

BAYPORT SECURITISATION (RF) LTD

# INVESTOR REPORT

MARCH 2018

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

Note: This report has been prepared in accordance with IFRS 9.

### Financial statistics for the period ended March 2018

		Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	17.6%	17.6%	17.7%	17.8%	17.6%	17.7%	17.8%	17.9%	18.1%	18.2%	18.5%	19.0%
Dividend income as a % of ave gross loans and advances	%	2.1%	2.1%	2.1%	2.0%	1.8%	1.1%	0.7%	14.5%	14.7%	14.8%	14.2%	14.2%
Total income as a % of ave gross loans and advances (incl. dividends)	%	19.7%	19.8%	19.8%	19.7%	19.3%	18.8%	18.6%	32.5%	32.8%	33.0%	32.8%	33.2%
Direct and indirect expenses to ave gross loans and advances	%	4.7%	4.7%	4.8%	4.8%	4.7%	4.7%	5.1%	5.4%	5.8%	6.2%	6.5%	6.5%
Direct and indirect expenses to total income (excl. dividends)	%	26.7%	26.9%	27.0%	27.1%	27.0%	26.7%	28.4%	30.3%	32.3%	33.9%	34.9%	34.1%
Direct and indirect expenses to total income (incl. dividends)	%	23.8%	24.0%	24.1%	24.4%	24.5%	25.1%	27.4%	16.7%	17.8%	18.7%	19.7%	19.5%
Return on assets (incl. dividends)	%	3.9%	4.0%	3.9%	4.0%	4.1%	3.1%	0.6%	16.5%	15.8%	16.3%	15.4%	15.6%
Gearing ratio	times	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.6	1.5	1.5	1.5
Interest margin	%	10.2%	10.2%	10.2%	10.3%	10.2%	10.1%	10.1%	10.1%	9.6%	9.7%	10.1%	10.5%
<b>Income statement extract</b>													
Interest income	R '000	67 443	62 970	68 445	69 946	65 583	70 579	69 551	72 289	78 434	65 857	70 032	71 247
Non-interest revenue (excl. dividends)	R '000	5 157	5 270	5 120	8 609	5 424	1 262	5 194	5 899	5 329	5 082	5 149	5 453
Dividend income	R '000	6 044	-	8 163	11 296	33 814	19 611	-	-	-	27 863	-	-
<b>Total income</b>	R '000	<b>78 644</b>	68 240	81 728	89 851	104 821	91 452	74 745	78 188	83 762	98 802	75 181	76 700
Interest expenses	R '000	(27 082)	(24 717)	(27 249)	(21 831)	(26 458)	(25 435)	(30 870)	(1 568)	(35 685)	(30 170)	(32 131)	(29 573)
Direct and indirect expenses	R '000	(24 529)	(24 568)	(24 702)	(30 442)	(28 337)	(10 149)	(10 366)	(10 069)	(11 248)	(11 040)	(25 852)	(27 540)
<b>Total expenses</b>	R '000	<b>(51 612)</b>	(49 286)	(51 952)	(52 273)	(54 795)	(35 584)	(41 236)	(11 638)	(46 932)	(41 210)	(57 983)	(57 113)

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended March 2018 (continued)

		Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>5 079 964</b>	5 091 708	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059
Non-performing loans ("NPLs")	R '000	<b>1 645 607</b>	1 646 731	1 633 846	1 627 121	1 615 406	1 630 884	1 651 091	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163
Carrying value of written off book	R '000	<b>176 364</b>	178 919	182 107	194 804	205 071	204 552	271 010	280 456	268 292	267 571	256 375	256 706
Impairment provision	R '000	<b>2 673 445</b>	2 700 410	2 720 719	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764
Net loans and advances	R '000	<b>2 582 883</b>	2 570 218	2 586 105	2 506 317	2 527 661	2 598 258	2 643 552	2 729 253	2 661 794	2 334 462	2 424 612	2 439 001
Number of loans on book		<b>178 458</b>	179 464	181 351	179 622	180 394	185 002	188 074	192 111	192 182	178 141	182 552	184 898
Non-performing loans ratio	%	<b>32.4%</b>	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%	33.8%
Provision coverage	%	<b>52.6%</b>	53.0%	53.1%	54.2%	53.9%	53.3%	54.3%	53.7%	54.5%	57.5%	56.5%	56.3%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	<b>145 612</b>	145 612	148 049	148 049	202 127	202 127	202 127	202 127	202 127	202 127	202 127	202 127
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>2 676 755</b>	2 697 965	2 700 872	2 758 472	2 570 185	2 737 196	2 884 005	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602
Average cost of borrowings	%	<b>12.1%</b>	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%	11.5%
Cash and cash equivalents	R '000	<b>574 653</b>	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965	644 064

