AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
AUDITED ANNUAL FINANCIAL STATEMENTS
31 December 2022

Preparer: Steven Mulaudzi
Designation: Product Controller Global Finance, Corporate and Investment Banking, Absa Group Limited

Contents

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
DIRECTORS' RESPONSIBILITIES AND APPROVAL
As at 31 December 2022

The directors are responsible for overseeing the preparation, integrity and objectivity of the annual financial statements that fairly present the state of the affairs of AB Finco 1 (RF) Limited ("the Company") at the end of the financial year and the financial performance and cash flows for the reporting period, and other information contained in this report.

To enable the directors to meet these responsibilities:

- All directors will endeavour to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach;
- The board sets standards and management implements systems of internal control and accounting and information systems aimed at providing reasonable assurance that both on and off statement of financial position assets are safeguarded and the risk of error, fraud or loss is reduced in a cost-effective manner. These controls, contained in established policies and procedures, include the proper delegation of responsibilities and authorities within a clearly defined framework, effective accounting procedures and adequate segregation of duties;
- The board and management identify all key areas of risk across the Company and endeavour to mitigate or minimise these risks by ensuring that appropriate infrastructure, controls, systems and discipline are applied and managed within predetermined procedures and constraints;
- The internal audit function outsourced from Absa Group Limited Internal Audit, which operates unimpeded and independently from operational management, appraises, evaluates and, when necessary, recommends improvements to the systems of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business; and
- The internal auditors play an integral role in matters relating to financial and internal control, accounting policies, reporting and disclosure.

To the best of their knowledge and belief, based on the above, the directors are satisfied that no material breakdown in the operation of the systems of internal control and procedures has occurred during the year under review.

The Company consistently adopts appropriate and recognised accounting policies and these are supported by reasonable and prudent judgements and estimates on a consistent basis. The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act of South Africa and comply in all material respects with International Financial Reporting Standards (IFRS) and all applicable legislation.

The directors have no reason to believe that the Company will not be a going concern in the reporting period ahead, based on forecasts and available cash resources. These financial statements have accordingly been prepared on this basis.

It is the responsibility of the independent auditor to report on the annual financial statements. Their report to the shareholders of the Company is set out on pages 13 to 22 of this report.

The directors' report on pages 23 to 24 and financial statements of the Company which appears on pages 25 to 59 were approved by the board of directors on 21 April 2023 and are signed on its behalf by:

DocuSigned by:
D023873913934C5...

ML De Nysschen
Sandton

DocuSigned by:
Jonathan Burnett
83D1D7FF3A4E4FA...

JR Burnett
Sandton

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
COMPANY SECRETARY'S CERTIFICATE
As at 31 December 2022

To the shareholders of AB Finco 1 (RF) Limited,

In accordance with the provisions of section 88(2)(e) of the Companies Act of South Africa, I, in my capacity as a duly authorised representative of the Company Secretary hereby certify that, in respect of the year ended 31 December 2022, the Company has filed with the Commissioner of the Companies and Intellectual Property Commission (CIPC) all returns and notices prescribed by the Act and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.

Absa Secretarial Services Proprietary Limited
(Represented by Gerrie van Rooyen)
21 April 2023

Corporate Governance

The Company's corporate governance practices are guided by the Companies Act No. 71 of 2008 (as amended), relevant sections of the JSE Listings Requirements, the Companies Memorandum of incorporation ("MoI"), the recommendations of the King Code on Corporate Governance for South Africa, 2016 (King IV).

The Board of Directors ("Group Board") of Absa Group Limited ("Absa Group" or "the Group") sets the overarching governance principles to be upheld and practiced by all entities (related or inter-related) to assist in embedding good governance practices in the Group. As a consolidated entity, the Absa Group's Group Governance Framework has been adopted by the Board of the Company during 2022.

King IV is the main governance code for South African companies and as the Company has adopted the application of the Code on a proportional basis (that is to the extent beneficial to the entity's governance). The Company's application of King IV is set out in the King report on Corporate Governance, included on page 6 to 10 of these annual financial statements. In addition to the Company requirements, AB Finco is also required to apply King IV by the JSE Listings Requirements based on the proportionality principle.

The Board of Directors of the company ("the Board") are of the opinion that the Company has applied the principles and recommendations of the Code in all material aspects for the year ended 31 December 2022.

The Board is responsible for delivering sustainable value through oversight of the management of the Company's business, challenging and approving strategic plans proposed by management; and monitoring implementation of the strategy and plans in the context of the approved risk appetite, the available opportunities, and the macro and regulatory environment.

Management of the Company

The Board is responsible for delivering sustainable value to the shareholder. In this regard the Board oversees the management of the Company's business by challenging and approving the strategy and plans proposed by management. The Board has delegated the day-to-day administration of the Company to the Absa Corporate and Investment Banking, a division of Absa Bank Limited ("Absa Bank") in terms of a Service Level Agreement whose performance the Board monitors through regular operational and financial reporting.

Board Composition

The Board comprises four directors, one executive and three independent non-executive directors. The independent non-executive directors are nominated by the shareholder, Issuer Owner Trust and appointed through TMF Corporate Services (South Africa) Proprietary Limited ("TMF").

Professional Advice

The Board and individual directors may procure independent professional advice at the expense of the Company in the discharge of their responsibilities.

Company Secretarial and Governance support

The day-to-day company secretarial and corporate governance support duties are managed by a dedicated, qualified and skilled Company Secretary who represents Absa Secretarial Services Proprietary Limited ("Group Secretariat") the duly appointed Company Secretary with support from the Head of Secretarial Services for South Africa and a statutory administration team within Group Secretariat.

The Company Secretary also provides guidance and advice to the Board as a whole and individual directors on their duties and responsibilities as directors, which should be discharged in the best interest of the Company.

Audit Committee

The Board relies on the Audit Committee for input on audit and compliance functions from the submissions made by the Group Internal Audit, Group Risk and Compliance functions of Absa Bank Limited.

Notwithstanding the role of the Audit Committee in relation to the audit function, the board remains at all times responsible for monitoring the effectiveness of the Company's control environment, the review and approval of the annual financial statements, and engages with representatives of the internal and external audit for assurance of the integrity of the financial and related information.

All audit issues raised during the audit for the financial year-ended 31 December 2021 were submitted to, considered and addressed as necessary by the Audit Committee.

Internal Audit

The internal audit function is conducted by the Absa Group Limited Internal Audit.

Remuneration policy

The Company is a ring-fenced special purpose vehicle and all services are outsourced to external service providers and as such has no employees and thus does not have a remuneration committee.

Director remuneration

The independent non-executive directors are not employees of the Company and receive fees for their services as directors. These directors' fees were paid to TMF Corporate Services (South Africa) Proprietary Limited in terms of a service level agreement. The independent non-executive directors are employed and remunerated by TMF Corporate Services (South Africa) Proprietary Limited on a separate basis.

The executive director of the Company who is an employee of the Absa Bank Ltd does not receive any fees for his services as a director of the Company.

Risk Management

The Company's risk is governed and managed in terms of the Group Enterprise Risk Management Framework and related policies. The Board and executive management are responsible for the Company's risk governance and management within the overall context of the Group's risk appetite and principal risks.

The Company's Audit Committee in conjunction with Absa Corporate and Investment Banking ("CIB"), a division of Absa Bank Limited, develop appropriate risk processes for managing risks.

The Board believes that risk of the Company is adequately managed.

Compliance

The Company relies on the compliance function of Absa Bank Limited.

The board, being ultimately responsible for compliance of the Company, engages with management regularly to discuss and develop compliance processes for the Company.

Sustainability reporting and disclosure

The Company is a ring-fenced special purpose vehicle whose sustainability is determined by the length of time of the transaction for which the Company has been incorporated. The Company is consolidated into the financial results of Absa Group Limited. The Board is however responsible for ensuring the accuracy of the financial information which is reported to all the relevant stakeholders.

Managing Stakeholder relationships

Absa Group has in place a Stakeholder Management Policy, which is applicable to AB Finco 1. The Board and the management are responsible for proactively engaging with material stakeholders in an inclusive manner that balances their needs, interests and expectations, and to address their concerns in the best way possible.

IT Governance

The Company's Information Technology is governed in terms of the Absa Group IT governance policy and is reliant on systems and information technology infrastructure housed within the Absa Group. The Group Information Technology Committee assists the Group Board with effective oversight of information and technology governance for the Group.

Conflicts of interest

The board reviews the declarations submitted at board meetings of other financial interest and other directorships on an ongoing basis and have considered the declarations during the period under review.

Fundamental and affected transactions

There were no fundamental transactions for the period under review.

The King Report on Corporate Governance for South Africa 2016 ("King IV" or the "Code") is the main governance code applicable to companies in South Africa. The principles and practices of the Code are to be applied to the extent required and beneficial to a company (the proportionality principle), taking into consideration a number of factors such as the size of turnover, resources, complexity and nature of business.

The Board has satisfied itself that for the year under review the Company has applied the principles of King IV to the extent deemed necessary or has put alternative measures in place. Further information on the Company's corporate governance is disclosed under "Corporate Governance Report" of the Annual Financial Statements ("AFS").

Application of each principle of King IV is expected to result in certain governance outcomes categorised as "primary" or "secondary" depending on the degree of impact on governance of applying the practices under the principle.

Leadership and Organisational Ethics

Expected Outcomes - (i) Ethical Culture (primary), (ii) Legitimacy (primary), (iii) Effective Control (secondary) and (iv) Good Performance (secondary).

Principle 1 - The governing body should lead ethically and effectively.

Principle 2 - The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

The Board is committed to the highest standards of corporate governance and in this regard the directors collectively and individually execute their duties and responsibilities in accordance with standards of behaviour required by relevant regulation and legislation and the Company's Memorandum of Incorporation (MoI). The directors are also committed to and adhere to ethical standards of behaviour.

