

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JANUARY 2017

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

### Financial statistics for the period ended January 2017

		Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	<b>20.0%</b>	20.4%	21.2%	21.7%	22.3%	22.8%	23.2%	23.6%	23.6%	23.7%	23.8%	24.1%
Dividends income as a % of ave gross loans and advances	%	<b>14.2%</b>	14.2%	14.2%	14.2%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total income as a % of ave gross loans and advances (incl. dividends)	%	<b>34.2%</b>	34.6%	35.3%	35.8%	36.5%	22.8%	23.2%	23.6%	23.6%	23.7%	23.8%	24.1%
Direct and indirect expenses to ave gross loans and advances	%	<b>6.5%</b>	6.5%	5.7%	5.2%	5.3%	5.5%	5.7%	5.9%	6.1%	6.3%	6.5%	6.6%
Direct and indirect expenses to total income (excl. dividends)	%	<b>32.6%</b>	32.0%	26.8%	23.9%	24.0%	24.3%	24.5%	25.2%	26.1%	26.7%	27.1%	27.5%
Direct and indirect expenses to total income (incl. dividends)	%	<b>19.1%</b>	18.9%	16.1%	14.5%	14.7%	24.3%	24.5%	25.2%	26.1%	26.7%	27.1%	27.5%
Return on assets (excl. dividends)	%	<b>(1.4%)</b>	(1.2%)	(1.7%)	(1.1%)	(0.9%)	(0.4%)	(0.2%)	0.0%	(0.5%)	(0.7%)	(0.7%)	(0.6%)
Return on assets (incl. dividends)	%	<b>15.0%</b>	15.2%	14.7%	15.4%	15.7%	(0.4%)	(0.2%)	0.0%	(0.5%)	(0.7%)	(0.7%)	(0.6%)
Gearing ratio	times	<b>1.4</b>	1.4	1.4	1.5	1.5	1.6	1.8	1.9	2.1	2.2	2.4	2.6
Interest margin	%	<b>11.2%</b>	11.5%	11.7%	12.1%	12.6%	13.0%	13.2%	13.4%	13.2%	13.2%	13.2%	13.2%
<b>Income statement extract</b>													
Interest income	R '000	<b>62 267</b>	62 161	68 375	73 127	66 745	72 765	75 348	83 557	89 327	87 496	83 185	78 470
Non-interest revenue (excl. dividends)	R '000	<b>5 594</b>	5 407	5 700	5 826	5 080	6 062	5 996	5 771	6 196	6 506	6 468	6 420
Dividends income	R '000	-	-	-	-	691 252	-	-	-	-	-	-	-
<b>Total income</b>	R '000	<b>67 861</b>	67 568	74 075	78 953	763 077	78 827	81 344	89 328	95 523	94 002	89 653	84 890
Interest expenses	R '000	<b>(26 473)</b>	(19 891)	(31 128)	(32 788)	(30 226)	(30 622)	(30 575)	(31 073)	(32 067)	(31 041)	(30 713)	(31 284)
Direct and indirect expenses	R '000	<b>(26 612)</b>	(26 236)	(26 494)	(27 656)	(25 802)	(28 571)	(24 846)	(26 129)	(25 881)	(26 059)	(26 869)	(26 581)
<b>Total expenses</b>	R '000	<b>(53 085)</b>	(46 127)	(57 622)	(60 444)	(56 028)	(59 193)	(55 421)	(57 202)	(57 948)	(57 100)	(57 582)	(57 865)

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended January 2017 (continued)

		Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>4 831 485</b>	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122
Non-Performing Loans ("NPLs")	R '000	<b>1 409 583</b>	1 400 833	1 387 155	1 374 507	1 362 235	1 353 021	1 332 568	1 313 395	1 301 323	1 291 963	1 296 646	1 281 081
Carrying value of written off book	R '000	<b>460 930</b>	460 930	467 930	467 930	467 930	467 930	467 930	467 930	467 930	479 930	479 930	479 930
Impairment provision	R '000	<b>2 173 511</b>	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949
Net loans and advances	R '000	<b>3 118 904</b>	3 112 632	3 186 308	3 276 123	3 086 638	3 092 796	3 202 404	3 331 401	3 427 423	3 408 171	3 409 062	3 423 102
Number of loans on book		<b>188 066</b>	188 170	191 532	195 528	188 751	190 458	196 047	201 987	205 634	203 500	203 772	204 901
Non-performing loans ratio	%	<b>29.2%</b>	29.1%	28.5%	27.7%	28.7%	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%
Provision coverage	%	<b>45.0%</b>	44.9%	44.2%	43.4%	44.8%	44.5%	43.2%	41.7%	40.7%	40.8%	40.5%	40.0%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	<b>222 325</b>	222 325	222 325	222 325	222 325	913 577	-	-	-	-	-	-
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>2 860 494</b>	2 834 818	2 825 270	2 847 650	2 810 939	3 403 738	4 760 399	4 783 758	4 909 362	4 909 309	4 892 132	5 095 479
Average cost of borrowings	%	<b>11.3%</b>	11.3%	11.5%	11.4%	11.3%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%
Cash and cash equivalents	R '000	<b>633 031</b>	680 509	582 464	497 818	636 981	595 083	534 999	418 256	484 504	477 482	423 930	659 283

## Monthly Investor Report

### Origination

		% change MOM	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
Disbursements	R '000	4.7%	96 377	92 070	122 542	113 194	117 328	88 469	89 652	90 496	109 036	82 275	86 479	93 451
Number of new loans		(2.4%)	4 814	4 932	5 909	4 933	5 597	4 941	5 950	6 218	7 338	4 090	4 248	4 422
Average loan value at acquisition	Rand	7.2%	20 020	18 668	20 738	22 946	20 963	17 905	15 068	14 554	14 859	20 116	20 358	21 133
Average term at acquisition	Months	4.3%	25.3	24.2	26.1	28.0	26.8	22.5	20.4	19.6	20.4	32.0	32.2	33.3

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

		% change MOM	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
Loan claims purchased	R '000	159.5%	96 377	37 137	33 092	300 353	114 245	-	-	17 909	109 036	82 275	86 479	93 451
Number of loans purchased		120.3%	4 814	2 185	1 579	13 676	5 411	-	-	1 368	7 338	4 090	4 248	4 422
Average loan value purchased	Rand	17.8%	20 020	16 996	20 957	21 962	21 113	-	-	13 091	14 859	20 116	20 358	21 133
Average remaining term of loans purchased	Months	9.1%	25.3	23.2	26.3	22.5	27.0	-	-	18.2	20.4	32.0	32.2	33.3

\* Loans disbursed by the originator that are not sold to Bayport Tutari RF (Ltd) are purchased by the issuer. 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	12%	8%	10%	10%
Free State	6%	6%	7%	6%
Gauteng	35%	52%	37%	38%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	3%	8%	8%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	2%	2%	2%
North-West	6%	5%	5%	5%
Western Cape	12%	8%	11%	11%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

