



## The Sovereign Fund of Egypt and Etisalat Egypt Together Launch ‘Erada’ Microfinance

*Enabled by fin-tech, Erada is granted license allowing access to a diversified set of innovative financial products for Micro and Small Enterprises to expand their businesses*

**Cairo, 16 January 2023:** The Sovereign Fund of Egypt (TSFE) and Etisalat Egypt by e& have partnered together to launch the new company Erada Microfinance with the goal of providing access to a wide range of financial services to micro and small enterprises. The partnership is in line with Egypt’s Vision 2030 of supporting financial inclusion and creating opportunities for the youth through providing innovative financial services and digitally enabled lending products.

The founders and shareholding structure of Erada in addition to TSFE and Etisalat Egypt by e&, includes Mr. Amr Abouelazm, an industry veteran in the area of non-banking financial services who has also been appointed as Vice Chairman & Chief Executive Officer of Erada.

In Egypt, the number of beneficiaries who have received microfinance loans is on the rise, with a 46% annual growth rate according to the end of September 2022, reaching approximately EGP 35.5 billion, and 3.8 million beneficiaries, of which 60% were women amounting to 2.3 million beneficiaries, and 64% were youth.

**H.E. Dr. Hala H. ElSaid, Egypt’s Minister of Planning and Economic Development and Chairperson of TSFE** said that the establishment of Erada is in alignment with the Government of Egypt’s directives to facilitate small and micro enterprises’ access to financing and creating additional job opportunities for the youth.

ElSaid noted that fintech enabled businesses with strong financing facilities support Egypt’s national agenda of digital transformation and financial inclusion across all vital economic sectors to achieve Egypt’s Vision 2030 as well as the United Nations Sustainable Development Goals; namely SDG 5: Gender Equality; and SDG 8: Decent Work and Economic Growth.

**Mr. Ayman Soliman, Chief Executive Officer of TSFE**, said that the launch of Erada is carried out through TSFE Financial Services and Fintech Subfund in partnership with Etisalat Egypt by e&, and Mr. Amr Abo El Azm, in line with TSFE’s strategy of maximizing value through private sector partnerships and partnering with industry veterans. He further added that having Etisalat Egypt as a partner enables Erada to immediately launch a full suite of innovative lending products that are catered to market and customer needs.

Soliman noted that Egypt is well positioned for an immediate and full launch of its digital economy in line with TSFE’s Financial Services and Fintech Subfund’s strategy of creating value and returns across all sectors and specifically the financial services and fintech sectors, stimulating economic growth and accelerating the transformation process through partnerships with strategic investors.



**Eng. Hazem Metwally, Chief Executive Officer of Etisalat Egypt** praised the partnership with TSFE; and the launching of Erada, noting that it will be managed through an independent board of directors. He added that Etisalat Egypt's investments have reached over EGP 70 billion over the span of 15 years, and that it strives towards empowering MSMEs through access to finance and tech-enablement in Egypt through Erada as a result of the partnership with TSFE and the experts in the industry of non-banking financial services.

Eng Metwally also stated that Etisalat Egypt aims to enhance the business sector and consolidate financial inclusion mechanisms to support the economic growth in line with Egypt's Vision 2030, and that is also in line with e&'s agenda, which services exist in 16 countries worldwide.

**Mr. Amr Aboelazm, Cofounder, CEO, and Vice Chairman of Erada** said that the company is collaborating with the full ecosystem and beneficiaries including banks, corporates and entrepreneurs; to provide a gateway to innovative products to support this vital sector in Egypt allowing access to finance, creating jobs and additional income. He added that the company has finalized the requirements with the Financial Regulatory Authority (FRA) and obtained the license to operate in record timing.

With his extensive experience in managing non-banking financial institutions for over 30 years, Aboelazm has held the position of Chairman and CEO of Tamweely Microfinance, the Co-founder and CEO of Tanmeyah for Microenterprise Services, prior to which he served as Deputy Director of the German Development Bank (KFW) in Egypt.

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### **About The Sovereign Fund of Egypt (TSFE):**

The Sovereign Fund of Egypt (TSFE) was established in 2018 to attract private investments to Egypt and promote and co-invest in state-owned assets to maximize their value and efficiency for future generations in partnership with the domestic and international private sector. It operates through unique legislation that allows it to operate with a private-sector mindset and according to private-sector laws and regulations. Its goals include investing in transactions that create jobs and increase the private sector's contribution in the Egyptian economy. TSFE operates in accordance with global best practices in investment and ESG. The fund is overseen by an independent board of directors and general assembly. TSFE is a member of the International Forum of Sovereign wealth Funds (IFSWF), One Planet Sovereign Wealth Funds (OPSWF), The European, Middle East and North Africa Sovereign Wealth Funds Foundation (EMENA SWF) and finally, Africa Sovereign Investors Forum (ASIF).

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### **About Etisalat Egypt by e&**

e& is a global leading technology conglomerate, with consolidated revenues in 2021 of AED 53.3 billion, while the consolidated net profit has reached to AED 9.3 billion. This reflects the growth prospects into a more holistic digital transformation that builds a new reality for next-generation smart connectivity, innovative digital solutions and cutting-edge technologies.

Within the framework of e&, Etisalat Egypt works towards providing top-notch local and international services, as Egypt's top tech-telco operator; and is also one of the top 3 sub-brands of e&, creating technologies that empower and enabling communities to stride into a great wide-open future.

### **About Erada For Microfinance**

'Erada For Microfinance' is a financial services company powered by fintech, providing a diversified set of innovative financing products aligning with Egypt's financial inclusion endeavors. Erada facilitates access to microcredit, nano-lending and small enterprise lending tailored to its clients' specific needs; supporting Egypt's youth entrepreneurial potential leading to job creation and income generation.

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