

BAYPORT SECURITISATION (RF) LTD

# INVESTOR REPORT

MAY 2016

*your future now*

**BAYPORT**  
FINANCIAL SERVICES

## Monthly Investor Report

### Financial statistics for the period ended May 2016

		May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	Jun 15
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances	%	<b>23.6%</b>	23.7%	23.8%	24.1%	24.3%	25.0%	25.4%	25.3%	25.3%	25.3%	25.5%	25.6%
Direct and indirect expenses to ave gross loans and advances	%	<b>6.1%</b>	6.3%	6.5%	6.6%	6.9%	7.1%	8.3%	8.8%	8.7%	8.5%	8.3%	8.1%
Direct and indirect expenses to total income	%	<b>26.1%</b>	26.7%	27.1%	27.5%	28.5%	28.6%	32.6%	34.8%	34.2%	33.5%	32.6%	31.8%
Return on assets	%	<b>(0.5%)</b>	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.7%)	(2.4%)	(2.9%)	(3.0%)	(3.1%)	(3.5%)	(3.9%)
Gearing ratio	times	<b>2.1</b>	2.2	2.4	2.6	2.9	3.1	3.4	3.5	3.5	3.5	3.5	3.5
Interest margin	%	<b>13.2%</b>	13.2%	13.2%	13.2%	13.5%	14.0%	14.9%	14.9%	14.8%	14.8%	14.9%	15.0%
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	<b>4 992 583</b>	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	4 649 955	4 641 364
Non-Performing Loans ("NPLs")	R '000	<b>1 301 323</b>	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930	1 211 280	1 118 960	1 024 109
Carrying value of written off book	R '000	<b>467 930</b>	479 930	479 930	479 930	479 930	479 930	546 587	565 087	570 087	570 087	579 087	589 790
Impairment provision	R '000	<b>2 033 090</b>	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	1 762 670	1 756 094
Net loans and advances	R '000	<b>3 427 423</b>	3 408 171	3 409 062	3 423 102	3 439 781	3 446 700	3 518 778	3 523 384	3 494 844	3 473 594	3 466 372	3 475 060
Non-performing loans ratio	%	<b>26.1%</b>	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%	25.9%	24.1%	22.1%
Provision coverage	%	<b>40.7%</b>	40.8%	40.5%	40.0%	39.6%	39.3%	38.6%	38.5%	38.2%	37.9%	37.9%	37.8%
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	<b>4 909 362</b>	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433	4 846 984	4 813 077	4 831 241
Average cost of borrowings	%	<b>11.2%</b>	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%	10.8%	10.9%	10.8%
Cash and cash equivalents	R '000	<b>484 504</b>	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740	401 456	346 557	324 050

\* 12 months rolling average

## Monthly Investor Report

### Origination

		% change MOM	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	Jun 15
Disbursements	R '000	32.5%	<b>109 036</b>	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994	93 613	91 449	58 436
Number of new loans		79.4%	<b>7 338</b>	4 090	4 248	4 422	3 493	4 158	4 242	5 991	5 861	4 977	5 037	3 362
Number of loans on book		1.0%	<b>205 634</b>	203 500	203 772	204 901	206 094	207 949	208 993	210 442	211 445	210 940	212 476	213 323
Average loan value at acquisition	Rand	(26.1%)	<b>14 859</b>	20 116	20 358	21 133	21 916	22 338	20 267	21 022	19 108	18 809	18 156	17 381
Average term at acquisition	Months	(36.2%)	<b>20.4</b>	32.0	32.2	33.3	33.2	32.8	31.0	30.9	29.2	29.0	28.8	26.1

### Statistics

#### Loans and advances by geographic location

Province	Cellular	Payroll	Debit order	Total
Eastern Cape	13%	9%	11%	<b>11%</b>
Free State	5%	6%	7%	<b>7%</b>
Gauteng	34%	51%	36%	<b>36%</b>
Kwazulu-Natal	14%	13%	14%	<b>14%</b>
Limpopo	5%	2%	7%	<b>6%</b>
Mpumulanga	7%	3%	6%	<b>6%</b>
Northern Cape	3%	3%	2%	<b>3%</b>
North-West	7%	4%	6%	<b>6%</b>
Western Cape	12%	9%	11%	<b>11%</b>
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

