

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

## **INVESTOR REPORT 23 AUGUST 2019 TO 22 NOVEMBER 2019**

**Debt Capital Markets**

**DCM Africa**

Kumeshen Naidoo

Tel: +27 11 895 6555

E-mail: kumeshen.naidoo@absa.africa

**Debt Capital Markets**

**DCM Africa**

Marcus Veller

Tel: +27 11 895 7298

E-mail: marcus.veller@absa.africa

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

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

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

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## NQABA FINANCE 1 (RF) LIMITED

### Counterparties and salient information

Issuer	Nqaba Finance 1 (RF) Ltd (Nqaba)	Financial year end: 31 March		
Issuer Owner Trust	Nqaba Finance 1 Owner Trust (Trustee: Maitland Trustees (Pty) Ltd)			
Security SPV	Nqaba Finance 1 Security SPV (Pty) Ltd			
Security SPV Owner Trust	Nqaba Finance 1 Security SPV Owner Trust (Trustee: Maitland Trustees (Pty) Ltd)			
Programme manager	Absa Corporate and Investment Bank (Absa CIB) (a division of Absa Bank Ltd (Absa)) <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)			
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	31/05/2006
Programme size	R5,000,000,000
Outstanding Notes	R 1 660 000 000
Note profile	Interest only; bullet redemption
Subordinated loan	R 290 000 000
Interest payment dates	22nd day of February, May, August and November
Business day convention	Succeeding business day
Day count	Actual 365
Current interest accrual period	23 August 2019 to 21 November 2019 (92 days inclusive)
Current interest payment date	22/11/2019
Next interest payment date	24/02/2020
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 2019 to 31 October 2019 (92 days)
Current determination date	31/10/2019

#### Transaction overview

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

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

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

**NQABA FINANCE 1 (RF) LIMITED**

**Collateral portfolio characteristics**

Collection period:	Current period 01/08/2019 to 31/10/2019		Previous period 01/05/2019 to 31/07/2019		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans
<b>Balance brought forward</b>	1,915,088,187	6,739	1,911,737,121	6,842	-	-
Instalments received	(65,037,850)		(66,084,689)			
Interest charged	46,043,017		47,316,946			
Insurance charged	753,866		620,817			
Valuation fees	117,552		98,278			
Principal repaid	(18,123,415)		(18,048,648)			
Unscheduled repayments (prepayments)	(54,826,130)	(175)	(50,673,170)	(171)		
Total Principal collections	(72,949,545)		(68,721,819)		-	
New loans purchased	52,727,333	60	53,664,389	68	1,370,652,558	8,382
Advances and redraws	21,248,550		18,798,761			
Loan losses written off	(1,566,435)		(390,265)			
Loan losses recovered	-		-			
Interest adjustments	-		-			
<b>Balance at end of period</b>	<b>1,914,548,090</b>	<b>6,624</b>	<b>1,915,088,187</b>	<b>6,739</b>	<b>1,370,652,558</b>	<b>8,382</b>
Original value of loans advanced	2,319,886,393		2,314,878,437			
Latest current valuations of properties	4,431,543,537		4,492,145,956			
Weighted average number of months since last valuation	90		89			
Indexed values of properties	6,600,113,000		6,755,113,000			
Weighted average seasoning (months)	133		133		65	
Weighted average term to maturity (months)	207		207		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	1,915,088,187		1,911,737,121		161	
Prepayments	54,826,130		50,673,170		1,915,088,187	
Annualised constant prepayment rate (CPR)	11.5%		10.6%		2,245,729,401	
Loan losses	1,566,435		390,265		8.7%	
Annualised default rate (DR)	0.327%		0.082%		9,943,747	
					0.039%	

**Possessions**

Collection period:	Current period 01/08/2019 to 31/10/2019		Previous period 01/05/2019 to 31/07/2019	
	R	Loans	R	Loans
Possessions at start of period	441,578	1	200,000	1
Changes	1,150,000	2	241,578	-
Possessions at end of period	<b>1,591,578</b>	<b>3</b>	<b>441,578</b>	<b>1</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 01/08/2019 to 31/10/2019		Previous period 01/05/2019 to 31/07/2019		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 93.0	89.8	=< 93.0	89.7	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	67.7	=< 73.0	67.6	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	11.7	=< 18.0	11.8	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 90.0	92.8	=< 90.0	92.8	=< 97.0	100.0
Maximum second property loans (number) (%) <sup>1</sup>	=< 8.5	2.6	=< 8.5	2.6	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	90.6	=> 86.0	90.7	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 289 032	=< R 400 000	R 284 180	=< R 300 000	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 01/08/2019 to 31/10/2019		Previous period 01/05/2019 to 31/07/2019		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		9.69%		9.69%		
3 month Jibar daily rate		7.00%		7.08%		
Margin	=> 2.15%	2.69%	=> 2.15%	2.61%		
<b>And</b>						
Current actual rates at interest payment date:						
Weighted average home loan rate		9.52%		9.76%		9.64%
3 month Jibar rate		6.83%		7.16%		7.70%
Margin	=> 2.15%	2.69%	=> 2.15%	2.60%	=> 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 01/08/2019 to 31/10/2019		Previous period 01/05/2019 to 31/07/2019	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	67.7	=< 83.0	67.6

