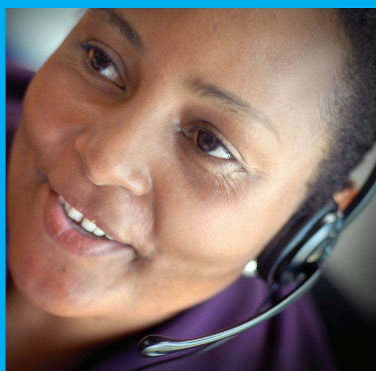
BAYPORT MANAGEMENT LTD

(Registration number 54787 C1/GBL)

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2019



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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 2019.

DTOS Ltd
Company Secretary
29 April 2020

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 DNB Bank ASA
Auditor	Deloitte 7th Floor, Standard Chartered Tower 19-21 Bank Street, Cybercity Ebene 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 2020 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 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 79, which have been prepared on the going concern basis, were approved by the Board of Directors on 29 April 2020 and were signed on its behalf by:

Mr Eric Venpin **Director**	**Mr Jimmy Wong** **Director**

Directors' Report

The directors have 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 2019.

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 Category 1 Global Business Licence issued by the Financial Services Commission ("FSC").

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.

Dividends of USD 40,000,000 were declared and paid to the Limited-Voting B shareholder during the year ended 31 December 2019 (refer to note 21).

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	Appointed 26 June 2019
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)	Resignated 12 February 2020
Mr Mervin Muller	
Mr Nicholas Haag	
Mr Roberto Rossi	
Mr Simon Poole (Alternate to Mr Souleymane Ba)	Appointed 18 June 2019
Mr Souleymane Ba	
Mr Stuart Stone	
Mrs Victoria Eugenia Bejarano De La Torre	Appointed 30 January 2020

5. 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.

6. Litigation statement

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

7. Auditor

Deloitte is currently the external auditor of the Company. 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, the process for auditors' rotation is currently under review by the shareholders.

Directors' Report

8. Company Secretary

The Company Secretary is DTOS Ltd of:

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

9. 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.

10. Change in accounting policies

During the year ended 31 December 2019, the Group adopted IFRS 16 Leases, which became effective on 1 January 2019, using the modified retrospective approach. Refer to note 36 for impact of changes in accounting policies to the consolidated financial statements.

11. Events after the reporting period

Refer to note 37 of the consolidated financial statements for details of events after the reporting period.

Deloitte.

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Cybercity
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Mauritius

Independent auditor's report to the Shareholders of Bayport Management Ltd

Report on audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Bayport Management Ltd and its subsidiaries (the "Group") set out on pages 11 to 79, which comprise the consolidated statement of financial position as at 31 December 2019, 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 accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

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 Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with 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 judgment, 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	How the matter was addressed in the audit
Impairment provision on loans and advances Impairment provision in relation to loans and advances is a key judgemental area in our audit due to the level of subjectivity inherent in estimating the impact of certain key assumptions on the recoverability of loan balances. IFRS 9 requires an expected credit loss model in relation to impairment of loans and advances. This requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the loans and advances. The following aspects of IFRS 9 were in aggregate considered to be key audit matters due to the extent of judgement and/or estimation applied: – Determination of expected losses (including probability of default ('PD'), time to default and loss given impaired ('LGI') – Changes in credit quality – Relevance of macroeconomic factors – Definition of default See notes 1.7 and 33.1 of the financial statements.	Our procedures included: • Assessing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances; • Involvement of our Financial Services Advisory and quantitative credit modelling specialists who performed an assessment of: – The modelling methodology in light of IFRS 9; – Key definitions and treatment of technical aspects including PD, EAD, LGI, significant increase in credit risk trigger, default definition, allowance for time value of money, forward looking information; – The accuracy of the model by independently recalculating the input parameters; and – The overall ECL calculation • Assessment of the completeness and accuracy of the data used in the model.

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Independent auditor's report to the Shareholders of Bayport Management Ltd (cont'd)

Key Audit Matter (cont'd)	How the matter was addressed in the audit
Investment in associate - Bayport Financial Services 2010 Proprietary Limited The carrying value of the Group's investment in its associate amounts to USD113M and includes goodwill of USD64.5M. Significant judgement is required by management in assessing the impairment of investment in associate annually, which is determined using valuation techniques. The valuation is largely based on expected future cash flows from the approved budget taking into account loan book growth rates and assumption with regard to discount rates. The assessment of impairment involves significant judgements and estimates as such we consider this to be a key audit matter.	Our procedures included: • Comparing the data used to approved budgets and business plans; • Comparing the actual results of the previous years with management's forecast in order to assess the historical accuracy of the forecasting process; and • Involving our fair value specialists who assisted us in evaluating the reasonableness of key assumptions and methodologies used.
Deferred tax assets The Group has recognised deferred tax assets of USD24.2M in respect of its subsidiaries. As disclosed in note 5.3, deferred tax assets can only be recognised to the extent that it is probable that future unused tax losses can be utilized to be set off against future taxable profits in the forthcoming five years. The realisation of the deferred tax assets depends largely on the ability to generate taxable income in order to utilise those losses. Management accordingly has assessed the recoverability of the deferred tax assets based on approved budgets. The estimation of future taxable profits is inherently subject to judgment and is therefore considered as a key audit matter.	Our procedures included: • Evaluate management's assessment of the estimated manner in which deferred tax would be utilised; • Review the five year budgets used by management to determine whether the future taxable profits are reasonable and supportable given the future plans of the subsidiaries; and • Assess the judgment relating to the forecast of future taxable profits and evaluate the reasonableness of the assumptions underlying the preparation of budgets.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company and its subsidiaries other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other information

The directors are responsible for the other information. The other information comprises the Secretary's Certificate, General information, Director's Responsibilities and Approval and Directors' Report, but does not include the consolidated 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 or 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.

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Mauritius

Independent auditor’s report to the Shareholders of Bayport Management Ltd (cont’d)

Responsibilities of directors 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 Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies and they are also responsible 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.

The directors are responsible for overseeing the Group’s financial reporting process.

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 judgement and maintain professional skepticism 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 management.

- Conclude on the appropriateness of the 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 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 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 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.

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Independent auditor's report to the Shareholders of Bayport Management Ltd (cont'd)

Auditor's responsibilities for the audit of the consolidated financial statements (cont'd)

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, related safeguards.

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 those matters in our auditor's report unless laws 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.

This report is made solely to the Company's shareholders, as a body, in accordance with section 205 of the Mauritius 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 opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

30 April 2020

L. Y. S.

L. Yeung Sik Yuen, ACA

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Consolidated Statement of Financial Position as at 31 December 2019

Figures in US Dollar	Note	2017	2018	2019
Assets				
Cash and bank balances	3	51,027,605	68,412,034	118,353,716
Other receivables	4	14,773,383	15,888,584	64,261,513
Current tax assets	5	11,641,186	14,126,350	14,191,509
Other financial assets	6	6,500,923	21,706,180	-
Loans and advances	7	713,550,384	870,702,219	1,034,327,321
Other investments	8	32,256,348	34,818,013	20,870,981
Investments in associates	10	134,179,442	116,034,222	113,111,018
Goodwill	11	4,664,824	4,581,465	7,743,342
Property and equipment	12	12,342,144	12,589,846	11,269,971
Right-of-use assets	13	-	-	9,338,463
Intangible assets	14	24,055,224	34,898,285	56,900,604
Deferred tax assets	5	32,604,097	32,081,917	24,242,445
Total Assets		**1,037,595,560**	**1,225,839,115**	**1,474,610,883**
Liabilities				
Bank overdraft	3	5,286,878	52,331,627	49,893,877
Deposit from customers	15	55,149,478	73,727,911	74,954,133
Other payables	16	42,641,144	57,754,751	59,701,536
Provisions	17	-	2,822,832	1,795,689
Current tax liabilities	5	5,755,493	6,327,565	3,068,022
Other financial liabilities	6	2,836,325	21,701,805	3,345,070
Obligations under finance leases	18.1	115,649	47,166	-
Lease liabilities	18.2	-	-	8,834,505
Borrowings	19	668,334,309	780,694,896	1,044,519,383
Deferred tax liabilities	5	49,157	32,642	33,923
Total Liabilities		**780,168,433**	**995,441,195**	**1,246,146,138**
Equity				
Share capital and treasury shares	20	363,659,610	373,557,114	404,568,832
Reserves		(153,130,732)	(204,397,871)	(244,360,014)
Retained earnings		33,891,828	46,657,871	51,434,289
Equity attributable to owners of the Company		244,420,706	215,817,114	211,643,107
Non-controlling interests		13,006,421	14,580,806	16,821,638
Total Equity		**257,427,127**	**230,397,920**	**228,464,745**
Total Liabilities and Equity		**1,037,595,560**	**1,225,839,115**	**1,474,610,883**

The consolidated financial statements and the notes on pages 11 to 79, which have been prepared on the going concern basis, were approved and authorised for issue by the Board Of Directors on 29 April 2020 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)	2017	2018	2019
Continuing operations				
Interest and other similar income	24	272,521,532	325,723,855	349,436,664
Interest and other similar expense	25	(116,063,041)	(119,684,372)	(151,980,006)
Net interest income		**156,458,491**	**206,039,483**	**197,456,658**
Commission income		5,623,289	4,216,240	5,951,225
Dividend income		8,119,427	17,573,053	23,327,790
Other income	26	8,325,093	8,998,178	27,653,101
Non-interest income		**22,067,809**	**30,787,471**	**56,932,116**
Operating income		**178,526,300**	**236,826,954**	**254,388,774**
Operating expenses	27	(122,901,181)	(147,522,027)	(157,399,164)
Foreign exchange losses		(35,475,732)	(3,116,538)	(487,458)
Operating profit before impairment on financial assets		**20,149,387**	**86,188,389**	**96,502,152**
Impairment on financial assets	4&7	(20,192,274)	(18,237,385)	(22,125,768)
Operating (loss)/profit before share of post tax results of associates		**(42,887)**	**67,951,004**	**74,376,384**
Share of post-tax results of associates	10	1,362,862	3,416,719	1,693,256
Operating profit before taxation		**1,319,975**	**71,367,723**	**76,069,640**
Taxation	5	(16,479,145)	(26,406,049)	(30,122,679)
(Loss)/profit from continuing operations		**(15,159,170)**	**44,961,674**	**45,946,961**
Discontinued operations				
Loss from discontinued operations	31.3	(29,170,201)	-	-
(Loss)/profit for the year		**(44,329,371)**	**44,961,674**	**45,946,961**
Attributable to:				
Owners of the Company		(48,139,229)	38,193,634	40,118,159
Non-controlling interests		3,809,858	6,768,040	5,828,802
(Loss)/profit for the year		**(44,329,371)**	**44,961,674**	**45,946,961**
(Loss)/earnings per share:				
From continuing and discontinued operations				
Basic (loss)/earnings per share	28	(1.55)	1.12	1.16
Diluted (loss)/earnings per share	28	(1.54)	1.10	1.15
From continuing operations				
Basic (loss)/earnings per share	28	(0.61)	1.12	1.16
Diluted (loss)/earnings per share	28	(0.61)	1.10	1.15

