

PRICING SUPPLEMENT

BAYPORT SECURITISATION (RF) LTD

Registration Number 2008/003557/06
(Incorporated with limited liability in the Republic of South Africa)

Issue of ZAR150,000,000 CLASS A FLOATING RATE NOTES
Under its ZAR10,000,000,000 Asset Backed Note Programme
("the Programme")
STOCK CODE BAYA44

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Bayport Securitisation (RF) Ltd dated 20-May-2011, as amended and/or supplemented from time to time (the "**Programme Memorandum**"). To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "Glossary of Definitions". References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "Terms and Conditions of the Notes". Reference to any Condition in this Applicable Pricing Supplement is to that Condition of the Terms and Conditions.

DESCRIPTION OF THE NOTES

1. Issuer	Bayport Securitisation (RF) LTD
2. Status and Class of the Notes	Secured Class A Notes
3. Tranche Number	44
4. Aggregate Nominal Amount of this Tranche	ZAR150,000,000
5. Interest Payment Basis	Floating Rate Notes
6. Form of Notes	Listed registered Notes. The Notes in this Tranche are issued in uncertificated form and held by the CSD
7. Issue Date	31-March-2014
8. Settlement Date	31-March-2014
9. Nominal Amount per Note	ZAR1,000,000
10. Minimum Denomination per Note	Notes are subject to a minimum denomination of ZAR1,000,000
11. Currency	ZAR
12. Issue Price(s)	100.00% of the Nominal Amount of each Note
13. Interest Commencement Date(s)	31-March-2014

14. Payment Day	Following Business Day Convention
15. Stated Date	30-June-2014
16. Capital Repayment Profile	Amortising. See schedule of capital repayment only annexed as Annexure A
17. Redemption Condition	7.1 of the Programme Memorandum
18. Maturity Date	31-March-2017
19. Final Redemption Amount	as per Condition 7 of the Programme Memorandum
20. Use of Proceeds	As stated in Programme Memorandum
21. Books Close Period	The Register will be closed from 20 June to 30 June, 20 September to 30 September, 21 December to 31 December and 21 March to 31 March each year
22. Last day to Register	by 17h00 on 19 June, 19 September, 20 December and 20 March each year
23. Penalty Interest Rate	Prime Rate plus 200 basis points
24. Description of Underlying Asset	<p>The Security Trust has executed a limited recourse Guarantee in favour of the Noteholders and other Secured Creditors. The Issuer has provided an Indemnity to the Security Trust in respect of claims made under the Guarantee. As security for such Indemnity, the Issuer has ceded and pledged, <i>in securitatem debiti</i>, the assets of the Issuer (comprising the Ceded Rights and which include the rights to the Collection Accounts) to the Security Trust.</p> <p>Whilst the Notes are not directly secured by any of the assets of the Issuer, the assets of the Issuer to which the security structure (described above and in the Programme Memorandum) have access, for the benefit of Noteholders and other Secured Creditors, are the Ceded Rights.</p> <p>"Ceded Rights" means all present and future claims in the Issuer's favour, without restriction or exception (whether as to the identity of the debtors, the cause of debt, the nature of the claim or anything else whatsoever), including but not limited to –</p> <ul style="list-style-type: none"> • the Issuer's right, title and interest (both present and future) in and to the Bank Accounts; • the Issuer's right, title and interest (both present and future) under and in terms of the Loan Agreements; • the Issuer's right, title and interest (both present and future) in and to the Ancillary Contracts; and

- the Issuer's right, title and interest (both present and future) under and in terms of the Transaction Documents.

"Bank Accounts" means the Issuer's bank accounts operated and/or maintained by or on behalf of the Issuer from time to time.

"Ancillary Contracts" in relation to each Qualifying Loan Agreement means:

- all security provided in respect of any Qualifying Loan Agreement, including all and any suretyships, guarantees, acknowledgements of debt and/or other security instruments of whatsoever nature provided in respect of such Qualifying Loan Agreement;
- all and any payroll and/or debit order authorisations, emolument attachment orders and/or administration orders in respect of amounts payable by the relevant Borrower under such Qualifying Loan Agreement; and
- all and any policies of insurance taken out by the corresponding Borrower and ceded to the Issuer and/or in respect of which the Issuer is a beneficiary.

"Loan Agreements" the personal unsecured loan agreements and other funding agreements concluded by the Originator in accordance with the Credit Granting Criteria which shall be interpreted to include a Cellular Contract;

"Cellular Contract" a written agreement concluded by the Originator with a Borrower in terms of which the Originator makes certain cellular phone services available to the Borrower on credit terms and for which contractual subscriptions are agreed to be paid by the Borrower to the Originator over an extended time period;

"Qualifying Loan Agreement" any Loan Agreement concluded by or on behalf of the Originator with a Borrower in accordance with the Credit Granting Criteria and sold to the Issuer in terms of the Sale of Claims Agreement;

"Credit Granting Criteria" the credit granting criteria of the Originator as contained in the Schedule of Credit Granting Criteria attached to the Programme Memorandum as Appendix 1, as amended from time to time by agreement between the Originator and the Issuer provided that such amendment shall not be implemented without the prior written consent of a Special Majority of Funders or the approval of a Special Resolution of Funders.

