

Financial Inclusion as a Strategic Driver of Inclusive Economic Development: Insights from Egypt

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Abstract:

This paper examines financial inclusion as a strategic driver of inclusive economic development, focusing on Egypt's comprehensive national efforts within a global context. As access to formal financial services becomes increasingly recognized as a prerequisite for empowerment and growth, the study adopts the globally endorsed "5 A's" framework—Availability, Awareness, Acceptability, Affordability, and Accessibility—as a diagnostic and evaluative tool. Egypt's financial inclusion rate has surged from 26% in 2016 to 76.3% in 2025, marking a 214% increase, largely due to cohesive policymaking, infrastructure investments, and digital innovation. The Central Bank of Egypt (CBE) has led multi-stakeholder initiatives, including the National Financial Inclusion Strategy (2022–2025), the implementation of InstaPay, and the expansion of the Meeza card network. Special emphasis has been placed on underserved demographics—particularly women, youth, rural populations, and persons with disabilities—through targeted financial literacy campaigns, simplified account procedures, and tailored products. Egypt's strategic alignment with its Vision 2030 and its collaboration with international bodies such as the Alliance for Financial Inclusion (AFI) underscore its global positioning. Comparative analysis with India, Brazil, South Africa, and Nigeria reveals Egypt's distinctive integrated development model, exemplified by the Hayah Kareema initiative, which uniquely combines rural development with financial access. The paper highlights fintech success stories such as Fawry and Paymob, alongside the role of microfinance and SME digital transformation, with SMEs contributing 43% to GDP and 75% to employment. Survey data indicates that 77% of SMEs now view digital payments as essential for business growth. Looking forward, Egypt's roadmap includes the development of an interoperable payment system akin to India's UPI, expansion of rural internet access, nationwide financial literacy scaling, and deeper private sector engagement. With LE 700 billion in presidentially backed investments and 53.8 million financially

included citizens, Egypt is not only achieving domestic transformation but positioning itself as a model for financial inclusion in the Global South. This study concludes that Egypt's experience demonstrates the transformative potential of aligning financial inclusion with national development strategy, offering actionable insights for emerging economies pursuing sustainable, technology-enabled economic empowerment.

Keywords: Financial Inclusion - Inclusive Economic Development – financial services – Egypt.

1. Introduction

In an increasingly interconnected and digitized world, access to formal financial services is no longer a luxury but a fundamental driver of individual empowerment, business development, and inclusive economic growth. Despite global progress, millions remain excluded from financial systems due to barriers like high costs, limited infrastructure, low financial literacy, and regulatory hurdles. Financial inclusion has therefore emerged as a critical policy priority, championed by organizations like the World Bank and the United Nations, and closely tied to achieving several Sustainable Development Goals (SDGs). This paper explores financial inclusion as a global concept and its alignment with Egypt's national strategy, which has seen remarkable progress in recent years.

A key framework examined is the internationally recognized "5 A's" model—Availability, Awareness, Acceptability, Affordability, and Accessibility—which guides inclusive policy design and evaluation worldwide. Egypt's implementation of this framework is reflected in wide-ranging initiatives including the National Financial Inclusion Strategy (2022–2025), the InstaPay real-time payment system, and the Meeza national card network. Special attention is given to targeted programs for women, youth, rural communities, and persons with disabilities, showcasing Egypt's demographic-sensitive approach. The country's partnership with the Alliance for Financial Inclusion (AFI) and its integration of financial inclusion into the broader Vision 2030 strategy further demonstrate its commitment.

This paper also presents Egypt's impressive growth trajectory—from a 26% inclusion rate in 2016 to 76.3% in 2025—driven by policy coordination, infrastructure expansion, and digital innovation. Comparative analysis with countries like India, Brazil, and South Africa highlights Egypt's unique advantages, particularly its integrated development model through the Hayah Kareema program. The paper reviews fintech success stories such as Fawry and Paymob, alongside microfinance and SME digital transformation, to illustrate on-the-ground impact. Finally, it outlines future directions, policy recommendations, and Egypt's potential as a global model for inclusive development. Through this comprehensive analysis, the paper provides a holistic view of how financial inclusion, when embedded in national development strategies, can catalyze sustainable and equitable economic transformation.

2. What is Financial Inclusion

Financial inclusion refers to the provision of equally available and affordable access to financial services such as savings, credit, insurance, and payment systems for everyone, regardless of their level of income. It applies to providing services to both individuals and businesses who are traditionally excluded from the formal financial sector. The concept is not only about opening a bank account, but also about ensuring availability, accessibility, and usability of financial products tailored to different segments of society.

Financial inclusion is not only important for people in undeveloped countries. It's estimated that as many as one-fourth of people in the United Kingdom are low-income individuals with limited access to financial services.

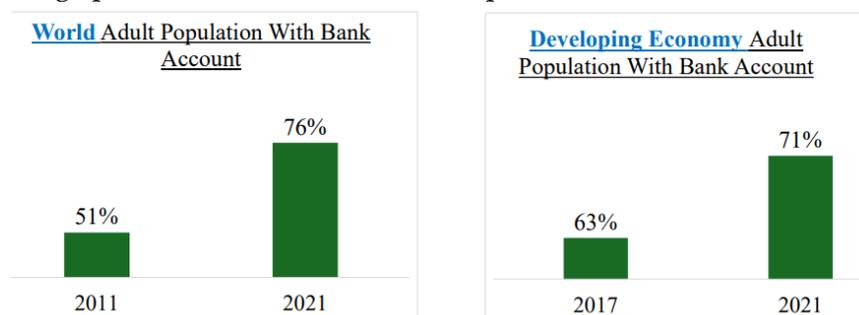
The term "financial inclusion" has gained importance since the early 2000s, a result of identifying financial exclusion and it is a direct correlation to poverty according to the World Bank. Earlier efforts focused on microfinance initiatives, especially for poor entrepreneurs and rural populations.

Global Recognition of financial inclusion began when The United Nations and World Bank started advocating for inclusive finance as a key sustainable development goal. Former UN Secretary-General Kofi Annan emphasized the challenge of enabling poor people access to sustainable financial services in 2003.

