

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

**INVESTOR REPORT  
23 FEBRUARY 2017 TO 22 MAY 2017**

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**Investor Report**  
**for the period ending 22 May 2017**

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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)) <sup>1</sup>			
Back-up servicer	Absa Home Loans (a division of Absa)			
Rating agency	Moody's Investors Service Inc	<b>Moody's ratings</b>		
Originator and Seller	Eskom Finance Company SOC Limited (EFC) <sup>2</sup>	<b>Required</b>	<b>Current</b>	<b>Breach</b>
Borrowers' employer	Eskom Holdings SOC Limited (Eskom)	AA-(zaf)	A2.za	No
Liquidity and redraw facility provider	Absa CIB	A(zaf)/ F1(zaf)	Aa1.za	No
Account bank	Absa	A(zaf)/ F1(zaf)	Aa1.za	No
Guaranteed Investment Contract (GIC) provider	Absa CIB	A(zaf)/ F1(zaf)	Aa1.za	No
Swap provider (Derivative counterparty)	Absa CIB	AAA(zaf)/ F1+(zaf)	Aa1.za	Yes

<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	31/05/2006
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 2017 to 21 May 2017 (89 days inclusive)
Current interest payment date	22/05/2017
Next interest payment date	22/08/2017
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 2017 to 30 April 2017 (89 days)
Current determination date	30/04/2017

#### 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**

	Current period 01/02/2017 to 30/04/2017		Previous period 01/11/2016 to 31/01/2017		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans
<b>Balance brought forward</b>	1 929 915 551	7 376	1 915 107 514	7 437	-	-
Instalments received	(66 122 626)		(69 071 514)			
Interest charged	47 285 243		48 723 205			
Insurance charged	491 087		458 162			
Valuation fees	66 255		75 720			
Principal repaid	(18 280 041)		(19 814 428)			
Unscheduled repayments (prepayments)	(44 523 097)	(136)	(32 645 601)	(119)		
Total Principal collections	(62 803 138)		(52 460 029)		-	
New loans purchased	35 331 872	59	46 220 635	58	1 370 652 558	8 382
Advances and redraws	17 675 380		21 048 489			
Loan losses written off	(382 410)		-			
Loan losses recovered	-		-			
Interest adjustments	-		(1 058)			
<b>Balance at end of period</b>	<b>1 919 737 254</b>	<b>7 299</b>	<b>1 929 915 551</b>	<b>7 376</b>	<b>1 370 652 558</b>	<b>8 382</b>
Original value of loans advanced	2 082 113 704		2 073 188 609			
Latest current valuations of properties	4 564 981 766		4 496 327 480			
Weighted average number of months since last valuation	80		87			
Indexed values of properties	9 135 734 000		7 579 065 000			
Weighted average seasoning (months)	126		125		65	
Weighted average term to maturity (months)	215		217		261	
Largest asset value	3 429 154		3 293 130		N/A	
Months in the period	3		3		Since transaction close	
Loan book balance used as denominator for CPR and DR percentages below	1 929 915 551		1 915 107 514		131	
Prepayments	44 523 097		32 645 601		1 929 915 551	
Annualised constant prepayment rate (CPR)	9.2%		6.8%		1 750 906 340	
Loan losses	382 410		-		8.3%	
Annualised default rate (DR)	0.079%		0.000%		5 885 401	
					0.028%	

**Possessions**

	Current period 01/02/2017 to 30/04/2017		Previous period 01/11/2016 to 31/01/2017	
	R	Loans	R	Loans
Possessions at start of period	892 000	3	892 000	3
Changes	(460 000)	(1)	-	-
Possessions at end of period	<b>432 000</b>	<b>2</b>	<b>892 000</b>	<b>3</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:

	Current period 01/02/2017 to 30/04/2017		Previous period 01/11/2016 to 31/01/2017		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 91.0	89.2	=< 91.0	89.3	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	66.8	=< 73.0	68.6	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	13.3	=< 18.0	13.2	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 92.0	93.3	=< 92.0	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	91.5	=> 86.0	91.7	=> 85.0	100.0
Average outstanding balance	=< R 300 000	R 263 014	=< R 300 000	R 261 648	=< 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:

	Current period 01/02/2017 to 30/04/2017		Previous period 01/11/2016 to 31/01/2017		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		10.07%		9.97%		
3 month Jibar daily rate		7.35%		7.23%		
Margin	=> 2.15%	2.72%	=> 2.15%	2.73%		
<b>And</b>						
Current actual rates at interest payment date:						
Weighted average home loan rate		10.05%		10.07%		9.64%
3 month Jibar rate		7.33%		7.36%		7.70%
Margin	=> 2.15%	2.72%	=> 2.15%	2.71%	=> 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%:

	Current period 01/02/2017 to 30/04/2017		Previous period 01/11/2016 to 31/01/2017	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	66.8	=< 83.0	68.6

