MERIS
Middle East Rating & Investors Service

October 2009

STRUCTURED FINANCE — New Issue Report

Contact Securitization Company S.A.E. (CSC) - Fifth Issue 2009-2014

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 October 2009.***

POOL CLOSING DATE:
October 4, 2009

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Description	Amount (EGP)	Maturity	Frequency	Rating
Asset Pool	556,575,422	Min.: 10/2009 Max: 9/2014	Monthly	**AA-**
Asset-Backed Bond	495,000,000	10/2014	Monthly	**AA**

OPINION

This is the fifth asset-backed bond issued by Contact Securitization Company S.A.E (CSC). The bond issue is EGP 495,000,000 and is backed by 5,719 auto installment-sale contracts (EGP 556,575,422 outstanding receivable balance on the closing date of the transaction[1]) co-originated by Contact Car Trading (CCT) (69% of the principal outstanding balance), Bavarian – Contact Car Trading (BCCT) (10%), Star Auto Credit (15%), and Contact Egyptian International Motor Auto Credit (CEIM) (6%). The contracts have been written over the period from 8/12/2008 to 4/10/2009.

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 were included in the fourth securitization.

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.

The forth ABS amounted to EGP 392,000,000 and was backed by 4,913 auto-installment sale contracts, co-originated by CCT (85% of the initial pool balance) and BCCT (15%) over the period from Dec. 2003 to Oct. 2008.

[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. Backing the issue is a static pool of receivables, co-originated by four companies, CCT, BCCT, Star and ECIM, under the same underwriting and servicing standards and procedures. The existing issues are performing well with a reported rate of 0.18% 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 first three issues, which followed a predetermined amortization schedule.
- The rating is based on the credit quality of the underlying auto receivables, which reflects the originators' 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 3.4% net of expenses, in addition to a bank letter of guarantee in the amount of 0.8% (EGP 4 mn) 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 0.12% of the total outstanding principal pool value) and well diversified in terms of car make and geographic distribution.
- 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 4.4 months (weighted average original tenor is 49 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 re-characterization of the true sale mechanism.

- Although this is the fifth 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 495,000,000
Issuer:	Contact Securitization Company S.A.E.
Seller (s) /Originator (s):	Contact Car Trading (CCT), Bavarian–Contact Car Trading (BCCT), Star Auto Credit (SAC), and Contact Egyptian International Motor Auto Credit (CEIM)
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 Advisors and Underwriters:	Arab African International Bank, CIB, Banque du Caire Egypt
Structure type:	Pass through
Credit Support:	• 3.4% over collateralization (net of expenses) • 0.8% (EGP 4 mn) external credit support (Bank Letter of Guarantee)

COLLATERAL SUMMARY (see page 7 for more details)

Receivables:	Car installment-sale contracts.
Initial Pool Balance:	EGP 556,575,422
Number of Contracts:	5,719 fully amortizing contracts
Type of Vehicles:	100% new vehicles
Make of Vehicles*:	Mercedes: 18%, Hyundai: 12.2%, BMW: 9.1%, Kia 7.6%, Volkswagen: 7.4%, Chevrolet: 7.0%, Jeep 4.7%, Toyota: 4.4%, Nissan: 3.5%, Mitsubishi: 3.1%, Other non-luxury: 21.5%, Other luxury: 1.5%
Geographic Diversity*:	Greater Cairo: 62.5%, Alexandria: 21.6%, Other: 15.9%
WA Seasoning:	4.4 months
WA Remaining Maturity:	44.6 months
Avg. LTV (at origination):	67%

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

TRANSACTION SUMMARY

This is the fifth repeat transaction of auto receivables securitization by the same issuer, Contact Securitization Company, after the launch of the previous four issues in 2005, 2006, 2007 and 2008 respectively. Like the previous 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. This time, however, the installment-sale contracts have been co-originated not only by CCT and BCCT, but also by two newly-established subsidiaries of CCT, namely Star Auto Credit and Contact EIM Auto Credit. It is worth noting, that the new originators are managed by Contact Car Trading and apply exactly the same underwriting policies and criteria. The main purpose of the two new ventures is to expand the market coverage and product offering of CCT by having exclusive rights over the installment-sales of three new brands, Renault, Kia and Mercedes, in the show rooms of their authorized dealers. 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) less the overcollateralization. The issue will offer a fixed rate of 10.75% throughout its lifetime. Similar to the 4th transaction, the current notes will have a pass through structure, and will not follow a pre-determined amortization schedule, as was the case for the first three securitization transactions. The notes will benefit from an internal credit enhancement in the form of over-collateralization of 3.4%, net of expenses, as well as external credit support in the form of a letter of guarantee equal to 0.8% (EGP 4mn) of the initial bond size.

