MERIS
Middle East Rating & Investors Service

Cairo, October 2026

Press Release: Al Ahly Securitization Company (ASC) – 2nd Program 2nd Issue 2024-2027

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) AFFIRMS THE NATIONAL SCALE RATINGS (NSR) TO THE 2nd MULTIPLE-TRANCHE SECURITIZATION BOND UNDER THE 2nd PROGRAM ISSUED BY CAPITAL SECURITIZATION COMPANY AND BACKED BY A PORTFOLIO OF RECEIVABLES ORIGINATED BY AL AHLY CAPITAL FOR MICROFINANCE – AL AHLY TAMKEEN COMPANY S.A.E.

MERIS (Middle East Rating & Investors Service) has reviewed and affirmed the national scale ratings to the 2nd multiple-tranche securitization bond in the total size of EGP 81,947,620 as of 30/06/2026 issued under the 2nd securitization program by Al Ahly Securitization Company (ASC) and backed by a portfolio of receivables originated by **Al Ahly Capital for Microfinance - Al Ahly Tamkeen Company S.A.E**.

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.

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

Tranche A: Redeemed in July 2025;

Tranche B: Redeemed in October 2025;

Tranche C: Redeemed in January 2026;

Tranche D: "A- (sf)" to the EGP 41,947,620 Subordinated Fixed-Rate Notes due in 18 months from issuance, representing 51.2% of the outstanding issue size, with a fixed coupon equal to 23.25% p.a., payable monthly. Tranche D is non-callable;

Tranche E: "A- (sf)" to the EGP 40,000,000 Junior Subordinated Fixed-Rate Notes due in 24 months from issuance, representing 48.8% of the aggregate issue size, with a fixed coupon equal to 23.50% p.a., payable monthly. Tranche E 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. A "**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.

Al Ahly Capital for Microfinance - Al Ahly Tamkeen 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 microfinance loans. The receivables have been originated by Al Ahly Capital for Microfinance - Al Ahly Tamkeen Company S.A.E. for Financing between July 2022 and October 2024. As of the review date, the collateral portfolio comprises a static pool of 2,795 loans in the total size of EGP 24,941,345.

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 a bank letter of guarantee can be adjusted downwards from the current level of EGP 54,250,000 to EGP 20,000,000 effective immediately.

The ratings of the notes are based on: (1) credit assessment of the initial portfolio of underlying microfinance loans, which reflects the Originator's underwriting, collection and monitoring guidelines and procedures; (2) the level of protection provided to investors in the form of (i) net credit support in the size of 63.0% of the outstanding bond balance (and (ii) structural subordination the junior tranche to the more senior one; (3) the granularity of the pool (concentrations per client less than 0.26% of the total principal outstanding); (4) the availability of a liquidity reserve currently in the size of 8.3% of the outstanding notes balance; (5) the significant experience of the Servicer and efficiency of its operating systems, 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 drop in the available over-collateral from 2.8% of the outstanding bond balance at the date of issuance to negative 3.2%; (3) the generally greater uncertainty associated with unrated Originator and the use of securitization proceeds to fund the Originator's growing phase; (4) 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; (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 is monitoring the transaction on an on-going basis and issuing regular performance reports.

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