

# **NQABA FINANCE 1 (RF) LIMITED**

## **INVESTOR REPORT 23 NOVEMBER 2018 TO 22 FEBRUARY 2019**

**Debt Capital Markets**

**DCM Africa**

Kumeshen Naidoo

Tel: +27 11 895 6555

E-mail: [kumeshen.naidoo@barclays.com](mailto:kumeshen.naidoo@barclays.com)

**Debt Capital Markets**

**DCM Africa**

Marcus Veller

Tel: +27 11 895 7298

E-mail: [marcus.veller@absacapital.com](mailto:marcus.veller@absacapital.com)

Physical address: 15 Alice Lane, Sandown, Sandton 2196 South Africa

Postal address: Private Bag X10056, Sandton 2146, South Africa

**Investor Report**  
for the period ending 22 February 2019

Index	Page
Disclaimer	1
Counterparties and salient information	2
Assets:	3
Collateral portfolio characteristics	3
Possessions	3
Related portfolio covenants	3
Related early amortisation event triggers	3
Portfolio stratification tables	4
Arrears analysis	7
Arrears reserve trigger	7
Early amortisation arrears trigger	7
Movement in properties classified as Litigations	7
Provisioning	7
Trends	8
Liabilities:	11
Cumulative Note details	11
Note interest calculations	12
Interest swap calculations	12
Liquidity and redraw facilities	12
Early amortisation events (summary)	12
Principal deficiency ledger	13
Reserve funds	13
Cash flow statement	14
Priority of payments	14
Financial:	15
Abridged statements of comprehensive income and financial position	15
Excess spread	15
Glossary	16
Abridged glossary of definitions	16

**Copies of Nqaba Investor Reports are available from the South African Securitisation Forum:**  
<http://www.sasf.co.za/investorreporting.htm>

**Disclaimer: Copyright 2018. Publisher: Absa Corporate and Investment Bank. All rights reserved**

This document has been prepared by ABSA Corporate and Investment Bank (a division of ABSA Bank Limited) ("Absa"), and is provided to you for information purposes only.

Neither Absa nor any of its subsidiaries, affiliates or ultimate holding company, nor any of the subsidiaries or affiliates of such holding company (the "Absa Group"), nor any of the subsidiaries or affiliates of such holding company (the "Absa Group"), nor any of their respective directors, officers, employees, representatives or agents, accepts any liability whatsoever for any direct, indirect or consequential losses (in contract, delict or otherwise) arising from the use of this document or its contents or reliance on the information contained herein.

The information in this document is derived from sources which are regarded as accurate and reliable and Absa does not guarantee the accuracy and/or completeness of said information. No responsibility for any error, omission or loss sustained by any person acting or refraining from acting as a result of this document is accepted by Absa and/or the author/s of the material. Past performance is not an indication of future performance and future returns are not guaranteed. It is recommended that independent detailed advice (i.e. tax, accounting, legal and financial advice) be obtained in each case prior to placing any reliance or acting on the information contained in this document.

This report has been prepared for general communication and information purposes only and may not be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments referred to herein, or to participate in any particular trading strategy in any jurisdiction in relation to such financial instruments. Any additional information regarding any financial instruments and/or financial products reviewed in this report is available upon request. Any unauthorised use or disclosure of this report is prohibited. Absa and/or its subsidiaries and/or affiliates may act as bankers, arrangers and/or advisors to issuers and/or market makers in financial instruments issued by such issuers as listed in this publication.

This document is being made available in the Republic of South Africa to persons who have professional experience in, and whom Absa believe, to be sufficiently knowledgeable to understand matters relating to investments.

Copyright of this document is owned by Absa. No part of this document may be reproduced in any manner without prior written permission of Absa. The contents of this document are proprietary to Absa.

**Manager certification:**

The author/s as listed in this publication certifies/certify that no part of its/their compensation was, is or will be, either directly or indirectly, related to the information expressed in this document.

Absa Bank Limited, Registration Number 1986/004794/06, is an Authorised Financial Services Provider, Licence Number 292, and a Registered Credit Provider, Registration Number NCRCP7.

## NQABA FINANCE 1 (RF) LIMITED

### Counterparties and salient information

Issuer	Nqaba Finance 1 (RF) Ltd (Nqaba)	Financial year end: 31 March		
Issuer Owner Trust	Nqaba Finance 1 Owner Trust (Trustee: Maitland Trustees (Pty) Ltd)			
Security SPV	Nqaba Finance 1 Security SPV (Pty) Ltd			
Security SPV Owner Trust	Nqaba Finance 1 Security SPV Owner Trust (Trustee: Maitland Trustees (Pty) Ltd)			
Programme manager	Absa Corporate and Investment Bank (Absa CIB) (a division of Absa Bank Ltd (Absa)) <sup>1</sup>			
Back-up servicer	Absa Home Loans (a division of Absa)			
Rating agency	Moody's Investors Service Inc	Moody's ratings		
Originator and Seller	Eskom Finance Company SOC Limited (EFC) <sup>2</sup>	Required	Current	Breach
Borrowers' employer	Eskom Holdings SOC Limited (Eskom)	Baa3.za	A2.za	No
Liquidity and redraw facility provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Account bank	Absa	A1.za/P-2.za	Aa1.za	No
Guaranteed Investment Contract (GIC) provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Swap provider (Derivative counterparty)	Absa CIB	A1.za/P-2.za	Aa1.za	No
Class A notes		A2 / (sf) / Aaa.za(sf)	A1(sf) / Aaa.za(sf)	No

<sup>1</sup> Absa CIB is also the Lead Arranger, Dealer, Administrator, Calculation Agent and Debt Sponsor

<sup>2</sup> EFC is also the Servicer and Subordinated Lender

Currency	South African Rand (ZAR or R)
Transaction type	Traditional Securitisation (Revolving)
Transaction close date	31 May 2006
Programme size	R5 000 000 000
Outstanding Notes	R 1 660 000 000
Note profile	Interest only; bullet redemption
Subordinated loan	R 290 000 000
Interest payment dates	22nd day of February, May, August and November
Business day convention	Succeeding business day
Day count	Actual 365
Current interest accrual period	23 November 2018 to 21 February 2019 (92 days inclusive)
Current interest payment date	22 February 2019
Next interest payment date	22 May 2019
Asset class	Residential Mortgage Backed Securities in an evergreen revolving structure
Repayment type	Fully amortising equal monthly interest and principal payments
Current collection period	01 November 2018 to 31 January 2019 (92 days)
Current determination date	31 January 2019

#### Transaction overview

The collateral home loans comprise amortising loans originated by EFC to direct employees of Eskom and a limited number of loans to employees of other Eskom group companies. The loans are advanced to borrowers for the purchase of immovable residential property (including Sectional Title property) situated in South Africa, against the security of mortgage bonds registered over the properties in favour of the Home Loan Lender (initially the Seller, subsequently the Issuer). Most loan payments are subsidised by Eskom and are serviced through salary deductions. In the revolving period, qualifying home loans are purchased each month from EFC to top up the asset pool.

Note that substitutions are not allowed in terms of South African securitisation legislation as the Issuer is not a Bank.

**NB: Please refer to the Transaction Documents, including the Applicable Pricing Supplements, for full details.**

# NQABA FINANCE 1 (RF) LIMITED

## Collateral portfolio characteristics

Collection period:	Current period 01/11/2018 to 31/01/2019		Previous period 01/08/2018 to 31/10/2018		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans
<b>Balance brought forward</b>	1 913 185 421	7 059	1 921 282 475	7 111	-	-
Instalments received	(65 571 418)		(65 147 800)			
Interest charged	46 887 385		46 112 693			
Insurance charged	563 018		560 047			
Valuation fees	126 935		89 914			
Principal repaid	(17 994 080)		(18 385 146)			
Unscheduled repayments (prepayments)	(53 564 188)	(171)	(50 768 917)	(138)		
Total Principal collections	(71 558 268)		(69 154 063)		-	
New loans purchased	57 375 685	73	43 776 312	86	1 370 652 558	8 382
Advances and redraws	16 973 387		17 627 420			
Loan losses written off	(834 313)		(346 723)			
Loan losses recovered	-		-			
Interest adjustments	-		-			
<b>Balance at end of period</b>	<b>1 915 141 912</b>	<b>6 961</b>	<b>1 913 185 421</b>	<b>7 059</b>	<b>1 370 652 558</b>	<b>8 382</b>
Original value of loans advanced	2 307 391 342		2 285 473 170			
Latest current valuations of properties	4 572 299 025		4 578 641 655			
Weighted average number of months since last valuation	87		87			
Indexed values of properties	6 967 484 000		8 195 654 000			
Weighted average seasoning (months)	132		132		65	
Weighted average term to maturity (months)	208		208		261	
Largest asset value	4 192 678		4 192 678		N/A	
Months in the period	3		3		Since transaction close 152	
Loan book balance used as denominator for CPR and DR percentages below	1 913 185 421		1 921 282 475		1 913 185 421	
Prepayments	53 564 188		50 768 917		2 085 090 990	
Annualised constant prepayment rate (CPR)	11.2%		10.6%		8.6%	
Loan losses	834 313		346 723		7 981 174	
Annualised default rate (DR)	0.174%		0.072%		0.033%	

## Possessions

Collection period:	Current period 01/11/2018 to 31/01/2019		Previous period 01/08/2018 to 31/10/2018	
	R	Loans	R	Loans
Possessions at start of period	432 000	2	432 000	2
Changes	(232 000)	(1)	-	-
Possessions at end of period	<b>200 000</b>	<b>1</b>	<b>432 000</b>	<b>2</b>

## Related portfolio covenants

The Issuer may purchase additional home loans in terms of the home loan sale agreement if, immediately following such acquisition on the relevant transfer date, the following portfolio covenants are satisfied:

Collection period:	Current period 01/11/2018 to 31/01/2019		Previous period 01/08/2018 to 31/10/2018		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 92.0	89.5	=< 92.0	89.5	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	66.8	=< 73.0	66.8	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	11.8	=< 18.0	11.6	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 91.0	93.1	=< 91.0	93.4	=< 97.0	100.0
Maximum second property loans (number) (%) <sup>1</sup>	=< 8.5	2.5	=< 8.5	2.5	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	91.0	=> 86.0	91.2	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 275 125	=< R 400 000	R 271 028	=< R300 000	R 163 523

