

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the twelve months ended 31 December 2019



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	31-Dec-19	31-Dec-18
Assets			
Cash and bank balances		118 353 716	68 412 034
Other receivables		73 765 720	15 888 584
Current tax assets		14 191 509	14 126 350
Other financial assets		-	21 706 180
Loans and advances	4	1 034 327 321	870 702 219
Other investments		20 870 981	34 818 013
Investment in associates	5	113 111 018	116 034 222
Goodwill		7 743 342	4 581 465
Property and equipment	6	11 269 971	12 589 846
Right-of-use assets	7	9 338 463	-
Intangible assets	6	56 900 604	34 898 285
Deferred tax assets		24 242 445	32 081 917
Total Assets		1 484 115 090	1 225 839 115
Liabilities			
Bank overdrafts		49 893 877	52 331 627
Deposits from customers		74 954 133	73 727 911
Other payables		59 005 098	60 577 583
Current tax liabilities		3 068 022	6 327 565
Other financial liabilities		3 345 070	21 701 805
Lease liabilities	7	8 834 505	47 166
Borrowings	8	1 051 576 370	780 694 896
Deferred tax liabilities		33 923	32 642
Total Liabilities		1 250 710 998	995 441 195
Equity			
Share capital and treasury shares	9	404 568 832	373 557 114
Reserves		(245 117 456)	(204 397 871)
Retained earnings		56 033 066	46 657 871
Equity attributable to owners of the Company		215 484 442	215 817 114
Non-controlling interests		17 919 650	14 580 806
Total Equity		233 404 092	230 397 920
Total Liabilities and Equity		1 484 115 090	1 225 839 115

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures in US Dollar	Note	Three months ended		Twelve months ended	
		31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
Interest and other similar income		91 051 484	77 855 234	349 436 664	325 723 855
Interest and other similar expense		(45 745 124)	(32 701 223)	(156 696 717)	(119 684 372)
Net interest income		45 306 360	45 154 011	192 739 947	206 039 483
Commission income		1 507 910	1 053 646	5 951 225	4 216 240
Dividend income		3 904 744	8 882 884	23 327 790	17 573 053
Other income		10 726 314	2 449 372	27 653 101	8 998 178
Non-interest Income		16 138 968	12 385 902	56 932 116	30 787 471
Operating income		61 445 328	57 539 913	249 672 063	236 826 954
Operating expenses		(36 951 633)	(39 490 405)	(152 459 817)	(147 522 027)
Foreign exchange losses		345 842	(309 917)	(487 458)	(3 116 538)
Operating profit before impairment on financial assets		24 839 537	17 739 591	96 724 788	86 188 389
Impairment on financial assets		(5 556 054)	(1 582 951)	(22 125 768)	(18 237 385)
Operating profit		19 283 483	16 156 640	74 599 020	67 951 004
Share of post-tax results of associates	5	768 223	456 211	1 693 256	3 416 719
Profit before taxation		20 051 706	16 612 851	76 292 276	71 367 723
Taxation	3	(9 797 429)	(4 899 828)	(29 365 237)	(26 406 049)
Profit for the period/year		10 254 277	11 713 023	46 927 039	44 961 674
Attributable to:					
Owners of the Company		10 114 615	10 305 550	43 409 425	38 193 634
Non-controlling interests		139 662	1 407 473	3 517 614	6 768 040
Profit for the period/year		10 254 277	11 713 023	46 927 039	44 961 674
Earnings per share					
Basic earnings per share		0.29	0.30	1.26	1.12
Diluted earnings per share		0.29	0.30	1.24	1.10
Basic weighted average number of shares		34 695 902	34 278 874	34 433 065	34 243 584
Diluted weighted average number of shares		35 189 609	34 688 151	34 914 997	34 649 763

