MERIS
Middle East Rating & Investors Service

Cairo, August 2026

Press Release: El Taamir Securitization Company (TSC) – First Program First Issue 2023-2029

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) AFFIRMS THE NATIONAL SCALE RATINGS (NSR) TO THE FIRST PROGRAM FIRST ISSUE MULTIPLE-TRANCHE ASSET-BACKED SECURITIZATION BOND ISSUED BY EL TAAMIR SECURITIZATION COMPANY AND ORIGINATED BY AL TAAMIR MORTGAGE FINANCE COMPANY (AL OULA)

MERIS (Middle East Rating & Investors Service) has reviewed and affirmed the national scale ratings to the multiple-tranche notes in the size of EGP 390,340,879 as of 31 March 2026, issued by El Taamir Securitization Company S.A.E. and backed by a single pool of receivables, originated by Al Taamir Mortgage Finance Company (Al Oula) (1st transaction).

The annual rating review is based on the monthly performance reports issued by the Custodian as of **31 March 2026**, 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: Redeemed as of 30 April 2024.

Tranche B: Redeemed as of 31 July 2025.

Tranche C: "A (sf)" to the EGP 160.04 million Junior Subordinated Floating-Rate Notes, due in 78 months after issuance, representing 41.00% of the outstanding issue size, with a floating coupon equal to the CBE Lending Corridor rate + 0.70% p.a. payable quarterly during the first 13 months and monthly thereafter. The notes are callable from the 14th month.

Tranche D: Redeemed as of 30 April 2024.

Tranche E: Redeemed as of 31 March 2026.

Tranche F: "A (sf)" to the EGP 230.3 million Junior Subordinated Fixed-Rate Notes, due in 67 months after issuance, representing 59.00% of the outstanding issue size, with a fixed coupon rate of 18.20% p.a. payable quarterly during the first 13 months and monthly thereafter. The notes are callable from the 14th month.

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

All of the above ratings are considered investment grade on the National Rating Scale. An "**A**" rated issuer or issue is considered of **Above Average** 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 notes' maturity. In **MERIS**'s opinion, the transaction structure allows for timely payment of interest and ultimate repayment of principal with respect to the notes' maturity.

El Taamir Securitization Company S.A.E. – a special purpose entity – was incorporated in Egypt in June 2009 in accordance with the Capital Market Law 95/1992. The bond issue is backed by fixed rate real estate receivables from individual clients domiciled in Egypt. The receivables have been originated between August 2021 and August 2022. The collateral portfolio is acquired by Al Oula Mortgage from TMG Holding, where it comprises a static pool of 332 fully amortizing contracts related to residential units located in three of TMG projects - Madinaty, Celia and Al Rehab.

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 Letter of Guarantee can be adjusted downwards from EGP 110,000,000 to EGP 90,000,000 effective immediately.

The ratings assigned to the notes are based on: (1) a credit assessment of the initial portfolio of underlying mortgage receivables, which reflects the Originator's strict underwriting, collection and monitoring guidelines and procedures; (2) the level of protection provided to investors by the over-collateralization (net of expenses) in the amount of 3.49% of the outstanding notes size, in addition to an irrevocable and unconditional bank letter of guarantee in the amount of 28.18% (EGP 110,000,000), as well as the structural subordination of the junior tranche to the more senior one; (3) the liquidity support in the form of a cash reserve account, currently in the size of 2.23% of the outstanding notes balance; (4) the reasonable seasoning of 25 months of the portfolio; (5) the weighted average current loan-to-value (LTV) ratio (outstanding principal represents 26.94% of the original unit price), which accelerates the build-up of owner's equity into the assets and hence minimizes the lessees' propensity to default, while at the same time increasing the recovery potential in case of default; (6) the additional level of protection stemming from the fact that all of the receivables are backed by post-dated cheques, which is considered an incentive for timely payment of the installments as a bounced cheque constitutes a criminal offence under the Egyptian law; (7) the availability of a back-up servicing agreement with Arab African International Bank (AAIB) (rated at 'B' by Capital Intelligence).

The ratings assigned by **MERIS** also take into consideration the following limitations of the transaction: (1) lack of sufficient data available regarding historical arrears, default and recovery over the economic cycle in the local market; (2) the generally greater uncertainty associated with unrated Originators; (3) the high linkage between the ratings of the junior notes to the ratings of the external credit support provider, i.e. issuer of the bank letter of guarantee; (4) remarkably high individual obligor concentrations exhibited by the pool; (5) notably high share of relatively longer original tenor contracts; (6) the existence of legal uncertainties, given that the key legal concepts underpinning securitization transaction enforcement 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 is monitoring the transaction on an on-going basis and issuing regular performance reports.

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