

# ALIOS FINANCE GROUP

## CONSOLIDATED FINANCIAL STATEMENTS

**31 December 2012**

**GENERAL INFORMATION****DIRECTORS**

Director	Representative	Number of seats in the board of directors
Ahmed ABDELKEFI	Himself	1
AFRICINVEST	Aziz MEBAREK	1
Iwan MEISTER	Himself	1
Pekka JUUSELA	Himself	1
BOA Group	Paul DERREUMAUX	1
DOMAFI	Olivier MARZLOFF	1
COTAFI	Alain PECHEUR	1
CFPF	Fadoua MOUTAOUAKIL	1

**Headquarters**

8, rue de Berri – 75008 Paris - FRANCE.

**Auditor**

DELOITTE & ASSOCIATES

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012***(AMOUNTS EXPRESSED IN EUROS)*

	Notes	2012	2011
<b>ASSETS</b>			
Cash and cash equivalents	3	15 665 295	14 400 619
Other receivables	4	18 332 636	11 612 436
Loan receivables	5	86 511 856	69 138 730
Finance lease receivables	5	95 288 062	74 094 696
Long-term rental receivables	5	19 649 081	14 296 941
Deferred tax asset	6	1 545 730	1 295 642
Property, plant and equipment and intangible assets	7	6 049 838	7 553 148
Non-current financial assets	8	163 744	163 744
Goodwill	9	40 725	81 450
<b>TOTAL ASSETS</b>		<b>243 246 967</b>	<b>192 637 404</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Bank loans and other financial liabilities	10	159 168 468	116 941 645
Credit balances on customer accounts	11	5 136 688	3 646 007
Other current liabilities	12	11 412 263	13 573 450
Trade creditors and similar payables	13	14 602 270	9 085 470
Other financial liabilities	14	8 815 244	7 707 560
Other non-current liabilities	15	18 060	91 343
Deferred tax liabilities	6	1 656 866	1 251 331
Provisions for contingencies and losses	16	1 765 125	1 733 540
Negative Goodwill	17	2 390	4 781
<b>TOTAL LIABILITIES</b>		<b>202 577 375</b>	<b>154 035 128</b>
Capital		10 699 282	10 699 282
Consolidated reserves		13 415 428	13 202 355
Net profit for the year (Group Share)		2 766 806	1 080 684
<b>Group equity</b>		<b>26 881 515</b>	<b>24 982 321</b>
<b>Minority interests</b>			
Minority interests in opening equity		12 518 397	13 362 611
Minority interests in profit for the year		1 269 679	257 345
<b>Total consolidated equity</b>	18	<b>40 669 592</b>	<b>38 602 277</b>
<b>Total equity and liabilities</b>		<b>243 246 966</b>	<b>192 637 404</b>

# **CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012** (AMOUNTS EXPRESSED IN EUROS)

	Notes	2012	2011
<b>OPERATING REVENUE</b>			
Income from loans	19	13 171 286	12 031 757
Income from finance leases	19	13 403 497	10 635 260
Income from long term rental	19	2 000 126	2 125 144
<b>Total financial income</b>		<b>28 574 910</b>	<b>24 792 161</b>
Interest and charges on late payments	20	114 776	274 308
Other operating revenue	21	1 474 790	774 134
<b>Total operating revenue</b>		<b>30 164 476</b>	<b>25 840 602</b>
Interest expense	22	10 464 966	9 196 616
<b>Net banking revenue</b>		<b>19 699 510</b>	<b>16 643 987</b>
Salary costs	23	5 905 625	5 212 168
Administrative costs	24	5 712 211	5 640 621
Depreciation of fixed assets	7	1 337 603	958 229
<b>Total operating costs</b>		<b>12 955 439</b>	<b>11 811 018</b>
Net provisions on customer receivables	25	1 526 911	3 279 343
Amortization of goodwill	9 and 17	38 335	(107 624)
Miscellaneous income	26	1 089 065	1 120 887
<b>Current profit before tax</b>		<b>6 267 890</b>	<b>2 782 137</b>
Current and deferred tax	27	2 231 405	1 444 108
<b>Net profit of consolidated entities</b>		<b>4 036 485</b>	<b>1 338 029</b>
Group share of net profit		<b>2 766 806</b>	<b>1 080 684</b>
Minority interests in net profit		<b>1 269 679</b>	<b>257 345</b>
Earnings Per Share (EUR/ Share)		<b>2.84</b>	<b>1.11</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012***(AMOUNTS EXPRESSED IN EUROS)*

	2012	2011
<b>Cash flow from operating activities</b>		
Profit for the year	4 036 485	1 338 029
Adjustments for :		
* Amortization	1 337 603	958 229
* Depreciation & provisions	8 219 831	10 458 964
* Write-back of provisions	(7 417 990)	(17 761 837)
* Gain on disposal of fixed assets	(118 154)	(50 794)
* Loss on disposal of fixed assets	2 950	5 960
* Purchase and sale of fixed assets	-	-
* Other cash flow	(664 101)	(1 394 886)
* Consolidation adjustments	(719 714)	(2 484 028)
Movements in:		
* Other current receivables	(6 731 594)	(2 960 319)
* Trade and other receivables	(44 033 392)	1 312 359
* Deferred tax	155 447	(530 838)
* Trade and other payables	1 490 680	2 995 261
* Other current payables	(1 971 938)	1 016 797
* Suppliers	5 516 800	2 803 372
* Other current financial liabilities	1 107 684	583 641
* Other non-current liabilities	43 416	43 416
	(14 287)	
<b>Net cash flows from operating activities</b>	<b>(39 783 693)</b>	<b>(3 666 674)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible fixed assets	(3 175 625)	(3 874 469)
Proceeds from sale of tangible and intangible fixed assets	3 468 356	251 813
Sale of financial assets	-	699 524
<b>Net cash flow from investing activities</b>	<b>292 731</b>	<b>(2 923 132)</b>
<b>Cash flow from financing activities</b>		
Proceeds from/ Repayment of borrowings	40 903 534	14 058 017
Dividends paid	(1 471 185)	(581 280)
<b>Net cash flows from financing activities</b>	<b>39 432 349</b>	<b>12 464 835</b>
<b>Net increase/ decrease in cash</b>	<b>(58 613)</b>	<b>5 875 030</b>
<b>Cash at 1 January</b>	<b>(1 947 086)</b>	<b>(7 822 115)</b>
<b>Cash at 31 December</b>	<b>(2 005 698)</b>	<b>(1 947 086)</b>

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **Note 1. Presentation of Alios Group**

