

## STRUCTURED FINANCE

## New Issue Report

### Contact Securitization Company S.A.E. (CSC) – 9<sup>th</sup> Issue 2012-2017

#### Auto Receivables/Egypt

*This report addresses the structure and characteristics of the transaction based on the information provided to MERIS by Contact Securitization Company as of November 2012. The ratings address the expected loss posed to investors by the final maturity. In MERIS opinion the structure allows for timely payment of interest and ultimate repayment of principal at par on or before the final maturity date. MERIS ratings address only the credit risk associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.*

**POOL CLOSING DATE:**  
September 30, 2012

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#### DEFINITIVE RATINGS

Class	Description	Amount (EGP mn)	% of Notes	Expected Maturity	Fixed Coupon (%)	Frequency	Rating
A	Senior	250	30.71%	Dec-13	11.92	Monthly	AA+
B	Subordinated	410	50.37%	Dec-15	12.52	Monthly	AA
C	Junior Subordinated	154	18.92%	Nov-17	13.22	Monthly	A
<b>Total</b>		<b>814</b>					

#### OPINION

This is the ninth asset-backed bond issued by Contact Securitization Company S.A.E (CSC). The bond issue is EGP 814,000,000 and is backed by 9,859 auto installment-sale contracts (EGP 905,835,868 outstanding receivable balance on the closing date of the transaction<sup>1</sup>) co-originated by Contact Auto Credit (CAC)<sup>2</sup> (52% of the principal outstanding balance), Bavarian – Contact Car Trading (BCCT) (13%), Star Auto Credit (16%), and Contact Egyptian International Motor Auto Credit (CEIM) (19%). The contracts have been written over the period between 18/11/2008 and 25/09/2012.

CSC's previous transactions are summarized in the following table:

Issue No.	Bond Tenor	Issue Size (EGP Million)	# Contracts	Bond Principal Outstanding (EGP)*
1	2005-2010	140	1,549	Called in Nov. 2008
2	2006-2011	159	1,895	Fully redeemed in 2011
3	2007-2012	275	3,070	1,145,833
4	2008-2013	392	4,913	23,192,451
5	2009-2014	495	5,719	82,262,790
6	2010-2015	470	5,554	132,853,333
7	2010-2015	420	4,796	175,916,667
8	2011-2016	350	3,763	196,064,987

\*As of Nov. 2012

Up to date, all of the above transactions are performing well, with regular payments of interest and principal.

<sup>1</sup> Net present value of the total portfolio receivables (including principal, interest and insurance) discounted at the notes' weighted average coupon rate.

<sup>2</sup> Contact Car Trading (CCT) was renamed to Contact Auto Credit (CAC) in 2010.

### 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, CAC, BCCT, Star and CEIM, under the same underwriting and servicing standards and procedures. The existing issues are performing well with reported cumulative credit default rates well below 1% and not less than 98% cumulative recovery rates as of the time of writing this report.
- 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 (i) over-collateralization in the amount of 2.1% net of expenses; (ii) subordinated servicing fees in the amount of 2.25% p.a. of the principal outstanding balance of the portfolio that will be available on a monthly basis to build up specific reserves covering delinquent contracts according to certain criteria.
- The transaction benefits from liquidity support in the form of a cash reserve account in the size of 4% of the outstanding aggregate notes' balance that is to be funded upon issuance of the notes from the first month's cash inflows; the reserve balance is to be maintained at 3.5% of the outstanding aggregate notes' balance after 6 months from the issuance date.
- 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, except for a small portion of 9% related to the sale of used cars. The pool is granular (concentrations per client less than 0.08% of the total outstanding principal pool value) and well diversified in terms of car make and geographic distribution.
- The pool has a relatively low weighted average loan-to-value ratio at origination (66.98%), which accelerates the build-up of owner's equity into the assets and hence increases the recovery potential in case of defaults.
- The securitized pool is relatively seasoned with a weighted average seasoning of 9 months (weighted average original tenor is 50 months).
- The Servicer, Contact Auto Credit (CAC), has built up a significant experience over the past 10 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 CAC 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. CIB's ability to serve as a back-up servicer of the transaction is also supported by its solid experience in servicing a large number of corporate and retail clients in Egypt.

### Weaknesses of the Transaction

- Given the relatively short track record of the securitization market in Egypt, there is still lack of sufficient consistent data across market participants 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.

- Class A notes will follow a predetermined amortization schedule. Although, the predetermined repayment schedule provides greater visibility of expected cash flows to investors, it presents extra challenges to the transaction in terms of liquidity management and prepayment risk. The liquidity risk is partially mitigated by maintaining sufficient cash reserves to ensure at all times a minimum of three months senior fees and coupon payments. Class A notes are completely insulated from prepayment risk, as the scheduled principal amortization include no prepayment expectation, with 40% of actual prepayments being passed through to Class B note holders as principal amortization, and the remaining 60% of prepayments being retained in the residual cash balance supporting Class A notes.
- No independent calculation agent for the delinquency account and the subordinated servicing fees. Partially mitigated by the performance reports to be issued by the Custodian and verified by the Auditors within a month after the actual cash disbursement date.
- Contact Auto Credit currently owns approximately 99% (direct & indirect ownership) of Contact Securitization Company. Consequently, there is a risk of consolidation of CSC into CAC 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 9<sup>th</sup> 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 814,000,000
Issuer:	Contact Securitization Company S.A.E.
Seller (s) /Originator (s):	Contact Auto Credit (CAC), Bavarian–Contact Car Trading (BCCT), Star Auto Credit (SAC), and Contact Egyptian International Motor Auto Credit (CEIM)
Servicer:	Contact Auto Credit (CAC)
Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating “B2” and Financial Strength Rating “E+” by Moody’s Investor Service)
Custodian:	CIB
Financial Adviser:	Sarwa Capital
Arrangers and Underwriters:	Arab African International Bank, National Bank of Egypt, Commercial International Bank, Bank Misr & Ahly United Bank
Structure type:	Senior Subordinated Structure, Class A – Predetermined Amortization, Class B & C - Pass-Through Amortization
Credit Support:	<ul style="list-style-type: none"><li>• 2.1% over collateralization (net of expenses)</li><li>• Subordinated Servicing Fee in the amount of 2.25% p.a. (0.19% monthly) of the outstanding principal portfolio balance available on a monthly basis to build up specific reserves against delinquent contracts as per certain criteria</li></ul>