In the more recent time, A policy of financial inclusion is a focus of the World Bank, as demonstrated by its Universal Financial Access 2020 initiative. The initiative aims to provide at least one billion people worldwide with at least basic access to financial services, such as maintaining a bank account or other financial account from which they can send and receive payments and store their money.

3. Financial Inclusion Worldwide

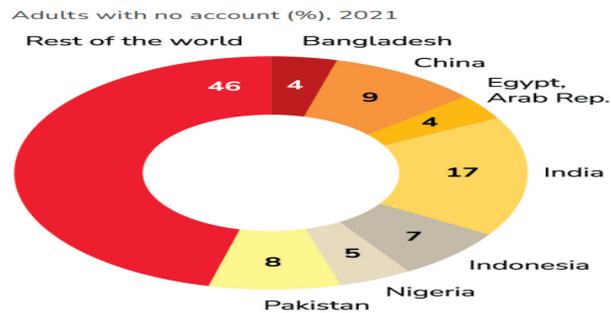
According to the findings of the 2021 Global Financial Index (Findex) survey, the percentage of the world's adult population with a bank account is now 76%, a fifty percent increase from the 51% that was recorded in 2011. In developing economies, the average rate of account ownership rose by 8 percentage points from 63% to 71% in the period between 2017 and 2021.



Yet despite the encouraging findings, the survey study still found that as many as 1.4 billion of the world's adult population are still unbanked. Reasons given for this situation range from a lack of money, the distance to the nearest financial institution, and the lack of the identification documents needed to open an account.

Where the Unbanked people are defined as the ones who do not have any accounts with a traditional financial institution (like a bank or credit union).

While the Underbanked individuals are the ones who do have a bank account but still rely heavily on alternative financial services that are often more expensive or riskier.



Source: Global Findex Database 2021.

4. Financial Inclusion in Egypt

The Central Bank of Egypt (CBE) released a report that outlines that Egypt has 42.3 million citizens who own and use transactional accounts, representing 64.8% of the total 65.4 million eligible adults by the end of 2022. Transactional accounts include bank accounts, Egypt Post accounts, mobile wallets, and prepaid cards.

The indicators in the CBE report showed an increase in financial inclusion rates reflecting a growth rate of 147% since 2016. The CBE also reported that the number of women with transactional accounts increased to 18.3 million, a 210% increase since 2016.



5. Strategic Goals of Financial Inclusion

The term "financial inclusion" has gained importance since the early 2000s, a result of identifying financial exclusion and it is a direct correlation to poverty according to the World Bank. The United Nations defines the goals of financial inclusion as follows:

- Access at reasonable cost for all households to full range of financial services, including savings or deposit services, payment and transfer services, credit and insurance.
- Sound and safe institutions governed by clear regulation and industry standards.
- Financial and institutional sustainability to ensure continuity of investment.
- Competition to ensure choice and affordability for clients.

Former United Nations Secretary-General Kofi Annan, on 29 December 2003, said: "The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge is to address the constraints that

exclude people from full participation in the financial sector. Together, we can build inclusive financial sectors that help people improve their lives."

While not all individuals need or want financial services, financial inclusion aims to remove all barriers, both supply-side and demand-side. Supply-side barriers stem from financial institutions themselves. They often indicate poor financial infrastructure, and include lack of nearby financial institutions, high costs to opening accounts, or documentation requirements. Demand-side barriers refer to aspects of the individual seeking financial services and include poor financial literacy, lack of financial capability, or cultural or religious beliefs (such as suspicion of loan sharks or rejection of usury) that impact financial decisions.

6. Strategic Goals of Financial Inclusion in Egypt

Egypt's policy framework aligns with global goals of inclusion, emphasizing institutions and accessibility. The Central Bank of Egypt's Financial Inclusion Strategy (2022–2025) emphasizes the same core goals where those strategic goals underlie the incremental targets Egypt has set in its national inclusion plans and guide regulatory reforms, incentive design, and stakeholder coordination.

7. Operational Objectives of Financial Inclusion

The main objectives of financial inclusion are economic empowerment for individuals and businesses, leading to poverty reduction and increased income equality; fostering economic growth through greater participation, investment, and entrepreneurship; ensuring universal access to quality, affordable financial services for all segments of society; and building a more stable and resilient economy by reducing reliance on informal finance and strengthening financial systems.

- Poverty Reduction and Economic Empowerment: Providing access to savings, credit, and insurance helps individuals manage risks, build wealth, invest in their businesses, and increase income, thereby lifting them out of poverty.
- Economic Growth: Financial inclusion increases savings, investment, and entrepreneurship, which strengthens local economies and national economies.
- Universal Access to Services: The goal is to ensure that everyone, including marginalized groups, has access to a full range of quality financial products and services at affordable prices, such as bank accounts, loans, and insurance.
- Financial Literacy, Educating individuals on how to manage their finances effectively empowers them to use financial services wisely and participate more fully in the financial system.
- Digital Integration, Promoting digital payment systems and financial technology reduces dependency on cash, lowers transaction costs, and helps to bridge the digital divide, making financial services more accessible.
- Reduced Inequality, By bringing underprivileged and marginalized groups into the formal financial system, financial inclusion helps reduce socio-economic disparities and promote more equitable income distribution.
- Financial Stability, A more inclusive financial system is more resilient to shocks, contributes to greater stability, and supports long-term sustainable growth for both individuals and businesses.
- Improved Governance and Delivery of Public Services, Direct benefit transfers can deliver government subsidies and benefits to citizens' bank accounts, reducing waste and corruption and improving the efficiency of public services.

