

STRUCTURED FINANCE

Performance Overview

Egyptian Securitization Company (ESC) – 5th Issue 2015-2021 (Leasing Receivables Pool Originated by Corporate Leasing Company S.A.E.)

Leasing Receivables/Egypt

DEFINITIVE RATINGS

Class	Amount (EGP mn)	% of Notes	Expected Maturity	Fixed Coupon (%)	Frequency	Rating
A	52.5	8.50%	Jan-2017	9.90%	Monthly	AA+ (sf)
B	391	63.32%	Dec-2019	10.75%	Monthly	AA (sf)
C	174	28.18%	Dec-2021	11.50%	Monthly	A (sf)
Total	617.5	100%				

*As of 30/11/2016

POOL CUT OFF DATE:
December 10, 2015

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RATING OPINION AND SPECIFIC COMMENTARY

This is the fifth securitization transaction issued by the Egyptian Securitization Company (ESC). At issuance the bond issue was EGP 802,000,000 and was backed by 203 financial leasing contracts (EGP 829,600,950 net present value of outstanding receivables on the closing date of the transaction) originated by Corporate Leasing Company S.A.E. (Corplease) over the period between 20/10/2010 and 20/10/2015.

The rating addresses the expected loss to investors by the legal final maturity. In **MERIS** opinion, the structure allows for timely payment of interest and ultimate repayment of principal by the final maturity of the bond. **MERIS** portfolio performance analysis is mainly based on the monitoring of the delinquencies, defaults, repossessions, recoveries and prepayments. **MERIS** relies on the audited monthly performance reports issued by the Custodian (CIB), as well as on data provided by the Issuer.

To date the coupon and principal of the bond have been paid according to schedule. The bond issue is amortized on a monthly basis, and as of 30/11/2016 stood at EGP 617,485,605, which translates into 23.0% redemption of the original balance. Given the senior-subordinated sequential structure of the bond, the principal amortization has been directed to Class A notes, which currently stand at EGP 52,485,605, or 22.1% of the original balance. As of the same date, the asset pool backing the issue has been amortized at 28.7% and amounted to EGP 714,448,602, including EGP 558,124,422 of principal, and the balance being interest and insurance on the leasing contracts.

The issue benefits from an external credit support in the form of an unconditional and irrevocable bank guarantee in the amount of EGP 116.29 million (18.8% of the notes' outstanding value) and a residual cash balance of EGP 27,085,715 (4.4% of the notes' outstanding value). The notes benefit also from a liquidity reserve account currently in the size of EGP 18,269,391 or 3.0% of the outstanding bond balance. The principal outstanding of the asset pool plus the credit enhancements as a percentage of the principal outstanding of the bond currently stands at 117%.

The credit enhancement currently available to the transaction, as measured by the excess of the NPV of the portfolio receivables plus the accumulated cash surplus account and liquidity reserve over the NPV of the transactions cash outflows (senior fees and expenses as well as bond principal), stands at 9.3% compared to 1.6% at closing of the transaction. When adjusted for the L/G amount available to the transaction, the overall credit support measures 28.2% compared to 16.1% at closing. It is worth noting that the above calculation of credit support does not take into consideration the collection of the currently delinquent installments in the total amount of EGP 17.7 million. Approximately 40% of these amounts are less than 30 days overdue.

In terms of liquidity, the transaction has sufficient accumulated cash reserves (excluding the L/G amount) to cover approximately 6 months of senior fees and expenses, as well as coupon payments under the bond. **MERIS** has performed various stress case scenarios and believes that the current ratings are commensurate with the risks associated with the notes.

MERIS has been also monitoring on a monthly basis the default and delinquency rates under the transaction. Delinquencies have been on the rise, and overdue rentals above 30 days have increased from 0.2% from the pool initial balance in January 2016 to 1.7% as of 30/11/2016. The total amount of overdue rents as of 30/11/2016 stood at EGP 17.7 million, bucketed as follows:

Days Overdue	<30 days	30-60 days	60-90 days	90-120 days	>120 days	Total
Total Delinquencies (EGP)	6,721,171	5,809,478	3,624,207	1,428,325	109,191	17,692,372
% of Total Delinquencies	38%	33%	20%	8%	1%	100%

The servicer of the transaction is working diligently with all the lessees to collect all overdue rentals. It is worth noting that as of November 2016 there was only one severely delinquent lessee (overdue rent exceeding 120 days), with a total principal outstanding currently in the size of EGP 2.1 million (0.4% of the current principal outstanding balance of the portfolio).

