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Enhancement of the Business Environment in the Southern Mediterranean

National Seminar for Egypt

“Improving Access to Finance for MSMEs in Egypt”

Cairo, 26 September 2016



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TABLE OF CONTENTS

1.	INTRODUCTION	4
2.	SEMINAR OBJECTIVES	5
3.	PARTICIPANTS	ERROR! BOOKMARK NOT DEFINED.
4.	SEMINAR SUMMARY/OVERVIEW	5
4.1.	Session 1: Findings of the mapping study	5
4.2.	Session 2: Practices in MSMEs Financing- How to maximize the benefits of the recent breakthrough initiatives?	5
4.3.	Session 3: The contribution of the non-banking financial instruments to unlock the Access to Finance for MSMEs in Egypt	8
4.4.	Session 4: The way forward	10
5.	CONCLUSIONS AND NEXT STEPS	11
5.1.	Main priorities	11
5.2.	Seminar Consensus Activities.....	12
6.	ANNEXES	2
	Annex A: List of Participants.....	2
	Annex B - Seminar Agenda	Error! Bookmark not defined.
	Annex C - Panellists' And Moderators' Bio Highlights.....	3

1. INTRODUCTION

Egypt has established overall policies as well as a number of financial institutions and instruments to enhance and more fully support the growth of its MSME fabric. The final objective of these policies is to have Egyptian MSMEs operating within a business environment conducive to innovation, competitiveness and growth on the domestic and international markets. Policies aims as well at facilitating access to finance for MSMEs, with the recent initiatives of the Central Bank of Egypt constituting a significant qualitative and quantitative leap towards financial inclusion of businesses.

This notwithstanding, formal and informal entrepreneurs continue to experience difficulties when seeking financing for their businesses and access to finance for MSME remains insufficient. The room for improvement is large as, in Egypt, it is estimated that only 10% of bank credits are provided to MSMEs, while the Southern Mediterranean countries average is around 20%.

This occurs at all points of an enterprise's life cycle, but most specifically during the start-up and first growth stages. As such, financing instruments, be they banking or non-banking ones, would deserve to be further supported and diversified in order to address challenges met by entrepreneurs, in view of fostering economic development and employment through financial inclusion. The recent initiatives could be a game changer and call the representatives of the demand and supply side to deploy convergent efforts to harness the full benefits of the new prevailing environment.

The "Enhancement of the Business Environment in the Southern Mediterranean" project (named the EBESM project) is a partnership between the European Union (EU) and the South European Neighbourhood countries (ENP-South). This region is composed of ten countries, namely, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria¹ and Tunisia (MED countries). EBESM contributes to addressing MSME development at the macro level and aims to foster the development of a favourable business environment in line with EU best practices (i.e. the Small Business Act for Europe (SBA)).²

During its second year of operation, in 2016, EBESM launched the "Access to Finance for MSME" Activity (A2F). Its objectives are to raise awareness and to share information and good practices among policy makers, practitioners, representatives of the private sector in the MED countries.

The Activity's goal is to contribute to unlocking A2F for MSME in the MED region. Current studies clearly indicate that A2F remains insufficient compared to overall MSME needs. More specifically, in most MED countries, less than 20% of credit financing goes to MSME. Implementing effective A2F policies and their financing instruments will expand the private sector through the development of more robust, inclusive and sustainable growth, by raising MSME capacity, creating employment and improving competitiveness.

The Project, in collaboration with its MED partners, carried out a mapping study to identify existing public programmes, operational financing mechanisms and instruments supporting the development of MSME (e.g. bank loans, guarantees, risk capital, microfinance, etc.) at country level.

As well, the study assessed public policies, identified best practices at country level and provided policy recommendations on these existing financial mechanisms and instruments.

¹ The EU cooperation with government and public institutions from Syria is temporarily suspended.

² https://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act_en

The report's primary results and conclusions were presented and discussed during this seminar in Cairo.

2. SEMINAR PARTICIPANTS AND OBJECTIVES

This one-day workshop brought together around 50 participants, representing a mix of high-level policymakers (Ministry of Trade and Industry, Central Bank of Egypt, Egyptian Financial Supervisory Authority, General Authority for Investment and Free Zones etc.), financial institutions (Export Credit Guarantee of Egypt, Nilex, Investment Companies, Amwal Financial Investments, the Egyptian Private Equity Association, etc.), bankers, representatives of the private sector, academia, think tanks from Egypt as well as entrepreneurs and the persons who participated to the focus groups organised while drafting the in-country report on A2F for Egypt.³

The workshop objectives were to:

- Informing national stakeholders of available financing schemes, programmes and instruments;
- Sharing good practices (regional, European and international) on public policies, mechanisms and instruments on key topics relevant, or of particular interest, for Egypt (e.g. mezzanine funds, venture capital, microfinance, etc.); and
- Discussing policy recommendations at national level and formulating country-specific actionable recommendations to sustainably unlock financing opportunities for MSMEs by taking the best advantage of the current reforms and new instruments.

