

INTRODUCTORY PRESENTATION

GLOPAC 20TH FELLOWSHIP PROGRAM

PRESENTED BY:

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FINANCIAL REGULATORY AUTHORITY, EGYPT



Building Bridges not Walls
نبني الجسور لا الحواجز

The Egyptian economy has begun a new phase where strengthening the role of Non-Banking Financial Sector is no longer an option. This stems from a belief in the pivotal role that the sector can play in supporting reforms and achieving sustainable economic policies.

The NBFIs enjoys the advantages of diversity and flexibility, which serves all economic purposes at high level of efficiency, as well as being able to cooperate and complement with development partners from private or public entities, which makes this sector a key player.

With the issuance of Law No. 10 of 2009, the regulation of all types of non-banking financial activities was done and the *Insurance Supervisory Authority*, the *Capital Market Authority* and the *Mortgage Finance Authority* were merged successfully into a new strong entity:

THE FINANCIAL REGULATORY AUTHORITY (FRA)



Building Bridges not Walls
نبني الجسور لا الحواجز

FRA is a public Authority, responsible for supervising and regulating the Non-Banking financial markets and instruments.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Building Bridges not Walls
نبني الجسور لا الحواجز

FRA aims to achieve main key objectives

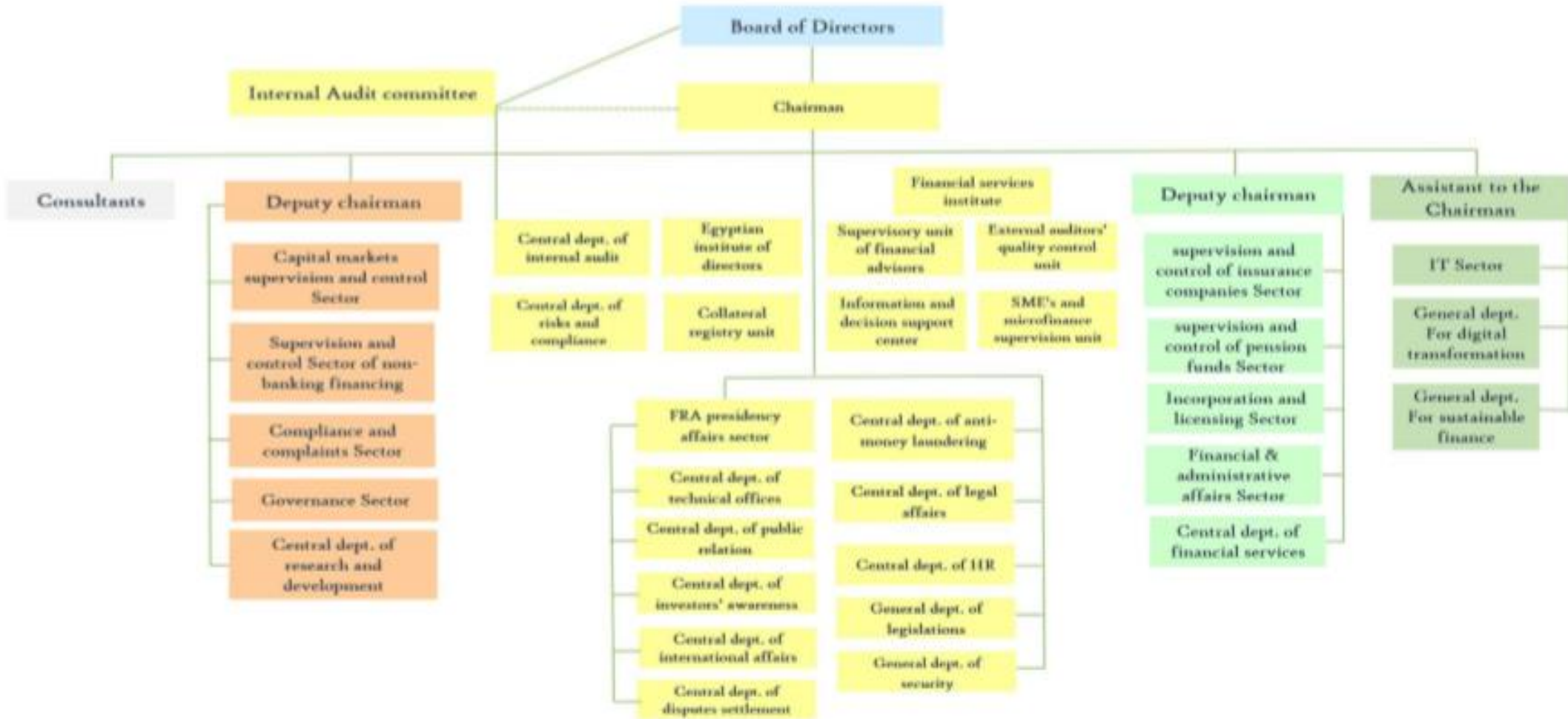
1. Create an inclusive non-banking financial system stimulates economic growth;
2. Improve financial inclusion, contain marginalized groups and contribute to sustainable development;
3. Improve the competitiveness of the Egyptian economy and enhance its attractiveness to foreign investment;
4. Strengthen the legislative framework of the non-banking financial sector;
5. Improve governance and prudent management and strengthen institutional framework of the sector;

