

BAYPORT MANAGEMENT LTD
(Registration number 54787 C1/GBL)

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

for the six months ended 30 June 2020



BAYPORT MANAGEMENT LTD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in US Dollar	Note	30-Jun-20	31-Dec-19
Assets			
Cash and bank balances		170 356 467	118 353 716
Other receivables		37 707 262	64 261 513
Current tax assets		11 434 778	14 191 509
Loans and advances	4	937 052 956	1 034 327 321
Other investments		30 003 685	20 870 981
Investment in associates	5	89 739 137	113 111 018
Goodwill		6 701 383	7 743 342
Property and equipment	6	8 277 851	11 269 971
Right-of-use assets		6 705 323	9 338 463
Intangible assets	6	58 179 519	56 900 604
Deferred tax assets		28 442 926	24 242 445
Total Assets		1 384 601 287	1 474 610 883
Liabilities			
Bank overdrafts		48 259 487	49 893 877
Deposits from customers		68 270 567	74 954 133
Other payables		50 067 053	61 497 225
Current tax liabilities		3 006 609	3 068 022
Other financial liabilities		3 461 810	3 345 070
Lease liabilities		6 676 198	8 834 505
Borrowings	7	1 052 993 567	1 044 519 383
Deferred tax liabilities		31 731	33 923
Total Liabilities		1 232 767 022	1 246 146 138
Equity			
Share capital and treasury shares	8	402 270 124	404 568 832
Reserves		(333 120 302)	(244 360 014)
Retained earnings		67 535 876	51 434 289
Equity attributable to owners of the Company		136 685 698	211 643 107
Non-controlling interests		15 148 567	16 821 638
Total Equity		151 834 265	228 464 745
Total Liabilities and Equity		1 384 601 287	1 474 610 883

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures in US Dollar	Note	Three months ended		Six months ended	
		30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Interest and other similar income		79 820 540	84 227 713	167 802 053	167 221 463
Interest and other similar expense		(41 535 200)	(38 251 370)	(83 069 516)	(72 234 103)
Net interest income		38 285 340	45 976 343	84 732 537	94 987 360
Commission income		1 206 130	1 113 786	2 658 299	2 242 086
Dividend income		3 628 704	3 089 420	5 556 869	18 073 334
Other income		8 037 545	5 163 097	17 685 945	9 600 800
Non-interest Income		12 872 379	9 366 303	25 901 113	29 916 220
Operating income		51 157 719	55 342 646	110 633 650	124 903 580
Operating expenses		(28 594 968)	(37 817 572)	(65 397 351)	(74 512 355)
Foreign exchange gains/(losses)		272 248	(791 464)	1 995 679	(460 684)
Operating profit before impairment on financial assets		22 834 999	16 733 610	47 231 978	49 930 541
Impairment on financial assets		(5 121 790)	(4 940 520)	(10 498 611)	(10 718 934)
Operating profit		17 713 209	11 793 090	36 733 367	39 211 607
Share of post-tax results of associates	5	(572 352)	(262 651)	(1 627 775)	1 780 187
Profit before taxation		17 140 857	11 530 439	35 105 592	40 991 794
Taxation	3	(6 344 051)	(4 131 459)	(13 092 594)	(10 110 226)
Profit for the period		10 796 806	7 398 980	22 012 998	30 881 568
Attributable to:					
Owners of the Company		9 320 284	6 122 766	19 583 613	28 485 461
Non-controlling interests		1 476 522	1 276 214	2 429 385	2 396 107
Profit for the period		10 796 806	7 398 980	22 012 998	30 881 568
Earnings per share					
Basic earnings per share		0.27	0.18	0.56	0.83
Diluted earnings per share		0.27	0.17	0.56	0.81
Basic weighted average number of shares		34 690 455	34 280 415	34 715 507	34 280 415
Diluted weighted average number of shares		35 117 832	35 322 136	35 142 885	35 322 136

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Figures in US Dollar	Three months ended		Six months ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Profit for the period	10 796 806	7 398 980	22 012 998	30 881 568
Other comprehensive income/(loss), net of taxation				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net fair value loss on investments in equity instruments designated as at fair value through other comprehensive income	2 543 480	(106 919)	2 543 480	(14 594 501)
Total items that will not be reclassified subsequently to profit or loss	2 543 480	(106 919)	2 543 480	(14 594 501)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange differences	8 734 427	(2 416 901)	(98 921 768)	(10 595 972)
Effect of cash flow hedges	-	(398 876)	-	2 654 944
Total items that may be reclassified subsequently to profit or loss	8 734 427	(2 815 777)	(98 921 768)	(7 941 028)
Other comprehensive profit/(loss) for the period, net of taxation	11 277 907	(2 922 696)	(96 378 288)	(22 535 529)
Total comprehensive income/(loss) for the period	22 074 713	4 476 284	(74 365 290)	8 346 039
Attributable to:				
Owners of the Company	20 177 010	3 995 893	(72 730 708)	7 089 668
Non-controlling interests	1 897 703	480 391	(1 634 582)	1 256 371
Total comprehensive income/(loss) for the period	22 074 713	4 476 284	(74 365 290)	8 346 039