## Monthly Investor Report

### Origination

		% change MOM	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
Disbursements	R '000	(3.9%)	130 143	135 367	126 419	131 066	172 970	166 295	140 417	148 427	124 691	116 914	123 154	91 961
Number of new loans		(0.2%)	5 300	5 312	5 129	5 669	7 049	7 085	6 265	6 715	5 985	5 720	5 936	4 284
Average loan value at acquisition	Rand	(3.6%)	24 555	25 483	24 648	23 120	24 538	23 471	22 413	22 104	20 834	20 440	20 747	21 466
Average term at aquisition	Months	(0.6%)	32.7	32.9	32.6	31.2	31.3	28.5	29.3	28.1	27.1	26.5	27.0	26.6

### Loan claims purchased by Bayport Securitisation (RF) Ltd \*

		% change MOM	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
Loan claims purchased	R '000	(2.0%)	105 200	107 293	188 665	138 965	61 144	71 260	42 833	145 861	523 173	10 349	120 007	142 135
Number of loans purchased		17.3%	4 321	3 684	7 162	5 336	2 580	2 981	2 002	6 715	22 287	638	4 690	5 491
Average loan value purchased	Rand	(16.4%)	24 346	29 124	26 343	26 043	23 699	23 905	21 395	21 722	23 474	16 222	25 588	25 885
Average remaining term of loans purchased	Months	0%	32.7	32.7	32.6	31.2	31.3	27.5	29.7	28.1	27.2	23.7	22.0	23.1

\* Loans disbursed by the originator that are not sold to Bayport Tutari RF (Ltd) are purchased by the issuer. 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	12%	7%	10%	10%
Free State	6%	5%	6%	6%
Gauteng	37%	56%	40%	40%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	2%	6%	6%
Mpumulanga	6%	3%	6%	6%
Northern Cape	2%	2%	3%	2%
North-West	6%	4%	5%	5%
Western Cape	12%	8%	11%	11%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

