

NQABA FINANCE 1 (RF) LIMITED

INVESTOR REPORT 23 NOVEMBER 2021 TO 22 FEBRUARY 2022

COVID 19 AND MARKET DISRUPTION NOTICE

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

These factors have contributed to the inability of Nqaba to refinance R459 million Notes which matured on 22 May 2020 and a further R210 million (original issued value) on 22 May 2021. These are not events of default.

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

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

In terms of the Applicable Pricing Supplements, there have been changes to the interest payable on the Matured Notes and, for certain notes, also from the start of the amortisation period, as detailed on page 12 of this report.

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Investor Report
for the period ending 22 February 2022

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

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

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NQABA FINANCE 1 (RF) LIMITED

Counterparties and salient information

Issuer	Nqaba Finance 1 (RF) Ltd (Nqaba)	Financial year end: 31 March		
Issuer Owner Trust	Nqaba Finance 1 Owner Trust (Trustee: Stonehage Fleming Corporate Services (Pty) Ltd (formerly Maitland Corporate Services (Pty) Ltd))			
Security SPV	Nqaba Finance 1 Security SPV (Pty) Ltd			
Security SPV Owner Trust	Nqaba Finance 1 Security SPV Owner Trust (Trustee: Maitland Group South Africa Ltd)			
Programme manager	Absa Corporate and Investment Bank (Absa CIB) (a division of Absa Bank Ltd (Absa)) ¹			
Back-up servicer	Absa Home Loans (a division of Absa)			
Rating agency	Moody's Investors Service Inc	Moody's ratings		
Originator and Seller	Eskom Finance Company SOC Limited (EFC) ²	Required	Current	Breach
Borrowers' employer	Eskom Holdings SOC Limited (Eskom) long term corporate family rating	Caa1	Caa1	No
Liquidity and redraw facility provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Account bank	Absa	A1.za/P-2.za	Aa1.za	No
Guaranteed Investment Contract (GIC) provider	Absa CIB	A1.za/P-2.za	Aa1.za	No
Swap provider (Derivative counterparty)	Absa CIB (all swaps terminated 22/05/2020)	A1.za/P-2.za	Aa1.za	No

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

² EFC is also the Servicer and Subordinated Lender

Currency	South African Rand (ZAR or R)
Transaction type	Traditional Securitisation (originally Revolving; Early Amortisation from 31 July 2020)
Transaction close date	Wednesday, 31 May 2006
Programme size	R5,000,000,000
Outstanding Notes	R 1 198 623 779
Note profile	Interest only; bullet redemption. From 31 July 2020, Notes are being partially redeemed as the scheme has moved to early amortisation.
Subordinated loan	R 290 000 000
Interest payment dates	22nd day of February, May, August and November
Business day convention	Succeeding business day
Day count	Actual 365
Current interest accrual period	23 November 2021 to 21 February 2022 (92 days inclusive)
Current interest payment date	Tuesday, 22 February 2022
Next interest payment date	Monday, 23 May 2022
Asset class	Residential Mortgage Backed Securities in an evergreen revolving structure. Scheme moved to early amortisation from 31 July 2020.
Repayment type	Fully amortising equal monthly interest and principal payments
Current collection period	01 November 2021 to 31 January 2022 (92 days)
Current determination date	Monday, 31 January 2022

Transaction overview

The collateral home loans comprise amortising loans originated by EFC to direct employees of Eskom and a limited number of loans to employees of other Eskom group companies. The loans are advanced to borrowers for the purchase of immovable residential property (including Sectional Title property) situated in South Africa, against the security of mortgage bonds registered over the properties in favour of the Home Loan Lender (initially the Seller, subsequently the Issuer). Most loan payments are subsidised by Eskom and are serviced through salary deductions. In the revolving period, qualifying home loans are purchased each month from EFC to top up the asset pool but in the Amortising Period, funds must be applied to the redemption of Notes, so no further loans can be purchased.

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

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

NQABA FINANCE 1 (RF) LIMITED

Collateral portfolio characteristics

	Current period		Previous period		Transaction close	
	01/11/2021 to 31/01/2022	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021	31/05/2006	Loans	Loans
Collection period:	R	Loans	R	Loans	R	Loans
Balance brought forward	1,615,345,390	5,627	1,664,903,882	5,783	-	-
Instalments received	(47,532,791)		(48,497,712)			
Interest charged	26,771,435		26,943,361			
Insurance charged	1,048,740		839,490			
Valuation fees	59,946		87,016			
Principal repaid	(19,652,671)		(20,627,845)			
Unscheduled repayments (prepayments)	(33,342,400)	(144)	(42,423,854)	(156)		
Total Principal collections	(52,995,071)		(63,051,700)			
New loans purchased	-	-	-	-	1,370,652,558	8,382
Advances and redraws	11,783,384		14,038,156			
Loan losses written off	(449,149)		(544,948)			
Loan losses recovered	-		-			
Interest adjustments	-		-			
Balance at end of period	1,573,684,554	5,483	1,615,345,390	5,627	1,370,652,558	8,382
Original value of loans advanced	2,067,136,047		2,107,644,910			
Latest current valuations of properties	3,808,646,946		3,892,600,645			
Weighted average number of months since last valuation	104		102			
Indexed values of properties	5,490,444,000		5,617,981,000			
Weighted average seasoning (months)	152		149		65	
Weighted average term to maturity (months)	193		195		261	
Largest asset value	3,073,354		3,025,885		N/A	
Months in the period	3		3		Since transaction close	
Loan book balance used as denominator for CPR and DR percentages below	1,615,345,390		1,664,903,882		188	
Prepayments	33,342,400		42,423,854		1,615,345,390	
Annualised constant prepayment rate (CPR)	8.3%		10.2%		2,645,127,524	
Loan losses	449,149		544,948		10.4%	
Annualised default rate (DR)	0.111%		0.131%		12,625,709	
					0.050%	

Possessions

	Current period		Previous period	
	01/11/2021 to 31/01/2022	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021
Collection period:	R	Loans	R	Loans
Possessions at start of period	1,150,000	2	1,150,000	2
Changes	-	-	-	-
Possessions at end of period	1,150,000	2	1,150,000	2

Related portfolio covenants

During the Revolving Period, 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. In the Amortising Period, no additional home loans may be acquired but the covenants are provided for comparative purposes:

