

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

## **INVESTOR REPORT 24 NOVEMBER 2020 TO 22 FEBRUARY 2021**

### **COVID 19 AND MARKET DISRUPTION NOTICE**

The outbreak of the COVID-19 coronavirus has resulted in disruption to business activity globally and market volatility, since mid-January 2020. On 27 March 2020, South Africa's sovereign credit rating was downgraded to sub-investment grade.

These factors have contributed to the inability of Nqaba to refinance R459 million Notes which matured on 22 May 2020. This is not an event of default.

On 31 July 2020, the aggregate principal balances of home loans owned by the Issuer which were in arrears for more than 3 months, exceeded 2.5% of the aggregate principal balances of the home loans. This is an Early Amortisation Event but is also not an event of default.

In terms of the Programme Memorandum, the Issuer has to use funds in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, to make Mandatory Redemptions in part of all notes (in reducing order of rank and pari passu if of equal rank). Consequently, the Issuer is unable to purchase further assets to top-up the pool and cannot pay interest on the subordinated loan.

In terms of the Applicable Pricing Supplements of the matured notes, there were changes to the interest payable from 23 May 2020 and, for certain notes, also from 31 July 2020, as detailed on page 13 of this report.

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**Investor Report**  
**for the period ending 22 February 2021**

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**Copies of Nqaba Investor Reports are available from:**

The South African Securitisation Forum: <http://www.sasf.co.za/investorreporting.htm>

Eskom SOC Ltd: <http://www.eskom.co.za/OurCompany/Investors/NqabaFin1/Pages/Nquaba-Investor-Reports.aspx>

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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) long term corporate family rating [required rating updated w.e.f. 24/11/2020]	Caa1	B1.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 (all swaps terminated 22/05/2020)	A1.za/P-2.za	Aa1.za	No

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

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

Currency	South African Rand (ZAR or R)
Transaction type	Traditional Securitisation (originally Revolving; Early Amortisation from 31 July 2020)
Transaction close date	Wednesday, 31 May 2006
Programme size	R5,000,000,000
Outstanding Notes	R 1 426 052 355
Note profile	Interest only; bullet redemption. From 31 July 2020, Notes are being partially redeemed as the scheme has moved to early amortisation.
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	24 November 2020 to 21 February 2021 (91 days inclusive)
Current interest payment date	Monday, 22 February 2021
Next interest payment date	Monday, 24 May 2021
Asset class	Residential Mortgage Backed Securities in an evergreen revolving structure. Scheme has moved to early amortisation from 31 July 2020.
Repayment type	Fully amortising equal monthly interest and principal payments
Current collection period	01 November 2020 to 31 January 2021 (92 days)
Current determination date	Sunday, 31 January 2021

#### 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 but in the Amortising Period, funds must be applied to the redemption of Notes, so no further loans can be purchased.

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		Previous period		Transaction close	
	01/11/2020 to 31/01/2021		01/08/2020 to 31/10/2020		31/05/2006	
Collection period:	R	Loans	R	Loans	R	Loans
<b>Balance brought forward</b>	1,828,620,692	6,243	1,880,194,507	6,381	-	-
Instalments received	(51,941,124)		(52,799,559)			
Interest charged	29,644,012		30,514,383			
Insurance charged	1,042,167		1,030,837			
Valuation fees	109,390		83,656			
Principal repaid	(21,145,554)		(21,170,683)			
Unscheduled repayments (prepayments)	(45,559,089)	(117)	(48,696,979)	(138)		
Total Principal collections	(66,704,643)		(69,867,662)			
New loans purchased	-	-	-	-	1,370,652,558	8,382
Advances and redraws	14,689,539		18,293,846			
Loan losses written off	(582,473)		-			
Loan losses recovered	-		-			
Interest adjustments	-		-			
<b>Balance at end of period</b>	<b>1,776,023,115</b>	<b>6,126</b>	<b>1,828,620,692</b>	<b>6,243</b>	<b>1,370,652,558</b>	<b>8,382</b>
Original value of loans advanced	2,258,876,301		2,298,643,355			
Latest current valuations of properties	4,196,239,882		4,256,976,745			
Weighted average number of months since last valuation	97		96			
Indexed values of properties	6,111,761,000		6,213,193,000			
Weighted average seasoning (months)	141		138		65	
Weighted average term to maturity (months)	201		204		261	
Largest asset value	3,057,577		3,037,800		N/A	
Months in the period	3		3		176	
Loan book balance used as denominator for CPR and DR percentages below	1,828,620,692		1,880,194,507		1,828,620,692	
Prepayments	45,559,089		48,696,979		2,477,287,445	
Annualised constant prepayment rate (CPR)	10.0%		10.4%		9.2%	
Loan losses	582,473		-		11,611,437	
Annualised default rate (DR)	0.127%		0.000%		0.043%	

**Possessions**

	Current period		Previous period	
	01/11/2020 to 31/01/2021		01/08/2020 to 31/10/2020	
Collection period:	R	Loans	R	Loans
Possessions at start of period	1,591,578	3	1,591,578	3
Changes	-	-	-	-
Possessions at end of period	<b>1,591,578</b>	<b>3</b>	<b>1,591,578</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		Previous period		Transaction close	
	01/11/2020 to 31/01/2021		01/08/2020 to 31/10/2020		31/05/2006	
Collection period:	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 93.0	90.2	=< 93.0	90.1	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	67.7	=< 73.0	68.0	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	9.8	=< 18.0	9.7	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 90.0	91.3	=< 90.0	91.6	=< 97.0	100.0
Maximum second property loans (number) (%) <sup>1</sup>	=< 8.5	2.9	=< 8.5	2.8	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	89.0	=> 86.0	89.4	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 289 916	=< R 400 000	R 292 907	=< R 300 000	R 163,523

<sup>1</sup> Includes second property loans in EFC loan book

**Although no portfolio covenants have been breached, the issuer may not purchase additional home loans as an Early Amortisation event has occurred.**

**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		Previous period		Transaction close	
	01/11/2020 to 31/01/2021		01/08/2020 to 31/10/2020		31/05/2006	
Collection period:	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		7.30%		9.69%		
3 month Jibar daily rate		4.21%		7.00%		
Margin	=> 2.15%	3.09%	=> 2.15%	2.69%		
<b>And</b>						
Current actual rates at interest payment date:						
Weighted average home loan rate		6.56%		9.52%		9.64%
3 month Jibar rate		3.35%		6.83%		7.70%
Margin	=> 2.15%	3.21%	=> 2.15%	2.69%	=> 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		Previous period	
	01/11/2020 to 31/01/2021		01/08/2020 to 31/10/2020	
Collection period:	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	67.7	=< 83.0	68.0

**Result: No early amortisation events have occurred on these triggers - but see arrears trigger test result.**

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/01/2021**

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%	25,755,805	1.5%	160	2.6%	146,754,900	35.1%	204,884,000	27.9%	6.5%	208	122
30% - 50%	51,976,006	2.9%	253	4.1%	243,775,000	45.0%	322,959,000	39.4%	6.7%	181	157
50% - 70%	140,692,646	7.9%	499	8.1%	438,951,542	50.4%	597,581,000	43.6%	6.5%	137	179
70% - 80%	146,653,288	8.3%	429	7.0%	375,800,900	59.4%	505,167,000	50.3%	6.5%	130	202
80% - 90%	262,082,425	14.8%	652	10.6%	546,312,175	69.0%	764,135,000	59.3%	6.5%	111	217
90% - 100%	597,859,100	33.7%	1,960	32.0%	1,293,149,701	71.7%	1,890,907,000	59.0%	6.5%	130	214
100%+	551,003,844	31.0%	2,173	35.5%	1,151,495,664	73.0%	1,826,128,000	56.4%	6.7%	166	192
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Weighted average</b>		<b>90.2%</b>									
<b>Current Loan to Value</b>											
0% - 30%	170,707,878	9.6%	2,670	43.6%	1,764,710,932	19.0%	2,814,986,000	14.1%	6.4%	225	104
30% - 50%	244,007,411	13.7%	828	13.5%	611,547,205	40.8%	901,527,000	30.9%	6.4%	181	149
50% - 70%	431,825,445	24.3%	960	15.7%	718,285,415	60.7%	1,000,132,000	47.8%	6.4%	148	194
70% - 80%	324,713,844	18.3%	590	9.6%	433,219,034	75.1%	564,602,000	60.9%	6.4%	121	222
80% - 90%	370,926,228	20.9%	684	11.2%	437,462,340	84.9%	563,747,000	68.0%	6.6%	109	239
90% - 100%	175,316,100	9.9%	318	5.2%	188,004,455	93.3%	222,935,000	80.5%	6.7%	90	264
100%+	58,526,209	3.3%	76	1.2%	43,010,500	147.2%	43,832,000	146.0%	8.8%	163	204
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Payment to income ratio</b>											
0% - 5%	355,028,468	20.0%	3,067	50.1%	1,747,959,722	51.6%	2,913,308,000	35.3%	6.1%	180	181
5% - 10%	690,928,118	38.9%	1,821	29.7%	1,323,503,730	66.0%	1,814,112,000	52.3%	6.4%	146	199
10% - 15%	461,037,902	26.0%	832	13.6%	728,518,304	74.4%	930,956,000	63.0%	6.8%	121	215
15% - 20%	200,480,677	11.3%	299	4.9%	303,334,543	76.6%	354,233,000	69.7%	6.9%	106	214
20% - 25%	43,247,357	2.4%	66	1.1%	61,024,584	81.9%	66,171,000	78.6%	7.4%	108	213
25% - 30%	10,702,917	0.6%	16	0.3%	15,899,000	111.3%	16,420,000	111.0%	8.5%	160	138
30%+	14,597,676	0.8%	25	0.4%	16,000,000	130.6%	16,561,000	129.4%	9.2%	213	125
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Weighted average</b>		<b>9.8%</b>									

