

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

AUGUST 2019

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

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

Financial statistics for the period ended August 2019

		Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
Performance ratios *													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.6%	17.6%	17.4%	17.5%	17.1%	17.2%	17.3%	17.3%	17.3%	17.5%	17.4%	17.4%
Dividend income as a % of ave gross loans and advances	%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.8%	0.9%	1.5%	1.9%
Total income as a % of ave gross loans and advances (incl. dividends)	%	18.3%	18.3%	18.1%	18.2%	17.8%	17.9%	18.1%	18.0%	18.1%	18.4%	18.9%	19.2%
Direct and indirect expenses to ave gross loans and advances	%	4.7%	4.8%	4.9%	4.9%	5.0%	5.0%	5.1%	5.2%	5.2%	5.4%	5.6%	5.6%
Direct and indirect expenses to total income (excl. dividends)	%	26.9%	27.3%	27.9%	28.1%	29.2%	29.2%	29.4%	29.8%	30.1%	30.9%	32.1%	32.5%
Direct and indirect expenses to total income (incl. dividends)	%	25.8%	26.3%	26.8%	27.0%	28.0%	28.0%	28.2%	28.7%	28.8%	29.3%	29.6%	29.4%
Return on assets (incl. dividends)	%	(0.6%)	(0.3%)	0.5%	0.3%	0.9%	1.6%	1.4%	1.0%	0.6%	1.8%	2.4%	2.8%
Gearing ratio	times	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0
Interest margin	%	10.2%	10.2%	10.0%	10.0%	9.6%	9.7%	9.8%	9.8%	9.8%	10.0%	9.9%	10.0%
Income statement extract													
Interest income	R '000	77 181	78 208	71 963	92 603	67 212	63 125	64 849	67 223	67 518	70 350	71 680	73 017
Non-interest revenue (excl. dividends)	R '000	4 844	5 472	4 654	5 152	4 936	4 561	5 061	5 039	5 229	4 994	5 341	5 245
Dividend income	R '000	3 146	2 016	2 502	2 001	4 003	4 778	3 522	4 100	4 818	2 077	2 108	2 023
Total income	R '000	85 171	85 696	79 119	99 756	76 151	72 464	73 432	76 362	77 565	77 421	79 129	80 285
Interest expenses	R '000	(29 189)	(28 841)	(27 135)	(28 083)	(27 123)	(26 598)	(24 081)	(26 725)	(28 201)	(27 013)	(27 851)	(27 932)
Direct and indirect expenses	R '000	(21 169)	(21 486)	(22 280)	(22 236)	(23 229)	(21 450)	(21 404)	(21 640)	(22 072)	(18 259)	(8 505)	(24 959)
Total expenses	R '000	(50 358)	(50 327)	(49 415)	(50 319)	(50 352)	(48 048)	(45 485)	(48 365)	(50 273)	(45 272)	(36 356)	(52 891)

* 12 months rolling average

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Financial statistics for the period ended August 2019 (continued)

		Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
Asset and credit quality ratios													
Gross loans and advances	R '000	5 269 300	5 394 089	5 289 304	5 322 461	5 410 252	5 117 340	5 130 723	5 169 813	5 173 357	5 190 683	5 277 302	5 317 496
Non-performing loans ("NPLs")	R '000	1 828 343	1 821 716	1 807 710	1 810 433	1 811 286	1 815 358	1 815 768	1 787 032	1 763 333	1 745 548	1 722 401	1 711 733
Carrying value of written off book	R '000	203 819	202 635	201 732	201 232	199 868	199 445	199 281	199 749	199 749	201 344	201 372	180 885
Impairment provision	R '000	2 713 712	2 743 375	2 752 050	2 781 324	2 809 169	2 771 845	2 787 349	2 742 370	2 754 313	2 721 179	2 727 270	2 733 070
Net loans and advances	R '000	2 759 407	2 853 349	2 738 987	2 742 369	2 800 951	2 544 940	2 542 655	2 627 192	2 618 792	2 670 848	2 751 405	2 765 311
Number of loans on book		160 610	165 210	163 884	166 173	170 769	165 487	167 013	169 089	169 848	172 009	175 266	177 864
Non-performing loans ratio	%	34.7%	33.8%	34.2%	34.0%	33.5%	35.5%	35.4%	34.6%	34.1%	33.6%	32.6%	32.2%
Provision coverage	%	51.5%	50.9%	52.0%	52.3%	51.9%	54.2%	54.3%	53.0%	53.2%	52.4%	51.7%	51.4%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	116 520	116 520	116 520	116 520	116 520	116 520	116 520	116 520	116 520	145 612	145 612	145 612
Funding and cash reserves													
Interest bearing liabilities	R '000	3 014 394	2 994 548	2 832 673	2 886 179	2 840 755	2 571 638	2 758 684	2 593 326	2 644 159	2 702 046	2 781 110	2 939 009
Average cost of borrowings	%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	11.9%	11.9%	11.9%
Cash and cash equivalents	R '000	630 816	477 646	504 356	525 380	397 929	487 365	652 646	419 224	458 402	559 117	517 959	668 584

