GCR RATINGS

Credit Rating Report | South African Structured Finance | New Issuance Rating Report | December 2022

Urban Ubomi 1 (RF) Ltd

On 14 December 2022, GCR Ratings ("GCR") accorded the following long-term issue credit ratings to the Notes issued (the "new Notes") by Urban Ubomi 1 (RF) Limited (the "Issuer" or "Urban Ubomi 1") on 14 December 2022:

Security Class	Stock Code	Outstanding Amount (ZAR)	Rating Class	Rating Scale	Rating	Outlook/ Rating Watch
Class A7 Notes	UU1A07	150,000,000	Long-Term Issue	National	AAA(ZA)(sf)	Stable
Class A8 Notes	UU1A08	135,000,000	Long-Term Issue	National	AA+(ZA)(sf)	Stable
Class A9 Notes	UU1A09	60,000,000	Long-Term Issue	National	AA+(ZA)(sf)	Stable
Class C Notes	UU1C03	18,000,000	Long-Term Issue	National	BBB+(ZA)(sf)	Stable

Simultaneously, GCR affirmed the ratings assigned to the existing Class A Notes listed below with Stable Outlooks. The ratings of the existing Class B and Class C Notes below were upgraded with Stable Outlooks.

Security Class	Stock Code	Outstanding Amount (ZAR)	Rating Class	Rating Scale	Rating	Outlook/ Rating Watch
Class A1 Notes	UU1A01	123,608,982	Long-Term Issue	National	AAA(ZA)(sf)	Stable
Class A2 Notes	UU1A02	309,000,000	Long-Term Issue	National	AA+(ZA)(sf)	Stable
Class A4 Notes	UU1A04	23,247,452	Long-Term Issue	National	AAA(ZA)(sf)	Stable
Class A5 Notes	UU1A05	283,000,000	Long-Term Issue	National	AA+(ZA)(sf)	Stable
Class B Notes	UU1B01	73,000,000	Long-Term Issue	National	A+(ZA)(sf)	Stable
Class B Notes	UU1B02	118,000,000	Long-Term Issue	National	A+(ZA)(sf)	Stable
Class C Notes	UU1C01	25,000,000	Long-Term Issue	National	BBB+(ZA)(sf)	Stable
Class C Notes	UU1C02	12,000,000	Long-Term Issue	National	BBB+(ZA)(sf)	Stable

In addition, the Issuer has an unrated Subordinated Loan of R131,159,651, which was increased on issuance of the new Notes by R4,491,741 to R135,651,392.

The credit ratings accorded to the Class A Notes relate to timely payment of interest and ultimate payment of principal by Final Maturity Date. The ratings accorded to the Class B and Class C Notes relate to ultimate payment of both interest and principal by Final Maturity Date. The ratings exclude an assessment of the ability of the Issuer to pay either any (early repayment) penalties or any default interest rate penalties, which, in any case, do not apply to this transaction.

Capitalised terms not defined in this report refer to defined terms in the transaction documentation.

Transaction Summary

On 23 March 2021, Urban Ubomi 1 issued a total of R609m of Notes under its newly established R2.5bn Mortgage Loan Backed Securitisation Programme, its "Initial Issuance".

Proceeds of the issuance together with the Subordinated Loan were used by the Issuer to acquire a pool of Loan Agreements together with their Related Security ("Participating Assets"). The Loan Agreements were originated by

TUHF Limited ("TUHF") to small and medium sized companies and entrepreneurs who use the capital to fund predominantly residential property investments in the inner cities of South Africa. In addition, a portion of the proceeds funded an Arrears Reserve.

On 14 February 2022, in its "First Tap Issuance", Urban Ubomi 1 issued an additional R440m of Notes and increased its Subordinated Loan by R67,700,000, using the proceeds to acquire additional Participating Assets and to fund a proportionate increase in the Arrears Reserve.

The existing Notes are comprised of: Class A1, Class A2, Class A4, Class A5, Class B and Class C.

For its "Second Tap Issuance", new Notes were issued in four tranches: Class A7, which ranks *pari passu* and *pro rata* with and has the same Step-Up Date and Final Redemption Date as the existing Class A1 and Class A4; Class A8, which ranks *pari passu* and *pro rata* with and has the same Step-Up Date and Final Redemption Date as the existing Class A2 and Class A5; Class A9, which also substantially ranks *pari passu* and *pro rata* with and has the same Step-Up Date and Final Redemption Date as the Class A2 and Class A5 but was issued as a fixed rate Note; and, a new tranche of the existing Class C. Under the final post-Second Tap Issuance capital structure, credit enhancement available to each Class of Notes through subordination of junior debt will be maintained at levels that satisfy the conditions precedent per the Programme Memorandum.

The transaction is amortising from the start and Notes principal is repaid along with interest on each Interest Payment Date. The structure includes Interest Deferral Events for the Class B Notes and Class C Notes which are both calculated with reference to the Principal Deficiency, as defined in the transaction documentation. All payments are made in accordance with the Priority of Payments.

TUHF acts as the Issuer's agent to perform both the Servicer and Administrator roles. The Standard Bank of South Africa Limited ("SBSA") is the Account Bank and Hedge Counterparty. Both of SBSA's appointments are subject to it maintaining the Required Credit Rating.

Rating Rationale

GCR updated its analysis of the performance of TUHF's portfolio to renew the base case inputs to its cash flow model. The data now covers the period from June 2005 to August 2022. The decrease in defaults reflected in this data is a result of TUHF's updated tracking of collections and re-debits, in addition to a refinement in the recognition of loans as meeting the Eligibility Criteria. Payments made by Borrowers through bank re-debits did not appear in prior datasets. With the inclusion of these, fewer defaults are recorded. GCR deems the updated data to be more accurate than previously. The base case default rate extrapolated by GCR has therefore decreased from 15.96% (at the First Tap Issuance) to 13.13%, leading to lower modelled defaults at each rating level. The covenant obligor concentration levels were also taken into consideration in modelling defaults.

The base case recovery rate and prepayment rate derived from the updated TUHF data are similar to those modelled in the First Tap Issuance. These have therefore been retained.

GCR made an amendment to the modelled stress for Servicer replacement. GCR expects a Servicer rated BBB-$_{(ZA)}$ or above (as is the case for TUHF) to be in place to mitigate risk of servicing disruption. Documentation provides for replacement of the Servicer only on a Servicer Event of Default. Previously, GCR removed the first month of cash flows from its cash flow model to simulate a servicing disruption. This stress has now been moderated to allow for recoupment of 90% of this cash six months later. GCR views a delay in receipt of cash on Servicer replacement to be a more reasonable possibility than a complete loss.

The final ratings as accorded reflect the outcome of GCR's cash flow model, in which the cash flows of the transaction as per all the provisions of the transaction documentation are modelled in multiple stress scenarios. Each scenario embodies differing default and recovery rates and distributions, prepayment rates and interest rate parameters. Each successively more stressful group of scenarios relates to a commensurately higher rating level. (See GCR's Structured Finance Research, Asset Backed Securities Cash Flow Model, published September 2018). The upgrades of the ratings assigned to the existing Class B and Class C Notes are as a function of: (i) the lower modelled defaults, and (ii) the moderated Servicer replacement stress.

GCR's analysis and modelling of the transaction is in accordance with its Consumer Asset-Backed Securities Rating Criteria, September 2018 and its Criteria for Rating Structured Finance Transactions, September 2018 (which incorporates the criteria that relate to the various transaction counterparties).

Transaction Strengths

- The transaction makes use of a combined cash waterfall structure, whereby all cash collections, both interest and principal in nature, are applied towards payments made in the sequence prescribed by the Priority of Payments. An interest deferral mechanism allowing the subordination of interest on the subordinated Notes upon the breach of certain triggers mitigates the associated risk of insufficient cash being available for redemption of Notes in stressful scenarios.
- A cash reserve (the Arrears Reserve) provides credit enhancement and a liquidity buffer.
- A basis swap mitigates the Prime-JIBAR basis risk arising from the combination of Prime-linked Participating Assets and JIBAR-linked Notes.
- This is Urban Ubomi 1's third Notes issuance. TUHF is no longer a first-time securitisation counterparty and has built up a track record managing such a funding structure. The performance of Urban Ubomi 1 thus far has been stable.
- Historical recoveries of defaulted loans are high, due to a high level of rehabilitations as well as many defaulting borrowers' co-operation in the event of property disposals.
- The Notes amortise from issuance, implying a build-up of credit enhancement via subordination from the first Interest Payment Date.
- Portfolio Covenants and Eligibility Criteria ensure that, should replacement assets be acquired, the pool will nevertheless retain specified characteristics.
- The Participating Assets in the post-Second Tap Issuance pool have a considerable level of seasoning, implying lower risk of default.
- A Collection SPV, Vuselela Collection SPV (RF) Limited receives payments on the transaction's Participating Assets into its Collection Accounts. Commingling risk in these Collection Accounts is lower than it would be if payments were to be made into the bank accounts of the Servicer.

