

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

September 2014

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended September 2014

		Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13
Performance ratios *													
Total income as a % of ave gross loans and advances	%	26.5%	26.8%	27.0%	27.3%	27.2%	27.7%	28.2%	28.6%	29.2%	29.8%	30.6%	31.0%
Direct and indirect expenses to ave gross loans and advances	%	7.8%	6.6%	6.6%	6.7%	6.6%	7.0%	7.2%	7.5%	7.7%	7.9%	8.0%	8.1%
Direct and indirect expenses to total income	%	29.3%	24.5%	24.5%	24.6%	24.4%	25.3%	25.5%	26.1%	26.3%	26.6%	26.2%	26.2%
Return on assets	%	(4.4%)	(3.5%)	(3.1%)	(2.6%)	(2.3%)	(0.1%)	0.1%	0.8%	1.0%	1.1%	1.4%	1.4%
Gearing ratio	times	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2
Interest margin	%	15.3%	16.0%	16.2%	16.4%	16.2%	16.6%	16.9%	17.1%	17.6%	18.0%	18.5%	18.8%
Asset and credit quality ratios													
Gross loans and advances	R '000	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504
Non-Performing Loans ("NPLs")	R '000	2 324 997	2 323 214	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520
Carrying value of written off book	R '000	205 478	199 067	194 035	188 854	183 147	178 357	171 523	161 528	156 281	149 879	144 237	135 124
Impairment provision	R '000	1 788 680	1 771 550	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836
Net loans and advances	R '000	4 653 824	4 644 304	4 673 660	4 685 826	4 701 383	4 833 706	4 844 499	4 850 312	4 831 331	4 779 630	4 731 950	4 693 792
Non-performing loans ratio	%	37.3%	37.4%	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%
Provision coverage	%	28.7%	28.5%	27.9%	27.4%	26.9%	24.1%	23.6%	23.3%	23.0%	22.8%	22.8%	22.5%
Funding and cash reserves													
Interest bearing liabilities	R '000	4 729 419	4 910 427	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583
Average cost of borrowings	%	10.6%	10.4%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Cash and cash equivalents	R '000	63 757	323 178	287 746	276 783	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101

* 12 months rolling average

Monthly Investor Report

Origination

		% change MOM	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13
Disbursements	R '000	14.3%	98 078	85 778	99 967	86 469	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477
Number of new loans		0.1%	4 950	4 943	6 052	5 478	7 740	6 627	8 610	8 446	9 566	9 445	9 118	9 538
Number of loans on book		(1.4%)	318 156	322 514	325 263	327 497	331 037	332 442	335 320	338 348	339 639	340 295	341 295	342 398
Average loan value at acquisition	Rand	14.2%	19 814	17 353	16 518	15 785	15 999	15 352	15 123	15 606	15 153	14 861	15 131	14 099
Average term at acquisition	Months	5.4%	40.7	38.6	39.2	37.4	37.1	36.5	35.9	35.9	36.8	36.2	36.3	38.8

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	11%	8%	12%	12%
Free State	6%	7%	7%	7%
Gauteng	35%	47%	32%	32%
Kwazulu-Natal	15%	13%	15%	15%
Limpopo	5%	3%	7%	7%
Mpumulanga	6%	3%	6%	6%
Northern Cape	3%	3%	3%	3%
North-West	6%	4%	5%	5%
Western Cape	13%	12%	13%	13%
Grand Total	100%	100%	100%	100%

