MERIS
Middle East Rating & Investors Service

Cairo, August 2026

Press Release: Al Ahly for Securitization Company – 7th Program 1st Issue 2025-2027

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) AFFIRMS THE NATIONAL SCALE RATINGS (NSR) TO THE 1st MULTIPLE-TRANCHE SECURITIZATION BOND UNDER THE 7th PROGRAM ISSUED BY AL AHLY SECURITIZATION COMPANY AND BACKED BY A PORTFOLIO OF RECEIVABLES ORIGINATED BY RIZ GROUP FOR TRADING S.A.E.

MERIS (Middle East Rating & Investors Service) has reviewed and affirmed as of 30 June 2026 the national scale ratings to the 1st multiple-tranche securitization bond in the total size of EGP 54,906,091 under the 7th securitization program issued by Al Ahly for Securitization Company S.A.E. and backed by a portfolio of receivables originated by **RIZ Group for Trading S.A.E. (Rizkalla)**.

The annual rating review is based on the monthly performance reports issued by the Custodian as of **30 June 2026, the transaction review date**, in addition to the updated cash flow model and securitized portfolio data as of the same date.

Tranche A: Redeemed as of December 2025.

Tranche B: Redeemed as of June 2026.

Tranche C: "A- (sf)" to the EGP 39,906,091 Subordinated Fixed-Rate Notes due in 18 months from issuance, representing 72.68% of the outstanding issue size, with a coupon of 22.50% p.a. payable monthly. Tranche C is non-callable.

Tranche D: "A- (sf)" to the EGP 15,000,000 Junior Subordinated Fixed-Rate Notes due in 23 months from issuance, representing 27.32% of the outstanding issue size, with a coupon of 22.75% p.a. payable monthly. Tranche D is non-callable.

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

All of 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 (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.

Al Ahly 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 bond issue is backed by fixed rate consumer finance loans. The receivables have been originated by RIZ Group for Trading S.A.E. (Rizkalla) prior to 30 April 2025. The collateral portfolio comprises a static pool of 6,738 transactions in the total size of EGP 56,427,095.

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 an unconditional and irrevocable Letter of Guarantee can be adjusted downwards from EGP 65,000,000 to EGP 18,000,000 effective immediately.

The ratings of the notes are based on: (1) a credit assessment of the initial portfolio of underlying consumer finance loans, which reflects the Originator's underwriting, collection and monitoring guidelines and procedures; (2) the level of protection provided to investors by the credit enhancements in the form of an irrevocable and unconditional Letter of Guarantee in the size of EGP 65,000,000 (118% of the outstanding bond size), and the structural subordination of the of the junior tranche to the more senior one; (3) the availability of a liquidity reserve, currently in the size of 5.1% of the outstanding notes' balance; (4) the granularity of the pool (concentrations per client less than 0.75% of the total principal outstanding); (5) the availability of promissory notes covering the value of the consumer finance loans; and (6) the availability of a contractually appointed back-up servicer.

The assigned ratings also take into consideration the following weaknesses of the transaction: (1) limited data available regarding historical arrears, default and recovery through the full economic cycle; (2) the generally greater uncertainty associated with unrated Originators and the use of securitization proceeds to fund the Originator's growing phase; (3) increased risk of commingling the securitization proceeds with the Originator's own funds due to the revolving nature of the revolving credit limits; (4) the overcollateral has turned negative in view of the relatively high delinquency rates exhibited by the portfolio; (5) the negative carry (the difference between the outstanding principal of the bond and the outstanding principal of the asset pool backing the bond) has increased to 49.4%, compared to 17.7% at the pool cut-off date; (6) the ratings of the junior notes are highly dependent on the creditworthiness of the external credit support provider (Letter of Guarantee issuing bank). A material deterioration of the creditworthiness of the credit support provider will inevitably result in a downgrade of these notes; (7) 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 will continue to monitor the transaction on an on-going basis and issue regular performance reports.

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