

Bayport Securitisation (RF) Ltd

Investor Report

February 2014

Monthly Investor Report

Financial statistics for the period ended February 2014

		Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13	May 13	Apr 13	Mar 13
Performance ratios *													
Total income as a % of ave gross loans and advances	%	28.6%	29.2%	29.8%	30.6%	31.0%	31.5%	31.9%	33.3%	33.4%	34.1%	33.9%	34.1%
Direct and indirect expenses to ave gross loans and advance	%	7.5%	7.7%	7.9%	8.0%	8.1%	8.1%	9.4%	9.6%	9.8%	10.2%	10.1%	10.2%
Direct and indirect expenses to total income	%	26.1%	26.3%	26.6%	26.2%	26.2%	25.7%	29.5%	28.9%	29.3%	29.8%	29.7%	30.0%
Return on assets	%	0.8%	1.0%	1.1%	1.4%	1.4%	1.6%	1.1%	1.4%	1.5%	1.7%	1.9%	2.0%
Gearing ratio	times	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.0	3.0	2.9	2.9	2.9
Interest margin	%	17.1%	17.6%	18.0%	18.5%	18.8%	19.0%	18.8%	19.7%	19.8%	20.4%	20.2%	20.3%
Asset and credit quality ratios													
Gross loans and advances	R '000	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	5 507 614	5 451 491
Non-Performing Loans ("NPLs")	R '000	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	1 787 098	1 706 973	1 648 335
Carrying value of written off book	R '000	161 528	156 281	149 879	144 237	135 124	135 124	65 198	59 898	54 598	49 298	43 998	20 698
Impairment provision	R '000	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	998 547	964 812
Net loans and advances	R '000	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	4 614 982	4 553 065	4 507 377
Non-performing loans ratio	%	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%	34.0%	33.0%	31.8%	31.0%	30.2%
Provision coverage	%	23.3%	23.0%	22.8%	22.8%	22.5%	22.3%	19.8%	19.4%	19.1%	18.8%	18.1%	17.7%
Funding and cash reserves													
Interest bearing liabilities	R '000	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	4 482 166	4 516 779	4 638 180
Average cost of borrowings	%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%	10.6%	10.5%	10.6%	10.5%	10.8%
Cash and cash equivalents	R '000	226 748	235 086	173 526	353 673	340 101	305 647	199 873	174 816	460 580	215 208	281 078	503 664

* 12 months rolling average

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Origination

		% change MOM	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13	May 13	Apr 13	Mar 13
Disbursements	R '000	(9.1%)	131 809	144 956	140 362	137 967	134 477	111 698	114 762	145 698	161 344	185 840	153 542	124 418
Number of new loans		(11.7%)	8 446	9 566	9 445	9 118	9 538	9 021	8 794	10 584	11 074	13 070	11 541	9 148
Number of loans on book		(0.4%)	338 348	339 639	340 295	341 295	342 398	344 547	345 115	346 815	347 306	345 753	345 083	345 686
Average loan value at acquisition	Rand	3.0%	15 606	15 153	14 861	15 131	14 099	12 382	13 050	13 766	14 570	14 219	13 304	13 601
Average term at acquisition	Months	(2.4%)	35.9	36.8	36.2	36.3	38.8	38.8	36.3	35.5	36.3	36.4	33.8	33.8

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	11%	8%	12%	11%
Free State	6%	6%	7%	7%
Gauteng	35%	49%	30%	31%
Kwazulu-Natal	15%	14%	16%	16%
Limpopo	5%	2%	7%	7%
Mpumalanga	7%	2%	6%	6%
Northern Cape	3%	3%	3%	3%
North-West	6%	4%	5%	5%
Western Cape	12%	12%	14%	14%
Grand Total	100%	100%	100%	100%