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

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/10/2019**

Red figures correspond to current portfolio covenant tests

	Current balance		Number of loans		Latest current valuation	Weighted average current LTV	Indexed valuation	Weighted average indexed LTV	Weighted average interest rate	Weighted average seasoning Months	Weighted average term to maturity Months
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Original Loan to Value</b>											
0% - 30%	30,357,907	1.6%	174	2.6%	153,374,900	36.8%	218,126,000	28.9%	9.5%	196	134
30% - 50%	60,776,445	3.2%	289	4.4%	278,229,000	42.8%	376,083,000	36.4%	9.5%	181	161
50% - 70%	157,890,505	8.2%	562	8.5%	485,283,542	50.8%	675,575,000	42.7%	9.4%	129	187
70% - 80%	169,789,244	8.9%	481	7.3%	412,565,250	60.1%	567,011,000	49.9%	9.4%	119	210
80% - 90%	294,519,052	15.4%	700	10.6%	568,400,329	70.9%	804,767,000	60.1%	9.4%	99	232
90% - 100%	590,376,255	30.8%	2,102	31.7%	1,319,281,735	71.2%	2,013,104,000	56.4%	9.5%	127	214
100%+	610,838,682	31.9%	2,316	35.0%	1,214,408,782	73.3%	1,945,447,000	55.3%	9.7%	153	202
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Weighted average</b>		<b>89.8%</b>									
<b>Current Loan to Value</b>											
0% - 30%	191,936,439	10.0%	2,834	42.8%	1,841,698,229	19.2%	2,984,525,000	14.1%	9.5%	218	106
30% - 50%	255,553,466	13.3%	904	13.6%	642,372,222	40.6%	971,550,000	30.0%	9.4%	176	154
50% - 70%	464,516,975	24.3%	1,026	15.5%	765,836,620	61.2%	1,100,312,000	46.9%	9.4%	142	197
70% - 80%	318,145,751	16.6%	598	9.0%	423,918,182	75.2%	566,773,000	60.2%	9.4%	111	232
80% - 90%	408,725,516	21.3%	745	11.2%	480,285,736	85.2%	639,848,000	66.5%	9.5%	99	247
90% - 100%	218,571,035	11.4%	437	6.6%	233,135,048	93.8%	291,998,000	76.8%	9.7%	84	268
100%+	57,098,908	3.0%	80	1.2%	44,297,500	138.3%	45,107,000	137.0%	11.4%	149	220
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Payment to income ratio</b>											
0% - 5%	276,980,875	14.5%	2,904	43.8%	1,595,072,153	47.7%	2,755,544,000	30.5%	9.1%	181	176
5% - 10%	586,199,227	30.6%	1,852	28.0%	1,242,049,179	61.9%	1,820,111,000	46.4%	9.3%	152	195
10% - 15%	535,277,568	28.0%	1,072	16.2%	856,616,289	72.7%	1,116,729,000	58.1%	9.6%	121	216
15% - 20%	308,233,933	16.1%	497	7.5%	460,928,712	76.6%	589,698,000	65.4%	9.8%	103	224
20% - 25%	139,287,182	7.3%	198	3.0%	189,437,621	79.3%	223,135,000	70.8%	9.9%	91	244
25% - 30%	45,337,245	2.4%	62	0.9%	59,828,584	86.5%	65,857,000	82.0%	10.5%	82	245
30%+	23,232,060	1.2%	39	0.6%	27,611,000	114.6%	29,039,000	112.8%	11.0%	155	200
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Weighted average</b>		<b>11.7%</b>									

## NQABA FINANCE 1 (RF) LIMITED

### Portfolio stratification tables at determination date 31/10/2019

Red figures correspond to current portfolio covenant tests

	Current balance		Number of loans		Latest current valuation	Weighted average current LTV	Indexed valuation	Weighted average indexed LTV	Weighted average interest rate	Weighted average seasoning	Weighted average term to maturity
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Payment method</b>											
Payroll Deduction	1,746,569,313	91.2%	6,148	92.8%	4,120,438,558	66.0%	6,192,191,000	51.3%	9.4%	131	209
Other	167,978,777	8.8%	476	7.2%	311,104,979	85.7%	407,922,000	80.4%	11.2%	164	187
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Borrower employment status</b>											
Direct Eskom	1,687,885,292	88.2%	6,004	90.6%	4,018,294,481	65.7%	6,046,583,000	51.0%	9.4%	132	208
Other group co.	226,662,798	11.8%	620	9.4%	413,249,057	82.4%	553,530,000	75.1%	10.8%	145	201
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Loan balance (R'000)</b>											
0 - 100	74,081,326	3.9%	2,450	37.0%	1,176,535,002	21.4%	2,059,308,000	11.9%	9.7%	242	82
100 - 200	130,988,817	6.8%	893	13.5%	491,308,836	40.3%	813,864,000	24.0%	9.6%	207	132
200 - 300	191,620,970	10.0%	762	11.5%	445,651,398	56.0%	679,963,000	38.1%	9.6%	166	177
300 - 400	226,985,039	11.9%	650	9.8%	406,806,900	65.7%	580,125,000	48.5%	9.6%	140	203
400 - 500	246,303,067	12.9%	551	8.3%	387,196,886	72.0%	537,421,000	54.5%	9.6%	134	214
500 - 700	404,878,103	21.1%	688	10.4%	604,925,798	74.4%	785,221,000	60.2%	9.6%	121	226
700 - 1000	319,619,792	16.7%	392	5.9%	465,809,255	75.6%	570,480,000	64.9%	9.4%	106	234
1000 - 1500	235,049,462	12.3%	195	2.9%	332,137,801	78.6%	429,292,000	69.4%	9.3%	92	242
1500+	85,021,514	4.4%	43	0.6%	121,171,663	78.1%	144,439,000	69.2%	9.3%	111	214
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Average balance</b>	<b>289,032</b>										
<b>Interest rate</b>											
0% - 8%	4,972,096	0.3%	11	0.2%	4,584,000	121.0%	4,710,000	119.5%	0.0%	160	195
8% - 9.5%	645,655,796	33.7%	1,613	24.4%	1,634,236,228	61.7%	2,478,867,000	47.7%	8.7%	138	197
9.5% - 11.5%	1,205,625,257	63.0%	4,886	73.8%	2,724,564,749	68.4%	4,045,288,000	53.9%	9.8%	129	214
11.5% - 13.5%	58,294,941	3.0%	114	1.7%	68,158,560	116.4%	71,248,000	114.5%	13.0%	169	188
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Portfolio stratification tables at determination date 31/10/2019**

