

NQABA FINANCE 1 (RF) LIMITED

INVESTOR REPORT 23 FEBRUARY 2022 TO 23 MAY 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, R210 million (original issued value) on 22 May 2021 and a further R174 million (original issued value) on 23 May 2022. 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 23 May 2022

Index	Page
Disclaimer	1
Counterparties and salient information	2
Assets:	
Collateral portfolio characteristics	3
Properties in possession	3
Related portfolio covenants	3
Related early amortisation event triggers	3
Portfolio stratification tables	4
Arrears analysis	6
Movement in properties classified as Litigations	6
Impairment provisions	6
Arrears reserve trigger	7
Related early amortisation arrears trigger	7
Trends	8
Liabilities:	
Cumulative Note details	11
Note interest calculations	12
Excess spread	12
Liquidity and redraw facilities	12
Early amortisation events (summary)	12
Principal deficiency ledger	13
Reserve funds	13
Financial:	
Cash flow statement	14
Pre-enforcement priority of payments during the Amortising period	14
Statement of comprehensive income	15
Statement of financial position	15
Glossary	16

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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)			
Security SPV	Nqaba Finance 1 Security SPV (RF) (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 (Notes)	GCR Ratings from April 2022	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 1 148 101 971
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 February 2022 to 22 May 2022 (90 days inclusive)
Current interest payment date	Monday, 23 May 2022
Next interest payment date	Monday, 22 August 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 February 2022 to 30 April 2022 (89 days)
Current determination date	Saturday, 30 April 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

Collection period:	Current period 01/02/2022 to 30/04/2022		Previous period 01/11/2021 to 31/01/2022		Transaction close 31/05/2006	
	R	Loans	R	Loans	R	Loans
Balance brought forward	1 573 684 554	5 483	1 615 345 390	5 627	-	-
Instalments received	(47 358 140)		(47 532 791)			
Interest charged	26 791 764		26 771 435			
Insurance charged	943 094		1 048 740			
Valuation fees	89 160		59 946			
Principal repaid	(19 534 123)		(19 652 671)			
Unscheduled repayments (prepayments)	(40 618 440)	(140)	(33 342 400)	(144)		
Total Principal collections	(60 152 562)		(52 995 071)			
New loans purchased	-	-	-	-	1 370 652 558	8 382
Advances and redraws	15 807 752		11 783 384			
Loan losses written off	(1 613 734)		(449 149)			
Loan losses recovered	-		-			
Interest adjustments	-		-			
Balance at end of period	1 527 726 010	5 343	1 573 684 554	5 483	1 370 652 558	8 382
Original value of loans advanced	2 024 090 004		2 067 136 047			
Latest current valuations of properties	3 726 869 827		3 808 646 946			
Weighted average number of months since last valuation	106		104			
Indexed values of properties	5 363 815 000		5 490 444 000			
Weighted average seasoning (months)	155		152		65	
Weighted average term to maturity (months)	192		193		261	
Largest asset value	2 958 627		3 073 354		N/A	
Months in the period	3		3		Since transaction close 191	
Loan book balance used as denominator for CPR and DR percentages below	1 573 684 554		1 615 345 390		1 573 684 554	
Prepayments	40 618 440		33 342 400		2 685 745 964	
Annualised constant prepayment rate (CPR)	10.3%		8.3%		10.7%	
Loan losses	1 613 734		449 149		14 239 443	
Annualised default rate (DR)	0.410%		0.111%		0.057%	

Properties in possession

Collection period:	Current period 01/02/2022 to 30/04/2022		Previous period 01/11/2021 to 31/01/2022	
	R	Loans	R	Loans
Properties in possession at start of period	1 150 000	2	1 150 000	2
Changes	(450 000)	-	-	-
Properties in possession at end of period	700 000	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:

Collection period:	Current period 01/02/2022 to 30/04/2022		Previous period 01/11/2021 to 31/01/2022		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
Weighted average Original Loan to Value (%)	=< 93.0	90.5	=< 93.0	90.3	=< 93.6	92.5
Weighted average Current Loan to Value (%)	=< 73.0	66.3	=< 73.0	66.6	=< 76.5	75.9
Weighted average Payment to Income (%)	=< 18.0	10.9	=< 18.0	10.4	=< 17.4	16.5
Minimum payroll deduction (number) (%)	=> 90.0	90.4	=< 90.0	90.6	=< 97.0	100.0
Maximum second property loans (number) (%) ¹	=< 8.5	3.2	=< 8.5	3.1	=< 7.5	1.5
Minimum direct Eskom employees (number) (%)	=> 86.0	88.6	=> 86.0	88.9	=> 85.0	100.0
Average outstanding balance	=< R 400 000	R 285 930	=< R 400 000	R 287 012	=< 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 event triggers

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

Collection period:	Current period 01/02/2022 to 30/04/2022		Previous period 01/11/2021 to 31/01/2022		Transaction close 31/05/2006	
	Required	Actual	Required	Actual	Required	Actual
12 month rolling average rates:						
Weighted average home loan rate		6.71%		6.58%		
3 month Jibar daily rate		3.83%		3.69%		
Margin	=> 2.15%	2.88%	=> 2.15%	2.89%		
And						
Current actual rates at interest payment date:						
Weighted average home loan rate		7.27%		6.76%		9.64%
3 month Jibar rate		4.19%		3.85%		7.70%
Margin	=> 2.15%	3.08%	=> 2.15%	2.91%	=> 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 01/02/2022 to 30/04/2022		Previous period 01/11/2021 to 31/01/2022	
	Required	Actual	Required	Actual
Weighted average Current Loan to Value (%)	=< 83.0	66.3	=< 83.0	66.6