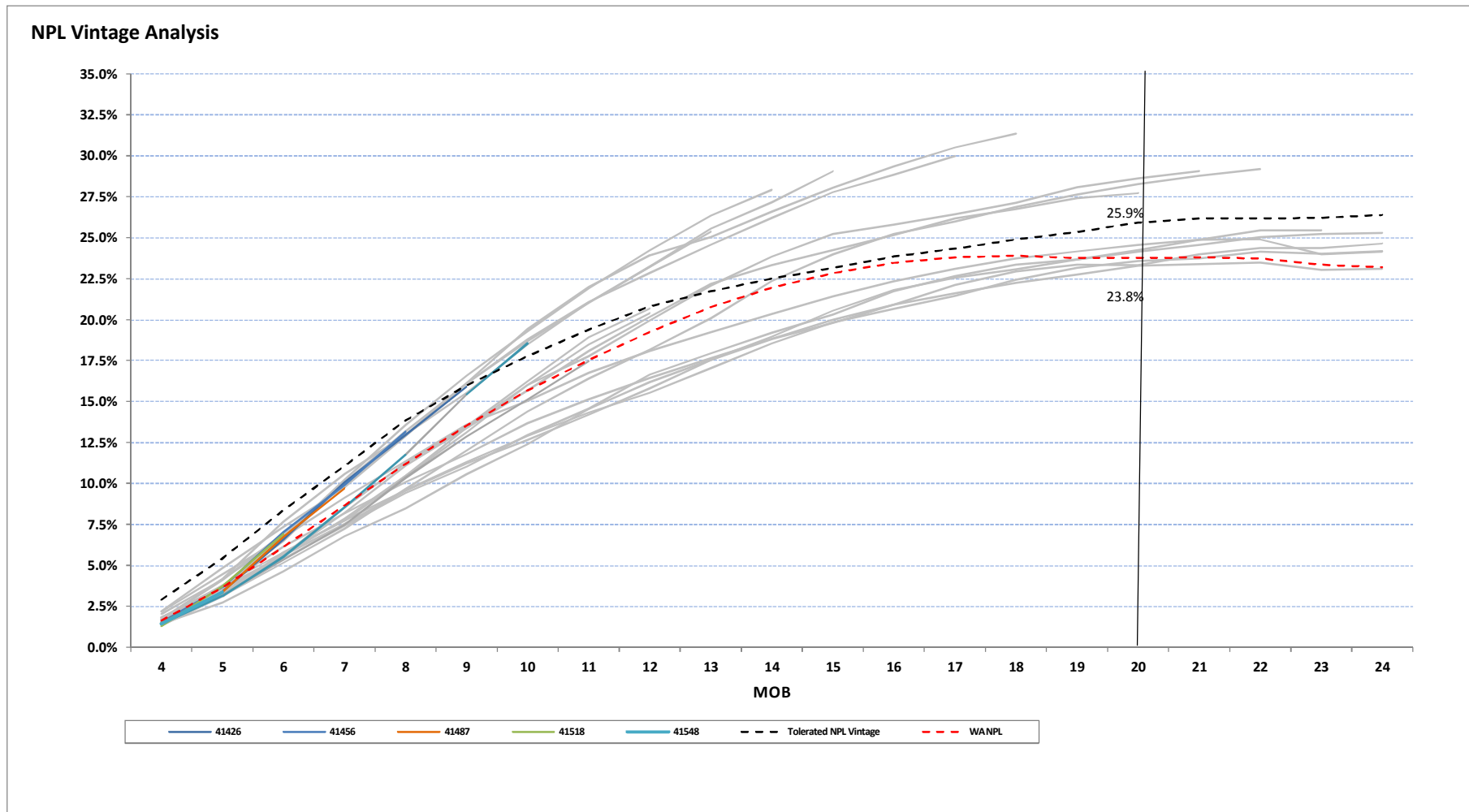
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Asset quality

	% change MOM	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	May 13 R'000	Apr 13 R'000	Mar 13 R'000
Gross loans and advances	0.7%	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	5 507 614	5 451 491
Performing loans	(0.7%)	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	3 837 842	3 800 641	3 803 156
Non-performing loans	3.1%	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	1 787 098	1 706 973	1 648 335
Impairment provision													
Opening balance	2.0%	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	998 547	964 812	946 731
Bad debt written-off	7.9%	(53 701)	(49 760)	(47 654)	(50 088)	(49 325)	(42 834)	(42 340)	(39 444)	(33 445)	(41 988)	(62 874)	(45 283)
Provision raised	8.3%	83 647	77 260	63 744	79 842	70 091	203 749	69 862	67 177	59 089	102 697	96 609	63 364
Closing balance	2.1%	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	998 547	964 812

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Asset quality (continued)



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Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13	May 13	Apr 13	Mar 13
	%	%	%	%	%	%	%	%	%	%	%	%
0	51.7%	52.3%	51.9%	52.4%	52.8%	52.9%	53.5%	53.5%	54.1%	55.0%	55.7%	57.2%
1	4.4%	4.2%	4.6%	4.6%	4.7%	5.1%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%
2	3.2%	3.4%	3.6%	3.9%	3.9%	3.7%	3.7%	3.9%	4.0%	4.1%	4.3%	3.8%
3	3.2%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%	3.8%	3.9%	3.9%	3.6%	3.2%
4 +	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%	34.0%	33.0%	31.8%	31.0%	30.2%
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	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143	5 683 441	5 624 940	5 507 614	5 451 491	5 416 540
Disbursements	131 809	144 956	140 362	137 967	134 477	111 698	114 762	145 698	161 344	185 840	153 542	124 418
Interest and other similiar income	105 018	120 818	115 044	118 223	123 300	126 679	121 808	119 639	97 713	134 766	119 444	122 119
Non-interest revenue	70 625	66 717	71 616	72 813	73 941	116 811	94 391	72 337	65 029	79 808	78 533	66 968
Collections	(216 522)	(216 535)	(231 745)	(235 581)	(244 750)	(259 927)	(254 135)	(254 090)	(236 408)	(244 825)	(236 408)	(234 912)
Bad debt write-offs and write-backs	(47 250)	(43 157)	(37 148)	(34 624)	(38 745)	(34 012)	(36 937)	(35 881)	(29 177)	(38 263)	(58 988)	(43 642)
Closing balance	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	5 507 614	5 451 491

