GCR RATINGS

RATING ANNOUNCEMENT

GCR upgrades Tuhf Capital Finance Proprietary Limited and Tuhf Capital Holdings' respective long term issuer ratings to $BBB_{(ZA)}$; Outlook Stable.

Rating action

Johannesburg, 21 April 2026 - GCR Ratings (GCR) has upgraded the long term national scale issuer rating of Tuhf Capital Finance Proprietary Limited (Tuhf Capital Finance, formerly TUHF Limited) to $BBB_{(ZA)}$, from $BBB-_{(ZA)}$ previously, and affirmed the short term national scale issuer rating of $A3_{(ZA)}$. Concurrently, GCR has also upgraded the long term national scale issuer rating of Tuhf Capital Holdings (Tuhf Capital, or the group, formerly TUHF Holdings Limited) to $BBB_{(ZA)}$, from $BBB-_{(ZA)}$ previously, and affirmed the short term national scale issuer rating of $A3_{(ZA)}$. The Rating Outlook remains Stable.

Rated entity	Rating class	Rating scale	Rating	Outlook/Watch
Tuhf Capital Finance Proprietary Limited	Long term issuer	National	$BBB_{(ZA)}$	Stable Outlook
	Short term issuer	National	$A3_{(ZA)}$	-
Tuhf Capital Holdings	Long term issuer	National	$BBB_{(ZA)}$	Stable Outlook
	Short term Issuer	National	$A3_{(ZA)}$	-

Rating rationale

The issuer ratings of Tuhf Capital Finance and Tuhf Capital reflect the credit strengths and weaknesses of the group. Although it is an equity holding company, GCR has not observed, and therefore does not apply any contractual or structural subordination to the ratings of Tuhf Capital.

The group's credit profile has been enhanced by demonstrated support from shareholders and wholesale funders, which has helped to mitigate the effect of legacy losses on the financial profile and strengthened the funding and liquidity assessment. We have also taken cognisance of continued improvements in asset quality and demonstrated resilience in collections through the cycle, although our overall assessment of risk remains constrained by high obligor concentrations.

The group's negative business profile indicates its small scale and the virtually monoline focus reflected in its loan book, which is dominated by exposures to affordable rental housing property mortgages. Whilst Tuhf Capital's demonstrated expertise in its niche market reflects the defensiveness of its operating model, it is exposed to downside risks inherent in funding small to medium scale property entrepreneurs whose end market is particularly sensitive to changes in the macroeconomic landscape. Tight market conditions, including weak appetite for loans and constrained affordability have increased competition from the commercial banks, especially with respect to existing/potential clients with demonstrated track records.

That said, we continue to build in an ESG uplift to the group's competitive assessment in recognition of the strong social underpin embedded in its operating model. Tuhf Capital's position as an intermediary routing capital from institutional funders to affordable housing entrepreneurs and its track record in the inner-city property lending space are proven positives relative to close peers. While we expect to see a gradual diversification into townships, student housing and other sub-segments, we expect the social mandate to be sustained beyond the rating outlook period of 12 to 24 months and into the medium term.

The capital and leverage assessment is evolving, with recent injections from shareholders helping to shore up the capital base. We have also taken cognisance of the sustained commitment of Tuhf Capital's shareholders, namely TUHF21 NPC, the National Housing Finance Corporation SOC Limited, and the Public Investment Corporation. Management's plans to achieve sustainable internal capital generation include ongoing cost rationalisation, options to build a base of fees, commissions, and other forms of non-interest annuity income, sustainable business procurement, as well as entrenchment of Tuhf Capital Finance's risk-based pricing model.

Looking ahead, we project a return to profitability over the rating horizon, with a cost to income ratio below 100.0% and well-managed asset risks supporting a return on assets of 0.25% to 0.75% and a GCR leverage ratio of 6.5% to 8.0% after adjusting for loan disbursement commitments, intangibles, and deferred tax assets. This would support an improvement in the capital and leverage assessment. Tuhf Capital tracks its capitalisation under Basel III and remains compliant with both securitisation and debt facility covenants. Concentration-related covenants in respect of the securitisation vehicles (Urban Ubomi 1 (RF) Limited and Urban Ubomi 2 (RF) Limited) give additional comfort to debt capital market investors, and in our view, this provides incentive to ease the associated risk to capital.

