

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 30 September 2022



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	30-Sep-22	31-Dec-21
Assets			
Cash and bank balances		147 296 119	146 811 956
Reinsurance Asset		-	1 567 037
Other receivables		59 871 309	62 373 693
Derivative financial instruments		3 137 638	6 727 809
Current tax assets		20 527 079	16 360 496
Loans and advances	4	1 102 872 586	1 053 142 831
Other investments		46 814 485	34 033 545
Investment in associates		86 810 079	109 576 621
Goodwill		4 150 115	4 275 171
Property and equipment	5	7 415 794	7 835 818
Right-of-use assets		5 626 485	6 262 535
Intangible assets	5	44 327 488	48 359 254
Deferred tax assets		23 120 879	26 055 792
Total Assets		1 551 970 056	1 523 382 558
Liabilities			
Bank overdraft		17 315 000	21 012 425
Deposits from customers		119 580 966	104 466 846
Other payables		45 884 999	52 922 024
Current tax liabilities		11 503 375	8 635 385
Other financial liabilities		345 139	1 543 823
Reinsurance Liabilities		1 131 628	-
Lease liabilities		6 237 501	6 685 464
Borrowings-Senior	6	1 015 570 169	1 029 687 276
Borrowings-Subordinated	6	150 680 449	99 085 077
Deferred tax liabilities		2 461 141	2 795 960
Total Liabilities		1 370 710 367	1 326 834 280
Equity			
Share capital and treasury shares	7	399 255 343	399 543 505
Reserves		(304 206 443)	(275 845 399)
Retained earnings		79 880 715	67 782 223
Equity attributable to owners of the Company		174 929 615	191 480 329
Non-controlling interests		6 330 074	5 067 949
Total Equity		181 259 689	196 548 278
Total Liabilities and Equity		1 551 970 056	1 523 382 558

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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

Figures in US Dollar	Note	Three months ended		Nine months ended	
		30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Interest and other similar income		83 883 934	83 803 199	251 294 746	243 514 881
Interest and other similar expense		(48 099 774)	(45 351 601)	(141 680 018)	(125 850 704)
Net interest income		35 784 160	38 451 598	109 614 728	117 664 177
Lending related income		8 062 573	5 118 074	19 571 447	17 138 235
Income from insurance activities		440 163	885 290	1 534 148	3 022 019
Investment income		3 418 667	3 382 822	11 060 890	5 446 555
Other income		8 745 952	2 072 352	14 143 588	6 894 053
Non-interest Income		20 667 355	11 458 538	46 310 073	32 500 862
Operating income		56 451 515	49 910 136	155 924 801	150 165 039
Operating expenses		(37 364 040)	(33 747 853)	(97 127 290)	(98 184 517)
Foreign exchange gains/(losses)		222 211	106 797	(954 638)	(2 966 438)
Operating profit before impairment on financial assets		19 309 686	16 269 080	57 842 873	49 014 084
Impairment on financial assets		(4 938 875)	(3 685 888)	(13 301 019)	(17 080 840)
Operating profit before share of post-tax results of associates		14 370 811	12 583 192	44 541 854	31 933 244
Share of post-tax results of associates		(943 505)	28 955	(2 815 256)	(96 499)
Operating profit before taxation		13 427 306	12 612 147	41 726 598	31 836 745
Taxation	3	(7 362 320)	(8 013 462)	(25 660 387)	(19 148 158)
Profit for the period		6 064 986	4 598 685	16 066 211	12 688 587
Attributable to:					
Owners of the Company		5 342 419	3 610 855	14 559 683	9 769 015
Non-controlling interests		722 567	987 830	1 506 528	2 919 572
Profit for the period		6 064 986	4 598 685	16 066 211	12 688 587
Earnings per share*					
Basic earnings per share		0.16	0.10	0.42	0.28
Diluted earnings per share		0.15	0.10	0.42	0.28
Basic weighted average number of shares *		34 430 450	34 488 764	34 430 450	34 488 764
Diluted weighted average number of shares *		34 684 865	34 660 595	34 684 865	34 660 595

* The basic and diluted weighted average number of shares excludes treasury shares and includes shares to be issued for convertible equity instruments.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Three months ended		Nine months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Profit for the period	6 064 986	4 598 685	16 066 211	12 688 587
Other comprehensive income/(loss), net of taxation				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Fair value (loss) arising on hedging instruments	-	-	-	(864 416)
Net fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income	(5 000 000)	-	12 781 008	(122 928)
Share of other comprehensive loss of associates	-	-	-	(366 087)
Total items that will not be reclassified subsequently to profit or loss	(5 000 000)	-	12 781 008	(1 353 431)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange differences	(18 883 330)	13 667 056	(35 083 166)	15 008 822
Fair value (loss) arising on hedging instruments	(5 997 543)	-	(8 313 899)	-
Total items that may be reclassified subsequently to profit or loss	(24 880 873)	13 667 056	(43 397 065)	15 008 822
Other comprehensive (loss)/income for the period, net of taxation	(29 880 873)	13 667 056	(30 616 057)	13 655 391
Total comprehensive (loss)/income for the period	(23 815 887)	18 265 741	(14 549 846)	26 343 978
Attributable to:				
Owners of the Company	(24 523 245)	14 070 894	(15 811 971)	20 752 118
Non-controlling interests	707 358	4 194 847	1 262 125	5 591 860
Total comprehensive (loss)/income for the period	(23 815 887)	18 265 741	(14 549 846)	26 343 978