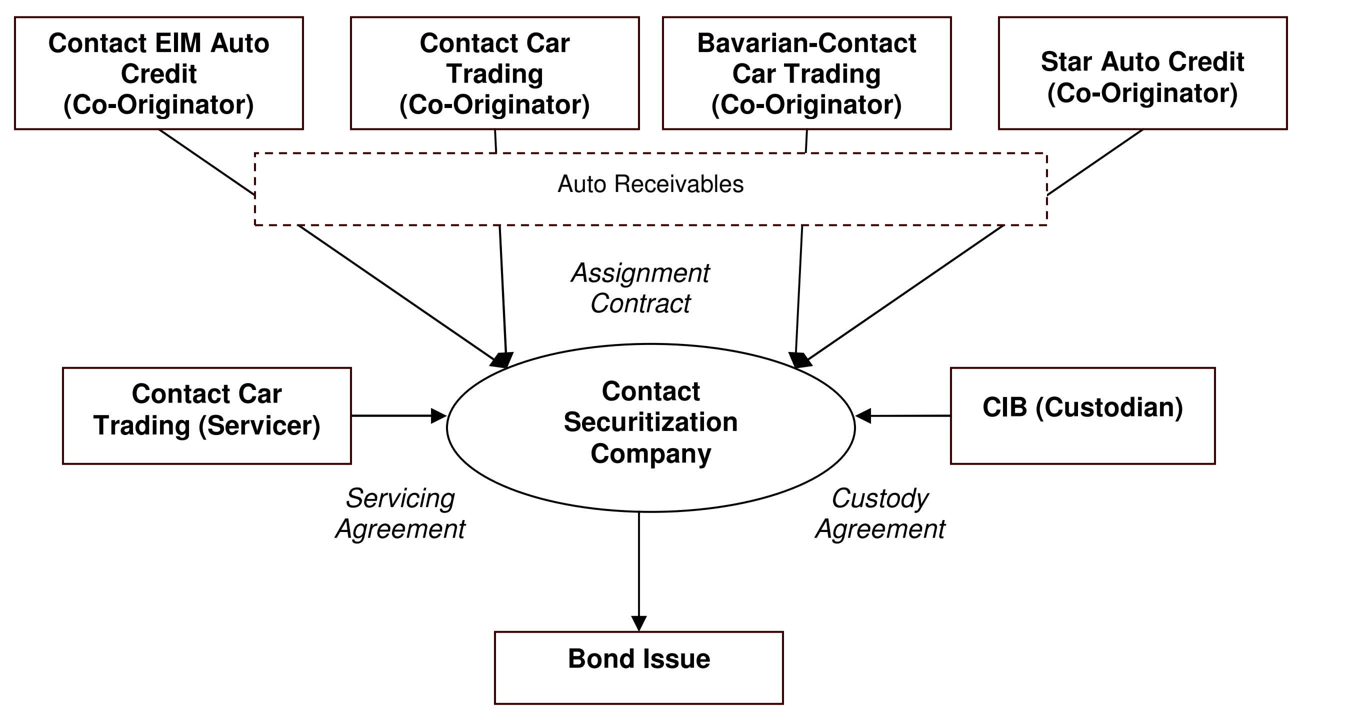
On the closing date, CSC will entrust a pool of auto receivables to the Custodian. The pool is non-revolving (static) and amortizing. It is entirely composed of new, foreign cars, installment-sale contracts generated over the past year. Collections on the pool by the Servicer (CCT) will be swept every 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 – all four 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 15/10/2009) 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 15/10/2009) and the Custody Agreement (between CSC and CIB, signed on 15/10/2009), the Servicer will collect the monthly installments related to each of the 5,719 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 (87.4%) are collected through direct debit of the borrowers' accounts with CIB, which facilitates the collection process. The remaining is paid by cheques (11%) or deducted directly from credit cards (2%). **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.

