

BAYPORT SECURITISATION (RF) LTD

# INVESTOR REPORT

MAY 2015

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

### Financial statistics for the period ended May 2015

		May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances	%	<b>26.0%</b>	26.2%	26.3%	26.4%	26.5%	26.2%	26.0%	26.2%	26.5%	26.8%	27.0%	27.3%
Direct and indirect expenses to ave gross loans and advances	%	<b>8.0%</b>	7.9%	7.8%	7.7%	7.5%	7.4%	7.4%	7.5%	7.8%	6.6%	6.6%	6.7%
Direct and indirect expenses to total income	%	<b>30.8%</b>	30.2%	29.8%	29.2%	28.5%	28.1%	28.6%	28.7%	29.3%	24.5%	24.5%	24.6%
Return on assets**	%	<b>(5.8%)</b>	(5.7%)	(6.1%)	(6.8%)	(7.0%)	(6.9%)	(4.7%)	(4.5%)	(4.4%)	(3.5%)	(3.1%)	(2.6%)
Gearing ratio	times	<b>3.5</b>	3.4	3.4	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.1	3.1
Interest margin	%	<b>15.3%</b>	15.5%	15.5%	15.7%	15.8%	15.6%	14.9%	15.1%	15.3%	16.0%	16.2%	16.4%
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>4,680,271</b>	4,696,404	4,734,663	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026	6,216,787	6,213,331	6,190,526
Non-Performing Loans ("NPLs")	R '000	<b>931,155</b>	930,749	937,998	996,626	965,861	957,874	2,343,835	2,337,381	2,324,997	2,323,214	2,298,176	2,296,387
Carrying value of written off book	R '000	<b>582,291</b>	585,830	581,542	557,649	550,438	541,995	216,921	211,567	205,478	199,067	194,035	188,854
Impairment provision	R '000	<b>1,729,147</b>	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	1,733,706	1,693,554
Net loans and advances	R '000	<b>3,533,415</b>	3,563,657	3,589,767	3,610,686	3,642,405	3,665,596	4,659,725	4,669,365	4,653,824	4,644,304	4,673,660	4,685,826
Non-performing loans ratio	%	<b>19.9%</b>	19.8%	19.8%	20.6%	19.8%	19.6%	37.3%	37.2%	37.3%	37.4%	37.0%	37.1%
Provision coverage	%	<b>36.9%</b>	36.6%	36.5%	36.9%	36.5%	36.1%	29.2%	29.0%	28.7%	28.5%	27.9%	27.4%
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>4,766,215</b>	4,764,239	4,779,344	4,831,522	4,833,197	4,811,287	4,735,721	4,738,435	4,729,419	4,910,427	4,913,552	4,922,477
Average cost of borrowings	%	<b>10.9%</b>	10.8%	10.8%	10.7%	10.7%	10.8%	10.7%	10.6%	10.6%	10.4%	10.4%	10.3%
Cash and cash equivalents	R '000	<b>286,397</b>	231,948	182,098	259,932	213,390	148,760	109,243	82,266	63,757	323,178	287,746	276,783

\* 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	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14
Disbursements	R '000	11.9%	<b>68,848</b>	61,519	75,397	69,334	69,812	78,794	85,008	112,377	98,078	85,778	99,967	86,469
Number of new loans		13.7%	<b>3,460</b>	3,043	3,177	2,919	2,959	3,473	3,914	5,199	4,950	4,943	6,052	5,478
Number of loans on book		(0.9%)	<b>215,819</b>	217,842	224,199	227,928	234,908	237,304	310,395	313,932	318,156	322,514	325,263	327,497
Average loan value at acquisition	Rand	(1.6%)	<b>19,898</b>	20,217	23,732	23,753	23,593	22,688	21,719	21,615	19,814	17,353	16,518	15,785
Average term at acquisition	Months	(9.6%)	<b>27.1</b>	30.0	41.5	40.0	39.1	39.1	39.9	41.7	40.7	38.6	39.2	37.4

