

# FRESCO 2

## Issuer Report — Calculation Date 9

30 October 2009



Traditional values. Innovative ideas.

### ISSUE REPORT — CALCULATION DATE 9

The purpose of this report is for FirstRand Bank Limited ("FRB"), in its capacity as Calculation Agent for FRESCO 2, to fulfil its monitoring and reporting requirements of the notes issued by FRESCO 2 Investments Limited, as stipulated in the FRESCO 2 Offering Circular (dated 02 August 2007).

Since the last calculation date, FRB has not issued any notice to FRESCO 2 regarding the occurrence of a Credit Event with regards to the Reference Portfolio and, as such, detailed information of each class of Note is set out below.

### OUTSTANDING PRINCIPAL

Class of notes	Note code	Original principal amount	Cumulative net loss	Total provisional loss	Total actual loss	Total amount outstanding	Amount of notes to be cancelled
Class A Floating rate Notes	FRE2A1	650,000,000	-	-	-	650,000,000	-
Class A Fixed rate Notes	FRE2A2	370,000,000	-	-	-	370,000,000	-
Class B Floating rate Notes	FRE2B1	360,000,000	-	-	-	360,000,000	-
Class B Fixed rate Notes	FRE2B2	40,000,000	-	-	-	40,000,000	-
Class C Notes	FRE2C	280,000,000	-	-	-	280,000,000	-
Class D Notes	FRE2D	140,000,000	-	-	-	140,000,000	-
Class E Notes	FRE2E	100,000,000	-	-	-	100,000,000	-
Class F Notes	FRE2F	60,000,000	-	-	-	60,000,000	-
Class G Notes	FRE2G	60,000,000	-	-	-	60,000,000	-
Subordinated Swap		100,000,000	-	-	-	100,000,000	-

#### General reference portfolio characteristics

Reference Portfolio Applicable Notional Amount	20,000,000,000
Number of Reference Entities	194
Largest Reference Entity Applicable Notional Amount	500,000,000
Average Reference Entity Applicable Notional Amount	103,092,783.51

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For disclaimer please refer to last page

RMB Debt Capital Markets



## COUPONS: PAYMENT DATE 02 NOVEMBER 2009

Class of notes	Note code	Original principal amount	Coupon rate	Coupon paid	Coupon withheld	Adjustment amount
Class A Floating Rate Notes	FRE2A1	650,000,000	JIBAR03 + 55bp	13,329,007	-	-
Class A Fixed Rate Notes	FRE2A2	370,000,000	10.08%	9,324,000	-	-
Class B Floating Rate Notes	FRE2B1	360,000,000	JIBAR03 + 68bp	7,498,899	-	-
Class B Fixed Rate Notes	FRE2B2	40,000,000	10.22%	1,022,000	-	-
Class C Notes	FRE2C	280,000,000	JIBAR03 + 100bp	6,055,863	-	-
Class D Notes	FRE2D	140,000,000	JIBAR03 + 110bp	3,062,836	-	-
Class E Notes	FRE2E	100,000,000	JIBAR03 + 215bp	2,449,521	-	-
Class F Notes	FRE2F	60,000,000	JIBAR03 + 344bp	1,662,682	-	-
Class G Notes	FRE2G	60,000,000	JIBAR03 + 425bp	1,783,849	-	-

## Distribution of reference entities by Fitch equivalent rating

Fitch equivalent rating	Number of reference entities	Total reference entity applicable notional amount (ZAR)	Percentage of total reference entity notional amounts
AAA(zaf)	42	3,726,000,000	18.63%
AA- / A+ (zaf)	37	5,683,000,000	28.42%
A / A- (zaf)	21	2,875,000,000	14.38%
BBB+ / BBB (zaf)	42	4,058,000,000	20.29%
BBB-(zaf)	37	2,426,000,000	12.13%
BB+(zaf)	6	655,000,000	3.28%
BB(zaf)	5	560,000,000	2.80%
BB-(zaf)	1	3,000,000	0.02%
B+(zaf)	3	14,000,000	0.07%
Grand Total	194	20,000,000,000	100.00%

## Distribution of reference entities by country of incorporation

Country of incorporation	Number of reference entities	Total reference entity applicable notional amount (ZAR)	Percentage of total reference entity notional amounts
BELGIUM	1	1,000,000	0.01%
FRANCE	3	114,000,000	0.57%
GERMANY	5	165,000,000	0.83%
IRELAND	1	4,000,000	0.02%
NETHERLANDS	1	2,000,000	0.01%
SOUTH AFRICA	175	19,217,000,000	96.09%
SWITZERLAND	1	80,000,000	0.40%
UNITED KINGDOM	3	165,000,000	0.83%
UNITED STATES	4	252,000,000	1.26%
Grand Total	194	20,000,000,000	100.00%

