

BAYPORT SECURITISATION (RF) LTD

# INVESTOR REPORT

APRIL 2018

*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 April 2018

		Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.5%	17.6%	17.6%	17.7%	17.8%	17.6%	17.7%	17.8%	17.9%	18.1%	18.2%	18.5%
Dividend income as a % of ave gross loans and advances	%	2.2%	2.1%	2.1%	2.1%	2.0%	1.8%	1.1%	0.7%	14.5%	14.7%	14.8%	14.2%
Total income as a % of ave gross loans and advances (incl. dividends)	%	19.7%	19.7%	19.8%	19.8%	19.7%	19.3%	18.8%	18.6%	32.5%	32.8%	33.0%	32.8%
Direct and indirect expenses to ave gross loans and advances	%	4.6%	4.7%	4.7%	4.8%	4.8%	4.7%	4.7%	5.1%	5.4%	5.8%	6.2%	6.5%
Direct and indirect expenses to total income (excl. dividends)	%	26.4%	26.7%	26.9%	27.0%	27.1%	27.0%	26.7%	28.4%	30.3%	32.3%	33.9%	34.9%
Direct and indirect expenses to total income (incl. dividends)	%	23.5%	23.8%	24.0%	24.1%	24.4%	24.5%	25.1%	27.4%	16.7%	17.8%	18.7%	19.7%
Return on assets (incl. dividends)	%	4.3%	3.9%	4.0%	3.9%	4.0%	4.1%	3.1%	0.6%	16.5%	15.8%	16.3%	15.4%
Gearing ratio	times	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.6	1.5	1.5
Interest margin	%	10.2%	10.2%	10.2%	10.2%	10.3%	10.2%	10.1%	10.1%	10.1%	9.6%	9.7%	10.1%
<b>Income statement extract</b>													
Interest income	R '000	71 240	67 443	62 970	68 445	69 946	65 583	70 579	69 551	72 289	78 434	65 857	70 032
Non-interest revenue (excl. dividends)	R '000	5 752	5 157	5 270	5 120	8 609	5 424	1 262	5 194	5 899	5 329	5 082	5 149
Dividend income	R '000	4 103	6 044	-	8 163	11 296	33 814	19 611	-	-	-	27 863	-
<b>Total income</b>	R '000	<b>81 095</b>	78 644	68 240	81 728	89 851	104 821	91 452	74 745	78 188	83 762	98 802	75 181
Interest expenses	R '000	(26 513)	(27 082)	(24 717)	(27 249)	(21 831)	(26 458)	(25 435)	(30 870)	(1 568)	(35 685)	(30 170)	(32 131)
Direct and indirect expenses	R '000	(25 457)	(24 529)	(24 568)	(24 702)	(30 442)	(28 337)	(10 149)	(10 366)	(10 069)	(11 248)	(11 040)	(25 852)
<b>Total expenses</b>	R '000	<b>(51 970)</b>	(51 612)	(49 286)	(51 952)	(52 273)	(54 795)	(35 584)	(41 236)	(11 638)	(46 932)	(41 210)	(57 983)

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended April 2018 (continued)

		Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>5 262 866</b>	5 079 964	5 091 708	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
Non-performing loans ("NPLs")	R '000	<b>1 649 497</b>	1 645 476	1 646 731	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
Carrying value of written off book	R '000	<b>175 558</b>	176 364	178 919	182 107	194 804	205 071	204 552	271 010	280 456	268 292	267 571	256 375
Impairment provision	R '000	<b>2 731 520</b>	2 673 445	2 700 410	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
Net loans and advances	R '000	<b>2 706 904</b>	2 582 883	2 570 218	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
Number of loans on book		<b>182 242</b>	178 458	179 464	181 351	179 622	180 394	185 002	188 074	192 111	192 182	178 141	182 552
Non-performing loans ratio	%	<b>31.3%</b>	32.4%	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%
Provision coverage	%	<b>51.9%</b>	52.6%	53.0%	53.1%	54.2%	53.9%	53.3%	54.3%	53.7%	54.5%	57.5%	56.5%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	<b>145 612</b>	145 612	145 612	148 049	148 049	202 127	202 127	202 127	202 127	202 127	202 127	202 127
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>2 810 250</b>	2 676 755	2 697 965	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
Average cost of borrowings	%	<b>12.1%</b>	12.1%	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%
Cash and cash equivalents	R '000	<b>532 273</b>	574 653	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965