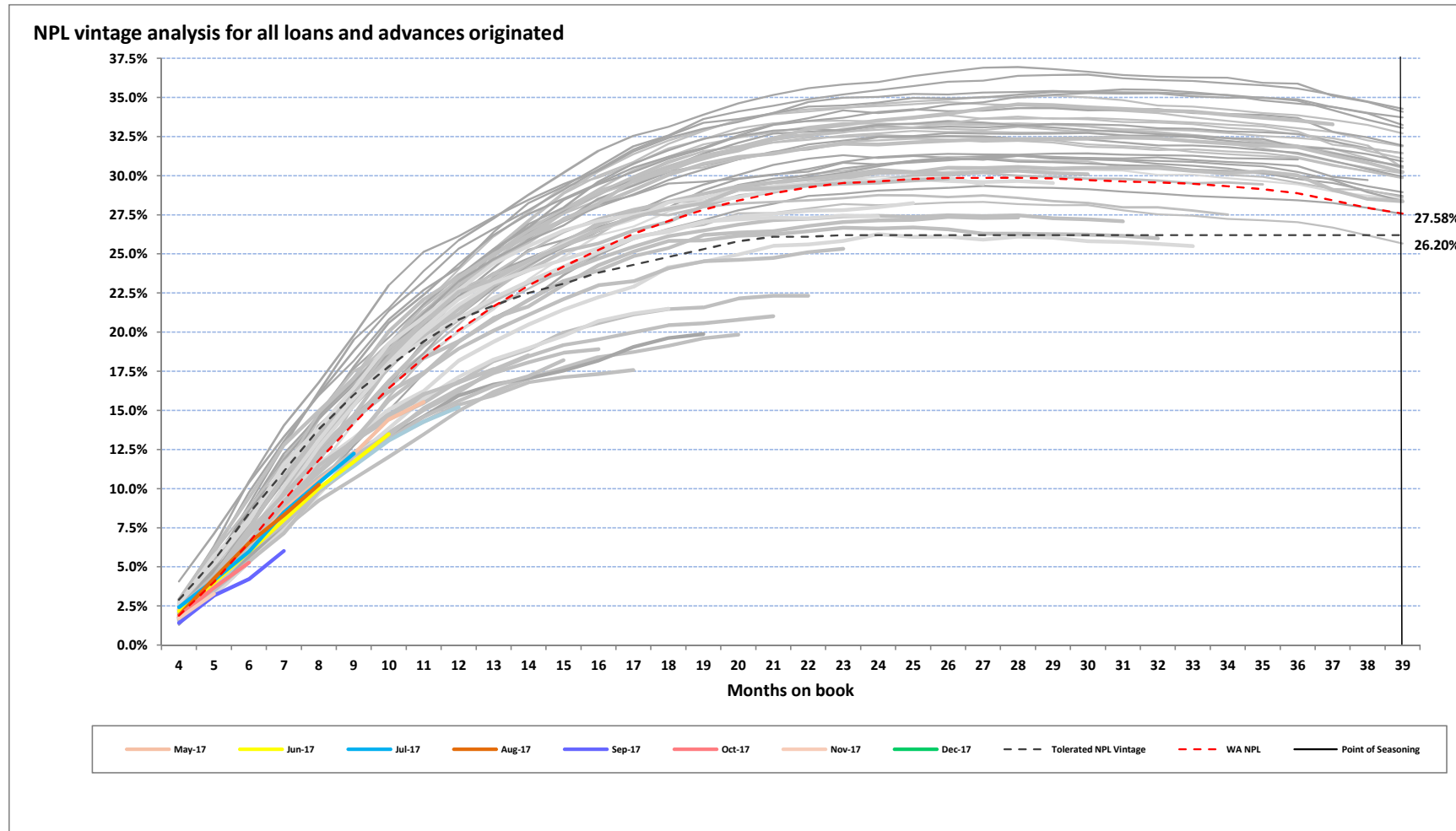
## Monthly Investor Report

### Asset quality

	% change MOM	Mar 18 R'000	Feb 18 R'000	Jan 18 R'000	Dec 17 R'000	Nov 17 R'000	Oct 17 R'000	Sep 17 R'000	Aug 17 R'000	July 17 R'000	June 17 R'000	May 17 R'000	Apr 17 R'000
<b>Gross loans and advances</b>	(0.2%)	<b>5 079 964</b>	5 091 708	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059
Performing loans	(0.3%)	<b>3 434 357</b>	3 444 977	3 490 872	3 421 610	3 419 615	3 497 779	3 535 563	3 621 320	3 584 396	3 179 418	3 291 792	3 301 896
Non-performing loans	(0.1%)	<b>1 645 607</b>	1 646 731	1 633 846	1 627 121	1 615 406	1 630 884	1 651 091	1 668 317	1 671 094	1 683 793	1 689 321	1 688 163
<b>Impairment provision</b>													
Opening balance	(0.7%)	<b>2 700 410</b>	2 720 719	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764	2 787 956
Bad debt written-off	(5.9%)	<b>(45 976)</b>	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)
Provision raised	(33.4%)	<b>19 011</b>	28 528	31 356	58 235	25 608	(49 947)	14 029	19 973	107 902	22 471	35 655	57 169
Closing balance	(1.0%)	<b>2 673 445</b>	2 700 410	2 720 719	2 737 218	2 712 430	2 734 957	2 814 113	2 840 839	2 861 988	2 796 320	2 812 876	2 807 764

