

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JUNE 2016

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

### Financial statistics for the period ended June 2016

		Jun 16	May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances	%	<b>23.6%</b>	23.6%	23.7%	23.8%	24.1%	24.3%	25.0%	25.4%	25.3%	25.3%	25.3%	25.5%
Direct and indirect expenses to ave gross loans and advances	%	<b>5.9%</b>	6.1%	6.3%	6.5%	6.6%	6.9%	7.1%	8.3%	8.8%	8.7%	8.5%	8.3%
Direct and indirect expenses to total income	%	<b>25.2%</b>	26.1%	26.7%	27.1%	27.5%	28.5%	28.6%	32.6%	34.8%	34.2%	33.5%	32.6%
Return on assets	%	<b>0.0%</b>	(0.5%)	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.7%)	(2.4%)	(2.9%)	(3.0%)	(3.1%)	(3.5%)
Gearing ratio	times	<b>1.9</b>	2.1	2.2	2.4	2.6	2.9	3.1	3.4	3.5	3.5	3.5	3.5
Interest margin	%	<b>13.4%</b>	13.2%	13.2%	13.2%	13.2%	13.5%	14.0%	14.9%	14.9%	14.8%	14.8%	14.9%
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>4 913 475</b>	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739	4 649 955
Non-Performing Loans ("NPLs")	R '000	<b>1 313 395</b>	1 301 323	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930	1 211 280	1 118 960
Carrying value of written off book	R '000	<b>467 930</b>	467 930	479 930	479 930	479 930	479 930	479 930	546 587	565 087	570 087	570 087	579 087
Impairment provision	R '000	<b>2 050 004</b>	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874	1 773 232	1 762 670
Net loans and advances	R '000	<b>3 331 401</b>	3 427 423	3 408 171	3 409 062	3 423 102	3 439 781	3 446 700	3 518 778	3 523 384	3 494 844	3 473 594	3 466 372
Number of loans on book		<b>201 987</b>	205 634	203 500	203 772	204 901	206 094	207 949	208 993	210 442	211 445	210 940	212 476
Non-performing loans ratio ^	%	<b>26.7%</b>	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%	25.9%	24.1%
Provision coverage	%	<b>41.7%</b>	40.7%	40.8%	40.5%	40.0%	39.6%	39.3%	38.6%	38.5%	38.2%	37.9%	37.9%
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>4 783 758</b>	4 909 362	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433	4 846 984	4 813 077
Average cost of borrowings	%	<b>11.3%</b>	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%	10.8%	10.9%
Cash and cash equivalents	R '000	<b>418 256</b>	484 504	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740	401 456	346 557

\* 12 months rolling average

^ The increase in the non-performing loans ratio is as a result of the decrease in the loans and advances balance month on month. This decrease was as a result of the lower loan claims purchased by the Issuer (disclosed on page 2).

## Monthly Investor Report

### Origination

		% change MOM	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15
Disbursements	R '000	(17.0%)	<b>90 496</b>	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994	93 613	91 449
Number of new loans		(15.3%)	<b>6 218</b>	7 338	4 090	4 248	4 422	3 493	4 158	4 242	5 991	5 861	4 977	5 037
Average loan value at acquisition	Rand	(2.1%)	<b>14 554</b>	14 859	20 116	20 358	21 133	21 916	22 338	20 267	21 022	19 108	18 809	18 156
Average term at acquisition	Months	(4.1%)	<b>19.6</b>	20.4	32.0	32.2	33.3	33.2	32.8	31.0	30.9	29.2	29.0	28.8