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Origination

		% change MOM	Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
Disbursements	R '000	(4.9%)	176 334	185 431	157 065	178 289	139 058	120 731	117 912	128 608	130 183	170 722	188 502	128 546
Number of new loans		(6.9%)	5 022	5 397	4 732	5 404	4 445	4 035	3 887	4 204	4 151	5 822	6 256	4 557
Average loan value at acquisition	Rand	2.2%	35 112	34 358	33 192	32 992	31 284	29 921	30 335	30 592	31 362	29 324	30 131	28 208
Average term at acquisition	Months	4.0%	47.4	45.5	45.0	42.8	42.6	39.7	39.2	39.8	39.9	37.9	38.4	36.0

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
Loan claims purchased	R '000	(85.2%)	50 765	343 788	100 074	58 341	395 104	122 344	82 434	118 384	82 801	72 825	132 121	196 101
Number of loans purchased		(90.9%)	958	10 519	2 946	1 151	11 100	4 248	3 281	5 664	2 494	2 532	4 295	7 343
Average loan value purchased	Rand	62.1%	52 991	32 683	33 969	50 687	35 595	28 800	25 125	20 901	33 200	28 762	30 762	26 706
Average term of loans purchased	Months	71.9%	69.3	40.3	45.5	66.6	44.4	41.3	40.9	39.2	39.9	38.5	38.4	36.3

* 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	11%	18%	8%	8%
Free State	5%	4%	5%	5%
Gauteng	45%	46%	44%	45%
Kwazulu-Natal	13%	15%	13%	13%
Limpopo	4%	1%	6%	5%
Mpumulanga	5%	1%	5%	5%
Northern Cape	0%	1%	2%	2%
North-West	5%	9%	5%	5%
Western Cape	12%	5%	12%	12%
Grand Total	100%	100%	100%	100%

