

National RMBS Trust 2018-1
ABN 48 709 605 719
Financial Report
for the year ended 30 September 2023

National RMBS Trust 2018-1

Index

Trust Information	3
Trustee's Report.....	4
Manager's Report	5
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income.....	8
Statement of Changes in Net Liabilities Attributable to Unitholders	9
Statement of Cash Flows	10
Notes to and forming part of the financial statements.....	11
Manager's Declaration	20
Auditor's Report	21

National RMBS Trust 2018-1 Trust Information

Principal Place of Business

Level 28, 395 Bourke Street
Melbourne, VIC 3000

Trustee

Perpetual Trustee Company Limited
Level 18, Angel Place
123 Pitt Street
Sydney, NSW 2000

Trust Manager

National Australia Managers Limited
Level 28, 395 Bourke Street
Melbourne, VIC 3000

Banker

National Australia Bank Limited
2 Carrington St,
Sydney, NSW 2000

Auditor

Ernst & Young
8 Exhibition Street
Melbourne, VIC 3000

National RMBS Trust 2018-1 Trustee's Report

Perpetual Trustee Company Limited (the "**Trustee**") presents its report together with the financial report of National RMBS Trust 2018-1 (the "**Trust**") for the year ended 30 September 2023 and the auditor's report thereon.

The financial report for the year ended 30 September 2023 has been prepared by National Australia Managers Limited (the "**Manager**") as required by the Master Trust Deed dated 18 October 2010.

The auditors of the Trust, Ernst & Young, who have been appointed by the Trustee in accordance with the Master Trust Deed dated 18 October 2010, have conducted an audit of the financial report.

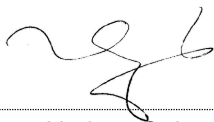
A review of the operations of the Trust and the results of those operations for the financial year ended 30 September 2023 is contained within the Manager's Report.

Based on the Trustee's ongoing programme of monitoring and the Trustee's review of the financial report for the year ended 30 September 2023, the Trustee believes that:

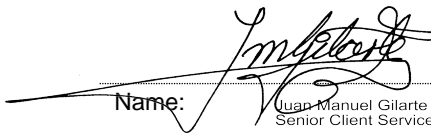
- (i) The operations of the Trust has been conducted in accordance with the Master Trust Deed dated 18 October 2010 and the National RMBS Trust 2018-1 Issue Supplement dated 12 February 2018.
- (ii) The financial report has been appropriately prepared and contains all relevant and required disclosures.

The Trustee is not aware of any material matter or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial report and the notes thereon that has not already been disclosed.

Signed for and on behalf of Perpetual Trustee Company Limited as Trustee for the National RMBS Trust 2018-1:



Name: Nathan Gale



Name: Juan Manuel Gilarte
Senior Client Service Manager

Dated this 29th day of January 2024.

National RMBS Trust 2018-1 Manager's Report

National Australia Managers Limited (the "**Manager**") presents its report on the financial report of National RMBS Trust 2018-1 (the "**Trust**") for the year ended 30 September 2023.

Trust information

The Trust was established on 01 November 2017 under the Master Trust Deed dated 18 October 2010 between Perpetual Trustee Company Limited (the "**Trustee**") and the Manager and the Issue Supplement dated 12 February 2018 between the Trustee and the Manager.

Principal activities

The principal activities of the Trust are the acquisition and securitisation of assets. Funding is raised by issuing debt securities to wholesale investors.

Review of results and operations

The performance of the Trust, as represented by the result of its operations, is as follows:

	2023 \$'000	2022 \$'000
Net profit attributable to unitholders for the year	3,225	3,452
Distributions attributable to unitholders during the year	2,843	3,507

State of affairs

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the Trust's operations in future financial years, the results of those operations or the Trust's state of affairs in future financial years.

Significant events after the balance date

There are no other items, transactions or events of a material or unusual nature that have arisen in the interval between 30 September 2023 and the date of this report that, in the opinion of the Manager, have significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future years.

Likely developments and expected results

The Trust is expected to continue its operations in accordance with the Trust objectives outlined in the Master Trust Deed.

Going concern

As at 30 September 2023, the Trust was in a net liability position of \$785,403 (2022: \$1,167,875) and has recognised a net profit of \$382,471 (2022: net loss \$55,325). The net profit recognised in the current year represents a recovery in the expected credit loss provision due to repayments of outstanding loan balances in the Trust during the year.

The Trust distributes its taxable income to remain tax neutral. Expected credit loss provisions in the Trust are not deductible for tax purposes and are therefore ignored in calculating the taxable income distribution. The taxable income or loss of the Trust in any given year will change based on the movements in the credit loss provision.