	Current period		Previous period		Transaction close	
	01/11/2021 to 31/01/2022	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021	31/05/2006	Actual	Actual
Collection period:	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 93.0	90.3	=< 93.0	90.3	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	66.6	=< 73.0	66.9	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	10.4	=< 18.0	9.9	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 90.0	90.6	=< 90.0	91.0	=< 97.0	100.0
Maximum second property loans (number) (%) ¹	=< 8.5	3.1	=< 8.5	3.1	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	88.9	=> 86.0	89.2	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 287 012	=< R 400 000	R 287 070	=< R300 000	R 163,523

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

Related early amortisation events

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

	Current period		Previous period		Transaction close	
	01/11/2021 to 31/01/2022	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021	31/05/2006	Actual	Actual
Collection period:	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		6.58%		6.55%		
3 month Jibar daily rate		3.69%		3.64%		
Margin	=> 2.15%	2.89%	=> 2.15%	2.91%		
And						
Current actual rates at interest payment date:						
Weighted average home loan rate		6.76%		6.51%		9.64%
3 month Jibar rate		3.85%		3.68%		7.70%
Margin	=> 2.15%	2.91%	=> 2.15%	2.84%	=> 1.8%	1.94%

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

	Current period		Previous period	
	01/11/2021 to 31/01/2022	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021	01/08/2021 to 31/10/2021
Collection period:	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	66.6	=< 83.0	66.9

Result: No early amortisation events have occurred on these triggers - but see arrears trigger test result on page 8.

NQABA FINANCE 1 (RF) LIMITED

Portfolio stratification tables at determination date 31/01/2022

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
Original Loan to Value											
0% - 30%	22,321,017	1.4%	134	2.4%	124,260,500	35.2%	168,623,000	28.5%	6.8%	225	117
30% - 50%	45,166,198	2.9%	216	3.9%	213,789,000	41.7%	281,770,000	36.4%	7.0%	186	151
50% - 70%	121,205,658	7.7%	446	8.1%	397,310,992	50.1%	533,877,000	43.8%	6.7%	147	174
70% - 80%	130,931,146	8.3%	383	7.0%	341,981,900	58.0%	457,098,000	49.5%	6.7%	141	194
80% - 90%	237,480,596	15.1%	599	10.9%	511,724,175	68.2%	701,741,000	59.3%	6.7%	121	212
90% - 100%	521,250,368	33.1%	1,738	31.7%	1,162,645,279	69.9%	1,684,575,000	58.4%	6.7%	140	206
100%+	495,329,570	31.5%	1,967	35.9%	1,056,935,100	72.3%	1,662,760,000	57.2%	6.8%	177	183
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Weighted average		90.3%									
Current Loan to Value											
0% - 30%	156,862,691	10.0%	2,437	44.4%	1,621,847,640	19.0%	2,579,223,000	15.3%	6.7%	231	102
30% - 50%	234,811,564	14.9%	749	13.7%	586,426,471	40.9%	842,442,000	31.8%	6.7%	185	147
50% - 70%	417,500,993	26.5%	913	16.7%	690,616,006	61.0%	933,023,000	49.0%	6.6%	155	189
70% - 80%	292,791,488	18.6%	546	10.0%	389,165,990	75.3%	500,153,000	61.5%	6.8%	132	218
80% - 90%	307,796,831	19.6%	573	10.5%	363,813,047	84.7%	460,329,000	68.8%	6.9%	118	233
90% - 100%	112,863,687	7.2%	206	3.8%	121,491,292	93.0%	139,952,000	82.5%	7.0%	96	262
100%+	51,057,301	3.2%	59	1.1%	35,286,500	158.9%	35,322,000	158.8%	7.0%	172	186
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Payment to income ratio											
0% - 5%	321,215,452	20.4%	2,863	52.2%	1,626,082,299	49.1%	2,696,180,000	34.3%	6.4%	190	172
5% - 10%	644,320,475	40.9%	1,619	29.5%	1,212,508,684	67.2%	1,623,261,000	54.1%	6.6%	152	196
10% - 15%	402,295,049	25.6%	676	12.3%	651,694,217	72.0%	811,837,000	62.6%	7.0%	131	207
15% - 20%	144,381,982	9.2%	204	3.7%	217,599,843	80.2%	249,097,000	75.2%	6.9%	118	202
20% - 25%	24,967,733	1.6%	41	0.7%	38,430,725	83.3%	38,972,000	83.2%	8.0%	131	203
25% - 30%	9,610,729	0.6%	22	0.4%	20,295,000	72.9%	21,378,000	71.4%	7.9%	177	131
30%+	26,893,135	1.7%	58	1.1%	42,036,177	89.6%	49,719,000	82.7%	7.7%	211	134
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Weighted average		10.4%									
Payment method											
Payroll Deduction	1,389,602,220	88.3%	4,965	90.6%	3,456,501,069	63.8%	5,039,387,000	51.4%	6.6%	148	196
Other	184,082,334	11.7%	518	9.4%	352,145,877	87.6%	451,057,000	84.2%	7.8%	183	171
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Borrower employment status											
Direct Eskom	1,350,033,772	85.8%	4,875	88.9%	3,388,918,719	63.5%	4,946,229,000	51.1%	6.6%	150	195
Other group co.	60,663,365	3.9%	178	3.2%	121,837,377	71.4%	161,955,000	62.1%	6.8%	119	222
Other	162,987,418	10.4%	430	7.8%	297,890,849	90.2%	382,260,000	87.3%	8.1%	184	173
Total	1,573,684,554	100%	5,483	100%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193