Consolidated Statement of Comprehensive Income

Figures in US Dollar	Note	2017	2018	2019
(Loss)/profit for the year		**(44,329,371)**	**44,961,674**	**45,946,961**
Other comprehensive income/(loss), 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	8	6,317,213	2,448,414	(14,591,098)
Share of other comprehensive loss of associates	10	-	(989,903)	(542,975)
Total items that will not be reclassified subsequently to profit or loss		**6,317,213**	**1,458,511**	**(15,134,073)**
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences	29	16,209,132	(68,779,358)	(24,162,326)
Loss on hedging instruments designated as hedges of the net assets on foreign operations		(3,286,702)	-	-
Effects of cash flow hedges		(931,881)	(2,092,067)	2,654,944
Total items that may be reclassified subsequently to profit or loss		**11,990,549**	**(70,871,425)**	**(21,507,382)**
Other comprehensive income/(loss) for the year, net of taxation		**18,307,762**	**(69,412,914)**	**(36,641,455)**
Total comprehensive (loss)/income for the year		**(26,021,609)**	**(24,451,240)**	**9,305,506**
Attributable to:				
Owners of the Company		(29,577,646)	(28,213,757)	5,987,177
Non-controlling interests		3,556,037	3,762,517	3,318,329
Total comprehensive (loss)/income for the year		**(26,021,609)**	**(24,451,240)**	**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	**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 2017	**30,741**	**301,125,796**	**606,999**	**-**	**-**	**301,763,536**	**(259,079,288)**	**369,004**	**-**	**304,941**	**14,154,279**	**(244,251,064)**	**76,476,273**	**133,988,745**	**10,537,933**	**144,526,678**
Loss for the year	-	-	-	-	-	-	-	-	-	-	-	-	(48,139,229)	(48,139,229)	3,809,858	(44,329,371)
Other comprehensive (loss)/income	-	-	-	-	-	-	13,176,251	(931,881)	-	-	6,317,213	18,561,583	-	18,561,583	(253,821)	18,307,762
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**-**	**-**	**13,176,251**	**(931,881)**	**-**	**-**	**6,317,213**	**18,561,583**	**(48,139,229)**	**(29,577,646)**	**3,556,037**	**(26,021,609)**
Issue of shares	115	2,678,039	-	-	-	2,678,154	-	-	(2,406,602)	-	-	(2,406,602)	-	271,552	-	271,552
Share application monies	-	-	156,680	-	-	156,680	-	-	-	-	-	-	-	156,680	-	156,680
Purchase of treasury shares	-	-	-	-	(1,498,760)	(1,498,760)	-	-	-	-	-	-	-	(1,498,760)	-	(1,498,760)
Issue of convertible notes	-	-	-	60,560,000	-	60,560,000	-	-	-	-	-	-	-	60,560,000	-	60,560,000
Recognition of share-based payments	-	-	-	-	-	-	-	-	-	1,728,818	-	1,728,818	-	1,728,818	-	1,728,818
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	(4,350,272)	(4,350,272)	4,350,272	-	-	-
Change in ownership interests (note 31.2)	-	-	-	-	-	-	-	-	-	-	-	-	1,204,512	1,204,512	(1,087,549)	116,963
Disposal of subsidiary	-	-	-	-	-	-	51,612,093	-	-	-	25,974,712	77,586,805	-	77,586,805	-	77,586,805
Balance at 31 December 2017	**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**
	20	20	20	20	20	20			6.3	22	23					

Consolidated Statement of Changes in Equity (continued)

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 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 year	-	-	-	-	-	-	-	-	-	-	-	-	-	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 income/(loss) 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 to reserves	-	-	-	-	-	-	-	-	-	-	-	11,228,397	11,228,397	(11,228,397)	-	-	-
Change in ownership interests (note 31.2)	-	-	-	-	-	-	-	(731,705)	-	-	-	-	(731,705)	(14,199,194)	(14,930,899)	(2,188,132)	(17,119,031)
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 on adopting IFRS 16 at associate level	-	-	-	-	-	-	-	-	-	-	-	-	-	(199,989)	(199,989)	-	(199,989)
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 31.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,331,703	2,331,703
Dividend paid (note 21)	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,405,523)	(42,405,523)	(3,409,200)	(45,814,723)
Balance at 31 December 2019	**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**
Note	20	20	20	20	20	20	20			6.3	22	23					

Consolidated Statement of Cash Flows

Figures in US Dollar	Note(s)	2017	2018	2019
Cash flows from operating activities				
Profit before taxation		1,319,975	71,367,723	76,069,640
Adjustments for:				
Share of post tax results of associates		(1,362,862)	(3,416,719)	(1,693,256)
Depreciation and amortisation		4,918,348	6,242,728	9,837,690
Profit on disposal of property and equipment and intangible assets		(50,878)	(20,259)	(78,127)
Unrealised exchange losses		32,254,436	5,646,159	(26,537,412)
Finance costs		116,063,041	119,684,372	151,980,006
Dividends income		(8,119,427)	(17,573,053)	(23,327,790)
Movement in provision for credit impairment		20,192,275	26,393,359	27,126,869
Movements in provisions and share based payments		(863,665)	1,744,009	2,282,928
Profit before tax adjusted for non-cash items		**164,351,243**	**210,068,319**	**215,660,548**
Dividend received from associates	10	-	2,176,630	720,253
Dividend received from equity instrument designated as at FVTOCI		8,119,427	17,573,053	23,327,790
Finance costs paid		(118,491,214)	(115,757,882)	(151,217,432)
Tax paid		(22,776,946)	(29,874,188)	(25,169,754)
Cash generated by operations before changes in working capital		**31,202,510**	**84,185,932**	**63,321,405**
Changes in working capital:				
(Increase)/decrease in other receivables		(1,418,125)	(3,694,933)	1,430,600
Increase in gross advances		(224,101,236)	(261,441,493)	(236,540,375)
Increase in deposit from customers		35,667,972	28,688,490	8,685,156
(Increase)/decrease in other payables		(2,901,080)	19,781,172	(3,881,493)
Net cash used in operating activities from continuing operations		(161,549,959)	(132,480,832)	(166,984,707)
Net cash used in operating activities from discontinued operations	31.3	(15,889,952)	-	-
Net cash used in operating activities		**(177,439,911)**	**(132,480,832)**	**(166,984,707)**
Cash flows from investing activities				
Purchase of property and equipment and intangible assets	12&14	(15,823,347)	(19,435,890)	(25,801,535)
Proceeds on disposal of property and equipment and intangible assets		149,505	111,569	269,472
Receipts from related parties		137,917,005	1,257,780	24,963
Payments to related parties		(148,066,221)	-	-
Acquisition of investment in associates	10	(1,912,255)	-	(122,400)
Purchase of equity instruments designated at FVTOCI	8	-	(115,117)	-
Net cash flows from disposal of subsidiary		71,153,947	-	-
Loans to associates		-	-	(34,035,116)
Cash inflow from acquisition of subsidiary		-	-	1,316,021
Net cash flow generated by/(used in) investing activities from continuing operations		43,418,634	(18,181,658)	(58,348,595)
Net cash flows generated by investing activities from discontinued operations	31.3	9,127,259	-	-
Net cash flows generated by/(used in) investing activities		**52,545,893**	**(18,181,658)**	**(58,348,595)**

Consolidated Statement of Cash Flows (continued)

Figures in US Dollar	Note(s)	2017	2018	2019
Cash flows from financing activities				
Proceeds from issue of convertible equity instrument		60,560,000	-	-
Proceeds from issue of bonds	30	160,136,714	41,693,805	350,694,259
Repayment of bonds		(287,647,359)	(24,147,486)	(241,669,016)
Proceeds from borrowings	30	125,830,303	214,132,389	294,023,585
Repayment of borrowings		-	(82,716,250)	(110,368,613)
Repayment of lease liabilities		(250,772)	(67,005)	(2,338,975)
Mark-to-Market payments on forward contracts		(11,919,471)	(22,272,430)	19,201,751
Payments on buy back of shares		(900,723)	-	-
Proceeds from issue of Limited-voting B Shares		-	-	30,000,000
Dividends paid		-	-	(41,098,012)
Payments on buy back of shares from non-controlling interests		(1,750,227)	-	-
Proceeds from issue of shares to non-controlling interests		1,793,772	-	-
Net cash flows generated by financing activities from continuing operations		45,852,237	126,623,023	298,444,979
Net cash used in financing activities from discontinued operations	31.3	(8,882,812)	-	-
Net cash flows generated by financing activities		**36,969,425**	**126,623,023**	**298,444,979**
Net decrease in cash and cash equivalents		**(87,924,593)**	**(24,039,467)**	**73,111,677**
Cash and cash equivalents at the beginning of the year		136,266,040	45,740,727	16,080,407
Effect of foreign exchange rate changes		(2,600,720)	(5,620,853)	(20,732,245)
Net cash and cash equivalents at the end of the year	3	**45,740,727**	**16,080,407**	**68,459,839**

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.

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's accounting policies (continued)

(i) Convertible notes

IFRS requires that in determining the classification of a contract as either equity or debt, that the variability in cash consideration for a fixed or variable amount of shares be considered. Instances where a contract results in a fixed amount of cash exchanged for a fixed number of shares, the contract should be classified as equity. If a contract results in the exchange of variable amounts of either cash or shares, the contract is to be classified as debt.

IAS 32 requires that if a part of a contingent settlement provision that could require settlement in cash or another financial asset (or in another way that would result in the instrument being a financial liability) is not genuine, the settlement provision does not affect the classification of a financial instrument. Thus, a contract that requires settlement in cash or a variable number of the entity's own shares only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur is an equity instrument. Similarly, settlement in a fixed number of an entity's own shares may be contractually precluded in circumstances that are outside the control of the entity, but if these circumstances have no genuine possibility of occurring, classification as an equity instrument is appropriate. The assessment of the classification of a contract as either equity or debt is made at inception and subsequent reassessment does not apply.

The Group determined at the inception of the instrument that the contingent settlement provisions of the shortfall guarantee associated with the instrument are not genuine and consequently the convertible note was classified as equity at inception.

(ii) 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.

(iii) 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.

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 and competitive forces.

(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 10 & 11 for further detail on goodwill arising on investment in associates and subsidiaries.

(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.

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 (continued)

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.

Refer to note 1.7 for the accounting policies relating to the impairment of financial assets and to note 33.1 for credit risk management.

(iv) Valuation of investments in Guardrisk International Limited PCC (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. Unobservable inputs are used in the determination of future expected cash flows.

Refer to 33.7 for the sensitivity performed on the key unobservable inputs.

(v) 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.

1.3 Property and equipment

Property and equipment are tangible assets which the Group holds for its own use 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.

Group Accounting Policies (continued)

1.3 Property and equipment (continued)

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.4 Leases

The Group has adopted IFRS 16, which became effective on 1 January 2019, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in note 36.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

Under IAS 17

In the comparative periods, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group’s statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 January 2019

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.

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.

Group Accounting Policies (continued)

1.5 Intangible assets (continued)

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.

1.6 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not 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.

Group Accounting Policies (continued)

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 OCI (FVTOCI)

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.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

Recognition and measurement (continued)

(i) Financial assets at amortised cost (continued)

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.

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.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.1 Financial assets (continued)

(iii) Equity instruments designated at FVTOCI (continued)

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

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 33.1 on credit risk management and measurement.

(i) 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.

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.

Group Accounting Policies (continued)

1.7 Financial instruments (continued)

1.7.2 Financial liabilities (continued)

(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 33.7.

(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 periods 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 a third 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 notes to the financial statements.

1.14 Insurance contracts

1.14.1 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.

Group Accounting Policies (continued)

1.14 Insurance contracts (continued)

1.14.2 Recognition and measurement of insurance contracts

1.14.2.1 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.

Claims incurred

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

1.14.2.2 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.

1.15 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.

Commission and other income

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

1.16 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.

Group Accounting Policies (continued)

1.16 Translation of foreign currencies (continued)

Foreign currency transactions (continued)

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 net investment.

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.

1.17 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 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 2019.

2.1 New and revised Standards and Interpretations with effect to the amount and disclosure of the financial statements

General impact of application of IFRS 16 Leases

In the current year, the Group, for the first time, has adopted IFRS 16 Leases, which became effective 1 January 2019 (as issued by the IASB in January 2016).

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease requires and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 1.4. The impact of the adoption of IFRS 16 on the Group’s consolidated financial statements is described in note 36.

