

STRUCTURED FINANCE

Performance Overview

Egyptian Securitization Company (ESC) – 1st Issue 2008-2012

Leasing Receivables/Egypt

Description	Original Balance (EGP)	Current Balance (EGP)	Initial Rating	Current Rating	Final Maturity
Asset-Backed Bond	360,000,000	161,496,000*	AA	AA	12/2012

*As of 31/12/2009

POOL CLOSING DATE:

October 15, 2007

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RATING OPINION AND SPECIFIC COMMENTARY

This is the first asset backed security issued by Egyptian Securitization Company S.A.E (ESC). At issuance, the bond size was EGP 360,000,000 and was backed by 516 leasing contracts by Corporate Leasing Company Egypt S.A.E. (CorpLease) over the period between 26/5/2004 and 1/12/2007. The pool is non-revolving (static) and amortizing. Collections on the pool by the Servicer (ESC) are swept every three days to the Issuer's account with the Custodian (CIB) for the benefit of the bondholders.

The rating addresses the expected loss to investors by the legal final maturity. In **MERIS** opinion, the structure allows for timely payment of interest and ultimate repayment of principal by the final maturity of the bond. **MERIS** portfolio performance analysis is mainly based on the monitoring of the delinquencies, defaults, repossessions, recoveries and prepayments. **MERIS** relies on the monthly performance reports issued by the Custodian (CIB) and verified by the auditors (E&Y), as well as on data provided by the Issuer.

Up to date the coupon and principal of the bond have been paid according to schedule. The bond issue is amortizing on a monthly basis, and as of 31/12/2009 stood at EGP 161,496,000, which translates into 55% redemption of the original balance. As of the same date, the asset pool backing the issue had been amortized at 60.7%, and amounted to EGP 163,796,559, including EGP 144,548,262 of principal, and the balance being interest and insurance on the leasing contracts. According to the structure of the transaction, the issue has a negative carry (the outstanding principal of the bond is higher than the outstanding principal of the asset pool backing the bond) in the size of 10% compared to 2.5% at the onset of the transaction.

The above difference in principal outstanding between the bond and the asset pool is covered by the credit enhancements available to the issue. The latter benefits from an internal credit enhancement in the form of over-collateral of 3.5% (NPV of future leasing receivables and accumulated cash reserve discounted at the bond coupon rate in excess of the bond principal and NPV of the transaction senior fees and expenses) compared to an over-collateral of 2.87% at the bond issuance. In addition, the transaction benefits from an external credit support in the form of an unconditional and irrevocable bank guarantee in the amount of EGP 36 million, which represents 10% of the bond's initial size and 22.3% of the bond's principal outstanding as of December 31, 2009.

MERIS has been also monitoring the default and delinquency rates under the transaction on a monthly basis. Delinquencies have been on the rise, and overdue rentals above 30 days have shot up from 0.32% from the pool outstanding rentals a year ago to 2.59% as of December 31, 2009. The rise in delinquencies has been due to the poor performance of one lessee only, the owner of Instant Rentals and International Environmental Services, with a combined outstanding exposure of EGP 13.2 million, including EGP 4.7 million of past due rents as of December 31, 2009. The non-performing lessee is the forth largest one in the securitized pool, representing 7.84% of the outstanding asset pool, which is a material exposure. Excluding the above exposure, there have been no delinquencies exceeding 30 days. It is noteworthy that the Servicer of the transaction has already pressed legal actions against the defaulted lessee and is confident that the actions will end up in full recovery of the outstanding exposure.

In the unlikely scenario of no recovery during the remaining life of the bond, bondholders have sufficient protection given the credit support available to the transaction. After deducting the non-performing exposure from the bank guarantee to provisionally account for potential losses of cash flow to the transaction, bondholders are still left with an external credit enhancement of EGP 22.8 million, which represents 14% of the bond principal outstanding as of December 31, 2009.

Given the amortization of the bond and related build-up of credit enhancement since closing, **MERIS** believes that the current ratings are commensurate with the risks associated with the bond.