Transaction Weaknesses

- The asset pool exhibits relatively high obligor concentration.
- The ultimate obligors (tenants) are low to middle income earners and include a portion who are informally employed. This economic segment is viewed as economically vulnerable.
- Historical defaults on the assets are high in comparison to many other transactions backed by pools of secured loans.
- Transaction documentation provides for replacement of the Servicer with the Back-Up Servicer only on a Servicer Event of Default. This might present the risk of interruption in servicing functions on possible deterioration of operations of the Servicer.

Transaction Structure

Capital Structure

The capital structure post the new issuance ensures levels of credit enhancement through subordination that are similar to those at Initial Issuance, and which satisfy the conditions precedent per the Programme Memorandum.

Table 1: Capital Structure as at Initial Issuance (March 2021)

Liabilities				Assets		
	ZAR	% of Total	Credit Enhancement*		ZAR	% of Total
Class A1 Notes	202m	30.1%	69.9%	Participating Assets	655.4m	97.7%
Class A2 Notes	309m	46.0%	23.9%			
Class B Notes	73m	10.9%	13.0%	Arrears Reserve	15.6m	2.3%
Class C Notes	25m	3.7%	9.2%			
Subordinated Loan	62.1m	9.2%	0%			
Total	**671.1m**	**100%**		**Total**	**671.1m**	**100%**

*Credit enhancement through subordination, calculated as subordinated liabilities as a percentage of total Notes and Subordinated Loan.
Source: SBSA, TUHF, GCR calculations

Table 2: Capital Structure prior to Second Tap Issuance*

Liabilities				Assets		
	ZAR	% of Total	Credit Enhancement		ZAR	% of Total
Class A1 Notes	123.6m	13.4%	86.6%	Participating Assets	1,081.0m	97.8%
Class A4 Notes	23.2m					
Class A2 Notes	309m	53.9%	32.7%			
Class A5 Notes	283m					
Class B Notes (1st Tranche)	73m	17.4%	15.3%	Arrears Reserve	24.7m	2.2%
Class B Notes (2nd Tranche)	118m					
Class C Notes (1st Tranche)	25m	3.4%	11.9%			
Class C Notes (2nd Tranche)	12m					
Subordinated Loan	131.2m	11.9%	0%			
Total	**1,098.0m**	**100%**		**Total**	**1,105.6m**	**100%**

*Assets as at Determination Date of 31 October 2022; Liabilities as at Interest Payment Date of 15 November 2022.
Source: SBSA, TUHF, GCR calculation

Table 3: Final Capital Structure Post Second Tap Issuance*

Liabilities	ZAR	% of Total	Credit Enhancement
Class A1 Notes	123.6m	20.3%	79.7%
Class A4 Notes	23.2m		
Class A7 Notes	150m		
Class A2 Notes	309m	53.7%	26.0%***
Class A5 Notes	283m		
Class A8 Notes	135m		
Class A9 Notes	60m		
Class B Notes (1st Tranche)	73m	13.0%	13.0%
Class B Notes (2nd Tranche)	118m		
Class C Notes (1st Tranche)	25m	3.8%	9.3%
Class C Notes (2nd Tranche)	12m		
Class C Notes (3rd Tranche)	18m		
Subordinated Loan	135.7	9.3%	0%
Total	**1,465.5m**	**100%**	

Assets	ZAR	% of Total
Participating Assets**	1,432.4m	97.7%
Arrears Reserve	33.1m	2.3%
Total	**1,465.5m**	**100%**

*Based on capital structure as at 15 November 2022, plus new issuance.
**Participating Assets at balancing amount.
***Class A9 principal is to be paid *pari passu* and *pro rata* with Classes A2, A5 and A8 post the Latest Coupon Step-Up Date. These Classes are therefore considered to share the same level of credit enhancement.
Source: SBSA, TUHF, GCR calculations

Notes

According to the Pre-Enforcement Priority of Payments, interest is to be paid *pari passu* and *pro rata* on all the tranches of Class A Notes, and then sequentially on the Class B and Class C Notes. Interest on all Classes of Notes will be paid quarterly at a margin over 3-month JIBAR, excluding Class A9, on which interest will be paid semi-annually at a fixed interest rate. However, this liability of the Issuer is converted to a quarterly liability linked to 3-month JIBAR through a swap agreement.

While principal on the existing Class A1 and Class A4 Notes is always to be paid prior to principal on the other Classes, Class A2, A5 and A8 principal is to be paid *pari passu* and *pro rata* together with Class A9 principal post the Latest Coupon Step-Up Date applicable to the Notes in issuance, and along with Class B principal too in a few limited scenarios. Such principal lock-out provisions aim to provide for sequential principal redemption in stressful scenarios, implying that each combination of Classes effectively provides credit enhancement to those subordinated to it.

The interest rates on all Classes will increase by a defined amount on the Coupon Step-Up Date relating to each Class respectively.

Subordinated Loan

TUHF, as Subordinated Lender, has entered into a Subordinated Loan Agreement, by which it can advance the Issuer Subordinated Loans from time to time. The pre-existing Subordinated Loan of R131,159,651 was increased by R4,491,741 on issuance of the new Notes to R135,651,392.

Participating Assets

Additional Participating Assets, in compliance with the Eligibility Criteria and Portfolio Covenants, were acquired by the Issuer and where applicable the Mortgage Bonds will be registered in the name of the Issuer in the period following issuance of the new Notes. GCR has received final pool data that outlines the characteristics of each additional Loan Agreement transferred, along with the existing pool information, as at 30 November 2022.

Arrears Reserve

The Arrears Reserve balance was increased on issuance of the new Notes so that it was funded at its Required Amount of 3.05% of the Class A Notes as at issuance.

Operations of the Servicer

GCR performed a follow-up operational review with TUHF in October 2022. TUHF's focus remains on impact through scale, with TUHF aiming to increase its lending activity in a sustainable way. Securitisation as a source of funding remains an important component of this drive.

TUHF's operational, credit granting and management and other policies and procedures have not changed since Urban Ubomi 1's Initial Issuance.

While TUHF still concentrates on the inner cities, they are also expanding to in city areas and other near node areas. Another initiative is the expansion into the township market albeit this business is still in its early stage of growth. No township market loans will be included in Urban Ubomi 1.

Collections have been steadily above 90% and the target is to improve to the pre-COVID historic norm of 95%. Management noted that the affordable housing asset class has proven its resilience since the COVID 19 pandemic. Disbursements for the financial year ending March 2022 have started to show improvement after granting activity was halted for six months during COVID.

In terms of vacancies, Gauteng continues to be the book most under pressure with vacancies between 6%-8%, albeit having recovered from the pre-COVID level of above 12% which was due to an oversupply issue.

More stringent underwriting requirements have been implemented since the COVID-induced crisis, with TUHF's modelled cash flows including extra interest rate and vacancy rate stresses, *inter alia*. The stressed debt service coverage ratio as calculated by TUHF must still achieve a minimum of 1.1x for credit to be granted.

Participating Assets

GCR analysed the post-Second Tap Issuance pool of Participating Assets and used this combined (including pre-existing and newly acquired assets) pool to adjust the asset amortisation profile and the modelled asset margin.

Table 4: Existing and Combined Participating Asset Pool as at 30 November 2022

	Existing	Combined
Number of Loans	175	241
Total Disbursements	R1,133,934,504	R1,472,405,552
Total Current Loan Balance	R1,061,107,374	R1,423,341,392*
Average Current Loan Balance	R6,063,471	R5,905,981
Max Current Loan Balance	R45,763,475	R45,763,475
Weighted Average Current Interest Rate	13.61%	13.60%
Weighted Average Current Loan-to-Value	60.54%	61.26%
Weighted Average Original Tenor	180 months	180 months
Weighted Average Seasoning (to Dec 2022)	39.06 months	32.42 months

*The final pool is of a lower nominal amount than the pool that was referenced in determining the nominal Notes issuance amounts. This is due to the principal portion of the instalments collected in November 2022. This will go towards redeeming Notes on the first Payment Date of 15 February 2023. The Participating Assets were, however, modelled at the balancing figure of R1,432,450,205.
Source: TUHF data, GCR

Cash Flow Model

GCR's analysis of the historical performance of loans originated by TUHF up to August 2022, the final combined asset pool cut, the final capital structure and the transaction structure direct its cash flow modelling.

Senior Expenses

No changes were made to the senior expenses modelled as these are expected to remain the same post issuance of the new Notes.

Fixed costs were estimated prior to Initial Issuance and such estimates are consistent with the fixed costs reported thus far. A 10% buffer was added to these fixed costs and 6% annual inflation was applied to them.

