



BAYPORT SECURITISATION (RF) LTD

(Incorporated with limited liability in the Republic of South Africa under Registration Number M2008/003557/06)

ZAR10,000,000,000 ASSET BACKED NOTE PROGRAMME

FIRST SUPPLEMENT TO THE PROGRAMME MEMORANDUM

This first supplement ("**Supplement**") to the amended and restated programme memorandum dated 13 April 2017 ("**Programme Memorandum**") is published for the purposes of setting out the amendments to the Programme Memorandum. This Supplement is supplemental to, and should be read in conjunction with, the Programme Memorandum.

The Issuer accepts full responsibility for the information contained in the Programme Memorandum as amended by this Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in the Programme Memorandum (as amended by this Supplement) is in accordance with the facts and does not omit anything likely to affect the import of such information.

- The JSE takes no responsibility for the contents of the Programme Memorandum (as amended by this Supplement) and/or the annual financial statements and/or the Applicable Pricing Supplements and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum (as amended by this Supplement) and/or the annual financial statements and/or the Applicable Pricing Supplements, and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned document.
- The JSE's approval of the registration of the Programme Memorandum (as amended by this Supplement) and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statements in the Programme Memorandum (as amended by this Supplement) and/or the annual financial statements and/or the Applicable Pricing Supplements false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum (as amended by this Supplement) contains all information required by law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum (as amended by this Supplement) and/or the annual financial statements and/or the Applicable Pricing Supplements and any amendments or supplements to the aforementioned documents except as otherwise stated herein.

Information contained in the Programme Memorandum (as amended by this Supplement) with respect to BFS, the Security Trust and the other parties to the Transaction Documents has been obtained from each of them for information purposes only. The delivery of the Programme Memorandum (as amended by this Supplement) shall not create any implication that there has been no change in the affairs of BFS, the Security Trust or the other parties to the Transaction Documents since the date hereof or that the information contained or referred to herein is correct as at any time subsequent to its date.

None of the Arranger, the Dealer or any of their Affiliates, the Sponsor, other professional advisers or the JSE has separately verified the information contained in the Programme Memorandum (as amended by this Supplement). Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers or the JSE as to the accuracy or completeness of the information contained in the Programme Memorandum (as amended by this Supplement) or any other information provided by the Issuer. The Arranger and the Dealer and their Affiliates, the Sponsor, other professional advisers or the JSE do not accept any liability in relation to the information contained in the Programme Memorandum (as amended by this Supplement) or any other information provided by the Issuer in connection with the Programme.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with the Programme Memorandum (as amended by this Supplement) or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers or the JSE.

Neither the Programme Memorandum (as amended by this Supplement) nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers or the JSE that any recipient of the Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in the Programme Memorandum (as amended by this Supplement) and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither the Programme Memorandum (as amended by this Supplement) nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers or the JSE to any person to subscribe for or to purchase any Notes.

Neither the delivery of the Programme Memorandum (as amended by this Supplement) nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealer and their Affiliates, the Sponsor, other professional advisers and the JSE expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the

most recent financial statements, if any, of the Issuer when deciding whether or not to subscribe for, or purchase, any Notes.

Neither the Programme Memorandum (as amended by this Supplement) nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of the Programme Memorandum (as amended by this Supplement) and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession the Programme Memorandum (as amended by this Supplement) or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger and the Dealer and their respective Affiliates, the Sponsor, other professional advisers and the JSE to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Programme Memorandum (as amended by this Supplement) or any Applicable Pricing Supplement and other offering material relating to the Notes, see the section of the Programme Memorandum headed "*Subscription and Sale*".

The terms of the Programme Memorandum (as amended by this Supplement), if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person wishing to subscribe for the Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that the Programme Memorandum (as amended by this Supplement) is illegal in any jurisdiction, it is not made in such jurisdiction and this document is sent to persons in such jurisdiction for information purposes only.

None of the Issuer, the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers nor the JSE represents that the Programme Memorandum (as amended by this Supplement) may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger and the Dealer or their Affiliates, the Sponsor, other professional advisers or the JSE which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither the Programme Memorandum (as amended by this Supplement) nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. The Dealer has represented that all offers and sales by them will be made in compliance with these restrictions.

The Notes have not been and will not be registered under the United States Securities Act, 1933 (as amended) (the "Securities Act"). Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.

The Programme Memorandum (as amended by this Supplement) has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes under the Programme Memorandum (amended by this Supplement) as completed by an Applicable Pricing Supplement in relation to the offer of those Notes may only do so

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the JSE Debt Listings Requirements and in accordance with the Financial Markets Act and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Save for the Notes which were issued on the date of the previous programme memorandum, the price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

References in the Programme Memorandum (as amended by this Supplement) to “Rands” are to the lawful currency for the time being of South Africa.

