

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

AUGUST 2015

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended August 2015

		Aug 15	Jul 15	Jun 15	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sep 14
Performance ratios *													
Total income as a % of ave gross loans and advances	%	25.3%	25.5%	25.6%	26.0%	26.2%	26.3%	26.4%	26.5%	26.2%	26.0%	26.2%	26.5%
Direct and indirect expenses to ave gross loans and advances	%	8.5%	8.3%	8.1%	8.0%	7.9%	7.8%	7.7%	7.5%	7.4%	7.4%	7.5%	7.8%
Direct and indirect expenses to total income	%	33.5%	32.6%	31.8%	30.8%	30.2%	29.8%	29.2%	28.5%	28.1%	28.6%	28.7%	29.3%
Return on assets**	%	(3.1%)	(3.5%)	(3.9%)	(5.8%)	(5.7%)	(6.1%)	(6.8%)	(7.0%)	(6.9%)	(4.7%)	(4.5%)	(4.4%)
Gearing ratio	times	3.5	3.5	3.5	3.5	3.4	3.4	3.3	3.3	3.3	3.2	3.2	3.2
Interest margin	%	14.8%	14.9%	15.0%	15.3%	15.5%	15.5%	15.7%	15.8%	15.6%	14.9%	15.1%	15.3%
Asset and credit quality ratios													
Gross loans and advances	R '000	4,676,739	4,649,955	4,641,364	4,680,271	4,696,404	4,734,663	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026
Non-Performing Loans ("NPLs")	R '000	1,211,280	1,118,960	1,024,109	931,155	930,749	937,998	996,626	965,861	957,874	2,343,835	2,337,381	2,324,997
Carrying value of written off book	R '000	570,087	579,087	589,790	582,291	585,830	581,542	557,649	550,438	541,995	216,921	211,567	205,478
Impairment provision	R '000	1,773,232	1,762,670	1,756,094	1,729,147	1,718,578	1,726,438	1,785,477	1,777,308	1,761,308	1,834,656	1,818,040	1,788,680
Net loans and advances	R '000	3,473,594	3,466,372	3,475,060	3,533,415	3,563,657	3,589,767	3,610,686	3,642,405	3,665,596	4,659,725	4,669,365	4,653,824
Non-performing loans ratio	%	25.9%	24.1%	22.1%	19.9%	19.8%	19.8%	20.6%	19.8%	19.6%	37.3%	37.2%	37.3%
Provision coverage	%	37.9%	37.9%	37.8%	36.9%	36.6%	36.5%	36.9%	36.5%	36.1%	29.2%	29.0%	28.7%
Funding and cash reserves													
Interest bearing liabilities	R '000	4,846,984	4,813,077	4,831,241	4,766,215	4,764,239	4,779,344	4,831,522	4,833,197	4,811,287	4,735,721	4,738,435	4,729,419
Average cost of borrowings	%	10.8%	10.9%	10.8%	10.9%	10.8%	10.8%	10.7%	10.7%	10.8%	10.7%	10.6%	10.6%
Cash and cash equivalents	R '000	401,456	346,557	324,050	286,397	231,948	182,098	259,932	213,390	148,760	109,243	82,266	63,757

* 12 months rolling average

** The one off change in the bad and doubtful debt policy has been excluded from the return on assets ratio to ensure that it reflects normal operating performance.

Monthly Investor Report

Origination

		% change MOM	Aug 15	Jul 15	Jun 15	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sep 14
Disbursements	R '000	2.4%	93,613	91,449	58,436	68,848	61,519	75,397	69,334	69,812	78,794	85,008	112,377	98,078
Number of new loans		(1.2%)	4,977	5,037	3,362	3,460	3,043	3,177	2,919	2,959	3,473	3,914	5,199	4,950
Number of loans on book		(0.7%)	210,940	212,476	213,323	215,819	217,842	224,199	227,928	234,908	237,304	310,395	313,932	318,156
Average loan value at acquisition	Rand	3.6%	18,809	18,156	17,381	19,898	20,217	23,732	23,753	23,593	22,688	21,719	21,615	19,814
Average term at acquisition	Months	0.7%	29.0	28.8	26.1	27.1	30.0	41.5	40.0	39.1	39.1	39.9	41.7	40.7

