

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JUNE 2017

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

### Financial statistics for the period ended June 2017

		June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	<b>17.7%</b>	18.2%	18.7%	19.2%	19.7%	20.0%	20.4%	21.2%	21.7%	22.3%	22.8%	23.2%
Dividend income as a % of ave gross loans and advances	%	<b>15.2%</b>	14.5%	14.5%	14.4%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	0.0%	0.0%
Total income as a % of ave gross loans and advances (incl. dividends)	%	<b>32.9%</b>	32.7%	33.2%	33.6%	33.9%	34.2%	34.6%	35.3%	35.8%	36.5%	22.8%	23.2%
Direct and indirect expenses to ave gross loans and advances	%	<b>6.3%</b>	6.6%	6.6%	6.5%	6.5%	6.5%	6.5%	5.7%	5.2%	5.3%	5.5%	5.7%
Direct and indirect expenses to total income (excl. dividends)	%	<b>35.7%</b>	36.3%	35.2%	34.0%	33.2%	32.6%	32.0%	26.8%	23.9%	24.0%	24.3%	24.5%
Direct and indirect expenses to total income (incl. dividends)	%	<b>19.2%</b>	20.2%	19.8%	19.4%	19.3%	19.1%	18.9%	16.1%	14.5%	14.7%	24.3%	24.5%
Return on assets (excl. dividends)	%	<b>(2.3%)</b>	(2.2%)	(1.8%)	(1.3%)	(1.2%)	(1.4%)	(1.2%)	(1.7%)	(1.1%)	(0.9%)	(0.4%)	(0.2%)
Return on assets (incl. dividends)	%	<b>14.9%</b>	14.5%	14.8%	15.3%	15.2%	15.0%	15.2%	14.7%	15.4%	15.7%	(0.4%)	(0.2%)
Gearing ratio	times	<b>1.2</b>	1.2	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.6	1.8
Interest margin	%	<b>9.1%</b>	9.5%	10.1%	10.5%	11.0%	11.2%	11.5%	11.7%	12.1%	12.6%	13.0%	13.2%
<b>Income statement extract</b>													
Interest income	R '000	<b>57 371</b>	61 491	62 542	59 012	61 576	62 267	62 161	68 375	73 127	66 745	72 765	75 348
Non-interest revenue (excl. dividends)	R '000	<b>4 658</b>	5 191	5 313	4 979	6 101	5 594	5 407	5 700	5 826	5 080	6 062	5 996
Dividend income	R '000	<b>27 863</b>	-	-	7 915	-	-	-	-	-	691 252	-	-
<b>Total income</b>	R '000	<b>89 892</b>	66 682	67 855	71 906	67 677	67 861	67 568	74 075	78 953	763 077	78 827	81 344
Interest expenses	R '000	<b>(30 170)</b>	(32 131)	(29 573)	(29 080)	(26 510)	(26 473)	(19 891)	(31 128)	(32 788)	(30 226)	(30 622)	(30 575)
Direct and indirect expenses	R '000	<b>(11 040)</b>	(25 852)	(27 540)	(26 291)	(26 324)	(26 612)	(26 236)	(26 494)	(27 656)	(25 802)	(28 571)	(24 846)
<b>Total expenses</b>	R '000	<b>(41 210)</b>	(57 983)	(57 113)	(55 371)	(52 834)	(53 085)	(46 127)	(57 622)	(60 444)	(56 028)	(59 193)	(55 421)

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended June 2017 (continued)

		June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>4 638 274</b>	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674
Non-performing loans ("NPLs")	R '000	<b>1 424 310</b>	1 431 990	1 433 090	1 423 653	1 428 303	1 409 583	1 400 833	1 387 155	1 374 507	1 362 235	1 353 021	1 332 568
Carrying value of written off book	R '000	<b>460 930</b>	460 930	460 930	460 930	460 930	460 930	460 930	467 930	467 930	467 930	467 930	467 930
Impairment provision	R '000	<b>2 219 912</b>	2 225 450	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200
Net loans and advances	R '000	<b>2 879 292</b>	2 992 808	3 019 480	3 010 701	3 078 453	3 118 904	3 112 632	3 186 308	3 276 123	3 086 638	3 092 796	3 202 404
Number of loans on book		<b>178 141</b>	182 552	184 898	184 121	189 285	188 066	188 170	191 532	195 528	188 751	190 458	196 047
Non-performing loans ratio	%	<b>30.7%</b>	30.1%	30.0%	30.0%	29.7%	29.2%	29.1%	28.5%	27.7%	28.7%	28.6%	27.7%
Provision coverage	%	<b>47.9%</b>	46.8%	46.4%	46.2%	45.5%	45.0%	44.9%	44.2%	43.4%	44.8%	44.5%	43.2%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	<b>202 127</b>	202 127	202 127	222 325	222 325	222 325	222 325	222 325	222 325	222 325	913 577	-
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>2 944 433</b>	2 810 657	2 797 602	2 759 883	2 815 246	2 860 494	2 834 818	2 825 270	2 847 650	2 810 939	3 403 738	4 760 399
Average cost of borrowings	%	<b>11.5%</b>	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.5%	11.4%	11.3%	11.4%	11.3%
Cash and cash equivalents	R '000	<b>917 837</b>	696 965	644 064	617 793	642 356	633 031	680 509	582 464	497 818	636 981	595 083	534 999

