

## STRUCTURED FINANCE

## Annual Review

### Sarwa Securitization Company S.A.E. (SSC) – 34<sup>th</sup> Issue 2020-2025 Auto Receivables/Egypt

#### DEFINITIVE RATINGS

Class	Description	Amount (EGP mn)*	% of Notes*	Maturity	Fixed Coupon (%)	Initial Rating	Current Rating
A	Senior	-	-	Dec-21	9.85%	AA+(sf)	Redeemed
B	Subordinated	678.8	65.9%	Dec-23	10.35%	AA(sf)	AA(sf)
C	Junior Subordinated	352.0	34.1%	Nov-25	10.55%	A(sf)	A(sf)
<b>Total</b>		<b>1,030.8</b>	<b>100.0%</b>				

\*As of 31/12/2021

\*\*The (sf) insertion refers to structured finance.

#### POOL CUTOFF DATE:

December 15<sup>th</sup>, 2020

#### CONTACTS:

##### Radwa Weshahy

VP Senior Risk Rating Analyst

(202) 3749-5616

[radwa.weshahy@merisratings.com](mailto:radwa.weshahy@merisratings.com)

##### Miglena Spasova, CFA

VP Senior Risk Rating Officer

(202) 3749-5616

[miglena.spasova@merisratings.com](mailto:miglena.spasova@merisratings.com)

#### WEBSITE:

[www.merisratings.com](http://www.merisratings.com)

#### RATING OPINION AND SPECIFIC COMMENTARY

This is the 34<sup>th</sup> asset-backed bond issued by Sarwa Securitization Company S.A.E. (SSC). At the date of issuance, the bond issue was EGP 1,628,000,000 and was backed by 4,925 auto installment-sale contracts (EGP 2,142,731,142 outstanding receivable balance as of the pool cut-off date) initially co-originated by Contact Credit Company (CCC) (84.1% of the principal outstanding balance), Contact Egyptian International Motor Credit (CEIM) (7.9%), Ezz El Arab-Contact Financial (ECF) (4.1%), and SMG Financial Services (SMG) (3.9%) at the closing date. The contracts have been written over the period between January 2016 and November 2020.

The rating addresses the expected loss posed to investors by the legal final maturity. In **MERIS's** 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.

As of December 31<sup>st</sup>, 2021, the coupon and principal of the bond have been paid according to schedule. The bond issue is amortizing on a monthly basis, and currently stands at EGP 1,030,769,209, equivalent to 36.7% redemption of the original balance. Given the senior-subordinated structure of the bond, the principal amortization has been directed to class A notes, which were fully paid in December 2021. In addition, 100% of the prepayments have been passed to class B notes as principal amortization. As a result, Class B notes currently stand at EGP 678,769,209, representing 77.5% of the original balance. The asset pool backing the issue has been amortized at 46.7%, and currently equals EGP 1,141,386,818, including EGP 859,966,454 of principal, and the balance being interest on the auto finance contracts. According to the structure of the transaction, the issue has a negative carry (the outstanding principal of the bond is higher than the outstanding principal of the asset pool backing the bond) currently in the size of 16.6%, compared to 7.0% at the pool cut-off date.

The transaction benefits from credit enhancement in the form of overcollateralization (the NPV of the portfolio receivables less the NPV of the transaction's senior fees and expenses plus the residual cash, the liquidity and default reserve accounts, as well as the collector's balance not transferred to the custodian, less the bond principal outstanding), which currently measures 1.0% of the outstanding bond balance, compared to 3.6% at the closing date. The decline in the available credit enhancement (in the form of over-collateral) is due to the high delinquencies, which measured EGP 27.4 million as of December 2021 (representing 2.7% of the outstanding bond size). It is worth noting that 65.4% of the delinquencies (EGP 17.9 million) are below 30 days. In terms of liquidity, the transaction currently has sufficient accumulated cash reserves to cover at least 3 months of scheduled senior fees and expenses and coupon payments for the outstanding tranches. **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 the default and delinquency rates under the transaction on a monthly basis. As of December 2021, the asset pool has recorded a 0.23% cumulative default rate (0.06% due to borrower's death and 0.18% due to credit default). It is worth noting that there have been 29 cases of repossession as of December 2021, which were sufficient to cover the outstanding balances, accordingly, there is zero loss. The pool's delinquencies above 30 days stood at 0.44% of the initial pool balance in December 2021, compared to only 0.16% at the date of issuance. As of the same date the average prepayment rate has reached 15.6%, which is in line with the initial assumptions.

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

### Strengths of the Transaction

- The credit assessment of the initial portfolio of underlying auto receivables, which reflects the Originators' strict underwriting, collection and monitoring guidelines and procedures;
- The credit enhancement available to the notes in the form of (i) over-collateralization in the amount of 1.0% of the outstanding bond balance (net of expenses); (ii) subordinated administration fees in the amount of 2.5% p.a. of the previous month's beginning principal portfolio balance available on a monthly basis; and (iii) structural subordination of tranche C to tranche B;
- The liquidity support in the form of a cash reserve account, currently in the size of 3.9% of the outstanding bond balance, which is adjusted on a monthly basis in accordance with the notes' amortization;
- The default reserve account, currently in the size of 0.7% of the outstanding bond balance; that is funded from the over-collateral by setting aside 0.6% p.a. (0.05% monthly) from the previous month's beginning principal portfolio balance on a monthly basis;
- The granularity of the pool (concentrations per client less than 0.3% of the total principal outstanding), as well as the pool's relative diversification in terms of car make and geographic distribution;
- The relatively low weighted average current loan-to-value ratio (52.2%), which accelerates the build-up of owner's equity into the assets and hence increases the recovery potential in case of default;
- The low-default historical performance of auto receivables originated by the originators, in addition to the significant experience of the Servicer and efficiency of its operating systems; and
- The availability of a contractually appointed back-up servicer.

