

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

## **INVESTOR REPORT 23 AUGUST 2018 TO 22 NOVEMBER 2018**

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**Investor Report**  
**for the period ending 22 November 2018**

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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)	Baa3.za	A2.za	No
Liquidity and redraw facility provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Account bank	Absa	A1.za/P-2.za	Aa1.za	No
Guaranteed Investment Contract (GIC) provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Swap provider (Derivative counterparty)	Absa CIB	A1.za/P-2.za	Aa1.za	No

<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	Wednesday, May 31, 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 August 2018 to 21 November 2018 (92 days inclusive)
Current interest payment date	Thursday, November 22, 2018
Next interest payment date	Friday, February 22, 2019
Asset class	Residential Mortgage Backed Securities in an evergreen revolving structure
Repayment type	Fully amortising equal monthly interest and principal payments
Current collection period	01 August 2018 to 31 October 2018 (92 days)
Current determination date	Wednesday, October 31, 2018

#### Transaction overview

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

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

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

**NQABA FINANCE 1 (RF) LIMITED**

**Collateral portfolio characteristics**

	Collection period:		Current period 01/08/2018 to 31/10/2018		Previous period 01/05/2018 to 31/07/2018		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans	R	Loans
<b>Balance brought forward</b>	1,921,282,475	7,111	1,905,842,554	7,105	-	-	-	-
Instalments received	(65,147,800)		(64,787,447)					
Interest charged	46,112,693		46,220,016					
Insurance charged	560,047		531,187					
Valuation fees	89,914		158,380					
Principal repaid	(18,385,146)		(17,877,863)					
Unscheduled repayments (prepayments)	(50,768,917)	(138)	(49,791,691)	(149)				
Total Principal collections	(69,154,063)		(67,669,555)					
New loans purchased	43,776,312	86	60,494,430	155	1,370,652,558	8,382		
Advances and redraws	17,627,420		22,685,436					
Loan losses written off	(346,723)		(70,390)					
Loan losses recovered	-		-					
Interest adjustments	-		-					
<b>Balance at end of period</b>	<b>1,913,185,421</b>	<b>7,059</b>	<b>1,921,282,475</b>	<b>7,111</b>	<b>1,370,652,558</b>	<b>8,382</b>		
Original value of loans advanced	2,285,473,170		2,258,124,916					
Latest current valuations of properties	4,578,641,655		4,588,720,913					
Weighted average number of months since last valuation	87		86					
Indexed values of properties	8,195,654,000		8,325,668,000					
Weighted average seasoning (months)	132		131		65			
Weighted average term to maturity (months)	208		209		261			
Largest asset value	4,192,678		4,192,678		N/A			
Months in the period	3		3		Since transaction close			
Loan book balance used as denominator for CPR and DR percentages below	1,921,282,475		1,905,842,554		149			
Prepayments	50,768,917		49,791,691		1,921,282,475			
Annualised constant prepayment rate (CPR)	10.6%		10.5%		2,031,526,802			
Loan losses	346,723		70,390		8.5%			
Annualised default rate (DR)	0.072%		0.015%		7,146,861			
					0.030%			

**Possessions**

	Collection period:		Current period 01/08/2018 to 31/10/2018		Previous period 01/05/2018 to 31/07/2018	
	R	Loans	R	Loans	R	Loans
Possessions at start of period	432,000	2	432,000	2		
Changes	-	-	-	-		
Possessions at end of period	<b>432,000</b>	<b>2</b>	<b>432,000</b>	<b>2</b>		

**Related portfolio covenants**

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

Collection period:	Current period 01/08/2018 to 31/10/2018		Previous period 01/05/2018 to 31/07/2018		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 91.0	89.5	=< 91.0	89.4	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	66.8	=< 73.0	66.9	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	11.6	=< 18.0	12.2	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 92.0	93.4	=< 92.0	93.5	=< 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	91.2	=> 86.0	91.4	=> 85.0	100.0
Average outstanding balance	=< R 300,000	R 271,028	=< R 300,000	R 270,185	=< R300,000	R 163,523

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

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

**Related early amortisation events**

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

Collection period:	Current period 01/08/2018 to 31/10/2018		Previous period 01/05/2018 to 31/07/2018		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		9.62%		9.67%		
3 month Jibar daily rate		7.00%		7.00%		
Margin	=> 2.15%	2.62%	=> 2.15%	2.67%		
<b>And</b>						
Current actual rates at interest payment date:						
Weighted average home loan rate		9.52%		9.52%		9.64%
3 month Jibar rate		7.02%		6.90%		7.70%
Margin	=> 2.15%	2.51%	=> 2.15%	2.62%	=> 1.8%	1.94%

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

Collection period:	Current period 01/08/2018 to 31/10/2018		Previous period 01/05/2018 to 31/07/2018	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	66.8	=< 83.0	66.9

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

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/10/2018**

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%	35,181,513	1.8%	202	2.9%	177,186,401	40.3%	282,317,000	31.9%	9.7%	184	141
30% - 50%	66,477,615	3.5%	319	4.5%	296,407,000	44.1%	501,537,000	36.6%	9.6%	175	162
50% - 70%	164,183,205	8.6%	621	8.8%	524,999,978	50.6%	865,182,000	40.8%	9.4%	130	184
70% - 80%	180,259,568	9.4%	524	7.4%	442,546,622	59.8%	762,707,000	48.2%	9.4%	114	210
80% - 90%	296,131,199	15.5%	751	10.6%	585,062,809	71.8%	1,004,782,000	59.0%	9.4%	97	235
90% - 100%	508,220,738	26.6%	2,159	30.6%	1,273,431,742	66.6%	2,570,066,000	49.3%	9.5%	137	205
100%+	662,731,584	34.6%	2,483	35.2%	1,279,007,103	74.4%	2,209,063,000	55.2%	9.7%	141	212
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Weighted average</b>		<b>89.5%</b>									
<b>Current Loan to Value</b>											
0% - 30%	209,740,380	11.0%	3,117	44.2%	1,995,404,229	19.1%	4,439,701,000	13.3%	9.5%	212	109
30% - 50%	274,683,266	14.4%	987	14.0%	687,287,419	40.8%	1,073,735,000	29.7%	9.4%	171	158
50% - 70%	452,808,049	23.7%	1,036	14.7%	745,297,737	61.3%	1,105,689,000	45.6%	9.4%	138	199
70% - 80%	332,983,544	17.4%	626	8.9%	443,948,629	75.1%	617,560,000	58.0%	9.3%	105	237
80% - 90%	360,078,803	18.8%	696	9.9%	423,283,470	85.2%	591,365,000	64.3%	9.5%	94	251
90% - 100%	212,439,063	11.1%	484	6.9%	226,173,172	94.0%	307,503,000	70.7%	9.7%	93	263
100%+	70,452,315	3.7%	113	1.6%	57,247,000	131.1%	60,101,000	127.7%	11.5%	128	234
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Weighted average</b>		<b>11.6%</b>									
<b>Payment to income ratio</b>											
0% - 5%	297,838,987	15.6%	3,124	44.3%	1,707,963,758	48.1%	4,139,775,000	29.7%	9.0%	173	181
5% - 10%	580,227,611	30.3%	1,934	27.4%	1,265,869,223	60.9%	1,924,782,000	44.3%	9.3%	148	196
10% - 15%	526,809,534	27.5%	1,157	16.4%	869,290,044	71.5%	1,164,548,000	55.7%	9.6%	119	218
15% - 20%	309,511,525	16.2%	535	7.6%	465,772,426	76.9%	644,047,000	62.3%	9.8%	105	223
20% - 25%	133,690,025	7.0%	208	2.9%	183,051,621	81.1%	224,979,000	70.0%	10.0%	88	244
25% - 30%	40,825,412	2.1%	60	0.8%	59,845,584	76.5%	69,606,000	68.1%	10.3%	97	222
30%+	24,282,328	1.3%	41	0.6%	26,849,000	114.3%	27,917,000	112.6%	11.5%	154	203
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Weighted average</b>		<b>11.6%</b>									

