

NQABA FINANCE 1 (RF) LIMITED

**INVESTOR REPORT
23 FEBRUARY 2019 TO 22 MAY 2019**

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Investor Report
for the period ending 22 May 2019

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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)) ¹			
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) ²	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

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

² 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 February 2019 to 21 May 2019 (89 days inclusive)
Current interest payment date	22 May 2019
Next interest payment date	22 August 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 February 2019 to 30 April 2019 (89 days)
Current determination date	30 April 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 01/02/2019 to 30/04/2019		Previous period 01/11/2018 to 31/01/2019		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans
Balance brought forward	1 915 141 912	6 961	1 913 185 421	7 059	-	-
Instalments received	(66 039 697)		(65 571 418)			
Interest charged	45 873 174		46 887 385			
Insurance charged	580 408		563 018			
Valuation fees	109 947		126 935			
Principal repaid	(19 476 168)		(17 994 080)			
Unscheduled repayments (prepayments)	(55 139 110)	(190)	(53 564 188)	(171)		
Total Principal collections	(74 615 278)		(71 558 268)			
New loans purchased	48 564 182	71	57 375 685	73	1 370 652 558	8 382
Advances and redraws	22 652 177		16 973 387			
Loan losses written off	(5 873)		(834 313)			
Loan losses recovered	-		-			
Interest adjustments	-		-			
Balance at end of period	1 911 737 121	6 842	1 915 141 912	6 961	1 370 652 558	8 382
Original value of loans advanced	2 306 805 676		2 307 391 342			
Latest current valuations of properties	4 518 097 932		4 572 299 025			
Weighted average number of months since last valuation	88		87			
Indexed values of properties	6 843 060 000		6 967 484 000			
Weighted average seasoning (months)	133		132		65	
Weighted average term to maturity (months)	207		208		261	
Largest asset value	4 192 678		4 192 678		N/A	
Months in the period	3		3		Since transaction close 155	
Loan book balance used as denominator for CPR and DR percentages below	1 915 141 912		1 913 185 421		1 915 141 912	
Prepayments	55 139 110		53 564 188		2 140 230 100	
Annualised constant prepayment rate (CPR)	11.5%		11.2%		8.6%	
Loan losses	5 873		834 313		10 139 549	
Annualised default rate (DR)	0.001%		0.174%		0.041%	

Possessions

Collection period:	Current period 01/02/2019 to 30/04/2019		Previous period 01/11/2018 to 31/01/2019	
	R	Loans	R	Loans
Possessions at start of period	200 000	1	432 000	2
Changes	-	-	(232 000)	(1)
Possessions at end of period	200 000	1	200 000	1

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 01/02/2019 to 30/04/2019		Previous period 01/11/2018 to 31/01/2019		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 92.0	89.6	=< 92.0	89.5	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	67.5	=< 73.0	66.8	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	12.1	=< 18.0	11.8	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 91.0	92.9	=< 91.0	93.1	=< 97.0	100.0
Maximum second property loans (number) (%) ¹	=< 8.5	2.6	=< 8.5	2.5	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	90.8	=> 86.0	91.0	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 279 412	=< R 400 000	R 275 125	=< R300 000	R 163 523

¹ 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 01/02/2019 to 30/04/2019		Previous period 01/11/2018 to 31/01/2019		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		9.63%		9.60%		
3 month Jibar daily rate		7.05%		7.03%		
Margin	=> 2.15%	2.58%	=> 2.15%	2.58%		
And						
Current actual rates at interest payment date:						
Weighted average home loan rate		9.77%		9.78%		9.64%
3 month Jibar rate		7.15%		7.03%		7.70%
Margin	=> 2.15%	2.62%	=> 2.15%	2.76%	=> 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 01/02/2019 to 30/04/2019		Previous period 01/11/2018 to 31/01/2019	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	67.5	=< 83.0	66.8

Result: No early amortisation events have occurred

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Portfolio stratification tables at determination date 30/04/2019

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
Original Loan to Value											
0% - 30%	31 667 023	1.7%	191	2.8%	167 941 401	37.0%	245 802 000	28.7%	9.8%	195	133
30% - 50%	63 598 124	3.3%	298	4.4%	287 050 000	43.6%	395 245 000	36.6%	9.9%	179	163
50% - 70%	160 294 275	8.4%	590	8.6%	509 055 542	50.9%	720 761 000	41.9%	9.7%	129	186
70% - 80%	178 268 376	9.3%	503	7.4%	429 577 622	60.3%	600 838 000	49.9%	9.6%	116	209
80% - 90%	299 282 511	15.7%	726	10.6%	583 344 329	71.4%	835 389 000	59.8%	9.7%	97	234
90% - 100%	537 150 494	28.1%	2 123	31.0%	1 284 803 106	68.4%	2 020 886 000	52.3%	9.7%	133	208
100%+	641 476 318	33.6%	2 411	35.2%	1 256 325 932	74.9%	2 024 139 000	56.4%	9.9%	147	208
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Weighted average		89.6%									
Current Loan to Value											
0% - 30%	200 828 047	10.5%	2 985	43.6%	1 930 035 020	19.1%	3 166 822 000	13.7%	9.7%	214	109
30% - 50%	264 413 846	13.8%	950	13.9%	665 762 084	40.6%	1 020 174 000	29.6%	9.7%	175	155
50% - 70%	464 792 255	24.3%	1 032	15.1%	765 352 347	61.3%	1 111 582 000	46.4%	9.6%	139	199
70% - 80%	325 494 399	17.0%	609	8.9%	433 577 874	75.2%	588 970 000	59.4%	9.6%	107	232
80% - 90%	385 540 481	20.2%	720	10.5%	453 443 904	85.1%	614 403 000	65.6%	9.8%	96	249
90% - 100%	205 238 321	10.7%	452	6.6%	219 001 703	93.8%	288 213 000	72.9%	10.0%	91	264
100%+	65 429 773	3.4%	94	1.4%	50 925 000	144.5%	52 896 000	141.9%	11.4%	137	225
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Weighted average		12.1%									
Payment to income ratio											
0% - 5%	274 557 254	14.4%	2 960	43.3%	1 638 113 366	47.2%	2 857 260 000	29.6%	9.3%	178	178
5% - 10%	566 009 117	29.6%	1 837	26.8%	1 224 247 850	60.9%	1 827 370 000	45.0%	9.5%	150	195
10% - 15%	523 441 213	27.4%	1 144	16.7%	865 854 911	72.1%	1 148 283 000	57.0%	9.8%	122	215
15% - 20%	314 113 244	16.4%	544	8.0%	475 782 599	76.4%	642 000 000	62.8%	10.0%	107	222
20% - 25%	148 594 583	7.8%	231	3.4%	201 769 621	84.1%	243 454 000	73.8%	10.2%	91	242
25% - 30%	56 686 901	3.0%	80	1.2%	79 098 584	78.3%	90 112 000	71.5%	10.6%	90	234
30%+	28 334 809	1.5%	46	0.7%	33 231 000	102.5%	34 581 000	100.4%	11.5%	136	214
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Weighted average		12.1%									

