



PRECINCT FUNDING 2 (RF) LIMITED

Investor Report Date **28-Feb-2018** Determination Date: **31-Jan-2018** Interest Payment Date **20-Feb-2018**

Main objective of the programme: To source funding in the Debt Capital markets via the issuance of Floating Rate Notes backed by Commercial Assets.

PROGRAMME INFORMATION

Transaction type:	Commercial Asset Backed Securitisation
Single issue programme:	Yes
Revolving / static securitisation:	Static
Inception date:	2017/03/31
Originator:	Nedbank CIB Property Finance
Servicer:	Nedbank CIB Property Finance
Administrator:	Nedbank CIB Specialised Funding Support
Maximum programme size:	R 3 000 000 000
Reporting period:	31 October 2017 31 January 2018
Rating agency:	Moody's

LIABILITIES

Note Class	Class A1	Class A2	Class A3	Class B	Class C	Class D
	PRE2A1	PRE2A2	PRE2A3	PRE2B1	PRE2C1	PRE2D1
Bond code	ZAG000143157	ZAG000143140	ZAG000143165	ZAG000143173	ZAG000143181	ZAG000143199
ISIN Code	ZAR	ZAR	ZAR	ZAR	ZAR	ZAR
Currency	19.44%	18.06%	48.61%	6.48%	4.63%	2.78%
Initial Tranching	1937/01/20	1937/01/20	1937/01/20	1937/01/20	1937/01/20	1937/01/20
Legal Final Maturity	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Scheduled Maturity / Step Up call Date	4.90	4.90	4.90	4.90	4.90	4.90
Original term	4.06	4.06	4.06	4.06	4.06	4.06
Years to maturity	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20	2022/02/20
Step Up call Date	A2/Aaa.za // Baa1/Aaa.za	A2/Aaa.za // Baa1/Aaa.za	A2/Aaa.za // Baa1/Aaa.za	Ba1/A1.za // Ba1/Aa2.za	B1/Ba1.za // B1/Baa2.za	B2/Ba3.za // B2/Ba1.za
Rating [Original // Current]	20.10%	20.10%	20.10%	14.09%	9.79%	7.22%
Credit Enhancement %	210 000 000	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Initial Notes Aggregate Principal Outstanding Balance	-	-	-	-	-	-
Redemptions per Note	Nil	Nil	Nil	Nil	Nil	Nil
Loss On Tranche	210 000 000	195 000 000	525 000 000	70 000 000	50 000 000	30 000 000
Principal Outstanding Balance End of Period	19.44%	18.06%	48.61%	6.48%	4.63%	2.78%
Current Tranching	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate	Floating Rate
Type of notes	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar	3m Jibar
Reference Rate	1.05%	1.45%	1.80%	2.50%	2.60%	2.70%
Interest Margin (BPS)	7.08%	7.08%	7.08%	7.08%	7.08%	7.08%
Current 3m Jibar Rate	8.13%	8.53%	8.88%	9.58%	9.68%	9.78%
Total Rate	1.420%	1.960%	2.430%	3.380%	3.510%	3.650%
Step up rate (BPS)	92	92	92	92	92	92
Interest Days	4 300 685	4 190 096	11 744 178	1 689 397	1 219 315	739 151
Interest Payment	Nil	Nil	Nil	Nil	Nil	Nil
Cumulative Interest Shortfall	Nil	Nil	Nil	Nil	Nil	Nil
Unpaid Interest (Accrued in Period)	Nil	Nil	Nil	Nil	Nil	Nil

Subordinated loans	Sub loan
Initial Notes Aggregate Principal Outstanding Balance	84 000 000
Redemptions this period	-
Loss taken against the Sub Loans	-
Principal Outstanding Balance End of Period	84 000 000
Unpaid Interest	6 183 058

Liquidity Reserve	Opening Balance	Build-Up	Redemption / Unwind	Closing Balance	Required Level
	75 600 000	-	-	75 600 000	75 600 000

Redraw Reserve	Opening Balance	Further Advances	Deposit	Closing Balance	Target Level
	3 444 760	(24 938 929)	81 787 155	60 292 986	275 000 000