**COLLATERAL SUMMARY (see page 8 for more details)**

Receivables:	Car installment-sale contracts.
Initial Pool Balance (NPV):	EGP 905,835,868
Number of Contracts:	9,859 fully amortizing contracts
Type of Vehicles:	91% new vehicles, 9% used
Make of Vehicles*:	Mercedes: 15.9%, Kia 13.6%, Hyundai: 13.0%, BMW: 12.8%, Chevrolet: 7.6%, Jeep: 5.5%, Renault: 5.0%, Skoda: 4.2%, Other non-luxury: 16.5%, Other luxury: 5.8%
Geographic Diversity*:	Greater Cairo: 56.8%, Alexandria: 22.2%, Other: 20.9%
WA Seasoning:	9 months
WA Remaining Maturity:	41 months
WA LTV (at origination):	66.98%

\* Percentage calculated is based on the outstanding principal balance.

**CREDIT SUPPORT**

Class	Subordination	Over collateralization	Other
A	69.3%		Subordinated Servicing Fee: 2.25%p.a. of the outstanding principal portfolio balance available on a monthly basis
B	18.9%	2.1%	
C	None		

## TRANSACTION SUMMARY

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This is the ninth repeat transaction of auto receivables securitization by the same issuer, Contact Securitization Company. Like all previous issues, 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 current issue, however, similar to the preceding one, includes a small portion of 9% related to used car installment-sale contracts. The installment-sale contracts have been co-originated by CAC, BCCT, Star Auto Credit and Contact EIM Auto Credit. It is worth noting, that all four originators are managed by CAC and apply exactly the same underwriting policies and criteria. 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 three classes of notes with different maturities suited to the needs of various investors. The notes' aggregate amount equals the net present value of the portfolio (the NPV of the portfolio is calculated by using the notes' weighted average coupon rate as the discount rate, leaving the transaction with zero excess spread) less the over-collateralization. The notes will be paying a monthly fixed coupon of 11.92%, 12.52% and 13.22% p.a. in order of seniority. They will be callable starting from the 15 month. Unlike the 6<sup>th</sup> and 7<sup>th</sup> Issues, and similar to the eighth issue, the current notes will follow a pass-through amortization structure, except for class A notes, which will have a pre-determined amortization schedule.

**MERIS** notes that while having a predetermined repayment schedule provides investors with greater visibility of cash flows, it presents additional challenges to the transaction in terms of liquidity management and prepayment risk. The liquidity risk will be partially mitigated by maintaining at all times a cash reserve account that is sufficient to cover at all times a minimum of three months of senior fees and coupon payments. The installment-sale contracts include certain features such as prepayment penalty or various prepayment restrictions that in effect try to limit the impact of prepayments on the transaction cash flows. It is worth noting that class A notes are completely insulated from prepayment risk, as the principal amortization schedule assumes no prepayments, with 40% of actual prepayments being passed through to the Class B note holders as principal payments, and the remaining 60% being retained within the residual cash balance to provide liquidity support to Class A notes. The notes benefit from an internal credit enhancement in the form of (i) over-collateralization of 2.1% net of expenses, and (ii) additional credit support coming from the subordination of 90% of the servicing fee, or 2.25%p.a. of the monthly principal outstanding value of the portfolio, which will be available on a monthly basis to build specific reserves covering delinquent contracts.

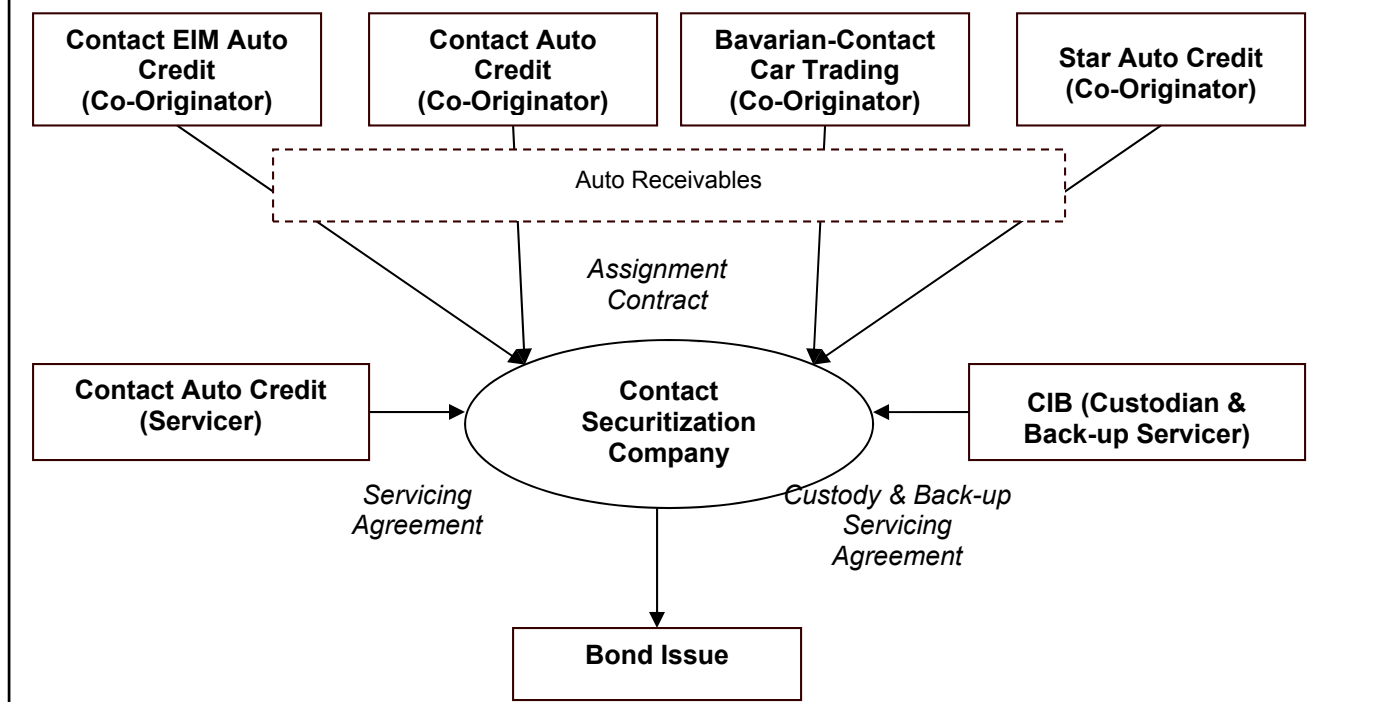
On the closing date, CAC will entrust a pool of auto receivables to the Custodian. The pool is non-revolving (static) and amortizing. It is entirely composed of new (91%) and used (9%) passenger vehicles installment-sale contracts generated over the past three years. It is worth noting that for the most part collections on the pool will by-pass the Servicer (CAC) and be credited directly to the accounts of Issuer (CSC), thus effectively mitigating the risk of commingling the transaction's funds with the Servicer's own funds. With regards to occasional cash collections, the Servicer will undertake a commitment to deposit them within a day to the accounts of the Issuer. Direct debit payments account for approximately 85% of the pool, credit card authorizations – for 1%, whereas the rest of the monthly payments represent cheque collections.