### Loan claims purchased by Bayport Securitisation (RF) Ltd \*

		% change MOM	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15
Disbursements	R '000	(83.6%)	<b>17 909</b>	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994	93 613	91 449
Number of new loans		(81.4%)	<b>1 368</b>	7 338	4 090	4 248	4 422	3 493	4 158	4 242	5 991	5 861	4 977	5 037
Average loan value at acquisition	Rand	(11.9%)	<b>13 091</b>	14 859	20 116	20 358	21 133	21 916	22 338	20 267	21 022	19 108	18 809	18 156
Average term at acquisition	Months	(10.9%)	<b>18.2</b>	20.4	32.0	32.2	33.3	33.2	32.8	31.0	30.9	29.2	29.0	28.8

\* Claims purchased by the Issuer decreased over the month of June 2016 as a result of the execution of the Bayport Tutari RF (Ltd) warehousing structure (Tutari). The claims purchased by Tutari will be sold periodically to the Issuer and thus a consolidated view of all originations has been disclosed.

### Statistics

#### Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	13%	9%	11%	<b>11%</b>
Free State	5%	6%	7%	<b>7%</b>
Gauteng	34%	51%	36%	<b>36%</b>
Kwazulu-Natal	14%	12%	14%	<b>14%</b>
Limpopo	5%	3%	7%	<b>7%</b>
Mpumulanga	7%	3%	6%	<b>6%</b>
Northern Cape	3%	3%	3%	<b>3%</b>
North-West	7%	4%	5%	<b>5%</b>
Western Cape	12%	9%	11%	<b>11%</b>
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

