

Collaboration with CGIs

Challenges & Opportunities
from local banks perspective

| **October 2024**

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Head of SME Banking Group

Banque Du Caire +70 Years of Building Trust

BdC at A Glance - 2023



249
Branches



+3.9 Mn
Clients



+400 Bn
Total Assets



22 Bn
Revenues
In 2023

Subsidiaries



كارو للتأجير التمويلي
CAIRO LEASING CORPORATION



كارو للتصريف
Cairo Exchange



تالي
taly

SME Banking – Unique CVP

24 Bn
SME Lending
6k Clients



10.5 Bn
Micro Lending
+150k Clients



CBE Mandate (% from total portfolio)

32%
MSMEs

12%
Small

53
SME
Business
Centers



8
BDS
Service
Hubs
"NFS"



BdC SME Market Positioning..

Global Awards and Recognitions...

Best SME Financier MENA Region

BdC is the **1st Egyptian** Bank to receive **Platinum** award and certification by the SME Global Finance Forum, Managed by IFC.



Product Innovation of the Year MENA Region

BdC is the **1st Egyptian** Bank to receive **Gold** award and certification by the SME Global Finance Forum, Managed by IFC.



Best Digital Lending Solution

BdC is the **Only Egyptian** Bank to offer scoring mechanism to **NTB** clients via digital portal for clients to request and follow their loan requests.



MSMEs in Egypt..

Key Driver in Economic Development

3.6

Million



Micro, Small &
Medium Enterprises
MSME

MSMEs play a fundamental role in the Egyptian economy...

+80%

Contribution to Employment

MSMEs are responsible for employment in Egypt, showcasing their vital role in jobs creation.

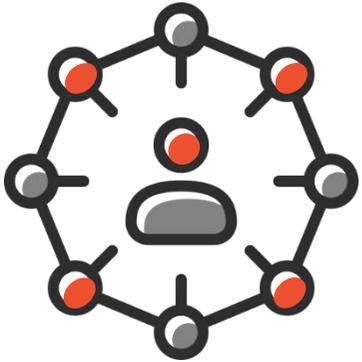
+40%

Contribution to GDP

MSMEs contribution to GDP in Egypt, highlighting their importance in the economy.

MSMEs Ecosystem in Egypt...

The MSME ecosystem in Egypt involves several key stakeholders.. Facilitating the access to Finance and providing non-financial services & technical support programs.



Commercial Banks

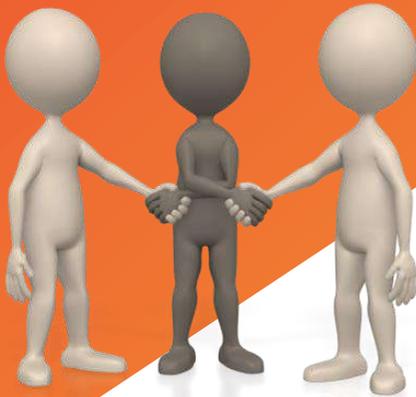
Leveraging on CBE initiatives to support entrepreneurship, financial inclusion and economic diversification



البنك المركزي المصري
CENTRAL BANK OF EGYPT

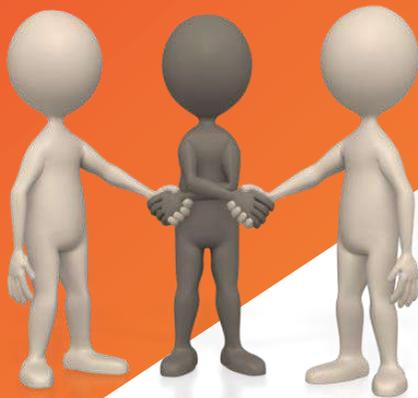
Central Bank of Egypt

Plays Pivotal role in supporting MSMEs Via Initiatives and Credit Guarantee Company (CGC)



Synergy - Commercial Banks & CGIs

Banks: Providing tailored lending programs/products to MSMEs covered by credit guarantee schemes, fostering economic growth



Credit Guarantee Schemes

Providing guarantees to commercial banks on behalf of SMEs, to mitigate the risk associated with lending as away to supporting entrepreneurship & economic diversifications

SWOT Analysis

Credit Guarantee Scheme in Egypt...

