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Rating Assigned To Bayport Securitisation (RF)'s Tranche BAYA47 Class A Notes; BAYA20, BAYA40 Withdrawn; Others Affirmed

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OVERVIEW

- We have assigned our 'zaA (sf)' rating to Bayport Securitisation (RF)'s BAYA47 class A notes.
- At the same time, we have affirmed our ratings on all of Bayport Securitisation (RF)'s outstanding class A tranches of notes, and withdrawn our ratings on the BAYA20 and BAYA40 class A notes.
- Bayport Securitisation (RF) securitizes a portfolio of South African consumer loan receivables that Bayport Financial Services 2010 (Pty) originated.

MOSCOW (Standard & Poor's) Sept. 30, 2014--Standard & Poor's Ratings Services today assigned its 'zaA (sf)' credit rating to Bayport Securitisation (RF) Ltd.'s BAYA47 class A notes. At the same time, we have affirmed our ratings on Bayport Securitisation (RF)'s outstanding BAYA20 and BAYA40 class A notes, and withdrawn our ratings on the BAYA20 and BAYA40 class A notes (see list below).

Today's rating actions reflect our credit and cash flow analysis, using the most recent available collateral performance data (as of June 2014).

The BAYA20 and BAYA40 class A notes have fully repaid. We have therefore withdrawn our ratings on these tranches.

A recent change in South Africa's national scale mapping table has not

affected our credit and cash flow assumptions, as the national scale 'zaA' rating remains equivalent to our global 'BB+' rating (see "Standard & Poor's National And Regional Scale Mapping Tables," published on Sept. 22, 2014).

Bayport Securitisation (RF) securitizes a portfolio of South African consumer loan receivables that Bayport Financial Services 2010 (Pty) Ltd. (Bayport) originated in the ordinary course of its business. The transaction does not have a fixed revolving period; it revolves until the issuer fully repays the outstanding debt, or until an acceleration event occurs.

Our affirmations follow our analysis of the capital structure, which shows that the available credit enhancement remains commensurate with our currently assigned ratings.

RATING RATIONALE

Economic Outlook

In our credit analysis, we have considered our latest forecasts for South Africa's economy and trends in the consumer loan sector (see "Research Update: South Africa Long-Term FC Rating Lowered To 'BBB-'; LC Rating Lowered To 'BBB+' On Ongoing Weak Growth; Outlook Stable," published on June 13, 2014).

In our view, the originator's historically good performance in a high-risk lending environment, and its close attention to credit affordability as part of its risk management processes, mitigate the negative effect of the economy's sluggish growth on collateral performance.

Operational Risk

We consider the originator and seller (Bayport) to be capable of fulfilling its obligations as servicer. A standby servicer (MBD Credit Solutions (PTY) Ltd.) has been in place since inception in case the issuer ceases to be the servicer.

Credit Risk

We have analyzed credit risk by applying our principles of credit ratings criteria and our European consumer finance criteria to derive our assumptions on default, recovery, and delinquency rates, as well as portfolio yield (see "Related Criteria"). We received more than three years of the underlying portfolio's historical performance records to support our credit assumptions. We note an industry-wide increase in nonperforming consumer loans in South Africa against the backdrop of the deceleration in GDP and real per capita income growth. As a counterbalancing factor, we believe that Bayport's portfolio is resilient to this increase based upon a more conservative stance to affordability measures as part of its credit risk management, its relatively stable performance during the recession, and the portfolio's large exposure to public sector employment. To reflect the expected trends in the underlying portfolio's credit quality, we have revised our base-case default assumption for consumer loans to 39% from 36%, and for cellular loans to 40% from 50%. We kept our remaining credit assumptions unchanged.

BASE-CASE AND STRESSED ASSUMPTIONS FOR A 'zaA' RATING SCENARIO

	---Default rate---		---Recovery rate---	
	Consumer loans	Cellular loans	Consumer loans	Cellular loans
Base case (%)	39.00	40.00	8.50	5.00
Stress multiple (x)	1.15	1.15	0.85	0.85
Stressed rate (%)	44.85	46.0	7.23	4.25

Cash Flow Analysis

Our cash flow model reflects our assessment of the transaction's payment structure and our credit and cash flow assumptions. Our analysis indicates that the available credit enhancement for the rated notes is sufficient to mitigate the credit and cash flow risks at the 'zaA' rating level.

Counterparty Risk

The transaction is exposed to the credit risk of Standard Bank of South Africa Ltd. as the issuer bank account provider. We consider that the transaction documents adequately mitigate this risk in line with our current counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013). The servicer is an unrated entity. We consider that the risk of losses through cash collections falling into the servicer collection accounts to be structurally mitigated under our current counterparty criteria, as the exposure period is limited to one business day.

