

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the three months ended 31 March 2018



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Figures in US Dollar | Note | 31-Mar-18 | 31-Dec-17 |
|--|-------------|----------------------|----------------------|
| Assets | | | |
| Cash and bank balances | | 66 723 529 | 54 327 605 |
| Loans and advances | 4 | 831 361 127 | 745 806 732 |
| Trade and other receivables | | 17 694 697 | 14 773 383 |
| Investments in associates | 5 | 139 844 424 | 134 179 442 |
| Goodwill | | 4 984 986 | 4 664 824 |
| Property and equipment | 6 | 12 748 177 | 12 342 144 |
| Intangible assets | 6 | 25 807 857 | 24 055 224 |
| Other financial assets | | - | 3 200 923 |
| Current tax assets | | 12 154 456 | 11 641 186 |
| Deferred tax assets | | 31 091 086 | 32 604 097 |
| Total Assets | | 1 142 410 339 | 1 037 595 560 |
| Equity and Liabilities | | | |
| Equity | | | |
| Share capital and treasury shares | 7 | 363 659 610 | 363 659 610 |
| Reserves | | (133 884 678) | (153 130 732) |
| Retained earnings | | 42 749 106 | 33 891 828 |
| Equity attributable to equity holders of the Company | | 272 524 038 | 244 420 706 |
| Non-controlling interests | | 15 508 748 | 13 006 421 |
| Total Equity | | 288 032 786 | 257 427 127 |
| Liabilities | | | |
| Bank overdrafts | | 21 521 583 | 5 286 878 |
| Deposits from customers | | 71 184 224 | 55 149 478 |
| Trade and other payables | | 41 182 112 | 42 641 144 |
| Other financial liabilities | | 4 200 754 | 2 836 325 |
| Borrowings | 8 | 707 682 453 | 668 334 309 |
| Finance lease obligation | | 71 254 | 115 649 |
| Current tax liabilities | | 8 484 169 | 5 755 493 |
| Deferred tax liabilities | | 51 004 | 49 157 |
| Total Liabilities | | 854 377 553 | 780 168 433 |
| Total Equity and Liabilities | | 1 142 410 339 | 1 037 595 560 |

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| Figures in US Dollar | Note | Three months ended | |
|--|--------|--------------------|-------------------|
| | | 31-Mar-18 | 31-Mar-17 |
| Continuing operations | | | |
| Interest and other similar income | | 80 750 545 | 58 164 601 |
| Interest and other similar expense | | (27 188 793) | (24 822 470) |
| Net interest income | | 53 561 752 | 33 342 131 |
| Commission income | | 1 061 801 | 1 225 624 |
| Dividend income | | 2 187 512 | 3 247 073 |
| Other income | | 2 051 761 | 2 294 567 |
| Non-interest Income | | 5 301 074 | 6 767 264 |
| Operating income | | 58 862 826 | 40 109 395 |
| Operating expenses | | (33 839 114) | (26 039 422) |
| Foreign exchange gains/(losses) other than SEK denominated debts | | 234 054 | (72 604) |
| Pre-provision income | | 25 257 766 | 13 997 369 |
| Impairment of loans and advances | | (6 972 277) | (5 989 162) |
| Profit before foreign exchange on SEK denominated debts | | 18 285 489 | 8 008 207 |
| Net foreign exchange gains/(losses) on SEK denominated debts | | 159 904 | (3 558 891) |
| Operating profit | | 18 445 393 | 4 449 316 |
| Share of profit of associates | 5 | 1 063 719 | - |
| Profit before taxation | | 19 509 112 | 4 449 316 |
| Taxation | 3 | (7 468 807) | (3 162 562) |
| Profit for the period from continuing operations | | 12 040 305 | 1 286 754 |
| Discontinued operations | | | |
| Profit for the period from discontinued operations | 1 (iv) | - | 1 802 173 |
| Profit for the period | | 12 040 305 | 3 088 927 |
| Attributable to: | | | |
| Owners of the Company | | 9 970 223 | 1 809 555 |
| Non-controlling interests | | 2 070 082 | 1 279 372 |
| Profit for the period | | 12 040 305 | 3 088 927 |
| Earnings per share | | | |
| From continuing and discontinued operations | | | |
| Basic earnings per share | | 0.29 | 0.06 |
| Diluted earnings per share | | 0.29 | 0.06 |
| From continuing operations | | | |
| Basic earnings per share | | 0.29 | 0.00 |
| Diluted earnings per share | | 0.29 | 0.00 |
| Basic weighted average number of shares | | 34 198 734 | 30 741 360 |
| Diluted weighted average number of shares | | 34 555 238 | 30 805 192 |