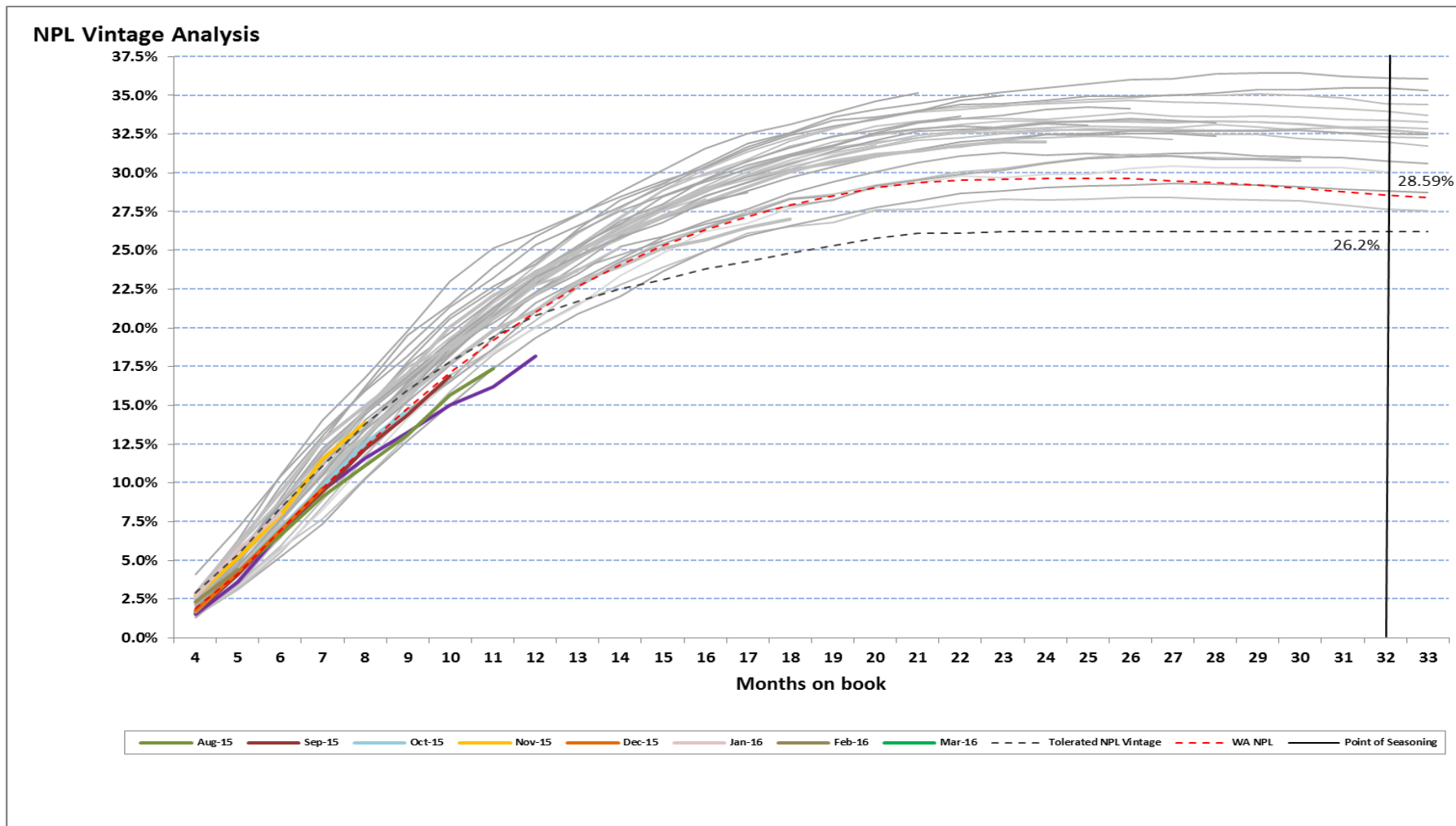
## Monthly Investor Report

### Asset quality

	% change MOM	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000	Jan 16 R'000	Dec 15 R'000	Nov 15 R'000	Oct 15 R'000	Sep 15 R'000	Aug 15 R'000	Jul 15 R'000
<b>Gross loans and advances</b>	(1.6%)	<b>4 913 475</b>	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739	4 649 955
Performing loans	(2.5%)	<b>3 600 080</b>	3 691 260	3 652 573	3 628 515	3 627 041	3 652 591	3 672 169	3 652 026	3 620 873	3 524 701	3 465 459	3 530 995
Non-performing loans	0.9%	<b>1 313 395</b>	1 301 323	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930	1 211 280	1 118 960
<b>Impairment provision</b>													
Opening balance	0.8%	<b>2 033 090</b>	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874	1 773 232	1 762 670	1 756 094
Bad debt written-off	(11.0%)	<b>(39 841)</b>	(44 765)	(45 216)	(40 784)	(47 615)	(39 693)	(47 260)	(44 507)	(46 323)	(42 960)	(49 320)	(49 172)
Provision raised	(7.8%)	<b>56 755</b>	61 561	65 482	71 863	72 117	57 739	99 765	62 347	92 504	75 602	59 882	55 748
Closing balance	0.8%	<b>2 050 004</b>	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874	1 773 232	1 762 670

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

#### Loans and advances distribution by contractual delinquency (CD) \*

	Jun 16 %	May 16 %	Apr 16 %	Mar 16 %	Feb 16 %	Jan 16 %	Dec 15 %	Nov 15 %	Oct 15 %	Sep 15 %	Aug 15 %	Jul 15 %
<b>For all loans and advances originated</b>												
0	61.1%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%	62.2%	62.9%	62.2%	62.2%	63.9%
1	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%	5.4%	5.2%	5.1%	4.7%	5.1%
2	4.0%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%	4.4%	4.0%	4.0%	3.9%	3.7%
3	3.3%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%	3.4%	3.2%	3.2%	3.3%	3.2%
4 +	26.3%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%	25.9%	24.1%
<b>For Bayport Securitisation (RF) Ltd ^</b>												
0	60.5%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%	62.2%	62.9%	62.2%	62.2%	63.9%
1	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%	5.4%	5.2%	5.1%	4.7%	5.1%
2	4.1%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%	4.4%	4.0%	4.0%	3.9%	3.7%
3	3.4%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%	3.4%	3.2%	3.2%	3.3%	3.2%
4 +	26.7%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%	25.9%	24.1%
<b>Monthly loans and advances movement</b>												
	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000	Jan 16 R'000	Dec 15 R'000	Nov 15 R'000	Oct 15 R'000	Sep 15 R'000	Aug 15 R'000	Jul 15 R'000
Opening balance	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739	4 649 955	4 641 364
Disbursements	17 909	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994	93 613	91 449
Interest and other similar income	77 990	86 630	83 775	80 042	76 055	82 704	96 029	91 081	95 690	88 749	87 060	89 055
Non-interest revenue	33 924	45 849	46 287	50 181	47 491	45 421	52 672	52 219	57 553	55 226	53 853	57 229
Collections	(191 320)	(176 663)	(178 674)	(183 100)	(179 379)	(170 696)	(179 120)	(187 877)	(200 224)	(194 570)	(187 379)	(206 888)
Bad debt write-offs and write-backs	(17 611)	(16 805)	(14 288)	(16 563)	(29 795)	(22 855)	(15 376)	(9 661)	759	(7 507)	(20 363)	(22 254)
Closing balance	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739	4 649 955

