Unaudited Financial Report

For the year ended 31 March 2019

REAL PEOPLE®

Real People Investment Holdings Ltd

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Table of Contents

1.1 Group statement of financial position

	Group consolidated - March FY2019		
	Actual R'm	Prior Year R'm	Actual vs Prior Year(%)
Assets			
Loans and advances	879,0	866,1	1,5%
Acquired assets	591,4	632,1	-6,4%
Property and equipment and Intangible assets	15,0	18,7	-19,5%
Investments	32,2	28,7	12,3%
Assurance assets	-	-	0,0%
Other assets	21,8	21,6	0,9%
Deferred and current tax assets	15,1	5,2	> 100%
Cash and cash equivalents	428,0	344,6	24,2%
Assets of continuing operations	**1 982,6**	**1 917,0**	**3,4%**
Assets of disposal group	-	-	0,0%
Total assets	**1 982,6**	**1 917,0**	**3,4%**
Equity and liabilities			
Share Capital and share premium	1 308,9	1 308,9	0,0%
Accumulated loss	(886,9)	(952,5)	6,9%
Reserves	0,5	(6,6)	> -100%
Equity of RPSA	**422,5**	**349,8**	20,8%
Equity of disposal group	-	-	0,0%
Equity	**422,5**	**349,8**	20,8%
Liabilities			
Long term interest bearing borrowings	1 481,9	1 471,1	0,7%
Assurance liability	-	-	0,0%
Deferred and current tax liabilities	10,2	18,7	-45,5%
Junior loans to SPVs	-	-	0,0%
Other liabilities	68,0	77,4	-12,1%
Liabilities of continuing operations	**1 560,1**	**1 567,2**	**-0,5%**
Liabilities of disposal group	-	-	0,0%
Total equity and liabilities	**1 982,6**	**1 917,0**	**3,4%**
Quarter Average			
*Average Productive Assets	1 468,8	1 520,7	
*Average Total Assets	1 961,6	1 925,0	
Average Productive Assets/Average Total Assets (%)	74,9%	79,0%	
YTD Average			
*Average Productive Assets	1 484,3	1 580,1	
*Average Total Assets	1 949,8	2 060,3	
Average Productive Assets/Average Total Assets (%)	76,1%	76,7%	

The disposal group has been excluded in order for these ratios to be comparable with current year

Key take outs:

1. Group balance sheet restructure

During the course of the previous financial year, the Group undertook a balance sheet restructure which entailed certain funders of the Group voluntarily exchanging on-balance sheet debt for equity and hybrid equity instruments. Whilst the restructure was being negotiated and implemented, the Group's ability to raise funding and sustain balance sheet growth was constrained. This resulted in the Group commencing the current financial year with a significantly smaller balance sheet in most respects, in comparison to the previous financial year.

Assets:
Loans and advances increased relative to the prior year, as a result of higher disbursement levels post restructure. However, average productive assets were lower than the previous year as a result of the asset base reduction during the period of the restructure.

Acquired assets decreased relative to the prior year as a result of funding constraints early in the financial year from the balance sheet restructure, amortisation of the portfolio and some portfolio impairments.

Consolidated cash balances are ahead of the prior year due to successful fund raising activity in Q4.

Equity:
Equity levels are ahead of the prior period.

Liabilities:

Home Finance has successfully raised a large portion of its funding requirement in the last quarter of the financial year, which has resulted in funding levels being ahead of the prior year.

DMC successfully raised its expected funding requirement for the financial year.

	March FY2019	
	Analysis of Share Capital (R'm)	Attribution of Current Equity to Instruments (R'm)
E PIK Note	493,3	348,3
D PIK Note	96,6	27,8
C Preference Shares	128,5	19,2
B Preference Shares	155,9	7,4
A Ordinary Shares	-	16,1
Ordinary Shares	434,5	3,6
	1 308,9	422,5

