

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JUNE 2018

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BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

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

Financial statistics for the period ended June 2018

		June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
Performance ratios *													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.5%	17.5%	17.5%	17.6%	17.6%	17.7%	17.8%	17.6%	17.7%	17.8%	17.9%	18.1%
Dividend income as a % of ave gross loans and advances	%	1.7%	2.2%	2.2%	2.1%	2.1%	2.1%	2.0%	1.8%	1.1%	0.7%	14.5%	14.7%
Total income as a % of ave gross loans and advances (incl. dividends)	%	19.2%	19.7%	19.7%	19.7%	19.8%	19.8%	19.7%	19.3%	18.8%	18.6%	32.5%	32.8%
Direct and indirect expenses to ave gross loans and advances	%	4.8%	4.6%	4.6%	4.7%	4.7%	4.8%	4.8%	4.7%	4.7%	5.1%	5.4%	5.8%
Direct and indirect expenses to total income (excl. dividends)	%	27.7%	26.4%	26.4%	26.7%	26.9%	27.0%	27.1%	27.0%	26.7%	28.4%	30.3%	32.3%
Direct and indirect expenses to total income (incl. dividends)	%	25.2%	23.4%	23.5%	23.8%	24.0%	24.1%	24.4%	24.5%	25.1%	27.4%	16.7%	17.8%
Return on assets (incl. dividends)	%	3.1%	4.5%	4.3%	3.9%	4.0%	3.9%	4.0%	4.1%	3.1%	0.6%	16.5%	15.8%
Gearing ratio	times	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.6
Interest margin	%	10.4%	10.3%	10.2%	10.2%	10.2%	10.2%	10.3%	10.2%	10.1%	10.1%	10.1%	9.6%
Income statement extract													
Interest income	R '000	71 772	69 618	71 240	67 443	62 970	68 445	69 946	65 583	70 579	69 551	72 289	78 434
Non-interest revenue (excl. dividends)	R '000	5 296	4 996	5 752	5 157	5 270	5 120	8 609	5 424	1 262	5 194	5 899	5 329
Dividend income	R '000	4 002	2 811	4 103	6 044	-	8 163	11 296	33 814	19 611	-	-	-
Total income	R '000	81 070	77 425	81 095	78 644	68 240	81 728	89 851	104 821	91 452	74 745	78 188	83 762
Interest expenses	R '000	(26 984)	(27 583)	(26 513)	(27 082)	(24 717)	(27 249)	(21 831)	(26 458)	(25 435)	(30 870)	(1 568)	(35 685)
Direct and indirect expenses	R '000	(24 261)	(25 128)	(25 457)	(24 529)	(24 568)	(24 702)	(30 442)	(28 337)	(10 149)	(10 366)	(10 069)	(11 248)
Total expenses	R '000	(51 245)	(52 711)	(51 970)	(51 612)	(49 286)	(51 952)	(52 273)	(54 795)	(35 584)	(41 236)	(11 638)	(46 932)

* 12 months rolling average

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Financial statistics for the period ended June 2018 (continued)

		June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
Asset and credit quality ratios													
Gross loans and advances	R '000	5 286 296	5 140 560	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
Non-performing loans ("NPLs")	R '000	1 654 433	1 666 935	1 649 497	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
Carrying value of written off book	R '000	178 901	178 276	175 558	176 364	178 919	182 107	194 804	205 071	204 552	271 010	280 456	268 292
Impairment provision	R '000	2 728 569	2 704 503	2 731 520	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
Net loans and advances	R '000	2 736 628	2 614 333	2 706 904	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
Number of loans on book		181 173	177 830	182 242	178 458	179 464	181 351	179 622	180 394	185 002	188 074	192 111	192 182
Non-performing loans ratio	%	31.3%	32.4%	31.3%	32.4%	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%
Provision coverage	%	51.6%	52.6%	51.9%	52.6%	53.0%	53.1%	54.2%	53.9%	53.3%	54.3%	53.7%	54.5%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	145 612	145 612	145 612	145 612	145 612	148 049	148 049	202 127	202 127	202 127	202 127	202 127
Funding and cash reserves													
Interest bearing liabilities	R '000	2 814 762	2 787 855	2 810 250	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
Average cost of borrowings	%	12.2%	12.1%	12.1%	12.1%	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%
Cash and cash equivalents	R '000	575 969	663 714	532 273	574 653	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154

