BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020




Index

The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

Secretary's Certificate in accordance with section 166(d) of the Mauritius Companies Act 2001

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required for a company under the Mauritius Companies Act 2001, for the year ended 31 December 2020.

DTOS Ltd
Company Secretary

30 April 2021

General Information

Country of incorporation and domicile	Mauritius
Nature of business and principal activities	Holding company to businesses involved in provision of retail financial services
Registered office	DTOS Ltd 10th Floor, Standard Chartered Tower 19-21 Bank Street, Cybercity Ebene Mauritius
Business address	3rd Floor Ebene Skies Rue de L'Institut Ebene Mauritius
Main bankers	Standard Chartered Bank (Mauritius) Limited Absa Bank Limited
Auditor	BDO & Co 10, Frere Felix de Valois Street, Port Louis, Mauritius
Company registration number	54787 C1/GBL

Directors' Responsibilities and Approval

The directors are required in terms of the Mauritius Companies Act 2001 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS"). The external auditor is engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group's cash flow forecast for the year to 31 December 2021 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group's consolidated financial statements. The consolidated financial statements have been examined by the Group's external auditor and their report is presented on pages 7 to 10.

The consolidated financial statements set out on pages 11 to 73, which have been prepared on the going concern basis, were approved by the Board of Director on 30 April 2021 and were signed on its behalf by:

Mr Eric Venpin
Director

Mr Jimmy Wong
Director

Directors' Report

The directors have the pleasure in submitting their report on the consolidated financial statements of Bayport Management Ltd and its subsidiaries (referred to as the "Group") for the year ended 31 December 2020.

1. Review of financial results and activities

Main business and operations

Bayport Management Ltd ("the Company") is a holding company to businesses involved in provision of retail financial services. The shares of the Company are listed on the Stock Exchange of Mauritius. The Company holds a Global Business Licence issued by the Financial Services Commission ("FSC").

This year was marked by the difficult operating context caused by the COVID-19 crisis. During the first quarter, the Group experienced growth in its lending book. However, this stalled in mid-March 2020 with the outbreak of the global pandemic and resulting in varying degrees of government-imposed restrictions of activities throughout the jurisdictions the Group operates in. The easing of these restrictions during the latter half of the year translated in a partial recovery of operational activities.

The Group responded with resilience towards these challenging circumstances by buffering its cash reserves and launching its digital platform supported by a user-friendly mobile application that allows clients to check their accounts, view their monthly amount due and proceed with their payments. These initiatives allowed the operating companies to remain in touch with their clientele during the difficult period. The impact of COVID-19 is further discussed in the respective accounting policies and notes within the consolidated financial statements.

The operating results and statement of affairs of the Group are fully set out in the attached consolidated financial statements and do not in our opinion require any further comment.

2. Share capital

Refer to note 20 of the consolidated financial statements for details of the movement in authorised and issued share capital.

3. Dividends

No dividends were declared or paid to ordinary shareholders of the Company during the current or prior year.

No dividends were declared and paid to the Limited-Voting B shareholder during the year ended 31 December 2020 (2019: USD 40,000,000) (refer to note 22).

4. Directors

The directors of the Company during the year and up to the date of this report are as follows:

Directors	Changes
Mr Christopher Newson	
Mrs Cynthia Gordon	
Mr Eric Venpin	
Mr Franco Danesi	
Mr Grant Kurland	
Mr Jimmy Wong	
Mr Justin Chola	
Mr Kabelo Senoelo (Alternate to Mr Mervin Muller)	Resigned 12 February 2020
Mr Mervin Muller	
Mr Nicholas Haag	
Mr Roberto Rossi	
Mr Simon Poole (Alternate to Mr Souleymane Ba)	
Mr Souleymane Ba	
Mr Stuart Stone	
Mrs Victoria Bejarano	Appointed 30 January 2020

5. Contract of significance

During the year under review, there was no contract of significance to which the Company, or one of its subsidiaries, was a party and in which a Director of the Company was materially interested either directly or indirectly.

6. Directors' service contracts

None of the Directors of the Company and of the subsidiaries has service contracts that need to be disclosed under Section 221 of the Companies Act 2001.

Directors' Report (continued)

7. Going concern

The consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. The directors consider the going concern basis of accounting appropriate and confirm that there is no forseeable material uncertainties that would cast doubt upon that assertion for the coming 12 months.

8. Litigation statement

At the date of this report, no material incidences of litigation existed against the Group.

9. Auditor

Following the enactment of the Finance Act 2016 and the subsequent regulation Government Notice 64 of 2017, listed companies are required to rotate their auditors every seven years. By virtue of the aforementioned regulation, during the year ended 31 December 2020, BDO & Co was appointed as external auditor of the Company. BDO & Co will continue in office in accordance with Section 200 of the Mauritius Companies Act, 2001.

10. Company Secretary

The Company secretary is DTOS Ltd of:

10th Floor, Standard Chartered Tower
19-21 Bank Street, Cybercity
Ebene
Mauritius

11. Separate financial statements

These financial statements represent the consolidated financial statements of the Group in accordance with IFRS 10 Consolidated Financial Statements. The separate financial statements have been prepared and presented separately.

12. Events after the reporting period

The Group is continuing to monitor the impact of COVID-19 on demand for its services, and has not been significantly impacted after year-end by the evolving situation surrounding COVID-19. Refer to note 35 of the consolidated financial statements for further details of events after the reporting period.

13. Prior period reclassification

During the year ended 31 December 2020, management reviewed the presentation of the statement of financial position and concluded that it is appropriate to reclassify certain liability balances reported in the year ended 31 December 2019. The details of the reclassification in accordance with IAS 8 Accounting policies, Changes in Accounting Estimates and Errors is set out in note 34 of the financial statements.

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10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

BAYPORT MANAGEMENT LTD

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Bayport Management Ltd

Report on the audit of the consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Bayport Management Ltd and its subsidiaries (the Group) on pages 11 to 73 which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements on pages 11 to 73 give a true and fair view of the financial position of the Group as at December 31, 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code").* We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	OUR AUDIT RESPONSE
Expected credit losses on loans and advances	
Management's measurement of expected credit losses ("ECL") are as follows: (i) Financial assets that are not credit impaired at reporting date – as the present value of all cash shortfalls. (ii) Financial assets that are credit impaired at reporting date – as the difference between the gross carrying amount and the present value of estimated future cash flows. The ECL model takes into consideration internal and external data and require the application of significant estimates and judgements including: ▶ Determination of the probability of default ('PD'), exposure at default ('EAD') and loss given default ('LGD'). ▶ Incorporation of forward-looking information into the ECL measurement. ▶ Assessment of the increase in credit risk and the staging of the exposures. ▶ Impact of the COVID-19 pandemic on the ECL model including the application of management overlays. We consider this to be a key audit matter because of the estimates and judgement involved in determining the assumptions and management overlays. Refer to note 6 of the accompanying financial statements.	Our audit procedures included: ▶ Understanding and testing the effectiveness of the control environment surrounding recording of loans and advances and estimation of impairment allowances. ▶ Undertaking data reconciliation procedures. ▶ Testing the completeness and accuracy of data used for the computation. ▶ Involving our IFRS 9 and credit modelling specialist to review and test: o The overall modelling methodology. o The reasonableness of key policy choices in relation to the model methodology and definitions including the probability of default, exposure at default, loss given default, significant increase in credit risk and discount factor. o The reasonableness of the segmentation of the credit portfolio. o The reasonableness of forward-looking information and any potential overlays to account for the impact of COVID-19. o The definition of default. o The appropriateness and accuracy of mathematical calculations through reperformance.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Bayport Management Ltd

Report on the audit of the consolidated Financial Statements (Continued)

KEY AUDIT MATTER	OUR AUDIT RESPONSE
Investment in associate	
The Group carries its investment in associates using equity method of accounting. As at 31 December 2020, the carrying value of the investment in associate amounted to USD 108 million, including goodwill of USD 61 million. In line with the requirements of IAS 36, Management has carried out an impairment test of the investment in associates. Significant estimates and judgements is required in assessing the impairment in associate annually. The impairment assessment is based on expected future cash flows, discount rates and forecast loan book growth rates. Due to the significant level of judgement and level of estimation exercised by management in the impairment assessment process, we considered this to be a key audit matter. Refer to note 9 of the accompanying financial statements.	Our audit procedures included: ▶ Evaluating the design and implementation of the process in place for the impairment assessment exercise. ▶ Discussing the forecast results of the associate with management and comparing the data used to budgets. ▶ Involving our Corporate Finance specialists to evaluate the appropriateness of the valuation methodology, discount rate and other key assumptions used for the impairment test. ▶ Evaluating the adequacy of the financial statement disclosures in accordance with the requirements of IFRS.

Other Matter relating to Comparative Information

The consolidated financial statements of Bayport Management Ltd for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on April 30, 2020.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Secretary's Certificate, General Information, Directors' Responsibilities and Approval and Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Bayport Management Ltd

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT (Continued)
To the Shareholders of Bayport Management Ltd

Report on Other Legal and Regulatory Requirements

Companies Act 2001
We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter
This report is made solely to the shareholders of Bayport Management Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

BDO & Co.

BDO & CO
Chartered Accountants

Port Louis,
Mauritius.

Ameenah Ramdin, FCCA, ACA
Licensed by FRC

30 April 2021

Consolidated Statement of Financial Position as at 31 December 2020

Figures in US Dollar

	Note	2020	2019 (Restated)
Assets			
Cash and bank balances	3	170,800,614	118,353,716
Other receivables	4	55,710,920	64,261,513
Current tax assets	5	13,009,385	14,191,509
Loans and advances	6	949,077,442	1,034,327,321
Other investments	7	25,230,777	20,870,981
Investment in associate	9	107,993,030	113,111,018
Goodwill	10	7,632,612	7,743,342
Property and equipment	11	7,063,144	11,269,971
Right-of-use assets	12	6,432,693	9,338,463
Intangible assets	13	52,800,201	56,900,604
Deferred tax assets	5	24,753,480	24,242,445
Total Assets		**1,420,504,298**	**1,474,610,883**
Liabilities			
Bank overdraft	3	117,607	4,893,877
Deposit from customers	14	77,464,174	77,867,000
Other payables	15	38,268,075	38,968,879
Provisions	16	4,527,760	1,795,689
Current tax liabilities	5	5,559,195	3,068,022
Other financial liabilities	17	5,077,271	3,345,070
Lease liabilities	18	6,565,300	8,834,505
Borrowings	19	1,110,862,147	1,107,339,173
Deferred tax liabilities	5	10,242	33,923
Total Liabilities		**1,248,451,771**	**1,246,146,138**
Equity			
Share capital and treasury shares	20	402,139,580	404,568,832
Reserves	21	(314,751,506)	(244,360,014)
Retained earnings		68,668,593	51,434,289
Equity attributable to owners of the Company		156,056,667	211,643,107
Non-controlling interests		15,995,860	16,821,638
Total Equity		**172,052,527**	**228,464,745**
Total Equity and Liabilities		**1,420,504,298**	**1,474,610,883**

The consolidated financial statements and the notes on pages 11 to 73 which have been prepared on the going concern basis, were approved and authorised for issue by the Board Of Directors on 30 April 2021 and were signed on its behalf by:

Mr Eric Venpin
Director

Mr Jimmy Wong
Director

Consolidated Statement of Profit or Loss

Figures in US Dollar	Note(s)	2020	2019
Interest and other similar income	23	320,906,703	349,436,664
Interest and other similar expense	24	(163,680,534)	(151,980,006)
Net interest income		**157,226,169**	**197,456,658**
Lending related income	25	30,501,557	41,754,533
Income from insurance activities		16,866,425	7,821,623
Other interest income		5,227,415	3,537,255
Other income		3,109,395	3,818,705
Non-interest income		**55,704,792**	**56,932,116**
Operating income		**212,930,961**	**254,388,774**
Operating expenses	26	(150,471,076)	(157,399,164)
Foreign exchange gains/(losses)		7,899,354	(487,458)
Operating profit before impairment on financial assets		**70,359,239**	**96,502,152**
Impairment on financial assets	4&6	(18,194,842)	(22,125,768)
Operating profit before share of post tax results of associates		**52,164,397**	**74,376,384**
Share of post-tax results of associates	9	478,135	1,693,256
Operating profit before taxation		**52,642,532**	**76,069,640**
Taxation	5	(23,555,866)	(30,122,679)
Profit for the year		**29,086,666**	**45,946,961**
Attributable to:			
Owners of the Company		23,988,704	40,118,159
Non-controlling interests		5,097,962	5,828,802
Profit for the year		**29,086,666**	**45,946,961**
Earnings per share:			
Basic earnings per share	27	0.69	1.16
Diluted earnings per share	27	0.69	1.15

Consolidated Statement of Comprehensive Income

Figures in US Dollar	Note(s)	2020	2019
Profit for the year		**29,086,666**	**45,946,961**
Other comprehensive income, net of taxation:			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income	7	4,385,576	(14,591,098)
Share of other comprehensive income/(loss) of associates	9	66,233	(542,975)
Total items that will not be reclassified subsequently to profit or loss		**4,451,809**	**(15,134,073)**
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences	21.1	(81,292,687)	(24,162,326)
Effects of cash flow hedges		-	2,654,944
Total items that may be reclassified subsequently to profit or loss		**(81,292,687)**	**(21,507,382)**
Other comprehensive loss for the year, net of taxation		**(76,840,878)**	**(36,641,455)**
Total comprehensive (loss)/income for the year		**(47,754,212)**	**9,305,506**
Attributable to:			
Owners of the Company		(48,447,007)	5,987,177
Non-controlling interests		692,795	3,318,329
Total comprehensive (loss)/income for the year		**(47,754,212)**	**9,305,506**

Consolidated Statement of Changes in Equity

Figures in US Dollar	Share capital	Share premium	Share application monies	Convertible equity instrument	Treasury shares	Limited-Voting B shares	Total share capital and treasury shares	Translation reserve	Cash flow hedging reserve	Put option on own shares	Equity settled reserves	Other reserves	Total reserves	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
Balance at 01 January 2019	**30,938**	**304,829,584**	**9,635,352**	**60,560,000**	**(1,498,760)**	**-**	**373,557,114**	**(260,796,484)**	**(2,654,944)**	**(2,406,602)**	**6,677,319**	**54,782,840**	**(204,397,871)**	**46,457,882**	**215,617,125**	**14,580,806**	**230,197,931**
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	40,118,159	40,118,159	5,828,802	45,946,961
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(21,651,853)	2,654,944	-	-	(15,134,073)	(34,130,982)	-	(34,130,982)	(2,510,473)	(36,641,455)
Total comprehensive (loss)/income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(21,651,853)**	**2,654,944**	**-**	**-**	**(15,134,073)**	**(34,130,982)**	**40,118,159**	**5,987,177**	**3,318,329**	**9,305,506**
Issue of shares	460	10,646,610	(9,635,352)	-	-	30,000,000	31,011,718	-	-	-	(1,011,718)	-	(1,011,718)	-	30,000,000	-	30,000,000
Recognition of share-based payments	-	-	-	-	-	-	-	-	-	-	2,444,328	-	2,444,328	-	2,444,328	-	2,444,328
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	(7,263,771)	(7,263,771)	7,263,771	-	-	-
Change in ownership interests (note 30.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,331,703	2,331,703
Dividend paid (note 22)	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,405,523)	(42,405,523)	(3,409,200)	(45,814,723)
Balance at 01 January 2020	**31,398**	**315,476,194**	**-**	**60,560,000**	**(1,498,760)**	**30,000,000**	**404,568,832**	**(282,448,337)**	**-**	**(2,406,602)**	**8,109,929**	**32,384,996**	**(244,360,014)**	**51,434,289**	**211,643,107**	**16,821,638**	**228,464,745**
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	23,988,704	23,988,704	5,097,962	29,086,666
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(75,463,249)	-	-	-	3,027,538	(72,435,711)	-	(72,435,711)	(4,405,167)	(76,840,878)
Total comprehensive (loss)/income for the year			**-**	**-**	**-**	**-**	**-**	**(75,463,249)**	**-**	**-**	**-**	**3,027,538**	**(72,435,711)**	**23,988,704**	**(48,447,007)**	**692,795**	**(47,754,212)**
Issue of shares	9	95,610	-	-	-	-	95,619	-	-	-	(95,619)	-	(95,619)	-	-	-	-
Buy back of ordinary shares	(23)	(235,458)	-	-	(333,240)	-	(568,721)	-	-	-	-	-	-	-	(568,721)	-	(568,721)
Transfer of pledged ordinary shares	-	-	-	-	(2,061,087)	-	(2,061,087)	-	-	-	-	-	-	-	(2,061,087)	-	(2,061,087)
Share application monies	-	-	104,937	-	-	-	104,937	-	-	-	(104,937)	-	(104,937)	-	-	-	-
Reversal of share based payments	-	-	-	-	-	-	-	-	-	-	(3,529,349)	-	(3,529,349)	-	(3,529,349)	-	(3,529,349)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	5,774,124	5,774,124	(5,774,124)	-	-	-
Dividend paid (note 22)	-	-	-	-	-	-	-	-	-	-	-	-	-	(980,276)	(980,276)	(1,518,573)	(2,498,849)
Balance at 31 December 2020	**31,384**	**315,336,346**	**104,937**	**60,560,000**	**(3,893,087)**	**30,000,000**	**402,139,580**	**(357,911,586)**	**-**	**(2,406,602)**	**4,380,024**	**41,186,658**	**(314,751,506)**	**68,668,593**	**156,056,667**	**15,995,860**	**172,052,527**
Note	20	20	20	20	20	20	20	21.1		17.1	21.2	21.3					

