

**The Algerian banking system and the effects of covid-19 pandemic
-The Algerian exterior bank as a case study-**

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Abstract:

The year 2020 was marked by many upheavals following the Corona pandemic, in this research we studied the impact of this pandemic on the financial performance of banks, a descriptive, historical and analytical approach was followed.

One of the most important conclusions of this study is that the Corona pandemic has strongly affected the financial and functional performance of banks and modified the pace of growth of the latter. Furthermore we conclude that the Bank of Algeria has issued a number of instructions to increase the financial liquidity ratio, grant loans, defer and reschedule them, and use new technologies to reduce the negative impact that can lead to banking risks in order to maintain the financial stability of the country.

Keywords: Pandemic; Banks; Financial; Performance; BEA.

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1. INTRODUCTION

In the first part of 2020, the COVID-19 pandemic has had a major impact on the airline industry, even stronger than past disruptive events, such as 9/11 and the 2008 global financial crisis. After a few months from the first infection cases (January-March 2020), the first lockdown measures were implemented in a few countries (e.g., China and Italy) and then gradual introduction of border closures took place, followed by quarantine restrictions and testing regulations, only a few months later, facing a worsening situation of almost 46 million infections and 1.2 million deaths by November 2020 (Johns Hopkins University COVID- 19 map), governments declared more restrictive measures to limit the virus contagion.

2. COVID-19 AND THE ECONOMIC SHOCK:

In the wake of the virus spreading, the world found itself facing a challenge with multiple levels such health, social and economic level.

2.1 measures taken to face the virus:

In the face of this accelerating epidemic of infection, countries found themselves in front of a big challenge, of balancing two contradictions, namely the continuity of economic activity and the survival of the acceleration of production in the country while limiting the spread of the disease and alleviating its severity. So the states formed committees, cells, or crisis councils to manage the risks of this crisis. What follows are some of the measures taken to avoid the worsening of cases numbers:

- The states have established rules for social distancing so that they avoid direct encounter and physical contact by relieving the social relations between people.
- Countries have canceled sporting and cultural activities and events in order to reduce friction between people.
- Stopped work in many commercial, economic, and service sectors, especially those that require direct contact with the consumer, such as beauty salons, restaurants, and sports clubs.
- Shops are closed completely or for different periods to avoid crowds and gatherings..
- The closure of educational institutions, and implementing E-learning.
- The closure of cities and regions where the authorities of the states prevented their citizens moving between cities to prevent the virus from traveling to regions that are virus free.
- Closing the borders to the movement of back and forth travelers to prevent the transmission of infection and the need for new arrivalsto go under examinations, hospitals, and quarantine.
- The closure of government departments and institutions where the employees show signs of sickness. (Boonekamp, T., Zuidberg, J., & Burghouwt, G. 2019, p. 18).
- Closure of major commercial markets, such as malls and exhibitions.
- The land, sea, and air transport has stopped in many cities and regions to reduce movement.
- Partial operation of vital sectors such as food supply and first response services.
- The obligation to wear masks and gloves when entering the shopping centers or on the move.
- Depending on applications to form partially a substitute for some services and procedures.

- Economic relief packs for disadvantage people and most affected by this crisis. (صلاح، علي. 2020: ص. 23)

2.2 Covid-19 crisis economic characteristics:

The corona virus is health, economic and societal crisis that hit the world unexpectedly, as countries imposed tight restrictions on movement, travel and gathering the economy was brought to a standstill, which caused a big financial burden on countries, companies and individuals.

Due to all the measures taken by countries to slow the spread of the virus (the great shut down) demand on energy declined by 10 million barrel a day, flights suspension cost the world more than 113 billion dollars, the effect of this crisis is still ongoing and getting severe.

This is what makes this crisis unique because it started in the real economy due to containment efforts unlike previous crisis's that began in the virtual economy and spread to real economy (the great recession of 1929, financial crisis of 2008..). (Bouzidi, S., Benmoussa, M., 2019: p. 62)

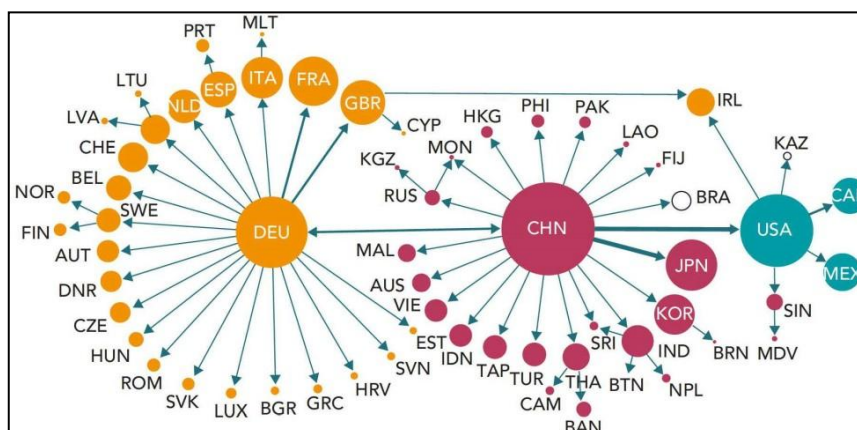
***Trade and supply shocks:**

Without a doubt, as contagion worsens around the world, the trade freeze was not only at the international level but also locally, as well as quarantine and confinement procedures led to the closing off of many industrial activities in addition to others such as education, for example, and this is something that has a double effect, the increase in the unemployment rate at one hand, and the decrease in consumption due to lower income of families.

On the other hand, production was affected, and thus markets suffered scarcity accompanied by rising prices.