KEY TRANSACTION DATA

Deal Closing Date:	March 2008
Issuer:	Egyptian Securitization Company S.A.E.
Seller (s) /Originator (s) & Servicer:	Corporate Leasing Company (Corplease)
Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating "Ba2"* and Financial Strength Rating "C-" by Moody's Investor Service)
Custodian:	Commercial International Bank (CIB)
Pool Currency:	EGP
Pool Reporting Frequency:	Monthly
Last Reporting Date:	31/12/2009

ISSUE DETAILS		COLLATERAL	
Principal - Original	360,000,000	A/R - Original	441,270,213
Principal - Outstanding	161,496,000	A/R - Current*	163,796,559
Interest Rate	9.75%	Principal Outstanding Balance - Original	351,080,583
Frequency	Monthly	Principal Outstanding Balance - Current*	144,548,262
Seasoning (months)	12	Number of Contracts - Original	516
Maturity	2012	Number of Contracts - Current*	359
Remaining Tenor (months)	36	WA Interest Rate	13.7%
Surplus Account Balance	22,934,563	Average Constant Prepayment Rate	3.2%
Surplus Account Balance/Bond Principal	14.2%	<i>Cum. Delinquencies (% of Pool Balance)</i>	
Cash Reserve (Bank Guarantee)	36,000,000	30-60 days/Current Pool Balance	0.30%
Cash Reserve/Bond Principal	22.3%	60-90 days/Current Pool Balance	0.30%
		90+ days/Current Pool Balance	1.99%
		Cum. Losses (% of Pool Principal)	0.00%

* Current data is as of 31/12/2009.

COLLATERAL SUMMARY (see Appendix 1 for more details)*

Receivables:	Auto, equipment, and real estate financial leasing receivables
Current Pool Balance (Outstanding Principal):	EGP 144,548,262
Number of Contracts Outstanding:	359 fully amortizing contracts
Number of Borrowers:	81
Avg. Number of Contracts per Borrower:	4.4
Asset Diversity**:	Commercial Vehicles - 31%, Plant & Machinery - 22%, Office Equipment - 20%, Passenger Vehicles - 16%, Real Estate - 12%
WA Seasoning (Months):	36
WA Remaining Maturity (Months):	34
Avg. LTV (at origination):	96.7%

* The analysis of the pool is based on the pool data as of 31/12/2009.

**Based on principal outstanding.

PORTFOLIO AND PERFORMANCE DATA

Period	Portfolio Outstanding Amount	# of Contracts	CPR	TRR	Cash Surplus Account	Bond Principal Outstanding	Cash Surplus/Bond Principal Outstanding
Mar-08	406,707,534	509	0.0%	55%	15,150,519	348,012,000	4.4%
Apr-08	391,792,396	505	3.7%	36%	16,717,622	339,012,000	4.9%
May-08	380,934,259	501	0.3%	26%	22,095,278	330,012,000	6.7%
Jun-08	371,604,357	498	0.5%	29%	20,047,006	321,012,000	6.2%
Jul-08	351,764,075	497	1.1%	48%	20,233,371	312,012,000	6.5%
Aug-08	339,645,550	486	2.3%	34%	20,756,474	303,012,000	6.9%
Sep-08	326,878,284	483	18.8%	37%	20,862,456	294,012,000	7.1%
Oct-08	307,279,277	479	1.2%	52%	29,048,621	285,012,000	10.2%
Nov-08	301,639,596	472	1.5%	20%	23,410,972	276,012,000	8.5%
Dec-08	289,247,100	464	0.2%	40%	19,296,954	267,012,000	7.2%
Jan-09	270,627,372	458	18.8%	55%	31,559,432	258,012,000	12.2%
Feb-09	264,394,593	455	0.8%	24%	26,925,027	249,012,000	10.8%
Mar-09	250,294,050	445	2.6%	48%	30,013,480	240,012,000	12.5%
Apr-09	241,927,905	434	0.9%	33%	34,426,216	231,012,000	14.9%
May-09	235,484,020	420	8.0%	28%	31,946,430	222,012,000	14.4%
Jun-09	222,824,509	409	2.5%	48%	32,116,340	213,012,000	15.1%
Jul-09	217,045,430	398	0.0%	27%	26,941,499	204,012,000	13.2%
Aug-09	203,889,007	391	1.5%	53%	29,625,247	195,012,000	15.2%
Sep-09	196,198,122	383	1.6%	37%	26,520,808	186,012,000	14.3%
Oct-09	185,019,883	375	2.4%	51%	27,143,528	177,012,000	15.3%
Nov-09	180,037,584	370	0.5%	28%	21,841,138	168,012,000	13.0%
Dec-09	163,796,559	359	1.5%	68%	22,934,563	161,496,000	14.2%

