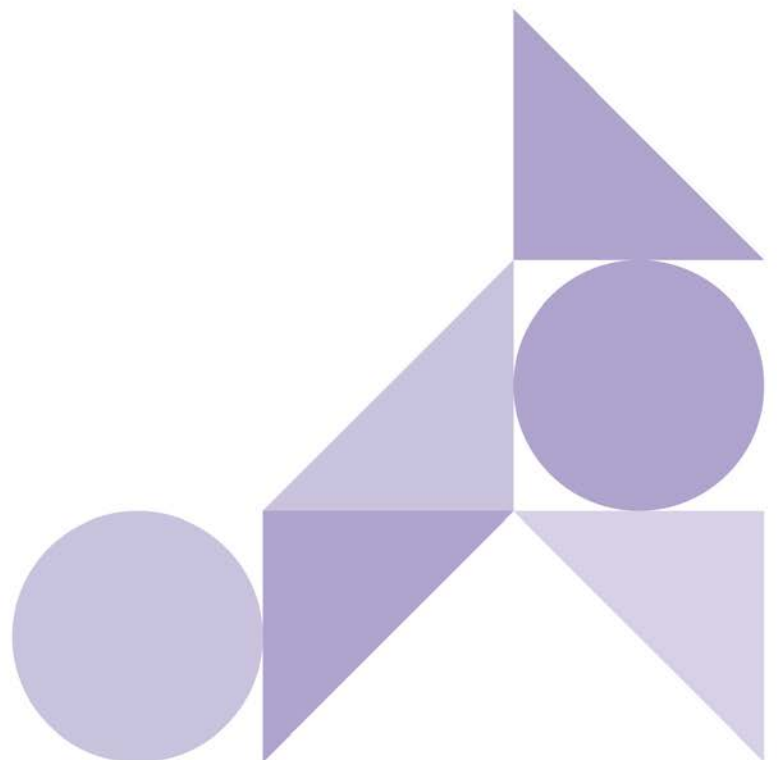


Real People Investment Holdings Limited
Unaudited condensed group financial statements
For the quarter ended 30 June 2015



Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2015

Condensed group statement of financial position

R'000	Notes	30-Jun-15	31-Mar-15
Assets			
Property, plant and equipment		39,698	45,447
Intangible assets		29,798	26,891
Deferred tax assets		192,138	190,362
Net advances	4	2,948,756	2,855,738
Investments accounted for using the equity method		30,891	30,402
Other assets		135,580	133,205
Investments in financial assets		55,418	23,554
Cash and cash equivalents		380,637	432,757
Assets of continuing operations		3,812,916	3,738,356
Assets of disposal groups	5	17,786	16,602
Total assets		3,830,702	3,754,958
Equity			
Share capital		541,183	541,183
Reserves		2,091	29,271
Accumulated loss		(44,041)	(24,148)
		499,233	546,306
Non-controlling interest		(10,495)	(10,601)
Total equity		488,738	535,705
Liabilities			
Borrowings	6	3,204,861	3,078,974
Deferred and current tax liabilities		3,090	11,875
Other liabilities		128,743	119,573
Liabilities of continuing business		3,336,694	3,210,422
Liabilities of disposal groups		5,270	8,831
Total liabilities		3,341,964	3,219,253
Total equity and liabilities		3,830,702	3,754,958

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2015

Condensed group statement of financial performance

R'000	Notes	Three months ended	
		30-Jun-15	30-Jun-14
<i>Continuing operations</i>			
Revenue	7	318,768	441,607
Gross yield from assets		287,528	408,585
Impairments		(92,035)	(180,894)
Net yield		195,493	227,691
Finance costs		(93,939)	(101,337)
Net margin		101,554	126,354
Other non-interest income		23,193	23,471
Net operating income		124,747	149,825
Operating expenses		(132,062)	(138,726)
(Loss) profit before taxation		(7,315)	11,099
Taxation	8	(10,726)	(3,972)
(Loss) profit from continuing operations		(18,041)	7,127
<i>Disposal group</i>			
Profit (loss) from operations classified as a disposal group		1,130	(10,836)
Loss for the period		(16,911)	(3,709)
<i>Profit/(loss) attributable to:</i>			
<i>Owners of the parent</i>			
Continuing operations		(18,147)	8,648
Disposal group		1,130	(10,836)
		(17,017)	(2,188)
<i>Non-controlling interest</i>			
		106	(1,521)
Loss for the period		(16,911)	(3,709)