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 30/04/2022

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%	21 557 931	1.4%	131	2.5%	124 435 500	35.2%	168 060 000	28.9%	7.3%	229	115
30% - 50%	42 528 936	2.8%	206	3.9%	200 775 000	42.7%	264 848 000	37.5%	7.5%	190	153
50% - 70%	116 696 247	7.6%	431	8.1%	387 623 992	49.8%	517 042 000	43.9%	7.2%	149	172
70% - 80%	125 584 859	8.2%	367	6.9%	331 206 900	57.8%	443 476 000	49.2%	7.3%	143	192
80% - 90%	228 566 067	15.0%	582	10.9%	499 128 175	67.6%	684 622 000	58.7%	7.2%	124	210
90% - 100%	505 834 281	33.1%	1 687	31.6%	1 138 454 106	69.8%	1 645 819 000	58.5%	7.2%	143	204
100%+	486 957 689	31.9%	1 939	36.3%	1 045 246 154	71.7%	1 639 948 000	56.7%	7.3%	179	181
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Weighted average		90.5%									
Current Loan to Value											
0% - 30%	150 913 916	9.9%	2 380	44.5%	1 592 376 212	18.9%	2 530 026 000	14.6%	7.2%	234	101
30% - 50%	232 704 980	15.2%	734	13.7%	581 699 230	40.9%	825 485 000	31.9%	7.2%	188	146
50% - 70%	416 999 282	27.3%	902	16.9%	687 582 973	61.2%	931 326 000	49.2%	7.1%	157	188
70% - 80%	280 445 367	18.4%	539	10.1%	372 059 641	75.5%	480 130 000	61.3%	7.3%	133	219
80% - 90%	299 550 905	19.6%	554	10.4%	354 098 860	84.7%	442 665 000	69.6%	7.4%	119	232
90% - 100%	97 126 118	6.4%	176	3.3%	104 361 411	93.1%	119 472 000	83.2%	7.5%	101	257
100%+	49 985 442	3.3%	58	1.1%	34 691 500	156.8%	34 711 000	156.8%	7.4%	177	183
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Weighted average		10.9%									
Payment to income ratio											
0% - 5%	294 168 381	19.3%	2 744	51.4%	1 552 228 844	48.8%	2 581 976 000	33.5%	6.9%	194	169
5% - 10%	603 839 645	39.5%	1 557	29.1%	1 173 746 149	66.0%	1 607 124 000	53.0%	7.1%	157	194
10% - 15%	401 799 297	26.3%	687	12.9%	647 159 566	71.9%	774 914 000	62.6%	7.5%	134	204
15% - 20%	161 856 870	10.6%	223	4.2%	245 055 866	78.0%	280 358 000	72.8%	7.4%	118	207
20% - 25%	27 375 936	1.8%	47	0.9%	42 970 725	83.8%	43 837 000	83.0%	8.5%	135	198
25% - 30%	10 823 296	0.7%	24	0.4%	18 275 000	92.1%	19 367 000	90.8%	7.5%	201	152
30%+	27 862 585	1.8%	61	1.1%	47 433 677	81.8%	56 239 000	75.0%	8.1%	203	130
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Weighted average		10.9%									
Payment method											
Payroll Deduction	1 341 340 213	87.8%	4 828	90.4%	3 367 133 823	63.6%	4 906 773 000	51.3%	7.1%	151	195
Other	186 385 798	12.2%	515	9.6%	359 736 005	86.1%	457 042 000	82.2%	8.4%	183	170
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Borrower employment status											
Direct Eskom	1 302 344 976	85.2%	4 734	88.6%	3 298 989 111	63.2%	4 814 606 000	50.8%	7.1%	152	193
Other group co.	58 919 585	3.9%	174	3.3%	118 290 377	71.7%	157 444 000	62.7%	7.3%	121	221
Other	166 461 449	10.9%	435	8.1%	309 590 340	89.1%	391 765 000	85.7%	8.5%	184	173
Total	1 527 726 010	100%	5 343	100%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192

