

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JUNE 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 June 2019

		Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.4%	17.5%	17.1%	17.2%	17.3%	17.3%	17.3%	17.5%	17.4%	17.4%	17.3%	17.3%
Dividend income as a % of ave gross loans and advances	%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.8%	0.9%	1.5%	1.9%	1.8%	1.8%
Total income as a % of ave gross loans and advances (incl. dividends)	%	18.1%	18.2%	17.8%	17.9%	18.1%	18.0%	18.1%	18.4%	18.9%	19.2%	19.2%	19.1%
Direct and indirect expenses to ave gross loans and advances	%	4.9%	4.9%	5.0%	5.0%	5.1%	5.2%	5.2%	5.4%	5.6%	5.6%	5.4%	5.1%
Direct and indirect expenses to total income (excl. dividends)	%	27.9%	28.1%	29.2%	29.2%	29.4%	29.8%	30.1%	30.9%	32.1%	32.5%	31.0%	29.4%
Direct and indirect expenses to total income (incl. dividends)	%	26.8%	27.0%	28.0%	28.0%	28.2%	28.7%	28.8%	29.3%	29.6%	29.4%	28.0%	26.7%
Return on assets (incl. dividends)	%	0.5%	0.3%	0.9%	1.6%	1.4%	1.0%	0.6%	1.8%	2.4%	2.8%	3.1%	4.0%
Gearing ratio	times	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Interest margin	%	10.0%	10.0%	9.6%	9.7%	9.8%	9.8%	9.8%	10.0%	9.9%	10.0%	9.9%	10.4%
<b>Income statement extract</b>													
Interest income	R '000	71 963	92 603	67 212	63 125	64 849	67 223	67 518	70 350	71 680	73 017	74 552	70 830
Non-interest revenue (excl. dividends)	R '000	4 654	5 152	4 936	4 561	5 061	5 039	5 229	4 994	5 341	5 245	5 391	5 698
Dividend income	R '000	2 502	2 001	4 003	4 778	3 522	4 100	4 818	2 077	2 108	2 023	2 098	2 056
<b>Total income</b>	R '000	<b>79 119</b>	99 756	76 151	72 464	73 432	76 362	77 565	77 421	79 129	80 285	82 041	78 584
Interest expenses	R '000	(27 135)	(28 083)	(27 123)	(26 598)	(24 081)	(26 725)	(28 201)	(27 013)	(27 851)	(27 932)	(28 535)	(28 377)
Direct and indirect expenses	R '000	(22 280)	(22 236)	(23 229)	(21 450)	(21 404)	(21 640)	(22 072)	(18 259)	(8 505)	(24 959)	(24 726)	(24 846)
<b>Total expenses</b>	R '000	<b>(49 415)</b>	(50 319)	(50 352)	(48 048)	(45 485)	(48 365)	(50 273)	(45 272)	(36 356)	(52 891)	(53 261)	(53 223)

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended June 2019 (continued)

		Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	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	5 367 098
Non-performing loans ("NPLs")	R '000	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	1 687 044	1 668 900
Carrying value of written off book	R '000	201 732	201 232	199 868	199 445	199 281	199 749	199 749	201 344	201 372	180 885	186 490	179 807
Impairment provision	R '000	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	2 740 483
Net loans and advances	R '000	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	2 712 490	2 806 422
Number of loans on book		163 884	166 173	170 769	165 487	167 013	169 089	169 848	172 009	175 266	177 864	177 564	182 265
Non-performing loans ratio	%	34.2%	34.0%	33.5%	35.5%	35.4%	34.6%	34.1%	33.6%	32.6%	32.2%	32.1%	31.1%
Provision coverage	%	52.0%	52.3%	51.9%	54.2%	54.3%	53.0%	53.2%	52.4%	51.7%	51.4%	52.0%	51.1%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	116 520	116 520	116 520	116 520	116 520	116 520	116 520	145 612	145 612	145 612	145 612	145 612
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	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	2 938 197	2 941 668
Average cost of borrowings	%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	11.9%	11.9%	11.9%	12.0%	12.1%
Cash and cash equivalents	R '000	504 356	525 380	397 929	487 365	652 646	419 224	458 402	559 117	517 959	668 584	698 971	579 650

## Monthly Investor Report

### Origination

		% change MOM	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
Disbursements	R '000	(11.9%)	157 065	178 289	139 058	120 731	117 912	128 608	130 183	170 722	188 502	128 546	140 515	140 173
Number of new loans		(12.4%)	4 732	5 404	4 445	4 035	3 887	4 204	4 151	5 822	6 256	4 557	5 001	5 171
Average loan value at acquisition	Rand	0.6%	33 192	32 992	31 284	29 921	30 335	30 592	31 362	29 324	30 131	28 208	28 097	27 108
Average term at acquisition	Months	5.1%	45.0	42.8	42.6	39.7	39.2	39.8	39.9	37.9	38.4	36.0	35.7	36.0

