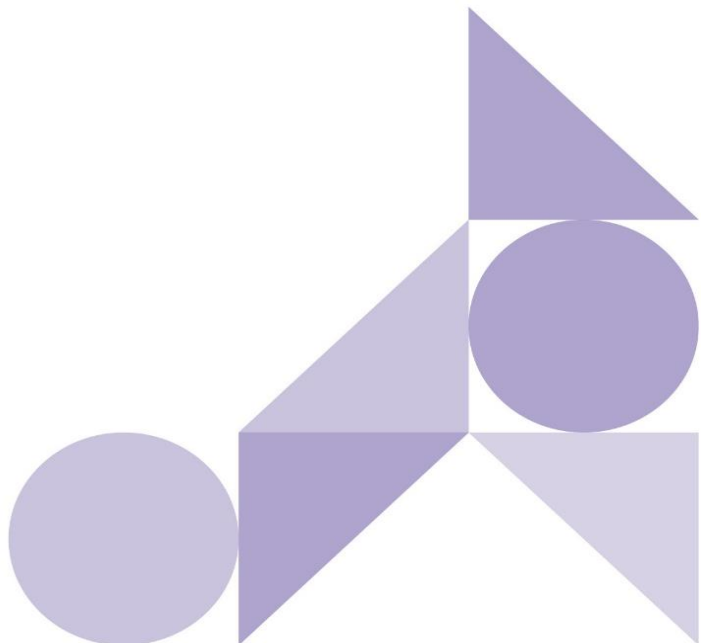




**Real People Investment Holdings Limited**  
**Unaudited condensed group financial statements**  
For the quarter ended 30 June 2021



# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Condensed group statement of financial position

R'000	Notes	30 Jun 2021	31 Mar 2021
<b>Assets</b>			
Equipment		20 456	17 862
Right-of-use assets		5 121	5 633
Amount receivable from Old Mutual Alternative Risk Transfer	4	10 808	9 914
Net advances	5	1 069 905	1 066 354
Other receivables		26 998	26 261
Derivatives		15 080	18 847
Tax receivable		-	7 130
Cash and cash equivalents		364 215	426 793
<b>Total assets</b>		<b>1 512 583</b>	<b>1 578 794</b>
<b>Equity</b>			
Share capital and equity notes		1 308 857	1 308 857
Reserves		1 529	2 084
Accumulated loss		(1 004 163)	(1 034 595)
<b>Total equity</b>		<b>306 223</b>	<b>276 346</b>
<b>Liabilities</b>			
Borrowings		1 144 572	1 246 277
Deferred tax		252	349
Provisions		11 801	13 469
Trade and other payables		41 112	37 471
Tax payable		8 623	4 882
<b>Total liabilities</b>		<b>1 206 360</b>	<b>1 302 448</b>
<b>Total equity and liabilities</b>		<b>1 512 583</b>	<b>1 578 794</b>

# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Condensed group statement of financial performance

R'000	Notes	Three months ended	
		30-Jun-21	30-Jun-20
<b>Revenue</b>	6	<b>163 897</b>	<b>211 662</b>
<b>Gross yield from assets</b>		<b>141 150</b>	<b>170 793</b>
Impairments		2 717	(84 972)
<b>Net yield</b>		<b>143 867</b>	<b>85 821</b>
Finance costs		(30 736)	(43 143)
<b>Net margin</b>		<b>113 131</b>	<b>42 678</b>
Net assurance income - funeral benefits		6 553	7 850
Outsourced collection income		11 605	10 459
Other income		1 708	2 138
<b>Net operating income</b>		<b>132 997</b>	<b>63 125</b>
Operating expenses		(98 185)	(90 299)
<b>Profit (loss) before taxation</b>		<b>34 812</b>	<b>(27 174)</b>
Taxation		(4 380)	726
<b>Profit (loss) profit for the period</b>		<b>30 432</b>	<b>(26 448)</b>

## Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

### Condensed group statement of comprehensive income

R'000	Three months ended	
	30-Jun-21	30-Jun-20
<b>Profit for the period</b>	<b>30 432</b>	<b>(26 448)</b>
<i>Other comprehensive income/(loss):</i>		
Effects of cash flow hedges	(555)	(323)
<b>Total comprehensive income for the period</b>	<b>29 877</b>	<b>(26 771)</b>