Interest bearing liabilities due to Noteholders are repaid from cash flows from the mortgage pool receivables. If these collections are insufficient to fully repay the Noteholders, then the losses are borne by the Noteholders and not the Trust.

Therefore, the Manager is of view that the Trust will have sufficient cash assets to meet its debts as and when they fall due and that the Trust is expected to continue on a going concern basis.

National RMBS Trust 2018-1 Manager's Report (continued)

Environmental regulation and performance

The operations of the Trust are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Trust.

Indemnification

During or since the end of the financial period, the Trust has not provided any indemnification of any person who is or has been an officer of the Trustee, the Manager or auditors of the Trust.

Insurance

No insurance premiums have been paid during or since the end of the financial period for a person who is or has been an officer of the Trustee, the Manager or auditors of the Trust.

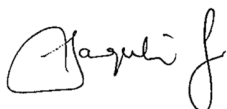
Comparative figures

Comparative figures represent the prior period of annual results and where appropriate, are reclassified so as to be comparable with the figures stated in the current period.

Rounding

The Manager's Report and the financial report are presented in Australian dollars and all values have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Signed for and on behalf of National Australia Managers Limited as Manager of National RMBS Trust 2018-1:



Name: Jacqueline Fox



Name: Kathrine Fordham-King

Dated this 29th day of January 2024.

National RMBS Trust 2018-1
Statement of Financial Position
As at 30 September 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	3	744	671
Trade and other receivables	4	12,821	17,453
Amortised cost investments	5	434,632	555,143
Total assets		448,197	573,267
Liabilities			
Trade and other payables	6	2,467	3,281
Distributions payable	7	3,075	2,869
Interest bearing liabilities	8	443,440	568,284
Total liabilities		448,982	574,434
Net liabilities attributable to unitholders		(785)	(1,167)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

National RMBS Trust 2018-1
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 September 2023

	Note	2023 \$'000	2022 \$'000
Interest income from cash and cash equivalents		46	9
Net interest income on amortised cost investments and related imputed loan		27,311	15,679
Interest expense on interest bearing liabilities		(22,729)	(9,941)
Net interest income		4,628	5,747
Transaction and administration expenses	9	(1,785)	(2,213)
Bad and doubtful debts written back/(expense)		382	(82)
Total expenses		(1,403)	(2,295)
Net profit attributable to unitholders		3,225	3,452
Distributions attributable to unitholders	7	(2,843)	(3,507)
Net profit/(loss) for the year		382	(55)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		382	(55)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

National RMBS Trust 2018-1
Statement of Changes in Net Liabilities Attributable to Unitholders
For the year ended 30 September 2023

	Note	2023 \$'000	2022 \$'000
Net liabilities attributable to unitholders at beginning of the year		(1,167)	(1,112)
Units issued during the year	10	-	-
Changes in net liabilities attributable to unitholders		382	(55)
Closing net liabilities attributable to unitholders		(785)	(1,167)

The above Statement of Changes in Net Liabilities Attributable to Unitholders should be read in conjunction with the accompanying notes.

National RMBS Trust 2018-1
Statement of Cash Flows
For the year ended 30 September 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Interest received from cash and cash equivalents		46	9
Net interest received from amortised cost investments and related imputed loan		27,225	15,522
Interest paid on interest bearing liabilities		(22,640)	(9,746)
Transaction and administration expenses paid		(1,785)	(2,215)
Net cash from operating activities		2,846	3,570
Cash flows from investing activities			
Receipts from amortised cost investments		158,511	237,069
Purchases of amortised cost investments		(33,803)	(38,796)
Net cash from investing activities		124,708	198,273
Cash flows used in financing activities			
Repayment of interest bearing liabilities		(124,844)	(198,404)
Distributions paid to unitholders	7	(2,637)	(3,470)
Net cash used in financing activities		(127,481)	(201,874)
Net increase/(decrease) in cash and cash equivalents		73	(31)
Cash and cash equivalents at beginning of the year		671	702
Cash and cash equivalents at 30 September	3	744	671

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

1. Corporate information

National RMBS Trust 2018-1 was established on 01 November 2017 under the Master Trust Deed dated 18 October 2010 between Perpetual Trustee Company Limited (the “**Trustee**”) and National Australia Managers Limited (the “**Manager**”) and the Issue Supplement dated 12 February 2018 between the same parties. The Trust is domiciled in Australia.

The financial report of the Trust for the year ended 30 September 2023 was authorised for issue by the Manager.

