

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

AUGUST 2016

your future now

BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended August 2016

		Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Performance ratios *													
Total income as a % of ave gross loans and advances	%	22.8%	23.2%	23.6%	23.6%	23.7%	23.8%	24.1%	24.3%	25.0%	25.4%	25.3%	25.3%
Direct and indirect expenses to ave gross loans and advances	%	5.5%	5.7%	5.9%	6.1%	6.3%	6.5%	6.6%	6.9%	7.1%	8.3%	8.8%	8.7%
Direct and indirect expenses to total income	%	24.3%	24.5%	25.2%	26.1%	26.7%	27.1%	27.5%	28.5%	28.6%	32.6%	34.8%	34.2%
Return on assets	%	(0.4%)	(0.2%)	0.0%	(0.5%)	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.7%)	(2.4%)	(2.9%)	(3.0%)
Gearing ratio	times	1.6	1.8	1.9	2.1	2.2	2.4	2.6	2.9	3.1	3.4	3.5	3.5
Interest margin	%	13.0%	13.2%	13.4%	13.2%	13.2%	13.2%	13.2%	13.5%	14.0%	14.9%	14.9%	14.8%
Income statement extract													
Interest income	R '000	72 765	75 348	83 557	89 327	87 496	83 185	78 470	83 916	96 635	91 624	97 637	90 738
Non-interest income	R '000	6 062	5 996	5 771	6 196	6 506	6 468	6 420	6 590	7 292	7 563	7 912	7 240
Total income	R '000	78 827	81 344	89 328	95 523	94 002	89 653	84 890	90 506	103 927	99 186	105 549	97 978
Interest expenses	R '000	(30 622)	(30 575)	(31 073)	(32 067)	(31 041)	(30 713)	(31 284)	(31 742)	(44 346)	(36 665)	(33 725)	(35 101)
Direct and indirect expenses	R '000	(28 571)	(24 846)	(26 129)	(25 881)	(26 059)	(26 869)	(26 581)	(27 264)	15 057	(2 515)	(34 959)	(34 980)
Total expenses	R '000	(59 193)	(55 421)	(57 202)	(57 948)	(57 100)	(57 582)	(57 865)	(59 006)	(29 290)	(39 181)	(68 684)	(70 081)

* 12 months rolling average

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Financial statistics for the period ended August 2016 (continued)

		Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Asset and credit quality ratios													
Gross loans and advances	R '000	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631
Non-Performing Loans ("NPLs")	R '000	1 353 021	1 332 568	1 313 395	1 301 323	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930
Carrying value of written off book	R '000	467 930	467 930	467 930	467 930	479 930	479 930	479 930	479 930	479 930	546 587	565 087	570 087
Impairment provision	R '000	2 104 834	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874
Net loans and advances	R '000	3 092 796	3 202 404	3 331 401	3 427 423	3 408 171	3 409 062	3 423 102	3 439 781	3 446 700	3 518 778	3 523 384	3 494 844
Number of loans on book		190 458	196 047	201 987	205 634	203 500	203 772	204 901	206 094	207 949	208 993	210 442	211 445
Non-performing loans ratio ^	%	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%
Provision coverage	%	44.5%	43.2%	41.7%	40.7%	40.8%	40.5%	40.0%	39.6%	39.3%	38.6%	38.5%	38.2%
Investment in Zenthyme (Proprietary) Limited	R '000	913 577	-	-	-	-	-	-	-	-	-	-	-
Funding and cash reserves													
Interest bearing liabilities	R '000	3 403 738	4 760 399	4 783 758	4 909 362	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433
Average cost of borrowings	%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%
Cash and cash equivalents	R '000	595 083	534 999	418 256	484 504	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740

^ The increase in the non-performing loans ratio is predominantly as a result of the decrease in the total loans and advances balance month on month. This decrease was as a result of no loan claims purchased by the issuer (disclosed on page 3).

