

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

August 2017

your future now

BAYPORT
FINANCIAL SERVICES

Note:

The Company adopted IFRS 9 as at 31 December 2016. All impacted figures have been restated from that date.

The adoption of IFRS 9 introduced a forward-looking **expected credit loss model** effectively recognising all future credit losses upfront as opposed to an incurred loss model as per the previous statement (IAS 39). The initial IFRS 9 adoption resulted in a reallocation within the Balance Sheet only (no Income Statement impact). On adopting IFRS 9, the Net Loans and Advances as well as the Equity balance decreased by the adoption charge.

It should be noted that for comparative purposes certain sections of this report have been presented under both IFRS 9 and IAS 39. These sections have been clearly marked for the benefit of the user.

Monthly Investor Report

Financial statistics for the period ended August 2017

Reported under IFRS 9*		Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Performance ratios[^]													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.9%	18.1%	18.2%	18.5%	19.0%	19.3%	19.7%	20.0%	20.4%	21.2%	21.7%	22.3%
Dividend income as a % of ave gross loans and advances	%	14.5%	14.7%	14.8%	14.2%	14.2%	14.2%	14.1%	14.1%	14.1%	14.2%	14.2%	14.2%
Total income as a % of ave gross loans and advances (incl. dividends)	%	32.5%	32.8%	33.0%	32.8%	33.2%	33.5%	33.8%	34.1%	34.5%	35.3%	35.8%	36.5%
Direct and indirect expenses to ave gross loans and advances	%	5.4%	5.8%	6.2%	6.5%	6.5%	6.4%	6.5%	6.5%	6.5%	5.7%	5.2%	5.3%
Direct and indirect expenses to total income (excl. dividends)	%	30.3%	32.3%	33.9%	34.9%	34.1%	33.3%	32.8%	32.4%	32.0%	26.8%	23.9%	24.0%
Direct and indirect expenses to total income (incl. dividends)	%	16.7%	17.8%	18.7%	19.7%	19.5%	19.2%	19.1%	19.0%	18.9%	16.1%	14.5%	14.7%
Return on assets (incl. dividends)	%	16.5%	15.8%	16.3%	15.4%	15.6%	16.0%	15.5%	15.2%	15.2%	14.7%	15.4%	15.7%
Gearing ratio	times	1.7	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.5	1.5
Interest margin	%	10.1%	9.6%	9.7%	10.1%	10.5%	10.8%	11.1%	11.3%	11.5%	11.7%	12.1%	12.6%
Income statement extract													
Interest income	R '000	72 289	78 434	65 857	70 032	71 247	66 972	65 941	69 493	62 161	68 375	73 127	66 745
Non-interest revenue (excl. dividends)	R '000	5 899	5 329	5 082	5 149	5 453	5 397	5 430	5 720	5 407	5 700	5 826	5 080
Dividend income	R '000	-	-	27 863	-	-	7 915	-	-	-	-	-	691 252
Total income	R '000	78 188	83 763	98 802	75 181	76 700	80 284	71 371	75 213	67 568	74 075	78 953	763 077
Interest expenses	R '000	1 568	35 685	30 170	32 131	29 573	29 080	26 510	26 473	19 891	31 128	32 788	30 226
Direct and indirect expenses	R '000	10 069	11 248	11 040	25 852	27 540	26 291	26 324	26 612	26 236	26 494	27 656	25 802
Total expenses	R '000	11 637	46 933	41 210	57 983	57 113	55 371	52 834	53 085	46 127	57 622	60 444	56 028

* IFRS 9 adopted as at 31 December 2016. The figures have been restated from that date.

[^] 12 months rolling average

Monthly Investor Report

Financial statistics for the period ended August 2017 (continued)