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/01/2021**

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>Payment method</b>											
Payroll Deduction	1,592,918,430	89.7%	5,594	91.3%	3,843,534,241	65.4%	5,648,471,000	52.1%	6.4%	138	203
Other	183,104,685	10.3%	532	8.7%	352,705,641	87.5%	463,290,000	82.8%	8.2%	171	178
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Borrower employment status</b>											
Direct Eskom	1,535,793,907	86.5%	5,455	89.0%	3,735,859,038	65.2%	5,500,643,000	51.8%	6.4%	139	202
Other group co.	67,183,180	3.8%	201	3.3%	134,087,377	72.4%	181,154,000	62.3%	6.5%	110	227
Other	173,046,028	9.7%	470	7.7%	326,293,467	88.1%	429,964,000	83.3%	8.3%	172	178
<b>Total</b>	<b>1,776,023,115</b>	<b>100%</b>	<b>6,126</b>	<b>100%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Loan balance (R'000)</b>											
0 - 100	63,438,292	3.6%	2,311	37.7%	1,159,287,884	20.9%	1,993,800,000	11.6%	6.7%	253	76
100 - 200	113,185,889	6.4%	773	12.6%	425,470,456	39.8%	682,386,000	24.4%	6.6%	212	133
200 - 300	174,101,566	9.8%	704	11.5%	409,036,715	54.6%	632,138,000	37.8%	6.6%	174	169
300 - 400	211,114,649	11.9%	606	9.9%	390,436,119	64.4%	532,349,000	47.9%	6.6%	153	192
400 - 500	225,798,153	12.7%	504	8.2%	370,673,756	70.2%	492,414,000	54.5%	6.7%	146	203
500 - 700	361,352,824	20.3%	614	10.0%	542,754,968	72.8%	687,067,000	59.8%	6.6%	129	219
700 - 1000	297,085,772	16.7%	363	5.9%	429,178,951	77.6%	523,344,000	68.6%	6.5%	112	227
1000 - 1500	251,390,098	14.2%	211	3.4%	360,654,525	77.0%	447,160,000	69.3%	6.3%	101	234
1500+	78,555,871	4.4%	40	0.7%	108,746,509	85.7%	121,103,000	80.3%	6.6%	126	198
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Average balance</b>	<b>289,916</b>										
<b>Interest rate</b>											
0% - 8%	1,711,497,251	96.4%	5,969	97.4%	4,111,197,634	65.5%	6,009,914,000	52.7%	6.4%	140	202
8% - 9.5%	21,738	0.0%	12	0.2%	5,183,248	1.8%	7,965,000	1.8%	9.5%	288	(11)
9.5% - 11.5%	63,669,044	3.6%	144	2.4%	79,319,000	124.8%	93,342,000	124.2%	10.0%	181	175
11.5% - 13.5%	835,082	0.0%	1	0.0%	540,000	154.6%	540,000	154.6%	13.0%	136	261
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/01/2021**

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>Seasoning</b>											
0 - 12 months	1,496,172	0.1%	2	0.0%	2,850,000	53.9%	2,850,000	53.9%	6.8%	11	246
12 - 24 months	27,362,290	1.5%	42	0.7%	48,047,000	72.0%	48,047,000	72.0%	6.4%	19	252
24 - 36 months	49,440,693	2.8%	68	1.1%	73,440,000	77.3%	73,440,000	77.3%	6.6%	31	264
36 - 48 months	65,527,068	3.7%	96	1.6%	108,943,725	80.5%	109,204,000	80.4%	6.5%	43	271
48 - 60 months	76,480,321	4.3%	103	1.7%	116,848,200	76.2%	118,323,000	75.4%	6.5%	54	272
60 - 120 months	557,754,014	31.4%	1,088	17.8%	940,099,803	74.3%	1,173,069,000	60.7%	6.4%	98	230
120+ months	997,962,557	56.2%	4,727	77.2%	2,906,011,154	61.9%	4,586,828,000	47.6%	6.6%	188	169
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Region</b>											
Eastern Cape	77,162,799	4.3%	279	4.6%	198,059,927	73.4%	275,407,000	61.0%	6.9%	160	183
Free State	75,365,761	4.2%	306	5.0%	175,341,508	68.0%	272,093,000	55.1%	6.6%	147	195
Gauteng	823,288,163	46.4%	2,226	36.3%	1,823,967,169	67.5%	2,624,102,000	56.1%	6.4%	132	207
Kwazulu Natal	99,859,771	5.6%	394	6.4%	250,520,120	66.9%	374,760,000	53.6%	6.8%	157	192
Limpopo Province	64,288,639	3.6%	276	4.5%	153,403,537	64.7%	233,901,000	50.6%	6.7%	150	195
Mpumalanga	334,339,243	18.8%	1,550	25.3%	825,712,940	66.5%	1,222,952,000	53.4%	6.6%	152	192
North West	33,493,070	1.9%	154	2.5%	63,609,433	71.8%	118,424,000	54.8%	6.8%	150	194
Northern Cape	21,409,232	1.2%	126	2.1%	64,397,893	66.9%	95,449,000	51.9%	6.8%	160	187
Western Cape	246,816,437	13.9%	815	13.3%	641,227,355	68.7%	894,673,000	55.7%	6.6%	139	206
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>
<b>Property type</b>											
House (Freehold)	1,396,603,092	78.6%	5,076	82.9%	3,404,767,182	66.4%	4,987,412,000	53.9%	6.6%	148	194
Multi-unit (Sectional Title)	298,550,990	16.8%	840	13.7%	514,060,297	76.4%	743,180,000	63.8%	6.5%	112	235
House (Complex)	10,387,307	0.6%	20	0.3%	18,825,000	65.4%	26,903,000	52.9%	6.5%	141	206
Small Holding	3,254,440	0.2%	11	0.2%	10,240,000	41.0%	14,423,000	28.8%	6.7%	155	148
Other	67,227,286	3.8%	179	2.9%	248,347,403	57.6%	339,843,000	47.7%	6.3%	137	190
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>4,196,239,882</b>	<b>67.7%</b>	<b>6,111,761,000</b>	<b>55.3%</b>	<b>6.6%</b>	<b>141</b>	<b>201</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Arrears analysis at determination date**

	Sunday, 31 January 2021			Saturday, 31 October 2020						
	Loan balances R	%	Number of loans %	WA interest rate %	Loan balances R	%	Number of loans %	WA interest %		
<b>Fully performing</b>										
Current	1,646,047,249	92.7%	5,692	92.9%	6.4%	1,704,066,484	93.2%	5,840	93.5%	6.4%
<b>Non-delinquent</b>										
0 - 1 months	16,720,005	0.9%	58	0.9%	7.6%	14,460,431	0.8%	45	0.7%	7.9%
1 - 2 months	6,994,972	0.4%	33	0.5%	8.0%	10,769,720	0.6%	31	0.5%	7.1%
2 - 3 months	4,428,761	0.2%	22	0.4%	7.7%	4,056,471	0.2%	14	0.2%	7.9%
Total	28,143,738	1.6%	113	1.8%	7.7%	29,286,622	1.6%	90	1.4%	7.5%
<b>Deteriorated</b>										
3 - 4 months	1,112,074	0.1%	11	0.2%	7.8%	571,058	0.0%	9	0.1%	7.0%
4 - 5 months	1,824,900	0.1%	8	0.1%	7.6%	904,290	0.0%	16	0.3%	7.4%
5 - 6 months	157,005	0.0%	3	0.0%	6.8%	619,111	0.0%	47	0.8%	6.4%
6 - 12 months	4,685,127	0.3%	77	1.3%	8.5%	6,894,746	0.4%	37	0.6%	8.1%
>12 months	6,643,276	0.4%	34	0.6%	6.5%	6,904,844	0.4%	30	0.5%	7.4%
Total	14,422,381	0.8%	133	2.2%	7.4%	15,894,049	0.9%	139	2.2%	7.5%
<b>Defaulted</b>										
Litigation	34,773,038	2.0%	56	0.9%	9.4%	34,862,748	1.9%	45	0.7%	9.6%
<b>Other categories</b>										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	49,172,856	2.8%	124	2.0%	9.0%	41,083,193	2.2%	121	1.9%	9.1%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	1,872,275	0.1%	5	0.1%	5.8%	1,836,018	0.1%	5	0.1%	5.7%
Properties in possession	1,591,578	0.1%	3	0.0%	0.0%	1,591,578	0.1%	3	0.0%	0.0%
Total	52,636,708	3.0%	132	2.2%	8.6%	44,510,789	2.4%	129	2.1%	8.5%
<b>Total</b>	<b>1,776,023,115</b>	<b>100.0%</b>	<b>6,126</b>	<b>100.0%</b>	<b>6.6%</b>	<b>1,828,620,692</b>	<b>100.0%</b>	<b>6,243</b>	<b>100.0%</b>	<b>6.6%</b>