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Origination

		% change MOM	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
Disbursements	R '000	(6.7%)	132 938	142 525	118 035	130 143	135 367	126 419	131 066	172 970	166 295	140 417	148 427	124 691
Number of new loans		(6.8%)	5 070	5 437	4 613	5 300	5 312	5 129	5 669	7 049	7 085	6 265	6 715	5 985
Average loan value at acquisition	Rand	0.0%	26 221	26 214	25 588	24 555	25 483	24 648	23 120	24 538	23 471	22 413	22 104	20 834
Average term at aquisition	Months	0.3%	34.6	34.5	33.8	32.7	32.9	32.6	31.2	31.3	28.5	29.3	28.1	27.1

		% change MOM	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
Loan claims purchased	R '000	761.7%	249 057	28 904	236 208	105 200	107 293	188 665	138 965	61 144	71 260	42 833	145 861	523 173
Number of loans purchased		862.8%	9 821	1 020	8 335	4 321	3 684	7 162	5 336	2 580	2 981	2 002	6 715	22 287
Average loan value purchased	Rand	(10.5%)	25 360	28 337	28 339	24 346	29 124	26 343	26 043	23 699	23 905	21 395	21 722	23 474
Average remaining term of loans purchased	Months	0.3%	34.6	34.5	33.8	32.7	32.7	32.6	31.2	31.3	27.5	29.7	28.1	27.2

* 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	6%	6%	5%	5%
Gauteng	38%	56%	41%	42%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	2%	6%	6%
Mpumulanga	6%	3%	6%	6%
Northern Cape	2%	2%	3%	2%
North-West	6%	4%	5%	5%
Western Cape	12%	8%	11%	11%
Grand Total	100%	100%	100%	100%

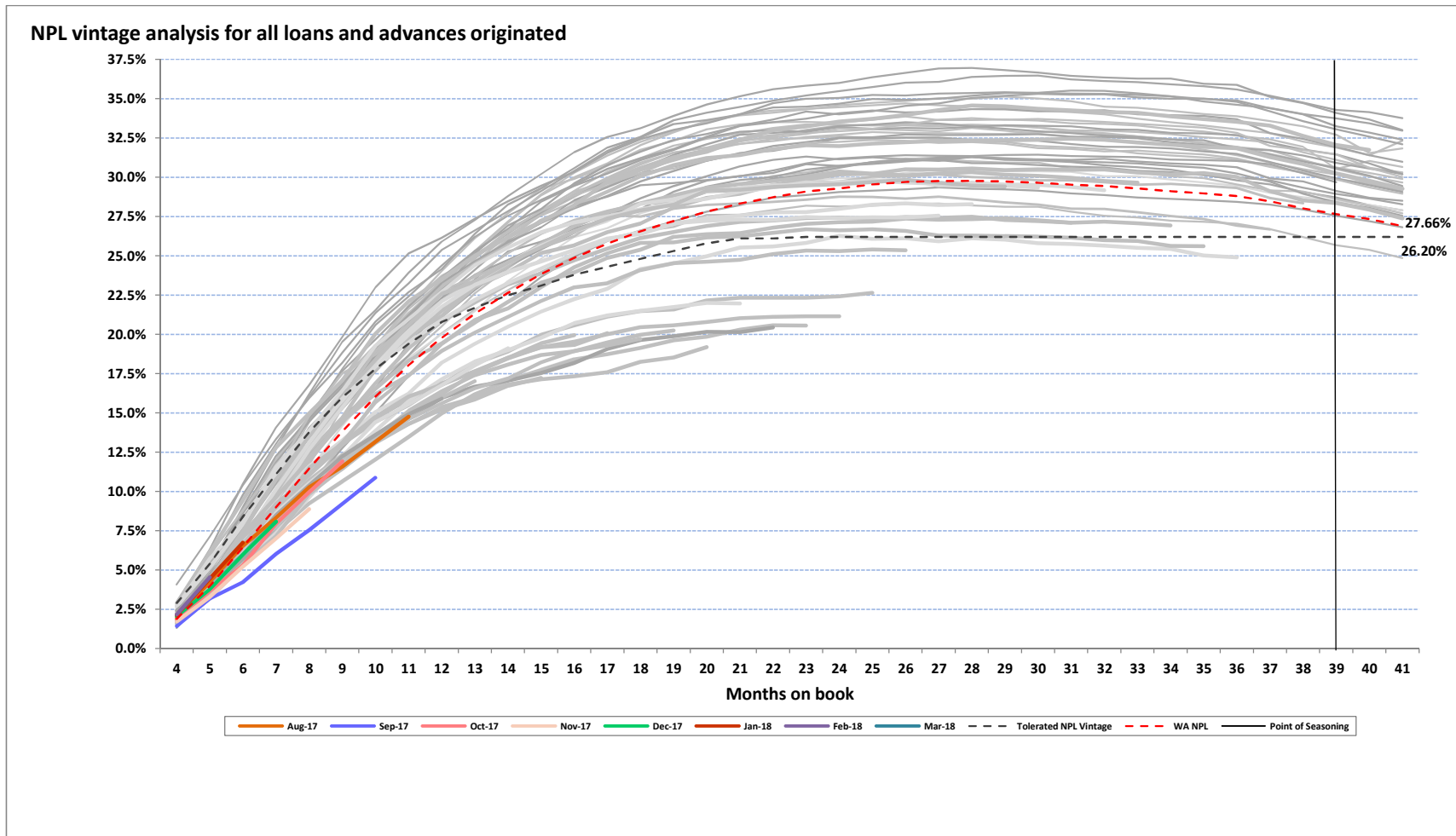
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Asset quality