Building on an analytical examination of identified financial public policies, mechanisms and instruments for MSMEs in Egypt, the seminar aims at drawing conclusions and recommendations about the reforms needed in this area. Specifically, it is expected that the dialogue organised will deepen the understanding of the main challenges faced by MSME to access finance, orient policy makers and stakeholders towards policies and measures needed to overcome these challenges and help companies grow, be more competitive and create jobs.

3. SEMINAR SUMMARY/OVERVIEW

The workshop was articulated around 5 sessions.

3.1. SESSION 1: FINDINGS OF THE MAPPING STUDY

EBESM experts presented the findings of the regional study and the outcomes of the national focus group organised in March 2016 by the IMC. These included a presentation of the new SME-related initiatives of the Central Bank of Egypt (CBE) that were adopted after the completion of the study.⁴

3.2. SESSION 2: PRACTICES IN MSMEs FINANCING- HOW TO MAXIMIZE THE BENEFITS OF THE RECENT BREAKTHROUGH INITIATIVES?

This session, dedicated to SME banking activities, gathered a panel consisting of representatives of the CBE, the National Bank of Egypt, the former Executive Director of the

³ The list of participants and panelists profiles are included in Annex 1.

⁴ All presentations made during this workshop are available at: <http://www.ebesm.eu/posts/improving-access-to-finance-for-msmes-in-egypt>

Social Fund and an EBESM-banking expert. The discussions were moderated by the Chairman of the Egyptian Private Equity Association and are summarized as follows:

The moderator stressed on the fact that A2F could be perceived as the biggest hurdle, but access to finance is actually only third to bureaucracy and corruption. The **whole MSME ecosystem needs to be reengineered** as unemployment is a time bomb. The 2.5 million MSMEs presents a huge job reservoir, and from that perspective must be taken care of.

This is achievable provided that even small operators, including single entrepreneurs abide by **good governance principles**. The situation could be improved provided that non-financial support is provided with a particular focus on transparency and corporate governance even at the level of the smallest firms.

The **Central Bank of Egypt** confirmed that the whole ecosystem needs to be improved, as A2F is not the only issue at stake. Improving the performance of the enterprise ecosystem and reducing the risks is becoming a must in a context where 600,000 job seekers hit the market every year. The imperative to have a **comprehensive approach to SMEs** is highlighted by the fact that – after almost a year – the 200bn at 5% initiative is not peaking up; applying the provisions of the 2004 law (10% of public procurement that should be from SMEs) would also greatly help having the public sector pulling enterprise growth.

This imperative of greater efficiency could be fulfilled by the adoption of a **blueprint for job creation and financial inclusion** that would help rationalising and coordinating activities. A lot of initiatives exist, but they are working in silo and there is a need to improve their complementarities and get rid of redundancies. CBE is working with several institutions, such as the GAFI to facilitate licensing, the Ministry of Industry and Trade (MOIT), the Ministry of Finance (MOF), on issues such as subsidies, bankruptcy law, etc., and intends to contribute to a better efficiency of the existing instruments.

The Central Bank of Egypt reminded that the CBE 5% and 7% initiatives are targeting the **creation of 4 million jobs through 350,000 SMEs**. This will be achieved across several pillars that include (i) regulation streamlining; (ii) building up the capacities of the intermediaries; and (iii) 'automation', in the sense of the modernisation, innovation and absorption of technologies, etc. It is worth noting as well that the strategy is targeting the whole country and not only Cairo to ensure not to deepen inequalities between vulnerable and other regions and is meant at enhancing the competitiveness of value chains by fostering backward integration.

The strategy implementation relies on a two-pronged approach:

- 1) Leveraging the infrastructure and existing initiatives to ensure greater impact; and
- 2) Drawing on good practices, developing new programmes or instruments such as industrial parks, readymade companies, etc.

Concretely, CBE has launched an initiative with Microsoft to establish a national hub for SMEs. This hub will aim at ensuring a greater market reach, not only through incentives, but also through streamlined procedures and licensing. The new entity for SMEs established by the MOIT is also aimed at improving coordination among other line ministries and agencies and is not meant to be another layer.

At the level of banks, CBE will create an SME bank officer certificate (with the Egyptian Banking Institute) to promote financial literacy and enhance supply of finance by financial institutions to SMEs.

In terms of instruments complementary to banks, it must be highlighted that a law has been submitted to the Parliament to have **Credit Guarantee Corporation** become affiliated to the CBE, in view of strengthening the quality of the signature of the institution and expanding its SME oriented activities; also, i-Score (**credit bureau**) will be strengthened to ensure a greater reach aimed at improving transparency and reducing asymmetry of information.

