

Bayport Securitisation (RF) Ltd
Investor Report
June 2012

Monthly Investor Report

Financial statistics for the period ended June 2012

		Jun 12	May 12	Apr 12	Mar 12	Feb 12	Jan 12	Dec 11	Nov 11	Oct 11	Sep 11	Aug 11	Jul 11
Performance ratios *													
Total income as a % of ave gross loans and advances	%	36.0%	36.3%	36.9%	37.4%	36.8%	37.2%	37.6%	37.6%	37.6%	37.9%	37.0%	36.9%
Direct and indirect expenses to ave gross loans and advance	%	11.5%	11.4%	11.3%	11.1%	11.0%	10.9%	10.7%	10.4%	10.0%	9.5%	8.8%	8.1%
Direct and indirect expenses to total income	%	32.0%	31.5%	30.6%	29.9%	29.9%	29.4%	28.5%	27.7%	26.6%	25.1%	23.7%	22.1%
Return on assets	%	3.2%	3.2%	3.6%	3.8%	3.0%	3.3%	3.7%	3.8%	4.0%	4.4%	4.6%	4.8%
Gearing ratio	times	3.6	3.7	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.7	3.7	3.8
Interest margin	%	20.5%	20.7%	20.9%	21.2%	20.5%	20.2%	20.5%	20.7%	20.7%	20.9%	21.2%	21.0%
Asset and credit quality ratios													
Gross loans and advances	R '000	4 251 633	4 190 887	4 050 117	3 909 388	3 670 663	3 589 566	3 479 013	3 360 009	3 217 859	3 087 287	2 950 291	2 861 894
Non-Performing Loans ("NPLs")	R '000	1 255 961	1 209 977	1 152 165	1 081 954	932 902	902 000	852 284	810 976	767 391	733 989	684 712	660 216
Impairment provision	R '000	639 856	621 680	600 180	562 782	475 684	455 734	429 848	412 325	402 732	390 706	357 613	345 117
Net loans and advances	R '000	3 611 777	3 569 207	3 449 937	3 346 606	3 194 979	3 133 832	3 049 165	2 947 684	2 815 127	2 696 581	2 592 678	2 516 777
Non-performing loans ratio	%	29.5%	28.9%	28.4%	27.7%	25.4%	25.1%	24.5%	24.1%	23.8%	23.8%	23.2%	23.1%
Provision coverage	%	15.0%	14.8%	14.8%	14.4%	13.0%	12.7%	12.4%	12.3%	12.5%	12.7%	12.1%	12.1%
Funding and cash reserves													
Interest bearing liabilities	R '000	3 696 138	3 378 753	3 380 493	3 192 572	3 052 230	2 936 389	2 991 486	3 143 025	2 711 968	2 580 254	2 412 384	2 354 652
Average cost of borrowings	%	11.5%	11.4%	11.6%	11.7%	11.6%	11.6%	11.6%	11.4%	11.6%	11.6%	11.8%	11.7%
Cash and cash equivalents	R '000	463 492	156 216	242 377	196 047	134 686	60 130	249 570	465 646	141 944	98 488	118 244	96 581

* 12 months rolling average

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Statement of Comprehensive Income (unaudited)

	Nine Months Ended 30 Jun 12	Nine Months Ended 30 Jun 11
	R'000	R'000
Interest and other similar income	793 167	558 511
Interest and other similar expenses	(224 398)	(180 580)
Net interest income	568 769	377 931
Impairment of loans and advances	(327 126)	(246 917)
Risk adjusted net interest income	241 643	131 014
Non-interest revenue	165 993	122 271
Direct costs	4 274	(4 505)
Non-interest gross profit	170 267	117 766
Indirect costs	(314 729)	(147 859)
Profit before tax	97 181	100 921
Tax	(27 211)	(28 256)
Profit after tax	69 970	72 665
Dividend paid	-	-
Opening retained income	173 641	107 000
Closing retained income	243 611	179 665

Monthly Investor Report

Statement of Financial Position (unaudited)

	As at 30 Jun 12 R'000	As at 30 Jun 11 R'000
Assets		
Gross loans and advances	4 251 633	2 772 130
Impairment provision	(639 856)	(325 719)
Net advances	3 611 777	2 446 411
Provision for deferred tax	-	14 212
Trade and other receivables	17 162	8 553
Cash and cash equivalents	463 492	147 921
Total assets	4 092 431	2 617 097
Liabilities and equity		
Senior funding	2 524 196	1 775 599
Mezzanine funding	266 001	235 783
Provision for deferred tax	16 898	-
Trade and other payables	112 235	4 936
Provision for income tax	23 549	47 757
Total liabilities	2 942 879	2 064 075
Share capital	1	1
Retained income	243 611	179 665
Junior funding	905 940	373 356
Total equity	1 149 552	553 022
Total liabilities and equity	4 092 431	2 617 097

