

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

JUNE 2020

*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 June 2020

		Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
<b>Performance ratios *</b>													
Total income as a % of ave gross loans and advances (excl. dividends)	%	18.4%	18.3%	18.7%	18.5%	18.3%	18.2%	18.0%	17.8%	17.7%	17.6%	17.6%	17.6%
Dividend income as a % of ave gross loans and advances	%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%
Total income as a % of ave gross loans and advances (incl. dividends)	%	19.1%	19.1%	19.4%	19.3%	19.0%	18.9%	18.8%	18.6%	18.5%	18.4%	18.3%	18.3%
Direct and indirect expenses to ave gross loans and advances	%	2.7%	2.9%	3.3%	3.8%	4.0%	4.2%	4.4%	4.5%	4.7%	4.7%	4.7%	4.8%
Direct and indirect expenses to total income (excl. dividends)	%	14.5%	16.1%	17.9%	20.3%	21.7%	23.1%	24.4%	25.5%	26.5%	26.5%	26.9%	27.3%
Direct and indirect expenses to total income (incl. dividends)	%	13.9%	15.5%	17.3%	19.6%	20.9%	22.2%	23.4%	24.4%	25.5%	25.4%	25.8%	26.3%
Return on assets (incl. dividends)	%	(1.1%)	(1.0%)	(1.0%)	(1.7%)	(1.5%)	(1.2%)	(0.7%)	(2.8%)	(2.7%)	(1.0%)	(0.6%)	(0.3%)
Gearing ratio	times	2.4	2.4	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.1	2.1
Interest margin	%	10.9%	10.8%	11.1%	11.0%	10.7%	10.7%	10.5%	10.4%	10.3%	10.2%	10.2%	10.2%
<b>Income statement extract</b>													
Interest income	R '000	72 669	73 619	71 952	79 949	73 713	80 536	81 203	78 247	82 451	73 728	77 181	78 208
Non-interest revenue (excl. dividends)	R '000	4 421	4 158	4 199	4 421	4 893	4 819	6 098	5 134	5 374	5 184	4 844	5 472
Dividend income	R '000	-	2 923	3 359	3 492	3 532	3 530	5 370	3 229	2 040	3 431	3 146	2 016
<b>Total income</b>	R '000	<b>77 090</b>	<b>80 700</b>	<b>79 510</b>	<b>87 862</b>	<b>82 138</b>	<b>88 885</b>	<b>92 671</b>	<b>86 610</b>	<b>89 865</b>	<b>82 343</b>	<b>85 171</b>	<b>85 696</b>
Interest expenses	R '000	(25 612)	(26 645)	(24 924)	(28 679)	(27 626)	(29 454)	(31 032)	(29 489)	(30 895)	(28 223)	(29 189)	(28 841)
Direct and indirect expenses	R '000	(6 485)	(300)	(303)	(10 925)	(9 873)	(11 960)	(15 833)	(10 650)	(11 667)	(21 338)	(21 169)	(21 486)
<b>Total expenses</b>	R '000	<b>(32 097)</b>	<b>(26 945)</b>	<b>(25 227)</b>	<b>(39 604)</b>	<b>(37 499)</b>	<b>(41 414)</b>	<b>(46 866)</b>	<b>(40 139)</b>	<b>(42 562)</b>	<b>(49 561)</b>	<b>(50 358)</b>	<b>(50 327)</b>

