

20Twenty

20Twenty Financial Solutions specialises in home loan financing and provides an innovative inflation-linked home loan option, which is ESG compliant. This cost-effective solution increases housing accessibility for a broader segment of the Namibian population. The home loan is available to employees of participating employers via a salary deduction.

Summary of Home Loan Product

The mortgage product offered by 20Twenty is an innovation in the Namibian home loan market which reduce the cost of owning a house, in terms of interest paid, to enable more Namibians to be homeowners and to live debt-free.

1. The 20Twenty product offers more flexibility than a traditional home loan and protect the homeowner's disposable income against unpredictable interest rate movements and thereby reduce default risk.
2. The loan offered is a variable-term, fixed affordability loan with the initial instalment set at a specific affordability level for the individual between 20% - 25% of gross income.
3. The instalment increases annually by the same percentage increase as the individual's annual salary increase, which is typically in line with inflation. The instalment does not change when interest rates change.
4. A 12-month average CPI rate that adjusts biannually forms the basis for both the investor and the homeowner.
5. The cost of capital is linked to inflation, therefore, when the salary increase is below inflation in a year, it results in a slight increase in the term of the loan and likewise if the increase is above inflation, the term reduces.
6. The offering focus on people whose employer offers a salary deduction option for 20Twenty to collect payment

Products and Services

An investor interested in participating can find 20Twenty as a listed instrument on the Namibian Stock Exchange (NSX) and is actively working on securing a dual listing on the Cape Town Stock Exchange. Our amortising notes aim to achieve a long-term annual return of Namibian CPI +2%. These notes provide investors with reliable, predictable monthly cash returns

Funding Structure

The Securitisation structure is ideal to reduce credit risk for the Investor. Funding is channelled to a bankruptcy remote Special Purpose Vehicle ("SPV"), of which the sole purpose is to originate mortgage-backed home loans. Concentration risks are managed in terms of investors, employers, and number of clients per SPV. As home loans are approved and registered, funds are drawn from the investment capital, filling up target investment tranches between N\$ 75 million and N\$ 250 million per SPV. Each tranche is ring-fenced to a SPV and available as either listed or unlisted. Listed instruments improve tradability and are secured by its underlying asset cluster. The Medium-Term Note Program and Investment Plan state the terms of notes, rights of holders, holds security and sets procedures in place for note holders.

Investor Rationale

1. **Returns:** The investment yields a risk adjusted CPI+2% that realise in predictable monthly repayments as the investments amortise over a targeted 15 years while the underlying security increases with inflation.
2. **Social Impact:** Facilitating first time homeowners to have access to a unique home financing product by making the initial repayment amount more affordable to homeowners.
3. **Tradability:** The instrument is fully tradable on the relevant stock Exchange(s).
4. **Governance:** The listed instrument complies to the rules of the NSX and qualifies as a local asset in terms of NAMFISA regulated requirements. Additionally, the underlying mortgage origination business has the highest level of corporate governance in place.

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Key Facts

Investment Vehicle	TT Treasury (Pty) Ltd
Country	Namibia
Industry	Residential Mortgage Backed Securities
Nature	Listed Debt on NSX
Total Program amount	NAD5.0 billion
Committed Capital	NAD350.0 million
Promoter and Manager	20Twenty
Origination	Private Placement
Notes in Issue	NAD225.0 million
Current Yield	8.80%
Next Reset Date	1 Mar '24

20Twenty Representatives



Gideon Cornelissen
 Chief Executive Officer