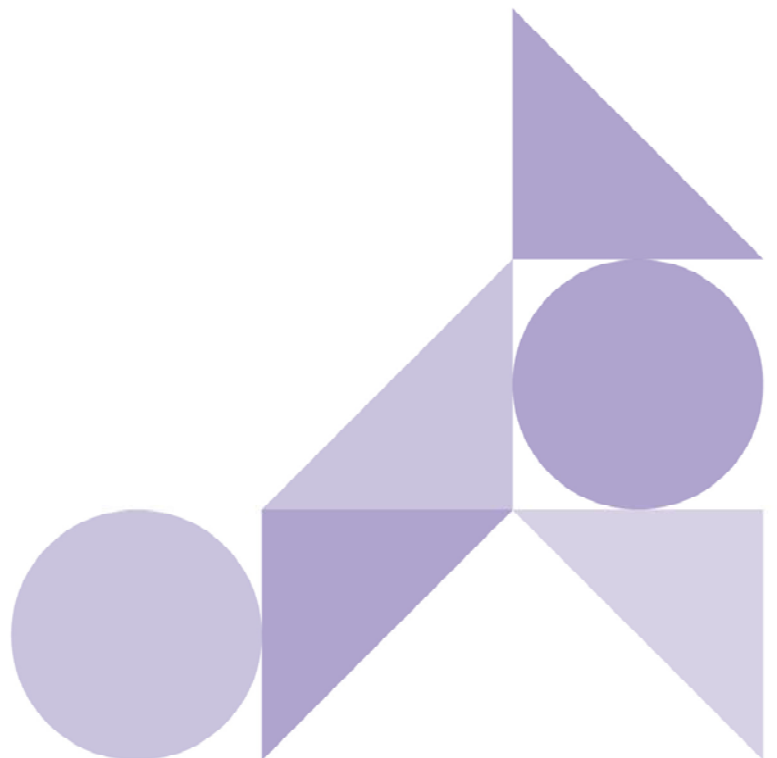


Real People Investment Holdings Limited
Unaudited condensed group financial statements
For the quarter ended 31 December 2015



Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Condensed group statement of financial position

R'000	Notes	30-Dec-15	31-Mar-15
Assets			
Property, plant and equipment		42,915	45,447
Intangible assets		30,708	26,891
Deferred tax assets		183,583	190,362
Net advances	4	2,972,586	2,855,738
Investments accounted for using the equity method		32,081	30,402
Other assets		140,421	133,205
Investments in financial assets		155,377	23,554
Cash and cash equivalents		476,611	432,757
Assets of continuing operations		4,034,282	3,738,356
Assets of disposal groups	5	18,516	16,602
Total assets		4,052,798	3,754,958
Equity			
Share capital		541,183	541,183
Reserves		72,127	29,271
Accumulated loss		(46,037)	(24,148)
Share capital and reserves		567,273	546,306
Non-controlling interest		(11,215)	(10,601)
Total equity		556,058	535,705
Liabilities			
Borrowings	6	3,360,587	3,078,974
Deferred and current tax liabilities		2,964	11,875
Other liabilities		129,081	119,573
Liabilities of continuing business		3,492,632	3,210,422
Liabilities of disposal groups	5	4,108	8,831
Total liabilities		3,496,740	3,219,253
Total equity and liabilities		4,052,798	3,754,958

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Condensed group statement of financial performance

R'000	Notes	Three months ended		Nine months ended	
		30-Dec-15	30-Dec-14	30-Dec-15	30-Dec-14
<i>Continuing operations</i>					
Revenue	7	324,018	215,153	1,003,225	1,064,858
Gross yield from assets		303,006	187,263	882,445	987,285
Impairments		(59,788)	(210,837)	(224,141)	(540,922)
Net yield		243,218	(23,574)	658,304	446,363
Finance costs		(93,260)	(96,447)	(301,341)	(299,677)
Net margin		149,958	(120,021)	356,963	146,686
Other non-interest income		21,012	27,890	104,608	74,329
Net operating income (loss)		170,970	(92,131)	461,571	221,015
Operating expenses		(159,425)	(203,670)	(448,757)	(488,673)
Profit (loss) before taxation		11,545	(295,801)	12,814	(267,658)
Taxation	8	(1,679)	(5,967)	(23,902)	(24,388)
Profit (loss) from continuing operations		9,866	(301,768)	(11,088)	(292,046)
<i>Disposal group</i>					
(Loss) profit from operations classified as a disposal group		(1,012)	2,829	(970)	(11,651)
Profit (loss) for the period		8,854	(298,939)	(12,058)	(303,697)
<i>Profit (loss) attributable to:</i>					
<i>Owners of the parent</i>					
Continuing operations		10,106	(293,577)	(10,474)	(282,261)
Disposal group		(1,012)	2,829	(970)	(11,651)
		9,094	(290,748)	(11,444)	(293,912)
<i>Non-controlling interest</i>		(240)	(8,191)	(614)	(9,785)
Profit (loss) for the period		8,854	(298,939)	(12,058)	(303,697)