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Note	Three months ended 31-Dec-19	31-Dec-18	Twelve months ended 31-Dec-19	31-Dec-18
Profit for the period/year		10 254 277	11 713 023	46 927 039	44 961 674
Other comprehensive (loss)/income, net of taxation					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net fair value (loss)/gain on investments in equity instruments designated as at fair value through other comprehensive income		(1 286 117)	(2 468 017)	(14 591 098)	2 448 414
Share of other comprehensive loss of associates		(646 053)	(661 563)	(542 975)	(989 903)
Total items that will not be reclassified subsequently to profit or loss		(1 932 170)	(3 129 580)	(15 134 073)	1 458 511
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange differences		11 942 765	(11 522 160)	(24 919 768)	(68 779 358)
Effect of cash flow hedges		-	(2 441 695)	2 654 944	(2 092 067)
Total items that may be reclassified subsequently to profit or loss		11 942 765	(13 963 855)	(22 264 824)	(70 871 425)
Other comprehensive income/(loss) for the period/year, net of taxation		10 010 595	(17 093 435)	(37 398 897)	(69 412 914)
Total comprehensive income/(loss) for the period/year		20 264 872	(5 380 412)	9 528 142	(24 451 240)
Attributable to:					
Owners of the Company		21 113 387	(6 889 966)	8 521 001	(28 213 757)
Non-controlling interests		(848 515)	1 509 554	1 007 141	3 762 517
Total comprehensive income/(loss) for the period/year		20 264 872	(5 380 412)	9 528 142	(24 451 240)

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the twelve months ended 31 December 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in US Dollar																	
Balance at 01 January 2018	30 856	303 803 835	763 679	60 560 000	(1 498 760)	-	363 659 610	(194 290 944)	(562 877)	(2 406 602)	2 033 759	42 095 932	(153 130 732)	33 891 828	244 420 706	13 006 421	257 427 127
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	38 193 634	38 193 634	6 768 040	44 961 674
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(65 773 835)	(2 092 067)	-	-	1 458 511	(66 407 391)	-	(66 407 391)	(3 005 523)	(69 412 914)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	-	(65 773 835)	(2 092 067)	-	-	1 458 511	(66 407 391)	38 193 634	(28 213 757)	3 762 517	(24 451 240)
Issue of shares	82	1 025 749	(499 788)	-	-	-	526 043	-	-	-	-	-	-	-	526 043	-	526 043
Share application monies	-	-	9 371 461	-	-	-	9 371 461	-	-	-	-	-	-	-	9 371 461	-	9 371 461
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	4 643 560	-	4 643 560	-	4 643 560	-	4 643 560
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	11 228 397	11 228 397	(11 228 397)	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	(731 705)	-	-	-	-	(731 705)	(14 199 194)	(14 930 899)	(2 188 132)	(17 119 031)
Balance at 31 December 2018	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)	46 657 871	215 817 114	14 580 806	230 397 920
Balance at 01 January 2019 as previously reported	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)	46 657 871	215 817 114	14 580 806	230 397 920
Impact of adopting IFRS 16 at associate level	-	-	-	-	-	-	-	-	-	-	-	-	-	(199 989)	(199 989)	-	(199 989)
Balance at 01 January 2019 as restated	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 period	-	-	-	-	-	-	-	-	-	-	-	-	-	43 409 425	43 409 425	3 517 614	46 927 039
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(22 409 295)	2 654 944	-	-	(15 134 073)	(34 888 424)	-	(34 888 424)	(2 510 473)	(37 398 897)
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	-	(22 409 295)	2 654 944	-	-	(15 134 073)	(34 888 424)	43 409 425	8 521 001	1 007 141	9 528 142
Issue of shares	460	10 646 610	(9 635 352)	-	-	-	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	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(41 098 012)	(41 098 012)	-	(41 098 012)
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 331 703	2 331 703
Balance at 31 December 2019	31 398	315 476 194	-	60 560 000	(1 498 760)	30 000 000	404 568 832	(283 205 779)	-	(2 406 602)	8 109 929	32 384 996	(245 117 456)	56 033 066	215 484 442	17 919 650	233 404 092
Note	9																