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

## NQABA FINANCE 1 (RF) LIMITED

### Portfolio stratification tables at determination date 30/04/2017

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 Months	Weighted average term to maturity Months
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Original Loan to Value</b>											
0% - 30%	40 516 194	2.1%	237	3.2%	195 211 511	42.2%	368 862 000	31.5%	10.1%	183	153
30% - 50%	73 423 631	3.8%	374	5.1%	321 696 000	44.3%	638 598 000	35.4%	10.0%	170	164
50% - 70%	167 571 517	8.7%	656	9.0%	529 977 878	50.9%	980 186 000	39.0%	10.0%	127	189
70% - 80%	181 201 019	9.4%	564	7.7%	443 019 622	60.4%	897 051 000	45.7%	9.9%	111	218
80% - 90%	294 990 348	15.4%	783	10.7%	584 875 769	71.8%	1 137 264 000	56.6%	10.0%	90	246
90% - 100%	477 764 460	24.9%	2 172	29.8%	1 233 073 624	65.4%	2 831 256 000	46.2%	10.0%	136	209
100%+	684 270 085	35.6%	2 513	34.4%	1 257 127 362	75.0%	2 282 517 000	53.2%	10.2%	130	222
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Weighted average</b>		<b>89.2%</b>									
<b>Current Loan to Value</b>											
0% - 30%	214 941 352	11.2%	3 212	44.0%	1 980 897 465	19.2%	5 172 522 000	12.3%	10.0%	209	112
30% - 50%	273 466 603	14.2%	1 048	14.4%	688 981 910	40.5%	1 160 364 000	27.7%	9.9%	168	165
50% - 70%	439 652 246	22.9%	1 061	14.5%	729 401 055	60.8%	1 125 820 000	43.6%	9.9%	135	202
70% - 80%	319 151 695	16.6%	636	8.7%	426 219 059	75.0%	629 920 000	55.2%	9.9%	103	244
80% - 90%	350 511 388	18.3%	653	8.9%	412 073 328	85.2%	593 143 000	62.7%	10.0%	82	262
90% - 100%	259 605 819	13.5%	570	7.8%	275 848 950	94.2%	395 330 000	67.6%	10.2%	89	268
100%+	62 408 152	3.3%	119	1.6%	51 560 000	128.1%	58 635 000	118.4%	11.9%	116	247
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Payment to income ratio</b>											
0% - 5%	223 761 964	11.7%	2 867	39.3%	1 486 182 299	46.2%	4 359 738 000	25.7%	9.6%	177	179
5% - 10%	509 949 754	26.6%	1 968	27.0%	1 197 403 251	58.3%	2 104 594 000	39.6%	9.8%	149	198
10% - 15%	469 390 873	24.5%	1 199	16.4%	845 245 898	68.2%	1 267 385 000	50.8%	10.1%	125	214
15% - 20%	377 823 339	19.7%	701	9.6%	571 651 623	76.1%	800 875 000	58.0%	10.2%	100	234
20% - 25%	205 100 430	10.7%	360	4.9%	290 196 231	78.6%	387 137 000	61.5%	10.3%	87	242
25% - 30%	85 150 619	4.4%	130	1.8%	113 064 465	81.3%	145 154 000	67.0%	10.7%	85	254
30%+	48 560 275	2.5%	74	1.0%	61 238 000	88.4%	70 851 000	79.3%	11.2%	97	246
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Weighted average</b>		<b>13.3%</b>									

## NQABA FINANCE 1 (RF) LIMITED

### Portfolio stratification tables at determination date 30/04/2017

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 Months	Weighted average term to maturity Months
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Payment method</b>											
Payroll Deduction	1 769 967 602	92.2%	6 811	93.3%	4 275 454 198	65.3%	8 734 539 000	46.4%	9.9%	124	216
Other	149 769 652	7.8%	488	6.7%	289 527 568	84.4%	401 195 000	78.1%	12.1%	147	205
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Borrower employment status</b>											
Direct Eskom	1 724 076 958	89.8%	6 678	91.5%	4 179 499 913	65.3%	8 507 581 000	46.6%	9.9%	125	215
Other group co.	195 660 296	10.2%	621	8.5%	385 481 853	79.6%	628 153 000	69.7%	11.5%	135	213
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Loan balance (R'000)</b>											
0 - 100	99 558 289	5.2%	2 901	39.7%	1 324 909 873	23.5%	4 053 758 000	11.2%	10.2%	223	95
100 - 200	161 294 966	8.4%	1 097	15.0%	551 564 371	41.7%	1 087 759 000	23.5%	10.1%	187	142
200 - 300	195 553 568	10.2%	782	10.7%	456 533 403	56.0%	773 893 000	36.5%	10.1%	155	188
300 - 400	253 725 438	13.2%	725	9.9%	445 829 401	67.9%	699 271 000	47.3%	10.1%	128	216
400 - 500	248 518 070	12.9%	553	7.6%	373 237 092	75.2%	549 373 000	54.9%	10.2%	115	233
500 - 700	414 925 619	21.6%	702	9.6%	614 724 172	75.4%	877 181 000	56.8%	10.1%	111	238
700 - 1000	288 938 528	15.1%	355	4.9%	419 906 891	75.0%	579 990 000	58.5%	9.9%	99	247
1000 - 1500	161 937 841	8.4%	133	1.8%	231 963 401	75.2%	301 519 000	60.2%	9.7%	93	242
1500+	95 284 935	5.0%	51	0.7%	146 313 163	74.7%	212 990 000	63.0%	9.5%	88	233
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Average balance</b>	<b>263 014</b>										
<b>Interest rate</b>											
0% - 8%	1 294 638	0.1%	8	0.1%	1 211 500	150.0%	1 268 000	137.6%	0.0%	178	134
8% - 9.5%	647 046 410	33.7%	1 680	23.0%	1 623 353 493	61.8%	3 211 859 000	43.8%	9.2%	131	208
9.5% - 11.5%	1 194 821 592	62.2%	5 429	74.4%	2 832 644 273	67.7%	5 806 923 000	49.0%	10.3%	122	219
11.5% - 13.5%	76 574 614	4.0%	182	2.5%	107 772 500	93.1%	115 684 000	90.0%	13.4%	139	218
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>

