

STRUCTURED FINANCE

New Issue Report

Contact Securitization Company S.A.E. (CSC) - Fourth Issue 2008-2013

Auto Receivables/Egypt

This report addresses the structure and characteristics of the transaction based on the information provided to MERIS by Contact Securitization Company, Commercial International Bank & the Legal Advisor as of November 2008.

POOL CLOSING DATE:
October 23, 2008

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Description	Amount (EGP)	Maturity	Frequency	Rating
Asset Pool	414,533,546	Min.: 12/2008 Max: 10/2013	Monthly	AA-
Asset-Backed Bond	392,000,000	12/2013	Monthly	AA

OPINION

This is the forth asset backed bond issued by Contact Securitization Company S.A.E (CSC). The bond issue is EGP 392,000,000 and is backed by 4,913 auto installment-sale contracts (EGP 414,533,546 outstanding receivable balance on the closing date of the transaction¹) co-originated by Contact Car Trading (CCT) (85% of the principal outstanding balance) and Bavarian – Contact Car Trading (BCCT) (15% of the principal outstanding balance). The majority of the contracts have been written over the past year. However, the portfolio also includes a small portion of outstanding contracts from Contact's 1st securitization pool (421 contracts with a NPV of 15,083,722), following the early redemption of the bond by the issuer.

The first asset backed security (ABS) issued by CSC amounted to EGP 140,000,000 and was backed by 1,549 auto installment-sale contracts co-originated by the same entities - CCT (93% of the contracts) and BCCT (7% of the contracts), over the period 2002 – 31/10/2005. In November 2008, the issuer used its call option to retire the bonds. The outstanding receivables have been included in the newly securitized pool of receivables.

The second ABS issued by CSC amounted to EGP 159,000,000 and was backed by 1,895 auto installment-sale contracts co-originated by CCT (79% of the initial pool balance) and BCCT (21% of the initial pool balance) over the period from 30/11/2005 to 30/9/2006.

The third issuance amounted to EGP 275,000,000 and was backed by 3,070 auto installment-sale contracts co-originated by Contact Car Trading (CCT) (81% of the principal outstanding balance) and Bavarian – Contact Car Trading (BCCT) (19% of the principal outstanding balance) over the period from 1/10/2006 to 15/10/2007.

¹ Net present value of the total portfolio receivables (including principle, interest and insurance) discounted at the bond's coupon rate.

Strengths of the Transaction

- This is a repeat transaction by the same Issuer, although the structure of the new issue differs from the previous three transactions. Backing the issue is a static pool of receivables, co-originated by CCT and BCCT under the same underwriting and servicing standards and procedures. The existing issues are performing well with a reported rate of 0% credit defaults as of the time of writing this report.
- The pass-through structure of the transaction limits the negative carry risk associated with prepayments that exists in the issuances that follow a predetermined amortization schedule.
- The rating is based on the credit quality of the underlying auto receivables, which reflects CCT and BCCT strict underwriting, collection and monitoring policies and procedures.
- The credit enhancement available to the notes comes in the form of over-collateralization in the amount of 5.75% of the bond size at the outset of the transaction in addition to an external credit enhancement by means of an unconditional and irrevocable bank guarantee in the amount of 1.5% of the initial bond size.
- The bond is backed by a static amortizing pool of auto receivables with no balloon payments. The receivables are related to the sale of brand new passenger vehicles. The pool is granular (concentrations per client less than 0.16% of the total outstanding principal pool value) and well diversified in terms of car make, geographic distribution, as well as borrower current occupation and income level.
- The Servicer, Contact Car Trading (CCT), has built up a significant experience over the past 5 years. Its efficiency of operations is supported by an automated file management system. **MERIS** has conducted an operational review of the Servicer and believes that management, procedures and systems in place permit CCT to adequately perform its duties as a Servicer.
- Contractual appointment of CIB (the Custodian) as a back-up servicer to the transaction. As a Custodian, CIB has access to the Servicer's systems and database, and follows up daily on the performance of the pool. **MERIS** believes that the daily involvement of CIB in the performance of the pool will ensure a smooth and speedy transfer of the Servicer's role to CIB in the unlikely event of Servicer's bankruptcy.

Weaknesses of the Transaction

- The securitized pool is relatively young with a weighted average seasoning of 7.6 months (weighted average original tenor is 50.6 months).
- Given the relatively short track record of the Originator, there is not sufficient data available regarding historical arrears, default and recovery rates through the economic cycle.
- In general, **MERIS** perceives greater uncertainty associated with unrated Originators, and the use of securitization proceeds to fund the Originator's growing phase. However, this is mitigated by the Originator's experienced management team and strict adherence to its underwriting policies and procedures, which assure a high quality receivables pool.
- No excess spread given the purchase price of the receivables (receivables discounted at the bond coupon rate, and not the actual interest rate applied on the auto receivables), mitigated by the credit enhancements, as well as the minimum required down payment of 25%, which increases the recovery rate potential in case of any defaults.

- Contact Car Trading currently owns approximately 97% (direct & indirect ownership) of Contact Securitization Company. Consequently, there is a risk of consolidation of CSC into CCT and the impact of this consolidation on the true sale mechanism of the securitization. **MERIS** took comfort from the legal opinion provided on the issue which rules out the possibility of a consolidation and subsequently a recharacterization of the true sale mechanism.
- Although this is the forth securitization transaction, legal uncertainties still exist, given that the transaction relies on key legal concepts that remain largely untested in judicial proceedings or in practice in Egypt. **MERIS** took comfort from the legal opinions provided by the transaction's legal advisor on issues such as true sale, separateness of accounts, consolidation risk and concluded that the legal risk was consistent with the rating assigned.

