

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

May 2014

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended May 2014

		May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13
Performance ratios *													
Total income as a % of ave gross loans and advances	%	27.2%	27.7%	28.2%	28.6%	29.2%	29.8%	30.6%	31.0%	31.5%	31.9%	33.3%	33.4%
Direct and indirect expenses to ave gross loans and advance	%	6.6%	7.0%	7.2%	7.5%	7.7%	7.9%	8.0%	8.1%	8.1%	9.4%	9.6%	9.8%
Direct and indirect expenses to total income	%	24.4%	25.3%	25.5%	26.1%	26.3%	26.6%	26.2%	26.2%	25.7%	29.5%	28.9%	29.3%
Return on assets	%	(2.3%)	(0.1%)	0.1%	0.8%	1.0%	1.1%	1.4%	1.4%	1.6%	1.1%	1.4%	1.5%
Gearing ratio	times	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.0	3.0
Interest margin	%	16.2%	16.6%	16.9%	17.1%	17.6%	18.0%	18.5%	18.8%	19.0%	18.8%	19.7%	19.8%
Asset and credit quality ratios													
Gross loans and advances	R '000	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143	5 683 441
Non-Performing Loans ("NPLs")	R '000	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520	2 025 955	1 998 950	1 947 865	1 875 668
Carrying value of written off book	R '000	183 147	178 357	171 523	161 528	156 281	149 879	144 237	135 124	135 124	65 198	59 898	54 598
Impairment provision	R '000	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155	1 112 633	1 084 900
Net loans and advances	R '000	4 701 383	4 833 706	4 844 499	4 850 312	4 831 331	4 779 630	4 731 950	4 693 792	4 666 336	4 696 075	4 678 408	4 653 139
Non-performing loans ratio	%	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%	34.0%	33.0%
Provision coverage	%	26.9%	24.1%	23.6%	23.3%	23.0%	22.8%	22.8%	22.5%	22.3%	19.8%	19.4%	19.1%
Funding and cash reserves													
Interest bearing liabilities	R '000	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583	4 669 506	4 539 776	4 530 622	4 735 954
Average cost of borrowings	%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%	10.6%	10.5%
Cash and cash equivalents	R '000	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101	305 647	199 873	174 816	460 580

* 12 months rolling average

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Origination

		% change MOM	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13
Disbursements	R '000	21.7%	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477	111 698	114 762	145 698	161 344
Number of new loans		16.8%	7 740	6 627	8 610	8 446	9 566	9 445	9 118	9 538	9 021	8 794	10 584	11 074
Number of loans on book		(0.4%)	331 037	332 442	335 320	338 348	339 639	340 295	341 295	342 398	344 547	345 115	346 815	347 306
Average loan value at acquisition	Rand	4.2%	15 999	15 352	15 123	15 606	15 153	14 861	15 131	14 099	12 382	13 050	13 766	14 570
Average term at acquisition	Months	1.8%	37.1	36.5	35.9	35.9	36.8	36.2	36.3	38.8	38.8	36.3	35.5	36.3

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	11%	8%	12%	12%
Free State	6%	6%	7%	7%
Gauteng	35%	49%	31%	32%
Kwazulu-Natal	15%	12%	15%	15%
Limpopo	5%	2%	7%	7%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	3%	3%	3%
North-West	6%	4%	5%	5%
Western Cape	12%	13%	14%	13%
Grand Total	100%	100%	100%	100%