For further details regarding Security please refer to the

Programme Memorandum.

25. Set out the relevant description of any additional Terms and Conditions relating to the Notes N/A

FIXED RATE NOTES

- 26.
- a. Fixed Rate of Interest N/A
 - b. Interest Payment Date(s) N/A
 - c. Interest Step-Up Date N/A
 - d. Interest Step-Up Interest Rate N/A
 - e. Any other terms relating to the particular method of calculating interest N/A

FLOATING RATE NOTES OR INDEX-LINKED NOTES

- 27.
- a. Interest Payment Date(s) 30 June, 30 September, 31 December and 31 March each year
 - b. Interest Period(s) each period from but not including one Interest Payment Date to and including, the following Interest Payment Date
 - c. Interest Rate 3 month ZAR-JIBAR plus 390 basis points payable Quarterly in arrears
 - d. Definitions of Business Day (if different from that set out in the "Glossary of Definitions" contained in the Programme Memorandum) N/A
 - e. Minimum Rate of Interest N/A
 - f. Maximum Rate of Interest N/A
 - g. Interest Step-Up Date N/A
 - h. Interest Step-Up Interest Rate N/A
 - i. Other terms relating to the method of calculating interest (e.g. day count fraction, rounding up provisions) N/A
28. Manner in which the Rate of Interest is to be determined N/A
29. Margin/Spread for the Interest Rate 390 basis points to be added to the relevant Reference Rate

30. If ISDA Determination	N/A
a. Floating Rate	N/A
b. Floating Rate Option	N/A
c. Designated Maturity	N/A
d. Reset Date(s)	N/A
e. ISDA Definitions to Apply	N/A
31. If Screen Rate Determination	Yes
a. Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	3 Month ZAR-JIBAR
b. Rate Determination Date(s)	31 March, 30 June, 30 September and 31 December each year
c. Relevant Screen Page and Reference Code	Reuters Code: SAFEY reference code J2Y or any successor page
32. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/ Margin/Fall back provisions including, where applicable the Base CPI for CPI Linked instruments.	N/A
33. Any other terms relating to the particular method of calculating interest	N/A
GENERAL	
34. Details of relevant Stabilisation Manager (if any)	N/A
35. Additional selling restrictions	N/A
36. International Securities Numbering (ISIN)	ZAG000114380
37. Stock Code	BAYA44
38. Financial Exchange	Interest Market of the JSE Ltd
39. The notice period required for exchanging Beneficial Interests in a Global Note for an Individual Certificate	14 days
40. Capital Raising Process	Unsyndicated
41. If syndicated, names of Dealers	N/A
42. Rating assigned to this Tranche of Notes (if any)	zaA(sf) National Scale Rating

43. Rating Agency	Standard & Poors
44. Date of Rating	31-March-2014
45. Date of Next Rating Review	Process commences September 2014, or any such earlier date as required by the Rating Agency
46. Governing Law	South Africa
47. Calculation Agent	The Standard Bank of South Africa Ltd
48. Specified Office of the Calculation Agent	9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg
49. Transfer Agent	The Standard Bank of South Africa Ltd
50. Specified Office of the Transfer Agent	9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg
51. Security Trustee	PT&A Trustees (Pty) Ltd
52. Specified Office of Security Trustee	17 Fricker Road, Illovo Boulevard, Illovo
53. Issuer Programme Limit	ZAR10,000,000,000
54. Outstanding Principal Amount of Notes in Issue on the Issue Date of this Tranche	ZAR3,722,446,321 excluding this Tranche of Notes and any other Tranches of Notes to be issued on the Issue Date
55. Securitisation Regulations	The information which is required to be disclosed in terms of paragraph 16(2) of the Securitisation Regulations is set out in the Programme Memorandum
56. Covenants	See Condition 10 of the Programme Memorandum
57. Credit Events/Guarantee Events	See Condition 11 of the Programme Memorandum
58. Other Provisions	On 22 November 2013, a Special Majority of Noteholders approved a) the disposal by Transaction Capital Limited ("TC") of its interest in the Originator (Bayport Financial Services 2010 Proprietary Limited) and b) the amendment of the Security Trust Deed so as

to replace all references therein to TC with references to the intended purchaser. A copy of the notice to Noteholders, including the approved amendments to the Security Trust Deed is attached as Annexure B hereto. These amendments were not voted on by the Noteholders of BAYA44, but shall be binding on the Noteholders of BAYA44 with effect from the date on which the amendments become effective.

