



**ecsponent**  
Limited

COMPANY PROFILE



## Listed Investment - Ecsponent Limited

Ecsponent Limited (“Ecsponent”) is a specialist financial services Group of companies. The Group generates wealth through investment in financial and private equity assets in specific niche market sectors.

The Group operates on a matrix structure, leveraging core skill across its targeted geographies and is structured into three pillars namely:

- Financial Services in South Africa and the common monetary countries;
- Financial Services in the rest of Africa; and
- Private Equity.

Underpinning the pillars the Group performs key functions in order to generate wealth including Capital Raising, Credit and Capital Growth.

As a listed private equity company, Ecsponent focusses on African opportunities where local businesses can be leveraged, grown or brought into the Group.

Here it looks for African acquisitions whereby shares and cash can be used to purchase businesses that suit the business model and are complimentary to its expansion plans or other investments. These include but are not limited to banking, stock broking, advisory and private equity opportunities.

## Vision

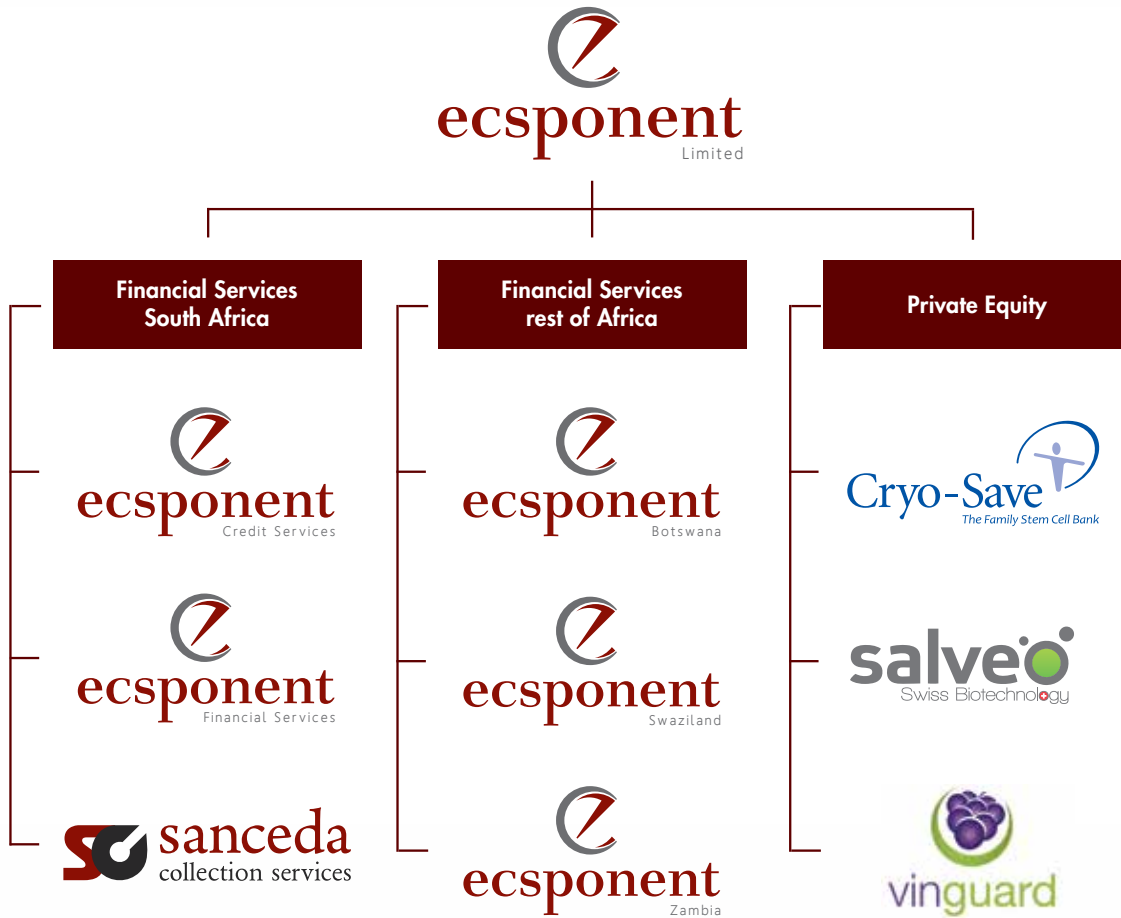
Ecsponent intends to become the premier provider of financial services in the niche market segments of the territories in which it operates. We strive to achieve industry leading and sustainable growth in shareholder value thereby becoming the investment destination of choice in our sector.