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/10/2018**

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	1,757,362,113	91.9%	6,590	93.4%	4,294,566,052	64.9%	7,821,977,000	48.4%	9.4%	129	209
Other	155,823,308	8.1%	469	6.6%	284,075,603	88.3%	373,677,000	83.1%	11.5%	156	195
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Borrower employment status</b>											
Direct Eskom	1,704,754,340	89.1%	6,436	91.2%	4,190,576,024	64.7%	7,636,602,000	48.3%	9.3%	130	208
Other group co.	208,431,081	10.9%	623	8.8%	388,065,630	83.9%	559,052,000	75.8%	11.0%	143	205
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Loan balance (R'000)</b>											
0 - 100	84,727,464	4.4%	2,707	38.3%	1,287,849,788	22.0%	3,360,810,000	11.3%	9.6%	231	88
100 - 200	149,860,991	7.8%	1,015	14.4%	546,081,182	40.7%	989,668,000	24.2%	9.6%	199	136
200 - 300	199,892,347	10.4%	797	11.3%	449,188,610	56.9%	719,617,000	38.3%	9.6%	157	183
300 - 400	253,574,447	13.3%	726	10.3%	462,468,285	66.6%	668,640,000	48.2%	9.6%	134	209
400 - 500	246,716,451	12.9%	553	7.8%	385,994,451	73.1%	548,992,000	54.2%	9.6%	122	225
500 - 700	421,755,840	22.0%	717	10.2%	636,144,359	73.9%	844,451,000	58.4%	9.6%	118	229
700 - 1000	288,618,435	15.1%	351	5.0%	421,505,117	76.5%	555,398,000	63.2%	9.5%	108	236
1000 - 1500	179,683,551	9.4%	147	2.1%	255,787,201	75.0%	315,997,000	63.3%	9.2%	90	234
1500+	88,355,896	4.6%	46	0.7%	133,622,663	77.3%	192,081,000	67.7%	9.3%	112	213
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Average balance</b>	<b>271,028</b>										
<b>Interest rate</b>											
0% - 8%	3,610,416	0.2%	10	0.1%	3,491,500	114.6%	3,501,000	114.4%	0.0%	161	140
8% - 9.5%	668,711,631	35.0%	1,722	24.4%	1,719,077,790	61.2%	3,019,105,000	45.8%	8.7%	134	198
9.5% - 11.5%	1,161,730,985	60.7%	5,164	73.2%	2,753,616,365	67.3%	5,061,392,000	50.7%	9.8%	128	214
11.5% - 13.5%	79,132,389	4.1%	163	2.3%	102,456,000	105.0%	111,656,000	102.5%	12.9%	159	203
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/10/2018**

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	19,854,019	1.0%	34	0.5%	40,006,000	72.3%	40,006,000	72.3%	9.2%	9	249
12 - 24 months	39,495,944	2.1%	64	0.9%	68,994,000	73.8%	68,989,000	73.8%	9.4%	19	281
24 - 36 months	53,135,631	2.8%	79	1.1%	88,739,500	72.3%	90,790,000	70.7%	9.4%	30	283
36 - 48 months	52,529,215	2.7%	84	1.2%	91,533,900	74.6%	99,922,000	68.0%	9.5%	43	268
48 - 60 months	59,836,491	3.1%	96	1.4%	106,552,750	73.2%	126,759,000	62.2%	9.3%	55	258
60 - 120 months	846,690,740	44.3%	1,883	26.7%	1,348,386,565	77.3%	1,817,695,000	58.8%	9.6%	92	238
120+ months	841,643,381	44.0%	4,819	68.3%	2,834,428,940	54.6%	5,951,493,000	39.1%	9.5%	197	161
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Region</b>											
Eastern Cape	98,048,823	5.1%	339	4.8%	233,585,540	71.7%	341,458,000	56.2%	9.8%	143	202
Free State	92,381,678	4.8%	379	5.4%	210,316,102	68.0%	338,209,000	51.6%	9.6%	126	215
Gauteng	792,436,805	41.4%	2,355	33.4%	1,831,684,377	65.3%	3,023,545,000	50.5%	9.4%	128	209
Kwazulu Natal	109,822,801	5.7%	473	6.7%	289,625,550	67.6%	541,893,000	52.0%	9.7%	145	201
Limpopo Province	71,648,411	3.7%	318	4.5%	170,424,387	64.8%	273,389,000	47.9%	9.7%	134	206
Mpumalanga	420,382,837	22.0%	1,884	26.7%	978,815,795	67.2%	1,888,932,000	51.4%	9.6%	133	207
North West	38,282,910	2.0%	180	2.5%	74,392,162	71.9%	160,648,000	51.0%	9.5%	135	203
Northern Cape	25,644,515	1.3%	155	2.2%	71,422,893	67.4%	116,215,000	50.2%	9.8%	133	206
Western Cape	264,536,641	13.8%	976	13.8%	718,374,848	67.9%	1,511,365,000	52.2%	9.6%	132	211
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>
<b>Property type</b>											
House (Freehold)	1,562,135,128	81.7%	5,988	84.8%	3,840,396,535	65.7%	6,974,506,000	50.2%	9.5%	137	203
Multi-unit (Sectional Title)	274,344,081	14.3%	877	12.4%	493,166,173	75.4%	841,923,000	57.9%	9.5%	107	238
House (Complex)	7,884,170	0.4%	19	0.3%	15,905,000	61.2%	25,014,000	43.5%	9.5%	138	201
Small Holding	3,956,089	0.2%	14	0.2%	11,245,000	50.8%	17,554,000	34.7%	9.7%	126	174
Other	64,865,952	3.4%	161	2.3%	217,928,947	58.7%	336,657,000	49.5%	9.2%	104	215
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>4,578,641,655</b>	<b>66.8%</b>	<b>8,195,654,000</b>	<b>51.3%</b>	<b>9.5%</b>	<b>132</b>	<b>208</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Arrears analysis at determination date**