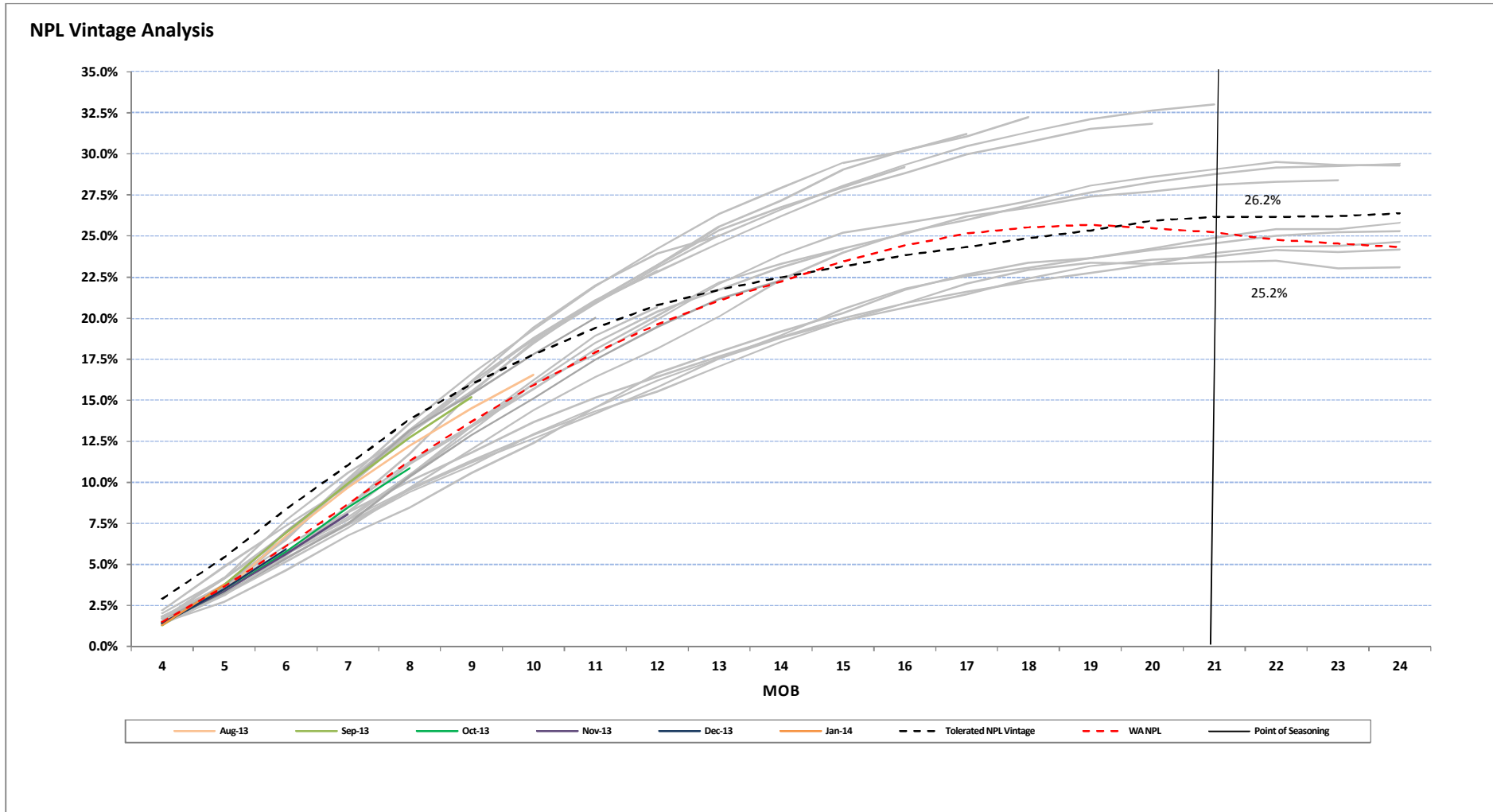
Monthly Investor Report

Asset quality

	% change MOM	May 14 R'000	Apr 14 R'000	Mar 14 R'000	Feb 14 R'000	Jan 14 R'000	Dec 13 R'000	Nov 13 R'000	Oct 13 R'000	Sep 13 R'000	Aug 13 R'000	Jul 13 R'000	Jun 13 R'000
Gross loans and advances	0.7%	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143	5 683 441
Performing loans	1.2%	3 885 789	3 839 806	3 839 235	3 822 577	3 847 656	3 822 763	3 832 547	3 821 984	3 806 326	3 772 082	3 783 278	3 807 773
Non-performing loans	(0.1%)	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520	2 025 955	1 998 950	1 947 865	1 875 668
Impairment provision													
Opening balance	2.4%	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155	1 112 633	1 084 900	1 059 256
Bad debt written-off	(6.3%)	(54 384)	(58 044)	(110 500)	(53 701)	(49 760)	(47 654)	(50 088)	(49 325)	(42 834)	(42 340)	(39 444)	(33 445)
Provision raised	>100%	235 709	92 573	129 056	83 647	77 260	63 744	79 842	70 091	203 749	69 862	67 177	59 089
Closing balance	12.3%	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155	1 112 633	1 084 900

Monthly Investor Report

Asset quality (continued)