The Group has adopted IFRS 16, which became effective 1 January 2019, using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

2.2 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 7 Statement of Cash Flows - amendments as result of the Disclosure initiative (adopted in 2017)

IAS 12 Income Taxes - amendments regarding the recognition of deferred tax assets for unrealised losses (adopted in 2017)

IAS 12 Income Taxes - amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends) (adopted in 2019)

IAS 19 Employee Benefits - amendments regarding plan amendments, curtailment or settlements (adopted in 2019)

IAS 23 Borrowing costs - amendments resulting from Annual Improvements 2015-2017 Cycle (borrowing costs eligible for capitalisation) (adopted in 2019)

IAS 28 Investment in Associates and Joint Ventures - amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements) (adopted in 2018)

IAS 28 Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates and joint ventures (adopted in 2019)

IAS 39 Financial Instruments: Recognition and Measurement - amendment to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (adopted in 2018)

IFRS 1 First-time Adoption of International Financial Reporting Standards - amendments resulting from Annual Improvements 2014-2016 Cycle (removing short term exemptions) (adopted in 2018)

IFRS 2 Share-based Payment - amendments to clarify the classification and measurement of share-based payment transactions (adopted in 2018)

IFRS 3 Business Combinations - amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest) (adopted in 2019)

IFRS 4 Insurance Contracts - amendments regarding the interaction of IFRS 4 and IFRS 9 (adopted in 2018)

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (adopted in 2018)

Notes to the Consolidated Financial Statements (continued)

2. New Standards and Interpretations (continued)

2.2 New and revised Standards and Interpretations with no material affect on the financial statements (continued)

IFRS 9 Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities (adopted in 2019)

IFRS 12 Disclosure of Interests in Other Entities - amendments resulting from Annual Improvements 2014-2016 (clarifying scope) (adopted in 2017)

IFRS 15 Revenue from Contracts with Customers - original issue (adopted in 2018)

IFRS 15 Revenue from Contracts with Customers - clarifications to IFRS 15 (adopted in 2018)

IFRS 16 Leases - original issue (adopted in 2019)

IFRIC 22 Foreign Currency Transactions and Advance Consideration (adopted in 2018)

IFRIC 23 Uncertainty over Income Tax Treatments (adopted in 2019)

2.3 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 the definition of material (effective 1 January 2020)

IAS 1 Presentation of Financial Statements - amendments regarding classification of liabilities (effective 1 January 2022)

IAS 8 Accounting policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of material (effective 1 January 2020)

IAS 39 Financial Instruments: Recognition and Measurement - amendments regarding pre-replacement issues in the context of the Inter Bank Offered Rates (IBOR) reform (effective 1 January 2020)

IFRS 3 Business Combinations - amendments to clarify the definition of a business (effective 1 January 2020)

IFRS 7 Financial Instruments: Disclosures - amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)

IFRS 9 Financial Instruments - amendments regarding pre-replacement issues in the context of the IBOR reform (effective 1 January 2020)

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	2017	2018	2019

3. Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows consist of:

Cash and bank balances	51,027,605	68,412,034	118,353,716
Bank overdrafts	(5,286,878)	(52,331,627)	(49,893,877)
Total cash and cash equivalents	**45,740,727**	**16,080,407**	**68,459,839**

Bank overdrafts:

As at 31 December 2019, the Group had available facilities totalling USD 59.5 million (2018: USD 57.8 million; 2017: USD 23.1 million). Bank overdrafts were secured over loans and advances. Interest rates charged varied from 9% to 21% per annum (2018: 10% to 25% per annum; 2017: 9% to 30% per annum).

Bank balances:

Lien over cash and bank balances amounts to USD 0.2 million (2018 & 2017: nil).

4. Other receivables

Current assets				
Prepayments		7,088,342	6,375,444	5,727,789
Sundry debtors		4,761,070	7,713,362	7,535,067
Loans receivable from associate	(i)	-	-	34,035,116
Amount receivable from related parties (note 32.2)		1,557,858	1,691,311	11,966,598
Insurance premiums receivable	(ii)	-	-	3,351,453
Impairment provision	(iii)	-	(1,061,360)	(620,529)
		13,407,270	**14,718,757**	**61,995,494**
Non-current assets				
Loan receivable under share-based incentive scheme (note 32.2)	(iv)	1,366,113	1,169,827	2,266,019
Total other receivables		**14,773,383**	**15,888,584**	**64,261,513**

Impairment provision			
At 1 January	-	-	1,061,360
Impairment recognised in profit or loss	-	1,069,980	39,081
Amounts recovered	-	-	(384,147)
Foreign exchange movements	-	(8,620)	(95,765)
At 31 December	**-**	**1,061,360**	**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, carry interest between 9.75% and 10% per annum at 31 December 2019 and are repayable by December 2023 and November 2029 respectively. 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 39,081 (2018: USD 1,069,980(recognised); 2017: Nil) 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.

(iv) The loan receivable under the share-based incentive scheme carry interest at 5.2% per annum (2018 & 2017: 5.2%), are repayable by March 2025 and are secured by the shares alloted under the scheme.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

5. Income taxes

5.1 Income tax recognised in profit or loss

Current tax			
In respect of the current year	17,362,612	20,498,364	16,716,835
In respect of prior years	969,325	(486,555)	103,102
Withholding taxes	(1,533,928)	5,855,664	4,103,986
Total current tax expense	**16,798,009**	**25,867,473**	**20,923,923**
Deferred tax			
In respect of the current year	(6,549)	594,158	8,849,396
In respect of prior years	(312,315)	(55,582)	349,360
Total deferred tax (credit)/expense	**(318,864)**	**538,576**	**9,198,756**
Total income tax expense recognised in the current year	**16,479,145**	**26,406,049**	**30,122,679**

Reconciliation of the tax expense

The Group is domicile in Mauritius and therefore liable to income tax in Mauritius at the rate of 15% (2018 & 2017: 15%). However, the Group 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% (2018: 15% to 37%; 2017: 22% to 40%).

Profit before taxation	**1,319,975**	**71,367,723**	**76,069,640**
Tax at the effective rate 3% (2018 & 2017: 3%)	39,599	2,141,032	2,282,089
Tax effect of adjustments on taxable income			
Effect of expenses that are not deductible in determining taxable profit	5,015,898	(6,045,686)	1,495,362
Effect of different tax rates of subsidiaries operating in other jurisdictions	12,541,605	27,249,416	21,759,820
Effect of withholding tax	(1,600,605)	5,855,664	4,103,986
Deferred tax asset recognised on prior years tax losses	-	(1,189,306)	172,203
Effect on exempt income	(737,264)	(1,117,257)	(649,669)
Current year tax losses for which no deferred tax is being recognised	562,902	54,323	506,426
	15,822,135	**26,948,186**	**29,670,217**
Adjustments recognised in the current year in relation to the current tax of prior years	657,010	(542,137)	452,462
Income tax expense recognised in profit or loss	**16,479,145**	**26,406,049**	**30,122,679**

5.2 Current tax assets/(liabilities)

Current tax assets	11,641,186	14,126,350	14,191,509
Current tax liabilities	(5,755,493)	(6,327,565)	(3,068,022)
Total current tax	**5,885,693**	**7,798,785**	**11,123,487**
At 1 January	**(488,257)**	**5,885,693**	**7,798,785**
Transfer (to)/from deferred tax in respect of IFRS 9 adjustment	1,039,726	(1,039,726)	-
Current tax for the year recognised in profit or loss	(16,798,009)	(25,867,473)	(20,923,923)
Tax paid	22,776,946	29,874,188	25,169,754
On disposal of subsidiaries	(397,468)	-	-
Others	132,007	(399,989)	(73,575)
Foreign exchange movements	(379,252)	(653,908)	(847,554)
At 31 December	**5,885,693**	**7,798,785**	**11,123,487**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	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	32,604,097	32,081,917	24,242,445
Deferred tax liabilities	(49,157)	(32,642)	(33,923)
Total deferred tax	**32,554,940**	**32,049,275**	**24,208,522**
Deferred tax breakdown			
Accelerated capital allowances for tax purposes	(95,738)	(57,450)	(309,535)
Tax losses available for set off against future taxable income	18,080,103	15,671,160	14,656,340
Provision for impairment of loans and advances	12,625,313	9,028,041	11,168,226
Unrealised exchange losses	1,003,395	5,608,836	2,180,987
Revenue and expense recognition timing differences	771,133	1,474,372	(4,264,285)
Others	170,734	324,316	776,789
Total deferred tax	**32,554,940**	**32,049,275**	**24,208,522**
Reconciliation of deferred tax assets			
At 1 January	**48,498,489**	**32,554,940**	**32,049,275**
Transfer from/(to) current tax in respect of IFRS 9 adjustment	(1,039,726)	1,039,726	-
On disposal of subsidiary	(17,650,893)	-	-
Tax losses available/(tax losses utilised) for set off against future taxable income	2,578,604	(2,408,943)	(1,014,820)
Originating temporary differences on tangible fixed assets	(41,575)	38,288	(252,085)
Originating temporary differences on provision for impairment on loans and advances	1,713,732	(4,636,998)	2,140,185
Originating temporary difference on revenue and expenses	(354,316)	703,239	(5,738,657)
Unrealised exchange losses	(679,277)	4,605,441	(3,427,849)
Others	(470,098)	153,582	452,473
At 31 December	**32,554,940**	**32,049,275**	**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 forthcoming five years. The directors are satisfied that the Group will utilise the deferred tax asset relating to unutilised tax losses within the forthcoming 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.

6. Other financial assets/(liabilities)

Other financial assets				
Foreign exchange forward contracts in cash flow hedges	6.1	3,200,923	396,180	-
Cash collateral	6.2	3,050,000	21,060,000	-
Margin account	6.2	250,000	250,000	-
Total other financial assets		**6,500,923**	**21,706,180**	**-**
Other financial liabilities				
Foreign exchange forward contracts in cash flow hedges	6.1	-	(18,603,213)	-
Put option on own shares	6.3	(2,500,809)	(2,736,328)	(2,893,999)
Contingent consideration	6.3	(335,516)	(362,264)	-
Redeemable preference shares	6.4	-	-	(451,071)
Total other financial liabilities		**(2,836,325)**	**(21,701,805)**	**(3,345,070)**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

6. Other financial assets/(liabilities) (continued)

6.1 Foreign exchange forward contracts in cash flow hedges

Foreign exchange forward contracts were used with a view to hedge the exposure to movements in SEK/USD exchange rate relating to the bond liabilities denominated in Swedish Krona. Foreign currency forward contract assets and liabilities were presented in the line 'Derivative financial instruments' (either as other financial assets or as financial liabilities) within the statement of financial position. The foreign exchange forward contracts were settled in July 2019 following the settlement of the bond liabilities in Swedish Krona. Details of the hedging contracts in place as at the reporting period ending 31 December 2017 and 2018 are as follows:

Hedging instruments **2018**	**Notional amount** **SEK'm**	**Carrying amount (liabilities)/ assets** **USD**	**Forward rate**	**Trade date**	**Maturity date**
Cash flow hedge					
Buy SEK - 3 month (DNB)	1,568	(18,603,213)	8.0567	Nov-18	Feb-19
Buy SEK - 3 months (Standard Bank)	332	396,180	9.0032	Nov-18	Feb-19
	1,900	**(18,207,033)**			

2017					
Cash flow hedge					
Buy SEK - 1 year (DNB)	1,568	2,554,555	8.1289	Nov-17	Nov-18
Buy SEK - 1 year (Standard Bank)	332	646,368	8.1315	Nov-17	Nov-18
	1,900	**3,200,923**			

6.2 Cash collateral and margin account

These relate to restricted cash collateral which was held as reserves in 2017 and 2018. There was no restricted cash collateral at 31 December 2019.

6.3 Put Option on own shares and contingent consideration

The put option and contingent consideration relate to the acquisition of the Traficc Group as associates in 2018 (refer to note 10). The purchase consideration was agreed to be a combination of cash and issuance of the Group's own shares. The contingent consideration relates to the portion of the acquisition price that has been deferred for a period of three years subject to the achievement of agreed performance metrics. During the year ended 31 December 2019, upon achievement of the agreed performance metrics, the Group issued 26,693 shares to Traficc Group at a nominal price of USD 23.36.

In addition, the Group wrote a put option in favour of the sellers over the share-based consideration that will be exercisable under certain conditions and will expire on 31 December 2020.

6.4 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 31.1)

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

Authorised shares	**2019**
Number of shares authorised for issue at ZAR 25,000 each	2,001

Issued shares	
Number of shares issued at ZAR 25,000 each	225

Rights of preference shares

- Preference shareholders hold a right to receive dividends, declared at the sole discretion of the Board of Directors, that will rank in priority to any other dividends that may be declared for any class of shares.
- The issuer cannot dispose of the whole or substantially the whole of their own shares or assets without preference shareholder approval.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

6. Other financial assets/(liabilities) (continued)

6.4 Redeemable preference shares (continued)

Restrictions of preference shares

The preference shareholders:

- may not otherwise dispose of the preference shares without the consent of the Board of Directors.
- may not allow control of the subscribing entity to change.
- may not sell the preference shares to any registered short-term insurer.
- are not entitled to vote unless extenuating circumstances occur.

7. Loans and advances

	2017	2018	2019
Gross advances	781,762,939	933,262,231	1,104,899,199
Impairment provision	(68,212,555)	(62,560,012)	(70,571,878)
Net loans and advances	**713,550,384**	**870,702,219**	**1,034,327,321**
Non-current assets	565,143,191	682,857,514	819,035,803
Current assets	148,407,193	187,844,705	215,291,518
Net loans and advances	**713,550,384**	**870,702,219**	**1,034,327,321**
Impairment provision			
At 1 January	**276,001,949**	**68,212,555**	**62,560,012**
Derecognised on disposal of subsidiary (see note 31.3)	(223,672,456)	-	-
Impairment recognised in profit or loss	45,129,442	17,167,405	22,470,834
Utilisation of allowance for impairment	(30,429,239)	(16,762,235)	(11,935,964)
Foreign exchange movements	1,182,859	(6,057,713)	(2,523,004)
At 31 December	**68,212,555**	**62,560,012**	**70,571,878**

Collateral held against loans and advances amounted to USD 5.3 million (2018 & 2017: Nil). Loans and advances relating to the individual subsidiaries' are provided as security for the subsidiaries' bank overdrafts and term loan balances totalling USD 481.0 million (2018: USD 265.0 million; 2017: USD 293.0 million).