1. CPR (Constant Prepayment Rate)

CPR Calculation = $1 - (1 - (\text{Current Period Unscheduled Principal Payments} / \text{Current Period Outstanding Pool Balance} + \text{Unscheduled Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly reporting = 12, quarterly reporting = 4, semi-annual = 2, annual = 1).

2. TRR (Total Redemption Rate)

TRR Calculation = $1 - (1 - (\text{Current Period Total Principal Payments} / \text{Current Period Outstanding Pool Balance} + \text{Current Period Total Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly reporting = 12, quarterly reporting = 4, semi-annual = 2, annual = 1).

Chart 1:
Bond Coupon & Principal Amortization / Asset Pool Collections

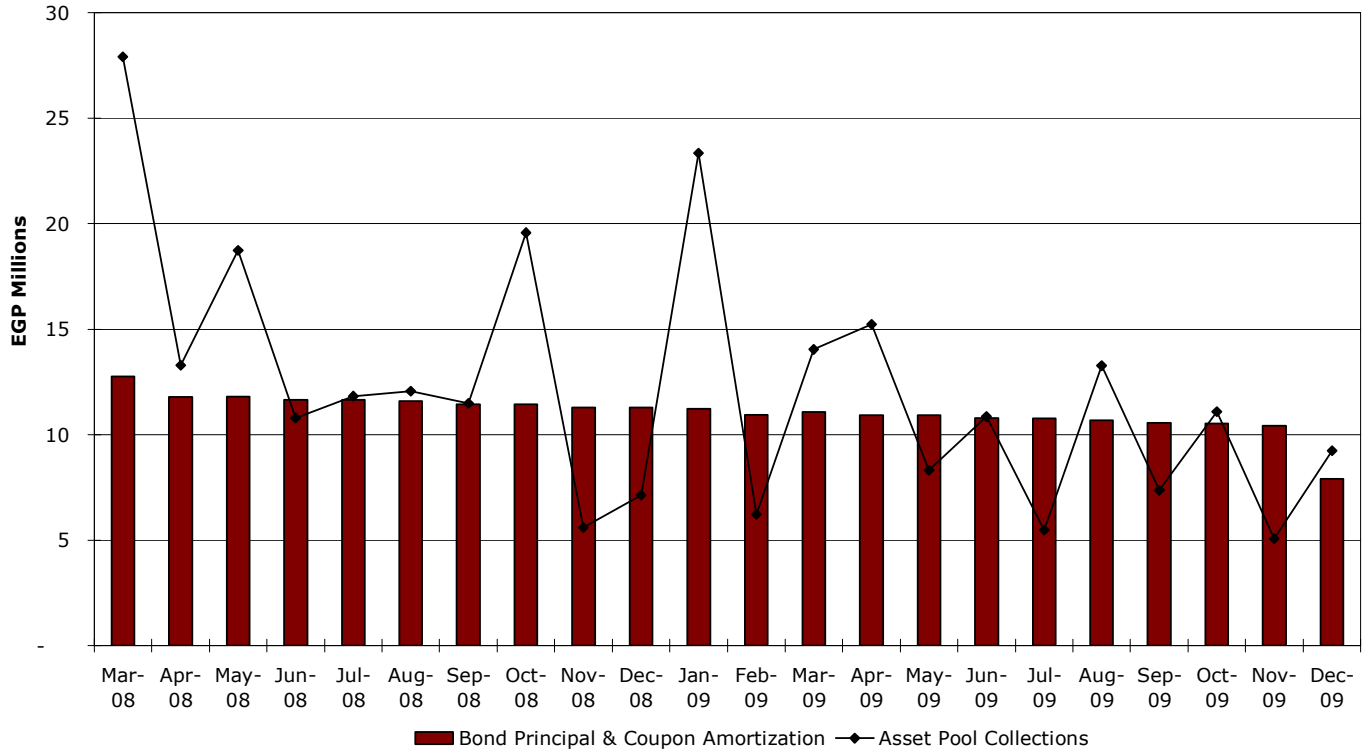
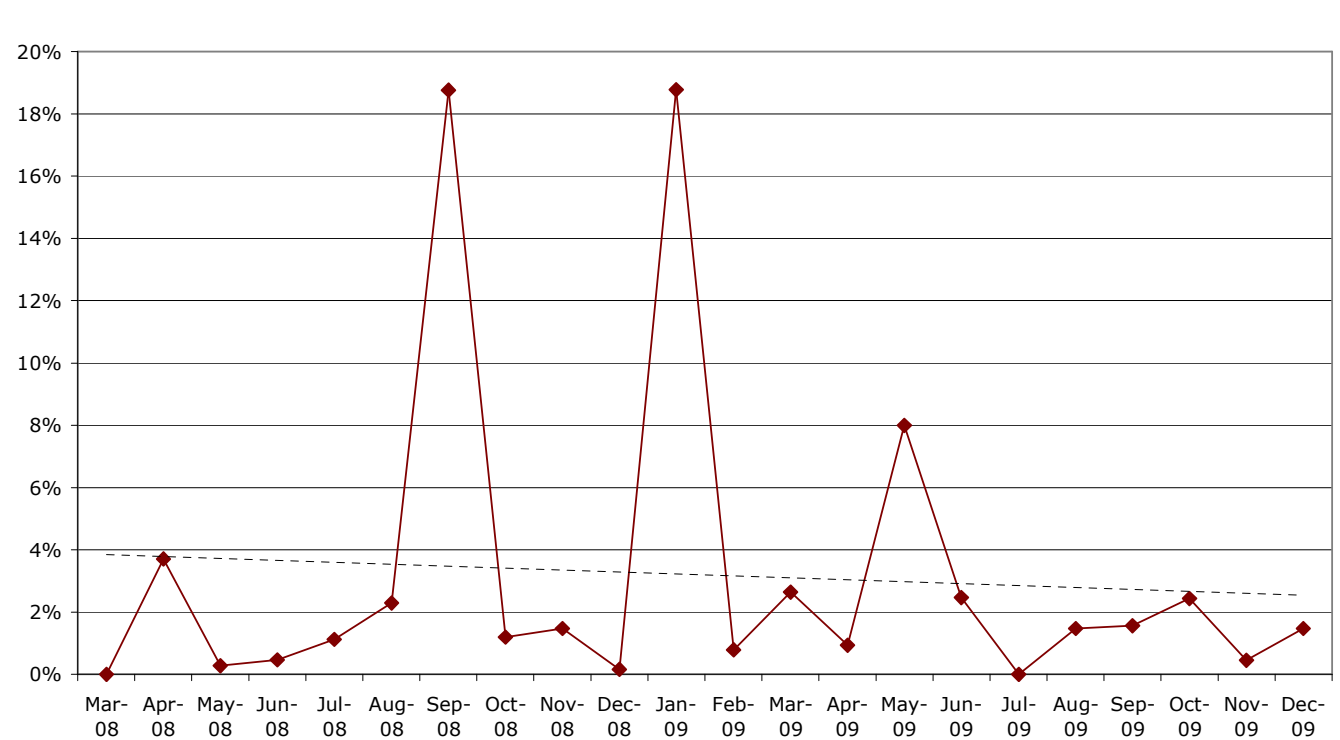


Chart 2:
Constant Prepayment Rate



CPR Calculation = $1 - (1 - (\text{Current Period Unscheduled Principal Payments} / \text{Current Period Outstanding Pool Balance} + \text{Unscheduled Principal Payments}))^{\text{reporting frequency}}$ where reporting frequency equals (monthly reporting = 12, quarterly reporting = 4, semi-annual = 2, annual = 1).