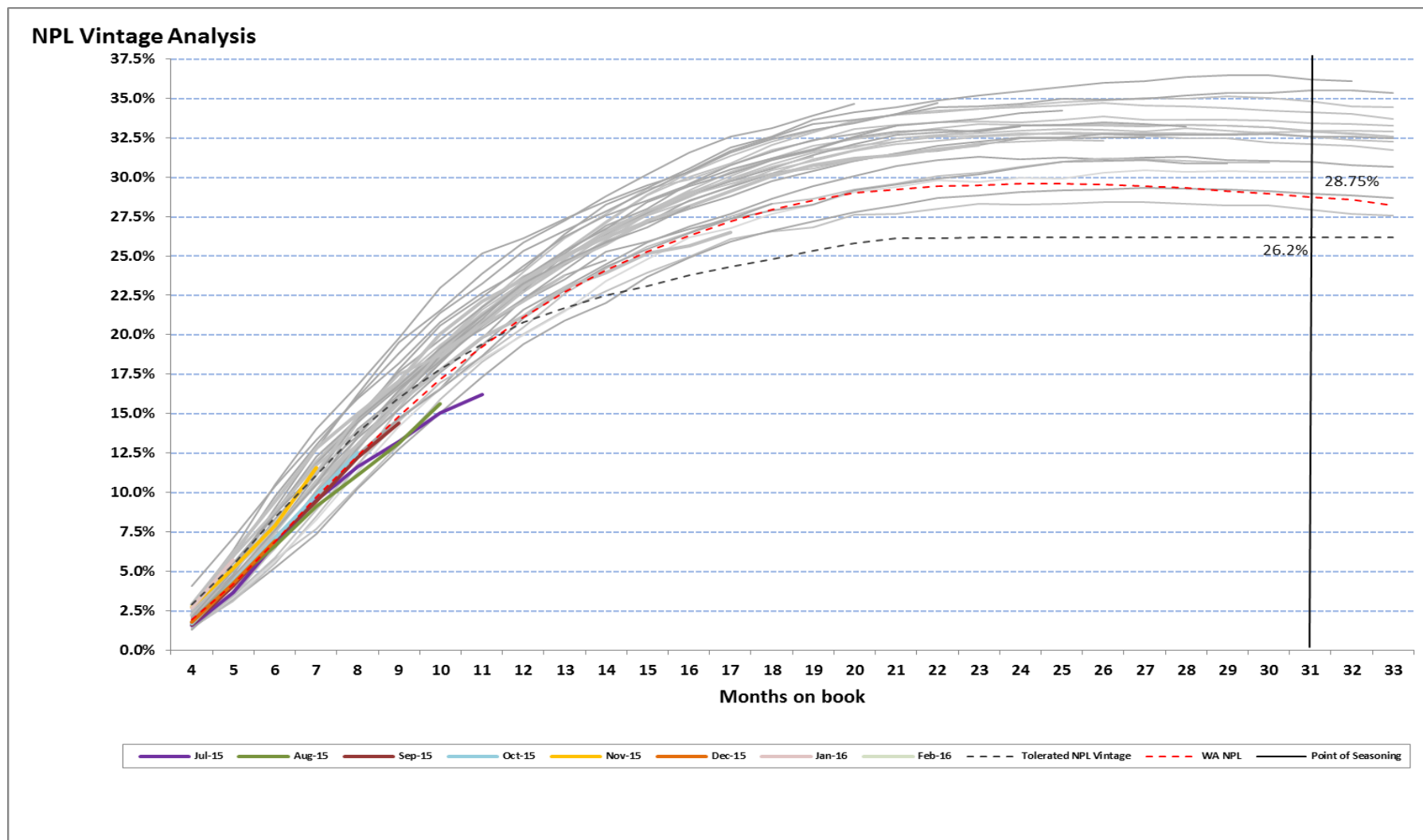
## Monthly Investor Report

### Asset quality

	% change MOM	May 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	Aug 15 R'000	Jul 15 R'000	Jun 15 R'000
<b>Gross loans and advances</b>	1.0%	<b>4 992 583</b>	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	4 649 955	4 641 364
Performing loans	1.1%	<b>3 691 260</b>	3 652 573	3 628 515	3 627 041	3 652 591	3 672 169	3 652 026	3 620 873	3 524 701	3 465 459	3 530 995	3 617 255
Non-performing loans	0.7%	<b>1 301 323</b>	1 291 963	1 296 646	1 281 081	1 247 707	1 217 002	1 190 060	1 189 479	1 205 930	1 211 280	1 118 960	1 024 109
<b>Impairment provision</b>													
Opening balance	1.0%	<b>2 016 294</b>	1 996 028	1 964 949	1 940 447	1 922 400	1 869 895	1 852 055	1 805 874	1 773 232	1 762 670	1 756 094	1 729 147
Bad debt written-off	(1.0%)	<b>(44 765)</b>	(45 216)	(40 784)	(47 615)	(39 693)	(47 260)	(44 507)	(46 323)	(42 960)	(49 320)	(49 172)	(56 157)
Provision raised	(6.0%)	<b>61 561</b>	65 482	71 863	72 117	57 739	99 765	62 347	92 504	75 602	59 882	55 748	83 104
Closing balance	0.8%	<b>2 033 090</b>	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	1 762 670	1 756 094