The Board, in conjunction with the Company's Social and Ethics Committee, is responsible for overseeing ethics and ethical conduct in the Company.

Responsible Corporate Citizenship and Regulatory Compliance

Expected Outcomes - (i) Ethical culture (primary), (ii) Legitimacy (primary) and (iii) Good performance (secondary).

Principle 3 - The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Principle 13 - The governing body should govern compliance with laws and adopted non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.

The Company's corporate citizenship and regulatory compliance are governed in accordance with its legislative responsibilities as set out by the JSE Listings Requirements (as applicable); and the framework set by the Board of Absa Group Limited (Group Board) (as applicable). The Board in conjunction with the Social and Ethics Committee are responsible to review, develop and align policies to enhance and ensure the company remains a good corporate citizen.

The Board complies with regulation relevant to its oversight responsibilities and ensures that management also complies with laws applicable to the Company. In formulating the Company's strategy, the Board has regard to matters relevant to its corporate citizenship status (including the impact of the Company's operations on the social and economic environments).

Strategy and Performance

Expected Outcomes - (i) Good performance (primary) and (ii) Effective Control (secondary).

Principle 4 - The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board is responsible for creating and delivering sustainable value for the shareholder and benefits to the company's stakeholders by overseeing the management of the business. The Board (i) approves the company's strategic objectives, business plans and annual budgets, (ii) and monitors management's implementation of the strategy and plans according to the approved risk appetite, the available opportunities, and the macro and regulatory environment.

Reporting and Assurance

Expected Outcomes - (i) Effective control (primary), (ii) Good performance (primary), iii) Ethical culture (secondary) and (iv) Legitimacy (secondary).

Principle 5 - The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.

Principle 15 - The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

The company's primary report is the annual financial statements in which the company's business activities and financial performance are reported.

The Board oversees the preparation of the annual financial statements and ensures that the state of affairs of the Company and its financial wellbeing are fairly presented through application of appropriate assurance processes supported by an effective control environment. The Audit Committee assists the board in overseeing assurance services and the effectiveness of the control environment in order to ensure the objectivity and integrity of the financial statements. The Board is ultimately responsible for the integrity of the report and approves the financial statements.

Board's Primary Role and Responsibility

Expected Outcomes - (i) Effective control (primary) and (ii) Good performance (primary).

Principle 6 - The governing body should serve as the focal point and custodian of corporate governance in the organisation.

The Company's Board of Directors (the "Board") is the focal point of the Company's corporate governance.

The Company's Memorandum of Incorporation (MoI), King IV, the Companies Act No. 71 of 2008 (as amended) ("the Companies Act") determine the governance of the Company.

Board Composition

Expected Outcomes - Good performance (primary).

Principle 7 - The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

Directors are appointed with due regard to relevant legislation, the constitution of the company and the skills and expertise, industry knowledge, gender and race diversity required to enable the board to function effectively.

Newly appointed directors only serve until the first Annual General Meeting after their appointment unless they are elected by the shareholder. Each director serves a maximum of three terms of three years' each, and will only continue beyond 9 years on approval of the Shareholder, and subject to their performance and behaviour meeting the Board's standards.

The current membership of the Board is included in the directors' report.

Delegation to Management and Committees

Expected Outcomes - (i) Effective control (primary) and (ii) Good performance (primary).

Principle 8 - The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

Principle 10 - The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

The Shareholder delegates authority to the Board through the Company's MoI and shareholder resolutions passed at the shareholder's meetings.

The Board determines the levels of authority of management and the Audit Committee and the matters reserved for the Board's own authority. The role and functions of the Audit Committee is governed by terms of reference approved by and regularly reviewed by the Board. The Board remains ultimately responsible for delegated responsibilities, and in this regard, the Board receives regular reports on material matters discussed and decisions taken at the Audit Committee meetings through the chairman. The Board remains ultimately responsibility for any delegated approvals made by committees on its behalf.

Board and committee performance evaluations

Expected Outcomes - Good performance (primary)

Principle 9 - The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

The effectiveness of the Board and performance of individual directors and the Chairman are usually assessed biennially (previously annually), against set criteria. Matters arising, including areas requiring improvement, and remedial plans are presented to the Board. Remediation is coordinated by the Company Secretary and monitored by the Board until the next evaluation.

The Chairman would engage with individual directors on the outcomes of the peer reviews to address the areas for development or those of concern. The Board effectiveness and performance evaluations will be conducted by 2023. The Audit Committee effectiveness and performance evaluation was conducted during 2022.

Risk Governance

Expected Outcomes - (i) Effective control (primary) and (ii) Good performance (primary)

Principle 11 - The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.

The Board oversees the Company's risk management within the framework of the Group's enterprise risk management framework (incorporating the principal and key risks). Risk levels appropriate for the Company's business are determined by management and approved by the Board. The Audit Committee assists the Board in executing its oversight role over risk management.

Executive management of the Company is responsible for embedding risk management in the organisation and does this through various programmes, including by ensuring that employees receive the necessary training to be able to identify, mitigate, manage and, when necessary escalate actual or potential risks within their work environment.

Technology and information Governance

Expected Outcomes - (i) Effective control (primary)

Principle 12 - The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

The Group Information Technology Committee of Absa Group Limited has overall oversight responsibility for information and technology governance in the Group and the systems employed by the Company.

The Board acting through the Administrator of the Company is responsible for the following oversight duties over the management of IT in general, including monitoring the following, as set out in the Group Governance Framework:

• The resilience of the technology systems, infrastructure and applications in supporting customers and employees.

• The robustness and resilience of processes to identify and exploit technology and information opportunities to improve the entity's performance and sustainability.

• Planning, testing and user acceptance in relation to new systems and applications.

• The use of information (and data) to sustain and enhance the entity's intellectual capital and strategic advantage.

• The continual monitoring of security of information, including personal information of customers, employees and other stakeholders.

Executive management is responsible for the day-to-day management of IT.

Remuneration Governance

Expected Outcomes - (i) Ethical culture (primary), (ii) Good performance (primary), (iii) Legitimacy (primary) and (iv) Effective control (secondary)

Principle 14 - The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The Company pays a corporate service fee to TMF for the provision of non-executive directors. The independent non-executive directors of the Company are remunerated separately by TMF. The Absa Bank Limited appointed director, who is an employee of Absa Bank Limited, is remunerated as an employee and not separately for his role as a director of the Company.

Shareholder Relationships

Expected Outcomes - (i) Legitimacy (primary) and (iv) Good performance (secondary)

Principle 16 - In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The Company's stakeholders are integral to the success of the business. The Board proactively engages with material stakeholders in an inclusive manner that balances their needs, interests and expectations, and to address their concerns in the best way possible.

This allows the Company to manage issues effectively and timeously and reduces the likelihood of reputational risks. The Board understands that communication with stakeholders in respect of financial and non-financial information is vital and open interaction is actively pursued.

The Company is, in line with section 94 of the Companies Act (the Act), required to have an audit committee.

Members of the Audit Committee and independent non-executive directors

Name	Appointment date
R Thanthony	27 February 2015
JN Wheeler	1 December 2018
ML De Nysschen	1 August 2018

Meetings held by the Audit Committee

The audit committee performed the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 as amended by holding meetings with the key role players and by the unrestricted access granted to the external auditors. The committee held meetings on 22 March 2022 and 08 November 2022 during which it fulfilled its responsibilities in terms the audit committee charter, in order to be able to recommend approval of the Company's financial statements to the Board.

Expertise and experience of finance function

Absa Secretarial Services Proprietary Limited, as Company Secretary provides ongoing Company Secretarial administration to AB Finco1 (RF) Limited. Absa Bank Limited, acting through its Corporate and Investment Banking Division ("CIB") is the administrator of the Company. The committee satisfied itself that the composition, experience and skills set of the finance function met the Company's requirements.

Independence of external auditors

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 as amended and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the Companies Act 71 of 2008 as amended that internal governance processes within the firm support and demonstrate the claim to independence. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

Discharge of responsibilities and Audited Annual Financial Statements

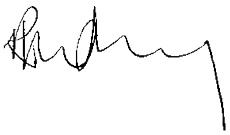
- Following the review by the committee of the audited annual financial statements of the Company for the year ended 31 December 2022 and based on the information provided to it, the committee considers that, in all material respects, the Company complies with the provisions of the Companies Act No 71 of 2008, as amended, International Financial Reporting Standards, and that the accounting policies applied are appropriate. Following the review of the audited annual financial statements, the committee recommended the Company's 2022 audited annual financial statements for approval to the Board on 12 April 2023. The committee further concurred with the Board and management that the adoption of the going-concern status in preparation of the annual audited financial statements is appropriate.

