

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

July 2014

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended July 2014

		Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13
Performance ratios *													
Total income as a % of ave gross loans and advances	%	27.0%	27.3%	27.2%	27.7%	28.2%	28.6%	29.2%	29.8%	30.6%	31.0%	31.5%	31.9%
Direct and indirect expenses to ave gross loans and advance	%	6.6%	6.7%	6.6%	7.0%	7.2%	7.5%	7.7%	7.9%	8.0%	8.1%	8.1%	9.4%
Direct and indirect expenses to total income	%	24.5%	24.6%	24.4%	25.3%	25.5%	26.1%	26.3%	26.6%	26.2%	26.2%	25.7%	29.5%
Return on assets	%	(3.1%)	(2.6%)	(2.3%)	(0.1%)	0.1%	0.8%	1.0%	1.1%	1.4%	1.4%	1.6%	1.1%
Gearing ratio	times	3.2	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.1
Interest margin	%	16.2%	16.4%	16.2%	16.6%	16.9%	17.1%	17.6%	18.0%	18.5%	18.8%	19.0%	18.8%
Asset and credit quality ratios													
Gross loans and advances	R '000	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032
Non-Performing Loans ("NPLs")	R '000	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520	2 025 955	1 998 950
Carrying value of written off book	R '000	194 035	188 854	183 147	178 357	171 523	161 528	156 281	149 879	144 237	135 124	135 124	65 198
Impairment provision	R '000	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155
Net loans and advances	R '000	4 673 660	4 685 826	4 701 383	4 833 706	4 844 499	4 850 312	4 831 331	4 779 630	4 731 950	4 693 792	4 666 336	4 696 075
Non-performing loans ratio	%	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%
Provision coverage	%	27.9%	27.4%	26.9%	24.1%	23.6%	23.3%	23.0%	22.8%	22.8%	22.5%	22.3%	19.8%
Funding and cash reserves													
Interest bearing liabilities	R '000	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583	4 669 506	4 539 776
Average cost of borrowings	%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%
Cash and cash equivalents	R '000	287 746	276 783	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101	305 647	199 873

* 12 months rolling average

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Origination

		% change MOM	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13
Disbursements	R '000	15.6%	99 967	86 469	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477	111 698	114 762
Number of new loans		10.5%	6 052	5 478	7 740	6 627	8 610	8 446	9 566	9 445	9 118	9 538	9 021	8 794
Number of loans on book		(0.7%)	325 263	327 497	331 037	332 442	335 320	338 348	339 639	340 295	341 295	342 398	344 547	345 115
Average loan value at acquisition	Rand	4.6%	16 518	15 785	15 999	15 352	15 123	15 606	15 153	14 861	15 131	14 099	12 382	13 050
Average term at acquisition	Months	4.9%	39.2	37.4	37.1	36.5	35.9	35.9	36.8	36.2	36.3	38.8	38.8	36.3

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	11%	8%	12%	12%
Free State	6%	7%	7%	7%
Gauteng	35%	47%	32%	32%
Kwazulu-Natal	15%	13%	15%	15%
Limpopo	5%	3%	7%	7%
Mpumulanga	6%	3%	6%	6%
Northern Cape	3%	3%	3%	3%
North-West	6%	4%	5%	5%
Western Cape	13%	12%	13%	13%
Grand Total	100%	100%	100%	100%