\* Arrears instalments

^ The increase in the CD 4+ ratio is as a result of the decrease in the loans and advances balance month on month. This decrease was as a result of the lower loan claims purchased by the Issuer (disclosed on page 2).

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>Jun 16</b> <b>R'000</b>	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000	Jan 16 R'000	Dec 15 R'000	Nov 15 R'000	Oct 15 R'000	Sep 15 R'000	Aug 15 R'000	Jul 15 R'000
Class A Notes (senior)	(6.6%)	<b>1 839 971</b>	1 969 117	1 969 117	1 929 117	1 941 813	1 941 813	1 941 813	2 108 955	2 108 955	2 108 955	2 426 009	2 426 009
Senior warehouse funding	0.0%	-	-	-	-	150 000	150 000	150 000	235 000	235 000	235 000	235 000	235 000
Class B Notes (Mezzanine)	(1.6%)	<b>337 796</b>	343 331	343 331	343 331	350 550	350 550	350 550	357 503	357 503	357 503	364 208	364 208
Other subordinated funding	0.3%	<b>2 605 991</b>	2 596 914	2 596 862	2 619 686	2 653 116	2 576 753	2 596 947	1 898 923	2 059 375	1 903 975	1 821 766	1 787 860
<b>Total interest bearing liabilities</b>	<b>(2.6%)</b>	<b>4 783 758</b>	4 909 362	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433	4 846 983	4 813 077
Average cost of borrowings	0.9%	<b>11.3%</b>	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%	10.8%	10.9%
Cash and cash equivalents	(13.7%)	<b>418 256</b>	484 504	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740	401 456	346 557

## Monthly Investor Report

### Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	34 159 619	2010-09-30	2016-09-30
BAYA08	11.780%	A	50 000 000	50 000 000	2010-11-15	2018-01-02
BAYA16	10.380%	A	10 000 000	655 774	2011-10-12	2016-09-30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	5 208 957	2011-10-21	2016-09-30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	6 511 193	2011-11-30	2016-09-30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	16 678 401	2011-11-30	2016-12-31
BAYA23	10.510%	A	300 000 000	73 002 300	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	12 390 713	2012-08-15	2017-06-30
BAYA26	10.225%	A	185 000 000	185 000 000	2012-09-27	2017-10-02
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	20 065 105	2013-04-02	2018-03-31
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	25 270 874	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	38 355 929	2014-01-24	2017-03-31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	41 364 769	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
BYA49U	3-month JIBAR plus 4.000%	A	65 000 000	65 000 000	2015-05-05	2018-07-02
BAYA50	3-month JIBAR plus 2.500%	A	25 000 000	25 000 000	2016-03-31	2017-03-31
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	37 116 299	2016-04-06	2019-04-01
BAYA52	3-month JIBAR plus 5.100%	A	50 000 000	209 190 630	2016-03-31	2019-04-01
<b>Subtotal Class A notes</b>			<b>3 035 000 000</b>	<b>1 839 970 562</b>		
BAYB03	15.360%	B	55 000 000	55 000 000	2011-11-30	2016-12-31
BAYB04	14.230%	B	90 000 000	17 795 555	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
<b>Subtotal Class B notes</b>			<b>410 000 000</b>	<b>337 795 555</b>		
<b>Total</b>			<b>3 445 000 000</b>	<b>2 177 766 117</b>		



