

A Delegation of National Bank of Egypt visits IBA



The National Bank of Egypt (NBE), established on June 25, 1898, is the oldest commercial Bank in Egypt, wholly owned by the Government of Egypt.

A delegation of NBE headed by its Deputy Chairman, Hisham Ahmed Okasha visited India between June 2-6, 2008 to exchange ideas and gain better understanding of how Small and Medium Enterprises (SME) lending has developed in India. The delegation included, General Manager (Corporate & Institutional Banking), Deputy General Managers heading SME Risk and SME Marketing. A meeting was organised on June 3, 2008 between the officials of the IBA and NBE. A few of the bankers joined the meeting.

The Egyptian banking sector, under the direction of the



Hisham Ahmed Okasha

Central Bank of Egypt has embarked upon an aggressive programme of reform during the past five years. Key to this reform effort has been the transformation and privatisation of the four state-owned banks, including NBE. The main focus of the meeting was to exchange ideas and gain better understanding of how SME lending has developed in India.

A brief introduction about the Association was given by the Chief Executive, IBA. Coming to SME, which was main focus area of discussion, the Chief Executive shared with the delegates the experience on SME sector, which plays a pivotal role in the Indian economy. He further informed that with a view to encourage flow of institutional credit to SME sector, a dedicated rating agency of SME sector, ie SME Rating Agency (SMERA) of India has been operationalised in 2005. SMERA has so far rated over 1,000 SMEs.

IBA had been involved in developing the fair practice code, initiating measures for developing rating mechanism and standardisation of procedures etc. The Indian banks have been practicing the cluster-based approach for financing SMEs. The members exchanged information on the practices in the two countries and had detailed discussions on product, delivery, risk based pricing, NPL in SMEs, use of technology for raising alerts, rating models, credit guarantee schemes etc.

IBA had also arranged a meeting for the delegates with Reserve Bank of India, chaired by Deputy Governor, Usha Thorat.