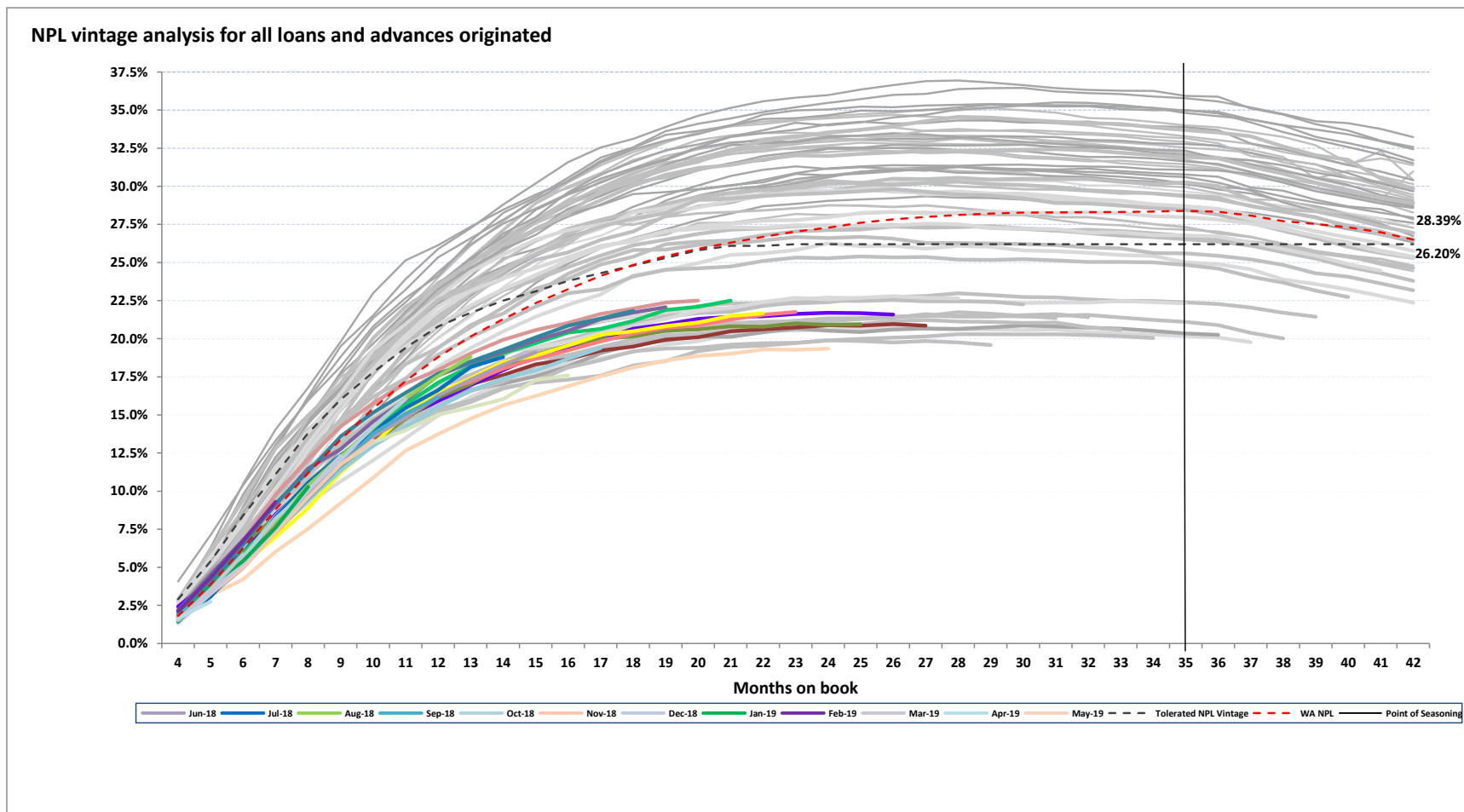
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Asset quality

	% change MOM	Aug 19 R'000	Jul 19 R'000	Jun 19 R'000	May 19 R'000	Apr 19 R'000	Mar 19 R'000	Feb 19 R'000	Jan 19 R'000	Dec 18 R'000	Nov 18 R'000	Oct 18 R'000	Sep 18 R'000
Gross loans and advances	(2.3%)	5 269 300	5 394 089	5 289 304	5 322 461	5 410 252	5 117 340	5 130 723	5 169 813	5 173 357	5 190 683	5 277 302	5 317 496
Performing loans	(3.7%)	3 440 956	3 572 373	3 481 594	3 512 028	3 598 966	3 301 982	3 314 955	3 382 781	3 410 024	3 445 135	3 554 901	3 605 763
Non-performing loans	0.4%	1 828 343	1 821 716	1 807 710	1 810 433	1 811 286	1 815 358	1 815 768	1 787 032	1 763 333	1 745 548	1 722 401	1 711 733
Impairment provision													
Opening balance	(0.3%)	2 743 375	2 752 050	2 781 324	2 809 169	2 771 845	2 787 349	2 742 370	2 754 313	2 721 179	2 727 270	2 733 070	2 735 939
Bad debt written-off	(26.8%)	(59 586)	(81 425)	(61 465)	(62 745)	(45 408)	(45 592)	(46 447)	(43 434)	(28 841)	(34 083)	(39 925)	(39 627)
Provision raised	(58.9%)	29 923	72 750	32 191	34 900	82 732	30 088	91 426	31 491	61 975	27 992	34 125	36 758
Closing balance	(1.1%)	2 713 712	2 743 375	2 752 050	2 781 324	2 809 169	2 771 845	2 787 349	2 742 370	2 754 313	2 721 179	2 727 270	2 733 070

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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)