	Wednesday, October 31, 2018			Tuesday, July 31, 2018						
	Loan balances R	%	Number of loans %	WA interest rate %	Loan balances R	%	Number of loans %	WA interest rate %		
<b>Fully performing</b>										
Current	1,816,286,404	94.9%	6,785	96.1%	9.4%	1,823,241,379	94.9%	6,834	96.1%	9.4%
<b>Non-delinquent</b>										
0 - 1 months	10,551,296	0.6%	34	0.5%	11.7%	14,550,741	0.8%	39	0.5%	11.4%
1 - 2 months	7,100,595	0.4%	24	0.3%	12.1%	7,042,527	0.4%	24	0.3%	11.9%
2 - 3 months	7,324,605	0.4%	22	0.3%	12.1%	8,653,077	0.5%	21	0.3%	12.4%
Total	24,976,495	1.3%	80	1.1%	11.9%	30,246,345	1.6%	84	1.2%	11.8%
<b>Deteriorated</b>										
3 - 4 months	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
4 - 5 months	150,656	0.0%	2	0.0%	12.7%	1,028,804	0.1%	6	0.1%	11.8%
5 - 6 months	101,753	0.0%	1	0.0%	12.5%	1,333,987	0.1%	3	0.0%	12.6%
6 - 12 months	1,805,837	0.1%	7	0.1%	12.6%	2,086,178	0.1%	9	0.1%	12.7%
>12 months	3,524,428	0.2%	23	0.3%	7.3%	2,775,652	0.1%	24	0.3%	5.9%
Total	5,582,675	0.3%	33	0.5%	9.3%	7,224,620	0.4%	42	0.6%	9.9%
<b>Defaulted</b>										
Litigation	30,207,483	1.6%	53	0.8%	12.5%	28,338,249	1.5%	48	0.7%	12.5%
<b>Other categories</b>										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	34,259,984	1.8%	102	1.4%	12.6%	29,543,021	1.5%	96	1.4%	12.6%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	1,440,381	0.1%	4	0.1%	0.0%	2,256,861	0.1%	5	0.1%	0.0%
Properties in possession	432,000	0.0%	2	0.0%	0.0%	432,000	0.0%	2	0.0%	0.0%
Total	36,132,364	1.9%	108	1.5%	11.9%	32,231,882	1.7%	103	1.4%	11.5%
<b>Total</b>	<b>1,913,185,421</b>	<b>100.0%</b>	<b>7,059</b>	<b>100.0%</b>	<b>9.5%</b>	<b>1,921,282,475</b>	<b>100.0%</b>	<b>7,111</b>	<b>100.0%</b>	<b>9.5%</b>

**Arrears reserve trigger**

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

		10/31/2018 R	7/31/2018 R
Aggregate principal balances on home loans as above	A	1,913,185,421	1,921,282,475
Balances which are in arrears for more than 3 months	B	5,582,675	7,224,620
Balances for which the Issuer has instituted legal proceedings	C	30,207,483	28,338,249
Total arrears for calculation purposes	D = B + C	35,790,158	35,562,869
Arrears %	E = D / A	1.87%	1.85%
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		38,263,708	38,425,650
If arrears % (E) previously exceeded the trigger, check whether arrears have decreased to 1.5%		No	No
Arrears trigger event maintained		Yes	Yes
<b>If Yes, calculation of arrears reserve required:</b>			
Original valuation of the related properties		6,213,302	7,136,768
Latest valuation of the related properties		12,996,500	15,397,500
Balances which are in arrears for more than 3 months	B	5,582,675	7,224,620
60% of the lower of the original valuation and latest valuation	F	3,727,981	4,282,061
Test difference between arrears and conservative value of related properties	G = B - F	1,854,694	2,942,559
Arrears reserve required amount (if value greater, no cash reserve required)	H	1,854,694	2,942,559
<b>Changes in arrears reserve</b>			
Opening balance		2,942,559	3,222,539
Changes reflected in Priority of Payments		(1,087,865)	398,716
Closing balance	H	1,854,694	2,823,823

**Related early amortisation arrears trigger**

		10/31/2018 R	7/31/2018 R
Notes in issue		1,660,000,000	1,660,000,000
Trigger per cent		2.50%	2.50%
Trigger value	I	41,500,000	41,500,000
Total arrears as defined above	D	35,790,158	35,562,869
Headroom (deficit)		5,709,842	5,937,131
Early amortisation arrears trigger event (D > I)		No	No

**Movement in properties classified as Litigations**

	10/31/2018		7/31/2018	
	No of loans	R	No of loans	R
Opening balance	48	28,338,249	47	27,752,058
Loans exit litigation	-8	(4,212,277)	-13	(6,497,816)
Loans enter litigation	13	4,970,567	14	5,943,241
Repayments		(17,000)		-
Advance		164,920		200,455
Interest		902,760		867,504
Loan losses		-		-
Valuation fees		5,425		19,608
Capitalised insurance		54,840		53,198
Closing balance	53	30,207,483	48	28,338,249

**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:

	10/31/2018 R	7/31/2018 R
Impairments applied to loan book excluding possessions	9,489,386	9,044,732
Impairments applied to possessions	322,000	322,000
Total impairments	9,811,386	9,366,732



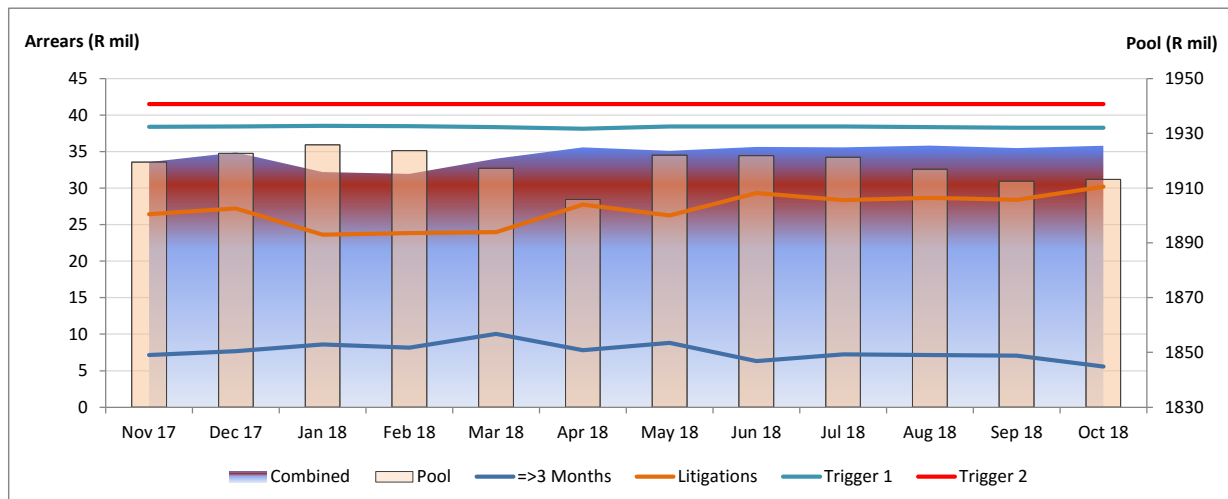
Trends

Arrears analysis (values in R million)

End of:	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18
<b>Pool</b>	<b>1920</b>	<b>1923</b>	<b>1926</b>	<b>1924</b>	<b>1917</b>	<b>1906</b>	<b>1922</b>	<b>1922</b>	<b>1921</b>	<b>1917</b>	<b>1913</b>	<b>1913</b>
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>38.39</b>	<b>38.45</b>	<b>38.52</b>	<b>38.47</b>	<b>38.34</b>	<b>38.12</b>	<b>38.44</b>	<b>38.44</b>	<b>38.43</b>	<b>38.34</b>	<b>38.25</b>	<b>38.26</b>
=>3 Months	7.14	7.68	8.60	8.14	10.04	7.82	8.82	6.30	7.22	7.16	7.07	5.58
Litigations	26.43	27.21	23.60	23.82	23.98	27.75	26.26	29.34	28.34	28.65	28.41	30.21
<b>Combined</b>	<b>33.57</b>	<b>34.88</b>	<b>32.20</b>	<b>31.96</b>	<b>34.02</b>	<b>35.57</b>	<b>35.08</b>	<b>35.64</b>	<b>35.56</b>	<b>35.82</b>	<b>35.48</b>	<b>35.79</b>
<b>Notes</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>	<b>1660</b>
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>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>	<b>41.50</b>
Trigger 2 diff	7.93	6.62	9.30	9.54	7.48	5.93	6.42	5.86	5.94	5.68	6.02	5.71