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Condensed group statement of comprehensive income

R'000	Nine months ended	
	30-Dec-15	30-Dec-14
Loss for the period	(12,058)	(303,697)
<i>Other comprehensive income:</i>		
Cash flow hedges:		
Effects of cash flow hedges	12,955	(19,229)
Tax	(2,834)	11,323
Exchange differences on translating foreign operations	32,735	53,541
Total other comprehensive income	42,856	45,635
Total comprehensive income (loss) for the period	30,798	(258,062)

Condensed group statement of changes in equity

R'000	Share capital and share premium	Foreign currency translation reserve	Cash flow hedging reserve	Retained Income	Total attributable to equity holders of the parent	Non-controlling interest	Total equity
For the nine months ended 31 December 2015							
Opening balance	541,183	25,617	3,654	(24,148)	546,306	(10,601)	535,705
Loss for the period	-	-	-	(11,444)	(11,444)	(614)	(12,058)
Other comprehensive income	-	32,735	10,121	-	42,856	-	42,856
Preference dividend	-	-	-	(10,444)	(10,444)	-	(10,444)
Closing balance	541,183	58,352	13,775	(46,037)	567,273	(11,215)	556,058
For the nine months ended 31 December 2014							
Opening balance	431,945	(27,205)	12,084	316,074	732,898	(14,882)	718,016
Loss for the period	-	-	-	(293,912)	(293,912)	(9,785)	(303,697)
Other comprehensive income	-	53,541	(7,906)	-	45,635	-	45,635
Share issue - Ordinary shares	122,927	-	-	-	122,927	-	122,927
Purchase of own shares	(16,797)	-	-	-	(16,797)	-	(16,797)
Conversion of ordinary shares to redeemable preference shares	(97,459)	-	-	-	(97,459)	-	(97,459)
Share issue - Preference shares	100,567	-	-	-	100,567	-	100,567
Additional interest purchased in subsidiary	-	-	-	(584)	(584)	(112)	(696)
Closing balance	541,183	26,336	4,178	21,578	593,275	(24,779)	568,496
For the twelve months ended 31 March 2015							
Opening balance	431,945	(27,205)	12,084	316,074	732,898	(14,882)	718,016
Loss for the year	-	-	-	(323,160)	(323,160)	(9,733)	(332,893)
Other comprehensive income	-	52,822	(8,430)	-	44,392	-	44,392
Share issue - Ordinary shares	122,927	-	-	-	122,927	-	122,927
Purchase of own shares	(16,797)	-	-	-	(16,797)	-	(16,797)
Conversion of ordinary shares to redeemable preference shares	(97,459)	-	-	-	(97,459)	-	(97,459)
Share issue - Preference shares	100,567	-	-	-	100,567	-	100,567
Changes in ownership interest in subsidiaries	-	-	-	(14,818)	(14,818)	14,014	(804)
Preference dividend	-	-	-	(2,244)	(2,244)	-	(2,244)
Closing balance	541,183	25,617	3,654	(24,148)	546,306	(10,601)	535,705

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Condensed group statement of cash flows

R'000	30-Dec-15	30-Dec-14
Cash flows used in operating activities		
Cash generated by operations	182,992	656,119
Finance costs	(301,341)	(299,677)
Tax paid	(19,998)	(29,106)
	(138,347)	327,336
Cash flows from investing activities		
Additions to property, plant and equipment and intangible assets	(15,231)	(12,411)
Proceeds on sale of plant and equipment	427	2,343
Redemption of financial assets	-	101,001
	(14,805)	90,934
Cash flows from financing activities		
Proceeds from borrowings	611,323	40,000
Repayment of borrowings	(411,163)	(408,729)
Dividends paid	(3,153)	(18,415)
	197,007	(387,144)
Total cash movement for the period	43,855	31,125
Cash and cash equivalents, net of bank overdraft, at the beginning of the period	432,757	214,844
Total cash and cash equivalents, net of bank overdraft, at the end of the period	476,612	245,969

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Notes to the condensed financial statements

The registration number of Real People Investment Holdings Limited is 1999/020093/06.

1. Basis of preparation

The condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These financial statements do not include all of the information required by International Financial Reporting Standards (IFRS) for full financial statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2015 which are available on the group's webpage, www.realpeoplegroup.co.za.

The principal accounting policies and methods of computation applied in preparing these condensed results for the nine months ended 31 December 2015 are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in those annual financial statements. The financial statements are presented in South African Rands.