NQABA FINANCE 1 (RF) LIMITED

Portfolio stratification tables at determination date 30/04/2022

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	valuation	average	average	average	average
					R	current LTV	R	indexed LTV	interest	seasoning	term to
						%		%	rate	Months	maturity
									%		Months
Loan balance (R'000)											
0 - 100	52 348 732	3.4%	2 018	37.8%	1 042 507 399	20.1%	1 776 586 000	11.1%	7.4%	261	75
100 - 200	102 924 739	6.7%	701	13.1%	375 896 547	39.8%	616 219 000	25.2%	7.4%	217	128
200 - 300	148 363 333	9.7%	598	11.2%	356 561 549	54.0%	521 265 000	37.9%	7.4%	186	160
300 - 400	191 997 364	12.6%	552	10.3%	365 674 426	62.7%	494 201 000	46.9%	7.4%	168	183
400 - 500	189 332 440	12.4%	423	7.9%	327 056 495	68.0%	460 228 000	53.9%	7.4%	158	194
500 - 700	308 757 991	20.2%	527	9.9%	486 754 271	70.2%	608 142 000	58.8%	7.4%	143	208
700 - 1000	254 098 125	16.6%	310	5.8%	366 111 006	77.1%	433 778 000	69.1%	7.3%	122	222
1000 - 1500	208 886 258	13.7%	177	3.3%	308 652 625	75.7%	345 453 000	69.7%	7.0%	119	220
1500+	71 017 028	4.6%	37	0.7%	97 655 509	86.9%	107 943 000	82.7%	6.6%	146	191
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Average balance	285 930										
Interest rate											
0% - 6%	66 250 063	4.3%	127	2.4%	167 374 488	84.5%	244 583 000	75.6%	4.5%	175	150
6% - 8%	1 329 060 793	87.0%	4 884	91.4%	3 322 222 889	63.8%	4 839 451 000	51.7%	7.2%	151	195
8% - 10%	71 060 131	4.7%	221	4.1%	153 118 451	66.4%	193 127 000	60.0%	8.8%	168	193
>10.0%	61 355 024	4.0%	111	2.1%	84 154 000	101.2%	86 654 000	100.7%	10.7%	190	168
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Seasoning											
0 - 12 months	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-
12 - 24 months	-	0.0%	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-
24 - 36 months	19 543 365	1.3%	32	0.6%	40 730 000	67.5%	40 730 000	67.5%	7.1%	33	227
36 - 48 months	40 277 551	2.6%	61	1.1%	60 942 000	77.6%	60 942 000	77.6%	7.5%	44	269
48 - 60 months	54 087 555	3.5%	85	1.6%	93 492 000	77.5%	93 585 000	77.4%	7.2%	55	250
60 - 120 months	370 727 891	24.3%	637	11.9%	634 694 523	72.2%	736 118 000	63.6%	7.2%	95	233
120+ months	1 043 089 648	68.3%	4 528	84.7%	2 897 011 305	63.2%	4 432 440 000	49.8%	7.3%	188	170
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Region											
Eastern Cape	66 352 786	4.3%	247	4.6%	177 444 217	72.9%	245 713 000	60.7%	7.1%	176	174
Free State	66 981 103	4.4%	270	5.1%	161 321 709	64.1%	250 789 000	51.7%	7.3%	159	186
Gauteng	712 980 759	46.7%	1 975	37.0%	1 635 068 242	65.6%	2 323 133 000	55.5%	7.2%	146	197
Kwazulu Natal	82 593 572	5.4%	336	6.3%	221 140 425	66.4%	331 067 000	54.3%	7.6%	170	181
Limpopo Province	53 589 191	3.5%	246	4.6%	142 811 537	61.6%	212 621 000	49.0%	7.3%	162	187
Mpumalanga	288 506 450	18.9%	1 342	25.1%	725 331 729	67.0%	1 066 287 000	54.6%	7.4%	164	185
North West	30 881 529	2.0%	140	2.6%	59 183 433	70.5%	99 992 000	55.5%	7.7%	167	178
Northern Cape	16 810 272	1.1%	106	2.0%	51 273 893	68.6%	77 866 000	55.2%	7.5%	167	182
Western Cape	209 030 349	13.7%	681	12.7%	553 294 643	66.8%	756 347 000	55.3%	7.2%	151	198
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192
Property type											
House (Freehold)	1 189 154 460	77.8%	4 372	81.8%	2 996 080 324	64.8%	4 327 151 000	53.5%	7.3%	161	185
Multi-unit (Sectional Title)	259 042 611	17.0%	758	14.2%	466 970 701	75.2%	675 371 000	63.6%	7.3%	127	221
House (Complex)	9 061 721	0.6%	18	0.3%	18 200 000	61.6%	24 088 000	50.4%	7.3%	153	197
Small Holding	2 977 547	0.2%	11	0.2%	9 950 000	44.9%	13 731 000	37.5%	7.5%	165	135
Other	67 489 671	4.4%	184	3.4%	235 668 803	59.8%	323 474 000	51.9%	7.1%	150	195
Total	1 527 726 010	100.0%	5 343	100.0%	3 726 869 827	66.3%	5 363 815 000	55.1%	7.3%	155	192

NQABA FINANCE 1 (RF) LIMITED

Arrears analysis at determination date

	30 April 2022			31 January 2022						
	Loan balances R	%	Number of loans %	WA interest rate %	Loan balances R	%	Number of loans %	WA interest %		
Fully performing										
Current	1 404 636 146	91.9%	4 950	92.6%	7.2%	1 441 968 743	91.6%	5 071	92.5%	6.7%
Non-delinquent										
0 - 1 months	10 003 485	0.7%	36	0.7%	8.7%	18 038 341	1.1%	55	1.0%	8.1%
1 - 2 months	4 688 443	0.3%	23	0.4%	8.6%	8 100 144	0.5%	32	0.6%	7.7%
2 - 3 months	4 876 949	0.3%	21	0.4%	9.0%	5 578 449	0.4%	14	0.3%	8.4%
Total	19 568 877	1.3%	80	1.5%	8.7%	31 716 935	2.0%	101	1.8%	8.1%
Deteriorated										
3 - 4 months	2 270 885	0.1%	11	0.2%	9.2%	2 774 400	0.2%	9	0.2%	8.7%
4 - 5 months	1 473 859	0.1%	7	0.1%	7.5%	1 066 777	0.1%	5	0.1%	8.0%
5 - 6 months	1 030 191	0.1%	3	0.1%	9.8%	85 200	0.0%	4	0.1%	7.0%
6 - 12 months	1 841 537	0.1%	21	0.4%	9.2%	3 936 805	0.3%	21	0.4%	9.5%
>12 months	5 632 668	0.4%	84	1.6%	7.0%	5 491 631	0.3%	87	1.6%	6.9%
Total	12 249 140	0.8%	126	2.4%	8.0%	13 354 812	0.8%	126	2.3%	8.1%
Defaulted										
Litigation	37 536 241	2.5%	60	1.1%	8.5%	38 463 371	2.4%	59	1.1%	7.9%
Other categories										
Debt review	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Arrangement	51 514 955	3.4%	121	2.3%	8.5%	43 862 734	2.8%	118	2.2%	8.1%
Third party attachment	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	0.0%
Properties sold	1 520 652	0.1%	4	0.1%	0.0%	3 167 959	0.2%	6	0.1%	0.0%
Properties in possession	700 000	0.0%	2	0.0%	0.0%	1 150 000	0.1%	2	0.0%	0.0%
Total	53 735 607	3.5%	127	2.4%	8.2%	48 180 693	3.1%	126	2.3%	7.3%
Total	1 527 726 010	100.0%	5 343	100.0%	7.3%	1 573 684 554	100.0%	5 483	100.0%	6.8%