## STRUCTURAL AND LEGAL ASPECTS

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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 15/11/2012) 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 Capital Market Law 95/92 and its directives.

### Collections, Commingling Risk and Separateness of Accounts

According to the Servicing Agreement (between CSC and CAC, signed on 15/11/2012) and the Custody Agreement (between CSC and CIB, signed on 15/11/2012), the collections of the monthly installments related to each of the 9,859 individual auto installment-sale contracts in the pool will bypass for the most part the accounts of the Servicer and will be credited directly to the accounts of the Issuer (CSC) with CIB or Ahli United Bank. The funds will then be transferred to the Issuer's account with the Custodian for the benefit of the bondholders. The majority of the installments (85%) are collected through direct debit of the borrowers' accounts with CIB or Ahli United Bank, which facilitates the collection process. The remaining is paid by cheques (14%) or deducted directly from credit cards (1%). Any occasional cash collections by the Servicer will have to be deposited within a day in the accounts of the Issuer. **MERIS** believes that the by-pass collection mechanism, whereby direct debit and cheque collections are credited directly to the accounts of the Issuer, along with the daily sweep mechanism for any cash collections by the Servicer itself, mitigate the risk of commingling the 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 Capital Market Law 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 coupons related to the three classes of notes, and the remaining cash will be applied towards replenishing the reserve account and principal amortization of the notes in accordance with the specified cash waterfall.

The legal advisor of the transaction provided a legal opinion regarding the clarification of the clauses in the Capital Market 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 securitization transactions by the same Issuer. The opinion provided is consistent with the rating assigned to the notes, 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:

<b>Shareholders</b>	<b># of Shares</b>	<b>EGP</b>	<b>% Ownership</b>
Egyptian International Co. for Trade & Investments L.L.C	40,500	4,050,000	81%
Contact Auto Credit S.A.E	9,000	900,000	18%
Bavarian Contact Car Trading S.A.E	500	50,000	1%
<b>Total</b>	<b>50,000</b>	<b>5,000,000</b>	<b>100%</b>

CAC 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 Capital Market Law 95/1992.

**Credit Enhancements:**

- 1) Over-collateralization:** The assets backing the securities amount to EGP 905,835,868, 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 weighted average coupon rate. The assets will be purchased at a discount of 10% by the Issuer, creating an over collateralization of EGP 92 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 servicing fees and insurance premiums, as well as other fees and expenses, with an estimated NPV of EGP 74.5 million (expenses are modeled at 0% default and 0% prepayment). Thus, the transaction is left with only 2.1% of over collateralization net of expenses that could be used to provide pure credit support.
- 2) Servicing Fee Subordination:** 90% of the servicing fee, or 2.25% p.a. of the monthly outstanding principal portfolio balance, will be available on a monthly basis to build up specific reserves covering net cumulative losses. The net cumulative losses will be covered by setting aside the necessary amount against the available subordinated servicing fee in a special "Delinquency" account. The unused portion of the servicing fees will be paid to the Servicer on a monthly basis, after settlement of all senior fees and expenses, coupon and principal payments due, as well as the cash reserve account according to the cash waterfall below. Any recovered amounts by the Servicer related to the previously provisioned delinquent contracts will be reimbursed to the Servicer in the same month, provided that the net cumulative losses are fully covered. Net cumulative losses in this transaction represent the sum of the following:
  - A) During the first two years after issuance:**
    - (i) 100% of the value of any installments that are delinquent for more than 180 days;
    - (ii) 20% of the outstanding loan principal of contracts that are delinquent for more than 180 days but less than 270 days (except for cases of total asset loss or obligor death, which are covered by insurance);
    - (iii) 50% of the outstanding loan principal of contracts that are delinquent for more than 270 days but less than 360 days (except for cases of total asset loss or obligor death, which are covered by insurance);
    - (iv) 100% of the outstanding loan principal of contracts that are delinquent for more than 360 days (except for cases of total asset loss or obligor death, which are covered by insurance);
  - B) Starting from the third year:**
    - (v) In case the delinquency ratio (total uncollected installments over 120days/total due installments) exceeds 1.5%, 100% of the outstanding loan principal of contracts that are delinquent for more than 120 days (except for cases of total asset loss or obligor death, which are covered by insurance) or EGP 4 million, whichever is higher;
    - (vi) In case the delinquency ratio is less than 1.5%, 100% of the outstanding loan principal of contracts that are delinquent for more than 120 days (except for cases of total asset loss or obligor death, which are covered by insurance). Recoveries will be passed on to the Servicer only in case the net cumulative losses are fully covered. Otherwise, recoveries will be trapped in the Delinquency account until the full amount of required reserves is built.