Red figures correspond to current portfolio covenant tests

	Current balance		Number of loans		Latest current valuation	Weighted average current LTV	Indexed valuation	Weighted average indexed LTV	Weighted average interest rate	Weighted average seasoning Months	Weighted average term to maturity Months
	R	%	R	%	R	%	R	%	%	Months	Months
<b>Seasoning</b>											
0 - 12 months	16,683,254	0.9%	26	0.4%	23,122,000	78.1%	23,122,000	78.1%	9.5%	7	287
12 - 24 months	52,287,597	2.7%	71	1.1%	84,706,000	76.6%	84,706,000	76.6%	9.6%	18	277
24 - 36 months	61,964,633	3.2%	89	1.3%	95,227,200	79.8%	95,407,000	79.7%	9.5%	30	285
36 - 48 months	69,455,142	3.6%	95	1.4%	107,179,500	76.9%	109,599,000	75.3%	9.5%	42	281
48 - 60 months	67,803,134	3.5%	103	1.6%	113,463,900	76.4%	123,156,000	70.2%	9.4%	55	266
60 - 120 months	737,178,063	38.5%	1,542	23.3%	1,199,214,115	75.2%	1,566,132,000	58.5%	9.5%	96	234
120+ months	909,176,267	47.5%	4,698	70.9%	2,808,630,823	58.8%	4,597,991,000	43.8%	9.6%	193	165
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Region</b>											
Eastern Cape	90,253,728	4.7%	314	4.7%	221,300,170	73.6%	313,117,000	59.3%	9.9%	153	193
Free State	80,567,525	4.2%	333	5.0%	187,556,508	67.6%	295,840,000	53.3%	9.6%	136	207
Gauteng	860,490,918	44.9%	2,331	35.2%	1,868,789,572	67.5%	2,755,534,000	54.5%	9.4%	125	212
Kwazulu Natal	111,457,297	5.8%	442	6.7%	277,260,220	66.7%	423,600,000	52.5%	9.7%	147	201
Limpopo Province	70,288,628	3.7%	302	4.6%	163,348,887	66.3%	252,718,000	50.9%	9.6%	137	205
Mpumalanga	377,426,644	19.7%	1,709	25.8%	901,078,493	66.5%	1,348,622,000	52.2%	9.6%	142	200
North West	34,904,938	1.8%	163	2.5%	66,351,293	71.3%	127,670,000	51.4%	9.8%	146	196
Northern Cape	23,548,478	1.2%	136	2.1%	65,164,893	67.6%	99,211,000	51.3%	9.7%	145	200
Western Cape	265,609,934	13.9%	894	13.5%	680,693,502	68.6%	983,801,000	54.4%	9.6%	131	213
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>
<b>Property type</b>											
House (Freehold)	1,517,617,051	79.3%	5,528	83.5%	3,629,740,238	66.3%	5,448,752,000	52.3%	9.5%	140	200
Multi-unit (Sectional Title)	309,484,163	16.2%	885	13.4%	528,400,353	77.3%	783,686,000	62.9%	9.5%	102	243
House (Complex)	9,725,259	0.5%	21	0.3%	18,810,000	61.9%	27,772,000	48.4%	9.4%	131	213
Small Holding	3,753,806	0.2%	12	0.2%	10,030,000	49.0%	14,855,000	33.6%	9.7%	138	164
Other	73,967,811	3.9%	178	2.7%	244,562,947	58.8%	325,048,000	49.3%	9.3%	121	209
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>4,431,543,537</b>	<b>67.7%</b>	<b>6,600,113,000</b>	<b>53.9%</b>	<b>9.5%</b>	<b>133</b>	<b>207</b>

**NQABA FINANCE 1 (RF) LIMITED**

**Arrears analysis at determination date**

	31/10/2019			31/07/2019						
	Loan balances R	%	Number of loans %	WA interest rate %	Loan balances R	%	Number of loans %	WA interest rate %		
<b>Fully performing</b>										
Current	1,806,969,969	94.4%	6,339	95.7%	9.4%	1,807,928,728	94.4%	6,453	95.8%	9.7%
<b>Non-delinquent</b>										
0 - 1 months	10,906,885	0.6%	37	0.6%	11.0%	12,528,664	0.7%	38	0.6%	11.4%
1 - 2 months	10,769,158	0.6%	24	0.4%	10.9%	6,835,819	0.4%	24	0.4%	11.3%
2 - 3 months	4,041,940	0.2%	12	0.2%	11.1%	5,418,030	0.3%	18	0.3%	12.0%
Total	25,717,983	1.3%	73	1.1%	11.0%	24,782,514	1.3%	80	1.2%	11.5%
<b>Deteriorated</b>										
3 - 4 months	1,290,386	0.1%	4	0.1%	10.9%	1,116,583	0.1%	3	0.0%	11.3%
4 - 5 months	620,641	0.0%	2	0.0%	11.0%	296,624	0.0%	2	0.0%	10.0%
5 - 6 months	503,960	0.0%	4	0.1%	12.3%	68,757	0.0%	3	0.0%	10.5%
6 - 12 months	994,835	0.1%	8	0.1%	12.7%	1,534,721	0.1%	9	0.1%	13.1%
>12 months	3,753,477	0.2%	23	0.3%	7.5%	5,777,399	0.3%	25	0.4%	5.5%
Total	7,163,300	0.4%	41	0.6%	9.5%	8,794,083	0.5%	42	0.6%	7.8%
<b>Defaulted</b>										
Litigation	30,102,468	1.6%	48	0.7%	12.6%	25,498,550	1.3%	44	0.7%	12.7%
<b>Other categories</b>										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	40,966,696	2.1%	116	1.8%	12.1%	44,884,771	2.3%	114	1.7%	12.4%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	2,036,096	0.1%	4	0.1%	4.4%	2,999,542	0.2%	5	0.1%	0.0%
Properties in possession	1,591,578	0.1%	3	0.0%	0.0%	441,578	0.0%	1	0.0%	0.0%
Total	44,594,370	2.3%	123	1.9%	11.3%	48,325,890	2.5%	120	1.8%	11.6%
<b>Total</b>	<b>1,914,548,090</b>	<b>100.0%</b>	<b>6,624</b>	<b>100.0%</b>	<b>9.5%</b>	<b>1,915,329,765</b>	<b>100.0%</b>	<b>6,739</b>	<b>100.0%</b>	<b>9.8%</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% of the aggregate principal balances of the home loans and shall cease when such percentage reduces to 1.5%;

		31/10/2019 R	31/07/2019 R
Aggregate principal balances on home loans as above	A	1,914,548,090	1,915,329,765
Balances which are in arrears for more than 3 months	B	7,163,300	8,794,083
Balances for which the Issuer has instituted legal proceedings	C	30,102,468	25,498,550
Total arrears for calculation purposes	D = B + C	37,265,768	34,292,633
Arrears %	E = D / A	1.95%	1.79%
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		38,290,962	38,306,595
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		8,374,856	8,926,591
Latest valuation of the related properties		18,619,500	18,314,419
Balances which are in arrears for more than 3 months	B	7,163,300	8,794,083
60% of the lower of the original valuation and latest valuation	F	5,024,914	5,355,955
Test difference between arrears and conservative value of related properties	G = B - F	2,138,386	3,438,128
Arrears reserve required amount (if value greater, no cash reserve required)	H	2,138,386	3,438,128
<b>Changes in arrears reserve</b>			
Opening balance		3,438,129	3,438,129
Changes reflected in Priority of Payments		(1,299,743)	(466,680)
Closing balance	H	2,138,386	3,194,629