<sup>1</sup> Includes second property loans in EFC loanbook

**Result: No portfolio covenants have been breached; issuer may purchase additional home loans**

## Related early amortisation events

1. If the Required Interest Margin on both tests on interest payment date as determined below, is not achieved:

Collection period:	Current period 01/11/2018 to 31/01/2019		Previous period 01/08/2018 to 31/10/2018		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		9.60%		9.62%		
3 month Jibar daily rate		7.03%		7.00%		
Margin	=> 2.15%	2.58%	=> 2.15%	2.62%		
<b>And</b>						
Current actual rates at interest payment date:						
Weighted average home loan rate		9.78%		9.52%		9.64%
3 month Jibar rate		7.03%		7.02%		7.70%
Margin	=> 2.15%	2.76%	=> 2.15%	2.51%	=> 1.8%	1.94%

2. If the weighted average current Loan to Value ratio exceeds the required weighted average Current Loan to Value ratio by more than 10%:

Collection period:	Current period 01/11/2018 to 31/01/2019		Previous period 01/08/2018 to 31/10/2018	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	66.8	=< 83.0	66.8

**Result: No early amortisation events have occurred**

# NQABA FINANCE 1 (RF) LIMITED

## Portfolio stratification tables at determination date 31/01/2019

Red figures correspond to current portfolio covenant tests

	Current balance R	%	Number of loans R	%	Latest current valuation R	Weighted average current LTV %	Indexed valuation R	Weighted average indexed LTV %	Weighted average interest rate %	Weighted average seasoning Months	Weighted average term to maturity Months
<b>Original Loan to Value</b>											
0% - 30%	33 289 419	1.7%	197	2.8%	173 681 401	39.3%	253 845 000	31.0%	9.8%	190	136
30% - 50%	64 987 614	3.4%	308	4.4%	292 630 000	44.2%	404 094 000	37.0%	9.9%	176	163
50% - 70%	165 402 344	8.6%	606	8.7%	521 986 542	51.1%	743 961 000	41.8%	9.7%	127	188
70% - 80%	182 303 971	9.5%	520	7.5%	444 202 622	60.4%	626 432 000	49.6%	9.7%	114	211
80% - 90%	304 357 177	15.9%	746	10.7%	594 004 929	71.7%	856 407 000	59.6%	9.6%	96	235
90% - 100%	512 342 432	26.8%	2 127	30.6%	1 269 752 106	67.0%	2 018 401 000	50.2%	9.7%	136	204
100%+	652 458 956	34.1%	2 457	35.3%	1 276 041 425	73.8%	2 064 344 000	55.1%	10.0%	144	210
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Weighted average</b>		<b>89.5%</b>									
<b>Current Loan to Value</b>											
0% - 30%	204 627 578	10.7%	3 068	44.1%	1 971 054 014	19.1%	3 244 719 000	13.6%	9.7%	213	110
30% - 50%	273 535 752	14.3%	976	14.0%	687 795 333	40.6%	1 047 018 000	29.7%	9.7%	172	157
50% - 70%	471 964 272	24.6%	1 050	15.1%	776 674 730	61.3%	1 140 543 000	46.1%	9.6%	137	199
70% - 80%	320 632 541	16.7%	598	8.6%	426 604 528	75.3%	585 816 000	58.8%	9.6%	105	237
80% - 90%	373 537 812	19.5%	707	10.2%	439 381 105	85.1%	601 965 000	65.2%	9.8%	95	251
90% - 100%	204 149 861	10.7%	461	6.6%	217 452 315	94.0%	291 815 000	71.6%	9.9%	94	263
100%+	66 694 096	3.5%	101	1.5%	53 337 000	133.4%	55 608 000	130.5%	12.1%	132	231
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Payment to income ratio</b>											
0% - 5%	287 082 669	15.0%	3 067	44.1%	1 689 152 661	47.5%	2 959 828 000	29.6%	9.3%	175	179
5% - 10%	576 751 337	30.1%	1 885	27.1%	1 247 947 761	60.8%	1 864 739 000	44.5%	9.6%	148	196
10% - 15%	515 405 327	26.9%	1 130	16.2%	871 295 552	70.9%	1 189 324 000	55.6%	9.9%	121	215
15% - 20%	320 237 262	16.7%	549	7.9%	475 290 846	76.7%	612 483 000	62.8%	10.0%	104	224
20% - 25%	137 369 426	7.2%	215	3.1%	186 364 621	80.5%	227 471 000	69.5%	10.3%	90	242
25% - 30%	52 452 364	2.7%	73	1.0%	73 108 584	78.8%	83 425 000	72.1%	10.7%	93	233
30%+	25 843 526	1.3%	42	0.6%	29 139 000	114.5%	30 214 000	112.9%	11.6%	142	215
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Weighted average</b>		<b>11.8%</b>									

# NQABA FINANCE 1 (RF) LIMITED

## Portfolio stratification tables at determination date 31/01/2019

Red figures correspond to current portfolio covenant tests

	Current balance R	%	Number of loans R	%	Latest current valuation R	Weighted average current LTV %	Indexed valuation R	Weighted average indexed LTV %	Weighted average interest rate %	Weighted average seasoning Months	Weighted average term to maturity Months
<b>Payment method</b>											
Payroll Deduction	1 758 466 276	91.8%	6 484	93.1%	4 276 097 550	65.0%	6 591 208 000	49.1%	9.6%	129	209
Other	156 675 637	8.2%	477	6.9%	296 201 475	87.7%	376 276 000	82.1%	11.9%	160	192
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Borrower employment status</b>											
Direct Eskom	1 705 973 284	89.1%	6 333	91.0%	4 177 867 522	64.7%	6 438 806 000	48.9%	9.6%	130	208
Other group co.	209 168 629	10.9%	628	9.0%	394 431 502	84.1%	528 678 000	75.8%	11.3%	146	203
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Loan balance (R'000)</b>											
0 - 100	80 770 931	4.2%	2 646	38.0%	1 269 054 665	21.6%	2 238 075 000	11.8%	9.9%	234	87
100 -200	147 315 383	7.7%	1 004	14.4%	551 760 455	40.0%	918 897 000	23.8%	9.9%	200	134
200 - 300	193 528 627	10.1%	772	11.1%	426 631 820	57.4%	672 872 000	38.7%	9.9%	158	184
300 - 400	249 979 399	13.1%	717	10.3%	462 517 314	65.8%	667 825 000	47.7%	9.9%	136	206
400 -500	241 510 403	12.6%	541	7.8%	375 381 363	72.9%	533 911 000	54.3%	9.9%	128	220
500 - 700	425 119 049	22.2%	723	10.4%	648 219 340	73.5%	851 593 000	58.5%	9.9%	117	228
700 - 1000	281 712 569	14.7%	344	4.9%	408 400 204	76.9%	533 388 000	64.1%	9.7%	108	236
1000 - 1500	200 604 053	10.5%	165	2.4%	288 961 201	74.5%	351 609 000	64.0%	9.4%	91	235
1500+	94 601 498	4.9%	49	0.7%	141 372 663	77.5%	199 314 000	68.3%	9.6%	108	215
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Average balance</b>	<b>275 125</b>										
<b>Interest rate</b>											
0% - 8%	2 070 845	0.1%	6	0.1%	2 091 500	105.5%	2 101 000	105.2%	0.0%	188	136
8% - 9.5%	676 541 523	35.3%	1 718	24.7%	1 732 755 966	61.1%	2 704 093 000	46.3%	8.9%	134	198
9.5% -11.5%	1 153 654 480	60.2%	5 066	72.8%	2 730 883 059	67.2%	4 148 529 000	51.1%	10.0%	128	214
11.5% -13.5%	82 875 065	4.3%	171	2.5%	106 568 500	106.7%	112 761 000	104.4%	13.2%	161	200
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>

# NQABA FINANCE 1 (RF) LIMITED

## Portfolio stratification tables at determination date 31/01/2019

Red figures correspond to current portfolio covenant tests

	Current balance		Number of loans		Latest current valuation	Weighted average current LTV	Indexed valuation	Weighted average indexed LTV	Weighted average interest rate	Weighted average seasoning	Weighted average term to maturity
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Seasoning</b>											
0 - 12 months	26 443 625	1.4%	38	0.5%	44 400 000	69.4%	44 400 000	69.4%	9.6%	8	272
12 - 24 months	38 633 082	2.0%	64	0.9%	73 113 000	77.3%	73 101 000	77.3%	9.7%	19	272
24 - 36 months	61 850 881	3.2%	87	1.2%	99 539 000	73.5%	100 799 000	72.7%	9.7%	30	286
36 - 48 months	53 110 122	2.8%	82	1.2%	96 228 500	73.9%	103 419 000	68.8%	9.6%	43	270
48 - 60 months	51 156 374	2.7%	82	1.2%	81 147 650	75.2%	93 390 000	65.8%	9.7%	54	263
60 - 120 months	830 367 110	43.4%	1 843	26.5%	1 352 571 743	76.2%	1 811 593 000	58.0%	9.8%	93	236
120+ months	853 580 718	44.6%	4 765	68.5%	2 825 299 132	55.8%	4 740 782 000	40.6%	9.8%	196	163
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Region</b>											
Eastern Cape	95 844 859	5.0%	335	4.8%	233 095 599	71.9%	335 534 000	56.8%	10.1%	146	200
Free State	90 117 335	4.7%	364	5.2%	203 088 269	67.9%	321 148 000	52.5%	9.8%	129	213
Gauteng	809 248 908	42.3%	2 339	33.6%	1 846 969 778	65.5%	2 811 711 000	51.2%	9.6%	127	209
Kwazulu Natal	109 967 639	5.7%	467	6.7%	288 488 850	66.9%	452 218 000	52.1%	10.0%	144	203
Limpopo Province	70 916 832	3.7%	315	4.5%	168 369 387	64.5%	264 065 000	47.9%	9.9%	136	204
Mpumalanga	406 085 458	21.2%	1 840	26.4%	961 254 627	66.8%	1 470 483 000	51.2%	9.9%	136	204
North West	35 934 026	1.9%	175	2.5%	71 991 293	70.6%	137 649 000	49.9%	10.0%	139	201
Northern Cape	24 810 394	1.3%	150	2.2%	69 462 893	67.4%	107 051 000	50.0%	10.1%	137	202
Western Cape	272 216 461	14.2%	976	14.0%	729 578 328	68.6%	1 067 625 000	53.7%	9.8%	129	215
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>
<b>Property type</b>											
House (Freehold)	1 550 930 904	81.0%	5 873	84.4%	3 802 466 307	65.7%	5 831 440 000	50.7%	9.8%	138	202
Multi-unit (Sectional Title)	283 900 204	14.8%	889	12.8%	512 418 771	75.1%	790 334 000	58.5%	9.7%	105	240
House (Complex)	8 784 140	0.5%	20	0.3%	17 170 000	62.9%	26 034 000	47.6%	9.7%	133	205
Small Holding	3 888 504	0.2%	13	0.2%	11 130 000	50.2%	17 109 000	34.2%	9.9%	129	172
Other	67 638 161	3.5%	166	2.4%	229 113 947	58.9%	302 567 000	49.9%	9.5%	108	215
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>4 572 299 025</b>	<b>66.8%</b>	<b>6 967 484 000</b>	<b>51.8%</b>	<b>9.8%</b>	<b>132</b>	<b>208</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Arrears analysis at determination date**