### **Liquidity Support:**

The transaction benefits from a cash reserve account in the initial size of 4% of the outstanding aggregate notes balance that is to be funded from the first month cash collections. The cash reserve will be adjusted on a monthly basis. After 6 months from the issuance date, it will be reduced and maintained at 3.5% of the outstanding notes' balance. The cash reserve is sized to provide liquidity support to the transaction roughly covering at least three months of senior fees and coupon payments at any given month.

### **Priority of Payments**

Allocation of the collections from the securitized contracts will be applied in the following order of priority:

1. Senior transaction fees and expenses, such as servicing (0.25%p.a. of the outstanding portfolio principal balance, payable monthly), custody, listing, rating, insurance, advertising fees, etc.
2. Coupon of class A notes
3. Coupon of class B notes
4. Coupon of class C notes
5. Cash Reserve Account representing 4% of the outstanding aggregate notes' balance at the beginning of each month for the first 6 months since issuance date, and to be maintained at 3.5% of the outstanding aggregate notes' balance at the beginning of each month thereafter. The balance of this account is to be adjusted on a monthly basis.
6. Principal amortization of the most senior outstanding tranche, whereby Class A will follow a predetermined amortization schedule, and Class B & C - a pass through amortization schedule, in which the amount of principal amortization in any given month will equal the previous month's residual cash balance plus the current month cash inflows less the amounts under (1), (2), (3), (4), (5), (7) and (8).
7. Any prepayments during the lifetime of Class A will be passed at 40% on to class B notes as principal amortization, while the remaining 60% will be retained in the residual cash balance.
8. The residual cash balance will be used to pay the subordinated servicing fee (2.25%p.a. of the portfolio outstanding principal balance, payable monthly after the closing date) after deducting any net cumulative losses in the respective month. Cumulative net losses represent the following:
  - A) During the first two years after issuance:**
    - (i) 100% of the value of any installments that are delinquent for more than 180 days;
    - (ii) 20% of the outstanding loan principal of contracts that are delinquent for more than 180 days but less than 270 days (except for cases of total asset loss or obligor death, which are covered by insurance);
    - (iii) 50% of the outstanding loan principal of contracts that are delinquent for more than 270 days but less than 360 days (except for cases of total asset loss or obligor death, which are covered by insurance);
    - (iv) 100% of the outstanding loan principal of contracts that are delinquent for more than 360 days (except for cases of total asset loss or obligor death, which are covered by insurance);
  - B) Starting from the third year:**
    - (v) In case the delinquency ratio (total uncollected installments over 120days/total due installments) exceeds 1.5%, 100% of the outstanding loan principal of contracts that are delinquent for more than 120 days (except for cases of total asset loss or obligor death, which are covered by insurance) or EGP 4 million, whichever is higher;
    - (vi) In case the delinquency ratio is less than 1.5%, 100% of the outstanding loan principal of contracts that are delinquent for more than 120 days (except for cases of total asset loss or obligor death, which are covered by insurance).

In case the cumulative net losses exceed the amount of subordinated servicing fees available in the current month, the remaining amount will be carried forward and deducted from the subsequent months' subordinated servicing fees until losses are fully covered. Any recovered amounts by the Servicer related to the previously provisioned delinquent contracts will be reimbursed to the Servicer in the same month, provided the net cumulative losses are fully provisioned.

Given the sequential senior subordinated structure of the transaction, Class B note holders will only start receiving principal repayments after the full amortization of Class A notes (no later than 13 months after the transaction close), except for any prepayments received during the lifetime of Class A notes. Similarly, Class C note holders, being subordinated to Class B notes, will only start receiving principal repayments after the full redemption of Class B notes, which is to be no later than 37 months after the transaction closing date. Class C note holders are to be fully repaid within 60 months from the notes' issuance date.



## COLLATERAL (See Appendix I for more details)

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The portfolio consists of auto receivables in an amount equal to EGP 905,835,868 arising under car installment-sale contracts co-originated by Contact Auto Credit (CAC) (52% of the principal outstanding balance), Bavarian – Contact Car Trading (BCCT) (13%), Star Auto Credit (16%), and Contact Egyptian International Motor Auto Credit (CEIM) (19%). The contracts are concluded with retail clients domiciled in Egypt to finance the purchase of brand new (91%) and used (9%) passenger vehicles.

Similar to the eighth issue, the current securitization pool includes a small portion of used cars sales installment contracts, under the Originator's recently launched used car program. The minimum downpayment is 20% or 30% depending on the car make. The used cars eligible for refinancing also have to meet certain criteria in terms of mileage (max. 65,000-85,000km) and maximum age at the date of application (3-5 years) and by the end of the contract date (7-9 years). The maximum available tenor is still 60 months, provided that the car does not exceed the maximum age by the end of the contract date.

The maximum original maturity of the all contracts in the securitization pool is 60 months and the weighted average original maturity is 50 months. The weighted average remaining term to maturity is 41 months. Thus, the weighted average seasoning of the initial portfolio is 9 months.

The number of contracts included in the portfolio is 9,859. The largest obligor in the pool accounts for only 0.08% of the total portfolio amount, given the company's single obligor limit of maximum 3 contracts and EGP 700,000 of principal outstanding. The single obligor exposure is calculated on a consolidated basis for Contact Auto Credit and its subsidiaries.

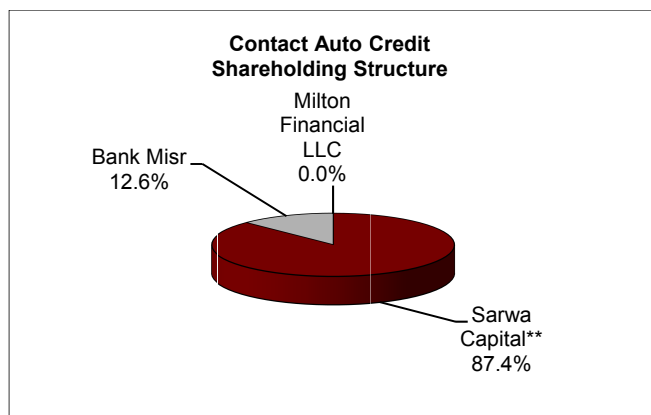
The portfolio is well diversified in terms of car make including a total of 35 different brands. The top 5 brands account for 63% of the total principal outstanding of the pool, the top 10 – for a total of 84.5%, whereas the remaining 15.5% consist of less popular brands with concentrations below 2.5%. As different car brands exhibit different rates of depreciations, a diversified pool is more likely to experience stable depreciation rate and successful 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 40% of the total outstanding principal amount of the portfolio, which is an indication of the relatively high credit quality of the obligors.

