

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the nine months ended 30 September 2019



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 September 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	30-Sep-19	31-Dec-18
Assets			
Cash and bank balances		71 272 588	68 412 034
Other receivables		39 243 389	15 888 584
Current tax assets		13 388 062	14 126 350
Other financial assets		-	21 706 180
Loans and advances	4	994 305 840	870 702 219
Other investments		22 142 965	34 818 013
Investment in associates	5	104 729 274	116 034 222
Goodwill		7 591 522	4 581 465
Property and equipment	6	11 726 766	12 589 846
Right-of-use assets	7	7 858 900	-
Intangible assets	6	53 770 027	34 898 285
Deferred tax assets		29 034 267	32 081 917
Total Assets		1 355 063 600	1 225 839 115
Liabilities			
Bank overdrafts		30 349 256	52 331 627
Deposits from customers		72 323 326	73 727 911
Other payables		58 043 661	60 577 583
Current tax liabilities		4 013 581	6 327 565
Other financial liabilities		2 978 613	21 701 805
Lease liabilities	7	8 105 151	47 166
Borrowings	8	955 489 630	780 694 896
Deferred tax liabilities		31 454	32 642
Total Liabilities		1 131 334 672	995 441 195
Equity			
Share capital and treasury shares	9	374 180 662	373 557 114
Reserves		(248 824 542)	(204 397 871)
Retained earnings		79 604 643	46 657 871
Equity attributable to owners of the Company		204 960 763	215 817 114
Non-controlling interests		18 768 165	14 580 806
Total Equity		223 728 928	230 397 920
Total Liabilities and Equity		1 355 063 600	1 225 839 115

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures in US Dollar	Note	Three months ended		Nine months ended	
		30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Continuing operations					
Interest and other similar income		91 163 717	83 732 857	258 385 180	247 868 621
Interest and other similar expense		(38 653 262)	(30 528 905)	(110 887 365)	(86 983 149)
Net interest income		52 510 455	53 203 952	147 497 815	160 885 472
Commission income		2 204 716	982 926	4 446 802	3 162 594
Dividend income		1 349 712	3 943 923	19 423 046	8 690 169
Other income		7 322 500	2 286 487	16 923 300	6 548 806
Non-interest Income		10 876 928	7 213 336	40 793 148	18 401 569
Operating income		63 387 383	60 417 288	188 290 963	179 287 041
Operating expenses		(41 060 043)	(36 846 791)	(115 572 399)	(108 031 624)
Foreign exchange gains		(372 616)	(2 170 062)	(833 300)	(2 806 621)
Operating profit before impairment on financial assets		21 954 724	21 400 435	71 885 264	68 448 796
Impairment on financial assets		(5 850 780)	(5 040 005)	(16 569 714)	(16 654 434)
Operating profit		16 103 944	16 360 430	55 315 550	51 794 362
Share of post-tax results of associates	5	(855 153)	679 130	925 033	2 960 507
Profit before taxation		15 248 791	17 039 560	56 240 583	54 754 869
Taxation	3	(9 457 582)	(6 965 776)	(19 567 808)	(21 506 222)
Profit for the period		5 791 209	10 073 784	36 672 775	33 248 647
Attributable to:					
Owners of the Company		4 809 364	7 933 211	33 294 816	27 888 074
Non-controlling interests		981 845	2 140 573	3 377 959	5 360 573
Profit for the period		5 791 209	10 073 784	36 672 775	33 248 647
Earnings per share					
Basic earnings per share		0.14	0.23	0.97	0.81
Diluted earnings per share		0.14	0.23	0.96	0.81
Basic weighted average number of shares		34 423 795	34 271 298	34 344 489	34 231 690
Diluted weighted average number of shares		34 887 933	34 656 755	34 808 628	34 617 147