	31 January 2019				WA interest rate	31 October 2018				WA interest
	Loan balances		Number of loans		%	Loan balances		Number of loans		%
	R	%		%		R	%		%	
<b>Fully performing</b>										
Current	1 816 163 198	94.8%	6 685	96.0%	9.6%	1 816 286 404	94.9%	6 785	96.1%	9.4%
<b>Non-delinquent</b>										
0 - 1 months	8 399 352	0.4%	34	0.5%	11.6%	10 551 296	0.6%	34	0.5%	11.7%
1 - 2 months	8 616 150	0.4%	25	0.4%	12.6%	7 100 595	0.4%	24	0.3%	12.1%
2 - 3 months	7 514 003	0.4%	19	0.3%	12.6%	7 324 605	0.4%	22	0.3%	12.1%
Total	24 529 504	1.3%	78	1.1%	12.2%	24 976 495	1.3%	80	1.1%	11.9%
<b>Deteriorated</b>										
3 - 4 months	192 470	0.0%	1	0.0%	10.0%	-	0.0%	-	0.0%	0.0%
4 - 5 months	1 566 693	0.1%	6	0.1%	13.2%	150 656	0.0%	2	0.0%	12.7%
5 - 6 months	456 896	0.0%	4	0.1%	12.8%	101 753	0.0%	1	0.0%	12.5%
6 - 12 months	819 861	0.0%	10	0.1%	11.8%	1 805 837	0.1%	7	0.1%	12.6%
>12 months	3 542 251	0.2%	21	0.3%	7.9%	3 524 428	0.2%	23	0.3%	7.3%
Total	6 578 170	0.3%	42	0.6%	10.0%	5 582 675	0.3%	33	0.5%	9.3%
<b>Defaulted</b>										
Litigation	31 423 468	1.6%	53	0.8%	12.9%	30 207 483	1.6%	53	0.8%	12.5%
<b>Other categories</b>										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	36 115 686	1.9%	101	1.5%	12.8%	34 259 984	1.8%	102	1.4%	12.6%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	131 886	0.0%	1	0.0%	0.0%	1 440 381	0.1%	4	0.1%	0.0%
Properties in possession	200 000	0.0%	1	0.0%	0.0%	432 000	0.0%	2	0.0%	0.0%
Total	36 447 572	1.9%	103	1.5%	12.7%	36 132 364	1.9%	108	1.5%	11.9%
<b>Total</b>	<b>1 915 141 912</b>	<b>100.0%</b>	<b>6 961</b>	<b>100.0%</b>	<b>9.8%</b>	<b>1 913 185 421</b>	<b>100.0%</b>	<b>7 059</b>	<b>100.0%</b>	<b>9.5%</b>

**Arrears reserve trigger**

An arrears reserve trigger event shall occur on any determination date where the aggregate principal balances of home loans (i) which are in arrears for more than 3 months; and/or (ii) in respect of which the Issuer has instituted legal proceedings for the recovery of amounts owing, exceeds 2.5% of the aggregate principal balances of the home loans and shall cease when such percentage reduces to 1.5%;

Aggregate principal balances on home loans as above	A	2019/01/31 R	2018/10/31 R
Balances which are in arrears for more than 3 months	B	6 578 170	5 582 675
Balances for which the Issuer has instituted legal proceedings	C	31 423 468	30 207 483
Total arrears for calculation purposes	D = B + C	38 001 638	35 790 158
Arrears %	E = D / A	1.98%	1.87%
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		38 302 838	38 263 708
If arrears % (E) previously exceeded the trigger, check whether arrears have decreased to 1.5%		No	No
Arrears trigger event maintained		Yes	Yes
<b>If Yes, calculation of arrears reserve required:</b>			
Original valuation of the related properties		7 305 886	6 213 302
Latest valuation of the related properties		18 936 500	12 996 500
Balances which are in arrears for more than 3 months	B	6 578 170	5 582 675
60% of the lower of the original valuation and latest valuation	F	4 383 532	3 727 981
Test difference between arrears and conservative value of related properties	G = B - F	2 194 638	1 854 694
Arrears reserve required amount (if value greater, no cash reserve required)	H	2 194 638	1 854 694
<b>Changes in arrears reserve</b>			
Opening balance		1 854 694	1 862 079
Changes reflected in Priority of Payments		339 944	571 330
Closing balance	H	2 194 638	1 862 079

**Related early amortisation arrears trigger**

Notes in issue		2019/01/31 R	2018/10/31 R
Trigger per cent		1 660 000 000	1 660 000 000
Trigger value		2.50%	2.50%
Total arrears as defined above	I	41 500 000	41 500 000
Headroom (deficit)	D	38 001 638	35 790 158
Early amortisation arrears trigger event (D > I)		No	No

**Movement in properties classified as Litigations**

Opening balance		2019/01/31 No of loans	2018/10/31 No of loans
Loans exit litigation		53	48
Loans enter litigation		-9	-8
Repayments		9	13
Advance		-	(17 000)
Interest		124 180	164 920
Loan losses		974 121	902 760
Valuation fees		5 463	-
Capitalised insurance		59 808	54 840
Closing balance		53	53

**Provisions**

Nqaba establishes an allowance for impairment of the loan book that represents its estimate of incurred losses. This allowance consists of a specific loss component that relates to individual exposure and a collective loss component in respect of losses that have been incurred but not yet identified. The provisions are not taken into account in the tables above. The amounts shown in the company's Management Reports are:

Impairments applied to loan book excluding possessions		2019/01/31 R	2018/10/31 R
Impairments applied to possessions		9 489 386	9 489 386
Total impairments		200 000	322 000
		9 689 386	9 811 386

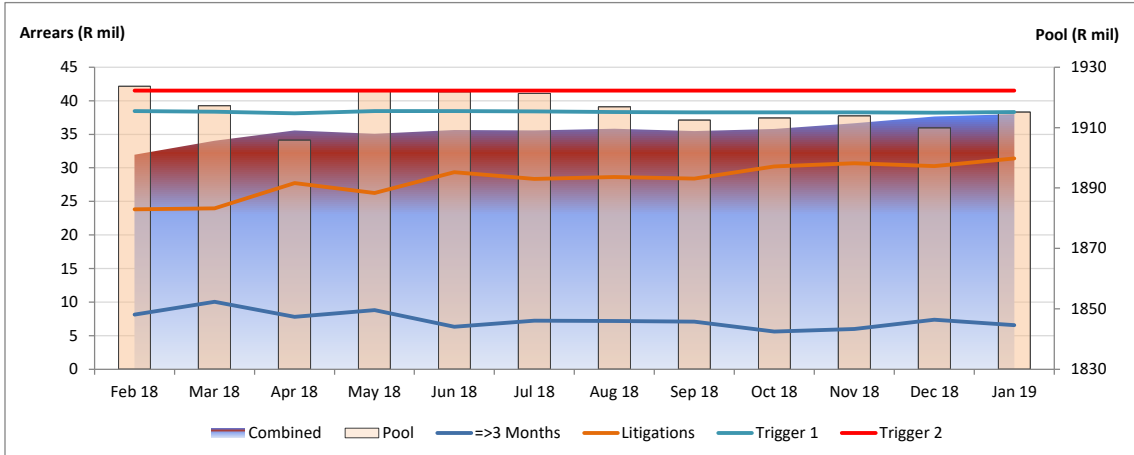
Trends

Arrears analysis (values in R million)

End of:	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
<b>Pool</b>	<b>1924</b>	<b>1917</b>	<b>1906</b>	<b>1922</b>	<b>1922</b>	<b>1921</b>	<b>1917</b>	<b>1913</b>	<b>1913</b>	<b>1914</b>	<b>1910</b>	<b>1915</b>
<b>Trigger 1 (%)</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>
<b>Trigger 1</b>	<b>38.47</b>	<b>38.34</b>	<b>38.12</b>	<b>38.44</b>	<b>38.44</b>	<b>38.43</b>	<b>38.34</b>	<b>38.25</b>	<b>38.26</b>	<b>38.28</b>	<b>38.20</b>	<b>38.30</b>
<b>=&gt;3 Months</b>	<b>8.14</b>	<b>10.04</b>	<b>7.82</b>	<b>8.82</b>	<b>6.30</b>	<b>7.22</b>	<b>7.16</b>	<b>7.07</b>	<b>5.58</b>	<b>5.97</b>	<b>7.38</b>	<b>6.58</b>
<b>Litigations</b>	<b>23.82</b>	<b>23.98</b>	<b>27.75</b>	<b>26.26</b>	<b>29.34</b>	<b>28.34</b>	<b>28.65</b>	<b>28.41</b>	<b>30.21</b>	<b>30.67</b>	<b>30.25</b>	<b>31.42</b>
<b>Combined</b>	<b>31.96</b>	<b>34.02</b>	<b>35.57</b>	<b>35.08</b>	<b>35.64</b>	<b>35.56</b>	<b>35.82</b>	<b>35.48</b>	<b>35.79</b>	<b>36.64</b>	<b>37.64</b>	<b>38.00</b>
<b>Notes</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>
<b>Trigger 2 (%)</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>	<b>2.50%</b>
<b>Trigger 2</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>
<b>Trigger 2 diff</b>	<b>9.54</b>	<b>7.48</b>	<b>5.93</b>	<b>6.42</b>	<b>5.86</b>	<b>5.94</b>	<b>5.68</b>	<b>6.02</b>	<b>5.71</b>	<b>4.86</b>	<b>3.86</b>	<b>3.50</b>