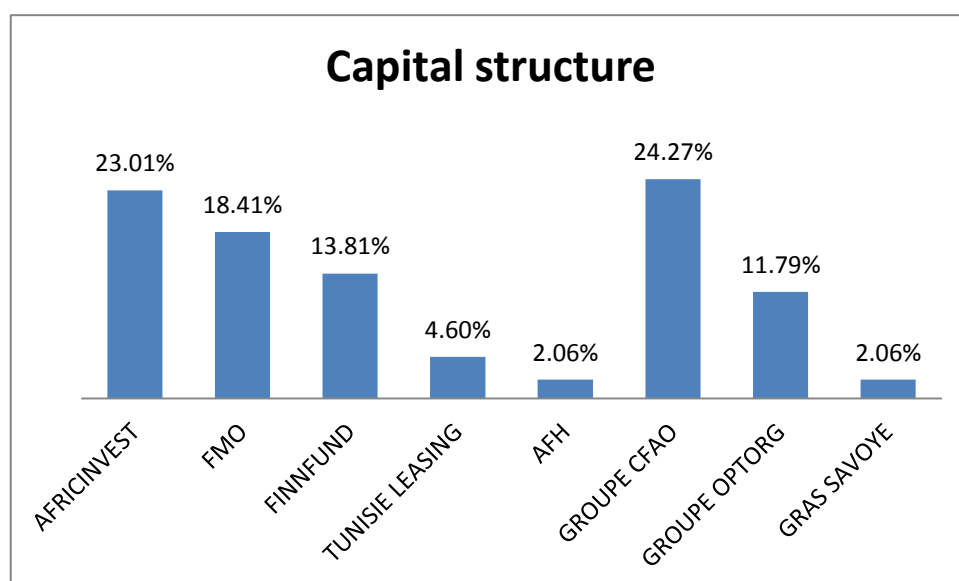
Alios Finance Group is a group composed of specialised non banking finance companies. It is currently present in eight countries of sub-Saharan Africa (Ivory Coast, Senegal, Burkina Faso, Mali, Cameroon, Gabon, Zambia, Tanzania and Kenya), either in the form of subsidiaries or branches. Its principal activities are the financing of investments of private companies and consumer credits to private individuals. The principal products offered are finance leases, long-term rental, investment loans and consumer credit.

Since 2006, the Group laid down an external growth target for new countries. For this reason, it proceeded in 2006 to the creation of a branch in Senegal and in 2008 it acquired a new subsidiary in Zambia. Its presence in Burkina Faso and Mali is done today through branches created respectively in 2007 and 2008. Previously, Burkina Faso and Mali were operated as subsidiaries, SOBFI and SOMAFI respectively which have now been fully integrated in Ivory Coast.

At the end of 2009, the Group created a new subsidiary in Tanzania. The company started operations in 2011. In 2011 a new subsidiary was created in Kenya and it started its operations in 2012.

#### **1.1 Structure of the capital**

The structure of the capital of the company ALIOS FINANCE SA is as follows:-



## 1.2 Legal structure of companies of the Group

The companies of the Group are as follows:

- Alios Finance S.A. This is the holding company that was created in 1998, which has as objective the acquisition of participations in companies aiming at developing operations of financing, in particular leasing.

The authorized capital of Alios Finance at 31 December 2012 is € 10,699,282 divided into 972,662 shares of €11 each.

- Alios Finance Gabon. This company was created in October 1966, and has as principal objective the realization of operations of leasing, consumer credits, long term rental and investments loans. The authorized capital of Alios Finance Gabon at 31 December 2012 is €1,662,073 divided into 109,032 shares of € 15.24 each.

- Alios Finance Côte d'Ivoire. This company was created in April 1956, and has as principal objective the realization of operations of leasing, consumer credits, long term rental and investments loans. The authorized capital of Alios Finance Côte d'Ivoire at 31 December 2012 is €1,980,427 divided into 129,916 shares of € 15.24 each. The shares of the company are listed at the "Bourse Régionale des Valeurs Mobilières (BRVM)" in Abidjan.

- Alios Finance Cameroun. This company was created in October 1959, and has as principal objective the realization of operations of leasing, consumer credits, long term rental and investments loans. The authorized capital of Alios Finance Cameroun at 31 December 2012 is €2,615,854 divided into 171,600 shares of € 15.24 each.

- Alios Finance Zambia. This company was created in 2007 and has as principal objective the realization of operations of leasing. The authorized capital of Alios Finance Zambia at 31 December 2012 is €750,617 (1,000,000\$) divided into 25,000,000 shares of €0.03 each.

- Alios Finance Tanzania. This company was created in 2009 and has as principal objective the realization of operations of leasing. The authorized capital of Alios Finance Tanzania at 31 December 2012 is € 770,169 (1,000,000\$) divided into 3,001,000 shares of € 0.26 each.

Alios Finance Kenya. This company was created in 2011 and has as principal objective the realization of operations of leasing. The authorized capital of Alios Finance Kenya at 31 December 2012 is € 855,660 (1,050,000\$) divided into 893.005 shares of € 0.96 each.

- GIEFCA France “Groupement d’intérêt Economique” was created in 1976 according to French law, and has as objective to facilitate, to organize and develop the commercial activity of member companies of the grouping and ensure the supervision of the various subsidiary companies of the group. The authorized capital of GIEFCA France at 31 December 2012 is € 3,033,735.
- GIEFCA Tunisia. This company was created in 2006, and is a completely exporting non-resident limited company according to Tunisian law. It has as objective, in Tunisia or elsewhere, to study, counsel, assist, follow-up and provision of services in any field and notably in areas of financial, economic and fixed assets etc. The authorized capital of GIEFCA Tunisia at 31 December 2012 is € 2,926 divided into 500 shares of €5.85 each.
- Alios Management Limited is a service company incorporated in Kenya in 2010 with a mandate of business development, marketing, technical and management support of the subsidiaries of the Group. The authorized capital of Alios Management Ltd as at 31 December 2012 is € 958 divided into 10 000 shares of €0.096 each.