1.2 Group statement of comprehensive income

Quarter - March FY2019 Actual R'm	ROPA %	Prior Year R'm	ROPA %	Actual vs Prior Year(%)		YTD - March FY2019 Actual R'm	ROPA %	Prior Year R'm	ROPA %	Actual vs Prior Year(%)
190,7	52,7%	186,6	49,8%	2,2%	Gross yield from assets	730,7	49,2%	775,7	49,1%	-5,8%
(43,0)	-11,9%	(32,7)	-8,7%	-31,8%	Impairment provision	(125,5)	-8,5%	(102,2)	-6,5%	-22,8%
13,6	3,7%	14,5	3,9%	-6,3%	Net assurance income - credit life	55,3	3,7%	62,3	3,9%	-11,2%
161,2	**44,5%**	**168,4**	**44,9%**	-4,3%	**Net yield**	**660,5**	**44,5%**	**735,8**	**46,6%**	-10,2%
(41,5)	-11,5%	(62,7)	-16,7%	33,7%	Finance costs	(192,6)	-13,0%	(231,9)	-14,7%	16,9%
119,7	**33,0%**	**105,7**	**28,2%**	**13,2%**	**Net margin**	**467,9**	**31,5%**	**503,9**	**31,9%**	**-7,2%**
8,1	2,2%	8,8	2,4%	-8,4%	Net assurance income - funeral benefits	34,0	2,3%	35,2	2,2%	-3,5%
13,7	3,8%	7,9	2,1%	73,9%	Outsourced collection income	51,2	3,4%	42,3	2,7%	21,0%
0,2	0,1%	0,2	0,1%	-4,0%	Sundry income	0,8	0,1%	0,9	0,1%	-17,2%
141,7	**39,1%**	**122,6**	**32,7%**	**15,5%**	**Operating income**	**553,8**	**37,3%**	**582,3**	**36,9%**	**-4,9%**
(126,2)	**-34,8%**	**(130,2)**	**-34,7%**	**3,1%**	**Total costs**	**(485,5)**	**-32,7%**	**(500,8)**	**-31,7%**	**3,1%**
(118,9)	-32,8%	(162,0)	-43,2%	26,6%	Operating expenditure	(452,9)	-30,5%	(464,0)	-29,4%	2,4%
(7,3)	-2,0%	31,8	8,5%	> -100%	Direct costs reallocated from yield	(32,5)	-2,2%	(36,8)	-2,3%	11,8%
0,0	0,0%	(0,3)	-0,1%	> -100%	Hedging gain/(loss)	(1,2)	-0,1%	(8,0)	-0,5%	85,0%
-	0,0%	-	0,0%	0,0%	Gain on derecognition of liability	-	0,0%	50,3	3,2%	-100,0%
-	0,0%	(0,2)	-0,1%	100,0%	Capital restructure costs	-	0,0%	(43,6)	-2,8%	100,0%
15,5	**4,3%**	**(8,2)**	**-2,2%**	**> -100%**	**Profit/(loss) before tax**	**67,1**	**4,5%**	**80,3**	**5,1%**	**-16,4%**
(5,6)	-1,6%	7,6	2,0%	> -100%	Current tax expense	(16,5)	-1,1%	(14,2)	-0,9%	-15,8%
1,6	0,4%	3,1	0,8%	-47,8%	Deferred tax expense	15,0	1,0%	8,7	0,5%	72,7%
11,5	**3,2%**	**2,5**	**0,7%**	**> 100%**	**Profit/(loss) after tax**	**65,6**	**4,4%**	**74,7**	**4,7%**	**-12,2%**
-	0,0%	(1,7)	-0,5%	100,0%	Profit/(loss) after tax - disposal group	-	0,0%	(34,3)	-2,2%	100,0%
11,5	**3,2%**	**0,8**	**0,2%**	**> 100%**	**Profit/(loss) after tax - Group**	**65,6**	**4,4%**	**40,4**	**2,6%**	**62,3%**
					Other comprehensive (loss) / income:					
(0,5)	-0,1%	10,2	2,7%	> -100%	Movement in cash flow hedge reserve	7,1	0,5%	4,2	0,3%	69,6%
11,0	**3,0%**	**11,0**	**2,9%**	**-0,2%**	**Total comprehensive income for the period**	**72,7**	**4,9%**	**44,6**	**2,8%**	**63,0%**
1 468,8		**1 520,7**			*** Average productive assets**	**1 484,3**		**1 580,1**		
418,1		**353,2**			***Average Equity**	**386,7**		**334,3**		
3,5		**4,3**			**Equity Multiplier**	**3,8**		**4,7**		
15,0%		**-9,4%**			***Pre-tax return on equity**	**17,4%**		**9,0%**		
11,1%		**2,9%**			***Return on Equity**	**17,0%**		**7,3%**		

The disposal group has been excluded in order for these ratios to be comparable with current year as well as the gain on derecognition

Quarter actual vs prior year quarter

- Gross yield is higher than the prior year due to new volumes in Q4 relative to the prior year.
- Overall operating expenditure outperformed the prior year as management actively contained costs.
- The tax charges are impacted by assessed losses carried forward and realisation of losses on closure of companies.

YTD Actual vs YTD prior year

- Although the HF advances portfolio has shown some growth, average productive assets were lower than the previous year, largely as a result of a much higher opening balance in the previous year, which amortised significantly during the period of the balance sheet restructure. This has contributed to both a lower net yield and finance cost run rate in the current financial year.
- Actual disbursement volumes in the current year are higher relative to the prior year which has resulted in higher impairment charges arising from the IFRS9 expected loss methodology.
- Net credit life premiums were lower relative to the prior period due to the change in mix in the premium base as a result of implementing the reducing balance calculation in August 2017.
- Overall operating expenditure outperformed the prior year as management actively contained costs.