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Origination

		% change MOM	Jun 12	May 12	Apr 12	Mar 12	Feb 12	Jan 12	Dec 11	Nov 11	Oct 11	Sep 11	Aug 11	Jul 11
Disbursements	R '000	(27.5%)	177 163	244 306	226 452	234 723	210 054	207 276	210 076	252 077	241 500	206 558	165 146	158 479
Number of new loans		(17.1%)	14 570	17 584	15 681	16 882	14 533	15 622	15 755	18 920	17 484	15 205	14 043	13 354
Number of loans on book		0.9%	310 876	308 009	301 992	296 588	283 038	280 359	275 007	268 683	261 346	257 879	254 288	246 472
Average loan value at acquisition	Rand	(12.5%)	12 159	13 894	14 441	13 904	14 454	13 268	13 334	13 323	13 813	13 585	11 728	11 338
Average term at acquisition	Months	(5.5%)	30.1	31.9	33.0	32.1	32.6	31.4	31.6	30.5	31.5	31.6	29.7	29.4

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	11%	10%	10%	10%
Free State	6%	7%	8%	7%
Gauteng	32%	47%	29%	32%
Kwazulu-Natal	16%	11%	20%	19%
Limpopo	7%	3%	6%	6%
Mpumalanga	8%	3%	5%	5%
Northern Cape	3%	2%	3%	3%
Northwest	7%	5%	5%	5%
Western Cape	10%	12%	14%	13%
	100%	100%	100%	100%

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Asset quality

	% change MOM	Jun 12 R'000	May 12 R'000	Apr 12 R'000	Mar 12 R'000	Feb 12 R'000	Jan 12 R'000	Dec 11 R'000	Nov 11 R'000	Oct 11 R'000	Sep 11 R'000	Aug 11 R'000	Jul 11 R'000
Gross loans and advances	1.4%	4 251 633	4 190 887	4 050 117	3 909 388	3 670 663	3 589 566	3 479 013	3 360 009	3 217 859	3 087 287	2 950 291	2 861 894
Performing loans	0.5%	2 995 672	2 980 910	2 897 952	2 827 434	2 737 761	2 687 566	2 626 729	2 549 033	2 450 468	2 353 298	2 265 579	2 201 678
Non-performing loans	3.8%	1 255 961	1 209 977	1 152 165	1 081 954	932 902	902 000	852 284	810 976	767 391	733 989	684 712	660 216
Impairment provision													
Opening balance	3.6%	621 680	600 180	562 782	475 684	455 734	429 848	412 325	402 732	390 706	357 613	345 117	325 719
Bad debt written-off	0.8%	(21 773)	(21 598)	(9 614)	(26 404)	(43 661)	(19 114)	(15 345)	(24 086)	(21 995)	(26 949)	(20 598)	(3 761)
Provision raised	(7.3%)	39 949	43 098	47 012	113 502	63 611	45 000	32 868	33 679	34 021	60 042	33 094	23 159
Closing balance	2.9%	639 856	621 680	600 180	562 782	475 684	455 734	429 848	412 325	402 732	390 706	357 613	345 117

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Asset quality (continued)