Where any term is defined within the context of any particular clause or section in the Programme Memorandum (as amended by this Supplement), the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in the Programme Memorandum (as amended by this Supplement), unless qualified by the terms and conditions of any particular Tranches of Notes (as defined in the Terms and Conditions) as set out in the Applicable Pricing Supplement or unless the context otherwise requires.

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**AMENDMENT TO THE SECTION OF THE PROGRAMME MEMORANDUM ENTITLED
"GLOSSARY OF DEFINITIONS"**

1 The defined term "*Arrears Reserve*" is amended to read as follows :

"Arrears Reserve" *the General Arrears Reserve or the CAS Arrears Reserve, as the context may require;*

2 A new defined term "*CAS Arrears Reserve*" is inserted as follows :

"CAS Arrears Reserve" *a cash reserve to be established and maintained by the Issuer calculated in accordance with the formula set out in Appendix 3B;*

3 A new defined term "*General Arrears Reserve*" is inserted as follows :

"General Arrears Reserve" *a cash reserve to be established and maintained by the Issuer calculated in accordance with the formula set out in Appendix 3A;*

4 In relation to the Financial Covenants, -

4.1 the Senior Debt Interest Cover Ratio (at clause 3.70.2 of the Glossary of Definitions) is amended from **3.50 times** to **3.0 times**;

4.2 the ratio of Senior Debt to Net Qualifying Asset Value (at clause 3.70.3 of the Glossary of Definitions) is amended from **not more than 70%** to **not more than 72.5%**;

4.3 the Bad and Doubtful Debt Ratio (at clause 3.70.4 of the Glossary of Definitions) is amended from **17.5% of the value of the Portfolio during any 12 month rolling period** to **15% of the value of the Portfolio during any 12 month rolling period**,

such that the definition of "*Financial Covenants*" (as amended by this Supplement) reads as follows:

"3.70 Financial Covenants" *the financial covenants to be maintained by the Issuer as follows -*

3.70.1 *a Senior Debt Cashflow Cover Ratio of not less than 1,50 times;*

3.70.2 *a Senior Debt Interest Cover Ratio of not less than 3,0 times;*

- 3.70.3 *a ratio of Senior Debt to Net Qualifying Asset Value of not more than 72.5%;*
- 3.70.4 *a Bad and Doubtful Debt Ratio not exceeding 15% of the value of the Portfolio during any 12 month rolling period;*
- 3.70.5 *Equity invested in the Issuer by the Originator with an aggregate value of not less than:*
 - 3.70.5.1 *18% of the Portfolio, in respect of the period ending 30 June 2011;*
 - 3.70.5.2 *19% of the Portfolio, in respect of the period from 1 July 2011 to 30 September 2012;*
 - 3.70.5.3 *20% of the Portfolio, in respect of the period from 1 October 2012 to 31 January 2016;*
 - 3.70.5.4 *22.5% of the Portfolio, in respect of the period from 31 January 2016;*
- 3.70.6 *the Liquidity Reserve of R250 million in respect of the period from 31 January 2016;".*

5 Condition 18.2.3 is amended to read as follows :

"18.2.3 *if the Terms and Conditions of a particular Class of Notes is to be modified, altered, varied, added to or abrogated, the prior written consent of a Special Majority of that Class of Noteholders or the prior approval of a Special Resolution of that Class of Noteholders, provided that any such Special Resolution is supported by Noteholders holding not less than 66.67% of the Outstanding Principal Amount of that Class of Notes (it being recorded there shall be no requirement for an affirmative vote of any Senior Debt Funders to amend the Terms and Conditions in relation to a particular Class of Notes).*"

6 In relation to Appendix 3 to the Programme Memorandum :

AMENDMENT TO APPENDIX 3 TO THE PROGRAMME MEMORANDUM

Appendix 3 (*ARREARS CASH RESERVE*) to the Programme Memorandum is re-designated as "Appendix 3A (*GENERAL ARREARS CASH RESERVE*)";

**INSERTION OF A NEW APPENDIX 3B TO THE PROGRAMME MEMORANDUM
ENTITLED "CAS ARREARS RESERVE FORMULA"**

An additional Appendix 3B (*CAS Arrears Reserve Formula*) to the Programme Memorandum is inserted as follows :

Appendix 3B

CAS ARREARS RESERVE FORMULA

"CAS Arrears Reserve" means a cash reserve to be established and maintained by the Issuer calculated in accordance with the formula set out as follows:

$$\text{CAS Arrears Reserve required amount} = \text{ResPerc} \times \text{CAS OBAL}_{\text{port}}$$

Where:

ResPerc = such percentage as determined below

CAS OBAL_{port} = the outstanding balance of the CAS Portfolio net of any applicable provisions as at the Measurement Date.