* Arrears instalments

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Liquidity and funding

Funding	% change MOM	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	May 13 R'000	Apr 13 R'000	Mar 13 R'000
Class A Notes (senior)	0.0%	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	3 237 140	3 237 140	3 122 316
Senior warehouse funding	0.0%	-	-	100 000	-	-	-	200 000	200 000	200 483	-	-	255 599
Class B Notes (Mezzanine)	0.0%	399 882	399 882	284 882	290 086	290 086	290 086	295 141	295 141	300 056	300 056	300 056	304 723
Other subordinated funding	0.3%	968 559	965 705	1 044 251	1 057 841	1 041 032	1 007 956	1 024 383	1 015 229	998 275	944 970	979 583	955 542
Total interest bearing liabilities	0.1%	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	4 482 166	4 516 779	4 638 180
Average cost of borrowings	0.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%	10.6%	10.5%	10.6%	10.5%	10.8%
Cash and cash equivalents	(3.5%)	226 748	235 086	173 526	353 673	340 101	305 647	199 873	174 816	460 580	215 208	281 078	503 664

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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	197 188 019	2010-03-31	2016-03-31
BAYA04	11.480%	A	20 000 000	8 328 534	2010-08-31	2015-09-30
BAYA05	11.450%	A	33 000 000	13 737 857	2010-09-27	2015-09-30
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	330 296 457	2010-09-30	2016-09-30
BAYA07	11.360%	A	34 000 000	15 266 256	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	32 891 009	2010-12-06	2015-12-31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	17 501 799	2010-12-13	2015-12-31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	29 787 834	2011-01-03	2016-03-31
BAYA12	11.005%	A	20 000 000	10 355 540	2011-01-12	2016-03-31
BAYA13	12.070%	A	80 000 000	41 937 495	2011-03-10	2016-03-31
BAYA14	11.480%	A	13 000 000	5 413 549	2011-06-06	2015-09-30
BAYA15	11.530%	A	100 000 000	57 110 058	2011-06-14	2016-06-30
BAYA16	10.380%	A	10 000 000	6 369 571	2011-10-12	2016-09-30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	50 803 183	2011-10-21	2016-09-30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	63 503 977	2011-11-30	2016-09-30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	88 807 704	2011-11-30	2016-12-31
BAYA20	3-month JIBAR plus 3.900%	A	150 000 000	44 798 959	2011-11-30	2014-09-30
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	57 576 611	2012-04-30	2015-09-30
BAYA23	10.510%	A	300 000 000	225 678 215	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	38 862 753	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	73 683 524	2012-10-01	2015-09-30
BAYA29	3-month JIBAR plus 3.500%	A	60 000 000	38 786 585	2012-10-09	2015-12-31
BAYA30	9.280%	A	150 000 000	104 517 866	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	43 833 985	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
BAYA38	3-month JIBAR plus 1.650%	A	200 000 000	200 000 000	2013-04-02	2014-03-31
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 0.800%	A	200 000 000	200 000 000	2013-09-30	2014-03-31
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	48 003 993	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	150 000 000	2014-01-24	2017-03-31
Subtotal Class A notes			4 535 000 000	3 375 041 332		
BAYB02	15.550%	B	30 000 000	14 550 137	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	65 331 366	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	399 881 503		
Total			4 975 000 000	3 774 922 835		

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Covenant compliance

Financial covenants	Current requirement	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13	May 13	Apr 13	Mar 13
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.4	2.1	2.3	2.5	2.4	4.0	2.8	2.9	2.7	2.6	2.7	2.6
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.5	4.7	4.4	4.7	4.9	5.1	4.8	5.2	4.2	5.5	5.5	4.8
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	66.5%	66.6%	67.1%	66.3%	67.0%	67.8%	65.8%	66.4%	66.3%	67.0%	67.0%	66.5%
Bad and Doubtful Debt Ratio	≤ 17.5%	11.9%	12.0%	12.3%	12.6%	12.8%	12.9%	12.3%	12.6%	12.4%	12.3%	12.1%	11.7%
Equity invested in the Company by the Originator	> 20%	23.6%	24.0%	25.9%	26.5%	26.3%	25.8%	25.6%	25.5%	25.1%	24.1%	25.2%	25.0%
Cellular Contracts as a % of the Portfolio	≤ 10%	6.6%	6.8%	6.9%	7.1%	7.1%	6.7%	6.2%	6.2%	6.2%	6.4%	6.4%	6.6%

Cash reserves	Current requirement	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13	Jul 13	Jun 13	May 13	Apr 13	Mar 13
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	24.0%	24.2%	23.9%	23.6%	23.2%	23.1%	23.1%	23.0%	22.9%	22.7%	22.7%	22.7%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	109.9%	111.8%	113.1%	112.4%	112.4%	111.0%	110.4%	108.0%	106.7%	106.0%	105.2%	107.5%
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)		142 629	144 192	146 099	149 920	152 974	155 932	160 934	164 710	169 408	173 790	178 584	180 236
Actual receipts (6 month average)		156 767	161 156	165 250	168 300	171 867	173 162	177 607	177 842	180 740	184 182	187 851	193 691
Capital Redemption reserve		166 666	133 333	100 000	66 667	33 334	-	-	-	-	-	-	-

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