On behalf of the audit committee:

R Thanthony

Chairperson: Audit Committee

21 April 2023



Independent auditor's report

To the Shareholder of AB Finco 1 (RF) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AB Finco 1 (RF) Limited (the Company) as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

AB Finco 1 (RF) Limited's financial statements set out on pages 25 to 59 comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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Our audit approach

Overview

	Overall materiality • R59.3 million which represents 1% of total assets
	Key audit matters • Provision for Expected Credit Losses (ECL) on interest in loans

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	R59.3 million
How we determined it	1% of Total Assets
Rationale for the materiality benchmark applied	The Company is set up for the purpose of allowing external note holders to gain exposure to certain investments. The Company functions as a pass-through vehicle that allows for the transfer of South African corporate credit exposures to capital market investors. We therefore selected total assets as our materiality benchmark because, in our view, it is the most appropriate benchmark and is a generally accepted benchmark. We chose 1% which is consistent with materiality thresholds used for similar companies within this sector.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Expected credit losses (ECL) on interest in loans The disclosure associated with ECL on Interest in loans is set out in the financial statements in the following accounting policies and notes: ● 2.6.3 Expected Credit Losses on Financial Assets ● 3 - Judgements and estimates ● 8. Credit Risk Reconciliation – Expected Credit Loss Allowance ● 9. Interest in Loans ● 22.5 Credit Risk	

Key Audit Matter	How our audit addressed the key audit matter
The Company's Interest in loans is material to the financial statements and the related ECL includes significant judgements and assumptions. We identified the audit of ECL on Interest in loans to be a matter of most significance to the current year audit due to the following: 1. There is a high degree of estimation uncertainty and significant judgements and assumptions in estimating modelled ECL on Interest in loans; 2. Economic scenario forecasts incorporating forward-looking information (FLI) which are used to estimate the ECL on Interest in loans require estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation. Any impacts not captured by the statistical model are accounted for via further management adjustments. Such adjustments are also posted where current and forward-looking risks are not fully reflected in the historic data used to calibrate models; 3. The credit risk disclosures incorporate multiple data inputs and management judgement impacting the completeness and accuracy of the disclosures. As at 31 December 2022 the Company's total carrying amount of Interest in loans was R 5,959,559,138 while the ECL was R 27,348,130. In calculating the ECL, the key areas of significant management judgement and estimation included:	Making use of our internal actuarial, quantitative and economics expertise, our audit procedures addressed the key areas of significant judgement and estimation in determining the ECL on Interest in loans, as set out below. In addition, we tested controls and performed substantive procedures over the model data inputs.

Key Audit Matter	How our audit addressed the key audit matter
1. Modelled ECL impairment losses ● A significant portion of ECL is calculated on a modelled basis which incorporates observable data, assumptions and estimations. The development and execution of these models requires significant management judgement, including estimation of the probability of default (PD); exposure at default (EAD) and loss given default (LGD) model parameters. ● Significant increase in credit risk (SICR) is assessed based on the current risk of default of an account relative to its risk of default at origination. This incorporates judgement and estimation by management. The credit impairment models are subject to formal model governance and approval.	**1. Modelled ECL impairment losses** ● We assessed the controls over changes and approval of ECL models. ● We reperformed and/or benchmarked the model calculations for material portfolios based on the assumptions as per the model documentation, independently reperformed the PD, EAD and LGD parameters, to test the accuracy, assumptions and appropriateness of the judgement applied in the ECL calculations and noted that the ECL calculated as a result was within an acceptable range of ours. ● We assessed the appropriateness of the SICR methodologies and model calibrations and tested the resultant stage allocation and noted that the stage allocation was within an acceptable range of ours. ● We tested the completeness and accuracy of data inputs into the models by tracing a sample of data inputs back to information sourced by management from internal systems and external data providers and noted no exceptions. ● Through discussions with management and inspection of relevant documentation, we obtained an understanding of the methodologies and assumptions used by management in the various ECL models and how these were calibrated to use historical information to estimate future cash flows. We noted no matters for further consideration.

Key Audit Matter	**How our audit addressed the key audit matter**
2. Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation • The macroeconomic scenario forecasts are developed internally and require management judgement. Given the uncertain macroeconomic environment, both locally and internationally, there is complexity in incorporating these scenario forecasts, FLIs and probability weightings into the estimation of ECL. • Management adjustments to the modelled ECL output were used within the portfolio to address specific risks which were not catered for in the FLIs incorporated into the models. • Determining the key macroeconomic drivers of credit risk including the relative importance/weighting of each identified factor incorporates judgement and estimation by management.	**2. Estimation and incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation** • We obtained an understanding of management's approval processes and tested controls over the approval of macroeconomic forecasts and variables used within the models by the appropriate governance structures. With assistance from our internal economics experts, we assessed the appropriateness of the macroeconomic scenario forecasts and probability weightings by benchmarking these against external evidence and economic data. We noted no matters for further consideration. • We tested the performance and sensitivity of the forward-looking models in order to evaluate whether the chosen macroeconomic variables and model structure provides a reasonable representation of the impact of macroeconomic changes on the ECL, SICR and baseline information built into the forward-looking economic model. We noted no matters for further consideration. • We assessed the reasonableness of how management considered the uncertain macroeconomic environment on the ECL model through independent ECL quantification and sensitivity analysis. We noted no matters for further consideration. • We tested the governance process over management adjustments; assessed management's rationale for the adjustments; and the appropriateness of the assumptions and data used in the determination of the management adjustments. We further evaluated whether these were reflective of current

Key Audit Matter	How our audit addressed the key audit matter
	market volatility, idiosyncratic risks or emerging trends. We noted no matters for further consideration.
3. Disclosures related to credit risk Credit risk disclosures are significant as they rely on material data inputs and explain management judgement, estimates and assumptions used in determining the ECL.	**3. Disclosures related to credit risk** ● We evaluated whether the credit risk disclosures are consistent with the ECL information tested which included the ECL data, models, estimates and macroeconomic forecasts. ● We assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of

Key Audit Matter	**How our audit addressed the key audit matter**
	IFRS 9. We noted no matters for further consideration in respect of the results on our testing of the disclosures relating to credit risk.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled AB Finco 1 (RF) Limited Audited Annual Financial Statements for the year ended 31 December 2022, which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of AB Finco 1 (RF) Limited for one year.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Louwrens van Velden
Registered Auditor
Johannesburg, South Africa
21 April 2023

Company registration number	2007/033844/06		
Country of incorporation and domicile	South Africa		
Date of publication	21 April 2023		
Nature of business and principal activities	The activities of AB Finco 1 (RF) Limited (the Company) are restricted by the Issuer Transaction Documents and will be limited to the issue of Notes, the purchase of Loan Agreements, the exercise of related rights and powers and other activities referred to in the Issuer Transaction Documents or reasonably incidental to such activities.		
Directors	**Name**	**Appointment date**	**Resignation date**
	Non-Executive independent directors		
	R Thanthony	27 February 2015	
	O Ferreira (Alternative)	31 January 2017	01 December 2022
	ML De Nysschen	1 August 2018	
	JN Wheeler	1 December 2018	
	Executive directors		
	JR Burnett	5 November 2019	
Registered office	7th Floor Absa Towers West 15 Troye Street Johannesburg 2000		
Business address	7th Floor Absa Towers West 15 Troye Street Johannesburg 2000		
Postal address	PO Box 7735 Johannesburg Gauteng 2000		
Holding company	Issuer Owner Trust (IT002095/2019G).		
Ultimate holding company	Issuer Owner Trust. Absa Bank Limited holds 100% of the notes issued by the Company and hence control the Company in terms of IFRS10. As at 31 December 2022 the Company is consolidated into Absa Bank Limited, and therefore is also ultimately consolidated into Absa Group Limited.		
Auditors	PricewaterhouseCoopers 4 Lisbon Lane Waterfall City, Jukskei View 2090		

Supervised by

These annual financial statements are prepared under the direction and supervision of the Head of Asset Classes Product Control, Corporate and Investment Banking, Absa Group Limited, Jan Luus CA(SA).

Company secretary

Name	Appointment date
Absa Secretarial Services Proprietary Limited (Represented by Gerrie van Rooyen)	17 September 2018

Date of incorporation

26 November 2007

Review of operations

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa.

Review of financial results

The financial results of the Company are set out in the attached financial statements. The results do not, in the opinion of the directors, require further explanation.

Key performance indicators	**2022 R**	2021 R
Profit for the year	**6 078 109**	23 359 673
Total comprehensive income	**6 078 109**	23 359 673
Taxation	**(2 540 373)**	(9 084 317)
Dividends declared and paid	**33 000 000**	21 000 000
Net (liabilities)/assets	**(6 446 314)**	20 475 577
Net current assets	**16 471 418**	20 646 551

Authorised and issued share capital

There were no changes to the authorised or issued share capital for the year under review. The share capital is disclosed in note 13.

Events after the reporting date

Events material to the understanding of these annual financial statements that occurred between the financial year end and the date of this report have been disclosed in note 26.

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	2022 R	2021 R
Investment income	4	**415 369 576**	300 575 768
Other expenses	6	**(2 040 319)**	(1 502 567)
Finance costs	5	**(382 105 858)**	(267 488 205)
Expected credit loss	6	**(22 604 917)**	858 994
Profit before tax		**8 618 482**	32 443 990
Taxation	7	**(2 540 373)**	(9 084 317)
Profit for the year		**6 078 109**	23 359 673
Total comprehensive income for the year, net of tax		**6 078 109**	23 359 673

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Notes	2022 R	2021 R
Assets			
Non-current assets			
Interest in Loans	9	**5 015 368 897**	5 098 968 012
Deferred tax assets	11	**4 430 397**	996 076
Total non-current assets		**5 019 799 294**	5 099 964 088
Current assets			
Interest in Loans	9	**916 842 112**	451 567 469
Current tax assets	15	**2 107 580**	-
Cash and cash equivalents	17	**26 299 069**	23 772 979
Total current assets		**945 248 761**	475 340 448
Total assets		**5 965 048 055**	5 575 304 536
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	13	**100**	100
(Accumulated loss)/retained profit		**(6 446 414)**	20 475 477
Total equity		**(6 446 314)**	20 475 577
Liabilities			
Non-current liabilities			
Debt securities in issue	10	**5 042 717 026**	5 100 135 062
Total non-current liabilities		**5 042 717 026**	5 100 135 062
Current liabilities			
Trade and other payables	12	**13 575 201**	382 644
Debt securities in issue	10	**915 202 142**	454 127 517
Current tax liabilities		**-**	183 736
Total current liabilities		**928 777 343**	454 693 897
Total liabilities		**5 971 494 369**	5 554 828 959
Total equity and liabilities		**5 965 048 055**	5 575 304 536