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Distribution of reference entities by Fitch Industry			
Fitch industry	Number of reference entities	Total reference entity applicable notional amount (ZAR)	Percentage of total reference entity notional amounts
Automobiles	8	88,000,000	0.44%
Banking & Finance	32	2,735,000,000	13.68%
Broadcasting/Media/Cable	4	30,000,000	0.15%
Building & Materials	8	684,000,000	3.42%
Chemicals	2	75,000,000	0.38%
Computers & Electronics	4	113,000,000	0.57%
Energy	8	857,000,000	4.29%
Food, Beverage & Tobacco	11	1,135,000,000	5.68%
Gaming, Leisure & Entertainment	3	840,000,000	4.20%
Health Care & Pharmaceuticals	5	901,000,000	4.51%
Industrial/Manufacturing	7	1,505,000,000	7.53%
Metals & Mining	20	3,782,000,000	18.91%
Paper & Forest Products	2	15,000,000	0.08%
Real Estate	34	1,319,000,000	6.60%
Retail (General)	6	730,000,000	3.65%
Telecommunications	8	1,298,000,000	6.49%
Textiles & Furniture	1	78,000,000	0.39%
Transportation	6	654,000,000	3.27%
Utilities	25	3,161,000,000	15.81%
<b>Grand Total</b>	<b>194</b>	<b>20,000,000,000</b>	<b>100.00%</b>

Distribution of reference entities by reference entity notional amount			
Reference entity applicable notional amount (ZAR)	Number of reference entities	Total reference entity applicable notional amount (ZAR)	Percentage of total reference entity notional amounts
1 to 50,000,000	118	2,154,000,000	10.77%
50,000,001 to 100,000,000	24	1,916,000,000	9.58%
100,000,001 to 150,000,000	8	1,057,000,000	5.29%
150,000,001 to 200,000,000	8	1,510,000,000	7.55%
200,000,001 to 250,000,000	4	950,000,000	4.75%
250,000,001 to 300,000,000	4	1,130,000,000	5.65%
300,000,001 to 350,000,000	2	643,000,000	3.22%
350,000,001 to 400,000,000	23	9,175,000,000	45.88%
400,000,001 to 450,000,000	0	0	0.00%
450,000,001 to 500,000,000	3	1,465,000,000	7.33%
<b>Grand total</b>	<b>194</b>	<b>20,000,000,000</b>	<b>100.00%</b>

## Distribution of reference entities by Fitch Industry and Fitch Equivalent Rating

Fitch Industry	AAA(zaf)	AA- / A+ (zaf)	A / A- (zaf)	BBB+ / BBB (zaf)	BBB-(zaf)	BB+(zaf)	BB(zaf)	BB-(zaf)	B+(zaf)	Grand Total
Automobiles		0.09%	0.02%	0.21%	0.10%		0.01%	0.02%		0.44%
Banking & Finance	6.68%	3.65%	0.81%	0.07%	2.38%		0.10%			13.68%
Broadcasting/Media/Cable		0.05%		0.04%	0.01%	0.05%				0.15%
Building & Materials			1.61%	1.02%	0.03%	0.75%			0.03%	3.42%
Chemicals				0.13%	0.25%					0.38%
Computers & Electronics		0.51%		0.04%					0.02%	0.57%
Energy	0.75%	2.22%	0.90%	0.25%	0.18%					4.29%
Food, Beverage & Tobacco	0.01%	1.83%	0.08%	2.34%	1.43%					5.68%
Gaming, Leisure & Entertainment				2.20%		2.00%				4.20%
Health Care & Pharmaceuticals	2.50%			0.38%	1.63%					4.51%
Industrial/Manufacturing	0.28%		2.00%	4.75%			0.50%			7.53%
Metals & Mining		6.62%	6.65%	3.30%	1.25%	0.10%	1.00%			18.91%
Paper & Forest Products					0.08%					0.08%
Real Estate	0.32%	0.13%	0.10%	2.53%	1.93%	0.38%	1.20%		0.03%	6.60%
Retail (General)				1.35%	2.30%					3.65%
Telecommunications	0.10%	4.10%	1.89%	0.40%						6.49%
Textiles & Furniture				0.39%						0.39%
Transportation		2.18%		0.50%	0.59%					3.27%
Utilities	8.01%	7.05%	0.34%	0.42%						15.81%
<b>Grand Total</b>	<b>18.63%</b>	<b>28.42%</b>	<b>14.38%</b>	<b>20.29%</b>	<b>12.13%</b>	<b>3.28%</b>	<b>2.80%</b>	<b>0.02%</b>	<b>0.07%</b>	<b>100.00%</b>