	Aug 19 %	Jul 19 %	Jun 19 %	May 19 %	Apr 19 %	Mar 19 %	Feb 19 %	Jan 19 %	Dec 18 %	Nov 18 %	Oct 18 %	Sep 18 %
For all loans and advances originated												
0	59.5%	59.2%	59.1%	59.8%	59.3%	58.7%	58.4%	59.0%	59.4%	59.7%	60.1%	59.8%
1	3.6%	4.0%	4.2%	3.6%	3.7%	3.8%	4.1%	4.2%	3.9%	4.0%	3.9%	4.2%
2	3.1%	3.0%	2.9%	2.9%	2.9%	3.3%	3.2%	3.1%	3.2%	3.1%	3.1%	2.9%
3	2.7%	2.6%	2.6%	2.5%	2.7%	2.6%	2.7%	2.7%	2.7%	2.6%	2.6%	2.7%
4 +	31.1%	31.2%	31.2%	31.2%	31.4%	31.6%	31.6%	31.0%	30.8%	30.6%	30.3%	30.4%
For Bayport Securitisation (RF) Ltd												
0	55.3%	56.0%	55.9%	56.6%	57.0%	54.4%	54.0%	54.8%	55.8%	56.2%	57.4%	57.8%
1	3.8%	4.2%	4.3%	3.7%	3.7%	3.9%	4.3%	4.4%	4.0%	4.1%	4.0%	4.2%
2	3.3%	3.2%	2.9%	3.0%	3.0%	3.4%	3.4%	3.3%	3.3%	3.3%	3.2%	3.0%
3	2.9%	2.8%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.8%	2.8%	2.7%	2.8%
4 +	34.7%	33.8%	34.2%	34.0%	33.5%	35.5%	35.4%	34.6%	34.1%	33.6%	32.7%	32.2%
Monthly loans and advances movement												
	Aug 19 R'000	Jul 19 R'000	Jun 19 R'000	May 19 R'000	Apr 19 R'000	Mar 19 R'000	Feb 19 R'000	Jan 19 R'000	Dec 18 R'000	Nov 18 R'000	Oct 18 R'000	Sep 18 R'000
Opening balance	5 394 089	5 289 304	5 322 461	5 410 252	5 117 340	5 130 723	5 169 813	5 173 357	5 190 683	5 277 302	5 317 496	5 261 940
Disbursements	50 765	343 788	100 074	58 341	395 104	122 344	82 434	118 384	82 801	72 825	132 121	196 101
Interest and other similar income	74 536	76 705	78 020	74 255	80 318	70 935	71 730	72 795	69 171	66 244	67 905	67 877
Non-interest revenue and other movements	(29 223)	(69 060)	(5 992)	(5 028)	14 564	(17 679)	(7 954)	(11 297)	5 919	(22 452)	(26 367)	1 561
Collections	(161 281)	(165 223)	(143 794)	(152 614)	(151 666)	(143 391)	(138 853)	(139 992)	(146 376)	(169 153)	(173 928)	(170 356)
Bad debt write-offs and write-backs	(59 586)	(81 425)	(61 465)	(62 745)	(45 408)	(45 592)	(46 447)	(43 434)	(28 841)	(34 083)	(39 925)	(39 627)
Closing balance	5 269 300	5 394 089	5 289 304	5 322 461	5 410 252	5 117 340	5 130 723	5 169 813	5 173 357	5 190 683	5 277 302	5 317 496

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Liquidity and funding

	% change MOM	Aug 19 R'000	Jul 19 R'000	Jun 19 R'000	May 19 R'000	Apr 19 R'000	Mar 19 R'000	Feb 19 R'000	Jan 19 R'000	Dec 18 R'000	Nov 18 R'000	Oct 18 R'000	Sep 18 R'000
Funding													
Class A Notes (senior)	0.0%	2 194 727	2 194 727	2 049 330	2 049 330	2 049 330	1 877 174	1 877 174	1 877 174	1 877 174	2 001 254	2 001 254	2 253 410
Class B Notes (Mezzanine)	0.0%	442 000	442 000	442 000	442 000	442 000	442 000	442 000	442 000	442 000	442 000	442 000	272 000
Other subordinated funding	5.5%	377 667	357 822	341 343	394 849	349 425	252 464	439 510	274 152	324 985	258 792	337 856	413 599
Total interest bearing liabilities	0.7%	3 014 394	2 994 549	2 832 673	2 886 179	2 840 755	2 571 638	2 758 684	2 593 326	2 644 159	2 702 046	2 781 110	2 939 009
Average cost of borrowings	(0.1%)	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	11.9%	11.9%	11.9%
Cash and cash equivalents	32.1%	630 816	477 646	504 356	525 380	397 929	487 365	652 646	419 224	458 402	559 117	517 959	668 584