## Monthly Investor Report

### Origination

		% change MOM	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16
Disbursements	R '000	(5.1%)	<b>116 914</b>	123 154	91 961	103 527	98 243	96 377	92 070	122 542	113 194	117 328	88 469	89 652
Number of new loans		(3.6%)	<b>5 720</b>	5 936	4 284	5 573	5 217	4 814	4 932	5 909	4 933	5 597	4 941	5 950
Average loan value at acquisition	Rand	(1.5%)	<b>20 440</b>	20 747	21 466	18 577	18 831	20 020	18 668	20 738	22 946	20 963	17 905	15 068
Average term at acquisition	Months	(1.7%)	<b>26.5</b>	27.0	26.6	23.8	23.9	25.3	24.2	26.1	28.0	26.8	22.5	20.4

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

		% change MOM	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16
Loan claims purchased	R '000	(91.4%)	<b>10 349</b>	120 007	142 135	42 409	73 860	96 377	37 137	33 092	300 353	114 245	-	-
Number of loans purchased		(86.4%)	<b>638</b>	4 690	5 491	2 290	3 090	4 814	2 185	1 579	13 676	5 411	-	-
Average loan value purchased	Rand	(36.6%)	<b>16 222</b>	25 588	25 885	18 519	23 903	20 020	16 996	20 957	21 962	21 113	-	-
Average remaining term of loans purchased	Months	7.9%	<b>23.7</b>	22.0	23.1	24.1	25.6	25.3	23.2	26.3	22.5	27.0	-	-

\* 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>11%</b>
Free State	6%	6%	6%	<b>6%</b>
Gauteng	36%	55%	38%	<b>38%</b>
Kwazulu-Natal	14%	12%	14%	<b>14%</b>
Limpopo	5%	3%	7%	<b>7%</b>
Mpumulanga	6%	3%	6%	<b>6%</b>
Northern Cape	3%	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>

