

EFG Hermes Concludes Advisory on Bedaya Mortgage Finance's First Securitization Issuance Worth EGP 651.2 million

This securitization issuance is the first-ever for a real estate mortgage company in Egypt, featuring a landmark tenor of almost 10 years, which coincides with real estate mortgage tenors.

Cairo, June 21, 2022

EFG Hermes, the leading investment bank franchise in Frontier Emerging Markets (FEM), announced that its Investment Banking division successfully closed the first issuance worth EGP 651.2 million of the EGP 3 billion securitization program for Bedaya Mortgage Finance, Egypt's first non-bank online mortgage provider. The bond is mortgage backed portfolio of around EGP 1.02 billion, assigned to EFG Hermes, the issuance's special purpose vehicle (SPV). This transaction marks the first ever securitization for a real estate mortgage company in Egypt.

The bond is comprised of eight tranches with both fixed and variable yields, with the structure as follows: a first tranche of EGP 22.22 million with a 13-month bond tenor and a variable yield; a second tranche of EGP 22.22 million, with a 24-month tenor and a variable yield; a third tranche of EGP 88.9 million, with a 36-month bond tenor and a variable yield; a fourth tranche of EGP 226.69 million, with a 84-month tenor and a variable yield; a fifth tranche of EGP 84.45 million, with a **115-month** bond tenor and a variable yield; a sixth tranche of EGP 20.67 million, with a 12-month tenor and a fixed yield; a seventh tranche of EGP 102.32 million, with a 36-month tenor and a fixed yield; and an eighth tranche of EGP 83.71 million, with an 84-month tenor and a fixed yield.

Commenting on the issuance, **Maie Hamdy, Managing Director - Debt Capital Markets at EFG Hermes** said, "We are proud to have advised on the first real estate mortgage securitization transaction in the Egyptian market, which has been met with extensive interest from investors, bearing in mind the almost 10-year tenor notwithstanding the current market uncertainty. Taking this step with Bedaya – a joint venture between EFG Hermes Holding, Talaat Mostafa Group, and GB Capital – comes as part of our broader strategy to capitalize on our cross-selling synergies and product diversification that are an essential pillar of our business model and progression. We are very proud of the success of this issuance and attribute it to our team's unwavering commitment to consistent value creation and forward-looking approach."

According to the Financial Regulatory Authority (FRA)'s report for March 2022, Bedaya ranked number four in the full year 2021, number three in the first quarter of 2022, and number two during March 2022. Last year, Bedaya launched Egypt's first non-bank mortgage finance mobile application and online platform, which helped users gain convenient access to numerous mortgage finance offerings seamlessly and rapidly. Bedaya has the fastest turnaround time in the industry and, with a mortgage market that is currently both underserved and under-penetrated, the Firm acts as a conduit expanding accessibility to mortgage financing, which is often a long and cumbersome process. The transaction was done with the combined efforts of Bedaya's in-house securitization team, comprised of Bedaya's Heads of Finance, Operations, Credit Risk, and Legal, led by Gina Selim, the General Manager of Bedaya. As the mortgage law came out in 2001 and the first mortgage company was launched in 2003, for the first mortgage bond to come out in 2022 is considered not only a milestone for Bedaya, but also for the entire real estate mortgage industry.

Tarek Abou-Gendia, CEO and Managing Director of Bedaya, said, "As a company, we pride ourselves on the sort of consistent innovation that can propel our industry forward, which is why we are very excited

to become the first real estate mortgage company in the country to issue a securitization issuance. This transaction will capitalize on the capabilities and cross-selling power of EFG Hermes to move us closer to our long-term expansion plans through broader, more sustainable financial solutions so that we can continue on our mission to extend accessibility to a wider customer base across Egypt’s mortgage market.”

EFG Hermes acted as the sole financial advisor, sole transaction manager, book-runner, underwriter, and arranger on the issuance. National Bank of Egypt (NBE), alongside Banque du Caire (BDC), acted as underwriters and Baraka Bank acted as the subscription bank. The legal advisor for the issuance was Dreny and Partners and the auditor was KPMG. Middle East Ratings and Investor Services (MERIS) acted as the credit rating agency.

This issuance comes on the heels of the Firm’s successful conclusions of an EGP 627.5 million securitization issuance for Pioneers Properties for Urban Development, the first issuance in Misr Italia Properties’ securitization program worth EGP 794 million in December 2021, and most recently the bond issuance for EFG Hermes Corp-Solutions, valued at EGP 500 million, in June 2022. The transaction also follows the Firm’s successful advisory on Premium International for Credit Services’ sixth issuance, valued at EGP 170 million in January 2022, in addition to the first issuance of EGP 300 million in Madinet Nasr Housing and Development’s (MNHD)’s securitization program.

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About EFG Hermes Holding

With a current footprint spanning 13 countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) has grown over 38 years of success to transform from a pure-play investment bank in MENA into an impact-driven universal bank in Egypt with the leading investment bank franchise in Frontier Emerging Markets (FEM). 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 FEM region. In our home country, we have the fastest-growing non-bank financial institutions (NBFI) platform with operations covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), digital payment solutions, mortgage finance and insurance.

Through its three verticals, the Investment Bank, Non-Bank Financial Institutions (NBFI) and Commercial Bank, the group is perfectly positioned to consistently bring disruptive financial products and services to the market space, offering a holistic portfolio that best serves its growing base of individual clients and businesses of all sizes.

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Learn more about us at www.efghermes.com & stay connected with us:

For further information, please contact:

The EFG Hermes Holding Public Relations Team

PublicRelations@EFG-Hermes.com

May El Gammal

Group Chief Marketing & Communications Officer of EFG Hermes Holding

melgammal@efg-hermes.com

About Bedaya Mortgage Finance

Bedaya Mortgage Finance Company (Bedaya) is Egypt's first non-bank mortgage provider offering digital mortgage financing facilities. It offers seamless mortgage financing solutions for clients looking to purchase residential and commercial properties in Egypt or to get financed using a pre-owned personal or business asset as collateral. With the fastest turnaround time in the market and a seamless digital mortgage platform, Bedaya works with clients as true partners to deliver tailored mortgage solutions to its ever-growing client base. Bedaya was founded in 2019 as a joint venture between EFG Hermes, GB Capital, and Talaat Moustafa Group.

For further information about Bedaya, please visit <https://www.bedayamortgage.com/>

Note on Forward-Looking Statements

In this press release, EFG Hermes Holding 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 Holding's 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.