MERIS
Middle East Rating & Investors Service

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Press Release: El Taamir Securitization Company (TSC) – Second Program Second Issue 2025-2029

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) AFFIRMS THE NATIONAL SCALE RATINGS (NSR) TO SECOND MULTIPLE-TRANCHE ASSET-BACKED SECURITIZATION BOND ISSUED BY EL TAAMIR SECURITIZATION COMPANY UNDER ITS SECOND PROGRAM AND ORIGINATED BY AL TAAMIR LEASING AND FACTORING COMPANY (AL OULA LEASING)

MERIS (Middle East Rating & Investors Service) has reviewed and affirmed the national scale ratings to the multiple-tranche notes in the size of EGP 1,057,997,679 as of 31 July 2026, issued by El Taamir Securitization Company S.A.E. and backed by a single pool of receivables, originated by Al Taamir Leasing and Factoring Company (Al Oula Leasing) (2nd transaction).

The annual rating review is based on the monthly performance reports issued by the Custodian as of **31 July 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: "AA+ (sf)" to the EGP 392.8 million Senior Floating-Rate Notes, due in 25 months after issuance, representing 37.13% of the outstanding issue size, with a floating coupon equal to the CBE Lending Corridor rate + 0.35% p.a. payable monthly. The notes are non-callable.

Tranche B: **"AA- (sf)"** to the EGP 429.3 million Subordinated Floating-Rate Notes, due in 37 months after issuance, representing 40.58% of the outstanding issue size, with a floating coupon equal to the CBE Lending Corridor rate + 0.45% p.a. payable monthly. The notes are callable from the 26th month.

Tranche C: "A (sf)" to the EGP 235.9 million Junior Subordinated Floating-Rate Notes, due in 48 months after issuance, representing 22.29% of the outstanding issue size, with a floating coupon equal to the CBE Lending Corridor rate + 0.55% p.a. payable monthly. The notes are callable from the 26th 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. A "**AA**" grade represents **Very Strong** Creditworthiness relative to other domestic issues. 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 floating rate real estate, vehicles and machinery leasing receivables. The receivables were originated between May 2023 and May 2025. As of the review date, 31/07/2026, the collateral portfolio comprised a static pool of 22 fully amortizing financial leasing contracts.

The ratings assigned to the notes are based on: (1) the quality of the underlying leasing 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 5.9% of the outstanding notes size, in addition to an irrevocable and unconditional bank letter of guarantee in the amount of EGP 292,160,500, representing 27.6% of the outstanding bond balance; (3) the liquidity support in the form of a cash reserve account, currently in the size of 6.3% of the outstanding notes balance; (4) the reasonable weighted average current loan-to-value (LTV) ratio (outstanding principal represents 54.9% of the original purchase 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; (5) the securitized pool is reasonably seasoned with a weighted average seasoning of 24 months; (6) the availability of a back-up servicing agreement with the Custodian, Commercial International Bank (CIB) (rated at 'Caa1' by Moody's Ratings as of April 2026).

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 ratings of the more junior notes are highly dependent on the ratings of the external credit support provider (Letter of Guarantee issuing bank); (4) relative high share of longer original tenor contracts; (5) 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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