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

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

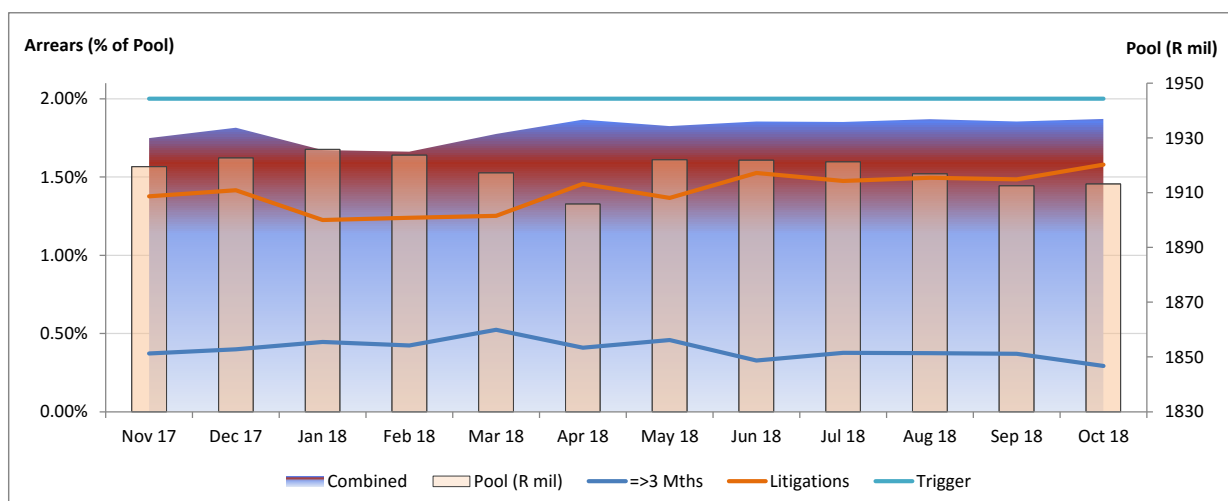


Arrears analysis (percentages)

End of:	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18
<b>Pool (R mil)</b>	<b>1920</b>	<b>1923</b>	<b>1926</b>	<b>1924</b>	<b>1917</b>	<b>1906</b>	<b>1922</b>	<b>1922</b>	<b>1921</b>	<b>1917</b>	<b>1913</b>	<b>1913</b>
=>3 Mths	0.37%	0.40%	0.45%	0.42%	0.52%	0.41%	0.46%	0.33%	0.38%	0.37%	0.37%	0.29%
Litigations	1.38%	1.42%	1.23%	1.24%	1.25%	1.46%	1.37%	1.53%	1.47%	1.49%	1.49%	1.58%
<b>Combined</b>	<b>1.75%</b>	<b>1.81%</b>	<b>1.67%</b>	<b>1.66%</b>	<b>1.77%</b>	<b>1.87%</b>	<b>1.83%</b>	<b>1.85%</b>	<b>1.85%</b>	<b>1.87%</b>	<b>1.86%</b>	<b>1.87%</b>
Trigger	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

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

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

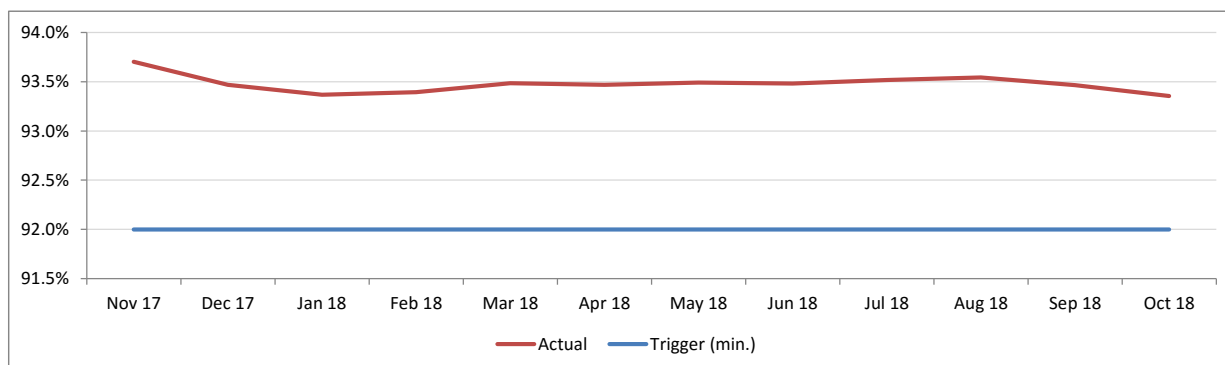


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18
Actual	93.7%	93.5%	93.4%	93.4%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.5%	93.4%
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

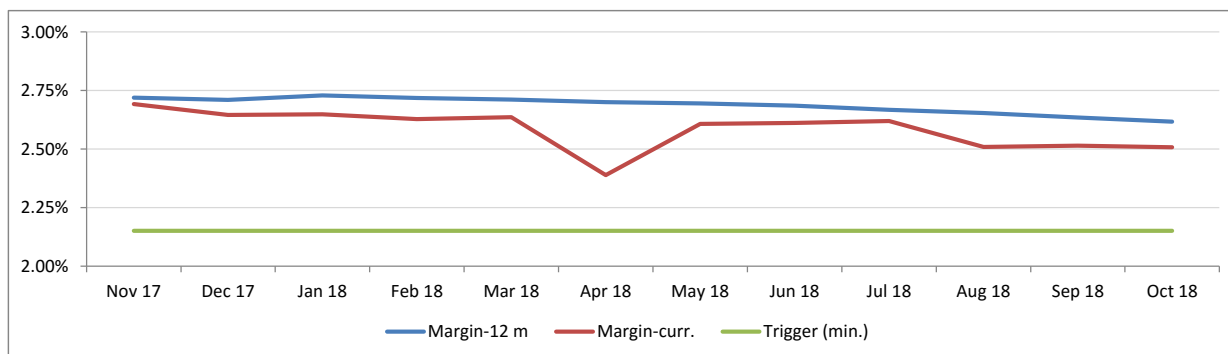


Interest rate margin

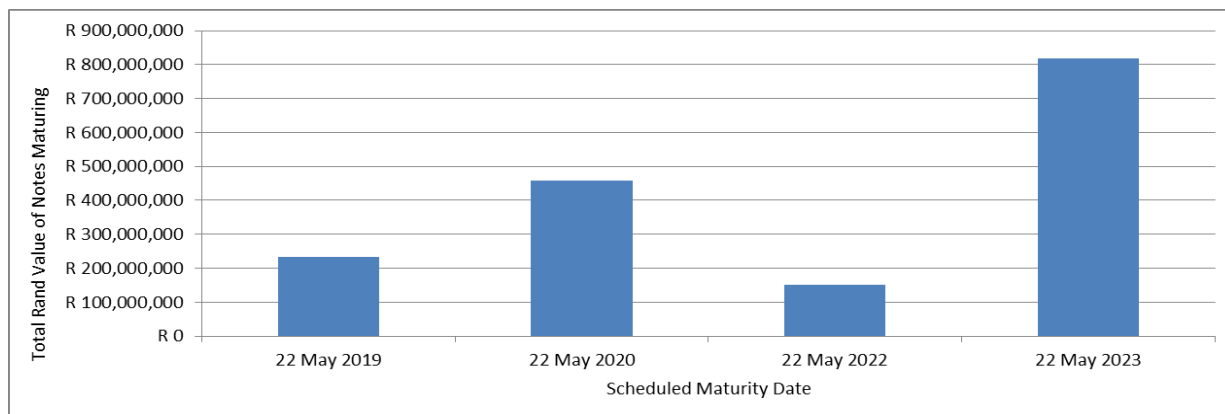
The Required Interest Rate margin between the weighted average home loan rate and the 3 month JIBAR rate is to be tested in two ways on Interest Payment date: the margin of the 12 months rolling averages of each rate and the margin of the actual rates applicable on those dates. For trend purposes, the 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:	Nov 17	Dec 17	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18
<b>12 months rolling average:</b>												
HL-12 m	9.95%	9.92%	9.90%	9.87%	9.84%	9.80%	9.76%	9.71%	9.67%	9.65%	9.63%	9.62%
Jibar-12 m	7.23%	7.22%	7.17%	7.15%	7.13%	7.10%	7.06%	7.03%	7.00%	7.00%	7.00%	7.00%
Margin-12 m	2.72%	2.71%	2.73%	2.72%	2.71%	2.70%	2.69%	2.68%	2.67%	2.65%	2.64%	2.62%
<b>Current month:</b>												
HL-current	9.74%	9.75%	9.75%	9.75%	9.76%	9.51%	9.51%	9.51%	9.52%	9.53%	9.53%	9.52%
Jibar-curr.	7.05%	7.10%	7.10%	7.13%	7.13%	7.13%	6.90%	6.90%	6.90%	7.02%	7.02%	7.02%
Margin-curr.	2.69%	2.65%	2.65%	2.63%	2.64%	2.39%	2.61%	2.61%	2.62%	2.51%	2.51%	2.51%
Trigger (min.)	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%