8. Operational Objectives of Financial Inclusion in Egypt

Egypt has defined (or implicitly acted on) several objectives:

- Expand access and usage among underrepresented groups. For example, boosting women's inclusion: by mid-2025, women's financial inclusion had reached 70 %, up from ~68.8 %.
- Lower age barriers and simplify account opening, Egypt lowered the minimum age for account opening to 15, aligning with national identity issuance, thereby increasing youth inclusion.
- Drive digital integration and fintech solutions, Encouraging mobile wallets, QR-based payments, e-transactions, and nonbank payment service providers to reduce reliance on cash and increase reach.
- Support microfinance and inclusive credit access, Enhancing the microfinance ecosystem so that low-income individuals and small entrepreneurs — especially those excluded by conventional banking — can access loans and savings services.
- Promote financial literacy, awareness and trust, Implement campaigns, training, and consumer protection schemes to ensure that newly included populations use financial services wisely and confidently.
- Strengthen institutional capacity and regulatory environment, Build infrastructure, supervision capabilities, and governance mechanisms so that inclusion expansions are safe, efficient, and resilient.
- Targeted focus on SME and rural finance, Tailor products (e.g. small credit lines, micro-savings, digital payment tools) to support SMEs, rural communities, and remote areas, bridging regional inclusion gaps.

9. Impacts & Significance of Financial Inclusion

The importance of financial inclusion spans across individual, business, and macroeconomic levels:

A. For Individuals:

- Improved Living Standards: Access to financial tools enables individuals to save for education, healthcare, and emergencies.
- Access to Credit: Even small loans allow low-income individuals to start small businesses or cover personal needs.
- Financial Security: Insurance products protect vulnerable populations from unexpected risks such as illness, accidents, or crop failure.
- Empowerment: Financial access, especially for women, enhances independence and decision-making power.

B. For Businesses:

- Larger Customer Base for Banks: By targeting unbanked populations, financial institutions expand market reach.
- Easier Transactions: Digital banking reduces dependency on cash, lowering transaction costs and risks.
- Support for SMEs: Small and medium enterprises often lack collateral for traditional loans; financial inclusion initiatives create specialized financing solutions for them.

- Innovation and FinTech Growth: The drive for inclusion has accelerated the adoption of mobile payments, e-wallets, and digital lending platforms.

C. For the Economy

- Poverty Reduction: Studies show that access to formal finance directly contributes to reducing poverty and income inequality.

- Economic Growth: Financial inclusion stimulates entrepreneurship and consumption, which drive GDP growth.

- Transparency & Formalization: Bringing informal cash-based activities into the banking system improves tax collection and reduces shadow economy risks.

- Financial Stability: A wider financial base distributes risks more evenly, strengthening overall economic resilience.

10. Impacts and Significance of Financial Inclusion in Egypt

Financial inclusion in Egypt has seen rapid expansion in recent years, with measurable effects at the micro, meso, and macro levels.

- By June 2025, about **76.3 %** of Egyptians aged 15 and over were using active transaction accounts (banks, mobile wallets, Egypt Post, prepaid cards) — equivalent to 53.8 million individuals — up from 74.8 % in late 2024.
- This growth is especially pronounced after 2016: between 2016 and June 2024, the number of Egyptians with transactional accounts rose from 17.1 million to 48.1 million, representing a growth of **181 %** in inclusion.
- For individuals, such expansion means improved ability to save, access credit, and insure against risks — thereby contributing to better financial security and resilience.
- For small and medium enterprises (SMEs), the broader inclusion opens new customer bases, facilitates easier transactions, and encourages innovation in fintech and digital financial services.
- At the economy-wide level, greater inclusion aids in formalizing previously informal economic activity, improves transparency, enhances tax mobilization, and strengthens the resilience of the financial system against shocks.

However, challenges persist: some segments remain underbanked or underserved (e.g. rural areas, low-income households), and there are demand-side constraints such as financial literacy, trust, or documentation gaps.

11. Financial Inclusion Challenges and Solutions

Despite the significant progress made in recent years, millions of people worldwide still lack access to basic financial services, which hampers their ability to build assets, and achieve economic stability. There are over 800 million people in the MEA region alone without access to basic banking facilities. Financial inclusion is the process of ensuring that these individuals have access to affordable and appropriate financial products and services, including savings, credit, insurance, and payment systems.

We'll look at the main challenges and barriers to financial inclusion, and discuss potential solutions to overcome these hurdles, so we can promote greater financial access for everyone.

- **Limited Access to Banking Infrastructure.** One of the main barriers to financial inclusion is the lack of banking infrastructure in many rural and remote areas. In these regions, physical

banks and ATMs are scarce, making it difficult for individuals to access basic financial services.

Solution: The expansion of digital financial services, such as mobile banking and online payment platforms such as Pyyp can help bridge the gap in access to banking infrastructure. By leveraging technology, financial service providers can reach individuals in remote areas without the need for costly physical branches.

- **Low Financial Literacy.** Many people, particularly in developing countries, lack the knowledge and understanding of financial products and services, which can be a significant barrier to financial inclusion. Low financial literacy can result in individuals being unable to make informed decisions about their finances and may even lead to them falling prey to scams or predatory lending practices.

Solution: Implementing financial education programs and raising awareness about financial products and services can help improve financial literacy. Governments, NGOs, and financial institutions can collaborate to develop targeted education initiatives that provide individuals with the tools and knowledge necessary to manage their finances responsibly.

- **High Cost of Financial Services.** In many cases, the fees associated with basic banking services, such as account maintenance, transactions, and withdrawals, are prohibitively expensive for low-income individuals.

Solution: Encouraging competition among financial service providers and promoting innovative, low-cost financial products can help reduce the cost of financial services. Additionally, governments can implement policies that incentivize financial institutions to offer more affordable products and services to underserved populations.

- **Stringent Regulatory Requirements.** Strict regulations and identification requirements can make it difficult for individuals, particularly those without formal identification, to access financial services. This is particularly true for marginalized populations, such as refugees, migrants, and individuals living in poverty.

Solution: Governments can work to streamline regulatory processes and adopt more flexible identification requirements to facilitate greater access to financial services. This could include implementing digital identification systems or accepting alternative forms of identification, such as community-issued documents.

- **Cultural and Social Norms.** In some societies, cultural and social norms can hinder financial inclusion. For example, women in certain regions may face discrimination or be discouraged from participating in financial activities due to traditional gender roles.

Solution: Addressing cultural and social barriers to financial inclusion requires targeted interventions that promote awareness, challenge stereotypes, and empower marginalized groups to take control of their financial futures. This may involve working with community leaders and local organizations to advocate for change and encourage greater financial participation among all members of society.