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Nine months ended	
	30-Sep-22	30-Sep-21
Cash flows from operating activities		
Profit before taxation	41 726 598	31 836 745
Adjustments for:		
Share of post tax results of associates	2 815 256	96 499
Depreciation and amortisation	7 919 685	8 631 035
(Profit)/Loss on disposal of property and equipment and intangible assets	(17 992)	17 587
Unrealised exchange losses	13 057 273	5 963 401
Finance costs	141 680 018	125 850 704
Finance income	-	(458 369)
Dividends income	(5 017 208)	(4 541 422)
Profit on disposal of associates	(2 792 350)	-
Movement in provision for credit impairment	16 667 042	20 915 295
Movement in provisions for share based payments	(262 503)	-
Reversal of impairment on withholding tax	478 994	-
Profit before tax adjusted for non-cash items	216 254 813	188 311 475
Dividend received from equity instruments designated as at FVTOCI	5 017 208	4 541 422
Finance costs paid	(113 295 968)	(125 850 704)
Interest received	-	408 541
Tax paid	(24 591 373)	(18 569 941)
Cash generated by operations before changes in working capital	83 384 680	48 840 793
Changes in working capital:		
(Increase)/decrease in other receivables	(15 162 556)	720 225
Increase in gross advances	(156 609 282)	(96 553 409)
Increase in deposits from customers	24 013 493	6 304 849
Increase in other payables	36 574 786	5 750 321
Net cash used in operating activities	(27 798 879)	(34 937 221)
Cash flows from investing activities		
Proceeds on disposal of property and equipment and intangible assets	84 456	180 705
Purchase of property and equipment and intangible assets	(2 907 097)	(3 238 431)
Net movement in amount due to associates	15 385	-
Cash inflow from associates on repayment of loans	903 604	-
Net cash flows from disposal of associate	12 355 595	-
Net cash flows generated by/(used in) investing activities	10 451 943	(3 057 726)
Cash flows from financing activities		
Proceeds from issue of bonds	300 000 000	35 834 044
Repayment of bonds	(297 932 050)	(23 160 398)
Proceeds from borrowings	407 619 641	425 686 398
Repayment of borrowings	(384 397 802)	(414 825 283)
Repayment of lease liabilities	(1 805 054)	(2 231 161)
Dividend paid	(493 175)	-
Movement in equity settled reserves	(14 047)	-
Movement in other reserves	(5 347 356)	(1 506 857)
Net cash flows generated by financing activities	17 630 157	19 796 743
Net increase/(decrease) in cash and cash equivalents	283 221	(18 198 204)
Cash and cash equivalents at the beginning of the period	125 799 531	170 683 007
Derecognition of subsidiary	-	(7 212 229)
Effect of foreign exchange rate changes	3 898 367	10 043 309
Cash and cash equivalents at the end of the period	129 981 119	155 315 883

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UNAUDITED CONDENSED 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 reserve	Other reserves	Total reserves	Retained earnings	Attributable to owners of the Company	Total non-controlling interests	Total
Balance at 01 January 2021	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
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	9 769 015	9 769 015	2 919 572	12 688 587
Other comprehensive (loss)/income	-	-	-	-	-	-	-	12 336 534	(864 416)	-	-	(489 015)	10 983 103	-	10 983 103	2 672 288	13 655 391
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	12 336 534	(864 416)	-	-	(489 015)	10 983 103	9 769 015	20 752 118	5 591 860	26 343 978
Issue of share	10	104 927	-	-	-	-	104 937	-	-	-	-	-	-	-	104 937	-	104 937
Buy back of treasury shares	-	-	-	-	(2 406 601)	-	(2 406 601)	-	-	2 217 129	-	-	2 217 129	-	(189 472)	-	(189 472)
Share application monies	-	-	(104 937)	-	-	-	(104 937)	-	-	-	-	-	-	-	(104 937)	-	(104 937)
Change in ownership interests	-	-	-	-	-	-	-	(4 525)	-	-	-	-	(4 525)	-	(4 525)	(2 202 263)	(2 206 788)
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	10 375 558	10 375 558	(10 375 558)	-	-	-
Balance at 30 September 2021	31 394	315 441 273	-	60 560 000	(6 299 688)	30 000 000	399 732 979	(345 579 577)	(864 416)	(189 473)	4 380 024	51 073 201	(291 180 241)	68 062 050	176 614 788	19 385 457	196 000 245
Balance at 01 January 2022	31 394	315 441 273	-	60 560 000	(6 489 162)	30 000 000	399 543 505	(354 149 995)	2 517 994	-	4 821 987	70 964 615	(275 845 399)	67 782 223	191 480 329	5 067 949	196 548 278
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	14 559 683	14 559 683	1 506 528	16 066 211
Other comprehensive income	-	-	-	-	-	-	-	(34 838 763)	(8 313 899)	-	-	12 781 008	(30 371 654)	-	(30 371 654)	(244 403)	(30 616 057)
Total comprehensive income for the period	-	-	-	-	-	-	-	(34 838 763)	(8 313 899)	-	-	12 781 008	(30 371 654)	14 559 683	(15 811 971)	1 262 125	(14 549 846)
Buy back of ordinary shares	-	-	-	-	(288 162)	-	(288 162)	-	-	-	(14 047)	-	(14 047)	-	(302 209)	-	(302 209)
Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	-	-	-	(951 974)	(951 974)	951 974	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	2 976 631	2 976 631	(2 976 631)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(436 534)	(436 534)	-	(436 534)
Balance at 30 September 2022	31 394	315 441 273	-	60 560 000	(6 777 324)	30 000 000	399 255 343	(388 988 758)	(5 795 905)	-	4 807 940	85 770 280	(304 206 443)	79 880 715	174 929 615	6 330 074	181 259 689