Consolidated Statement of Cash Flows

Figures in US Dollar	Note	2020	2019 (Restated)
Cash flows from operating activities			
Profit before taxation		52,642,532	76,069,640
Adjustments for:			
Share of post tax results of associates	9	(478,135)	(1,693,256)
Depreciation and amortisation		12,174,245	9,837,690
Loss/(profit) on disposal of property and equipment and intangible assets		155,561	(78,127)
Unrealised exchange gains		(7,884,185)	(26,537,412)
Finance costs	24	163,680,534	151,980,006
Dividends income	25	(10,658,262)	(23,327,790)
Movement in provision for credit impairment		23,975,576	27,126,869
Impairment of internally generated assets	13	1,367,105	-
Movements in provisions and share based payments		(2,282,557)	2,282,928
Profit before tax adjusted for non-cash items		**232,692,414**	**215,660,548**
Dividend received from associates	9	-	720,253
Dividend received from equity instrument designated as at FVTOCI	25	10,658,262	23,327,790
Finance costs paid		(163,210,692)	(151,217,432)
Tax paid	5.2	(15,104,260)	(25,169,754)
Cash generated by operations before changes in working capital		65,035,724	63,321,405
Changes in working capital:			
(Increase)/decrease in other receivables		(3,822,230)	1,430,600
Increase in gross advances		(51,004,092)	(236,540,375)
Increase in deposit from customers		16,929,969	6,919,195
Increase/(decrease) in other payables		7,702,205	(2,115,532)
Net cash generated by/(used in) operating activities		**34,841,576**	**(166,984,707)**
Cash flows from investing activities			
Purchase of property and equipment and intangible assets		(9,294,158)	(25,801,535)
Proceeds on disposal of property and equipment and intangible assets		64,531	269,472
Net movement in amount due to associate		9,198,609	24,963
Acquisition of investment in associates	9	-	(122,400)
Cash inflow from acquisition of subsidiary		-	1,316,021
Receipts/(payments) on loans to associates		5,620,940	(34,035,116)
Net cash outflow on investment in treasury bills		(1,703,980)	-
Net cash flows generated by/(used in) investing activities		**3,885,942**	**(58,348,595)**
Cash flows from financing activities			
Proceeds from issue of bonds		14,833,676	350,694,259
Repayment of bonds		(8,606,811)	(241,669,016)
Proceeds from borrowings		283,689,276	367,023,585
Repayments of borrowings		(246,249,756)	(173,368,613)
Mark-to-Market receipts on forward markets		-	19,201,751
Repayment of lease liabilities		(2,480,863)	(2,338,975)
Proceeds from issue of Limited-voting B Shares		-	30,000,000
Proceeds on issue of redeemable preference shares		88,305	-
Dividends paid		(3,151,194)	(41,098,012)
Net cash flows generated by financing activities		**38,122,633**	**308,444,979**

Consolidated Statement of Cash Flows (continued)

Figures in US Dollar	2020	2019 (Restated)
Net increase in cash and cash equivalents	**76,850,151**	**83,111,677**
Cash and cash equivalents at the beginning of the year	113,459,839	51,080,407
Effect of foreign exchange rate changes	(19,626,983)	(20,732,245)
Net cash and cash equivalents at the end of the year	**170,683,007**	**113,459,839**

Group Accounting Policies

1. Statement of compliance and presentation of Annual Financial Statements

The consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, and incorporate the principal accounting policies set out below. The consolidated financial statements are presented in US Dollar.

The statement of financial position is presented in order of liquidity. Reference to the current maturities of these financial assets and liabilities are disclosed in the notes to the statement of financial position and in the analysis of financial liabilities. The accounting policies are consistent with the previous year, except where specifically stated otherwise.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of Bayport Management Ltd ("the Company") and its subsidiaries (collectively referred as "the Group"), including structured entities which are controlled by the Company and its subsidiaries.

Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights which presently are exercisable or convertible are taken into account.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made where necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries are allocated to the non-controlling interest even if this results in a debit balance being recognised.

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to owners of the Company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell and deferred tax assets and liabilities and assets and liabilities related to employee benefit arrangements that are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

Group Accounting Policies (continued)

1.1 Consolidation (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases, the goodwill is translated to the functional currency of the Company at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period the revision and future periods if the revision affects both current and future periods.

1.2.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in financial statements. There has been no impact from COVID-19 perspective on the below critical judgements.

(i) Leases under IFRS 16

IFRS 16, which became effective 1 January 2019, was adopted during the year ended 31 December 2019. Critical judgements made on application of IFRS 16 includes identification of lease contracts, reasonableness in determining whether an extension or termination option will be exercised and determination of stand-alone selling prices of lease and non-lease components.

(ii) Significant increase in credit risk

Expected credit losses (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable information of customer's recent financial performance while on book and assume that recent performance is a strong indicator of future performance.

Group Accounting Policies (continued)

1.2 Critical accounting judgements and key sources of estimation uncertainty (continued)

1.2.1 Critical judgements in applying the Group accounting policies (continued)

(iii) Cell captive insurance contracts

The Group has an investment with Guardrisk International Limited PCC (GIL), a licensed insurance company, in insurance cells within Mauritius. These "cells" issue certain contracts that transfer the insurance of financial risk. The risks and rewards associated with these contracts are transferred to the Group through a cell agreement.

The Group entered into a shareholders' agreement for insurance cells domiciled in Mauritius. On the basis that the Mauritius cells are protected and the substance of the arrangements in Mauritius, these cells meet the definition of a "deemed separate entity" per IFRS 10.

In accordance with IFRS 10 an investor controls a deemed separate entity/ investee if and only if the investor has all of the following elements:

- Power over the investee;
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the investor's return

An investor has power over a deemed separate entity when the investor has existing substantive rights that give it the current ability to direct the relevant activities of the investee and that the party which practically direct the relevant activities is not an agent of the investor.

The Group has made an assessment of whether it controls the investee as follows:

- The Group does not have any existing rights to direct the relevant activities of the cell. The rights to direct the relevant activities of the cell (being the underwriting and managing of insurance of financial risk) vests with the Board of Directors of Guardrisk and their decisions will affect the amount of variable returns that the Group are exposed to as a consequence of the investment.
- GIL does not act as an agent on behalf of the Group in directing the relevant activities of the cell as the Group doesn't have the practical ability to direct the relevant activities of the cell.
- The Group does not have the practical ability or is in any way involved with the appointment of the Guardrisk Board of Directors, any key management or any members of the governing bodies of the cell. None of the Board members, key management or members of the governing bodies of the cell are related parties to the Group
- The Group has no practical ability to direct the cell to enter into or veto any changes to significant transactions for the benefit of the Group.
- The shareholders agreement provides both parties the right to terminate the cell arrangement without cause.

On the basis on the above facts and circumstances, the Group has determined that its involvement with the cell does not meet the definition of control per IFRS 10 and consequently the investments in the insurance cell captives are classified as an investment in equity instruments and measured at fair value through other comprehensive income in line with IFRS 9.

1.2.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Deferred tax assets

Future taxable profits are estimated based on budgets which include estimates and assumptions regarding economic growth, interest, inflation, tax rates, competitive forces as well as the recent COVID-19 pandemic.

(ii) Goodwill impairment testing

Goodwill is tested for impairment on an annual basis or when an impairment indicator exists. Future cash flows expected to be generated by the cash generating units (CGUs) are projected, taking into account market conditions and the expected useful lives of these CGUs. The present value of these cash flows, determined using an appropriate discount rate, is compared to the carrying amount of the goodwill and, if lower, the goodwill impaired to the present value. This exercise requires management to make estimation of the "value in use" of the cash generating units (CGUs) to which goodwill is allocated.

Refer to note 9 & 10 for further detail on goodwill arising on investment in associates and subsidiaries.

Group Accounting Policies (continued)

1.2 Critical accounting judgements and key sources of estimation uncertainty (continued)

1.2.2 Key sources of estimation uncertainty (continued)

(iii) Impairment of financial assets

The Group measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date.

The expected credit losses for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses its judgement in making these assumptions and selecting the input of the impairment calculation, based on the Group past history and existing market conditions.

Loans and advances are assessed for each active account. Probability of default constitute a key input in measuring ECL. Probability of default is an estimate of likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. During the year ended 31 December 2020, the impact of COVID-19 has also been taken into consideration when assessing for impairment.

Refer to note 1.7 for the accounting policies relating to the impairment of financial assets and to note 31.1 for credit risk management.

(iv) Share-based payments

Equity-settled share-based payments are recognised as an expense over the vesting period based on their fair value at date of grant. The determination of the fair value of equity-settled share-based payments by management requires estimation through the use of option valuation models, inputs used which are not market observable and estimates derived from available data, such as employee exercise behaviour.

Cash-settled share-based payments are recognised as an expense with a corresponding increase in liabilities, over the periods during which the employees become unconditionally entitled to payment. The determination of the fair value of the cash-settled share-based payments by management requires estimation through the use of option valuation models.

(v) Shortfall Guarantee

The Group is party to a Shortfall Guarantee Agreement ("the Agreement") in favour of the South African Government Employees Pension Fund ("GEPF"). The GEPF advanced funding to an entity that acquired a convertible note in the Company (refer to note 20(v)) and 51% of Bayport Financial Services 2010 Proprietary Limited ("BFSSA") in November 2017. The terms of the Agreement are such that if a minimum hurdle return (six month South African Jibar + 350 basis points) on the convertible note (referenced by the growth in equity value of the Group) is not achieved, and is not offset by any excess growth above the same hurdle rate on the 51% interest acquired in BFSSA, the Company will be required to provide a top-up payment to the GEPF. The measurement takes place on the occurrence of a Trigger Event, being the earlier of an initial public offering or maturity date under the agreement being November 2022. This results in a contingent settlement provision being recognised as a financial liability at fair value and measured at each reporting date with changes in fair value accounted through profit or loss.

(vi) Valuation of investments in GIL

The valuation methodology applied is a discounted cash flow of the future expected cash flows i.e. dividends, on a rundown basis including one year of new business. Dividends are discounted from the point of distribution to the present time at the risk free yield curve plus a constant risk margin. This year, the impact of COVID-19 has also been taken into consideration to arrive at the discount rate used for valuation purposes. Unobservable inputs are used in the determination of future expected cash flows.

Refer to 31.7 for the sensitivity performed on the key unobservable inputs.

Group Accounting Policies (continued)

1.3 Property and equipment

Property and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property and equipment are initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property and equipment, the carrying amount of the replaced part is derecognised.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Property and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property and equipment have been assessed as follows:

Item	Average useful life
Buildings	50 years
Furniture and fittings	3 - 10 years
Motor vehicles	3 - 5 years
Office equipment	3 - 6 years
IT equipment	3 - 6 years
Leasehold improvements	over the expected term of the lease

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising from the derecognition of an item of property and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose the asset is used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Group Accounting Policies (continued)

1.4 Leases (continued)

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19 rental concession

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions below is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

The practical expedient above applies only to rent concessions occuring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

1. the change in lease payments results is revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2. any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increase leased payments that extent beyond 30 June 2021); and

3. there is not substantive change to other terms and conditions of the lease.

Management has elected to recognise all rent concessions occuring as a direct consequence of the COVID-19 pandemic as lease modifications.

Group Accounting Policies (continued)

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost, less any accumulated amortisation and any impairment losses.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are carried at cost less any accumulated amortisation and any impairment losses, on the same basis as intangible assets that are acquired separately.

Reinsurance contract rights arising on acquisition of a business are carried at cost less any impairment losses. The reinsurance contract rights have an indefinite useful life and are tested for impairment annually.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the tangible assets may be impaired. The estimated useful life and amortisation method for an intangible assets with a finite life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis:

Item	**Average useful life**
Computer software	2 - 10 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at cash-generated unit level. Such intangibles are not amortised.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Group Accounting Policies (continued)

1.6 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated annual financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which include any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable asset and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The requirements of IAS 28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying value amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposal of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if the gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group transacts with an associate, profits and losses resulting from the transaction with the associate are recognised in the Group's consolidated financial statement only to the extent of interests in the associate that are not related to the Group.

1.7 Financial instruments

The Group initially recognises financial assets and liabilities on the date the Group becomes a party to the contractual provisions of the instruments. This is on the date that these financial instruments are originated.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.7.1 Financial assets

Classification of financial assets

The Group classifies financial assets into the following categories:
- (i) Financial assets at amortised cost
- (ii) Financial assets at fair value through profit or loss (FVTPL)
- (iii) Equity instruments designated at fair value through other comprehensive income (FVTOCI)

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as fair value through profit or loss

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if:

- The financial asset is held in order to collect contractual cash flows and to be sold; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In certain instances the business model is not to collect contractual cash flows, nor to sell the asset and in these cases the financial asset is held at fair value through profit or loss.

The Group may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in the fair value through other comprehensive income.

The Group may at initial recognition irrevocably designate a financial asset as measured at fair value through profit or loss if doing so significantly reduces a measurement or recognition inconsistency (sometimes referred to as an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities or recognising the gains and losses on them on different bases.

Recognition and measurement

(i) Financial assets at amortised cost

Financial assets at amortised cost are measured using the effective interest method, less any expected credit losses which are recognised in profit or loss. Amortised cost is calculated by taking into account any transaction costs on acquisition as well as fees and costs that are an integral part of the effective interest rate.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired assets, a credit-adjusted effective interest rate is calculated using estimated cash flows including expected credit losses. The calculation of effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial assets or financial liability.

Origination fees are regarded as integral part of the effective interest rate and are accounted for as interest and other similar income.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, matching the duration of financial assets to the liabilities that are funding those assets or realising cash flows through the sales of the assets;
- how the performance of the portfolio is evaluated and reported to Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. Information about sales activity is considered as part of the overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (for example, liquidity risk and administrative costs), as well as profit margin.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

(i) Financial assets at amortised cost (continued)

In assessing whether the contractual cash flows are solely payment of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- interest rate charged to customers;
- origination fee and service fee charged to customers;
- any other amounts charged to customers (if any);
- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (for example, non-recourse asset arrangements); and
- features that modify consideration of time value of money (for example, periodical reset of interest rates).

Financial assets which have been classified as measured at amortised cost include cash and cash equivalents, other receivables, and loans and advances.

