

EFG Hermes Issues EGP 167 million bond: Egypt's First Short-Term Securitization Transaction

Cairo, Egypt – October 29, 2019

EFG Hermes, the leading financial services corporation in Frontier Emerging Markets (FEM), has announced today the successful closing of the first short term securitization transaction in Egypt, under the new Short Term Debt Instrument (or "STDI") decree no. 172 of 2018.

Premium International for Credit Services ("**Premium**", or the "**Company**") is the originator who assigned a portfolio of EGP 184mn to EFG Hermes, the Securitization SPV, backed by the portfolios of Premium customer credit. The EGP 167 million bond, which consists of a single 10-month tranche, received a "Prime 1 Rating", the strongest amongst other Egyptian bond issuances as quoted by Middle East Ratings and Investor Services (MERIS).

Premium launched in the Egyptian market in 2002, and currently stands as a leading entity in the consumer finance sector, with more than 120 thousand cardholders registered and access to more than 5000 stores across Cairo and Alexandria. Currently, the Company records more than 750 thousand transactions annually.

Commenting on the issuance, Mostafa Gad, Co-head of investment banking at EFG Hermes said, "EFG Hermes has taken the initiative to pave the way by issuing the first short-term securitization transaction under the new STDI decree. Not only is this issuance the first of its kind from a tenor perspective, but also the first in the consumer finance industry. Setting up an independent team dedicated to debt capital markets came to execute our strategy of diversifying our services in markets in which we already operate – parallel to our successful geographic expansion drive that has taken our world-class advisory services to newly-entered Frontier Emerging Markets."

"We look forward to working closely with Premium with regards to the remaining issuances under the first short term program, approved by the FRA in October, amounting to a total of EGP 2 billion over a period of two years," added Gad.

EFG Hermes is also in process of closing the first unsecured short-term note in the Egyptian market along with a new securitization transaction in the fourth quarter of 2019, notwithstanding several other securitization and bond issuances currently in the Investment Banking Division's pipeline.

EFG Hermes acted as the sole financial advisor, sole arranger, and co-underwriter along with The Arab African International Bank, who is also the issuances' custodian. Dreny & Partners acted as the Legal Advisor and KPMG acted as the Financial Auditor for the transaction.

About EFG Hermes

With a current footprint spanning thirteen countries across four continents, EFG Hermes started in Egypt and has grown over 35 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track record and a team of more than 4,400 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 MENA region.

In 2015, EFG Hermes launched the NBF Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing, Tanmeyah Microfinance, valU for instalment sale services and EFG Hermes Factoring. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the Firm establish a physical presence in Pakistan, Kenya, Bangladesh, Nigeria, Vietnam, the United Kingdom and the United States.

For further information about EFG Hermes, please visit www.efghermes.com and stay connected with us:    

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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.