Movement in properties classified as Litigations

Quarter ended:	30 April 2022			31 January 2022		
	R		Number	R		Number
Opening balance	38 463 371		59	40 452 552		63
Loans exit litigation	(9 070 462)		(12)	(6 616 416)		(11)
Loans enter litigation	7 160 361		13	3 592 680		7
Repayments	(2 454)			(3 500)		
Advance	91 393			192 944		
Interest	791 841			754 757		
Loan losses	-			-		
Valuation fees	14 203			5 463		
Capitalised insurance	87 988			84 891		
Closing balance	37 536 241		60	38 463 371		59

Impairment 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:

	30/04/2022 R	31/01/2022 R
Impairments applied to loan book excluding possessions	11 227 660	9 803 609
Impairments applied to possessions	108 850	168 934
Total impairments	11 336 510	9 972 543

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%;

		30/04/2022 R	31/01/2022 R
Aggregate principal balances on home loans as above	A	1 527 726 010	1 573 684 554
Balances which are in arrears for more than 3 months	B	12 249 140	13 354 812
Balances for which the Issuer has instituted legal proceedings	C	37 536 241	38 463 371
Total arrears for calculation purposes	D = B + C	49 785 381	51 818 184
Arrears %	E = D / A	3.26%	3.29%
Arrears reserve trigger level percentage		2.00%	2.00%
Arrears reserve trigger level value		30 554 520	31 473 691
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		52 505 652	53 026 912
Latest valuation of the related properties		96 006 000	95 403 675
Balances which are in arrears for more than 3 months	B	12 249 140	13 354 812
60% of the lower of the original valuation and latest valuation	F	31 503 391	31 816 147
Test difference between arrears and conservative value of related properties	G = B - F	(19 254 251)	(18 461 335)
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		Yes	Yes
Arrears reserve required amount (if value greater, no cash reserve required)	H	-	-
Changes in arrears reserve			
Opening balance		-	-
Changes reflected in Priority of Payments		-	-
Closing balance	H	-	-

Related early amortisation arrears trigger

		30/04/2022 R	31/01/2022 R
Loan book balance		1 527 726 010	1 573 684 554
Trigger per cent		2.50%	2.50%
Trigger value	I	38 193 150	39 342 114
Total arrears as defined above	D	49 785 381	51 818 184
Headroom (deficit)		(11 592 231)	(12 476 070)
Early amortisation arrears trigger event (D > I)		Yes	Yes

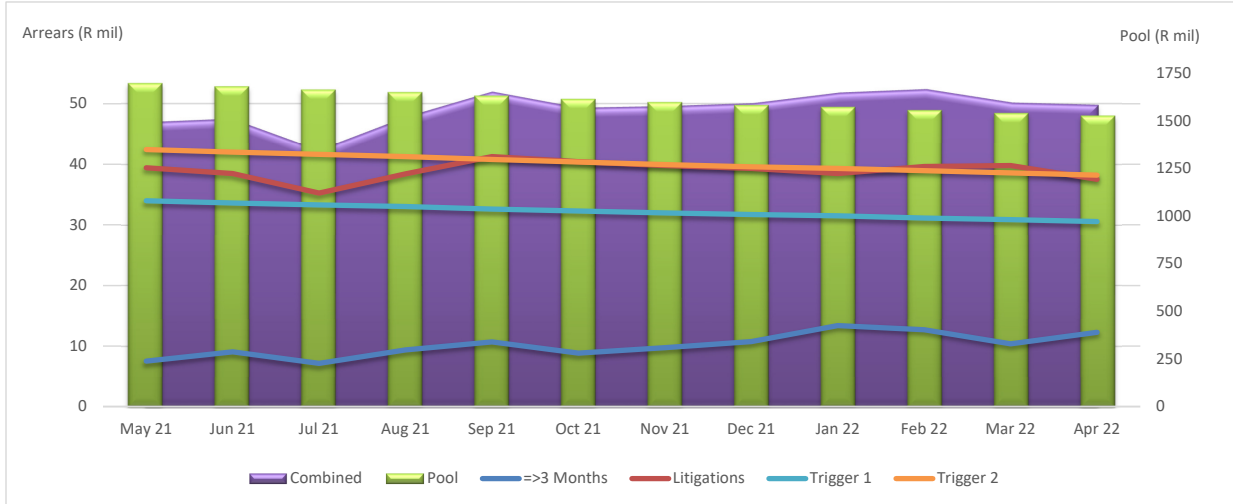
Trends

Arrears analysis (values in R million)

End of:	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22
Pool	1698	1681	1665	1651	1632	1615	1599	1584	1574	1557	1542	1528
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	33.96	33.62	33.30	33.02	32.63	32.31	31.97	31.69	31.47	31.14	30.85	30.55
=>3 Months	7.51	9.05	7.12	9.38	10.69	8.84	9.75	10.73	13.35	12.71	10.34	12.25
Litigations	39.40	38.45	35.23	38.40	41.24	40.45	39.82	39.34	38.46	39.66	39.79	37.54
Combined	46.91	47.50	42.35	47.77	51.93	49.29	49.57	50.07	51.82	52.36	50.13	49.79
Trigger 1 diff	-12.95	-13.88	-9.05	-14.75	-19.30	-16.98	-17.59	-18.39	-20.34	-21.22	-19.28	-19.23
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	42.45	42.02	41.62	41.28	40.79	40.38	39.97	39.61	39.34	38.93	38.56	38.19
Trigger 2 diff	-4.46	-5.48	-0.73	-6.50	-11.14	-8.91	-9.60	-10.47	-12.48	-13.44	-11.57	-11.59

