

Premium Card announces the successful closing of its Third Securitization Bond Issuance worth EGP 182 million

- *This third issuance comes as part of the two-year short-term securitization program worth EGP 2 billion*
- *Accumulating up to date a total securitized amount of approx. EGP 0.6 billion*
- *The bond holds a "Prime 1" credit rating from MERIS, the highest rate in the Egyptian market*

Cairo, 8 September 2020- Premium International for Credit Services "**Premium Card**" announced the third issuance of its two-year short-term securitization program worth EGP 2 billion.

The EGP 182 million bond consists of a single 10-month maturity tranche, backed by a static pool of consumer card receivables.

The bond received from Middle East Rating & Investors Service (MERIS) the regional Moody's affiliate, a "Prime 1" Rating, - consistent with the previous two issuances - the strongest creditworthiness rating in the Egyptian bond market.

The rating has been based on MERIS credit assessment, considering the following points: (i) with 49 thousand individual contracts, the underlying pool of receivables is highly granular with individual concentrations not exceeding 0.03%; (ii) the receivables are backed by signed promissory notes covering the card limits of the cardholders; and (iii) the significant experience of the company, the efficiency of its operating systems in addition to the strict collection and monitoring guidelines and procedures.

The first of its kind in Egypt, the program was approved by the Egyptian Financial Regulatory Authority (FRA) in accordance with Law No. (172) for the year 2018 setting out the rules regarding issuance of Short Term Debt Instruments (*STDI*).

This third offering was successfully 100% subscribed by several prominent institutional investors, namely EFG Hermes, AAIB and EG Bank, reflecting the market's confidence in the solid financial position of the company.

Commenting on the issuance, Paul Antaki, Founder and Chairman of Premium Card said: "We are proud to have completed our third securitized bond offering less than five months after achieving the second issuance.

Press Release



This transaction will solidify our position in the Non-Banking Financial Services (NBFS) sector and back-up our ambitious expansion strategy for Y2020-21 through a number of new innovative FinTech projects we have in the pipeline.

Over the past years, we have been successful in fostering, a strong and successful enterprise as a result of our resilient business model and deep understanding of the market fundamentals”.

“With this regard, the company is launching several new products and services to support Egypt’s plan to promote citizens’ purchasing and consumption power, particularly amidst the challenging economic conditions caused by the current coronavirus outbreak.

Looking ahead, while reinforcing its highly regarded status in the market, Premium Card strives to maintain a leading role among private sector institutions, working to enhance financial inclusion across our national economy”, Paul Antaki added.

Rami Antaki, Co-Founder and member of Premium Card Board of Directors stated: “We highly believe in the great potential of the debt market with the introduction of new innovative instruments - in line with the general direction of The Financial Regulatory Authority (FRA) - and their attractive cost of financing providing a cheaper funding alternative. We view short-term bonds, as the best financing tool for nonbanking financial companies like us”.

Antaki added: “We are honored to have joined forces again with the reputable and highly experienced teams dedicated by EFG Hermes, AAIB and Dreny law firm for this transaction.

With this talented team, we have all together paved the way for the first short-term securitization, not only the first of its kind from a tenor perspective, but also the first in the consumer finance industry. We look forward to continue cooperating with regards to the remaining issuances of our EGP 2 billion program”.

A consortium of the leading financial, banking and legal institutions collaborated on this two-year, short-term securitization transaction. EFG-Hermes and Arab African International Bank (AAIB) were tapped as lead arrangers and co-underwriters along with EG Bank. EFG-Hermes was appointed as sole financial advisor, book-runner and transaction manager, while AAIB acted as placement agent and custodian of the transaction. Dreny & Partners acted as the legal advisor, and KPMG Hazem Hassan as the financial auditor for the transaction.

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About Premium Card

Premium International for Credit Services ("Premium Card"), operating in Egypt since 2002, is a pioneer in the consumer finance market through introducing its innovative, first-of-its kind zero interest and bank-free credit card with a 10-month instalment program.

Cardholders enjoy shopping in store or online at a large network of more than 6000 stores across Cairo, Alexandria and Mansoura, and have access to more than 20 different sectors, including electronics, fashion, electrical appliances, tourism, travel services, food & beverage, healthcare, etc.

Premium Card reached a customer base of 130,000 cardholders – still growing - sourced through 800+ major Egyptian corporations among both private and public sectors.

Driven by buoyant consumer market dynamics, the company's top line has continued to display a robust growth of 40% year-on-year, to record an activity of EGP 1 billion, achieved through over 1.2 million transactions during 2019.

Premium Card aims at empowering consumers through enhancing their purchasing power.

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