### Statistics

#### Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	12%	8%	12%	<b>12%</b>
Free State	6%	7%	7%	<b>7%</b>
Gauteng	34%	50%	33%	<b>34%</b>
Kwazulu-Natal	14%	11%	15%	<b>15%</b>
Limpopo	6%	3%	7%	<b>7%</b>
Mpumulanga	7%	3%	6%	<b>6%</b>
Northern Cape	3%	3%	2%	<b>2%</b>
North-West	7%	4%	6%	<b>6%</b>
Western Cape	11%	12%	12%	<b>12%</b>
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

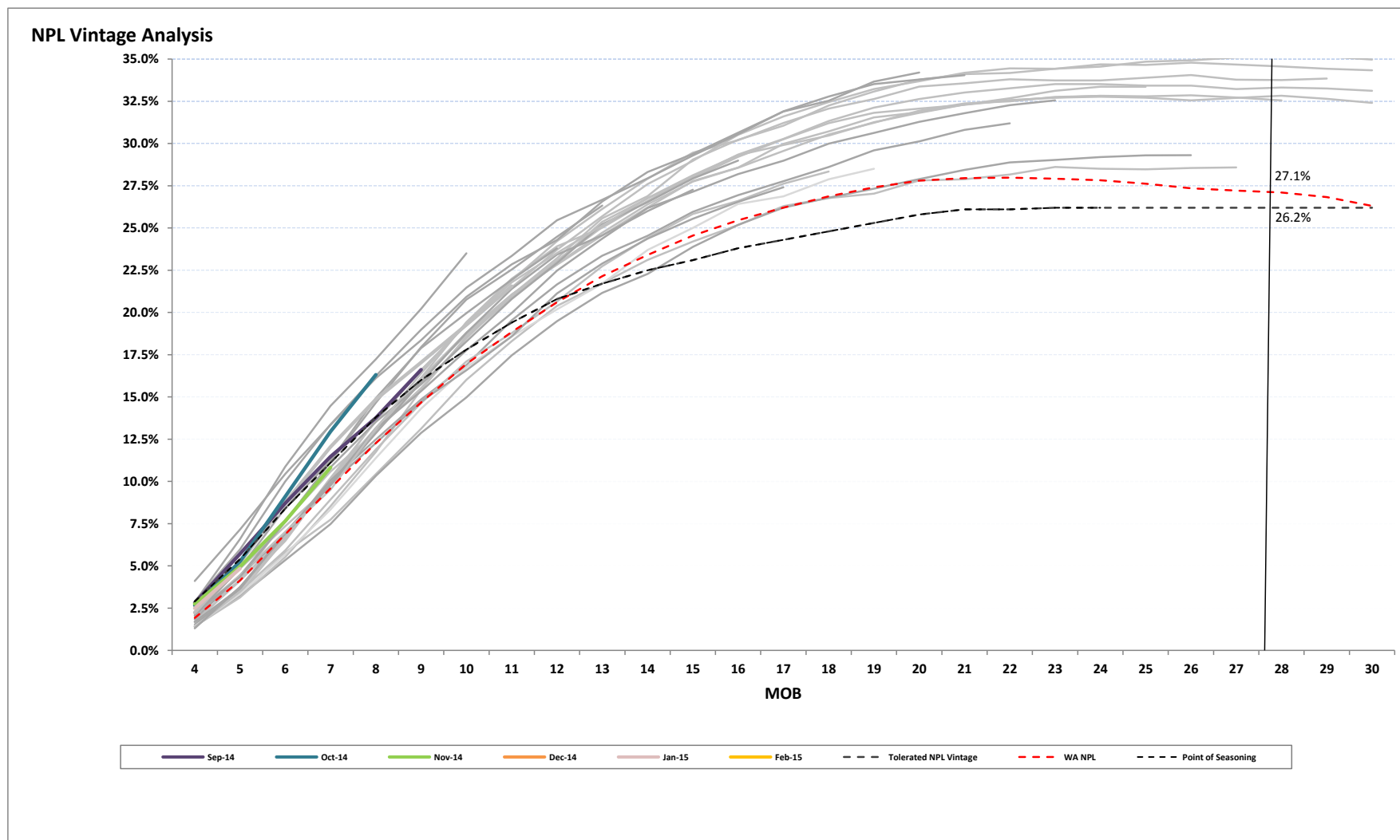
## Monthly Investor Report

### Asset quality

	% change MOM	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	Sept 14 R'000	Aug 14 R'000	Jul 14 R'000	Jun 14 R'000
<b>Gross loans and advances</b>	(0.3%)	<b>4,680,271</b>	4,696,404	4,734,663	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026	6,216,787	6,213,331	6,190,526
Performing loans	(0.4%)	<b>3,749,116</b>	3,765,655	3,796,665	3,841,888	3,903,414	3,927,035	3,933,625	3,938,457	3,912,029	3,893,573	3,915,155	3,894,139
Non-performing loans	0.0%	<b>931,155</b>	930,749	937,998	996,626	965,861	957,874	2,343,835	2,337,381	2,324,997	2,323,214	2,298,176	2,296,387
<b>Impairment provision</b>													
Opening balance	(0.5%)	<b>1,718,578</b>	1,726,438	1,785,477	1,777,308	1,761,308	1,834,656	1,818,040	1,788,680	1,771,550	1,733,706	1,693,554	1,507,386
Bad debt written-off	(31.2%)	<b>(45,742)</b>	(66,485)	(135,813)	(45,207)	(65,804)	(1,456,375)	(62,872)	(54,212)	(61,091)	(61,552)	(58,100)	(57,146)
Provision raised	(3.9%)	<b>56,311</b>	58,625	76,774	53,376	81,804	1,383,027	79,488	83,572	78,221	99,396	98,252	243,314
Closing balance	0.6%	<b>1,729,147</b>	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	1,733,706	1,693,554