- **Lack of Trust in Financial Institutions.** Many individuals, particularly those who have been historically excluded from the formal financial system, may harbor mistrust towards financial

institutions. This lack of trust can be a significant barrier to financial inclusion, as individuals may be hesitant to engage with formal financial services.

Solution: Building trust in financial institutions requires transparency, accountability, and a strong focus on customer service. Financial service providers should prioritize efforts to understand and address the unique needs and concerns of underserved populations, while also working to improve their public image through community engagement and corporate social responsibility initiatives.

12. The 5 A's International Framework for Financial Inclusion

The globally recognized 5 A's framework provides a systematic approach to implementing financial inclusion policies, serving as the foundation for measuring and evaluating inclusion initiatives worldwide. This framework, widely adopted by international organizations including the World Bank and Alliance for Financial Inclusion (AFI), establishes five critical dimensions that must be addressed to achieve comprehensive financial inclusion.

Framework Components

- **AVAILABILITY - Infrastructure and Product Presence.** Availability refers to the physical presence of financial service points and the choice of financial products offered to consumers. This dimension encompasses bank branches, ATMs, agent networks, mobile money outlets, and digital service platforms. The availability component requires adequate infrastructure density to ensure reasonable access for target populations.
- **AWARENESS - Information and Financial Education.** Awareness involves information dissemination, education, and communication strategies that inform potential users about available financial services. This includes financial literacy programs, marketing campaigns, consumer education initiatives, and community outreach activities designed to build understanding of financial products and their benefits.
- **ACCEPTABILITY - Cultural and Social Appropriateness.** Acceptability measures the extent to which financial services meet customers' needs and preferences, including cultural, religious, and social considerations. This dimension addresses product design that resonates with target demographics, local language support, Sharia-compliant offerings, and culturally sensitive service delivery mechanisms.
- **AFFORDABILITY - Cost-Effectiveness and Value.** Affordability encompasses the cost structure of financial services relative to users' income levels and economic capacity. This includes account fees, transaction costs, minimum balance requirements, and overall pricing strategies that enable widespread adoption across different income segments.
- **ACCESSIBILITY - Convenience and Entry Barriers.** Accessibility refers to the ease of obtaining and using financial services, including documentation requirements, application procedures, service delivery mechanisms, and physical accessibility for persons with disabilities. This dimension focuses on removing barriers that prevent potential users from accessing formal financial services.

13. Egypt's Initiatives for Financial Inclusion

Egypt has implemented a comprehensive set of initiatives under the Central Bank of Egypt's (CBE) leadership, demonstrating strong government commitment to achieving universal

financial access. These initiatives reflect a coordinated approach involving multiple stakeholders and targeted interventions for specific demographic groups.

13.1. National Strategic Framework

National Financial Inclusion Strategy (2022-2025). The CBE launched a comprehensive four-year strategy establishing clear objectives, policies, and implementation mechanisms to enhance financial inclusion across all demographic segments. Key strategic elements include:

- Establishment of a central financial inclusion database using national ID as a unified identifier
- Implementation of monitoring and evaluation systems to track progress and publish periodic reports.
- Coordination frameworks with governmental and non-governmental stakeholders to ensure policy alignment.
- Integration with Egypt's Vision 2030 national development strategy

Alliance for Financial Inclusion (AFI) Membership. Since 2013, Egypt has been an active AFI member, committing to the Maya Declaration with concrete national goals. The CBE participates in AFI working groups focusing on digital financial services, gender-inclusive finance, and financial literacy initiatives, facilitating knowledge exchange and best practice adoption.

13.2. Digital Transformation Initiatives

InstaPay (IPN) System. Egypt implemented a real-time interbank payment system enabling 24/7 money transfers between banks, significantly reducing transaction times and costs. The system has registered over 11.5 million users in its first year, processing billions in transactions and revolutionizing domestic payment infrastructure.

Meeza National Payment Card System. The CBE launched a domestic payment card scheme specifically designed for salary disbursements, pension payments, and government subsidies. This initiative reduces reliance on cash transactions while providing secure, affordable payment solutions for government benefit recipients.

13.3. Demographic-Specific Programs

Youth Empowerment Initiatives

- Reduction of minimum account opening age from 16 to 15 years, aligning with national ID eligibility
- Development of youth-targeted financial products with minimal requirements and no opening fees
- Implementation of financial literacy programs specifically designed for young adults.

Women's Financial Inclusion Campaign

- Annual National Women's Financial Inclusion Campaign held every March.

- Simplified documentation requirements for women's account opening
- Nationwide financial literacy sessions targeting women in rural and urban areas.
- Accessibility measures for people with disabilities across all service channels

Rural Community Integration

- Strategic partnership with the World Food Program under the Hayah Kareema rural development initiative
- Enhanced microfinance and agricultural credit offerings for rural populations
- Tailored digital financial services designed for rural community needs and infrastructure constraints.

13.4. Banking Sector Collaborative Initiatives

Egypt's financial inclusion strategy involves active participation from both public and private banking institutions:

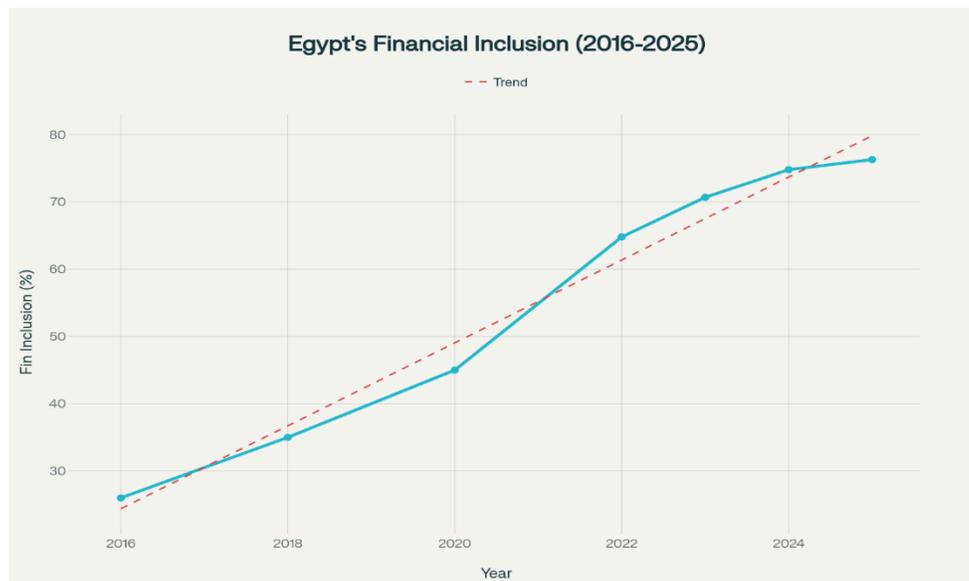
- National Bank of Egypt (NBE): Implementation of accessibility features including Braille-equipped ATMs and disability-friendly branch designs.
- Commercial International Bank (CIB): Launch of "Starter Accounts" requiring only national ID for account opening.
- Banque Misr: Organization of financial inclusion weeks featuring free account opening campaigns.
- QNB Alahli: Development of specialized accounts for micro-enterprises with minimal documentation requirements
- ALEXBANK: Active support for Hayah Kareema initiative through microloans and Meeza card distribution in rural areas