Arrears Reserve	Arrears Reserve Required Amount	Current amount	Unprovided due to Shortage of Funds	Annualised Default Rate	Breach
	-	-	-		N

Principal Redemption Calculation	
Principal Collections	81 787 155
Written off loans	-
Balance on PDL Ledger	-
Potential Redemption Amount	81 787 155

Principal Deficiency	
Total Notes Outstanding	1 164 000 000
Class A1	210 000 000
Class A2	195 000 000
Class A3	525 000 000
Class B	70 000 000
Class C	50 000 000
Class D	30 000 000
Subloans	84 000 000
Redemption of Notes	-
Performing Loan Agreements	1 029 988 107
All loan Agreements	1 029 988 107
Defaulted Loans Agreements	-
Total Reserves	246 602 559
Liquidity Reserve	75 600 000
Arrears Reserve	-
Redraw Reserve	60 292 986
Permitted Investments	110 709 573
Principal Deficiency	-

Principal Deficiency Ledger Reconciliation	
Defaulted Loans	-
Arrears Reserve Provision	-
Revenue Reserves applied in Note Redemption	-
	-

Source of Funds available for Payments	189 754 333
Revenue	
Yield on Commercial Mortgage Assets	25 597 235
Payments from Interest Rate Hedge Provider	-
Reinvestment Income - From GIC Provider	3 325 183
	28 922 418
Principal	
Scheduled Amortisation	29 480 111
Unscheduled Prepayments	52 307 044
Principal Recoveries from Defaulted Assets	-
	81 787 155
Releases from Reserve Funds	
Drawings on Liquidity Reserve Fund	75 600 000
Drawings on Arrears Reserve Fund	-
Drawings on Redraw Reserve Fund	3 444 760
Drawings on Warehouse Reserve Fund	-
Drawing on Permitted Investments	-
	79 044 760

Combined Revenue & Principle Ledger Application of Funds	(189 754 333)
Senior Fees and Expenses	(448 805)
Liquidity Facility Interest & Fees	-
Swap Payments	(111 980)
Interest on A Notes	(20 234 959)
Interest on B, C and D Notes	(3 647 863)
Liquidity Provider / Liquidity Reserve Fund	(75 600 000)
Build Up/Replenishment of Arrears Reserve Fund	-
Build Up/Replenishment of Redraw Reserve	(60 292 986)
Further Advances	(24 938 929)
Principal on redeeming notes	-
Derivative termination Amounts	-
Additional Issuer Expenses	(133 496)
Interest and Principal on Sub Loan	(4 345 315)
Dividends on Preference shares	-
Permitted Investments	-

Credit Enhancement							
Credit Enhancement available	Yes						
Available to each noteholder	Yes						
Provider	Nedbank Ltd						
Credit rating of provider	Baa3/P3						
Details of credit enhancement	Subordinated notes						
Credit enhancement limit	None						
Current value of credit enhancement		Class A1	Class A2	Class A3	Class B	Class C	Class D
	Value	954 000 000	759 000 000	234 000 000	164 000 000	114 000 000	84 000 000
	% of notes outstanding	20%	17%	15%	49%	70%	100%
Credit enhancement committed and not drawn	None						

SWAP Information	
SWAP Provider	Nedbank
Moody's Rating of Provider	Baa3/P3
Counterparty Rating Trigger	Ba3/P3
Type of Swap	Basis (Prime for Jibar)
Notional Balance	942 376 489
Margin	3.142%
SWAP Calculation:	
Interest Paid	-17 892 960
Interest Received	17 809 889
Rate Paid	-7.11%
Rate Received	7.08%

Excess Spread Calculation	Amount	% of Outstanding Notes
Interest received on Mortgages	25 597 235	2.20%
Interest received on Cash Reserves	3 325 183	0.29%
Swap	-	0.00%
Senior Expenses	(448 805)	-0.04%
Note Interest	(23 882 822)	-2.05%
Net excess spread after Senior Expenses	4 590 791	0.39%

Repayment Statistics	
Mortgage repayment level for the period	7.94%
Annualised repayment profile	31.50%