The **National Bank of Egypt (NBE)** reminded that it started its SME lending activities in 2009, as part of its expansion plan, one of the main rationales for this decision being that the SME segment is lucrative if well managed.

The NBE created its SME department that includes:

- a business development platform;
- a risk management platform as information flow is critical. The bank appointed an external information office to investigate on potential clients to – notably - ensure the appropriate uses of funds. The risk team is also following closely on each borrower and appoint a collection team if there is a problem; and
- development of related financial and non-financial services.

Soon after launching the SME department, the centralised structure proved to be an issue. **NBE pushed down power through delegation of authority** with limits of up to 500'000 Egyptian pounds. It also allowed branches to undertake local studies and have some authority in terms of business development.

It also appeared that, at branch level, the bank couldn't ask for a sophisticated financial analysis; the bank therefore adopted **streamlined procedures** for up to 200,000 Egyptian pounds and bank officers were highly trained, even abroad, in Kenya, Malaysia or India. Branches assist entrepreneurs in drafting feasibility study and credit applications. Collateral (or credit insurance) are important but there must provide additional comfort and not be the central rationale for extending financing.

The bank also introduced a **scoring system** in order to better segregate and manage risks (the system provides detailed information on risk concentration) and allowed the deployment of an **early warning system**.

Last, in 2015, NBE launched its **non-financial services activity** with the support of EBRD, aiming at supporting entrepreneurs to draft appropriate applications and at enhancing their financial literacy.

As a result, the SME NPL dropped to 2% (from 60% in 2009) demonstrating that the SME segment is a good and lucrative business that requires a subtle blending of human capital, procedures, systems, as well as financial and non-financial services.

In her former capacity of head of the **Social Fund for Development**, Ms. Hanan El Halaly, confirmed that A2F is not the only issue as non-financial services are also critical. They can be easily listed: **Access to land; Access to licensing; Access to non-financial support; Access to procurement; and Access to market** (including e-marketing). She notably referred to the 2004 SME Law that guarantees access to land, and asked if this provision is indeed operational.

Ms. Halaly stressed that it would be important to get the information on the funds disbursed through the "5% initiative" in order to draw lessons (notably as regards **market distortion**, the SFD offering now financings that are more expensive than the CBE initiative...), identify risks and take corrective or complementary measures, if needed. The very low rate offered is an issue, in a context where Development Financial Institutions' programmes require intermediaries or final borrower to carry the foreign exchange risks that is particularly high

during this period and that can't be priced within a 5% spread. The further **development of alternative instruments**, such as factoring and leasing that are less stringent in terms of collateral requirements, could be an option to consider.

With respect to the new SME unit established by the MOIT, implementation calls for greater clarity as regards its mandate, especially if this unit is expected to play a coordinating role.

Beyond access to land, clusters and support services that could play the role of incentives, it is important to work on 'Entrepreneurship awareness' and the universities and media have a critical role to play to promote enterprise creation. Of course, entrepreneurs coming up with new projects/ideas should receive adequate support (legal, bookkeeping, administration, etc...), though the business angels (Sawari, Flat6Labs, etc.) in Egypt are quite active, but are concentrating, however, on the high potential segments and don't address the needs of the vast majority of project holders.

The EBESM expert delivered a presentation highlighting the various steps for developing and submitting a **winning credit application**. Based on his experience as a banker he formulated the following recommendations:

1/ **Recommendations for Public Authorities:** Further develop the role of CGC (credit guarantees); Establish a one-stop-shop for MSMEs and publish a guide for MSMEs;

2/ **Recommendations for MSMEs:** Improve quality of credit files presented to banks by applying a standardized methodology that should be disseminated (in order to increase financial literacy), and present reliable audited financial statements;

3/ **Recommendations for Banks:** Dedicated SMEs department in each bank; Train bank staff on SME lending techniques; Improve risk analysis specific for MSMEs; Allocate dedicated funds for MSMEs portfolio; Board of Directors should make available a specific envelop for lending to MSMEs; Answer from a bank to a credit request should be given within 15 days.

The **moderator** wrapped-up the session by recapping the key messages conveyed by the panellists, in particular:

- A2F is an issue embedded in an entire small enterprise ecosystem.
- Financing is only part of the answer: streamlining regulations, administrative processes, licensing, access to land etc. are also critical and would allow to unleash substantial bank and non-bank financing to SMEs.
- The need for clarity and coordination of various initiatives is acute; calling for a blue print defining the role and responsibility of all stakeholders.
- Banks are strictly regulated and should build up their system, human and financial resources to cater to the needs of the SME sector.
- Non-banking instruments could also be usefully considered to better leverage bank financing.