Initiative	Launch Year	Key Impact	Beneficiaries	Investment
Hayah Kareema	2019	1,254 ATMs, 137 branches	60M planned (3 phases)	LE 700B total
InstaPay System	2022	\$53B transactions processed	11.5M registered users	Real-time transfers
Meeza Network	2019	National payment backbone	18M mobile wallets	Government integration
Youth Accounts	2024	Age reduced to 15 years	35% of population	Simplified access

Women's Campaign	Annual	295% growth since 2016	23.3M women included	Financial literacy
SME Mandate	2022	20% bank portfolio allocation	4.3M enterprises	EGP 49B injected

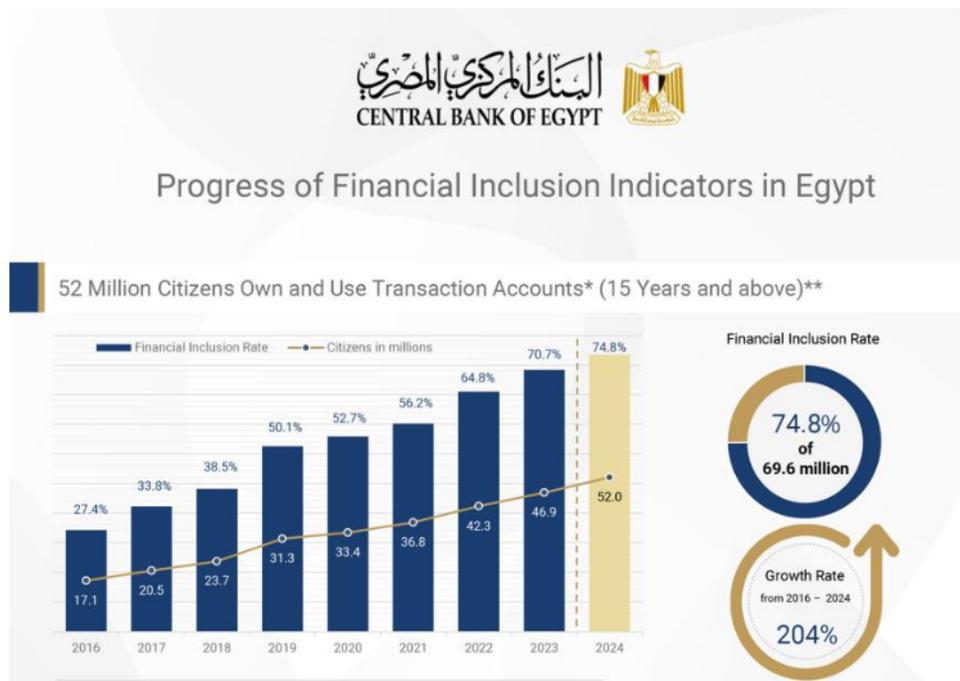
**Egypt's Key Financial Inclusion Initiatives

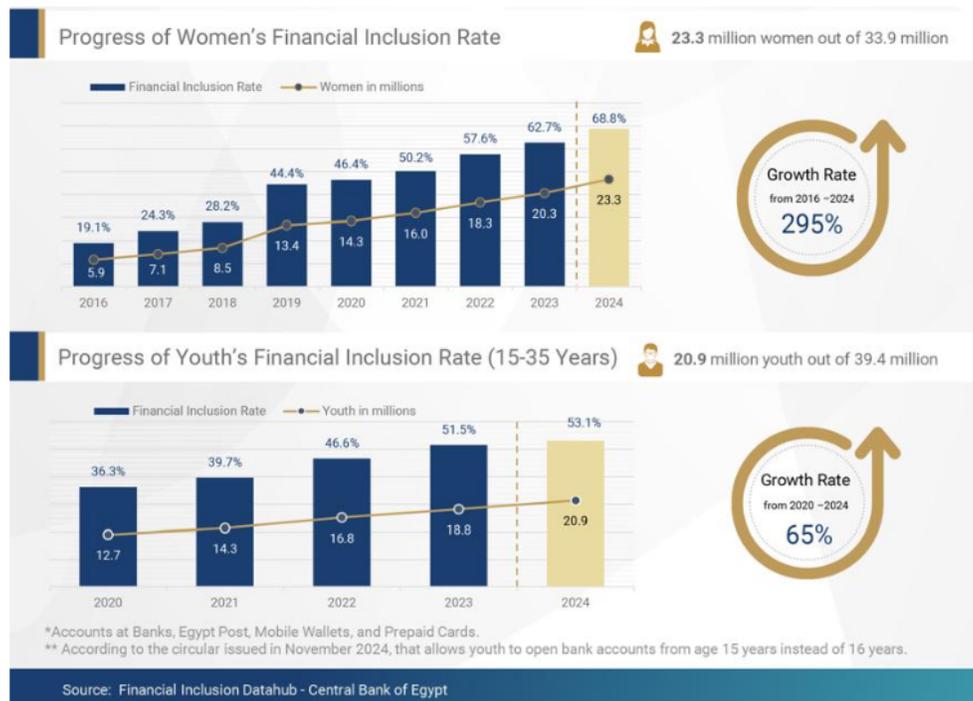
14. Egypt's Financial Inclusion Transformational Timeline



Egypt's financial inclusion journey demonstrates remarkable progress, with the Central Bank of Egypt documenting systematic growth across multiple indicators and demographic segments. This transformational timeline illustrates the effectiveness of coordinated policy implementation and strategic intervention.