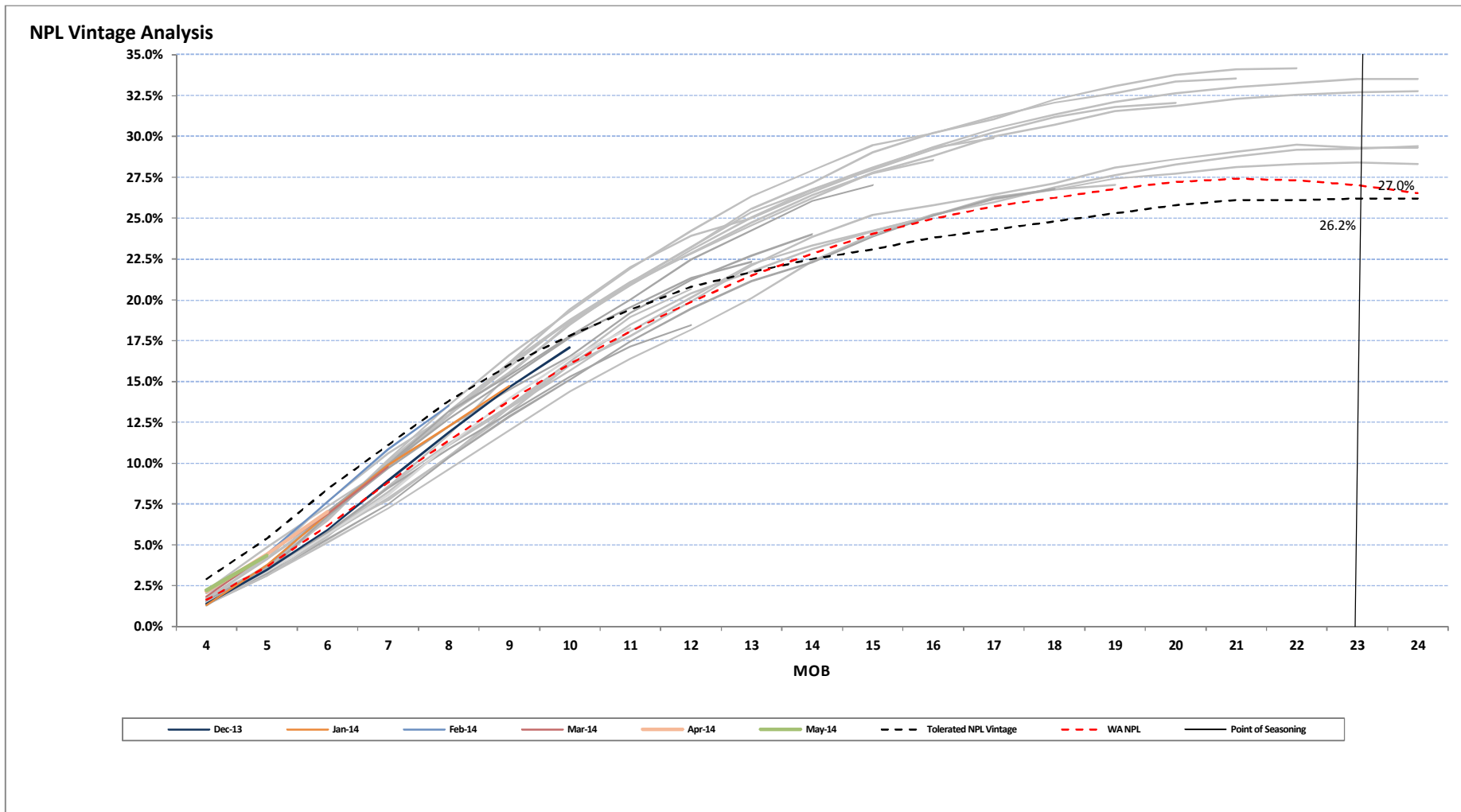
Monthly Investor Report

Asset quality

	% change MOM	Sept 14 R'000	Aug 14 R'000	Jul 14 R'000	Jun 14 R'000	May 14 R'000	Apr 14 R'000	Mar 14 R'000	Feb 14 R'000	Jan 14 R'000	Dec 13 R'000	Nov 13 R'000	Oct 13 R'000
Gross loans and advances	0.3%	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504
Performing loans	0.5%	3 912 029	3 893 573	3 915 155	3 894 139	3 885 789	3 839 806	3 839 235	3 822 577	3 847 656	3 822 763	3 832 547	3 821 984
Non-performing loans	0.1%	2 324 997	2 323 214	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520
Impairment provision													
Opening balance	2.2%	1 771 550	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070
Bad debt written-off	(0.7%)	(61 091)	(61 552)	(58 100)	(57 146)	(54 384)	(58 044)	(110 500)	(53 701)	(49 760)	(47 654)	(50 088)	(49 325)
Provision raised	(21.3%)	78 221	99 396	98 252	91 164	235 709	92 573	129 056	83 647	77 260	63 744	79 842	70 091
Closing balance	1.0%	1 788 680	1 771 550	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836

Monthly Investor Report

Asset quality (continued)