NQABA FINANCE 1 (RF) LIMITED

Portfolio stratification tables at determination date 31/01/2022

Red figures correspond to current portfolio covenant tests

	Current balance		Number of loans		Latest current	Weighted	Indexed	Weighted	Weighted	Weighted	Weighted
	R	%	R	%	valuation	average		average	average		
					R	current LTV	R	indexed	interest	seasoning	average
						%		LTV	rate	Months	term to
								%	%		maturity
											Months
Loan balance (R'000)											
0 - 100	54,125,350	3.4%	2,062	37.6%	1,052,138,509	20.0%	1,792,149,000	11.2%	6.9%	260	74
100 - 200	105,913,221	6.7%	723	13.2%	397,881,400	39.3%	654,183,000	24.6%	6.9%	217	128
200 - 300	152,659,780	9.7%	618	11.3%	354,036,827	54.5%	520,334,000	38.3%	6.9%	183	163
300 - 400	194,643,634	12.4%	560	10.2%	373,107,004	62.8%	507,694,000	46.7%	6.9%	164	186
400 - 500	193,401,443	12.3%	432	7.9%	321,734,455	68.9%	425,597,000	54.3%	6.9%	157	195
500 - 700	319,949,081	20.3%	546	10.0%	516,197,611	70.2%	676,438,000	58.4%	6.9%	139	208
700 - 1000	255,608,454	16.2%	314	5.7%	364,408,006	77.2%	434,427,000	69.5%	6.7%	122	225
1000 - 1500	225,380,100	14.3%	191	3.5%	327,034,625	76.8%	365,970,000	70.8%	6.5%	116	223
1500+	72,003,492	4.6%	37	0.7%	102,108,509	86.2%	113,652,000	81.5%	6.2%	138	190
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Average balance	287,012										
Interest rate											
0% - 6%	521,969,662	33.2%	1,334	24.3%	1,369,883,458	63.1%	1,998,232,000	52.6%	5.7%	156	183
6% - 8%	919,954,677	58.5%	3,818	69.6%	2,207,952,860	66.0%	3,218,250,000	53.2%	7.0%	146	201
8% - 10%	75,568,986	4.8%	225	4.1%	157,482,628	69.0%	197,588,000	62.9%	8.3%	174	188
> 10.0%	56,191,229	3.6%	106	1.9%	73,328,000	104.2%	76,374,000	102.9%	10.3%	185	173
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Seasoning											
0 - 12 months	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-
12 - 24 months	1,007,341	0.1%	2	0.0%	2,850,000	54.6%	2,850,000	54.6%	7.0%	23	190
24 - 36 months	25,160,422	1.6%	41	0.7%	47,597,000	69.3%	47,597,000	69.3%	6.7%	31	242
36 - 48 months	43,869,595	2.8%	64	1.2%	67,320,000	76.4%	67,320,000	76.4%	6.9%	43	256
48 - 60 months	59,776,778	3.8%	91	1.7%	100,002,725	78.4%	100,263,000	78.3%	6.8%	55	261
60 - 120 months	410,111,102	26.1%	716	13.1%	688,156,558	72.5%	808,115,000	63.0%	6.7%	96	233
120+ months	1,033,759,316	65.7%	4,569	83.3%	2,902,720,663	63.1%	4,464,299,000	49.6%	6.8%	188	170
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Region											
Eastern Cape	69,727,953	4.4%	253	4.6%	183,084,217	74.0%	252,911,000	62.1%	6.6%	170	176
Free State	69,037,638	4.4%	281	5.1%	166,261,709	64.6%	257,325,000	52.3%	6.8%	157	187
Gauteng	734,710,518	46.7%	2,017	36.8%	1,664,114,892	66.0%	2,370,098,000	55.7%	6.7%	144	199
Kwazulu Natal	86,286,741	5.5%	351	6.4%	226,605,425	66.1%	340,657,000	53.7%	7.1%	169	183
Limpopo Province	54,563,928	3.5%	249	4.5%	142,863,537	62.0%	214,154,000	49.0%	6.9%	159	189
Mpumalanga	294,336,361	18.7%	1,372	25.0%	741,108,227	66.5%	1,091,352,000	54.4%	6.9%	161	186
North West	31,184,337	2.0%	142	2.6%	60,148,433	70.0%	102,136,000	54.5%	7.2%	165	181
Northern Cape	17,428,772	1.1%	109	2.0%	52,351,893	68.4%	80,305,000	54.8%	7.0%	166	183
Western Cape	216,408,306	13.8%	709	12.9%	572,108,614	67.4%	781,506,000	55.9%	6.7%	148	200
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193
Property type											
House (Freehold)	1,228,711,798	78.1%	4,497	82.0%	3,065,751,442	65.2%	4,434,900,000	53.8%	6.8%	158	187
Multi-unit (Sectional Title)	266,337,090	16.9%	772	14.1%	476,426,701	75.2%	687,662,000	63.4%	6.8%	124	223
House (Complex)	9,618,889	0.6%	19	0.3%	18,920,000	62.4%	26,633,000	50.7%	6.8%	152	197
Small Holding	3,059,965	0.2%	11	0.2%	10,240,000	39.1%	14,423,000	27.7%	7.0%	162	137
Other	65,956,812	4.2%	184	3.4%	237,308,803	59.0%	326,826,000	51.0%	6.5%	149	193
Total	1,573,684,554	100.0%	5,483	100.0%	3,808,646,946	66.6%	5,490,444,000	55.2%	6.8%	152	193

NQABA FINANCE 1 (RF) LIMITED

Arrears analysis at determination date

	31 January 2022			WA interest rate			31 October 2021			WA interest rate		
	Loan balances R	%	Number of loans	%	rate %	Loan balances R	%	Number of loans	%	interest %		
Fully performing												
Current	1,441,968,743	91.6%	5,071	92.5%	6.7%	1,494,127,741	92.5%	5,213	92.6%	6.4%		
Non-delinquent												
0 - 1 months	18,038,341	1.1%	55	1.0%	8.1%	10,742,405	0.7%	35	0.6%	7.8%		
1 - 2 months	8,100,144	0.5%	32	0.6%	7.7%	7,709,243	0.5%	27	0.5%	7.5%		
2 - 3 months	5,578,449	0.4%	14	0.3%	8.4%	6,547,219	0.4%	22	0.4%	8.7%		
Total	31,716,935	2.0%	101	1.8%	8.1%	24,998,868	1.5%	84	1.5%	7.9%		
Deteriorated												
3 - 4 months	2,774,400	0.2%	9	0.2%	8.7%	354,806	0.0%	6	0.1%	8.0%		
4 - 5 months	1,066,777	0.1%	5	0.1%	8.0%	5,977	0.0%	6	0.1%	6.8%		
5 - 6 months	85,200	0.0%	4	0.1%	7.0%	868,086	0.1%	9	0.2%	9.7%		
6 - 12 months	3,936,805	0.3%	21	0.4%	9.5%	2,514,357	0.2%	37	0.7%	8.2%		
>12 months	5,491,631	0.3%	87	1.6%	6.9%	5,095,382	0.3%	84	1.5%	6.5%		
Total	13,354,812	0.8%	126	2.3%	8.1%	8,838,608	0.5%	142	2.5%	7.4%		
Defaulted												
Litigation	38,463,371	2.4%	59	1.1%	7.9%	40,452,552	2.5%	63	1.1%	7.6%		
Other categories												
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%		
Arrangement	43,862,734	2.8%	118	2.2%	8.1%	43,025,227	2.7%	117	2.1%	8.0%		
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%		
Properties sold	3,167,959	0.2%	6	0.1%	0.0%	2,752,393	0.2%	6	0.1%	0.0%		
Properties in possession	1,150,000	0.1%	2	0.0%	0.0%	1,150,000	0.1%	2	0.0%	0.0%		
Total	48,180,693	3.1%	126	2.3%	7.3%	46,927,621	2.9%	125	2.2%	7.4%		
Total	1,573,684,554	100.0%	5,483	100.0%	6.8%	1,615,345,390	100.0%	5,627	100.0%	6.5%		

