

BAYPORT SECURITISATION (RF) LTD

INVESTOR REPORT

SEPTEMBER 2020

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BAYPORT
FINANCIAL SERVICES

Monthly Investor Report

Note: This report has been prepared in accordance with IFRS 9.

Financial statistics for the period ended September 2020

	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19	
Performance ratios *													
Total income as a % of ave gross loans and advances (excl. dividends)	%	18.3%	18.4%	18.4%	18.4%	18.3%	18.7%	18.5%	18.3%	18.2%	18.0%	17.8%	17.7%
Dividend income as a % of ave gross loans and advances	%	0.5%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%	0.7%
Total income as a % of ave gross loans and advances (incl. dividends)	%	18.8%	19.0%	19.1%	19.1%	19.1%	19.4%	19.3%	19.0%	18.9%	18.8%	18.6%	18.5%
Direct and indirect expenses to ave gross loans and advances	%	2.6%	2.6%	2.6%	2.7%	2.9%	3.3%	3.8%	4.0%	4.2%	4.4%	4.5%	4.7%
Direct and indirect expenses to total income (excl. dividends)	%	14.2%	14.1%	14.1%	14.5%	16.1%	17.9%	20.3%	21.7%	23.1%	24.4%	25.5%	26.5%
Direct and indirect expenses to total income (incl. dividends)	%	13.8%	13.6%	13.6%	13.9%	15.5%	17.3%	19.6%	20.9%	22.2%	23.4%	24.4%	25.5%
Return on assets (incl. dividends)	%	(0.4%)	(0.6%)	(0.6%)	(1.1%)	(1.0%)	(1.0%)	(1.7%)	(1.5%)	(1.2%)	(0.7%)	(2.8%)	(2.7%)
Gearing ratio	times	2.5	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.2	2.2	2.2
Interest margin	%	11.2%	11.2%	11.0%	10.9%	10.8%	11.1%	11.0%	10.7%	10.7%	10.5%	10.4%	10.3%
Income statement extract													
Interest income	R '000	66 402	75 306	78 106	72 669	73 619	71 952	79 949	73 713	80 536	81 203	78 247	82 451
Non-interest revenue (excl. dividends)	R '000	5 230	4 130	4 245	4 421	4 158	4 199	4 421	4 893	4 819	6 098	5 134	5 374
Dividend income	R '000	-	-	-	-	2 923	3 359	3 492	3 532	3 530	5 370	3 229	2 040
Total income	R '000	71 632	79 437	82 351	77 090	80 700	79 510	87 862	82 138	88 885	92 671	86 610	89 865
Interest expenses	R '000	(22 090)	(22 747)	(23 022)	(25 612)	(26 645)	(24 924)	(28 679)	(27 626)	(29 454)	(31 032)	(29 489)	(30 895)
Direct and indirect expenses	R '000	(21 093)	(20 977)	(17 456)	(6 485)	(300)	(303)	(10 925)	(9 873)	(11 960)	(15 833)	(10 650)	(11 667)
Total expenses	R '000	(43 183)	(43 724)	(40 478)	(32 097)	(26 945)	(25 227)	(39 604)	(37 499)	(41 414)	(46 866)	(40 139)	(42 562)

* 12 months rolling average

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Financial statistics for the period ended Sep 2020 (continued)

		Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
Asset and credit quality ratios													
Gross loans and advances	R '000	5 109 217	5 117 854	5 200 101	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
Non-performing loans ("NPLs")	R '000	1 950 428	1 950 576	1 946 368	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
Carrying value of written off book	R '000	226 216	224 725	224 856	224 435	223 803	217 127	211 807	210 172	208 579	207 660	206 515	205 375
Impairment provision	R '000	2 538 655	2 556 228	2 593 270	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
Net loans and advances	R '000	2 796 778	2 786 351	2 831 687	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
Number of loans on book		137 097	138 660	141 800	142 305	144 175	146 121	149 260	151 171	153 041	153 955	158 695	162 637
Non-performing loans ratio	%	38.2%	38.1%	37.4%	37.3%	37.0%	36.6%	36.2%	35.5%	34.5%	34.3%	33.9%	33.0%
Provision coverage	%	49.7%	49.9%	49.9%	50.3%	50.7%	51.3%	51.2%	51.2%	50.9%	50.5%	49.4%	48.7%
Investment in Zenthyme Investments (Proprietary) Limited	R '000	95 474	95 474	95 474	95 474	95 474	95 474	95 474	95 474	95 474	95 474	116 520	116 520
Funding and cash reserves													
Interest bearing liabilities	R '000	2 928 636	2 948 905	2 972 160	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
Average cost of borrowings	%	10.9%	11.0%	11.2%	11.5%	11.6%	11.7%	11.8%	11.8%	11.8%	11.9%	11.9%	12.0%
Cash and cash equivalents	R '000	691 726	778 749	725 186	731 410	838 994	844 256	736 701	703 871	775 124	900 622	539 319	440 115

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Origination

		% change MOM	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
Disbursements	R '000	13.5%	101 133	89 093	81 318	80 891	50 491	25 465	118 719	99 903	124 945	118 080	167 255	174 799
Number of new loans		11.2%	2 005	1 803	1 727	1 590	893	462	3 580	3 080	3 948	3 847	5 177	5 188
Average loan value at acquisition	Rand	2.1%	50 440	49 414	47 086	50 875	56 541	55 119	33 162	32 436	31 648	30 694	32 307	33 693
Average term at acquisition	Months	1.8%	45.8	45.0	44.8	44.7	46.0	43.9	35.9	39.7	42.9	43.5	44.3	46.0

Loan claims purchased by Bayport Securitisation (RF) Ltd *

		% change MOM	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
Loan claims purchased	R '000	366.3%	109 802	23 548	160 412	86 912	75 412	7 691	95 562	87 729	165 774	34 131	47 506	436 147
Number of loans purchased		253.3%	2 473	700	3 389	1 866	2 032	150	2 845	2 617	5 745	1 117	1 513	10 782
Average loan value purchased	Rand	32.0%	44 400	33 639	47 333	46 576	37 112	51 271	33 589	33 523	28 855	30 556	31 399	40 451
Average term of loans purchased	Months	0.9%	43.5	43.1	44.2	44.1	42.0	44.4	39.5	42.2	41.8	42.5	43.9	45.0

* 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%	9%	7%	7%
Free State	5%	1%	4%	4%
Gauteng	48%	61%	50%	50%
Kwazulu-Natal	11%	12%	12%	12%
Limpopo	4%	1%	5%	5%
Mpumulanga	4%	0%	5%	5%
Northern Cape	2%	1%	2%	2%
North-West	5%	12%	4%	4%
Western Cape	11%	3%	11%	11%
Grand Total	100%	100%	100%	100%