Reported under IAS 39		Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Asset and credit quality ratios													
Gross loans and advances	R '000	5 061 607	5 027 697	4 638 274	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774
Non-performing loans ("NPLs")	R '000	1 407 264	1 411 555	1 424 310	1 431 990	1 433 090	1 423 653	1 428 303	1 409 583	1 400 833	1 387 155	1 374 507	1 362 235
Carrying value of written off book	R '000	460 930	460 930	460 930	460 930	460 930	460 930	460 930	460 930	460 930	467 930	467 930	467 930
Impairment provision	R '000	2 256 697	2 251 567	2 219 912	2 225 450	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066
Net loans and advances	R '000	3 265 840	3 237 060	2 879 292	2 992 808	3 019 480	3 010 701	3 078 453	3 118 904	3 112 632	3 186 308	3 276 123	3 086 638
Number of loans on book		192 111	192 182	178 141	182 552	184 898	184 121	189 285	188 066	188 170	191 532	195 528	188 751
Non-performing loans ratio	%	27.8%	28.1%	30.7%	30.1%	30.0%	30.0%	29.7%	29.2%	29.1%	28.5%	27.7%	28.7%
Provision coverage	%	44.6%	44.8%	47.9%	46.8%	46.4%	46.2%	45.5%	45.0%	44.9%	44.2%	43.4%	44.8%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	202 127	202 127	202 127	202 127	202 127	222 325	222 325	222 325	222 325	222 325	222 325	222 325
Funding and cash reserves													
Interest bearing liabilities	R '000	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602	2 759 883	2 815 246	2 860 494	2 834 818	2 825 270	2 847 650	2 810 939
Average cost of borrowings	%	11.7%	11.6%	11.5%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.5%	11.4%	11.3%
Cash and cash equivalents	R '000	572 849	616 154	917 837	696 965	644 064	617 793	642 356	633 031	680 509	582 464	497 818	636 981
Reported under IFRS 9*		Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16			
Asset and credit quality ratios													
Gross loans and advances	R '000	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837	5 044 908	5 021 914			
Non-performing loans ("NPLs") [^]	R '000	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163	1 674 253	1 675 186	1 651 455	1 637 013			
Carrying value of written off book	R '000	280 456	268 292	267 571	256 375	256 706	250 625	254 132	258 328	257 060			
Impairment provision	R '000	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288	2 793 496	2 790 843			
Net loans and advances	R '000	2 729 253	2 661 794	2 334 462	2 424 612	2 439 001	2 423 186	2 469 681	2 509 740	2 488 130			
Number of loans on book		192 111	192 182	178 141	182 552	184 898	184 121	189 285	188 066	188 170			
Non-performing loans ratio	%	31.5%	31.8%	34.6%	33.9%	33.8%	33.8%	33.4%	32.7%	32.6%			
Provision coverage	%	53.7%	54.5%	57.5%	56.5%	56.3%	56.2%	55.8%	55.4%	55.6%			

* IFRS 9 adopted as at 31 December 2016. The figures have been restated from that date.

[^] The increase in the value of NPL's from IAS 39 to IFRS 9 is due to the release of income previously not recognised under IAS 39. The release of income is accompanied by a corresponding impairment adjustment, resulting in an Rnil impact on net loans and advances.

Monthly Investor Report

Origination

		% change MOM	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Disbursements	R '000	19.0%	148 427	124 691	116 914	123 154	91 961	103 527	98 243	96 377	92 070	122 542	113 194	117 328
Number of new loans		12.2%	6 715	5 985	5 720	5 936	4 284	5 573	5 217	4 814	4 932	5 909	4 933	5 597
Average loan value at acquisition	Rand	6.1%	22 104	20 834	20 440	20 747	21 466	18 577	18 831	20 020	18 668	20 738	22 946	20 963
Average term at aquisition	Months	3.5%	28.1	27.1	26.5	27.0	26.6	23.8	23.9	25.3	24.2	26.1	28.0	26.8

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Loan claims purchased	R '000	(72.0%)	145 861	520 621	10 349	120 007	142 135	42 409	73 860	96 377	37 137	33 092	300 353	114 245
Number of loans purchased		(69.9%)	6 715	22 287	638	4 690	5 491	2 290	3 090	4 814	2 185	1 579	13 676	5 411
Average loan value purchased	Rand	(7.0%)	21 722	23 360	16 222	25 588	25 885	18 519	23 903	20 020	16 996	20 957	21 962	21 113
Average remaining term of loans purchased	Months	17.9%	28.1	23.8	23.7	22.0	23.1	24.1	25.6	25.3	23.2	26.3	22.5	27.0

* 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%	7%	10%	11%
Free State	6%	6%	6%	6%
Gauteng	36%	55%	39%	39%
Kwazulu-Natal	14%	12%	14%	14%
Limpopo	5%	3%	6%	6%
Mpumulanga	6%	3%	6%	6%
Northern Cape	3%	2%	3%	2%
North-West	6%	4%	5%	5%
Western Cape	12%	8%	11%	11%
Grand Total	100%	100%	100%	100%