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Figures in US Dollar | Note | Three months ended | |
|---|------|--------------------|-------------------|
| | | 31-Mar-18 | 31-Mar-17 |
| Profit for the period | | 12 040 305 | 3 088 927 |
| Other comprehensive income, net of income tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Foreign exchange differences | | 15 037 141 | 11 064 732 |
| Loss on hedging instruments designated in hedges of the net assets of foreign operations | | - | (3 100 074) |
| Effect of cash flow hedges | | 961 956 | (1 115 111) |
| Total items that may be reclassified subsequently to profit or loss | | 15 999 097 | 6 849 547 |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | |
| Net fair value gain on investments in equity instruments designated as at fair value through other comprehensive income | | 2 014 198 | 2 259 813 |
| Share of other comprehensive loss of associates | 5 | (328 340) | - |
| Total items that will not be reclassified subsequently to profit or loss | | 1 685 858 | 2 259 813 |
| Other comprehensive income, net of income tax | | 17 684 955 | 9 109 360 |
| Total comprehensive income for the period | | 29 725 260 | 12 198 287 |
| Attributable to: | | | |
| Owners of the Company | | 27 222 933 | 10 617 415 |
| Non-controlling interests | | 2 502 327 | 1 580 872 |
| Total comprehensive income for the period | | 29 725 260 | 12 198 287 |

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 31 March 2018

UNAUDITED CONDENSED 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 reserve | Other reserves | Total reserves | Retained earnings | Attributable to owners of the company | Total 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 | |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - | 1 809 555 | 1 809 555 | - | 1 279 372 | 3 088 927 |
| Transfer (to)/from reserves | - | - | - | - | - | - | - | - | - | - | (555 218) | (555 218) | 555 218 | - | - | - |
| Other comprehensive income/(loss) | - | - | - | - | - | - | 7 663 156 (1 115 111) | - | - | - | 2 259 813 (8 807 858) | 8 807 858 | - | - | 301 502 | 9 109 360 |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | - | 7 663 156 (1 115 111) | - | - | - | 1 704 595 (8 252 640) | 2 364 773 | - | - | 1 580 874 | 12 198 287 |
| Recognition of share based payments | - | - | - | - | - | - | - | - | - | 52 195 | - | 52 195 | - | - | - | 52 195 |
| Change in ownership interests | - | - | - | - | - | - | - | - | - | - | - | 431 260 | 431 260 | - | 422 635 | 853 895 |
| Balance at 31 March 2017 | 30 741 | 301 125 796 | 606 999 | - | - | 301 763 536 (251 416 132) | (746 107) | - | - | 357 136 | 15 858 874 (235 946 229) | 79 272 306 | 145 089 613 | 12 541 442 | 157 631 055 | |
| 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 | 33 891 828 | 42 095 932 (153 130 732) | 33 891 828 | 244 420 706 | 13 006 421 | 257 427 127 | |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - | 9 970 223 | 9 970 223 | - | 2 070 082 | 12 040 305 |
| Transfer from/(to) reserves | - | - | - | - | - | - | - | - | - | - | 1 112 945 (1 112 945) | (1 112 945) | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | 14 604 896 (961 956) | - | - | - | 1 685 858 (17 252 710) | 17 252 710 | - | - | 432 245 | 17 684 955 |
| Total comprehensive income for the period | - | - | - | - | - | - | 14 604 896 (961 956) | - | - | - | 2 798 803 (18 365 655) | 8 857 278 | - | - | 2 502 327 | 29 725 260 |
| Recognition of share based payments | - | - | - | - | - | - | - | - | - | 880 399 | - | 880 399 | - | - | - | 880 399 |
| Balance at 31 March 2018 | 30 856 | 303 803 835 | 763 679 | 60 560 000 | (1 498 760) | 363 659 610 (179 686 048) | 399 079 | (2 406 602) | 2 914 158 | 44 894 735 (133 884 678) | 42 749 106 | 272 524 038 | 15 508 748 | 2 880 332 | 288 032 786 | |

