

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JANUARY 2015

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended January 2015

		Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14
Performance ratios *													
Total income as a % of ave gross loans and advances	%	26.5%	26.2%	26.0%	26.2%	26.5%	26.8%	27.0%	27.3%	27.2%	27.7%	28.2%	28.6%
Direct and indirect expenses to ave gross loans and advances	%	7.5%	7.4%	7.4%	7.5%	7.8%	6.6%	6.6%	6.7%	6.6%	7.0%	7.2%	7.5%
Direct and indirect expenses to total income	%	28.5%	28.1%	28.6%	28.7%	29.3%	24.5%	24.5%	24.6%	24.4%	25.3%	25.5%	26.1%
Return on assets	%	(3.0%)	(3.5%)	(4.7%)	(4.5%)	(4.4%)	(3.5%)	(3.1%)	(2.6%)	(2.3%)	(0.1%)	0.1%	0.8%
Gearing ratio	times	6.7	6.6	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1	3.1	3.2
Interest margin	%	15.8%	15.6%	14.9%	15.1%	15.3%	16.0%	16.2%	16.4%	16.2%	16.6%	16.9%	17.1%
Asset and credit quality ratios													
Gross loans and advances	R '000	4 869 275	4 884 909	6 277 460	6 275 838	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910
Non-Performing Loans ("NPLs")	R '000	965 861	957 874	2 343 835	2 337 381	2 324 997	2 323 214	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333
Carrying value of written off book	R '000	550 438	541 995	216 921	211 567	205 478	199 067	194 035	188 854	183 147	178 357	171 523	161 528
Impairment provision	R '000	1 777 308	1 672 308	1 834 656	1 818 040	1 788 680	1 771 550	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126
Net loans and advances	R '000	3 642 405	3 754 595	4 659 725	4 669 365	4 653 824	4 644 304	4 673 660	4 685 826	4 701 383	4 833 706	4 844 499	4 850 312
Non-performing loans ratio	%	19.8%	19.6%	37.3%	37.2%	37.3%	37.4%	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%
Provision coverage	%	36.5%	34.2%	29.2%	29.0%	28.7%	28.5%	27.9%	27.4%	26.9%	24.1%	23.6%	23.3%
Funding and cash reserves													
Interest bearing liabilities	R '000	4 833 197	4 811 287	4 735 721	4 738 435	4 729 419	4 910 427	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482
Average cost of borrowings	%	10.7%	10.8%	10.7%	10.6%	10.6%	10.4%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
Cash and cash equivalents	R '000	213 390	148 760	109 243	82 266	63 757	323 178	287 746	276 783	284 943	285 532	265 237	226 748

* 12 months rolling average

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Origination

		% change MOM	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14
Disbursements	R '000	(11.4%)	69 812	78 794	85 008	112 377	98 078	85 778	99 967	86 469	123 834	101 739	130 211	131 809
Number of new loans		(14.8%)	2 959	3 473	3 914	5 199	4 950	4 943	6 052	5 478	7 740	6 627	8 610	8 446
Number of loans on book		(1.0%)	234 908	237 304	310 395	313 932	318 156	322 514	325 263	327 497	331 037	332 442	335 320	338 348
Average loan value at acquisition	Rand	4.0%	23 593	22 688	21 719	21 615	19 814	17 353	16 518	15 785	15 999	15 352	15 123	15 606
Average term at aquisition	Months	0.0%	39.1	39.1	39.9	41.7	40.7	38.6	39.2	37.4	37.1	36.5	35.9	35.9

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	12%	7%	12%	12%
Free State	6%	6%	8%	7%
Gauteng	35%	50%	32%	33%
Kwazulu-Natal	14%	12%	15%	15%
Limpopo	5%	3%	7%	7%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	3%	2%	2%
North-West	7%	4%	6%	6%
Western Cape	11%	12%	12%	12%
Grand Total	100%	100%	100%	100%

