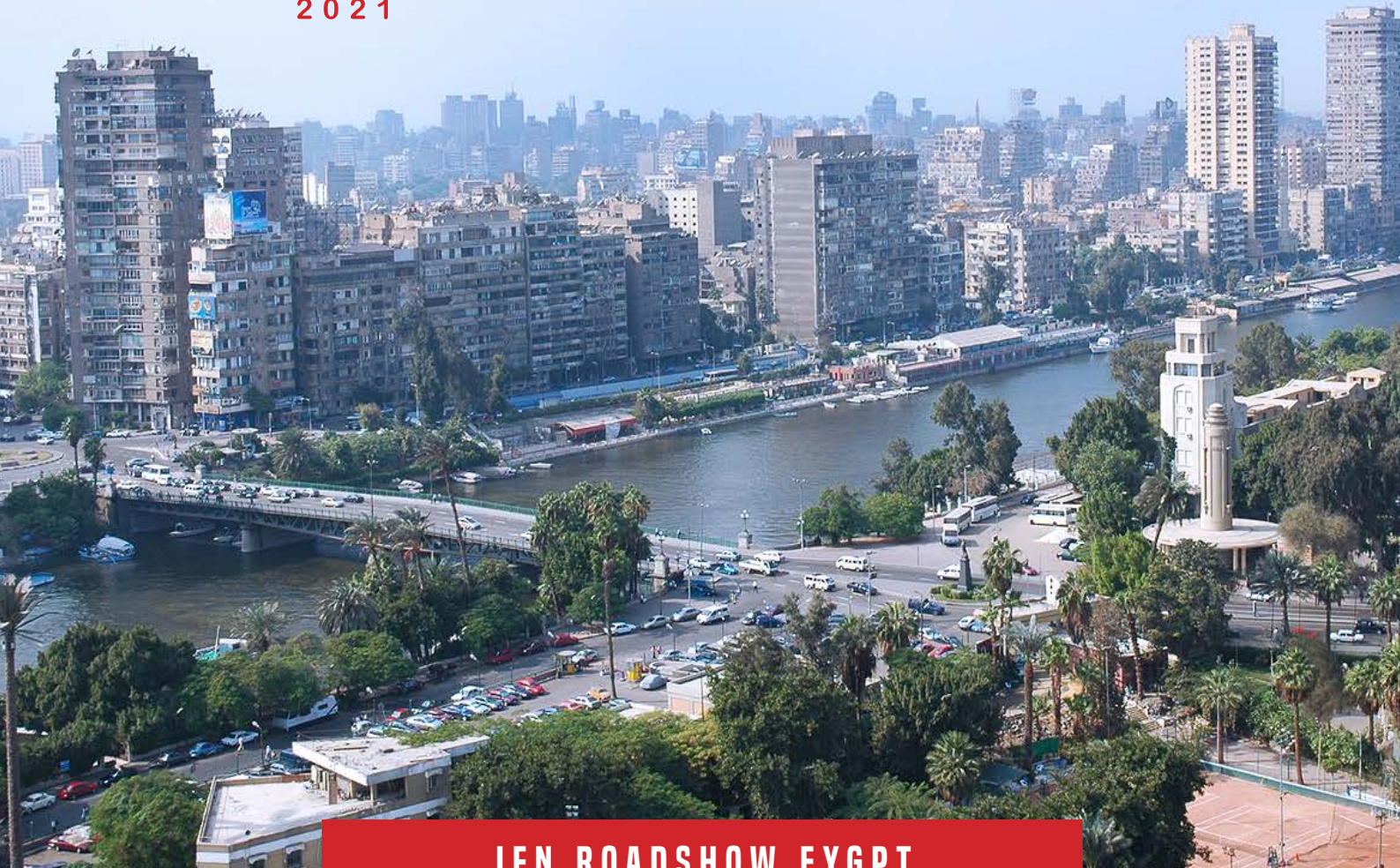


IFN ROADSHOW

On Air 2

EGYPT
2021



IFN ROADSHOW EGYPT
13TH DECEMBER 2021

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EGYPT



ISLAMICFINANCENEWS



Brave New World: Islamic Banking, Finance and Investment in Egypt

Panelists:



Vineeta Tan — Managing Editor,
Islamic Finance *news* (Moderator)



David Testa — Executive Director, DDGI



Hossam Abdullah — Legal Counsel &
Managing Partner, Hossam Al-Hossam
Legal – Al-Turqi & Partners



Ghada Essam — Head of Strategy, Ideal Ratings



Samar Abuwarda — Vice-President,
Investment Banking, Intercap Capital

After years of struggling to launch, Egypt's Sukuk market has finally taken off with the issuance of the country's first corporate Sukuk in 2020. The Egyptian House of Representatives has also given its final approval for the draft Sovereign Sukuk Law, which outlines the terms for issuing sovereign Sukuk.