Monthly Investor Report

Asset quality

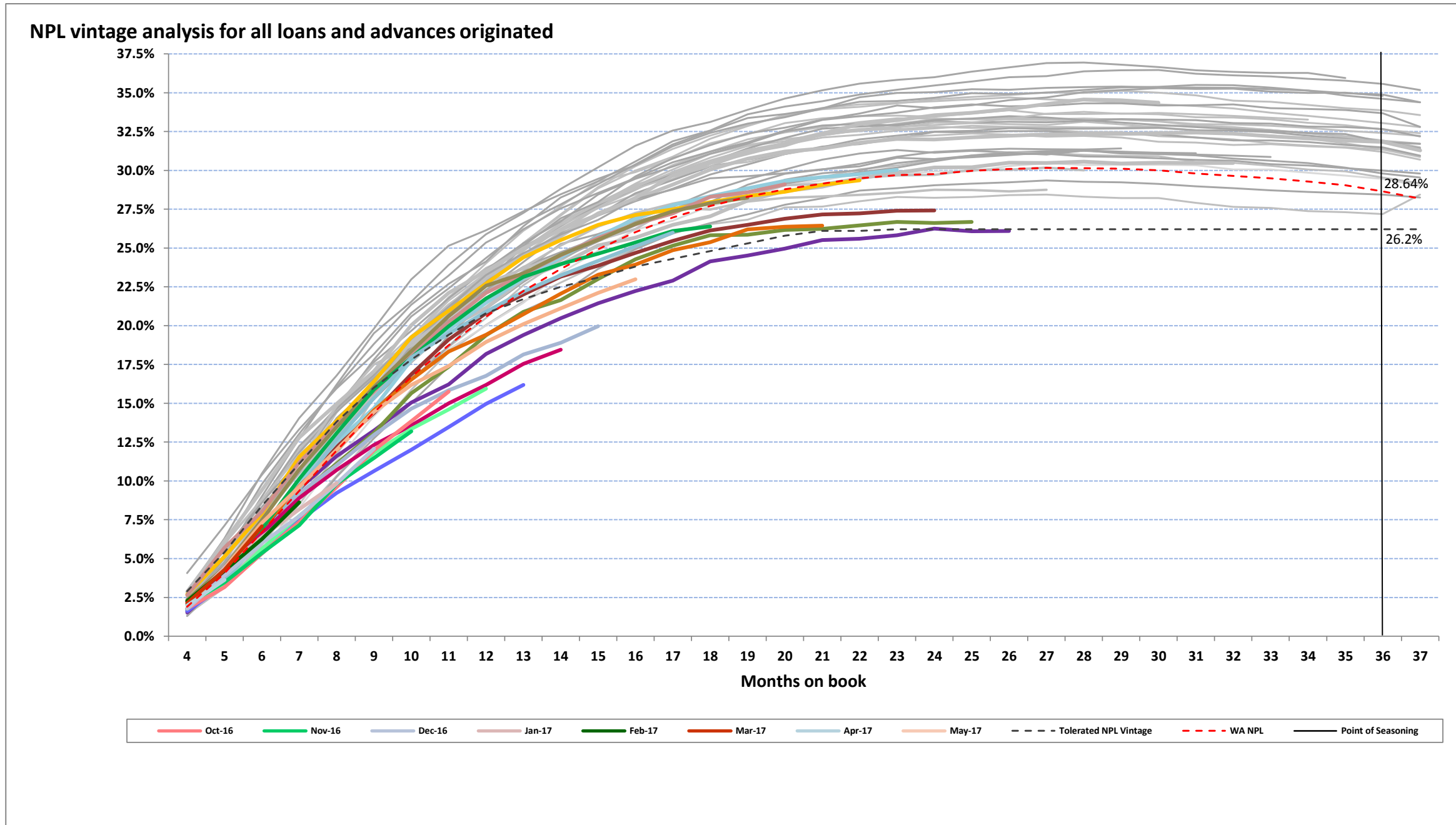
	% change	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Reported under IAS 39	MOM	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Gross loans and advances	9.1%	5 061 607	5 027 697	4 638 274	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774
Performing loans	13.7%	3 654 343	3 616 142	3 213 964	3 325 338	3 336 319	3 317 092	3 375 144	3 421 902	3 414 464	3 486 522	3 585 814	3 382 539
Non-performing loans	(1.2%)	1 407 264	1 411 555	1 424 310	1 431 990	1 433 090	1 423 653	1 428 303	1 409 583	1 400 833	1 387 155	1 374 507	1 362 235
Impairment provision													
Opening balance	1.2%	2 251 567	2 219 912	2 225 450	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834
Bad debt written-off	0.9%	(47 739)	(52 550)	(47 297)	(42 219)	(45 587)	(38 565)	(40 279)	(38 040)	(58 896)	(42 149)	(39 912)	(40 998)
Provision raised [^]	26.6%	52 869	84 205	41 759	56 810	65 472	43 615	52 692	47 956	67 192	45 320	65 974	62 230
Closing balance	1.7%	2 256 697	2 251 567	2 219 912	2 225 450	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066
Reported under IFRS 9*	% change	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16			
	MOM	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000			R'000
Gross loans and advances	8.8%	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837	5 044 908	5 021 914			
Performing loans	13.9%	3 621 321	3 584 397	3 179 418	3 291 792	3 301 896	3 286 264	3 342 651	3 393 453	3 384 901			
Non-performing loans	(0.9%)	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163	1 674 253	1 675 186	1 651 455	1 637 013			
Impairment provision													
Opening balance	1.7%	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288	2 793 496	2 790 843	2 155 299			
Bad debt written-off	5.4%	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)	(25 748)	(21 352)	(28 943)	(58 896)			
IFRS 9 adoption adjustment		-	-	-	-	-	-	-	-	627 248			
Provision raised [^]	(11.1%)	19 973	107 902	22 471	35 655	57 169	11 416	30 143	31 596	67 192			
Closing balance	1.6%	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288	2 793 496	2 790 843			