### Weaknesses of the Transaction

- The generally greater uncertainty associated with unrated Originators, and the use of securitization proceeds to fund the Originators' growing phase, mitigated, however, by the Originators' experienced management team and strict adherence to their underwriting policies and procedures, which assure a high-quality receivables pool;
- No independent calculation agent for the subordinated administration fees. Partially mitigated by the performance reports to be issued by the Custodian and verified by the Auditor within a month after the actual cash disbursement date;
- Around 21% of the securitized receivables are related to used cars, which are generally associated with a greater probability of default, due to the perceived higher credit risk of the buyers. Nevertheless, the majority of the used cars included in the securitization portfolio are premium brands, which indicate high creditworthiness of the buyers;

- Decline in the available credit enhancement to 1.0% of the outstanding bond balance (net of expenses) down from 3.6% at the date of issuance. However, if we added the below 30 days arrears, the adjusted credit enhancement will reach 2.7%.
- Limited support to Class B and C notes through the administration fee subordination; and
- The existence of legal uncertainties, given that the key legal concepts underpinning securitization remain largely untested in judicial proceedings or in practice in Egypt, mitigated by the legal opinions provided by the transaction's legal advisor on issues such as true sale, separateness of accounts, commingling and consolidation risk.

## KEY TRANSACTION DATA

Deal Closing Date:	December 2020
Issuer:	Sarwa Securitization Company S.A.E.
Seller (s) /Originator (s):	Contact Credit Company (CCC), Contact Egyptian International Motor Credit (CEIM), Ezz El Arab-Contact Financial (ECF) and SMG Financial Services (SMG)
Servicer:	Contact Credit Company (CCC)
Custodian & Back-up Servicer:	Commercial International Bank (CIB) (LT Deposit Rating "B2" by Moody's Investor Service)
Structure Type for Class A, B & C	Pass through amortization schedule
Pool Currency:	EGP
Pool Reporting Frequency:	Monthly
Last Reporting Date:	31/12/2021

## COLLATERAL SUMMARY\* (see APPENDIX I for more details)

Receivables:	Car installment-sale contracts.
Pool Balance:**	EGP 843,296,080 (83% by CCC, 9% by CEIM, 4% by ECF, 4% by SMG)
Number of Contracts:**	3,647 fully amortizing contracts
Type of Vehicles*:	84% passenger vehicles, 16% commercial vehicles (heavy trucks and pickups)
New vs. Used Vehicles*:	79% new vehicles, 21% used vehicles
Make of Vehicles*:	Mercedes: 20%, BMW: 15%, Chevrolet: 9%, Kia: 6%, Renault: 4%, Porsche: 4%, Skoda: 4%, Hyundai: 4%, Toyota: 4%, Range Rover: 3%, Others: 28%
Geographic Diversity*:	Greater Cairo: 57%, Alexandria: 10%, Others: 33%
WA Seasoning:	18 months
WA Remaining Maturity:	33 months
WA LTV (at origination):	73.5%
WA Current LTV:	52.2%

\* The analysis of the pool is based on the pool data as of 31/12/2021

\*\*The total outstanding principal balance and number of contracts exclude any due and uncollected principal amounts or number of contracts.

## CREDIT SUPPORT

Class	Subordination	Over collateralization	Other Credit Enhancement
B	34.1%	1.0%	Subordinated Administration Fee in the size of 2.5% p.a. of the previous month's beginning principal portfolio balance available on a monthly basis
C	None		

**ISSUE DETAILS**
**COLLATERAL**
**In EGP**

Class A Principal - Original	400,000,000	A/R – Original,	2,142,731,142
Class B Principal - Original	876,000,000	A/R - Current*	1,141,386,818
Class C Principal - Original	352,000,000	Principal Outstanding Balance - Original	1,514,111,728
Class A Principal - Outstanding*	-	Principal Outstanding Balance - Current*	859,966,454
Class B Principal - Outstanding*	678,769,209		
Class C Principal - Outstanding*	352,000,000	Number of Contracts - Original	4,925
Interest Rate - Class A	9.85%	Number of Contracts - Current*	3,653
Interest Rate - Class B	10.35%	Average Constant Prepayment Rate	15.6%
Interest Rate - Class C	10.55%		
Frequency	Monthly	Cum. Delinquencies (% of Pool Balance)	
Seasoning (months)	12	30-60 days/Current Pool Balance	0.19%
Maturity	2025	60-90 days/Current Pool Balance	0.08%
Remaining Tenor (months)	48	90+ days/Current Pool Balance	0.05%
Surplus Account Balance	58,413,056	Arrears in Processing**/Current Pool Balance	0.51%
Cash Reserve Accounts (Default & Liquidity)	48,109,453		
Total Credit Support/Bond Principal	10.3%	Cum. Losses (% of Initial Pool Principal)	0.04%

\*Current data is as of 31/12/2021.

\*\*Arrears in Processing refer to installments in arrears related to legal cases, repossession of the vehicles, or insured events.

