

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JANUARY 2018

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BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Note: This report has been prepared in accordance with IFRS 9.

Financial statistics for the period ended January 2018

		Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
Performance ratios *													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.7%	17.8%	17.6%	17.7%	17.8%	17.9%	18.1%	18.2%	18.5%	19.0%	19.3%	19.7%
Dividend income as a % of ave gross loans and advances	%	2.1%	2.0%	1.8%	1.1%	0.7%	14.5%	14.7%	14.8%	14.2%	14.2%	14.2%	14.1%
Total income as a % of ave gross loans and advances (incl. dividends)	%	19.8%	19.7%	19.3%	18.8%	18.6%	32.5%	32.8%	33.0%	32.8%	33.2%	33.5%	33.8%
Direct and indirect expenses to ave gross loans and advances	%	4.8%	4.8%	4.7%	4.7%	5.1%	5.4%	5.8%	6.2%	6.5%	6.5%	6.4%	6.5%
Direct and indirect expenses to total income (excl. dividends)	%	27.0%	27.1%	27.0%	26.7%	28.4%	30.3%	32.3%	33.9%	34.9%	34.1%	33.3%	32.8%
Direct and indirect expenses to total income (incl. dividends)	%	24.1%	24.4%	24.5%	25.1%	27.4%	16.7%	17.8%	18.7%	19.7%	19.5%	19.2%	19.1%
Return on assets (incl. dividends)	%	3.9%	4.0%	4.1%	3.1%	0.6%	16.5%	15.8%	16.3%	15.4%	15.6%	16.0%	15.5%
Gearing ratio	times	1.8	1.8	1.8	1.8	1.8	1.7	1.6	1.5	1.5	1.5	1.5	1.5
Interest margin	%	10.2%	10.3%	10.2%	10.1%	10.1%	10.1%	9.6%	9.7%	10.1%	10.5%	10.8%	11.1%
Income statement extract													
Interest income	R '000	68 445	69 946	65 583	70 579	69 551	72 289	78 434	65 857	70 032	71 247	66 972	65 941
Non-interest revenue (excl. dividends)	R '000	5 120	8 609	5 424	1 262	5 194	5 899	5 329	5 082	5 149	5 453	5 397	5 430
Dividend income	R '000	8 163	11 296	33 814	19 611	-	-	-	27 863	-	-	7 915	-
Total income	R '000	81 728	89 851	104 821	91 452	74 745	78 188	83 762	98 802	75 181	76 700	80 285	71 371
Interest expenses	R '000	(27 249)	(21 831)	(26 458)	(25 435)	(30 870)	(1 568)	(35 685)	(30 170)	(32 131)	(29 573)	(29 080)	(26 510)
Direct and indirect expenses	R '000	(24 702)	(30 442)	(28 337)	(10 149)	(10 366)	(10 069)	(11 248)	(11 040)	(25 852)	(27 540)	(26 291)	(26 324)
Total expenses	R '000	(51 952)	(52 273)	(54 795)	(35 584)	(41 236)	(11 638)	(46 932)	(41 210)	(57 983)	(57 113)	(55 371)	(52 833)

* 12 months rolling average

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Financial statistics for the period ended January 2018 (continued)

		Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
Asset and credit quality ratios													
Gross loans and advances	R '000	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837
Non-performing loans ("NPLs")	R '000	1 633 846	1 627 121	1 615 406	1 630 884	1 651 091	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163	1 674 253	1 675 186
Carrying value of written off book	R '000	182 107	194 804	205 071	204 552	271 010	280 456	268 292	267 571	256 375	256 706	250 625	254 132
Impairment provision	R '000	2 720 719	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288
Net loans and advances	R '000	2 586 105	2 506 317	2 527 661	2 598 258	2 643 552	2 729 253	2 661 794	2 334 462	2 424 612	2 439 001	2 423 186	2 469 681
Number of loans on book		181 351	179 622	180 394	185 002	188 074	192 111	192 182	178 141	182 552	184 898	184 121	189 285
Non-performing loans ratio	%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%	33.8%	33.8%	33.4%
Provision coverage	%	53.1%	54.2%	53.9%	53.3%	54.3%	53.7%	54.5%	57.5%	56.5%	56.3%	56.2%	55.8%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	148 049	148 049	202 127	202 127	202 127	202 127	202 127	202 127	202 127	202 127	202 127	202 127
Funding and cash reserves													
Interest bearing liabilities	R '000	2 700 872	2 758 472	2 570 185	2 737 196	2 884 005	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602	2 759 883	2 815 246
Average cost of borrowings	%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%	11.5%	11.5%	11.4%
Cash and cash equivalents	R '000	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965	644 064	617 793	642 356

