

customer support

Help at your fingertips

086 599 4700

Trusted by people all over the world

Your data. Visualised.

Why GetBucks?

Get the app

Trusted by people all over the world

GetBucks

Need cash? No prob.

LOAN AMOUNT 4 000

782.89

2 012.31

REPAY OVER 3 MONTHS

Why GetBucks?

Get your bucks fast

Get the app



ANNUAL REPORT

**2016**



**A BANK IS A PLACE THAT  
WILL LEND YOU MONEY  
IF YOU CAN PROVE THAT  
YOU DON'T NEED IT.**

Bob Hope

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# The changing face of financial services



**Innovation has a funny way** of happening when something, anything, which we have become accustomed to, is questioned.



Innovation is a concept that requires a **bold and radical new way of thinking**, and true innovation requires us to look at things completely afresh and not only tweak the old.

A Harvard Business Review article, entitled *'Why entrepreneurs will beat multinationals to the bottom of the pyramid'*, notes: "The tendency for too many multinationals is to design products for the bottom of the pyramid by stripping features from existing products. But this approach seldom works.

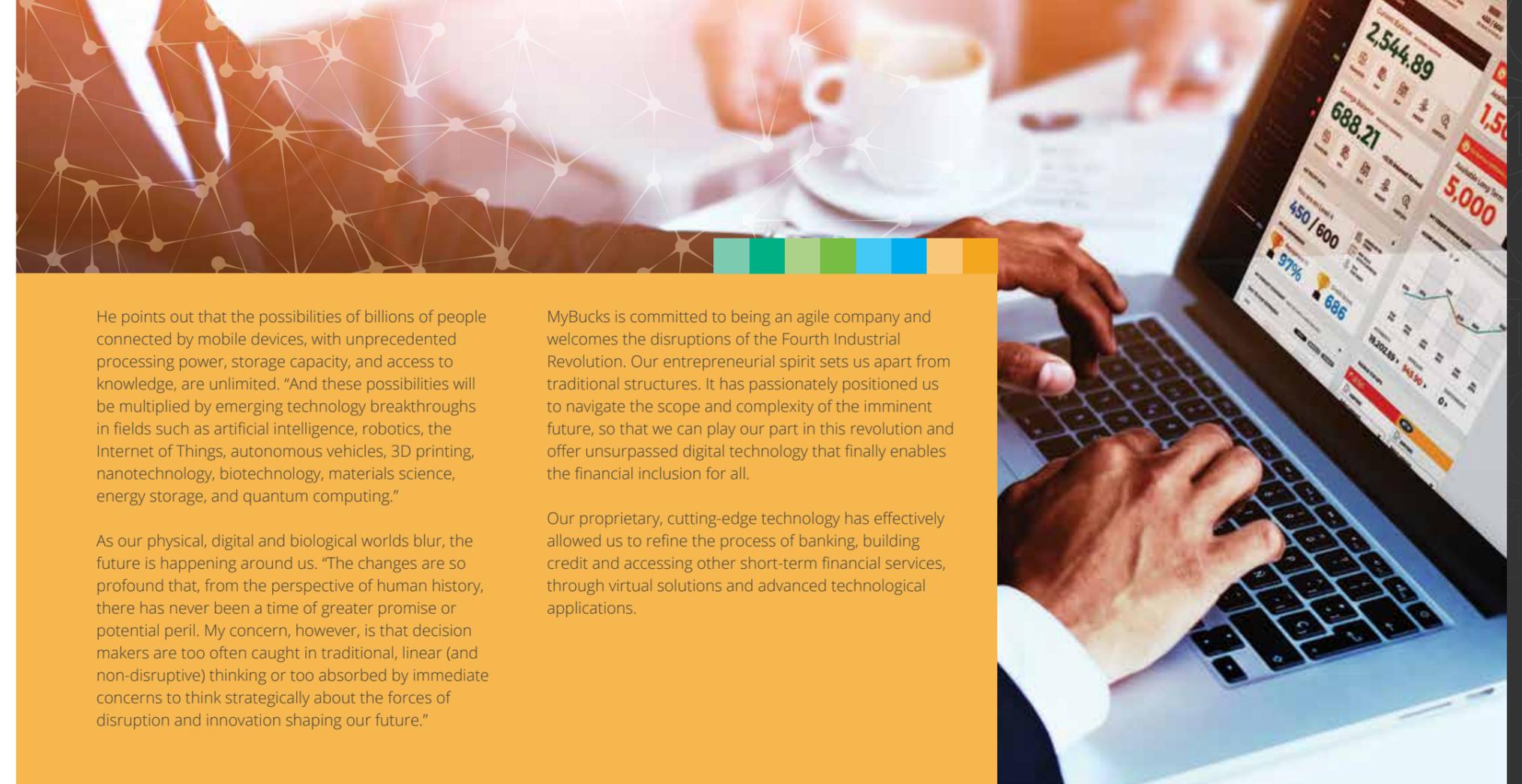
In our experience, products and processes must be designed not merely to reduce prices by, say, 30% below developed world prices, which might be achieved by removing features; success requires prices close to 90% less. As you can imagine, this puts pressure on product design, and this focus has become the centerpiece of 'zero-based design', which seeks to build inexpensive products

from the ground up. Entrepreneurs, unconstrained by pressure to expand existing brands and product lines, are better positioned to utilise this approach."

For MyBucks, this innovative approach is further spurred on by the understanding that we are standing on the cusp of a technological revolution — its effects predicted to be more profound than anything humankind has experienced before. Already economic, social and political structures had to adapt in the eras powered by steam and water power; followed by electricity and assembly lines; then computerisation; and now again in what is called The Fourth Industrial Revolution or Industry 4.0.

Professor Klaus Schwab, founder and executive chairman of the World Economic Forum, and author of the book entitled *The Fourth Industrial Revolution*, says: "There are three reasons why today's transformations represent not merely a prolongation of the Third Industrial Revolution but rather the arrival of a Fourth and distinct one: velocity, scope, and systems impact. The speed of current breakthroughs has no historical precedent. When compared with previous industrial revolutions, the Fourth is evolving at an exponential rather than a linear pace. Moreover, it is disrupting almost every industry in every country. And the breadth and depth of these changes herald the transformation of entire systems of production, management, and governance."

Sources: <https://hbr.org/2014/04/why-entrepreneurs-will-beat-multinationals-to-the-bottom-of-the-pyramid>  
The Fourth Industrial Revolution - Klaus Schwab



He points out that the possibilities of billions of people connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited. "And these possibilities will be multiplied by emerging technology breakthroughs in fields such as artificial intelligence, robotics, the Internet of Things, autonomous vehicles, 3D printing, nanotechnology, biotechnology, materials science, energy storage, and quantum computing."

As our physical, digital and biological worlds blur, the future is happening around us. "The changes are so profound that, from the perspective of human history, there has never been a time of greater promise or potential peril. My concern, however, is that decision makers are too often caught in traditional, linear (and non-disruptive) thinking or too absorbed by immediate concerns to think strategically about the forces of disruption and innovation shaping our future."

MyBucks is committed to being an agile company and welcomes the disruptions of the Fourth Industrial Revolution. Our entrepreneurial spirit sets us apart from traditional structures. It has passionately positioned us to navigate the scope and complexity of the imminent future, so that we can play our part in this revolution and offer unsurpassed digital technology that finally enables the financial inclusion for all.

Our proprietary, cutting-edge technology has effectively allowed us to refine the process of banking, building credit and accessing other short-term financial services, through virtual solutions and advanced technological applications.

>> Going forward, our ultimate aim is to ensure that when compared to traditional methods the MyBucks offering is fast, simple and trustworthy. <<



# Business Overview

[READ MORE](#)



## Chairman's report

>> In Africa alone, people living in poverty reached a staggering number of 415 million in 2011 (the most recent year for which official estimates exist), and more than 400 million of people on the continent aren't banked or don't have access financial services. <<

I am pleased to deliver my first chairman's report of MyBucks, which is now a listed FinTech company.

It is an innovative and dynamic FinTech business. Unlike the majority of FinTech businesses operating today, we have an all-encompassing approach to financial products and services.

The shareholders, Board and management team understand the need to create sustainable products and services that provide financial inclusion through technology. In addition to being a profitable organisation, MyBucks therefore also embraces a social element — utilising our technology to enable low and no income earners access to formalised financial services.

This might seem counterintuitive of what one expects from a listed FinTech business that must deliver returns to its shareholders. However, we understand that the bottom

line has more than one component. I am pleased to state that we can still generate healthy returns going forward and manage a portion of our business that might seem purely social.

It is our belief that this is also good business; by developing the bottom of the wealth pyramid, we are creating tomorrow's clients and building a pipeline for the future. In Africa alone, people living in poverty reached a staggering number of 415 million in 2011 (the most recent year for which official estimates exist), and more than 400 million people on the continent aren't banked or don't have access to financial services. MyBucks, through our advanced technological offering, is able to address this from the very bottom of the pyramid to the top.

Our commitment is not a short-term plan — MyBucks will increasingly work with additional funders, non-governmental organisations (NGOs) and development

finance institutions (DFIs) to offer products to those who would not normally access credit and banking. We'll also continue to raise commercial lines of credit and borrowing to fund our more sophisticated clients or those that already understand financial services/ banking — to clients who have banking, credit and insurance requirements, but want these fulfilled more effectively and efficiently combined with a better service and more options.

I thank the CEO and the management team as well as all employees for their hard work and extraordinary achievements during the past year, which included a number of acquisitions and culminated in a listing on the Entry Standard of the Frankfurt Stock Exchange.

**Gerd Alexander Schütz**  
Non-Executive Chairman

Source: <https://www.brookings.edu/blog/africa-in-focus/2015/05/04/why-is-the-number-of-poor-people-in-africa-increasing-when-africas-economies-are-growing/>



# CE report

>> Ultimately, Africa leads in 'sector convergence', with smartphone usage and mobile application software downloads increasing on a daily basis. This has directly benefitted the financial services we offer, those we continue to shape and revitalise as technology advances. <<

The 2015/ 2016 financial year saw much growth and change for the MyBucks group.

We generated €38.9 million of revenue, issued €77.2 million in credit and more than 100 000 insurance policies, and obtained a deposit taking license in Zimbabwe. We also increased equity to €19.5 million, and an additional €8.2 million of debt was raised.

Furthermore, we also moved our holding structure to Luxembourg and added three new strategic Board members.

The months from October 2015 to June 2016 saw our management team and operational focus turn to the Opportunity International transaction, which we as a group knew would be a game changer by allowing MyBucks far

Note:\* Listing price E13.50 per share with 10 998 000 shares on issue.

greater access to funding in local currencies, significantly assisting our enhanced consumer base and offering a vastly wider degree of financial inclusion services.

The partnership is truly revolutionary. It has enabled us to acquire two additional Banking licenses, two MFI's and expanded our operation into three additional territories, namely Mozambique, Tanzania and Uganda after the financial year end 30 June.

The due diligence and deep understanding of these countries took time and resources.

Nonetheless, as the financial year was closing we completed our listing on the Frankfurt Stock Exchange and raised €13.5 million of equity, placing the market valuation at €148 million\*.

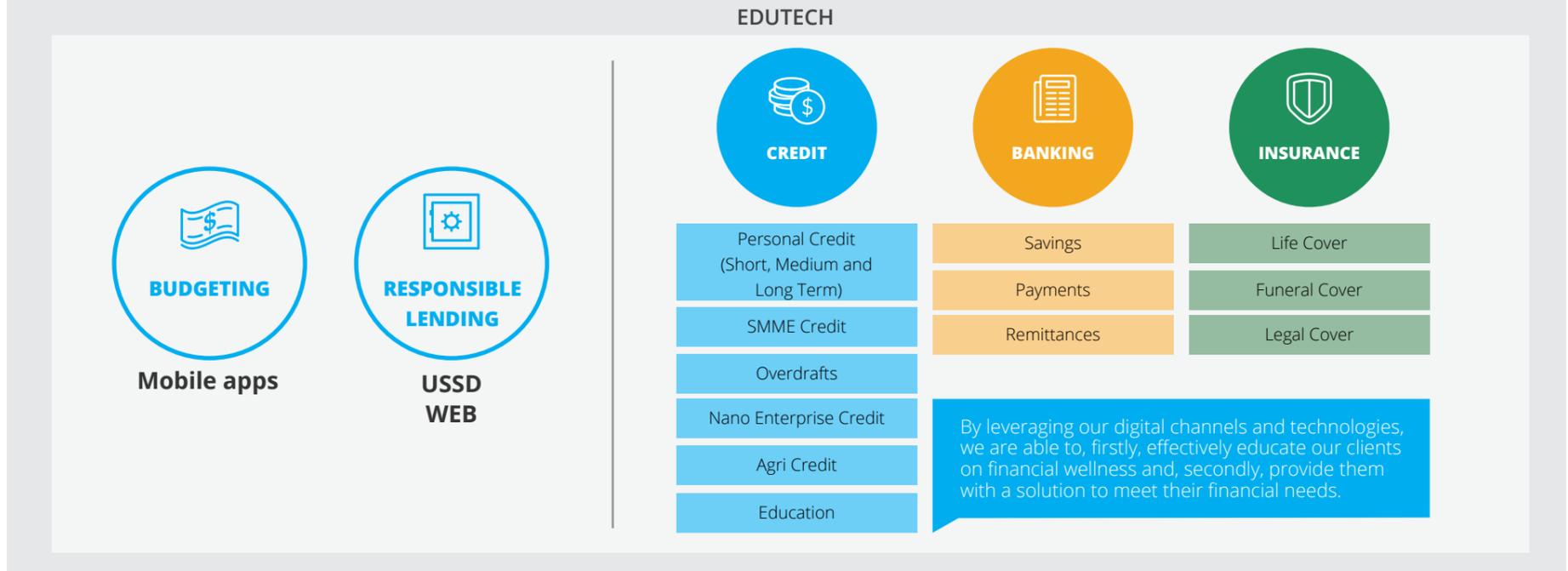
I would like to thank our Board members, shareholders, executive management and all employees for their support, belief and hard work over the last year.

Not only has the organisation evolved in both size and focus, but the management team has also expanded to allow for further growth and depth in management.

We also allocated the first and second tranche of share options to personnel. The share options are vital incentives for the continuity and development of the team.

During the reporting year, we also continued to build the MyBucks brand as a significant FinTech player both locally and internationally through quirky and educational above the line advertising.

## We use technology to better educate our clients



Looking ahead to the 2016/ 2017 financial year, we plan to bed down the outstanding regulatory approvals on banking licenses and, at the time of writing this, we await those from Ghana, Malawi and Zambia.

Our banking in Uganda, Zimbabwe and Mozambique is already gaining great traction.

We plan to end the next year with at least five operating banks and the balance of the operations being financial service providers (non-bank financial institutions).

It is essential to get our cross border transfers working between all operations. The 2016/ 2017 year is therefore

an important year in terms of refining our insurance products and offerings. This includes licensing and development.

The GetBucks Wallet launching in the first quarter of the new financial year is a digital mobile wallet that enables bill payments, money transfers and e-commerce payments, without the need to use or withdraw currency.

We will drive clients to use the wallet to move money to and from friends and family and to buy airtime, services and more, before moving any credit balances off our ecosystem.

In addition, we will continue to drive the initiative to allow free data to clients for our apps and services, and work with Opportunity International to determine how we can place more smartphones into the hands of our clients.

Also working in collaboration with Opportunity International, which will fund our productive loans (agriculture-, SMME-, education- and nano enterprise credit), MyBucks will continue to develop the clients of tomorrow.

**Dave van Niekerk**  
CEO and Founder

# MyBucks the company

MyBucks is a financial technology (FinTech) company based in Luxembourg that embraces technology as a means to provide financial products and services to the low and middle-income consumer segment, predominantly in emerging markets of Sub-Saharan Africa.



## Our aim

To ensure that our Group offers our clients fast, simple and trustworthy products and services through technology (when compared to traditional non-technology driven methods) to our clients and we seek to work towards enhancing our clients' experience with our innovative financial products and services enabling financial inclusion.



## Our beginning

Founded in 2011, we have expanded our operations to now include seven Sub-Saharan African countries, namely Botswana, Kenya, Malawi, South Africa, Swaziland, Zambia and Zimbabwe, as well as two European countries, namely Poland and Spain.



## Group KPIs

From our inception up until 30 June 2016, we disbursed over 750 000 loans in excess of EUR 175m, and since the deployment of our advanced credit decisioning and scoring model until today, our self-learning algorithms have made more than 2 000 000 predictions, utilising a large number of traditional and alternative data points. This is why we consider ourselves to be an innovative provider of online and mobile financial consumer products and services.

## The MyBucks offering



Our broad portfolio includes banking, lending, and insurance products, and is supported by financial services such as mobile banking, credit reports with credit education features as well as financial budgeting, and emergency cover through insurance.



Under our **GetBucks** brand, we offer our clients short-term credit loans and instalment loans as well as added value added services such as a credit report and a budgeting tool.

**Countries:** Botswana, Kenya, Malawi, Poland, Spain, South Africa, Swaziland, Zambia, Zimbabwe



Under our **GetSure** brand, we provide insurance cover, primarily for credit life, funeral costs, legal fees and medical cover.

**Countries:** Botswana, South Africa

## OPPORTUNITY BANK

POWERED BY  MyBucks

We will, under our **Opportunity Bank** brand, offer savings accounts, mobile transacting, transaction cards and comprehensive financial solutions for clients, which entail a personal financial dashboard that provides our clients with access to, and information about, their banking, credit and insurance portfolios.

**Countries:** Mozambique\*, Tanzania\*, Kenya\*, Uganda\*\*

\* Operational control taken 1 July 2016  
\*\*Operational control taken 1 October 2016

## Innovative technology

Cognisant of the growing trend of people's lives becoming more technologically driven through more devices than ever before, our vision is to break the paradigm of clients having to visit a location to access services.

Our solutions are created with the aim of leveraging our technology applications and empowering our clients to access financial solutions through various online channels via mobile devices anywhere and at any time, avoiding the need for a network of physical branches or sales locations.

As a result, we are able to serve our clients in geographically remote areas of the markets in which we operate. However, in regions where the market penetration of mobile technology is still low, we also offer light branch or kiosk infrastructure to support virtual channels, and use these branches to assist clients from an educational point of view.

## FinCloud: Our proprietary software

By "banking" clients using our proprietary software, we are able to better understand our clients' needs, spending habits and transaction history, allowing us to manage their requirements whilst allowing for improvement of our risk-scoring criteria, collections efficiency and overall customer management.

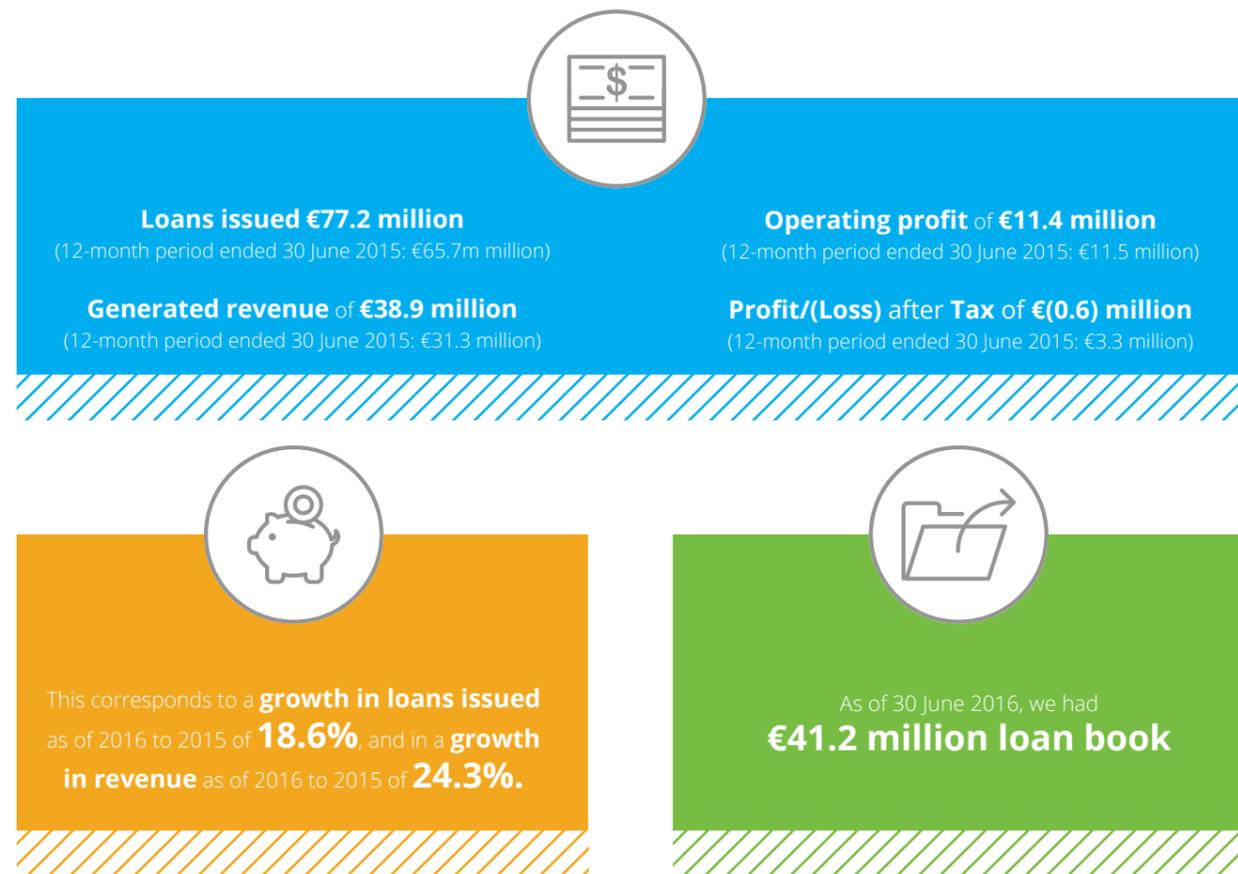
Fincloud, is integrated to Jessie our Artificial Intelligence credit scoring engine, and Watson our Artificial Intelligence fraud detection platform. Our cloud-based proprietary customer interface and loan management system, enables us to manage credit risk, our loan book portfolios, and efficiently serve our clients securely, via the internet, mobile phone and telephone, in real time.

## MyBucks in numbers

In the 12-month period ended 30 June 2016, we experienced a customer retention rate (that is clients who have purchased at least two of our products in their

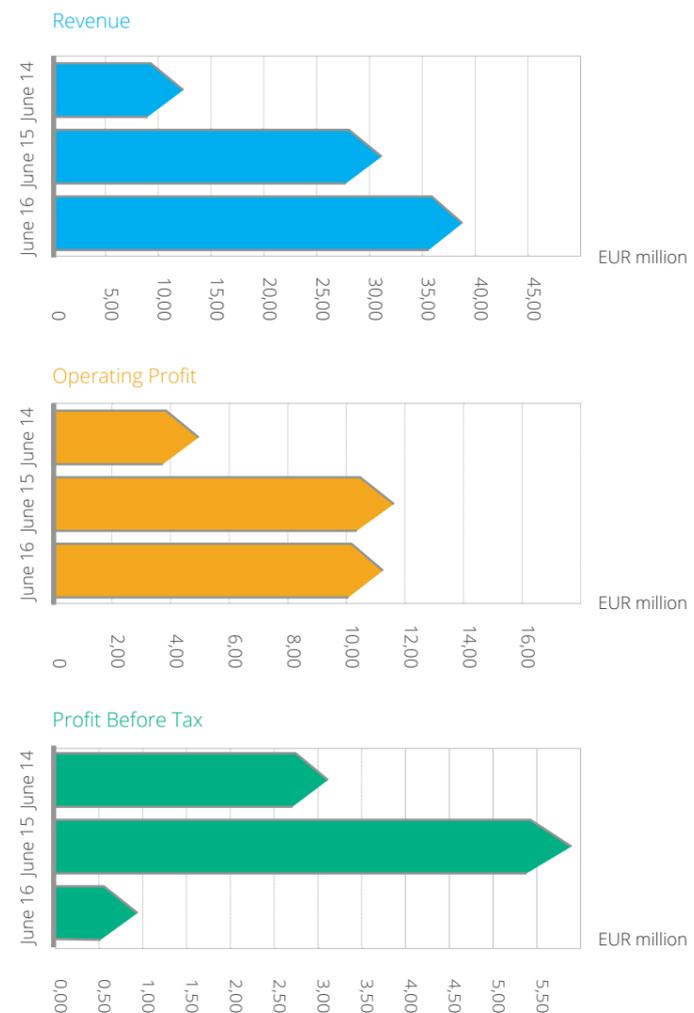
customer lifetime) of more than 63%, which demonstrates that our technology platform and customer management is convenient and trustworthy.

In the 12-month period ended 30 June 2016, our business has grown significantly and we achieved:



## Key performance areas

### Income statement



### Balance sheet



# History and key milestones

MyBucks commenced business operations in 2011 and over the last five years, our Group has steadily grown in terms of revenue by continuously expanding our geographic presence as well as our customer base.

Within the scope of our expansions in Africa and to Southern and Central Europe, we have tested and refined our product portfolio, increased our operational efficiency in terms of new market entries, developed and optimised our loan approval technology, and improved our legal and regulatory compliance processes.

## Major milestones

### 2011

**GetBucks Mauritius** is incorporated as holding company of the Group and we commence business in South Africa via a licence agreement with **GetBucks South Africa**.

### 2011 - 2015

**We expand** gradually to various other Sub-Saharan African markets, including Botswana, Kenya, Malawi, Swaziland, Zambia and Zimbabwe.

### 2014 - 2015

We expand our operations to **Poland and Spain**, establishing a base for further opportunistic growth in Europe and thereby test and refine our product portfolio in other geographic regions as well.

### July 2015

Our local subsidiary in Zimbabwe, **GetBucks Zimbabwe**, is licenced by the Reserve Bank of Zimbabwe (RBZ) to operate as a deposit taking microfinance institution.

### October 2015

We enter into a share purchase agreement with subsidiaries of **Opportunity International** to acquire the Opportunity Banks. Thereby, we intend to expand our geographic reach to Ghana, Tanzania and Mozambique, as well as enhance our competitive position in Malawi, Kenya and Uganda. However, the transactions did not conclude until 1 July 2016 (Mozambique, Kenya and Tanzania) and 1 October 2016 (Uganda). The transactions for Ghana and Malawi are still pending regulatory approvals.

**The company posts a pre-tax profit for its third year running.**

### December 2015

**MyBucks S.A.**, Luxembourg becomes the ultimate holding company of our Group.

### January 2016

**GetBucks Zimbabwe** is listed on the Zimbabwe Stock Exchange in order to facilitate our business operations in Zimbabwe.

### June 2016

**MyBucks** becomes first African focused FinTech company listed on Frankfurt Stock Exchange.



"MyBucks is an innovative and dynamic FinTech business. Unlike the majority of FinTech businesses operating today, we have an all-encompassing approach to financial products and services."

Gerd Alexander Schütz  
Non-Executive Chairman: MyBucks



## History and key milestones

### First African focused

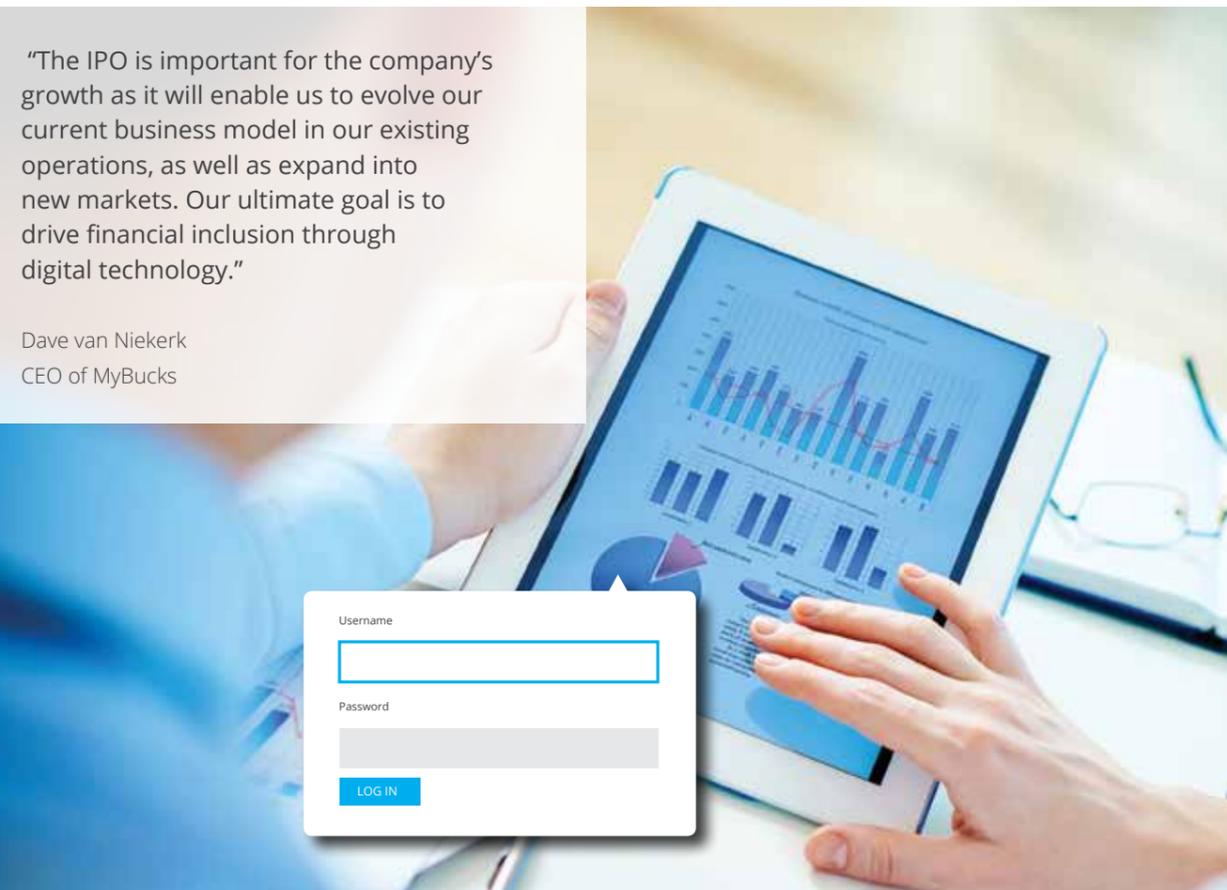
FinTech company listed in Germany

23 June 2016 starts trading on the **Frankfurt Stock Exchange**

## Frankfurt listing

MyBucks S.A. listed on the Entry Standard at the Frankfurt Stock Exchange. A total of 1 million shares are placed in the IPO. The total issue volume excluding greenshoe was approximately €13.5 million. The initial public offering price was €13.50 per share.

Hauck & Aufhäuser Privatbankiers KGaA acted as Sole Global Coordinator and Sole Bookrunner on the transaction. Bankhaus Scheich Wertpapierspezialist AG takes the role of the company's stock specialist at Börse Frankfurt.



"The IPO is important for the company's growth as it will enable us to evolve our current business model in our existing operations, as well as expand into new markets. Our ultimate goal is to drive financial inclusion through digital technology."

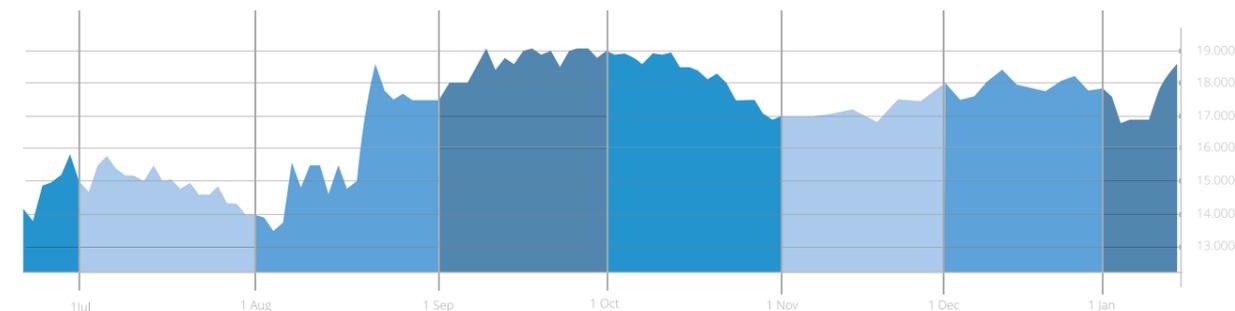
Dave van Niekerk  
CEO of MyBucks

Username:   
Password:   
LOG IN

## Share price overview

Share code: MBC: GR  
ISIN: LU1404975507  
MKT cap: EUR 204 million

January 17, 2016 High €19.69 Low €13.27 Close €18.60



MyBucks S.A. listed on the Entry Standard of the Frankfurt Stock Exchange market

Source: <http://en.boerse-frankfurt.de/stock/MyBucks-share>





## History and key milestones

GetBucks Zimbabwe receives its **deposit taking micro-finance institution** from the Reserve Bank of Zimbabwe

GetBucks Zimbabwe's IPO attracts strong demand and lists its shares on the **Zimbabwe Stock Exchange** on 15 January 2016

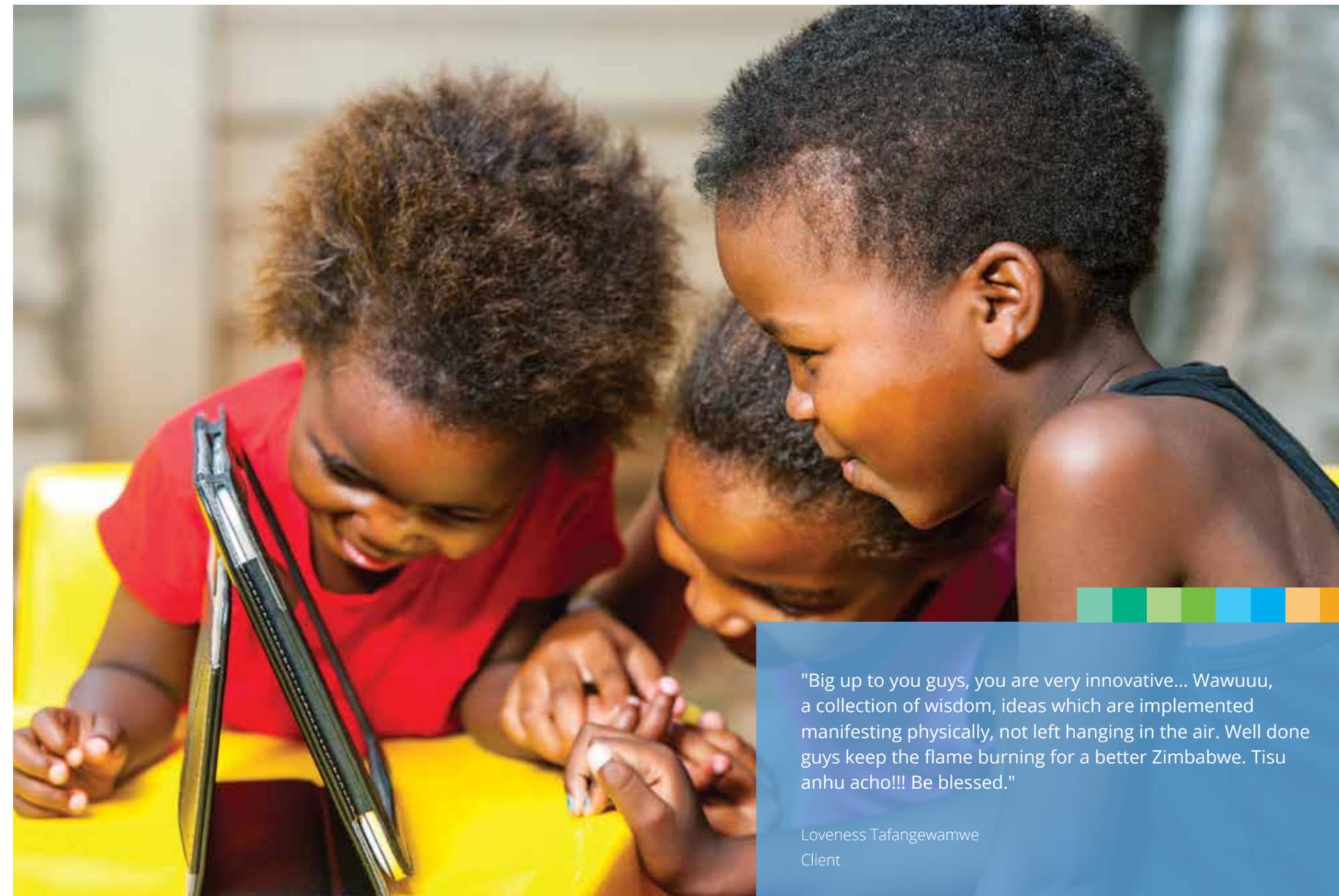
## Zimbabwe listing

GetBucks Zimbabwe successfully listed its shares on the Zimbabwe Stock Exchange (ZSE) on 15 January 2016, raising a total amount of US\$3,200,000 through the subscription of 93 567 251 ordinary shares in the company at a subscription price of US\$0.0342 per share.

The offer was fully underwritten by DBF Capital Partners, a Mauritian based investment holding company.

"The strategic objective of GetBucks Zimbabwe is to retain and grow its market share through a sustainable business model that offers competitive interest rates while managing its cost of funds. With a licence from the Reserve Bank of Zimbabwe to operate a deposit taking microfinance institution dedicated to supporting low-income individuals and SMEs, we have introduced banking products, such as saving accounts for individuals, as well as a debit card that enables clients to transact electronically and have access to other financial services."

Mercy Murevesi  
Managing Director: GetBucks Bank Zimbabwe



"Big up to you guys, you are very innovative... Wawuuu, a collection of wisdom, ideas which are implemented manifesting physically, not left hanging in the air. Well done guys keep the flame burning for a better Zimbabwe. Tisu anhu acho!!! Be blessed."