2. Accounting estimates and judgements

Impairment of advances

As a result of the uncertainties inherent in business activities, impairment allowances cannot be measured with precision but can only be estimated. Estimation involves judgements based on the latest available, reliable information.

Objective evidence of impairment at an individual loan basis is largely governed by the extent to which the account is in arrears. On a portfolio basis, management uses historical analysis of loss ratios, roll rates from performing status to non-performing status and similar risk indicators to assess impairment. The discontinued cellular receivable has underperformed its receipting expectation resulting in an impairment of R32 million taken in September 2015.

Fair value estimation of acquired debt

The fair value of acquired debt is calculated using valuation techniques, specifically net present value techniques. Acquired debt is recognised initially at transaction price. Thereafter, the acquired debt is measured on a portfolio basis by discounting future anticipated cash flows at market related interest rates. Actual receipting trends are reviewed against the anticipated cash flow forecasts in order to ensure the accuracy of forecasts.

3. Dividends

No ordinary dividends were declared or paid to shareholders during the nine months ended 31 December 2015.

4. Net advances

	30-Dec-15	31-Mar-15
	R'000	R'000
<i>Credit products at amortised cost</i>		
Gross advances	2,712,830	2,628,300
Impairment of advances	(1,197,091)	(1,097,648)
Present value of estimated cash flows on written off advances	397,399	436,298
	<u>1,913,138</u>	<u>1,966,950</u>
<i>Education asset</i>	113,571	140,157
<i>Acquired debt at fair value through profit or loss</i>	930,313	727,105
<i>Outsourced collections asset</i>	15,564	21,526
	<u>2,972,586</u>	<u>2,855,738</u>

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Notes to the condensed financial statements

5. Disposal group

Aspire Group

The group has received an offer for the Aspire Group which has been accepted and approved by the Board. Agreements are in the process of being finalised and it is expected that the sale will take effect from 1 November 2015. The financial effects of the transaction will only become effective once all formalities regarding the sale have been concluded.

6. Borrowings

The group ended the third quarter within its stated liquidity policies.

	30-Dec-15	30-Dec-14
	R'000	R'000
7. Revenue		
Interest income	329,423	513,939
Yield on non-performing loans	122,064	(107,598)
Fee income	42,700	52,692
Fair value yield on acquired debt	244,022	252,844
Net premiums received	121,202	170,913
Other non-interest income	143,814	182,068
	1,003,225	1,064,858

8. Taxation

The group has not recognised deferred tax assets in respect of losses that could be carried forward against future taxable income resulting in a disproportionately high tax charge.

9. Segment information

The presentation of segment information corresponds to the current operational and management-related structure of the group.

The segments are as follows:

- Responsible Finance provides credit and related financial services to customers of building supply merchants in South Africa (Home Finance); and small and micro-enterprises in East Africa, predominantly in Kenya, with growing operations in South Africa;
- DMC provides debt collection and rehabilitation solutions to credit providers and retail customers in South Africa;
- Group Central Services houses the centralised functions which operate across the group; and
- Discontinued receivables includes the general purpose lending run off book, the debit order Second Chance book and the cellular run off book.

	Net operating income R'000	Operating expenses R'000	Profit before tax R'000
For the nine months ended 31 December 2015			
Responsible Finance	226,999	(187,186)	39,813
DMC	225,504	(191,318)	34,186
Group Central Services	26,994	(42,208)	(15,214)
Discontinued receivables	(17,925)	(28,045)	(45,971)
	461,571	(448,757)	12,814

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 31 December 2015

Notes to the condensed financial statements

9. Segment information (continued)

	Net operating income R'000	Non-recurring adjustment R'000	Operating expenses R'000	Profit before tax R'000
<i>For the nine months ended 31 December 2014</i>				
Responsible Finance	252,776	(225,638)	(173,773)	(146,635)
DMC	186,934	91,313	(154,810)	123,436
Group Central Services	6,813	(29,941)	(60,013)	(83,141)
Discontinued receivables	34,363	(142,610)	(53,072)	(161,318)
	480,885	(306,876)	(441,667)	(267,658)

	Assets R'000	Liabilities R'000
<i>30 December 2015</i>		
Responsible Finance	1,748,161	1,511,278
DMC	1,177,503	924,724
Group Central Services	500,594	558,230
Discontinued receivables	608,024	498,400
	4,034,282	3,492,632

<i>30 December 2014</i>		
Responsible Finance	1,687,866	1,489,891
DMC	953,072	607,894
Group Central Services	445,035	557,709
Discontinued receivables	799,511	671,520
	3,885,484	3,327,014

<i>31 March 2015</i>		
Responsible Finance	1,544,576	1,357,492
DMC	930,863	644,211
Group Central Services	507,092	590,759
Discontinued receivables	755,825	617,960
	3,738,356	3,210,422