Trigger 1 (2% of principal balances) = If breached by combined arrears, an arrears reserve is required until arrears decrease to 1.5%

Trigger 2 (2.5% of Notes) = If breached by combined arrears, early amortisation is required

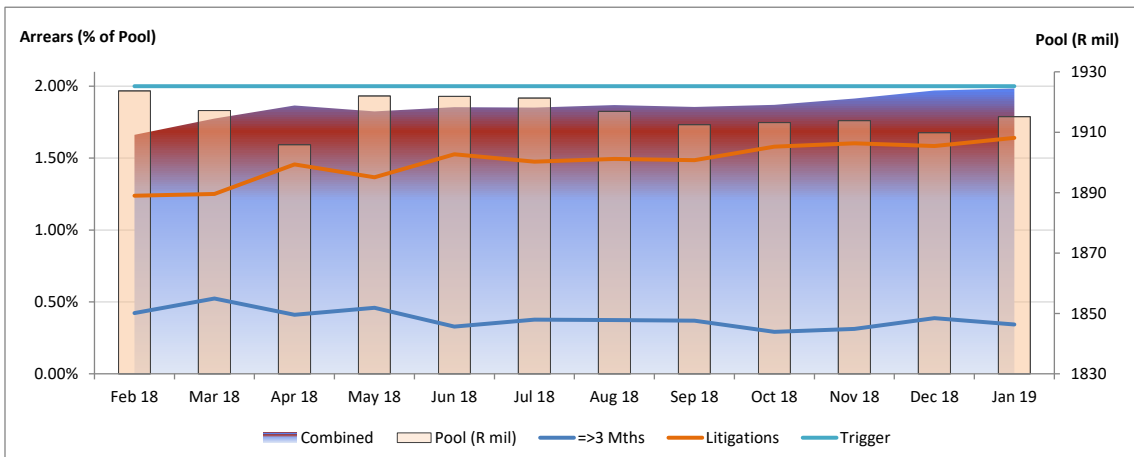


Arrears analysis (percentages)

End of:	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
<b>Pool (R mil)</b>	<b>1924</b>	<b>1917</b>	<b>1906</b>	<b>1922</b>	<b>1922</b>	<b>1921</b>	<b>1917</b>	<b>1913</b>	<b>1913</b>	<b>1914</b>	<b>1910</b>	<b>1915</b>
<b>=&gt;3 Mths</b>	<b>0.42%</b>	<b>0.52%</b>	<b>0.41%</b>	<b>0.46%</b>	<b>0.33%</b>	<b>0.38%</b>	<b>0.37%</b>	<b>0.37%</b>	<b>0.29%</b>	<b>0.31%</b>	<b>0.39%</b>	<b>0.34%</b>
<b>Litigations</b>	<b>1.24%</b>	<b>1.25%</b>	<b>1.46%</b>	<b>1.37%</b>	<b>1.53%</b>	<b>1.47%</b>	<b>1.49%</b>	<b>1.49%</b>	<b>1.58%</b>	<b>1.60%</b>	<b>1.58%</b>	<b>1.64%</b>
<b>Combined</b>	<b>1.66%</b>	<b>1.77%</b>	<b>1.87%</b>	<b>1.83%</b>	<b>1.85%</b>	<b>1.85%</b>	<b>1.87%</b>	<b>1.86%</b>	<b>1.87%</b>	<b>1.91%</b>	<b>1.97%</b>	<b>1.98%</b>
<b>Trigger</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>	<b>2.00%</b>

Trigger (combined arrears) = If breached, an arrears reserve is required until arrears decrease to 1.5%

The noteholders agreed to increase both triggers, effective 1 May 2017, hence the difference in trigger percentage from May 2017 onwards

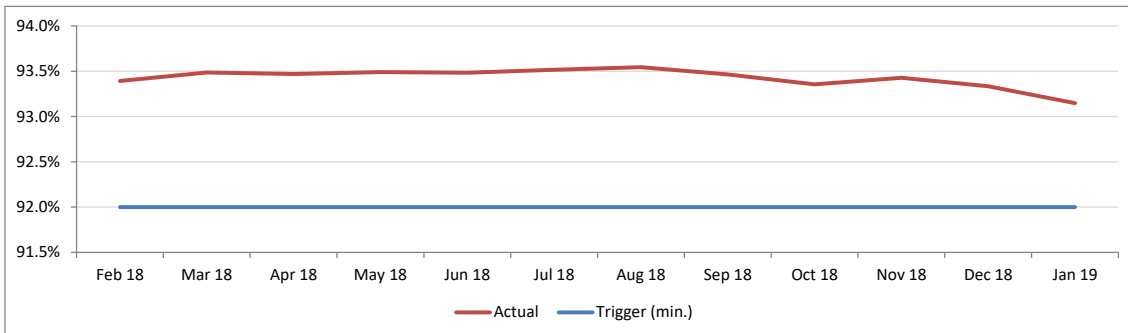


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
Actual	93.4%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.4%	93.4%	93.3%	93.1%
Trigger (min.)	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%	92.0%

Trigger = If breached, purchase of additional home loans prohibited

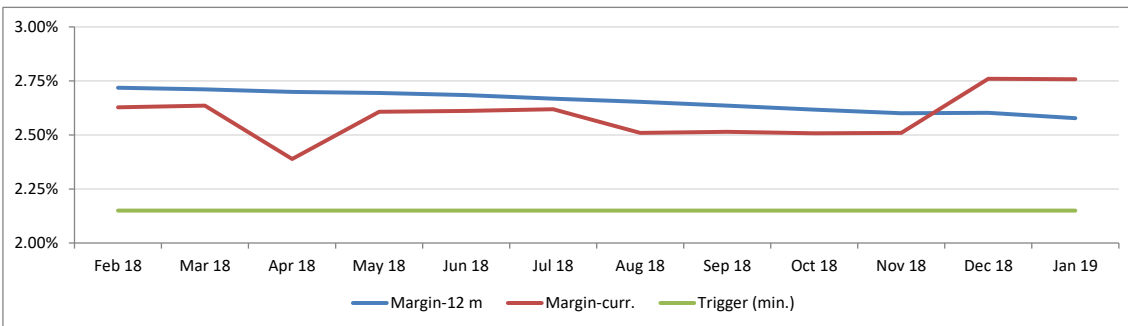


Interest rate margin

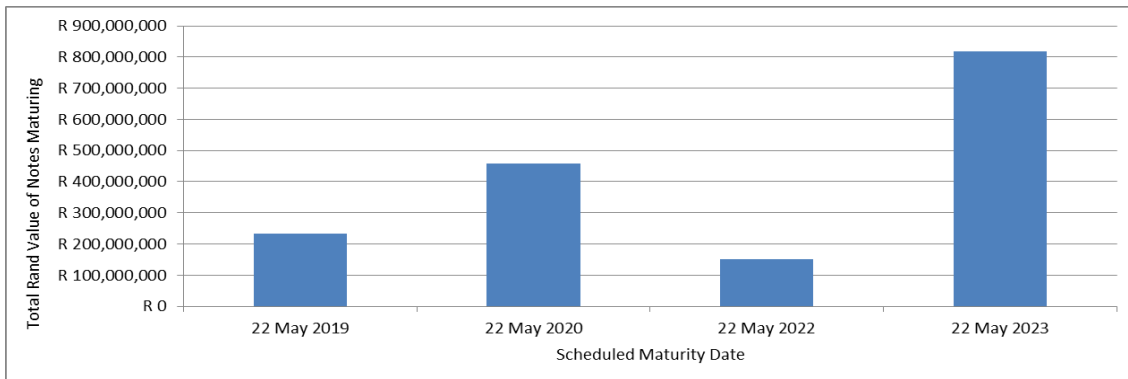
The Required Interest Rate margin between the weighted average home loan rate and the 3 month JIBAR rate is to be tested in two ways on Interest Payment date: the margin of the 12 months rolling averages of each rate and the margin of the actual rates applicable on those dates. For trend purposes, the rates are shown below at each month end with the current JIBAR rate as determined on each reset date for the quarter. The same trigger margin applies to both calculations.

End of:	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19
<b>12 months rolling average:</b>												
HL-12 m	9.87%	9.84%	9.80%	9.76%	9.71%	9.67%	9.65%	9.63%	9.62%	9.60%	9.60%	9.60%
Jibar-12 m	7.15%	7.13%	7.10%	7.06%	7.03%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.03%
Margin-12 m	2.72%	2.71%	2.70%	2.69%	2.68%	2.67%	2.65%	2.64%	2.62%	2.60%	2.60%	2.58%
<b>Current month:</b>												
HL-current	9.75%	9.76%	9.51%	9.51%	9.51%	9.52%	9.53%	9.53%	9.52%	9.53%	9.78%	9.78%
Jibar-curr.	7.13%	7.13%	7.13%	6.90%	6.90%	6.90%	7.02%	7.02%	7.02%	7.02%	7.02%	7.03%
Margin-curr.	2.63%	2.64%	2.39%	2.61%	2.61%	2.62%	2.51%	2.51%	2.51%	2.51%	2.76%	2.76%
Trigger (min.)	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%

Trigger = If breached by both calculations on the same interest payment date, early amortisation required