3.3. SESSION 3: THE CONTRIBUTION OF THE NON-BANKING FINANCIAL INSTRUMENTS TO UNLOCK THE ACCESS TO FINANCE FOR MSMEs IN EGYPT

This session, dedicated to non-banking activities, gathered a panel consisting of representatives of the Egyptian Financial Services Authority, the Export Credit Guarantee of Egypt, NILEX and Beltone, Investment House.

The **moderator** (Dr. Abdel Moneim Omran, Beltone private equity fund) stated that access to finance was less a problem for small businesses, as it is mainly managed by the SFD, while **medium sized companies that have a real growth potential** are insufficiently supported. For these companies; access to bank finance is almost impossible, reason why, worldwide, alternative products to bank loans are usually offered to cater for the needs of this segment. These include, factoring, leasing, warehouse receipt, venture capital (VC) and private equity (PE), as well as business angels.

There is, in particular, a pressing need to have **more resources going to private equity (PE)** and Venture Capital (VC), i.e. funds gathered from a set of investors and pooled into an investment vehicle that has a limited duration in view of maximising financial return in the form of dividends and/or capital gains. There are different types of funds investing at various stages (start-up, development, turnaround and distressed). One of the main issue of the industry in Egypt is that local private equity firms (as opposed to regional ones) could hardly find limited partners (investors) in the country. As a result, funds are resourced by the managers and by development finance institutions (DFIs) only (there were some banks lightly involved in the 2000s, but they all withdrew their stakes since), which limit their reach. **The PE and VC fund investor base should be diversified.**

As regards DFIs, the main issue is about the risk on foreign exchange and on the capacity to repatriate the funds. In the present context, this is a considerable challenge (in that respect Sub-Saharan countries are much better served).

In his view **NILEX is an important instrument for an exit strategy** (i.e. selling shares held in SMEs). An option to consider is that NILEX portfolio could offer listing on the secondary market to companies that delist from the main market.

The **Nilex** representative, Ms Heba El Serafy, highlighted that the secondary market, created in 2010, focused on **medium-sized companies**. Very small and small entities were not the priority and could be served though business angels and VCs.

Nilex objective was to help companies to grow by facilitating the listing process. Medium-sized firms fail to have access to risk capital to support growth: Nilex is providing this long term support. This is very important for innovative companies and for companies whose market access is difficult as risk averse bank cannot cope with these company profiles. Not only Nilex markets the benefits of being listed, but it also **provides mentoring, in view of ensuring that the company is compliant** before being listed.

It must be noted that the capital market is providing only a very small portion of the needed capital. Until now 33 companies were listed with a capitalization of 1.2 bn EGP. The market saw 13 capital increase totalling 170 m EGP over the last 10 years. By any standards, these figures do not reflect the real potential of this asset class as it has been severely affected by the 2011 events. As a consequence, the **market is illiquid and little foreign money is invested**, although floating companies (pre-IPO) remains lucrative.

It was, however, highlighted that investors remain positive on Egypt due to the demographic dynamic. The key sectors of interest are: **energy, transportation and renewable energy**.

The Initial Public Offering (IPO) process involves uncertainties on taxation; political instability, low liquidity and valuation problems. Also, entrepreneurs are afraid of losing the control of the company. As mentioned in the previous session, the **whole ecosystem would deserve to be improved** and proper communication on financial opportunities should be undertaken.

Dr Shahinaz Rachad, representative from **EFSA/FSI**, stressed that linkages between the various **Non-Banking Financial Institutions** are very important as they can be a leverage for bank financing. She mentioned the new micro-finance law of 2014 and a law for factoring and leasing under preparation based on good practices found in Germany.

There were 18 active leasing players (210 licenses in the market), that are mainly bank held. This raises problem about the practices: **players should be encouraged to finance also SMEs** (not only large companies) and be complementary to banks. In Germany; over 50% of SMEs investment is coming from leasing companies, whereas in Egypt, it is 5% only. The problem lies also in lease back transactions that aim at financing working capital while leasing should finance capital expenditures, an issue which will be addressed by the new draft law. EFSA is in the process of launching **training for leasing professionals** through road shows in the region.

3.4. SESSION 4: CONCLUSIONS AND THE WAY FORWARD

The fourth session summarised the recommendations and conclusions and was conducted by Ms. El Gohary, Head of the access to finance department, IMC and M. Balkenhol, EBESM expert.

Ms. El Gohary stated the importance of MSMEs as an unmistakable source for growth in the Egyptian economy. She touched upon the main obstacle facing access to finance in Egypt for MSMEs which is the limited number of financial instruments available, that calls for a greater **diversification of the financial landscape**.

