

JANUARY/FEBRUARY 2005



THE THEKWINI FUND 5 (PTY) LTD SECURITISATION

Roadshow Investor Presentation

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Overview

Summary

- 5th securitisation of residential Home Loans originated by SA Home Loans since 2001
- Key origination developments:
 - Robust growth in origination business
 - Maintenance of prudent credit origination criteria
 - New Home Loan registrations reached R1 billion per month in 2004; and
 - Total Home Loan book with pipeline stands at R18.3 billion
- Key securitisation developments:
 - Thekwini 1 through 4 performing above expectations
 - Thekwini 1 Class B Notes upgraded to A2.za in May 2004

Transaction Structure

- Thekwini Fund 5 (Pty) Limited summary:
 - Origination and eligibility credit criteria in line with Thekwini 4
 - Dual rating from Moody's and Fitch
 - International RMBS structural criteria applied
 - Indicative tranching:
 - [94.5]% rated Aaa.za/AAA(zaf), divided as follows:
 - [•]% A1 - FRN (normal pay)
 - [•]% A2 - FRN (slow pay)
 - [•]% A3 - fixed rate
 - [3.5]% B - FRN rated A1.za/A(zaf)
 - [2.0]% C - FRN rated Baa2.za/BBB(zaf)

Deal timetable

Roadshow	
Cape Town	Thu & Fri (Jan 27 & 28)
Johannesburg & Pretoria	Mon & Tue (Jan 31 & Feb 1)
Bookbuild	Mon (Feb 7)
Settlement and JIBAR/fixed rate fix	Mon (Feb 21) *

* Long settlement to match interest reset date of the Initial Home Loan pool

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Indicative terms

Key terms

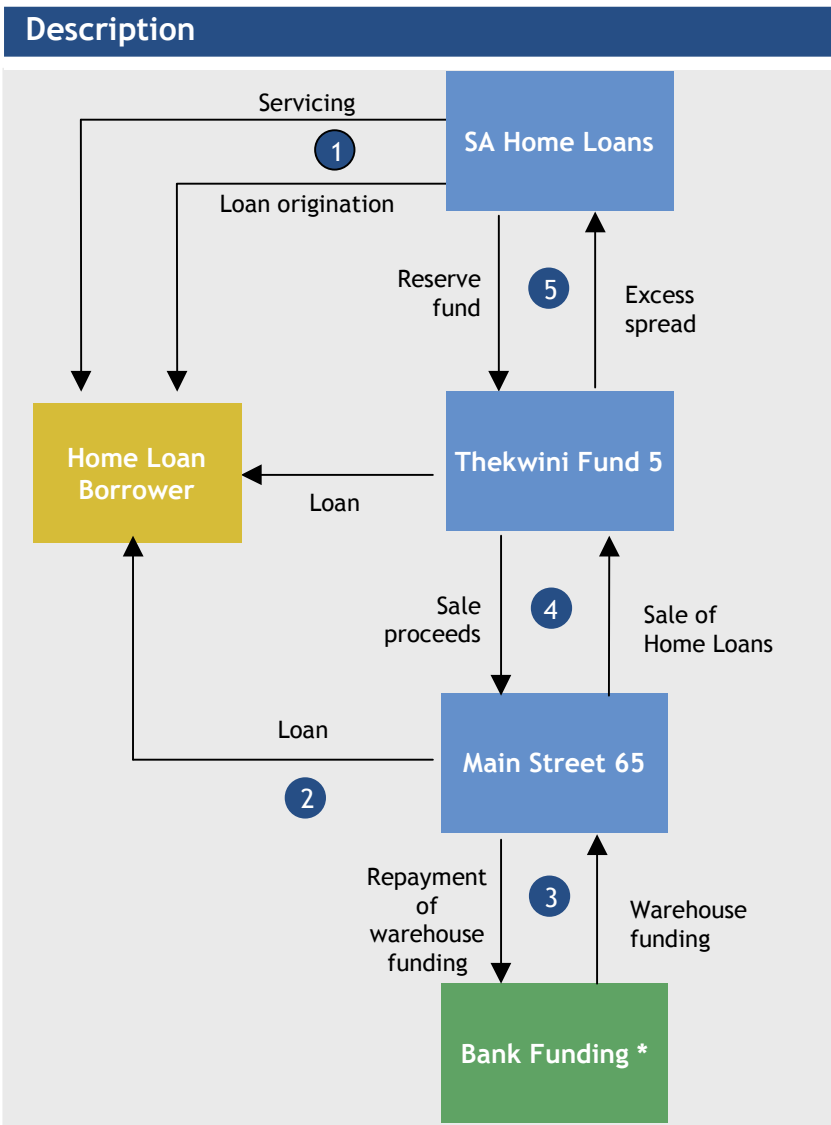
Details

Transaction	Residential Mortgage-backed Securitisation
Issuer	The Thekwini Fund 5 (Pty) Limited
Servicer	SA Home Loans
Standby Servicer	Standard Bank
Indicative size	R[2.5]bn to R[3]bn
Collateral	Residential Loans on SA properties