## Strategy

While Ecsponent focusses predominantly on the financial services industry as its primary industry, niche market private equity opportunities form an additional investment component. Here equity investments are deployed in high technology companies which provide above average profit returns.

This is achieved by identifying, developing and profitably commercialising intellectual property and technology in the target company.

# Group structure



The directors continually identify and evaluate opportunities which have synergy with the Groups objectives and which would contribute to the Group. The overriding objective of the Group's business model, irrespective of country of operation, is to leverage high growth business potential by providing capital prudently. In so doing value is unlocked for providers of capital, business owners and other stakeholders.

As stated above the predominant focus of the Group is on financial and finance related products and services, high-tech, high growth investment businesses and other investment opportunities which meet the required investment criteria.

### **Unlocking Shareholder Value**

The Group's investments are diversified across a number of industries, predominantly financial services and technology. High-growth opportunities are identified and negotiated by industry specialists with significant experience in these industries. Shareholder value is currently improved by the expansion of the Group through the growth in the underlying assets and operational trading.

## Financial Services South Africa

The core revenue generation of the Financial Services divisions of Ecsponent is the provision of finance to select niche markets. The division provides employee benefits, business finance for SMEs and finance for the factoring of secured transactions which satisfy the Group's credit criteria.

Ecsponent holds numerous FSB licences which facilitates the access to retail markets for the Group's financial services offering. The company funds its investment portfolio by means of cash generated from these portfolios and the income generated by the sale of redeemable preference shares to the public. These products complement the Group's capital raising activities.