	% change MOM	June 18 R'000	May 18 R'000	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
Gross loans and advances	2.8%	5 286 296	5 140 560	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
Performing loans	4.6%	3 631 863	3 473 625	3 613 369	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
Non-performing loans	(0.7%)	1 654 433	1 666 935	1 649 497	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
Impairment provision													
Opening balance	(1.0%)	2 704 503	2 731 520	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
Bad debt written-off	(4.2%)	(50 506)	(52 742)	(46 083)	(45 976)	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)
Provision raised	189.9%	74 572	25 724	104 158	19 011	28 528	31 356	58 235	25 608	(49 947)	14 029	19 973	107 902
Closing balance	0.9%	2 728 569	2 704 503	2 731 520	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

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Asset quality (continued)



Monthly Investor Report

Asset quality (continued)

Reported under IFRS 9

Loans and advances distribution by contractual delinquency (CD)

	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
	%	%	%	%	%	%	%	%	%	%	%	%
For all loans and advances originated												
0	60.0%	60.1%	60.5%	60.0%	59.5%	59.8%	60.3%	60.9%	60.4%	59.8%	59.1%	58.6%
1	4.3%	4.0%	3.9%	3.9%	4.5%	4.6%	4.3%	4.0%	4.0%	3.8%	3.9%	3.9%
2	3.3%	3.2%	3.2%	3.5%	3.5%	3.3%	3.2%	3.1%	3.1%	3.2%	3.1%	3.3%
3	2.8%	2.7%	2.8%	2.7%	2.8%	2.8%	2.7%	2.5%	2.6%	2.7%	2.8%	2.9%
4 +	29.6%	30.0%	29.6%	29.9%	29.8%	29.5%	29.5%	29.5%	29.9%	30.5%	31.0%	31.3%
For Bayport Securitisation (RF) Ltd												
0	58.3%	57.5%	58.8%	57.3%	56.5%	57.2%	57.0%	57.9%	58.2%	58.3%	58.6%	58.1%
1	4.3%	4.1%	3.9%	3.9%	4.7%	4.7%	4.5%	4.1%	4.1%	3.9%	3.9%	3.8%
2	3.3%	3.3%	3.1%	3.6%	3.6%	3.3%	3.4%	3.2%	3.2%	3.2%	3.1%	3.4%
3	2.8%	2.7%	2.9%	2.8%	2.9%	2.9%	2.8%	2.7%	2.7%	2.8%	2.9%	2.9%
4 +	31.3%	32.4%	31.3%	32.4%	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%
Monthly loans and advances movement												
	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 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	5 140 560	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
Disbursements	249 057	28 904	236 208	105 200	107 293	188 665	138 965	58 903	71 260	42 833	145 861	523 173
Interest and other similar income	63 373	65 181	66 955	59 786	61 648	63 063	58 999	56 096	60 022	59 178	62 942	64 179
Non-interest revenue and other movements	58 706	4 942	79 432	26 456	4 528	18 675	9 835	(817)	10 488	5 008	37 899	17 221
Collections	(174 894)	(168 591)	(153 610)	(157 210)	(157 641)	(146 563)	(160 642)	(159 689)	(170 552)	(169 246)	(171 433)	(170 060)
Bad debt write-offs and write-backs	(50 506)	(52 742)	(46 083)	(45 976)	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)
Closing balance	5 286 296	5 140 560	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