Tranching of the Notes	Class A1	Class A2	Class A3	Class B	Class C
Ratings Moody's/Fitch	Aaa.za/AAA(zaf)	Aaa.za/AAA(zaf)	Aaa.za/AAA(zaf)	A1.za/A(zaf)	Baa2.za/BBB(zaf)
Tranche size	[•]%*	[•]%*	[•]%*	[3.5]%	[2.0]%
Coupon	3M JIBAR +[36]bps	3M JIBAR +[36]bps	[8.44]%	3M JIBAR +[95]bps	3M JIBAR +[200]bps
Frequency (in arrears)	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Post step-up coupon	3M JIBAR +[75]bps	3M JIBAR +[75]bps	3M JIBAR +[75]bps	3M JIBAR +[150]bps	3M JIBAR +[250]bps
Step-up and call date	21 February 2010	21 February 2010	21 February 2010	21 February 2010	21 February 2010
Clean-up Call	≤ 20% of original principal outstanding	≤ 20% of original principal outstanding	≤ 20% of original principal outstanding	≤ 20% of original principal outstanding	≤ 20% of original principal outstanding
Legal Maturity	21 February 2030	21 February 2030	21 February 2030	21 February 2030	21 February 2030
Listing	BESA	BESA	BESA	BESA	BESA

* Class A1, A2 and A3 Notes together represent [94.5]% of the Notes outstanding

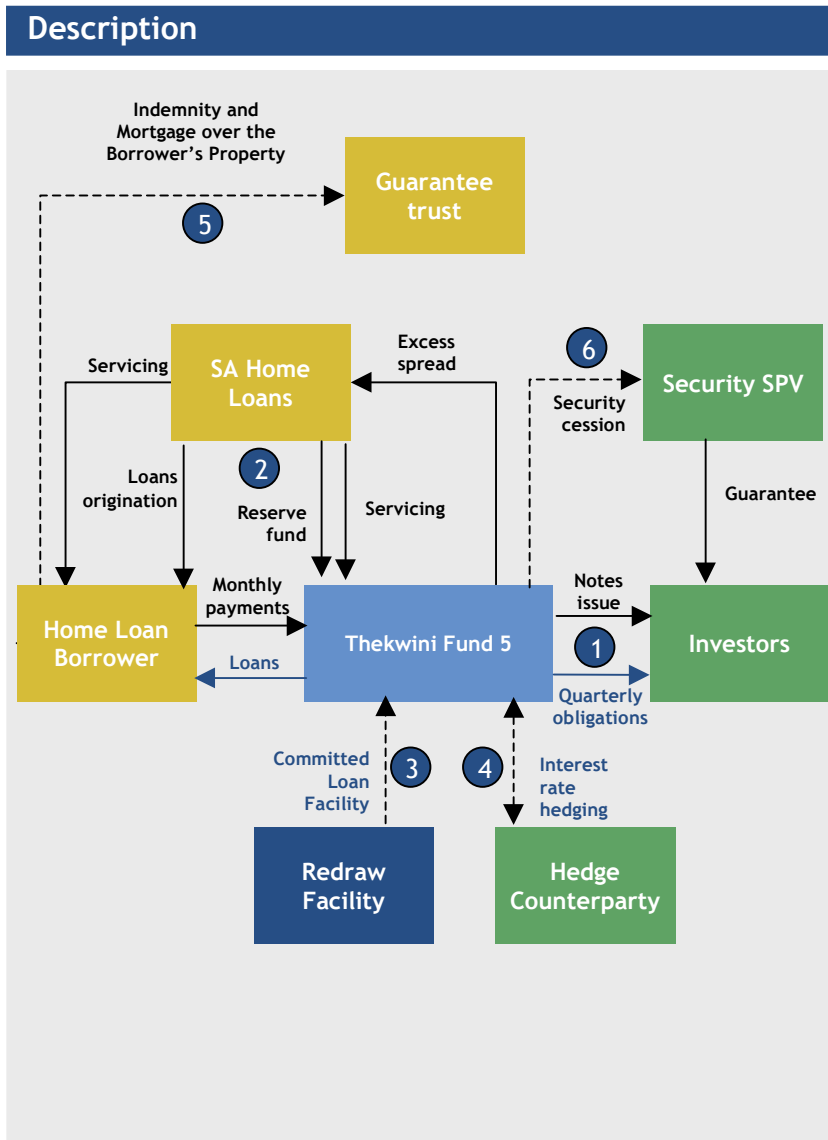
Home Loan origination structure



- ### Comments
- SA Home Loans originates Home Loans through its call centre and national network of consultants
 - Home Loan applications are screened against credit policies by SA Home Loans, and those approved are funded
 - SA Home Loans acts as Servicer of the mortgage pool
 - Prior to securitisation, funding is provided by, and Home Loans are warehoused in, a ringfenced SPV, Main Street 65 (Pty) Limited
 - Funding for Main Street 65 (Pty) Ltd, is provided by bank credit lines, and during 2005 this will be supplemented by funding from a new single-class multi-seller conduit to be established by SA Home Loans
 - At the time of securitisation, Home Loans will be sold from Main Street 65 (Pty) Limited to The Thekwini Fund 5 (Pty) Limited
 - SA Home Loans provides the Reserve Fund for The Thekwini Fund 5 (Pty) Limited

* Funding also to be done through single-class multi-seller conduit from April 2005