1.3 Group quality of earnings adjustments

Quarter - March FY2019						YTD - March FY2019				
Actual R'm	ROPA %	Prior Year R'm	ROPA %	Actual vs Prior Year(%)		Actual R'm	ROPA %	Prior Year R'm	ROPA %	Actual vs Prior Year(%)
33,0	9,1%	6,7	1,8%	> 100%	Home Finance	71,3	4,8%	76,6	4,8%	-6,8%
1,1	0,3%	3,1	0,8%	-64%	Assurance	9,5	0,6%	10,0	0,6%	-4,9%
1,5	0,4%	(0,1)	0,0%	> -100%	DMC	28,2	1,9%	39,7	2,5%	-28,9%
35,6	**9,8%**	**9,7**	**2,6%**	**> 100%**		**109,0**	**7,3%**	**126,2**	**8,0%**	**-13,6%**
(20,1)	-5,6%	(17,8)	-4,8%	-13%	Group Central Services	(41,9)	-2,8%	(45,9)	-2,9%	8,7%
15,5	**4,3%**	**(8,2)**	**-2,2%**	**> -100%**	**Profit before tax**	**67,1**	**4,5%**	**80,3**	**5,1%**	**-16,4%**
					Revenue not associated with core operations					
-	0,0%	-	-0,1%	100,0%	Hedging gain	-	0,0%	-	-0,5%	100,0%
-	0,0%	-	0,0%	0%	Gain on derecognition of liability	-	0,0%	50,3	3,2%	-100,0%
-	0,0%	-	0,0%	0%	Once-off VAT claim	3,2	0,2%	-	0,0%	100,0%
					Costs not associated with core operations					
0,0	0,0%	(0,3)	-0,1%	> -100%	Hedging loss	(1,2)	-0,1%	(8,0)	-0,5%	85,0%
-	0,0%	(0,2)	-0,1%	100%	Capital restructure costs	-	0,0%	(43,6)	-2,8%	100,0%
-	0,0%	-	0,0%	0%	Audit overruns	(2,9)	-0,2%	-	0,0%	-100,0%
15,5	**4,3%**	**(7,6)**	**-2,0%**	**> -100%**	**Profit/(loss) before tax**	**68,0**	**4,6%**	**81,5**	**5,2%**	**-16,6%**

Key take outs

Home Finance

- The Home Finance business contribution declined year on year. Gross yield from assets is flat year on year. Increases in interest earned on performing loans as the book has grew post the restructure, has been offset by a decline in the NPL yield due to a reduction in the gross NPL book, in part stemming from the write-off of prescribed accounts. Net credit life premiums were lower relative to the prior period due to the change in mix in the premium base as a result of implementing the reducing balance premium calculation methodology in August 2017.

Assurance

- The Assurance business contribution declined slightly year on year. Higher claims and lower business volumes were offset to some extent by cost containment gains.

DMC

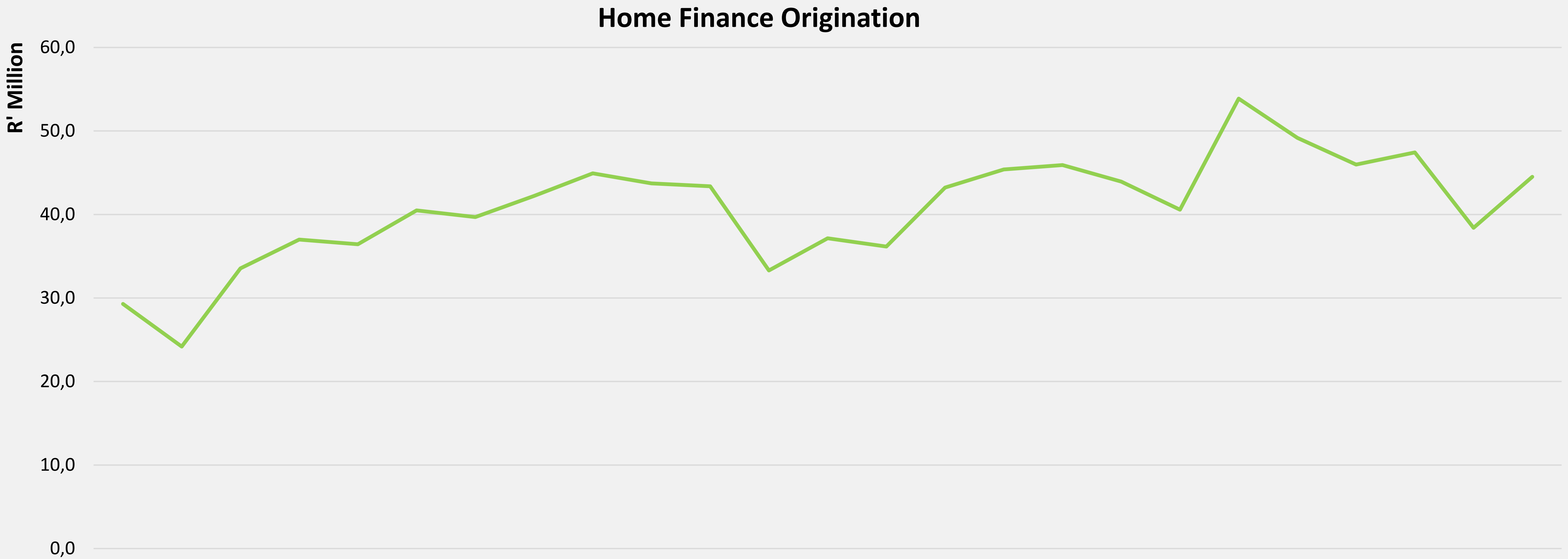
- The DMC business contribution declined year on year. This is largely due to the continued amortisation of the legacy asset base, limited acquisition volumes during the course of the restructure and some impairments in the older books.