Since the beginning of the crisis and since China was the epicenter of the epidemic, and due to the large role that China plays in the global economic system as a major industrial country where it occupies (12.4%) of international trade and due to the globalization of the global economy, The deflationary contagion is bound to spread to Chinese customers and suppliers. Then little by little, most of the major countries became the epicenter of the outbreak of the crisis, as what happened with China in the beginning (such as Japan, South Korea, Italy, France, Germany, Spain, the United Kingdom and the United States of America). ((Ferrantino & Koten, 2019: p.103)

Fig.1. The interconnectedness of the global trade chain of goods and services



Source: Ferrantino & Koten, 2019

*** The health shock:**

The first negative impact of this pandemic, is the financial burden needed to contain the epidemic, and in this regard the government's reluctance to provide appropriate healthcare for the elderly, the lack of structural capabilities in most countries was apparent especially in the developing ones.

*** Immediate shock of total demand:**

Quarantine and isolation procedures generated two aspects of conduct consumers and producers, the first aspect is the obligatory aspect, which is the fact that producers and consumers are deprived by law of the demand process, whether as a result of the closure of factories and companies or as a result of the loss of their purchasing capabilities, this led to demand suddenly disappearing. The second aspect is psychological that causes consumers to suddenly seek large-scale consumption due to the panic that struck them and this is what leads to food, cleaning and protective supply shortages. The same psychological factor led individuals with high financial capabilities (especially producers) to be cautious of spending because of the uncertainty and instability of future economic conditions.

The two sides of the disposition would cause the disappearance of demand and scarcity at the same time, which would disrupt investment and curb the speed of circulation of money.

This shock occurred at the same pace in most sectors at global level, and as the economies of most countries are interconnected to a large extent, the prediction of the size of the losses seems very difficult, especially since the end of the health crisis is ambiguous until because These behaviors will last until the end of the epidemic infection, most likely.

*** Energy shock:**

The strategic sector, is not free of the effects of arbitrary behavior due to the suspension of flights and the collapse of oil prices to record levels, they are the manifestation of the uncertainty embodied in the American markets of future contracts and the collapse of contract prices to a dangerous level in trying to dispose of assets instead of bearing storage expenses or losses according to investors and speculators predictions, thus there is no doubt that the countries that depend on oil revenue are the most hit by this shock and will register a deficit on two levels, first are unable to bear the financial burdens of health care due to their oil prices as in its budgets, secondly the inability to find solutions to revive economic activity.(, Ramelli.S, &Wagner, 2020: p. 63).

Based on the aforementioned the channels responsible for the transmission economic can be summarized as follows:

- Goods and services;
- Energy;
- Knowledge and technology;
- Freezing of movement of persons;
- The movement of capital and financial markets;
- Foreign direct investment;
- International banking transactions
- Exchange rates. (world bank, 2020)

3. Algerian banking system and its challenges:

The Algerian banking system went through a period of changes after the independence and

in the nineties, the other major development came in the early 2000's.

3.1 The Evolution of the Algerian Banking System:

The banking system in Algeria has undergone numerous changes. As a result, Algeria had a sophisticated banking system that inherited from the French colonial period; nonetheless, this structure had made it difficult for the Algerian state to carry out its economic plans. The state has since taken control of the banking sector to secure the necessary funding of the investment programs for the development of an industrial sector that is distinguished by an intensive capital production technology.

The 1986 economic crisis compelled Algeria's government to implement significant economic reforms, the development of which was based on the banking sector. In order to go from a centrally planned economy to a market economy, structural reforms must be made with an emphasis on addressing macroeconomic imbalances, encouraging foreign direct investment, and exposing the Algerian economy to global competition (Ruppert, 1999).

As a result, the banking reforms of 1990 had a big impact on the financial system in Algeria, where they made it possible to liberate the banking industry from government control. Also, in order to boost competition in the banking industry and enhance bank performance, the reforms supported opening the banking sector to private investment. Noting that banking rivalry is the foundation of the financial system and economic stability, authorities in rich and developing nations alike place the utmost priority on competitiveness in the banking sector (Hartmann, Straetmans, & De Vries, 2005).

To encourage and sustain economic progress, the authorities should end financial limitations and start true financial development (Creane, Goya, Mobarak, & Sab, 2003). Five periods have been experienced by the Algerian banking industry: the colonial phase, the sovereignty phase, the nationalization and socialization phase, the restricting phase, and the liberalization phase.

3.2 Challenges Facing the Algerian Banking System:

The Algerian banking system faces some challenges that leaders and decision makers should take in to account in order to spread the inclusion of digital banking throughout all its wilayas and provinces. Some of those challenges could be listed as follows:

- The lack of setting a partnership between banks and mobile operators, since it is now more than necessary to allow the different categories of the Algerian citizens to use their mobile terminals to create bank accounts, make transfers, request credits, and pay bills.
- The absence of developing the payment system and government payment in order to use the electronic payment.
- The deficiency in Improving public and government interest in reducing poverty and improving financial inclusion for all people by creating demand for development of innovative and more accessible solutions for financial services delivery to unbanked, under banked, and micro, small, and medium enterprises.
- The ambiguity in ensuring consumers protection by providing information and transparency.
- The non-developed strategies in drawing a legal infrastructural arrangement to enhance the control of operational and financial risks for customers.
- Enhancing educational literacy strategies and encouraging a research in the field of financial inclusion in order to help government and policymakers for the sake of financial sector measurement.