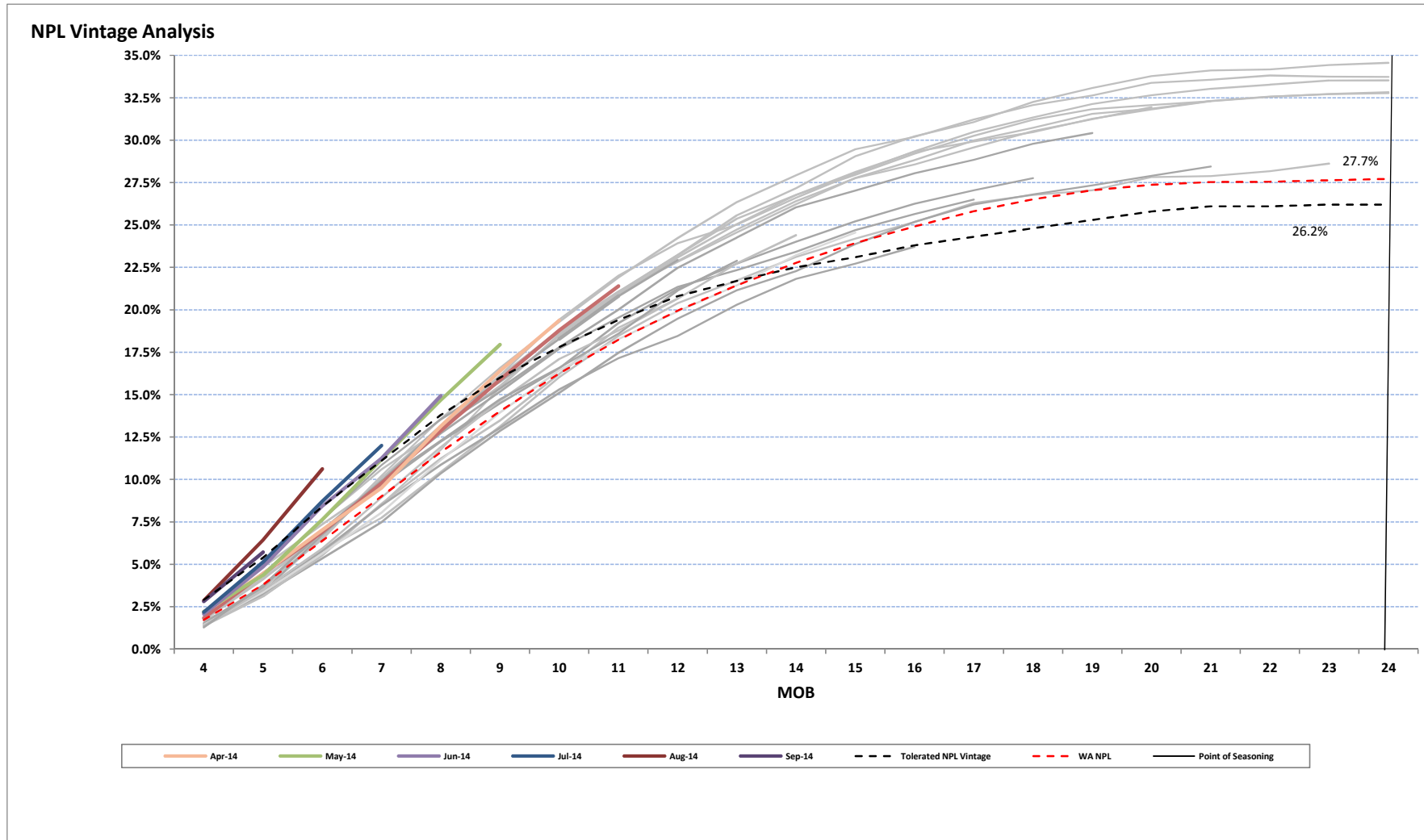
Monthly Investor Report

Asset quality

	% change MOM	Jan 15 R'000	Dec 14 R'000	Nov 14 R'000	Oct 14 R'000	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
Gross loans and advances	(0.3%)	4 869 275	4 884 909	6 277 460	6 275 838	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910
Performing loans	(0.6%)	3 903 414	3 927 035	3 933 625	3 938 457	3 912 029	3 893 573	3 915 155	3 894 139	3 885 789	3 839 806	3 839 235	3 822 577
Non-performing loans	0.8%	965 861	957 874	2 343 835	2 337 381	2 324 997	2 323 214	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333
Impairment provision													
Opening balance	(8.8%)	1 672 308	1 834 656	1 818 040	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
Bad debt written-off	(95.5%)	(65 804)	(1 456 375)	(62 872)	(54 212)	(61 091)	(61 552)	(58 100)	(57 146)	(54 384)	(58 044)	(110 500)	(53 701)
Provision raised	(86.8%)	170 804	1 294 027	79 488	83 572	78 221	99 396	98 252	91 164	235 709	92 573	129 056	83 647
Closing balance	6.3%	1 777 308	1 672 308	1 834 656	1 818 040	1 788 680	1 771 550	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126