The securitized receivables bear a fixed interest rate, and the weighted average yield is 17.97% p.a. The obligors are geographically spread across Egypt; however, significant concentrations exist around the Greater Cairo area (approx. 57% of the total principal outstanding), followed by Alexandria (22%).

### 1. Contact Auto Credit (CAC)

Incorporated in 2001, CAC, initially under the name of Contact Car Trading, is a private joint stock company. CAC has built itself into a leading auto financing company in Egypt. The company offers auto finance products to private customers, and currently accounts for 5.8% of the total 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 Auto Credit 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.

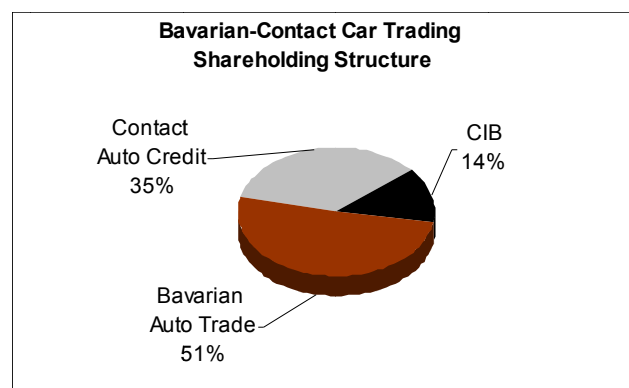


\* Amwal Khaleej was founded in late 2004 as a regional private investment firm that sources, structures, and acts as investor in strategic minority equity investments, private placements, privatizations, and buy-outs in the Middle-East / North-Africa (MENA) region.

\*\*Sarwa Capital is owned by Sarwa Investments (48.3%), Bahbshy Family (19.81%), Milton Financial LLC (30.0%), and Aboul Fotouh Family (1.98%).

### 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 Auto Credit.

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

EIC was established in April 2009, as a 50/50 joint venture company between Contact Auto Credit 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 CAC subsidiaries, namely BCCT, SAC and EIC, have entered into operating agreements with Contact Auto Credit, 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 CAC as described below.

**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 CAC. **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 a branch in Zamalek, as well as two remote branches, one in Alexandria and one in Mansoura. Other areas outside of Cairo are covered through floating sales teams visiting the major auto dealerships. The sales team includes 38 sales people, organized in 5 teams, covering 4 different geographic areas and the call center. Approximately 85% of the business origination comes through the auto dealerships. CAC 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. CAC 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 the Credit Risk Head and the Head of the Investigation Department. In case of a disagreement between the two, the final credit decision goes to the Managing Director. Approximately 15% of prospect clients get rejected at the initial screening by the sales people, before the application enters the credit cycle. Another 25% of all initially filtered applications are further rejected during the credit process, indicating the company's tight scrutiny and strict approval procedures. The standard approval process takes between 3 and 5 working 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 60;
- Any car makes are eligible for refinance except Chinese made cars (with the exception of Great Wall, Brilliance and Speranza, but the minimum down payment required is at least 30% instead of 25%);
- The minimum down payment is 25%, except for certain used cars where it can go down to 20%.

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 15<sup>th</sup> and the 30<sup>th</sup> day of the month. The majority of the customers pay by direct debit order with CIB and AUBE (currently 85%), and the remaining pay by checks (14%) or credit cards (1%). It is noteworthy that CAC exerted extraordinary efforts to avoid any disruption in the monthly collection cycle during the temporary shutdown of the banks in Egypt in the early days of the January 2011 Revolution. It managed to obtain exceptional approval from certain branches of CIB and AUBE and as a result was able to achieve around 60% collection rate in the first 5 days after January 30, 2011. The company has subsequently stepped up its collection efforts in an attempt to bring its efficiency levels back to the historical ones. According to a recently signed arrangement, monthly collections will be credited directly to the accounts of the Issuer (CSC) with CIB and AUBE, circumventing the accounts of the Servicer. Any occasional cash payments made by the clients at the premises of the

Servicer will be deposited immediately (maximum next day) with the accounts of the Issuer at the aforementioned banks. Approximately 90% 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, and in case of no settlement to sell it. Repossessed cars are sold directly, relying on CAC'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 45,516 contracts generated by the company up to date, there have been a total of 266 cases of repossession (credit default), in addition to 646 total loss cases (insurance coverage) and 130 cases of obligor's death (life insurance coverage). Recoveries in case of credit default have been sufficient to cover at least 98% of the loan outstanding value, and the time frame for repossessing and selling the cars in the secondary market has been within the range of two to eight weeks.

The servicing agreement signed between CSC and CAC 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 CAC as a Servicer, its strict follow-up and monitoring guidelines, as well as the IT & management information systems currently in place, **MERIS** believes that CAC is capable of adequately servicing the receivables in this pool. The collection activities for all four originators are performed by CAC.

## **CUSTODIAN AND BACK-UP SERVICER**

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### **CIB (rated by Moody's at B2 domestic currency deposit rating and E+ Financial Strength Rating on a global scale, November 2012)**

CIB was founded in 1975 as a joint venture bank by the state-controlled National Bank of Egypt (NBE) and the Chase Manhattan Bank. 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.

Currently the single largest shareholder of CIB is Actis, a private equity firm with over 60 years of investment experience in emerging markets and a vast knowledge of consumer banking (Strategic Investor) with a 9.3% stake. Approximately 87% of the shares are free float, and the balance is held by local institutional investors.