## NQABA FINANCE 1 (RF) LIMITED

### Portfolio stratification tables at determination date 30/04/2017

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	14 324 507	0.7%	25	0.3%	21 520 000	74.4%	21 781 000	73.6%	10.1%	9	312
12 - 24 months	28 270 004	1.5%	42	0.6%	45 281 900	69.9%	47 817 000	66.3%	10.1%	19	290
24 - 36 months	55 958 332	2.9%	66	0.9%	79 809 500	76.2%	90 616 000	67.1%	9.8%	31	284
36 - 48 months	85 474 317	4.5%	117	1.6%	130 282 404	73.6%	160 890 000	59.6%	9.8%	44	271
48 - 60 months	123 822 644	6.4%	202	2.8%	177 345 419	79.8%	234 683 000	61.7%	10.0%	55	268
60 - 120 months	751 363 398	39.1%	1 689	23.1%	1 132 263 211	79.2%	1 562 060 000	58.8%	10.1%	87	246
120+ months	860 524 053	44.8%	5 158	70.7%	2 978 479 333	52.5%	7 017 887 000	35.2%	10.0%	190	167
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Region</b>											
Eastern Cape	99 859 568	5.2%	346	4.7%	233 357 123	72.2%	348 543 000	54.4%	10.3%	136	213
Free State	91 463 277	4.8%	395	5.4%	215 975 763	67.3%	361 312 000	48.7%	10.1%	119	223
Gauteng	753 024 595	39.2%	2 286	31.3%	1 742 456 513	64.7%	3 126 840 000	47.9%	9.9%	125	216
Kwazulu Natal	120 408 235	6.3%	503	6.9%	299 647 732	67.0%	601 301 000	48.6%	10.1%	138	208
Limpopo Province	78 162 973	4.1%	333	4.6%	175 535 089	66.9%	290 549 000	47.7%	10.2%	121	218
Mpumalanga	440 596 764	23.0%	2 034	27.9%	1 027 941 861	67.2%	2 254 293 000	49.1%	10.1%	125	214
North West	38 296 144	2.0%	192	2.6%	75 544 522	72.4%	181 866 000	49.7%	10.3%	124	215
Northern Cape	26 888 466	1.4%	175	2.4%	74 958 995	66.7%	157 971 000	47.7%	10.3%	120	216
Western Cape	271 037 232	14.1%	1 035	14.2%	719 564 169	68.7%	1 813 059 000	50.1%	10.1%	127	216
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>
<b>Property type</b>											
House (Freehold)	1 634 805 107	85.2%	6 400	87.7%	4 012 793 365	65.6%	8 082 937 000	48.1%	10.1%	130	211
Multi-unit (Sectional Title)	238 113 381	12.4%	768	10.5%	409 416 902	76.1%	790 513 000	55.3%	10.0%	105	246
House (Complex)	8 738 335	0.5%	18	0.2%	15 440 000	65.3%	24 484 000	46.1%	10.0%	119	218
Small Holding	3 962 127	0.2%	16	0.2%	12 675 000	48.1%	20 200 000	31.9%	10.0%	121	177
Other	34 118 304	1.8%	97	1.3%	114 656 500	58.6%	217 600 000	45.0%	9.7%	109	218
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>4 564 981 766</b>	<b>66.8%</b>	<b>9 135 734 000</b>	<b>48.9%</b>	<b>10.0%</b>	<b>126</b>	<b>215</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Arrears analysis at determination date**

	30/04/2017			WA interest rate			31/01/2017			WA interest rate		
	Loan balances R	%	Number of loans %	rate %	Loan balances R	%	Number of loans %	rate %				
<b>Fully performing</b>												
Current	1 819 485 113	94.8%	6 957	95.3%	9.9%	1 838 487 172	95.3%	7 058	95.7%	10.0%		
<b>Non-delinquent</b>												
0 - 1 months	10 293 242	0.5%	39	0.5%	12.0%	23 490 569	1.2%	68	0.9%	12.6%		
1 - 2 months	11 533 962	0.6%	34	0.5%	13.2%	11 626 746	0.6%	40	0.5%	13.0%		
2 - 3 months	5 178 019	0.3%	16	0.2%	13.2%	6 606 272	0.3%	25	0.3%	12.9%		
Total	27 005 222	1.4%	89	1.2%	12.7%	41 723 587	2.2%	133	1.8%	12.8%		
<b>Deteriorated</b>												
3 - 4 months	1 596 028	0.1%	9	0.1%	12.5%	2 744 662	0.1%	39	0.5%	12.4%		
4 - 5 months	2 038 324	0.1%	9	0.1%	13.2%	1 449 285	0.1%	11	0.1%	12.9%		
5 - 6 months	1 603 731	0.1%	9	0.1%	11.7%	1 433 800	0.1%	5	0.1%	13.5%		
6 - 12 months	1 414 930	0.1%	39	0.5%	12.5%	1 872 070	0.1%	20	0.3%	11.9%		
>12 months	1 687 673	0.1%	20	0.3%	12.3%	944 398	0.0%	11	0.1%	10.7%		
Total	8 340 686	0.4%	86	1.2%	12.5%	8 444 214	0.4%	86	1.2%	12.4%		
<b>Defaulted</b>												
Litigation	22 505 687	1.2%	49	0.7%	13.2%	24 210 916	1.3%	48	0.7%	13.2%		
<b>Other categories</b>												
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%		
Arrangement	41 135 027	2.1%	113	1.5%	12.5%	14 502 347	0.8%	44	0.6%	13.0%		
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%		
Properties sold	833 519	0.0%	3	0.0%	0.0%	1 655 313	0.1%	4	0.1%	0.0%		
Properties in possession	432 000	0.0%	2	0.0%	0.0%	892 000	0.0%	3	0.0%	0.0%		
Total	42 400 546	2.2%	118	1.6%	12.2%	17 049 660	0.9%	51	0.7%	11.0%		
<b>Total</b>	<b>1 919 737 254</b>	<b>100.0%</b>	<b>7 299</b>	<b>100.0%</b>	<b>10.0%</b>	<b>1 929 915 551</b>	<b>100.0%</b>	<b>7 376</b>	<b>100.0%</b>	<b>10.1%</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 1,5% of the aggregate principal balances of the home loans and shall cease when such percentage reduces to 1,0%;

		30/04/2017 R	31/01/2017 R
Aggregate principal balances on home loans as above	A	1 919 737 254	1 929 915 551
Balances which are in arrears for more than 3 months	B	8 340 686	8 444 214
Balances for which the Issuer has instituted legal proceedings	C	22 505 687	24 210 916
Total arrears for calculation purposes	D = B + C	30 846 373	32 655 131
Arrears %	E = D / A	1.61%	1.69%
Arrears reserve trigger level percentage		1.50%	1.50%
Arrears reserve trigger level value		28 796 059	28 948 733
If arrears % (E) previously exceeded 1,5%, check whether arrears have decreased to 1%		No	No
Arrears trigger event		Yes	Yes
<b>If Yes, calculation of arrears reserve required:</b>			
Original valuation of the related properties		23 592 987	22 105 047
Latest valuation of the related properties		44 355 500	42 760 294
Balances which are in arrears for more than 3 months	B	8 340 686	8 444 214
60% of the lower of the original valuation and latest valuation	F	14 155 792	13 263 028
Test difference between arrears and conservative value of related properties	G = B - F	(5 815 106)	(4 818 814)
Arrears reserve required amount (if value greater, no cash reserve required)	H	-	-
<b>Changes in arrears reserve</b>			
Opening balance		-	-
Changes reflected in Priority of Payments		-	-
Closing balance	H	-	-

