



Central Bank of Tunisia

# IMPACT OF BANK REFORMS ON EUROMEDITERRANEAN COUNTRIES

The reform process conducted by the Central Bank of Tunisia

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permanent supervision

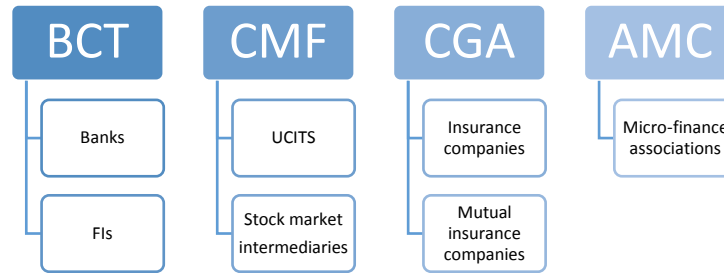
Marseilles, 3-4 May 2018

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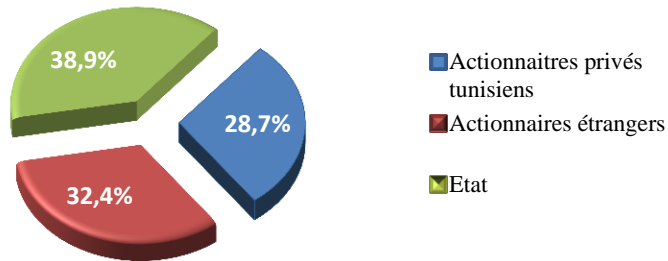
1. Brief overview of the banking sector in Tunisia
2. Main reforms we have undertaken
3. Challenges and outlook

# Physiognomy of the banking sector in Tunisia

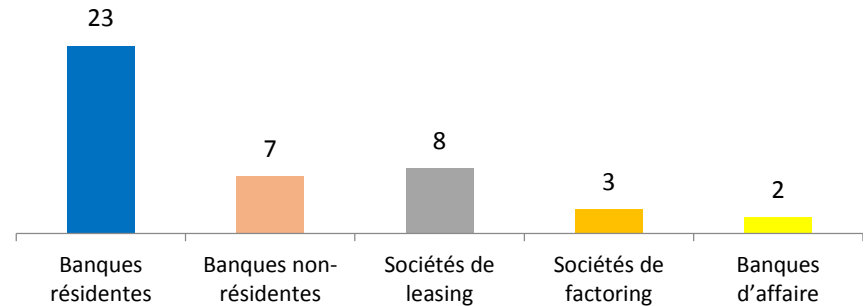
## Supervisory authorities of the financial sector



## Resident bank capital structure



## Banks and finance companies



Total assets/ GDP	101%
Average solvency ratio	11,9%
Share of NPLs	15%
ROA (%)	1,2%
ROE (%)	14,2%

# Main reforms

Enhancing financial foundations

Starting to restructure public banks based on recovery programmes approved by BCT

Convergence towards Basel III

2011-2015

restructuring public banks

2016-2020

\*Enhancing bank governance rules

\*LCR

\*Collective and additional provisions

\* Reworking the IC system for managing AML-CFT risk

\*Raising the solvency ratio and reframing exposure standards

Resolution of NPLs

\***New** legislation concerning the statute of the BCT

\***New** Bank Act

\* Reworking the circular for managing ML-FT risks

\***Reworking** reporting

\***Capital requirements** for market risk

\***Capital** requirements for operational risk

\*Standard on related parties

\* **Directives** on how to conduct internal ratings on counterparties

\*Supervision on consolidated basis

\*Revision of credit risk approach

\*ICAAP  
\*NSFR  
\* Capital buffer (Basel III)  
\*IFRS

# Main reforms

## Redesigning the statute of the Central Bank

01

Enhancing the independence of the BCT for achieving its objectives and conducting its main functions

02

Recognition of the role of the BCT and its contribution to maintaining financial stability and preventing systemic risk by enabling the Central Bank to act as lender of last resort and setting up a macroprudential oversight and financial crisis management committee

03

Enhancing the role of the Banking services Observatory to reshape it as a Financial Inclusion Observatory

## Reshaping the Bank Act

01

Reorganizing the banking market

02

Revising the conditions governing access to the industry and licensing

03

Enhancing prudential supervision

04

Introducing a full mechanism for managing difficulties

05

Setting up a deposit guarantee fund

# Main reforms

Devising a national strategy for Financial inclusion by 2018-2022

BCT spearheads in-depth research on implementing a decashing and proposes an action plan for that purpose