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

#### Reported under IFRS 9

#### Loans and advances distribution by contractual delinquency (CD)

	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
	%	%	%	%	%	%	%	%	%	%	%	%
<b>For all loans and advances originated</b>												
0	60.0%	59.5%	59.8%	60.3%	60.9%	60.4%	59.8%	59.1%	58.6%	57.9%	57.8%	57.4%
1	3.9%	4.5%	4.6%	4.3%	4.0%	4.0%	3.8%	3.9%	3.9%	4.2%	4.1%	4.2%
2	3.5%	3.5%	3.3%	3.2%	3.1%	3.1%	3.2%	3.1%	3.3%	3.3%	3.5%	3.5%
3	2.7%	2.8%	2.8%	2.7%	2.5%	2.6%	2.7%	2.8%	2.9%	2.9%	2.9%	3.0%
4 +	29.9%	29.8%	29.5%	29.5%	29.5%	29.9%	30.5%	31.0%	31.3%	31.6%	31.7%	31.9%
<b>For Bayport Securitisation (RF) Ltd</b>												
	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
	%	%	%	%	%	%	%	%	%	%	%	%
0	57.3%	56.5%	57.2%	57.0%	57.9%	58.2%	58.3%	58.6%	58.1%	54.6%	55.3%	55.1%
1	3.9%	4.7%	4.7%	4.5%	4.1%	4.1%	3.9%	3.9%	3.8%	4.2%	4.2%	4.3%
2	3.6%	3.6%	3.3%	3.4%	3.2%	3.2%	3.2%	3.1%	3.4%	3.4%	3.6%	3.6%
3	2.8%	2.9%	2.9%	2.8%	2.7%	2.7%	2.8%	2.9%	2.9%	3.1%	3.0%	3.1%
4 +	32.4%	32.3%	31.9%	32.2%	32.1%	31.8%	31.8%	31.5%	31.8%	34.6%	33.9%	33.8%
<b>Monthly loans and advances movement</b>												
	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
	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	5 091 708	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059	4 960 517
Disbursements	105 200	107 293	188 665	138 965	58 903	71 260	42 833	145 861	523 173	10 349	120 007	142 135
Interest and other similar income	59 786	61 648	63 063	58 999	56 096	60 022	59 178	62 942	64 179	53 982	58 121	57 528
Non-interest revenue and other movements	26 456	4 528	18 675	9 835	(817)	10 488	5 008	37 899	17 221	3 451	595	10 061
Collections	(157 210)	(157 641)	(146 563)	(160 642)	(159 689)	(170 552)	(169 246)	(171 433)	(170 060)	(146 657)	(157 126)	(142 821)
Bad debt write-offs and write-backs	(45 976)	(48 838)	(47 855)	(33 447)	(48 135)	(29 209)	(40 755)	(41 123)	(42 233)	(39 027)	(30 544)	(37 361)
Closing balance	5 079 964	5 091 708	5 124 718	5 048 731	5 035 021	5 128 663	5 186 654	5 289 636	5 255 491	4 863 211	4 981 113	4 990 059

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>Mar 18</b> <b>R'000</b>	Feb 18 R'000	Jan 18 R'000	Dec 17 R'000	Nov 17 R'000	Oct 17 R'000	Sep 17 R'000	Aug 17 R'000	July 17 R'000	June 17 R'000	May 17 R'000	Apr 17 R'000
Class A Notes (senior)	0.0%	<b>2 006 963</b>	2 006 963	2 006 963	2 094 720	1 946 078	1 946 446	2 145 977	2 145 977	2 145 977	2 145 977	1 929 814	1 929 814
Senior warehouse funding		-	-	-	-	-	-	-	-	-	-	-	-
Class B Notes (Mezzanine)	0.0%	<b>271 000</b>	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	271 000	270 000	270 000
Other subordinated funding	(5.0%)	<b>398 792</b>	420 002	422 909	392 752	353 107	519 750	467 028	500 007	566 191	527 456	610 843	597 788
<b>Total interest bearing liabilities</b>	<b>(0.8%)</b>	<b>2 676 755</b>	2 697 965	2 700 872	2 758 472	2 570 185	2 737 196	2 884 005	2 916 984	2 983 168	2 944 433	2 810 657	2 797 602
Average cost of borrowings	(0.3%)	<b>12.1%</b>	12.2%	12.2%	12.0%	12.1%	12.0%	12.0%	11.7%	11.6%	11.5%	11.6%	11.5%
Cash and cash equivalents	(0.8%)	<b>574 653</b>	579 557	549 268	743 955	534 199	575 060	691 625	572 849	616 154	917 837	696 965	644 064