"Point of Seasoning" means, as at the Measurement Date, the sum of the Weight Adjusted Seasoning in respect of all outstanding Qualifying CAS Loan Agreements, rounded to the nearest month;

Where :

"Weight Adjusted Seasoning" means, in respect of each Qualifying CAS Loan Agreement, an amount determined as the corresponding Portfolio Percentage of the Current Seasoning in respect of that Qualifying CAS Loan Agreement;

"Portfolio Percentage" means, in respect of each Qualifying CAS Loan Agreement, the Outstanding Balance of that Qualifying CAS Loan Agreement expressed as a percentage of the aggregate Outstanding Balance of the CAS Portfolio;

"Qualifying CAS Loan Agreement" means a Qualifying Loan Agreement in respect of which the collections are effected via a salary deduction;

"CAS Portfolio" means those Qualifying Loan Agreements within the Portfolio that constitute Qualifying CAS Loan Agreements;

"Current Seasoning" means, in respect of each Qualifying CAS Loan Agreement, the number of months that have elapsed since the origination of that Qualifying CAS Loan Agreement, otherwise known as "months on book".

“Average NPL Vintage” means the weighted average NPL Vintage of the CAS Portfolio, calculated as the sum of the Weight Adjusted NPL Vintages as at the Point of Seasoning.

Where :

“Weight Adjusted NPL Vintage” means, in respect of each Month of Origination, the MoB Percentage multiplied by the corresponding NPL Vintage as at the Point of Seasoning in respect of all outstanding Qualifying CAS Loan Agreements originated during that Month of Origination;

“Month of Origination” means, in respect of each Qualifying CAS Loan Agreement, the calendar month during which that Qualifying CAS Loan Agreement was originated;

“MoB Percentage” means, in respect of each Month of Origination, the outstanding balance as at the Point of Seasoning of the Qualifying CAS Loan Agreements originated during that Month of Origination, expressed as a percentage of the aggregate outstanding balance of all Qualifying CAS Loan Agreements as at that date (in each case, taking into account only those Qualifying CAS Loan Agreement recognised by the Issuer for accounting purposes);

“NPL Vintage” means, in respect of each Month of Origination, the percentage of the Qualifying CAS Loan Agreements originated during that Month of Origination which, as at the Point of Seasoning, constitute Non-Performing CAS Loans;

“Non-Performing CAS Loans” means Qualifying CAS Loan Agreements which are more than 3 (three) Instalments in arrears;

“Instalment” means, in respect of each Qualifying CAS Loan Agreement, a full contractual instalment payable in terms of the corresponding Loan Agreement.

Definition of parameters

i = the Point of Seasoning;

Avr_i = the value of the Average NPL Vintage at the Point of Seasoning;

Tol_i = the value of the Tolerated CAS NPL Vintage at the Point of Seasoning, derived for the Point of Seasoning from the Schedule of Tolerated CAS NPL Vintages set out below;

Tol_{max} = 18.89%, being the maximum Tolerated CAS NPL Vintage

$Fact_1$ = 25%, the first cash trapping factor

$Fact_2$ = 100%, the second cash trapping factor

Formula

If $Avr_i > Tol_i$

$$1 < \frac{Avr_i}{Tol_i} \leq 1.1$$

$$\begin{aligned} ResPerc &= Tol_{max} \times \left(\frac{Avr_i}{Tol_i} - 1 \right) \times Fact_1 \\ &= 18.89\% \times \left(\frac{Avr_i}{Tol_i} - 1 \right) \times 25\% \end{aligned}$$

$$\frac{Avri}{Toli} > 1.1$$

$$ResPerc = Tol_{max} \times 10\% \times Fact_1 + Tol_{max} \times \left(\frac{Avri}{Toli} - 1.1 \right) \times Fact_2$$

$$= 18.89\% \times 10\% \times 25\% + 18.89\% \times \left(\frac{Avri}{Toli} - 1.1 \right) \times 100\%$$

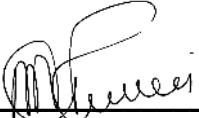
If $Avri \leq Tol_i$

$$ResPerc = 0$$

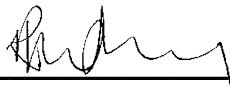
Schedule of Tolerated CAS NPL Vintage

Point of Seasoning	Tol_i
4	2.56%
5	3.36%
6	4.57%
7	5.88%
8	7.36%
9	8.83%
10	10.25%
11	11.34%
12	12.13%
13	13.01%
14	13.75%
15	14.31%
16	14.93%
17	15.50%
18	16.01%
19	16.27%
20	16.65%
21	17.16%
22	17.42%
23	17.68%
24	17.92%
25	18.27%
26	18.54%
27	18.70%
28	18.87%
29	18.89%

BAYPORT SECURITISATION (RF) LTD

By: 

Alfred Mothetsi Ramosedi
Director, duly authorised
Date: 27 September 2023

By: 

Rishendrie Thanthony
Director, duly authorised
Date: 27 September 2023