

# **SOUTHERN VIEW FINANCE LTD**

(Incorporated in Bermuda with registration number 47305)

BSX share code : SVF.BH

JSE share code: SVF

ISIN: BMG829251013

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## **ABRIDGED UNAUDITED CONSOLIDATED RESULTS FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2014**

Southern View Finance Ltd (the Company) was incorporated in Bermuda on 10 January 2013 and obtained its certificate to commence business on the same day. The Company has been established for the purpose of holding investments. The Company acquired 100% of the share capital in Southern View Finance Mauritius Ltd and Southern View Finance UK Ltd during the 2013 financial year and 100% of the share capital in Southern View Finance SA Holdings (Pty) Ltd during the 2014 financial year (the Group). The Company's primary listing is on the Bermuda Stock Exchange ("BSX"). It has a secondary listing on the Alternative Exchange of the JSE Limited ("AltX").

### **DESCRIPTION OF THE BUSINESS**

The Group is an international financial services business, offering affordable and appropriate access to financial service products aimed at the mass market. The Group's aim is to provide low cost financial service products, which currently includes (i) small and affordable loans and will include (ii) mobile banking (iii) money transfers and (iv) micro insurance products. The Group partners with and leverages established retail and other networks to distribute its products. The Group's initial focus has been in South Africa, where it has partnered with a significant clothing and apparel retailer to offer small, low cost loans to its customers. It is in the process of expanding into further jurisdictions. The key business metrics of the Group's loan product are:

- (1) an average loan amount of R3,000
- (2) a loan term of 6 months
- (3) a targeted monthly cash yield percentage on the loan portfolio of >20%
- (4) targeted write-offs (all capital, interest and fees) of <12% of all advances and revenues
- (5) a bad debt provision of < 20% which delivers a provision cover in excess of 100% of non performing loans
- (6) new loan applications of >100 000 per month

### **BUSINESS REVIEW**

The Group's performance was in line with all the key business metrics listed above. The Gross and Net Loan Book as at 30 September 2014 were R1,624,886,428 and R1,357,610,694 respectively. There were 468,364 active customers.

### **DIVIDEND**

No dividend has been declared for the period under review.

## **BASIS OF PREPARATION**

These abridged unaudited consolidated results for the three month period ended 30 September 2014 have been prepared in accordance with the International Financial Reporting Standards, including IAS 34 - Interim Financial Reporting, the rules of the BSX and the Listings Requirements of the JSE Limited.

## **ACCOUNTING POLICIES**

The results below have not been audited or reviewed by the Company's external auditors. The accounting policies adopted are consistent with those published in the Consolidated Financial Statements for the year ended 30 June 2014.

By order of the Board

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Merwe Scholtz

Chairman

December 2014

# SOUTHERN VIEW FINANCE LTD

## ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Unaudited as at 30 September 2014 R	Unaudited as at 30 September 2013 R
<b>Assets</b>		
Cash and cash equivalents	641 383 527	11 685 703
Loans and advances to clients	1 357 610 694	-
Property, plant and equipment	156 284 466	1 677 177
Intangible assets	35 156 513	-
Other financial assets	75 773 797	4 745 328
<b>Total assets</b>	<b>2 266 208 997</b>	<b>18 108 208</b>
<b>Liabilities</b>		
Loans at amortised cost	1 332 189 192	3 987
Trade and other payables	149 337 047	6 396 138
Current income tax liabilities	18 815 523	-
<b>Total liabilities</b>	<b>1 500 341 762</b>	<b>6 400 125</b>
<b>Equity</b>		
Shareholders' equity	765 867 235	11 708 083
<b>Total equity</b>	<b>765 867 235</b>	<b>11 708 083</b>
<b>Total liabilities and equity</b>	<b>2 266 208 997</b>	<b>18 108 208</b>