****Egypt's remarkable financial inclusion transformation showing 214% growth from 2016 to 2025**





14.1. Historical Progress Trajectory

Baseline Period (2016)

- 17.1 million citizens with transactional accounts
- Inclusion rate: Approximately 26% of eligible adult population
- Limited digital infrastructure and rural coverage
- Gender gap significantly pronounced with minimal women's participation.

Acceleration Phase (2017-2021)

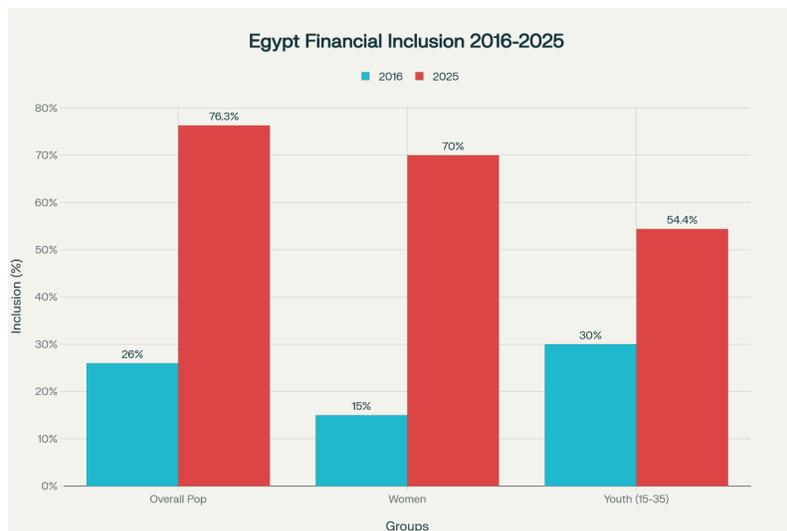
- Rapid infrastructure development and regulatory reform implementation
- Introduction of mobile wallet services and digital payment platforms
- Launch of rural expansion programs and simplified account opening procedures

Expansion Period (2022-2024)

- 2022: 64.8% inclusion rate (42.3 million citizens) representing 147% growth since 2016
- 2023: 70.7% inclusion rate demonstrating sustained momentum
- 2024: 74.8% inclusion rate (48.1 million citizens) with continued upward trajectory

Current Achievement (June 2025)

- 76.3% inclusion rate encompassing 53.8 million citizens.
- 214% total growth since 2016 baseline, positioning Egypt as a regional leader
- Achievement of critical mass enabling network effects and sustainable growth



Demographic-Specific Progress

**Demographic breakdown showing remarkable progress across all population segments

Women's Financial Inclusion Transformation

- 2016-2024: 210% increase reaching 18.3 million women with transactional accounts
- 2024: 68.8% inclusion rate among eligible women
- June 2025: 70% inclusion rate (23.3 million women) representing 295% growth since 2016.
- Significant reduction in gender gap through targeted policy interventions

Youth Inclusion Development

- 2024: 53.1% inclusion rate among 15-35 age demographic
- June 2025: 54.4% inclusion rate showing steady progress.
- Age barrier reduction enabling earlier financial system participation.
- Digital-first adoption patterns among youth driving innovation

14.2. Infrastructure Development Timeline

Rural Expansion Implementation

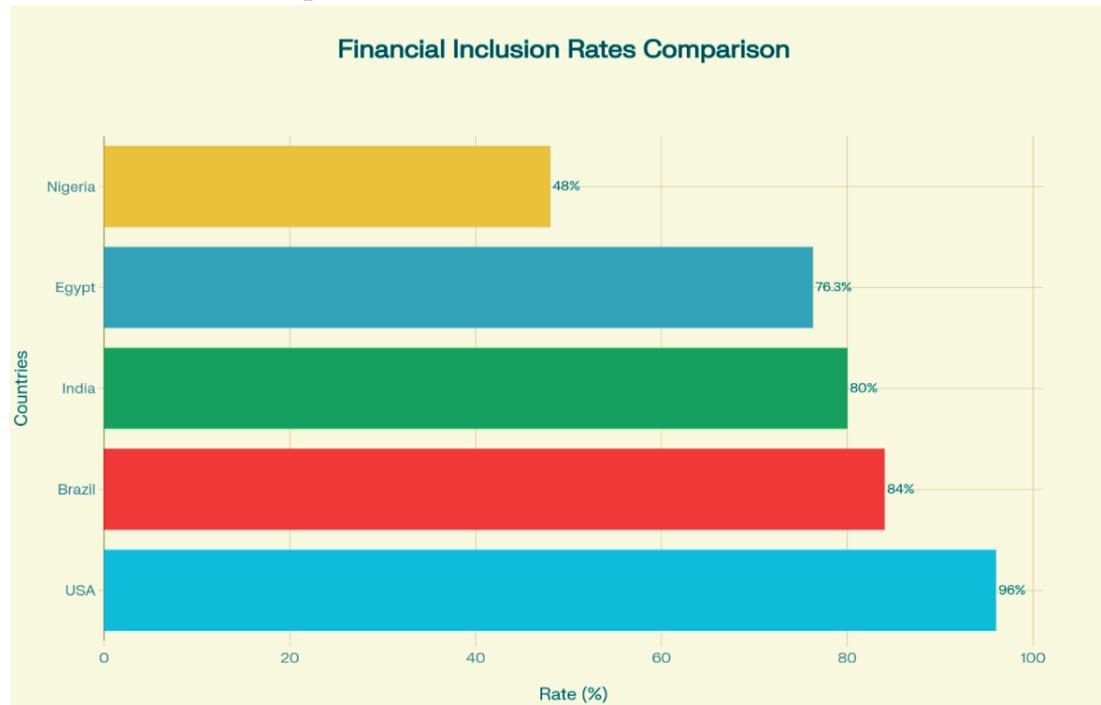
- Mid-2024: 17 new bank branches opened specifically in rural areas.
- Ongoing: Installation of over 1,200 ATMs in rural villages through Hayah Kareema initiative
- Achievement: 100% ATM coverage in 1,413 target villages across 20 governorates
- Network Effect: Egypt Post's 4,600 offices serving as financial access points nationwide.