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Portfolio stratification tables at determination date 30/04/2019

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
Payment method											
Payroll Deduction	1 751 563 279	91.6%	6 357	92.9%	4 216 460 460	65.6%	6 436 561 000	50.2%	9.6%	130	209
Other	160 173 842	8.4%	484	7.1%	301 637 471	87.6%	406 499 000	81.6%	11.6%	162	189
Total	1 911 737 121	100.0%	6 841	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	132	207
Borrower employment status											
Direct Eskom	1 700 339 095	88.9%	6 212	90.8%	4 115 321 939	65.7%	6 280 709 000	50.3%	9.6%	131	208
Other group co.	211 398 027	11.1%	630	9.2%	402 775 992	81.9%	562 351 000	73.2%	11.3%	147	200
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Loan balance (R'000)											
0 - 100	78 304 928	4.1%	2 564	37.5%	1 235 069 856	21.2%	2 176 645 000	11.7%	9.9%	237	85
100 -200	142 576 176	7.5%	978	14.3%	532 917 368	40.0%	882 701 000	24.0%	9.9%	200	135
200 - 300	192 446 621	10.1%	768	11.2%	442 648 003	56.8%	688 632 000	38.3%	9.9%	160	182
300 - 400	242 737 405	12.7%	696	10.2%	441 341 470	65.6%	640 929 000	48.0%	9.9%	139	203
400 -500	248 006 415	13.0%	554	8.1%	385 427 898	73.2%	538 052 000	54.8%	9.9%	128	220
500 - 700	417 271 544	21.8%	708	10.3%	626 659 571	74.0%	824 713 000	59.3%	9.8%	117	227
700 - 1000	298 034 409	15.6%	363	5.3%	434 286 501	77.9%	554 293 000	66.2%	9.6%	107	234
1000 - 1500	195 658 406	10.2%	161	2.4%	274 169 601	76.8%	333 335 000	66.2%	9.5%	93	238
1500+	96 701 217	5.1%	50	0.7%	145 577 663	77.5%	203 760 000	68.7%	9.6%	110	211
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Average balance	279 412										
Interest rate											
0% - 8%	4 924 102	0.3%	10	0.1%	3 469 000	186.3%	3 479 000	186.1%	0.0%	148	219
8% - 9.5%	657 047 197	34.4%	1 655	24.2%	1 672 463 231	61.3%	2 575 260 000	46.7%	8.9%	136	197
9.5% -11.5%	1 172 153 272	61.3%	5 015	73.3%	2 738 995 101	68.1%	4 156 016 000	52.6%	10.1%	128	214
11.5% -13.5%	77 612 550	4.1%	162	2.4%	103 170 600	102.9%	108 305 000	100.9%	13.2%	167	194
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207

NQABA FINANCE 1 (RF) LIMITED

Portfolio stratification tables at determination date 30/04/2019

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
Seasoning											
0 - 12 months	23 852 988	1.2%	35	0.5%	37 645 000	74.0%	37 645 000	74.0%	9.8%	9	283
12 - 24 months	42 583 013	2.2%	68	1.0%	75 698 000	76.8%	75 698 000	76.8%	9.7%	19	259
24 - 36 months	61 508 616	3.2%	90	1.3%	100 299 000	75.9%	100 944 000	75.5%	9.7%	31	286
36 - 48 months	53 113 327	2.8%	84	1.2%	95 306 500	74.5%	100 300 000	71.1%	9.7%	43	274
48 - 60 months	59 376 643	3.1%	87	1.3%	90 506 900	75.6%	101 645 000	67.5%	9.7%	54	266
60 - 120 months	799 436 288	41.8%	1 750	25.6%	1 297 231 693	76.0%	1 724 188 000	58.3%	9.7%	94	235
120+ months	871 866 247	45.6%	4 728	69.1%	2 821 410 839	57.5%	4 702 640 000	42.4%	9.8%	195	164
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Region											
Eastern Cape	93 601 478	4.9%	326	4.8%	224 798 547	72.6%	323 648 000	57.6%	10.1%	147	199
Free State	86 971 799	4.5%	359	5.2%	198 268 269	68.0%	314 222 000	53.0%	9.8%	131	211
Gauteng	819 664 963	42.9%	2 341	34.2%	1 847 563 278	66.1%	2 787 310 000	52.2%	9.6%	127	209
Kwazulu Natal	111 924 576	5.9%	464	6.8%	290 633 850	67.0%	448 580 000	52.5%	10.0%	143	203
Limpopo Province	70 620 985	3.7%	308	4.5%	165 139 387	65.5%	258 446 000	48.9%	9.9%	136	204
Mpumalanga	396 561 446	20.7%	1 784	26.1%	937 084 872	68.2%	1 428 239 000	53.3%	9.9%	138	203
North West	34 742 677	1.8%	171	2.5%	69 604 293	71.0%	133 395 000	50.3%	10.1%	143	200
Northern Cape	24 956 795	1.3%	146	2.1%	69 142 893	66.9%	106 238 000	50.3%	10.1%	140	201
Western Cape	272 692 402	14.3%	943	13.8%	715 862 542	69.1%	1 042 982 000	54.1%	9.8%	130	213
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207
Property type											
House (Freehold)	1 545 976 438	80.9%	5 758	84.2%	3 746 756 714	66.5%	5 709 766 000	51.9%	9.8%	138	201
Multi-unit (Sectional Title)	283 631 517	14.8%	881	12.9%	507 608 271	75.5%	776 571 000	59.5%	9.7%	105	239
House (Complex)	9 489 978	0.5%	21	0.3%	18 570 000	62.0%	27 440 000	48.2%	9.8%	127	214
Small Holding	3 821 636	0.2%	13	0.2%	11 130 000	50.0%	17 109 000	34.1%	9.9%	132	170
Other	68 817 553	3.6%	169	2.5%	234 032 947	57.5%	312 174 000	48.9%	9.5%	114	211
Total	1 911 737 121	100.0%	6 842	100.0%	4 518 097 932	67.5%	6 843 060 000	52.8%	9.8%	133	207