Thekwini 5 - transaction structure

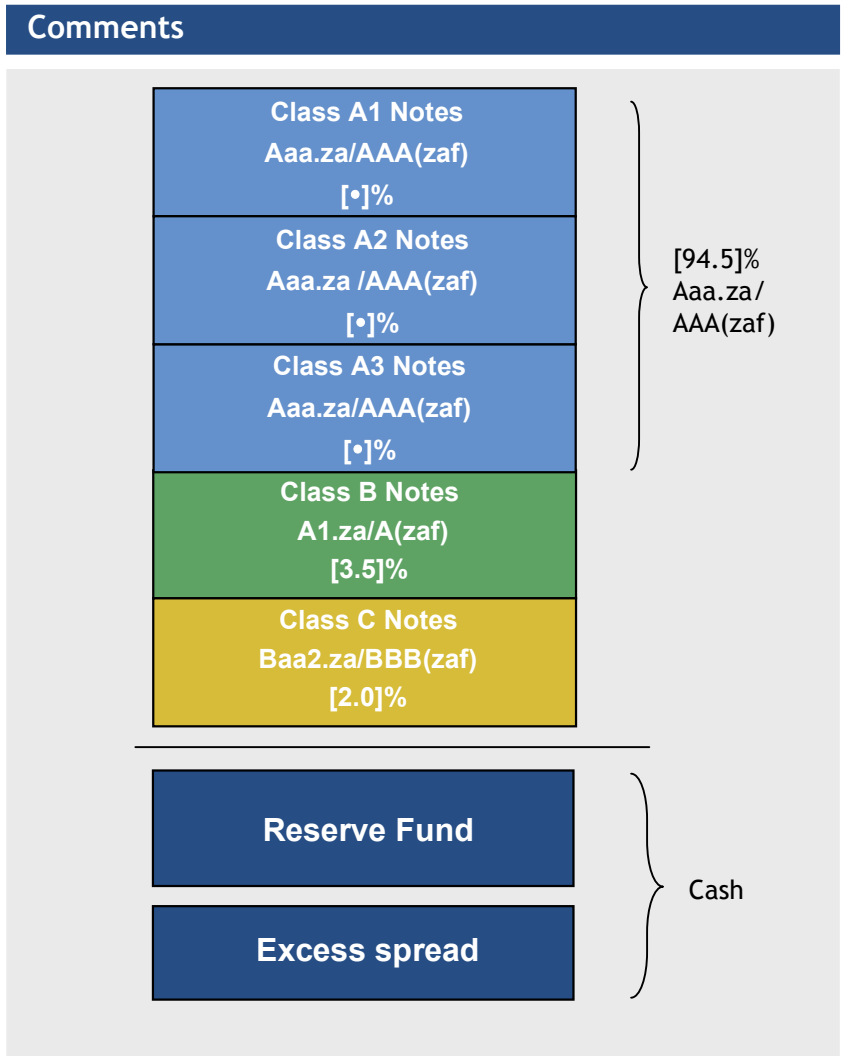


Comments

1. The Thekwini Fund 5 (Pty) Limited funds the Home Loans through the issuance of Notes to investors
 - During the substitution period of 2.5 years, The Thekwini Fund 5 (Pty) Limited can purchase Additional Home Loans from SA Home Loans
2. SA Home Loans continues to act as Servicer of the mortgage pool, provides the Reserve Fund and receives any excess spread
3. A Redraw Facility equal to [3.5%] of the initial amount of the Notes is provided by JPMorgan to cover redraw requests by homeowners
4. An interest rate swap is entered into in respect of the fixed rate Notes with a bank
5. The Guarantee Trust holds the indemnity and mortgage bond over the homeowner's property
6. The Security SPV holds the security for the benefit of Noteholders

Credit structure: summary

TRANSACTION STRUCTURE



- | Description |
|---|
| <ul style="list-style-type: none"> ■ The Thekwini Fund 5 (Pty) Limited Notes are supported by a credit structure incorporating: <ul style="list-style-type: none"> ■ Excess spread ■ Reserve Fund (sized as a percentage of total Notes issued) ■ Subordination
 ■ Reserve Fund - [0.5]% rising to [0.8]% within 12 months reducing to [0.5]% after 36 months <ul style="list-style-type: none"> ■ Build up of Reserve Fund through capital injections from SA Home Loans or excess spread ■ Reduction of Reserve Fund after 36 months is subject to the satisfaction of certain conditions |