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Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Jun 12	May 12	Apr 12	Mar 12	Feb 12	Jan 12	Dec 11	Nov 11	Oct 11	Sep 11	Aug 11	Jul 11
	%	%	%	%	%	%	%	%	%	%	%	%
0	59.0%	60.4%	60.5%	61.0%	62.7%	63.4%	64.2%	65.3%	65.1%	64.0%	62.0%	64.3%
1	5.6%	4.9%	5.1%	5.3%	6.0%	5.5%	5.6%	5.0%	5.1%	5.4%	7.9%	5.9%
2	3.1%	3.1%	3.1%	3.4%	3.2%	3.3%	3.2%	2.9%	3.0%	3.7%	3.8%	3.7%
3	2.8%	2.7%	2.9%	2.6%	2.7%	2.7%	2.5%	2.7%	3.0%	3.1%	3.1%	3.0%
4 +	29.5%	28.9%	28.4%	27.7%	25.4%	25.1%	24.5%	24.1%	23.8%	23.8%	23.2%	23.1%
Monthly loans and advances movement												
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	4 190 887	4 050 117	3 909 388	3 670 663	3 589 566	3 479 013	3 360 009	3 217 859	3 087 287	2 950 291	2 861 894	2 772 130
Disbursements	177 163	244 306	226 452	234 723	210 054	207 276	210 076	252 077	241 500	206 558	165 146	158 479
Interest and other similar income	95 734	91 323	90 090	118 904	79 502	81 257	82 452	77 637	78 301	74 416	80 084	78 558
Non-interest revenue	53 452	67 166	60 133	63 259	59 113	55 466	64 493	64 039	60 587	80 218	46 638	39 530
Collections	(248 800)	(245 235)	(230 157)	(237 997)	(226 042)	(216 259)	(225 488)	(229 442)	(233 682)	(207 845)	(190 479)	(188 728)
Bad debt write-offs and write-backs	(16 803)	(16 790)	(5 789)	59 836	(41 530)	(17 187)	(12 529)	(22 161)	(16 134)	(16 351)	(12 992)	1 925
Closing balance	4 251 633	4 190 887	4 050 117	3 909 388	3 670 663	3 589 566	3 479 013	3 360 009	3 217 859	3 087 287	2 950 291	2 861 894

* Arrears instalments

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Liquidity and funding

Funding	% change MOM	Jun 12 R'000	May 12 R'000	Apr 12 R'000	Mar 12 R'000	Feb 12 R'000	Jan 12 R'000	Dec 11 R'000	Nov 11 R'000	Oct 11 R'000	Sep 11 R'000	Aug 11 R'000	Jul 11 R'000
Class A Notes (senior)	0.0%	2 268 384	2 268 384	2 268 384	2 148 572	2 148 572	2 148 572	2 199 711	2 199 711	1 814 711	1 724 711	1 775 599	1 775 599
Senior warehouse funding	0.8%	255 813	253 719	251 584	252 971	171 727	70 527	70 000	220 000	220 000	200 000	35 000	-
Class B Notes (Mezzanine)	(0.0%)	167 878	167 878	167 878	168 907	168 907	168 907	169 848	169 848	114 848	114 848	115 783	115 783
Other subordinated funding	45.8%	1 004 063	688 772	692 647	622 122	563 024	548 383	551 927	553 466	562 409	540 695	486 002	463 270
Total interest bearing liabilities	9.4%	3 696 138	3 378 753	3 380 493	3 192 572	3 052 230	2 936 389	2 991 486	3 143 025	2 711 968	2 580 254	2 412 384	2 354 652
Average cost of borrowings	0.5%	11.5%	11.4%	11.6%	11.7%	11.6%	11.6%	11.6%	11.4%	11.6%	11.6%	11.8%	11.7%
Cash and cash equivalents	>100%	463 492	156 216	242 377	196 047	134 686	60 130	249 570	465 646	141 944	98 488	118 244	96 581
Average cash reserves (3 months)	45.0%	287 361	198 213	191 037	130 288	148 129	258 449	285 720	235 360	119 559	104 438	120 916	145 950

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Liquidity and funding (continued)

Listed notes in issue

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA01	12.550%	A	425 000 000	316 853 803	2010/03/31	2016/03/31
BAYA02	3-month JIBAR plus 4.750%	A	75 000 000	75 000 000	2010/03/31	2013/06/30
BAYA03	3-month JIBAR plus 4.900%	A	300 000 000	300 000 000	2010/06/28	2017/06/30
BAYA04	11.480%	A	20 000 000	15 151 221	2010/08/31	2015/09/30
BAYA05	11.450%	A	33 000 000	25 013 123	2010/09/27	2015/09/30
BAYA06	11.920% *	A	550 000 000	492 823 236	2010/09/30	2016/09/30
BAYA07	11.360%	A	34 000 000	26 059 310	2010/10/25	2015/12/31
BAYA08	11.780%	A	50 000 000	50 000 000	2010/11/15	2017/12/31
BAYA09	3-month JIBAR plus 5.000%	A	75 000 000	56 533 281	2010/12/06	2015/12/31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	30 088 037	2010/12/13	2015/12/31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	48 532 013	2011/01/03	2016/03/31
BAYA12	11.005%	A	20 000 000	16 833 085	2011/01/12	2016/03/31
BAYA13	12.070%	A	80 000 000	67 628 041	2011/03/10	2016/03/31
BAYA14	11.480%	A	13 000 000	9 848 295	2010/08/31	2015/09/30
BAYA15	11.530%	A	100 000 000	88 464 184	2011/06/14	2016/06/30
BAYA16	10.380%	A	10 000 000	9 583 025	2011/10/12	2016/09/30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	76 636 964	2011/10/21	2016/09/30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	95 796 205	2011/11/30	2016/09/30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	129 677 067	2011/11/30	2016/12/31
BAYA20	3-month JIBAR plus 3.900%	A	150 000 000	137 863 141	2011/11/30	2014/09/30
BAYA21	3-month JIBAR plus 1.750%	A	100 000 000	100 000 000	2012/04/30	2013/03/30
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	100 000 000	2012/04/30	2015/09/30
Subtotal Class A notes			2 550 000 000	2 268 384 031		
BAYB02	15.550%	B	30 000 000	22 877 708	2010/03/31	2016/03/31
BAYB03	15.360%	B	55 000 000	55 000 000	2011/11/30	2016/12/31
BAYB04	14.23%	B	90 000 000	90 000 000	2012/04/02	2017/03/31
Subtotal Class B notes			175 000 000	167 877 708		
Total			2 725 000 000	2 436 261 739		