STRUCTURE SUMMARY (see page 4-5 for more details)

Amount Rated:	EGP 392,000,000
Issuer:	Contact Securitization Company S.A.E.
Seller (s) /Originator (s):	Contact Car Trading (CCT) & Bavarian–Contact Car Trading (BCCT)
Servicer:	Contact Car Trading (CCT)
Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating “Ba2” and Financial Strength Rating “C-” by Moody’s Investor Service)
Custodian:	CIB
Financial Advisor and Marketer:	CIB
Structure type:	Pass through
Credit Support:	<ul style="list-style-type: none"> • 5.75% over collateralization • 1.5% (EGP 6 mn) bank letter of guarantee

COLLATERAL SUMMARY (see page 7 for more details)

Receivables:	Standard-scheme car installment-sale contracts.
Initial Pool Balance:	EGP 414,533,546 (85% by CCT and 15% by BCCT)
Number of Contracts*:	4,913 fully amortizing contracts (95% by CCT and 5% by BCCT)
Type of Vehicles:	100% new vehicles
Make of Vehicles**:	Hyundai: 14.9%, BMW: 14.4%, Chevrolet: 9.5%, Volkswagen: 8.2%, Mitsubishi: 6.3%, Mercedes: 5.8%, Toyota: 5.6%, Nissan: 5.1%, Other non-luxury: 23.88%, Other luxury: 6.38%
Geographic Diversity**:	Greater Cairo: 71.5%, Alexandria: 13.7%, Other: 14.8%
WA Seasoning:	7.6 months
WA Remaining Maturity:	43.0 months
Avg. LTV (at origination):	67.45%

* Percentage calculated is based on the number of contracts.

**Percentage calculated is based on the outstanding principal value.

PORTFOLIO SUMMARY

	2008 [^]	2007
Delinquencies:		
31-60 Days	0.0	0.0
61-90 Days	0.0	0.0
90+ Days	0.0	0.0
Repossessions*:	0.0	0.0
Annualized Net Losses**:	0.0	0.0

[^] As of the cut off date (October 23, 2008)

*As a percentage of average number of contracts outstanding

** As a percentage of the average gross principal balance of contracts outstanding including unearned finance charges.

TRANSACTION SUMMARY

This is the forth repeat transaction of auto receivables securitization by the same issuer, Contact Securitization Company, after the launch of the previous three issues in 2005, 2006 and 2007 respectively. The structure of the transaction, though similar to the previous three, has some notable differences. Like the previous three issuances, the securitized assets represent a static pool of fixed-rate auto receivables stemming from the sale of brand new passenger vehicles to customers domiciled in Egypt. The installment-sale contracts have been co-originated by CCT and BCCT predominantly between October 2007 and October 2008 according to their strict eligibility criteria and underwriting policies. The auto receivables are secured by the cars, which are fully insured and subject to a resale restriction by the Traffic Directorate.

At closing of this transaction, the Originators will transfer to the Issuer the securitized assets. In order to finance the purchase of the securitized assets, the Issuer, Contact Securitization Company (CSC), will issue a single class five-year secured, non-convertible bond in an amount equal to the net present value of the portfolio (the NPV of the portfolio is calculated by using the bond's coupon rate as the discount rate, leaving the transaction with a zero excess spread). Unlike the previous fixed rate bonds, the current notes will be paying a floating monthly coupon equal to the CBE overnight deposit rate (currently equal to 11.5%) plus a spread of 25 basis points. The interest rate however will be capped at 12.25% with a floor at 10%. The current notes will have a pass through structure, and will not follow a pre-determined amortization schedule like the previous three bonds. The notes will benefit from an internal credit enhancement in the form of an over collateralization of 5.75% at the outset of the transaction, as well as an external credit support in the amount of 1.5% of the initial bond balance by means of an unconditional and irrevocable letter of guarantee issued by CIB. Excess cash accumulating from over-collateralization, as well as any eventual excess spread (difference between the interest rate received on the pool and the coupon and other expenses on the bond) will be applied as accelerated principal payments, thus creating an extra overcollateralization by reducing the amount of securities outstanding faster than the amortization of the underlying assets.

