

EFG Hermes concludes advisory to one of the world's largest international microfinance institutions on its GBP 125 mn IPO on the London Stock Exchange

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(Dubai and London) — EFG Hermes, a leading financial services corporation in frontier and emerging markets (FEM), concluded today its advisory to international microfinance lender ASAI International (ASAI) on its GBP 125 million initial public offering¹ on the London Stock Exchange (LSE).

With a 12-country footprint spanning Asia and Africa, ASAI is one of the world's largest private-sector microfinance institutions with c. 1.9 million clients.

EFG Hermes was joint bookrunner on the transaction alongside Investec plc, while Citigroup Global Markets acted as sole global coordinator and Keefe, Bruyette & Woods (KBW) as lead manager. Shares of ASAI have been admitted to trading on the main market of the LSE with a premium listing under the stock ticker "ASAI."

The offering saw ASAI's selling shareholder, Catalyst Microfinance Investors (CMI), offer 40,000,000 shares or 40% of ASAI to institutional investors at an offer price of GBP 3.13; accordingly, ASAI's total market capitalization at admission today was GBP 313 million.

"This is a milestone transaction for EFG Hermes and one that marks the firm's first investment banking foray in frontier markets following the launch of our frontier strategy in early 2017," said Ali Khalpey, the London-based CEO of EFG Hermes Frontier. "In just over 18 months since we began building our frontier platform, we have directly entered three new frontier markets; established distribution and sales capabilities in New York, London, Pakistan, Kenya, and Bangladesh; expanded our execution to cover 95% of the MSCI Emerging & Frontier Markets Index; and were ranked as the number one frontier market brokerage firm in the Extel Survey 2018".

"With the successful conclusion of ASAI's high-profile IPO, we have once again shown our ability to bookbuild and transact in frontier markets with an unrivalled global distribution platform supported by world-class research, brokerage, and investment banking services," Khalpey added.

ASAI maintains a loan book with over 1.9 million clients comprised of low-income, predominantly female entrepreneurs across Asia and Africa. The global microfinance lender has outstanding loans of c. USD 300 million and serves its customers through a c. 1,400 branch network with some 9,000 employees operating in India, Pakistan, Ghana, Nigeria, Philippines, Kenya, Myanmar, Sri Lanka, Uganda, Rwanda, Sierra Leone and Tanzania. The company recorded a pre-tax profit of USD 43.4 million in 2017, up 64% year-on-year.

¹ (assuming no exercise of the 4 million share over-allotment option by the stabilizing manager, Citigroup Global Markets)

“EFG Hermes has again demonstrated its ability to tap a global client base and utilize its unrivalled network of MENA clients to raise demand for compelling opportunities outside our traditional markets,” said Mohamed Fahmi, Co-Head of Investment Banking at EFG Hermes. “The investment banking division has consistently been the MENA region’s top-ranked ECM advisors by market share. Our vision is to replicate our MENA success story into newly-entered markets through finding attractive investment plays that cater to the appetite of our global network of clients,” added Fahmi.

EFG Hermes began executing its frontier expansion strategy in early 2017 and has since opened offices in Pakistan, Kenya, and Bangladesh and has acquired an FCA license to operate in the UK. These expansions have enabled the firm to offer a comprehensive suite of research, brokerage, and investment banking services to a broader network of domestic and international clients.

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About EFG Hermes

With a current footprint spanning eleven countries across four continents, EFG Hermes started in Egypt and has grown over 30 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record & a team of more than 2,900 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region. EFG Hermes launched the NBFi Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing and Tanmeyah Microfinance. This comes in light of the Firm’s strategy to focus on two main pillars: product diversification and geographic expansion into frontier markets — which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh & the United States.

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Note on Forward-Looking Statements

In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management’s expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes’ belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management’s control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.