Note

9

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2019

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Note	Twelve months ended	
		31-Dec-19	31-Dec-18
Cash flows from operating activities			
Profit before taxation		76 292 276	71 367 723
Adjustments for:			
Share of profit of associates	5	(1 693 256)	(3 416 719)
Depreciation and amortisation		9 837 690	6 242 728
Profit on disposal of property and equipment and intangible assets		(78 065)	(20 259)
Unrealised exchange (profit)/loss		(26 537 412)	5 646 159
Finance costs		156 696 717	119 684 372
Dividend income recognised in income statement		(23 327 790)	(17 573 053)
Increase in provision for credit impairment		27 126 869	26 393 359
Movement in provisions and share based payments		2 282 928	1 744 009
Operating cash flows before movements in working capital		220 599 957	210 068 319
Changes in working capital:			
Increase in other receivables		(4 588 048)	(3 694 933)
Increase in gross advances		(236 540 375)	(261 441 493)
Increase in deposits from customers		8 685 156	28 688 490
(Decrease)/increase in other payables		(6 373 620)	19 781 172
Cash used in operations		(18 216 930)	(6 598 445)
Dividend received		24 048 043	19 749 683
Finance costs paid		(151 217 432)	(115 757 882)
Tax paid		(25 169 754)	(29 874 188)
Net cash used in operating activities		(170 556 073)	(132 480 832)
Cash flows from investing activities			
Proceeds on disposal of property and equipment and intangible assets		269 472	111 569
Purchase of property and equipment and intangible assets	6	(25 801 535)	(19 435 890)
Net movement in amounts due from related parties		24 963	1 257 780
Proceeds from issue of Limited-voting B Shares		30 000 000	-
Dividend paid		(41 098 012)	-
Net cash flows from acquisition of subsidiary		1 316 021	-
Net movement in investment in associates	5	(122 400)	(115 117)
Net cash flows used in investing activities		(35 411 491)	(18 181 658)
Cash flows from financing activities			
Proceeds from issue of bonds		350 694 259	41 693 805
Repayment of bonds		(241 669 016)	(24 147 486)
Proceeds from borrowings		294 023 585	214 132 389
Repayment of borrowings		(110 368 613)	(82 716 250)
Repayment on lease liabilities		(2 338 975)	(67 005)
Loans to associates		(30 463 688)	-
Mark-to-Market receipts/(payments) on forward contracts		19 201 751	(22 272 430)
Net cash flows generated by financing activities		279 079 303	126 623 023
Net increase/(decrease) in cash and cash equivalents		73 111 739	(24 039 467)
Net cash and cash equivalents at the beginning of the year		16 080 407	45 740 727
Effect of foreign exchange rate changes		(20 732 307)	(5 620 853)
Net cash and cash equivalents at the end of the year		68 459 839	16 080 407

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Bayport Management Ltd (the "Company") is incorporated in Mauritius and listed on the Stock Exchange of Mauritius. The Company is a holding company to the following businesses involved in the provision of retail financial services:

Name of subsidiaries	Place of incorporation
Bayport Financial Services Limited	Zambia
Bayport Savings and Loans Limited	Ghana
Bayport Financial Services (Tanzania) Limited	Tanzania
Bayport Financial Services Uganda Limited	Uganda
Money Quest Investments (Proprietary) Limited	Botswana
Bayport Colombia S.A.	Colombia
Bayport Financial Services Mozambique (MCB), S.A	Mozambique
Actvest Mexico S.A.P.I de C.V, E.N.R	Mexico
Financiera Fortaleza, S.A de C.V, SOFOM E.N.R	Mexico
Cashfoundry Limited	United Kingdom
Actvest Limited	Mauritius
Bayport Latin America Holdings Ltd	Mauritius
Picasso Moon Investments Limited	Mauritius
Bayport Management 2 Limited (Dormant)	Mauritius
Bayport International Headquarter Company Proprietary Limited	South Africa
Actvest (Proprietary) Limited	South Africa
The Real Automobile Finance and Insurance Consulting Company Proprietary Limited	South Africa
Traffic Global Proprietary Limited	South Africa
Traffic Maintenance Plans Proprietary Limited	South Africa
Built to Last Proprietary Limited	South Africa
Sugar Magnolia Proprietary Limited	South Africa
Green Light Insurance Brokers Proprietary Limited	South Africa
Peak Hour Consultants Proprietary Limited	South Africa
Bayport Financial Services (USA), Inc.	United States
Sugaree Insurance Company Limited	Bermuda

The Company's registered office is at c/o DTOS Ltd, 10th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius and the Company's principal place of business is at 3rd Floor, Ebene Skies, Rue De L'Institut, Ebene, Mauritius.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS **(continued)**

2. Basis of preparation

2.1 Statement of compliance

The unaudited condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

2.2 Significant accounting policies

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments which are at fair value.