**Movement in properties classified as Litigations**

	31/01/2021		31/10/2020	
	No of loans	R	No of loans	R
Opening balance	45	34,862,748	50	37,089,988
Loans exit litigation	-5	(8,180,523)	-9	(4,608,805)
Loans enter litigation	16	7,073,647	4	1,362,866
Repayments		(1,902)		-
Advance		129,455		68,844
Interest		806,647		873,172
Loan losses		-		-
Valuation fees		7,648		4,370
Capitalised insurance		75,318		72,313
Closing balance	56	34,773,038	45	34,862,748

**Provisions**

Nqaba establishes an allowance for impairment of the loan book that represents its estimate of incurred losses in terms of IFRS 9: Financial Instruments, based on an expected credit loss (ECL) model. The company applies lifetime ECL measurement if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and applies a 12-month ECL measurement if it has not. The amounts shown in the company's Management Reports are:

Impairments applied to loan book excluding possessions  
Impairments applied to possessions  
Total impairments

	31/01/2021	31/10/2020
	R	R
Impairments applied to loan book excluding possessions	11,587,723	11,587,723
Impairments applied to possessions	248,638	248,638
Total impairments	11,836,360	11,836,360



**Arrears reserve triggers**

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% of the aggregate principal balances of the home loans and shall cease when such percentage reduces to 1,5%;

		31/01/2021 R	31/10/2020 R
Aggregate principal balances on home loans as above	A	1,776,023,115	1,828,620,692
Balances which are in arrears for more than 3 months	B	14,422,381	15,894,049
Balances for which the Issuer has instituted legal proceedings	C	34,773,038	34,862,748
Total arrears for calculation purposes	D = B + C	49,195,419	50,756,797
Arrears %	E = D / A	<b>2.77%</b>	<b>2.78%</b>
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		35,520,462	36,572,414
If arrears % (E) previously exceeded the trigger, check whether arrears have decreased to 1.5%		No	No
Arrears trigger event maintained		<b>Yes</b>	<b>Yes</b>
<b>If Yes, calculation of arrears reserve required:</b>			
Original valuation of the related properties		45,202,077	46,655,810
Latest valuation of the related properties		97,468,575	96,251,575
Balances which are in arrears for more than 3 months	B	14,422,381	15,894,049
60% of the lower of the original valuation and latest valuation	F	27,121,246	27,993,486
Test difference between arrears and conservative value of related properties	G = B - F	(12,698,865)	(12,099,437)
If an Early Amortisation event has occurred, all funds in the reserve to be applied in accordance with the Pre-Enforcement Priority of Payments during the Amortising Period			
Arrears reserve required amount (if value greater, no cash reserve required)	H	Yes	Yes
<b>Changes in arrears reserve</b>			
Opening balance		-	-
Changes reflected in Priority of Payments		-	-
Closing balance	H	-	-

**Related early amortisation arrears trigger**

		31/01/2021 R	31/10/2020 R	
Loan book balance		1,776,023,115	1,828,620,692	
Trigger per cent		2.50%	2.50%	
Trigger value	I	44,400,578	45,715,517	
Total arrears as defined above	D	49,195,419	50,756,797	
Headroom (deficit)		(4,794,841)	(5,041,280)	
Early amortisation arrears trigger event (D > I)		<b>Yes</b>	<b>Yes</b>	

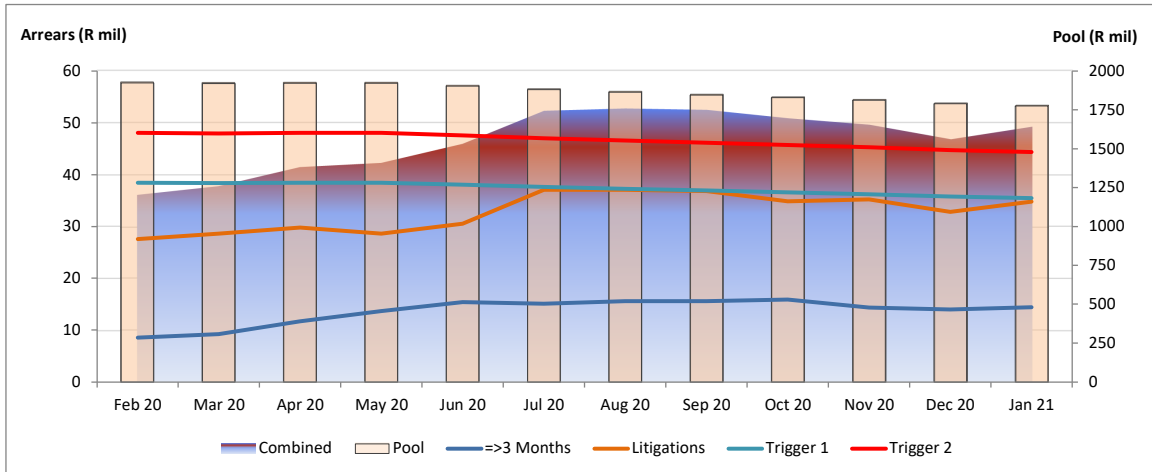
Trends

Arrears analysis (values in R million)

End of:	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
<b>Pool</b>	<b>1923</b>	<b>1919</b>	<b>1922</b>	<b>1922</b>	<b>1902</b>	<b>1880</b>	<b>1864</b>	<b>1846</b>	<b>1829</b>	<b>1811</b>	<b>1789</b>	<b>1776</b>
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%
<b>Trigger 1</b>	<b>38.45</b>	<b>38.37</b>	<b>38.44</b>	<b>38.43</b>	<b>38.05</b>	<b>37.60</b>	<b>37.27</b>	<b>36.92</b>	<b>36.57</b>	<b>36.23</b>	<b>35.77</b>	<b>35.52</b>
=>3 Months	8.56	9.23	11.66	13.64	15.40	15.11	15.61	15.55	15.89	14.34	13.99	14.42
Litigations	27.57	28.59	29.79	28.62	30.53	37.09	37.05	36.82	34.86	35.23	32.80	34.77
<b>Combined</b>	<b>36.14</b>	<b>37.82</b>	<b>41.46</b>	<b>42.26</b>	<b>45.93</b>	<b>52.20</b>	<b>52.65</b>	<b>52.38</b>	<b>50.76</b>	<b>49.57</b>	<b>46.80</b>	<b>49.20</b>
Trigger 1 diff	2.31	0.55	-3.02	-3.83	-7.88	-14.60	-15.38	-15.45	-14.18	-13.34	-11.02	-13.67
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%
<b>Trigger 2</b>	<b>48.06</b>	<b>47.96</b>	<b>48.05</b>	<b>48.04</b>	<b>47.56</b>	<b>47.00</b>	<b>46.59</b>	<b>46.15</b>	<b>45.72</b>	<b>45.28</b>	<b>44.72</b>	<b>44.40</b>
Trigger 2 diff	11.93	10.14	6.59	5.78	1.63	-5.19	-6.07	-6.22	-5.04	-4.29	-2.08	-4.79

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 to November 2019; thereafter, 2.5% of Pool) = If breached by combined arrears, early amortisation is required (from July 2020)

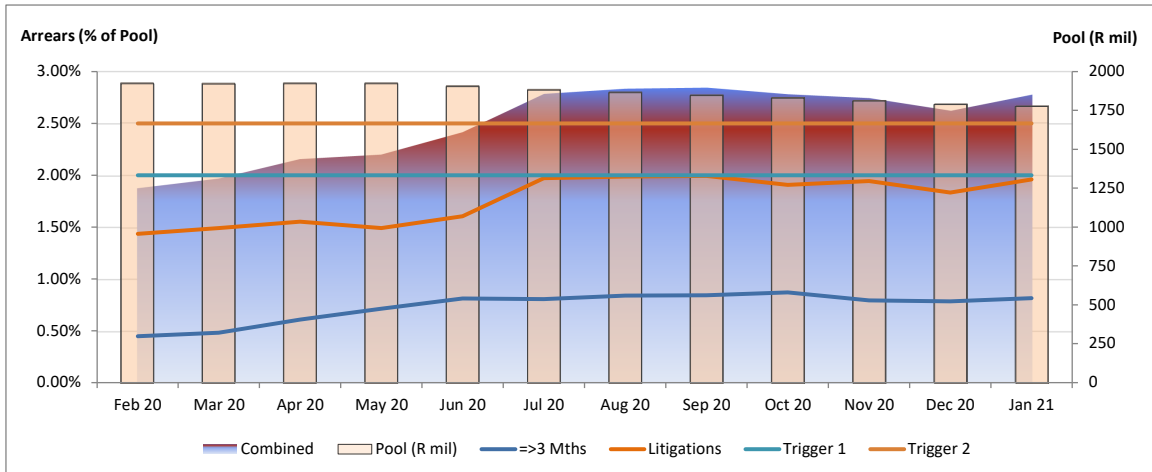


Arrears analysis (percentages)