59. Additional Information

This Programme Memorandum has, prior to this issuance, been amended by supplements dated 22 September 2011, 25 April 2012, 31 July 2012, 28 June 2013 and 10 September 2013.

Application is hereby made to list this Tranche of Notes as from 31-March-2014, pursuant to the Bayport Securitisation (RF) Ltd Asset Backed Note Programme.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statements in this Applicable Pricing Supplement as read with the Programme Memorandum false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement as read with the Programme Memorandum contains all information required by law and the JSE Listings Requirements.

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, any Applicable Pricing Supplements, and the annual report or the amendments to the annual report, except as otherwise stated therein.

The JSE:

- takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, or any annual report (as amended or restated from time to time) or the amendments to the annual report,
- makes no representation as to the accuracy or completeness of any of the foregoing documents; and
- expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report.

BAYPORT SECURITISATION (RF) LTD

This Pricing Supplement was signed by **STUART STONE** on 27 March 2014. Copies of the version bearing such signature are available for inspection at the Specified Office of the Issuer as set out at the end of the Programme Memorandum.

This Pricing Supplement was signed by **BRENDAN HARMSE** on 27 March 2014. Copies of the version bearing such signature are available for inspection at the Specified Office of the Issuer as set out at the end of the Programme Memorandum.

ANNEXURE A

Interest or Capital payment Date	Capital Payment
30-Jun-14	R 11,026,149.00
30-Sep-14	R 11,241,461.00
31-Dec-14	R 11,499,070.00
31-Mar-15	R 11,820,487.00
30-Jun-15	R 12,059,469.00
30-Sep-15	R 12,309,816.00
31-Dec-15	R 12,591,908.00
31-Mar-16	R 12,897,265.00
30-Jun-16	R 13,189,606.00
30-Sep-16	R 13,478,270.00
03-Jan-17	R 13,766,300.00
31-Mar-17	R 14,120,199.00
Grand Total	R150,000,000.00

*If a date falling on 31 March, 30 June, 30 September and 31 December of any year is not a business day the next business day is displayed in the preceding table in accordance with the Following Business Day Convention.



BAYPORT SECURITISATION (RF) LTD

*(Incorporated with limited liability in the Republic of South Africa under Registration Number
2008/003557/06)*

**Formerly called BAYPORT SECURITISATION (PROPRIETARY) LIMITED Registration Number
2008/003557/07)**

To: **Central Securities Depository's Nominee (PTY) Limited**
 E-mail: cdadmin@strate.co.za
 1st Floor
 9 Fricker Road
 Illovo Boulevard
 Sandton
 2196
 South Africa

Date: 7 November 2013

REQUEST TO NOTEHOLDERS TO PROVIDE CONSENTS

1. Introduction
- 1.1 On 20 May 2011, Bayport Securitisation (RF) LTD ("**the Issuer**") established its Asset-Backed Note Programme (the "**Programme**") pursuant to a programme memorandum dated 20 May 2011 as supplemented by the Supplements thereto dated 22 September 2011, 25 April 2012, 31 July 2012, 28 June 2013 and 10 September 2013 (the "**Programme Memorandum**"). With effect from 28 June 2013, the nominal amount of the Programme was increased from R4,400,000,000.00 to R10,000,000,000.00.
- 1.2 Capitalised terms used in this request for consent shall, unless otherwise defined in this request, bear the meanings ascribed to such terms in the section of the Programme Memorandum headed "*Glossary of Definitions*".
- 1.3 The CSD Nominee is requested to seek the required consents, detailed in paragraph 2 below, of the holders of the Beneficial Interest in relation to Notes issued by the Issuer and/or the required consent of the relevant Participant(s) of such Beneficial Interest holder's, in accordance with the Applicable Procedures.
- 1.4 With regard to the consent sought below relating to the SENS Announcement made on Wednesday 23 October 2013 (**Annexure 1**), the details of which are set out in paragraph 2 below, the Issuer requires the consent of a Special Majority of Senior Debt Funders being Senior Debt Funders who would, on a poll, between them hold more than 75% of the total votes of all Senior Debt Funders at that time. In this regard every Senior Debt Funder