**Related early amortisation arrears trigger**

		31/10/2019 R	31/07/2019 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	37,265,768	34,292,633
Headroom (deficit)		4,234,232	7,207,367
Early amortisation arrears trigger event (D > I)		No	No

**Movement in properties classified as Litigations**

	31/10/2019		31/07/2019	
	No of loans	R	No of loans	R
Opening balance	44	25,498,550	50	29,598,014
Loans exit litigation	-10	(6,310,639)	-17	(10,063,487)
Loans enter litigation	14	9,693,497	11	5,006,171
Repayments		-		-
Advance		232,908		79,405
Interest		917,973		827,377
Loan losses		-		-
Valuation fees		13,110		3,278
Capitalised insurance		57,069		47,792
Closing balance	48	30,102,468	44	25,498,550

**Provisions**

Nqaba establishes an allowance for impairment of the loan book that represents its estimate of incurred losses. IFRS 9: Financial Instruments, has been adopted since 1 April 2018, which is 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:

	31/10/2019 R	31/07/2019 R
Impairments applied to loan book excluding possessions	11,418,359	12,176,930
Impairments applied to possessions	232,689	200,000
Total impairments	11,651,047	12,376,930



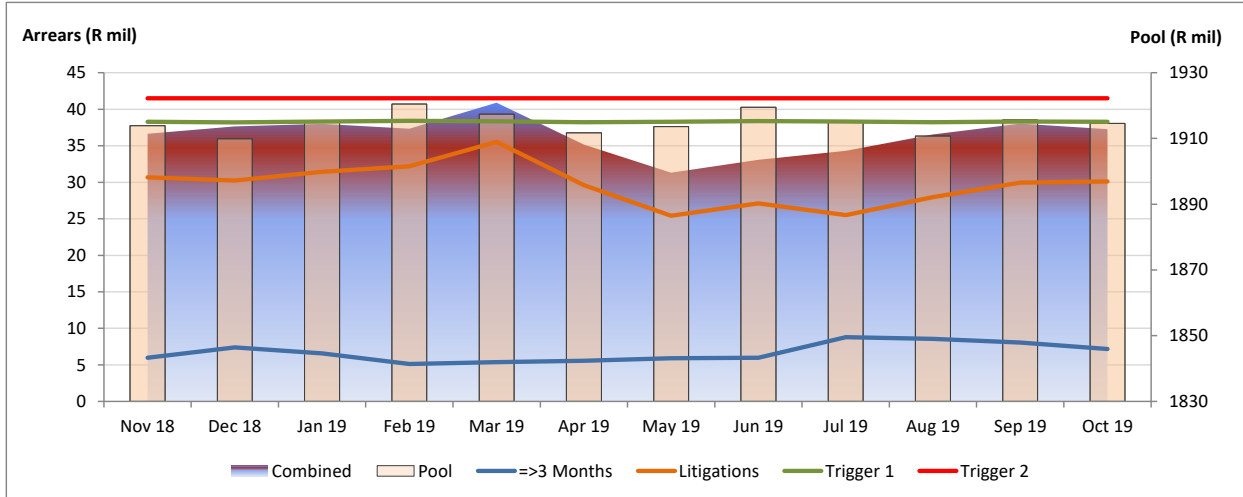
Trends

Arrears analysis (values in R million)

End of:	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19
<b>Pool</b>	<b>1914</b>	<b>1910</b>	<b>1915</b>	<b>1920</b>	<b>1917</b>	<b>1912</b>	<b>1914</b>	<b>1920</b>	<b>1915</b>	<b>1911</b>	<b>1916</b>	<b>1915</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>38.28</b>	<b>38.20</b>	<b>38.30</b>	<b>38.41</b>	<b>38.35</b>	<b>38.23</b>	<b>38.27</b>	<b>38.39</b>	<b>38.30</b>	<b>38.21</b>	<b>38.31</b>	<b>38.29</b>
=>3 Months	5.97	7.38	6.58	5.13	5.36	5.55	5.90	5.97	8.79	8.57	8.07	7.16
Litigations	30.67	30.25	31.42	32.21	35.53	29.60	25.42	27.11	25.50	27.96	29.95	30.10
<b>Combined</b>	<b>36.64</b>	<b>37.64</b>	<b>38.00</b>	<b>37.33</b>	<b>40.89</b>	<b>35.15</b>	<b>31.32</b>	<b>33.08</b>	<b>34.29</b>	<b>36.53</b>	<b>38.02</b>	<b>37.27</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	4.86	3.86	3.50	4.17	0.61	6.35	10.18	8.42	7.21	4.97	3.48	4.23

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

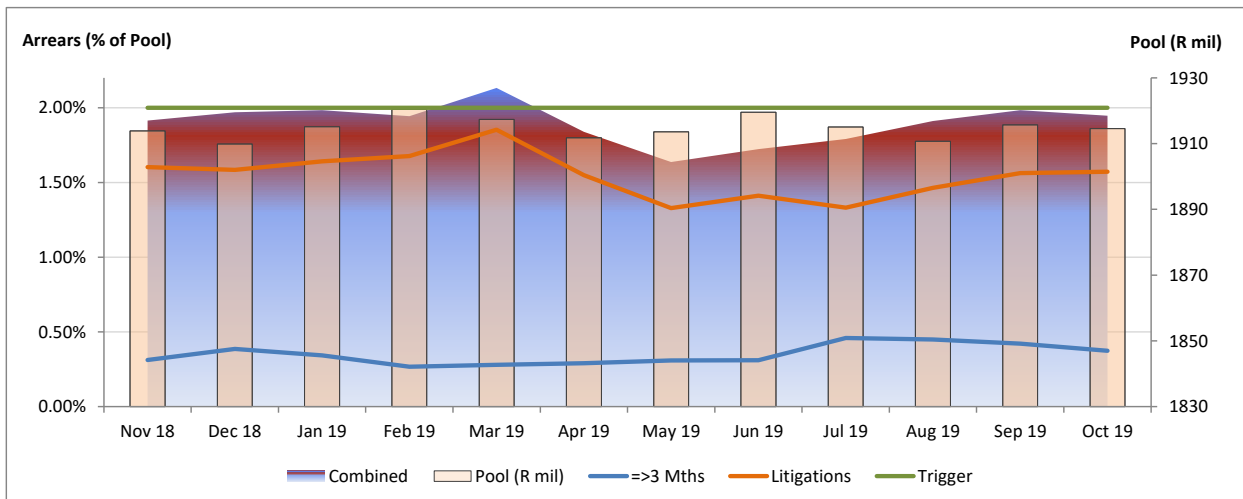
Trigger 2 (2.5% of Notes) = If breached by combined arrears, early amortisation is required



