

STRUCTURED FINANCE

Performance Overview

Sarwa Securitization Company S.A.E. – 11th Issue 2014-2019 (Real Estate Receivables Pool Originated by Amer Group Companies)

Real Estate Receivables/Egypt

DEFINITIVE RATINGS

Class	Amount (EGP mn)	% of Notes	Expected Maturity	Fixed Coupon (%)	Coupon Frequency	Initial Rating	Current Rating
A	23.6	22.14%	Jan-16	10.23%	Quarterly	AA+ (sf)	AA+ (sf)
B	83	77.86%	Feb-19	11.53%	Monthly*	A (sf)	A (sf)
Total	106.6						

*Coupon of Class B notes will be paid quarterly during the first 13 months and monthly thereafter.

**As of 31/12/2015.

POOL CLOSING DATE:

October 1, 2014

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OPINION

This is the 11th asset-backed bond issued by Sarwa Securitization Company S.A.E. (SSC) and the first securitization of real estate receivables in the Egyptian market originated by Amer Group, one of the leading real estate developers in Egypt. The pool of receivables has been originated by three companies, Delmar Tourism Development, Delmar Real Estate, and Tropi 2, which are all part of AMER group of companies. At origination the bond issue was EGP 201,000,000 and was backed by 484 installment-sale contracts related to 390 residential and 94 commercial units located in one of four projects owned by AMER Group – Porto Soukhna, Porto Marina, Golf Marina and Porto Cairo Mall. The contracts have been written over the period between March 2009 and December 2013 and as of the issuance date all the properties are fully constructed and delivered to the buyers.

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

To date the coupon and principal of the bond have been paid according to schedule. The bond issue is amortizing on a quarterly basis and currently stands at EGP 106,600,000, equivalent to 47.0% redemption of the original balance. Given the senior-subordinated structure of the bond, the principal amortization has been directed to class A notes, which currently stand at EGP 23,600,000, or 20.0% of the original balance. The asset pool backing the issue has been amortized at 71.3%, and currently equals EGP 66,761,041.

The above difference in principal outstanding between the bond and the asset pool is covered by the internal and external credit enhancements available to the transaction. The transaction benefits from credit enhancement in the form of overcollateralization net of expenses in the size of 8.2% of the bond size. Thus calculated, the overcollateralization takes into account the net present value of the future cash flows excluding delinquent installments, the residual cash with the Custodian in the amount of EGP 45,041,326, the amounts collected and not transferred yet in the size of EGP 1,240,211, as well as the Liquidity Reserve Account in the amount of EGP 11,163,356. In addition the transaction benefits from an external credit enhancement in the form of a Default Reserve Account amounting to EGP 22,110,000, which represents 20.7% of the outstanding bond balance.

In terms of liquidity, the transaction currently has sufficient accumulated cash reserves to cover at least 6 months of scheduled payments under the bond. **MERIS** has performed various stress case scenarios and believes that the current ratings are commensurate with the risks associated with the bond.

MERIS has been also monitoring on a monthly basis the default and delinquency rates under the transaction. Delinquencies above 30 days have been oscillating between 0.1% and 1.2% of the initial portfolio balance. As of 31/12/2015 there were 12 clients with overdue rentals above 30 days in the total size of EGP 1.3 million or 0.55% of the initial pool balance. The total outstanding rental installments related to these clients equals EGP 4.4 million or 6.8% of the outstanding pool balance. The servicer of the transaction is working diligently with all the lessees to collect the overdue rentals.

Given the amortization of the bond and the credit enhancement currently available to the transaction, **MERIS** affirms the initially assigned ratings to the notes.