Given the amortization of the bond and the credit enhancement currently available to the transaction, **MERIS** affirms the initially assigned ratings to the notes.

CREDIT SUPPORT*

Class	Subordination	Over collateralization	Bank Guarantee
A	91.5%		
B	28.2%	9.3%	18.8%
C	None		

*As of 30/11/2016

KEY TRANSACTION DATA

Deal Closing Date:	December 2015
Issuer:	Egyptian Securitization Company S.A.E.
Seller (s) /Originator (s) & Servicer:	Corporate Leasing Company (Corplease)
Custodian & Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating "B3" by Moody's Investor Service)
Structure type:	Senior subordinated sequential; Pass through
Pool Currency:	EGP
Pool Reporting Frequency:	Monthly
Last Reporting Date:	30/11/2016

ISSUE DETAILS**COLLATERAL**

Class A Principal - Original	237,000,000	A/R - Original	1,001,503,126
Class B Principal - Original	391,000,000	A/R - Current*	714,448,602
Class C Principal - Original	174,000,000		
Class A Principal - Current*	52,485,605	Principal Outstanding Balance - Original	776,464,586
Class B Principal - Current*	391,000,000	Principal Outstanding Balance - Current*	558,124,422
Class C Principal - Current*	174,000,000		
Interest Rate (Class A)	9.90%	Number of Contracts - Original	203
Interest Rate (Class B)	10.75%	Number of Contracts - Current*	188
Interest Rate (Class C)	11.50%		
Frequency	Monthly	Average Constant Prepayment Rate	0.0%
Seasoning (months)	11		
Remaining Tenor (months)	49	Cum. Delinquencies (% of Pool Balance)	
Residual Cash (Internal Credit Support)	27,085,715	30-60 days/Current Pool Balance	1.00%
Residual Cash Balance/Bond Principal	4.4%	60-90 days/Current Pool Balance	0.41%
Liquidity Reserve	18,269,391	90+ days/Current Pool Balance	0.32%
Liquidity Reserve/Bond Principal	3.0%		
Bank Guarantee (External Credit Support)	116,290,000		
Bank Guarantee/Bond Principal	18.8%	Cum. Losses (% of Pool Principal)	0.00%

*Current data as of 30/11/2016. Outstanding balances exclude past due installment, as well as any installments due after the bond maturity date.

COLLATERAL SUMMARY (see Appendix 1 for more details)*

Receivables:	Auto, equipment, and real estate financial leasing receivables
Current Pool Balance (Outstanding Principal):*	EGP 570,356,072
Number of Contracts Outstanding:	192 fully amortizing contracts
Number of Borrowers:	84
Avg. Number of Contracts per Borrower:	2.3
Asset Diversity**:	Real Estate - 60%, Plant & Machinery - 29%, Commercial Vehicles - 8%, Passenger Vehicles - 2%; Other Equipment - 2%
WA Seasoning (Months):	26
WA Remaining Maturity (Months):	32
Avg. LTV (at origination):	85.0%

* The analysis of the pool is based on the pool data as of 30/11/2016. The figure includes past due principal payment in the amount of EGP 11,348,752.