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share Capital R	(Accumulated loss)/retained profit R	Total equity R
Balance at 1 January 2021	100	18 115 804	18 115 904
Total comprehensive income for the year	-	23 359 673	23 359 673
Dividends declared	-	(21 000 000)	(21 000 000)
Balance at 31 December 2021	100	20 475 477	20 475 577
Note	13		
Balance at 1 January 2022	**100**	**20 475 477**	**20 475 577**
Total comprehensive income for the year	**-**	**6 078 109**	**6 078 109**
Dividends declared	**-**	**(33 000 000)**	**(33 000 000)**
Balance at 31 December 2022	**100**	**(6 446 414)**	**(6 446 314)**
Note	13		

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash generated by/(used in) operations	14	**10 312 284**	(1 487 134)
Dividends paid	16	**(33 000 000)**	(21 000 000)
Finance costs paid	18	**(367 735 861)**	(260 894 650)
Interest received	19	**401 180 869**	293 664 530
Income taxes paid	15	**(8 266 009)**	(9 881 864)
Net cash generated by operating activities		**2 491 283**	400 882
Cash flows from investing activities			
Interest in Loans extended		**(875 000 000)**	(1 000 000 000)
Interest in Loans settled		**470 754 053**	319 861 499
Net cash used in investing activities		**(404 245 947)**	(680 138 501)
Cash flows from financing activities			
Debt securities issued during the year		**875 000 000**	1 001 920 985
Debt securities in issue settled		**(470 754 053)**	(319 861 499)
Net cash generated by financing activities		**404 245 947**	682 059 486
Net increase in cash and cash equivalents		**2 491 283**	2 321 867
Cash and cash equivalents at the beginning of the year		**23 807 786**	21 485 920
Cash and cash equivalents at the end of the year	17	**26 299 069**	23 807 787

1. STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRS-IC) and the requirements of the Companies Act of South Africa, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2022. For details of the new and revised accounting policies refer to note 27.

2.2 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

The financial statements are presented in South African Rands (R), the presentation currency of the Company.

2.3 REVENUE RECOGNITION

INVESTMENT INCOME

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to that instrument's net carrying amount on initial recognition.

The Company also presents as part of investment income, albeit separate from effective interest income and effective interest expense, other interest income and other interest charges, which are not calculated on the effective interest method.

IFRS 9 requires interest income to be calculated on stage 1 or stage 2 financial assets by multiplying the EIR by the gross carrying amount of such assets. Dissimilar to stage 1 and stage 2 assets, IFRS 9 requires interest income on stage 3 financial assets to be calculated based on the net carrying value of the exposure, that is, the gross carrying value less the ECL allowance. In order to practically give effect to this requirement, the Company first suspends the recognition of contractual interest, and second, multiplies the net carrying value by the EIR. Unrecognised interest (which is referred to as interest in suspense (IIS)) is the difference between the interest calculated on the gross carrying amount of the financial asset (that is, the interest charged), and the net interest amount, calculated based on the net carrying amount of the financial asset. In some instances, an entity may recover cash flows which are in excess of the cumulative interest previously recognised over the life of the instrument. The IIS recovered is presented as a gain within ECL.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 TAXATION

Income tax expense represents the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities.

CURRENT TAXATION

Income tax payable on taxable profits ("current taxation") is recognised as an expense in the reporting period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior reporting period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

DEFERRED TAXATION

Deferred tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the reporting date, which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

CURRENT AND DEFERRED TAX

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.5 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Transaction costs that are directly attributable to the acquisition or issue of financial instruments are incremental.

2.6 FINANCIAL INSTRUMENTS

2.6.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are capitalised to the initial carrying amount of the financial asset/liability, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.1 INITIAL RECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract, which is the trade date.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary. The best evidence of an instrument's fair value on initial recognition is typically the transaction price. However, if fair value can be evidenced by comparison with other observable current market transactions in the same instrument or is based on a valuation technique whose inputs include only data from observable markets then the instrument should be recognised at the fair value derived from such observable market data.

For valuations that have made use of significant unobservable inputs, the difference between the model valuation and the initial transaction price (Day One profit) is recognised in profit or loss either on a straight-line basis over the term of the transaction, or over the reporting period until all model inputs will become observable where appropriate or released in full when previously unobservable inputs become observable.

2.6.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

On initial recognition, the Company classifies its financial assets into the following measurement categories:
- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

The classification and subsequent measurement of financial assets depends on:
- The business model within which the financial assets are managed; and
- The contractual cash flow characteristics of the asset (that is, whether the cash flows represent solely payments of principal and interest).

Business model assessment:
The business model reflects how the Company manages the financial assets in order to generate cash flows and returns. The Company makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The factors considered in determining the business model include:
i. how the financial assets' performance is evaluated and reported to management;
ii. how the risks within the portfolio are assessed and managed; and
iii. the frequency, volume, timing for past sales, sales expectations in future periods, and the reasons for such sales.

The Company reclassifies debt instruments when, and only when, the business model for managing those assets changes. Such changes are highly unlikely and therefore expected to be very infrequent.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI):
In making the assessment of whether the contractual cash flows have SPPI characteristics, the Company considers whether the cash flows are consistent with a basic lending arrangement. That is, the contractual cash flows recovered must represent solely the payment of principal and interest. Principal is the fair value of the financial asset on initial recognition. Interest typically includes only consideration for the time value of money and credit risk but may also include consideration for other basic lending risks and costs, such as liquidity risk and administrative costs, together with a profit margin.

Where the contractual terms include exposure to risk or volatility that is inconsistent with a basic lending arrangement, the cash flows would not be considered to be SPPI and the assets would be mandatorily measured at fair value through profit or loss, as described below. In making the assessment, the Company considers, inter alia, contingent events that would change the amount and timing of cash flows, prepayment and extension terms, leverage features, terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements), and features that modify consideration of the time value of money (e.g. tenor mismatch). Contractual cash flows are assessed against the SPPI test in the currency in which the financial asset is denominated.

Debt Instruments:

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds. The Company classifies its debt instruments as follows:

- Amortised cost - Financial assets are classified within this measurement category if they are held within a portfolio whose primary objective is the collection of contractual cash flows, where the contractual cash flows on the instrument are SPPI, and that are not designated at fair value through profit or loss. These financial assets are subsequently measured at amortised cost where interest is recognised as effective interest within Effective interest income using the effective interest rate method. The carrying amount is adjusted by the cumulative expected credit losses recognised.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.2 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

Financial Liabilities

Financial liabilities that are held at amortised cost are measured in accordance with the effective interest rate method. That is, the initial fair value (which is normally the amount borrowed) is adjusted for premiums, discounts, repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the liability.

Financial liabilities classified as held for trading are subsequently measured at fair value through profit or loss, with changes in fair value being recognised in profit or loss.

A financial liability may be designated at fair value through profit or loss if (i) measuring the instrument at fair value eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (ii) if the instrument belongs to a group of financial assets or financial liabilities that are managed on a fair value basis, in accordance with a documented risk management or investment strategy. Own credit gains or losses arising from the valuation of financial liabilities designated at fair value through profit or loss are recognised in other comprehensive income and are not subsequently recognised in profit or loss.

2.6.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS

The Company uses a mixed approach to impairment where parameters are modelled at an individual financial instrument level or on a portfolio basis when they are only evident at this higher level. A collective approach will only be carried out when financial instruments share similar risk characteristics, which could include factors such as instrument type, collateral type, industry, geography and credit risk ratings.

The Company recognises expected credit losses based on unbiased forward-looking information. Expected credit losses are recognised on:

- financial assets at amortised cost

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

Impairment is recognised based on a three-stage approach:

Stage 1: Exposures where there has not been a significant increase in credit risk since origination. For these exposures an expected credit loss is recognised based on the credit losses expected to result from default events that are possible within 12 months of the reporting date. Interest income is calculated based on the gross carrying value of these instruments.

Stage 2: Exposures for which the credit risk has increased significantly since initial recognition. For these exposures lifetime expected credit losses should be recognised (i.e. credit losses from default events that are possible over the life of the instrument). The Company will assess whether a significant increase in credit risk has occurred based on (i) qualitative drivers including being marked as high risk or reflected on management's watch list; and (ii) quantitative drivers such as the change in the asset's cumulative weighted average lifetime probability of default (PD). Any exposure that is more than 30 days past due will also be included in this stage. Interest income is calculated based on the gross carrying value of these instruments.

Stage 3: Exposures which are credit impaired. For these exposures, expected credit losses are based on lifetime losses. Assets are considered to be credit impaired as guided by the regulatory definition of default. Interest income is calculated based on the carrying value net of the loss allowance.

Lifetime expected credit losses will no longer be recognised when there is evidence that the criteria are no longer met. This could include a history of timely payment performance. The low credit risk exemption in IFRS 9 has not been adopted by the Company.

The measurement of expected credit losses must reflect:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money (represented by the effective interest rate); and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses comprise the unbiased probability weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. Expected credit losses are calculated (for both 12 months and lifetime losses) as a function of the exposure at default (EAD); PD and loss given default (LGD). These terms are interpreted as follows per the requirements of IFRS 9:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.3 EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS (continued)

- EAD is the estimated amount at risk in the event of a default (before any recoveries) including behavioural expectation of limit usage by customers in the various stages of credit risk.
- PD is the probability of default at a particular point in time, which may be calculated, based on the defaults that are possible to occur within the next 12 months; or over the remaining life; depending on the stage allocation of the exposure.
- LGD is the difference between the contractual cash flows due and the cash flows expected to be received, discounted to the reporting date at the effective interest rate. The expectation of cash flows take into account cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The estimate reflects the amount and timing of cash flows expected from the enforcement of collateral less the costs of obtaining and selling the collateral. The collection of any cash flows expected beyond the contractual maturity of the contract is also included.