CREDIT SUPPORT

Class	Subordination	Over collateralization	External Support (L/G or Cash Reserve)
A	77.86%	8.2%	Default reserve account currently in the size of 20.7% of the outstanding notes' balance
B	None		

KEY TRANSACTION DATA

Deal Closing Date:	January 2015		
Issuer:	Sarwa Securitization Company S.A.E.		
Seller (s) /Originator (s):	Delmar Tourism Development, Delmar Real Estate, Tropi 2		
Servicer:	Delmar Tourism Development, Delmar Real Estate, Tropi 2		
Custodian & Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating “B3” by Moody’s Investor Service)		
Underwriters:	EFG Hermes & Banque Misr, Sarwa Promoting & Underwriting		
Structure Type	Class A:	Pre-determined amortization schedule	
	Class B:	Pass through amortization schedule	
Pool Currency:	EGP		
Pool Reporting Frequency:	Monthly		
Last Reporting Date:	31/12/2015		

ISSUE DETAILS**COLLATERAL***In EGP*

Class A Principal - Original	118,000,000	A/R – Original,	232,490,866
Class B Principal - Original	83,000,000	A/R - Current*	66,761,041
Class A Principal - Outstanding*	23,600,000		
Class B Principal - Outstanding*	83,000,000		
Interest Rate - Class A	10.23%	Number of Contracts - Original	484
Interest Rate - Class B	11.53%	Number of Contracts - Current*	285
Frequency – 1 st 13 months	Quarterly	Cum. Delinquencies (% of Pool Balance)	
After 13 months	Monthly		
Seasoning (months)	12	30-60 days/Current Pool Balance	1.80%
Maturity	2019	60-90 days/Current Pool Balance	0.12%
Remaining Tenor (months)	40	90+ days/Current Pool Balance	0.00%
Surplus Account Balance	45,041,326		
Default Reserve Account/LG	22,110,000		
Liquidity Reserve Account	11,163,356		
Total Credit Support/Bond Principal	73.5%	Cum. Losses (% of Pool Principal)	0.00%

*Current data is as of 31/12/2015.

COLLATERAL SUMMARY (see page 8 for more details)

Receivables:	Installment-sale contracts for the purchase of newly built properties.
Pool Balance (as of 31/12/2015):	EGP 63,251,104*
Number of Contracts:	280 fully amortizing contracts**
Number of Clients:	270
Type of Properties**:	98% residential, 2% commercial
Type of Clients**:	100% individuals
Avg Current Contract Size:	EGP 225,896
Avg Current Client Exposure:	EGP 234,263
WA Seasoning:	23 months
WA Remaining Maturity:	11 months
WA Original Tenor	34 months
WA Current LTV (Original Price):	26.3%

* Excluding delinquent amounts.

** Percentage calculated is based on the total outstanding balance of the receivables.

PORTFOLIO AND PERFORMANCE DATA

Period	Portfolio Outstanding Amount (EGP)	# of Contracts	TRR	Default Reserve Account (EGP)	Liquidity Reserve Account (EGP)	Surplus Account Balance (EGP)	Bond Principal Outstanding (EGP)	Total Credit Support/ Bond Principal Outstanding
Jan-15	185,815,930	445	40.5%	22,110,000	10,652,986	36,383,454	201,000,000	34.4%
Feb-15	173,868,921	425	55.0%	22,110,000	10,661,038	46,416,137	201,000,000	39.4%
Mar-15	160,391,655	404	62.0%	22,110,000	10,660,996	60,349,207	201,000,000	46.3%
Apr-15	147,646,298	380	63.0%	22,110,000	10,661,079	55,559,886	189,200,000	46.7%
May-15	137,322,097	365	58.1%	22,110,000	10,661,121	65,344,443	189,200,000	51.9%
Jun-15	126,542,628	354	62.5%	22,110,000	10,661,163	75,326,775	189,200,000	57.1%
Jul-15	118,309,489	341	55.4%	22,110,000	11,163,107	39,204,765	147,900,000	49.0%
Aug-15	106,520,756	329	71.6%	22,110,000	11,163,157	50,770,717	147,900,000	56.8%
Sep-15	96,183,929	316	70.6%	22,110,000	11,163,205	60,313,710	147,900,000	63.3%
Oct-15	88,065,620	311	65.1%	22,110,000	11,163,256	24,520,128	106,600,000	54.2%
Nov-15	76,416,717	299	81.8%	22,110,000	11,163,305	36,197,106	106,600,000	65.2%
Dec-15	66,761,041	285	80.2%	22,110,000	11,163,356	45,041,326	106,600,000	73.5%