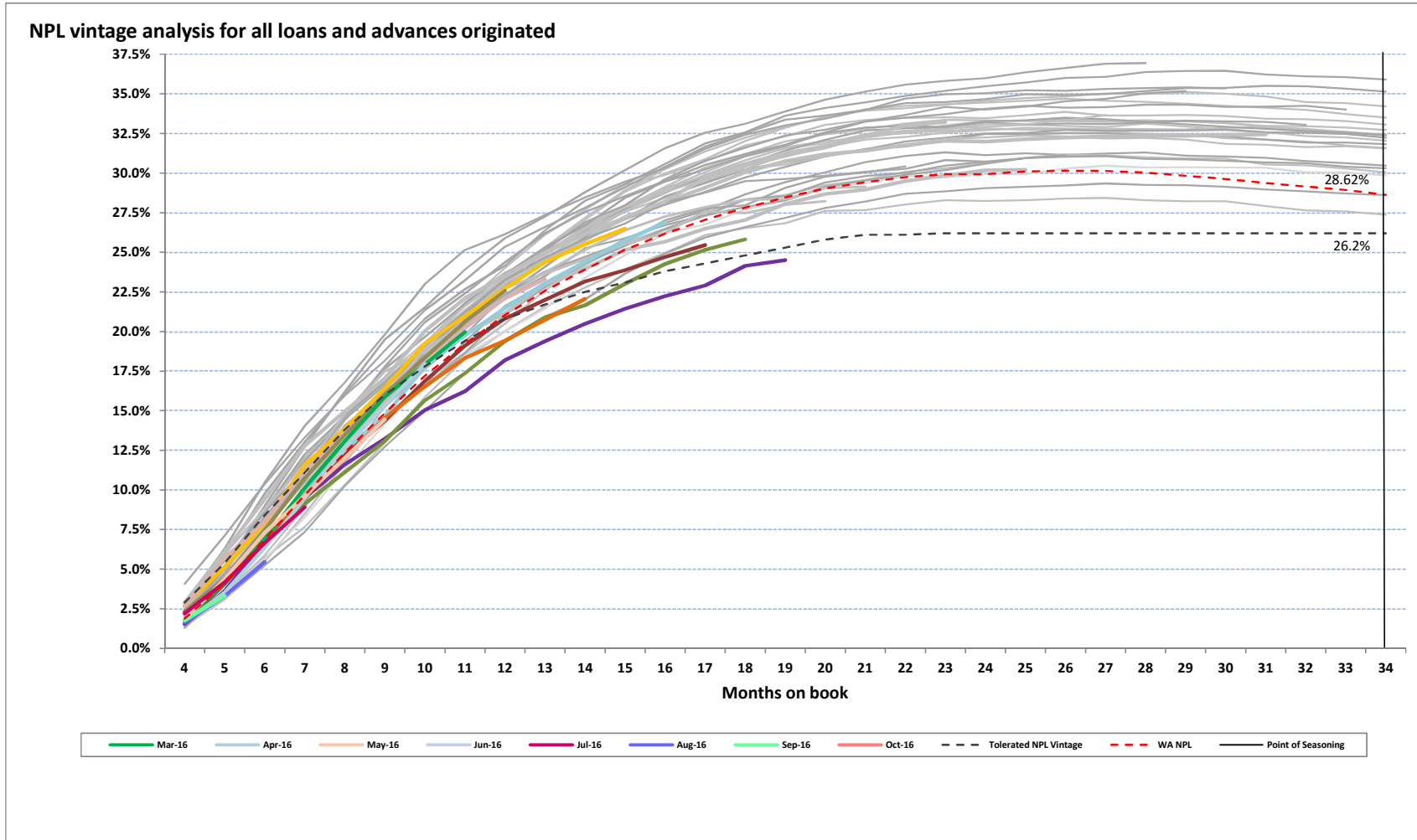
## Monthly Investor Report

### Asset quality

	% change MOM	Jan 17 R'000	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	Aug 16 R'000	Jul 16 R'000	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000
<b>Gross loans and advances</b>	0.3%	<b>4 831 485</b>	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122
Performing loans	0.2%	<b>3 421 902</b>	3 414 464	3 486 522	3 585 814	3 382 539	3 376 679	3 481 106	3 600 080	3 691 260	3 652 573	3 628 515	3 627 041
Non-performing loans	0.6%	<b>1 409 583</b>	1 400 833	1 387 155	1 374 507	1 362 235	1 353 021	1 332 568	1 313 395	1 301 323	1 291 963	1 296 646	1 281 081
<b>Impairment provision</b>													
Opening balance	0.4%	<b>2 163 595</b>	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447
Bad debt written-off	(35.4%)	<b>(38 040)</b>	(58 896)	(42 149)	(39 912)	(40 998)	(37 424)	(36 674)	(39 841)	(44 765)	(45 216)	(40 784)	(47 615)
Provision raised	(28.6%)	<b>47 956</b>	67 192	45 320	65 974	62 230	63 058	65 870	56 755	61 561	65 482	71 863	72 117
Closing balance	0.5%	<b>2 173 511</b>	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