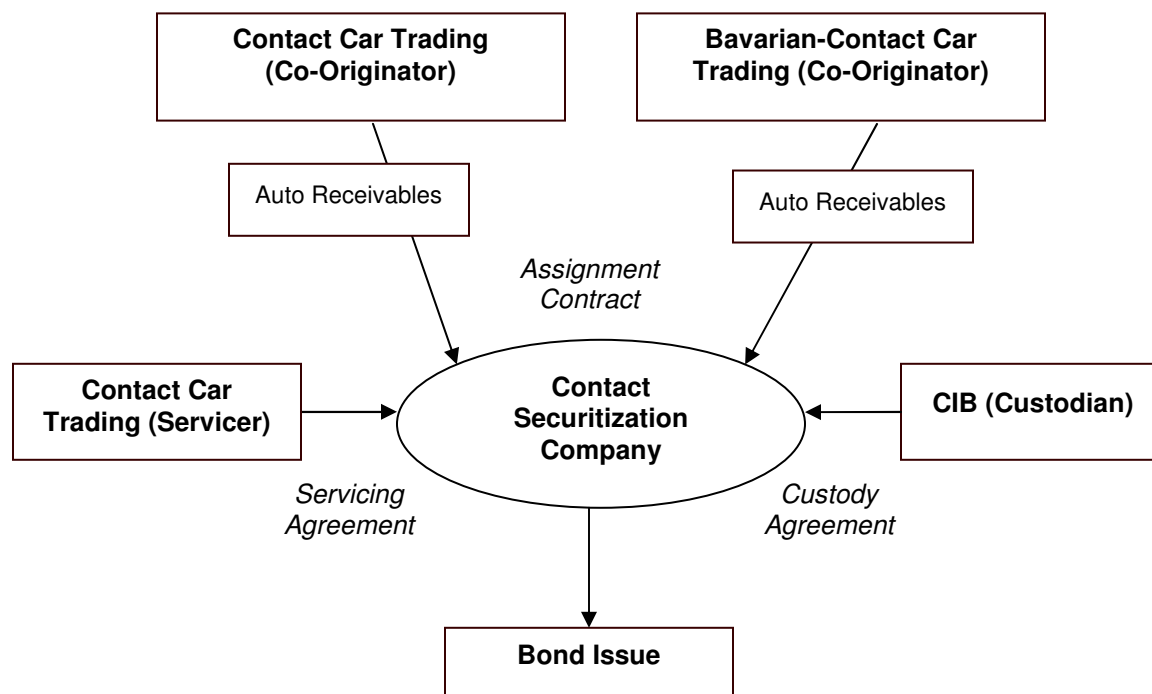
On the closing date, CSC will entrust a pool of auto receivables to the Custodian. The pool is non-revolving (static) and amortizing. It is entirely composed of new, foreign cars, installment-sale contracts generated predominantly over the past year (except for the 421 contracts transferred from Contact's 1st ABS). Collections on the pool by the Servicer (CCT) will be swept every 3 days to the Issuer account with the Custodian (CIB) for the benefit of the bondholders.

STRUCTURAL AND LEGAL ASPECTS

Auto receivables securitization is structured to isolate the auto receivables from the insolvency risks of the originator(s)/seller(s). This is done by the originator(s)/seller(s) transferring the auto installment-sale contracts by means of true sale to a bankruptcy-remote special purpose entity, who will ultimately issue the bond to the investors. Under the structure – please refer to the following diagram – both CCT & BCCT, the originators of the receivables, sell and assign all their rights and benefits in the receivables to CSC, a special purpose bankruptcy remote shareholding company, the Issuer. **MERIS** has received a legal opinion stating that the sale of the receivables from the originators to the Issuer (based on an Assignment Contract dated 11/11/2008) constitutes a true sale.

The pool of receivables is secured by the cars, which are fully insured and subject to a resale restriction by the Traffic Directorate.

Chart 1:
Structure Diagram



* A true sale according to the CMA Law 95/92 and its directives.

Collections, Commingling Risk and Separateness of Accounts

According to the Servicing Agreement (between CSC and CCT, signed on 11/11/2008) and the Custody Agreement (between CSC and CIB, signed on 11/11/2008), the Servicer will collect the monthly installments related to each of the 4,913 individual auto installment-sale contracts in the pool and transfer the collected cash every 3 days to the Issuer's account with the Custodian for the benefit of the bondholders. The majority of the installments (68%) are collected through direct debit of the borrowers' accounts with CIB, which facilitates the collection process. The remaining is paid by cheques. **MERIS** believes that the 3-day sweep mechanism of the transaction mitigates the risk of mingling funds collected by the Servicer on behalf of the SPV with its own funds. In addition, the opinion furnished by the legal advisor regarding commingling risk states that funds collected by the Servicer on the securitized assets are the property of the bondholders and cannot be subject to claims by the Servicer's creditors if trapped in the Servicer's bankruptcy estate.

In accordance with the CMA requirements, the Custodian will maintain three separate accounts: (1) an account for bond amortization; (2) an account for coupon payments; and (3) an account for reinvesting any surplus cash. Transactions on these three accounts have to take place based on written instructions from the Issuer. Once a month, the Custodian will pay the senior servicing fees and the coupon, and any remaining cash will be applied towards the bond amortization. The cash outflows follow a one-month lag from the actual collection, i.e. previous month collections are kept with the Custodian and reinvested in highly liquid risk-free instruments (T-bills or certificates of deposit). The collections from the previous month, along with the return from their investment, are used to cover current month senior fees and expenses, bond coupon and principle.

The legal advisor of the transaction provided a legal opinion regarding the clarification of the clauses in the CMA Law 95/1992 regarding the need of the Issuer, Servicer, and Custodian to maintain separate accounts for different securitization transactions. The CMA law 95/1992 explicitly addresses the issue of separateness and non-consolidation of different ABS issues by the same Issuer. The opinion provided is consistent with the rating assigned to the bond issue, notwithstanding the fact that similar structures have not been tested in Egyptian courts yet.