The variable expenses include the Servicing Fee and Administration Fee. In modelling them, GCR added VAT and a 10% buffer for unexpected (and unlikely) increases.

Cumulative Defaults

Base Case

GCR received performance data covering the entire portfolio of eligible loans originated by TUHF, where a loan is classified as defaulted when an amount equal to three of the most recent six months of instalments is in arrears. Extrapolated defaults for vintages not yet matured were derived by imposition of the observed aggregate default distribution vector. The rand-weighted extrapolated cumulative default rate peaked at 12.95%, 147 months after Loan Start Date. This is lower than previously. As mentioned above, this is attributable to TUHF's updated tracking of collections and re-debits, coupled with a refinement in the recognition of loans as meeting the Eligibility Criteria.

GCR measured the standard deviation, weighted by Loan Start Balance, of extrapolated cumulative defaults by aggregating Loan Start Dates into semi-annual periods. Semi-annual weighted standard deviation was found to be 9.94%. GCR added 0.5x semi-annual weighted standard deviation to the cumulative default rate as a volatility adjustment.

Table 5: Base Case Default Rate

	Initial Issuance (data to Aug 2020)	Second Issuance (data to Aug 2021)	Current (updated data to Aug 2022)
Extrapolated cum. default rate [A]	13.51%	16.66%	**12.95%**
Semi-ann. std dev. [B]	10.11%	12.37%	**9.94%**
Raw base case [= A + 0.5xB]	18.57%	22.85%	**17.92%**

Source: TUHF data, GCR calculations

GCR recognises the seasoning of assets in the final (30 November 2022) pool by reducing the base case cumulative default rate by the percentage of defaults that are expected to already have occurred - early in the life of loans. The loans were divided into semi-annual seasoning brackets, credit for seasoning was granted on a loan-by-loan basis per bracket, and the portfolio aggregate credit for seasoning was then applied to reduce the base case default rate. Credit for seasoning was capped at 50% for each loan. The below table shows how credit for seasoning was calculated.

Table 6: Credit for Seasoning		
Seasoning	**% of Final Combined Pool**	**Credit for Seasoning***
0 – 6 months	12.5%	0.0%
7 – 12 months	18.8%	6.8%
13 – 18 months	6.6%	19.0%
19 – 24 months	2.5%	29.4%
25 – 30 months	6.4%	41.8%
31+ months	53.2%	50.0%
Weighted Average (= Credit for Seasoning Applied)		**32.5%**

*Credit for seasoning is based on the historical default vector shown in Table 11 below. For example, the portion of the pool with Loan Start Date at least six months but less than twelve months ago, is given credit by assuming that 6.8% of its defaults have already occurred, seeing as 6.8% of total historical defaults were observed to have occurred in the six months since Loan Start.
Source: TUHF data, GCR

The resulting post-credit for seasoning default rate was then rebased to account for the aggregate reduction in Loan Balance since Loan Start Date:

Table 7: Rebasing Calculation	
Total Disbursements since Loan Start [A]	1,472,405,552.26
Current Loan Balance [B]	1,423,341,392.12
Rebasing Multiple [A/B]	**103.5%**

Source: TUHF data, GCR

An upward adjustment to the base case default rate was made for geographic concentration risk as follows:

Table 8: Geographic Concentration Adjustment				
Province	**% of Current Loan Balance (Final Combined Pool, Nov 2022) [A]**	**GDP per Province [B]**	**% > GDP [C]**	**Adjustment Multiple (If C > 0) [(B/A) + (C/A)x1.15]**
Gauteng	56.9%	34.5%	22.4%	105.9%
Kwa-Zulu Natal	19.1%	15.9%	3.2%	102.5%
Western Cape	4.8%	13.6%	0.0%	100.0%
Free State	3.7%	5.0%	0.0%	100.0%
Eastern Cape	15.5%	7.6%	7.9%	107.6%
Weighted Average (= Geographic Concentration Multiple Applied)				**105.0%**

Source: TUHF data, GCR, Stats SA

The below table shows a summary of the calculation of the final base case in comparison with the base case used for the ratings at Initial Issuance and at the First Tap Issuance.

Table 9: Summary, Calculation of Base Case Cumulative Default Rate				
	Initial Issuance	First Tap Issuance	**Current (Second Tap Issuance)**	Reference [Calculation]
Raw Base Case	18.57%	22.85%	**17.92%**	Table 5
Post-Credit for Seasoning	12.54%	14.03%	**12.09%**	Table 6 [= 17.92% x (1 – 32.5%)]
Post-Rebasing	13.19%	15.09%	**12.50%**	Table 7 [= 12.09% x 103.5%]
Post-Geo Concentration Adj. (FINAL)	13.93%	15.96%	**13.13%**	Table 8 [= 12.50% x 105.0%]

Source: GCR

Obligor Concentration

GCR considered the level of obligor concentration by company in the indicative combined asset portfolio as at 30 September 2022. The final pool (as at 30 November 2022) does not show significantly different obligor concentration levels. The existing companies' concentration is lower than the maximum concentration levels as per the Portfolio Covenants. GCR considered the covenant levels for the purposes of its cash flow modelling. The covenant concentration levels imply higher modelled defaults than the base case x multiple approach at all relevant rating levels.

Modelled defaults are now lower than at the transaction's previous (February 2022) issuance, when the higher base case default rate (see Table 9 above) led to higher modelled defaults at each rating level.

Table 10: Defaults per Rating Scenario: (Base Case x Multiple) vs Obligor Concentration

Rating Scenario	Stress Multiple	Base Case x Stress Multiple [A]	Number of Top Obligors Assumed to Default	Companies Concentration in Indicative Combined Portfolio (as at Sep 2022)	Companies Concentration as per Portfolio Covenant [B]	Final Modelled Cumulative Default Rate (= MAX of [A] and [B])	Previously Modelled Cum. Default Rate
AAA	3.4x	44.65%	7	27.83%	47.00%	**47.00%**	54.26%
AA+	3x	39.39%	6.5*	26.69% *	41.50%*	**41.50%***	47.88%
A+	2.4x	31.52%	5.33*	23.95%*	33.33%*	**33.33%***	38.30%
BBB+	2x	26.26%	4.33*	21.32%*	28.67%*	**28.67%***	31.92%

*Interpolated

Source: *TUHF data, GCR*

Default Vectors

GCR amended its default distribution vector in accordance with TUHF's renewed data.

Table 11: Default Vectors

Half-Year from Loan Start	Extrapolated Default Vector % of Total Defaults Occurring	Back-Loaded Vector (% of Total Defaults)	Front-Loaded Vector (% of Total Defaults)
1	**6.8%**	3.4%	10.2%
2	**12.2%**	6.1%	18.2%
3	**10.4%**	5.2%	15.6%
4	**12.4%**	12.4%	12.4%
5	**7.9%**	7.9%	7.9%
6	**10.9%**	10.9%	10.9%
7	**8.8%**	11.1%	4.4%
8	**1.0%**	1.5%	0.5%
9	**1.0%**	1.5%	0.5%
10	**2.8%**	4.3%	1.4%
11	**10.5%**	15.7%	5.2%
12	**5.0%**	7.4%	12.7%
13	**1.8%**	2.6%	0%
14	**8.6%**	10.0%	0%

Source: *TUHF data, GCR*

Arrears

Arrears were modelled as a multiple of defaults occurring in the cash flow model and as rehabilitating in full after three months:

Table 12: Modelled Arrears

Rating Scenario	Arrears Multiple of Defaults	Arrears %
AAA	1.10x	51.70%
AA+	0.99x	41.09%
A+	0.72x	24.06%
BBB+	0.53x	15.08%

Source: GCR

Cumulative Recoveries

Base Case

GCR maintained its approach towards modelling of recoveries for this transaction.