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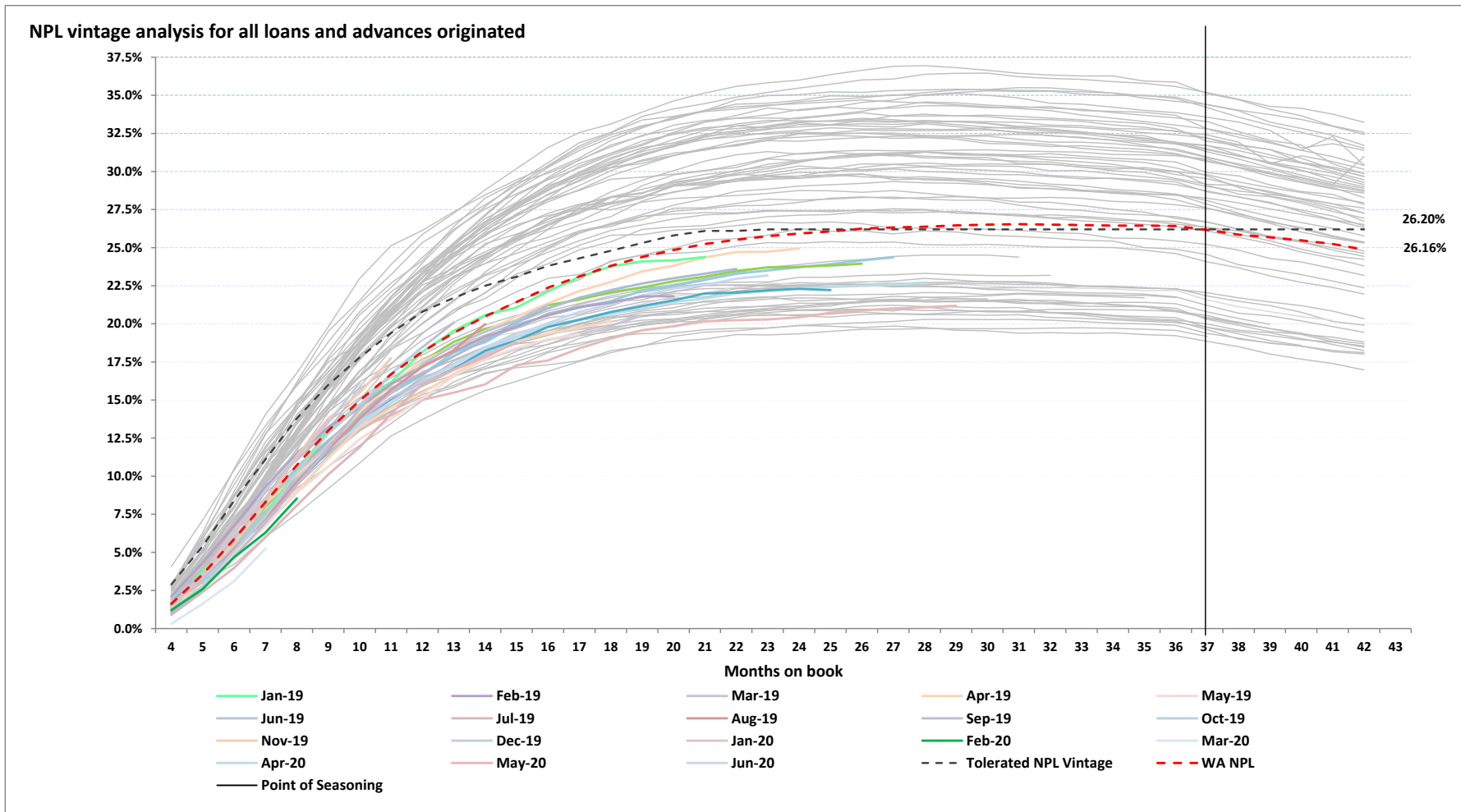
Asset quality

	% change MOM	Sep 20 R'000	Aug 20 R'000	Jul 20 R'000	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
Gross loans and advances	(0.2%)	5 109 217	5 117 854	5 200 101	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
Performing loans	(0.3%)	3 158 789	3 167 278	3 253 733	3 234 230	3 270 176	3 315 643	3 406 039	3 458 934	3 548 060	3 535 365	3 623 997	3 757 371
Non-performing loans	(0.0%)	1 950 428	1 950 576	1 946 368	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
Impairment provision *													
Opening balance	(1.4%)	2 556 228	2 593 270	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
Bad debt written-off	2.5%	(69 990)	(68 286)	(70 967)	(82 422)	(98 551)	(96 971)	(59 988)	(56 286)	(59 973)	(67 558)	(60 720)	(61 860)
Provision raised	67.8%	52 417	31 244	67 652	45 912	48 193	50 357	43 734	46 934	94 239	81 385	40 584	83 078
Closing balance	(0.7%)	2 538 655	2 556 228	2 593 270	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

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

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Asset quality (continued)



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Asset quality (continued)

Reported under IFRS 9

Loans and advances distribution by contractual delinquency (CD)