Legal Risk

We consider the issuer to be bankruptcy-remote, in line with our European legal criteria (see "Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance," published on Sept. 13, 2013). We have received legal comfort that the sale of the assets would survive, if the seller were to become insolvent.

Rating Stability

Under our scenario analysis, we ran two stress scenarios and assessed the transaction's performance. The results of our scenario analysis are commensurate with our credit stability criteria (see "Methodology: Credit Stability Criteria," published on May 3, 2010).

STANDARD & POOR'S 17G-7 DISCLOSURE REPORT

SEC Rule 17g-7 requires an NRSRO, for any report accompanying a credit rating relating to an asset-backed security as defined in the Rule, to include a description of the representations, warranties, and enforcement mechanisms available to investors and a description of how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities. The Rule applies to in-scope securities initially rated (including preliminary ratings) on or after Sept. 26, 2011.

The Standard & Poor's 17g-7 Disclosure Report included in this credit rating

report is available at
<http://standardandpoorsdisclosure-17g7.com/1653.pdf>.

RELATED CRITERIA AND RESEARCH

Related Criteria

- Standard & Poor's National And Regional Scale Mapping Tables, Sept. 22, 2014
- Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, May 7 2013
- Principles Of Credit Ratings, Feb. 16, 2011
- Methodology: Credit Stability Criteria, May 3, 2010
- Weighing Country Risk In Our Criteria For Asset-Backed Securities, April 11, 2006
- European Consumer Finance Criteria, March 10, 2000

Related Research

- Standard & Poor's National And Regional Scale Mapping Tables, Sept. 22, 2014
- European Structured Finance Scenario And Sensitivity Analysis 2014: The Effects Of The Top Five Macroeconomic Factors, July 8, 2014
- Global Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, July 2, 2014
- Research Update: South Africa Long-Term FC Rating Lowered To 'BBB-'; LC Rating Lowered To 'BBB+' On Ongoing Weak Growth; Outlook Stable, June 13, 2014

RATINGS LIST

Bayport Securitisation (RF) Ltd.
ZAR130.0 Million Consumer Loan-Backed Notes

Ratings Assigned

Class	Rating	Amount (mil. ZAR)
Class A (BAYA47)	zaA (sf)	130

Ratings Affirmed

Class	Rating
Class A (BAYA01)	zaA (sf)
Class A (BAYA04)	zaA (sf)
Class A (BAYA05)	zaA (sf)

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Others Affirmed*

Class A (BAYA06)	zaA (sf)
Class A (BAYA07)	zaA (sf)
Class A (BAYA08)	zaA (sf)
Class A (BAYA09)	zaA (sf)
Class A (BAYA10)	zaA (sf)
Class A (BAYA11)	zaA (sf)
Class A (BAYA12)	zaA (sf)
Class A (BAYA13)	zaA (sf)
Class A (BAYA14)	zaA (sf)
Class A (BAYA15)	zaA (sf)
Class A (BAYA16)	zaA (sf)
Class A (BAYA17)	zaA (sf)
Class A (BAYA18)	zaA (sf)
Class A (BAYA19)	zaA (sf)
Class A (BAYA22)	zaA (sf)
Class A (BAYA23)	zaA (sf)
Class A (BAYA24)	zaA (sf)
Class A (BAYA25)	zaA (sf)
Class A (BAYA26)	zaA (sf)
Class A (BAYA27)	zaA (sf)
Class A (BAYA29)	zaA (sf)
Class A (BAYA30)	zaA (sf)
Class A (BAYA31)	zaA (sf)
Class A (BAYA32)	zaA (sf)
Class A (BAYA33)	zaA (sf)
Class A (BAYA34)	zaA (sf)
Class A (BAYA35)	zaA (sf)
Class A (BAYA36)	zaA (sf)
Class A (BAYA37)	zaA (sf)
Class A (BAYA39)	zaA (sf)
Class A (BAYA41)	zaA (sf)
Class A (BAYA42)	zaA (sf)
Class A (BAYA43)	zaA (sf)
Class A (BAYA44)	zaA (sf)
Class A (BAYA45)	zaA (sf)
Class A (BAYA46)	zaA (sf)

Ratings Withdrawn

Class	To	Rating	From
Class A (BAYA20)	NR		zaA (sf)
Class A (BAYA40)	NR		zaA-1(sf)

NR--Not rated.

Additional Contact:

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Others Affirmed*

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