

## COUNTRY PRESENTATION

The case of Democratic Republic of Congo

I apologize for my English which is not so good. However, I will try to present the DRC case in respect with Basel framework. The DRC supervision system still under Basel I framework with an extension to (i) operational risks, (ii) corporate governance, (iii) liquidity cover ratio and (iv) financial disclosure. In order to make sure that banks comply with those matters, the Central bank of Congo have issued regulations on them.

As we know, Basel I framework deals with credit risks. Each bank should comply with two ratios: the tier 1 which represents at least 7 % of capital on Total Risk Weighted Assets and the second one which is called regulatory capital should represents at least 10 %.

A part from that, banks should also comply with operational risks. This obligation is made to banks in order to submit returns to the Central bank on monthly basis on total of big risks and total weighted risks by counterparty. The limits are 800 % for the first one and 25 % for the second.

We also pay attention to relations between Shareholders, Directors and executive Comity in order of useful relationship between them. The challenge for each is to concentrate only on his responsibilities. Then objectives can be reached without conflicts.

The liquidity cover ratio is also monitor on the monthly basis. Banks should calculate three liquidity ratios: in national currency, in foreign currencies and combination of both. The limit for each is 100 %.

The provision on financial disclosure ask to banks to publish annual financial statements in media. Financial statements should be audited by an auditor chosen on the list issued by the Central Bank. There is a regulation which organizes banking auditor work.

I think it is also important to mention that supervision of banks in DRC is taking in account the specific situation of each of them. Fort that, banks are divided into three categories in consideration of balance sheet size. Then, we have small banks, medium banks and big ones. The frequencies and means of on site and off site examinations depend on each category.

I have also to mention that the Central Bank is in the process of migrating from Basel I to Basel II. The regulations are being prepared for that purpose.

**THANK YOU**