	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
	%	%	%	%	%	%	%	%	%	%	%	%
For all loans and advances originated												
0	54.4%	55.2%	55.4%	54.9%	53.8%	54.7%	56.4%	57.6%	58.5%	59.6%	59.8%	60.0%
1	4.7%	4.2%	4.1%	4.3%	5.1%	5.5%	4.7%	4.3%	4.3%	3.9%	3.7%	3.5%
2	3.4%	3.5%	3.3%	3.9%	4.5%	3.9%	3.6%	3.4%	3.2%	2.9%	2.9%	2.8%
3	3.1%	2.8%	3.1%	3.3%	3.5%	3.2%	3.0%	2.8%	2.7%	2.6%	2.6%	2.7%
4 +	34.4%	34.3%	34.1%	33.6%	33.1%	32.7%	32.3%	31.9%	31.3%	31.0%	31.0%	31.0%
	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
	%	%	%	%	%	%	%	%	%	%	%	%
For Bayport Securitisation (RF) Ltd												
0	50.1%	51.0%	51.7%	51.0%	49.7%	50.3%	51.9%	53.5%	54.9%	55.9%	56.5%	57.7%
1	4.9%	4.3%	4.3%	4.3%	5.0%	5.7%	4.9%	4.5%	4.5%	4.1%	3.8%	3.6%
2	3.6%	3.6%	3.4%	4.0%	4.6%	4.0%	3.8%	3.5%	3.3%	3.0%	3.0%	2.9%
3	3.2%	3.0%	3.2%	3.4%	3.7%	3.4%	3.2%	3.0%	2.8%	2.7%	2.8%	2.8%
4 +	38.2%	38.1%	37.4%	37.3%	37.0%	36.6%	36.2%	35.5%	34.5%	34.3%	33.9%	33.0%
Monthly loans and advances movement												
	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 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	5 117 854	5 200 101	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
Disbursements	109 802	23 548	160 412	86 912	75 412	7 691	95 562	87 729	165 774	34 131	47 506	436 147
Interest and other similiar income	74 963	75 086	75 353	74 478	72 686	74 616	74 966	76 859	79 187	76 363	80 330	79 730
Non-interest revenue and other movements	20 826	19 655	2 545	17 761	28 431	23 108	(1 123)	(23 302)	(15 281)	733	(33 738)	12 874
Collections	(144 238)	(132 250)	(128 751)	(124 372)	(121 522)	(111 909)	(136 281)	(140 264)	(135 356)	(139 782)	(159 344)	(165 899)
Bad debt write-offs and write-backs	(69 990)	(68 286)	(70 967)	(82 422)	(98 551)	(96 971)	(59 988)	(56 286)	(59 973)	(67 558)	(60 720)	(61 860)
Closing balance	5 109 217	5 117 854	5 200 101	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

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Liquidity and funding

	% change MOM	Sep 20 R'000	Aug 20 R'000	Jul 20 R'000	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
Funding													
Class A Notes (senior)	(0.9%)	2 110 561	2 130 159	2 130 159	2 130 159	2 207 799	2 207 799	2 057 799	2 158 511	2 158 511	2 158 511	2 304 667	2 304 667
Class B Notes (mezzanine)	(5.5%)	520 000	550 000	550 000	550 000	525 000	525 000	525 000	525 000	525 000	525 000	520 000	525 000
Other subordinated funding	10.9%	298 075	268 746	292 001	268 624	283 374	320 110	446 662	272 112	422 124	528 391	402 676	397 675
Total interest bearing liabilities	(0.7%)	2 928 636	2 948 905	2 972 160	2 948 783	3 016 173	3 052 910	3 029 461	2 955 623	3 105 635	3 211 902	3 227 342	3 227 342
Average cost of borrowings	(1.4%)	10.9%	11.0%	11.2%	11.5%	11.6%	11.7%	11.8%	11.8%	11.8%	11.9%	11.9%	12.0%
Cash and cash equivalents	(11.2%)	691 726	778 749	725 186	731 410	838 994	844 256	736 701	703 871	775 124	900 622	539 319	440 115