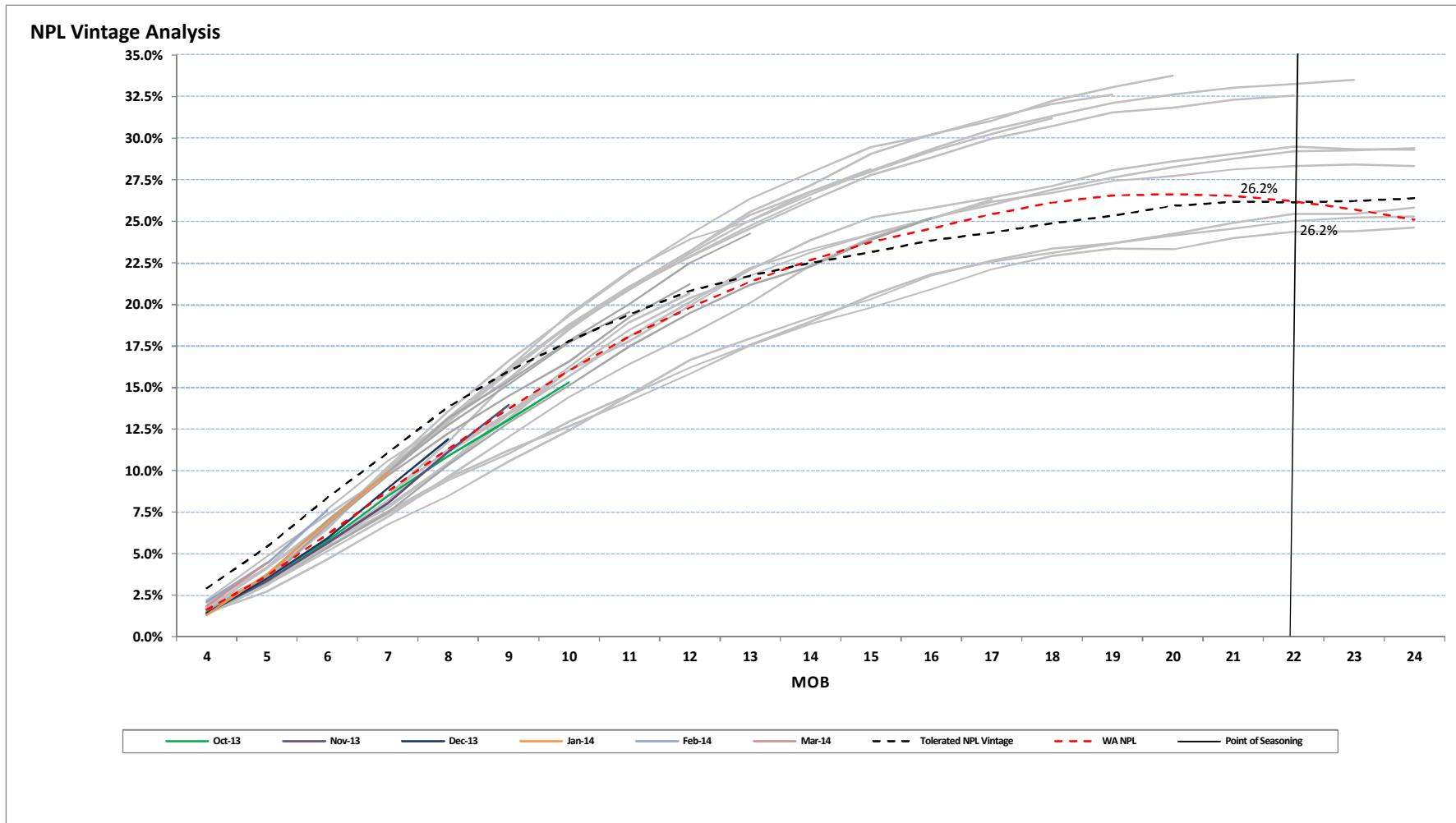
Monthly Investor Report

Asset quality

	% change MOM	Jul 14 R'000	Jun 14 R'000	May 14 R'000	Apr 14 R'000	Mar 14 R'000	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
Gross loans and advances	0.4%	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032
Performing loans	0.5%	3 915 155	3 894 139	3 885 789	3 839 806	3 839 235	3 822 577	3 847 656	3 822 763	3 832 547	3 821 984	3 806 326	3 772 082
Non-performing loans	0.1%	2 298 176	2 296 387	2 291 983	2 293 754	2 277 423	2 291 333	2 222 574	2 174 668	2 106 755	2 058 520	2 025 955	1 998 950
Impairment provision													
Opening balance	2.0%	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155	1 112 633
Bad debt written-off	1.7%	(58 100)	(57 146)	(54 384)	(58 044)	(110 500)	(53 701)	(49 760)	(47 654)	(50 088)	(49 325)	(42 834)	(42 340)
Provision raised	7.8%	98 252	91 164	235 709	92 573	129 056	83 647	77 260	63 744	79 842	70 091	203 749	69 862
Closing balance	2.4%	1 733 706	1 693 554	1 659 536	1 478 211	1 443 682	1 425 126	1 395 180	1 367 680	1 351 590	1 321 836	1 301 070	1 140 155