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

<b>Contractual delinquency (CD) loans and advances distribution *</b>	<b>May 15</b>	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14
	%	%	%	%	%	%	%	%	%	%	%	%
0	<b>65.8%</b>	65.6%	64.9%	63.6%	64.1%	65.2%	53.1%	52.7%	52.6%	52.5%	53.3%	52.7%
1	<b>6.2%</b>	6.2%	6.2%	6.6%	7.3%	6.6%	3.6%	4.3%	4.3%	4.3%	3.9%	3.9%
2	<b>4.3%</b>	4.5%	5.0%	5.1%	4.7%	4.5%	3.0%	3.0%	3.0%	3.0%	2.9%	3.0%
3	<b>3.8%</b>	3.9%	4.1%	4.1%	4.1%	4.1%	3.0%	2.8%	2.8%	2.8%	2.9%	3.3%
4 +	<b>19.9%</b>	19.8%	19.8%	20.6%	19.8%	19.6%	37.3%	37.2%	37.3%	37.4%	37.0%	37.1%
<b>Monthly loans and advances movement</b>												
	<b>R'000</b>	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	<b>4,696,404</b>	4,734,662	4,838,514	4,869,275	4,884,909	6,277,460	6,275,838	6,237,026	6,216,787	6,213,331	6,190,526	6,177,772
Disbursements	<b>68,848</b>	61,519	75,397	69,334	69,812	78,794	85,008	112,377	98,078	85,778	99,967	86,469
Interest and other similar income	<b>86,064</b>	88,137	90,917	80,325	111,851	112,263	112,798	121,817	116,703	122,213	119,794	120,856
Non-interest revenue	<b>52,003</b>	50,919	52,980	53,333	56,530	61,173	60,722	63,294	62,632	64,653	65,213	64,852
Collections	<b>(189,300)</b>	(190,689)	(202,268)	(194,958)	(193,521)	(196,533)	(202,428)	(214,510)	(205,847)	(215,463)	(211,973)	(210,435)
Bad debt write-offs and write-backs	<b>(33,748)</b>	(48,145)	(120,878)	(38,795)	(60,306)	(1,448,248)	(54,478)	(44,166)	(51,327)	(53,725)	(50,196)	(48,988)
Closing balance	<b>4,680,271</b>	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	6,213,331	6,190,526