Arrears analysis (percentages)

End of:	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19
<b>Pool (R mil)</b>	<b>1914</b>	<b>1910</b>	<b>1915</b>	<b>1920</b>	<b>1917</b>	<b>1912</b>	<b>1914</b>	<b>1920</b>	<b>1915</b>	<b>1911</b>	<b>1916</b>	<b>1915</b>
=>3 Mths	0.31%	0.39%	0.34%	0.27%	0.28%	0.29%	0.31%	0.31%	0.46%	0.45%	0.42%	0.37%
Litigations	1.60%	1.58%	1.64%	1.68%	1.85%	1.55%	1.33%	1.41%	1.33%	1.46%	1.56%	1.57%
<b>Combined</b>	<b>1.91%</b>	<b>1.97%</b>	<b>1.98%</b>	<b>1.94%</b>	<b>2.13%</b>	<b>1.84%</b>	<b>1.64%</b>	<b>1.72%</b>	<b>1.79%</b>	<b>1.91%</b>	<b>1.98%</b>	<b>1.95%</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%

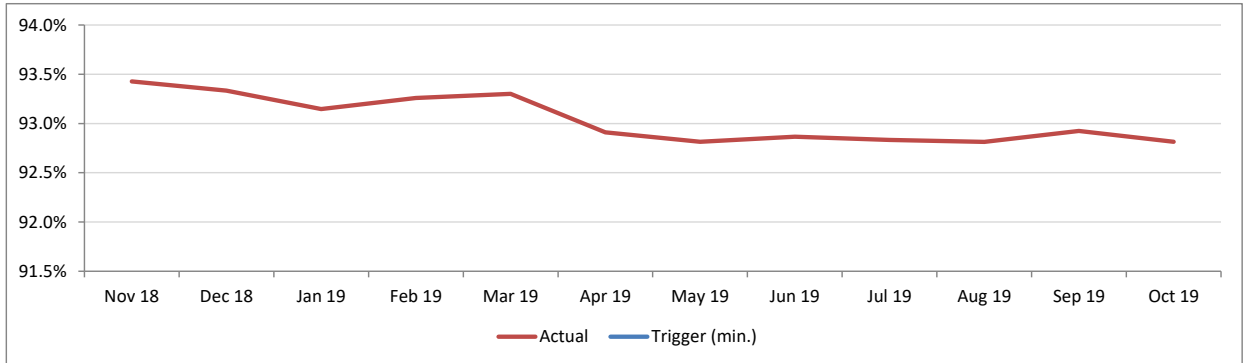


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19
Actual	93.4%	93.3%	93.1%	93.3%	93.3%	92.9%	92.8%	92.9%	92.8%	92.8%	92.9%	92.8%
Trigger (min.)	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	91.0%	90.0%	90.0%	90.0%	90.0%