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Asset quality (continued)



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Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14
	%	%	%	%	%	%	%	%	%	%	%	%
0	64.1%	65.2%	53.1%	52.7%	52.6%	52.5%	53.3%	52.7%	52.7%	51.6%	52.0%	51.7%
1	7.3%	6.6%	3.6%	4.3%	4.3%	4.3%	3.9%	3.9%	3.7%	4.3%	4.3%	4.4%
2	4.7%	4.5%	3.0%	3.0%	3.0%	3.0%	2.9%	3.0%	3.3%	3.4%	3.4%	3.2%
3	4.1%	4.1%	3.0%	2.8%	2.8%	2.8%	2.9%	3.3%	3.2%	3.3%	3.1%	3.2%
4 +	19.8%	19.6%	37.3%	37.2%	37.3%	37.4%	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%
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	4 884 909	6 277 460	6 275 838	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
Disbursements	69 812	78 794	85 008	112 377	98 078	85 778	99 967	86 469	123 834	101 739	130 211	131 809
Interest and other similiar income	111 851	112 263	112 798	121 817	116 703	122 213	119 794	120 856	121 406	115 990	122 166	105 018
Non-interest revenue	56 530	61 173	60 722	63 294	62 632	64 653	65 213	64 852	68 290	67 353	70 638	70 625
Collections	(193 521)	(196 533)	(202 428)	(214 510)	(205 847)	(215 463)	(211 973)	(210 435)	(222 653)	(217 642)	(217 005)	(216 522)
Bad debt write-offs and write-backs	(60 306)	(1 448 248)	(54 478)	(44 166)	(51 327)	(53 725)	(50 196)	(48 988)	(46 665)	(50 538)	(103 262)	(47 250)
Closing balance	4 869 275	4 884 909	6 277 460	6 275 838	6 237 026	6 216 787	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910

* Arrears instalments

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Liquidity and funding

	% change MOM	Jan 15 R'000	Dec 14 R'000	Nov 14 R'000	Oct 14 R'000	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
Funding													
Class A Notes (senior)	0.0%	2 751 937	2 751 937	2 925 084	2 925 084	2 925 084	3 179 124	3 179 124	3 179 124	3 359 024	3 359 024	3 359 024	3 375 041
Senior warehouse funding	0.0%	-	-	200 000	200 000	200 000	200 000	200 000	200 000	-	-	-	-
Class B Notes (Mezzanine)	0.0%	376 978	376 978	382 994	382 994	382 994	388 797	388 797	388 797	394 422	394 422	394 422	399 882
Other subordinated funding	1.3%	1 704 282	1 682 372	1 227 642	1 230 356	1 221 340	1 142 506	1 145 631	1 154 556	1 112 102	1 120 019	1 126 538	968 559
Total interest bearing liabilities	0.5%	4 833 197	4 811 287	4 735 720	4 738 434	4 729 418	4 910 427	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482
Average cost of borrowings	(0.1%)	10.7%	10.8%	10.7%	10.6%	10.6%	10.4%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%
Cash and cash equivalents	43.4%	213 390	148 760	109 243	82 266	63 757	323 178	287 746	276 783	284 943	285 532	265 237	226 748

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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	116 269 693	2010-03-31	2016-03-31
BAYA04	11.480%	A	20 000 000	3 779 083	2010-08-31	2015-09-30
BAYA05	11.450%	A	33 000 000	6 222 338	2010-09-27	2015-09-30
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	221 188 721	2010-09-30	2016-09-30
BAYA07	11.360%	A	34 000 000	8 080 928	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	17 316 670	2010-12-06	2015-12-31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	9 211 713	2010-12-13	2015-12-31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	17 443 782	2011-01-03	2016-03-31
BAYA12	11.005%	A	20 000 000	6 063 472	2011-01-12	2016-03-31
BAYA13	12.070%	A	80 000 000	24 674 543	2011-03-10	2016-03-31
BAYA14	11.480%	A	13 000 000	2 456 406	2011-06-06	2015-09-30
BAYA15	11.530%	A	100 000 000	36 191 207	2011-06-14	2016-06-30
BAYA16	10.380%	A	10 000 000	4 257 944	2011-10-12	2016-09-30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	33 906 728	2011-10-21	2016-09-30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	42 383 408	2011-11-30	2016-09-30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	62 078 192	2011-11-30	2016-12-31
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	25 826 934	2012-04-30	2015-09-30
BAYA23	10.510%	A	300 000 000	169 313 847	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	28 992 237	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	32 923 678	2012-10-01	2015-09-30
BAYA29	3-month JIBAR plus 3.500%	A	60 000 000	20 215 503	2012-10-09	2015-12-31
BAYA30	9.280%	A	150 000 000	54 654 365	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	34 956 704	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	39 516 764	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	107 778 603	2014-01-24	2017-03-31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	116 233 320	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	2 751 936 783		
BAYB02	15.550%	B	30 000 000	8 694 382	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	48 283 356	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	376 977 738		
Total			4 905 000 000	3 128 914 521		