- will be entitled to 10 votes for each Class A Note of which he is the registered holder or representative.
- 1.5 Any Facility Grantor (which also falls within the definition of Funder) is entitled to 10 votes for each complete R1,000,000 of capital owing by the Issuer to a Facility Grantor in terms of the corresponding Warehousing Facility. To the extent required, the Issuer will seek the written consent of any Facility Grantor.
- 1.6 With regard to the consent sought below relating to the amendment of the Security Trust Deed (**Annexure 2**), the Issuer requires the consent of a Special Majority of Funders being Funders who would, on a poll, between them hold more than 75% of the total votes of all Funders at that time. In this regard every Funder will be entitled to vote as follows:
- 1.6.1 10 votes for each Class A Note of which he is the registered holder or representative;
- 1.6.2 two votes for each Class B Note of which he is the registered holder or representative;
- 1.6.3 one and a half votes for each Class C Note of which he is the registered holder or representative; and
- 1.6.4 one vote for each Class D Note of which he is the registered holder or representative.
- 1.7 Any Facility Grantor (which also falls within the definition of Funder) is entitled to 10 votes for each complete R1,000,000 of capital owing by the Issuer to a Facility Grantor in terms of the corresponding Warehousing Facility. To the extent required, the Issuer will seek the written consent of any Facility Grantor.
- 1.8 The CSD nominee is requested to provide sufficient information regarding the consent allocated per class of Notes in order to enable the Issuer to determine the level of voting.
- 1.9 Such consents are requested by no later than Friday 22 November 2013.

2. CONSENTS REQUIRED

- 2.1 In terms of the restrictions contained in the Security Trust Deed, and repeated in Condition 11.1.1.27 of the Terms and Conditions contained in the Programme Memorandum, the Transaction Capital shareholding in the Originator may not, without the written consent of a Special Majority of Senior Debt Funders, fall below 50% + 1 share.
- 2.2 Transaction Capital proposes disposing of the Bayport Group of companies, with the result that Transaction Capital's shareholding in the Originator will fall below 50% + 1 share. As such, the Issuer is required to obtain the consent of a Special Majority of Senior Debt Funders. The finalisation of the contemplated disposal without the prior consent of a Special Majority of Senior Debt Funders would constitute a Credit Event in terms of paragraph 11.1.1.27 of the Terms and Conditions contained in the Programme Memorandum.
- 2.3 Accordingly, Noteholders are requested to give their consent, subject to the amendment of the Security Trust Deed, to the proposed disposal by Transaction Capital of its shares in the Originator as contemplated in the SENS Announcement attached hereto as Annexure 1.
- 2.4 In terms of the restrictions contained in the Security Trust Deed, and repeated in Condition 10.3.7 of the Terms and Conditions contained in the Programme Memorandum, the Issuer may not participate in any variation, amendment or consensual cancellation of any of the Transaction Documents (other than the Programme Memorandum and/or the Applicable

Pricing Supplements which may be varied or amended in accordance with the provisions of the Programme Memorandum and the JSE Listings Requirements), without the prior written consent of a Special Majority of Funders.

- 2.5 The Issuer proposes making changes to the Security Trust Deed, subject to a Special Majority of Senior Debt Funders approving the disposal by Transaction Capital of its shares in the Originator, by:
 - 2.5.1 deleting the definition of “Transaction Capital” in clause 2.1.125 and replacing it with the definition of “BML”; and
 - 2.5.2 deleting the reference to “Transaction Capital” in clauses 2.1.46.5 and 11.9.1.27 and replacing it with a reference to “BML”.

For: Bayport Securitisation (RF) LTD

November 2013

Annexure 1

Terms announcement relating to the disposal of Bayport Financial Services 2010 and Zenthyme Investments

TRANSACTION CAPITAL LIMITED
(Incorporated in the Republic of South Africa)
(Registration No. 2002/031730/06)
ISIN: ZAE00167391
JSE share code: TCP
("Transaction Capital" or the "Company")

Bayport Management Limited
(Incorporated in Mauritius)
(Registration No. 54787 C1/GBL) ("BML")

TERMS ANNOUNCEMENT RELATING TO THE DISPOSAL OF BAYPORT FINANCIAL SERVICES 2010 PROPRIETARY LIMITED AND ZENTHYME INVESTMENTS PROPRIETARY LIMITED TO BAYPORT MANAGEMENT LIMITED, A COMPANY INCORPORATED IN MAURITIUS AND LISTED ON THE STOCK EXCHANGE OF MAURITIUS

1. INTRODUCTION

1.1 Transaction Capital shareholders are advised that

1.1.1 Transaction Capital currently owns 82.65% of the issued share capital of each of Bayport Financial Services 2010 Proprietary Limited ("BFS") and Zenthyme Investments Proprietary Limited ("Zenthyme");

1.1.2 Transaction Capital has entered into a sale of shares agreement (the "Minority Buy-Out Agreement") with the Trustees of The Stuart Stone Family Trust Grant Kurland, Martin Freeman, Justin Chola and Suganthran Govender (collectively the "Minorities"), BFS and Zenthyme in terms of which agreement Transaction Capital will acquire from the Minorities all the issued shares in BFS and Zenthyme held by the Minorities on the same terms and conditions (including the price), mutatis mutandis, contained in the Agreement (defined in paragraph 1.1.3 below) such that on the implementation of the Minority Buy-Out Agreement, BFS and Zenthyme will become wholly owned subsidiaries of Transaction Capital and on the basis that delivery of shares will occur before the implementation of the Agreement (defined in paragraph 1.1.3 below) while payment of ZAR279 728 040 (plus an amount equal to 17.35% of the notional interest envisaged in paragraph 2.5) by Transaction Capital to the Minorities for such shares will occur following receipt by Transaction Capital of the consideration set out in paragraph 2.5 below;