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

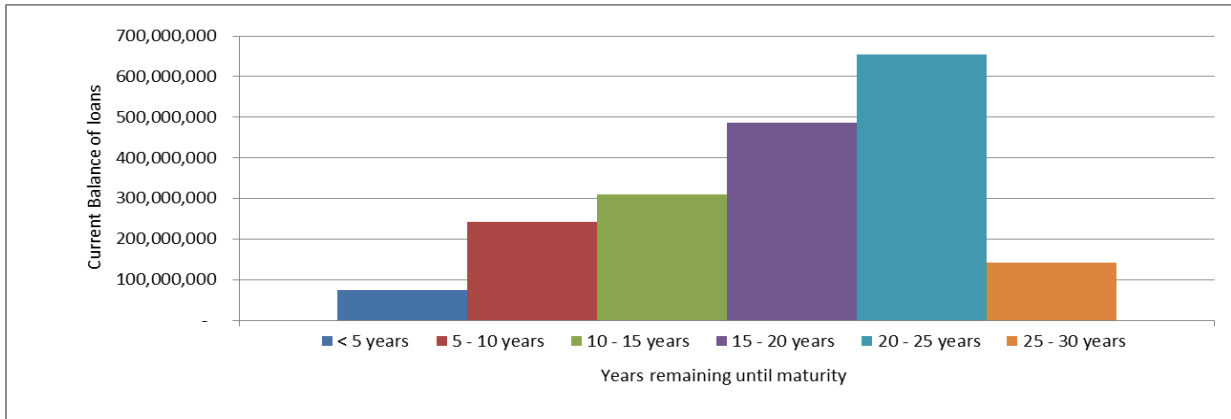


Notes maturity analysis



Trends

Asset pool maturity analysis



**NQABA FINANCE 1 (RF) LIMITED**

**Cumulative Note details to interest payment date 22/11/2018**

Class number	JSE stock code	ISIN	Issue date	Scheduled maturity and step-up date	Legal final maturity date	Tranche balance at transaction close R	Subsequent tranches issued R	Tranches redeemed on scheduled maturity dates R	Tranche balance at end of period R	Original rating at issue date	Current rating (31/05/2016)	Remaining life on scheduled maturity (years)	Weighted
A1	NQF1A1	ZAG000030701	31/05/2006	22/05/2009	22/05/2041	696,000,000		(696,000,000)	-	AAA(zaf)			
A2	NQF1A2	ZAG000030735	31/05/2006	22/05/2011	22/05/2043	376,000,000		(376,000,000)	-	AAA(zaf)			
A3	NQF1A3	ZAG000030685	31/05/2006	22/05/2011	22/05/2043	320,000,000		(320,000,000)	-	AAA(zaf)			
A4	NQF1A4	ZAG000044520	28/09/2007	22/05/2010	22/05/2042		304,000,000	(304,000,000)	-	AAA(zaf)			
A5	NQF1A5	ZAG000067760	22/05/2009	22/05/2010	22/05/2042		696,000,000	(696,000,000)	-	AAA(zaf)			
A6	NQF1A6	ZAG000077546	24/05/2010	22/05/2011	22/05/2043		100,000,000	(100,000,000)	-	AAA(zaf)			
A7	NQF1A7	ZAG000077553	24/05/2010	22/11/2011	22/11/2043		375,000,000	(375,000,000)	-	AAA(zaf)			
A8	NQF1A8	ZAG000077561	24/05/2010	22/05/2012	22/05/2044		30,000,000	(30,000,000)	-	AAA(zaf)			
A9	NQF1A9	ZAG000077579	24/05/2010	22/05/2013	22/05/2045		127,000,000	(127,000,000)	-	AAA(zaf)			
A10	NQ1A10	ZAG000077686	24/05/2010	22/05/2020	22/05/2052		115,000,000		115,000,000	AAA(zaf)	A1(sf) / Aaa.za(sf)	1.56	0.11
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)	A1(sf) / Aaa.za(sf)	0.56	0.07
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		310,000,000	AAA(zaf)	Aaa.za(sf)	1.56	0.29
A25	NQ1A25	ZAG000144007	22/05/2017	22/05/2022	22/05/2054		150,000,000		150,000,000	AAA(zaf)	Aaa.za(sf)	3.56	0.32
A26	NQ1A26	ZAG000144155	22/05/2017	22/05/2018	22/05/2050		48,000,000	(48,000,000)	-	AAA(zaf)	Aaa.za(sf)		
A27	NQ1A27	ZAG000151531	22/05/2018	22/05/2023	22/05/2055		658,000,000		658,000,000	AAA(zaf)	Aaa.za(sf)	4.56	1.81
<b>Totals Class A</b>						<b>1,392,000,000</b>	<b>5,618,000,000</b>	<b>(5,567,000,000)</b>	<b>1,443,000,000</b>				
B1	NQF1B1	ZAG000030719	31/05/2006	22/05/2009	22/05/2041	32,000,000		(32,000,000)	-	AA(zaf)			
B2	NQF1B2	ZAG000030743	31/05/2006	22/05/2011	22/05/2043	32,000,000		(32,000,000)	-	AA(zaf)			
B3	NQF1B3	ZAG000044538	28/09/2007	22/05/2010	22/05/2042		14,000,000	(14,000,000)	-	AA(zaf)			
B5	NQF1B5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042		32,000,000	(32,000,000)	-	AA(zaf)			
B6	NQF1B6	ZAG000077587	24/05/2010	22/05/2011	22/05/2043		8,000,000	(8,000,000)	-	AA(zaf)			
B7	NQF1B7	ZAG000077595	24/05/2010	22/11/2011	22/11/2043		10,000,000	(10,000,000)	-	AA(zaf)			
B9	NQF1B9	ZAG000077611	24/05/2010	22/05/2013	22/05/2045		30,000,000	(30,000,000)	-	AA(zaf)			
B10	NQ1B10	ZAG000077702	24/05/2010	22/05/2020	22/05/2052		11,000,000		11,000,000	AA(zaf)	A3(sf) / Aaa.za(sf)	1.56	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)	A3(sf) / Aaa.za(sf)		
B16	NQ1B16	ZAG000115577	22/05/2014	22/05/2017	22/05/2049		32,000,000	(32,000,000)	-	AA(zaf)			
B17	NQ1B17	ZAG000126467	22/05/2015	22/05/2020	22/05/2050		8,000,000		8,000,000	AA(zaf)	A3(sf) / Aaa.za(sf)	1.56	0.01
B19	NQ1B19	Private placement	22/05/2017	22/05/2018	22/05/2050		32,000,000	(32,000,000)	-	AAA(zaf)	Aaa.za(sf)		
B20	NQ1B20	ZAG000151549	22/05/2018	22/05/2023	22/05/2055		159,000,000		159,000,000	AAA(zaf)	Aaa.za(sf)	4.56	0.44
<b>Totals Class B</b>						<b>64,000,000</b>	<b>434,000,000</b>	<b>(320,000,000)</b>	<b>178,000,000</b>				
C1	NQF1C1	ZAG000030693	31/05/2006	22/05/2009	22/05/2041	32,000,000		(32,000,000)	-	A(zaf)			
C2	NQF1C2	ZAG000030727	31/05/2006	22/05/2011	22/05/2043	32,000,000		(32,000,000)	-	A(zaf)			
C3	NQF1C3	ZAG000044546	28/09/2007	22/05/2010	22/05/2042		14,000,000	(14,000,000)	-	A(zaf)			
C5	NQF1C5	ZAG000067778	22/05/2009	22/05/2010	22/05/2042		32,000,000	(32,000,000)	-	A(zaf)			
C6	NQF1C6	ZAG000077629	24/05/2010	22/05/2011	22/05/2043		5,000,000	(5,000,000)	-	A(zaf)			
C7	NQF1C7	ZAG000077637	24/05/2010	22/11/2011	22/11/2043		13,000,000	(13,000,000)	-	A(zaf)			
C9	NQF1C9	ZAG000077652	24/05/2010	22/05/2013	22/05/2045		12,000,000	(12,000,000)	-	A(zaf)			
C10	NQ1C10	ZAG000077694	24/05/2010	22/05/2020	22/05/2052		5,000,000		5,000,000	A(zaf)	Baa1(sf) / Aaa.za(sf)	1.56	0.00