6. Improve transparency and combat corruption;
7. Develop the financial markets and introduce innovative non-traditional financial solutions and services;
8. Greater openness of the NBFIs to the global economy;
9. Better risk management and promote the integrity and stability of the financial system; and
10. Raise levels of the financial literacy and awareness.

FRA enjoys full independence statues guaranteed by the Constitution to help, protect and stabilize Egyptian financial system.

FRA'S ORGANIZATIONAL STRUCTURE

FRA Structure



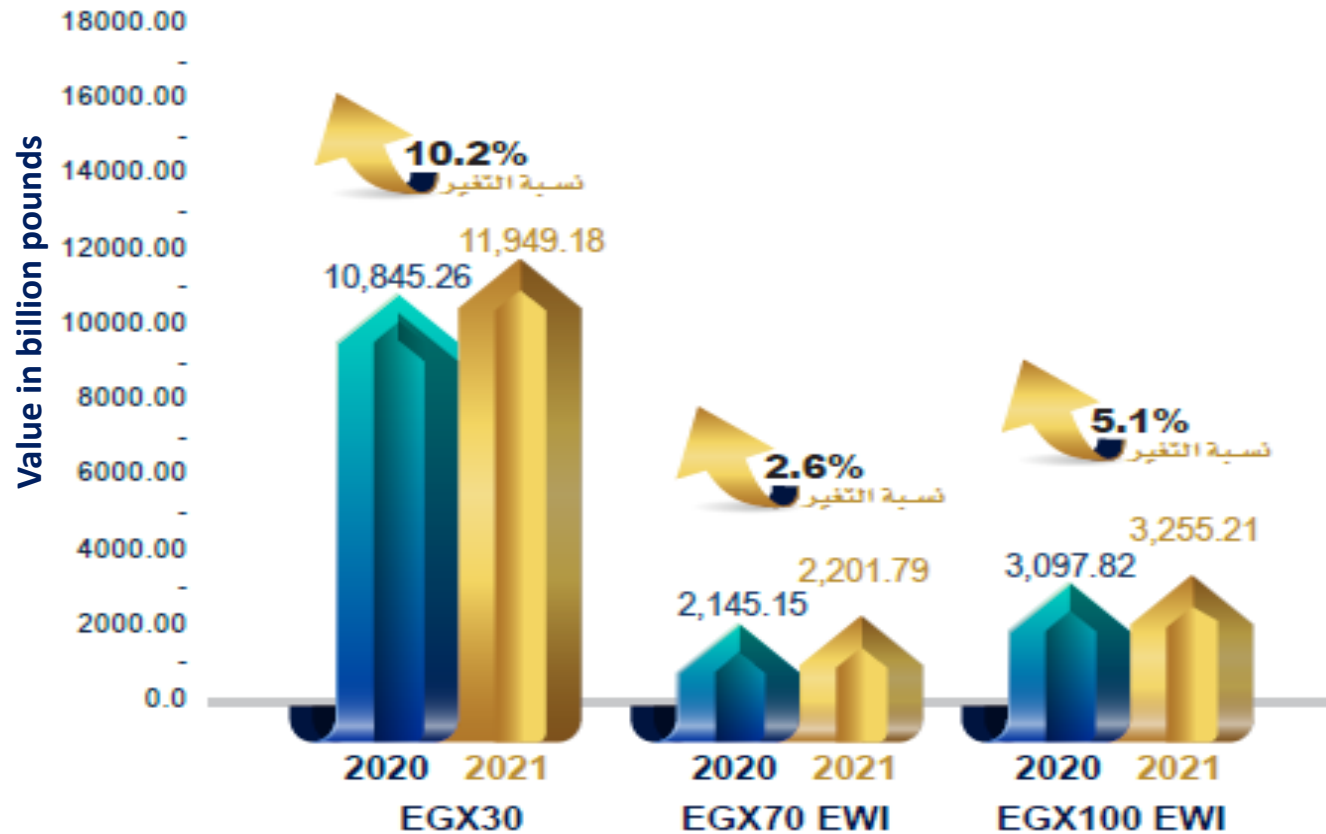
OVERVIEW OF THE SECURITIES MARKET IN EGYPT

The non-banking financial services sector services the economy through the Capital Markets, specifically the stock and bond markets. The Egyptian Stock Market indices has performed exceptionally well.