NQABA FINANCE 1 (RF) LIMITED

Arrears analysis at determination date

	30 April 2019					31 January 2019				
	Loan balances R	%	Number of loans	%	WA interest rate %	Loan balances R	%	Number of loans	%	WA interest rate %
Fully performing										
Current	1 810 819 925	94.7%	6 551	95.7%	9.6%	1 816 163 198	94.8%	6 685	96.0%	9.6%
Non-delinquent										
0 - 1 months	11 114 326	0.6%	44	0.6%	11.4%	8 399 352	0.4%	34	0.5%	11.6%
1 - 2 months	6 264 850	0.3%	24	0.4%	12.1%	8 616 150	0.4%	25	0.4%	12.6%
2 - 3 months	4 441 607	0.2%	17	0.2%	12.7%	7 514 003	0.4%	19	0.3%	12.6%
Total	21 820 783	1.1%	85	1.2%	11.9%	24 529 504	1.3%	78	1.1%	12.2%
Deteriorated										
3 - 4 months	369 093	0.0%	5	0.1%	12.3%	192 470	0.0%	1	0.0%	10.0%
4 - 5 months	318 567	0.0%	2	0.0%	11.3%	1 566 693	0.1%	6	0.1%	13.2%
5 - 6 months	445 195	0.0%	1	0.0%	10.0%	456 896	0.0%	4	0.1%	12.8%
6 - 12 months	1 280 989	0.1%	13	0.2%	11.7%	819 881	0.0%	10	0.1%	11.8%
>12 months	3 139 427	0.2%	22	0.3%	7.0%	3 542 251	0.2%	21	0.3%	7.9%
Total	5 553 281	0.3%	43	0.6%	8.9%	6 578 170	0.3%	42	0.6%	10.0%
Defaulted										
Litigation	29 598 014	1.5%	50	0.7%	12.9%	31 423 468	1.6%	53	0.8%	12.9%
Other categories										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	40 760 899	2.1%	107	1.6%	12.8%	36 115 686	1.9%	101	1.5%	12.8%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	2 984 219	0.2%	5	0.1%	0.0%	131 886	0.0%	1	0.0%	0.0%
Properties in possession	200 000	0.0%	1	0.0%	0.0%	200 000	0.0%	1	0.0%	0.0%
Total	43 945 118	2.3%	113	1.7%	11.8%	36 447 572	1.9%	103	1.5%	12.7%
Total	1 911 737 121	100.0%	6 842	100.0%	9.8%	1 915 141 912	100.0%	6 961	100.0%	9.8%

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%;

		2019/04/30 R	2019/01/31 R
Aggregate principal balances on home loans as above	A	1 911 737 121	1 915 141 912
Balances which are in arrears for more than 3 months	B	5 553 281	6 578 170
Balances for which the Issuer has instituted legal proceedings	C	29 598 014	31 423 468
Total arrears for calculation purposes	D = B + C	35 151 295	38 001 638
Arrears %	E = D / A	1.84%	1.98%
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		38 234 742	38 302 838
If arrears % (E) previously exceeded the trigger, check whether arrears have decreased to 1.5%		No	No
Arrears trigger event maintained		Yes	Yes
If Yes, calculation of arrears reserve required:			
Original valuation of the related properties		6 583 600	7 305 886
Latest valuation of the related properties		16 626 500	18 936 500
Balances which are in arrears for more than 3 months	B	5 553 281	6 578 170
60% of the lower of the original valuation and latest valuation	F	3 950 160	4 383 532
Test difference between arrears and conservative value of related properties	G = B - F	1 603 121	2 194 638
Arrears reserve required amount (if value greater, no cash reserve required)	H	1 603 121	2 194 638
Changes in arrears reserve			
Opening balance		2 194 639	1 580 681
Changes reflected in Priority of Payments		(591 518)	22 440
Closing balance	H	1 603 121	1 603 121
			2019/02/28 R
			2 194 639
			(988 112)
			1 206 527

Related early amortisation arrears trigger

		2019/04/30 R	2019/01/31 R
Notes in issue		1 660 000 000	1 660 000 000
Trigger per cent		2.50%	2.50%
Trigger value	I	41 500 000	41 500 000
Total arrears as defined above	D	35 151 295	38 001 638
Headroom (deficit)		6 348 705	3 498 362
Early amortisation arrears trigger event (D > I)		No	No

Movement in properties classified as Litigations

	2019/04/30		2019/01/31	
	No of loans	R	No of loans	R
Opening balance	53	31 423 468	53	30 207 483
Loans exit litigation	-21	(13 941 845)	-9	(3 952 896)
Loans enter litigation	18	10 878 966	9	4 005 310
Repayments		-		-
Advance		160 890		124 180
Interest		1 007 107		974 121
Loan losses		-		-
Valuation fees		3 278		5 463
Capitalised insurance		66 150		59 808
Closing balance	50	29 598 014	53	31 423 468