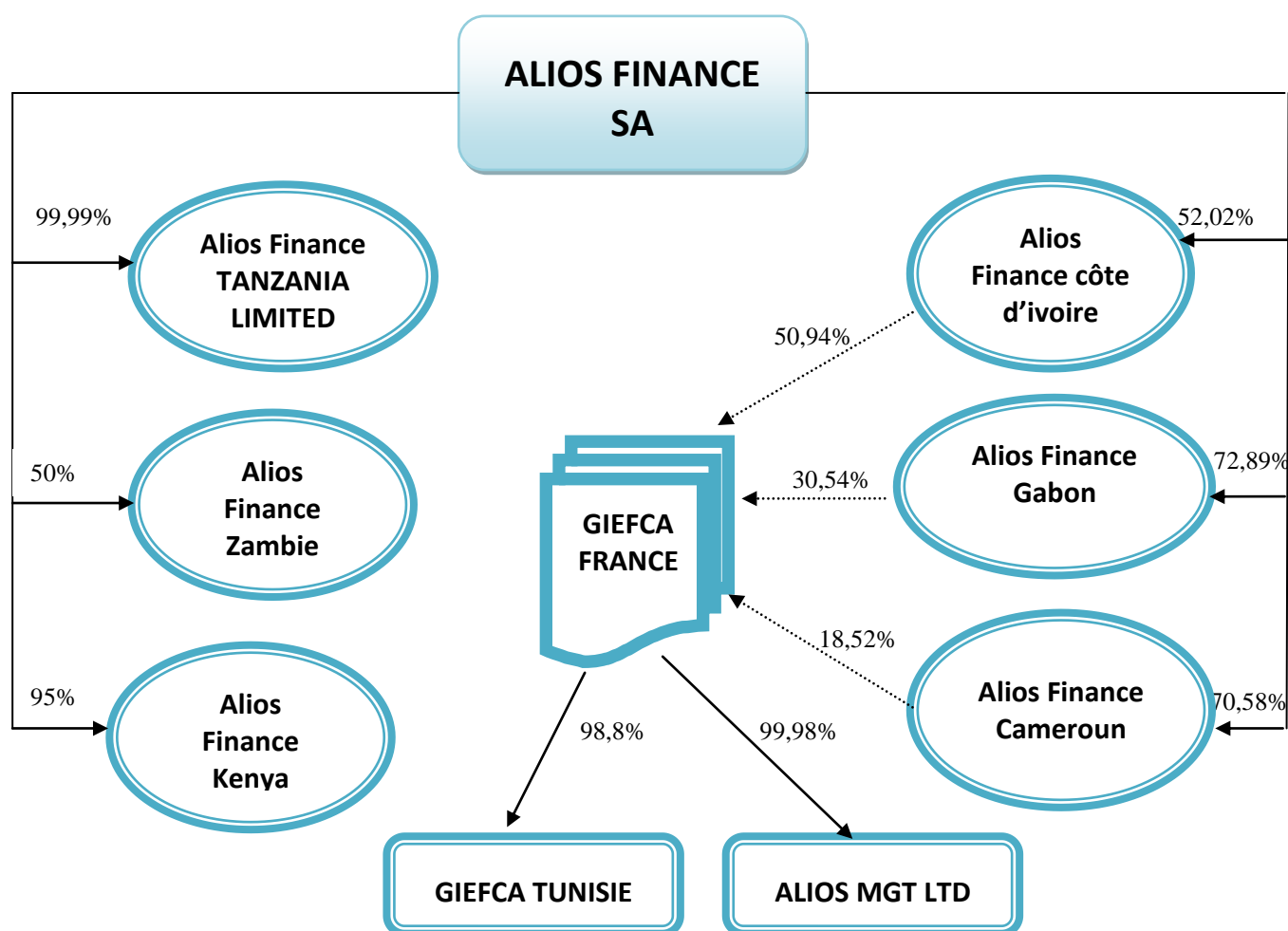


### 1.3 Area of consolidation

The area of consolidation is formed by Alios Finance S.A. (parent company) and by the subsidiaries: Alios Finance Gabon, Alios Finance Ivory Coast, Alios Finance Cameroon, Alios Finance Zambia, Alios Finance Tanzania, Alios Finance Kenya, GIEFCA France , GIEFCA Tunisia and Alios Management Limited.

Subsidiaries correspond to companies in which the Group has, directly or indirectly, an interest of more than 40% of the voting rights or has the capacity to exert a control of the activities. They are consolidated as from the date of the effective transfer of control to the Group and are no longer consolidated effective from the date of their sale.

The organogram of the Group is presented as follows:



The summary table of the percentages of control, interests and the consolidation methods are as follows :-

Companies	% of control		% of interest		Type of control	Consolidation method
	2012	2011	2012	2011		
ALIOS FINANCE SA	100%	100%	100%	100%	Exclusive Control	Full consolidation
ALIOS FINANCE IVORY COAST	52,02%	52,02%	52,02%	52,02%	Exclusive Control	Full consolidation
ALIOS FINANCE GABON	72,89%	72,89%	72,89%	72,89%	Exclusive Control	Full consolidation
ALIOS FINANCE CAMEROUN	70,58%	70,58%	70,58%	70,58%	Exclusive Control	Full consolidation
ALIOS FINANCE TANZANIA	99,99%	99,99%	99,99%	99,99%	Exclusive Control	Full consolidation
ALIOS FINANCE ZAMBIA	50,00%	50,00%	50,00%	50,00%	Exclusive Control	Full consolidation
ALIOS FINANCE KENYA	95,00%	-	95,00%	-	Contrôle exclusif	Full consolidation
GIEFCA France	100%	100%	61,82%	61,82%	Exclusive Control	Full consolidation
GIEFCA Tunisia	98,80%	98,80%	61,07%	61,07%	Exclusive Control	Full consolidation
Alios Management Ltd	61,83%	-	61,83%	-	Exclusive Control	Full consolidation

In 2011 Alios Finance sa created Alios Finance Kenya Limited and subscribed to 95% of the share capital. The capital was paid up in 2012.

## Note 2. Accounting policies

The financial statements of the subsidiary companies as at 31 December 2012, which were prepared in accordance with the local accounting policies, were used as a basis of establishing the group consolidated financial statements.

### 2.1 Accounting framework

The group accounts were prepared in conformity with the generally accepted accounting policies in France. They are established in accordance with the new rules of consolidation stated by rule n° 99.02 of the committee of the Accounting Regulations of 29 April 1999 and applied as from January 1, 2005. The Group chose not to adjust the operations of acquisition that occurred before January 1 2006.

The consolidated accounts of the Group were established according to the principle of the historical cost. The consolidated financial statements are presented in € and all the values are rounded-off to the nearest Euro.

The accounts were established according to the going concern principle.

The financial statements comprise:

- (a) a consolidated balance sheet;
- (b) a consolidated income statement;
- (c) Movement of group equity
- (d) a consolidated cash flow statement; and
- (e) notes to the consolidated financial statements.

## **2.2 Consolidation method**

The inter-company balances as well as the unrealised gains on transactions between the consolidated companies are eliminated. The provisions for depreciation referring to financial investments or credits held on consolidated companies are neutralized. If necessary, the accounting methods of the subsidiary companies are modified in order to ensure homogeneity with the methods of the Group. A separate presentation is made for minority interests.

## **2.3 Closing date**

All the companies included in the group consolidation have accounts with a 31 December year-end.

## **2.4 Presentation currency**

The group presents its consolidated financial statements in Euro.

## **2.5 Translation of the financial statements of foreign entities**

The balance sheet and income statement of Alios Finance Ivory Coast, Alios Finance Cameroun and Alios Finance Gabon are converted according to a fixed parity rate of 1 € = 656 Francs CFA.

The balance sheet of Alios Finance Zambia, Alios Finance Tanzania, Alios Management Ltd and GIEFCA Tunisia are converted using the closing rate of the financial year 2012. The equity is converted using the historical rate. The income statement is converted using the average exchange rate for the year 2012.