The Egyptian Stock Exchange indices recorded an increase during 2021, as the main index EGX30 scored about 11,949.1 points (at the close of 2021), with an increase rate of 10.2% over the previous year, while the rate of increase in EGX70 and EGX100 indices during this year reached 2.6% and 5.1% respectively.

The total trading value increased by a rate of 46%. The value of stocks trading achieved an increase rate of 49%, while the value of bonds trading reached an increase rate of about 44%.

Performance of Egyptian Stock Market Indices during 2021



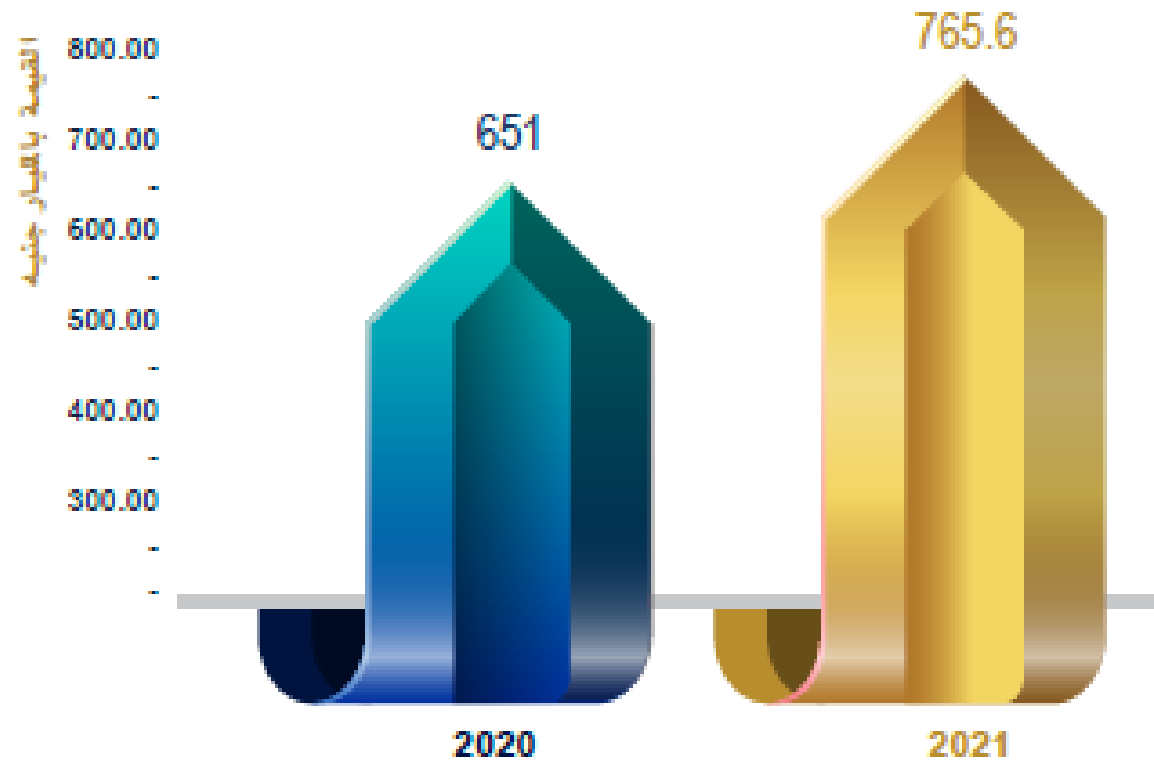
The Capital Market indices witnessed a remarkable growth during 2021, as a result of the Egyptian economy's recovery from the slowdown accompanied COVID-19 Pandemic during 2020. The value of Stock, Bond and Sukuk issuances increased with a growth rate of 44.7%.

Year 2021 also witnessed the first issuance of Green Bonds in Egypt with a value of \$100 million in cooperation with the International Finance Corporation to support the Egyptian economy transformation into a green economy.

Market capitalization of listed stocks increased by 17.6% during this year, reaching 765.6 billion pounds at the end of 2021, compared to 651 billion pounds at the end of 2020.

