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INTERVIEW WITH
TODD WILCOX,
HSBC Bank Egypt Chief Executive Officer and Deputy Chairman

What role does the bank play in serving the Egyptian economy?

HSBC has been on the ground in Egypt for more than 44 years now. Our role and main goal have been always to act as a bridge, bringing our global network to support the government's vision, especially in attracting foreign investment and leading on sustainable finance and digital transformation.

We have been right at the center of some of the country's most significant transactions on multiple fronts. Whether on mega infrastructure and industrial projects or landmark deals in debt markets and export finance. We were mandated in 2025 for the ninth consecutive sovereign bond issuance in Egypt having led all public debt issuances since 2020. This underscores the role we play as a key facilitator of inward, international investment into Egypt's and highlights the value of the relationship we've built with the Egyptian government over many years.

We have been very active in using our global network to connect Egyptian businesses to the world while helping international investors see the massive potential that exists right here.

For example, we have seen significant growth over the China-Egypt corridor. We are deeply committed to supporting Chinese multinationals as they invest here, and we've taken a unique approach to that. We are the first and only bank in Egypt to provide our corporate and institutional clients from China with on-ground, native Mandarin-speaking relationship managers. Having that dedicated strategic support here, in Egypt, has been a game-changer; for three consecutive years, as our client activity doubled in size year on year in 2023 and again in 2024. This strong growth continued in 2025 whereas volume of new and pipeline mandates in the last 13 months match in size our pre 2025 book.

On digital, this year we reached a major milestone with the launch of our Treasury APIs. This tool allows businesses to plug directly into HSBC's systems, giving them real-time visibility and control over their cash. It simplifies risk management, reduces fraud, and improves corporate governance. We've coupled this with our '7-Day Cash Concentration' solution, which allows corporates to manage liquidity 24/7, even on weekends. The UAE and Egypt were HSBC's first markets to introduce the new solution.

Digital transformation is a key pillar of the economic diversification strategies in many parts of the Middle East and has led to the region becoming one of the fastest adopters of real time payments and digital business models. According to the World Economic Forum, the region has become the fastest-growing real-time payments market globally and the market is expected to reach US$2.6 billion by 2027.

This is clearly noticed by our clients as well, as HSBC Egypt has been voted the #1 Best Cash Management Provider in Egypt in the 2025 Euromoney Cash Management Survey. As another vote of trust, the bank secured the first position overall and in every sub-category, including product, technology and service.

What is the bank's vision for the Egyptian economy? and the banking business environment?

Our views remain positive regarding the outlook on the current transition given a more complex regional backdrop which affects investor sentiment, capital flows and key sources of foreign currency for Egypt.

That said, the underlying improvement in Egypt's macroeconomic continue to provide an important buffer.

The moderation of inflation through 2025 and into early 2026 remains a critical improvement. It gives the Central Bank the room to navigate toward lower interest rates. This allows businesses to move away from a 'survival mode' and start focusing once again on long-term capital investment.

At the same time, the transition to a more transparent, market-driven exchange rate system restored the predictability that global investors demand by ensuring there is a single, credible price for the currency and that Egypt is better equipped to absorb external shocks than in previous cycles.

However, in the near term, it is understood to see more cautious behavior from global investors with some potential short-term volatility in portfolio flows depending on how the situation evolves.

Against this backdrop, Egypt's strategy of maintaining disciplined macroeconomic policies, strengthening its relationship with international financial institutions, and continuing structural reforms becomes even more important. These factors are key to preserving confidence and ensuring access to external financing when global conditions are less supportive.

Our role at HSBC is to help our international clients understand these shifts—as the narrative on Egypt moves from 'managing risk' to 'identifying growth.' We are playing a key role in proactively facilitating dialogue for our clients, including organizing several high-level roundtable discussions bringing together the Ministry of Finance, the Central Bank of Egypt, and major global institutional investors. These sessions are about ensuring that international investors fully

understand the actual structural progress we're seeing on the ground.

With the economy finding its balance, the banking sector is now on a healthier foundation. Our focus remains on providing the strategic insights and global reach our clients need to take full advantage of Egypt's long-term potential

How does the bank view the current investment climate in Egypt?

The investment climate has evolved significantly. While the policies themselves are much sharper now, creating a more business friendly environment, the real value we're seeing is the transparency now available to international investors.

One of the most impactful changes has been in customs and trade facilitation. The government has successfully slashed customs clearance times—from what used to be several days or even weeks, down to a matter of a few days, with a clear goal of reaching a 48-hour turnaround this year. For businesses, this is a massive win as it reduces logistics costs and improves cash flow.

We're also seeing a much more streamlined investment policy. The move toward a 'One-Stop Shop' through GAFI and the new digital licensing platforms has removed a lot of the traditional administrative bureaucracy. Being able to secure a business license in a fraction of the time it used to take is a strong signal to the international community that Egypt is serious about the ease of doing business.

At HSBC, we've taken a very active role in bridging the gap between potential international investors and key government stakeholders. We've hosted high-level delegations from key corridors, including the UK, China and Hong Kong, and giving them direct one-to-one access to the leadership from the Suez Canal Economic Zone (SCZONE) and GAFI to discuss how the different structural reform initiatives will practically impact their projects.

To support this, we have also facilitated a series of high-level economic updates featuring our Chief Economist for Central & Eastern Europe and the Middle East, Simon Williams, along with our Global Chief Economist, Janet Henry. These sessions are vital because they provide our clients with a comprehensive independent macro-view. Our economists have been clear: while we must remain disciplined, the 'rebalancing' currently underway in Egypt is laying the groundwork for a proper recovery.

By combining these deep economic insights with direct access to government stakeholders, we are helping the international community see Egypt not just as a market with 'potential,' but as a destination where both the government and the private sector are truly aligned on a growth agenda.

Which economic sectors does the bank see as having strong growth opportunities in the coming period?

Egypt has gained remarkable attention from global investors recently by successfully shifting its narrative from a consumer-driven market to an export-led industrial Hub. According to the Ministry of Planning, the state is targeting a 19% jump in industrial output this fiscal year. You can see this momentum clearly in sectors like Automotive, Electronics, and Textiles, where the country is leveraging its strategic location and trade agreements to become a primary manufacturing hub for the region.

Parallel to this, the country is making massive strides in Renewable Energy. The goal to reach 42% renewable energy by 2030 has turned Egypt into a magnet for green investment.

What's equally impressive is Egypt's progress toward becoming a global digital and data hub. Based on figures from the Ministry of Communications and Information Technology, Egypt's digital exports have already surged to $7.4 billion, and the state is firmly on track to hit its target of $9 billion by late 2026.

We have seen the success of this model firsthand. We have established our Global Service Centre here at smart village since 2010, we've grown from a team of just 85 employees to over 2600 serving almost 40 countries across 4 regions and acting as a Global Centre of Excellence for complex areas like Trade and Cash Management.

Ultimately, whether it's manufacturing, green energy, or data, the focus in Egypt has shifted toward long-term, productive growth, and that is what's creating such a compelling story for the international community today

What role does the bank play in the field of corporate social responsibility in the Egyptian market?

Our work in the community is about being a long-term partner to Egypt's development. We focus on where we can have the most meaningful impact, following two main pillars: Financial Literacy and Nature.

On the Financial Literacy side, we're focused on removing barriers and opening doors to opportunity. For instance, we've partnered with the Global Fund for Widows to implement a micro-banking program that has already economically empowered 1,150 women. It's incredibly rewarding to see that this has led to a 500% increase in their savings, directly improving their families' access to healthcare and education.

We're also looking toward the future of the workforce; through our partnership with the Ghabbour Foundation, we've enabled the graduation of a full class of mechanics specializing in Electric Vehicle (EV) technology, preparing young people for the growing green job market.

When it comes to Nature, we see our role as a catalyst for long-term resilience. A major focus for us is our nature-based solution project in partnership with the American University in Cairo (AUC) by Developing a Participatory Mangrove Ecosystem Restoration Model (MERS) a 5 years project aims to adopt Nature-based Solutions (NBS) to address climate change challenges and enhance the environmental, social, and economic resilience of the most vulnerable local communities through the restoration and rehabilitation of the mangrove ecosystem in Egypt, as well as creating a commercially viable business to attract future investments. In 2025, the project planted 23,300 seedlings, completed a biodiversity report, launched a women-led mangrove honey business, introduced Egypt's first digital GIS platform for mangrove mapping, and secured permits for the "Mangrovy Hamata" ecotourism initiative.

Historically, we've always stepped in where needed, whether it was building 350 community schools with Misr El Kheir to help 12,000 students in underserved villages or providing clean drinking water to over 100,000 families through filtration stations.

For us, it's about piloting these financial mechanisms and social programs so they can eventually be scaled up to create lasting, sustainable change for the whole country.

Industry Insight

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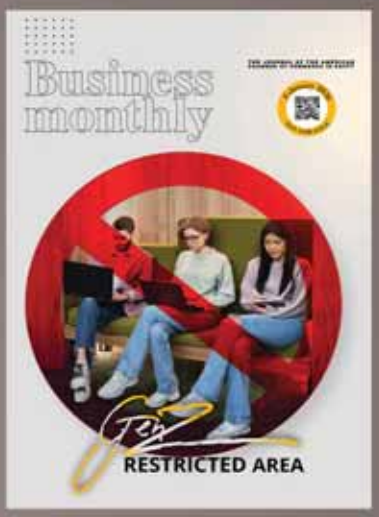


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FINANCIAL LANDSCAPE

Egypt's financial sector has been undergoing significant transformation, driven by regulatory reforms, digital adoption, and efforts to expand access to financial services. These changes are part of a broader strategy to strengthen economic resilience, enhance financial stability, and foster inclusive growth.

At the macro level, Egypt continues to operate under an International Monetary Fund (IMF)-supported program through its 46-month Extended Fund Facility (EFF), ending October 2026. Originally valued at USD 3 billion in December 2022, the program was expanded in March 2024 to USD 8 billion. Complementing this, Egypt also secured access to a USD 1.3 billion Resilience and Sustainability Facility (RSF)—a mechanism aimed at strengthening climate resilience, advancing green financing, and supporting broader structural reforms.

The IMF completed its fourth EFF program review in March 2025, approving a fresh disbursement of USD 1.2 billion. This brought Egypt's cumulative receipts under the program to around USD 3.2 billion. Egypt's outstanding obligations to the Fund have reached approximately USD 9.9 billion, the majority of which stems from the EFF.

Since the program commenced, macroeconomic indicators have shown progress, most notably easing inflation and a recovery of international reserves. However, structural reforms, particularly those concerning state-owned enterprises and private sector competition, have advanced more slowly.

The IMF is merging its fifth and sixth reviews to allow additional time for reform implementation. Once these two reviews are completed, expected in Q4 2025, Egypt will be eligible to receive two tranches, worth a combined USD 2.4 billion.

Credit Ratings

Credit ratings remain a critical indicator of Egypt's financial position and external credibility. In 2025, international agencies maintained a cautious outlook, reflecting the balance between recent macroeconomic improvements and ongoing structural vulnerabilities.

Egypt's Credit Ratings

	2024-2025	
	Rating (outlook)	**Date**
S&P Global Ratings	B- (positive)	Mar. 18, 2024
	B- (positive)	Oct. 18, 2024
	B- (stable)	Apr. 11, 2025
	B (stable)	Oct. 10, 2025
Fitch Ratings	B- (positive)	May 3, 2024
	B (stable)	Nov. 1, 2024
	B (stable)	Apr. 11,2025
	B (stable)	Oct. 10, 2025
Moody's	Caa1 (negative)	Jan. 18, 2024
	Caa1 (positive)	Mar. 7, 2024
	Caa1 (positive)	Feb. 19, 2025
	Caa1 (positive)	Jul. 19, 2025

Sources: : Fitch Ratings, Moody's, S&P Global Ratings

S&P Global Ratings upgraded Egypt's long-term sovereign credit rating to B and maintained its stable outlook in October 2025. It was the rating's first movement since October 2023 when it was downgraded to B-. S&P said the upgrade reflects the broad reform momentum over the past 18 months—most notably the liberalization of the foreign exchange regime—which has spurred a rebound in GDP growth, strengthened external and fiscal indicators, and attracted major FDI inflows. The stable outlook reflects a balance between Egypt's strengthening growth and external position and the continued challenges of high fiscal deficit and debt levels.