Movement in properties classified as Litigations

Quarter ended:	31 January 2022			31 October 2021		
	R		Number	R		Number
Opening balance	40,452,552		63	35,232,150		60
Loans exit litigation	(6,616,416)		(11)	(5,119,079)		(10)
Loans enter litigation	3,592,680		7	9,159,905		13
Repayments	(3,500)			(3,500)		
Advance	192,944			269,208		
Interest	754,757			815,537		
Loan losses	-			-		
Valuation fees	5,463			6,555		
Capitalised insurance	84,891			91,776		
Closing balance	38,463,371		59	40,452,552		63

Provisions

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

	31/01/2022 R	31/10/2021 R
Impairments applied to loan book excluding possessions	9,803,609	9,803,609
Impairments applied to possessions	168,934	168,934
Total impairments	9,972,543	9,972,543

Arrears reserve triggers

An arrears reserve trigger event shall occur on any determination date where the aggregate principal balances of home loans
 (i) which are in arrears for more than 3 months; and/or
 (ii) in respect of which the Issuer has instituted legal proceedings for the recovery of amounts owing,
 exceeds 2% of the aggregate principal balances of the home loans and shall cease when such percentage reduces to 1,5%;

		31/01/2022 R	31/10/2021 R																				
Aggregate principal balances on home loans as above	A	1,573,684,554	1,615,345,390																				
Balances which are in arrears for more than 3 months	B	13,354,812	8,838,608																				
Balances for which the Issuer has instituted legal proceedings	C	38,463,371	40,452,552																				
Total arrears for calculation purposes	D = B + C	51,818,184	49,291,160																				
Arrears %	E = D / A	3.29%	3.05%																				
Arrears reserve trigger level percentage		2.00%	2.00%																				
Arrears reserve trigger level value		31,473,691	32,306,908																				
If arrears % (E) previously exceeded the trigger, check whether arrears have decreased to 1.5%		No	No																				
Arrears trigger event maintained		Yes	Yes																				
If Yes, calculation of arrears reserve required:																							
Original valuation of the related properties		53,026,912	47,957,974																				
Latest valuation of the related properties		95,403,675	94,477,416																				
Balances which are in arrears for more than 3 months	B	13,354,812	8,838,608																				
60% of the lower of the original valuation and latest valuation	F	31,816,147	28,774,784																				
Test difference between arrears and conservative value of related properties	G = B - F	(18,461,335)	(19,936,176)																				
If an Early Amortisation event has occurred, all funds in the reserve to be applied in accordance with the Pre-Enforcement Priority of Payments during the Amortising Period																							
Arrears reserve required amount (if value greater, no cash reserve required)	H	Yes	Yes																				
<table border="1"> <thead> <tr> <th>Quarter</th> <th>31/01/2022</th> <th>31/12/2021</th> <th>30/11/2021</th> </tr> <tr> <th>R</th> <th>R</th> <th>R</th> <th>R</th> </tr> </thead> <tbody> <tr> <td>Opening balance</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Changes reflected in Priority of Payments</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Closing balance</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>				Quarter	31/01/2022	31/12/2021	30/11/2021	R	R	R	R	Opening balance	-	-	-	Changes reflected in Priority of Payments	-	-	-	Closing balance	-	-	-
Quarter	31/01/2022	31/12/2021	30/11/2021																				
R	R	R	R																				
Opening balance	-	-	-																				
Changes reflected in Priority of Payments	-	-	-																				
Closing balance	-	-	-																				

Related early amortisation arrears trigger

		31/01/2022 R	31/10/2021 R
Loan book balance		1,573,684,554	1,615,345,390
Trigger per cent		2.50%	2.50%
Trigger value	I	39,342,114	40,383,635
Total arrears as defined above	D	51,818,184	49,291,160
Headroom (deficit)		(12,476,070)	(8,907,526)
Early amortisation arrears trigger event (D > I)		Yes	Yes

Scheme has moved to early amortisation

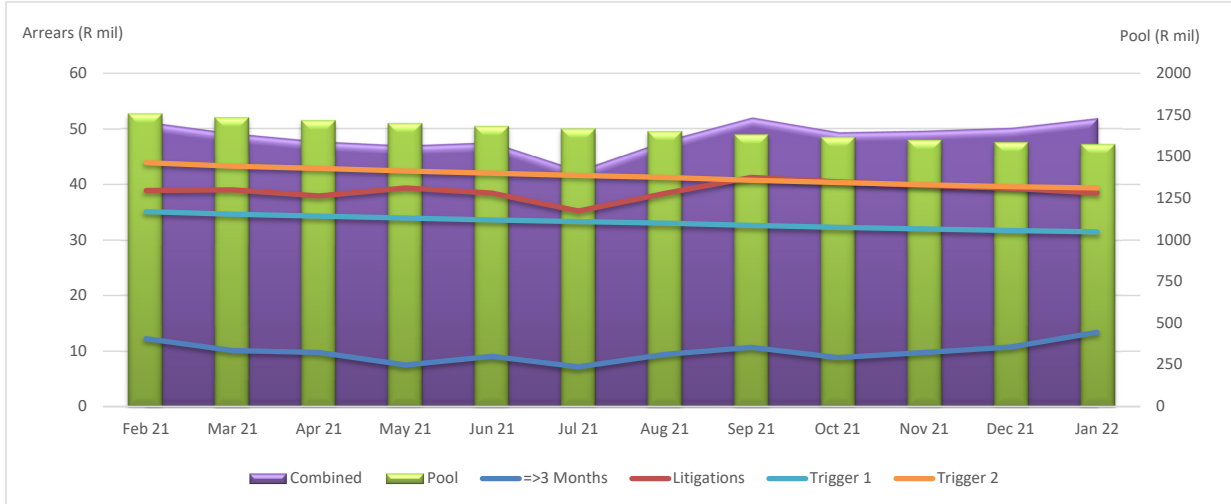
Trends

Arrears analysis (values in R million)