**Based on principal outstanding.

PORTFOLIO AND PERFORMANCE DATA

Period	Portfolio Outstanding Amount	Principal Outstanding Amount	# of Contracts	CPR	TRR	Residual Cash Balance & Liquidity Reserve	Bond Principal Outstanding	Total Credit Enhancement/ Bond Principal Outstanding
Dec-15	1,001,503,126	776,464,586	203			-	802,000,000	14.5%
Jan-16	977,343,596	741,890,292	203	0.0%	25%	18,985,150	802,000,000	16.9%
Feb-16	949,292,875	726,171,396	203	0.0%	29%	40,532,060	788,021,878	19.9%
Mar-16	927,372,035	707,403,060	203	0.0%	24%	51,062,389	781,509,815	21.4%
Apr-16	896,831,389	683,284,037	190	0.0%	33%	67,479,145	772,619,827	23.8%
May-16	865,253,165	664,536,085	188	0.0%	35%	73,254,941	754,479,107	25.1%
Jun-16	842,050,208	642,050,285	188	0.0%	28%	69,219,658	733,954,607	25.3%
Jul-16	806,886,304	626,769,858	188	0.0%	40%	65,510,503	702,681,122	25.9%
Aug-16	785,797,783	612,012,845	188	0.0%	27%	57,028,251	680,714,912	25.5%
Sep-16	765,250,523	592,200,739	188	0.0%	27%	50,380,829	665,351,809	25.8%
Oct-16	735,495,060	573,948,230	188	0.0%	38%	61,110,937	647,958,649	27.4%
Nov-16	714,448,602	558,124,422	188	0.0%	29%	45,355,106	617,485,605	26.2%

1. CPR (Constant Prepayment Rate)

CPR Calculation = $1 - (1 - (\text{Current Period Unscheduled Principal Payments} / \text{Current Period Outstanding Pool Balance} + \text{Unscheduled Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly reporting = 12, quarterly reporting = 4, semi-annual = 2, annual = 1).

2. TRR (Total Redemption Rate)

TRR Calculation = $1 - (1 - (\text{Current Period Total Principal Payments} / \text{Current Period Outstanding Pool Balance} + \text{Current Period Total Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly reporting = 12, quarterly reporting = 4, semi-annual = 2, annual = 1)