Please refer to note 33.1 for disclosures on credit risks.

8. Other investments

Investments in equity instruments designated as at FVTOCI

		2017	2018	2019
At 1 January		**36,328,024**	**32,256,348**	**34,818,013**
Additions		1,894,936	115,117	-
Additions through business combinations	(i)	-	-	630,328
Transfer of reinsurance contract rights	(ii)	-	(5,666,803)	(13,591,970)
Changes in fair value (note 23)		6,317,213	8,115,217	(999,128)
Foreign exchange movements		320,075	(1,866)	13,738
Derecognised on disposal of subsidiary (note 31.3)	(iii)	(12,603,900)	-	-
At 31 December		**32,256,348**	**34,818,013**	**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 the Cell created by Guardrisk International Limited PCC (GIL).

The fair value of investment in GIL is assessed based on the dividend received in the prior years and the forecasted dividend of the cell based on the collection rundown. The method used is documented in note 33.7.

(i) 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 31.1)

(ii) Guardrisk transferred its contractual rights to reinsure insurance policies relating to the insurance business of Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R and Bayport Colombia S.A. in 2018 and 2019 respectively to Sugaree Insurance Company Limited.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

8. Other investments (continued)

(iii) In 2017, the amounts derecognised on disposal of subsidiary represents cells in Hollard Business Associates Proprietary Ltd (HBA) and Guardrisk Life Limited owned by Bayport Financial Services 2010 (Proprietary) Limited.

9. Subsidiaries

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

Name of company	**Country**	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2019**
Bayport Financial Services Limited	Zambia	83.23 %	83.23 %	83.23 %
Bayport Savings and Loans Limited	Ghana	98.89 %	98.89 %	98.89 %
Bayport Financial Services (Tanzania) Limited	Tanzania	89.00 %	89.00 %	89.00 %
Bayport Financial Services Uganda Limited	Uganda	85.00 %	85.00 %	85.00 %
Money Quest Investments (Proprietary) Limited	Botswana	98.31 %	98.31 %	98.31 %
Bayport Colombia S.A.	Colombia	100.00 %	100.00 %	100.00 %
Bayport Financial Services Mozambique (MCB), SA	Mozambique	95.00 %	95.00 %	95.00 %
Actvest Mexico S.A.P.I de C.V, E.N.R	Mexico	100.00 %	100.00 %	100.00 %
Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R (iii)	Mexico	71.00 %	100.00 %	100.00 %
Cashfoundry Limited	United Kingdom	100.00 %	100.00 %	100.00 %
Actvest Limited	Mauritius	100.00 %	100.00 %	100.00 %
Bayport Latin America Holdings Ltd	Mauritius	100.00 %	100.00 %	100.00 %
Bayport International Headquarter Company (Pty) Limited	South Africa	100.00 %	100.00 %	100.00 %
Actvest Proprietary Limited	South Africa	100.00 %	100.00 %	100.00 %
Bayport Financial Services Namibia (Pty) Ltd (ii)	Namibia	100.00 %	100.00 %	- %
Bayport Financial Services (USA), Inc.	United States	100.00 %	100.00 %	100.00 %
Bayport Financial Services Lesotho Ltd (ii)	Lesotho	100.00 %	- %	- %
Bayport LatAm Investments Cooperatief U.A (ii)	Netherlands	100.00 %	- %	- %
Bayport LatAm Investments B.V (ii)	Netherlands	100.00 %	- %	- %
Bayport Financial Services Rwanda SARL (ii)	Rwanda	100.00 %	- %	- %
Sugaree Insurance Company Limited (iv)	Bermuda	- %	100.00 %	100.00 %
Build To Last Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Green Light Insurance Brokers Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Peak Hour Consultants Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Picasso Moon Investment Limited (i)	Mauritius	- %	- %	51.00 %
Sugar Magnolia Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Traficc Global Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Traficc Maintenance Plans Proprietary Limited (i)	South Africa	- %	- %	51.00 %
The Real Automobile Finance and Insurance Consulting Company Proprietary Limited (i)	South Africa	- %	- %	51.00 %
Bayport Management 2 Limited (Dormant)	Mauritius	- %	- %	100.00 %
Malbec Bay Ltd (Dormant)	United Kingdom	- %	- %	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 10). Refer to note 31.1 for further information.

(ii) Bayport Financial Services Lesotho Ltd, Bayport LatAm Investments Cooperatief U.A, Bayport LatAm Investments B.V, Bayport Financial Services Rwanda SARL and Bayport Financial Services Namibia (Pty) Ltd has been wound up.

(iii) In December 2018, the Company acquired the minority stake of Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R and hence effectively owns 100% of its issued share capital. Refer to note 31.2 for further information.

(iv) Sugaree Insurance Company Limited, a company registered in Bermuda, was incorporated in December 2018 and its principal activity is the provision of insurance services.

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

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2017	2018	2019

10. Investments in associates

At 1 January		**-**	**134,179,442**	**116,034,222**
Impact of application IFRS 16 (note 36)		-	-	(199,989)
Additions		5,532,181	-	122,400
Fair value of retained interest in former subsidiary (note 31.2)		114,468,430	-	-
Share of profits		1,362,862	3,416,719	1,693,256
Share of other comprehensive loss		-	(989,903)	(542,975)
Movement in currency translation reserve		12,815,969	(18,395,406)	2,346,560
Transferred to investment in subsidiary (note 31.1)		-	-	(5,622,203)
Dividend		-	(2,176,630)	(720,253)
At 31 December		**134,179,442**	**116,034,222**	**113,111,018**
Material associates	10.1	127,823,056	111,054,429	113,111,018
Immaterial associates	10.2	6,356,386	4,979,793	-
Total investment in associates		**134,179,442**	**116,034,222**	**113,111,018**

Additions during the year were financed as follows:

Cash	1,912,255	-	122,400
Issue of shares	2,678,154	-	-
Contingent consideration (note 6.3)	941,772	-	-
Total consideration	**5,532,181**	**-**	**122,400**

10.1 Details of material associates

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.

Summarised statement of financial position			
Current assets	89,573,037	48,694,682	116,905,071
Non current assets	264,730,433	252,933,009	270,434,643
Current liabilities	(11,421,569)	(5,270,829)	(16,107,000)
Non current liabilities	(230,950,746)	(198,260,269)	(272,121,903)
Equity attributable to owners of the Company	**111,931,155**	**98,096,593**	**99,110,811**
Summarised statement of profit or loss and other comprehensive income			
Net interest income	48,208,775	54,178,361	47,392,886
Profit for the year	7,986,155	3,944,073	569,906
Other comprehensive loss for the year	(4,316,763)	(2,020,211)	(1,318,477)
Total comprehensive income for the year	3,669,392	1,923,862	(748,571)
Reconciliation of the above summarised financial information to the carrying amount of the interest in Bayport Financial Services 2010 Proprietary Limited			
Net assets of associate	111,931,155	98,096,593	99,110,811
Proportion of the Group's ownership interest	49 %	49 %	49 %
Share of net assets	54,846,266	48,067,331	48,564,297
Goodwill	72,976,790	62,987,098	64,546,721
Total carrying amount	**127,823,056**	**111,054,429**	**113,111,018**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

10. Investments in associates (continued)

10.1 Details of material associates (continued)

The movement in goodwill relates to foreign exchange losses.

When testing goodwill for impairment, the recoverable amounts of cash generating units (CGU) 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 2019, the impairment assessment was performed using a weighted average of the results from the residual income method and discounted dividend model 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 14.1% (2018 & 2017: 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 6.26% (2018 & 2017: 6.26%).

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

10.2 Aggregate information of associates which are not individually material

	2017	2018	2019
The Group's share of profit	230,665	1,484,123	1,414,002
The Group's share of other comprehensive income	-	-	-
Dividend received	-	2,176,630	720,253
The Group's share of total comprehensive income	230,665	1,484,123	1,517,252
Carrying amount of the Group's interest in the associate	6,356,386	4,979,793	-

In October 2017, the Group acquired 51% of a group of eight companies operating in the insurance sector under the collective name of "Traficc Group". Although the Group owns more than 50% of the ordinary shares of Traficc Group, the acquisition was accounted for using the equity method. This is due to the fact that the Group could not appoint any Board members and could not be involved in any key decisions.

The initial consideration comprised of USD 1,912,255 in cash as well as 114,647 ordinary shares of the holding company. Furthermore, subject to achieving agreed performance metrics over a period of three years, contingent consideration was paid to the sellers which comprised of cash consideration of USD 439,957 paid in July 2019 and additional 26,693 ordinary shares issued in October 2019.

During the year ended 31 December 2019, the Group gained control over Traficc Group through a business combination achieved by contract alone and was subsequently recognised as investment in subsidiaries (refer to note 9 & 31.1).

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

11. Goodwill

Cost and carrying amount			
At 1 January	100,434,924	4,664,824	4,581,465
On acquisition of subsidiary (note 31.1)	-	-	3,090,704
Disposal of subsidiary (note 31.3)	(96,167,088)	-	-
Foreign exchange movements	396,988	(83,359)	71,173
At 31 December	**4,664,824**	**4,581,465**	**7,743,342**
Accumulated impairment			
At 1 January	10,029,083	-	-
Disposal of subsidiary (note 31.3)	(10,001,387)	-	-
Foreign exchange movements	(27,696)	-	-
At 31 December	**-**	**-**	**-**
Carrying value			
At 31 December	**4,664,824**	**4,581,465**	**7,743,342**

Goodwill acquired on business combination is allocated, at acquisition, to the Cash Generating Units (CGU's) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Micro lending activities			
Bayport Savings and Loans Limited	474,667	436,906	387,972
Bayport Financial Services (Tanzania) Limited	203,973	198,292	198,292
Money Quest Investments (Proprietary) Limited	215,449	197,662	199,675
Bayport Colombia S.A.	292,276	268,375	266,132
Financiera Fortaleza S.A de C.V., SOFOM, E.N.R	3,478,459	3,480,230	3,600,567
Traficc Group	-	-	3,090,704
Total	**4,664,824**	**4,581,465**	**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 cash generating units (CGUs) are determined based on the higher of fair value less costs of disposal and value in use.