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

		% change MOM	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
Loan claims purchased	R '000	71.5%	100 074	58 341	340 626	122 344	82 434	118 384	82 801	72 825	132 121	196 101	37 542	189 135
Number of loans purchased		156.0%	2 946	1 151	11 100	4 248	3 281	5 664	2 494	2 532	4 295	7 343	568	7 054
Average loan value purchased	Rand	(33.0%)	33 969	50 687	30 687	28 800	25 125	20 901	33 200	28 762	30 762	26 706	66 095	26 812
Average remaining term of loans purchased	Months	(31.7%)	45.5	66.6	44.4	41.3	40.9	39.2	39.9	38.5	38.4	36.3	53.7	36.2

\* 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%	6%	9%	9%
Free State	5%	5%	5%	5%
Gauteng	41%	62%	42%	42%
Kwazulu-Natal	14%	12%	14%	14%
Limpopo	5%	1%	6%	6%
Mpumulanga	5%	2%	5%	5%
Northern Cape	1%	1%	2%	2%
North-West	5%	3%	5%	5%
Western Cape	13%	8%	12%	12%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

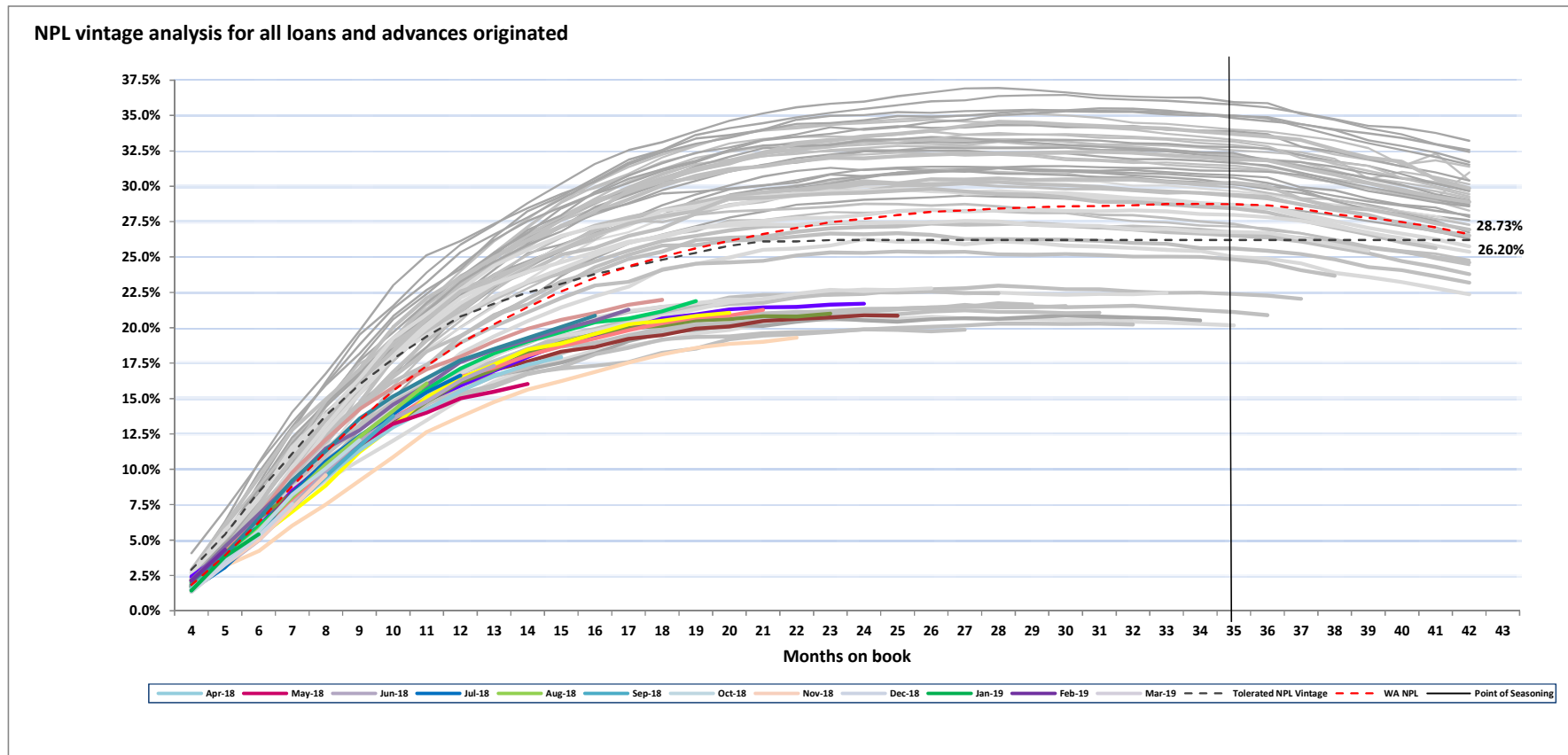
## Monthly Investor Report

### Asset quality

	% change MOM	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	Aug 18 R'000	Jul 18 R'000
<b>Gross loans and advances</b>	(0.6%)	<b>5 289 304</b>	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	5 367 098
Performing loans	(0.9%)	<b>3 481 594</b>	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	3 574 896	3 698 198
Non-performing loans	(0.2%)	<b>1 807 710</b>	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	1 687 044	1 668 900
<b>Impairment provision</b>													
Opening balance	(1.0%)	<b>2 781 324</b>	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	2 740 483	2 728 569
Bad debt written-off	(2.0%)	<b>(61 465)</b>	(62 745)	(45 408)	(45 592)	(46 447)	(43 434)	(28 841)	(34 083)	(39 925)	(39 627)	(28 600)	(29 469)
Provision raised	(7.8%)	<b>32 191</b>	34 900	82 732	30 088	91 426	31 491	61 975	27 992	34 125	36 758	24 056	41 383
Closing balance	(1.1%)	<b>2 752 050</b>	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	2 740 483

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