## **2.6 Goodwill**

Since January, 1, 2006, during the acquisition of a company, the identifiable assets and liabilities are registered in the consolidated balance-sheet with their fair value determined according to their envisaged economic use. The difference between the cost of acquisition and the fair value of identifiable assets and liabilities of the acquired company is recorded as Goodwill.

The positive goodwill is amortised using the straight-line method over 5 years. The negative goodwill is taken in the income statement using the straight-line method over 5 years.

Goodwill is subject of an examination when events or circumstances indicate that a reduction of value is likely to have occurred. Such events or circumstances include long term unfavourable significant change, affecting the economic environment or the underlying assumptions or objectives at the date of acquisition.

The need for recognizing an exceptional depreciation is done according to economic assumptions and forecasted operating conditions identified by the management of the company. These assumptions correspond to the translation of the strategic objectives which the company laid down and includes the estimates on the evolution of the economic environment in which the group is likely to evolve. When an exceptional depreciation is necessary, the amount accounted for is equal to the difference between the net book value and the fair value.

## **2.7 Intangible assets**

The intangible assets mainly comprise software, amortised on a straight-line basis over 3 years, and loan issue costs.

The Group has opted for the preferred accounting treatment of systematically amortising loan issue costs over the duration of each loan.

## 2.8 Tangible assets

Tangible assets are recognized at acquisition cost and are generally depreciated on a straight-line basis over their probable useful lives.

The following are the depreciation periods generally applied:

Buildings	10/20 years
Fixtures and fittings	5/10 years
Furniture, equipment and tooling	5/10 years
Office and IT furniture and equipment	5/10 years

## 2.9 Investments

Investments mainly comprise the Group's non-consolidated investments.

Non-consolidated investments are initially recognized at their acquisition cost excluding any incidental costs of acquisition.

When the fair value of such investments falls below their cost of acquisition, an impairment loss is recognized. Fair value is determined on the basis of the following criteria:

- Net assets;
- Current and expected future profitability;
- Future prospects;
- Value in use for the company.

## 2.10 Customer receivables

Customer receivables represent the amounts outstanding for finance granted in the form of standard loans and finance lease and long-term rental arrangements.

Impairment losses are charged to profit or loss whenever the Group considers that there is a risk of debtors being unable to honour all or part of their commitments.

The Group applies impairment criteria to its accounts presenting amounts in default based on the arithmetical approach described below. The provision amounts is derived by applying a provision on the outstanding balance and the amounts in default based on the perceived risk for each customer and the type of finance (standard loans or finance leases).

FOR CFA ZONE:

## Corporate clients:

Arrear of unpaid installments	No unpaid	1 to 90 days	91 to 180 days	181 to 360 days	361 days and up or contentieux
Provisions	No provision	5% * outstanding	30% *outstanding	75% *outstanding	100%*outstanding

## Individuals:

Arrear of unpaid installments	No unpaid	1 to 60 days	61 to 90 days	91 dayx and up or contentieux
State employees	No provision	No provision	30% * outstanding	100%* outstanding
Employees of private sector	No provisions	30% * outstanding	75% * outstanding	100% * outstanding

FOR ZAMBIA:

## Corporate clients:

Arrear of unpaid installments	No unpaid	1 to 90 days	91 to 119 days	120 to 179 days	180 days and up or contentieux
Provisions	No provision	5% * outstanding	30% *outstanding	50% *outstanding	100%*outstanding

These provisioning rules are different from those applied in CFA zone due to the Bank of Zambia requirements that we have to respect.

## Individuals:

Arrear of unpaid installments	No unpaid	1 to 60 days	61 to 90 days	91 dayx and up or contentieux
State employees	No provision	No provision	30% * outstanding	100%* outstanding
Employees of private sector	No provisions	30% * outstanding	75% * outstanding	100% * outstanding

A prudent approach is applied in determining the customer provisions, i.e. impairment losses are charged against all similar contracts for the same customer and at the same percentage rate. The percentage rate is derived from the worst perceived risk category of that customer.

In terms of sureties, only cash deposits and financial guarantees (first class bank guarantees) are taken into account in determining the amount of impairment losses by deducting them from the gross amount of receivables at risk.

Following the arithmetical calculation just described, detailed analysis of each account is performed in order to adjust the theoretical amount of impairment to the specific circumstances of each customer and the actual probability of recovery.

The impairment losses finally recognized are deducted from the gross amount of the related assets.

### **2.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits with banks.

### **2.12 Financial instruments and hedging policy**

The group does not use hedging instruments to cover its exposure to interest rate and foreign currency risk.

### **2.13 Provisions**

Provisions are recognized when, at the balance sheet date, the Group has an obligation towards a third party, as a result of a past event, the settlement of which is expected to require a net outflow of economic resources in favour of the third party.

The obligation may be legal, regulatory or contractual one or may equally arise as a result of the Group's past practices or of publicly made undertakings giving rise to a legitimate expectation on the part of third parties that the Group will assume certain responsibilities.

Provisions are estimated on the basis of the outflows of economic resources expected to be required to extinguish the Group's obligations. If a reliable estimate cannot be made, no provision is recognized but a description of the situation is provided in the notes to the financial statements.

### **2.14 Income taxes**

The income tax expense corresponds to the current tax expense from each consolidated tax entity, adjusted for the deferred tax. The deferred tax is derived from the variable report of all the temporary timing differences arising from the difference between the tax base and the accounting base of the assets and liabilities.

The deferred tax assets relating to the tax losses carry forwards are recognized only when there is a strong probability of recovery in the medium-term (horizon lower than 5 years). The profitability is re-examined at the end of each financial year.

### **2.15 Retirement gratuity**

The local legislation in force in the home countries of the subsidiaries obliges the companies to pay the staff an allowance for services rendered (ISR - indemnité pour services rendus) at the time of retirement. The ISR also corresponds to the company statutory obligations towards the employee in the event of departure due to any other reason other than resignation.

The law lays down the methods of calculation of these allowances. The rate being largely progressive and relates to the number of years of service and branch of activity. The reference wages corresponds to the monthly wages received by the employee at the time of his departure. This provision is calculated at the end of each financial year.

### **2.16 Income and expenses**

The interests and commissions earned are accounted for by accrual on pro rata basis. The unearned commissions and interests relating to services are recognized when the service is realised.

### **2.17 Lease operations**

The lease operations recognized in the consolidated balance sheet by the outstanding amounts. The latent reserve is recognized among the consolidated reserves.

Since 2009, Alios Finance Group evaluated and recognized deferred tax liability on latent reserve accounted for by the subsidiaries.

### **2.18 Use of estimates**

The preparation of financial statements is in conformity with the generally accepted accounting policies and is based on a certain number of estimates and assumptions which have an impact on the amounts appearing in the financial statements. The real costs supported thereafter can differ from these estimates.