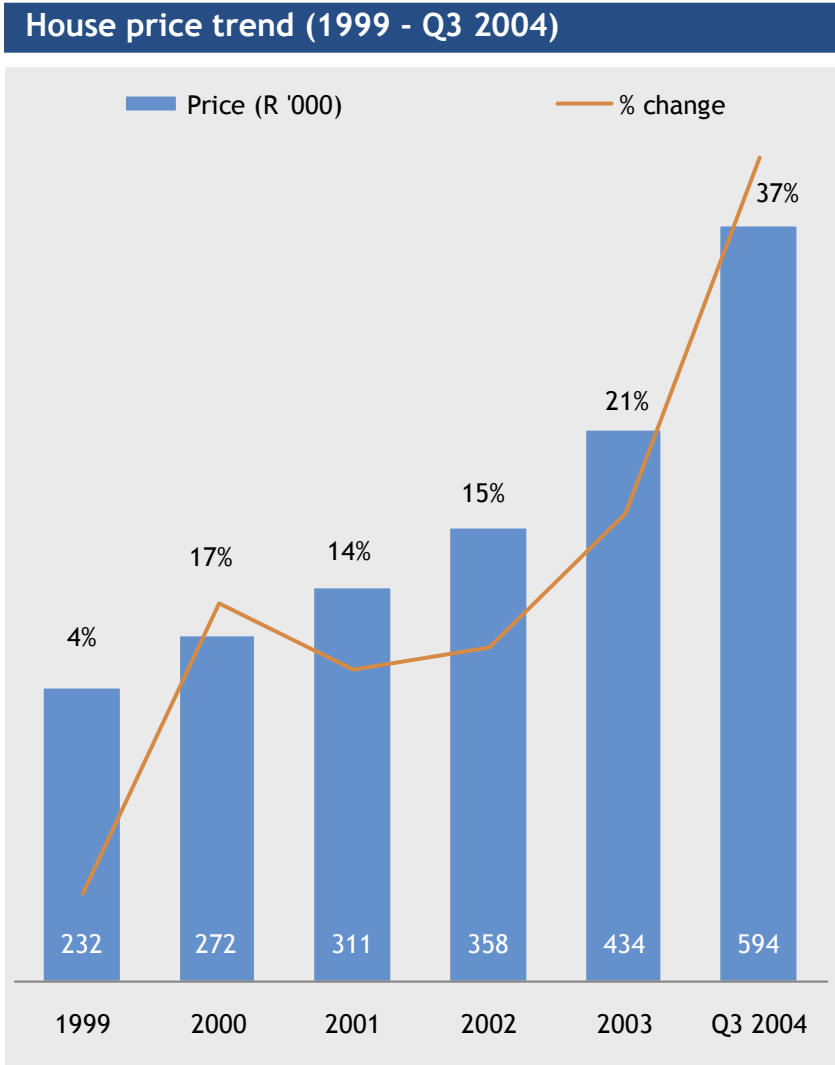
In addition to the credit enhancement, investors also receive protection from other structural features

- Arrears Trigger
 - Cash is trapped in accordance with the Priority of Payments if the Principal Balance of Home Loans which are 3 or more months (5 or more months for subsidy accounts) in arrears exceeds 0.60%
- Redraw Trigger
 - If the Arrears Trigger test reaches 1.20%, then the Issuer ceases purchasing Redraws and Further Advances
- Prepayment Trigger
 - If high levels of principal prepayment persist, resulting in Class B and C Notes representing more than double their original percentage as a proportion of the deal, then Class A, B and C Notes are redeemed pro rata and pari passu
 - Protects excess spread
- Interest rate protection
 - Thekwini will hedge the difference in rate settings on the mortgage and Notes

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The South African Home Loan market



Source: ABSA: Economic Perspective—4Q2004

Research comments

"Nominal house price growth of more than 32% on average is projected for [calendar year] 2004. This momentum is expected to continue into 2005 and growth of around 20% in house prices is projected for next year. With interest rates forecast to remain stable in 2005, the affordability of housing will be under pressure, which will eventually impact on the demand for housing and lead to lower growth in house prices."

ABSA: Property Trends
December 2004

"The first edition of the FNB Residential Property Barometer indicates that while real estate professionals are slightly more cautious, the boom continues nonetheless. This may be influenced by seasonality, however, there appears to be some indication that the property market is stabilising."

FNB Residential Property Barometer 3Q2004

"House prices continue to be supported by healthy consumer fundamentals and affordability. Despite a rise since the end of 2002, South Africa's debt to income ratio is still relatively low, which means that households still have scope to increase their debt and finance more expensive houses. This is echoed by indices of housing affordability, which is still low relative to historical values."

Standard Bank Residential Property Note October
2004

Key loan pool stratification

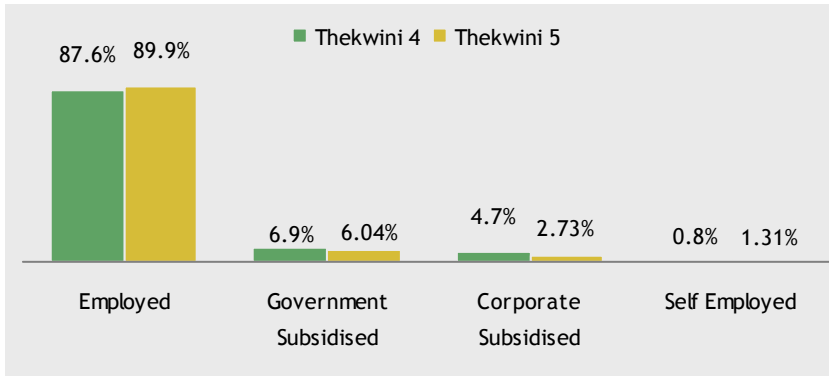
The Thekwini Fund 5 (Pty) Limited

Total number of loans	[8,281]
Margin over JIBAR	[2.100]%
Aggregate current balance	[R2,495,029,090.07]
Average current balance	[R301,295.63]
Weighted average loan to value	[62.88]%
Weighted average payment to income	[17.06]%
Aggregate potential redraw amount	[R78,375,365.11]
Weighted average seasoning	[4 months]
Weighted average maturity	[19 years]