Monthly Investor Report

Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13
	%	%	%	%	%	%	%	%	%	%	%	%
0	52.6%	52.5%	53.3%	52.7%	52.7%	51.6%	52.0%	51.7%	52.3%	51.9%	52.4%	52.8%
1	4.3%	4.3%	3.9%	3.9%	3.7%	4.3%	4.3%	4.4%	4.2%	4.6%	4.6%	4.7%
2	3.0%	3.0%	2.9%	3.0%	3.3%	3.4%	3.4%	3.2%	3.4%	3.6%	3.9%	3.9%
3	2.8%	2.8%	2.9%	3.3%	3.2%	3.3%	3.1%	3.2%	3.5%	3.6%	3.6%	3.6%
4 +	37.3%	37.4%	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%
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	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281
Disbursements	98 078	85 778	99 967	86 469	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477
Interest and other similiar income	116 703	122 213	119 794	120 856	121 406	115 990	122 166	105 018	120 818	115 044	118 223	123 300
Non-interest revenue	62 632	64 653	65 213	64 852	68 290	67 353	70 638	70 625	66 717	71 616	72 813	73 941
Collections	(205 847)	(215 463)	(211 973)	(210 435)	(222 653)	(217 642)	(217 005)	(216 522)	(216 535)	(231 745)	(235 581)	(244 750)
Bad debt write-offs and write-backs	(51 327)	(53 725)	(50 196)	(48 988)	(46 665)	(50 538)	(103 262)	(47 250)	(43 157)	(37 148)	(34 624)	(38 745)
Closing balance	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504

* Arrears instalments

Monthly Investor Report

Liquidity and funding

Funding	% change MOM	Sept 14 R'000	Aug 14 R'000	Jul 14 R'000	Jun 14 R'000	May 14 R'000	Apr 14 R'000	Mar 14 R'000	Feb 14 R'000	Jan 14 R'000	Dec 13 R'000	Nov 13 R'000	Oct 13 R'000
Class A Notes (senior)	(8.0%)	2 925 084	3 179 124	3 179 124	3 179 124	3 359 024	3 359 024	3 359 024	3 375 041	3 375 041	3 221 384	3 371 465	3 371 465
Senior warehouse funding	0.0%	200 000	200 000	200 000	200 000	-	-	-	-	-	100 000	-	-
Class B Notes (Mezzanine)	(1.5%)	382 994	388 797	388 797	388 797	394 422	394 422	394 422	399 882	399 882	284 882	290 086	290 086
Other subordinated funding	6.9%	1 221 340	1 142 506	1 145 631	1 154 556	1 112 102	1 120 019	1 126 538	968 559	965 705	1 044 251	1 057 841	1 041 032
Total interest bearing liabilities	(3.7%)	4 729 418	4 910 427	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583
Average cost of borrowings	0.1%	10.6%	10.4%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
Cash and cash equivalents	(80.3%)	63 757	323 178	287 746	276 783	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101