Loveness Tafangewamwe  
Client



## History and key milestones

**First-of-its-kind** partnership between international NGO and leading FinTech company transforms lives and forever changes the face of poverty in the developing world

In October 2015, MyBucks and Opportunity International partner to drive financial inclusion for **400 million** unbanked citizens of Africa

### Share purchase agreement update:

The following transactions have been concluded.  
Opportunity Kenya Limited  
Banco Opportunade Mozambique  
Opportunity Tanzania Limited.  
Opportunity Bank Uganda Limited\*

\*Approved as at 1 October 2016

# Opportunity International



Opportunity, Inc., a next generation microfinance organisation that invests philanthropic and social impact capital to spark and scale innovative solutions to global poverty, enters into a share purchase agreement to sell six banks serving sub-Saharan Africa to the MyBucks Group. Opportunity International will become a minority shareholder in MyBucks and retains at least one board seat at the parent level and one on the board of each bank. In addition, funding will be made available to the African banks to ensure continued social impact and responsibility.

The transaction is subject to customary closing conditions and regulatory approval from the regulators in each country.

- » Mozambique: Transaction concluded (1 July 2016)
- » Tanzania: Transaction concluded (1 July 2016)
- » Kenya: Transaction concluded (1 July 2016)
- » Uganda: Transaction concluded (1 October 2016)

"This partnership will greatly accelerate our work to help lift more people out of poverty, transform their lives and strengthen their families and communities. MyBucks will supercharge our mission by adding significant capital, resources and expertise to help drive financial inclusion of the unbanked and underbanked clients throughout Africa. It also helps us achieve our goal of creating and sustaining 20 million jobs by 2020, which will impact 100 million lives worldwide."

Vicki Escarra  
Global CEO of Opportunity International

"This is truly a groundbreaking partnership between an international non-governmental organisation and a leading FinTech company in Africa. It offers the best of both worlds by combining MyBucks products, credit expertise and technology with Opportunity International's network, client base and expertise in using financial services to create and expand businesses that help break the cycle of poverty. We're very excited to be joining forces to impact and improve lives in Africa."

Dave van Niekerk  
CEO of MyBucks

## Where we are today\*



**MyBucks** is a FinTech Company offering ethical and innovative financial services to clients



Operating in **13** Countries



More than **1000** Employees



Default rate since inception **less than 8%**



More than **750k loans** issued since inception



Issued more than **€200 million** in loans since inception

### Current operations

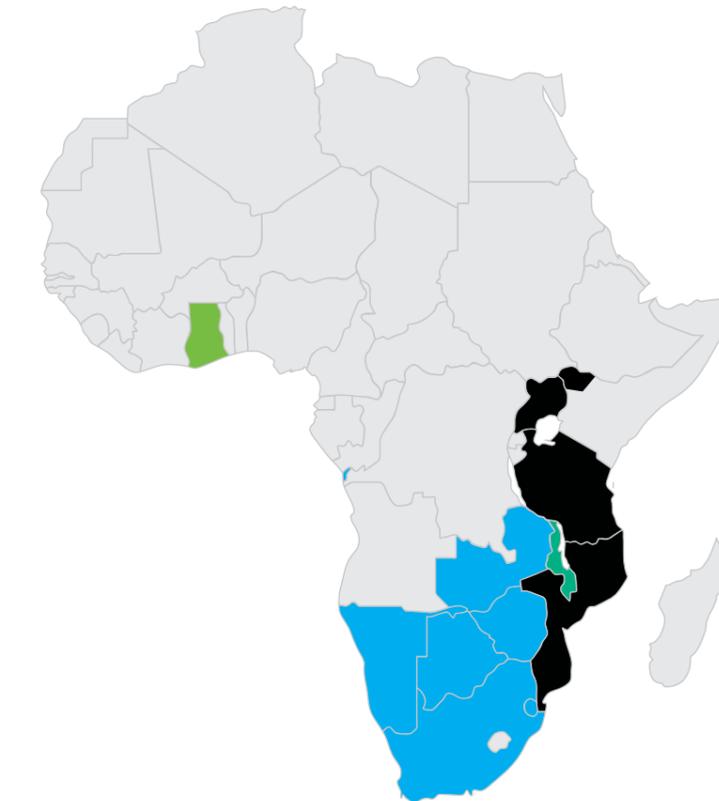
Botswana	Spain
Kenya	Swaziland
Malawi	Tanzania
Mozambique	Uganda
Namibia	Zambia
Poland	Zimbabwe
South Africa	

### Opportunity International partnership countries

**OPPORTUNITY BANK**

POWERED BY MyBucks

Mozambique  
Kenya  
Tanzania  
Uganda



### Acquisitions pending key regulatory approval

Malawi

Ghana

\* All numbers represented are as of 31 October 2016. (Un-Audited)

# Overview of our principal geographic markets

We believe that a digital bank providing financial products and services via the Internet, APIs or mobile devices, will disrupt the traditional way of microfinance and, thereby, significantly reduce transaction costs for our clients, notably in rural areas.

A 2014 worldwide study showed that almost 38% of adults remain excluded from the financial system. The vast majority lives in developing economies and does not have the ability to regularly access banking services.

Given these statistics, we expect that the following key factors and growth dynamics will continue to have a material influence on the microfinance market:

- » technology;
- » regulatory environment; and
- » mix of funding.

The following gives a brief summary of the geographic markets in which we operate

## South Africa

-  **GetBucks (Pty) Ltd**
-  Employees **72**
-  Founded **November 2011**
-  **GetBucks**  
Short term loans
-  **Subsidiaries**  
VSS Financial Services (Pty) Ltd  
Getsure (Pty) Ltd  
Sanceda Recoveries (Pty) Ltd

Data as of July 2016.

MyBucks considers the South African microfinance market to be the largest and most mature of the countries in which we operate.

The country's National Credit Regulator (NCR, Credit Bureau Monitor 2015) states that credit bureaus hold records for 23.11 million credit active clients.

Clients classified in good standing amount to 12.7 million and clients with impaired records total 10.41 million.

Due to the relatively high rate of loans in arrears, we take a conservative approach in approving credit in South Africa.

We primarily provide clients with small credit amounts up to R 15,000 (€1,200), and with a short term maturity up to 12 months. As well as longer term loans up to R 20,000 (€1,800) and a maturity between 13 and 24 months. We believe that traditional banks and lenders cannot effectively serve our market segment due to their relatively high cost and overhead structure. It must be noted that online credit providers have become popular with clients lately as they are a reliable source of financing.

Sources: <https://openknowledge.worldbank.org/bitstream/handle/10986/21865/WPS7255.pdf>

## Rest of Sub-Saharan Africa

### Botswana

-  **GetBucks (Pty) Ltd**
-  Employees **57**
-  Founded **March 2012**
-  **GetBucks**  
Short term loans  
Instalment loans
-  **GetSure**  
Funeral cover  
Legal cover
-  **Subsidiaries**  
TU Loans (Pty) Ltd  
BUBucks (Pty) Ltd  
Alto Assurance (Pty) Ltd  
Cashcorp (Pty) Ltd  
Alto Legal (Pty) Ltd  
Ochwe Developers (Pty) Ltd

Data as of July 2016.

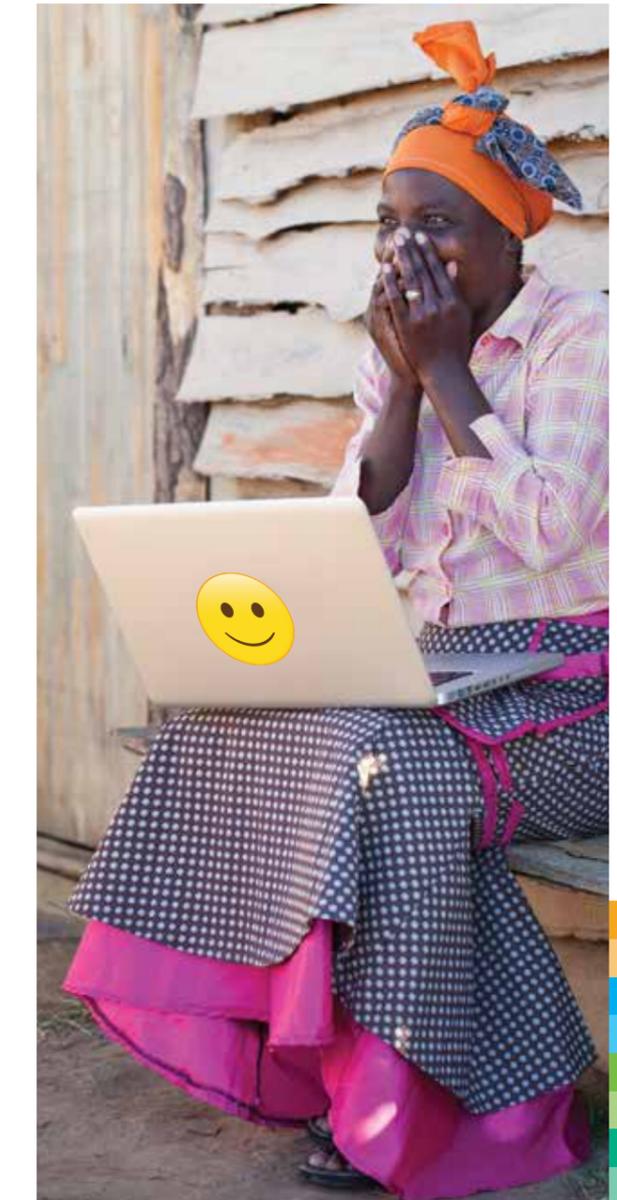
Traditional credit lenders in Botswana predominantly opt for larger long-term loans.

With the lack of an efficient credit bureau infrastructure in Botswana, lenders also primarily focus on the government sector to be able to benefit from deduction-at-source schemes. These allow loan instalments to be deducted from an employee's salary.

Over-indebtedness is not rampant in the country, as employers assess most credit obtained by government employees for affordability before allowing lenders to grant credit to an employee.

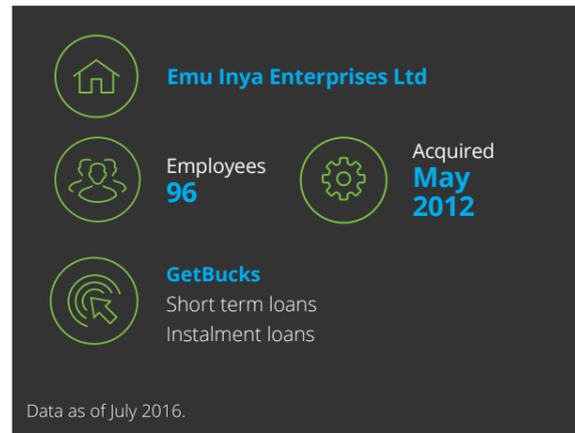
According to the Non-Banking Financial Institutions Regulatory Authority (NBFIRA, Annual Report 2015) the number of licensed micro lenders increased by 127% from 73 in 2013 to 166 in March 2015.

We believe that we can maintain a competitive position in this country as our low cost, technology based structures allow us to operate efficiently despite the decline in interest rate.





## Kenya



The outlook for Kenya is stable. The country has a comparatively well established banking and finance sector, and there is a significant demand for credit.

In general, clients are price-sensitive. Banks are the dominant client loan providers, whilst MFIs mainly provide loan products in order to make a social impact.

Credit information in this market, obtained from credit bureaus or other information sources, is limited. In our opinion, debit orders or automated collection mechanisms are still not reliable.

Notably, telecommunications providers have expanded into the mobile banking market and platforms like M-PESA have assisted lenders in disbursing loans and collecting loan instalments.

Opportunity Kenya Limited was acquired 1 July 2016.



## Malawi



Malawi does not have a credit bureau infrastructure. With the lack of such infrastructure consumer credit lenders need to primarily focus on the government sector with the possibility to implement deduction at source scheme. We experienced a stable credit demand, which is based on the number of applications we received over the past twelve months.

The lack of credit bureaus operating in the country has forced providers of microfinance products to obtain credit data on their own and through their credit applications process.



## Mozambique



The results of the FinScope Consumer Survey Mozambique 2014 suggest that the economic situation in rural areas is likely to have improved since 2009 but that the urban/ rural gap remains unacceptably high.

Overall the survey showed that the informal sector is the main source of income with farming as the main source of income for most Mozambicans. Accessibility to banking infrastructure is still a barrier in the rural areas where 70% of adults live. Mozambicans are more likely to save (35%) than borrow (10%). Although mobile money is an effective platform with the potential to reach a large number of adult Mozambicans, the adoption rate is low (3%). This is mainly due to lack of awareness (79%).

Consumer education and financial literacy are also issues, which require emphasis at both a policy and basic education level.



## Namibia



According to the third quarter 2015 financial report of the Namibian Financial Institutions Supervisory Authority (NAMFISA) the total amount of new loans disbursed by micro lenders country-wide rose from N\$578 million (second quarter 2015) to N\$709 million in third quarter 2015. Similarly, year-on-year, the amount of new loans rose at a rate of 10.6% from N\$641million to N\$709 million.

The increase both on a quarterly and annual basis is mainly attributed to the transactions of lenders granting a loan for a specific amount that has a specified repayment schedule and a floating interest rate. Over the same period, loan disbursements of smaller, so called payday lenders, who further, over the same period, loan disbursements of 'Payday Lenders' fell by 1.0 percent and rose albeit by a low rate of 8.4 percent, respectively to N\$1841 million.

Since 2016 we are among the few credit providers in the country offering access to credit via online channels, such as the Internet and mobile.





## Swaziland



Swaziland shares a customs and monetary union with South Africa. Although the economy is small, the country has provided us with an effective financial infrastructure to deploy our technological channels.

Primarily three types of financial institutions serve the market:

- » Banking sector, including three commercial banks, a mutual building society and a statutory bank.
- » Contractual savings institutions; and
- » Non-bank financial services, such as micro-lenders and non-profit organisations.

Smartphone penetration per capita is among the highest in Africa, enabling us to actively pursue our mobile channel offerings.



## Tanzania



Tanzania's National Financial Inclusion Framework (2014-2016), a public-private stakeholder's initiative, states that despite the significant increase in the number and type of financial institutions, access to formal financial services in Tanzania still remains low.

The Framework highlights: "the advent of mobile phone financial services during the recent five years is revolutionising the landscape of financial services in Tanzania. The rapid increase in service coverage provides proof that the mobile phone channel is an effective way of providing access to people all over Tanzania including the rural areas which were previously excluded."

According to InterMedia's Financial Inclusion Insights (FI) website and data tool, Tanzania has a largely rural population, which makes access to financial services a challenge and digital solutions ideal.

Making gains among these groups is key to improving Tanzanians' financial lives.



## Uganda



Since the early 2000s, microfinance in Uganda has made significant headway and the country has been recognised for its contribution to the economic and social development of the economically active – yet financially challenged – segment of the country's population.

The banking and microfinance sections of the financial sector are composed of commercial banks, credit institutions, micro deposit-taking institutions (MDIs) and more than 1,500 tier-four MFIs. This includes savings and credit cooperatives (SACCOs), which offer a variety of financial products and services in both the rural and urban areas. There are three categories:

- » Formal financial institutions: Banks, credit institutions and MDIs - these are supervised by the Bank of Uganda.
- » Semi-formal financial institutions with some form of legal status.
- » Informal setups: all other member-based associations, including village savings and loans associations, accumulated savings and credit associations and rotating savings and credit associations.

Sources: [http://www.finmark.org.za/sites//wp-content/uploads/pubs/Paper\\_Kalyango\\_tiered\\_04.pdf](http://www.finmark.org.za/sites//wp-content/uploads/pubs/Paper_Kalyango_tiered_04.pdf)

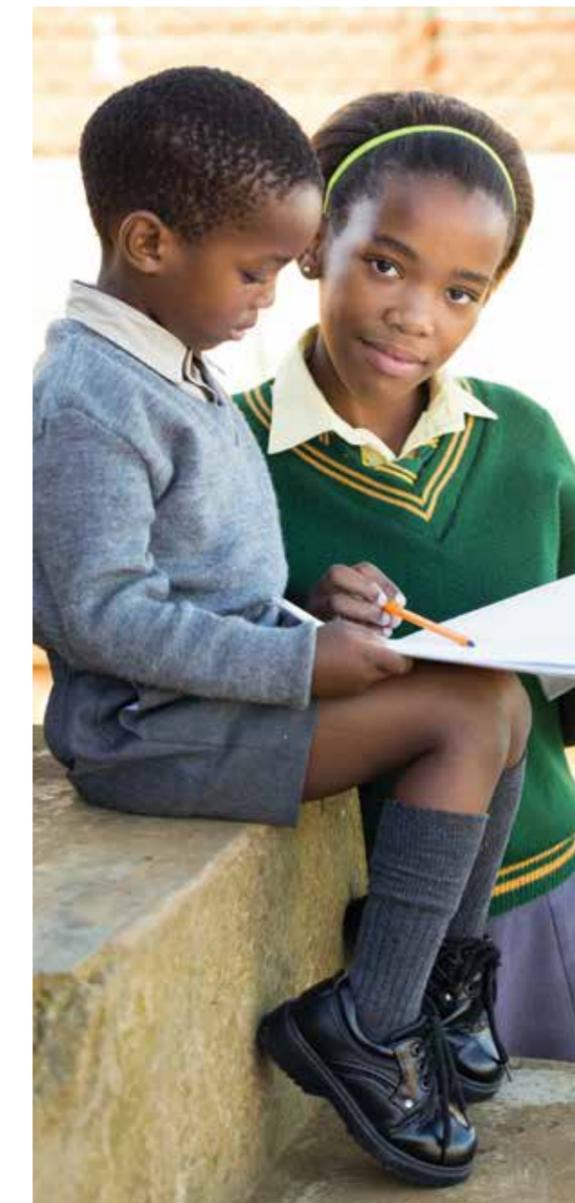


## Zambia



Since Zambia lacks an efficient credit bureau infrastructure, lenders primarily focus on the government sector whereby they can deduct loan instalments from an employee's salary.

According to the 2015 FinScope survey, financial inclusion levels in Zambia increased from 37.3 percent in 2009, to 59.3 percent in 2015, due to improved awareness, as well as use of services by the public. The survey showed that the number of adults using financial services increased from 1.5 million in 2009, to 4.8 million in 2015. The survey findings also showed that there has been significant increase in financial inclusion since 2009 resulting in the national target of 50 percent financial inclusion being exceeded.





## Zimbabwe

**GetBucks Financial Services (Private) (Ltd)**

Employees **63**      Founded **January 2012**

**GetBucks**  
Instalment loans      Savings accounts

Data as of July 2016.

Client credit in Zimbabwe is in high demand due to the current liquidity issues facing banks and other consumer credit providers.

At end of March 2016, the number of registered MFIs amounted to 162 and the Reserve Bank had issued three deposit taking MFI licences the year prior.

The bulk of current client credit is granted to formally employed government employees.

We have experienced that solid lending regulation has kept a lid on over-indebtedness and has not suppressed demand for credit.

We also believe that providing credit, not only to government employees but also to other formally employed customers, is set to grow. Since the introduction of the US\$ as operational currency in 2012 the client credit market has stabilised.



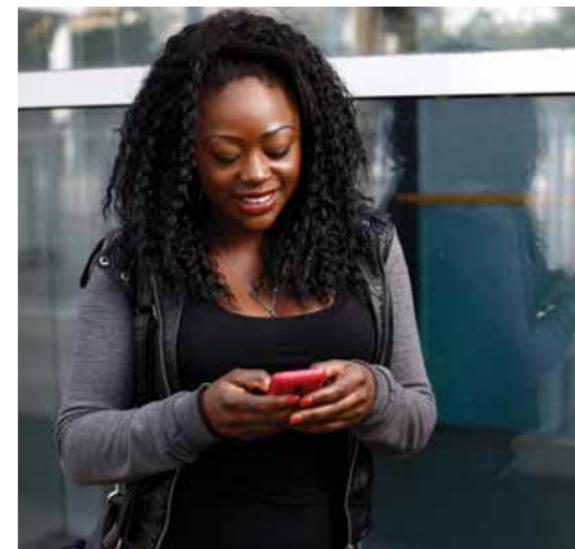
MORE ONLINE >>

## Europe

MyBucks expanded client lending to Spain in 2014 and to Poland in 2015. Both countries have well-developed banking systems as well as high Internet and mobile phone penetration rates. Online channels and electronic contracting are governed in these countries, which has benefited us, as minimal infrastructure needs to be deployed.

The existence of competitors such as Wonga, Kreditech and 4 Finance in these markets has also been to our advantage, as the markets are already educated and awareness is ripe on credit products and channels.

We aim to grow our market share in this region through value added services and products that our competitors do not offer.



## Poland

**GetBucks Poland S.P.Z o.o**

Employees **4**      Founded **February 2015**

**GetBucks**  
Short term loans

Data as of July 2016.

In Poland, the financial supervision authority does not require companies rendering loans from their own funds to retain a banking licence. Moreover, they are not obliged to publish information other than what is required by law, and it is not a requirement to publish statistics on the number or the value of loans.

In addition, only some of the companies operating in the market are members of industry organisations; other companies provide their services on a local scale and do not take part in such initiatives. As a result, it is impossible to obtain full information on the size of the market.

According to a PWC Poland study, personal credit companies account for a fraction of the total borrowing market both in terms of value and number. The average client loan has a maturity of one to 10 weeks, and provides for a loan volume ranging from PLN50 to PLN25,000. However, the average amount of the loan does not exceed PLN1,000.



## Spain

**GetBucks Spain S.L**

Employees **4**      Acquired **July 2014**

**GetBucks**  
Short term loans

Data as of July 2016.

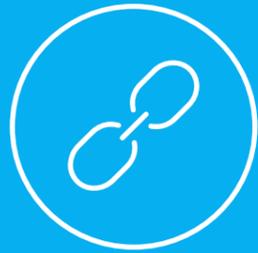
In Spain, most of the large banks are reverting back to their existing client base when providing client loans. Their rationale is that they can better analyse the credit default probability of clients already served in the past.

The preference at present is to rather serve existing clients with a prime creditworthiness than to acquire new clients not known to the banks.

We anticipate that this scenario leaves room for smaller lenders - who are competing aggressively on price - to increase their share of this subdued personal credit market.

Notably, an analysis of Data Monitor's 2012 Financial Services Consumer Insight Survey shows that price is the single most important criteria for clients when applying for a client loan. Low interest rates are vital to attract clients.

A more competitive market situation is thus realised when small client lending companies seek to increase their market share by reducing their interest rates.



## Our key strengths

We believe the following competitive strengths differentiate us and serve as barriers for others seeking to enter our market:

- » Strong market position and established business model.
- » Diversified customer base and efficient collection method.
- » Proprietary credit decisioning and scoring technology allowing scalability.
- » Strong focus on a convenient product and services offering with a high proportion of repeat clients.
- » Improved access to funding through deposit-taking licences.
- » Experienced management team with proven track record.

## Financial services through technology

# Our reason for being – today and tomorrow

We aim to “bank” our clients through technology at their point of relevance, thus servicing our clients’ life cycle holistically and conveniently at any time everywhere. By offering a blend of online and mobile banking technology, we believe that we are part of the revolution in the financial services industry, which is refining the process of banking, attaining credit and accessing other financial services through virtual solutions and advanced technological applications, that is providing financial products and services through the internet, APIs or mobile devices.

Through the leverage of our technology platform, we wish to address the challenges of reaching rural areas and reducing the cost of entry into the financial services space for clients. This will allow us to service a wider market, catering for clients who do not have access to traditional banking facilities at a fraction of the cost. Our ultimate goal is to deliver a full suite of financial products and services that meets the financial needs of our clients throughout all geographies.

### Our vision, mission and objectives

Through our vision in becoming a leading virtual bank, we strive to grow our business sustainably by focusing on organic growth, further geographic expansion, product diversification and cross selling.

The following provides an overview of the strategy we employ in furtherance of these objectives:

#### Explore new markets through organic expansion and acquisitions

We have established a strong track record of growth, while diversifying our business across product categories and regions. While currently being active in eleven African and two European countries, we monitor business

development opportunities in other countries as well. We believe that the scalability of our business model and the high level of reliability and performance of our proprietary technology platform will allow us to penetrate new markets at much lower cost than traditional models.

Through a holistic approach we intend to present clients with an all-inclusive package, historically only obtainable at high costs through “bricks and mortar” financial institutions. Online products can service our clients immediately and effectively. New products are introduced continuously through our existing customer base fuelling growth.

We believe this approach gives us a significant advantage compared to our competitors. We aim to leverage our existing expertise to invest in countries, in particular in Sub-Saharan Africa but also worldwide, where we believe to have an attractive customer base and high growth potential for our online lending business.

We will continue to pursue attractive business opportunities by launching operations in selective emerging markets worldwide, or to opportunistically seize growth opportunities by pursuing selected acquisitions, over the next few years.

#### Maintain and expand our customer base

We expect the transition from traditional to digital banking to continue, and we aim to capitalise on this trend. By continuously developing our digital offering, including our customer interaction tools, such as the credit report and the financial budgeting tool on our customised dashboard, providing our clients control of their financial status at a glance, we also seek to create an engaging customer experience that we believe will help us both to retain our existing clients and to attract new clients. We focus on the

growing numbers of low and middle-income clients who use alternative financial services because of their limited access to credit or other financial products and services from banks, insurers and credit providers.

While we served more than 175 000 clients from inception until 30 June 2016, such clients nevertheless represent only about 0.1% of the total population in the 9 countries we served (amounting to approximately 236.8 million people in 2014).

We believe that in particular the large percentage of people in our countries of operation who have no or just limited access to banking products and services represents an opportunity to significantly expand our customer base by leveraging our well-known brands and our localised offerings. We aim to further increase our market share in the countries we operate and to drive awareness for our brand through focused and localised marketing campaigns, relying on both traditional and digital marketing strategies.

We will also actively evaluate opportunities to further partner with corporations and governments to implement our deduction-at-source collection scheme. Through the expansion and diversification of our existing product portfolio, marketing and enhancements in customer service, we also intend to expand our products to small and medium entrepreneurs, as they are often in need of financial resources but have also been declined by traditional banks.

#### Diversify our product offering and intensify cross-selling

We plan to continue our innovative approach, offering convenient online services as well as transparent and competitive financial products to clients not served by traditional institutions. Having started as a provider of short-term consumer loans, we have diversified our product offering.

With our customised dashboard we have developed a multi-functional mobile application which is accessible in all countries, and unifies our current mobile offering. Through this application, we intend to leverage our existing proprietary database and introduce new

products and services, including new lending products, which require higher amounts of funding such as longer term loans, but also eventually offer third-party financing services (including lending through crowd-funding).

We will intensify the development and introduction of new banking products and services, such as savings, mobile transactions, transactional cards, and remittances, to capture the entire revenue value chain for each customer. We also plan to roll-out our insurance products to those markets where we do not already offer them to enhance our cross-selling functionality on the back of our historically high customer retention rate, thus extending each customer’s lifetime value.

With regard to our insurance products, which we currently only sell as agents on behalf of external insurance companies, we are also considering to selectively act as an underwriter in the future.

We have also broadened our product offerings, which aids in strengthening, key economic drivers in Africa.

#### Nano (micro) loans\*

In August 2016 we launched our “Haraka” app in Kenya, enabling users in the East African country to take out “nano-loans” of EUR 4 (USD 4.30) to EUR 40 (USD 44) via mobile phones.

The app, whose moniker means “quickly” in Swahili, is especially created for the segment of the population largely ignored by traditional banks, as well as those in remote rural areas who do not have access to traditional banking and financial services.

The sizes of the loans MyBucks offers will increase after previous loans are repaid. The system requires active accounts with both Facebook and M-Pesa, a mobile money service affiliated with the UK-based Vodafone Group, which Haraka mines for data on which to make credit decisions. The turnaround time in terms of loan approval, and funds transfer, takes less than 15 minutes.

The Haraka app was downloaded 20 000 times during the first two months after its launch.

#### Agricultural loans\*

Poverty has a firm grip on rural areas in sub-Saharan Africa and millions lack access to sufficient high quality food. Even where natural resources are ample, people suffer from chronic malnourishment because they lack access to agricultural financing, quality seed and fertiliser, competitive crop distribution channels, agricultural education and training, and insurance against natural disasters, notes our partner NGO, Opportunity International.

#### Educational loans\*

Future economic status and self-sufficiency is largely based on education. Unfortunately, numbers from Opportunity International show that access to schools, good schools in particular, is all too scarce for children in developing regions. Sadly, more than 124 million children and adolescents around the world, half of whom live in sub-Saharan Africa, have never started school or have already dropped out.

Together with the NGO, MyBucks is offering loans to both send and keep children in school. Research shows that although many children start school, few children complete high school to go onto further education. Educational loans are also made available to educators to improve learning and facilities at schools.

A School Improvement loan, for instance, allows school proprietors to build more classrooms and serve more students, or install running water and bathrooms, which is a crucial factor in assisting girls to stay in school. A School Fee loan makes it possible for a parent to send their child or children to a nearby “good” school that has bus for transportation, small class sizes, as well as books and computers. The EduSave Insurance product ensures that children’s school fees are covered in the event of a death or illness of a guardian so they can stay in school.

\*All numbers represented are as of 31 October 2016. (Un-Audited)

Source: <https://www.compassion.com/poverty/education.htm>

\*Numbers represented are as of 31 October 2016. Source Company Calculations (Un-Audited)



“FinTechs with first-hand knowledge and experience of the continent’s challenges and opportunities are already making their mark in terms of successfully banking the unbanked. In Africa the incredible uptake of mobile phones makes remote locations and lack of infrastructure a virtual non-issue. In a similar way that technology disrupted the newspaper and music industries, and more recently the bed & breakfast (B&B) and taxi industries through the likes of Airbnb and Uber respectively, so too is technology fundamentally changing our relationship with money.”

Tim Nuy  
Executive Director at MyBucks

## FinTech for financial inclusion

### The FinTech revolution is happening right now

The FinTech industry is teeming with opportunity, innovation and competitiveness. At the same time, it is disrupting a host of traditional financial services, including retail banking, lending and financing, payments and transfers, wealth and asset management, markets and exchanges, insurance and blockchain transactions.

And, while traditional banking institutions across the globe grapple with implementing technological innovation matching that of the FinTech sector, Africa presents FinTechs, such as MyBucks, with enormous opportunity as it comes without the burden of a legacy of technological structures.

*The FinTech Ecosystem Report: Measuring the effects of technology on the entire financial services industry*, compiled by Evan Bakker, research analyst for BI Intelligence, Business Insider's premium research service, was published at the end of 2015. It offers the following key takeaways:

- » FinTech — financial technology — is an umbrella term describing disruptive technologies in financial services. FinTech has transformed the way money is managed. It affects almost every financial activity, from banking to payments to wealth management. Startups are re-imagining financial services processes, while incumbent financial services firms are following suit with new products of their own.
- » Established players and startups face very different challenges. Banks are investing more heavily in innovation, however, they haven't yet fully diffused their innovation strategies throughout their organisations. Meanwhile, startups are trying to navigate the regulatory landscape. Banks will have to find a way to develop new platforms while overcoming legacy infrastructure; startups will have

to find a way to scale out their business while facing increased regulations, higher costs, and larger infrastructures that will be more difficult to change and manage.

- » The blockchain is a wild card that could completely overhaul financial services. Both major banks and startups around the world are exploring the technology behind the blockchain, which stores and records Bitcoin transactions. This technology could lower the cost of many financial activities to near-zero. This would have a dramatic effect on big banks, which currently face high operating costs. It's also disruptive in that it could disintermediate many financial processes.

In terms of the microfinance sector, FinTech plays a pivotal role in enabling financial inclusion for all. This is because its technological heart can fast track the microfinance landscape to enter into its most exciting and impactful phase to date, which is hugely advantageous for effecting economic and social change.

Added to this is Africa's massive uptake of mobile technology, which is further placing those FinTech companies operating in the microfinance space on a rapid digital trajectory, effortlessly welcoming those who were previously excluded from the financial world.

It is important to be cognisant of the fact that while the developed world may take financial access – and associated financial infrastructure for granted, simple financial terms, products and services like savings accounts, debit cards and credit are completely foreign to large populations in developing regions and specifically across developing countries.

Financial exclusion remains a major issue holding developing communities back from combatting poverty with various negative results, which include large-scale starvation and civil unrest.

Financial inclusion is therefore essential to economic empowerment, and engaging in economic activities such as the exchange of goods and services traded for cash, enables previously sidelined communities to become a part of economic clusters. The development of these clusters then directly impacts the growth of local economic systems, ultimately resulting in sustainable regional development.

The rise of innovative FinTech companies is accordingly a very real and possible solution, not only to assist richer nations in streamlining processes and increasing convenience, but also in opening up the financial world to those who have been excluded to-date.

With their unique blend of innovation and cutting-edge technology (which refine the process of banking, building credit and other short-term financial services), FinTech's address inadequate competition in the banking sector, the lack of microfinance institutions, the presence of financial infrastructure and mobile technology, all of which create opportunities for financial inclusion, lifting people out of poverty.

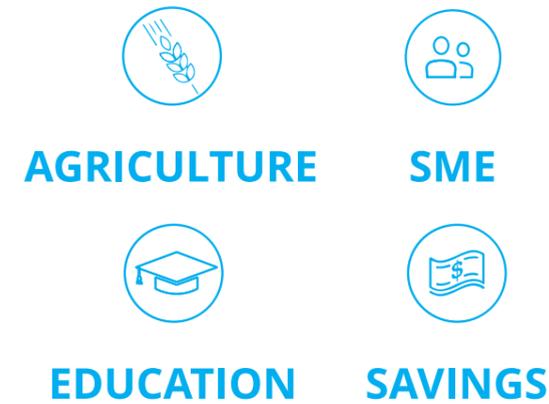
FinTechs should be regarded as game changers and, as clients shift their behaviour and move towards digital, intelligent solutions, traditional banks will need to rethink their digital and innovation strategies if they want to be part of this financial inclusion revolution.

# Financial inclusion — making it count...

## Emerging market growth

- » Access to capital remains a challenge in Africa — less than 13% of informal sector has access to capital for SME and Agriculture
- » Education, Small and Micro Enterprises and Agriculture are economic stimulators — less than 12 % of the population has borrowed for education, yet 23% have saved for education
- » The fundamental requirement to enable these stimulators is Financial Inclusion — only 34% of Africans have a bank account
- » MyBucks is an enabler of economic growth in Africa

## Financial Products that Stimulate Economic Growth



\*All numbers represented are as of 31 October 2016. (Un-Audited)

Sources: <http://datatopics.worldbank.org/financialinclusion/region/sub-saharan-africa>  
<http://datatopics.worldbank.org/financialinclusion/region/sub-saharan-africa>

### Banking Africa\*

Having a bank account, or some form of account to be able to transact, is fundamental to being financially included.

**Key Deliverables**

- » Delivering financial service through technology

**Rationale**

- » Banking the masses
- » Access to Data
- » Low costs make products affordable

**How**

- » Acquisition of existing banks and application for licenses
- » Implement Transformation Centres
- » Innovative FinTech solutions like the Haraka app which we recently launched in Kenya targeting SMME market

Over 400 million people do not have access to a bank account — the foundation of financial inclusion.

● Current Banking Markets  
● Planned Banking Markets

## Financial inclusion and FinTech in Africa

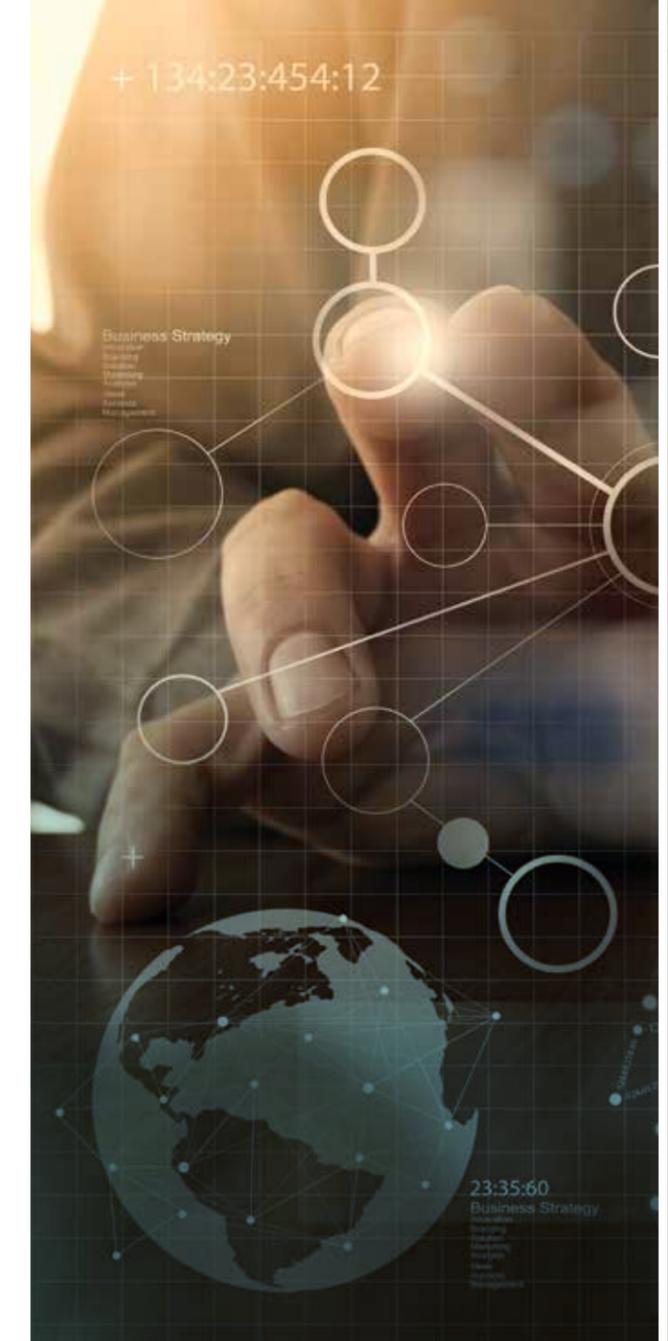
- » FinTech is the solution for Financial Inclusion on the African continent
- » Banking and Credit services are the cornerstone of Financial Inclusion

### Challenges

- COST**  
High cost of transacting makes banking unattractive for clients
- DISTRIBUTION**  
Physical infrastructure requires travelling and waiting in queues for clients
- CONVENIENCE**  
Products that clients do not understand, and inconvenient to obtain and utilise
- RISK**  
Lack of information sources such as credit reference bureaus make risk analysis challenging

### Solutions

- COST**  
Virtual and or digital channels reduce cost. Through reducing the need for traditional brick and mortar institutions
- DISTRIBUTION**  
Mobile devices and has the most significant technological penetration on the continent. Economies of scale provide return on investment in software development
- CONVENIENCE**  
By providing access to banking and credit via mobile devices provides convenience and simplicity to clients
- RISK**  
Technology and data are enablers understanding clients needs and risks



# Competitor landscape

>> The FinTech industry is changing globally. It is competitive, fast growing and constantly evolving. In contrast to many FinTechs that provide only the technology and not the product, MyBucks provides both technology and products to the client. <<



## Overview

The market for credit, banking and insurance lending in Sub-Saharan Africa and Europe are highly fragmented.

