

## **GB Lease places LE 734 million securitized third bond offering in the market**

8 January 2020

(Cairo, Egypt) — GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and North Africa and non-bank financial services provider in Egypt, announced on Monday that its subsidiary GB Lease S.A.E. has completed its third securitized bond offering with the amount of LE 734 million. Proceeds from the transaction will be used to deleverage GB Lease's balance sheet to improve its liquidity position, create new borrowing limits with lender banks and support the company's future growth plans.

The offering consists of three tranches with tenors of 13, 36 and 48 months, respectively, with the first receiving a rating of AA+, the second AA and third A by Middle East Rating & Investors Service (MERIS). The structure of the transaction is as follows:

- The first tranche consists of a LE 250 million, 13-month non-callable bond with a variable yield of 40 bps over the net after tax return on 91-day Egyptian treasury bills.
- The second tranche consists of a LE 429 million, 36-month callable bond with a variable yield of 90 bps over the net after tax return on 91-day Egyptian treasury bills.
- The third tranche consists of a LE 55 million, 48-month callable bond with a variable return of 130 bps over the net after tax return on 91-day Egyptian treasury bills.

"I am particularly satisfied that we have successfully managed to complete GB Lease's third securitization bond offering and the second in 2019, while growing and enhancing our diversified portfolio in the market," said GB Auto's Chief Executive Officer Raouf Ghabbour.

"The offering delivers improved financial position in the market as well as recognizing future growth and profits throughout the year, while continuing to expose our portfolio to international rating agencies," said Managing Director and Chairman of GB Lease Sherif Sabry.

Established in 2008 and beginning active operations in 4Q2009, GB Lease falls under the umbrella of GB Auto's financing arm, GB Capital. GB Lease is a top market player in Egypt, having ranked third in terms of market share till 3Q2019 as per the latest Financial Regulatory Authority report being one of the leading players in the industry.

Capital for Securitization Co. was the issuer of the bond, which is backed by a portfolio generated by GB Lease, while Arab African International Bank (AAIB) and Commercial International Bank (CIB) acted as joint lead managers and joint bookrunners. AAIB, CIB, Banque Misr and National Bank of Egypt were underwriters, while Zulficar & Partners was legal advisor and KPMG was the auditor for the transaction.

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### **About GB Auto S.A.E.**

GB Auto S.A.E. (AUTO.CA on the Egyptian Exchange) is a leading automotive company in the Middle East and non-bank financial services provider in Egypt. Across six primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, After-Sales, and Iraqi operations — the company's main business activities include assembly, manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Pirelli, Westlake, Double Coin, Doublestar, Verde, Techking, and Gazpromneft. GB Auto has operations in Egypt and Iraq. The Company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance and fleet quasi-operational leasing under the following brands - GB Lease, Mashroey, Drive, Tasaheel and Haram. The company is headquartered in Giza, Greater Cairo Area, Egypt.

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### **Forward-Looking Statements**

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