## Monthly Investor Report

### Covenant compliance

	Current requirement	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	<b>2.8</b>	2.5	2.6	2.2	2.3	2.0	2.4	2.4	2.1	1.8	1.7	1.9
Senior Debt Interest Cover Ratio	≥ 3.50 times	<b>6.0</b>	5.9	6.3	5.8	6.5	6.3	5.3	6.1	6.0	5.8	5.2	5.3
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	<b>49.1%</b>	50.3%	50.7%	50.3%	51.2%	52.3%	52.2%	64.1%	62.2%	65.4%	68.7%	69.8%
Bad and Doubtful Debt Ratio	≤ 17.5%	<b>9.3%</b>	9.6%	9.6%	9.5%	9.3%	9.0%	9.5%	8.0%	8.6%	9.2%	9.9%	11.2%
Equity invested in the Company by the Originator*	> 22.5%	<b>50.1%</b>	48.3%	48.5%	48.9%	49.8%	47.8%	48.6%	28.6%	32.6%	28.4%	26.2%	25.4%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	<b>2.6%</b>	2.6%	2.6%	2.6%	2.7%	2.8%	2.9%	3.0%	3.2%	3.2%	3.4%	3.6%

	Current requirement	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15
<b>Cash reserves</b>													
Liquidity reserve (R'000)*	≥ 250,000	<b>250 000</b>	250 000	250 000	250 000	250 000	250 000	-	-	-	-	-	-
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	<b>28.6%</b>	28.8%	28.7%	28.5%	28.6%	28.4%	28.5%	28.4%	28.1%	27.8%	27.4%	27.3%
Reserve required (R'000)		<b>19 924</b>	21 888	21 317	19 411	20 553	18 605	19 660	19 157	17 175	14 104	10 674	9 502
Asset performance reserve													
Collections ratio	≥ 80.75%	<b>102.7%</b>	102.2%	103.0%	105.9%	107.0%	108.3%	110.2%	111.2%	111.1%	109.9%	110.0%	106.7%
Reserve required (R'000)		<b>-</b>	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		<b>230 076</b>	228 112	228 683	230 589	229 447	231 395	-	-	-	-	-	-
		<b>R'000</b>	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)		<b>93 280</b>	93 671	94 112	93 699	93 447	92 906	92 225	91 711	91 638	91 916	92 479	94 393
Actual receipts (6 month average)		<b>95 831</b>	95 704	96 907	99 260	100 011	100 631	101 610	101 955	101 817	101 044	101 730	100 755
Capital redemption reserve (R'000)		<b>20 000</b>	20 000	-	-	100 000	80 000	60 000	40 000	20 000	-	108 333	86 667

\* With effect from February 2016 and in accordance with the approved amendments to the Programme Memorandum. The Senior Debt to Net Qualifying Asset Value was reduced from 72.5% to 70.0% and the Equity invested in the Company by the Originator was increased from 20.0% to 22.5%.

## Monthly Investor Report

### Glossary of terms

<b>CD</b>	Contractual delinquency = accumulated arrears / contractual instalment originally due
<b>MOB</b>	Month on book
<b>MoM</b>	Month on month
<b>YTD</b>	Year to date
<b>Non-performing loans</b>	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
<b>Non-performing loans ratio</b>	Non-performing loans / Gross loans and advances
<b>Provision coverage</b>	Impairment provision / Gross loans and advances