Group Central Services (GCS)

- GCS is tracking ahead of the prior year as management actively contained costs.

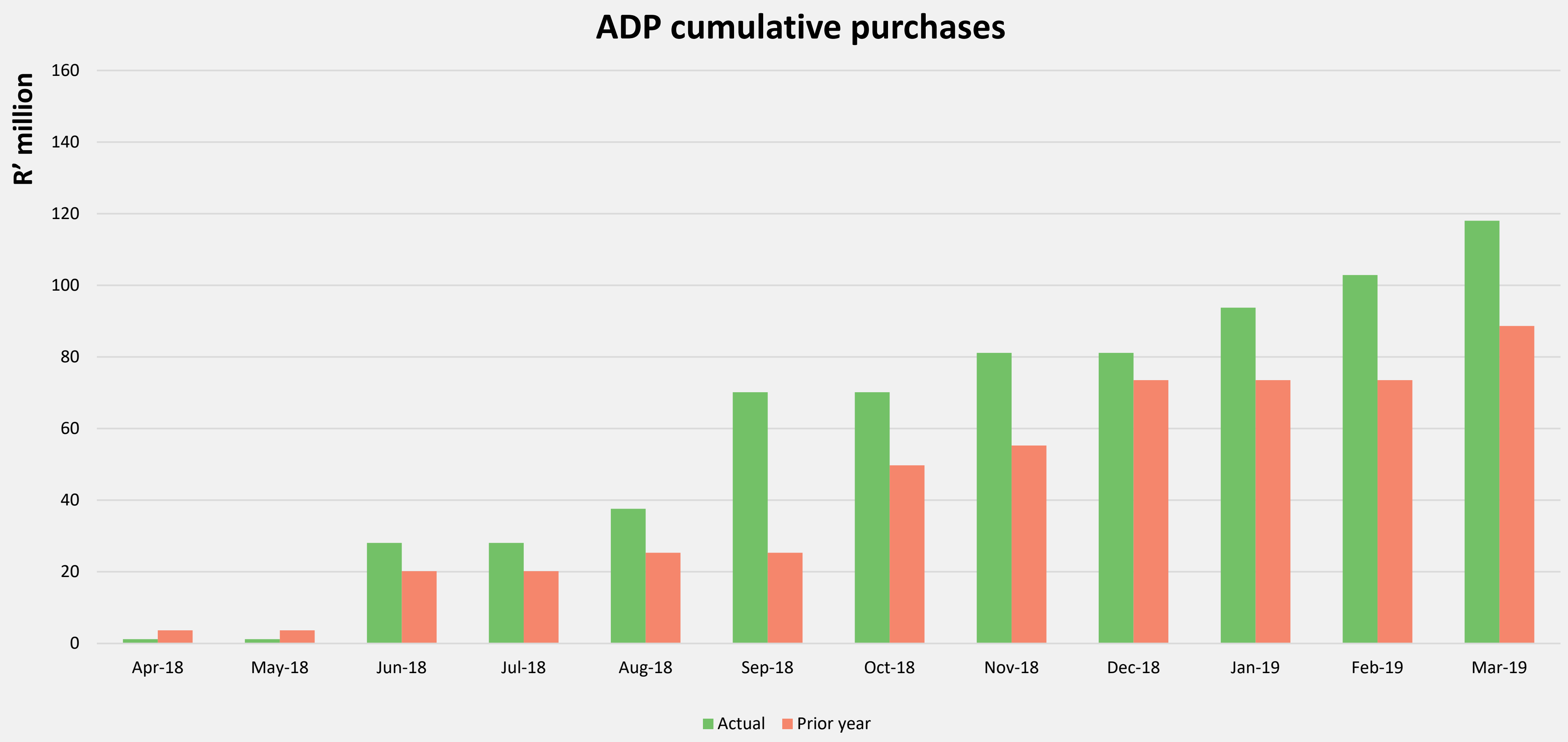
2. Growth in productive assets

1. Home Finance loan origination platform volumes

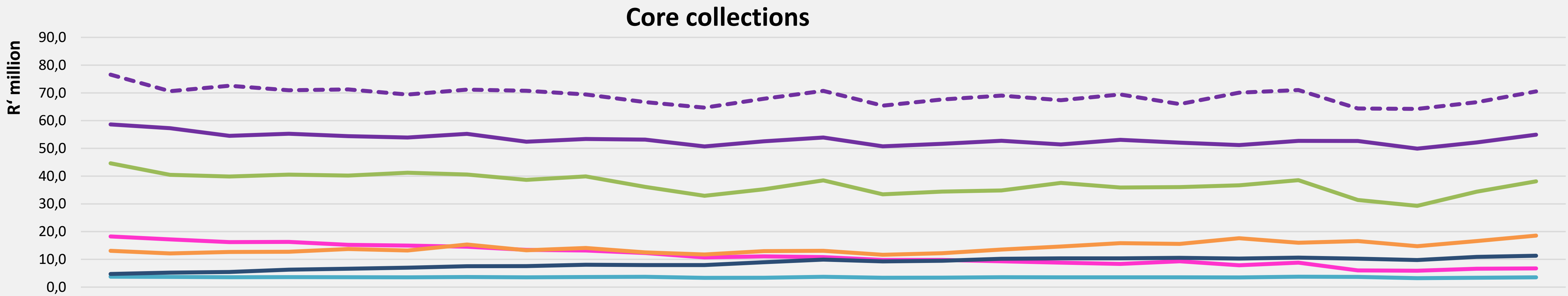


	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Rand Amount	29,29	24,19	33,54	36,99	36,43	40,49	39,69	42,22	44,92	43,72	43,38	33,30	37,15	36,16	43,22	45,40	45,92	43,94	40,57	53,87	49,18	45,98	47,43	38,40	44,51

2. DMC acquired debt portfolio purchases year to date



3. Core collections across each business line



	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
*Home Finance (Tot)	76,6	70,6	72,6	71,0	71,3	69,4	71,2	70,8	69,5	66,7	64,7	67,9	70,7	65,4	67,6	69,0	67,4	69,4	66,0	70,1	71,0	64,4	64,2	66,6	70,5
**Home Finance (Edi)	58,6	57,3	54,5	55,3	54,4	53,9	55,2	52,4	53,4	53,2	50,7	52,5	53,9	50,7	51,6	52,7	51,4	53,1	52,1	51,2	52,7	52,7	49,9	52,1	54,9
Assurance	3,8	3,7	3,6	3,6	3,6	3,5	3,6	3,5	3,6	3,7	3,3	3,4	3,7	3,4	3,4	3,6	3,5	3,5	3,5	3,5	3,8	3,7	3,2	3,4	3,5