End of:	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22
Pool	1756	1732	1715	1698	1681	1665	1651	1632	1615	1599	1584	1574
Trigger 1 (%)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Trigger 1	35.13	34.64	34.31	33.96	33.62	33.30	33.02	32.63	32.31	31.97	31.69	31.47
=>3 Months	12.25	10.11	9.73	7.51	9.05	7.12	9.38	10.69	8.84	9.75	10.73	13.35
Litigations	38.94	39.02	37.96	39.40	38.45	35.23	38.40	41.24	40.45	39.82	39.34	38.46
Combined	51.19	49.12	47.69	46.91	47.50	42.35	47.77	51.93	49.29	49.57	50.07	51.82
Trigger 1 diff	-16.06	-14.48	-13.39	-12.95	-13.88	-9.05	-14.75	-19.30	-16.98	-17.59	-18.39	-20.34
Trigger 2 (%)	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Trigger 2	43.91	43.31	42.88	42.45	42.02	41.62	41.28	40.79	40.38	39.97	39.61	39.34
Trigger 2 diff	-7.28	-5.82	-4.81	-4.46	-5.48	-0.73	-6.50	-11.14	-8.91	-9.60	-10.47	-12.48

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

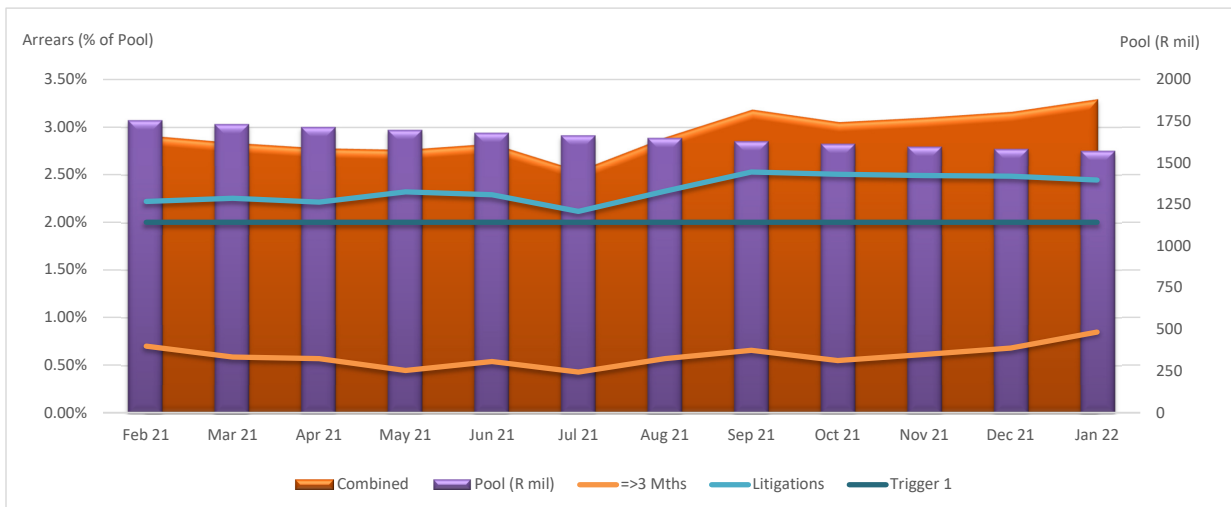
Trigger 2 (2.5% of Pool) = If breached by combined arrears, early amortisation is required (from July 2020)



Arrears analysis (percentages)

End of:	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22
Pool (R mil)	1756	1732	1715	1698	1681	1665	1651	1632	1615	1599	1584	1574
=>3 Mths	0.70%	0.58%	0.57%	0.44%	0.54%	0.43%	0.57%	0.66%	0.55%	0.61%	0.68%	0.85%
Litigations	2.22%	2.25%	2.21%	2.32%	2.29%	2.12%	2.33%	2.53%	2.50%	2.49%	2.48%	2.44%
Combined	2.91%	2.84%	2.78%	2.76%	2.83%	2.54%	2.89%	3.18%	3.05%	3.10%	3.16%	3.29%
Trigger 1	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Trigger 1 (combined arrears) = If breached, an arrears reserve is required until arrears decrease to 1.5%

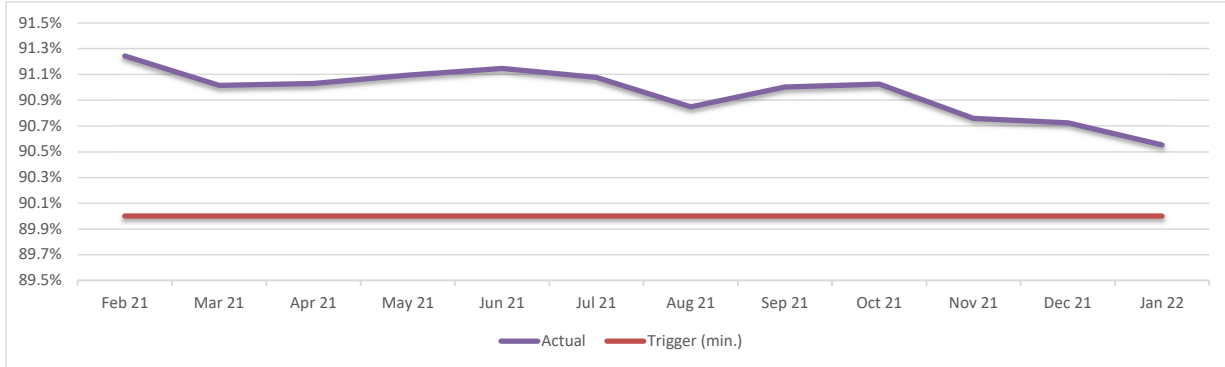


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22
Actual	91.2%	91.0%	91.0%	91.1%	91.1%	91.1%	90.8%	91.0%	91.0%	90.8%	90.7%	90.6%
Trigger (min.)	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Trigger = If breached, purchase of additional home loans prohibited