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

	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
	%	%	%	%	%	%	%	%	%	%	%	%
<b>For all loans and advances originated</b>												
0	59.3%	59.9%	61.1%	60.9%	62.7%	60.1%	60.4%	61.1%	61.3%	61.0%	59.5%	59.2%
1	5.6%	5.3%	4.7%	4.9%	2.7%	5.2%	5.3%	5.3%	5.0%	4.9%	5.4%	5.9%
2	4.0%	4.0%	3.9%	3.8%	4.1%	4.3%	4.3%	4.0%	4.0%	4.2%	4.9%	5.1%
3	3.4%	3.3%	3.2%	3.3%	3.5%	3.5%	3.4%	3.3%	3.6%	3.8%	3.9%	3.7%
4 +	27.7%	27.5%	27.1%	27.1%	27.0%	26.9%	26.6%	26.3%	26.1%	26.1%	26.3%	26.1%
<b>For Bayport Securitisation (RF) Ltd</b>												
0	57.4%	57.9%	59.4%	60.1%	60.8%	57.9%	58.9%	60.5%	61.3%	61.0%	59.5%	59.2%
1	5.8%	5.5%	4.8%	4.9%	2.6%	5.3%	5.4%	5.3%	5.0%	4.9%	5.4%	5.9%
2	4.1%	4.1%	4.0%	3.9%	4.2%	4.5%	4.4%	4.1%	4.0%	4.2%	4.9%	5.1%
3	3.5%	3.4%	3.3%	3.4%	3.7%	3.7%	3.6%	3.4%	3.6%	3.8%	3.9%	3.7%
4 +	29.2%	29.1%	28.5%	27.7%	28.7%	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%
<b>Monthly loans and advances movement</b>												
	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
	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	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298
Disbursements	96 377	37 137	33 092	300 353	114 245	-	-	17 909	109 036	82 275	86 479	93 451
Interest and other similar income	60 225	58 169	65 475	69 310	63 329	69 488	72 883	77 990	86 630	83 775	80 042	76 055
Non-interest revenue	38 469	33 552	10 206	39 405	33 806	19 117	15 611	33 924	45 849	46 287	50 181	47 491
Collections	(153 901)	(145 144)	(168 202)	(169 371)	(170 337)	(152 426)	(168 633)	(191 320)	(176 663)	(178 674)	(183 100)	(179 379)
Bad debt write-offs and write-backs	(24 982)	(42 094)	(27 215)	(24 152)	(25 968)	(20 153)	(19 661)	(17 611)	(16 805)	(14 288)	(16 563)	(29 795)
Closing balance	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>Jan 17</b> <b>R'000</b>	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	Aug 16 R'000	Jul 16 R'000	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000
Class A Notes (senior)	(4.9%)	<b>1 920 133</b>	2 019 850	2 019 850	2 019 850	2 019 850	1 839 971	1 839 971	1 839 971	1 969 117	1 969 117	1 929 117	1 941 813
Senior warehouse funding	0.0%	-	-	-	-	-	-	-	-	-	-	-	150 000
Class B Notes (Mezzanine)	(18.1%)	<b>276 154</b>	337 071	337 071	337 071	337 071	337 796	337 796	337 796	343 331	343 331	343 331	350 550
Other subordinated funding	39.0%	<b>664 207</b>	477 897	468 349	490 729	454 018	1 225 971	2 582 632	2 605 991	2 596 914	2 596 862	2 619 686	2 653 116
Total interest bearing liabilities	0.9%	<b>2 860 494</b>	2 834 818	2 825 270	2 847 650	2 810 939	3 403 738	4 760 399	4 783 758	4 909 362	4 909 309	4 892 132	5 095 479
Average cost of borrowings	0.1%	<b>11.3%</b>	11.3%	11.5%	11.4%	11.3%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%
Cash and cash equivalents	(7.0%)	<b>633 031</b>	680 509	582 464	497 818	636 981	595 083	534 999	418 256	484 504	477 482	423 930	659 283