Letter of Guarantee Covering Annual Renewal of Insurance Policies

The securitized assets include not only principal and interest, but also insurance cover of the cars, which forms an integral and inseparable part of the installments under the car sale contracts. In the current securitized pool 4,026 of the contracts, approximately 80% of the pool, include insurance provided through the Originator, and therefore these insurance premiums form an inseparable part of the securitized assets. The rest of the cars are insured by the buyers themselves, and the Originator is the first-loss beneficiary under the insurance policy. The cars are insured by the Originator against all relevant risks, including total loss, as early as the car, subject to purchase and resale, is properly identified by the respective car dealer. The insurance policies are renewed by the Originator (respectively the Servicer, following securitization) every year until the final repayment of the installment-sale contracts. In the first two securitization transactions, the annual renewal of the insurance policies was funded through a special escrow account, which was set up at the bond issuance and funded from the bond proceeds. The funds in the escrow account were reinvested in highly liquid risk-free instruments, such as T-bills and bank deposits. Hence, the initial amount, set aside for insurance renewal, was calculated as the NPV of the insurance premiums to be paid by the Servicer, discounted at the risk free rate. In the proposed transaction, similar to last year's transaction, the funds in the escrow account will be replaced by a Letter of Guarantee issued by a first class bank on behalf of the Servicer in favor of the securitization company. The Letter of Guarantee will cover the nominal value of outstanding insurance renewals. Subsequently, following the sale of the securitized assets to the Issuer, all bond proceeds will be transferred to the Originator, less an amount covering the future insurance renewals that will be transferred to the Servicer and replaced by the Letter of Guarantee issued in favor of the securitization company. The amount of the L/G will be reduced with each payment of insurance premium by the Servicer. **MERIS** considers the Letter of Guarantee an acceptable substitute to the cash reserve escrow account with no material implications on the overall structure of the transaction.

The Issuer: Contact Securitization Company (CSC)

CSC was established as a shareholding company on 8/11/2005 according to CMA Law 95/1992 (Commercial register No. 17199 Giza). The company's shareholding structure is as follows:

<u>Shareholders</u>	<u># of Shares</u>	<u>% Ownership</u>
Egyptian International Co. for Trade & Investments L.L.C	40,500	81%
Contact Car Trading S.A.E	9,000	18%
Bavarian Contact Car Trading S.A.E	500	1%
Total	50,000	100%

The majority shareholder of the Issuer, the Egyptian International Company for Trade & Investment, was initially owned by CIB (Custodian) at 96.3%, since the CMA Law 95/1992 imposes a ceiling of 20% on the Originator's ownership in the Issuer. However, on July 12th, 2006, pursuant to the CMA BoD's waiver of the 20% ownership limitation, CCT acquired CIB's shareholding in CSC. CCT currently holds 96.8% of the Egyptian International Company for Trade and Investment, which translates into a 97% direct and indirect ownership stake in the Issuer.

MERIS has noted that such shareholding structure, where the Issuer is a majority owned subsidiary of the Originator, poses the risk of involuntary/substantive consolidation between the two entities in case of the Originator's bankruptcy. The legal opinion provided on this issue rules out the possibility of such consolidation given the isolation of the securitized assets from both the bankruptcy of the Originator and the SPV as per the CMA law 95/1992.

Credit Enhancements

1) Overcollateralization: The assets backing the securities amount to EGP 414,533,546, representing the net present value of the total outstanding principal, interest and insurance receivables stemming from the securitized auto installment-sale contracts discounted at the bond's coupon rate. The assets will be purchased at a discount of 5.75% by the Issuer, creating an over collateralization of EGP 22,533,546 at the beginning of the transaction. The over collateralization will be used to cover any fees as per the Custodian Agreement, as well as any eventual shortfalls in the coupon payment or principal redemption throughout the life of the notes. Any excess cash due from the over collateralization, as well as any eventual excess spread (in case the reference floating rate goes down) will be applied towards the repayment of the bond principal, thus creating an additional over collateralization for the bond by reducing the amount of outstanding securities faster than the amount of the underlying assets.

2) Letter of Guarantee: Contact Car Trading will provide a reserve cover in the amount of 1.5% of the initial bond size (EGP 6 mn). The cash reserve available to the transaction upfront will be guaranteed by an irrevocable and unconditional Letter of Guarantee issued by CIB (Ba2, Moody's). The letter of guarantee will be valid until the final

maturity of the bonds to cover any shortfall in collections from the securitized pool of contracts that might impair the settlement of any payment obligations to the bondholders on their due dates.

Priority of Payments (Cashflow Waterfall)

Allocation of the collections (principal, interest and insurance, along with prepayments) received from the underlying pool of auto receivables will be applied in the following order of priority:

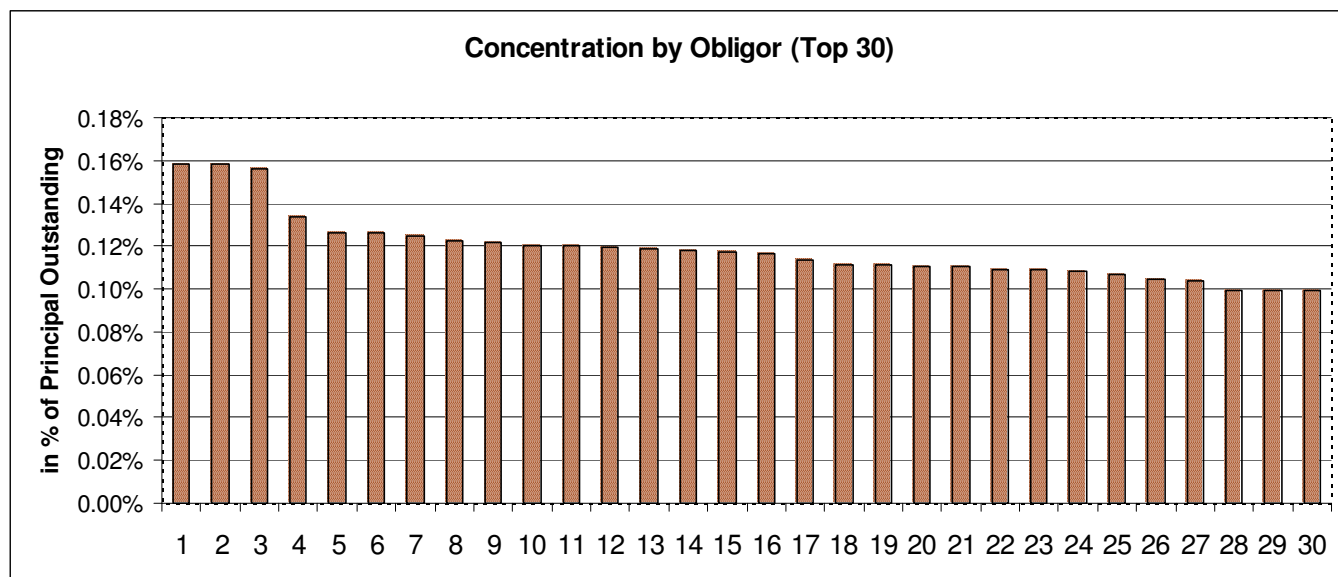
1. To pay senior transaction fees such as servicing & custody fees, listing, rating, legal, monthly advertising and all other fees as per the Custody agreement.;
2. To pay coupon of the bond;
3. Any surplus cash will be allocated to the amortization of the bond principal.

