

HOME OBLIGORS MORTGAGE ENHANCED SECURITIES (PROPRIETARY) LIMITED (Series 1)

(Private company incorporated in the Republic of South Africa under number 2006/007171/07)

Investor report dated 31 July 2008

Determination date as at 30 June 2008

Salient information

Asset class	Residential mortgage backed home loans		
Transaction parties			
- Series manager	Absa Capital (division of Absa Bank Ltd)	- Swap counterparty	Absa Capital (division of Absa Bank Ltd)
- Servicer	Absa Home Loans (division of Absa Bank Ltd)	- Liquidity facility provider	Rand Merchant Bank (division of Firststrand Bank Ltd)
- Rating agencies	Fitch Ratings, Moody's Investor Services and Standard & Poor's	- Redraw facility provider	Rand Merchant Bank (division of Firststrand Bank Ltd)

Notes in Issue

Issue date	20 Aug 2007
Interest payment dates	19th day of Jan, Apr, Jul and Oct

Class	Amount	Rating	ISIN number	BESA stock code	Issue margin	Issue date	Scheduled maturity	Legal maturity
B1	852,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043266	HMS1B1	+45 bps	20-Aug-07	19-Jul-10	19-Jul-43
B2	670,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043274	HMS1B2	+50 bps	20-Aug-07	19-Jul-12	19-Jul-45
B3	600,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043282	HMS1B3	+50 bps	20-Aug-07	19-Jul-12	19-Jul-45
B4	396,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043290	HMS1B4	10.61% Nacs	20-Aug-07	19-Jul-10	19-Jul-43
B5	219,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043308	HMS1B5	10.43% Nacs	20-Aug-07	19-Jul-12	19-Jul-45
B6	44,000,000	AAA(zaf), Aaa.za, zaAAA	ZAG000043316	HMS1B6	10.29% Nacs	20-Aug-07	19-Jul-12	19-Jul-45
C1	106,000,000	AA(zaf), Aa1.za	ZAG000043324	HMS1C1	+64 bps	20-Aug-07	19-Jul-10	19-Jul-43
C2	130,000,000	AA(zaf), Aa1.za	ZAG000043332	HMS1C2	+74 bps	20-Aug-07	19-Jul-12	19-Jul-45
D1	60,000,000	A(zaf), Aa2.za	ZAG000043340	HMS1D1	+100 bps	20-Aug-07	19-Jul-10	19-Jul-43
D2	73,000,000	A(zaf), Aa2.za	ZAG000043357	HMS1D2	+105 bps	20-Aug-07	19-Jul-12	19-Jul-45
E1	34,000,000	BBB(zaf), A3.za	ZAG000043365	HMS1E1	+200 bps	20-Aug-07	19-Jul-10	19-Jul-43
E2	41,000,000	BBB(zaf), A3.za	ZAG000043373	HMS1E2	+215 bps	20-Aug-07	19-Jul-12	19-Jul-45
F1	15,000,000	BB(zaf), Baa1.za	ZAG000043381	HMS1F1	+300 bps	20-Aug-07	19-Jul-10	19-Jul-43
F2	19,000,000	BB(zaf), Baa1.za	ZAG000043399	HMS1F2	+350 bps	20-Aug-07	19-Jul-12	19-Jul-45
G1	15,000,000	Baa3.za	ZAG000043407	HMS1G1	+500 bps	20-Aug-07	19-Jul-10	19-Jul-43
G2	18,000,000	Baa3.za	ZAG000043415	HMS1G2	+550 bps	20-Aug-07	19-Jul-12	19-Jul-45
Subloan	<u>50,000,000</u>							
Total	<u><u>3,342,000,000</u></u>							

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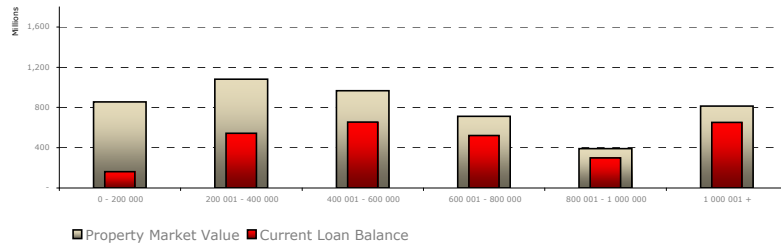
Collateral portfolio

Current loan balance	R 2,831,401,755
Current property market valuation	R 4,825,448,574
Weighted average seasoning (months)	14
Weighted average index LTV	71.11%
Number of loans	6,043