Especially in Sub-Saharan Africa with its broad variety of cultures and local preferences across the individual countries, each country or region has its own market specifications and characteristics. In addition, a large variety of fragmented and increasingly complex licensing, registration and other regulatory requirements need to be observed.

In Europe, lenders face additional challenges by increasingly restrictive regulations and legislation for consumer credit products at both national and EU level.

The consumer lending industry in which we operate is competitive, fast-growing and constantly evolving, and we believe that particular markets for short-term consumer credit may become even more competitive as the industry consolidates and new competitors enter the market.

We primarily compete with:

1. Traditional “bricks and mortar” institutions, such as consumer banks and credit unions;
2. Microfinance institutions, both for- and non-profit organisations operating in various countries;
3. Small local lending companies called payday lenders that have a limited number of clients and usually operate in one country only;

4. Online (payday) lenders that distribute loans via the Internet but apart from that do not operate in a technologically advanced manner;
5. FinTech companies that offer mobile money and payments.

In addition, we also compete with credit cards, as well as companies that offer other forms of short-term financing such as peer-to-peer credit.

Our competitors and the level of competition vary from country to country. For instance, while we experience limited competitive pressure in Malawi, Swaziland, Zambia and Zimbabwe, the competitive environment for consumer lending in South Africa is high.

In Sub-Saharan Africa, we consider Botswana-based Letshego, which operates across 10 countries in eastern and southern Africa, as one of our principal competitors.

On a national level, we particularly compete:

- » in South Africa, with traditional banks such as African Bank and Capitec Bank, as well as other technology enabled consumer finance companies, including Bayport South Africa, Wonga Finance and Wizzit Payments, some of which also compete with us in other markets;

- » in Kenya, with traditional banks including Equity Bank Kenya and Barclays, as well as with services offered by several telecommunications providers such as M-Shwari, a paperless banking service offered through M-PESA, a joint venture of Safaricom and Vodafone;
- » in Botswana, with other technology-enabled consumer finance companies such as Letshego or Moneywise Botswana;
- » in Zimbabwe, with traditional banks such as Banc ABC, MicroCred;
- » in Uganda, with traditional banks including ABC Capital Bank;

- » in Ghana, with multilateral financial institutions such as AfricaFC and other technology-enabled consumer finance companies including JUMO; and
- » in Zambia, with other technology-enabled consumer finance companies such as Bayport Zambia.

In Europe, competition has become more dynamic as other online and mobile lending providers have also expanded to Poland and Spain. Our main competitors are 4Finance and Ferratum in Poland, and Flexinero and Ferratum in Spain.

## What our competitors are doing



### FinTech companies

Ferratum is an international provider of mobile consumer loans. As a pioneer in the field of financial technology and mobile lending, it has expanded its operations to 23 countries since 2005.



### Microfinance institutions

Letshego Holdings Limited is a microfinance holding company with its headquarters in Gaborone, Botswana and is listed on the Botswana Stock Exchange. Letshego is a Setswana word meaning “support”. It has been in operation since 1998.



Kreditech is a German online lender, which offers loans to individuals based on their creditworthiness that is analysed using their online data instead of using traditional credit rating information. It was founded in 2012.



### Consumer banks

Capitec Bank is a South African commercial bank and one of the country's five biggest banks. International banking advisory group, Lafferty, in its inaugural 2016 Bank Quality Rankings, crowned Capitec the best bank in the world. It was established in 2001.



OnDeck Capital is a non-bank small business lender based in New York City, with locations in Denver, Colorado and Arlington, Virginia. OnDeck started business in 2007 and uses proprietary technology and credit models to evaluate the financial health of small businesses.



Atlas Mara Limited was founded in 2013 and is a financial services holding company, listed in Europe, formed to undertake the acquisition of target banks in Africa with the objective of becoming a leading financial services group in the continent.

## ➤ MyBucks management team



Evans Munyuki  
Chief Digital and Information Officer  
23 years experience in Technology



Louwrens Van Schalkwyk  
Chief Operating Officer  
15 years experience, banking and technology



Juan Du Toit  
Human Resources Executive  
12 years HR experience



Mark Vivier  
Chief Operating Officer — Banking  
17 years experience in micro lending and insurance  
29 years experience in banking



Llewellyn Gerber  
Head of Corporate Finance  
9 years experience in investment banking



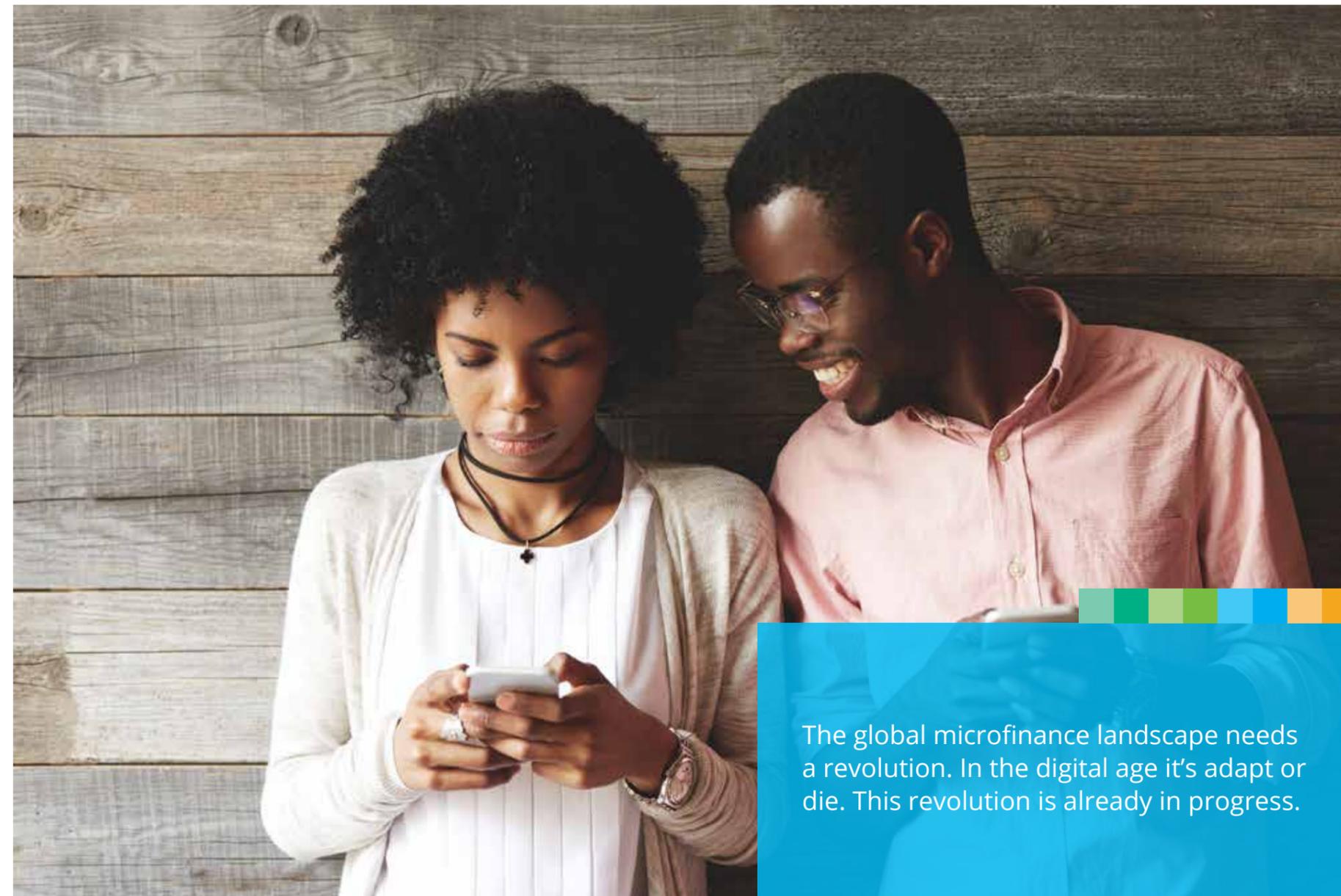
Danie Wandrag  
Group Finance Executive  
11 years experience in finance



Dr Richard Van Der Wath  
Chief Data Officer  
15 years experience in computer science



Kirsten Reynolds-Wood  
Group Marketing and Brand Executive  
16 years experience in retail marketing



The global microfinance landscape needs a revolution. In the digital age it's adapt or die. This revolution is already in progress.

# ➤ MyBucks country executives



Marthin De Kock  
Botswana

23 years experience in insurance and microfinance



Patricia Gonzalez  
Spain

12 years, finance and administration



Michael Hodgkiss  
Malawi

20 years telecommunications and microfinance



Raymond West Evans  
Zambia

22 years experience microfinance



William Hunter  
South Africa

13 years experience in banking and microfinance



Mercy Murevesi  
Zimbabwe

19 years experience in banking



Anthony Maulgue  
Kenya

21 years microfinance



Michal Gebala  
Poland

9 years experience in strategic planning



Lenus Oosthuizen  
Swaziland

20 years experience in microfinance

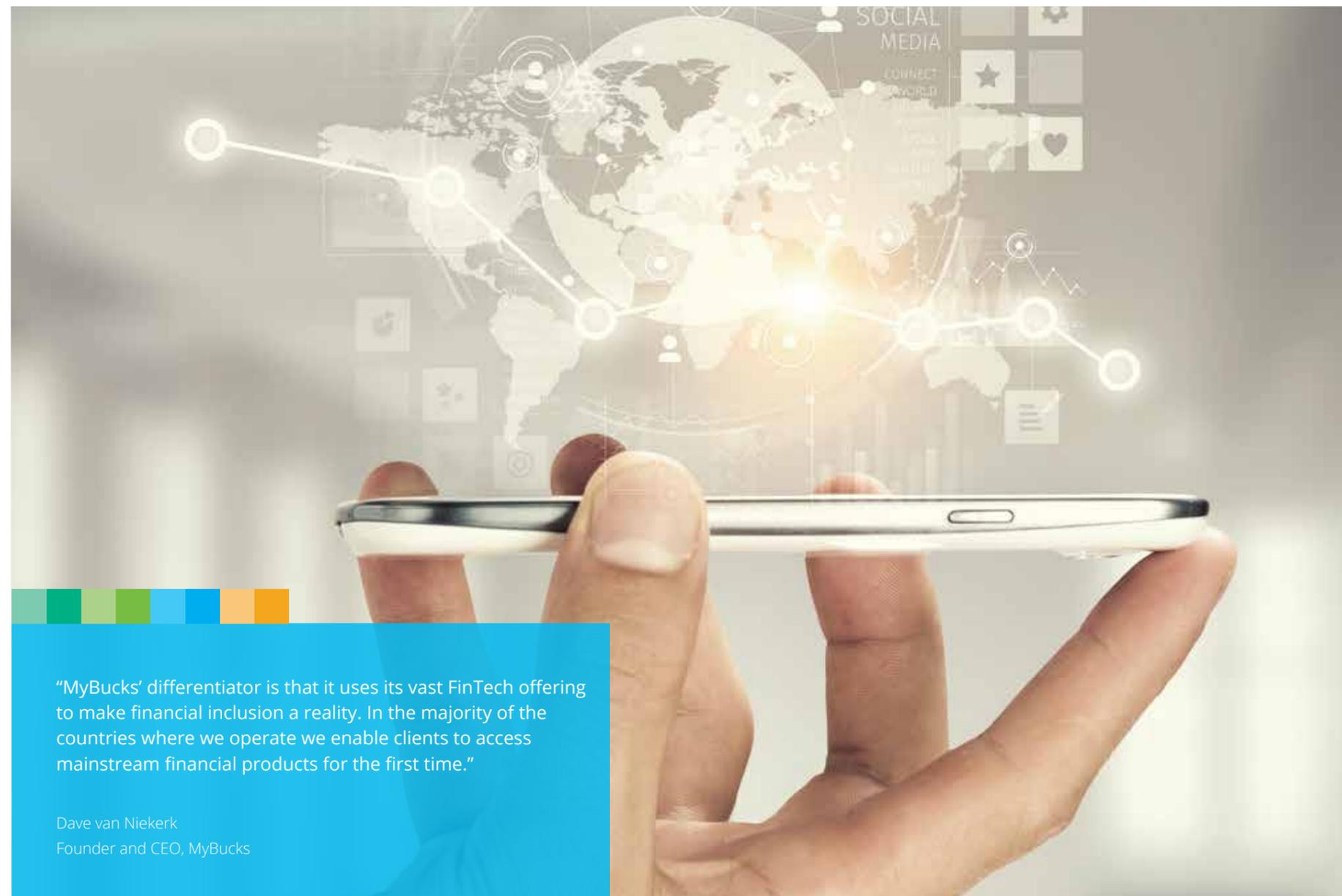


Charmaine Diergaardt  
Namibia

13 years experience in microfinance



>> We will intensify the development and introduction of new banking products and services, such as savings, mobile transactions, transactional cards, and remittances, to capture the entire revenue value chain for each customer. <<



“MyBucks’ differentiator is that it uses its vast FinTech offering to make financial inclusion a reality. In the majority of the countries where we operate we enable clients to access mainstream financial products for the first time.”

Dave van Niekerk  
 Founder and CEO, MyBucks



## Our technology

[CLICK HERE](#)

### >> We power financial products and services using our proprietary digital technology platform. <<

We power financial products and services using our proprietary digital technology platform.

For this purpose, we have a head office IT department which develops and maintains the necessary IT infrastructure for our business, namely the IT platforms, technologies and solutions necessary for our websites through which we provide our services and products to our clients.

As of October 2016, our tech division had full-time equivalents specialists, which are mainly located in Pretoria, South Africa.

In addition, we also have a database of additional consultants available on a contingency basis to assist on bespoke projects as necessary.

Our IT network is configured with multiple layers of security to isolate our databases from unauthorised access. We use sophisticated security protocols for communication among applications and we encrypt private information, such as an applicant’s social security number. All of our public and private APIs and websites use Secure Sockets Layer. We also use 256 Bit SHA password encryption and Java Web Token to manage session authentication.

Dimension Data’s Internet Solutions, an ISP, handles physical access management to our network. We also make use of firewalls to ensure that our network is secure.

We do not own data centres. Instead, our systems infrastructure is deployed on a private cloud hosted in co-located redundant tier 1 data centres managed by third-party service providers in Johannesburg, South Africa, and Amsterdam, The Netherlands. We believe that we have enough physical capacity to support our operations for the foreseeable future.

We have multiple layers of redundancy to ensure reliability of network service and with 99.8% uptime in the past. We also have a working data redundancy model with comprehensive backups of our databases and software made nightly. To date there have been no major disruptions in the operation of our websites or third party cloud servers.

\*All numbers represented are as of 31 October 2016. Source Company Calculations (Un-Audited)

## Research and development

### Software development and IT solutions

As part of our research and development activities, we have developed and utilised proprietary and custom designed technologies and in-house IT solutions, such as our cloud-based proprietary customer interface and loan management System, FinCloud, which is designed to be both powerful enough to handle the large volumes of data required to evaluate customer applications and flexible enough to capitalise on changing customer preferences, market trends and regulatory changes.

Furthermore, the information gathered from our loan management system allows us to focus on clients, both potential or existing, who we believe are more likely to provide us with better credit performance.

Using this approach, we are able to build a valuable list of clients who use the credit products offered, and to whom we can market our new product offerings. In addition, we have also fully integrated third party platforms such as several government platforms into our systems to ensure seamless customer and internal processes.

We have also developed and periodically improved custom loan processing and debt collection systems that are based on Microsoft.Net technologies.

The systems, which we utilise, share a common code, which is the same across our countries of operation. This ensures that our websites always have a consistent look and feel whether viewed on desktops or on mobile. This has historically allowed us to launch our business in a new country in approximately three weeks, and to launch businesses in several countries in parallel.

Coupled with remote data centres management, we have been able to quickly replicate our business model in new markets and expect to be able to do so in the future.

We have established a data science development team (the Data Science Team) with six full-time equivalent specialists as part of our vision to realise data as a business asset from which value can be extracted in the form of better-informed decision making. Achieving this vision rests on two pillars: a big data strategy where the amount of unstructured operational data being collected is drastically increased, and then building state-of-the-art AI models to unlock the value encapsulated in this data through advanced analysis and data mining.

### Artificial Intelligence (AI) based credit scoring and fraud detection

#### What is AI and Machine Learning?

Artificial Intelligence (AI) is an advanced form of data analytics that can find complex patterns in data using mathematical and statistical methods. Since AI algorithms are self-learning from data, this type of AI is also sometimes referred to as 'Machine Learning'.

If implemented correctly, AI and Machine Learning are the most important technologies with the capability to translate data into actionable and automated business improvements. At MyBucks, AI enables us to better leverage our data to improve our operations and understanding of our clients and thus, ultimately, give MyBucks a competitive advantage.

#### Jessie (from Jessica meaning 'foresight')

Jessie is an in-house developed system that uses state of the art AI algorithms to predict how likely it is a client will repay their loan. Jessie can achieve this by being trained on historical loan performance data, and then learning payment patterns, which can be used to predict outcomes if similar patterns are observed.

Since Jessie's prediction is a probability (a value between 0 and 1), we can control which loans we approve according to our risk appetite. It is important to keep in mind that

the predictions are a guide so there is always a trade-off between reduction in sales with better collection rates (low risk appetite) or an increase in sales with a poorer collection rate (high risk appetite). The goal is to find the economic sweet spot where our collections improve without a drastic decline in sales.

Instead of doing predictions after a client applied for a loan, we do hundreds of predictions on simulated loan applications and then only offer products to a client for which they will be approved. This method ensures optimal sales at our set risk appetite and can be classified as prescriptive analytics - the most advanced form of data analytics which very few companies could achieve to date.

Jessie has been deployed for online loans in six countries to date and a marked improvement in collection rates has been observed for all these products.

#### Watson

Watson is similar to Jessie, but instead calculates a client's fraud score based on how close that client's online behaviour matches past behaviour of known fraudsters.

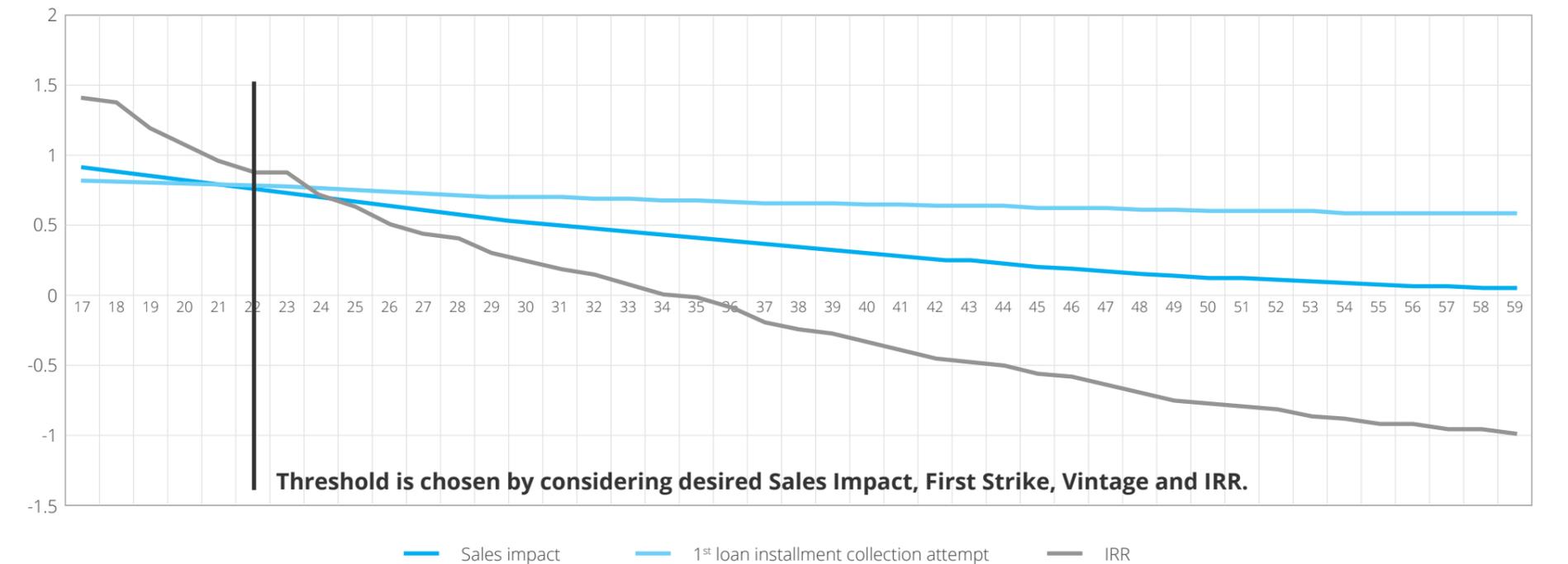
Some client applications are clearly fraudulent, whilst others only exhibit the behaviour of known fraudsters in a manner that still warrants human intervention. Clients with a high fraud score are flagged and passed onto a specially created fraud bridge where a human agent can make the final decision to either blacklist these clients or not.

Watson also acts as a filter to Jessie: fraudulent applications contaminate the value of client data and degrade the quality of credit scoring. By employing Watson our credit scoring should become more exact and allow us to do better business with those clients we want to target in the first place. Watson is under continual improvement to stay one step ahead of the fraudsters who are constantly changing their modus operandi.



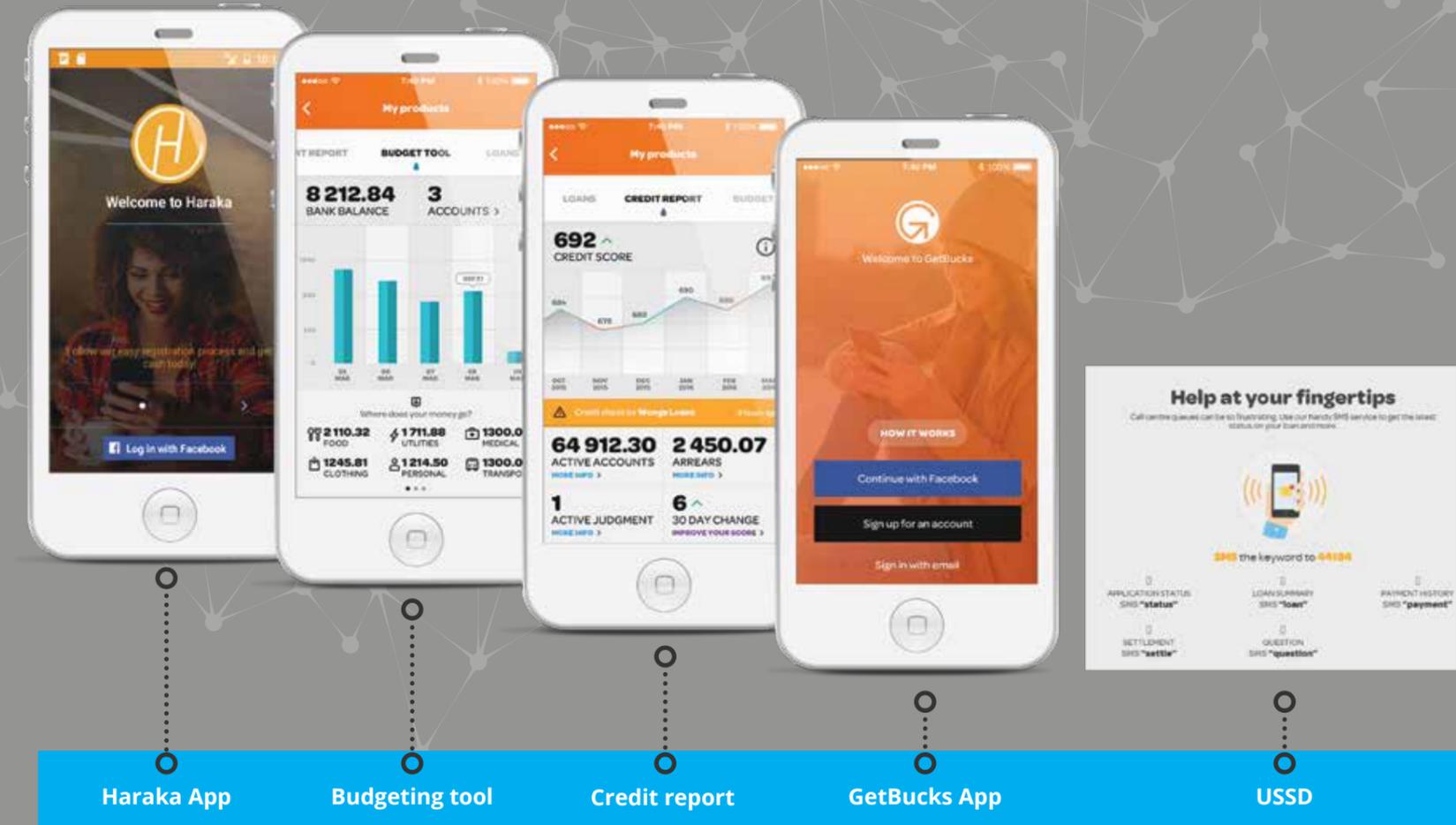
## Optimising the threshold

We optimise our IRR by tweaking and adjusting our AI engines, by using historical and real-time data.

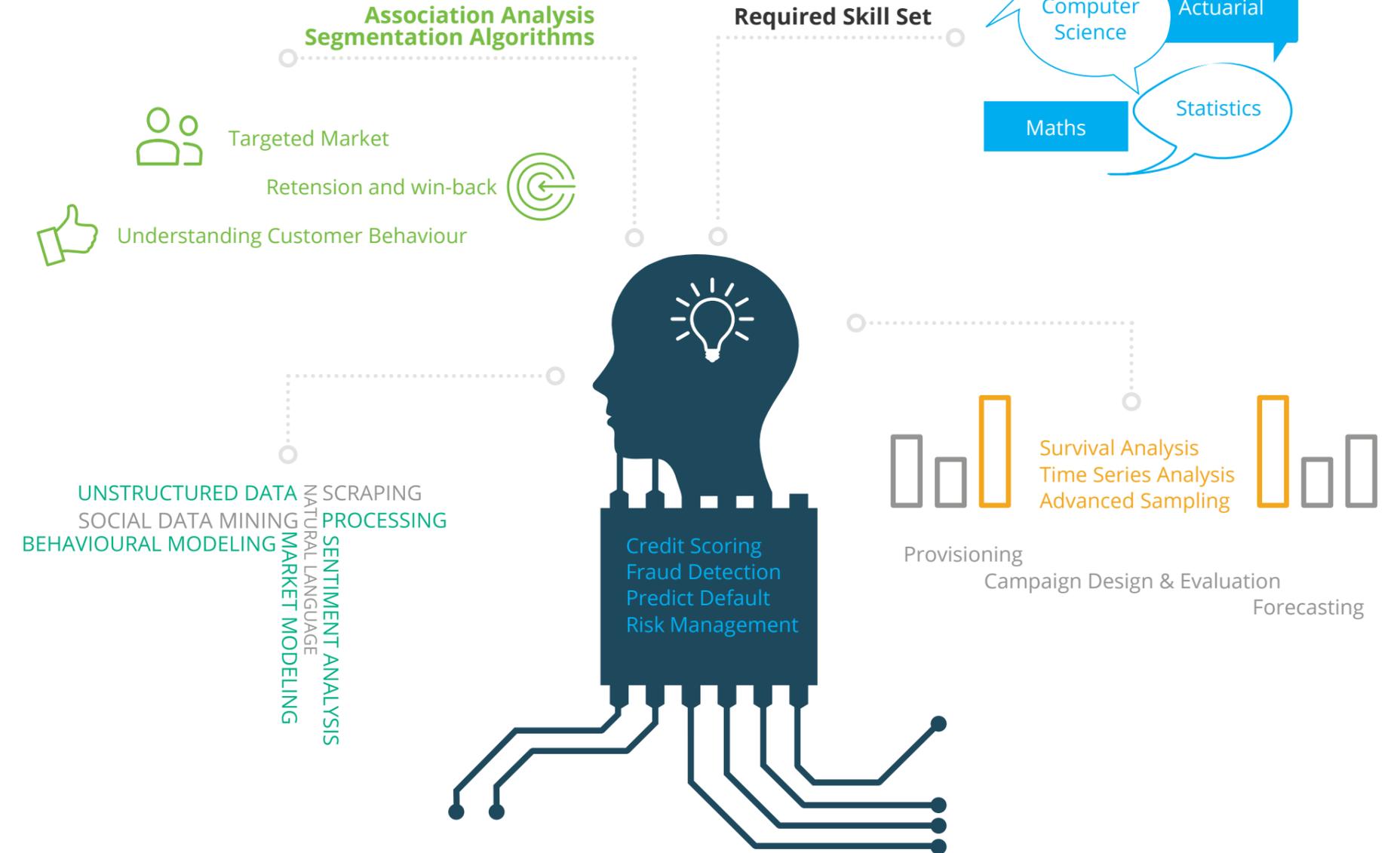


# Customer experience

Our feature rich apps, web and USSD channels provide the customer with a simple, convenient and engaging experience.



# What is AI



# Products and services\*

Our products and services are designed to be intuitive and easy for clients to use. Through our proprietary technology platform, they can be accessed through online channels (web and mobile) as well as Internet service points.

The credit assessment of our proprietary credit decisioning and scoring technology combines an ever increasing number of traditional and alternative data points which translate to a total of 45 features to enable fast and automated disbursement of loans within 15 minutes of approval after a multitude of financial background checks and profiling through APIs, which we use to link our platform to third party tools, websites and other applications.

We currently offer our products and services under the three brands:

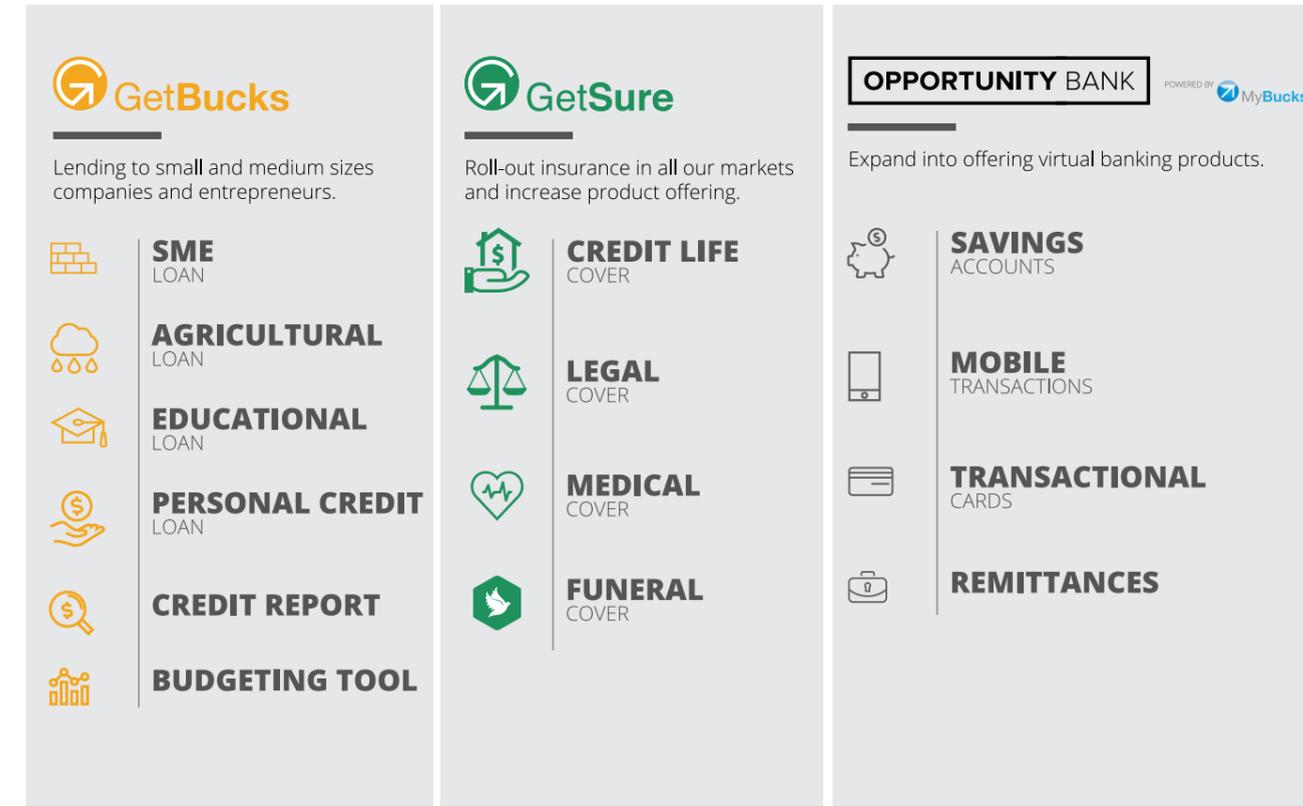
**GetBucks**

**GetSure**

**OPPORTUNITY BANK**

POWERED BY **MyBucks**

The following chart provides an overview of our three lines of business and the products we plan for the future:



\*Products depicted are as of 31 October 2016. (Un-Audited)



“As digital offerings become more mature and interconnected, vast ecosystems will develop and span across industries. In many instances, FinTechs will become submerged in these ecosystems - representing, like many others, a component of a much broader digital network.”  
 “In the very near future, the poorest of the poor will use technology to educate themselves and access financial products and services, anywhere and at any time,”

Dave van Niekerk  
 CEO of MyBucks

Under our brand GetBucks, we offer unsecured single payment and instalment loans to individuals that are in the low and middle-income segment, yet gainfully employed:



**Single payment loans:** Our single payment loans are short term, unsecured loans provided with terms between one and six months.



**Instalment loans:** Our instalment loans are longer-term, unsecured loans in amounts of between approximately €300 and €12 500 for terms between six and 60 months. Instalment loans generally require repayment of portions of the outstanding principal balance in multiple monthly instalments. Our instalment loans also allow clients to settle existing loan amounts and increase the number of instalments in increments of their choosing, up to the provided loan limit. The customer may repay the outstanding loan balance in full at any time or make required minimum payments in accordance with the terms of the loan agreement. Currently, we offer our instalment loans only in Botswana, Kenya, Malawi, South Africa, Swaziland, Zambia and Zimbabwe, mainly to government employees where a secure deduction method, such as our deduction at source scheme, is in place to ensure successful collection. However, part of our strategy is to rollout our offering of instalment loans in all countries in which we operate.

All loans are disbursed either via electronic funds transfer to an applicant's bank account or via a mobile wallet.

To supplement our loan offering, we also developed an interactive “ecosystem”, which assists our clients to qualify for longer-term instalment loans and to fulfil their credit obligations. The system consists of our unique, customised dashboard, which is available to our clients at any time and any place where there is Internet access. The dashboard intends to give our clients a quick, simple and transparent overview about their savings balances and targets, personal credit available, and trust levels, and offers access to a personalised credit report and a budgeting tool:



**Credit report:** Our customised credit report is a tool that keeps our clients informed of their current credit score and credit profile. Accessing information from the local credit bureaus, it provides continuous feedback on credit score movement, gives tips on how to improve a personal credit score and provides financial understanding and education based on spending habits. If a customer has requested credit from another lender, the App will automatically provide an overview of what can be further borrowed from MyBucks, and at what rate. In addition, the App, which monitors the credit report database, will also provide a notification to the customer in the event that an unauthorised credit check is performed, enabling the customer to issue a fraud notification immediately. We currently offer our credit report to our clients in Botswana, Kenya, South Africa and Spain.



**Budgeting tool:** Our budgeting tool assists clients in tracking their spending, and uses push notifications to alert a customer if they are exceeding their personal budget. Electronic bank account scraping technology allows clients to have access to our budgeting tool. This tool provides clients with real time information about spending activity on their bank account. It helps clients to understand about how to budget, as well as how to borrow for the right reasons. Spending limit alerts are pushed to clients via an App. Within the App, our clients can categorise and set limits on their spending themselves. Clients get notified in real time if they are exceeding their budget.

Under our brand GetSure, we offer (currently only as an agent on behalf of external insurance companies and only in selected countries) a variety of insurance solutions to complement our lending offering:



**Credit cover:** Our credit cover is designed to protect a customer in terms of its debt obligations in the event of death, disability, dreaded disease or retrenchment. Our credit cover is offered to clients in Botswana, Kenya, Malawi, South Africa, Swaziland, Zambia and Zimbabwe.



**Legal cover:** Our legal cover is designed to cover a customer and immediate family members in the event of legal service requirements. Our legal cover is available in Botswana, South Africa and Zimbabwe.



**Funeral cover:** Our funeral cover is designed to cover funeral benefits. Our funeral cover is available in Botswana, Malawi, South Africa and Zimbabwe.



**Medical cover:** Our medical cover is an innovative product that covers day-to-day medical expenses as well as hospitalisation and dread diseases. Our medical cover is offered to our clients in Botswana and South Africa.

We service our clients through a fully integrated front-end website ([getsuregroup.com](http://getsuregroup.com)) and aim to process all claims made under our insurance covers within one hour.