3. Total Credit Enhancement = Residual Cash Balance + Liquidity Reserve + Letter of Guarantee Amount

Chart 1:
Bond Coupon & Principal Amortization / Asset Pool Collections

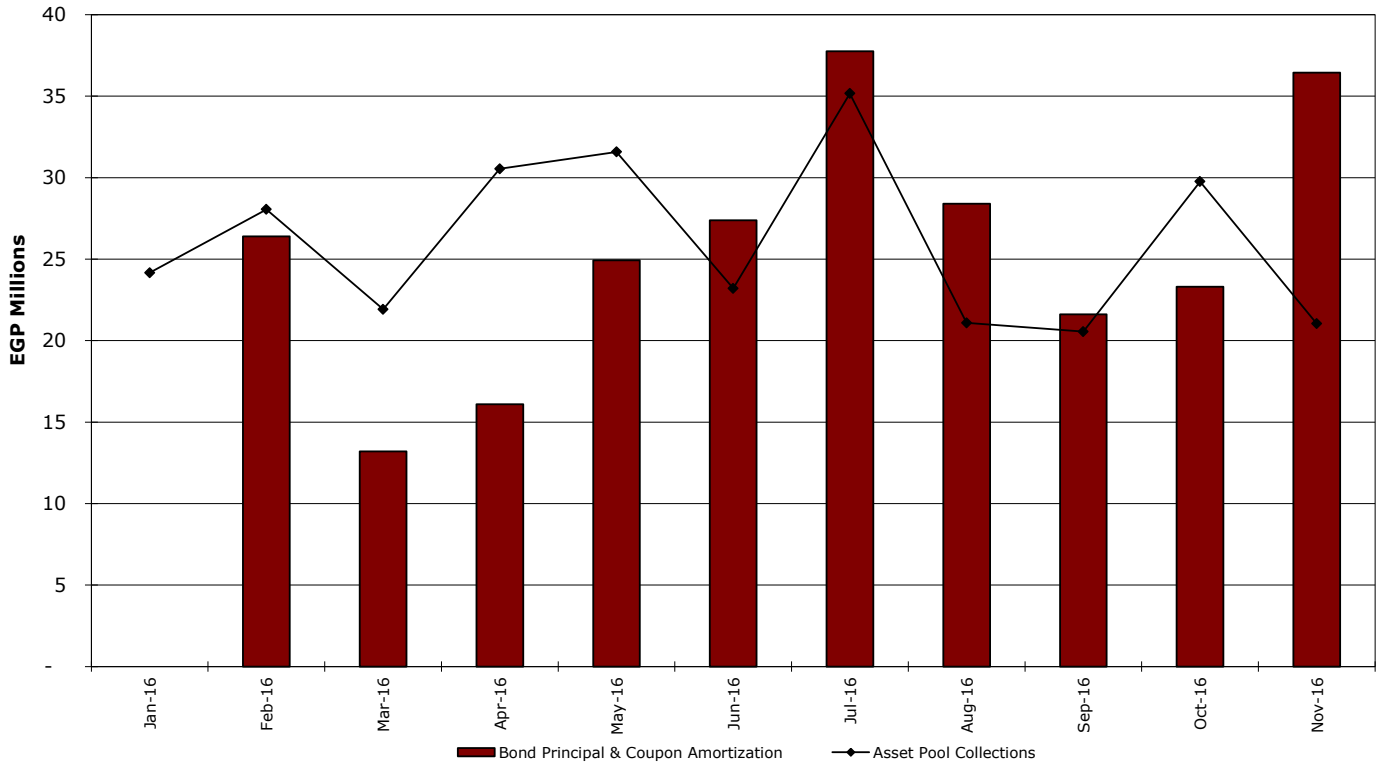