A description of the Trust's operations and principal activities is included in the Manager's Report.

The ultimate parent entity of the Manager and the Trust is National Australia Bank Limited (“**NAB**”).

2. Accounting policies

2.1 Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of Australian Accounting Standards – Simplified Disclosures. The Trust is a Not-for-profit entity for the purposes of preparing these financial statements.

The Trust has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) except where otherwise indicated.

Statement of compliance

The financial report has been prepared in accordance with the provisions of the Master Trust Deed and Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standard Board

Comparative figures

Comparative figures represent the prior year annual results and where appropriate, are reclassified so as to be comparable with the figures stated in the current year.

(i) Accounting standards and interpretations issued but not yet effective

There are no Australian Accounting Standards and Interpretations that have recently been issued or amended that are not yet effective that are expected to have a material impact on the Trust.

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

2.2 Changes in accounting policies and disclosures

(ii) New standards and interpretations effective in the current financial year

The Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Trust.

2.3 Significant accounting judgements and estimates

The preparation of the Trust's financial statements requires the Manager to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Except as explained below, there have been no significant changes to the accounting estimates, judgements and assumptions used in preparing the financial report compared to those applied in the preparation of the 2022 Financial Report.

Measurement of expected credit losses

The accounting policy, as explained in Note 2.4(d) relating to impairment of assets, requires the Manager to assess impairment at least at each reporting date. The impairment provisions represent the Manager's best estimate of the expected credit losses in the loans and advances at the reporting date based on experienced judgement.

The use of judgement and reasonable estimates is considered by the Manager to be an essential part of the process for calculating impairment provisions.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data. Valuation techniques will be used where conditions are unobservable.

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Amortised cost investments

The Trust has purchased the rights, title and interest in a pool of residential mortgages from NAB. In addition the Trust has entered into interest rate and basis swaps with NAB in relation to the underlying mortgage pool receivable.

NAB is unable to derecognise the mortgage loans sold to the Trust because the terms of the interest rate and basis swaps result in NAB retaining substantially all the risks and rewards associated with the underlying mortgage loans. Accordingly NAB is unable to separately recognise the interest rate and basis swaps in its stand-alone financial statements. Consequently the Trust has recognised a receivable from NAB representing the contractual cashflows owing under the arrangement. Payments under the swap contracts are recognised in the Statement of Profit or Loss and Other Comprehensive Income as interest income from amortised cost investments and imputed loan.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. The EIR amortisation is included in interest income in the Statement of Profit or Loss and Other Comprehensive Income. Any losses arising from impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Purchase and sale of investments that require delivery of assets within a time frame generally established by regulation or convention in the market place are recognised on the trade date.

(b) Interest income and expense

Interest income and expense are recognised in the Statement of Profit or Loss and Other Comprehensive Income for all financial instruments not at fair value through profit and loss using the effective interest rate. This method calculates the amortised cost of a financial asset and allocates the interest over the relevant period using the effective interest rate less any allowances for impairment. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Interest earned on financial instruments classified as 'at fair value through the profit or loss' is recorded in 'Interest income' according to the terms of the contract.

(c) Other expenses

The Manager and the Trustee are entitled under the Master Trust Deed to be reimbursed for certain expenses incurred in administering the Trust. Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis. The basis upon which the expenses are reimbursed is defined in the Master Trust Deed.

(d) Impairment of financial assets carried at amortised cost

The Manager assesses at each reporting date whether a financial asset or group of financial assets is impaired.

The impairment requirements are based on an expected credit loss model. The Manager applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

i) Stage 1: 12 - months ECL - ECL associated with the probability of default events occurring within the next 12 months is recognised.

ii) Stage 2: Lifetime ECL - not credit impaired - Credit exposures where there has been a significant increase in credit risk since initial recognition but is not credit impaired.

iii) Stage 3: Lifetime ECL - credit impaired - Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset has occurred.

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(d) Impairment of financial assets carried at amortised cost (continued)

At each reporting date, the Manager will assess whether there are significant increases in credit risk for financial assets since initial recognition. The Manager uses behavioral and forecast information to assess deterioration in credit quality of a financial asset. The amount of the loss is recognised using a provision for doubtful debts account. In addition, the Manager uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. The Trust recognises the provision charge in profit and loss, with the carrying amount of the asset being reduced through the use of an allowance account.

Impaired debts together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Trust. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced. If a previous write-off is later recovered, the recovery is credited to the 'bad and doubtful debts expense'.