1. TRR (Total Redemption Rate)

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

1. Total Credit Support = Default Reserve + Liquidity Reserve + Surplus Account Balance

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

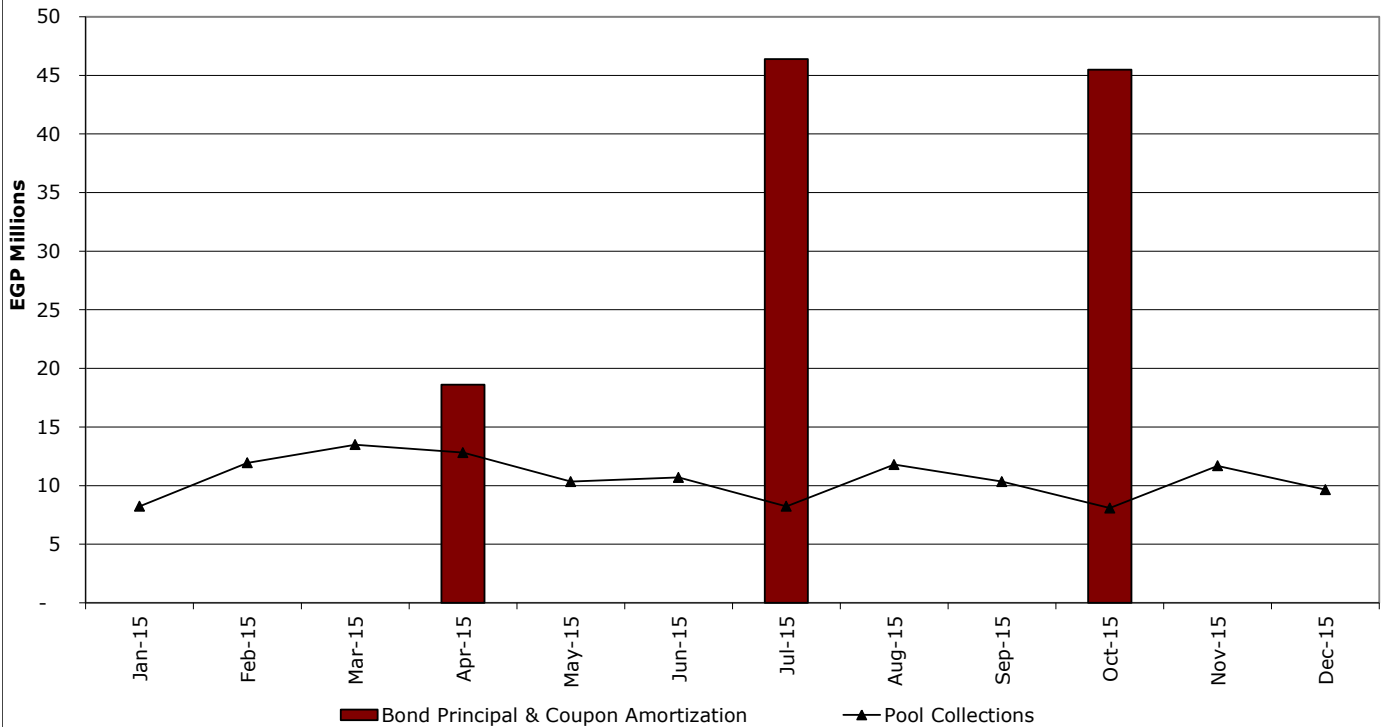


Chart 2:
Pool Cover & Credit Support vs. Bond Principal Outstanding

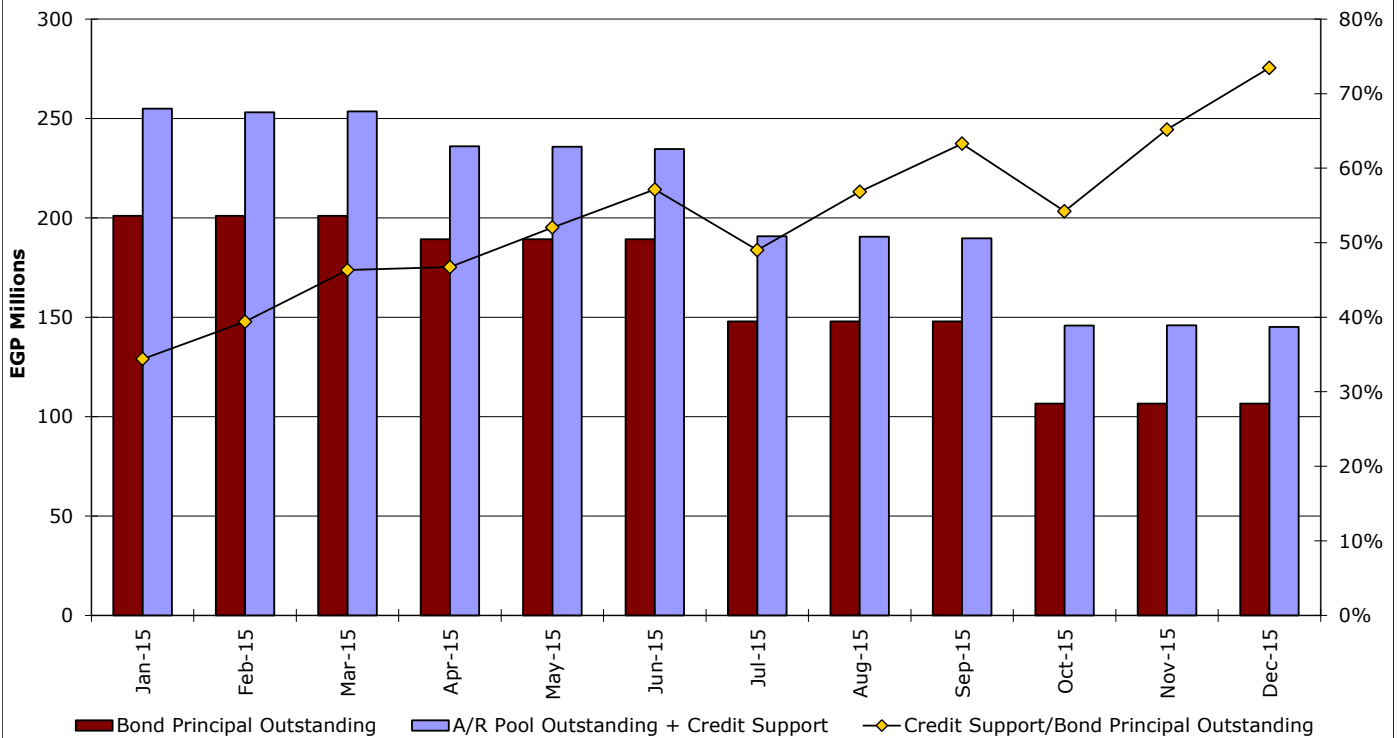


Chart 3:
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Total Outstanding Pool Balance