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

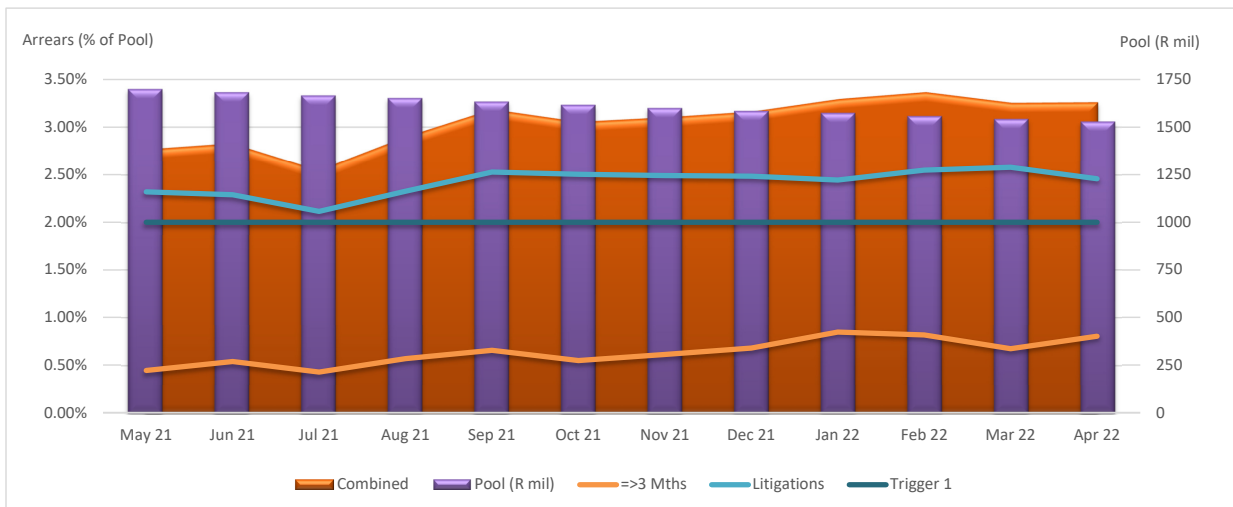
Trigger 2 (2.5% of Pool) = If breached by combined arrears, early amortisation is required (from July 2020)



Arrears analysis (percentages)

End of:	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22
Pool (R mil)	1698	1681	1665	1651	1632	1615	1599	1584	1574	1557	1542	1528
=>3 Mths	0.44%	0.54%	0.43%	0.57%	0.66%	0.55%	0.61%	0.68%	0.85%	0.82%	0.67%	0.80%
Litigations	2.32%	2.29%	2.12%	2.33%	2.53%	2.50%	2.49%	2.48%	2.44%	2.55%	2.58%	2.46%
Combined	2.76%	2.83%	2.54%	2.89%	3.18%	3.05%	3.10%	3.16%	3.29%	3.36%	3.25%	3.26%
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%

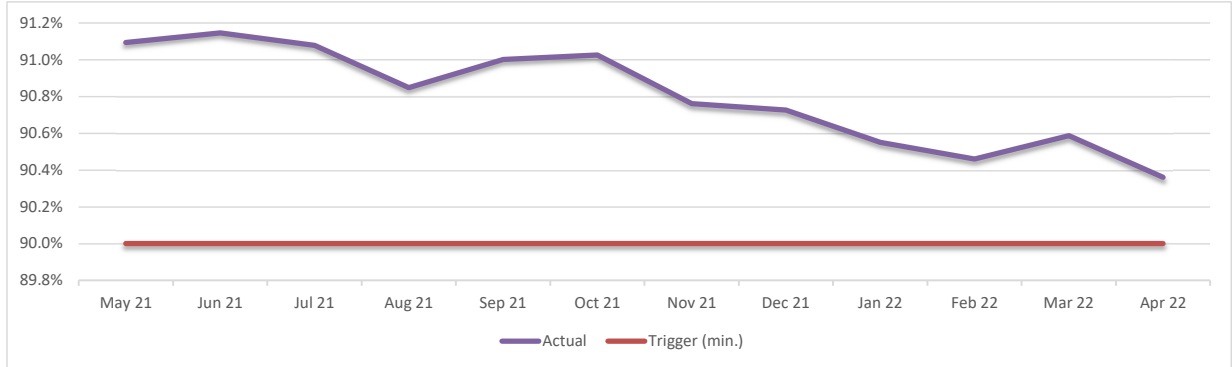


Trends

Payroll Deduction Percentage (number of borrowers)

End of:	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22
Actual	91.1%	91.1%	91.1%	90.8%	91.0%	91.0%	90.8%	90.7%	90.6%	90.5%	90.6%	90.4%
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

