



GCR accords final, public ratings to the Notes issued by the South African Securitisation Programme

Johannesburg, 16 September 2016 — Global Credit Ratings ('GCR') has accorded *final, public* long term credit ratings and rating outlooks to the following Series 3 Notes ("Series 3") issued by the South African Securitisation Programme (RF) Limited ("SASP" or "SASP Series 3"):

ZAR259m, Class A1, stock code SLRA1, interest at 3M Jibar + 1.73%, due 15 August 2019:
.....'AAA_{(ZA)(sf)}', Outlook Stable.

ZAR276m, Class A2, stock code SLRA2, interest at 3M Jibar + 1.98%, due 15 August 2021:
.....'AAA_{(ZA)(sf)}', Outlook Stable.

ZAR 30m, Class B1, stock code SLRB1, interest at 3M Jibar + 2.13%, due 15 August 2019:
..... 'A_{(ZA)(sf)}', Outlook Stable.

ZAR 45m, Class B2, stock code SLRB2, interest at 3M Jibar + 2.23%, due 15 August 2021:
..... 'A_{(ZA)(sf)}', Outlook Stable.

ZAR 35m, Class C1, stock code SLRC1, interest at 3M Jibar + 2.94%, due 15 August 2019:
..... 'BBB_{(ZA)(sf)}', Outlook Stable.

ZAR 20m, Class C2, stock code SLRC2, interest at 3M Jibar + 3.15%, due 15 August 2021:
..... 'BBB_{(ZA)(sf)}', Outlook Stable.

RATING RATIONALE

SASP Series 3 is a public securitisation of rental and lease financed assets, originated by Sasfin, Fintech Receivables (FR2), Fintech Underwriting (FUN), Sunlyn and other entities approved by Sasfin (FUN and /or Sasfin will be originators until such time as FR2 unwinds). The programme allows the Issuer to issue individual tranches of notes in separate series; the liabilities and assets of each series will be completely segregated and the secured creditors of one series will not have recourse to the assets of any other series. The Class A Notes, Class B Notes and Class C Notes (collectively the "Series 3 Notes") were issued under SASP Series 3 (the "Transaction"). SASP has issued notes under other series, SASP Series 1 and SASP Series 2, whose assets (the "Series 1 Assets" and "Series 2 Assets"), respectively, and liabilities are completely segregated from the assets of SASP Series 3 (the "Series 3 Assets"). The notes issued under SASP Series 1 and SASP Series 2 are also rated by GCR.

The proceeds of the note issuance will be used to fund the SASP Series 3 portfolio of equipment lease receivables and the associated equipment. The Issuer will also draw R53.2m in the form of a Subordinated Loan. A NPL/Legal Reserve will be present on the initial issuance date of SASP 3. The NPL/Legal Reserve will amount to R39.6m and will be funded by a dedicated Subordinated Loan (the



“NPL Subordinated Loan”). Further to the aforementioned reserve, the Transaction will benefit from a First Loss Loan amounting to R6.7m which will be used along with a portion of the Subordinated Loan to fund the Reserve Fund initially, which is expected to equate to 1% of the Outstanding Notes Principal. Sasfin will maintain an Arrears Reserve amounting to the sum of the NPV of the delinquent leases at any point.

GCR reviewed the performance of leases originated by Fintech for the period from June 2002 to August 2016 and determined default and recovery base cases in line with GCR’s Global Consumer ABS Criteria. GCR then determined the appropriate stress levels for each rating band and tested the credit enhancement provided to each tranche of the Series 3 Notes for the respective rating levels. GCR relied on a cash flow model to determine if the cash flow from the securitised portfolio would be sufficient to service the Transaction at all the relevant rating levels. For more information, please read the South African Securitisation Programme (RF) Limited Series 3 New-Issuance Report published on 16 September 2016.

The *final, public* credit ratings accorded to the ‘Class A Notes’ relate to timely payment of interest and ultimate payment of principal, whilst the ratings on all other securities relate to ultimate payment of interest and ultimate payment of principal. The ratings exclude an assessment of the ability of the Issuer to pay either any (early repayment) penalties or any default interest rate penalties.