* IFRS 9 adopted as at 31 December 2016. The figures have been restated from that date.

[^] The additional provision raised in July 2017 was due to the higher loans claims purchased from Tutari during the month. Under IFRS 9 a provision is raised on loan origination (expected credit loss model).

Monthly Investor Report

Asset quality (continued)



Monthly Investor Report

Asset quality (continued)

Reported under IAS 39

Loans and advances distribution by contractual delinquency (CD)

	Aug 17 %	July 17 %	June 17 %	May 17 %	Apr 17 %	Mar 17 %	Feb 17 %	Jan 17 %	Dec 16 %	Nov 16 %	Oct 16 %	Sep 16 %
For all loans and advances originated												
0	62.5%	62.0%	61.3%	61.2%	60.8%	60.5%	59.1%	59.3%	59.9%	61.1%	60.9%	62.7%
1	4.1%	4.1%	4.4%	4.3%	4.4%	4.4%	5.3%	5.6%	5.3%	4.7%	4.9%	2.7%
2	3.3%	3.5%	3.5%	3.6%	3.6%	3.9%	4.4%	4.0%	4.0%	3.9%	3.8%	4.1%
3	3.0%	3.0%	3.1%	3.0%	3.2%	3.3%	3.3%	3.4%	3.3%	3.2%	3.3%	3.5%
4 +	27.1%	27.4%	27.7%	27.9%	28.0%	27.9%	27.9%	27.7%	27.5%	27.1%	27.1%	27.0%
For Bayport Securitisation (RF) Ltd												
0	61.7%	61.1%	57.8%	58.5%	58.3%	58.2%	57.0%	57.4%	57.9%	59.4%	60.1%	60.8%
1	4.1%	4.1%	4.5%	4.4%	4.6%	4.4%	5.4%	5.8%	5.5%	4.8%	4.9%	2.6%
2	3.3%	3.6%	3.7%	3.8%	3.8%	4.0%	4.5%	4.1%	4.1%	4.0%	3.9%	4.2%
3	3.1%	3.1%	3.3%	3.2%	3.3%	3.4%	3.4%	3.5%	3.4%	3.3%	3.4%	3.7%
4 +	27.8%	28.1%	30.7%	30.1%	30.0%	30.0%	29.7%	29.2%	29.1%	28.5%	27.7%	28.7%

Monthly Investor Report

Asset quality (continued)

Reported under IFRS 9*

Loans and advances distribution by contractual delinquency (CD)

