

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

NOVEMBER 2016

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BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Financial statistics for the period ended November 2016

		Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15
Performance ratios *													
Total income as a % of ave gross loans and advances (excl. dividends)	%	21.2%	21.7%	22.3%	22.8%	23.2%	23.6%	23.6%	23.7%	23.8%	24.1%	24.3%	25.0%
Dividends income as a % of ave gross loans and advances	%	14.2%	14.2%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total income as a % of ave gross loans and advances (incl. dividends)	%	35.3%	35.8%	36.5%	22.8%	23.2%	23.6%	23.6%	23.7%	23.8%	24.1%	24.3%	25.0%
Direct and indirect expenses to ave gross loans and advances	%	5.7%	5.2%	5.3%	5.5%	5.7%	5.9%	6.1%	6.3%	6.5%	6.6%	6.9%	7.1%
Direct and indirect expenses to total income (excl. dividends)	%	26.8%	23.9%	24.0%	24.3%	24.5%	25.2%	26.1%	26.7%	27.1%	27.5%	28.5%	28.6%
Direct and indirect expenses to total income (incl. dividends)	%	16.1%	14.5%	14.7%	24.3%	24.5%	25.2%	26.1%	26.7%	27.1%	27.5%	28.5%	28.6%
Return on assets (excl. dividends)	%	(1.7%)	(1.1%)	(0.9%)	(0.4%)	(0.2%)	0.0%	(0.5%)	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.7%)
Return on assets (incl. dividends)	%	14.7%	15.4%	15.7%	(0.4%)	(0.2%)	0.0%	(0.5%)	(0.7%)	(0.7%)	(0.6%)	(0.6%)	(0.7%)
Gearing ratio	times	1.4	1.5	1.5	1.6	1.8	1.9	2.1	2.2	2.4	2.6	2.9	3.1
Interest margin	%	11.7%	12.1%	12.6%	13.0%	13.2%	13.4%	13.2%	13.2%	13.2%	13.2%	13.5%	14.0%
Income statement extract													
Interest income	R '000	68 375	73 127	66 745	72 765	75 348	83 557	89 327	87 496	83 185	78 470	83 916	96 635
Non-interest revenue (excl. dividends)	R '000	5 700	5 826	5 080	6 062	5 996	5 771	6 196	6 506	6 468	6 420	6 590	7 292
Dividends income	R '000	-	-	691 252	-	-	-	-	-	-	-	-	-
Total income	R '000	74 075	78 953	763 077	78 827	81 344	89 328	95 523	94 002	89 653	84 890	90 506	103 927
Interest expenses	R '000	(31 128)	(32 788)	(30 226)	(30 622)	(30 575)	(31 073)	(32 067)	(31 041)	(30 713)	(31 284)	(31 742)	(44 346)
Direct and indirect expenses	R '000	(26 494)	(27 656)	(25 802)	(28 571)	(24 846)	(26 129)	(25 881)	(26 059)	(26 869)	(26 581)	(27 264)	15 057
Total expenses	R '000	(57 622)	(60 444)	(56 028)	(59 193)	(55 421)	(57 202)	(57 948)	(57 100)	(57 582)	(57 865)	(59 006)	(29 290)

* 12 months rolling average

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Financial statistics for the period ended November 2016 (continued)

		Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	April 16	Mar 16	Feb 16	Jan 16	Dec 15
Asset and credit quality ratios													
Gross loans and advances	R '000	4 873 677	4 960 321	4 744 774	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
Non-Performing Loans ("NPLs")	R '000	1 387 155	1 374 507	1 362 235	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
Carrying value of written off book	R '000	467 930	467 930	467 930	467 930	467 930	467 930	467 930	479 930	479 930	479 930	479 930	479 930
Impairment provision	R '000	2 155 299	2 152 128	2 126 066	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
Net loans and advances	R '000	3 186 308	3 276 123	3 086 638	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
Number of loans on book		191 532	195 528	188 751	190 458	196 047	201 987	205 634	203 500	203 772	204 901	206 094	207 949
Non-performing loans ratio	%	28.5%	27.7%	28.7%	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%
Provision coverage	%	44.2%	43.4%	44.8%	44.5%	43.2%	41.7%	40.7%	40.8%	40.5%	40.0%	39.6%	39.3%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	222 325	222 325	222 325	913 577	-	-	-	-	-	-	-	-
Funding and cash reserves													
Interest bearing liabilities	R '000	2 825 270	2 847 650	2 810 939	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
Average cost of borrowings	%	11.5%	11.4%	11.3%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%
Cash and cash equivalents	R '000	582 464	497 818	636 981	595 083	534 999	418 256	484 504	477 482	423 930	659 283	559 695	564 001