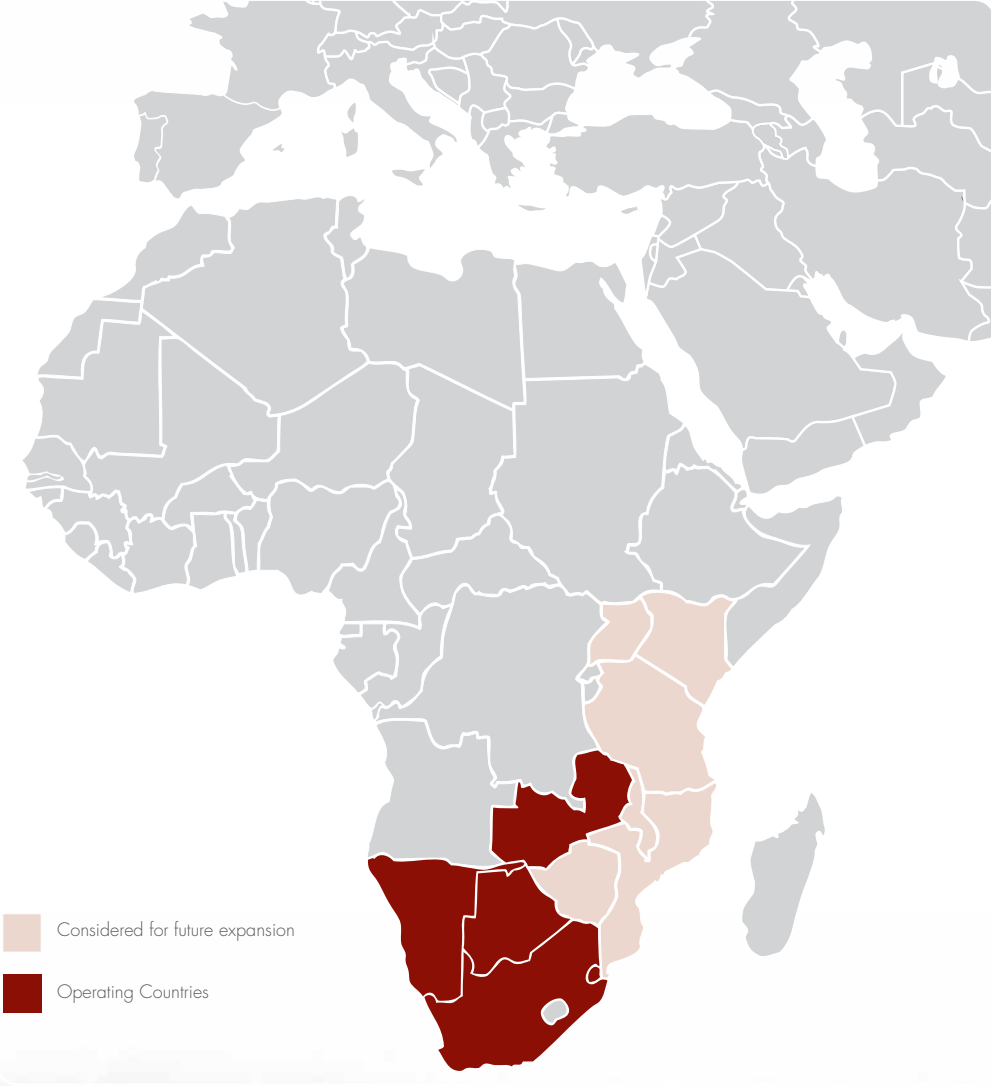
The FSB registrations also facilitate the Group's intention to provide an asset management division and further future expansion in the financial services sector.

To manage the credit risk the Group applies a conservative credit policy and principals of a responsible lender ensuring its customers do not become over indebted and repayments remain affordable. In instances where loans default they are transferred to the Group's specialised collections division.

## Financial Services Rest of Africa

The roll out of the Group's financial services offering into Africa replicates the South African model and leverages off the infrastructure, systems, products and management expertise of the local business.

The regulatory framework of each country is fully complied with and the directors of each company are responsible for the operations in the territory. The central South African backbone provides the required governance and control based on the requirements of the Ecsponent board.





## Botswana

The Botswana operations include capital raising activities which mirror the South African process and provides on going liquidity to the country's credit operations. Ecsponent Botswana provides factoring based finance for secured transactions as well as secured loans to small and medium enterprises ("SME") that qualify. The presence of large multinationals such as Debswana provide an ongoing requirement for such funding.

## Swaziland

As with Botswana, the Swaziland start-up operation included capital raising opportunities which mirror the South African process and provide on-going liquidity to the company's credit operations that includes consumer credit, factoring based finance and SME finance. Employee benefit products in Swaziland have the added security of a government payroll deduction code. Factoring and SME finance has shown a satisfactory roll out and the directors have high expectations for these activities in the territory.

The group has a strategic alliance with Getbucks in the territory to penetrate the short term retail credit market. Getbucks are specialists in this field and are responsible for the day to day operations with Ecsponent providing the funding.

## Zambia

The Zambian operation is in its infancy and is intended to provide similar products and services to the rest of the Group. The country's demand for both retail and business credit ensures that the company's products are likely to be immediately successful. Post the period under review, the Bank of Zambia awarded Ecsponent Financial Services Limited ("Ecsponent Zambia") with a Tier 2 Deposit Taking Licence thereby providing the company with the regulatory approvals to proceed with its operations.

Ecsponent Zambia already holds deposits from retail investors and will shortly begin to provide loans to SMEs that qualify, as well as factoring finance for secured transactions.







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