Digital Payment Ecosystem Growth

- Q2 2025: Active e-wallets exceeded 46.3 million (29% year-over-year increase)
- Transaction Value: 72% increase in wallet transactions (Q2 2025 vs Q2 2024)

- Transaction Volume: 80% increase in transaction frequency over same period
- Market Leadership: Vodafone Cash achieving 8.2 million users with 62.7% market share.

15. International Comparison



Egypt's financial inclusion achievements can be contextualized through comparative analysis with peer developing nations and advanced economies, demonstrating both competitive positioning and areas for continued development.

**Egypt's competitive financial inclusion position compared to peer countries globally

15.1. Peer Country Performance Analysis

Country	Inclusion Rate	Population Context	Key Strength	Primary Innovation
Egypt	76.3%	105 million	Integrated development approach	Hayah Kareema (LE 700B investment)
India	80%	1.4 billion	Scale (540M accounts opened)	UPI payment system dominance
Brazil	84%	215 million	Instant payment adoption	Pix system (64B transactions)
Nigeria	48%	220 million	Mobile money growth	OPay leadership (51% share)

South Africa	69%	60 million	Banking maturity	sector	Digital innovation	banking
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15.2. Egypt's Distinctive Competitive Advantages

Integrated Development Approach. Egypt represents the only country globally integrating financial inclusion with comprehensive rural transformation through a single coordinated initiative. The Hayah Kareema program simultaneously addresses rural infrastructure development, healthcare system improvement, educational facility enhancement, and financial service accessibility, creating synergistic effects that amplify inclusion impact.

Presidential-Level Political Commitment. Direct presidential oversight ensures sustained commitment beyond typical political cycles, with LE 700 billion investment commitment across three implementation phases. This level of political commitment positions financial inclusion as a cornerstone of Egypt's Vision 2030, ensuring continued resource allocation and policy prioritization.

Quality-Focused Implementation. Unlike India's mass account opening approach, which faces 48% account dormancy rates, Egypt emphasizes active usage and meaningful integration with daily financial needs. This approach prioritizes outcome-oriented metrics focusing on measurable economic empowerment and social protection integration rather than solely access-based indicators.

Dimension	Egypt	India	Brazil	USA
Inclusion Rate	76.3%	80%	84%	96%
Population	105M	1.4B	215M	330M
Key Strategy	Integrated development	Mass scale	Central bank led	Market-driven
Digital Innovation	Hayah Kareema + InstaPay	UPI dominance	Pix revolution	Mature infrastructure
Target Focus	Rural, women, youth, SMEs	Rural poor, unbanked	Unbanked adults	Minorities, low-income
Unique Strength	Presidential commitment	Scale (540M accounts)	Instant payments	Consumer protection
Main Challenge	Infrastructure gaps	Account dormancy (48%)	Income inequality	High fees

Investment Scale	LE 700B (Hayah Kareema)	(Hayah Government-funded)	Central bank backed	Private sector led
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**** International Comparison Matrix**

15.3. Global Best Practice Integration Opportunities From India: Digital Infrastructure Innovation

- Development of UPI-equivalent interoperable instant payment system
- Digital identity integration like Aadhaar for simplified service access
- Scale management techniques for efficiently handling large population segments.

From Brazil: Payment System Innovation

- Instant payment system development (Egypt's potential Pix equivalent)
- Correspondent banking models for rural and remote area coverage
- Competition-driven innovation within supportive regulatory frameworks

From Advanced Economies: Consumer Protection Excellence

- Implementation of advanced protection frameworks for vulnerable populations
- Community partnership models ensuring sustainable service delivery.
- Enhanced accessibility standards for people with disabilities

16. Signature Success Stories in Egypt

Egypt's financial inclusion transformation is exemplified through specific success stories demonstrating real-world impact across fintech innovation, microfinance empowerment, and SME digital transformation.

16.1. Fintech Champions

Fawry: From Startup to Market Leader

Fawry's evolution represents Egypt's fintech success potential, controlling 40% of Egypt's mobile wallet market while serving 25 million clients nationwide. The company's integration with government services, including processing pension disbursements for over 520,000 beneficiaries, demonstrates the scalability of homegrown fintech solutions and their ability to serve both commercial and public sector needs effectively.

Paymob: University Project to Regional Leader

Founded by three American University in Cairo students in 2015, Paymob identified and addressed critical payment infrastructure gaps in Egypt's emerging e-commerce sector. The company's growth trajectory—from university project to serving 350,000+ merchants across the MENA region—illustrates Egypt's educational ecosystem's contribution to fintech innovation.

Paymob's \$72 million Series B funding and support for 50+ payment methods including wallets, cards, BNPL, and QR payments demonstrates the scalability of Egyptian fintech solutions.

InstaPay: Real-Time Revolution

InstaPay's rapid adoption, achieving 11.5 million registrations within the first year (2022-2023) and processing \$53 billion in 2024 transactions, represents a fundamental transformation in Egypt's payment infrastructure. The system's elimination of traditional 2–3-day transfer delays through 24/7 instant processing capabilities has revolutionized both personal and business financial management practices across Egypt.

**** Fintech Success Stories Comparison**

16.2. Microfinance Transformation Stories

Hend & Sameeha: Heritage Craft Business. The success story of Hend (30) and Sameeha from Al Nuba Island demonstrates microfinance's role in cultural preservation and women's empowerment. Their craft business, rooted in Nubian cultural heritage, expanded from basic beadwork to comprehensive crafts including traditional copper work through microfinance support. Sameeha's operation of the island's first nursery for over 20 years, combined with their role teaching traditional crafts to other community women, illustrates how financial inclusion creates sustainable income while preserving cultural heritage. Hend's vision—"I dream that our craft can be showcased worldwide; we want to show people our beautiful culture and heritage"—exemplifies the transformational potential of inclusive finance.