4.METHODS AND MATERIALS:

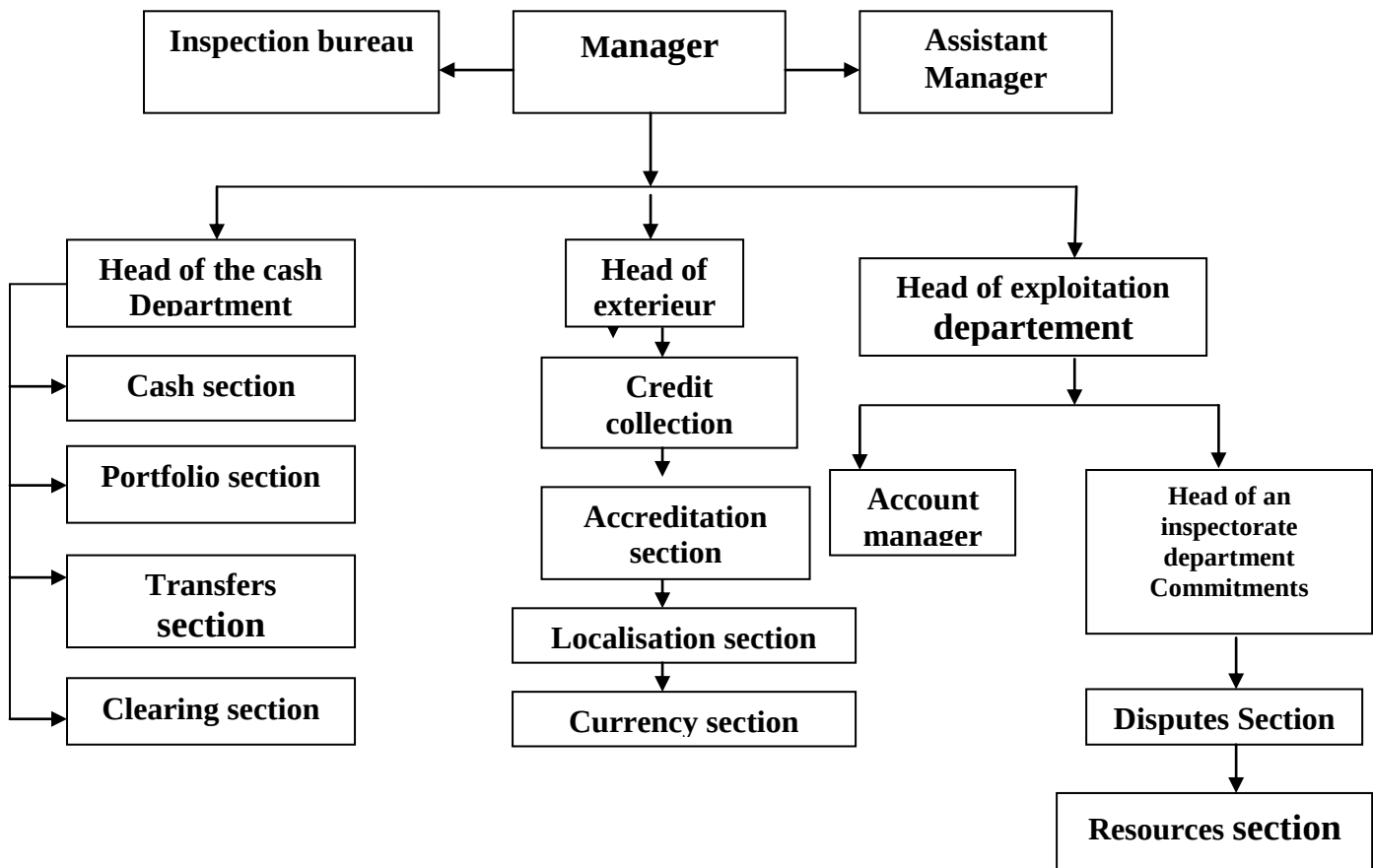
Through the concepts that we discussed in the theoretical aspect, the financial performance of the Algerian External Bank, Blida Agency 024 during the Corona pandemic will be evaluated, based on a questionnaire distributed to the agency's employees, then we will analyze the their responses using the SPSS program.

4.1 Datasheet of Agency N° 024 The Foreign Bank of Algeria:

The founding law of the Foreign Bank of Algeria stipulates the establishment of its own branches and agencies, including the Blida Agency, which was established on April 19, 1980, and which provides its services at the regional level, thus contributing to a large extent in financing the activities of its clients and collecting available resources.

The organizational structure of the Blida Agency 024 is as demonstrated in the following figure:

Fig.2. The organizational structure of the Blida Agency 024



Source: prepared by the researcher based on information provided by the agency.

4.2 Building the Questionnaire form:

We used the general rules of the questionnaire to build it for this study, where we first identified the objectives and information to be addressed, then we asked questions in the form of axes in order to obtain informations that would help us address the problem and hypotheses of this article.

We completed this questionnaire with the aim of clarifying the impact of the Corona pandemic on the financial performance of the Algerian Foreign Bank, to get a real estimate that translates the

extent of the impact of the pandemic on the banking sector from a financial standpoint, and this requires examining the performance components that were contained in the questionnaire.

4.3 Questionnaire's axes:

This questionnaire included three axes:

- **Personal data:** this axis was included to identify the sample (employees) in terms of gender, age group, seniority and department...etc.
- **The impact of the Corona pandemic on the financial performance of the bank:** where all indicators that can be considered to express the financial performance in the bank were discussed, i.e. the components of financial performance from market share,

Profitability, liquidity...etc

- **The impact of the Corona pandemic on job performance within the bank:** In this axis we chose questions that would enable us to measure the extent to which the Corona pandemic has affected job performance.

5. RESULTS AND DISCUSSION :

5.1 Descriptive analysis:

Based on the answers provided by the employees of the Blida Agency 024 to the questionnaire about the impact of the Corona pandemic on the financial performance of commercial banks, the results were analyzed through tables and graphs from the SPSS program's outputs.