**PORTFOLIO AND PERFORMANCE DATA**

Period	Portfolio Outstanding Amount	Principal Outstanding Amount	# of Contracts	CPR	TRR	Residual Account Balance	Bond Principal Outstanding	Total Credit Support/ Bond Principal Outstanding
At Cut-Off Date	2,142,731,142	1,514,111,728	4,925	-	-	-	-	-
Dec-20	2,073,258,342	1,470,604,998	4,851	9.9%	0.0%	18,536,558	1,628,000,000	2.0%
Jan-21	1,998,967,667	1,423,978,104	4,781	9.5%	32.1%	3,688,239	1,599,855,957	2.1%
Feb-21	1,916,204,287	1,371,357,457	4,680	12.3%	36.4%	17,751,293	1,567,834,699	4.0%
Mar-21	1,830,107,301	1,316,669,951	4,573	13.8%	38.6%	27,862,302	1,524,701,876	5.7%
Apr-21	1,759,506,830	1,272,088,836	4,524	10.2%	33.9%	24,513,472	1,470,139,901	5.8%
May-21	1,679,616,684	1,217,905,591	4,447	15.0%	40.7%	39,148,617	1,420,640,636	6.6%
Jun-21	1,588,310,717	1,159,373,571	4,338	19.4%	44.6%	53,434,423	1,365,980,004	7.9%
Jul-21	1,521,187,366	1,114,726,031	4,238	14.0%	37.6%	42,516,382	1,306,897,334	7.3%
Aug-21	1,444,660,833	1,064,390,173	4,145	13.3%	42.6%	50,200,076	1,254,724,267	8.1%
Sep-21	1,356,363,859	1,007,816,929	3,995	23.2%	48.1%	61,770,259	1,203,894,704	9.3%
Oct-21	1,288,538,122	959,785,642	3,859	19.1%	44.3%	57,022,635	1,143,341,039	9.3%
Nov-21	1,212,897,034	908,148,251	3,738	22.3%	48.5%	55,799,818	1,088,121,215	9.4%
Dec-21	1,141,386,818	859,966,454	3,653	20.3%	48.0%	58,413,056	1,030,769,209	10.3%

1. CPR (Constant Prepayment Rate)

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

2. 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).