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Origination

		% change MOM	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15
Disbursements	R '000	8.3%	122 542	113 194	117 328	88 469	89 652	90 496	109 036	82 275	86 479	93 451	76 553	92 880
Number of new loans		19.8%	5 909	4 933	5 597	4 941	5 950	6 218	7 338	4 090	4 248	4 422	3 493	4 158
Average loan value at acquisition	Rand	(9.6%)	20 738	22 946	20 963	17 905	15 068	14 554	14 859	20 116	20 358	21 133	21 916	22 338
Average term at acquisition	Months	(7.1%)	26.1	28.0	26.8	22.5	20.4	19.6	20.4	32.0	32.2	33.3	33.2	32.8

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15
Loan claims purchased	R '000	(89.0%)	33 092	300 353	114 245	-	-	17 909	109 036	82 275	86 479	93 451	76 553	92 880
Number of loans purchased		(88.5%)	1 579	13 676	5 411	-	-	1 368	7 338	4 090	4 248	4 422	3 493	4 158
Average loan value purchased	Rand	(4.6%)	20 957	21 962	21 113	-	-	13 091	14 859	20 116	20 358	21 133	21 916	22 338
Average remaining term of loans purchased	Months	17.1%	26.3	22.5	27.0	-	-	18.2	20.4	32.0	32.2	33.3	33.2	32.8

* Claims purchased by the issuer reduced in November 2016 as a significant portion of the claims were sold to Bayport Tutari RF (Ltd). 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	35%	52%	37%	37%
Kwazulu-Natal	14%	13%	14%	14%
Limpopo	5%	3%	7%	7%
Mpumulanga	7%	3%	6%	6%
Northern Cape	3%	2%	2%	2%
North-West	6%	5%	5%	5%
Western Cape	12%	8%	11%	11%
Grand Total	100%	100%	100%	100%

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Asset quality

	% change MOM	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	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
Gross loans and advances	(1.7%)	4 873 677	4 960 321	4 744 774	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
Performing loans	(2.8%)	3 486 522	3 585 814	3 382 539	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
Non-performing loans	0.9%	1 387 155	1 374 507	1 362 235	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
Impairment provision													
Opening balance	1.2%	2 152 128	2 126 066	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
Bad debt written-off	5.6%	(42 149)	(39 912)	(40 998)	(37 424)	(36 674)	(39 841)	(44 765)	(45 216)	(40 784)	(47 615)	(39 693)	(47 260)
Provision raised	(31.3%)	45 320	65 974	62 230	63 058	65 870	56 755	61 561	65 482	71 863	72 117	57 739	99 765
Closing balance	0.1%	2 155 299	2 152 128	2 126 066	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

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Asset quality (continued)



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Asset quality (continued)

Loans and advances distribution by contractual delinquency (CD)

	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15
	%	%	%	%	%	%	%	%	%	%	%	%
For all loans and advances originated												
0	61.1%	60.9%	62.7%	60.1%	60.4%	61.1%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%
1	4.7%	4.9%	2.7%	5.2%	5.3%	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%
2	3.9%	3.8%	4.1%	4.3%	4.3%	4.0%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%
3	3.2%	3.3%	3.5%	3.5%	3.4%	3.3%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%
4 +	27.1%	27.1%	27.0%	26.9%	26.6%	26.3%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%
For Bayport Securitisation (RF) Ltd												
0	59.4%	60.1%	60.8%	57.9%	58.9%	60.5%	61.3%	61.0%	59.5%	59.2%	59.6%	61.3%
1	4.8%	4.9%	2.6%	5.3%	5.4%	5.3%	5.0%	4.9%	5.4%	5.9%	6.6%	5.6%
2	4.0%	3.9%	4.2%	4.5%	4.4%	4.1%	4.0%	4.2%	4.9%	5.1%	4.5%	4.5%
3	3.3%	3.4%	3.7%	3.7%	3.6%	3.4%	3.6%	3.8%	3.9%	3.7%	3.8%	3.7%
4 +	28.5%	27.7%	28.7%	28.6%	27.7%	26.7%	26.1%	26.1%	26.3%	26.1%	25.5%	24.9%
Monthly loans and advances movement												
	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 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
Opening balance	4 960 321	4 744 774	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
Disbursements	33 092	300 353	114 245	-	-	17 909	109 036	82 275	86 479	93 451	76 553	92 880
Interest and other similar income	65 475	69 310	63 329	69 488	72 883	77 990	86 630	83 775	80 042	76 055	82 704	96 029
Non-interest revenue	10 206	39 405	33 806	19 117	15 611	33 924	45 849	46 287	50 181	47 491	45 421	52 672
Collections	(168 202)	(169 371)	(170 337)	(152 426)	(168 633)	(191 320)	(176 663)	(178 674)	(183 100)	(179 379)	(170 696)	(179 120)
Bad debt write-offs and write-backs	(27 215)	(24 152)	(25 968)	(20 153)	(19 661)	(17 611)	(16 805)	(14 288)	(16 563)	(29 795)	(22 855)	(15 376)
Closing balance	4 873 677	4 960 321	4 744 774	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