*To 30 Sep 2012, the greater of (1) 11.920% and (2) 3-month JIBAR plus 4.750% and from 1 Oct 2012, 3-month JIBAR plus 4.750%. Current rate 11.920%.

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Covenant compliance

Financial covenants	Current requirement	Jun 12	May 12	Apr 12	Mar 12	Feb 12	Jan 12	Dec 11	Nov 11	Oct 11	Sep 11	Aug 11	Jul 11
		Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	4.3	4.4	3.9	3.7	4.1	3.7	4.3	5.1	5.3	4.8
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.7	5.6	4.6	5.8	4.7	4.8	4.3	4.8	5.0	7.2	5.4	4.8
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	67.2%	67.7%	68.2%	68.5%	69.7%	69.5%	69.7%	70.9%	68.8%	68.9%	66.8%	67.9%
Bad and Doubtful Debt Ratio	≤ 17.5%	14.6%	14.3%	14.3%	14.4%	14.5%	14.4%	14.3%	14.3%	14.4%	14.5%	14.6%	14.5%
Equity invested in the Company by the Originator	> 19%	31.8%	23.1%	23.8%	22.4%	20.6%	19.8%	20.5%	21.0%	22.2%	22.0%	22.0%	21.4%
Cellular Contracts as a % of the Portfolio	≤ 20%	7.0%	7.1%	7.1%	6.5%	6.9%	7.1%	7.1%	7.2%	7.2%	7.3%	8.8%	8.6%

Cash reserves	Current requirement	Jun 12	May 12	Apr 12	Mar 12	Feb 12	Jan 12	Dec 11	Nov 11	Oct 11	Sep 11	Aug 11	Jul 11
		Arrears reserve											
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	21.8%	21.8%	21.8%	20.5%	20.9%	20.9%	20.9%	20.8%	20.8%	20.7%	20.6%	20.7%
Reserve required (R'000)		-		-	-	-	-	-	-	-	-	-	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	123.5%	123.8%	125.3%	128.6%	127.4%	125.0%	122.6%	118.2%	113.7%	107.1%	103.0%	101.2%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Expected collections (6 month average)		167 047	164 715	162 525	158 601	157 797	157 501	156 281	155 894	154 995	154 710	152 801	149 383
Actual receipts (6 month average)		206 273	203 998	203 689	203 908	201 037	196 899	191 525	184 273	176 178	165 705	157 445	151 120
Capital Redemption reserve													

Ratio and percentage calculated by incorporating the Quarter's principal repayment on senior debt, although payment thereof was made on 2 July 2012 due to the Following Business Day Convention rule. Had these covenants been prepared at the end of the period on a cash flow basis, the ratios and percentages would appear as follows:

	Jun-12	May-12	Apr-12
Senior Debt Cash Flow Cover	9.0	10.8	8.5
Senior Debt to Net Qualifying Asset Value	61.9%	67.7%	68.2%

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Glossary of terms

CD	Contractual delinquency = accumulated arrears / contractual instalments originally due
MOB	Month on book
MoM	Month on Month
YTD	Year to date
Non-performing loans	The balance outstanding of loans and advances with a contractual delinquency greater than three months excluding loans and advances with a contractual delinquency greater than three months where three consecutive receipts have been received in the three-month period preceding the measurement date
Non-performing loans ratio	Non-performing loans / gross loans and advances
Provision coverage	Impairment provision / Gross loans and advances