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:

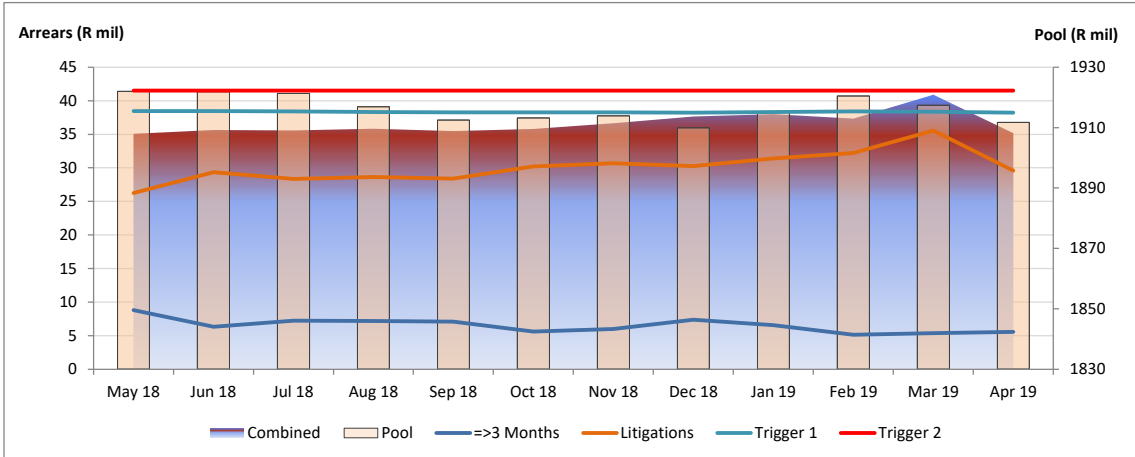
	2019/04/30 R	2019/01/31 R
Impairments applied to loan book excluding possessions	12 176 930	9 489 386
Impairments applied to possessions	200 000	200 000
Total impairments	12 376 930	9 689 386

Trends

Arrears analysis (values in R million)

End of:	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
Pool	1922	1922	1921	1917	1913	1913	1914	1910	1915	1920	1917	1912
Trigger 1 (%)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Trigger 1	38.44	38.44	38.43	38.34	38.25	38.26	38.28	38.20	38.30	38.41	38.35	38.23
=>3 Months	8.82	6.30	7.22	7.16	7.07	5.58	5.97	7.38	6.58	5.13	5.36	5.55
Litigations	26.26	29.34	28.34	28.65	28.41	30.21	30.67	30.25	31.42	32.21	35.53	29.60
Combined	35.08	35.64	35.56	35.82	35.48	35.79	36.64	37.64	38.00	37.33	40.89	35.15
Notes	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660
Trigger 2 (%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Trigger 2	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50	41.50
Trigger 2 diff	6.42	5.86	5.94	5.68	6.02	5.71	4.86	3.86	3.50	4.17	0.61	6.35

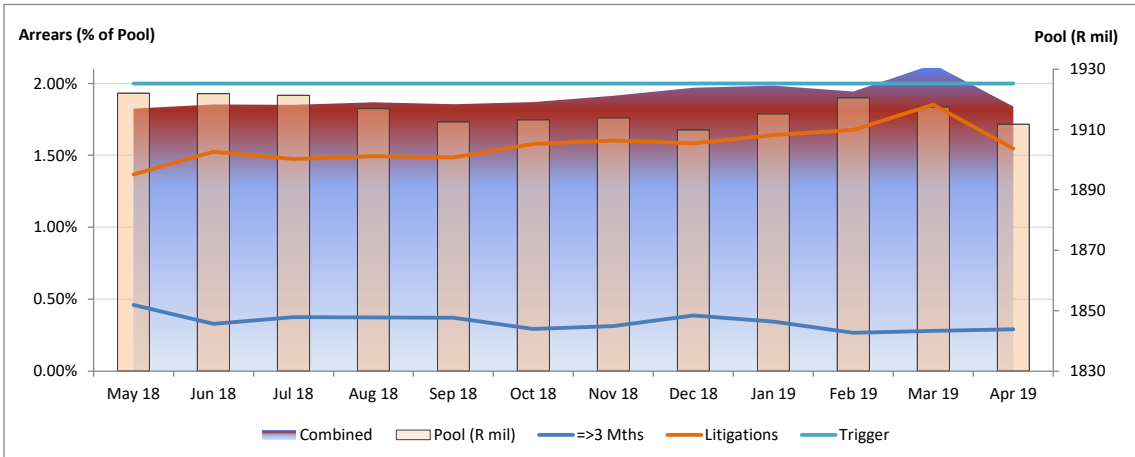
Trigger 1 (2% of principal balances) = If breached by combined arrears, an arrears reserve is required until arrears decrease to 1.5%
 Trigger 2 (2.5% of Notes) = If breached by combined arrears, early amortisation is required



Arrears analysis (percentages)

End of:	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
Pool (R mil)	1922	1922	1921	1917	1913	1913	1914	1910	1915	1920	1917	1912
=>3 Mths	0.46%	0.33%	0.38%	0.37%	0.37%	0.29%	0.31%	0.39%	0.34%	0.27%	0.28%	0.29%
Litigations	1.37%	1.53%	1.47%	1.49%	1.49%	1.58%	1.60%	1.58%	1.64%	1.68%	1.85%	1.55%
Combined	1.83%	1.85%	1.85%	1.87%	1.86%	1.87%	1.91%	1.97%	1.98%	1.94%	2.13%	1.84%
Trigger	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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