End of:	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
<b>Pool (R mil)</b>	<b>1923</b>	<b>1919</b>	<b>1922</b>	<b>1922</b>	<b>1902</b>	<b>1880</b>	<b>1864</b>	<b>1846</b>	<b>1829</b>	<b>1811</b>	<b>1789</b>	<b>1776</b>
=>3 Mths	0.45%	0.48%	0.61%	0.71%	0.81%	0.80%	0.84%	0.84%	0.87%	0.79%	0.78%	0.81%
Litigations	1.43%	1.49%	1.55%	1.49%	1.60%	1.97%	1.99%	1.99%	1.91%	1.95%	1.83%	1.96%
<b>Combined</b>	<b>1.88%</b>	<b>1.97%</b>	<b>2.16%</b>	<b>2.20%</b>	<b>2.41%</b>	<b>2.78%</b>	<b>2.83%</b>	<b>2.84%</b>	<b>2.78%</b>	<b>2.74%</b>	<b>2.62%</b>	<b>2.77%</b>
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 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 1 (combined arrears) = If breached, an arrears reserve is required until arrears decrease to 1.5%

Trigger 2 (2.5% of Notes to November 2019; thereafter, 2.5% of Pool) = If breached by combined arrears, early amortisation is required (from July 2020)

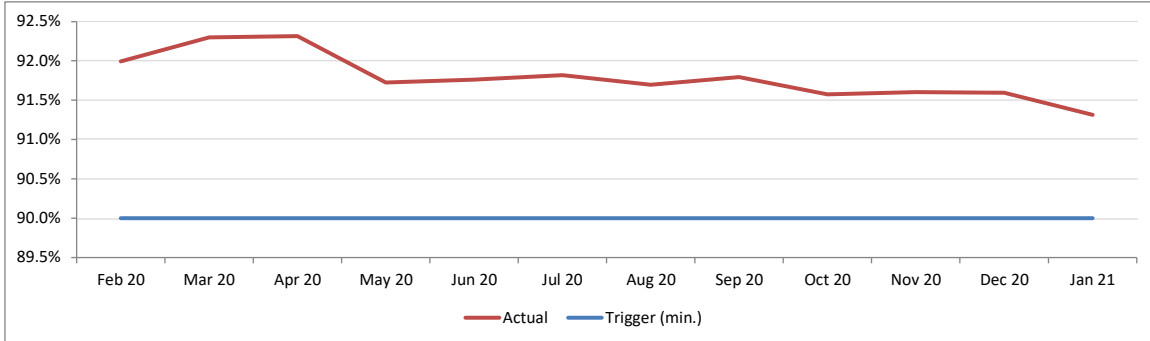


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
<b>Actual</b>	<b>92.0%</b>	<b>92.3%</b>	<b>92.3%</b>	<b>91.7%</b>	<b>91.8%</b>	<b>91.8%</b>	<b>91.7%</b>	<b>91.8%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.3%</b>
<b>Trigger (min.)</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>	<b>90.0%</b>

Trigger = If breached, purchase of additional home loans prohibited

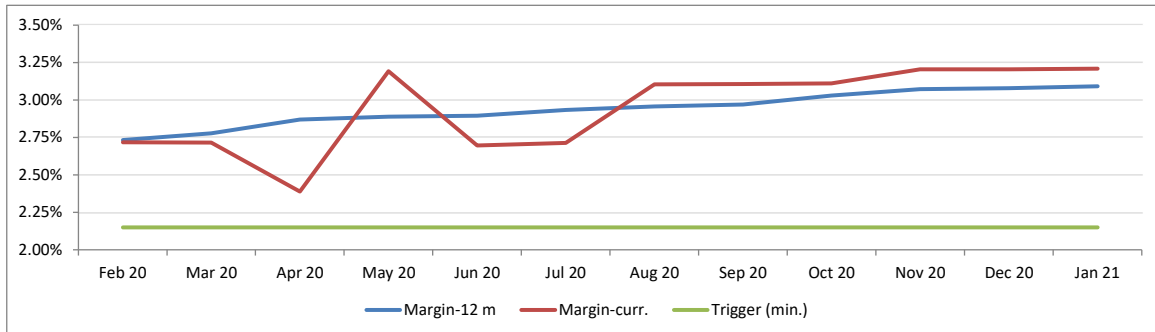


Interest rate margin

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

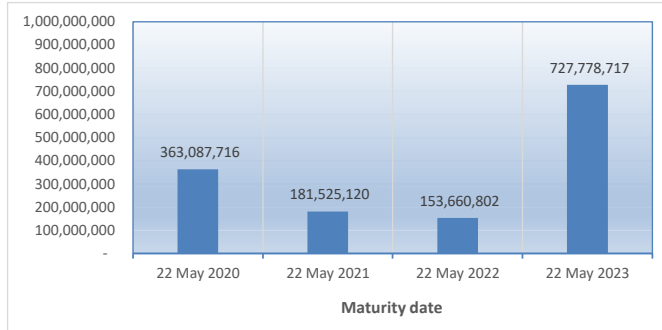
End of:	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21
<b>12 months rolling average:</b>												
HL-12 m	9.60%	9.55%	9.48%	9.28%	9.03%	8.78%	8.53%	8.29%	8.04%	7.79%	7.55%	7.30%
Jibar-12 m	6.86%	6.78%	6.61%	6.39%	6.13%	5.85%	5.58%	5.32%	5.01%	4.72%	4.47%	4.21%
<b>Margin-12 m</b>	<b>2.73%</b>	<b>2.78%</b>	<b>2.87%</b>	<b>2.89%</b>	<b>2.89%</b>	<b>2.93%</b>	<b>2.96%</b>	<b>2.97%</b>	<b>3.03%</b>	<b>3.07%</b>	<b>3.08%</b>	<b>3.09%</b>
<b>Current month:</b>												
HL-current	9.26%	9.26%	8.93%	7.27%	6.78%	6.80%	6.55%	6.55%	6.55%	6.55%	6.55%	6.56%
Jibar-curr.	6.54%	6.54%	6.54%	4.08%	4.08%	4.08%	3.44%	3.44%	3.44%	3.35%	3.35%	3.35%
<b>Margin-curr.</b>	<b>2.72%</b>	<b>2.72%</b>	<b>2.39%</b>	<b>3.19%</b>	<b>2.70%</b>	<b>2.71%</b>	<b>3.10%</b>	<b>3.11%</b>	<b>3.11%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.21%</b>
<b>Trigger (min.)</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>	<b>2.15%</b>

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



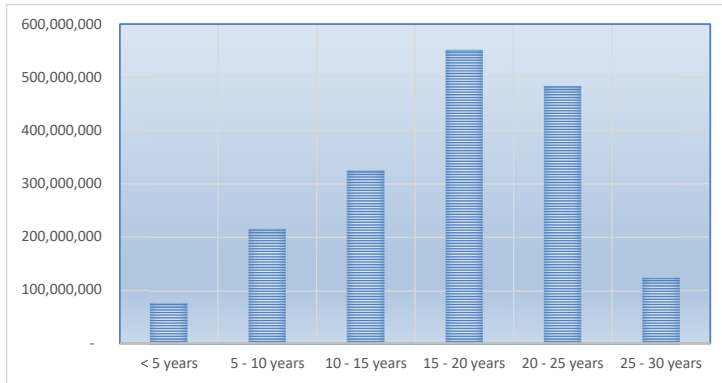
Trends

Notes maturity analysis



Maturity date	Current value
22 May 2020	363,087,716
22 May 2021	181,525,120
22 May 2022	153,660,802
22 May 2023	727,778,717
Total	R 1,426,052,355

Asset pool maturity analysis



Loan maturity	Current balance
< 5 years	77,345,544
5 - 10 years	215,745,009
10 - 15 years	325,092,905
15 - 20 years	550,697,985
20 - 25 years	482,690,910
25 - 30 years	124,450,761
Total	R 1,776,023,115

