

Celebrating the first-of-its-kind issuance in the Middle East under a Mudaraba structure to finance the acquisition of a mortgage portfolio worth EGP 5.52 billion, Al Ahly Pharos Investment Banking announces the successful conclusion of a Mudaraba Sukuk for Tamweel Mortgage Finance Company, to finance its acquisition of the under-construction units portfolio owned by the Arab Company for Projects and Urban Development – a subsidiary of Talaat Moustafa Group.

Al-Ahly Pharos Investment Banking proudly announced that they acted as a financial advisor, lead manager, book-runner, and underwriter for the successful closure of Al Ahly Sukuk 2nd Sukuk issuance in the form of Mudaraba Sukuk worth EGP 5.52bn in favor of Tamweel Mortgage Finance to finance its acquisition of a portfolio of under-development units from TMG Group , providing the necessary cashflow to complete the construction of the underlying units, which gives this issuance the structure of Mudaraba with aspects of Istisna'a. The transaction was executed in collaboration with Arab African International Bank.

This landmark transaction constitutes a significant milestone in the path of innovation in structured finance instruments and an important achievement in Egypt's growing debt capital market, given its unique and complex structure designed for a specific purpose. It paves the way for similar projects to enter the Debt Capital Market and expand the scope of innovative financing and debt solutions. This issuance represents a historic precedent in the Egyptian Market, being the first Mudaraba sukuk issuance in the middle east for a mortgage company in which cashflows are used to acquire a portfolio of non-delivered units, conditional on the developer using the proceeds of the portfolio purchase to complete the construction for TMG's units. The choice of TMF and TMG Group to appoint Al Ahly Pharos as advisors for such significant issuance demonstrates that a mandate of this scale and complexity reflects the deep-rooted advisory expertise and the client's full trust in the ability of Al Ahly Pharos to structure and execute innovative, tailor-made financing solutions.

Ahmed Heider CEO & Managing Director of Al Ahly Pharos Investment Banking quoted "This issuance is a strong testament to the depth and strength of the advisory platform we provide at al Ahly Pharos; this issuance is a remarkable milestone that confirms our pioneering leadership in this field and our continued ability to provide innovative, impact-driven financing solutions with tangible market impact. Which reaffirms our solid commitment to leading the evolution of Egypt's capital market in line with the broader vision of the NBE Group to offer a fully integrated financial services platform. I would also like to thank TMG and Tamweel Mortgage, for their trust, and also thank the Financial Regulatory Authority for its continuous support, as both were a pivotal factor in the success of this step and in strengthening the Egyptian capital market".

Mohamed ElKahky, Group CEO for Tamweel said "This important issuance marks a proud milestone for Tamweel as our first Sukuk and the first sukuk issuance for a mortgage company in the market, with a high credit rating of AA-; which reinforces our strategy to diversify funding sources through innovative and unconventional instruments. A strategic step that aligns perfectly with our expansionary vision and it complements our three successful securitization issuances worth EGP 5bn, with the fourth underway to have a total exceeding EGP 7bn. We're grateful to all our partners and stakeholders for their support in making this achievement possible"

In the same context, Amir Sherif, Head of the DCM, at Al Ahly Pharos added that "This issuance reflects our team's deep expertise, unwavering dedication, and relentless pursuit of innovation in structuring bespoke debt solutions. This accomplishment not only reaffirms our leadership in the Sukuk space but also highlights our pivotal role in shaping the future of Egypt's debt capital markets. I'm truly grateful to lead such a dedicated and professional team—every milestone we've reached has been made possible by their outstanding efforts. Achieving a total of four successful Sukuk issuances this year alone, with a cumulative value of EGP 14 billion, is a remarkable milestone for the DCM division at Al Ahly Pharos. We are committed to delivering tailor-made financial solutions, both conventional and non-conventional, that address the diverse and evolving needs of our clients"

Karim ElBatouty, Deputy Managing Director Tamweel said "We're truly excited to celebrate this significant milestone for Tamweel with the successful issuance of our first Sukuk with such an innovative structure. This achievement reflects not only our commitment to innovation and growth, but also the incredible dedication and collaboration of all involved. We extend our heartfelt thanks to our success partners, advisors, and every team that contributed their time, effort, and expertise; their support was instrumental in bringing this vision to life."

This transaction was carried out in cooperation with Al Ahly Pharos, National Bank of Egypt, Suez Canal Bank, Arab African International Bank, and Al Baraka Bank who acted as the transaction's underwriters. While several other banks participated in the issuance including ADCB, IDB, ENBD and Bank Faisal which indicates the strong desire of investors to participate in such innovative issuances and diversifying their investment portfolios. While National Bank of Egypt acted as the placement agent and Arab African International Bank acted as the Payment Agent, Dreny and Partners acted as the legal advisor, Baker Tilly as the transaction Auditor, MERIS "Middle East for Credit Rating and Investors Service", acted as the credit rating agency for the issue, and RSM as the independent financial advisor.



About Tamweel Mortgage Finance

Tamweel Mortgage Finance is a leading non-banking financial institution in Egypt, specializing in mortgage lending and real estate financing solutions. Established with the vision of expanding access to home ownership, Tamweel provides a wide range of conventional and Sharia-compliant products tailored to meet the needs of individuals and businesses. The company has successfully executed multiple securitization transactions and continues to diversify its funding sources through innovative instruments, positioning itself as a key player in supporting the growth and sustainability of Egypt's real estate and housing finance sectors.

About Al Ahly Pharos

Al Ahly Pharos a subsidiary of Al Ahly Capital is a fully fledged investment bank providing a comprehensive suite of services across both Equity and Debt Capital Markets. The Debt Capital Markets (DCM) platform specializes in debt advisory and structuring, offering promotion and underwriting of debt securities and leading issuances of conventional, non-conventional and Sharia-compliant products, including Bonds and Sukuk. The Equity Capital Markets (ECM) platform specializes in advisory and structuring of primary and secondary equity offerings, delivering financial advisory, promotion, and underwriting of equities, while also providing expert Mergers & Acquisitions (M&A) advisory to support clients in achieving their strategic growth objectives.