Lifetime of financial instruments
For exposures in stage 2 and stage 3, the maximum lifetime over which expected credit losses should be measured, is the maximum contractual period over which the Company is exposed to credit risk. The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. In rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the Company uses the remaining contractual term of the financial instrument.

Certain credit exposures include both a drawn and an undrawn component and the Company's contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to the contractual notice period. In this case, expected credit losses are measured over the period that the Company is exposed to credit risk, even if that period extends beyond the maximum contractual period. This applies to overdrafts, credit cards and other revolving products.

These contracts are cancellable at very short notice and they have no fixed term but credit may continue to be extended for a longer period and may only be withdrawn after the credit risk of the borrower increases, which could be too late to prevent losses. For these types of products the expected life is based on the behavioural life, i.e. the period over which there is exposure to credit risk which is not expected to be mitigated by credit actions (e.g. limit decreases) even though the contract permits immediate limit decrease.

Forward looking information
Forward-looking information is factored into the measurement of expected losses through the use of multiple expected macro-economic scenarios that are either reflected in estimates of PD and LGD for material portfolios; or adjusted through expert credit judgement where the effects could not be statistically modelled.

Write -off
Financial assets are written off, and accordingly derecognised, when the Company believes there to be no reasonable expectation of recovery.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS (continued)

2.6.4 DERECOGNITION OF FINANCIAL INSTRUMENTS

Derecognition of financial assets

In the course of its normal activities, the Company makes transfers of financial assets, either legally (where legal rights to the cash flows from the asset are passed to the counterparty) or beneficially (where the Company retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty). Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified (taking into account both quantitative and qualitative factors), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. Where the terms of an existing liability are not substantially modified, the liability is not derecognised. Costs incurred on such transactions are treated as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

On derecognition of a financial instrument, any difference between the carrying amount thereof and the consideration received is recognised in profit or loss.

2.6.5 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ORDINARY SHARE CAPITAL

Proceeds are included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when declared by the board.

2.6.6 *OFFSETTING*

In accordance with IAS 32 Financial Instruments: Presentation, the Company reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a current legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 EXPECTED CREDIT LOSSES

Assets are classified as defaulted when the company considers that the obligor is unlikely to pay its credit obligations. Elements to be taken as indications of unlikeliness to pay include the following:

- The company consent to a distressed restructuring/forbearance of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness of principal, interest or fees;

- The customer is under debt review, business rescue or similar protection, advice is received of customer insolvency; or,

- The obligor is 90 days or more past due on any credit obligation to the company.

2.8 CASH AND CASH EQUIVALENTS

Cash comprises of cash on hand and demand deposits, and cash equivalents comprise of highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less.

2.9 SEGMENTAL REPORTING

AB Finco 1 (RF) Limited issues various debt security notes which enables investors to invest in various debt instruments. The information regarding the results of the reportable segment is disclosed in the annual financial statements as currently set out. Management views the entire entity as one segment, thus no further disclosures are required in accordance with IFRS 8 Operating segments.

3. JUDGEMENTS AND ESTIMATES

In the preparation of the annual financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the financial statements within the next financial period.

The pandemic has had a significant impact on the risks that the company is exposed to, in particular credit risk, and has forced the company to reassess assumptions, and existing methods of estimation and judgements, used in the preparation of these financial statements. There remains a risk that future performance and actual results may differ from the judgements and assumptions used.

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs.

Expected Credit losses

Expected Credit Loss estimate was made considering all reasonable and supportable information, including our best estimate of the impact of multiple forward-looking economic scenarios. The Expected Credit Loss estimate is an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. Models, processes and assumptions applied in making the Expected Credit Loss estimate, including management adjustments, costs of collection of outstanding loan exposures, collateral valuation, assessment of significant increase in credit risk and credit impaired exposures, write-off points and the definition of default have been applied consistently and are appropriate in the context of IFRS.

ECL estimation must reflect an unbiased and probability-weighted estimate of future losses determined by evaluating a range of possible macroeconomic outcomes. Whilst economic activity across South Africa has started to recover due to the easing of lock-down restrictions, economic concerns remain due to high levels of unemployment and the risk of a possible resurgence of the virus. Such risks have been incorporated in the scenarios used to calculate the Company's ECL charge at 31 December 2022.

A 40% probability weighting was applied to the baseline scenario; with a 30% probability weighting applied to both the upside and downside scenarios.

The key forward looking macro-economic information used by the credit model in the calculation of expected credit losses include externally sourced data on South Africa's Real Gross Domestic Product, Consumer Price Index, the Repo Rate and the Producer Price Index.

Default assets that are classified as in default are characterised by the distinct possibility that the borrower will default, and should the collateral pledged be insufficient to cover the asset, the Company will sustain some loss when default occurs.

		2022 R	2021 R
4.	**INVESTMENT INCOME**		
	Interest income		
	Interest in Loans	**415 369 576**	300 575 768
		415 369 576	300 575 768
5.	**FINANCE COSTS**		
	Interest expense		
	Debt securities in issue	**382 105 858**	267 488 205
		382 105 858	267 488 205

6. **PROFIT FOR THE YEAR**

Profit for the year is stated after taking account of the following items:

		2022 R	2021 R
6.1	**Expected credit losses**		
	Financial assets		
	Impairment loss recognised on Interest in Loans, and cash		
	Stage1	**(1 074 236)**	(858 994)
	Stage 2	**23 679 153**	-
		22 604 917	(858 994)
	Total expected credit loss on financial assets	**22 604 917**	(858 994)
6.2	**Auditors remuneration**		
	Audit fees	**157 688**	93 173
		157 688	93 173
6.3	**Directors remuneration**		
	Directors fees	**203 512**	191 993
		203 512	191 993
6.4	**Other expenses**		
	Management fees	**667 778**	487 600
	Administration fees and expenses	**992 203**	711 637
	Bank charges	**19 138**	18 164
		1 679 119	1 217 401
7	**TAXATION**		
7.1	**INCOME TAX RECOGNISED IN PROFIT OR LOSS**		
	Current tax		
	Local normal tax - current year	**5 974 694**	8 903 928
		5 974 694	8 903 928

	2022 R	2021 R

7 TAXATION (continued)

7.1 INCOME TAX RECOGNISED IN PROFIT OR LOSS (continued)

	2022 R	2021 R
Deferred tax		
Expected credit losses	**(3 434 321)**	180 389
	(3 434 321)	180 389
Total income tax recognised in the current year	**2 540 373**	9 084 317
Reconciliation between operating profit and tax expense		
Profit before tax for the year	**8 618 481**	32 443 990
Income tax expense calculated at 28% (2021: 28%)	**(2 413 175)**	(8 903 928)
Effect on deferred tax balances due to the change in income tax rate	**(127 197)**	-
Income tax expense recognised in profit or loss	**(2 540 372)**	(8 903 928)

During the budget speech presented on 23 February 2022, the finance minister announced that the South African corporate tax rate will be reduced from 28% to 27%, effective for tax assessment years ending after 31 March 2023. This change was substantively enacted at the balance sheet date and has therefore been reflected in the measurement of the entity's deferred tax balances at 31 December 2022

8. CREDIT RISK RECONCILIATION - EXPECTED CREDIT LOSS ALLOWANCE

	Balances at the beginning of the reporting period R	Current period provision R	Originated / purchased assets R	Total R
2022				
Cash and cash equivalent				
Stage 1	**34 808**	**(34 808)**	**-**	**-**
Total expected credit losses	**34 808**	**(34 808)**	**-**	**-**
Interest in Loanss				
Stage 1	**4 708 405**	**(3 020 981)**	**20 955**	**1 708 379**
Stage 2	**-**	**25 639 751**	**-**	**25 639 751**
Total expected credit losses	**4 708 405**	**22 618 770**	**20 955**	**27 348 130**
2021				
Cash and cash equivalent				
Stage 1	52 567	(17 759)	-	34 808
Total expected credit losses	52 567	(17 759)	-	34 808
Loans and Advances				
Stage 1	5 549 640	(1 583 684)	742 449	4 708 405
Total expected credit losses	5 549 640	(1 583 684)	742 449	4 708 405

8. CREDIT RISK RECONCILIATION - EXPECTED CREDIT LOSS ALLOWANCE (continued)

During the current financial year, interest on loans increased to R5,959,559,138, an increase of R404,315,251 from prior year. The value of loans originated during the year amounted to R875,000,000 leading to an increase in the ECL allowance for the year of R12,614. No new loan modifications that did not result in derecognition of the loan were observed. interest on loans settled during the current year amounted to R470,754,053 resulting in an decrease of R806,921 to the ECL allowance. The deterioration in Transnet's credit risk as reflected in the increase of the internal default grade from 11 to 14 resulted in an increase of R23,446,642 to the ECL allowance. Transnet transferred from stage 1 to stage 2 in the current financial year.

9. INTEREST IN LOANS

	2022 R	2021 R
Capital	**5 911 468 012**	5 521 341 467
Interest accrual	**48 091 126**	33 902 419
	5 959 559 138	5 555 243 886
Expected credit losses	**(27 348 130)**	(4 708 405)
Total carrying amount of loans and advances	**5 932 211 008**	5 550 535 481
Maturity of loans and advances		
Current	**916 842 112**	451 567 469
Non-current	**5 015 368 896**	5 098 968 012
	5 932 211 008	5 550 535 481

AB Finco 1 (RF) Limited bought the above loan exposures from Absa Bank Limited.

All the company's rights and interest to the loan exposures are pledged to AB Finco 1 Security SPV(RF) (Pty) Ltd (refer to note 10).

All outstanding interest in loans are ZAR denominated variable or fixed rate instruments. The company is a serialised Issuance Programme.

This allows the entity to issue multiple series of Notes under separate series in one legal entity. Each series is backed by a single borrower loan which is held at amortised cost.