NQABA FINANCE 1 (RF) LIMITED

Cumulative Note details to Interest payment date 22/02/2021

Class number	JSE stock code	ISIN	Issue date	Scheduled maturity and step-up date Matured notes	Legal final maturity date	Tranche balance at transaction close R	Subsequent tranches issued R	Redemptions R	Tranche balance at end of period R	Note factor %	Original rating at issue date	Current rating (03/12/2020)	Remaining life on scheduled maturity (years)	Weighted	
A1	NQF1A1	ZAG000030701	31/05/2006	22/05/2009	22/05/2041	696,000,000		(696,000,000)	-	-	AAA(zaf)				
A2	NQF1A2	ZAG000030735	31/05/2006	22/05/2011	22/05/2043	376,000,000		(376,000,000)	-	-	AAA(zaf)				
A3	NQF1A3	ZAG000030685	31/05/2006	22/05/2011	22/05/2043	320,000,000			-	-	AAA(zaf)				
A4	NQF1A4	ZAG000044520	28/09/2007	22/05/2010	22/05/2042		304,000,000	(304,000,000)	-	-	AAA(zaf)				
A5	NQF1A5	ZAG000067760	22/05/2009	22/05/2010	22/05/2042	696,000,000		(696,000,000)	-	-	AAA(zaf)				
A6	NQF1A6	ZAG000077546	24/05/2010	22/05/2011	22/05/2043	100,000,000		(100,000,000)	-	-	AAA(zaf)				
A7	NQF1A7	ZAG000077553	24/05/2010	22/11/2011	22/11/2043	375,000,000		(375,000,000)	-	-	AAA(zaf)				
A8	NQF1A8	ZAG000077561	24/05/2010	22/05/2012	22/05/2044	30,000,000		(30,000,000)	-	-	AAA(zaf)				
A9	NQF1A9	ZAG000077579	24/05/2010	22/05/2013	22/05/2045	127,000,000		(127,000,000)	-	-	AAA(zaf)				
A10	NQ1A10	ZAG000077686	24/05/2010	22/05/2020	22/05/2052	115,000,000		(25,952,735)	89,047,265	77.4%	AAA(zaf)	Ba2(sf) / Aaa.za(sf)	(0.76)	(0.05)	
A11	NQ1A11	ZAG000085853	23/05/2011	22/05/2016	22/05/2048	205,000,000		(205,000,000)	-	-	AAA(zaf)				
A12	NQ1A12	ZAG000085879	23/05/2011	22/05/2014	22/05/2046	318,000,000		(318,000,000)	-	-	AAA(zaf)				
A13	NQ1A13	ZAG000085887	23/05/2011	22/05/2012	22/05/2044	273,000,000		(273,000,000)	-	-	AAA(zaf)				
A14	NQ1A14	ZAG000090648	22/11/2011	22/05/2013	22/05/2045	375,000,000		(375,000,000)	-	-	AAA(zaf)				
A15	NQ1A15	ZAG000095258	22/05/2012	22/05/2015	22/05/2047	303,000,000		(303,000,000)	-	-	AAA(zaf)				
A16	NQ1A16	ZAG000105933	22/05/2013	22/05/2016	22/05/2048	200,000,000		(200,000,000)	-	-	AAA(zaf)				
A18	NQ1A18	ZAG000115569	22/05/2014	22/05/2017	22/05/2049	318,000,000		(318,000,000)	-	-	AAA(zaf)				
A19	NQ1A19	ZAG000126509	22/05/2015	22/05/2018	22/05/2050	303,000,000		(303,000,000)	-	-	AAA(zaf)				
A21	NQ1A21	ZAG000136664	23/05/2016	22/05/2019	22/05/2051	210,000,000		(210,000,000)	-	-	AAA(zaf)				
A22	NQ1A22	ZAG000136722	22/05/2015	22/05/2017	22/05/2049	195,000,000		(195,000,000)	-	-	AAA(zaf)				
A23	NQ1A23	ZAG000143983	22/05/2017	22/05/2018	22/05/2050	5,000,000		(5,000,000)	-	-	AAA(zaf)				
A24	NQ1A24	ZAG000143991	22/05/2017	22/05/2020	22/05/2052	310,000,000	(69,959,549)		240,040,451	77.4%	Aaa.za(sf)	Ba2(sf) / Aaa.za(sf)	(0.76)	(0.13)	
A25	NQ1A25	ZAG000144007	22/05/2017	22/05/2022	22/05/2054	150,000,000	(20,339,198)		129,660,802	86.4%	Aaa.za(sf)	Ba2(sf) / Aaa.za(sf)	1.24	0.11	
A26	NQ1A26	ZAG000144155	22/05/2017	22/05/2018	22/05/2050	48,000,000		(48,000,000)	-	-	AAA(zaf)				
A27	NQ1A27	ZAG000151531	22/05/2018	22/05/2023	22/05/2055	658,000,000	(89,221,283)		568,778,717	86.4%	Aaa.za(sf)	Ba2(sf) / Aaa.za(sf)	2.24	0.89	
A28	NQ1A28	ZAG000159583	22/05/2019	22/05/2021	22/05/2053	210,000,000	(28,474,880)		181,525,120	86.4%	Aaa.za(sf)	Ba2(sf) / Aaa.za(sf)	0.24	0.03	
<b>Totals Class A</b>						<b>1,392,000,000</b>	<b>5,828,000,000</b>	<b>(6,010,947,645)</b>	<b>1,209,052,355</b>						
B1	NQF1B1	ZAG000030719	31/05/2006	22/05/2009	22/05/2041	32,000,000		(32,000,000)	-	-	AA(zaf)				
B2	NQF1B2	ZAG000030743	31/05/2006	22/05/2011	22/05/2043	32,000,000		(32,000,000)	-	-	AA(zaf)				
B3	NQF1B3	ZAG000044538	28/09/2007	22/05/2010	22/05/2042		14,000,000	(14,000,000)	-	-	AA(zaf)				
B5	NQF1B5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042	32,000,000		(32,000,000)	-	-	AA(zaf)				
B6	NQF1B6	ZAG000077587	24/05/2010	22/05/2011	22/05/2043	8,000,000		(8,000,000)	-	-	AA(zaf)				
B7	NQF1B7	ZAG000077595	24/05/2010	22/11/2011	22/11/2043	10,000,000		(10,000,000)	-	-	AA(zaf)				
B9	NQF1B9	ZAG000077611	24/05/2010	22/05/2013	22/05/2045	30,000,000		(30,000,000)	-	-	AA(zaf)				
B10	NQ1B10	ZAG000077702	24/05/2010	22/05/2020	22/05/2052	11,000,000		-	11,000,000	100.0%	AA(zaf)	Ba3(sf) / Aa3.za(sf)	(0.76)	(0.01)	
B11	NQ1B11	ZAG000085861	23/05/2011	22/05/2014	22/05/2046	32,000,000		(32,000,000)	-	-	AA(zaf)				
B12	NQ1B12	ZAG000085895	23/05/2011	22/05/2012	22/05/2044	8,000,000		(8,000,000)	-	-	AA(zaf)				
B13	NQ1B13	ZAG000090655	22/11/2011	22/05/2013	22/05/2045	10,000,000		(10,000,000)	-	-	AA(zaf)				
B14	NQ1B14	ZAG000095266	22/05/2012	22/05/2015	22/05/2047	8,000,000		(8,000,000)	-	-	AA(zaf)				
B15	NQ1B15	ZAG000105966	22/05/2013	22/05/2018	22/05/2050	40,000,000		(40,000,000)	-	-	AA(zaf)				
B16	NQ1B16	ZAG000115577	22/05/2014	22/05/2017	22/05/2049	32,000,000		(32,000,000)	-	-	AA(zaf)				
B17	NQ1B17	ZAG000126467	22/05/2015	22/05/2018	22/05/2052	8,000,000		-	8,000,000	100.0%	AA(zaf)	Ba3(sf) / Aa3.za(sf)	(0.76)	(0.00)	
B19	NQ1B19	Private placement	22/05/2017	22/05/2018	22/05/2050	32,000,000		(32,000,000)	-	-	AAA(zaf)				
B20	NQ1B20	ZAG000151549	22/05/2018	22/05/2023	22/05/2055	159,000,000		-	159,000,000	100.0%	Aaa.za(sf)	Ba3(sf) / Aa3.za(sf)	2.24	0.25	
B21	NQ1B21	ZAG000159591	22/05/2019	22/05/2022	22/05/2054	24,000,000		-	24,000,000	100.0%	Aa2.za(sf)	Ba3(sf) / Aa3.za(sf)	1.24	0.02	
<b>Totals Class B</b>						<b>64,000,000</b>	<b>458,000,000</b>	<b>(320,000,000)</b>	<b>202,000,000</b>						
C1	NQF1C1	ZAG000030693	31/05/2006	22/05/2009	22/05/2041	32,000,000		(32,000,000)	-	-	A(zaf)				
C2	NQF1C2	ZAG000030727	31/05/2006	22/05/2011	22/05/2043	32,000,000		(32,000,000)	-	-	A(zaf)				
C3	NQF1C3	ZAG000044546	28/09/2007	22/05/2010	22/05/2042		14,000,000	(14,000,000)	-	-	A(zaf)				
C5	NQF1C5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042	32,000,000		(32,000,000)	-	-	A(zaf)				
C6	NQF1C6	ZAG000077629	24/05/2010	22/05/2011	22/05/2043	5,000,000		(5,000,000)	-	-	A(zaf)				
C7	NQF1C7	ZAG000077637	24/05/2010	22/11/2011	22/11/2043	13,000,000		(13,000,000)	-	-	A(zaf)				
C9	NQF1C9	ZAG000077652	24/05/2010	22/05/2013	22/05/2045	12,000,000		(12,000,000)	-	-	A(zaf)				
C10	NQ1C10	ZAG000077694	24/05/2010	22/05/2020	22/05/2052	5,000,000		-	5,000,000	100.0%	A(zaf)	Ba3(sf) / A1.za(sf)	(0.76)	(0.00)	
C11	NQ1C11	ZAG000085903	23/05/2011	22/05/2014	22/05/2046	32,000,000		(32,000,000)	-	-	A(zaf)				
C12	NQ1C12	ZAG000085911	23/05/2011	22/05/2012	22/05/2044	5,000,000		(5,000,000)	-	-	A(zaf)				
C13	NQ1C13	ZAG000090630	22/11/2011	22/05/2013	22/05/2045	13,000,000		(13,000,000)	-	-	A(zaf)				
C14	NQ1C14	ZAG000095241	22/05/2012	22/05/2015	22/05/2047	5,000,000		(5,000,000)	-	-	A+(zaf)				
C15	NQ1C15	ZAG000105958	22/05/2013	22/05/2018	22/05/2050	25,000,000		(25,000,000)	-	-	A+(zaf)				
C16	NQ1C16	ZAG000115585	22/05/2014	22/05/2017	22/05/2049	32,000,000		(32,000,000)	-	-	A+(zaf)				
C17	NQ1C17	ZAG000126459	22/05/2015	22/05/2020	22/05/2052	5,000,000		-	5,000,000	100.0%	A+(zaf)	Ba3(sf) / A1.za(sf)	(0.76)	(0.00)	
C19	NQ1C19	Private placement	22/05/2017	22/05/2018	22/05/2050	32,000,000		(32,000,000)	-	-	AAA(zaf)				
<b>Totals Class C</b>						<b>64,000,000</b>	<b>230,000,000</b>	<b>(284,000,000)</b>	<b>10,000,000</b>						
D1	NQF1D1	ZAG000030750	31/05/2006	22/05/2009	22/05/2041	24,000,000		(24,000,000)	-	-	BBB(zaf)				
D2	NQF1D2	ZAG000030677	31/05/2006	22/05/2011	22/05/2043	24,000,000		(24,000,000)	-	-	BBB(zaf)				
D3	NQF1D3	ZAG000044553	28/09/2007	22/05/2010	22/05/2042		11,000,000	(11,000,000)	-	-	BBB(zaf)				
D4	NQF1D4	ZAG000077660	24/05/2010	22/05/2013	22/05/2045	30,000,000		(30,000,000)	-	-	BBB(zaf)				
D5	NQF1D5	ZAG000077678	24/05/2010	22/05/2010	22/05/2052	5,000,000		-	5,000,000	100.0%	BBB(zaf)	B1(sf) / A2.za(sf)	(0.76)	(0.00)	
D6	NQF1D6	ZAG000085929	23/05/2011	22/05/2016	22/05/2048	24,000,000		(24,000,000)	-	-	BBB(zaf)				
D7	NQF1D7	ZAG000105974	22/05/2013	22/05/2018	22/05/2050	30,000,000		(30,000,000)	-	-	A-(zaf)				
D8	NQF1D8	ZAG000136656	23/05/2016	22/05/2019	22/05/2051	24,000,000		(24,000,000)	-	-	A-(zaf)				
<b>Totals Class D</b>						<b>48,000,000</b>	<b>124,000,000</b>	<b>(167,000,000)</b>	<b>5,000,000</b>						
<b>Totals all Notes</b>						<b>1,568,000,000</b>	<b>6,640,000,000</b>	<b>(6,781,947,645)</b>	<b>1,426,052,355</b>						<b>1.12</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Note interest calculations for current interest payment date 22/02/2021**