# SOUTHERN VIEW FINANCE LTD

## ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Unaudited for the three month period ended 30 September 2014 R	Unaudited for the three month period ended 30 September 2013 R
Net interest income	233 778 643	-
Loan fee income	167 789 467	-
Direct distribution expense	(59 113 735)	-
<b>Net portfolio income</b>	<b>342 454 376</b>	-
Other income	6 743 023	161
Operating costs	(87 588 208)	(10 457 747)
Net bad debt written off	(158 035 424)	-
Bad debt provision	(9 943 697)	-
Funding costs	(34 850 317)	-
<b>Other expenses</b>	<b>(283 674 622)</b>	<b>(10 457 586)</b>
<b>Operating profit (loss) before tax</b>	<b>58 779 754</b>	<b>(10 457 586)</b>
Income tax expense	(12 296 806)	-
<b>Profit (loss) for the three month period</b>	<b>46 482 948</b>	<b>(10 457 586)</b>
<b>Earnings (loss) per share cents</b>		
<b>Basic</b>	<b>67</b>	<b>(340)</b>
<b>Diluted</b>	<b>67</b>	<b>(340)</b>
*		

## SOUTHERN VIEW FINANCE LTD

### ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Share capital R	Share premium R	Retained earnings R	Reserves R	Total equity R
<b>Balance at 01 July 2013-audited</b>	<b>3 010</b>	<b>30 092 865</b>	<b>(10 332 498)</b>	<b>(747 630)</b>	<b>19 015 747</b>
Total comprehensive loss for the three month period	-	-	(10 457 586)	-	(10 457 586)
Shares issued	314	3 149 604	-	-	3 149 918
<b>Balance at 30 September 2013- unaudited</b>	<b>3 324</b>	<b>33 242 469</b>	<b>(20 790 084)</b>	<b>(747 630)</b>	<b>11 708 079</b>
<b>Balance at 01 October 2013- unaudited</b>	<b>3 324</b>	<b>33 242 469</b>	<b>(20 790 084)</b>	<b>(747 630)</b>	<b>11 708 079</b>
Total comprehensive profit for the period	-	-	62 247 031	-	62 247 031
Shares issued	76 526	645 352 651	-	-	645 429 177
<b>Balance at 30 June 2014-audited</b>	<b>79 850</b>	<b>678 595 120</b>	<b>41 456 947</b>	<b>(747 630)</b>	<b>719 384 287</b>
Total comprehensive profit for the three month period	-	-	46 482 948	-	46 482 948
<b>Balance at 30 September 2014- unaudited</b>	<b>79 850</b>	<b>678 595 120</b>	<b>87 939 895</b>	<b>(747 630)</b>	<b>765 867 235</b>

# SOUTHERN VIEW FINANCE LTD

## ABRIDGED CONSOLIDATED CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 30 SEPTEMBER 2014

	Unaudited as at 30 September 2014	Unaudited as at 30 September 2013
	R	R
Profit (loss) before taxation	58 779 754	(10 457 586)
<b>Adjustments for:</b>		
Depreciation and amortisation	6 625 816	171 831
Tax paid	(12 296 806)	-
<b>Changes in working capital:</b>		
Loans and other receivables	29 202 229	(4 540 797)
Trade and other payables	(10 225 882)	3 874 183
<b>Net cash generated (utilised) in operating activities</b>	<b>72 085 111</b>	<b>(10 952 369)</b>
<b>Net cash utilised in investing activities</b>	<b>(18 363 115)</b>	<b>(1 242 601)</b>
<b>Net cash generated from financing activities</b>	<b>24 392 590</b>	<b>3 149 918</b>
Net cash at the beginning of the period	<b>563 268 941</b>	<b>20 730 755</b>
<b>Net cash at the end of the period</b>	<b>641 383 527</b>	<b>11 685 703</b>

### \* **Headline earnings (loss) per share cents**

<b>Basic</b>	<b>67</b>	<b>(340)</b>
<b>Diluted</b>	<b>67</b>	<b>(340)</b>

Interests of directors and executive officers:

Mr. Hendrik van der Merwe Scholtz is the ultimate beneficial owner of 81.5% of the issued Class B shares, held through various corporate entities.

Registered office

Mercury House, 101 Front Street, Hamilton, Bermuda, HM12

Directors: James Keyes (Non Executive), Gregory Toloram (Non Executive), James Bareham (Executive Officer), Hermanus Troskie (Non Executive), Hendrik van der Merwe Scholtz (Non Executive Chairman), Sam Sithole (Non Executive)

Auditors: PricewaterhouseCoopers Mauritius

Transfer secretary: Computer Share Investor Services (Pty) Ltd  
Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa

Registrar and transfer agent: Mercury Group Limited

BSX sponsor: Global Custody and Clearing Limited

JSE sponsor: KPMG Services (Pty) Ltd

Company secretary: Mercury Group Limited