

Structural Performance and Financial Soundness of the Egyptian Banking Sector (2022 – Q1 2025)



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The October 2025 issue of the *Union of Arab Banks' Economic Bulletin* provides in an article a comprehensive overview of the Egyptian banking sector, highlighting its structural composition, balance-sheet expansion, financial soundness indicators, concentration among major banks, and the role of Islamic banking. The report reflects a sector that continues to expand despite regional and global economic pressures, supported by prudent monetary policy and regulatory oversight by the Central Bank of Egypt.

The Egyptian banking system comprises 36 banks operating through a wide geographic network of 4,775 branches by end-2024, compared to 4,680 branches in 2023. The number of ATMs reached 24,862 machines, increasing by 6.82% annually, underscoring continued investment in digital and financial infrastructure. On the payments front, the number of Meeza cards expanded to 26.403 million cards, prepaid cards reached 33.5 million, and credit cards rose to 6.3 million, reflecting deepening financial inclusion. Meanwhile, the number of POS terminals surged to 227,978, indicating a broader shift toward electronic payment systems. Employment in the sector reached 144,858 workers by end-2024, confirming the banking sector's role as a major employer within the national economy.

Title: Evolution of the Main Financial Indicators of the Egyptian Banking Sector during the Period 2022 – Q1 2025

	2022	2023	2024	First Quarter of 2025
	Million Pounds			
Assets	11,399,800	14,200,886	20,799,267	22,673,564
Customer Loans and Discount Balances	4,093,650	5,462,223	8,375,455	9,052,588
Total Deposits	8,562,714	10,137,348	13,481,991	14,320,438
Capital and Reserves	740,162	887,350	1,378,432	1,587,036
	Million Dollars			
Assets	461,023	459,724	409,140	448,279
Customer Loans and Discount Balances	165,553	176,828	164,752	178,979
Total Deposits	346,287	328,176	265,202	283,130
Capital and Reserves	29,933	28,726	27,105	31,590

Source: Central Bank of Egypt

From a balance-sheet perspective, the Egyptian banking sector recorded sustained expansion. Total assets increased to EGP 22.673 trillion in Q1 2025, up from EGP 20.799 trillion in 2024, EGP 14.201 trillion in 2023, and EGP 11.340 trillion in 2022. Loans and credit to customers reached EGP 9.053 trillion in Q1 2025, compared to EGP 8.375 trillion in 2024 and EGP 5.462 trillion in 2023, reflecting ongoing credit expansion. Total deposits rose to EGP 14.320 trillion in Q1 2025, up from EGP 13.482 trillion in 2024 and EGP 10.137 trillion in 2023, indicating sustained public confidence in the banking system. Capital and reserves climbed to EGP 1.587 trillion in Q1 2025, compared to EGP 1.378 trillion in 2024. In dollar terms, total banking assets stood at USD 448.3 billion in Q1 2025, while deposits reached USD 283.1 billion, loans USD 178.9 billion, and capital and reserves USD 31.6 billion.

Financial soundness indicators further confirm the sector's resilience. Capital adequacy to risk-weighted assets stood at 18.3% in Q1 2025, compared to 22.2% in 2021, remaining

comfortably above regulatory thresholds. Tier-1 capital ratio reached 15.1%, while total capital to assets stood at 12.9%. Asset quality continued to improve as the non-performing loan (NPL) ratio declined to 2.2% in Q1 2025, down from 3.4% in 2021, while the loan-loss provisioning coverage ratio stabilized at 87.2%. Profitability indicators also strengthened, with return on assets at 2.6%, return on equity at 39.0%, and net interest margin at 5.8%, signaling robust earning capacity despite rising operating costs and interest-rate volatility.

Liquidity indicators remained strong and well above Basel regulatory minima. Local currency liquidity reached 37.1%, while foreign-currency liquidity stood at 73.7% in Q1 2025. The liquidity coverage ratio (LCR) stood at 853.1% in local currency and 187.8% in foreign currency, after exceeding 1,000% in 2021, indicating continued prudence in liquidity risk management. The net stable funding ratio (NSFR) reached 180.0%, confirming a balanced long-term funding structure. Meanwhile, the loan-to-deposit ratio reached 63.6%, reflecting controlled credit expansion relative to deposit growth.