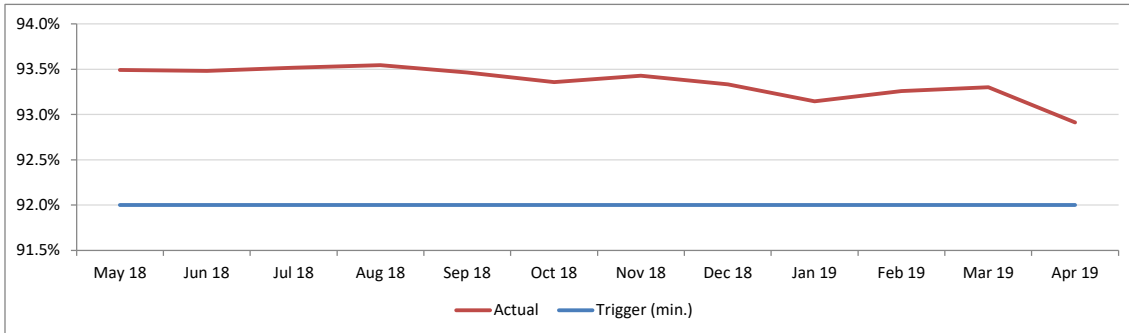


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
Actual	93.5%	93.5%	93.5%	93.5%	93.5%	93.4%	93.4%	93.3%	93.1%	93.3%	93.3%	92.9%
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

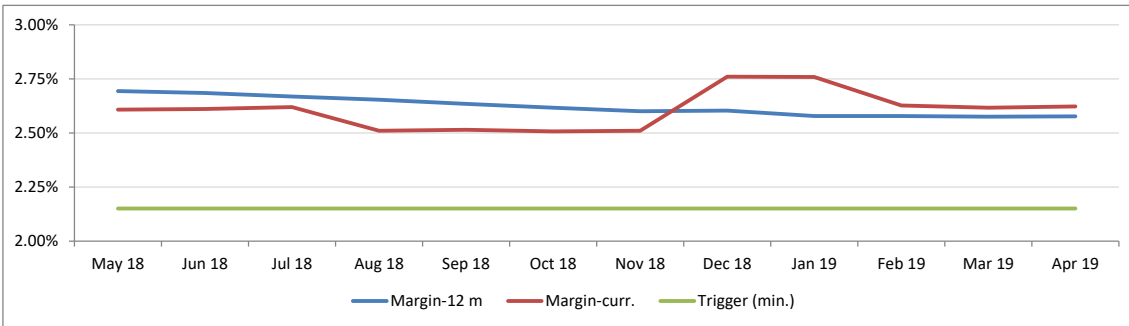


Interest rate margin

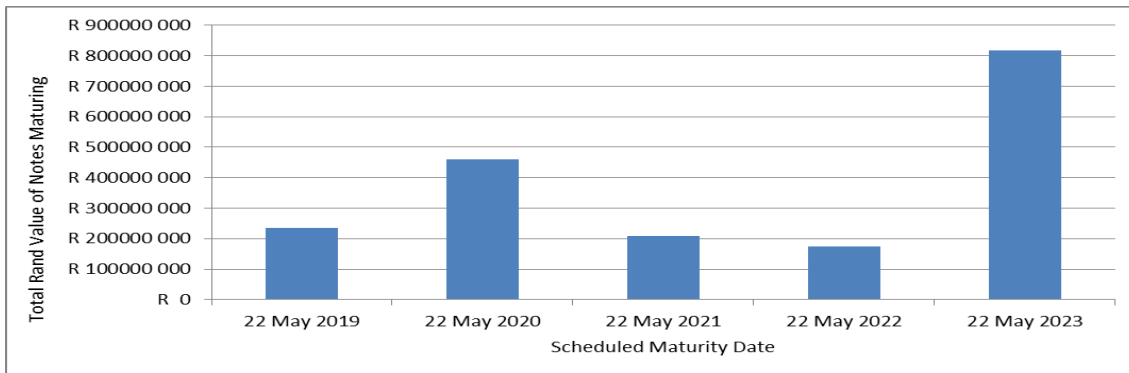
The Required Interest Rate margin between the weighted average home loan rate and the 3 month JIBAR rate is to be tested in two ways on Interest Payment date: the margin of the 12 months rolling averages of each rate and the margin of the actual rates applicable on those dates. For trend purposes, the 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:	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19
12 months rolling average:												
HL-12 m	9.76%	9.71%	9.67%	9.65%	9.63%	9.62%	9.60%	9.60%	9.60%	9.60%	9.61%	9.63%
Jibar-12 m	7.06%	7.03%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.03%	7.03%	7.03%	7.05%
Margin-12 m	2.69%	2.68%	2.67%	2.65%	2.64%	2.62%	2.60%	2.60%	2.58%	2.58%	2.58%	2.58%
Current month:												
HL-current	9.51%	9.51%	9.52%	9.53%	9.53%	9.52%	9.53%	9.78%	9.78%	9.78%	9.77%	9.77%
Jibar-curr.	6.90%	6.90%	6.90%	7.02%	7.02%	7.02%	7.02%	7.02%	7.03%	7.15%	7.15%	7.15%
Margin-curr.	2.61%	2.61%	2.62%	2.51%	2.51%	2.51%	2.51%	2.76%	2.76%	2.63%	2.62%	2.62%
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