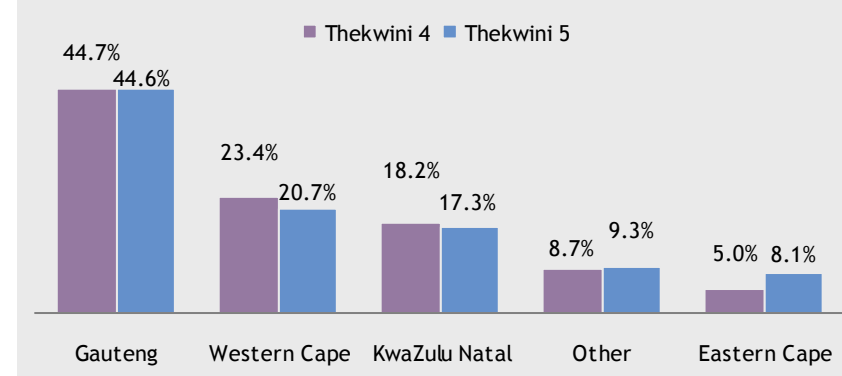
Source: SA Home Loans

The Thekwini Fund 5 (Pty) Limited home loan pool details

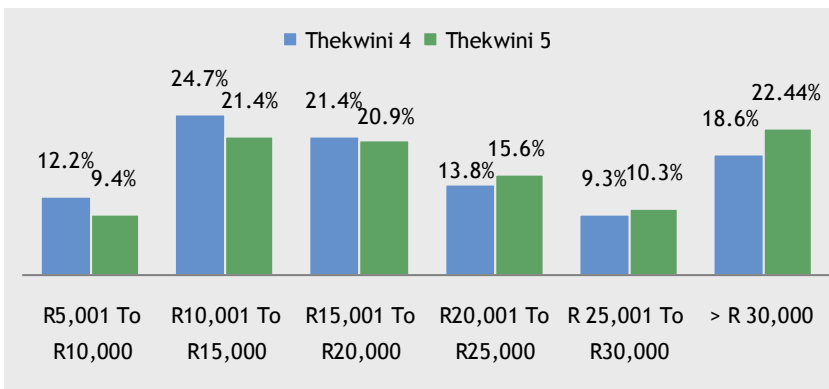
Employment type



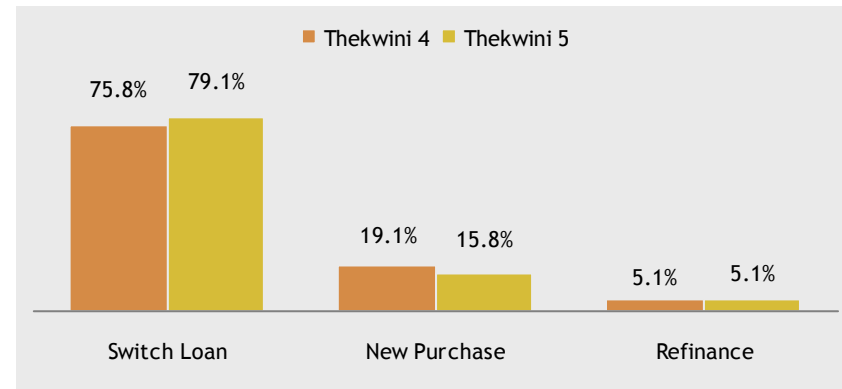
Geographical split



Household income



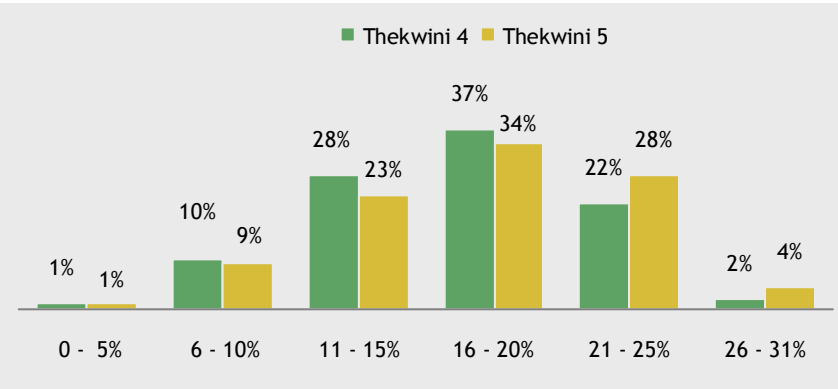
Purpose



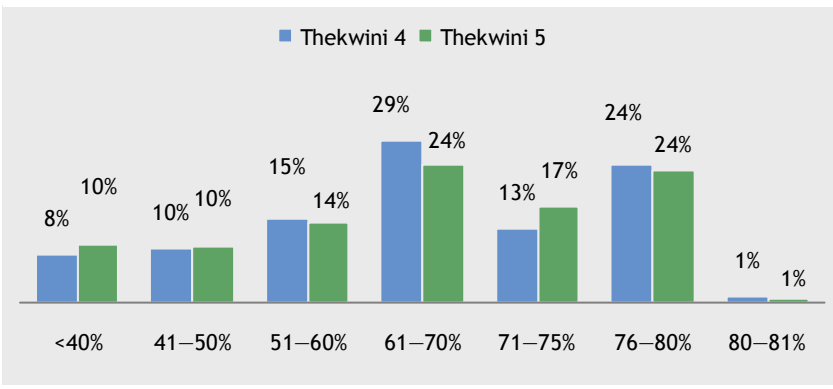
Source: SA Home Loans
Comparison to Thekwini 4 at Issue Date

The Thekwini Fund 5 (Pty) Limited home loan pool details (cont'd)