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Origination

		% change MOM	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
Disbursements	R '000	(3.5%)	126 419	131 066	172 970	166 295	140 417	148 427	124 691	116 914	123 154	91 961	103 527	98 243
Number of new loans		(9.5%)	5 129	5 669	7 049	7 085	6 265	6 715	5 985	5 720	5 936	4 284	5 573	5 217
Average loan value at acquisition	Rand	6.6%	24 648	23 120	24 538	23 471	22 413	22 104	20 834	20 440	20 747	21 466	18 577	18 831
Average term at acquisition	Months	4%	32.6	31.2	31.3	28.5	29.3	28.1	27.1	26.5	27.0	26.6	23.8	23.9

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
Loan claims purchased	R '000	35.8%	188 665	138 965	61 144	71 260	42 833	145 861	523 173	10 349	120 007	142 135	42 409	73 860
Number of loans purchased		34.2%	7 162	5 336	2 580	2 981	2 002	6 715	22 287	638	4 690	5 491	2 290	3 090
Average loan value purchased	Rand	1.2%	26 343	26 043	23 699	23 905	21 395	21 722	23 474	16 222	25 588	25 885	18 519	23 903
Average remaining term of loans purchased	Months	4%	32.6	31.2	31.3	27.5	29.7	28.1	27.2	23.7	22.0	23.1	24.1	25.6

* 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%	5%	6%	6%
Gauteng	37%	56%	39%	39%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	2%	6%	6%
Mpumalanga	6%	3%	6%	6%
Northern Cape	2%	2%	3%	2%
North-West	6%	4%	5%	5%
Western Cape	12%	8%	11%	11%
Grand Total	100%	100%	100%	100%

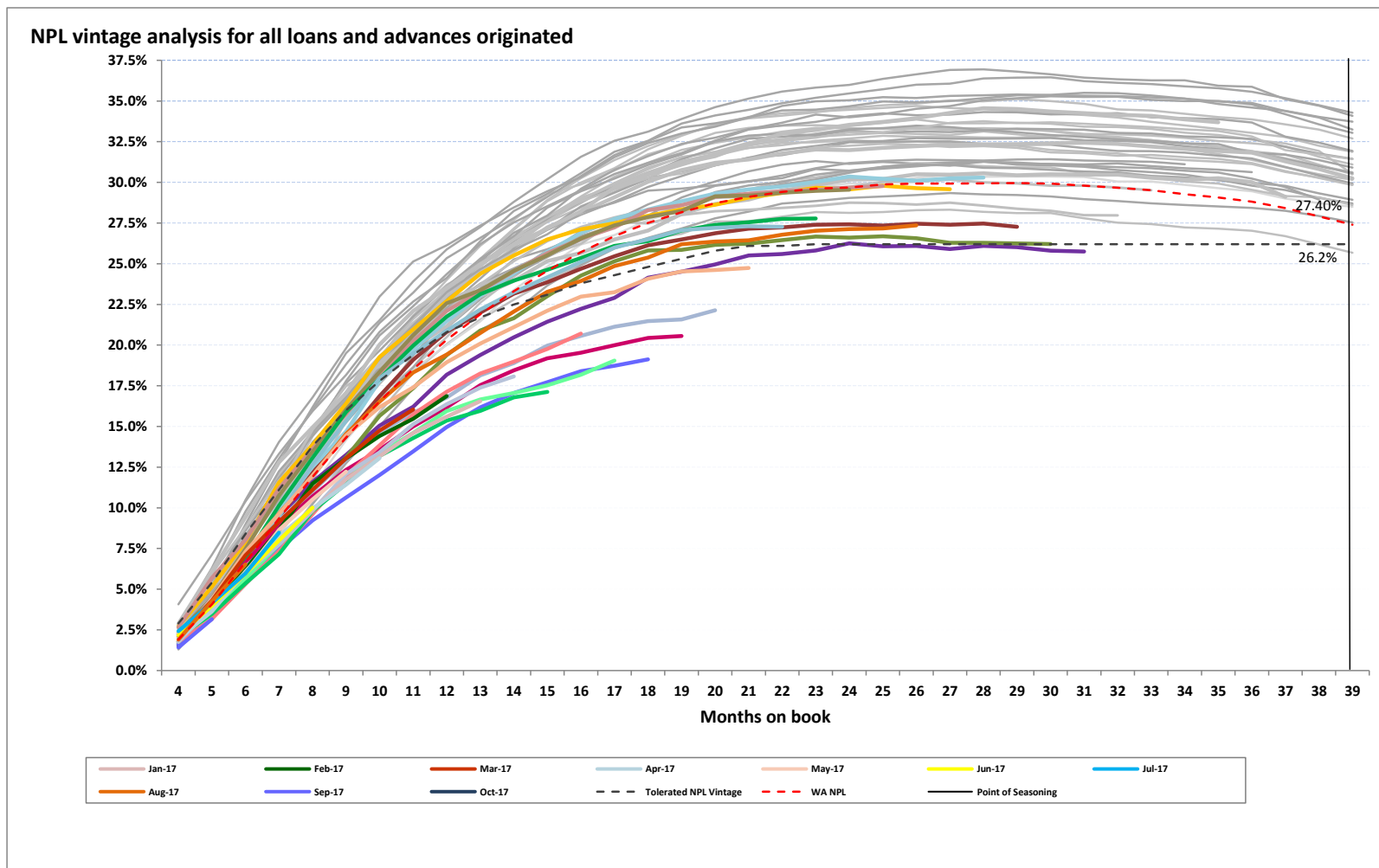
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Asset quality