**Related early amortisation arrears trigger**

		30/04/2017 R	31/01/2017 R
Notes in issue		1 660 000 000	1 660 000 000
Trigger per cent		2.00%	2.00%
Trigger value	I	33 200 000	33 200 000
Total arrears as defined above	D	30 846 373	32 655 131
Headroom (deficit)		2 353 627	544 869
Early amortisation arrears trigger event (D > I)		No	No

**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:

	30/04/2017 R	31/01/2017 R
Impairments applied to loan book excluding possessions	9 563 237	6 131 617
Impairments applied to possessions	322 000	294 500
Total impairments	9 885 237	6 426 117



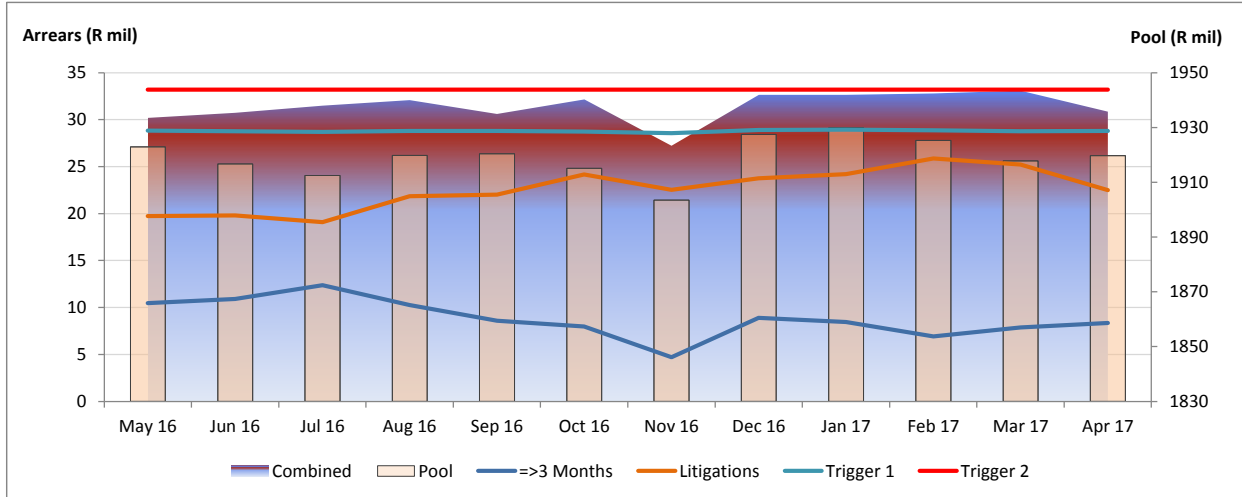
Trends

Arrears analysis (values in R million)

End of:	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17
<b>Pool</b>	<b>1923</b>	<b>1917</b>	<b>1912</b>	<b>1920</b>	<b>1920</b>	<b>1915</b>	<b>1903</b>	<b>1927</b>	<b>1930</b>	<b>1925</b>	<b>1918</b>	<b>1920</b>
Trigger 1 (%)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<b>Trigger 1</b>	<b>28.84</b>	<b>28.75</b>	<b>28.69</b>	<b>28.80</b>	<b>28.81</b>	<b>28.73</b>	<b>28.55</b>	<b>28.91</b>	<b>28.95</b>	<b>28.88</b>	<b>28.77</b>	<b>28.80</b>
=>3 Months	10.47	10.91	12.39	10.25	8.60	7.99	4.70	8.88	8.44	6.93	7.86	8.34
Litigations	19.73	19.81	19.09	21.84	22.01	24.17	22.52	23.75	24.21	25.86	25.24	22.51
<b>Combined</b>	<b>30.19</b>	<b>30.72</b>	<b>31.48</b>	<b>32.09</b>	<b>30.61</b>	<b>32.16</b>	<b>27.22</b>	<b>32.64</b>	<b>32.66</b>	<b>32.79</b>	<b>33.10</b>	<b>30.85</b>
Notes	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660	1660
Trigger 2 (%)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>Trigger 2</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>	<b>33.20</b>
Trigger 2 diff	3.01	2.48	1.72	1.11	2.59	1.04	5.98	0.56	0.54	0.41	0.10	2.35

Trigger 1 (1,5% of principal balances) = If breached by combined arrears, an arrears reserve is required until arrears decrease to 1%

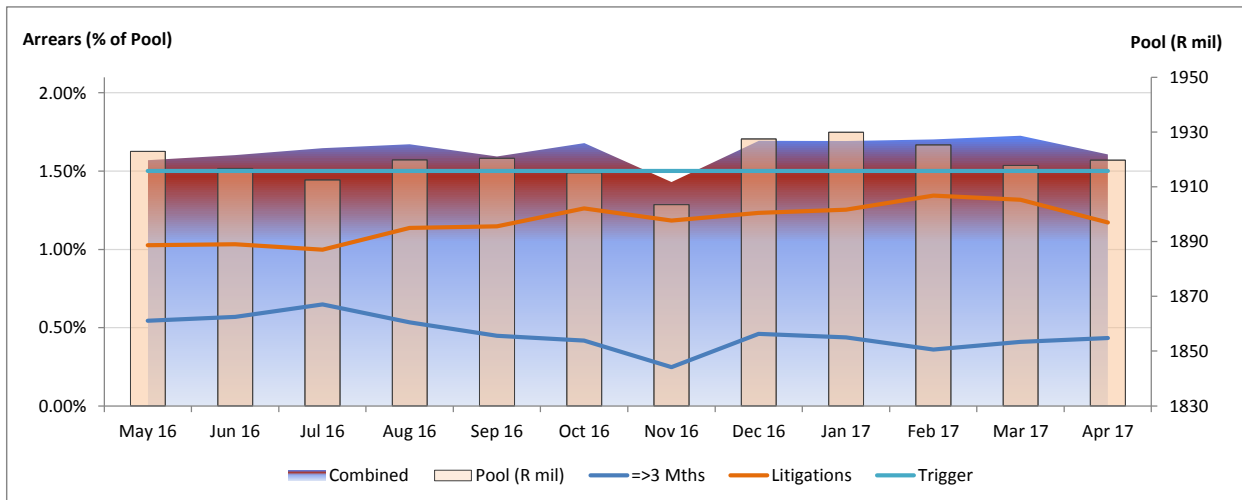
Trigger 2 (2% of Notes) = If breached by combined arrears, early amortisation is required