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Liquidity and funding

Funding	% change MOM	Nov 16 R'000	Oct 16 R'000	Sep 16 R'000	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
Class A Notes (senior)	0.0%	2 019 850	2 019 850	2 019 850	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
Senior warehouse funding	0.0%	-	-	-	-	-	-	-	-	-	150 000	150 000	150 000
Class B Notes (Mezzanine)	0.0%	337 071	337 071	337 071	337 796	337 796	337 796	343 331	343 331	343 331	350 550	350 550	350 550
Other subordinated funding	(4.6%)	468 349	490 729	454 018	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
Total interest bearing liabilities	(0.8%)	2 825 270	2 847 650	2 810 939	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
Average cost of borrowings	0.6%	11.5%	11.4%	11.3%	11.4%	11.3%	11.3%	11.2%	11.1%	11.1%	11.0%	10.9%	10.9%
Cash and cash equivalents	17.0%	582 464	497 818	636 981	595 083	534 999	418 256	484 504	477 482	423 930	659 283	559 695	564 001

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Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA08	11.780%	A	50 000 000	50 000 000	2010/11/15	2018/01/02
BAYA19	3-month JIBAR plus 4.450%	A	135 000 000	8 439 817	2011/11/30	2016/12/31
BAYA23	10.510%	A	300 000 000	55 463 644	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	9 399 384	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	17 388 625	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	22 710 772	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	25 858 057	2014/01/24	2017/03/31
BAYA44	3-month JIBAR plus 3.900%	A	150 000 000	27 886 499	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	34 237 564	2016/04/06	2019/04/01
BAYA52	3-month JIBAR plus 5.100%	A	225 000 000	192 965 836	2016/03/31	2019/04/01
BAYA53	3-month JIBAR plus 2.500%	A	30 000 000	30 000 000	2016/09/30	2017/10/02
BAYA54	3-month JIBAR plus 5.100%	A	275 500 000	275 500 000	2016/09/30	2019/09/30
Subtotal Class A notes			2 775 500 000	2 019 850 198		
BAYB03	15.360%	B	55 000 000	55 000 000	2011/11/30	2017/01/03
BAYB04	14.230%	B	90 000 000	12 070 624	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
BYB10U	3-month JIBAR plus 8.000%	B	5 000 000	5 000 000	2016/09/30	2021/09/30
Subtotal Class B notes			415 000 000	337 070 624		
Total			3 190 500 000	2 356 920 822		

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Covenant compliance

	Current requirement	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15
Financial covenants													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.8	2.7	2.5	2.1	2.5	2.8	2.5	2.6	2.2	2.3	2.0	2.4
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.8	4.9	5.5	5.8	5.6	6.0	5.9	6.3	5.8	6.5	6.3	5.3
Senior Debt to Net Qualifying Asset Value*	≤ 70.0%	53.6%	53.5%	54.2%	49.9%	49.2%	49.1%	50.3%	50.7%	50.3%	51.2%	52.3%	52.2%
Bad and Doubtful Debt Ratio	≤ 17.5%	9.8%	9.9%	10.5%	10.2%	9.8%	9.3%	9.6%	9.6%	9.5%	9.3%	9.0%	9.5%
Equity invested in the Company by the Originator*	> 22.5%	46.0%	45.6%	47.6%	50.6%	51.1%	50.1%	48.3%	48.5%	48.9%	49.8%	47.8%	48.6%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	2.5%	2.4%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%	2.8%	2.9%
Cash reserves													
	Current requirement	Nov 16	Oct 16	Sep 16	Aug 16	Jul 16	Jun 16	May 16	Apr 16	Mar 16	Feb 16	Jan 16	Dec 15
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	-
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	28.7%	28.7%	28.6%	28.5%	28.7%	28.6%	28.8%	28.7%	28.5%	28.6%	28.4%	28.5%
Reserve required (R'000)		20 298	20 224	18 244	17 765	19 732	19 924	21 888	21 317	19 411	20 553	18 605	19 660
Asset performance reserve													
Collections ratio	≥ 80.75%	104.1%	102.7%	101.4%	101.3%	101.1%	102.7%	102.2%	103.0%	105.9%	107.0%	108.3%	110.2%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		229 702	229 776	231 756	232 235	230 268	230 076	228 112	228 683	230 589	229 447	231 395	-
Expected collections (6 month average) (R'000)		84 477	85 734	87 600	90 815	92 793	93 280	93 671	94 112	93 699	93 447	92 906	92 225
Actual receipts (6 month average) (R'000)		87 907	88 072	88 842	91 976	93 825	95 831	95 704	96 907	99 260	100 011	100 631	101 610
Capital redemption reserve (R'000)		154 167	120 833	87 500	58 333	29 167	20 000	20 000	-	-	100 000	80 000	60 000

* 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