Fitch Ratings most recently affirmed Egypt's long-term foreign currency rating at B and its outlook at stable in October 2025, keeping it unchanged since November 2024 when it upgraded the rating from B- with a positive outlook. Fitch's October report noted Egypt's large and diversified economy and strong international support, balanced against weak public finances, high external financing needs, elevated inflation, and persistent geopolitical risks.

Moody's has maintained Egypt's ratings at Caa1 with a positive outlook throughout 2025, leaving it unchanged since upgrading the outlook in March 2024 following the float

and devaluation of the Egyptian pound (EGP) and injection of USD 35 billion in foreign direct investment from the Ras El-Hekma deal with the Abu Dhabi Developmental Holding Company (ADQ). The most recent rating report in July 2025 cited Egypt's high credit risk but acknowledged improvements in debt service prospects, stronger foreign exchange reserves, and lower borrowing costs post-float. The positive outlook is supported by measures to control inflation and interest rates, as well as prospects for increased FDI.

Monetary Policy

Egypt's monetary policy entered a new phase in April 2025, as the Central Bank of Egypt (CBE) initiated an easing cycle to support the ongoing disinflation path. As of October 2025, benchmark interest rates had been cut by a cumulative 625 basis points (bps), marking one of the fastest monetary policy reversals in over a decade.

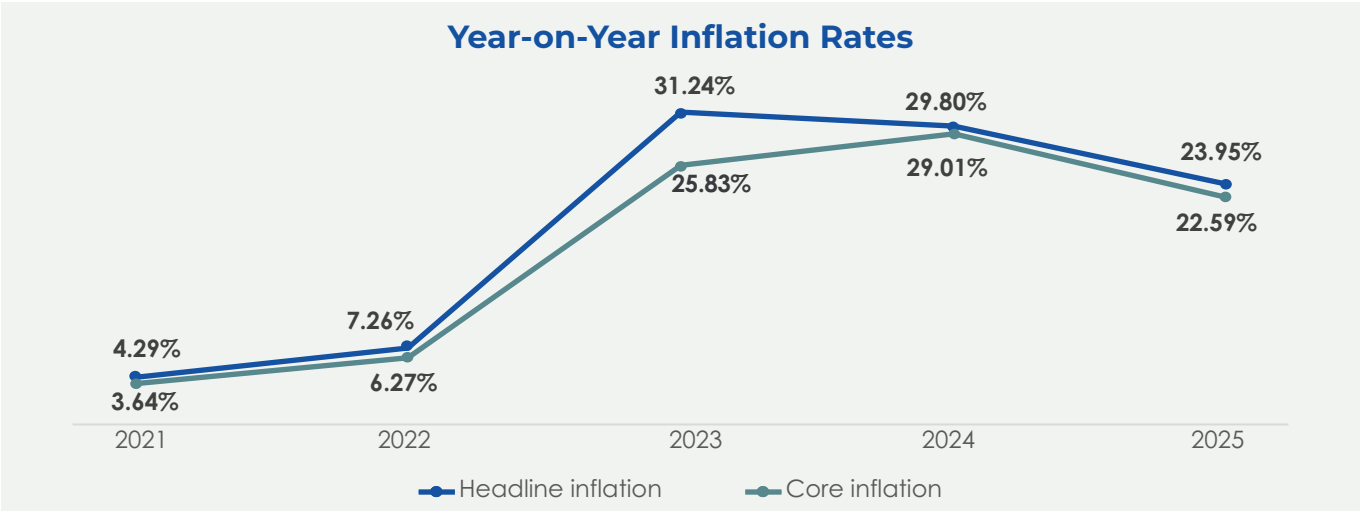
In Q2 2025, around 65% of the period's combined 325 bps reduction in policy rates was transmitted to the interbank market, signaling an effective pass-through of policy actions. Yields on local-currency government securities continued to edge down through October, reflecting a deeper market response as expectations of a sustained easing cycle became more firmly priced in. At the same time, Egyptian Eurobond yields extended their decline, falling by an average of more than 200 basis points between April and October 2025, pointing to a continued improvement in investor confidence and external risk perception.

Benchmark Interest Rate Adjustments (2025)

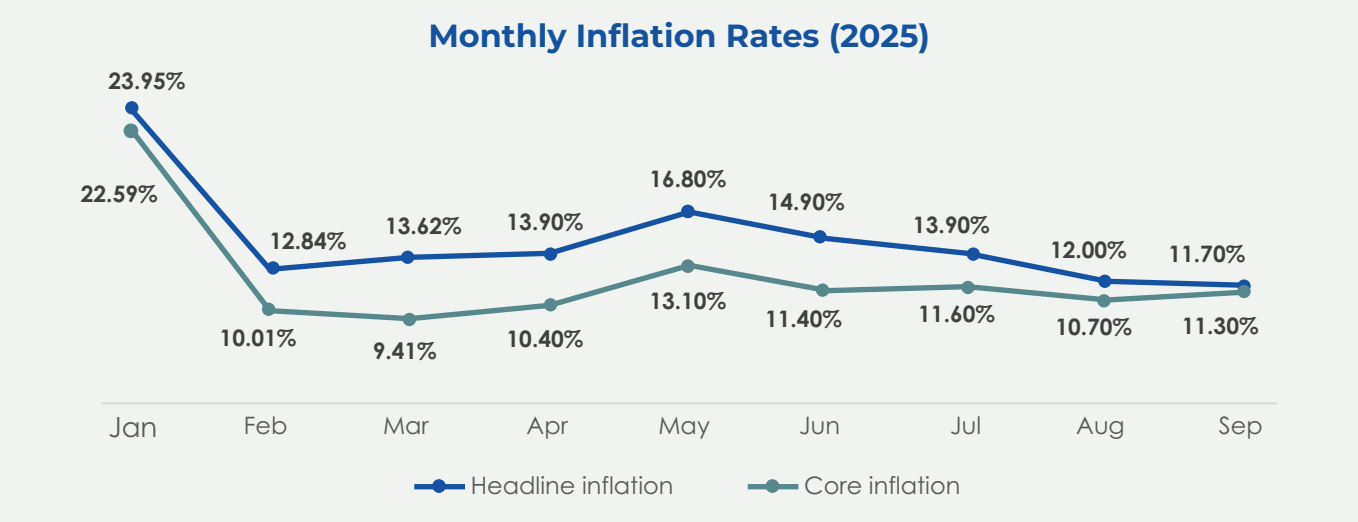
Date	Monetary Policy Committee Decisions	Overnight Deposit Rate (%)	Overnight Lending Rate (%)	Main Operation (%)	Discount Rate (%)
Feb. 20	Unchanged	27.25	28.25	27.75	27.75
Apr. 17	Cut by 225 bps	25.00	26.00	25.50	25.50
May 22	Cut by 100 bps	24.00	25.00	24.50	24.50
Jul. 10	Unchanged	24.00	25.00	24.50	24.50
Aug. 28	Cut by 200 bps	22.00	23.00	22.50	22.50
Oct. 2	Cut by 100 bps	21.00	22.00	21.50	21.50

Source: CBE

Year-on-Year Inflation Rates



Source: CBE

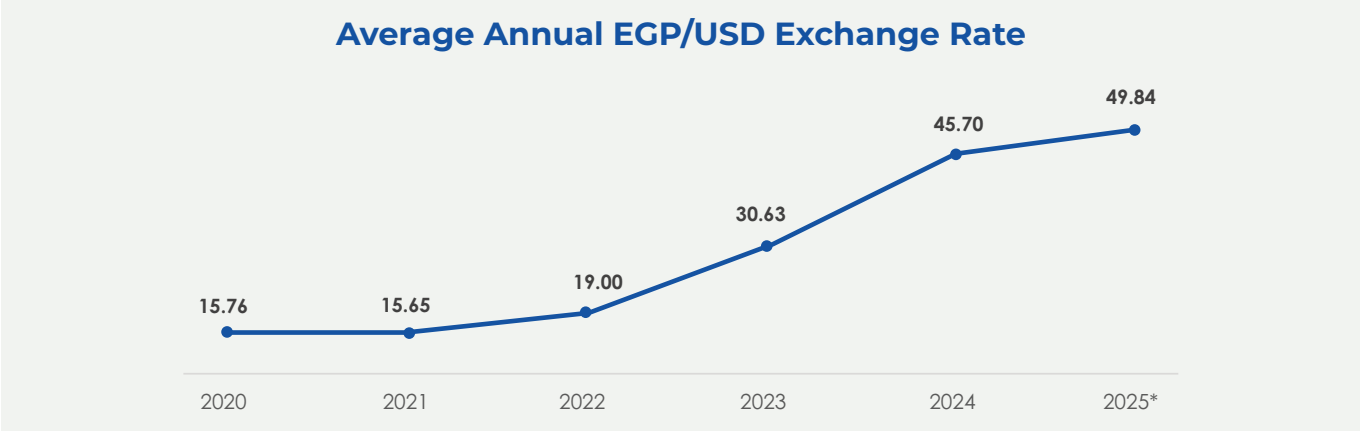


Source: CBE

Exchange Rate

In early March 2024, Egypt adopted a flexible exchange rate regime in line with IMF program requirements, shifting the CBE's policy focus toward inflation targeting while allowing market forces to determine the exchange rate. This structural change was accompanied by a significant improvement in foreign exchange liquidity, supported by the Ras El-Hekma investment deal, fresh IMF disbursements, and additional bilateral and multilateral financing pledges.

Since then, import backlogs have been gradually cleared, and remittance inflows have also strengthened, reflecting market confidence in the enactment of long-awaited reforms. These developments reduced convertibility risks that had escalated prior to March 2024 amid acute foreign exchange shortages and tightened banking restrictions.



**Average 9M 2025*
Source: Ministry of Finance

Following its March 2024 float, the EGP saw a gradual devaluation until April 2025, when the midmarket exchange rate reached around EGP 51.67 per USD, marking its weakest level on record. By September 30, 2025, the currency had shown signs of recovery, trading at approximately EGP 48.20 per USD in the official market. From September 2024 to September 2025, the Egyptian pound appreciated by 0.38% relative to the U.S. dollar.