RATINGS HISTORY

Security Class	Initial / Last rating	Long term rating	Rating outlook
SLRA1	16 Sep ' 16 / New	AAA _{(ZA)(sf)}	Stable
SLRA2	16 Sep ' 16 / New	AAA _{(ZA)(sf)}	Stable
SLRB1	16 Sep' 16 / New	A _{(ZA)(sf)}	Stable
SLRB2	16 Sep' 16 / New	A _{(ZA)(sf)}	Stable
SLRC1	16 Sep ' 16 / New	BBB _{(ZA)(sf)}	Stable
SLRC2	16 Sep ' 16 / New	BBB _{(ZA)(sf)}	Stable

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APPLICABLE METHODOLOGIES AND RELATED RESEARCH

Global Structured Finance Rating Criteria, updated Feb '16;

Global Consumer Asset Backed Securitisation Rating Criteria, updated Apr '16; and

GCR's Sasfin Bank Limited Financial Institution Credit Rating Report - Apr '16.

RATING LIMITATIONS AND DISCLAIMERS

ALL GCR'S CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: <http://GLOBALRATINGS.NET/UNDERSTANDING-RATINGS>. IN ADDITION, GCR'S RATING SCALES AND DEFINITIONS ARE ALSO AVAILABLE FOR DOWNLOAD AT THE FOLLOWING LINK: <http://GLOBALRATINGS.NET/RATINGS-INFO/RATING-SCALES-DEFINITIONS>. GCR'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, PUBLICATION TERMS AND CONDITIONS AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE AT <http://GLOBALRATINGS.NET>.

GLOSSARY OF TERMS/ACRONYMS USED IN THIS DOCUMENT AS PER GCR'S STRUCTURED FINANCE GLOSSARY

Asset	An item with economic value that an entity owns or controls.
Credit	A contractual agreement in which a borrower receives something of value now, and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Creditor	A credit provider that is owed debt obligations by a debtor.

International Scale Rating LC	International local currency (International LC) ratings measure the likelihood of repayment in the currency of the jurisdiction in which the issuer is domiciled. Therefore, the rating does not take into account the possibility that it will not be able to convert local currency into foreign currency or make transfers between sovereign jurisdictions.
Issuer	The party indebted or the person making repayments for its borrowings.
Lease	Agreement or temporary use and enjoyment of a corporeal thing (movable or immovable property) the whole or part thereof for rent. The essential elements of a contract of lease are: 1.) Undertaking of lessor to give the lessee the use and enjoyment of something; 2.) Agreement between the lessor and lessee that the lessee's right to use and enjoyment is temporary; and 3.) Lessee's undertaking to pay a sum or rent.
Long-Term Rating	A long term rating reflects an issuer's ability to meet its financial obligations over the following three to five year period, including interest payments and debt redemptions. This encompasses an evaluation of the organisation's current financial position, as well as how the position may change in the future with regard to meeting longer term financial obligations.
Recourse	A source of help in a difficult situation.
Rent	Payment from a lessee to the lessor for the temporary use of an asset.
Secured Creditor	A creditor that has specific assets pledged as collateral that will receive the proceeds in the event of default.
Securitisation	Is a process of repackaging portfolios of cash-flow producing financial instruments into securities for sale to third parties.
Short-Term Rating	A short term rating is an opinion of an issuer's ability to meet all financial obligations over the upcoming 12 month period, including interest payments and debt redemptions.
Tranche	In a structured finance, a slice or portion of debt securities offered that is structured or grouped to resemble the same degree of risk associated with the underlying asset or with a similar degree of risk. A junior tranche has a higher degree of default risk than a senior tranche.

SALIENT FEATURES OF ACCORDED RATINGS

GCR affirms that a.) no part of the rating was influenced by any other business activities of the credit rating agency; b.) the rating was based solely on the merits of the rated entity, security or financial instrument being rated; c.) such rating was an independent evaluation of the risks and merits of the rated entity, security or financial instrument; and d.) the validity of the rating is for a maximum of 12 months, or earlier as indicated by the applicable credit rating document.

The Issuer and the Arranger participated in the rating process via face-to-face meetings, teleconferences and other written correspondence. Furthermore, the quality of info received was considered adequate and has been independently verified where possible.

The ratings above were solicited by the Issuer of the Transaction; GCR has been compensated for the provision of the ratings.

The credit ratings have been disclosed to the Issuer and the Arranger with no contestation of the ratings.

The information received from the Arranger and other reliable third parties to accord the credit ratings included the portfolio performance data relating to the underlying equipment lease portfolio



covering the period June 2002 - August 2016; an overview of the available lease portfolio that will be acquired by the Issuer at Transaction Closing as per 31 August 2016; an audit report relating to the securitised portfolio; the Issuer's audited annual financial statements for the year ending 30 June 2015. GCR received final Transaction documents prepared by South African transaction legal counsel, Edward Nathan Sonnenbergs.

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