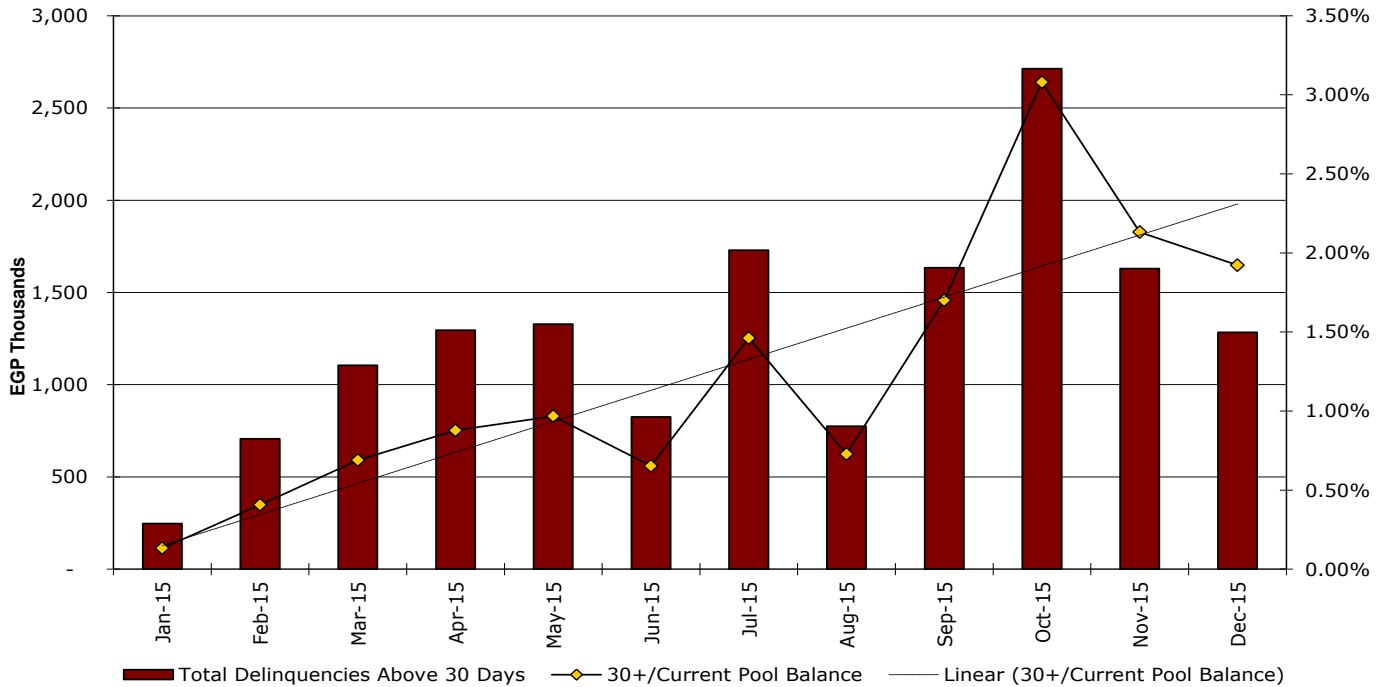
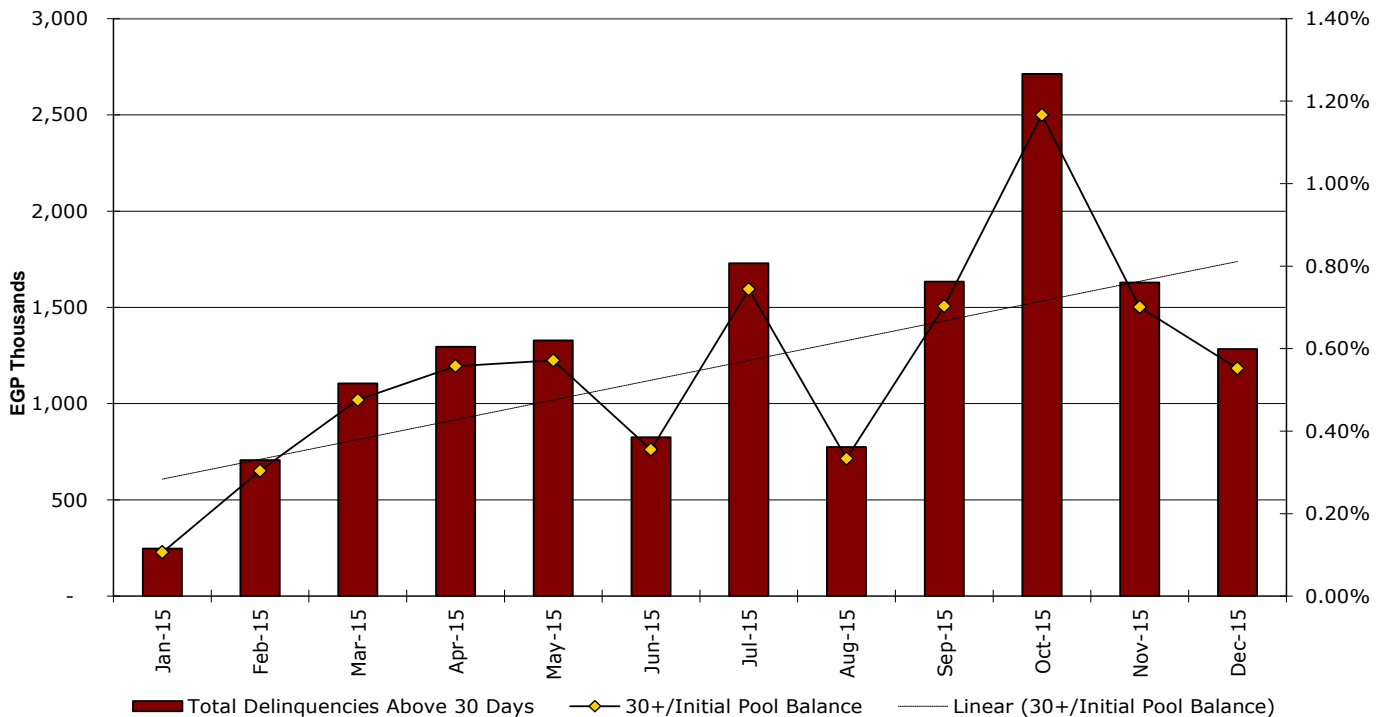


