

EFG Hermes Concludes Advisory on Bedaya Mortgage Finance's Fourth Securitization Issuance Worth EGP 1.4 Billion

Cairo, October 13, 2024

EFG Hermes, an EFG Holding Company and the leading investment bank in the Middle East and North Africa (MENA), announced today that its investment banking division successfully concluded advisory on the fourth EGP 1.4 billion securitized bond issuance for Bedaya Mortgage Finance, one of EFG Finance's non-bank financial institutions (NBFI), and Egypt's first non-bank online mortgage provider. The issuance comes as the second in a wider EGP 3.0 billion program. The bond is backed by a receivables portfolio assigned to Capital for Securitization, a GB Capital company, as the issuance's special purpose vehicle (SPV).

The bond is comprised of four tranches with variable yields, structured as follows:

- Tranche A – Valued at EGP 63.7 million, with a 13-month tenor and a credit rating of AA from Middle East Rating and Investors Service (MERIS)
- Tranche B – Valued at EGP 353.9 million, with a 36-month tenor and a credit rating of A from MERIS
- Tranche C – Valued at EGP 509.6 million, with a 60-month tenor and a credit rating of A- from MERIS
- Tranche D – Valued at EGP 488.3 million, with an 81-month tenor and a credit rating of A- from MERIS

Tarek Abou-Gendia, CEO and Managing Director of Bedaya, said, “We are incredibly proud to be building on the success of our previous issuances, which gained substantial interest upon kicking off in 2022. With the ongoing backing of EFG Hermes, we are set to capitalize on growth opportunities as we look to deliver exceptional services to our clients. Our dedication to innovation and adaptability will remain key, ensuring that we maintain our position at the forefront of industry trends, responding efficiently to the evolving needs of our customers, and capitalizing on new opportunities.”

Sherif Tawadros, Capital for Securitization Managing Director, said, “We are excited to further strengthen our long-standing collaboration with EFG Hermes through this issuance. The inclusion of Capital for Securitization as the special purpose vehicle marks a significant milestone in our partnership. Together, we are committed to driving innovation and delivering unparalleled financial solutions that meet the evolving needs of our clients. This transaction not only showcases our collective expertise but also reinforces our dedication to seizing new growth opportunities in the market”.

Commenting on the issuance, **Maie Hamdy, Managing Director - Debt Capital Markets at EFG Hermes' Investment Banking division**, said, “Throughout the years, we've witnessed our debt capital market practice forge a strong foothold in various industries, fueling growth by offering innovative solutions that allow businesses to unlock the tools and skills needed for capital growth and operational scaling. Investor enthusiasm for the issuance was driven by the success of the previous issuances, as well as Bedaya's innovative business model and vision to revolutionize the real estate mortgage industry. Building on our partnership further with Bedaya – a joint venture between EFG Finance, Talaat Mostafa Group, and GB Capital – falls in line with our wider strategy to optimize our business model by diversifying our product offerings and optimizing our cross-selling capabilities while continuing our partnership through collaborating with GB Capital on this transaction as the SPV provider”.

This transaction comes as the latest in a string of debt issuances advised on by EFG Hermes in the region. EFG Hermes recently concluded advisory on a short-term note issuance, valued at EGP 433 million, for a one-year term for EFG Corp-Solutions back in June. It also concluded advisory on the issuance of a senior unsecured short-term note for the Hermes Securities Brokerage Company (HSB), a wholly-owned subsidiary of EFG Holding, in an EGP 600 million transaction, marking the fifth issuance for the company and the second in an approved two-year program worth EGP 2 billion.

EFG Hermes acted as the sole financial advisor and transaction manager, as well as the sole book-runner and arranger, the firm also acted as an underwriter on the transaction. National Bank of Egypt (NBE) and Al Baraka Bank Egypt acted as underwriting banks. Abu Dhabi Commercial Bank Egypt (ADCB) acted as the custodian bank. Arab Banking Cooperation (ABC) and Société Arabe Internationale de Banque (SAIB) acted as subscribers to the transaction. Barakat, Maher & Partners, in association with Clyde & Co, acted as legal advisors. Sherif Mansour Dabus–Russell Bedford served as the auditor.

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About EFG Holding:

EFG Holding (EGX: HRHO.CA – LSE: EFGD) is a trailblazing financial institution that boasts a remarkable 40-year legacy of success in eight countries spanning two continents. Operating within three distinct verticals — the Investment Bank (**EFG Hermes**), Non-Bank Financial Institutions (NBFI) (**EFG Finance**), and Commercial Bank (**Bank NXT**) — the company provides a comprehensive range of groundbreaking financial products and services tailored to meet the needs of a diverse clientele, including individual clients and businesses of all sizes.

EFG Hermes, the leading investment bank in the Middle East and North Africa (MENA), offers an extensive array of financial services, encompassing advisory, asset management, securities brokerage, research, and private equity. In its domestic market, EFG Holding serves as a universal bank, with EFG Finance emerging as the fastest-growing NBFI platform, comprising **Tanmeyah**, a leading provider of financial services in Egypt with a concerted focus on the micro and small enterprise segments, **EFG Corp-Solutions**, which provides leasing and factoring services, **Valu**, a versatile financial technology powerhouse, **PayTabs Egypt**, a digital payment platform, as well as **Bedaya** for mortgage finance and **Kaf** for insurance as well as **Fatura**, a technology-backed B2B marketplace. Furthermore, the company delivers commercial banking solutions through **Bank NXT**, a leading provider of integrated retail, corporate, and Islamic banking products in Egypt.

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For further information, please contact:

May El Gammal

Group Chief Marketing & Communications Officer of EFG Holding
melgammal@efghldg.com

Omar Salama

Senior Communications Manager of EFG Holding
osalama@efghldg.com

The EFG Holding Public Relations Team

PublicRelations@efghldg.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 Finance, 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 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 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.

About GB Capital:

GB Capital Financial Investments Company was established in 2011 for the purpose of providing all financial consultations to companies of various types of businesses & investing in companies operating in their affiliated activities in the non-banking financial sector, and promoting & covering underwriting activities. Under its umbrella falls an integrated group of non-banking financial companies, which gives harmony and integration.& cooperation between the group's financial activities which gives it a strong competitive advantage in the Egyptian market and includes all financial fields such as financial leasing and factoring – Auto Loans and consumer financing - operational leasing - financing SME projects - real estate financing - microfinance - securitization - life insurance and Finally sukuk