Most major Egyptian banks offer a range of Islamic corporate and retail financial products and have their Shariah boards. These banks may also offer conventional finance products in addition to Islamic products.

What does the Egyptian Islamic finance landscape look like in 2021 and what does the domestic Islamic finance ecosystem require from regulators and market participants for it to flourish.

What do the recent Sovereign Sukuk law, as well as the recent first corporate Sukuk, mean for Islamic capital markets in Egypt, and how can Sukuk be effectively deployed to finance the corporate, financial institution and government-linked sectors?

Finally, with ESG and sustainable finance and investment making a significant impact in North Africa, how can Egypt capitalize on this growth, and where and how can Shariah compliant finance contribute?



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An Award for the IFN Sovereign & Multilateral Deal of the Year 2020 for ICIEC's EUR 143 million cover of the financing for the construction of two new hospitals in Côte d'Ivoire.



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مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group



Egypt: Islamic capital market makes great strides

After years of struggling to launch, Egypt's Sukuk market has finally taken off with the issuance of the country's first corporate Sukuk last year. **NESSREEN TAMANO** highlights other top developments in the North African nation's Islamic finance and banking industry in the last 12 months.

Regulatory landscape

Islamic banks fall under the purview of the Central Bank of Egypt, with no dedicated regulation except for a decentralized Shariah board regulating Islamic financial activities and their compliance.

A Sukuk law was first passed in 2013 only to be repealed in 2017 to establish a new legislative framework for Sukuk issuance and trading in the country. In 2020, Capital Market Law No 95 was updated to include the introduction of new Sukuk structures in the market as the government worked on measures to stimulate the economy amid the COVID-19 pandemic.

Banking and finance

There are three fully-fledged Islamic banks in Egypt: Al Baraka Bank Egypt, Faisal Islamic Bank and Abu Dhabi Islamic Bank Egypt. Other banks — 14 in total — offer Shariah compliant products on a window basis, including Ahli United Bank, which has been said to have plans to become a fully-fledged Islamic bank.

As at the end of September 2020, Islamic banking assets in Egypt stood at EGP355 billion (US\$22.63 billion) or 5.5% of the total banking sector, representing a growth rate of 13.6% compared with the same period in 2019, according to the Egyptian Islamic Finance Association. Islamic deposits also grew 10%, accounting for 7.5% of the total market.

In the leasing segment, there are two fully-fledged Shariah compliant leasing companies in the country, which have been allowed by recent mortgage laws to offer Ijarah, Musharakah and Murabahah products.

Sukuk

A sovereign Sukuk issuance worth up to US\$1.5 billion has been in the pipeline since 2012, but has not materialized yet, despite new regulations being issued to further support the Sukuk market. In 2020, the Ministry of Finance said it will continue with the plan to issue in both the local and international markets during the fiscal year that started in July 2020 as part of the country's debt strategy, pending approvals from the regulators.

Holdings company Talaat Moustafa Group became the first corporate Sukuk issuer in the Egyptian market in April 2020, with a EGP2 billion (US\$127.47 million) facility issued

by one of its subsidiaries. The landmark transition was a nudge for other corporates looking to issue Sukuk, resulting in a busy first year for the country's Sukuk market.

Financial services company Sarwa Capital issued a EGP2.5 billion (US\$159.34 million) Sukuk facility in December 2020 and education services provider Cairo for Investment and Real Estate Development issued a EGP600 million (US\$38.24 million) Islamic paper in January 2021.

At least six other companies, including real estate developer Amer Group, are said to be planning Sukuk issuances within the year.

Takaful

The Takaful sector, comprising nine fully-fledged Islamic insurance operators, is regulated by the Egyptian Financial Regulatory Authority (FRA), which does not allow the operation of Takaful windows.

In 2020, state-run Misr Insurance Holding signed an agreement with the National Bank of Egypt and Banque Misr to establish a life Takaful insurance firm with a capital of EGP150 million (US\$9.56 million).

That same year, re-Takaful operator Kenya Re announced plans to enter the Egyptian Islamic reinsurance market, while the FRA approved capital contributions to be made by commercial insurance companies to Takaful companies.

The IsDB

The IsDB's cooperation portfolio with Egypt stands at US\$13.2 billion to date, with a total of 342 projects. In particular, the multilateral bank's trade arm, the International Islamic Trade Finance Corporation (ITFC), has been actively investing in Egypt's oil, mining and energy sectors, and supporting its economic reform program.

Most recently, the ITFC strengthened its framework of cooperation with Egypt with a new 2021 program worth US\$1.1 billion focused on integrated trade solutions.

The new framework continues the 2015 agreement signed by both parties that features a US\$3 billion package to accelerate the growth of Egyptian SMEs.