**NOTES TO THE BALANCE SHEET****Note 3. Cash and cash equivalents**

The balance at the end of 2012 was € : 15,665,295 compared to a balance of € : 14,400,619 at the end of 2011. The cash and cash equivalents breakdown is as follows :-

	2012	2011
Cash	114 568	133 004
Bank accounts	15 401 595	14 241 532
Others	149 132	26 082
<b>TOTAL</b>	<b>15 665 295</b>	<b>14 400 619</b>

**Note 4. Other receivables**

The balance as at 31 December 2012 was € : 18,332,636 compared to € : 11,612,436 as at 31 December 2011. The details are as follows :-

	2012	2011
Sundry debtors (A)	11 435 028	6 718 262
VAT recoverable	6 263 823	4 475 753
Prepaid interest and commissions	583 230	418 421
<b>Total</b>	<b>18 332 636</b>	<b>11 612 436</b>

(A) The breakdown of the balance is as follows :-

	2012	2011
Accrued income	5 961	1 086
Prepaid expenses	512 544	314 579
Miscellaneous taxes	94 537	38 151
Current account	1 406 707	165 904
Other sundry debtors	10 047 878	6 819 746
<b>Gross total</b>	<b>12 067 627</b>	<b>7 339 466</b>
Provisions on sundry debtors	(632 599)	(621 204)
<b>Net total</b>	<b>11 435 028</b>	<b>6 718 262</b>

**Note 5. Customer receivables**

The customer receivables for finance granted comprise loans (and unpaid instalments) receivable as well as amounts receivable under finance leases and for long-term rental. The outstanding balance (net of impairment losses) as at 31 December 2012 was € : 201,448,999

compared to € : 157,530,367 as at 31 December 2011. The broken down by category is as follows:

	2012	2011
<b>Loan receivables</b>		
Amounts not yet due for payment	79 125 499	68 771 579
Unpaid instalments	15 301 147	11 691 960
<b>Gross total (1)</b>	<b>94 426 646</b>	<b>80 463 539</b>
Provisions for impairment losses (A)	(7 914 790)	(11 324 809)
<b>Net total (1)</b>	<b>86 511 856</b>	<b>69 138 730</b>
<b>Finance lease receivables</b>		
Amounts not yet due for payment	97 441 761	74 964 771
Unpaid instalments	7 823 418	5,628,282
<b>Gross total (2)</b>	<b>105 255 441</b>	<b>80 593 053</b>
Provisions for impairment losses (B)	(9 967 379)	(6 498 357)
<b>Net total (2)</b>	<b>95 288 062</b>	<b>74 094 696</b>
<b>Long term rental receivables (3)</b>	<b>19 649 081</b>	<b>14 296 941</b>
<b>Gross total ((1)+(2)+(3))</b>	<b>219 331 168</b>	<b>175 353 533</b>
Total of provisions for impairment losses ((A)+(B))	(17 882 169)	(17 823 166)
<b>Net total</b>	<b>201 448 999</b>	<b>157 530 367</b>

The breakdown of the customer receivables per category of risk is as follows:-

Classification of the aged customer receivables	31/12/2012		31/12/2011	
	Amount	% portfolio	Amount	% portfolio
Receivables without default	189 407 266	86,36%	140,802,586	80.30%
Receivables 1 – 90 days	9 924 019	4,52%	12,075,783	6.89%
Receivables 91 – 180 days	5 668 709	2,58%	5,763,578	3.29%
Receivables 180 – 360 days	2 980 047	1,36%	5,270,515	3.01%
Receivables > 360 days or disputed	11 351 127	5,18%	11,441,071	6.52%
<b>TOTAL</b>	<b>219 331 168</b>	<b>100,00%</b>	<b>175 353 533</b>	<b>100,00%</b>
<b>Non-performing loans ( default &gt; 90 days)</b>	<b>19 999 883</b>	<b>9,12%</b>	<b>21 354 876</b>	<b>12,18%</b>
<b>PROVISIONS</b>	<b>17 882 169</b>	<b>8,15%</b>	<b>17 823 166</b>	<b>10,16%</b>
<b>RATIOS OF PROVISIONS OVER NON-PERFORMING LOANS</b>	<b>89.41%</b>		<b>83,46%</b>	
<b>RECEIVABLES WRITTEN-OFF</b>	<b>1 808 674</b>	<b>0,82%</b>	<b>10 710 355</b>	<b>6,1%</b>

**Note 6. Deferred tax****Deferred tax assets**

The breakdown of the deferred tax assets is as follows :-

	2012	2011
Alios Finance Ivory Coast	86 538	56 271
Alios Finance Cameroun	552 982	806 164
Alios Finance Gabon	59 442	50 955
Alios Finance Zambia	257 764	247 163
Alios Finance Tanzania	491 827	133 781
Alios Finance Kenya	94 520	-
Alios Management Ltd	2 658	1 307
<b>TOTAL</b>	<b>1 545 730</b>	<b>1 295 642</b>

**Deferred tax liabilities**

The breakdown of the deferred tax liabilities is as follows :-

	2011	2010
Alios Finance Ivory Coast	102 596	102 596
Alios Finance Cameroun	182 645	182 645
Alios Finance Gabon	966 090	966 090
Alios Finance Zambia	15 192	-
Alios Finance Tanzania	319 905	-
Alios Finance Kenya	2 296	-
Alios Management Ltd	303	-
<b>TOTAL (*)</b>	<b>1 656 866</b>	<b>1 251 331</b>

The deferred tax asset and liabilities are classified by origin as follows :-

in euros	2012		2011	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Temporary differences	698 962	-	913 390	-
Déficits reportables	846 769	337 696	382 251	-
Unrealised Capital gains (1)	-	292 723	-	292 723
Unrealised reserves (2)	-	79 375	-	102 596
Other consolidation adjustments	-	947 073	-	856 039
<b>Total</b>	<b>1 545 730</b>	<b>1 656 866</b>	<b>1 295 642</b>	<b>1 251 331</b>

(1) The amount of € 292,723 represents tax on the unrealised capital gain for GIEFCA France shares held by Group subsidiaries arising as a result of the devaluation of the CFA Franc in

1994. Only Alios Finance Ivory Coast, Alios Finance Gabon and Alios Finance Cameroon had obtained shares in GIEFCA France prior to that date. The tax has been provided for at the rate of 40%. The balance of deferred tax liabilities comprises temporary differences arising on consolidation adjustments. In 2011 Alios Finance Ivory Coast accounted for their portion of the devaluation surplus in the local statutory financial statements.

(2) The increase in the deferred tax liabilities is due to the recognition of the deferred tax on unrealised gains as indicated in note 2.17.