Financial assets are reclassified only if the Group changes its business model for managing financial assets.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

(iii) Equity instruments designated at FVTOCI

The Group may make an irrevocable election at initial recognition for particular investments that would otherwise be measured at fair value through profit and loss to present subsequent changes in fair value through other comprehensive income. This investment is neither held for trading nor a contingent consideration.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in other reserves. Amounts recognised in other comprehensive income are not reclassified to profit or loss under any circumstances, instead, they will be transferred to retained earnings in case of disposal.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount can be measured reliably).

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on the following financial assets:

- Loans and advances; and
- Other receivables.

Impairments are measured as 12-month expected credit losses upon origination. Where there has been a significant increase in credit risk since initial recognition of a financial asset, the loss allowance is measured as an amount equal to lifetime expected credit losses. A lifetime expected credit loss is calculated for credit impaired and defaulted loans.

Recognition and measurement

Expected credit losses are an estimate of credit losses over the life of a financial asset and when measuring expected credit losses, the Group takes into account:

- The probability-weighted outcomes
- Reasonable and supportable information that is available without undue cost or effort

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

Impairment of financial assets (continued)

Expected credit losses are measured as follows:

- Financial assets that are not credit impaired at the reporting date – as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expect to receive);
- Financial assets that are credit impaired at the reporting date – as the difference between the gross carrying amount and the present value of estimated future cash flows.

Loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

For other receivables, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly, since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and effort. If reasonable and supportable forward-looking information is available without undue cost or effort, the Group relies on this information as well as historic information when determining whether credit risk has increased significantly since initial recognition. However, when information that is more forward-looking than past due status is not available without undue cost or effort, the Group may use past due information to determine whether there have been significant increases in credit risk since initial recognition.

Credit risk

The Group monitors the borrowers' credit risk using both qualitative and quantitative information such as number of days in arrears and recency. Days in arrears represent the number of days that the contractual installment has past due and recency is calculated by referencing the most recent payment history of loans. The definition of default used in the measurement of expected credit losses is consistent with the definition of default used for our internal credit risk management purposes. Where collections are mainly through payroll deductions, the Group has defined credit impaired financial assets which have missed four or more consecutive instalments or when there is qualitative information of the borrower being in significant financial difficulty. The policy of management is to use recency to assess the default status of a loan as opposed to days in arrears due to high levels of administration and concomitant delays associated with payroll deductions. The internal definition of default is used instead of the IFRS 9 90 days presumption.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

Credit risk (continued)

The Group classifies loan into the 3 different stages based on recency and days in arrears as follows:

IFRS 9 Stage allocation	Recency	Recency definition
12-month-ECL - Credit risk has not increased significantly since initial recognition is low	Standard Performing	No missed instalments (IFRS9 Stage 1)
Lifetime-ECL- not credit-impaired - Credit risk has increased significantly since initial recognition and credit risk is not low	Performing Active (1-2)	Loans that are performing, on payroll, and have made payment on either one or both of their most recent 2 instalments expected. Loans in this category relate mainly to loans in technical arrears which are generally still on payroll and as a consequence evidence high payment propensity. (IFRS9 Stage 2)
	Performing Active (3-4)	Partial performing loans that have over the last four consecutive periods reviewed, missed their most recent two instalments expected but have paid either one or both of the preceding two instalments due. This is a transitional bucket with the majority of these loans likely to be indicative of separation from payroll and likely to move into NPL but more time and analysis is required to confirm that assessment. (IFRS9 Stage 2)
Lifetime-ECL- credit-impaired - Credit risk has increased significantly since initial recognition and loans are credit impaired	Non-performing	Loans that have over the last four consecutive periods reviewed, missed all four instalments expected. (IFRS9 Stage 3)
	Doubtful	Delinquent loans where the probability of recovery is uncertain and the separation from payroll has been confirmed, as well as credit impaired loans. (IFRS9 Stage 3)
	Bad	Delinquent loans which have been identified for write offs subject to board approval and approved by the Board. (IFRS9 Stage 3)

Refer to note 31.1 on credit risk management and measurement.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occured.

Evidence that a financial asset is credit impaired includes the following observable data:

1. The recovery procedures as specified in the operation's arrears collection process have proven unsuccessful and the cost of recovering the debt outweighs the benefit.
2. The recovery of such debt is not possible, due to various reasons, such as the debtors are untraceable, deceased or retired.

Derecognition of financial assets

Financial assets (or a portion thereof) are derecognised when the Group realises the rights to the benefits specified in the contract, the rights expire, the asset is substantially modified or the Group surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable (including any new asset obtained) are included in profit or loss.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.2 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

(i) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in note 31.7.

(ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

Hedging activities

The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in the notes to the financial statements.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity limited to the cumulative change in fair value of the hedge item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Put option arrangements

The Group has written options on the Group's own shares which permit the holders to put back their shares to the Group. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within other financial liabilities with a corresponding charge directly to equity. The liability is subsequently increased by finance charges up to the redemption amount that is payable at the date at which the option becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.8 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independant tax advice.

Group Accounting Policies (continued)

1.8 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the periods, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, in other comprehensive income.

1.9 Impairment of assets other than financial assets and goodwill

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

Limited-voting B shares are classified as equity. Limited-voting B shares are recognised at par value and classified as 'limited-voting B shares' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.11 Share-based payments arrangements

Equity-settled share-based payments are accounted at the fair value at the grant date and are expensed on a straight-line basis over the vesting periods, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled benefit reserve. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in notes to the financial statements.

Group Accounting Policies (continued)

1.11 Share-based payments arrangements (continued)

Cash-settled share-based payments are recognised as an expense with a corresponding increase in liabilities, over the periods during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and any changes in the liability are recognised in profit or loss.

Contingently cash settled share-based payments are classified as either cash-settled or equity-settled in its entirety depending on which outcome is probable at each reporting date. Any change in the probable method of settlement is accounted for prospectively, with the cumulative expense adjustment to reflect the appropriate charge for the method of settlement considered probable at the respective reporting date, with an associated reclassification to/from equity to liabilities as required.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.13 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the financial statements.

Group Accounting Policies (continued)

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded in the functional currency of the relative entities of the Group, by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction and is translated to the Group functional currency on consolidation.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity.

Cash flows arising from transactions in a foreign currency are recorded in US Dollar by applying the exchange rate between US Dollar and the foreign currency at the date of the cash flow.

The results and financial position of a foreign operation are translated into US Dollar, which is the presentation currency of the Group, using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at average exchange rates for the period; and
- all resulting exchange differences are recognised to comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to comprehensive income on disposal of the ownership interest in a net investment of a foreign operation. The Group's policy is to interpret its ownership interest in a net investment in a foreign operation as a proportional interest in the foreign operation.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

1.15 Insurance contracts

1.15.1 Classification of insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary are classified as insurance contracts.

1.15.2 Recognition and measurement of insurance contracts

1.15.2.1 Short-term insurance contracts

These contracts relate to motor and short-term credit life insurance contracts.

Premiums

Insurance income comprises premiums written on insurance contracts entered into during the financial year, irrespective of whether they relate in whole or in part to a later accounting period, with the earned portion of premiums received recognised as revenue proportionally over the period of coverage.

Group Accounting Policies (continued)

1.15 Insurance contracts (continued)

1.15.2 Recognition and measurement of insurance contracts (continued)

1.15.2.1 Short-term insurance contracts (continued)

Claims incurred

Insurance claims include claims and related claims expenses paid during the financial year, together with the movement in provision for outstanding claims.

1.15.2.2 Short-term insurance liabilities

The following are classified as short-term insurance liabilities:

Unearned premiums

Short-term insurance premiums are recognised in income proportionately over the period of cover. The portion of premium accrued on in-force contracts that relates to unexpired risks at the reporting date is reported as an unearned premium liability, which is included in insurance-related payables from underwriting activities.

Incurred but not yet reported (IBNR) claims

Liabilities for IBNR claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses of the claims incurred but not reported. IBNR claims liabilities are recognised as liabilities and included in insurance-related payables from underwriting activities. The expense is recognised in net insurance income as a result of the liability being raised. The group does not discount its liabilities for unpaid claims.

1.16 Revenue

Revenue is recognised upon transfer of services to customers in an amount that reflects the consideration the Group expect to receive in exchange for those services. Revenue is recognised net of any taxes collected from customers.

Revenue comprises fees for collection of owned book debts, rendering of services to customers and finance charges on loans.

Non interest income

Lending related income and other income are recognised over time based on the substance of the relevant agreement and when services are rendered.

1.17 Related parties

Related parties are individuals and companies, where the individual and company have the ability, directly or indirectly, to control the other party or exercise significant influence on the other party in making financial and operating decisions. Related parties also include close family members of those individuals and key management personnel of the Group. Related party transactions and balances are disclosed in the notes to the financial statements.

1.18 Segmental reporting

The Group's segmental reporting is in accordance with IFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Joint Group Chief Executive Officers (the Chief Operating Decision-Makers (CODM)), who are responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's-length basis, with intra-segment revenue and costs being eliminated at Group level. Income and expenses directly associated with each segment are included in determining business segment performance.

Notes to the Consolidated Financial Statements

2. New Standards and Interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2020.

2.1 New and revised Standards and Interpretations with no material effect on the financial statements

The following relevant Standards and Interpretations have been applied in these financial statements. However, they did not have any impact on the Group's financial statements but may impact the accounts for future transactions or arrangements.

IAS 1 Presentation of Financial Statements - amendments regarding the definition of material

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of material

IAS 39 Financial Instruments: Recognition and Measurement - amendments regarding pre-replacement issues in the context of the Inter Bank Offered Rates (IBOR) reform

IFRS 3 Business Combinations - amendments to clarify the definition of a business

IFRS 7 Financial Instruments: Disclosures - amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 9 Financial Instruments - amendments regarding pre-replacement issues in the context of the IBOR reform

IFRS 16 Leases - amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

2.2 Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective on annual period on or after the respective dates as indicated:

IAS 1 Presentation of Financial Statements - amendments regarding classification of liabilities (effective 1 January 2023)

IAS 1 Presentation of Financial Statements - amendment to defer the effective date of the January 2020 amendments (effective 1 January 2023)

IAS 16 Property, Plant and Equipment - amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective 1 January 2022)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January 2022)

IAS 39 Financial Instruments: Recognition and Measurement - amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 1 First-time Adoption of International Financial Reporting Standards - amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (subsidiary as a first-time adopter) (effective 1 January 2022)

IFRS 3 Business Combinations - amendments updating a reference to the Conceptual Framework (effective 1 January 2022)

IFRS 7 Financial Instruments: Disclosures - amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 9 Financial Instruments - amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities) (effective 1 January 2022)

IFRS 9 Financial Instruments - amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

IFRS 16 Leases - amendments regarding replacement issues in the context of the IBOR reform (effective 1 January 2021)

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

2. New Standards and Interpretations (continued)

2.2 Standards and Interpretations in issue but not yet effective (continued)

IFRS 17 Insurance Contracts - original issue (effective 1 January 2023)

The directors anticipate that these amendments will be applied in the annual financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet assessed the potential impact of the application of these amendments.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2020	2019

3. Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows consist of:		**(Restated)**
Cash and bank balances	170,800,614	118,353,716
Bank overdraft	(117,607)	(4,893,877)
Total cash and cash equivalents	**170,683,007**	**113,459,839**

Bank balances:

Lien over cash and bank balances amounts to USD 0.2 million (2019: 0.2 million)

Bank overdrafts:

As at 31 December 2020, the Group had available facilities totalling USD 0.7 million (2019: 14.5 million).

Bank overdrafts were secured over loans and advances and carried interest rates of 13% per annum (2019: 21% per annum).

4. Other receivables

		2020	2019
Current assets			
Prepayments		3,340,286	5,727,789
Sundry debtors		15,975,719	7,535,067
Loans receivable from associate (note 30.3)	(i)	30,089,193	34,035,116
Amount receivable from related parties (note 30.2)		1,809,357	11,966,598
Insurance premiums receivable	(ii)	4,735,501	3,351,453
Impairment provision	(iii)	(637,703)	(620,529)
		55,312,353	61,995,494
Non-current assets			
Loan receivable under share-based incentive scheme (note 30.2)	(iv)	398,567	2,266,019
Total other receivables		**55,710,920**	**64,261,513**

	2020	2019
Impairment provision		
At 1 January	620,529	1,061,360
Impairment recognised in profit or loss	75,766	39,081
Amounts recovered	(18,105)	(384,147)
Foreign exchange movements	(40,487)	(95,765)
At 31 December	**637,703**	**620,529**

The directors consider that the carrying amount of other receivables approximate their fair values. No collateral is held for other receivables. The Group applies IFRS 9 to measure loss allowances for expected credit losses on other receivables by reference to past default experience of the debtors, the debtors' financial position and general economic conditions of the industry in which the debtors operate.

The Group always measures the loss allowance of other receivables at an amount equal to lifetime ECL. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(i) The loans receivable from associate are unsecured and are repayable by December 2023. The loans were denominated in South African Rand as at 31 December 2019, carrying interest between 9.75% and 10% per annum. During the year ended 31 December 2020, the loan was converted to US Dollars and carry interest of 2.34% which represents US Dollar 12 month LIBOR plus 2%. Prior to being converted in US Dollars, the loan denominated in South African Rand carried interest between 7.00% and 9.75%. An amendment to the agreement was signed in December 2020 whereby the settlement of the outstanding loan receivable will be made through redemption of Class B shares held by the associate in the books of the Company. The credit risk on the loan is low and immaterial.

(ii) The insurance premiums are receivable from local insurance companies in Colombia and Mexico. They are short term in nature and are of low credit risk.

(iii) Impairment of USD 75,766 (2019: 39,081) was reversed against one receivable which was past due for more than 365 days because historical experience has indicated that the recovery of such receivable is generally not recoverable.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

4. Other receivables (continued)

(iv) The loan receivable under the share-based incentive scheme carry interest at 5.2% per annum (2019: 5.2%), are repayable by March 2025 and are secured by the shares alloted under the scheme.

5. Income taxes

5.1 Income tax recognised in profit or loss

Current tax		
In respect of the current year	14,797,264	16,716,835
In respect of prior years	(22,553)	103,102
Withholding taxes	3,269,518	4,103,986
Total current tax expense	**18,044,229**	**20,923,923**
Deferred tax		
In respect of the current year	6,450,285	8,849,396
In respect of prior years	(938,648)	349,360
Total deferred tax expense	5,511,637	9,198,756
Total income tax expense recognised in the current year	**23,555,866**	**30,122,679**

Reconciliation of the tax expense

The Company is domiciled in Mauritius and therefore liable to income tax in Mauritius at the rate of 15% (2019: 15%). However, the Company is entitled to a foreign tax credit equivalent to the greater of the actual foreign tax suffered and 80% of the Mauritian tax chargeable with respect to its foreign source income. Statutory tax rates for subsidiaries range from 15% to 35% (2019: 15% to 35%).

Profit before taxation	52,642,532	76,069,640
Tax at the effective rate 3% (2019: 3%)	1,579,276	2,282,089
Effect of expenses that are not deductible in determining taxable profit	3,199,275	1,495,362
Effect of different tax rates of subsidiaries operating in other jurisdictions	16,234,953	21,759,820
Effect of withholding tax	3,269,518	4,103,986
Deferred tax asset recognised on prior years tax losses	-	172,203
Effect of exempt income	(247,764)	(649,669)
Current year tax losses for which no deferred tax is being recognised	481,809	506,426
	24,517,067	29,670,217
Adjustments recognised in the current year in relation to the current tax of prior years	(961,201)	452,462
Income tax expense recognised in profit or loss	**23,555,866**	**30,122,679**

5.2 Current tax assets/(liabilities)

Current tax assets	13,009,385	14,191,509
Current tax liabilities	(5,559,195)	(3,068,022)
Total current tax	**7,450,190**	**11,123,487**
At 1 January	11,123,487	7,798,785
Current tax for the year recognised in profit or loss	(18,044,229)	(20,923,923)
Tax paid	15,104,260	25,169,754
Others	(305,380)	(73,575)
Foreign exchange movements	(427,948)	(847,554)
At 31 December	**7,450,190**	**11,123,487**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

5. Income taxes (continued)

5.3 Deferred tax assets/(liabilities)

The following is the analysis of deferred tax assets and liabilities presented in the statement of financial position.