Outlook

While the corporate Sukuk landscape has seen much activity, the sovereign Sukuk space is moving at a slower pace, but the government has not abandoned plans to enter the Islamic capital market. With strong regulatory support and government backing, industry experts expect to see Islamic finance grow in the coming year.



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ITFC is a catalyst for trade development among OIC Member Countries and beyond

The International Islamic Trade Finance Corporation (ITFC) is a member of the Islamic Development Bank (IsDB) Group. Commenced operations in January 2008, ITFC has provided more than US\$55 billion of trade financing to OIC Member Countries, making the Corporation the leading provider of trade solutions for OIC Member Countries' needs. With a mission of being a catalyst for trade development among OIC Member Countries and beyond, the Corporation helps entities in Member Countries gain better access to trade finance to support their critical sectors; and provides integrate programs: capacity building and trade development, which would enable them to successfully compete in the global market.

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Overall Evaluation Online Event

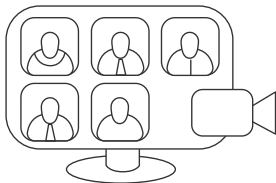


Speakers



Breakdown Delegate

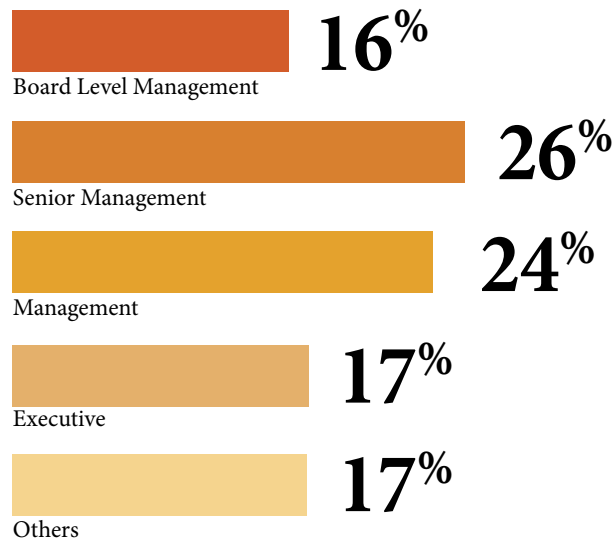
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Delegates