CIB is one of the leading financial services conglomerate in Egypt. The Bank is a medium-sized player with an approximate 7% 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 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

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### 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 CAC's report, cumulative credit default rates up to date on the outstanding securitization transactions have been below 1%. Historic recoveries have been always sufficient to cover at least 90% 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 (6%), 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: **MERIS** has received monthly prepayment data on the previous securitizations of CAC, and has noted that historical average prepayment rates have varied between 3.3% and 20.1%. **MERIS** has tested the transaction using various prepayment rates between 0% and 20%;
- Credit Support: Over collateralization of 2.1% (net of expenses), in addition to the subordination of servicing fee of 2.25%p.a. of the monthly portfolio principal outstanding balance.

**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

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**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	19,892,542	2%	236	2%
24	80,009,344	10%	1,014	10%
36	148,341,363	18%	1,727	18%
48	83,427,662	10%	965	10%
60	477,825,709	59%	5,917	60%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Seasoning				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=2	121,329,428	15%	1,185	12%
3-4	104,870,690	13%	1,122	11%
5-6	112,998,316	14%	1,188	12%
>7	470,298,186	58%	6,364	65%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1-12	42,047,980	5%	658	7%
13-24	106,168,977	13%	1,348	14%
25-36	136,594,759	17%	1,533	16%
37-48	227,857,832	28%	2,984	30%
49-60	296,827,072	37%	3,336	34%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Original Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-700	60,144,544	7%	154	2%
200-399	188,796,803	23%	883	9%
100-199	202,579,049	25%	1,845	19%
50-99	298,100,575	37%	5,051	51%
<50	59,875,649	7%	1,926	20%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Current Outstanding Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
400-685	31,811,771	4%	66	1%
200-399	153,514,030	19%	575	6%
100-199	198,259,089	24%	1,431	15%
50-99	300,372,949	37%	4,293	44%
<50	125,538,781	16%	3,494	35%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>



## APPENDIX I: POOL DATA - CONTINUED

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=30%	6,295,975	1%	202	2%
31%-40%	18,925,486	2%	434	4%
41%-50%	72,495,456	9%	1,176	12%
51%-60%	90,924,077	11%	1,288	13%
61%-70%	170,658,396	21%	2,091	21%
71%-75%	426,723,793	53%	4,547	46%
76%-80%	23,473,438	3%	121	1%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Original Car Value (Purchase Price)				
EGP '000	Principal Outstanding	% Total	# of Contracts	# of Contracts %
600-1242	48,683,113	6%	128	1%
400-599	112,233,617	14%	474	5%
200-399	189,907,142	23%	1,282	13%
100-199	303,268,571	37%	4,243	43%
50-99	151,165,675	19%	3,554	36%
<50	4,238,502	1%	178	2%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Monthly Installment Amount				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
10,000-51,611	123,649,173	15%	492	5%
5,000-9,999	177,218,833	22%	1,061	11%
2,000-4,999	307,482,641	38%	3,772	38%
1000-1,999	184,485,384	23%	3,895	40%
<1000	16,660,589	2%	639	6%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Product Type				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Economy	348,137,193	43%	3,762	38%
Flexible	301,528,877	37%	4,300	44%
Standard	44,898,798	6%	716	7%
Islamic	41,999,289	5%	456	5%
Used	72,932,463	9%	625	6%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Originator				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Contact	423,592,261	52%	6,290	64%
C-EIM	151,080,005	19%	2,445	25%
Star	128,470,519	16%	641	7%
BCCT	106,353,835	13%	483	5%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

## APPENDIX I: POOL DATA - CONTINUED

Distribution by Payment Method				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Direct Debit	688,944,045	85%	8,919	90%
Checks	112,355,392	14%	829	8%
Credit Card	8,197,183	1%	111	1%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

Distribution by Car Make					
	Make	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1	Mercedes	128,470,519	15.9%	641	6.5%
2	Kia	110,318,763	13.6%	1,634	16.6%
3	Hyundai	105,053,252	13.0%	1,820	18.5%
4	BMW	103,928,667	12.8%	466	4.7%
5	Chevrolet	61,708,874	7.6%	1,268	12.9%
6	Jeep	44,713,935	5.5%	272	2.8%
7	Renault	40,761,242	5.0%	811	8.2%
8	Skoda	34,210,451	4.2%	355	3.6%
9	Nissan	28,111,957	3.5%	441	4.5%
10	Volkswagen	26,609,430	3.3%	243	2.5%
11	Speranza	20,582,789	2.5%	536	5.4%
12	Toyota	17,784,768	2.2%	184	1.9%
13	Mitsubishi	11,135,764	1.4%	168	1.7%
14	Daihatsu	9,322,191	1.2%	127	1.3%
15	Peugeot	8,191,607	1.0%	88	0.9%
16	Volvo	7,542,231	0.9%	41	0.4%
17	Dodge	6,637,457	0.8%	36	0.4%
18	Proton	5,796,657	0.7%	119	1.2%
19	Audi	5,221,280	0.6%	24	0.2%
20	Suzuki	4,325,348	0.5%	169	1.7%
21	Ford	3,889,320	0.5%	41	0.4%
22	Opel	3,634,068	0.4%	43	0.4%
23	Honda	3,478,833	0.4%	51	0.5%
24	Fiat	2,702,636	0.3%	51	0.5%
25	Mini	2,425,168	0.3%	17	0.2%
26	Lada	2,276,390	0.3%	81	0.8%
27	Citroen	1,965,152	0.2%	19	0.2%
28	Brilliance	1,771,552	0.2%	36	0.4%
29	Seat	1,674,927	0.2%	20	0.2%
30	Subaru	1,591,412	0.2%	16	0.2%
31	Mazda	1,372,138	0.2%	19	0.2%
32	Land Rover	710,303	0.1%	2	0.0%
33	Chrysler	704,232	0.1%	2	0.0%
34	Mahindra	598,631	0.1%	12	0.1%
35	Great Wall	274,676	0.0%	6	0.1%
	Total	809,496,620	100%	9,859	100%

