429
<b>Adjustments for:</b>		
Depreciation and amortisation	2 587 216	2 644 233
Profit on disposal of property, equipment and intangible assets	(8 604)	(22 947)
Foreign currency gain	(1 853 752)	(3 469 770)
Finance costs	54 651 357	54 532 755
Dividend recognised in income statement	(6 504 025)	(9 543 670)
Increase in provision for credit impairment	16 292 324	3 704 011
Expense recognised in respect of share based payments	233 428	270 740
Negative goodwill on acquisition of subsidiary	(15 762)	-
<b>Operating cash flows before movements in working capital</b>	<b>82 111 322</b>	<b>74 322 781</b>
<b>Changes in working capital:</b>		
Increase in inventories	-	1 026 464
Increase in trade and other receivables	(6 003 624)	(1 953 764)
Increase in gross advances	(53 366 450)	(80 060 069)
Increase in deposit from customers	6 654 773	193 163
Increase in trade and other payables	2 482 277	1 344 299
<b>Cash used in/(generated by) operations</b>	<b>31 878 298</b>	<b>(5 127 126)</b>
Dividend received	6 501 101	9 829 619
Finance costs paid	(51 218 783)	(55 894 719)
Tax paid	(8 125 187)	(7 497 666)
<b>Net cash used in operating activities</b>	<b>(20 964 571)</b>	<b>(58 689 892)</b>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of property, equipment and intangible assets	46 564	39 449
Purchase of property, equipment and intangible assets	(4 951 979)	(2 841 989)
Net cash inflow from acquisition of subsidiary	1 051 481	-
Net proceeds from issue of shares to non-controlling interests	351 435	-
<b>Net cash used in investing activities</b>	<b>(3 502 499)</b>	<b>(2 802 540)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from bond issuance and repayments	19 168 436	18 332 346
Net proceeds from issue of shares	-	148 737 612
Net increase in other borrowings	11 849 084	18 469 739
Proceeds on unwinding of forward contracts	84 454	-
<b>Net cash generated from financing activities</b>	<b>31 101 974</b>	<b>185 539 697</b>
<b>Net increase in cash and cash equivalents</b>	<b>6 634 904</b>	<b>124 047 265</b>
Net cash and cash equivalents at the beginning of the period	74 881 014	56 682 661
Effect of foreign exchange rate changes	2 119 665	72 771
<b>Total cash and cash equivalents at the end of the period</b>	<b>83 635 583</b>	<b>180 802 697</b>

## 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:

<b>Name of subsidiaries</b>	<b>Place of incorporation</b>
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 (i)	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 S.A.P.I. 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, 100% of the preference shares of Bayport Securitisation (RF) Limited and 100% of Zenthyme Investments Proprietary Limited.
- (ii) Bayport Management Ltd effectively owns 100% of Actvest Mexico SAPI de CV, ENR.
- (iii) Actvest Mexico SAPI de CV, ENR owns 71% 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**

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### **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 which are 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 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 while balances are translated at month end rates.

### **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 six months ended 30 June 2016, no dividends were paid or declared.

### **5. Property and equipment**

During the period, the Group spent USD 5.0 million 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**

	<b>30-Jun-16</b>	<b>31-Dec-15</b>
Advances to customers	903 737 006	825 346 475
Carrying value of written off book	32 020 018	31 314 369
Carrying value of net premiums	35 081 528	34 119 472
Deferred origination fees	(17 582 477)	(16 505 192)
Deferred origination costs	12 698 503	12 061 046
<b>Gross advances</b>	<b>965 954 578</b>	<b>886 336 170</b>
Impairment provision	(184 085 394)	(160 841 149)
<b>Net advances</b>	<b>781 869 184</b>	<b>725 495 021</b>
<b>Impairment provision</b>		
Opening balance	160 841 149	174 290 043
Derecognised on disposal of subsidiary	-	(291 731)
Net impairment recognised in profit or loss	21 906 099	63 515 471
Utilisation of allowance for impairment	(5 613 765)	(30 014 965)
Foreign exchange differences	6 951 911	(46 657 669))
<b>Closing balance</b>	<b>184 085 394</b>	<b>160 841 149</b>

**7. Stated capital**

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

	<b>Number of shares</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Total stated capital</b>
<b>Balance at 1 January 2016</b>	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
<b>Balance at 30 June 2016</b>	<b>30 720 108</b>	<b>30 720</b>	<b>300 747 744</b>	<b>300 778 464</b>



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

### 8. Borrowings

	<u>30-Jun-16</u>	<u>31-Dec-15</u>
Corporate Bonds	422 109 161	405 979 869
Other term loans	213 821 328	176 297 652
Loan notes	136 778 363	150 304 619
	<b>772 708 852</b>	<b>732 582 140</b>
Less: deferred transaction costs	(8 085 292)	(5 810 554)
	<b>764 623 560</b>	<b>726 771 586</b>

#### 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 constitute direct, general, unconditional, subordinated and unsecured obligations of the Company. The Bonds are listed on the Nasdaq OMX Stockholm AB.

### 9. Other financial Assets/liabilities

	<u>30-Jun-16</u>		<u>31-Dec-15</u>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Cash flow hedge	-	<b>3 370 563</b>	-	<b>740 228</b>

The Company entered into forward foreign exchange contracts during April 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:

	<b>Currency</b>	<b>Trade date</b>	<b>Maturity date</b>	<b>Notional amount</b>
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	April 2016	July 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's main activity is the provision of consulting services to other 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
<b>Negative goodwill arising at acquisition</b>	
Consideration	6
Less: fair value of identifiable net assets acquired	(15 768)
	<u>(15 762)</u>

### 11. Foreign currency gain/(loss)

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>
Net foreign exchange gain/(loss) on retranslation of Bonds and forward exchange contracts	9 549 353	(6 445 164)	1 132 426	4 451 857
Other exchange gain/(loss)	547 288	(490 842)	839 238	(2 227 326)
	<u>10 096 641</u>	<u>(6 936 006)</u>	<u>1 971 664</u>	<u>2 224 531</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.*