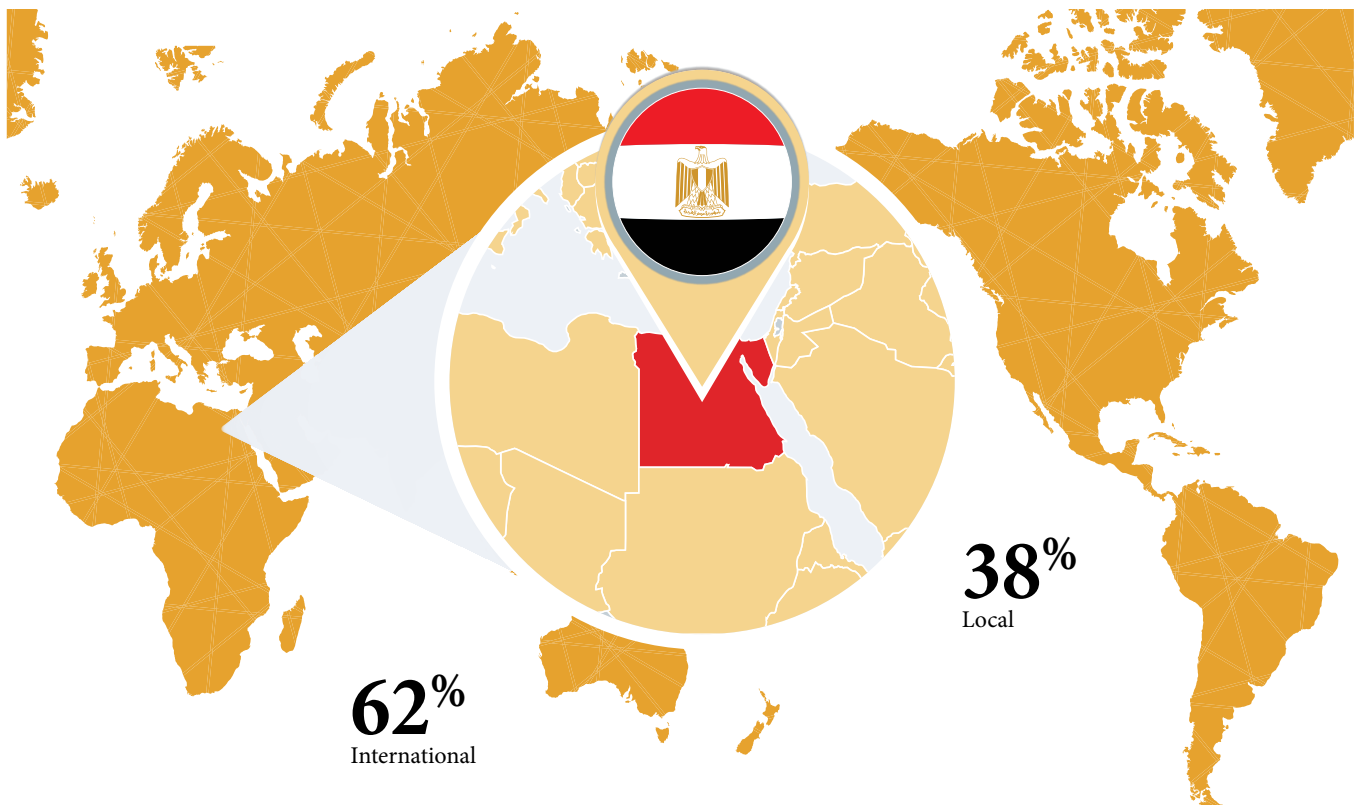
■ ONLINE CONFERENCE ■

5%
Speakers

Job Title

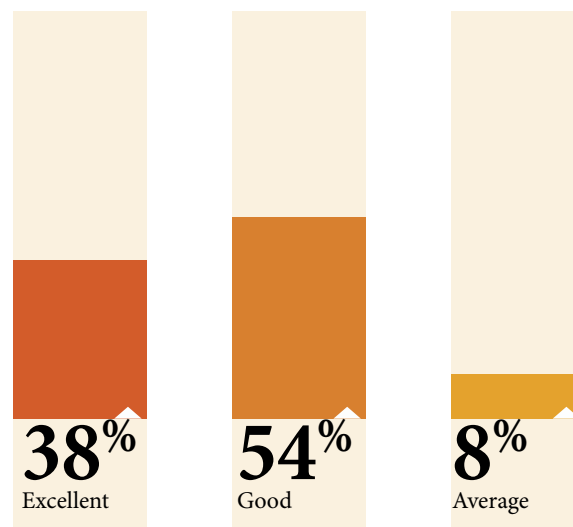


International & Local



Session Evaluation

Brave New World: Islamic Banking, Finance and Investment in Egypt



Delegates Who Would Like to Attend IFN Egypt OnAir Roadshow 2022



Viewership



AD Capital	Ideal Ratings
AHC Consulting	Infopro
Ajarinvest (CDG)	Intercap Capital
Al Akhawayn University	Islamic Development Bank ICIEC
AL Akhdar Bank	ISRA, Malaysia
Al Maali Group	Izem Consulting
Al Yousr Bank	KFH Capital Investment Company
Alvarez & Marsal	Maples and Calder
AMMC	MEC International
Attijariwafa bank	Mohammadia School of Engineering
Axa Assurance Maroc	Mohammed V University
Bank Assafa	Neutrinos
BMCE Bank of Africa	Path Solutions
BMCE CAPITAL	RMA Assurance
BNP Paribas Malaysia	Salaam Gateway
Citycode Trust & Investment	Sopra Banking Software
Clifford Chance	Taiba group
Dar Al Amane	Teamwill Consulting
DDCAP	Tejara Capital
DDGI	UAE Exchange
Dubai Media City	Umnia bank
Elite partners	Upright MC/ Masraf AlRayan bank
Eminence Global Asset Management	Vigeo Eiris
Ethical Finance	
Financial Regulatory Authority	
FTI Consulting	
Hassan II University	
Hossam Al-Hossam Legal – Al-Turqi & Partners	
ICD, IsDB Group	

IFN ROADSHOW

On Air

2022

NORTH AMERICA



IFN ROADSHOW
NORTH AMERICA INVESTMENT
2022

22nd August 2022

ASIA



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AUSTRALIA
2022

1st June 2022



IFN ROADSHOW
BANGLADESH
2022

6th June 2022



IFN ROADSHOW
PAKISTAN
2022

8th June 2022



IFN ROADSHOW
SINGAPORE
2022

13th June 2022



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SRI LANKA
2022

16th June 2022



AFRICA



IFN ROADSHOW
EGYPT
2022

1st August 2022



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KENYA
2022

3rd August 2022



IFN ROADSHOW
MOROCCO
2022

8th August 2022



IFN ROADSHOW
SENEGAL
2022

10th August 2022



IFN ROADSHOW
SOUTH AFRICA
2022

15th August 2022

MIDDLE EAST & EUROPE



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BAHRAIN
2022

4th July 2022



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TURKEY
2022

6th July 2022



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CIS & RUSSIA
2022

13th July 2022



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KUWAIT
2022

18th July 2022



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QATAR
2022

20th July 2022