3. Total Credit Support

Total Credit Support = Residual Account Balance + Default Reserve Account



1. CPR (Constant Prepayment Rate)

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

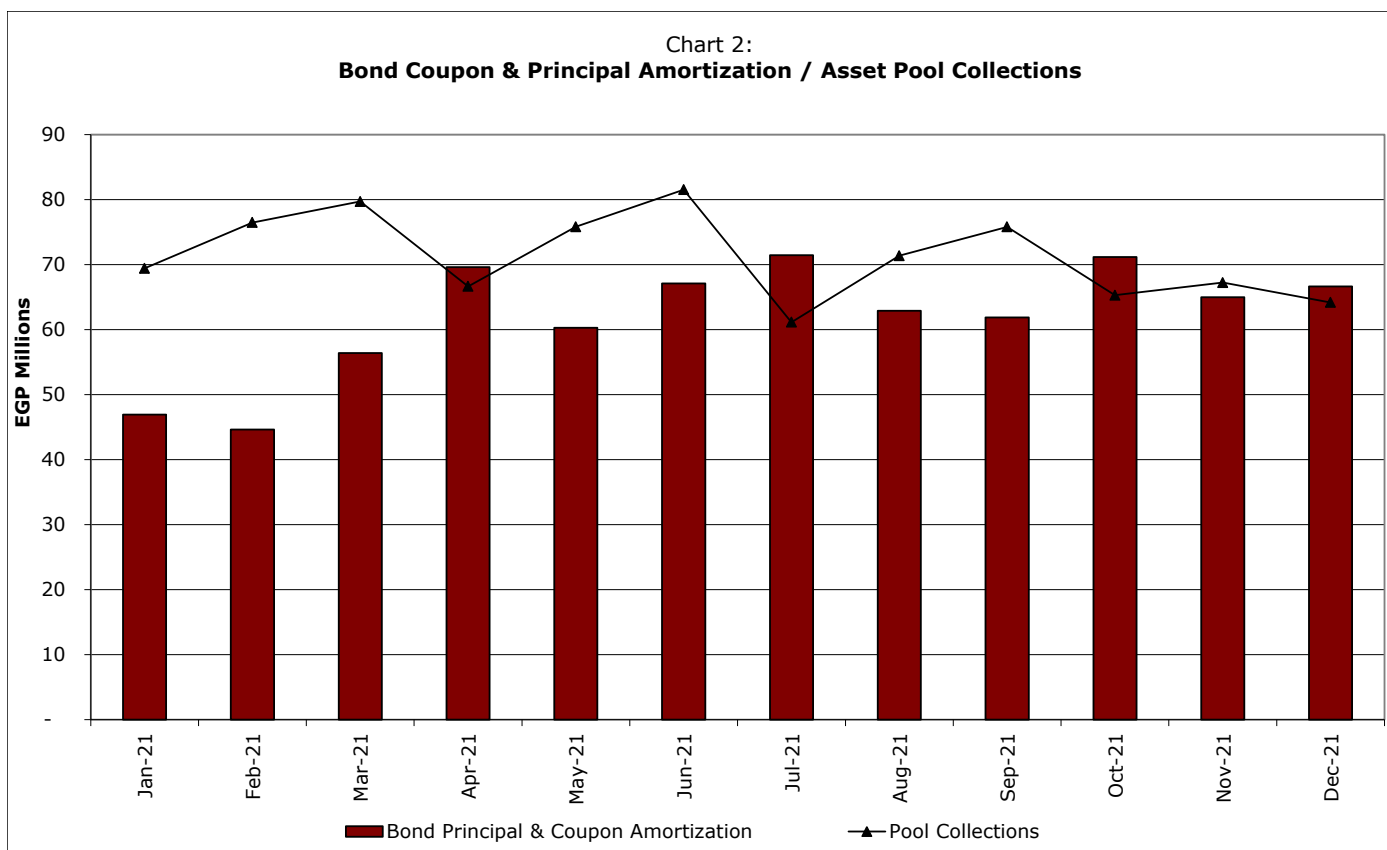