### **Note 7. Property, plant and equipment and intangible assets**

Property plant and equipment and intangible assets at the end of 2012 was € : 6,049,838 compared to € : 7,553,148 at the end of 2011. The breakdown is as follows :-

	2012	2011
Intangible assets	5 089 542	7 088 062
Property, plant and equipment	11 191 365	9 463 923
<b>Gross total</b>	<b>16 280 906</b>	<b>16 551 985</b>
Amortisation of intangible assets	(2 965 526)	(2 399 735)
Depreciation of property, plant and equipment	(7 265 542)	(6 599 103)
<b>Net total</b>	<b>6 049 838</b>	<b>7 553 148</b>

The movements for the year in intangible assets and property, plant and equipment ; as well as the related amortisation and depreciation, are summarised in the following table :

**TABLE OF FIXED ASSETS AND AMORTISATION**

	COST				AMORTIZATION				
	1/1/2012	Purchase	Disposal	31/12/2012	1/1/2012	Depreciation	Reversals	31/12/2012	N.B.V
	7,088,064	1,071,451	3,069,973	5,089,542	2,399,734	577,938	12,146	2,965,527	2,124,015
Logiciels	1,488,856	1,071,451	22	2,560,285	1,139,236	210,477	-	1,349,714	1,210,571
Frais d'établissements	308,970	-	1,014	307,956	304,351	2,186	-	306,536	1,419
Frais d'émissions des emprunts	748,028	-	27,310	720,719	647,577	54,419	12,146	689,850	30,869
Frais de rech et dévelop	1,470,398	-	-	1,470,398	278,386	310,857	-	589,243	881,156
Frais relatifs au pacte social	29,583	-	-	29,583	29,583	-	-	29,583	-
Autres immobilisations incorp	601	-	-	601	601	-	-	601	-
Immobilisations en cours	3,041,627	-	3,041,627	-	-	-	-	-	-
<b>Immobilisations corporelles</b>	<b>9,463,921</b>	<b>2,104,174</b>	<b>376,730</b>	<b>11,191,365</b>	<b>6,599,103</b>	<b>747,845</b>	<b>81,405</b>	<b>7,265,542</b>	<b>3,925,823</b>
Dépôts et cautionnements	168,546	38,878	722	206,702	-	-	-	-	206,702
Batiments	-	-	-	-	-	-	-	-	-
Terrain	206,265	-	-	206,265	-	-	-	-	206,265
Immeubles en exploitation	1,365,078	-	-	1,365,078	1,363,760	-	16,776	1,346,984	18,094
Matériel Auto	1,335,328	270,375	77,557	1,528,146	902,547	210,650	63,334	1,049,863	478,283
Matériel roulant exploitation	-	-	-	-	-	-	-	-	-
Mobilier de bureaux	503,932	107,532	-	611,464	350,489	60,729	-	411,218	200,247
Matériels de bureaux	221,135	1,103	1,487	220,751	190,185	6,499	-	196,684	24,067
Matériel informatique	1,410,164	784,925	15,556	2,179,534	1,176,407	203,875	-	1,380,282	799,252
Matériel de Reprographie	21,879	-	-	21,879	21,879	-	1,296	20,583	1,296
Matériel et outillage	248,182	71,254	-	319,437	216,935	19,484	-	236,418	83,018
Autres matériels de bureaux	119,321	2,468	-	121,789	89,378	9,539	-	98,917	22,872
Matériel et mobilier de logement	115,525	7,874	223	123,176	105,301	22,778	-	128,079	(4,903)
Mobilier et appareils menagers	53,703	11,882	-	65,585	41,542	4,342	-	45,884	19,701
Agenc et Instal des bureaux	2,817,915	266,706	3,442	3,081,180	1,937,791	181,037	-	2,118,828	962,352
Agenc et instal des logements	280,047	57,331	-	337,379	192,806	23,832	-	216,639	120,740
Agenc et instal des agences	-	-	-	-	-	-	-	-	-
Immobilisations en cours	486,542	-	277,744	208,798	-	-	-	-	208,798
Materiel Groupe Electrogene	27,651	-	-	27,651	7,795	5,079	-	12,875	14,776
Autres	82,706	483,845	-	566,551	2,287	-	-	2,287	564,264
	<b>16,551,985</b>	<b>3,175,625</b>	<b>3,446,703</b>	<b>16,280,907</b>	<b>8,998,837</b>	<b>1,325,783</b>	<b>93,551</b>	<b>10,231,069</b>	<b>6,049,838</b>

**Note 8. Non-current financial assets**

The balance at the end of 2012 was €: 163,744 compared to €: 163,744, at the end of 2011. The breakdown is as follows:-

	2012	2011
Bonds held by Alios Finance Ivory Coast	186 890	186 890
SOFIGIB shares held by Alios Finance Ivory Coast	15 244	15 244
SOBCA shares held by Alios Finance Ivory Coast	11 654	11 654
SONADIG loan of Alios Finance Gabon	15 244	15 244
FGI certificates held by Alios Finance Gabon	16 334	16 334
Guarantee deposits paid	454	454
<b>Gross total</b>	<b>245 820</b>	<b>245 820</b>
Amortisation and provisions	(82 076)	(82 076)
<b>Net total</b>	<b>163 744</b>	<b>163 744</b>

**Note 9. Goodwill**

The goodwill correspond to the difference between the cost of acquisition and the fair value of identifiable assets and liabilities ; of the 25.000.000 shares of Alios Finance Zambia acquired in 2008 by Alios Finance S.A. The goodwill thus acquired was €203,625.

The goodwill is amortised on a straight line basis over 5 years effective 2009. The amortisation for 2012 is €: 40,725.

**Note 10. Bank loans and other financial liabilities**

The balance of the bank loans and other financial liabilities as at 31 December 2012 was €: 159,168,468, compared to €: 116,941,645 as at 31 December 2011. The breakdown is as follows:-

	2012	2011
<b>Bank overdrafts</b>	<b>17 670 993</b>	<b>16 347 704</b>
Bank overdrafts	17 670 993	16 347 704
<b>Other financial liabilities</b>	<b>141 497 475</b>	<b>100 593 941</b>
Debt securities	10 670 732	2 032 520
Medium and long-term loans	91 862 946	64 887 640
Bond issues	18 746 189	20 487 805
Short-term credit facilities	20 217 609	13 185 976
<b>Total</b>	<b>159 168 468</b>	<b>116 941 645</b>

**Note 11. Credit balances on customer balances**

Credit balances on customer balances at the end of 2012 amounted to €: 5,136,688 compared to € 3,646,007 at the end of 2011. These balances relate to advances received from customers.