It was also reminded that the focus group held at IMC identified key issues for access to finance as follows:

Demand Side (MSMEs):

- Lack of awareness with available financial instruments
- Narrow financial background, leading to miscommunication with financial institutions
- Limited collateral guarantees to satisfy banking sector
- Complexity of required documents from banks
- Restricting regulations and few incentives for start-up businesses

Supply Side (financial institutions)

- Lack of transparency in financial statements
- High cost, high risk and weak profit
- One-man-show management trend
- No trusted source for data collection about MSMEs

As a result, it was suggested to work on the establishment of a main **hub or a platform for MSMEs and Entrepreneurs** in partnership with one or more investment house that would include a Mezzanine Fund providing a combination of debt and equity, subordinated debt or junior loans complementary to banks. This fund could be done in coordination with existing organisations such as:

- General Authority for Investment (GAFI) to facilitate doing business
- Industrial Development Authority (IDA) to facilitate the required licenses
- Industrial Modernization Center (IMC) to provide technical assistance
- Egyptian Banking Institute to provide capacity building
- Best incubators in Egypt to provide mentorship and business support services.

This fund could play a key role in facilitating access to finance for MSMEs, thus ensuring success which will in turn positively affect the Egyptian economy to increase investments, productivity, exports and employment rate.

The **mezzanine finance** was further explained by Mr. Balkenhol.

Mezzanine finance is a central part of an efficient SME financial ecosystem but it is often not precisely understood and confused with other non-banking tools. Moreover, the term “mezzanine finance” was misleadingly used. He therefore recalled the **standard definition of mezzanine finance**, which was a financial instrument that combined the high risk element of equity and the fixed return feature of debt. Mezzanine finance was ideally suited for firms that were overleveraged and needed more equity, without the **constraints of having an associate** with a say in the running of the company. Having resolved overleveraging mezzanine finance should ideally facilitate subsequent bank lending.

The most frequently used instrument in mezzanine finance was subordinated loans, much more than participation loans, silent participation or convertible loans/warrants. Mezzanine funders usually tolerate some deficiency in collateral, but in turn they insist on **full transparency and frequent reporting**. Mezzanine funders look for temporary arrangement of 7 to 10-year maximum, for this reason they look for SMEs that have a potential for an IPO.

In Egypt the interest in mezzanine funds for SMEs is emerging. At present there was just one such fund managed by the Arab African International Bank. The environment for testing and enlarging this form of **non-banking instrument is conducive**, given the large number of private equity firms in Egypt organised in the PE association, the existence of viable exit options like Nilex and, lastly, the large number of multilateral and bilateral DFIs keen in furthering this instrument for SME promotion and growth.

Lastly, mezzanine finance is ideally suited to be combined with a host of lending and non-banking instruments, including business advisory services. What is needed is a **careful feasibility analysis** to examine the opportunities and risks of such an instrument.

4. CONCLUSIONS AND NEXT STEPS

4.1. MAIN PRIORITIES

The main priorities conveyed by the seminar can be summarised as follows:

- a. **The combination of non-financial services and financial instruments should be enhanced.** In that respect the blending mechanism developed by the EU that combines grant and financing line would deserve to be further developed, notably in the field of corporate governance and access to market.
- b. **Creating a hub that would facilitate coordination and synergies between financial and non-financial support would be instrumental.** Several initiatives (CBE, MOIT, GAFI) are underway and should be supported. The institutional framework should however be clarified as coordination between institutions is still insufficient.
- c. **Strengthening Non-Banking Financial Institutions should be a priority.** Banks have now access to financing and obligation to lend to very small and small enterprises (and medium industrial enterprises) at soft terms. But banks can't serve the whole market due to their limited risk appetite triggered by international covenants: PE and VC can strengthen equity, credit guarantee address the lack of collaterals and factoring and leasing provide operational practical solutions for working capital and equipment purchase, while remaining complementary to banks.

4.2. SEMINAR CONSENSUS ACTIVITIES

Participants agreed on the conclusions and highlighted that the development of mezzanine finance could be an interesting project to work on.

It was taken stock that such a project will be launched with a feasibility study that will:

- Assess the legal and regulatory environment in order to appraise whether mezzanine finance could be launched without amending laws and regulations;
- Get the positions from the two supervision bodies (CBE and EFSA);
- Appraise interests from potential financiers (banks, DFIs and capital market);
- Identify market size (gap potentially covered);
- Highlight non-financial services that would be valuably attached to the mezzanine funds; and
- Propose an institutional setting and governance structure.