As part of our growth strategy, we intend to expand our insurance offering to all countries in which we operate. In addition, we are currently considering to selectively act as underwriter in the future.



## OPPORTUNITY BANK

POWERED BY  MyBucks

## Digital banking

Being banked is a fundamental requirement for Financial Inclusion. MyBucks has fast-tracked its strategic intention to bank clients, through the acquisition of four deposit taking institutions\*.

This allows us to service a wider market, catering for clients who do not have access to traditional banking facilities at lower cost.

Our technology infrastructure allows our clients to interact with our virtual banking platform, which offers products like savings accounts, mobile transactions and transactional

cards, at any time and any place and enables our clients' access to banking facilities, thus servicing our clients' life cycle holistically and conveniently. We believe that banking clients through the use of our technology platform enable us to better understand our clients' needs, based on their spending habits and transaction history, allowing us to manage our clients' requirements, whilst allowing

for improvement of their risk-scoring criteria, collections efficiency and overall customer management. In future, this may be expanded to an even broader variety of banking products and services, and particularly, the possibility of making remittances.

\* Acquisition of Opportunity International Savings and Loan (Ghana) and Opportunity International Bank Malawi, are pending regulatory approval. Opportunity Kenya Limited, Opportunity Tanzania Limited, Opportunity Bank Mozambique acquired 1 July 2016. Opportunity Bank of Uganda acquired 1 October 2016.

## Corporate social responsibility

Corporate social responsibility (CSR) is of great significance to MyBucks. We firmly believe in the principles of CSR and they are intertwined with the values of our company.

In the year under review, we are especially proud our southern hemisphere Winter Warmer campaigns that

we ran across the African continent bringing warmth — both literally and metaphorically — to underprivileged communities.

In addition, we have continued our focus this year on the largest tool that we have to make a positive change: Education.

Last year, we started our CSR "Adopt a School" campaign in Botswana. Its success paved the way for additional countries to initiate similar campaigns. Not only is this something we believe we need to be doing, but it is something we want to be doing, and we expect this programme to expand even further in the next financial year.



### South Africa

MyBucks South Africa ran a social project on Facebook to help us share the winter warmth. For every share that the winter warmer campaign post received on Facebook, MyBucks contributed funds towards the campaign.

We managed to help the children at Leeupoort Primary School in Limpopo on Nelson Mandela Day, 18 July 2016.

"Revolution is all about change for the better. Not only are we revolutionising the FinTech space in terms of our digital technology that empowers people, but we also focus on uplifting people in the communities where we operate through our corporate social responsibility initiatives."

Dave van Niekerk  
Founder and CEO, MyBucks



## Swaziland

The Swaziland MyBucks team initiated a long-term partnership with the Mashobeni Methodist Primary School this year. Upon visiting the school, the **400 learners** of Mashobeni School, ranging from pre-primary to Grade 7,

welcomed us with beautiful smiles, songs and cultural entertainment. The start of this relationship saw the MyBucks team donating a warm scarf, a pen and a hearty mince and vegetable stew to each child.

“As part of our ongoing commitment, we will be donating maize to the school so the children can have breakfast every morning.”

Hynd Shongwe  
Operations Manager Swaziland



## Malawi

MyBucks continued its feeding programme with Mkanga Primary School in Msundwe, not far outside of Lilongwe, which it started in 2015. The team spent the day at the school with the **749 learners** and the learners' parents.

The MyBucks team cooked a filling beef and veg soup, served with fresh bread. Most of the ingredients were sourced locally, which helps to support the local community by stimulating trade.

In total, **40kg** of mince meat, **25kg** tomatoes, **10kg** onions, **20** cabbages, **50kg** of sweet potatoes, **40kg** of beans and **200** loaves of bread were used.

Currently the school has four fuel-efficient stoves. These were utilised to cook the meals, and MyBucks also bought some additional pots to assist in the preparation of meals. For the feeding programme, MyBucks continuously strives to only use local ingredients that are in season to ensure that community farmers and locals benefit.

“We take pride in this program that encourages children to come to school through the incentive of something as simple as a plate of food.”

Tanya Jameson-Fisher  
Deputy Country Manager, Malawi



## Botswana

The MyBucks team was welcomed by the joyous singing of learners for its Winter Warmer campaign at Kubung school during the heart of winter in June 2016. The children also produced a play where they thanked MyBucks for improving their lives. The children were also extremely proud of their academic results, which had improved and

were excited to show their reports to country manager, Marthin de Kock, as proof.

Along with the generous donation of a goat from the chief in the community, MyBucks donated ingredients to cook up a hearty and tasty stew for the children.

“It was wonderful to see the entire team see the impact that our long term commitment to this school has brought. The children are excited and motivated to show us how much our contribution has helped them. That is so rewarding for us to see.”

Marthin De Kock,  
Country Manager: Botswana



## Zambia

MyBucks impacted the lives of the children at the SOS Village in Lusaka, a non-governmental child welfare organisation that provides long term care to children in need.

The MyBucks team organised a fun-filled day to bring joy to the children in this community. Our team had lined up activities, with a jumping castle, water slide, and group games, that allowed the children to enjoy the small pleasures of life that are not often, if ever, available to them.

The village in Lusaka has a family based care programme comprising 15 family houses that accommodate 144 children from birth to 18 years.

“We had non-stop laughter, games and a treat of goodies for the children to eat on the day. We also donated 124 beanies for winter and essential grocery items. In their vote of thanks, SOS village management and the kids asked us to return with the same fun and games we had for this event. The impact on this community was evident by the excitement seen on the children's faces.”

Minshi Nsuluka  
Deputy Country Manager: Zambia



## Zimbabwe

This year saw MyBucks' commence its first CSR initiative in Zimbabwe. It was held at Seke Rural Home Based Care (SRHBC) facility, a Zimbabwean registered NGO, which was founded in January 2001 as a response to the HIV and AIDS pandemic.

SRHBC identified 30 double orphans from the most vulnerable child-headed families where children have been looking after their own siblings and are affected and infected by HIV and AIDS.

**"We strongly believe in partnering with our community and as indicated in the bible, 'it is a blessing to give than to receive'. We hope this donation will go a long way in sustaining the children's livelihood."**

Mercy Muchando Murevesi  
Managing Director: Zimbabwe

As a way of giving back, 14 MyBucks staff handed over hampers to the SRHBC, consisting of blankets, basic food essentials and school stationery. The day was also spent having lunch with the children and interacting with them. The event was covered by press and on national TV. Going forward, GetBucks Zimbabwe will be identify and partner with a school to start a long-term relationship to improve the lives of the youth of Zimbabwe.



## Kenya

The MyBucks team kicked off the start of a long-term CSR initiative this year when they visited the Our Lady of Nazareth Primary School in the Mukuru Slums in Nairobi and spent the morning with the children.

**"It is so humbling to be able to spend time with those less fortunate than ourselves and put a smile of the face of so many children. It was a great experience to be able to make a difference in the community."**

Anthony Maulgue  
Country Manager: Kenya

This facility serves as both a school and an orphanage. They have 2 400 pupils of which 300 children have physically disabilities. The MyBucks team provided each child with a meal and some treats.

# Social impact



## Mozambique

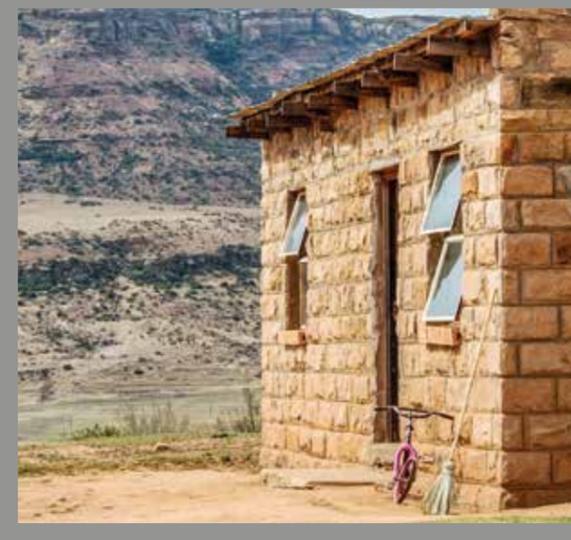
### Tino Nhingalela

Thanks to loans obtained from the Opportunity Bank branch in Beira, Mozambique's thirds largest city, Tino Nhingalela has built and stocked his own grocery shop and can continue with his studies.

The first loan Nhingalela obtained was to the value of MZN12,000, the second, MZN103,000, payable over 16 months.

**>> Tino Nhingalela has built and stocked his own grocery shop and can continue with his studies. <<**

The ambitious entrepreneur has also saved to ensure a further income stream by starting his own "tshopela" business. A tshopela is a three-wheeled vehicle and the most typical means of transport of Mozambique.



## Malawi

### Thomas Banda

"I tried to consult friends and relatives to loan me some money, but to no avail," lamented Thomas Banda, a teacher at Chikonza Primary School in the Kasungu District of Malawi.

Banda was offered a piece of land at a great price, but he didn't have the money at that moment.

"I went as far as banks, but with the conditions they imposed and the maturity period of the loan, I couldn't marry this with my urgent need of money. In addition, the collateral the banks were asking for was even more of a nightmare".

Banda who takes care of his wife and two children as well as other relatives required K280,000 to buy the piece of land and build a house of his own.

"I later heard of GetBucks Malawi through agents who came to our offices for a marketing campaign. At first, I did not pay much attention because I thought it would take months to mature. The fact that the loan is approved the same day with simple requirements like a latest pay slip, ID and bank statement immediately grabbed my total attention," continued Banda. "Are these people joking? I asked myself."

Motivated by the conditions and instant approval of loans, Banda immediately applied for a loan of K74, 000.00 payable in six months and bought the piece of land. After three months he extended his loan with K204,000 for building materials and labour.

## Zimbabwe

### Maritime Recycling Solution

Maritime Recycling Solution was established in January 2016. The company operates in Graniteside, Harare, and is wholly owned by entrepreneur, Mary Wazara. It specialises in the production of bin liners and polythene bags from recycled plastic material.

Wazara grew up in a poor community in rural Zimbabwe and has always had a passion for conserving the environment. She started her dream business in 2010 with her ex-husband when they set up a company called Plastix Incorporated. When Wazara and her husband divorced in 2015, she decided to start her own company, enabling her to fend for her children. She bought equipment at a local auction and commenced operation in January 2016.

Maritime Waste Solution has become a renowned name in the waste management industry and has developed a wide customer base with established companies such as The Biscuit Company, Innscor, OK Zimbabwe, TM, Pick 'n Pay, as well as SPAR.

MyBucks availed a USD6,500 order financing facility to enable the client to deliver on orders secured from its clients. The support granted by GetBucks Microfinance Bank Zimbabwe has enabled Maritime Waste Solution to boost production levels from one tonne per month in January 2016 to five tonnes per month by September 2016.

Wazara has been appointed a Recycling Ambassador for Environment Africa and works closely with the Ministry of Environment to educate the communities on the merits of separating waste and recycling. Maritime Waste Solutions also takes part at the annual Green Concert event to educate Zimbabwe on the benefits of conserving the environment through good waste management practices.

### Itayi Mukotekwa

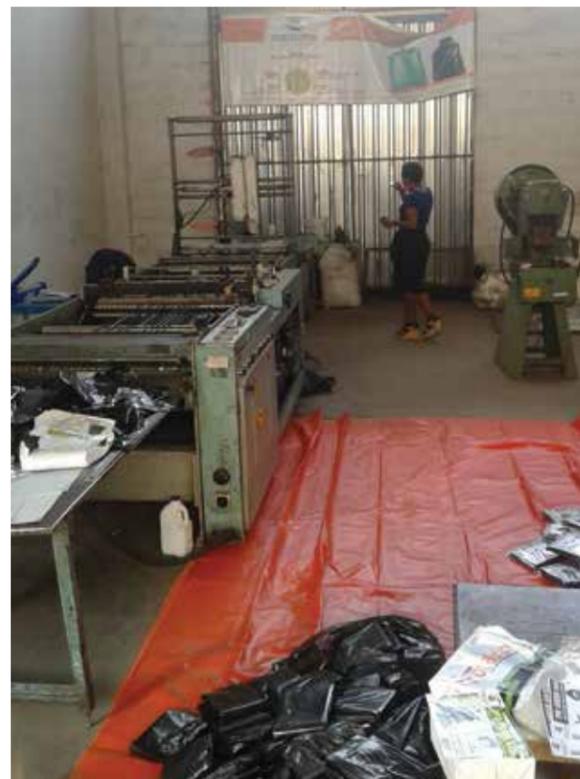
Itayi Mukotekwa is one of the major shareholders of Multilink Cargo, a leading customs clearing, warehousing and freight forwarding company in Zimbabwe. He is also a consultant with Danbro Holdings based in Highlands, Harare. Danbro is into property investments, with huge investments worth millions of dollars.

Mukotekwa came to GetBucks Microfinance Bank Zimbabwe in need of a school fees facility for his son. He apparently had been denied access for a loan by his main bankers since they were not lending at the moment. The consequence was that his son had been denied access into the school premises, a first for Mukotekwa. Desperate to get out of this humiliating situation, he approached the GetBucks Microfinance Bank Zimbabwe sales team for an urgent school fees facility. Mukotekwa says he received an unbelievable service, obtaining a loan within 24 hours of making the application. Impressed by the great customer serviceservice, he immediately opened salary accounts for his 20 employees.

Mukotekwa managed to pay off his loan and immediately requested for the following term's fees. The facility was approved and disbursed the same day. He could not contain his excitement and immediately requested that we open two further personal company accounts, Securetech Security and Aidev. The accounts were all opened on the day the forms were submitted, which again was extraordinary for the client.

Airdev Trading is a flower export company situated at the Harare International Airport. Securetech Security is a security company with more than 20 employees. All in all, MyBucks now houses Mukotekwa's two business accounts and 20 employee accounts. Mukotekwa has since become one of GetBucks Microfinance Bank Zimbabwe most active and happy clients.

>> He received an unbelievable service, obtaining a loan within 24 hours of making the application. Impressed by the service, he immediately opened salary accounts for his 20 employees. <<



# Corporate Governance

[READ MORE](#)

# Board of directors



**Gerd Alexander Schütz**  
Non-Executive Chairman

Alexander Schütz is managing partner of C-Quadrat AG, an asset management company, which he founded together with Thomas Riess in 1991. The company has subsidiaries in Frankfurt am Main, London, Geneva, Warsaw and Yerevan, and recently launched operations in Asia. Alexander is responsible for C-Quadrat AG's strategic development and acquisitions. He is one of the company's shareholders and serves as chairman of the Board. In addition, he is the co-founder and Board member of the Switzerland-based Aquarion water technology group, which has recently acquired the German Hager + Elsässer. Further core interests are Smartflower.com in the photovoltaics business, Aventus GmbH in the field of business intelligence and IT security, Filmhouse Germany, HSO Healthcare GmbH and Dairyfem in the field of probiotic nutrition. Alexander is a member of the International Coronelli Society and president of the Austrian Emirates Society.



**Dave Van Niekerk**  
Chief Executive Officer

Dave van Niekerk is one of the founders of MyBucks and serves as chief executive officer of the company. He is a seasoned microfinance professional and brings more than 17 years' experience to the industry. Dave has held both shareholdings and management positions in various microfinance companies, including African Bank where he started his microfinance career. Dave founded pan-African microfinance company Blue Financial Services in 2001, which was listed in 2006, and he held the positions as chief executive officer and chairman at this financial services institution until the end of July 2010. In addition to his function as chief executive officer of MyBucks, Dave is responsible for a number of the group's business areas, namely technology, operations, innovations and credit.



**Timothy Nuy**  
Deputy Chief Executive Officer

Prior to joining MyBucks, Tim Nuy was an investment director at African Development Corporation AG (ADC) in Frankfurt am Main from July 2011 to November 2014, responsible for acquisitions, disposals and the day-to-day operations of the group's Mauritian entities. He was involved in several complex transactions, notably with the controlling investment into ABC Holdings Limited, the disposal of RSwitch (Rwanda) and the takeover by Atlas Mara. Prior to joining ADC, Tim worked at KPMG's Transaction & Restructuring department in Hamburg, Germany. Tim holds a BSc from the Maastricht University in International Business Economics and is a CFA® Charterholder. Tim is also responsible for MyBucks' business areas risk, M&A and corporate finance, including all debt and equity funding initiatives and expansion in new markets.



**Dennis Wallestad**  
Non-Executive Director

Dennis Wallestad was the chief financial officer and managing director responsible for Europe, the Middle East and Africa at JPMorgan Chase & Co in New York from October 2012 to March 2014. Previously, he was chief financial officer for the Treasury & Securities Services group. Prior to joining JPMorgan Chase & Co, Dennis was responsible for all accounting and financial reporting activities of Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, and its affiliates worldwide. He holds a BSc in Accounting from the Auburn University and a Masters of Accountancy from the University of Oklahoma. He is a Certified Public Accountant and is currently responsible for the restructuring and reorganisation of the group.



**George Manyere**  
Non-Executive Director

George Manyere is the chief executive officer/ chief investment officer and founder of investment holding company, Brainworks Limited, which has a strong presence in Zimbabwe in the financial services (banking, insurance and asset management), energy logistics, hospitality and real estate sectors. Prior to founding Brainworks, George was an investment professional with the International Finance Corporation (IFC) responsible for investing in excess of USD600 million in sub-Saharan Africa and managing a portfolio of investments in excess of USD400 million. He also represented IFC on several investee company boards. George sits on several boards of directors and holds a Bachelor of Accounting Science, Honours in Accounting Science and Certificate in Theory of Accounting from the University of South Africa. He has also holds completed various international courses in finance, strategy and investment banking.



**Simon Village**  
Non-Executive Director

Simon Village is the founding director of Argentum Limited, a business development and corporate finance company providing services to emerging corporates in Southern, Central and Eastern Africa. Simon has served on the boards of numerous international companies and has led a number of successful global initiatives, with the foremost of these being the development of a series of commodity-backed funds listed in 13 countries. He also led the financing and development of a number of resource companies, where he served as a director, including raising the capital required for building the first gold mine in the Democratic Republic of Congo since that country's independence. Prior to this, Simon was a managing director with HSBC in London. Simon holds a BEng (Hons) degree in Mining Engineering from Camborne School of Mines, United Kingdom.



**Trevor Joslin**  
Non-Executive Director

Trevor Joslin has had a career in investment banking since 1986, and held senior positions with various banks in Geneva including Barclays. In 2000, he joined HSBC and started up their Asia Banking Unit. Trevor subsequently managed the East Africa region for the bank. Trevor holds a BSc obtained from the University of Surrey in Guildford, United Kingdom, a First Class Honours in Chemistry and a Doctor of Philosophy obtained from the University of Southampton, United Kingdom.

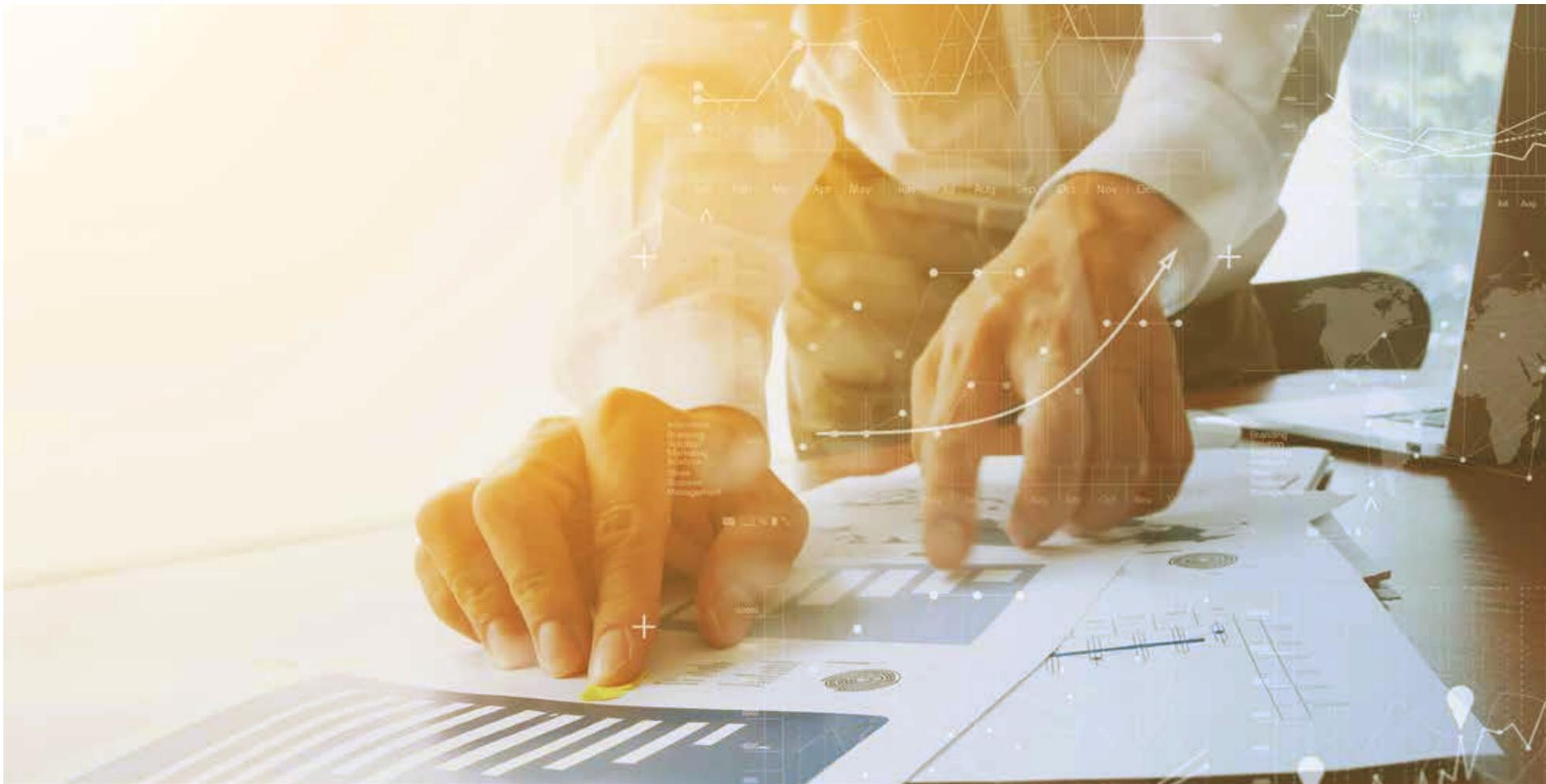


**Johan Jonck**  
Non-Executive Director

South African microcredit pioneer, Johan Jonck, formed the first industry specific organisation called the Micro Lenders Association (MLA) in 1996. It spearheaded the National Credit Regulator (NCR), South Africa's current credit industry regulator. Johan, a former partner of Coopers & Lybrand, was also the founder and CEO of Unity Financial Services of which Boland Bank was a shareholder. African Bank acquired Unity in 1999. He was also the founder and CEO of Jigmining, a company with patented technology beneficiating coal for BHP Biliton in South Africa, which was listed as Yomhlaba on the Johannesburg Stock Exchange in 2004. In 2005, Johan started Nedfin Ltd, a micro-lending company in Zambia and served as CEO. Johan has successfully been a shareholder and role player in the microfinance market in Africa for over 20 years.

# The MyBucks Team





# Financial Statements

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The report and statements set out below comprise the Consolidated Combined Financial Statements presented to the shareholders.

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The Consolidated Combined Financial Statements set out on pages 71 to 147, which have been prepared on the going concern basis, were approved by the directors on 26 January 2017 and were signed on its behalf by:

**David van Niekerk**  
Chief Executive Officer  
26 January 2017

**Timothy Nuy**  
Executive Director  
26 January 2017

# Directors' responsibilities and approval

The Board of Directors is responsible for the preparation and fair presentation of these consolidated combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated combined financial statements that are free from material misstatement, whether due to fraud or error. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- » Select suitable accounting policies and then apply them consistently
- » Make judgements and estimates that are reasonable and prudent
- » State whether they have been prepared by IFRSs as adopted by the EU, and
- » Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

We confirm that to the best of our knowledge:

- » The consolidated combined financial statements, prepared by the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and
- » The report includes a fair review of the development and performance of the business and

the position of the Company and the undertakings contained in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the consolidated combined financial statements and other information taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.



Dave van Niekerk



Timothy Nuy

# Directors' report

The financial year ending 30 June 2016 has been a period of many milestones for the MyBucks Group, most notably, its successful Initial Public Offering on the Entry Standard of the Frankfurt Stock Exchange in June 2016 raising in excess of EUR 13.5 million.

MyBucks has taken several steps to lay the foundation for significant future growth during the year:

- » Restructuring of its Group structure towards a Luxembourg-based holding company
- » The appointment of seasoned bankers to its Board - Trevor Joslin, Simon Village and Dennis Wallestad
- » Obtaining a micro-finance deposit taking license in Zimbabwe, and successfully listing the subsidiary on the Zimbabwe Stock Exchange

Together with adding key executives to the team, the establishment of an incentive scheme issuing 412,500 stock options to staff members, the Group believes it is well poised for growth moving into the new financial year.

On the back of these substantial milestones, the Group recorded slower growth when compared to previous years. Nonetheless, with more than 298 000 loans issued, the Group once again recorded growing disbursements volumes. MyBucks finished the period ending 30 June 2016 recording disbursements of EUR 77.2 million, up 18.6% from the previous financial period. This increase in disbursements resulted in revenues of EUR 38.9 million, up 24.3% from the previous financial year.

The Group closed the financial year having secured a presence throughout Sub-Saharan Africa, namely in Botswana, Equatorial Guinea, Ghana, Kenya, Malawi, Mauritius, Namibia, South Africa, Swaziland, Uganda, Zambia and Zimbabwe, as well as a European presence in Austria, Luxembourg, Poland and Spain.

As a result of building capacity - in terms of both the company's successful listing and the intended expansion into banking - the operating profit margin reduced slightly from 36.7% to 29.3% for the current reporting period. For the financial period ending 30 June 2016, the total numbers of staff employed increased to 393. With the successful completion of the acquisitions in Kenya, Mozambique, Tanzania and Uganda subsequent to year-end, the Group expects to see significant scale efficiencies in the next financial year. Total financing costs increased by EUR 5.2 million to EUR 11.9 million, or an effective financing cost of 22.2%.

As a financial services business, the Group's key risks remain credit risk, interest rate risk and foreign exchange risk and liquidity risk — the Group uses different, innovative technology driven tools to manage these risks.

In terms of credit risk, the Group has rolled out the actuarial provisioning model to all African entities for the period ending 30 June 2016, following the treatment of South Africa for the period ending 30 June 2015. A key success factor in terms of credit risk has been the ability of the Group to consistently maintain a default rate below 8% and record consistent, strong credit performance on the back of its self-learning credit algorithms. For the period ending 30 June 2016, the group has increased its impairment coverage — calculated as the value of provisions divided by the value of non-performing loans from 52.9% to 57.4%.

In terms of interest rate risk, the group's assets are mostly fixed rate instruments. The key funding instruments for the group today are also based off a fixed interest-rate; certain local currency facilities are based off a prime rate and the group manages its risk through its more short-term loans, where it has an ability

to adjust rates if required. Generally — the group is comfortable that its margins are such, that it can sustain interest rate shocks based on the limited exposure to variable interest rate facilities.

In terms of foreign exchange risk, the group considers the exposure to the net investment into the different jurisdictions a business risk resulting from the jurisdictions in which the group operates. When it comes to foreign currency liabilities, the group has a strategy of depositing funds raised as security for local currency funding lines. The group policy is to only hedge open positions on hard currencies. Due to the volatility in some of the 'African currencies', hedging is either not available or is prohibitively expensive. The group has a strong focus to increasing its use of local funding lines, further mitigating foreign currency exposure. The Group also has a derivative liability at financial year end which relates to a forward foreign exchange contract that was taken out to hedge highly probable forecast transactions denominated in Euro and has been designated as the hedging instrument. The group has exposure to Euro denominated publicly traded bond liabilities which have been designated as the hedged item. For detailed risk management policies please refer to note 3 of the Consolidated Combined Financial Statements.

In terms of liquidity risk, the Group has strengthened its balance sheet substantially as a result of the capital being raised during the listing with an increase of total equity to EUR 19.5 million, improving the gearing ratio to 67%. Initially, the Group placed 1,000,000 shares in the Group and raised EUR 13.5 million. Subsequent to year-end, the equity position of the Group further improved through an exercise of the Greenshoe option placing a further 150,000 shares and raising further EUR 2 million. In light of the Initial Public Offering, management and all shareholders individually holding in excess of 10% of

the shares in the Group agreed to a Lock-up Agreement, prohibiting them from disposing of their shares until 31 December 2017. This excludes transfers that do not constitute a change in beneficial ownership. As a result, in excess of 80% of the shares outstanding are bound by the Lock-up Agreement.

On 5 October 2016, Christopher Charles Rokos transferred 1,416,141 shares, representing 12.70% of the current share capital of MyBucks S.A, to Redwood Capital and 383,499 shares, representing 3.44% of the current share capital of MyBucks S.A, to Bluehill Capital (both entities being fully owned by Mr Christopher Charles Rokos). The transfers took place within the terms of the Lock-up Agreement between Christopher Charles Rokos and Hauck & Aufhauser Privatbankiers KGaA dated 9 May 2016.

## Year ahead

Since year-end, the Group has successfully completed the Opportunity International acquisitions in Kenya, Mozambique, Tanzania and Uganda. Management is also confident that it will successfully complete the regulatory approval process in Ghana and Malawi in the near future. Together with organic banking applications in other jurisdictions, the Group believes it will end the financial period ending 30 June 2017 with at least seven deposit-taking entities. Beyond the expansion into banking, a key focus for the Group in the next financial year will be the roll-out of its insurance offering across all jurisdictions and the enhancement of the lending product portfolio. The company intends to continue using its technology angle to enhance the customer experience throughout financial services and revolutionize the way products are granted. As part of our research and development activities, we have developed and utilised proprietary and custom designed technologies and in-house IT solutions, such as

our cloud-based proprietary customer interface and loan management System, FinCloud, which is designed to be both powerful enough to handle the large volumes of data required to evaluate customer applications and flexible enough to capitalise on changing customer preferences, market trends and regulatory changes. Furthermore, the information gathered from our loan management system allows us to focus on clients, both potential or existing, who we believe are more likely to provide us with better credit performance. Using this approach, we are able to build a valuable list of clients who use the credit products offered, and to whom we can market our new product offerings. In addition, we have also fully integrated third party platforms such as several government platforms into our systems to ensure seamless customer and internal processes. We have also developed and periodically improved custom loan processing and debt collection systems that are based on Microsoft.Net technologies.

Subsequent to year-end, the Group entered into a Trademark License Agreement with Opportunity International. As in the past, Opportunity International will continue to provide funding to banks for programme related financial products and services and has committed to a minimum of US \$30 million to further its mission to provide financial services to the unbanked. Based on the current licensed institutions, MyBucks will pay a consideration of EUR 4.75m for the license, equating to a maximum of EUR 79,000 per annum per bank. This amount will reduce with the inclusion of further banks down the line. MyBucks will settle the consideration through the issuance of 250,000 shares out of its authorised capital at a value of EUR 19 per share. MyBucks will process the issuance of the shares upon finalisation of its annual accounts and expects this process to be completed by 31 March 2017. MyBucks expects the partnership with Opportunity International to aid with funding, whilst also assisting with a faster roll-out of its SMME, Agriculture and

Education product offerings. The Group has already successfully raised EUR 8 million from FinTech Group AG at a substantially lower all-in rate of 11% per annum.



# Independent auditor's report



## Audit report

To the Shareholders of  
**MyBucks S.A.**

### Report on the consolidated combined financial statements

We have audited the accompanying consolidated combined financial statements of MyBucks S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated combined statement of financial position as at 30 June 2016, and the consolidated combined statement of profit or loss and comprehensive income, consolidated combined statement of changes in equity and consolidated combined statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the consolidated combined financial statements*

The Board of Directors is responsible for the preparation and fair presentation of these consolidated combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated combined financial statements that are

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free from material misstatement, whether due to fraud or error.

#### *Responsibility of the "Reviseur d'entreprises agree"*

Our responsibility is to express an opinion on these consolidated combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated combined financial statements. The procedures selected depend on the judgment of the "Reviseur d'entreprises agree" including

the assessment of the risks of material misstatement of the consolidated combined financial statements, whether due to fraud or error. In making those risk assessments, the "Reviseur

d'entreprises agree" considers internal control relevant to the entity's preparation and fair presentation of the consolidated combined financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated combined financial statements give a true and fair view of the financial position of the Group as of 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.



#### Emphasis of matter

We draw attention to the paragraph "Basis of preparation" included in the section "Presentation of consolidated combined financial statement" to the consolidated combined financial statements, which describes that the businesses included in the consolidated combined financial statements have not operated as a single group until 14 December 2015. The consolidated combined statement of financial position, consolidated combined statement of profit or loss and comprehensive income, consolidated combined statement of changes in equity and consolidated combined statement of cash flow for the year ended 30 June 2016 are, therefore, not necessarily indicative of results that would have occurred if the businesses had operated as a single business during the year presented or of future results of the combined businesses. Our opinion is not qualified in respect of this matter.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated combined financial statements and our audit report thereon.

Our opinion on the consolidated combined financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated combined 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 combined 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 this fact. We have nothing to report in this regard.

#### Report on other legal and regulatory requirements

The management report is consistent with the consolidated combined financial statements and has been prepared in accordance with the applicable legal requirements.

PricewaterhouseCoopers, Societe cooperative  
Represented by

Malik Lekehal  
Luxembourg, 26 January 2017

# Consolidated combined statement of financial position

As at 30 June

Figures in €

#### Assets

##### Non-Current Assets

Goodwill  
Property plant and equipment  
Other intangible assets  
Loans to related parties  
Loans to shareholders  
Other financial assets  
Deferred tax  
Loan book

##### Total Non-Current Assets

##### Current Assets

Loans to related parties  
Loans to shareholders  
Other financial assets  
Current tax receivable  
Loan book  
Other receivables  
Cash and cash equivalents excluding bank overdrafts

##### Total Current Assets

##### Total Assets

	2016	2015
<b>Notes</b>		
6	795 443	896 793
7	1 745 511	720 215
8	3 018 145	2 439 953
10	1 288 842	16 970
12	1 622 802	-
11	-	2 829 953
17	3 410 442	1 321 032
13	14 456 199	13 475 330
	<b>26 337 384</b>	<b>21 700 246</b>
10	3 013 550	1 221 550
12	201 705	258 783
11	446 592	-
37	483 310	-
13	26 744 747	22 723 797
14	12 268 009	11 373 287
16	18 908 385	7 970 677
	<b>62 066 298</b>	<b>43 548 094</b>
	<b>88 403 682</b>	<b>65 248 340</b>

The above Consolidated Combined Statement of Financial Position should be read in conjunction with the accompanying notes.



## Consolidated combined statement of financial position (continued)

As at 30 June

Figures in €

### Equity and Liabilities

#### Equity

##### Equity Attributable to Owners of the Parent

	2016	2015
Share capital	10 998 000	7 677 526
Share premium	8 413 279	-
Reserves	(4 936 050)	1 102 696
Retained income	1 822 247	1 377 087
<b>Total equity attributable to Owners of the Parent</b>	<b>16 297 476</b>	<b>10 157 309</b>
Non-controlling interest	3 192 225	2 326 839
<b>Total Equity</b>	<b>19 489 701</b>	<b>12 484 148</b>

#### Liabilities

##### Non-Current Liabilities

	2016	2015
Loans from related parties	13 771 196	-
Loans from shareholders	-	14 608 231
Other financial borrowings	626 485	10 617 496
Finance lease liabilities	104 886	7 606
Deferred tax	15 321	509
Derivative financial instruments	-	316 358
Deposits from customers	70 108	-
<b>Total Non-Current Liabilities</b>	<b>14 587 996</b>	<b>25 550 200</b>

The above Consolidated Combined Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated combined statement of financial position (continued)

As at 30 June

Figures in €

### Current Liabilities

	2016	2015
Loans from related parties	7 641 334	1 074 131
Loans from shareholders	5 534 910	3 672 738
Other financial borrowings	26 142 997	15 645 928
Current tax payable	2 201 805	1 007 815
Finance lease liabilities	28 730	29 350
Derivative financial instruments	341 109	-
Trade and other payables	6 990 922	2 781 229
Deposits from customers	318 709	-
Bank overdraft	5 125 469	3 002 801
<b>Total Current Liabilities</b>	<b>54 325 985</b>	<b>27 213 992</b>
<b>Total Liabilities</b>	<b>68 913 981</b>	<b>52 764 192</b>
<b>Total Equity and Liabilities</b>	<b>88 403 682</b>	<b>65 248 340</b>

The above Consolidated Combined Statement of Financial Position should be read in conjunction with the accompanying notes.

# Consolidated combined statement of profit or loss and comprehensive income

For the year ended 30 June

Figures in €

	Notes	2016	2015
Revenue	28	38 905 752	31 290 847
Loan impairments	29	(9 107 634)	(6 813 975)
Other income	30	657 037	406 487
Operating expenses	31	(19 057 157)	(13 370 018)
<b>Operating profit/(loss)</b>		<b>11 397 998</b>	<b>11 513 341</b>
Investment revenue	35	1 499 750	872 031
Finance costs	36	(11 948 429)	(6 698 534)
<b>Profit/(loss) before taxation</b>		<b>949 319</b>	<b>5 686 838</b>
Income tax expense	37	(1 595 652)	(2 351 522)
<b>Profit/(loss) for the year</b>		<b>(646 333)</b>	<b>3 335 316</b>

The above Consolidated Combined Statement of Profit or Loss and comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated combined statement of profit or loss and comprehensive income (continued)

For the year ended 30 June

Figures in €

## Other comprehensive income:

### Items that may be reclassified to profit or loss:

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations (Non-controlling interest)

Effects of cash flow hedges

### Total items that may be reclassified to profit or loss

### Other comprehensive income for the year net of taxation

### Total comprehensive income/(loss) for the year

### Profit/(loss) attributable to:

Owners of the parent

Non-controlling interest

### Total comprehensive income/(loss) attributable to:

Owners of the parent

Non-controlling interest

### Earnings per share

#### Per share information

Basic earnings per share (cents)

Diluted earnings per share (cents)

The above Consolidated Combined Statement of Profit or Loss and comprehensive income should be read in conjunction with the accompanying notes.

