

MTF \$100 million medium term note issue fully subscribed

Motor Trade Finances Limited (MTF) has today issued \$100m of medium term notes to institutional investors, in only the second non-mortgage backed security issue in New Zealand dollars, since the global financial crisis.

Standard & Poor's Ratings Services today assigned structured finance ratings to two classes of note, with Class A Notes rated AAA (sf) and Class B Notes rated AA (sf). The notes will be issued by Trustees Executors Ltd, on behalf of the MTF Zephyr Trust 2012. The notes are backed by motor vehicle receivables originated by MTF dealers and franchises, who are all MTF shareholders.

The \$100m issue consists of \$87.7m of AAA (sf) notes, \$2.8m of AA (sf) notes, with the balance of \$9.5m of unrated notes held by MTF. The notes will be fully subscribed, on issue.

Very little securitisation activity has appeared in New Zealand, post the global financial crisis, with only three issues coming to market in recent years.

Commonwealth Bank of Australia and Westpac New Zealand acted as joint arrangers and lead managers, assisting MTF to organise and place the notes with investors.

The ratings assigned to the notes reflect the credit and liquidity support provided by MTF, and the track record and industry experience of MTF and its shareholders. The notes have an aggregate expected term of up to four years and provide MTF with competitive, longer term funding.

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