

## **Applicable Pricing Supplements - A18**

### **Nqaba Finance 1 (RF) Limited**

*(Incorporated with limited liability in South Africa under registration number 2005/040050/06)*

#### **Issue of ZAR318 000 000 Secured Class A18 Notes**

**Under its R5 000 000 000 Asset Backed Note Programme, registered with the Bond Exchange of South Africa Limited (prior to its acquisition by the JSE Limited) on or about 13 April 2006, as amended from time to time**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Nqaba Finance 1 (RF) Limited dated 20 May 2013, as amended, novated or substituted from time to time. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Glossary of Definitions*". References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

*The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquires to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement.*

#### **DESCRIPTION OF THE NOTES**

- |                                  |                              |
|----------------------------------|------------------------------|
| 1. Issuer                        | Nqaba Finance 1 (RF) Limited |
| 2. Status and Class of the Notes | Secured Class A18 Notes      |
| 3. Tranche number                |                              |
| 4. Series number                 | 1                            |

|     |   |   |
|-----|---|---|
| 5.  | Aggregate Principal Amount of this Tranche  | R318,000,000  |
| 6.  | Issue Date(s)   | 22 May 2014   |
| 7.  | Minimum Denomination per Note   | R1,000,000  |
| 8.  | Issue Price(s)  | 100%  |
| 9.  | Applicable Business Day Convention  | Following Business Day  |
| 10. | Interest Commencement Date(s)   | 22 May 2014   |
| 11. | Scheduled Maturity Date   | 22 May 2017   |
| 12. | Final Maturity Date   | 22 May 2049   |
| 13. | Final Redemption Amount   | As per Condition 7  |
| 14. | Use of Proceeds   | The net proceeds of the issue of this Tranche, together with the net proceeds from the issue of the Classes B16 and C16 Notes, will be used to refinance Classes A12, B11, and C11 Notes, having a Scheduled Maturity Date of 22 May 2014 |
| 15. | Pre-Funding Amount  | No  |
| 16. | Pre-Funding Period  | N/A   |
| 17. | Specified Currency  | Rand  |
| 18. | Prepayment Notes  | No  |
| 19. | Set out the relevant description of any additional Terms and Conditions relating to the Notes | N/A   |

#### **FLOATING RATE NOTES**

|     |                          |  |
|-----|--------------------------|--|
| 20. | Interest Payment Date(s) | 22 August, 22 November, 22 February, 22 May,   |
| 21. | Interest Period(s)       | each period commencing on and including the day of any Interest Payment Date and ending on but excluding the following Interest Payment Date, provided that the first Interest Period shall be from and including the Issue Date in relation to such issue to but excluding the first Interest Payment Date thereafter |

22. Manner in which the Interest Rate is to be determined Screen Rate Determination
23. Margin/Spread for the Interest Rate 95 basis points per annum to be added to the relevant Reference Rate up to the Scheduled Maturity Date. After Scheduled Maturity Date, 140 percent of current margin to be added to the relevant Reference Rate up to the Final Maturity Date
24. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) 3 (three) month ZAR-JIBAR-SAFEX
- (b) Rate Determination Date(s) 22 May, 22 August, 22 November, 22 February
- (c) Relevant Screen page and Reference Code Reuters screen SAFEX page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR) on or about 11h00, Johannesburg time, on the relevant Interest Payment Date, rounded to the nearest third decimal point
25. If Interest Rate to be calculated otherwise than by reference to the previous 2 sub-clauses above, insert basis for determining Interest Rate/Margin/Fall back provisions N/A
26. If different from the Manager, agent responsible for calculating amount of principal and interest N/A
27. Any other terms relating to the particular method of calculating interest N/A

#### OTHER NOTES

28. If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description (including, if applicable, the identity of the reference entity in the case of a credit linked Note) and any additional Terms and N/A

## Conditions relating to such Notes

### GENERAL

|   |   |
|---|---|
| 29. Additional selling restrictions   | N/A   |
| 30. International Securities Numbering (ISIN)   | ZAG000115569  |
| 31. Stock Code  | NQ1A18  |
| 32. Financial Exchange  | The JSE Limited   |
| 33. Dealer(s)   | Absa Corporate and Investment Bank (a division of Absa Bank Limited)  |
| 34. Method of distribution  | Bookbuild   |
| 35. Rating assigned to this Tranche of Notes (if any)   | AAA(zaf)  |
| 36. Date the Rating was assigned  | May 2014  |
| 37. Date of Rating review   | May 2015  |
| 38. Rating Agency   | Fitch Ratings   |
| 39. Governing Law   | South Africa  |
| 40. Last Day to Register  | 16 August, 16 November, 16 February, 16 May   |
| 41. Books Closed Period   | 17 August, 17 November, 17 February, 17 May   |
| 42. Calculation Agent, if not the Manager   | N/A   |
| 43. Specified Office of the Calculation Agent   | 15 Alice Lane, Sandton, 2196  |
| 44. Transfer Agent, if not the Manager  | N/A   |
| 45. Specified Office of the Transfer Agent  | 15 Alice Lane, Sandton, 2196  |
| 46. Programme Limit   | ZAR5,000,000,000  |
| 47. Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche          | R1,278,000,000 excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date |
| 48. Amount of Subordinated Loan to be borrowed simultaneously with this Tranche                         | Zero  |
| 49. Aggregate Principal Amount of Class B16 and C16 Notes to be issued simultaneously with this Tranche | R64,000,000   |

|   |   |
|---|---|
| 50. Required Direct Employees Percentage          | 86%   |
| 51. Required Interest Margin                      | 2.15%   |
| 52. Required Maximum Average Outstanding Balance  | ZAR300,000  |
| 53. Required Weighted Average Current LTV Ratio   | 73%   |
| 54. Required Weighted Average PTI Ratio           | 18%   |
| 55. Required Weighted Average Original LTV Ratio  | 91%   |
| 56. Required Maximum Second Property Percentage   | 8.50%   |
| 57. Required Minimum Payroll Deduction Percentage | 92%   |
| 58. Redemption and Purchases                      | Terms and Conditions related to Redemption and purchases (Condition 7) and Events of Default (Condition 11) are set forth in the Programme Memorandum |

**Responsibility:**

The JSE takes no responsibility for the contents of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the Programme Memorandum, this Applicable Pricing Supplement, or the annual report (as amended or restated from time to time). The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, and the annual report (as amended or restated from time to time), except as otherwise stated herein.

Application is hereby made to list this Tranche of the Notes, as from 22 May 2014, pursuant to the Nqaba Finance 1 (RF) Limited Asset Backed Note Programme.

**Nqaba Finance 1 (RF) Limited (Issuer)**

By: 

Director, duly authorised

Date: 20/5/2014

By: 

Director, duly authorised

Date: 20 MAY 2014