COLLATERAL (See Appendix I for more details)

The portfolio consists of auto receivables in an amount equal to EGP 414,533,546 arising under car financing contracts co-originated by Contact Car Trading (CCT) (4,641 contracts or 85% of the principal outstanding balance) and Bavarian – Contact Car Trading (BCCT) (272 contracts or 15% of the principal outstanding balance). The contracts are concluded with retail clients domiciled in Egypt to finance the purchase of brand new passenger vehicles.

The maximum original maturity of the contracts is 60 months and the weighted average original maturity is 50.63 months. The weighted average remaining term to maturity is 43.07 months. Thus, the weighted average seasoning of the initial portfolio is 7.56 months.

The number of contracts included in the portfolio is 4,913. The largest obligor in the pool accounts for only 0.16% of the total portfolio amount, given the company's single obligor limits of maximum 3 contracts and EGP 600,000 of principal outstanding.



The securitized receivables bear a fixed interest rate, and the weighted average yield is 15.48% p.a. The obligors are geographically spread across Egypt; however, significant concentrations exist around the Greater Cairo area (approx. 71.5% of the total principal outstanding), followed by Alexandria (13.5%).

The portfolio is well diversified in terms of car make including a total of 41 brands. The top 5 brands account for 53%, of the total principal outstanding of the pool, the top 10 – for a total of 78%, whereas the remaining 22% consist of less popular brands with concentrations below 3%. The essence of this characteristic is that different car brands exhibit different rates of depreciations; and thus it is advantageous for the pool to have car-brand and model diversifications. A diversified pool is more likely to experience stable depreciation rate and subsequent recoveries on defaulted contracts, if any. It is also worth noting that luxury brands (for the purposes of this report **MERIS** has used EGP 200,000 as the cut-off point between luxury and non-luxury cars) account for approximately 35% of the total outstanding principal amount of the portfolio, which is an indication of the relatively high credit quality of the obligors.

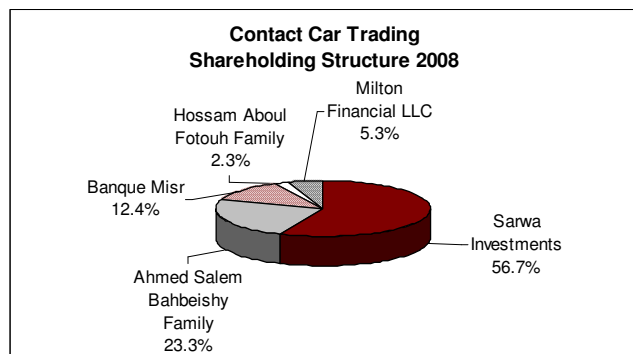
1. Contact Car Trading (CCT)

Incorporated in 2001, CCT is a private joint stock company. CCT has built itself into a leading auto financing company in Egypt. The company offers auto finance products to private customers. Its estimated market share is approximately 2-3% in the passenger car market in Egypt. In addition to car financing, the company provides car insurance services, which are considered complementary to its core business activities.

In January 2008, Contact Car Trading underwent a major change in ownership. In order to avoid conflict of interest with its biggest shareholder, Commercial International Bank, the founding management team of the company acting in a consortium with Amwal Khaleej* under the name of Sarwa Investments, arranged for a management buy-out of the company, whereas they acquired 56.7% equity stake in the company, previously owned by CIB (38.4%) and Egyptian Investment Direct Fund (18.3%). The new investors are currently working closely with the management to diversify and expand the company's activities into other complementary retail financial services (with a special focus on mortgage finance) and position the company as a fully-fledged retail finance provider as opposed to a specialized auto finance company.

Given the careful planning and strong involvement of the management team in the execution of the ownership change, MERIS is of the opinion that the exit of CIB from the company will not have any impact on the day-to-day operations and strategic management of the company.

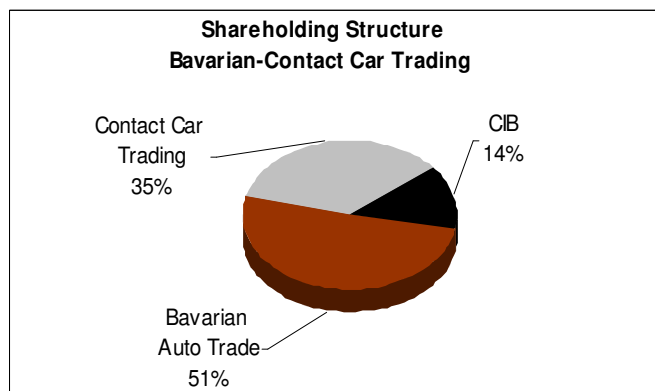
* Amwal Khaleej was founded in late 2004 as a regional private investment firm that sources, structures, and acts as investor in strategic minority equity investments, private placements, privatizations, and buy-outs in the Middle-East / North-Africa (MENA) region.