1.1.3 contemporaneously with the signature of the Minority Buy-Out Agreement, Transaction Capital has also entered into an agreement ("Agreement") with BFS, Zenthyme and BML, pursuant to and in terms of which BFS and Zenthymewill, subject to the fulfilment or waiver of the conditions precedent specified in the Agreement ("Conditions Precedent"), and after implementation of the Minority Buy-Out Agreement, become wholly owned subsidiaries of BML, (collectively the "Proposed Transaction"). The Minority Buy-Out Agreement and the Agreement are conditional on one another and accordingly indivisibly linked. The salient features of the Proposed Transaction, including the material Conditions Precedent are set out below.

2. SALIENT FEATURES OF THE PROPOSED TRANSACTION

2.1 Particulars of the Proposed Transaction

- 2.1.1 The subject matter of the Proposed Transaction is all the issued ordinary shares in BFS and Zenthyme.
- 2.1.2 Upon implementation of the Proposed Transaction
- 2.1.3 BFS and Zenthyme will become wholly-owned subsidiaries of BML;
- 2.1.4 Transaction Capital will receive the consideration set out in paragraph 2.5 below and
- 2.1.5 The Minorities will receive ZAR279 728 040 (plus an amount equal to 17.35% of the notional interest envisaged in paragraph 2.5).
- 2.2 Rationale for the Proposed Transaction
 - 2.2.1 The origin of Bayport was the establishment by Messrs Stuart Stone ("Stone") and Grant Kurland ("Kurland") of a mass market unsecured credit provider in 2001.
 - 2.2.2 Operating as BML, the founders expanded into 4 African countries and in 2005, on expiry of their restraint from operating in the country, entered the South African market and established BFS.
 - 2.2.3 In 2010, consistent with its strategic objective to acquire and grow niched financial services businesses, Transaction Capital acquired 82.65% of BFS for an enterprise value of ZAR650 000 000, with the balance of the shareholding remaining with the founders and management. At the time this presented the potential for a later acquisition of BML by Transaction Capital and the re-integration of the two businesses under the management of the founding partners.
 - 2.2.4 The following developments since then have persuaded Transaction Capital to alter this view:
 - 2.2.4.1 negative sentiment around the unsecured lending sector, has caused the market to ignore the specific outperformance of BFS, which has grown steadily, improving its differentiated strategy, executive calibre, governance and quality of earnings under Transaction Capital's stewardship and the leadership team assembled by Stone;
 - 2.2.4.2 BML has expanded steadily into 6 African countries and Colombia, while developing the management infrastructure required to manage and control a global emerging market lender. This endeavour has been supported by a diverse group of international debt capital investors through BML's listed bond issuances on the Swedish Stock Exchange, and by new equity from Investment AB Kinnevik, the renowned Swedish emerging market investor, and from funds advised by Helios Investment Partners, one of the largest pan-African private equity investment firms which recently committed to a USD100 000 000 equity investment into BML. Together these two major investors will own over 50% of BML;
 - 2.2.4.3 BML has concluded that the growth and progress of the combined entity will be facilitated by its independence, with a focussed management team accountable directly to its international and local equity and debt investors for performance.
 - 2.2.5 The feasibility of Transaction Capital acquiring BML has been further challenged by the following factors that would dilute Transaction Capital shareholder value:

- 2.2.5.1 Relative Valuations: By virtue of its footprint and performance in high growth African economies, BML has higher earnings and a higher rating than BFS.
- 2.2.5.2 Cost of Equity: raising new equity at Transaction Capital's current PE multiple would be dilutive.
- 2.2.5.3 Unsecured lending contribution: Given the recent disposal of Paycorp, the acquisition of BML would increase Transaction Capital's participation in unsecured lending to over 65% of headline earnings. Notwithstanding the consequent international diversification, Transaction Capital's mainly South African shareholders would view this as a diminution of risk adjusted returns.
- 2.2.6 Following due consideration of the above issues, the board of Transaction Capital elected to forego its initial ambition to acquire BML and to consider the sale of BFS and Zenthyme to BML.
- 2.2.6.1 This decision is consistent with Transaction Capital's frequently espoused view that it is obliged to consider disposing of a subsidiary if the performance of that subsidiary can be enhanced by another owner, as reflected in a fair price.
- 2.2.6.2 The enhancement of performance by BML will result from the combined entity realising strategic, operational and financial synergies as an independent global group, under the uninterrupted management of Kurland and Stone as the chief executives of BML and respectively, while funding organic and acquisitive growth with the support of local and international debt and equity investors, all well established in emerging markets.
- 2.2.6.3 The Proposed Transaction has been concluded at an enterprise value of approximately ZAR1 610 000 000, or ZAR1 330 000 000 for Transaction Capital's 82.65% share of BFS and Zenthyme, representing 1.5 times book value (based on the net asset value as at 31 March 2013) and a 7.15 PE ratio (based on headline earnings for the rolling 12 month period ended 31 March 2013), both considered acceptable by the Transaction Capital board.