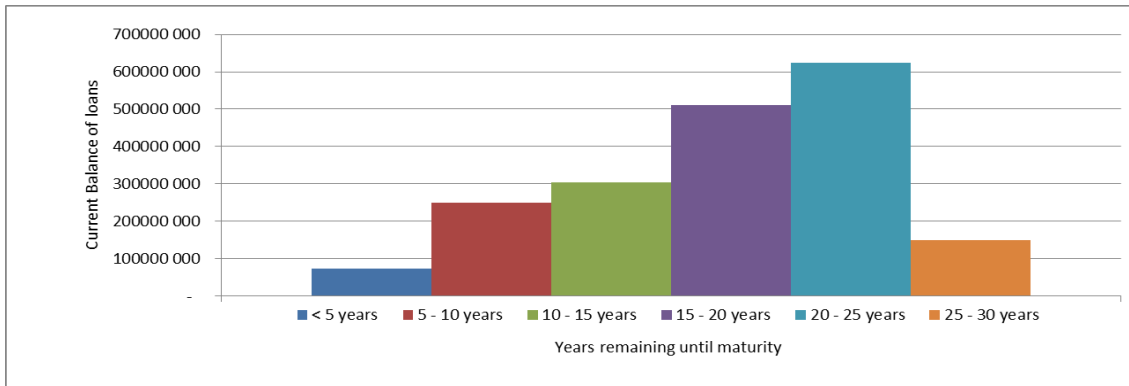


Notes maturity analysis



Trends

Asset pool maturity analysis



NQABA FINANCE 1 (RF) LIMITED

Note interest calculations for current interest payment date 22/05/2019

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	2019/02/22	2019/05/22	2020/05/22	89	Fixed	10.435%	+25 bps	10.435%	2 926 088	-	115 000 000
A21	NQ1A21	210 000 000	2019/02/22	2019/05/22	2019/05/22	89	7.150%	1.570%	2.198%	8.720%	4 465 118	(210 000 000)	-
A24	NQ1A24	310 000 000	2019/02/22	2019/05/22	2020/05/22	89	7.150%	1.600%	2.240%	8.750%	6 614 041	-	310 000 000
A25	NQ1A25	150 000 000	2019/02/22	2019/05/22	2022/05/22	89	7.150%	1.840%	2.576%	8.990%	3 288 123	-	150 000 000
A27	NQ1A27	658 000 000	2019/02/22	2019/05/22	2020/05/22	89	7.150%	1.850%	2.590%	9.000%	14 439 945	-	658 000 000
A28	NQ1A28	-	-	-	-	-	-	-	-	-	-	210 000 000	210 000 000
Totals Class A		1 443 000 000						Weighted average:		9.019%	31 733 316	-	1 443 000 000
B10	NQ1B10	11 000 000	2019/02/22	2019/05/22	2020/05/22	89	Fixed	10.635%	+55 bps	10.635%	285 251	-	11 000 000
B17	NQ1B17	8 000 000	2019/02/22	2019/05/22	2020/05/22	89	7.150%	1.820%	2.548%	8.970%	174 977	-	8 000 000
B20	NQ1B20	159 000 000	2019/02/22	2019/05/22	2020/05/22	89	6.900%	2.250%	3.150%	9.150%	3 547 442	-	159 000 000
B21	NQ1B21	-	-	-	-	-	-	-	-	-	-	24 000 000	24 000 000
Totals Class B		178 000 000						Weighted average:		9.234%	4 104 595	24 000 000	202 000 000
C10	NQ1C10	5 000 000	2019/02/22	2019/05/22	2020/05/22	89	Fixed	10.835%	+100	10.835%	132 098	-	5 000 000
C17	NQ1C17	5 000 000	2019/02/22	2019/05/22	2020/05/22	89	7.150%	2.250%	3.150%	9.400%	114 603	-	5 000 000
Totals Class C		10 000 000						Weighted average:		10.118%	246 701	-	10 000 000
D5	NQF1D5	5 000 000	2019/02/22	2019/05/22	2020/05/22	89	7.150%	3.250%	+325	10.400%	126 795	-	5 000 000
D8	NQF1D8	24 000 000	2019/02/22	2019/05/22	2019/05/22	89	7.150%	2.850%	3.990%	10.000%	585 205	(24 000 000)	-
Totals Class D		29 000 000						Weighted average:		10.069%	712 000	(24 000 000)	5 000 000
Totals all Notes		1 660 000 000						Weighted average:		9.067%	36 796 612.00	-	1 660 000 000
Subordinated loan		290 000 000	2019/02/22	2019/05/22		89	7.150%	5.000%		12.150%	8 591 548		290 000 000
Total funding		1 950 000 000						Weighted average interest rate all funding:		9.525%	45 388 160	-	1 950 000 000

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 22/05/2019

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	2019/02/22	2019/05/22	89	10.435%	7.150%	9.250%	2 926 088	(2 593 801)	332 287
9527542	NQ1B10	11 000 000	2019/02/22	2019/05/22	89	10.635%	7.150%	9.450%	285 251	(253 467)	31 784
9527501	NQ1C10	5 000 000	2019/02/22	2019/05/22	89	10.835%	7.150%	9.650%	132 098	(117 651)	14 447
		131 000 000				Weighted averages:	10.467%	9.282%	3 343 437	(2 964 919)	378 518

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	2019/05/22 R	2019/02/22 R	Redraw facility	2019/05/22 R	2019/02/22 R
Facility limit (2% of Notes issued)	33 200 000	33 200 000	Facility limit	180 000 000	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	180 000 000	150 000 000
The facility is due for renewal on 21/02/2020. It has never been used. The fee charge is 0.55% of the facility limit.			The facility is due for renewal on 21/02/2020. It has never been used. The fee charge is 0.55% of the facility limit.		

Early amortisation events (summary)

	2019/05/22	2019/02/22
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	No	No
Any Servicer event of default	No	No
The Arrears Reserve (if required) is not fully funded for six consecutive payment dates	Pages 7, 13	No
The weighted average current LTV exceeds the required weighted average current LTV by more than 10%	Page 3	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 7	No
The Issuer does not achieve the required interest margin	Page 3	No
A Principal deficiency exists on any payment date	Page 13	No
The rating assigned to notes issued by Eskom Holdings SOC Limited under its medium term note programme is downgraded to below Baa3.za	Page 2	No

