

DRAFT

DRAFT: Ratings Raised On Bayport Securitisation (RF)'s Class A Notes Following Review

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OVERVIEW

- On July 2, 2018, we raised our national scale ratings on South Africa's financial institutions, participants in Bayport Securitisation (RF), and removed them from under criteria observation.
- We now consider that the transaction documents' replacement language adequately mitigate the counterparty risk up to a 'zaAA+' rating level in line with our current criteria.
- Following our review, we have raised to 'zaAA+ (sf)' from 'zaAA- (sf)' our long-term ratings on the outstanding class A notes.
- Bayport Securitisation (RF) securitizes a portfolio of South African consumer loan receivables that Bayport Financial Services 2010 (Pty) originated.

MADRID (S&P Global Ratings) July 5, 2018--S&P Global Ratings today raised its long-term national scale credit ratings on Bayport Securitisation (RF) Ltd.'s outstanding class A notes to 'zaAA+ (sf)' from 'zaAA- (sf)' (see list below).

Today's upgrades follow our July 2, 2018 raising of our long-term national scale ratings on South Africa's financial institutions--including participants in this transaction--and the removal of these ratings from under criteria observation (UCO) (see "South African National Scale Bank Ratings Raised After Criteria Review; Removed From Under Criteria Observation," published on July 2, 2018, "S&P Global Ratings' National And Regional Scale Mapping

Specifications," and "Guidance: S&P Global Ratings' National And Regional Scale Mapping Specifications," published on June 25, 2018).

We now consider that the transaction documents' replacement language adequately mitigate the counterparty risk up to a 'zaAA+' rating level in line with our current counterparty criteria (see "Counterparty Risk Framework Methodology And Assumptions," published on June 25, 2013).

Following the application of our criteria, we determined that our assigned ratings on the classes of notes in this transaction should be the lower of (i) the rating that the class of notes can attain under our consumer loan criteria or (ii) the rating as capped by our counterparty criteria.

When we apply our stresses under our consumer loan criteria, the class A notes are able to withstand up to a 'zaAA+ (sf)' rating scenario (see "Ratings Assigned To Bayport Securitisation (RF)'s Class A BAYA68U, BAYA69, BAYA70, And BAYA71 South African ABS Notes," published on July 2, 2018). Following today's review, the notes are not constrained by our counterparty criteria. As such, we have raised to 'zaAA+ (sf)' from 'zaAA- (sf)' our long-term ratings on the outstanding class A notes.

The higher rating does not represent a change in our view of the transaction's intrinsic credit quality. Rating changes since our last review result purely from the change to the recalibration of the mapping table for South Africa.

RELATED CRITERIA

- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- Criteria - Structured Finance - General: Methodology: Criteria For Global Structured Finance Transactions Subject To A Change In Payment Priorities Or Sale Of Collateral Upon A Nonmonetary EOD, March 2, 2015
- Criteria - Structured Finance - General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria - Structured Finance - ABS: Global Methodology And Assumptions For Assessing The Credit Quality Of Securitized Consumer Receivables, Oct. 9, 2014
- Criteria - Structured Finance - General: Global Framework For Cash Flow Analysis Of Structured Finance Securities, Oct. 9, 2014
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - General: Criteria Methodology Applied To

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Fees, Expenses, And Indemnifications, July 12, 2012

- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- Criteria - Structured Finance - General: Standard & Poor's Revises Criteria Methodology For Servicer Risk Assessment, May 28, 2009

RELATED RESEARCH

- South African National Scale Bank Ratings Raised After Criteria Review; Removed From Under Criteria Observation, July 2, 2018
- South Africa Long-Term National Scale Rating Raised to 'zaAAA'; Short-Term Affirmed At 'zaA-1+' On Criteria Change, July 2, 2018
- Guidance: S&P Global Ratings' National And Regional Scale Mapping Specifications, June 25, 2018
- Some South Africa National Scale Ratings Under Criteria Observation On Revised National Scale Credit Rating Methodology, June 25, 2018
- South Africa Foreign And Local Currency Ratings Affirmed At 'BB' And 'BB+'; Outlook Stable, May 25, 2018
- 2017 EMEA ABS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

RATINGS LIST

Bayport Securitisation (RF) Ltd.
ZAR9.342 Billion Asset-Backed Notes

Class	Rating	
	To	From
Ratings Raised		
Class A (BAYA39)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA41)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA42)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA45)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA51)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA52)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA54)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA57)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA58)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA59)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA60)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA61)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA62)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA63)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA64)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA65)	zaAA- (sf)	zaAA+ (sf)

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Class A (BAYA66)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA67)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA68U)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA69)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA70)	zaAA- (sf)	zaAA+ (sf)
Class A (BAYA71)	zaAA- (sf)	zaAA+ (sf)

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