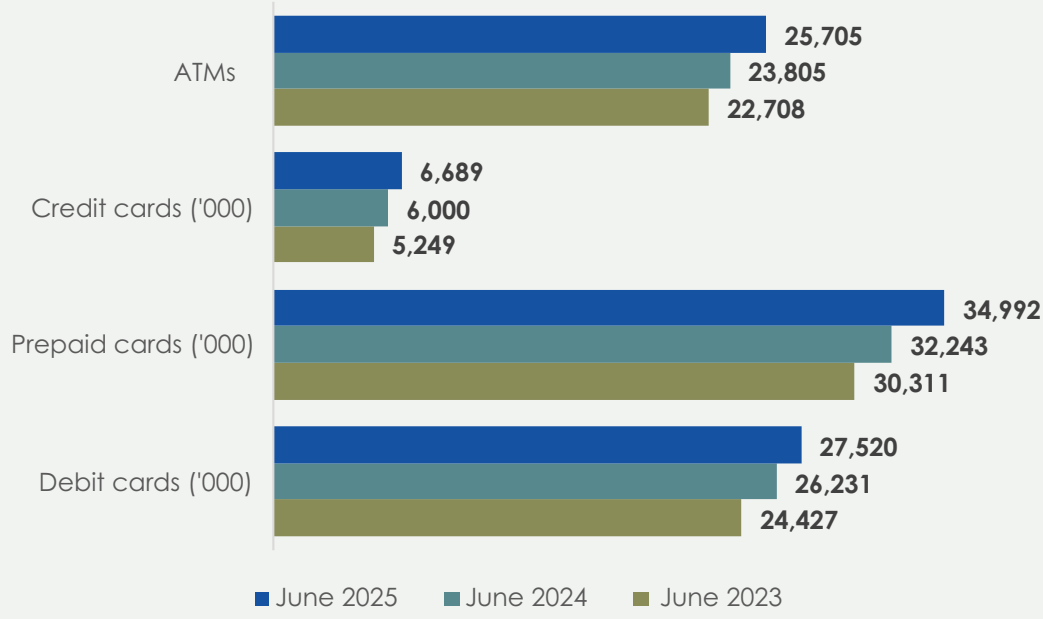
The CBE reported that net international exchange reserves had reached a record high of USD 49.5 billion by end of September 2025. The outlook for reserves remains supported by strong foreign currency inflows, potential asset sales to Gulf Cooperation Council investors, and further policy commitments to liberalize the market.

In early September, the Egyptian government announced the activation of a USD 7.5 billion Qatari investment package, with the funds expected to target health, education, real estate, food security, and renewable energy.

Mapping the Banking system

As of March 2025, Egypt's banking sector had 36 licensed banks operating across 4,788 branches nationwide. The sector employs more than 145,000 people.

Key Indicators of the Banking Sector



Source: CBE

The Egyptian banking system has shown a strong performance in 2025, with several key indicators signaling both growth and stability. In H1 2025, banks collectively reported net profits of EGP 274.9 billion (USD 5.6 billion), supported by robust interest income and shrinking operating costs.

Customer deposits remain the foundation of bank funding, reaching EGP 14.9 trillion (USD 297.7 billion) as of June 2025. However, the sector continues to be highly concentrated: The top 10 banks control about 78% of deposits, while the top 5 hold nearly 69%.

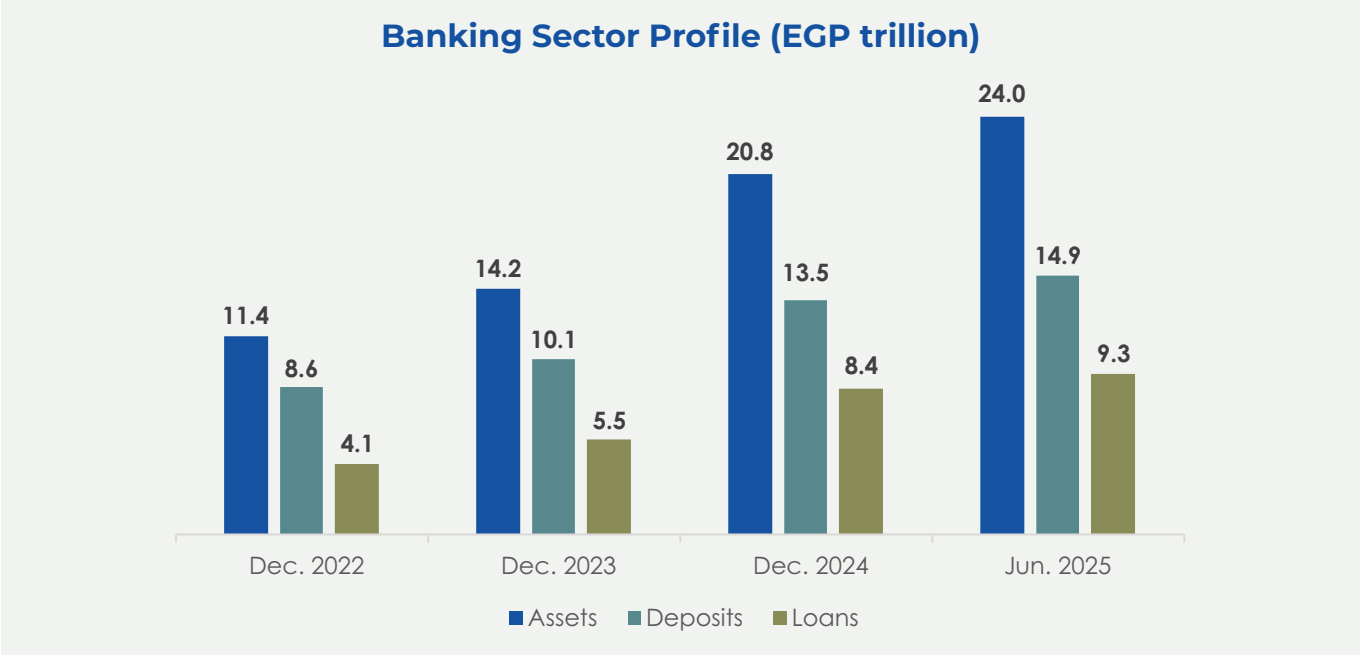
The total assets of banks rose 24% in H1 2025 to EGP 24 trillion (USD 505.6 billion), compared to EGP 19.3 trillion (USD 406.9 billion) in H1 2024.

Customer loans recorded EGP 9.3 trillion (USD 196.2 billion) in H1 2025, up 29% year on year (YoY) from EGP 7.2 trillion (USD 150.7 billion). Securities holdings stood at EGP 7.1 trillion (USD 149.7 billion) in June 2025, increasing 37% YoY from EGP 5.2 trillion (USD 108.9 billion).

Financial Soundness Indicators for the Banking Sector (except CBE)

	FY 2022	FY 2023	FY 2024	H1 2025
Non-performing loans (NPL) to total loans	3.3	2.9	2.2	2.1
Provisions to NPL	91.9	88.7	87.4	90.2
Return on assets	1.2	2.0	2.6	2.6
Return on equity	17.7	32.2	39.0	39.0
Net interest margin	3.8	5.2	5.8	5.8
Loan-to-deposit (LTD) ratio	48.0	53.3	61.9	63.3

Note: The fiscal year (FY) for Egypt's banking sector ends on December 31.
Source: CBE



Source: CBE

Despite strong growth in recent years, Egypt's commercial and retail banking sector remains relatively underdeveloped. The household debt-to-GDP ratio stood at 8.2% as of September 2023, just below the country's historic peak in 2008. According to the IMF, many advanced economies have household debt ratios ranging from 50% to over 100% of GDP, while emerging markets typically have ratios under 30% or even in the single digits.

Following reforms in the early 2000s, state-owned banks became more competitive and efficient, allowing them to maintain a dominant role in the sector. The three largest public banks—National Bank of Egypt (NBE), Banque Misr, and Banque du Caire—account for about 40% of total sector assets and 50–55% of total deposits, with NBE holding the largest market share. However, private banks, including joint ventures and subsidiaries of international institutions, remain important players. The largest private lender is Commercial International Bank (CIB), which ranks third overall by market share, with assets exceeding USD 12.1 billion.

Islamic Banking

Islamic banking, offering financial products compliant with *sharia* (Islamic law), has become an increasingly important segment of Egypt's financial system. By June 2025, the Islamic finance market in Egypt reached a total EGP 1.3 trillion (USD 26.8 billion) in terms of business volume, posting YoY growth of 51%.



Islamic Banking Market

	Value	YoY Growth	Share of Overall Banking Market
Assets	EGP 1.11 trillion (USD 22.9 billion)	51%	5.2%
Deposits	EGP 810 billion (USD 16.6 billion)	45%	7.3%
Financing activity	EGP 881 billion (USD 18.1 billion)	46%	6.0%

Source: Egyptian Islamic Finance Association

The network of Islamic banking providers has also expanded. The country now has four full-service Islamic banks—Faisal Islamic Bank of Egypt, AlBaraka Bank Egypt, Abu Dhabi Islamic Bank – Egypt (ADIB Egypt), and Kuwait Finance House Bank (Egypt)—alongside 11 conventional banks that operate Islamic segments. Together, these institutions serve over 4 million customers via a network of 322 branches as of mid-2025, up from 265 branches in 2024.

Market leadership is concentrated among a few players. ADIB Egypt leads with a portfolio of about EGP 296 billion (USD 6.1 billion), followed by Faisal Islamic Bank with EGP 248 billion (USD 5.1 billion), and Banque Misr's Islamic transactions with EGP 224 billion (USD 4.6 billion).

Regulatory Updates

On September 1, 2025, the CBE approved new regulatory guidelines for foreign exchange bureaus, replacing the 2008 regulations and granting bureaus six months to comply. The updated framework aligns with recent amendments to the Anti-Money Laundering Law and its executive regulations, as well as strengthens efforts to combat money laundering, terrorist financing, and proliferation financing in line with international standards. The rules introduce stricter governance and oversight requirements including board-level responsibility, internal audits, and the appointment of dedicated compliance officers. They also mandate regular risk assessments, customer due diligence, transaction monitoring, and the reporting of suspicious activities, backed by clear recordkeeping obligations.

As of August 2025, banks have started to loosen foreign exchange (FX) restrictions in the latest signal that Egypt's FX crunch is easing. Major lenders including CIB, NBE, Banque Misr, and ADIB Egypt have cut credit card FX transaction fees to 3% from 5% and doubled USD allocations for travelers to USD 10k—the legal cap for carrying cash abroad.

The CBE is also moving to relax documentation requirements for FX purchases, while reiterating that merchants cannot accept foreign currency payments via point-of-sale terminals except in hotels. The shift reflects stronger USD liquidity on the back of more than USD 85 billion in inflows in the first three quarters of 2025, driven by tourism, remittances, exports, and portfolio investments. With net international reserves on the rise and net foreign assets turning positive, the easing of restrictions signals confidence in the banking sector's ability to meet FX needs and supports the broader reform program ahead of the next IMF reviews.





EXPERT INSIGHTS

MOHAMED ABDEL KADER

Citi Country Officer, Citibank, NA Egypt

Chair, AmCham Egypt Banking Committee

Answers edited for length and clarity.

How would you evaluate the performance and resilience of Egypt's banking sector amid recent economic adjustments, exchange rate movements, and inflationary pressures?

Egypt's banking sector has undeniably showcased remarkable resilience and robust performance over the past few years, skillfully navigating a changing economic landscape including exchange rate liberalization, persistent inflationary pressures, and broader global shifts. This stability is largely anchored by substantial Foreign Direct Investment (FDI) and consistent external financing. In addition, this year there have been robust inflows from remittances and the strong recovery of the tourism sector, alongside external financing deals (which were more dominant in 2024) that have been pivotal in stabilizing the Egyptian Pound. These diverse and strong inflows have been critical in building healthy foreign exchange reserves which provide an essential buffer against external shocks, even absorbing foreign investor outflows with ample liquidity, a testament to the sector's inherent strength. Furthermore, the Central Bank of Egypt's (CBE's) prudent monetary policy has successfully guided the Consumer Price Index onto a clear disinflationary path, with forecasts pointing to a managed reduction in pressures and a strategic aim to halve real interest rates by 2026. The CBE's demonstrated ability to manage orderly Foreign Portfolio Investment (FPI) outflows during geopolitical volatilities, coupled with its commitment to a market-driven FX rate, further underscores the sector's adaptability.

Looking ahead to 2026, what do you see as the main opportunities and challenges for Egypt's banking sector—particularly in balancing growth, risk management, and digital transformation?

Looking ahead to 2026, the sector is poised for significant opportunities, primarily driven by anticipated renewed credit growth stemming from projected monetary policy easing, which will boost lending across consumer finance, corporate investment, and infrastructure projects. Increased FDI, partly associated with planned privatizations, also signals robust activity in capital markets, presenting avenues for investment banking and project financing.