Trigger = If breached, purchase of additional home loans prohibited

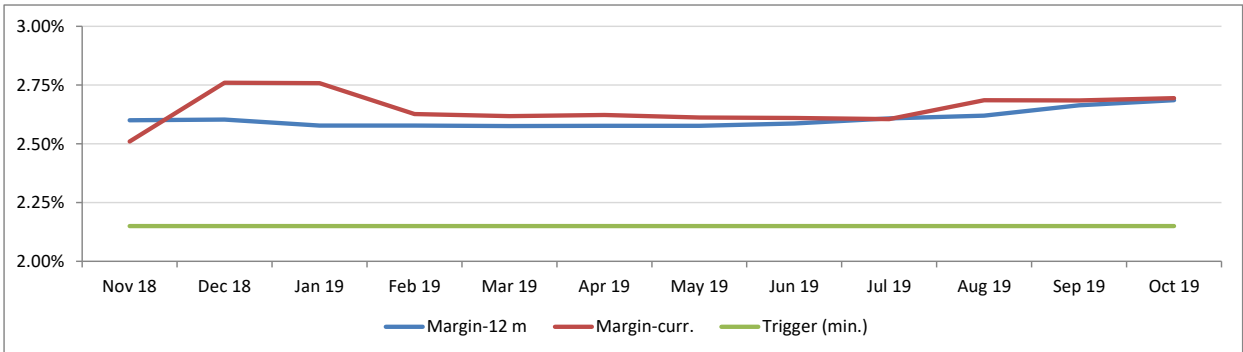


Interest rate margin

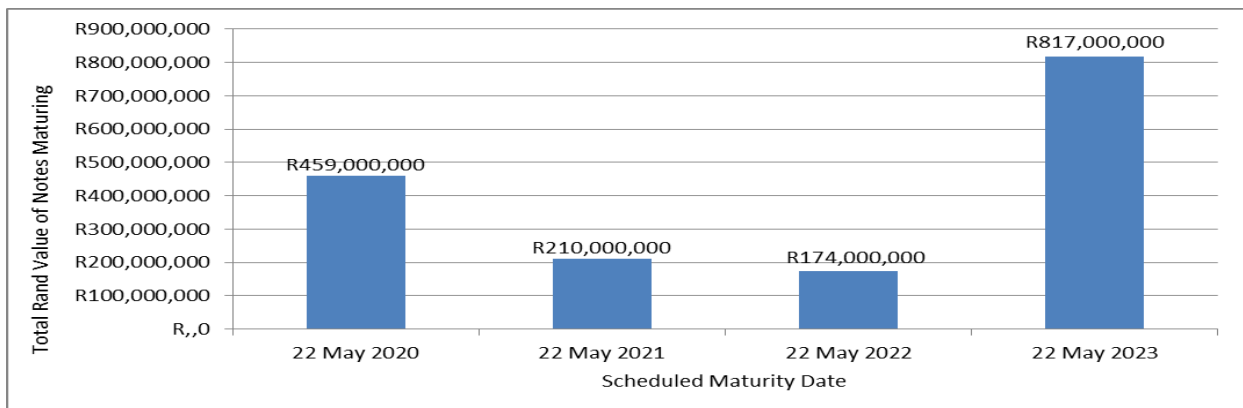
The Required Interest Rate margin between the weighted average home loan rate and the 3 month JIBAR rate is to be tested in two ways on Interest Payment date: the margin of the 12 months rolling averages of each rate and the margin of the actual rates applicable on those dates. For trend purposes, the 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 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19
<b>12 months rolling average:</b>												
HL-12 m	9.60%	9.60%	9.60%	9.60%	9.61%	9.63%	9.65%	9.67%	9.69%	9.69%	9.69%	9.69%
Jibar-12 m	7.00%	7.00%	7.03%	7.03%	7.03%	7.05%	7.07%	7.08%	7.08%	7.07%	7.02%	7.00%
Margin-12 m	2.60%	2.60%	2.58%	2.58%	2.58%	2.58%	2.58%	2.59%	2.61%	2.62%	2.66%	2.69%
<b>Current month:</b>												
HL-current	9.53%	9.78%	9.78%	9.78%	9.77%	9.77%	9.76%	9.76%	9.76%	9.51%	9.51%	9.52%
Jibar-curr.	7.02%	7.02%	7.03%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	6.83%	6.83%	6.83%
Margin-curr.	2.51%	2.76%	2.76%	2.63%	2.62%	2.62%	2.61%	2.61%	2.61%	2.69%	2.68%	2.69%
Trigger (min.)	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%

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

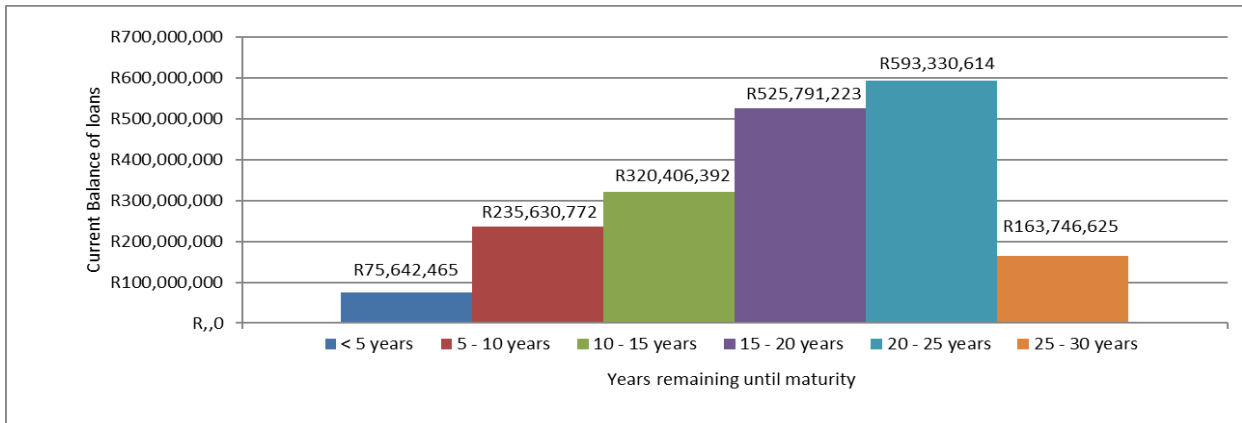


Notes maturity analysis



Trends

Asset pool maturity analysis





**NQABA FINANCE 1 (RF) LIMITED**

**Note interest calculations for current interest payment date 22/11/2019**

Class number	JSE stock code	Balance start of period R	Interest reset date	Interest payment date	Step up call date	Number of days	3 month Jibar	Margin or fixed rate	Step up margin or fixed rate	Total note coupon	Interest accrued and paid R	Principal raised (distributed) R	Balance end of period R
A10	NQ1A10	115,000,000	22/08/2019	22/11/2019	22/05/2020	92	Fixed	10.435%	+25 bps	10.435%	3,024,721	-	115,000,000
A24	NQ1A24	310,000,000	22/08/2019	22/11/2019	22/05/2020	92	6.825%	1.600%	2.240%	8.425%	6,583,041	-	310,000,000
A25	NQ1A25	150,000,000	22/08/2019	22/11/2019	22/05/2022	92	6.825%	1.840%	2.576%	8.665%	3,276,082	-	150,000,000
A27	NQ1A27	658,000,000	22/08/2019	22/11/2019	22/05/2023	92	6.825%	1.850%	2.590%	8.675%	14,387,666	-	658,000,000
A28	NQ1A28	210,000,000	22/08/2019	22/11/2019	22/05/2021	92	6.825%	1.500%	2.100%	8.325%	4,406,548	-	210,000,000
<b>Totals Class A</b>		<b>1,443,000,000</b>							Weighted average:	<b>8.710%</b>	<b>31,678,058</b>	-	<b>1,443,000,000</b>
B10	NQ1B10	11,000,000	22/08/2019	22/11/2019	22/05/2020	92	Fixed	10.635%	+55 bps	10.635%	294,866	-	11,000,000
B17	NQ1B17	8,000,000	22/08/2019	22/11/2019	22/05/2020	92	6.825%	1.820%	2.548%	8.645%	174,322	-	8,000,000
B20	NQ1B20	159,000,000	22/08/2019	22/11/2019	22/05/2023	92	6.825%	2.250%	3.150%	9.075%	3,636,962	-	159,000,000
B21	NQ1B21	24,000,000	22/08/2019	22/11/2019	22/05/2022	92	6.825%	2.000%	2.800%	8.825%	533,852	-	24,000,000
<b>Totals Class B</b>		<b>202,000,000</b>							Weighted average:	<b>9.113%</b>	<b>4,640,001</b>	-	<b>202,000,000</b>
C10	NQ1C10	5,000,000	22/08/2019	22/11/2019	22/05/2020	92	Fixed	10.835%	+100 bps	10.835%	136,551	-	5,000,000
C17	NQ1C17	5,000,000	22/08/2019	22/11/2019	22/05/2020	92	6.825%	2.250%	3.150%	9.075%	114,370	-	5,000,000
<b>Totals Class C</b>		<b>10,000,000</b>							Weighted average:	<b>9.955%</b>	<b>250,921</b>	-	<b>10,000,000</b>
D5	NQ1D5	5,000,000	22/08/2019	22/11/2019	22/05/2020	92	6.825%	3.250%	+115 bps	10.075%	126,973	-	5,000,000
<b>Totals Class D</b>		<b>5,000,000</b>							Weighted average:	<b>10.075%</b>	<b>126,973</b>	-	<b>5,000,000</b>
<b>Totals all Notes</b>		<b>1,660,000,000</b>							Weighted average:	<b>8.770%</b>	<b>36,695,953.00</b>	-	<b>1,660,000,000</b>
<b>Subordinated loan</b>		290,000,000	22/08/2019	22/11/2019		92	6.825%	5.000%		11.825%	8,643,589		290,000,000
<b>Total funding</b>		<b>1,950,000,000</b>							Weighted average interest rate all funding:	<b>9.225%</b>	<b>45,339,542</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 22/11/2019**