## Distribution of count of reference entities by Fitch Industry and Fitch Equivalent Rating

Fitch Industry	AAA(zaf)	AA- / A+ (zaf)	A / A- (zaf)	BBB+ / BBB (zaf)	BBB-(zaf)	BB+(zaf)	BB(zaf)	BB-(zaf)	B+(zaf)	Grand Total
Automobiles		3	1	1	1		1	1		8
Banking & Finance	21	4	2	1	3		1			32
Broadcasting/Media/Cable		1		1	1	1				4
Building & Materials			2	3	1	1			1	8
Chemicals				1	1					2
Computers & Electronics		2		1					1	4
Energy	1	3	2	1	1					8
Food, Beverage & Tobacco	1	2	1	5	2					11
Gaming, Leisure & Entertainment				2		1				3
Health Care & Pharmaceuticals	1			2	2					5
Industrial/Manufacturing	2		1	3			1			7
Metals & Mining		6	7	3	2	1	1			20
Paper & Forest Products					2					2
Real Estate	4	1	2	7	16	2	1		1	34
Retail (General)				3	3					6
Telecommunications	1	4	2	1						8
Textiles & Furniture				1						1
Transportation		3		1	2					6
Utilities	11	8	1	5						25
<b>Grand Total</b>	<b>42</b>	<b>37</b>	<b>21</b>	<b>42</b>	<b>37</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>194</b>

Reference portfolio tests		
Rating-based reference portfolio tests	Portfolio result	Portfolio max / min allowance
Maximum Reference Entity Notional Amount A- and higher	2.50%	2.50%
Maximum Reference Entity Notional Amount BBB+ to BB+	2.00%	2.00%
Maximum Aggregated Amount Rate BB+	12.13%	25%
Maximum Aggregated Amount Rated Lower Than BB+	6.16%	Note 1
Industry-based reference portfolio tests	Portfolio result	Portfolio max / min allowance
Minimum Number Of Fitch Industries	19	15
Maximum Single Fitch Industry Amount	18.91%	20%
Maximum Number of Fitch Industries greater than 10%	3	3
Maximum Sum Of The 3 Largest Fitch Industries	48.39%	50%
Minimum Percentage of Portfolio Secured By Commercial Real Estate	14.34%	5%
Minimum Reference Entity Country Rating (Other than SA)	AA+	A
Country-based reference portfolio tests	Portfolio result	Portfolio max / min allowance
USA / UK Incorporated	2.085%	25%
Non RSA / USA or UK Incorporated	1.83%	15%
Portfolio adjustments	Portfolio result	Portfolio max / min allowance
Cumulative Amortisation Adjustments	0.11%	30%
Cumulative Portfolio Adjustments	0.125%	20%

Note:

- 1 The credit ratings of a small proportion of assets within the Fresco 2 portfolio (R1,232bn of R20bn) have migrated into the below BB+ range (International Scale). This migration is expected within our current position in the economic cycle. The nominal amount of assets that are rated below BB+ is now 6.16% of the total FRESCO 2 portfolio. This does not result in any structural action within in the FRESCO 2 portfolio as the ratings of the notes reflect the likelihood of credit migration. When FRB as administrator of Fresco 2 rebalances the portfolio, no assets rated below BB+ are made available or are eligible for selection as a result of credit migration. As such we have included the portfolio test: Maximum Aggregate Amount Rated Below BB+ in this report to monitor these assets going forward.

**FRESCO 2 — INTERNATIONAL EXPOSURES**

Due to the international credit environment the following section has been included in this report.

<b>Distribution of international reference entities by Fitch equivalent ratings</b>			
<b>Fitch Equivalent Rating International Scale</b>	<b>Number of reference entities</b>	<b>Total reference entity applicable notional amount (ZAR)</b>	<b>Percentage of total reference entity notional amounts</b>
AA	2	55,000,000	7.02%
AA-	6	335,000,000	42.78%
A+	9	248,000,000	31.67%
A	1	67,000,000	8.56%
BBB-	1	78,000,000	9.96%
<b>Grand Total</b>	<b>19</b>	<b>783,000,000</b>	<b>100.00%</b>

<b>Distribution of reference entities by reference entity notional amount</b>			
<b>Reference entity applicable notional amount (ZAR)</b>	<b>Number of reference entities</b>	<b>Total reference entity applicable notional amount (ZAR)</b>	<b>Percentage of total reference entity notional amounts</b>
1 to 50,000,000	11	158,000,000	20.18%
50,000,001 to 100,000,000	8	625,000,000	79.82%
<b>Grand total</b>	<b>19</b>	<b>783,000,000</b>	<b>100.00%</b>

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