However, the path forward is not without its challenges. The sector must carefully manage FPI volatility and the risk of profit-taking by foreign investors, which could exert mild pressure on the Egyptian Pound. Geopolitical risks, both regional and global, remain a constant threat, capable of triggering investor sentiment shifts and FPI outflows. A strategic imperative for the CBE is to reduce reliance on more volatile short-term portfolio debt inflows in favor of more stable, long-term investor flows—a transition that requires careful policy calibration.

Ultimately, the future success of Egypt's banking sector will hinge on its capacity to judiciously balance these ambitious growth targets with rigorous risk management, while embracing agility and innovation to capitalize on the evolving economic environment.



SUSTAINABLE FINANCE

Egypt's sustainable finance landscape has shifted significantly over the past five years. Egypt positioned itself as a pioneer in the region in September 2020 with the issuance of the first sovereign green bond in the Middle East and North Africa. In 2021, the private sector's Commercial International Bank (CIB) became the first bank in the region to issue a corporate green bond, backed entirely by the International Finance Corporation (IFC).

By 2024, the market was solidly in the system-building stage, with regulators working to strengthen governance and transparency for sustainable financiers. The Ministry of Finance's Sovereign Sustainable Financing Framework covers green, social, and sustainability-linked instruments and *sukuk* (financial tools compliant with Islamic law). The Central Bank of Egypt has issued regulations requiring banks to integrate sustainability into governance, credit, and risk management. The Financial Regulatory Authority has strengthened disclosure requirements for non-bank financial institutions, aligned with international environmental, social, and governance (ESG) and Task Force on Climate-related Financial Disclosures standards.

In its 2024 annual report, the Sustainable Banking and Finance Network upgraded Egypt's rating from "Developing" to "Advancing." This report benchmarks the country's progress and outlines member institutions' efforts to develop and implement national and regional sustainable finance frameworks, in line with leading international trends and best practices.

Egypt's regulatory shift corresponds with the growing demand from investors for ESG-aligned assets. Whereas earlier transactions depended on concessional anchor investments, international institutional investors, sovereign wealth funds, and development finance institutions now regard ESG integration as a basic requirement for directing capital. As emerging markets with credible sustainability frameworks receive increased attention from mainstream investors, Egypt is gaining access to larger and more diverse sources of finance.

Integrated National Financing Strategy (E-INFS)

In March 2025, Egypt launched its Integrated National Financing Strategy (E-INFS), developed in partnership with the United Nations Development Programme (UNDP). The strategy provides a comprehensive framework to mobilize and align financial resources with national priorities under the Egypt Vision 2030 sustainable development strategy and the UN Sustainable Development Goals (SDGs). The seven priority sectors targeted by the E-INFS include social protection, health, education, women's empowerment, climate resilience, transport, and sanitation.

The E-INFS responds to a widening global SDG financing gap—estimated at USD 4 trillion, a 60% increase since 2015—by introducing an integrated approach to bridge funding shortages and ensure sustainable, inclusive growth. It seeks to strengthen intergovernmental coordination, foster public-private partnerships, and enhance collaboration with international financial institutions and development partners.

At the heart of the E-INFS lies the concept of "right-financing," which shifts the focus from funding isolated projects to structuring diverse and blended financial flows in support of national priorities. This approach promotes the mobilization of multiple sources of capital—including concessional finance, private equity, and blended instruments—to ensure that financial resources are strategically deployed to maximize social, economic, and environmental returns.

The strategy introduces a broad toolkit of sustainable financial instruments tailored to Egypt's development priorities. These include green, social, and gender bonds; sustainability-linked loans; blended finance structures; and expanded use of public-private partnerships (PPPs) to attract long-term institutional investors. It also supports the greening of the financial system, urging banks and capital-market institutions to incorporate climate-risk assessment and ESG screening into their operations. Complementary actions include the promotion of impact investing, Islamic finance expansion, and the establishment of Egypt's carbon market, reinforcing the transition toward low-carbon, inclusive growth.

Green Sustainable Industry (GSI) Program

One of the national priorities in need of sustainable financing is manufacturing, in particular export industries. In December 2024, the Ministry of Environment officially launched the GSI program in collaboration with the European Investment Bank (EIB), Agence Française de Développement (AFD), and the National Bank of Egypt (NBE) to help industries in Egypt reduce greenhouse gas (GHG) emissions and improve their resource efficiency. The program is starting with EUR 271 million (USD 318 million) in core funding, with expectations of attracting a total EUR 500 million (USD 587 million) in financing.

Managed by the Egyptian Environmental Affairs Agency, the GSI program is a multi-partner financing framework that pools together concessional loans, grants, and technical assistance to support public and private sector projects in energy-intensive sectors (cement, fertilizers, food processing). Eligible projects include pollution abatement, decarbonization, resource and energy efficiency, renewable energy adoption, and circular economy transitions.

The projects supported by the GSI program will help exporters facing the European Union's Carbon Border Adjustment Mechanism (CBAM), which requires European importers to declare the emissions embedded in their imports and buy certificates corresponding to the amount of those emissions. The CBAM currently applies to carbon-intensive products such as cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen.

The GSI program will also help government bodies and the banking sector develop oversight and financing mechanisms to promote green transformation in the industrial sector.

GSI at a Glance

Total financing envelope: EUR 500 million (USD 587 million)
Core financing: EUR 271 million (USD 318 million) mobilized by the EIB, AFD, and EU; the NBE will channel funds to Egyptian industries.

Timeline

January 2025
The GSI program starts its operational phase.

February
The Ministry of Transport and Industry and the Industrial Development Authority form technical working groups to set eligibility criteria and environmental-performance benchmarks.

March
The NBE and other partner banks begin identifying candidate factories in energy-intensive sectors for green-finance readiness assessments.

April
Draft financing procedures and environmental safeguards are finalized.

June
The GSI online portal goes live, with eligibility criteria, on-lending terms, and sustainability-reporting templates for applicants.

A EUR 21 million (USD 24 million) EU grant becomes operational: EUR 20 million (USD 24.5 million) for decarbonization and circular economy projects, and EUR 1 million (USD 1.2 million) for digital environmental-monitoring upgrades.

July
The GSI is integrated into the Industrial Decarbonization Track for Egypt's Nexus of Water, Food and Energy Plus (NWFE+) Program, positioning it as the industrial component of the national green-finance platform.

August
The first 40 private sector projects for concessional financing and technical assistance are selected.

September
A joint EBRD–EU–Ministry of Environment note formalizes CBAM-readiness support, linking GSI investments with exporters' decarbonization pathways.

International Funding Programs

In October 2024, the Green Climate Fund (GCF), in collaboration with the IFC and European Bank for Reconstruction and Development (EBRD), approved three multi-country regional programs with Egypt as a hub or implementing country. These programs support climate mitigation, adaptation, and institutional capacity across Africa, Asia, and Eastern Europe, with the GCF and its partners providing concessional finance, grants, guarantees, and technical support.

GCF Programs in Egypt

Scaling Resilient Water Infrastructure (SRWI) Facility

- **Goal:** Improve water and sanitation infrastructure by funding project preparation, public-private partnership structuring, and transaction advisory activities for national and subnational beneficiaries as well as offering concessional financing for project execution.
- Total financing: **USD 1.3 billion**
- GCF contribution: **USD 258 million**
- Implementing partner: **IFC**
- Tonnes of emissions to be avoided: **3.6 million**

Greening Financial Systems: Delivering Climate Finance for All

- **Goal:** Leverage existing networks in participating countries to develop climate-compatible financial systems, so that 5% of banking sector assets will be channeled to Paris-aligned pathways by the 10th year of program implementation.
- Total financing: **USD 669.0 million**
- GCF's contribution: **USD 200 million**
- Co-financing and implementing partner: **EBRD**
- Tonnes of emissions to be avoided: **12.8 million**

Acumen Resilient Agriculture Fund II

- **Goal:** Enhance the climate resilience of smallholder farmers and the agriculture value chain by investing in venture, early, and early-growth stage companies that offer bundled adaptation solutions tailored for smallholder farmers.
- Total funding: **USD 130 million**
- Implementation partners: **National agricultural and rural agencies**, possibly with technical support from international institutions.

In April 2025, the EBRD successfully completed its Green Economy Financing Facility (GEFF) Egypt I. Launched in 2017, GEFF Egypt I mobilized over EUR 140 million (USD 163 million) through four partner banks—Qatar National Bank (QNB), National Bank of Kuwait (NBK – Egypt), AlexBank, and Arab African International Bank—to help businesses finance 130 green projects across 18 governorates. The program led to a 1,153 gigawatt-hour reduction in energy consumption, corresponding to an annual mitigation of nearly 288,000 tonnes of CO2e emissions.

EBRD funding will continue with GEFF Egypt II, which will unlock USD 175.5 million for new climate-focused investments focused on micro, small and medium enterprises (MSMEs) and households.

In June, Egypt was selected to benefit from the Climate Investment Funds' (CIF) USD 1 billion Industrial Decarbonization investment program, which is the first global development financing initiative aimed at reducing emissions in the industrial sector of developing countries. The other beneficiaries are Brazil, Mexico, Namibia, South Africa, Türkiye, and Uzbekistan.

In September, the EBRD, GCF, and EU signed their first joint financing package with Suez Canal Bank (SCB) worth a total USD 50 million (EUR 42.6 million) to expand green and trade finance for Egypt's private sector. The package includes a USD 25 million green loan under GEFF Egypt II, co-financed by USD 3.75 million from the GCF. It also adds an uncommitted USD 25 million trade finance limit to boost SCB's import–export operations and correspondent banking services.

The SCB's GEFF Egypt II funding also encompasses an EU-funded technical assistance program that will aid implementation and monitoring, along with USD 2.9 million in incentive grants for borrowers adopting high-performance green technologies.

Voluntary Carbon Market

Egypt launched its first Voluntary Carbon Market (VCM) in August 2024 under the supervision of the Financial Regulatory Authority (FRA). The VCM allows organizations to offset their carbon emissions by purchasing and trading Certified Emission Reductions (CERs), commonly known as carbon credits. These credits are generated by verified projects that reduce or remove GHG emissions from the atmosphere, such as renewable energy, reforestation, or waste management projects. Companies can therefore meet their environmental goals and adhere to emission reduction targets through a structured and transparent trading mechanism.

The system operates through Africarbonex, the carbon trading platform on the Egyptian Exchange (EGX). The FRA oversees credit issuance and overall regulation, while the EGX manages operational trading and market conduct.

At the end of March 2025, Africarbonex had a total of 28 voluntary carbon reduction projects and more than 170,000 carbon credits available for trading.

Debt Swap for Climate Action

Egypt's external debt has grown steeply in recent years, limiting its capacity to spend domestically. A debt swap allows some debt service to be redirected toward climate action rather than external creditors, freeing up funds to co-finance costly projects such as renewable energy, adaptation, nature-based solutions, or green infrastructure.

In May 2025, Egypt and Germany finalized a EUR 21 million (USD 24.5 million) debt swap tranche to support renewable energy supply projects. Under this arrangement, Germany agreed to cancel a portion of Egypt's outstanding debt, on the condition that Egypt allocate an equivalent amount in local currency to fund initiatives that expand clean power generation and improve energy efficiency in key sectors. In August, Egypt and Germany agreed upon an additional EUR 100 million (USD 109 million) tranche scheduled for activation by mid-2026. The total value of the ongoing debt-for-development swap program between the two countries is EUR 340 million (USD 396.5 million).