Deferred tax assets	24,753,480	24,242,445
Deferred tax liabilities	(10,242)	(33,923)
Total deferred tax	**24,743,238**	**24,208,522**

Deferred tax breakdown		
Accelerated capital allowances for tax purposes	(668,200)	(309,535)
Tax losses available for set off against future taxable income	13,739,842	14,656,340
Provision for impairment of loans and advances	10,218,587	11,168,226
Unrealised exchange losses	3,145,328	2,180,987
Revenue and expense recognition timing differences	(2,439,701)	(4,264,285)
Others	747,382	776,789
Total deferred tax	**24,743,238**	**24,208,522**

Reconciliation of net deferred tax assets		
At 1 January	24,208,522	32,049,275
Tax losses utilised for set off against future taxable income	(916,498)	(1,014,820)
Originating temporary differences on tangible fixed assets	(358,665)	(252,085)
Originating temporary differences on provision for impairment on loans and advances	(949,639)	2,140,185
Originating temporary differences on revenue and expenses	1,824,584	(5,738,657)
Unrealised exchange losses	964,341	(3,427,849)
Others	(29,407)	452,473
At 31 December	**24,743,238**	**24,208,522**

The deferred tax asset recognised relating to unutilised tax losses is supported by management's forecast of future taxable income for the next five years. The directors are satisfied that the Group will utilise the deferred tax asset relating to unutilised tax losses within the next five years. In making such forecast, all positive and negative evidence was considered, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations.

At the end of the reporting period, the Group has unused tax losses of USD 60,109,354 (2019: USD 47,679,272) available for offset against future profits. A deferred tax asset has been recognised in respect of USD 13,739,842 (2019: USD 14,656,340) of such losses. No deferred tax asset has been recognised in respect of the remaining USD 20,738,820 (2019: USD 11,692,045) due to unpredictability of future profit streams. The tax losses expire on a rolling basis over 5 years.

Financial year	**Losses carried forward**	**Expiry date of losses**
31 December 2016	10,943,996	31 December 2021
31 December 2017	18,691,049	31 December 2022
31 December 2018	818,867	31 December 2023
31 December 2019	8,436,150	31 December 2024
31 December 2020	21,219,292	31 December 2025
Total losses carried forward	**60,109,354**	

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2020	2019

6. Loans and advances

Gross advances		1,000,251,277	1,104,899,199
Impairment provision		(51,173,835)	(70,571,878)
Net loans and advances		**949,077,442**	**1,034,327,321**

Non-current assets		790,564,773	819,035,803
Current assets		158,512,669	215,291,518
Net loans and advances		**949,077,442**	**1,034,327,321**

Impairment provision			
At 1 January		70,571,878	62,560,012
Impairment recognised in profit or loss		18,137,181	22,470,834
Utilisation of allowance for impairment		(29,037,518)	(11,935,964)
Foreign exchange movements		(8,497,706)	(2,523,004)
At 31 December		**51,173,835**	**70,571,878**

Collateral held against loans and advances amounted to USD 20.5 million (2019: 3.4 million). Loans and advances relating to the individual subsidiaries' are provided as security for the subsidiaries' bank overdrafts and term loan balances totalling USD 498.0 million (2019: USD 481.0 million).

Please refer to note 31.1 for disclosures on credit risks.

7. Other investments

Investments in equity instruments designated at FVTOCI			
At 1 January		20,870,981	34,818,013
Additions through business combinations	(i)	-	630,328
Change in fair value (note 21.3.1)		4,385,576	(14,591,098)
Foreign exchange movements		(25,780)	13,738
At 31 December		**25,230,777**	**20,870,981**

The Group participates in insurance activities through cell captive insurance companies. Bayport Management Ltd owns 100% of the issued share capital of cells created by GIL.

Fair value is determined by discounting the estimated future cash flows at a risk adjusted rate. The method used is documented in note 31.7.

(i) During the year ended 31 December 2019, upon transfer of Traficc Group to investment in subsidiary, the Group recognised an additional investment of USD 630,328 which was part of net assets acquired at acquisition date. (refer to note 29.2)

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

8. Subsidiaries

Information about the composition of the Group at the end of the reporting period is as follows:

Name of company	**Country**	**Main business**	**2020**	**2019**
Bayport Financial Services Limited	Zambia	At source lending and retail banking	83.23 %	83.23 %
Bayport Savings and Loans Limited	Ghana	At source lending	98.89 %	98.89 %
Bayport Financial Services (T) Limited	Tanzania	At source lending	89.00 %	89.00 %
Bayport Financial Services Uganda Limited	Uganda	At source lending	85.00 %	85.00 %
Money Quest Investments (Proprietary) Limited	Botswana	At source lending	98.31 %	98.31 %
Bayport Colombia S.A.	Colombia	At source lending	100.00 %	100.00 %
Bayport Asesores Ltda	Colombia	Insurance services	100.00 %	100.00 %
Bayport Financial Services Mozambique (MCB), SA	Mozambique	At source lending and retail banking	95.00 %	95.00 %
Actvest Mexico S.A.P.I de C.V, E.N.R	Mexico	Investment holding	100.00 %	100.00 %
Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R	Mexico	At source lending	100.00 %	100.00 %
Cashfoundry Limited	United Kingdom	Professional services	100.00 %	100.00 %
Actvest Limited	Mauritius	Professional services	100.00 %	100.00 %
Bayport Latin America Holdings Ltd	Mauritius	Investment holding	100.00 %	100.00 %
Bayport Management 2 Limited (Dormant)	Mauritius	Investment holding	100.00 %	100.00 %
Bayport International Headquarter Company (Pty) Ltd	South Africa	Investment holding	100.00 %	100.00 %
Actvest Proprietary Limited	South Africa	Professional services	100.00 %	100.00 %
Bayport Financial Services (USA), Inc.	United States	Professional services	100.00 %	100.00 %
Sugaree Insurance Company Limited	Bermuda	Insurance services	100.00 %	100.00 %
Build To Last Proprietary Limited (i)	South Africa	Investment holding	51.00 %	51.00 %
Green Light Insurance Brokers Proprietary Limited (i) & (ii)	South Africa	Insurance services	- %	51.00 %
Peak Hour Consultants Proprietary Limited (i)	South Africa	Investment holding and insurance consulting	51.00 %	51.00 %
Picasso Moon Investment Limited (i)	Mauritius	Investment holding	51.00 %	51.00 %
Sugar Magnolia Proprietary Limited (i)	South Africa	Investment holding	51.00 %	51.00 %
Traficc Global Proprietary Limited (i)	South Africa	Cell captive management	51.00 %	51.00 %
Traficc Maintenance Plans Proprietary Limited (i)	South Africa	Automotive maintenance plans	51.00 %	51.00 %
The Real Automobile Finance and Insurance Consulting Company Proprietary Limited (i)	South Africa	Insurance services	51.00 %	51.00 %
Malbec Bay Ltd (Dormant) (ii)	United Kingdom	Investment holding	- %	100.00 %

(i) During the year ended 31 December 2019, the Company gained control for no additional cash consideration over a group of eight companies under the collective name of "Traficc Group". Traficc Group was previously accounted for as associate using the equity accounting method (note 9). Refer to note 29.2 for further information.

(ii) Malbec Bay Ltd and Green Light Insurance Brokers Proprietary Limited have been deregistered during the year ended 31 December 2020.

Management does not consider any subsidiary to have material non-controlling interests that require further disclosures.

9. Investment in associate

	2020	2019
At 1 January	113,111,018	116,034,222
Impact of application IFRS 16	-	(199,989)
Additions	-	122,400
Share of profits	478,135	1,693,256
Share of other comprehensive income/(loss)	66,233	(542,975)
Movement in currency translation reserve	(5,662,356)	2,346,560
Transferred to investment in subsidiary (note 29.2)	-	(5,622,203)
Dividend	-	(720,253)
At 31 December	**107,993,030**	**113,111,018**

Additions during the year were financed as follows:		
Cash consideration	-	122,400

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

9. Investment in associate (continued)

Details of associate

Name of associate	: Bayport Financial Services 2010 Proprietary Limited
Principal activity	: Retail financial services
Place of incorporation	: South Africa
Proportion of ownership	: 49%

The summarised financial information below represents amounts shown in the consolidated financial statements of Bayport Financial Services 2010 Proprietary Limited, prepared in accordance with IFRS.

	2020	2019
Summarised statement of financial position		
Current assets	32,504,176	116,905,071
Non current assets	330,732,037	270,434,643
Current liabilities	(15,874,962)	(16,107,000)
Non current liabilities	(252,468,204)	(272,121,903)
Equity attributable to owners of the Company	**94,893,047**	**99,110,811**

	2020	2019
Summarised statement of profit or loss and other comprehensive income		
Net interest income	13,985,639	47,392,886
Profit for the year	975,785	569,906
Other comprehensive income/(loss) for the year	152,111	(1,318,477)
Total comprehensive income/(loss) for the year	1,127,896	(748,571)

	2020	2019
Reconciliation of the above summarised financial information to the carrying amount of the interest in Bayport Financial Services 2010 Proprietary Limited		
Net assets of associates	94,893,047	99,110,811
Proportion of the Group's ownership interest	49.00%	49.00%
Share of net assets	46,497,593	48,564,297
Goodwill	61,495,437	64,546,721
Total carrying amount	**107,993,030**	**113,111,018**

The movement in goodwill relates to foreign exchange losses.

When testing goodwill for impairment, the recoverable amounts of cash generating units (CGUs) are determined as the lower of value in use and fair value less costs to sell, the lower being the value in use.

As at 31 December 2020, the impairment assessment was performed using a weighted average of the results from the residual income method and by incorporating budgets approved by the board. Cash flows beyond the period covered by approved budgets were forecasted based on projected growth rates for the relevant cash generating unit. The evaluation was based on a five year forecast.

- Discount rates reflect management’s assessment of risks specific to the CGU as well as current market trends of the time value of money. Cost of equity discount rate used is 14.9% (2019: 14.1%).
- Growth rates are based on industry indicators as well as current and expected business trends. At the end of the forecast period, a terminal value was included with a growth expectation of 4.0% (2019: 6.26%).

Based on the assessment performed, no provision for impairment was recognised.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

10. Goodwill

Cost and carrying amount		
At 1 January	7,743,342	4,581,465
On acquisition of subsidiary (note 29.2)	-	3,090,704
Foreign exchange movements	(110,730)	71,173
At 31 December	**7,632,612**	**7,743,342**

Goodwill acquired on business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

At source lending activities		
Bayport Savings and Loans PLC	365,957	387,972
Bayport Financial Services Limited (T)	197,262	198,292
Money Quest Investments (Proprietary) Limited	195,700	199,675
Bayport Colombia S.A.	254,087	266,132
Financiera Fortaleza S.A de C.V., SOFOM, E.N.R	3,434,784	3,600,567
Traficc Group (note 35)	3,184,822	3,090,704
Total	**7,632,612**	**7,743,342**

Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired. When testing goodwill for impairment, the recoverable amounts of the CGUs are determined based on the higher of fair value less costs of disposal or value in use.

When testing goodwill for impairment, the recoverable amounts of CGU are determined as the higher of value in use or fair value less costs to sell, the lower being the value in use. The impairment assessment was done using a weighted average of the results from the residual income method, Price to earnings ratios (PE) multiples and Price to book ratios (PB) multiples by incorporating budgets approved by the board. Cash flows beyond the period covered by approved budgets were forecasted based on projected growth rates for the relevant cash generating unit. The evaluation was based on a five year forecast. The key assumptions for value in use calculations are discount rates, growth rates, PE and PB.

Discount rates reflect management's assessment of risks specific to the CGU as well as current market trends of the time value of money. Growth rates are based on industry indicators as well as current and expected business trends. PB and PE multiples are based on an average for listed financial institutions operating in the same business segment. The following assumptions were used in the value in use calculation at year end:

- Discount rates ranging from 9.27% to 27.58% (2019: 8.43% to 27.72%);
- PE ratios ranging from 7.75 times to 8.37 times (2019: 7.10 times to 11.75 times); and
- PB ratios ranging from 1.10 times to 2.40 times (2019: 0.89 times to 2.57 times)

Based on the assessment performed, no provision for impairment was recognised.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

11. Property and equipment

Non-current assets

Cost	**Buildings**	**Furniture and Fittings**	**Motor Vehicles**	**Office Equipment**	**IT Equipment**	**Leasehold Improvements**	**Total**
At 01 January 2019	3,226,558	5,035,130	5,655,970	2,899,644	7,506,113	5,356,212	29,679,627
Additions	8,509	370,776	754,333	139,442	1,394,167	1,063,286	3,730,513
Transfers	-	1,970	-	60,485	5,532	100,205	168,192
Disposals	-	(13,474)	(1,044,422)	(75,160)	(181,955)	(41,885)	(1,356,896)
Foreign exchange movements	(500,469)	(337,697)	(619,520)	(137,535)	(100,411)	(378,732)	(2,074,364)
At 01 January 2020	**2,734,598**	**5,056,705**	**4,746,361**	**2,886,876**	**8,623,446**	**6,099,086**	**30,147,072**
Additions	13,912	128,247	93,015	74,616	625,753	184,469	1,120,012
Transfers	9,495	-	-	-	5,685	-	15,180
Disposals	-	(75,819)	(110,547)	(16,097)	(154,952)	(219,480)	(576,895)
Foreign exchange movements	(911,994)	(738,172)	(997,045)	(199,457)	(977,450)	(361,872)	(4,185,990)
At 31 December 2020	**1,846,011**	**4,370,961**	**3,731,784**	**2,745,938**	**8,122,482**	**5,702,203**	**26,519,379**

Accumulated depreciation

At 01 January 2019	227,869	3,487,129	3,235,769	1,896,120	5,631,833	2,611,061	17,089,781
Charge for the year	63,283	596,215	716,188	430,766	1,212,788	958,178	3,977,418
Disposals	-	(13,344)	(887,926)	(70,506)	(172,254)	(20,699)	(1,164,729)
Foreign exchange movements	(40,800)	(272,564)	(359,226)	(90,949)	(169,875)	(91,955)	(1,025,369)
At 01 January 2020	**250,352**	**3,797,436**	**2,704,805**	**2,165,431**	**6,502,492**	**3,456,585**	**18,877,101**
Charge for the year	45,624	463,425	561,240	321,307	1,143,408	877,673	3,412,677
Disposals	-	(35,995)	(91,148)	(15,893)	(150,934)	(148,386)	(442,356)
Foreign exchange movements	(90,199)	(592,657)	(611,113)	(139,055)	(767,617)	(190,546)	(2,391,187)
At 31 December 2020	**205,777**	**3,632,209**	**2,563,784**	**2,331,790**	**6,727,349**	**3,995,326**	**19,456,235**

Carrying value

At 31 December 2020	**1,640,234**	**738,752**	**1,168,000**	**414,148**	**1,395,133**	**1,706,877**	**7,063,144**
At 31 December 2019	**2,484,246**	**1,259,269**	**2,041,556**	**721,445**	**2,120,954**	**2,642,501**	**11,269,971**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

11. Property and equipment (continued)

During the year ended 31 December 2020, management carried out impairment assessment of property and equipment and concluded that property and equipment of the Group was not impaired (31 December 2019: Nil).

12. Right-of-use assets

The Group adopted IFRS 16 as from 1 January 2019 which changes the Group's Consolidated Financial Statements. Under IFRS 16 the majority of these leases became on-balance sheet liabilities with underlying right-of-use assets. The Group applied the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying IFRS 16, as of 1 January 2019, to the retained earnings and not restate prior years. When doing so, the Group also made use of the practical expedient to not recognise a right-of-use asset or a lease liability for leases for which the lease term ends within 12 months of the date of initial application.

Since the Group recognised the right-of-use assets at the amount equal to the lease liabilities, there was no impact to the retained earnings. Refer to note 18 for details of lease liabilities.