2.3 Overview of the business of BFS and Zenthyme

The business conducted through BFS (and its subsidiaries) and Zenthyme includes the provision of unsecured credit and related products, cellular handset and airtime subscription agreements and related products, to historically under-served low to middle income individuals in South Africa. The business provides clients with personalised and direct access to credit, by originating retail loans through a wide distribution network of approximately 2 211 mobile, commission earning independent agents; operating out of 56 branches and 33 kiosks at selected South African Post Office outlets nationwide and backed by three call centres. BFS primarily funds itself via Bayport Securitisation (RF) Limited and its JSE listed ZAR10 000 000 000 Asset Backed Note Programme. On implementation of the Proposed Transaction, Mr David Woollam will be appointed non-executive chairman of BFS.

2.4 Overview of the business of BML

BML is a leading provider of unsecured credit and financial solutions to the formally employed mass markets in emerging markets in Africa (Zambia, Ghana, Uganda, Tanzania, Botswana and Mozambique) and Latin America (Colombia). Today, BML services over 270 000 customers (total loan portfolio of approximately USD 400 million) through 289 branches, with the support of 3 300 employees. BML has further

developed a broad global debt and equity investor base (refer 2.2.4.2 above) and wide relationships with multinational and domestic banks and insurance and pension funds in its markets of operation and in Scandinavia.

2.5 The consideration and application of the net consideration

2.5.1 The consideration to be received by Transaction Capital for the disposal of its 100% interest in BFS and Zenthyme (after implementation of the Minority Buy-Out Agreement) amounts to ZAR1 612 265 361 plus an amount equal to notional interest (calculated thereon from 1 January 2014 until the day immediately preceding the date on which the Agreement is implemented at a rate of 0.9%, calculated daily and compounded monthly in arrears) (the "consideration") and will be settled in cash by BML on the implementation of the Agreement. Two wholly-owned subsidiaries of Transaction Capital will retain a claim on loan account against BFS amounting to ZAR215 000 000 in aggregate, repayable on the second anniversary of the effective date of the Proposed Transaction

2.5.2 The consideration less the amount payable to the Minorities under the Minority Buy-Out Agreement will be applied for the purpose of delivering shareholder value through strategic acquisitions and/or capital management initiatives.

2.6 Categorisation

The Proposed Transaction is categorised as a category 1 transaction for Transaction Capital in terms of the Listings Requirements.

2.7 Effective date of the Proposed Transaction

The effective date of the Proposed Transaction is the last day of the month in which the last of the Conditions Precedent (other than the material adverse change condition envisaged in paragraph 2.10 below) is fulfilled or waived, as the case may be.

2.8 Related party transaction and Independent Professional Expert opinion

2.8.1 The Proposed Transaction is a related party transaction, as envisaged in the JSE Limited ("JSE") Listings Requirements ("Listings Requirements").

2.8.2 The relevant related parties vis-à-vis Transaction Capital are

2.8.2.1 the Kimberly Investment Trust;

2.8.2.2 the Rutland Trust;

2.8.2.3 the Sugar Tube Trust;

2.8.2.4 the Stuart Stone Family Trust;

2.8.2.5 Justin Chola; and

2.8.2.6 Kurland.

(collectively the "Related Parties").