## Monthly Investor Report

### Origination

		% change MOM	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
Disbursements	R '000	(9.3%)	<b>118 035</b>	130 143	135 367	126 419	131 066	172 970	166 295	140 417	148 427	124 691	116 914	123 154
Number of new loans		(13.0%)	<b>4 613</b>	5 300	5 312	5 129	5 669	7 049	7 085	6 265	6 715	5 985	5 720	5 936
Average loan value at acquisition	Rand	4.2%	<b>25 588</b>	24 555	25 483	24 648	23 120	24 538	23 471	22 413	22 104	20 834	20 440	20 747
Average term at aquisition	Months	3.6%	<b>33.8</b>	32.7	32.9	32.6	31.2	31.3	28.5	29.3	28.1	27.1	26.5	27.0

		% change MOM	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
Loan claims purchased	R '000	124.5%	<b>236 208</b>	105 200	107 293	188 665	138 965	61 144	71 260	42 833	145 861	523 173	10 349	120 007
Number of loans purchased		92.9%	<b>8 335</b>	4 321	3 684	7 162	5 336	2 580	2 981	2 002	6 715	22 287	638	4 690
Average loan value purchased	Rand	16.4%	<b>28 339</b>	24 346	29 124	26 343	26 043	23 699	23 905	21 395	21 722	23 474	16 222	25 588
Average remaining term of loans purchased	Months	3.4%	<b>33.8</b>	32.7	32.7	32.6	31.2	31.3	27.5	29.7	28.1	27.2	23.7	22.0

\* 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%	<b>10%</b>
Free State	6%	5%	6%	<b>6%</b>
Gauteng	37%	56%	40%	<b>40%</b>
Kwazulu-Natal	14%	13%	14%	<b>14%</b>
Limpopo	5%	2%	6%	<b>6%</b>
Mpumulanga	6%	3%	6%	<b>6%</b>
Northern Cape	2%	2%	3%	<b>2%</b>
North-West	6%	4%	5%	<b>5%</b>
Western Cape	12%	8%	11%	<b>11%</b>
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