- **Gender:** the sample members were as follow:

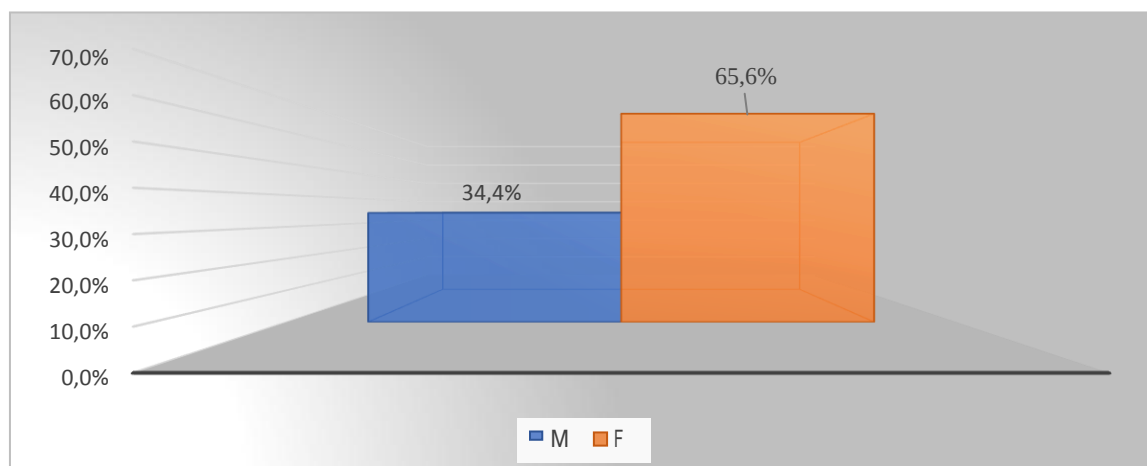
Table 1. Distribution of study sample members according to gender variable

Gender	Repetition	percentage
Male	11	34.4 %
Female	21	65.6 %
Total	32	100 %

Source: SPSS output

The next figure shows more clearly the distribution of study sample members according to gender variable:

Fig.3. Distribution of study sample members according to gender variable



Source: prepared by the researcher based on table .1.

Through Table No. (1) and Figure No. (3) as well, it is clear to us that most of the study sample members (65.6%) are female, while the remaining percentage (34.4%) are male.

- **Age group:** our sample members can be divided into the following age groups:

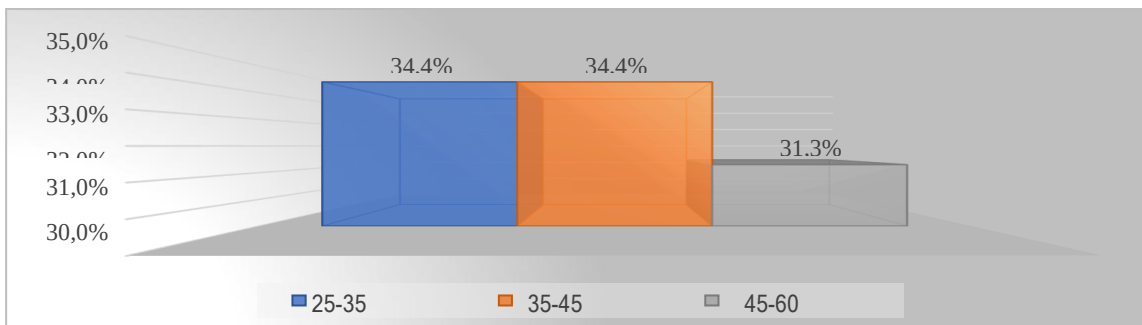
Table 2. Distribution of study sample members according to age group variable

Age group	Repetition	percentage
25-35	11	34.4%
35-45	11	34.4%
45-60	10	31.3%
Total	32	100%

Source: SPSS output

From the table above we can observe an even distribution based on age, and the next figure shows more clearly:

Fig.4. Distribution of study sample members according to age group variable



Source: prepared by the researcher based on table .2

Through Table No. (2) and Figure No. (4) as well, it becomes clear to us that most of the study sample members (34.4%) are between 35 and 45 years old, and the same percentage (34.4%) are between 25 and 35 years old. The remaining percentage (31.3%) are between 45 and 60 years old.

- **Department:** every department handles a financial aspect that why the need to know which department members are answering, and the results are as follows:

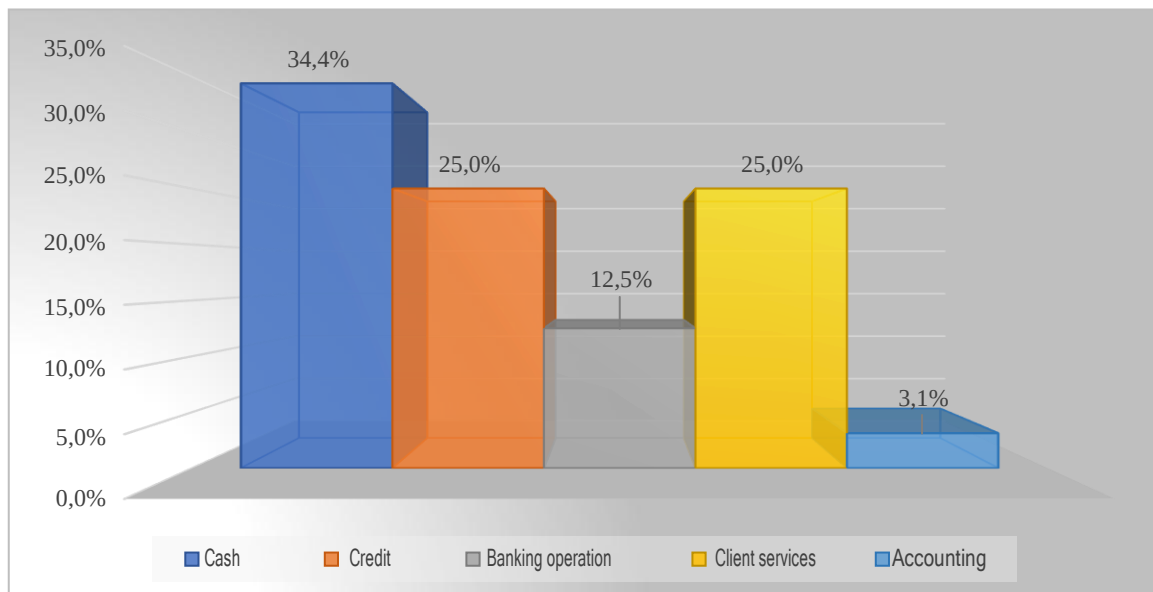
Table 3. Distribution of study sample members according to department variable