Trade number	JSE stock code	Nominal value R	Interest reset date	Interest payment date	Number of days	Fixed rate	Floating: 3 month Jibar	Total after margin added	Receive fixed R	Pay floating R	Net receipt / (payment) R
9527572	NQ1A10	115,000,000	22/08/2019	22/11/2019	92	10.435%	6.825%	8.925%	3,024,721	(2,587,027)	437,693
9527542	NQ1B10	11,000,000	22/08/2019	22/11/2019	92	10.635%	6.825%	9.125%	294,866	(253,000)	41,866
9527501	NQ1C10	5,000,000	22/08/2019	22/11/2019	92	10.835%	6.825%	9.325%	136,551	(117,521)	19,030
		<b>131,000,000</b>					Weighted averages: <b>10.467%</b>	<b>8.957%</b>	<b>3,456,138</b>	<b>(2,957,548)</b>	<b>498,590</b>

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

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

Liquidity facility	22/11/2019 R	22/08/2019 R
Facility limit (2% of Notes issued)	33,200,000	33,200,000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	<b>33,200,000</b>	<b>33,200,000</b>

The facility is due for renewal on 21/02/2020. It has never been used.  
 The fee charge is 0.45% of the facility limit.

Redraw facility	22/11/2019 R	22/08/2019 R
Facility limit	180,000,000	180,000,000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn (repaid)	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	<b>180,000,000</b>	<b>180,000,000</b>

The facility is due for renewal on 21/02/2020. It has never been used.  
 The fee charge is 0.45% of the facility limit.

**Early amortisation events (summary)**

	22/11/2019	22/08/2019
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, 13	No
The weighted average current LTV exceeds the required weighted average current LTV by more than 10%	Page 3	No
The aggregate principal balances of home loans which are in arrears for more than 3 months exceeds 2.5% of the outstanding principal amount of the Notes	Page 7	No
The Issuer does not achieve the required interest margin	Page 3	No
A Principal deficiency exists on any payment date	Page 13	No
The rating assigned to notes issued by Eskom Holdings SOC Limited under its medium term note programme is downgraded to below Baa3.za.	Page 2	No

## NQABA FINANCE 1 (RF) LIMITED

### Principal deficiency ledger at Interest payment date

	22/11/2019	22/08/2019
	R	R
<b>Early amortisation event - a principal deficiency exists on any payment date</b>		
A Principal Deficiency is defined as: the amount of the Liabilities expected to exist, less the Assets expected to exist on the immediately succeeding payment date after having made all payments in accordance with the priority of payments on that payment date, if the result is less than zero.		
<b>Liabilities</b>		
Aggregate outstanding principal of the notes	1,660,000,000	1,660,000,000
Less: Amount allocated for the redemption of notes	-	-
- 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	1,914,548,089	1,915,088,186
Plus: Home loans transferred on the next day from funds previously allocated	16,429,530	13,562,001
Total principal balances at start of current period	<u>1,930,977,619</u>	<u>1,928,650,187</u>
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	19,022,381	21,349,813
* 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 (A - L) (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	5,000,000	5,000,000
Class E Notes	-	-
Subordinated loan	290,000,000	290,000,000
Total (D)	<u>295,000,000</u>	<u>295,000,000</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)	202,000,000	202,000,000
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	3,438,129	1,603,122
Current period change	(1,299,743)	1,835,007
Arrears reserve at end of period	<b><u>2,138,386</u></b>	<b><u>3,438,129</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:	
	31/10/2019	31/07/2019
	R	R
Loss before tax per income statement	(925,362)	(453,642)
Add back:		
Fair value adjustments	-	178,193
Funds from operations	<u>(925,362)</u>	<u>(275,449)</u>
Taxation paid	-	-
(Decrease) increase in Notes including accrued interest	(1,161,668)	1,490,531
Increase in portfolio assets including accrued interest	(1,606,892)	(3,351,066)
Increase in arrears reserve funded	(722,307)	(424,961)
(Increase) decrease in amounts due by EFC and accounts receivable	(311,696)	1,301,985
Increase (decrease) in amounts due to EFC and accounts payable	1,984,561	(189,857)
Decrease in funds	<u>(2,743,363)</u>	<u>(1,448,818)</u>
Funds available at beginning of the period	<u>97,867,081</u>	<u>99,315,899</u>
Funds available at end of the period to Priority of Payments	<u><u>95,123,717</u></u>	<u><u>97,867,081</u></u>