Chart 2:
Asset Pool Cover & Credit Support vs. Bond Principal Outstanding

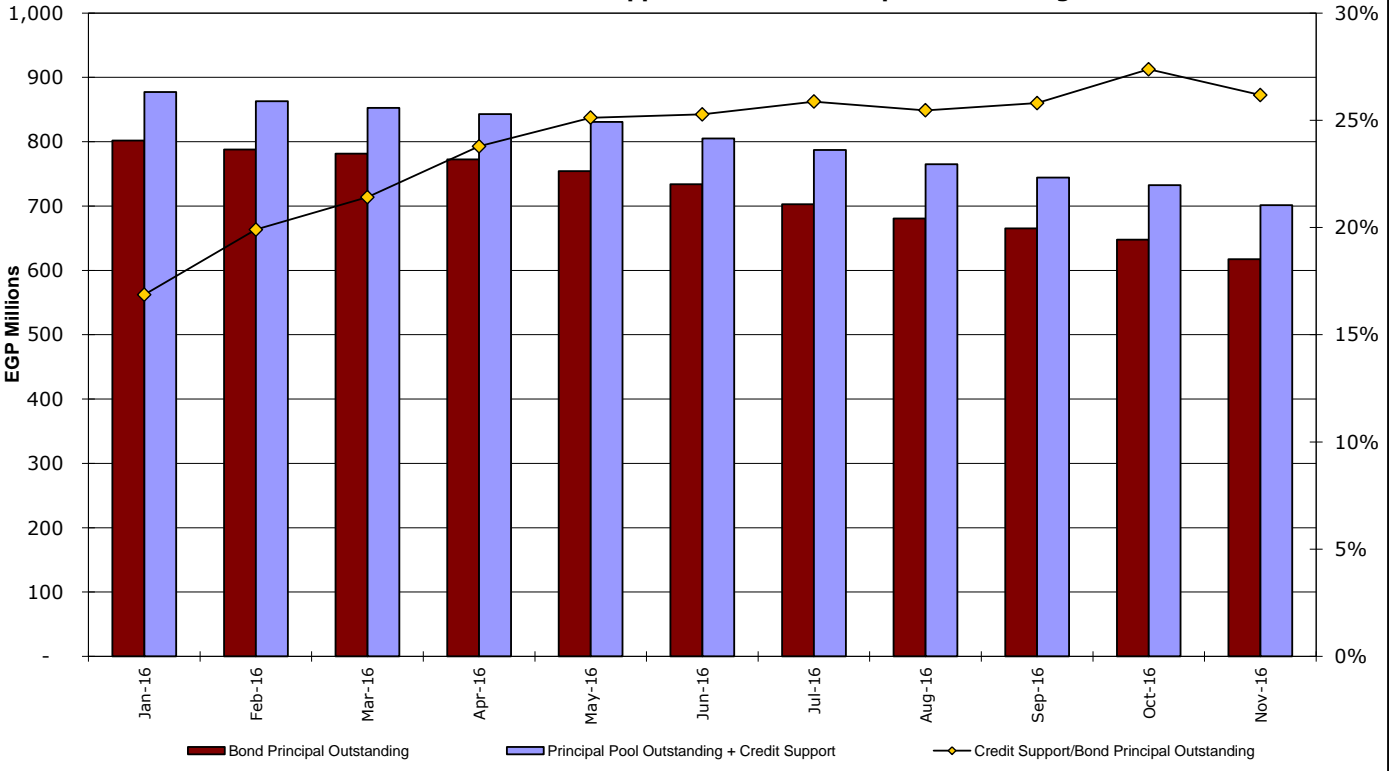


Chart 3:
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Total Outstanding Pool Balance