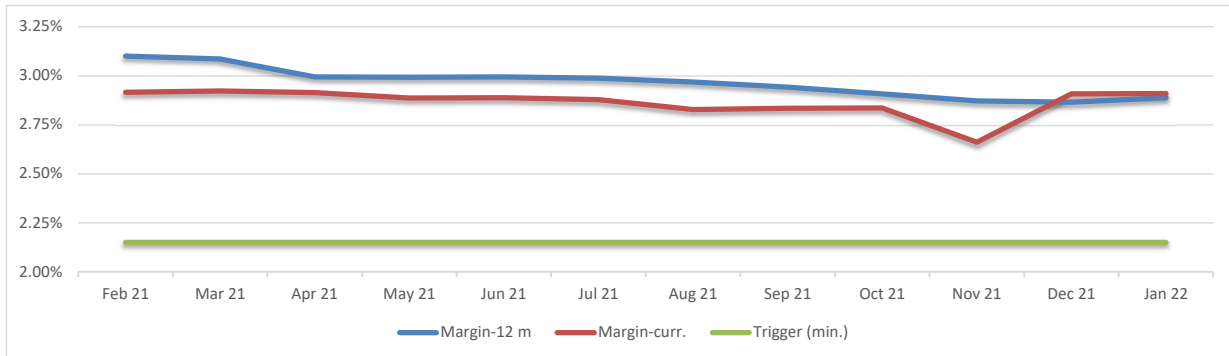


Interest rate margin

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.

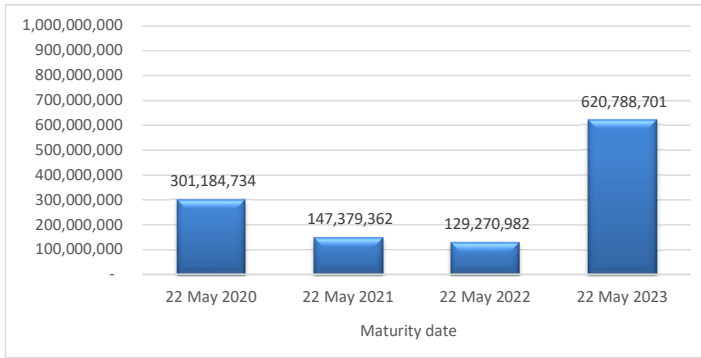
End of:	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22
12 months rolling average:												
HL-12 m	7.08%	6.85%	6.65%	6.59%	6.58%	6.56%	6.55%	6.55%	6.55%	6.54%	6.56%	6.58%
Jibar-12 m	3.98%	3.77%	3.66%	3.60%	3.58%	3.57%	3.58%	3.61%	3.64%	3.67%	3.69%	3.69%
Margin-12 m	3.10%	3.09%	2.99%	2.99%	2.99%	2.99%	2.97%	2.94%	2.91%	2.87%	2.87%	2.89%
Current month:												
HL-current	6.56%	6.56%	6.56%	6.56%	6.56%	6.55%	6.50%	6.51%	6.51%	6.51%	6.76%	6.76%
Jibar-curr.	3.64%	3.64%	3.64%	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.85%	3.85%	3.85%
Margin-curr.	2.92%	2.92%	2.92%	2.89%	2.89%	2.88%	2.83%	2.83%	2.84%	2.66%	2.91%	2.91%
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



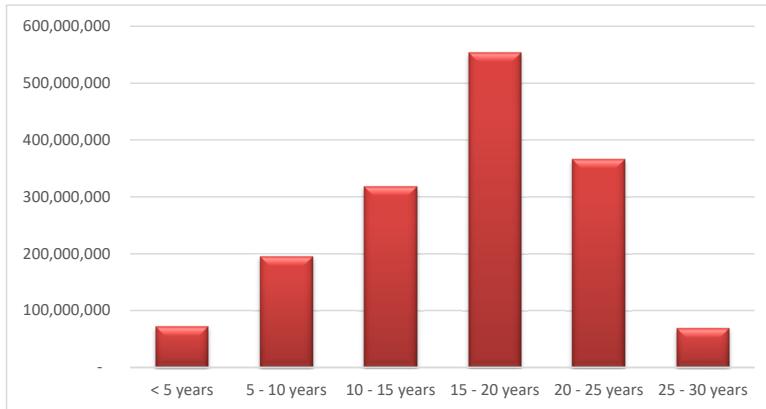
Trends

Notes maturity analysis



Maturity date	Current value
22 May 2020	301,184,734
22 May 2021	147,379,362
22 May 2022	129,270,982
22 May 2023	620,788,701
Total	R 1,198,623,779

Asset pool maturity analysis



Loan maturity	Current balance
< 5 years	71,347,169
5 - 10 years	195,249,304
10 - 15 years	318,050,413
15 - 20 years	554,135,570
20 - 25 years	366,563,276
25 - 30 years	68,338,822
Total	R 1,573,684,554

NQABA FINANCE 1 (RF) LIMITED

Note interest calculations for current interest payment date 22/02/2022

Class number	JSE stock code	Balance start of period R	Interest reset date	Interest payment date	Number of days	3 month Jibar	Margin	Interest			Balance end of period R	Step up call date	Step up margin
								Total note coupon	accrued and paid R	Principal distributed R			
A10	NQ1A10	75,778,394	22/11/2021	22/02/2022	92	3.850%	2.000%	5.850%	1,117,368	(3,481,347)	72,297,047	31/07/2020	2.000%
A24	NQ1A24	204,272,188	22/11/2021	22/02/2022	92	3.850%	2.240%	6.090%	3,135,606	(9,384,501)	194,887,687	22/05/2020	2.240%
A25	NQ1A25	110,340,136	22/11/2021	22/02/2022	92	3.850%	1.840%	5.690%	1,582,489	(5,069,154)	105,270,982	22/05/2022	2.576%
A27	NQ1A27	484,025,389	22/11/2021	22/02/2022	92	3.850%	1.850%	5.700%	6,954,052	(22,236,688)	461,788,701	22/05/2023	2.590%
A28	NQ1A28	154,476,179	22/11/2021	22/02/2022	92	3.850%	2.100%	5.950%	2,316,719	(7,096,817)	147,379,362	22/05/2021	2.940%
Totals Class A		1,028,892,286						Weighted average:	5.825%	15,106,235	(47,268,507)		981,623,779
B10	NQ1B10	11,000,000	22/11/2021	22/02/2022	92	3.850%	2.200%	6.050%	167,742	-	11,000,000	31/07/2020	2.200%
B17	NQ1B17	8,000,000	22/11/2021	22/02/2022	92	3.850%	2.548%	6.398%	129,012	-	8,000,000	22/05/2020	2.548%
B20	NQ1B20	159,000,000	22/11/2021	22/02/2022	92	3.850%	2.250%	6.100%	2,444,679	-	159,000,000	22/05/2023	3.150%
B21	NQ1B21	24,000,000	22/11/2021	22/02/2022	92	3.850%	2.000%	5.850%	353,885	-	24,000,000	22/05/2022	2.800%
Totals Class B		202,000,000						Weighted average:	6.079%	3,095,319	-		202,000,000
C10	NQ1C10	5,000,000	22/11/2021	22/02/2022	92	3.850%	2.400%	6.250%	78,767	-	5,000,000	31/07/2020	2.400%
C17	NQ1C17	5,000,000	22/11/2021	22/02/2022	92	3.850%	3.150%	7.000%	88,219	-	5,000,000	22/05/2020	3.150%
Totals Class C		10,000,000						Weighted average:	6.625%	166,986	-		10,000,000
D5	NQ1D5	5,000,000	22/11/2021	22/02/2022	92	3.850%	1.150%	5.000%	63,014	-	5,000,000	22/05/2020	1.150%
Totals Class D		5,000,000						Weighted average:	5.000%	63,014	-		5,000,000
Totals All Notes		1,245,892,286						Weighted average:	5.869%	18,431,554	(47,268,507)		1,198,623,779
Subordinated loan		290,000,000	22/11/2021	22/02/2022	92	3.850%	3.000%	6.850%	-	-	290,000,000		
Total funding		1,535,892,286						Weighted average interest rate all funding:	6.054%	18,431,554	(47,268,507)		1,488,623,779