Purchased	44,6	40,5	39,9	40,6	40,2	41,2	40,6	38,6	39,9	36,1	32,9	35,2	38,5	33,5	34,4	34,8	37,6	35,9	36,0	36,7	38,5	31,4	29,3	34,4	38,1
Legacy Assets	18,3	17,2	16,2	16,3	15,2	15,0	14,6	13,4	13,2	12,3	10,7	11,1	10,8	9,8	9,8	9,3	8,8	8,4	9,3	7,9	8,8	6,0	5,9	6,6	6,8
Outsourced	13,1	12,1	12,7	12,8	13,7	13,2	15,3	13,3	14,1	12,5	11,8	13,0	13,1	11,7	12,2	13,6	14,7	15,8	15,6	17,6	16,0	16,6	14,8	16,6	18,6
Credit Management	4,7	5,2	5,4	6,3	6,6	7,0	7,5	7,6	8,0	7,9	7,9	9,0	9,9	9,3	9,5	10,2	10,4	10,4	10,6	10,3	10,6	10,2	9,7	10,9	11,3

*Total receipting including all collection channels

**Collections via electronic debit orders

3.1 Group profitability analysis: 12 month rolling compliance ratios

Group Capital Adequacy Ratio

	Minimum per Covenant	Actual March FY2019 R'm	Prior year March FY2018 R'm
Permanent Capital / Total adjusted assets	**20,0%**	**32,2%**	**28,8%**
Permanent Capital		244,1	289,1
Total adjusted assets		757,4	1 004,0