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Asset quality (continued)



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Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13
	%	%	%	%	%	%	%	%	%	%	%	%
0	53.3%	52.7%	52.7%	51.6%	52.0%	51.7%	52.3%	51.9%	52.4%	52.8%	52.9%	53.5%
1	3.9%	3.9%	3.7%	4.3%	4.3%	4.4%	4.2%	4.6%	4.6%	4.7%	5.1%	4.6%
2	2.9%	3.0%	3.3%	3.4%	3.4%	3.2%	3.4%	3.6%	3.9%	3.9%	3.7%	3.7%
3	2.9%	3.3%	3.2%	3.3%	3.1%	3.2%	3.5%	3.6%	3.6%	3.6%	3.6%	3.6%
4 +	37.0%	37.1%	37.1%	37.4%	37.2%	37.5%	36.6%	36.3%	35.5%	35.0%	34.7%	34.6%
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	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032	5 731 143
Disbursements	99 967	86 469	123 834	101 739	130 211	131 809	144 956	140 362	137 967	134 477	111 698	114 762
Interest and other similiar income	119 794	120 856	121 406	115 990	122 166	105 018	120 818	115 044	118 223	123 300	126 679	121 808
Non-interest revenue	65 213	64 852	68 290	67 353	70 638	70 625	66 717	71 616	72 813	73 941	116 811	94 391
Collections	(211 973)	(210 435)	(222 653)	(217 642)	(217 005)	(216 522)	(216 535)	(231 745)	(235 581)	(244 750)	(259 927)	(254 135)
Bad debt write-offs and write-backs	(50 196)	(48 988)	(46 665)	(50 538)	(103 262)	(47 250)	(43 157)	(37 148)	(34 624)	(38 745)	(34 012)	(36 937)
Closing balance	6 213 331	6 190 526	6 177 772	6 133 560	6 116 658	6 113 910	6 070 230	5 997 431	5 939 302	5 880 504	5 832 281	5 771 032

* Arrears instalments

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Liquidity and funding

Funding	% change MOM	Jul 14 R'000	Jun 14 R'000	May 14 R'000	Apr 14 R'000	Mar 14 R'000	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
Class A Notes (senior)	0.0%	3 179 124	3 179 124	3 359 024	3 359 024	3 359 024	3 375 041	3 375 041	3 221 384	3 371 465	3 371 465	3 371 465	3 020 252
Senior warehouse funding	0.0%	200 000	200 000	-	-	-	-	-	100 000	-	-	-	200 000
Class B Notes (Mezzanine)	0.0%	388 797	388 797	394 422	394 422	394 422	399 882	399 882	284 882	290 086	290 086	290 086	295 141
Other subordinated funding	(0.8%)	1 145 631	1 154 556	1 112 102	1 120 019	1 126 538	968 559	965 705	1 044 251	1 057 841	1 041 032	1 007 956	1 024 383
Total interest bearing liabilities	(0.2%)	4 913 552	4 922 477	4 865 548	4 873 465	4 879 984	4 743 482	4 740 628	4 650 516	4 719 392	4 702 583	4 669 506	4 539 776
Average cost of borrowings	0.1%	10.4%	10.3%	10.3%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.3%	10.5%
Cash and cash equivalents	4.0%	287 746	276 783	284 943	285 532	265 237	226 748	235 086	173 526	353 673	340 101	305 647	199 873