Credit enhancement limit	23.3%	of notes outstanding	Step-up rates have been applied to Matured Notes.
Current value of credit enhancement	23.3%	of notes outstanding	
Credit enhancement committed and not drawn	0%		

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

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

Excess spread

	Quarter ended: 22/02/2022		22/11/2021
	R	%	
Average loan pool balance	<u>1,593,005,661</u>		<u>1,640,751,189</u>
Interest received to determination date	26,771,435	6.67%	6.53%
Expenses per Priority of Payments (POP)	<u>(3,763,840)</u>	<u>-0.94%</u>	<u>-0.78%</u>
	23,007,594	5.73%	5.75%
Note coupon per POP	<u>(18,431,554)</u>	<u>-4.59%</u>	<u>-4.56%</u>
Excess spread before subordinated loan interest	4,576,041	1.14%	1.19%
Subordinated loan interest per POP	-	0.00%	0.00%
Excess spread	<u>4,576,041</u>	<u>1.14%</u>	<u>1.19%</u>

Liquidity and redraw facilities at Interest payment date

Liquidity facility	22/02/2022	22/11/2021	Redraw facility	22/02/2022	22/11/2021
	R	R		R	R
Facility limit (2% of greater of Initial Note Issue and current outstanding Notes)	31,360,000	31,360,000	Facility limit	135,000,000	135,000,000
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	<u>31,360,000</u>	<u>31,360,000</u>	Available facility at end of period	<u>135,000,000</u>	<u>135,000,000</u>
The facility was renewed with effect from 22/02/2021. It has never been used. The fee charge is 0.45% of the facility limit.			The facility was renewed with effect from 22/02/2021. It has never been used. The fee charge is 0.45% of the facility limit.		

Early amortisation events (summary)

	22/02/2022	22/11/2021
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:		
	Reference	Breach
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	Page 7	N/A
The weighted average current LTV exceeds the required weighted average current LTV by more than 10%	Page 3	No
The aggregate principal balances of home loans which are in arrears for more than 3 months exceeds 2.5% of the aggregate principal balances of the Home Loans	Page 7	Yes
The Issuer does not achieve the required interest margin	Page 3	No
A Principal deficiency exists on any payment date	Page 13	No
Upon occurrence of a downgrade in the long term corporate family rating of Eskom Holdings SOC Limited to below Caa1 by Moody's	Page 2	No
Where the Rating Agency has assigned a national scale rating of A3.za or below to the Class A Notes	Page 11	No
Where the Rating Agency has assigned a Rating to a tranche of Notes in issue, the Rating Agency withdraws its Ratings of all such tranches of Notes and such Ratings are not reinstated within 30 days	Page 11	No

NQABA FINANCE 1 (RF) LIMITED

Principal deficiency ledger at Interest payment date

	22/02/2022 R	22/11/2021 R
Early amortisation event - a principal deficiency exists on any payment date		
A Principal Deficiency is defined as: the amount of the Liabilities expected to exist, less the Assets expected to exist on the immediately succeeding payment date after having made all payments in accordance with the priority of payments on that payment date, if the result is less than zero.		
Liabilities		
Aggregate outstanding principal of the notes	1,245,892,286	1,302,061,300
Less: Amount allocated for the redemption of notes	(47,268,507)	(56,169,014)
- Class A	(47,268,507)	(56,169,014)
- 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	-	-
Total liabilities (L)	1,198,623,779	1,245,892,286
Assets		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1,573,684,554	1,615,345,390
Plus: Home loans transferred on the next day from funds previously allocated	-	-
Total principal balances at start of current period	1,573,684,554	1,615,345,390
Amount allocated to purchase additional home loans on the immediately succeeding Payment Date *	-	-
* For practical reasons, transfers occur at the start of the next Collection Period	-	-
Total assets (A)	1,573,684,554	1,615,345,390
Principal deficiency (A - L) (never less than zero) (PD)	-	-

Conclusion: No principal deficiency exists

Interest Deferral events

If a principal deficiency exists, the amount of the deficiency must be tested successively against the outstanding principal amounts of the subordinated loan and the subordinated classes of Notes to establish whether interest on these Notes must be deferred.

Principal Deficiency calculated above (PD)	-	-
Class D interest deferral test to protect class C and above Noteholders		
Class D Notes	5,000,000	5,000,000
Class E Notes	-	-
Subordinated loan	290,000,000	290,000,000
Total (D)	295,000,000	295,000,000
Net Principal Deficiency (PD - D) (never less than zero)	-	-
Class C interest deferral test to protect class B and above Noteholders		
Class C Notes (C)	10,000,000	10,000,000
Net Principal Deficiency (PD - D - C) (never less than zero)	-	-
Class B interest deferral test to protect class A Noteholders		
Class B Notes (B)	202,000,000	202,000,000
Net Principal Deficiency (PD - D - C - B) (never less than zero)	-	-

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

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

Reserve funds at Interest payment date

	R	R
Reserve fund balance at transaction close	-	-
Arrears reserve at start of period	-	-
Current period change	-	-
Arrears reserve at end of period	-	-

The arrears reserve had been funded since the required date but as an Early Amortisation event has occurred, the funds have been applied in accordance with the Pre-Enforcement Priority of Payments during the Amortising Period. The Issuer has no other reserve funds.