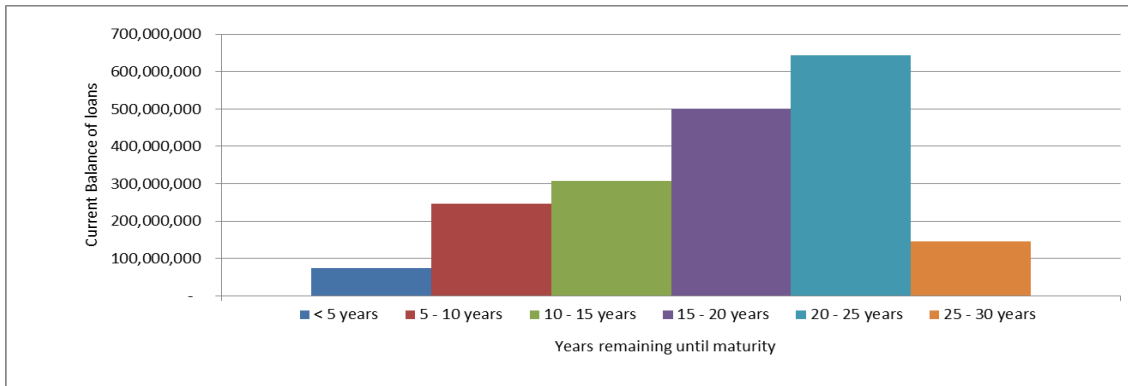


Notes maturity analysis



## Trends

## Asset pool maturity analysis



## NQABA FINANCE 1 (RF) LIMITED

## Cumulative Note details to Interest payment date 22/02/2019

Class number	JSE stock code	ISIN	Issue date	Scheduled maturity and step-up date	Legal final maturity date	Tranche balance at transaction close R	Subsequent tranches issued R	Tranches redeemed on scheduled maturity dates R	Tranche balance at end of period R	Original rating at issue date	Current rating (31/05/2016)	Remaining life on scheduled maturity (years)	Weighted
A1	NQF1A1	ZAG000030701	31/05/2006	22/05/2009	22/05/2041	696 000 000		(696 000 000)	-	AAA(zaf)			
A2	NQF1A2	ZAG000030735	31/05/2006	22/05/2011	22/05/2043	376 000 000		(376 000 000)	-	AAA(zaf)			
A3	NQF1A3	ZAG000030685	31/05/2006	22/05/2011	22/05/2043	320 000 000		(320 000 000)	-	AAA(zaf)			
A4	NQF1A4	ZAG000044520	28/09/2007	22/05/2010	22/05/2042		304 000 000	(304 000 000)	-	AAA(zaf)			
A5	NQF1A5	ZAG000067760	22/05/2009	22/05/2010	22/05/2042		696 000 000	(696 000 000)	-	AAA(zaf)			
A6	NQF1A6	ZAG000077546	24/05/2010	22/05/2011	22/05/2043		100 000 000	(100 000 000)	-	AAA(zaf)			
A7	NQF1A7	ZAG000077553	24/05/2010	22/11/2011	22/11/2043		375 000 000	(375 000 000)	-	AAA(zaf)			
A8	NQF1A8	ZAG000077561	24/05/2010	22/05/2012	22/05/2044		30 000 000	(30 000 000)	-	AAA(zaf)			
A9	NQF1A9	ZAG000077579	24/05/2010	22/05/2013	22/05/2045		127 000 000	(127 000 000)	-	AAA(zaf)			
A10	NQ1A10	ZAG000077686	24/05/2010	22/05/2020	22/05/2052		115 000 000		115 000 000	AAA(zaf)	A1(sf) / Aaa.za(sf)	1.31	0.09
A11	NQ1A11	ZAG000085853	23/05/2011	22/05/2016	22/05/2048		205 000 000	(205 000 000)	-	AAA(zaf)			
A12	NQ1A12	ZAG000085879	23/05/2011	22/05/2014	22/05/2046		318 000 000	(318 000 000)	-	AAA(zaf)			
A13	NQ1A13	ZAG000085887	23/05/2011	22/05/2012	22/05/2044		273 000 000	(273 000 000)	-	AAA(zaf)			
A14	NQ1A14	ZAG000090648	22/11/2011	22/05/2013	22/05/2045		375 000 000	(375 000 000)	-	AAA(zaf)			
A15	NQ1A15	ZAG000095258	22/05/2012	22/05/2012	22/05/2047		303 000 000	(303 000 000)	-	AAA(zaf)			
A16	NQ1A16	ZAG000105933	22/05/2013	22/05/2016	22/05/2048		200 000 000	(200 000 000)	-	AAA(zaf)			
A18	NQ1A18	ZAG000115569	22/05/2014	22/05/2017	22/05/2049		318 000 000	(318 000 000)	-	AAA(zaf)			
A19	NQ1A19	ZAG000126509	22/05/2015	22/05/2018	22/05/2050		303 000 000	(303 000 000)	-	AAA(zaf)			
A21	NQ1A21	ZAG000136664	23/05/2016	22/05/2019	22/05/2051		210 000 000		210 000 000	AAA(zaf)	A1(sf) / Aaa.za(sf)	0.30	0.04
A22	NQ1A22	ZAG000136722	22/05/2015	22/05/2017	22/05/2049		195 000 000	(195 000 000)	-	AAA(zaf)			
A23	NQ1A23	ZAG000143963	22/05/2017	22/05/2016	22/05/2050		5 000 000	(5 000 000)	-	AAA(zaf)			
A24	NQ1A24	ZAG000143991	22/05/2017	22/05/2020	22/05/2052		310 000 000		310 000 000	AAA(zaf)	Aaa.za(sf)	1.31	0.24
A25	NQ1A25	ZAG000144007	22/05/2017	22/05/2022	22/05/2054		150 000 000		150 000 000	AAA(zaf)	Aaa.za(sf)	3.31	0.30
A26	NQ1A26	ZAG000144155	22/05/2017	22/05/2018	22/05/2050		48 000 000	(48 000 000)	-	AAA(zaf)			
A27	NQ1A27	ZAG000151531	22/05/2018	22/05/2023	22/05/2055		658 000 000		658 000 000	AAA(zaf)	Aaa.za(sf)	4.31	1.71
<b>Totals Class A</b>						<b>1 392 000 000</b>	<b>5 618 000 000</b>	<b>(5 567 000 000)</b>	<b>1 443 000 000</b>				
B1	NQF1B1	ZAG000030719	31/05/2006	22/05/2009	22/05/2041	32 000 000		(32 000 000)	-	AA(zaf)			
B2	NQF1B2	ZAG000030743	31/05/2006	22/05/2011	22/05/2043	32 000 000		(32 000 000)	-	AA(zaf)			
B3	NQF1B3	ZAG000044538	28/09/2007	22/05/2010	22/05/2042		14 000 000	(14 000 000)	-	AA(zaf)			
B5	NQF1B5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042		32 000 000	(32 000 000)	-	AA(zaf)			
B6	NQF1B6	ZAG000077587	24/05/2010	22/05/2011	22/05/2043		8 000 000	(8 000 000)	-	AA(zaf)			
B7	NQF1B7	ZAG000077595	24/05/2010	22/11/2011	22/11/2043		10 000 000	(10 000 000)	-	AA(zaf)			
B9	NQF1B9	ZAG000077611	24/05/2010	22/05/2013	22/05/2045		30 000 000	(30 000 000)	-	AA(zaf)			
B10	NQ1B10	ZAG000077702	24/05/2010	22/05/2020	22/05/2052		11 000 000		11 000 000	AA(zaf)	A3(sf) / Aaa.za(sf)	1.31	0.01
B11	NQ1B11	ZAG000085861	23/05/2011	22/05/2014	22/05/2046		32 000 000	(32 000 000)	-	AA(zaf)			
B12	NQ1B12	ZAG000085895	23/05/2011	22/05/2012	22/05/2044		8 000 000	(8 000 000)	-	AA(zaf)			
B13	NQ1B13	ZAG000090655	22/11/2011	22/05/2013	22/05/2045		10 000 000	(10 000 000)	-	AA(zaf)			
B14	NQ1B14	ZAG000095266	22/05/2012	22/05/2015	22/05/2047		8 000 000	(8 000 000)	-	AA(zaf)			
B15	NQ1B15	ZAG000105966	22/05/2013	22/05/2018	22/05/2050		40 000 000	(40 000 000)	-	AA(zaf)			
B16	NQ1B16	ZAG000115577	22/05/2014	22/05/2017	22/05/2049		32 000 000	(32 000 000)	-	AA(zaf)			
B17	NQ1B17	ZAG000126467	22/05/2015	22/05/2020	22/05/2050		8 000 000		8 000 000	AA(zaf)	A3(sf) / Aaa.za(sf)	1.31	0.01
B19	NQ1B19	Private placement	22/05/2017	22/05/2018	22/05/2050		32 000 000	(32 000 000)	-	AAA(zaf)	Aaa.za(sf)		
B20	NQ1B20	ZAG000151549	22/05/2018	22/05/2023	22/05/2055		159 000 000		159 000 000	AAA(zaf)	Aaa.za(sf)	4.31	0.41
<b>Totals Class B</b>						<b>64 000 000</b>	<b>434 000 000</b>	<b>(320 000 000)</b>	<b>178 000 000</b>				
C1	NQF1C1	ZAG000030693	31/05/2006	22/05/2009	22/05/2041	32 000 000		(32 000 000)	-	A(zaf)			
C2	NQF1C2	ZAG000030727	31/05/2006	22/05/2011	22/05/2043	32 000 000		(32 000 000)	-	A(zaf)			
C3	NQF1C3	ZAG000044546	28/09/2007	22/05/2010	22/05/2042		14 000 000	(14 000 000)	-	A(zaf)			
C5	NQF1C5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042		32 000 000	(32 000 000)	-	A(zaf)			
C6	NQF1C6	ZAG000077629	24/05/2010	22/05/2011	22/05/2043		5 000 000	(5 000 000)	-	A(zaf)			
C7	NQF1C7	ZAG000077637	24/05/2010	22/11/2011	22/11/2043		13 000 000	(13 000 000)	-	A(zaf)			
C9	NQF1C9	ZAG000077652	24/05/2010	22/05/2013	22/05/2045		12 000 000	(12 000 000)	-	A(zaf)			
C10	NQ1C10	ZAG000077694	24/05/2010	22/05/2020	22/05/2052		5 000 000		5 000 000	A(zaf)	Baa1(sf) / Aaa.za(sf)	1.31	0.00
C11	NQ1C11	ZAG000085903	23/05/2011	22/05/2014	22/05/2046		32 000 000	(32 000 000)	-	A(zaf)			
C12	NQ1C12	ZAG000085911	23/05/2011	22/05/2012	22/05/2044		5 000 000	(5 000 000)	-	A(zaf)			
C13	NQ1C13	ZAG000090630	22/11/2011	22/05/2013	22/05/2045		13 000 000	(13 000 000)	-	A(zaf)			
C14	NQ1C14	ZAG000095241	22/05/2012	22/05/2015	22/05/2047		5 000 000	(5 000 000)	-	A+(zaf)			
C15	NQ1C15	ZAG000105958	22/05/2013	22/05/2018	22/05/2050		25 000 000	(25 000 000)	-	A+(zaf)	Baa1(sf) / Aaa.za(sf)		
C16	NQ1C16	ZAG000115585	22/05/2014	22/05/2017	22/05/2049		32 000 000	(32 000 000)	-	A+(zaf)			
C17	NQ1C17	ZAG000126459	22/05/2015	22/05/2020	22/05/2050		5 000 000		5 000 000	A+(zaf)	Baa1(sf) / Aaa.za(sf)	1.31	0.00
C19	NQ1C19	Private placement	22/05/2017	22/05/2018	22/05/2050		32 000 000	(32 000 000)	-	AAA(zaf)	Aaa.za(sf)		
<b>Totals Class C</b>						<b>64 000 000</b>	<b>230 000 000</b>	<b>(284 000 000)</b>	<b>10 000 000</b>				
D1	NQF1D1	ZAG000030750	31/05/2006	22/05/2009	22/05/2041	24 000 000		(24 000 000)	-	BBB(zaf)			
D2	NQF1D2	ZAG000030677	31/05/2006	22/05/2011	22/05/2043	24 000 000		(24 000 000)	-	BBB(zaf)			
D3	NQF1D3	ZAG000044553	28/09/2007	22/05/2010	22/05/2042		11 000 000	(11 000 000)	-	BBB(zaf)			
D4	NQF1D4	ZAG000077660	24/05/2010	22/05/2013	22/05/2045		30 000 000	(30 000 000)	-	BBB(zaf)			
D5	NQF1D5	ZAG000077678	24/05/2010	22/05/2020	22/05/2052		5 000 000		5 000 000	BBB(zaf)	Baa2(sf) / Aa1.za(sf)	1.31	0.00
D6	NQF1D6	ZAG000085929	23/05/2011	22/05/2016	22/05/2048		24 000 000	(24 000 000)	-	BBB(zaf)			
D7	NQF1D7	ZAG000105974	22/05/2013	22/05/2018	22/05/2050		30 000 000	(30 000 000)	-	A-(zaf)	Baa2(sf) / Aa1.za(sf)		
D8	NQF1D8	ZAG000136656	23/05/2016	22/05/2019	22/05/2051		24 000 000		24 000 000	A-(zaf)	Baa2(sf) / Aa1.za(sf)	0.30	0.00
<b>Totals Class D</b>						<b>48 000 000</b>	<b>124 000 000</b>	<b>(143 000 000)</b>	<b>29 000 000</b>				
<b>Totals all Notes</b>						<b>1 568 000 000</b>	<b>6 406 000 000</b>	<b>(6 314 000 000)</b>	<b>1 660 000 000</b>				<b>2.82</b>