## Monthly Investor Report

### Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA31	3-month JIBAR plus 4.300%	A	60 000 000	33 000 000	2012/12/14	2018/12/31
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	45 709 900	2013/03/25	2018/04/03
BAYA36	3-month JIBAR plus 3.880%	A	50 000 000	3 063 138	2013/04/02	2018/03/31
BAYA39	3-month JIBAR plus 4.250%	A	320 000 000	210 974 144	2013/09/30	2018/10/01
BAYA41	3-month JIBAR plus 3.900%	A	50 000 000	9 001 917	2013/09/30	2018/09/30
BAYA42	3-month JIBAR plus 4.250%	A	130 000 000	89 588 980	2013/09/30	2018/10/01
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
BAYA51	3-month JIBAR plus 5.100%	A	40 000 000	18 433 184	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	103 890 997	2016/03/31	2019/04/01
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	173 042 001	2016/09/30	2019/09/30
BAYA57	3-month JIBAR plus 5.500%	A	50 000 000	50 000 000	2017/04/03	2022/04/03
BAYA58	3-month JIBAR plus 5.100%	A	526 000 000	451 759 232	2017/06/30	2020/06/30
BAYA59	13.150%	A	110 000 000	110 000 000	2017/06/30	2022/06/30
BAYA60	12.400%	A	85 000 000	85 000 000	2017/06/30	2020/06/30
BAYA61	3-month JIBAR plus 5.100%	A	38 500 000	38 500 000	2017/06/30	2020/06/30
BAYA62	3-month JIBAR plus 4,400%	A	120 000 000	120 000 000	2017/12/01	2020/09/30
BAYA63	3-month JIBAR plus 4,2500%	A	58 000 000	58 000 000	2017/12/01	2020/09/30
BAYA64	3-month JIBAR plus 4,500%	A	40 000 000	40 000 000	2017/12/01	2022/09/30
BAYA65	3-month JIBAR plus 4,000%	A	52 000 000	52 000 000	2017/12/01	2020/09/30
<b>Subtotal Class A notes</b>			<b>2 325 000 000</b>	<b>2 006 963 493</b>		
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
BYB10U	3-month JIBAR plus 8.000%	B	5 000 000	5 000 000	2016/09/30	2021/09/30
BYB10U_1	3-month JIBAR plus 8.000%	B	1 000 000	1 000 000	2017/06/30	2021/09/30
BAYB11	3-month JIBAR plus 8.000%	B	115 000 000	115 000 000	2017/06/30	2020/06/30
<b>Subtotal Class B notes</b>			<b>271 000 000</b>	<b>271 000 000</b>		
<b>Total</b>			<b>2 596 000 000</b>	<b>2 277 963 493</b>		

## Monthly Investor Report

### Covenant compliance

		Current requirement	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
<b>Financial covenants</b>														
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.6	2.6	2.8	3.0	2.9	3.5	3.3	3.2	2.8	2.0	1.9	1.8	
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.0	4.1	3.9	4.3	4.0	4.4	3.7	3.7	3.7	4.3	4.2	4.5	
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	63.6%	63.7%	64.0%	64.4%	63.6%	61.3%	64.3%	65.0%	65.5%	66.0%	61.8%	62.6%	
Bad and Doubtful Debt Ratio	≤ 17.5%	6.1%	5.9%	5.8%	5.5%	5.0%	5.0%	5.3%	5.7%	7.1%	6.8%	6.7%	6.9%	
Equity invested in the Company by the Originator*	> 22.5%	39.6%	40.1%	39.9%	40.0%	38.6%	42.7%	38.3%	37.8%	39.6%	44.8%	44.7%	44.0%	
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.0%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.4%	2.3%	2.3%	
<b>Cash reserves</b>														
		Current requirement	Mar 18	Feb 18	Jan 18	Dec 17	Nov 17	Oct 17	Sep 17	Aug 17	July 17	June 17	May 17	Apr 17
Liquidity reserve (R'000)	≥ 250,000	250 000	250 000	250 000	250 000	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%	27.6%	27.6%	27.4%	27.4%	27.4%	27.8%	28.8%	28.6%	28.5%	28.8%	28.7%	28.6%	
Reserve required (R'000)		8 899	8 997	7 761	7 562	7 695	10 335	17 193	16 666	18 838	18 573	18 592	18 337	
Asset performance reserve														
Collections ratio	≥ 80.75%	110.9%	110.4%	110.8%	111.9%	111.9%	111.2%	105.5%	104.7%	103.8%	102.9%	102.4%	103.0%	
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	
Reserved cash (R'000)		241 101	241 003	242 239	242 438	242 305	239 665	232 807	233 334	231 162	231 427	231 408	231 663	
Expected collections (6 month average) (R'000)		89 398	90 040	91 095	91 953	90 543	90 233	89 140	86 562	83 750	79 012	79 049	79 030	
Actual receipts (6 month average) (R'000)		99 158	99 440	100 960	102 879	101 300	100 312	94 008	90 666	86 943	81 329	80 924	81 371	
Capital redemption reserve (R'000)		178 210	143 092	107 973	72 855	71 667	35 833	115 000	95 833	76 667	57 500	150 833	99 167	

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

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

## Monthly Investor Report

### Glossary of terms

<b>CD</b>	Contractual delinquency = accumulated arrears / contractual instalment originally due
<b>MOB</b>	Months on book
<b>MoM</b>	Months on month
<b>YTD</b>	Year to date
<b>Non-performing loans</b>	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
<b>Non-performing loans ratio</b>	Non-performing loans / Gross loans and advances
<b>Provision coverage</b>	Impairment provision / Gross loans and advances