Chart 3:  
Pool Cover & Credit Support vs. Bond Principal Outstanding

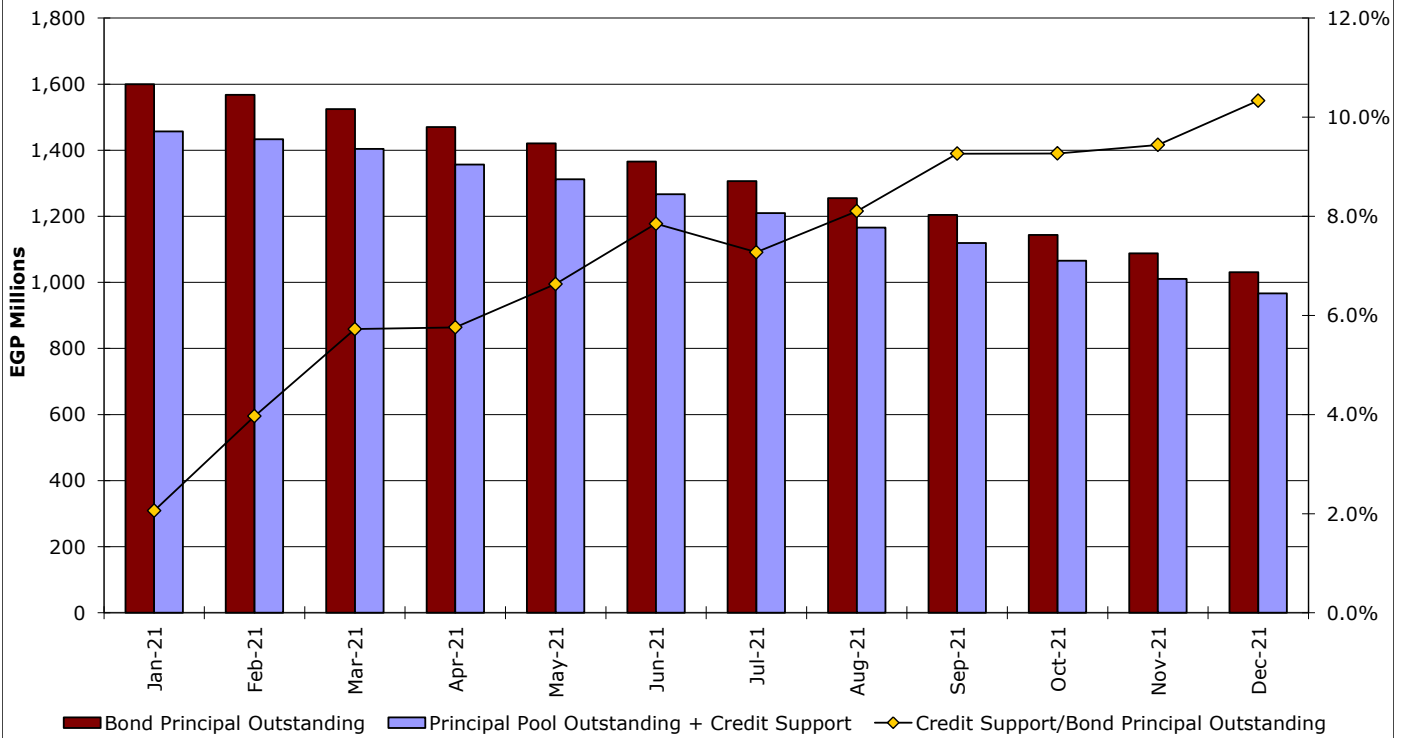
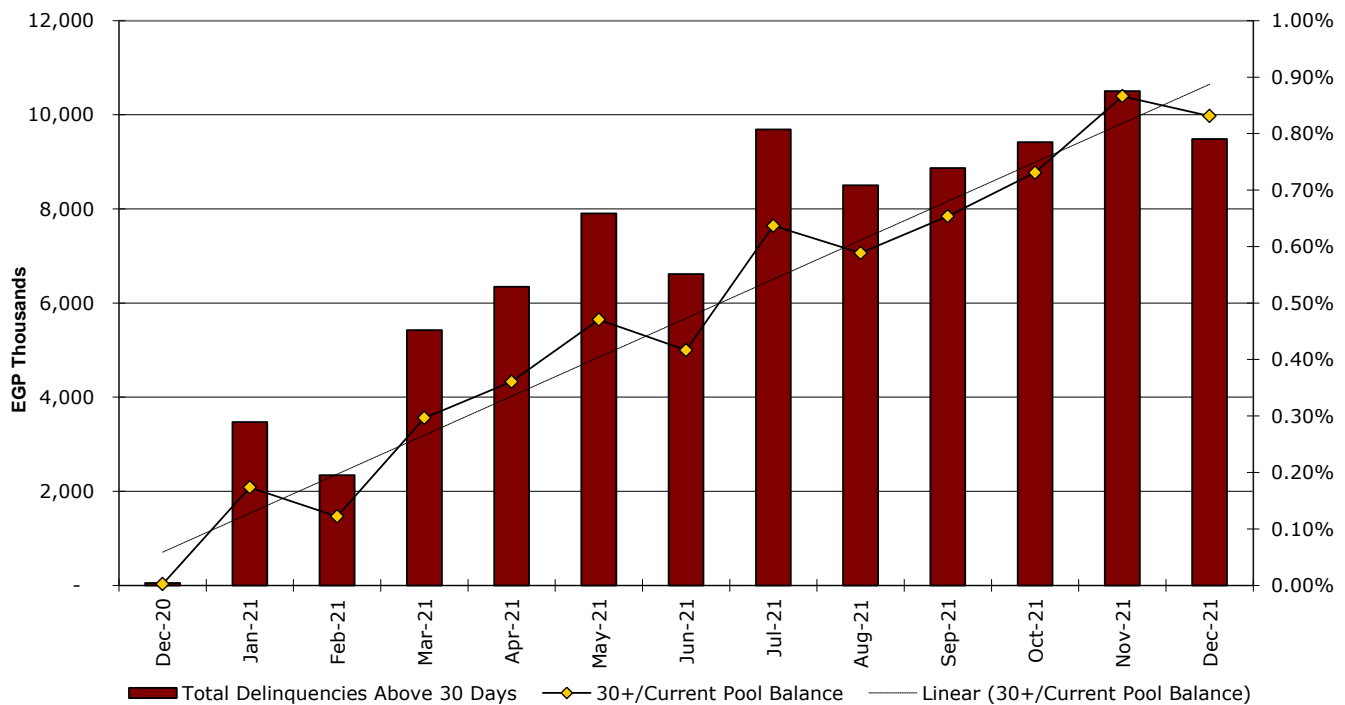
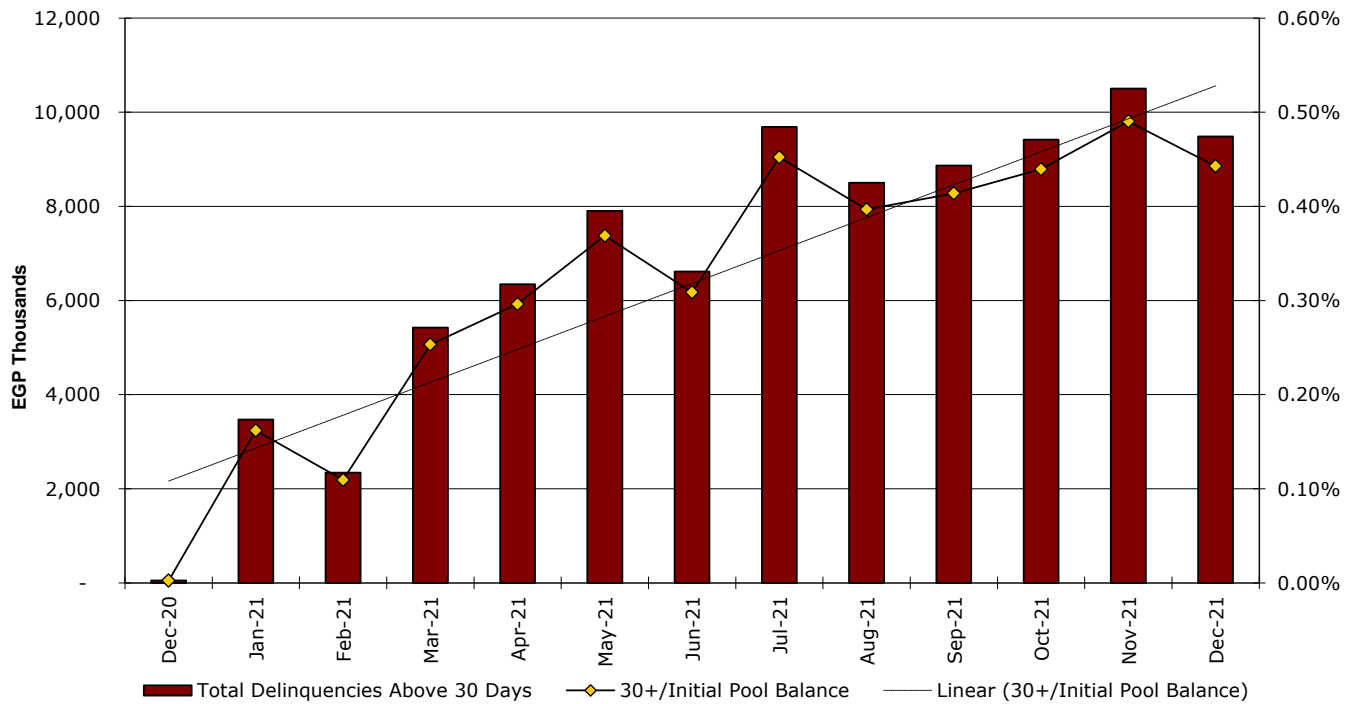