2.8.3 The Related Parties will not have a vote at the general meeting referred to in paragraph 4 below.

2.8.4 The details of the Related Parties are as follows -

- 2.8.4.1 Messrs Jawno, Mendelowitz and Rossi are directors of Transaction Capital and BFS. Messrs Jawno, Mendelowitz and Rossi are also contingent discretionary beneficiaries of the Kimberly Investment Trust, the Rutland Trust and the Sugar Tube Trust, respectively. Each trust holds 14.11% of the issued ordinary shares in Transaction Capital and are accordingly material shareholders of Transaction Capital;
- 2.8.4.2 Mr Jawno is also a director of BML;
- 2.8.4.3 Messrs Jawno, Mendelowitz and Rossi are also contingent beneficiaries of certain other trusts which hold an indirect interest in BML. Accordingly, Messrs Jawno, Mendelowitz and Rossi also have contingent indirect interests in BML;
- 2.8.4.4 Stone, who is a director of BFS and BML, is also a contingent discretionary beneficiary of the Stuart Stone Family Trust, which trust holds a 1.20% interest in Transaction Capital and has a contingent indirect interest in BML. He is also a vendor in the Minority Buy-Out Agreement:
- 2.8.4.5 Kurland, who is a director of BFS and BML, holds a 1.15% interest in Transaction Capital and has a contingent indirect interest in BML. He is also a vendor in the Minority Buy-Out Agreement; and
- 2.8.4.6 Mr Chola, who is a director of BFS and BML, holds a 0.04% interest in Transaction Capital and is a shareholder in BML. He is also a vendor in the Minority Buy-Out Agreement.
- 2.8.5 In terms of paragraph 10.4(f) of the Listing Requirements, the board of directors of Transaction Capital (the "Board") must obtain a fairness opinion from an independent professional expert. Accordingly, the Board has appointed Grant Thornton Advisory Services Proprietary Limited as the independent professional expert to provide an opinion on the fairness of the Proposed Transaction.
- 2.8.6 The above-mentioned fairness opinion will be included in the circular and notice of general meeting referred to in paragraph 4 below
- 2.9 Other significant terms of the Proposed Transaction
- The Company has provided BML with warranties customary for a transaction of this nature, subject to customary limitations as to the period during which claims may be brought and customary thresholds for the capping of claims.
- 2.10 Conditions Precedent
- The Proposed Transaction is subject, inter alia, to the fulfilment or waiver (where appropriate), as the case may be, of the following material Conditions Precedent, namely -
- 2.10.1 BML concludes agreements to raise funds to enable it to discharge the consideration to be paid by it under the Agreement and such agreements become unconditional in all respects in accordance with their respective terms, save for any condition relating to the Agreement becoming unconditional;
- 2.10.2 BFS obtains the prior written consent of at least 75% of the note holders of Bayport Securitisation (RF) Limited for the change of shareholding in BFS arising from the implementation of the Agreement and the Minority Buy-Out Agreement;

- 2.10.3 to the extent required, the parties obtain all statutory and/or regulatory approvals (or deemed approvals) or waivers, as the case may be, required for implementation of the Proposed Transaction from, inter alios, the South African competition authorities (as may be required or provided for in terms of the Competition Act, 1998), the South African Reserve Bank, the JSE Limited (including approval of the circular to the shareholders of Transaction Capital in accordance with the JSE Listings Requirements) and the Takeover Regulation Panel established in terms of section 196 of the Companies Act, 2008;
- 2.10.4 insofar as may be necessary, the board of directors and/or the shareholders of each of BFS, Zenthyme and Transaction Capital pass such resolutions, including, without limitation, such resolutions as may be required in terms of the Listings Requirements and the Companies Act, 2008, to authorise and implement the Proposed Transaction. It is also a Condition Precedent that there will be no material adverse change as notified either by Transaction Capital or BML (as the case may be) between the signature date of the Agreement and three business days before the Effective Date. In addition, if the Proposed Transaction is not implemented in accordance with the terms of the Agreement by the later of 31 March 2014 and the final determination of any dispute as to whether a material adverse change has occurred, then unless otherwise agreed by the parties to the Agreement, the Agreement will terminate.

3. UNAUDITED PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The unaudited pro forma financial effects of the Proposed Transaction set out below have been prepared to assist Transaction Capital's shareholders in assessing the impact of the Proposed Transaction on the Transaction Capital Group's historical diluted earnings per share ("EPS") and diluted headline earnings per share ("HEPS"). The pro forma financial effects are the responsibility of the directors of Transaction Capital and are provided for illustrative purposes only. The pro forma financial effects have been prepared on the basis that the Proposed Transaction had been fully implemented on 1 October 2012 for purposes of the Income Statement and at 31 March 2013 for purposes of the Statement of Financial Position. It does not purport to be indicative of what the consolidated financial results would have been had the Proposed Transaction been implemented on a different date. The material assumptions are set out in the notes following the table below. Due to their nature, the pro forma financial effects may not fairly present the financial position, changes in equity, results of operations or cash flows of the Transaction Capital Group after the implementation of the Proposed Transaction.

	Before the Proposed Transaction	Impact of the Proposed Paycorp Holdings (Pty)	Impact of the Proposed Transaction (3)	Impact After both the Paycorp Transaction	Percentage change
EPS (ZA cents)					
-Diluted	39.9	70.5	78.9	189.3	374.4%
-Basic	39.9	70.5	78.9	189.3	374.4 %
HEPS (ZAcents)					
-Diluted	39.9	(2.2)	(13.6)	24.1	39.6%

-Basic	39.9	(2.2)	(13.6)	24.1	39.6%
Net asset value per ordinary share (ZA cents)	527.6	71.7	56.3	655.6	24.3
Net tangible asset value per ordinary share (ZA cents)	362.9	131.1	127.7	621.7	71.3%
Weighted average number of shares in issue * (million)					
-Diluted	583.80	583.8	583.8	583.8	-%
-Basic	583.80	583.8	583.8	583.8	-%
Headline earnings (ZA Rm)	233	(13)	(79)	141	(39.6%)

(1) The "Before the Proposed Transaction" financial information has been extracted, with the exception of net tangible asset per share without adjustment, from the Transaction Capital Group's published reviewed interim results for the six months ended 31 March 2013.