ASSETS

PORTFOLIO INFORMATION

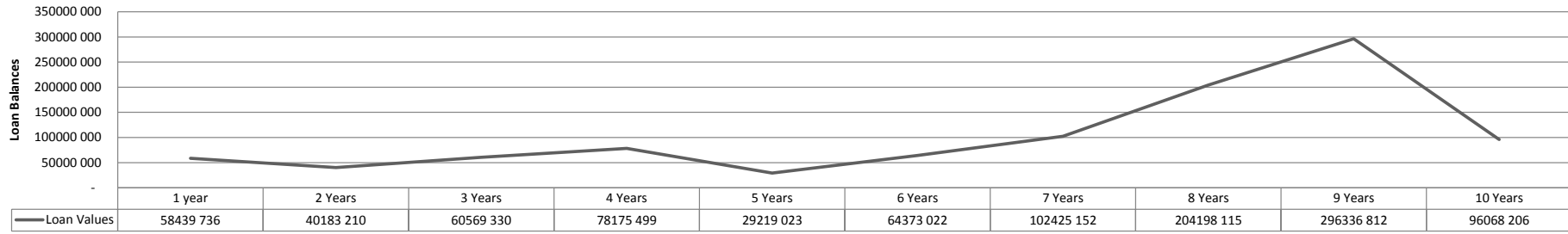
Type of underlying assets: Commercial Mortgage Loans

Balances - At Closing		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	2 547 324 500							
Weighted Average			0%	55%	2.2	-0.34%	10.16%	85
Average	16 982 163	0.7%	0%	49%	2.0	-0.34%	10.16%	83
Max	108 015 445	4.2%	0%	80%	17.6	2.54%	13.04%	130
Min	670 757	0.0%	0%	5%	0.4	-1.75%	8.75%	14
# loans	150							
# Properties	223							
# Borrowers	127							

Balances - At Previous Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	1 086 550 139							
Weighted Average			45%	45%	2.2	-0.39%	9.86%	68
Average	10 348 097	1.0%	42%	43%	2.0	-0.37%	9.88%	73
Max	23 422 879	2.16%	77%	77%	34.1	1.38%	11.63%	116
Min	63 386	0.0%	5%	5%	0.9	-1.75%	8.50%	1
# loans	105							
# Properties	153							
# Borrowers	88							

Balances - At Reporting Date		Concentration	OLTV	CLTV	DSCR	Margin to Prime	Current Rate	Time to maturity
Total	1 029 988 107							
Weighted Average			45%	44%	1.6	-0.40%	9.85%	67
Average	9 809 411	1.0%	43%	42%	1.5	-0.36%	9.89%	72
Max	22 924 036	2.23%	77%	77%	5.3	1.38%	11.63%	117
Min	(66 896)	0.0%	5%	4%	0.7	-1.75%	8.50%	5
# loans	105							
# Properties	153							
# Borrowers	86							

Maturity Analysis



Reconciliation of the movement during the period		Current	Amount	Limit	Available
Total Pool at Beginning of Period	Oct 2017	1 086 550 139			
Payments					
Scheduled repayments		(55 077 346)			
Unscheduled repayments		(52 307 044)			
Settlements		-			
Foreclosure Proceeds		-			
Total Collections		(107 384 390)			
Disbursements					
Acquisitions		-			
Redraws or Prepayments		-			
Re-advances of Repayments		-	275 000 000	25%	229 663 502
Further Advances		24 938 929			
Total Disbursements		24 938 929			
Interest and Fees					
Interest Charged		25 597 235			
Fees Charged		286 194			
Insurance Charged		-			
Total Charges		25 883 429			
Other Non Cash Movements					
Non eligible loans removed		-			
Substitutions: Loans transferred in		-			
Substitutions: Loans transferred out		-			
Repurchased loans/Originator buy backs		-	110 000 000	10%	110 000 000
Other movement		-			
Total Other Cash Movements		-			
Total Pool at End of Period	Jan 2018	1 029 988 107			

Accounts in Arrears:				
Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Current	-	100.00%	1 029 988 107	100.00%
1-30 days delinquent	-	0.00%	-	0.00%
31-60 days delinquent	-	0.00%	-	0.00%
61-90 days delinquent	-	0.00%	-	0.00%
91-120 days delinquent	-	0.00%	-	0.00%
121 plus	-	0.00%	-	0.00%
Total	-	100.00%	1 029 988 107	100.00%