5. ANNEXES

ANNEX 1 - LIST OF PARTICIPANTS

Regional Seminar on Access to Finance 26th of September 2016, Cairo- Hotel Sofitel					
#	Title	Last Name	First Name	Function	Institution/Company
1	Mr.	Hosam Hamza	Basim	Manager -Export Department	African Export Import Bank
2	Ms.	Ali	Suzan	Marketing Officer	ECGE
3	Mr.	Ali	Ahmed	Marketing (Senior Officer)	ECGE
4	Ms.	Atteya	Mariam	Midcap Relationship Manager	EG Bank
5	Mr.	Osama Mesbah		FS Spec	IMC
6	Mr.	Hossam Salama	Ahmed	Accounting Manager	Gypeco SG
7	Mr.	Elsodany	Moataz	Banker	
8	Mr.	Samy	Motaz	Manager	BDC
9	Ms.	Zein	Engy		IMC
10	Mr.	Mohamed Ahmed	Mohamed		IMC
11	Mr.	Karim Makram	Karim		IMC
12	Mr.	Ahmed Abdellatef	Ahmed	Manager	Banque Misr
13	Mr.	Eltohamy	Essam	General Manager	CBE
14	Mrs.	Farid	Gihan	Head of Corporate Marketing	EG Bank
15	Mr.	Tawfik	Hany	Chairman	Int.Invest
16	Mr.	Abdelwahab	Yasser	Senior Deputy General Manager	Banque Misr
17		Gandi	Coanne		IMC
18	Mr.	Hossni	Ayman	Senior Manager	IMC
19	Dr	Hassan	Nihal	Advisor	GIC
20		Rammrath	Deborah	Communication	EU
21		Tvekgala	Golal	D.G Manager	TDBE
22				EBS	GIZ
23	Ms.	Kandil	Ghada	G M	Banking
24	Mr.	Ali	Hesham	CFO	Gourmet
25	Mrs.	Hafez	Gihan	CSR Unit Manager	HDB Bank
26	Mr.	Ismail	Walid	SME Director	NBE
27	Mr.	Ayoub	Alaa	Head Of SME	Banque Misr
28	Mr.	Kamal	Mohamed	Fin- EX	IMC
29	Mr.	ElMaghraby	Akef	Vice Chairman	Banqu Misr
30	Mr.	Nagui	Ahmed	Head of Corporate Finance	EG Bank
31	Dr.	Omran	Abdelmonem	Chief Investment Officer	PBE Partners
32	Mr.	Kandil	Khaled	CEO	
33	Mr.	Elbesi	Mohamed	Executive Director	Bedaya -GA
34	Mr.	Ismail	Bahie	Managing Director	Concerd corporate
35	Mr.	Bishara	Mohamed	Head of SME	Credit Agricole
36	Mr.	Aboheif	Khaled	CEO	AMIC
37	Mr.	Yakout	Ahmed	FASM	FINBI

ANNEX C - PANELLISTS' AND MODERATORS' BIO HIGHLIGHTS

Session 1

Christophe MALHERBE, EBESM/GIZ, expert

Christophe is a private equity fund manager as a background. For years, he was managing director of the emerging market subsidiary of a large European Private Equity Fund, during which he contributed to the establishment of the first venture capital funds in North Africa. For the last ten years, he is an advisor to Governments and donors on access to finance related issues with a special focus on the MENA region, where he contributed to structuring more than half a billion Euros. Christophe holds a Master of Science and an MBA in Finance.

Bernd Balkenhol, EBESM/GIZ, expert

Bernd Balkenhol is professor for microfinance and financial inclusion at the University of Geneva, specialized in the access, use and impact of financial services. In 1991 he set up and directed for twenty years the Social Finance Program at the ILO for which he was responsible for managing several major research and technical cooperation programs on microfinance, SME finance, remittances, impact investing, and financial inclusion. His book "Microfinance and Public Policy" became a reference for smart policy support to microfinance institutions and markets. He holds a PhD from the University of Freiburg and a MA from the Fletcher School of Law and Diplomacy.

Iman Kamel, EBESM/GIZ, expert

Iman Kamel recently joined the EBESM/GIZ team as an expert. She has previously worked in investment firms, among them EFG-Hermes and Prime Holding. Iman has also been exposed to banks, working in the National Bank of Kuwait. She started her career at the Macroeconomic and Debt Analysis Unit of the Ministry of Economy and International Cooperation.