During the current financial year, the company changed the narration of the loan exposures held from “Loans and Advances” to “Interest in Loans” to better reflect the true nature of the exposures as a single receivable from Absa Bank Limited based on the requirements of IFRS. From a legal rights and obligations perspective, this does not change the exposures to the underlying loan exposures. From an IFRS perspective, the underlying loan exposure is reflected through the Interest in Loans.

The prior period narration was restated to reflect this and there was no change to the disclosed amounts.

The narration has been updated throughout the financial statements.

	2022 R	2021 R

10. DEBT SECURITIES IN ISSUE

Non-current liabilities

	2022 R	2021 R
Debt Securities in issue	**5 042 717 026**	5 100 135 062
	5 042 717 026	5 100 135 062

Current liabilities

	2022 R	2021 R
Debt Securities in issue	**869 832 018**	423 127 390
Accrued interest on debt securities in issue	**45 370 124**	31 000 127
	915 202 142	454 127 517

In terms of the Security SPV Guarantee, AB Finco 1 Security SPV(RF) (Pty) Ltd holds and can realise security for the benefit of the Series Transaction Secured Creditors (the Noteholders) in the event of a default. In brief, the security consists of the Company's rights, title and interests in and to the bank accounts and permitted investments, the collateral and all other benefits and rights flowing from the aforementioned rights and interests. The default event that drives the guarantee is AB Finco 1 (RF) Limited defaulting on the notes and not the underlying borrowers defaulting on their loans.

The South African Reserve Bank (SARB) announced in 2020 that the JIBAR would cease to exist in the near future as it did not comply with the International Organisation of Securities Commissions Principles for Financial Benchmarks. The SARB Market Practitioners Group (MPG), a joint public-private body has been mandated to facilitate decisions on the choice of alternative reference rates for financial contracts that should replace JIBAR. The transition journey for JIBAR has made some progress at an industry level however transition timelines are yet to be announced by the SARB. The company's administrator, Absa Group, participates in the SARB's MPG which has started the preparations for the transition of JIBAR at an industry level. The company will leverage the experience gained by its administrator in the IBOR transition journey to plan for the upcoming JIBAR transition. The company's JIBAR journey thus far has been limited to the participation of its administrator on the MPG. The administrator of the company has also been submitting daily transaction data to the SARB for the calculation and publication of ZARONIA.

Terms and conditions of outstanding balances were as follows:

Details	Interest rate	Maturity	2022 R	2021 R
ABF001 - Variable (AA+ Rating)	3M Jibar + 150bp	14/09/2026	**941 774 024**	1 002 797 945
ABF003 - Variable (AA Rating)	3M Jibar + 190bp	18/07/2024	**1 526 841 991**	1 519 128 862
ABF007 - Variable (A Rating)	3M Jibar + 220bp	01/12/2030	**1 825 781 546**	2 048 235 883
ABF004 - Fixed (AA+ Rating)	9.65%	30/06/2026	**360 436 895**	499 181 210
ABF005 - Fixed (AA+ Rating)	9.34%	30/12/2030	**451 847 062**	484 918 679
ABF006 - Variable (AAA Rating)	3M Jibar + 200bp	31/03/2026	**812 926 634**	-
			5 919 608 152	5 554 262 579

	2022 R	2021 R

11. DEFERRED TAX

Deferred tax balances

	2022 R	2021 R
The net deferred tax asset at the end of the year is as follows:		
Deferred tax assets	**4 430 397**	996 076

Deferred tax assets and liabilities are attributable to the following:

	Balance at 1 January R	Recognised in profit or loss R	Balance at 31 December R
2022			
Impairments	**996 076**	**3 434 321**	**4 430 397**
	996 076	**3 434 321**	**4 430 397**
2021			
Impairments	1 176 465	(180 389)	996 076
	1 176 465	(180 389)	996 076

12. TRADE AND OTHER PAYABLES

	2022 R	2021 R
Audit fees	**172 214**	143 353
Administration fees	**314 407**	200 527
Rating agency fees	**122 111**	38 764
Interest payable to Absa	**12 966 469**	-
	13 575 201	382 644

	2022 R	2021 R

13. SHARE CAPITAL

Authorised share capital

	2022 R	2021 R
1 000 (2021: 1 000) ordinary shares of R1 per share.	**1 000**	1 000
100 (2021: 100) non-cumulative redeemable preference share of R0.01 per share.	**1**	1

Issued share capital

	2022 R	2021 R
100 (2021: 100) ordinary shares of R1 per share.	**100**	100
1 (2021: 1) non-cumulative redeemable preference share of R0.01 per share.	**-**	-
	100	100

Unissued shares

The unissued shares are under the control of the directors as at the reporting date, in terms of a general authority to allot and issue them on such terms and conditions and at such times as they deem fit. This authority expires at the forthcoming annual general meeting of the Company.

Shares issued during the current year

There were no shares issued during the current reporting period.

Shares issued during the prior reporting period.

There were no shares issued during the prior reporting period.

14. CASH GENERATED BY/(USED IN) OPERATIONS

	2022 R	2021 R
Profit before tax for the year	**8 618 481**	32 443 990
Finance costs	**382 105 858**	267 488 205
Investment income	**(415 369 576)**	(300 575 768)
Expected credit losses (see note 6)	**22 604 917**	(858 994)
Amortisation on discount granted on notes	**(839 953)**	-
Cash used in operations before working capital changes	**(2 880 273)**	(1 502 567)
Changes in working capital		
Increase in trade and other payables	**13 192 557**	15 433
Total changes in working capital	**13 192 557**	15 433
Cash generated by/(used in) operations	**10 312 284**	(1 487 134)

15. TAXATION PAID

	2022 R	2021 R
Tax payable at the beginning of the year	**(183 736)**	(1 161 672)
Current tax expense	**(5 974 693)**	(8 903 928)
Tax (receivable)/payable at the end of the year	**(2 107 580)**	183 736
	(8 266 009)	(9 881 864)

	2022 R	2021 R

16. DIVIDENDS PAID

	2022 R	2021 R
Dividends declared during the current year	**33 000 000**	21 000 000
	33 000 000	21 000 000

The preference dividend declared and paid during the year amounts to R33,000,000 per share in issue (1 share in issue).

17. CASH AND CASH EQUIVALENTS

	2022 R	2021 R
Cash and bank balances	**26 299 069**	23 807 787
Gross Cash and cash equivalents	**26 299 069**	23 807 787
Expected credit losses	**-**	(34 808)
Carrying amount	**26 299 069**	23 772 979

All the Company's rights and interest to these balances are pledged to the Security SPV (refer to note 10).

18. FINANCE COSTS PAID

	2022 R	2021 R
Interest expense recognised in profit and loss	**(382 105 858)**	(267 488 205)
Accrued interest payable at the beginning of the year	**(31 000 127)**	(24 406 572)
Accrued interest payable at the end of the year	**45 370 124**	31 000 127
	(367 735 861)	(260 894 650)

Interest expense recognised in profit and loss is net of R14,959,355.30 (2021: R17,313,067) of discount on notes issued.

19. INTEREST RECEIVED

	2022 R	2021 R
Interest income recognised in profit and loss	**415 369 576**	300 575 768
Accrued interest receivable at the beginning of the year	**33 902 419**	26 991 181
Accrued interest receivable at the end of the year	**(48 091 126)**	(33 902 419)
	401 180 869	293 664 530

Interest income recognised in profit and loss is net of R14,119,402 (2021: R17,313,067) of premium amortised on loans.

20. RECONCILIATION OF FINANCING ACTIVITIES

	2022 R	2021 R
Opening balance	**5 554 262 579**	4 882 922 605
Proceeds from issue of notes	**875 000 000**	1 001 920 985
Cash utilised to settle the capital on notes	**(470 754 053)**	(319 861 499)
Cash utilised to settle interest on notes	**(367 735 861)**	(260 894 650)
Discount on notes issued	**(14 959 355)**	(17 313 067)
Interest accrued	**382 105 858**	267 488 205
	5 957 919 168	5 554 262 579

21. FINANCIAL INSTRUMENTS

21.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	Amortised cost - debt instruments R	Amortised cost financial liabilities R	Total assets and liabilities R
Assets as per Statement of Financial Position - 2022			
Interest in Loans	**5 932 211 008**	**-**	**5 932 211 008**
Cash and cash equivalents	**26 299 069**	**-**	**26 299 069**
Total	**5 958 510 077**	**-**	**5 958 510 077**
Liabilities as per Statement of Financial Position - 2022			
Debt securities in issue	**-**	**5 957 919 168**	**5 957 919 168**
Trade and other payables	**-**	**13 575 201**	**13 575 201**
Total	**-**	**5 971 494 369**	**5 971 494 369**
Assets as per Statement of Financial Position - 2021			
Loans and advances	5 550 535 481	-	5 550 535 481
Cash and cash equivalents	23 772 979	-	23 772 979
Total	5 574 308 460	-	5 574 308 460
Liabilities as per Statement of Financial Position - 2021			
Debt securities in issue	-	5 554 262 579	5 554 262 579
Trade and other payables	-	382 644	382 644
Total	-	5 554 645 223	5 554 645 223

22. RISK MANAGEMENT

22.1 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. There are no externally imposed capital requirements on the Company.

Company's capital consists of share capital, preference shares capital and debt securities issued (See note 10 and note 13).

22. RISK MANAGEMENT (continued)

22.2 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Company's risk management are to identify all key risks for the Company, measure these risks, manage the risk positions and determine capital allocations. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Company's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance. The Company defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

The risks arising from financial instruments to which the Company is exposed are credit risk, market risk and liquidity risk.

22.3 MARKET RISK

Market risk is the risk that the Company's earnings or capital, or its ability to meet its objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rate, foreign exchange rate, equity prices, commodity prices and credit spreads. The Company's market risk management objectives include:

- the protection and enhancement of the statement of financial position and statement of comprehensive income and facilitating business growth within a controlled and transparent risk management framework.

