



SEDPI Capital Credit, Inc.

Audited Financial Statement
December 31, 2012

SEDPI CAPITAL CREDIT, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
		2011
		(As restated -
	2012	Note 2
ASSETS		
Current Assets		
Cash in banks (Note 6)	₱7,292,301	₱7,443,123
Loans and receivables - current portion (Note 7)	36,469,989	16,706,392
Prepayments - current portion (Note 8)	477,849	3,143,585
	44,240,139	27,293,100
Non-current Assets		
Loans and receivables - non-current portion (Note 7)	103,664,679	84,164,079
Prepayments - non-current portion (Note 8)	–	2,970,000
Computer equipment (Note 9)	17,405	40,610
Deferred tax asset (Note 17)	1,564,067	212,258
	105,246,151	87,386,947
	₱149,486,290	₱114,680,047
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable - current portion (Note 10)	₱92,250,000	₱82,863,486
Accrued expenses and other liabilities (Note 11)	3,347,735	2,592,749
	95,597,735	85,456,235
Non-current Liabilities		
Loans payable - noncurrent portion (Note 10)	22,049,846	11,730,000
Deposit for future stock subscription (Note 12)	6,745,391	–
	28,795,237	11,730,000
	124,392,972	97,186,235
Equity		
Common stock (Note 13)	20,198,875	14,070,987
Retained earnings	4,894,443	3,422,825
	25,093,318	17,493,812
	₱149,486,290	₱114,680,047

See accompanying Notes to Financial Statements.

SEDPI CAPITAL CREDIT, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2012	2011
INTEREST INCOME (Note 7)	₱14,202,349	₱10,892,043
INTEREST EXPENSE (Note 10)	7,966,216	6,220,762
NET INTEREST INCOME	6,236,133	4,671,281
OTHER INCOME	2,183	19,444
TOTAL OPERATING INCOME	6,238,316	4,690,725
EXPENSES		
Management fees (Note 18)	1,636,905	1,260,000
Professional fees (Note 18)	820,627	285,517
Taxes and licenses	521,643	378,331
Provision for credit losses	422,990	
Representation and travel	390,468	35,206
Rental, light and power (Note 14)	248,141	224,902
Compensation and other benefits (Note 15)	205,301	223,927
Depreciation (Note 9)	23,205	23,205
Miscellaneous (Note 16)	1,814,210	374,580
	6,083,490	2,805,668
INCOME (LOSS) BEFORE INCOME TAX	154,826	1,885,057
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 17)	(1,316,792)	131,795
TOTAL COMPREHENSIVE INCOME/NET INCOME	₱1,471,618	₱1,753,262

* There were no other comprehensive income items in 2012 and 2011.

See accompanying Notes to Financial Statements.

SEDPI CAPITAL CREDIT, INC.

STATEMENTS OF CHANGES IN EQUITY

	Common Stock (Note 13)	Retained Earnings	Total Equity
Balance at January 1, 2012	₱14,070,987	₱3,422,825	₱17,493,812
Collection of subscription receivable	6,127,888	–	6,127,888
Total comprehensive income for the year	–	1,471,618	1,471,618
Balance at December 31, 2012	₱20,198,875	₱4,894,443	₱25,093,318
Balance at January 1, 2011	₱8,000,000	₱1,669,563	₱9,669,563
Collection of subscription receivable	5,460,987	–	5,460,987
Issuance of additional shares of stock	610,000	–	610,000
Total comprehensive income for the year	–	1,753,262	1,753,262
Balance at December 31, 2011	₱14,070,987	₱3,422,825	₱17,493,812

See accompanying Notes to Financial Statements.

SEDPI CAPITAL CREDIT, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
		2011
		(As restated -
	2012	Note 2
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱154,826	₱1,885,057
Adjustments for:		
Interest income	(14,202,349)	(10,892,043)
Interest expense	7,966,216	6,220,762
Provision for credit losses	422,990	
Unrealized foreign exchange losses	26,099	215
Depreciation (Note 9)	23,205	23,205
Changes in operating assets and liabilities		
Decrease/(increase) in the amounts of:		
Loans and receivables	(37,970,374)	(19,813,949)
Prepayments	5,628,190	(5,930,000)
Increase in accrued expenses and other liabilities	811,647	(3,088,503)
Net cash used in operations	(37,139,550)	(31,595,256)
Interest received	12,485,536	10,924,417
Interest paid	(8,022,877)	(6,729,079)
Income taxes paid	(27,471)	(380,887)
Net cash used in operating activities	(32,704,362)	(27,780,805)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from availment of loans payable	39,666,668	41,329,476
Settlement of loans payable	(19,960,308)	(15,542,533)
Deposits for future stock subscription (Note 12)	6,745,391	–
Collection of subscription receivable (Note 13)	6,127,888	5,460,987
Issuance of additional shares stock (Note 13)	–	610,000
Net cash provided by financing activities	32,579,639	31,857,930
NET EFFECT OF FOREIGN EXCHANGE DIFFERENCES	(26,099)	(215)
NET INCREASE (DECREASE) IN CASH IN BANKS	(150,822)	4,076,910
CASH IN BANKS AT BEGINNING OF YEAR	7,443,123	3,366,213
CASH IN BANKS AT END OF YEAR	₱7,292,301	₱7,443,123

See accompanying Notes to Financial Statements.