Market Capitalization

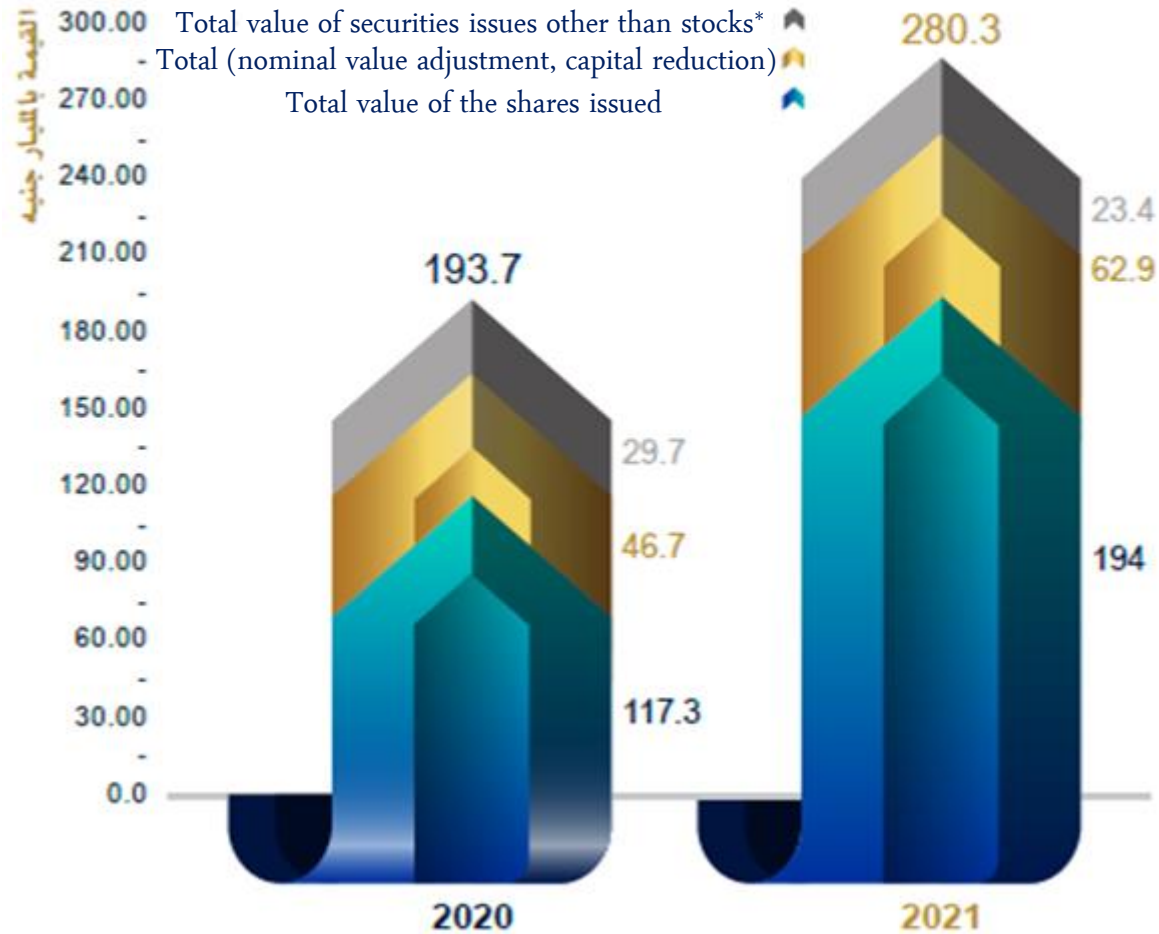
17.6%
نسبة التغير



The most important investment institutions are Mutual Funds (equity funds, money and fixed income and balanced funds). The investment sector institutions include: Private Equity Funds, Portfolio Management Companies and other financial institutions. All these institutions inject investments into real economy sector, either directly or indirectly.

Private Equity Funds invest in listed and unlisted securities and may engage in Venture Capital business. Venture Capital companies provide a unique form of investment that only available via the non-banking financial sector, which specialized in investing in opportunities of high-risk and high value-added projects, including advanced technology companies such as: Information Technology and Software.

Value of the securities issues



Securities other than stocks include securitization bonds, corporate bonds, green bonds, and sukuk

AS A SUPERVISION AND INSPECTION SPECIALIST ...

My duties are as follows:

- Help in forming inspection plan through Risk Based Supervision Matrix.
- Perform field periodic/sudden inspection to corporates operate in Capital Market.
- Ensure compliance with Capital Market Laws and the financial regulations.
- Assure Corporate Governance principles are applied correctly in each company.
- Prepare technical reports with recommendations and/or violations included.
- In violation cases, corrective actions shall be prepared and presented to companies.
- Represent the Financial Regulatory Authority in Economic Courts, if needed.
- Contribute in committees formed to investigate financial issues in capital market.
- Work with executive teams to prepare and share reports and analysis findings.

Thank you!