\* 12 months rolling average

## Monthly Investor Report

### Financial statistics for the period ended June 2020 (continued)

		Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
<b>Asset and credit quality ratios</b>													
Gross loans and advances	R '000	5 161 508	5 189 151	5 232 695	5 336 160	5 363 024	5 418 288	5 383 937	5 480 050	5 606 016	5 305 024	5 269 300	5 394 089
Non-performing loans ("NPLs")	R '000	1 927 278	1 918 975	1 917 052	1 930 121	1 904 090	1 870 228	1 848 573	1 856 053	1 848 645	1 839 857	1 828 343	1 821 716
Carrying value of written off book	R '000	224 435	223 803	217 127	211 807	210 172	208 579	207 660	206 515	205 375	204 530	203 819	202 635
Impairment provision	R '000	2 596 585	2 633 095	2 683 453	2 730 067	2 746 321	2 755 673	2 721 408	2 707 581	2 727 717	2 706 499	2 713 712	2 743 375
Net loans and advances	R '000	2 789 357	2 779 859	2 766 369	2 817 900	2 826 875	2 871 194	2 870 189	2 978 983	3 083 673	2 803 055	2 759 407	2 853 349
Number of loans on book		142 305	144 175	146 121	149 260	151 171	153 041	153 955	158 695	162 637	159 537	160 610	165 210
Non-performing loans ratio	%	37.3%	37.0%	36.6%	36.2%	35.5%	34.5%	34.3%	33.9%	33.0%	34.7%	34.7%	33.8%
Provision coverage	%	50.3%	50.7%	51.3%	51.2%	51.2%	50.9%	50.5%	49.4%	48.7%	51.0%	51.5%	50.9%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	95 474	95 474	95 474	95 474	95 474	95 474	95 474	116 520	116 520	116 520	116 520	116 520
<b>Funding and cash reserves</b>													
Interest bearing liabilities	R '000	2 948 783	3 016 173	3 052 910	3 029 461	2 955 623	3 105 635	3 211 902	3 168 625	3 227 342	3 156 975	3 014 394	2 994 548
Average cost of borrowings	%	11.5%	11.6%	11.7%	11.8%	11.8%	11.8%	11.9%	11.9%	12.0%	12.0%	12.1%	12.1%
Cash and cash equivalents	R '000	731 410	838 994	844 256	736 701	703 871	775 124	900 622	539 319	440 115	655 679	630 816	477 646

## Monthly Investor Report

### Origination

		% change MOM	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
Disbursements	R '000	60.2%	<b>80 891</b>	50 491	25 465	118 719	99 903	124 945	118 080	167 255	174 799	158 341	176 334	185 431
Number of new loans		78.1%	<b>1 590</b>	893	462	3 580	3 080	3 948	3 847	5 177	5 188	4 597	5 022	5 397
Average loan value at acquisition	Rand	(10.0%)	<b>50 875</b>	56 541	55 119	33 162	32 436	31 648	30 694	32 307	33 693	34 444	35 112	34 358
Average term at acquisition	Months	(2.7%)	<b>44.7</b>	46.0	43.9	35.9	39.7	42.9	43.5	44.3	46.0	47.6	47.4	45.5

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

		% change MOM	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
Loan claims purchased	R '000	15.2%	<b>86 912</b>	75 412	7 691	95 562	87 729	165 774	34 131	47 506	436 147	173 576	50 765	343 788
Number of loans purchased		(8.2%)	<b>1 866</b>	2 032	150	2 845	2 617	5 745	1 117	1 513	10 782	5 430	958	10 519
Average loan value purchased	Rand	25.5%	<b>46 576</b>	37 112	51 271	33 589	33 523	28 855	30 556	31 399	40 451	31 966	52 991	32 683
Average term of loans purchased	Months	5.0%	<b>44.1</b>	42.0	44.4	39.5	42.2	41.8	42.5	43.9	45.0	44.1	69.3	40.3

\* 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	10%	14%	7%	8%
Free State	5%	1%	4%	4%
Gauteng	47%	51%	50%	49%
Kwazulu-Natal	11%	18%	12%	12%
Limpopo	4%	1%	5%	5%
Mpumulanga	4%	0%	5%	5%
Northern Cape	2%	1%	2%	2%
North-West	5%	11%	4%	4%
Western Cape	12%	3%	11%	11%
<b>Grand Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Monthly Investor Report