Analysis of Defaulted Loans					
	Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Opening		-	0.00%	-	0.00%
New		-	0.00%	-	0.00%
Recovered		-	0.00%	-	0.00%
Moved to Legal		-	0.00%	-	0.00%
Closing		-	0.00%	-	0.00%

Legal					
	Arrears Status	Number of Loans	% of Loans	Outstanding Balance	% of Balance
Opening		-	0.00%	-	0.00%
New entries		-	0.00%	-	0.00%
Recovered		-	0.00%	-	0.00%
Foreclosed		-	0.00%	-	0.00%
Closing		-	0.00%	-	0.00%
Net Movement		-	0.00%	-	0.00%
Recovered % of legal defaults		-	0.00%	-	0.00%

Defaults / Foreclosures / Losses / Recoveries:	Number	Rand Value
Defaults at the end the period	-	-
Cumulative Defaults since closing	-	-
Foreclosures at the end of the period	-	-
Cumulative foreclosures since closing	-	-
Losses at the end of the period	-	-
Cumulative Losses since closing	-	-
Recoveries at the end of the period	-	-
Cumulative Recoveries since closing	-	-

Largest Exposures	Loan Amount	Concentration	DSCR	CLTV
1	37 676 605	3.66%	3.1	32%
2	33 611 354	3.26%	0.9	62%
3	31 595 432	3.07%	1.1	59%
4	24 305 046	2.36%	2.0	35%
5	22 924 036	2.23%	2.0	24%
6	22 553 242	2.19%	1.5	67%
7	22 265 567	2.16%	2.4	23%
8	22 223 764	2.16%	2.6	49%
9	22 022 125	2.14%	1.1	26%
10	21 644 010	2.10%	1.2	77%
11	20 774 443	2.02%	1.0	58%
12	20 087 233	1.95%	1.4	60%
13	19 500 906	1.89%	1.2	56%
14	18 293 471	1.78%	1.7	59%
15	18 288 847	1.78%	1.1	53%
16	16 801 477	1.63%	1.1	60%
17	16 287 211	1.58%	3.0	18%
18	15 323 793	1.49%	4.2	4%
19	15 230 269	1.48%	1.7	35%
20	15 101 390	1.47%	1.8	29%

Region	OMV	%
KwaZulu Natal	636 300 000	20%
Western Cape	788 580 000	25%
Gauteng	1 199 225 000	38%
Other	498 650 000	16%
	3 122 755 000	100%

Property Type	Name	Type	OMV	%
1	Office	A1	877 660 000	28%
2	Industrial	I1	221 200 000	7%
3	Warehouse	I2	585 250 000	19%
4	Retail	M1	805 480 000	26%
5	Other	M2	633 165 000	20%
			3 122 755 000	100%

TRIGGERS AND PORTFOLIO COVENANTS

Interest Deferral Triggers				Breached
Class B Interest Deferral Event				No
Class D Interest Deferral Event				No
Class C Interest Deferral Event				No
Counterparty Required Rating				
Swap Provider				No
Account Bank				No
Servicer				No
Liquidity Provider				No
Permitted Investments				No
GIC Provider				
Portfolio Covenants	Required level	Current Level		
WDSCR	1.00	1.57	No	
WACLTV	60%	44%	No	
WA Interest Rate	1.00%	0.40%	No	
Single Loan	5.00%	3.66%	No	
Bullet Loans > 50%	50%	20%	No	
Herfindahl Index	75%	123%	No	
Property Regional Covenant				
- Gauteng	60%	38%	No	
- Western Cape	40%	25%	No	
- KZN	30%	20%	No	
- Other Regions	15%	16%	Yes	
Property Useage Covenant				
- Office	40%	28%	No	
- Shopping Malls and Retail	40%	26%	No	
- Warehouse	30%	7%	No	
- Industrial	30%	19%	No	
- Other Property	20%	20%	Yes	

Portfolio Changes

	Utilisation	Limit	Available Amount
Redraws / Re-advances	45 336 498	275 000 000	229 663 502
Repurchases	-	110 000 000	110 000 000

Contact Details:**Servicer**

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