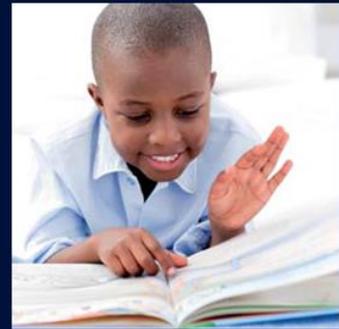


# Bayport Management Ltd

## Social Bond Investor Letter 2020



*your future now*

**BAYPORT**  
FINANCIAL SERVICES

December 2020

## Bayport and Social Bonds

Bayport Management Ltd. (“Bayport”) was founded in 2001 with the aim of making a real difference in the lives of our clients in emerging and frontier markets. By offering a wide selection of financial services in markets where access to such services is often limited to large groups of people, Bayport contributes to financial independence and economic empowerment for both individuals and small companies.

Bayport published its first Social Bond Framework in May 2019. This, the Bayport Subordinated Social Bond Investor Letter, aims to provide investors and other stakeholders with information around the allocation of the USD 80 million Subordinated Social Bond that was issued in December 2019.

Sustainalytics provided a Second Party Opinion on Bayport’s Social Bond Framework, confirming its alignment with the ICMA Social Bond Principles published in 2018. Bayport has also engaged Sustainalytics to provide a review of this Investor Letter. All documents will be available on the Bayport website.

## Allocation of Social Bond Proceeds

In December 2019, Bayport issued a Subordinated Social Bond with a total nominal value of USD 80 million. The full proceeds of the bond issue have been allocated, with 90,35 per cent (90.35%) of proceeds financing new loans, and 9,65 per cent (9.65%) for refinancing purposes. The proceeds have been allocated across the following countries and loan categories as follows:

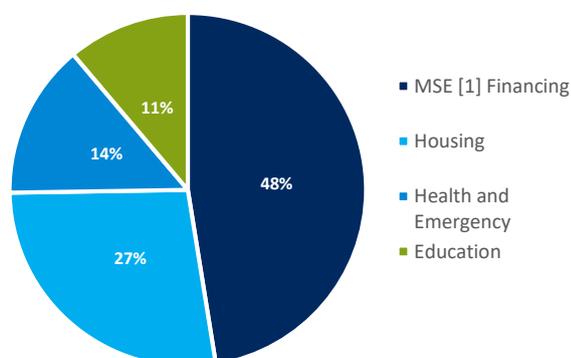
### Allocation of proceeds

	Botswana	Ghana	Tanzania	Zambia	Mozambique	Mexico	Colombia	Total
Education	1 881 322	2 820 597	409 985	1 173 027	849 474	262 055	1 698 604	9 095 063
Housing	8 201 080	1 636 793	34 758	932 307	7 812 779	2 136 286	1 053 489	21 807 492
Health & Emergency	7 112 445	1 166 641	81 697	206 371	183 876	1 894 132	683 375	11 328 537
MSE[1] financing	5 680 860	11 056 719	3 398 974	4 398 746	7 467 598	5 026 216	739 795	37 768 908
<b>Total</b>	<b>22 875 707</b>	<b>16 680 750</b>	<b>3 925 414</b>	<b>6 710 450</b>	<b>16 313 728</b>	<b>9 318 689</b>	<b>4 175 263</b>	<b>80 000 000</b>
<b>New financing</b>	<b>99,5%</b>	<b>99,9%</b>	<b>99,8%</b>	<b>99,6%</b>	<b>100,0%</b>	<b>49,5%</b>	<b>31,6%</b>	<b>90,4%</b>
<b>Refinancing</b>	<b>0,5%</b>	<b>0,1%</b>	<b>0,2%</b>	<b>0,4%</b>	<b>0,0%</b>	<b>50,5%</b>	<b>68,4%</b>	<b>9,6%</b>

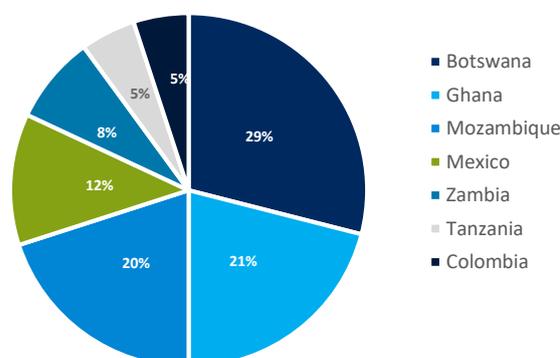
### Number of loans

	Botswana	Ghana	Tanzania	Zambia	Mozambique	Mexico	Colombia	Total
Education	467	2 805	678	300	548	44	632	5 474
Housing	2 262	1 286	7 134	25	400	550	366	12 023
Health & Emergency	2 192	1 164	113	48	80	574	274	4 445
MSE financing	1 252	10 065	6 967	2 595	1 128	1 265	253	23 525
<b>Total</b>	<b>6 173</b>	<b>15 320</b>	<b>14 892</b>	<b>2 968</b>	<b>2 156</b>	<b>2 432</b>	<b>1 525</b>	<b>45 466</b>

### Allocation of proceeds to loan categories:



### Allocation of proceeds per country [2]:



[1] Micro and small-sized enterprises

[2] Mozambique, Colombia, Mexico & Zambia do not make a distinction between urban and rural

## Examples of loans financed by Social Bonds

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Bayport provides its clients with a chance at a better life by not only focusing on short-term cash flow relief, but by helping them along the road towards sustainable financial wellness. Through unique and tailored financial solutions and long-term client relationships, Bayport wants its clients to have the ability to shape their own future. To provide further insights into what Bayport's Social Bonds have financed so far, we have included two client stories below.

### **Miguel Eugénio Matusse (Mozambique)**

*Miguel Eugénio Matusse has been a Bayport Mozambique customer since 2017. The 32-year-old father of two daughters (aged 14 and 10), lives with his wife and children on Inhaca Island where Miguel is an officer at the Marine Biology Station. His wife is a housekeeper.*

*The Matusse family lives in a concrete, two-bedroom house with a living room, bathroom and kitchen. It is a far cry from the "precarious house made of reed" they lived in before. The reed house had only a bedroom and living room – the bathroom and kitchen were outside. The house leaked terribly when it rained, and Miguel had to fix it constantly.*

*In 2017, having used his savings and salary advances to build the new house's foundation, Miguel heard about Bayport from colleagues at work. "They were happy with the service they got from Bayport," he remembers. "During one of the visits of Bayport agents I got to know more about their financing product and got interested. I understood Bayport was a reliable company that offers fast loans and I decided to try."*

*With his first loan of MT50 000 (about USD 675), Miguel raised the walls of his house. Top-up loans in 2018 and 2019 allowed him to put in windows, complete the roof, sink a borehole and buy a water pump. In total, Miguel borrowed MT88 000 (about USD 1 185) from Bayport.*

*"From a reed house, now we are here," says Miguel. "In our own house, made of concrete. My daughters can sleep in their own bedroom. They are happy. I feel fulfilled because I have improved the conditions of my family and our lives."*

*Miguel plans to get another top-up loan as soon as the current loan is paid up, as he still needs to put in a proper ceiling. "For now, I have improvised with aluminium plates," he says.*



## Faith Asasenkasa (Ghana)

Click here to watch a video about Faith Asasenkasa: <https://www.bayportfinance.com/social-bond-dec-2020/>