Pool factor: As all notes are bullet profile, the pool factor on each is 1 until redemption.

# NQABA FINANCE 1 (RF) LIMITED

## Note interest calculations for current interest payment date 22/02/2019

Class number	JSE stock code	Balance start of period R	Interest reset date	Interest payment date	Step up call date	Number of days	3 month Jibar	Margin or fixed rate	Step up margin or fixed rate	Total note coupon	Interest accrued and paid R	Principal raised (distributed) R	Balance end of period R
A10	NQ1A10	115 000 000	2018/11/22	2019/02/22	2020/05/22	92	Fixed	10.435%	+25 bps	10.435%	3 024 721	-	115 000 000
A21	NQ1A21	210 000 000	2018/11/22	2019/02/22	2019/05/22	92	7.025%	1.570%	2.198%	8.595%	4 549 463	-	210 000 000
A24	NQ1A24	310 000 000	2018/11/22	2019/02/22	2020/05/22	92	7.025%	1.600%	2.240%	8.625%	6 739 315	-	310 000 000
A25	NQ1A25	150 000 000	2018/11/22	2019/02/22	2022/05/22	92	7.025%	1.840%	2.576%	8.865%	3 351 699	-	150 000 000
A27	NQ1A27	658 000 000	2018/11/22	2019/02/22	2020/05/22	92	7.025%	1.850%	2.590%	8.875%	14 719 370	-	658 000 000
<b>Totals Class A</b>		<b>1 443 000 000</b>							Weighted average:	<b>4.857%</b>	<b>32 384 567</b>	-	<b>1 443 000 000</b>
B10	NQ1B10	11 000 000	2018/11/22	2019/02/22	2020/05/22	92	Fixed	10.635%	+55 bps	10.635%	294 866	-	11 000 000
B17	NQ1B17	8 000 000	2018/11/22	2019/02/22	2020/05/22	92	7.025%	1.820%	2.548%	8.845%	178 355	-	8 000 000
B20	NQ1B20	159 000 000	2018/11/22	2019/02/22	2020/05/22	92	6.900%	2.250%	3.150%	9.150%	3 667 019	-	159 000 000
<b>Totals Class B</b>		<b>178 000 000</b>							Weighted average:	<b>9.228%</b>	<b>4 190 335</b>	-	<b>178 000 000</b>
C10	NQ1C10	5 000 000	2018/11/22	2019/02/22	2020/05/22	92	Fixed	10.835%	+100	10.835%	136 551	-	5 000 000
C17	NQ1C17	5 000 000	2018/11/22	2019/02/22	2020/05/22	92	7.025%	2.250%	3.150%	9.275%	116 890	-	5 000 000
<b>Totals Class C</b>		<b>10 000 000</b>							Weighted average:	<b>10.055%</b>	<b>253 441</b>	-	<b>10 000 000</b>
D5	NQF1D5	5 000 000	2018/11/22	2019/02/22	2020/05/22	92	7.025%	3.250%	+325	10.275%	129 493	-	5 000 000
D8	NQF1D8	24 000 000	2018/11/22	2019/02/22	2019/05/22	92	7.025%	2.850%	3.990%	9.875%	597 370	-	24 000 000
<b>Totals Class D</b>		<b>29 000 000</b>							Weighted average:	<b>9.944%</b>	<b>726 863</b>	-	<b>29 000 000</b>
<b>Totals all Notes</b>		<b>1 660 000 000</b>							Weighted average:	<b>8.964%</b>	<b>37 555 206.00</b>	-	<b>1 660 000 000</b>
<b>Subordinated loan</b>		<b>290 000 000</b>	2018/11/22	2019/02/22		92	7.025%	5.000%		12.025%	8 789 781		290 000 000
<b>Total funding</b>		<b>1 950 000 000</b>							Weighted average interest rate all funding:	<b>9.419%</b>	<b>46 344 987</b>	-	<b>1 950 000 000</b>

Credit enhancement limit 17.5% of notes outstanding  
Current value of credit enhancement 17.5% of notes outstanding  
Credit enhancement committed and not drawn 0%

Credit enhancement in the form of a subordinated loan of R290 000 00 from EFC is available to all classes of notes.

Note: As all interest accrued has been paid in full since inception, there are no interest shortfalls.

## Interest swaps on fixed interest Notes for current interest payment date 22/02/2019

Trade number	JSE stock code	Nominal value R	Interest reset date	Interest payment date	Number of days	Fixed rate	Floating: 3 month Jibar	Total after margin added	Receive fixed R	Pay floating R	Net receipt / (payment) R
9527572	NQ1A10	115 000 000	2018/11/22	2019/02/22	92	10.435%	7.025%	9.125%	3 024 721	(2 645 000)	379 721
9527542	NQ1B10	11 000 000	2018/11/22	2019/02/22	92	10.635%	7.025%	9.325%	294 866	(258 545)	36 321
9527501	NQ1C10	5 000 000	2018/11/22	2019/02/22	92	10.835%	7.025%	9.525%	136 551	(120 041)	16 510
		<b>131 000 000</b>					Weighted averages: <b>10.467%</b>	<b>9.157%</b>	<b>3 456 138</b>	<b>(3 023 586)</b>	<b>432 551</b>

Note: The above swap contracts terminate on 22 May 2020, the expected maturity date of the related Notes.

## Liquidity and redraw facilities at Interest payment date

Liquidity facility	2019/02/22 R	2018/11/22 R	Redraw facility	2019/02/22 R	2018/11/22 R
Facility limit (2% of Notes issued)	33 200 000	33 200 000	Facility limit	150 000 000	150 000 000
Available facility:			Available facility:		
Outstandings at start of period	-	-	Outstandings at start of period	-	-
Further amounts drawn	-	-	Further amounts drawn (repaid)	-	-
Less: Outstandings at end of period	-	-	Less: Outstandings at end of period	-	-
Available facility at end of period	33 200 000	33 200 000	Available facility at end of period	150 000 000	150 000 000
The facility is due for renewal on 21/02/2018. It has never been used.			The facility is due for renewal on 21/02/2018. It has never been used.		
The fee charge is 0.55% of the facility limit.			The fee charge is 0.55% of the facility limit.		

## Early amortisation events (summary)

	2019/02/22	2018/11/22
The occurrence of any of the following events, as determined by the manager, will give rise to early amortisation of the transaction. Please see the referenced pages for further details:		
Any new tax which has a material adverse effect on the Issuer	Reference	Breach
Any Servicer event of default	No	No
The Arrears Reserve (if required) is not fully funded for six consecutive payment dates	No	No
The weighted average current LTV exceeds the required weighted average current LTV by more than 10%	Pages 7, 13	No
The aggregate principal balances of home loans which are in arrears for more than 3 months exceeds 2.5% of the outstanding principal amount of the Notes	Page 3	No
The Issuer does not achieve the required interest margin	Page 7	No
A Principal deficiency exists on any payment date	Page 3	No
The rating assigned to Eskom Holdings SOC Limited is downgraded below A2.za	Page 13	No
Upon occurrence of a downgrade in the national scale ratings assigned to the Class A notes equal or below A3.za.	Page 2	No

# NQABA FINANCE 1 (RF) LIMITED

## Principal deficiency ledger at Interest payment date

	2019/02/22 R	2018/11/22 R
<b>Early amortisation event - a principal deficiency exists on any payment date</b>		
A Principal Deficiency is defined as: the amount of the Liabilities expected to exist, less the Assets expected to exist on the immediately succeeding payment date after having made all payments in accordance with the priority of payments on that payment date, if the result is less than zero.		
<b>Liabilities</b>		
Aggregate outstanding principal of the notes	1 660 000 000	1 660 000 000
Less: Amount allocated for the redemption of notes	-	-
- Class A	-	-
- Class B	-	-
- Class C	-	-
- Class D	-	-
Plus: Funds raised through refinancing	-	-
Plus: Principal amount outstanding under the redraw facility at the end of the preceding collection period	-	-
Less: Amount allocated in current priority of payments to repay the redraw facility	-	-
<b>Total liabilities (L)</b>	<b>1 660 000 000</b>	<b>1 660 000 000</b>
<b>Assets</b>		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1 915 141 911	1 913 185 420
Plus: Home loans transferred on the next day from funds previously allocated	19 205 023	21 598 332
Total principal balances at start of current period	1 934 346 934	1 934 783 752
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	15 653 066	15 216 248
* For practical reasons, transfers occur at the start of the next Collection Period	-	-
<b>Total assets (A)</b>	<b>1 950 000 000</b>	<b>1 950 000 000</b>
Principal deficiency (L - A) (never less than zero) (PD)	-	-
<b>Conclusion: No principal deficiency exists</b>		

## Interest Deferral events

If a principal deficiency exists, the amount of the deficiency must be tested successively against the outstanding principal amounts of the subordinated loan and the subordinated classes of Notes to establish whether interest on these Notes must be deferred.