NQABA FINANCE 1 (RF) LIMITED

Cash flow statement to determination date

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

	Three months ended:	
	31/01/2022	31/10/2021
	R	R
Profit before tax per income statement	1,126,061	2,537,105
Add back:		
Fair value adjustments	-	-
Funds from operations	<u>1,126,061</u>	<u>2,537,105</u>
Taxation paid	-	(220,829)
(Decrease) in Notes and sub-loan including accrued interest	(51,179,948)	(53,654,707)
Decrease in portfolio assets including accrued interest	41,660,835	48,606,034
(Increase) in arrears reserve funded	-	-
Decrease (increase) in amounts due by EFC and accounts receivable	2,914,012	(1,247,181)
Increase in amounts due to EFC and accounts payable	771,546	1,186,400
Decrease in funds	<u>(4,707,494)</u>	<u>(2,793,178)</u>
Funds available at beginning of the period	62,613,963	65,407,141
Funds available at end of the period to Priority of Payments	<u><u>57,906,469</u></u>	<u><u>62,613,963</u></u>

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

NB: The Amortising period started on 31 July 2020

	22/02/2022	22/11/2021
	R	R
Cash at bank as above	57,906,469	62,613,963
Add: Commingling amounts subsequently received from EFC	17,014,739	19,754,361
Less: commingling amounts payable to EFC	(4,562,211)	(4,383,244)
Available cash	<u>70,358,997</u>	<u>77,985,080</u>
Payments		
1 South African Revenue Services	(895,096)	-
2 Security SPV trust, owner trust and third party payments	(3,546,843)	(3,122,596)
3 Derivative counterparty settlement received (paid)	-	-
4 Liquidity facility provider - fees	(40,905)	(40,461)
5 Redraw facility provider - fees	(176,092)	(174,178)
6 Class A to D Note holders:		
Interest on Class A notes	(15,106,235)	(15,284,335)
Surplus / (Deficit)	<u>50,593,826</u>	<u>59,363,510</u>
Interest on Class B notes	(3,095,319)	(2,973,541)
Interest payable	(3,095,319)	(2,973,541)
Less: Class B interest deferred	-	-
Interest on Class C notes	(166,986)	(160,808)
Interest payable	(166,986)	(160,808)
Less: Class C interest deferred	-	-
Interest on Class D notes	(63,014)	(60,147)
Interest payable	(63,014)	(60,147)
Less: Class D interest deferred	-	-
Surplus / (Deficit)	<u>47,268,507</u>	<u>56,169,014</u>
7 Redraw facility provider	-	-
8 Class A to D Note holders principal repayments	<u>(47,268,507)</u>	<u>(56,169,014)</u>
	<u>-</u>	<u>-</u>

NQABA FINANCE 1 (RF) LIMITED

Statement of Comprehensive Income	YTD 31/01/2022 R	YTD 31/10/2021 R
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NB: These figures are derived from the unaudited management accounts and are subject to change.

Financing income	90,928,115	64,159,615
Financing cost	79,882,864	56,414,967
Financing margin	11,045,250	7,744,648
Loan losses	61,814	(387,334)
Loan losses written off	1,014,273	565,124
Impairment provisions	(952,458)	(952,458)
Loan Losses recovered	494,054	492,954
Interest received from bank	1,170,667	862,479
Interest (paid) / received from SARS	-	-
Interest swap	-	-
Fair value adjustments	-	-
Settlements received (paid)	-	-
Operating profit	12,648,158	9,487,416
Operating expenditure	(7,029,745)	(4,995,065)
Bank Charges	11,337	8,222
Management fees	476,834	340,134
Servicer fees	2,384,885	1,692,544
Liquidity fees	286,910	214,549
Redraw Facility fees	1,357,517	1,051,124
Back-up Servicer fees	138,254	98,118
Audit fees	700,626	499,376
JSE fees	145,981	101,798
Directors' and owner trust fees	431,734	296,224
Rating fees (Annual)	694,960	485,835
Rating fees (Subsequent)	172,500	47,614
Safe Custody and Settlement Agent fees	-	-
National Credit Regulator fees	78,204	55,162
Credit Ombudsman	83,172	57,655
Strate fees	66,829	46,710
Bond issue fees	-	-
Legal Fees	-	-
Net profit before tax	5,618,412	4,492,351
Taxation - normal tax	(220,829)	(220,829)
Taxation - deferred tax	(1,352,327)	(1,037,030)
Tax Penalties	-	-
Net profit after tax	4,045,257	3,234,493
Dividends	-	-
Net profit after distribution	4,045,257	3,234,493
Retained income at beginning of the financial year	39,396,385	39,396,385
Retained income at end of the period	43,441,642	42,630,878

Statement of Financial Position	31/01/2022 R	31/10/2021 R
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NB: These figures are derived from the unaudited management accounts and are subject to change.

Assets

Non-Current Assets	1,482,617,772	1,519,171,314
Home loan advances	1,479,537,965	1,515,776,210
Properties in possession	981,066	981,066
Deferred tax	2,098,741	2,414,038
Current Assets	158,100,176	171,144,271
Home loan advances	83,192,981	88,615,570
Amounts due by EFC	17,000,720	19,754,361
Cash and cash equivalents	57,906,469	62,613,963
SA Revenue Services	7	7
Prepayments	-	160,370
Total assets	1,640,717,948	1,690,315,585

Equity and liabilities

Capital and reserves	43,441,743	42,630,979
Share capital	101	101
Distributable reserves	43,441,642	42,630,878
Non-current liabilities	1,311,994,952	1,362,955,257
Interest-bearing debt	1,021,994,952	1,072,955,257
Subordinated loan	290,000,000	290,000,000
Current Liabilities	285,281,253	284,729,349
Interest-bearing debt	237,920,865	243,116,987
Subordinated loan	39,474,401	34,497,922
Trade and other payables	3,337,795	2,731,196
Amounts due to EFC	4,548,192	4,383,244
SA Revenue Services	-	-
Total equity and liabilities	1,640,717,948	1,690,315,585

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:

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

NQABA FINANCE 1 (RF) LIMITED

Abridged glossary of definitions

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

NQABA FINANCE 1 (RF) LIMITED

Abridged glossary of definitions

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