Chart 4:  
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of the Total Outstanding Pool Balance

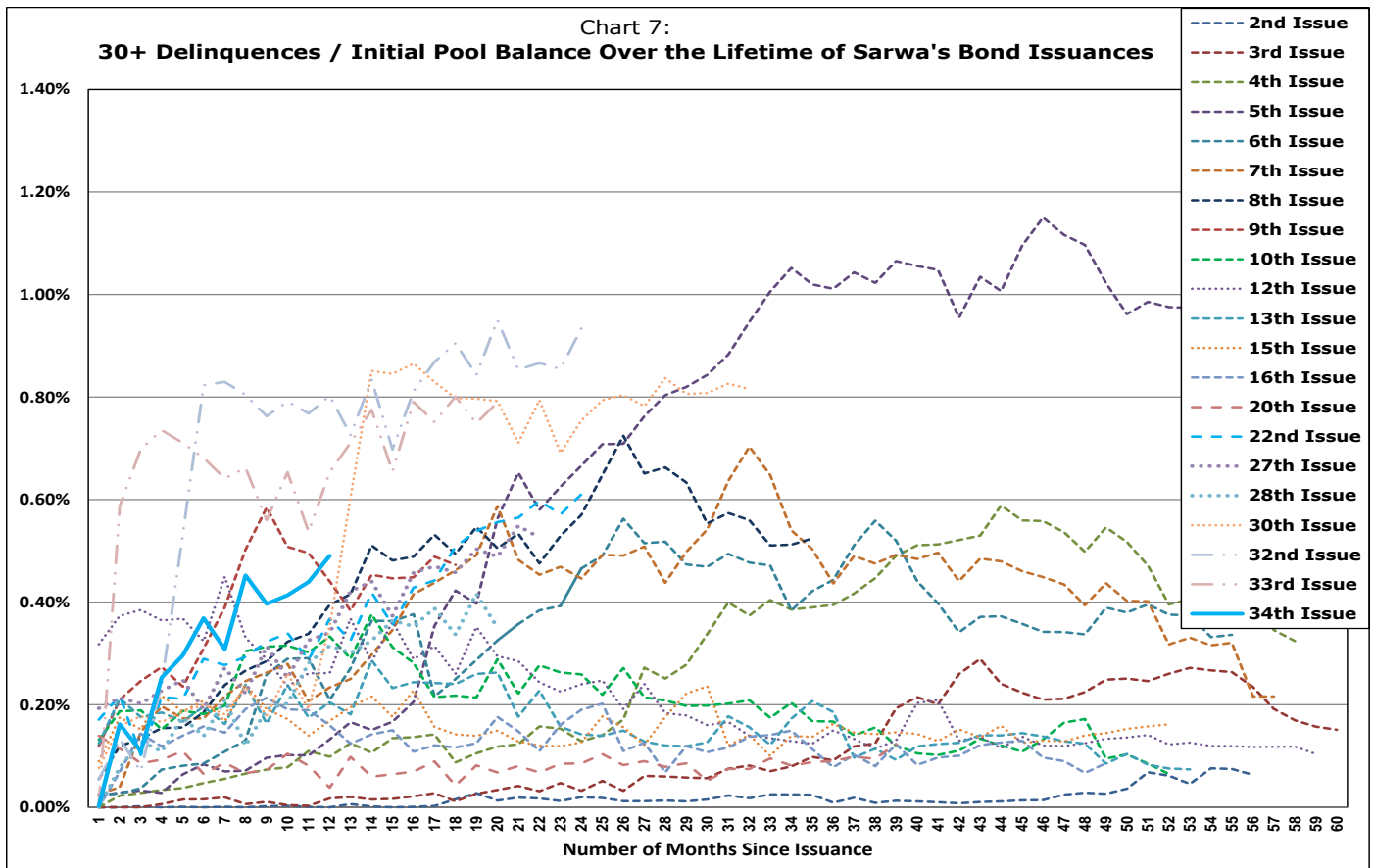
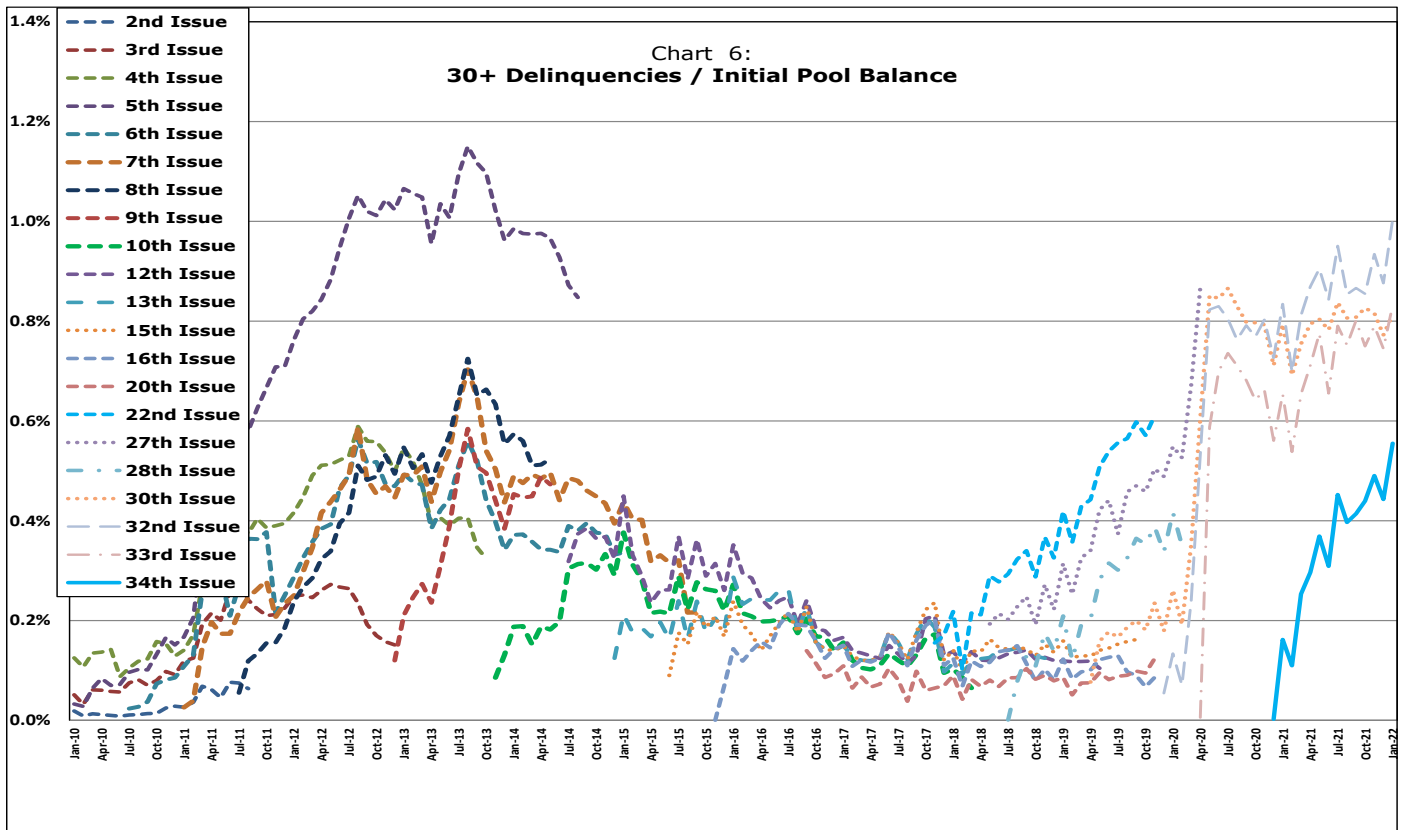