Note

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

| Figures in US Dollar | Note | Three months ended | |
|--|------|---------------------|---------------------|
| | | 31-Mar-18 | 31-Mar-17 |
| Cash flows from operating activities | | | |
| Profit before taxation | | 19 509 112 | 4 449 316 |
| Adjustments for: | | | |
| Share of profit of associates | 5 | (1 063 719) | - |
| Depreciation and amortisation | | 1 422 816 | 1 156 805 |
| Loss/(profit) on disposal of property, equipment and intangible assets | | 4 564 | (7 832) |
| Foreign currency (gain)/loss | | (807 173) | 2 828 537 |
| Finance costs | | 27 188 793 | 24 822 470 |
| Dividend income recognised in income statement | | (2 187 512) | (3 247 073) |
| Increase in provision for credit impairment | 4 | 6 972 277 | 5 989 162 |
| Expense recognised in respect of share based payments | | 880 399 | 52 195 |
| Operating cash flows before movements in working capital | | 51 919 557 | 36 043 580 |
| Changes in working capital: | | | |
| Increase in trade and other receivables | | (2 562 268) | (642 323) |
| Increase in gross advances | | (69 808 392) | (43 871 343) |
| Increase in deposits from customers | | 14 617 239 | 9 618 285 |
| Increase in trade and other payables | | 5 517 891 | 2 558 592 |
| Cash (used in)/generated by continuing operations | | (315 973) | 3 706 791 |
| Dividend received | | 3 376 824 | 3 247 073 |
| Finance costs paid | | (33 444 741) | (19 198 136) |
| Tax paid | | (4 663 657) | (3 445 178) |
| Net cash used in operating activities from continuing operations | | (35 047 547) | (15 689 450) |
| Cash flows from investing activities | | | |
| Proceeds on disposal of property, equipment and intangible assets | | 13 342 | 5 246 |
| Purchase of property, equipment and intangible assets | | (3 198 035) | (3 730 583) |
| Net increase in amount due from related parties | | - | (24 310 642) |
| Net proceeds from issue of shares to non-controlling interests | | - | 816 173 |
| Net cash flows used in investing activities from continuing operations | | (3 184 693) | (27 219 806) |
| Cash flows from financing activities | | | |
| Net proceeds from bond issuance and repayments | | - | 70 939 437 |
| Net increase in other borrowings | | 33 296 860 | 22 021 639 |
| Payment on unwinding of forward contracts | | - | (5 490 119) |
| Net cash flows generated by financing activities from continuing operations | | 33 296 860 | 87 470 957 |
| Net cash flow used in discontinued operations | | - | (1 018 573) |
| Net (decrease)/increase in cash and cash equivalents | | (4 935 380) | 43 543 128 |
| Net cash and cash equivalents at the beginning of the period | | 49 040 727 | 135 313 859 |
| Effect of foreign exchange rate changes | | 1 096 599 | 99 172 |
| Total cash and cash equivalents at the end of the period | | 45 201 946 | 178 956 159 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

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

| Name of subsidiaries | Place of incorporation |
|---|-------------------------------|
| Bayport Financial Services Limited | Zambia |
| Bayport Savings and Loans Limited | Ghana |
| Bayport Financial Services (T) Limited | Tanzania |
| Bayport Financial Services Uganda Limited | Uganda |
| Money Quest Investments (Proprietary) Limited | Botswana |
| Bayport Colombia S.A.S | Colombia |
| Bayport Financial Services Mozambique (MCB), S.A | Mozambique |
| Actvest Mexico S.A.PI de C.V, E.N.R (i) | Mexico |
| Financiera Fortaleza, S.A de C.V, SOFOM E.N.R (ii) | Mexico |
| Cashfoundry Limited | United Kingdom |
| Actvest Limited | Mauritius |
| Bayport Latin America Holdings Ltd | Mauritius |
| Bayport International Headquarter Company Proprietary Limited | South Africa |
| Actvest (Proprietary) Limited | South Africa |
| Bayport Financial Services Namibia (Pty) Ltd (Dormant) | Namibia |
| Bayport Financial Services (USA), Inc. | United States |
| Bayport Financial Services Rwanda SARL (Dormant) | Rwanda |