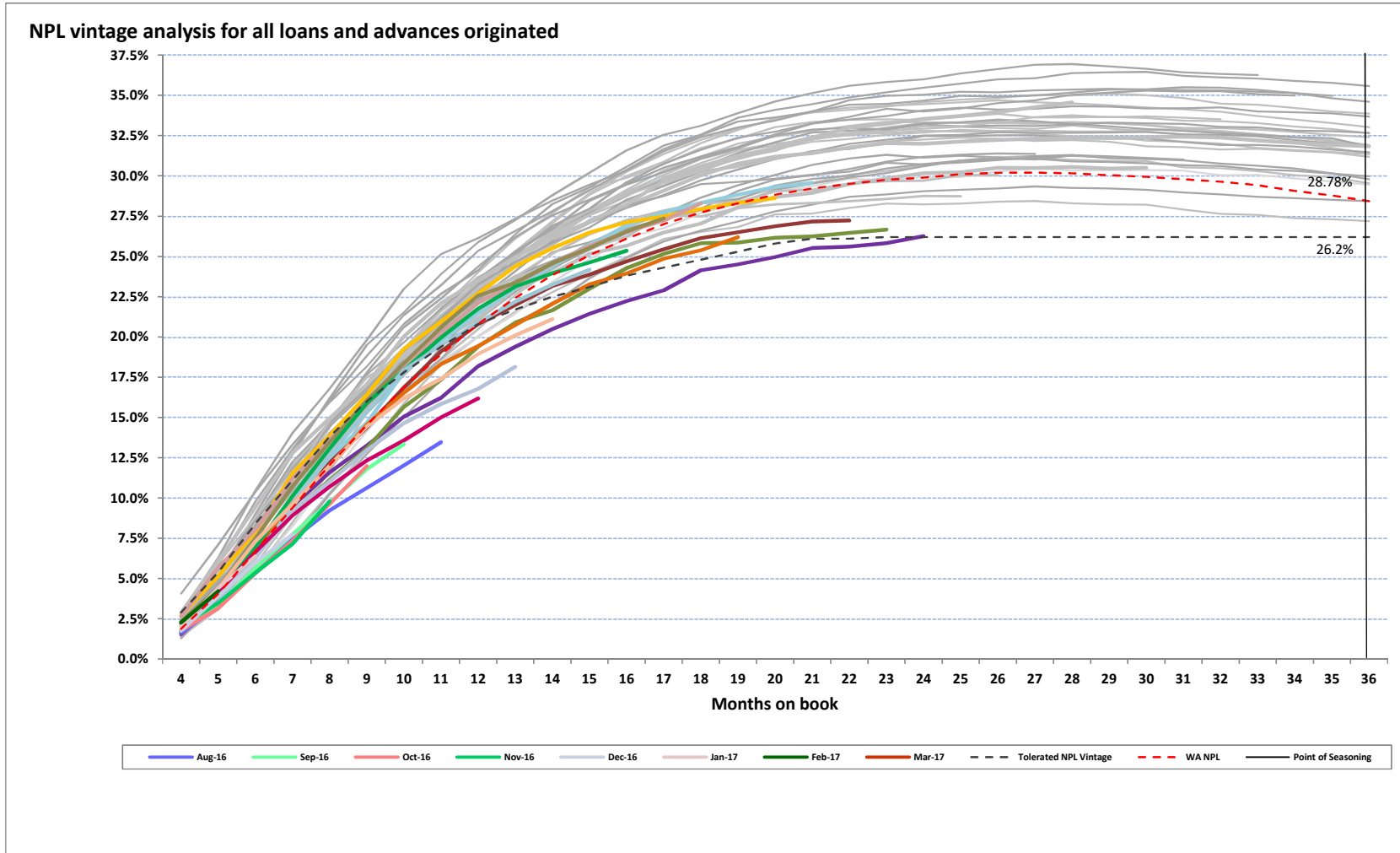
## Monthly Investor Report

### Asset quality

	% change MOM	June 17 R'000	May 17 R'000	Apr 17 R'000	Mar 17 R'000	Feb 17 R'000	Jan 17 R'000	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	Aug 16 R'000	Jul 16 R'000
<b>Gross loans and advances</b>	(2.5%)	<b>4 638 274</b>	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674
Performing loans	(3.3%)	<b>3 213 964</b>	3 325 338	3 336 319	3 317 092	3 375 144	3 421 902	3 414 464	3 486 522	3 585 814	3 382 539	3 376 679	3 481 106
Non-performing loans	(0.5%)	<b>1 424 310</b>	1 431 990	1 433 090	1 423 653	1 428 303	1 409 583	1 400 833	1 387 155	1 374 507	1 362 235	1 353 021	1 332 568
<b>Impairment provision</b>													
Opening balance	0.7%	<b>2 225 450</b>	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200	2 050 004
Bad debt written-off	12.0%	<b>(47 297)</b>	(42 219)	(45 587)	(38 565)	(40 279)	(38 040)	(58 896)	(42 149)	(39 912)	(40 998)	(37 424)	(36 674)
Provision raised	(26.5%)	<b>41 759</b>	56 810	65 472	43 615	52 692	47 956	67 192	45 320	65 974	62 230	63 058	65 870
Closing balance	(0.2%)	<b>2 219 912</b>	2 225 450	2 210 859	2 190 974	2 185 924	2 173 511	2 163 595	2 155 299	2 152 128	2 126 066	2 104 834	2 079 200