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:

Shareholders	# of Shares	% Ownership
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 556,575,422, 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 12.44% by the Issuer, creating an over collateralization of EGP 61.6 million at the beginning of the transaction. However, it is worth noting that the majority of this over-collateral will be used to cover the transaction expenses, such as collection fees and insurance premiums, as well as other fees and expenses, with an estimated NPV of EGP 44.7 million (expenses are modeled at the 0% default, 0% prepayment level, and discounted at the bond coupon rate). Thus, the transaction is left with only 3.4% of over collateralization that could be used to provide pure credit support.

2) Letter of Guarantee: CCT will provide a reserve cover in the amount of 0.8% of the initial bond size (EGP 4 mn). The cash reserve available to the transaction upfront will be guaranteed by an irrevocable and unconditional Letter of Guarantee issued by a prime bank. 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 payments 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:

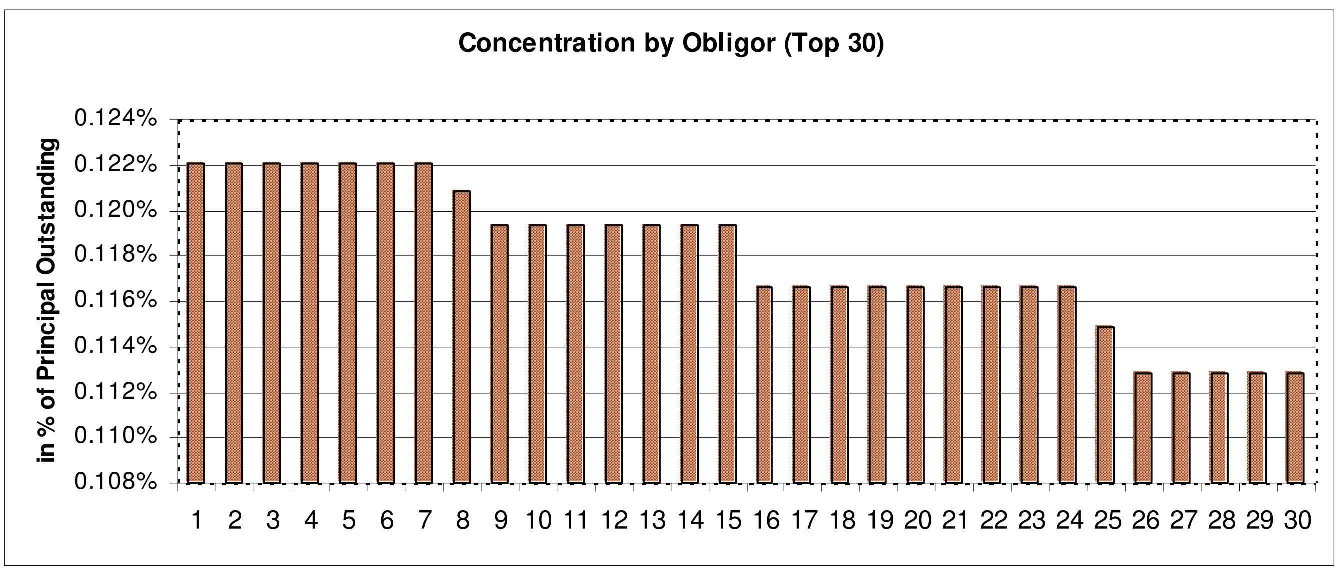
1. To pay senior transaction fees such as servicing, custodian, insurance fees, listing, rating, legal, monthly advertising and all other fees as per the Custody agreement.;
2. To pay coupon of the bond;
3. Any surplus cash will be allocated to the amortization of the bond principal.

COLLATERAL (See Appendix I for more details)

The portfolio consists of auto receivables in an amount equal to EGP 556,575,422 arising under car financing contracts co-originated by Contact Car Trading (CCT) (4,712 contracts or 69% of the principal outstanding balance), Bavarian – Contact Car Trading (BCCT) (218 contracts or 9.5% of the principal outstanding balance), Star (547 contracts or 15.2% of the principle outstanding) and C-EIM (242 contracts or 6.8% of principle outstanding). 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 49 months. The weighted average remaining term to maturity is 45 months. Thus, the weighted average seasoning of the initial portfolio is 4 months.

