MERIS
Middle East Rating & Investors Service

Cairo, August 2025

Press Release: Aman Securitization Company – First Program Fourth Issue 2024-2026

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) AFFIRMS THE NATIONAL SCALE RATINGS (NSR) ASSIGNED TO THE FOURTH ISSUE MULTIPLE-TRANCHE ASSET-BACKED SECURITIZATION BOND UNDER THE FIRST PROGRAM ISSUED BY AMAN SECURITIZATION COMPANY AND ORIGINATED BY AMAN CONSUMER FINANCE (CF) COMPANY

MERIS (Middle East Rating & Investors Service) has reviewed and affirmed the national scale ratings to the outstanding tranches of the multiple-tranche notes in the total size of EGP 162,000,000 as of 31 May 2025, issued by Aman Securitization Company S.A.E. (First Program Fourth Issue) and backed by a portfolio originated by Aman Consumer Finance (CF) Company.

The annual rating review is based on the monthly performance reports issued by the Custodian as of 31 May 2025, the transaction review date, in addition to the updated cash flow model and securitized portfolio data as of the same date.

As of the transaction review date, the affirmed ratings are as follows:

Tranche A: "P1 (sf)" Redeemed in November 2024;

Tranche B: "P1 (sf)" Redeemed in February 2025;

Tranche C: "A (sf)" to the EGP 26 million Subordinated Floating-Rate Notes due in 13 months from issuance date, representing 16.05% of the outstanding issue size, with a floating coupon equal to the CBE lending corridor rate + 0.60% p.a. payable monthly; currently at 25.60%. and non-callable.

Tranche D: "A (sf)" to the EGP 136 million Floating-Rate Notes due in 24 months from issuance date, representing 83.95% of the outstanding issue size, with a floating coupon equal to the CBE lending corridor rate + 1.25% p.a. payable monthly; currently at 26.25%. and non-callable.

The notes are redeemed sequentially in order of seniority and follow a pass-through monthly amortization schedule.

The above ratings are considered investment grade on the National Rating Scale. An "**A**" rated issuers or issues are considered **Above Average** in Creditworthiness relative to other domestic issuers or issues. The (+/-) signs denote relative status within each rating category and the (sf) insertion stands for structured finance.

The ratings are a relative ranking of risk and address the expected loss posed to investors by the bond maturity. In **MERIS'**s opinion, the transaction structure allows for timely payment of interest and ultimate repayment of principal with respect to the bond maturity.

Aman Securitization Company S.A.E. – a special purpose entity – was incorporated in Egypt in 2022 in accordance with the Capital Market Law 95/1992. The current notes are backed by floating rate receivables arising from 38,870 consumer finance contracts originated by Aman Consumer Finance Company. The contracts have been written over the period between September 2023 and February 2024. The installment sale contracts are concluded with clients domiciled in Egypt to finance Consumer Finance contracts and Aman Card contracts.

In view of the amortization of the bond and the reasonable performance of the receivables, there has been a buildup of credit enhancement that is currently above the requirements for the ratings of the notes. To maintain the existing ratings of the transaction, the external credit enhancement in the form of default reserve account (LG) can be adjusted downwards from EGP 156,000,000 to EGP 50,000,000 effective immediately.

The ratings of the notes are based on: (1) a credit assessment of the initial portfolio of underlying receivables, which reflects the Originators' adequate underwriting, collection and monitoring guidelines and procedures; (2) the level of protection provided to investors by the credit enhancements in the form of (i) over-collateralization in the amount of 28.64% net of expenses; (ii) availability of a default reserve account (a Letter of Guarantee (L/G)) in the amount of EGP 156,000,000 representing 96.3% of the current notes' balance; (iii) structural subordination of junior tranche to the more senior tranche; (3) the liquidity support in the form of a cash reserve account in the size of 9.3% of the outstanding notes' balance; and (4) the availability of a contractually appointed back-up servicer.

The assigned ratings also take into consideration the following weaknesses of the transaction: (1) limited time series data available regarding historical arrears, default and recovery rates through the peaks and troughs of the economic cycle; (2) the generally greater uncertainty associated with unrated Originators, and the use of the securitization proceeds to fund the Originators' growing phase; 3) the ratings of class C and D notes are highly dependent on the creditworthiness of the external credit support provider (L/G issuing bank). A material deterioration of the creditworthiness of the credit support provider will inevitably result in a downgrade of these notes; (4) the revolving nature of the credit limit leads to unclear segregation of the payments due to the securitization pool from the company's normal business cycle. Thus, there is a higher risk of commingling the securitization cash flows with the Originators' own funds from operations; (5) the existence of legal uncertainties, given that the key legal concepts underpinning securitization remain largely untested in judicial proceedings or in practice in Egypt, mitigated by the legal opinions provided by the transaction's legal advisor on issues such as true sale, separateness of accounts, commingling and consolidation risk.

MERIS monitors the transaction on an on-going basis and issues regular performance reports.

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