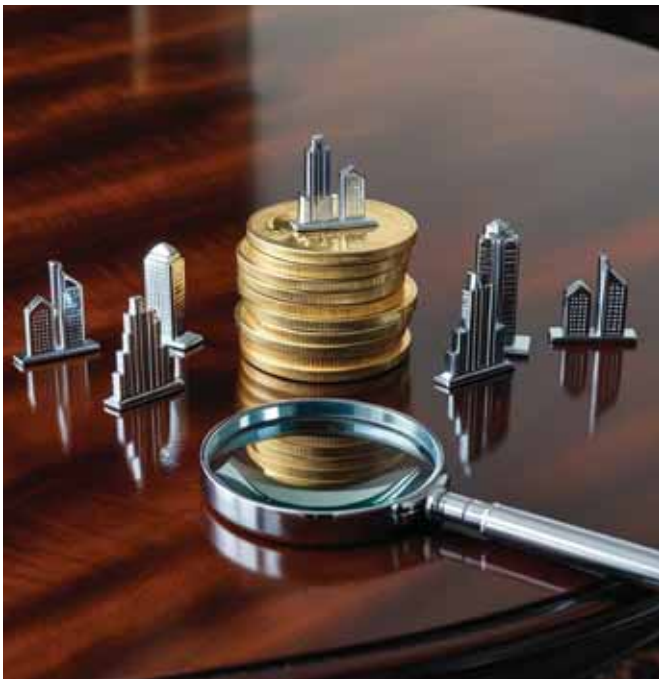
Also in July, Egypt and China signed a memorandum of understanding (MoU) to establish their first Development Cooperation Strategy (2025–2029). As part of this framework, the two countries launched the first phase of a Debt-for-Development Swap Program. This initiative aims to channel resources from debt relief into projects that enhance industrial development, infrastructure modernization, and human capital.

Development Finance for the Private Sector

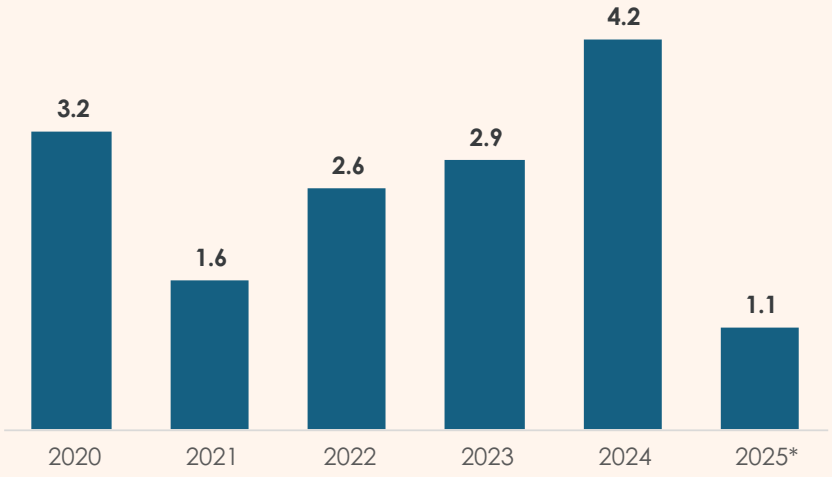
According to the Ministry of Planning, Economic Development, and International Cooperation (MPEDIC), the government wants to increase the private sector's contribution to development projects from 43% in 2024 to 65% by 2027. For context, overall private investments accounted for 56% of total investments in FY 2024/25, with a target of 63% in FY 2025/26.

The development financing portfolio directed towards the private sector in Egypt has seen remarkable growth since the end of the COVID-19 pandemic, increasing 45% year on year to USD 4.2 billion in 2024. This marks the first time it has exceeded the amount of development financing directed to the government, reflecting the development partners' shift in focus towards supporting private sector investments. From January to May 2025, this segment of development financing reached USD 1.1 billion, reinforcing expectations for continued momentum.

From 2020 to May 2025, the private sector attracted a total of USD 15.6 billion from over 30 development finance institutions (DFIs).

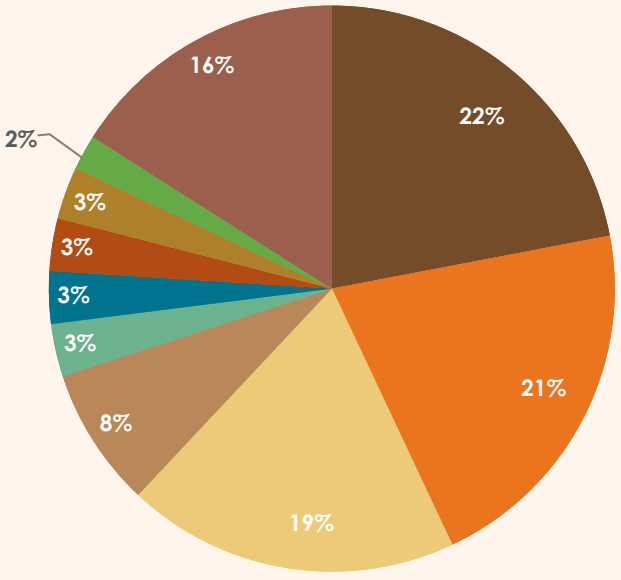


Development Financing for the Private Sector (USD billion)



** January to May 2025*
Source: MPEDIC

Development Financing to the Private Sector (2020-May 2025)



Total: USD 15.6 billion

- European Bank for Reconstruction and Development (EBRD)
- European Investment Bank (EIB)
- International Finance Corporation (IFC)
- Organization of the Petroleum Exporting Countries Fund for International Development (OFID)
- African Development Bank (AfDB)
- Japan Bank for International Cooperation (JBIC)
- British International Investment (BII)
- Société de Promotion et de Participation pour la Coopération Economique (PROPARCO)
- Asian Infrastructure Investment Bank (AIIB)
- Others

Source: MPEDIC



DIGITAL INNOVATION

Egypt's financial technology (fintech) and digitization landscape is underpinned by a set of national strategies that aim to position the country as a leading fintech hub in the MENA region. The Central Bank of Egypt (CBE) has spearheaded this transformation through its FinTech and Innovation Strategy (2019–2025) and Financial Inclusion Strategy (2022–2025). These are complemented by the Ministry of Communications and Information Technology's (MCIT) Digital Egypt 2030 project and National AI Strategy (2025–2030) to reinforce digital inclusion, ICT development, and AI-driven growth.

Financial Inclusion through Technology

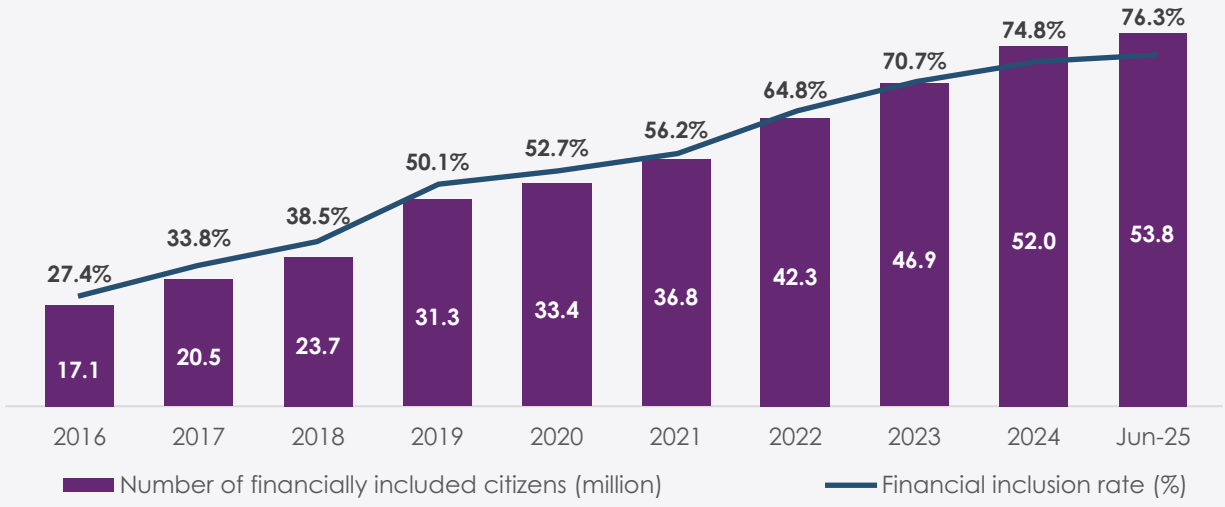
The CBE's Financial Inclusion Strategy focuses on expanding access to financial services, developing financial literacy, facilitating innovative financial products, and establishing a conducive environment for fintech innovation. In particular, the strategy emphasizes increasing the use of digital financial services and supporting micro, small, and medium-sized enterprises (MSMEs) with access to key resources including financial services.

The proportion of all adults with access to financial services increased from 27% of the eligible population in 2016 to 76% by June 2025, representing a 214% increase in the number of financially included adults.

Women's financial inclusion has also seen remarkable progress: The number of women holding active accounts surged to 23.3 million by 2024, a 295% increase since 2016. The proportion of women with access to financial services reached 70% by June 2025, up from 69% in December 2024.

Inclusion rates for youth (ages 15–35) rose slightly to 54% in June 2025 from 53% in December 2024. In November 2024, the minimum age for opening an account was lowered from 16 to 15 years, a move meant to boost youth financial inclusion rates.

Financial Inclusion in Egypt



Source: CBE

Digital Financial Services

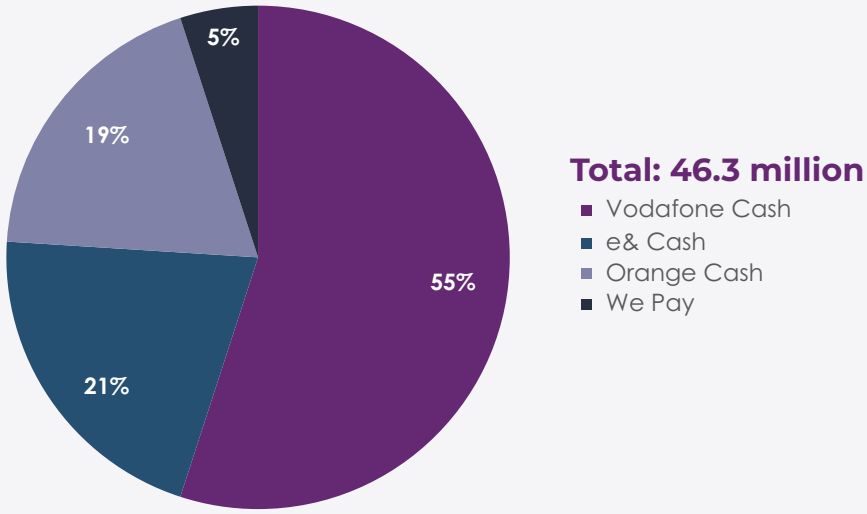
Digital financial services have been instrumental in the expansion of financially included adults, especially in the mobile wallet segment. This surge reflects not only the rapid adoption of digital financial services but also the growing confidence of consumers in cashless and technology-driven solutions.

Mobile Wallet Metrics

- Internet penetration (January 2025): **81.9%**
- Mobile penetration (Q2 2025): **106.6%**
- Number of mobile wallet accounts (Q2 2025): **46.3 million, ↑29% YoY**
- Total number of mobile wallet transactions (Q2 2025): **717.7 million, ↑80% YoY**
- Total value of mobile wallet transactions (Q2 2025): **EGP 943.4 billion (USD 19.9 billion), ↑72% YoY**

Sources: NAOS Solutions, MCIT, National Telecom Regulatory Authority

Market Share of Mobile Wallet Providers



Source: IBS Intelligence

Vodafone Cash dominates the mobile wallet sector, accounting for slightly more than half of total wallets, 78% of transactions, and 81% of transaction value.

Two state-backed initiatives have helped boost financial inclusion and the adoption of digital financial services. The first is the payment card Meeza, launched in 2019 to let Egyptians electronically receive public-sector salaries, pensions, and other government payments and then pay for goods and services online and in-store. Meeza has also been integrated into digital wallets and QR code payment systems.