C11	NQ1C11	ZAG000085903	23/05/2011	22/05/2014	22/05/2046		32,000,000	(32,000,000)	-	A(zaf)			
C12	NQ1C12	ZAG000085911	23/05/2011	22/05/2012	22/05/2044		5,000,000	(5,000,000)	-	A(zaf)			
C13	NQ1C13	ZAG000090630	22/11/2011	22/05/2013	22/05/2045		13,000,000	(13,000,000)	-	A(zaf)			
C14	NQ1C14	ZAG000095241	22/05/2012	22/05/2015	22/05/2047		5,000,000	(5,000,000)	-	A+(zaf)			
C15	NQ1C15	ZAG000105958	22/05/2013	22/05/2018	22/05/2050		25,000,000	(25,000,000)	-	A+(zaf)	Baa1(sf) / Aaa.za(sf)		
C16	NQ1C16	ZAG000115585	22/05/2014	22/05/2017	22/05/2049		32,000,000	(32,000,000)	-	A+(zaf)			
C17	NQ1C17	ZAG000126459	22/05/2015	22/05/2020	22/05/2050		5,000,000		5,000,000	A+(zaf)	Baa1(sf) / Aaa.za(sf)	1.56	0.00
C19	NQ1C19	Private placement	22/05/2017	22/05/2018	22/05/2050		32,000,000	(32,000,000)	-	AAA(zaf)	Aaa.za(sf)		
<b>Totals Class C</b>						<b>64,000,000</b>	<b>230,000,000</b>	<b>(284,000,000)</b>	<b>10,000,000</b>				
D1	NQF1D1	ZAG000030750	31/05/2006	22/05/2009	22/05/2041	24,000,000		(24,000,000)	-	BBB(zaf)			
D2	NQF1D2	ZAG000030677	31/05/2006	22/05/2011	22/05/2043	24,000,000		(24,000,000)	-	BBB(zaf)			
D3	NQF1D3	ZAG000044553	28/09/2007	22/05/2010	22/05/2042		11,000,000	(11,000,000)	-	BBB(zaf)			
D4	NQF1D4	ZAG000077660	24/05/2010	22/05/2013	22/05/2045		30,000,000	(30,000,000)	-	BBB(zaf)			
D5	NQF1D5	ZAG000077678	24/05/2010	22/05/2020	22/05/2052		5,000,000		5,000,000	BBB(zaf)	Baa2(sf) / Aa1.za(sf)	1.56	0.00
D6	NQF1D6	ZAG000085929	23/05/2011	22/05/2016	22/05/2048		24,000,000	(24,000,000)	-	BBB(zaf)			
D7	NQF1D7	ZAG000105974	22/05/2013	22/05/2018	22/05/2050		30,000,000	(30,000,000)	-	A-(zaf)	Baa2(sf) / Aa1.za(sf)		
D8	NQF1D8	ZAG000136656	23/05/2016	22/05/2019	22/05/2051		24,000,000		24,000,000	A-(zaf)	Baa2(sf) / Aa1.za(sf)	0.56	0.01
<b>Totals Class D</b>						<b>48,000,000</b>	<b>124,000,000</b>	<b>(143,000,000)</b>	<b>29,000,000</b>				
<b>Totals all Notes</b>						<b>1,568,000,000</b>	<b>6,406,000,000</b>	<b>(6,314,000,000)</b>	<b>1,660,000,000</b>				<b>3.07</b>

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

**NQABA FINANCE 1 (RF) LIMITED**

**Note interest calculations for current interest payment date 22/11/2018**

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	8/22/2018	11/22/2018	5/22/2020	92	Fixed	10.435%	+25 bps	10.435%	3,024,721	-	115,000,000
A21	NQ1A21	210,000,000	8/22/2018	11/22/2018	5/22/2019	92	7.017%	1.570%	2.198%	8.587%	4,545,228	-	210,000,000
A24	NQ1A24	310,000,000	8/22/2018	11/22/2018	5/22/2020	92	7.017%	1.600%	2.240%	8.617%	6,733,064	-	310,000,000
A25	NQ1A25	150,000,000	8/22/2018	11/22/2018	5/22/2022	92	7.017%	1.840%	2.576%	8.857%	3,348,674	-	150,000,000
A27	NQ1A27	658,000,000	8/22/2018	11/22/2018	5/22/2020	92	7.017%	1.850%	2.590%	8.867%	14,706,102	-	658,000,000
<b>Totals Class A</b>		<b>1,443,000,000</b>							Weighted average:	<b>4.853%</b>	<b>32,357,789</b>	-	<b>1,443,000,000</b>
B10	NQ1B10	11,000,000	8/22/2018	11/22/2018	5/22/2020	92	Fixed	10.635%	+55 bps	10.635%	294,866	-	11,000,000
B17	NQ1B17	8,000,000	8/22/2018	11/22/2018	5/22/2020	92	7.017%	1.820%	2.548%	8.837%	178,194	-	8,000,000
B20	NQ1B20	159,000,000	8/22/2018	11/22/2018	5/22/2020	92	6.900%	2.250%	3.150%	9.150%	3,667,019	-	159,000,000
<b>Totals Class B</b>		<b>178,000,000</b>							Weighted average:	<b>9.228%</b>	<b>4,186,968</b>	-	<b>178,000,000</b>
C10	NQ1C10	5,000,000	8/22/2018	11/22/2018	5/22/2020	92	Fixed	10.835%	+100	10.835%	136,551	-	5,000,000
C17	NQ1C17	5,000,000	8/22/2018	11/22/2018	5/22/2020	92	7.017%	2.250%	3.150%	9.267%	116,790	-	5,000,000
<b>Totals Class C</b>		<b>10,000,000</b>							Weighted average:	<b>10.051%</b>	<b>253,340</b>	-	<b>10,000,000</b>
D5	NQF1D5	5,000,000	8/22/2018	11/22/2018	5/22/2020	92	7.017%	3.250%	+325	10.267%	129,392	-	5,000,000
D8	NQF1D8	24,000,000	8/22/2018	11/22/2018	5/22/2019	92	7.017%	2.850%	3.990%	9.867%	596,886	-	24,000,000
<b>Totals Class D</b>		<b>29,000,000</b>							Weighted average:	<b>9.936%</b>	<b>726,278</b>	-	<b>29,000,000</b>
<b>Totals all Notes</b>		<b>1,660,000,000</b>							Weighted average:	<b>8.957%</b>	<b>37,524,375.00</b>	-	<b>1,660,000,000</b>
<b>Subordinated loan</b>		290,000,000	8/22/2018	11/22/2018		92	7.017%	5.000%		12.017%	8,783,933	-	290,000,000
<b>Total funding</b>		<b>1,950,000,000</b>							Weighted average interest rate all funding:	<b>9.412%</b>	<b>46,308,308</b>	-	<b>1,950,000,000</b>