- the introduction of an interest rate risk management policy which uses a sensitivity analysis to simulate changes in the market and the effects thereof.

22.4 INTEREST RATE RISK

In the past the Company was exposed to interest rate risk as assets were earning at a fixed rate and funds were borrowed at both fixed and floating interest rates. The risk on these historic positions were managed with the use of interest rate swap contracts and forward interest rate contracts. As at 31 December 2022 all interest bearing assets and liabilities on the balance sheet are either at floating interest rates with matching maturity profiles between assets and liabilities, or are at fixed rate with matching profiles between assets and liablities. As a result the income is not sensitive to interest rate movements.

22. RISK MANAGEMENT (continued)

22.5 CREDIT RISK

22.5.1 MAXIMUM CREDIT RISK EXPOSURE

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk ratings are classified in terms of GCR Ratings as at 31 December 2022.

Corporate loans are extended on an unsecured basis, and no specific collateral are held against these exposures.

22. RISK MANAGEMENT (continued)

22.5 CREDIT RISK (continued)

22.5.1 MAXIMUM CREDIT RISK EXPOSURE (continued)

	Gross Maximum Exposure	12 months expected credit losses - stage 1			Lifetime expected credit losses - stage 2
		AA+	AA	A	A
	R	R	R	R	R
2022					
Cash and balances at banks	**26 299 069**	**-**	**26 299 069**	**-**	**-**
Interest in Loans	**5 959 559 138**	**2 605 707 161**	**1 526 839 726**	**-**	**1 827 012 251**
Total gross maximum exposure	**5 985 858 207**	**2 605 707 161**	**1 553 138 795**	**-**	**1 827 012 251**
Expected credit losses	**(27 348 130)**	**(1 456 696)**	**(361 178)**	**-**	**(25 530 256)**
Total financial assets per the statement of financial position	**5 958 510 077**	**2 604 250 465**	**1 552 777 617**	**-**	**1 801 481 995**
2021					
Cash and balances at banks	23 807 787	-	23 807 787	-	-
Loans and advances	5 555 243 886	1 996 313 528	1 509 309 931	2 049 620 427	-
Total gross maximum exposure	**5 579 051 673**	**1 996 313 528**	**1 533 117 718**	**2 049 620 427**	**-**
Expected credit losses	(4 743 213)	(1 989 756)	(560 348)	(2 193 109)	-
Total net exposure as per statement of financial position	**5 574 308 460**	**-**	**-**	**-**	**-**
Assets not subject IFRS 9 requirements	1 265 680	-	-	-	-
Total financial assets per the statement of financial position	**5 575 574 140**	**1 994 323 772**	**1 532 557 370**	**2 047 427 318**	**-**

22. RISK MANAGEMENT (continued)

22.5 CREDIT RISK (continued)

	Loans and advances R	Total R
Credit exposure by industry		
2022		
Development Financing - (AA+ Rating)	**1 755 091 990**	**1 755 091 990**
Telecommunication - (AA Rating)	**1 526 839 726**	**1 526 839 726**
Transportation - (A Rating)	**1 827 012 251**	**1 827 012 251**
Local Government - (AA+ Rating)	**850 615 171**	**850 615 171**
Banks - (AA Rating)	**26 299 069**	**26 299 069**
Gross Exposure	**5 985 858 207**	**5 985 858 207**
Expected credit losses	**(27 348 130)**	**(27 348 130)**
Net Exposure	**5 958 510 077**	**5 958 510 077**
Credit exposure by industry		
2021		
Development Financing - (AA+ Rating)	1 012 191 096	1 012 191 096
Telecommunication - (AA Rating)	1 509 309 931	1 509 309 931
Transportation - (A Rating)	2 049 620 427	2 049 620 427
Local Government - (AA+ Rating)	984 122 432	984 122 432
Banks - (AA Rating)	23 807 787	23 807 787
Gross Exposure	**5 579 051 673**	**5 579 051 673**
Expected credit losses	(4 743 213)	(4 743 213)
Net Exposure	5 574 308 460	5 574 308 460

22.6 LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principle cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

22. RISK MANAGEMENT (continued)

22.6 LIQUIDITY RISK (continued)

Liabilities

	Less than 1 month R	1-3 months R	3-12 months R	1-5 years R	5+ years R	Total R
2022						
Debt Securities in issue	**31 600 110**	**262 585 883**	**1 100 708 081**	**5 392 439 870**	**712 504 524**	**7 499 838 468**
Trade and other payables	**-**	**13 575 201**	**-**	**-**	**-**	**13 575 201**
	31 600 110	**276 161 084**	**1 100 708 081**	**5 392 439 870**	**712 504 524**	**7 513 413 669**
2021						
Debt Securities in issue	21 108 329	100 488 429	662 765 991	4 985 895 696	1 467 922 282	7 238 180 727
Trade and other payables	-	382 644	-	-	-	382 644
	21 108 329	100 871 073	662 765 991	4 985 895 696	1 467 922 282	7 238 563 371

Assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

22. RISK MANAGEMENT (continued)

22.6 LIQUIDITY RISK (continued)

Assets (continued)

	Less than 1 month R	1-3 months R	3-12 months R	1-5 years R	5+ years R	Total R
2022						
Cash and cash equivalents	**26 299 070**	**-**	**-**	**-**	**-**	**26 299 070**
Interest in Loans	**32 923 397**	**268 818 488**	**1 125 201 470**	**5 078 811 063**	**1 095 653 785**	**7 601 408 203**
	59 222 467	**268 818 488**	**1 125 201 470**	**5 078 811 063**	**1 095 653 785**	**7 627 707 273**
2021						
Cash and cash equivalents	23 807 787	-	-	-	-	23 807 787
Loans and advances	22 431 616	106 502 592	688 272 433	5 063 878 191	1 485 820 481	7 366 905 313
	46 239 403	106 502 592	688 272 433	5 063 878 191	1 485 820 481	7 390 713 100

23. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE

Same of the below financial assets and financial liabilities have carrying amounts that approximate their fair values.

	2022		2021	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	R	**R**	R	R
Financial Assets				
Cash and Cash equivalents	**26 299 070**	**26 299 070**	23 772 979	23 772 979
Interest in Loans	**5 932 211 008**	**5 922 060 170**	5 550 535 481	5 557 910 369
Total	**5 958 510 078**	**5 948 359 240**	5 574 308 460	5 581 683 348
Financial Liabilities				
Debt securities in issue	**5 957 919 168**	**5 947 768 330**	5 554 262 579	5 561 637 467
Trade and other payables	**13 575 201**	**13 575 201**	382 644	382 644
Total	**5 971 494 369**	**5 961 343 531**	5 554 645 223	5 562 020 111

23.1. FAIR VALUE HIERARCHY

The following table provides an analysis of the Company's financial assets and financial liabilities that are not measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the instrument's fair value is observable. The classification of instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are defined below.

Level 1
Items valued with reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.
An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2
Items valued using inputs other than quoted prices as described above for Level 1 but which are observable for the asset or liability, either directly or indirectly, such as:

- quoted price for similar assets or liabilities in an active market;
- quoted price for identical or similar assets or liabilities in inactive markets;
- valuation model using observable inputs; and
- valuation model using inputs derived from/corroborated by observable market data.

Level 3
Items valued using significant inputs that are not only based on observable market data. These include inputs based on an entity's own assumptions and assumptions applied by other market participants in pricing similar assets.

23. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE (continued)

23.1. **FAIR VALUE HIERARCHY (continued)**

	Level 2 R	Level 3 R	Total R
2022			
Financial Assets			
Interest in Loans			
Interest in Loans	**3 679 181 918**	**2 253 029 090**	**5 932 211 008**
	3 679 181 918	**2 253 029 090**	**5 932 211 008**
Financial Liabilities			
Trade and other payables			
Trade and other payables	**13 575 201**	**-**	**13 575 201**
	13 575 201	**-**	**13 575 201**
Debt securities in issue			
Debt securities in issue	**5 957 919 168**	**-**	**5 957 919 168**
	5 957 919 168	**-**	**5 957 919 168**
2021			
Financial Assets			
Loans and advances			
Loans and advances	3 018 747 989	2 531 787 492	5 550 535 481
	3 018 747 989	**2 531 787 492**	**5 550 535 481**
Financial Liabilities			
Trade and other payables			
Trade and other payables	382 644	-	382 644
	382 644	**-**	**382 644**
Debt securities in issue			
Debt securities in issue	5 554 262 579	-	5 554 262 579
	5 554 262 579	**-**	**5 554 262 579**

23. FAIR VALUE OF FINANCIAL INSTRUMENTS NOT HELD AT FAIR VALUE (continued)

23.2. VALUATION TECHNIQUES FOR THE LEVEL 2 FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES NOT HELD AT FAIR VALUE

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments, which are not held at fair value, but whose fair value is categorised as Level 2. A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations is set out in the table below:

Category of asset	Types of financial instruments	Valuation techniques applied	Significant observable inputs
Trade and other receivables	Debtors	Discounted cash flow	Interest rate curves
Interest in Loans	Loans	Discounted cash flow	Interest rate curves

Category of liability	Types of financial instruments	Valuation techniques applied	Significant observable inputs
Trade and other payables	Creditors	Discounted cash flow	Interest rate curves
Debt securities in issue	Notes issued	Discounted cash flow	Interest rate curves

25. RELATED PARTIES

The following are defined as related parties of the Company:

• the parent;

• an entity controlled/jointly controlled or significantly influenced by the parent trust;

• key management personnel; and

• children and/or dependents and spouses or partners of the individuals referred to above.