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

<b>Contractual delinquency (CD) loans and advances distribution *</b>	<b>May 16</b>	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	Jun 15
	<b>%</b>	%	%	%	%	%	%	%	%	%	%	%
0	<b>61.3%</b>	61.0%	59.5%	59.2%	59.6%	61.3%	62.2%	62.9%	62.2%	62.2%	63.9%	64.5%
1	<b>5.0%</b>	4.9%	5.4%	5.9%	6.6%	5.6%	5.4%	5.2%	5.1%	4.7%	5.1%	5.6%
2	<b>4.0%</b>	4.2%	4.9%	5.1%	4.5%	4.5%	4.4%	4.0%	4.0%	3.9%	3.7%	4.3%
3	<b>3.6%</b>	3.8%	3.9%	3.7%	3.8%	3.7%	3.4%	3.2%	3.2%	3.3%	3.2%	3.5%
4 +	<b>26.1%</b>	26.1%	26.3%	26.1%	25.5%	24.9%	24.6%	24.7%	25.5%	25.9%	24.1%	22.1%
<b>Monthly loans and advances movement</b>												
	<b>May 16</b>	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	Jun 15
	<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>4 944 536</b>	4 925 161	4 908 122	4 900 298	4 889 171	4 842 086	4 810 352	4 730 631	4 676 739	4 649 955	4 641 364	4 680 271
Disbursements	<b>109 036</b>	82 275	86 479	93 451	76 553	92 880	85 972	125 943	111 994	93 613	91 449	58 436
Interest and other similar income	<b>86 630</b>	83 775	80 042	76 055	82 704	96 029	91 081	95 690	88 749	87 060	89 055	74 253
Non-interest revenue	<b>45 849</b>	46 287	50 181	47 491	45 421	52 672	52 219	57 553	55 226	53 853	57 229	50 872
Collections	<b>(176 663)</b>	(178 674)	(183 100)	(179 379)	(170 696)	(179 120)	(187 877)	(200 224)	(194 570)	(187 379)	(206 888)	(186 056)
Bad debt write-offs and write-backs	<b>(16 805)</b>	(14 288)	(16 563)	(29 795)	(22 855)	(15 376)	(9 661)	759	(7 507)	(20 363)	(22 254)	(36 412)
Closing balance	<b>4 992 583</b>	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	4 649 955	4 641 364

\* Arrears instalments

## Monthly Investor Report

### Liquidity and funding

<b>Funding</b>	% change MOM	<b>May 16</b> <b>R'000</b>	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	Aug 15 R'000	Jul 15 R'000	Jun 15 R'000
Class A Notes (senior)	0.0%	<b>1 969 117</b>	1 969 117	1 929 117	1 941 813	1 941 813	1 941 813	2 108 955	2 108 955	2 108 955	2 426 009	2 426 009	2 426 009
Senior warehouse funding	0.0%	-	-	-	150 000	150 000	150 000	235 000	235 000	235 000	235 000	235 000	235 000
Class B Notes (Mezzanine)	0.0%	<b>343 331</b>	343 331	343 331	350 550	350 550	350 550	357 503	357 503	357 503	364 208	364 208	364 208
Other subordinated funding	0.0%	<b>2 596 914</b>	2 596 862	2 619 686	2 653 116	2 576 753	2 596 947	1 898 923	2 059 375	1 903 975	1 821 766	1 787 860	1 806 024
<b>Total interest bearing liabilities</b>	0.0%	<b>4 909 362</b>	4 909 309	4 892 132	5 095 479	5 019 116	5 039 310	4 600 381	4 760 833	4 605 433	4 846 983	4 813 077	4 831 241
Average cost of borrowings	0.5%	<b>11.2%</b>	11.1%	11.1%	11.0%	10.9%	10.9%	10.8%	10.8%	10.9%	10.8%	10.9%	10.8%
Cash and cash equivalents	1.5%	<b>484 504</b>	477 482	423 930	659 283	559 695	564 001	139 319	243 077	88 740	401 456	346 557	324 050