Chart 3:
Asset Pool Cover & External Credit Support vs. Bond Principal Outstanding

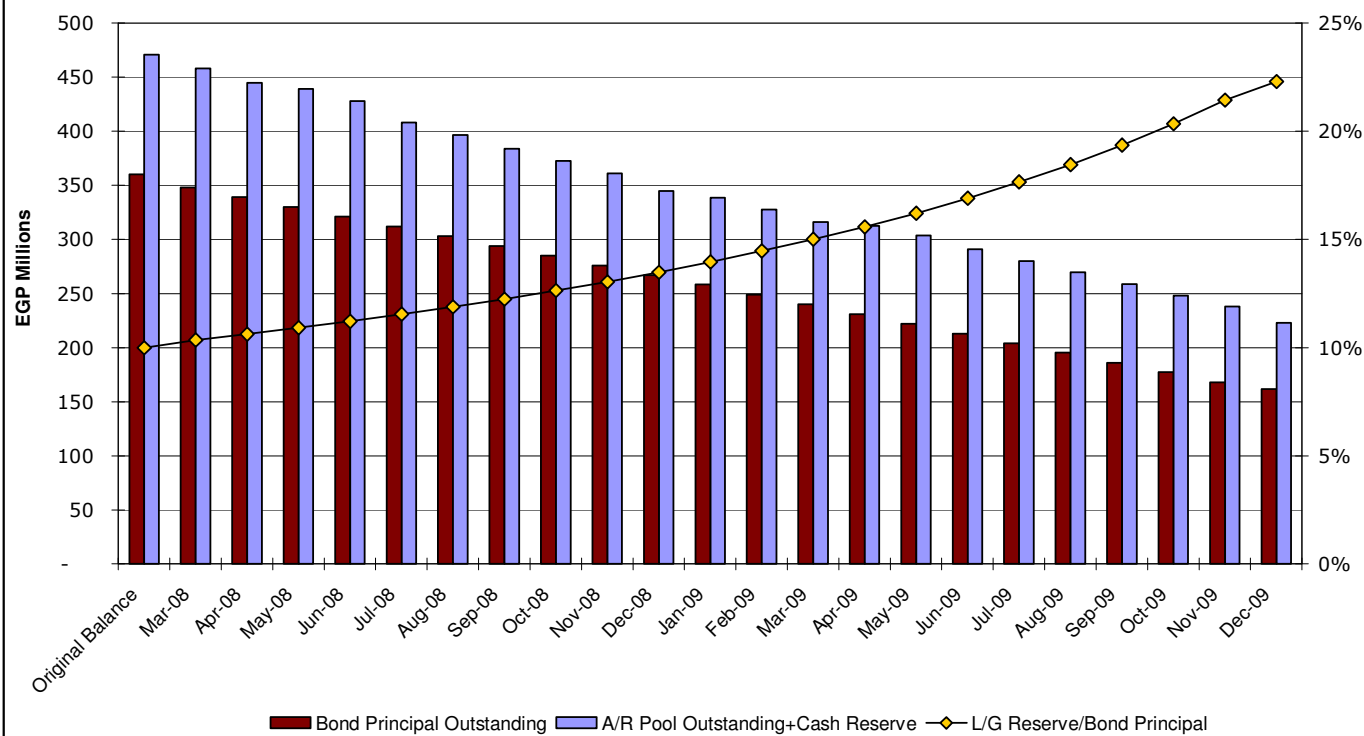
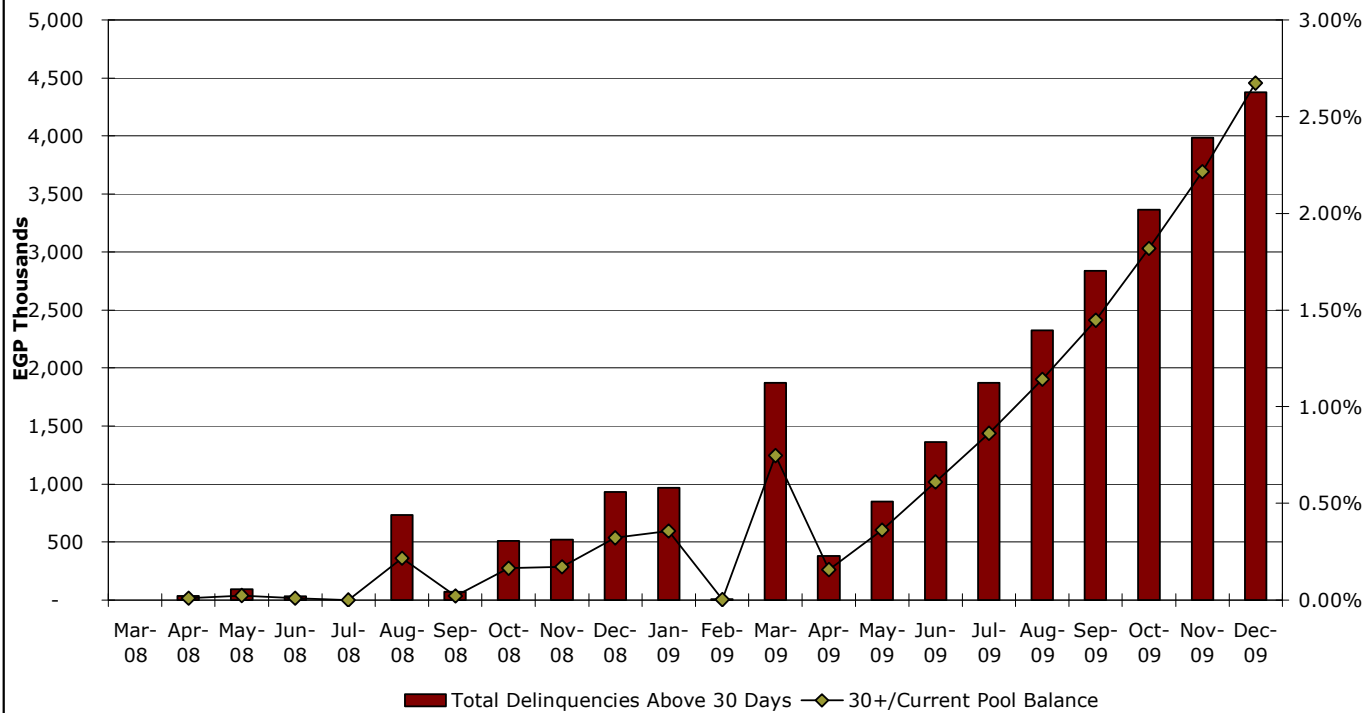