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in US Dollar

	Share capital	Share premium	Share application monies	Convertible equity instrument	Treasury shares	Limited -voting B Shares	Total share capital and treasury shares	Translation reserve	Cash flow hedging reserve	Put option on own shares	Equity settled reserve	Other reserves	Total reserves	Retained earnings	Attributable to owners of the company	Total non-controlling interests	Total
Balance at 01 January 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	-	-	-	-	-	-	-	-	-	-	-	-	-	28 485 461	28 485 461	2 396 107	30 881 568
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(9 456 236)	2 654 944	-	-	(14 594 501)	(21 395 793)	-	(21 395 793)	(1 139 736)	(22 535 529)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(9 456 236)	2 654 944	-	-	(14 594 501)	(21 395 793)	28 485 461	7 089 668	1 256 371	8 346 039
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	850 033	-	850 033	-	850 033	-	850 033
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	(1 021 424)	(1 021 424)	1 021 424	-	-	-
Balance at 30 June 2019	30 938	304 829 584	9 635 352	60 560 000	(1 498 760)	-	373 557 114	(270 252 720)	-	(2 406 602)	7 527 352	39 166 915	(225 965 055)	76 164 756	223 756 815	15 837 177	239 593 992
Balance at 01 January 2020	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
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	19 583 613	19 583 613	2 429 385	22 012 998
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(94 857 801)	-	-	-	2 543 480	(92 314 321)	-	(92 314 321)	(4 063 967)	(96 378 288)
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	-	(94 857 801)	-	-	-	2 543 480	(92 314 321)	19 583 613	(72 730 708)	(1 634 582)	(74 365 290)
Buy back of ordinary shares	-	-	-	-	(237 621)	-	(237 621)	-	-	-	-	-	-	-	(237 621)	-	(237 621)
Transfer of pledged ordinary shares	-	-	-	-	(2 061 087)	-	(2 061 087)	-	-	-	-	-	-	-	(2 061 087)	-	(2 061 087)
Recognition of share based payments	-	-	-	-	-	-	-	-	-	-	112 072	-	112 072	-	112 072	-	112 072
Transfer from reserves	-	-	-	-	-	-	-	-	-	-	-	3 441 961	3 441 961	(3 441 961)	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(40 065)	(40 065)	(38 489)	(78 554)
Balance at 30 June 2020	31 398	315 476 194	-	60 560 000	(3 797 468)	30 000 000	402 270 124	(377 306 138)	-	(2 406 602)	8 222 001	38 370 437	(333 120 302)	67 535 876	136 685 698	15 148 567	151 834 265

Note

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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

Figures in US Dollar	Note	Six months ended	
		30-Jun-20	30-Jun-19
Cash flows from operating activities			
Profit before taxation		35 105 592	40 991 794
Adjustments for:			
Share of post tax results of associates		1 627 775	(1 780 187)
Depreciation and amortisation		4 625 392	4 330 471
Loss/(profit) on disposal of property and equipment and intangible assets		58 633	(28 780)
Unrealised exchange profit		(311 046)	(26 977 043)
Finance costs		83 069 516	72 234 103
Dividends income		(5 556 869)	(18 073 334)
Movement in provision for credit impairment		13 350 456	13 173 074
Movement in provisions and share based payments		112 072	850 033
		132 081 521	84 720 131
Dividend received from equity instruments designated as at FVTOCI		5 556 869	18 328 334
Finance costs paid		(82 250 235)	(71 154 999)
Tax paid		(7 427 361)	(13 511 349)
Cash generated by operations before changes in working capital		47 960 794	18 382 117
Changes in working capital:			
Decrease/(increase) in other receivables		3 500 165	(8 441 155)
Increase in gross advances		(52 700 349)	(115 174 974)
Increase in deposits from customers		4 232 651	4 346 173
(Decrease)/increase in other payables		(6 731 905)	3 964 703
Net cash used in operating activities		(3 738 644)	(96 923 136)
Cash flows from investing activities			
Proceeds on disposal of property and equipment and intangible assets		35 856	66 760
Purchase of property and equipment and intangible assets		(2 419 094)	(19 388 139)
Net movement in amounts due from associates		10 114 131	(23 773)
Cash inflow from associates on repayment of loans		148 297 767	-
Cash outflow on funding advanced to associates		(141 165 521)	-
Net movement in investment in associates		-	(122 400)
Cash outflow on investment in treasury bills		(8 047 539)	-
Net cash flows generated by/(used in) investing activities		6 815 600	(19 467 552)
Cash flows from financing activities			
Proceeds from issue of bonds		7 737 735	262 547 870
Repayment of bonds		(2 271 351)	(22 536 595)
Proceeds from borrowings		123 696 885	194 632 391
Repayment of borrowings		(61 947 645)	(83 453 908)
Repayment on lease liabilities		(1 000 740)	(1 771 965)
Cash outflow on buy back of shares		(73 512)	-
Dividend paid to preference shareholders		(309 593)	-
Mark-to-Market payments on forward contracts		-	19 201 751
Net cash flows generated by financing activities		65 831 779	368 619 544
Net increase in cash and cash equivalents		68 908 735	252 228 856
Net cash and cash equivalents at the beginning of the period		68 459 839	16 080 407
Effect of foreign exchange rate changes		(15 271 594)	(1 052 140)
Net cash and cash equivalents at the end of the period		122 096 980	267 257 123

