

EFG Hermes Successfully Closes the Third Issuance for Hermes Securities Brokerage in an EGP 550 Million Senior Unsecured Short-term Note

Cairo, 13 December 2021

EFG Hermes' investment banking division, the leading investment banking franchise in Frontier Emerging Markets (FEM), announced today that it has successfully concluded the issuance of a senior unsecured short-term note for the Hermes Securities Brokerage Company (HSB) worth EGP 550 million. This marks the first issuance for the company in 2021 and the third in a two-year program worth EGP 2 billion.

The Middle East Ratings and Investor Services (MERIS) affirmed the national scale long-term senior unsecured entity rating at "BBB+" with a Stable Outlook and the short-term senior unsecured issuer rating of "P2" to HSB. The 12-month bullet note will carry a fixed rate coupon paid at the end of the bond, with proceeds going towards diversifying HSB's funding sources and finance operations.

Commenting on the issuance, **Mostafa Gad, Co-Head of Investment Banking at EFG Hermes** said: "Once again, our debt capital market (DCM) franchise's strong growth momentum continues as we head into a new year. We are especially pleased with this transaction, as it highlights EFG Hermes' unrelenting efforts to capitalize on strong demand for these types of asset classes in the current market climate, offering alternative solutions to domestic companies and driving growth in the financial service space".

HSB, a wholly owned subsidiary of EFG Hermes Holding, has also been granted approval from the Financial Regulatory Authority (FRA) to extend the program for an additional year following its initial maturity date.

The deal follows the Firm's successful close of Six of October Development and Investment Co. (SODIC's) first securitized bond offering in July 2021, which saw the leading real estate developer issue an EGP 343 million securitized bond, and the fifth EGP 211 million securitization issuance for Premium international for Credit Services in the same month of the year. In addition to concluding advisory on valU's first securitized bond offering worth EGP 322.55 million in September 2021. valU is one of EFG Hermes' NBFi subsidiary and the leading Buy-Now Pay-Later Platform (BNPL) in Egypt.

EFG Hermes acted as the sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the issuance. Zulficar & Partners acted as the legal counsel for the transaction.

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About EFG Hermes Holding

With a current footprint spanning thirteen countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) started in Egypt and has grown over 37 years of success to become a universal bank in Egypt with a leading investment banking platform with access to emerging and frontier markets. Drawing on our proven track-record and a diverse team of talented employees, we provide a wide spectrum of financial services that include advisory, asset management, securities brokerage, research and private equity to the entire MENA region.

In 2015, EFG Hermes launched its Non-Bank Financial Institutions (NBFI) Platform, which overlooks activities in the non-banking finance field covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), mortgage and insurance. 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, Bangladesh, Vietnam, Kenya, Nigeria, the United Kingdom and the United States. In 2021, the firm acquired a controlling stake in aiBANK allowing the Firm to transform into a universal bank in Egypt.

Learn more about us at www.efghermes.com & 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.