Department	Repetition	percentage
Cash	11	34.38%
Credit	8	25%
Banking operations	4	12.50%
Client services	8	25%
Accounting	1	3.13%
Total	32	100%

Source: SPSS output

To get a better read on these results we will put it in a figure below:

Fig.5. Distribution of study sample members according to age department variable



Source: prepared by the researcher based on table .3

Through Table No. (3) and Figure No. (5) as well, it becomes clear to us that most of the study sample members, i.e. (34.4%) of them, belong to the Treasury Department, while (25%) of them belong to the Customer Service Department, and the same percentage as well, i.e. (25%), understand They belong to the credit department, and the remaining percentage (3.1%) was represented by one individual who belongs to the accounting department.

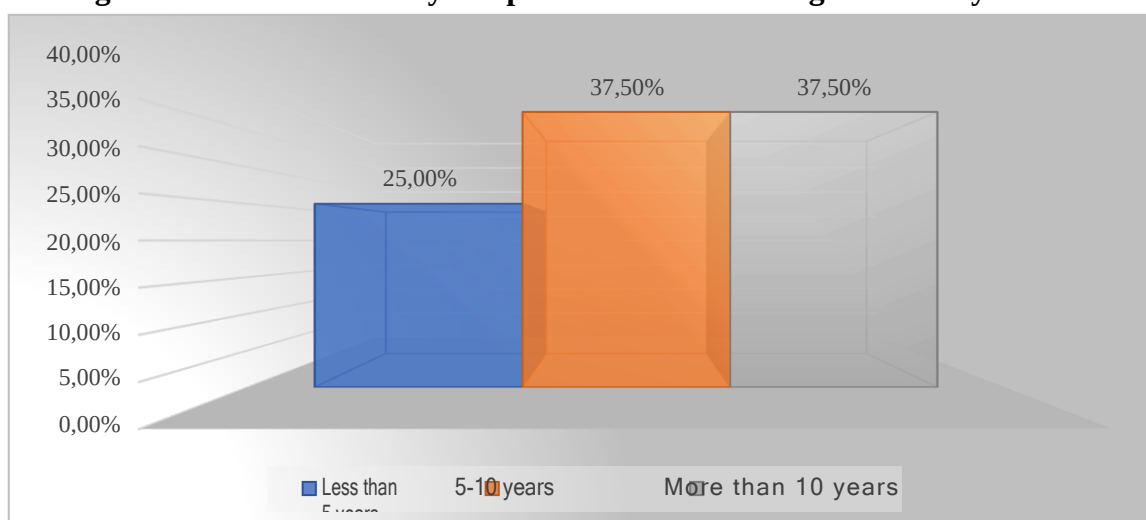
- **Seniority:** experience is a very important factor when answering a questionnaire and analyzing it, this next table will demonstrate the results:

• **Table 4. Distribution of study sample members according to seniority variable**

Seniority	Repetition	percentage
Less than 5 years	8	25%
5-10 years	12	37.5%
More than 10 years	12	37.5%
Total	32	100%

Source: SPSS output

We see that here also the numbers are close and the figure shows this clearly:

Fig.6. Distribution of study sample members according to seniority variable

Source: prepared by the researcher based on table .4

Through Table No. (4) and Figure No. (6) as well, it becomes clear to us that most of the study sample members, i.e. (37.50 of them), have seniority between 5 and 10 years, and the same percentage as well, i.e. (37.50%), have seniority of more than 10 years. While the remaining percentage of them (25%) have less than 5 years of seniority.

5.2 Responses analysis:

Un this part we will see and analyze the responses of the participants according to the questionnaire's axes .

- **The impact of the Corona pandemic on the bank's financial performance:**

We summarized the responses of the sample members' in the following table:

Table 5. Distribution of study sample members according to their responses to the questions of axe 2:

Questions	Responses			Percentage			Total
	Yes	No		Yes	No		
Has the Corona pandemic affected the bank's financial performance?	32	0		100%	0%		100%
Was the bank ready to face such a pandemic?	7	25		21..9%	78.1%		100%
Due to the Corona pandemic, has the volume of transactions within the bank changed?	22	10		68.8%	31.2%		100%
How is that ?	More	Same		Less	More	Same	100%
	0	10		22	0%	31.3%	
Has the bank's market share declined in light of the Corona pandemic?	28	4		87.5%	12.5		100%
Has the Corona pandemic affected the volume of loans granted by the bank?	26	6		81.3%	18.7%		100%
How is that?	More	Same	Less	More	Same	Less	100%

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	0	26	6	0%	18.8%	81.2%	
Was the bank able to manage the loans granted before the Corona pandemic?	24	8	75%	25%	100%		
How did the bank deal with non-performing loans?	Postponing the payment of outstanding loan installments	6	20.7%		100%		
	Rescheduling loans for affected customers	15	51.7%				
	Use the flexibility provided by the law	1	3.5%				
	Reintegrating the defaulted loan amount into a new loan	7	21.1%				
Has the volume of deposits collected changed during the Corona pandemic?	28	4	87.5%	12.5%	100%		
How is that?	More	Same	Less	More	Same	Less	100%
	0	4	28	0%	12.5%	87.5%	
Has the Corona pandemic affected the growth of the bank's assets?	31	1	96.9%	3.1%	100%		
The bank's cash reserves decreased due to the Corona crisis?	27	5	84.4%	15.6%	100%		
-The value of the bank's profits decreased due to the Corona pandemic?	29	3	90.6%	9.4%	100%		
Have the financial decisions of the Central Bank affected the bank in light of the Corona pandemic?	28	4	87.6%	21.4%	100%		
Determine the nature of the impact	Positive	Negative	Positive	Negative			
	22	7	75.86%	24.14%	100%		
After learning about the sudden Corona pandemic, is the bank able to manage such crises?	21	11	65.6%	34.4%	100%		
Do you have new suggestions that you believe could help avoid bank default during the Corona pandemic?	15	17	49.9%	53.1%	100%		