The Group leases many assets including buildings, motor vehicles and office equipment. Information about leases for which the Group is a lessee is presented below.

Non-current assets

Cost	**Rental of space**	**Motor vehicles**	**Office equipment**	**Total**
Recognised at 01 January 2019	11,753,057	109,903	149,588	12,012,548
Additions	1,618,898	8,138	14,761	1,641,797
Modifications	(35,977)	-	-	(35,977)
Termination of lease	(649,064)	-	(80,936)	(730,000)
Foreign exchange movements	(554,588)	(45)	80,686	(473,947)
At 01 January 2020	**12,132,326**	**117,996**	**164,099**	**12,414,421**
Additions	1,552,446	6,383	(6,352)	1,552,477
Modifications	334,896	22,934	69	357,899
Termination of lease	(125,818)	-	-	(125,818)
Foreign exchange movements	(1,943,508)	(5,809)	(7,428)	(1,956,745)
At 31 December 2020	11,950,342	141,504	150,388	12,242,234

Accumulated depreciation				
At 01 January 2019	-	-	-	-
Charge for the year	3,630,708	45,407	128,010	3,804,125
Termination of lease	(649,064)	-	(80,936)	(730,000)
Foreign exchange movements	(85,326)	1,557	85,602	1,833
At 31 December 2020	**2,896,318**	**46,964**	**132,676**	**3,075,958**
Charge for the year	3,143,829	37,792	17,986	3,199,607
Termination of lease	(81,411)	-	-	(81,411)
Foreign exchange movements	(378,688)	311	(6,236)	(384,613)
At 31 December 2020	5,580,048	85,067	144,426	5,809,541

Carrying value				
At 31 December 2020	**6,370,294**	**56,437**	**5,962**	**6,432,693**
At 31 December 2019	**9,236,008**	**71,032**	**31,423**	**9,338,463**

12.1 Amount recognised in profit or loss

2020	**Rental of space**	**Motor Vehicles**	**Office equipment**	**Total**
Interest on lease liabilities	1,074,871	6,836	2,321	1,084,028
Depreciation of right of use asset	3,143,829	37,792	17,986	3,199,607
Expenses relating to short term leases	137,018	-	-	137,018
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	323,084	-	-	323,084
Gain on lease modifications	(39,835)	-	-	(39,835)
	4,638,967	**44,628**	**20,307**	**4,703,902**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

12. Right-of-use assets (continued)

2019	Rental of space	Motor Vehicles	Office Equipment	Total
Interest on lease liabilities	1,446,272	12,621	10,501	1,469,394
Depreciation of right of use asset	3,630,708	45,407	128,010	3,804,125
Expenses relating to short term leases	450,357	-	-	450,357
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	564,092	-	-	564,092
Gain on lease modifications	(2,632)	-	-	(2,632)
	6,088,797	**58,028**	**138,511**	**6,285,336**

12.2 Amount recognised in the statement of cash flows

	2020	2019
Total cash outflow for leases	**2,480,863**	**2,338,975**

Refer to note 18 for further details on lease liabilities.

13. Intangible assets

Non-current assets

Cost	Computer software	Software under development	Reinsurance contract rights	Total
At 01 January 2019	11,823,610	21,150,661	5,666,803	38,641,074
Additions during the year	3,310,895	5,168,157	13,591,970	22,071,022
Transfers	(120,373)	1,719,177	-	1,598,804
Disposals	(725)	-	-	(725)
Foreign exchange movements	(338,686)	570,555	-	231,869
At 01 January 2020	14,674,721	28,608,550	19,258,773	62,542,044
Additions	1,587,330	6,586,816	-	8,174,146
Transfers*	33,499,155	(33,688,900)	-	(189,745)
Disposals	(4,377,676)	-	-	(4,377,676)
Impairment	(1,367,105)	-	-	(1,367,105)
Foreign exchange movements	(974,285)	(183,128)	-	(1,157,413)
At 31 December 2020	**43,042,140**	**1,323,338**	**19,258,773**	**63,624,251**

Accumulated amortisation	Computer software	Software under development	Reinsurance contract rights	Total
At 01 January 2019	3,742,789	-	-	3,742,789
Charge for the year	2,056,147	-	-	2,056,147
Disposals	(725)	-	-	(725)
Foreign exchange movements	(156,771)	-	-	(156,771)
At 01 January 2020	5,641,440	-	-	5,641,440
Charge for the year	5,561,961	-	-	5,561,961
Disposal	(78,979)	-	-	(78,979)
Foreign exchange movements	(300,372)	-	-	(300,372)
At 31 December 2020	**10,824,050**	**-**	**-**	**10,824,050**

Carrying value

	Computer software	Software under development	Reinsurance contract rights	Total
31 December 2020	**32,218,090**	**1,323,338**	**19,258,773**	**52,800,201**
31 December 2019	**9,033,281**	**28,608,550**	**19,258,773**	**56,900,604**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

13. Intangible assets (continued)

During the year ended 31 December 2020, management carried out impairment assessment of intangible assets and recognised an impairment of USD 1,367,105 on computer software (2019: Nil). The impairment resulted from development relating specifically to the Bayport Colombia S.A operations that became obsolete with the implementation of a third party system.

*During the year, there was a transfer of USD 174,565 from software under development to sundry debtors in the books of the Company. The remaining balance of USD 15,180 relates to transfer from intangible assets to property, plant and equipment.

14. Deposit from customers

By maturity		**(Restated)**
Within one month	13,775,731	13,399,901
One to three months	15,721,718	17,554,071
Three months to one year	47,552,915	46,316,910
More than one year	413,810	596,118
Total deposits from customers	**77,464,174**	**77,867,000**

By nature		
Current accounts	1,592,985	525,180
Saving accounts	2,555,789	6,424,875
Fixed deposit accounts	73,315,400	70,916,945
Total deposits from customers	**77,464,174**	**77,867,000**

Interest rates charged on customer deposits		
Bayport Financial Services Mozambique (MCB) SA	13% - 16%	16% - 21%
Bayport Financial Services Ltd	4% - 18%	13% - 22%
Bayport Financial Services Ghana Ltd	7% - 19%	7% - 22%

15. Other payables

Current liabilities		**(Restated)**
Sundry creditors and accruals	29,658,464	29,918,668
Withholding tax payable	3,443,859	3,385,013
Unearned premiums	1,930,131	857,321
Dividend payable (i)	1,809,251	4,057,530
IBNR claims payable	723,400	284,141
Claims payables	702,195	(17,471)
Amount due to related parties (note 30.2)	775	483,677
Total other payables	**38,268,075**	**38,968,879**

The average credit period of sundry creditors ranges from 0 to 90 days. Sundry creditors and accruals do not accrue interest.

(i) Dividend payable relates to preference shareholders of Traficc Group.

16. Provisions

At 1 January	1,795,689	2,822,832
Additions	4,395,055	2,975,411
Amount utilised	(1,264,129)	(3,484,976)
Foreign exchange movements	(398,855)	(517,578)
At 31 December	**4,527,760**	**1,795,689**

The provision balance relates to accruals made for staff and management performance bonuses.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2020	2019

17. Other financial liabilities

Put option on own shares	17.1	3,301,702	2,893,999
Cash settled share based payment	17.2	1,246,793	-
Redeemable preference shares	17.3	528,776	451,071
		5,077,271	**3,345,070**

17.1 Put option on own shares

The put option relates to the acquisition of the Traficc Group as associates in 2018. The purchase consideration was agreed to be a combination of cash and issuance of the Group's own shares. The Group wrote a put option in favour of the sellers over the share-based consideration that were exercisable under certain conditions and could be exercised until 31 December 2020. (refer to note 35)

17.2 Cash settled share based payment

As at 31 December 2020, the obligation under the share-based incentive was reassessed and it was determined that part of the instrument will be cash settled. Upon reassessment, the Company released a portion of the share-based payment reserve to the statement of profit and loss of USD 2.6 million along with a recognition of a liability USD 1.2 million.

Maximum number of shares, under the share options scheme, unvested and unexercised as at:		
31 December 2020	85,234	-

17.3 Redeemable preference shares

The preference shares relates to the Traficc Group. They were part of the net assets acquired during the year ended 31 December 2019 (refer to note 29.2)

The shares are discretionary preference shares and are not redeemable within a period of 10 years and 6 months from the date of issue.

18. Lease liabilities

During the year ended 31 December 2019, the Group adopted IFRS 16, which became effective on 1 January 2019, using the modified retrospective approach.

Maturity analysis		
Year 1	2,954,697	3,529,373
Year 2	1,869,871	7,659,488
Year 3	1,421,939	679,131
Year 4	1,003,596	469,166
Year 5	890,457	271,989
Onwards	1,886,209	1,249,742
Total lease liabilities	**10,026,769**	**13,858,889**

The lease liabilities as at 31 December 2020 amounts to USD 6,565,300 (2019: USD 8,834,505) and future finance charges amount to USD 3,461,469 (2019: USD 5,024,384).

The Group has received numerous forms of rent concessions from lessors due to the Company and its subsidiaries being unable to operate for significant periods of time, including:

- Rent forgiveness (e.g reductions in rent contractually due under the terms of lease agreements);
- Deferrals of rent (e.g payment of April-June 2020 rent on an amortised basis from July 2020 to March 2021).

As discussed in note 1.4, the Group has elected to recognised all rent concessions occuring as a direct consequence of the COVID-19 pandemic as a lease modifications.

The Group has engaged in further negotiations with lessors subsequent to the period ended 31 December 2020. See note 35 for events after reporting period.

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored by the ALCO.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

19. Borrowings

	2020			2019 (Restated)		
Held at amortised cost	**Senior**	**Subordinated**	**Total**	**Senior**	**Subordinated**	**Total**
Corporate bonds (i)	306,368,459	78,197,963	384,566,422	310,493,817	77,308,664	387,802,481
Other term loans (ii)	690,249,659	20,000,000	710,249,659	670,023,970	20,000,000	690,023,970
Revolving credit facility (iii)	30,418,833	-	30,418,833	45,462,331	-	45,462,331
Subtotal	1,027,036,951	98,197,963	1,125,234,914	1,025,980,118	97,308,664	1,123,288,782
Less: deferred transaction costs	(14,179,893)	(192,874)	(14,372,767)	(15,819,445)	(130,164)	(15,949,609)
Total borrowings	**1,012,857,058**	**98,005,089**	**1,110,862,147**	**1,010,160,673**	**97,178,500**	**1,107,339,173**

The Nordic bonds and Swedfund loans rank behind all other funders and debt providers in priority of repayment and are consequently classified as subordinated loans. The remaining other loans are classified under senior loans.

	2020	2019 (Restated)
Current liabilities	352,350,184	200,171,454
Non-current liabilities	758,511,963	907,167,704
Total borrowings	**1,110,862,147**	**1,107,339,158**

Remaining term of maturity		
On demand or within period not exceeding one year	352,350,184	200,171,454
Within a period of more than one year but not exceeding two years	574,353,098	288,133,420
Within a period of more than two years but not exceeding three years	135,484,501	530,495,041
Within a period of more than three years but not exceeding five years	48,674,364	88,539,243
Total borrowings	**1,110,862,147**	**1,107,339,158**

(i) Corporate bonds

The Company has issued Bonds in US Dollar. The corporate bonds are unsecured and carry interest rates ranging from 10.5% to 11.5% per annum (2019: 10.5% to 11.5% per annum).

As at 31 December 2020, the last trades of the Social bonds and Nordic bonds were 91.0% and 99.5% of their respective nominal issue price (31 December 2019: 106.3% and 100.5%).

(ii) Other term loans

Other term loans include funding received by the Group from local banks and financial institutions in US Dollars and other currencies. Terms of the loans range from ten months to seven years (2019: from ten months to seven years) and interest rates range from 5% to 29% per annum (2019: 6% to 29%).

(iii) Revolving credit facility

As a 31 December 2020, the Group has available facilities totalling 30 million (2019: 45 million). Interest rates charged ranges from 8.96% to 10.76% per annum (2019: 10.70% to 10.89% per annum). The revolving credit facilities are unsecured.

Securities and guarantees

Other term loans include borrowings of USD 498.0 million (2019: USD 481.0 million) outstanding at the end of the reporting date, secured over loans and advances of the Group. Other securities held by funders are as follows:
(a) Subordination of preference shares of Bayport Financial Services Uganda Limited for USD 1.6 million (2019: USD 1.6 million)
(b) Subordination of loans from Bayport Management Ltd to subsidiaries of USD 51.7 million (2019: USD 90.5 million)
(c) Corporate guarantee from Bayport Management Ltd of USD 32.4 million (2019: USD 32.4 million)
(d) Lien over cash of USD 0.2 million (2019: USD 0.2 million)
(e) Cash collateral pledged of USD 14 million (2019: USD 2.6 million)

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

19. Borrowings (continued)

Given the outbreak of COVID-19 in March 2020 and its impact on the collections of the businesses' portfolios, the ALCO took several steps to further strengthen financial position of the Group and maintain financial liquidity and flexibility which included drawing down available facilities.

20. Share capital and treasury shares

	Number of shares	Share capital	Share premium	Share application monies	Limited-voting B Shares	Convertible equity instrument	Total share capital	Treasury shares	Total share capital and treasury shares
01 January 2019	30,937,688	30,938	304,829,584	9,635,352	-	60,560,000	375,055,874	(1,498,760)	373,557,114
Issue of ordinary shares (i) & (ii)	460,401	460	10,646,610	(9,635,352)	-	-	1,011,718	-	1,011,718
Issue of Limited-voting B shares (iii)	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
01 January 2020	31,398,089	31,398	315,476,194	-	30,000,000	60,560,000	406,067,592	(1,498,760)	404,568,832
Issue of ordinary shares (i)	9,380	9	95,610	-	-	-	95,619	-	95,619
Share application monies (ii)	-	-	-	104,937	-	-	104,937	-	104,937
Buy back of ordinary shares (iv)	(23,100)	(23)	(235,458)	-	-	-	(235,481)	(333,240)	(568,721)
Transfer of pledged ordinary shares (iv)	-	-	-	-	-	-	-	(2,061,087)	(2,061,087)
31 December 2020	**31,384,369**	**31,384**	**315,336,346**	**104,937**	**30,000,000**	**60,560,000**	**406,032,667**	**(3,893,087)**	**402,139,580**

Issued and fully paid ordinary shares of USD 0.001 each at par value.

Each share has equal rights on distribution of income and capital and is entitled to one vote per share.

(i) Issue of ordinary shares to senior executives in 2020 and 2019 (refer to note 21.2)

(ii) Share application monies represent advances received from the shareholders which have not yet been converted into share capital as at year end. These amounts were unsecured, interest free and convertible into ordinary shares. During the year ended 31 December 2018, the Group acquired 14.24% of the issued share capital of Financiera Fortaleza, S.A de C.V, SOFOM E.N.R which was settled partly by issuance of shares for a consideration of USD 9,635,352. At 31 December 2018, the consideration has been accounted for as share application monies and these were subsequently converted into 397,498 ordinary shares during the year ended 31 December 2019. As at 31 December 2020, a senior executive exercised his rights to be issued 10,294 ordinary shares under the share based incentive scheme.

(iii) On 24 December 2019, the Board approved the creation of a new class of share named "Limited-voting B Share". The salient terms of the Limited-voting B Share are as follows:

- The holder of each Limited-voting B Share is eligible to receive dividends declared to the holders of such shares by the Board of the Company, in its sole and absolute discretion, provided that the aggregate of the dividend/s payable in respect of each Limited-voting B Share is limited to USD 1.5 million;
- The Company is entitled to redeem each Limited-voting B Share at any time for a redemption price equal to USD 1 million per Limited-voting B Share, being an amount equal to the subscription price paid for such share;
- Unless the Limited-voting B Share has been redeemed by the Company, the holder of a Limited-voting B Share has the right, commencing on the first anniversary of the date of subscription and enduring for a further six months thereafter, to convert each Limited-voting B Share into 41 254 ordinary shares of the Company.
- The holder of a Limited-voting B Share is not entitled to vote at any meeting or on any written resolution of the shareholders of the Company, except in relation to amend the rights, limitations and other terms of the Limited-voting B Shares.