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Origination

		% change MOM	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Disbursements	R '000	(1.3%)	88 469	89 652	90 496	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994
Number of new loans		(17.0%)	4 941	5 950	6 218	7 338	4 090	4 248	4 422	3 493	4 158	4 242	5 991	5 861
Average loan value at acquisition	Rand	18.8%	17 905	15 068	14 554	14 859	20 116	20 358	21 133	21 916	22 338	20 267	21 022	19 108
Average term at acquisition	Months	10.4%	22.5	20.4	19.6	20.4	32.0	32.2	33.3	33.2	32.8	31.0	30.9	29.2

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Disbursements	R '000	0.0%	-	-	17 909	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994
Number of new loans		0.0%	-	-	1 368	7 338	4 090	4 248	4 422	3 493	4 158	4 242	5 991	5 861
Average loan value at acquisition	Rand	0.0%	-	-	13 091	14 859	20 116	20 358	21 133	21 916	22 338	20 267	21 022	19 108
Average term at acquisition	Months	0.0%	-	-	18.2	20.4	32.0	32.2	33.3	33.2	32.8	31.0	30.9	29.2

* No claims were purchased by the issuer in August 2016 as a result of the execution of the Bayport Tutari RF (Ltd) warehousing structure (Tutari). 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	13%	8%	11%	11%
Free State	5%	6%	7%	7%
Gauteng	34%	51%	36%	36%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	3%	7%	7%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	3%	3%	3%
North-West	7%	4%	5%	5%
Western Cape	12%	9%	11%	11%
Grand Total	100%	100%	100%	100%