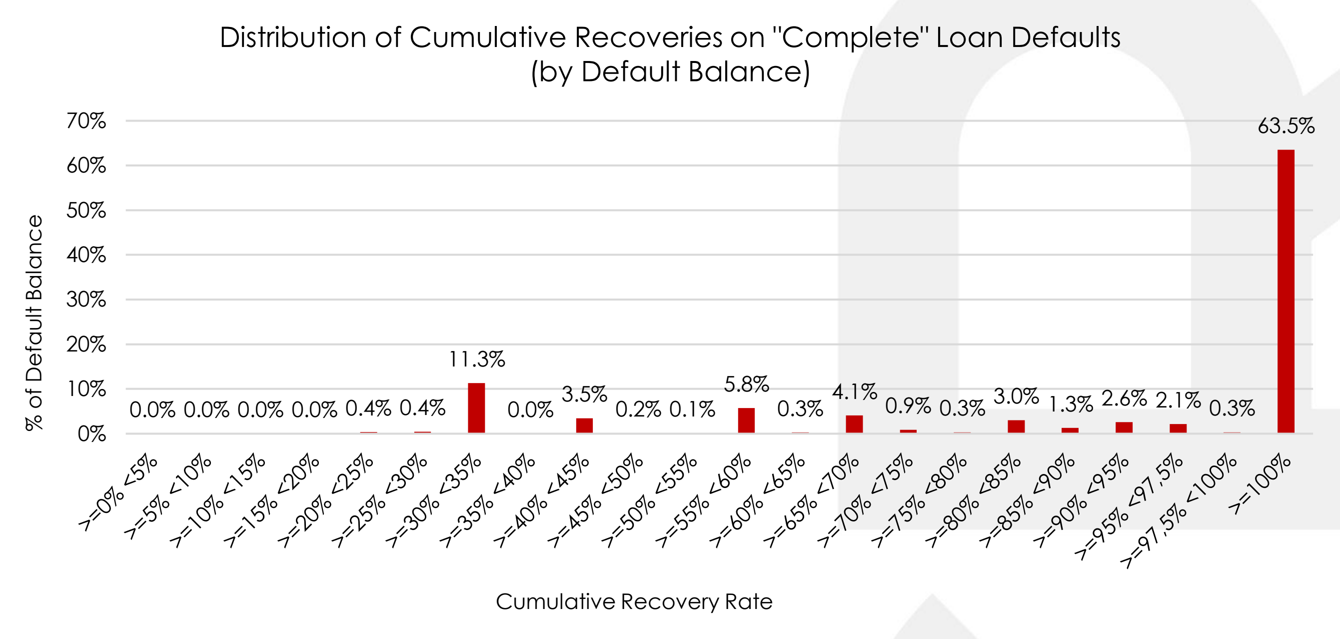
Historical recoveries of defaulted loans were analysed and a base case was derived using an approach that is bespoke to this transaction.

GCR notes that several possible paths to recovery exist, including forbearance, workout, loan modification and, in rare cases, foreclosure; each leading to different recovery patterns. Indeed, many defaults as defined saw a resumption of payment of scheduled instalments soon after occurrence.

Recoveries in many cases were found to be above 100% of the loan balance at default. This is a result of some capitalisation of interest post default as well as disbursements (and hence increases in loan balances) post default for, e.g., property refurbishment and coverage of the borrowers' third-party costs by TUHF.

The steps towards the derivation of the recoveries base case are:

- The updated data set as at August 2022 of "Complete" (i.e., closed, no longer "Active") defaulted loans was used, incorporating 86 loans.
- No extrapolation was performed seeing as the loans analysed are no longer active and have been closed.
- All cash collected post default was counted towards recoveries.
- Recoveries on each loan were capped to the loan's maximum balance post default.
- The distribution of the set of cumulative recovery end points on each loan, expressed as a percentage of maximum loan balance post default with none exceeding 100% due to the cap imposed, was analysed.
- The updated findings showed: In 63.51% of cases the loan balance at default was recovered in full (Previous: 54.7%). In 63.81% of cases recoveries were greater than or equal to 97.5% of the default balance (Previous: 62.9%). And in 72.89% of cases recoveries were greater than or equal to 80% (Previous: 69.3%).
- GCR elected to maintain 80% as the recoveries base case. This is justified by reference to the fact that a portion slightly lower than the 72.89% of observations of recovery percentages that are above 80% in this case are above the mean less one-half standard deviation in the case of a normal distribution. This mean less one-half standard deviation is the base case marker GCR would use were the set of cumulative recovery end points to be more normally distributed. In this case, where cumulative recovery end points are concentrated close to (or at) 100%, the 80% recovery mark, with 72.89% of observations exceeding it, is therefore judged suitable as a base case.
- The recoveries distribution vector observed is similar to previously. GCR therefore elected to retain its modelled recoveries distribution as well.



Source: TUHF data, GCR

Recoveries Haircuts

Cumulative recoveries were stressed from the base case of 80% per rating scenario in the cash flow model as follows:

Table 13: Modelled Recoveries

Rating Scenario	Recoveries Haircut	Modelled Cumulative Recovery Rate
AAA	35%	52.00%
AA+	30%	56.00%
A+	20%	64.00%
BBB+	14%	68.80%

Source: GCR

Vectors

Table 14: Recovery Vectors

Half-Year from Default Date	Stable Vector (based on adjusted historical recovery vector of Complete data set, % of Total Recoveries Occurring)	Back-Loaded Vector (% of Total Recoveries)	Front-Loaded Vector (% of Total Recoveries)
1	**5.6%**	2.8%	9.7%
2	**11.2%**	5.6%	19.6%
3	**8.5%**	4.3%	12.8%
4	**15.5%**	7.7%	23.2%
5	**3.4%**	3.4%	3.4%
6	**6.0%**	6.0%	6.0%
7	**6.7%**	6.7%	3.4%
8	**13.6%**	13.6%	6.8%
9	**18.6%**	28.0%	9.3%
10	**3.1%**	4.7%	1.6%
11	**1.4%**	2.1%	0.7%
12	**4.0%**	8.0%	2.0%
13	**2.3%**	7.1%	1.5%

Source: TUHF data, GCR

Prepayments

TUHF prepayments to the year ending March 2022 were similar to those calculated previously. GCR retained the previous 9.04% modelled base case.

Table 15: Prepayment Rate			
	2015 to 2020	2015 to 2021	2015 to 2022
Average Annual Prepayments (% of Opening Portfolio Balance) [A]	7.98%	7.28%	7.64%
Standard Deviation [B]	2.12%	2.68%	2.67%
[C = A + 0.5xB]	**9.04%**	8.62%	8.97%

Source: TUHF data, GCR

Prepayments stresses were modelled as previously.

Table 16: Modelled High and Low Prepayments			
Rating Scenario	Prepayments Stress	Modelled High Prepayments	Modelled Low Prepayments
AAA	35%	12.2%	5.9%
AA+	30%	11.8%	6.3%
A+	20%	10.8%	7.2%
BBB+	14%	10.3%	7.8%

Source: TUHF data, GCR

Interest Rates

The evolution of 3-month JIBAR was modelled according to GCR's methodology in increasing, decreasing and stable scenarios. These paths become increasingly stressful for each successive rating scenario. The highest modelled 3-month JIBAR reaches in an increasing scenario is 16.8% after 25 months, after which it remains constant.

Swaps

The Issuer has entered into a swap agreement to exchange it's Prime-linked asset return for a 3-month JIBAR-linked one to match its liability on the Notes.

A new swap effectively converts the fixed rate semi-annual liability of the Issuer on the Class A9 to a 3-month JIBAR-linked quarterly liability. GCR has factored this swap into its cash flow model.

Asset Margin Compression

GCR modelled compression of the interest rate margin yield of the Participating Assets by dividing the pool into six margin buckets. Usually, 50% of prepayments and 100% of defaults are allocated first to the highest yielding bucket, then to the second highest, and so on, thereby reducing asset margin incrementally in the cash flow model. GCR, however, added a stress to margin compression for this transaction to control for the fact that an additional factor - asset substitution - may lead to reduction in margin, although not below covenant level. This additional margin compression modelled is deemed necessary as the asset pool margin over Prime is modelled starting at its existing (3.29%) and not covenant (3.00%) level. This stress constitutes the allocation of 100% (instead of 50%) of prepayments (as a proxy for substitution) towards margin compression until covenant margin (3.00%) is reached in the model. Thereafter, margin compression resumes to its standard (50% of prepayments, 100% of defaults) level. This added has a slight impact in the cash flow model.

Asset Amortisation Profile

Instalments received in the cash flow model are modelled according to the amortisation profile of the final combined asset pool.

There are 18 loans in the pool whose interest-only periods, which may be granted by TUHF during the early stage of the life of a loan, had not yet ended. These were taken into consideration in modelling the asset pool amortisation.

Servicer Replacement Stress

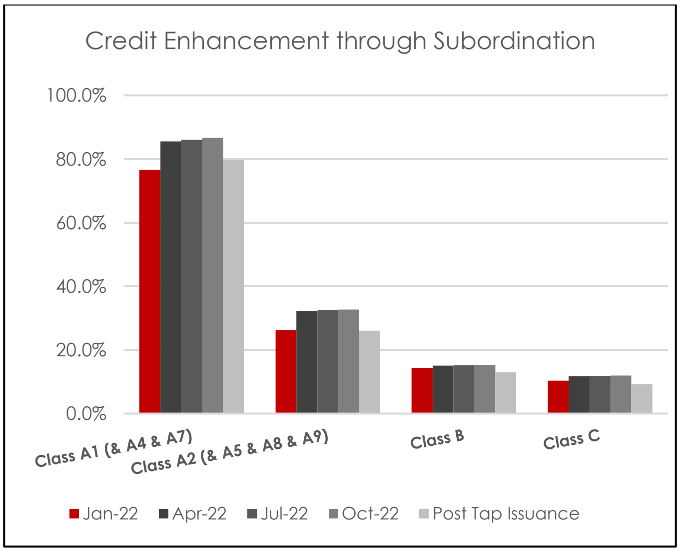
GCR made an amendment to its modelled stress for Servicer replacement. GCR expects a Servicer rated BBB-$_{(ZA)}$ or above (TUHF Limited: BBB-$_{(ZA)}$) to be in place to mitigate risk of servicing interruption. Documentation provides for replacement of the Servicer only on a Servicer Event of Default. Previously, GCR removed the first month of cash flows from its cash flow model to simulate a servicing disruption. This stress has now been moderated to allow for recoupment of 90% of this cash six months later. GCR views a delay in receipt of cash on Servicer replacement to be a more reasonable possibility than a complete loss.

