

Press Release

EFG Hermes Factoring Receives License to Offer Services in the Egyptian Market

The new venture, scheduled to be fully operational by Q3 2018, will offer a comprehensive suite of factoring services for both domestic and international transactions and delivers on the Firm's product and revenue diversification strategy

28 March 2018

(Cairo, Egypt) — EFG Hermes, a leading financial services corporation serving MENA and Frontier Emerging Markets, announced today that its subsidiary, EFG Hermes Factoring, received a license to offer factoring services in the Egyptian market, reinforcing the Group's market-leading position and further diversifying its product offering to large corporates and SMEs across Egypt.

EFG Hermes has allocated an initial EGP 250 million to operate the new venture, which falls under the umbrella of its non-bank finance platform, EFG Finance Holding.

“The new venture will leverage our liquid balance sheet and our growing relationships with financial institutions to build an optimal capital structure that is capable of meeting fast-growing demand for factoring services from both large corporates and SMEs alike,” said EFG Hermes Holding's Group CEO Karim Awad. “Venturing into the factoring space is yet another step in our strategy of diversifying our product offering”.

Factoring services provide businesses with a means to access financing through assigning future receivables or payables to a third party or a ‘factor’ at a discount. Factoring receivables/payables, including checks, invoices and contracts among others, allows businesses to meet their immediate working capital financing needs and obtain liquidity to invest in future growth plans.

“The Egyptian factoring industry is fairly young with only a handful of players offering varying degrees of service depth and comprehension,” said Fatma Lotfy, Chairperson of EFG Finance Holding, and Chairperson of EFG Hermes Factoring. “Our aim is to bring a comprehensive and high-quality suite of factoring services that address a critical financing gap within a few months of acquiring our license. To that regard, we have put in a place a highly experienced team of banking and financial services professionals, under the leadership of Ahmed El Bakry as the new venture's Vice Chairman & Managing Director, to operate EFG Hermes Factoring with a soft launch target date set for the third quarter of 2018 and a plan to become fully operational before the close of the year.”

“Our service offering will extend tailor-fit factoring packages that cater to the needs of large-cap corporations as well as to those of SMEs,” said Walid Hassouna, CEO of EFG Finance Holding and EFG Hermes's Head of Debt Capital Markets. “Key offerings will include facilities covering both domestic and international transactions for import and export operations, supply chain financing and discounting products.”



EFG Hermes Factoring is a subsidiary of EFG Finance Holding, which also includes valU for installment sales services, EFG Hermes Leasing and Tanmeyah, Egypt's largest private microfinance provider.

—Ends—