The second is InstaPay, part of the Instant Payment Network (IPN)—a national digital infrastructure developed by Egyptian Banks Company for Technological Advancement (EBC) to enable real-time fund transfers 24/7 between banks and payment service providers. The InstaPay mobile app amassed 11.5 million registered users and processed USD 3.6 billion in transactions within its first year, and by 2024, the annual transaction value through InstaPay climbed to USD 53 billion. The expansion was driven in part by the app's introduction of QR code payments in June 2024, enabling users to transfer funds by scanning QR codes on mobile devices. These types of payments will later extend to points of sale (POS).

In April 2025, Egypt's InstaPay introduced transaction fees on transfers conducted through its application. The decision marks a shift after three years of free transfers and inquiries since the application's launch. Under the revised framework, a fee of 0.1% of the transaction value is applied to each transfer, capped at a minimum of EGP 0.50 and a maximum of EGP 20 per transaction. Customers are entitled to 10 free balance or mini-statement inquiries per month; each additional inquiry incurs a fee of EGP 0.50.

National Payment Schemes (as of October 2025)

InstaPay

Registered users: 12.5 million
Total transaction volume: 1.6 billion
Total transaction value: EGP 3 trillion (USD 61.7 billion)

Meeza

Issuer banks: 33
Cards: 42.8 million
Total transaction volume: 548 million
Total transaction value: EGP 977 billion (USD 20.07 billion)

Source: EBC

According to Mordor Intelligence, Egypt's mobile payments market is projected to reach USD 84.9 billion in 2025 and expand at a CAGR of 16.8% to USD 184.3 billion by 2030. Key growth drivers include the rise of InstaPay, the integration of Meeza cards into digital wallets, and the CBE's mandate for interoperable QR standards across Visa, Mastercard, and Meeza networks.

SMEs have particularly benefited from digital financial services. A 2025 Visa survey found that 77% of Egyptian SMEs consider digital payments essential for growth, and 53% have adopted digital payment solutions in the past two years. Over 80% of merchants reported satisfaction with card acceptance processes, while more than three-quarters noted positive revenue impacts.

Digital microfinance has also expanded access for entrepreneurs and individuals excluded from traditional banking. Operators such as Vodafone Cash, Orange Cash, and e& Cash provide microloans alongside core services like transfers and bill payments. Meanwhile, Egypt Post's 4,600 branches serve as critical access points in urban and rural areas, offering prepaid cards since 2004 and enabling both financial transactions and education.

Currently, digital payments are facilitated by the telecoms and other payment service providers (PSPs) in partnership with traditional brick-and-mortar banks. Now Egypt is on the verge of getting its first full-service digital bank. The CBE's Rules for Licensing, Registering and Supervising Digital Banks in Egypt, effective July 2023, created the conditions for a new generation of banks to operate without physical branches. The following month, Misr Digital Innovation (MDI), a subsidiary of the state-owned Banque Misr, submitted the first digital bank application and started the process of acquiring an operating license. In August 2025, the CBE granted approval for MDI to transition to onebank, Egypt's first fully digital bank. Expected to launch in 2026, onebank will deliver its services exclusively through digital channels, targeting Egypt's underbanked and unbanked populations.

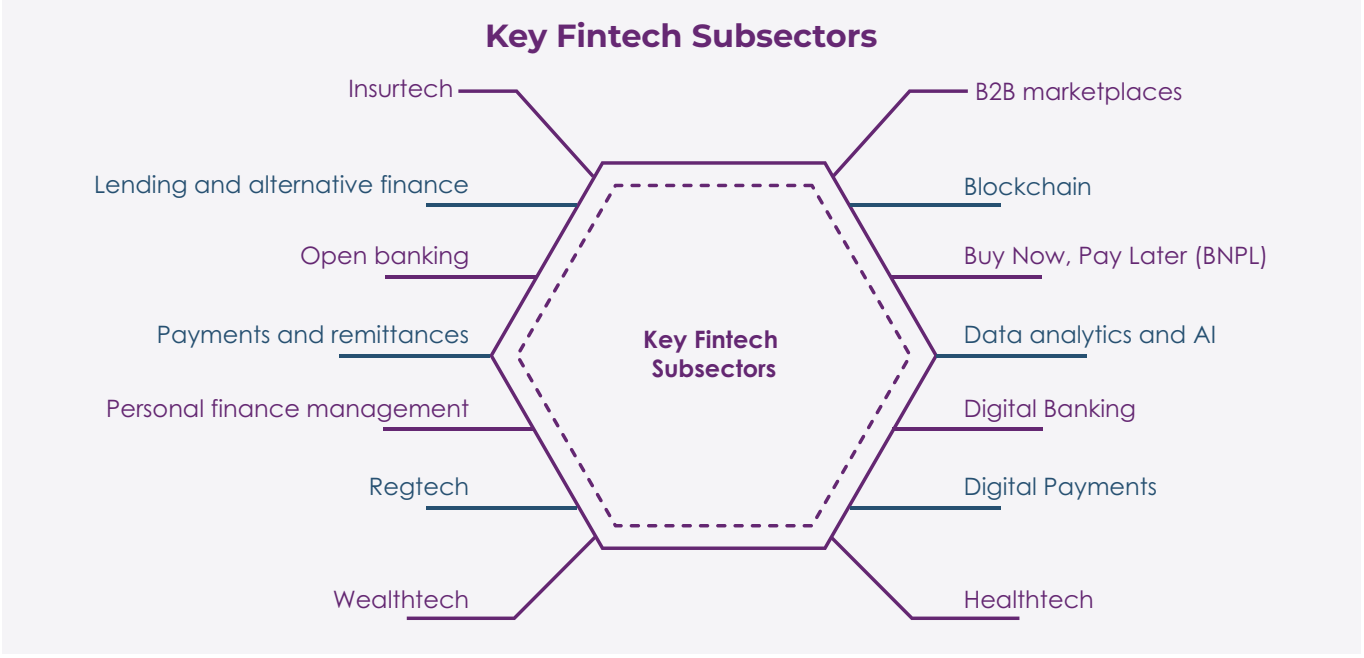
The Fintech Ecosystem

Egypt has established itself as one of Africa's leading fintech ecosystems, ranking fourth on the continent in 2024 with 10% of total fintech companies, behind Nigeria, South Africa, and Kenya, according to a November 2024 report by the European Investment Bank (EIB). Egypt is also one of the continental leaders in investment, attracting 35% of Africa's fintech funding, according to the Global Finance & Technology Network report "Africa FinTech Landscape 2024 Year in Review."

Africa's "Big Four" fintech hubs—South Africa, Nigeria, Egypt, and Kenya—accounted for 76% of total funding. North Africa's share of total fintech funding grew from 4% in 2023 to 36% in 2024, on the back of the region's biggest deal, a USD 157.5 million investment in Egypt's MNT-Halan.

Over the past five years, the number of fintech startups and PSPs in Egypt has expanded 5.5 times to reach 177 companies in 2025. Of these, 139 specialize in fintech solutions, while 38 integrate embedded financial technologies.

The ecosystem spans 14 subsectors, with nearly 60% of companies concentrated in lending and alternative finance, payments and remittances, and B2B marketplaces. Other active areas include data analytics and AI, open banking, healthtech, insurtech, and personal finance management.



The global market research company IMARC Group estimated Egypt's fintech market at USD 765.3 million in 2024, projecting that the sector will reach USD 2.9 billion by 2033, for a compound annual growth rate of 15.8%. In its "Egyptian Fin-Tech Landscape 2024" report, the innovation-focused think tank Entlaq projected Egypt's fintech sector will post 12% year-on-year (YoY) growth in 2025, across all financial services.

In March 2025, Fawry for Banking & Payment Technology Services signed an agreement with Contact Financial Holding to integrate Contact's Buy Now, Pay Later (BNPL) service into Fawry's payment network of over 370,000 POS. That same month, Fawry entered a mutual collaboration agreement with Ottu, an online payment management system in the Middle East, to become Ottu's first partner in Egypt.

In April, the CBE appointed the Development Partners International (DPI) to manage the Nclude FinTech Fund, which currently has USD 105 million of assets under management. Established in March 2022 and backed by Banque Misr, National Bank of Egypt, Banque du Caire, EBC, eFinance, and Mastercard, Nclude aims to become the region's largest fintech-focused investment fund, targeting USD 150 million in capital.

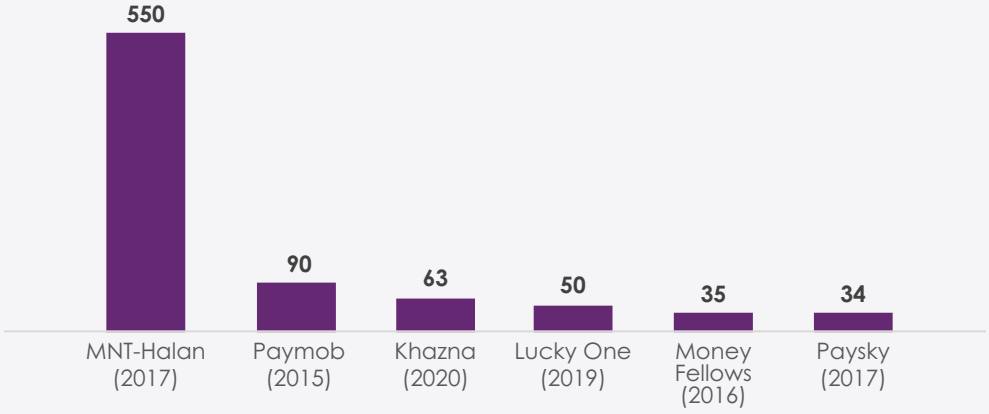
Egyptian fintech companies accounted for 24% of Forbes Middle East's 2025 Fintech 50 list, which ranks independent fintech companies based on transaction volumes, app downloads and active users, geographic presence, annual growth, innovation in digital payments, consumer and business impact, as well as venture capital funding and company valuation.

Egyptian Companies on Forbes' 2025 The Middle East's Fintech 50 list

2025 Rank	2024 Rank	Company	Segments
2	2	Fawry for Banking & Payment Technology Services	Digital payments, financial services, microfinance, and consumer finance
7	8	MNT-Halan	Small and micro business lending, consumer finance, e-wallets, and prepaid cards, payments solutions, e-commerce
8	18	Thndr Securities Brokerage	Brokerage services, custody services, subscriptions, education resources, investment tools
10	15	Valu	BNPL, instant cash redemption, investment products, savings solution, business solutions
15	11	Aman Holding	Financial services, e-payments, microfinance
19	29	Masria Digital Payments (MDP)	Card issuance and processing, digital payments, merchant services, fintech solutions
27	26	Paysky	Fintech solutions for businesses, individuals, banks, and developers
30	20	Paymob	Digital wallets, online payment gateway, POS solutions, mass payouts, subscription and recurring payments, installment payments
38	-	Delta Masr for Payments - SAHL	Consumer and B2B solutions facilitating utility payments—including gas, water, and mobile—through mobile technology
43	22	Contact Financial Holding	Financial services, e-payments, microfinance
45	-	Khazna Tech	Financial services for low- and middle-income workers, including salary advances, digital payments, and microloans
46	-	Klivvr	Payment cards paired with a financial management app

Source: Forbes Middle East

Leading Egyptian Fintech Startups by Total Capital Raised (as of April 2025) (USD million)



Source: Fintech Middle East

Regulatory Framework

The legal foundation of Egypt's fintech ecosystem is anchored in Fintech Law 5 of 2022, which regulates financial technology in non-banking financial activities. Overseen by the Financial Regulatory Authority (FRA), the law covers insurance, real estate finance, SME finance, leasing, factoring, consumer finance, and microfinance. Complementing this, the CBE's supervisory framework for digital banks ensures that the expansion of digital financial services aligns with global best practices in innovation, compliance, and consumer protection.