\* Arrears instalments

## Monthly Investor Report

### Liquidity and funding

	% change MOM	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	Sept 14 R'000	Aug 14 R'000	Jul 14 R'000	Jun 14 R'000
<b>Funding</b>													
Class A Notes (senior)	2.6%	<b>2,608,591</b>	2,543,591	2,543,591	2,751,937	2,751,937	2,751,937	2,925,084	2,925,084	2,925,084	3,179,124	3,179,124	3,179,124
Senior warehouse funding	(43.3%)	<b>85,000</b>	150,000	150,000	-	-	-	200,000	200,000	200,000	200,000	200,000	200,000
Class B Notes (Mezzanine)	0.0%	<b>370,696</b>	370,696	370,696	376,978	376,978	376,978	382,994	382,994	382,994	388,797	388,797	388,797
Other subordinated funding	0.1%	<b>1,701,928</b>	1,699,951	1,715,057	1,702,607	1,704,282	1,682,372	1,227,642	1,230,356	1,221,340	1,142,506	1,145,631	1,154,556
Total interest bearing liabilities	0.0%	<b>4,766,215</b>	4,764,238	4,779,344	4,831,522	4,833,197	4,811,287	4,735,720	4,738,434	4,729,418	4,910,427	4,913,552	4,922,477
Average cost of borrowings	0.1%	<b>10.9%</b>	10.8%	10.8%	10.7%	10.7%	10.8%	10.7%	10.6%	10.6%	10.4%	10.4%	10.3%
Cash and cash equivalents	23.5%	<b>286,397</b>	231,948	182,098	259,932	213,390	148,760	109,243	82,266	63,757	323,178	287,746	276,783

## 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	94,386,466	31/03/2010	31/03/2016
BAYA04	11.480%	A	20,000,000	2,557,836	31/08/2010	30/09/2015
BAYA05	11.450%	A	33,000,000	4,205,260	27/09/2010	30/09/2015
BAYA06	3-month JIBAR plus 4.750%	A	550,000,000	191,976,850	30/09/2010	30/09/2016
BAYA07	11.360%	A	34,000,000	6,152,708	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	13,157,656	06/12/2010	31/12/2015
BAYA10	3-month JIBAR plus 5.000%	A	40,000,000	6,998,043	13/12/2010	31/12/2015
BAYA11	3-month JIBAR plus 5.000%	A	60,000,000	14,146,478	03/01/2011	31/03/2016
BAYA12	11.005%	A	20,000,000	4,913,709	12/01/2011	31/03/2016
BAYA13	12.070%	A	80,000,000	20,019,743	10/03/2011	31/03/2016
BAYA14	11.480%	A	13,000,000	1,662,596	06/06/2011	30/09/2015
BAYA15	11.530%	A	100,000,000	30,566,806	14/06/2011	30/06/2016
BAYA16	10.380%	A	10,000,000	3,694,003	12/10/2011	30/09/2016
BAYA17	3-month JIBAR plus 4.450%	A	80,000,000	29,404,304	21/10/2011	30/09/2016
BAYA18	3-month JIBAR plus 4.450%	A	100,000,000	36,755,378	30/11/2011	30/09/2016
BAYA19	3-month JIBAR plus 4.450%	A	135,000,000	54,952,692	30/11/2011	31/12/2016
BAYA22	3-month JIBAR plus 3.800%	A	100,000,000	17,411,478	30/04/2012	30/09/2015
BAYA23	10.510%	A	300,000,000	154,229,070	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	26,372,273	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	22,174,475	01/10/2012	30/09/2015
BAYA29	3-month JIBAR plus 3.500%	A	60,000,000	15,316,421	09/10/2012	31/12/2015
BAYA30	9.280%	A	150,000,000	41,443,002	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	32,600,979	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	37,262,028	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	96,817,928	24/01/2014	31/03/2017
BAYA44	3-month JIBAR plus 3.900%	A	150,000,000	104,412,833	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
<b>Subtotal Class A notes</b>			<b>4,435,000,000</b>	<b>2,608,591,015</b>		
BAYB02	15.550%	B	30,000,000	7,081,541	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	43,614,295	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
<b>Subtotal Class B notes</b>			<b>440,000,000</b>	<b>370,695,836</b>		
<b>Total</b>			<b>4,875,000,000</b>	<b>2,979,286,851</b>		