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Liquidity and funding

Funding	% change MOM	June 18 R'000	May 18 R'000	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
Class A Notes (senior)	0.0%	2 153 526	2 153 526	2 153 526	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
Senior warehouse funding		-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.0%	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000
Other subordinated funding	7.4%	390 236	363 329	385 724	398 792	420 002	422 909	392 752	353 107	519 750	467 028	500 007	566 191
Total interest bearing liabilities	1.0%	2 814 762	2 787 855	2 810 250	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
Average cost of borrowings	0.0%	12.2%	12.1%	12.1%	12.1%	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%
Cash and cash equivalents	(13.2%)	575 969	663 714	532 273	574 653	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154

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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	187 000 000	187 000 000	2017/06/30	2022/06/30
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	111 641 462	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	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	3-month JIBAR plus 4,500%	A	100 000 000	100 000 000	2018/04/03	2023/03/31
Subtotal Class A notes			2 790 000 000	2 153 525 767		
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
Subtotal Class B notes			271 000 000	271 000 000		
Total			3 061 000 000	2 424 525 767		

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Covenant compliance

Financial covenants	Current requirement	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.4	2.3	2.2	2.6	2.6	2.8	3.0	2.9	3.5	3.3	3.2	2.8
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.2	4.0	4.4	4.0	4.1	3.9	4.3	4.0	4.4	3.7	3.7	3.7
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	65.0%	65.7%	66.5%	63.6%	63.7%	64.0%	64.4%	63.6%	61.3%	64.3%	65.0%	65.5%
Bad and Doubtful Debt Ratio	≤ 17.5%	6.6%	6.0%	6.2%	6.1%	5.9%	5.8%	5.5%	5.0%	5.0%	5.3%	5.7%	7.1%
Equity invested in the Company by the Originator	> 22.5%	37.5%	38.4%	37.1%	39.6%	40.1%	39.9%	40.0%	38.6%	42.7%	38.3%	37.8%	39.6%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	1.9%	2.0%	2.0%	2.0%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

Cash reserves	Current requirement	June 18	May 18	Apr 18	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 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%	27.7%	27.3%	27.9%	27.6%	27.6%	27.4%	27.4%	27.4%	27.8%	28.8%	28.6%	28.5%
Reserve required (R'000)		9 959	7 075	11 828	8 899	8 997	7 761	7 562	7 695	10 335	17 193	16 666	18 838
Asset performance reserve													
Collections ratio	≥ 80.75%	114.1%	112.4%	111.4%	110.9%	110.4%	110.8%	111.9%	111.9%	111.2%	105.5%	104.7%	103.8%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		240 041	242 925	238 172	241 101	241 003	242 239	242 438	242 305	239 665	232 807	233 334	231 162
Expected collections (6 month average) (R'000)		87 670	86 901	87 905	89 398	90 040	91 095	91 953	90 543	90 233	89 140	86 562	83 750
Actual receipts (6 month average) (R'000)		100 053	97 716	97 955	99 158	99 440	100 960	102 879	101 300	100 312	94 008	90 666	86 943
Capital redemption reserve (R'000)		215 282	154 354	93 427	178 210	143 092	107 973	72 855	71 667	35 833	115 000	95 833	76 667

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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