Statistics

Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	12%	7%	11%	11%
Free State	5%	7%	7%	7%
Gauteng	34%	50%	34%	34%
Kwazulu-Natal	14%	12%	15%	15%
Limpopo	5%	2%	7%	7%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	2%	2%	2%
North-West	7%	4%	6%	6%
Western Cape	12%	12%	11%	11%
Grand Total	100%	100%	100%	100%

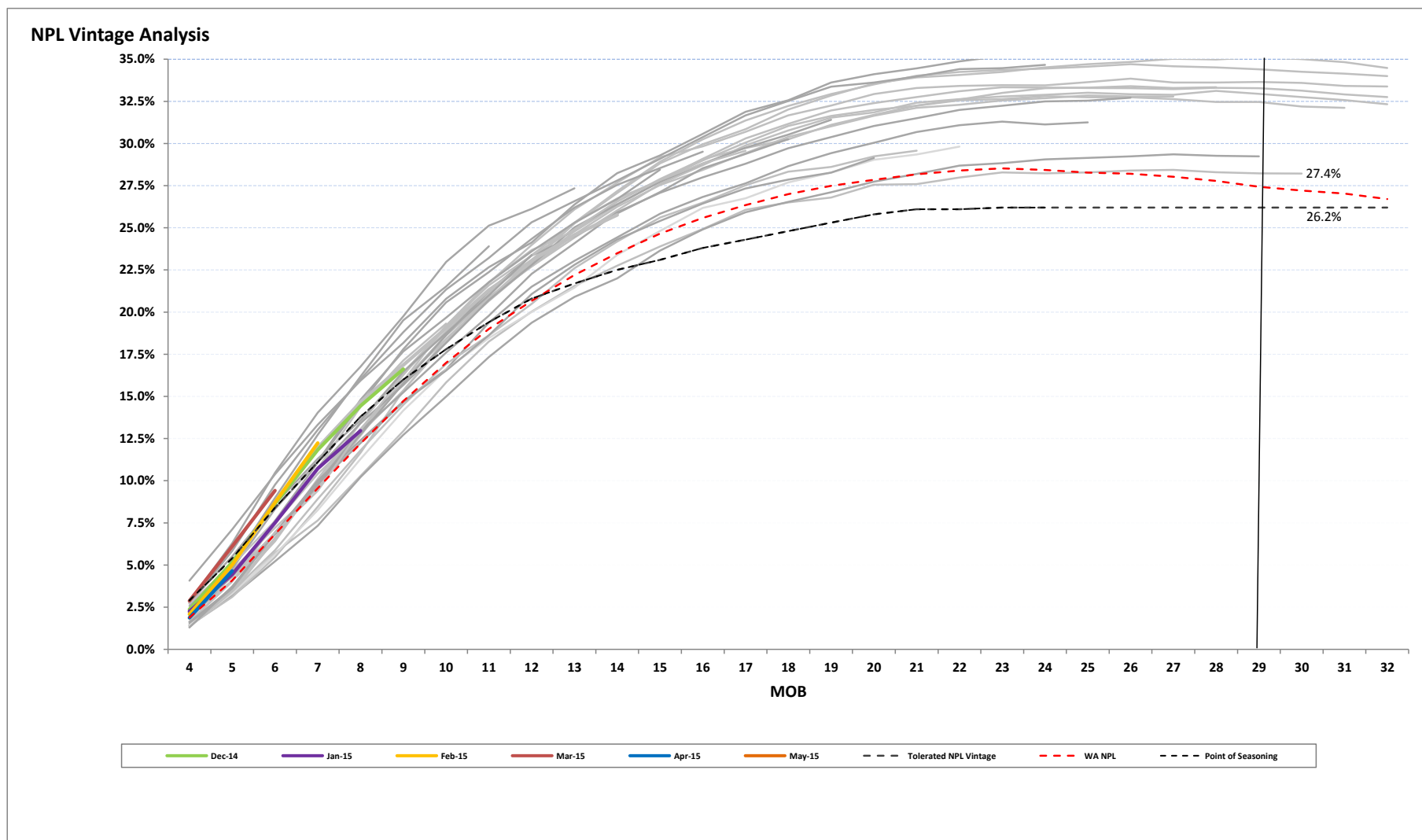
Monthly Investor Report

Asset quality

	% change MOM	Aug 15 R'000	Jul 15 R'000	Jun 15 R'000	May 15 R'000	Apr 15 R'000	Mar 15 R'000	Feb 15 R'000	Jan 15 R'000	Dec 14 R'000	Nov 14 R'000	Oct 14 R'000	Sep 14 R'000
Gross loans and advances	0.6%	4,676,739	4,649,955	4,641,364	4,680,271	4,696,404	4,734,663	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026
Performing loans	(1.9%)	3,465,459	3,530,995	3,617,255	3,749,116	3,765,655	3,796,665	3,841,888	3,903,414	3,927,035	3,933,625	3,938,457	3,912,029
Non-performing loans	8.3%	1,211,280	1,118,960	1,024,109	931,155	930,749	937,998	996,626	965,861	957,874	2,343,835	2,337,381	2,324,997
Impairment provision													
Opening balance	0.4%	1,762,670	1,756,094	1,729,147	1,718,578	1,726,438	1,785,477	1,777,308	1,761,308	1,834,656	1,818,040	1,788,680	1,771,550
Bad debt written-off	0.3%	(49,320)	(49,172)	(56,157)	(45,742)	(66,485)	(135,813)	(45,207)	(65,804)	(1,456,375)	(62,872)	(54,212)	(61,091)
Provision raised	7.4%	59,882	55,748	83,104	56,311	58,625	76,774	53,376	81,804	1,383,027	79,488	83,572	78,221
Closing balance	0.6%	1,773,232	1,762,670	1,756,094	1,729,147	1,718,578	1,726,438	1,785,477	1,777,308	1,761,308	1,834,656	1,818,040	1,788,680