When testing goodwill for impairment, the recoverable amounts of cash generating units (CGU) are determined as the lower of value in use and 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 8.43% to 27.72% (2018: 11.57% to 30.32%);
- PE ratios ranging from 7.10 times to 11.75 times (2018: 7.15 times to 9.90 times); and
- PB ratios ranging from 0.89 times to 2.57 times (2018: 1.10 times to 2.60 times)

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

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

12. Property and equipment

Non-current assets

Cost	Buildings	Furniture and Fittings	Motor Vehicles	Office Equipment	IT Equipment	Leasehold Improvements	Total
At 1 January 2017	**2,497,818**	**5,889,898**	**4,605,430**	**4,272,705**	**9,624,185**	**6,124,042**	**33,014,078**
Additions	755,451	1,391,606	940,645	628,111	1,956,405	2,003,018	7,675,236
Derecognised on disposal of subsidiary (note 31.3)	-	(2,176,400)	(28,472)	(1,172,494)	(4,061,275)	(4,708,341)	(12,146,982)
Disposals	-	(165,551)	(378,739)	(39,259)	(367,466)	(25,155)	(976,170)
Foreign exchange movements	(59,241)	21,082	(64,030)	(765,496)	73,374	872,122	77,811
At 31 December 2017	**3,194,028**	**4,960,635**	**5,074,834**	**2,923,567**	**7,225,223**	**4,265,686**	**27,643,973**
Additions	719,705	687,275	1,798,128	220,455	1,200,860	1,444,726	6,071,149
Disposals	-	(63,980)	(527,210)	(42,720)	(115,814)	(148,499)	(898,223)
Foreign exchange movements	(687,175)	(548,800)	(689,782)	(201,658)	(804,156)	(205,701)	(3,137,272)
At 31 December 2018	**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 31 December 2019	**2,734,598**	**5,056,705**	**4,746,361**	**2,886,876**	**8,623,446**	**6,099,086**	**30,147,072**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

12. Property and equipment (continued)

Accumulated depreciation	Buildings	Furniture and Fittings	Motor Vehicles	Office Equipment	IT Equipment	Leasehold Improvements	Total
At 1 January 2017	**165,314**	**3,679,382**	**2,563,841**	**2,618,946**	**6,572,744**	**3,430,571**	**19,030,798**
Charge for the year	39,822	978,754	975,582	506,073	1,810,804	1,309,013	5,620,048
Eliminated on disposal of subsidiary (note 31.3)	-	(1,323,742)	(5,368)	(1,046,341)	(3,095,691)	(2,970,958)	(8,442,100)
Disposals	-	(160,893)	(295,544)	(38,070)	(352,367)	(24,125)	(870,999)
Foreign exchange movements	(2,056)	16,051	(53,895)	(428,094)	39,092	392,984	(35,918)
At 31 December 2017	**203,080**	**3,189,552**	**3,184,616**	**1,612,514**	**4,974,582**	**2,137,485**	**15,301,829**
Charge for the year	65,815	747,662	885,118	444,688	1,353,145	798,615	4,295,043
Disposals	-	(59,720)	(449,130)	(38,310)	(105,810)	(148,499)	(801,469)
Foreign exchange movements	(41,026)	(390,365)	(384,835)	(122,772)	(590,084)	(176,540)	(1,705,622)
At 31 December 2018	**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 31 December 2019	**250,352**	**3,797,436**	**2,704,805**	**2,165,431**	**6,502,492**	**3,456,585**	**18,877,101**
Carrying value							
At 31 December 2019	**2,484,246**	**1,259,269**	**2,041,556**	**721,445**	**2,120,954**	**2,642,501**	**11,269,971**
At 31 December 2018	**2,998,689**	**1,548,001**	**2,420,201**	**1,003,524**	**1,874,280**	**2,745,151**	**12,589,846**
At 31 December 2017	**2,990,948**	**1,771,083**	**1,890,218**	**1,311,053**	**2,250,641**	**2,128,201**	**12,342,144**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

12. Property and equipment (continued)

No property has been pledged as security at the reporting date (2018: Nil; 2017: Nil), except for assets subject to finance lease as follows:

Motor vehicles	153,301	45,118	-

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

13. 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 18.2 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 1 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 31 December 2019	**12,132,326**	**117,996**	**164,099**	**12,414,421**
Accumulated depreciation				
At 1 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 2019	**2,896,318**	**46,964**	**132,676**	**3,075,958**
Carrying value				
At 31 December 2019	**9,236,008**	**71,032**	**31,423**	**9,338,463**

13.1 Amount recognised in profit or loss

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**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

13. Right-of-use assets (continued)

13.2 Amount recognised in the statement of cash flows

	2017	2018	2019
Total cash outflow for leases	4,741,187	6,771,028	2,338,975

Refer to note 18.2 for further details on lease liabilities.

14. Intangible assets

Non-current assets

Cost	Computer software	Software under development	Distribution channel	Reinsurance contract rights	Total
At 1 January 2017	**6,461,680**	**15,301,126**	**1,779,223**	**-**	**23,542,029**
Additions during the year	3,682,424	5,400,118	-	-	9,082,542
Derecognised on disposal of subsidiary	(4,304,784)	-	(1,784,679)	-	(6,089,463)
Transfers	875,981	(875,981)	-	-	-
Disposals	(480,878)	-	-	-	(480,878)
Foreign exchange movements	(105,066)	174,620	5,456	-	75,010
At 31 December 2017	**6,129,357**	**19,999,883**	**-**	**-**	**26,129,240**
Additions during the year	2,389,494	5,308,444	-	5,666,803	13,364,741
Transfers	4,005,480	(4,005,480)	-	-	-
Disposals	(47,286)	-	-	-	(47,286)
Foreign exchange movements	(653,435)	(152,186)	-	-	(805,621)
At 31 December 2018	**11,823,610**	**21,150,661**	**-**	**5,666,803**	**38,641,074**
Additions	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 31 December 2019	**14,674,721**	**28,608,550**	**-**	**19,258,773**	**62,542,044**

Accumulated amortisation

At 1 January 2017	**4,122,321**	**-**	**1,779,223**	**-**	**5,901,544**
Charge for the year	1,562,144	-	-	-	1,562,144
Eliminated on disposal of subsidiary	(3,129,201)	-	(1,784,679)	-	(4,913,880)
Disposals	(477,240)	-	-	-	(477,240)
Foreign exchange movements	(4,008)	-	5,456	-	1,448
At 01 January 2018	**2,074,016**	**-**	**-**	**-**	**2,074,016**
Charge for the year	1,947,685	-	-	-	1,947,685
Disposals	(47,286)	-	-	-	(47,286)
Foreign exchange movements	(231,626)	-	-	-	(231,626)
At 31 December 2018	**3,742,789**	**-**	**-**	**-**	**3,742,789**
Charge for the year	2,056,147	-	-	-	2,056,147
Disposal	(725)	-	-	-	(725)
Foreign exchange movements	(156,771)	-	-	-	(156,771)
At 31 December 2019	**5,641,440**	**-**	**-**	**-**	**5,641,440**

Carrying value

31 December 2019	**9,033,281**	**28,608,550**	**-**	**19,258,773**	**56,900,604**
31 December 2018	**8,080,821**	**21,150,661**	**-**	**5,666,803**	**34,898,285**
31 December 2017	**4,055,341**	**19,999,883**	**-**	**-**	**24,055,224**

During the year ended 31 December 2019, management carried out impairment assessment of intangible assets and concluded that intangible assets of the Group were not impaired.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2017	2018	2019

15. Deposit from customers

	2017	2018	2019
By maturity			
Within one month	10,411,742	14,196,065	13,399,901
One to three months	6,237,033	25,465,548	14,641,204
Three months to one year	38,500,703	34,060,366	46,316,910
More than one year	-	5,932	596,118
Total deposits from customers	**55,149,478**	**73,727,911**	**74,954,133**
By nature			
Current accounts	1,695	74,965	525,180
Saving accounts	4,367,332	4,143,287	3,512,008
Fixed deposit accounts	50,780,451	69,509,659	70,916,945
Total deposits from customers	**55,149,478**	**73,727,911**	**74,954,133**

Interest rate charged on customer deposits ranges from 7% to 22% (2018: 7% to 27%; 2017: 9% to 32%).

16. Other payables

Current liabilities

		2017	2018	2019
Sundry creditors and accruals		18,402,219	25,107,763	31,042,659
Interest payable		21,590,021	28,304,558	20,732,657
Dividend payable	(i)	-	-	4,057,530
Withholding tax payable		1,783,755	2,971,132	3,385,013
Amount due to related parties (note 32.2)		865,149	1,371,298	483,677
Total other payables		**42,641,144**	**57,754,751**	**59,701,536**

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.

17. Provisions

17.1 Payroll related provisions

	2017	2018	2019
At 1 January	**3,669,308**	**-**	**2,822,832**
Additions	-	2,957,615	2,975,411
Amounts utilised	(3,664,951)	(47,112)	(3,484,976)
Foreign exchange movements	(4,357)	(87,671)	(517,578)
At 31 December	**-**	**2,822,832**	**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	2017	2018	2019

18. Leases

18.1 Obligation under finance leases under IAS 17

Minimum lease payments due			
- within one year	90,027	37,090	-
- in second to fifth year inclusive	48,750	18,560	-
	138,777	55,650	-
less: future finance charges	(23,128)	(8,484)	-
Present value of minimum lease payments	**115,649**	**47,166**	**-**
Current liabilities	75,237	29,772	-
Non-current liabilities	40,412	17,394	-
Present value of minimum lease payments	**115,649**	**47,166**	**-**

Finance leases relate to motor vehicles and office equipment with lease terms between 36 to 60 months. The Group has the option to purchase the assets for a nominal amount at the conclusion of the lease agreements.

The interest rates on the finance leases range from 9% to 21% per annum (2018: from 12% to 23%; 2017: 9% to 30%). The fair value of the finance lease liabilities is approximately equal to their carrying amounts. The Group's obligations under finance leases are secured by the lessors' charge over the leased assets (refer to note 12).

18.2 Lease liabilities under IFRS 16

During the year, the Group adopted IFRS 16, which became effective on 1 January 2019, using the modified retrospective approach. Refer to note 36 for effect of the change in accounting policy.

Maturity analysis			
Year 1	-	-	3,529,373
Year 2	-	-	7,659,488
Year 3	-	-	679,131
Year 4	-	-	469,166
Year 5	-	-	271,989
Onwards	-	-	1,249,742
Total lease liabilities	**-**	**-**	**13,858,889**

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		2017	2018	2019

19. Borrowings

		2017	2018	2019
Held at amortised cost				
Corporate bonds	(i)	299,761,549	293,872,197	387,802,481
Other term loans	(ii)	376,101,931	493,912,201	672,666,511
		675,863,480	787,784,398	1,060,468,992
Less: deferred transaction costs		(7,529,171)	(7,089,502)	(15,949,609)
Total borrowings		**668,334,309**	**780,694,896**	**1,044,519,383**

	2017	2018	2019
Current liabilities	127,615,325	320,062,138	142,178,616
Non-current liabilities	540,718,984	460,632,758	902,340,767
Total borrowings	**668,334,309**	**780,694,896**	**1,044,519,383**

	2017	2018	2019
Remaining term of maturity			
On demand or within period not exceeding one year	127,615,325	320,062,138	142,178,616
Within a period of more than one year but not exceeding two years	298,773,728	309,844,892	146,332,117
Within a period of more than two years but not exceeding five years	67,722,669	142,099,951	756,008,650
In more than five years	174,222,587	8,687,915	-
Total borrowings	**668,334,309**	**780,694,896**	**1,044,519,383**

(i) Corporate bonds

During 2017 and 2018, corporate bonds constituted of Swedish Krona bonds issued by the Group and bonds issued by subsidiaries in their respective currencies. The Swedish Krona bonds were fully repaid during the year ended 31 December 2019.

During the year ended 31 December 2019, the Group issued USD denominated Social bonds of USD 260 million carrying interest of 11.5% per annum and USD denominated Nordic bonds of USD 80 million carrying interest of 10.5% per annum. The Group bought back USD 30 million of the Social bond in December 2019. The Social bond issue refinanced Swedish Krona bonds with a financial value of SEK 1,900 million (USD 198.8 million) which matured in September 2019 and November 2019.

As at 31 December 2019, the last trades of the Social bonds and Nordic bonds were 106.3% and 100.5% of their respective nominal issue price (Swedish Krona bonds: 2018: 107.3%; 2017: 104.9% and 106.7%).

(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 and interest rates range from 6% to 29% per annum (2018: 6% to 31%; 2017: 6% to 27%).

Securities and guarantees

Other term loans include borrowings of USD 481 million (2018: USD 265 million; 2017: USD 293 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 (2018 & 2017: USD 1.6 million)
(b) Surbordination of loans from Bayport Management Ltd to subsidiaries of USD 90.5 million (2018: USD 74.7 million; 2017: USD 144 million)
(c) Corporate guarantee from Bayport Management Ltd of USD 32.4 million (2018: USD 32.4 million; 2017: USD 5.2 million)
(d) Lien over cash of USD 0.2 million (2018 & 2017: Nil)
(e) Cash collateral pledged of USD 2.6 million (2018: USD 0.5 million; 2017: USD 1.1 million)

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

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 2017	**30,741,360**	**30,741**	**301,125,796**	**606,999**	**-**	**-**	**301,763,536**	**-**	**301,763,536**
Issue of ordinary shares (i)	114,647	115	2,678,039	-	-	-	2,678,154	-	2,678,154
Purchase of treasury shares (ii)	-	-	-	-	-	-	-	(1,498,760)	(1,498,760)
Convertible note (iii)	-	-	-	-	-	60,560,000	60,560,000	-	60,560,000
Share application monies (iv)	-	-	-	156,680	-	-	156,680	-	156,680
31 December 2017	**30,856,007**	**30,856**	**303,803,835**	**763,679**	**-**	**60,560,000**	**365,158,370**	**(1,498,760)**	**363,659,610**
Issue of ordinary shares (i)	81,681	82	1,025,749	(499,788)	-	-	526,043	-	526,043
Share application monies (iv)	-	-	-	9,371,461	-	-	9,371,461	-	9,371,461
31 December 2018	**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) & (iv)	460,401	460	10,646,610	(9,635,352)	-	-	1,011,718	-	1,011,718
Issue of Limited-voting B shares (v)	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000
31 December 2019	**31,398,089**	**31,398**	**315,476,194**	**-**	**30,000,000**	**60,560,000**	**406,067,592**	**(1,498,760)**	**404,568,832**

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 associates in 2017 (refer to note 10) and senior executives in 2017 and 2018 (refer to note 22).