Chart 4:
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Initial Pool Balance



APPENDIX I: POOL DATA

Distribution by Original Term To Maturity				
Months	Current Balance	% Total	# of Contracts	# of Contracts %
20-36	43,284,227	68%	214	76%
37-48	10,181,793	16%	28	10%
49-60	9,785,084	15%	38	14%
Total	63,251,104	100%	280	100%

Distribution by Seasoning				
Months	Current Balance	% Total	# of Contracts	# of Contracts %
13-18	15,679,613	25%	54	19%
19-24	27,292,165	43%	129	46%
25-36	15,461,772	24%	67	24%
37-44	4,652,517	7%	26	9%
49-57	165,037	0%	4	1%
Total	63,251,104	100%	280	100%

Distribution by Remaining Term To Maturity				
Months	Current Balance	% Total	# of Contracts	# of Contracts %
<6	26,195,767	41%	182	65%
7-12	13,649,490	22%	49	18%
13-18	10,827,233	17%	20	7%
19-24	8,833,866	14%	21	8%
25-30	1,869,142	3%	4	1%
31-36	1,693,606	3%	3	1%
37-51	182,000	0%	1	0%
Total	63,251,104	100%	280	100%

Distribution by Original Purchase Price per Unit				
EGP ('000,000)	Current Balance	% Total	# of Contracts	# of Contracts %
>6	3,951,600	6%	1	0%
5-6	562,500	1%	1	0%
4-5	5,480,583	9%	6	2%
3-4	5,802,020	9%	7	3%
2-3	8,305,331	13%	15	5%
1-2	17,126,461	27%	66	24%
<1	22,022,609	35%	184	66%
Total	63,251,104	100%	280	100%

APPENDIX I: POOL DATA - CONTINUED

Distribution by Original Loan Value (Purchase Price less Downpayment)				
EGP ('000,000)	Current Balance	% Total	# of Contracts	# of Contracts %
>6	3,951,600	6%	1	0%
4-5	3,806,913	6%	4	1%
3-4	6,099,668	10%	6	2%
2-3	7,202,835	11%	13	5%
1-2	18,167,109	29%	62	22%
0.5-1	19,556,869	31%	146	52%
<0.5	4,466,110	7%	48	17%
Total	63,251,104	100%	280	100%

Distribution by Current Outstanding Balance per Client				
EGP ('000)	Current Balance	% Total	# of Contracts	# of Contracts %
1,500-3,952	7,520,868	12%	3	1%
1,000-1,500	5,090,215	8%	4	1%
500-1,000	9,529,935	15%	14	5%
<500	41,110,086	65%	259	93%
Total	63,251,104	100%	280	100%