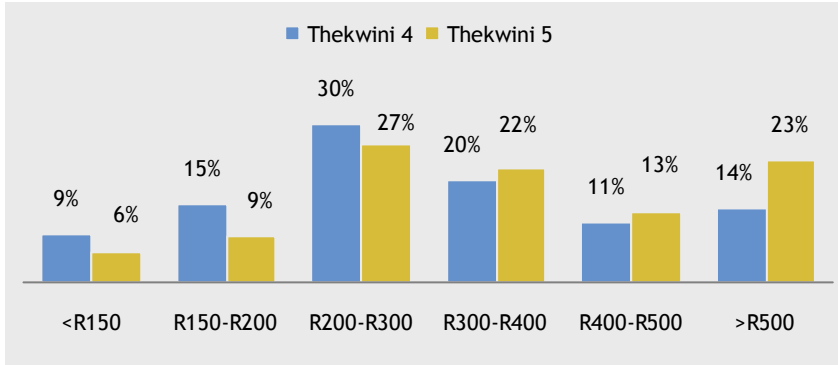
Payment to income



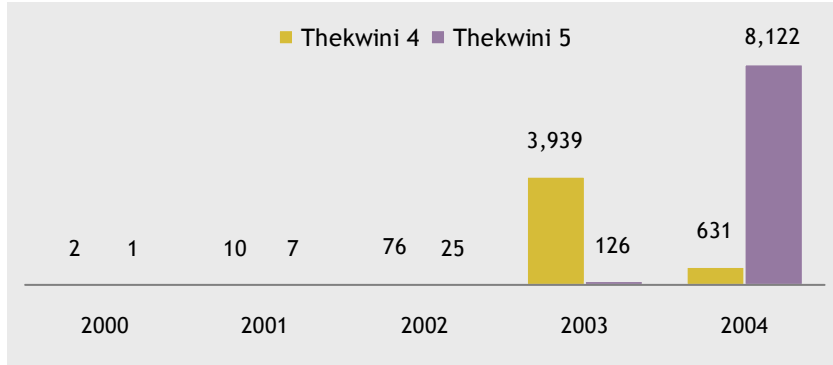
Loan-to-value



Home Loan size (thousands of Rands)



Year of origination



Source: SA Home Loans
Comparison to Thekwini 4 at Issue Date

MORTGAGE POOL STATISTICS

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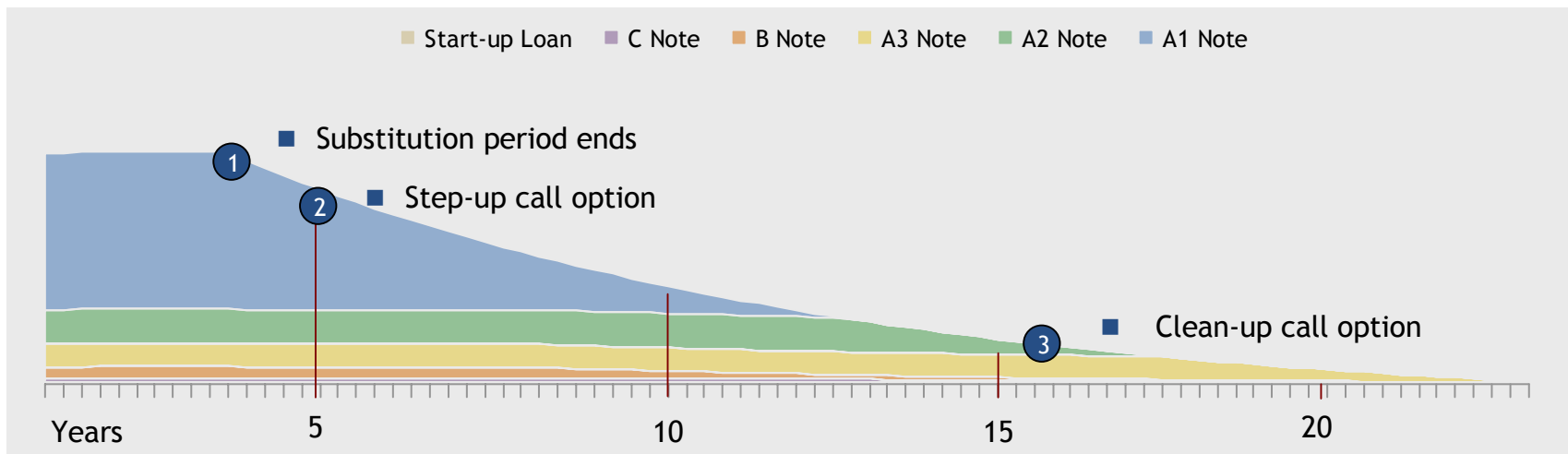
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Expected final redemption and sensitivity of average life

Estimated Average Lives of the Notes ¹ (assume Notes called at step up date)			
Class	CPR 8%	CPR 12%	CPR 16%
A1	[4.61] years	[4.44] years	[4.26] years
A2	[5.00] years	[5.00] years	[5.00] years
A3	[5.00] years	[5.00] years	[5.00] years
B	[5.00] years	[5.00] years	[5.00] years
C	[5.00] years	[5.00] years	[5.00] years

¹ The Estimated Average Lives of the Notes depend on a number of assumptions amongst which the size of the classes A1, A2 and A3

Illustration² of amortisation profile



² This graph only demonstrates the principle of the amortisation profile and does not reference the underlying portfolio

Time control features built into the transaction

■ Pre-funding period

- Approved Home Loans, after disbursement and if eligible, will be purchased by The Thekwini 5 (Pty) Limited until (but excluding) the second Interest Payment Date