Chart 4:
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Total Outstanding Pool Balance



APPENDIX I: POOL DATA (As of 31/12/2009)

Distribution by Asset Type				
Asset Type	Principal Outstanding	% Total	# Contracts	% #Contracts
Commercial Vehicles	44,352,620	31%	78	22%
Plant & Machinery	31,329,099	22%	30	9%
Office Equipment	28,239,722	20%	35	10%
Passenger Vehicles	23,439,319	16%	200	58%
Real Estate	17,187,502	12%	4	1%
Total	144,548,262	100%	347	100%

Distribution by Original Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
25-36	3,758,909	3%	15	4%
37-48	10,772,037	7%	39	11%
49-60	58,582,574	41%	176	51%
61-72	4,188,120	3%	9	3%
73-84	56,865,748	39%	106	31%
112	10,380,874	7%	2	1%
Total	144,548,262	100%	347	100%

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=6	3,837,110	3%	35	10%
7-12	4,901,664	3%	29	8%
13-24	35,316,788	24%	121	35%
25-36	41,141,339	28%	75	22%
37-48	34,244,004	24%	63	18%
49-60	14,726,483	10%	22	6%
73-84	10,380,874	7%	2	1%
Total	144,548,262	100%	347	100%

Distribution by Seasoning				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
25-30	8,103,133	6%	27	8%
31-36	78,784,527	55%	111	32%
37-42	35,146,305	24%	108	31%
43-48	15,368,391	11%	61	18%
49-54	1,577,731	1%	24	7%
55-60	5,568,175	4%	16	5%
Total	144,548,262	100%	347	100%

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Upto70%	96,777	0%	4	1%
>71%to80%	6,599,573	5%	11	3%
>81%to90%	23,273,290	16%	35	10%
>91%to99%	1,358,792	1%	21	6%
100%	113,219,830	78%	276	80%
Total	144,548,262	100%	347	100%

