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Outstanding consumer finance hits EGP 74.9bn in 10M 2025, up 61.6% YoY: EFCF

BALANCES RISE FROM EGP 47.4BN IN 10M 2024 AS CUSTOMER BASE NEARLY TRIPLES

By Hossam Mounir

The Egyptian consumer finance sector recorded unprecedented growth during the first 10 months of 2025, with outstanding balances reaching EGP 74.9bn, a year-on-year increase of 61.6%, according to the Egyptian Federation for Consumer Finance (EFCF). The strong performance reflects accelerating demand for regulated consumer credit, a sharp expansion in the customer base, and the continued maturity of the sector's regulatory and risk-management framework.

Outstanding balances rose from EGP 47.4bn during the same period in 2024, marking growth of nearly 58%. Meanwhile, the number of consumers benefiting from licensed consumer finance companies surged from 3.27 million to 9.25 million, an increase of 182% year on year. The Federation attributed this rapid expansion to improved digital infrastructure, a broader and more diversified range of financing products, and rising confidence in the sector's governance and supervisory environment.

Despite this exceptional growth, portfolio quality remained sound. Default rates were maintained at a stable 3-4%, underscoring the sector's ability to scale responsibly while preserving disciplined credit standards. The EFCF described consumer finance as one of Egypt's most regulated and resilient non-bank financial activities, playing an increasingly vital role in supporting household purchasing power and expanding access to formal financial services.

Growth under a robust regulatory framework

The Federation emphasized that the sector's expansion is taking place within a well-defined regulatory structure overseen by the Financial Regulatory Authority (FRA). This framework has enabled consumer finance companies to respond to rising demand while ensuring transparency, consumer protection, and prudent risk management.

"These results confirm that consumer finance has evolved into a mature, well-supervised activity capable of meeting essential consumer needs without compromising stability," the Federation said in a statement. It added that the sector has become a key pillar in Egypt's broader financial inclusion strategy, particu-



larity for first-time borrowers and underserved segments of the population.

The announcements were made during a press conference organized by the EFCF and attended by senior industry leaders, including Saeed Zaater, Chairperson of the Federation; Osama Farid, CEO of Premium Card; Ahmed Osama, Managing Director of Drive Finance; and Ali Abdel Wahab, Executive Director of Consumer Finance at B.TECH. All four executives are members of the Federation's Board of Directors.

The speakers reviewed recent market developments, discussed regulatory priorities, and outlined the sector's readiness for deeper digitalization and the phased adoption of Basel III capital adequacy standards.

Law No. 18 of 2020 reshaped the market

Saeed Zaater, Chairman of the Egyptian Federation for Consumer Finance, said that the sector's transformation over recent years has been driven primarily by Law No. 18 of 2020, which laid the foundation for a transparent and rules-based consumer finance market.

"Law No. 18 of 2020 fundamentally reshaped the activity, moving it from an environment characterized by unstructured practices to a comprehensive regulatory framework," Zaater said. "The law introduced full cost disclosure, prohibited hidden fees, guaranteed fair early-repayment rights, and imposed clear standards for licensing, governance, and risk management."

He explained that this collaboration reflects banks' confidence in the soundness of consumer finance portfolios and the robustness of the sector's risk-management practices. At the same time, it underscores the expanding role of consumer finance in supporting the real economy by stimulating demand and strengthening household purchasing power.

Headlined as "these reforms significantly strength-

ened consumer confidence, enhanced market discipline, and created a stable yet competitive environment that allows companies to grow responsibly while safeguarding customer rights," this balance between growth and protection is what has enabled the sector to deliver sustainable expansion and consistently high service standards," he noted.

Zaater also revealed that the Federation is working closely with the FRA and the banking sector to develop a unified credit database for consumer finance. The initiative aims to improve credit assessment processes, support smaller and first-time borrowers, and reinforce overall market stability by reducing information asymmetry.

Strong partnerships with banks

Ahmed Osama, Managing Director of Drive Finance and a member of the Federation's Board of Directors, highlighted the critical role played by Egyptian banks in supporting the sector's growth.

"The consumer finance sector today is built on a strong and structured partnership with the banking system," Osama said. "Banks provide clearly defined credit facilities and financing programs that enable consumer finance companies to meet growing demand in a safe and sustainable manner."

He explained that this collaboration reflects banks' confidence in the soundness of consumer finance portfolios and the robustness of the sector's risk-management practices. At the same time, it underscores the expanding role of consumer finance in supporting the real economy by stimulating demand and strengthening household purchasing power.

Osama added that preparations are underway for the adoption of Basel III-based capital adequacy requirements, describing this as a strategic milestone for the sector. "Basel III standards are designed to enhance capital resilience and strengthen risk controls," he said. "The pilot phase is scheduled to begin in January 2026, and companies are already aligning their systems and capital structures in anticipation."

Technology and supervision strengthen credit quality

Osama Farid, Chief Executive Officer of Premium Card and Board Member of the Federation, said that the sector now operates within a modern, technology-driven ecosystem that has significantly enhanced decision-making and oversight.

"Advanced data analytics, integration across multiple databases, and real-time fraud-monitoring systems have transformed the way consumer finance operates," Farid said. "These tools have improved the efficiency of credit decisions and strengthened ongoing portfolio monitoring."

He credited the FRA with playing a central role in this progress by establishing clear supervisory standards and encouraging the use of technology to regulate cash conversion and ensure financing is used strictly for its intended purposes. According to Farid, this regulatory approach has enhanced credit quality, reinforced consumer protection, and increased the sector's attractiveness to both local and international investors.

Addressing the issue of cash conversion, Farid noted that it has become a key supervisory priority.

Financing is now directly linked to approved suppliers and service providers, limiting misuse of funds. In parallel, unified anti-fraud systems and enhanced data sharing allow for early detection of abnormal patterns, preserving the integrity of the activity.

Financing essential needs, not luxuries

Ali Abdel Wahab, Executive Director of Consumer Finance at B.TECH and a Board Member of the Federation, said that market data confirms the responsible behavior of Egyptian consumers.

"Experience shows that consumer finance in Egypt is primarily used to meet essential needs," Abdel Wahab said. "The bulk of financing goes toward food, healthcare, education, and basic living expenses—areas that directly shape everyday family life."

He stressed that this usage pattern dispels concerns about excessive or speculative borrowing and confirms the sector's role in helping households manage obligations while maintaining a reasonable standard of living. Abdel Wahab also highlighted the sector's contribution to formal financial inclusion, noting that millions of consumers now have an established credit history for the first time.

"This development strengthens consumer protection, supports a more mature financial culture, and expands access to safe, regulated financing," he said.

Looking ahead to 2026

The EFCF said that 2026 will represent the next phase in the evolution of Egypt's consumer finance sector. Key priorities include further expansion of digital services, the entry of new fintech-driven players, and the launch of the Basel III pilot phase to reinforce long-term stability.

The Federation also announced plans to roll out new awareness and education initiatives aimed at improving consumer credit literacy, advancing data and analytics capabilities, and enhancing companies' ability to reach customers in governorates beyond major urban centers.

"With strong regulation, disciplined growth, and a clear strategic vision, consumer finance is well positioned to continue supporting Egyptian households and contributing to sustainable economic development," the Federation concluded.