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2015

Condensed group statement of comprehensive income

R'000	Three months ended	
	30-Jun-15	30-Jun-14
Loss for the period	(16,911)	(3,709)
<i>Other comprehensive income (loss):</i>		
Cash flow hedges:		
Effects of cash flow hedges	(4,467)	2,686
Tax	1,251	(752)
Exchange differences on translating foreign operations	(23,964)	(3,561)
Total other comprehensive income (loss)	(27,180)	(1,627)
Total comprehensive loss for the period	(44,091)	(5,336)

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 three months ended 30 June 2015							
Opening balance	541,183	25,617	3,654	(24,148)	546,306	(10,601)	535,705
Loss for the period	-	-	-	(17,017)	(17,017)	106	(16,911)
Other comprehensive loss	-	(23,964)	(3,216)	-	(27,180)	-	(27,180)
Preference dividend	-	-	-	(2,876)	(2,876)	-	(2,876)
Closing balance	541,183	1,653	438	(44,041)	499,233	(10,495)	488,738
For the three months ended 30 June 2014							
Opening balance	431,945	(27,205)	12,084	316,074	732,898	(14,882)	718,016
Loss for the period	-	-	-	(2,188)	(2,188)	(1,521)	(3,709)
Other comprehensive income (loss)	-	(3,561)	1,934	-	(1,627)	-	(1,627)
Additional interest purchased in subsidiary	-	-	-	(264)	(264)	(112)	(376)
Closing balance	431,945	(30,766)	14,018	313,622	728,819	(16,515)	712,304
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 30 June 2015

Condensed group statement of cash flows

R'000	30-Jun-15	30-Jun-14
Cash flows used in operating activities		
Cash used in operations	(41,166)	67,604
Finance costs	(93,939)	(101,337)
Tax paid	(5,522)	(14,824)
	(140,627)	(48,557)
Cash flows from investing activities		
Additions to property, plant and equipment and intangible assets	(3,972)	(6,505)
Proceeds on sale of plant and equipment	2,924	1,891
Redemption of financial assets	-	50,466
	(1,048)	45,851
Cash flows from financing activities		
Proceeds from borrowings	165,000	40,000
Repayment of borrowings	(75,444)	(28,462)
Dividends paid	-	(18,415)
	89,556	(6,877)
Total cash movement for the period	(52,120)	(9,582)
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	380,637	205,262

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 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 three months ended 30 June 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.

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 three months ended 30 June 2015.

4. Net advances

	<u>30-Jun-15</u> R'000	<u>31-Mar-15</u> R'000
<i>Credit products at amortised cost</i>		
Gross advances	2,622,650	2,628,300
Impairment of advances	(1,185,261)	(1,097,648)
Present value of estimated cash flows on written off advances	419,359	436,298
	<u>1,856,748</u>	<u>1,966,950</u>
<i>Education asset</i>	132,528	140,157
<i>Acquired debt at fair value through profit or loss</i>	939,927	727,105
<i>Outsourced collections asset</i>	19,553	21,526
	<u>2,948,756</u>	<u>2,855,738</u>

5. Disposal group

Aspire Group

The Aspire Group remains up for sale. Management is currently in the process of attempting to find a buyer for the business. On the basis that the business has been largely restructured to return to profitability the group can exercise some patience with a view to attracting an improved offer.

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2015

Notes to the condensed financial statements

6. Borrowings

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

	30-Jun-15 R'000	30-Jun-14 R'000
7. Revenue		
Interest income	108,520	188,525
NPL yield	43,175	49,575
Fee income	14,974	20,752
Fair value yield on acquired debt	53,414	54,019
Net premiums received	42,065	62,855
Other non-interest income	56,621	65,882
	318,768	441,607

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
<i>For the three months ended 30 June 2015</i>			
Responsible Finance	75,097	(58,446)	16,651
DMC	48,567	(46,411)	2,156
Group Central Services	(2,768)	(14,067)	(16,835)
Discontinued receivables	3,851	(13,138)	(9,287)
	124,747	(132,062)	(7,315)

For the three months ended 30 June 2014

Responsible Finance	80,449	(58,672)	21,777
DMC	52,923	(42,989)	9,934
Group Central Services	5,888	(8,079)	(2,191)
Discontinued receivables	10,565	(28,986)	(18,421)
	149,825	(138,726)	11,099

Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2015

Notes to the condensed financial statements

9. Segment information (continued)

	Assets R'000	Liabilities R'000
30 June 2015		
Responsible Finance	1,484,852	1,286,095
DMC	1,152,346	876,018
Group Central Services	459,990	585,145
Discontinued receivables	715,728	589,436
	3,812,916	3,336,694
30 June 2014		
Responsible Finance	2,091,995	1,718,773
DMC	891,977	628,891
Group Central Services	431,970	559,061
Discontinued receivables	1,061,004	854,017
	3,415,941	2,906,725
31 March 2015		
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