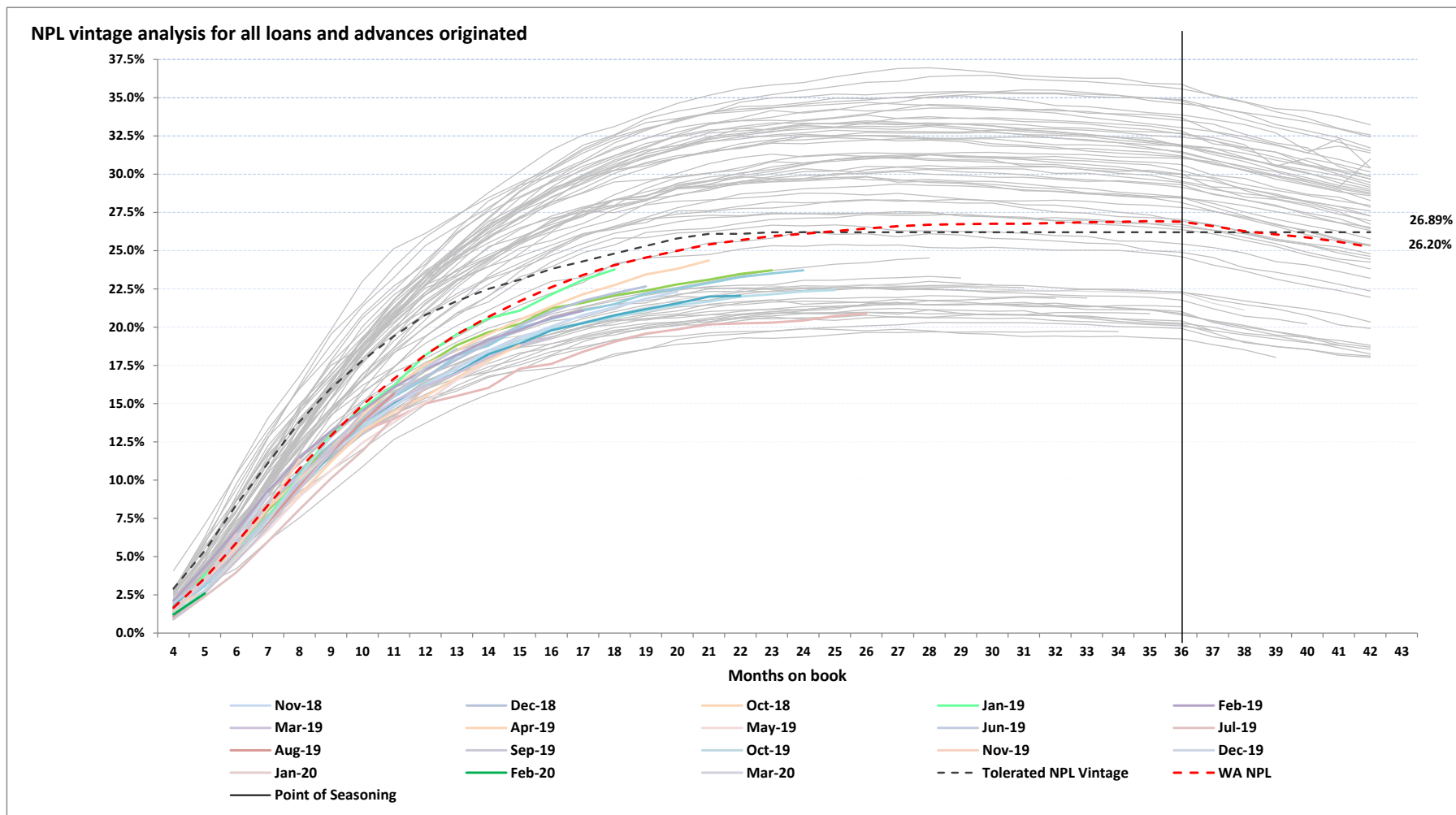
### Asset quality

	% change MOM	Jun 20 R'000	May 20 R'000	Apr 20 R'000	Mar 20 R'000	Feb 20 R'000	Jan 20 R'000	Dec 19 R'000	Nov 19 R'000	Oct 19 R'000	Sep 19 R'000	Aug 19 R'000	Jul 19 R'000
<b>Gross loans and advances</b>	(0.5%)	<b>5 161 508</b>	5 189 151	5 232 695	5 336 160	5 363 024	5 418 288	5 383 937	5 480 050	5 606 016	5 305 024	5 269 300	5 394 089
Performing loans	(1.1%)	<b>3 234 230</b>	3 270 176	3 315 643	3 406 039	3 458 934	3 548 060	3 535 365	3 623 997	3 757 371	3 465 167	3 440 956	3 572 373
Non-performing loans	0.4%	<b>1 927 278</b>	1 918 975	1 917 052	1 930 121	1 904 090	1 870 228	1 848 573	1 856 053	1 848 645	1 839 857	1 828 343	1 821 716
<b>Impairment provision *</b>													
Opening balance	(1.9%)	<b>2 633 095</b>	2 683 453	2 730 067	2 746 321	2 755 673	2 721 408	2 707 581	2 727 717	2 706 499	2 713 712	2 743 375	2 752 050
Bad debt written-offs	(16.4%)	<b>(82 422)</b>	(98 551)	(96 971)	(59 988)	(56 286)	(59 973)	(67 558)	(60 720)	(61 860)	(59 130)	(59 586)	(81 425)
Provision raised	(4.7%)	<b>45 912</b>	48 193	50 357	43 734	46 934	94 239	81 385	40 584	83 078	51 917	29 923	72 750
Closing balance	(1.4%)	<b>2 596 585</b>	2 633 095	2 683 453	2 730 067	2 746 321	2 755 673	2 721 408	2 707 581	2 727 717	2 706 499	2 713 712	2 743 375

\* The IFRS 9 assumptions will be re-evaluated through the cycle to ensure the impacts of the COVID-19 pandemic are incorporated.

# Monthly Investor Report

## Asset quality (continued)



## Monthly Investor Report

### Asset quality (continued)

#### Reported under IFRS 9

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

	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
	%	%	%	%	%	%	%	%	%	%	%	%
<b>For all loans and advances originated</b>												
