MERIS

Middle East Rating & Investors Service

Cairo, July 17th, 2011

Press Release: Al-Tawfeek for Securitization Company (ATS) – 1st Issue 2010-2015

MERIS (MIDDLE EAST RATING & INVESTORS SERVICE) REAFFIRMS THE NATIONAL SCALE RATINGS (NSR) TO THE FIRST MULTIPLE-TRANCHE ASSET-BACKED SECURITIZATION BOND ISSUED BY AL-TAWFEEK FOR SECURITIZATION COMPANY

MERIS (Middle East Rating & Investors Service) has reviewed and reaffirmed the following ratings on the national scale to the multiple-tranche notes issued by Al-Tawfeek for Securitization Company S.A.E. and backed by a single pool of receivables in the amount of EGP 384.6mn as of 30/06/2011.

"AA+" to the Senior Fixed-Rate Notes in the amount of EGP 27 million, representing 7.4% of the aggregate outstanding issue size, with a coupon of 9% p.a. and due in August 2011;

"AA" to the Mezzanine Subordinated Fixed-Rate Notes in the amount of EGP 304 million, representing 82.1% of the aggregate issue size, with a coupon of 10% p.a. and due in July 2013;

"BBB-" to the Junior Subordinated Fixed-Rate Notes in the amount of EGP 39 million, representing 10.5% of the aggregate issue size, with a coupon of 11.25% p.a. and due in July 2015.

The "AA" and "BBB" ratings denote respectively **Very Strong** and **Average** creditworthiness relative to other domestic issues. The (+/-) signs denote relative status within each rating category.

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's structure allows for timely payment of interest and ultimate repayment of principal with respect to the bond maturity.

Al Tawfeek Securitization Company S.A.E. – a special purpose entity – was incorporated in Egypt in 2010 in accordance with the Capital Market Authority (CMA) Law 95/1992. The bond issue is backed by fixed rate auto, equipment or real estate leasing receivables from large and medium-sized corporate entities domiciled in Egypt. The receivables have been originated by AT Lease between October 2006 and end of 2009. All of the leasing receivables stem from financial leasing contracts, except for a small portion of operating lease contracts, representing 6.6% of the original principal. As of 30/06/2011, the total pool of receivables amounts to EGP 384.6 million, including EGP 352.4 million of principal and the balance being profit and insurance on the leasing contracts.

The assigned ratings are based on: (1) a credit assessment of the portfolio of 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) currently in the amount of 3% of the outstanding bond size, in addition to a cash reserve account in the amount of 1.6% (EGP 5.76 mn) of the outstanding bond size, as well as a bank letter of guarantee in the amount of 10% (EGP 57.6 mn) of the of the initial aggregate notes size; (3) the relatively high seasoning of 35 months of the securitized pool; (4) the experience of the Servicer and the efficiency of its operating systems, in addition to the availability of a back-up servicing agreement with CIB (CIB is rated Ba2 on a Global Scale by Moody's, 2011).

The ratings assigned by **MERIS** also take into consideration the following limitations of the transaction: (1) relatively short operating history of the Originator and hence, lack of sufficient data available regarding historical arrears, default and recovery; (2) the generally greater uncertainty associated with unrated Originators, and the use of securitization proceeds to fund the Originator's growing phase; mitigated, however, by the Originator's experienced management team and strict adherence to its underwriting policies and procedures, which assure a high quality receivables pool; (3) the existence of intertwined relationships and overlap of directorates between the parties involved in the transaction (Originator / Servicer / Issuer); (4) no excess spread available to the investors given the purchase price of the receivables (receivables discounted at the weighted average bond coupon rate, and not the actual interest rate applied on the leasing contracts), mitigated by the other forms of credit enhancement available to the notes; (5) remarkably high individual obligor concentrations exhibited by the pool; (6) notably high share of relatively longer tenor and high loan to value contracts, which carry relatively higher credit risk due to the slower build-up of owner's equity, partially mitigated by the relatively high seasoning of the portfolio; (7) 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 will monitor the transaction on an on-going basis and will issue regular performance reports.