It is clear to us that all members of the study sample confirmed that the Corona pandemic has affected the financial performance of the bank. Also, the majority of the study sample members

(78.1%) believe that the bank was not prepared to confront such a pandemic, while the remaining percentage of them (21.9%) believe that the bank was prepared to confront such a pandemic.

Furthermore the majority of the study sample members, i.e. (68.8%) of them, believe that the Corona pandemic has been a reason for changing the volume of transactions within the bank, while the remaining percentage of them, i.e. (31.3%), believe that the Corona pandemic has been a reason for changing the volume of transactions within the bank where (68.8%) of the sample believe say it has been a decrease in it, while the remaining percentage of them (31.3%) believe that this change has been the same.

For the market share, the majority of the study sample (87.5%) believe that it declined in light of the Corona pandemic, while the remaining percentage of them (12.5%) see the opposite, meaning that the market share has not declined.

It can also be inferred that the majority of the study sample members, i.e. (81.3%), believe that the Corona pandemic has affected the size of the loans granted by the bank, while the remaining percentage of them, i.e. (18.8%), believe that the Corona pandemic did not affect the size of the loans granted by the bank, this change according to the sample (81.3% of it) is negative, meaning the volume has decreased, while the remaining percentage of them (18.8%) believe that the volume of loans stayed steady.

Through the responses of the majority of the study sample members we see that (75%) said the bank was able to manage the loans granted before the Corona pandemic, which means (25%) see the opposite of this. And they see that the bank managed non-performing loans by:

- Rescheduling loans for affected customers 51.7%;
- Reintegrating the defaulted loan amount into a new loan 21.1%;
- postponing the payment of loan installments 20.7%;
- using the flexibility provided by the law 3.5%.

Regarding the size of the deposits, the majority of the study sample 87.5% believe that the amount collected during the Corona pandemic has changed, while the remaining percentage of them (12.5%) see the opposite, meaning that the size of deposits collected during the Corona pandemic stayed the same. 87.5% believe that the volume of deposits collected during the Corona pandemic has changed by decreasing, while the remaining percentage of them 12.5% believe that the volume of deposits collected during the Corona pandemic remained steady.

It is clear to us that the majority of the study sample members 96.9% believe that the Corona pandemic has affected the growth of the bank's assets, while the remaining percentage of them 3.1% believe the opposite of this, meaning that the Corona pandemic has not affected the growth of the bank's assets.

The data analysis shows that most of the study sample members 84.4% agreed that the bank's cash reserves had decreased due to the Corona crisis, the remaining percentage 15.6% did not agree that the bank's cash reserves had decreased due to the Corona crisis.

When it comes to the value of the bank's profits, most of the study sample members 90.6% agreed that it had decreased due to the Corona pandemic, the rest did not agree that the value of the bank's profits had decreased due to the Corona pandemic.

The study sample members, 87.6% of them, completely agreed that the financial decisions of the Central Bank have affected the bank in light of the Corona pandemic, and the remaining percentage 21.4% did not agree that the financial decisions of the Central Bank have affected the bank in light of the Corona pandemic, the majority of the study sample members i.e. (75.86%), believes that the nature of the impact that the financial decisions of the Central Bank have on the bank in light of the Corona pandemic has a positive impact, while the remaining percentage of them, i.e. (24.14%), believe that the nature of the impact is a negative one.

We also noted that the majority of the study sample members 65.6%, have confirmed that the

bank in the future is capable of managing crises such as the Corona pandemic crisis, while the remaining percentage of them, i.e. (34.4%) reported that the bank in the future will not be able to manage crises such as the pandemic.

The study sample members were asked for suggestions, 53.1% didn't have suggestions that could contribute to avoiding the bank's default during the Corona pandemic. As for the remaining percentage of them, i.e. 49.9%, have suggestions that were as follows:

- Creating a reserve treasury to confront crises.
- Reconsidering the work plan.
- Reconsidering the interest rate.
- Investing in training an efficient workforce to manage risks.
- Good management of the bank's assets,
- Reducing loan grants.
- And creating a new private department dedicated to managing crises.
- Avoiding financing high-risk projects.
- Ensuring a significant level of safety to confront such sudden crises.
- Increasing the bank's reserves.
- Increasing the minimum liquidity rate, and following up operations more precisely.

These were the results for the second axe, now in the next part we will analyze the responses for the third axe.

• **The impact of the Corona pandemic on job performance within the bank:**

We summarized the responses of the sample members' in the following table:

Table 6. Distribution of study sample members according to their responses to the questions of axe 3:

Questions	Responses		Percentage		Total
	Yes	No	Yes	No	
Due to the Corona pandemic, has there been a change in your plan for the workforce within the bank?	27	5	84.4%	15.6%	100%
Did you catch this change?	14	18	43.75%	56.25%	100%
Have you ever been exposed to the Corona virus while performing your duties?	18	14	56.25%	43.75%	100%
If the answer is yes, did you benefit from compensation?	6	12	25%	75%	100%
Were the decisions of the Central Bank serving the interest of the bank?	4	28	12.5%	87.5%	100%
Did you have to change your operating plan due to the Corona pandemic?	32	0	100%	0	100%
Has the Corona pandemic caused a change in the way of dealing between the customer and the bank?	27	5	84.4%	15.6%	100%
Did the bank adopt remote work during the Corona pandemic?	19	13	59.4%	40.6%	100%
Did the Corona pandemic contribute to new changes in the bank's services?	20	12	62.5%	37.5%	100%

It is clear to us that most of the study sample members, i.e. 84.4% of them, confirmed that there has been a change in their plan for the workforce within the bank, while the remaining percentage i.e. 15.6%, stated that there has been no change in their plan for the workforce within the bank.