The risk assessment remains neutral, balancing continued improvements in asset quality against downside risk(s) inherent in the highly concentrated obligor profile and market risk associated with the investment property portfolio, which will shortly be internally managed. The group's non-performing loan (NPL) ratio is expected to track below 10.0% over the outlook period, whilst credit losses are projected to normalise at conservative levels. Upside to the risk assessment could result from consistently robust collections and asset quality ratios continuing to trend down towards pre-COVID-19 levels. Conversely, volatile credit losses and NPLs as new loans season would be negatively viewed.

The funding and liquidity profile continues to improve and is underpinned by transparency and Tuhf Capital's strong sustainability credentials, which have had a positive impact on its ability to access funding. The group's securitisation vehicles are supported by a diverse base of investors, whilst available facilities have been bolstered by relationships with both domestic funders and international development finance institutions. Accordingly, the GCR sources versus uses calculation is expected to track between 1.3x to 1.5x over the next 12 months. Liquidity sources are anchored by undrawn committed and uncommitted funding lines as well as sound cash generation.

Outlook statement

The Rating Outlook is Stable, largely reflecting comfort taken from demonstrated shareholder support, continued improvements in asset quality, and efforts to achieve a sustainable earnings base. Whilst we have noted socioeconomic factors supporting positive investor sentiment, international headwinds could exacerbate inflationary and cost of funding pressures in the short term. Accordingly, GCR anticipates management will continue to focus on cost rigour, a defensive loan book, and gradual growth of non-funded income to support more consistent earnings and free cash flows. Access to wholesale funding is sound. Together with further enhancements to the debt maturity profile, this should anchor gradual but sustainable growth in the loan book.

Rating triggers

Further upward rating migration is contingent upon a return to sustainable profitability, underpinned by continued improvement in asset quality and cost optimisation. Conversely, further capital attrition arising from valuation and/or credit risks would place negative pressure on the issuer ratings. Albeit considered unlikely, a weakening in the funding and liquidity profile would be negatively viewed.

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Related criteria and research

Criteria for the GCR Ratings Framework, May 2024
Criteria for Rating Financial Institutions, May 2024
GCR Rating Scales, Symbols & Definitions, May 2023
GCR Country Risk Scores, March 2026
GCR Financial Institutions Sector Risk Scores, December 2025

Ratings history

Tuhf Capital Finance Proprietary Limited					
Rating class	Review	Rating scale	Rating	Outlook	Date
Long term issuer	Initial	National	BBB-(ZA)	Stable	September 2013
	Last	National	BBB-(ZA)	Stable	April 2025
Short term issuer	Initial	National	A3(ZA)	n/a	September 2013
	Last	National	A3(ZA)	n/a	April 2025

Tuhf Capital Holdings					
Rating class	Review	Rating scale	Rating	Outlook	Date
Long term issuer	Initial	National	BBB-(ZA)	Positive	March 2023
	Last	National	BBB-(ZA)	Stable	April 2025
Short term issuer	Initial	National	A3(ZA)	n/a	March 2023
	Last	National	A3(ZA)	n/a	April 2025

Risk score summary

Rating components and factors	Scores
Operating environment	**12.00**
Country risk score	7.00
Sector risk score	5.00
Business profile	**(1.50)**
Competitive position	(1.50)
Sustainability	0.00
Financial profile	**0.00**
Capital and leverage	(0.25)
Risk	0.00
Funding and liquidity	0.25
Comparative profile	**0.00**
Group support	0.00
Peer analysis	0.00
Total risk score	**10.50**