#### Reported under IFRS 9

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

	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
	%	%	%	%	%	%	%	%	%	%	%	%
<b>For all loans and advances originated</b>												
0	59.1%	59.8%	59.3%	58.7%	58.4%	59.0%	59.4%	59.7%	60.1%	59.8%	60.4%	60.2%
1	4.2%	3.6%	3.7%	3.8%	4.1%	4.2%	3.9%	4.0%	3.9%	4.2%	3.8%	4.0%
2	2.9%	2.9%	2.9%	3.3%	3.2%	3.1%	3.2%	3.1%	3.1%	2.9%	3.1%	3.3%
3	2.6%	2.5%	2.7%	2.6%	2.7%	2.7%	2.7%	2.6%	2.6%	2.7%	2.7%	2.8%
4 +	31.2%	31.2%	31.4%	31.6%	31.6%	31.0%	30.8%	30.6%	30.3%	30.4%	30.0%	29.7%
<b>For Bayport Securitisation (RF) Ltd</b>												
0	55.9%	56.6%	57.0%	54.4%	54.0%	54.8%	55.8%	56.2%	57.4%	57.8%	58.1%	58.7%
1	4.3%	3.7%	3.7%	3.9%	4.3%	4.4%	4.0%	4.1%	4.0%	4.2%	3.8%	4.0%
2	2.9%	3.0%	3.0%	3.4%	3.4%	3.3%	3.3%	3.3%	3.2%	3.0%	3.2%	3.3%
3	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.8%	2.8%	2.7%	2.8%	2.8%	2.9%
4 +	34.2%	34.0%	33.5%	35.5%	35.4%	34.6%	34.1%	33.6%	32.7%	32.2%	32.1%	31.1%
<b>Monthly loans and advances movement</b>												
	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
	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	5 322 461	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	5 367 098	5 286 296
Disbursements	100 074	58 341	395 104	122 344	82 434	118 384	82 801	72 825	132 121	196 101	37 542	189 135
Interest and other similiar income	78 020	74 255	80 318	70 935	71 730	72 795	69 171	66 244	67 905	67 877	69 585	68 364
Non-interest revenue and other movements	(5 992)	(5 028)	14 564	(17 679)	(7 954)	(11 297)	5 919	(22 452)	(26 367)	1 561	(2 308)	25 656
Collections	(143 794)	(152 614)	(151 666)	(143 391)	(138 853)	(139 992)	(146 376)	(169 153)	(173 928)	(170 356)	(181 377)	(172 884)
Bad debt write-offs and write-backs	(61 465)	(62 745)	(45 408)	(45 592)	(46 447)	(43 434)	(28 841)	(34 083)	(39 925)	(39 627)	(28 600)	(29 469)
<b>Closing balance</b>	<b>5 289 304</b>	<b>5 322 461</b>	<b>5 410 252</b>	<b>5 117 340</b>	<b>5 130 723</b>	<b>5 169 813</b>	<b>5 173 357</b>	<b>5 190 683</b>	<b>5 277 302</b>	<b>5 317 496</b>	<b>5 261 940</b>	<b>5 367 098</b>