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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 Asesores Ltda	Colombia
Bayport Financial Services Mozambique (MCB), S.A	Mozambique
Actvest Mexico S.A.PI de C.V, E.N.R	Mexico
Financiera Fortaleza, S.A de C.V, SOFOM E.N.R	Mexico
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 (USA), Inc.	United States
Sugaree Insurance Company Limited	Bermuda
Built to Last Proprietary Limited	South Africa
Green Light Insurance Brokers Proprietary Limited	South Africa
Peak Hour Consultants Proprietary Limited	South Africa
Picasso Moon Investments Limited	Mauritius
Sugar Magnolia Proprietary Limited	South Africa
Traficc Global Proprietary Limited	South Africa
Traficc Maintenance Plans Proprietary Limited	South Africa
The Real Automobile Finance and Insurance Consulting Company Proprietary Limited	South Africa
Bayport Management 2 Limited (Dormant)	Mauritius

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 2019.

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 taking into consideration permanent differences during the period for each entity within the Group.

Figures in US Dollar	30-Jun-20	31-Dec-19
4. Loans and advances		
Gross advances	1 004 508 710	1 104 899 199
Impairment provision	(67 455 754)	(70 571 878)
Net advances	937 052 956	1 034 327 321
Impairment provision		
Opening balance	70 571 878	62 560 012
Impairment recognised in profit or loss	10 496 334	22 470 834
Utilisation of allowance for impairment	(3 483 685)	(11 935 964)
Foreign exchange movements	(10 128 773)	(2 523 004)
Closing balance	67 455 754	70 571 878

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Figures in US Dollar

5. Investments in associates

	30-Jun-20	31-Dec-19
Opening balance	113 111 018	116 034 222
Impact on adoption of IFRS 16	-	(199 989)
Additions	-	122 400
Share of profits	(1 627 775)	1 693 256
Share of other comprehensive loss	-	(542 975)
Transferred to investment in subsidiary	-	(5 622 203)
Dividend	-	(720 253)
Movement in currency translation reserve	(21 744 106)	2 346 560
Closing balance	89 739 137	113 111 018

6. Property and equipment and intangible assets

During the year, the Group spent USD 2.6 million on office equipment, furniture and fittings, computer equipment, motor vehicles, leasehold improvements and intangible assets.

7. Borrowings

	30-Jun-20	31-Dec-19
Corporate bonds	385 382 071	387 802 481
Other term loans	682 404 016	672 666 511
	1 067 786 087	1 060 468 992
Less: deferred transaction costs	(14 792 520)	(15 949 609)
Total borrowings	1 052 993 567	1 044 519 383

Corporate bonds

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

8. Share capital and treasury shares

	30-Jun-20	31-Dec-19
Share capital	31 398	31 398
Share premium	315 476 194	315 476 194
Convertible equity instrument	60 560 000	60 560 000
Limited-voting B Shares	30 000 000	30 000 000
Total share capital	406 067 592	406 067 592
Treasury shares	(3 797 468)	(1 498 760)
Total share capital and treasury shares	402 270 124	404 568 832
Number of Ordinary shares	31 398 089	31 398 089
Number of Limited-voting B Shares	30	30

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

9. Events after the reporting period

The recent global outbreak of the coronavirus ("COVID-19") that 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, that would significantly affect the financial position of the company as laid out in these financial statements.

The board of directors together with the Asset-Liability Committee 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.

The above unaudited condensed consolidated Financial Statements are issued pursuant to Listing Rules 11.3 and 11.5 of the Stock Exchange of Mauritius Ltd, the Securities Act 2005 of Mauritius.

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