Most of the study sample members, i.e. (56.25%) were not affected by the change related to the workforce plan within the bank, while the remaining percentage i.e. (43.75%) were affected by the change related to the workforce plan within the bank, due to the following reasons:

Because of the age group the member belong to.

- Layoff due to age.
- Temporary layoff due to lack of means of transportation.
- Laying off a significant number of infected workers.
- Change of department.
- Sick leave.
- Pregnant women category.

56.3% of the sample members had been exposed to the Corona virus while performing their duties, and 43.8% hadn't previously been exposed to the Corona virus while performing their duties. 66.7% of those who were infected with the Corona virus didn't benefit from compensation where 33.33% benefited from compensation as a result of their infection with the Corona virus.

The majority of the study sample's respondents, (i.e. 87.5% of them), believe that the decisions of the Central Bank didn't serve the interest of the bank, while the remaining percentage of them, (i.e. 12.5%), see that the decisions of the central bank serve the interest of the bank.

All respondents in the study sample, i.e. 100% of them, believe that they were forced to change their operating plan due to the Corona pandemic.

The pandemic even changed the way a client is dealt with by the bank, this becomes clear when we found 84.4% of the sample believe that, while the remaining percentage of them, i.e. 15.6%, see no change was brought by the crisis.

It is clear to us that the majority of the study sample's respondents, i.e. 59.4% have confirmed that the bank has adopted remote work during the Corona pandemic, while the remaining percentage i.e. 15.6%, didn't work remotely.

Bank services also changed according to 62.5% of the sample members, while 37.5% see that the pandemic hasn't contributed. In bringing about new changes in the bank's services.

As for those who answered yes, they believe that these new services relate to all of the following:

- The frequent use of bank cards.
- The creation of an electronic platform that allows the opening of accounts.
- The use of remote consultation using a special bank program.
- And the use of modern software.

6. CONCLUSION

Banks around the world have taken decisive measures to ease monetary policies and provide liquidity to the financial system to ease the tightening financial environment and maintain the flow of credit into the economy. During this difficult period marked by the spread of the Corona virus, the Central Bank may also consider taking other measures in addition to the current situation to support the economy.

Policymakers must maintain a balance between protecting financial stability and supporting economic activity.

Banks' capital and liquidity margins should be used to absorb losses and funding pressures. If the impact is significant or long-lasting and there is an impact on the adequacy of bank capital, supervisors should take targeted action, including requiring banks to submit reasonable plans to restore capital.

The authorities should also take the initiative to initiate public financial support in the form of direct support or tax relief to help borrowers repay loans and finance their operations, or provide credit guarantees to banks. Supervisors should also encourage banks to carefully negotiate temporary adjustments to loan terms for businesses and households unable to repay their debts.

Through our study of the impact of the Corona Covid-19 pandemic on the financial performance of commercial banks, which we conducted at the level of the Algerian Foreign Bank, the most important results will be presented as follows:

- During the year 2020, the world witnessed major fluctuations with the emergence of the Corona virus, which caused deteriorations in the global economy and on banks in particular, as they are a sensitive sector. The collapse had a significant impact on the economies of strong and weak countries, so banks intervened to achieve financial stability in economic life through monetary policy tools.
- The Bank of Algeria, like other central banks in the world, has taken a number of preventive measures to avoid many risks such as credit risks, liquidity risks, and operational risks, and is striving to postpone and reschedule loans, grant new loans and reduce liquidity, and the performance factor has been reduced to 60%, and the cash reserve ratio was raised to 6%, and in cooperation with the Ministry of Communications to encourage customers to use ICT and develop new applications, more than 50% of employees were laid off in accordance with the government's preventive measures.

The most important suggestions we can make are the following:

- The Bank of Algeria continues to support banks to avoid credit risks, liquidity risks, operational risks and other risks through preventive and regulatory measures, advance the economy, and protect affected customers and institutions, especially small and medium-sized companies, even if the economic crisis due to Covid-19 is prolonged.
- The necessity of adopting an integrated and harmonized information system that increases the fluidity of information between the various interests of the institution.
- The Bank of Algeria should take more flexible measures to support the national economy.

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8. APPENDICES:



BANK OF ALGERIA

لجنة عمليات السياسة النقدية

بيان صحفي

عقدت لجنة عمليات السياسة النقدية لبنك الجزائر اجتماعها العادي يوم الثلاثاء 10 مارس 2020 برئاسة السيد أيمن بن عبد الرحمان، محافظ بنك الجزائر.

تم تكريس هذا الاجتماع لاستعراض أهم تطورات الوضع الاقتصادي، النقدي والمالي الوطني والدولي وكذا آفاقه على المدى القصير والمتوسط، خصوصا تلك المتعلقة بتطور التضخم، السيولة البنكية، القرض والنمو الاقتصادي.

في ضوء هذه التطورات وآفاقها على المدى المتوسط، قررت لجنة عمليات السياسة النقدية تخفيض معدل الاحتياطي الإلزامية من 10% إلى 8% وتخفيض المعدل التوجيهي لبنك الجزائر بـ 25 نقطة أساس (0,25%) لتثبيتته عند 3,25%، وذلك ابتداء من 15 مارس 2020.