## APPENDIX I: POOL DATA - CONTINUED

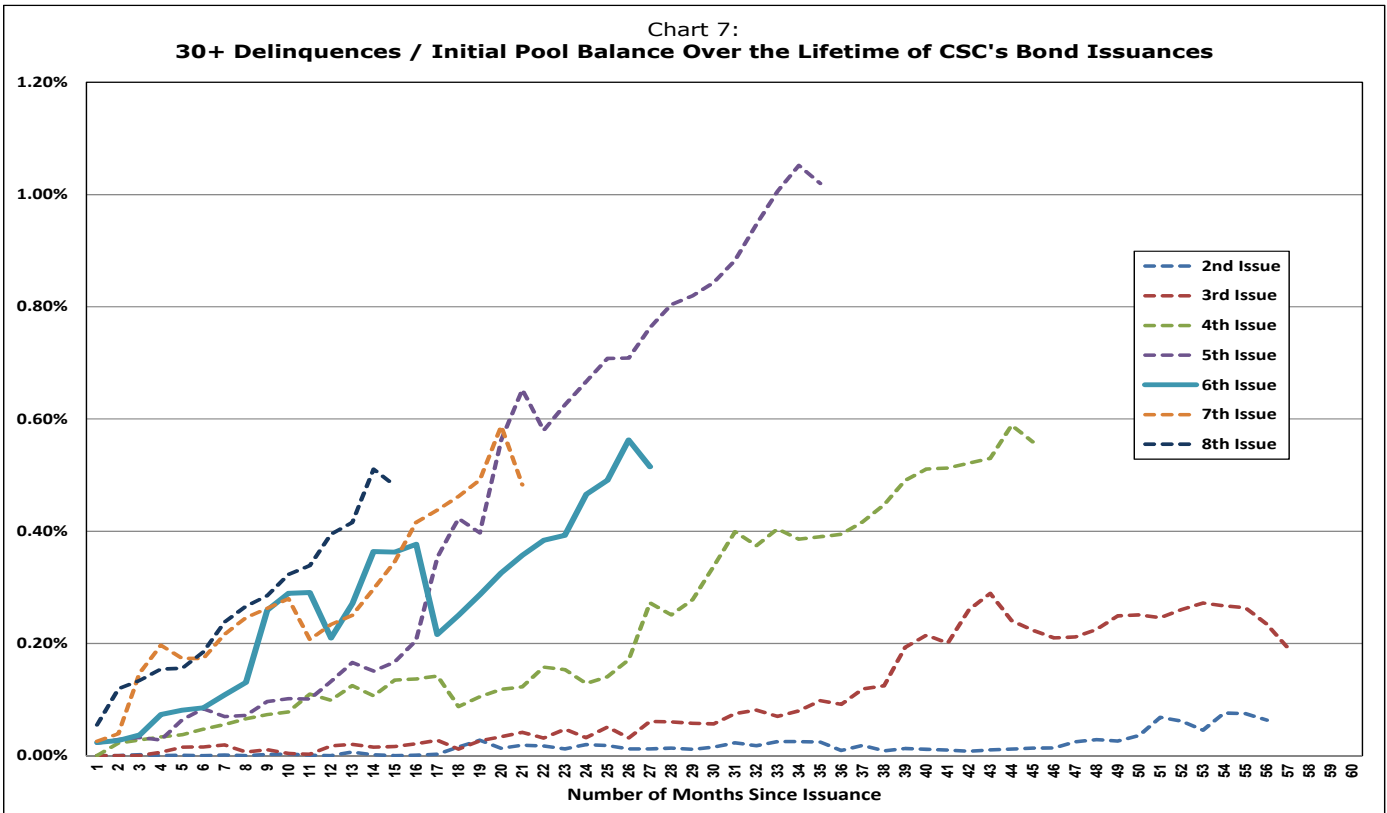
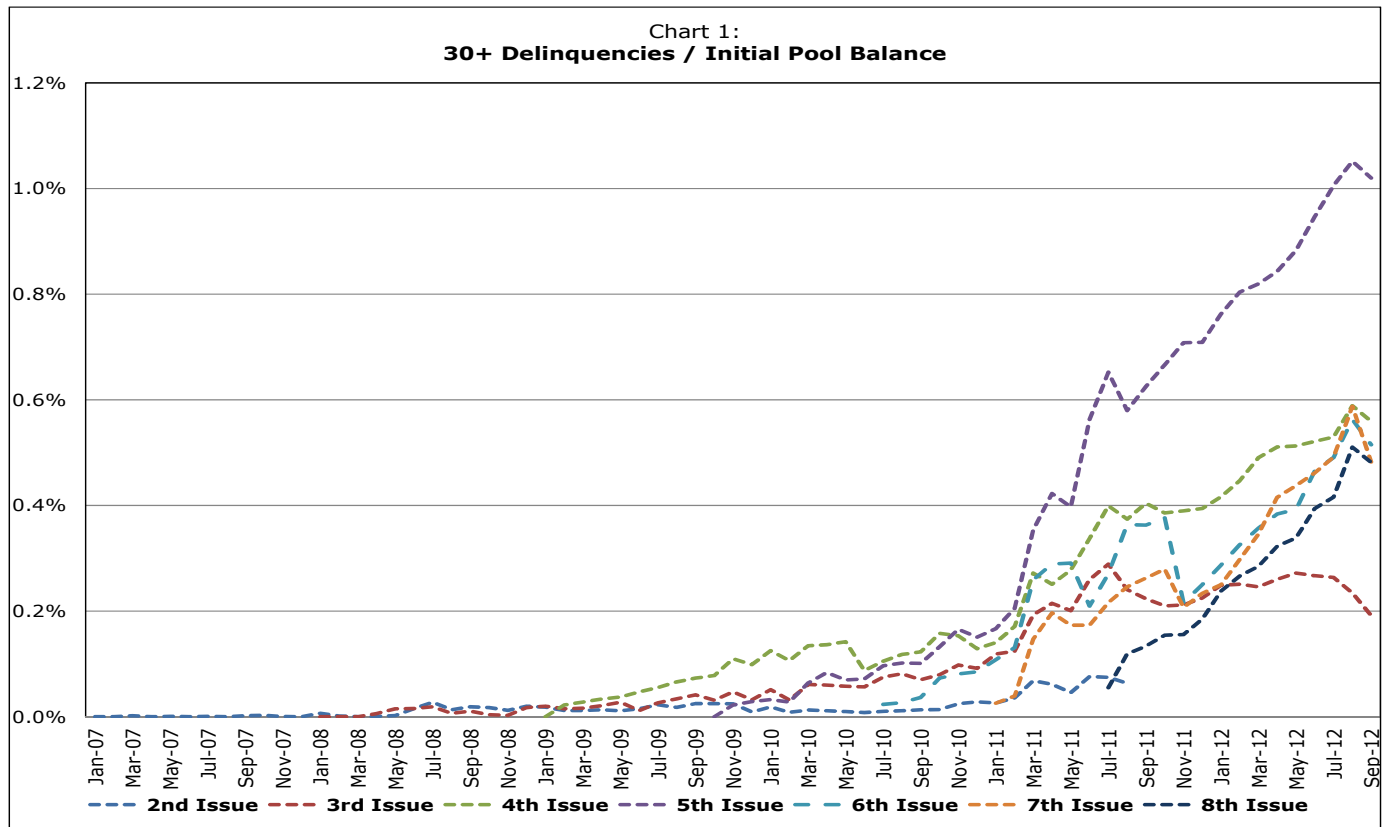
Distribution by Governorate				
Governorate	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Cairo	304,613,753	37.6%	3,124	31.7%
Alexandria	179,654,241	22.2%	2,642	26.8%
Giza	146,319,931	18.1%	1,586	16.1%
Gharbia	31,989,819	4.0%	422	4.3%
Dakahlia	23,185,236	2.9%	325	3.3%
Red Sea	21,766,513	2.7%	313	3.2%
Beheira	19,223,528	2.4%	320	3.2%
Ismailia	13,244,630	1.6%	193	2.0%
Monufia	12,774,577	1.6%	170	1.7%
Sharqia	10,918,306	1.3%	158	1.6%
Damietta	10,491,045	1.3%	141	1.4%
Qalyubia	9,083,737	1.1%	117	1.2%
Port Said	6,849,681	0.8%	77	0.8%
Kafr El-Sheikh	6,228,574	0.8%	89	0.9%
Marsa Matrouh	4,960,535	0.6%	81	0.8%
Suez	3,023,894	0.4%	38	0.4%
Faiyum	1,862,907	0.2%	28	0.3%
South Sinai	809,925	0.1%	9	0.1%
6th October	783,155	0.1%	9	0.1%
Beni Suef	455,451	0.1%	4	0.0%
Qena	255,596	0.0%	1	0.0%
Sharm El Sheikh	216,158	0.0%	3	0.0%
Sohag	198,818	0.0%	1	0.0%
Other	586,611	0.1%	8	0.1%
<b>Total</b>	<b>809,496,620</b>	<b>100%</b>	<b>9,859</b>	<b>100%</b>