2. Bavarian-Contact Car Trading (BCCT)

Bavarian-Contact Car Trading was established in 2004 for the purpose of providing financial services to the BMW and MINI brands. The company has the shareholding structure presented in the accompanying figure. The Bavarian Auto Group (a consortium of Egyptian, Gulf and German investors) has exclusive rights for assembly, importation, distribution and after-sales support for BMW Group products in Egypt. The Bavarian Auto Group was awarded this exclusive right in March 2003.

Upon its incorporation, the Bavarian-Contact Car Trading (BCCT) Company entered into cooperation agreement with BMW to offer car finance and insurance related services under the BMW Financial Services brand name. BCCT is managed by Contact Car Trading and as such offers car financing and insurance programs for the BMW and MINI brands with exactly the same terms and conditions offered by Contact Car Trading as described above.



MERIS met with the management team of Contact at the time of the 1st and 3rd securitization transactions and performed an operational review of the company, focusing on the origination channels, underwriting guidelines and procedures, servicing and administration operations within the company. **MERIS** also addressed the management of delinquent accounts, repossession and recovery processes implemented by CCT. **MERIS** believes that the management and system capabilities continue to be sufficient to fully comply with their responsibilities under the transaction.

Origination and Underwriting Process

Currently the company activities are centralized in the head office in Cairo, complemented by the recently added branch in Alexandria. Other areas outside of Cairo are covered through floating sales teams visiting the major auto dealerships. CCT is expanding its network by building strong alliances with well-established auto dealerships and having a dedicated sales representative in the dealer's premises.

Underwriting decisions are centralized and are based both on quantitative and qualitative analysis of the applicant's credit history. CCT has an internally developed score card in place that is automatically generated by the system based on the information filled in the borrower's initial application. It takes into account factors such as stability in employment, education, sector of activity, previous credit history, real estate ownership, debt to income ratio, etc. The information is subject to verification by the company's credit officers through a field investigation, including a personal meeting with the prospect client as well as third party cross-checks. The credit officers issue a recommendation based on their assessment of the applicant's ability and willingness to honor its financial obligations under the contract. Credit approvals are granted following independent voting on each application by the credit committee, which consists of two credit managers and one member from the management committee (the three managing directors). Approximately 50% of all received applications get rejected, which indicates the company's tight scrutiny and strict approval procedures. The standard approval process takes between 3 and 5 days depending on the responsiveness of the applicant with regard to any additional information requirements.

Contact's main underwriting criteria include the following:

- The obligor's age ranges from 21 to 59;
- Any car makes are eligible for refinance except Chinese made cars (with the exception of Brilliance and Esperanza, but the minimum down payment required is at least 30% instead of 25%);
- The minimum downpayment is 25%.

The company has a number of credit-related directives stipulating various credit limits to avoid any significant concentrations within the portfolio in terms of assets (car make), borrower employment type, industry classification, etc. There is a single obligor limit of EGP 600,000 of outstanding principal and a maximum of three outstanding contracts at any point of time, provided that the first contract has been performing for at least 2 years. The borrower's income has to cover the monthly installment 3 to 5 times depending on his type and sector of employment.

Collection and Recovery Process

Installments are due on two collection dates – the 15th and the 30th day of the month. The majority of the customers pay by direct debit order with CIB (currently 66 %), and the remaining pay by checks. Approximately 95% of the receivables are collected within 10 days from the due date. Delays up to 30 days from the due date are handled by the company's credit officers. Upon failure of the customer to pay two installments in a row, the company has the right to repossess the car using the spare key kept with CCT, and in case of no settlement to sell the car. Repossessed cars are sold directly relying on CCT's well-established relationships with the auto dealers. In case the customer is not satisfied with the offer price, he has the right to find another buyer. Since the beginning of its operations, the company's default rate has been negligible. Reportedly, out of the 10,000 contracts generated up to date, there have been a total of 17 cases of repossession, in addition to 98 total loss cases (insurance coverage) and 15 cases of obligor's death (life insurance coverage). In all cases, recoveries have been sufficient to cover 100% of the loan outstanding value, and therefore the company has continuously reported a 0% default rate. The time frame for selling the car ranges from two to six weeks.

As mentioned in the PSN, the servicing agreement signed between CSC and CCT details the responsibility of the Servicer including, among others, the following:

- Sending notification letters to borrowers;
- Issuing monthly reports on collections, delays, and defaults to the Custodian;
- Renewing the insurance policies of the cars in the securitized pool on an annual basis;
- Original contract documents are kept with the Custodian and are made available to the Servicer to take necessary action when needed.

Given the experience of CCT as a Servicer, its strict follow-up and monitoring guidelines, as well as the IT & management information systems currently in place, **MERIS** believes that CCT is capable of adequately servicing the receivables in this pool. The collection activities for both originators are performed by CCT.

CUSTODIAN AND CUSTODY AGREEMENT

CIB (rated by Moody's at Ba2 bank deposit rating and C- Financial strength rating on a global scale, August 2008)

CIB was founded in 1975 as a joint venture bank by the state-controlled National Bank of Egypt (NBE) and Chase. Since its inception, CIB has been run independently from NBE, while its impressive performance and management strength is in part a legacy of its former association with Chase.