Interest income on an impaired financial asset is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Definition of Default

Default occurs when a loan obligation is 90 days or more past due, or when it is considered unlikely that the credit obligation to the Trust will be paid in full without remedial action, such as realisation of security.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash at bank as defined above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Receivables may include amounts for accrued interest and reduced input tax credits and repayments due from NAB as servicer. Amounts are generally received within 30-90 days of being recorded as receivables. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 2.4(b) above.

(g) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for services provided to the Trust prior to the end of the financial year that are unpaid. Payables include accrued interest expense, fees payable and redraws due to NAB as servicer.

(h) Interest bearing liabilities

Interest bearing liabilities are accounted for at their settlement dates. Interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing liabilities are subsequently measured at the amortised cost using the effective interest rate method. Any gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the liabilities are derecognised.

(i) Taxation

Under current Australian legislation, the Trust is not subject to income tax provided the unitholders are presently entitled to the income of the Trust and the Trust fully distributes its net taxable income.

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

2. Accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

(j) Distributions

In accordance with the Transaction Documents, the Trust fully distributes its income to unitholders by reference to the net taxable income of the Trust. Distributions to unitholders are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(k) Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The Trust is entitled to reduced input tax credits at a rate of 75%, hence trustee fees, servicer fees and other expenses have been recognised in the Statement of Profit or Loss and Other Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office.

Reduced input tax credits recoverable by the Trust from the Australian Taxation Office are recognised as a receivable in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(l) Offsetting

Income and expenses are only offset in the Statement of Profit or Loss and Other Comprehensive Income if permitted under the relevant accounting standard. Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position if, and only if, there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(m) Terms and conditions of units

Residual Units

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Master Trust Deed, including the right to:

- have their units redeemed; and
- participate in the termination and winding up of the Trust.

The rights, obligations and restrictions attached to each unit are identical in all respects.

Participation Unit

The unit issue confers upon the unitholder an equal interest in the Trust, and is of equal value. The unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Master Trust Deed, including the right to:

- receive income distributions; and
- have their units redeemed.

National RMBS Trust 2018-1
Notes to and forming part of the financial statements
For the year ended 30 September 2023

3. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank	744	671

4. Trade and other receivables

	2023 \$'000	2022 \$'000
Repayments due from servicer	12,148	16,894
Accrued interest income – related party	673	559
	12,821	17,453

5. Amortised cost investments

	2023 \$'000	2022 \$'000
Mortgage pool receivable	435,417	556,311
Provision for doubtful debts	(785)	(1,168)
	434,632	555,143

The mortgage pool receivable consists of home loans with varying maturities and interest rates. As at 30 September 2023, the weighted average interest rate is 6.33% (2022: 4.88%).

6. Trade and other payables

	2023 \$'000	2022 \$'000
Accrued interest expense on interest bearing liabilities:		
- Held by external investors	373	284
Accrued interest expense on imputed loan:		
- Related party	22	(6)
Accrued fees payable:		
- External party	23	20
- Related party	29	32
Amounts owing to related parties:		
- Redraws payable to servicer	1,870	2,801
- Expense reserve	150	150
	2,467	3,281

National RMBS Trust 2018-1
Notes to and forming part of the financial statements
For the year ended 30 September 2023

7. Distributions payable

Reconciliation of movement in distributions to unitholders

	2023	2022
	\$'000	\$'000
Balance as at 1 October	2,869	2,832
Distributions attributable to unitholders	2,843	3,507
Distributions paid during the year	(2,637)	(3,470)
Balance as at 30 September	3,075	2,869

8. Interest bearing liabilities

	2023	2022
	\$'000	\$'000
Class A1-A	303,369	388,778
Class A1-G	59,098	75,736
Class A2 Notes	35,426	45,400
Class B Notes	23,280	29,834
Class C Notes	8,097	10,377
Class D Notes	7,085	9,080
Class E Notes	4,049	5,188
Class F Notes	3,036	3,891
	443,440	568,284

The Trust has issued floating rate notes to investors with a maturity date of 24 August 2049. The interest rate payable on the notes consists of the 1 month BBSW and a fixed margin, which is defined in the Master Trust Deed. All classes of notes are held by external investors.

9. Transaction and administration expenses

	2023	2022
	\$'000	\$'000
Servicer fees – related party	1,271	1,663
Manager fees – related party	300	300
Liquidity facility fees – related party	85	110
Trustee fees	40	52
Other expenses	89	88
	1,785	2,213

National RMBS Trust 2018-1
Notes to and forming part of the financial statements
For the year ended 30 September 2023

10. Units on issue

	2023		2022	
	No. of units	\$	No. of units	\$
Balance as at 1 October	11	120	11	120
Units issued during the year	-	-	-	-
Units redeemed during the year	-	-	-	-
Balance as at 30 September	11	120	11	120

Units issued consist of 10 residual units and 1 participation unit.

