



GB Lease finalized its second securitized bond offering worth of EGP 767 million

Date: 12 June 2019

(Cairo, Egypt) — GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and non-bank financial services provider in Egypt, announced on 12 June 2019 that its subsidiary GB Lease S.A.E. has completed its Second securitized bond offering in the amount of EGP 767 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 EGP 203 million, 13-month non-callable bond with a variable yield of 40 bps over the net after tax return on 182-day Egyptian treasury bills.
- The second tranche consists of a EGP 353 million, 36-month callable bond with a variable yield of 90 bps over the net after tax return on 182-day Egyptian treasury bills.
- The third tranche consists of a EGP 211 million, 60-month callable bond with a variable return of 145 bps over the net after tax return on 182-day Egyptian treasury bills.

"I am very pleased that GB Lease's Second securitized offering received a strong rating from international agencies that reflects a high quality portfolio of receivables that was built by experienced and prudent management" said GB Auto's Chief Executive Officer Raouf Ghabbour.

"We are pleased to successfully close the securitization bond for GB Lease, issued as part of the continuous growth of the business", 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 10.63% at the end of 2018

Capital For Securitization Co. was the issuer of the bond, which is backed by a portfolio generated by GB Lease, while Commercial International Bank (CIB) and Arab African International Bank (AAIB) acted as joint lead managers and joint bookrunners. CIB, AAIB, National Bank of Egypt and Banque Misr were joint underwriters, while Elderiny Partner 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.

Investor Relations Contact Information:

Mansour Kabbani

Board of Directors Member

Andre Valavanis

Investor Relations Associate Vice President

Sarah Maged

Investor Relations Communication Manager

Marina Kamal

Investor Relations Associate

Email: ir@ghabbour.com

Tel: +20 (0) 2 3910 0485

Fax: +20 (0) 2 3539 0139

Address: Cairo-Alexandria Desert Road, Km. 28, Industrial Zone, Abu Rawash
P.O. Box 120, Giza, Egypt

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