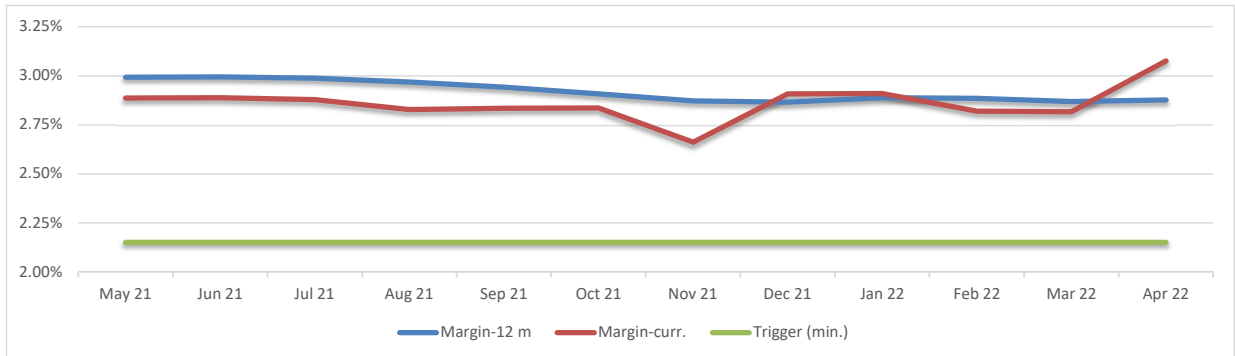


Interest rate margin

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.

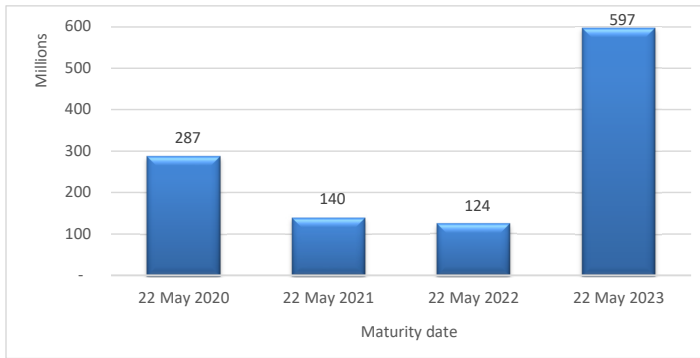
End of:	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22
12 months rolling average:												
HL-12 m	6.59%	6.58%	6.56%	6.55%	6.55%	6.55%	6.54%	6.56%	6.58%	6.61%	6.65%	6.71%
Jibar-12 m	3.60%	3.58%	3.57%	3.58%	3.61%	3.64%	3.67%	3.69%	3.69%	3.73%	3.78%	3.83%
Margin-12 m	2.99%	2.99%	2.99%	2.97%	2.94%	2.91%	2.87%	2.87%	2.89%	2.88%	2.87%	2.88%
Current month:												
HL-current	6.56%	6.56%	6.55%	6.50%	6.51%	6.51%	6.51%	6.76%	6.76%	7.01%	7.01%	7.27%
Jibar-curr.	3.68%	3.68%	3.68%	3.68%	3.68%	3.68%	3.85%	3.85%	3.85%	4.19%	4.19%	4.19%
Margin-curr.	2.89%	2.89%	2.88%	2.83%	2.83%	2.84%	2.66%	2.91%	2.91%	2.82%	2.82%	3.08%
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



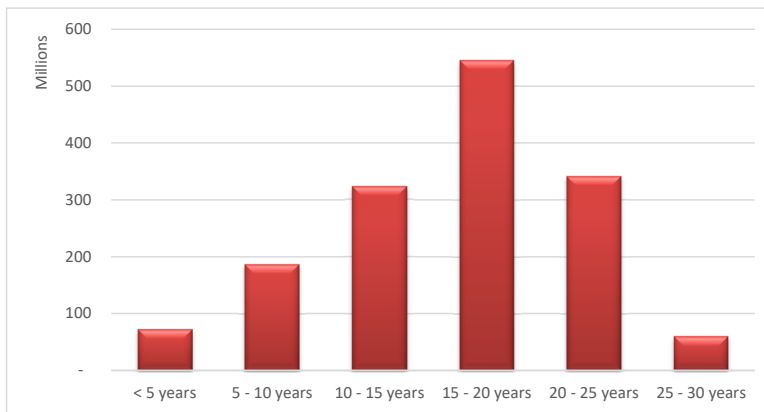
Trends

Notes maturity analysis



Maturity date	Current value
22 May 2020	287 433 381
22 May 2021	139 794 100
22 May 2022	123 852 939
22 May 2023	597 021 551
Total	R 1 148 101 971

Asset pool maturity analysis



Loan maturity	Current balance
< 5 years	72 183 977
5 - 10 years	186 844 950
10 - 15 years	322 695 770
15 - 20 years	545 518 911
20 - 25 years	341 089 743
25 - 30 years	59 392 660
Total	R 1 527 726 010