Community Impact Multiplication. The microfinance sector's scale in Egypt, encompassing EGP 101 billion in portfolios serving 4.1 million clients by Q2 2025, demonstrates systematic impact beyond individual success stories. The 15% year-over-year growth in microfinance portfolios, with corporate financing growing 16% and medium enterprise financing expanding 130%, indicates the sector's vital role in Egypt's economic development strategy.

16.3. SME Digital Transformation

Visa 2025 Study Results. Comprehensive research conducted by Visa in 2025 revealed transformational SME adoption patterns:

- **77% of Egyptian SMEs** consider digital payments crucial for business growth.
- **53% of merchants** adopted digital payments within the previous two years.
- **80% satisfaction rate** among merchants using digital payment processes.
- **Over three-fourths report** positive revenue impact from digital payment adoption.

This data demonstrates how Egypt's financial inclusion initiatives have successfully penetrated the SME sector, creating measurable business value while advancing the formal economy's expansion.

Metric	Percentage	Impact Description	Source
SMEs considering digital payments crucial	77%	Essential for business growth	Visa 2025 Study
Merchants adopting digital payments (2 years)	53%	Rapid adoption trend	Visa 2025 Study
Satisfaction with digital payment processes	80%	High user acceptance	Visa 2025 Study
Positive revenue impact reported	75%+	Measurable business value	Visa 2025 Study
SME contribution to GDP	43%	Economic significance	CBE Data
SME employment contribution	75%	Job creation impact	CBE Data

** SME Digital Transformation Impact

Economic Integration Impact. SME sector integration represents critical economic significance, as SMEs contribute 43% of Egypt's GDP while providing 75% of national employment. The injection of EGP 49 billion through the 20% mandatory SME lending requirement has created measurable economic impact, supported business development while advancing financial inclusion objectives simultaneously.

17. Future Directions, Conclusion, and Vision

Egypt's financial inclusion journey represents a transformational success story with implications extending beyond national boundaries, offering a replicable model for developing nations while establishing a foundation for continued innovation and regional leadership.

17.1. Strategic Roadmap for Continued Development

Short-Term Priorities (2025-2026)

- Development of Egypt's UPI Equivalent: Creation of an interoperable instant payment system rivaling India's UPI to enhance transaction efficiency and reduce costs.
- Enhanced InstaPay Functionality: Expansion of capabilities to match Brazil's Pix system's comprehensive features.
- Rural Connectivity Acceleration: Investment in internet infrastructure to surpass the current 37.8% penetration rate.

- 5G Network Deployment: Implementation of advanced telecommunications infrastructure supporting sophisticated digital financial services.
- Medium-Term Development (2027-2028)
- Financial Literacy Scale-Up: Expansion of successful educational models like ALEXBANK's "Hady Body" program to achieve nationwide coverage.
- Women's Empowerment Focus: Implementation of targeted programs addressing cultural barriers and expanding economic participation.
- Hayah Kareema Phases 2 & 3: Coverage of 3,000+ additional villages with LE 440 billion additional investments, reaching 40 million additional beneficiaries.
- Long-Term Vision (2029-2030)
- MENA Fintech Hub Development: Positioning Cairo as the regional innovation center for financial technology
- Cross-Border Services Expansion: Export of Egypt's financial inclusion model to other developing nations through South-South cooperation
- Advanced Technology Integration: Development of AI and blockchain integration for next-generation financial services

17.2. Policy Recommendations for Sustainable Growth

Infrastructure and Technology Enhancement. Prioritization of rural internet connectivity investment to support digital financial service adoption, combined with regulatory framework evolution to accommodate emerging technologies while maintaining system stability and consumer protection.

International Collaboration Strengthening. Enhanced cooperation with successful peer countries to facilitate knowledge transfer and best practice adoption, while developing public-private partnerships that leverage innovation for public policy objectives achievement.

Sustainable Development Integration. Integration of financial inclusion objectives with climate finance initiatives, gender equality programs, youth employment creation, and social protection system strengthening to maximize developmental impact.

17.3. Vision 2030 Integration and National Development

Egypt's financial inclusion strategy aligns comprehensively with the nation's Vision 2030, supporting achievement of multiple Sustainable Development Goals while contributing to national economic transformation. The integration of financial inclusion with comprehensive development planning positions Egypt as a model for other developing nations seeking inclusive economic growth.

Global Replication Potential. Egypt's integrated model offers valuable insights for developing nations, particularly those with large rural populations requiring comprehensive development approaches, strong government capacity for coordinated policy implementation, and cultural considerations necessitating sensitive financial service adaptation.

17.4. Conclusion: A Model for Inclusive Development

Egypt's financial inclusion transformation demonstrates that comprehensive, government-led approaches can achieve rapid, sustainable results when properly designed with adequate political commitment and resources. The achievement of 76.3% inclusion representing 214% growth since 2016 illustrates the potential for developing nations to leapfrog traditional development constraints through strategic technology adoption and integrated policy implementation.

The combination of presidential-level oversight, regulatory innovation, private sector partnership, and community-based implementation creates a replicable framework for other nations. Egypt's experience validates key success factors including sustained political leadership, integrated development strategy, cultural sensitivity, private sector innovation within supportive frameworks, and simultaneous investment in infrastructure and technology.

Quantitative Impact Achievement:

- **53.8 million citizens** integrated into the formal financial system.
- **EGP 101 billion** microfinance portfolios serving 4.1 million clients.
- **77% of SMEs** recognize digital payments as growth critical.
- **LE 700 billion** presidential commitments for comprehensive rural transformation

Qualitative Transformation Indicators:

- Women's economic empowerment with 70% inclusion and 295% growth since 2016
- Youth engagement through early financial system participation and digital-first adoption
- Rural-urban gap reduction through comprehensive infrastructure development
- Cultural barrier reduction through sensitive, community-based approaches

Egypt's financial inclusion experience proves that when properly integrated with national development strategy and supported by sustained political commitment, financial inclusion becomes a powerful tool for comprehensive economic and social transformation affecting every aspect of citizens' lives. This success story illuminates pathways for achieving truly inclusive economic development in the 21st century, demonstrating that developing nations can achieve remarkable progress while contributing to global development objectives.

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