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Note	Three months ended		Nine months ended	
		30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Profit for the period		5 791 209	10 073 784	36 672 775	33 248 647
Other comprehensive income/(loss), net of taxation					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net fair value gain/(loss) on investments in equity instruments designated as at fair value through other comprehensive income		1 392 598	1 572 640	(13 201 903)	4 916 431
Share of other comprehensive loss of associates		-	-	-	(328 340)
Total items that will not be reclassified subsequently to profit or loss		1 392 598	1 572 640	(13 201 903)	4 588 091
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign exchange differences		(26 266 566)	(36 833 641)	(36 862 538)	(57 257 204)
Effect of cash flow hedges		-	556 808	2 654 944	349 628
Total items that may be reclassified subsequently to profit or loss		(26 266 566)	(36 276 833)	(34 207 594)	(56 907 576)
Other comprehensive loss for the period, net of taxation		(24 873 968)	(34 704 193)	(47 409 497)	(52 319 485)
Total comprehensive loss for the period		(19 082 759)	(24 630 409)	(10 736 722)	(19 070 838)
Attributable to:					
Owners of the Company		(19 682 034)	(23 795 056)	(12 592 378)	(21 323 801)
Non-controlling interests		599 275	(835 353)	1 855 656	2 252 963
Total comprehensive loss for the period		(19 082 759)	(24 630 409)	(10 736 722)	(19 070 838)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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
Figures in US Dollar																
Balance at 01 January 2018	30 856	303 803 835	763 679	60 560 000	(1 498 760)	363 659 610	(194 290 944)	(562 877)	(2 406 602)	2 033 759	42 095 932	(153 130 732)	33 891 828	244 420 706	13 006 421	257 427 127
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	27 888 074	27 888 074	5 360 573	33 248 647
Other comprehensive (loss)/income	-	-	-	-	-	(54 149 594)	349 628	4 588 091	(49 211 875)	-	-	(49 211 875)	-	(49 211 875)	(3 107 610)	(52 319 485)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(54 149 594)	349 628	4 588 091	(49 211 875)	-	-	(49 211 875)	27 888 074	(21 323 801)	2 252 963	(19 070 838)
Issue of shares	80	1 009 092	(763 679)	-	-	245 493	-	-	-	-	-	-	-	245 493	-	245 493
Recognition of share based payments	-	-	-	-	-	-	-	-	-	844 554	-	844 554	-	844 554	-	844 554
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	8 660 950	8 660 950	(8 660 950)	-	-	-
Balance at 30 September 2018	30 936	304 812 927	-	60 560 000	(1 498 760)	363 905 103	(248 440 538)	(213 249)	(2 406 602)	2 878 313	55 344 973	(192 837 103)	53 118 952	224 186 952	15 259 384	239 446 336
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)	46 657 871	215 817 114	14 580 806	230 397 920
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	33 294 816	33 294 816	3 377 959	36 672 775
Other comprehensive (loss)/income	-	-	-	-	-	(35 340 235)	2 654 944	(13 201 903)	(45 887 194)	-	-	(45 887 194)	-	(45 887 194)	(1 522 303)	(47 409 497)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(35 340 235)	2 654 944	(13 201 903)	(45 887 194)	-	-	(45 887 194)	33 294 816	(12 592 378)	1 855 656	(10 736 722)
Issue of shares	397	9 634 955	(9 011 804)	-	-	623 548	-	-	-	(623 548)	-	(623 548)	-	-	-	-
Recognition of share based payments	-	-	-	-	-	-	-	-	-	1 736 027	-	1 736 027	-	1 736 027	-	1 736 027
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	348 044	348 044	(348 044)	-	-	-
Change in ownership interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 331 703	2 331 703
Balance at 30 September 2019	31 335	314 464 539	623 548	60 560 000	(1 498 760)	374 180 662	(296 136 719)	-	(2 406 602)	7 789 798	41 928 981	(248 824 542)	79 604 643	204 960 763	18 768 165	223 728 928