(ii) During the year ended 31 December 2017, the Group bought back 0.29% of its own shares from group executives participating in the share based incentives scheme. These shares have been accounted as treasury shares in the books of the Company.

(iii)During the year ended 31 December 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 if 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 at 31 December 2019.

(iv)Share application monies represent advances received from the shareholders which has 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 (refer to note 31.2). 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.

(v) 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.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

20. Share capital and treasury shares (continued)

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

Shareholders		Percentage holding 2017	Percentage holding 2018	Percentage holding 2019
Kinnevik New Ventures		24.08	24.01	23.73
Takwa Holdco Limited		18.22	18.17	17.95
Takwa Holdco (2) Ltd		4.92	4.91	4.85
Public Investment Corporation (SDC) Limited		20.67	20.61	20.37
Elsworthy Holdings Ltd		11.90	11.87	11.73
Mr Grant Kurland	Director	9.28	9.25	9.14
Kasumu Ltd		8.37	8.35	8.25
Mr Justin Chola	Director	0.78	0.78	0.77
Mr Vladimer Gurgenidze		0.28	0.31	0.30
Others		1.50	1.74	2.91
Total		**100.00**	**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. Dividends declared and paid

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

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.

22. Equity settled reserves

Share-based incentive scheme	22.1	1,382,136	3,007,120	4,901,880
Share-based contingent consideration	22.2	651,623	3,670,199	3,208,049
Total equity settled reserves		**2,033,759**	**6,677,319**	**8,109,929**

22.1 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 2018	76,820	34,642	-
31 December 2019	80,103	60,400	-
31 December 2020	57,088	81,589	79,968
31 December 2021	57,088	79,678	105,623
31 December 2022	30,168	55,291	81,236
31 December 2023	-	25,460	51,894
31 December 2024	-	-	25,655
Total number of shares	**301,267**	**337,060**	**344,376**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2017	2018	2019

22. Equity settled reserves (continued)

22.2 Share-based contingent consideration

The share-based contingent consideration relates to the acquisition of the Traffic Group (refer to note 10) and acquisition of additional stake in Financiera Fortaleza, S.A de C.V, SOFOM, E.N.R (refer to note 31.1). The purchase prices were agreed to be partly by issuance of 170,277 shares (2018: 196,970 shares; 2017: 34,804 shares) of the Company subject to achievement of agreed performance metrics based on profit targets. During 2018, the Group issued 8,111 shares to Picasso Moon Investment Limited which is part of the Traficc Group. During the year 2019, Traficc Group achieved its agreed performance metrics based on profit targets and issued 26,693 shares. Refer to note 33.7.3 for the fair value measurement disclosure.

	2017	2018	2019
Number of shares, vesting in future financial years ending:			
31 December 2019	34,804	26,693	-
31 December 2022	-	170,277	170,277
Total number of shares	**34,804**	**196,970**	**170,277**

23. Other reserves

		2017	2018	2019
Investment revaluation reserve	(i)	32,231,348	33,689,859	18,555,786
Regulatory and statutory reserves	(ii)	9,864,584	21,092,981	13,829,210
Total other reserves		**42,095,932**	**54,782,840**	**32,384,996**

	2017	2018	2019
(i) Investment revaluation reserve			
At 1 January	(60,577)	32,231,347	33,689,859
Movement in fair value (note 8)	6,317,213	8,115,218	(999,128)
Derecognised on disposal of subsidiary (32.3)	25,974,712	-	-
Share of other comprehensive income	-	(989,903)	(542,975)
Transfer of reinsurance contract rights (note 8)	-	(5,666,803)	(13,591,970)
At 31 December	**32,231,348**	**33,689,859**	**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 8).

	2017	2018	2019
(ii) Regulatory and statutory reserves			
At 1 January	14,214,856	9,864,584	21,092,981
Movement in fair value	(4,350,272)	11,228,397	(7,263,771)
At 31 December	**9,864,584**	**21,092,981**	**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 International Financial Reporting Standards compared to local regulations and requirements to maintain a minimum capital adequacy ratio. Refer to note 33.7.1 for the fair value measurement disclosure.

24. Interest and other similar income

	2017	2018	2019
Interest on loans and advances	272,521,532	325,723,855	349,436,664

25. Interest and other similar expense

	2017	2018	2019
Interest on bank overdrafts and term loans	45,312,834	73,315,666	98,672,626
Interest on corporate bonds	70,675,885	46,337,913	51,837,986
Interest on lease liabilities	74,322	30,793	1,469,394
Total interest and other similar expense	**116,063,041**	**119,684,372**	**151,980,006**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

26. Other income

Other non-advances interest income	3,018,257	2,136,923	3,547,159
Sundry income	5,255,958	6,840,996	12,573,357
Profit on disposal of property and equipment and intangible assets	50,878	20,259	78,127
Income from insurance activities	-	-	11,454,458
Total other income	**8,325,093**	**8,998,178**	**27,653,101**

27. Operating expenses

Employee costs	46,445,204	60,038,681	64,332,928
Sales commission	10,375,098	14,698,333	24,616,309
Collection fees	7,191,579	9,385,831	10,159,361
Management fees paid to associates	644,699	9,085,431	-
Depreciation and amortisation	4,918,348	6,242,728	9,837,690
Property rental	4,741,187	5,495,779	1,469,945
Accounting, legal and professional fees	6,012,650	4,706,011	9,859,546
Computer expenses	2,433,226	2,924,954	3,311,213
Marketing expenses	2,291,911	2,109,217	1,271,789
Others	37,847,279	32,835,062	32,540,383
Total operating expenses	**122,901,181**	**147,522,027**	**157,399,164**

28. (Loss)/earnings per share

Basic earnings per share

From continuing operations	(0.61)	1.12	1.16
From discontinued operations	(0.94)	-	-
Total basic (loss)/earnings per share	**(1.55)**	**1.12**	**1.16**

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

(Loss)/earnings for the year attributable to owners of the Company	(48,139,229)	38,193,634	40,118,159
Add back: loss for the year from discontinued operations used in calculation of basic earnings per share	29,170,201	-	-
(Loss)/earnings used in calculation of basic earnings per share	**(18,969,028)**	**38,193,634**	**40,118,159**
Weighted average number of shares for the purpose of calculating basic earnings per share	**31,069,385**	**34,243,584**	**34,437,033**

Diluted (loss)/earnings per share

From continuing operations	(0.61)	1.10	1.15
From discontinued operations	(0.93)	-	-
Total diluted (loss)/earnings per share	**(1.54)**	**1.10**	**1.15**

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

(Loss)/earnings for the year attributable to owners of the Company	(48,139,229)	38,193,634	40,118,159
Add back: loss for the year from discontinued operations used in calculation of basic earnings per share	29,170,201	-	-
(Loss)/earnings used in calculation of diluted earnings per share	**(18,969,028)**	**38,193,634**	**40,118,159**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

28. (Loss)/earnings per share (continued)

Diluted (loss)/earnings per share (continued)

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:

	2017	2018	2019
Weighted average number of ordinary shares used for basic earnings per share	31,069,385	34,243,584	34,437,033
Share deemed to be of no consideration in respect of:			
- Share-based incentive scheme	118,325	377,930	307,687
- Deferred share consideration	26,693	28,249	170,277
Weighted average shares used in the calculation of diluted earnings per share	**31,214,403**	**34,649,763**	**34,914,997**

29. Foreign exchange differences

	2017	2018	2019
Foreign exchange differences recognised under other comprehensive income:			
Arising on translation of equity of foreign operations	10,601,074	(42,299,244)	(14,081,150)
Arising on translation of amount due from foreign operations	5,608,058	(26,480,114)	(10,081,176)
Total foreign exchange differences	**16,209,132**	**(68,779,358)**	**(24,162,326)**

30. 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				Closing balance
			Currency movements	Amortisation of deferred transaction costs	Disposal of subsidiary	New finance leases	
2019							
Bonds	292,660,286	109,025,243	(25,768,635)	2,992,965	-	-	378,909,859
Other borrowings	488,034,608	183,654,972	(11,947,198)	5,867,142	-	-	665,609,524
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	**780,742,060**	**320,341,240**	**(35,798,401)**	**8,860,107**	**-**	**9,208,882**	**1,083,353,888**
2018							
Bonds	292,232,378	17,546,319	(21,366,488)	4,248,077	-	-	292,660,286
Other borrowings	376,101,931	131,416,139	(14,795,716)	(4,687,746)	-	-	488,034,608
Lease liabilities	115,649	(67,005)	(1,478)	-	-	-	47,166
Total liabilities from financing activities	**668,449,958**	**148,895,453**	**(36,163,682)**	**(439,669)**	**-**	**-**	**780,742,060**
2017							
Bonds	382,747,449	(127,510,645)	37,530,255	(534,681)	-	-	292,232,378
Other borrowings	454,366,102	125,830,303	(6,902,694)	-	(197,191,780)	-	376,101,931
Lease liabilities	353,964	(250,772)	12,457	-	-	-	115,649
Total liabilities from financing activities	**837,467,515**	**(1,931,114)**	**30,640,018**	**(534,681)**	**(197,191,780)**	**-**	**668,449,958**

* 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.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Business combinations

31.1 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) which suspended the minority protection matters. Hence, the Group transferred its investment in the Traficc Group of companies from associates (refer note 10) to investment in subsidiaries (refer to note 9) and recognised a goodwill of USD 3,090,704 (refer to note 11).

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	**2019**
Consideration	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	**2019**
Cash and cash equivalents acquired	1,316,021

31.2 Change in percentage holding in subsidiary - 31 December 2018

In December 2018, the Group acquired an additional 14.24% of the issued shares of Financiera Fortaleza, S.A de C.V, SOFOM E.N.R for a purchase consideration of USD 17,119,031 partly settled by consideration payable in cash of USD 4,275,631, shares amounting to USD 9,635,352 (refer to note 20) and contingent consideration of USD 3,208,049 (refer to note 22). The Group derecognised non-controlling interests of USD 2,188,132 and recorded a decrease in equity attributable to owners of the Company of USD 14,930,899.

31.3 Disposal of subsidiary - 31 December 2017

Disposal of 51% shares in Bayport Financial Services 2010 (Proprietary) Limited

On 30 November 2017, the Group disposed of 51% of its investment in Bayport Financial Services 2010 (Proprietary) Limited, a Group incorporated in South Africa.

31.3.1 Calculation of the loss on disposal

	2017
Consideration received	113,628,572
Fair value of interest retained	114,468,430
Less: net assets disposed of	(262,764,586)
Less: transaction cost	(178,163)
Loss on disposal of subsidiary	**(34,845,747)**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

31. Business combinations (continued)

31.3.2 Analysis of loss for the year from discontinued operations

The combined results of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been presented to include the operation classified as discontinued in the current year.

Loss for the year from discontinued operations	**2017**
Interest and other similar income	66,171,369
Interest and other similar expense	(22,420,918)
Net interest income	**43,750,451**
Other income	21,783,846
Less: operating expenses	(35,499,527)
Less: impairment of loans and advances	(24,937,167)
Profit before taxation	**5,097,603**
Taxation	577,943
Profit for the year from discontinued operations (attributable to owners of the Company)	**5,675,546**
Loss on disposal of subsidiary (note 30.2.1)	(34,845,747)
Combined net loss for the year from discontinued operations	**(29,170,201)**

31.3.3 Net cash flow from disposal of subsidiary

Consideration received in cash and bank balances	113,628,572
Less: cash and bank balances disposed	(42,474,625)
Net cash flow from disposal of subsidiary	**71,153,947**

31.3.4 Assets and liabilities over which control was lost:

Assets	
Cash and bank balances	42,474,625
Loans and advances	210,694,685
Goodwill	86,165,700
Other assets	51,660,662
Total assets	**390,995,672**
Liabilities	
Borrowings	(197,191,780)
Other liabilities	(8,626,111)
Total liabilities	**(205,817,891)**
Equity	
Transfer from reserves	77,586,805

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar		2017	2018	2019

32. Related party transactions

Details of transactions between the Group and other related parties are as follows:

32.1 Trading transactions

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

	2017	2018	2019
Interest received			
On loans under share incentive scheme	96,437	67,605	78,071
Non-controlling interests of subsidiaries	54,016	156,675	263,058
Total interest received	**150,453**	**224,280**	**341,129**
Interest paid			
Directors	12,891	9,969	-
Non-controlling interests	80,530	132,011	150,026
Total interest paid	**93,421**	**141,980**	**150,026**
Management fees paid to associate			
Bayport Financial Services 2010 Proprietary Limited	644,699	9,085,431	-
Dividend paid to associate			
Bayport Financial Services 2010 Proprietary Limited	-	-	40,000,000

32.2 Amount receivable from and payable to related parties

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

		2017	2018	2019
Amounts receivable from related parties				
Non-controlling interests	(i)	1,557,858	1,690,221	1,693,029
Loan receivable from senior executives under share-based incentive scheme		1,366,113	1,169,827	2,266,019
Bayport Financial Services 2010 Proprietary Limited		-	1,090	10,273,569
Total		**2,923,971**	**2,861,138**	**14,232,617**
Amounts payable to related parties				
Director		288,852	-	-
Non-controlling interests		576,297	1,371,298	483,677
Total		**865,149**	**1,371,298**	**483,677**

(i) The Group has provided loans to related parties which are unsecured, bear interest ranging from 10% to 15% per annum (2018: 10% to 15%; 2017: 5% to 14%) and are repayable within the next five years (2018 & 2017: five years).