## Monthly Investor Report

### Covenant compliance

	Current requirement	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	<b>1.8</b>	1.9	1.9	2.0	1.8	1.8	2.0	2.1	2.0	2.0	2.2	2.0
Senior Debt Interest Cover Ratio	≥ 3.50 times	<b>6.0</b>	6.3	5.9	3.9	5.0	4.4	4.4	4.6	4.4	4.4	4.3	4.5
Senior Debt to Net Qualifying Asset Value	≤ 72.5%	<b>70.5%</b>	71.0%	71.4%	71.1%	71.4%	72.1%	65.5%	65.8%	66.2%	68.0%	68.1%	68.1%
Bad and Doubtful Debt Ratio	≤ 17.5%	<b>12.9%</b>	13.5%	14.4%	15.2%	15.9%	16.0%	12.4%	12.3%	12.3%	13.2%	12.8%	12.4%
Equity invested in the Company by the Originator	> 20%	<b>23.0%</b>	23.0%	23.0%	22.5%	22.6%	22.1%	25.3%	25.4%	25.5%	23.9%	24.2%	24.8%
Cellular Contracts as a % of the Portfolio	≤ 10%	<b>3.7%</b>	3.8%	3.8%	5.1%	4.5%	4.4%	6.0%	6.1%	6.3%	6.3%	6.4%	6.4%

	Current requirement	May 15	Apr 15	Mar 15	Feb 15	Jan 15	Dec 14	Nov 14	Oct 14	Sept 14	Aug 14	Jul 14	Jun 14
<b>Cash reserves</b>													
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	<b>27.1%</b>	27.2%	27.3%	27.3%	27.7%	27.6%	27.5%	27.1%	27.0%	26.4%	26.2%	25.5%
Reserve required (R'000)		<b>7,935</b>	8,716	9,927	10,241	13,775	13,259	15,617	10,326	9,668	1,736	825	-
Asset performance reserve													
Collections Ratio	≥ 80.75%	<b>105.7%</b>	106.0%	102.8%	105.9%	109.0%	109.6%	110.2%	110.7%	110.3%	104.1%	109.5%	109.2%
Reserve required (R'000)		<b>-</b>	-	-	-	-	-	-	-	-	-	-	-
		<b>R'000</b>	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)		<b>99,457</b>	102,105	106,827	108,413	111,538	114,723	116,791	120,193	123,984	127,807	131,290	134,803
Actual receipts (6 month average)		<b>105,120</b>	108,242	109,765	114,844	121,602	125,708	128,715	133,034	136,761	133,012	143,819	147,172
Capital Redemption reserve		<b>43,333</b>	21,667	-	41,667	33,333	25,000	16,667	8,333	-	166,666	133,333	100,000

## Monthly Investor Report

### Glossary of terms

<b>CD</b>	Contractual delinquency = accumulated arrears / contractual instalments originally due
<b>MOB</b>	Month on book
<b>MoM</b>	Month 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