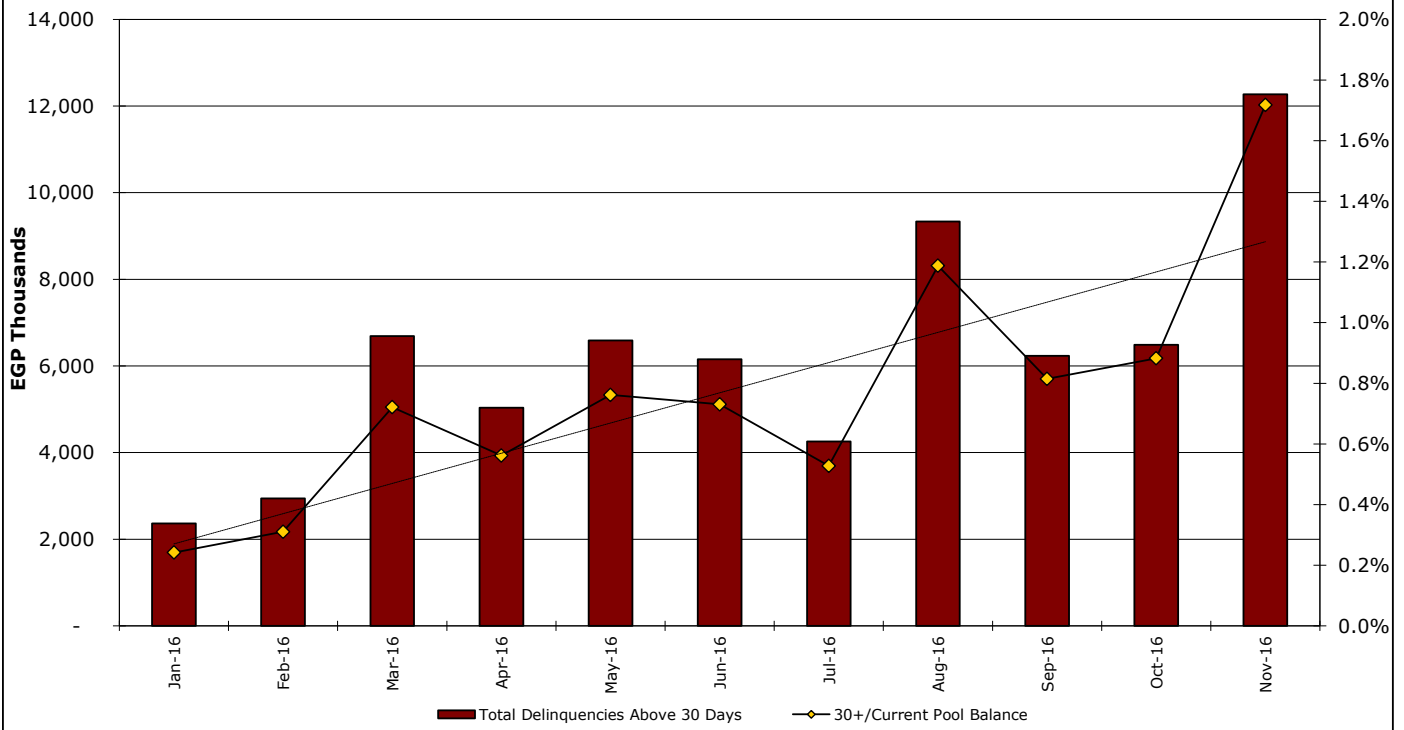
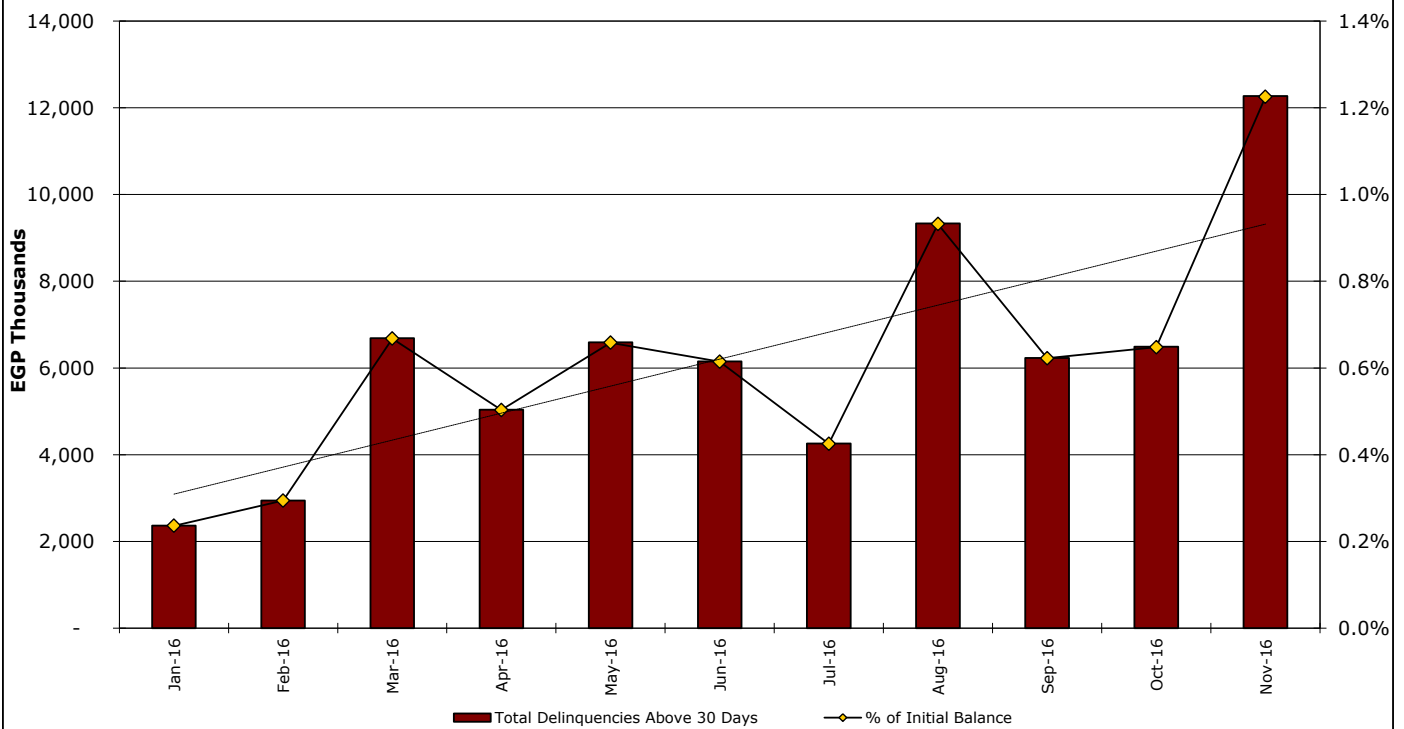