The number of contracts included in the portfolio is 5,719. The largest obligor in the pool accounts for only 0.12% of the total portfolio amount, given the company's single obligor limits of maximum 3 contracts and EGP 700,000 of principal outstanding. The single obligor exposure is calculated on a consolidated basis for Contact Car Trading and its subsidiaries.



The securitized receivables bear a fixed interest rate, and the weighted average yield is 17% p.a. The obligors are geographically spread across Egypt; however, significant concentrations exist around the Greater Cairo area (approx. 62.5% of the total principal outstanding), followed by Alexandria (21.6%).

The portfolio is well diversified in terms of car make including a total of 37 brands. The top 5 brands account for 54%, of the total principal outstanding of the pool, the top 10 – for a total of 77%, whereas the remaining 23% consist of less popular brands with concentrations below 3%. As different car brands exhibit different rates of depreciations, 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 approximately 40% of the total outstanding principal amount of the portfolio, which is an indication of the relatively high credit quality of the obligors.

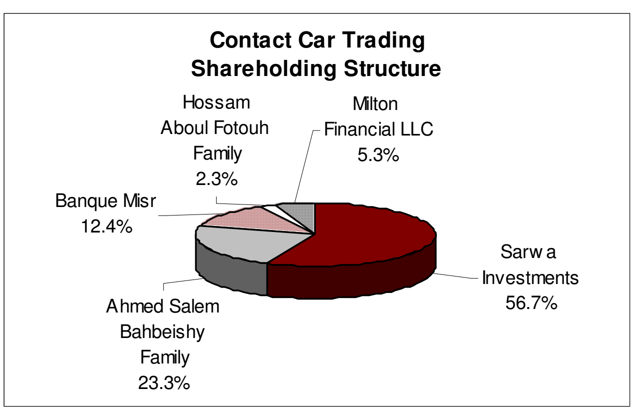
1. Contact Car Trading (CCT)

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 10% 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.

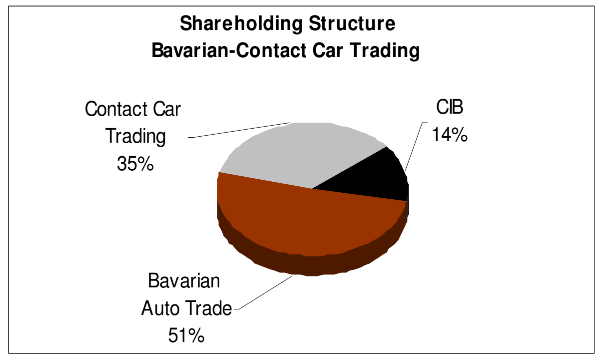
Given the careful planning and strong involvement of the management team in the execution of the ownership change, **MERIS** is of the opinion that the exit of CIB from the company will not have any impact on the day-to-day operations and strategic management of the company.

* 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 figure below. Since 2003, the Bavarian Auto Group (a consortium of Egyptian, Gulf and German investors) has had exclusive rights for assembly, importation, distribution and after-sales support for BMW Group products in Egypt.



3. Star Auto Credit (SAC)

SAC was incorporated in February 2009 to exclusively provide financial services for clients of Mercedes-Benz passenger vehicles in Egypt, purchasing vehicles from showrooms owned directly and indirectly by the National Company for Cars (NATCO), being the majority shareholder of Star Auto Credit (66.6%). The remaining 33.4% of the company is owned by Contact Car Trading.

4. Egyptian International – Contact Motor Credit LLC (EIC)

EIC was established in April 2009, as a 50/50 joint venture company between Contact Car Trading and Egyptian International Motors (EIM), the exclusive distributor for Kia and Renault passenger vehicles in Egypt. The purpose of the company is to exclusively provide financial services for clients of Kia and Renault passenger vehicles in Egypt, purchasing vehicles from showrooms owned directly or indirectly by EIM.