	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16
	%	%	%	%	%	%	%	%	%
For all loans and advances originated									
0	59.1%	58.6%	57.9%	57.8%	57.4%	57.3%	55.9%	56.2%	56.8%
1	3.9%	3.9%	4.2%	4.1%	4.2%	4.2%	5.0%	5.4%	5.1%
2	3.1%	3.3%	3.3%	3.5%	3.5%	3.7%	4.2%	3.9%	3.9%
3	2.8%	2.9%	2.9%	2.9%	3.0%	3.2%	3.2%	3.3%	3.1%
4 +	31.0%	31.3%	31.6%	31.7%	31.9%	31.7%	31.6%	31.3%	31.1%
	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16
	%	%	%	%	%	%	%	%	%
For Bayport Securitisation (RF) Ltd									
0	58.6%	58.1%	54.6%	55.3%	55.1%	55.0%	54.0%	54.6%	55.1%
1	3.9%	3.8%	4.2%	4.2%	4.3%	4.2%	5.1%	5.5%	5.2%
2	3.1%	3.4%	3.4%	3.6%	3.6%	3.8%	4.3%	3.9%	3.9%
3	2.9%	2.9%	3.1%	3.0%	3.1%	3.2%	3.3%	3.3%	3.2%
4 +	31.5%	31.8%	34.6%	33.9%	33.8%	33.8%	33.4%	32.7%	32.6%
	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Monthly loans and advances movement									
Opening balance	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837	5 044 908	5 021 914	4 873 677
Disbursements	145 861	520 621	10 349	120 007	142 135	42 409	73 860	96 377	37 137
Interest and other similiar income	62 942	64 179	53 982	58 121	57 528	58 103	55 284	59 842	58 169
Non-interest revenue and other movements	37 899	19 774	3 451	595	10 061	24 828	14 125	43 907	33 552
Collections	(171 433)	(170 060)	(146 657)	(157 126)	(142 821)	(156 912)	(148 988)	(148 188)	(145 144)
IFRS 9 adoption adjustment	-	-	-	-	-	-	-	-	206 617
Bad debt write-offs and write-backs	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)	(25 748)	(21 352)	(28 943)	(42 094)
Closing balance	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837	5 044 908	5 021 914

* IFRS 9 adopted as at 31 December 2016. The figures have been restated from that date.

Monthly Investor Report

Liquidity and funding

	% change MOM	Aug 17 R'000	July 17 R'000	June 17 R'000	May 17 R'000	Apr 17 R'000	Mar 17 R'000	Feb 17 R'000	Jan 17 R'000	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000
Funding													
Class A Notes (senior)	0.0%	2 145 977	2 145 977	2 145 977	1 929 814	1 929 814	1 799 814	1 920 133	1 920 133	2 019 850	2 019 850	2 019 850	2 019 850
Senior warehouse funding	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.0%	271 000	271 000	271 000	270 000	270 000	270 000	276 154	276 154	337 071	337 071	337 071	337 071
Other subordinated funding	(5.2%)	500 007	566 191	527 456	610 843	597 788	690 069	618 959	664 207	477 897	468 349	490 729	454 018
Total interest bearing liabilities	(0.9%)	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602	2 759 883	2 815 246	2 860 494	2 834 818	2 825 270	2 847 650	2 810 939
Average cost of borrowings	2.2%	11.7%	11.6%	11.5%	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.5%	11.4%	11.3%
Cash and cash equivalents	(37.6%)	572 849	616 154	917 837	696 965	644 064	617 793	642 356	633 031	680 509	582 464	497 818	636 981

Monthly Investor Report

Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA26	10.225%	A	185 000 000	85 000 000	2012/09/27	2017/10/02
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	33 000 000	2012/12/14	2018/12/31
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	8 981 180	2013/04/02	2018/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	250 000 000	2013/09/30	2018/10/01
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	14 662 574	2013/09/30	2018/09/30
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	103 000 000	2013/09/30	2018/10/01
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
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	25 026 059	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	141 049 004	2016/03/31	2019/04/01
BAYA53	3-month JIBAR plus 2.500%	A	30 000 000	30 000 000	2016/09/30	2017/10/02
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	215 757 874	2016/09/30	2019/09/30
BAYA55	3-month JIBAR plus 2.500%	A	50 000 000	50 000 000	2017/04/03	2018/04/03
BAYA57	3-month JIBAR plus 5.500%	A	50 000 000	50 000 000	2017/04/03	2022/04/03
BAYA58	3-month JIBAR plus 5.100%	A	526 000 000	526 000 000	2017/06/30	2020/06/30
BAYA59	13.150%	A	110 000 000	110 000 000	2017/06/30	2022/06/30
BAYA60	12.400%	A	85 000 000	85 000 000	2017/06/30	2020/06/30
BAYA61	3-month JIBAR plus 5.100%	A	38 500 000	38 500 000	2017/06/30	2020/06/30
Subtotal Class A notes			2 605 000 000	2 145 976 690		
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
BYB10U	3-month JIBAR plus 8.000%	B	5 000 000	5 000 000	2016/09/30	2021/09/30
BYB10U_1	3-month JIBAR plus 8.000%	B	1 000 000	1 000 000	2017/06/30	2021/09/30
BAYB11	3-month JIBAR plus 8.000%	B	115 000 000	115 000 000	2017/06/30	2020/06/30
Subtotal Class B notes			271 000 000	271 000 000		
Total			2 876 000 000	2 416 976 690		