In June 2025, the CBE issued the regulations for the licensing and registration of payment system operators (PSOs) and PSPs, following the Payment Systems and Services Oversight Framework of March 2024. The rules apply to both domestic and foreign entities operating payment systems and/or providing payment services to Egyptian residents. Foreign institutions must meet equivalent international standards in the Principles for Financial Market Infrastructures (PFMI) and follow the same licensing rules as local players. Applicants must be Egyptian joint-stock companies dedicated to payment services, and partner with a bank, among other conditions. Current market players have a 12-month transition period until June 2026 to secure licenses.



Licensing Categories and Capital Requirements for PSPs and PSOs

- **PSPs – Category A:** Full range of services, with monthly transactions above EGP 750 million (USD 15.4 million). Required capital: EGP 30 million (USD 616,770)
- **PSPs – Category B:** All services except payment initiation/account information services, with monthly transactions ≤ EGP 750 million (USD 15.4 million). Required capital: EGP 10 million (USD 205,590)
- **PSOs:** Entities operating clearing, settlement, or routing systems, licensed by the CBE Board. Banks may conduct these activities with CBE authorization but do not require a separate license. Required capital: EGP 500,000 (USD 10,281)
- **Account information/payment initiation providers:** Required capital: EGP 20 million (USD 411,780)

Sources: CBE, Shehata & Partners

In July 2025, the FRA launched its first regulatory sandbox to support and facilitate the market entry of startups with smart digital solutions for the non-banking financial services sector. It also aims to improve regulatory practices to support sustainable and inclusive financial growth.

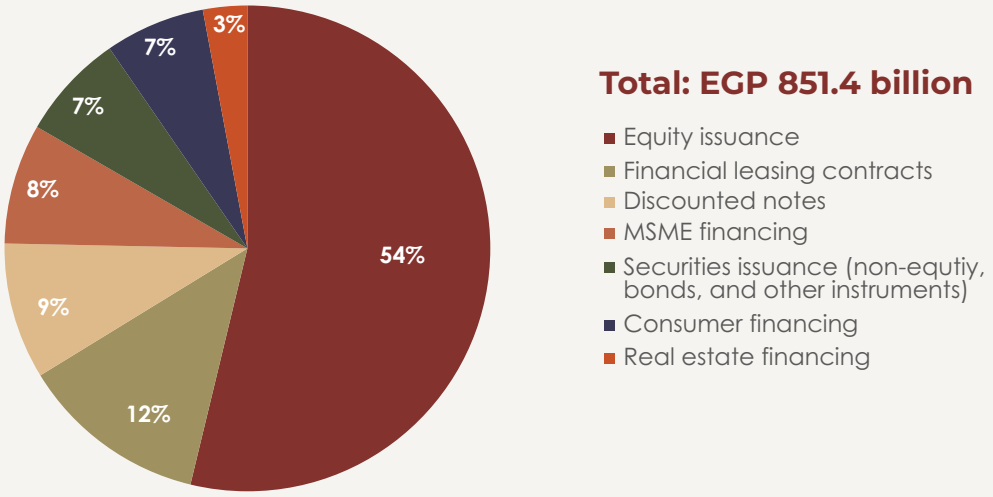


NON-BANKING FINANCIAL SERVICES

Egypt's non-banking financial services (NBFS) sector has become a cornerstone of the country's financial system, complementing traditional banking by providing diversified financing, investment, and insurance solutions. Under the oversight of the Financial Regulatory Authority (FRA), the sector has expanded steadily in 2025, reinforcing its role in promoting financial inclusion, private sector growth, and economic diversification.

The NBFS ecosystem comprises seven key sectors regulated by the FRA: capital markets, insurance, mortgage finance, leasing, factoring, consumer finance, and microfinance for small and medium enterprises. Total financing through FRA-regulated entities reached EGP 851.4 billion (USD 17.9 billion) as of August 2025.

Breakdown of Non-banking Financing (as of August 2025)



Source: FRA

According to the FRA, by August 2025 MSME financing had reached EGP 91.4 billion (USD 1.9 billion), compared to EGP 69 billion (USD 1.5 billion) in August 2024. Consumer finance stood at EGP 56.7 billion (USD 1.2 billion) as of August 2025, a 61% increase year on year (YoY), reaching 7 million beneficiaries.

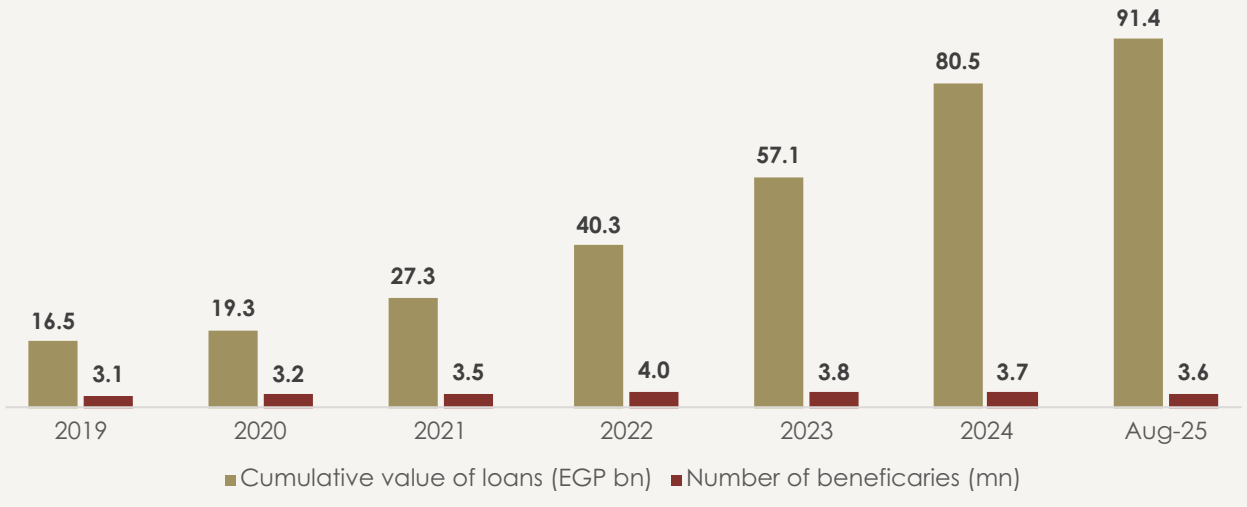
Key regulatory developments impacting the sector at large include FRA Decision 177 of 2024, issued in August of that year to revise licensing conditions for companies engaged in non-banking financial activities. The new requirements are designed to strengthen corporate governance and compliance requirements.

FRA Decision 137 of 2025, issued in August, introduced Egypt's first comprehensive solvency standards for non-banking finance institutions. The decree brings NBFS firms into alignment with international Basel III standards to enhance liquidity management and risk resilience. The trial phase begins January 2026, with full enforcement starting in January 2027.

Micro, Small, and Medium Enterprise (MSME) Financing

The MSME financing landscape continued its strong performance in 2025, supported by national initiatives and expanded participation from banks and Egypt's 25 licensed microfinance companies.

MSME Finance Market Snapshot



Source: FRA

MSME Finance Market Breakdown

	August 2024	August 2025	YoY Growth (%)
Microenterprise financing	EGP 58.4 bn (USD 1.2 bn)	EGP 68.6 bn (USD 1.5 bn)	18.8
Total beneficiaries: microenterprise financing	3.8 mn	3.6 mn	-5.3
SME financing	EGP 10.6 bn (USD 224.4 mn)	EGP 22.8 bn (USD 482.7 mn)	115.1
Total beneficiaries: SME financing	8,900	15,300	71.9

Source: FRA

As of August 2025, microenterprises accounted for 75% of the total EGP 91.4 billion (USD 1.9 billion) in MSME financing, with medium and small enterprises receiving the rest. Non-bank lending to micro organizations comes from specialized microfinance companies and non-governmental organizations (NGOs). The NGOs are categorized by portfolio, with Tier A holding portfolios greater than EGP 50 million, Tier B portfolios between EGP 10-50 million, and Tier C portfolios less than EGP 10 million.

Microfinance companies accounted for 67% of microfinance balances, serving approximately 2 million clients as of August 2025. Tier A NGOs accounted for 31% of microfinance balances, with Tier B and C organizations each holding a 1% share. All tiers of NGOs combined reached around 1.6 million clients.

In July 2025, Tasaheel, MNT-Halan's microfinance arm, secured a EGP 1 billion (USD 21.1 million) loan from the National Bank of Egypt.

Egypt's Ministry of Finance and the Micro, Small and Medium Enterprise Development Agency (MSMEDA) have partnered to channel EGP 5 billion (USD 105.4 million) into supporting MSMEs. The initiative, funded through the FY 2025/26 state budget, seeks to expand private sector activity, empower young entrepreneurs, and provide low-cost financing to startups and growth-stage businesses in high-impact, productive sectors.

Consumer Finance

Consumer finance continued to accelerate, driven by regulatory reforms, digital expansion, and increased consumer participation. There are 30 licensed consumer finance companies in Egypt, with most of the activity involving Buy Now, Pay Later (BNPL) and other forms of installment plans.

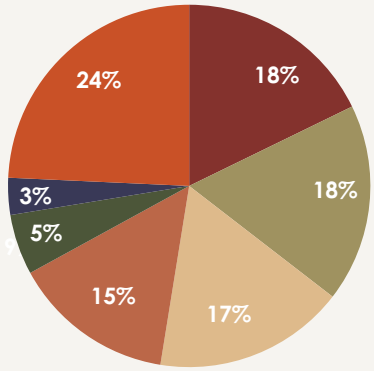
After obtaining fintech licenses from the FRA, major consumer finance companies have introduced fully digital, end-to-end services that integrate seamless Electronic Know Your Client (eKYC) functions, electronic contracts, and secure digital record-keeping.

Consumer Finance Market Snapshot

	As of August 2024	As of August 2025	YoY Growth (%)
Total financing	EGP 35.2 bn (USD 745.2 mn)	EGP 56.7 bn (USD 1.2 mn)	61.1
Total clients	2.5 mn	7.0 mn	180

Source: FRA

Consumer Finance Market (as of August 2025)



Total: EGP 56.7 billion

- Electrical appliances
- Cars and vehicles
- Home appliances
- Consumer goods through financing card
- Mobile phones
- Clothing, footwear, bags, watches, and jewelry
- Others

Source: FRA

Established in 2017 as ValU under EFG Hermes (now EFG Holding), the company was rebranded as U Consumer Finance S.A.E. following its May 2025 listing on the Egyptian Exchange, becoming the first consumer finance firm to be publicly traded in Egypt. It functions as a comprehensive fintech platform, integrating consumer finance, BNPL, prepaid cards, and merchant services under one brand. As of Q1 2025, U Consumer Finance accounted for around 25% of Egypt's total consumer finance issuances in a market valued at EGP 17 billion (USD 358.3 million).

Other major consumer finance players include MNT-Halan, Shahry, Contact Financial Holding, and Fawry for Banking & Payment Technology Services.

FRA Decree 138 of 2025, implemented in June, raised consumer pre-financing limits from EGP 10,000 (USD 211) to EGP 50,000 (USD 1,053) per client. This decree mandates electronic payment methods for disbursements over EGP 2,000 (USD 42) and installment collections over EGP 500 (USD 11).

In October 2025, the FRA extended its one-year moratorium—first set in October 2024—on new licenses for both consumer finance and microfinance companies for another year. In the same announcement, the authority issued Resolution 237 of 2025 suspending the acceptance of microfinance license applications from associations and civil society organizations for a renewable period of one year. The FRA said it wants to assess the financial solvency of existing companies and service providers before considering additional entrants to the market.