(2) The pro forma "Impact of the Proposed Paycorp Holdings (Pty) Ltd Transaction" financial information comprises the financial information adjusted for the following principal assumptions:

- value of net assets that are the subject of the transaction: R170 million as at 31 March 2013

- profits attributable to the net assets that are the subject of the transaction: R28 million for the 6 months ended 31 March 2013

(3) The pro forma "Impact of the Proposed Transaction" financial information comprises the financial information adjusted for the following principal assumptions:

- value of net assets that are the subject of the transaction: R1 067 million as at 31 March 2013, Transaction Capital's share thereof being R882 million

- profits attributable to the net assets that are the subject of the transaction: R89 million for the 6 months ended 31 March 2013

4. CIRCULAR AND NOTICE OF GENERAL MEETING

A circular giving Transaction Capital shareholders full details of the Proposed Transaction and containing a notice convening a general meeting of Transaction Capital shareholders to

approve the resolutions required to authorise the Proposed Transaction and ancillary matters will be distributed to Transaction Capital shareholders in due course.

Johannesburg

23 October 2013

Sponsor to Transaction Capital:
Deutsche Securities (SA) Proprietary Limited

Legal advisors to Transaction Capital:
ENS Africa Independent Professional

Expert to board of directors of Transaction Capital :
Grant Thornton

Independent auditors and reporting accountant on the unaudited pro forma financial information of
Transaction Capital :
Deloitte & Touche

Tax advisors to Transaction Capital:
Werksmans Attorneys

Corporate advisors to BML:
Hyde Park Capital

South African legal advisors to BML:
Bowman Gilfillan

International legal advisors to BML:
Berwin Leighton Paisner

Swedish debt advisors to BML:
Gernandt and Danielsson

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FIRST ADDENDUM TO THE CONSOLIDATED AMENDED TRUST DEED

in respect of

THE BAYPORT SECURITISATION DEBENTURE HOLDERS TRUST

established by

BAYPORT SECURITISATION (RF) LTD
Registration Number 2008/003557/06
(as the Founder)

with

PT & A TRUSTEES (PROPRIETARY) LIMITED
Registration Number 2004/016800/07
(as the first Trustee)

1. DEFINITION

1.1 Unless expressly defined to the contrary herein, words defined in the Trust Deed shall bear the same meaning in this Addendum, and the corresponding definition shall be deemed to have been incorporated herein by reference. The following words and expressions shall have the meanings assigned to them –

1.1.1 "Addendum" means this first addendum to the Consolidated Amended Trust Deed;

1.1.2 "Consolidated Amended Trust Deed" means the trust deed executed by and between the Company and the Trustee on 9 September 2013, in terms of which the Company established the Bayport Securitisation Debenture Holders Trust.

2. AMENDMENT OF THE CONSOLIDATED AMENDED TRUST DEED

2.1 The Consolidated Amended Trust Deed is hereby amended as follows –

2.1.1 by the deletion of the definition "Transaction Capital" in clause 2.1.125 and the substitution therefor with the new definition "BML" as clause 2.1.12A after clause 2.1.12 ("*Beneficiaries*") as follows –

"2.1.12A *"BML" means Bayport Management Limited, registration number 54787/C1/GBL (together with its subsidiary companies), a limited liability company duly registered and incorporated in accordance with the company laws of the Republic of Mauritius;"*

2.1.2 by the deletion of the reference to "Transaction Capital" in clauses 2.1.46.5 and 11.9.1.27 and substituting therefor the reference to "BML" so that clauses 2.1.46.5 and 11.9.1.27, respectively, read as follows-

"2.1.46.5 *Equity invested in the Company by BML with an aggregate value of not less than –*

2.1.46.5.1 *18% of the Portfolio, in respect of the period ending 30 June 2011;*

2.1.46.5.2 *19% of the Portfolio, in respect of the period from 1 July 2011 to 30 September 2012;*

2.1.46.5.3 *20.0% of the Portfolio, in respect of the period from 1 October 2012;*”;

and

“11.9.1.27 *“BML’s shareholding in the Originator falls below 50% + 1 share without the written consent of a Special Majority of Senior Debt Funders, which consent shall not unreasonably be withheld; or”*,

2.2 The amendments contemplated in 2.1 above will be effective from the date on which the agreement to be executed between BML and Transaction Capital becomes unconditional in accordance with its terms.

Signed at thisday of2013

.....
For: **Bayport Securitisation (RF) Ltd**

Signed at thisday of2013

.....
For: **Bayport Securitisation (RF) Ltd**

Signed at this day of2013

.....
For: **PT & A Trustees (Proprietary) Limited**