Distribution by Current LTV (Original Purchase Price)				
LTV	Current Balance	% Total	# of Contracts	# of Contracts %
<=20%	19,332,480	31%	165	59%
21%-30%	21,437,861	34%	78	28%
31%-40%	13,802,644	22%	29	10%
41%-50%	5,673,555	9%	4	1%
51%-60%	3,004,564	5%	4	1%
Total	63,251,104	100%	280	100%

Distribution by Installment Frequency				
EGP	Current Balance	% Total	# of Contracts	# of Contracts %
Monthly	1,341,112	2%	6	2%
Quarterly	57,155,371	90%	263	94%
Semi Annual	4,445,421	7%	9	3%
Annual	309,200	0%	2	1%
Total	63,251,104	100%	280	100%

Distribution by Installment Value				
Installment	Current Balance	% Total	# of Contracts	# of Contracts %
>400,000	7,055,213	11%	4	1%
300,000-400,000	6,427,744	10%	8	3%
200,000-300,000	6,894,943	11%	10	4%
100,000-200,000	14,394,556	23%	57	20%
50,000-100,000	15,402,912	24%	127	45%
20,000-50,000	7,541,465	12%	44	16%
7,000-20,000	5,534,271	9%	30	11%
Total	63,251,104	100%	280	100%

APPENDIX I: POOL DATA - CONTINUED

Distribution by Project				
Unit Type	Current Balance	% Total	# of Contracts	# of Contracts %
Porto Marina	31,757,125	50%	73	26%
Golf Marina	17,024,183	27%	137	49%
Porto Soukhna	13,037,840	21%	61	22%
Porto Cairo Mall	1,431,956	2%	9	3%
Total	63,251,104	100%	280	100%

Distribution by Number of Owners				
Ownership	Current Balance	% Total	# of Contracts	# of Contracts %
1	49,371,744	78%	219	78%
2	10,229,289	16%	46	16%
3	1,201,498	2%	6	2%
4	868,125	1%	5	2%
5	1,419,708	2%	2	1%
6	74,490	0%	1	0%
8	86,250	0%	1	0%
Total	63,251,104	100%	280	100%

Distribution by Owners Age				
Ownership	Current Balance	% Total	# of Contracts	# of Contracts %
19-30	3,724,892	6%	21	8%
31-40	11,693,047	18%	73	26%
41-50	29,627,467	47%	104	37%
51-60	15,174,176	24%	62	22%
61-70	2,393,737	4%	15	5%
71-83	637,785	1%	5	2%
Total	63,251,104	100%	280	100%

Distribution by Governorate (as per Obligors ID)				
LTV	Current Balance	% Total	# of Contracts	# of Contracts %
Cairo	31,636,585	50%	147	53%
Alexandria	12,979,110	21%	35	13%
Giza	10,066,713	16%	56	20%
Others	1,558,300	2%	2	1%
Suez	1,497,332	2%	8	3%
Dakahlia	1,162,247	2%	9	3%
Ismailia	799,739	1%	3	1%
Port Said	750,181	1%	3	1%
Monufia	649,556	1%	4	1%
Damietta	569,979	1%	3	1%
Sharqia	558,736	1%	4	1%
Asyut	425,775	1%	1	0%
Other	596,851	1%	5	2%
Total	63,251,104	100%	280	100%

APPENDIX I: POOL DATA - CONTINUED

Distribution by Occupation (as per Obligor's ID)				
LTV	Current Balance	% Total	# of Contracts	# of Contracts %
Retail - Other	8,068,628	13%	19	7%
Household	7,862,157	12%	34	12%
Medical	5,207,086	8%	27	10%
Trading	4,563,295	7%	22	8%
Clothing - retail	4,108,705	6%	7	3%
Engineering	3,894,408	6%	28	10%
Oil and gas	3,681,416	6%	14	5%
Teaching	3,396,369	5%	14	5%
Contracting and construction	3,306,067	5%	7	3%
Legal and judicial	2,484,659	4%	10	4%
Chemicals	2,085,697	3%	13	5%
Food and beverage service	2,052,105	3%	8	3%
Miscellaneous	12,540,512	20%	77	28%
Total	63,251,104	100%	280	100%

APPENDIX II: National Rating Scale

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

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