Arrears analysis (percentages)

End of:	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17
<b>Pool (R mil)</b>	<b>1923</b>	<b>1917</b>	<b>1912</b>	<b>1920</b>	<b>1920</b>	<b>1915</b>	<b>1903</b>	<b>1927</b>	<b>1930</b>	<b>1925</b>	<b>1918</b>	<b>1920</b>
=>3 Mths	0.54%	0.57%	0.65%	0.53%	0.45%	0.42%	0.25%	0.46%	0.44%	0.36%	0.41%	0.43%
Litigations	1.03%	1.03%	1.00%	1.14%	1.15%	1.26%	1.18%	1.23%	1.25%	1.34%	1.32%	1.17%
<b>Combined</b>	<b>1.57%</b>	<b>1.60%</b>	<b>1.65%</b>	<b>1.67%</b>	<b>1.59%</b>	<b>1.68%</b>	<b>1.43%</b>	<b>1.69%</b>	<b>1.69%</b>	<b>1.70%</b>	<b>1.73%</b>	<b>1.61%</b>
Trigger	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Trigger (combined arrears) = If breached, an arrears reserve is required until arrears decrease to 1%

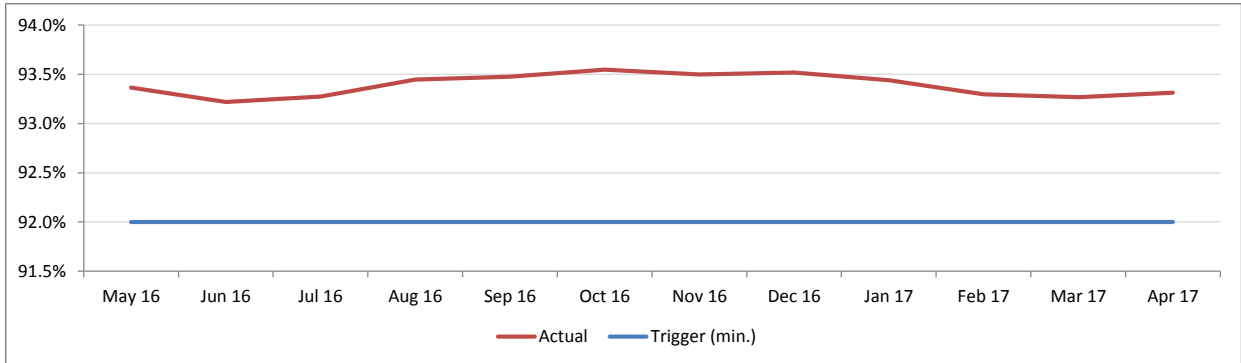


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17
Actual	93.4%	93.2%	93.3%	93.4%	93.5%	93.5%	93.5%	93.5%	93.4%	93.3%	93.3%	93.3%
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

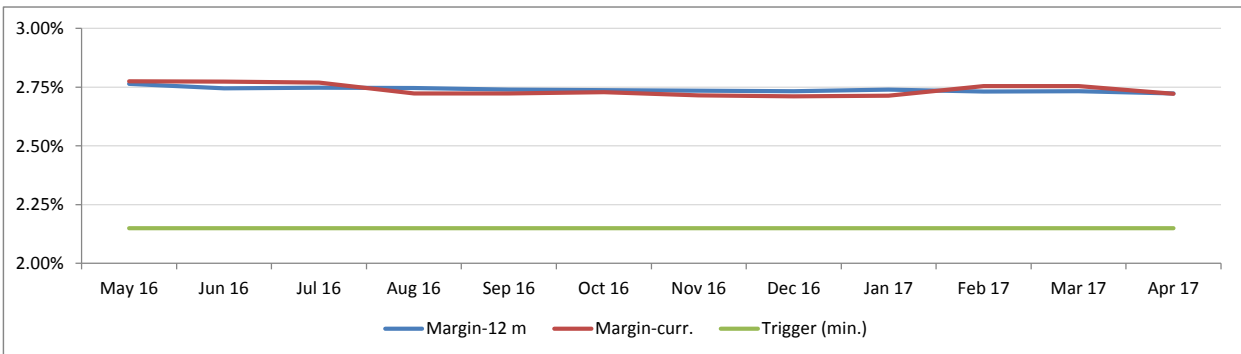


Interest rate margin

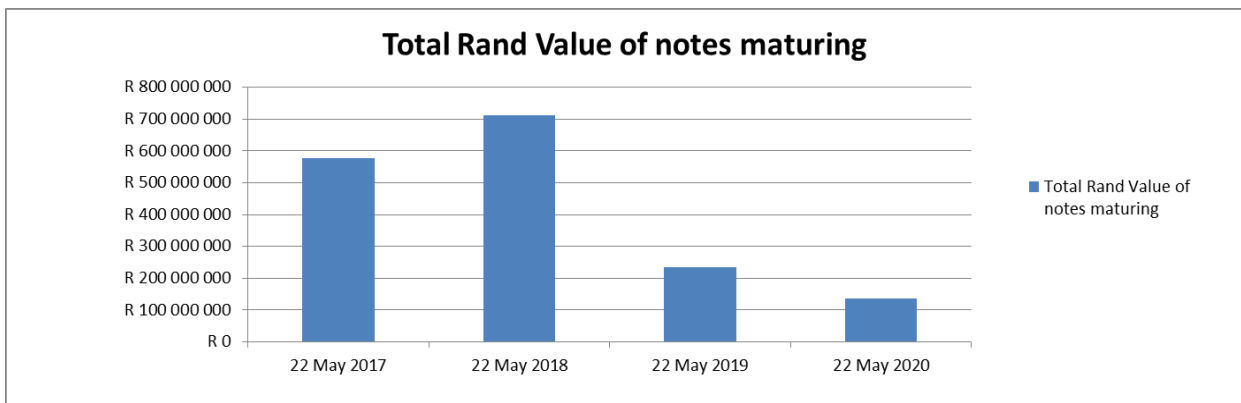
The Required Interest Rate margin between the weighted average home loan rate and the 3 month JIBAR rate is to be tested in two ways on Interest Payment date: the margin of the 12 months rolling averages of each rate and the margin of the actual rates applicable on those dates. For trend purposes, the 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 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	Apr 17
<b>12 months rolling average:</b>												
HL-12 m	9.36%	9.46%	9.57%	9.65%	9.74%	9.82%	9.90%	9.97%	10.03%	10.05%	10.07%	10.07%
Jibar-12 m	6.59%	6.72%	6.82%	6.91%	7.00%	#N/A	#N/A	7.23%	7.29%	7.32%	7.34%	7.35%
Margin-12 m	2.76%	2.74%	2.75%	2.75%	2.74%	#N/A	#N/A	2.73%	2.74%	2.73%	2.73%	2.72%
<b>Current month:</b>												
HL-current	10.07%	10.07%	10.07%	10.06%	10.06%	10.07%	10.07%	10.07%	10.07%	10.08%	10.08%	10.05%
Jibar-curr.	7.30%	7.30%	7.30%	7.34%	7.34%	7.34%	7.36%	7.36%	7.36%	7.33%	7.33%	7.33%
Margin-curr.	2.77%	2.77%	2.77%	2.72%	2.72%	2.73%	2.71%	2.71%	2.71%	2.75%	2.75%	2.72%
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%

