

PRESS RELEASE

EFG Hermes expands frontier markets division, appoints CEO for frontier operations

With seven of the world's 10 fastest-growing economies now frontier markets, the expansion drive will create new value for EFG Hermes shareholders across a wider geographic footprint; rollout to be modelled on firm's successful push into GCC

Cairo, 3 January 2017 - EFG Hermes, the leading financial services corporation in the Middle East and North Africa (MENA) region, announced today the accelerated expansion of its frontier markets drive as it continues its transformation into a premier frontier finance house with footprint that spans some of the world's most compelling emerging and frontier markets.

"I am delighted to announce today the expansion of EFG Hermes Frontier, our division serving global frontier markets with a particular focus on securities brokerage, investment banking and research. Our transformation into a frontier house is part of our stated strategy communicated to the market in early 2016. It will be supported by both new hires as well as our existing lines of business and back-office functions as we look to create new shareholder value across a wider geographic footprint," said EFG Hermes Group Chief Executive Officer Karim Awad. "EFG Hermes Frontier will be headed by Ali Khalpey, a 20-year veteran of frontier and emerging markets with a proven track record spanning from London and New York to Johannesburg."

Khalpey joins EFG Hermes from Exotix Africa LLP, the frontier-focused specialist investment bank he co-founded and led after a career that included stints with Blackrock, Investec plc, and Renaissance Capital.

"Our continued drive into frontier markets will be no less significant to the firm's future than was our expansion out of Egypt to become the leading investment bank in the MENA region in the early 2000s," said Mohamed Ebeid, Co-Head of Securities Brokerage at EFG Hermes. "With the acquisition of an on-the-ground presence in Pakistan now in its final stages, our aim in 2017 is to accelerate the rollout of the platform as we open new markets and businesses on the ground."

Having already obtained regulatory approval, EFG Hermes has announced a tender offer on the Pakistan Stock Exchange for Karachi-based Invest and Finance Securities Limited. Meanwhile, the firm is pursuing a license in another frontier market and is "carefully studying the potential to make other opportunistic expansions across frontier markets as part of our 2017 plans.

"As we accelerate our growth into frontier markets, we will model our expansion on the very successful strategy the firm used to grow its presence in the Gulf Cooperation Council countries," said Khalpey, who assumes his new duties on 4 January 2017. "We will use local

professionals with local knowledge to build on-the-ground presences that will serve our global institutional client base with the insights and robust governance frameworks they have come to expect of EFG Hermes.”

With growth in developed and many emerging markets still slow, an increasing number of international institutional investors are making allocations to frontier markets. “Seven of the ten fastest growing markets in the world are frontier,” said Ebeid. “There’s a natural fit between continuous capital flows into emerging markets as investors seek growth — on the one hand — and a large and growing universe of companies in the frontier space that are seeking capital, on the other. We are the natural conduit linking the two, whether on the advisory front or with brokerage franchises backed by one of the most robust research offerings in global emerging and frontier markets.”

EFG Hermes Research aims to increase its coverage universe to more than 200 stocks from 155 today, with a significant portion of the expansion set to come from initiation of coverage on the ground in frontier markets. The research division initiated coverage of Pakistan earlier this year. The firm is developing a broad corporate access program for frontier markets, a process that began earlier this year with the invitation of frontier-based companies to the EFG Hermes London and One on One conferences, the firm’s flagship investor events.

The expansion of EFG Hermes Frontier comes just weeks after the firm announced it is seeking regulatory approval to open EFG Hermes USA to directly serve US-based institutional clients seeking exposure to MENA and frontier markets.




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About EFG Hermes

With a current footprint spanning seven countries in the Middle East and North Africa, EFG Hermes started in Egypt and has grown over 30 years of success to become the region’s leading investment bank. Drawing on our proven track-record & a team of 865 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region.

In 2016, EFG Hermes announced the launch of a finance platform EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing and Tanmeyah Microfinance. This comes in light of the Firm’s strategy to focus on two main pillars: geographic expansion into frontier markets and product diversification.

Combining our strengths & expertise in the region, we offer our clients best-in-class products and services that are tailored to their needs to maximize their investment goals in a rapidly changing environment.

For further information about EFG Hermes, please visit www.efghermes.com and 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.