■ Substitution period

- Approved Home Loans, after disbursement and if eligible, will be purchased by The Thekwini 5 (Pty) Limited until 21st August 2007

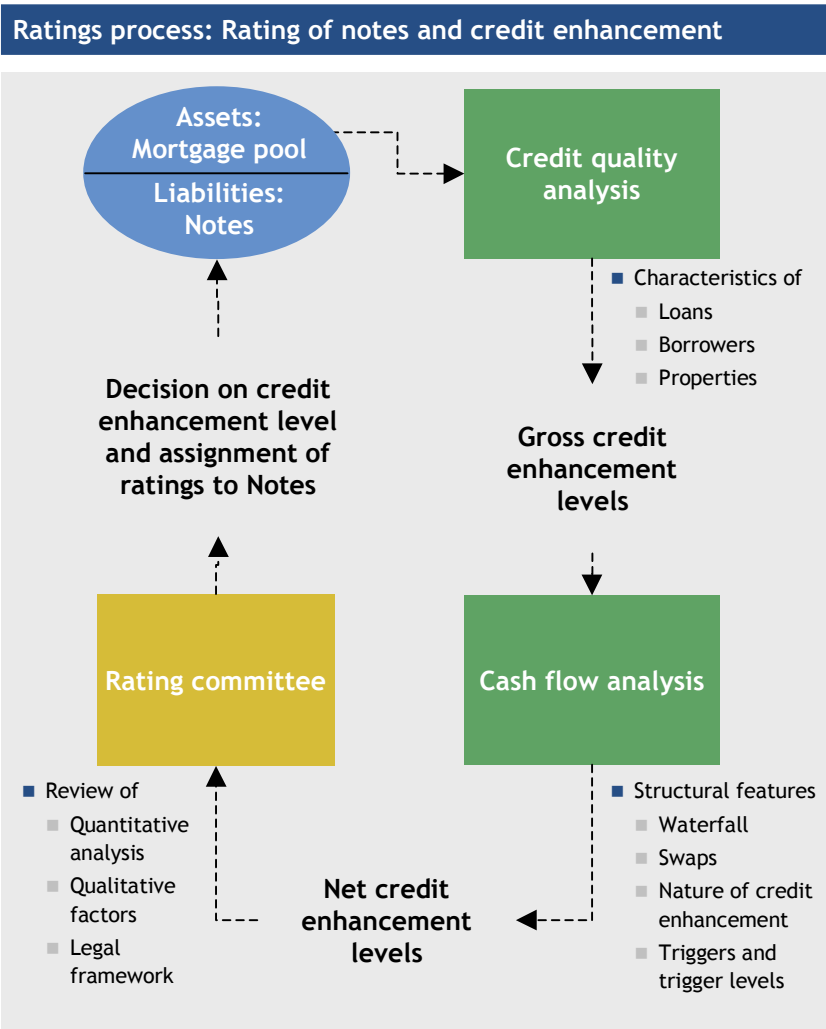
■ Step-up call

- Thekwini has the option to call the Notes quarterly beginning 21 February 2010
 - All Note classes must be called in their entirety, simultaneously
- Incentives have been built into the structure, which makes it economically attractive for SA Home Loans/Thekwini to exercise the call option in year 5. **If the deal is not called:**
 - Loss of subordinated servicing fee for SA Home Loans
 - Excess spread paid to Noteholders *pro rata* and *pari passu*, instead of to SA Home Loans, as a return of principal after the call date
 - SA Home Loans' access to its investment in the Reserve Fund is delayed
 - SA Home Loans' reputation and access to investor funds will be severely impaired in the future
 - The coupons on the Notes will step-up to
 - Class A1, A2 and A3: 3M JIBAR +[75]bps
 - Class B: 3M JIBAR +[150] bps
 - Class C: 3M JIBAR +[250] bps

■ Clean-up call

- The transaction may be called on any Interest Payment Date occurring on or after the date on which the aggregate principal amount of Notes outstanding is equal to or less than 20% of the aggregate issue amount of the Notes
 - If exercised, all Note classes must be called in their entirety

More efficient capital structure for The Thekwini 5 (Pty) Limited despite more conservative rating methodologies