Strengths



- Risk Mitigation tool, promoting financial stability
- Growing Market Demand
- Regulatory Support

Weaknesses



- Complex & time consuming processes
- High Cost “Specially for Small Businesses”
- Limited Awareness about CGIs role and guarantee benefits

Opportunities



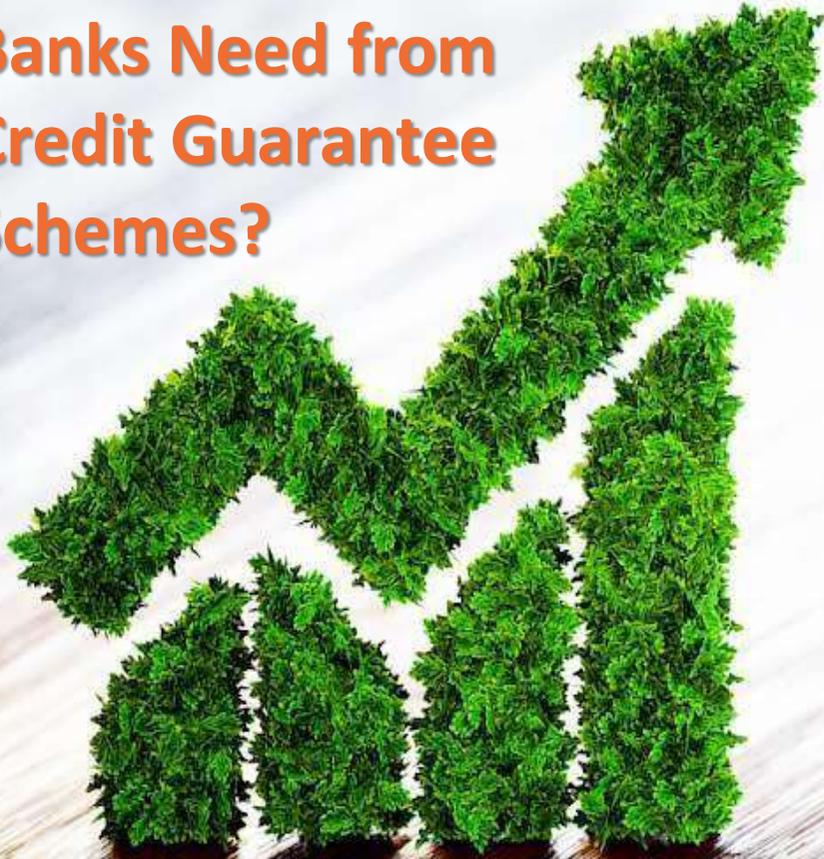
- Technology Driven Future
- Coverage Expansion to include new products
- Capacity Building for MSMEs

Threats



- Economic Instability
- Regulatory Changes
- Market Competition

What Commercial Banks Need from Credit Guarantee Schemes?



- ✓ Enhanced Risk Coverage
- ✓ Diversified Gtee Schemes
- ✓ Tailored / New Products
- ✓ Simplified Processes
- ✓ Digitized Communication Channels : *Digital platforms, big data, AI & advanced data analytics*
- ✓ Capacity Building for bank staff

BdC & CGC - Strategic Partnership...



- ✓ **10x** portfolio growth in the last 6 years.
- ✓ **Extending** financing to numerous SMEs in various sectors
- ✓ **Mitigating** the risks associated with lending to these enterprises
- ✓ **Diversified** Gtee products / schemes "Portfolio & Individual"
- ✓ **Fostering** economic growth and job creation in the region.



Key Takeaways..

Conclusion



- ✓ Banks & CGIs: Strengthening Communication & Partnerships
- ✓ Technology Enabling Credit Guarantee Schemes
- ✓ Balance between Providing Coverage & Maintaining Financial Sustainability
- ✓ Innovative Products: Green Finance, Women & Youth Finance
- ✓ Capacity Building for MSMEs & Bank Staff

Thank You