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

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

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

**Interest swaps on fixed interest Notes for current interest payment date 22/11/2018**

Trade number	JSE stock code	Nominal value R	Interest reset date	Interest payment date	Number of days	Fixed rate	Floating: 3 month Jibar	Toatal after margin added	Receive fixed R	Pay floating R	Net receipt / (payment) R
9527572	NQ1A10	115,000,000	8/22/2018	11/22/2018	92	10.435%	7.017%	9.117%	3,024,721	(2,642,681)	382,039
9527542	NQ1B10	11,000,000	8/22/2018	11/22/2018	92	10.635%	7.017%	9.317%	294,866	(258,323)	36,543
9527501	NQ1C10	5,000,000	8/22/2018	11/22/2018	92	10.835%	7.017%	9.517%	136,551	(119,940)	16,610
		<b>131,000,000</b>				Weighted averages:	<b>10.467%</b>	<b>9.149%</b>	<b>3,456,138</b>	<b>(3,020,945)</b>	<b>435,193</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	11/22/2018		8/22/2018		Redraw facility	11/22/2018		8/22/2018	
	R		R			R		R	
Facility limit (2% of Notes issued)	33,200,000		33,200,000		Facility limit	150,000,000		150,000,000	
Available facility:					Available facility:				
Outstandings at start of period	-	-	-	-	Outstandings at start of period	-	-	-	-
Further amounts drawn	-	-	-	-	Further amounts drawn (repaid)	-	-	-	-
Less: Outstandings at end of period	-	-	-	-	Less: Outstandings at end of period	-	-	-	-
Available facility at end of period	33,200,000		33,200,000		Available facility at end of period	150,000,000		150,000,000	
The facility is due for renewal on 21/02/2018. It has never been used. The fee charge is 0.55% of the facility limit.					The facility is due for renewal on 21/02/2018. It has never been used. The fee charge is 0.55% of the facility limit.				

**Early amortisation events (summary)**

	11/22/2018	8/22/2018
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	No
Any Servicer event of default	No	No
The Arrears Reserve (if required) is not fully funded for six consecutive payment dates	Pages 7, 13	No
The weighted average current LTV exceeds the required weighted average current LTV by more than 10%	Page 3	No
The aggregate principal balances of home loans which are in arrears for more than 3 months exceeds 2.5% of the outstanding principal amount of the Notes	Page 7	No
The Issuer does not achieve the required interest margin	Page 3	No
A Principal deficiency exists on any payment date	Page 13	No
The rating assigned to Eskom Holdings SOC Limited is downgraded below A2.za	Page 2	No

**NQABA FINANCE 1 (RF) LIMITED**

**Principal deficiency ledger at Interest payment date**

	11/22/2018 R	8/22/2018 R
<b>Early amortisation event - a principal deficiency exists on any payment date</b>		
A Principal Deficiency is defined as: the amount of the Liabilities expected to exist, less the Assets expected to exist on the immediately succeeding payment date after having made all payments in accordance with the priority of payments on that payment date, if the result is less than zero.		
<b>Liabilities</b>		
Aggregate outstanding principal of the notes	1,660,000,000	1,660,000,000
Less: Amount allocated for the redemption of notes	-	-
- Class A	-	-
- Class B	-	-
- Class C	-	-
- Class D	-	-
Plus: Funds raised through refinancing	-	-
Plus: Principal amount outstanding under the redraw facility at the end of the preceding collection period	-	-
Less: Amount allocated in current priority of payments to repay the redraw facility	-	-
<b>Total liabilities (L)</b>	<b><u>1,660,000,000</u></b>	<b><u>1,660,000,000</u></b>
<b>Assets</b>		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1,913,185,420	1,921,282,474
Plus: Home loans transferred on the next day from funds previously allocated	<u>21,598,332</u>	<u>11,465,151</u>
Total principal balances at start of current period	1,934,783,752	1,932,747,625
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	15,216,248	17,252,375
* For practical reasons, transfers occur at the start of the next Collection Period		
<b>Total assets (A)</b>	<b><u>1,950,000,000</u></b>	<b><u>1,950,000,000</u></b>
Principal deficiency (L - A) (never less than zero) (PD)	<u>-</u>	<u>-</u>

**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	29,000,000	29,000,000
Class E Notes	-	-
Subordinated loan	290,000,000	290,000,000
Total (D)	<u>319,000,000</u>	<u>319,000,000</u>
Net Principal Deficiency (PD - D) (never less than zero)	-	-
<b>Class C interest deferral test to protect class B and above Noteholders</b>		
Class C Notes (C)	10,000,000	10,000,000
Net Principal Deficiency (PD - D - C) (never less than zero)	-	-
<b>Class B interest deferral test to protect class A Noteholders</b>		
Class B Notes (B)	178,000,000	178,000,000
Net Principal Deficiency (PD - D - C - B) (never less than zero)	<u>-</u>	<u>-</u>

NB: If there is an Interest Deferral Event, redemptions of matured Class B to D Notes will be affected.

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

**Reserve funds at Interest payment date**

	R	R
Reserve fund balance at transaction close	-	-
Arrears reserve at start of period	2,942,559	-
Current period change	<u>(1,087,865)</u>	<u>2,942,559</u>
Arrears reserve at end of period	<b><u>1,854,694</u></b>	<b><u>2,942,559</u></b>

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

## NQABA FINANCE 1 (RF) LIMITED

### Cash flow statement to determination date

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

	Three months ended:	
	10/31/2018	7/31/2018
	R	R
(Loss) profit before tax per income statement	(3,172,753)	320,749
Add back:		
Fair value adjustments	2,088,658	-
Funds from operations	<u>(1,084,095)</u>	<u>320,749</u>
Taxation paid	(39,168)	-
Increase in Notes including accrued interest	408,154	1,752,677
Decrease (increase) in portfolio assets including accrued interest	8,541,708	(15,439,922)
Increase in arrears reserve funded	(383,738)	(2,838,801)
Decrease in amounts due by EFC and accounts receivable	3,882,100	1,747,224
(Decrease) increase in amounts due to EFC and accounts payable	(2,130,958)	145,541
Increase (decrease) in funds	<u>9,194,002</u>	<u>(14,312,532)</u>
Funds available at beginning of the period	95,492,566	109,805,098
Funds available at end of the period to Priority of Payments	<u><u>104,686,568</u></u>	<u><u>95,492,566</u></u>

