

Egyptian Fintech Dayra Joins YC, Closes \$3 Million Pre-Seed Round

[Dayra](#) is a Cairo based fintech startup providing unbanked gig-workers and micro-businesses with financial services. The company has joined Y Combinator's Winter 21 batch, closing the largest debt and equity Pre-Seed round in MENA and bringing its total funding to \$3 million.

Dayra is funded by Tanmiya Capital Ventures, EFG EV Fintech, EFG Hermes and Y Combinator, as well as multiple prominent angel investors.

Only 30% of 105 million Egyptians are banked, leaving the majority of the country unbanked and reliant on cash transactions. Requirements such as proof of income by the banking sector make it hard for gig-workers and micro-business owners to open bank accounts. This leads to a lack of transactional data available to banks and micro-finance institutions and to the non-existence of virtual financial identities for the majority of Egyptians, a problem that directly contributes to financial exclusion in Egypt. It also makes it hard for many companies to disburse payments to their contractors, gig-workers, and customers.

With little to no options to access credit, unbanked individuals are left to borrow from traditional micro-lenders who are known for their large application fees, manual investigations, long processes, and high rejection rates. Others end up borrowing from informal sources at inconsistent and unfair terms.

This is where Dayra comes in, the company was founded in early 2020 by Omar Ekram with the chief aim of improving the lives of millions of unbanked individuals in MENA, starting with Egypt. Dayra empowers companies to provide their unbanked gig-workers and customers with financial solutions, via API integrations, while taking the payment disbursement hassle off those companies, and allowing them to extend their payment terms. Dayra's financial solutions include virtual bank accounts, prepaid cards, and access to credit - instantly, hassle-free and at lower costs than traditional lenders.

The company's typical end-users range from gig workers such as delivery couriers, truck drivers and freelancers, to micro-business owners such as kiosks, small shops, restaurants, and craftsmen. Analyzing end-user transactions enables Dayra to create alternative credit scores and virtual financial identities for them. Businesses can integrate with Dayra in two ways: they can offer Dayra's financial solutions directly from within their app using the API integration or, if they don't have their own app or portal, they can use Dayra's app directly.

"We are thrilled to be part of YC's W21 batch and to close our pre-seed round. This is a key milestone in realising our vision of providing the most accessible financial services solution in MENA, and delivering digital financial services to millions of financially excluded individuals, leveraging on our strategic partnership with EFG Hermes," said Omar Ekram, the founder and CEO of Dayra.

Prior to starting Dayra, Ekram co-founded private equity fund Tanmiya Capital Ventures, which participated in Dayra's Pre-Seed round. Ekram was able to closely observe the inefficiencies of the financial services sector in Egypt and its impact on financial exclusion during his years in the financial services sector. As a self-taught programmer, he built the MVP for Dayra and subsequently landed its first client in March 2020.

Since its launch, Dayra has grown at a monthly growth rate in excess of 50%. It has allowed thousands of unbanked individuals to access their income early through tens of thousands of transactions worth millions of dollars, with an average loan size of USD 500. Thanks to the trust its partners have placed in the company.

Dayra has received an investment from YC as part of the YC W21 batch. The team has now grown to 10+ individuals, fulfilling operations, BD, product, and tech functions. The company plans on doubling its team members to grow the company and build out new product features.

"We are exceptionally proud to be the first institutional investor partnering with Dayra, in whom we see vast potential due to their disruptive and relevant business model as Egypt works to build financial inclusion and intermediation. Today, EFG Hermes has a number of key facilities on offer to empower companies with great ideas such as Dayra to come in and fill essential gaps in the market. We have funneled key investment capital in the company through EFG EV Fintech and also offered a bespoke, multi-million financing facility by way of our factoring and leasing arm EFG Hermes CorpSolutions. We are confident that Dayra has the tools in place to make the impact it hopes to see in the market, and we're proud to be helping them get there," said Walid Hassouna, CEO of the NBF Platform at EFG Hermes and Group Head of Debt Capital Markets.

Mahmoud El Zohairy, CEO EFG EV Fintech, also said: "We are thrilled about partnering with Dayra and look forward to seeing them through on a path of success. Dayra's unique go-to market approach helps and empowers gig economy participants, while alleviating working capital stress on their employers in a seamless manner, something that the market is in need of right now. Thanks primarily to the world-class team Dayra has put together, including a founder with first-hand knowledge of the financial system as well as a deep knowhow in the tech space, we are excited to see what they have in store for the market."

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About EFG Hermes:

With a current footprint spanning twelve countries across four continents, EFG Hermes started in Egypt and has grown over 35 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track record and a team of more than 4,400 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire MENA region. In 2015, EFG Hermes launched the NBF Platform, EFG Hermes Finance, which overlooks activities in the non-banking finance field through EFG Hermes Leasing, Tanmeyah Microfinance, valU for instalment sale services and EFG Hermes Factoring, in addition to newly-launched entities covering digital payments, insurance and mortgage. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into nonMENA markets, which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh, Nigeria, Vietnam, the United Kingdom and the United States.

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About EFG EV Fintech:

Established in late 201, EFG-EV Fintech is Egypt's first financial technology focused investment company. Through its accelerator program, it nurtures, supports and empowers Fintech startups and contributes to the development of the Fintech ecosystem. Also, through its VC arm, EFG-EV Fintech invests directly in promising seed level startups, providing them with higher ticket investment to help them reach Series A funding stage. EFG-EV builds on the financial expertise of EFG Hermes and the entrepreneurial support of Egypt Ventures to offer Fintech startups a strong expertise in both areas to improve their chances of success.

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About YC:

Y-Combinator is the world's leading early stage startup accelerator with investments in 2,000+ companies. The combined valuation of the top YC companies was over US\$300 billion as of January 2021. YC has invested in companies such as Airbnb, Stripe, InstaCart, Dropbox, Doordash, and Reddit. It is based in Mountain View, California.