Upon their incorporation, all CCT subsidiaries, namely BCCT, SAC and EIC, have entered into operating agreements with Contact Car Trading, to fully manage the operations of those auto finance companies, capitalizing on its experience as the leading company in providing car finance in Egypt. Hence, all of the subsidiaries offer car financing and insurance programs for their respective brands with exactly the same terms and conditions offered by CCT as described above.

MERIS met with the management team of Contact 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. In 2009, the company's expanded its presence in the auto dealerships by establishing two new subsidiaries, authorized to provide car finance services on an exclusive basis in the showrooms owned by the official distributors for Kia, Renault and Mercedes in Egypt.

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%-60% 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 700,000 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 87.5 %), and the remaining pay by checks (11%) or credit cards (2%). 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 15,000 contracts generated up to date, there have been a total of 27 cases of repossession, in addition to 178 total loss cases (insurance coverage) and 26 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% loss 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)

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 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 CCT's report, out of a total number of 15,000 auto installment-sale contracts, there have been only 27 cases of repossession, which results in a credit default rate before recoveries of 0.18%. 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, flat, and back-loaded.
- Recovery lag: 6 months
- Prepayment rate: 15% constant annual prepayment rate. **MERIS** has received monthly prepayment data on the previous four securitizations of CCT, and has noted that historical prepayment rates have varied between 10% and 19%.
- Over collateralization: 3.4% (net of expenses), and 0.8% (EGP 4 mn) cash reserve

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	9,570,018	2%	181	3%
24	51,838,053	11%	563	10%
36	99,561,847	21%	966	17%
48	37,803,868	8%	451	8%
60	270,704,166	58%	3,558	62%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1-12	9,687,549	2%	186	3%
13-18	12,864,782	3%	191	3%
19-24	38,964,525	8%	371	6%
25-30	26,334,614	6%	355	6%
31-36	73,396,705	16%	615	11%
37-42	12,293,534	3%	165	3%
43-48	26,525,396	6%	301	5%
49-54	99,663,985	21%	1,346	24%
>=55	169,746,863	36%	2,189	38%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Original Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-600	32,166,474	7%	66	1%
200-399	99,230,701	21%	410	7%
100-199	99,547,701	21%	838	15%
50-99	187,184,599	40%	2,953	52%
<50	51,348,476	11%	1,452	25%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Current Outstanding Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-600	24,952,509	5%	47	1%
200-399	92,129,273	20%	350	6%
100-199	94,633,473	20%	696	12%
50-99	185,190,994	39%	2,699	47%
<50	72,571,703	15%	1,927	34%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=30%	3,512,651	1%	122	2%
31%-40%	8,332,473	2%	195	3%
41%-50%	41,459,763	9%	649	11%
51%-60%	62,981,359	13%	684	12%
61%-70%	92,855,931	20%	1,145	20%
71%-75%	260,335,775	55%	2,924	51%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Original Car Value (Purchase Price)				
EGP '000	Principal Outstanding	% Total	# of Contracts	# of Contracts %
600-1300	28,163,918	6%	58	1%
400-599	52,571,962	11%	192	3%
200-399	100,895,292	21%	605	11%
100-199	156,751,605	33%	2,049	36%
50-99	128,195,960	27%	2,704	47%
<50	2,899,215	1%	111	2%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Monthly Repayment Amount				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
10,000-58,000	73,800,571	16%	256	4%
5,000-9,999	87,492,873	19%	499	9%
2,000-4,999	160,349,917	34%	1,935	34%
1000-1,999	135,212,116	29%	2,597	45%
<1000	12,622,475	3%	432	8%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Governorate				
Governorate	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Cairo	193,912,261	41.3%	2,170	37.9%
Alexandria	101,529,792	21.6%	1,443	25.2%
Giza	91,521,330	19.5%	1,039	18.2%
Beheira	14,594,029	3.1%	205	3.6%
Gharbia	11,237,527	2.4%	136	2.4%
Qalyubia	8,093,891	1.7%	87	1.5%
Dakahlia	7,944,055	1.7%	114	2.0%
Red Sea	5,570,744	1.2%	70	1.2%
Sharqia	5,503,573	1.2%	80	1.4%
Damietta	4,477,799	1.0%	79	1.4%
Port Said	3,748,410	0.8%	28	0.5%
Marsa Matrouh	3,545,905	0.8%	54	0.9%
Monufia	3,466,082	0.7%	43	0.8%
Ismailia	3,245,927	0.7%	40	0.7%
Faiyum	3,098,897	0.7%	33	0.6%
Kafr El-Sheikh	2,238,571	0.5%	34	0.6%
Suez	1,464,578	0.3%	20	0.3%
Other	4,284,582	0.9%	44	0.8%
Total	**469,477,952**	**100%**	**5,719**	**100%**