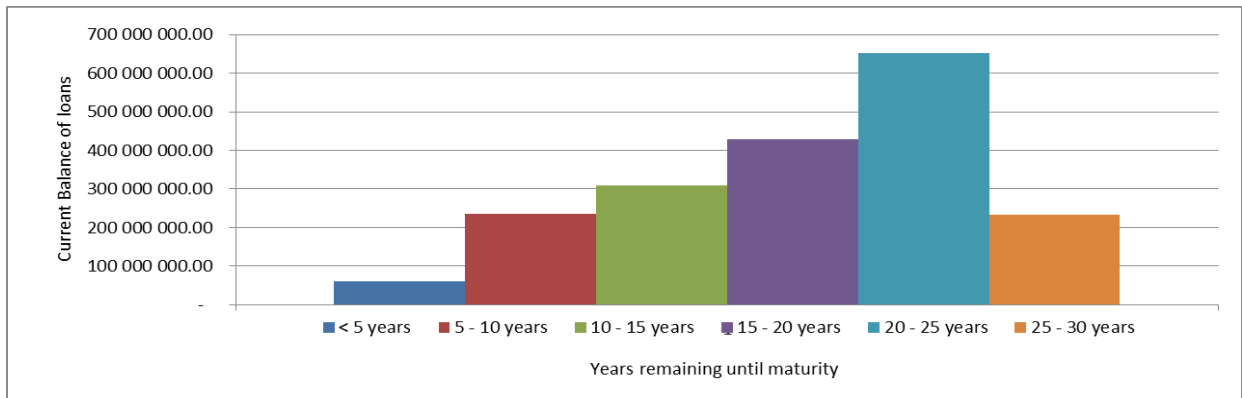
Trigger = If breached by both calculations on the same interest payment date, early amortisation required



Notes maturity analysis



Asset pool maturity analysis





**NQABA FINANCE 1 (RF) LIMITED**

**Note interest calculations for current interest payment date 22/05/2017**

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	22/02/2017	22/05/2017	22/05/2020	89	Fixed	10.435%	+25 bps	10.435%	2 926 088	-	115 000 000
A17	NQ1A17	302 000 000	22/02/2017	22/05/2017	22/05/2018	89	7.325%	1.100%	1.540%	8.425%	6 204 032	-	302 000 000
A18	NQ1A18	318 000 000	22/02/2017	22/05/2017	22/05/2017	89	7.325%	0.950%	1.330%	8.275%	6 416 412	(318 000 000)	-
A19	NQ1A19	303 000 000	22/02/2017	22/05/2017	22/05/2018	89	7.325%	1.390%	1.946%	8.715%	6 438 833	-	303 000 000
A21	NQ1A21	210 000 000	22/02/2017	22/05/2017	22/05/2019	89	7.325%	1.570%	2.198%	8.895%	4 554 727	-	210 000 000
A22	NQ1A22	195 000 000	22/02/2017	22/05/2017	22/05/2017	89	7.325%	1.040%	1.456%	8.365%	3 977 386	(195 000 000)	-195 000 000
A23	NQ1A23										5 000 000		
A24	NQ1A24										310 000 000		
A25	NQ1A25										150 000 000		
A26	NQ1A26										48 000 000		
<b>Totals Class A</b>		<b>1 443 000 000</b>							Weighted average:	<b>8.673%</b>	<b>30 517 478</b>	<b>-</b>	<b>735 000 000</b>
B10	NQ1B10	11 000 000	22/02/2017	22/05/2017	22/05/2020	89	Fixed	10.635%	+55 bps	10.635%	285 251	-	11 000 000
B15	NQ1B15	40 000 000	22/02/2017	22/05/2017	22/05/2018	89	7.325%	1.250%	1.750%	8.575%	836 356	-	40 000 000
B16	NQ1B16	32 000 000	22/02/2017	22/05/2017	22/05/2017	89	7.325%	1.150%	1.610%	8.475%	661 283	(32 000 000)	-
B17	NQ1B17	8 000 000	22/02/2017	22/05/2017	22/05/2020	89	7.325%	1.820%	2.548%	9.145%	178 391	-	8 000 000
B19	NQ1B19											32 000 000	32 000 000
<b>Totals Class B</b>		<b>91 000 000</b>							Weighted average:	<b>8.839%</b>	<b>1 961 280</b>	<b>-</b>	<b>91 000 000</b>
C10	NQ1C10	5 000 000	22/02/2017	22/05/2017	22/05/2020	89	Fixed	10.835%	+100 bps	10.835%	132 098	-	5 000 000
C15	NQ1C15	25 000 000	22/02/2017	22/05/2017	22/05/2018	89	7.325%	1.350%	1.890%	8.675%	528 818	-	25 000 000
C16	NQ1C16	32 000 000	22/02/2017	22/05/2017	22/05/2017	89	7.325%	1.400%	1.960%	8.725%	680 789	(32 000 000)	-
C17	NQ1C17	5 000 000	22/02/2017	22/05/2017	22/05/2020	89	7.325%	2.250%	3.150%	9.575%	116 736	-	5 000 000
C19	NQ1C19											32 000 000	32 000 000
<b>Totals Class C</b>		<b>67 000 000</b>							Weighted average:	<b>8.927%</b>	<b>1 458 442</b>	<b>-</b>	<b>67 000 000</b>
D5	NQF1D5	5 000 000	22/02/2017	22/05/2017	22/05/2020	89	7.325%	3.250%	+325 bps	10.575%	128 928	-	5 000 000
D7	NQF1D7	30 000 000	22/02/2017	22/05/2017	22/05/2018	89	7.325%	1.550%	2.170%	8.875%	1 244 659	-	30 000 000
D8	NQF1D8	24 000 000	22/02/2017	22/05/2017	22/05/2019	89	7.325%	2.850%	3.990%	10.175%	595 447	(24 000 000)	24 000 000
<b>Totals Class D</b>		<b>59 000 000</b>							Weighted average:	<b>9.548%</b>	<b>1 373 587</b>	<b>24 000 000</b>	<b>59 000 000</b>
<b>Totals all Notes</b>		<b>1 660 000 000</b>							Weighted average:	<b>8.724%</b>	<b>35 310 787</b>	<b>24 000 000</b>	<b>952 000 000</b>
<b>Subordinated loan</b>		<b>290 000 000</b>	22/02/2017	22/05/2017		89	7.325%	5.000%		12.325%	8 715 295		290 000 000
<b>Total funding</b>		<b>1 950 000 000</b>							Weighted average interest rate all funding:	<b>9.259%</b>	<b>44 026 082</b>	<b>24 000 000</b>	<b>1 242 000 000</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 22/05/2017**