Principal Deficiency calculated above (PD)	-	-
<b>Class D interest deferral test to protect class C and above Noteholders</b>		
Class D Notes	29 000 000	29 000 000
Class E Notes	-	-
Subordinated loan	290 000 000	290 000 000
Total (D)	319 000 000	319 000 000
Net Principal Deficiency (PD - D) (never less than zero)	-	-
<b>Class C interest deferral test to protect class B and above Noteholders</b>		
Class C Notes (C)	10 000 000	10 000 000
Net Principal Deficiency (PD - D - C) (never less than zero)	-	-
<b>Class B interest deferral test to protect class A Noteholders</b>		
Class B Notes (B)	178 000 000	178 000 000
Net Principal Deficiency (PD - D - C - B) (never less than zero)	-	-
NB: If there is an Interest Deferral Event, redemptions of matured Class B to D Notes will be affected.		
<b>Conclusion: No interest deferral is necessary as no principal deficiency exists</b>		

## Reserve funds at Interest payment date

	R	R
Reserve fund balance at transaction close	-	-
Arrears reserve at start of period	2 942 559	1 854 694
Current period change	339 944	2 942 559
Arrears reserve at end of period	<b>3 282 503</b>	<b>2 942 559</b>

NB: The arrears reserve has been funded since the required date. The Issuer has no other reserve funds.

# NQABA FINANCE 1 (RF) LIMITED

## Cash flow statement to determination date

NB: These figures are derived from the unaudited management accounts and are subject to change

	Three months ended:	
	2019/01/31	2018/10/31
	R	R
Loss before tax per income statement	(4 522 440)	(3 172 753)
Add back:		
Fair value adjustments	(315 477)	2 088 658
Funds from operations	(4 837 917)	(1 084 095)
Taxation paid	(77 045)	(39 168)
Increase in Notes including accrued interest	27 908	408 154
(Increase) decrease in portfolio assets including accrued interest	(2 078 491)	8 541 708
Decrease (increase) in arrears reserve funded	1 360 460	(383 738)
(Increase) decrease in amounts due by EFC and accounts receivable	(303 674)	3 882 100
Increase (decrease) in amounts due to EFC and accounts payable	414 556	(2 130 958)
(Decrease) increase in funds	(5 494 203)	9 194 002
Funds available at beginning of the period	104 686 568	95 492 566
Funds available at end of the period to Priority of Payments	99 192 365	104 686 568

## Pre-enforcement Priority of Payments during the Revolving period at Interest payment date

	2019/02/22	2018/11/22
	R	R
Cash at bank as above	99 192 365	104 686 568
Refinancing of Notes	-	-
Add: Commingling amounts subsequently received from EFC	22 653 929	22 350 255
Less: commingling amounts payable to EFC	(6 791 583)	(6 774 292)
<b>Available cash</b>	<b>115 054 711</b>	<b>120 262 531</b>
<b>Payments</b>		
1 South African Revenue Services	-	-
2 Security SPV trust, owner trust and third party payments	(414 891)	(5 201 274)
3 Derivative counterparty settlement received (paid)	432 551	435 193
4 Liquidity facility provider - fees	(43 306)	(43 306)
5 Redraw facility provider - fees	(195 658)	(195 658)
6 Class A to D Note holders:		
Interest on Class A notes	(32 384 567)	(32 357 789)
Surplus / (Deficit)	<b>82 448 841</b>	<b>82 899 698</b>
Interest on Class B notes	<b>(4 190 335)</b>	<b>(4 186 968)</b>
Interest payable	(4 190 335)	(4 186 968)
Less: Class B interest deferred	-	-
Interest on Class C notes	<b>(253 441)</b>	<b>(253 340)</b>
Interest payable	(253 441)	(253 340)
Less: Class C interest deferred	-	-
Interest on Class D notes	<b>(726 863)</b>	<b>(726 278)</b>
Interest payable	(726 863)	(726 278)
Less: Class D interest deferred	-	-
Surplus / (Deficit)	<b>77 278 202</b>	<b>77 733 112</b>
7 Arrears reserve (increase) decrease	(332 560)	1 367 845
8 Redraw facility provider	-	-
9 Matured Class A to D Note holders (classes B to D payments subject to Interest Deferral Events)	-	-
10 Additional home loans		
Purchase of additional home loans (per home loan sale agreement) (potential purchase amount less amount applied to item 8 above)	(19 205 023)	(21 598 332)
11 Purchases Reserve:		
Potential purchase amount: an amount determined on each determination date prior to the application of funds on the following payment date:		
Outstanding principal of the Notes	1 660 000 000	1 660 000 000
Plus: Outstanding principal amount of subordinated loan	290 000 000	290 000 000
Less: Principal balance of Home Loans	(1 915 141 911)	(1 913 185 420)
Less: Amounts applied to items 8 and 10	(19 205 023)	(21 598 332)
Required purchases reserve	15 653 066	15 216 248
	(15 653 066)	(15 216 248)
12 Class A to D Note holders: other amounts due	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<b>42 087 553</b>	<b>42 286 376</b>
14 Issuer expenses in excess of issuer expenses cap	(2 659 441)	-
15 Interest on Class E notes	-	-
16 Subordinated loan interest	(8 789 781)	(8 783 933)
17 Class E Note holders: Matured capital	-	-
18 Class E Note holders: Capital	-	-
19 Preference shareholder: Dividend due and payable	-	-
20 To Permitted Investments while amounts are outstanding to Secured Creditors	(30 638 331)	(33 502 443)
	-	-

**NQABA FINANCE 1 (RF) LIMITED**

	Quarter ended 31/01/2019 R	YTD 31/01/2019 R	YTD 31/10/2018 R
<b>Statement of Comprehensive Income</b>			
NB: These figures are derived from the unaudited management accounts and are subject to change.			
Financing income	46 889 188	154 168 587	61 159 421
Financing cost	46 336 216	153 011 856	60 495 608
<b>Financing margin</b>	<b>552 971</b>	<b>1 156 731</b>	<b>663 813</b>
Loan losses	(712 313)	(1 574 080)	(70 390)
Loan losses written off	(834 313)	(1 251 426)	(70 390)
Impairment provisions	122 000	(322 653)	-
Interest received from bank	1 299 651	4 261 373	1 692 856
Interest (paid) / received from SARS	77 045	77 045	-
Interest swap	750 669	(477 660)	386 504
Fair value adjustments	315 476	(1 773 182)	-
Settlements received (paid)	435 193	1 295 522	386 504
<b>Operating profit</b>	<b>1 968 024</b>	<b>3 443 410</b>	<b>2 672 783</b>
Operating expenditure	(6 490 464)	(10 795 532)	(2 329 711)
Management fees	166 320	553 827	221 098
Service fees	831 646	2 770 774	1 105 358
Liquidity fees	43 301	144 034	57 427
Redraw Facility fees	195 639	650 756	259 459
Back-up Service fees	48 211	160 625	64 079
Audit fees	123 175	330 509	177 716
JSE fees	47 281	127 126	32 565
Bank Charges	2 531	8 414	3 336
Directors fees	61 360	203 377	76 847
Rating fees	77 123	257 075	102 830
Rating fees (variable)	113 046	616 332	146 653
Safe Custody fees	-	57 678	-
National Credit Regulator fees	24 438	81 449	32 573
Strate fees	27 394	104 558	49 770
<b>Net profit/(loss) before tax</b>	<b>(4 522 440)</b>	<b>(7 352 122)</b>	<b>343 072</b>
Taxation - normal tax	(3 378 044)	(3 378 044)	(130 362)
Taxation - deferred tax	-	662 667	-
<b>Net profit/(loss) after tax</b>	<b>(7 900 484)</b>	<b>(10 067 499)</b>	<b>212 709</b>
<b>Net profit/(loss) after distribution</b>	<b>(7 900 484)</b>	<b>(10 067 499)</b>	<b>212 709</b>
Retained income at beginning of the period	50 566 553	52 733 567	52 733 567
<b>Retained income at end of the period</b>	<b>42 666 069</b>	<b>42 666 069</b>	<b>52 946 277</b>

	31/01/2019 R	31/10/2018 R
<b>Statement of Financial Position</b>		
NB: These figures are derived from the unaudited management accounts and are subject to change.		
<b>Assets</b>		
<b>Non-Current Assets</b>	1 906 949 085	1 904 870 593
Home loan advances	1 905 452 525	1 903 264 034
Properties in possession	-	110 000
Deferred tax	1 496 559	1 496 559
<b>Current Assets</b>	130 129 218	139 665 729
Amounts due by EFC	22 653 929	22 350 255
Cash and cash equivalents	99 192 365	104 686 568
Arrears reserve	1 862 079	3 222 539
SA Revenue Services	4 147 164	7 448 163
Interest swap fair value	2 273 681	1 958 204
<b>Total assets</b>	<b>2 037 078 302</b>	<b>2 044 536 322</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>	42 666 170	50 566 654
Share capital	101	101
Distributable reserves	42 666 069	50 566 553
<b>Non-current liabilities</b>	1 985 262 490	1 985 234 582
Interest-bearing debt	1 985 262 490	1 985 234 582
<b>Current Liabilities</b>	9 149 642	8 735 086
Trade and other payables	2 358 059	1 960 794
Amounts due to EFC	6 791 583	6 774 292
SA Revenue Services	-	-
<b>Total equity and liabilities</b>	<b>2 037 078 302</b>	<b>2 044 536 322</b>

	Quarter ended: R	22/02/2019 %	22/11/2018 R
<b>Excess spread</b>			
<b>Average loan pool balance</b>	1 913 008 469		
Interest received to determination date	46 887 385	9.72%	9.55%
Expenses per Priority of Payments (POP)	(653 854)	-0.14%	-1.13%
	46 233 531	9.59%	8.42%
Note coupon less swap per POP	(37 122 655)	-7.70%	-7.68%
Excess spread before subordinated loan interest	9 110 876	1.89%	0.74%
Subordinated loan interest per POP	(8 789 781)	-1.82%	-1.80%
<b>Excess spread</b>	<b>321 095</b>	<b>0.07%</b>	<b>-0.99%</b>

