

EFG Hermes, GB Auto complete majority stake acquisition of Tokio Marine Egypt Family Takaful

The acquisition effectively completes EFG Hermes' as well as GB Auto's full suite of NBFi services which includes leasing, microfinance, Fintech, digital payments, factoring, and mortgage finance.

27 August 2020

(Cairo, Egypt) — EFG Hermes (through its NBFi arm EFG Hermes Finance Holding) and GB Auto (through its NBFi arm GB Capital) announced today the completion of a 75% stake acquisition in Tokio Marine Egypt Family Takaful, in a deal worth EGP 84.75 million. EFG Hermes Finance and GB Capital will each hold a stake of 37.5% of the company. Tokio Marine Group, a world-renowned leader in insurance and reinsurance and the largest general insurer in Japan will own the remaining 25%.

Tokio Marine Egypt Family Takaful offers individual and corporate clients a variety of insurance solutions. The acquisition considerably expands the scope and reach of EFG Hermes' and GB Auto's respective NBFi offerings, providing a platform from which to widen and deepen EFG Hermes' and GB Auto's exposure to various market segments, the acquisition will be leveraged to complement the companies' respective existing NBFi operations through the introduction of innovative insurance products.

Egypt's insurance industry remains significantly underpenetrated compared to regional and global peers. The sector is set to benefit substantially from the government's focus on financial inclusion, as well as from significant efforts to establish a more favorable regulatory framework. Against this backdrop, EFG Hermes' and GB Auto's entering into the industry promises to generate substantial value as it expands in line with expectations for emerging markets.

Dr. Raouf Ghabbour, Chairman and CEO of GB Auto (AUTO on the EGX) commented:

“We are very pleased with the completion of this transaction and excited for the prospects of exploring the full, and yet untapped, potential of this industry and market. We know the Egyptian life insurance industry is primed for significant growth and profitable expansion, and we intend to capitalize on that. As such, the move aligns perfectly with our vision for the future, which sees our NBFi business expanding as we diversify our portfolio of offerings in the leasing, consumer finance, factoring, micro finance, mortgage finance, securitization, fleet- leasing arenas and e-payments to cater a wider segment of clients, both corporate and individual.”

Commenting on the agreement, Karim Awad, Group CEO of EFG Hermes Holding (HRHO on the EGX) said,

“The completion of this acquisition is a definitive milestone in EFG Hermes' strategy to offer the Egyptian market a comprehensive suite of NBFi services. In four years, we were able to not only grow our traditional lines of business, but also introduced leasing,

microfinance, consumer finance, Fintech, factoring, digital payments, mortgage and insurance. We are confident that this move comes at the right time for us and for the broader market, and anticipate that it will prove a key step in consolidating our position as a differentiated, broad-spectrum provider of financial services.”

Coinciding with the transaction, Tokio Marine Egypt Family Takaful – which will be relaunched under a new brand in the coming months – has appointed Sohail Ali as chief executive officer.





With over two decades of insurance experience across multiple markets, Ali will lead the company to establish a comprehensive suite of innovative insurance products and services.

—Ends—

About EFG Hermes

With a current footprint spanning twelve countries across four continents, EFG Hermes started in Egypt and has grown over 35 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track record and a team of more than 4,400 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 MENA region.

In 2015, EFG Hermes launched the NBFi Platform, EFG Hermes Finance, which overlooks activities in the non-banking finance field through EFG Hermes Leasing, Tanmeyah Microfinance, valU for instalment sale services and EFG Hermes Factoring, in addition to newly-launched entities covering digital payments, insurance and mortgage. This falls in line with the Firm’s strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh, Nigeria, Vietnam, the United Kingdom and the United States.

For further information about EFG Hermes, please visit www.efghermes.com and stay connected with us:    

About GB Auto S.A.E. is a leading automotive company in the Middle East and non-bank financial services provider in Egypt. Across six primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, After-Sales, and Iraqi operations — the company’s main business activities include assembly,

manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Pirelli, Westlake, Double Coin, Doublestar, Verde, Techking, and Gazpromneft GB Auto has operations in Egypt and Iraq. The Company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance and fleet quasi-operational leasing under the following brands: GB Lease, Mashroey, Drive, Tasaheel, Haram, GB Capital for Securitization and Bedaya. The company is headquartered in Giza, Greater Cairo Area, Egypt.

For further information, please contact:

EFG Hermes Media
media@efg-hermes.com

May El Gammal
Group Head of Marketing & Communications
melgammal@efg-hermes.com

Mansour Kabbani
Board of Directors Member
mansour.kabbani@ghabbour.com

Note on Forward-Looking Statements

In this press release, EFG Hermes Holding and GB Auto (jointly and separately, "the Partners") 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.