0	54.9%	53.8%	54.7%	56.4%	57.6%	58.5%	59.6%	59.8%	60.0%	59.7%	59.5%	59.2%
1	4.3%	5.1%	5.5%	4.7%	4.3%	4.3%	3.9%	3.7%	3.5%	3.5%	3.6%	4.0%
2	3.9%	4.5%	3.9%	3.6%	3.4%	3.2%	2.9%	2.9%	2.8%	2.9%	3.1%	3.0%
3	3.3%	3.5%	3.2%	3.0%	2.8%	2.7%	2.6%	2.6%	2.7%	2.7%	2.7%	2.6%
4 +	33.6%	33.1%	32.7%	32.3%	31.9%	31.3%	31.0%	31.0%	31.0%	31.2%	31.1%	31.2%
<b>For Bayport Securitisation (RF) Ltd</b>												
0	51.0%	49.7%	50.3%	51.9%	53.5%	54.9%	55.9%	56.5%	57.7%	55.6%	55.3%	56.0%
1	4.3%	5.0%	5.7%	4.9%	4.5%	4.5%	4.1%	3.8%	3.6%	3.7%	3.8%	4.2%
2	4.0%	4.6%	4.0%	3.8%	3.5%	3.3%	3.0%	3.0%	2.9%	3.1%	3.3%	3.2%
3	3.4%	3.7%	3.4%	3.2%	3.0%	2.8%	2.7%	2.8%	2.8%	2.9%	2.9%	2.8%
4 +	37.3%	37.0%	36.6%	36.2%	35.5%	34.5%	34.3%	33.9%	33.0%	34.7%	34.7%	33.8%
<b>Monthly loans and advances movement</b>												
	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
	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	5 189 151	5 232 695	5 336 160	5 363 024	5 418 288	5 383 937	5 480 050	5 606 016	5 305 024	5 269 300	5 394 089	5 289 304
Disbursements	86 912	75 412	7 691	95 562	87 729	165 774	34 131	47 506	436 147	173 576	50 765	343 788
Interest and other similar income	74 478	72 686	74 616	74 966	76 859	79 187	76 363	80 330	79 730	74 370	74 536	76 705
Non-interest revenue and other movements	17 761	28 431	23 108	(1 123)	(23 302)	(15 281)	733	(33 738)	12 874	(9 566)	(29 223)	(69 060)
Collections	(124 372)	(121 522)	(111 909)	(136 281)	(140 264)	(135 356)	(139 782)	(159 344)	(165 899)	(143 526)	(161 281)	(165 223)
Bad debt write-offs	(82 422)	(98 551)	(96 971)	(59 988)	(56 286)	(59 973)	(67 558)	(60 720)	(61 860)	(59 130)	(59 586)	(81 425)
Closing balance	5 161 508	5 189 151	5 232 695	5 336 160	5 363 024	5 418 288	5 383 937	5 480 050	5 606 016	5 305 024	5 269 300	5 394 089