The same accounting policies and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2018.

2.3 Functional and presentation currency

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States Dollars using exchange rates prevailing at the reporting date. Income and expenditure are translated at average rates of exchange for the period while balances are translated at month end rates.

3. Taxation

Income tax for the year is accrued based on actual annual effective income tax rates for each entity within the Group.

4. Loans and advances

Figures in US Dollar	31-Dec-19	31-Dec-18
Gross advances	1 106 020 943	933 262 231
Impairment provision	(71 693 622)	(62 560 012)
Net advances	1 034 327 321	870 702 219
Impairment provision		
Opening balance	62 560 012	68 212 555
Impairment recognised in profit or loss	22 470 834	17 167 405
Utilisation of allowance for impairment	(10 395 774)	(16 762 235)
Foreign exchange movements	(2 941 450)	(6 057 713)
Closing balance	71 693 622	62 560 012

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

5. Investments in associates

	31-Dec-19	31-Dec-18
Opening balance	116 034 222	134 179 442
Impact on adoption of IFRS 16	(199 989)	-
Additions	122 400	-
Share of profits	1 693 256	3 416 719
Share of other comprehensive loss	(542 975)	(989 903)
Transferred to investment in subsidiary	(5 622 203)	-
Dividend	(720 253)	(2 176 630)
Movement in currency translation reserve	2 346 560	(18 395 406)
Closing balance	113 111 018	116 034 222

6. Property and equipment and intangible assets

During the year, the Group spent USD 25.8 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

7. Right-of-use assets

The Group adopted IFRS 16 as from January 1, 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 January 1, 2019, to the retained earnings and not restate prior years. When doing so, the Group also made use of the practical expedient to not recognize 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 recognized the right-of-use assets at the amount equal to the lease liabilities, there was no impact to the opening retained earnings.

8. Borrowings

	31-Dec-19	31-Dec-18
Corporate bonds	387 802 481	293 872 197
Other term loans	672 666 511	493 912 201
	1 060 468 992	787 784 398
Less: deferred transaction costs	(8 892 622)	(7 089 502)
Total borrowings	1 051 576 370	780 694 896

Corporate bonds

These bonds constitute direct, general, unconditional, subordinated and unsecured obligations of the Company. During the period, the Group issued Social bonds of USD 260 million carrying interest of 11.5% per annum and Nordic bonds of USD 80 million carrying interest of 10.5% per annum.

The Social bond issue refinanced Swedish Krona bonds with a financial value of SEK 1,900 million (USD 198.8 million) maturing in September 2019 and November 2019.

Other term loans

During the year, the Company drew a further USD 50 million under the Overseas Private Investment Corporation ("OPIC") facility.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

9. Share capital and treasury shares

	31-Dec-19	31-Dec-18
Share capital	31 398	30 938
Share premium	315 476 194	304 829 584
Share application monies	-	9 635 352
Convertible equity instrument	60 560 000	60 560 000
Limited-voting B Shares	30 000 000	-
Total share capital	406 067 592	375 055 874
Treasury shares	(1 498 760)	(1 498 760)
Total share capital and treasury shares	404 568 832	373 557 114
 Number of Ordinary shares	 31 398 089	 30 937 688
 Number of Limited-voting B Shares	 30	 -

Limited-voting B Shares

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 dividend 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 B shares at a price of USD 1 million per B share.

The above unaudited condensed consolidated Financial Statements are issued pursuant to Listing Rules 11.3 and 11.5 of the Stock Exchange of Mauritius Ltd, the Securities Act 2005 of Mauritius and Listing Rule 3.3 (Fixed Income Instrument) of the NASDAQ OMX Stockholm Stock Exchange.

The Board of Directors of Bayport Management Ltd accepts full responsibility for the accuracy of the information contained in these unaudited condensed consolidated Financial Statements.