\*Delinquencies are measured in terms of total installments overdue.

Chart 5:  
Total Delinquencies (Above 30 Days) in Nominal Value and as a Percentage of  
the Initial Pool Balance



\*Delinquencies are measured in terms of total installments overdue.





## APPENDIX I: POOL DATA (As of 31/12/2021)

Distribution by Original Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
24-28	61,905,835	7%	454	12%
36-42	194,393,616	23%	905	25%
48	91,993,673	11%	383	11%
60	495,002,955	59%	1,905	52%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Seasoning				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
13-14	218,462,801	26%	955	26%
15-16	221,564,016	26%	828	23%
17-18	137,832,092	16%	478	13%
19-24	234,226,002	28%	1,073	29%
25-59	31,211,169	4%	313	9%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Remaining Term To Maturity				
Months	Principal Outstanding	% Total	# of Contracts	# of Contracts %
1-12	78,211,891	9%	680	19%
13-24	208,054,026	25%	967	27%
25-36	83,336,821	10%	333	9%
37-47	473,693,342	56%	1,667	46%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Original Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
2,000-3,000	37,171,117	4%	24	1%
1,000-1,999	132,294,408	16%	167	5%
800-999	53,273,432	6%	98	3%
600-799	101,179,401	12%	239	7%
400-599	152,539,965	18%	515	14%
200-399	259,307,428	31%	1,460	40%
<200	107,530,330	13%	1,144	31%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Original Contract Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
3,000-4,794	23,869,222	3%	14	0.4%
2,000-2,999	70,925,631	8%	67	2%
1,000-1,999	183,686,944	22%	327	9%
600-999	181,832,227	22%	557	15%
400-599	171,109,704	20%	817	22%
200-399	183,583,444	22%	1,432	39%
<200	28,288,907	3%	433	12%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Payment Method				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
Direct Debit	762,737,696	90%	3,360	92%
Cheques	80,297,356	10%	283	8%
Credit card	261,028	0.03%	4	0.1%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

The total outstanding principal balance and number of contracts exclude any overdue and uncollected principal amounts.