NQABA FINANCE 1 (RF) LIMITED

Note interest calculations for current interest payment date 23/05/2022

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	72 297 047	22/02/2022	23/05/2022	90	4.192%	2.000%	6.192%	1 103 827	(3 720 954)	68 576 093	31/07/2020	2.000%	
A24	NQ1A24	194 887 687	22/02/2022	23/05/2022	90	4.192%	2.240%	6.432%	3 090 865	(10 030 399)	184 857 288	22/05/2020	2.240%	
A25	NQ1A25	105 270 982	22/02/2022	23/05/2022	90	4.192%	1.840%	6.032%	1 565 740	(5 418 043)	99 852 939	22/05/2022	2.576%	
A27	NQ1A27	461 788 701	22/02/2022	23/05/2022	90	4.192%	1.850%	6.042%	6 879 766	(23 767 150)	438 021 551	22/05/2023	2.590%	
A28	NQ1A28	147 379 362	22/02/2022	23/05/2022	90	4.192%	2.100%	6.292%	2 286 520	(7 585 262)	139 794 100	22/05/2021	2.940%	
Totals Class A		981 623 779						Weighted average:	6.167%	14 926 719	(50 521 808)	931 101 971		
B10	NQ1B10	11 000 000	22/02/2022	23/05/2022	90	4.192%	2.200%	6.392%	173 372	-	11 000 000	31/07/2020	2.200%	
B17	NQ1B17	8 000 000	22/02/2022	23/05/2022	90	4.192%	2.548%	6.740%	132 953	-	8 000 000	22/05/2020	2.548%	
B20	NQ1B20	159 000 000	22/02/2022	23/05/2022	90	4.192%	2.250%	6.442%	2 525 617	-	159 000 000	22/05/2023	3.150%	
B21	NQ1B21	24 000 000	22/02/2022	23/05/2022	90	4.192%	2.000%	6.192%	366 431	-	24 000 000	22/05/2022	2.800%	
Totals Class B		202 000 000						Weighted average:	6.421%	3 198 373	-	202 000 000		
C10	NQ1C10	5 000 000	22/02/2022	23/05/2022	90	4.192%	2.400%	6.592%	81 271	-	5 000 000	31/07/2020	2.400%	
C17	NQ1C17	5 000 000	22/02/2022	23/05/2022	90	4.192%	3.150%	7.342%	90 518	-	5 000 000	22/05/2020	3.150%	
Totals Class C		10 000 000						Weighted average:	6.967%	171 789	-	10 000 000		
D5	NQF1D5	5 000 000	22/02/2022	23/05/2022	90	4.192%	1.150%	5.342%	65 860	-	5 000 000	22/05/2020	1.150%	
Totals Class D		5 000 000						Weighted average:	5.342%	65 860	-	5 000 000		
Totals All Notes		1 198 623 779						Weighted average:	6.213%	18 362 741	(50 521 808)	1 148 101 971		
Subordinated loan		290 000 000	22/02/2022	23/05/2022	90	4.192%	3.000%	7.192%	-	-	290 000 000			
Total funding		1 488 623 779						Weighted average interest rate all funding:	6.404%	18 362 741	(50 521 808)	1 438 101 971		

Credit enhancement limit	24.2%	of notes outstanding	Step-up rates have been applied to Matured Notes and will be applied to the A25 and B21 Notes from 23/05/2022.
Current value of credit enhancement	24.2%	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: 23/05/2022		22/02/2022
	R	%	R
Average loan pool balance	<u>1 550 235 133</u>		<u>1 593 005 661</u>
Interest received to determination date	26 791 764	7.09%	6.53%
Expenses per Priority of Payments (POP)	<u>(2 796 322)</u>	<u>-0.73%</u>	<u>-0.78%</u>
	23 995 442	6.36%	5.75%
Note coupon per POP	<u>(18 362 741)</u>	<u>-4.80%</u>	<u>-4.56%</u>
Excess spread before subordinated loan interest	5 632 701	1.55%	1.19%
Subordinated loan interest per POP	-	0.00%	0.00%
Excess spread	<u>5 632 701</u>	<u>1.55%</u>	<u>1.19%</u>

Liquidity and redraw facilities at Interest payment date

Liquidity facility	23/05/2022	22/02/2022
	R	R
Facility limit (2% of greater of Initial Note Issue and current outstanding Notes)	31 360 000	31 360 000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	<u>31 360 000</u>	<u>31 360 000</u>

The facility was renewed with effect from 21/02/2022. It has never been used.
The fee charge is 0.45% of the facility limit.

Redraw facility	23/05/2022	22/02/2022
	R	R
Facility limit	125 000 000	135 000 000
Available facility:		
Outstandings at start of period	-	-
Further amounts drawn (repaid)	-	-
Less: Outstandings at end of period	-	-
Available facility at end of period	<u>125 000 000</u>	<u>135 000 000</u>

The facility was renewed with effect from 21/02/2022. It has never been used.
The fee charge is 0.45% of the facility limit.

Early amortisation events (summary)

	23/05/2022	22/02/2022
	Reference	Breach
The occurrence of any of the following events, as determined by the manager, will give rise to early amortisation of the transaction. Please see the referenced pages for further details:		
Any new tax which has a material adverse effect on the Issuer	No	No
Any Servicer event of default	No	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

	23/05/2022 R	22/02/2022 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	1 198 623 779	1 245 892 286
Less: Amount allocated for the redemption of notes	(50 521 808)	(47 268 507)
- Class A	(50 521 808)	(47 268 507)
- 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)	1 148 101 971	1 198 623 779
Assets		
Aggregate principal balances of home loans on the last day of the immediately preceding Collection Period	1 527 726 010	1 573 684 554
Plus: Home loans transferred on the next day from funds previously allocated	-	-
Total principal balances at start of current period	1 527 726 010	1 573 684 554
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)	1 527 726 010	1 573 684 554
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:	
	30/04/2022	31/01/2022
	R	R
(Loss) profit before tax per income statement	(1 681 301)	1 126 061
Add back:		
Fair value adjustments	-	-
Funds from operations	<u>(1 681 301)</u>	<u>1 126 061</u>
Taxation paid	(895 096)	-
(Decrease) in Notes including accrued interest	(42 597 525)	(51 179 948)
Decrease in portfolio assets including accrued interest	47 322 510	41 660 835
(Increase) / decrease in amounts due by EFC and accounts receivable	(769 980)	2 914 012
(Decrease) / increase in amounts due to EFC and accounts payable	(195 936)	771 546
Increase (decrease) in funds	<u>1 182 672</u>	<u>(4 707 494)</u>
Funds available at beginning of the period	57 906 469	62 613 963
Funds available at end of the period to Priority of Payments	<u><u>59 089 141</u></u>	<u><u>57 906 469</u></u>