On 30 December 2019, the Company issued 30 Limited-Voting B shares at a price of USD 1 million per B share.

(iv) During the year ended 31 December 2020, the Company bought back 0.41% of its own shares from group executives participating in the share based incentive scheme. 23,100 shares were cancelled and the remaining shares have been accounted as treasury shares in the books of the Company.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

20. Share capital and treasury shares (continued)

(v) In 2017, the Group issued a convertible subordinated zero coupon note of USD 60,560,000. Mandatory conversion of the note will occur at defined dates into 3,431,411 ordinary shares of the Company representing a shareholding of 9.86% (2019: 9.85%) and it meets the requirement for equity disclosure in terms of IFRS. There is a shortfall guarantee associated with the instrument whereby the Company has signed an agreement to provide a Guaranteed Return (principal and capitalised interest) at maturity date. Based on management assessment, no liability is to be recognised.

The Group's shareholding for the year was as shown below:

		Percentage holding	
Shareholders		**2020**	**2019**
Kinnevik New Ventures		23.79	23.73
Takwa Holdco Limited		18.00	17.95
Takwa Holdco (2) Ltd		4.86	4.85
Public Investment Corporation (SDC) Limited		20.43	20.37
Elsworthy Holdings Ltd		11.76	11.73
Mr Grant Kurland	Director	9.17	9.14
Kasumu Ltd		8.27	8.25
Mr Justin Chola	Director	0.78	0.77
Mr Vladimer Gurgenidze		0.30	0.30
Others		2.64	2.91
Total		**100.00**	**100.00**

Mr Roberto Rossi, who is a director of the Group, is a contingent discretionary beneficiary of trusts which hold an interest in Elsworthy Holdings Ltd.

Mr Stuart Stone, who is a director of the Group, is a contingent discretionary beneficiary of a trust which holds an interest in Kasumu Ltd.

21. Reserves

Foreign currency translation reserves	21.1	357,911,586	282,448,337
Put option on own shares (refer to note 17.1)		2,406,602	2,406,602
Equity settled reserves	21.2	(4,380,024)	(8,109,929)
Other reserves	21.3	(41,186,658)	(32,384,996)
Total reserves		**314,751,506**	**244,360,014**

21.1 Translation reserves

Opening balance	**282,448,337**	**260,796,484**
Translation of foreign operations	44,219,678	16,498,883
Translation of monetary items deemed as net investment	36,962,279	7,734,616
Translation of goodwill	110,730	(71,173)
Foreign exchange differences recognised through other comprehensive income	**81,292,687**	**24,162,326**
Less: translation reserve attributable to non-controlling interests	(5,829,438)	(2,510,473)
Closing balance	**357,911,586**	**282,448,337**

21.2 Equity settled reserves

Share-based incentive scheme	21.2.1	1,171,975	4,901,880
Share-based contingent consideration	21.2.2	3,208,049	3,208,049
Total equity settled reserves		**4,380,024**	**8,109,929**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

21.2.1 Share-based incentive scheme

The Company has share incentive schemes which entitle the senior executives of the Group to be awarded shares for no consideration at different vesting dates.

Maximum number of shares, under the share options scheme, unvested and unexercised as at:		
31 December 2020	-	79,968
31 December 2021	-	105,623
31 December 2022	63,398	81,236
31 December 2023	41,474	51,894
31 December 2024	19,398	25,655
Total number of shares	**124,270**	**344,376**

During the year ended 31 December 2020, two notices of exercise have been received for 19,674 number of options into 19,674 number of ordinary shares at zero cost. As at 31 December 2020, 9,380 shares have already been issued and the issue of 10,294 shares was still in progress.

During the year ended 31 December 2020, a total credit of USD 1,908,047 were recognised as part of the employee benefit expense arising from share-based payment transactions (2019: a total expense of USD 2,332,932). A credit was recognised during the year as the obligation under the share-based incentive was reassessed and it was determined that part of the instrument will be cash settled (refer to note 17.2)

21.2.2 Share-based contingent consideration

The share-based contingent consideration relates to the acquisition of additional stake in Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R. The purchase prices were agreed to be partly by issuance of 170,277 shares of the Company subject to achievement of agreed performance metrics based on profit targets.

Number of shares, vesting in future financial years ending:		
31 December 2022	170,277	170,277

21.3 Other reserves

Investment revaluation reserve	21.3.1	21,583,324	18,555,786
Regulatory and statutory reserves	21.3.2	19,603,334	13,829,210
Total other reserves		**41,186,658**	**32,384,996**

21.3.1 Investment revaluation reserve

At 1 January	18,555,786	33,689,859
Movement in fair value (note 7)	4,385,576	(14,591,098)
Share of other comprehensive income attributable to non-controlling interests	(1,424,271)	-
Share of other comprehensive income/(loss) of associates	66,233	(542,975)
At 31 December	**21,583,324**	**18,555,786**

The investment revaluation reserve represents the cumulative gains arising on the revaluation of investments in equity instruments designated as at fair value through other comprehensive income (refer to note 7).

21.3.2 Regulatory and statutory reserves

At 1 January	13,829,210	21,092,981
Transfers in regulatory and statutory reserves	5,774,124	(7,263,771)
At 31 December	**19,603,334**	**13,829,210**

Regulatory credit risk reserves and statutory reserves relate to impairment provisions on the loan book in excess of what is required per IFRS compared to local regulations and requirements to maintain a minimum capital adequacy ratio. Refer to note 32.7.1 for the fair value measurement disclosure.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

22. Dividends declared and paid

Dividend paid to Limited-Voting B shareholders	-	40,000,000
Dividend paid to preference shareholders	980,276	2,405,523
Total dividend declared and paid	**980,276**	**42,405,523**

No dividend was declared and paid by the Company during the year ended 31 December 2020.

In 2019, by a Board Resolution dated 30 December 2019, a dividend of USD 1,333,333.33 per share was declared and paid to the Limited-Voting B shareholders.

23. Interest and other similar income

Interest on loans and advances	320,906,703	349,436,664

24. Interest and other similar expense

Interest on bank overdrafts and term loans	105,403,954	98,672,626
Interest on corporate bonds	57,192,552	51,837,986
Interest on lease liabilities	1,084,028	1,469,394
Total interest and other similar expense	**163,680,534**	**151,980,006**

25. Lending related income

Credit life insurance income	12,898,607	9,678,176
Dividend income	10,658,262	23,327,790
Commission received	4,312,046	4,654,375
Portfolio administration fee income	1,561,936	2,380,394
Bad debts recovered	621,570	712,906
Others	449,136	1,000,892
Total lending related income	**30,501,557**	**41,754,533**

26. Operating expenses

Employee costs	58,782,773	64,413,228
Sales commission	24,894,204	25,816,528
Depreciation and amortisation	12,174,245	9,837,690
Loan processing costs	9,684,641	4,448,072
Computer expenses	8,852,300	6,450,122
Collection fees	8,312,078	10,159,361
Accounting, legal and professional fees	7,427,601	9,657,772
Insurance costs	2,982,491	3,675,399
Occupancy costs	2,587,853	4,573,801
Impairment of intangible assets	1,367,105	-
Marketing expenses	477,820	1,271,789
Others	12,927,965	17,095,402
Total operating expenses	**150,471,076**	**157,399,164**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

27. Earnings per share

Basic earnings per share

From continuing operations	0.69	1.16

The earnings and weighted average number of shares used in the calculation of basic earnings per share are as follows:

Earnings for the year attributable to owners of the Company	23,988,704	40,118,159
Earnings used in calculation of basic earnings per share	**23,988,704**	**40,118,159**
Weighted average number of shares for the purpose of calculating basic earnings per share	**34,697,383**	**34,437,033**

Diluted earnings per share

From continuing operations	0.69	1.15

The earnings and weighted average number of shares used in the calculation of diluted earnings per share are as follows:

Earnings for the year attributable to owners of the Company	23,988,704	40,118,159

Diluted earnings per share

The weighted average number of shares for the purpose of diluted earnings per share reconciles to the weighted average number of shares used in the calculation of basic earnings per share as follows:

Weighted average number of ordinary shares used for basic earnings per share	34,697,383	34,437,033
Share deemed to be of no consideration in respect of:		
- Share-based incentive scheme	1,554	307,687
- Deferred share consideration	170,277	170,277
Weighted average shares used in the calculation of diluted earnings per share	**34,869,214**	**34,914,997**

28. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows from financing activities.

	Opening balance	Financing cashflows*	Other non-cash movements			Finance charges	Closing balance
			Currency movements	Amortisation of deferred transaction costs	New lease liabilities		
2020							
Bonds	392,619,607	6,226,865	(3,096,575)	834,323	-	1,691,949	398,276,169
Other borrowings	714,719,565	37,439,521	(37,640,216)	742,527	-	(2,675,419)	712,585,978
Lease liabilities	8,834,505	(2,480,863)	211,658	-	-	-	6,565,300
Limited-Voting B Shares	30,000,000	-	-	-	-	-	30,000,000
Total liabilities from financing activities	**1,146,173,677**	**41,185,523**	**(40,525,133)**	**1,576,850**	**-**	**(983,470)**	**1,147,427,447**
2019							
Bonds	304,678,089	109,025,243	(25,768,635)	2,992,965	-	1,691,945	392,619,607
Other borrowings	534,642,545	193,654,972	(11,947,197)	5,867,142	-	(7,497,896)	714,719,566
Lease liabilities	47,166	(2,338,975)	1,917,432	-	9,208,882	-	8,834,505
Limited-Voting B Shares	-	30,000,000	-	-	-	-	30,000,000
Total liabilities from financing activities	**839,367,800**	**330,341,240**	**(35,798,400)**	**8,860,107**	**9,208,882**	**(5,805,951)**	**1,146,173,678**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

28. Reconciliation of liabilities arising from financing activities (continued)

* The cash flows from bonds and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

29. Business combinations

29.1 Business combination - 31 December 2020

The Company has not engaged in any business combination during the year ended 31 December 2020.

29.2 Business combination achieved by contract alone - 31 December 2019

In September 2019, the Group obtained control over the Traficc Group of companies following a modification in the memorandum of incorporation (MOI) by way of a shareholders resolution which suspended the minority protection matters. The effect of this suspension resulted in the Group having the ability to direct the relevant activities of the Board of the Traficc Group.

Hence, the Group transferred its investment in the Traficc Group of companies from associates (refer note 9) to investment in subsidiaries (refer to note 8) and recognised a goodwill of USD 3,090,704 (refer to note 10).

Assets	**2019**
Cash and bank balances	1,316,021
Other receivables	3,511,530
Amounts due from related parties	570,308
Other investments	630,328
Property and equipment	144,492
Deferred tax assets	56,254
Total assets	6,228,933
Liabilities	
Other payables	327,674
Current tax liabilities	966,690
Other financial liabilities	175,972
Total liabilities	1,470,336
Net assets acquired	**4,758,597**

The acquisition date fair value has been taken into consideration when calculating goodwill as no consideration transferred.

Goodwill at acquisition	
Derecognition of Carrying Value of Associate	5,427,566
Less: fair value of identifiable net assets acquired	(2,039,822)
FCTR on goodwill	(297,040)
	3,090,704

Net cash inflow on acquisition of subsidiary	
Cash and cash equivalents acquired	1,316,021

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

30. Related party transactions

Details of transactions between the Group and other related parties are as follows. Below transactions have been made on commercial terms and in the normal course of business.

30.1 Trading transactions

During the year, the following trading transactions with related parties that are/were not members of the Group were entered into:

	2020	2019
Interest received		
On loans under share incentive scheme	58,956	78,071
Non-controlling interest of subsidiaries	164,661	263,058
Bayport Financial Services 2010 Proprietary Limited	1,015,371	-
Total interest received	**1,238,988**	**341,129**
Interest paid		
Non-controlling interest	46,761	150,026
Dividend paid to associate		
Bayport Financial Services 2010 Proprietary Limited	-	40,000,000
Professional fees received from associate		
Bayport Financial Services 2010 Proprietary Limited	745,160	-

30.2 Amount receivable from and payable to related parties

The following balances were outstanding at the end of the reporting period:

	2020	2019
Amounts receivable from related parties		
Non-controlling interests	1,721,760	1,693,029
Bayport Financial Services 2010 Proprietary Limited	87,597	10,273,569
	1,809,357	11,966,598
Loan receivable from senior executives under share-based incentive scheme	398,567	2,266,019
Total	**2,207,924**	**14,232,617**
Amounts payable to related parties		
Non-controlling interests	775	483,677

The Group has provided loans to related parties which are unsecured, bear interest ranging from 10% to 15% per annum (2019: 10% to 15%) and are repayable within the next five years (2019: five years).

30.3 Loans to associate

	2020	2019
Loans to associate	30,089,193	34,035,116

Refer to note 4 for the terms and conditions of loans to associate.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

30. Related party transactions (continued)

30.4 Compensation to key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Short term benefits	11,294,188	12,713,776
Post-employment benefits	57,332	213,311
Share-based payments	-	199,928
Other long term benefits	382,828	374,333
Total	**11,734,348**	**13,501,348**

The remuneration of directors and key executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

30.5 Professional fees (including director fees) paid to management entity

DTOS Ltd	66,347	66,465

30.6 Other related party transactions

Details of amounts due under the share-based incentive scheme are disclosed in note 21.2.1.

Details of purchase of treasury shares from group executives are disclosed in note 20.

Share application monies are disclosed in note 20.

31. Risk management

The Board is responsible for risk management and the setting of the risk management framework. Oversight of risk management is the responsibility of two Board subcommittees; the Assets and Liabilities Committee (ALCO) and the Audit, Risk and Compliance Committee (ARC). The ALCO monitors risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy. The ARC committee monitors risks associated with financial reporting, accounting policies, internal control and IT governance. The audit, risk and compliance committee is responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the Group's management of risk including credit and compliance.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group's overall risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments. In addition, internal audit is responsible for the independent review of risk management and the control environment. The most important type of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk and interest rate risk.

The responsibility for day to day management of risks falls to each of the respective subsidiary's chief executive officer's and their executive committees. Risk management is managed at subsidiary level through the divisional executive committees and reviewed by each of the respective subsidiary boards.

While the COVID-19 pandemic started as a sanitary crisis, its repercussions have cascaded to the overall global economy, resulting in a multidimentional crisis. In order to avoid a systemic crisis, we have seen an unprecedented government intervention worldwide.

Despite this, over the past few months, like several sectors, the banking and non-banking financial services industry has seen an escalation of different risks. There are both direct "on balance sheet" risks such as credit and liquidity risks as well as daily changing market conditions and worsening credit quality among others. They were confronted with a completely new market situation practically overnight.

In order to effectively manage this challenging crisis, risk management has to be at the forefront to stabilise the operational and financial disruption. Revisiting the credit risk model was essential as banks and other financial institutions had to capture the potential loss with limited and uncertain forward-looking information. Thus, going forward, flexibility will be key. Conducting stress-tests scenarios and updating forecasts should become part of the daily operations. Re-evaluating strategies and identifying new risks will be crucial to navigate this recession effectively.

Till date, no one can predict how this pandemic will evolve and what will be its long-term impact. The uncertainty on the recovery scenario further adds complexity to assessing a broader range of risks.

31.1 Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to discharge an obligation to the Group. The primary credit risks that the Group is exposed to arise from retail loans held by each subsidiary. It is not the Group's strategy to avoid credit risk, but rather to manage credit risk within the Group's risk appetite and to earn an appropriate risk adjusted return.