Class number	JSE stock code	Balance start of period R	Interest reset date	Interest payment date	Number of days	3 month Jibar	Margin or fixed rate	Total note coupon	Interest accrued and paid R	Principal distributed R	Balance end of period R	Step up call date	Step up margin
A10	NQ1A10	93,628,729	23/11/2020	22/02/2021	91	3.350%	2.000%	5.350%	1,248,853	(4,581,464)	89,047,265	31/07/2020	2.000%
A24	NQ1A24	252,390,486	23/11/2020	22/02/2021	91	3.350%	1.600%	4.950%	3,114,775	(12,350,035)	240,040,451	22/05/2020	2.240%
A25	NQ1A25	136,331,825	23/11/2020	22/02/2021	91	3.350%	1.840%	5.190%	1,764,059	(6,671,023)	129,660,802	22/05/2022	2.576%
A27	NQ1A27	598,042,272	23/11/2020	22/02/2021	91	3.350%	1.850%	5.200%	7,753,249	(29,263,555)	568,778,717	22/05/2023	2.590%
A28	NQ1A28	190,864,554	23/11/2020	22/02/2021	91	3.350%	1.500%	4.850%	2,307,892	(9,339,434)	181,525,120	22/05/2021	2.100%
<b>Totals Class A</b>		<b>1,271,257,866</b>						Weighted average: <b>5.108%</b>	<b>16,591,548</b>	<b>(62,205,511)</b>	<b>1,209,052,355</b>		
B10	NQ1B10	11,000,000	23/11/2020	22/02/2021	91	3.350%	2.200%	5.550%	152,207	-	11,000,000	31/07/2020	2.200%
B17	NQ1B17	8,000,000	23/11/2020	22/02/2021	91	3.350%	1.820%	5.170%	103,118	-	8,000,000	22/05/2020	2.548%
B20	NQ1B20	159,000,000	23/11/2020	22/02/2021	91	3.350%	2.250%	5.600%	2,219,901	-	159,000,000	22/05/2023	3.150%
B21	NQ1B21	24,000,000	23/11/2020	22/02/2021	91	3.350%	2.000%	5.350%	320,121	-	24,000,000	22/05/2022	2.800%
<b>Totals Class B</b>		<b>202,000,000</b>						Weighted average: <b>5.551%</b>	<b>2,809,866</b>	<b>-</b>	<b>202,000,000</b>		
C10	NQ1C10	5,000,000	23/11/2020	22/02/2021	91	3.350%	2.400%	5.750%	71,678	-	5,000,000	31/07/2020	2.400%
C17	NQ1C17	5,000,000	23/11/2020	22/02/2021	91	3.350%	2.250%	5.600%	69,808	-	5,000,000	22/05/2020	3.150%
<b>Totals Class C</b>		<b>10,000,000</b>						Weighted average: <b>5.675%</b>	<b>152,705</b>	<b>-</b>	<b>10,000,000</b>		
D5	NQF1D5	5,000,000	23/11/2020	22/02/2021	91	3.350%	0.150%	3.500%	43,630	-	5,000,000	22/05/2020	1.150%
<b>Totals Class D</b>		<b>5,000,000</b>						Weighted average: <b>3.500%</b>	<b>56,096</b>	<b>-</b>	<b>5,000,000</b>		
<b>Totals all Notes</b>		<b>1,488,257,866</b>						Weighted average: <b>5.166%</b>	<b>19,610,215</b>	<b>(62,205,511)</b>	<b>1,426,052,355</b>		
<b>Subordinated loan</b>		290,000,000	23/11/2020	22/02/2021	91	3.350%	3.000%	6.350%	-	-	290,000,000		
<b>Total funding</b>		<b>1,778,257,866</b>						Weighted average interest rate all funding: <b>5.359%</b>	<b>19,610,215</b>	<b>(62,205,511)</b>	<b>1,716,052,355</b>		

**Credit enhancement limit** 19.5% of notes outstanding  
**Current value of credit enhancement** 19.5% of notes outstanding  
**Credit enhancement committed and not drawn** 0%

On the maturity date, the former fixed interest notes (A10, B10, C10) changed to variable 3-month Jibar plus a margin and, at the start of the amortisation period on 31/07/2020, to the above margin

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 on Notes has been paid in full since inception, there are no interest shortfalls, except for the subordinated loan.

**Liquidity and redraw facilities at Interest payment date**

Liquidity facility	22/02/2021 R	23/11/2020 R
Facility limit (2% of greater of Initial Note Issue and current outstanding Notes)	31,360,000	31,360,000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	31,360,000	31,360,000

The facility was renewed with effect from 22/02/2021. It has never been used.  
The fee charge is 0.45% of the facility limit.

Redraw facility	22/02/2021 R	23/11/2020 R
Facility limit	170,000,000	170,000,000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn (repaid)	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	170,000,000	170,000,000

The facility was renewed with effect from 22/02/2021. It has never been used.  
The fee charge is 0.45% of the facility limit.

**Early amortisation events (summary)**

	22/02/2021	23/11/2020
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:		
	<b>Reference</b>	<b>Breach</b>
Any new tax which has a material adverse effect on the Issuer		No
Any Servicer event of default		No
The Arrears Reserve (if required) is not fully funded for six consecutive payment dates	Pages 7, 14	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 aggregate principal balances of the Home Loans	Page 7	Yes
The Issuer does not achieve the required interest margin	Page 3	No
A Principal deficiency exists on any payment date	Page 14	No
Upon occurrence of a downgrade in the long term corporate family rating to Eskom Holdings SOC Limited to below Caa1 by Moody's	Page 2	No
Where the Rating Agency has assigned a national scale rating of A3.za or below to the Class A Notes	Page 12	No
Where the Rating Agency has assigned a Rating to a tranche of Notes in issue, the Rating Agency withdraws its Ratings of all such tranches of Notes and such Ratings are not reinstated within 30 days	Page 12	No

## NQABA FINANCE 1 (RF) LIMITED

### Principal deficiency ledger at Interest payment date

	22/02/2021 R	23/11/2020 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	1,488,257,866	1,660,000,000
Less: Amount allocated for the redemption of notes	(62,205,511)	(59,693,815)
- Class A	(62,205,511)	(59,693,815)
- Class B	-	-
- Class C	-	-
- Class D	-	-
Plus: Funds raised through refinancing	-	-
Plus: Principal amount outstanding under the redraw facility at the end of the preceding collection period	-	-
Less: Amount allocated in current priority of payments to repay the redraw facility	-	-
<b>Total liabilities (L)</b>	<b>1,426,052,355</b>	<b>1,600,306,185</b>
<b>Assets</b>		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1,776,023,113	1,828,620,690
Plus: Home loans transferred on the next day from funds previously allocated	-	-
Total principal balances at start of current period	1,776,023,113	1,828,620,690
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	-	-
* For practical reasons, transfers occur at the start of the next Collection Period	-	-
<b>Total assets (A)</b>	<b>1,776,023,113</b>	<b>1,828,620,690</b>
Principal deficiency (A - L) (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	5,000,000	5,000,000
Class E Notes	-	-
Subordinated loan	290,000,000	290,000,000
Total (D)	295,000,000	295,000,000
Net Principal Deficiency (PD - D) (never less than zero)	-	-
<b>Class C interest deferral test to protect class B and above Noteholders</b>		
Class C Notes (C)	10,000,000	10,000,000
Net Principal Deficiency (PD - D - C) (never less than zero)	-	-
<b>Class B interest deferral test to protect class A Noteholders</b>		
Class B Notes (B)	202,000,000	202,000,000
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	-	-