## Monthly Investor Report

### Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA08	11.780%	A	50 000 000	50 000 000	15/11/2010	02/01/2018
BAYA23	10.510%	A	300 000 000	37 508 284	02/07/2012	30/06/2017
BAYA24	11.090%	A	95 000 000	95 000 000	02/07/2012	30/06/2017
BAYA25	3-month JIBAR plus 4.150%	A	50 000 000	6 345 627	15/08/2012	30/06/2017
BAYA26	10.225%	A	185 000 000	185 000 000	27/09/2012	02/10/2017
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	60 000 000	14/12/2012	31/12/2018
BAYA32	10.108%	A	75 000 000	75 000 000	28/02/2013	03/04/2018
BAYA33	3-month JIBAR plus 4.000%	A	15 000 000	15 000 000	25/03/2013	03/04/2018
BAYA34	3-month JIBAR plus 4.250%	A	100 000 000	100 000 000	25/03/2013	03/04/2018
BAYA35	3-month JIBAR plus 4.250%	A	50 000 000	50 000 000	25/03/2013	03/04/2018
BAYA36	3-month JIBAR plus 3.880%	A	50 000 000	14 664 266	02/04/2013	31/03/2018
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	320 000 000	30/09/2013	01/10/2018
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	20 109 164	30/09/2013	30/09/2018
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	130 000 000	30/09/2013	01/10/2018
BAYA43	3-month JIBAR plus 3.900%	A	150 000 000	13 093 107	24/01/2014	31/03/2017
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	14 120 199	31/03/2014	31/03/2017
BAYA45	3-month JIBAR plus 4.250%	A	150 000 000	150 000 000	31/03/2014	01/04/2019
BYA49U	3-month JIBAR plus 4.000%	A	65 000 000	65 000 000	05/05/2015	02/07/2018
BAYA50	3-month JIBAR plus 2.500%	A	25 000 000	25 000 000	31/03/2016	31/03/2017
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	31 304 047	06/04/2016	01/04/2019
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	176 432 383	31/03/2016	01/04/2019
BAYA53	3-month JIBAR plus 2.500%	A	30 000 000	30 000 000	30/09/2016	02/10/2017
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	256 555 489	30/09/2016	30/09/2019
<b>Subtotal Class A notes</b>			<b>2 640 500 000</b>	<b>1 920 132 566</b>		
BAYB04	14.230%	B	90 000 000	6 154 472	02/04/2012	31/03/2017
BAYB05	3-month JIBAR plus 7.500%	B	50 000 000	50 000 000	15/08/2012	30/06/2019
BAYB06	3-month JIBAR plus 7.500%	B	30 000 000	30 000 000	14/12/2012	31/12/2019
BAYB07	3-month JIBAR plus 7.500%	B	20 000 000	20 000 000	22/02/2013	31/03/2020
BAYB08	3-month JIBAR plus 8.000%	B	50 000 000	50 000 000	25/03/2013	30/09/2020
BAYB09	3-month JIBAR plus 5.750%	B	115 000 000	115 000 000	24/01/2014	01/10/2018
BYB10U	3-month JIBAR plus 8.000%	B	5 000 000	5 000 000	30/09/2016	30/09/2021
<b>Subtotal Class B notes</b>			<b>360 000 000</b>	<b>276 154 472</b>		
<b>Total</b>			<b>3 000 500 000</b>	<b>2 196 287 038</b>		

## Monthly Investor Report

### Covenant compliance

	Current requirement	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.1	2.3	2.8	2.7	2.5	2.1	2.5	2.8	2.5	2.6	2.2	2.3
Senior Debt Interest Cover Ratio	≥ 3.50 times	5.2	4.5	4.8	4.9	5.5	5.8	5.6	6.0	5.9	6.3	5.8	6.5
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	51.2%	53.3%	53.6%	53.5%	54.2%	49.9%	49.2%	49.1%	50.3%	50.7%	50.3%	51.2%
Bad and Doubtful Debt Ratio	≤ 17.5%	7.9%	8.0%	9.8%	9.9%	10.5%	10.2%	9.8%	9.3%	9.6%	9.6%	9.5%	9.3%
Equity invested in the Company by the Originator*	> 22.5%	57.0%	47.5%	46.0%	45.6%	47.6%	50.6%	51.1%	50.1%	48.3%	48.5%	48.9%	49.8%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.4%	2.5%	2.5%	2.4%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%
<b>Cash reserves</b>													
	Current requirement	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16
Liquidity reserve (R'000)*	≥ 250,000	250 000	250 000	250 000	250 000	250 000	250 000	250 000	250 000	250 000	250 000	250 000	250 000
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	28.6%	28.6%	28.7%	28.7%	28.6%	28.5%	28.7%	28.6%	28.8%	28.7%	28.5%	28.6%
Reserve required (R'000)		18 891	18 391	20 298	20 224	18 244	17 765	19 732	19 924	21 888	21 317	19 411	20 553
Asset performance reserve													
Collections ratio	≥ 80.75%	107.5%	104.3%	104.1%	102.7%	101.4%	101.3%	101.1%	102.7%	102.2%	103.0%	105.9%	107.0%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		231 109	231 609	229 702	229 776	231 756	232 235	230 268	230 076	228 112	228 683	230 589	229 447
Expected collections (6 month average) (R'000)		78 386	82 021	84 477	85 734	87 600	90 815	92 793	93 280	93 671	94 112	93 699	93 447
Actual receipts (6 month average) (R'000)		84 242	85 556	87 907	88 072	88 842	91 976	93 825	95 831	95 704	96 907	99 260	100 011
Capital redemption reserve (R'000)		32 500	187 500	154 167	120 833	87 500	58 333	29 167	20 000	20 000	-	-	100 000

\* 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%
- 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