	Notes	2016	2015
	20	(4 162 265)	1 621 732
	20	(17 824)	(326 966)
	24	44 207	15 394
		<b>(4 135 882)</b>	<b>1 310 160</b>
		<b>(4 135 882)</b>	<b>1 310 160</b>
		<b>(4 782 215)</b>	<b>4 645 476</b>
		(1 887 292)	1 448 483
		1 240 959	1 886 833
		<b>(646 333)</b>	<b>3 335 316</b>
		(6 005 350)	3 085 609
		1 223 135	1 559 867
		<b>(4 782 215)</b>	<b>4 645 476</b>
	19	(6.45)	33.42
	19	(6.44)	33.42

# Consolidated combined statement of changes of equity

For the year ended 30 June

	Predecessor share capital	Owner share capital	Total share capital	Share premium	Foreign currency translation reserve	Hedging reserve
	€	€	€	€	€	€
<b>Balance at 1 July 2014</b>	<b>1 186 898</b>	-	<b>1 186 898</b>	-	<b>(534 430)</b>	-
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	1 621 732	15 394
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 621 732</b>	<b>15 394</b>
Acquisition of subsidiaries	-	-	-	-	-	-
Transfer of share application fund reserve	6 490 628	-	6 490 628	-	-	-
Dividends declared by subsidiary	-	-	-	-	-	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>6 490 628</b>	<b>-</b>	<b>6 490 628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 1 July 2015</b>	<b>7 677 526</b>	-	<b>7 677 526</b>	-	<b>1 087 302</b>	<b>15 394</b>
Profit for the year	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(4 162 265)	44 207
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 162 265)</b>	<b>44 207</b>
Issue of shares	-	10 998 000	10 998 000	8 413 279	-	-
Transfer between predecessor and owner	(7 677 526)	-	(7 677 526)	-	-	-
Transactions with non-controlling interest	-	-	-	-	-	-
Share based payment reserve	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-
Dividends declared by subsidiary	-	-	-	-	-	-
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(7 677 526)</b>	<b>10 998 000</b>	<b>3 320 474</b>	<b>8 413 279</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>10 998 000</b>	<b>10 998 000</b>	<b>8 413 279</b>	<b>(3 074 963)</b>	<b>59 601</b>
Notes	18	18		18	20	24

The above Consolidated Combined Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Special reserve	Share application fund reserve	Share based payment reserve	Total reserves	Retained income	Total attributable to owners of the parent	Non-controlling interest	Total equity
€	€	€	€	€	€	€	€
-	<b>6 490 628</b>	-	<b>5 956 198</b>	<b>(71 396)</b>	<b>7 071 700</b>	<b>975 343</b>	<b>8 047 043</b>
-	-	-	-	1 448 483	1 448 483	1 886 833	3 335 316
-	-	-	1 637 126	-	1 637 126	(326 966)	1 310 160
-	-	-	<b>1 637 126</b>	<b>1 448 483</b>	<b>3 085 609</b>	<b>1 559 867</b>	<b>4 645 476</b>
-	-	-	-	-	-	190 598	190 598
-	(6 490 628)	-	(6 490 628)	-	-	-	-
-	-	-	-	-	-	(398 970)	(398 970)
-	<b>(6 490 628)</b>	<b>-</b>	<b>(6 490 628)</b>	<b>-</b>	<b>-</b>	<b>(208 372)</b>	<b>(208 372)</b>
-	-	-	<b>1 102 696</b>	<b>1 377 087</b>	<b>10 157 309</b>	<b>2 326 839</b>	<b>12 484 148</b>
-	-	-	-	(1 887 292)	(1 887 292)	1 240 959	(646 333)
-	-	-	(4 118 058)	-	(4 118 058)	(17 824)	(4 135 884)
-	-	-	<b>(4 118 058)</b>	<b>(1 887 292)</b>	<b>(6 005 350)</b>	<b>1 223 135</b>	<b>(4 782 215)</b>
*(2 302 474)	-	-	(2 302 474)	-	17 108 805	-	17 108 805
-	-	-	-	-	(7 677 526)	-	(7 677 526)
-	-	-	-	** 2 332 452	2 332 452	**310 136	2 642 588
-	-	381 786	381 786	-	381 786	-	381 786
-	-	-	-	-	-	(45 113)	(45 113)
-	-	-	-	-	-	(622 772)	(622 772)
<b>(2 302 474)</b>	<b>-</b>	<b>381 786</b>	<b>(1 920 688)</b>	<b>2 332 452</b>	<b>12 145 517</b>	<b>(357 749)</b>	<b>11 787 768</b>
<b>(2 302 474)</b>	<b>-</b>	<b>381 786</b>	<b>(4 936 050)</b>	<b>1 822 247</b>	<b>16 297 476</b>	<b>3 192 225</b>	<b>19 489 701</b>
		21		**18		**18	

\* The debited amount of €2,302,474 to equity relates to the adjustment due to the use of predecessor accounting when contributing both sub-groups and relates to the difference between the fair value of the contribution and the predecessor value.

The above Consolidated Combined Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Consolidated combined statement of cash flow

For the year ended 30 June

Figures in €

## Cash flows from operating activities

Cash generated from/ (used in) operations  
Interest received  
Interest paid  
Tax paid

## Net cash flows used in operating activities

## Cash flows from investing activities

Purchase of property, plant and equipment  
Proceeds on sale of property, plant and equipment  
Investment in intangible assets  
Payment for acquisition of subsidiary, net of cash acquired  
Encashment/ (placement) of short term deposits  
Loans advanced to related parties  
Payments received from loans to related parties  
Investment in other financial assets  
Advances to shareholders  
Repayments from shareholders

## Net cash flows used in investing activities

	2016	2015
<b>Notes</b>		
38	6 202 188	(5 846 402)
	658 045	684 304
	(10 475 090)	(5 924 945)
	(2 944 444)	(2 819 935)
	<b>(6 559 301)</b>	<b>(13 906 978)</b>
	(632 404)	(369 661)
	24 327	213 843
	(258 591)	(818 081)
	5 650	(4 119 823)
	148 101	(3 041 314)
	(357 214)	(690 476)
	478 183	-
	(105 242)	(2 846 923)
	(4 539 981)	(4 422 880)
	1 004 986	4 451 740
	<b>(4 232 185)</b>	<b>(11 643 575)</b>

The above Consolidated Combined Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Consolidated combined statement of cash flow (continued)

For the year ended 30 June

Figures in €

Proceeds on share issue  
Repayment of other financial borrowings  
Proceeds from other financial borrowings  
Investment in derivative margin call deposit  
Advances from related parties  
Repayments to related parties  
Advances from shareholders  
Repayments to shareholders  
Finance lease payments  
Dividends paid

## Net cash flows from financing activities

## Total cash movement for the year

Cash and cash equivalents at the beginning of the year  
Effect of exchange rate movement on cash and cash equivalents balances

## Total cash and cash equivalents at the end of the year

Notes

	2016	2015
<b>Notes</b>		
	12 011 600	-
	(6 315 661)	(9 969 378)
	13 477 218	24 256 130
	-	(785 423)
	7 203 702	921 795
	(6 313 712)	(551 125)
	-	17 912 238
	-	(3 797 125)
	(44 542)	(26 713)
	(622 772)	(398 970)
	<b>19 395 833</b>	<b>27 561 429</b>
	<b>8 604 347</b>	<b>2 010 876</b>
	4 967 876	2 613 703
	210 693	343 297
16	<b>13 782 916</b>	<b>4 967 876</b>

The above Consolidated Combined Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Presentation of consolidated combined financial statements

[CLICK HERE](#)

## Background and purpose of the Consolidated Combined Financial Statements

MyBucks is a FinTech company that embraces technology as a means to provide financial products and services to our customers. The group's current primary activities are micro-lending. The group provides mid-term and long-term (6-60 month) loans with deduction at source collection mechanisms through payroll deduction agreements with employers. The group provides short-term loans (shorter than six months) on the back of direct debit collection mechanisms.

MyBucks S.à r.l. was incorporated as a holding company with interests in the financial services industry on 7 August 2015 in Luxembourg and obtained its certificate to commence business B199543 on the same day. The company operates in South Africa, Sub-Saharan Africa and Europe having its registered office at 14, Rue Steichen, L-2540, Luxembourg.

On 14 December 2015, GetBucks Proprietary Limited (South Africa) and GetBucks Limited (Mauritius) were contributed into MyBucks S.à r.l. by the existing shareholders of the two companies. The ultimate beneficial owners of both companies and controlling rights have not changed.

The Company changed its legal form from a Société à responsabilité limitée into a Société Anonyme. It was resolved by the Shareholders' Meeting on 12 January 2016.

MyBucks became the first African focused FinTech company to list on the Frankfurt Stock Exchange Entry Standard. The offer was fully subscribed, offering €15.5 million including over allotment based on the issue price of €13.50 per share. The first trading date of the new shares on the Entry Standard of the Frankfurt Stock Exchange Entry Standard on 23 June 2016.

Following the issuance of a licence by the Reserve Bank of Zimbabwe in January 2016, the company's subsidiary

in Zimbabwe changed from a lending only Microfinance Institution to a Deposit Taking Microfinance Institution. On 15 January 2016, GetBucks Zimbabwe raised a total of €2,871,360 (\$3,200,000) by way of an Initial Public Offering (IPO) through the subscription of 93,567,251 ordinary shares. The group maintained control over GetBucks Zimbabwe.

Group's financial year starts on 1 July and ends on 30 June of each year.

### Basis of presentation

The combined consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU"). The combined consolidated financial statements have been prepared on the historical cost basis, except when fair value or another specific measurement basis are required by specific standard, and incorporate the principal accounting policies set out below. They are presented in Euros.

Prior to 14 December 2015, the Profit or Loss and Comprehensive Income, Cash Flows and Financial Position of the Predecessor Companies were presented on a combined basis as they were not consolidated into any common parent or holding company but were all under the common control. The combined statement of shareholders' equity prior to group restructuring represents the sum of the underlying invested equity in the Predecessor Companies listed above and does not represent shares in a single stand-alone basis.

In the absence of a specific IFRS literature dealing with Consolidated Combined Financial Statements, the Group defined the principles and conventions for combination presented hereunder.

All intra-group balances within the group, income and expenses, unrealised gains and losses resulting from transactions between the group entities are eliminated in the combined consolidated financial statements.

As stated above, businesses have been accounted for as a business combination under common control and therefore no assets or liabilities have been restated to their fair values. Instead, predecessor carrying value has been applied. No new goodwill arises in predecessor accounting. The difference between the consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity are included in equity in a separate reserve.

## 1. Accounting Policies

### 1.1 Consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the company has control. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Control exists when an investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. Where such exposure and power exists over an investee, the investee is accounted for as a subsidiary.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

#### Business combination

Except for the restructuring under common control, in the case of business combinations, the group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the combined consolidated Statement of Profit or Loss and Comprehensive Income.

#### Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. 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.

## 1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions. The executive committee consists of directors and upper management.

The segmental reporting has been set out in note 41.

## 1.3 Significant judgements and sources of estimation uncertainty

In preparing the Consolidated Combined Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Consolidated Combined Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Consolidated Combined Financial Statements. Significant judgements include:

### Other receivables, loan book and other loans

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

### Loan book

Refer to accounting policy note 1.8.

### Other receivables and loans

Management performs impairment testing on the recoverability of loans and receivables to establish if an impairment loss or gain should be recognised on the estimated future cash flows from these financial assets. Management looks at current profitability and liquidity as well as cash flows and forecasts to determine if other

receivables and loans with an entity will be recoverable. Refer to risk management note 3.

### Fair value

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

### Impairment testing of non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill, tangible and intangible assets.

## Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

## 1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- » it is probable that future economic benefits associated with the item will flow to the company; and
- » the cost of the item can be measured reliably.

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected

to be used for more than one year. Property, plant and equipment is initially measured at cost.

Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset,

including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years
Leasehold improvements	Straight line	Shorter of useful life and lease period

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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 1.5 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

A gain on bargain purchase arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the

fair value of the non-controlling interest in the acquiree over the consideration transferred. A bargain purchase represents a gain on the acquisition of the acquiree and this resulting gain is recognised in profit and loss.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

## 1.6 Other 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 entity; and
- » the cost of the asset can be measured reliably.

Other intangible assets are initially recognised at cost.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- » it is technically feasible to complete the software product so that it will be available for use;
- » management intends to complete the software product and use or sell it;
- » there is an ability to use or sell the software product;

- » it can be demonstrated how the software product will generate probable future economic benefits;
- » adequate technical, financial and other resources to complete the development software product are available; and
- » the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

The customer relationship relates to the fair value adjustment of the loan book on the acquisitions. They are amortised over their estimated useful lives (3-10 years).

The customer relationship in South Africa relates to the fair value adjustments of the purchase of a deduction at source lending loan book. The group provides loans to gainfully employed individuals that are employed by employers that are vetted by the group and that have concluded an agreement with the company. In terms of these agreements the employer deducts the loan instalments from the customers salary and disburses these funds to the group.

Other intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the other intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
System development software — internally generated	5 years
Intellectual property legal guard	3 years
Customer relationships	3 years — Africa Group
	10 years — South Africa Group

## 1.7 Impairment of non-financial assets

The company 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 company 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 or group of cash generating units 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.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or company's of cash-generating units, that are expected to benefit from the synergies of the combination,

irrespective of whether other assets or liabilities of the acquiree are assigned to those units or company's of units.

## 1.8 Financial instruments

### Classification

The company classifies financial assets and financial liabilities into the following categories:

- » Financial assets at fair value through profit or loss — held for trading
- » Loans and receivables
- » Available-for-sale financial assets
- » Financial liabilities at fair value through profit or loss
- » Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and characteristics of those instruments. Management determines the classification of its financial assets/liabilities at initial recognition.

*(a) Financial assets/liabilities at fair value through profit or loss*  
Financial assets/liabilities at fair value through profit or loss are financial assets/liabilities held for trading. A financial asset/liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets/liabilities in this category are classified as current assets/liabilities if expected to be settled within 12 months, otherwise they are classified as non-current.

*(b) Loans and receivables/financial liabilities measured at amortised cost*

Loans and receivables/financial liabilities measured at amortised cost are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets/liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets/liabilities. The group's loans and

receivables/financial liabilities measured at amortised cost comprise 'loans to/(from) related parties', 'other financial assets', 'loans to/(from) shareholders', 'loan book', 'other receivables', 'cash and cash equivalents', 'other financial borrowings', 'finance lease liabilities' and 'trade and other payables' in the Consolidated Combined Statement of Financial Position.

### Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments. The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are initially recognised at fair value plus transaction costs for all financial assets/liabilities not carried at fair value through profit or loss. Financial assets/liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Consolidated Combined Statement of Profit and Loss and Comprehensive Income. Available-for-sale financial assets and financial assets/liabilities at fair value through profit or loss are subsequently carried at fair value. Loans and receivables/financial liabilities measured at amortised cost are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets/liabilities at fair value through profit or loss category are presented in the Consolidated Combined Statement of Profit and Loss and Comprehensive Income within 'Other income' and 'Operating expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the Consolidated Combined Statement of Profit and Loss and Comprehensive Income as part of other income when the group's right to receive payments is established.

### Derecognition

Financial assets are derecognised when the rights to

receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation for cash outflows has been settled or has expired.

### Fair value determination

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. IFRS 13 requires an entity to classify fair values measured and/or disclosed according to a hierarchy that reflects the significance of observable market inputs. The three levels of the fair value hierarchy are defined as follows:

*Quoted market prices – Level 1:*

Quoted prices (unadjusted) in active markets for identical assets or liabilities

*Valuation technique using observable inputs – Level 2:*

Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

*Valuation technique using significant unobservable inputs – Level 3:*

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

### Fair value measurement and valuation processes

The MyBucks Group has applied valuation techniques in order to establish the fair value of its financial assets and financial liabilities. The valuation of a number of the instruments has required judgemental inputs. This is the case where no reference can be made to a quoted market price for a similar instrument, and where assumptions are made in respect of unobservable inputs.

### Offsetting financial assets and financial liabilities

Financial assets/liabilities are offset and the net amount

reported in the balance sheet 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets have been impaired.

An emergence period concept is applied to ensure that only impairments that exist at the reporting date are captured. The emergence period is defined as the time lapse between the occurrence of a trigger event (unidentified impairment) and the impairment being identified at an individual account level (identified impairment).

Trigger events include job loss, credit score downgrade, default on other accounts or any specific communication from the client indicating a deterioration of the credit worthiness. The emergence period, based on actual experience, vary across subsidiaries and is reviewed quarterly. The probability of default of each exposure is based on historical default experience, scaled for the emergence period relevant to the exposure. The probability of default is then applied to all exposures in respect of which no identified impairments have been recognised.

A financial asset or a group of financial assets are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Criteria that are used by the group in determining whether there is objective evidence of impairment include:

- » known cash flow difficulties experienced by the borrower
- » a breach of contract, such as default or delinquency in interest and/or principal payments; it becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- » concessions granted from the lender to the borrower that the lender would not have considered normally
- » high probability of insolvency

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the loan is reduced through the

use of an allowance for credit losses account and the loss is recognised as a credit impairment charge in the Consolidated Combined Statement of Profit or Loss.

If the group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of financial loans with similar credit risk characteristics and collectively assesses for impairment. Loans that are individually assessed for impairment and for which an impairment loss is recognised are not included in a collective assessment for impairment.

In order to provide for latent losses in a group of loans that have not yet been identified as specifically impaired, a credit impairment for incurred but not reported losses is recognised based on historic loss patterns and estimated emergence periods (time period between the loss trigger events and the date on which the group identifies the losses).

All significant counterparty relationships are reviewed periodically. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impaired loans are defined as loans that are one day past the due date calculated on a cumulative basis by reference to the original contractual instalment due dates and are further categorised into the following categories:

- » Non-performing loans are designated into this category when the loan becomes past due.
- » Partial performing loans are past due but have had at least a partial performance by reference to the original contractual instalment due date within the last

2 months.

- » Performing loans are loans that are not past due and are within contract term.

The impairment of non-performing loans takes into account past loss experience adjusted for changes in economic conditions and the nature and level of risk exposure since the recording of the historic losses.

The group adopts a formulaic approach to its impaired loans. On non-performing loans a progressively higher percentage loss rate is applied the longer a customer's loan is past due and are grouped into aged categories as per note 3.

The group assesses the probability of default by making reference to historical collection data. The historical collection data are reviewed quarterly to reduce the difference between the impairment allowance estimate and actual loss experience.

Rehabilitated loans are non-performing loans where an outstanding amount has been collected whether partial or in full. Rehabilitated loans are monitored separately and are treated as either performing loans or non-performing loans based on proven subsequent performance history.

Impairment losses are recognised in profit or loss.

Subsequent to impairment, the effects of discounting unwind over time as interest income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the customers' credit rating), the reversal of the previously recognised impairment loss is recognised in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income.

The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would

have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income. Impaired loans (and the related impairment allowance) are written off at the impaired loans earliest of when they are past due for 365 days or when there is no likelihood of recalling future payments.

Impaired loans (and the related impairment allowance) are written off at the earliest of when they are past due for 365 days or when there is no likelihood of recalling future payments.

The carrying value of these assets, being the present value of estimated future cash flows discounted at the respective financial assets' original effective interest rate, is disclosed as part of net advances.

The estimated recoveries on loans written off are regarded as insignificant and are recognised as a gain in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income.

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are reset to performing loan status. These loans are subject to ongoing review to determine whether they are considered impaired or past due.

#### Loans to/(from) related parties

Loans to related parties are classified as loans and receivables. Loans from related parties are classified as financial liabilities measured at amortised cost. They are subsequently stated at amortised cost, any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income over the period of the loan using the effective interest method.



### Loans to/(from) shareholders

These financial assets/liabilities are classified as loans and receivables/payables.

### Loan book and other receivables

Loan book and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loan book and other receivables are classified as loans and receivables.

Other receivables are classified as non-current assets if expected payment is more than one year.

### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. If collection is expected in one year or less (or in normal operating cycle of business if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities.

### Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments not subject to fair value movement with original maturities of three months or less and bank overdrafts. In the Consolidated Combined Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

All deposits with original maturity of more than three months are classified as short-term deposits under other receivables.

### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value net of transaction costs incurred, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in the Consolidated Combined Statement of Profit or Loss and Other Comprehensive Income over the term of the borrowings using the effective interest method.

Bank overdrafts and borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the Consolidated Combined Statement of Financial Position date.

Borrowings are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement of redemption of borrowings is recognised over the term of the borrowings on an effective interest rate basis.

### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

### Hedging activities

The company 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 company 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 cash flows of hedged

items. The fair values of various derivative instruments used for hedging purposes are disclosed in note 24.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item will be settled more than 12 months from year end, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

### 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 from other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Combined Statement of Profit or Loss within 'other income'.

Amounts accumulated in equity are reclassified from other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the Consolidated Combined Statement of Profit or Loss within 'finance costs'.

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of fixed assets.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in other comprehensive income at that time remains in equity and is recognised

when the forecast transaction is ultimately recognised in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Combined Statement of Profit or Loss and Comprehensive Income within 'Finance costs'.

Movements on the hedging reserve in other comprehensive income are shown in note 24.

## 1.9 Share capital and equity

Ordinary shares are classified as equity. Any premium received over and above the par value of the share is classified as 'share premium' in equity.

### 1.10 Share premium

Proceeds from issue of shares above the nominal value is recorded as share premium. Incremental costs directly attributable to the issue of new shares or options are shown in share premium as a deduction, net of tax, from the proceeds. For equity-settled options, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### 1.11 Reserves

#### Share application fund reserve

Proceeds received from investors for the purchases of shares not yet issued in their name are credited to the share application fund reserve and transferred to stated capital upon formal issue and registration of the purchased shares to the investor.

#### Hedging reserve

The value of the reserve consists of the cash flow hedge. The hedging reserve accumulates net gains and losses on the effective portion of the cash flow hedge transactions

entered into. A hedge is effective when the movement in the hedged item and the movement in the hedging instrument fall within the benchmark of 80% and 125% in relation to each other.

#### Share-based payment reserve

Share-based compensation benefits are provided to employees via an Employee Share Option Plan. Information relating to this plan are set out in note 21.

#### Employee options

The fair value of the options granted under the Employee Share Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- » Including any market performance conditions;
- » Excluding the impact of any service and non-market performance vesting conditions; and
- » Including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### 1.12 Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- » the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- » by the weighted average number of ordinary shares outstanding during the financial year, adjusted for

bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share for:

- » the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares;
- » the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 1.13 Income tax

#### Current income tax assets and liabilities

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respects to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Deferred income 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).

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Combined Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not

accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused withholding tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused withholding tax credits 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group

is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profits available against which the temporary difference can be utilised.

#### Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in the Consolidated Combined Statement of Profit or Loss for the period, except to the extent that the tax arises from:

- » a transaction or event which is recognised, in the same or a different period, from the Consolidated Combined Statement of Other Comprehensive income or;
- » business combination.

Current tax and deferred taxes are charged or credited from other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, from other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Finance leases – lessee

Finance leases are recognised as assets and liabilities in the Consolidated Combined Statement of Financial Position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated Combined Statement of Financial Position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

### 1.15 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 as an other expense in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income, in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an other expense in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income, 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 other expense in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income, when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The cost of defined contribution is recognised as an other expense in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income.

### 1.16 Revenue

#### Interest income

Interest is recognised, in profit or loss, using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Interest income on impaired loans and receivables is recognised using the original effective interest rate.

#### Dividend income

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

#### Fee and commission income

Other fees and commission income, including monthly service fees, commission on insurance policies, administration and management fees, are recognised as the related services are performed.

Commission on insurance policies comprises commissions, fee income and profit shares earned from insurance binders and underwriting agency agreements. Commission and fee income is recorded on the effective commencement or renewal dates of the related insurance policy. Income which is dependant on underwriting performance is recognised when it can be measured reliably.

### 1.17 Loan impairments

Impairment on loans relate to bad debts written-off and the movement in the bad debt provision from prior year.

### 1.18 Finance costs

All foreign exchange movements, commission, interest paid, payroll costs and impairments directly attributable to the earnings of interest and fees on financial assets other than the loan book are recognised as finance costs on other financial assets.

### 1.19 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Consolidated Combined

Financial Statements in the period in which the dividends are approved by the company's directors.

### 1.20 Translation of foreign currencies

#### Foreign currency transactions and balances

A foreign currency transaction is recorded, on initial recognition by applying to the foreign currency amount the spot exchange rate between the functional currency and

the foreign currency at the date of the transaction.

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.

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 combined 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 from other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised from other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow.

#### Group companies

The results and financial position of a foreign operation are translated into the presentation currency of the group using the following procedures:

- » assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;

- » income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates; prevailing on the transaction date, in which case income and expenses are translated at the rate on the date of the transactions); and
- » all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are

recognised initially to other comprehensive income and accumulated in the translation reserve. 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. Exchange differences arising are recognised in other comprehensive income.



# Notes to the Consolidated Combined Financial Statements

## 2. New standards and interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

No new standard and interpretations are effective for the company's accounting period beginning on 1 July 2015.

### 2.2 Standards and interpretations not yet effective

The following standards and interpretations had been issued but were not mandatory for the annual reporting period ending 30 June 2016:

Title of standard	IFRS 9 Financial Instruments
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The impact of the standard is still being assessed.

Title of standard	IFRS 15 Revenue from contracts with customers
Mandatory application date/ Date of adoption by group	Must be applied for financial years commencing on or after 1 January 2018.
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management is currently assessing the effects of applying the new standard on the group's financial statements. At this stage, the group is not able to estimate the impact of the new rules on the group's financial statements. The group will make more detailed assessments of the impact over the next twelve months.

Title of standard	IFRS 16 Leases
Mandatory application date/ Date of adoption by group	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the group: 1 January 2018.
Nature of change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

Impact	The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the group has non-cancellable operating lease commitments of EUR 1,067,704, see note 40. However, the group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.
Mandatory application date/ Date of adoption by group	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



### 3. Risk management

The group's activities expose it to several financial risks. Taking risk is core to any financial services business. The Group's objective is to achieve an appropriate balance between risk and return. The risk management policies are designed to identify and analyses these risks, to set appropriate limits and controls, and to monitor the risk through reliable and up-to-date information systems. Risk management is carried out by management, under policies approved by the board. The Board approves principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. The most important types of risk are credit risk, liquidity risk and market risk. Market risk includes currency risk and interest rate risk.

The executive management of the group's subsidiaries are responsible to identify, monitor and mitigate risk at all business levels under the policies approved by the Group's Board.

#### 3.1 Financial risk management 3.1.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, employer default risk and country risk).

The provision of unsecured loans to formally employed individuals is the main activity of the Group's business. As such, exposure to credit risk and the management of this risk is a key consideration.

Customer credit risk is mitigated by the utilisation of payroll collection models. Employment of customers by vetted employers effectively serve as security for loans provided to such customers, since the employer recovers the Group loan instalment directly from the customer's salary.

This deduction at source lending model is used throughout the Group apart from CashCorp (Proprietary) Limited - Botswana, GetBucks Spain SL - Spain and GetBucks Poland SP z.o.o - Poland and South Africa. These entities provide direct lending to customers.

All cash and cash equivalent assets are placed with reputable banks. If the banks credit rating recedes the risk will be assessed and action taken. The group analyses the return versus risk in these instances as some banks may offer a higher return with a significant risk component. The group utilises hard currency deposits as security to borrow local currency funding to limit foreign exchange losses.

In terms of the Group's derivative position, the Group selects well-regulated, reputable, and financially sound firms in the United Kingdom. The Group chose the United Kingdom due to a strong regulatory and supervisory framework which providers need to comply with.

In extending loans to related parties, shareholders and third parties the Group completes a full credit assessment. The Group reviews the financial statements, operations, legal and tax status of the borrower. The group also limits the tenure and size of the debt in which it never poses a material risk to the Group. All loans are interest-bearing and recorded at fair value at initial recognition.

The Group bases its credit risk policies on the customers it serves, their employers and method of collection.

- a. Credit Committees and Credit Policies**  
The credit policy document governs each subsidiary's credit products. Credit committees meet on a monthly basis. The credit policy is the output document that the committee reviews and updates monthly. Collection data at the subsidiary level is reviewed by the committee and analysed. This information is used to adjust the general and subsidiary specific policy in order to reduce bad debt and maximise acceptable levels of disbursements versus risk in the respective territories. Legislative requirements on charges such as interest, fees, number of loans and affordability are reviewed monthly and are sourced via regular communication with regulating authorities. The Group has representation on all subsidiary credit committees to maintain consistency and provide oversight. All the credit committees report to management on a quarterly basis in terms of its charter.

- b. Maximum loan per product**  
The tables below illustrate the rounded maximum loan amounts advanced to customers in the respective jurisdictions, determined by the credit committees considering legislative affordability within these ranges.



**Maximum loan per product mix (2016)**

	1 to 12 Months	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
	€	€	€	€	€
Botswana	2 500	12 500	12 500	12 500	12 500
Zimbabwe	315 000	4 500	-	-	-
Kenya	4 500	4 500	4 500	4 500	-
Malawi	1 250	1 250	1 250	1 250	-
South Africa	1 200	1 800	-	-	-
Zambia	2 700	2 700	2 700	-	-
Spain	800	-	-	-	-
Other subsidiary loan books	9 000	9 000	9 000	9 000	9 000

**Maximum loan per product mix (2015)**

	1 to 12 Months	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
	€	€	€	€	€
Botswana	1 600	13 500	13 500	-	-
Zimbabwe	4 500	4 500	4 500	-	-
Kenya	4 500	4 500	4 500	4 500	4 500
Malawi	2 050	2 050	2 050	4 100	-
South Africa	750	-	-	-	-
Other subsidiary loan books	11 200	11 200	11 200	11 200	11 200

**c. Concentration Risk**

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single Counterparty, an industry, a product, or geographic region. The Group's credit risk portfolio is well diversified. The group's management approach relies on reporting of concentration risk along key dimensions and portfolio limits.

Concentration risk limits are used within the group to ensure that funding diversification is maintained across products, geographic regions, and counterparties.

The group advances loans to payroll employees and private online lending. Payroll employees comprises 74% of the group's customer portfolio (based on the outstanding loan book as at 30 June) and private online lending comprises 26% .

The following table illustrates the concentration of the group's single highest customer loan as well as the top ten highest customers' loans as a percentage of the loan book in that geographical area. The risk is also mitigated as the total credit risk exposure to a single customer is less than 1% of loan book.

**Customer Concentration**

	Single Highest % 2016	Single Highest % 2015	Top 10 Highest % 2016	Top 10 Highest % 2015
Botswana	0.27	0.20	1.76	1.55
Malawi	0.09	0.10	0.62	0.84
Zimbabwe	3.31	0.08	5.99	0.58
Kenya	0.17	0.14	1.32	1.22
South Africa	0.02	0.04	0.12	0.20
Zambia	0.04	0.22	0.42	2.20
Spain	0.14	0.13	1.16	1.23
Other jurisdictions	0.55	0.74	3.67	5.05

**d. Direct lending**

The Group provides loans to gainfully employed individuals and rely on collecting loan instalments directly from the customer's bank account, via an electronic debit order, or electronic bank deduction instruction. These payments are effected on the customer's salary date. Customers are assessed in full every time they apply for credit to determine if their credit profile remains acceptable in terms of the credit policies of the group.

**e. Credit Philosophy**

The credit philosophy of the Group is to place primary emphasis of the credit decision on the borrower's ability to service the loan. It is therefore critical to establish the customer's ability and commitment to service their loan instalment.

A borrower's ability (or affordability) to pay is dictated by their repayment to gross income and total existing internal and external financial obligation in relation to their net income. The willingness to repay is primarily based on the client's past payment history.

**(a) Credit Risk Assessment:**

The Group utilises a risk scoring engine that analyses aggregated 'big data'. The credit scoring engine is configured with the credit policy parameters and is embedded in the system, preventing human intervention which can result in breaches of policy. The Group also makes use of credit risk cover for its customers which covers the outstanding capital in the event of a customer's loss of income relating to death, disability, dreaded disease, or retrenchment.

**Checks**

- » Identification Verification Electronic and Physical
- » Electronic Credit Bureau Data
- » Customer Affordability assessment established by electronic or manual assessment of three months' bankstatements.
- » Term and proof of employment established via electronic or manual confirmation

- » Electronic Bank Account verification
- » Age
- » Industry of employment
- » Employer
- » Previous credit behavior with the Group
- » Fifteen thousand data points of alternative data

Documentation in the absence of electronic verification

- » Proof of Identity
- » Bank Statement
- » Payslip
- » Loan agreement with Credit Life Policy

All credit approvals are governed by the MyBucks Credit Policy and more specifically the Country Specific Credit Policy. Business and product rules are incorporated into the operating system business and deaccessioning layer.

**(b) Employer Risk Assessment:**

The Group assesses the employer to determine if the employer will be able to honour its obligations in terms of the agreement. Criteria that the Group uses are as follows:

**Checks**

- » Industry type
- » Financial position (3 years signed financial statements)
- » KYC (know your customer)
- » Tax Clearance
- » External references
- » Any litigation pending

**Documentation**

- » Statutory Documents
- » Directors KYC (know your customer)
- » Audited Financials

Before loans are granted to customers who are employed by verified employers, the following processes are completed:

#### Checks

- » Identification Verification
- » Employer Verification
- » Affordability Calculation based in source documentation
- » Electronic Credit Bureau information
- » Bank account verification
- » Age

#### Documentation

- » Loan agreement
- » Signed bank account deduction instruction in the event of termination of employment
- » Signed Credit life agreement
- » Copy of Identification Document
- » Payslip
- » 3 Months Bank Statements

The main objective to mitigate credit risk lies in the credit granting process and this process is managed in specific procedures in the acquisition process:

Credit Market Indicators – External credit bureau enquiries are used to establish outright application disqualifying factors such as fraud indicators, insolvency, debt review status as well as external exposure information relating to account handling, balances, and client commitments;

Customer Data Authentication – All core customer data supplied in the application process is vetted automatically against external and independent data sources specifically pertaining to personal details, employment details, customer bank details and customer earning and exposure details. In the absence of automated controls, such validation is performed manually;

Internal Credit Policy Application – In the final step in the customer credit application, the data is assimilated and passed through the proprietary internal credit application process that provides the outcome in terms of application status and if provisionally approved the credit limit, appropriate product term, product cost and monthly commitment to the customer.

#### f. Collection

When no deduction at source is used, mainly in South Africa, the Group follows a philosophy of ensuring timeous collections based on the client's salary date to optimise collection success. There is focus on internal data trends and knowledge with constant monitoring and improvement of the quality of the information database to ensure improved collection success. The Group mainly utilises the regulated non-authenticated early debit order (NAEDO) system to collect instalments from customers. Deduction mandates are obtained from customers in their loan contracts and are made from their primary bank account (where the customer's salary is deposited).

When collection is unsuccessful, arrears follow-up is performed through a systematic process of customer self-help and assisted processes managed by The Group's in-house collection department.

#### g. External Recovery

The Group's arrears accounts are handed over to selected external debt collectors (EDC) to collect on their behalf. The main objective remains the mitigation of risk and ultimate collection without incurring excessive cost to the either the group or the customer.

#### h. Credit Monitoring

The Group utilises various reporting and monitoring tools to engage in and control ongoing credit risk within the credit life-cycle:

- » Real time monitoring on application volumes, approval rates and processing quality;

- » Credit efficiency reports to establish first strike collection rates;
- » Vintage collection reports to establish the initial recovery process efficiency;
- » Credit ageing reports to manage and control loan delinquency and provisioning;
- » Active payment, collection, and integrity trend analysis to control and manage underlying risks and movements within the day to day operational procedures.

#### i. Deduction at Source Lending

The Group provides loans to gainfully employed individuals that are employed by employers that are vetted by the Group and that have concluded an agreement with the Group. In terms of these agreements the employer deducts the loan instalments from the customer's salary and disburses these funds to the Group. Loan size, terms, rates, and customer affordability criteria are also agreed with the employer upon engagement. In this instance the Group mitigates the direct customer risk and gears the risk towards the customer's employer. Employers are assessed monthly based on their collections performance.

#### j. Impairment assessment

The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties. They have been developed internally and combine statistical analysis for certain categories, as well as historical collection data. Customers of the Group are segmented into five rating classes. The Group's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class (there are further sub-categories within the each of the non-performing brackets). This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Group regularly validates the performance of the rating and their predictive power regarding default events.

The impairment model applied in South Africa was extended in June 2016 financial year to the Sub-Saharan African countries. The Group gathered enough information in order to refine the impairment model with a more accurate statistical analysis. The Group expects to transition the European subgroup to this impairment model by 30 June 2017 where sufficient information will be gathered. It was impracticable to disclose the results under the old model. The company gathered information needed for the model and used data classification in a different way to calculate the impairment as at 30 June 2016. The amount of data used to calibrate the model parameters has increased which leads to updated parameter values. These parameters are updated monthly to incorporate new transactional trends based on the changing client base.

Categories used to identify specific impairments for the group, with the exception of Europe, in the 2016 financial year:

- » Category of default 0: Performing loans that are not past due and are within the contract term. The loans in this category were never in default or were in default but all outstanding capital, interest and fees have been subsequently repaid in full.
- » Category of default 1: Non-performing loans that are 1 to 30 days past due as well as partial performing loans that have had a full performance by reference to the original contractual instalment within the past two months.
- » Category of default 2: Non-performing loans that are 31 to 60 days past due as well as partial performing loans that have at least a partial performance by reference to the original contractual instalment within the past two months.
- » Category of default 3: Non-performing loans that are 61 to 90 days past due.
- » Category of default 4: Non-performing loans that are 91 days past due.