CIB current shareholding structure includes Ripplewood Consortium (Strategic Investor) with an 18.7% stake, and the Bank of New York (GDRs) with 24.8%. The remaining 56.5% represent free float.

CIB is one of the leading financial services conglomerate in Egypt. The Bank is a medium-sized player with an approximate 5% market share. Among its key strengths are its strong corporate banking franchise, sound management, strong credit culture and well-trained workforce. The bank's strong position in Egypt is currently challenged by increasing competition following the significant consolidation within the Egyptian banking sector, by a retail banking franchise that has not yet been developed, by the existence of significant credit concentrations and lack of geographic diversification.

The bank's reputation as being one of the largest private sector banks in Egypt and its track record are considered positive factors to act as a Custodian to the proposed transactions. CIB is also formally appointed as a back-up Servicer to the transaction. As a custodian, CIB already has a daily access to Contact's collection system and databases. In addition, the fact that the majority of the obligors (66%) have their accounts with CIB, is likely to facilitate the collection procedures, in case CIB needs to assume the role of a Servicer.

MERIS ANALYSIS

Historical Data and Modeling

Based on the historic default data, the default distribution of granular portfolios is expected to follow closely the log-normal distribution. Therefore, the probabilities for default scenarios for entirely granular pools are derived from the log-normal default distribution. The exact shape of this distribution is determined by the cumulative mean default rate and its standard deviation.

Given the homogeneous (completely granular) nature of the pool, **MERIS** used the log normal method to model the cash flows of the transaction. The model is based on the expected loss methodology that reflects the notes expected cumulative loss and average life over various default rate scenarios. The final output is derived as the sum product of the various default rate scenario losses and lives of the notes weighted by the probability of default of each respective default rate scenario.

As per the originators' report, out of a total number of 10,000 auto installment-sale contracts, there have been only 17 cases of repossession, which results in a credit default rate before recoveries of 0.17%. Historic recoveries have been always sufficient to cover 100% of the defaulted amount (principal outstanding at default). However, given the limited track record of the originators, historical data can hardly be a reliable indicator of the pool's performance in the future. Therefore, **MERIS** used a log normal distribution to model the transaction, defined by cumulative mean default rates experienced in similar emerging markets, coupled with a volatility (coefficient of variation = standard deviation/mean) above 50% to reflect the higher uncertainty associated with the lack of sufficient and reliable historical data.

Some of the other input parameters in the cash-flow model are summarized below:

- Amortization profile of the assets: the 0% default and 0% prepayment monthly amortization of the securitized assets according to the contractual amortization schedule.
- Timing of Default: The timing of default is used to calculate the defaulted amount per period expressed as a percentage of the cumulative defaults. **MERIS** has tested the transaction by using various default curves – front-loaded and back-loaded.
- Recovery lag: 6 months

- Prepayment rate: 15% constant annual prepayment rate. **MERIS** has received monthly prepayment data on the previous two securitizations of CCT, and has noted that historical prepayment rates have varied between 10% and 14.6%, with an increasing trend.
- Over collateralization: 5.75%
- Cash reserve account (by means of an irrevocable and unconditional letter of guarantee): EGP 6 million, non-amortizing.

MERIS performed sensitivity analysis around the main inputs listed above, to test the impact of structural and asset features on the rating of the notes. **MERIS** concluded that, in view of the conservative assumptions applied and taking into consideration the transaction's qualitative factors, the credit enhancement available to the transaction is in line with the assigned ratings.

RATING SENSITIVITIES AND MONITORING

MERIS will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected. The monitoring will include reviews of periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through the media.

APPENDIX I: POOL DATA

Distribution by Original Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
12	4,886,607	1%	114	2%
24	28,640,445	8%	443	9%
36	68,472,245	20%	848	17%
48	30,955,289	9%	438	9%
60	217,002,245	62%	3,070	62%
Total	349,956,832	100%	4,913	100%

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1-12	10,651,944	3%	351	7%
13-18	17,146,663	5%	322	7%
19-24	26,948,929	8%	420	9%
25-30	28,912,248	8%	388	8%
31-36	34,529,403	10%	394	8%
37-42	11,715,590	3%	157	3%
43-48	34,496,604	10%	462	9%
49-54	91,074,947	26%	1,218	25%
>=55	94,480,504	27%	1,201	24%
Total	349,956,832	100%	4,913	100%

Distribution by Original Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-600	15,270,593	4%	44	1%
200-399	69,392,041	20%	328	7%
100-199	79,384,621	23%	728	15%
50-99	148,636,584	42%	2,643	54%
<50	37,272,993	11%	1,170	24%
Total	349,956,832	100%	4,913	100%

Distribution by Current Outstanding Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-600	7,201,186	2%	16	0%
200-399	58,460,230	17%	217	4%
100-199	75,405,749	22%	555	11%
50-99	139,639,256	40%	2,087	42%
<50	69,250,411	20%	2,038	41%
Total	349,956,832	100%	4,913	100%

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=30%	2,323,910	1%	99	2%
31%-40%	7,806,019	2%	199	4%
41%-50%	32,384,087	9%	583	12%
51%-60%	37,204,841	11%	625	13%
61%-70%	56,982,993	16%	818	17%
71%-80%	213,083,036	61%	2,581	53%
81%-100%	171,946	0%	8	0%
Total	349,956,832	100%	4,913	100%

