
Impact on Financial Reforms “Egypt”

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Central Bank of Egypt

Central Bank of Egypt Banking Reforms

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

EGYPT TODAY

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.
2. Supplementing the risk-based capital requirements with a non-risk-based by issuing “Leverage Ratio” regulation in July 2015.
3. Issuance of “Capital Conservation Buffer” in April 2016.
4. Issuance of Internal Capital Adequacy and Assessment Process (ICAAP) regulation in March 2016.
5. Issuance of the two quantitative liquidity standards: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) regulation in July 2016.
6. Issuance of “Domestic Systemic Important Bank” (D-SIBs) regulation in May 2017.

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7. Issuance of Corporate Governance Regulations in August 2011.

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

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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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- **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'S COMMITMENT TOWARDS FINANCIAL INCLUSION

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