11. Capital commitments and contingent liabilities

As at the balance sheet date, the Trust had access to an undrawn asset liquidity facility provided by National Australia Bank Ltd of \$8,380,429 (2022: \$10,696,638).

As at the balance sheet date, the Trust has no capital or undrawn commitments or contingent liabilities (2022: Nil).

12. Related party transactions

National Australia Managers Limited is the Trust Manager of the Trust, overseeing the day to day administration of the Trust. The Trust Manager is a wholly owned subsidiary of National Australia Bank Limited. Consequently, transactions with National Australia Bank Limited and its group of subsidiaries are deemed as related party transactions. There are detailed as follows:

Related Party	Description	Income/ (expenses)	Receivables/ (payables)	Income/ (expenses)	Receivables/ (payables)
		2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
NAML	Manager Fees	(300)	(5)	(300)	(4)
NAB	Servicer Fee	(1,271)	(18)	(1,663)	(19)
NAB	Liquidity Fees	(85)	(6)	(110)	(8)
NAB	Residual Income to the Unitholder	(2,843)	(3,075)	(3,507)	(2,869)
NAB	Extraordinary Expense Reserve	-	(150)	-	(150)
		(4,499)	(3,254)	(5,580)	(3,050)

13. Auditor's Remuneration

The auditor of the Trust is Ernst & Young Australia. The auditor's remuneration for auditing the financial report of the Trust for the period ended 30 September 2023 is \$19,559 (exclusive of GST).

National RMBS Trust 2018-1

Notes to and forming part of the financial statements

For the year ended 30 September 2023

14. Going concern

The Manager acknowledges that the Trust is in a net liability position of \$785,403 as at 30 September 2023 (2022: \$1,167,875) and has recognised a net profit of \$382,471 (2022: net loss \$55,325). The net profit recognised in the current year represents a recovery in the expected credit loss provision due to repayments of outstanding loan balances in the Trust during the year.

The Trust distributes its taxable income to remain tax neutral. Expected credit loss provisions in the Trust are not deductible for tax purposes and are therefore ignored in calculating the taxable income distribution. The taxable income or loss of the Trust in any given year will change based on the movements in the credit loss provision.

The Trust will have sufficient cash assets to meet its debts as and when they fall due. The Trust can draw on principal collections and on an asset liquidity to enable the Trust to meet its current and future payment obligations.

15. Significant events after balance date

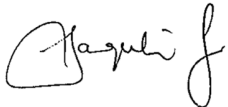
There are no other items, transactions or events of a material or unusual nature that have arisen in the interval between 30 September 2023 and the date of this report that, in the opinion of the Manager, have significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in future years.

National RMBS Trust 2018-1 Manager's Declaration

In the opinion of the Manager,

1. The Trust is not a reporting entity as defined in Australian Accounting Standards.
2. The financial statements and notes:
 - (a) Present fairly, in all material respects, the Trust's financial position as at 30 September 2023 and its performance for the year ended on that date; and
 - (b) Comply with the provisions of the Master Trust Deed dated 18 October 2010 and Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 2 to the financial statements.
3. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
4. The Trust has been conducted in accordance with the Master Trust Deed dated 18 October 2010 and the National RMBS Trust 2018-1 Issue Supplement dated 12 February 2018.

Signed for and on behalf of National Australia Managers Limited as Manager of National RMBS Trust 2018-1:



.....
Name: Jacqueline Fox



.....
Name: Kathrine Fordham-King

Dated this 29th day of January 2024.



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Independent auditor's report to the Unitholders of National RMBS Trust 2018-1

Opinion

We have audited the financial report of National RMBS Trust 2018-1 (the Trust), which comprises the statement of financial position as at 30 September 2023, the statement of profit or loss and other comprehensive income, statement of changes in net liabilities attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Trust Manager's declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Trust as of 30 September 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The Trustee and Trust Manager are responsible for the other information. The other information is the Trustee's and Trust Manager's report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Trust Manager for the financial report

The Trust Manager is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and for such internal control as the Trust Manager determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, 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 Trust's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trust Manager.
- ▶ Conclude on the appropriateness of the Trust Manager's 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 Trust'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 report 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 Trust to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the Trust Manager 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.

Ernst & Young

Ernst & Young
Melbourne
29 January 2024