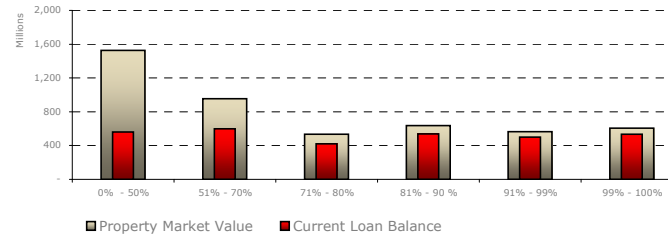
Portfolio characteristics		Portfolio covenants		Breached
Weighted average original LTV	74.75%	Required Weighted average original LTV	78.51%	No
Weighted average current LTV (Excl potential redraws)	74.47%	Required Weighted average current LTV (Excl potential redraws)	77.54%	No
Weighted average current LTV (Incl potential redraws)	77.77%	Required Weighted average current LTV (Incl potential redraws)	79.77%	No
Weighted average PTI ratio	20.14%	Required Weighted average PTI ratio	22.34%	No
Non owner occupied	5.20%	Non owner occupied limit	5.20%	No
Self employed borrowers	27.90%	Self employed borrowers limit	28.10%	No
Weighted average interest rate (Prime - 1.65%)	13.84%	Required Weighted average interest rate	12.60%	No
Highest single borrower balance	R 4,397,176	Highest Single borrower balance limit	R 5,000,001	No
Large loans	1.16%	Large loans limit	5.00%	No
AVM %	0.00%	AVM limit %	0.00%	No

Collateral portfolio distribution data

Loan Distribution



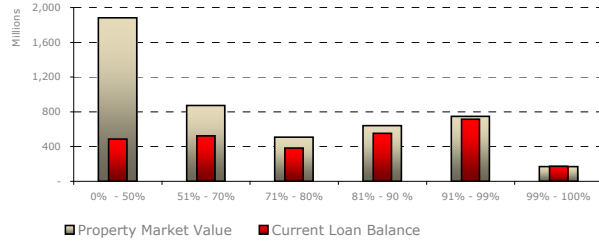
Original LTV Distribution



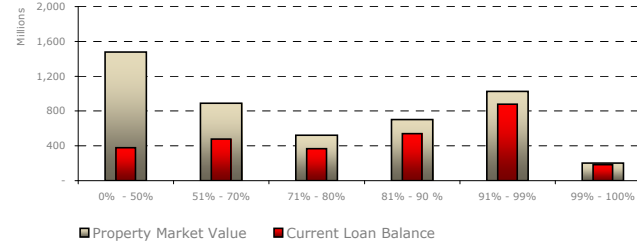
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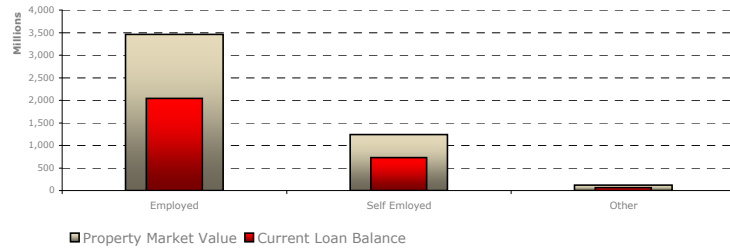
Current LTV Distribution (Excl potential redraws)



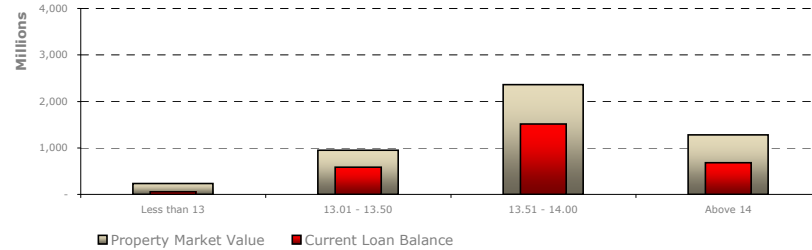
Current LTV Distribution (Incl potential redraws)



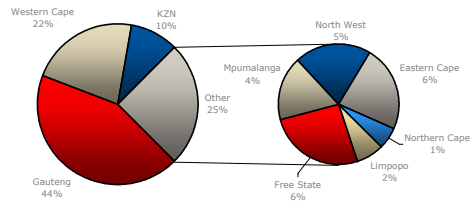
Occupational Status Distribution



Interest Rate Distribution



Geographical Distribution



PTI Ratio Distribution