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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
BAYA64	3-month JIBAR plus 4.500%	A	40 000 000	40 000 000	2017/12/01	2022/09/30
BAYA66	3-month JIBAR plus 4.400%	A	218 000 000	41 659 331	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	104 500 000	2018/07/02	2021/06/30
BAYA72	12.180%	A	364 000 000	364 000 000	2019/04/01	2026/03/31
BAYA73	3-month JIBAR plus 3.94%	A	412 000 000	222 877 649	2019/04/01	2022/03/31
BAYA74	3-month JIBAR plus 3.80%	A	125 000 000	99 724 128	2019/07/01	2024/07/01
BAYA75	3-month JIBAR plus 3.65%	A	140 000 000	87 002 777	2019/07/01	2022/07/01
BAYA76	3-month JIBAR plus 3.65%	A	30 062 075	18 747 814	2019/07/01	2022/07/01
BAYA77	3-month JIBAR plus 3.75%	A	200 000 000	140 184 800	2019/09/30	2022/09/30
BAYA78	3-month JIBAR plus 4.75%	A	50 000 000	42 697 068	2020/03/31	2023/03/31
BAYA79	3-month JIBAR plus 4.75%	A	150 000 000	127 034 604	2020/04/30	2023/03/31
BAYA80	3-month JIBAR plus 4.75%	A	100 000 000	92 632 524	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
BAYA82	3-month JIBAR plus 4.75%	A	70 000 000	70 000 000	2020/09/30	2023/09/30
BAYA83	3-month JIBAR plus 5.00%	A	100 000 000	100 000 000	2020/09/30	2023/09/30
Subtotal Class A notes			2 730 562 075	2 110 560 695		
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	80 000 000	80 000 000	2020/06/30	2023/06/30
Subtotal Class B notes			520 000 000	520 000 000		
Total			3 250 562 075	2 630 560 695		

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Covenant compliance

	Current requirement	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20	Feb 20	Jan 20	Dec 19	Nov 19	Oct 19
Financial covenants													
Senior Debt Cash Flow Cover Ratio	≥ 1.50 times	2.1	1.9	1.9	1.6	1.6	1.5	1.8	2.0	1.8	2.1	2.2	2.2
Senior Debt Interest Cover Ratio	≥ 3.50 times	5.7	5.8	5.8	4.9	4.7	5.4	4.6	5.0	4.8	4.5	4.7	4.5
Senior Debt to Net Qualifying Asset Value	≤ 70.0%	60.5%	59.8%	59.9%	60.5%	61.0%	61.1%	57.9%	61.1%	59.2%	57.2%	65.5%	65.4%
Bad and Doubtful Debt Ratio	≤ 17.5%	11.8%	11.9%	11.8%	12.0%	11.5%	11.4%	11.7%	11.3%	10.9%	10.5%	10.5%	10.0%
Equity invested in the Company by the Originator	> 22.5%	34.5%	33.8%	33.8%	33.9%	34.3%	35.2%	38.7%	32.1%	36.7%	41.1%	32.7%	33.2%
Cellular Contracts as a % of the Portfolio	≤ 10.0%	1.4%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Cash reserves													
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%	26.2%	26.6%	26.7%	26.9%	27.1%	27.2%	27.4%	27.5%	27.6%	27.8%	27.9%	28.0%
Reserve required (R'000)		-	2 479	3 803	4 787	6 190	7 041	8 197	9 353	10 238	11 242	12 780	14 202
Asset performance reserve													
Collections ratio	≥ 80.75%	96.0%	95.8%	98.3%	98.9%	102.7%	106.3%	111.2%	112.4%	114.2%	116.0%	117.8%	117.6%
Reserve required (R'000)		-	-	-	-	-	-	-	-	-	-	-	-
Reserved cash (R'000)		250 000	247 521	246 197	245 213	243 810	242 959	241 803	240 647	239 762	238 758	237 220	235 798
Expected collections (6 month average) (R'000)		72 498	73 326	74 226	76 418	79 129	82 427	85 662	86 088	86 267	87 173	86 579	86 121
Actual receipts (6 month average) (R'000)		69 606	70 272	72 989	75 586	81 263	87 621	95 233	96 801	98 477	101 160	102 001	101 262
Capital redemption reserve (R'000)		-	90 000	72 000	-	-	-	-	-	-	-	-	-

Monthly Investor Report

Glossary of terms

CD	Contractual delinquency = accumulated arrears / contractual instalment
MOB	Months on book
MoM	Months 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