Pre-enforcement priority of payments during the Amortising period at Interest payment date

NB: The Amortising period started on 31 July 2020

	23/05/2022	22/02/2022
	R	R
Cash at bank as above	59 089 141	57 906 469
Add: Commingling amounts subsequently received from EFC	17 036 665	17 014 739
Less: commingling amounts payable to EFC	<u>(4 444 935)</u>	<u>(4 562 211)</u>
Available cash	<u>71 680 871</u>	<u>70 358 997</u>
Payments		
1 South African Revenue Services	-	(895 096)
2 Security SPV trust, owner trust and third party payments	(2 596 803)	(3 546 843)
3 Derivative counterparty settlement received (paid)	-	-
4 Liquidity facility provider - fees	(40 016)	(40 905)
5 Redraw facility provider - fees	(159 503)	(176 092)
6 Class A to D Note holders:		
Interest on Class A notes	(14 926 719)	(15 106 235)
Surplus	<u>53 957 830</u>	<u>50 593 826</u>
Interest on Class B notes	(3 198 373)	(3 095 319)
Interest payable	<u>(3 198 373)</u>	<u>(3 095 319)</u>
Less: Class B interest deferred	-	-
Interest on Class C notes	(171 789)	(166 986)
Interest payable	<u>(171 789)</u>	<u>(166 986)</u>
Less: Class C interest deferred	-	-
Interest on Class D notes	(65 860)	(63 014)
Interest payable	<u>(65 860)</u>	<u>(63 014)</u>
Less: Class D interest deferred	-	-
Surplus	<u>50 521 808</u>	<u>47 268 507</u>
7 Redraw facility provider	-	-
8 Class A Note holders principal repayments	<u>(50 521 808)</u>	<u>(47 268 507)</u>
	<u>-</u>	<u>-</u>

NQABA FINANCE 1 (RF) LIMITED

	YTD 30/04/2022 (1 month) R	YTD 31/03/2022 (12 months) R	YTD 31/01/2022 (10 months) R
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Statement of comprehensive income

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

Financing income	9 164 375	108 108 944	90 928 115
Financing cost	7 834 768	95 150 632	79 882 864
Financing margin	1 329 607	12 958 312	11 045 250
Loan losses	437 383	2 157 072	61 814
Loan losses written off	437 383	2 190 623	1 014 273
Impairment provisions	-	(33 551)	(952 458)
Loan Losses recovered	-	133 294	494 054
Interest received from bank	140 844	1 376 133	1 170 667
Operating profit	1 033 068	12 310 667	12 648 158
Operating expenditure	(687 909)	(8 718 715)	(7 029 745)
Bank Charges	1 046	13 385	11 337
Management fees	43 959	563 907	476 834
Servicer fees	217 646	2 819 082	2 384 885
Liquidity fees	29 642	333 250	286 910
Redraw Facility fees	118 151	1 545 345	1 357 517
Back-up Servicer fees	12 617	163 425	138 254
Audit fees	49 655	1 220 372	700 626
JSE fees	14 080	168 481	145 981
Directors' and owner trust fees	43 392	518 519	431 734
Rating fees (Annual)	93 523	834 377	694 960
Rating fees (Subsequent)	41 629	-	172 500
National Credit Regulator fees	8 146	96 123	78 204
Credit Ombudsman	7 251	93 980	83 172
Strate fees	7 172	90 648	66 829
Legal Fees	-	257 821	-
Net profit before tax	345 159	3 591 952	5 618 412
Taxation - normal tax	-	-	(220 829)
Taxation - deferred tax	(96 645)	(2 688 259)	(1 352 327)
Tax Penalties	-	-	-
Net profit after tax	248 515	903 694	4 045 257
Dividends	-	-	-
Net profit after distribution	248 515	903 694	4 045 257
Retained income at beginning of the financial year	40 300 079	39 396 385	39 396 385
Retained income at end of the period	40 548 594	40 300 079	43 441 642

	30/04/2022 R	31/03/2022 R	31/01/2022 R
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Statement of financial position

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

Assets

Non-Current Assets	1 446 826 427	1 459 536 796	1 482 617 772
Home loan advances	1 445 569 113	1 458 182 837	1 479 537 965
Properties in possession	591 150	591 150	981 066
Deferred tax	666 164	762 809	2 098 741
Current Assets	148 205 011	129 483 756	158 100 176
Home loan advances	70 229 239	72 332 853	83 192 981
Amounts due by EFC	17 036 665	17 912 094	17 000 720
Cash and cash equivalents	59 089 141	37 940 577	57 906 469
SA Revenue Services	1 115 931	490 301	7
Prepayments	734 035	807 931	-
Total assets	1 595 031 438	1 589 020 552	1 640 717 948

Equity and liabilities

Capital and reserves	40 548 695	40 300 180	43 441 743
Share capital	101	101	101
Distributable reserves	40 548 594	40 300 079	43 441 642
Non-current liabilities	1 288 788 546	1 282 667 958	1 311 994 952
Interest-bearing debt	998 788 546	992 667 958	1 021 994 952
Subordinated loan	290 000 000	290 000 000	290 000 000
Current Liabilities	265 694 197	266 052 414	285 281 253
Interest-bearing debt	213 504 070	213 504 070	237 920 865
Subordinated loan	44 500 076	42 785 897	39 474 401
Trade and other payables	3 245 116	2 649 919	3 337 795
Amounts due to EFC	4 444 935	7 112 529	4 548 192
SA Revenue Services	-	-	-
Total equity and liabilities	1 595 031 438	1 589 020 552	1 640 717 948

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). NB: The various Priorities of Payment specify that the Issuer Expense Cap applies only to item 2.
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