² Source: "Moody's approach to Rating South African RMBS", April 20, 2004

³ Source: JPMorgan

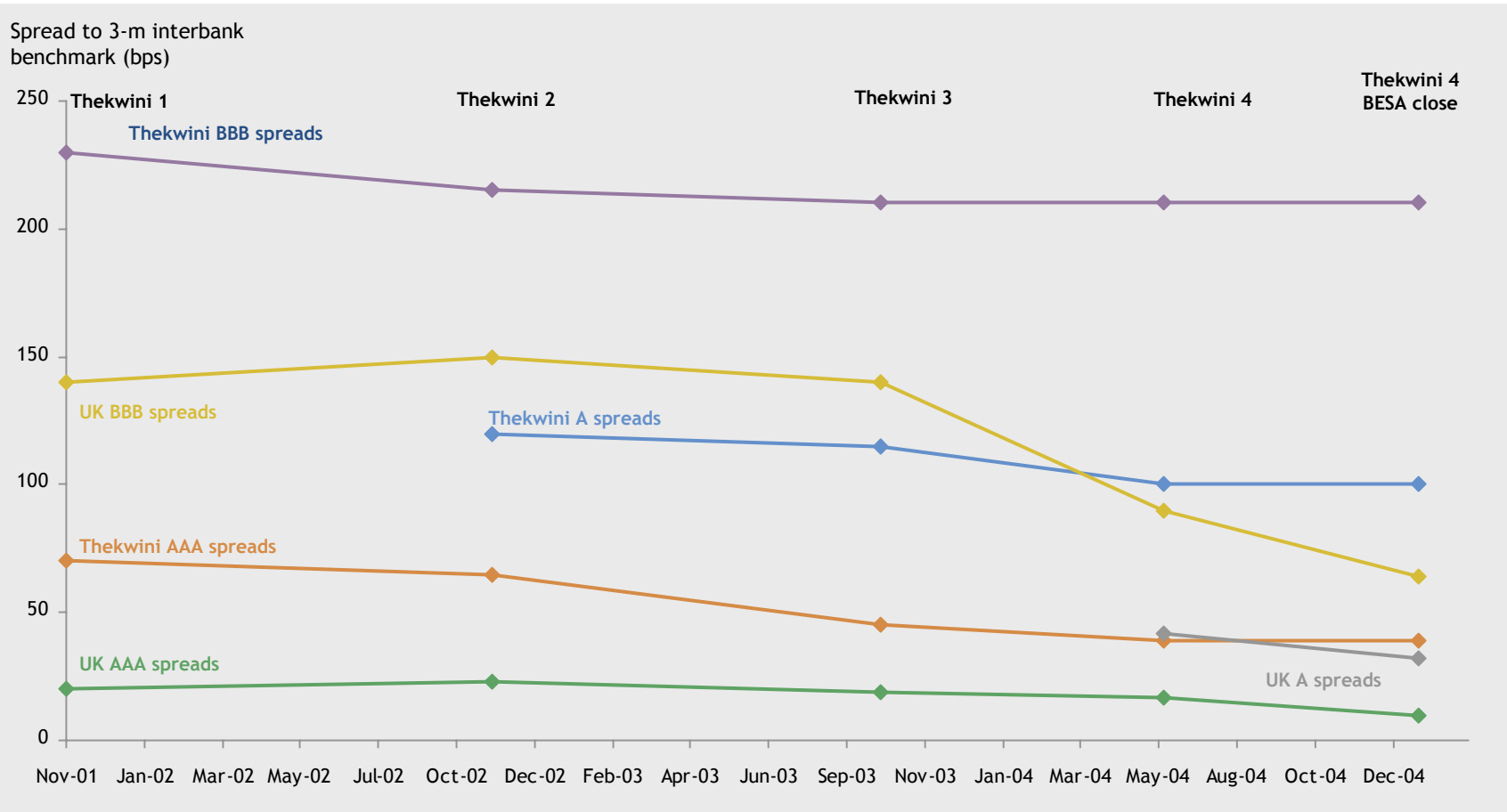
- The rating process for South African RMBS of both Moody's and Fitch is in line with their approach to RMBS transactions in major European RMBS markets
- Both agencies adjust their credit analysis to take into account elements specific to the South African market
 - Based on historical performance of South African transactions
 - Other available market data (house price evolution, interest rates, etc.)
- Moody's updated their rating methodology in 2004²
 - The credit analysis is now more conservative than in previous loan-by-loan models
 - Higher stress tests for investment properties, seasoning and type of property
- Fitch adjusted their rating methodology in January 2005³
 - The Thekwini Fund 5 (Pty) Limited is the first transaction to be rated under the revised methodology
 - Fitch increased stress tests for market value declines
 - The adjustment is meant to reflect recent rise in property prices

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Thekwini spreads are still cheap relative to international peers

Thekwini versus UK RMBS spreads: 2001–2005



Source: BESA, JPMorgan; Standard Bank

PRICING RELATIVE VALUES

Relative value - recent transactions

High credit quality capital market transactions on an asset swapped basis launched in FY2004

Class	Rating	Indicative Pricing (at launch)	Indicative Pricing (current)
Thekwini 4	AAA	JIBAR + 0.39%	JIBAR + 0.39%
Auto Loan Investments III ¹	AAA	JIBAR + 0.37%	JIBAR + 0.37%
Auto Loan Investments IV ²	AAA	JIBAR + 0.35%	JIBAR + 0.35%

¹ Originator: BMW Financial Services (Pty) Limited; auto lease securitisation; launched August 2004; comparable is Class A3 tranche due 2009

² Originator: BMW Financial Services (Pty) Limited; auto lease securitisation; launched December 2004; Direct comparable is Class A4 tranche due 2010

Source: Bond Exchange of South Africa

Relative value - indicative pricing for Thekwini 5

Class	%	Rating	Indicative Pricing
A1 Notes	[•]%	AAA(zaf)/Aaa.za	3M JIBAR + [0.36]%
A2 Notes	[•]%	AAA(zaf)/Aaa.za	3M JIBAR + [0.36]%
A3 Notes	[•]%	AAA(zaf)/Aaa.za	[8.44]%
B Notes	[3.5]%	A(zaf)/A1.za	3M JIBAR + [0.95]%
C Notes	[2.0]%	BBB(zaf)/Baa2.za	3M JIBAR + [2.00]%

Source: SA Home Loans

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Issuance process

- Roadshow: January 27 to February 1, 2005
- Launch and price on Monday, February 7
- Bookbuild method - bonds will be allocated at a single clearing spread
- Settlement on February 21, 2005 to coincide with the interest reset date on the Initial Home Loan pool