The arrears reserve has been funded since the required date but as an Early Amortisation event has occurred, the funds have been applied in accordance with the Pre-Enforcement Priority of Payments during the Amortising Period. 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:	
	31/01/2021	31/10/2020
	R	R
Profit before tax per income statement	2,663,263	1,602,930
Add back:		
Fair value adjustments	-	561,894
Funds from operations	<u>2,663,263</u>	<u>2,164,824</u>
Taxation paid	-	-
(Decrease) in Notes and sub-loan including accrued interest	(55,695,005)	(65,667,578)
Decrease in portfolio assets including accrued interest	52,597,577	51,946,569
(Increase) decrease in arrears reserve funded	-	3,095,695
Decrease (increase) in amounts due by EFC and accounts receivable	2,536,192	(3,570,634)
(Decrease) increase in amounts due to EFC and accounts payable	(1,293,633)	2,051,771
Increase (decrease) in funds	<u>808,393</u>	<u>(9,979,353)</u>
Funds available at beginning of the period	<u>68,749,388</u>	<u>78,728,742</u>
Funds available at end of the period to Priority of Payments	<u><u>69,557,782</u></u>	<u><u>68,749,388</u></u>

### Pre-Enforcement Priority of Payments during the Amortising period at Interest payment date

**NB: The Amortising period started on 31 July 2020**

	22/02/2021	23/11/2020
	R	R
Cash at bank as above	69,557,782	68,749,388
Add: Commingling amounts subsequently received from EFC	19,755,426	22,291,618
Less: commingling amounts payable to EFC	(4,445,251)	(5,684,236)
<b>Available cash</b>	<u><b>84,867,957</b></u>	<u><b>85,356,770</b></u>
<b>Payments</b>		
1 South African Revenue Services	-	-
2 Security SPV trust, owner trust and third party payments	(2,788,638)	(4,655,013)
3 Derivative counterparty settlement received (paid)	-	-
4 Liquidity facility provider - fees	(41,848)	(41,848)
5 Redraw facility provider - fees	(221,745)	(221,745)
6 Class A to D Note holders:		
Interest on Class A notes	(16,591,548)	(17,675,909)
Surplus / (Deficit)	<u>65,224,178</u>	<u>62,762,255</u>
Interest on Class B notes	<u>(2,809,866)</u>	<u>(2,856,198)</u>
Interest payable	(2,809,866)	(2,856,198)
Less: Class B interest deferred	-	-
Interest on Class C notes	<u>(152,705)</u>	<u>(154,999)</u>
Interest payable	(152,705)	(154,999)
Less: Class C interest deferred	-	-
Interest on Class D notes	<u>(56,096)</u>	<u>(57,243)</u>
Interest payable	(56,096)	(57,243)
Less: Class D interest deferred	-	-
Surplus / (Deficit)	<u><b>62,205,511</b></u>	<u><b>59,693,815</b></u>
7 Redraw facility provider	-	-
8 Class A to D Note holders principal repayments	(62,205,511)	(59,693,815)
9 Additional home loans	-	-
10 Interest on Class E notes	-	-
11 Class E Note holders: Capital	-	-
12 Subordinated loan interest	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<u>-</u>	<u>-</u>
14 Issuer expenses in excess of issuer expenses cap	-	-
15 Subordinated loan capital	-	-
16 Preference shareholder: Dividend due and payable	-	-
17 To Permitted Investments while amounts are outstanding to Secured Creditors	<u>-</u>	<u>-</u>



**NOABA FINANCE 1 (RF) LIMITED**

<b>Statement of Comprehensive Income</b>	<b>YTD 31/01/2021 R</b>	<b>YTD 31/10/2020 R</b>
<i>NB: These figures are derived from the unaudited management accounts and are subject to change.</i>		
Financing income	106,123,086	76,479,686
Financing cost	97,712,829	72,969,669
<b>Financing margin</b>	<b>8,410,258</b>	<b>3,510,016</b>
Loan losses	535,033	(47,441)
Loan losses written off	582,473	(47,441)
Impairment provisions	(47,441)	(47,441)
Loan Losses recovered	3,300	
Interest received from bank	1,512,084	1,076,333
Interest (paid) / received from SARS		
Interest swap	4,399	4,399
Fair value adjustments	(561,894)	(561,894)
Settlements received (paid)	566,293	566,293
<b>Operating profit</b>	<b>9,395,008</b>	<b>4,638,188</b>
Operating expenditure	(6,353,320)	(4,259,763)
Bank Charges	12,205	7,671
Management fees	509,860	423,042
Servicer fees	2,891,819	2,108,949
Liquidity fees	134,299	94,096
Redraw Facility fees	722,232	498,076
Back-up Servicer fees	167,642	122,258
Audit fees	524,879	375,914
JSE fees	150,753	108,513
Directors' and owner trust fees	403,129	282,195
Rating fees (Annual)	355,392	246,023
Rating fees (Subsequent)	(40,500)	(165,386)
Safe Custody and Settlement Agent fees		
National Credit Regulator fees	81,460	57,020
Credit Ombudsman	72,512	50,759
Strate fees	70,051	50,631
Bond issue fees		
Legal Fees	297,586	
<b>Net profit before tax</b>	<b>3,041,688</b>	<b>378,426</b>
Taxation - normal tax		
Taxation - deferred tax	(851,673)	(105,959)
Tax Penalties		
<b>Net profit after tax</b>	<b>2,190,016</b>	<b>272,466</b>
Dividends		
<b>Net profit after distribution</b>	<b>2,190,016</b>	<b>272,466</b>
Retained income at beginning of the period	35,429,708	35,429,708
<b>Retained income at end of the period</b>	<b>37,619,724</b>	<b>35,702,175</b>

<b>Statement of Financial Position</b>	<b>31/01/2021 R</b>	<b>31/10/2020 R</b>
<i>NB: These figures are derived from the unaudited management accounts and are subject to change.</i>		
<b>Assets</b>		
<b>Non-Current Assets</b>	1,677,028,969	1,730,593,468
Home loan advances	1,671,544,037	1,724,362,824
Properties in possession	1,342,940	1,342,940
Deferred tax	4,141,992	4,887,705
<b>Current Assets</b>	180,612,990	182,119,579
Home loan advances	91,299,775	91,078,566
Amounts due by EFC	19,755,426	22,291,618
Cash and cash equivalents	69,557,782	68,749,388
SA Revenue Services	7	7
<b>Total assets</b>	<b>1,857,641,958</b>	<b>1,912,713,047</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>	37,619,825	35,702,276
Share capital	101	101
Distributable reserves	37,619,724	35,702,175
<b>Non-current liabilities</b>	1,540,953,929	1,635,106,499
Interest-bearing debt	1,250,953,929	1,345,106,499
Subordinated loan	290,000,000	290,000,000
<b>Current Liabilities</b>	279,068,205	241,904,272
Interest-bearing debt	252,145,618	218,346,453
Subordinated loan	20,100,337	15,441,936
Trade and other payables	2,376,999	2,431,647
Amounts due to EFC	4,445,251	5,684,236
SA Revenue Services		
<b>Total equity and liabilities</b>	<b>1,857,641,958</b>	<b>1,912,713,047</b>