Monthly Investor Report

Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA01	12.550%	A	425 000 000	137 404 412	2010/03/31	2016/03/31
BAYA04	11.480%	A	20 000 000	4 963 675	2010/08/31	2015/09/30
BAYA05	11.450%	A	33 000 000	8 179 041	2010/09/27	2015/09/30
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	249 499 297	2010/09/30	2016/09/30
BAYA07	11.360%	A	34 000 000	9 950 583	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	21 358 094	2010/12/06	2015/12/31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	11 362 855	2010/12/13	2015/12/31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	20 645 941	2011/01/03	2016/03/31
BAYA12	11.005%	A	20 000 000	7 178 646	2011/01/12	2016/03/31
BAYA13	12.070%	A	80 000 000	29 176 074	2011/03/10	2016/03/31
BAYA14	11.480%	A	13 000 000	3 226 391	2011/06/06	2015/09/30
BAYA15	11.530%	A	100 000 000	41 634 549	2011/06/14	2016/06/30
BAYA16	10.380%	A	10 000 000	4 805 146	2011/10/12	2016/09/30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	38 280 020	2011/10/21	2016/09/30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	47 850 023	2011/11/30	2016/09/30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	68 994 819	2011/11/30	2016/12/31
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	34 034 622	2012/04/30	2015/09/30
BAYA23	10.510%	A	300 000 000	183 914 336	2012/07/02	2017/06/30
BAYA24	11.090%	A	95 000 000	95 000 000	2012/07/02	2017/06/30
BAYA25	3-month JIBAR plus 4.150%	A	50 000 000	31 538 344	2012/08/15	2017/06/30
BAYA26	10.225%	A	185 000 000	185 000 000	2012/09/27	2017/10/02
BAYA27	3-month JIBAR plus 3.500%	A	120 000 000	43 430 324	2012/10/01	2015/09/30
BAYA29	3-month JIBAR plus 3.500%	A	60 000 000	25 001 640	2012/10/09	2015/12/31
BAYA30	9.280%	A	150 000 000	67 536 612	2012/12/14	2015/12/31
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	60 000 000	2012/12/14	2018/12/31
BAYA32	10.108%	A	75 000 000	75 000 000	2013/02/28	2018/04/03
BAYA33	3-month JIBAR plus 4.000%	A	15 000 000	15 000 000	2013/03/25	2018/04/03
BAYA34	3-month JIBAR plus 4.250%	A	100 000 000	100 000 000	2013/03/25	2018/04/03
BAYA35	3-month JIBAR plus 4.250%	A	50 000 000	50 000 000	2013/03/25	2018/04/03
BAYA36	3-month JIBAR plus 3.880%	A	50 000 000	37 243 281	2013/04/02	2018/03/31
BAYA37	3-month JIBAR plus 3.880%	A	100 000 000	100 000 000	2013/04/02	2016/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	320 000 000	2013/09/30	2018/10/01
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	41 702 055	2013/09/30	2018/09/30
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	130 000 000	2013/09/30	2018/10/01
BAYA43	3-month JIBAR plus 3.900%	A	150 000 000	118 441 241	2014/01/24	2017/03/31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	127 732 390	2014/03/31	2017/03/31
BAYA45	3-month JIBAR plus 4.250%	A	150 000 000	150 000 000	2014/03/31	2019/04/01
BAYA46	3-month JIBAR plus 1.450%	A	50 000 000	50 000 000	2014/03/31	2015/03/31
BAYA47	3-month JIBAR plus 2.000%	A	130 000 000	130 000 000	2014/09/30	2015/09/30
Subtotal Class A notes			4 465 000 000	2 925 084 411		
BAYB02	15.550%	B	30 000 000	10 239 264	2010/03/31	2016/03/31
BAYB03	15.360%	B	55 000 000	55 000 000	2011/11/30	2016/12/31
BAYB04	14.230%	B	90 000 000	52 754 404	2012/04/02	2017/03/31
BAYB05	3-month JIBAR plus 7.500%	B	50 000 000	50 000 000	2012/08/15	2019/06/30
BAYB06	3-month JIBAR plus 7.500%	B	30 000 000	30 000 000	2012/12/14	2019/12/31
BAYB07	3-month JIBAR plus 7.500%	B	20 000 000	20 000 000	2013/02/22	2020/03/31
BAYB08	3-month JIBAR plus 8.000%	B	50 000 000	50 000 000	2013/03/25	2020/09/30
BAYB09	3-month JIBAR plus 5.750%	B	115 000 000	115 000 000	2014/01/24	2018/10/01
Subtotal Class B notes			440 000 000	382 993 668		
Total			4 905 000 000	3 308 078 079		

Monthly Investor Report

Covenant compliance

Financial covenants	Current requirement	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13
		Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.0	2.0	2.2	2.0	2.1	2.1	2.0	2.4	2.1	2.3
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.4	4.4	4.3	4.5	4.6	4.4	4.7	4.5	4.7	4.4	4.7	4.9
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	66.2%	68.0%	68.1%	68.1%	67.4%	65.6%	65.7%	66.5%	66.6%	67.1%	66.3%	67.0%
Bad and Doubtful Debt Ratio	≤ 17.5%	15.2%	16.1%	15.7%	15.4%	15.0%	12.6%	12.7%	11.9%	12.0%	12.3%	12.6%	12.8%
Equity invested in the Company by the Originator	> 20%	25.5%	23.9%	24.2%	24.8%	24.0%	25.9%	26.2%	23.6%	24.0%	25.9%	26.5%	26.3%
Cellular Contracts as a % of the Portfolio	≤ 10%	6.3%	6.3%	6.4%	6.4%	6.5%	6.6%	6.6%	6.6%	6.8%	6.9%	7.1%	7.1%

Cash reserves	Current requirement	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13
		Arrears reserve											
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	27.0%	26.4%	26.2%	25.5%	25.2%	24.7%	24.4%	24.0%	24.2%	23.9%	23.6%	23.2%
Reserve required (R'000)		9 668	1 736	825	-	-	-	-	-	-	-	-	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	110.3%	104.1%	109.5%	109.2%	109.7%	109.3%	109.8%	109.9%	111.8%	113.1%	112.4%	112.4%
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)		123 984	127 807	131 290	134 803	137 420	139 688	141 507	142 629	144 192	146 099	149 920	152 974
Actual receipts (6 month average)		136 761	133 012	143 819	147 172	150 730	152 717	155 359	156 767	161 156	165 250	168 300	171 867
Capital Redemption reserve		-	166 666	133 333	100 000	66 667	33 333	-	166 666	133 333	100 000	66 667	33 333

Monthly Investor Report

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