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

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

	June 17 %	May 17 %	Apr 17 %	Mar 17 %	Feb 17 %	Jan 17 %	Dec 16 %	Nov 16 %	Oct 16 %	Sep 16 %	Aug 16 %	Jul 16 %
<b>For all loans and advances originated</b>												
0	61.3%	61.2%	60.8%	60.5%	59.1%	59.3%	59.9%	61.1%	60.9%	62.7%	60.1%	60.4%
1	4.4%	4.3%	4.4%	4.4%	5.3%	5.6%	5.3%	4.7%	4.9%	2.7%	5.2%	5.3%
2	3.5%	3.6%	3.6%	3.9%	4.4%	4.0%	4.0%	3.9%	3.8%	4.1%	4.3%	4.3%
3	3.1%	3.0%	3.2%	3.3%	3.3%	3.4%	3.3%	3.2%	3.3%	3.5%	3.5%	3.4%
4 +	27.7%	27.9%	28.0%	27.9%	27.9%	27.7%	27.5%	27.1%	27.1%	27.0%	26.9%	26.6%
<b>For Bayport Securitisation (RF) Ltd</b>												
0	57.8%	58.5%	58.3%	58.2%	57.0%	57.4%	57.9%	59.4%	60.1%	60.8%	57.9%	58.9%
1	4.5%	4.4%	4.6%	4.4%	5.4%	5.8%	5.5%	4.8%	4.9%	2.6%	5.3%	5.4%
2	3.7%	3.8%	3.8%	4.0%	4.5%	4.1%	4.1%	4.0%	3.9%	4.2%	4.5%	4.4%
3	3.3%	3.2%	3.3%	3.4%	3.4%	3.5%	3.4%	3.3%	3.4%	3.7%	3.7%	3.6%
4 +	30.7%	30.1%	30.0%	30.0%	29.7%	29.2%	29.1%	28.5%	27.7%	28.7%	28.6%	27.7%
<b>Monthly loans and advances movement</b>												
	June 17 R'000	May 17 R'000	Apr 17 R'000	Mar 17 R'000	Feb 17 R'000	Jan 17 R'000	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	Aug 16 R'000	Jul 16 R'000
Opening balance	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674	4 913 475
Disbursements	10 349	120 007	142 135	42 409	73 860	96 377	37 137	33 092	300 353	114 245	-	-
Interest and other similar income	53 080	57 176	56 434	57 768	57 983	60 225	58 169	65 475	69 310	63 329	69 488	72 883
Non-interest revenue	4 643	4 006	11 580	24 750	30 854	38 469	33 552	10 206	39 405	33 806	19 117	15 611
Collections	(152 185)	(164 126)	(148 562)	(164 000)	(168 368)	(153 901)	(145 144)	(168 202)	(169 371)	(170 337)	(152 426)	(168 633)
Bad debt write-offs and write-backs	(34 941)	(29 145)	(32 923)	(23 629)	(22 367)	(24 982)	(42 094)	(27 215)	(24 152)	(25 968)	(20 153)	(19 661)
Closing balance	4 638 274	4 757 328	4 769 409	4 740 745	4 803 447	4 831 485	4 815 297	4 873 677	4 960 321	4 744 774	4 729 700	4 813 674

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>June 17</b> <b>R'000</b>	May 17 R'000	Apr 17 R'000	Mar 17 R'000	Feb 17 R'000	Jan 17 R'000	Dec 16 R'000	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	Aug 16 R'000	Jul 16 R'000
Class A Notes (senior)	11.2%	<b>2 145 977</b>	1 929 814	1 929 814	1 799 814	1 920 133	1 920 133	2 019 850	2 019 850	2 019 850	2 019 850	1 839 971	1 839 971
Senior warehouse funding	0.0%	-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.4%	<b>271 000</b>	270 000	270 000	270 000	276 154	276 154	337 071	337 071	337 071	337 071	337 796	337 796
Other subordinated funding	(13.7%)	<b>527 456</b>	610 843	597 788	690 069	618 959	664 207	477 897	468 349	490 729	454 018	1 225 971	2 582 632
<b>Total interest bearing liabilities</b>	<b>4.8%</b>	<b>2 944 433</b>	2 810 657	2 797 602	2 759 883	2 815 246	2 860 494	2 834 818	2 825 270	2 847 650	2 810 939	3 403 738	4 760 399
Average cost of borrowings	(0.8%)	<b>11.5%</b>	11.6%	11.5%	11.5%	11.4%	11.3%	11.3%	11.5%	11.4%	11.3%	11.4%	11.3%
Cash and cash equivalents	31.7%	<b>917 837</b>	696 965	644 064	617 793	642 356	633 031	680 509	582 464	497 818	636 981	595 083	534 999