Glossary

Annuity	A contract that provides a series of payments for a specified period which may or may not be contingent on the survival of the annuitant.
Asset	A resource with economic value that a company owns or controls with the expectation that it will provide future benefit.
Asset Quality	Refers primarily to the credit quality of a bank's earning assets, the bulk of which comprises its loan portfolio, but will also include its investment portfolio as well as off balance sheet items. Quality in this context means the degree to which the loans that the bank has extended are performing (i.e., being paid back in accordance with their terms) and the likelihood that they will continue to perform.
Basel	Basel Committee on Banking Supervision housed at the Bank for International Settlements.
Capital	The sum of money that is invested to generate proceeds.
Capital Base	The issued capital of a company, plus reserves and retained profits.
Capitalisation	The provision of capital for a company, or the conversion of income or assets into capital.
Cash	Funds that can be readily spent or used to meet current obligations.
Concentrations	A high degree of positive correlation between factors or excessive exposure to a single factor that share similar demographics or financial instrument or specific sector or specific industry or specific markets.
Conditions	Provisions inserted in an insurance contract that qualify or place limitations on the insurer's promise to perform.
Credit	A contractual agreement in which a borrower receives something of value now and agrees to repay the lender at some date in the future, generally with interest. The term also refers to the borrowing capacity of an individual or company
Debt	An obligation to repay a sum of money. More specifically, it is funds passed from a creditor to a debtor in exchange for interest and a commitment to repay the principal in full on a specified date or over a specified period.
Diversification	Spreading risk by constructing a portfolio that contains different exposures whose returns are relatively uncorrelated. The term also refers to companies which move into markets or products that bear little relation to ones they already operate in.
Equity	Equity is the holding or stake that shareholders have in a company. Equity capital is raised by the issue of new shares or by retaining profit.
ESG	Environmental, Social and Governance.
Facility	The grant of availability of money at some future date in return for a fee.
Income	Money received, especially on a regular basis, for work or through investments.
Intermediary	A third party in the sale and administration of insurance products.
Issuer	The party indebted or the person making repayments for its borrowings.
Issuer Ratings	See GCR Rating Scales, Symbols and Definitions.

Leverage	Regarding corporate analysis, leverage (or gearing) refers to the extent to which a company is funded by debt.
Liquidity	The speed at which assets can be converted to cash. It can also refer to the ability of a company to service its debt obligations due to the presence of liquid assets such as cash and its equivalents. Market liquidity refers to the ease with which a security can be bought or sold quickly and in large volumes without substantially affecting the market price.
Loan	A sum of money borrowed by a debtor that is expected to be paid back with interest to the creditor. A debt instrument where immovable property is the collateral for the loan. A mortgage gives the lender a right to take possession of the property if the borrower fails to repay the loan. Registration is a prerequisite for the existence of any mortgage loan. A mortgage can be registered over either a corporeal or incorporeal property, even if it does not belong to the mortgagee. Also called a Mortgage bond.
Market	An assessment of the property value, with the value being compared to similar properties in the area.
Market Risk	Volatility in the value of a security/asset due to movements in share prices, interest rates, currencies, commodities or wider economic factors.
Maturity	The length of time between the issue of a bond or other security and the date on which it becomes payable in full.
Obligor	The party indebted or the person making repayments for its borrowings.
Performing	An obligation that performs according to its contractual obligations.
Performing Loan	A loan is said to be performing if the borrower is paying the interest on it on a timely basis.
Portfolio	A collection of investments held by an individual investor or financial institution. They may include stocks, bonds, futures contracts, options, real estate investments or any item that the holder believes will retain its value.
Pricing	A process of determining the price of a debt security.
Property	Movable or immovable asset.
Rating Horizon	The rating outlook period

Salient points of accorded ratings

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

The credit ratings have been disclosed to the rated entities.

The ratings above were solicited by, or on behalf of, the rated entity.

The rated entity participated in the rating process via in person interaction and/or via online virtual interaction and/or via electronic and/or verbal communication and correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible. The information received from the rated entity and other reliable third parties to accord the credit ratings included:

- Audited financial results for the year to 31 March 2025 (and four years' comparative numbers)
- Year to date management accounts for the 2026 fiscal year and forecasts
- Basel computations
- Budgets, loan portfolio data and other relevant information
- Companies and Intellectual Property Commission Disclosure Certificates

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