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

	11/22/2018	8/22/2018
	R	R
Cash at bank as above	104,686,568	95,492,566
Refinancing of Notes	-	-
Add: Commingling amounts subsequently received from EFC	22,350,255	26,232,355
Less: commingling amounts payable to EFC	<u>(6,774,292)</u>	<u>(8,337,056)</u>
<b>Available cash</b>	<b>120,262,531</b>	<b>113,387,865</b>
<b>Payments</b>		
1 South African Revenue Services	-	(130,362)
2 Security SPV trust, owner trust and third party payments	(5,201,274)	(5,457,318)
3 Derivative counterparty settlement received (paid)	435,193	473,825
4 Liquidity facility provider - fees	(43,306)	(43,306)
5 Redraw facility provider - fees	(195,658)	(195,658)
6 Class A to D Note holders:		
Interest on Class A notes	(32,357,789)	(31,966,156)
Surplus / (Deficit)	<u>82,899,698</u>	<u>76,068,891</u>
Interest on Class B notes	<b>(4,186,968)</b>	<b>(4,137,719)</b>
Interest payable	(4,186,968)	(4,137,719)
Less: Class B interest deferred	<u>-</u>	<u>-</u>
Interest on Class C notes	<b>(253,340)</b>	<b>(251,866)</b>
Interest payable	(253,340)	(251,866)
Less: Class C interest deferred	<u>-</u>	<u>-</u>
Interest on Class D notes	<b>(726,278)</b>	<b>(717,726)</b>
Interest payable	(726,278)	(717,726)
Less: Class D interest deferred	<u>-</u>	<u>-</u>
Surplus / (Deficit)	<u><b>77,733,112</b></u>	<u><b>70,961,580</b></u>
7 Arrears reserve (increase) decrease	1,367,845	(103,758)
8 Redraw facility provider	-	-
9 Matured Class A to D Note holders (classes B to D payments subject to Interest Deferral Events)	-	-
10 Additional home loans		
Purchase of additional home loans (per home loan sale agreement) (potential purchase amount less amount applied to item 8 above)	(21,598,332)	(11,465,151)
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	(1,913,185,420)	(1,921,282,474)
Less: Amounts applied to items 8 and 10	<u>(21,598,332)</u>	<u>(11,465,151)</u>
Required purchases reserve	<u>15,216,248</u>	<u>17,252,375</u>
	(15,216,248)	(17,252,375)
12 Class A to D Note holders: other amounts due	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<u><b>42,286,376</b></u>	<u><b>42,140,296</b></u>
14 Issuer expenses in excess of issuer expenses cap	-	-
15 Interest on Class E notes	-	-
16 Subordinated loan interest	(8,783,933)	(8,698,411)
17 Class E Note holders: Matured capital	-	-
18 Class E Note holders: Capital	-	-
19 Preference shareholder: Dividend due and payable	-	-
20 To Permitted Investments while amounts are outstanding to Secured Creditors	<u>(33,502,443)</u>	<u>(33,441,885)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

**NQABA FINANCE 1 (RF) LIMITED**

	Quarter ended 31/10/2018	YTD 31/10/2018	YTD 31/07/2018
	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	46,119,978	107,279,399	61,159,421
Financing cost	46,180,032	106,675,640	60,495,608
<b>Financing margin</b>	<b>(60,053)</b>	<b>603,759</b>	<b>663,813</b>
Loan losses	(791,377)	(861,767)	(70,390)
Loan losses written off	(346,723)	(417,113)	(70,390)
Impairment provisions	(444,653)	(444,653)	-
Interest received from bank	1,268,866	2,961,722	1,692,856
Interest swap	(1,614,833)	(1,228,329)	386,504
Fair value adjustments	(2,088,658)	(2,088,658)	-
Settlements received (paid)	473,825	860,329	386,504
<b>Operating profit/(loss)</b>	<b>(1,197,397)</b>	<b>1,475,386</b>	<b>2,672,783</b>
Operating expenditure	(1,975,356)	(4,305,067)	(2,329,711)
Management fees	166,408	387,506	221,098
Servicer fees	833,770	1,939,128	1,105,358
Liquidity fees	43,306	100,732	57,427
Redraw Facility fees	195,658	455,118	259,459
Back-up Servicer fees	48,334	112,413	64,079
Audit fees	29,618	207,334	177,716
JSE fees	47,281	79,845	32,565
Bank Charges	2,547	5,884	3,336
Directors fees	65,169	142,017	76,847
Rating fees	77,123	179,953	102,830
Rating fees (variable)	356,633	503,286	146,653
Safe Custody fees	57,678	57,678	-
National Credit Regulator fees	24,438	57,011	32,573
Strate fees	27,394	77,164	49,770
<b>Net profit/(loss) before tax</b>	<b>(3,172,753)</b>	<b>(2,829,682)</b>	<b>343,072</b>
Taxation - normal tax	130,362	-	(130,362)
Taxation - deferred tax	662,667	662,667	-
<b>Net profit/(loss) after tax</b>	<b>(2,379,723)</b>	<b>(2,167,015)</b>	<b>212,709</b>
<b>Net profit/(loss) after distribution</b>	<b>(2,379,723)</b>	<b>(2,167,015)</b>	<b>212,709</b>
Retained income at beginning of the period	52,946,277	52,733,567	52,733,567
<b>Retained income at end of the period</b>	<b>50,566,553</b>	<b>50,566,553</b>	<b>52,946,277</b>

	31/10/2018	31/07/2018
	R	R

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

<b>Assets</b>		
<b>Non-Current Assets</b>	1,904,870,593	1,912,749,634
Home loan advances	1,903,264,034	1,911,805,742
Properties in possession	110,000	110,000
Deferred tax	1,496,559	833,892
<b>Current Assets</b>	139,665,729	136,019,579
Amounts due by EFC	22,350,258	25,232,355
Cash and cash equivalents	104,686,568	95,492,566
Arrears reserve	3,222,539	2,838,801
SA Revenue Services	7,448,163	7,408,995
Interest swap fair value	1,958,204	4,046,862
<b>Total assets</b>	<b>2,044,536,322</b>	<b>2,048,769,213</b>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>	50,566,654	52,946,378
Share capital	101	101
Distributable reserves	50,566,553	52,946,277
<b>Non-current liabilities</b>	1,985,234,582	1,984,826,429
Interest-bearing debt	1,985,234,582	1,984,826,429
<b>Current Liabilities</b>	8,735,086	10,996,407
Trade and other payables	1,960,794	2,528,989
Amounts due to EFC	6,774,292	8,337,056
SA Revenue Services	-	130,362
<b>Total equity and liabilities</b>	<b>2,044,536,322</b>	<b>2,048,769,213</b>

	Quarter ended:	22/11/2018	22/08/2018
	R	%	R
<b>Excess spread</b>			
<b>Average loan pool balance</b>	<b>1,915,960,515</b>		<b>1,917,742,989</b>
Interest received to determination date	46,112,693	9.55%	9.56%
Expenses per Priority of Payments (POP)	(5,440,237)	-1.13%	-1.18%
	40,672,456	8.42%	8.38%
Note coupon less swap per POP	(37,089,182)	-7.68%	-7.57%
Excess spread before subordinated loan interest	3,583,273	0.74%	0.81%
Subordinated loan interest per POP	(8,783,933)	-1.82%	-1.80%
<b>Excess spread</b>	<b>(5,200,660)</b>	<b>-1.08%</b>	<b>-0.99%</b>



## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

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

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

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

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

## NQABA FINANCE 1 (RF) LIMITED

### Abridged glossary of definitions

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