Monthly Investor Report

Covenant compliance

Reported under IAS 39

Financial covenants	Current requirement	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	3.3	2.8	2.0	1.9	1.8	2.2	2.6	2.1	2.3	2.8	2.7	2.5
Senior Debt Interest Cover Ratio	≥ 3.50 times	3.7	3.7	4.3	4.2	4.5	4.1	4.8	5.2	4.5	4.8	4.9	5.5
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	55.9%	55.7%	56.5%	52.3%	52.7%	49.6%	51.6%	51.2%	53.3%	53.6%	53.5%	54.2%
Bad and Doubtful Debt Ratio	≤ 17.5%	6.5%	6.7%	7.1%	7.0%	7.2%	7.1%	7.4%	7.9%	8.0%	9.8%	9.9%	10.5%
Equity invested in the Company by the Originator	> 22.5%	48.8%	50.7%	56.0%	55.7%	55.2%	58.8%	56.4%	57.0%	47.5%	46.0%	45.6%	47.6%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.2%	2.2%	2.4%	2.3%	2.3%	2.4%	2.3%	2.4%	2.5%	2.5%	2.4%	2.6%

Cash reserves	Current requirement	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 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%	28.5%	28.8%	28.7%	28.6%	28.6%	28.8%	28.6%	28.6%	28.7%	28.7%	28.6%
Reserve required (R'000)		19 943	18 838	18 573	18 592	18 337	17 867	19 702	18 891	18 391	20 298	20 224	18 244
Asset performance reserve													
Collections ratio	≥ 80.75%	104.7%	103.8%	102.9%	102.4%	103.0%	108.4%	107.9%	107.5%	104.3%	104.1%	102.7%	101.4%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		230 057	231 162	231 427	231 408	231 663	232 133	230 298	231 109	231 609	229 702	229 776	231 756
Expected collections (6 month average) (R'000)		86 562	83 750	79 012	79 049	79 030	79 336	78 213	78 386	82 021	84 477	85 734	87 600
Actual receipts (6 month average) (R'000)		90 666	86 943	81 329	80 924	81 371	85 966	84 405	84 242	85 556	87 907	88 072	88 842
Capital redemption reserve (R'000)		95 833	76 667	57 500	150 833	99 167	47 500	52 500	32 500	187 500	154 167	120 833	87 500

Monthly Investor Report

Covenant compliance (continued)

Reported under IFRS 9*

Financial covenants	Current requirement	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	3.2	2.8	2.0	1.9	1.8	2.2	2.6	2.1	2.3
Senior Debt Interest Cover Ratio	≥ 3.50 times	3.7	3.7	4.3	4.2	4.5	4.1	4.8	5.2	4.5
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	65.0%	65.5%	66.0%	61.8%	62.6%	59.2%	61.7%	61.1%	63.7%
Bad and Doubtful Debt Ratio	≤ 17.5%	5.7%	7.1%	6.8%	6.7%	6.9%	6.8%	7.1%	7.6%	7.7%
Equity invested in the Company by the Originator	> 22.5%	37.8%	39.6%	44.8%	44.7%	44.0%	48.4%	44.0%	45.2%	33.2%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.2%	2.2%	2.4%	2.3%	2.3%	2.4%	2.3%	2.4%	2.5%

* IFRS 9 adopted as at 31 December 2016. The figures have been restated from that date.

* The adoption of IFRS 9 introduced a forward-looking expected credit loss model effectively recognising all future credit losses upfront as opposed to an incurred loss model as per the previous statement (IAS 39).

* The initial IFRS 9 adoption resulted in a reallocation within the balance sheet only (no income statement impact). On adopting IFRS 9, the net loans and advances as well as the equity balance decreased by the adoption charge.

Monthly Investor Report

Glossary of terms

CD	Contractual delinquency = accumulated arrears / contractual instalment originally due
MOB	Months on book
MoM	Months 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