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	22/02/2017	22/05/2017	89	10.435%	7.325%	9.425%	2 926 088	(2 642 873)	283 215
9527542	NQ1B10	11 000 000	22/02/2017	22/05/2017	89	10.635%	7.325%	9.625%	285 251	(258 161)	27 090
9527501	NQ1C10	5 000 000	22/02/2017	22/05/2017	89	10.835%	7.325%	9.825%	132 098	(119 784)	12 314
		<b>131 000 000</b>					Weighted averages: <b>10.467%</b>		<b>3 343 437</b>	<b>(3 020 818)</b>	<b>322 619</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	22/05/2017 R	22/02/2017 R
Facility limit (2% of Notes issued)	33 200 000	33 200 000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	33 200 000	33 200 000

The facility is due for renewal on 21/02/2017. It has never been used.  
 The fee charge is 0.55% of the facility limit.

Redraw facility	22/05/2017 R	22/02/2017 R
Facility limit	510 000 000	510 000 000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn (repaid)	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	510 000 000	510 000 000

The facility is due for renewal on 21/02/2017. It has never been used.  
 The fee charge is 0.55% of the facility limit.

**Early amortisation events (summary)**

	22/05/2017	22/02/2017
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	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% 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 Eskom Holdings SOC Limited is downgraded below AA-(zaf)	Page 3	No

## NQABA FINANCE 1 (RF) LIMITED

### Principal deficiency ledger at Interest payment date

	22/05/2017	22/02/2017
	R	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	(577 000 000)	-
- Class A	(513 000 000)	-
- Class B	(32 000 000)	-
- Class C	(32 000 000)	-
- Class D	-	-
Plus: Funds raised through refinancing	577 000 000	-
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	-	-
<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	1 919 737 252	1 929 915 551
Plus: Home loans transferred on the next day from funds previously allocated	16 706 234	10 896 175
Total principal balances at start of current period	1 936 443 486	1 940 811 725
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	13 556 514	9 188 275
* 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)	-	-

**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)	-	-
<b>Class D interest deferral test to protect class C and above Noteholders</b>		
Class D Notes	59 000 000	59 000 000
Class E Notes	-	-
Subordinated loan	290 000 000	290 000 000
Total (D)	349 000 000	349 000 000
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)	67 000 000	67 000 000
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)	91 000 000	91 000 000
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	-	-
Current period change	-	-
Arrears reserve at end of period	-	-

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*

	<b>Three months ended:</b>	
	<b>30/04/2017</b>	<b>31/01/2017</b>
	<b>R</b>	<b>R</b>
(Loss) profit before tax per income statement	(3 231 995)	3 489 615
Add back:		
Fair value adjustments	41 300	-
Funds from operations	<u>(3 190 695)</u>	<u>3 489 615</u>
Taxation paid	(5 861 381)	(1 883 679)
Increase (decrease) in Notes including accrued interest	136 015.45	(1 679 344)
Decrease (increase) in portfolio assets including accrued interest	13 637 417.65	(14 808 037)
(Increase) decrease in arrears reserve funded	-	3 561 700
Decrease in amounts due by EFC and accounts receivable	1 410 625.49	3 018 717
(Decrease) increase in amounts due to EFC and accounts payable	(13 118 561.00)	12 301 041
	<u>(6 986 579)</u>	<u>4 000 012</u>
(Decrease) increase in funds	(6 986 579)	4 000 012
Funds available at beginning of the period	98 531 134	94 391 695
Funds available at end of the period to Priority of Payments	<u><u>91 544 555</u></u>	<u><u>98 391 707</u></u>