Monthly Investor Report

Asset quality (continued)



Monthly Investor Report

Asset quality (continued)

Contractual delinquency (CD) loans and advances distribution *	Aug 15 %	Jul 15 %	Jun 15 %	May 15 %	Apr 15 %	Mar 15 %	Feb 15 %	Jan 15 %	Dec 14 %	Nov 14 %	Oct 14 %	Sep 14 %
0	62.2%	63.9%	64.5%	65.8%	65.6%	64.9%	63.6%	64.1%	65.2%	53.1%	52.7%	52.6%
1	4.7%	5.1%	5.6%	6.2%	6.2%	6.2%	6.6%	7.3%	6.6%	3.6%	4.3%	4.3%
2	3.9%	3.7%	4.3%	4.3%	4.5%	5.0%	5.1%	4.7%	4.5%	3.0%	3.0%	3.0%
3	3.3%	3.2%	3.5%	3.8%	3.9%	4.1%	4.1%	4.1%	4.1%	3.0%	2.8%	2.8%
4 +	25.9%	24.1%	22.1%	19.9%	19.8%	19.8%	20.6%	19.8%	19.6%	37.3%	37.2%	37.3%
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	4,649,955	4,641,364	4,680,271	4,696,404	4,734,662	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026	6,216,787
Disbursements	93,613	91,449	58,436	68,848	61,519	75,397	69,334	69,812	78,794	85,008	112,377	98,078
Interest and other similiar income	87,060	89,055	74,253	86,064	88,137	90,917	80,325	111,851	112,263	112,798	121,817	116,703
Non-interest revenue	53,853	57,229	50,872	52,003	50,919	52,980	53,333	56,530	61,173	60,722	63,294	62,632
Collections	(187,379)	(206,888)	(186,056)	(189,300)	(190,689)	(202,268)	(194,958)	(193,521)	(196,533)	(202,428)	(214,510)	(205,847)
Bad debt write-offs and write-backs	(20,363)	(22,254)	(36,412)	(33,748)	(48,145)	(120,878)	(38,795)	(60,306)	(1,448,248)	(54,478)	(44,166)	(51,327)
Closing balance	4,676,739	4,649,955	4,641,364	4,680,271	4,696,404	4,734,662	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026