Cost to Income Ratio***

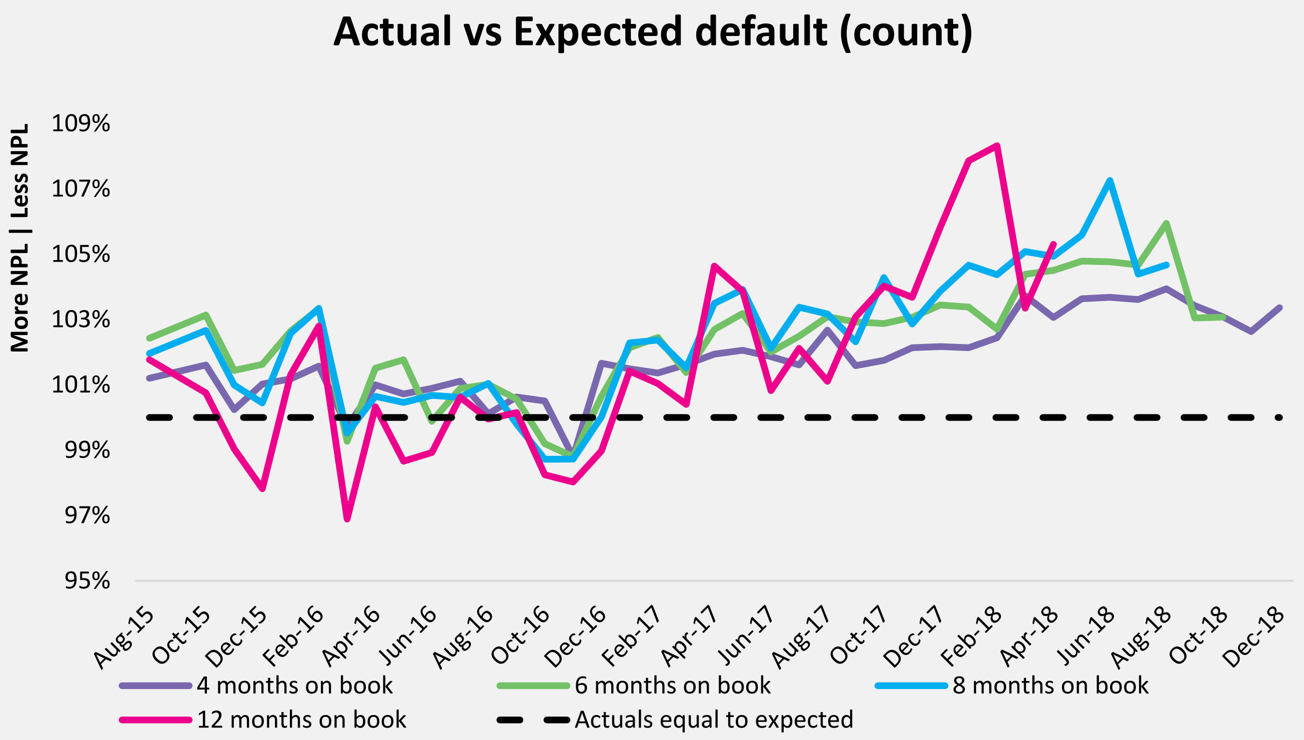
	Maximum per Covenant	Actual March FY 2019	Prior year March FY2018
Operating Expenses		450,9	472,1
Operating Income		713,9	779,5
Cost to income ratio	**68%**	**63.2%**	**60.6%**

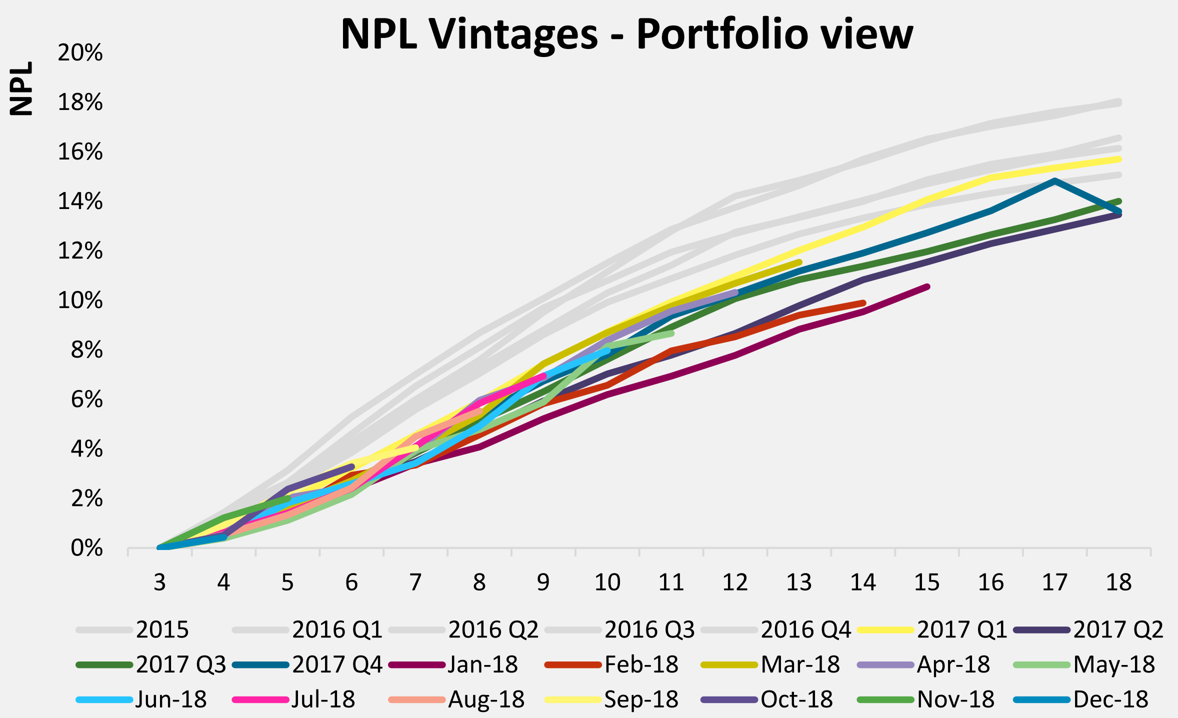
Debt Service Cover Ratio

	Minimum per Covenant	Actual March FY 2019	Prior year March FY2018
Free Cash Flow		213,6	382,5
Debt Service		178,9	75,7
Debt Service Coverage Ratio (times)	**1.05**	**1.19**	**5.05**

*** For purposes of this report the cost to income ratio is calculated using the applicable IFRS 9 methodology as opposed to the management account view which does not.