Categories used to identify specific impairments for Sub-Saharan Africa and Europe in the 2015 financial year, and for Europe in the 2016 financial year:

- » Performing - Outstanding loan balances are being collected in full timeously.
- » Partial performing - Outstanding loan balances are being collected through regular payments with minor default.
- » Doubtful 0 to 90 days - The credit has defined weaknesses that may jeopardize liquidation of the debt i.e. the paying capacity of the borrower is doubtful or inadequate, less than 90 days in arrears.
- » Doubtful 91 to 360 days - Credit facilities with above weaknesses and has deteriorated further to the extent that full recovery will not be possible, or 90 days but less than 360 days in arrears.
- » Loss - Facilities considered impossible to collect or failed legal handover.

The impairments at year-end are derived from each of the five internal rating grades. Loans and advances are considered impaired if, and only if, there is objective evidence of impairment because of events that occurred after initial asset recognition (known as loss events) and these loss events have an adverse impact on the assets estimated future cash flows that can be measured reliably. The internal rating tool assists management to determine whether objective evidence of impairment exists based on the following criteria set out by the Group:

- » delinquency in contractual payments of principal or interest;
- » cash flow difficulties experienced by the borrower;
- » initiation of bankruptcy proceedings;
- » downgrading below "Performing" level;
- » historical loss experience of groups of financial assets with similar repayment terms;
- » data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified

with the individual financial assets in the group including:

- adverse changes in the payment status of borrowers in the group; or
- national or local economic conditions that correlate with defaults on the assets in the group.

In determining whether a loss event has occurred, loans and advances are subjected to regular evaluations of the following:

- » overall client risk profile and payments record
- » downgrading below "Performing" level.

The group assesses the probability of default by referring to historical collection data. The historical collection data are reviewed quarterly to reduce the difference between the impairment allowance estimate and actual loss experience.

The historical loss experience is adjusted based on observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

On a collective basis, the Group assesses whether objective evidence of impairment exists for groups of financial assets with similar repayment terms. If there is objective evidence that an impairment loss on loans and advances has been incurred, the amount of the loss is measured as the difference between the assets' carrying amounts and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred) discounted at the respective financial assets' original effective interest rates (the recoverable amount).

- » Loans and advances within the Group comprises many small, homogenous assets. Statistical techniques are used to calculate impairment allowances collectively, based on historical default and recovery rates. These

statistical analyses use as primary inputs the extent to which accounts in the portfolio are in arrears and historical loss experience on the eventual losses encountered from similar delinquent portfolios.

- » Models contain both judgmental and non-judgmental inputs. The extent of judgement utilised in models developed for new loan products is greater than that for older products, given the limited historical experience available for the new products.
- » In outline, the statistical analyses are performed on a portfolio basis as follows:
  - Loans and advances are monitored on a product basis, with each month's advances being treated as a discrete portfolio, on which an analysis of the run-off recoveries, in period buckets and ratified between default statistics, is performed to develop an historical base for statistics on probability of default (PD).
  - These derived statistics, based on actual experience, are used in plotting default values on a model curve that reflects the risk profile of the portfolio.
  - Clients in arrears by more than 90 days are handed over to external debt collectors. Recoveries from short-term loans are regarded as negligible as collateral is not required for the granting of advances in the current product range. The estimated recoveries on longer-term loans discounted at the contractual rates are recognised in gross loans and advances.
  - Upon write-off, the accrual of interest income on the original term of the advance is discontinued.
  - The expected amount outstanding when default occurs that is not subsequently recovered, or the loss given default (LGD), is considered in calculating the impairment allowance.

In addition to the impairment estimated for assets with recognised objective evidence of impairment, an estimate is made for impairments associated with those assets in the balance sheet that are impaired, but for which objective evidence is not yet available.

- » The impairment calculation utilises the results of the statistical analyses referred to above to estimate the proportion of assets in each portfolio that are likely to display objective evidence of impairment over the emergence period. The emergence period is defined as the experience of the length of time that it takes for objective evidence to become apparent after the asset has become impaired.
- » In considering the occurrence of a loss event over the life of a loan, it is assumed that there is a constant risk of the loss event occurring at any point in the life of the loan.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce differences between loss estimates and actual loss experience. All impaired loans and advances are reviewed monthly and any changes to the amount and

timing of the expected future cash flows compared to previous estimates will result in a change to the charges for impairment of loans and advances in the income statement.

Customers (and the related impairment allowance accounts) are written off at the earliest of when they are in arrears and all attempts to collect have failed. The estimated recoveries on loans written off are regarded as insignificant and are recognised as a gain in the Consolidated Combined Statement of Profit or Loss and Comprehensive Income.



**MyBucks Group - 2016**

- Botswana loan book
- Malawi loan book
- Zimbabwe loan book
- Kenya loan book
- Zambia loan book
- South African loan book
- Other subsidiary loan books

	Category of default 0	Category of default 1	Category of default 2	Category of default 3	Category of default 4
Botswana loan book	83%	5%	2%	1%	9%
Malawi loan book	90%	1%	1%	1%	7%
Zimbabwe loan book	92%	2%	2%	1%	4%
Kenya loan book	66%	2%	1%	1%	30%
Zambia loan book	88%	4%	1%	1%	6%
South African loan book	50%	6%	7%	7%	30%
Other subsidiary loan books	68%	13%	5%	3%	12%

The Spain and Poland 2016 impairment model was based on the same principals as 2015. Applying the same categories for 2015, the Spain 2016 loan book composition consisted of performing, partial performing, doubtful 0-90 days, doubtful 91-360 days, loss.

**MyBucks Group - 2016**

- Spain
- Poland

	Performing	Partial performing	Non-performing 0 - 90 days	Non-performing - 91 to 360 days	Non-performing - 360 days +
Spain	1%	1%	5%	58%	35%
Poland	18%	19%	17%	8%	38%

**MyBucks Group 2016**

- Botswana Loan Book
- Malawi Loan Book
- Zimbabwe Loan Book
- Kenya Loan Book
- Zambia Loan Book
- Spain Loan Book
- South Africa Loan Book
- Other subsidiary Loan Books

	Impairment as % of gross loan book
Botswana Loan Book	9%
Malawi Loan Book	8%
Zimbabwe Loan Book	8%
Kenya Loan Book	25%
Zambia Loan Book	8%
Spain Loan Book	71%
South Africa Loan Book	34%
Other subsidiary Loan Books	24%

30 June 2016

	Neither past due nor specifically impaired	Past due specifically impaired	Total gross advances to customers	Less: Impairment	Net advances to customers 30 June 2016
	€	€	€	€	€
Botswana loan book	5 591 715	1 274 727	6 866 442	(638 774)	6 227 668
Malawi loan book	3 322 387	1 044 733	4 367 120	(360 244)	4 006 876
Zimbabwe loan book	8 701 191	1 332 274	10 033 465	(841 416)	9 192 049
Kenya loan book	2 925 923	2 931 661	5 857 584	(1 477 215)	4 380 369
Zambia loan book	5 903 766	1 500 634	7 404 400	(601 604)	6 802 796
Spain loan book	127 189	4 025 379	4 152 568	(2 946 947)	1 205 621
Other subsidiary loan books	705 557	762 470	1 468 027	(339 788)	1 128 239
South Africa loan book	5 375 110	7 184 680	12 559 790	(4 302 462)	8 257 328
<b>Total loan book</b>	<b>32 652 838</b>	<b>20 056 558</b>	<b>52 709 396</b>	<b>(11 508 450)</b>	<b>41 200 946</b>

30 June 2015

	Neither past due nor specifically impaired	Past due specifically impaired	Total gross advances to customers	Less: Impairment	Net advances to customers 30 June 2015
	€	€	€	€	€
Botswana loan book	5 145 491	1 479 273	6 624 764	(1 059 839)	5 564 925
Malawi loan book	3 929 111	1 321 324	5 250 435	(217 569)	5 032 866
Zimbabwe loan book	7 502 456	682 845	8 185 301	(389 116)	7 796 185
Kenya loan book	3 400 359	2 271 043	5 671 402	(1 310 608)	4 360 794
Zambia loan book	1 756 239	104 015	1 860 254	(38 743)	1 821 511
Spain loan book	476 296	1 274 505	1 750 801	(609 785)	1 141 016
Other subsidiary loan books	526 860	58 227	585 087	(77 586)	507 501
South Africa loan book	8 470 719	3 396 381	11 867 100	(1 892 771)	9 974 329
<b>Total loan book</b>	<b>31 207 531</b>	<b>10 587 613</b>	<b>41 795 144</b>	<b>(5 596 017)</b>	<b>36 199 127</b>

The loan book impairments have increased by 106% from the prior to current year, while the gross loan book has increased by 26% from prior to current year. As the impairment percentage has increased from 13% as a percentage of the gross loan book in 2015 to 22% in 2016, the credit quality of the loan book has decreased.



Credit risk impacts

The table below lists risks raised in this note, along with the anticipated impact on profit or loss should the risks crystallise.

Effects of increase in emergence period by 1 month	2016 €	2015 €
Increase in Botswana provision	24 755	29 774
Increase in Malawi provision	2 975	4 485
Increase in Zimbabwe provision	276	18 825
Increase in Kenya provision	4 564	29 838
Increase in Zambia provision	21 588	914
Increase in Spain provision	5 981	25 990
Increase in Other provision	13 317	1 608
Increase in South African provision	87 280	578 188
	<b>160 736</b>	<b>689 622</b>

Effects of increase in loss ratio by % of portfolio provision	2016 €	2015 €
Increase in Botswana provision - 5%	168 731	53 933
Increase in Malawi provision - 5%	39 914	11 392
Increase in Zimbabwe provision - 5%	25 773	20 083
Increase in Kenya provision - 5%	50 157	68 096
Increase in Zambia provision - 5%	312 982	8 118
Increase in Spain provision - 5%	205 172	15 726
Increase in Other provision - 5%	14 969	8 487
Increase in South African provision - 1%	119 265	118 302
	<b>936 963</b>	<b>304 137</b>

A 1% increase is applied in the South African Group as the South African provisioning methodology differs to that of the rest of the major entities within the Group, which are based on a deduction at source lending model. The South African lending model is more sensitive to fluctuations since it primarily uses a direct lending model.

The table below lists other financial assets (excluding cash and cash equivalents and loan book) in relation to their past due status.

#### June 2016

	Neither past due nor impaired	Past due but not impaired 0 - 90 days	Past due but not impaired 91 - 360 days	Past due but not impaired greater than 360 days	Impaired	Total financial assets
	€	€	€	€	€	€
Loans to related parties	4 302 392	-	-	-	-	4 302 392
Other financial assets	446 592	-	-	-	-	446 592
Loans to shareholders	1 824 507	-	-	-	-	1 824 507
Other receivables	9 266 836	1 340 951	108 733	189 895	-	10 906 415
<b>Total</b>	<b>15 840 327</b>	<b>1 340 951</b>	<b>108 733</b>	<b>189 895</b>	<b>-</b>	<b>17 479 906</b>

#### June 2015

	Neither past due nor impaired	Past due but not impaired 0 - 90 days	Past due but not impaired 91 - 360 days	Past due but not impaired greater than 360 days	Impaired	Total financial assets
	€	€	€	€	€	€
Loans to related parties	1 238 520	-	-	-	-	1 238 520
Other financial assets	2 829 953	-	-	-	-	2 829 953
Loans to shareholders	258 783	-	-	-	-	258 783
Other receivables	8 385 581	2 099 140	208 319	2 765	37 615	10 733 420
<b>Total</b>	<b>12 712 837</b>	<b>2 099 140</b>	<b>208 319</b>	<b>2 765</b>	<b>37 615</b>	<b>15 060 676</b>

### 3.1.2 Market risk

Market risk is the risk that changes in the market prices, such as interest rates and foreign exchange rates will affect the fair value and future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Overall responsibility for managing market risk rests with the directors. Management is responsible for the development of detailed risk management policies (subject to review by the directors) and for the day to day implementation of those policies. The group policy is to only hedge open positions on hard currencies. Due to the volatility in some of the African countries' currencies, hedging is either not available or prohibitively expensive. In such countries, the focus is to obtain local funding in local currency.

### 3.1.2.1 Interest raterisk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's main interest rate risk arises from long-term borrowings which are issued at fixed and variable rates. These expose the Group to cash flow interest rate risk which is partially offset by having a short-term loan portfolio as the main asset in the group. Increasing refinancing cost can be potentially covered by price changes in new lending (to the extent the relevant lending rates are governed by a formula linked to prime) whereby the spread between lending interest and borrowing interest is comparably high.

The table below indicates all interest-bearing financial borrowings and all interest-bearing financial assets (excluding cash and cash equivalents, other receivables and trade and other payables) at fixed rates and variable rates.

#### Fair value interest rate risk: Fixed interest-bearing assets

	2016	2015
	€	€
US Dollar	13 379 316	8 054 968
Botswana Pula	6 227 668	5 564 925
South African Rand	8 703 921	11 746 594
Malawi Kwacha	4 006 876	5 032 866
Kenya Shillings	4 380 370	4 360 794
Euro	1 205 621	1 141 016
Zambia Kwacha	6 802 796	-
Other	1 232 832	2 329 012
<b>Total</b>	<b>45 939 400</b>	<b>38 230 175</b>

#### Fixed interest-bearing borrowings

	2016	2015
	€	€
US Dollar	(34 949 560)	(30 814 975)
Botswana Pula	(196 731)	(184 720)
South African Rand	(7 141 108)	(6 699 535)
Euro	(5 560 950)	(5 374 986)
Other	-	(940 751)
<b>Total</b>	<b>(47 848 349)</b>	<b>(44 014 967)</b>

#### Cash flow interest rate risk: Variable interest-bearing assets

	2016	2015
	€	€
Botswana Pula	496 493	514 591
South African Rand	1 274 722	1 378 258
<b>Total</b>	<b>1 771 215</b>	<b>1 892 849</b>

#### Variable interest-bearing borrowings

	2016	2015
	€	€
Botswana Pula	(287 245)	(646 674)
South African Rand	(90 759)	(50 969)
Malawi Kwacha	(2 186 638)	(2 988 700)
Kenya Shillings	(836 039)	(810 037)
Zambia Kwacha	(2 188 852)	-
<b>Total</b>	<b>(5 589 533)</b>	<b>(4 496 380)</b>

#### Non-interest-bearing assets

	2016	2015
	€	€
US Dollar	63 824	15 254
South African Rand	-	376 943
Other	-	11 162
<b>Total</b>	<b>63 824</b>	<b>403 359</b>

#### Non-interest-bearing liabilities

	2016	2015
	€	€
South African Rand	-	(146 932)
<b>Total</b>	<b>-</b>	<b>(146 932)</b>

#### Cash flow interest rate sensitivity impact on profit or loss on financial assets and financial liabilities (excluding cash and cash equivalents, other receivables and trade and other payables)

Assets	Interest rate movement %	2016	2015
		€	€
Botswana Pula	1	4 965	5 146
South African Rand	1	12 747	13 783
<b>Total</b>		<b>17 712</b>	<b>18 929</b>

Liabilities	Interest rate movement %	2016	2015
		€	€
Botswana Pula	1	(2 872)	(6 467)
South African Rand	1	(908)	(305)
Malawi Kwacha	5	(109 332)	(149 435)
Kenya Shillings	1	(8 360)	(8 100)
Zambia Kwacha	1	(21 889)	-
<b>Total</b>		<b>(143 361)</b>	<b>(164 307)</b>

The group manages its interest rate risk through placing excess funds in interest bearing call accounts as per note 16. The group has also placed hard currency debt borrowings in bank deposits as per note 15, which is used as security for local currency funding lines where the group earns interest on these deposited funds.

Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios below, the Group calculates the impact on profit and loss of a defined interest rate shift. The sensitivity of these interest rate shifts is based on the expected movements in inter-bank lending rates in the respective jurisdictions year on year.

#### a. External Funding at central treasury level

All the group's significant hard currency funding is at fixed interest rates. The group being in a start-up phase has been exposed to high interest rates on its hard currency funding.

Hard currency funding received is managed through the group treasury function. Individual countries are encouraged to source local funding facilities, while treasury will provide the security to this funding by way of the hard currency funding received. These facilities are reviewed on a quarterly basis.

#### b. Internal Funding Inter-Company

Group funding to subsidiaries are at lending rates that are aligned with local country regulation. In some countries regulators require prime linked rates and in others fixed rates.

#### c. External Local Currency Funding

The subsidiaries have predominantly prime linked debt facilities with banks in local currency. Formal debt instruments with non-banking institutions are utilised at fixed interest rate.

#### d. Customer interest rates

All loans to customers are at a fixed rate. The subsidiaries are therefore exposed to increases in funding rates and will benefit from lower funding rates.

In South Africa, interest rates are regulated and hence the group has limited ability to change the rates. The group is therefore exposed to increases in funding rates and will benefit from lower funding rates.

#### 3.1.2.2 Foreign exchangerisk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

The group has made use of several methods to limit its various exposures:

- » Forward cover contracts to match its exposure to the Euro in relation to the US Dollar.
- » Hard Currency Bank Deposits used as security for local currency funding lines.

The group has investments in subsidiaries, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's subsidiaries is managed primarily through borrowings denominated in the relevant foreign currencies, including inter-company loans made by the holding companies or the central treasury function to these subsidiaries in the relevant foreign currencies.

These inter-company loans expose the Group to foreign currency risk and create an open foreign currency position. In the new financial year, the group's focus is to close the

open foreign exchange positions on intercompany loans. New local currency funding lines will enable the group to replace intercompany loans with local funding.

The group is however still exposed to local currency risk in terms of its local currency loan book assets that cannot be hedged in some of the countries that the subsidiaries operate in.

The below table illustrates the balance exposure relating to foreign currency funding held in local jurisdictions.

<i>Subsidiary foreign currency loan exposures at 30 June</i>	2016 €	2015 €
US Dollar	7 942 753	4 860 434
Euro	1 986 144	357 612
South African Rand	1 273 530	8 963 891
	<b>11 202 427</b>	<b>14 181 937</b>

<i>Sensitivity impact on profit and loss</i>	2016 €	2015 €
US Dollar -15%	1 036 011	729 065
Euro - 3%	59 584	10 728
South African Rand - 15%	191 029	1 344 584
	<b>1 286 624</b>	<b>2 084 377</b>

The above table, on the sensitivity of the risk related to foreign currency exposure, illustrates the sensitivity of the subsidiaries' functional currencies to the currencies presented in the table above. The fluctuation is an indication of movements in exchange rates observed during the last 12 months.

The table does not take into consideration the translation risk, being the difference between functional currency and presentation currency.

#### 3.1.3 Country risk

As a global financial services group, MyBucks is active in multiple jurisdictions. Significant changes in the economy or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Country (or Sovereign) risk is part of the overall credit risk and is managed as part of the credit risk management function as it has a major impact on individual counter parties ability to perform. Management therefore carefully manages its exposure to credit risks by ensuring that the exposure to any single country does not exceed twenty five percent of the total loan book. The acquisition of Opportunity International will further diversify and mitigate exposure going forward.

### 3.1.4 Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timeously and cost effectively. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the Group and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated and necessary arrangements are put in place to ensure that all future cash flow commitments are met.

In these simulations, the following factors are taken into consideration per subsidiary:

#### a. Loan Disbursements

Although longer loan tenures to customers have a positive impact on the revenue and the balance sheet, the cash flow is negatively impacted in the short term. To mitigate such impact the mix between longer term loan products and shorter term loan products is managed to balance the net cash flow.

#### b. Loan book collections

Collection efficiency rates are used when projecting cash inflows. Efficiency rates are monitored daily in order to optimise cash flows and based on historical experience. Disbursements will be adjusted in the case of lower than expected collections, since this is managed daily.

#### c. Cost Containment and Budgeting

Costs are managed daily and any variances to budgets are investigated to ensure the accuracy of the cash flow simulation models.

#### d. External Debt Repayments

External debt repayments are accounted for in the cash flow simulation models.

#### e. Treasury Function

The group treasury department monitors liquidity daily to ensure that the subsidiaries bank accounts are funded to

meet operational requirements. Bank account movements are monitored daily and are flagged for any issues requiring attention. Creditors are paid on a monthly or bi-weekly schedule.

#### f. Hard Currency Secured local currency facilities

Local currency facilities that are secured by hard currency deposits are reviewed on a quarterly basis. Local facility debt tenors and repayment schedules are matched with the weighted average term of the debtor's books.

#### g. Existing facilities

A facility to draw down debt funding was entered into during the prior year with TLG Capital to borrow €22,518,465 (\$25,000,000) in the group of which only €7,658,770 (\$8,500,000) has been drawn down as at 30 June 2016.

The following table shows the undiscounted cash flow on the Group's financial liabilities and unrecognised loan commitments based on their earliest possible contractual maturity. The Group's expected cash flows on these instruments may vary from this analysis. Regular updates are provided to the Group's financiers to ensure that facilities and lines of credit remain open and that unrecognised loan commitments are not drawn down unexpectedly.



### At 30 June 2016

#### Financial Liabilities

	Up to 1 month	From 1 to 12 months	Greater than 1 year	Total
Loan from related parties	(2 005 012)	(10 171 109)	(30 886 090)	(43 062 211)
Other financial borrowings	(15 075 398)	(12 571 305)	(822 021)	(28 468 724)
Finance lease liabilities	(3 859)	(42 449)	(107 904)	(154 212)
Derivative financial instruments	(341 109)	-	-	(341 109)
Loans from shareholders	(4 381 800)	(1 209 499)	-	(5 591 299)
Trade and other payables	(4 075 654)	(946 114)	(577 022)	(5 598 790)
Deposits from customers	(183 967)	(88 672)	(116 178)	(388 817)
Bank overdraft	(5 118 006)	-	-	(5 118 006)
	<b>(31 184 805)</b>	<b>(25 029 148)</b>	<b>(32 509 215)</b>	<b>(88 723 168)</b>

Excess liquidity generated within the next twelve months will be reinvested into later periods. The Group critically assesses the quality of the loan book through their credit vetting processes. The group treasury function monitors liquidity daily to ensure that the subsidiaries bank accounts are funded to meet operational requirements. Bank account movements are monitored daily to ensure that the business can meet all financial obligations. Creditors are paid on a monthly or bi-weekly basis. The group deploys a rolling cash forecast comprised of seven days, twelve weeks, and nine months to ensure the group meets both its short and long-term liquidity needs in all operating subsidiaries always.

### At 30 June 2015

#### Financial Liabilities

	Up to 1 month €	From 1 to 12 months €	Greater than 1 year €	Total €
Loan from related parties	(603 001)	(540 753)	-	(1 143 754)
Other financial borrowings	(2 840 663)	(14 238 438)	(16 513 301)	(33 592 402)
Finance lease liabilities	(4 298)	(32 658)	-	(36 956)
Derivative financial instruments	-	-	(316 358)	(316 358)
Loans from shareholders	(3 981 910)	(3 005 862)	(33 247 397)	(40 235 169)
Trade and other payables	(824 992)	(1 372 494)	-	(2 197 486)
Bank overdraft	(2 993 538)	-	-	(2 993 538)
	<b>(11 248 402)</b>	<b>(19 190 205)</b>	<b>(50 077 056)</b>	<b>(80 515 663)</b>



The group has a capital raising strategy that is composed of:

- » raising additional debt and equity capital if required
- » an existing framework agreement exists that provides excess to an additional
- » €22.52 (US\$ 25) million of funding, of which €7.7 (US\$ 8.5) million has been instigated as of 30 June 2016,

These capitals raising strategies will mitigate any short-term liquidity requirements. Long-term the group's net investments will deliver a positive net return, effectively allowing the group to settle its liquidity shortage.

### 3.2 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 10, 12, 22 & 23, cash and cash equivalents disclosed in note 16, and equity as disclosed in the Consolidated Combined Statement of Financial Position.

To maintain or adjust the capital structure, the company may adjust the number of dividends paid to shareholders, return capital to shareholders or issue new shares.

Management determines the capital requirements by analysing cash flow forecasts and projections taking into consideration growth and defined gearing ratios. Evaluations are performed on a quarterly basis.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the Consolidated Combined Statement of Financial Position)

less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Combined Statement of Financial Position plus net debt.

The gearing ratio at 2016 and 2015 respectively were as follows:

	Notes	2016 €	2015 €
<b>Total borrowings</b>			
Loans from related parties	10	21 412 530	1 074 131
Loans from shareholders	12	5 534 910	18 280 969
Finance lease liabilities	23	133 616	36 956
Other financial borrowings	22	26 769 482	26 263 424
		<b>53 850 538</b>	<b>45 655 480</b>
Less: Cash and cash equivalents including bank overdrafts	16	13 782 916	4 967 876
Net debt		40 067 622	40 687 604
Total equity		19 489 701	12 484 148
<b>Total capital</b>		<b>59 557 323</b>	<b>53 171 752</b>
Gearing ratio		67 %	77 %

The decrease in the gearing ratio is driven by the new shares issued under the initial public offer of shares in MyBucks on the Entry Standard of the Frankfurt Stock Exchange in June 2016.

The capital base in the 2016 financial year increased through the issuing of new shares. Debt funding will also be increased through formal debt instruments and bank facilities.

The group aims for an optimal gearing ratio of 80% and is currently within those limits.

The group evaluates and manages its compliance to debts covenants monthly. Where covenants are under threat of non-compliance immediate remedial actions are taken to remedy the covenants and ensure continued compliance. The group reports these covenants to investors on a quarterly basis.

The primary covenants that the Group needs to comply with include:

- » A minimum net worth ratio, ensuring that the Group maintains a net asset value of two times the outstanding principal debt owing;
- » Interest cover ratio, ensuring that the profit before interest and tax remains at a level of two times the total interest payable;
- » Liquidity ratio, ensuring that current assets equal to or greater than the current liabilities;
- » Gearing ratio, ensuring that the net debt remains at a specified level of less than three times the total book equity;
- » Foreign currency risk ratio. In this ratio, the net un-hedged hard currency open position needs to be below 20% of the book equity;
- » Portfolio at risk (PAR) 45-day ratio. This ratio assesses the percentage of loans within the loan book that are past due more than 45 days. The ratio allows a maximum level of 15% of the total book value.

The debt exposure subject to the debt covenants is 2016: € 7,658,770 (\$8,500,000), (2015: € 2,251,596 (\$2,500,000)). For detail on the loan from TLG Capital refer to note 22.

There are no debt covenant requirements attached to any other liabilities.

The Group was compliant with all primary covenants as at 30 June 2016, with exception of the temporary breaches in interest cover ratio, foreign currency risk ratio and Par 45-day ratio.

The temporary breach of the interest cover was as a result of high funding costs incurred with debt structures being renegotiated to ensure compliance going forward.

Temporary breach in the foreign currency risk ratio was driven by adverse foreign exchange exposure in South Africa. The Group plans to restructure the South African balance sheet to mitigate the temporary breach.

The temporary breach in the Par 45-day ratio was as a result of the current arrears loan book in Spain. Legal collection methods are being initiated to ensure compliance going forward.

Consequently, the outstanding loan balance of TLG has been classified as current.

#### 4. Financial assets by category

All financial assets have been classified as loans and receivables.

#### 5. Financial liabilities by category

All financial liabilities, apart from derivatives used for hedging, have been classified as financial liabilities measured at amortised costs.

#### 6. Goodwill and Business Combination

June 2016	Cost	Accumulated foreign exchange movements	Accumulated impairment	Carrying value
	€	€	€	€
Goodwill	1 102 511	(125 535)	(181 533)	795 443

June 2015	Cost	Accumulated foreign exchange movements	Accumulated impairment	Carrying value
	€	€	€	€
Goodwill	1 051 520	26 806	(181 533)	896 793

Reconciliation of goodwill - 2016	Opening balance	Additions	Foreign exchange movements	Impairment loss	Closing balance
	€	€	€	€	€
Goodwill	896 793	50 991	(152 341)	-	795 443

Reconciliation of goodwill - 2015	Opening balance	Additions	Foreign exchange movements	Impairment loss	Closing balance
	€	€	€	€	€
Goodwill	34 835	1 016 685	26 806	(181 533)	896 793

The year-end balance of goodwill is composed of goodwill raised on acquisition of GetSure Botswana (Proprietary) Limited (EUR 36,520), GetSure South Africa (Proprietary) Limited (EUR 220,451), Komo Finance (Proprietary) Limited (EUR 487,480) and Ochwe Developers (Proprietary) Limited (EUR 50,991).

#### June 2016

Effective 30 June 2016, GetBucks (Proprietary) Limited (Botswana) acquired a 50% shareholding in Ochwe Developers (Proprietary) Limited and a 100% shareholding in Alto Legal (Proprietary) Limited and Alto Assurance (Proprietary) Limited respectively. The acquisition of Ochwe Developers (Proprietary) Limited gave rise to goodwill of €50,991.

The group obtained control over Ochwe Developers (Proprietary). It has power over the investee through GetBucks Botswana Limited (50%) and Dave van Niekerk - Director of MyBucks S.A. - holding remaining 50% of the shares. The investee is run by the management of GetBucks Botswana Limited. The Group has the right to variable returns from the involvement with the investee.

The Group decided to acquire Ochwe Properties (Proprietary) Limited, being the company holding the head-office building it was renting, to reduce the cash-flow burden monthly and benefit from the capital appreciation. The Group acquired Alto Legal and Alto Assurance to benefit from an existing client base with revenue streams as well as direct access to two licenses.

The assets and liabilities recognised because of the acquisition are as follows:

	Ochwe Developers (Proprietary) Limited	Alto Legal (Proprietary) Limited	Alto Assurance (Proprietary) Limited	Total
	€	€	€	€
Purchase consideration	0.08	258 212	73 984	332 196
<b>Assets</b>				
Property plant and equipment	731 379	-	-	731 379
Loans receivable	-	2 540	-	2 540
Cash and cash equivalents	1 633	298	3 719	5 650
	<b>733 012</b>	<b>2 838</b>	<b>3 719</b>	<b>739 569</b>
<b>Intangible asset acquired</b>				
Intangible assets	-	480 508	136 733	617 241
<b>Total assets</b>	<b>733 012</b>	<b>483 346</b>	<b>140 452</b>	<b>1 356 810</b>
<b>Liabilities</b>				
Loans payable	(834 995)	(198 217)	(53 242)	(1 086 454)
Taxation	-	-	(7 582)	(7 582)
Other liabilities	-	(26 916)	(5 644)	(32 560)
<b>Total liabilities</b>	<b>(834 995)</b>	<b>(225 133)</b>	<b>(66 468)</b>	<b>(1 126 596)</b>
Non-controlling interest	(50 991)	-	-	(50 991)
<b>Goodwill</b>	<b>50 991</b>	<b>(0)</b>	<b>(0)</b>	<b>50 991</b>

The fair value of the acquisition has been determined by taking into consideration the building in Ochwe Developers (Proprietary) Limited, which is geared to generate rental income and potential capital appreciation, and Alto Legal (Proprietary) Limited and Alto Assurance (Proprietary) Limited, which is comprised of an existing client base and revenue streams as well as two licenses.

The intangible assets in Alto Legal and Alto Assurance relate to customer relationships, licenses and agreements. Benefits are expected to be derived through the potential of cross-selling opportunities to the existing customer base as well as to the new customer relationships. The operating licenses as well as the underwriting agreements will allow for a broader insurance product portfolio for the Group. This intangible assets will be allocated upon the finalisation of the purchase price allocation in accordance with IFRS 3 within a 12 month period from the acquisition date of 30 June 2016.

The acquired businesses were acquired on the last reporting day of the financial year (30 June 2016), and have contributed no revenues and profits for the year. If the acquisition had occurred on 1 July 2015, the impact on the consolidated revenue and profit for the year ended 30 June 2016 would have been as follows:

	Ochwe Developers (Proprietary) Limited	Alto Legal (Proprietary) Limited	Alto Assurance (Proprietary) Limited	Total
	€	€	€	€
Revenue	25 334	4 773	8 120	38 227
Loss	(118 701)	(127 430)	(45 594)	(291 725)

The key assumptions applied in testing the goodwill for impairment are set out below:

#### Ochwe Developers (Proprietary) Limited

Rate per M <sup>2</sup> - Pula	90.34
Rate per M <sup>2</sup> annual growth rate	5.0%
Rental Income Growth	5.0%
Operating Cost Growth	5.6%
Discount Rate	9.0%

#### Alto Legal (Proprietary) Limited and Alto Assurance (Proprietary) Limited

Client Growth Rate - CAGR	77.2%
Premium Revenue annual growth rate - CAGR	27.0%
Operating Cost Growth	6.7%
Discount Rate	9.0%

## June 2015

Effective 1 June 2015, GetBucks (Proprietary) Limited acquired the existing payroll loan business of Komo Finance Limited and Ecsponent Credit Services Limited (together henceforth referred to as "Komo"), composed of all current performing loans, the sole right to service its current customers with the corresponding payroll contracts with employers. GetBucks made this acquisition after it had taken over Komo Finance Limited and Ecsponent Credit Services Limited will cease to offer any consumer finance services, given GetBucks acquired the entire payroll lending business of both entities. GetBucks also took over the services of key management, the managing director of the business unit, to continue managing the relationship management of the books. The fair value of the acquisition was determined by taking into consideration the net present value of the loan book €2,330,238 (R31,594,179) as well as the future unearned non-interest revenue streams €916,976 (R12,432,690) from the existing customer base. Further consideration was also given to the future revenues that are expected to be generated from the client base on the acquired book. The value assigned to this is €588,061 (R7,973,131), which is reflected in goodwill.

Effective 1 July 2014, GetBucks (Proprietary) Limited (South Africa) acquired GetSure (Proprietary) Limited (South Africa). This acquisition gave rise to goodwill of €220,451 (R3,605,659). The cash generating unit comprises of the company together with its operations.

Effective 30 June 2015, GetBucks (Proprietary) Limited (South Africa) acquired Sanceda Recoveries (Proprietary) Limited. This acquisition gave rise to goodwill of €36,951 (R501,000), which was fully impaired as at 30 June 2015.

Goodwill is tested for impairment annually. The following table sets out the key assumptions for the CGUs that have significant goodwill allocated to them:

	GetSure South Africa		Komo Finance	
	2016	2015	2016	2015
Sales growth (% annual growth rate)	8%	4%	19%	12%
Revenue growth (% annual growth rate)	8%	4%	16%	13%
Operating costs (% inflation rate)	12%	9%	1%	3%
Net profit before tax (% annual growth)	11%	5%	38%	19%
Discount rate	10%	10%	22%	17%

Management has determined the values assigned to each of the key assumptions as follows:

**Sales growth:** Average annual growth rate over a three-year forecast period. Based on past performance and managements expectation of marketdevelopments.

**Revenue growth:** Average annual growth rate over a three-year forecast period. Based on past performance and considering the growth in the sales volumes.

**Operating costs:** Average annual costs over a three-year period. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructuring or cost savings measures.

**Net profit before tax:** Average annual growth rate over a three-year forecast period. Based on past performance and managements expectation of marketdevelopments.

**Discount rate:** Based on management's expectation of the probability of default on the existing loan book. An additional risk premium has been brought into account, based on expected future market conditions.

Management has reviewed the recoverability of the reported goodwill by applying the value-in-use calculations as well as the multi period excess earnings method. The value-in-use calculations have made use of pre-tax cash flow projections based on financial budgets approved by management.



## 7. Property, plant, and equipment

Buildings	
Furniture and fixtures	
Motor vehicles	
Office equipment	
IT equipment	
Leasehold improvements	
<b>Total</b>	

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	€	€	€	€	€	€
Buildings	699 618	-	699 618	-	-	-
Furniture and fixtures	520 751	(144 976)	375 775	308 802	(87 820)	220 982
Motor vehicles	404 001	(144 705)	259 296	281 808	(113 073)	168 735
Office equipment	173 761	(77 026)	96 735	133 732	(68 121)	65 611
IT equipment	348 659	(190 383)	158 276	241 306	(127 097)	114 209
Leasehold improvements	379 293	(223 482)	155 811	300 115	(149 437)	150 678
<b>Total</b>	<b>2 526 083</b>	<b>(780 572)</b>	<b>1 745 511</b>	<b>1 265 763</b>	<b>(545 548)</b>	<b>720 215</b>

### Reconciliation of property, plant, and equipment - 2016

	Opening Balance	Additions	Acquisitions of subsidiaries	Disposals	Foreign exchange movements	Other movements	Depreciation	Closing balance
	€	€	€	€	€	€	€	€
Buildings	-		699 618	-	-	-	-	699 618
Furniture and fixtures	220 982	227 926	16 902	(3 092)	(29 194)	1 197	(58 946)	375 775
Motor vehicles	168 735	198 663	-	(24 709)	(19 466)	-	(63 927)	259 296
Office equipment	65 611	50 005	14 859	(105)	(12 867)	-	(20 768)	96 735
IT equipment	114 209	148 947	-	(3 078)	(18 084)	(161)	(83 557)	158 276
Leasehold improvements	150 678	148 343	-	(2 435)	(26 839)	-	(113 936)	155 811
<b>Total</b>	<b>720 215</b>	<b>773 884</b>	<b>731 379</b>	<b>(33 419)</b>	<b>(106 450)</b>	<b>1 036</b>	<b>(341 134)</b>	<b>1 745 511</b>

**Reconciliation of property, plant, and equipment - 2015**

	Opening balance	Additions	Acquisition of subsidiaries	Disposals	Foreign exchange movements	Other movements	Depreciation	Closing balance
	€	€	€	€	€	€	€	€
Furniture and fixtures	147 808	84 542	-	(975)	26 445	-	(36 838)	220 982
Motor vehicles	152 969	38 731	-	(8 251)	33 163	-	(47 877)	168 735
Office equipment	42 398	29 720	-	(169)	8 044	(1 210)	(13 172)	65 611
IT equipment	89 060	82 605	-	-	13 474	(4 268)	(66 662)	114 209
Leasehold improvements	114 430	134 063	-	(9 280)	16 695	-	(105 230)	150 678
Aircraft	201 363	-	-	(201 363)	-	-	-	-
<b>Total</b>	<b>748 028</b>	<b>369 661</b>	<b>-</b>	<b>(220 038)</b>	<b>97 821</b>	<b>(5 478)</b>	<b>(269 779)</b>	<b>720 215</b>

**8. Other intangible assets**

	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
	€	€	€	€	€	€
System development software - internal	2 051 978	(505 167)	1 546 811	1 521 819	(352 183)	1 169 636
Intellectual property legal guard	19 754	(19 754)	-	24 563	(15 850)	8 713
Customer relationships	1 115 882	(378 801)	737 081	1 366 208	(151 796)	1 214 412
Computer software, other	159 674	(42 662)	117 012	51 590	(4 398)	47 192
Intangible assets upon business combination*	617 241	-	617 241	-	-	-
<b>Total</b>	<b>3 964 529</b>	<b>(946 384)</b>	<b>3 018 145</b>	<b>2 964 180</b>	<b>(524 227)</b>	<b>2 439 953</b>

\* refer to note 6 for more details on the balance

**Reconciliation of other intangible assets 2016**

System development software - internal  
Intellectual property legal guard  
Customer relationships  
Computer software, other  
Intangible assets upon business combination\*

**Total**

\* refer to note 6 for more details on the balance

	Opening Balance	Acquisition of subsidiaries	Additions	Foreign exchange movements	Amortisation	Closing balance
	€	€	€	€	€	€
System development software - internal	1 169 636	-	573 839	(27 555)	(169 109)	1 546 811
Intellectual property legal guard	8 713	-	-	(2 035)	(6 678)	-
Customer relationships	1 214 412	-	-	(279 902)	(197 429)	737 081
Computer software, other	47 192	-	107 573	(6 028)	(31 725)	117 012
Intangible assets upon business combination*	-	617 241	-	-	-	617 241
<b>Total</b>	<b>2 439 953</b>	<b>617 241</b>	<b>681 412</b>	<b>(315 520)</b>	<b>(404 941)</b>	<b>3 018 145</b>

**Reconciliation of other intangible assets 2015**

System development software - internal  
Intellectual property legal guard  
Customer relationships  
Computer software, other

**Total**

	Opening Balance	Additions	Foreign exchange movements	Amortisation	Closing balance
	€	€	€	€	€
System development software - internal	517 677	764 764	101 928	(214 733)	1 169 636
Intellectual property legal guard	13 328	1 727	2 421	(8 763)	8 713
Customer relationships	255 518	990 345	52 797	(84 248)	1 214 412
Computer software, other	-	51 590	(51)	(4 347)	47 192
<b>Total</b>	<b>786 523</b>	<b>1 808 426</b>	<b>157 095</b>	<b>(312 091)</b>	<b>2 439 953</b>



## 9. Subsidiaries with material non-controlling interest

The following information is provided for subsidiaries with non-controlling interests which are material to the group. The summarised financial information is provided prior to intercompany eliminations.