Refer to note 4 for terms and conditions of loan receivable under share-based incentive scheme and loan receivable from Bayport Financial Services 2010 Proprietary Limited.

32.3 Loans to associate

	2017	2018	2019
Loans to associate	-	-	34,035,116

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

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

32.4 Compensation of key management personnel

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

Short-term benefits	12,011,666	13,686,923	12,713,776
Post-employment benefits	227,778	104,479	213,311
Share-based payments	258,949	385,324	199,928
Other long term benefits	-	226,477	374,333
Total	**12,498,393**	**14,403,203**	**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.

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

DTOS Ltd	15,678	22,750	66,465

32.6 Other related party transactions

Details of amounts due under the share-based incentive scheme are disclosed in note 22.

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

Share application monies are disclosed in note 20.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. 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.

33.1 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.

33.1.1. 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.

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.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

33.1 Credit risk (continued)

33.1.2. 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.

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**	

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

2018	Recency	Gross advances	Impairment	Net advances	Coverage ratio
Loans and advances					
12 month expected credit losses	1. Standard Performing	766,489,111	(9,427,243)	757,061,868	1 %
Lifetime expected credit losses	2. Performing active (1-2)	112,990,385	(26,452,856)	86,537,529	23 %
	3. Performing Active (3-4)	8,384,609	(4,475,589)	3,909,020	53 %
Credit impaired financial assets	4. Non-performing	22,243,328	(16,106,447)	6,136,881	72 %
	5. Doubtful	17,432,687	(14,113,540)	3,319,147	81 %
	6. Bad	27,123,201	(24,253,379)	2,869,822	89 %
Total		**954,663,321**	**(94,829,054)**	**859,834,267**	

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

2017	Recency	Gross advances	Impairment	Net advances	Coverage ratio
12 month expected credit losses	1. Standard Performing	640,770,470	(9,992,086)	630,778,384	2 %
Lifetime expected credit losses	2. Performing active (1-2)	95,296,656	(23,763,458)	71,533,198	25 %
	3. Performing Active (3-4)	8,377,975	(5,357,643)	3,020,332	64 %
Credit impaired financial assets	4. Non-performing	19,567,907	(16,045,526)	3,522,381	82 %
	5. Doubtful	15,621,402	(13,223,441)	2,397,961	85 %
	6. Bad	10,466,219	(8,758,176)	1,708,043	84 %
Total		**790,100,629**	**(77,140,330)**	**712,960,299**	

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

33.1 Credit risk (continued)

33.1.3. Impairment provision reconciliation

Loans and advances	**12 month expected credit losses**	**Lifetime expected credit losses**	**Credit impaired financial assets**	**Total**
At 01 January 2017	**23,650,230**	**43,580,274**	**208,771,445**	**276,001,949**
New loans issued during the year	14,503,501	9,810,739	12,021,288	36,335,528
Existing book movements*	(7,888,187)	(1,982,866)	45,125,555	35,254,502
Loans settled during the year	(8,797,854)	(8,500,231)	(9,162,503)	(26,460,588)
Derecognition on disposal of subsidiary	(11,616,643)	(14,091,108)	(197,964,705)	(223,672,456)
Write-offs	-	-	(30,429,239)	(30,429,239)
Foreign exchange movements	141,040	304,309	737,510	1,182,859
At 01 January 2018	**9,992,087**	**29,121,117**	**29,099,351**	**68,212,555**
New loans issued during the year	6,544,366	3,644,283	1,535,169	11,723,818
Existing book movements*	(3,552,696)	4,784,203	15,705,214	16,936,721
Loans settled during the year	(2,813,382)	(4,624,588)	(4,055,161)	(11,493,131)
Write-offs	-	-	(16,762,235)	(16,762,235)
Foreign exchange movements	(743,133)	(1,996,531)	(3,318,052)	(6,057,716)
At 31 December 2018	**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**

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

33.2 Categories of financial instruments

Financial assets		**2017**	**2018**	**2019**
At amortised cost:				
Cash and bank balances		51,027,605	68,412,034	118,353,716
Other receivables	(i)	7,423,606	7,225,745	56,424,944
Loans and advances	(ii)	712,960,383	859,834,356	1,010,758,306
Fair value through profit or loss:				
Other financial assets		6,500,923	21,706,180	-
Fair value through other comprehensive income:				
Other investments		32,256,348	34,818,013	40,129,751
Total financial assets		**810,168,865**	**991,996,328**	**1,225,666,717**

Financial liabilities				
At amortised cost:				
Bank overdrafts		5,286,878	52,331,627	49,893,877
Deposits from customers		55,149,478	73,727,911	74,954,133
Other payables	(iii)	38,752,930	52,553,043	53,261,271
Borrowings	(iv)	675,863,480	787,784,398	1,060,468,992
Obligation under finance leases		115,649	47,166	-
Lease liabilities		-	-	8,834,505
Fair value through profit or loss:				
Other financial liabilities		2,836,325	21,701,805	3,345,070
Total financial liabilities		**778,004,740**	**988,145,950**	**1,250,757,848**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

33.2 Categories of financial instruments (continued)

Adjustments for non financial assets and liabilities are as follows:

(i) Other receivables exclude prepayments and VAT of USD 13.0 million (2018: USD 7.0 million; 2017: USD 7.3 million)
(ii) Loans and advances exclude deferred transactions costs and revenues of USD 23.6 million (2018: USD 10.9 million; 2017: USD 0.6 million)
(iii) Other payables exclude PAYE, VAT payable, withholding taxes and provisions of USD 7.6 million (2018: USD 8.0 million; 2017: 3.8 million)
(iv) Borrowings exclude deferred transaction costs of USD 16.0 million (2018: USD 7.0 million; 2017: 7.5 million)

33.3 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 2019	0-3 months	4-12 months	1- 5 years	Total
Financial liabilities				
Bank overdrafts	4,893,877	45,000,000	-	49,893,877
Deposits from customers*	35,784,861	44,864,697	653,026	81,302,584
Other payables	53,261,271	-	-	53,261,271
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*	68,006,236	218,819,351	1,119,044,740	1,405,870,327
Cash flows from financial liabilities	**163,225,884**	**314,154,860**	**1,127,840,158**	**1,605,220,902**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

31 December 2018	0-3 months	4-12 months	1-5 years	Total
Bank overdrafts	52,331,627	-	-	52,331,627
Deposits from customers*	31,400,532	50,121,897	6,837	81,529,266
Other payables	52,553,043	-	-	52,553,043
Other financial liabilities	18,603,213	-	3,098,592	21,701,805
Obligation under finance leases*	9,342	27,748	18,561	55,651
Borrowings*	54,877,972	367,866,086	600,014,398	1,022,758,456
Cash flows from financial liabilities	**209,775,729**	**418,015,731**	**603,138,388**	**1,230,929,848**

31 December 2017				
Bank overdrafts	5,286,878	-	-	5,286,878
Deposits from customers*	17,365,011	44,044,570	-	61,409,581
Other payables	38,694,704	58,226	-	38,752,930
Other financial liabilities	-	-	2,836,325	2,836,325
Obligation under finance leases*	60,564	29,462	48,750	138,776
Borrowings*	44,005,575	157,763,351	667,010,326	868,779,252
Cash flows from financial liabilities	**105,412,732**	**201,895,609**	**669,895,401**	**977,203,742**

* Deposit from customers, lease liabilities (2018 & 2017: Obligation under finance leases) and borrowings include future interests payable derived from respective loan amortisation schedules.

33.4 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 2017, 01 January 2018 and 01 January 2019.

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

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

33.4 Interest rate risk (continued)

2018	Base	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Profit after taxation	44,961,674	42,317,278	46,973,387
Equity	230,397,920	227,753,524	232,409,633

2017	Base	Scenario 1 Effect after 10% increase in variable interest rates	Scenario 2 Effect after 10% decrease in variable interest rates
Profit after taxation	(15,159,170)	(17,183,380)	(12,966,326)
Equity	257,427,127	255,402,917	259,619,971

Assuming no management actions, an increase in interest rates would decrease the Group's profit after tax for the year by USD 4,803,618 (2018: USD 2,644,396; 2017: increase loss after tax USD 2,024,210) and equity by USD 4,803,618 (2018: USD 2,644,396; 2017: USD 2,024,210), while a fall would increase profit after tax for the year by USD 2,957,968 (2018: USD 2,011,713; 2017: decrease loss after tax USD 2,192,844) and equity by USD 2,957,968 (2018: USD 2,011,713; 2017: USD 2,192,844).

33.5 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 (obligation under finance lease) disclosed in notes 18 and 19, 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 2017, 2018 and 2019 respectively were as follows:

	2017	2018	2019
Total borrowings			
Obligations under finance leases (note 18.1)	115,649	47,166	-
Lease liabilities (note 18.2)	-	-	8,834,505
Borrowings (note 19)	668,334,309	780,694,896	1,044,519,383
	668,449,958	**780,742,062**	**1,053,353,888**
Less: Cash and cash equivalents (note 3)	(45,740,727)	(16,080,407)	(68,459,839)
Net debt	**622,709,231**	**764,661,655**	984,894,049
Total equity	257,427,127	230,397,920	228,464,745
Total capital	**880,136,358**	**995,059,575**	**1,213,358,794**
Net debt to capital	71 %	77 %	81 %

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar	2017	2018	2019

33. Risk management (continued)

33.6 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	1,550,930	2,125,528	55,120,583
Zambian Kwacha	228,017,994	239,729,977	217,281,649
Ghanaian Cedi	111,165,351	126,026,144	131,786,710
Uganda Shilling	19,080,806	21,291,604	21,437,924
Tanzanian Shilling	67,728,008	66,381,693	64,883,206
United States Dollar	52,357,883	74,536,655	76,627,821
Colombian Peso	140,824,939	175,184,573	237,050,013
Botswana Pula	68,774,170	78,223,072	97,231,025
Swedish Krona	189,760	140,873	108,859
Pound Sterling	439,656	1,236,256	1,830,578
Mozambican Metical	65,383,926	108,518,002	159,924,952
Mexican Peso	54,503,722	98,481,033	162,238,178
Mauritian Rupee	65,292	101,236	108,336
Euro	86,428	19,682	36,883
Total financial assets	**810,168,865**	**991,996,328**	**1,225,666,717**

Financial liabilities			
Currency			
South African Rand	2,151,863	715,540	10,571,426
Zambian Kwacha	68,179,155	91,815,662	85,010,421
Ghanaian Cedi	77,902,017	92,168,661	83,676,719
Uganda Shilling	2,674,716	1,683,488	2,480,384
Tanzanian Shilling	14,163,028	35,522,001	33,473,066
United States Dollar	436,433,859	505,631,612	638,070,122
Colombian Peso	87,910,147	76,101,291	128,115,498
Botswana Pula	33,979,739	46,556,882	62,647,552
Swedish Krona	13,014,625	34,088,753	5,430
Pound Sterling	377,178	19,144	1,010,556
Mauritian Rupee	-	24,253	229,209
Mozambican Metical	13,344,816	59,223,542	99,306,522
Mexican Peso	27,853,597	44,595,121	106,136,160
Euro	-	-	24,783
Total financial liabilities	**777,984,740**	**988,145,950**	**1,250,757,848**

The above tables exclude investment in associates which are denominated in South African Rand of ZAR 1,583,554,252 (2018: ZAR 1,664,708,163; 2017: ZAR 1,661,517,194) equivalent to USD 113,111,018 (2018: USD 116,034,222; 2017: USD 134,179,442).