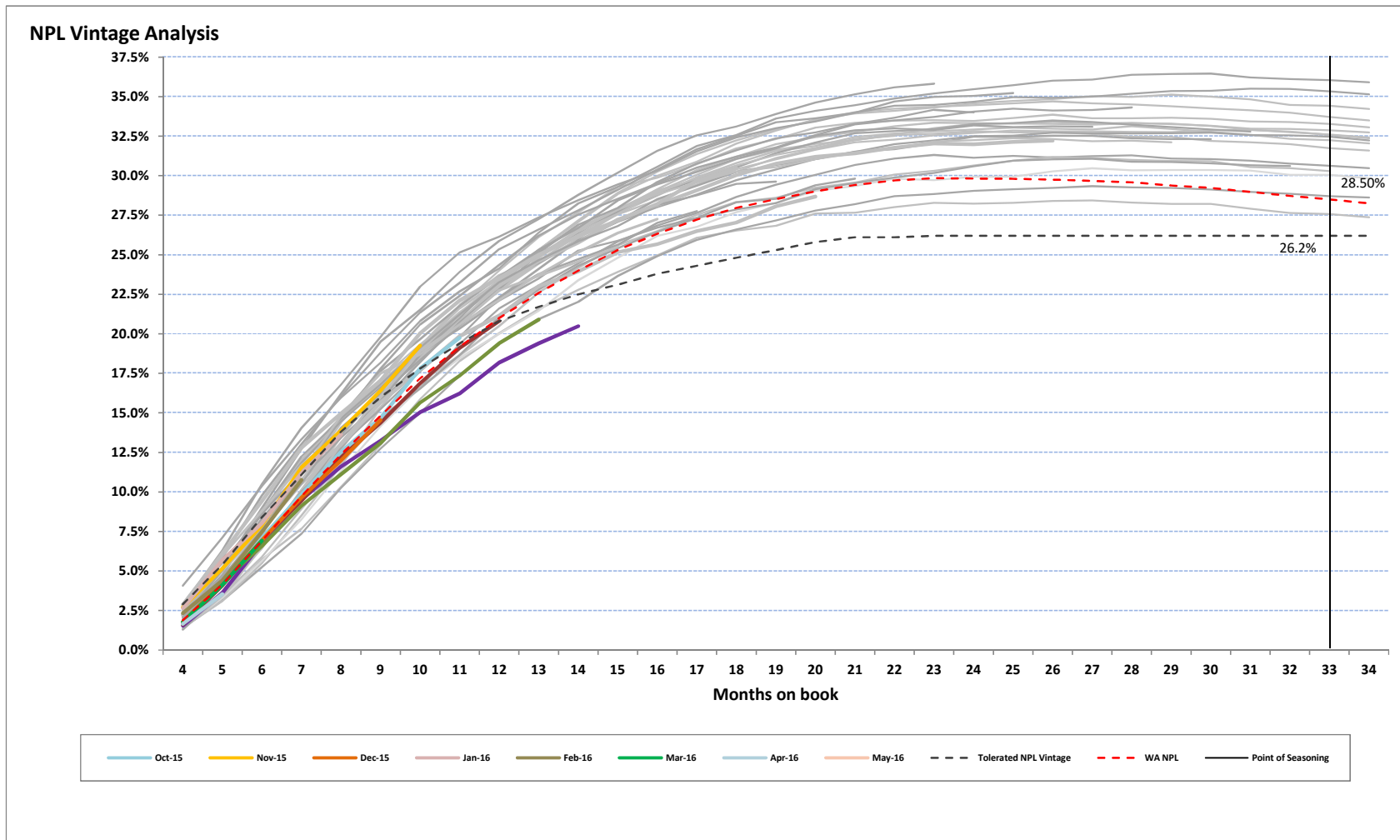
Monthly Investor Report

Asset quality

	% change MOM	Aug 16 R'000	Jul 16 R'000	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000	Jan 16 R'000	Dec 15 R'000	Nov 15 R'000	Oct 15 R'000	Sep 15 R'000
Gross loans and advances	(1.7%)	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631
Performing loans	(3.0%)	3 376 679	3 481 106	3 600 080	3 691 260	3 652 573	3 628 515	3 627 041	3 652 591	3 672 169	3 652 026	3 620 873	3 524 701
Non-performing loans	1.5%	1 353 021	1 332 568	1 313 395	1 301 323	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930
Impairment provision													
Opening balance	1.4%	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874	1 773 232
Bad debt written-off	2.0%	(37 424)	(36 674)	(39 841)	(44 765)	(45 216)	(40 784)	(47 615)	(39 693)	(47 260)	(44 507)	(46 323)	(42 960)
Provision raised	(4.3%)	63 058	65 870	56 755	61 561	65 482	71 863	72 117	57 739	99 765	62 347	92 504	75 602
Closing balance	1.2%	2 104 834	2 079 200	2 050 004	2 033 090	2 016 294	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874

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Asset quality (continued)



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Asset quality (continued)

Loans and advances distribution by contractual delinquency (CD)

	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
	%	%	%	%	%	%	%	%	%	%	%	%
For all loans and advances originated												
0	60.1%	60.4%	61.1%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%	62.2%	62.9%	62.2%
1	5.2%	5.3%	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%	5.4%	5.2%	5.1%
2	4.3%	4.3%	4.0%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%	4.4%	4.0%	4.0%
3	3.5%	3.4%	3.3%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%	3.4%	3.2%	3.2%
4 +	26.9%	26.6%	26.3%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%
	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
	%	%	%	%	%	%	%	%	%	%	%	%
For Bayport Securitisation (RF) Ltd ^												
0	57.9%	58.9%	60.5%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%	62.2%	62.9%	62.2%
1	5.3%	5.4%	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%	5.4%	5.2%	5.1%
2	4.5%	4.4%	4.1%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%	4.4%	4.0%	4.0%
3	3.7%	3.6%	3.4%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%	3.4%	3.2%	3.2%
4 +	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%
	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Monthly loans and advances movement												
Opening balance	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739
Disbursements	-	-	17 909	109 036	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994
Interest	69 488	72 883	77 990	86 630	83 775	80 042	76 055	82 704	96 029	91 081	95 690	88 749
Non-interest charges	19 117	15 611	33 924	45 849	46 287	50 181	47 491	45 421	52 672	52 219	57 553	55 226
Collections	(152 426)	(168 633)	(191 320)	(176 663)	(178 674)	(183 100)	(179 379)	(170 696)	(179 120)	(187 877)	(200 224)	(194 570)
Bad debt write-offs and write-backs	(20 153)	(19 661)	(17 611)	(16 805)	(14 288)	(16 563)	(29 795)	(22 855)	(15 376)	(9 661)	759	(7 507)
Closing balance	4 729 700	4 813 674	4 913 475	4 992 583	4 944 536	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631

^ The increase in the CD 4+ ratio is as a result of the decrease in the loans and advances balance month on month. This decrease was as a result of the lower loan claims purchased by the issuer (disclosed on page 3).

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Liquidity and funding

Funding	% change MOM	Aug 16 R'000	Jul 16 R'000	Jun 16 R'000	May 16 R'000	Apr 16 R'000	Mar 16 R'000	Feb 16 R'000	Jan 16 R'000	Dec 15 R'000	Nov 15 R'000	Oct 15 R'000	Sep 15 R'000
Class A Notes (senior)	0.0%	1 839 971	1 839 971	1 839 971	1 969 117	1 969 117	1 929 117	1 941 813	1 941 813	1 941 813	2 108 955	2 108 955	2 108 955
Senior warehouse funding	0.0%	-	-	-	-	-	-	150 000	150 000	150 000	235 000	235 000	235 000
Class B Notes (Mezzanine)	0.0%	337 796	337 796	337 796	343 331	343 331	343 331	350 550	350 550	350 550	357 503	357 503	357 503
Other subordinated funding	(52.5%)	1 225 971	2 582 632	2 605 991	2 596 914	2 596 862	2 619 686	2 653 116	2 576 753	2 596 947	1 898 923	2 059 375	1 903 975
Total interest bearing liabilities	(28.5%)	3 403 738	4 760 399	4 783 758	4 909 362	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433
Average cost of borrowings	0.9%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%
Cash and cash equivalents	11.2%	595 083	534 999	418 256	484 504	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740