31.1.1 Credit risk management and measurement

Each subsidiary is responsible for the identification, measurement, management, control and reporting of credit risk within their business units. Exposure to credit losses is managed by assessing customer's affordability and their ability to repay loans and advances, customer's risk profile, employment status and stability. Terms of the loan provided range from 3 to 120 months. Group exposure to credit risk is continuously monitored at each country's level. Each of the Group's lending businesses tends to have homogeneous or similar asset portfolios within their respective businesses. Impairments are monitored and provided for using statistical techniques including experiential and behavioural models. These models are based on customers' financial performance information while on book and assume that recent performance is a strong indicator of future performance. There is neither incorporation of forward-looking information nor use of macro-economic information into the determination of expected credit losses. Management systematically evaluates market and macro-economic data to be used in determining adjustments to be made in respect of forward-looking information. However, to date there has been no forward-looking information upon which management can consistently rely on, either because of the absence of correlation between credit performance and market indicators, or the inability for these market indicators to be reliably forecasted.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.1 Credit risk management (continued)

31.1.1 Credit risk management and measurement (continued)

Collections of instalments are made through payroll deductions or debit order collections. The expected loss model is developed using statistical techniques based on actual historical data. The expected loss is calculated for each active account, using parameter estimates including the probability of default ('PD'), exposure at default ('EAD') and loss given write offs ('LGW') segmented using contractual delinquency states (aging, recency and reason for default) as well as remaining term. The segmentation ensures homogenous risk buckets. The LGW is calculated on an explicit basis per account, taking into consideration the settlement balance, discount rates and discount periods. There has been no changes in the estimation techniques or significant assumptions from the prior year.

The Group utilised the 30-days past due definition to determine a significant increase in credit risk as per paragraph 5.5.11 of IFRS 9.

Credit risk on cash and bank balances is limited because the counter parties are reputable financial institutions. For other receivables and other investments, the Group minimise its credit risk by only dealing with credit worthy counter parties. These are considered to have low credit risk for the purpose of impairment assessment. The Group's exposure to credit risk is continuously monitored at each country level.

31.1.2 Financial assets subject to risk

Figures are shown on a gross basis for credit impaired loans and advances. Deferred expenses and deferred revenues are excluded.

2020	Recency	Gross advances	Impairment	Net advances	Coverage ratios
12 month expected credit losses	1. Standard Performing	822,361,173	(7,656,852)	814,704,321	1 %
Lifetime expected credit losses	2. Performing active (1-2)	126,159,679	(34,037,875)	92,121,804	27 %
	3. Performing Active (3-4)	8,998,908	(4,412,426)	4,586,482	49 %
Credit impaired financial assets	4. Non-performing	52,537,195	(38,935,291)	13,601,904	74 %
	5. Doubtful	622,606	(570,322)	52,284	92 %
	6. Bad	57,682,958	(50,808,832)	6,874,126	88 %
Total		**1,068,362,519**	**(136,421,598)**	**931,940,921**	

Figures are shown on a gross basis for credit impaired loans and advances. Deferred expenses and deferred revenues are excluded.

2019	Recency	Gross advances	Impairment	Net advances	Coverage ratios
12 month expected credit losses	1. Standard Performing	899,949,734	(8,929,950)	891,019,784	1 %
Lifetime expected credit losses	2. Performing active (1-2)	130,607,951	(35,233,899)	95,374,052	27 %
	3. Performing Active (3-4)	9,956,830	(4,665,141)	5,291,689	47 %
Credit impaired financial assets	4. Non-performing	29,697,010	(18,986,050)	10,710,960	64 %
	5. Doubtful	18,821,355	(15,390,436)	3,430,919	82 %
	6. Bad	39,612,057	(34,681,155)	4,930,902	88 %
Total		**1,128,644,937**	**(117,886,631)**	**1,010,758,306**	

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.1 Credit risk management (continued)

31.1.3 Impairment provision reconciliation

Loans and advances	12 month expected credit losses	Lifetime expected credit losses	Credit impaired financial assets	Total
At 01 January 2019	9,427,242	30,928,484	22,204,286	62,560,012
New loans issued during the year	4,789,473	10,999,707	6,404,661	22,193,841
Existing book movements*	963,557	12,975,518	21,302,086	35,241,161
Loans settled during the year	(5,799,643)	(13,925,319)	(15,239,206)	(34,964,168)
Write-offs	-	-	(11,935,964)	(11,935,964)
Foreign exchange movements	(450,659)	(1,079,254)	(993,091)	(2,523,004)
At 31 December 2019	**8,929,970**	**39,899,136**	**21,742,772**	**70,571,878**
New loans issued during the year	4,915,266	2,193,334	2,158,550	9,267,150
Existing book movements*	(2,960,034)	4,804,383	14,464,928	16,309,277
Derecognition on disposal of subsidiary	(2,310,475)	(4,596,511)	(1,628,855)	(8,535,841)
Write-offs	-	-	(29,037,518)	(29,037,518)
Foreign exchange movements	(1,713,318)	(3,850,042)	(1,837,751)	(7,401,111)
At 31 December 2020	**6,861,409**	**38,450,300**	**5,862,126**	**51,173,835**

* Loans originated last year which are still on book at year end, for which recency and IFRS 9 stage allocation has changed.

COVID-19 credit risk impact assessment

The impact of COVID-19 pandemic has not been as severe as initially expected. The main mitigating factor has been the at source lending model. With a significant amount of the lending activities taking place within the public sector, minimal financial impact have been experienced to date. In certain cases, beneficial impact has been experienced during the lockdown with customers decreasing their spending habits allowing for a decrease in non-payment of instalments.

The following indicators were analysed to determine any significant increases in the credit risk:

- **Collection efficiencies**

One of the key areas of an at source collection business is the stability of the payroll environment and the capacity to collect instalments. Collection efficiency is used to track whether collections are successful monthly. This metric is simply a ratio of instalments submitted and compared to instalments collected.

Collection efficiencies between 2019 and 2020 decreased only with 2% or less in Money Quest Investments (Proprietary) Limited, Bayport Colombia S.A, Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R, Bayport Financial Services Mozambique (MCB), SA and Bayport Financial Services Uganda Limited. While the collection efficiencies increased with 1.2% or less in Bayport Savings and Loans Limited and Bayport Financial Services (T) Limited. However, for Bayport Financial Services Limited (Zambia) the collection efficiency decreased by 5.8% but this is not directly as a result of the COVID-19 pandemic but largely driven by the liquidity issue of the Zambian government.

- **Non-performing loans ratios**

The non-performing loans ratio has been stable with a minor variance of between 1.26% positive to 1.61% negative between 2019 and 2020. None of the countries where deterioration is seen is significant or out of ordinary and is in line with expectations.

- **Probability of default**

The probability of default is a simple measure based on the number of loans being in Stage 1 moving into a default state in a 12-month period. The probability of default has continued decreasing for most countries from 2019 to 2020.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.1 Credit risk management (continued)

COVID-19 credit risk impact assessment (continued)

- **Stability of Stage 1 portfolio**

Even though the probability of default is a good indicator for the overall performance of the loan book, a supplementary measure is needed to verify the stability of the loan book. In the analysis performed, the Stage 1 proportion is given as a percentage of the overall book.

In most cases there is improvement or stability in the Stage 1 populations of the loan books. Some deterioration in the book of Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R as well as in the book of Bayport Financial Services Limited (Zambia) was identified but can be traced back to employer related issues experienced.

From the COVID-19 analysis undertaken on credit risk, no significant credit risk indicators have been identified for the Group. As mentioned above, the at-source payroll lending environment has not been as severely affected by the COVID-19 pandemic as other financial services industries.

31.2 Categories of financial instruments

Financial assets		**2020**	**2019**
At amortised cost:			
Cash and bank balances		170,800,614	118,353,716
Other receivables	(i)	49,464,216	56,424,944
Loans and advances	(ii)	931,940,921	1,010,758,306
Fair value through other comprehensive income			
Other investments		25,230,777	20,870,981
Total financial assets		**1,177,436,528**	**1,206,407,947**

Financial liabilities			
At amortised cost:			
Bank overdraft		117,607	4,893,877
Deposit from customers		77,464,174	77,867,000
Other payables	(iii)	31,808,263	32,528,614
Borrowings	(iv)	1,125,234,914	1,123,288,782
Lease liabilities		6,565,300	8,834,505
Fair value through profit or loss:			
Other financial liabilities		5,077,271	3,345,070
Total liabilities		**1,246,267,529**	**1,250,757,848**

Adjustments for non financial assets and liabilities are as follows:
(i) Other receivables exclude prepayments and VAT of USD 9 million (2019: USD 7.3 million)
(ii) Loans and advances exclude deferred transactions costs and revenues of USD 17.1 million (2019: USD 23.6 million)
(iii) Other payables exclude PAYE, VAT payable, withholding taxes and provisions of USD 10.8 million (2019: USD 7.6 million)
(iv) Borrowings exclude deferred transaction costs of USD 14.4 million (2019: USD 15.9 million)

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet payment obligations when they fall due or that insufficient funds are available to meet loan demands in the ordinary course of business. The Group's objectives in relation to liquidity risk are to manage the contractual mismatch between the cash inflows from assets and cash outflows to settle liabilities, to fund the expected balance sheet growth, to honour all cash outflow commitments, to avoid raising funds at market premiums or through the forced sale of assets as a result of liquidity pressure and to take advantage of attractive but unanticipated borrowing opportunities.

The ALCO, as subcommittee of the Board of Directors, monitors risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy. The ALCO is responsible for executing on fund raising mandates given to it by subsidiaries in support of the respective business models. This includes the ongoing assessment and evaluation of various funding sources designed to grow and diversify the Group's funding base to achieve an optimal funding profile and sound liquidity. The ALCO is also responsible for the ongoing monitoring of asset portfolio performance and its obligations to funders, including covenants.

It is the responsibility of each subsidiary to manage the daily cash flow requirements, to ensure funding covenants are maintained, to produce financial projections to monitor the impact of business trends on future funding requirements and covenants and to notify management of any changes to the business environment that may impact funding requirements.

The table below analyses liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for financial institutions ever to be completely matched since business transacted is often on uncertain terms and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

The Group has unused banking facilities which can be used to manage the liquidity risk.

The maturity of assets and liabilities to replace, at an acceptance cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the entity and its exposure to changes in interest rates and exchange rates.

31 December 2020	**0-3 months**	**4-12 months**	**1-5 years**	**Total**
Financial liabilities				
Bank overdraft	117,607	-	-	117,607
Deposits from customers*	31,283,406	50,970,691	3,263	82,257,360
Other payables	31,427,949	380,313	-	31,808,262
Other financial liabilities	-	3,830,479	1,246,792	5,077,271
Lease liabilities*	823,276	2,131,421	7,072,099	10,026,796
Borrowings*	121,854,068	361,696,134	875,978,286	1,359,528,488
Cash flows from financial liabilities	**185,506,306**	**419,009,038**	**884,300,440**	**1,488,815,784**

31 December 2019	**0-3 months**	**4-12 months**	**1-5 years**	**Total**
Financial liabilities				
Bank overdraft	4,893,877	-	-	4,893,877
Deposits from customers*	38,697,717	44,864,697	653,026	84,215,440
Other payables	32,528,639	-	-	32,528,639
Other financial liabilities	451,071	2,893,999	-	3,345,070
Obligation under finance leases*	26,105	28,190	-	54,295
Lease liabilities*	802,463	2,548,623	8,142,392	11,493,478
Borrowings*	85,826,012	263,819,351	1,119,044,740	1,468,690,103
Cash flows from financial liabilities	**163,225,884**	**314,154,860**	**1,127,840,158**	**1,605,220,902**

* Deposit from customers, lease liabilities and borrowings include future interests payable derived from respective loan amortisation schedules.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.4 Interest rate risk

The objective of the Group's interest rate risk management process is to manage and control interest rate exposure in order to optimise return on risk while maintaining a market profile consistent with the Group's mission.

Interest rate risk is the risk that movements in interest rates will reduce the entity's income or capital.

A principal part of the Group's management of interest rate risk is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). The Group aims, through its management of interest rate risk, to mitigate the impact of prospective interest rate movements which could reduce future earnings and capital.

The Group's interest rates relating to each financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis - Increase/decrease of 10% in net interest margin:

The interest rate risks sensitivity analysis is based on the following assumptions.
- Changes in the market interest rates affect the interest income or expenses of variable financial instrument
- Changes in the market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognised at their fair values.
- The interest rate changes will have an effect on interest sensitive assets and liabilities and hence simulation modelling is applied to financial instruments which are quoted at variable interest rates
- The projections make other assumptions including that all positions run to maturity.

The table below sets out the impact on current profit after taxation and equity of an incremental 10% parallel fall or rise on all yield curves at the beginning of the current financial year beginning on 01 January 2019 and 01 January 2020.

2020	**Base**	**Scenario 1 Effect after 10% increase in variable interest rates**	**Scenario 2 Effect after 10% decrease in variable interest rates**
Profit after taxation	29,086,666	26,616,197	30,783,472
Equity	172,052,527	169,582,058	173,749,333

2019	**Base**	**Scenario 1 Effect after 10% increase in variable interest rates**	**Scenario 2 Effect after 10% decrease in variable interest rates**
Profit after taxation	45,946,961	41,143,343	48,904,929
Equity	228,464,745	223,661,127	231,422,713

Assuming no management actions, an increase in interest rates would decrease the Group's profit after tax for the year by USD 2,470,469 (2019: USD 4,803,618) and equity by USD 2,470,469 (2019: USD 4,803,618), while a fall would increase profit after tax for the year by USD 1,696,806 (2019: USD 2,957,968) and equity by USD 1,696,806 (2019: USD 2,957,968).

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

31. Risk management (continued)

31.5 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors.

The capital structure of the Group consists of equity attributable to shareholders comprising stated capital, other reserves, retained earnings and non-controlling interests and net debt which includes borrowings, bank overdrafts and lease liabilities disclosed in notes 19 and 18, offset by cash and cash equivalents disclosed in note 3. The Group reviews the capital structure on a regular basis. The Group is not subject to any externally imposed capital requirements except for Bayport Saving and Loans Limited and Bayport Financial Services Limited where the subsidiaries are required to maintain a minimum capital adequacy ratio of 10% and Bayport Financial Services Mozambique (MCB) SA, where the subsidiary is required to maintain a minimum capital adequacy ratio of 8%.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to total capital ratio for the Group.

The net debt to total capital ratio for the Group at 2020 and 2019 respectively were as follows:

	2020	2019
Total borrowings		
Lease liabilities (note 18)	6,565,300	8,834,505
Borrowings (note 19)	1,110,862,147	1,107,339,173
	1,117,427,447	**1,116,173,678**
Less: Cash and cash equivalents (note 3)	(170,683,007)	(113,459,839)
Net debt	**946,744,440**	**1,002,713,839**
Total equity	172,052,527	228,464,745
Total capital	**1,118,796,967**	**1,231,178,584**
Net debt to capital	85 %	81 %

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2020	2019

31. Risk management (continued)

31.6 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Consequently the Group is exposed to the risk that the carrying amounts of foreign currency denominated assets and liabilities may change due to fluctuations in foreign exchange rates.

The currency profile of the financial assets and financial liabilities is summarised as follows:

Financial assets		
Currency		
South African Rand	9,098,921	55,120,583
Zambian Kwacha	133,955,015	217,281,649
Ghanaian Cedi	129,104,490	131,786,710
Uganda Shilling	18,789,853	21,437,924
Tanzanian Shilling	57,961,003	64,883,206
United States Dollar	120,099,296	57,369,051
Colombian Peso	266,599,687	237,050,013
Botswana Pula	114,438,334	97,231,025
Swedish Krona	21,216	108,859
Pound Sterling	269,996	1,830,578
Mozambican Metical	167,411,878	159,924,952
Mexican Peso	159,545,478	162,238,178
Mauritian Rupee	140,714	108,336
Euro	647	36,883
Total financial assets	**1,177,436,528**	**1,206,407,947**

Financial liabilities		
Currency		
South African Rand	5,936,758	10,571,426
Zambian Kwacha	57,904,798	85,010,421
Ghanaian Cedi	88,037,287	83,676,719
Uganda Shilling	1,952,660	2,480,384
Tanzanian Shilling	22,695,014	33,473,066
United States Dollar	591,876,368	638,070,122
Colombian Peso	180,706,079	128,115,498
Botswana Pula	82,897,105	62,647,552
Swedish Krona	6,089	5,430
Pound Sterling	427,473	1,010,556
Mauritian Rupee	119,093	229,209
Mozambican Metical	104,837,296	99,306,522
Mexican Peso	108,862,597	106,136,160
Euro	8,165	24,783
NOK	747	-
Total financial liabilities	**1,246,267,529**	**1,250,757,848**

The above tables exclude investment in associates which are denominated in South African Rand of ZAR 1,586,925,187 (2019: ZAR 1,583,554,252) equivalent to USD 107,993,030 (2019: USD 113,111,018).

