South African Reserve Bank
From the Office of
the Registrar of Banks

Confidential

Ref:SASB5349J

2007-07-12

Mr R D E B Sassoon
Chief Executive Officer
Sasfin Bank Limited
P O Box 95104
Grant Park
2051

Dear Mr Sassoon

Application by Sasfin Bank Limited for the restructure of Equipment Rentals Securitisation No. 1 (Proprietary) Limited (ERS No.1)

Your letter dated 28 May 2007, together with the enclosed documents, your Mr Freddie du Plessis' e-mail message received on 21 June 2007 and our letter dated 14 June 2007 refer.

Please be advised that we have noted the comments expressed in the e-mail message under reference. As a consequence hereof we wish to advise that this Office herewith revokes its letter under reference.

This Office has noted your intentions to convert the existing ERS No.1 into a segregated series note programme in terms of the provisions of paragraph 13(1)(a) (ii) of Government Notice No. 26425, published in Government Gazette No. 7975, dated 4 June 2004 ("the Securitisation Notice") and has no objection thereto.

This Office has also no objection to the intended change of name of ERS No.1 to South African Securitisation Programme (Proprietary) Limited (SASEC) and hereby approves the size of the programme up to R5 billion.

We further wish to advise that SASEC is hereby authorised to issue commercial paper pursuant to a securitisation scheme in terms of paragraph 13(1)(b)(ii) of Government Notice No. 7975, (the Securitisation Notice), published in *Government Gazette* No. 26415, dated 4 June 2004, as contemplated in your application, subject to the following conditions:

1. This Office requires sight of the final placement document upon its publication.

2. The amount of commercial paper to be issued from time to time by SASEC in individual tranches is limited to R5 billion.

3. This Office has to be provided with written confirmation by an auditor, duly appointed by the special-purpose institution in terms of the provisions of paragraph 12 of the Securitisation Notice, that there will be compliance with the relevant provisions thereof with regard to the conduct of the securitisation scheme.

4. Written confirmation of the credit rating assigned to the commercial paper to be issued as well as a detailed exposition of the rating methodology used by the rating agency.

5. The liquidity facility to be provided shall be subject to the provisions of paragraph 7 of the Securitisation Notice. The liquidity provider will also have to ensure compliance with the relevant reporting requirements prescribed in the Banks Act, 1990 (Act No. 94 of 1990 - the Act), and the Regulations relating to Banks, published in Government Gazette No. 21726 dated 8 November 2000.

6. This Office requires SASEC to comply with any revisions of the Securitisation Notice that may be published. Furthermore, this Office deems the business to be conducted by SASEC to be that of a traditional securitisation scheme as contemplated by the revised Securitisation Notice. SASEC will, therefore, under no circumstances, be allowed to conduct a synthetic securitisation scheme.

Please note that securitisation schemes, which conduct business in terms of the Securitisation Notice, are exempted from the Act, provided that such schemes comply with the provisions of the said notice. The issuer, therefore, has to ensure compliance with the provisions of the Securitisation Notice.

Yours sincerely

Adv M S Blackbeard
Deputy Registrar of Banks