**Press Release**

**eFactor Network Drives Financing for SME’s**

**Fintech Enterprise plans to have a five-fold increase in financing via SUPPLY CHAIN FINANCE in the next five years and reach $15 billion USD in 2022.**

**November 28, 2018.–** eFactor Network, a leader in providing financing and working capital solutions in Mexico, plans to end this year reaching close to $60 billion MXN pesos, around 3 billion US dollars in supply chain financing for the main companies in our country, representing 30% more than the previous year.

Its goal in five years is to operate $300 Billion pesos ($15 billion USD) in financing for nearly 60 thousand suppliers in more than 500 corporations in Mexico.

The e Factor Network platform allows large buyers, suppliers and financial institutions (banking and non-banking), to optimize working capital needs online by means of efficiently capturing electronic discounts in real-time.

 “We offer Supply Chain Finance Solutions for corporations in México and Latin America, where suppliers may receive their accounts receivable money in advance, with total transactional security and competitive rates”, explained Hector de la Garza, CEO of eFactor Network.

This fintech solution provides immediate liquidity either in pesos, dollars, or euros, to thousands of suppliers, with funds from the most important financial institutions in Mexico and abroad.

The most important value proposition eFactor Network has provided its clients during its 10 years of existence is allowing those clients to operate on a single, Flexible Technology, multi-funder, multi-region, multi-currency solution. Through funding diversification, this model allows mitigating financial risk for supply chain finance. That’s why supply chain finance through e Factor Network is being used successfully by a growing number of companies to fund critical new initiatives.

eFactor Network is helping several companies unlock $3B or more of working capital that was previously trapped in their supply chains. “About our operation, during 2018, 71% is in US Dollars, 28% in Mexican Pesos and 1% in Euros”, De la Garza pointed out.

“It is very important for supply chain financing programs to be carried out in the currency they are invoiced, since this mitigates any risk in the exchange rate that could exist while paying” he explained.

In the celebration of the 10th anniversary of the company, De la Garza stated that, amongst their achievements in 2018, they have more than 100 large corporate clients, serving more than 12,000 suppliers in these companies, with the support of 30 financial institutions in México and abroad.

Currently, eFactor Network have operations with suppliers located in 20 countries in regions such as North America, Europe, South America, and Asia.

“Trust is demonstrated through our historical operation. We founded the Enterprise in 2008 and started operations in 2009. Since that moment we have been able to finance more than $250 billion pesos, equivalent to 15 billion US dollars”, he affirmed.

E Factor has alliances with PrimeRevenue, Bancomext, International Finance Corporation (IFC) –member of the World Bank-, Inter-American Development Bank (BID Invest), among other 30 financial intermediaries and 10 additional for implementation.

“Nowadays, more than 25% of our operations are international, import as well as export factoring. Alliances enable us to structure the product in order to take resources to any part in the world”, was stated by Héctor de la Garza.

The great advantage is that the operation is guaranteed by the large purchaser providing the supplier with financial access through an electronic factoring line without resources. By doing so, the supplier does not have to approve a credit line based on their financial statements and moral hazard credit bureau history.

He stated that the interest rates charged by the Financial System in México to SME’s for working capital are between 20 and 30% APR plus commission, depending on the Financial Institution.

“Our scheme enables the banks to qualify credit lines and quote rates based on the corporate purchaser’s risk, transferring the benefit to the SME, that may now access rates at half the price of what is charged in the market” he established.

In addition, SME’s in México have limited access to financing for working capital. This problem is added to the situation that most financing for companies in Mexico is received via suppliers (74%) from total financial system. (Note 1).

The Director indicated that last June they obtained capital injection for 10 million US dollars from IFC and Dalus Capital to finance development plans and explore new international markets.

“In the next two years we plan to open offices in Spain and South America. At the same time we will strengthen our operations in México, invest in financial technological innovation and human talent in order to continue contributing in the optimization of working capital for the supply chain”, De la Garza concluded.

The CEO of eFactor Network appreciated the trust received from their clients and strategic partners while celebrating the first ten years of this fintech enterprise.

For further information, please visit: www.efactornetwork.com

Contact: Pamela Hierro Kapellmann: info@efactornetwork.com

Note 1: According to the Banxico’s Quarterly Survey for Structural Evaluation of the Credit Market, from July to September for this year, 74.2% of companies in Mexico used the suppliers as source of credit financing.