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Covenant compliance

Financial covenants	Current requirement	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	1.8	1.8	2.0	2.1	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	5.0	4.4	4.4	4.6	4.4	4.4	4.3	4.5	4.6	4.4	4.7	4.5	4.7	4.4
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	71.4%	70.5%	65.5%	65.8%	66.2%	68.0%	68.1%	68.1%	67.4%	65.6%	65.7%	66.5%	66.6%	67.1%
Bad and Doubtful Debt Ratio	≤ 17.5%	17.2%	17.4%	15.3%	15.2%	15.2%	16.1%	15.7%	15.4%	15.0%	12.6%	12.7%	11.9%	12.0%	12.3%
Equity invested in the Company by the Originator	> 20%	26.4%	26.8%	25.3%	25.4%	25.5%	23.9%	24.2%	24.8%	24.0%	25.9%	26.2%	23.6%	24.0%	25.9%
Cellular Contracts as a % of the Portfolio	≤ 10%	4.5%	4.4%	6.0%	6.1%	6.3%	6.3%	6.4%	6.4%	6.5%	6.6%	6.6%	6.6%	6.8%	6.9%

Cash reserves	Current requirement	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13
Arrears reserve															
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	27.7%	27.6%	27.5%	27.1%	27.0%	26.4%	26.2%	25.5%	25.2%	24.7%	24.4%	24.0%	24.2%	23.9%
Reserve required (R'000)		13 775	13 259	15 617	10 326	9 668	1 736	825	-	-	-	-	-	-	-
Asset performance reserve															
Collections Ratio	≥ 80.75%	109.0%	109.6%	110.2%	110.7%	110.3%	104.1%	109.5%	109.2%	109.7%	109.3%	109.8%	109.9%	111.8%	113.1%
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	R'000	R'000
Expected collections (6 month average)		111 538	114 723	116 791	120 193	123 984	127 807	131 290	134 803	137 420	139 688	141 507	142 629	144 192	146 099
Actual receipts (6 month average)		121 602	125 708	128 715	133 034	136 761	133 012	143 819	147 172	150 730	152 717	155 359	156 767	161 156	165 250
Capital Redemption reserve		33 333	25 000	16 667	8 333	-	166 666	133 333	100 000	66 667	33 333	-	166 666	133 333	100 000

Bad and doubtful debt ratio	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13
Cummulative 12 month impairment expense	836 256	848 374	960 875	951 945	945 329	998 728	975 344	951 400	927 159	774 400	774 021	727 219	726 676	1 851 780
<i>Cummulative 12 month impairment expense</i>	836 256	1 963 374	960 875	951 945	945 329	998 728	975 344	951 400	927 159	774 400	774 021	727 219	726 676	736 780
<i>Adoption of new impairment methodology</i>		(1 115 000)												1 115 000
Gross loans and advances	4 869 275	4 884 909	6 277 460	6 275 838	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
Bad and doubtful debt ratio as reported	17.2%	17.4%	15.3%	15.2%	15.2%	16.1%	15.7%	15.4%	15.0%	12.6%	12.7%	11.9%	12.0%	12.3%

Taking cognisance of the developments in the unsecured lending environment and in order to be more conservative, a new impairment methodology was adopted in December 2014 and implemented with retrospective effect to December 2013 being the date at which Bayport Management Limited acquired Bayport Financial Services 2010 (Pty) Ltd. Shareholders have injected R550m to enable the business to make the conversion to the new impairment methodology within covenant levels.

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