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Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	11 776 896	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	197 313 204	2017/06/30	2020/06/30
BAYA60	3-month JIBAR plus 5.100%	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	59 714 439	2017/12/01	2020/09/30
BAYA63	3-month JIBAR plus 4.250%	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	25 798 506	2017/12/01	2020/09/30
BAYA66	3-month JIBAR plus 4.400%	A	218 000 000	136 002 473	2018/04/03	2021/03/31
BAYA67	11.170%	A	100 000 000	100 000 000	2018/04/03	2023/03/31
BAYA68	3-month JIBAR plus 3.750%	A	160 000 000	160 000 000	2018/07/02	2021/06/30
BAYA69	3-month JIBAR plus 3.750%	A	125 000 000	125 000 000	2018/07/02	2021/06/30
BAYA70	3-month JIBAR plus 4.300%	A	33 000 000	33 000 000	2018/07/02	2021/06/30
BAYA71	3-month JIBAR plus 4.250%	A	172 000 000	172 000 000	2018/07/02	2021/06/30
BAYA72	12.180%	A	225 000 000	225 000 000	2019/04/01	2026/03/31
BAYA73	3-month JIBAR plus 3.94%	A	412 000 000	382 558 897	2019/04/01	2022/03/31
BAYA74	3-month JIBAR plus 3.80%	A	125 000 000	125 000 000	2019/07/01	2022/03/31
BAYA75	3-month JIBAR plus 3.65%	A	140 000 000	140 000 000	2019/07/01	2022/07/01
BAYA76	3-month JIBAR plus 3.65%	A	30 062 075	30 062 075	2019/07/01	2022/07/01
Subtotal Class A notes			2 985 062 075	2 194 726 491		
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
BAYB12	3-month JIBAR plus 6.000%	B	1 000 000	1 000 000	2018/07/02	2021/06/30
BAYB13	3-month JIBAR plus 6.250%	B	75 000 000	170 000 000	2018/10/01	2023/09/30
BAYB14	3-month JIBAR plus 7.500%	B	1 000 000	50 000 000	2018/10/01	2023/09/30
BAYB15	3-month JIBAR plus 7.500%	B	115 000 000	30 000 000	2018/10/01	2023/09/30
Subtotal Class B notes			383 000 000	442 000 000		
Total			3 368 062 075	2 636 726 491		

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Covenant compliance

	Current requirement	Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
Financial covenants													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.1	2.2	2.0	2.1	2.2	2.2	2.3	2.1	2.1	2.6	2.9	2.5
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.5	4.5	4.6	4.4	4.6	4.5	5.0	4.6	4.2	4.5	4.4	4.1
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	64.7%	65.9%	63.2%	62.7%	64.1%	61.9%	58.7%	61.6%	61.0%	62.0%	61.2%	65.6%
Bad and Doubtful Debt Ratio	≤ 17.5%	9.0%	8.5%	8.0%	8.2%	7.2%	7.1%	7.1%	7.0%	6.3%	6.4%	6.3%	6.2%
Equity invested in the Company by the Originator	> 22.5%	38.1%	35.9%	37.9%	39.8%	37.4%	38.5%	45.2%	38.6%	38.1%	35.7%	37.0%	38.5%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	1.7%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%
Cash reserves													
	Current requirement	Aug 19	Jul 19	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18
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%	28.4%	28.6%	28.7%	28.9%	27.1%	26.3%	26.7%	26.8%	26.8%	27.2%	27.3%	27.6%
Reserve required (R'000)		60 507	67 278	69 313	73 615	6 165	363	3 482	3 646	3 893	6 700	7 232	9 389
Asset performance reserve													
Collections ratio	≥ 80.75%	119.3%	117.9%	117.6%	117.1%	119.0%	120.4%	120.6%	122.9%	123.3%	124.0%	122.9%	121.3%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		189 493	182 722	180 687	176 385	243 835	249 637	246 518	246 354	246 107	243 300	242 768	240 611
Expected collections (6 month average) (R'000)		84 666	83 972	82 529	82 409	82 396	82 837	85 128	87 133	89 296	90 938	91 520	90 593
Actual receipts (6 month average) (R'000)		100 969	98 979	97 072	96 504	98 083	99 722	102 690	107 102	110 118	112 747	112 450	109 863
Capital redemption reserve (R'000)		-	-	-	-	-	150 000	125 000	100 000	75 000	50 000	25 000	128 663

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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