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

Terms and expressions set out below will have the meanings set out below in the Terms and Conditions and the other Transaction Documents, unless such term is separately defined in the Terms and Conditions, the Applicable Pricing Supplement or the Transaction Documents or the context otherwise requires:

<b>Absa House Price Index</b>	the National House Price Index published quarterly by Absa on its website up to 31 December 2016, the date Absa discontinued the publishing of this Index.
<b>Amortisation Period</b>	the period commencing on the expiry of the Revolving Period and ending on the delivery of an Enforcement Notice. (During this time, the Pre-Enforcement Priority of Payments applicable during the Amortisation Period will be applicable.)
<b>Arrears</b>	any amount unpaid in respect of an Instalment, other than a failure to pay which is due solely to a failure of the bank payment system or a failure of the payroll deduction mechanism through which Eskom deducts payments from the salaries of the Borrowers on behalf of EFC, provided that such failure of the payroll mechanism shall not persist for longer than one month
<b>Average Outstanding Balance</b>	the aggregate of all amounts outstanding under the Home Loans owned by the Issuer divided by the number of Home Loans owned by the Issuer
<b>Business Day</b>	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg
<b>Collection Period</b>	each calendar month period commencing on (and including) the day following a Determination Date and ending on (and including) the following Determination Date
<b>Current LTV Ratio</b>	in respect of a Home Loan, the LTV Ratio (see below) as at the most recent Determination Date
<b>Defaulted Asset</b>	any Home Loan Agreement with respect to which the Issuer has commenced legal proceedings (including the delivery of a letter of demand) for the repayment of amounts outstanding under such Home Loan Agreement
<b>Deteriorated Asset</b>	any Home Loan Agreement with respect to which more than three Instalments are in Arrears
<b>Determination Date</b>	the last day of the calendar month preceding each Payment Date
<b>Enforcement Notice</b>	a notice delivered or deemed to have been delivered to the Issuer (by the Security SPV) pursuant to the Terms and Conditions following an Event of Default under the Notes
<b>Eligibility Criteria</b>	the criteria that a Home Loan must satisfy to be acquired by the Issuer, as set out in Schedule 3 to the Home Loan Sale Agreement
<b>Fully Performing</b>	a Home Loan which is not currently in Arrears
<b>Further Advance</b>	means additional principal advances (in excess of Repayments and Prepayments) advanced to a Borrower in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the additional advances to the Borrower are discretionary or obligatory)
<b>Home Loan</b>	a Guaranteed Home Loan or a Mortgaged Home Loan owned by the Seller that complies with the Eligibility Criteria and is sold to the Issuer pursuant to the provisions of the Home Loan Sale Agreement, which Home Loan has been granted by the Seller to a Borrower for the purpose of funding the acquisition or financing of a Property
<b>Home Loan Rate</b>	the annual lending rate of interest from time to time levied in respect of each home loan originated by the Servicer, or such other entity approved by the Rating Agency, nominal annual compounded monthly in arrears
<b>Instalment</b>	the monthly payment in respect of principal, interest (or a combination of both) and insurance premiums, if applicable, due in respect of a Home Loan, in accordance with the provisions of the relevant Home Loan Agreement
<b>Interest Payment Date(s)</b>	in relation to each Tranche of Notes, the interest payment dates specified as such in the Applicable Pricing Supplement. (In practice, all current notes issued have the same interest payment dates - see page 2.)
<b>Issuer Expense Cap</b>	an annual amount calculated by the Manager in respect of each financial year of the Issuer in respect of items 2 to 5 of the Priority of Payments, and notified in writing to the Issuer and the Rating Agency, which amount shall not exceed 0.35% of the aggregate of the Outstanding Principal Amounts of the Notes in issue from time to time plus any amounts outstanding under the Subordinated Loan(s)

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

<b>Liquidity Facility</b>	a committed Rand denominated short term loan facility, provided by the Liquidity Facility Provider in terms of the Liquidity Facility Agreement
<b>Liquidity Facility Limit</b>	2% of the Outstanding Principal Amount of the Notes in issue from time to time, being the maximum aggregate amount that can be drawn at any time under the Liquidity Facility
<b>Liquidity Shortfall</b>	on any Payment Date, an amount equal to the sum of items 1 to 6 in the Pre-Enforcement Priority of Payments applicable during the Revolving Period or an amount equal to the sum of items 1 to 6 in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, as the case may be payable on such Payment Date, less the cash available in the relevant Priority of Payments on such Payment Date to fund such expenses
<b>LTV Ratio</b>	in respect of a Home Loan, the loan to value ratio of such Home Loan, being the ratio of the total amount outstanding under the Home Loan to the most recent value placed on the Property by an Accredited Valuer for the purposes of valuing the Property relating to the relevant Home Loan
<b>Mandatory Redemption in part (Amortisation Period)</b>	The Notes in all Tranches of Notes will be subject to mandatory redemption in part on each Interest Payment Date during the Amortisation Period, in reducing order of rank (and pari passu if of equal rank) as determined by the respective Classes of the Notes, to the extent permitted by and in accordance with the Priority of Payments
<b>Mandatory Redemption following delivery of an Enforcement Notice</b>	Upon the delivery of an Enforcement Notice (following the occurrence of an Event of Default), the Notes in all Tranches of Notes will be immediately due and payable
<b>Mortgage Bond</b>	in respect of Mortgaged Home Loans, a first mortgage bond or sectional title bond on terms acceptable to the Home Loan Lender, registered over the Property of the relevant Borrower in favour of the Home Loan Lender as security for the obligations of such Borrower to the Home Loan Lender in relation to the Home Loan granted to such Borrower
<b>NACQ</b>	nominal annual compounded quarterly
<b>Original LTV Ratio</b>	in respect of a Home Loan, the LTV Ratio as at origination of that Home Loan, or if such information is unavailable, the greater of the Current LTV Ratio and the weighted average LTV Ratio in respect of Home Loans where an Original LTV Ratio is available
<b>Payment Date</b>	the 22nd day of every month on which the Issuer pays, or makes provision for the payment of, amounts owing to creditors of the Issuer
<b>Portfolio Covenants</b>	the criteria that the aggregate portfolio of Home Loans owned by the Issuer must satisfy, after the acquisition of each Home Loan under the Home Loan Sale Agreement, as set out in Schedule 4 to the Home Loan Sale Agreement
<b>Post-Enforcement Priority of Payments</b>	the order in which payments shall be made from the Transaction Account, after the delivery of an Enforcement Notice, as set out in the Management Agreement
<b>Potential Redraw Amount</b>	in respect of a Home Loan at any time, the aggregate monies which the Borrower is entitled to draw, and the Home Loan Lender is obliged to advance, at such time in accordance with the provisions of the Home Loan Agreement concluded by such Borrower
<b>Pre-Enforcement Priority of Payments</b>	the Pre-Enforcement Priority of Payments applicable during the Revolving Period and the Pre-Enforcement Priority of Payments applicable during the Amortisation Period
<b>Pre-Enforcement Priority of Payments applicable during the Amortisation Period</b>	the order in which payments shall be made from the Transaction Account during the Amortisation Period and prior to delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the Management Agreement. (See Mandatory Redemption in part above.)
<b>Pre-Enforcement Priority of Payments applicable during the Revolving Period</b>	the order in which payments shall be made from the Transaction Account during the Revolving Period and prior to delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the Management Agreement
<b>Prepayments</b>	principal repayments received under a Home Loan in excess of the minimum scheduled Instalments which a Borrower is obliged to pay
<b>PTI Ratio</b>	payment to monthly income ratio, being the ratio of the minimum required Instalment payable under a Home Loan Agreement to the combined gross monthly income of the Borrower concerned and such Borrower's spouse and/or live-in partner and/or any Surety for such Borrower or such other amount or person as the Rating Agency, upon written request by the Issuer, confirms in writing will not adversely affect the then current Rating of the Notes (which income comprises basic salary and travel allowance)

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

<b>Rate Determination Date</b>	in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day
<b>Re-advance</b>	a re-advance to the relevant Borrower, in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the re-advance to the Borrower is discretionary or obligatory), of a portion of the principal of such Borrower's Home Loan, which principal has previously been repaid by such Borrower (i.e., a re-advance of Repayments but excluding Prepayments)
<b>Redraw</b>	a re-advance to the relevant Borrower, in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the re-advance to the Borrower is discretionary or obligatory), of a portion of the principal of such Borrower's Home Loan, which principal has previously been repaid by such Borrower in excess of the minimum required Instalments (i.e. a re-advance of Prepayments)
<b>Redraw Facility</b>	a committed Rand denominated revolving facility, provided by the Redraw Facility Provider in terms of the Redraw Facility Agreement
<b>Redraw Facility Limit</b>	an amount equal to or greater than 50% (fifty percent) of Potential Redraw Amount
<b>Required Direct Employees Percentage</b>	the percentage of Home Loans advanced to employees who are directly employed by Eskom and not employed by a subsidiary company of Eskom or such other companies forming part of the Eskom group of companies, in relation to the portfolio of Home Loans owned by the Issuer which percentage on the Most Recent Evaluation Date may increase by 1% from the percentage determined at the previous Credit Enhancement Determination Date as specified in the Applicable Pricing Supplement
<b>Revolving Period</b>	the period commencing on (and including) the Commencement Date and ending on (but excluding) the occurrence of an Early Amortisation Event
<b>Secured Creditors</b>	EFC and each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document
<b>Subordinated Notes</b>	all the Notes issued on each Issue Date, other than the Class A Notes issued on that Issue Date
<b>Transaction Documents</b>	the Common Terms Agreement, the Home Loan Sale Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Redraw Facility Agreement, the Subordinated Loan Agreement, the Management Agreement, the Bank Agreement, the Guaranteed Investment Contract, the Security Agreements, the Security SPV Guarantee, the Preference Share Subscription Agreement, the Notes, the Programme Agreement, the Programme Memorandum, any Note Subscription Agreement, the agreements entered into from time to time with Derivative Counterparties, the Safe Custody Agreement, the trust deed of the Owner Trust, the trust deed of the Security SPV Owner Trust, the memorandum and articles of association of the Issuer and the Security SPV and agreements that may be entered into from time to time with Approved Originators