NQABA FINANCE 1 (RF) LIMITED

Principal deficiency ledger at Interest payment date

	2019/05/22 R	2019/02/22 R
Early amortisation event - a principal deficiency exists on any payment date		
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.		
Liabilities		
Aggregate outstanding principal of the notes	1 660 000 000	1 660 000 000
Less: Amount allocated for the redemption of notes	(234 000 000)	-
- Class A	(210 000 000)	-
- Class B	-	-
- Class C	-	-
- Class D	(24 000 000)	-
Plus: Funds raised through refinancing	234 000 000	-
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	-	-
Total liabilities (L)	1 660 000 000	1 660 000 000
Assets		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1 911 737 120	1 915 141 911
Plus: Home loans transferred on the next day from funds previously allocated	18 754 639	19 205 023
Total principal balances at start of current period	1 930 491 759	1 934 346 934
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	19 508 241	15 653 066
* For practical reasons, transfers occur at the start of the next Collection Period		
Total assets (A)	1 950 000 000	1 950 000 000
Principal deficiency (L - A) (never less than zero) (PD)	-	-

Conclusion: No principal deficiency exists

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)	-	-
Class D interest deferral test to protect class C and above Noteholders		
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)	-	-
Class C interest deferral test to protect class B and above Noteholders		
Class C Notes (C)	10 000 000	10 000 000
Net Principal Deficiency (PD - D - C) (never less than zero)	-	-
Class B interest deferral test to protect class A Noteholders		
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.

Conclusion: No interest deferral is necessary as no principal deficiency exists

Reserve funds at Interest payment date

	R	R
Reserve fund balance at transaction close	-	-
Arrears reserve at start of period	2 942 559	3 282 503
Current period change	(591 518)	2 942 559
Arrears reserve at end of period	2 351 041	2 942 559

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:	
	2019/04/30	2019/01/31
	R	R
Loss before tax per income statement	(2 647 636)	(4 522 440)
Add back:		
Fair value adjustments	389 381	(315 477)
Funds from operations	<u>(2 258 255)</u>	<u>(4 837 917)</u>
Taxation received (paid)	1 073 187	(77 045)
(Decrease) increase in Notes including accrued interest	(1 093 876)	27 908
Decrease (increase) in portfolio assets including accrued interest	6 092 336	(2 078 491)
Decrease in arrears reserve funded	281 398	1 360 460
Increase in amounts due by EFC and accounts receivable	(3 308 017)	(303 674)
(Decrease) increase in amounts due to EFC and accounts payable	(663 240)	414 556
Increase (decrease) in funds	<u>123 533</u>	<u>(5 494 203)</u>
Funds available at beginning of the period	<u>99 192 365</u>	<u>104 686 568</u>
Funds available at end of the period to Priority of Payments	<u><u>99 315 899</u></u>	<u><u>99 192 365</u></u>

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

	2019/05/22	2019/02/22
	R	R
Cash at bank as above	99 315 899	99 192 365
Refinancing of Notes	234 000 000	-
Add: Commingling amounts subsequently received from EFC	25 961 946	22 653 929
Less: commingling amounts payable to EFC	<u>(6 083 505)</u>	<u>(6 791 583)</u>
Available cash	353 194 339	115 054 711
Payments		
1 South African Revenue Services	-	-
2 Security SPV trust, owner trust and third party payments	(4 202 325)	(414 891)
3 Derivative counterparty settlement received (paid)	378 518	432 551
4 Liquidity facility provider - fees	(41 827)	(43 306)
5 Redraw facility provider - fees	(226 770)	(195 658)
6 Class A to D Note holders:		
Interest on Class A notes	(31 733 316)	(32 384 567)
Surplus / (Deficit)	<u>317 368 620</u>	<u>82 448 841</u>
Interest on Class B notes	<u>(4 104 595)</u>	<u>(4 190 335)</u>
Interest payable	(4 104 595)	(4 190 335)
Less: Class B interest deferred	<u>-</u>	<u>-</u>
Interest on Class C notes	<u>(246 701)</u>	<u>(253 441)</u>
Interest payable	(246 701)	(253 441)
Less: Class C interest deferred	<u>-</u>	<u>-</u>
Interest on Class D notes	<u>(712 000)</u>	<u>(726 863)</u>
Interest payable	(712 000)	(726 863)
Less: Class D interest deferred	<u>-</u>	<u>-</u>
Surplus / (Deficit)	<u>312 305 324</u>	<u>77 278 202</u>
7 Arrears reserve (increase) decrease	(22 441)	(332 560)
8 Redraw facility provider	-	-
9 Matured Class A to D Note holders (classes B to D payments subject to Interest Deferral Events)	(234 000 000)	-
10 Additional home loans		
Purchase of additional home loans (per home loan sale agreement) (potential purchase amount less amount applied to item 8 above)	(18 754 639)	(19 205 023)
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	(1 911 737 120)	(1 915 141 911)
Less: Amounts applied to items 8 and 10	(18 754 639)	(19 205 023)
Required purchases reserve	<u>19 508 241</u>	<u>15 653 066</u>
	(19 508 241)	(15 653 066)
12 Class A to D Note holders: other amounts due	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<u>40 020 003</u>	<u>42 087 553</u>
14 Issuer expenses in excess of issuer expenses cap	-	(2 659 441)
15 Interest on Class E notes	-	-
16 Subordinated loan interest	(8 591 548)	(8 789 781)
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	<u>(31 428 455)</u>	<u>(30 638 331)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