* Arrears instalments

Monthly Investor Report

Liquidity and funding

Funding	% change MOM	Aug 15 R'000	Jul 15 R'000	Jun 15 R'000	May 15 R'000	Apr 15 R'000	Mar 15 R'000	Feb 15 R'000	Jan 15 R'000	Dec 14 R'000	Nov 14 R'000	Oct 14 R'000	Sep 14 R'000
Class A Notes (senior)	0.0%	2,426,009	2,426,009	2,426,009	2,608,591	2,543,591	2,543,591	2,751,937	2,751,937	2,751,937	2,925,084	2,925,084	2,925,084
Senior warehouse funding	0.0%	235,000	235,000	235,000	85,000	150,000	150,000	-	-	-	200,000	200,000	200,000
Class B Notes (Mezzanine)	0.0%	364,208	364,208	364,208	370,696	370,696	370,696	376,978	376,978	376,978	382,994	382,994	382,994
Other subordinated funding	0.9%	1,821,766	1,787,860	1,806,024	1,701,928	1,699,951	1,715,057	1,702,607	1,704,282	1,682,372	1,227,642	1,230,356	1,221,340
Total interest bearing liabilities	0.3%	4,846,983	4,813,077	4,831,241	4,766,215	4,764,238	4,779,344	4,831,522	4,833,197	4,811,287	4,735,720	4,738,434	4,729,418
Average cost of borrowings	(0.1%)	10.8%	10.9%	10.8%	10.9%	10.8%	10.8%	10.7%	10.7%	10.8%	10.7%	10.6%	10.6%
Cash and cash equivalents	23.9%	401,456	346,557	324,050	286,397	231,948	182,098	259,932	213,390	148,760	109,243	82,266	63,757

Monthly Investor Report

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	71,858,512	31/03/2010	31/03/2016
BAYA04	11.480%	A	20,000,000	1,302,824	31/08/2010	30/09/2015
BAYA05	11.450%	A	33,000,000	2,132,553	27/09/2010	30/09/2015
BAYA06	3-month JIBAR plus 4.750%	A	550,000,000	162,046,422	30/09/2010	30/09/2016
BAYA07	11.360%	A	34,000,000	4,172,392	25/10/2010	31/12/2015
BAYA08	11.780%	A	50,000,000	50,000,000	15/11/2010	31/12/2017
BAYA09	3-month JIBAR plus 5.000%	A	75,000,000	8,894,154	06/12/2010	31/12/2015
BAYA10	3-month JIBAR plus 5.000%	A	40,000,000	4,728,810	13/12/2010	31/12/2015
BAYA11	3-month JIBAR plus 5.000%	A	60,000,000	10,767,565	03/01/2011	31/03/2016
BAYA12	11.005%	A	20,000,000	3,734,228	12/01/2011	31/03/2016
BAYA13	12.070%	A	80,000,000	15,233,028	10/03/2011	31/03/2016
BAYA14	11.480%	A	13,000,000	846,838	06/06/2011	30/09/2015
BAYA15	11.530%	A	100,000,000	24,792,158	14/06/2011	30/06/2016
BAYA16	10.380%	A	10,000,000	3,116,679	12/10/2011	30/09/2016
BAYA17	3-month JIBAR plus 4.450%	A	80,000,000	24,798,660	21/10/2011	30/09/2016
BAYA18	3-month JIBAR plus 4.450%	A	100,000,000	30,998,323	30/11/2011	30/09/2016
BAYA19	3-month JIBAR plus 4.450%	A	135,000,000	47,666,149	30/11/2011	31/12/2016
BAYA22	3-month JIBAR plus 3.800%	A	100,000,000	8,805,452	30/04/2012	30/09/2015
BAYA23	10.510%	A	300,000,000	138,797,780	02/07/2012	30/06/2017
BAYA24	11.090%	A	95,000,000	95,000,000	02/07/2012	30/06/2017
BAYA25	3-month JIBAR plus 4.150%	A	50,000,000	23,699,379	15/08/2012	30/06/2017
BAYA26	10.225%	A	185,000,000	185,000,000	27/09/2012	02/10/2017
BAYA27	3-month JIBAR plus 3.500%	A	120,000,000	11,203,202	01/10/2012	30/09/2015
BAYA29	3-month JIBAR plus 3.500%	A	60,000,000	10,317,352	09/10/2012	31/12/2015
BAYA30	9.280%	A	150,000,000	27,939,871	14/12/2012	31/12/2015
BAYA31	3-month JIBAR plus 4.300%	A	60,000,000	60,000,000	14/12/2012	31/12/2018
BAYA32	10.108%	A	75,000,000	75,000,000	28/02/2013	03/04/2018
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	30,200,990	02/04/2013	31/03/2018
BAYA37	3-month JIBAR plus 3.880%	A	100,000,000	100,000,000	02/04/2013	31/03/2016
BAYA39	3-month JIBAR plus 4.250%	A	320,000,000	320,000,000	30/09/2013	01/10/2018
BAYA41	3-month JIBAR plus 3.900%	A	50,000,000	34,966,216	30/09/2013	30/09/2018
BAYA42	3-month JIBAR plus 4.250%	A	130,000,000	130,000,000	30/09/2013	01/10/2018
BAYA43	3-month JIBAR plus 3.900%	A	150,000,000	85,635,655	24/01/2014	31/03/2017
BAYA44	3-month JIBAR plus 3.900%	A	150,000,000	92,353,364	31/03/2014	31/03/2017
BAYA45	3-month JIBAR plus 4.250%	A	150,000,000	150,000,000	31/03/2014	01/04/2019
BAYA47	3-month JIBAR plus 2.000%	A	130,000,000	130,000,000	30/09/2014	30/09/2015
BAYA48	3-month JIBAR plus 2.500%	A	20,000,000	20,000,000	31/03/2015	31/03/2016
BYA49U	3-month JIBAR plus 4.000%	A	65,000,000	65,000,000	05/05/2015	02/07/2018
Subtotal Class A notes			4,435,000,000	2,426,008,556		
BAYB02	15.550%	B	30,000,000	5,409,876	31/03/2010	31/03/2016
BAYB03	15.360%	B	55,000,000	55,000,000	30/11/2011	31/12/2016
BAYB04	14.230%	B	90,000,000	38,798,411	02/04/2012	31/03/2017
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
BAYB09	3-month JIBAR plus 5.750%	B	115,000,000	115,000,000	24/01/2014	01/10/2018
Subtotal Class B notes			440,000,000	364,208,287		
Total			4,875,000,000	2,790,216,843		