	% change MOM	Jan 18 R'000	Dec 17 R'000	Nov 17 R'000	Oct 17 R'000	Sep 17 R'000	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
Gross loans and advances	1.5%	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837
Performing loans	2.0%	3 490 872	3 421 610	3 419 615	3 497 779	3 535 563	3 621 320	3 584 396	3 179 418	3 291 792	3 301 896	3 286 264	3 342 651
Non-performing loans	0.4%	1 633 846	1 627 121	1 615 406	1 630 884	1 651 091	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163	1 674 253	1 675 186
Impairment provision													
Opening balance	0.9%	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288	2 793 496
Bad debt written-off	43.1%	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)	(25 748)	(21 352)
Provision raised	(46.2%)	31 356	58 235	25 608	(49 947)	14 029	19 973	107 902	22 471	35 655	57 169	11 416	30 143
Closing balance	(0.6%)	2 720 719	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956	2 802 288

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Asset quality (continued)



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Asset quality (continued)

Reported under IFRS 9

Loans and advances distribution by contractual delinquency (CD)

	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
	%	%	%	%	%	%	%	%	%	%	%	%
For all loans and advances originated												
0	59.8%	60.3%	60.9%	60.4%	59.8%	59.1%	58.6%	57.9%	57.8%	57.4%	57.3%	55.9%
1	4.6%	4.3%	4.0%	4.0%	3.8%	3.9%	3.9%	4.2%	4.1%	4.2%	4.2%	5.0%
2	3.3%	3.2%	3.1%	3.1%	3.2%	3.1%	3.3%	3.3%	3.5%	3.5%	3.7%	4.2%
3	2.8%	2.7%	2.5%	2.6%	2.7%	2.8%	2.9%	2.9%	2.9%	3.0%	3.2%	3.2%
4 +	29.5%	29.5%	29.5%	29.9%	30.5%	31.0%	31.3%	31.6%	31.7%	31.9%	31.7%	31.6%
For Bayport Securitisation (RF) Ltd												
0	57.2%	57.0%	57.9%	58.2%	58.3%	58.6%	58.1%	54.6%	55.3%	55.1%	55.0%	54.0%
1	4.7%	4.5%	4.1%	4.1%	3.9%	3.9%	3.8%	4.2%	4.2%	4.3%	4.2%	5.1%
2	3.3%	3.4%	3.2%	3.2%	3.2%	3.1%	3.4%	3.4%	3.6%	3.6%	3.8%	4.3%
3	2.9%	2.8%	2.7%	2.7%	2.8%	2.9%	2.9%	3.1%	3.0%	3.1%	3.2%	3.3%
4 +	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%	33.8%	33.8%	33.4%
Monthly loans and advances movement												
	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
	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	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837	5 044 908
Disbursements	188 665	138 965	58 903	71 260	42 833	145 861	523 173	10 349	120 007	142 135	42 409	73 860
Interest and other similiar income	63 063	58 999	56 096	60 022	59 178	62 942	64 179	53 982	58 121	57 528	58 103	55 284
Non-interest revenue and other movements	18 675	9 835	-817	10 488	5 008	37 899	17 221	3 451	595	10 061	24 828	14 125
Collections	(146 563)	(160 642)	(159 689)	(170 552)	(169 246)	(171 433)	(170 060)	(146 657)	(157 126)	(142 821)	(156 912)	(148 988)
Bad debt write-offs and write-backs	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)	(25 748)	(21 352)
Closing balance	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517	5 017 837