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Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA01	12.550%	A	425 000 000	157 891 079	2010/03/31	2016/03/31
BAYA04	11.480%	A	20 000 000	6 114 954	2010/08/31	2015/09/30
BAYA05	11.450%	A	33 000 000	10 080 857	2010/09/27	2015/09/30
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	277 061 242	2010/09/30	2016/09/30
BAYA07	11.360%	A	34 000 000	11 768 193	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	25 294 736	2010/12/06	2015/12/31
BAYA10	3-month JIBAR plus 5.000%	A	40 000 000	13 458 276	2010/12/13	2015/12/31
BAYA11	3-month JIBAR plus 5.000%	A	60 000 000	23 765 232	2011/01/03	2016/03/31
BAYA12	11.005%	A	20 000 000	8 263 721	2011/01/12	2016/03/31
BAYA13	12.070%	A	80 000 000	33 544 698	2011/03/10	2016/03/31
BAYA14	11.480%	A	13 000 000	3 974 722	2011/06/06	2015/09/30
BAYA15	11.530%	A	100 000 000	46 924 165	2011/06/14	2016/06/30
BAYA16	10.380%	A	10 000 000	5 338 397	2011/10/12	2016/09/30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	42 545 529	2011/10/21	2016/09/30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	53 181 909	2011/11/30	2016/09/30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	75 740 980	2011/11/30	2016/12/31
BAYA20	3-month JIBAR plus 3.900%	A	150 000 000	15 276 480	2011/11/30	2014/09/30
BAYA22	3-month JIBAR plus 3.800%	A	100 000 000	42 052 344	2012/04/30	2015/09/30
BAYA23	10.510%	A	300 000 000	198 138 026	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	34 026 594	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	53 714 687	2012/10/01	2015/09/30
BAYA29	3-month JIBAR plus 3.500%	A	60 000 000	29 686 520	2012/10/09	2015/12/31
BAYA30	9.280%	A	150 000 000	80 124 421	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	39 479 110	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
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 1.800%	A	200 000 000	200 000 000	2013/09/30	2014/09/30
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	43 838 609	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	128 865 008	2014/01/24	2017/03/31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	138 973 851	2014/03/31	2017/03/31
BAYA45	3-month JIBAR plus 4.250%	A	150 000 000	150 000 000	2014/03/31	2019/04/01
BAYA46	3-month JIBAR plus 1.450%	A	50 000 000	50 000 000	2014/03/31	2015/03/31
Subtotal Class A notes			4 685 000 000	3 179 124 339		
BAYB02	15.550%	B	30 000 000	11 725 879	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	57 070 640	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	388 796 519		
Total			5 125 000 000	3 567 920 858		

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Covenant compliance

Financial covenants	Current requirement	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13
		Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.2	2.0	2.1	2.1	2.0	2.4	2.1	2.3	2.5	2.4
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.3	4.5	4.6	4.4	4.7	4.5	4.7	4.4	4.7	4.9	5.1	4.8
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	68.1%	68.1%	67.4%	65.6%	65.7%	66.5%	66.6%	67.1%	66.3%	67.0%	67.8%	65.8%
Bad and Doubtful Debt Ratio	≤ 17.5%	15.7%	15.4%	15.0%	12.6%	12.7%	11.9%	12.0%	12.3%	12.6%	12.8%	12.9%	12.3%
Equity invested in the Company by the Originator	> 20%	24.2%	24.8%	24.0%	25.9%	26.2%	23.6%	24.0%	25.9%	26.5%	26.3%	25.8%	25.6%
Cellular Contracts as a % of the Portfolio	≤ 10%	6.4%	6.4%	6.5%	6.6%	6.6%	6.6%	6.8%	6.9%	7.1%	7.1%	6.7%	6.2%

Cash reserves	Current requirement	Jul 14	Jun 14	May 14	Apr 14	Mar 14	Feb 14	Jan 14	Dec 13	Nov 13	Oct 13	Sep 13	Aug 13
		Arrears reserve											
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	26.2%	25.5%	25.2%	24.7%	24.4%	24.0%	24.2%	23.9%	23.6%	23.2%	23.1%	23.1%
Reserve required (R'000)		825	-	-	-	-	-	-	-	-	-	-	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	109.5%	109.2%	109.7%	109.3%	109.8%	109.9%	111.8%	113.1%	112.4%	112.4%	111.0%	110.4%
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)		131 290	134 803	137 420	139 688	141 507	142 629	144 192	146 099	149 920	152 974	155 932	160 934
Actual receipts (6 month average)		143 819	147 172	150 730	152 717	155 359	156 767	161 156	165 250	168 300	171 867	173 162	177 607
Capital Redemption reserve		133 333	100 000	66 667	33 333	-	166 666	133 333	100 000	66 667	33 333	-	-

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