ستسمح القرارات المتخذة في هذا الاجتماع بتحرير هوامش إضافية للسيولة بالنسبة للنظام البنكي، وبالتالي توفير للبنوك والمؤسسات المالية وسائل دعم إضافية لتمويل الاقتصاد الوطني بتكلفة معقولة.



لجنة عمليات السياسة النقدية بيان صحفي

عقدت لجنة عمليات السياسة النقدية لبنك الجزائر اجتماعها العادي يوم الأربعاء 29 أفريل 2020 برئاسة السيد أبمن بن عبد الرحمان، محافظ بنك الجزائر.

تم تكريس هذا الاجتماع لاستعراض أهم تطورات الوضع الاقتصادي، النقدي والمالي الوطني والدولي وكذا آفاقه على المدى القصير والمتوسط، خصوصا تلك المتعلقة بتطور التصخم، السيولة الائتمانية، القرض والنمو الاقتصادي.

في ضوء هذه التطورات وآفاقها على المدى المتوسط، قررت لجنة عمليات السياسة النقدية:

1. تخفيض المعدل التوجيهي المصنق على عمليات إعادة التمويل الرئيسية بـ 25 نقطة أساس (0.25%) لتثبيته عند 3% بدلا من 3.25%.

2. تخفيض معدل الاحتياطي الإلزامية من 8% إلى 6%، بفصل هذا التخفيض، سيتم تحرير مبلغ إضافي هام للسيولة.

3. رفع عتبات إعادة تمويل بنك الجزائر للأوراق العمومية القابلة للتفاوض على النحو التالي:

أ. مدة الاستحقاقات المتبقية أقل من سنة: من 90% إلى 95%.

ب. مدة الاستحقاقات المتبقية من 1 سنة إلى أقل من 5 سنوات: من 80% إلى 90%.

ت. مدة الاستحقاقات المتبقية أكبر من أو تساوي 5 سنوات: من 70% إلى 85%.



اعلان صحفي

في إطار الإجراءات المتخذة لمجابهة التبعات المنجرة عن تفشي جائحة كوفيد 19، فإن بنك الجزائر، وإدراكا منه بضرورة حماية الاقتصاد الوطني وتوفير الشروط الضرورية لمواصلة نشاط المؤسسات الانتاجية بصفة منتظمة، اتخذ سلسلة من التدابير الاستثنائية والظرفية، تتدرج ضمن المساعي الوطنية لتخفيف الآثار الاقتصادية لهذا الوباء العالمي الفتاك.

في هذا الصدد، تم اصدار التعنيم 05-2020 مؤرخة في 06 أفريل 2020، المتعلقة بالإجراءات الاستثنائية لتخفيف بعض الأحكام الاحترازية المطبقة على البنوك والمؤسسات المالية وهذا من أجل السماح لهذه الأخيرة برفع قدراتها التمويلية تجاه المؤسسات الاقتصادية.

تتمثل اهم التدابير المتخذة في هذا السبيل، فيما يلي:

- تأجيل تسديد أقساط القروض المستحقة أو إعادة جنولة قروض للزبائن المتأثرين بالظروف الناجمة عن تفشي وباء كوفيد 19،
- مواصلة التمويلات للزبائن المستفيدين من تأجيل تسديد القروض أو إعادة جدولتها،
- تخفيض الحد الأدنى لمعامل سيولة البنوك والمؤسسات المالية، لرفع مستوى التمويلات المتاحة.
- إعفاء البنوك والمؤسسات المالية من إجبارية تكوين وسادة الأمان، المقطوعة من أموالها الخاصة.

يبقى بنك الجزائر يتابع تطور الأوضاع لاتخاذ أي خطوات أخرى، عند الاقتضاء، في سبيل تأمين الظروف الملائمة للمسير الحسن للاقتصاد الوطني.

Questionnaire

1- personale information :

- Gender : Male ☐ Female ☐

- Age Group : 25-35 years old ☐ 35-45 years old ☐
 45-60 years old ☐

- Department: (write your department of affiliation):

- Seniority: Less than 5 years ☐ From 5 to 10 years ☐
 More than 10 years ☐

2- The impact of the Corona pandemic on the bank's financial performance:

Questions	Responses	
	Yes	No
Has the Corona pandemic affected the bank's financial performance?		
Was the bank ready to face such a pandemic?		
Due to the Corona pandemic, has the volume of transactions within the bank changed?		
How is that ?		
Has the bank's market share declined in light of the Corona pandemic?		
Has the Corona pandemic affected the volume of loans granted by the bank?		
How is that?		
Was the bank able to manage the loans granted before the Corona pandemic?		
How did the bank deal with non-performing loans?		
Has the volume of deposits collected changed during the Corona pandemic?		
How is that?		
Has the Corona pandemic affected the growth of the bank's assets?		
The bank's cash reserves decreased due to the Corona crisis?		
-The value of the bank's profits decreased due to the Corona pandemic?		
Have the financial decisions of the Central Bank affected the bank in light of the Corona pandemic?		
Determine the nature of the impact	Positive	Negative
After learning about the sudden Corona pandemic, is the bank able to manage such crises?		
Do you have new suggestions that you believe could help avoid bank default during the Corona pandemic?		
mention it.....		

3- The impact of the Corona pandemic on job performance within the bank:

Questions	Responses	
	Yes	No
Due to the Corona pandemic, has there been a change in your plan for the workforce within the bank?		
Did you catch this change?		
If the answer is yes, how so?.....		
Have you ever been exposed to the Corona virus while performing your duties?		
If the answer is yes, did you benefit from compensation?		
Were the decisions of the Central Bank serving the interest of the bank?		
Did you have to change your operating plan due to the Corona pandemic?		
Has the Corona pandemic caused a change in the way of dealing between the customer and the bank?		
Did the bank adopt remote work during the Corona pandemic?		
Did the Corona pandemic contribute to new changes in the bank's services?		
If yes, mention the most recent service?.....		