## Monthly Investor Report

### Liquidity and funding

	% change MOM	Jun 20 R'000	May 20 R'000	Apr 20 R'000	Mar 20 R'000	Feb 20 R'000	Jan 20 R'000	Dec 19 R'000	Nov 19 R'000	Oct 19 R'000	Sep 19 R'000	Aug 19 R'000	Jul 19 R'000
<b>Funding</b>													
Class A Notes (senior)	(3.5%)	<b>2 130 159</b>	2 207 799	2 207 799	2 057 799	2 158 511	2 158 511	2 158 511	2 304 667	2 304 667	2 304 667	2 194 727	2 194 727
Class B Notes (mezzanine)	4.8%	<b>550 000</b>	525 000	525 000	525 000	525 000	525 000	525 000	550 000	525 000	477 000	442 000	442 000
Other subordinated funding	(5.2%)	<b>268 624</b>	283 374	320 110	446 662	272 112	422 124	528 391	313 958	397 675	375 308	377 667	357 822
Total interest bearing liabilities	(2.2%)	<b>2 948 783</b>	3 016 173	3 052 910	3 029 461	2 955 623	3 105 635	3 211 902	3 168 625	3 227 342	3 156 975	3 014 394	2 994 549
Average cost of borrowings	(0.9%)	<b>11.5%</b>	11.6%	11.7%	11.8%	11.8%	11.8%	11.9%	11.9%	12.0%	12.0%	12.1%	12.1%
Cash and cash equivalents	(12.8%)	<b>731 410</b>	838 994	844 256	736 701	703 871	775 124	900 622	539 319	440 115	655 679	630 816	477 646



## Monthly Investor Report

### Liquidity and funding (continued)

Instrument	Coupon rate	Class	Nominal amount at issue	Month end principal balance	Issue date	Maturity date
BAYA57	3-month JIBAR plus 5.500%	A	50 000 000	50 000 000	2017/04/03	2022/04/03
BAYA62	3-month JIBAR plus 4.400%	A	120 000 000	12 624 387	2017/12/01	2020/09/30
BAYA63	3-month JIBAR plus 4.250%	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	5 443 853	2017/12/01	2020/09/30
BAYA66	3-month JIBAR plus 4.400%	A	218 000 000	61 604 433	2018/04/03	2021/03/31
BAYA67	11.170%	A	100 000 000	100 000 000	2018/04/03	2023/03/31
BAYA68	3-month JIBAR plus 3.750%	A	160 000 000	160 000 000	2018/07/02	2021/06/30
BAYA69	3-month JIBAR plus 3.750%	A	125 000 000	125 000 000	2018/07/02	2021/06/30
BAYA70	3-month JIBAR plus 3.750%	A	33 000 000	33 000 000	2018/07/02	2021/06/30
BAYA71	3-month JIBAR plus 3.750%	A	172 000 000	172 000 000	2018/07/02	2021/06/30
BAYA72	12.180%	A	300 000 000	300 000 000	2019/04/01	2026/03/31
BAYA73	3-month JIBAR plus 3.94%	A	412 000 000	256 539 149	2019/04/01	2022/03/31
BAYA74	3-month JIBAR plus 3.80%	A	125 000 000	105 034 725	2019/07/01	2024/07/01
BAYA75	3-month JIBAR plus 3.65%	A	140 000 000	98 151 414	2019/07/01	2022/07/01
BAYA76	3-month JIBAR plus 3.65%	A	30 062 075	21 150 180	2019/07/01	2022/07/01
BAYA77	3-month JIBAR plus 3.75%	A	200 000 000	155 707 762	2019/09/30	2022/09/30
BAYA78	3-month JIBAR plus 3.75%	A	50 000 000	46 388 476	2020/03/31	2023/03/31
BAYA79	3-month JIBAR plus 4.75%	A	150 000 000	138 014 360	2020/04/30	2023/03/31
BAYA80	3-month JIBAR plus 4.75%	A	100 000 000	100 000 000	2020/06/30	2023/06/30
BAYA81	3-month JIBAR plus 5.00%	A	91 500 000	91 500 000	2020/06/30	2023/06/30
<b>Subtotal Class A notes</b>			<b>2 726 562 075</b>	<b>2 130 158 741</b>		
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
BAYB12	3-month JIBAR plus 6.000%	B	1 000 000	1 000 000	2018/07/02	2021/06/30
BAYB13	3-month JIBAR plus 6.250%	B	170 000 000	170 000 000	2018/10/01	2023/09/30
BAYB14	3-month JIBAR plus 6.250%	B	50 000 000	50 000 000	2018/10/01	2023/09/30
BAYB15	3-month JIBAR plus 7.500%	B	30 000 000	30 000 000	2018/10/01	2023/09/30
BAYB16	3-month JIBAR plus 6.500%	B	48 000 000	48 000 000	2019/10/10	2024/09/30
BAYB18	3-month JIBAR plus 6.250%	B	20 000 000	20 000 000	2019/09/30	2022/09/30
BAYB19	3-month JIBAR plus 6.250%	B	115 000 000	115 000 000	2019/09/30	2022/09/30
BAYB20	3-month JIBAR plus 6.750%	B	60 000 000	60 000 000	2020/06/30	2023/06/30
<b>Subtotal Class B notes</b>			<b>550 000 000</b>	<b>550 000 000</b>		
<b>Total</b>			<b>3 276 562 075</b>	<b>2 680 158 741</b>		