Distribution by Frequency of Payments				
Frequency	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Monthly	79,754,185	55%	236	68%
Quarterly	64,794,077	45%	111	32%
Total	144,548,262	100%	347	100%

Distribution by Origination Year				
%	Principal Outstanding	% Total	# of Contracts	# of Contracts %
2005	5,460,465	4%	34	10%
2006	54,016,028	37%	156	45%
2007	85,071,769	59%	157	45%
Total	144,548,262	100%	347	100%

Distribution by Interest Rates				
Interest Rate	Principal Outstanding	% Total	# of Contracts	# of Contracts %
10.5%-12.5%	48,519,848	34%	59	17%
12.5%-14.5%	54,132,180	37%	142	41%
14.5%-16.5%	32,101,830	22%	94	27%
16.5%-18.5%	7,189,162	5%	35	10%
18.5%-20.5%	1,690,165	1%	4	1%
20.5%-24%	915,077	1%	13	4%
Total	144,548,262	100%	347	100%

Distribution by Industrial Sector (Top 15 Industries)				
Industry	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Financial Services	23,319,890	16%	23	7%
Food Industry	13,044,754	9%	7	2%
Security Services	11,545,575	8%	19	5%
Education	11,433,588	8%	10	3%
Cargo	10,855,031	8%	9	3%
Chemicals	10,322,782	7%	99	29%
Food & Beverages	9,044,156	6%	22	6%
Transportation	8,552,912	6%	7	2%
Manufacturing	8,282,026	6%	7	2%
Telecommunications	6,323,524	4%	39	11%
Publishing	6,229,983	4%	1	0%
Sugar Manufacturing	5,037,843	3%	3	1%
Trade	4,713,836	3%	11	3%
Pharmaceutical	3,813,108	3%	18	5%
Consultancy	2,311,058	2%	1	0%
Others	9,718,196	7%	71	20%
Total	144,548,262	100%	347	100%

Distribution by Individual Lessees					
	Lessee Name	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1	CIB	22,106,887	15.29%	13	3.75%
2	FARM FRITES	13,044,754	9.02%	7	2.02%
3	MCV-CARGO	10,823,614	7.49%	6	1.73%
4	INSTANT RENTALS	7,255,982	5.02%	6	1.73%
5	GUC	7,222,811	5.00%	5	1.44%
6	FALCON	6,782,659	4.69%	6	1.73%
7	DAR EL SHOROUK	6,229,983	4.31%	1	0.29%
8	TELECOM EGYPT	5,893,555	4.08%	36	10.37%
9	UNITED SUGAR CO.	5,037,843	3.49%	3	0.86%
10	CARE SERVICES	4,762,916	3.30%	13	3.75%
11	SEASONS INDUSTRIES	4,150,891	2.87%	1	0.29%
12	FAMILY CORPARTION	3,931,438	2.72%	3	0.86%
13	HENKEL	3,607,269	2.50%	66	19.02%
14	SAVOLE MISR	3,510,619	2.43%	1	0.29%
15	ENJOY	3,361,314	2.33%	7	2.02%
16	AC&T NEFERTARI LANGUAGE	3,071,272	2.12%	7	2.02%
17	SCHOOLS	3,019,039	2.09%	2	0.58%
18	WADI FARMS	2,954,993	2.04%	1	0.29%
19	DAR EL-HANDASAH	2,311,058	1.60%	1	0.29%
20	FERROMETALCO	1,756,340	1.22%	4	1.15%
21	APEX PHARMA	1,688,100	1.17%	7	2.02%
22	DELICIOUS	1,558,263	1.08%	3	0.86%
23	Others	20,466,662	14.16%	148	42.65%
	Total	144,548,262	100%	347	100%

APPENDIX II: National Rating Scale

<u>Quality of credit</u>	Long	Short		
Gilt edged	AAA	Prime 1	Investment Grade	
Very high	AA+			
	AA			
	AA-			
Upper-medium	A+			Prime 2
	A			
	A-			
Medium grade	BBB+	Prime 3		
	BBB			
	BBB-			
Questionable	BB+	Not Prime	Speculative Grade	
Poor quality	BB			
	BB-			
	B+			
Very poor	B			
	B-			
	CCC+			
	CCC			
	CCC-			
	CC			
	C			

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