Modernizing the legal framework for the emergence of new payment institutions

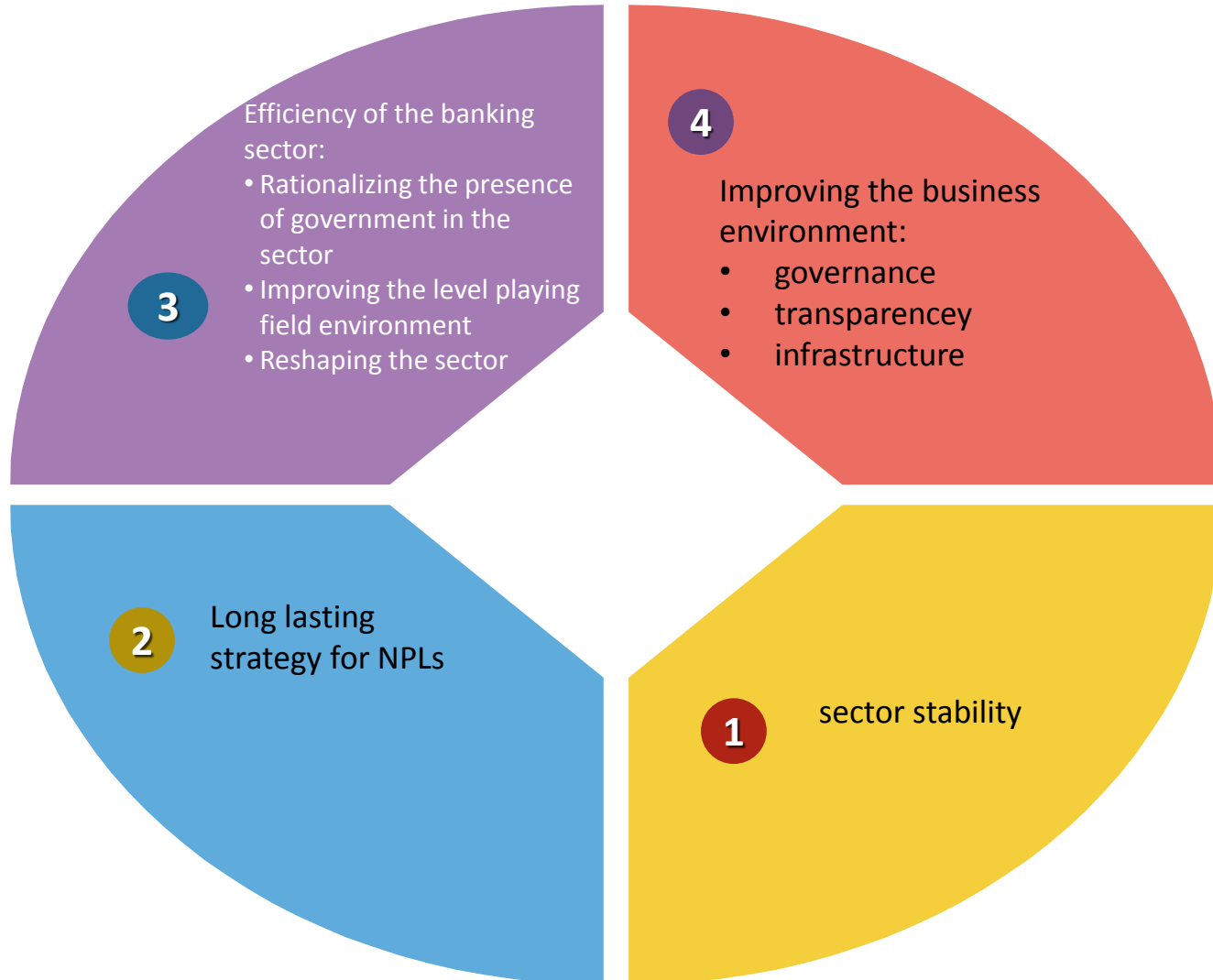
Tunisians have a preference for cash which has led to an unprecedented increase in MCBs and a contraction of bank liquidity