NQABA FINANCE 1 (RF) LIMITED

Statement of Comprehensive Income	Month ended 30/04/2019 R	YTD Financial Year R	YTD 31/01/2019 R
<i>NB: These figures are derived from the unaudited management accounts and are subject to change.</i>			
Financing income	15 429 031	15 429 031	46 889 188
Financing cost	15 299 379	15 299 379	46 336 216
Financing margin	129 651	129 651	552 971
Loan losses	(5 873)	(5 873)	(712 313)
Loan losses written off	(5 873)	(5 873)	(834 313)
Impairment provisions	-	-	122 000
Interest received from bank	408 284	408 284	1 299 651
Interest (paid) / received from SARS	-	-	77 045
Interest swap	-	-	750 669
Fair value adjustments	-	-	315 476
Settlements received (paid)	-	-	435 193
Operating profit	532 062	532 062	1 968 024
Operating expenditure	(601 424)	(601 424)	(6 490 464)
Management fees	54 218	54 218	166 320
Servicer fees	271 159	271 159	831 646
Liquidity fees	14 083	14 083	43 301
Redraw Facility fees	76 352	76 352	195 639
Back-up Servicer fees	15 719	15 719	48 211
Audit fees	41 058	41 058	123 175
JSE fees	15 760	15 760	47 281
Bond issue fees	-	-	4 227 975
Legal Fees	-	-	426 422
Bank Charges	900	900	2 531
Directors fees	23 329	23 329	61 360
Rating fees	31 301	31 301	77 123
Rating fees (variable)	37 682	37 682	113 046
National Credit Regulator fees	8 146	8 146	24 438
Credit Ombudsman	7 251	7 251	74 601
Strate fees	4 465	4 465	27 394
Net profit/(loss) before tax	(69 362)	(69 362)	(4 522 440)
Taxation - normal tax	-	-	(3 378 044)
Taxation - deferred tax	-	-	-
Tax Penalties	-	-	-
Net profit/(loss) after tax	(69 362)	(69 362)	(7 900 484)
Dividends	-	-	-
Net profit/(loss) after distribution	(69 362)	(69 362)	(7 900 484)
Retained income at beginning of the period	37 627 985	37 627 985	50 566 553
Retained income at end of the period	37 558 622	37 558 622	42 666 069

Statement of Financial Position	30/04/2019 R	31/03/2019 R	31/01/2019 R
<i>NB: These figures are derived from the unaudited management accounts and are subject to change.</i>			
Assets			
Non-Current Assets	1 901 431 741	1 907 066 652	1 906 949 085
Home loan advances	1 899 360 189	1 904 995 101	1 905 452 525
Deferred tax	2 071 551	2 071 551	1 496 559
Current Assets	128 781 999	107 270 060	130 129 218
Amounts due by EFC	25 961 946	26 164 660	22 653 929
Cash and cash equivalents	99 315 899	77 975 399	99 192 365
Arrears reserve	1 580 681	1 206 527	1 862 079
SA Revenue Services	39 174	39 174	4 147 164
Interest swap fair value	1 884 300	1 884 300	2 273 681
Total assets	2 030 213 740	2 014 336 711	2 037 078 302
Equity and liabilities			
Capital and reserves	37 558 723	37 628 086	42 666 170
Share capital	101	101	101
Distributable reserves	37 558 622	37 627 985	42 666 069
Non-current liabilities	1 984 168 614	1 968 869 234	1 985 262 490
Interest-bearing debt	1 984 168 614	1 968 869 234	1 985 262 490
Current Liabilities	8 486 403	7 839 391	9 149 642
Trade and other payables	2 402 898	1 802 374	2 358 059
Amounts due to EFC	6 083 505	6 037 018	6 791 583
Total equity and liabilities	2 030 213 740	2 014 336 711	2 037 078 302

Excess spread	Quarter ended: R	22/05/2019 %	22/02/2019 R
Average loan pool balance	1 916 181 313		
Interest received to determination date	45 873 174	9.82%	9.72%
Expenses per Priority of Payments (POP)	(4 470 922)	-0.96%	-0.14%
	41 402 252	8.86%	9.59%
Note coupon less swap per POP	(36 418 093)	-7.79%	-7.70%
Excess spread before subordinated loan interest	4 984 159	1.07%	1.89%
Subordinated loan interest per POP	(8 591 548)	-1.84%	-1.82%
Excess spread	(3 607 389)	-0.77%	0.07%

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:

Absa House Price Index	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.
Amortisation Period	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.)
Arrears	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
Average Outstanding Balance	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
Business Day	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg
Collection Period	each calendar month period commencing on (and including) the day following a Determination Date and ending on (and including) the following Determination Date
Current LTV Ratio	in respect of a Home Loan, the LTV Ratio (see below) as at the most recent Determination Date
Defaulted Asset	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
Deteriorated Asset	any Home Loan Agreement with respect to which more than three Instalments are in Arrears
Determination Date	the last day of the calendar month preceding each Payment Date
Enforcement Notice	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
Eligibility Criteria	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
Fully Performing	a Home Loan which is not currently in Arrears
Further Advance	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)
Home Loan	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
Home Loan Rate	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
Instalment	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
Interest Payment Date(s)	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.)
Issuer Expense Cap	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

Liquidity Facility	a committed Rand denominated short term loan facility, provided by the Liquidity Facility Provider in terms of the Liquidity Facility Agreement
Liquidity Facility Limit	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
Liquidity Shortfall	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
LTV Ratio	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
Mandatory Redemption in part (Amortisation Period)	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
Mandatory Redemption following delivery of an Enforcement Notice	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
Mortgage Bond	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
NACQ	nominal annual compounded quarterly
Original LTV Ratio	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
Payment Date	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
Portfolio Covenants	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
Post-Enforcement Priority of Payments	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
Potential Redraw Amount	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
Pre-Enforcement Priority of Payments	the Pre-Enforcement Priority of Payments applicable during the Revolving Period and the Pre-Enforcement Priority of Payments applicable during the Amortisation Period
Pre-Enforcement Priority of Payments applicable during the Amortisation Period	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.)
Pre-Enforcement Priority of Payments applicable during the Revolving Period	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
Prepayments	principal repayments received under a Home Loan in excess of the minimum scheduled Instalments which a Borrower is obliged to pay
PTI Ratio	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

Rate Determination Date	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
Re-advance	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)
Redraw	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)
Redraw Facility	a committed Rand denominated revolving facility, provided by the Redraw Facility Provider in terms of the Redraw Facility Agreement
Redraw Facility Limit	an amount equal to or greater than 50% (fifty percent) of Potential Redraw Amount
Required Direct Employees Percentage	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
Revolving Period	the period commencing on (and including) the Commencement Date and ending on (but excluding) the occurrence of an Early Amortisation Event
Secured Creditors	EFC and each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document
Subordinated Notes	all the Notes issued on each Issue Date, other than the Class A Notes issued on that Issue Date
Transaction Documents	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