Subsidiary	Country of incorporation	% Ownership held by non-controlling interest	
		2016	2015
GetBucks Financial Services (Private) Limited	Zimbabwe	49.7%	45%

### Summarised statement of financial position

#### Assets

	2016	2015
Non-current assets	508 201	6 120 769
Current assets	17 996 250	6 512 523

**Total assets** 18 504 451 12 633 292

#### Liabilities

Non-current liabilities	2 267 121	2 243 250
Current liabilities	6 851 985	4 986 562

**Total liabilities** 9 119 106 7 229 812

**Total net assets** 9 385 345 5 403 480

Carrying amount of non-controlling interest 3 335 736 2 431 566

### Summarised Statement of Profit or Loss and Other Comprehensive Income

Revenue less impairments	9 685 083	7 022 705
Other income and expenses	(5 891 895)	(1 865 779)
Profit before tax	3 793 188	5 156 926
Tax expense	(1 077 170)	(1 336 266)
Profit (loss)	2 716 018	3 820 660

**Total comprehensive income** 2 716 018 3 820 660



### Summarised statement of cash flows

Cash flows from operating activities	1 743 347	1 280 275
Cash flows from investing activities	(2 324 258)	(151 762)
Cash flows from financing activities	2 240 618	(516 045)
Net increase/(decrease) in cash and cash equivalents	1 659 707	612 468
Dividend paid to non-controlling interest	(622 772)	(398 970)

## 10. Loans to/(from) related parties

### Related parties

#### African Corporate Aviation (Proprietary) Limited

The loan was unsecured, bore no interest and was settled during the year.

#### Falco Joco Trading (Proprietary) Limited

The loan was unsecured, bore interest at 24% per annum, and had no fixed terms of repayment.

#### Komo Finance (Proprietary) Limited

The loan was unsecured, bore interest at 24% per annum, and was settled during the year.

#### Wheatfields (Proprietary) Limited

The loan is unsecured, bears interest at 14.5% per annum and has no fixed terms of repayment.

#### Vanguard Holdings Limited \*\*

The loan is unsecured and bears interest at 14.5% per annum. There are no fixed terms of repayment.

#### RBC CEES Trustee Limited \*\*

The first portion of the loan €4,597,425 (\$5,104,167) is secured, bears interest at 25% per annum and is repayable by 30 September 2017.

The second portion of the loan €9,173,771 (\$10,184,932) is secured, bears interest at 22.5% per annum and is repayable by 31 December 2024.

	2016	2015
	€	€
African Corporate Aviation (Proprietary) Limited	-	376 943
Falco Joco Trading (Proprietary) Limited	-	262 303
Komo Finance (Proprietary) Limited	-	56 551
Wheatfields (Proprietary) Limited	(206 645)	(492 947)
Vanguard Holdings Limited **	(70 426)	-
RBC CEES Trustee Limited **	(13 771 196)	-

#### Ecsponent Capital (RF) Limited \*

The loan is unsecured and bears interest at the prime rate in South Africa plus two percent (2%). The repayment date is 10 November 2017.

#### Escalator Investments (Zambia) \*

The loan is unsecured, bears interest at 30% per annum and has no fixed terms of repayment.

#### Ecsponent Credit Services (Proprietary) Limited (South Africa) \*

€137,566 (R2,250,000) will be drawn against this facility every month until 30 June 2016. The loan is unsecured and bears interest at 11% per annum. The loan facility is for 36 months and will be settled by 30 June 2017.

#### Escalator Investments (Swaziland) \*

The loan is unsecured, bears interest at 30% per annum and has no fixed terms of repayment.

#### Ecsponent Credit Services (Proprietary) Limited (South Africa) \*

The loan facility is drawn on variable dates. The facility bears interest at 30% per annum. This is a rolling facility and the debt must not be greater than 90 days.

#### Serengeti Capital

The loan is unsecured, bears no interest and has no fixed terms of repayment.

Ecsponent Capital (RF) Limited *	1 273 530	-
Escalator Investments (Zambia) *	(358 404)	-
Ecsponent Credit Services (Proprietary) Limited (South Africa) *	(3 099 753)	-
Escalator Investments (Swaziland) *	(1 216 514)	-
Ecsponent Credit Services (Proprietary) Limited (South Africa) *	(2 032 196)	-
Serengeti Capital	104 592	11 163

**Related parties...(continued)**

**Botswana Teachers Union**

The loan is unsecured, bears interest at the prime rate in Botswana and has no fixed terms of repayment.

**Ecsponent Credit Services (Proprietary) Limited (South Africa) \***

This amount is owed by GetBucks South Africa for the purchase of the Komo Finance loan book. GetBucks South Africa has ceded and pledged its debtors book to continually cover the value of one and a half times the purchase price €3,179,296 (R52 million) as security. The loan bears interest at 11% per annum. The loan was repaid on 4 July 2016.

**Mike Hodgkiss \*\*\***

The loan is unsecured and bears no interest. The loan will be repaid when dividends are declared in Malawi. The dividend payable to Mike Hodgkiss will be used to settle the loan.

**Carcharias Holdings \*\*\***

The promissory notes are unsecured and bear interest at 14,5% per annum. The loan was repaid on 31 July 2016.

**Gregory Niemand**

The loan is unsecured, bears no interest and was written-off during the financial year.

**Brainworks Capital Management Limited (Zimbabwe)**

The loan was unsecured and bore interest at 18% per annum. The loan was originally repayable in December 2016, restructuring negotiations are underway.

**Brainworks Capital Management Limited (Equatorial Guinea)**

The loan is unsecure and bears no interest. There are no fixed terms of repayment.

	2016	2015
	€	€
Botswana Teachers Union	496 493	514 591
Ecsponent Credit Services (Proprietary) Limited (South Africa) *	(157 170)	-
Mike Hodgkiss ***	16 504	16 970
Carcharias Holdings ***	(500 226)	(471 130)
Gregory Niemand	-	(110 055)
Brainworks Capital Management Limited (Zimbabwe)	2 362 760	-
Brainworks Capital Management Limited (Equatorial Guinea)	48 512	-

**Total gross related party loans**

Current assets	3 013 550	1 221 550
Non-current assets	1 288 842	16 970
Current liabilities	(7 641 334)	(1 074 131)
Non-current liabilities	(13 771 196)	-
	<b>(17 110 138)</b>	<b>164 389</b>

\*Ecsponent Projects (Proprietary) Limited (Botswana) acquired shares in the Company and became a shareholder of the Group during the current year. This rendered Ecsponent Capital (RF) Limited, Ecsponent Credit Services (Proprietary) Limited and Escalator Investments to become related parties of the Group and thus loans to/from Ecsponent Credit Services (Proprietary) Limited and Escalator Investments are now classified as related party balances.

\*\*Vanguard Holdings Limited and RBC CEES Trustee Limited ceased to be shareholders during the year and thus the loans were reclassified to related party balances during the current year.

\*\*\* Loans with Carcharias Holdings Limited and Mike Hodgkiss have been reclassified to related party balances from other financial borrowing and other financial assets, respectively.

**Credit quality of loans to related parties**

None of the related party loans are past due and no objective evidence of impairment of any of the loans have been identified. The maximum exposure to credit risk at the reporting date is the carrying value of the gross loans mentioned above.

**Fair value of loans to and from related parties**

Included in note 15 are fair value disclosures of loans to/(from) related parties.

**11. Other financial assets**

**Loans and receivables**

**Ecsponent Projects (Proprietary) Limited \***

The loan is unsecured and bears interest at 37% per annum. The repayment date is 30 June 2017.

**MEWUSA**

The loan is unsecured and bears interest at 24% per annum. The loan is repayable in monthly instalments of €3,057 (R50,000) and was settled on 7 August 2016.

**Chromium Trading (Proprietary) Limited**

The loan is unsecured and bears interest at 44%. The loan was settled on 23 August 2016.

**Ecsponent Capital (RF) Limited \***

The loan is unsecured and bears interest at the prime rate in South Africa plus two percent (2%). The repayment date is 10 November 2017.

**Virtual Shared Services (Proprietary) Limited**

The loan is unsecured and bears interest at 17% per annum. The loan was repaid on 17 November 2016.

Current assets

Non-Current assets

	2016	2015
	€	€
Ecsponent Projects (Proprietary) Limited *	-	1 434 738
MEWUSA	6 056	18 673
Chromium Trading (Proprietary) Limited	101 505	-
Ecsponent Capital (RF) Limited *	-	1 376 542
Virtual Shared Services (Proprietary) Limited	339 031	-
	<b>446 592</b>	<b>2 829 953</b>
Current assets	446 592	-
Non-Current assets	-	2 829 953
	<b>446 592</b>	<b>2 829 953</b>

The maximum exposure to credit risk at the reporting date is the carrying value of the gross loans mentioned above.

\*Ecsponent Projects (Proprietary) Limited (Botswana) acquired shares in the Company and became a shareholder of the Group during the current year. This rendered Ecsponent Capital (RF) Limited, Ecsponent Credit Services (Proprietary) Limited and Escalator Investments to become related parties of the Group and thus loans to/from Ecsponent Credit Services (Proprietary) Limited and Escalator Investments are now classified as related party balances.

**12. Loans to/(from) shareholders**

**Tailored Investments Limited**

The loan is unsecured and bears interest at 14,5% per annum. There are no fixed terms of repayment.

**Brainworks Capital Management Limited (Mauritius)**

The loan is unsecured and bears interest at 14,5% per annum. There are no fixed terms of repayment.

**RBC CEES Trustee Limited \***

The first portion of the loan €4,486,500 (\$5,000,000) is secured, bears interest at 25% per annum and is repayable by 30 September 2017. The second portion of the loan €8,973,000 (\$10,000,000) is secured, bears interest at 22.5% per annum and is repayable by 31 December 2024.

**Aeneas Holdings AG**

The loan is secured, bears interest at 14,5% per annum and was repaid in October 2016.

**Sunblaze Investment Holdings Limited**

The loan is unsecured and bears interest at 14,5% per annum. There are no fixed terms of repayment.

**Vanguard Holdings Limited \***

The loan is unsecured and bears interest at 14,5% per annum. There are no fixed terms of repayment

**Ecsponent Projects (Proprietary) Limited (Botswana)**

The loan is unsecured and bears interest at 37% per annum. The repayment date is 10 November 2017.

Non-current assets

Current assets

Non-current liabilities

Current liabilities

	2016	2015
	€	€
Tailored Investments Limited	(3 602 561)	(2 902 217)
Brainworks Capital Management Limited (Mauritius)	201 705	258 783
RBC CEES Trustee Limited *	-	(13 459 500)
Aeneas Holdings AG	(1 153 110)	(1 148 731)
Sunblaze Investment Holdings Limited	(779 239)	(545 519)
Vanguard Holdings Limited *	-	(225 002)
Ecsponent Projects (Proprietary) Limited (Botswana)	1 622 802	-
	<b>(3 710 403)</b>	<b>(18 022 186)</b>
Non-current assets	1 622 802	-
Current assets	201 705	258 783
Non-current liabilities	-	(14 608 231)
Current liabilities	(5 534 910)	(3 672 738)
	<b>(3 710 403)</b>	<b>(18 022 186)</b>

\* Vanguard Holdings Limited and RBC CEES Trustee Limited ceased to be shareholders during the year and as a result the loans were reclassified to related party balances during the current year.

### 13. Loan book

	2016	2015
	€	€
Loan advances	52 709 396	41 795 144
Impairment on loan book	(11 508 450)	(5 596 017)
	<b>41 200 946</b>	<b>36 199 127</b>

#### Current and non-current portion of loan book

	2016	2015
Current	26 744 747	22 723 797
Non-Current	14 456 199	13 475 330
	<b>41 200 946</b>	<b>36 199 127</b>

#### The carrying amount of the loan book is denominated in the following currencies:

	2016	2015
Botswana Pula	6 227 668	5 564 925
Malawi Kwacha	4 006 876	5 032 866
US Dollar	9 192 049	7 796 185
Kenyan Shillings	4 380 369	4 360 794
Euro	1 205 621	1 141 016
Zambian Kwacha	6 802 796	1 821 511
South African Rand	8 257 328	9 974 329
Other	1 128 239	507 501
	<b>41 200 946</b>	<b>36 199 127</b>

#### Reconciliation of provision for impairment of loan book

Opening balance	5 596 017	1 932 927
Amounts written off as uncollectable	(3 158 876)	(4 294 089)
Additional impairment raised	9 667 855	7 763 311
Foreign currency translation impact	(596 546)	193 868
<b>Closing balance</b>	<b>11 508 450</b>	<b>5 596 017</b>

### 14. Other receivables

	2016	2015
	€	€
Prepayments	1 052 509	403 648
Deposits	118 433	320 080
Insurance receivable	278 985	91 747
External payroll receivable	4 888 505	2 307 459
Vendor finance receivable	1 834	1 859 481
Short-term deposits	5 019 560	5 010 970
Other receivables	908 183	1 379 902
	<b>12 268 009</b>	<b>11 373 287</b>

The short-term cash deposits are United States Dollar deposits that are held as security in relation to local overdraft facilities and bank borrowings for the various subsidiaries within the Group. The deposits are pledged until the maturity of the respective borrowings.

The contractual maturity of these short-term deposits does not always match the maturity period of the loan for which the deposit has been pledged as security. The loans are, however, encumbered and as such will continue to serve as security for the specific borrowings for which they have been pledged.

Other receivables balances were subject to annual impairment testing. For balances, impaired, refer to note 33.



### 15. Fair value hierarchy of financial assets and financial liabilities

For financial assets/liabilities not recognised at fair value, the fair value is required to be disclosed in accordance with the fair value hierarchy which reflects the significance of the inputs used to make the measurements. Instruments with no repayment terms have fair values equal to their carrying amount as they are payable on demand.

Level 1 represents those assets/liabilities which are measured using unadjusted quoted prices for identical assets/liabilities.

Level 2 applies inputs other than quoted prices that are observable for the assets/liabilities either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

The Group has applied the discounted cash flow valuation technique to establish the fair value of other financial assets/liabilities that are categorised under a level 3 fair value hierarchy. The main input used in the discounted cash-flow techniques are as follows:

1. The discount term is based on the remaining contractual term of the instrument.
  2. The cash flows are contractual.
  3. The discount rates correspond to the prime lending rate of the country in which the loan is granted/ issued, adjusted by a risk premium. Such risk premium is calculated through an internal model taking into consideration geographical, as well as entity specific risks.
- » The loans that are not in the same functional currency as the lending entity have a built in foreign exchange

risk premium. This would apply specifically to the Ecsponent Projects (Pty) Ltd and the Ecsponent Capital (RF) Loans,

- » Political risk is a consideration across all entities, and the risk premium is adjusted to take this into consideration for jurisdictions where there is a higher perceived political risk.
- » Consideration is given to the borrower's ability to repay the loan.

The higher the risk assessment, the greater the risk premium added to the prime lending rate.

	2016	2015
	€	€
<b>Level 3 - financial assets</b>		
Loans to related parties	4 327 799	1 229 128
Other financial assets	471 853	2 978 153
Loans to shareholders	2 363 145	258 783
Loan book	40 332 216	35 492 567
<b>Level 2 - financial liabilities</b>		
Publicly traded bonds	5 191 000	5 117 720
<b>Level 3 - financial liabilities</b>		
Loans from shareholders	5 525 824	18 072 649
Loans from related parties	22 348 224	1 074 131
Other financial borrowings	21 609 961	21 029 690

#### Related party loans

The fair values of the loans to/from related parties are based on the cash flows discounted using a rate that management has deemed appropriate to the particular jurisdiction in which the loan has been granted. In jurisdictions where similar funding has been obtained, the equivalent funding rates have been applied. For all other jurisdictions, the lending rate of the commercial banks or

the prime lending rate of the country receiving the funding has been applied. A risk premium for entities with a higher risk profile has been built into the effective interest rate. These loans are within level 3 of the fair value hierarchy as the rates are not based on observable market data.

#### Shareholders loans and other financial assets/liabilities

The fair value of the shareholder's loans as well as other financial assets/liabilities are based on cash flows discounted using a rate based on the borrowing rate of what a third party would be lending at in that particular jurisdiction. For the loans received from banking institutions, the rate charged by these institutions has been applied to calculate fair value. These loans are within level 3 of the fair value hierarchy as the discount rates which consider the Groups own credit risk, certain funding costs and other spreads are not based on observable market data.

#### Loan Book

This is a level 3 fair value which is determined by taking into consideration the outstanding amount owing by customers, and adjusting this amount by a probability of default. The probability of default amount is determined by considered the aging of the outstanding amount owing, and adjusting this amount by a probability of default percentage.

The percentage applied to the various aging categories is determined by historical collection trends as well as risks factors applicable to specific jurisdiction in which the Group operates.

Management considers such techniques as appropriate because it reflects the price a third party would be ready to pay to acquire the loan in an orderly transaction.

## Publicly traded bond

The fair value of the publicly traded bond in Austria, is based on the listing rate of the bond. The bond is within level 2 of the fair value hierarchy, due to shallow trading of this type of instrument.

## 16. Cash and cash equivalents including bank overdrafts

For the Consolidated Combined statement of cash flows, cash, cash equivalents and bank overdrafts include total cash assets less bank overdrafts:

	2016 €	2015 €
Cash on hand	53 641	93 370
Bank balances	18 854 744	6 082 707
Short-term treasury bill	-	1 794 600
Bank overdraft	(5 125 469)	(3 002 801)
	<b>13 782 916</b>	<b>4 967 876</b>
Current assets	18 908 385	7 970 677
Current liabilities	(5 125 469)	(3 002 801)
	<b>13 782 916</b>	<b>4 967 876</b>

Cash and cash equivalents includes €4,205,439 (2015: €4,581,652) held by the various subsidiaries within the Group that operate in jurisdictions where exchange control restrictions prevent immediate flow of these balances being available for general use by the Group as well as other subsidiaries within the Group.

## Currencies

*The carrying amount of the group's cash and cash equivalents is denominated in the following currencies:*

	2016 €	2015 €
Kenyan Shillings	(522 781)	(586 751)
Malawi Kwacha	(1 615 537)	(1 343 770)
Botswana Pula	555 010	860 802
Euro	12 082 767	35 160
US Dollar	4 801 460	5 154 097
South African Rand	474 652	1 115 081
Other	(1 992 655)	(266 743)
	<b>13 782 916</b>	<b>4 967 876</b>

## Credit quality of cash at bank, cash on hand and short term deposits

The credit quality of cash at bank, cash on hand and short term deposits, that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

## Credit rating

	2016 €	2015 €
A+	16 942	23 147
AAA	-	76 848
AA	(64 933)	1 193 901
AA-	35 859	-
A	1 586	-
A-	-	533 923
BBB	13 507 998	340 362

BBB-	2 442 792	-
BB+	971 939	32 907
B+	-	33 863
BB	-	41 927
BB-	-	-
B	2 043 347	4 434 127
B-	70 113	2 912 640
Unrated	(223 167)	355 201
	<b>18 802 476</b>	<b>9 978 846</b>

The above credit ratings include short term deposits of €5,019,560 (2015: €5,010,970) that are disclosed under note 14.

## 17. Deferred tax

	2016 €	2015 €
Deferred tax liability	(15 321)	(509)
Deferred tax asset	3 410 442	1 321 032
	<b>3 395 121</b>	<b>1 320 523</b>

## Reconciliation of deferred tax asset / (liability)

Opening balance	1 320 523	172 652
Foreign exchange movements	(136 628)	17 444
Increase/(decrease) in tax loss available for set off against future taxable income	827 981	(91 389)
Originating and reversing temporary differences - other	14 676	324 468
Originating and reversing temporary differences on loan book impairments	1 143 017	599 539

Originating and reversing temporary differences on unrealised foreign interest

	-	92 159
Originating and reversing temporary differences on unrealised foreign exchange	42 888	64 096
Originating and reversing temporary differences on unrealised royalty expense	182 664	141 554
	<b>3 395 121</b>	<b>1 320 523</b>

## Recognition of deferred tax asset

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profit is probable. The group did not recognise deferred income tax assets of €1,006,588 (2015: €467,195) in respect of losses amounting to €6,161,879 (2015: €2,905,565) that can be carried forward against future taxable income.

The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the subsidiaries. MyBucks expects its group companies to evolve similar to its operations in Botswana and Zimbabwe, increasing the underlying profitability on the back of scale efficiencies and thus generate excess profits. These excess profits will allow the group to benefit from the deferred income tax assets generated by offsetting the losses incurred to date against future taxable income.

## Expiry of assessed losses on which deferred tax assets have been raised

### Mauritius

A deferred tax asset of €450,000 was raised to the extent that assessed losses will be utilised in future. Assessed losses can be carried over for a period of 5 years. The deferred tax asset will expire in 2021.

### Botswana

A deferred tax asset of €128,957 was raised. Assessed losses can be carried over for a period of 5 years. The deferred tax asset will expire in 2021.

### Spain

A deferred tax asset of €291,387 has been raised on current year losses. Assessed losses can be carried forward indefinitely.

## Utilisation of deferred tax asset

	2016 €	2015 €
Opening balance	1 320 523	172 652
Unused tax losses not recognised as deferred tax assets	-	(7 332)
Deferred tax assets recognised	2 857 414	978 259
Utilisation of deferred tax assets	(646 187)	159 500
Foreign exchange movements	(136 629)	17 444
	<b>3 395 121</b>	<b>1 320 523</b>

## The amount expected to be recovered or settled after more than 12 months for each asset and liability

### Deferred tax assets

	2016 €	2015 €
no more than 12 months after the reporting period; and	-	233 715
more than 12 months after the reporting period.	3 410 442	1 087 317
	<b>3 410 442</b>	<b>1 321 032</b>

## Deferred tax liabilities

no more than 12 months after the reporting period; and more than 12 months after the reporting period.

	-	
	(15 321)	(509)
	<b>(15 321)</b>	<b>(509)</b>
<b>Total</b>	<b>3 395 121</b>	<b>1 320 523</b>



## 18. Share capital and share premium

At 30 June 2016 the authorised share capital is 15,998,000. There were a total of 10,998,000 fully paid ordinary shares in issues.

The par value of the shares is €1 per share. All shares have equal voting rights.

Issued	2016	2015
	€	€
No par value shares - Mauritius Group	-	6 498 313
No par value shares - South Africa Group	-	1 179 213
10,998,000 Par value shares of €1 each - MyBucks	10 998 000	-
<b>Total share capital</b>	<b>10 998 000</b>	<b>7 677 526</b>

### Initial public offering - MyBucks

On 21 June 2016, MyBucks S.A. made an initial public offer for shares in the Company on the Entry Standard of the Frankfurt Stock Exchange.

The increase in share capital consists of 1,000,000 new shares against contributions in cash. The offering price was set at €13.50 per share. The par value of the shares is €1 per share, resulting in a share premium of €12.50 per share.

The table below illustrates the share premium that arose during the initial public offering:

	2016	2015
	€	€
Share premium raised on the initial public offering	12 500 000	-
Initial public offering costs	(4 086 721)	-
<b>Net share premium</b>	<b>8 413 279</b>	<b>-</b>

The initial public offering costs are transaction costs relating to the share transaction and the listing on the Frankfurt Stock Exchange Entry Standard. These are incremental costs to the transaction as these costs were necessary costs incurred to effectively conclude the initial public offering.

### Greenshoe options

An over-allotment of 150,000 share options was allocated, as a part of the initial public offering ("IPO"), to Hauck & Aufhauser Privatbankiers KGaA ("Underwriters"). The grant date of the options was 23 June 2016 and at the exercise price of €13.5 per share. Underwriters exercised the Greenshoe options in full on 22 July 2016 transferring proceeds of €2,025,000 to the Group. Management estimated fair value of the options at grant date and during the exercisable period to be equal to the exercise price.

### Initial public offering - Getbucks Zimbabwe

On 15 January 2016, Getbucks Zimbabwe successfully listed its shares on the Zimbabwe Stock Exchange (ZSE). The company raised a total amount of €2,932,417 (\$3,200,000) through the subscription of 93,567,251 ordinary shares at a subscription price of €0.0313 (\$0.0342) per share and a nominal value of €0.0031 (\$0.0034) per share. This resulted in share premium of €2,642,588 being generated out of which €2,332,452 is attributable to owners of the parent and €310,136 has been allocated to the Non-controlling interest representing the change in holding.

This resulted in a change in holding from 55.0% to 50.3%. The group maintained control over Getbucks Zimbabwe.

## 19. Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2016	2015
	cents	cents
Basic earnings (loss) per share	(6.45)	33.42

### Diluted earnings per share

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary equity holders of the parent entity, and dividing this by the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

	2016	2015
	cents	cents
Diluted earnings (loss) per share	(6.44)	33.42

### Reconciliations of earnings used in calculating earnings per share

	2016	2015
	€	€
Basic and diluted earnings per share	(646 333)	3 335 316

### Weighted average number of shares used as the denominator

	2016	2015
	€	€
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	10 022 658	9 980 000
<i>Adjusted for calculation of diluted earnings per share:</i>		
Employee option plan	13 957	-
Greenshoe option	262	-
<b>Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share</b>	<b>10 036 877</b>	<b>9 980 000</b>

### Employee option plan

The options granted to employees under the MyBucks S.A. Employee Option Plan are potential ordinary shares. They have been included in the determination of diluted earnings per share as they have a dilutive effect.

### Greenshoe option

Options granted to the underwriter are potential ordinary shares. They have been included in the determination of diluted earnings per share as they have a dilutive effect.

## 20. Foreign currency translation reserve

Translation reserve comprises exchange differences on translation and consolidation of foreign subsidiaries.

	2016	2015
	€	€
Opening balance	1 087 302	(534 430)
Exchange differences on translating foreign operations	(4 162 265)	1 621 732
	<b>(3 074 963)</b>	<b>1 087 302</b>

## 21. Share based payment reserve

### Employee share option incentive scheme

The Group engages in equity settled share-based payment transactions in respect of services received from certain of its employees.

The fair value of the services received is measured by reference to the fair value of the share options granted on the date of the grant. The cost of the employee services received in respect of the share options granted is recognised in the Consolidated Combined Consolidated Statement of Profit or Loss and Comprehensive Income over the period that the services are received, which is the vesting period.

MyBucks' Board of Directors approved the employee share option plan on the 1<sup>st</sup> of May 2016. Participation in the scheme is at the Board's discretion and no individual has a contractual right to participate in the scheme or to receive any guaranteed benefits.

On the 1<sup>st</sup> of May 2016, the Board of Directors granted 412,500 options in the share of the Company with an expiry date of 30 April 2021 and an exercise price of €9.00 per share. Under the plan, participants may only exercise the share options to the extent the share options have vested based on the terms of service. As of the 30<sup>th</sup> of June 2016, MyBucks has granted options with two separate vesting schedules:

- » 100,000 stock options were granted vesting 1/3<sup>rd</sup> on 1 May 2016, 1/3<sup>rd</sup> on 30 June 2016 and 1/3<sup>rd</sup> on 30 June 2017
- » 312,500 stock options were granted vesting 40% on 1 May 2017, 30% on 1 May 2018 and 30% on 1 May 2019

The fair value of the options granted is determined using option pricing model, which consider the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

During the period ended 30 June 2016, the company had the following equity settled share-based payment arrangements:

#### Employee share option plan

Grant date	01-May-16	01-May-16
Number of options granted	100.000	312.500
Exercise price (€)	9	9
Vesting dates of Tranche 1	01-May-16	01-May-17
Vesting dates of Tranche 2	30-Jun-16	01-May-18
Vesting dates of Tranche 3	30-Jun-17	01-May-19
Exercisable until	30-Apr-21	30-Apr-21

The weighted average fair value of options granted during the year was 1,495,852 with a weighted average contractual life of 4.84 as of 30 June 2016, and a weighted average expected life of 3.5 years. The expected life is based on historical data and current expectations and not necessarily indicative of exercise patterns that may occur.

The Group recognised a share-based expense of €381,786 for the year ending 30 June 2016. Expected share based expense going forward based on the granted options is as follows:

June 2016	381 786
June 2017	764 657
June 2018	254 975
June 2019	94 435
<b>Total</b>	<b>1 495 853</b>
	<b>30-Jun-16</b>
Outstanding at start of year	-
Granted	412 500
Forfeited	-
Exercised	-
<b>Outstanding at end of year</b>	<b>412 500</b>
Vested and exercisable at end of year	66 666

## 22. Other financial borrowings

#### Held at amortised cost

##### Bank of Gaborone

A commercial loan with Bank of Gaborone for 24 months ending 31 October 2015. The loan bore an interest rate of prime rate in Botswana plus 5%. The loan was secured by a cession of the TU Loans (Pty) Ltd loan receivable to the bank.

	2016	2015
	€	€
	-	34 361

##### Bank of Gaborone

A commercial loan with Bank of Gaborone for 36 months ending 30 April 2017. The loans bear interest at the prime rate in Botswana plus 3.5%. The loan is secured by a cash bank guarantee by EcoBank Zimbabwe on behalf of GetBucks Limited (Mauritius).

##### Bank of Gaborone

A mortgage bond with Bank of Gaborone for 180 months with the last repayment date being 29 September 2030. The loan bears interest at the prime rate in Botswana plus 3%. Instalments are made monthly for an amount of € 5,288 (BWP 64,250).

The loan is secured as follows:

- » Security provided by Ochwe Developers (Pty) Ltd
- » First covering mortgage bond for €452,694 (BWP5,500,000) over the building in note 7.
- » Registered cession of fire policy for €407,425 (BWP4,950,000).
- » Unlimited suretyship by Getbucks (Pty) Ltd
- » Cession of rentals over the building in note 7.

Security provided by Getbucks (Pty) Ltd

- » Unlimited suretyship by TU Loans (PTY) Ltd.
- » Unlimited suretyship by Getbucks Ltd Mauritius.

##### Publicly traded bonds

Traded on Vienna stock exchange. A corporate secures bonds guarantee provided by GetBucks Limited (Mauritius), whereby the company guarantees payment of the principal as well as interest on the Bonds, and any other amounts payable under the bond note. It bears interest at 11% per annum and is repayable on 3 February 2017. Any default could allow the bond holders to recall the interest and capital upon default and invoke the guarantee.

	236 073	579 571
	443 988	-
	5 126 150	5 017 373

##### Cost lean investment

The loan is unsecured and bears interest at 24% per annum. Interest is paid monthly and the loan will mature on 1 March 2018.

##### EcoBank Malawi

There have been various loan facilities taken through the year which are all secured by a cash guarantee backed by EcoBank Zimbabwe on behalf of GetBucks Limited (Mauritius). Interest on all the facilities are raised at the prime lending rate in Malawi minus 3% per annum and the loans are repayable monthly. The average term of these loans are 12 months. If any instalments are missed EcoBank Malawi will call against the cash in the corresponding fixed deposit accounts.

##### Opportunity International Bank Malawi

The loan was secured by a cession of the loan book from GetBucks Limited (Malawi) to the value of €818,411 (MKW 650,000,000). GetBucks Limited (Mauritius) issued a guarantee to the value of the amount outstanding. The loan bore interest at a base rate of 39% less a variable margin of 9% determined by the lender. The loan was repaid in six equal instalments with the final instalment made on 10 July 2016.

##### Comarton U.G.P.F.

This liability consists of various promissory notes. Interest is charged between 15% to 22% per annum. These loans have 6 to 12 month terms and the last loan note is repayable by 9 June 2017.

##### DBF Capital Partners Limited

The loan is secured by the loan book in TU Loans (Proprietary) Limited by up to twice the value of the loan and bore interest at 20% per annum. Interest was paid monthly and the loan was settled on 31 July 2016.

	196 731	184 720
	-	1 423 178
	104 924	-
	5 148 436	1 852 798
	1 831 464	1 794 600

### TLG Capital

#### GetBucks Financial Services (Private) Limited (Zimbabwe)

The loan is secured by a guarantee issued by NMB Bank on the back of a security provided by Brainworks Capital Management (Private) Limited. The loan bears interest at 15% per annum, carried by GetBucks Financial Services (Private) Limited (Zimbabwe) with an additional 8% per annum carried by GetBucks Limited (Mauritius). Interest and fees are paid quarterly and the capital repayment date will be 6 February 2020.

#### GetBucks Limited (Mauritius)

The loan bears interest at 19% per annum. Interest is paid monthly and the loan is repayable by 31 December 2017.

#### EMU-INYA Enterprises Limited (Kenya)

The loan bore interest at 15% per annum and was valid for 6 months and was originally repayable by 7 September 2016.

#### GetBucks Limited (Malawi)

Interest rate of 7%, interest repaid on a monthly basis. Capital was originally repayable by 27 November 2016.

TLG loan is subject to covenants as describe in note 3.

As a result of a temporary breach in certain of the covenants, the TLG loans have all been reclassified as current liabilities.

The TLG loan facilities were renegotiated in January 2017. The new agreement provides that the maturity date on all loans outstanding will be 1 February 2021. This is still conditional upon a due diligence process and formal approval.

2 251 800	2 251 596
917 233	-
2 251 659	-
2 238 078	-

### AI Shams Global Limited

The current loan is secured and bears interest at 30% per annum. Interest is paid monthly and the loan will be settled in July 2016. This loan was issued in June 2015 to the value of €4,503,600 (\$5,000,000).

The loan is secured by:

A corporate guarantee in the form of an irrevocable cession on its debtor's book asset from GetBucks Financial Services (Private) Limited (Zimbabwe) to the value of the amount outstanding.

A corporate guarantee in the form of an irrevocable cession on its debtor's book asset from GetBucks Financial Services Limited (Zambia) to the value of the amount outstanding.

\$7,000,000 in shares in Dawn Properties Limited provided by Brainworks Capital Limited.

#### Escalator Investments (Zambia) \*

The loan is unsecured, bears interest at 24% per annum and is repayable by 30 June 2017.

#### Escalator Investments (Swaziland) \*

€165,960 (R2,250,000) was drawn against this facility every month until 30 June 2016. The loan was unsecured and bore interest at 11% per annum. The loan facility was for 36 months and was settled by 30 June 2017.

#### Ecsponent Credit Services (Proprietary) Limited (South Africa) \*

€358,723 (R4,863,711)

The loan facility was drawn on variable dates. The facility bore interest at 24% per annum. This was a rolling facility and the debt did not exceed 90 days. €36,880 (R500,000)

The loan was unsecured, bore no interest and was settled before 30 September 2015.

4 615 739	4 487 259
-	721 796
-	1 862 440
-	395 603

### Ecsponent Credit Services (Proprietary) Limited (South Africa) \*

This amount was owed by GetBucks South Africa for the purchase of the Komo Finance loan book. GetBucks South Africa has ceded and pledged its debtors book to continually cover the value of one and a half times the purchase price €3,179,296 (R52 million) as security. The loan bore interest at 11% per annum. The loan was repaid on 4 July 2016.

#### J Bethel Capital Limited

The loan was unsecured and bore interest at 20% per annum. Interest was payable monthly and the loan was settled by 31 December 2016.

#### LF Rehr

The loan is unsecured, bears interest at 10% per annum and has no fixed terms of repayment.

#### NMB Bank-Bill of acceptance

This loan replaced the overdraft facility in GetBucks Financial Services (Private) Limited (Zimbabwe) for one month. The loan was unsecured, bore interest at 15% per annum and matured on 20 July 2015.