Chart 4:
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Initial Pool Balance



APPENDIX I: POOL DATA (As of 30/11/2016)

Distribution by Asset Type				
Asset Type	Principal Outstanding	% Total	# Contracts	# Contracts %
Real Estate - Buildings	303,958,277	53%	34	18%
Plant & Machinery	162,669,324	29%	83	43%
Commercial Vehicles	43,450,113	8%	36	19%
Real Estate - Land	38,837,491	7%	6	3%
Passenger Vehicles	12,708,879	2%	23	12%
Other Equipments	4,554,472	1%	6	3%
IT Equipments	4,177,516	1%	4	2%
TOTAL	570,356,072	100%	192	100%

Distribution by Original Term To Maturity				
Months	Principal Outstanding	% Total	# Contracts	# Contracts %
24-36	86,699,183	15%	46	24%
36-48	61,826,174	11%	18	9%
48-60	293,806,993	52%	114	59%
60-72	62,744,998	11%	7	4%
84	65,278,724	11%	7	4%
TOTAL	570,356,072	100%	192	100%

Distribution by Seasoning				
Months	Principal Outstanding	% Total	# Contracts	# Contracts %
1-12	35,586,159	6%	2	1%
13-24	341,531,965	60%	97	51%
25-36	120,655,237	21%	68	35%
37-48	60,403,514	11%	16	8%
61-75	12,179,196	2%	9	5%
TOTAL	570,356,072	100%	192	100%

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# Contracts	# Contracts %
2-12	40,251,827	7%	30	16%
13-24	112,912,428	20%	55	29%
25-36	210,896,820	37%	56	29%
37-51	206,294,997	36%	51	27%
TOTAL	570,356,072	100%	192	100%

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# Contracts	# Contracts %
>53% to 70%	19,786,180	3%	7	4%
>71% to 80%	123,762,309	22%	26	14%
>81% to 90%	228,222,549	40%	103	54%
>91% to 99%	114,625,228	20%	35	18%
100%	83,959,806	15%	21	11%
TOTAL	570,356,072	100%	192	100%

* The analysis of the pool is based on the pool data as of 30/11/2016. The figure includes past due principal payment in the amount of EGP 11,348,752.

APPENDIX I: POOL DATA (As of 30/11/2016) - Continued

Distribution by Frequency of Payments				
Frequency	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Monthly	228,206,440	40%	97	51%
Quarterly	232,616,964	41%	84	44%
Tri annual	61,072,227	11%	5	3%
Semi annual	48,460,441	8%	6	3%
TOTAL	570,356,072	100%	192	100%

Distribution by Origination Year				
Year	Principal Outstanding	% Total	# of Contracts	# of Contracts %
2010	7,836,306	1%	1	1%
2011	12,230,468	2%	5	3%
2012	5,102,183	1%	8	4%
2013	112,261,534	20%	21	11%
2014	160,116,671	28%	78	41%
2015	272,808,910	48%	79	41%
TOTAL	570,356,072	100%	192	100%

Distribution by Interest Rates				
Interest Rate	Principal Outstanding	% Total	# of Contracts	# of Contracts %
18%-20%	49,126,334	9%	15	8%
20%-21%	184,784,729	32%	33	17%
21%-22%	270,327,568	47%	63	33%
22%-27%	66,117,441	12%	81	42%
TOTAL	570,356,072	100%	192	100%

Distribution by Industrial Sector				
Industry	Principal Outstanding	% Total	# Contracts	# Contracts %
Industrial Goods & Services	94,359,309	17%	20	10%
Construction & Materials	88,068,502	15%	57	30%
Food & Beverage	74,422,515	13%	27	14%
Basic Resources	70,003,079	12%	5	3%
Real Estate	61,525,961	11%	3	2%
Services	57,847,542	10%	15	8%
Oil & Gas	27,843,693	5%	4	2%
Chemicals	25,789,151	5%	23	12%
Healthcare & Pharmaceuticals	25,428,442	4%	11	6%
Retail	18,981,193	3%	14	7%
Personal & Household Products	12,924,127	2%	5	3%
Financial Services Excluding Banks	7,836,306	1%	1	1%
Technology	4,072,905	1%	3	2%
Media	770,157	0%	1	1%
Governments, Embassies & NGOs	378,579	0%	2	1%
Utilities	104,611	0%	1	1%
TOTAL	570,356,072	100%	192	100%

* The analysis of the pool is based on the pool data as of 30/11/2016. The figure includes past due principal payment in the amount of EGP 11,348,752.

APPENDIX II: National Rating Scale

Quality of credit	Long		Short		
	Highest quality	AAA	}	}	
Very high	AA+				
	AA				
	AA-				
Upper-medium	A+				
	A				
	A-				
Medium grade	BBB+				
	BBB				
	BBB-				
Weak quality	BB+	}	}	Not Prime	Speculative Grade
Poor quality	BB				
	BB-				
	B+				
Very poor	B				
	B-				
	CCC+				
	CCC				
	CCC-				
	CC				
	C				

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