**Note 12. Other current liabilities**

The other current liabilities at the end of 2012 amounted to €: 11,412,263 compared to €: 13,573,450 at the end of 2011, detailed as follows:-

	2012	2012
Current accounts	1 368 844	138 362
Accrued incomes	1 783 835	2 644 111
Government bodies	817 305	1 669 690
Miscellaneous expenses payable	972 836	2 017 051
Dividends payable	363 419	289 651
Other sundry creditors	4 068 347	3 401 725
Other insurance premiums payable	3 373	361 438
Interest and commissions payable	2 034 304	3 051 422
<b>Total</b>	<b>11 412 263</b>	<b>13 573 450</b>

**Note 13. Trade creditors and similar payables**

The trade creditors and similar payables balance as at 31 December 2012 was €: 14,602,270, compared to €: 9,085,470 at the end of 2011. The breakdown is as follows:-

	2012	2011
Vehicles dealers	13 895 721	7 270 475
Other suppliers	706 549	1 814 995
<b>Total</b>	<b>14 602 270</b>	<b>9 085 470</b>

**Note 14. Other financial liabilities**

The breakdown of the other financial liabilities is as follows:-

	2012	2011
Guarantee fund for small equipment	1 667 394	1 500 017
Guarantee deposits	7 147 850	6 207 544
<b>Total</b>	<b>8 815 244</b>	<b>7 707 560</b>



**Note 15. Other non-current liabilities**

The breakdown of other non-current liabilities is as follows:-

	2012	2011
Shareholder loans	15 666	15 553
Current account suppliers	2 394	75 790
<b>Total</b>	<b>18 060</b>	<b>91 343</b>

**Note 16. Provisions for contingencies and losses**

The provisions for contingencies and losses balance as at 31 December 2012 was €: 1,765,125, compared to €: 1,733,540 as at 31 December 2011. The breakdown is as follows:-

	2012	2011
Provisions for lump sum retirement	556 558	548 156
Provisions for contingencies	640 630	699 428
Provisions for disputes	567 938	485 956
<b>Total</b>	<b>1 765 125</b>	<b>1 733 540</b>

**Note 17. Goodwill**

The goodwill is the difference between the purchase price and the fair value of the shares of SAFCA acquired in 2006 (8,061 shares), 2007 (2,570 shares) and 2009 (192 shares) by Alios Finance S.A respectively for €: 575.289, €: 154.507 and €: 11.952.

The goodwill is amortised on a straight line basis over 5 years. The amortisation of the year 2012 is €: 2,390.

**Note 18. Equity**

The breakdown of the equity is as follows:-

	2012	2011
<b><u>Share Capital</u></b>	<b>10 699 282</b>	<b>10 699 282</b>
<b><u>Consolidated reserves</u></b>	<b>13 415 428</b>	<b>13 202 355</b>
ALIOS FINANCE S.A.	6 741 598	5 842 675
ALIOS IVORY COAST	1 694 773	2 300 098
ALIOS CAMEROON	1 848 581	1 803 942
ALIOS GABON	2 927 150	3 196 543
ALIOS FINANCE ZAMBIA	(283 620)	(564 243)
ALIOS FINANCE TANZANIA	(359 020)	(88 919)
ALIOS FINANCE KENYA	(4 143)	-
GIEFCA France	845 305	476 588
GIEFCA TUNISIA	(15 892)	225 074
ALIOS MANAGEMENT LTD	20 698	10 596
<b>Total opening consolidated equity (Group share)</b>	<b>24 114 710</b>	<b>23 901 637</b>
<b>Minority interests in opening equity</b>	<b>12 518 397</b>	<b>13 362 611</b>
<b>Net profit for the year</b>	<b>4 036 484</b>	<b>1 338 029</b>
Consolidated net profit (Group share)	2 766 806	1 080 684
Minority interests in net profit for the year	1 269 679	257 345
<b>Total Group Equity</b>	<b>40 669 592</b>	<b>38 602 277</b>

The table of the movement in the consolidated equity is shown below:-

VARIATION DES CAPITAUX PROPRES Parts groupe et minoritaires	Solde D'ouverture	Résultat de L'exercice	Augmentation De capital	Distribution De dividendes	Quote-part de subvention passée en résultat	Réserve latente	Variation Périmètre	Autres	Solde de Clôture
Libellé									
TOTAL COMPTES SOCIAUX	56,049,425	6,715,624	636,203	(3,698,221)	(489,000)	(471,132)	855,660	(172,953)	59,425,606
<b>ELIMINATIONS INTRA-GROUPE</b>	(16,883,982)	(1,859,435)	(636,302)	1,859,435	-	-	(760,000)	(97,692)	(18,377,975)
Elimination des titres	(17,298,982)	-	(636,302)	-	-	-	(760,000)	-	(18,695,284)
Dividendes	-	(1,859,435)	-	1,859,435	-	-	-	-	-
Autres éliminations	415,000	-	-	-	-	-	-	(97,692)	317,308
<b>RETRAITEMENTS DE CONSOLIDATION</b>	(562,801)	(791,736)	3,000	-	489,000	471,132	13,365	-	(378,039)
Retraitement de la réserve latente	-	(471,132)	-	-	-	471,132	-	-	-
Ecart d'acquisition	76,669	(38,335)	-	-	-	-	-	-	38,335
Impôts différés	(337,470)	(282,269)	-	-	-	-	-	-	(619,739)
Autres retraitements	(302,000)	-	3,000	-	489,000	-	13,365	-	203,365
<b>SITUATION NETTE CONSOLIDEE</b>	38,602,643	4,064,453	2,901	(1,838,786)	-	-	109,025	(270,645)	40,669,592

**NOTES OF THE INCOME STATEMENT****Note 19. Sector Information**

In thousands of euros	West Africa	Central Africa	Anglophone Africa	Total
INCOME FROM LOANS	5 779 141	7 333 662	58 483	13 171 286
INCOME FROM FINANCE LEASES	4 586 058	6 985 673	1 831 766	13 403 497
INCOME FROM LONG TERM RENTAL	487 561	1 272 266	240 299	2 000 126
<b>TOTAL</b>	<b>10 852 761</b>	<b>15 591 601</b>	<b>2 130 548</b>	<b>28 574 910</b>

West Africa is represented by Alios Finance Ivory Coast and its branches Senegal, Mali and Burkina Fasso.

Central Africa is represented by the subsidiaries Alios Finance Gabon and Alios Finance Cameroun.

Anglophone Africa is represented by Alios Finance Zambia, Alios Finance Tanzania and Alios Finance Kenya.

**Note 20. Interest on late payments**

The breakdown of interest on late payments is as follows:-

	2012	2011
Interest on late payment of loans	62 641	92 946
Interest on late payment of finance leases	46 059	167 779
Interest on late payment of long term rentals	-	589
Interest on early termination	6 075	12 994
<b>Total</b>	<b>114 776</b>	<b>274 308</b>

**Note 21. Other operating income**

The other operating income for the year ended 31 December 2012 was €: 1,474,790 compared to €: 774,134 for the year ended 31 December 2011. The breakdown is as follows:-

	2012	2011
Upfront fees	1 376 225	735 963
Damages	13 101	38 171
Services	85 464	-
<b>Total</b>	<b>1 474 790</b>	<b>774 134</b>

**Note 22. Interest expense**

Interest expense for the year ended 31 December 2012 was €: 10,464,966, compared to €: 9,196,616 for the year ended 31 December 2011 and the details are as follows:-

	2012	2011
Bank interest	2 588 131	553 615
Loan interest	6 768 989	7 812 875
Other interest	1 107 846	830 126
<b>Total</b>	<b>10 464 966</b>	<b>9 196 616</b>

