

EFG Hermes Successfully Concludes Advisory on the Second Future Flow Securitization Issuance for CIRA Education in an EGP 700 million Securitized Bond Offering

This transaction comes after EFG Hermes advised on Egypt's first-ever future flow securitization issuance for CIRA Education in 2022.

Cairo, November 1, 2023

EFG Hermes, the leading investment bank franchise in Frontier and Emerging Markets (FEM), announced today that it successfully closed the second issuance of a future flow securitized bond for CIRA Education, the largest integrated provider of educational services in the Egyptian private sector. The transaction, worth EGP 700 million, is the second issuance of an approved EGP 2.0 billion bond program and is backed by future revenues generated by the company.

Mostafa Gad, Co-Head of Investment Banking at EFG Hermes, said, “We are delighted to have executed the second issuance of the future flow securitized bond for CIRA Education after successfully issuing the first-of-its-kind in the country for the company last year. The issuance of this bond and the wider securitization program represents a significant milestone in EFG Hermes' dedication to fostering financial inclusion and education in the Egyptian market, underlining the importance of private-sector engagement in the education sector. We firmly believe in the positive impact of investing in education, and through this bond issuance, we are confident that CIRA Education will continue to excel and deliver high-quality education to the Egyptian community.”

Uniquely secured by future revenues generated by CIRA Education, this bond structure paves the way for the participation of a diverse array of investors, thanks to its favorable investment grade rating, and offers a novel avenue for both public and private sector entities to access liquidity. This pioneering financial instrument not only empowers companies to secure funding efficiently but also fosters economic growth by spurring investment across various sectors.

Maie Hamdy, Managing Director - Debt Capital Markets at EFG Hermes, commented: “We are proud to have played a pivotal role in facilitating this EGP 700 million bond issuance for CIRA Education, which not only underscores EFG Hermes' leadership in financial markets but also represents a remarkable step towards strengthening the educational infrastructure in Egypt. As we navigate through a rapidly evolving landscape, we firmly believe that investing in education is a strategic imperative that will drive not only economic development but also societal progress. We look forward to seeing the positive impact this bond will have on CIRA's growth story and the education sector as a whole.”

This issuance comes on the heels of EFG Hermes' successful closing of an EGP 472 million bond issuance for Egyptian Mortgage Finance Company (EMRC), a 427.5 million securitized bond for Palm Hills Development (PHD), and an EGP 958 million issuance for Bedaya Mortgage Finance. The investment banking division also concluded an EGP 805.5 million issuance for Madinet Masr (previously Madinet Nasr for Housing and Development), Al Taamir Mortgage Finance – Al Oula's EGP 998.5 million issuance, Valu's EGP 856.5 million issuance, as well as an EGP 986 million issuance for Misr Italia Properties.

EFG Hermes

EFG Hermes acted as the co-underwriter along with Arab African International Bank (AAIB), Albaraka Capital, Suez Bank, and Banque Misr. The Special Purpose Vehicle (SPV) for the transaction was EFG Hermes for Securitization. Albaraka Bank acted as the subscriber to the issuance, while AAIB was the custodian. Zulficar and Partners Law Firm acted as the transaction's legal advisor, while PwC acted as the auditor.

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About EFG Holding

EFG Holding (EGX: HRHO.CA – LSE: EFGD) is a trailblazing financial institution with an over 40-year track record of success in 11 countries across four continents. Through its three verticals — the Investment Bank (EFG Hermes), Non-Bank Financial Institutions (NBFI) (EFG Finance), and Commercial Bank (aiBANK) — the Firm offers markets a holistic portfolio of disruptive financial products and services that serve a growing base of individual clients and businesses of all sizes.

EFG Hermes is the leading investment bank franchise in Frontier and Emerging Markets (FEM), providing a broad spectrum of financial services including advisory, asset management, securities brokerage, research, and private equity. In our home market, EFG Holding is a universal bank with the fastest-growing NBFI platform, EFG Finance, that includes microfinance player Tanmeyah, leasing and factoring service provider EFG Corp-Solutions, universal financial technology powerhouse Valu, digital payment platform PayTabs Egypt, Bedaya for mortgage finance, and Kaf for insurance. Additionally, the Firm offers commercial banking solutions through aiBANK, a leading provider of integrated retail, corporate, and Islamic banking products in Egypt.

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