4.1 Home Finance divisional drivers of performance





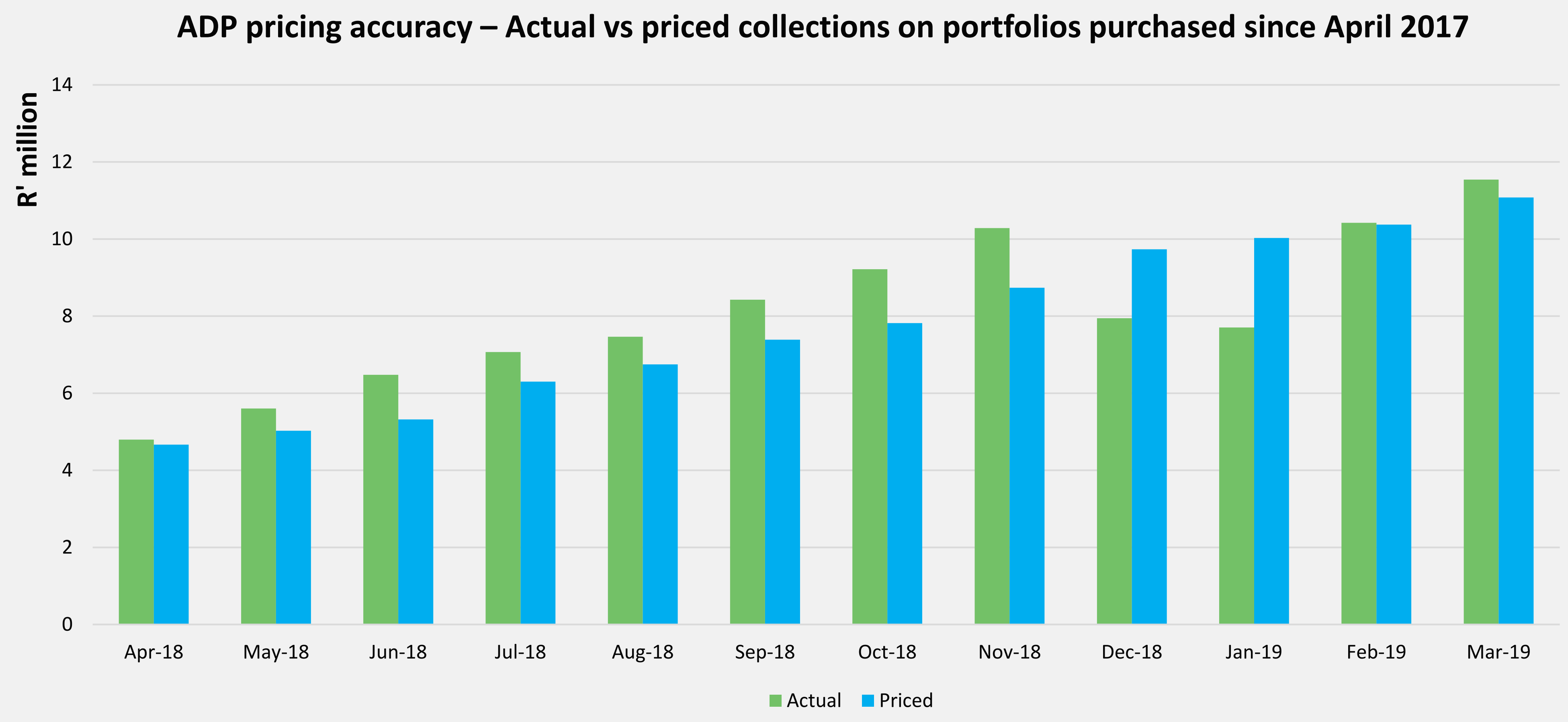
Home Finance continues to see outperformance of its portfolio relative to priced expectations. The latest approved product suite has been introduced in October 2018. Given the current level of outperformance there is strong potential for Home Finance to adjust its product suite to both increase origination volumes and increase risk appetite taken onto book.