Distribution by Original Car Value (Purchase Price)				
EGP '000	Principal Outstanding	% Total	# of Contracts	# of Contracts %
600-1300	12,176,289	3%	39	1%
400-599	38,451,466	11%	153	3%
200-399	71,938,008	21%	491	10%
100-199	116,165,508	33%	1,650	34%
50-99	108,540,358	31%	2,469	50%
<50	2,685,204	1%	111	2%
Total	349,956,832	100%	4,913	100%

Distribution by Monthly Repayment Amount				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
10,000-58,000	41,597,600	12%	178	4%
5,000-9,999	66,660,554	19%	420	9%
2,000-4,999	132,675,835	38%	1,848	38%
1000-1,999	102,463,287	29%	2,208	45%
<1000	6,559,557	2%	259	5%
Total	349,956,832	100%	4,913	100%

Distribution by Governorate				
Governorate	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Cairo	174,679,776	49.9%	2,411	49.1%
Giza	75,413,809	21.5%	1,107	22.5%
Alexandria	48,111,538	13.7%	676	13.8%
Beheira	9,894,784	2.8%	162	3.3%
Gharbia	8,064,221	2.3%	112	2.3%
Qalyubia	5,040,388	1.4%	69	1.4%
Sharqia	5,032,919	1.4%	67	1.4%
Dakahlia	4,430,881	1.3%	54	1.1%
Red Sea	2,989,603	0.9%	42	0.9%
Damietta	2,653,902	0.8%	31	0.6%
Kafr El-Sheikh	2,390,716	0.7%	38	0.8%
Marsa Matrouh	1,730,447	0.5%	22	0.4%
South Sinai	1,722,150	0.5%	23	0.5%
Port Said	1,383,533	0.4%	12	0.2%
Ismailia	1,296,080	0.4%	23	0.5%
Sharm El Sheikh	1,192,000	0.3%	13	0.3%
Monufia	1,065,615	0.3%	18	0.4%
Suez	967,250	0.3%	11	0.2%
Other	1,897,221	0.5%	22	0.4%
Total	349,956,832	100%	4,913	100%

Distribution by Car Make					
	Make	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1	Hyundai	52,148,810	14.9%	1,117	22.7%
2	BMW	50,376,016	14.4%	259	5.3%
3	Chevrolet	33,155,776	9.5%	714	14.5%
4	Volkswagen	28,770,778	8.2%	264	5.4%
5	Mitsubishi	21,955,007	6.3%	315	6.4%
6	Mercedes	20,352,357	5.8%	97	2.0%
7	Toyota	19,453,138	5.6%	315	6.4%
8	Nissan	17,825,626	5.1%	266	5.4%
9	Jeep	16,384,090	4.7%	92	1.9%
10	Daihatsu	11,043,423	3.2%	162	3.3%
11	Opel	9,949,345	2.8%	121	2.5%
12	Renault	8,583,566	2.5%	155	3.2%
13	Honda	8,535,182	2.4%	120	2.4%
14	Peugeot	6,030,402	1.7%	80	1.6%
15	Daewoo	5,862,274	1.7%	156	3.2%
16	Kia	6,797,599	1.9%	130	2.6%
17	Suzuki	3,558,819	1.0%	101	2.1%
18	Proton	3,399,231	1.0%	67	1.4%
19	Ford	3,226,363	0.9%	40	0.8%
20	Dodge	2,777,515	0.8%	15	0.3%
21	Skoda	2,500,860	0.7%	30	0.6%
22	Mini	2,522,745	0.7%	16	0.3%
23	Fiat	1,964,088	0.6%	45	0.9%
24	Lada	1,481,256	0.4%	52	1.1%
25	Citroen	1,380,778	0.4%	20	0.4%
26	Chrysler	1,275,785	0.4%	5	0.1%
27	Subaru	1,262,798	0.4%	19	0.4%
28	Speranza	1,383,354	0.4%	48	1.0%
29	Seat	1,240,004	0.4%	20	0.4%
30	Mazda	1,163,525	0.3%	17	0.3%
31	Mahindra	831,243	0.2%	14	0.3%
32	SsangYong	572,153	0.2%	4	0.1%
33	Nasr	491,616	0.1%	18	0.4%
34	Brilliance	528,130	0.2%	9	0.2%
35	Hummer	348,030	0.1%	1	0.0%
36	Jaguar	250,060	0.1%	1	0.0%
37	Audi	277,946	0.1%	3	0.1%
38	Volvo	113,630	0.0%	1	0.0%
39	Komodo	73,394	0.0%	1	0.0%
40	Perodua	66,557	0.0%	2	0.0%
41	Ikco	43,564	0.0%	1	0.0%
Total		349,956,832	100%	3070	4,913

APPENDIX II: AUTO RECEIVABLES SECURITISATION DEALS COMPARISON

	Contact No. 4	Contact No. 3	Contact No. 2	Contact No. 1
Bond Size (EGP mn)	392	275	159	140
Bond Structure	Single class pass through securities	Single class pre-determined amortization schedule	Single class pre-determined amortization schedule	Single class pre-determined amortization schedule
Coupon	12.25%	9.50%	10.75%	11.00%
Maturity	Dec-13	Dec-12	Dec-11	Dec-10
Overcollateralization	5.75%	6.35%	6.45%	5.87%
Additional Credit Support:	1.53%	n.a.	n.a.	n.a.
No. of Contracts	4913	3070	1895	1546
Seasoning (months)	7.6	6.5	6.1	n.a.
Avg. LTV (at origination):	67.45%	66.7%	66.3%	n.a.
Assigned Rating:	AA	AA	AA	AA
WA Interest Rate	15.48%	15.50%	16.50%	17.50%

APPENDIX III: National Rating Scale

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

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