Note

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Note	Nine months ended	
		30-Sep-19	30-Sep-18
Cash flows from operating activities			
Profit before taxation		56 240 583	54 754 869
Adjustments for:			
Share of profit of associates	5	(925 033)	(2 960 507)
Depreciation and amortisation		6 616 732	4 296 769
Profit on disposal of property and equipment and intangible assets		(46 483)	(14 342)
Unrealised exchange (profit)/loss		(26 104 855)	5 651 570
Finance costs		110 887 365	86 983 149
Dividend income recognised in income statement		(19 423 046)	(8 690 169)
Increase in provision for credit impairment		20 599 448	16 654 434
Movement in provisions and share based payments		1 574 629	1 453 399
Operating cash flows before movements in working capital		149 419 340	158 129 172
Changes in working capital:			
Increase in other receivables		(17 302 629)	(9 187 886)
Increase in gross advances		(196 485 741)	(202 581 581)
Increase in deposits from customers		4 054 098	31 077 767
Increase in other payables		1 807 052	20 104 947
Cash used in operations		(58 507 880)	(2 457 581)
Dividend received		20 143 299	10 338 626
Finance costs paid		(110 292 382)	(80 049 460)
Tax paid		(19 982 700)	(20 955 860)
Net cash used in operating activities		(168 639 663)	(93 124 275)
Cash flows from investing activities			
Proceeds on disposal of property and equipment and intangible assets		109 899	94 692
Purchase of property and equipment and intangible assets	6	(23 480 716)	(10 123 540)
Net movement in amounts due from related parties		1 007	(850 580)
Net cash flows from acquisition of subsidiary		1 316 021	-
Net movement in investment in associates	5	(122 400)	(115 117)
Net cash flows used in investing activities		(22 176 189)	(10 994 545)
Cash flows from financing activities			
Proceeds from issue of bonds		262 547 870	28 078 653
Repayment of bonds		(211 669 016)	(13 127 963)
Proceeds from borrowings		241 217 439	144 680 808
Repayment of borrowings		(91 666 503)	(58 662 821)
Repayment on lease liabilities		(1 864 563)	(60 333)
Mark-to-Market receipts/(payments) on forward contracts		19 201 751	(10 170 000)
Net cash flows generated by financing activities		217 766 978	90 738 344
Net increase/(decrease) in cash and cash equivalents		26 951 126	(13 380 476)
Net cash and cash equivalents at the beginning of the period		16 080 407	45 740 727
Effect of foreign exchange rate changes		(2 108 201)	(3 639 716)
Net cash and cash equivalents at the end of the period		40 923 332	28 720 535

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

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

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

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

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Significant accounting policies

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

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

2.3 Functional and presentation currency

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

3. Taxation

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

4. Loans and advances

Figures in US Dollar	30-Sep-19	31-Dec-18
Gross advances	1 066 587 629	933 262 231
Impairment provision	(72 281 789)	(62 560 012)
Net advances	994 305 840	870 702 219
Impairment provision		
Opening balance	62 560 012	68 212 555
Impairment recognised in profit or loss	16 929 096	17 167 405
Utilisation of allowance for impairment	(3 938 621)	(16 762 235)
Foreign exchange movements	(3 268 698)	(6 057 713)
Closing balance	72 281 789	62 560 012

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

5. Investments in associates

	30-Sep-19	31-Dec-18
Opening balance	116 034 222	134 179 442
Additions	122 400	-
Share of profits	925 033	3 416 719
Share of other comprehensive income/(loss)	103 250	(989 903)
Transferred to investment in subsidiary	(5 622 203)	-
Dividend	(720 253)	(2 176 630)
Movement in currency translation reserve	(6 113 175)	(18 395 406)
Closing balance	104 729 274	116 034 222

6. Property and equipment and intangible assets

During the period, the Group spent USD 23.5 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

7. Right-of-use assets

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

Since the Group recognized the right-of-use assets at the amount equal to the lease liabilities, there was no impact to the opening retained earnings.

8. Borrowings

	30-Sep-19	31-Dec-18
Corporate bonds	339 702 940	293 872 197
Other term loans	624 920 301	493 912 201
	964 623 241	787 784 398
Less: deferred transaction costs	(9 133 611)	(7 089 502)
Total borrowings	955 489 630	780 694 896

Corporate bonds

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

Other term loans

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

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(continued)

Figures in US Dollar

9. Share capital and treasury shares

	30-Sep-19	31-Dec-18
Share capital	31 335	30 938
Share premium	314 464 539	304 829 584
Share application monies	623 548	9 635 352
Convertible equity instrument	60 560 000	60 560 000
Total share capital	375 679 422	375 055 874
Treasury shares	(1 498 760)	(1 498 760)
Total share capital and treasury shares	374 180 662	373 557 114
Number of shares	31 335 186	30 937 688

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.