Monthly Investor Report

Covenant compliance

	Current requirement	Aug 15	Jul 15	Jun 15	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sep 14
Financial covenants													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	1.7	1.9	1.8	1.8	1.9	1.9	2.0	1.8	1.8	2.0	2.1	2.0
Senior Debt Interest Cover Ratio	≥ 3.50 times	5.2	5.3	5.8	6.0	6.3	5.9	3.9	5.0	4.4	4.4	4.6	4.4
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	68.7%	69.8%	70.0%	70.5%	71.0%	71.4%	71.1%	71.4%	72.1%	65.5%	65.8%	66.2%
Bad and Doubtful Debt Ratio	≤ 17.5%	9.9%	11.2%	12.4%	12.9%	13.5%	14.4%	15.2%	15.9%	16.0%	12.4%	12.3%	12.3%
Equity invested in the Company by the Originator	> 20%	26.2%	25.4%	25.8%	23.0%	23.0%	23.0%	22.5%	22.6%	22.1%	25.3%	25.4%	25.5%
Cellular Contracts as a % of the Portfolio	≤ 10%	3.4%	3.6%	3.7%	3.7%	3.8%	3.8%	5.1%	4.5%	4.4%	6.0%	6.1%	6.3%

	Current requirement	Aug 15	Jul 15	June 15	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sep 14
Cash reserves													
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	27.4%	27.3%	27.3%	27.1%	27.2%	27.3%	27.3%	27.7%	27.6%	27.5%	27.1%	27.0%
Reserve required (R'000)		10,674	9,502	9,588	7,935	8,716	9,927	10,241	13,775	13,259	15,617	10,326	9,668
Asset performance reserve													
Collections Ratio	≥ 80.75%	110.0%	106.7%	106.1%	105.7%	106.0%	102.8%	105.9%	109.0%	109.6%	110.2%	110.7%	110.3%
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)		92,479	94,393	96,858	99,457	102,105	106,827	108,413	111,538	114,723	116,791	120,193	123,984
Actual receipts (6 month average)		101,730	100,755	102,750	105,120	108,242	109,765	114,844	121,602	125,708	128,715	133,034	136,761
Capital Redemption reserve		108,333	86,667	65,000	43,333	21,667	-	41,667	33,333	25,000	16,667	8,333	-

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