25. RELATED PARTIES (continued)

	Admin and management fees paid R	Interest paid R	Dividends paid R	Directors fees paid R	Bank charges R
2022					
Other					
Absa Bank Limited	**(667 778)**	**(401 788 595)**	**(33 000 000)**	**-**	**(19 138)**
TMF Corporate Services (South Africa) Proprietary Limited	**-**	**-**	**-**	**(203 512)**	**-**
	(667 778)	**(401 788 595)**	**(33 000 000)**	**(203 512)**	**(19 138)**
2021					
Other					
Absa Bank Limited	(487 600)	(267 488 205)	(21 000 000)	-	(18 164)
TMF Corporate Services (South Africa) Proprietary Limited	-	-	-	(191 993)	-
	(487 600)	(267 488 205)	(21 000 000)	(191 993)	(18 164)

The Issuer Owner Trust owns 100% of the ordinary shares in the Company.

Absa Bank Limited has invested in 100% (2021: 100%) of all notes issued by the Company. As a result, in terms of IFRS10, Absa Bank Limited controls the company.

Absa Corporate Investment Bank, a division of Absa Bank Limited, administers the Company and receives a management fee as compensation.

All interest in loans has been purchased from Absa Bank Limited, and all Debt securities issues has been issued to Absa Bank Limited.

25. RELATED PARTIES (continued)

	Current amounts receivable R	Current amounts payable R	Non-current amounts payable R
2022			
Other related parties			
Absa Bank Limited	**26 299 070**	**(915 202 142)**	**(5 042 717 026)**
	26 299 070	**(915 202 142)**	**(5 042 717 026)**
2021			
Other related parties			
Absa Bank Limited	23 807 787	(454 328 044)	(5 100 135 062)
	23 807 787	(454 328 044)	(5 100 135 062)

	Directors' fees paid to TMF by other companies in the Group R	Total R
2022		
Directors compensation		
AB Finco 2 (RF) Limited	**107 437**	**107 437**
	107 437	**107 437**
	107 437	**107 437**
2021		
Directors compensation		
AB Finco 2 (RF) Limited	173 053	173 053
	173 053	173 053
	173 053	173 053

Absa Group Limited representative directors are not remunerated for their services by the Company or any company in the Group as defined by the Companies Act. The Company's directors' fees of R201 994.80 (2020: R191 993) are paid to TMF Corporate Services (South Africa) Proprietary Limited for non-executive director services provided to the Company. Non-executive directors are employees of, and remunerated by TMF Corporate Services (South Africa) Proprietary Limited on a separate basis.

Included in trade and payables is interest payable to Absa Bank Limited of R12 966 469 (2021: R0).

26. EVENTS AFTER THE REPORTING DATE

Grey-Listing of South Africa by the FATF

In February 2023, the international Financial Action Task Force (FATF) announced its decision to place South Africa, among other countries, on its 'grey list' as the country has not yet implemented all the actions recommended by FATF to combat money laundering, terrorist financing and similar threats adequately. The grey-listing action may raise the cost of transactions as foreign financial institutions will, at least in some instances, apply additional controls to transactions that involve South African entities and individuals. The company, through its administrator Absa bank Limited, already complies with rigorous international anti-financial crime standards and regulations, as required in order to access global financial markets. The directors thus consider it unlikely that the grey-listing will have a material direct impact on the company in the short term.

27. NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new and revised Standards
During the current year, the Company has adopted all of the new and revised standards and interpretations issued by the IASB and the IFRS-IC that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2022. The adoption of these new and revised standards and interpretations has not resulted in material changes to the Company's accounting policies.

	Standard	Annual periods beginning on or after
Annual Improve -ments	Amendments resulting from annual improvements 2018-2020 Cycle for the following standards:	1 January 2022
•	IFRS 1 - The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.	
•	IFRS 9 - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.	
•	IFRS 16 - The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.	
•	IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	

New and revised International Financial Reporting Standards issued not yet effective
At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

27. NEW ACCOUNTING PRONOUNCEMENTS (continued)

	Standard	Annual periods beginning on or after
IAS 1	*Classification of liabilities as current or non-current* - Amendments which aim to help companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	1 January 2023
IAS 1 and IFRS Practice State-ment 2	*Disclosure of Accounting Policies* - The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the four-step materiality process' described in IFRS Practice Statement 2.	1 January 2023
IAS 8	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.	1 January 2023

Apart from the instances detailed above the Company is in the process of assessing the potential impact that the adoption of these standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.

Attestation by AFS reviewer: **True/False**

I hereby attest that the below values and any assumptions applied have been reviewed and agrees to the final signed off Annual financial statements and the above values can be relied on as accurate and final and can be used and tagged as such in the iXBRL version which is filed with the CIPC.

Jan Luus CA(SA)	**TRUE**	Tab 1000 cell F196

Mandatory Company information	FF Inputs	**Pack reference**
Declaration of audit/review opinion present	TRUE	
Declaration of Directors responsibility report present	TRUE	
Declaration of signature/s by authorised directors	TRUE	
Disclosure of Social and Ethics committee	See Absa Group Limited annual financial statements	
Full registered name of company	AB Finco 1 (RF) Limited	
Registration number of company	2007/033844/06	
Date of end of reporting period	31 December 2022	
Disclosure of directors' responsibility [text block]	TRUE	
Date of approval of annual financial statements (director sign off date)	21 April 2023	
Audit partner name	L Van-Velden	
Disclosure of directors' report [text block]	TRUE	
Date of publication of financial statements	21 April 2023	
Name of individual responsible for preparation or supervising preparation of financial statements	Steven Mulaudzi	
Name of designated person responsible for compliance	Jan Luus CA(SA)	
Professional designation of individual responsible for preparation or supervising preparation of financial statements	Head of Asset Classes Product Control, Corporate and Investment Banking, Absa Group Limited	
Customer code	BAGL01	
Description of nature of entity's operations and principal activities	The activities of AB Finco 1 (RF) Limited (the Company) are restricted by the Issuer Transaction Documents and will be limited to the issue of Notes, the purchase of Loan Agreements, the exercise of related rights and powers and other activities referred to in the Issuer Transaction Documents or reasonably incidental to such activities.	

AB FINCO 1 (RF) LIMITED
(Registration number: 2007/033844/06)
CIPC ANNUAL RETURN AND iXBRL MANDATORY FIELDS (continued)
for the year ended 31 December 2022

Principal place of business of company	Absa Towers West	
Business address, country	Johannesburg	Tab 1000 line 132
Business address, city	Absa Towers West	Tab 1000 Line 130
Business address, postal code	15 Troye Street	Tab 1000 Line 131
Business address, street name	7th Floor	Tab 1000 Line 129
Postal address same as business address	False	
Period covered by financial statements	January to December	Tab 1000 Line 29
Description of presentation currency	South African Rands	
Nature of Financial statements	Company	
Level of Rounding applied	R	
Level of Assurance	AUDITED	
Annual financial statements audited	TRUE	
Audit report sign off date sign off	21 April 2023	

**All above values are required in the annual return, where you see @@ it means it has not been populated, please go back to your pack and populate.

<u>Values extracted from FF</u>

	2022 R	2021 R	
Average number of employees	**-**	-	tab 6060 line 97/tab6061 line 29(BNK)
Increase (decrease) in equity	**(26 921 891)**		
Cash and cash equivalents	**26 299 069**	23 807 787	
Increase (decrease) in cash and cash equivalents	**2 491 283**	2 321 867	
Cash flows from (used in) financing activities	**404 245 947**	682 059 486	
Cash flows from (used in) investing activities	**(404 245 947)**	(680 138 501)	
Cash flows from (used in) operating activities	**2 491 283**	400 882	
Comprehensive income	**6 078 109**	23 359 673	
Other comprehensive income	**-**	-	
Tax expense (income), continuing operations	**(2 540 373)**	(9 084 317)	
Profit (loss)	**6 078 109**	23 359 673	
Profit (loss) before tax	**8 618 482**	32 443 990	
Assets	**5 965 048 055**	5 575 304 536	
Equity	**(6 446 314)**	20 475 577	
Liabilities	**5 971 494 369**	5 554 828 959	

Calculations or values manually calculated and inputted into FF template

Turnover: (no rounding is applied to this value)	**415 369 576**	-	Tab 1000 cell F202
Points allocated to PI (mathematical rounding)	**415**		

Guidance on revenue

Companies act sec 164 - defines turnover as gross revenue, allowed to deduct deductions as allowed by IFRS or discounts or direct taxes
Revenue is treated within IFRS 15, and should include gross fee income (therefore excluding fee expenses)
Whilst interest income is not within the scope of IFRS 15 (that is, its included in IFRS 9), IAS 1 does refer to effective interest as a component of revenue (revenue should exclude interest expense)
No costs of income should be included in revenue
For Insurance the following should be Revenue: Gross written premium, Gross change in unearned premium, Admin fee income, Insurance benefits and claims recovered (not the reinsurance one), Interest income and investment income.

External Liabilities	**13 575 201**	Tab 1000 cell F199
Points allocated to PI (mathematical rounding)	**14**	
Liabilities less related party liabilities, deferred tax and internal provisions		
Public Interest (PI) score: (as per pack)	429	Tab 1000 cell F196
Final PI recalculated with mathematical rounding	**429**	(Note this is the PI to be used for XBRL, CIPC have confirmed that the rules of mathematical rounding should be applied)

Guidance on PI Calculation:

a number of points equal to the average number of employees of the company during the financial year;
one point for every R1 million (or portion thereof) in third party liability of the company, at the financial year end;
one point for every R1 million (or portion thereof) in turnover during the financial year; and
one point for every individual who, at the end of the financial year, is known by the company to have a beneficial interest in any of the company's issued securities;
'= Simplified formula: (Revenue + Total Liabilities - Related party liabilities -Deferred Tax)/1000 000 + Ave Employees + Beneficial interest

Maximum number of individuals with beneficial interest in securities of company, or members in case of non profit company	-	Tab 1000 lines 100-109