#### Non-current liabilities

#### Current liabilities

-	3 414 879
1 373 599	-
33 608	-
-	2 243 250
<b>26 769 482</b>	<b>26 263 424</b>
626 485	10 617 496
26 142 997	15 645 928
<b>26 769 482</b>	<b>26 263 424</b>

\*Ecsponent Projects (Proprietary) Limited (Botswana) acquired shares in the Company and became a shareholder of the Group during the current year. This rendered Ecsponent Capital (RF) Limited, Ecsponent Credit Services (Proprietary) Limited and Escalator Investments to become related parties of the Group and thus loans to/from Ecsponent Credit Services (Proprietary) Limited and Escalator Investments are now classified as related party balances.



## 23. Finance lease liabilities

	2016 €	2015 €
<b>Minimum lease payments due</b>		
- no later than one year	46 298	29 350
- later than one year and no later than five years	127 836	9 613
	174 134	38 963
less: future finance charges	(40 518)	(2 007)
Present value of minimum lease payments	133 616	36 956
<b>Present value of minimum lease payments due</b>		
- no later than one year	28 730	29 350
- later than one year and no later than five years	104 886	7 606
	133 616	36 956
Non-current liabilities	104 886	7 606
Current liabilities	28 730	29 350
	<b>133 616</b>	<b>36 956</b>

Part of the instalment agreement relates to motor vehicles. The lease term ranges from 12 to 48 months. Interest is charged at the Kenyan bank lending rate plus 2%, the prime rate in Botswana less 1% and 11.25% in South Africa.

The carrying value of assets held under the finance lease is €153,773 (2015: €16,360).

## 24. Derivative financial instruments and hedging reserve

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The derivative liability at financial year end relates to a forward foreign exchange contract that was taken out during the year to hedge highly probable forecast transactions denominated in Euro and has been designated as the hedging instrument to the hedged items below.

The hedging instrument is net settled and is subject to margin calls when the fair value increases beyond agreed levels, limiting the credit risk exposure to both counterparties to the transaction. The instrument matures on 3 February 2017.

The notional principle amount of the outstanding forward foreign exchange contract as at 30 June 2016 was €6,393,977 (\$7,098,740).

Reconciliation of fair value and net carrying amount of derivative financial instruments

	2016 €	2015 €
Opening balance	316 358	-
Movement in fair value of derivative liabilities	24 751	1 157 912
Less: Settled margin calls deposits		(841 554)
<b>Carrying amount</b>	<b>341 109</b>	<b>316 358</b>

The derivative financial liability is a level 2 in the fair value hierarchy. The fair value at 30 June 2016 is €1,185,871 (2015: €1,329,225)

The group exposure to Euro denominated publicly traded bond liabilities have been designated as the hedged item. The bonds mature on 3 February 2017. The carrying value of the hedged item amounts to €5,191,000 (\$5,763,167) at the end of the year.

### Reconciliation of gains and losses on hedged item matched against the hedging instrument

	2016 €	2015 €
Opening balance	15 394	-
Foreign exchange movement - Publicly traded bond liability (Hedged item)	19 791	1 173 306
Mark-to-market movement - Foreign forward exchange contract (Hedging instrument)	24 416	(1 157 912)
<b>Hedge reserve</b>	<b>59 601</b>	<b>15 394</b>

The hedging reserve is used to record gains and losses on derivatives that are designated and qualify as cash flow hedges and are recognised in other comprehensive income. Amounts are reclassified to profit and loss when the associated hedged transaction affects profit and loss.

## 25. Offsetting of financial assets and financial liabilities

The derivative financial instruments are the only financial instrument which are subject to offsetting (refer to note 24). The gross amount of the recognised derivative financial liability is €1,185,871 (\$1,316,581) (June 2015: €1,157,912 (\$1,290,440)) which is offset against the margin call deposits of €844,761 (\$937,873) and presented as a net derivative liability of €341,109 (\$378,709) (June 2015: €316,358 (\$352,567)). There are no other amounts set-off in the consolidated combined financial statements.

## 26. Trade and other payables

	2016 €	2015 €
Trade and other payables	2 415 666	1 055 724
Sundry accruals	4 167 364	1 320 237
VAT	407 892	137 073
Provisions	-	268 195
	<b>6 990 922</b>	<b>2 781 229</b>

### Currencies

The carrying amounts of trade and other payables are denominated in the following currencies:

Kenyan Shillings	99 347	208 680
Malawi Kwacha	243 794	106 945
Botswana Pula	597 080	369 953
Euro	2 449 513	383 401
US Dollar	1 040 112	222 478
Zambian Kwacha	990 678	134 372
South African Rand	1 307 431	1 241 241
Other	262 967	114 159
	<b>6 990 922</b>	<b>2 781 229</b>

## 27. Deposits from customers

Deposits from customers relate to GetBucks Zimbabwe. These deposits are primarily composed of amounts payable on demand

Individual	2016 €	2015 €
Current accounts	17 159	-
Term deposits	-	-
	17 159	-

### Small and medium enterprises

Current accounts	212 878	-
Term deposits	158 780	-
	371 658	-
<b>Total</b>	<b>388 817</b>	<b>-</b>

Current (no more than 12 months after reporting period)

Non-current (more than 12 months after reporting period)

	318 709	-
	70 108	-
<b>Total</b>	<b>388 817</b>	<b>-</b>

Deposits due to customers only include financial instruments classified as liabilities at amortised cost. Fair value of deposits approximates its carrying amounts.

## 28. Revenue

	2016 €	2015 €
Interest income	30 713 637	25 151 984
Fee income	5 922 323	4 667 076
Commission on insurance policies	2 269 792	1 471 787
	<b>38 905 752</b>	<b>31 290 847</b>

## 29. Loan impairment

	2016 €	2015 €
Movement on impairment of loan book	9 107 634	6 813 975

For detail reconciliation of impairment of loan book, refer to note 13.

## 30. Other income

	2016 €	2015 €
Administration and management fees received	193 194	281 739
Credit subscription fees	47 424	86 225
Bad debts recovered	190 064	14 995
Liabilities written back	206 095	-
Other income	20 260	23 528
	<b>657 037</b>	<b>406 487</b>

### 31. Expenses by nature

Notes	2016 €	2015 €
Accommodation	234 040	126 966
Administration and management fees	-	17 490
Advertising and marketing	1 677 530	1 999 692
Auditors remuneration	32 965 178	440 409
Collection costs	1 577 202	1 699 216
Computer expenses	255 794	120 112
Consulting and professional fees	1 855 776	955 173
Depreciation, amortisation and impairment	33 746 075	980 981
Employee Costs	34 7 382 605	3 932 608
Lease rentals on operating lease	719 117	576 924
Motor vehicle expenses	88 981	56 457
Municipal expenses	54 164	50 963
Postage and courier	45 053	48 602
Printing and stationery	146 071	104 681
Repairs and maintenance	47 831	53 058
Royalty fees	-	67 298
Security	52 296	35 101
Shared services fees	436 018	274 483
Staff recruitment	170 610	83 474
Staff welfare	109 074	76 650
Subscriptions	171 858	104 725
Telephone and fax	317 198	284 425
Travel - local	251 863	174 169
Travel - overseas	471 651	317 991
VAT Expense	686 360	139 392
Other expenses	594 812	648 978
	<b>19 057 157</b>	<b>13 370 018</b>

### 32. Auditors' remuneration

	2016 €	2015 €
Fees	887 359	368 805
Other non-audit services	77 819	71 604
	<b>965 178</b>	<b>440 409</b>

### 33. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

#### Depreciation

Property, plant and equipment

#### Amortisation

Intangible assets

Impairments

Goodwill

Other receivables

**Total depreciation, amortisation and impairments**

	2016 €	2015 €
Property, plant and equipment	341 134	269 779
Intangible assets	404 941	312 091
Impairments	-	181 533
Goodwill	-	217 578
Other receivables	-	-
	<b>746 075</b>	<b>980 981</b>

### 34. Employee benefit expense

Employee costs	2016 €	2015 €
Basic	6 825 770	3 725 385
Commissions	556 835	207 223
	<b>7 382 605</b>	<b>3 932 608</b>

The total average number of employees during the financial year was 328.

### 35. Investment revenue

	2016 €	2015 €
Bridging finance interest	-	270 370
Related party interest	1 499 750	601 661
	<b>1 499 750</b>	<b>872 031</b>

### 36. Finance costs

	2016 €	2015 €
Shareholders loans	710 165	2 497 178
Other financial borrowings	9 637 249	2 838 546
Loss on foreign exchange	467 958	985 382
Funding origination costs	1 129 179	377 428
Other interest	3 878	-
	<b>11 948 429</b>	<b>6 698 534</b>

### 37. Income tax expense

Major components of the income tax expense	2016 €	2015 €
<b>Current</b>		
Local income tax - current period	2 829 616	2 652 915
Excise duty	397	408
Withholding tax - current period	820 464	797 259
	<b>3 650 477</b>	<b>3 450 582</b>
<b>Deferred</b>		
Originating and reversing temporary differences	(2 054 825)	(1 099 060)
	<b>(2 054 825)</b>	<b>(1 099 060)</b>
<b>Total income tax expense</b>	<b>1 595 652</b>	<b>2 351 522</b>

Reconciliation of the Income tax expense  
Reconciliation between accounting profit and tax expense.

Accounting profit/(loss)	949 319	5 686 838
Tax at the domestic tax rates applicable to profits in the respective countries	203 956	1 231 318

#### Tax effect of adjustments on taxable income

Nondeductible expenses	201 685	26 365
Thin Capitalisation	120 899	-
Amortisation of customer base	(19 465)	19 319
Unrecognised tax losses	420 586	372 977
Utilisation of previously unrecognised tax losses	-	(92 129)
Withholding tax credit	808 314	797 258
Prior period adjustment	(118 482)	(3 994)
Nondeductible income	(22 238)	-
Excise duty	397	408
	<b>1 595 652</b>	<b>2 351 522</b>

## 38. Cash generated from/ (used in) operations

	2016 €	2015 €
Profit/(loss) before taxation	949 319	5 686 838
<b>Adjustments for:</b>		
Depreciation and amortisation	744 480	581 870
Loss on disposal	5 200	14 247
Investment revenue	(1 499 750)	(872 031)
Finance costs	11 948 429	6 698 534
Goodwill and other receivable impairments	-	399 111
Loan impairment	9 107 632	6 813 975
Employee share option plan	381 786	-
<b>Changes in working capital:</b>		
Loan book	(16 674 246)	(24 250 538)
Other receivables	(3 249 702)	(3 825 552)
Deposits from customers	389 039	-
Trade and other payables	4 100 001	2 907 144
	<b>6 202 188</b>	<b>(5 846 402)</b>

## 39. Commitments

### Operating leases – as lessee (expense)

Minimum lease payments due	2016 €	2015 €
- within one year	542 150	377 757
- in second to fifth year inclusive	699 956	720 907
- later than five years	-	1 086
	<b>1 242 106</b>	<b>1 099 750</b>

The future minimum lease payments payable under non-cancellable operating leases are listed in the table above. Operating leases comprise lease rentals payable on premises being rented.

## 40. Contingencies and guarantees

GetBucks Limited (Mauritius) stands guarantee for publicly traded bonds issued by its Austrian subsidiary (GetBucks Invest). Default on scheduled interest payments could result in the bond holders recalling the bonds and calling on the guarantee. The extent of exposure amounts to €5,428,921 (\$6,027,312), (June 2015: €5,017,373 (\$5,591,634)).

The original guarantee amounted to €30,000,000, however the exposure is limited to the bond values drawn upon.

GetBucks Limited (Mauritius) has provided cash backed guarantees to Bank of Gaborone to the value of €405,324 (\$450,000), (June 2015: €551,840 (\$615,000)). Default on the respective loan and facility agreements could result in the bank calling on the security.

GetBucks Limited (Mauritius) has provided cash backed guarantees to Ecobank to the value of €2,251,800 (\$2,500,000), (June 2015: €987,030 (\$1,100,000)). Default on the respective loan and facility agreements would result in the bank calling on the security.

GetBucks Limited (Mauritius) has provided cash backed guarantees to Standard bank Malawi to the value of €2,213,335 (\$2,457,295). Default on the respective loan and facility agreements could result in the bank calling on the security.

GetBucks Financial Services Limited (Zambia) has provided cash backed guarantees to Zambia National Commercial Bank Limited to the value of €2,130,202 (\$2,365,000), (June 2015: €448,650 (\$500,000)). Default on the respective loan and facility agreements could result in the bank calling on the security.

Ochwe Properties (Pty) Ltd - Mortgage loan €443,988 (P5,394,228) secured by the value of the building €699,619 (P8,500,000) limited to the mortgage value.

NMB Bank Zimbabwe Limited - Guarantee on behalf of GetBucks Financial Services (Private) Limited (Zimbabwe) for facility from TLG Capital to the value of € 2,251,800 (\$2,500,000), (June 2015: €2,243,250 (\$2,500,000)).

EcoBank Zimbabwe - Guarantee on behalf of EMU-INYA Enterprises Limited (Kenya) for facility from EcoBank Kenya to the value of € 900,720 (\$1,000,000), (June 2015: €897,300 (\$1,000,000)).

Brainworks Capital Limited - Guarantee on behalf of Getbucks Limited (Mauritius) for a facility from Al Sharms Global Limited for € 6,305,040 (\$7,000,000), (June 2015: €6,281,102 (\$7,000,000)). in the form of Shares in Dawn Properties Limited.

EcoBank Zimbabwe - Guarantee on behalf of GetBucks Botswana (Proprietary) Limited (Botswana) for facility from Bank of Gaborone to the value of €0 (\$0), (June 2015: €897,300 (\$1,000,000)).

EcoBank Zimbabwe - Guarantee on behalf of GetBucks Limited (Mauritius) for facility from EcoBank Malawi to the value of €0 (\$0), (June 2015: €1,121,625 (\$1,250,000)).

### Cession on loans

The cession on loans refers to the yielding of rights over specified assets held by the group to provide security over debt funding received.

	2016 €	2015 €
<b>TU Loans (Proprietary) Limited (Botswana)</b> Cession of loan book for loan from DBF Capital Partners to the value of \$4,000,000.	3 602 880	3 589 200
<b>EMU-INYA Enterprises Limited (Kenya)</b> Cession of loan book for loan from TLG Africa for an amount of \$2,500,000	2 251 800	-
<b>GetBucks Limited (Malawi)</b> Cession of loan book for loan from TLG Africa for an amount of \$2,500,000	2 251 800	-
<b>GetBucks Limited (Malawi)</b> Cession of loan book for loan from Opportunity international Bank of Malawi Limited - MKW 650,000,000	818 411	-
<b>GetBucks Financial Services Limited (Zambia) and GetBucks Financial Services (Private) Limited (Zimbabwe)</b> Cession of loan books for the loan from Al Shams Global Limited to the value outstanding of \$5,000,000.	4 503 600	4 487 259

## 41. Segmental reporting

### Summary of segments

The Group has identified its reportable segments based on geographical location of the markets served by its operations. The segments also reflect how the Group's businesses are managed and reported to the Chief Operating Decision Maker ("CODM"). The CODM primarily uses the net profit after

tax to assess the performance of the operating segments. The CODM also receives monthly information about the segments' loans to clients.

### Sub-Saharan Africa

These are segments that offer lending products to clients and support for the Group and are reported by geographical location, and include:

- Botswana
- Equatorial Guinea
- Ghana
- Kenya
- Malawi
- Mauritius
- Namibia
- Swaziland
- Zimbabwe
- Zambia
- Uganda

### Europe

These are segments that offer lending products to clients and support for the Group and are reported by geographical location, and include:

- Luxembourg
- Austria
- Poland
- Spain

### South Africa

These are segments that offer lending products to clients. The segment includes all subsidiaries located in South Africa.

<b>Segment information - 2016</b>	<b>South Africa</b>	<b>Sub-Saharan Africa</b>	<b>Europe</b>	<b>Group</b>
	€	€	€	€
Revenue	9 714 547	26 956 595	2 234 610	38 905 752
<b>Total revenue</b>	<b>9 714 547</b>	<b>26 956 595</b>	<b>2 234 610</b>	<b>38 905 752</b>
Impairment of loans	(3 435 618)	(3 155 696)	(2 516 320)	(9 107 634)
Other income	401 841	215 161	40 035	657 037
<b>Total other income</b>	<b>3 181 099</b>	<b>4 688 040</b>	<b>40 035</b>	<b>7 909 174</b>
Internal other income	(2 779 258)	(4 472 879)	-	(7 252 137)
Operating expenses	(7 037 644)	(10 096 466)	(1 923 047)	(19 057 157)
<b>Total operating expenses</b>	<b>(7 574 555)</b>	<b>(16 010 007)</b>	<b>(1 923 047)</b>	<b>(25 507 609)</b>
Internal operating expenses	536 911	5 913 541	-	6 450 452
Operating profit	(356 874)	13 919 594	(2 164 722)	11 397 998
Investment revenue	64 713	1 435 025	12	1 499 750
<b>Total investment revenue</b>	<b>391 581</b>	<b>5 028 373</b>	<b>665 736</b>	<b>6 085 690</b>
Internal investment revenue	(326 868)	(3 593 348)	(665 724)	(4 585 940)
Finance costs	(828 451)	(10 499 451)	(620 527)	(11 948 429)
<b>Total finance costs</b>	<b>(1 906 284)</b>	<b>(16 310 435)</b>	<b>(921 535)</b>	<b>(19 138 254)</b>
Internal finance costs	1 077 833	5 810 984	301 008	7 189 825
Profit before taxation	(1 120 612)	4 855 168	(2 785 237)	949 319
Taxation	(89 835)	(1 989 319)	483 502	(1 595 652)
Profit after taxation	(1 210 447)	2 865 849	(2 301 735)	(646 333)
Depreciation and amortisation	(201 014)	(542 367)	(2 694)	(746 075)

Loans to clients	8 257 328	31 674 667	1 268 951	41 200 946
Other assets	4 679 405	29 424 635	13 098 696	47 202 736
<b>Other assets</b>	<b>8 515 257</b>	<b>62 734 832</b>	<b>109 389 314</b>	<b>180 639 403</b>
Internal assets	(3 835 852)	(33 310 197)	(96 290 618)	(133 436 667)
<b>Total segment assets</b>	<b>12 936 733</b>	<b>61 099 302</b>	<b>14 367 647</b>	<b>88 403 682</b>
Other liabilities	7 704 278	53 499 348	7 710 355	68 913 981
<b>Other liabilities</b>	<b>16 285 559</b>	<b>78 854 054</b>	<b>14 600 950</b>	<b>109 740 563</b>
Internal liabilities	(8 581 281)	(25 354 704)	(6 890 595)	(40 826 580)
<b>Total segment liabilities</b>	<b>7 704 278</b>	<b>53 499 348</b>	<b>7 710 355</b>	<b>68 913 981</b>

<b>Segment information - 2015</b>	<b>South Africa</b>	<b>Sub-Saharan Africa</b>	<b>Europe</b>	<b>Group</b>
	€	€	€	€
Revenue	8 875 081	21 416 555	999 211	31 290 847
<b>Total revenue</b>	<b>8 875 081</b>	<b>21 416 555</b>	<b>1 025 522</b>	<b>31 317 158</b>
Internal revenue	-	-	(26 311)	(26 311)
Impairment of loans	(4 446 128)	(1 748 951)	(618 896)	(6 813 975)
Other income	266 525	126 122	13 840	406 487
<b>Total other income</b>	<b>2 045 955</b>	<b>3 642 550</b>	<b>13 840</b>	<b>5 702 345</b>
Internal other income	(1 779 430)	(3 516 428)	-	(5 295 858)
Operating expenses	(6 153 524)	(6 444 817)	(771 677)	(13 370 018)
<b>Total operational expenses</b>	<b>(6 153 524)</b>	<b>(12 919 486)</b>	<b>(796 145)</b>	<b>(19 869 155)</b>
Internal operational expenses	-	6 474 669	24 468	6 499 137
Operating profit	(1 458 046)	13 348 909	(377 522)	11 513 341

<b>Segment information - 2015 (continued)</b>	<b>South Africa €</b>	<b>Sub-Saharan Africa €</b>	<b>Europe €</b>	<b>Group €</b>
Investment revenue	185 487	686 565	(22)	872 031
Total investment revenue	186 616	2 836 582	691 462	3 714 659
Internal investment revenue	(1 130)	(2 150 016)	(691 484)	(2 842 630)
Finance costs	(456 746)	(5 580 646)	(661 142)	(6 698 534)
Total finance costs	(927 805)	(8 335 625)	(699 969)	(9 963 399)
Internal finance costs	471 059	2 754 979	38 827	3 264 865
Profit before taxation	(1 729 306)	8 454 827	(1 038 685)	5 686 838
Taxation	79 325	(2 498 605)	67 758	(2 351 522)
Profit after taxation	(1 649 981)	5 956 222	(970 927)	3 335 316
Depreciation and amortisation	(102 910)	(478 261)	(699)	(581 870)
Loans to clients	9 974 328	25 041 283	1 183 516	36 199 127
Other assets	5 974 110	22 531 776	543 327	29 049 213
Other assets	6 028 258	44 911 159	5 818 995	56 758 412
Internal assets	(54 148)	(22 379 383)	(5 275 667)	(27 709 199)
Total segment assets	15 948 439	47 573 058	1 726 843	65 248 340
	(7 895 722)	(39 249 552)	(5 618 919)	(52 764 192)
Other liabilities	(15 483 104)	(55 575 327)	(6 942 588)	(78 001 018)
Internal liabilities	7 587 382	16 325 775	1 323 669	25 236 826
Total segment liabilities	(7 895 722)	(39 249 551)	(5 618 919)	(52 764 192)

## 42. Related parties

### Relationships

<b>Subsidiaries</b>	<b>Holding % 2016</b>
GetBucks Limited (Mauritius)	100.0%
GetBucks (Proprietary) Limited (South Africa)	100.0%
GetBucks (Proprietary) Limited (Botswana)	100.0%
BU Bucks (Proprietary) Limited (Botswana)	85.0%
CashCorp (Proprietary) Limited (Botswana)	100.0%
TU Loans (Proprietary) Limited (Botswana)	85.0%
GetBucks Financial Services (Private) Limited (Zimbabwe)	50.3%
GetBucks Limited (Malawi)	99.0%
EMU-INYA Enterprises Limited (Kenya)	100.0%
GetSure Botswana (Proprietary) Limited (Botswana)	100.0%
GetBucks Invest GmbH (Austria)	100.0%
GetBucks Spain SL (Spain)	95.0%
GetBucks Poland SP z.o.o (Poland)	100.0%
GetBucks Financial Services Limited (Zambia)	100.0%
Ligagu Investments (Proprietary) Limited (Swaziland)	49.0%
GetBucks (Proprietary) Limited (Namibia)	100.0%
GetBucks Limited (Ghana)	60.0%
GetBucks Limited (Uganda)	100.0%
GetBucks Equatorial Guinea Limited (Equatorial Guinea)	51.0%
VSS Financial Services (Proprietary) Limited (South Africa)	100.0%
GetSure (Proprietary) Limited (South Africa)	100.0%
Sanceda Recoveries (Proprietary) Limited	100.0%
Alto Legal (Proprietary) Limited (Botswana)	100.0%
Alto Assurance (Proprietary) Limited (Botswana)	100.0%
Ochwe Properties (Proprietary) Limited (Botswana)	50.0%
GetBucks (Proprietary) Limited (Swaziland)	51.0%
GetSure Life Limited (South Africa)	100.0%

<b>Subsidiaries</b>	<b>Holding % 2016</b>
GS Insurance Limited (Namibia)	95.0%
GetSure Holdings Botswana (Proprietary) Limited (Botswana)	100.0%



<b>Related parties</b>	<ul style="list-style-type: none"> <li>» African Corporate Aviation (Proprietary) Limited</li> <li>» Escalator Investments (Zambia)</li> <li>» Escalator Investments (Swaziland)</li> <li>» Ecsponent Credit Services (Proprietary) Limited (South Africa)</li> <li>» Falco Joco Trading (Proprietary) Limited</li> <li>» Komo Finance (Proprietary) Limited</li> <li>» Wheatfields Investments (Proprietary) Limited</li> <li>» Gregory Niemand</li> <li>» Mike Hodgkiss</li> <li>» RBC CEES Trustee Limited</li> <li>» Vanguard Holdings Limited</li> <li>» Carcharias Holdings Limited</li> <li>» Mylesland Investment Holdings Limited</li> <li>» IBMOC (Proprietary) Limited</li> <li>» Ecsponent Capital (RF) Limited</li> <li>» Serengeti Capital</li> <li>» Botswana Teachers Union</li> <li>» Brainworks Capital Management Limited (Zimbabwe)</li> </ul>
<b>Major shareholders</b>	<ul style="list-style-type: none"> <li>» Tailored Investments Limited</li> <li>» Sunblaze Investment Holdings Limited</li> <li>» Ecsponent Projects (Proprietary) Limited</li> <li>» Brainworks Capital Management Limited (Mauritius)</li> <li>» Aeneas Holdings AG</li> <li>» Chris Rokos</li> <li>» Koch Bank</li> </ul>
<b>Members of the Board of Directors</b>	<ul style="list-style-type: none"> <li>» David van Niekerk</li> <li>» Johannes Hendrik Jonck</li> <li>» Timothy Nuy</li> <li>» Gerd Alexander Shütz</li> <li>» George Manyere</li> <li>» Simon Village</li> <li>» Trevor Joslin</li> <li>» Dennis Allen Wallestad</li> </ul>



## Related party balances

Refer to notes 10 and 12 for detailed disclosures relating to related party loan accounts.

## Related party transactions

### *(Investment revenue)/finance costs from shareholders*

	2016 €	2015 €
Tailored Investments Limited	506 253	382 800
Brainworks Capital Management Limited (Mauritius)	(38 214)	(5 882)
Sunblaze Investment Holdings Limited	96 115	66 140
RBC CEES Trustee Limited	-	1 698 910
Aeneas Holdings AG	163 317	101 188
Vanguard Holdings Limited	-	8 430
Wheatfields Investments (Proprietary) Limited	-	60 199
Ecsponent Projects (Proprietary) Limited	(548 173)	-
	<b>179 298</b>	<b>2 311 785</b>

### *(Investment revenue)/finance costs from related parties*

Komo Finance (Proprietary) Limited	(4 456)	(4 866)
Wheatfields Investments (Proprietary) Limited	52 296	-
Vanguard Holdings Limited	29 953	-
RBC CEES Trustee Limited	3 179 017	-
Brainworks Capital Management Limited (Zimbabwe)	(241 493)	123 054
Ecsponent Capital (RF) Limited	(136 819)	-
Escalator Investments (Zambia)	107 499	-
Ecsponent Credit Services (Proprietary) Limited (South Africa)	799 438	-
Escalator Investments (Swaziland)	19 068	-
Botswana Teachers Union	(29 143)	(40 388)
Carcharias Holdings	67 157	6 560
	<b>3 842 517</b>	<b>84 360</b>



#### Fees charged from related parties

Tailored Investments Limited	353 805	317 530
Sunblaze Investment Holdings Limited	156 778	174 437
Carcharias Holdings	54 063	15 565
Mylesland Investments	108 127	124 521
IBMOC (Proprietary) Limited	179 092	-
	<b>851 864</b>	<b>632 053</b>

### 43. Directors' and key management emoluments

#### The amounts below include emoluments paid to key management.

2016	Share options	Emoluments	Total
Executive directors	259 020	1 330 278	1 589 298
Non-executive directors	-	95 266	95 266

2015	Share options	Emoluments	Total
Executive director's	-	1 174 698	1 174 698
Non-executive directors	-	-	-

#### Share Options

100,000 Share options were granted to directors under the employee share option plan as disclosed in note 21. 66,666 shares have vested in the current financial year.

#### Emoluments

Emoluments include all executive as well as non-executive directors across the Group and not just the directors of MyBucks S.A.

### 44. Comparative figures

Where necessary, comparative figures within notes have been reclassified to conform to changes in presentation in the current year.

#### Consolidated Combined Statement of Financial Position

Loans from related parties  
Other financial borrowings  
Loans to related parties  
Loans to shareholders  
Loans to related parties  
Loans to shareholders  
Loans to related parties  
Other financial assets

	2015
Carcharias Holdings Limited	(471 130)
Carcharias Holdings Limited	471 130
Serengeti Capital	11 163
Serengeti Capital	(11 163)
Botswana Teachers Union	514 591
Botswana Teachers Union	(514 591)
Mike Hodgkiss	16 970
Mike Hodgkiss	(16 970)

#### Consolidated Combined Statement of Profit or Loss and comprehensive income

Operating expenses  
Finance costs

	2015
Funding origination costs	(377 428)
Funding origination costs	377 428

### 45. Events after the reporting period Post balance sheet acquisitions

#### Exercise of Greenshoe Options

On 22 July 2016, Hauck & Aufhauser Privatbankiers KGaA exercised the green shoe option in full, acquiring further 150,000 shares from the Company and transferring proceeds of EUR 2,025,000 to the Group. The Greenshoe option was exercised in full as Hauck & Aufhauser carried out no Stabilisation Transactions on the Frankfurt Stock Exchange Entry Standard.

#### Post balance sheet acquisitions

##### Opportunity International

The Group successfully completed the acquisition of Opportunity Kenya, Mozambique and Tanzania from Opportunity International. Because of this Transaction, MyBucks paid a consideration to Opportunity International of US\$ 1,766,807 and 16,667 shares in MyBucks S.A. MyBucks is currently completing a purchase price allocation for the entities, which will be fully incorporated in its June 2017 financials. Total consideration based on 30 June exchange rate and a MyBucks share price of EUR 15.88 equates to EUR 1,856,069. The purchase price

on these entities has been finalized based on closing accounts and does not include any contingent consideration.

In September 2016, the Group received regulatory approval to take a 49% stake in Opportunity Bank of Uganda Limited and subsequently completed this acquisition on 1 October 2016 against a consideration of US\$ 1,684,654 in cash and 133,333 shares in MyBucks. Total consideration based on 30 June exchange rate and a MyBucks share price of EUR 18.80 equates to EUR 4,005,229. This purchase price is still subject to an adjustment based on the audited closing accounts for 30 September 2016. Management does not expect this adjustment to be material; no other contingent consideration exists.

MyBucks will initiate the process of issuing the total of 150,000 shares as newly issued shares to Opportunity International upon the completion of the audited closing accounts of Opportunity Bank of Uganda Limited and expects this process to be completed by 31 March 2017.

The acquisitions will give the group access to more affordable funding lines through local deposits and allow the group to control the bank accounts of all loan clients and thus improve collections processes. It will also offer the group various new revenue streams. As a result, based on the current estimates, a bargain purchase existed on the acquisitions of Opportunity Kenya, Mozambique and Tanzania which could result in a gain of EUR 2,914,481.

##### Fair Go Finance (Pty) Ltd

The Group entered into agreements on 18 October 2016 to acquire a 75% stake in Fair Go Finance (Pty) Ltd and subsequently completed this acquisition on 12 January 2017 against a consideration of 117,613 shares in MyBucks. Total consideration based on exchange rate of (AUD/EUR) 1.44 and a MyBucks share price of EUR 17.70 equates to EUR 2,081,751.

MyBucks will initiate the process of issuing the total of 117,613 shares as newly issued shares to the shareholders of Fair Go Finance (Pty) Ltd upon the completion of all conditions precedent and expects this process to be completed by 31 January 2017.

The acquisition will give the group access to the Australasian market through an already established Australian business, a dedicated client base and operational know how of the market. Fair Go Finance is well respected with access to affordable hard currency funding lines through local fund management partnerships and is well positioned to spring board MyBucks into the rest of Australasia. It will also offer the group various new revenue streams denominated in hard currency and thus reducing potential foreign exchange exposure.

#### Summary of post balance sheet acquisitions

	Acquisition date	Purchase price	Holding
	€	€	%
Banco Oportunidade de Mocambique. SA	01/07/2016	1 268 553	84.29%
Opportunity Kenya Limited	01/07/2016	448 508	89.11%
Opportunity Tanzania Limited	01/07/2016	139 008	100.00%
Opportunity Bank of Uganda Limited	01/10/2016	4 005 229	49.00%
Fair Go Finance (Pty) Ltd	12/01/2017	2 081 752	75.00%

Note: Exchange rate applied of USD/EUR 1.11 as of 1 July 2016, USD/EUR 1.12 as of 1 October 2016 and AUD/EUR 1.44 as of 12 January 2017.

Currently the accounts of all five entities are still being audited. MyBucks expects to complete the purchase price allocation for the above five acquisitions prior to 30 June 2017, being fully reflective in next year's audited accounts.

As per the requirements of IFRS 3 the fair values presented for these acquisitions are incomplete due to the following key factors:

- » The valuation of certain loans and advances have not been completed. This is since management believes there may facts and circumstances that existed at the acquisition date that have not been factored into the impairment calculations of these loans.
- » The identification of intangible assets and valuation of property, plant and equipment has not yet been completed as at the date of this report.
- » Establishment of restructuring provisions and identification of contingent liabilities has not yet been completed as at the date of this report.

The Group has measured the Non-controlling interest as a proportion of the fair value of the total net assets acquired.

	Property, plant and equipment	Intangible assets	Loans receivable	Loan book	Cash and cash equivalents	Other assets	Total Assets
Banco Oportunidade de Mocambique, SA	720 314	9 736	876 569	3 728 456	718 722	163 637	6 217 434
Opportunity Kenya Limited	51 520	1 173	-	3 158 968	1 306 796	1 016 152	5 534 609
Opportunity Tanzania Limited	426 328	-	-	2 079 866	381 340	164 307	3 051 841
Opportunity Bank of Uganda Limited	956 534	123 393	866 268	10 824 628	881 316	5 118 102	18 770 241
Fair Go Finance (Proprietary) Limited	37 905	162 923	9 724	6 311 289	790	112 469	6 635 100
	<b>2 192 601</b>	<b>297 225</b>	<b>1 752 561</b>	<b>26 103 207</b>	<b>3 288 964</b>	<b>6 574 667</b>	<b>40 209 225</b>

	Loans payable	Other liabilities	Bank overdraft	Total liabilities	NCI	Consideration	Goodwill / (Bargain purchase)
Banco Oportunidade de Mocambique, SA	645 788	3 775 685	-	4 421 473	282 145	1 268 553	(245 263)
Opportunity Kenya Limited	1 593 523	2 400 113	233 768	4 227 404	142 355	448 508	(716 342)
Opportunity Tanzania Limited	335 111	624 844	-	959 955	-	139 008	(1 952 878)
Opportunity Bank of Uganda Limited	1 474 369	10 797 039	-	12 271 408	3 314 406	4 005 229	820 802
Fair Go Finance (Proprietary) Limited	4 082 612	688 874	-	4 771 486	465 904	2 081 752	684 042
	<b>8 131 403</b>	<b>18 286 555</b>	<b>233 768</b>	<b>26 651 726</b>	<b>4 204 810</b>	<b>7 943 050</b>	<b>(1 409 639)</b>

Note: Exchange rates applied on the respective dates of acquisitions were MZN/EUR 70.22 for Banco Oportunidade de Mocambique, SA, KSH/EUR 112.58 for Opportunity Kenya Limited, TZS/EUR 2,439.68 for Opportunity Tanzania Limited, UGS/EUR 3,807.53 for Opportunity Bank of Uganda Limited and AUD/EUR 1.43 for Fair Go Finance (Pty) Ltd.

### Post balance sheet acquisitions pending regulatory approval

Based on the Sales & Purchase Agreement concluded between the Group and Opportunity International, MyBucks expects to close out the transactions in Ghana and Malawi in the near-term future. Regulatory approval requests have been filed with the appropriate authorities.

On 7 November 2016, MyBucks announced the intent to acquire a controlling stake in a Botswana microfinance operation. This acquisition is subject to all customary approvals, and MyBucks expects to ratify the acquisition by 31 March 2017. The loan book of EUR 3.5 million has had debt rate of less than three percent. MyBucks will be acquiring the controlling stake at a multiple of eight times of adjusted net profit after tax.

### Funding raised post year-end

On 27 July 2016, the Group agreed to enter into a new promissory note with Ever Prosperous Worldwide Limited with a principal sum of US\$ 10,000,000 replacing the facility with Al Shams Global Limited with a principal sum of US\$ 5,000,000. The maturity of the facility is 31 July 2017, with similar other terms to the previous facility.

On 23 August 2016, the Group entered into a one-year funding agreement with BIW Bank für Investments und Wertpapiere A.G., a wholly owned subsidiary of FinTech Group Ag, with a principal sum of EUR 8,000,000.

### Other

On 11 August 2016, the Group incorporated MyBucks Europe S.A. to bundle its activities in Europe. After year-end on 1 October 2016, MyBucks Europe S.A. acquired the interests in GetBucks Spain and GetBucks Poland financed by a facility from its parent MyBucks S.A. Any further activities in Europe will be bundled under the MyBucks Europe umbrella.

As at 30 June 2016, GetBucks South Africa had three facilities in place with Ecsponent Limited to the value of €5,289,118 (R86,507,865), which were all set to mature within 1 year. On 1 October 2016, both parties negotiated a new facility, whereby the current facilities were rolled into a new facility that would mature over a 36-month period.

On 12 October 2016, the Group entered into a Trademark License Agreement with Opportunity International. As in the past, Opportunity International will continue to provide funding to banks for program related financial products and services and commits to a minimum of US \$30 million

to further its mission to provide financial services to the unbanked. Based on the current licensed institutions, MyBucks will pay a consideration of EUR 4.75m for the license, equating to a maximum of EUR 79k per annum per bank. This amount will reduce with inclusion of the Banks down the line. MyBucks will settle the consideration through the issuance of 250,000 shares out of its authorised capital at a value of EUR 19 per share. MyBucks will process the issuance of the shares upon finalization of its annual accounts and expects this process to be completed by 31 March 2017.

On 21 November 2016, the High Court of South Africa set aside a judgement passed on 6 May 2016, wherein the National Credit Regulator had proposed new rates and fee caps effecting short-term credit facilities. The judgement was, however, suspended as from 2 December 2016 since the decision taken above was appealed by the National Credit Regulator. The rates enforced on 6 May 2016 were therefore applicable once again. On 13 December 2016, the leave to appeal was successfully opposed.

On 15 December 2016, GetBucks Botswana obtained approval from the Botswana Stock Exchange to list its BWP 500 million Domestic Medium Note Programme.





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