## Monthly Investor Report

### 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	67 435 564	2010-09-30	2016-09-30
BAYA08	11.780%	A	50 000 000	50 000 000	2010-11-15	2018-01-02
BAYA15	11.530%	A	100 000 000	6 467 419	2011-06-14	2016-06-30
BAYA16	10.380%	A	10 000 000	1 295 177	2011-10-12	2016-09-30
BAYA17	3-month JIBAR plus 4.450%	A	80 000 000	10 292 283	2011-10-21	2016-09-30
BAYA18	3-month JIBAR plus 4.450%	A	100 000 000	12 865 351	2011-11-30	2016-09-30
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	24 720 561	2011-11-30	2016-12-31
BAYA23	10.510%	A	300 000 000	90 113 608	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	15 317 851	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	22 687 656	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	27 780 615	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	50 586 134	2014-01-24	2017-03-31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	54 554 375	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	40 000 000	2016-04-06	2019-04-01
BAYA52	3-month JIBAR plus 5.100%	A	50 000 000	225 000 000	2016-03-31	2019-04-01
<b>Subtotal Class A notes</b>			<b>3 135 000 000</b>	<b>1 969 116 594</b>		
BAYB03	15.360%	B	55 000 000	55 000 000	2011-11-30	2016-12-31
BAYB04	14.230%	B	90 000 000	23 331 039	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
<b>Subtotal Class B notes</b>			<b>410 000 000</b>	<b>343 331 039</b>		
<b>Total</b>			<b>3 545 000 000</b>	<b>2 312 447 633</b>		



## Monthly Investor Report

### Covenant compliance

	Current requirement	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	Jun 15
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	<b>2.5</b>	2.6	2.2	2.3	2.0	2.4	2.4	2.1	1.8	1.7	1.9	1.8
Senior Debt Interest Cover Ratio	≥ 3.50 times	<b>5.9</b>	6.3	5.8	6.5	6.3	5.3	6.1	6.0	5.8	5.2	5.3	5.8
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	<b>50.3%</b>	50.7%	50.3%	51.2%	52.3%	52.2%	64.1%	62.2%	65.4%	68.7%	69.8%	70.0%
Bad and Doubtful Debt Ratio	≤ 17.5%	<b>9.6%</b>	9.6%	9.5%	9.3%	9.0%	9.5%	8.0%	8.6%	9.2%	9.9%	11.2%	12.4%
Equity invested in the Company by the Originator*	> 22.5%	<b>48.3%</b>	48.5%	48.9%	49.8%	47.8%	48.6%	28.6%	32.6%	28.4%	26.2%	25.4%	25.8%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	<b>2.6%</b>	2.6%	2.6%	2.7%	2.8%	2.9%	3.0%	3.2%	3.2%	3.4%	3.6%	3.7%

	Current requirement	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15	Oct 15	Sep 15	Aug 15	Jul 15	June 15
<b>Cash reserves</b>													
Liquidity reserve (R'000)*	≥ 250,000	<b>250 000</b>	250 000	250 000	250 000	250 000	-	-	-	-	-	-	-
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	<b>28.8%</b>	28.7%	28.5%	28.6%	28.4%	28.5%	28.4%	28.1%	27.8%	27.4%	27.3%	27.3%
Reserve required (R'000)		<b>21 888</b>	21 317	19 411	20 553	18 605	19 660	19 157	17 175	14 104	10 674	9 502	9 588
Asset performance reserve													
Collections ratio	≥ 80.75%	<b>102.2%</b>	103.0%	105.9%	107.0%	108.3%	110.2%	111.2%	111.1%	109.9%	110.0%	106.7%	106.1%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		<b>228 112</b>	228 683	230 589	229 447	231 395	-	-	-	-	-	-	-
		<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>93 671</b>	94 112	93 699	93 447	92 906	92 225	91 711	91 638	91 916	92 479	94 393	96 858
Actual receipts (6 month average)		<b>95 704</b>	96 907	99 260	100 011	100 631	101 610	101 955	101 817	101 044	101 730	100 755	102 750
Capital redemption reserve (R'000)		<b>20 000</b>	-	-	100 000	80 000	60 000	40 000	20 000	-	108 333	86 667	65 000

\* 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% and the Equity invested in the Company by the Originator was increased from 20.0% to 22.5%.

## 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