**Note 23. Payroll expenses**

The breakdown of the payroll expenses is as follows:-

	2012	2011
Salaries	2 926 504	2 436 318
Social contributions	690 146	592 906
Bonuses	627 990	615 776
Insurance	54 927	47 270
Miscellaneous benefits	536 639	534 096
Leave pay	266 488	292 060
Gratuities	226 764	213 156
Other payroll costs	576 167	480 586
<b>Total</b>	<b>5 905 625</b>	<b>5 212 168</b>

**Note 24. Administrative expenses**

The administrative expenses for the year ended 31 December 2012 was €: 5,712,211, compared to €: 5,640,621 for the year ended 31 December 2011 and detailed as follows:-

	2012	2011
MISCELLANEOUS TAXES	315 856	286 843
OVERHEADS	5 396 355	5 353 778
Office supplies	213 368	187 367
Water and electricity	190 270	167 217
Fuel	112 254	114 428
Rent	530 654	452 298
Repairs and maintenance	360 282	297 999
Insurance premiums	146 679	144 752
Professional fees	1 205 207	1 194 056
Other external services	465 504	702 035
Advertising and public relations	401 914	464 810
Postal and telecommunication charges	612 173	537 699
Travel and receptions	858 608	653 449
Directors' fees	46 775	30 971
Other services	203 996	152 729
Exchange loss	48 670	253 968
<b>Total</b>	<b>5 712 211</b>	<b>5 640 621</b>

**Note 25. Net impairment of customer receivables**

The breakdown is as follows:-

	2012	2011
Charges for impairment	7 159 962	8 274 087
Reversals of charges for impairment	(7 063 714)	(15 688 456)
Losses on bad debts	1 726 795	10 712 249
Recovery of bad debts	(296 132)	(18 537)
<b>Total</b>	<b>1 526 911</b>	<b>3 279 343</b>

**Note 26. Miscellaneous income**

The breakdown of miscellaneous income is as follows:-

	2012	2011
Non-operating income (A)	2 968 163	3 764 928
Non-operating expenses (B)	( 1 598 757)	(2 723 891)
Other miscellaneous income (C)	(280 342)	79 850
<b>Total</b>	<b>1 089 065</b>	<b>1 120 887</b>

(A) The breakdown is as follows :-

	2012	2011
Gains on disposal of property, plant and equipment	118 154	50 794
Other miscellaneous income	2 495 733	1 640 753
Reversal of provisions for contingencies and losses	354 276	2 073 381
<b>Total</b>	<b>2 968 163</b>	<b>3 764 928</b>

(B) The breakdown is as follows :

	2012	2011
Miscellaneous losses	350 228	120 047
Loss on disposal of assets	2 950	5 960
Charges to provisions for contingencies (1)	1 059 869	2 184 877
Other non-operating expenses	185 710	413 006
<b>Total</b>	<b>1 598 757</b>	<b>2 723 891</b>

(C) Other miscellaneous income includes exchange gains and various incomes.

**Note 27. Current and deferred tax**

The breakdown of the income taxes is as follows:-

Les impôts sur les bénéfices se détaillent comme suit :

	2012	2011
<u>Current tax</u>		
ALIOS FINANCE COTE D'IVOIRE	159 332	78 767
ALIOS FINANCE CAMEROUN	301 097	467 506
ALIOS FINANCE GABON	1 623 588	1 410 875
ALIOS FINANCE ZAMBIA	-	66 696
ALIOS MANAGMENT LTD	14 865	10 247
<b>Total (1)</b>	<b>2 098 882</b>	<b>2 034 091</b>

Deferred tax

ALIOS FINANCE COTE D'IVOIRE	(53 488)	(741 060)
ALIOS FINANCE CAMEROUN	239 381	255 910
ALIOS FINANCE GABON	96 451	(22 473)
ALIOS FINANCE ZAMBIA	(6,553)	-
ALIOS FINANCE TANZANIA	(41 676)	(81 578)
ALIOS FINANCE KENYA	(96 432)	-
ALIOS MANAGMENT LTD	(5 159)	(782)
<b>Total (2)</b>	<b>132 524</b>	<b>(589 983)</b>

Net tax

ALIOS FINANCE COTE D'IVOIRE	105 844	(662 293)
ALIOS FINANCE CAMEROUN	540 478	723 417
ALIOS FINANCE GABON	1 720 039	1 388 401
ALIOS FINANCE ZAMBIA	(6 553)	66 696
ALIOS FINANCE TANZANIA	(41 676)	(81 578)
ALIOS FINANCE KENYA	(96 432)	-
ALIOS MANAGEMENT LTD	9 705	9 465
<b>Total ((1)+(2))</b>	<b>2 231 405</b>	<b>1 444 108</b>



The proof of tax is as follows:-

<b>Current profit before tax</b>	<b>6 281 982</b>
Theoretical tax charge (rate of 34.43%)	<b>(2 162 886)</b>
Difference of rates of tax used	717 407
Deferred tax asset Zambia	6 553
Deferred tax asset Alios Management Ltd	5 159
Deferred tax asset Tanzania	41 676
Deferred tax asset Kenya	96 432
Deferred tax asset Cameroun	13 802
Deferred tax on reserve latent	(104 938)
Deferred tax on decompote fiscal	(214 429)
Deferred tax on plus value à réinvestir	23 221
Permanent differences	(653 402)
<b>Tax charge</b>	<b>2 231 405</b>

## **OFF BALANCE SHEET ITEMS**

Alios Finance S.A has undertaken to acquire the convertible preferential shares held by AFRICINVEST FINANCIAL SECTOR LIMITED in Alios Finance Zambia. The total amount is USD 850 000 (850 shares each of USD 1000) which represents 100% of the convertible preferential shares.

In the Board meeting of 3 October 2008, the directors of Alios Finance SA approved, on recommendation of the remuneration committee, to accord to Jan-Albert Valk, Chief Executive Officer of Alios Finance SA, a stock option plan of upto 2% of the capital of the company. he modalities of the stock option plan were validated during an Extraordinary Shareholders Meeting held in on 1 November 2010

## **OTHER INFORMATION**

### **1. Average staff of the group**

The average number of staff in all the companies of the Group including the holding company as at 31 December 2012 is 198.

### **2. Information on directors**

#### **2.1 Chairman of the board of directors**

He is not remunerated by the company. He only receives sitting allowance of € 1 000 for each directors' meeting. In 2012, he received € 2 000 as sitting allowance.

## **2.2 Chief Executive Officer**

The Chief Executive Officer is not remunerated for his role. He is the Chief Executive Officer of Alios Management Ltd and is remunerated by this company. In 2012 Alios Management Limited paid Mr. Jan-Albert Valk remunerations amounting to € 162,980.

## **2.3 Commitments on pensions and indemnities**

The company does not have commitments on pensions to its directors.

## **2.4 Loans and advances to directors**

The company has no loans and advances to its directors.