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

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.

Figures in US Dollar

Notes to the Consolidated Financial Statements (continued)

33. Risk management (continued)

33.6 Foreign exchange risk (continued)

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

The table below 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 2017, 01 January 2018 and 01 January 2019. Assuming no management actions, a series of such rise and fall would impact the future earnings and capital as illustrated in the table below.

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

2018	Base	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Loss after taxation from continuing operations	44,961,674	43,508,334	46,415,014
Equity	230,397,920	208,853,368	251,942,472

2017	Base	Scenario 1 Effect after 10% appreciation in USD	Scenario 2 Effect after 10% depreciation in USD
Loss after taxation from continuing operations	(15,159,170)	(11,205,599)	(19,112,741)
Equity	257,427,127	272,640,080	242,214,174

Assuming no management actions, an appreciation in the US Dollar would decrease profit after tax for the year by USD 3,453,639 (2018: USD 1,453,340; 2017: decrease loss after tax by USD 3,953,571) and decrease equity by USD 27,644,904 (2018: increase equity by USD 21,544,552; 2017: increase equity by USD 15,212,953), while a depreciation would have an opposite impact by the same amounts.

Notes to the Consolidated Financial Statements

33. Risk management (continued)

33.7 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.

33.7.1 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					
			2017		2018		2019	
Fair value of other investments	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**	**10% higher**	**10% lower**	**10% higher**	**10% lower**	**10% higher**	**10% lower**
Investment in GIL*	Collection efficiency	The higher the collection rates, the higher the fair value	3,687,323	(3,137,231)	3,765,932	(3,738,016)	1,969,468	(1,912,128)
	Exchange rates	An appreciation in USD will reduce the fair value	3,109,624	(2,558,024)	3,670,047	(2,996,012)	142,170	(152,456)
	Discount rate 7.95% (2018: 5.83%)	The higher the discount rate, the lower the fair value	(476,602)	798,065	(450,699)	462,339	(303,385)	308,687

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

33. Risk management (continued)

33.7 Fair value measurements (continued)

33.7.1 Other investments (continued)

*The reconciliation of Level 3 fair value measurements are disclosed in note 8.

33.7.2 Forward foreign exchange contracts

The fair value of the forward foreign exchange contracts is determined using quoted inputs, and thus classified as Level 2 under IFRS 13 Fair Value Measurement hierarchy due to the use of observable market exchange rates. There is no significant unobservable input used in the determination of the fair value measurements. Refer to note 6.1 for detail on the foreign exchange forward contract in cash flow hedges.

33.7.3 Contingent consideration

Contingent consideration relating to the portion of acquisition of Traficc Group (refer to note 10) 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.

34. 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 Ltd, Bayport Latin America Holdings Ltd, Bayport International Headquarter Company Proprietary Limited, Actvest Proprietary Limited, Bayport Manangement 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

34. 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**
Commission income	1,628	729	371	115	333	948	1,821	-	6	-	5,951
Dividend income	-	-	-	-	-	-	-	-	2,073	21,255	23,328
Other income	1,356	551	365	78	90	638	4,821	1,300	16,199	2,255	27,653
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

34. 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 and overdrafts	55,913	65,462	28,738	1,009	58,822	57,100	114,039	100,193	-	613,137	1,094,413
Other liabilities	74,624	54,004	36,612	24,698	14,869	85,599	91,697	55,895	9,475	(295,740)	151,733
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

34. Segmental reporting (continued)

Segmental reporting $'000

Year ended 31 December 2018	**Zambia**	**Ghana**	**Tanzania**	**Uganda**	**Botswana**	**Mozambique**	**Colombia**	**Mexico**	**Support**	**Group**
Consolidated statement of profit or loss										
Interest and other similar income	110,185	55,386	26,622	9,842	25,045	36,159	37,123	30,492	(5,130)	325,724
Interest and other similar expense	(33,165)	(20,753)	(9,198)	(2,722)	(6,572)	(12,829)	(16,590)	(10,133)	(7,722)	(119,684)
Net interest income/(loss)	**77,020**	**34,633**	**17,424**	**7,120**	**18,473**	**23,330**	**20,533**	**20,359**	**(12,852)**	**206,040**
Commission income	1,922	631	346	(84)	298	692	411	-	-	4,216
Dividend income	-	-	-	-	-	-	-	-	17,573	17,573
Other income	1,293	1,101	72	117	47	51	3,963	681	1,673	8,998
Non interest income	**3,215**	**1,732**	**418**	**33**	**345**	**743**	**4,374**	**681**	**19,246**	**30,787**
Operating income/(loss)	**80,235**	**36,365**	**17,842**	**7,153**	**18,818**	**24,073**	**24,907**	**21,040**	**6,394**	**236,827**
Operating expenses	(29,969)	(26,306)	(10,690)	(5,592)	(8,918)	(15,537)	(16,314)	(16,452)	(17,744)	(147,522)
Foreign exchange (loss)/gain	(1,390)	(934)	(992)	(194)	(1,926)	(513)	(1,234)	1,683	2,383	(3,117)
Operating profit before impairment	**48,876**	**9,125**	**6,160**	**1,367**	**7,974**	**8,023**	**7,359**	**6,271**	**(8,967)**	**86,188**
Impairment on financial assets	(741)	(6,542)	(5,556)	2,444	(2,065)	(1,288)	(2,414)	(3,370)	1,295	(18,237)
Share of post-tax results of associates	-	-	-	-	-	-	-	-	3,417	3,417
Profit/(loss) before taxation	**48,135**	**2,583**	**604**	**3,811**	**5,909**	**6,735**	**4,945**	**2,901**	**(4,255)**	**71,368**
Taxation										(26,406)
Profit for the year										**44,962**

Notes to the Consolidated Financial Statements

34. Segmental reporting (continued)

Segmental Reporting $'000

Year ended 31 December 2018	Zambia	Ghana	Tanzania	Uganda	Botswana	Mozambique	Colombia	Mexico	Support	Group
Consolidated statement of financial position										
Loans and advances	215,582	117,321	63,747	20,108	74,891	104,670	175,238	99,145	-	870,702
Other assets	23,557	22,475	13,505	7,132	7,035	19,247	14,011	17,651	230,524	355,137
Total assets	**239,139**	**139,796**	**77,252**	**27,240**	**81,926**	**123,917**	**189,249**	**116,796**	**230,524**	**1,225,839**
Borrowings and overdrafts	60,008	61,690	33,139	1,286	54,887	39,294	66,041	42,801	473,881	833,027
Other liabilities	92,541	49,749	31,770	21,436	12,535	58,190	79,381	44,925	(228,113)	162,414
Total liabilities	**152,549**	**111,439**	**64,909**	**22,722**	**67,422**	**97,484**	**145,422**	**87,726**	**245,768**	**995,441**

Notes to the Consolidated Financial Statements

34. Segmental reporting (continued)

Segmental reporting $'000

Year ended 31 December 2017	**Zambia**	**Ghana**	**Tanzania**	**Uganda**	**Botswana**	**Mozambique**	**Colombia**	**Mexico**	**Support**	**Group**
Consolidated statement of profit or loss										
Interest and other similar income	99,931	47,732	24,528	9,517	20,687	20,913	27,777	16,002	5,435	272,522
Interest and other similar expense	(37,409)	(18,841)	(7,175)	(3,660)	(5,976)	(6,886)	(13,279)	(5,309)	(17,528)	(116,063)
Net interest income/(loss)	**62,522**	**28,891**	**17,353**	**5,857**	**14,711**	**14,027**	**14,498**	**10,693**	**(12,093)**	**156,459**
Commission income	1,816	590	369	97	248	396	2,107	-	-	5,623
Dividend income	-	-	-	-	-	-	-	-	8,119	8,119
Other income	744	2,798	324	458	2	27	4,010	303	(343)	8,323
Non interest income	**2,560**	**3,388**	**693**	**555**	**250**	**423**	**6,117**	**303**	**7,776**	**22,065**
Operating income/(loss)	**65,082**	**32,279**	**18,046**	**6,412**	**14,961**	**14,450**	**20,615**	**10,996**	**(4,317)**	**178,524**
Operating expenses	(24,335)	(24,308)	(11,566)	(5,648)	(7,047)	(10,640)	(14,191)	(12,588)	(12,578)	(122,901)
Foreign exchange loss	28	(980)	(1,049)	(261)	1,556	509	(689)	489	(35,079)	(35,476)
Operating profit before impairment	**40,775**	**6,991**	**5,431**	**503**	**9,470**	**4,319**	**5,735**	**(1,103)**	**(51,974)**	**20,147**
Impairment on financial assets	(2,463)	(4,971)	(5,045)	(1,249)	(1,557)	(295)	(2,377)	(1,696)	(539)	(20,192)
Share of post-tax results of associates	-	-	-	-	-	-	-	-	1,363	1,363
Profit/(loss) before taxation	**38,312**	**2,020**	**386**	**(746)**	**7,913**	**4,024**	**3,358**	**(2,799)**	**(51,150)**	**1,318**
Taxation										(16,479)
Loss for the year from continued operations										**(15,161)**
Net loss for the year from discontinued operations										(29,170)
Loss for the year										**(44,331)**

Notes to the Consolidated Financial Statements

34. Segmental reporting (continued)

Segmental Reporting $'000

Year ended 31 December 2017	**Zambia**	**Ghana**	**Tanzania**	**Uganda**	**Botswana**	**Mozambique**	**Colombia**	**Mexico**	**Support**	**Group**
Consolidated statement of financial position										
Loans and advances	207,841	100,856	64,436	18,852	65,639	66,547	138,226	51,153	-	713,550
Other assets	19,138	22,469	11,929	4,987	3,484	11,383	22,135	14,381	214,140	324,046
Total assets	**226,979**	**123,325**	**76,365**	**23,839**	**69,123**	**77,930**	**160,361**	**65,534**	**214,140**	**1,037,596**
Borrowings and overdrafts	43,968	48,365	20,478	1,024	46,035	11,880	80,123	27,013	394,735	673,621
Other liabilities	110,931	42,056	43,741	21,441	12,048	51,541	53,149	32,530	(260,890)	106,547
Total liabilities	**154,899**	**90,421**	**64,219**	**22,465**	**58,083**	**63,421**	**133,272**	**59,543**	**133,845**	**780,168**

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

35. Financial Summary

	2017	2018	2019
Statement of profit or loss			
Net interest income	156,458,491	206,039,483	197,456,658
(Loss)/profit for the year	(44,329,371)	44,961,674	45,946,961
(Loss)/profit attributable to owners of the Company	(48,139,229)	38,193,634	40,118,159
Statement of financial position			
Loans and advances	713,550,384	870,702,219	1,034,327,321
Other assets	324,045,176	355,136,896	440,283,562
Total assets	**1,037,595,560**	**1,225,839,115**	**1,474,610,883**
Total equity	257,427,127	230,397,920	228,464,745
Total liabilities	780,168,433	995,441,195	1,246,146,138
Total equity and liabilities	**1,037,595,560**	**1,225,839,115**	**1,474,610,883**

36. Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group has applied IFRS 16 with a date of initial application on 1 January 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The details of the changes in accounting policies are disclosed below.

36.1 Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 1.4.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

36.2 As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet

The Group decided to apply recognition exemptions to short-term leases and leases of low value assets. For leases of other assets, which were classified as operating under IAS 17, the Group recognised right-of-use assets and lease liabilities.

Notes to the Consolidated Financial Statements (continued)

Figures in US Dollar

36. Changes in accounting policies (continued)

36.2 As a lessee

36.2.1 Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other leases.

The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease

36.2.2 Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

36.2.3 Impact on financial statements

On transition to IFRS 16, the Group recognised an additional USD 9.7 million of right-of-use assets and of lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 17.19%.

	1 January 2019
Operating lease commitment at 31 December 2018 as disclosed in the Group's consolidated financial statements	17,600,573
Discounted using the incremental borrowing rate at 1 January 2019	12,012,548
Recognition exemption for:	
- short-term leases	-
- leases of low-value assets	-
Extension and termination options reasonable certain to be exercised	-
Variable lease payments based on an index or a rate	-
Residual value guarantees	-
Lease liabilities recognised at 1 January 2019	**12,012,548**

37. Events after the reporting period

The recent global outbreak of the coronavirus ("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.




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