**APPENDIX I: POOL DATA – CONTINUED (As of 31/12/2021)**

Distribution by Current Outstanding Principal Balance				
EGP ('000)	Principal Outstanding	% Total	# of Contracts	# of Contracts %
2,000-2,300	6,611,559	1%	3	0.1%
1,000-1,999	72,449,305	9%	56	2%
800-999	49,095,663	6%	55	2%
600-799	69,610,521	8%	101	3%
400-599	135,687,084	16%	280	8%
200-399	249,854,503	30%	913	25%
<200	259,987,443	31%	2,239	61%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Original LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=40%	16,858,401	2%	195	5%
41%-50%	56,498,728	7%	384	11%
51%-60%	77,140,914	9%	422	12%
61%-70%	142,200,301	17%	703	19%
71%-80%	383,317,917	45%	1,486	41%
81%-90%	164,706,028	20%	442	12%
91%-100%	2,573,791	0.3%	15	0.4%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Current LTV				
LTV	Principal Outstanding	% Total	# of Contracts	# of Contracts %
<=40%	189,095,974	22%	1,373	38%
41%-50%	132,793,108	16%	583	16%
51%-60%	194,468,991	23%	719	20%
61%-70%	253,964,838	30%	797	22%
71%-75%	69,865,528	8%	161	4%
76%-83%	3,107,642	0.4%	14	0.4%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Original Car Value (Purchase Price)				
EGP '000	Principal Outstanding	% Total	# of Contracts	# of Contracts %
3,000-4,139	12,266,282	1%	10	0.3%
2,000-2,999	60,819,406	7%	55	2%
1,000-1,999	174,309,234	21%	307	8%
600-999	189,486,807	22%	586	16%
400-599	153,204,781	18%	702	19%
300-399	122,178,495	14%	769	21%
200-299	106,259,667	13%	894	25%
<200	24,771,407	3%	324	9%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

Distribution by Monthly Installment Amount				
EGP	Principal Outstanding	% Total	# of Contracts	# of Contracts %
50,000-136,754	56,091,408	7%	61	2%
30,000-49,000	118,428,763	14%	181	5%
15,000-29,999	218,300,312	26%	593	16%
10,000-14,999	148,656,461	18%	632	17%
5,000-9,999	229,835,290	27%	1,409	39%
>4,999	71,983,845	9%	771	21%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

The total outstanding principal balance and number of contracts exclude any overdue and uncollected principal amounts.

**APPENDIX I: POOL DATA – CONTINUED (As of 31/12/2021)**

<b>Distribution by Product Type</b>				
<b>EGP</b>	<b>Principal Outstanding</b>	<b>% Total</b>	<b># of Contracts</b>	<b># of Contracts %</b>
Premier	222,225,593	26%	678	19%
Economy	207,593,215	25%	896	25%
Used (Passenger and Heavy Trucks and Pickups)	174,700,363	21%	730	20%
Flexible	89,092,366	11%	460	13%
Heavy Trucks and Pickups	76,226,838	9%	502	14%
Standard	33,794,648	4%	239	7%
Corporate	20,026,923	2%	75	2%
Staff	19,636,133	2%	67	2%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

<b>Distribution by Originator</b>				
<b>EGP</b>	<b>Principal Outstanding</b>	<b>% Total</b>	<b># of Contracts</b>	<b># of Contracts %</b>
Contact	700,017,544	83%	3,067	84%
CEIM	75,645,908	9%	442	12%
ECF	34,966,285	4%	101	3%
SMG	32,666,342	4%	37	1%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

<b>Distribution by Governorate</b>				
<b>Governorate</b>	<b>Principal Outstanding</b>	<b>% Total</b>	<b># of Contracts</b>	<b># of Contracts %</b>
Cairo	302,668,166	36%	1,153	32%
Giza	159,501,472	19%	622	17%
Alexandria	80,612,315	10%	433	12%
Gharbia	43,157,141	5%	216	6%
Dakahlia	42,662,275	5%	187	5%
Beheira	24,671,504	3%	133	4%
Sharqia	22,010,318	3%	108	3%
Red Sea	20,735,188	2%	115	3%
Damietta	20,385,344	2%	96	3%
Qalyubia	17,897,075	2%	86	2%
Other	108,995,280	13%	498	14%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

<b>Distribution by Car Make</b>				
<b>Make</b>	<b>Principal Outstanding</b>	<b>% Total</b>	<b># of Contracts</b>	<b># of Contracts %</b>
1 Mercedes	170,389,596	20%	396	11%
2 BMW	128,641,323	15%	312	9%
3 Chevrolet	73,765,005	9%	522	14%
4 Kia	48,897,617	6%	245	7%
5 Renault	37,945,469	4%	303	8%
6 Porsche	33,426,986	4%	38	1%
7 Skoda	31,123,689	4%	121	3%
8 Hyundai	30,089,319	4%	192	5%
9 Toyota	29,544,547	4%	143	4%
10 Range Rover	27,171,298	3%	33	1%
11 Others	232,301,233	28%	1,342	37%
<b>Total</b>	<b>843,296,080</b>	<b>100%</b>	<b>3,647</b>	<b>100%</b>

The total outstanding principal balance and number of contracts exclude any overdue and uncollected principal amounts.

## APPENDIX II: National Rating Scale

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

Copyright 2022 Middle East Rating and Investors Service ("MERIS"). All rights reserved.

CREDIT RATINGS AND PUBLICATIONS ISSUED BY MERIS ARE OR CONTAIN MERIS' CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MERIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MERIS' OPINIONS INCLUDED IN MERIS' PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MERIS' PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MERIS' PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MERIS' PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MERIS ISSUES ITS CREDIT RATINGS AND PUBLISHES MERIS' PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MERIS' CREDIT RATINGS AND MERIS' PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND RETAIL INVESTORS SHOULD NOT CONSIDER MERIS' CREDIT RATINGS OR MERIS' PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MERIS' PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MERIS from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind. MERIS adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MERIS considers to be reliable including, when appropriate, independent third-party sources. However, MERIS is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the MERIS' publications.

To the extent permitted by law, MERIS and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MERIS or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MERIS.

To the extent permitted by law, MERIS and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MERIS or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MERIS IN ANY FORM OR MANNER WHATSOEVER.