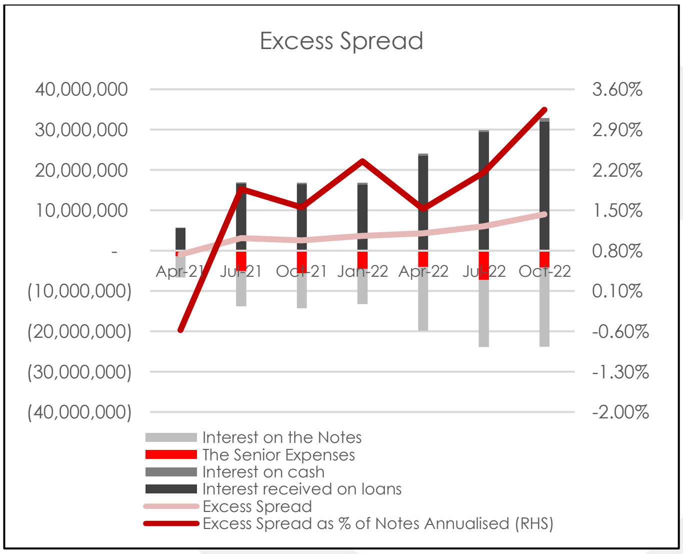
Model Results

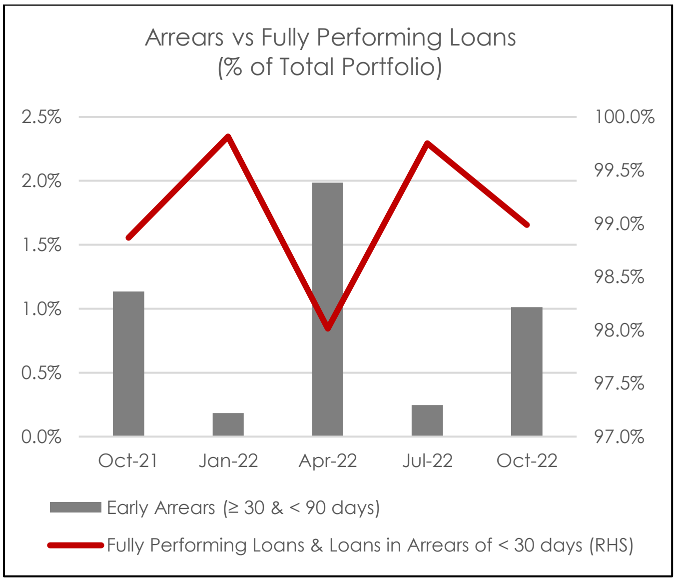
The final ratings accorded reflect the outcome of GCR's cash flow model. Interest and principal are paid in full for each respective class of Notes in all of the various stress scenarios for the relevant rating levels, including defaults, recoveries, their respective vectors, prepayments and interest rates. As mentioned above, the upgrades of the ratings assigned to the existing Class B and Class C Notes are as a result of: (i) the lower modelled defaults, and (ii) the moderated Servicer replacement stress.

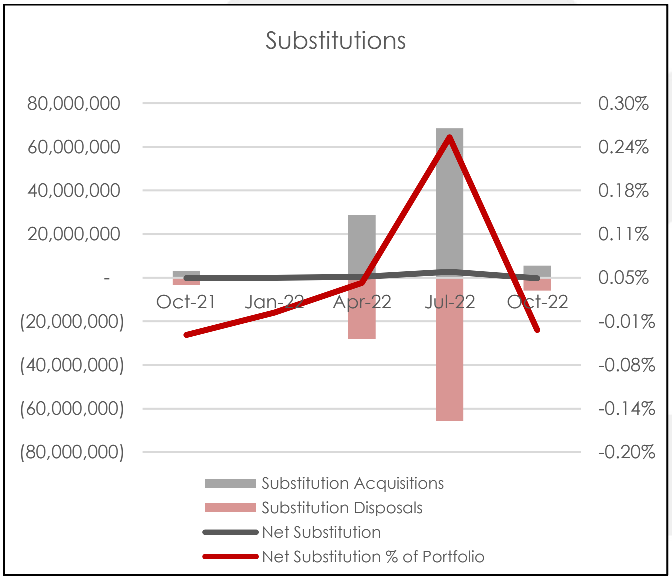
Surveillance

GCR's surveillance of the Transaction covers the period from its inception to October 2022. The performance has been stable, with positive excess spread over the last four quarters, incrementally increasing credit enhancement through subordination as Class A1 and Class A4 Notes have been partially redeemed on each Interest Payment Date, some accumulation of early arrears with zero defaults to date.









Source: TUHF data, GCR calculations

Disclaimer

Note that GCR is not a legal, tax or financial adviser, and only provides a credit opinion of the rated securities. For example, a rating does not cover a potential change in laws nor can it be regarded as an audit. Moreover, GCR is not a party to the transaction documents. Users of our credit ratings should familiarise themselves with all aspects of the transaction (including the Programme legal opinion) and should form their own views in this respect. They should not rely on GCR for legal, tax or financial advice, and are encouraged to contact the relevant advisers.

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Related Criteria and Research

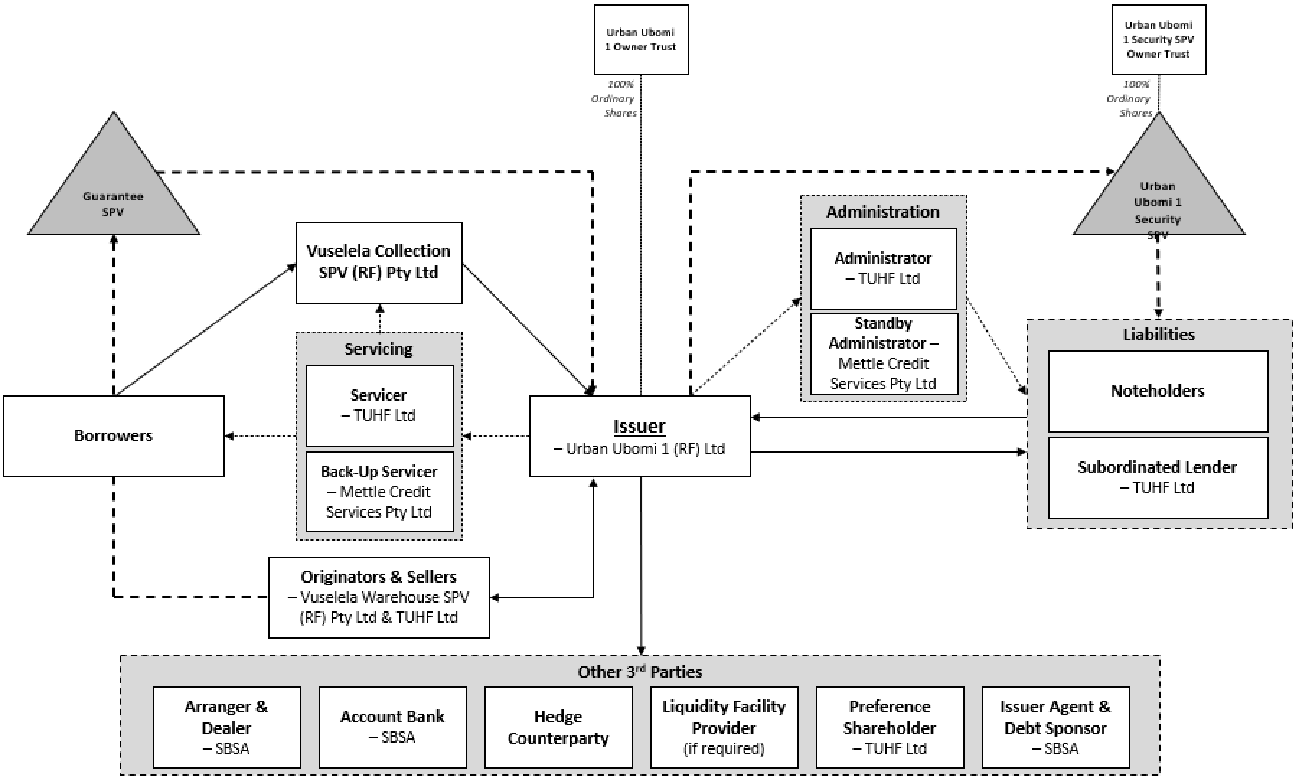
GCR – Rating Scales, Symbols and Definitions – May '22
Criteria for the GCR Ratings Framework – Jan '22
Criteria for Rating Structured Finance Transactions – Sep '18
Criteria for Rating Consumer Asset Backed Securities – Sep '18
Criteria for Rating Financial Institutions – May '19
Asset-Backed Securities Cash Flow Model – Sep '18
Rating Announcement - TUHF Limited – Jul '22
New Issuance Report - Urban Ubomi 1 (RF) Ltd – Feb '22

