

B.TECH and CIB Conclude The First Securitized Bond Issuance Worth EGP 1.038 Billion as Part of an EGP 5 Billion Securitization Program

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B.TECH, Egypt's leading omnichannel consumer electronics, home appliances retailer & consumer finance powerhouse. The Commercial International Bank (CIB) announced today the completion of securitization bonds worth EGP 1.038 billion issued on three tranches with tenors with different payment priorities, credit ratings, and interest rates. The issued bonds received a credit rating of P1/P1/P1 (Prime one) for the three tranches, respectively, driven by the high quality of the transferred portfolio being the portfolio with the highest rating in the consumer finance business in addition to the other credit guarantees and enhancements available to bondholders.

This issuance comes as part of a short-term EGP 5 billion securitization issuance program over two years after receiving the approval of the Financial Regulatory Authority (FRA).

CIB acted as the exclusive financial advisor, issuance manager, general arranger, promoter, and co-underwriter of the transaction. The National Bank of Egypt (NBE) and CIB served as the transaction custodian. Zulficar & Partners law firm acted as the legal advisor of the issuance, whereas Hazem Hassan Consulting (KPMG) worked as the transaction auditor.

Dr Mahmoud Khattab, CEO and Chairman of B.TECH, commented on the transaction. "We are proud of the cooperation with CIB as we complete the first issuance of securitized bonds as part of an EGP 5 billion securitization program. This transaction demonstrates the strong financial status of the company and the diversity of financial tools we use."

He explained that this issuance would enhance the company's operational efficiency. Furthermore, securing the cash flow needed to pursue the company's expansion strategy by focusing on more significant geographical expansion by adding more stores across the country to meet the evolving demands of its customers and expanding consumer finance services. Moreover, all additional key business verticals within the company and boosting profitability".

From his side, Shady Makary, Executive Vice President for Finance & administration at B.TECH, said, "We are pleased to announce that we managed to achieve this milestone in a record time thanks to the collective efforts of our professional partners and dedicated B.TECH team. In addition, we are extremely proud to receive this outstanding P1 rating by MERIS for being the portfolio with the highest rating in the consumer finance business ."

On her part, Mennan Awadallah , Head of Syndications and Debt Capital Markets at CIB, said that the bank was keen on collaborating with B.TECH to issue these securitized bonds to assist the company in achieving its growth plan. This transaction comes within the bank's leading role to support companies operating across various sectors to promote and boost the non-financial services market.

She added, "CIB has completed 11 securitization and bond issuance transactions in 2022 with a total amount exceeding EGP 32 billion. In different sectors, including consumer finance, financial leasing, mortgage finance, and microfinance. In addition to the biggest securitization transaction in the Egyptian market for one of the governmental entities worth EGP 20 billion."

Founded in 1997, B.TECH has grown into one of Egypt's most prominent and fastest-growing Omnichannel consumer electronics and home appliance retailers providing its services through a solid digital platform. Furthermore, it commands more than 70 million visits to its website and application and a vast network of 152 stores nationwide across 24 governorates and 34 cities.

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