- \*Promoting Digital Finance
- \*Developing Micro insurance
- \*Setting up a system for refinancing MFIs
- \*Building up a consensus culture on a solidarity-based and social economy
- \*Promoting financial literacy

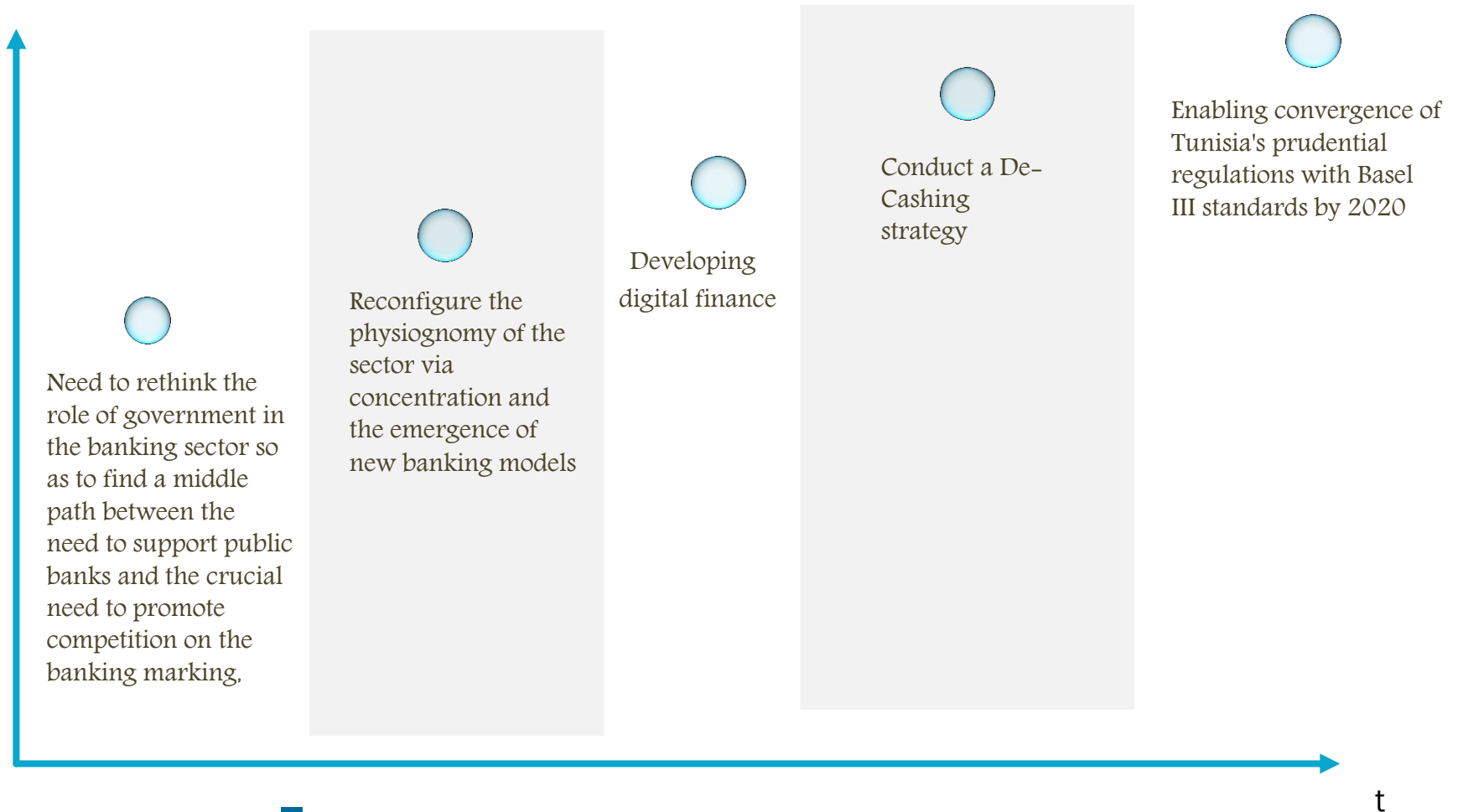
- lowering the threshold for cash transactions
- promoting financial literacy
- Developing the use of electronic equipment in public administrations

Introducing a regulatory and operational framework for operating as a payment institution

# Challenges & Outlook for banking regulations



# CHALLENGES & OUTLOOK FOR BANKING REGULATIONS





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**THANK YOU FOR  
YOUR ATTENTION**

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