

SOUTHERN VIEW FINANCE LTD

(Incorporated in Bermuda with registration number 47305)

BSX share code : SVF.BH

JSE share code: SVF

ISIN: BMG829251013

INTERIM UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 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 may include in the future (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 500
- (2) a loan term of 7 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 internal business metrics listed above. The Gross and Net Loan Book as at 31 December 2014 were R1,974,391,962 and R1,645,065,994 respectively. There were 523 490 active customers at 31 December 2014.

DIVIDEND

No dividend has been declared for the period under review.

BASIS OF PREPARATION

These interim unaudited consolidated results for the six month period ended 31 December 2014 have been prepared in accordance with 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



Merwe Scholtz

Chairman

March 2015

SOUTHERN VIEW FINANCE LTD

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Unaudited as at 31 December 2014 R	Unaudited as at 31 December 2013 R
Assets		
Cash and cash equivalents	597 313 552	328 665 365
Loans and advances to clients	1 645 065 994	897 326 504
Property, plant and equipment	163 092 810	1 558 575
Intangible assets	17 827 548	-
Other financial assets	70 233 134	7 181 043
Total assets	2 493 533 038	1 234 731 487
Liabilities		
Loans at amortised cost	804 872 758	335 849 515
Trade and other payables	190 974 546	479 001 734
Current income tax liabilities	16 590 068	-
Total liabilities	1 012 437 372	814 851 249
Equity		
Shareholders' equity	1 481 095 666	419 880 238
Total equity	1 481 095 666	419 880 238
Total liabilities and equity	2 493 533 038	1 234 731 487

SOUTHERN VIEW FINANCE LTD

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

	Unaudited for the six month period ended 31 December 2014 R	Unaudited for the six month period ended 31 December 2013 R
Net interest income	483 921 110	52 287 605
Loan fee income	371 449 360	88 777 218
Direct distribution expense	(131 602 038)	(60 241 918)
Net portfolio income	723 768 432	80 822 905
Other income	12 534 477	2 065 103
Operating costs	(156 952 444)	(57 654 717)
Net bad debt written off	(304 949 007)	(3 526 380)
Bad debt provision	(71 993 932)	(143 207 034)
Funding costs	(67 361 993)	(3 144 485)
Other expenses	(588 722 899)	(205 467 513)
Operating profit (loss) before tax	135 045 533	(124 644 608)
Income tax expense	(23 333 451)	-
Profit (loss) for the three month period	111 712 082	(124 644 608)

Earnings (loss) per share cents

Basic	138	(203)
Diluted	138	(203)

*

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

	Share capital R	Share premium R	Retained earnings R	Reserves R	Total equity R
Balance at 01 July 2013-audited	3 010	30 092 865	(10 332 498)	(747 630)	19 015 747
Total comprehensive loss for the six month period	-	-	(124 644 608)	-	(124 644 608)
Shares issued	52 143	525 456 952	-	-	525 509 095
Balance at 31 December 2013- unaudited	55 153	555 549 817	(134 977 106)	(747 630)	419 880 234
Total comprehensive profit for the period	-	-	176 434 053	-	176 434 053
Shares issued	24 697	123 045 303	-	-	123 070 000
Balance at 30 June 2014-audited	79 850	678 595 120	41 456 947	(747 630)	719 384 287
Total comprehensive profit for the six month period	-	-	111 712 082	(678)	111 711 404
Shares issued	62 911	649 937 064	-	-	649 999 975
Balance at 31 December 2014- unaudited	142 761	1 328 532 184	153 169 029	(748 308)	1 481 095 666

SOUTHERN VIEW FINANCE LTD

INTERIM CONSOLIDATED CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

	Unaudited as at 31 December 2014 R	Unaudited as at 31 December 2013 R
Profit (loss) before taxation	135 045 533	(124 644 608)
Adjustments for:		
Depreciation and amortisation	13 535 302	382 635
Tax paid	(15 945 455)	-
Changes in working capital:		
Loans and other receivables	(237 855 391)	(904 303 014)
Trade and other payables	22 837 221	476 475 793
Net cash utilised in operating activities	(82 382 790)	(552 089 197)
Net cash utilised in investing activities	(30 638 730)	(1 334 803)
Net cash generated from financing activities	147 066 131	861 358 610
Net cash at the beginning of the period	563 268 941	20 730 755
Net cash at the end of the period	597 313 552	328 665 365
* Headline earnings (loss) per share cents		
Basic	138	(203)
Diluted	138	(203)

Interests of directors and executive officers:

Mr Hendrik van der Merwe Scholtz's family trust holds approximately 88% (eighty eight percent) of the issued shares in Plus27 Financial Services Holdings Pty Ltd ("Plus27"). Plus27 holds approximately 0.59% (zero point five nine percent) of the issued Class A Shares. Plus27 and its wholly owned subsidiaries hold 90% (ninety percent) of the issued Class B Shares.

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