Distribution by Car Make					
	Make	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1	Mercedes	83,941,167	17.9%	301	5.3%
2	Hyundai	57,452,903	12.2%	1,106	19.3%
3	BMW	42,812,056	9.1%	206	3.6%
4	Kia	35,773,437	7.6%	599	10.5%
5	Volkswagen	34,798,339	7.4%	344	6.0%
6	Chevrolet	32,899,647	7.0%	641	11.2%
7	Jeep	22,297,153	4.7%	120	2.1%
8	Toyota	20,507,663	4.4%	276	4.8%
9	Nissan	16,204,980	3.5%	260	4.5%
10	Mitsubishi	14,502,638	3.1%	202	3.5%
11	Skoda	12,987,351	2.8%	129	2.3%
12	Daihatsu	12,730,927	2.7%	157	2.7%
13	Honda	11,285,058	2.4%	139	2.4%
14	Renault	11,096,763	2.4%	222	3.9%
15	Speranza	10,187,327	2.2%	242	4.2%
16	Suzuki	6,974,220	1.5%	176	3.1%
17	Proton	6,024,105	1.3%	116	2.0%
18	Opel	4,941,642	1.1%	51	0.9%
19	Fiat	4,050,939	0.9%	81	1.4%
20	Brilliance	3,965,353	0.8%	76	1.3%
21	Ford	3,719,804	0.8%	44	0.8%
22	Komodo	3,490,085	0.7%	40	0.7%
23	Dodge	2,912,454	0.6%	15	0.3%
24	Subaru	2,127,661	0.5%	25	0.4%
25	Mini	1,664,536	0.4%	12	0.2%
26	Seat	1,524,658	0.3%	20	0.3%
27	Citroen	1,200,830	0.3%	10	0.2%
28	Lada	1,142,401	0.2%	35	0.6%
29	Peugeot	1,105,982	0.2%	14	0.2%
30	Audi	1,061,234	0.2%	8	0.1%
31	Chrysler	911,970	0.2%	4	0.1%
32	Mahindra	884,966	0.2%	10	0.2%
33	Daewoo	875,085	0.2%	20	0.3%
34	Mazda	660,283	0.1%	10	0.2%
35	SsangYong	618,116	0.1%	4	0.1%
36	Haima	72,736	0.0%	2	0.0%
37	Nasr	71,483	0.0%	2	0.0%
	Total	**469,477,952**	**100%**	**5,719**	**100%**

APPENDIX II: AUTO RECEIVABLES SECURITISATION DEALS COMPARISON

	Contact No. 5	Contact No. 4	Contact No. 3	Contact No. 2	Contact No. 1
Bond Size (EGP mn)	495	392	275	159	140
Bond Structure	Single class pass through	Single class pass through	Single class pre-determined amortization schedule	Single class pre-determined amortization schedule	Single class pre-determined amortization schedule
Coupon	10.75%	CBE deposit rate + 0.25%, with a cap of 12.25% and a floor of 10%	9.50%	10.75%	11.00%
Maturity	Oct-14	Dec-13	Dec-12	Dec-11	Dec-10
Overcollateralization at issuance *(net of expenses):	**3.4%***	**2.4%***	**4.90%***	**5.25%***	**5.87%**
Additional Credit Support:	**0.8%**	**1.53%**	**n.a.**	**n.a.**	**n.a.**
No. of Contracts	5,719	4,913	3,070	1,895	1,546
Seasoning (months)	4.4	7.6	6.5	6.1	n.a.
Avg. LTV (at origination):	67.03%	67.45%	66.7%	66.3%	n.a.
Assigned Rating:	AA	AA	AA	AA	AA
WA Interest Rate	17.09%	15.48%	15.50%	16.50%	17.50%

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