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Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA06	3-month JIBAR plus 4.750%	A	550 000 000	34 159 619	2010/09/30	2016/09/30
BAYA08	11.780%	A	50 000 000	50 000 000	2010/11/15	2018/01/02
BAYA16	10.380%	A	10 000 000	655 774	2011/10/12	2016/09/30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	5 208 957	2011/10/21	2016/09/30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	6 511 193	2011/11/30	2016/09/30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	16 678 401	2011/11/30	2016/12/31
BAYA23	10.510%	A	300 000 000	73 002 300	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	12 390 713	2012/08/15	2017/06/30
BAYA26	10.225%	A	185 000 000	185 000 000	2012/09/27	2017/10/02
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	20 065 105	2013/04/02	2018/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	320 000 000	2013/09/30	2018/10/01
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	25 270 874	2013/09/30	2018/09/30
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	38 355 929	2014/01/24	2017/03/31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	41 364 769	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
BYA49U	3-month JIBAR plus 4.000%	A	65 000 000	65 000 000	2015/05/05	2018/07/02
BAYA50	3-month JIBAR plus 2.500%	A	25 000 000	25 000 000	2016/03/31	2017/03/31
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	37 116 299	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	209 190 630	2016/03/31	2019/04/01
Subtotal Class A notes			3 210 000 000	1 839 970 562		
BAYB03	15.360%	B	55 000 000	55 000 000	2011/11/30	2016/12/31
BAYB04	14.230%	B	90 000 000	17 795 555	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	2020/03/31
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			410 000 000	337 795 555		
Total			3 620 000 000	2 177 766 117		

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Covenant compliance

Financial covenants	Current requirement	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.1	2.5	2.8	2.5	2.6	2.2	2.3	2.0	2.4	2.4	2.1	1.8
Senior Debt Interest Cover Ratio	≥ 3.50 times	5.8	5.6	6.0	5.9	6.3	5.8	6.5	6.3	5.3	6.1	6.0	5.8
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	49.9%	49.2%	49.1%	50.3%	50.7%	50.3%	51.2%	52.3%	52.2%	64.1%	62.2%	65.4%
Bad and Doubtful Debt Ratio	≤ 17.5%	10.2%	9.8%	9.3%	9.6%	9.6%	9.5%	9.3%	9.0%	9.5%	8.0%	8.6%	9.2%
Equity invested in the Company by the Originator*	> 22.5%	50.6%	51.1%	50.1%	48.3%	48.5%	48.9%	49.8%	47.8%	48.6%	28.6%	32.6%	28.4%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%	2.8%	2.9%	3.0%	3.2%	3.2%

Cash reserves	Current requirement	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15
Liquidity reserve (R'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%	28.5%	28.7%	28.6%	28.8%	28.7%	28.5%	28.6%	28.4%	28.5%	28.4%	28.1%	27.8%
Reserve required (R'000)		17 765	19 732	19 924	21 888	21 317	19 411	20 553	18 605	19 660	19 157	17 175	14 104
Asset performance reserve													
Collections ratio	≥ 80.75%	101.3%	101.1%	102.7%	102.2%	103.0%	105.9%	107.0%	108.3%	110.2%	111.2%	111.1%	109.9%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		232 235	230 268	230 076	228 112	228 683	230 589	229 447	231 395	-	-	-	-
Expected collections (6 month average) (R'000)		90 815	92 793	93 280	93 671	94 112	93 699	93 447	92 906	92 225	91 711	91 638	91 916
Actual receipts (6 month average) (R'000)		91 976	93 825	95 831	95 704	96 907	99 260	100 011	100 631	101 610	101 955	101 817	101 044
Capital redemption reserve (R'000)		58 333	29 167	20 000	20 000	-	-	100 000	80 000	60 000	40 000	20 000	-

* With effect from February 2016 and in accordance with the approved amendments to the programme memorandum:

- The senior debt to net qualifying asset value was reduced from 72.5% to 70.0%
- The equity invested in the company by the originator was increased from 20.0% to 22.5%.

Monthly Investor Report

Glossary of terms

CD	Contractual delinquency = accumulated arrears / contractual instalment 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