Role of Financial Education in supporting development of capital markets
Market Structure

- Investment firms/banks offering investment services
  - 12
- Management Companies of CIS
  - 5
- Pension Funds Management Companies
  - 4
- Tied Agents
  - 5

- 1 Exchange
- 2 Registrars
- 9 Custodians
- 4 Depositaries (CIS)
- 5 Depositaries (PF)
- 9 Banks
- 2 Investment Firms
- 1 Financial Adviser
**67 yrd ALL**
Total Net Assets
*(as of 30.09.2020)*

5 Management Companies

### ALBANIAN GOVERNMENT SECURITIES

The majority of net assets is invested in Albanian Government Securities.

Other investments include, Gov Bonds of other countries, Corporate Bonds, UCITS Funds, Shares.

80% of the total net assets are invested in Albanian Government Securities.

### Market Data (investment funds)

<table>
<thead>
<tr>
<th>Year</th>
<th>Values in Mio ALL</th>
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<tbody>
<tr>
<td>2016</td>
<td>65,429</td>
</tr>
<tr>
<td>2017</td>
<td>72,717</td>
</tr>
<tr>
<td>2018</td>
<td>66,087</td>
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<tr>
<td>2019</td>
<td>67,788</td>
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GDP: 3.95%

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<tr>
<th>GDP Percentage</th>
<th>2016</th>
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<th>2018</th>
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<tbody>
<tr>
<td></td>
<td>80%</td>
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Albania ranks lower than other peer countries in relation to financial inclusion

- 39% have a bank account
- 27% have a debit card
- Very low usage of online services to purchase goods/services

Source: Global Findex 2017 Database, World Bank
New Legal Framework

Law 56/2020 “On Collective Investment Undertaking”


Law 66/2020 “On financial markets using DLT technology”
Capital Markets are at a very early stage of development

New legislation creates opportunities for development of new products

• New types of collective investment schemes

• New Capital Market products

• New products based, based on technology (ie, DLT technology)

These products create new opportunities and at the same time they have some risks

**Challenge: Financial Education of the public**
Financial education strategy should involve also capital market products, as well as investment funds, pension funds, and also DLT products.

Educational programs should consider all new technological developments by increasing awareness on the benefits and risks representing these developments.

Increase of financial inclusion requires the need to develop new products and services.
“Strategy for increase of consumer/investor confidence for markets under supervision (2017-2020)”

- Information and awareness campaigns for the public
- Activities at universities, organization of open lectures etc.
- Organization of the annual financial education conference
- Internships
Financial Education Strategy (2)

- Brochures and information materials
- Organization of the World Investor Week supported by IOSCO
- Continuous collaboration with the market as well high level education institutions
- Continuous meetings with the Albanian Network of Financial Education (ANFE)
Objectives

✓ Education of target groups of professionals related to markets under supervision

✓ Communication with target group of professionals, with a different level of income that could be potential investors in these markets

✓ Increasing awareness towards the young population, on the opportunities of investments, as well as knowledge of non bank financial markets

✓ Increasing awareness of the market for the benefits and opportunities that are created by the new legislative framework

✓ Organization of advisory groups, as well as ready to collaborate with other institutions for creation of a national platform for financial education
Thank you!