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Note

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 legal entities:

Name of subsidiaries	Place of incorporation
Bayport Financial Services Limited	Zambia
Bayport Savings and Loans Limited	Ghana
Bayport Financial Services (T) Limited	Tanzania
Bayport Financial Services Uganda Limited	Uganda
Money Quest Investments (Proprietary) Limited	Botswana
Bayport Colombia S.A.	Colombia
Bayport Asesores Ltda	Colombia
Bayport Financial Services Mozambique (MCB), S.A	Mozambique
Actvest Mexico S.A.PI de C.V, E.N.R	Mexico
Financiera Fortaleza, S.A de C.V, SOFOM E.N.R	Mexico
Desembolsos 48H SA DE CV	Mexico
Cashfoundry Limited	United Kingdom
Actvest Limited	Mauritius
Bayport Latin America Holdings Ltd	Mauritius
Bayport International Headquarter Company (Pty) Limited	South Africa
Actvest Proprietary Limited	South Africa
Bayport Financial Services (USA), Inc.	United States
Sugaree Insurance Company Limited	Bermuda

Both the Company’s registered office, Bellerive Corporate Management Services (Mauritius) Ltd and the Company’s principal place of business, are located at 3rd Floor, Ebene Skies, Rue De L’Institut, Ebene, Mauritius.

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 2021.

2.3 Functional and presentation currency

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

3. Taxation

Income tax for the period is accrued taking into consideration non-deductible expenditure during the period for each entity within the Group.

4. Loans and advances

	30-Sep-22	31-Dec-21
Gross advances	1 170 627 598	1 116 362 741
Impairment provision	(67 755 012)	(63 219 910)
Net advances	1 102 872 586	1 053 142 831
Impairment provision		
Opening balance	63 219 910	51 173 835
Impairment recognised in profit or loss	13 302 213	18 907 689
Utilisation of allowance for impairment	388 238	(23 142 480)
Foreign exchange movements	(9 155 349)	16 280 866
Closing balance	67 755 012	63 219 910

5. Property and equipment and intangible assets

During the period, the Group spent USD 2.9 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

6. Borrowings

	30-Sep-22			31-Dec-21		
	Senior	Subordinated	Total	Senior	Subordinated	Total
Corporate bonds	299 246 819	76 638 857	375 885 676	304 325 129	79 197 423	383 522 552
Other term loans	692 415 598	74 187 574	766 603 172	727 453 229	20 000 000	747 453 229
Revolving credit facility	39 646 647	-	39 646 647	12 028 614	-	12 028 614
Subtotal	1 031 309 064	150 826 431	1 182 135 495	1 043 806 972	99 197 423	1 143 004 395
Less: deferred transaction costs	(15 738 895)	(145 982)	(15 884 877)	(14 119 696)	(112 346)	(14 232 042)
Total	1 015 570 169	150 680 449	1 166 250 618	1 029 687 276	99 085 077	1 128 772 353

As at 30 September 2022, the Group has USD 119.8 million (2021: USD 195.6 million) undrawn committed facilities available.

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(continued)

Figures in US Dollar

7. Share capital and treasury shares

	30-Sep-22	31-Dec-21
Share capital	31 394	31 394
Share premium	315 441 273	315 441 273
Share application monies	-	-
Convertible equity instrument	60 560 000	60 560 000
Limited-voting B Shares	30 000 000	30 000 000
Total share capital	406 032 667	406 032 667
Treasury shares	(6 777 324)	(6 489 162)
Total share capital and treasury shares	399 255 343	399 543 505
Number of Ordinary shares	31 394 663	31 394 663
Number of Limited-voting B Shares	30	30

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.

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.