## APPENDIX II: AUTO RECEIVABLES SECURITISATION DEALS COMPARISON

	9 <sup>th</sup> Issue (2012-2017)	8 <sup>th</sup> Issue (2011-2016)	7 <sup>th</sup> Issue (2010-2015)	6 <sup>th</sup> Issue (2010-2015)	5 <sup>th</sup> Issue (2009-2014)	4 <sup>th</sup> Issue (2008-2013)
<b>Bond Size (EGP mn)</b>	814	350	420	470	495	392
<b>Bond Structure</b>	Senior Subordinated Multiple class; Class A Predetermined Amortization; Class B & C - Pass through	Senior Subordinated Multiple class; Class A Predetermined Amortization; Class B & C - Pass through	Senior Subordinated Multiple class; Pre-determined Amortization	Senior Subordinated Multiple class; Pre-determined Amortization	Single class pass through	Single class pass through
<b>Coupon</b>	Class A: 11.92% Class B: 12.52% Class C: 13.22%	Class A: 11.00% Class B: 11.375% Class C: 11.75%	Class A: 9.00% Class B: 10.25% Class C: 11.00%	Class A: 9.375% Class B: 10.25% Class C: 10.75%	10.75%	CBE deposit rate + 0.25%, with a cap of 12.25% and a floor of 10%
<b>Maturity</b>	Class A: Dec-13 Class B: Dec-15 Class C: Nov-17	Class A: July-12 Class B: Jul-14 Class C: Jul-16	Class A: Jan-12 Class B: Jan-14 Class C: Dec-15	Class A: July-11 Class B: July-13 Class C: June-15	Oct-14	Dec-13
<b>O/C at issuance *(net of expenses):</b>	2.1%*	1.6%*	3.2%*	3.0%*	3.4%*	2.4%*
<b>Additional Credit Support:</b>	<b>Servicing Fee Subordination**</b>	<b>Cash Reserve of EGP 3mn &amp; Servicing Fee Subordination**</b>	<b>Servicing Fee Subordination**</b>	1.5%	0.8%	1.53%
<b>No. of Contracts</b>	9,859	3,763	4,796	5,554	5,719	4,913
<b>Seasoning (months)</b>	8.7	3.7	3.7	4.1	4.4	7.6
<b>WA LTV (at origination):</b>	66.98%	67.14%	66.56%	66.35%	67.03%	67.45%
<b>Assigned Rating:</b>	Class A: AA+ Class B: AA Class C: A	Class A: AA+ Class B: AA Class C: A	Class A: AA+ Class B: AA Class C: A	Class A: AA+ Class B: AA Class C: A	AA	AA
<b>WA Interest Rate</b>	17.97%	16.74%	16.73%	16.64%	17.09%	15.48%

\*\*Additional credit support will be available on a monthly basis in the amount of 2.25% p.a. (0.19% per month) of the outstanding principal balance of the securitized portfolio of receivables, which represents performance-based servicing fees. The unused portion of the 0.19% monthly servicing fee will be paid to the Servicer on a monthly basis after settlement of all senior payments in the waterfall.

## APPENDIX III: PERFORMANCE OF CONTACT SECURITIZATION TRANSACTIONS



## APPENDIX IV: National Rating Scale

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

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