### Condensed group statement of changes in equity

R'000	Share capital and equity notes	Cash flow hedging reserve	Accumulated loss	Total equity
<b><i>For the three months ended 30 June 2021</i></b>				
Opening balance	1 308 857	2 084	(1 034 595)	276 346
Profit for the period	-	-	30 432	30 432
Other comprehensive income	-	(555)	-	(555)
<b>Closing balance</b>	<b>1 308 857</b>	<b>1 529</b>	<b>(1 004 163)</b>	<b>306 223</b>
<b><i>For the three months ended 30 June 2020</i></b>				
Opening balance	1 308 857	2 430	(1 143 226)	168 061
Loss for the period	-	-	(26 448)	(26 448)
Other comprehensive income	-	(323)	-	(323)
<b>Closing balance</b>	<b>1 308 857</b>	<b>2 107</b>	<b>(1 169 674)</b>	<b>141 290</b>
<b><i>For the twelve months ended 31 March 2021</i></b>				
Opening balance	1 308 857	2 430	(1 143 226)	168 061
Profit for the year	-	-	108 631	108 631
Other comprehensive income	-	(346)	-	(346)
<b>Closing balance</b>	<b>1 308 857</b>	<b>2 084</b>	<b>(1 034 595)</b>	<b>276 346</b>

# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Condensed group statement of cash flows

R'000	30-Jun-21	30-Jun-20
<b>Cash flows generated from operating activities</b>		
Cash generated by operations	64 322	183 384
Finance costs	(30 594)	(43 143)
Tax refunded (paid)	6 743	(1 341)
	<b>40 470</b>	<b>138 900</b>
<b>Cash flows utilised in investing activities</b>		
Additions to equipment	(5 026)	(6 073)
Proceeds on sale of equipment	760	389
	<b>(4 267)</b>	<b>(5 684)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	9 879	-
Repayment of borrowings	(108 661)	(140 505)
	<b>(98 782)</b>	<b>(140 505)</b>
<b>Total cash movement for the period</b>	<b>(62 578)</b>	<b>(7 289)</b>
Cash and cash equivalents at the beginning of the period	426 793	326 600
<b>Total cash and cash equivalents at the end of the period</b>	<b>364 215</b>	<b>319 311</b>

# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Notes to the condensed financial statements

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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 2021.

The principal accounting policies are consistent with those of the annual financial statements for the year ended 31 March 2021, as described in those annual financial statements. The financial statements are presented in South African Rands.

### 2. Accounting estimates and judgements

#### *Critical judgements in applying accounting policies*

#### *Recognition of deferred tax asset*

The recognition of deferred tax assets on taxable losses in Real People Investment Holdings Limited and subsidiaries has been suspended and the deferred tax assets recognised in prior financial years impaired until there is a history of sustainable profitability.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future or to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised in the foreseeable future and there is a history of sustainable profitability. Estimates of future taxable income are based on forecast results from operations and the application of existing taxation laws.

#### *Key sources of estimation uncertainty*

#### *Impairment of financial assets*

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's history, existing market conditions in the micro-finance industry as well as forward looking estimates at the end of each reporting period.

#### *Uncertain tax positions*

The nature of certain group financial products gives rise to uncertainty relating to the tax treatment and tax allowances. Appropriate research is conducted and expert opinions obtained to minimise the risk of tax misstatements. With this in mind the group is considered to have adequately provided for its tax liabilities. To the extent that the group's tax methodologies and positions require consultation with relevant experts, this is done after appropriate research and development to mitigate the risk of tax misstatements. In so doing, the group ensures that it meets its tax compliance

Where the final outcome of tax assessments is different from the amounts that were initially recorded in the accounts, such differences will impact the current and deferred income tax assets and liabilities in the reporting period in which such determination is made.

### 3. Dividends

No ordinary dividends were declared or paid to shareholders during the three months ended 30 June 2021.

# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Notes to the condensed financial statements

### 4. Amount receivable form Old Mutual Alternative Risk Transfer

The group invested in the preference shares in the OMART Real People Cell Captive which entitles it to the profits of the insurance business that is housed in the cell. The receivable from OMART is measured at the net asset value of the cell at the end of the reporting period.

	<u>30-Jun-21</u> <u>R'000</u>	<u>31-Mar-21</u> <u>R'000</u>
OMART Real People Cell Captive preference shares	1 000	1 000
OMART Real People Cell Captive profit for the year	9 808	8 914
	<u>10 808</u>	<u>9 914</u>

### 5. Net advances

#### *Home Finance*

#### *Performing loans*

Gross advances

437 479

435 433

Impairment of advances

(77 540)

(81 897)

359 939

353 536

#### *Non-performing loans*

Gross advances

1 511 011

1 529 242

Impairment of advances

(1 354 637)

(1 366 489)

156 374

162 753

#### *Acquired Debt*

Gross advances

721 026

723 203

Impairment of advances

(167 435)

(173 138)

553 591

550 065

#### *Combined*

Gross advances

2 669 517

2 687 878

Impairment of advances

(1 599 612)

(1 621 524)

1 069 905

1 066 354

#### **Net advances**

### 6. Revenue

#### *Revenue other than from contracts with customers*

Interest and similar income

132 929

171 658

Net premiums received

19 363

25 788

#### *Revenue from contracts with customers*

Outsourced collection income

11 605

14 216

163 897

211 662

### 7. Taxation

Recognition of additional deferred tax assets within Real People Investment Holdings Ltd and its subsidiaries remain suspended.

# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Notes to the condensed financial statements

### 8. Segment information

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

<i>Reportable segment</i>	<i>Services</i>
Home Finance channel	Provides credit and related financial services (credit life cover) to customers of building supply merchants
Acquired Debt channel	Purchases non-performing loan portfolios and provides debt collection solutions to credit providers. Owns and collects the discontinued receivables of the group
Outsourced Collections channel	Collects outstanding debt on the behalf of corporate outsourced clients
RP Life channel	Provides a variety of funeral, disability and loss of income benefits to customers. This channel previously operated from a licenced insurance provider. It operates within a Cell Captive and is known as RP Life.

	Net operating income R'000	Operating expenses R'000	Profit before tax R'000
<b><i>For the three months ended 30 June 2021</i></b>			
Home Finance	45 650	(9 934)	35 717
Acquired Debt	116 095	(99 115)	16 981
RP Life	6 755	(5 511)	1 245
Central cost centres and head office functions	(35 504)	16 374	(19 130)
	<b>132 997</b>	<b>(98 185)</b>	<b>34 812</b>

<b><i>For the three months ended 30 June 2020</i></b>			
Home Finance	8 676	(29 621)	(20 945)
Acquired Debt	46 036	(50 114)	(4 078)
RP Life	8 018	(4 073)	3 946
Central cost centres and head office functions	395	(6 491)	(6 096)
	<b>63 125</b>	<b>(90 299)</b>	<b>(27 174)</b>

	Assets R'000	Liabilities R'000
<b><i>30 June 2021</i></b>		
Home Finance	659 340	535 387
Acquired Debt	774 570	581 307
RP Life	14 639	12 782
Central cost centres and head office functions	64 035	76 884
	<b>1 512 583</b>	<b>1 206 360</b>

<b><i>30 June 2020</i></b>		
Home Finance	904 572	774 554
Acquired Debt	798 462	572 661
RP Life	42 846	36 319
Central cost centres and head office functions	67 296	48 262
	<b>1 813 177</b>	<b>1 431 796</b>



# Real People Investment Holdings Limited and subsidiaries

Unaudited condensed group financial statements for the quarter ended 30 June 2021

## Notes to the condensed financial statements

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### 8. Segment information (continued)

	<b>Assets R'000</b>	<b>Liabilities R'000</b>
<b>31 March 2021</b>		
Home Finance	676 514	645 801
Acquired Debt	841 856	884 017
RP Life	13 726	17 427
Central cost centres and head office functions	46 698	(244 797)
	<b>1 578 794</b>	<b>1 302 448</b>

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