## Monthly Investor Report

### Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA26	10.225%	A	185 000 000	85 000 000	27/09/2012	02/10/2017
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	33 000 000	14/12/2012	31/12/2018
BAYA33	3-month JIBAR plus 4.000%	A	15 000 000	15 000 000	25/03/2013	03/04/2018
BAYA34	3-month JIBAR plus 4.250%	A	100 000 000	100 000 000	25/03/2013	03/04/2018
BAYA35	3-month JIBAR plus 4.250%	A	50 000 000	50 000 000	25/03/2013	03/04/2018
BAYA36	3-month JIBAR plus 3.880%	A	50 000 000	8 981 180	02/04/2013	31/03/2018
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	250 000 000	30/09/2013	01/10/2018
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	14 662 574	30/09/2013	30/09/2018
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	103 000 000	30/09/2013	01/10/2018
BAYA45	3-month JIBAR plus 4.250%	A	150 000 000	150 000 000	31/03/2014	01/04/2019
BYA49U	3-month JIBAR plus 4.000%	A	65 000 000	65 000 000	05/05/2015	02/07/2018
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	25 026 059	06/04/2016	01/04/2019
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	141 049 004	31/03/2016	01/04/2019
BAYA53	3-month JIBAR plus 2.500%	A	30 000 000	30 000 000	30/09/2016	02/10/2017
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	215 757 874	30/09/2016	30/09/2019
BAYA55	3-month JIBAR plus 2.500%	A	50 000 000	50 000 000	03/04/2017	03/04/2018
BAYA57	3-month JIBAR plus 5.500%	A	50 000 000	50 000 000	03/04/2017	03/04/2022
BAYA58	3-month JIBAR plus 5.100%	A	526 000 000	526 000 000	30/06/2017	30/06/2020
BAYA59	13.150%	A	110 000 000	110 000 000	30/06/2017	30/06/2022
BAYA60	12.400%	A	85 000 000	85 000 000	30/06/2017	30/06/2020
BAYA61	3-month JIBAR plus 5.100%	A	38 500 000	38 500 000	30/06/2017	30/06/2020
<b>Subtotal Class A notes</b>			<b>2 605 000 000</b>	<b>2 145 976 690</b>		
BAYB05	3-month JIBAR plus 7.500%	B	50 000 000	50 000 000	15/08/2012	30/06/2019
BAYB06	3-month JIBAR plus 7.500%	B	30 000 000	30 000 000	14/12/2012	31/12/2019
BAYB07	3-month JIBAR plus 7.500%	B	20 000 000	20 000 000	22/02/2013	31/03/2020
BAYB08	3-month JIBAR plus 8.000%	B	50 000 000	50 000 000	25/03/2013	30/09/2020
BYB10U	3-month JIBAR plus 8.000%	B	5 000 000	5 000 000	30/09/2016	30/09/2021
BYB10U_1	3-month JIBAR plus 8.000%	B	1 000 000	1 000 000	30/06/2017	30/09/2021
BAYB11	3-month JIBAR plus 8.000%	B	115 000 000	115 000 000	30/06/2017	30/06/2020
<b>Subtotal Class B notes</b>			<b>271 000 000</b>	<b>271 000 000</b>		
<b>Total</b>			<b>2 876 000 000</b>	<b>2 416 976 690</b>		

## Monthly Investor Report

### Covenant compliance

	Current requirement	June 17	May 17	Apr 17	Mar 17	Feb 17	Jan 17	Dec 16	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.0	1.9	1.8	2.2	2.6	2.1	2.3	2.8	2.7	2.5	2.1	2.5
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.3	4.2	4.5	4.1	4.8	5.2	4.5	4.8	4.9	5.5	5.8	5.6
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	56.5%	52.3%	52.7%	49.6%	51.6%	51.2%	53.3%	53.6%	53.5%	54.2%	49.9%	49.2%
Bad and Doubtful Debt Ratio	≤ 17.5%	7.1%	7.0%	7.2%	7.1%	7.4%	7.9%	8.0%	9.8%	9.9%	10.5%	10.2%	9.8%
Equity invested in the Company by the Originator*	> 22.5%	56.0%	55.7%	55.2%	58.8%	56.4%	57.0%	47.5%	46.0%	45.6%	47.6%	50.6%	51.1%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.4%	2.3%	2.3%	2.4%	2.3%	2.4%	2.5%	2.5%	2.4%	2.6%	2.6%	2.6%
<b>Cash reserves</b>													
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%	28.8%	28.7%	28.6%	28.6%	28.8%	28.6%	28.6%	28.7%	28.7%	28.6%	28.5%	28.7%
Reserve required (R'000)		18 573	18 592	18 337	17 867	19 702	18 891	18 391	20 298	20 224	18 244	17 765	19 732
Asset performance reserve													
Collections ratio	≥ 80.75%	102.9%	102.4%	103.0%	108.4%	107.9%	107.5%	104.3%	104.1%	102.7%	101.4%	101.3%	101.1%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		231 427	231 408	231 663	232 133	230 298	231 109	231 609	229 702	229 776	231 756	232 235	230 268
Expected collections (6 month average) (R'000)		79 012	79 049	79 030	79 336	78 213	78 386	82 021	84 477	85 734	87 600	90 815	92 793
Actual receipts (6 month average) (R'000)		81 329	80 924	81 371	85 966	84 405	84 242	85 556	87 907	88 072	88 842	91 976	93 825
Capital redemption reserve (R'000)		57 500	150 833	99 167	47 500	52 500	32 500	187 500	154 167	120 833	87 500	58 333	29 167

\* 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%.

## 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