Foreign exchange risk is the risk that movements in foreign exchange rates will reduce the entity's income or capital.

A principal part of the entity's management of foreign exchange risk is to monitor the sensitivity of future earnings and capital to varying foreign exchange rates. The entity aims, through its management of foreign exchange risk, to mitigate the impact of foreign exchange fluctuations which could reduce future earnings and capital.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

Foreign exchange risks - appreciation/depreciation of US Dollar against other currencies by 10%

The following table sets out the impact on current earnings of an incremental 10% parallel fall or rise in all foreign currencies at the beginning of the current financial year beginning on 01 January 2019 and 01 January 2020. Assuming no management actions, a series of such rise and fall would impact the future earnings and capital as illustrated in the table below.

2020	Base	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Profit after taxation	29,086,666	25,755,030	32,418,302
Equity	172,052,527	142,375,523	201,729,531

2019	Base	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Profit after taxation	45,946,961	42,493,322	49,400,600
Equity	228,464,745	200,819,841	256,109,649

Assuming no management actions, an appreciation in the US Dollar would decrease profit after tax for the year by USD 3,331,636 (2019: USD 3,453,639) and decrease equity by USD 29,677,004 (2019: USD 27,644,904), while a depreciation would have an opposite impact by the same amounts.

COVID-19 foreign currency impact assessment

On the onset of the COVID-19 pandemic, significant foreign exchange movements were seen during March 2020. Overall, for 2020 the exchange rates ended lower as compared to the end of 2019 but with most currencies stronger than March 2020. The Zambian Kwacha devaluation is not directly linked to the COVID-19 pandemic but rather attributable to the liquidity issue experienced by the Zambian government.

With a significant amount of group funding denominated in US Dollars, management accelerated plans to raise local denominated funding within the countries. Expectations were quickly exceeded with local funders very eager to provide funding to the local businesses. A number of these local facilities have been introduced and the US Dollars exposure of most operations have been greatly reduced.

Management is already working on other local funders and funding initiatives to further reduce the US Dollars net open position on the local balance sheets and decrease the foreign exchange risk for the Group.

31.7 Fair value measurements

Fair value measurements are categorised into levels 1 to 3 based on the degree to which the inputs to the fair value measurements are observable as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 are observable for the assets or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Except where disclosed elsewhere, the carrying value of the other financial assets and liabilities approximate their fair values.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Risk management (continued)

31.7.1 Other investments

Other investments are measured at fair value by discounting forecasted future cash flows. Unobservable inputs are used in arriving at the valuation and thus classifies as Level 3 under IFRS13 Fair Value Measurement hierachy. Unobservable inputs include collection efficiency, discount rates and exchange rates. If all of the above unobservable inputs to the valuation model were simultaneously 10% higher/(lower) while all other variables were held constant, the carrying amount of the investment for the Group would increase/(decrease) by:

			Impact			
			2020		2019	
Fair value of other investments	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**	**10% higher**	**10% lower**	**10% higher**	**10% lower**
Investment in GIL*	Collection efficiency	The higher the collection rates, the higher the fair value	2,780,100	(2,431,170)	1,969,468	(1,912,128)
	Exchange rates	An appreciation in USD will reduce the fair value	249,343	(285,893)	142,170	(152,456)
	Discount rate 5.79% (2019:7.95%)	The higher the discount rate, the lower the fair value	(268,230)	274,597	(303,385)	308,687

* The reconciliation of Level 3 fair value measurements are disclosed in note 7.

31.7.2 Contingent consideration

Contingent consideration relating to the portion of acquisition of Traficc Group (refer to note 9) is measured at fair value and discounted to capture its present value. It is classified as Level 3 under IFRS 13. Unobservable input includes discount rates. If the unobservable input to the valuation model was simultaneously 10% higher/(lower) while all other variables were held constant, the carrying amount of the contingent consideration would not be materially impacted.

32. Segmental reporting

Pursuant to the management approach to segment reporting of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Joint Group Chief Executive Officers (the Chief Operating Decision-Makers (CODM)), who are responsible for allocating resources to the reportable segments and assessing performance. The CODM uses profit before taxation as key measure to assess perfomance of each segment.

Other than those segmental information already disclosed, the CODM do not consider any other information as material.

The reportable segments are made up as follows:

(a) Operations in following countries: Zambia, Ghana, Tanzania, Uganda, Botswana, Mozambique, Colombia, Mexico.
(b) Insurance: Traficc Group and Sugaree Insurance Company Limited
(c) Support: Bayport Management Ltd, Actvest Limited, Cashfoundry Limited, Bayport Latin America Holdings Ltd, Bayport International Headquarter Company (Pty) Limited, Actvest Proprietary Limited, Bayport Management 2 Limited net of eliminating entries at consolidation.

The client base of the Group is diversified and there is no reliance on customers where revenue from transactions would exceed more than 10% of the Group's revenue.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

32. Segmental reporting (continued)

Segmental reporting $'000

Year ended 31 December 2020	**Zambia**	**Ghana**	**Tanzania**	**Uganda**	**Botswana**	**Mozambique**	**Colombia**	**Mexico**	**Insurance**	**Support**	**Group**
Consolidated statement of profit or loss											
Interest and other similar income	62,998	50,834	24,405	7,247	32,749	52,291	46,762	43,619	290	(288)	320,907
Interest and other similar expense	(22,366)	(25,230)	(8,489)	(3,337)	(7,776)	(21,908)	(30,319)	(19,719)	(62)	(24,475)	(163,681)
Net interest income/(loss)	40,632	25,604	15,916	3,910	24,973	30,383	16,443	23,900	228	(24,763)	157,226
Lending related income	1,066	741	417	99	476	1,099	2,859	157	16,639	6,949	30,502
Income from insurance activities	-	15	10	16	-	-	998	-	13,394	2,433	16,866
Other interest income	980	290	13	2	1	1,286	452	719	375	1,109	5,227
Other income	250	201	(337)	66	34	(6)	1,420	1,553	777	(849)	3,109
Non interest income/(loss)	2,296	1,247	103	183	511	2,379	5,729	2,429	31,185	9,642	55,704
Operating income	42,928	26,851	16,019	4,093	25,484	32,762	22,172	26,329	31,413	(15,121)	212,930
Operating expenses	(17,880)	(18,713)	(11,897)	(5,842)	(10,231)	(18,812)	(17,937)	(22,997)	(12,272)	(13,890)	(150,471)
Foreign exchange (loss)/gain	(523)	(276)	(537)	35	(1,372)	(3,376)	657	(122)	(16)	13,429	7,899
Operating profit/(loss) before impairment	24,525	7,862	3,585	(1,714)	13,881	10,574	4,892	3,210	19,125	(15,582)	70,358
Impairment on financial assets	(4,122)	(3,243)	(479)	(796)	(1,703)	(3,140)	(1,779)	(2,933)	-	-	(18,195)
Share of post-tax results of associates	-	-	-	-	-	-	-	-	-	478	478
Profit/(loss) before taxation	20,403	4,619	3,106	(2,510)	12,178	7,434	3,113	277	19,125	(15,104)	52,641
Taxation											(23,556)
Profit for the year											29,085

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

32. Segmental reporting (continued)

Segmental Reporting $'000

Year ended 31 December 2020	Zambia	Ghana	Tanzania	Uganda	Botswana	Mozambique	Colombia	Mexico	Insurance	Support	Group
Consolidated statement of financial position											
Loans and advances	104,306	115,185	52,978	17,331	110,079	145,577	249,554	154,067	-	-	949,077
Other assets	36,062	22,560	17,784	8,789	5,838	35,227	36,643	65,041	52,887	190,596	471,427
Total assets	**140,368**	**137,745**	**70,762**	**26,120**	**115,917**	**180,804**	**286,197**	**219,108**	**52,887**	**190,596**	**1,420,504**
Borrowings	35,072	66,469	20,614	685	81,443	62,986	167,043	104,065	-	572,603	1,110,980
Other liabilities	32,562	46,847	35,605	23,971	7,649	85,816	69,895	48,842	8,229	(221,944)	137,472
Total liabilities	**67,634**	**113,316**	**56,219**	**24,656**	**89,092**	**148,802**	**236,938**	**152,907**	**8,229**	**350,659**	**1,248,452**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

32. Segmental reporting (continued)

Segmental reporting $'000

Year ended 31 December 2019	Zambia	Ghana	Tanzania	Uganda	Botswana	Mozambique	Colombia	Mexico	Insurance	Support	Group
Consolidated statement of profit or loss											
Interest and other similar income	95,627	48,069	25,179	7,574	30,010	46,744	43,107	53,125	100	(98)	349,437
Interest and other similar expense	(31,880)	(22,190)	(9,411)	(3,158)	(7,828)	(20,411)	(22,964)	(20,990)	(33)	(13,115)	(151,980)
Net interest income/(loss)	63,747	25,879	15,768	4,416	22,182	26,333	20,143	32,135	67	(13,213)	197,457
Lending related income	1,628	764	383	115	421	948	4,444	38	11,768	21,255	41,764
Income from insurance activities	-	-	21	16	-	-	1,297	-	4,970	1,482	7,786
Other interest income	975	184	17	-	-	621	303	443	344	650	3,537
Other income	381	332	315	62	2	17	598	819	1,196	123	3,845
Non interest income	2,984	1,280	736	193	423	1,586	6,642	1,300	18,278	23,510	56,932
Operating income	66,731	27,159	16,504	4,609	22,605	27,919	26,785	33,435	18,345	10,297	254,389
Operating expenses	(24,435)	(23,492)	(12,051)	(6,378)	(9,418)	(18,146)	(20,175)	(23,073)	(4,505)	(15,726)	(157,399)
Foreign exchange (loss)/gain	(278)	(1,205)	(122)	118	167	(196)	177	(167)	(44)	1,063	(487)
Operating profit before impairment	42,018	2,462	4,331	(1,651)	13,354	9,577	6,787	10,195	13,796	(4,366)	96,503
Impairment on financial assets	(9,169)	(5,622)	(4,047)	303	897	604	2,052	(7,144)	-	-	(22,126)
Share of post-tax results of associates	-	-	-	-	-	-	-	-	-	1,693	1,693
Profit/(loss) before taxation	32,849	(3,160)	284	(1,348)	14,251	10,181	8,839	3,051	13,796	(2,673)	76,070
Taxation											(30,123)
Profit for the year											45,947

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

32. Segmental reporting (continued)

Segmental Reporting $'000

Year ended 31 December 2019	**Zambia**	**Ghana**	**Tanzania**	**Uganda**	**Botswana**	**Mozambique**	**Colombia**	**Mexico**	**Insurance**	**Support**	**Group**
Consolidated statement of financial position											
Loans and advances	197,851	126,840	63,248	20,560	92,951	147,462	224,292	161,124	-	-	1,034,328
Other assets	24,936	15,302	14,622	8,630	6,689	31,297	30,552	63,922	35,657	208,676	440,283
Total assets	222,787	142,142	77,870	29,190	99,640	178,759	254,844	225,046	35,657	208,676	1,474,611
Borrowings	58,402	67,551	30,049	1,025	61,348	59,644	119,571	104,466	-	610,177	1,112,233
Other liabilities	72,135	51,915	35,301	24,682	12,343	83,055	86,165	51,622	9,475	(292,780)	133,913
Total liabilities	**130,537**	**119,466**	**65,350**	**25,707**	**73,691**	**142,699**	**205,736**	**156,088**	**9,475**	**317,397**	**1,246,146**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Financial Summary

	2020	2019	2018
Statement of profit or loss			
Net interest income	157,226,169	197,456,658	206,039,483
Profit for the year	29,086,666	45,946,961	44,961,674
Profit attributable to owners of the Company	23,988,704	40,118,159	38,193,634
Statement of financial position			
Loans and advances	949,077,442	1,034,327,321	870,702,219
Other assets	471,426,856	440,283,562	355,136,896
Total assets	**1,420,504,298**	**1,474,610,883**	**1,225,839,115**
Total equity	172,052,527	228,464,745	230,397,920
Total liabilities	1,248,451,771	1,246,146,138	995,441,195
Total equity and liabilities	**1,420,504,298**	**1,474,610,883**	**1,225,839,115**

34. Prior period reclassification

During the year ended 31 December 2020, management reviewed the presentation of the statement of financial position and concluded that it is appropriate to reclassify certain liability balances reported in the year ended 31 December 2019.

Revolving credit facility previously accounted under bank overdraft has been reclassified to borrowings and interest payable has been reclassified to deposit from customers and borrowings respectively.

The impact on the Group financial statements as at 31 December 2019 is as follows:

Statement of financial position

Liabilities	**As previously stated**	**Reclassification adjustments**	**As restated**
Bank overdraft	49,893,877	(45,000,000)	4,893,877
Deposit from customers	74,954,133	2,912,867	77,867,000
Other payables	59,701,536	(20,732,657)	38,968,879
Borrowings	1,044,519,383	62,819,790	1,107,339,173

Statement of cash flows

Increase in deposit from customers	8,685,156	(1,765,961)	6,919,195
Decrease in other payables	(3,881,493)	1,765,961	(2,115,532)
Proceeds from borrowings	294,023,585	73,000,000	367,023,585
Repayment of borrowings	(110,368,613)	(63,000,000)	(173,368,613)
Net cash and cash equivalents at the beginning of the year	16,080,407	35,000,000	51,080,407
Net cash and cash equivalents at the end of the year	68,459,839	45,000,000	113,459,839

The impact on the statement of financial position as at 1 December 2019 is as follows:

Liabilities	**As previously restated**	**Reclassification adjustments**	**As restated**
Bank overdraft	52,331,627	(35,000,000)	17,331,627
Deposit from customers	73,727,911	4,678,818	78,406,729
Other payables	57,754,751	(28,304,558)	29,450,193
Borrowings	780,694,896	23,625,740	804,320,636

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

34. Prior period reclassification (continued)

There is no impact on the statement of profit or loss.

Management does not consider the reclassification to be material in the context of the Group's operations.

35. Events after the reporting period

Impact of COVID-19

The global outbreak of the COVID-19 which was declared a global pandemic by the World Health Organisation, has caused significant volatility within the economic markets. The duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. The Group has been following all the established protocols and precautionary measures communicated by the Government in our various operations. Our business model is at source deduction from central and local governments, based on current information available the Directors are not aware of any matter or circumstances arising since the end of the financial year, not otherwise dealt with in the financial statements, which would significantly affect the financial position of the company as laid out in these financial statements. The board of directors together with ALCO will continue to monitor risks associated with liquidity and funding, interest rates, counterparties, currency exposures and capital adequacy and will undertake scenario based planning should the pandemic spread more widely across the countries in which we operate.

Deconsolidation of the Traficc Group

The suspension of the minority protection rights with regards to the Traficc Group expired on 1 January 2021. Consequently, the Group's investment in the Traficc Group no longer meet the definition of control as defined by IFRS 10. However, the Group continues to exercise significant influence over the Traficc Group.

As a result, the Group will no longer account its investments in the Traficc Group as subsidiares but will revert to the recognition as an investment in associates and as a consequence will derecognise goodwill of USD 3,184,822 (refer to note 10) and the Group will again account for its share of earnings and other comprehensive income of the associate.

Traficc Group put option exercise

In January 2021, the put option that the Group wrote in favour of the minority shareholders of the Traficc Group were exercised. A total of 141,340 shares will be bought back from the Traficc Group shareholders at a price of USD 23.36 for USD 3,301,702 (Refer to note 17.1).




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