Session 2

Nermine El-Tahri, General Manager, Banking Reform Division, Central Bank of Egypt

- Nermine El-Tahri, Joined the CBE in May 2016 since then she has been leading the CBE SME initiative with the local banks, private & public sector entities, local & international organizations and governmental ministries.
- Nermine returned to Egypt from the United Kingdom in 2007, shortly thereafter, she joined Banque du Caire as General Manager of Business Development and Marketing. During her tenure she has successfully contributed to the banks unsurpassed portfolio growth and profitability by revitalizing and launching new pioneering products, optimizing the existing infrastructure, maximizing employee effectiveness and enhancing customer satisfaction.
- The previous decade, Nermine worked for American Express in the United Kingdom as Vice President Franchise Markets responsible for Business Development across the EMEA for the Global Network Services group, where managed Joint Venture partnerships in Switzerland, Belgium and the Middle East, Independent Operator relationships in Denmark, Norway, Turkey, Israel, Greece and South Africa.
- During 1990-1995 Nermine worked for Citibank Canada, from 1986 – 1990 the Financial and Marketing Analyst for Xerox Egypt and 1983-1986 Financial Analyst for The Egyptian Financial Group in Egypt.

- Throughout her career Ms. El Tahri achievements have consistently been appreciated and recognized. She is the recipient of numerous diverse Global & European Awards by American Express for Business Development & Transformation, Outstanding Performance, Innovation and Customer Commitment. Nermine was granted the CitiTops Excellence Award in 1991 for Citibank Canada and Excellence Award in 1986 from Xerox Egypt.

Nermine holds a BA in accounting and business administration from the Cairo University, equated from the University of Toronto. In her teens she was a member of the Egyptian national Junior Tennis team and her activities are confined in the realm culture, education and social responsibilities.

Walid Hossam Ismail, Director SMEs Credit Risk, National Bank of Egypt

- Graduated from the American University of Cairo in 1994 majoring in Economics and holds an MBA degree in marketing from Maastricht school of Management.
- Joined the banking sector in 1995 and for over the past 20 years has been involved in corporate and SMEs lending.
- Started banking career with Barclays Bank in Egypt where the core focus was corporate lending business development; thereafter joining the credit risk, country risk, and FI Risk. Further pursued development in risk management to cover bank's credit portfolio; risk policy formulation; country risk appetite and Basel compliance credit risk champion.
- Joined the National Bank of Egypt in 2009 under the umbrella of the financial sector reform program to support the bank's initiative to promote and develop SMEs business. Hence, involvement in the establishment SMEs credit risk platform whilst introducing various effective risk management policies, techniques and tools to measure / manage inherent risk within the SMEs environment; thus development of rating and scoring models. Currently, heads risk management SME division with full involvement in setting risk policies; design / development of tailored SMEs focused products and external finance donors due diligence and discussions.

Hanaa El Hallaly, MD, Amwal Financial Investments

- Managing Director and Board Member ,(Amwal Financial Investments), Pioneers Holding Group
- Former Acting Managing Director (Social Fund for Development)
- Member of the High Level " Individual Team of Advisors" Sustainable Development Dialogue UN - Economic and Social Council – ECOSOC,
- Member of the Board of Directors of :
 - 1-"Tadamon" Microfinance Foundation
 - 2- "Egyptian SMEs Association"
 - 3- "Business Enterprise Support Tools - "BEST"
 - 4- "Arab Foundation for Young Scientists"

Alain Santi, EBESM/GIZ, expert

- International banker with more than 40 years banking experience in trade finance, corporate finance, correspondent banking relationship, syndication, etc
- Worked with a franco-saudi bank, a franco-turkish bank, a franco-arab bank, with the Arab Bank of Jordan and as General Manager of 3 banks in Algeria.

- Currently participating at the creation of a bank in Dakar/Senegal which will open to the public in May 2017.
- MA in Economics from the University of La Sorbonne in France.

Hany Tawfik, Director, Egyptian Private Equity Association

- Throughout his career, Mr. Tawfik has been working in the field of Financial Investments, both as academican (1972-1978 as a university lecturer of economics and finance in Egypt and in the USA with 2 Master degrees from Egypt "1976" and university of California "1978"), and as a practitioner thereafter.
- During the last 38 years Mr. Tawfik has been an active player in the Egyptian Capital Market activities. He played a pivotal role in establishing, developing, and management of EFG-Hermes investment bank (1982-1997), Egycap Investment (1997-2001), Arabeya On Line Brokerage (2005-2007) and Naeem holding (2007-2009). He was and still is the Chairman and / or Board member of several other companies engaged in the managing of companies in the fields of Securities Brokerage, Asset Management, Corporate Finance, Private Equity, Banking, Forex and Commodities Exchange, and Venture Capital (details below). He has also participated in tens of Privatization and Public Offering activities in Egypt.
- Mr. Tawfik was the founder, Secretary General/ Vice Chairman of the Egyptian Capital Market Association (ECMA), which looks after the interest of all capital market participants in Egypt. In 2005, he founded and became the chairman of the Arab Private Equity and Venture Capital Association. He is also a founder and the former Chairman of the Egyptian Private Equity Association.