<b>Excess spread</b>	<b>Quarter ended: 22/02/2021</b>		<b>23/11/2020</b>
	<b>R</b>	<b>%</b>	<b>R</b>
<b>Average loan pool balance</b>	1,801,150,571		1,854,629,936
Interest received to determination date	29,644,012	6.53%	6.53%
Expenses per Priority of Payments (POP)	(3,052,231)	-0.68%	-1.06%
	26,591,781	5.85%	5.46%
Note coupon less swap per POP	(19,610,215)	-4.37%	-4.49%
Excess spread before subordinated loan interest	6,981,567	1.48%	0.98%
Subordinated loan interest per POP	-	0.00%	0.00%
<b>Excess spread</b>	<b>6,981,567</b>	<b>1.48%</b>	<b>0.98%</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>Amortisation Period</b>	the period commencing on the expiry of the Revolving Period and ending on the delivery of an Enforcement Notice. (During this time, the Pre-Enforcement Priority of Payments applicable during the Amortisation Period will be applicable.)
<b>Arrears</b>	any amount unpaid in respect of an Instalment, other than a failure to pay which is due solely to a failure of the bank payment system or a failure of the payroll deduction mechanism through which Eskom deducts payments from the salaries of the Borrowers on behalf of EFC, provided that such failure of the payroll mechanism shall not persist for longer than one month
<b>Average Outstanding Balance</b>	the aggregate of all amounts outstanding under the Home Loans owned by the Issuer divided by the number of Home Loans owned by the Issuer
<b>Business Day</b>	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg
<b>Collection Period</b>	each calendar month period commencing on (and including) the day following a Determination Date and ending on (and including) the following Determination Date
<b>Current LTV Ratio</b>	in respect of a Home Loan, the LTV Ratio (see below) as at the most recent Determination Date
<b>Defaulted Asset</b>	any Home Loan Agreement with respect to which the Issuer has commenced legal proceedings (including the delivery of a letter of demand) for the repayment of amounts outstanding under such Home Loan Agreement
<b>Deteriorated Asset</b>	any Home Loan Agreement with respect to which more than three Instalments are in Arrears
<b>Determination Date</b>	the last day of the calendar month preceding each Payment Date
<b>Enforcement Notice</b>	a notice delivered or deemed to have been delivered to the Issuer (by the Security SPV) pursuant to the Terms and Conditions following an Event of Default under the Notes
<b>Eligibility Criteria</b>	the criteria that a Home Loan must satisfy to be acquired by the Issuer, as set out in Schedule 3 to the Home Loan Sale Agreement
<b>Fully Performing</b>	a Home Loan which is not currently in Arrears
<b>Further Advance</b>	means additional principal advances (in excess of Repayments and Prepayments) advanced to a Borrower in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the additional advances to the Borrower are discretionary or obligatory)
<b>Home Loan</b>	a Guaranteed Home Loan or a Mortgaged Home Loan owned by the Seller that complies with the Eligibility Criteria and is sold to the Issuer pursuant to the provisions of the Home Loan Sale Agreement, which Home Loan has been granted by the Seller to a Borrower for the purpose of funding the acquisition or financing of a Property
<b>Home Loan Rate</b>	the annual lending rate of interest from time to time levied in respect of each home loan originated by the Servicer, or such other entity approved by the Rating Agency, nominal annual compounded monthly in arrears
<b>Instalment</b>	the monthly payment in respect of principal, interest (or a combination of both) and insurance premiums, if applicable, due in respect of a Home Loan, in accordance with the provisions of the relevant Home Loan Agreement
<b>Interest Payment Date(s)</b>	in relation to each Tranche of Notes, the interest payment dates specified as such in the Applicable Pricing Supplement. (In practice, all current notes issued have the same interest payment dates - see page 2.)

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

<b>Issuer Expense Cap</b>	an annual amount calculated by the Manager in respect of each financial year of the Issuer in respect of items 2 to 5 of the Priority of Payments, and notified in writing to the Issuer and the Rating Agency, which amount shall not exceed 0.35% of the aggregate of the Outstanding Principal Amounts of the Notes in issue from time to time plus any amounts outstanding under the Subordinated Loan(s)
<b>Liquidity Facility</b>	a committed Rand denominated short term loan facility, provided by the Liquidity Facility Provider in terms of the Liquidity Facility Agreement
<b>Liquidity Facility Limit</b>	2% of the Outstanding Principal Amount of the Notes in issue from time to time, being the maximum aggregate amount that can be drawn at any time under the Liquidity Facility
<b>Liquidity Shortfall</b>	on any Payment Date, an amount equal to the sum of items 1 to 6 in the Pre-Enforcement Priority of Payments applicable during the Revolving Period or an amount equal to the sum of items 1 to 6 in the Pre-Enforcement Priority of Payments applicable during the Amortisation Period, as the case may be payable on such Payment Date, less the cash available in the relevant Priority of Payments on such Payment Date to fund such expenses
<b>LTV Ratio</b>	in respect of a Home Loan, the loan to value ratio of such Home Loan, being the ratio of the total amount outstanding under the Home Loan to the most recent value placed on the Property by an Accredited Valuer for the purposes of valuing the Property relating to the relevant Home Loan
<b>Mandatory Redemption in part (Amortisation Period)</b>	The Notes in all Tranches of Notes will be subject to mandatory redemption in part on each Interest Payment Date during the Amortisation Period, in reducing order of rank (and pari passu if of equal rank) as determined by the respective Classes of the Notes, to the extent permitted by and in accordance with the Priority of Payments
<b>Mandatory Redemption following delivery of an Enforcement Notice</b>	Upon the delivery of an Enforcement Notice (following the occurrence of an Event of Default), the Notes in all Tranches of Notes will be immediately due and payable
<b>Mortgage Bond</b>	in respect of Mortgaged Home Loans, a first mortgage bond or sectional title bond on terms acceptable to the Home Loan Lender, registered over the Property of the relevant Borrower in favour of the Home Loan Lender as security for the obligations of such Borrower to the Home Loan Lender in relation to the Home Loan granted to such Borrower
<b>NACQ</b>	nominal annual compounded quarterly
<b>Original LTV Ratio</b>	in respect of a Home Loan, the LTV Ratio as at origination of that Home Loan, or if such information is unavailable, the greater of the Current LTV Ratio and the weighted average LTV Ratio in respect of Home Loans where an Original LTV Ratio is available
<b>Payment Date</b>	the 22nd day of every month on which the Issuer pays, or makes provision for the payment of, amounts owing to creditors of the Issuer
<b>Portfolio Covenants</b>	the criteria that the aggregate portfolio of Home Loans owned by the Issuer must satisfy, after the acquisition of each Home Loan under the Home Loan Sale Agreement, as set out in Schedule 4 to the Home Loan Sale Agreement
<b>Post-Enforcement Priority of Payments</b>	the order in which payments shall be made from the Transaction Account, after the delivery of an Enforcement Notice, as set out in the Management Agreement
<b>Potential Redraw Amount</b>	in respect of a Home Loan at any time, the aggregate monies which the Borrower is entitled to draw, and the Home Loan Lender is obliged to advance, at such time in accordance with the provisions of the Home Loan Agreement concluded by such Borrower
<b>Pre-Enforcement Priority of Payments</b>	the Pre-Enforcement Priority of Payments applicable during the Revolving Period and the Pre-Enforcement Priority of Payments applicable during the Amortisation Period
<b>Pre-Enforcement Priority of Payments applicable during the Amortisation Period</b>	the order in which payments shall be made from the Transaction Account during the Amortisation Period and prior to delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the Management Agreement. (See Mandatory Redemption in part above.)

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

<b>Pre-Enforcement Priority of Payments applicable during the Revolving Period</b>	the order in which payments shall be made from the Transaction Account during the Revolving Period and prior to delivery of an Enforcement Notice pursuant to an Event of Default, as set out in the Management Agreement
<b>Prepayments</b>	principal repayments received under a Home Loan in excess of the minimum scheduled Instalments which a Borrower is obliged to pay
<b>PTI Ratio</b>	payment to monthly income ratio, being the ratio of the minimum required Instalment payable under a Home Loan Agreement to the combined gross monthly income of the Borrower concerned and such Borrower's spouse and/or live-in partner and/or any Surety for such Borrower or such other amount or person as the Rating Agency, upon written request by the Issuer, confirms in writing will not adversely affect the then current Rating of the Notes (which income comprises basic salary and travel allowance)
<b>Rate Determination Date</b>	in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day
<b>Re-advance</b>	a re-advance to the relevant Borrower, in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the re-advance to the Borrower is discretionary or obligatory), of a portion of the principal of such Borrower's Home Loan, which principal has previously been repaid by such Borrower (i.e., a re-advance of Repayments but excluding Prepayments)
<b>Redraw</b>	a re-advance to the relevant Borrower, in terms of the Home Loan Agreement concluded by such Borrower (the terms of which Home Loan Agreement will determine whether the re-advance to the Borrower is discretionary or obligatory), of a portion of the principal of such Borrower's Home Loan, which principal has previously been repaid by such Borrower in excess of the minimum required Instalments (i.e. a re-advance of Prepayments)
<b>Redraw Facility</b>	a committed Rand denominated revolving facility, provided by the Redraw Facility Provider in terms of the Redraw Facility Agreement
<b>Redraw Facility Limit</b>	an amount equal to or greater than 50% (fifty percent) of Potential Redraw Amount
<b>Required Direct Employees Percentage</b>	the percentage of Home Loans advanced to employees who are directly employed by Eskom and not employed by a subsidiary company of Eskom or such other companies forming part of the Eskom group of companies, in relation to the portfolio of Home Loans owned by the Issuer which percentage on the Most Recent Evaluation Date may increase by 1% from the percentage determined at the previous Credit Enhancement Determination Date as specified in the Applicable Pricing Supplement
<b>Revolving Period</b>	the period commencing on (and including) the Commencement Date and ending on (but excluding) the occurrence of an Early Amortisation Event
<b>Secured Creditors</b>	EFC and each of the creditors of the Issuer set out in the Priority of Payments that is a party to a Transaction Document
<b>Subordinated Notes</b>	all the Notes issued on each Issue Date, other than the Class A Notes issued on that Issue Date
<b>Transaction Documents</b>	the Common Terms Agreement, the Home Loan Sale Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Redraw Facility Agreement, the Subordinated Loan Agreement, the Management Agreement, the Bank Agreement, the Guaranteed Investment Contract, the Security Agreements, the Security SPV Guarantee, the Preference Share Subscription Agreement, the Notes, the Programme Agreement, the Programme Memorandum, any Note Subscription Agreement, the agreements entered into from time to time with Derivative Counterparties, the Safe Custody Agreement, the trust deed of the Owner Trust, the trust deed of the Security SPV Owner Trust, the memorandum of incorporation of the Issuer and the Security SPV and agreements that may be entered into from time to time with Approved Originators