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Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13
	%	%	%	%	%	%	%	%	%	%	%	%
0	52.7%	51.6%	52.0%	51.7%	52.3%	51.9%	52.4%	52.8%	52.9%	53.5%	53.5%	54.1%
1	3.7%	4.3%	4.3%	4.4%	4.2%	4.6%	4.6%	4.7%	5.1%	4.6%	4.8%	5.0%
2	3.3%	3.4%	3.4%	3.2%	3.4%	3.6%	3.9%	3.9%	3.7%	3.7%	3.9%	4.0%
3	3.2%	3.3%	3.1%	3.2%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.8%	3.9%
4 +	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%	34.0%	33.0%
Monthly loans and advances movement												
	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	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143	5 683 441	5 624 940
Disbursements	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477	111 698	114 762	145 698	161 344
Interest and other similiar income	121 406	115 990	122 166	105 018	120 818	115 044	118 223	123 300	126 679	121 808	119 639	97 713
Non-interest revenue	68 290	67 353	70 638	70 625	66 717	71 616	72 813	73 941	116 811	94 391	72 337	65 029
Collections	(222 653)	(217 642)	(217 005)	(216 522)	(216 535)	(231 745)	(235 581)	(244 750)	(259 927)	(254 135)	(254 090)	(236 408)
Bad debt write-offs and write-backs	(46 665)	(50 538)	(103 262)	(47 250)	(43 157)	(37 148)	(34 624)	(38 745)	(34 012)	(36 937)	(35 881)	(29 177)
Closing balance	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143	5 683 441

* Arrears instalments

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Liquidity and funding

	% change MOM	May 14 R'000	Apr 14 R'000	Mar 14 R'000	Feb 14 R'000	Jan 14 R'000	Dec 13 R'000	Nov 13 R'000	Oct 13 R'000	Sep 13 R'000	Aug 13 R'000	Jul 13 R'000	Jun 13 R'000
Funding													
Class A Notes (senior)	0.0%	3 359 024	3 359 024	3 359 024	3 375 041	3 375 041	3 221 384	3 371 465	3 371 465	3 371 465	3 020 252	3 020 252	3 237 140
Senior warehouse funding	0.0%	-	-	-	-	-	100 000	-	-	-	200 000	200 000	200 483
Class B Notes (Mezzanine)	0.0%	394 422	394 422	394 422	399 882	399 882	284 882	290 086	290 086	290 086	295 141	295 141	300 056
Other subordinated funding	(0.7%)	1 112 102	1 120 019	1 126 538	968 559	965 705	1 044 251	1 057 841	1 041 032	1 007 956	1 024 383	1 015 229	998 275
Total interest bearing liabilities	(0.2%)	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583	4 669 506	4 539 776	4 530 622	4 735 954
Average cost of borrowings	0.1%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%	10.6%	10.5%
Cash and cash equivalents	(0.2%)	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101	305 647	199 873	174 816	460 580

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Liquidity and funding (continued)

