



## **GB Lease places maiden LE 355 million securitized bond offering**

8 July 2018

(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 is in the process of completing its first securitized bond offering in the amount of LE 355 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 60 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 154 million, 13-month non-callable bond with a variable yield of 55 bps over the net after tax return on 182-day Egyptian treasury bills.
- The second tranche consists of a LE 167 million, 36-month callable bond with a variable yield of 110 bps over the net after tax return on 182-day Egyptian treasury bills.
- The third tranche consists of a LE 34 million, 60-month callable bond with a variable return of 170 bps over the net after tax return on 182-day Egyptian treasury bills.

"I am very pleased to report that GB Lease's inaugural securitized offering received a strong rating that reflects the careful building over many years of a strong, resilient, well-diversified portfolio," said GB Auto's Chief Executive Officer Raouf Ghabbour.

"The offering is set to optimize our financial position through the recognition of future profits for the year, while cementing our reputational standing in the market by exposing 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 at 12% at the end of 2017 and consistently being ranked by the Financial Regulatory Authority as one of the leading players in the industry.

Al Rehab 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 and Banque Misr were joint underwriters, while Zulficar & Partners was legal advisor and KPMG as 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 North Africa and non-bank financial services provider in Egypt. Across seven primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, Financing, After-Sales, and Regional 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, Aksa, Lassa, Yokohama, Goodyear, Westlake, Triangle, Grandstone, Diamond Back, Diamond Coin, Jumbo, Monroe and Gazpromneft. GB Auto has operations in Egypt, Iraq, Algeria, and Jordan. The company is headquartered in Giza, Greater Cairo Area, Egypt. [www.ghabbourauto.com](http://www.ghabbourauto.com)

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#### **Forward-Looking Statements**

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