Rating History

Urban Ubomi 1 (RF) Ltd

Security Class	Stock Code	Review	Rating Scale	Rating Class	Outlook/ Rating Watch	Date
Class A1 Notes	UU1A01	Initial	National	AAA(ZA)(sf)	Rating Watch: Evolving	Mar 2021
		Last	National	AAA(ZA)(sf)	Stable	Feb 2022
Class A2 Notes	UU1A02	Initial	National	AA+(ZA)(sf)	Rating Watch: Evolving	Mar 2021
		Last	National	AA+(ZA)(sf)	Stable	Feb 2022
Class A4 Notes	UU1A04	Initial & Last	National	AAA(ZA)(sf)	Stable	Feb 2022
Class A5 Notes	UU1A05	Initial & Last	National	AA+(ZA)(sf)	Stable	Feb 2022
Class A7 Notes	UU1A07	Initial	National	AAA(ZA)(sf)	Stable	Dec 2022
Class A8 Notes	UU1A08	Initial	National	AA+(ZA)(sf)	Stable	Dec 2022
Class A9 Notes	UU1A09	Initial	National	AA+(ZA)(sf)	Stable	Dec 2022
Class B Notes (first tranche)	UU1B01	Initial	National	A-(ZA)(sf)	Rating Watch: Evolving	Mar 2021
		Last	National	A-(ZA)(sf)	Stable	Feb 2022
Class B Notes (second tranche)	UU1B02	Initial & Last	National	A-(ZA)(sf)	Stable	Feb 2022
Class C Notes (first tranche)	UU1C01	Initial	National	BBB(ZA)(sf)	Rating Watch: Evolving	Mar 2021
		Last	National	BBB(ZA)(sf)	Stable	Feb 2022
Class C Notes (second tranche)	UU1C02	Initial & Last	National	BBB(ZA)(sf)	Stable	Feb 2022
Class C Notes (third tranche)	UU1C03	Initial	National	BBB+(ZA)(sf)	Stable	Dec 2022

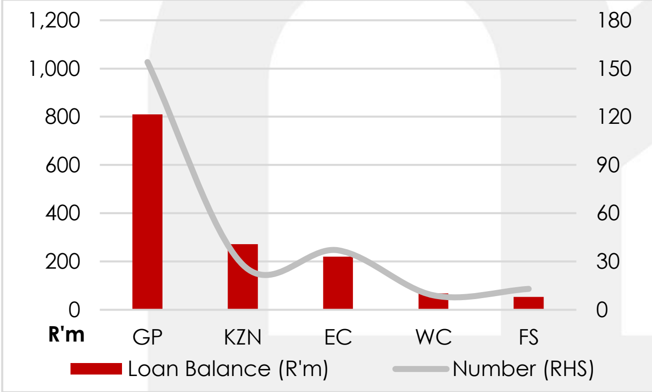
Appendix A – Transaction Diagram



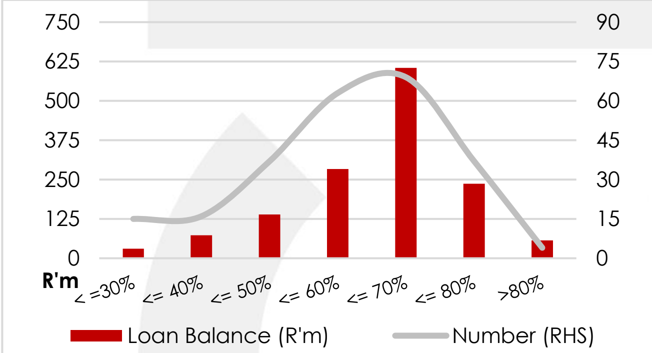
Appendix B – Portfolio Stratification, November 2022 (Final Combined Pool)

Source: TUHF

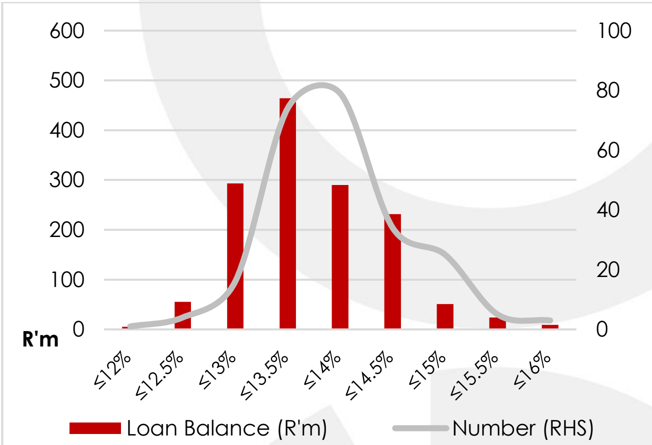
Province	Number	Loan Balance (ZAR) [a]	[a]%
GP	154	809,720,534	56.89%
KZN	28	272,361,480	19.14%
EC	37	220,661,038	15.50%
WC	9	67,675,617	4.75%
FS	13	52,922,723	3.72%
Total	**241**	**1,423,341,392**	**100%**

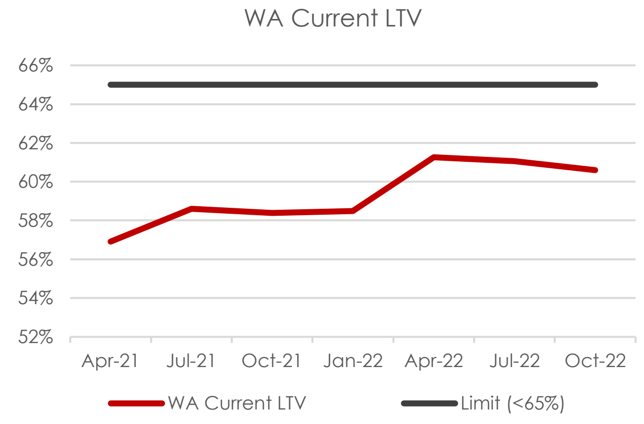


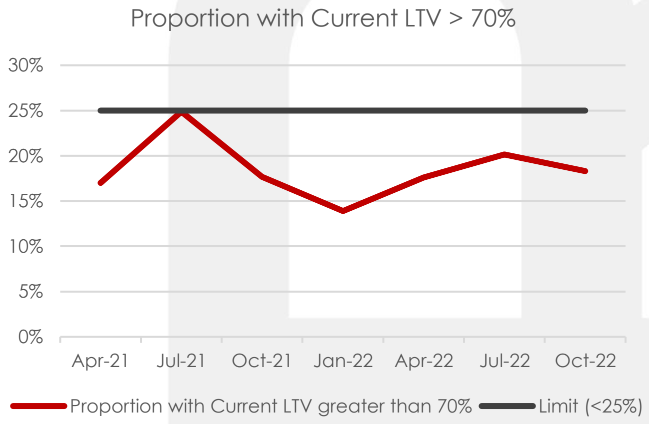
Current Loan to Value Ratio	Number	Loan Balance (ZAR) [a]	[a]%
>0%; ≤30%	15	30,262,139	2.13%
>30%; ≤40%	16	72,778,632	5.11%
>40%; ≤50%	37	139,335,751	9.79%
>50%; ≤60%	63	283,220,279	19.90%
>60%; ≤70%	69	604,772,503	42.49%
>70%; ≤80%	37	236,364,216	16.61%
>80%	4	56,607,873	3.98%
Total	**241**	**1,423,341,392**	**100%**