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

	<b>22/05/2017</b>	<b>22/02/2017</b>
	<b>R</b>	<b>R</b>
Cash at bank as above	91 544 555	98 531 134
Refinancing of Notes	577 000 000	-
Add: Commingling amounts subsequently received from EFC	24 582 161	26 025 940
Less: commingling amounts payable to EFC	(4 825 915)	(18 185 608)
<b>Available cash</b>	<u><b>688 300 801</b></u>	<u><b>106 371 466</b></u>
<b>Payments</b>		
1 South African Revenue Services	(112 657)	(1 544 979)
2 Security SPV trust, owner trust and third party payments	(1 772 921)	(2 628 864)
3 Derivative counterparty settlement received (paid)	322 619	322 597
4 Liquidity facility provider - fees	(41 529)	(52 469)
5 Redraw facility provider - fees	(637 947)	(805 996)
6 Class A to D Note holders:		
Interest on Class A notes	(30 517 478)	(31 656 618)
Surplus / (Deficit)	<u><b>655 540 888</b></u>	<u><b>70 005 138</b></u>
Interest on Class B notes	<u><b>(1 961 280)</b></u>	<u><b>(2 034 044)</b></u>
Interest payable	(1 961 280)	(2 034 044)
Less: Class B interest deferred	-	-
Interest on Class C notes	<u><b>(1 458 442)</b></u>	<u><b>(1 512 760)</b></u>
Interest payable	(1 458 442)	(1 512 760)
Less: Class C interest deferred	-	-
Interest on Class D notes	<u><b>(1 373 587)</b></u>	<u><b>(1 424 795)</b></u>
Interest payable	(1 373 587)	(1 424 795)
Less: Class D interest deferred	-	-
Surplus / (Deficit)	<u><b>650 747 580</b></u>	<u><b>65 033 539</b></u>
7 Arrears reserve (increase) decrease	-	2 587 537
8 Redraw facility provider	-	-
9 Matured Class A to D Note holders (classes B to D payments subject to Interest Deferral Events)	(577 000 000)	-
10 Additional home loans		
Purchase of additional home loans (per home loan sale agreement) (potential purchase amount less amount applied to item 8 above)	(16 706 234)	(10 896 175)
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	(1 919 737 252)	(1 929 621 051)
Less: Amounts applied to items 8 and 10	(16 706 234)	(10 896 175)
Required purchases reserve	<u><b>13 556 514</b></u>	<u><b>9 482 775</b></u>
Surplus / (Deficit)	(13 556 514)	(9 188 275)
12 Class A to D Note holders: other amounts due	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<u><b>43 484 832</b></u>	<u><b>47 536 626</b></u>
14 Issuer expenses in excess of issuer expenses cap	-	-
15 Interest on Class E notes	-	-
16 Subordinated loan interest	(8 715 295)	(9 033 190)
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	(34 769 538)	(38 503 436)
	<u><u>-</u></u>	<u><u>-</u></u>

**NQABA FINANCE 1 (RF) LIMITED**

	Month ended 30/04/2017	Financial Year ended 31/03/2017	YTD 31/01/2017
	R	R	R
<b>Statement of Comprehensive Income</b>			
<i>NB: These figures are derived from the unaudited management accounts and are subject to change.</i>			
Financing income	15 855 850	193 392 444	15 861 882
Financing cost	14 840 252	179 147 683	14 250 923
<b>Financing margin</b>	<b>1 015 598</b>	<b>14 244 762</b>	<b>1 610 959</b>
Loan losses	(261 395)	(4 952 966)	(113 492)
Loan losses written off	(261 395)	(924 749)	(113 492)
Impairment provisions	-	(4 028 217)	-
Interest received from bank	322 434	5 145 884	405 388
Interest swap	-	3 968 278	-
Fair value adjustments	-	2 541 139	-
Settlements received (paid)	-	1 427 139	-
<b>Operating profit</b>	<b>1 076 637</b>	<b>18 405 958</b>	<b>1 902 854</b>
Operating expenditure	(674 290)	(9 461 691)	(1 061 436)
<b>Net profit before tax</b>	<b>402 347</b>	<b>8 944 267</b>	<b>841 418</b>
Taxation - normal tax	(112 657)	(3 998 753)	(358 389)
Taxation - deferred tax	-	382 129	-
<b>Net profit after tax</b>	<b>289 690</b>	<b>5 327 643</b>	<b>483 029</b>
Retained income at beginning of the period	51 010 209	45 682 566	45 645 797
<b>Retained income at end of the period</b>	<b>51 299 899</b>	<b>51 010 209</b>	<b>46 128 826</b>

	30/04/2017	31/03/2017	31/01/2017
	R	R	R

**Statement of Financial Position**  
*NB: These figures are derived from the unaudited management accounts and are subject to change.*

	30/04/2017	31/03/2017	31/01/2017
	R	R	R
<b>Assets</b>			
<b>Non-Current Assets</b>	1 911 216 396	1 909 261 800	1 924 471 685
Home loan advances	1 909 742 015	1 907 787 420	1 922 891 933
Properties in possession	110 000	110 000	597 500
Deferred tax	1 364 381	1 364 381	982 252
<b>Current Assets</b>	130 261 639	120 935 296	134 953 838
Amounts due by EFC	24 582 161	43 971 913	26 025 940
Cash and cash equivalents	91 544 555	62 774 386	98 531 134
Arrears reserve	-	-	-
SA Revenue Services	10 675 866	10 675 866	6 929 560
Prepayments	33 153	87 226	-
Interest swap fair value	3 425 904	3 425 904	3 467 204
<b>Total assets</b>	<b>2 041 478 035</b>	<b>2 030 197 096</b>	<b>2 059 425 523</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>	51 299 998	51 010 310	54 832 618
Share capital	101	101	101
Distributable reserves	51 299 897	51 010 209	54 832 517
<b>Non-current liabilities</b>	1 983 143 230	1 968 302 977	1 983 007 215
Interest-bearing debt	1 983 143 230	1 968 302 977	1 983 007 215
<b>Current Liabilities</b>	7 034 807	10 883 809	21 585 690
Trade and other payables	2 096 235	1 501 009	1 855 103
Amounts due to EFC	4 825 915	9 382 800	18 185 608
Interest swap fair value	-	-	-
Deferred tax	-	-	-
SA Revenue Services	112 657	-	1 544 979
<b>Total equity and liabilities</b>	<b>2 041 478 035</b>	<b>2 030 197 096</b>	<b>2 059 425 523</b>

	Quarter ended:	22/05/2017	22/02/2017
	R	%	R / %
<b>Excess spread</b>			
<b>Average loan pool balance</b>	1 923 184 228		1 918 984 513
Interest received to determination date	47 285 243	10.08%	10.07%
Expenses per Priority of Payments (POP)	(2 452 397)	-0.52%	-0.72%
	44 832 846	9.56%	9.35%
Note coupon less swap per POP	(34 988 168)	-7.46%	-7.51%
Excess spread before subordinated loan interest	9 844 679	2.10%	1.85%
Subordinated loan interest per POP	(8 715 295)	-1.86%	-1.87%
<b>Excess spread</b>	<b>1 129 384</b>	<b>0.24%</b>	<b>-0.02%</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 at: <a href="http://www.absa.co.za/Absacoza/Individual/Borrowing/Home-loans/Property-Research">http://www.absa.co.za/Absacoza/Individual/Borrowing/Home-loans/Property-Research</a>
<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>	a failure by a Borrower to pay an Instalment, other than a failure 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 arrear
<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 0.3% 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 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 (NB: this is the same as the Fitch DTI 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)

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 the 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
<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.