Listed notes in issue

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA01	12.550%	A	425 000 000	177 808 827	2010/03/31	2016/03/31
BAYA04	11.480%	A	20 000 000	7 236 068	2010/08/31	2015/09/30
BAYA05	11.450%	A	33 000 000	11 932 964	2010/09/27	2015/09/30
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	303 982 884	2010/09/30	2016/09/30
BAYA07	11.360%	A	34 000 000	13 539 304	2010/10/25	2015/12/31
BAYA08	11.780%	A	50 000 000	50 000 000	2010/11/15	2017/12/31
BAYA09	3-month JIBAR plus 5.000%	A	75 000 000	29 137 525	2010/12/06	2015/12/31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	15 503 785	2010/12/13	2015/12/31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	26 811 340	2011/01/03	2016/03/31
BAYA12	11.005%	A	20 000 000	9 322 245	2011/01/12	2016/03/31
BAYA13	12.070%	A	80 000 000	37 796 469	2011/03/10	2016/03/31
BAYA14	11.480%	A	13 000 000	4 703 446	2011/06/06	2015/09/30
BAYA15	11.530%	A	100 000 000	52 080 383	2011/06/14	2016/06/30
BAYA16	10.380%	A	10 000 000	5 859 676	2011/10/12	2016/09/30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	46 718 426	2011/10/21	2016/09/30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	58 398 031	2011/11/30	2016/09/30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	82 342 936	2011/11/30	2016/12/31
BAYA20	3-month JIBAR plus 3.900%	A	150 000 000	30 204 287	2011/11/30	2014/09/30
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	49 897 051	2012/04/30	2015/09/30
BAYA23	10.510%	A	300 000 000	212 054 125	2012/07/02	2017/06/30
BAYA24	11.090%	A	95 000 000	95 000 000	2012/07/02	2017/06/30
BAYA25	3-month JIBAR plus 4.150%	A	50 000 000	36 467 309	2012/08/15	2017/06/30
BAYA26	10.225%	A	185 000 000	185 000 000	2012/09/27	2017/10/02
BAYA27	3-month JIBAR plus 3.500%	A	120 000 000	63 796 140	2012/10/01	2015/09/30
BAYA29	3-month JIBAR plus 3.500%	A	60 000 000	34 280 167	2012/10/09	2015/12/31
BAYA30	9.280%	A	150 000 000	92 447 490	2012/12/14	2015/12/31
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	60 000 000	2012/12/14	2018/12/31
BAYA32	10.108%	A	75 000 000	75 000 000	2013/02/28	2018/04/03
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	41 675 372	2013/04/02	2018/03/31
BAYA37	3-month JIBAR plus 3.880%	A	100 000 000	100 000 000	2013/04/02	2016/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	320 000 000	2013/09/30	2018/10/01
BAYA40	3-month JIBAR plus 1.800%	A	200 000 000	200 000 000	2013/09/30	2014/09/30
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	45 938 650	2013/09/30	2018/10/31
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	130 000 000	2013/09/30	2018/10/01
BAYA43	3-month JIBAR plus 3.900%	A	150 000 000	139 089 124	2014/01/24	2017/03/31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	150 000 000	2014/03/31	2017/03/31
BAYA45	3-month JIBAR plus 4.250%	A	150 000 000	150 000 000	2014/03/31	2019/04/01
BAYA46	3-month JIBAR plus 1.450%	A	50 000 000	50 000 000	2014/03/31	2015/03/31
Subtotal Class A notes			4 685 000 000	3 359 024 023		
BAYB02	15.550%	B	30 000 000	13 161 820	2010/03/31	2016/03/31
BAYB03	15.360%	B	55 000 000	55 000 000	2011/11/30	2016/12/31
BAYB04	14.230%	B	90 000 000	61 260 480	2012/04/02	2017/03/31
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	2020/02/28
BAYB08	3-month JIBAR plus 8.000%	B	50 000 000	50 000 000	2013/03/25	2020/09/30
BAYB09	3-month JIBAR plus 5.750%	B	115 000 000	115 000 000	2014/01/24	2018/10/01
Subtotal Class B notes			440 000 000	394 422 300		
Total			5 125 000 000	3 753 446 323		

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Covenant compliance

Financial covenants	Current requirement	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.1	2.1	2.0	2.4	2.1	2.3	2.5	2.4	4.0	2.8	2.9	2.7
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.6	4.4	4.7	4.5	4.7	4.4	4.7	4.9	5.1	4.8	5.2	4.2
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	67.4%	65.6%	65.7%	66.5%	66.6%	67.1%	66.3%	67.0%	67.8%	65.8%	66.4%	66.3%
Bad and Doubtful Debt Ratio	≤ 17.5%	15.0%	12.6%	12.7%	11.9%	12.0%	12.3%	12.6%	12.8%	12.9%	12.3%	12.6%	12.4%
Equity invested in the Company by the Originator	> 20%	24.0%	25.9%	26.2%	23.6%	24.0%	25.9%	26.5%	26.3%	25.8%	25.6%	25.5%	25.1%
Cellular Contracts as a % of the Portfolio	≤ 10%	6.5%	6.6%	6.6%	6.6%	6.8%	6.9%	7.1%	7.1%	6.7%	6.2%	6.2%	6.2%

Cash reserves	Current requirement	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	25.2%	24.7%	24.4%	24.0%	24.2%	23.9%	23.6%	23.2%	23.1%	23.1%	23.0%	22.9%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	109.7%	109.3%	109.8%	109.9%	111.8%	113.1%	112.4%	112.4%	111.0%	110.4%	108.0%	106.7%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Expected collections (6 month average)		137 420	139 688	141 507	142 629	144 192	146 099	149 920	152 974	155 932	160 934	164 710	169 408
Actual receipts (6 month average)		150 730	152 717	155 359	156 767	161 156	165 250	168 300	171 867	173 162	177 607	177 842	180 740
Capital Redemption reserve		66 667	33 333	-	166 666	133 333	100 000	66 667	33 333	-	-	-	-

Monthly Investor Report

Glossary of terms

CD	Contractual delinquency = accumulated arrears / contractual instalments originally due
MOB	Month on book
MoM	Month 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