NPL Emergence:

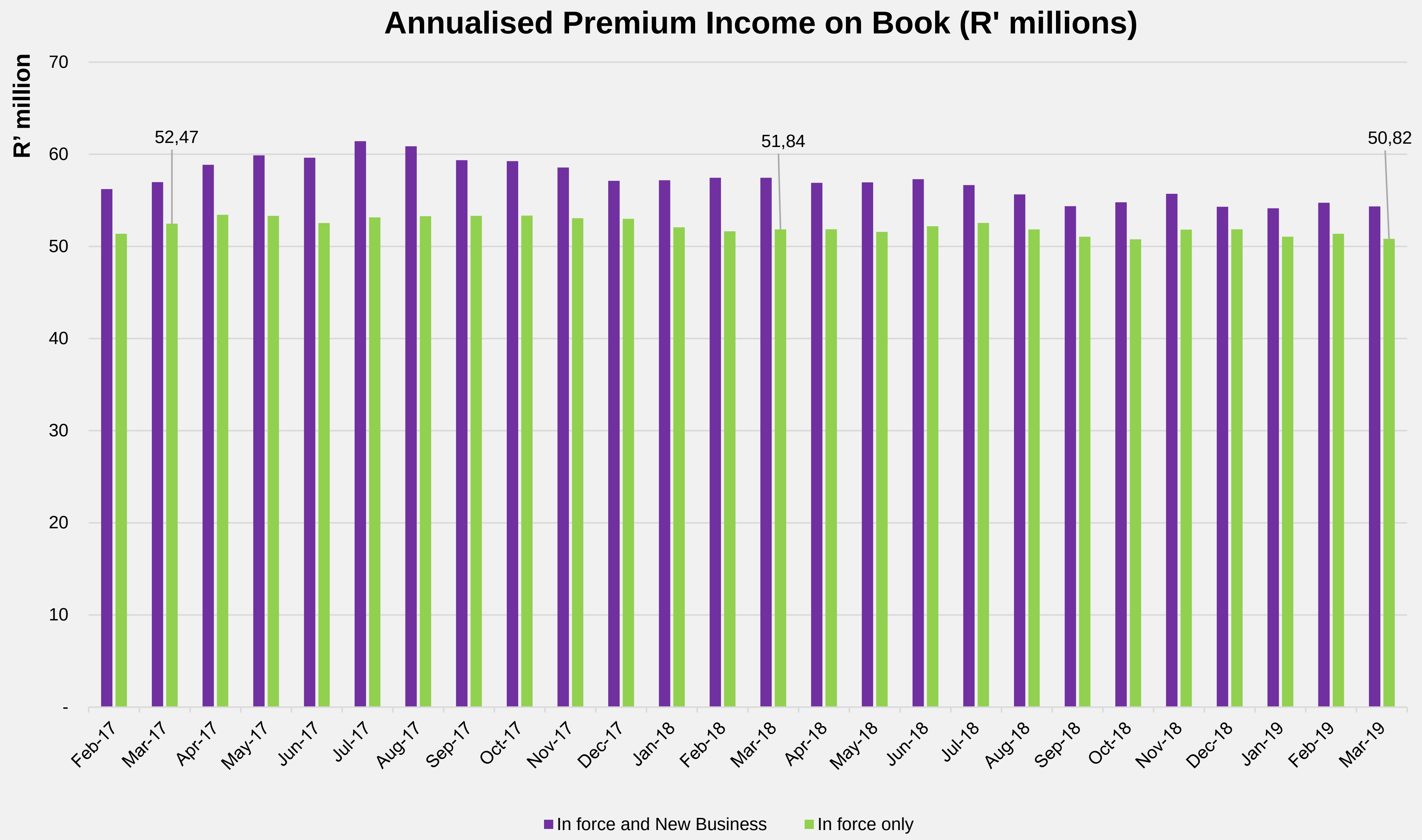
Even though some vintage points showed increases, the overall portfolio continues to perform well and the vintage levels remain within an acceptable band.

* Please note the latest month of origination for the pricing accuracy graph is December 2018, as the first data point on the graphs are 4 months after origination.

4.2 DMC divisional drivers of performance



4.3 Assurance divisional drivers of performance



5. Glossary

Ratio	Definition
Permanent capital / Total adjusted assets	**Group equity reduced by:** -The cash flow hedge -Equity in SPVs and regulated Assurance Company -Junior equity instruments in SPVs -Deferred taxation & Intangible assets on balance sheet **Total assets reduced by:** -Assets in SPVs and regulated Assurance Company - Cash and cash equivalents on balance sheet -Deferred taxation & Intangible assets on balance sheet
Gross yield on productive assets	Annualised Net yield / Simple average Loans and advances and Acquired assets
Net yield on productive assets	Annualised Net yield / Simple average Loans and advances and Acquired assets
Return on productive assets (ROPA %)	Annualised profit or loss after tax/ Simple average Loans and advances and Acquired assets
Return on productive assets (ROTA %)	Annualised profit or loss after tax/ Simple average Total assets
Non-margin income on productive assets	Annualised non-margin income / Simple average productive assets
Outsourced contributions on productive assets	Annualised outsourced contributions / Simple average productive assets
Cost of funds	Annualised Finance costs / Simple average Long term interest bearing borrowings
Debt service cover	Free cash flow/Debt service
Cost to income	Operating expenses / Net yield (adjusted by direct costs reallocated from yield), Net assurance income - funeral benefits and Outsourced collection income
Equity multiplier	Average productive assets or Average total assets/Average equity
Pre-tax return on equity	Equity multiplier x Pre-tax return as a % of productive assets
Return on equity	Equity multiplier x Return as a % of productive assets
Assurance - Claims loss ratio	Claims/Premium income

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