## Monthly Investor Report

### Covenant compliance

	Current requirement	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	Sep 19	Aug 19	Jul 19
<b>Financial covenants</b>													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	1.61	1.59	1.54	1.82	1.97	1.82	2.07	2.23	2.25	1.92	2.13	2.20
Senior Debt Interest Cover Ratio	≥ 3.50 times	4.90	4.75	5.37	4.58	4.99	4.83	4.49	4.69	4.54	4.61	4.45	4.51
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	60.50%	61.01%	61.15%	57.89%	61.13%	59.20%	57.24%	65.51%	65.40%	66.63%	64.74%	65.89%
Bad and Doubtful Debt Ratio	≤ 17.5%	12.02%	11.54%	11.43%	11.70%	11.28%	10.90%	10.51%	10.55%	10.02%	9.23%	9.00%	8.49%
Equity invested in the Company by the Originator	> 22.5%	33.89%	34.28%	35.17%	38.69%	32.13%	36.75%	41.14%	32.66%	33.16%	36.84%	38.09%	35.91%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	1.41%	1.45%	1.47%	1.49%	1.49%	1.49%	1.52%	1.51%	1.50%	1.62%	1.66%	1.65%
<b>Cash reserves</b>													
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
Arrears reserve													
Weighted NPLs as a percentage of the portfolio	≤ 26.2%	26.9%	27.1%	27.2%	27.4%	27.5%	27.6%	27.8%	27.9%	28.0%	28.2%	28.4%	28.6%
Reserve required (R'000)		4 787	6 190	7 041	8 197	9 353	10 238	11 242	12 780	14 202	13 709	60 507	67 278
Asset performance reserve													
Collections ratio	≥ 80.75%	98.9%	102.7%	106.3%	111.2%	112.4%	114.2%	116.0%	117.8%	117.6%	117.6%	119.3%	117.9%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		245 213	243 810	242 959	241 803	240 647	239 762	238 758	237 220	235 798	236 291	189 493	182 722
Expected collections (6 month average) (R'000)		76 418	79 129	82 427	85 662	86 088	86 267	87 173	86 579	86 121	85 391	84 666	83 972
Actual receipts (6 month average) (R'000)		75 586	81 263	87 621	95 233	96 801	98 477	101 160	102 001	101 262	100 440	100 969	98 979
Capital redemption reserve (R'000)		-	-	-	-	-	-	-	-	-	-	-	-

## Monthly Investor Report

### Glossary of terms

<b>CD</b>	Contractual delinquency = accumulated arrears / contractual instalment
<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