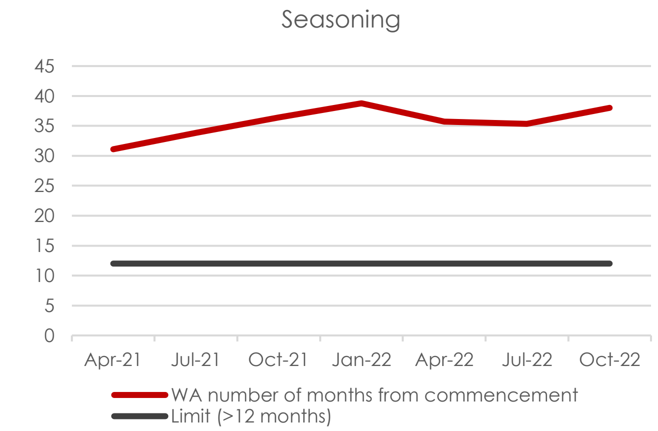


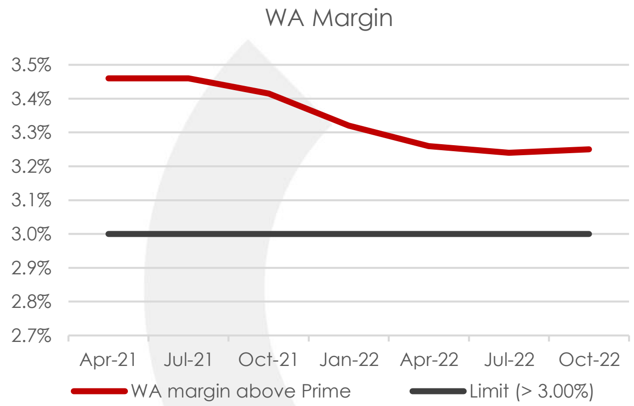
Current Interest Rate	Number	Loan Balance (ZAR) [a]	[a]%
>11.5%; ≤12%	1	4,958,754	0.35%
>12%; ≤12.5%	4	55,652,295	3.91%
>12.5%; ≤13%	16	293,349,488	20.61%
>13%; ≤13.5%	74	464,216,152	32.61%
>13.5%; ≤14%	79	290,059,750	20.38%
>14%; ≤14.5%	34	231,585,449	16.27%
>14.5%; ≤15%	25	50,657,521	3.56%
>15%; ≤15.5%	5	23,986,401	1.69%
>15.5%; ≤16%	3	8,875,582	0.62%
Total	**241**	**1,423,341,392**	**100%**

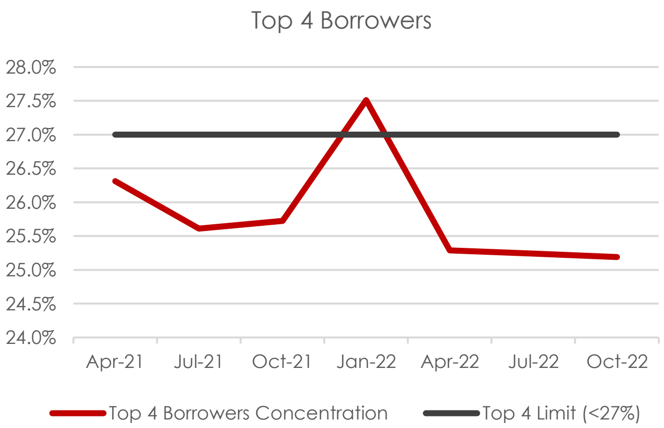


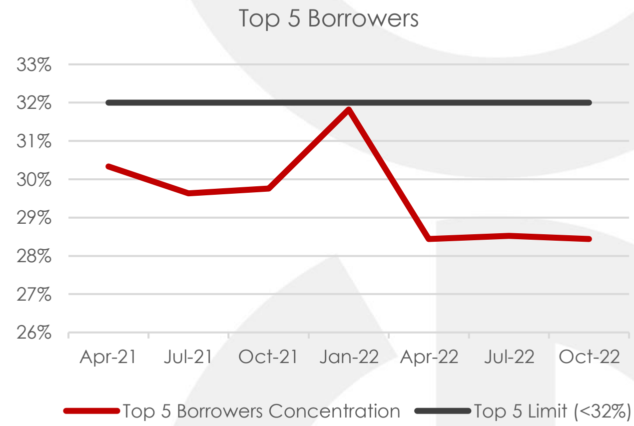

WA Current LTV
66%
64%
62%
60%
58%
56%
54%
52%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
WA Current LTV
Limit (<65%)

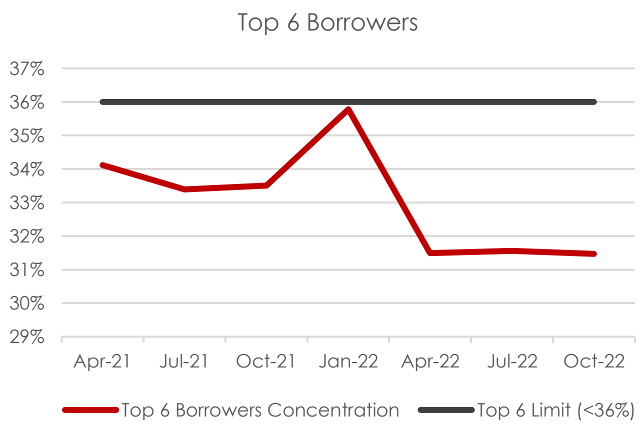

Proportion with Current LTV > 70%
30%
25%
20%
15%
10%
5%
0%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
Proportion with Current LTV greater than 70%
Limit (<25%)

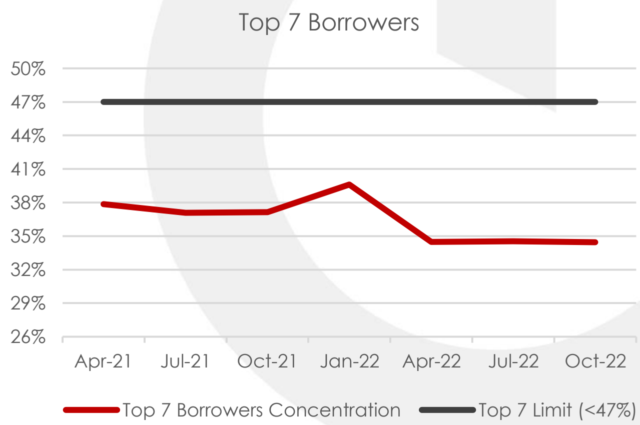

Seasoning
45
40
35
30
25
20
15
10
5
0
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
WA number of months from commencement
Limit (>12 months)


WA Margin
3.5%
3.4%
3.3%
3.2%
3.1%
3.0%
2.9%
2.8%
2.7%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
WA margin above Prime
Limit (> 3.00%)


Top 4 Borrowers
28.0%
27.5%
27.0%
26.5%
26.0%
25.5%
25.0%
24.5%
24.0%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
Top 4 Borrowers Concentration
Top 4 Limit (<27%)


Top 5 Borrowers
33%
32%
31%
30%
29%
28%
27%
26%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
Top 5 Borrowers Concentration
Top 5 Limit (<32%)


Top 6 Borrowers
37%
36%
35%
34%
33%
32%
31%
30%
29%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
Top 6 Borrowers Concentration
Top 6 Limit (<36%)


Top 7 Borrowers
50%
47%
44%
41%
38%
35%
32%
29%
26%
Apr-21 Jul-21 Oct-21 Jan-22 Apr-22 Jul-22 Oct-22
Top 7 Borrowers Concentration
Top 7 Limit (<47%)

