

Press Release

For immediate release

Sandah for Microfinance launches in Egypt to promote financial inclusion for MVSEs

First internationally backed microfinance lender receives final license from EFRA

Cairo, 15 May 2018 – Egypt’s newest microfinance lending institution, Sandah for Microfinance (Sandah), celebrated its launch with an opening ceremony held in Cairo on 8 May 2018. With the Arab African International Bank (AAIB) and the SANAD Fund for MSME (SANAD) as its founding shareholders, Sandah is the first company to be established with the support and backing of international investors since the



Egyptian Financial Regulatory Authority (EFRA) introduced the new framework governing microfinance. Now, having recently secured a final license from EFRA to engage in microfinance, the company is poised to become a premier provider of financial services to the micro and very small enterprise (MVSE) segment, and is well positioned to meet underserved demand for MVSE financing in the governorates of Upper Egypt and the Delta Region in particular.

Over 400 distinguished guests attended the ceremony, including dignitaries from the Egyptian and German governments and the European Union as well as high-level representatives from the national and international banking sphere. AAIB’s Vice Chairman and Managing Director Mr. Hassan Abdalla greeted the assembled guests: “The Arab African International Bank finds pride in establishing Sandah – a specialized microfinance company and the latest addition to its subsidiaries – with the objective of contributing to



Egypt’s balanced economic growth.” Abdalla added, “For over half a century, AAIB has accomplished a distinctive record in financing large corporates in Egypt and the region. At this stage of Egypt’s development and given the evolving, dynamic socioeconomic landscape, the bank is keen to penetrate the microfinance sector to empower disenfranchised segments and help advance inclusive growth. Launching Sandah reflects the bank’s commitment to implementing sustainable development, which ensures the concurrent development of the economy, society and the environment.”

SANAD Board Chairperson Dr. Daniela Beckman commented, “We are proud to support the launch of Egypt’s first internationally backed microfinance company. Egypt is one of our key markets of operations, and we are deeply vested in its economic development. Sandah – with its focus on MVSEs – is optimally suited to expand and strengthen financial access throughout the country, particularly in rural and underserved regions.”

AAIB as well as its subsidiaries and SANAD, with respective shares of 70% and 30%, have pooled their expertise to launch Sandah as a joint venture. AAIB’s leadership role as one of Egypt’s premiere banks, and its commitment to promoting sustainable and responsible finance makes it an ideal complement for SANAD’s extensive investment experience in nurturing and developing the microfinance sector through the region, and its credentials as a leading, internationally recognized development finance and impact investor.

Mr. Bassel Rahmy, CEO and Managing Director of Sandah, remarked: “We are very pleased at this opportunity to take up the flag of advancing financial inclusion in Egypt,” he said. “Micro and very small enterprises hold the key to nationwide economic prosperity, and we are proud to heed the signal set by the Egyptian government to facilitate access to financing services for this critical sector.”

About the SANAD Fund for MSME

Established in 2011, the SANAD Fund for MSME finances micro, small and medium enterprises and low-income households in the Middle East and North Africa via qualified local lenders. SANAD thereby fosters economic development and job creation – including youth employment – agriculture, affordable housing, and innovations in finance and financial technologies. SANAD strives to meet these goals by providing debt and equity financing to its local partners. The SANAD Technical Assistance Facility multiplies the fund’s development impact and outreach through capacity-building with partner institutions, developing financial infrastructures according to the principles of responsible finance and conducting much required R&D. SANAD’s investors include the KfW Development Bank, which initiated the fund; the German Federal Ministry for Economic Cooperation and Development (BMZ); the European Union; Switzerland’s State Secretariat for Economic Affairs (SECO); OeEB, the Development Bank of Austria; Germany’s GLS Bank and GLS Treuhand; and the Dutch development bank FMO. A public-private partnership, the fund is advised by Finance in Motion GmbH, Frankfurt am Main, Germany.

For more information, please visit: www.sanad.lu

About the Arab African International Bank

Established in 1964 with solid shareholders - the Central Bank of Egypt and Kuwait Investment Authority- AAIB spans over half a century of distinguished corporate and investment services. AAIB is Egypt's private-sector bank with a full-fledged presence in the Gulf Region. AAIB is regarded as one of the industry’s Domestic Systemically Important Banks (DSIBs). The Universal Lender “AAIB”, rounds out the top four banks in Egypt with \$1.2bn in Tier 1 in 2018 by the Banker Magazine. Enacting its vision to become a leading financial group extending innovative services into the entire region; AAIB established six subsidiaries; Arab African Investment Holding (AAIH) including Arab African Investment Management (AAIM), Arab African International Securities (AAIS) as well as Arab African International Mortgage Finance (AAIMF) and Arab

African International Leasing (AAIL) and Sandah. The establishment of which transformed AAIB from a bank to a financial group. A trendsetter in advancing sustainable finance in Egypt and in the MENA region, AAIB initiated MOSTADAM in 2014 the first forum in the MENA to instill sustainable finance and enact an industry movement towards this end.

For more information, please visit: www.aaib.com

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