Session 3

EFSA/FSI – FSI Executive Director - Dr. Shahinaz Rachad

Dr. Shahinaz is the executive director at the Financial Services Institute of the Egyptian Financial Supervisory Authority. executive director. Prior to joining EFSA, Dr. Shahinaz worked as the GM for Global Islamic Financial Consulting & Training Services and for "Incolease" as Vice President and a General Manager for Upper Egypt for Leasing "UELease". She is also the Chairperson for the Egyptian Leasing Association (ELA), which is the only specialized association that includes the majority of bank related, independent and captive leasing companies in Egypt. Dr Shahinaz is graduate of AUC, Egypt, and holds both a Diploma in Banking and Finance, a Diploma in Integrated Marketing Communication (IMC), and is Certified Islamic Professional Accountant (CIPA).

Heba El Serafy, Head of Disclosure Division at the Egyptian Exchange, NILEX

Hebatallah El Serafi is currently the Deputy Head of Disclosure Division at the Egyptian Exchange (EGX) and a member of EGX Supreme Executive Committee. She is also a member of EGX Listing and Trading Committees and a member of the World Federation of Exchanges SMEs Working Group. She is also a member of the working group issuing Egypt's Code of Corporate Governance. Ms El Serafi worked on the launch and was the Project Manager of the recently established SMEs board on EGX "Nilex". El Serafi also worked as the head of Surveillance, Research & Market development, Strategic Planning and International Relations departments at EGX. Earlier in her career, she held a number of positions at the Arab African International Bank and Fleming CIIC. She has over twenty-year experience in research and capital market development, securities' trading, market surveillance, companies' governance as well as credit analysis and risk assessment.

Ms El Serafi is a certified Board of Directors Member by ISS and IFC and she served as a board member in Egypt for Information Dissemination Company (EGID). She was also a board member in Research & Commercial Studies Center – Cairo University. El Serafi also served as the Vice Chairman Corporate Governance Committee at the American Chamber. Ms El Serafi conducts training courses about capital market in different universities in Egypt.

Abdel Monem Omran, Chief Investment Officer, Beltone

- Dr. Omran is the Chief Investment Officer of BPE Partners, Managing Director of BPE Holding and Chairman of Beltone Midcap Fund, Luxembourg. He brings a long and extensive experience in the areas of project finance, direct investment and private equity in Egypt, the Gulf and Europe.
- Dr. Omran joined the Industrial Bank of Kuwait in 1976. As manager of project finance department where he was responsible for sourcing, evaluation and financial structuring of Investments. He joined Helarb Management S.A. Switzerland, as a partner and Managing Director in 1987. Helarb is an investment and fund management firm with over SF 500 million in funds under management. Investments were mainly in Germany, France, and Switzerland. In 1997 Dr. Omran served as the Managing Director of Arab Investment Company, one of the first Private Equity funds in Egypt 1997, promoted by the Arab Bank Ltd, Jordan and led the management team in making over E£ 400 million in investments. In 2006, Dr. Omran participated in launching Beltone Private Equity, which later became BPE Partners in 2016. BPE Partners have currently over EGP 2 billion of assets under management.
- Dr. Omran holds a B.Sc in Chemical Engineering from Cairo University and a PhD degree in Chemical Engineering from the University of California (Berkeley), USA.
- Dr. Omran is a founder and a board member of EPEA, Egyptian Private Equity Association

Ola Gadallah, Chairman & Managing Director, ECGE

- Mrs. Ola Gadallah has been in the banking & insurance industry for more than 30 years. Mrs. Gadallah brings over 30 years of diversified credit & risk analysis experience.
- She has commenced her career in banking for more than 20 years whereby she assumed senior positions in corporate banking with major multinational & domestic financial institutions, she also lectured extensively on banking, credit & risk analysis, trade finance, at esteemed institutions.
- In her career she has interfaced with professionals from some of the largest institutions to the entrepreneurs and the principals of start up companies.
- She has been the Chairman & Managing Director for the Export Credit Guarantee Company of Egypt (Egypt's ECA) since 2006.

Session 4

Ghada El Gohary, Director –Access to Finance and Financial services Dept. in the Industrial Modernization Center (IMC) since 2005 till now.

- Responsible for establishing SMEs funds (CI Capital & the Mezzanine Fund with AAIM) , in addition to some other programs such as Factoring , funding for development, private equity& Nilex (Stock Exchange) moreover working as a liaison between the private sector and the banking sector to help them having access to finance and improving the access to finance in Egypt.

- IMC representative in both Coral Growth Investments, Horus food and agriculture funds, participated in the Consultant Committee (Nilex) .
- Started the career in the banking sector since 1989, corporate finance and risk Departments; extensively exposed to different ways of finance whether syndicated loans or long and short term loans
- Gained accumulated work experience in the field of finance and development for more than 27 years.