Title: Evolution of the Financial Soundness Indicators of the Egyptian Banking Sector (%)

	2021	2022	2023	2024	First Quarter of 2025
	Capital Adequacy				
Capital Base to Risk Weighted Assets	22.2	18.9	18.6	18.5	18.3
Tier 1 Capital to Risk Weighted Assets	17.9	15.5	15.4	15.2	15.1
Common Equity Tier 1 Capital to Risk Weighted Assets	13.4	12.0	12.9	12.7	12.9
Leverage Ratio	7.2	6.4	6.8	7.5	7.6
	Asset Quality				
Non-Performing Loans to Total Loans	3.4	3.3	2.9	2.3	2.2
Loan Provisions to Non-Performing Loans	92.3	91.9	88.7	87.2	87.2
Private Sector Loans to Total Customer Loans	57.6	56.0	51.9	42.9	42.3
	Profitability				
Return on Average Asset	1.2	1.2	2.0	2.0	2.6
Return on Average Equity	16.1	17.7	32.2	32.2	39
Net Interest Margin	4.2	3.8	5.2	5.2	5.8
	Liquidity				
Average Actual Liquidity Ratio in Local Currency	45.4	43.3	36.8	34.8	37.1
Average Actual Liquidity Ratio in Foreign Currencies	67.9	77.9	67.5	71.4	73.7
Liquidity Coverage Ratio (LCR) in Local Currency	1,006.8	943.2	808.7	888.8	853.1
Liquidity Coverage Ratio (LCR) in Foreign Currency	186.9	173.1	152.8	212.0	187.8
Net Stable Funding Ratio (NSFR) in both Local and Foreign Currencies Combined	249.0	226.1	215.2	207.5	180.0
Total Deposits to Assets	77.4	77.1	74.2	64.9	63.2
Total Loans to Deposits	48.3	48.0	53.3	62.5	63.6

Source: Central Bank of Egypt

The concentration of activity within the sector is evident in the top ten largest banks, which together held EGP 15.488 trillion in assets at end-2024, equivalent to 74.5% of total banking sector assets. These banks controlled EGP 10.561 trillion in deposits, EGP 6.125 trillion in loans, and EGP 1.412 trillion in capital and reserves, and generated combined profits of EGP 352.4 billion. Their workforce totaled 89,099 employees, representing 61.5% of all banking sector employment, while they operated 19,570 ATMs, accounting for 78.7% of all ATMs nationwide. This concentration highlights the dominance of large public and private banks in shaping market dynamics and financial intermediation.

Title: Data of the Ten Largest Egyptian Banks

Bank	Assets		Loans		Deposits		Equity		Profits	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
	Million Dollars									
National Bank of Egypt *	169,438	153,114	74,954	72,991	120,855	97,139	9,621	10,595	2,288	2,451
Banque Misr *	82,596	71,309	29,522	24,530	60,694	48,378	6,412	6,353	1,967	1,252
Commercial International Bank	27,027	23,891	7,607	6,755	21,924	19,125	2,929	3,001	960	1,087
Arab African International Bank	17,460	18,187	4,582	3,566	12,721	13,207	2,286	2,588	236	302
Qatar National Bank Ahli	20,088	15,908	8,173	6,765	17,162	13,408	2,095	1,741	511	507
Bank of Cairo	13,002	9,500	5,248	3,837	9,779	6,927	1,061	871	216	243
First Abu Dhabi Bank - Egypt	9,563	8,115	2,801	2,793	6,480	5,089	1,092	1,190	337	518
HSBC Bank	8,039	5,574	1,197	1,031	5,959	4,152	1,047	967	397	412
Agriculture Bank of Egypt **	8,500	8,500	2,145	2,145	5,957	5,957	1,443	1,443	280	280
Abu Dhabi Islamic Bank	5,201	5,090	2,075	1,771	4,115	3,938	451	440	145	174
Total	360,914	319,188	138,304	126,185	265,645	217,321	28,437	29,189	7,339	7,226

Source: Websites of the mentioned banks. *Q3 2024. **End of 2023.

Islamic banking also plays a growing role in Egypt's financial system. By end-2023, Islamic banking assets amounted to EGP 1.029 trillion, representing 5.2% of total banking sector assets. Deposits at Islamic banks reached EGP 784 billion, making up 7.4% of sector-wide deposits, while Sharia-compliant financing reached EGP 886 billion by Q1 2025, equivalent to 6% of total credit facilities. Egypt hosts four full-fledged Islamic banks (Faisal Islamic Bank, Abu Dhabi Islamic Bank, Al-Baraka Bank Egypt, and Kuwait Finance House Egypt),

alongside 11 conventional banks offering Sharia-compliant products, through a total of 320 Islamic branches serving nearly 4 million customers.

Thus, the Egyptian banking sector demonstrates strong structural depth, sustained balance-sheet growth, solid capital buffers, improving asset quality, and high liquidity ratios. Overall, the indicators presented in the bulletin confirm that Egypt's banking sector remains financially sound, resilient, and well-positioned to absorb macroeconomic volatility, supported by active regulatory supervision and prudent monetary policy.

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