

EFG and HSBC Ink \$22.3 Million Deal to boost SME's Sector In Egypt

EFG Hermes Leasing and HSBC Bank Egypt have signed a collaborative agreement to help small and medium-sized enterprises (SMEs) getting access to EGP400 million (\$22.3 million) of leasing and financing services during 2019.

The collaboration agreement provides additional support to initiatives unveiled by the Government and the Central Bank of Egypt to boost the SME sector which is a widely regarded as the backbone of the country's economy and generate a significant percentage of the nation's GDP.

The core of the collaboration agreement is to provide SMEs with low-interest rate funding, access to medium and long-term financing for capital expenditure and the ability to streamline cash flows.

"This agreement is part of our group-wide aim to grow the contribution of SMEs in our portfolio to 16% compared to the 6% seen in 2017," said Ahmed El-Kholy, EFG Hermes Leasing Chief Executive Officer.

EFG Hermes Leasing launched a dedicated programme in May 2018 to target partnerships with suppliers that facilitate SME financing solutions.

Helmy Ghazi, Managing Director and Head of Global Banking, HSBC Egypt said "This agreement demonstrates our commitment to Egyptian SMEs and our ability to deliver the right mix of products, quality of service and international reach to support SMEs seeking to grow domestically and internationally.

The latest HSBC Navigator report for Egypt highlights that 75% of businesses feel confident about success as Egypt's market dynamics improve and this agreement will help support growth-oriented companies."

HSBC Egypt had previously launched SME Growth Funds in 2015 and 2016, totaling EGP 600 million (\$33.5 million), and doubled its balance sheet commitments to SMEs in 2017.

In 2016, the CBE announced an initiative to finance SMEs with EGP 200 billion (\$11.16 billion) within four years, in addition to 20% of the Egyptian bank's loans portfolio should be allocated to SMEs during this period.

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