Mortgage Financing

Mortgages continue to be severely underexploited in Egypt, representing less than 1% of GDP. Long-term home loans are issued by local banks, regulated by the Central Bank of Egypt (CBE), and specialized mortgage finance companies (MFCs), regulated by the FRA.

Non-bank Mortgage Financing Market Snapshot

	2020	2021	2022	2023	2024	YoY Change 2023-24
Total number of MFCs	14	15	16	19	24	26%
Total mortgages by MFCs (EGP bn)	3.4	8.1	13.4	10.4	25.5	145.2%
Mortgage to GDP ratio	0.0029	0.0039	0.0047	0.0048	0.0031	-36.5%
Total number of beneficiaries	68,004	74,649	84,249	89,269	99,793	11.8%
Average interest rate	0.126	0.124	0.127	0.132	0.249	88.6%
Average payment period (years)	13.11	12.65	12.03	11.68	11.11	-4.9%

Source: FRA

As part of its push to expand the accessibility of affordable housing, the Ministry of Finance and the CBE have introduced several mortgage finance initiatives for low-and middle-income homebuyers. According to the Social Housing and Mortgage Finance Fund, banks and MFCs participating in these initiatives had extended a total of EGP 92.3 billion in financing to 656,906 beneficiaries as of September 2025. MFCs accounted for only 3% of the total, issuing loans worth EGP 2.5 billion; banks accounted for the other 97%.

Announced in January 2025, FRA Decree 306 of 2024 allows MFCs to partially purchase financial rights portfolios from real estate developers. This flexibility aims to enhance sector growth and financial stability by addressing practical challenges faced by financing companies.

Issued in August, FRA Decision 125 of 2025 establishes a regulatory framework for the launch of digital platforms that allow investment in real estate investment fund (REIF) units. The decision enables individuals to participate in fractional real estate ownership through licensed digital platforms.

Leasing and Factoring

Leasing and Factoring Market Snapshot

Value of financial leasing contracts
(as of August 2025)

EGP 106.2 billion
(USD 2.3 billion)

↑**47% YoY**

Value of factoring contracts
(as of November 2024)

EGP 31.9 billion
(USD 672.4 million)

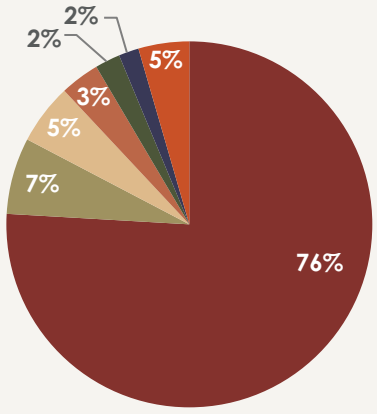
↑**77% YoY**

Total licensed leasing and factoring companies
(2024)

46

Source: FRA

Leasing Contracts (as of August 2025)



Total: EGP 106.2 billion

- Real estate and land
- Transport vehicles
- Machinery and equipment
- Passenger cars
- Production lines
- Heavy equipment
- Others

Source: FRA

In June 2025, Beltone Leasing attracted a total of USD 20 million in funding from KfW's SANAD Fund and the Green for Growth Fund, backed by European Investment Bank and KfW. Part of the SANAD funds are earmarked for supporting financial inclusion for MSMEs.

Insurance

Insurance Market Snapshot

	Jan-Aug 2024	Jan-Aug 2025	YoY Growth (%)
Total Gross Written Premiums (GWP)	EGP 61.9 bn (USD 1.3 bn)	EGP 77.6 bn (USD 1.6 bn)	25.3
Conventional insurance GWP	EGP 54.5 bn (USD 976 mn)	EGP 66.8 bn (USD 1.2 bn)	22.7
Takaful (Islamic) insurance GWP	EGP 7.4 bn (USD 156.6 mn)	EGP 10.7 bn (USD 225.6 mn)	44.3
Total compensation payouts	EGP 27.5 bn (USD 581.9 mn)	EGP 40.1 bn (USD 845.7 mn)	45.6
	Jan-Apr 2024	**Jan-Apr 2025**	**YoY Growth (%)**
Non-life insurance GWP	EGP 15.1 bn (USD 319.1 mn)	EGP 22.1 bn (USD 465 mn)	45.6
Life and savings insurance GWP	EGP 13.5 bn (USD 283.9 mn)	EGP 16.3 bn (USD 344.4 mn)	21.3

Source: FRA

Gross Written Premiums for Non-Life Insurance Products (EGP million)

	2023	2024	YoY Change (%)
Medical	9,305	13,366	43.6
Supplementary Insurance	6,947	10,074	45.0
Fire	6,286	9,657	53.6
Petroleum	3,410	5,531	62.2
Engineering	3,303	5,179	56.8
Accidents	2,962	3,877	30.9
Credit	1,279	1,647	28.8
Mandatory	1,384	1,574	13.7
Aviation	523	1,539	194.3
Marine	1,000	1,317	31.7
Ships	601	940	56.4
Internal	305	463	51.8

Source: FRA

According to Fitch Solutions, life insurance GWP in Egypt is projected to grow by 15% in 2025, reaching EGP 52.5 billion (USD 1.1 billion), and non-life insurance GWP is forecast to rise by 19% to EGP 57.1 billion (USD 1.2 billion). Over the medium term to 2029, premiums in the non-life segment are expected to climb to EGP 96.5 billion (USD 2 billion), for an eight-year compound annual growth rate (CAGR) of 19.7% in local currency terms. Life GWP is projected to grow to EGP 83 billion (USD 1.9 billion) in 2029, for an eight-year CAGR of 16.1% in local currency terms.

In October 2024, Egypt established its first dedicated microinsurance company, launched through a strategic partnership between AXA Egypt and Post for Investment, the investment arm of Egypt Post. This initiative seeks to extend insurance services to nearly 12 million low-income Egyptians.

In May 2025, the FRA reported that Egypt's microinsurance sector experienced rapid expansion during FY 2023/24, with 15 new carriers adding 2.3 million new policies. This brings the total number of citizens insured under various microinsurance products to 10.5 million, for a 10% YoY increase.

In terms of regulatory developments, the Unified Insurance Law 155 of 2024, which took effect in July of that year, consolidated existing regulations into a single comprehensive framework. Under the new law, insurance companies must now meet minimum capital requirements of EGP 600 million (USD 12.6 million). FRA Decree 196 of 2024, announced in January 2025, mandates a two-phase approach to the capital increase: to EGP 400 million (USD 8.4 million) within one year of the decree's effective date, and to EGP 600 million (USD 12.6 million) by the end of the second year.

Decision 2 of 2025, issued in February, establishes new investment rules for insurance and reinsurance companies, requiring insurers to allocate at least 5% of their free funds to open-ended investment funds focusing on stocks listed on the Egyptian Exchange. For allocated funds, at least 2.5% of companies' paid-up capital must be invested in open-ended investment funds focused on listed shares.

In June, the FRA approved updated bylaws for the Insurers Federation of Egypt, introducing board diversity requirements and restructuring the national training body to enhance sector-wide capability building and governance in line with the Unified Insurance Law's objectives.

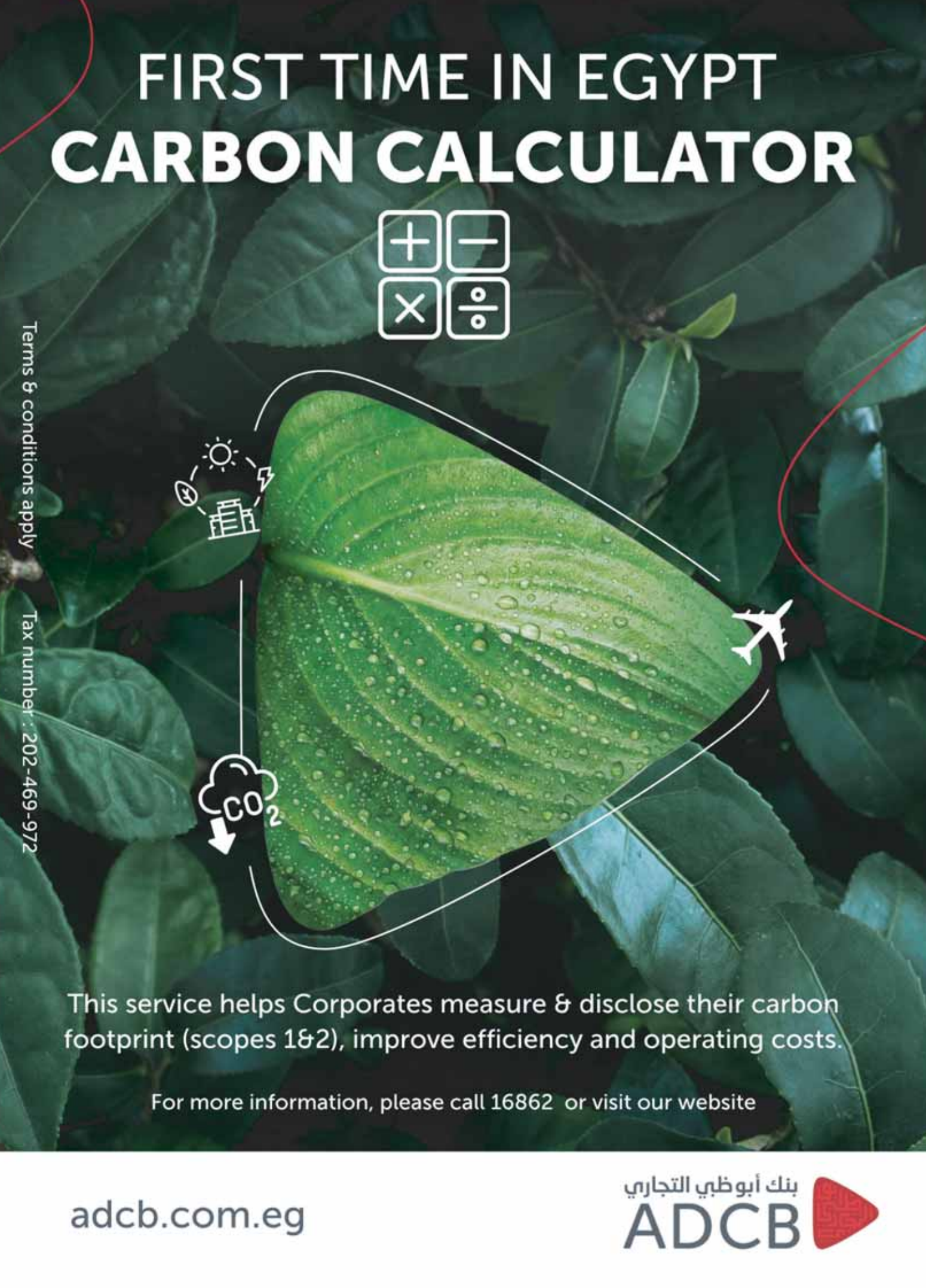
FRA Decision 148 of 2025, issued in August, introduces comprehensive solvency margin rules and requires insurers to hold higher capital buffers to cover future liabilities. Property and liability insurers must calculate solvency margins using dual methodologies—20% of net premiums or based on net incurred claims—with the higher value applied.

In October, the FRA introduced the country's first mandatory corporate governance framework for insurance and reinsurance companies under Board Decision 200 of 2025. The new regulations require firms to adopt internal governance charters outlining the responsibilities of their boards and committees, along with policies on compliance, risk management, internal audit, investment, and anti–money laundering. Each company must appoint a governance officer, submit quarterly progress reports to the FRA, and publish an annual governance report disclosing ownership structures, board composition, and oversight performance. Companies have one year to comply and adjust their bylaws.

In January 2025, the state-owned Misr Insurance and UAE-based Al Ain Ahlia signed a partnership agreement aimed at supporting digital growth and knowledge exchange, a move expected to enhance innovation and drive higher insurance penetration in alignment with Egypt Vision 2030 sustainable development plan.



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