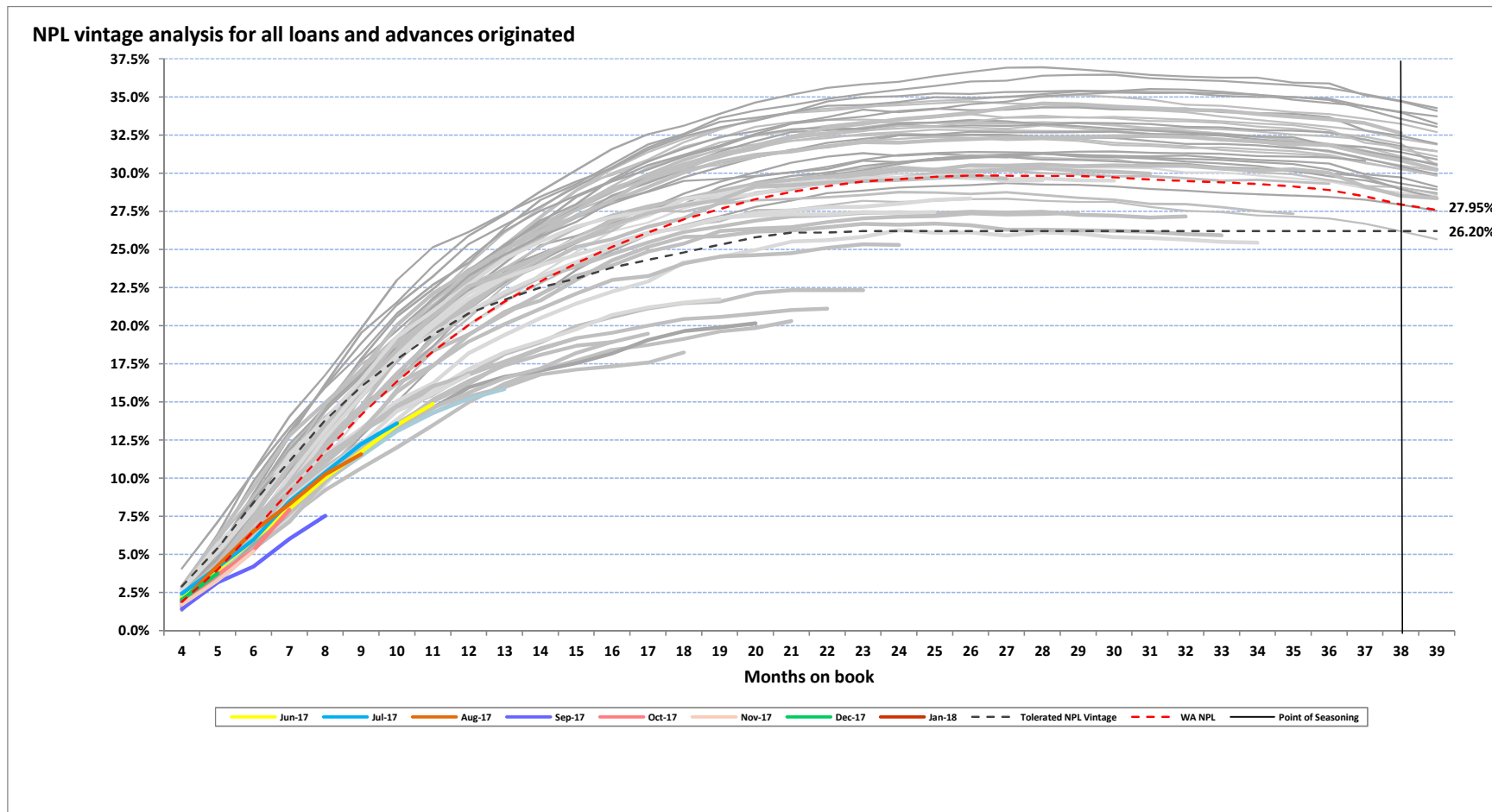
## Monthly Investor Report

### Asset quality

	% change MOM	Apr 18 R'000	Mar 18 R'000	Feb 18 R'000	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
<b>Gross loans and advances</b>	3.6%	<b>5 262 866</b>	5 079 964	5 091 708	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
Performing loans	5.2%	<b>3 613 369</b>	3 434 488	3 444 977	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
Non-performing loans	0.2%	<b>1 649 497</b>	1 645 476	1 646 731	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
<b>Impairment provision</b>													
Opening balance	(1.0%)	<b>2 673 445</b>	2 700 410	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
Bad debt written-off	0.2%	<b>(46 083)</b>	(45 976)	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)
Provision raised	447.9%	<b>104 158</b>	19 011	28 528	31 356	58 235	25 608	(49 947)	14 029	19 973	107 902	22 471	35 655
Closing balance	2.2%	<b>2 731 520</b>	2 673 445	2 700 410	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

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

#### Reported under IFRS 9

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

	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
For all loans and advances originated	%	%	%	%	%	%	%	%	%	%	%	%
0	60.5%	60.0%	59.5%	59.8%	60.3%	60.9%	60.4%	59.8%	59.1%	58.6%	57.9%	57.8%
1	3.9%	3.9%	4.5%	4.6%	4.3%	4.0%	4.0%	3.8%	3.9%	3.9%	4.2%	4.1%
2	3.2%	3.5%	3.5%	3.3%	3.2%	3.1%	3.1%	3.2%	3.1%	3.3%	3.3%	3.5%
3	2.8%	2.7%	2.8%	2.8%	2.7%	2.5%	2.6%	2.7%	2.8%	2.9%	2.9%	2.9%
4 +	29.6%	29.9%	29.8%	29.5%	29.5%	29.5%	29.9%	30.5%	31.0%	31.3%	31.6%	31.7%
For Bayport Securitisation (RF) Ltd	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
	%	%	%	%	%	%	%	%	%	%	%	%
0	58.8%	57.3%	56.5%	57.2%	57.0%	57.9%	58.2%	58.3%	58.6%	58.1%	54.6%	55.3%
1	3.9%	3.9%	4.7%	4.7%	4.5%	4.1%	4.1%	3.9%	3.9%	3.8%	4.2%	4.2%
2	3.1%	3.6%	3.6%	3.3%	3.4%	3.2%	3.2%	3.2%	3.1%	3.4%	3.4%	3.6%
3	2.9%	2.8%	2.9%	2.9%	2.8%	2.7%	2.7%	2.8%	2.9%	2.9%	3.1%	3.0%
4 +	31.3%	32.4%	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%
Monthly loans and advances movement	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 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	5 079 964	5 091 708	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
Disbursements	236 208	105 200	107 293	188 665	138 965	58 903	71 260	42 833	145 861	523 173	10 349	120 007
Interest and other similar income	66 955	59 786	61 648	63 063	58 999	56 096	60 022	59 178	62 942	64 179	53 982	58 121
Non-interest revenue and other movements	79 432	26 456	4 528	18 675	9 835	(817)	10 488	5 008	37 899	17 221	3 451	595
Collections	(153 610)	(157 210)	(157 641)	(146 563)	(160 642)	(159 689)	(170 552)	(169 246)	(171 433)	(170 060)	(146 657)	(157 126)
Bad debt write-offs and write-backs	(46 083)	(45 976)	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)
Closing balance	5 262 866	5 079 964	5 091 708	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