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Liquidity and funding

Funding	% change MOM	Jan 18 R'000	Dec 17 R'000	Nov 17 R'000	Oct 17 R'000	Sep 17 R'000	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
Class A Notes (senior)	(4.2%)	2 006 963	2 094 720	1 946 078	1 946 446	2 145 977	2 145 977	2 145 977	2 145 977	1 929 814	1 929 814	1 799 814	1 920 133
Senior warehouse funding		-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.0%	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	270 000	270 000	270 000	276 154
Other subordinated funding	7.7%	422 909	392 752	353 107	519 750	467 028	500 007	566 191	527 456	610 843	597 788	690 069	618 959
Total interest bearing liabilities	(2.1%)	2 700 872	2 758 472	2 570 185	2 737 196	2 884 005	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602	2 759 883	2 815 246
Average cost of borrowings	1.3%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%	11.5%	11.5%	11.4%
Cash and cash equivalents	(26.2%)	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965	644 064	617 793	642 356

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Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	33 000 000	2012/12/14	2018/12/31
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	45 709 900	2013/03/25	2018/04/03
BAYA36	3-month JIBAR plus 3.880%	A	50 000 000	3 063 138	2013/04/02	2018/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	210 974 144	2013/09/30	2018/10/01
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	9 001 917	2013/09/30	2018/09/30
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	89 588 980	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	18 433 184	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	103 890 997	2016/03/31	2019/04/01
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	173 042 001	2016/09/30	2019/09/30
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	451 759 226	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
BAYA62	3-month JIBAR plus 4,400%	A	120 000 000	120 000 000	2017/12/01	2020/09/30
BAYA63	3-month JIBAR plus 4,2500%	A	58 000 000	58 000 000	2017/12/01	2020/09/30
BAYA64	3-month JIBAR plus 4,500%	A	40 000 000	40 000 000	2017/12/01	2022/09/30
BAYA65	3-month JIBAR plus 4,000%	A	52 000 000	52 000 000	2017/12/01	2020/09/30
Subtotal Class A notes			2 325 000 000	2 006 963 487		
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			2 596 000 000	2 277 963 487		

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Covenant compliance

	Current requirement	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17	Mar 17	Feb 17
Financial covenants													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.8	3.0	2.9	3.5	3.3	3.2	2.8	2.0	1.9	1.8	2.2	2.6
Senior Debt Interest Cover Ratio	≥ 3.50 times	3.9	4.3	4.0	4.4	3.7	3.7	3.7	4.3	4.2	4.5	4.1	4.8
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	64.0%	64.4%	63.6%	61.3%	64.3%	65.0%	65.5%	66.0%	61.8%	62.6%	59.2%	61.7%
Bad and Doubtful Debt Ratio	≤ 17.5%	5.8%	5.5%	5.0%	5.0%	5.3%	5.7%	7.1%	6.8%	6.7%	6.9%	6.8%	7.1%
Equity invested in the Company by the Originator*	> 22.5%	39.9%	40.0%	38.6%	42.7%	38.3%	37.8%	39.6%	44.8%	44.7%	44.0%	48.4%	44.0%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.4%	2.3%	2.3%	2.4%	2.3%
Cash reserves													
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%	27.4%	27.4%	27.4%	27.8%	28.8%	28.6%	28.5%	28.8%	28.7%	28.6%	28.6%	28.8%
Reserve required (R'000)		7 761	7 562	7 695	10 335	17 193	16 666	18 838	18 573	18 592	18 337	17 867	19 702
Asset performance reserve													
Collections ratio	≥ 80.75%	110.8%	111.9%	111.9%	111.2%	105.5%	104.7%	103.8%	102.9%	102.4%	103.0%	108.4%	107.9%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		242 239	242 438	242 305	239 665	232 807	233 334	231 162	231 427	231 408	231 663	232 133	230 298
Expected collections (6 month average) (R'000)		91 095	91 953	90 543	90 233	89 140	86 562	83 750	79 012	79 049	79 030	79 336	78 213
Actual receipts (6 month average) (R'000)		100 960	102 879	101 300	100 312	94 008	90 666	86 943	81 329	80 924	81 371	85 966	84 405
Capital redemption reserve (R'000)		107 973	72 855	71 667	35 833	115 000	95 833	76 667	57 500	150 833	99 167	47 500	52 500

* 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%.

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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