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

	22/11/2019	22/08/2019
	R	R
Cash at bank as above	95,123,717	97,867,081
Refinancing of Notes	-	-
Add: Commingling amounts subsequently received from EFC	24,971,657	24,659,961
Less: commingling amounts payable to EFC	<u>(7,686,143)</u>	<u>(6,247,090)</u>
<b>Available cash</b>	<b>112,409,230</b>	<b>116,279,952</b>
<b>Payments</b>		
1 South African Revenue Services	-	-
2 Security SPV trust, owner trust and third party payments	(2,805,207)	(3,269,696)
3 Derivative counterparty settlement received (paid)	498,590	388,636
4 Liquidity facility provider - fees	(43,306)	(43,372)
5 Redraw facility provider - fees	(234,789)	(235,152)
6 Class A to D Note holders:		
Interest on Class A notes	(31,678,058)	(32,792,704)
Surplus / (Deficit)	<u>78,146,461</u>	<u>80,327,663</u>
Interest on Class B notes	<u>(4,640,001)</u>	<u>(4,800,316)</u>
Interest payable	(4,640,001)	(4,800,316)
Less: Class B interest deferred	-	-
Interest on Class C notes	<u>(250,921)</u>	<u>(255,117)</u>
Interest payable	(250,921)	(255,117)
Less: Class C interest deferred	-	-
Interest on Class D notes	<u>(126,973)</u>	<u>(131,169)</u>
Interest payable	(126,973)	(131,169)
Less: Class D interest deferred	-	-
Surplus / (Deficit)	<u>73,128,567</u>	<u>75,141,061</u>
7 Arrears reserve (increase) decrease	589,563	(1,432,487)
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)	(16,429,530)	(13,562,001)
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	(1,914,548,089)	(1,915,088,186)
Less: Amounts applied to items 8 and 10	(16,429,530)	(13,562,001)
Required purchases reserve	<u>19,022,381</u>	<u>21,349,813</u>
	(19,022,381)	(21,349,813)
12 Class A to D Note holders: other amounts due	-	-
13 Derivative counterparty	-	-
Surplus / (Deficit)	<u>38,266,219</u>	<u>38,796,761</u>
14 Issuer expenses in excess of issuer expenses cap	-	-
15 Interest on Class E notes	-	-
16 Subordinated loan interest	(8,643,589)	(8,886,998)
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>(29,622,630)</u>	<u>(29,909,762)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

**NQABA FINANCE 1 (RF) LIMITED**

Statement of Comprehensive Income	Quarter ended	YTD	YTD
	31/10/2019	31/10/2019	31/07/2019
	R	R	R

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

Financing income	45,732,232	108,484,355	62,752,123
Financing cost	45,704,637	107,882,706	62,178,069
<b>Financing margin</b>	<b>27,595</b>	<b>601,649</b>	<b>574,054</b>
Loan losses	888,495	492,357	(396,138)
Loan losses written off	(1,566,435)	(1,962,573)	(396,138)
Impairment provisions	2,454,930	2,454,930	-
Loan Losses recovered	7,000	7,000	-
Interest received from bank	1,134,143	2,729,307	1,595,164
Interest swap	388,636	588,961	200,325
Fair value adjustments	-	(178,193)	(178,193)
Settlements received (paid)	388,636	767,154	378,518
<b>Operating profit</b>	<b>2,445,869</b>	<b>4,419,274</b>	<b>1,973,406</b>
Operating expenditure	(3,371,231)	(5,867,642)	(2,496,412)
Management fees	165,969	386,208	220,239
Servicer fees	830,061	1,931,468	1,101,407
Liquidity fees	43,306	100,732	57,427
Redraw Facility fees	234,789	546,140	311,351
Back-up Servicer fees	48,119	111,969	63,850
Audit fees	1,617,636	1,881,650	264,014
JSE fees	40,786	73,517	32,732
Bank Charges	2,678	6,314	3,636
Directors fees	120,938	201,403	80,465
Rating fees	93,904	219,110	125,206
Rating fees (variable)	113,046	263,773	150,728
National Credit Regulator fees	24,441	57,038	32,596
Credit Ombudsman	21,754	50,759	29,005
Strate fees	13,805	37,561	23,756
<b>Net profit/(loss) before tax</b>	<b>(925,362)</b>	<b>(1,448,367)</b>	<b>(523,007)</b>
Taxation - normal tax	-	-	-
Taxation - deferred tax	259,101	405,543	146,441
<b>Net profit/(loss) after tax</b>	<b>(666,260)</b>	<b>(1,042,825)</b>	<b>(376,566)</b>
Dividends	-	-	-
<b>Net profit/(loss) after distribution</b>	<b>(666,260)</b>	<b>(1,042,825)</b>	<b>(376,566)</b>
Retained income at beginning of the period	37,717,493	38,094,057	37,627,985
<b>Retained income at end of the period</b>	<b>37,051,233</b>	<b>37,051,232</b>	<b>37,251,419</b>

Statement of Financial Position	31/10/2019	31/07/2019
	R	R

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

**Assets**

<b>Non-Current Assets</b>	1,907,261,312	1,905,395,320
Home loan advances	1,901,538,152	1,900,848,572
Properties in possession	1,358,889	441,578
Deferred tax	4,364,271	4,105,170
<b>Current Assets</b>	124,568,604	126,277,965
Amounts due by EFC	24,971,657	24,659,961
Cash and cash equivalents	95,123,717	97,867,081
Arrears reserve	2,727,949	2,005,642
SA Revenue Services	39,174	39,174
Interest swap fair value	1,706,107	1,706,107
<b>Total assets</b>	<b>2,031,829,916</b>	<b>2,031,673,285</b>

**Equity and liabilities**

<b>Capital and reserves</b>	37,051,333	37,717,594
Share capital	101	101
Distributable reserves	37,051,232	37,717,493
<b>Non-current liabilities</b>	1,984,497,476	1,985,659,144
Interest-bearing debt	1,984,497,476	1,985,659,144
<b>Current Liabilities</b>	10,281,107	8,296,546
Trade and other payables	2,594,964	2,049,456
Amounts due to EFC	7,686,143	6,247,090
<b>Total equity and liabilities</b>	<b>2,031,829,916</b>	<b>2,031,673,285</b>

Excess spread	Quarter ended:	22/11/2019	22/08/2019
	R	%	R

Average loan pool balance	1,914,011,230		1,914,981,110
Interest received to determination date	46,043,017	9.54%	9.80%
Expenses per Priority of Payments (POP)	(3,083,301)	-0.64%	-0.74%
	42,959,715	8.90%	9.07%
Note coupon less swap per POP	(36,197,362)	-7.50%	-7.79%
Excess spread before subordinated loan interest	6,762,353	1.40%	1.28%
Subordinated loan interest per POP	(8,643,589)	-1.79%	-1.84%
<b>Excess spread</b>	<b>(1,881,236)</b>	<b>-0.39%</b>	<b>-0.56%</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.)
<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