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

- (i) Bayport Management Ltd effectively owns 100% of Actvest Mexico S.A.PI de C.V, E.N.R.
- (ii) Actvest Mexico S.A.PI de C.V, E.N.R owns 71% of Financiera Fortaleza, S.A de C.V, SOFOM E.N.R.
- (iii) Following the disposal of 51% shareholding in Bayport Financial Services 2010 Proprietary Limited and its subsidiaries in 2017, the comparative figures have been re-presented to disclose profit from discontinued operations.

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Significant accounting policies

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

The same accounting policies and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2017.

2.3 Functional and presentation currency

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

3. Taxation

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

4. Loans and advances

| | 31-Mar-18 | 31-Dec-17 |
|---|--------------------|--------------------|
| Advances to customers | 871 970 414 | 781 172 936 |
| Carrying value of net premiums | 34 270 547 | 32 256 348 |
| Deferred origination fees | (22 677 579) | (20 358 386) |
| Deferred origination costs | 24 375 176 | 20 948 389 |
| Gross advances | 907 938 558 | 814 019 287 |
| Impairment provision | (76 577 431) | (68 212 555) |
| Net advances | 831 361 127 | 745 806 732 |
| Impairment provision | | |
| Opening balance | 68 212 555 | 276 001 949 |
| Derecognised on disposal of subsidiary | - | (223 672 456) |
| Net impairment recognised in profit or loss | 7 301 883 | 45 129 442 |
| Utilisation of allowance for impairment | (329 606) | (30 429 239) |
| Foreign exchange movements | 1 392 599 | 1 182 859 |
| Closing balance | 76 577 430 | 68 212 555 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

5. Investments in associates

| | 31-Mar-18 | 31-Dec-17 |
|--|--------------------|--------------------|
| Opening balance | 134 179 442 | - |
| Additions | - | 5 532 181 |
| Fair value of retained interest in former subsidiary | - | 114 468 430 |
| Share of profits | 1 063 719 | 1 362 862 |
| Share of other comprehensive loss | (328 340) | - |
| Dividend received | (1 189 313) | - |
| Movement in currency translation reserve | 6 118 916 | 12 815 969 |
| Closing balance | 139 844 424 | 134 179 442 |

6. Property and equipment and intangible assets

During the period, the Group spent USD 3 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

7. Share capital and treasury shares

| | 31-Mar-18 | 31-Dec-17 |
|--|--------------------|--------------------|
| Share capital | 30 856 | 30 856 |
| Share premium | 303 803 835 | 303 803 835 |
| Share application monies | 763 679 | 763 679 |
| Convertible equity instrument | 60 560 000 | 60 560 000 |
| Total share capital | 365 158 370 | 365 158 370 |
| Treasury shares | (1 498 760) | (1 498 760) |
| Total share capital and treasury shares | 363 659 610 | 363 659 610 |
| | | |
| Number of shares | 30 856 007 | 30 856 007 |

BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2018

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Figures in US Dollar

8. Borrowings

| | 31-Mar-18 | 31-Dec-17 |
|----------------------------------|--------------------|--------------------|
| Corporate bonds | 296 514 372 | 299 761 549 |
| Other term loans | 418 357 612 | 376 101 931 |
| | 714 871 984 | 675 863 480 |
| Less: deferred transaction costs | (7 189 531) | (7 529 171) |
| Total borrowings | 707 682 453 | 668 334 309 |

Corporate Bonds

These bonds constitute direct, general, unconditional, subordinated and unsecured obligations of the Company. The bonds are listed on the Nasdaq OMX Stockholm AB.

Other term loans

During the period, the Company drew a further USD 25 million under the Overseas Private Investment Corporation ("OPIC") facility.

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

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