## Monthly Investor Report

### Liquidity and funding

	% change MOM	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	Aug 18 R'000	Jul 18 R'000
<b>Funding</b>													
Class A Notes (senior)	0.0%	<b>2 049 330</b>	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	2 253 410	2 253 410
Class B Notes (Mezzanine)	0.0%	<b>442 000</b>	442 000	442 000	442 000	442 000	442 000	442 000	442 000	442 000	272 000	272 000	272 000
Other subordinated funding	(13.6%)	<b>341 343</b>	394 849	349 425	252 464	439 510	274 152	324 985	258 792	337 856	413 599	412 787	416 258
Total interest bearing liabilities	(1.9%)	<b>2 832 673</b>	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	2 938 197	2 941 668
Average cost of borrowings	0.0%	<b>12.1%</b>	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	11.9%	11.9%	11.9%	12.0%	12.1%
Cash and cash equivalents	(4.0%)	<b>504 356</b>	525 380	397 929	487 365	652 646	419 224	458 402	559 117	517 959	668 584	698 971	579 650



## Monthly Investor Report

### 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	53 261 101	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	243 000 471	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	70 685 345	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	30 552 287	2017/12/01	2020/09/30
BAYA66	3-month JIBAR plus 4.400%	A	218 000 000	153 330 281	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	412 000 000	2019/04/01	2022/03/31
<b>Subtotal Class A notes</b>			<b>2 690 000 000</b>	<b>2 049 329 486</b>		
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	170 000 000	170 000 000	2018/10/01	2023/09/30
BAYB14	3-month JIBAR plus 7.500%	B	50 000 000	50 000 000	2018/10/01	2023/09/30
BAYB15	3-month JIBAR plus 7.500%	B	30 000 000	30 000 000	2018/10/01	2023/09/30
<b>Subtotal Class B notes</b>			<b>442 000 000</b>	<b>442 000 000</b>		
<b>Total</b>			<b>3 132 000 000</b>	<b>2 491 329 486</b>		

## Monthly Investor Report

### Covenant compliance

	Current requirement	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 18
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.0	2.1	2.2	2.2	2.3	2.1	2.1	2.6	2.9	2.5	2.5	2.4
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.6	4.4	4.6	4.5	5.0	4.6	4.2	4.5	4.4	4.1	4.0	4.2
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	63.2%	62.7%	64.1%	61.9%	58.7%	61.6%	61.0%	62.0%	61.2%	65.6%	66.1%	66.5%
Bad and Doubtful Debt Ratio	≤ 17.5%	8.0%	8.2%	7.2%	7.1%	7.1%	7.0%	6.3%	6.4%	6.3%	6.2%	5.9%	5.6%
Equity invested in the Company by the Originator	> 22.5%	37.9%	39.8%	37.4%	38.5%	45.2%	38.6%	38.1%	35.7%	37.0%	38.5%	39.2%	37.5%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
<b>Cash reserves</b>													
	Current requirement	Jun 19	May 19	Apr 19	Mar 19	Feb 19	Jan 19	Dec 18	Nov 18	Oct 18	Sep 18	Aug 18	Jul 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
<b>Arrears reserve</b>													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	28.7%	28.9%	27.1%	26.3%	26.7%	26.8%	26.8%	27.2%	27.3%	27.6%	27.6%	28.0%
Reserve required (R'000)		69 313	73 615	6 165	363	3 482	3 646	3 893	6 700	7 232	9 389	9 663	12 482
<b>Asset performance reserve</b>													
Collections ratio	≥ 80.75%	117.6%	117.1%	119.0%	120.4%	120.6%	122.9%	123.3%	124.0%	122.9%	121.3%	120.0%	116.8%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		180 687	176 385	243 835	249 637	246 518	246 354	246 107	243 300	242 768	240 611	240 337	237 518
Expected collections (6 month average) (R'000)		82 529	82 409	82 396	82 837	85 128	87 133	89 296	90 938	91 520	90 593	89 354	89 027
Actual receipts (6 month average) (R'000)		97 072	96 504	98 083	99 722	102 690	107 102	110 118	112 747	112 450	109 863	107 209	104 004
Capital redemption reserve (R'000)		-	-	-	150 000	125 000	100 000	75 000	50 000	25 000	128 663	107 219	85 775

## Monthly Investor Report

### Glossary of terms

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