Impact on Financial Reforms

“Egypt”

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Central Bank of Egypt Banking Reforms

- Phase one: From 2004 - 2008
- Phase Two: From 2009 - 2011
- Phase Three: From 2018 - 2020
Demographics

95 MN
Population
Female 51%
male 49%

27.8%
Poverty Rate

11.30%
Unemployment

Financial System

3,073
Bank branches inside Egypt banks; (73% of Financial System)

3,900
Post Offices

814
MFIs & NGOs with more than 1,400 branches

35
Insurance Companies with 564 branches

10
Mortgage Finance Companies

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**Phase one** (2004-2008)

- Issue of Non Performing Loans (NPLs).
- Financial and managerial restructuring of state owned banks.
- Upgrading CBE banking supervision. (moving toward Risk Based Approach)
- Improve payment system program (RTGS).

**Phase Two** (2009-2011)

- Apply Basel II in the Egyptian banking sector.
- Introduction of Corporate Governance.
- Restructuring of specialized public sector banks.
- Facilitate SME development.
- Continue upgrading banking supervision technical abilities.
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Achievements:

1. Issuance of “Capital Adequacy Ratio” Regulation in December 2012 taking into consideration Basel 3 requirements. Introducing the two new buffers Capital Conservation and Capital Countercyclical.


5. Issuance of the two quantitative liquidity standards: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) regulation in July 2016.


8. Financial inclusion had been identified through SME initiatives, Mini branches, Microfinance law.

   In addition to the International efforts

   • Financial Inclusion Task Force (AMF) - 2012
   • Alliance for Financial Inclusion (AFI) – 2013
   • Financial Inclusion for the Arab Region Initiative “FIARI” (AFI, GIZ, AMF) – Launched Sep 2017
   • Arab Region Payment System “ARPS” (AMF, Arab Countries) – in process
Financial Inclusion DATA

Findex 2018
33% level of financial inclusion
12% gender gap
Adults: 15+

CBE limited demand survey 2017
32% bank or post account
10% gender gap
Adults: 21+
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EU/ GIZ (2018-2020)

• Financial Inclusion (Diagnostic study for financial inclusion “household and MSMEs, policy reforms and national coordination mechanisms)
• Banking supervision (Basel III framework “ICAAP, Liquidity and Countercyclical capital buffer” and Macro prudential policies)
Egypt Vision 2030

- Inclusive growth is at the core of the government’s sustainable development plan.
- A key component of Vision 2030 is developing policies and programs to integrate Egypt’s informal economy.
Thank you