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>Apr 18</b> <b>R'000</b>	Mar 18 R'000	Feb 18 R'000	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
Class A Notes (senior)	7.3%	<b>2 153 526</b>	2 006 963	2 006 963	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
Senior warehouse funding		-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.0%	<b>271 000</b>	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	270 000
Other subordinated funding	(3.3%)	<b>385 724</b>	398 792	420 002	422 909	392 752	353 107	519 750	467 028	500 007	566 191	527 456	610 843
<b>Total interest bearing liabilities</b>	<b>5.0%</b>	<b>2 810 250</b>	2 676 755	2 697 965	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
Average cost of borrowings	0.0%	<b>12.1%</b>	12.1%	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%
Cash and cash equivalents	(7.4%)	<b>532 273</b>	574 653	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965



## Monthly Investor Report

### 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
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	6 068 472	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	14 967 439	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	84 357 764	2016/03/31	2019/04/01
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	150 539 049	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	412 547 610	2017/06/30	2020/06/30
BAYA59	13.150%	A	110 000 000	187 000 000	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	111 641 462	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	48 340 848	2017/12/01	2020/09/30
BAYA66	3-month JIBAR plus 4,400%	A	218 000 000	218 000 000	2018/04/03	2021/03/31
BAYA67	11.420%	A	100 000 000	100 000 000	2018/04/03	2023/03/31
<b>Subtotal Class A notes</b>			<b>2 713 000 000</b>	<b>2 153 525 767</b>		
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
<b>Subtotal Class B notes</b>			<b>271 000 000</b>	<b>271 000 000</b>		
<b>Total</b>			<b>2 984 000 000</b>	<b>2 424 525 767</b>		

## Monthly Investor Report

### Covenant compliance

Financial covenants	Current requirement	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.2	2.6	2.6	2.8	3.0	2.9	3.5	3.3	3.2	2.8	2.0	1.9
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.4	4.0	4.1	3.9	4.3	4.0	4.4	3.7	3.7	3.7	4.3	4.2
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	66.5%	63.6%	63.7%	64.0%	64.4%	63.6%	61.3%	64.3%	65.0%	65.5%	66.0%	61.8%
Bad and Doubtful Debt Ratio	≤ 17.5%	6.2%	6.1%	5.9%	5.8%	5.5%	5.0%	5.0%	5.3%	5.7%	7.1%	6.8%	6.7%
Equity invested in the Company by the Originator	> 22.5%	37.1%	39.6%	40.1%	39.9%	40.0%	38.6%	42.7%	38.3%	37.8%	39.6%	44.8%	44.7%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.0%	2.0%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.4%	2.3%

Cash reserves	Current requirement	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17
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%	27.9%	27.6%	27.6%	27.4%	27.4%	27.4%	27.8%	28.8%	28.6%	28.5%	28.8%	28.7%
Reserve required (R'000)		11 828	8 899	8 997	7 761	7 562	7 695	10 335	17 193	16 666	18 838	18 573	18 592
Asset performance reserve													
Collections ratio	≥ 80.75%	111.4%	110.9%	110.4%	110.8%	111.9%	111.9%	111.2%	105.5%	104.7%	103.8%	102.9%	102.4%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		238 172	241 101	241 003	242 239	242 438	242 305	239 665	232 807	233 334	231 162	231 427	231 408
Expected collections (6 month average) (R'000)		87 905	89 398	90 040	91 095	91 953	90 543	90 233	89 140	86 562	83 750	79 012	79 049
Actual receipts (6 month average) (R'000)		97 955	99 158	99 440	100 960	102 879	101 300	100 312	94 008	90 666	86 943	81 329	80 924
Capital redemption reserve (R'000)		93 427	178 210	143 092	107 973	72 855	71 667	35 833	115 000	95 833	76 667	57 500	150 833

## 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