Glossary

Account Bank	A bank where the transaction account is held.
Administrator	A transaction appointed agent responsible for the managing of a Conduit or a Special Purpose Vehicle. The responsibilities may include maintaining the bank accounts, making payments and monitoring the transaction performance.
Advance	A lending term, to transfer funds from the creditor to the debtor.
Agent	An agreement where one party (agent) concludes a juristic act on behalf of the other (principal). The agent undertakes to perform a task or mandate on behalf of the principal.
Agreement	A negotiated and usually legally enforceable understanding between two or more legally competent parties.
Amortisation	From a liability perspective, the paying off of debt in a series of instalments over a period of time. From an asset perspective, the spreading of capital expenses for intangible assets over a specific period of time (usually over the asset's useful life).
Arranger	Usually an Investment Bank that advises and constructs a transaction and acts as a conduit between the transaction parties: Client, Issuer, Credit Rating Agency, Investors, Legal Counsel and Servicers.
Arrears	An overdue debt, liability or obligation. An account is said to be 'in arrears' if one or more payments have been missed in transactions where regular payments are contractually required.
Audit Report	A written opinion of an auditor.
Bankruptcy Remote	A feature, through real security and guarantees that reduces the enforceability of a creditor against a Special Purpose Vehicle. Typically a Security Special Purpose Vehicle should be bankruptcy remote.
Basis Risk	The imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
Borrower	The party indebted or the person making repayments for its borrowings.
Cash Flow	The inflow and outflow of cash and cash equivalents. Such flows arise from operating, investing and financing activities.
Collateral	Asset provided to a creditor as security for a loan or performance.
Coupon	The interest paid on a bond expressed as a percentage of the face value. If a bond carries a fixed coupon, the interest is usually paid on an annual or semi-annual basis. The term also refers to the detachable certificate entitling the bearer to the interest payment.
Covenant	A provision that is indicative of performance. Covenants are either positive or negative. Positive covenants are activities that the borrower commits to, typically in its normal course of business. Negative covenants are certain limits and restrictions on the borrowers' activities.
Credit Enhancement	Limited protection to a transaction against losses arising from the assets. The credit enhancement can be either internal or external. Internal credit enhancement may include: Subordination; over-collateralisation; excess spread; security package; arrears reserve; reserve fund and hedging. External credit enhancement may include: Guarantees; Letters of Credit and hedging.
Debt Service Coverage	Measures the ratio of cash available for debt servicing payments.
Debt	An obligation to repay a sum of money. More specifically, funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Default	A default occurs when: 1.) The Borrower is unable to repay its debt obligations in full; 2.) A credit-loss event such as charge-off, specific provision or distressed restructuring involving the forgiveness or postponement of obligations; 3.) The borrower is past due more than X days on any debt obligations as defined in the transaction documents; 4.) The obligor has filed for bankruptcy or similar protection from creditors.
Early Redemption	The repurchase of a bond by the issuer before it matures.
Eligibility Criteria	Limitations imposed on the type and quality of assets that can be sold by the Originator / Servicer into the Securitisation vehicle which ensure the transaction will track the performance of historical data analysed as closely as possible.
Excess Spread	The net weighted average interest rate receivable on a pool of assets being greater than the weighted average interest rate payable for the debt securities.
Facility	The grant of availability of money at some future date in return for a fee.

Forbearance	A temporary suspension of repayments, granted by a creditor to a debtor.
Guarantee	An undertaking in writing by one person (the guarantor) given to another, usually a bank (the creditor) to be answerable for the debt of a third person (the debtor) to the creditor, upon default of the debtor.
Haircut	The percentage by which the market value of an asset is reduced. The size of the haircut reflects the expected ease of selling the asset and the likely reduction necessary to realised value relative to the fair value.
Hedge	A form of risk management aimed at mitigating financial loss or other adverse circumstances. May include taking an offsetting position in addition to an existing position. The correlation between the existing and offsetting position is negative.
Indemnity	A security or protection against a loss or other financial burden.
Instalment	Payment made to honour obligations with regards to a credit agreement in the following credited order: 1.) Satisfy the due or unpaid interest charges; 2.) Satisfy the due or unpaid fees or charges; and to reduce the amount of the principal debt.
Interest Rate	The charge or the return on an asset or debt expressed as a percentage of the price or size of the asset or debt. It is usually expressed on an annual basis.
Interest	Scheduled payments made to a creditor in return for the use of borrowed money. The size of the payments will be determined by the interest rate, the amount borrowed or principal and the duration of the loan.
Issue Date	The date of issue of a new security. Often used as the date from which interest begins to accrue.
Issuer	The party indebted or the person making repayments for its borrowings.
Legal Opinion	An opinion regarding the validity and enforceability of a transaction's legal documents.
Lender	A credit provider that is owed debt obligations by a debtor.
Liability	A financial claim, debt or potential loss incurred by an individual or an organisation.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Loan to Value	Principal balance of a loan divided by the value of the property that it funds. LTVs can be computed as the loan balance to most recent property market value, or relative to the original property market value.
Loan	A sum of money borrowed by a debtor that is expected to be paid back with interest to the creditor. A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the property if the borrower fails to repay the loan. Registration is a prerequisite for the existence of any mortgage loan. A mortgage can be registered over either a corporeal or incorporeal property, even if it does not belong to the mortgagee. Also called a Mortgage bond.
Margin	A term whose meaning depends on the context. In the widest sense, it means the difference between two values.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Mortgage Loan	A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the property if the borrower fails to repay the loan.
Noteholder	Investor in capital market securities.
Obligation	The title given to the legal relationship that exists between parties to an agreement when they acquire personal rights against each other for entitlement to perform.
Obligor	The party indebted or the person making repayments for its borrowings.
Origination	A process of creating assets.
Originator	An entity that created assets and hold on balance sheet for securitisation purposes.
Overnight Rate	The overnight rate is the interest rate at which money due to be returned the next day is lent by one bank to another.
Owner Trust	Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Pari Passu	Side by side; at the same rate or on an equal footing. Securities issued with a pari passu clause have rights and privileges that are equivalent to those of existing securities of the same class.
Payment Date	The date on which the payment of a coupon or dividend is made.
Performing	An obligation that performs according to its contractual obligations.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.

Preference Share	Preference or preferred shares entitle a holder to a first claim on any dividend paid by the company before payment is made on ordinary shares. Such dividends are normally linked to an interest rate and not determined by company profits. Preference shares are normally repayable at par value in the event of liquidation. They do not usually carry voting or pre-emptive rights. Preference shares can be redeemable or perpetual.
Prepayment Rate	The rate of prepayment in relation to the pool of obligations. Also called prepayment speed.
Prepayment	Any unscheduled or early repayment of the principal of a mortgage/loan.
Principal	The total amount borrowed or lent, e.g. the face value of a bond, excluding interest.
Proceeds	Funds from issuance of debt securities or sale of assets.
Pro Rata	(1) Distribution of the amount of insurance under one policy among several objects or places covered in proportion to their value or the amounts shown. (2) Distribution of liability among several insurers having policies on a risk, usually in the proportion that the amount of coverage in each policy bears to the total amount of coverage in all policies.
Recovery	The action or process of regaining possession or control of something lost. To recoup losses.
Redemption	The repurchase of a bond at maturity by the issuer.
Repayment	Payment made to honour obligations in regards to a credit agreement in the following credited order: 3.) Satisfy the due or unpaid interest charges; 4.) Satisfy the due or unpaid fees or charges; and 5.) To reduce the amount of the principal debt.
Seasoning	The age of an asset, the time period passed since origination.
Secured Creditor	A creditor that has specific assets pledged as collateral that will receive the proceeds in the event of default.
Securitisation	A process of repackaging portfolios of cash-flow producing financial instruments into securities for sale to third parties.
Security	One of various instruments used in the capital market to raise funds.
Senior	A security that has a higher repayment priority than junior securities.
Servicer	A transaction-appointed agent that performs the servicing of mortgage loans, loan or obligations.
Servicing	The calculation of interest and repayments, collection of repayments, advancing of loans, foreclose procedures, maintaining records and seeing that the proceeds of each loan are passed on to the respective party.
Spread	The interest rate that is paid in addition to the reference rate for debt securities.
Standard Deviation	An indication of risk amongst the dispersion of values. Higher value indicates greater risk.
Subordinated Loan	A loan typically given by the Issuer to the securitisation vehicle that is more junior than a junior tranche.
Subordination	The prioritising of the payment of interest and principal payments to tranches (senior, junior etc. Senior tranches are paid before junior tranches.
Swap	An exchange of payment streams between two parties for their mutual benefit. Swaps can involve an exchange of debt obligations, interest payments or currencies, with a commitment to re-exchange them at a specified time.
Tenor	The time from the value date until the expiry date of an instrument, typically a loan or option.
Trust	A third party that acts in the best interest of another party, according to the trust deed, usually the investors. Owner of a securitisation vehicle that acts in the best interest of the Noteholders.
Trustee	An individual or firm that holds or administers property or assets for the benefit of a third party.
Ultimate Payment	A measure of the principal debt, interest, fees and expenses being repaid over a period of time determined by recoveries.
Vacancy	In commercial property, usually expressed as a percentage of unoccupied floor space in relation to the GLA.
Valuation	An assessment of the property value, with the value being compared to similar properties in the area.
Variable Costs	A cost that varies with the volume of production or sales, such as the cost of raw materials or packaging. In contrast with fixed costs, such as rent, which stay the same regardless of the volume of production or sales.
Weighted Average	An average resulting from the multiplication of each component by a factor reflecting its relative size in a pool of assets or liabilities.
Yield	Percentage return on an investment or security, usually calculated at an annual rate.

Salient Points of Accorded Ratings

GCR affirms that a.) no part of the ratings are influenced by any other business activities of the credit rating agency; b.) the ratings are based solely on the merits of the rated entity, security or financial instrument being rated; and c.) such ratings are an independent evaluation of the risks and merits of the rated entity, security or financial instrument.

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The information received from the issuer and other reliable third parties to accord the credit rating included:

- Final combined (existing and new) assets pool cut
- Final capital structure
- Historical performance information to August 2022 – TUHF
- Final Executed Applicable Pricing Supplements for Class A7, A8, A9 and third tranche of the existing Class C
- Final signed bring-down legal opinion
- Other miscellaneous data and presentations

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